



# City of Madison Heights

Michigan



## Proposed Annual Budget

Fiscal Year 2011-2012



Cover Photos left to right:

Madison Heights clock tower with DDA hanging baskets

Groundbreaking for Seasons Hospice addition

Corner of Progress & Commerce Drive

First Madison Heights Habitat for Humanity House

Newly dedicated Monroe Park, constructed on the site of the demolished Monroe School



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO  
**City of Madison Heights  
Michigan**

**Special Capital Recognition**

For the Fiscal Year Beginning

**July 1, 2010**

Two handwritten signatures are positioned above the titles of the President and Executive Director. The signature on the left is for the President, and the signature on the right is for the Executive Director.

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Madison Heights, Michigan for its annual budget for the fiscal year beginning July 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Edward C. Swanson  
Mayor

# Mayor and Council



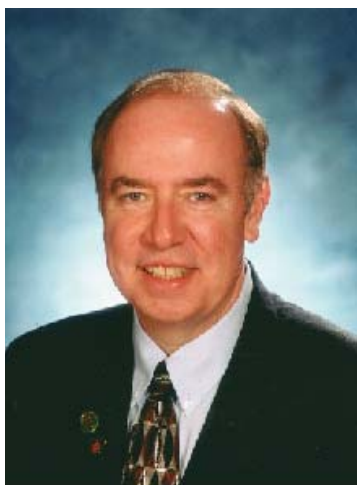
Brian C. Hartwell  
Mayor Pro Tem



Margene A. Scott  
Councilwoman



Richard L. Clark  
Councilman



Robert J. Corbett  
Councilman



Kyle W. Gerald  
Councilman



Robert B. Gettings  
Councilman



# **City of Madison Heights Proposed Annual Budget Fiscal Year 2011-12**

## **Mayor**

Edward C. Swanson

## **City Council**

Brian C. Hartwell  
Margene Ann Scott  
Richard L. Clark  
Robert J. Corbett  
Kyle W. Gerald  
Robert B. Gettings

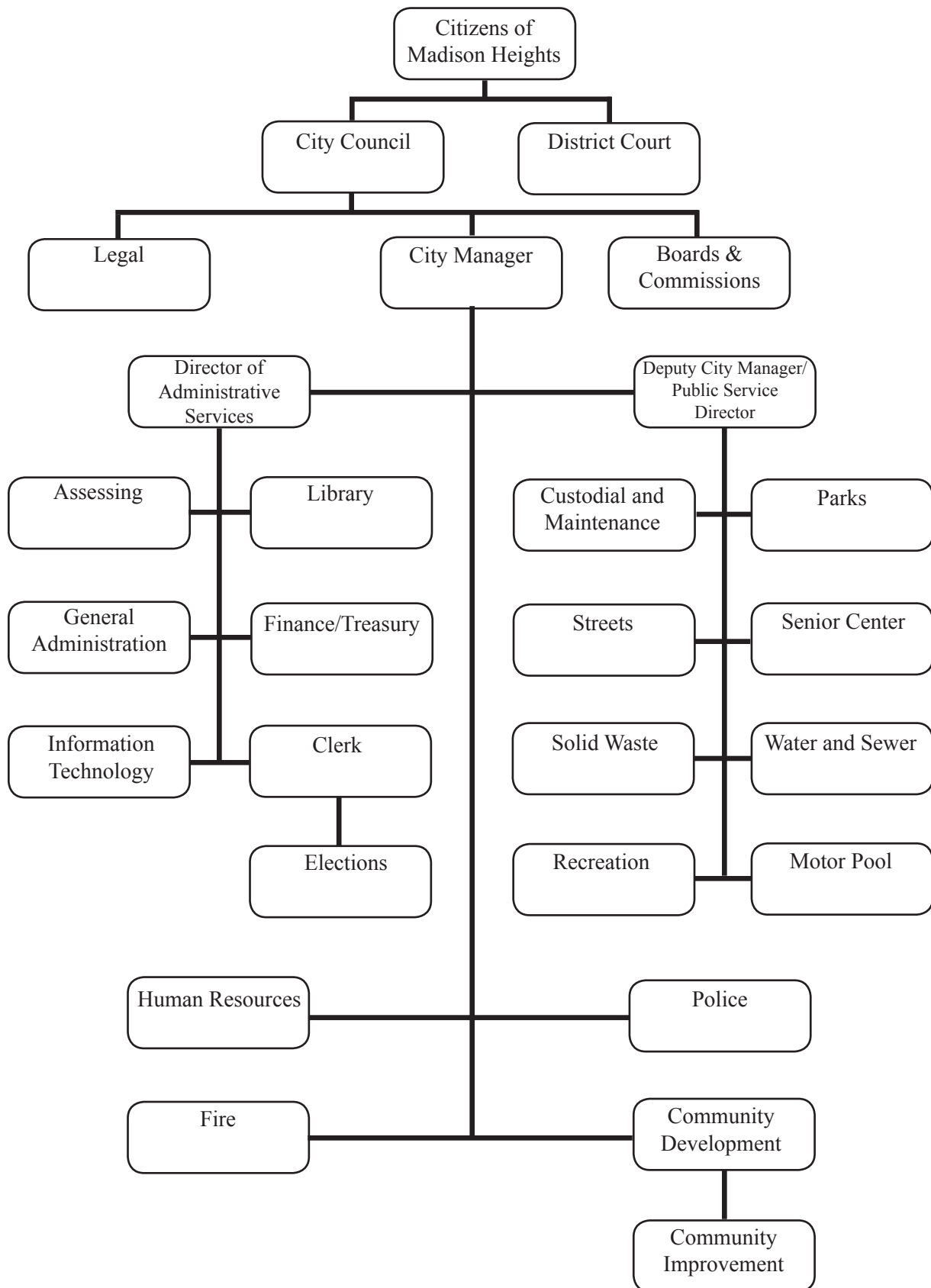
## **City Manager**

Jon R. Austin

## **Director of Administrative Services**

Melissa R. Marsh

# City of Madison Heights Organizational Chart



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# City of Madison Heights

|                                                        |                                             |                                                 |                                                        |
|--------------------------------------------------------|---------------------------------------------|-------------------------------------------------|--------------------------------------------------------|
| <b>City Hall Municipal Offices</b>                     | <b>Department of Public Services</b>        | <b>Fire Department</b>                          | <b>Police Department</b>                               |
| 300 W. Thirteen Mile Road<br>Madison Heights, MI 48071 | 801 Ajax Drive<br>Madison Heights, MI 48071 | 31313 Brush Street<br>Madison Heights, MI 48071 | 280 W. Thirteen Mile Road<br>Madison Heights, MI 48071 |

April 1, 2011  
Budget Message  
Fiscal Year 2011-12 Budget

Honorable Mayor and Council:

Pursuant to Section 8.2 of the Madison Heights City Council Charter and the Michigan Uniform Budget Act, P.A. 621, transmitted herein are the consolidated Proposed Budget for the Fiscal Year (FY) beginning July 1, 2011 and the Five Year Capital Improvement Plan for FY 2011-16. The Budget provides the annual financial plan for management of the City's affairs. The document compiles the financial data needed to support the City of Madison Heights's comprehensive decision-making and policy development process. This Budget is based on the Five Year Capital Improvement Plan, the City's financial policies, City Council gap reduction priorities, and City Manager and departmental review of operations.

The total budget equates to \$48.6 million and represents an increase of \$2.0 million or 4.4% over the prior year. The entire increase in the Budget can be attributed to pulling forward the 2012 Proposal "R" neighborhood road improvement projects (\$2.4 million increase) and the new federally funded fire manning grant (\$232,000). The process was very difficult this year given current and future financial challenges.

## **Introduction**

First, I'd like to commend the work of the Department Heads, and especially our Director of Administrative Services, for an excellent effort in creating proposals to address our financial challenge. I would also like to thank the City Council for their feedback in prioritizing the Gap Reduction Proposals. Certainly, we are in for more difficult times ahead, but I believe that our team has the skills, experience and dedication to continue to work together to develop the best plan for our City going forward.

Second, I would like to acknowledge that neither staff nor the City Council wants to see programs and services reduced or fees increased. As the City Council is aware, the City has the responsibility to determine the prioritized needs of the community and work to balance those needs against available resources, building a balanced consensus-based Budget.

## **Financial Challenges**

The reality facing Michigan is that our State continues to trail the nation in terms of economic recovery, and although there are positive signs related to the turnaround of the auto industry, unemployment remains unacceptably high and job growth is lagging. Further compounding Michigan's situation, the financial funding models of our state and local governments are unsustainable.

Despite conservative and sound financial management, the City of Madison Heights faces a severe funding crisis that is affecting all Michigan municipalities. Following a two-year decrease in City property tax revenue, staff now forecasts an additional reduction of \$2.5 million in City property tax revenues and \$400,000 in State revenue sharing over the next year. The resulting \$4.8 million gap between revenues and expenditures in this year's upcoming Budget is projected to increase to \$5.8 million by 2014. Over the last two years, the City has implemented \$5.2 million in gap measures and cut back some City services while trying to maintain

core services. To eliminate the shortfall and keep the budget in balance as required by law, City Council requested additional gap reduction measures from all available options as part of the Budget beginning July 1, 2011. Last December, the City Manager and staff recommended additional employee pay and benefit concessions, expenditure reductions and alternative funding to maintain the Library and avoid additional layoffs of essential public safety and service employees.

After considering all options, City Council approved two ballot proposals for the May 3, 2011 Election:

1. **Ballot Proposal “L”** - to establish up to 1 mill of dedicated property tax levy to ensure the continued operation of the Library and to partially restore reductions made over the last few years; and
2. **Ballot Proposal “MR”** - to restore the millage, authorized by Madison Heights voters, lost as a result of the State-approved Headlee Amendment and to avoid layoffs of Police, Fire and Department of Public Services employees.



Given that the Proposed Budget, under the City Charter, is due to Council by the third Monday in April, the Budget was prepared assuming no revenue from the ballot proposals.

### **Funding Trouble in Detail**

With the near collapse of the American automotive companies, State and national recession and resulting high unemployment and home foreclosures, the City has seen a deep decline in property values. Property taxes make up 63% of the City’s General Fund revenues that support the basic core services of the community.

Over the last five years, the market value of the average single-family home in Madison Heights has dropped from \$138,480 to \$89,900, or 36%. Staff forecast that this decline will continue for at least the next three years, when the average market value will have dropped to \$70,610, a 49% decline during this eight year period.

The City’s second largest source of General Fund Revenue is State Shared Revenues, which amount to \$2.4 million or 8.5% of the Budget. The major components of State Shared Revenues are the Constitutional Sales Tax (\$1.8 million) and the Statutory Sales Tax (\$200,000).

State Shared Revenues are taxes collected by the State and transferred back to municipalities based on the State Constitution and laws. In the last 10 years, the State has frozen or cut Statutory Shared Revenues, costing the City \$1.9 million annually in lost revenue.

Prior to bringing forward any ballot issues, City Council directed that everything be done to reduce costs, such as efficiency measures, downsizing the workforce, labor contract concessions, adjusted user fees, elimination of lower priority services, a safe drawdown from Fund Balance, and layoffs.

### **Property Values**

Beginning in 2006 and 2007, Michigan has seen a general decline in the values of properties sold in the real estate market. When a property’s value declines, so does its assessed value. It is important to remember that taxable value of individual properties can continue to increase by the lower of inflation, or five percent, but can be no higher than the assessed value. It was common for communities to have significant differences between total taxable value and total assessed value prior to 2007.

Because the taxable value is calculated individually for each property, a general decline in the real estate market will eventually decrease a community's taxable value. In effect, the gap between assessed value and taxable value has decreased and has disappeared for 99% of property owners in Madison Heights. Property tax revenues are projected to fall over the next two years. Due to the State mandated assessment process that sets values based on sales data that are 9 to 21 months old, property revenue recovery will trail the housing market recovery by over a year.

Foreclosure rates increased substantially from 2005 to 2008 across the state as more and more homes were placed for sale as jobs were lost. Given the magnitude of the job losses, fewer and fewer people are able to buy homes. Foreclosures were high but slightly down in 2009 due to federal home buyer incentives, but increased again to record levels in 2010.

This housing market has had a direct impact on Madison Heights. Foreclosures tend to drop the values of other homes as depressed price points from lender liquidations compete with the prices obtainable in regular transactions.

In 2010, overall residential property values in Madison Heights decreased by 15%. It is estimated that in 2011, assessed residential values will actually decrease by more than 7.5%, and for at least the next year, the assessed values will continue to fall. This decline in values will impact the amount of tax revenue available to support City services.

It is important to note that property values are less sensitive to short-term fluctuations in the economy, and once an economic recovery begins, it will also take longer for property values to rebound. Since the property tax revenue collected by the City is derived from property values, this projected prolonged downward trend presents a substantial long-term budget challenge, given that property tax revenues account for 63% of the City's General Fund revenues.

The State's funding model for local government is broken, and it no longer generates enough resources to maintain high quality local government services across the State. The State's inability to make the necessary budget/funding changes has resulted in a structural deficit. Federal Stimulus monies are no longer available to fund recurring state program costs.

The State continues to have instability in its budget. Their unfunded pension obligation is in excess of \$13 billion. The unfunded retiree health care obligations are over \$40 billion. The State's bond rating is declining. The State failed to factor into school funding the impact of rising foreclosures and declining taxable values, and they have exhausted reserves, which has resulted in cash flow problems. Although Governor Snyder has laid out his aggressive plan to cut business tax and fund the lost revenues by taxing retirees and cutting higher education and local government, the Governor's plan still needs to be acted on by the State legislature.

### **City Response**

Due to declining property tax revenues (down \$2.5 million per year), and cuts in State Shared Revenues, the City cannot fund our current services. To address declining revenues, the City has already reduced its workforce by 36%, closed the Branch Library and Youth Center, cut all paid staff from the Nature Center, cut operating hours at the Senior Center, Main Library and City Hall, contracted out trash collection, custodial and assessing services, consolidated Animal Control with Hazel Park and eliminated funding for the Spring Clean Up Day, Boards and Commissions Dinner, February Coffee Concerts, TGIF Summer Concerts, Memorial Day Parade, Festivals in the Park and Tree Lighting.

The City's largest resources include property tax, state shared revenues, interest income and others that are declining due to their direct relationship to the economy and housing market. Significant reductions in staffing have already been implemented in Madison Heights, but retiree related legacy costs have risen due to market investment declines and increasing medical costs. This is compounded by new accounting standards which require valuation of other post employment benefits (OPEB). In summary, getting by on less is the new budget reality.

### **General Fund Overview**

Faced with a projected \$4.8 million revenue-expenditure gap and based on staff and City Council input, staff has programmed \$1.1 million in additional revenue and \$1.4 million in expenditure reductions, reducing the gap to \$2.3 million.

Although we would prefer to not use reserves to fund ongoing expenditures in this way, the use of \$2.3 million in fund balance will allow the City to avoid further service reductions and preserve basic services. Our two-part plan is first to resolve the expired Firefighter and Police Command labor agreements and the eight new labor agreements that start July 1, 2011, so that the City will be able to generate savings to make up for some of the use of fund balance in the following budget years. Second, on May 3, 2011 voters are being asked to consider two ballot issues that would generate additional funding, as much as \$1.6 million, that would also reduce the use of fund balance.

Compared to the FY 2010-11 Amended Budget, spending is down \$776,000 or 2.7%. This reduction is being driven by declines in the property tax revenues of \$2.5 million (12.0%) and projected cuts in State Shared Revenues of \$401,000 (16.4%), which is partially offset by a \$782,000 projected increase in Court Revenues, and the \$1.4 million increase in prefunding of the non-sworn post-retirement medical benefits.

In regard to the impact on Madison Heights residents, the average home market value in Madison Heights has dropped from \$88,900 to \$76,320 as of December 31, 2010. Although the dropping of the values of homes in our communities is discouraging, this does provide a benefit to the homeowners, as the average taxable value has dropped from \$44,035 to \$37,393 or 15.1%. The homeowner benefits as their City portion of their property tax drops \$93 per year. The \$93 per year savings is equal to a 2.5 mill rollback, a huge break for taxpayers.

### **General Fund Gap Reduction Measures**

The basis for the selection of the Gap Reduction Measures included the original Department Head proposals, Council rankings, a goal to avoid service reductions and a refinement of the department revenue and expenditure estimates to improve accuracy.

The revised \$4.8 million gap projection was resolved by:

|                         |                  |              |
|-------------------------|------------------|--------------|
| Increasing Revenues     | \$ 1,072,000     | 22.2%        |
| Decreasing Expenditures | 1,438,000        | 29.7%        |
| Use of Fund Balance     | <u>2,328,000</u> | <u>48.1%</u> |
|                         | \$4,838,000      | 100.0%       |

The most significant savings from the Gap Reduction Measures were those that involved the downsizing of the City workforce by 8 full-time and 5 part-time positions. The Personnel Chapter of the Budget outlines these changes.

The Revenue, Appropriations and General Fund Departmental Summary Chapters outline the details of the remaining Gap Reduction Measures.



## **Labor Negotiations**

In the City of Madison Heights today, 154 of 162 employees, or 95% of the full-time workforce, belong to one of eight bargaining units. Of course, with this high percentage of unionized workforce, it is very time consuming, costly and difficult to initiate the type of rapid change that is necessary now to meet our immediate financial challenges.

Of the City's eight bargaining units, six have current contracts in place that run through June 30, 2011. Two unions; Police Officers Labor Council (Police Command Officers) and the International Association of Firefighters, are working under expired contracts. Both the Police Command Officers and Firefighters have forced the City into statutory Public Act 312 binding arbitration. Under current State law the binding arbitration process typically takes one to three years to complete. In addition, the six unions with settled contracts will all expire before the start of the next Budget year. Given the need to obtain both wage and benefit concessions from our labor unions, the process to put together this year's Budget and implement gap reduction measures continues to be extremely difficult.

The five of six bargaining units (and the non-union employees) that have current agreements include: the Madison Heights Court Clerk's Association; the Department Heads AFSCME Unit; the Supervisors and Assistants AFSCME Unit; the Department of Public Services Field Employees TPOAM; and the Municipal Employees TPOAM Unit, agreed to open their contracts up last Spring to accept both wage and benefit concessions including unpaid holidays and furlough days totaling a 6% rollback. The management negotiation team will continue to work toward implementation of additional concessions based on Council direction.



## **Other Funds**

The Major Street Fund is projected to be down \$313,000, or 19.4%, in FY 2011-12. A total of \$271,000 is allotted for much needed repairs to John R and Whitcomb in an attempt to extend their life until additional funding is available for full rehabilitation. In an effort to accumulate a 50% match for an anticipated 2015 \$855,000 grant for long term John R rehab, the first of four appropriations is scheduled in the form of a \$214,000 transfer from the General Fund.

The Local Street Budget increases by \$2.4 million in FY 2011-12. On the revenue side, an area of concern is the drop in property tax revenue of \$305,000 (14.8%). The budget includes a drawdown of reserve funds of \$2.2 million for scheduled Proposal "R-2" projects. To address a prior problem with the non-R portion of the Fund, a \$200,000 transfer from Major to Local Street Fund has been made. To eliminate the drain on the Major Street Fund, the General Fund will make a \$200,000 transfer to free up funding for needed major street repair projects.

The Water and Sewer Fund Budget has increased by \$533,000, or 5.5%, over the last year. The City is doing an excellent job of reducing our internal cost and rebuilding cash reserves. The principal funding problem stems from the projected increase in rates of 6% from the Detroit Water and Sewage Board for water and 12.5% from the Oakland County Water Resources Commission for sewage treatment, resulting in a combined increase of \$452,000 next year. The staff is recommending a 9.8% increase to keep the Fund financially sound.

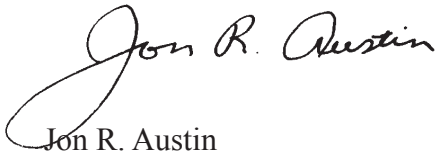
## **Conclusion**

In closing, I'd like to acknowledge the outstanding efforts of the Director of Administrative Services, Melissa Marsh and Executive Assistant Kathy Vesprini, as well as the Finance and City Manager's Office staff for their hard work and efforts during this year's Budget process. The City's Department Heads and staff are also to be commended for their difficult yet creative gap reduction proposals, their team effort in support of this process and their continued commitment to service excellence.



I'd also like to thank the Mayor and City Council for their leadership and support in planning the financial operations of the City in a responsible and progressive manner during this difficult financial time. I look forward to next year and our efforts to bring even greater success to our community.

Respectfully submitted,

  
Jon R. Austin

**EXECUTIVE SUMMARY**  
**FY 2011-12 ADOPTED BUDGET**

**General Fund - Revenues**

Total revenues are projected to be down \$2.1 million in the Budget as compared to FY 2010-11. Most of the change in General Fund revenues can be highlighted by looking at three areas, one of which decreased and two that remained the same.

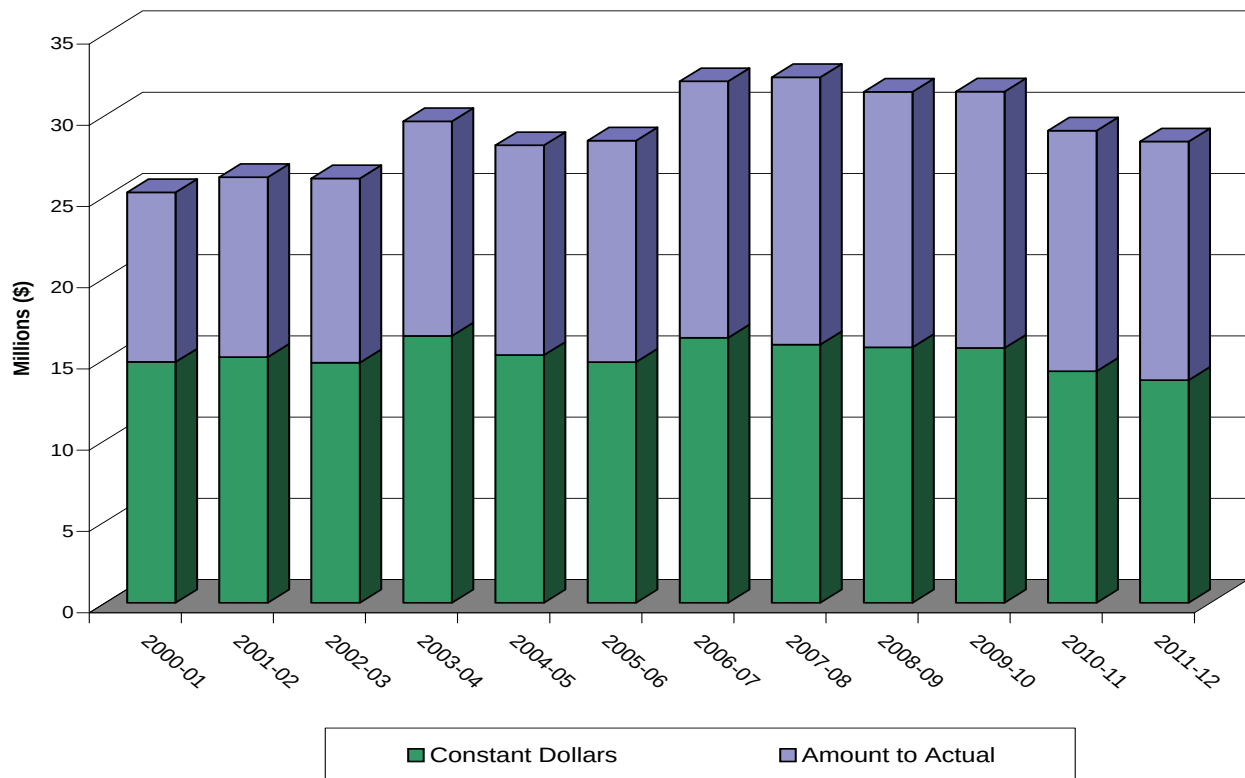
A decrease in property tax related revenues of \$2.5 million, or 12.0%, was the most significant change in the Budget. Tax on real property are projected to decrease by 12.3%, while personal property tax (commercial and industrial machinery, fixtures and equipment) were down 13.4%.

State Shared Revenues are composed of two components: Constitutional Sales Tax, which is protected from legislative action of the State leaders; and Statutory Sales Tax, which is subject to their discretion.

Given the state of property values in Michigan, and the State government's unwillingness to support local priority services, we have taken a cautious approach for FY 2011-12. This Budget assumes a four percent reduction in Constitutional economy-driven payments and a sixty-one percent cut in the Statutory payment, resulting in \$379,000 loss in General Fund revenues. Court fines and fees are projected to jump by \$782,000, or 55.3%.

In an effort to forestall deeper cuts in programs, services and special events, the City took a comprehensive look at existing user fees and charges to improve cost recovery. As a result, \$1.1 million in revenue adjustments have been programmed, with some of the most significant including:

- \$500,000 Police Traffic Enforcement Unit
- \$185,000 Court Cost Recovery Plan
- \$125,000 Re-establishment of the Police Motor Carrier Unit
- \$58,000 Establish Industrial Facility Tax Abatement Audit Program to Address Non-compliance
- \$53,000 Increase Fees - Code Enforcement Lawn Mowing, Snow Removal, Trash/Debris Removal
- \$50,000 Garbage Day Parking Enforcement
- \$25,000 Assess Administrative Costs on Special Assessments for Roads and Sidewalks



### **General Fund - Expenditures**

Factoring in the effects of inflation (change in the Detroit Area CPI-W), the FY 2011-12 Budget decreased 3.9% in constant dollar terms when compared to the FY 2010-11 Budget.

Constant dollar expenditures are calculated by adjusting actual expenditures for the Detroit Area Consumer Price Index - Workers (CPI-W) using the Bureau of Labor Statistics' 1982-84 base year. The increases from FY 2002-03 to FY 2003-04 are due to the restoration of the fire-damaged Department of Public Service building. The substantial drop from FY 2003-04 to FY 2004-05 relates to the State's cuts in shared revenues, resulting in a five percent reduction in the City workforce and implementation of the Council's Goal Plan related budget measures. The large reduction in FY 2010-11 and FY 2011-12 is caused by service, program and special events reductions caused by the large drop in property tax revenues and further cuts to State Revenue Sharing. Note the constant General Fund Budget is lower now than it was ten years ago.

Total expenditures for the FY 2011-12 Budget are down \$776,000, or 2.7%. Details of the expenditure reductions are outlined in the Appropriation Chapter. Although it was very difficult again this year, the City did succeed in maintaining the highest priority basic services.

Given the financial constraints and the fact that 68.1% of the General Fund is comprised of personal services expenses, the City was forced to focus on personnel related costs to keep expenditures down.

A total savings of \$652,000 will be realized in the General Fund during Fiscal Year 2011-12 through the reduction in workforce of 8 full-time positions and 5 part-time positions. The eight full-time position reductions include five (one Deputy DPS Director and four Police positions) through attrition (retirements) without layoffs, one Animal Control Officer and two Library positions, which may require layoffs. In the Fire Department, the plan is to replace three sergeant positions with firefighters as the command employees retire.

In regard to part-time workforce, the workforce reductions include one District Court position through attrition (retirement) without a layoff; two vacant positions (one Code Enforcement and one seasonal Parks laborer), one Animal Control Assistant and one Library Assistant.

Savings also resulted from the reallocation of retiree health care funding (\$738,000), eliminating funding for outside agencies (\$25,000), self-insuring employee dental plans (\$16,000), reducing engineering expenses (\$15,000), eliminating unnecessary Police Station computer circuits (\$14,000) and utilizing right-of-way fees for computer costs (\$10,000).

As a point of reference, the City has eliminated 71 full-time and 143 part-time positions over the last eight years, more than 31.6% of the workforce. The departments have worked hard to maintain the programs by stretching staff's resources to provide all existing services at or near the same levels that have been provided in prior years.

In terms of capital outlay, the Budget restricts spending to four basic areas: \$18,000 computer equipment for Information Technology; \$120,000 to replace the Court Building roof; \$428,000 in vehicle replacement funded through the dedicated Proposal "V" Millage (\$219,000) and Solid Waste Millage (\$209,000); and the remaining \$29,000, which funds the District Court's law library and basic Library Department materials.

### **General Fund - Fund Balance**

The Budget includes the use of \$2.3 million in Designated Fund Balance. Over the last six years, the Adopted Budget has included \$100,000, \$100,000, \$200,000, \$601,000, \$871,000 and \$1.0 million, respectively, from Fund Balance to help maintain programs and service deliveries.

Although we would prefer to not use reserves to fund ongoing expenditures in this way, the use of fund balance will allow the City to avoid further service reductions and preserve basic services. Based on staff's projection for FY 2010-11 revenues and spending and the FY 2011-12 Budget, an unreserved General Fund fund balance of \$1.1 million, or 3.8% of expenditures, is anticipated on June 30, 2012.

## **All Funds Overview**

The combined FY 2011-12 Budget for the City's 11 appropriated funds increased \$2.0 million or 4.4% to \$48.6 million as compared to the FY 2010-11 Amended Budget.

### **TOTAL APPROPRIATIONS SCHEDULE**

#### **ALL FUNDS**

#### **FISCAL YEAR 2011-12**

| Fund Name                             | Actual<br>2009-10    | Estimate<br>2010-11  | Budget<br>2011-12    | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|---------------------------------------|----------------------|----------------------|----------------------|-------------------------------------------------------|-------------------|
| General Fund                          | \$ 30,267,541        | \$ 29,163,190        | \$ 28,387,681        | \$ (775,509)                                          | (2.7)             |
| Major Street                          | 1,872,044            | 1,617,040            | 1,303,597            | (313,443)                                             | (19.4)            |
| Local Street                          | 3,026,492            | 2,259,768            | 4,645,188            | 2,385,420                                             | 105.6             |
| Parks Maintenance and Improvement     | 156,483              | 11,523               | 23,659               | 12,136                                                | 105.3             |
| Downtown Development Authority        | 687,681              | 264,024              | 106,201              | (157,823)                                             | (59.8)            |
| Police Drug Forfeiture                | 131,398              | 94,000               | 105,000              | 11,000                                                | 11.7              |
| Community Improvement                 | 1,766,966            | 1,947,666            | 2,001,818            | 54,152                                                | 2.8               |
| Fire Manning Grant                    | 0                    | 0                    | 231,932              | 231,932                                               | 0.0               |
| Special Assessment Revolving          | 710,982              | 422,698              | 452,779              | 30,081                                                | 7.1               |
| Fire Stations Construction Bond Funds | 406,364              | 413,153              | 446,333              | 33,180                                                | 8.0               |
| Water & Sewer Fund                    | 8,141,564            | 9,290,677            | 9,823,271            | 532,594                                               | 5.7               |
| Motor & Equipment Pool                | 1,012,035            | 1,041,334            | 1,032,334            | (9,000)                                               | (0.9)             |
| <b>Total Appropriations</b>           | <b>\$ 48,179,550</b> | <b>\$ 46,525,073</b> | <b>\$ 48,559,793</b> | <b>* \$ 2,034,720</b>                                 | <b>4.4</b>        |

\* Net Budget is \$43.8 million excluding duplicate interfund transfers and charges.

#### **Major Street Fund**

The Major Street Fund's purpose is to account for expenditures associated with the maintenance needs of the 21.5 miles of the major street road system. The Budget includes three construction projects: John R sectional concrete replacement (\$221,000); Whitcomb east of John R commercial and industrial road sectional concrete replacement (\$50,000); and the removal of a traffic signal on Progress east of John R on the I-696 cross over bridge. The Budget also includes the first (\$214,000) match for an anticipated federal grant to provide an asphalt overlay on John R from the Red Run Drain to 11 Mile in 2015.

#### **Local Street Fund**

The Local Street Fund's purpose is to account for expenditures associated with the maintenance needs of the 74.01 miles of the local street road system. On August 6, 1996, the voters in Madison Heights approved the ten year Millage Proposal "R-1" by an overwhelming margin. The "R-1" Road Millage Program has provided the necessary funding to carry on a ten-year comprehensive residential street repair and reconstruction program. On August 8, 2006, voters approved Millage Proposal "R-2" for an additional ten years. The "R-2" millage will fund ten years of road



improvement projects include new concrete streets, approaches, and necessary sidewalk repair and storm sewer installation. This year's neighborhood projects are funded at the \$4.0 million level and includes "R-2" funded projects for sectional concrete replacement (\$228,000); reconstruction of Gardenia, Alger, Townley, Shacket, Sherry, Groveland, Huntington and Longfellow (\$3.7 million) and a contribution for ramps and corner squares for Year 9 of the Sidewalk Replacement Program (\$20,000).

#### Parks Maintenance and Improvement Fund

The Parks Maintenance and Improvement Fund was established with a November 2007 one-time payment of \$850,000 from the George W. Drainage District in exchange for the City's agreement to assume responsibility for the operation and upkeep of the new 10-acre Red Oaks Youth Soccer Complex. On January 5, 2009, the Governor signed Public Act 404 of 2008. This legislation allows the City to invest the one-time George W. Kuhn Drainage District payment using a long-term strategy to maximize investment returns to generate additional income over the term of the 25-year agreement. The revenue generated from these investments will support the maintenance and improvement of not only the Red Oaks Youth Soccer Complex, but also the City's 12-park system.

The projected revenues for the budget year include \$15,000 in interest income from the investment of the original payment. Fund expenditures in the amount of \$24,000 will be used to support fertilizer, grass mowing, trash removal and utilities.

#### Downtown Development Authority Fund

The Downtown Development Authority (DDA) was established to correct and prevent stagnation and deterioration within the south-end commercial business district. The Authority has established boundaries that include properties abutting John R Road from Gardenia to Ten Mile Road and Eleven Mile Road from I-75 to Lorenz. This property is primarily zoned and used for commercial and industrial purposes. The Authority's goal is to eliminate blight influences and undertake projects that will encourage new businesses to locate and existing businesses to remain in the area.

The Authority intends to develop programs to solicit commitment and investment from business owners to make improvements on private property that will serve the public purpose of enhancing the district. Financing of public improvements will be provided through the capture of incremental property tax revenues on properties within the District.

The FY 2011-12 Budget highlights include funding for: \$5,000 to retain a contractor for maintenance of the greenbelt along John R and Eleven Mile Road; \$67,000 (50%) contribution to the City's Economic Development Program; Code Enforcement support; \$5,000 trash receptacle program; and \$26,000 John R road rehabilitation.

### Drug Forfeiture Fund

The Drug Forfeiture Fund is used to account for revenues generated by drug forfeiture expenditures related to enforcement of drug laws pursuant to Public Act 251 of 1982. The Budget includes \$98,000 for the replacement of four patrol cars and \$5,000 for two hand-held speed detection laser devices to measure the speed of vehicles.

### Community Improvement Fund

The Community Development Improvement Program is a federally funded division of the Community Development Department. This division is charged with the administration of the City's Community Development Block Grant and Housing Commission funds. Block Grant funds are used for such things as the home chore program, code enforcement, minor home repair and other similar projects that benefit low and moderate-income residents. The Home Chore Program will provide grass mowing and snow shoveling for needy seniors.

The City's Housing Commission funds are used to subsidize the rent for 287 low-income tenants. In addition, these funds provide assistance to low-income families in securing low interest and/or deferred home improvement loans.

### Special Assessment Revolving Fund

The Special Assessment Revolving Fund is used for the financing of construction of commercial, industrial and residential roads, sidewalks and other City projects. Revenues are received from special assessment payments and interest income. On March 12, 2001, the City Council adopted a new sidewalk special assessment program that establishes a twelve year program to address needed repairs and complete the sidewalk network. A total of \$425,000 has been budgeted to support year nine of the program for an area bounded by Thirteen Mile, I-75, Fourteen Mile and Campbell Road.

### Water and Sewer Fund

The Water and Sewer Divisions of the Department of Public Services supports the activities of this Fund. The Divisions are responsible for providing water distribution and sewage collection for the City's residents and businesses.

In an attempt to modernize our system, staff has identified a fixed network water meter reading system as the latest state-of-the-art technology. Under this system, each water meter reading device is equipped with a transmitter, which transmits information on a daily basis to a set of nine data collectors/antennas, that will be installed throughout Madison Heights, and will be linked to a central computer system. This system will allow daily water meter reads and would eliminate the need for the door-to-door monthly reading of commercial accounts and quarterly reading of residential accounts. To install this system is projected to cost \$1.4 million. The City has eliminated two water positions as a result of this new system.

The average quarterly residential water and sewage bill is projected to rise by 9.8% or \$12.98 per quarter to \$150.18 (based on 2,200 cubic feet of consumption) or \$50.06 per month.

#### Motor Pool and Equipment Fund

This Fund's operation is administered through the Motor Pool Division of the Department of Public Service. The Division is responsible for maintaining all City vehicles and related equipment, and coordinating operator training for the Department of Public Services. The Motor Pool also orders gasoline and diesel fuel and oversees work done on all emergency backup generators.

## **MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM**

Beginning with FY 2007-08, the City joined as one of the founding members of the Michigan Local Government Benchmarking Consortium (MLGBC). This Consortium was created to produce meaningful and relevant measures for the purpose of benchmarking performance. Performance measures analyzed by the Consortium cover a variety of services provided by local governments. The goal is for the Department Heads to use these measures to identify areas of need to focus on with their employees.

The MLGBC's first service area groups met in August and September 2008, and the first benchmarking report was distributed in September 2009. As of October 2010, 36 local governments participate in the MLGBC. Below is a listing of the latest FY 2008-09 results showing how Madison Heights compares to other local governments across the state in various performance measurements categories.

| Category                                                                                     | Madison Heights | Consortium Average | Rank * |
|----------------------------------------------------------------------------------------------|-----------------|--------------------|--------|
| <b><i>Emergency Dispatch</i></b>                                                             |                 |                    |        |
| Cost per resident                                                                            | \$19            | \$21               | 5/9    |
| Cost per call answered                                                                       | \$12            | \$18               | 5/8    |
| Total Calls Answered per 1,000 Population                                                    | 1,608           | 1,463              | 4/9    |
| Calls received per FTE/telecommunicator                                                      | 6,250           | 10,090             | 7/8    |
| Average Speed of answer for 911                                                              | 5.0             | 12.1               | 5/8    |
| Average Speed of Dispatch                                                                    | 15.0            | 30.0               | 2/5    |
| FTE = full-time equivalent employee                                                          |                 |                    |        |
| <b><i>Fire and Emergency Medical Services</i></b>                                            |                 |                    |        |
| Cost per resident for combined Fire and EMS service                                          | \$200           | \$129              | 14/16  |
| Total Fires per 1,000 population                                                             | 4.0             | 5.1                | 13/17  |
| EMS Calls per 1,000 population                                                               | 88.4            | 78.4               | 14/16  |
| Percent of building fire call response times equal to or less then 5 minutes                 | 100.0%          | 63.8%              | 1/14   |
| Percent of EMS call response times where an ALS unit is on scene in less than 9 minutes      | 100.0%          | 85.7%              | 1/14   |
| Percent of EMS call response times where a Transport unit is on scene in less than 9 minutes | 99.7%           | 92.4%              | 1/9    |
| Total Dispatch calls per 1,000 population                                                    | 115.8           | 111.4              | 4/12   |
| Cost per fire prevention inspection                                                          | \$545           | \$279              | 8/8    |
| Percent of commercial buildings inspected                                                    | 28.9%           | 44.7%              | 5/11   |

\* The City's ranking from those governments reporting on these measures. The scale runs from 1 - best performing down to the lowest performing

## MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

| Category                                                  | Madison Heights | Consortium Average | City Rank * |
|-----------------------------------------------------------|-----------------|--------------------|-------------|
| <b><i>Fleet Maintenance</i></b>                           |                 |                    |             |
| Average cost per gallon of gasoline                       | \$1.72          | \$1.96             | 3/16        |
| Average cost per gallon of diesel                         | \$1.78          | \$1.82             | 3/12        |
| Average employee cost per hour w/ benefits                | \$49            | \$39               | 11/14       |
| Average time in which work orders are open (days)         | 1.0             | 2.9                | 2/6         |
| Total Expenditures per number of vehicles:                |                 |                    |             |
| Maintenance Exp. per Small Engine                         | \$138           | \$294              | 5/9         |
| Maintenance Exp. Heavy Equip.                             | \$1,040         | \$1,040            | 5/11        |
| Maintenance Exp. Light./Medium Vehicle                    | \$128           | \$1,977            | 1/10        |
| Maintenance Exp. Police Patrol Vehicle                    | \$2,972         | \$2,877            | 4/5         |
|                                                           |                 |                    |             |
|                                                           |                 |                    |             |
| <b><i>Information Technology (IT) Service</i></b>         |                 |                    |             |
| Platforms supported per IT FTE                            | 3.5             | 5.9                | 3/14        |
| Applications supported per IT FTE                         | 18.0            | 22.9               | 6/14        |
| Survey Results:                                           |                 |                    |             |
| Overall satisfaction with the quality                     | 91.8%           | 83.7%              | 2/7         |
| Satisfaction with timeliness for assistance               | 89.4%           | 78.6%              | 2/7         |
| Satisfaction with IT provider's ability to solve problems | 95.3%           | 85.0%              | 2/7         |
|                                                           |                 |                    |             |
| <b><i>Parks Maintenance</i></b>                           |                 |                    |             |
| Cost per resident for park maintenance                    | \$18            | \$16               | 12/17       |
| Total operating budget per park acre                      | \$3,886         | \$1,918            | 12/15       |
| Operating budget per active park acre                     | \$6,800         | \$3,603            | 8/10        |
| Total Park acres per 1,000 population                     | 4.7             | 12.4               | 12/15       |
| Passive Park acres per 1,000 population                   | 1.3             | 4.8                | 6/14        |
| Active Park acres per 1,000 population                    | 3.4             | 7.9                | 7/15        |
| User fee as a percent of operational budget               | 0.0%            | 21.5%              | 1/10        |
| Number of park maintenance FTE per 1,000 population       | 0.2             | 0.3                | 7/13        |
| Number of park maintenance FTE per 100 acres              | 3.6             | 3.4                | 11/13       |
| Number of seasonal employees per 100 acres                | 4.3             | 26.7               | 8/15        |
| Average full-time employee cost per hour                  | \$36            | \$30               | 11/14       |
| Average seasonal employee cost per hour                   | \$12            | \$12               | 14/16       |

\* The City's ranking from those governments reporting on these measures. The scale runs from 1 - best performing down to the lowest performing

## MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

| Category                                                      | Madison Heights | Consortium Average | City Rank * |
|---------------------------------------------------------------|-----------------|--------------------|-------------|
| <b><i>Police</i></b>                                          |                 |                    |             |
| Cost per resident for police or sheriff service               | \$344           | \$198              | 16/17       |
| Cost per officer                                              | \$184,896       | \$107,701          | 15/15       |
| Officer per 1,000 residents                                   | 1.9             | 1.6                | 5/15        |
| Training costs per officer                                    | \$266           | \$690              | 3/14        |
| Total number of calls for service per 1,000 population        | 703.3           | 615.9              | 10/18       |
| Total arrests per 1,000 residents                             | 42.2            | 59.0               | 9/19        |
| Total arrest per 1,000 of DSP**                               | 29.2            | 58.1               | 4/12        |
| Traffic citations per 1,000 residents                         | 251.8           | 199.8              | 3/19        |
| Traffic citations per 1,000 of DSP**                          | 174.5           | 166.8              | 3/12        |
| Total crashes per 1,000 resident                              | 63.2            | 33.5               | 18/19       |
| Total crashes per 1,000 of DSP**                              | 43.8            | 24.8               | 12/12       |
| Traffic fatalities per 1,000 residents                        | 0.0             | 4.0                | 1/12        |
| Traffic fatalities per 1,000 of DSP**                         | 0.0             | 1.6                | 1/19        |
| Percent of unsustained citizen complaints of total complaints | 75.0%           | 69.5%              | 7/15        |
| Percent of sustained citizen complaints of total complaints   | 25.0%           | 23.9%              | 13/15       |
| **DSP = Daily Service Population                              |                 |                    |             |
| <b><i>Road Maintenance</i></b>                                |                 |                    |             |
| Cost per resident for routine maintenance                     | \$39            | \$41               | 8/15        |
| Cost per resident for structural improvement                  | \$86            | \$48               | 2/10        |
| Average PASER rating                                          | 5.0             | 5.2                | 6/11        |
| Road FTE per 100 lane mile                                    | 3.0             | 5.4                | 5/13        |
| Annual average cost to repair a pothole                       | \$23            | \$16               | 3/4         |
| Total man hours in pothole repair per lane mile               | 6.4             | 18.1               | 3/8         |
| Tons of cold patch per lane mile                              | 0.7             | 1.1                | 7/13        |
| Percent of structurally sound bridges                         | 100.0%          | 85.3%              | 1/13        |
| Total man hours of snow removal per lane mile                 | 11.9            | 13.4               | 7/14        |
|                                                               |                 |                    |             |
| <b><i>Water and Sewer</i></b>                                 |                 |                    |             |
| Cost per resident for water                                   | \$144           | \$111              | 6/8         |
| Cost per resident for sewer                                   | \$175           | \$149              | 6/9         |
| Miles of water mains per FTE                                  | 18.6            | 19.5               | 2/8         |
| Miles of sewer mains per FTE                                  | 28.9            | 13.4               | 2/10        |
| Number of water main breaks per 100 miles of water main       | 46.2            | 18.7               | 8/9         |

\* The City's ranking from those governments reporting on these measures. The scale runs from 1 - best performing down to the lowest performing

## MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

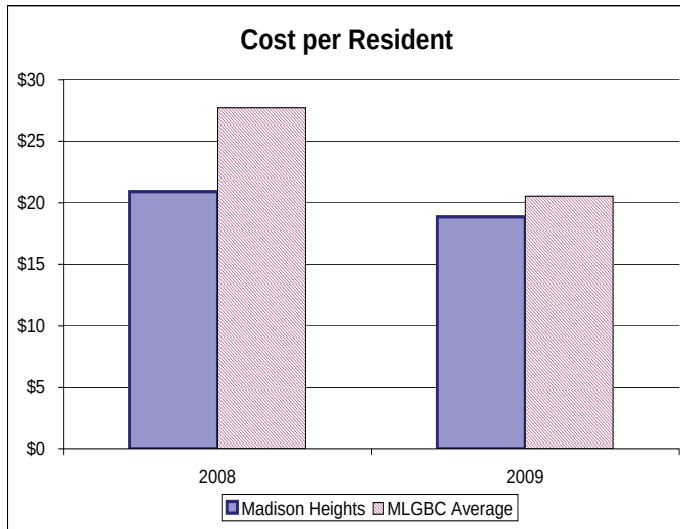
| Category                                                                         | Madison Heights | Consortium Average | City Rank * |
|----------------------------------------------------------------------------------|-----------------|--------------------|-------------|
| <b><i>Assessment and Equalization</i></b>                                        |                 |                    |             |
| Assessment cost per capita                                                       | \$13            | \$15               | 6/14        |
| Assessment cost per parcel                                                       | \$28            | \$33               | 7/14        |
| Taxable Value (TV) as percent of State Equalized Value (SEV): Total              | 92.3%           | 89.0%              | 10/15       |
| Percent of parcels where TV equals SEV: Total                                    | 43.7%           | 52.4%              | 4/14        |
|                                                                                  |                 |                    |             |
| <b><i>Building Inspection and Code Enforcement</i></b>                           |                 |                    |             |
| Operating expenses as a percent of revenue                                       | 59.6%           | 79.4%              | 6/8         |
| Complaints as a percent of total cases                                           | 13.9%           | 44.3%              | 1/7         |
| Officer FTEs per 10,000 population                                               | 0.7             | 0.8                | 5/12        |
| Average annual cost per inspection                                               | \$85            | \$125              | 3/5         |
| Average number of days to complete residential building construction plan review | 2.0             | 2.7                | 3/6         |
| Average number of days to complete commercial building construction plan review  | 5.0             | 7.0                | 3/7         |
|                                                                                  |                 |                    |             |
| <b><i>Library Services</i></b>                                                   |                 |                    |             |
| Total resident circulation per capita                                            | 3.0             | 8.3                | 8/8         |
| Cost per registered borrower                                                     | \$59            | \$66               | 4/7         |
| Cost per annual library operation hour                                           | \$213           | \$535              | 2/8         |
| Percent circulation for non-residents                                            | 14.7%           | 16.5%              | 4/6         |
| Percent of residents registered with library                                     | 33.3%           | 47.4%              | 6/7         |
| Average attendance per program                                                   | 25.8            | 22.7               | 5/9         |
|                                                                                  |                 |                    |             |
| <b><i>Refuse, Recycling and Yard Waste</i></b>                                   |                 |                    |             |
| Yard waste collection cost per service population                                | \$3.83          | \$7.46             | 3/7         |
| Refuse collection cost per service population                                    | \$31            | \$31               | 4/6         |
| Recycling collection cost per service population                                 | \$7.80          | \$7.07             | 5/7         |
| Tons of Recycling per 1,000 service population                                   | 33.0            | 40.5               | 5/9         |
| Tons of Refuse per 1,000 service population                                      | 314.1           | 447.2              | 1/4         |
| Tons of Yard Waste per 1,000 service population                                  | 63.9            | 149.6              | 3/7         |
| Cost per ton for refuse, recycling and yard waste                                | \$103           | \$185              | 4/7         |
| Tons of landfilled per 1,000 service population                                  | 314.1           | 275.3              | 3/7         |

\* The City's ranking from those governments reporting on these measures. The scale runs from 1 - best performing down to the lowest performing



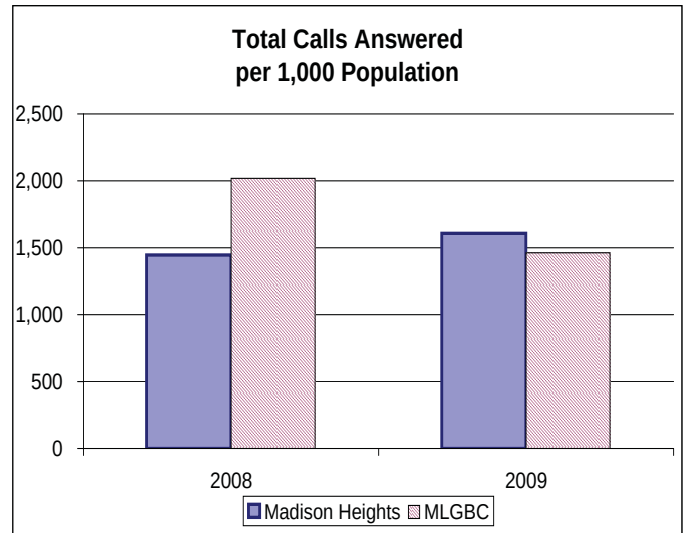
## MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

### Emergency Dispatch



#### **FY 2009 Rank 4th out of 6 cities.**

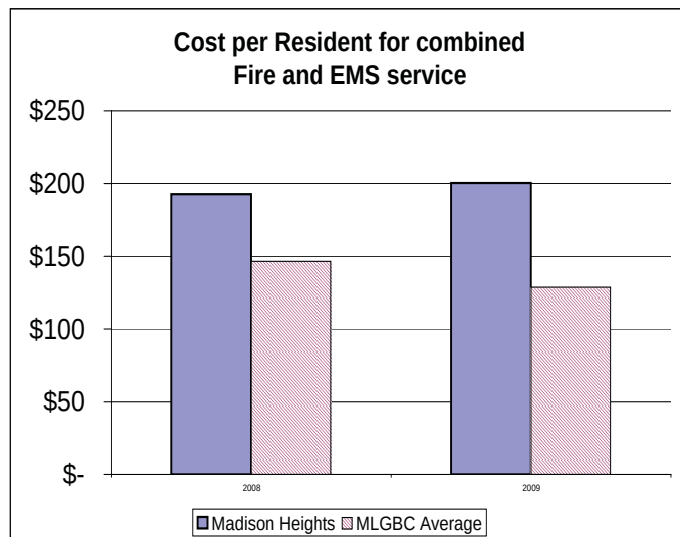
In FY 2009 Madison Heights staffed dispatch with civilian employees. One of the six reporting cities staff with a mix of civilian and sworn employees. During FY 2009 one Police Service Assistant position was eliminated through attrition.



#### **FY 2009 Rank 2nd out of 6 cities.**

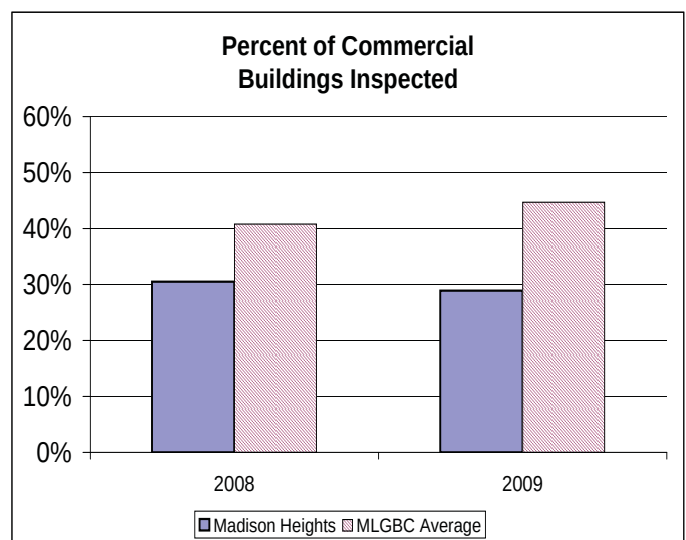
Madison Heights continues to have an average number of call volume when compared with other cities in the survey.

### Fire and Emergency Medical Services



#### **FY 2009 Rank 10th out of 12 cities.**

In FY 2009 Madison Heights cost per resident for combined Fire and EMS services is \$200 up from \$193 in FY 2008. This is the 2nd highest out of 16 reporting municipalities (12 cities and 4 townships). The lowest cost per resident is \$9 the highest is \$250.

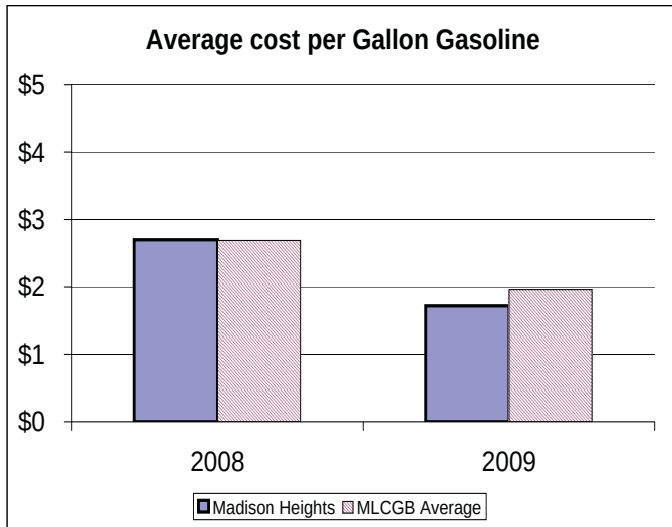


#### **FY 2009 Rank 6th out of 8 cities.**

In FY 2009 Madison Heights inspected 28.9% of commercial buildings down from 30.5% in FY 2008. This is below average for the 11 reporting municipalities (8 cities and 3 townships). With the lowest percentage inspected at 11.8 and the highest at 100.

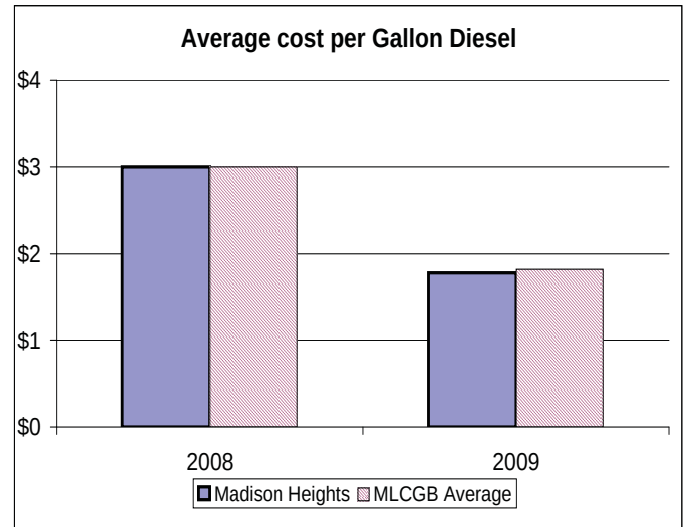
## MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

### Fleet Maintenance



**FY 2009 Rank 3rd out of 9 cities.**

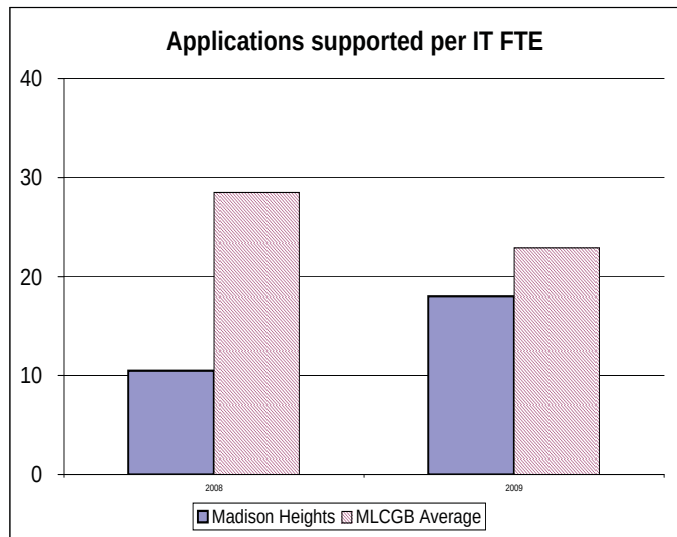
In FY 2009 Madison Heights paid an average of \$1.72 per gallon of gasoline as compared to the average \$1.96. This is down from the \$2.70 per gallon that the City paid in FY 2008.



**FY 2009 Rank 4th out of 9 cities.**

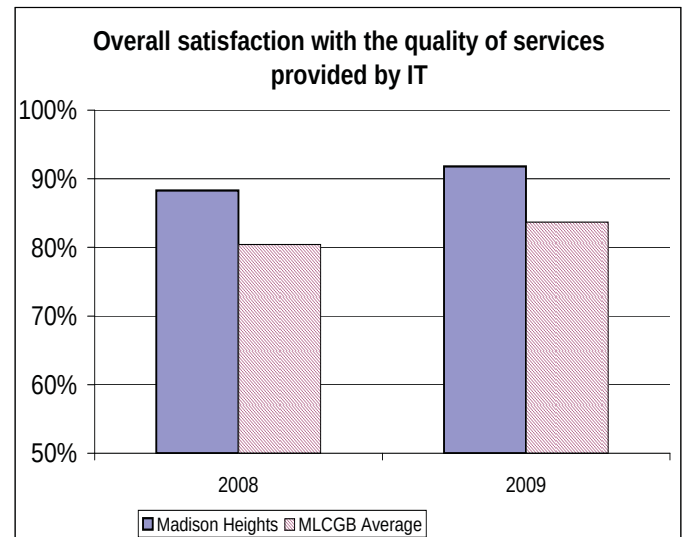
Madison Heights reported an average cost per diesel in FY 2009 of \$1.78 per gallon this is down from \$3.00 reported in FY 2008.

### Information Technology (IT) Service



**FY 2009 Rank 7th out of 9 cities.**

In FY 2009 Madison Heights IT Department supported 18 applications per IT FTE of 2. This is up from the reported 10.5 applications in FY 2008. This is 8th highest out of 14 reporting municipalities (9 cities and 4 counties).

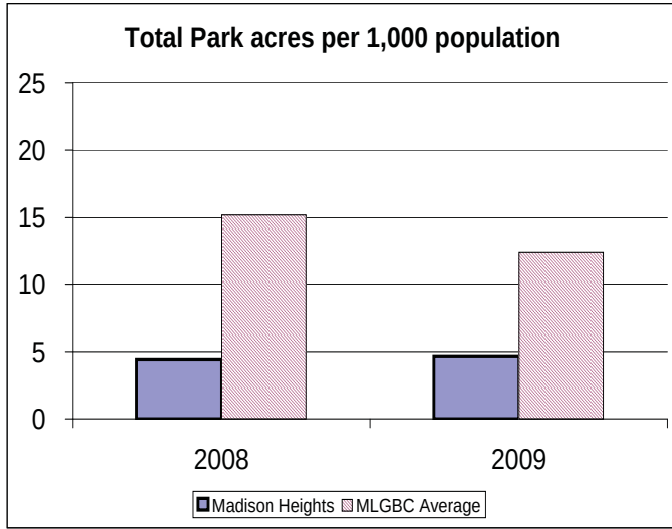


**FY 2009 Rank 2nd out of 5 cities.**

In FY 2009 Madison Heights IT department had a satisfaction rate of 91.8% up from the 88.3% in FY 2008. This was above average for the reporting municipalities (5 cities and 2 counties), with the lowest percent satisfaction at 64.3% and the highest at 96.4%.

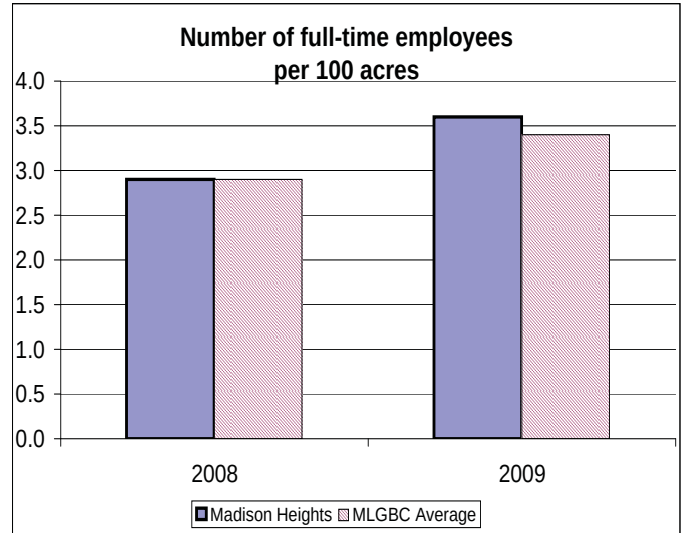
# MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

## Park Maintenance



**FY 2009 Rank 7th out of 11 cities.**

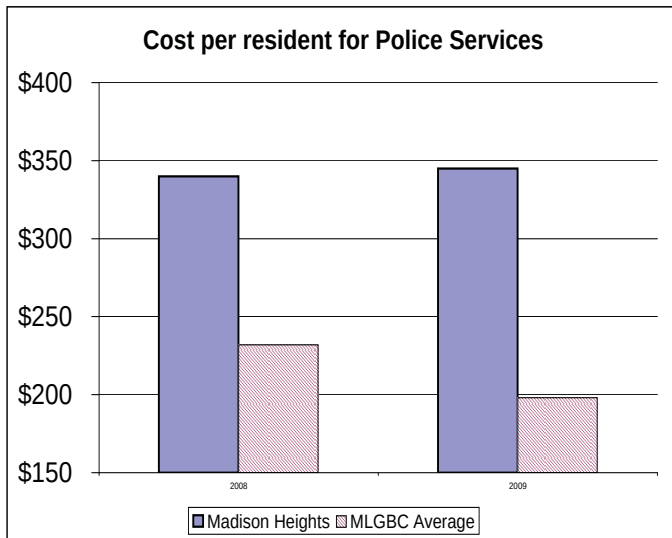
In FY 2009 Madison Heights had 4.7 park acres per 1,000 population. This is the 12th lowest out of the 17 reporting municipalities (11 cities, 3 counties and 3 townships). The lowest acreage reported was 1.5 and the highest was 25.9.



**FY 2009 Rank 4th out of 10 cities.**

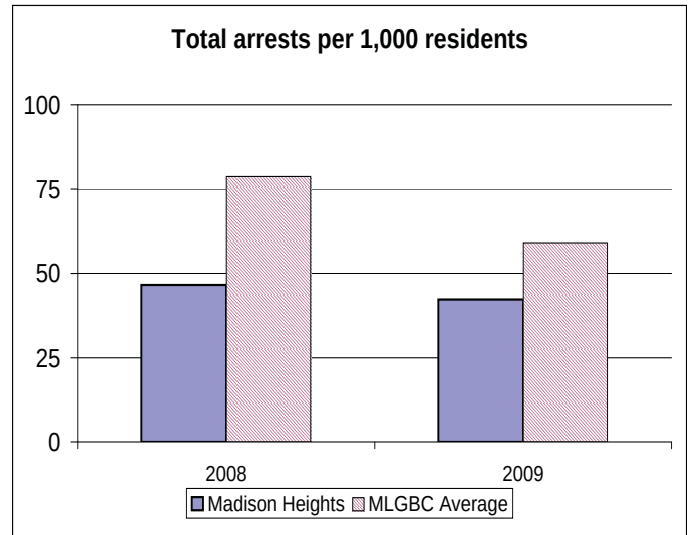
During FY 2009 Madison Heights had 4 full-time Park Maintenance which is an average of 3.6 full-time employees for 100 acres. This is the 4th lowest out of 15 reporting municipalities (10 cities, 3 townships and 2 counties) with 0.2 being the lowest and 25.0 being the highest.

## Police



**FY 2009 Rank 11th out of 12 cities.**

In FY 2009 Madison Heights reported to have 85 FTE (officers and civilians) and a total cost per resident of \$345. This placed the City 16th out of the 17 reporting municipalities (12 cities, 2 counties, 3 townships). The lowest was \$22 and the highest was \$440.

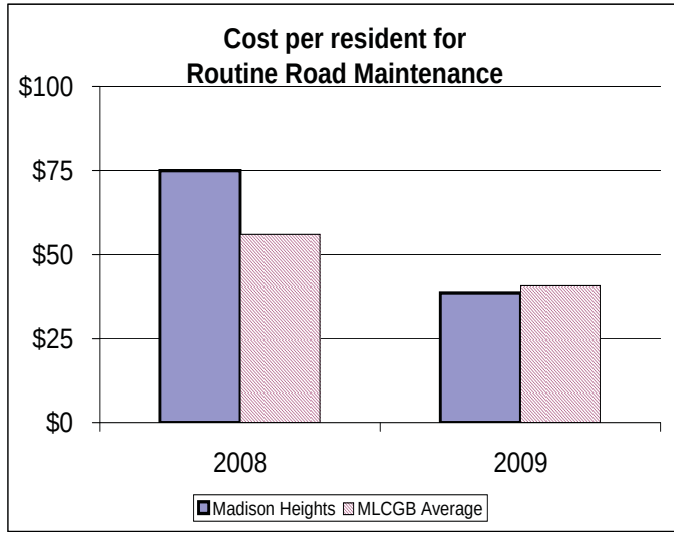


**FY 2009 Rank 5th out of 13 cities.**

In FY 2009 Madison Heights reported 42.2 arrests per 1,000 residents. This is the 9th highest arrests per 1,000 residents of the 19 reporting municipalities (13 cities, 1 counties and 3 townships). The lowest was 9.4 and the highest was 184.8.

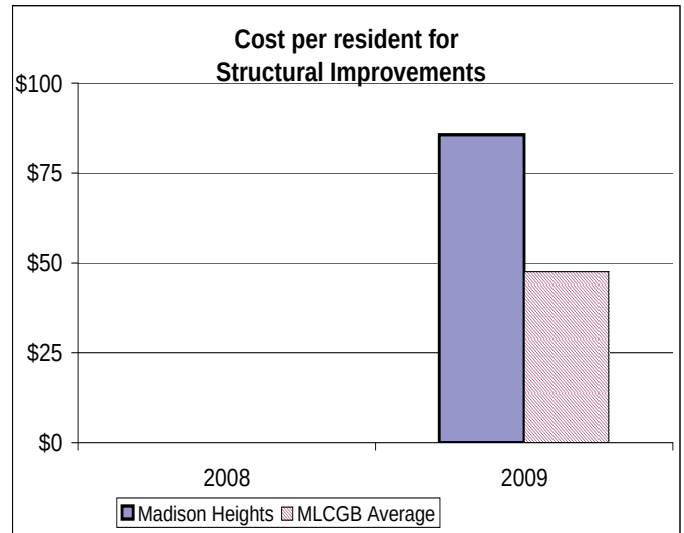
## MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

### Road Maintenance



**FY 2009 Rank 6th out of 11 cities.**

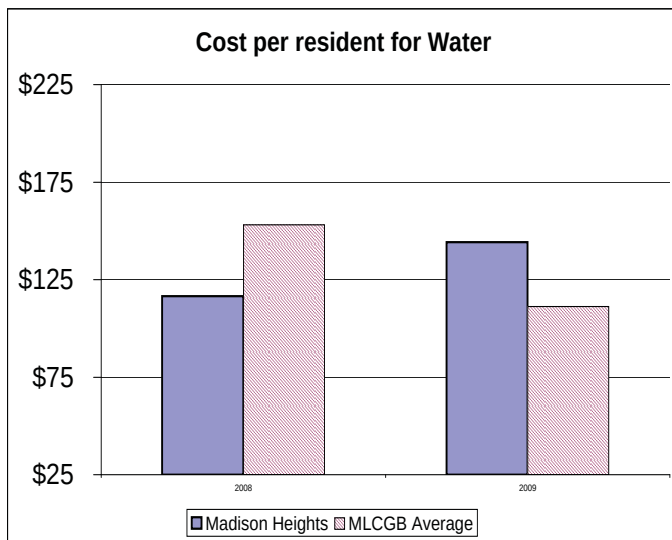
In FY 2009 Madison Heights had a road maintenance cost per resident of \$39. This was the 7th lowest out of 15 reporting municipalities (11 cities and 4 counties). The lowest average was \$0.31 and the highest \$96.



**FY 2009 Rank 6th out of 7 cities.**

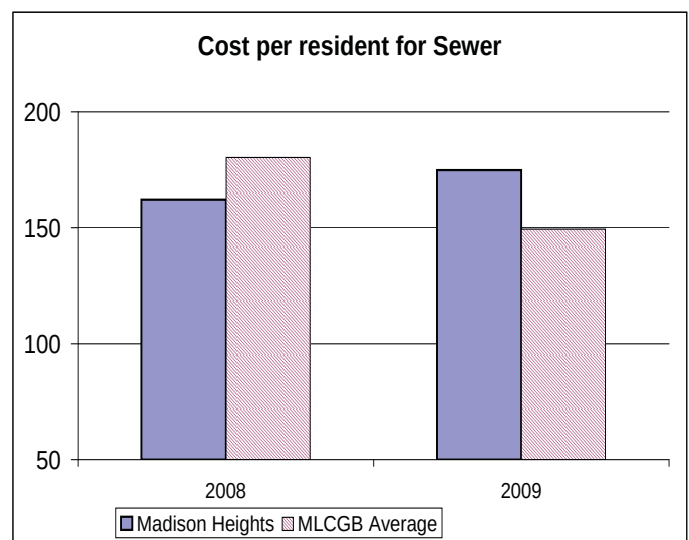
Madison Heights is the 2nd highest out of 10 reporting municipality for structural improvements (7 cities, 3 counties). This is a new benchmark for FY 2009.

### Water and Sewer



**FY 2009 Rank 6th out of 7 cities.**

In FY 2009 Madison Heights cost per resident for water was \$144.18. This is the 7th highest out of 8 reporting municipalities (7 cities and 1 townships) The lowest cost per resident is \$46 and the highest \$225.



**FY 2009 Rank 6th out of 7 cities.**

In FY 2009 Madison Heights cost per resident for sewer was \$174.87. This is the 3rd highest out of 9 reporting municipalities (7 cities and 2 townships) The lowest cost per resident is \$83 and the highest \$231.

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance  
All Fund Types  
Three Year Comparison  
Fiscal Year 2011-12**

|                                               | GENERAL FUND         |                       |                       | SPECIAL REVENUE/DEBT SERVICE FUNDS * |                     |                       |
|-----------------------------------------------|----------------------|-----------------------|-----------------------|--------------------------------------|---------------------|-----------------------|
|                                               | Actual<br>2009-10    | Estimate<br>2010-11   | Budget<br>2011-12     | Actual<br>2009-10                    | Estimate<br>2010-11 | Budget<br>2011-12     |
| <b>REVENUES</b>                               |                      |                       |                       |                                      |                     |                       |
| Property Taxes                                | \$ 22,300,597        | \$ 20,431,558         | \$ 17,970,331         | \$ 236,497                           | \$ 182,757          | \$ 101,300            |
| Licenses and permits                          | 647,657              | 595,858               | 604,050               | -                                    | -                   | -                     |
| Intergovernmental                             | 2,974,703            | 2,799,978             | 2,276,489             | 3,892,249                            | 3,586,415           | 3,861,342             |
| Court fines and fees                          | 1,384,152            | 1,414,000             | 2,195,510             | -                                    | -                   | -                     |
| Charges for services                          | 232,430              | 204,666               | 270,486               | -                                    | -                   | -                     |
| Parks and Recreation                          | 250,251              | 238,900               | 214,824               | -                                    | -                   | -                     |
| Interest and Misc. Revenue                    | 1,387,961            | 1,354,984             | 1,410,464             | 79,389                               | 162,955             | 95,300                |
| Special assessments                           | 0                    | 0                     | 0                     | 799,423                              | 367,613             | 330,093               |
| Departmental Charges                          | 963,445              | 988,480               | 988,480               | -                                    | -                   | -                     |
| Transfers from other funds                    | 115,103              | 121,354               | 128,849               | 3,310,590                            | 2,679,055           | 2,506,811             |
| <b>TOTAL REVENUES</b>                         | <b>\$ 30,256,299</b> | <b>\$ 28,149,778</b>  | <b>\$ 26,059,483</b>  | <b>\$ 8,318,148</b>                  | <b>\$ 6,978,795</b> | <b>\$ 6,894,846</b>   |
| <b>EXPENDITURES</b>                           |                      |                       |                       |                                      |                     |                       |
| General Government                            | \$ 5,833,153         | \$ 5,681,131          | \$ 6,046,412          | \$ 0                                 | \$ 0                | \$ 0                  |
| Public Safety                                 | 15,247,502           | 14,924,345            | 14,372,379            | 132,278                              | 94,000              | 367,578               |
| Community Service                             | 3,525,192            | 3,467,620             | 3,231,537             | 0                                    | 0                   | 0                     |
| Culture and Recreation                        | 1,813,593            | 1,600,850             | 1,318,542             | 140,715                              | 11,523              | 23,659                |
| Community Development                         | 1,033,616            | 1,030,189             | 958,199               | 5,677,635                            | 4,271,176           | 6,369,371             |
| Community Improvement                         | 0                    | 0                     | 0                     | 1,766,966                            | 1,947,666           | 1,965,134             |
| Water Division                                | 0                    | 0                     | 0                     | 0                                    | 0                   | 0                     |
| Sewer Division                                | 0                    | 0                     | 0                     | 0                                    | 0                   | 0                     |
| W/S Support and Capital Outlay                | 0                    | 0                     | 0                     | 0                                    | 0                   | 0                     |
| Transfers out                                 | 2,814,485            | 2,459,055             | 2,460,612             | 635,332                              | 292,354             | 175,078               |
| Debt Service                                  | 0                    | 0                     | 0                     | 405,484                              | 413,153             | 415,687               |
| <b>TOTAL EXPENDITURES</b>                     | <b>\$ 30,267,541</b> | <b>\$ 29,163,190</b>  | <b>\$ 28,387,681</b>  | <b>\$ 8,758,410</b>                  | <b>\$ 7,029,872</b> | <b>\$ 9,316,507</b>   |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>\$ (11,242)</b>   | <b>\$ (1,013,412)</b> | <b>\$ (2,328,198)</b> | <b>\$ (440,262)</b>                  | <b>\$ (51,077)</b>  | <b>\$ (2,421,661)</b> |
| <b>FUND BALANCES,<br/>BEGINNING OF YEAR</b>   | <b>\$ 5,539,068</b>  | <b>\$ 5,527,826</b>   | <b>\$ 4,514,414</b>   | <b>\$ 7,418,837</b>                  | <b>\$ 6,978,575</b> | <b>\$ 6,927,498</b>   |
| <b>FUND BALANCES,<br/>END OF YEAR</b>         | <b>\$ 5,527,826</b>  | <b>\$ 4,514,414</b>   | <b>\$ 2,186,216</b>   | <b>\$ 6,978,575</b>                  | <b>\$ 6,927,498</b> | <b>\$ 4,505,837</b>   |

\* Special Revenue Funds account for proceeds from revenue sources that are legally restricted for a specific purpose. These include:  
Major Street, Local Street, Downtown Development, Police Drug Forfeiture, Housing Commission, Community Development Block Grant,  
and Special Assessment Revolving Funds.

Debt Service includes the Fire Stations Bond Fund.

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance  
All Fund Types  
Three Year Comparison  
Fiscal Year 2011-12**

|                                                | WATER AND SEWER FUND |                     |                      | TOTALS Memorandum Only |                      |                       |
|------------------------------------------------|----------------------|---------------------|----------------------|------------------------|----------------------|-----------------------|
|                                                | Actual<br>2009-10    | Estimate<br>2010-11 | Budget<br>2011-12    | Actual<br>2009-10      | Estimate<br>2010-11  | Budget<br>2011-12     |
| <b>REVENUES</b>                                |                      |                     |                      |                        |                      |                       |
| Property Taxes                                 | \$ 0                 | \$ 0                | \$ 0                 | \$ 22,537,094          | \$ 20,614,315        | \$ 18,071,631         |
| Licenses and permits                           | 0                    | 0                   | 0                    | 647,657                | 595,858              | 604,050               |
| Intergovernmental                              | 0                    | 0                   | 0                    | 6,866,952              | 6,386,393            | 6,137,831             |
| Court fines and fees                           | 0                    | 0                   | 0                    | 1,384,152              | 1,414,000            | 2,195,510             |
| Charges for services                           | 9,093,910            | 9,379,565           | 10,494,836           | 9,326,340              | 9,584,231            | 10,765,322            |
| Parks and Recreation                           | 0                    | 0                   | 0                    | 250,251                | 238,900              | 214,824               |
| Interest and Misc. Revenue                     | 87,638               | 33,000              | 37,000               | 1,554,988              | 1,550,939            | 1,542,764             |
| Special assessments                            | 0                    | 0                   | 0                    | 799,423                | 367,613              | 330,093               |
| Departmental Charges                           | 29,550               | 29,550              | 27,050               | 992,995                | 1,018,030            | 1,015,530             |
| Transfers from other funds                     | 24,124               | 0                   | 0                    | 3,449,817              | 2,800,409            | 2,635,660             |
| <b>TOTAL REVENUES</b>                          | <b>\$ 9,235,222</b>  | <b>\$ 9,442,115</b> | <b>\$ 10,558,886</b> | <b>\$ 47,809,669</b>   | <b>\$ 44,570,688</b> | <b>\$ 43,513,215</b>  |
| <b>EXPENDITURES</b>                            |                      |                     |                      |                        |                      |                       |
| General Government                             | \$ 0                 | \$ 0                | \$ 0                 | \$ 5,833,153           | \$ 5,681,131         | \$ 6,046,412          |
| Public Safety                                  | 0                    | 0                   | 0                    | 15,379,780             | 15,018,345           | 14,739,957            |
| Community Service                              | 0                    | 0                   | 0                    | 3,525,192              | 3,467,620            | 3,231,537             |
| Culture and Recreation                         | 0                    | 0                   | 0                    | 1,954,308              | 1,612,373            | 1,342,201             |
| Community Development                          | 0                    | 0                   | 0                    | 6,711,251              | 5,301,365            | 7,327,570             |
| Community Improvement                          | 0                    | 0                   | 0                    | 1,766,966              | 1,947,666            | 1,965,134             |
| Water Division                                 | 2,649,529            | 2,907,225           | 2,757,451            | 2,649,529              | 2,907,225            | 2,757,451             |
| Sewer Division                                 | 3,690,074            | 3,863,432           | 4,453,979            | 3,690,074              | 3,863,432            | 4,453,979             |
| W/S Support & Capital Outlay                   | 1,511,239            | 1,454,107           | 1,586,600            | 1,511,239              | 1,454,107            | 1,586,600             |
| Transfers Out                                  | 0                    | 0                   | 0                    | 3,449,817              | 2,751,409            | 2,635,690             |
| Debt Service                                   | 290,722              | 1,065,913           | 1,025,241            | 696,206                | 1,479,066            | 1,440,928             |
| <b>TOTAL EXPENDITURES</b>                      | <b>\$ 8,141,564</b>  | <b>\$ 9,290,677</b> | <b>\$ 9,823,271</b>  | <b>\$ 47,167,515</b>   | <b>\$ 45,483,739</b> | <b>\$ 47,527,459</b>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b>  | <b>\$ 1,093,658</b>  | <b>\$ 151,438</b>   | <b>\$ 735,615</b>    | <b>\$ 642,154</b>      | <b>\$ (913,051)</b>  | <b>\$ (4,014,244)</b> |
| <b>FUND BALANCES, **<br/>BEGINNING OF YEAR</b> | <b>\$ 1,773,118</b>  | <b>\$ 2,866,776</b> | <b>\$ 3,018,214</b>  | <b>\$ 18,127,836</b>   | <b>\$ 16,342,234</b> | <b>\$ 13,358,380</b>  |
| <b>FUND BALANCES,<br/>END OF YEAR</b>          | <b>\$ 2,866,776</b>  | <b>\$ 3,018,214</b> | <b>\$ 3,753,829</b>  | <b>\$ 18,769,990</b>   | <b>\$ 15,429,183</b> | <b>\$ 9,344,136</b>   |

\*\* The Water and Sewer Fund Fund Balance (Net Assets) is affected by investment in capital assets and capital contributions which are not shown as part of revenue and expenditures.





## **REVENUE CHAPTER**

### **Revenue Overview**

General Fund Revenues are budgeted at \$28.4 million for the FY 2011-12. This represents a decrease of \$776,000, or 2.7 % over FY 2010-11 Amended Budget Revenues.

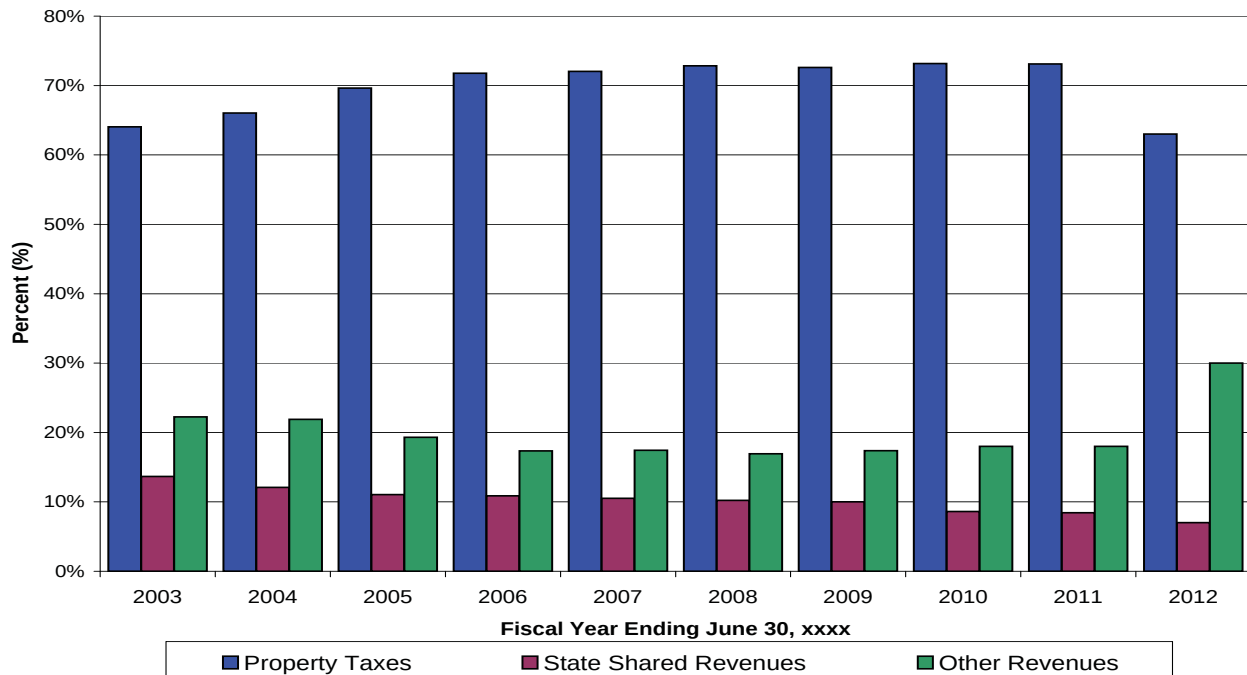
Factoring in the impact of the current inflation rate of 1.7%, General Fund Revenues are down 4.4%. Designated Fund Balance in the amount of \$2.4 million is used as a revenue source to support this year's expenditure budget. A full discussion of fund balance is included later in this Chapter.

### **Base Budget Revenue Changes**

The composition of General Fund Revenues has shifted away from Property Taxes and toward a greater reliance on other revenue sources in comparison to prior years. The principal sources of General Fund Revenue include: Property Taxes, \$18.0 million (63% of total General Fund Revenues); State Shared Revenues, \$2.0 million (7%); Court related revenues, \$2.2 million (8%); Charges to Other Funds, \$1.0 million (3%); Construction Permits, \$325,000 (1%); Ambulance Rescue Insurance Reimbursement, \$487,000 (2%); Cable Television Fees, \$428,000 (2%), charges for service, \$270,000 (1%), other governmental revenues \$1.3 million (5%) and use of fund balance \$2.4 million (8%).

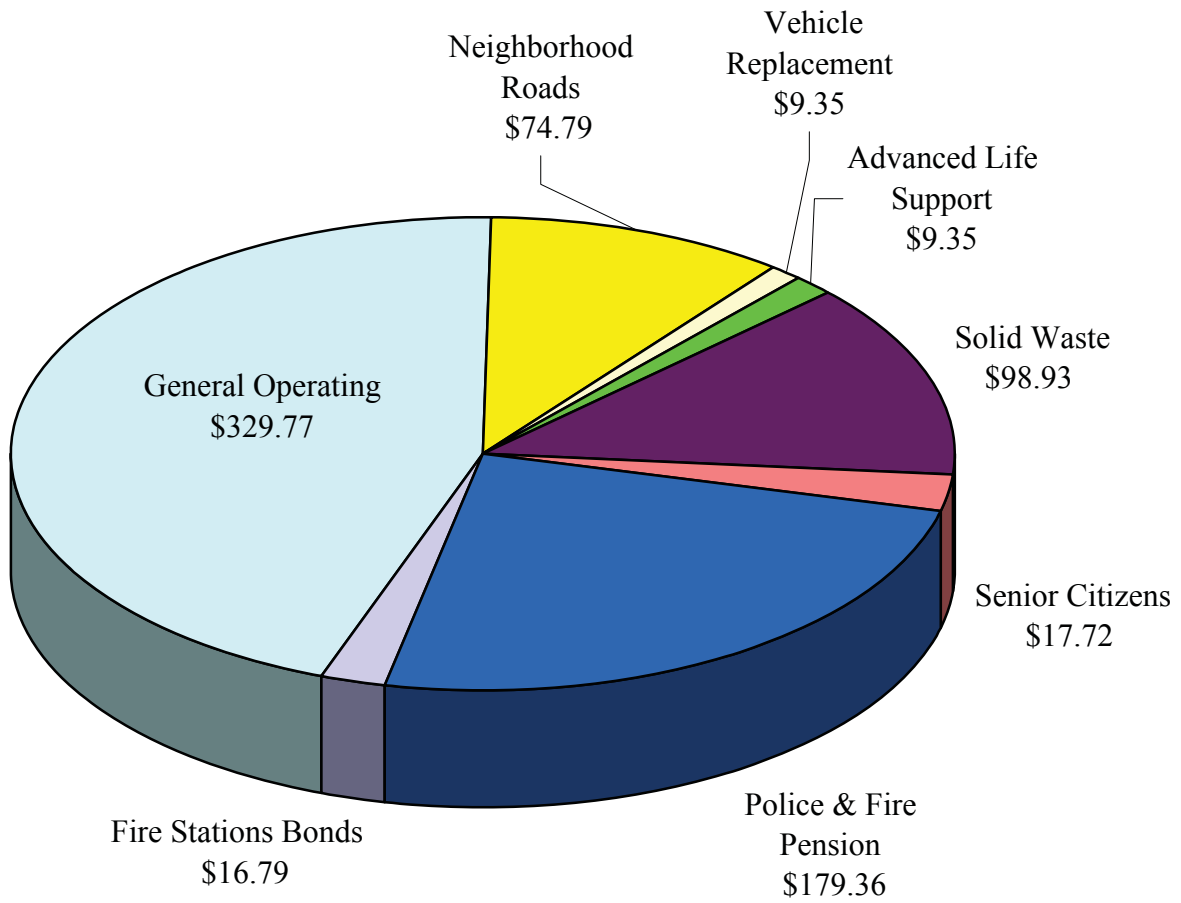
Property tax revenues can be divided into three categories: Real Property Tax (\$15.2 million); Personal Property Tax, (\$2.2 million); and Tax Abatements, Penalties, Interest, Delinquent Taxes and Administration Fees (\$0.5 million).

**Percentage of General Fund Revenues**



**Average City Taxes Paid - FY 2011-12**  
**Based on Average Home Market Value of \$76,320**  
**(Taxable Value of \$37,393)**

**Total of \$736.06**



Approximately 53% of the City's taxes are restricted for specific purposes.

## **Property Tax Revenues**

The rates displayed below are within the Charter limitations and the Headlee rollback limits. The FY 2011-12 combined City tax rate of 19.6844 mills per thousand dollars of State taxable valuation is broken down as follows:

### **DOLLARS PER \$1,000 OF TAXABLE VALUE \***

|                                | <u>Tax Rate</u><br><u>2011-12</u> | <u>Tax Rate</u><br><u>2010-11</u> | <u>Tax Rate</u><br><u>Limits **</u> | <u>Headlee Tax</u><br><u>Limits **</u> |
|--------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| <u>Operating Millages:</u>     |                                   |                                   |                                     |                                        |
| General Operating              | 8.8190                            | 8.8190                            | 10.0000                             | 8.8190                                 |
| Neighborhood Road Improvements | 2.0000                            | 2.0000                            | 2.0000                              | 2.0000                                 |
| Vehicle Replacement            | 0.2500                            | 0.2500                            | 0.2500                              | 0.2500                                 |
| Advanced Life Support          | 0.2500                            | 0.2500                            | 0.2500                              | 0.2500                                 |
| Solid Waste                    | 2.6457                            | 2.5353                            | 3.0000                              | 2.6457                                 |
| Senior Citizens                | 0.4740                            | 0.4751                            | 0.5000                              | 0.4751                                 |
| Police & Fire Pension          | 4.7967                            | 4.0952                            | as needed                           | as needed                              |
| Fire Stations Bond             | <u>0.4490</u>                     | <u>0.3900</u>                     | as needed                           | as needed                              |
| Total Millage                  | 19.6844                           | 18.8146                           |                                     |                                        |

\*Michigan taxable value begins at 50 percent of the property's fair market value in the year following the date of transfer as adjusted for inflation in accordance with Proposal A of 1994, which limits future assessment increases to 5 percent or the rate of inflation, whichever is lower, for each individual property.

\*\*Tax rate limits as established by the City Charter and various State laws. These limits are further subject to potential reduction as a result of the Headlee State Constitutional Amendment, which limits property tax increases related to the rate of inflation and Proposal "A" approved by State voters on March 15, 1994.

In Michigan, property is assessed at one-half of the market value and taxed at a taxable value, which is the prior year's taxable value plus five percent or the cost of living increase, whichever is less. There are 10,057 single-family homes and condominiums in Madison Heights. The average home market value is \$76,320 (State Equalized Value is \$38,160) with a taxable value of \$37,393 and an average tax bill of \$736 for City services for Fiscal Year 2011-12.

The average home market value in Madison Heights has dropped from \$88,900 to \$76,320 as of December 31, 2010. Although the dropping of the values of homes in our communities is discouraging, this does provide a benefit to the homeowners, as the average taxable value has dropped from \$44,035 to \$37,393 or 15.1%. The homeowner benefits as their City portion of their property tax drops \$93 per year. The \$93 per year savings is equal to a 2.5 mill rollback, a huge break for taxpayers.

Please note that although the average property tax bill will decline substantially, the proposed combined property tax rate has increased by 0.8695 mills to 19.6844, or 4.6%, due to changes in three individual millage rates. Keep in mind that for a millage to generate the same amount of tax revenue in FY 2011-12, the rate increase would have to offset the 15.1% decline in values.

The Solid Waste operations are supported exclusively by the Solid Waste millage. In light of a very favorable trash/recycling/compost contract, we have been able to fund this operation under the Headlee Amendment and Proposal A millage rate limits. Although this Budget was cut by \$125,000, the millage rate needs to be increased by 0.1104 mills to support projected expenditures. The Budget also includes the replacement of one of our street sweepers at a cost of \$209,000.

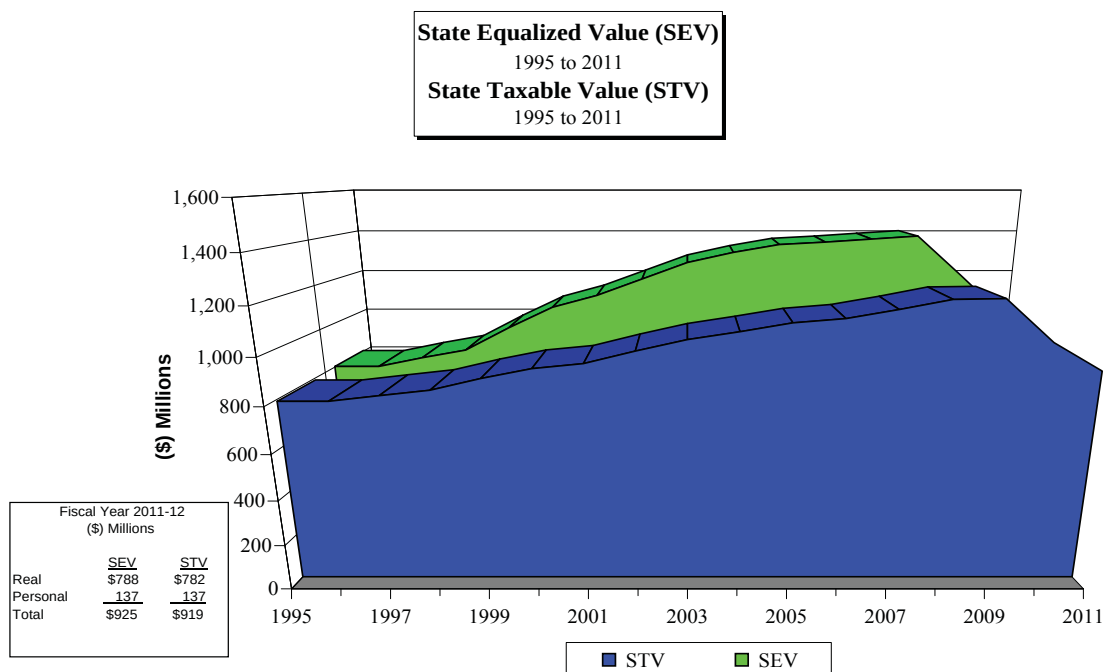
The Police and Fire Retiree Act 345 Property Tax Levy approved by the voters in the original City Charter is not subject to the Headlee Amendment and Proposal A. This millage funds the City contributions to the pension fund and the prefunding of post retirement medical benefits for sworn personnel. The charges to this millage are based on the State statute; negotiated terms of the Police, Police Command and Firefighter union labor agreements; and financial actuaries' recommended contribution rates based on projected medical inflation and investment returns. To fund these costs and offset the decline in property values, the millage was increased by 0.7015 mills, or 17.1%.

The Fire Stations Bond millage, like all voted debt issues, is not subject to the Headlee Amendment and Proposal A. Although the scheduled cost of the principal and interest payments has dropped in the new Budget from \$401,000 to \$393,000, the millage needs to be increased by 0.059 to offset the decline in property values

### **Property Tax Base**

The table below illustrates the growth in the State equalized value over the last fifteen years based on the type of property. The property tax base for the General Fund is quite diversified. The major components of the General Fund Property Tax Revenue are single unit residential/condominiums (42%), commercial (30%), industrial (13%) and personal property (15%).

This chart also illustrates the gap between equalized and taxable value. In FY 2011-12, the overall taxable



Taxable property consists of 86% real (land and building) and 14% personal (equipment and fixtures).

value decreased 15% with equalized value decreasing 13%. It is anticipated that at least for the next two years the equalized value will continue to decrease. As the overall gap between taxable values and equalized values closes and more individual properties' equalized values match taxable values (currently 99% of value), this will negatively impact the amount of tax revenue available to support City services.

In light of the deep recession, high unemployment brought on by the faltering American car companies and the foreclosure crisis, the Metro Detroit region has experienced a record decline in property values over the last three years. For 2011, the Oakland County Equalization Office is projecting real property declines of 13.9%, or broken down to residential down 15.1%, commercial down 10.3% and industrial down 17.7%. Personal property is projected to be down 4.1% overall which is caused by commercial down 3.2%, industrial down 7.8% and utilities up 6.1%.

Oakland County is responsible for collection of all property tax that goes unpaid as of March each year. In the past, the delinquent tax account was estimated based on projected collections from Oakland County of past delinquent taxes that were paid throughout the year. Beginning in Fiscal Year 2011, the City refunded more past taxes than was received in delinquent tax collections. This loss of revenue was due to the decreased taxable values and increased number of Michigan Tax Tribunal (MTT) cases.

Through the end of January 2011, the City has refunded \$395,000 for settled or completed MTT cases. For Fiscal Year 2012, this refund amount is budgeted to be \$429,600. This assumes that 55% of the cases will either be settled or completed with the remainder being dismissed or rejected in full. The active tribunal cases of current properties under appeal in both the Entire (Full) and Small Claims divisions equal a contested taxable value of \$64.7 million.

### **State Shared Revenues**

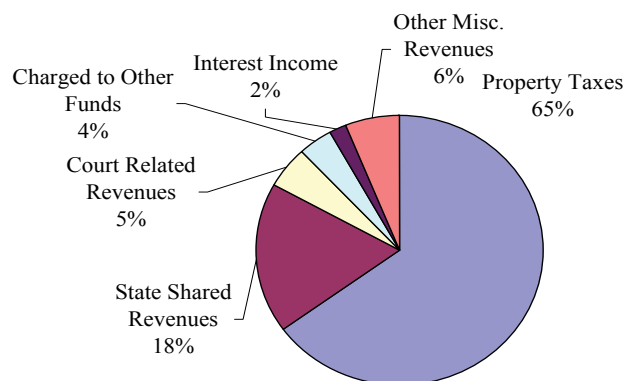
The City's second largest source of General Fund Revenue is State Shared Revenues, which amount to \$2.0 million or 7.2% of the Budget. Budgeted State Shared Revenues are projected to decline 16.4%. The major components of State Shared Revenues are the Constitutional Sales Tax (\$1.8 million - a 4% reduction) and Statutory Sales Tax (\$200,000 - a 61% reduction).

State Shared Revenues are taxes collected by State government and then transferred back to local municipalities based on the State Constitution and State statutes. Public Act 532 of 1998, approved by a lame duck legislature in December of 1998, established a new revenue sharing formula. The formula was being phased in at an additional 10% per year over a ten-year period starting in FY 1998-99. The new formula contained three equally weighted components: one based on taxable value per capita, one based on population weighted according to size and type of government, and one based on a guaranteed yield per locally levied mill, up to 20 mills.

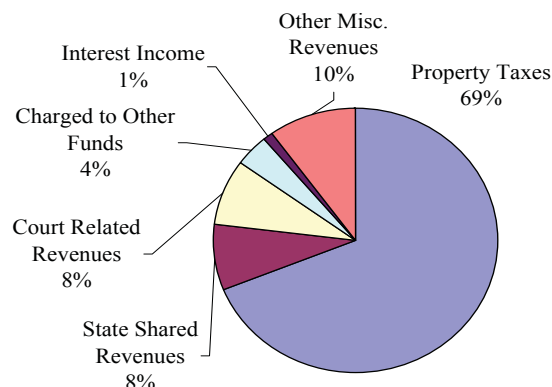
Public Act 532 eliminated inventory reimbursements. Increases in total payments are capped at no more than 8% per year; any amount above the growth cap is redistributed to the no-growth or low-growth communities. The new Revenue Sharing formula is impacted by a community's population in all three of its components. Therefore, the drop in Madison Heights' population from 2000 to the 2010 Census of 4.5% has had a negative impact on revenues.

For the last ten years, the State has systematically frozen or cut Statutory Shared Revenues each year.

**Major Revenues in FY 2000-01**



**Major Revenues in FY 2011-12**



As you can see from the pie charts shown above, in FY 2000-01 State Shared Revenues made up 18% of the General Fund Revenues, in FY 2011-12 they are only 8% of the total.

On March 21, 2011, Governor Snyder presented a special message on his plans for Community Development and Local Government Reform. As part of this presentation he outlined his plans for State Revenue Sharing. He indicated that Michigan currently has two forms of revenue sharing - payments from State funds to local units of government. The first is constitutional. Article IX, section 10, of the Michigan constitution requires that “Fifteen percent of all taxes imposed on retailers on taxable sales at retail of tangible personal property at a rate of not more than 4% shall be used exclusively for assistance to townships, cities and villages, on a population basis as provided by law.” The State’s FY 2011-12 budget projects a total distribution under that constitutional provision of \$659 million, a 4 percent increase state-wide over the last fiscal year.

The second program, formerly known as “statutory revenue sharing,” was implemented with Public Act 140 in 1971. The formula was adopted to distribute revenue on the basis of relative local tax effort and population and was used, in his opinion, to help major cities receive additional state aid. In the 40 years that have passed, subsequent legislatures have changed the formula to shift funds back and forth between cities, townships and villages numerous times. The end result is that more than 700 communities could receive statutory revenue sharing in FY 2011-12. The benefits of the State distribution formula is questionable as 100 municipalities are projected to receive less than \$1,000 next year and three of them less than \$10 paid in six installments.

In this global economy, cities and urban areas are crucial to the economic vitality of any region or state. The provision of public infrastructure and public safety is a key element in the business competitiveness of any region. The most important reforms to the local public finance system in the past 30 years have been the Headlee Amendment and Proposal A. These reforms were designed to ensure that Michigan’s tax system remains fair and in proportion to changes in the economy. In these troubled economic times, Michigan needs to focus its discretionary spending on strengthening the core regions of the State in order to move forward.

In the Governor’s budget message, he proposed that the program formerly known as statutory revenue sharing come to an end and be replaced by a new Economic Vitality Incentive Program (EVIP). This program will reward best practices and lead to more prosperous communities over the next few decades. It will give municipalities in our commercial centers the incentives and flexibility to engage in serious cost control measures. Such measures will help ensure that vital public services are not cut in the face of economic difficulties. By consolidating the State’s efforts to build strong centers of commerce, it is investing in a stronger Michigan.

Funding in the first year will change by limiting allocation to communities that are expected to receive over \$6,000 of the new reduced funding under the existing formula. However, to continue to qualify for the Economic Vitality Incentive, eligible municipalities must meet certain requirements and implement serious reforms. These requirements are all based on best practices, many of which have already been implemented by some municipalities and the State. But these requirements should be considered the first steps in local government reform and not the end solution. Many communities will find they already comply with some or all of the following requirements:

First, municipalities must embrace accountability and transparency. By October 1, 2011, local governments must produce a citizens guide to their finances and a performance “dashboard” that is readily available to the public. The Governor Snyder administration has worked closely with the Michigan Municipal League to develop the model dashboard. The dashboard can be customized for specific communities, but I find the recommended metrics most important.

In January, the Governor released the Citizen’s Guide to Michigan’s Financial Health. He is now asking all local governments to do the same by October 1, 2011. A template can be found on his website at [www.michigan.gov/gov](http://www.michigan.gov/gov) in the citizens guide section. Municipalities should use the chart-building tool and citizens guide template to make their local finances, including a recognition of their unfunded liabilities, available to the public.

Second, by January 1, 2012, municipalities must develop plans to consolidate services that will result in taxpayer savings. The plans should make a good-faith effort to estimate potential savings and costs associated with sharing critical services at the local level.

Finally, municipalities must begin to address employee compensation in order to continue to qualify for the Economic Vitality Incentive Program. For any new, modified or extended contract, all public employee compensation should be subject to the following criteria:

- a. Placing all new hires on a defined contribution plan or a hybrid retirement plan that caps annual employer contributions at 10 percent of base salary.
- b. Where applicable, a 1.5 percent multiplier should be used to determine employee pensions. A 2 percent multiplier should be used for employees who are not eligible for social security benefits.
- c. Implementing controls to avoid pension spiking such as using a three-year salary average that does not include more than a total of 240 hours of paid leave and overtime to determine benefit levels.
- d. If health care is offered, all new hires must be on an 80/20 employer to employee health care premium split. Alternatively, a dollar amount could be assigned to local health care plans and compared to the State healthcare plan if it is an HMO or includes other cost saving measures such as co-pays or deductibles.

Municipalities will receive one-third of their funding for each category of best practices they meet. The three categories are accountability and transparency, consolidation of services and employee compensation. Local units must meet every criteria described in a specific category by the defined timeline to fully benefit from the program. Municipalities that do not meet the criteria will see reduced funding in their scheduled payments. Until the specified dates and new contracts begin, communities will continue to receive six payments as previously scheduled at the new funding level.



These proposed reforms will accomplish several goals for Michigan. Most importantly, local leaders will have the ability to control short- and long-term costs. By controlling costs, local governments can maintain critical public safety, infrastructure and quality of life services. The continued provision of these services will enhance the long-term competitiveness and economic vitality of Michigan's commercial centers and the entire state.

Also, the Economic Vitality Incentive Program should include funds to be allocated to municipalities that combine government operations completely. Of the \$200 million funding level, the Governor proposes \$5 million be set aside in the first year to help overcome costs associated with mergers for those local government entities that decide to merge. This will help save taxpayers money in the long run.

The reforms that the Governor outlined above are just the first steps in his continuous improvement process. Over time, the State and its largest communities will work together to achieve best practices in government reform. State and local government should be viewed as partners working to make Michigan a better place, and these reforms will start us down that path.

It appears that based on the Governor's EVIP, the City would be eligible for a maximum of \$300,000 by meeting the requirements for : (1) accountability and transparency; (2) service sharing and consolidation; and (3) employee compensation best practices. The budget assumes the City will achieve two of the three requirements and receive \$200,000 in EVIP, which is a 61% reduction in funding.

The City is also reimbursed for a portion of the District Court Judge's salary, liquor license enforcement, Police training activities, penal fines dedicated to library services and miscellaneous court costs.

### **Other Revenues**

The third largest source of General Fund Revenue is composed of Court fines, forfeits, and charges (\$2.2 million), which are used to partially offset the cost of operating our State-mandated District Court and Police Department. The Budget forecasts a \$782,000 increase (55.3%) in Court related revenues as compared to the Amended FY 2010-11 Budget.

A fourth significant revenue is departmental charges, which is budgeted at \$988,000. These revenues are based on charges to the Major Street (\$124,000); Local Street (\$198,000); and Water and Sewer (\$666,000) Funds, for equipment, facilities and manpower costs incurred by the General Fund to support their operations.

A fifth group of revenue sources, other governmental revenues, provides between \$100,000 and \$500,000 in annual funding. This category is not as important to the overall budget as those already mentioned earlier, but represents a significant source of revenue. These revenues include business and non-business licenses, permits and fees, charges for service, recreation and senior center user fees, cable television franchise fees, telecommunication right-of-way fees and ambulance charges. Interest income is budgeted at \$125,000 for FY 2011-12. The significant 16.7% decrease in interest income is due to continued low interest rates as established by the Federal Reserve and reduced cash available for investing.

Revenue categories amounting to less than \$100,000 annually include Medicare Part D prescription and early retiree reinsurance Federal partial reimbursement payments, in lieu of taxes, penal fines from the County, State transportation credits, sales of goods, non-recreation user charges, auto pound, police service fees, cell phone dispatch revenues and fixed asset sales.

## **Revenue Adjustments**

The City continues to monitor and review its charges and fees to determine the relationship of the City's cost of providing these services and rates set by neighboring communities.

In an effort to more fully recover the cost of provided services, avoid increasing property taxes and reductions of existing programs and services, adjustments are scheduled in the following areas, generating these projected additional revenues:

|                                                                                                                                                     |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1. Police Traffic Enforcement Unit                                                                                                                  | \$ 500,000   |
| 2. Court Cost Recovery                                                                                                                              | 185,110      |
| 3. Re-establishment of the Police Motor Carrier Unit                                                                                                | 125,000      |
| 4. Establish Industrial Facility Tax Abatement (IFT) Audit Process with Claw Back for Noncompliance – reduced to reflect the recent Valenite refund | 57,512       |
| 5. Increase Fees-Code Enforcement Lawn Mowing, Snow Removal, Trash/Debris Removal                                                                   | 53,350       |
| 6. Garbage Day Police Parking Enforcement                                                                                                           | 50,400       |
| 7. SAD Road and Sidewalk Programs - Assess Administrative Costs                                                                                     | 25,000       |
| 8. Increase Cost of Memorial Tree Planting & Move Revenue to General Fund                                                                           | 23,041       |
| 9. Fire Department to Adopt Accumed Web/eMedic EMS Reporting Software                                                                               | 22,400       |
| 10. Adjust Recreation Program Activity Revenues                                                                                                     | 22,200       |
| 11. Move Golf Outing Revenues and Expenditures from Escrow Account to General Fund                                                                  | 13,339       |
| 12. Increase Recreational Vehicle Lot Fee from \$10 to \$15 Per Month                                                                               | 12,060       |
| 13. Close Skate Park, Sell Ramps and Apply Vending Machine Escrow to Recreation                                                                     | 8,300        |
| 14. Use Youth Center Escrow Account to Demolish Little House on Hales and Sell Trailers and Transfer Balance of Escrow                              | 8,006        |
| 15. Transfer \$3,000 from Senior Center Escrow Account to General Fund                                                                              | 3,000        |
| 16. Increase Senior Non-Medical Round-Trip Transportation Fee from \$2 to \$4                                                                       | 2,600        |
| 17. Implement a Fee for Garbage Day Parking Permits and Snow Emergency Parking Permits                                                              | 2,500        |
| 18. Library Visitor Fee Increase                                                                                                                    | 2,500        |
| 19. Implement a Fee for Police Prisoner Property Inventory and Release                                                                              | 2,000        |
| 20. Increase Senior Center Non-Program Fees                                                                                                         | 1,150        |
| 21. Increase Sponsorship Fee for Youth Sports Teams                                                                                                 | 625          |
| 22. Library Change Fine Criteria                                                                                                                    | 350          |
| 23. Establish Fee for Senior Center Computer Use                                                                                                    | 330          |
| 24. Library Youth Program Fee Adjustment                                                                                                            | 300          |
| 25. Library Non-Resident Checkout Fee                                                                                                               | 200          |
| 26. Library DVD Fee Increase                                                                                                                        | 150          |
| 27. Review Industrial Facility Tax Abatement Process                                                                                                | Undetermined |
| 28. Substantial Reduction in Library Hours (see related proposal on expenditure list)                                                               | (11,723)     |
| 29. Reallocate Code Enforcement Funding (see related proposal on expenditure list)                                                                  | (16,000)     |
| 30. Madison Heights Animal Control Services Turned Over to Oakland County Animal Control (see related proposal on expenditure list)                 | (21,384)     |
| Total                                                                                                                                               | \$1,072,316  |

## **Revenue Assumptions**

- State Shared Revenues - On March 21, 2011, Governor Snyder announced his plans for distributing Statutory Revenue Sharing. Some key aspects:

- \* The total Budget has been cut by two-thirds.
- \* The formula itself will stay the same.
- \* If a community is not in line for more than \$6,000 in statutory revenue sharing, they will not receive any statutory revenue sharing.

Governor Snyder indicates that there are three benchmarks that local units will need to sign off and certify that they are complying with. The State has said they will assume that local units are in compliance. If non-compliance comes to light, then local units could take a prospective hit on one-third of revenue-sharing payments. The three benchmarks include the following:

1. Accountability and Transparency - new requirements to October 1, 2011
  - \* Use of a dashboard of key metrics.
  - \* Use of transparency tool or Citizens Guide.
2. Service Sharing and Consolidation - new requirement by January 1, 2012
  - \* Local governments must submit a plan or identify what they are already doing in terms of service sharing/consolidation. Local units must set forth a “good faith” effort by January 1, 2012.
  - \* In addition, \$5 million will be set aside to help communities with one-time implementation costs for full merger.
3. Employee Compensation Best Practices
  - \* Make changes similar to what the State has done in regard to new or reopened contracts, not required for existing contracts.
  - \* Pension - for new employees, change to a defined contribution or hybrid plan which has the following features:
    - Caps the contribution at 10 percent of salary
    - If a hybrid plan, there will be a 1.5 percent multiplier if in Social Security, and 2.0 percent multiplier if not in Social Security
    - Limit overtime and banked time in Final Average Compensation calculation
  - \* 80/20 percent sharing on medical premiums

For Budget purposes, the City has assumed it will meet two of the three requirements.

- Licenses and Permits – Fees set by City Council; based on activity projected by the Community Development Director for occupational and non-business licenses; and City Clerk for business licenses and permits.
- Charges From Other Departments – Consultant’s cost allocation plan.
- Interest Income - A conservative 1.25% return was assumed on reduced cash reserves.

- Gas & Weight Tax - Michigan Department of Transportation estimated Act 51 Revenue as a 7% reduction. The rates assume a 10.5% drop based on SEMCOG 2010 census estimates. The certified 2010 census (4.5% reduction) will be reflected in the Act 51 distributions starting with October 2011 distribution that local unit's revenue will receive in December 2011.
- Section 8 Housing Grant - Department of Housing and Urban Development (HUD), total allowable rental units per contracts with HUD calculated at fair market rents.
- Water Sales and Sewage Disposal - Prior 12 months assuming a 3 percent reduction in utilization and a 9.8 percent rate increase.
- Special Assessment Collections – Revenues are estimated based on the projected July 1st billings.

## **OTHER MAJOR FUNDS**

### **Major Street Fund**

The largest source of Major Street revenues at \$1.1 million is derived from Gas and Weight taxes collected by the State of Michigan. These taxes are distributed to local municipalities based on miles of roads. Gas and Weight tax revenues comprise 84% of Major Street revenues. Other revenues include reimbursements from the Road Commission of Oakland and Macomb Counties for winter and summer maintenance by the City on County roads and berm areas (5%) and transfer from the General Fund and Downtown Development Authority (9%) for needed repairs to John R and the first payment to accumulate a 50% match for 2015 rehabilitation work on John R. The projected contribution to fund balance for FY 2011-12 is \$18,000.

### **Local Street Fund**

Prior to 1996, the primary source of revenue for the Local Street Fund had been from State distributions of Gas and Weight tax. These State distributions, estimated to be \$418,000 only provided enough funding to perform minor road repairs and maintenance. In an effort to raise revenues for more extensive and much needed repairs and rehabilitation, the voters approved a ten year dedicated road millage of two mills in August 2006. This millage will provide \$2.0 million in FY 2011-12 and an estimated \$22.0 million over the ten-year period, which will be used exclusively for the repair and reconstruction of residential streets and rights-of-way. Other revenues include interest income, \$61,000. The projected draw down of fund balance to complete scheduled neighborhood road reconstruction projects for FY 2011-12 is \$2.2 million.

### **Parks Maintenance and Improvement Fund**

The Parks Maintenance and Improvement Fund was established with a November 2007 one-time payment of \$850,000 from the George W. Kuhn Drainage District, in exchange for the City's agreement to assume responsibility for the operation and upkeep of the new 10 acre Red Oaks Soccer Complex. The projected revenues for the budget year include \$15,000 in interest income from the investment of the original payment. The revenues and accumulated funds can be used for any Madison Heights park system improvement. The projected use of fund balance for FY 2011-12 is \$9,000.

### **Downtown Development Authority Fund**

Funding for the Downtown Development Authority is derived exclusively from the growth (increment) in real and personal property tax above the 1997 base year for those properties located in the District and interest income (\$2,000). Tax revenues have decreased 67% over the last two years to \$101,000.

### **Drug Forfeiture Fund**

The Fund is used to account for revenues (FY 2011-12, \$55,500) generated by the Madison Heights Police Department through drug forfeitures related to enforcement of drug laws pursuant to Public Act 251 of 1982.

### Community Improvement Fund

All Community Improvement revenues are provided by the Federal Housing and Urban Development (HUD) Department. There are two types of funding provided by HUD. The first is through the Community Development Block Grant (CDBG) program (\$134,000 for FY 2011-12). This program, administered by Oakland County, provides for 100 percent reimbursement for expenditures that aid low-moderate income areas. This reimbursement is limited to the amount of available Federal funding which has declined substantially in recent years. The second classification of revenue is provided through the Section 8 Housing Grant Program (\$1.8 million for FY 2011-12). This program provides funding for rental housing assistance to low-moderate income families.

### Fire Manning Grant

On December 30, 2010, the City was awarded a two-year grant for the purpose of bringing back two Firefighters laid off on June 30, 2010, increasing shift staffing. The City is able to file for the cost reimbursement, estimated at \$232,000, for FY 2011-12 (excluding overtime and uniform allowance).

### Special Assessment Revolving Fund

Revenues to this Fund include principal and interest payments from prior years' road and sidewalk projects (\$330,000). Other revenues include interest earned on fund balance (\$10,000), transfers from Local Streets (\$20,000) for key flags sidewalks/ramps at intersections and a (\$93,000) use of fund balance. These assessments will be repaid as the 3 to 15 year special assessment payments are made by the property owners.

### Fire Stations Construction and Bond Funds

These funds account for the construction activities related to the \$5.9 million 2003 Fire Stations Bond project and the repayment of the debt associated with this project. The dedicated millage will generate \$394,000 this year to make principal and interest payments. Fund balance of \$22,000 will be used to support debt payments.

### Water and Sewer Fund

Water and Sewer Fund revenues are generated through user charges to residential and commercial customers based on water usage. Revenues from water and sewer user charges comprise 44% and 55% respectively of the revenues of this fund. In 2009, the Fund exhausted its cash reserves and was forced to borrow from the General Fund. Although the loan was paid back in 2010, the cash reserves are low and need to be increased. The FY 2011-12 Budget includes \$927,000 contribution to fund balance. The other revenues are derived from meter charges, service charges, tap fees, interest on investments and building rental charges.

### Motor Pool and Equipment Fund

Revenues of the Motor Pool and Equipment Fund are provided exclusively through contributions from departments of the General Fund (\$927,000) and Water and Sewer Fund (\$104,000). The amount contributed by each department is based on the cost incurred by the Motor Pool in maintaining the department's vehicles.

## **FUND BALANCE**

In Madison Heights, the General Fund Fund Balance consists of designations of unreserved fund balance for various purposes amounting in total to \$3.9 million. The following table reflects the audited Fund Balance for the years ended June 30, 2009 and 2010:

| FUND BALANCE                   | ACTUAL<br>FY 2008-09 | ACTUAL<br>FY 2009-10 | CHANGE<br>FY 08-09 vs 09-10 |
|--------------------------------|----------------------|----------------------|-----------------------------|
| Unreserved:                    |                      |                      |                             |
| Designated:                    |                      |                      |                             |
| Vested Employee Benefits       | \$2,587,014          | \$2,655,547          | \$ 68,533                   |
| Retained Insurance Risks       | 250,000              | 250,000              | 0                           |
| Vehicle Replacement            | 1,136,030            | 853,407              | (282,623)                   |
| Capital Improvements           | 32,589               | 102,000              | 69,411                      |
| Subsequent Year's Expenditures | <u>393,372</u>       | <u>56,636</u>        | <u>(337,736)</u>            |
| Total Designated               | \$4,399,005          | \$3,916,590          | \$(482,415)                 |
| Undesignated                   | <u>0</u>             | <u>0</u>             | <u>0</u>                    |
| Total Unreserved Fund Balance  | \$4,399,005          | \$3,916,590          | \$(482,415)                 |

### **Designated Funds**

Designated Fund Balance falls into five categories: funds designated for vested employee benefits; retained insurance risks; vehicle replacement; capital improvements and subsequent year's expenditures.

The designation for employee benefits was established to provide a reserve for unused sick leave and vacation benefit liabilities not funded elsewhere. These funds would be required to meet the commitments, which change over time based on employee retirements, leave accrual and utilization rates. This designation was set based on audited records at \$2.7 million last year and makes up 68% of the Designated Fund Balance.

In 1987, the City started setting aside a portion of its Fund Balance for possible contingencies related to self-insurance losses. Starting on June 30, 2008, this designation was set to match the \$250,000 self retention limit with the City's liability insurance pool provider.

With the decreases in revenue sharing and property tax, and increasing prices, the general maintenance and upkeep of City facilities has become a heavy burden to support and in some situations has been deferred for many years. On June 30, 2010, \$102,000 was designated for future capital improvements.

To achieve a long-range goal of the City's financial policies and to ensure the timely replacement of vehicles as scheduled in the Fifteen Year Vehicle Replacement Plan, a dedicated source of funding was established through the motor pool charge in FY 1998-99.



The monies added to the “Sinking Fund” account through an annual appropriation were the amount needed to replace that vehicle when scheduled for replacement. As of June 30, 2010, the designation for vehicle replacement stood at \$853,000. In light of the funding constraints, the annual addition to appropriation was discontinued in FY 2003-04.

The City has also followed the sound practice of designating funds for budgeted purchases and projects that cannot be accomplished by the end of any given fiscal year. This method of carrying forward monies could be used to retain appropriations on large equipment purchases or construction projects budgeted, but not bid or completed prior to the end of a fiscal year. This financial tool is used to pull together all those significant items outstanding, but not acted upon by the end of a budget year. On June 30, 2010, those carry-forward purchase designated funds (\$56,000) made up 1% of the Designated Fund Balance.

#### Undesignated Funds

Undesignated Fund Balance is that portion of the fund balance not specifically designated for a specific purpose. Due to the current financial constraints, all of the Fund Balance is designated for specific purposes.

#### Changes in Fund Balance

A total of \$2.3 million in FY 2011-12 of the Designated Fund Balance has been programmed to support the budget. It is preferable to not only fund current operations and related expenditures with current revenues, but also add to (increase) fund balance over time.

**ALL FUNDS SUMMARY  
CHANGES IN PROJECTED  
FUND BALANCE/RETAINED EARNINGS  
FISCAL YEAR 2011-12**

| Fund                                          | Beginning<br>Balance | Revenues      | Expenditures  | Ending<br>Balance | Percent<br>Change In<br>Fund Balance |
|-----------------------------------------------|----------------------|---------------|---------------|-------------------|--------------------------------------|
| General Fund <sup>(1)</sup>                   | \$ 4,514,324         | \$ 26,059,483 | \$ 28,387,681 | \$ 2,186,126      | (51.6)                               |
| Major Street <sup>(2)</sup>                   | (321,111)            | 1,321,489     | 1,303,597     | (303,219)         | (5.6)                                |
| Local Street - Non Proposal R <sup>(3)</sup>  | 20,859               | 678,147       | 633,188       | 65,818            | 215.5                                |
| Local Street - Proposal R <sup>(4)</sup>      | 6,143,473            | 1,753,204     | 4,012,000     | 3,884,677         | (36.8)                               |
| Parks Maintenance and Improvements            | 723,520              | 14,800        | 23,659        | 714,661           | (1.2)                                |
| Downtown Development Authority <sup>(5)</sup> | (98,957)             | 103,300       | 106,201       | (101,858)         | 2.9                                  |
| Police Drug Forfeiture                        | 89,293               | 56,500        | 105,000       | 40,793            | (54.3)                               |
| Community Improvement Program                 | 931,047              | 1,981,786     | 2,001,818     | 911,015           | (2.2)                                |
| Fire Manning Grant (SAFER)                    | 0                    | 231,932       | 231,932       | 0                 | 0                                    |
| Special Assessment Revolving                  | 571,592              | 360,093       | 452,779       | 478,906           | (16.2)                               |
| Fire Stations Construction and Bond Funds     | 406,364              | 393,595       | 446,333       | 353,626           | (13.0)                               |
| Water and Sewer Fund <sup>(5)</sup>           | 1,621,680            | 10,558,886    | 9,823,271     | 2,357,295         | 45.4                                 |
| Motor Pool and Equipment Fund                 | 0                    | 1,032,334     | 1,032,334     | 0                 | 0                                    |
| Total                                         | \$ 14,602,084        | \$ 44,545,549 | \$ 48,559,793 | \$ 10,587,840     | (27.5)                               |

- (1) The General Fund is budgeted to use \$2.3 million in fund balance for operating expenditures during Fiscal Year 2012. The General Fund revised projected ending unreserved fund balance is \$1,291,000, or 4.5% of General Fund expenditures for FY 2011-12. To arrive at this revised fund balance:

|                                                  |                    |
|--------------------------------------------------|--------------------|
| General Fund Ending Balance                      | \$2,186,000        |
| Additional FY 2010-11 Budget Savings             | + 274,000          |
| Fund Balance Reserve for Pre-Paid                |                    |
| Expenses and Dedicated Millages                  | <u>(1,169,000)</u> |
| Revised Unreserved Fund Balance on June 30, 2012 | \$1,291,000        |

- (2) The Major Street Fund revised projected beginning fund balance is \$55,000. The Major Street Fund fund balance is projected to be positive at June 30, 2011 given the expenses associated with the Campbell Road and the sectional concrete replacement project planned for FY 2010-11 was completed in FY 2009-10, creating a surplus of \$376,000 in FY 2010-11.
- (3) The Local Street Fund has two components of fund balance, the first is non-Proposal R revenues which are projected to exceed non-Proposal R expenditures by \$45,000 on June 30, 2010. A transfer from the General Fund is budgeted to cover \$200,000 of operating expense. In the past, this transfer came from the Major Street Fund, however this year the Major Street Fund is budgeted to use this \$200,000 for John R repairs.
- (4) The Local Street Fund Proposal R portion is budgeted to use fund balance for planned construction projects for which the Proposal R millage is levied.
- (5) The Downtown Development Authority Fund revised projected beginning fund balance is \$7,300. The Downtown Development Authority fund balance is projected to be positive at June 30, 2011 given the John R project planned for FY 2010-11 was completed in FY 2009-10, creating savings of \$106,000 in FY 2010-11.
- (6) The Water and Sewer's retained earnings is not representative of cash in this business-type fund and includes accounts receivable, depreciation and inventory. At June 30, 2010, the cash balance was \$738,420.

## **MAJOR INITIATIVES**

The City has set as a budget goal an adequate level of basic services that will be maintained with sufficient staff and appropriate equipment and facilities for fire suppression, emergency medical services, police and public services programs. The budget contains the following key program enhancements that will be provided within our current capabilities.

### **General Fund**

#### **Public Safety-related program improvements including:**

|    |         |                                                                                                   |
|----|---------|---------------------------------------------------------------------------------------------------|
| \$ | 120,000 | Replacement of Court building roof                                                                |
| \$ | 18,000  | Firefighters' self contained breathing apparatus and 60 tanks (grant match for \$180,000 project) |

#### **Leisure Service-related Program Improvements including:**

|    |        |                                                             |
|----|--------|-------------------------------------------------------------|
| \$ | 14,000 | Library purchases including books, videos and audio visuals |
|----|--------|-------------------------------------------------------------|

#### **Resource Management-related Improvements including:**

|    |        |                                                                                                       |
|----|--------|-------------------------------------------------------------------------------------------------------|
| \$ | 18,000 | Computer system replacement of four uninterruptible power source batteries and eight network switches |
|----|--------|-------------------------------------------------------------------------------------------------------|

#### **Proposal "V-2" Millage vehicle replacements including:**

|    |         |                                                                                                                                                                                                                                             |
|----|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ | 219,000 | <ul style="list-style-type: none"><li>• 1 animal control van</li><li>• 1 ambulance rescue (phase II funding)</li><li>• 1 ambulance rescue (phase I funding)</li><li>• 1 building officials vehicle</li><li>• 1 parks riding mower</li></ul> |
|----|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### **Solid Waste Millage vehicle replacement:**

|    |         |                |
|----|---------|----------------|
| \$ | 209,000 | Street sweeper |
|----|---------|----------------|

### **Major Street Fund**

|    |         |                                                                                                                |
|----|---------|----------------------------------------------------------------------------------------------------------------|
| \$ | 50,000  | Commercial & Industrial Sectional Concrete Replacement on Whitcomb                                             |
| \$ | 221,000 | John R south of Gardenia road repair (also \$26,000 in Downtown Development Authority Fund)                    |
| \$ | 214,000 | Phase I of IV funding for a 50% (\$855,000) grant for John R overlay from 11 Mile to the Red Run Drain in 2015 |

### **Local Street Fund**

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ 3,744,000 | Proposal “R-2” Millage road reconstruction scheduled as part of Year Four of the Neighborhood Road Improvement Program including: <ul style="list-style-type: none"><li>• Gardenia - John R to Lorenz</li><li>• Alger - Parker south to Gardenia</li><li>• Townley - 11 Mile to University</li><li>• Shacket - Huntington to Spoon</li><li>• Sherry - Girard to Parkdale</li><li>• Groveland and University Intersection</li><li>• Huntington - Campbell to Mark</li><li>• Longfellow - Garry to 30290 Longfellow</li></ul> |
| \$ 228,000   | Sectional concrete replacement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| \$ 20,000    | Proposal “R-2” contribution to fund key sidewalk squares and ramps in an area bounded by Thirteen Mile, I-75, Fourteen Mile and Campbell                                                                                                                                                                                                                                                                                                                                                                                    |

### **Downtown Development Authority Fund**

|           |                                                                                            |
|-----------|--------------------------------------------------------------------------------------------|
| \$ 58,000 | Downtown Development Authority (DDA) funding match of 50% for Economic Development Program |
| \$ 9,000  | DDA funding for code enforcement services                                                  |
| \$ 5,000  | Public right-of-way mowing                                                                 |
| \$ 5,000  | Public right-of-way trash receptacle program                                               |
| \$ 26,000 | John R road rehabilitation (total project cost \$247,000)                                  |

### **Drug Forfeiture Fund**

|           |                                             |
|-----------|---------------------------------------------|
| \$ 98,000 | Four Police patrol cars                     |
| \$ 5,000  | Two hand-held speed detection laser devices |

### **Community Improvement Fund**

|           |                                                                  |
|-----------|------------------------------------------------------------------|
| \$ 15,000 | Senior citizen home chore program lawn mowing and snow shoveling |
|-----------|------------------------------------------------------------------|

**Neighborhood Stabilization Fund**

\$ 128,000 Neighborhood Stabilization Program area sectional concrete repair

**Special Assessment Revolving Fund**

\$ 425,000 Year 9 of Sidewalk Gap and Replacement Program for an area bounded by Campbell, Thirteen Mile, I-75, Fourteen Mile and Campbell

**Water and Sewer Fund**

\$ 60,000 One Ton Dump Truck

## **BUDGET POLICIES AND PROCEDURES CHAPTER**

### **Role of the Budget**

The Budget provides the annual financial plan for the management of the City's affairs. The document compiles the financial data needed to support the City of Madison Heights' comprehensive decision-making and policy development process. This Budget is based on the Five Year Capital Improvement Plan, the City's financial policies, past City Council direction, and City Manager and Departmental review of operations.

### **Budget Strategy**

The current financial plan is based upon Council direction and current revenue constraints. These factors govern the stewardship of public funds and reflect the following principles:

Strive to maintain basic services at current levels with adequate funding;

Program costs will reflect a true picture of the cost of operations. Depreciation will not be included in program costs (except in the enterprise fund) and some Citywide expenses will be separated from program expenditures for ease of administration;

Program services will be provided in the most efficient method while meeting the needs of the public;

Necessary infrastructure improvements, improvements to stationary capital assets such as roads, sewer lines and water systems, will be undertaken, when financially feasible, to meet needs;

Revenues will be estimated at realistic levels;

Reserves will be programmed at appropriate levels (8% to 13% of annual expenditures) to protect the City from future uncertainties; and

The Budget will comply with provisions of the State Constitution, City Charter, Municipal Code and sound fiscal policy.

## **FINANCIAL POLICIES**

The Council first reviewed and adopted financial policies with the FY 1992-93 Budget. In December of 1998, Madison Heights adopted Michigan's Investment Act for Local Units of Government (Public Act 20 of 1943), which was amended by Public Act 196 of 1997. In February 2003, Madison Heights adopted Michigan's Credit Card Transactions Act known as Public Act 266 of 1995. In August 2004, Madison Heights adopted Electronic Transactions of Public Funds Public Act 738 of 2002. In April of 2004, the Governmental Accounting Standards Board issued new regulations for the purpose of improving disclosure for liabilities associated with future retiree health care cost. Based on these guidelines, the City was required to implement in FY 2007-08 statistics to disclose liabilities and what contributions are to fund these liabilities over the following 30 years.

Under Public Act 149 of 1999, the City is able to invest in a trust fund that offers pension type investments and will increase investment returns. To establish the necessary trust investment vehicles, on May 23, 2005 and February 27, 2006, the City established two Retiree Health Care Trust Funds (one each for Police and Fire Act 345 employees and Michigan Employees Retirement System general employees). From the FY 2006-07 Budget to the FY 2010-11 Budget, the City made the actuarial based contribution to pre-fund this liability.

Effective November 1, 2008 in accordance with the Fair and Accurate Credit Transaction Act of 2003, the City implemented an identity theft program policy.

These policies serve the staff in the preparation of the budget and management of the City's financial affairs. Policies have been established in the following areas: Operating Budget, Revenue, Reserves, Capital Improvements, Debt, Investments, Electronic Transactions of Public Funds, Auditing and Financial Reporting, Credit Cards, Accounting and Identity Theft Prevention.

The City of Madison Heights' financial policies, as compiled below, set forth the basic framework for the overall fiscal management of the City. Operating independently of changing economic circumstances and conditions, these policies assist the decision making process of the City Council and staff. These policies provide guidelines for evaluating both current activities and proposals for future programs.

Most of the policies represent long-standing principles, traditions, and practices, which have guided the City in the past and have helped maintain financial stability.

### **Operating Budget Policies**

1. The City must adopt a balanced budget annually. A balanced budget is when operating budget revenues are equal to operating expenditures. All expenditures or revenues that increase or decrease the budget causing it to be out of balance must be amended by City Council through formal action.



2. The City will attempt to maintain its present service level for all priority and essential services within the existing property tax millage limits. No new services will be added without appropriate trade-offs.
3. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare periodic reports comparing actual revenues and expenditures to budgeted amounts.
4. The City will emphasize efforts to reduce expenditures in major cost centers (i.e. energy, medical insurance premiums, self-insurance liability premiums, communications, information technology, pension cost, worker's compensation premiums and other fringe benefits).
5. The Water and Sewer Fund operations will be self-supporting.

### **Revenue Policies**

1. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source.
2. The City will attempt to obtain additional revenue sources as a way of ensuring a balanced budget.
3. The City will follow an aggressive policy of collecting revenues.
4. The City will establish all user charges and fees at a level related to the full cost (operating, direct, indirect and capital) of providing the service.
5. The City will review fees and charges annually, and will design or modify revenue systems to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing the service.
6. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
7. The City will, to the extent possible, use one-time revenues to fund one-time expenditures instead of financing ongoing programs.
8. The City will evaluate revenue sources to identify those sources that are unpredictable and use conservative estimates in preparing revenue projections.

### **Reserve Policies**

1. The City will establish a revenue reserve (designated and/or undesignated fund balance in each major fund) to pay for expenses caused by unforeseen emergencies or shortfalls caused by revenue declines. For the General Fund, the long-range goal is that the available reserve will be increased and then maintained at an amount that represents at least eight percent of annual expenditures.
2. The City will strive to establish a contingency expenditure reserve (designated and/or undesignated fund balance) to provide for unanticipated expenditures of a nonrecurring

nature, or to meet unexpected small increases in service delivery costs. A target amount for this reserve will be one percent of operating funds.

3. The City will meet all current expenditures with current revenue.
4. The City will strive to maintain a Vehicle and Equipment Replacement Account to provide for timely replacement of vehicles and equipment. The amount added to this account by annual appropriation would be the amount required to cover an established vehicle replacement schedule after credit for the sale of surplus equipment and interest earned by the account.
5. The City will establish reserves to comply with the terms and conditions of the debt instruments used to finance capital improvement projects. Capital Improvement projects are large purchases and construction projects costing more than \$30,000.
6. The City shall set aside specific amounts of retained earnings in reserves for future development of capital improvement projects that it has determined to be in the best long-term interests of the City.

As of June 30, 2010, the City has established a designated General Fund Fund Balance for vested employee benefits (\$2,655,547), retained insurance risk (\$250,000), vehicle replacement (\$853,407), capital improvements (\$102,000) and subsequent year's expenditures (\$55,636) for a total of \$3,916,590 unreserved funds.

In March 2009, the Government Accounting Standards Board issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned. Amounts that are intended by the City to be used for specific purposes, but are neither restricted nor committed, can be assigned by the City Manager or Director of Administrative Services. The City will implement Statement No. 54 beginning with the FY 2010-11 Budget Year.

### **Capital Improvement Policies**

1. The City will develop an inventory of capital needs annually. The capital needs are reviewed to determine what projects and/or assets should be funded. In the past, the cost for some capital improvements has been large enough to warrant a separate millage or bond proposal.
2. The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements in accordance with the plan.
3. The City's plan will include large capital purchases and construction projects costing more than \$30,000.
4. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital infrastructure and equipment from current revenues where possible.

5. The City will try to ensure that prime commercial and industrial acreage is provided with the necessary infrastructure to meet the market demand for this property.
6. The City will use the following criteria to evaluate the relative merit of each capital project:
  - a. Projects that implement a component of an approved Goal Plan will be a priority when establishing funding.
  - b. Projects specifically included in an approved replacement schedule will receive priority consideration.
  - c. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
  - d. Projects that duplicate other public and/or private services will not be considered.
  - e. Priority will be given to those projects that directly support development efforts in areas with a majority of low to moderate-income households.

### **Debt Policies**

1. The City will consider use of debt financing only for one-time capital improvement projects such that revenue is of a sufficient amount, and the projects' term of financing will not exceed the useful life of the projects.
2. The net bonded indebtedness incurred for all public purposes shall not at any time exceed ten (10) percent of the assessed value of all real and personal property in the City.
3. The amount of emergency loans that the Council makes under provisions of Section 10.1 subsection (3) of the Charter may not exceed three-eighths of one percent of the assessed value of the real and personal property in the City.
4. The total amount of special assessment bonds pledging the full faith and credit of the City shall not at any time exceed twelve percent of the assessed value of all real and personal property in the City.
5. The City will not consider the use of debt financing to support current operations.
6. The City will maintain a sound relationship with all bond rating agencies and will keep them informed about our current capital projects.
7. The City will publish and distribute an Official Statement for each bond issue.

As of June 30, 2011, the legal debt limit (10 percent of total assessed valuation) will be \$104 million. The City will have \$7.4 million debt for the Fire Station Bonds and Fixed Network Water Meter Reading System General Obligation Limited Tax Bonds applicable to the limit in 2011.

## **Investment Policy**

1. The City will invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State statutes and local ordinances governing the investment of public funds.
2. This investment policy applies to all financial assets held by the City other than Police and Fire Retirement Fund and the Parks Maintenance and Improvements which are governed by Public Act 314 of 1965 as amended.
3. The City's investments shall be reasonably diversified by specific maturity dates, and/or individual financial institutions or a specific class of securities.
4. In managing its investment portfolio, the Finance Director/Treasurer or their designee should avoid transactions that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of these affairs, not for speculation, but for investment, considering the probable safety of this capital as well as the probable income to be derived.
5. The City's officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair or create the appearance of an impairment on their ability to make impartial investment decisions.
6. The City is empowered by State statute (1943 P.A. 20 as amended by 1988 P.A. 285, and Section 1 as amended by 1997 P.A. 44) to invest in the following types of securities:
  - a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
  - b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
  - c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after date of purchase.
  - d. Repurchase agreements consisting of instruments in subdivision (a).
  - e. Bankers' acceptances of United States banks.
  - f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
  - g. Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S. C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a

permissible investment solely by reason of either of the following:

- (i) the purchase of securities on a when-issued or delayed delivery basis;
    - (ii) the ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned; and
    - (iii) the limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
  - h. Obligations described in subdivision (a) through (g) if purchased through an inter-local agreement under the Urban Cooperation Act of 1967, 1967 (Extra Session) PA 7, MCL 124.501 to 124.51.
  - i. Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
  - j. The investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
7. The Finance Director/Treasurer is restricted to investments in any one single issue or obligation of \$3,000,000 or less, which meet the statutory restrictions above.
8. Except for cash in certain restricted and special accounts, the investment officer may pool cash of various funds to maximize investment earnings. Investment income shall be allocated to the various funds based upon their respective participation.
9. The City maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the City in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. Accounting treatment will include carry investments at cost or amortized cost which approximates market and amortizes the premium or discount over the life of the investment.
10. The Finance Director/Treasurer will submit an annual investment report that provides the principal and type of investment by fund, annualized yield, ratio of cash to investments, earnings for the current reporting period and year-to-date, and a summary report of cash and investments maintained in each financial institution. Performance of the portfolio will be reported periodically and submitted to the City Manager. Reports will be submitted at a minimum on an annual basis. Material deviations from projected investment strategies will be reported immediately to the City Manager.
11. The Finance Director/Treasurer shall establish a system of internal controls, which are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Finance/Treasurer Department. Required elements of the system of internal controls shall include 1) the timely reconciliation of all bank accounts (i.e., monthly reconciliation within 30 days of the end of the monthly cycle), and 2) details of delivery versus payment procedures and trust receipt documentation.

## **Electronic Transactions of Public Funds Policy**

1. Authority to enter into Automated Clearing House (ACH) agreements and electronic transfer for public funds.

The Treasurer may enter into an ACH agreement as provided by Public Act 738 of 2002, hereinafter “the Act”, effective December 30, 2002. The City Council has adopted a resolution to authorize electronic transactions of public funds and have received a copy of the policy. Applicable definitions in the Act shall apply.

2. Responsibility for ACH.

The Treasurer shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH Policy. The Treasurer shall submit to the local unit documentation detailing the goods or services purchased, the cost of goods or services, the date of the payment, and the department(s) serviced by the payment. This report can be contained in the electronic general ledger software system or in a separate report to the governing body of the local unit.

3. The following system of internal accounting controls shall be used to monitor the use of ACH transactions.

The Treasurer shall be responsible for the establishment of ACH agreements. The Treasurer shall make arrangements for those accounts to be paid by ACH or electronic transfers.

Upon receipt of an invoice for payment for accounts paid by ACH, the Department Head shall approve payment and notify the Treasurer to arrange for the appropriate debit to the City’s accounts.

For payment of state and federal payroll taxes, the Treasurer shall initiate payment to the proper authority upon receipt of the information from the payroll department using the established Electronic Federal Tax Payment System (EFTPS) and state programs.

For deposits from state, county, and/or federal authorities, and from third-party payment processors (e.g. banks, vendors), the Treasurer shall obtain the amount of the deposit and send a notice to the person responsible for accounting records.

All invoices shall be held by the Finance Department along with copies of payment notices.

The Treasurer reserves the right to amend this policy relating to any other matters the Treasurer considers necessary.

### **Auditing and Financial Reporting Policies**

1. An independent audit will be performed annually.
2. The City will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board.
3. The City will maintain a strong internal audit capability.

### **Credit Card Policy**

1. The City's Finance Director is responsible for the City of Madison Heights credit card accounting, monitoring, and generally for overseeing compliance with this credit card policy. The Human Resources Director is responsible for credit card issuance and retrieval.
2. A credit card may be used only by an officer or employee of the City of Madison Heights for the purchase of goods or services for the official business of the City of Madison Heights. In addition, any administrative policy that may be implemented by the City Manager may limit the specific official business for which credit cards may be used.
3. An officer or employee using credit cards issued by the City of Madison Heights shall submit to the Finance Department documentation detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which purchased.
4. An officer or employee issued a credit card is responsible for its protection and custody and shall immediately notify the Finance Director if the credit card is lost or stolen.
5. An officer or employee issued a credit card shall return the credit card upon the termination of his or her employment or service in office with the City of Madison Heights.
6. The Finance Director shall establish a system of internal accounting controls to monitor the use of credit cards issued by the City of Madison Heights.
7. The approval of credit card invoices by the utilizing department shall be completed before payment.
8. The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within 60 days of the initial statement date. The City of Madison Heights shall comply with this provision.
9. Disciplinary measures shall be consistent with law for the unauthorized use of a credit card by an officer or employee of the City of Madison Heights.



## **Accounting Policies**

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

### **1. Basis of Accounting**

Modified Accrual is a “basis of accounting” that determines when a transaction or event is recognized in the fund’s operating statements. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The Water and Sewer Fund and Police and Fire Retirement Fund use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are both measurable and earned, regardless of when the cash is received. Expenses are recorded when incurred. All governmental funds and other funds utilize the modified-accrual basis of accounting. The City is legally subject to the budgetary control requirements of the State of Michigan Public Act 621 of 1978, as amended (the Uniform Budgeting Act). Budgets must be adopted for the General Fund, Special Revenues Funds and Debt Service Funds. The City adopts its budget by activity, which is in accordance with the State’s legal requirements. The budget follows the type of accounting that the State of Michigan directs. Modifications in such method from the accrual basis are as follows:

- a. Property taxes and other revenue that are both measurable and available for use to finance operations of the City are recorded as revenue when earned. Other revenue is recorded when received.

Properties are assessed as of December 31 and the related property taxes become a lien on the following July 1. These taxes are due on August 31 with the final collection date of February 28 before they are added to the County’s delinquent tax rolls.

- b. Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- c. Interest income on special assessment receivable is not accrued until its due date.
- d. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e. Payments for inventory types of supplies are recorded as expenditures at the time of purchase.

- f. The non-current portion of vested employee benefits is reflected in the General Long-Term Debt Group of Accounts.

## **2. Budgeting**

All appropriated funds are budgeted for on a modified accrual basis. In particular, employee wages are budgeted to account for the number of days scheduled for each fiscal year.

## **3. Fund Accounting**

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, recorded cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of performing specific activities or attaining certain objectives. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

### **A. Governmental Funds**

**General Fund:** The General Fund contains the records of the ordinary activities of the City that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue and other sources.

**Special Revenue Funds:** Special Revenue Funds are used to account for activities that are substantially funded by a specific external revenue source that is restricted or committed to a specific purpose.

**Debt Service Funds:** Debt Service Funds are used to account for the annual payment of principal, interest and expenses in connection with certain long-term debt other than debt payable from the operations of an enterprise fund.

### **B. Proprietary Funds**

**Enterprise Fund:** The Enterprise Fund is used to account for the results of operations that provide a service to citizens that is financed primarily by a user charge for the provision of that service. The Water and Sewer Fund is the City’s only Enterprise Fund.

**Internal Services Funds:** Internal Services Funds are used to account for activities that provide services to other funds or departments within the local government. The Motor Pool Fund is the only Internal Service Fund in the City, which provides services on a cost reimbursement basis.

The Propriety Funds are unique to government accounting. Unlike most other funds, these funds are treated similar to private businesses; in other words, the cost associated with these funds must be recovered through revenue generated from their services. Capital related charges in these funds are budgeted based upon actual cost, however

for accounting purposes these capital purchases are recorded as assets and depreciated over their useful life.

#### C. Fiduciary Funds

Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for individual, organizations, other governments or other funds. These include both the Police and Fire Retirement Fund and Retiree Health Care Fund, as well as the General Retiree Health Care Fund, and Tax Collection and Escrow Funds. The Police and Fire Retirement Funds and both Retiree Health Care Funds are accounted for in the same manner as proprietary funds. Tax Collection and Escrow Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

#### D. Fixed Assets and Long-term Liabilities

**Fixed Assets and Long-term Liabilities:** Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of Accounts, rather than in the governmental funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and lighting systems. No depreciation is recorded for general fixed assets.

All fixed assets are recorded at cost or, if donated, at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Group of Accounts, not in the governmental funds.

### **Identity Theft Policy**

The risk to the City, its employees and customers from data loss and identity theft is of significant concern to the City and can be reduced only through the combined efforts of every employee and contractor.

The City adopts this sensitive information policy to help protect employees, customers, contractors and the City from damages related to the loss or misuse of sensitive information.

This policy will:

1. Define sensitive information;
2. Describe the physical security of data when it is printed on paper;

3. Describe the electronic security of data when stored and distributed; and
4. Place the City in compliance with state and federal law regarding identity theft protection.

This policy enables the City to protect existing customers, reducing risk from identity fraud, and minimize potential damage to the City from fraudulent new accounts. The program will help the City:

1. Identify risks that signify potentially fraudulent activity within new or existing covered accounts;
2. Detect risks when they occur in covered accounts;
3. Respond to risks to determine if fraudulent activity has occurred and act if fraud has been attempted or committed; and
4. Update the program periodically, including reviewing the accounts that are covered and the identified risks that are part of the program.

This policy and protection program applies to employees, contractors, consultants, temporary workers, and other workers at the City, including all personnel affiliated with third parties. The detailed policy can be found on the City's website at [www.madison-heights.org](http://www.madison-heights.org).

## **BUDGET REQUIREMENTS**

### **Uniform Budgeting Act Requirements**

The City is legally subject to the budgetary control requirements of State of Michigan Public Act 621 of 1978 as amended (the Uniform Budgeting Act). The following is a summary of the requirements of this Act, as amended according to the State Treasurer's "Bulletin for Audits of Local Units of Government in Michigan" dated April 1982 as amended by Public Act 493 of 2000:

1. Budgets must be adopted for the General Fund and Special Revenue Funds.
2. Budgeted expenditures cannot exceed budgeted revenues and fund balance.
3. The budgets must be amended when necessary. Process for amendments is detailed in Budget Process Overview.
4. A public hearing must be held before budget adoption.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures must be authorized by a budget before being incurred.

The City adopts its budget by activity, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations.

### **City Charter Requirements**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the third Monday in April, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. On or before the third Monday in May, the budget is legally enacted through passage of a resolution.
4. The City Manager is authorized to transfer budgeted amounts between line items within an activity category; however, any revisions that alter the total expenditures of any activity must be approved by the City Council.

## **BUDGETING CONTROLS**

### **Internal Controls**

The annual budget provides a basis of control over financial operations. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the approved budget. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Fund are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within each individual fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

### **Independent Audit**

State statutes and the City Charter require an annual audit of all accounts of the City by certified public accountants selected by the City Council. This requirement has been fulfilled by Plante & Moran, Certified Public Accountants, for many years. The auditor's report on the general purpose financial statements is included in the financial section of the Comprehensive Annual Financial Report. The auditor's report that relates specifically to the federal funds' single audit is reported under separate report.

## **BUDGET PROCESS OVERVIEW**

The Annual Budget covers a twelve month period beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>.

There are several goals associated with the preparation and development of the City's annual budget document. First, the budget is a financial plan and management tool. The document should assist staff in monitoring revenues and expenditures and in evaluating the effectiveness of City program and services. Second, the budget serves as an important reference document. It should provide staff, City Council and the general public with extensive information on the nature and scope of municipal operations and services.

### **Departmental Budget Requests**

The budget preparation process includes the development of a five year capital improvement plan. Particular attention is given to providing sufficient justification for these budget requests.

### **Building the Proposed Budget**

Under the direction of the City Manager, and with the assistance of Oakland County Equalization and Department Heads, the Finance Director prepares an initial projection of revenues for the next fiscal year. This projection is based on reasonable assumptions of revenue generated by estimated property values and current user fees, and the most current information from the State.

Next, the City Manager establishes budget allocations for existing funding priorities and the strategy of proportioned allocations (including reduction if necessary) for each department based on available revenue. Spending priorities are based on the City's financial policies and mandated requirements, and focus on maintaining services, covering insurance and bond requirements, and the balancing of manpower, supplies and equipment.

### **Budget Review and Analysis**

All funding requests are sent to the City Manager and Finance Director for review and evaluation. The objectives of this phase are to:

- a. Ensure that the intent of all budget requests are understood and complete.
- b. Gain greater understanding of departmental goals, objectives and operations for the coming fiscal year.
- c. Determine how proposed budgetary programs and associated changes are related to department goals and objectives.
- d. Develop comprehensive information and/or request further justification on budgeted items.

Various analytical techniques are utilized in evaluating departmental budget requests. Some of these include: analysis of workload and levels of services, evaluation of historical expenditure patterns, projection of inflationary price increases, as well as review of departmental operations.

### **City Manager Review**

Review sessions are scheduled with the City Manager. After these discussions, the City Manager makes his final adjustments and works with the Finance Director and staff to prepare the draft of the Proposed Budget.

### **City Council Adoption**

After receiving the Proposed Budget, work session(s) are conducted with the City Council to familiarize members of the Council with its contents. A public hearing is conducted to assure that all persons and organizations are provided an opportunity to comment. The City Council then makes its revisions and adopts the budget for the next fiscal year.

### **Budget Amendments**

The City Manager is authorized to make Budgetary transfers as needed within the appropriation centers established throughout the Budget, any other transfers between appropriations may be made only by further action of the Council, pursuant to the provisions of the Michigan Uniform Accounting and Budget Act.



## **Budget Calendar**

### **Economic Outlook and Gap Resolution Process**

|                           |                                                                                                                     |
|---------------------------|---------------------------------------------------------------------------------------------------------------------|
| September to mid-November | Staff financial team develops three year financial forecast and future funding presentation                         |
| October to November       | Staff and Council review forecast results and presentation, and Council provides direction on goal plan at workshop |
| October to November       | Department Heads and City Manager develop revenue/expenditure gap resolution proposals                              |
| November to December      | City Council submits requests for additional proposals, reviews and ranks comprehensive list of goal proposals      |

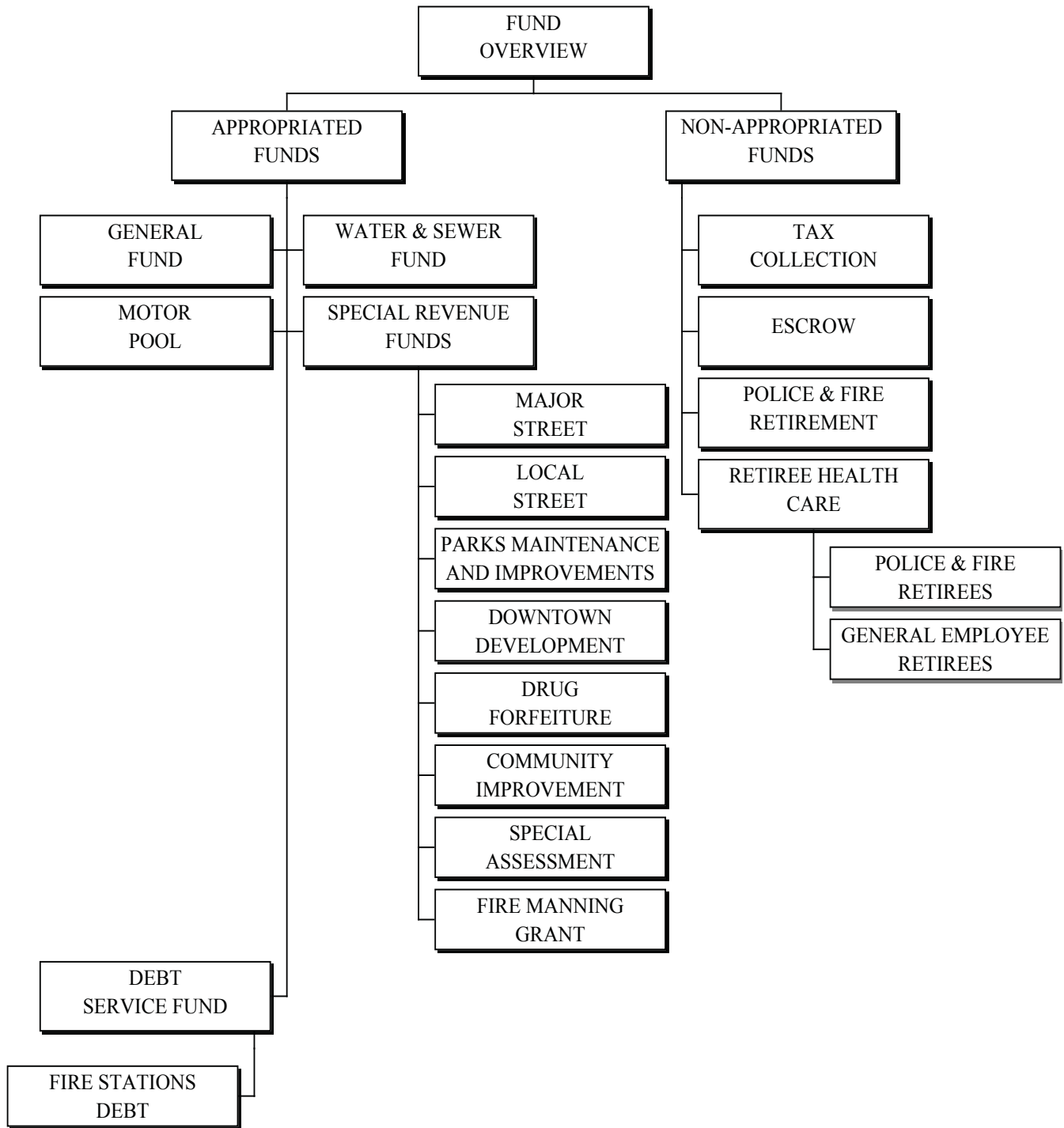
### **Capital Improvement Plan**

|                               |                                                                                                                             |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Late October                  | City Manager requests that departments submit Capital requests for Five-Year Capital Improvement Plan (CIP) (over \$30,000) |
| Mid November                  | Department of Public Service and Community Development Department complete the road evaluation and sign inventory survey    |
| Late November                 | Final deadline for CIP requests to City Manager                                                                             |
| Early December                | Preparation of CIP worksheets, maps, graphs and tables for presentation                                                     |
| Mid December to Early January | Staff compiles requests and prepares the Five-Year CIP document                                                             |
| Late January                  | Presentation of Five-Year CIP to City Council                                                                               |

## **Operating Budget**

|                                |                                                                                                                                       |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Early January to Late February | Preparation of Personnel Schedules by Finance Department; Solid Waste and Motor Pool budgets submitted                                |
| Mid January to Mid February    | Department Heads submit changes in user fees to Finance                                                                               |
| Mid February                   | Operating Budget Department Training Session                                                                                          |
| Late February                  | Deadline for submission of department budgets                                                                                         |
| Late February to Early March   | City Manager's review of budget request with Department Heads                                                                         |
| March                          | Staff compiles draft budget and City Manager prepares Budget message and narrative chapters                                           |
| Early March to Early May       | Council Budget Workshop Session(s)                                                                                                    |
| Early April                    | City Manager and staff resolve remaining budget concerns and other questions                                                          |
| Mid April                      | Staff produces Proposed Budget for submission to City Council                                                                         |
| Mid April                      | Finance Director publishes notice of public hearing on millage rates and budget adoption                                              |
| Third Monday in April          | City Manager presents budget to Council                                                                                               |
| Second Monday in May           | Public Hearing on the Budget. City Council adopts Annual Operating Budget and Tax Levy                                                |
| May/June                       | Staff produces Adopted Budget document and distributes to City Council, Department Heads and Public                                   |
| Late January/Early February    | Staff proposes and Council reviews and approves amendments, if needed (no special notices or public hearing required)                 |
| Late June                      | Staff proposes and Council reviews and approves year-end budget amendments, if needed (no special notices or public hearing required) |

# BUDGET FUND STRUCTURE



## **BUDGET FUND STRUCTURE**

The budget is organized by funds, and funds are organized by departments, divisions, or functions. A description of each of the funds is listed below. The comprehensive budget document is comprised of both appropriated and planned operating funds (non-appropriated) as shown on the facing page.

### **Fund Descriptions**

The City maintains accounts for 17 separate funds. The Budget includes the 12 funds that are appropriated by the City Council. The appropriated funds can be divided into five groups of funds based on the type of financial activities. The groups include the General Fund, Special Revenue Funds, Debt Service Funds, Internal Service (Motor Pool) Fund and Enterprise (Water and Sewer) Fund.

The General Fund, Major Street Fund, Local Street Fund, Special Assessment Revolving Fund, and Water and Sewer Fund are considered to be major funds. Major funds are funds whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) that are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds.

### **Appropriated Funds**

#### **1. General Fund**

The General Fund contains the records of the ordinary activities of the City that are not accounted for in another fund. These activities are funded by revenues from general property taxes, state-shared revenues, court fines and fees, charges to other funds for services, permits, user fees and other sources. The Budget establishes revenues and expenditures for the activity budgets (the level on which expenditures should not exceed appropriations).

#### **2. Enterprise Fund - Water and Sewer Fund**

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City financed primarily by user charges. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, construction, billing and collection.

#### **3. Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted for expenditures for specific purposes. The City has eight Special Revenue Funds that are accounted for separately. A description of the Special Revenue Funds maintained by the City are as follows:

**Major Street Fund**

The Major Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the portion of the City's street network designated as major streets by the Michigan Department of Transportation (MDOT). Financing is provided by the City's share of state gas and weight taxes, grants, interest on investments, special assessments and maintenance agreements with the Road Commissions of Oakland and Macomb Counties.

**Local Street Fund**

The Local Streets Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the portion of the City's street network designated as local streets by MDOT. Financing is provided by the City's share of state gas and weight taxes, transfers from other funds (Major Street Fund and General Fund - Proposal "R-2" Road Millage), special assessments and interest on investments.

**Parks Maintenance and Improvement Fund**

On May 14, 2007, the City entered into a license, use and maintenance agreement with the George W. Kuhn Drainage District and the Oakland County Parks and Recreation Commission regarding the 10 acre Red Oaks Soccer Complex. As consideration for the City's agreement to maintain the Complex for the next 25 years, the City received \$850,000 with limited restrictions of its use. This Fund was established to support maintenance and improvements for both the Red Oaks Soccer Complex and other City parks. Public Act 404 of 2008 allows the City to use a long-term investment strategy for idle funds.

**Downtown Development Authority Fund**

The Madison Heights Downtown Development Authority (DDA) was created in June 1997, pursuant to Act 197 of Public Acts of 1975 of the State of Michigan. The primary objective of the DDA is to establish the legal basis and procedure for the capture and expenditure of tax increment revenues in accordance with P.A. 197 of 1975 as amended, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of services and public improvements.

**Drug Forfeiture Fund**

The Drug Forfeiture Fund is used to account for revenues generated by drug forfeiture and expenditures related to the enforcement of drug laws per Public Act 251 of 1982.

**Community Improvement Fund**

The Community Improvement Fund accounts for the City's Community Development Block Grant and Housing Commission funds received from the United States Department of Housing and Development (HUD). These funds are utilized for the Senior Citizen Home Chore Program, minor home repair, barrier-free improvements and other projects that benefit low and moderate-income residents. This Division also provides assistance to low-income families with low interest and/or deferred home

improvement loans. Under the City's Housing Commission program, federal funds are used to subsidize rent payments for over 250 low-income tenants.

**Special Assessment Revolving Fund**

The Special Assessment Fund is used to record revenues and related project expenditures for special assessment districts, and City Council is able to authorize advancement of funds that are not supported by bond issues.

**Fire Manning Grant Fund**

The Fire Manning Grant Fund was created to account for the United States Department of Homeland Security Federal Emergency Management Agency's Staffing for Fire and Emergency Response (SAFER) Grant awarded to the City on December 31, 2010. The grant provided the funding to bring back two fire fighters that were laid off on June 30, 2010 due to the General Fund's financial constraints. The Fire Manning Grant Fund will account for the reimbursement of the majority of expenses (excludes overtime and uniform allowance) associated with the two firefighter positions for a two year period starting January 17, 2011.

**4. Internal Services Fund – Motor Pool Vehicle and Equipment Fund**

The Motor Pool Vehicle and Equipment Fund is used to account for the cost of operating and maintaining all City vehicles, and rolling and motorized equipment. The Motor Pool Division is also responsible for keeping adequate vehicle and equipment parts in stock; ordering gasoline and diesel fuel; and overseeing the work done on all emergency backup generators.

**5. Debt Service Fund – Fire Stations Debt Service Fund**

The Fire Stations Debt Service Fund accounts for principal and interest payments made on general obligation bonds issued to construct the Fire Station Headquarters, demolish and redevelop the old building site and to complete renovations to Fire Station #2.

**Non-Appropriated/Fiduciary Funds**

The Non-Appropriated Funds maintained by the City include the following:

**1. Tax Collection Fund**

The Tax Collection Fund is used to account for the collection of property taxes and repayment of property taxes collected by the City on behalf of other taxing jurisdictions.

**2. Escrow Fund**

The Escrow Fund is used to record deposits by outside individuals or organizations. The City acts as a trustee for these funds.

### 3. **Trust Funds**

#### **Police and Fire Retirement Fund**

The Police and Fire Retirement Fund is used to account for the accumulation of resources to be used for retiree medical costs, retirement pension and annuity payments. The fund accounts for management fees, auditing and actuarial fees related to the system, some administrative costs, and pension and retiree health benefits. Resources are provided by contributions from employees at rates fixed by labor agreement and contributions from the City at amounts determined by an annual actuarial valuation. The City's contributions are funded through a special millage authorized by Public Act 345 of 1937.

#### **Retiree Medical Health Care Funds**

The Police and Fire Retiree Health Care Trust, as authorized by Public Act 149, was established in 2006 for the exclusive purpose of accumulation of resources required for retiree health care benefits for eligible Police and Fire sworn employees. Retiree health care benefits may include health care, dental, and life insurance benefits or other such benefits. Resources for this fund are provided by contributions from the City at amounts determined by a biannual actuarial valuation. The City's contributions are funded through a special millage authorized by Public Act 345 of 1937.

The General Employees Health Care Trust was established in 2005 for the exclusive purpose of accumulation of resources required for retiree health care benefits. Retiree health care benefits may include health care, dental, and life insurance benefits or such other benefits. Resources for this fund are provided by contributions from the City at amounts determined by a biannual actuarial valuation. This Trust has been established through the Michigan Employees Retirement System (MERS) as authorized by Public Act 149.



## **APPROPRIATIONS CHAPTER**

The Appropriations Chapter provides the backup and support materials for concepts and programs introduced in the Budget Overview. This chapter presents changes to the base budget that outlines modifications that are necessary for the City to meet its existing obligations in the new budget year.

### **Changes to the Base Budget**

#### **Personal Services**

##### **Wages**

The personal services account group includes funding of \$22.0 million or over 45.3 percent of all funds appropriation totals. In the General Fund, personal services make up over \$19.3 million or 68 percent of the budget. With the exception of eight executive and administrative employees, the City's full-time workforce belongs to one of eight bargaining units. The Budget includes wages; scheduled step adjustments based on years of service; full funding of appropriate cost-of-living adjustments, longevity, police and fire holiday, education, uniform, food and fire fighter paramedic premium pays; and related impact on salary driven fringe benefits.

##### **Status of Labor Negotiations**

According to a report from the U.S. Bureau of Labor Statistics on January 21, 2011, in 2010 the union membership rate - the percent of wage and salary workers who were members of a union - was 11.9 percent, down from 12.3 percent a year earlier. The number of wage and salary workers belonging to unions declined by 612,000 to 14.7 million.

In 2010, 7.6 million public sector employees belonged to a union, compared with 7.1 million union workers in the private sector. The union membership rate for public sector workers (36.2 percent) was substantially higher than the rate for private sector workers (6.9 percent). Within the public sector, local government workers had the highest union membership rate, 42.3 percent. This group includes workers in heavily unionized occupations, such as teachers, police officers and fire fighters. Private sector industries with high unionization rates included transportation and utilities (21.8 percent), telecommunications (15.8 percent), and construction (13.1 percent). Among occupational groups, education, training, and library occupations (37.1 percent) and protective service occupations (34.1 percent) had the highest unionization rates in 2010. In Michigan, 16.5% of the workforce belongs to a union, ranking Michigan 8th of the 50 states. The local government sector has the highest rate of unionization of any occupational group.

As of July 1, 2011, 147 of 154 full-time City employees or 95%, belong to one of eight bargaining units. Of course, with this high percentage of unionized workforce it is very time consuming, costly and difficult to initiate the type of rapid change that is necessary now to meet the financial challenges that lie ahead.

The current bargaining units include:

1. Madison Heights Court Clerks Association
2. Department Heads Union - American Federation of State, County and Municipal Employees (AFSCME) Council 25
3. Supervisors and Assistants Union - AFSCME Local 1917
4. Municipal Employees Union - Technical, Professional and Officeworkers Association of Michigan (TPOAM)
5. Department of Public Service - TPOAM
6. Madison Heights Police Officers Association/Police Officers Labor Council (POLC) (Public Act 312 coverage)
7. Madison Heights Police Command Officers Association/POLC (Public Act 312 coverage)
8. Madison Heights Fire Fighters Association (Public Act 312 coverage)

Of the City's eight bargaining units, six have current contracts in place that run through June 30, 2011. Two unions, including: Police Officers Labor Council (Police Command Officers) and the International Association of Firefighters are working under expired contracts. Both the Police Command Officers and Firefighters have forced the City into statutory Public Act 312 binding arbitration. The binding arbitration process typically takes a year or more to complete. Given the need to obtain both wage and benefit concessions from our labor unions, the process to put together this year's Budget and implement gap reduction measures has been very difficult.

The six bargaining units that have current agreements include: the Madison Heights Court Clerk's Association; the Department Heads AFSCME Unit; the Supervisors and Assistants AFSCME Unit; the Department of Public Services TPOAM; the Municipal Employees TPOAM Unit and the Police Officer Labor Council (Police Officers). These groups have been asked to consider opening their contracts up to accept both wage and benefit concessions including unpaid holidays and furlough days (or decrease holiday days). On February 22, 2010, City Council approved the first of these concessionary agreements with the Madison Heights Court Clerk's Association. In addition, for FY 2010-11 only, the City's seven non-union employees have agreed to accept the same 6% rollback approved by the Council for the Court employees. The management negotiation team will continue to work toward implementation of these concessions with the final two groups based on Council direction.

In January 2006, the City and its labor groups began a new era, with the Council's approval of the new three year agreement with the Department of Public Services Field Workers TPOAM unit. As a result of the new funding reality, the parties crafted a contract that should help the City in the long run contain benefit costs and allow the City to continue to provide vital basic services.

Under the terms of the labor contract, the group agreed to the following concessions:

1. All active employees were moved to the HMO medical insurance;
2. The former employee medical incentive to select the HMO was eliminated;
3. All employees hired after July 1, 2005:
  - a. Will no longer be eligible for a defined benefit pension plan, but instead will be provided a defined contribution pension where the City makes contributions during the employees' work career and employees will also make mandatory contributions;

- b. Will no longer be eligible for unlimited retiree and spouse medical coverage, but instead will be provided a defined contribution health care savings account where the City makes contributions during the employees' work career and employees make mandatory contributions; and,
- c. Retirees are now responsible for paying their Medicare Part B premium.

As part of the December 2008 settlement of the July 1, 2008 to June 30, 2011 labor contract, the group agreed to raise the prescription co-pay to \$10 generic and \$40 non-generic. All groups except Police Command and Firefighters have accepted the same provisions plus a high deductible health insurance plan partially funded with individual Healthcare Savings Accounts (HSAs).

### **Medical Costs**

- Health Care Coverage - Current Employees

The largest fringe benefit cost is \$4.3 million for health care coverage. For the purpose of negotiated benefits, employees are divided into two groups: active (currently employed) and retired. Through the last two rounds of negotiations, the City has moved employees from the standard Blue Cross - Blue Shield coverage (traditional plan) to a more economical managed care Community Blue (preferred provider) coverage plan (PPO).

As part of the last round of negotiations, the non-Act 312 groups (except for DPS-TPOAM) agreed to move to Blue Cross/Blue Shield Flexible Blue Plan 2 with \$10/\$40 closed formulary after deductible supplemented by a Health Savings Account or the Blue Care Network health maintenance organization (HMO). The non-Act 312 groups include: Court Clerks, Department Heads AFSCME, DPS TPOAM, Municipal Employees TPOAM, and the Supervisors and Assistants Union AFSCME. Blue Care Network, the City's health maintenance organization (HMO), premiums range from \$7,267 to \$17,440 per employee per year, depending on household size. All current and retired employees do have the option of the Blue Care Network (or the Flex Blue HSA plan), which results in savings on deductibles, co-payments, and the filing of insurance forms. The Flex Blue HSA premiums range from \$6,814 to \$19,760. The City is providing funding for HSA of \$1,250 single to \$2,500 family at the rate of 100% year one; 80% year two; and 50% year three, except for the Police Officer union who agreed to start at 50%.

In 1994, the City instituted a health care cost measure that provided the employees financial incentives to move to the HMO, or switch to coverage by their former employers or spouse's employer health provider insurance. Under the new labor agreements for the non-Act 312 groups, this HMO incentive was eliminated. As of January 1, 2011, the City's active employees maintain the following coverage: PPO, 28; HMO, 114; FlexBlue, 12; and 6 employees that have dropped City insurance due to coverage being provided otherwise. The City's retirees maintain the following coverage: Medicare Advantage, 25; PPO, 75; and HMO, 14.

At the conclusion of the last round of negotiations for non-Act 312 groups, the City has in place a new cost containment measure moving all active employees to a \$10 generic and \$40 non-generic prescription co-pay program.

To partially offset the cost to employees for the higher prescription drug card deductible, the City has extended the allowable employee medical reimbursement of \$125 per year for co-pays of physicals and prescription out-of-pocket expenses to include dependent family members.

- Health Care Coverage - Retirees

The overall medical, dental and life insurance costs for retirees dropped by \$296,000, or 14.8%, to \$2.3 million. This increase would have been larger but it was partially offset by the result of adopting Medicare Advantage, with most eligible retirees joining Medicare Part B. In regard to retired employee coverage, the City, at this time, allows eligible retirees to retain their level of coverage that they maintained at the time of retirement. This means that most retirees have retained the Community Blue PPO plan. The cost for the Community Blue PPO retirees for next year ranges from \$11,178 to \$26,976 per retiree per year, for either employee or employee plus spouse household coverage.

- Pensions

The second largest fringe benefit cost component is the employer's contribution to the employee retiree pension plans. The City's full-time workforce is divided into two pension groups. All Police and Fire sworn employees are members of the Police and Fire Pension Fund established pursuant to Michigan Public Act 345. The remainder of the full-time employee workforce is covered by the Municipal Employees' Retirement System (MERS).

The budget for the employer contribution to the Police and Fire Pension Fund is 19.4% of total wages based on the City's actuary 2010 recommended contribution rate. In regard to the MERS plan, the pension contribution is budgeted by union group ranging from \$3,872 for Police Service Aides to \$18,754 for non-Union Court Employees and Department Heads. The average MERS contribution rate for FY 2011-12 is \$10,253.

- Pre-funding Retiree Health Care

In April 2004, the Governmental Accounting Standards Board (GASB) issued new regulations for the purpose of improving disclosure for liabilities associated with future retiree health care cost, similar to the existing pension obligation disclosure requirements. Based on these new GASB guidelines, the City is now required to disclose our liabilities and contributions to fund these liabilities over the next 30 year time frame.

As of June 30, 2010, the liability has been calculated to be \$48.8 million over the next 30 years. Based on two studies of these projected liabilities, the actuary has set contribution rates of 11.8% and 15.8% of total wages for Police and Fire Pension and MERS Pension employees respectively. The total budget for this expense will exceed \$1.5 million.

- Dental Coverage

Based on the settlement of the last round of agreements, all employees have been moved to the Delta Premier PPO, with an annual benefit to \$1,500 per year, for specified dental procedures. In addition, the City provides a maximum \$1,000 lifetime benefit for orthodontics. Dental and orthodontic coverage decreased \$268 (21.4%) per employee per year to \$982. The lower costs are a result of the City moving to self-insurance.

- Life Insurance Coverage

The Madison Heights Fire Fighters Association, Police Command Officers Association, Police Officers Association of Michigan and the Department Heads' bargaining groups receive \$50,000 life insurance policies. The Municipal Employees Union; DPS Employee - Field Workers (TPOAM); the Supervisors and Assistants Union; and the Court Clerks have a \$35,000 policy. Many retirees receive \$10,000 in coverage. The annual premiums for these coverages for active employees has dropped by 11.5% and are budgeted at \$41 to \$207 per employee.

- Worker's Compensation

Until 2010, the City made significant contributions to the Worker's Compensation Insurance Fund to compensate employees for lost wages resulting from on-the-job injuries. Despite workplace safety programs, and improved equipment and supervision used by the City to protect workers, the workforce has experienced several serious long-term injuries in Public Service, Police and Fire.

In the past, the City was fully insured for workers compensation through the MML municipal pool utilizing Meadowbrook as a third party administrator. As part of the FY 2010-11 Budget, the City will move to a self insurance plan where the City contracts with a third party administrator and converts to pay-as-you-go claims. The fixed cost to self insure would be \$33,704 for excess insurance (to provide protection for the City against a high number of workers compensation claims) and \$19,801 for a Third Party Administration fee including loss prevention, counseling and a required \$1,500 state assessment. The variable costs are now the pay-as-you-go claims which will fluctuate from year to year. However, over the prior five years our total losses have averaged \$165,460 with \$38,400 being the lowest and \$299,700 being the highest. Based on the City's historical claims data the average savings should be \$161,636 annually. In addition, the City now has control over administration and more loss prevention support and education to prevent injuries from happening. Savings will be across all funds and are estimated at 42.3% of actual workers compensation premium paid during FY 2009. Actual cost will be determined by workers compensation claims paid.

- Other Benefits

Optical insurance rates held constant at \$95 per employee per year for family coverage.

Short-term and long-term disability premium rates have dropped 23.4%.

The employer's contribution rates for Social Security (6.2% of eligible wages), Medicare (1.45% of eligible wages), sick leave buy back rates, all uniform allowances and firefighter food allowance remained the same. The only other change in the budget allocated to these items is a result of changes in staffing costs to which these rates are being applied and the Federal government increasing the maximum wage to charge Social Security payroll tax.

- Employee Wellness Program

Funding for the Employee Wellness Program bonuses has been frozen at current levels. As part of the budget reduction, incentive payments to part-time employees have been eliminated.

- Longevity Pay

Historically, the City has provided employees with longevity pay based on achieving their anniversary dates at 5, 10, 15 and 20 years, with awards of longevity pay based on their salary of 2%, 4%, 6% and 8% of wages respectively. Starting in 1994, the City has been attempting to eliminate longevity pay for employees hired after this date. With the exception of the Police Officers, Police Command Officers and Fire Fighters Unions, all other groups have agreed to eliminate longevity pay for new employees. In regard to the Police Officers Union, new hires after 1994 receive 1%, 3%, 5% and 6% as they hit the four anniversary dates. Police Command Officers have the same adjusted longevity pay as the Police Officers Union for employees hired after 1997.

### **Supplies/Other Services and Charges**

The budget for the Supplies Account decreased 3.9 percent (\$43,000), with most accounts held constant or reduced. The area of Other Services and Charges decreased by 2.5 percent (\$501,000).



## General Fund Gap Reduction Measures

The basis for the selection of the Gap Reduction Measures in the Budget included the original Department Head proposals, Council rankings process, a goal to avoid service reductions, and additional layoff of full-time employees.

The projected \$4.9 million gap projection was resolved by:

|                         |                  |              |
|-------------------------|------------------|--------------|
| Increasing Revenues     | \$1,072,000      | 22.2%        |
| Decreasing Expenditures | 1,438,000        | 29.7%        |
| Use of Fund Balance     | <u>2,328,000</u> | <u>48.1%</u> |
|                         | \$4,838,000      | 100.0%       |

Listed below are the expenditure-related Gap Reduction Measures:

|     |                                                                                                                                                  |                 |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1.  | Reallocation of Retiree Health Care Funding                                                                                                      | \$738,331       |
| 2.  | Eliminate Deputy Department of Public Service Director Position                                                                                  | 143,694         |
| 3.  | Substantial Reduction in Library Hours                                                                                                           | 137,662         |
| 4.  | Madison Heights Animal Control Services Turned Over to Oakland County Animal Control                                                             | 124,063         |
| 5.  | Replace the Deputy Finance Director Position with an Accounting Supervisor                                                                       | 109,840         |
| 6.  | Eliminate Part-Time Court Probation Officer                                                                                                      | 47,189          |
| 7.  | Replace 3 Fire Sergeant Positions with Firefighters through Attrition                                                                            | 31,287          |
| 8.  | Reallocate Code Enforcement Funding                                                                                                              | 26,903          |
| 9.  | Eliminate Four Vacant Police Positions through Attrition                                                                                         | 25,736          |
| 10. | Elimination of Funding for Outside Agencies                                                                                                      | 25,462          |
| 11. | Self-Insuring Dental Insurance                                                                                                                   | 15,700          |
| 12. | Reduce Contract Engineering Expenses                                                                                                             | 15,000          |
| 13. | Eliminate Computer Circuits at the Police Department                                                                                             | 14,000          |
| 14. | Utilize ROW Permit GIS Fees to Pay for User Licenses for 2011-2013                                                                               | 10,000          |
| 15. | Eliminate Parks Seasonal Laborer Position                                                                                                        | 5,738           |
| 16. | Selection of New Phone Service Provider                                                                                                          | 5,565           |
| 17. | Use Youth Center Escrow Account to Demolish Little House on Hales and Sell Trailers and Transfer Balance of Escrow Account                       | 3,781           |
| 18. | Special Assessment District Road and Sidewalk Programs - Assess Administrative Costs                                                             | 3,000           |
| 19. | Reduce Senior Center Custodial Service from 3 to 2 Days per Week                                                                                 | 2,623           |
| 20. | Precinct Boundary Alterations for 2011 Election Cycle                                                                                            | 2,568           |
| 21. | Eliminate for Two Years Council-Related Housing and Mileage Reimbursement                                                                        | 1,865           |
| 22. | Recruitment Advertising Exclusively Online                                                                                                       | 1,750           |
| 23. | Eliminate Youth Sports Camps                                                                                                                     | 1,400           |
| 24. | Reduce Scheduled Meetings of Planning Commission, Zoning Board of Appeals, Brownfield Redevelopment Authority and Downtown Development Authority | 1,400           |
| 25. | Elimination of Finance Department Overtime                                                                                                       | 1,077           |
| 26. | Reduce City Hall Forms & Printing                                                                                                                | 1,000           |
| 27. | Reduce City Hall Office Supplies                                                                                                                 | 1,000           |
| 28. | Reduction of Finance Office Supplies                                                                                                             | 1,000           |
| 29. | Reduce Custodial Tools and Supplies Account                                                                                                      | 553             |
| 30. | Eliminate the Wellness Monetary Bonuses for Part-time Employees                                                                                  | 550             |
| 31. | Eliminate Government Financial Officers Association Budget Review Program                                                                        | 450             |
| 32. | Eliminate Human Resources State Bar Dues                                                                                                         | 350             |
| 33. | Eliminate Senior Center Use of Helium Tank                                                                                                       | 216             |
| 34. | Reduce Senior Center Carpet Cleaning from 2 to 1 Time per Year                                                                                   | 180             |
| 35. | Eliminate Emergency Medical Service Transport to Distant Hospitals                                                                               | Undetermined    |
| 36. | Move Golf Outing from Escrow Account to General Fund (see related proposal on revenue list)                                                      | (10,102)        |
| 37. | Garbage Day Parking Enforcement (see related proposal on revenue list)                                                                           | (14,600)        |
| 38. | Re-establishment of the Police Motor Carrier Unit (see related proposal on revenue list)                                                         | <u>(38,000)</u> |
|     | Total                                                                                                                                            | \$1,438,231     |

## **RESOURCE SHARING**

The City of Madison Heights has worked hard to develop a wide-range of meaningful long-term partnerships. These include agreements with neighboring communities such as the Cities of Royal Oak, Ferndale, Hazel Park, Clawson and Troy; Oakland County, the Road Commissions for Oakland and Macomb Counties, Southeast Michigan Council of Governments (SEMCOG), Oakland County Water Resource Commissioner (OCWRC), George W. Kuhn Drain District and Oakland County Parks and Recreation and many other groups. The City currently participates in over 50 partnerships.

### **Mayor and Council**

The City is a member of the Michigan Municipal League (MML) and benefits from many of their programs. The MML provides valuable training to the City's elected officials and employees. Seminars provide up-to-date information on major issues and concerns relating to local government. The City Council and staff also attend the MML Capital Conference and Annual Convention, which provides a forum where attendees learn from experts in the field and network with other municipalities. General sessions, workshops, a trade show and networking activities offer information and learning experiences for elected and appointed officials.

### **Elections**

The City Clerk's Department has election coordination agreements with Oakland County and the Lamphere, Madison and Royal Oak school districts to support and conduct the annual school district elections. These agreements are renewable every two years.

In the fall of 2007, the City entered into an interlocal agreement with Oakland County to provide the canvassing of local elections. On December 13, 2010, the City entered into an agreement with the County to provide ballot layout and programming services to the City for a three-year period.

### **Finance/Assessing**

In an effort to meet the considerable financial challenge, the City developed a proposal provided to the Council in November of 2009 to contract assessing services and consolidate the Finance/Treasury Department and Assessing Office. Under this agreement, Oakland County would perform most of our current assessing services, with the City retaining the Assessing Clerk who would be transferred to the Finance Department and work with the other department members to provide a continuing local presence to answer basic assessing questions and process assessing and tax related documents. The Departments' staff and physical location of the Finance/Treasury Department and Assessor's Office were combined to provide improved coverage and service to visitors to City Hall and allow opportunities for increased staff cross-training. This consolidation resulted in the elimination through retirement incentives or layoffs of five full-time positions and one part-time position (Assessor and Property Appraiser from Assessing, Fiscal Assistant II and Deputy Finance Director from Finance, and Office Assistant II from City Clerk's Office).

The City Attorney's Office continues to provide legal support for all Michigan Tax Tribunal cases.

The Madison Heights local Tax Board of Review continues to be conducted in City Hall with no reduction in available appointments to property owners wishing to appeal their valuations. The existing members of the Tax Board of Review continue to be appointed by the City Council and serve at their pleasure.



Currently, Oakland County Equalization Division services 35 cities and townships with assessing services. The County has quoted a price of \$14.90 per real property account and \$12.40 per personal property account for an estimated total cost of \$193,477. As requested by the City, the County provided a three-year term on this agreement.

The implementation of this consolidation is projected to save the City \$275,606 in FY 2010-11 and more than \$1.0 million over the next four years. Included as part of this proposal was \$10,000 to support the physical consolidations of the departments including any work to alter the counter space; reorganize desks/furniture; telephone moves; new signage; and computer system alterations.

### **General Administration/Purchasing**

Madison Heights has collaborated with the Michigan Intergovernmental Trade Network (MITN), which is a group of agencies, mostly local governments, that joined forces to create a regional bid cooperative to notify companies of new bid opportunities. This system reduces the cost for both the City and its vendors by lowering the cost of advertising and bring more competition to the process. All bid information is offered to vendors at no cost. The City also participates in the State Of Michigan, Oakland County and Macomb County Cooperative bid programs.

### **Human Resources**

The City has coordinated efforts with many different governmental pools in order to save money on insurance premiums. The City was one of the first members to participate in the liability insurance pool offered through the Michigan Municipal Risk Management Authority (MMRMA).

The City also works with Municipal Employee Retirement System (MERS) for pooling of insurance benefits. In September of 2005, the City utilized these resources to change vendors for short-term disability, long-term disability and life insurance. The savings to the City has been in excess of \$90,000 per year in premiums.

MERS is always looking for ways it can assist municipalities in consolidating administrative activities and providing services that are more efficient. In June 2006, MERS presented the option to municipalities with 345 Police and Fire Pension systems to have MERS invest in their portfolio as independent money managers. This service is offered at reduced administration fees and generates improved returns to the plan and its members. In March 2007, the Police and Fire Pension Board and the City Council approved the transfer of one-half of assets or \$27.5 million to the MERS Investment Services Program (ISP) program. In May 2009, the Police and Fire Retirement Board decided to move away from this City recommended program.

### **Finance**

The Treasury Office of the Finance Department collects taxes for other entities including the Lamphere, Madison, and Royal Oak School Districts, Oakland County, Oakland County Intermediate School District, Oakland Community College, Huron-Clinton Metro Park Authority, State of Michigan (K-12 Education Supplement) and Zoo Authority. The City set both Taxable and State Equalized Values for all real and personal property that these governments use to levy property tax revenues. The City is reimbursed one percent of the taxes (maximum allowed under State Law) for this service.

The Treasury Office also utilizes the County Treasury Department for collection of delinquent personal property taxes and their treasury-related computer software system.

## **Police**

The Police Department participates in a number of cooperative efforts with other law enforcement agencies. An officer is assigned to the Oakland County Narcotics Enforcement Team (NET) whose primary responsibility is to eliminate or reduce controlled substance trafficking in Oakland County. NET conducts investigations leading to identification, apprehension and prosecution of controlled substance law violators primarily through undercover investigations.

While not currently providing an officer to the Auto Theft Unit due to personnel staffing issues, the Police Department does provide office space in the police building basement for the offices for the Oakland Curtail Auto Theft (OCAT) Unit and an officer from Wayne County Sheriff who coordinates with OCAT.

Until 2010, the Police Department's Special Investigations Unit conducted surveillance, undercover operations, fugitive apprehensions and all types of criminal investigations both locally initiated and in conjunction with other law enforcement agencies including the Federal Bureau of Investigation (FBI), Drug Enforcement Agency (DEA), Oakland County Sheriff's Office, Detroit Police Department, NET, Crime Suppression Task Force (CSTF), OCAT and many local police departments.

The Madison Heights Police Department has two officers assigned to the four-city (Berkley, Ferndale, Royal Oak and Madison Heights) cooperative Special Weapons and Tactics Team or Southeast Oakland SWAT. By combining the resources of multiple agencies, a high-quality unit capable of addressing critical incidents can exist without draining the resources of the jurisdictions involved.

The City of Clawson, the U.S. Marshals and the U.S. Marshals Court Service use the Police Station gun range (several times a year) to meet officer qualification standards and some cases recertify.

The Police Department's Canine (K-9) team cooperatively trains with other area K-9 units on a weekly basis. The Department of Public Service built a K-9 training area on city property to be used by the area K-9 teams during their weekly training sessions. In addition, the Police Department K-9 team assists area schools and other police jurisdictions with K-9 Drug Sweeps at local schools, when requested.

The Police Department annually assists the Oakland County Probation Department with their Operation Nighthawk. This annual inspection involves home visits to area probationers to check on their behavior and monitoring their probationary requirements. This effort is currently on hold due to overtime budget constraints.

In the 1990s, the Police Department entered a local agreement with the City of Royal Oak and the Royal Oak Police Department to share and coordinate police radio antennas and repeater functions to improve the radio reception and area coverage for both police agencies. This radio system is currently being used by the Madison Heights Police Reserves Officers.

The Police Department is involved in a major data and information sharing cooperative effort with Oakland County CLEMIS (Courts & Law Enforcement Management Information System) to include Records Management, Mugshot Imaging, Fingerprint recording also known as LiveScan or AFIS, Field Based Reporting, Crime View or crime mapping and Video Arraignment.

In March 2011, the City extended our three-year agreement with Oakland County Animal Control for disposal of dead animals.

On May 20, 2008, an interlocal agreement with the Cities of Southfield and Warren was approved which allows Madison Heights to make use of the Sergeant 4 X 4 General Purpose Vehicle (GPV) to support a Special Weapons and Tactics (SWAT) team response in our City. The GPV vehicle costing \$600,000 was acquired through an Urban Area Security Initiative grant from the Office of Homeland Security. When the vehicle is used by the City, we would be responsible for fuel, repairs, and insurance; and after five years a share of the overall maintenance.

## **Fire Services**

The Fire Department participates in the Oakway Mutual Aid Pact with the Cities of Birmingham, Ferndale, Pontiac, Royal Oak, Southfield, West Bloomfield and Townships of Bloomfield and Waterford. These communities share mutual aid resources for fire, hazardous materials and technical rescue response.

On January 28, 2008, the City joined the new Oakland County Mutual Aid Association. The Association has adopted a Mutual Aid Box Alarm System (MABAS) for activating and coordinating mutual aid responses. The MABAS system identifies, in a prearranged process, what outside agencies will be called-in to respond if the need arises for a second, third, fourth or fifth alarm incident. The City will also have access to highly specialized equipment for hazardous materials, technical rescue and communications to augment our existing resources when needed. County-wide and regional multi-jurisdictional, multi-discipline incident management teams have been established to provide assistance with large scale, long term or complex incidents.

In August of 2010, the Madison Heights Fire Department joined the Regional Alliance for Firefighter Training (RAFT), a consortium consisting of 32 fire departments and 2 community colleges. This organization provides firefighter and fire officer training, facilitates the sharing of inter-departmental training via video conferencing and hosts several seminars each year with fire service speakers of national prominence.

Additionally, the Madison Heights Fire Department participates in a group purchasing plan that was established by members of the Oakland County Medical Control Authority. Consortium members purchase discounted emergency medical service supplies through internet sales.

On June 6, 2008, the City entered into an interlocal agreement with Oakland County for a Severe Weather System Siren. The County paid for 25 percent of the cost of a new outdoor warning siren that will serve the middle third of the community. Oakland County has assumed responsibility for all future operation and maintenance for this siren and the two additional sirens in the City.

Madison Heights runs an American Heart Association Community Training Center in conjunction with Hazel Park. The Department's training tower and draft pit has been utilized by other communities, reducing their training cost.

For the past seven years, the Fire Department and City Administration has been diligently working with the Cities of Ferndale, Hazel Park, Royal Oak, Pleasant Ridge and Royal Oak Township to provide consolidated fire protection and emergency medical services. This effort has resulted in the communities (minus Royal Oak) implementing an automatic mutual aid for structure fire suppression.

## Community Development

- Planning

The Community Development Department has many cooperative agreements, which are very beneficial.

The City collaborates with Oakland County for Geographic Information System (GIS) data collection and maintenance; this is estimated to save the City approximately \$50,000 per year.

Staff also shares road transportation data creation and maintenance with Southeast Michigan Council of Governments (SEMCOG) and utility data creation and maintenance with the Oakland County Water Resource Commissioner's Office which is estimated at \$13,000 per year savings.

The Michigan Department of Transportation, SEMCOG and Road Commission for Oakland County (RCOC) partner with the City for an annual Pavement Surface Evaluation and Rating (PASER) road condition assessment. RCOC has in the past allowed the City to utilize their contractor and contracted rate for road ratings, which has saved the City \$4,500 per year.

The City participates in the Oakland County Federal Aid Funding Committee which evaluates and awards federal road grants in the County.

The Cities of Royal Oak, Troy, Warren, Hazel Park and Madison Heights work together to jointly administer road construction projects.

- Rodent Abatement

In the fall of 2006, the Cities of Berkley, Ferndale, Hazel Park, Huntington Woods, Madison Heights, Oak Park, Pleasant Ridge and Royal Oak held several meetings to discuss options for addressing the rodent problem in Southeastern Oakland County. The City of Madison Heights took the lead in preparing a Request for Proposals so that a quality vendor could be selected who would be the vendor the cities would refer residents to that were undergoing rodent control problems, thereby providing a timely remedy and reducing the property owners' cost. The cooperative pilot program has run successfully for four years with communities renewing on a year to year basis.

- Inspections

On December 15, 2008, the City entered into an interlocal agreement with the City of Troy to provide Plumbing and Mechanical Inspection Services.

Key elements of the proposed Agreement are:

- Plumbing & Mechanical inspection services will be provided by Troy's existing state-registered plumbing and mechanical inspectors, with the Cities of Troy and Madison Heights operating in an independent contractor relationship.
- Services will be provided on a retainer basis, initially including 4 hours per day, five days per week, for plan review, office time and inspections.
- Troy's inspectors will carry Madison Heights identification cards, but will be driving Troy vehicles and will remain City of Troy employees.
- Madison Heights will provide all required forms etc. while Troy will provide inspection vehicles and gas.

- The inspectors will report to the City of Madison Heights Building Official for all Madison Heights related code issues, interpretations and the like.
- The monthly retainer for the services provided under this proposed agreement is a flat \$2,200.
- The Agreement includes a provision for annual review.

In summer of 2010, the City of Troy decided to move their building inspection service to a private contractor. Although Troy no longer provides Plumbing and Mechanical Inspection Services, Madison Heights also moved to the new contractor serving Troy.

Damage assessment is the evaluation of buildings and structures to determine the nature and extent of damage and the cost of repairs that are the result of a disaster or emergency. It is a key component of the information required to be provided to Oakland County, the State of Michigan, and the Federal Government in order to receive State or Federal aid. This information must be provided quickly, usually within 48 hours.

The Oakland County Building Officials Association Damage Assessment Mutual Aid Agreement is an agreement between communities in Oakland County. This agreement will allow a community to give or receive help for Damage Assessment Services from other communities during a disaster emergency. The help would come from inspectors who would evaluate the nature and extent of damage to buildings and structures resulting from a disaster or emergency. Depending on the size of the disaster, a community could either be in need of help, or be providing help to another community. Madison Heights entered into the agreement on May 9, 2009.

## **Library**

The City's library coordinates efforts with a beneficial consortium, known as The Library Network (TLN).

TLN benefits the community in various ways, from the reciprocity that allows a resident of one participating community library to borrow a book at another or to have a book sent to the local library through interlibrary loan, the ability to search the holdings of participating libraries, use of shared technology, book and discounted pricing on other items. The cooperative efforts take many forms, and while each community does have to support its own library to participate, it addresses the fact that not every library can supply everything, and avoids some duplication of effort.

The City participates in the Midwest Collaborative for Library Services, Michigan Library Association and American Library Associations.

## **Department of Public Services**

- Road Maintenance

On June 26, 1987, the City entered into an agreement to join the Southeastern Oakland County Public Works Mutual Aid Authority. The Authority is made up of Royal Oak, Birmingham, Clawson, Berkley, Huntington Woods, Pleasant Ridge and Madison Heights. Under the agreement, communities can request assistance in the case of emergency for personnel, materials and equipment.

Madison Heights receives traffic signal maintenance services from the City of Royal Oak for the Campbell Road signals, and from the Road Commissions of Oakland and Macomb Counties for other major road signals.



- Water and Sewer Operation

The City has partnered with Macomb County Department of Public Works, and communities in the Red Run Subwatershed of the Clinton River Watershed toward a joint effort for ongoing compliance with the approved National Pollution Discharge Elimination System Storm Water Permit requirements.

The City also benefits from collaborating with Road Commission for Oakland County (RCOC) and Macomb County Road Commission for winter and summer maintenance agreements where the City is paid to maintain their roads in Madison Heights; and the creation and maintenance of road transportation data and traffic signal maintenance.

For water distribution, the City is a suburban customer within the Detroit Water and Sewerage Department (DWSD) system. In May 2009 the City, working with the DWSD and its Technical Advisory Committee, entered into a new model contract to address concerns about rate volatility, complexity, and fairness. The contract was amended in October of 2010.

The Southeastern Oakland County Sewage Disposal Authority (also referred to as the Twelve Towns Drain District) was established in 1942 to address flooding problems in this region. The Twelve Towns Drain District includes the cities of Berkely, Birmingham, Clawson, Ferndale, Hazel Park, Huntington Woods, Madison Heights, Oak Park, Pleasant Ridge, Royal Oak, Southfield, Troy, Royal Oak Township and the Village of Beverly Hills. The Authority provides sewage treatment service for Madison Heights.

In 1972, the Twelve Towns Drain District completed construction in Madison Heights of a Retention Treatment Facility (RTF), a 20 foot high by 65 foot wide structure in the bed of the former Red Run Drain. This RTF runs 2.2 miles from Twelve Mile and Stephenson Highway in a northeastern direction to Dequindre Road south of Whitcomb where it empties into the Red Run Drain.

During rain events, the RTF receives a combination of storm and sanitary flows from the 14 communities that make up the District. The RTF captures this storm water and sanitary sewage and drains gradually into the Dequindre Sewer Interceptor where flows travel south to the Detroit Water and Sewage Board Treatment Plant. In heavy storms, after retaining 35 million gallons of combined sewage, the basin overflows into the Red Run Drain, in Warren, after receiving primary treatment including skimming and chlorination.

In March 1999, the Oakland County Water Resource Board accepted petitions from the Twelve Towns Communities and established a new drain district for this construction project named the George W. Kuhn Drain District (GWKDD). The three major components of this construction project include Contract #1, construction of the 10-foot parallel storm sewers north and south of the existing RTF, including the disconnect of the existing Madison Heights storm sewers and rerouting of two combined sewer interceptor; Contract #2, construction of a new Ten Mile Road interceptor in Hazel Park; and Contract #4, construction of a new inlet weir just east of Interstate Freeway 75 (I-75) and south of the City's Department of Public Service Building. The project was constructed on property owned by the GWKDD and the City. The GWKDD held a permanent easement over the City property. Contracts #1 and #2 were initiated in the fall of 2000 and were completed in 2002.

For the past nine years, the City has applied for and received Oakland County grants and training to assist with mosquito larviciding of catch basins and areas of standing water to prevent the spread of West Nile Virus.

- Parks Maintenance

The City has also completed year seven of a City-wide effort to remove dead or dying ash trees, as part of a statewide program to eradicate the Emerald Ash Borer. The program has included grants from the Michigan Department of Natural Resources (MDNR) and working collaboratively with the MDNR to develop the contract specifications for approved tree removal contractors.

On January 24, 2011, the City entered into a Grounds Maintenance Agreement with the Oakland County Parks and Recreation Commission. Under this agreement, the City and County Parks and Recreation shared responsibilities with the County providing lawn, sod, fertilization and weed control services, as well as snow and ice control on the parking lot and sidewalks.

- The Recreation Division works with many organizations to provide a variety of services:

Private Sector – local businesses provide funding to sponsor youth sports leagues, as well as financially supporting the annual fireworks display.

Friends of Madison Heights Youth – continues to offer funding for summer camp.

Clawson Recreation Department – does joint programming for adult recreation programs, water aerobics, yoga, ballroom dance, etc.

Michigan Recreation and Parks Association – provides a partnership where the City sells discount amusement park tickets.

Oakland County Parks and Recreation Commission – provides six free special event mobile recreation units, such as show mobiles, puppet shows and climbing walls. The City also works closely with the Commission in supporting a junior golf league, and provides newsletter advertising to the County in exchange for mobile recreation unit visits.

Public School Districts – provide gyms and ball fields for our recreation sports programs.

George W. Kuhn Drainage District – has constructed a soccer complex on their property which will be operated and maintained by the City as part of a twenty-five year agreement.

- The Senior Citizens Division works together with several organizations. The following is a list of organizations and what services are provided:

Suburban Mobility Authority for Regional Transportation – provides transportation funding for the senior bus program as well as reduced cost handicapped accessible bus.

American Association of Retired Persons – for the past several years has provided a drivers education refresher course as well as income tax preparation for 150 seniors at the Senior Center.

Wayne State Student Nurses – provide a student nurse at the Center three days a week for counseling, blood pressure, health fairs and programs.

Oakland County Mobile Meals – provides a State funded nutrition site at the Senior Center, as well as home bound meal delivery.



University of Detroit Law School – provides law students and professionals an opportunity to meet with senior citizens on a monthly basis to assist in legal matters.

Senior Home Assistance Repair Program (SHARP) - provides minor home repairs for Senior Citizens and physically challenged in Madison Heights. Operated through a partnership with the North Woodward Community Foundation.

- Motor Pool

Beginning in April 2011, the City engaged the City of Troy to perform repair work on Madison Heights municipal vehicles during periods of high demand and as a slightly less expensive alternative to the current private companies used for outside labor. Work will include transmission/drive train repair, vehicle refurbishing, alignment and suspension repair, and miscellaneous jobs such as pump and cylinder rebuilds and alternators. The City of Troy Motor Pool is nationally recognized and performs repair work for a number of area municipalities.

The Motor Pool Division also participates in the MITN Cooperative Bid Network for the purchase of equipment and commodities (gasoline, diesel fuel, etc.) and for the sale of surplus equipment and obsolete vehicles.

- Energy Efficiency

The Michigan Municipal League, Michigan Suburbs Alliance, Southeast Michigan Council of Governments and WARM Training Center have partnered to create the Southeast Michigan Regional Energy Office, which is a collaborative coalition focused on educating, enabling and promoting energy efficiency and conservation among local governments in the region. The Energy Office's service area is the same geographic footprint as the SEMCOG's service area. The primary services offered by the Energy Office will include benchmarking, auditing, sustainability planning, evaluating and reporting, advocacy, education and training, marketing, grant researching and writing, technical assistance, joint purchasing, and loans for energy projects.

As stated in their Business Plan, the most important function of the Energy Office is to assist local governments in evaluating their energy use, auditing their facilities and taking action on recommended projects. The Energy Office recognizes the opportunity presented by the \$3.2 billion allocated to the Federal Energy Efficiency and Conservation Block Grant program through stimulus funding in the American Recovery and Reinvestment Act of 2009.

Currently, non-entitlement communities such as Madison Heights, which are designated as communities with less than 35,000 in population, and counties with less than 200,000 in population, are not eligible to receive funding directly from the federal government, but rather have to compete nationally for up to \$900 million in grants from the states and smaller competitive Department of Energy grants to fund energy efficiency and renewable energy efforts.

The Energy Office has proposed to assist us with securing funds for energy efficiency and renewable energy projects by ensuring the timely and complete filing of grant applications for energy projects on behalf of the City and providing direct technical assistance to the City in identifying and designing competitive proposals. Thereafter, the Energy Office will ensure that the reporting, accountability and transparency requirements are met for the grant, so that City staff are not overburdened.

On July 13, 2009, the City approved the Participation Agreement with the Southeast Michigan Regional Energy Office.

The City has been awarded a \$123,132 Energy Efficiency and Conservation Block Grant for lighting, fascia, and improvements in FY 2009-10 and FY 2010-11, and an \$83,347 Energy Office Grant through the Michigan Public Service Commission for additional lighting and heating and air conditioning work.

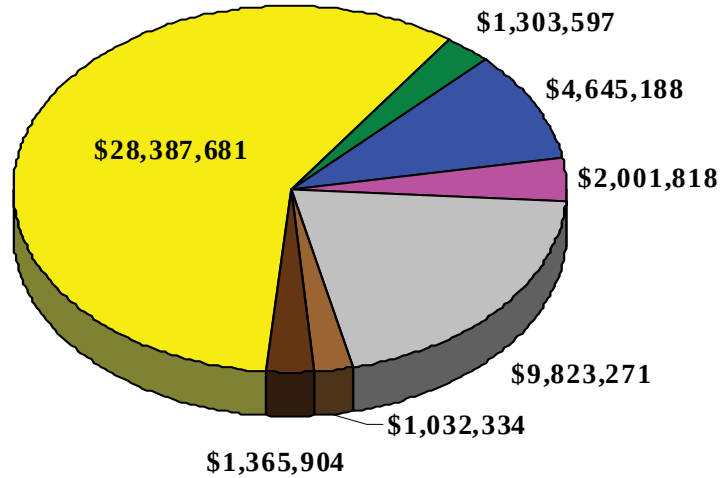
- Information Technology

The City of Madison Heights and the Lamphere School District built a joint fiber optic network in the mid-90s and have since connected to the County-installed fiber network. This fiber network will allow for total connectivity between all 61 Oakland County municipalities (cities, villages & townships) at some point in time.

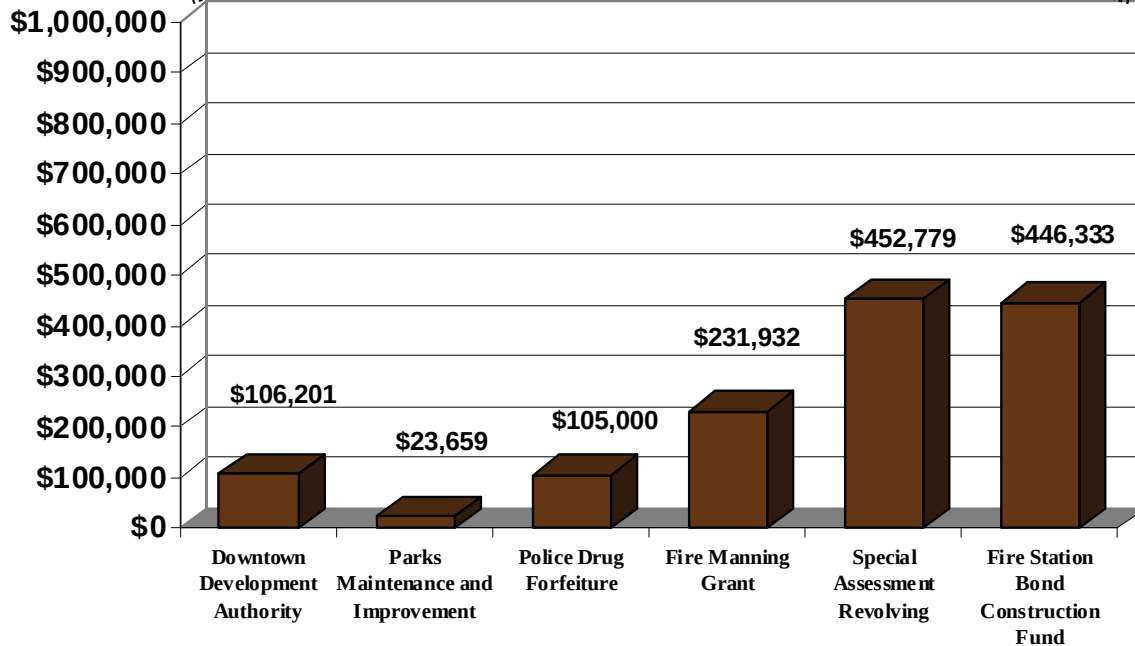
Oakland County is currently providing email service and acting as an Internet Service Provider for the City of Madison Heights (at no cost).

The City of Madison Heights currently provides basic Information Technology support for the 43rd District Court (at no charge).

# **ALL FUNDS APPROPRIATIONS** **FISCAL YEAR 2011-12**



## **Other Funds**



Over three-quarters of the City's operations are supported through the General Fund (58.5%) and the Water and Sewer Fund (20.2%).

# TOTAL APPROPRIATIONS SCHEDULE

## ALL FUNDS

### FISCAL YEAR 2011-12

| Fund Name                                 | Actual<br>2009-10    | Estimate<br>2010-11  | Budget<br>2011-12    | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-------------------------------------------|----------------------|----------------------|----------------------|-------------------------------------------------------|-------------------|
| General Fund                              | \$ 30,267,541        | \$ 29,163,190        | \$ 28,387,681        | \$ (775,509)                                          | (2.7)             |
| Major Street                              | 1,872,044            | 1,617,040            | 1,303,597            | (313,443)                                             | (19.4)            |
| Local Street                              | 3,026,492            | 2,259,768            | 4,645,188            | 2,385,420                                             | 105.6             |
| Parks Maintenance and Improvement         | 156,483              | 11,523               | 23,659               | 12,136                                                | 105.3             |
| Downtown Development Authority            | 687,681              | 264,024              | 106,201              | (157,823)                                             | (59.8)            |
| Police Drug Forfeiture                    | 131,398              | 94,000               | 105,000              | 11,000                                                | 11.7              |
| Community Improvement                     | 1,766,966            | 1,947,666            | 2,001,818            | 54,152                                                | 2.8               |
| Fire Manning Grant                        | 0                    | 0                    | 231,932              | 231,932                                               | 0.0               |
| Special Assessment Revolving              | 710,982              | 422,698              | 452,779              | 30,081                                                | 7.1               |
| Fire Stations Construction and Bond Funds | 406,364              | 413,153              | 446,333              | 33,180                                                | 8.0               |
| Water & Sewer Fund                        | 8,141,564            | 9,290,677            | 9,823,271            | 532,594                                               | 5.7               |
| Motor & Equipment Pool                    | 1,012,035            | 1,041,334            | 1,032,334            | (9,000)                                               | (0.9)             |
| <b>Total Appropriations</b>               | <b>\$ 48,179,550</b> | <b>\$ 46,525,073</b> | <b>\$ 48,559,793</b> | <b>* \$ 2,034,720</b>                                 | <b>4.4</b>        |

\* Net Budget is \$43.8 million excluding duplicate interfund transfers and charges.

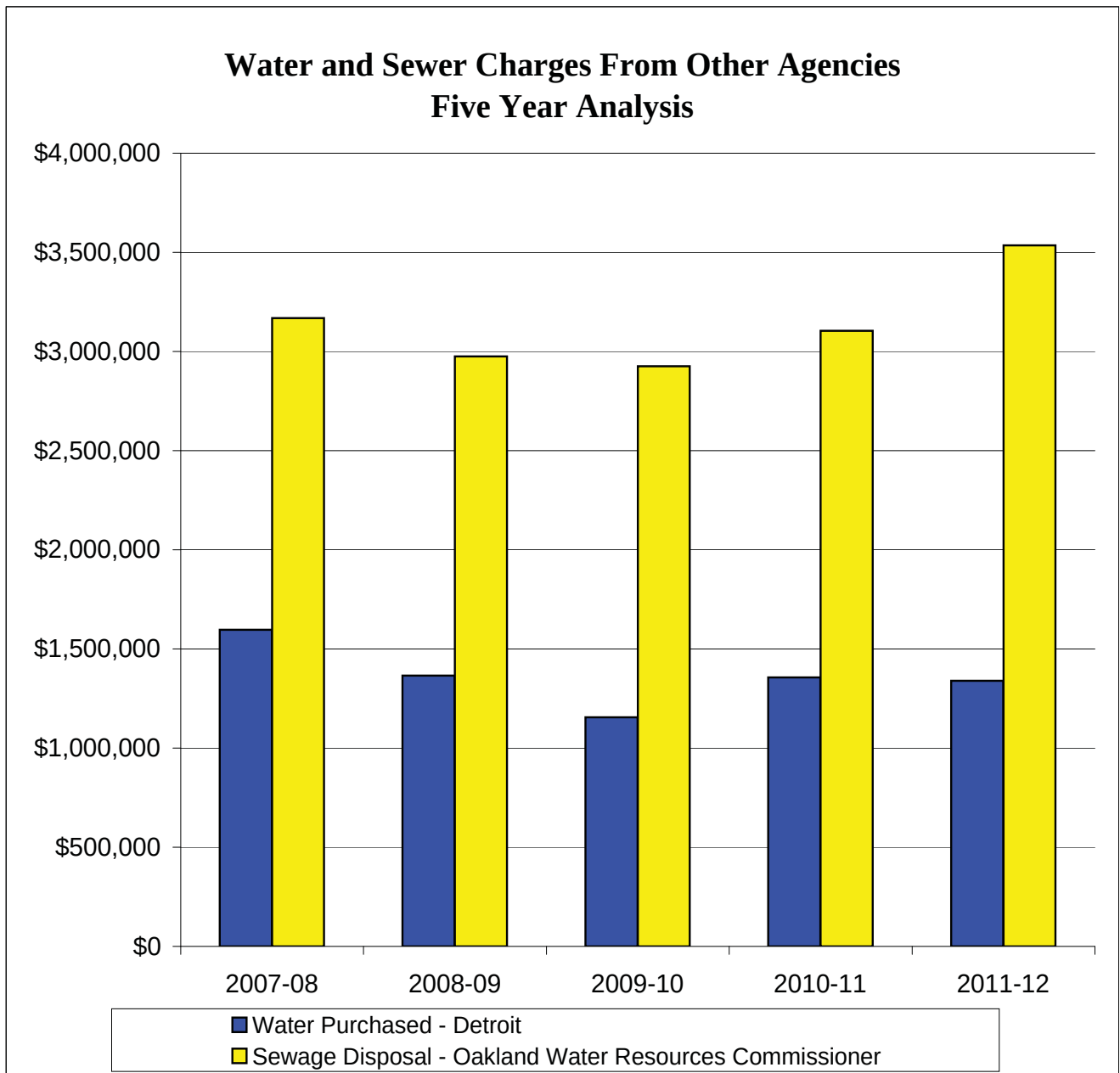
**ALL FUNDS APPROPRIATIONS**  
**PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES**  
**FISCAL YEAR 2011-12**

| Activity                       | Personal<br>Services | Supplies            | Other<br>Services &<br>Charges | Capital<br>Outlay   | Total                |
|--------------------------------|----------------------|---------------------|--------------------------------|---------------------|----------------------|
| City Council                   | \$ 49,513            | \$ 0                | \$ 3,984                       | \$ 0                | \$ 53,497            |
| District Court                 | 962,738              | 31,800              | 342,112                        | 130,000             | 1,466,650            |
| City Manager                   | 289,484              | 150                 | 8,934                          | 0                   | 298,568              |
| Elections                      | 13,622               | 8,774               | 7,560                          | 0                   | 29,956               |
| City Assessor                  | 0                    | 3,000               | 234,202                        | 0                   | 237,202              |
| Legal                          | 0                    | 5,300               | 305,760                        | 0                   | 311,060              |
| City Clerk                     | 222,147              | 3,605               | 12,392                         | 0                   | 238,144              |
| Human Resources                | 171,583              | 0                   | 41,572                         | 0                   | 213,155              |
| Board of Review                | 2,375                | 0                   | 1,000                          | 0                   | 3,375                |
| General Administration         | 1,237,408            | 49,500              | 111,916                        | 18,000              | 1,416,824            |
| Finance                        | 743,009              | 3,468               | 67,276                         | 0                   | 813,753              |
| Information Technology         | 249,552              | 8,650               | 600                            | 0                   | 258,802              |
| Municipal Building             | 0                    | 0                   | 92,930                         | 0                   | 92,930               |
| Custodial & Maintenance        | 26,599               | 17,250              | 129,454                        | 0                   | 173,303              |
| Police                         | 8,483,672            | 42,000              | 595,394                        | 103,000             | 9,224,066            |
| Fire                           | 4,706,553            | 50,929              | 583,258                        | 175,151             | 5,515,891            |
| Community Development          | 1,080,426            | 4,900               | 1,926,871                      | 54,021              | 3,066,218            |
| Streets                        | 727,401              | 384,231             | 1,278,316                      | 4,912,013           | 7,301,961            |
| Solid Waste                    | 572,130              | 13,040              | 1,536,970                      | 209,000             | 2,331,140            |
| Recreation                     | 106,019              | 28,625              | 61,306                         | 0                   | 195,950              |
| Youth Center                   | 0                    | 0                   | 0                              | 0                   | 0                    |
| Nature Center                  | 0                    | 0                   | 10,527                         | 0                   | 10,527               |
| Parks                          | 211,935              | 31,950              | 119,697                        | 11,000              | 374,582              |
| Senior Citizens                | 227,018              | 58,769              | 75,448                         | 0                   | 361,235              |
| Outside Agencies               | 0                    | 0                   | 0                              | 0                   | 0                    |
| Library                        | 276,280              | 3,395               | 104,825                        | 15,407              | 399,907              |
| Insurance, Bonds and Transfers | 0                    | 0                   | 2,899,805                      | 0                   | 2,899,805            |
| Debt Service                   | 0                    | 0                   | 1,440,928                      | 0                   | 1,440,928            |
| Water and Sewer                | 1,272,911            | 118,979             | 7,346,140                      | 60,000              | 8,798,030            |
| Motorpool                      | 367,617              | 234,250             | 430,467                        | 0                   | 1,032,334            |
| <b>Total Appropriations</b>    | <b>\$ 21,999,992</b> | <b>\$ 1,102,565</b> | <b>\$ 19,769,644</b>           | <b>\$ 5,687,592</b> | <b>\$ 48,559,793</b> |

## CITY OF MADISON HEIGHTS

### FISCAL YEAR 2011-12

| Water and Sewer Charges                                   | Actual<br>2007-08 | Actual<br>2008-09 | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| Water Purchased - Detroit                                 | \$1,596,696       | \$1,364,939       | \$1,155,347       | \$1,356,066         | \$1,339,467       |
| Sewage Disposal - Oakland Water Resources<br>Commissioner | \$3,167,945       | \$2,974,941       | \$2,925,955       | \$3,105,090         | \$3,534,641       |



Sewage Disposal charges are more than 2.6 times higher than Water Purchased.

# ALL FUNDS SUMMARY

## FISCAL YEAR 2011-12

| Activity                  | General Fund         | Major Street        | Local Street        | Parks Maintenance & Improvement | Downtown Development Authority | Police Drug Forfeiture |
|---------------------------|----------------------|---------------------|---------------------|---------------------------------|--------------------------------|------------------------|
| City Council              | \$ 53,497            | \$ 0                | \$ 0                | \$ 0                            | \$ 0                           | \$ 0                   |
| District Court            | 1,466,650            | 0                   | 0                   | 0                               | 0                              | 0                      |
| City Manager              | 298,568              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Elections                 | 29,956               | 0                   | 0                   | 0                               | 0                              | 0                      |
| City Assessor             | 237,202              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Legal                     | 311,060              | 0                   | 0                   | 0                               | 0                              | 0                      |
| City Clerk                | 238,144              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Personnel                 | 213,155              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Board of Review           | 3,375                | 0                   | 0                   | 0                               | 0                              | 0                      |
| General Administration    | 1,416,824            | 0                   | 0                   | 0                               | 0                              | 0                      |
| Finance                   | 813,753              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Information Technology    | 258,802              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Municipal Building        | 92,930               | 0                   | 0                   | 0                               | 0                              | 0                      |
| Custodial & Maintenance   | 173,303              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Police                    | 9,119,066            | 0                   | 0                   | 0                               | 0                              | 105,000                |
| Fire                      | 5,253,313            | 0                   | 0                   | 0                               | 0                              | 0                      |
| Community Development     | 958,199              | 0                   | 0                   | 0                               | 12,807                         | 0                      |
| Streets                   | 900,397              | 1,303,597           | 4,625,188           | 0                               | 0                              | 0                      |
| Solid Waste               | 2,331,140            | 0                   | 0                   | 0                               | 0                              | 0                      |
| Recreation                | 195,950              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Youth Center              | 0                    | 0                   | 0                   | 0                               | 0                              | 0                      |
| Nature Center             | 10,527               | 0                   | 0                   | 0                               | 0                              | 0                      |
| Parks                     | 350,923              | 0                   | 0                   | 23,659                          | 0                              | 0                      |
| Senior Citizens           | 361,235              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Outside Agencies          | 0                    | 0                   | 0                   | 0                               | 0                              | 0                      |
| Library                   | 399,907              | 0                   | 0                   | 0                               | 0                              | 0                      |
| Water and Sewer           | 0                    | 0                   | 0                   | 0                               | 0                              | 0                      |
| Insurance/Bonds/Transfers | 2,899,805            | 0                   | 20,000              | 0                               | 93,394                         | 0                      |
| Motor Pool                | 0                    | 0                   | 0                   | 0                               | 0                              | 0                      |
| Total Appropriations      | <u>\$ 28,387,681</u> | <u>\$ 1,303,597</u> | <u>\$ 4,645,188</u> | <u>\$ 23,659</u>                | <u>\$ 106,201</u>              | <u>\$ 105,000</u>      |



# ALL FUNDS SUMMARY

## FISCAL YEAR 2011-12

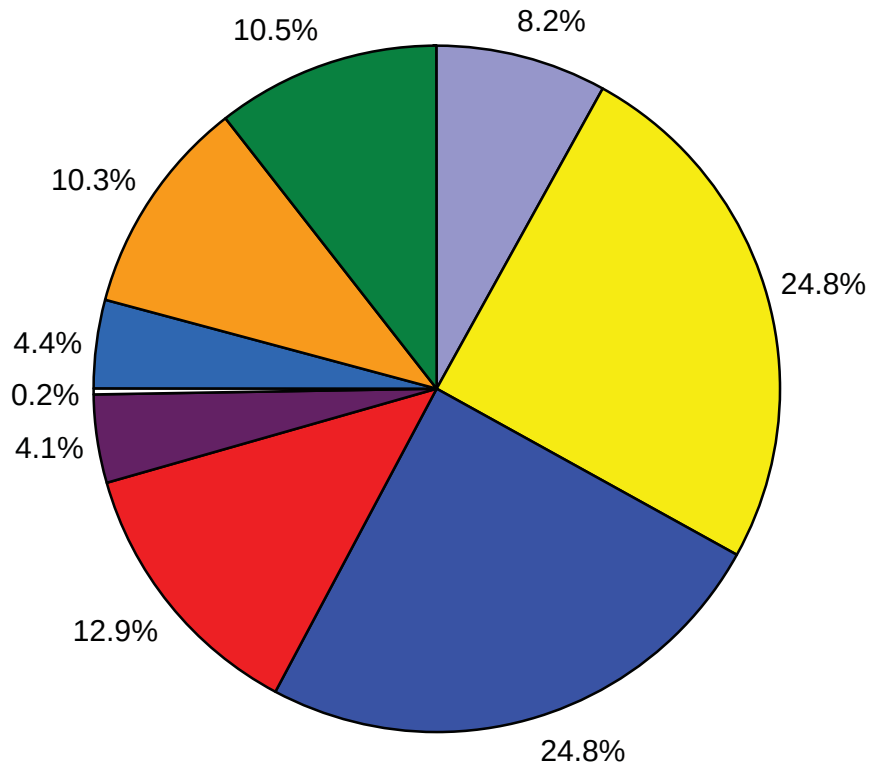
| Community Improvement | Fire Manning Grant | Special Assessment Revolving | Fire Station Debt Fund | Water and Sewer Fund | Motor Pool and Equipment Fund | Total                |                           |
|-----------------------|--------------------|------------------------------|------------------------|----------------------|-------------------------------|----------------------|---------------------------|
| \$ 0                  | \$ 0               | \$ 0                         | \$ 0                   | \$ 0                 | \$ 0                          | \$ 53,497            | City Council              |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 1,466,650            | District Court            |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 298,568              | City Manager              |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 29,956               | Elections                 |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 237,202              | City Assessor             |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 311,060              | City Attorney             |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 238,144              | City Clerk                |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 213,155              | Personnel                 |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 3,375                | Board of Review           |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 1,416,824            | General Administration    |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 813,753              | Finance                   |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 258,802              | Information Technology    |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 92,930               | Municipal Building        |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 173,303              | Custodial & Maintenance   |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 9,224,066            | Police Department         |
| 0                     | 231,932            | 0                            | 30,646                 | 0                    | 0                             | 5,515,891            | Fire                      |
| 1,965,134             | 0                  | 427,779                      | 0                      | 0                    | 0                             | 3,363,919            | Community Development     |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 6,829,182            | Streets                   |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 2,331,140            | Solid Waste               |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 195,950              | Recreation                |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | -                    | Youth Center              |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 10,527               | Nature Center             |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 374,582              | Parks                     |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 361,235              | Senior Citizen            |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | -                    | Outside Agencies          |
| 0                     | 0                  | 0                            | 0                      | 0                    | 0                             | 399,907              | Library                   |
| 0                     | 0                  | 0                            | 0                      | 9,823,271            | 0                             | 9,823,271            | Water and Sewer           |
| 36,684                | 0                  | 25,000                       | 415,687                | 0                    | 0                             | 3,490,570            | Insurance/Bonds/Transfers |
| 0                     | 0                  | 0                            | 0                      | 0                    | 1,032,334                     | 1,032,334            | Motor Pool                |
| <u>\$ 2,001,818</u>   | <u>\$ 231,932</u>  | <u>\$ 452,779</u>            | <u>\$ 446,333</u>      | <u>\$ 9,823,271</u>  | <u>\$ 1,032,334</u>           | <u>\$ 48,559,793</u> | Total Appropriations      |

# CITY OF MADISON HEIGHTS

## FISCAL YEAR 2011-12

| Utility Charges - By Building | Actual<br>2007-08 | Actual<br>2008-09 | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 |
|-------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| Court Building                | \$ 49,597         | \$ 44,664         | \$ 38,668         | \$ 41,532           | \$ 37,329         |
| City Hall                     | 142,357           | 129,262           | 113,370           | 124,247             | 113,109           |
| Police Station                | 152,695           | 144,187           | 137,791           | 133,110             | 113,317           |
| Fire Stations                 | 72,672            | 71,128            | 52,881            | 62,194              | 58,730            |
| Senior Center                 | 30,626            | 30,194            | 28,862            | 28,594              | 18,767            |
| Recreation/Nature Center      | 4,728             | 1,411             | 713               | 745                 | 790               |
| Parks                         | 13,401            | 14,565            | 11,791            | 14,011              | 19,916            |
| Library                       | 48,270            | 50,986            | 43,148            | 48,503              | 46,851            |
| Department of Public Services | 71,220            | 74,045            | 54,800            | 57,596              | 47,789            |
| Total                         | \$585,566         | \$560,442         | \$482,024         | \$510,532           | \$456,598         |

**Utility Charges By Building  
Fiscal Year 2011-12**

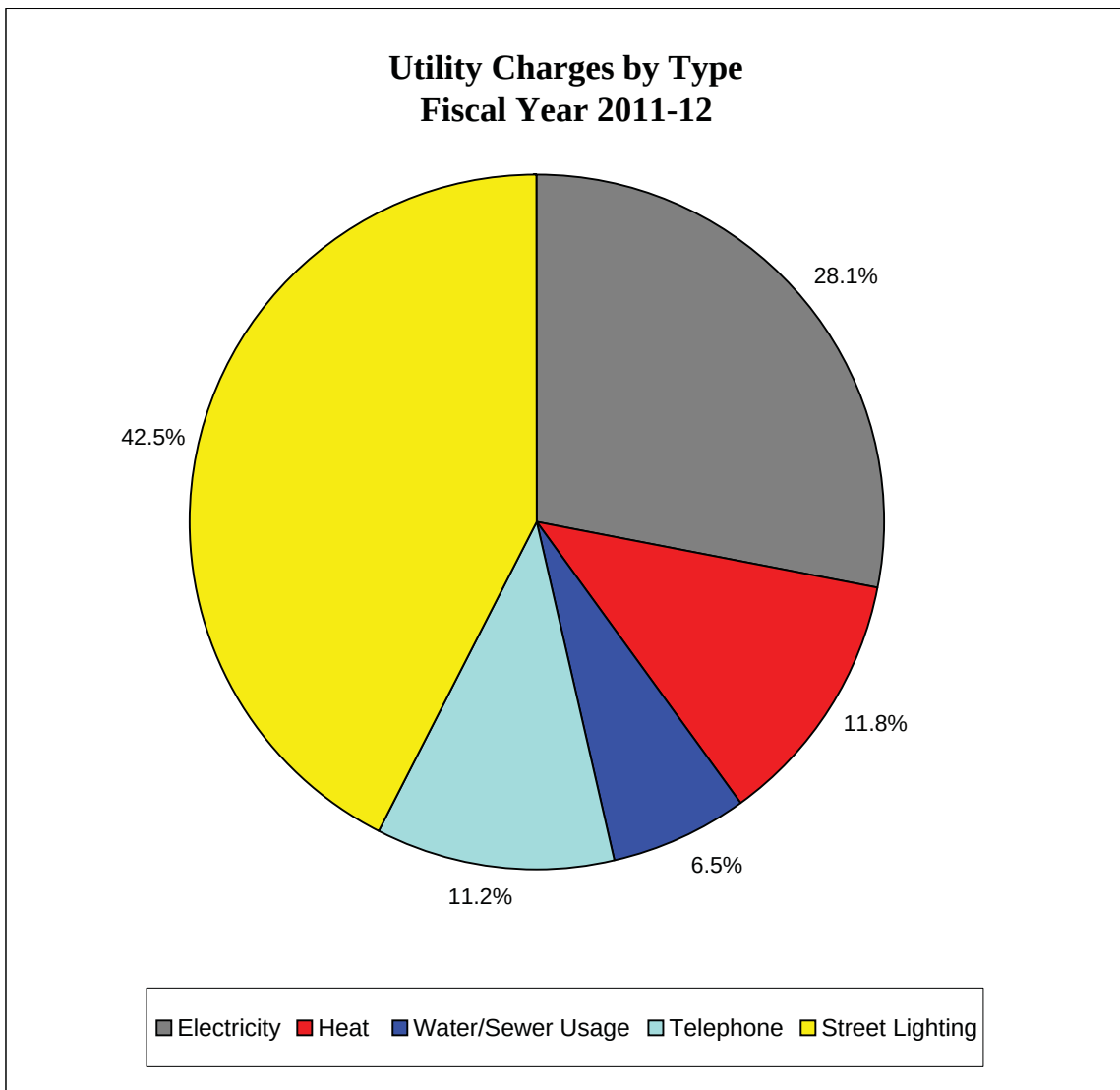


- |                               |                          |
|-------------------------------|--------------------------|
| Court Building                | City Hall                |
| Police Station                | Fire Stations            |
| Senior Center                 | Recreation/Nature Center |
| Parks                         | Library                  |
| Department of Public Services |                          |

## CITY OF MADISON HEIGHTS

### FISCAL YEAR 2011-12

| Utility Charges - City-Wide | Actual<br>2007-08 | Actual<br>2008-09 | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| Electricity                 | \$ 294,746        | \$ 273,104        | \$ 272,548        | \$ 255,098          | \$ 257,039        |
| Heat - Gas                  | 115,316           | 121,983           | 78,269            | 105,181             | 88,617            |
| Water/Sewer Usage           | 45,383            | 39,294            | 26,272            | 57,229              | 37,557            |
| Telephone                   | 130,121           | 126,061           | 104,935           | 93,024              | 73,385            |
| Street Lighting             | 436,025           | 435,143           | 435,143           | 436,000             | 440,537           |
| Total                       | \$1,021,591       | \$ 995,585        | \$ 917,167        | \$ 946,532          | \$ 897,135        |



**SOLID WASTE MANAGEMENT COST**  
**BUDGET 2011-12**

**SOCRRRA Refuse Disposal Cost Only:**

| FISCAL    | INCINERATION |         | LANDFILL |         | COMPOSTING |         | RECYCLABLE |         | BULKY WASTE |         | TOTAL   |          |
|-----------|--------------|---------|----------|---------|------------|---------|------------|---------|-------------|---------|---------|----------|
|           | TONNAGE      | CHARGES | TONNAGE  | CHARGES | TONNAGE    | CHARGES | TONNAGE    | CHARGES | TONNAGE     | CHARGES | TONNAGE | CHARGES* |
| 1984-85   | 19,702       | 390,249 | 1,741    | 34,810  | N/A        | N/A     | N/A        | N/A     | N/A         | N/A     | 21,443  | 425,059  |
| 1985-86   | 20,964       | 476,000 | 2,349    | 54,032  | N/A        | N/A     | N/A        | N/A     | N/A         | N/A     | 23,313  | 530,032  |
| 1986-87   | 20,506       | 482,987 | 2,615    | 61,368  | N/A        | N/A     | N/A        | N/A     | N/A         | N/A     | 23,121  | 544,355  |
| 1987-88   | 20,799       | 527,908 | 2,687    | 63,881  | N/A        | N/A     | N/A        | N/A     | N/A         | N/A     | 23,486  | 591,789  |
| 1988-89   | 18,216       | 546,493 | 1,701    | 61,216  | 2,419      | 36,280  | N/A        | N/A     | N/A         | N/A     | 22,336  | 643,989  |
| 1989-90   | 15,839       | 530,609 | 1,687    | 65,824  | 4,469      | 74,167  | 222        | 2,268   | N/A         | N/A     | 22,217  | 672,868  |
| 1990-91   | -            | -       | 13,981   | 572,093 | 4,107      | 69,819  | 911        | 18,165  | 1,109       | 53,237  | 20,108  | 713,314  |
| 1991-92   | -            | -       | 13,472   | 606,183 | 3,382      | 64,344  | 1,129      | 20,605  | 1,096       | 56,968  | 19,079  | 748,100  |
| 1992-93   | -            | -       | 14,994   | 749,682 | 4,062      | 81,233  | 1,516      | 23,685  | 290         | 15,066  | 20,862  | 869,666  |
| 1993-94   | -            | -       | 15,097   | 779,669 | 2,566      | 53,892  | 1,626      | 25,343  | 319         | 16,422  | 19,608  | 875,326  |
| 1994-95   | -            | -       | 14,924   | 726,939 | 2,737      | 13,685  | 373        | 17,904  | 1,021       | 5,718   | 19,055  | 764,246  |
| 1995-96   | -            | -       | 13,370   | 695,240 | 3,270      | 16,365  | 380        | 13,870  | 630         | 4,625   | 17,650  | 730,100  |
| 1996-97** | -            | -       | 12,800   | 665,600 | 3,350      | 5,200   | 400        | 6,000   | 650         | 3,510   | 17,200  | 680,310  |

N/A= Not Available

\*The 1984-85 figures include \$24,800 ready to serve charge.

**Contractor Refuse Collection and Disposal Costs:**

| FISCAL      | OTHER DISPOSAL |           | LANDFILL/<br>BULKY WASTE |            | COMPOSTING |            | RECYCLABLE |            |  |  |  | TOTAL        |
|-------------|----------------|-----------|--------------------------|------------|------------|------------|------------|------------|--|--|--|--------------|
|             | STOPS          | CHARGES   | STOPS                    | CHARGES    | STOPS      | CHARGES    | STOPS      | CHARGES    |  |  |  | CHARGES      |
| 1997-98     | -              | -         | 9,500                    | \$ 631,880 | 9,500      | \$ 2,430   | 9,500      | \$ 18,375  |  |  |  | \$ 652,685   |
| 1998-99     | -              | -         | 9,500                    | \$ 598,428 | 9,500      | \$ 103,399 | 9,500      | \$ 168,787 |  |  |  | \$ 870,614   |
| 1999-00     | -              | -         | 9,500                    | \$ 609,886 | 9,500      | \$ 106,420 | 9,500      | \$ 172,019 |  |  |  | \$ 888,325   |
| 2000-01     | N/A            | \$ 58,001 | 9,500                    | \$ 717,534 | 9,500      | \$ 80,454  | 9,500      | \$ 179,617 |  |  |  | \$ 1,035,606 |
| 2001-02     | N/A            | \$ 34,355 | 9,500                    | \$ 697,228 | 9,500      | \$ 68,471  | 9,500      | \$ 176,332 |  |  |  | \$ 976,386   |
| 2002-03     | N/A            | \$ 38,705 | 9,940                    | \$ 785,499 | 9,940      | \$ 77,140  | 9,940      | \$ 198,656 |  |  |  | \$ 1,100,000 |
| 2003-04     | N/A            | \$ 40,815 | 9,960                    | \$ 828,347 | 9,960      | \$ 81,347  | 9,960      | \$ 209,491 |  |  |  | \$ 1,160,000 |
| 2004-05     | N/A            | \$ 40,886 | 9,980                    | \$ 829,775 | 9,980      | \$ 81,487  | 9,600      | \$ 209,852 |  |  |  | \$ 1,162,000 |
| 2005-06     | N/A            | \$ 42,077 | 9,516                    | \$ 853,960 | 9,516      | \$ 83,862  | 9,600      | \$ 215,968 |  |  |  | \$ 1,195,867 |
| 2006-07     | N/A            | \$ 43,924 | 9,516                    | \$ 891,440 | 9,516      | \$ 87,543  | 9,600      | \$ 225,453 |  |  |  | \$ 1,248,360 |
| 2007-08     | N/A            | \$ 45,610 | 9,516                    | \$ 925,654 | 9,516      | \$ 90,903  | 9,600      | \$ 234,106 |  |  |  | \$ 1,296,273 |
| 2008-09     | N/A            | \$ 46,760 | 9,516                    | \$ 949,001 | 9,516      | \$ 93,196  | 9,600      | \$ 240,011 |  |  |  | \$ 1,328,967 |
| 2009-10     | N/A            | \$ 48,299 | 9,516                    | \$ 953,922 | 9,516      | \$ 126,753 | 9,600      | \$ 243,733 |  |  |  | \$ 1,372,707 |
| 2010-11 *** | N/A            | \$ -      | 9,460                    | \$ 714,653 | 9,460      | \$ 172,365 | 9,460      | \$ 204,996 |  |  |  | \$ 1,092,014 |
| 2011-12     | N/A            | \$ -      | 9,460                    | \$ 714,653 | 9,460      | \$ 172,365 | 9,460      | \$ 204,996 |  |  |  | \$ 1,092,014 |

Notes:

\*\*The City contracted out its refuse collection (January 1997) and refuse disposal (July 1997).

The City estimates current disposal costs at \$21 - \$23 per ton.

\*\*\* The city rebid collection and disposal; budget assumption reflect the new 10-year agreement.

## **RISK MANAGEMENT**

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for health, dental, optical, and life insurance claims, is insured for workers' compensation claims, and participates in the Michigan Municipal Risk Management Authority risk pool for general liability claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

### **Liability and Property Insurance**

The City is a member of the Michigan Municipal Risk Management Authority, which is a self-insurance program for general and auto liability, auto physical damage and property loss claims. The program provides for reinsurance (which is partly underwritten by the Authority itself) in the following amounts:

|                            | <u>RETENTION *</u>                                                          | <u>LIMITS OF REINSURANCE</u> |
|----------------------------|-----------------------------------------------------------------------------|------------------------------|
| General and auto liability | \$250,000 per occurrence                                                    | \$15,000,000 per occurrence  |
| Auto physical damage       | \$1,000 deductible and<br>\$15,000 each vehicle;<br>\$30,000 per occurrence | \$1,500,000 per occurrence   |
| Property                   | \$1,000 deductible plus<br>10% of first \$100,000 per<br>occurrence         | \$27,429,616                 |

\*The Retention amounts represent the amount that the City pays before reinsurance coverage begins.

In addition to the losses retained, the City may be responsible for certain defense costs. The City has elected to participate in the Authority's Stop Loss Program, which limits paid losses from the City to no more than \$366,000 per fiscal year.

The City's policy is to record premium payments to the Authority as expenditures of the participating funds. At June 30, 2010, the City had member reserves of \$214,441 with the Authority. It is estimated that \$110,129 will be used to pay claims reported to date; the amount to be paid for claims incurred, but not yet reported can not be estimated at this time. Upon termination of the program, any amounts remaining on deposit after the Authority has settled all claims incurred prior to termination will be returned to the City.

On July 1, 2007, Council approved increasing the retention from \$150,000 to \$250,000, this resulted in a reduced in annual premium of \$206,236 or 25%.

### **Other Insurance Programs**

As of July 1, 2010, the Worker's Compensation Program moved to self-funded and administered through a third party Citizens Management Incorporated (CMI). This transition has allowed the City to provide their own statutory workers compensation coverage while carrying excess insurance up to a \$350,000 specific retention for any occurrence. This program change is estimated to save the City an average of \$161,636 a year. The administrative costs are allocated to individual budget activities of the City, based on payroll exposure. The actual workers compensation payments of claims will be allocated to the department where the worker's compensation claims are generated.

### **Special Events Insurance Requirements**

On December 14, 1992, the City Council approved Resolution #422 adopting a Council Policy establishing Uniform Insurance Requirements for Special Events. The policy covers clubs and organizations that request to hold special events on City property and/or in the City's right-of-way. The policy categorizes special events based on the potential risk involving the event activities into "hazard groups." Next, the requirements for: liability, property, fire damage, medical and vehicle insurances; indemnification, defend and hold harmless agreements; and participant liability release are outlined. The policy is periodically reviewed to determine the need for further modification.

## **DEBT ADMINISTRATION**

The City's current General Fund outstanding long-term debt is \$7.2 million. This amount includes \$2.7 million of vested employee benefits and \$250,000 reserve for general liability insurance claims and \$4.3 million in general obligation bonds. The vested employee benefits will be paid on various future dates with General Fund general revenues.

The City's latest government rating occurred in June 2003 when Moody's Investors Service (Moody's) and Standard and Poor's Ratings Services (S & P) assigned their municipal bond ratings of "Aaa" and "AAA", respectively, to the issue of 2003 Fire Stations' Bonds with the understanding that upon delivery of the Bonds a policy insuring the payment when due of the principal and interest on the Bonds will be issued by MBIA Insurance Corporation and paid for by the City. Moody's and S & P have also assigned their underlying ratings of "A1" and "AA-", respectively, to the Bonds.

The assigned ratings reflect the independent judgment of the respective rating agencies. There is no assurance that said ratings will continue for any period of time or that they will not be revised or withdrawn by the respective rating agencies. A revision or withdrawal of said ratings may have an effect on the market price of the securities. Further information concerning the municipal bond ratings is available upon request from the rating agencies.

As of June 30, 2010, the City will be utilizing less than 4.6% of the City's debt limit of \$101 million. The City has general obligation bonds outstanding in the amount of \$4.6 million of an original \$5,925,000 of original issue. The City is also responsible for our share of five bonds related to the George W. Kuhn Drain project for a total of \$10.0 million. The City's legal limit is \$101 million or a per capita debt limit of \$3,242.

The City in the past has issued bonds to provide for the acquisition and construction of some major capital facilities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. City contractual labor agreements are also general obligations of the government; however, these are not funded by the issuance of bonds. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. Outstanding long-term debt recorded in the General Long-Term Debt Account Group, exclusive of contractual labor agreements, will include the following at June 30, 2009:

I. Fire Stations' General Obligation Unlimited Tax Bonds in the amount of \$5.9 million issued on May 1, 2003, payable over 20 years, for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, park and site improvements, draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. A total of \$4.3 million remains in principal payments.

II. George W. Kuhn Drain Bonds and State Revolving Loan Debt issued between October 2000 and August 2007. The total debt to be issued is estimated to be \$117.3 million with Madison Heights' share being \$12.6 million. The bond and interest payments are being paid from the Water and Sewer Fund, with \$10.0 million principal remaining.



III. Fixed Network Water Meter Reading System General Obligation Limited Tax Bonds in the amount of \$1.5 million issued on August 23, 2010, payable over 15 years, for the purchase and installation of a transmitter on every water meter and 12 antennas to allow daily non-manned readings. The bond and interest payments are being paid from the Water and Sewer Fund with \$1.45 million principal remaining.

**LEGAL DEBT MARGIN**  
**(amounts expressed in thousands)**  
**June 30, 2011**

| <b>Calculation of debt limit:</b>            | <u>2007</u>    | <u>2008</u>    | <u>2009</u>    | <u>2010</u>    | <u>2011</u>    |
|----------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| State equalized valuation                    | \$ 1,169,836   | \$ 1,330,673   | \$ 1,271,777   | \$ 1,053,898   | \$ 1,035,478   |
| 10% of taxable value                         | <u>116,984</u> | <u>133,067</u> | <u>127,178</u> | <u>105,390</u> | <u>103,548</u> |
| <b>Calculation of debt subject to limit:</b> |                |                |                |                |                |
| Total debt                                   | \$ 16,146      | \$ 15,504      | \$ 15,390      | \$ 14,543      | \$ 18,885      |
| Less: debt not subject to limit:             |                |                |                |                |                |
| General obligation                           | 10,921         | 10,489         | 10,595         | 9,983          | 11,474         |
| Special revenue bonds                        | -              | -              | -              | -              | -              |
| Net debt subject to limit (2)                | <u>5,225</u>   | <u>5,015</u>   | <u>4,795</u>   | <u>4,560</u>   | <u>7,411</u>   |
| Legal debt margin (1)                        | <u>111,759</u> | <u>128,052</u> | <u>122,383</u> | <u>100,830</u> | <u>96,137</u>  |
| Net debt subject to limit as % of debt limit | 4.68%          | 3.92%          | 3.92%          | 4.52%          | 7.71%          |

(1) Debt limit set forth in Section 4A, Act 279 of 1909 (Home Rule City Act)

(2) Amount does not include water and sewer general obligations

**SUMMARY OF DEBT SERVICE REQUIREMENTS  
TO MATURITY  
ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS  
June 30, 2011**

| <u>Fiscal Year</u><br><u>Ending June 30</u> | <u>Fire Stations Bond</u><br><u>Obligations</u> | <u>Fixed Meter Network</u><br><u>General Obligations</u> | <u>Kuhn Drain</u><br><u>Obligations</u> | <u>Total</u>         |
|---------------------------------------------|-------------------------------------------------|----------------------------------------------------------|-----------------------------------------|----------------------|
| 2012                                        | \$ 414,598                                      | \$ 124,413                                               | \$ 900,828                              | \$ 1,439,839         |
| 2013                                        | 421,798                                         | 122,913                                                  | 901,428                                 | 1,446,139            |
| 2014                                        | 458,548                                         | 126,413                                                  | 900,860                                 | 1,485,821            |
| 2015                                        | 434,588                                         | 129,813                                                  | 897,892                                 | 1,462,293            |
| 2016                                        | 444,523                                         | 132,688                                                  | 917,707                                 | 1,494,918            |
| 2017                                        | 458,473                                         | 134,988                                                  | 914,392                                 | 1,507,853            |
| 2018                                        | 466,223                                         | 136,900                                                  | 894,265                                 | 1,497,388            |
| 2019                                        | 467,903                                         | 138,400                                                  | 892,135                                 | 1,498,438            |
| 2020                                        | 473,850                                         | 139,725                                                  | 872,027                                 | 1,485,602            |
| 2021                                        | 483,663                                         | 140,600                                                  | 872,241                                 | 1,496,504            |
| 2022                                        | 487,000                                         | 141,000                                                  | 863,570                                 | 1,491,570            |
| 2023                                        | 494,000                                         | 146,200                                                  | 697,499                                 | 1,337,699            |
| 2024                                        | -                                               | 146,000                                                  | 708,222                                 | 854,222              |
| 2025                                        | -                                               | 145,600                                                  | 149,346                                 | 294,946              |
| 2026                                        | -                                               | -                                                        | 91,345                                  | 91,345               |
| <b>Totals</b>                               | <b>\$ 5,505,167</b>                             | <b>\$ 1,905,650</b>                                      | <b>\$ 11,473,757</b>                    | <b>\$ 18,884,574</b> |

## Fire Stations Bond

Date of issue - May 1, 2003

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$5,925,000

| <u>Fiscal Year</u><br><u>Ending June 30</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u><br><u>Requirements</u> |
|---------------------------------------------|---------------------|---------------------|-------------------------------------|
| 2012                                        | \$ 260,000          | \$ 154,598          | \$ 414,598                          |
| 2013                                        | 275,000             | 146,798             | 421,798                             |
| 2014                                        | 280,000             | 178,548             | 458,548                             |
| 2015                                        | 305,000             | 129,588             | 434,588                             |
| 2016                                        | 325,000             | 119,523             | 444,523                             |
| 2017                                        | 350,000             | 108,473             | 458,473                             |
| 2018                                        | 370,000             | 96,223              | 466,223                             |
| 2019                                        | 385,000             | 82,903              | 467,903                             |
| 2020                                        | 405,000             | 68,850              | 473,850                             |
| 2021                                        | 430,000             | 53,663              | 483,663                             |
| 2022                                        | 450,000             | 37,000              | 487,000                             |
| 2023                                        | 475,000             | 19,000              | 494,000                             |
|                                             | <u>\$ 4,310,000</u> | <u>\$ 1,195,167</u> | <u>\$ 5,505,167</u>                 |

**George W. Kuhn Drain Water & Sewer Obligations - Amount of Issue - \$117,338,000**

Date of issue - Series A Oct. 1, 2000 (Total \$17,888,000 Madison Heights Share \$1,881,478)

Series C Sept. 29, 2001 (Total \$82,200,000 Madison Heights Share \$8,649,748)

Series D Dec. 20, 2001 (Total \$3,170,000 Madison Heights Share \$333,573)

Series 2005 September 22, 2005 ( Total \$1,620,000 Madison Heights Share \$170,469)

Series 2007 Refinancing B & E Aug. 23, 2007 (Total \$12,460,000 Madison Heights Share \$1,574,214)

Combined Issues Total \$117,338,000 Madison Heights Share \$12,609,482

Payment Date: Principal, April 1 and Interest, April 1, October 1

| Fiscal Year           |                     |                     | Total                |
|-----------------------|---------------------|---------------------|----------------------|
| <u>Ending June 30</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Requirements</u>  |
| 2012                  | \$ 638,552          | \$ 262,276          | \$ 900,828           |
| 2013                  | 657,510             | 243,918             | 901,428              |
| 2014                  | 673,828             | 227,032             | 900,860              |
| 2015                  | 689,953             | 207,939             | 897,892              |
| 2016                  | 713,801             | 203,906             | 917,707              |
| 2017                  | 729,547             | 184,845             | 914,392              |
| 2018                  | 751,478             | 142,787             | 894,265              |
| 2019                  | 772,447             | 119,688             | 892,135              |
| 2020                  | 771,585             | 100,442             | 872,027              |
| 2021                  | 790,052             | 82,189              | 872,241              |
| 2022                  | 809,572             | 53,998              | 863,570              |
| 2023                  | 653,886             | 43,613              | 697,499              |
| 2024                  | 663,937             | 44,285              | 708,222              |
| 2025                  | 144,724             | 4,622               | 149,346              |
| 2026                  | 89,146              | 2,199               | 91,345               |
|                       | <u>\$ 9,550,018</u> | <u>\$ 1,923,739</u> | <u>\$ 11,473,757</u> |

## Fixed Network Water Meter Reading System Water and Sewer General Obligation Bond

Date of issue - August 23, 2010

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$1,525,000

| <u>Fiscal Year</u>    |                     |                   | <u>Total</u>        |
|-----------------------|---------------------|-------------------|---------------------|
| <u>Ending June 30</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Requirements</u> |
| 2012                  | \$ 75,000           | \$ 49,413         | \$ 124,413          |
| 2013                  | 75,000              | 47,913            | 122,913             |
| 2014                  | 80,000              | 46,413            | 126,413             |
| 2015                  | 85,000              | 44,813            | 129,813             |
| 2016                  | 90,000              | 42,688            | 132,688             |
| 2017                  | 95,000              | 39,988            | 134,988             |
| 2018                  | 100,000             | 36,900            | 136,900             |
| 2019                  | 105,000             | 33,400            | 138,400             |
| 2020                  | 110,000             | 29,725            | 139,725             |
| 2021                  | 115,000             | 25,600            | 140,600             |
| 2022                  | 120,000             | 21,000            | 141,000             |
| 2023                  | 130,000             | 16,200            | 146,200             |
| 2024                  | 135,000             | 11,000            | 146,000             |
| 2025                  | 140,000             | 5,600             | 145,600             |
|                       | <u>\$ 1,455,000</u> | <u>\$ 450,650</u> | <u>\$ 1,905,650</u> |



## **PERSONNEL AND POSITIONS**

The City of Madison Heights employs 154 full-time positions yielding 5.2 full-time employees per 1,000 of City population based on the 2010 census count of 29,694. The City also employs 124 positions on a part-time or seasonal basis. Personnel services comprise approximately \$19.3 million or 68.0% of the General Fund Budget.

During the Fiscal Year 2011-12, the General Fund is being reduced by attrition or layoff of 8 full-time positions and elimination or reduction of 5 part-time positions or hours. Despite these budget balancing measures, there is a slight increase in personnel services of 0.75%, or \$130,000. This increase is due to the large jump in retiree health care contributions which is up \$856,000. Without this increase, these necessary budget-balancing position reductions would have resulted in a personnel savings of \$726,000, or 4.2%. After factoring in the position reductions, total General Fund fringe benefits increased 10.2% by \$728,000, while General Fund wages decreased by 5.3%, or \$534,000. Without the personnel-related measures outlined above, City benefits for employees would have increased 9.8%, or \$701,000, and wages would increase 1.9%, or \$193,000.

With the exception of eight executive and administrative employees, the City's entire full-time workforce belongs to one of eight bargaining units (seven City unions and one 43rd District Court union). The unions can be divided into two groups, based on binding arbitration rights that are provided to public safety sworn employees by the State under Public Act 312. The sworn unions include: Police Officer Labor Council (POLC) Command Officers; POLC Police Officers; and International Association of Fire Fighters. The non-sworn unions include: Madison Heights Court Clerks Association; American Federation of State, County, and Municipal Employees (AFSCME) Council 25 Department Heads Union; AFSCME Council 25 Supervisors & Assistants Union; Technical, Professional and Officeworkers Association of Michigan (TPOAM) Department of Public Services Union; and TPOAM Municipal Employees Union, which represents clerical and technical workers.

The severe economic collapse and its adverse impact upon the City necessitated that the City approach the non-Act 312 bargaining units in the spring of 2010 for the purpose of reopening the contracts negotiated in calendar year 2009 to attain additional wage and benefit concessions. The Court Clerks Association agreed to the elimination of the 2% wage increase scheduled for July 1, 2010, and 10 unpaid furlough days. All other non-sworn units and non-union employees agreed to the elimination of the 2% wage increase scheduled for July 1, 2010, seven unpaid furlough days and three unpaid holidays. All of the non-sworn contracts are scheduled to expire on June 30, 2011. The City's negotiation team will pursue further contract settlements with concessions based on Council input and the financial outlook for the City.

In June 2010, the Police Officers Labor Council/Police Officers Union (POLC) agreed to concessions through an Interim Stipulated Act 312 Arbitration Award. Those concessions included: a three-year wage freeze July 1, 2008 through July 1, 2010; elimination of five holidays; health insurance concessions to bring the Police Officers in line with non-sworn groups; and for all new hires reduced wage schedule; elimination of longevity; reduced vacation accrual schedule; reduced pension benefits; and elimination of retiree health care in exchange for a health savings account.



As it concerns the contracts with the remaining sworn units (i.e., Police Command Officers and Fire Fighters), final resolution of all outstanding contractual issues will depend on the outcome of the pending Act 312 arbitration hearings.

In addition, the City of Madison Heights is one of the few communities that have made sacrifices in order to provide funding for preservation of the retirees' benefits. While this funding has caused the City to make reductions that otherwise would not have been necessary, funding this liability is very important, as it directly affects the City's ability to provide promised benefits in the future and preserves our high rating from credit rating agencies.

### **Personnel Actions**

In the fall of 2010, staff prepared an application for Federal grant money through the Staffing for Adequate Fire and Emergency Response (SAFER) grant program. The SAFER grant provides funding directly to career and volunteer fire departments in order to help them increase the number of trained, "front line" firefighters available in their communities. On December 31, 2010, the City received word that it was awarded \$490,748 in SAFER grant funds, and was the ninth community in the country to receive an award in this round. Only 13 departments in Michigan have received grant money to date.

Once the City received word that the grant money was approved, the two firefighters who were laid off effective June 30, 2010 were recalled to work and returned to their positions effective January 17 and 18, 2011. The grant will cover the majority (excludes overtime and clothing allowance) for a two-year period. The City is proud of the effort put forth by the administration and Fire Department staff that enabled us to bring our laid off firefighters back to work.

The FY 2011-12 Budget reflects a total net reduction of 11.4 full-time equivalencies (FTEs). This reduction includes elimination of 8 full-time positions and 5 part-time positions. The eight full-time position reductions include five (one Deputy DPS Director and four Police positions) through attrition (retirements) without layoffs, one Animal Control Officer and two Library positions, which may require layoffs. In regard to part-time workforce, the workforce reductions include one District Court position through attrition (retirement) without a layoff; two vacant positions (one Code Enforcement and one seasonal Parks laborer), one Animal Control Assistant and one Library Assistant.

The City's current hiring freeze and review of all position vacancies continues in Fiscal Year 2011-12. The table on the following page reflects the City's personnel actions planned for Fiscal Year 2011-12.

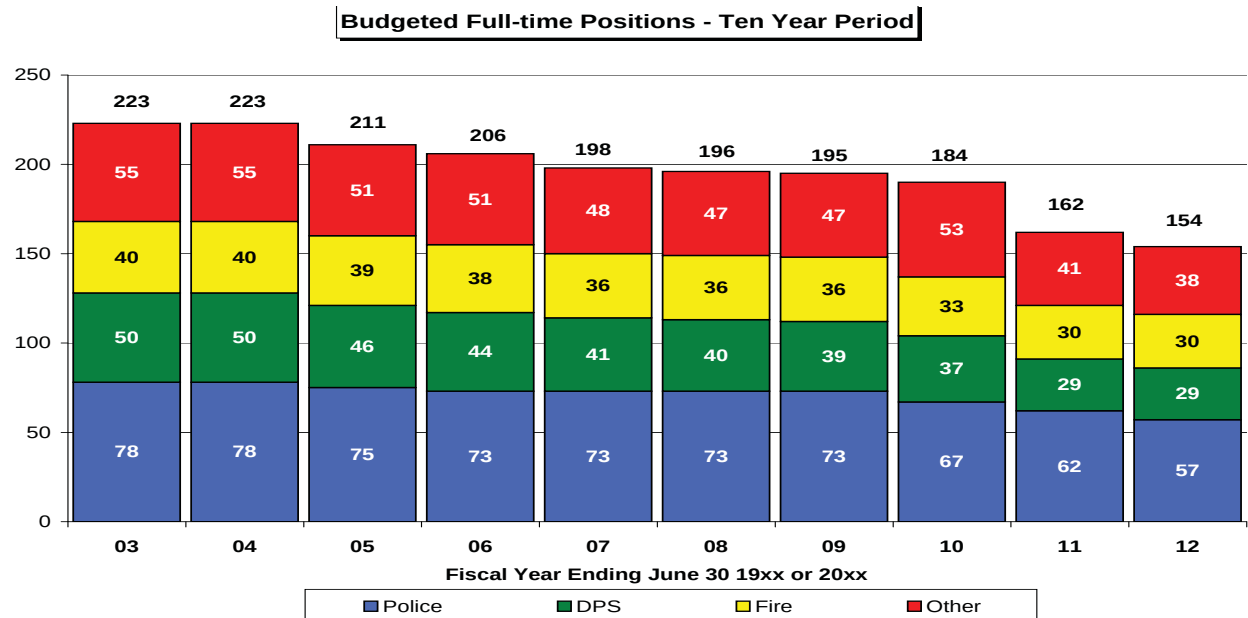
Fiscal Year 2011-12 Personnel Actions

| <b>Department</b>                                         | <b>Action</b>                                | <b>Change</b> |
|-----------------------------------------------------------|----------------------------------------------|---------------|
| District Court                                            | Eliminate part time Probation Officer        | -1.0          |
| Police                                                    | Eliminate Police Lieutenant                  | -1.0          |
| Police                                                    | Eliminate Police Sergeant                    | -1.0          |
| Police                                                    | Eliminate two Police Officers                | -2.0          |
| Police                                                    | Eliminate Animal Control Officer             | -1.0          |
| Police                                                    | Eliminate part time Animal Control Assistant | -0.3          |
| Community Development                                     | Eliminate part time Code Enforcement Officer | -0.8          |
| DPS - Parks                                               | Eliminate part time Seasonal Laborer         | -0.3          |
| DPS - Streets                                             | Eliminate Deputy DPS Director                | -1.0          |
| Library                                                   | Eliminate part time Library Assistant hours  | -1.0          |
| Library                                                   | Eliminate Librarian                          | -1.0          |
| Library                                                   | Eliminate Library Technician                 | -1.0          |
|                                                           |                                              |               |
|                                                           |                                              |               |
|                                                           |                                              |               |
| <b>FY 2011-12 - General Fund - Sub Total - FTE Change</b> |                                              | <b>-11.4</b>  |
| None                                                      |                                              | 0.0           |
| <b>FY 2011-12 - Other Funds - Sub Total - FTE Change</b>  |                                              | <b>0.0</b>    |
| <b>Total FY 2011-12 FTE Change</b>                        |                                              | <b>-11.4</b>  |

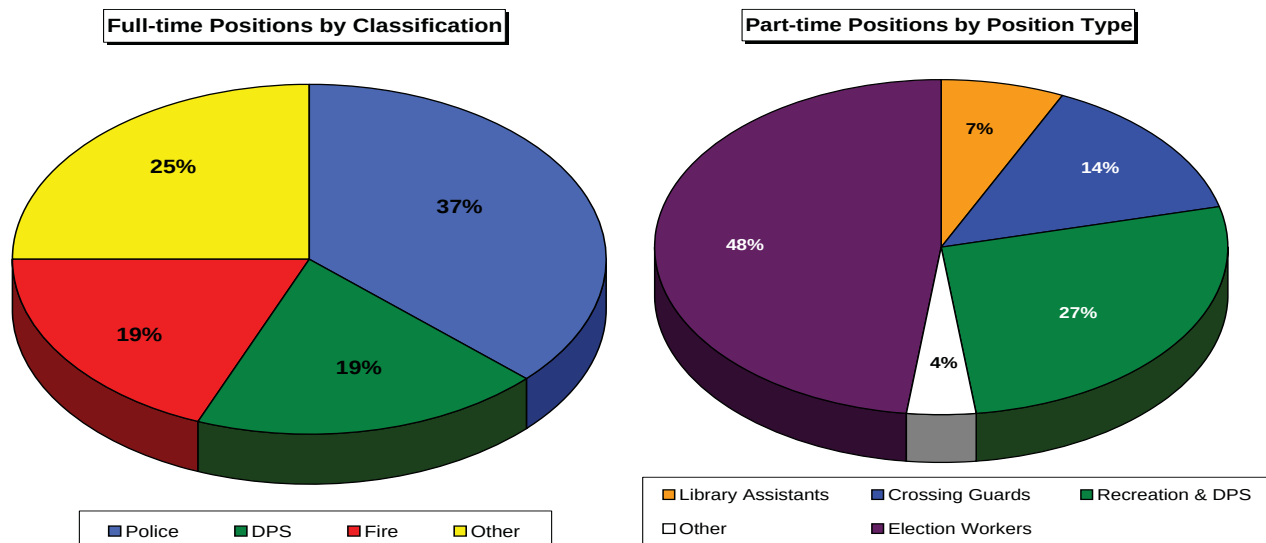
## The Work Force at a Glance

Beginning in Fiscal Year 1993-94, the City has been able to reduce the workforce without significantly compromising services, resulting in a leaner, more efficient organization. Ninety-seven full-time positions, or thirty-nine percent of the workforce, have been eliminated since Fiscal Year 1993-94.

Presented below is a bar graph of budgeted full-time positions over the last ten years. The Appendix contains a table showing positions by fund and activity over a twenty year period.



Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2011-12. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.



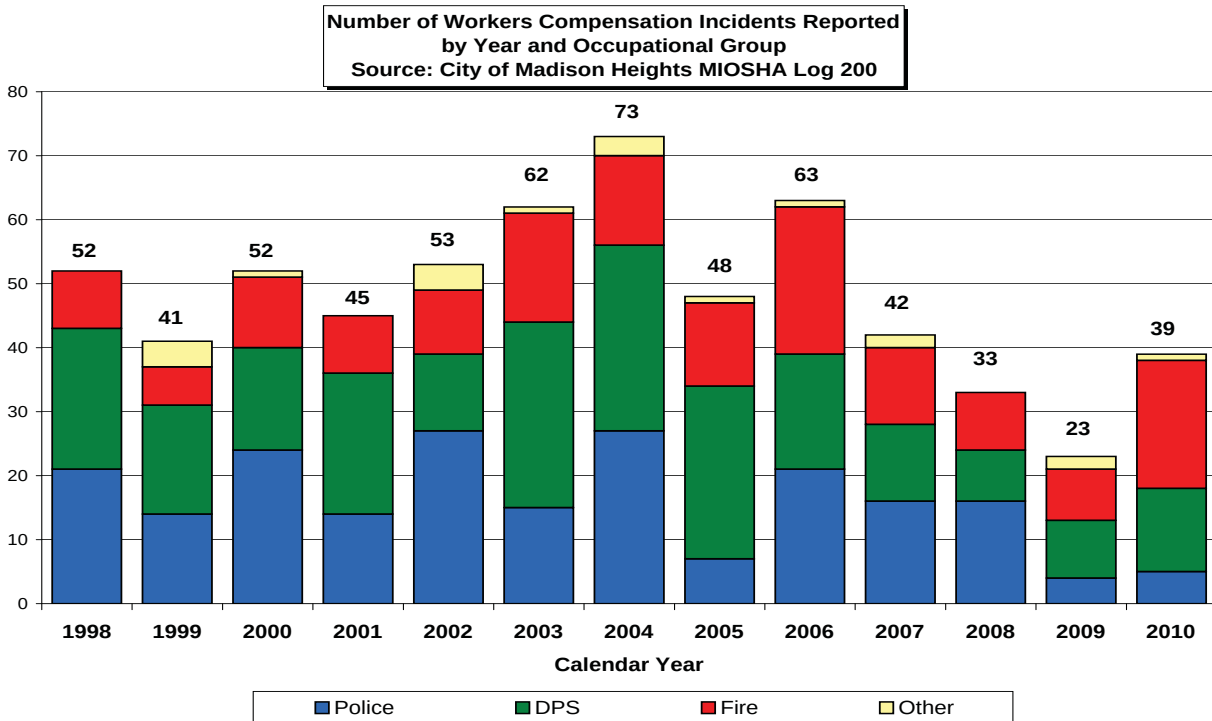
A breakdown of full-time and part-time positions in all funds is shown on the following page.

ALL FUNDS  
FULL TIME AND PART TIME POSITIONS  
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)  
FISCAL YEAR 2011-12

|                              | <u>Actual 2009-10</u> |              |        | <u>BUDGET 2010-11</u> |              |        | <u>'10 TO '11</u> | <u>BUDGET 2011-12</u> |              |        | <u>'11 TO '12</u> |
|------------------------------|-----------------------|--------------|--------|-----------------------|--------------|--------|-------------------|-----------------------|--------------|--------|-------------------|
|                              | FULL<br>TIME          | PART<br>TIME | F.T.E. | FULL<br>TIME          | PART<br>TIME | F.T.E. | F.T.E.<br>CHANGE  | FULL<br>TIME          | PART<br>TIME | F.T.E. | F.T.E.<br>CHANGE  |
| General Fund                 |                       |              |        |                       |              |        |                   |                       |              |        |                   |
| District Court               | 9                     | 4            | 12.4   | 8                     | 4            | 11.4   | (1.0)             | 8                     | 3            | 10.4   | (1.0)             |
| City Manager                 | 2                     | 0            | 1.9    | 2                     | 0            | 1.8    | (0.1)             | 2                     | 0            | 1.8    | 0.0               |
| City Assessor                | 3                     | 1            | 3.4    | 0                     | 0            | 0.0    | (3.4)             | 0                     | 0            | 0.0    | 0.0               |
| City Clerk                   | 3                     | 60           | 3.6    | 2                     | 60           | 2.6    | (1.0)             | 2                     | 60           | 2.6    | 0.0               |
| Human Resources              | 2                     | 0            | 1.5    | 2                     | 0            | 1.5    | 0.0               | 1                     | 0            | 1.5    | 0.0               |
| General Administration       | 1                     | 0            | 0.8    | 1                     | 0            | 0.7    | (0.1)             | 1                     | 0            | 0.7    | 0.0               |
| Finance                      | 9                     | 0            | 9.0    | 8                     | 0            | 8.0    | (1.0)             | 8                     | 0            | 8.0    | 0.0               |
| Information Technology       | 2                     | 0            | 2.0    | 2                     | 0            | 2.0    | 0.0               | 2                     | 0            | 2.0    | 0.0               |
| Police                       | 67                    | 18           | 70.6   | 62                    | 18           | 65.8   | (4.7)             | 57                    | 17           | 60.5   | (5.3)             |
| Fire                         | 33                    | 1            | 33.5   | 30                    | 1            | 30.5   | (3.0)             | 30                    | 1            | 30.5   | 0.0               |
| Community Development        | 9                     | 2            | 10.6   | 8                     | 1            | 8.8    | (1.8)             | 8                     | 0            | 8.0    | (0.8)             |
| Library                      | 4                     | 10           | 8.6    | 3                     | 10           | 6.9    | (1.7)             | 1                     | 9            | 3.9    | (3.0)             |
| Department of Public Service |                       |              |        |                       |              |        |                   |                       |              |        |                   |
| Custodial & Maintenance      | 1                     | 0            | 1.2    | 0                     | 0            | 0.2    | (1.0)             | 0                     | 0            | 0.2    | 0.0               |
| Streets                      | 12                    | 1            | 3.2    | 11                    | 0            | 2.3    | (0.9)             | 10                    | 0            | 1.3    | (1.0)             |
| Solid Waste                  | 1                     | 1            | 5.5    | 1                     | 0            | 5.1    | (0.4)             | 2                     | 0            | 5.1    | 0.0               |
| Recreation                   | 0                     | 39           | 1.8    | 0                     | 23           | 2.3    | 0.5               | 0                     | 23           | 2.3    | 0.0               |
| Youth Center                 | 0                     | 0            | 0.0    | 0                     | 0            | 0.0    | 0.0               | 0                     | 0            | 0.0    | 0.0               |
| Nature Center                | 1                     | 1            | 1.3    | 0                     | 0            | 0.0    | (1.3)             | 0                     | 0            | 0.0    | 0.0               |
| Parks                        | 4                     | 7            | 5.8    | 2                     | 4            | 2.8    | (3.0)             | 2                     | 3            | 2.6    | (0.3)             |
| Senior Center                | 2                     | 6            | 4.1    | 2                     | 6            | 3.7    | (0.3)             | 2                     | 6            | 3.7    | 0.0               |
| Sub Total                    | 21                    | 55           | 22.9   | 16                    | 33           | 16.5   | (6.4)             | 16                    | 32           | 15.2   | (1.3)             |
| Total                        | 165                   | 151          | 180.6  | 144                   | 127          | 156.5  | (24.1)            | 136                   | 122          | 145.1  | (11.4)            |
| Major Street Fund            | 1                     | 1            | 2.7    | 1                     | 1            | 3.0    | 0.3               | 1                     | 1            | 3.0    | 0.0               |
| Local Street Fund            | 0                     | 1            | 3.5    | 0                     | 1            | 3.5    | 0.0               | 0                     | 1            | 3.5    | 0.0               |
| Community Improvement Fund   |                       |              |        |                       |              |        |                   |                       |              |        |                   |
| Housing                      | 2                     | 0            | 1.8    | 2                     | 0            | 1.8    | 0.0               | 2                     | 0            | 1.8    | 0.0               |
| Comm. Dev. Block Grant       | 1                     | 0            | 1.3    | 1                     | 0            | 1.3    | 0.0               | 1                     | 0            | 1.3    | 0.0               |
| Total                        | 3                     | 0            | 3.0    | 3                     | 0            | 3.0    | 0.0               | 3                     | 0            | 3.0    | 0.0               |
| Fire Manning Grant Fund      | 0                     | 0            | 0.0    | 2                     | 0            | 2.0    | 2.0               | 2                     | 0            | 2.0    | 0.0               |
| Water & Sewer Fund           |                       |              |        |                       |              |        |                   |                       |              |        |                   |
| Water Division               | 6                     | 0            | 6.0    | 4                     | 0            | 4.0    | (2.0)             | 4                     | 0            | 4.0    | 0.0               |
| Sewer Division               | 4                     | 0            | 4.0    | 4                     | 0            | 4.0    | 0.0               | 4                     | 0            | 4.0    | 0.0               |
| Water & Sewer Admin.         | 1                     | 0            | 1.5    | 1                     | 0            | 1.5    | 0.0               | 1                     | 0            | 1.5    | 0.0               |
| Total                        | 11                    | 0            | 11.5   | 9                     | 0            | 9.5    | (2.0)             | 9                     | 0            | 9.5    | 0.0               |
| Motor Pool Fund              | 4                     | 0            | 4.0    | 3                     | 0            | 3.0    | (1.0)             | 3                     | 0            | 3.0    | 0.0               |
| Total All Funds              | 184                   | 153          | 205.3  | 162                   | 129          | 180.5  | (24.7)            | 154                   | 124          | 169.1  | (11.4)            |

## On-The-Job Injury Experience

In August of 1998, the Human Resources Department implemented a return-to-work program wherein employees off on long-term periods of workers compensation leave are returned to work in temporary “bridge” assignments. These jobs vary according to medical restrictions and the type of work needed. As shown in the following bar graph, the program has had some early success, but several severe long-term injuries in Public Services, Police and Fire yielded an increase in the number of worker’s compensation incidents in 2003, 2004, and 2006. Nevertheless, the number of reported workers compensation incidents has steadily and significantly declined for each of the last three years.

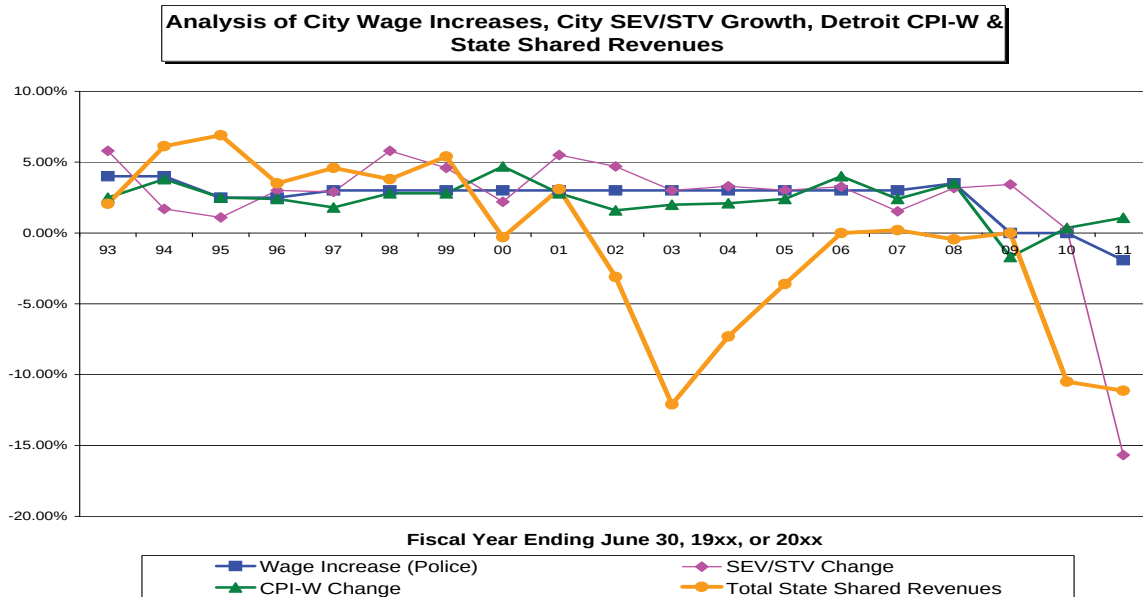


As part of the FY 2010-11 Budget, effective July 1, 2010, the City will move to a self insurance plan where the City is contracting with a third party administrator (Citizens Management) and converted to pay-as-you-go claims. During FY 2009, the City spent \$382,100 on workers compensation premiums. The fixed cost to self insure would be \$33,700 for excess insurance (to provide protection for the City against a high number of workers compensation claims) and \$19,800 for a third Party Administration fee including loss prevention, counseling and a required \$1,500 state assessment.

The City has arranged for training for Department Heads and Supervisors by Citizens Management to provide education regarding workers compensation and how the City can manage costs better now that we are self-funded.

## A Look at Wages and Fringe Benefits

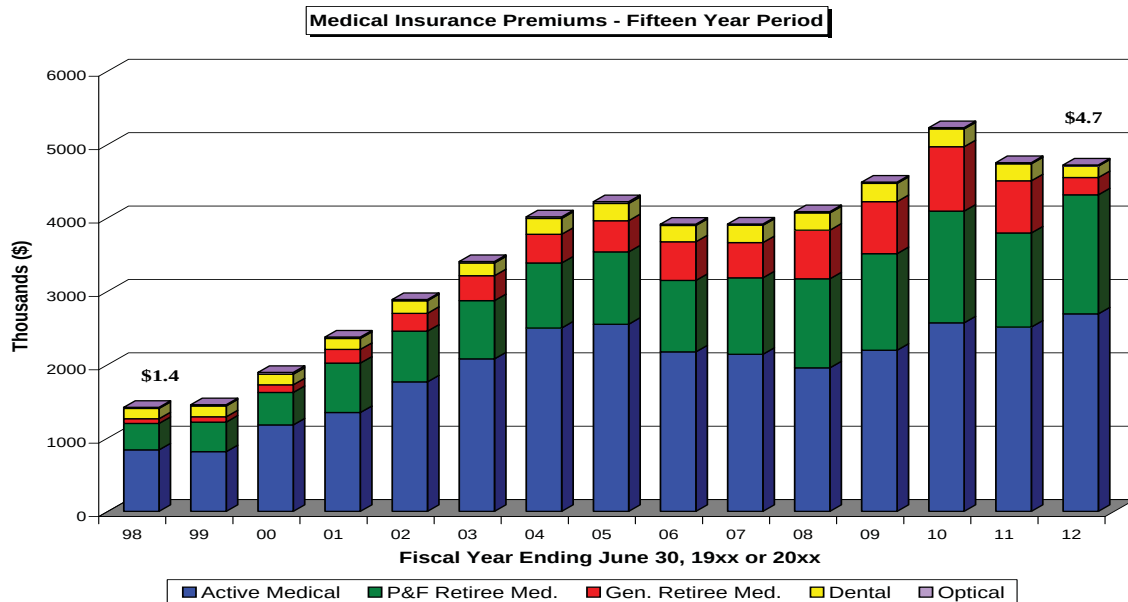
Planning for labor negotiations and the future wages requires an understanding of how the City's wages have measured up against the City's ability to pay (i.e. growth in tax base) and local inflationary pressures. The next line chart plots the City's overall wage increases for all bargaining units against changes in the City's State Taxable Value (STV), Detroit area Consumer Price Index (CPI-W), and Total State Shared Revenues.



The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages, inflation, and STV start to converge. Since FY 1994-95, wages and CPI-W have continued between 0% and 4% while STV has fluctuated more due to new construction and the State's changes in the property tax valuation rules. However, beginning in FY 2008-09 and continuing through FY 2010-11 this convergence has drastically changed as the City tries to cope with fewer revenues. This change is the largest downturn in STV that the City has ever experienced. This downturn directly affects the taxes collected by the City and results in decreasing the City's ability to pay, based on the decline in the principal source of property tax revenue, being lower than CPI and wages. Over the last year, wages have averaged a 1.9% decrease, CIP-W change was 1.1%, State shared revenues have decreased an additional 11.1% and STV has fallen 15.7%.

## **Medical Insurance**

One of the most important fringe benefits to monitor, with an eye toward cost control, is medical insurance. Despite the downward employment trend since 1999-00, due to workforce reductions, medical cost increases remained in the double digits through FY 2003-04, the impact of which is demonstrated in the chart below, which compares the City's medical insurance premiums over the last fourteen years. Due to the elimination of full-time positions, the City experienced a decrease of 7.2% in FY 2005-06. The FY 2006-07 change is reflective of the elimination of two full-time positions and the moving of those covered by Blue Cross Blue Shield to MERS Premier Health on July 1, 2006, which provided over \$325,000 in savings to the City. The City moved back to Blue Cross Blue Shield in July 2009 due to the dissolution of MERS Premier Health Insurance. Since that time our rates have increased an average of 13.7% per year.



## **Retiree Medical Insurance**

In April of 2004, the Government Accounting Standards Board (GASB) issued regulations for the purpose of improving disclosure for liability associated with future retiree health care costs, similar to the existing pension obligation disclosure requirements. Based on these GASB guidelines, the City was required to begin reporting our liability and contributions to fund these liabilities over the next 30 year time frame.

In FY 2006, the City developed and implemented a plan to prefund this liability. Implementation of this plan began when Council approved the establishment of two Trust plans, one for Police and Fire (sworn) Retiree Health Care and a second for General Employee (non-police and fire) Retiree Health Care. The next step was to appropriate the money in the budget. As of June 30, 2010 the City has accumulated \$8.7 million in these trust funds and the unfunded portion of this liability has dropped to \$48.8 from \$58.8 as of June 30, 2004. In FY 2012, the City budgeted a contribution of an additional \$2.5 million.

Along with this funding, another significant change for FY 2012 is the City will begin to fund retiree health care benefits from the General Employee Retiree Health Care Trust moving away from the traditional pay-as-you-go premium payments. This change will shift the retiree health care premiums from the current General Fund resources to the Trust, allowing the Trust to assume this obligation, but slowing the growth of Trust assets.

The City has also negotiated labor concessions, in the form of new healthcare savings accounts, from all the unions except Police Command and Fire, which will reduce this liability in the future. All General employee groups have agreed to eliminate retiree health care in lieu of a health savings plan for all new hires, and the Court employees agreed to change to this plan for all new hires and the majority of current employees. While in the long run this labor negotiation strategy is fiscally sound, the activities require the Trust to be funded over a shorter amortization period, which increases the City's contribution rate over the next few years before declining in the future. The contribution rate for General Employees increased from 15.76 % to 48.43%. The contribution rate for Police and Fire sworn employees increased from 11.81% to 32.54%.

In 2010 the Department of Health and Human Services (HHS) issued an interim final rule implementing the Early Retiree Reinsurance Program, which was created by the Patient Protection and Affordable Care Act. Under the reinsurance program, employers may be reimbursed for a portion of the costs incurred in providing group health benefits to early retirees (those under 65) and their spouses, surviving spouses and dependents. This health care reform law allocated \$5 billion to the reinsurance program to be awarded on a first come first serve basis. Employers accepted into this program receive reinsurance reimbursement for medical claims for retirees age 55 and older who are not eligible for Medicare, and their spouses, surviving spouses, and dependents. The amount of this reimbursement to the employer plan is up to 80% of claims costs for health benefits between \$15,000 and \$90,000. Claims incurred between the start of the plan year July 1, 2009 and June 1, 2010 are credited towards toward the \$15,000 threshold for reimbursement. However, only medical expenses incurred after June 1, 2010 are eligible for reimbursement under this program.

At the Regular Council Meeting of July 26, 2010, Council approved an agreement with RDS Services to verify and administer the City's application and submittal for the Early Retiree Reinsurance Program Subsidy. To date the City has been reimbursed \$68,100 through this program.

### **Pensions**

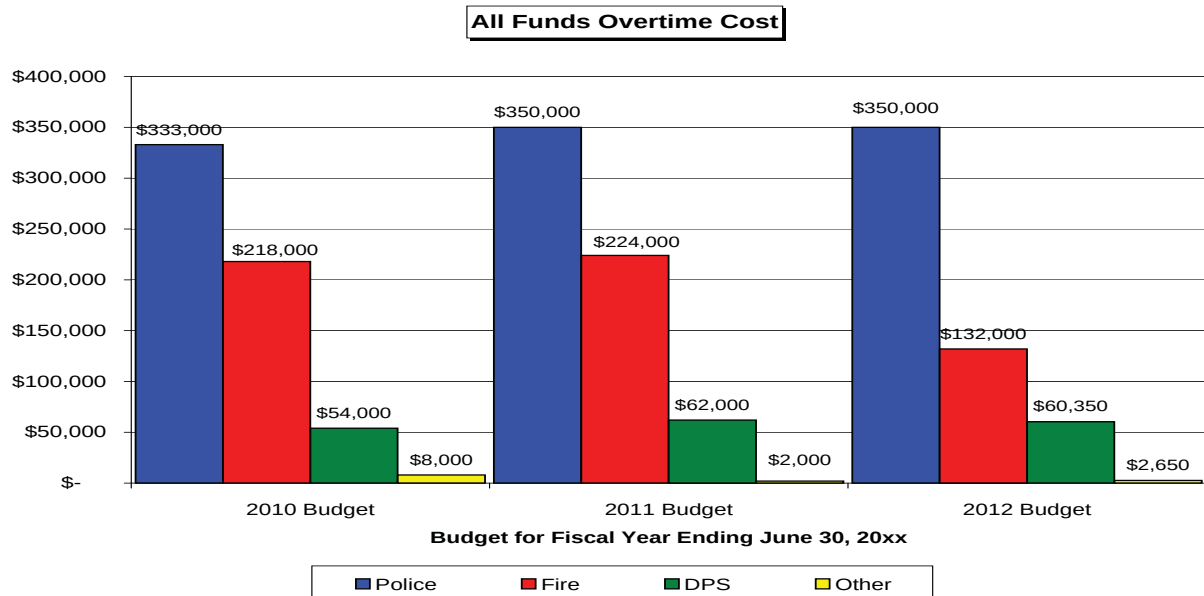
The second largest fringe benefit cost component is the employer's contribution to the employee retiree pension plans. This expense is budgeted to be \$1.8 million in FY 2011-12. The City's full-time workforce is divided into two pension groups. All Police and Fire sworn employees are members of the Police and Fire Pension Fund established pursuant to Michigan Public Act 345. The remainder of the full-time employee workforce is covered by the Municipal Employees' Retirement System (MERS).

The budget for the employer contribution to the Police and Fire Pension Fund is 19.9% of total wages based on the City's actuary 2010 recommended contribution rates. In regard to the MERS plan, the pension contribution is budgeted by union group. The Department of Public Service field, Court, non-union, supervisors, municipal and dispatcher employees have all agreed to change pension benefits for new hires from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. These DC plans are funded at 7.0% by the City with variable employee contributions by union. When a plan changes from DB to DC, the plan becomes closed and the remaining unfunded liability is revised to be paid at a flat dollar amount for the number of employees. For FY 2011-12, these contributions range from \$11,350 per employee for Police Service Aides to \$18,754 for non-union, Court and Department Head employees.



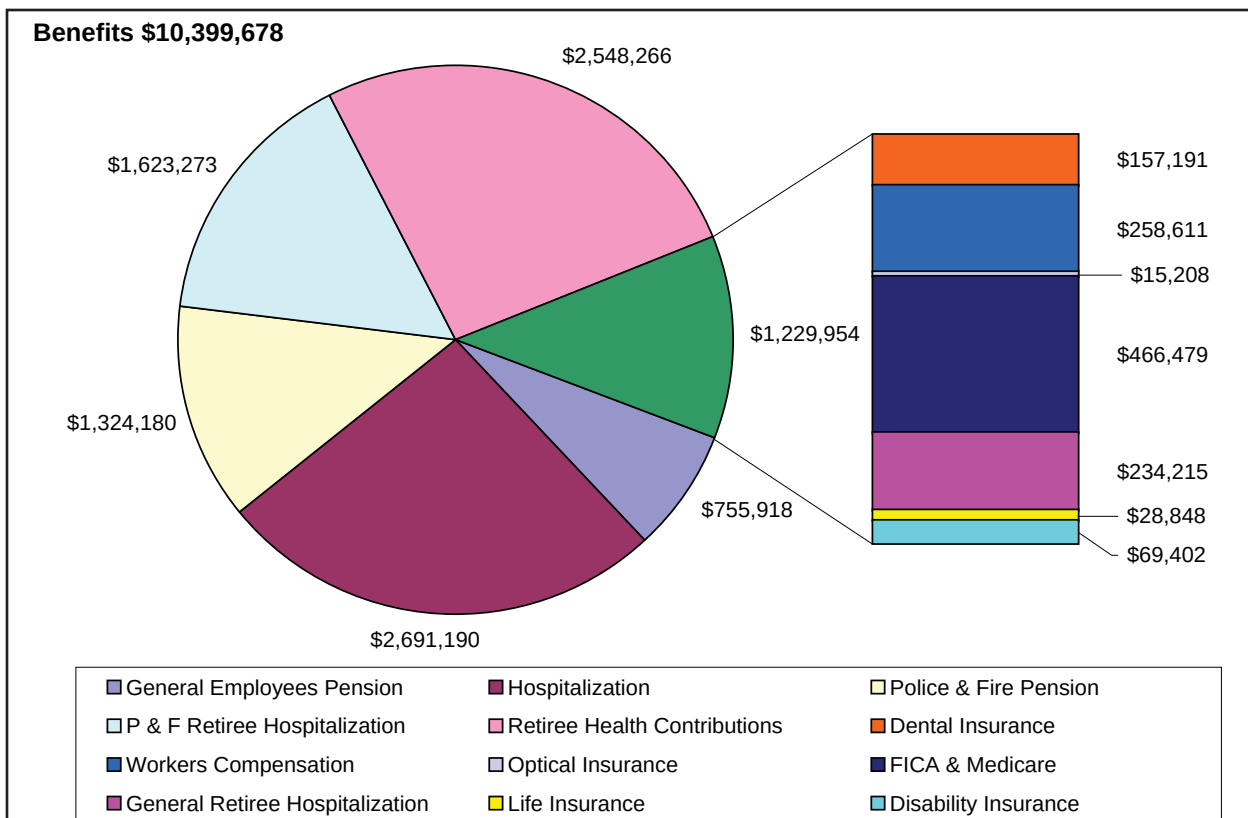
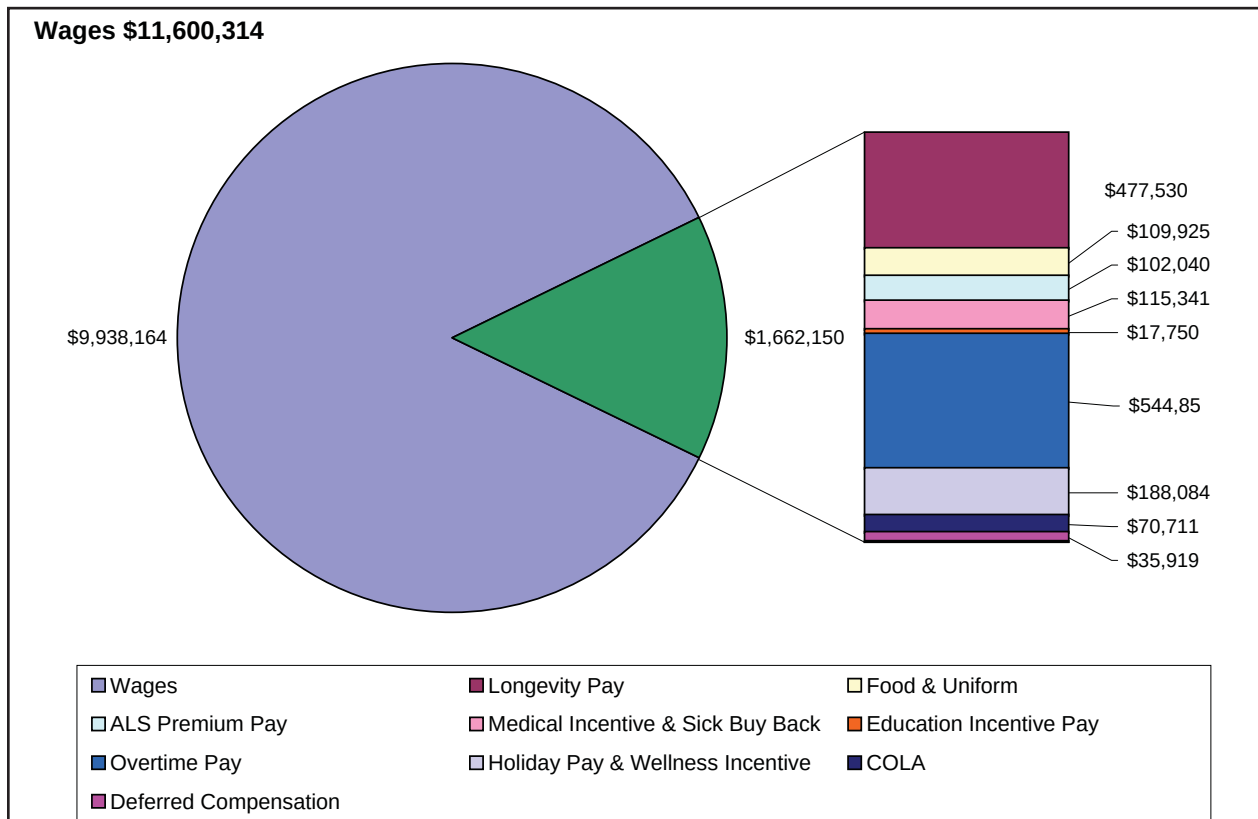
## Overtime

Overtime cost for all Funds in FY 2011-12 is budgeted at \$544,000. This is a decrease over the FY 2010-11 amended budget by 14% or \$94,150. Decreases in the Police and Fire Departments amount to \$112,000, and DPS overtime reductions equal \$2,650.



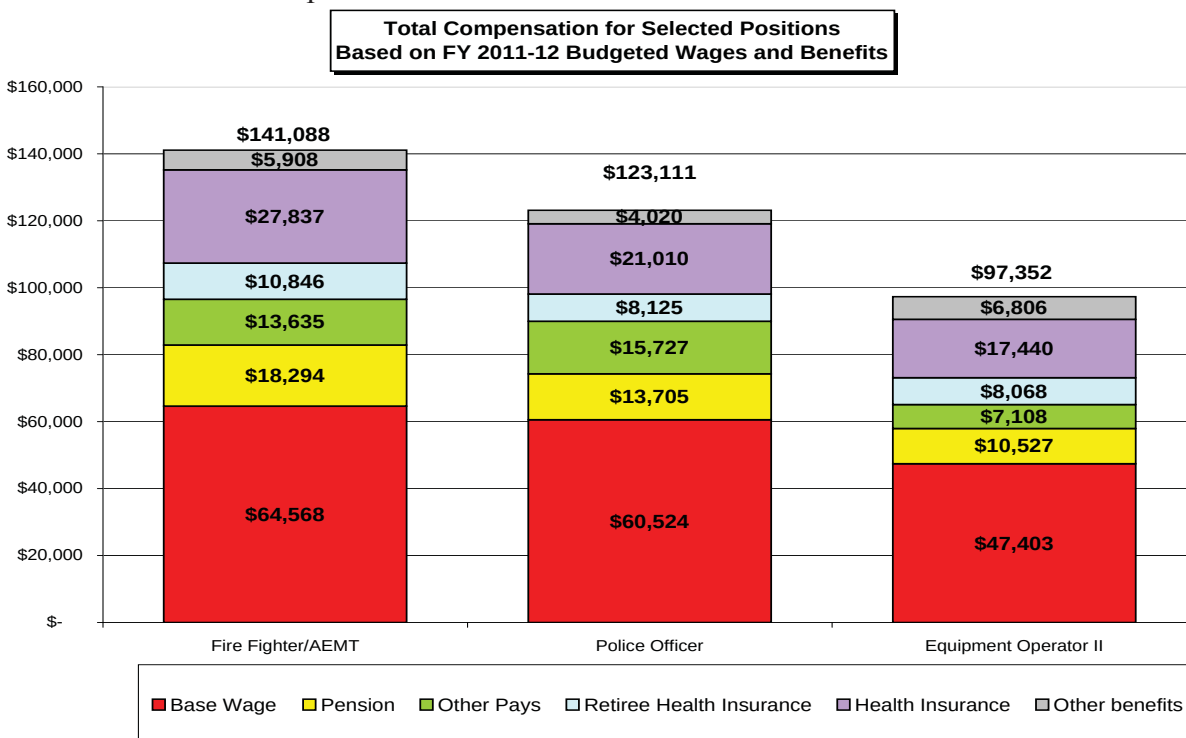
The charts on the next page depicts the City's wage and fringe benefit costs for FY 2011-12.

**Wage and Fringe Benefit Costs (\$21,759,782)**  
**Fiscal Year 2011-12 Budget**  
**All Funds**



## Total Compensation Analysis

In planning for collective bargaining, it is necessary to look at total compensation. For comparative purposes, the next bar chart shows the total FY 2011-12 compensation amount and component percentages for the positions of Fire Fighter/AEMT, Police Officer, and Equipment Operator II, assumed at maximum wage and longevity, and an average overtime cost. In the past, what the Fire Fighter/AEMT and Police Officer received were very similar. Since the Firefighters' union has not accepted concessions, firefighters cost almost 13% more than police officers. The equipment operator receives annual compensation in the amount of \$92,352. Fringe benefits range from 50% to over 55% of total compensation!



Of course, wages are comprised of pay for time worked and pay for time not worked. The value of leave time is an important wage component to track for purposes of productivity analysis and cost control. The following table shows the cost of leave time for a Police Officer in FY 2011-12. The position's compensation calculation assumes the maximum wage step and longevity.

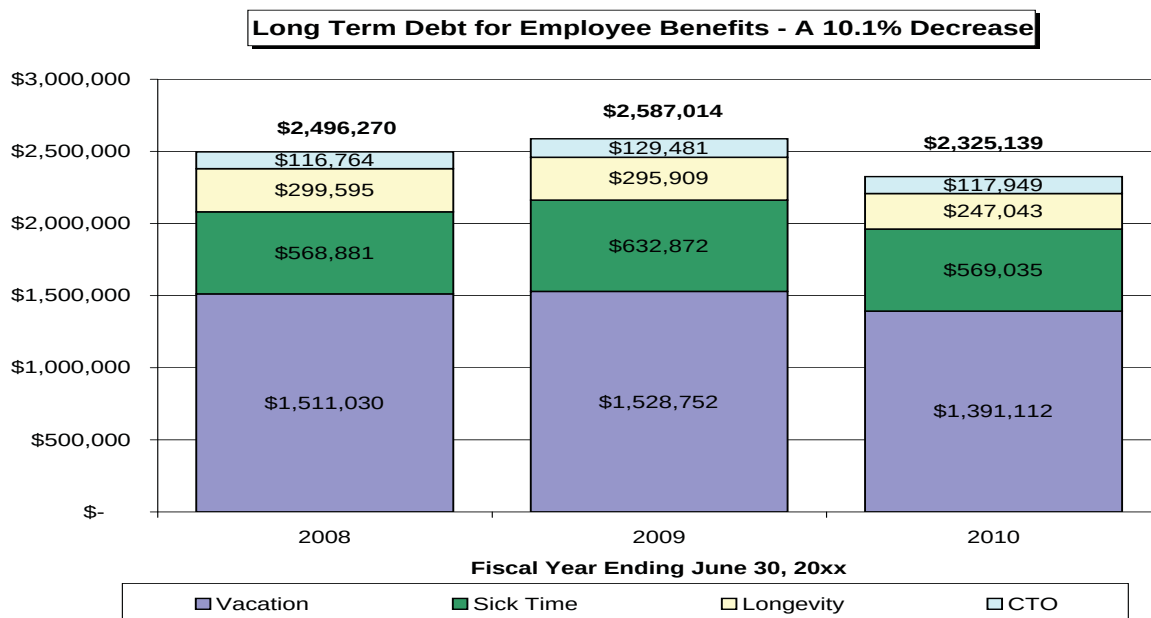
This chart shows the analysis of leave time cost for a Police Officer at maximum wage step and benefits based on FY 2011-12 wages.

| Leave Benefit           | Days Off Per Year | Value of Leave Benefit |
|-------------------------|-------------------|------------------------|
| Vacation                | 25                | \$13,276               |
| Holidays                | 8                 | 2,655                  |
| Admin. Leave Days       | 6                 | 3,186                  |
| Sick leave (Max. of 12) | 5                 | 2,655                  |
| Personal Leave Days     | 2                 | 1,062                  |
| <b>Total</b>            | <b>46</b>         | <b>\$22,834</b>        |

As shown on the previous chart, this Police Officer could have almost one day off per week!

Cash benefits include compensation and other fringe benefits apart from the compensation received for time worked and leave time. Specifically, cash benefits include cost-of-living payments (COLA), sick leave buy-back payments, longevity pay, holiday pay, medical insurance incentive (if applicable), education incentive, and uniform allowance. Other fringe benefits include medical insurance premiums, Medicare employer contributions, optical insurance premiums, dental payments, life insurance premiums, short-term and long-term disability insurance premiums, workers compensation payments, and pension contributions.

In addition, the value of unused employee leave can represent a significant liability for the City. The following chart shows just how expensive these leave allotments can be by focusing on the key benefits of vacation, sick leave, longevity, and compensatory time off (CTO).



This chart is illustrative of the liability for these benefits as of the last audited fiscal year June 30, 2010. This 10.1% decrease is attributable to increased time in CTO and sick leave banks.

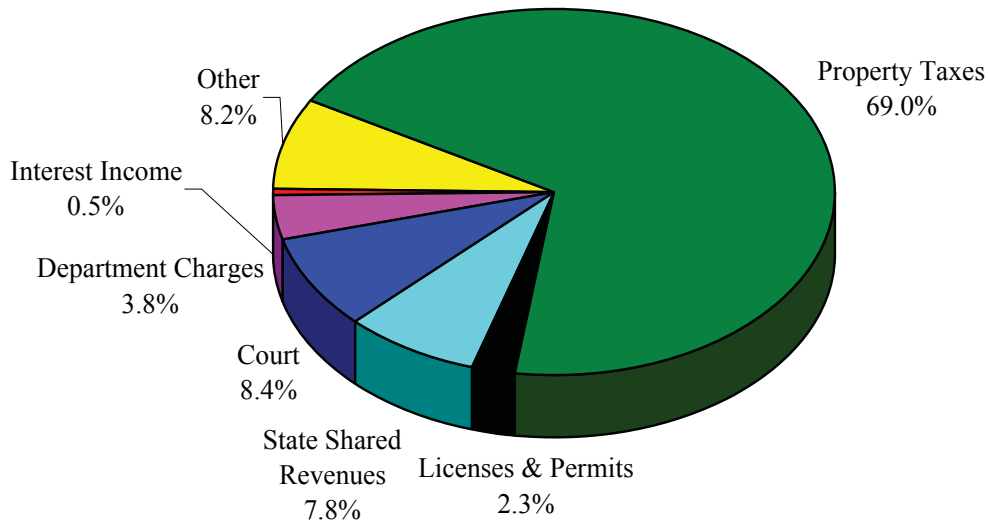


## **GENERAL FUND**

This chapter provides both a summary of General Fund revenues and expenditures and a review of the services provided, organizational structure, authorized positions, expenditures, revenues, performance measures, key issues, accomplishments and objectives for the General Fund Departments, Divisions and Cost Centers.

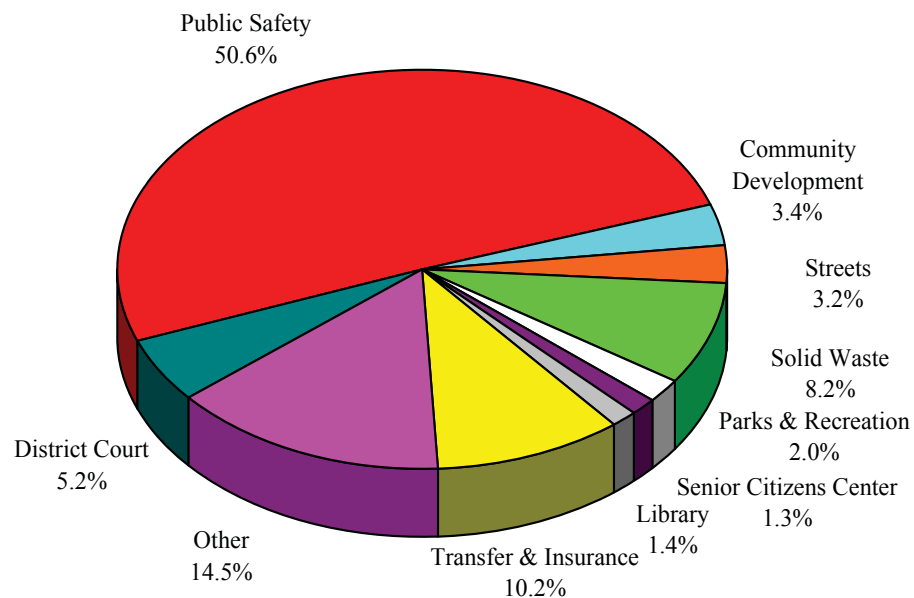
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# General Fund Revenues



The principal sources of General Fund Revenues are the Property Tax, Court and State Shared Revenues.

# General Fund Expenditures



Police and Fire operations combined make up over half of all General Fund Expenditures.

# GENERAL FUND REVENUES AND EXPENDITURES

## FY 2011-12 BUDGET

| Description                     | Actual<br>2009-10    | Estimate<br>2010-11  | Budget<br>2011-12    | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|---------------------------------|----------------------|----------------------|----------------------|-------------------------------------------------------|-------------------|
| <b>Revenues by Source:</b>      |                      |                      |                      |                                                       |                   |
| Property Taxes                  | \$ 22,300,597        | \$ 20,431,558        | \$ 17,970,331        | \$ (2,461,227)                                        | (12.0)            |
| Licenses & Permits              | 298,483              | 188,376              | 214,050              | 25,674                                                | 14                |
| Non-Business Licenses & Permits | 349,174              | 407,482              | 390,000              | (17,482)                                              | -4                |
| Federal Shared Revenues         | 0                    | 204,924              | 80,000               | (124,924)                                             | -61               |
| State Shared Revenues           | 2,781,452            | 2,448,925            | 2,047,451            | (401,474)                                             | -16               |
| Payment in Lieu of Taxes        | 33,526               | 33,800               | 33,800               | 0                                                     | 0                 |
| County Shared Revenues          | 41,589               | 42,000               | 41,589               | (411)                                                 | -1                |
| SMART Revenues                  | 118,136              | 70,329               | 73,649               | 3,320                                                 | 5                 |
| Court Fines and Fees            | 1,384,152            | 1,414,000            | 2,195,510            | 781,510                                               | 55                |
| Charges for Services            | 232,430              | 204,666              | 270,486              | 65,820                                                | 32                |
| Sales-Miscellaneous             | 29,438               | 15,975               | 14,000               | (1,975)                                               | -12               |
| Parks & Recreation              | 250,251              | 238,900              | 214,824              | (24,076)                                              | -10               |
| Miscellaneous Revenues          | 1,276,280            | 1,307,759            | 1,353,164            | 45,405                                                | 3                 |
| Sale of Fixed Assets            | 82,243               | 31,250               | 43,300               | 12,050                                                | 39                |
| Department Charges              | 963,445              | 988,480              | 988,480              | 0                                                     | 0                 |
| Transfers In                    | 115,103              | 121,354              | 128,849              | 7,495                                                 | 0.0               |
| Prior Years Fund Balance        | (11,242)             | 1,013,412            | 2,328,198            | 1,314,786                                             | 129.7             |
| <b>Total Revenues</b>           | <b>\$ 30,245,057</b> | <b>\$ 29,163,190</b> | <b>\$ 28,387,681</b> | <b>\$ (775,509)</b>                                   | <b>(2.7)</b>      |

| Description                      | Actual<br>2009-10    | Estimate<br>2010-11  | Budget<br>2011-12    | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------|----------------------|----------------------|----------------------|-------------------------------------------------------|-------------------|
| <b>Expenditures by Activity:</b> |                      |                      |                      |                                                       |                   |
| City Council                     | \$ 52,539            | \$ 55,363            | \$ 53,497            | \$ (1,866)                                            | (3.4)             |
| District Court                   | 1,547,794            | 1,416,887            | 1,466,650            | 49,763                                                | 3.5               |
| City Manager                     | 301,044              | 311,749              | 298,568              | (13,181)                                              | (4.2)             |
| Elections                        | 32,233               | 53,021               | 29,956               | (23,065)                                              | (43.5)            |
| City Assessor                    | 374,319              | 242,977              | 237,202              | (5,775)                                               | (2.4)             |
| Legal                            | 341,126              | 312,390              | 311,060              | (1,330)                                               | (0.4)             |
| City Clerk                       | 281,809              | 219,352              | 238,144              | 18,792                                                | 8.6               |
| Human Resources                  | 212,971              | 148,214              | 213,155              | 64,941                                                | 43.8              |
| Board of Review                  | 3,312                | 3,374                | 3,375                | 1                                                     | 0.0               |
| General Administration           | 820,739              | 1,045,118            | 1,416,824            | 371,706                                               | 35.6              |
| Finance                          | 930,239              | 815,536              | 813,753              | (1,783)                                               | (0.2)             |
| Information Technology           | 241,223              | 251,209              | 258,802              | 7,593                                                 | 3.0               |
| Municipal Building               | 93,667               | 211,638              | 92,930               | (118,708)                                             | (56.1)            |
| Custodial & Maintenance          | 296,938              | 156,818              | 173,303              | 16,485                                                | 10.5              |
| Police                           | 9,628,447            | 9,323,205            | 9,119,066            | (204,139)                                             | (2.2)             |
| Fire                             | 5,619,055            | 5,601,140            | 5,253,313            | (347,827)                                             | (6.2)             |
| Community Development            | 1,033,616            | 1,030,189            | 958,199              | (71,990)                                              | (7.0)             |
| Streets                          | 996,240              | 1,011,404            | 900,397              | (111,007)                                             | (11.0)            |
| Solid Waste                      | 2,528,952            | 2,456,216            | 2,331,140            | (125,076)                                             | (5.1)             |
| Recreation                       | 145,877              | 176,830              | 195,950              | 19,120                                                | 10.8              |
| Youth Center                     | 21,235               | 3,858                | 0                    | (3,858)                                               | (100.0)           |
| Nature Center                    | 152,506              | 10,201               | 10,527               | 326                                                   | 3.2               |
| Parks                            | 380,775              | 442,892              | 350,923              | (91,969)                                              | (20.8)            |
| Senior Citizens                  | 447,236              | 411,541              | 361,235              | (50,306)                                              | (12.2)            |
| Outside Agencies                 | 50,924               | 25,463               | 0                    | (25,463)                                              | (100.0)           |
| Library                          | 615,040              | 530,065              | 399,907              | (130,158)                                             | (24.6)            |
| Insurance, Bonds and Transfers   | 3,117,685            | 2,896,540            | 2,899,805            | 3,265                                                 | 0.1               |
| <b>Total Expenditures</b>        | <b>\$ 30,267,541</b> | <b>\$ 29,163,190</b> | <b>\$ 28,387,681</b> | <b>\$ (775,509)</b>                                   | <b>(2.7)</b>      |



# GENERAL FUND REVENUES

## FY 2011-12 BUDGET

| Description               | Actual<br>2009-10    | Estimate<br>2010-11  | Budget<br>2011-12    | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|---------------------------|----------------------|----------------------|----------------------|-------------------------------------------------------|-------------------|
| Property Taxes            | \$ 22,300,597        | \$ 20,431,558        | \$ 17,970,331        | \$ (2,461,227)                                        | (12.0)            |
| Licenses & Permits        | 647,657              | 595,858              | 604,050              | 8,192                                                 | 1.4               |
| Federal Revenues          | 0                    | 204,924              | 80,000               | (124,924)                                             | (61.0)            |
| State Shared              | 2,781,452            | 2,448,925            | 2,047,451            | (401,474)                                             | (16.4)            |
| Other Government          | 193,251              | 146,129              | 149,038              | 2,909                                                 | 2.0               |
| Court Fines and Fees      | 1,384,152            | 1,414,000            | 2,195,510            | 781,510                                               | 55.3              |
| Service Fees              | 482,681              | 443,566              | 485,310              | 41,744                                                | 9.4               |
| Sales - Miscellaneous     | 111,681              | 47,225               | 57,300               | 10,075                                                | 21.3              |
| Miscellaneous             | 1,276,280            | 1,307,759            | 1,353,164            | 45,405                                                | 3.5               |
| Department Charges        | 963,445              | 988,480              | 988,480              | 0                                                     | 0.0               |
| Transfers In              | 115,103              | 121,354              | 128,849              | 7,495                                                 | 6.2               |
| Prior Year's Fund Balance | (11,242)             | 1,013,412            | 2,328,198            | 1,314,786                                             | 129.7             |
| <b>Total</b>              | <b>\$ 30,245,057</b> | <b>\$ 29,163,190</b> | <b>\$ 28,387,681</b> | <b>\$ (775,509)</b>                                   | <b>(2.7)</b>      |

| Description            | Actual<br>2009-10    | Estimate<br>2010-11  | Budget<br>2011-12    | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|------------------------|----------------------|----------------------|----------------------|-------------------------------------------------------|-------------------|
| General Government     | \$ 8,647,638         | \$ 8,140,186         | \$ 8,507,024         | \$ 366,838                                            | 4.5               |
| Public Safety          | 15,247,502           | 14,924,345           | 14,372,379           | (551,966)                                             | (3.7)             |
| Community Service      | 3,525,192            | 3,467,620            | 3,231,537            | (236,083)                                             | (6.8)             |
| Culture and Recreation | 1,813,593            | 1,600,850            | 1,318,542            | (282,308)                                             | (17.6)            |
| Community Development  | 1,033,616            | 1,030,189            | 958,199              | (71,990)                                              | (7.0)             |
| <b>Total</b>           | <b>\$ 30,267,541</b> | <b>\$ 29,163,190</b> | <b>\$ 28,387,681</b> | <b>\$ (775,509)</b>                                   | <b>(2.7)</b>      |

|                                  |                     |                     |                     |                       |               |
|----------------------------------|---------------------|---------------------|---------------------|-----------------------|---------------|
| <b>Fund Balance - Unreserved</b> | <b>\$ 4,399,005</b> | <b>\$ 3,385,593</b> | <b>\$ 1,057,395</b> | <b>\$ (2,328,198)</b> | <b>(68.8)</b> |
|----------------------------------|---------------------|---------------------|---------------------|-----------------------|---------------|

# GENERAL FUND EXPENDITURES

## FY 2011-12 BUDGET

| GENERAL GOVERNMENT          |                   |                     |                   |                                                       |                   |
|-----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| Description                 | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
| Mayor and Council           | \$ 52,539         | \$ 55,363           | \$ 53,497         | \$ (1,866)                                            | (3.4)             |
| District Court              | 1,547,794         | 1,416,887           | 1,466,650         | 49,763                                                | 3.5               |
| City Manager                | 301,044           | 311,749             | 298,568           | (13,181)                                              | (4.2)             |
| Legal                       | 341,126           | 312,390             | 311,060           | (1,330)                                               | (0.4)             |
| Assessor/Board of Review    | 377,631           | 246,351             | 240,577           | (5,774)                                               | (2.3)             |
| City Clerk/Elections        | 314,042           | 272,373             | 268,100           | (4,273)                                               | (1.6)             |
| Human Resources             | 212,971           | 148,214             | 213,155           | 64,941                                                | 43.8              |
| General Administration      | 820,739           | 1,045,118           | 1,416,824         | 371,706                                               | 35.6              |
| Finance                     | 930,239           | 815,536             | 813,753           | (1,783)                                               | (0.2)             |
| Information Technology      | 241,223           | 251,209             | 258,802           | 7,593                                                 | 3.0               |
| Custodial/Maintenance       | 390,605           | 368,456             | 266,233           | (102,223)                                             | (27.7)            |
| Insurance/Bonds & Transfers | 3,117,685         | 2,896,540           | 2,899,805         | 3,265                                                 | 0.1               |
| Total                       | \$ 8,647,638      | \$ 8,140,186        | \$ 8,507,024      | \$ 366,838                                            | 4.5               |
| PUBLIC SAFETY               |                   |                     |                   |                                                       |                   |
| Police                      | 9,628,447         | 9,323,205           | 9,119,066         | \$ (204,139)                                          | (2.2)             |
| Fire                        | 5,619,055         | 5,601,140           | 5,253,313         | (347,827)                                             | (6.2)             |
| Total                       | \$ 15,247,502     | \$ 14,924,345       | \$ 14,372,379     | \$ (551,966)                                          | (3.7)             |
| COMMUNITY SERVICE           |                   |                     |                   |                                                       |                   |
| Streets                     | 996,240           | 1,011,404           | 900,397           | \$ (111,007)                                          | (11.0)            |
| Solid Waste                 | 2,528,952         | 2,456,216           | 2,331,140         | (125,076)                                             | (5.1)             |
| Total                       | \$ 3,525,192      | \$ 3,467,620        | \$ 3,231,537      | \$ (236,083)                                          | (6.8)             |
| CULTURE AND RECREATION      |                   |                     |                   |                                                       |                   |
| Recreation                  | 145,877           | 176,830             | 195,950           | \$ 19,120                                             | 10.8              |
| Youth Center                | 21,235            | 3,858               | 0                 | (3,858)                                               | (100.0)           |
| Nature Center               | 152,506           | 10,201              | 10,527            | 326                                                   | 3.2               |
| Parks                       | 380,775           | 442,892             | 350,923           | (91,969)                                              | (20.8)            |
| Senior Citizens             | 447,236           | 411,541             | 361,235           | (50,306)                                              | (12.2)            |
| Outside Agencies            | 50,924            | 25,463              | 0                 | (25,463)                                              | (100.0)           |
| Library                     | 615,040           | 530,065             | 399,907           | (130,158)                                             | (24.6)            |
| Total                       | \$ 1,813,593      | \$ 1,600,850        | \$ 1,318,542      | \$ (282,308)                                          | (17.6)            |
| COMMUNITY DEVELOPMENT       |                   |                     |                   |                                                       |                   |
| Total                       | 1,033,616         | 1,030,189           | 958,199           | \$ (71,990)                                           | (7.0)             |
| TOTAL                       |                   |                     |                   |                                                       |                   |
| General Fund Total          | \$ 30,267,541     | \$ 29,163,190       | \$ 28,387,681     | \$ (775,509)                                          | (2.7)             |

# Mayor & Council

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The citizens of Madison Heights elect the Mayor and six members of the Council. The Mayor is elected for a two-year term and Council members are elected for staggered four-year terms. Key responsibilities include:

- Appointment of the City Manager, to exercise and perform all administrative functions of the City that are not assigned by the City Charter or ordinance to another official;
- Adoption of laws, ordinances and resolutions, as deemed proper to promote and protect the high level of service quality and financial stability in the City; and
- Promotion of community involvement by appointing members to the various Boards and Commissions within the City.

## Organizational Structure and Staff

| Personnel Summary       | 2009-10 | 2010-11 | 2011-12 |
|-------------------------|---------|---------|---------|
| Mayor                   | 1       | 1       | 1       |
| Mayor Pro-Tem           | 1       | 1       | 1       |
| Councilmembers          | 5       | 5       | 5       |
| Total Elected Officials | 7       | 7       | 7       |

The City also has over 240 volunteers who dedicate their time and talents to Madison Heights Boards, Commissions, Committees and support programs. The City Council appoints members to Boards and Commissions including:

- Downtown Development Authority and Brownfield Redevelopment Authority
- Charter Amendment & Ordinance Revision Committee
- Civil Service Commission
- Community Development Block Grant Review Committee
- Crime Commission
- Elected Officials Compensation Commission
- Environmental Citizens Committee
- Historical Commission
- Housing Commission
- Library Advisory Board
- Parks and Recreation Advisory Board
- Planning Commission
- Police and Fire Pension Board and Retiree Health Care Trust Board
- Senior Citizen Advisory Board
- Tax Review Board
- Zoning Board of Appeals

## Performance Measures

|                                   | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>      |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b> |                   |                     |                   |                                                       |                   |
| Motions Passed                    | 437               | 385                 | 380               | (5)                                                   | (1.3)             |
| Ordinances Adopted                | 11                | 10                  | 8                 | (2)                                                   | (20.0)            |
| Presentations Made                | 38                | 20                  | 20                | 0                                                     | 0.0               |
| Public Hearings Held              | 17                | 20                  | 20                | 0                                                     | 0.0               |
| Regular/Special Meetings          | 27                | 28                  | 28                | 0                                                     | 0.0               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$49,686          | \$49,514            | \$49,513          | \$(1)                                                 | (0.0)             |
| Supplies                   | 35                | 0                   | 0                 | 0                                                     | 0.0               |
| Other Services and Charges | 2,818             | 5,849               | 3,984             | (1,865)                                               | (31.9)            |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$52,539          | \$55,363            | \$53,497          | \$(1,866)                                             | (3.4)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$52,539          | \$55,363            | \$53,497          | \$(1,866)                                             | (3.4)             |
| Total                      | \$52,539          | \$55,363            | \$53,497          | \$(1,866)                                             | (3.4)             |

## Key Issues

- In light of financial difficulties created by falling property tax revenues and cuts to State Shared revenues, the City is implementing the following measures across the various departmental budgets:
  - Beginning in 2007, the City started funding a Retiree Health Care Trust for General Employee's retiree health care benefits. At June 30, 2011, the balance in this Trust is estimated to be approximately \$4.4 million. Fiscal Year 2012 retiree health benefits are estimated to be \$738,000 excluding the Solid Waste, Police and Fire retirees (which are paid through a special millage). Beginning July 2011, these benefits will be paid from the Trust. Contributions for future retiree health care for active employees will still be included in the individual departmental budgets;
  - The City of Madison Heights has a fully insured dental program through Delta Dental. As part of the new Budget, the City would move from paying premiums to a self-funded plan. Benefits would then be paid through a third-party administrator and the City would buy stop-loss insurance to cap annual expenses. The City's consultant projects the City will save approximately 15%, or \$18,000, next year as a result of this move;
  - The Information Technology Department plans to rebid the existing telephone service provider at an expected savings of \$6,000 in next year's Budget; and
  - In an effort to further reduce its own cost, the City Council has committed to a two-year plan to eliminate training-related hotel and mileage reimbursement expenses at a projected annual savings of \$1,900.

# District Court

The 43<sup>rd</sup> District Court was established by the State of Michigan to render judicial decisions for the citizens of the City. The State is divided into judicial districts, each of which is an administrative unit subject to the control of the Supreme Court. Jurisdiction of the District Court includes all felonies, misdemeanors, civil infractions, and civil and small claim cases.

## Organizational Structure and Staff

| Personnel Summary        | 2009-10 | 2010-11 | 2011-12 |
|--------------------------|---------|---------|---------|
| Court Administrator      | 1       | 1       | 1       |
| Chief Deputy Court Clerk | 2       | 2       | 2       |
| Deputy Court Clerk       | 4       | 4       | 4       |
| Court Officer            | 2       | 1       | 2       |
| Total Full-time          | 9       | 8       | 8       |
| Magistrate               | 1       | 1       | 1       |
| Court Officer            | 2       | 2       | 1       |
| Probation Officer        | 1       | 1       | 1       |
| Total Part-time          | 4       | 4       | 3       |
| Total Employees          | 13      | 12      | 11      |

The District Court Judge who is an employee of the State of Michigan and elected by local voters supervises eight full-time and three part-time District Court employees. The Judicial staff includes the District Court Judge and a full-time Court Administrator. Also, a part-time Magistrate hears small claims cases, signs warrants, sets bonds, etc. The Court is subdivided into five functional divisions including: Criminal Cases, Civil Cases, Small Claims, Probation and Traffic Bureau.

- The Criminal Division handles all felony and misdemeanor complaints filed by law enforcement.
- The Civil Cases Division handles the jurisdiction of all civil litigation up to \$25,000.
- The Small Claims Division hears civil cases filed below \$3,000 and requires no attorney.
- The Probation Division provides services to the Judge and probationary clients. The Probation Officer provides special reports and analysis to the Judge for assistance on sentencing decisions.
- The Traffic Bureau Division handles complaints filed by law enforcement agencies regarding traffic and City ordinances.

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$1,131,960       | \$1,042,309         | \$962,738         | \$(79,571)                                            | (7.6)             |
| Supplies                   | 29,612            | 27,800              | 31,800            | 4,000                                                 | 14.4              |
| Other Services and Charges | 346,806           | 331,778             | 342,112           | 10,334                                                | 3.1               |
| Capital Outlay             | 39,416            | 15,000              | 130,000           | 115,000                                               | 766.7             |
| Total                      | \$1,547,794       | \$1,416,887         | \$1,466,650       | \$49,763                                              | 3.5               |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Court Salary Standard      | \$46,242          | \$45,724            | \$45,724          | \$0                                                   | 0.0               |
| Court Fines                | 617,047           | 674,000             | 1,465,510         | 791,510                                               | 117.4             |
| Forfeits                   | 18,940            | 20,000              | 15,000            | (5,000)                                               | (25.0)            |
| Reimbursed Court Costs     | 429,676           | 400,000             | 425,000           | 25,000                                                | 6.3               |
| Bond Fees                  | 52,357            | 35,000              | 50,000            | 15,000                                                | 42.9              |
| Probation Oversight        | 255,017           | 275,000             | 230,000           | (45,000)                                              | (16.4)            |
| Violation Clearance        | 11,115            | 10,000              | 10,000            | 0                                                     | 0.0               |
| General Fund               | 117,400           | (42,837)            | (774,584)         | (731,747)                                             | 1,708.2           |
| Total                      | \$1,547,794       | \$1,416,887         | \$1,466,650       | \$49,763                                              | 3.5               |

## Key Issues

- In an effort to more fully recover operational costs and to adjust schedules to be more in line with other courts, the Judge has indicated that he will be assessing costs for the recovery of emergency services (\$20,000), an amnesty program for unpaid fines and costs on existing bench warrant cases (\$30,000), increasing numerous civil infraction fines by \$15 (\$45,000), implementing the assessment of fines and costs on deferred police and civil infraction fees (\$55,000), assessing \$35 cost on show cause hearings (\$5,500), and implementing a Breathalyzer program to monitor probationers by our probation office (\$30,000).
- In light of financial difficulties created by falling property tax revenues and cuts to State Shared revenues, the City is implementing the following reductions:
  - Upon the retirement of a part-time probationary officer, the Court plans to reallocate this work to the remaining staff; and
  - In 2007, the City's consultant completed an annual review of building roof systems. The consultant recommended that City Hall (completed in 2009), District Court north section and Police Station roofs be replaced. To address a leaking problem in the Court, roof replacement is scheduled for \$120,000.

# City Manager

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The City Manager is appointed by the City Council and serves as the chief administrative officer.

The City Manager is responsible for:

- Implementation of policies and direction set by the City Council;
- Direction and supervision of all City Departments, oversight of all personnel functions and purchasing activities of the City;
- Administrative support at all Council meetings;
- Enforcement of municipal ordinances, Charter provisions, and other laws and regulations;
- Preparation of the annual operating budget;
- Reports to the Council on a continuing as well as ad hoc basis on the City's finances, operations and future needs; and,
- Other administrative duties such as assuring positive relationships with the public, working with outside governmental and non-governmental agencies, investigating and adopting new technologies and coordinating public information.

## Organizational Structure and Staff

| Personnel Summary   | 2009-10 | 2010-11 | 2011-12 |
|---------------------|---------|---------|---------|
| City Manager        | 1       | 1       | 1       |
| Executive Assistant | 1       | 1       | 1       |
| Total Full-time     | 2       | 2       | 2       |
| Total Employees     | 2       | 2       | 2       |

## Performance Measures

|                                                               | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|---------------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                                  |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                             |                   |                     |                   |                                                       |                   |
| Agenda Items                                                  | 228               | 200                 | 190               | (10)                                                  | (5.0)             |
| Weddings Performed                                            | 29                | 33                  | 36                | 3                                                     | 9.1               |
| <b><u>Efficiency/Effectiveness</u></b>                        |                   |                     |                   |                                                       |                   |
| # of Days From Adoption of<br>Budget to GFOA Submittal        | 25                | 20                  | 20                | 0                                                     | 0.0               |
| General Fund Budget<br>Amendments as a %<br>of Adopted Budget | 1.2               | 1.5                 | 1.0               | (1)                                                   | (33.3)            |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$293,750         | \$302,011           | \$289,484         | \$(12,527)                                            | (4.1)             |
| Supplies                   | 67                | 150                 | 150               | 0                                                     | 0.0               |
| Other Services and Charges | 7,227             | 9,588               | 8,934             | (654)                                                 | (6.8)             |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$301,044         | \$311,749           | \$298,568         | \$(13,181)                                            | (4.2)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$301,044         | \$311,749           | \$298,568         | \$(13,181)                                            | (4.2)             |
| Total                      | \$301,044         | \$311,749           | \$298,568         | \$(13,181)                                            | (4.2)             |

## Key Issues

- Personal services costs will be reduced by \$13,000, or 4%, and the Department will continue to operate at its current service level.



# City Clerk & Elections

The Clerk's Office consists of the City Clerk who is appointed by the City Manager and one full-time Office Assistant. During elections, there are 60 Election Workers who participate in running the election precincts. The number of elections and the anticipated voter turnout determine the number of election workers. The Clerk's Office is responsible for:

- Retaining all official records of the City;
- Attending all City Council Meetings and various board meetings to record official actions in the form of minutes, indices, adjustments of directories and updates to the Code of Ordinances;
- Preparing ceremonial certificates of commendation and testimonials;
- Issuing animal licenses; coordinating temporary, seasonal and initial and renewal of annual retail and service business licenses; right-of-way and door-to-door solicitation permits;
- Administering the Elections Division, which is responsible for voter registration and conducting Federal, State, County, City and School Elections in accordance with the Federal and State Election Laws while striving to protect the rights of voters; and,
- Maintaining a medical equipment loan closet to provide use of wheelchairs, crutches, canes and walkers for residents.

## Organizational Structure and Staff

| Personnel Summary             | 2009-10 | 2010-11 | 2011-12 |
|-------------------------------|---------|---------|---------|
| City Clerk                    | 1       | 1       | 1       |
| Office Assistant II           | 2       | 1       | 1       |
| Total Full-time               | 3       | 2       | 2       |
| Election Workers-Chairpersons | 21      | 21      | 24      |
| Election Workers              | 39      | 39      | 36      |
| Total Part-time               | 60      | 60      | 60      |
| Total Employees               | 63      | 62      | 62      |

### Accomplishments

#### **Resource Management:**

- Coordinated rescheduling of the Lamphere School District Election to a State General Election cycle.
- Cross-trained election co-chairpersons to ensure adequate precinct coverage on election days.
- Created and trained election "receiving boards" to expedite and improve accuracy of precinct election data to Oakland County Board of Canvassers on election nights.
- Conducted three elections, the State's Primary Election on August 3, 2010, the State's General Election on November 2, 2010 and the City's Special Election on May 3, 2011.

### Objectives

#### **Resource Management:**

- Conduct one election, the City's General Election on November 8, 2011.
- Verify necessary retention schedule requirements are being met and convert historical paper documents to imaging system prior to deterioration.

## Performance Measures

|                                                       | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                          |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                     |                   |                     |                   |                                                       |                   |
| Animal Licenses Issued                                | 756               | 873                 | 820               | (53)                                                  | (6.1)             |
| Birth/Death Cert. Processed                           | 390               | 390                 | 390               | 0                                                     | 0.0               |
| Business Licenses Issued                              | 601               | 649                 | 660               | 11                                                    | 1.7               |
| Voters Registered                                     | 20,692            | 20,542              | 20,000            | (542)                                                 | (2.6)             |
| <b><u>Efficiency/Effectiveness</u></b>                |                   |                     |                   |                                                       |                   |
| % Registered Voted                                    | 16                | 38                  | 16                | (22)                                                  | (57.9)            |
| % Voted Absentee                                      | 41                | 24                  | 25                | 1                                                     | 4.2               |
| # of Machines that required<br>repair on Election Day | 3                 | 1                   | 1                 | 0                                                     | 0.0               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$267,286         | \$203,083           | \$222,147         | \$19,064                                              | 9.4               |
| Supplies                   | 3,480             | 6,094               | 3,605             | (2,489)                                               | (40.8)            |
| Other Services and Charges | 11,043            | 10,175              | 12,392            | 2,217                                                 | 21.8              |
| Subtotal-Elections         | 32,233            | 53,021              | 29,956            | (23,065)                                              | (43.5)            |
| Total                      | \$314,042         | \$272,373           | \$268,100         | \$(4,273)                                             | (1.6)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Business Licenses          | \$106,116         | \$76,250            | \$92,000          | \$15,750                                              | 20.7              |
| Animal Licenses            | 8,480             | 7,482               | 0                 | (7,482)                                               | (100.0)           |
| Bicycle Licenses           | 33                | 0                   | 0                 | 0                                                     | 0.0               |
| Vital Health Statistics    | 20,755            | 25,000              | 20,500            | (4,500)                                               | (18.0)            |
| Maps                       | 99                | 125                 | 0                 | (125)                                                 | (100.0)           |
| Election Reimbursement     | 10,348            | 11,000              | 0                 | (11,000)                                              | (100.0)           |
| General Fund               | 168,211           | 152,516             | 155,600           | 3,084                                                 | 2.0               |
| Total                      | \$314,042         | \$272,373           | \$268,100         | \$(4,273)                                             | (1.6)             |

## Key Issues

- In light of financial difficulties created by falling property tax revenues and reductions in State Shared revenues, Election Division costs have been reduced. Up until November of 2010, Madison Heights had 15 precincts within a seven square mile city for city, school, state and federal elections. As an effort to provide savings and to decrease the demand on the limited resources in this office and the Department of Public Service staff, Council gave the approval to reduce the number of precincts to eleven. This consolidation allowed the City to eliminate annual maintenance costs for four precinct tabulators, fourteen election inspectors, training for those inspectors, related cell phone reimbursement fees, the Clerk's time to prepare test decks, precinct kits, machine testing, staff time to deliver and pick up election equipment and support provided by the Lamphere custodial staff at a savings of \$2,600 in 2011 and \$4,600 in 2012.

# Assessing

The Assessing function has been moved to the Finance Department, with contractual services provided by Oakland County Equalization Department. Assessing responsibilities include:

- Operating under the provisions of the General Property Tax Act of 1893, as amended, and applicable local charter provisions;
- Monitoring and maintaining the “principal residence” status of all property throughout the City as well as tracking property transfers;
- Developing special assessment district rolls used to fund infrastructure improvements;
- Defending all assessments before the Michigan Tax Tribunal and supporting economic development efforts; and
- Handling the appraisal of all real estate and personal property for property tax purposes on an annual basis. There are over 11,500 real property descriptions and 1,675 personal property accounts in the City.

## Organizational Structure and Staff

| Personnel Summary           | 2009-10 | 2010-11 | 2011-12 |
|-----------------------------|---------|---------|---------|
| City Assessor               | 1       | 0       | 0       |
| Property Appraiser          | 1       | 0       | 0       |
| Assessing Assistant         | 1       | 0       | 0       |
| Total Full-time             | 3       | 0       | 0       |
| Personal Property Appraiser | 1       | 0       | 0       |
| Total Part-time             | 1       | 0       | 0       |
| Total Employees             | 4       | 0       | 0       |

### Accomplishments

#### **Resource Management:**

- Assisted Community Development in revoking Valenite’s Industrial Facilities Tax, which resulted in payment of \$163,000.
- Settled or dismissed 131 Michigan Tax Tribunal cases, resulting in the preservation of \$24.5 million in taxable value.

### Objectives

#### **Resource Management:**

- Establish new market and taxable property values for 2011.
- Conduct audits of personal property accounts for 2% of all personal property accounts.

## Performance Measures

|                                                  | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|--------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                     |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                |                   |                     |                   |                                                       |                   |
| Board of Review Appeals                          | 537               | 458                 | 400               | (58)                                                  | (12.7)            |
| Building Permit Inspections                      | 216               | 300                 | 325               | 25                                                    | 8.3               |
| Mich. Tax Tribunal Cases                         | 131               | 191                 | 100               | (91)                                                  | (47.6)            |
| Personal Property Audits                         | 36                | 33                  | 50                | 17                                                    | 51.5              |
| Property Revaluation                             | 13,310            | 13,274              | 13,300            | 26                                                    | 0.2               |
| <b><u>Efficiency/Effectiveness</u></b>           |                   |                     |                   |                                                       |                   |
| % Assessment Changes<br>Processed by Deadline    | 100               | 100                 | 100               | 0                                                     | 0.0               |
| % Parcels Added/Deleted<br>by Deadline           | 100               | 100                 | 100               | 0                                                     | 0.0               |
| Minutes to Process<br>Assessment Change          | 5                 | 5                   | 4                 | (1)                                                   | (20.0)            |
| Minutes to Process<br>Homestead Exemption Filing | 5                 | 5                   | 4                 | (1)                                                   | (20.0)            |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$320,531         | \$0                 | \$0               | \$0                                                   | 0.0               |
| Supplies                   | 2,234             | 11,500              | 3,000             | (8,500)                                               | (73.9)            |
| Other Services and Charges | 51,554            | 231,477             | 234,202           | 2,725                                                 | 1.2               |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Subtotal-Board of Review   | 3,312             | 3,374               | 3,375             | 1                                                     | 0.0               |
| Total                      | \$377,631         | \$246,351           | \$240,577         | \$(5,774)                                             | (2.3)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Assessing Fees             | \$17,075          | \$0                 | \$17,000          | \$17,000                                              | 100.0             |
| General Fund               | 360,556           | 246,351             | 223,577           | (22,774)                                              | (9.2)             |
| Total                      | \$377,631         | \$246,351           | \$240,577         | \$(5,774)                                             | (2.3)             |

## Key Issues

- In spring of 2010, the City replaced its in-house Assessing Office with a contract with Oakland County Equalization Department at a savings of \$137,000. The Budget for this office is supported at the current service level.

# Legal Department

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The City's legal services are contracted to a number of external legal firms. The City Attorney, as called for in the City Charter, is appointed by the City Council. The City also retains services of a legal specialist in the areas of telecommunications, labor relations, liability claims and environmental protection. The Legal Department's responsibilities include:

- Providing legal representation and advising the City Council and City Administration;
- Representing the City in civil and criminal matters;
- Preparing and/or reviewing ordinances, resolutions and contracts to ensure compliance;
- Presenting legal updates to City Administration; and
- Attending City Council meetings.

## Performance Measures

|                                   | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>      |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b> |                   |                     |                   |                                                       |                   |
| Legal Counsel (Hours)             |                   |                     |                   |                                                       |                   |
| Tax Tribunal                      | 416               | 380                 | 340               | (40)                                                  | (10.5)            |
| Labor                             | 1,596             | 1,638               | 1,800             | 162                                                   | 9.9               |
| General                           | 1,673             | 1,423               | 1,300             | (123)                                                 | (8.6)             |
| Telecommunications                | 1                 | 12                  | 11                | (1)                                                   | (8.3)             |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$0               | \$0                 | \$0               | \$0                                                   | 0.0               |
| Supplies                   | 6,262             | 5,300               | 5,300             | 0                                                     | 0.0               |
| Other Services and Charges | 334,864           | 307,090             | 305,760           | (1,330)                                               | (0.4)             |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$341,126         | \$312,390           | \$311,060         | \$(1,330)                                             | (0.4)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$341,126         | \$312,390           | \$311,060         | \$(1,330)                                             | (0.4)             |
| Total                      | \$341,126         | \$312,390           | \$311,060         | \$(1,330)                                             | (0.4)             |

## Key Issues

- The balance of the budget for this Department is supported at the current service level.

# Human Resources Department

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The Human Resources Department consists of the Human Resources Director who is appointed by the City Manager, and the Purchasing and Personnel Assistant whose costs, based on workload, is split between Human Resources and General Administration Departments. The Human Resources Department is responsible for:

- Researching and formulating policy as directed by the City Manager or initiated by the Department; and
- The following additional functions: coordination of employee recruitment and selection, training, counseling, medical evaluation, discipline, grievance administration, staffing analysis and planning, labor relations, labor contract negotiations, employee health and safety, return-to-work program, compensation administration, positions control, pay and classification review, employee wellness and other matters.

## Organizational Structure and Staff

| Personnel Summary                              | 2009-10 | 2010-11 | 2011-12 |
|------------------------------------------------|---------|---------|---------|
| Human Resources Director                       | 1       | 1       | 1       |
| Purchasing and Personnel Coordinator/Assistant | 1       | 1       | 0       |
| Total Full-time                                | 2       | 2       | 1       |
| Total Employees                                | 2       | 2       | 1       |

## Accomplishments

### **Resource Management:**

- Continued to transition eligible retirees to the new Medicare Advantage health insurance program.
- Made available to several employee bargaining units (excluding Fire and DPS) a new high deductible health insurance plan with a corresponding Health Savings Account.
- Attained an Interim Stipulated Award through Act 312 Arbitration with the Police Officers Labor Council.
- Assisted with the SAFER Grant process, allowing the recall of two laid off firefighters.

## Objectives

### **Resource Management:**

- Complete the Act 312 Arbitration process for the collective bargaining agreements with the Firefighter and Police Command bargaining units.
- Successfully negotiate all bargaining units collective bargaining agreements.
- Assist and support operating departments with the implementation of Budget Reduction Measures for FY 2011-12.
- Create emergency evacuation plan for City Hall and conduct periodic training on same.

## Performance Measures

|                                                                      | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                                         |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators:</u></b>                                   |                   |                     |                   |                                                       |                   |
| Entry-level Recruit/<br>Selections                                   | 1                 | 6                   | 4                 | (2)                                                   | (33.3)            |
| Grievances Resolved                                                  | 15                | 15                  | 20                | 5                                                     | 33.3              |
| Promotions Processed                                                 | 1                 | 5                   | 8                 | 3                                                     | 100.0             |
| <b><u>Efficiency/Effectiveness</u></b>                               |                   |                     |                   |                                                       |                   |
| # of Lost or Restricted Days<br>Due to Workers Comp.                 | 616               | 490                 | 500               | 10                                                    | 2.0               |
| % of Full-Time Positions<br>Filled Within<br>90 Days of Vacancy      | 100               | 40                  | 40                | 0                                                     | 0.0               |
| % of Salary/Wage Changes<br>Processed On or Before<br>Effective Date | 100               | 100                 | 100               | 0                                                     | 0.0               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$164,073         | \$124,222           | \$171,583         | \$47,361                                              | 38.1              |
| Supplies                   | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Other Services and Charges | 48,898            | 23,992              | 41,572            | 17,580                                                | 73.3              |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$212,971         | \$148,214           | \$213,155         | \$64,941                                              | 43.8              |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$212,971         | \$148,214           | \$213,155         | \$64,941                                              | 43.8              |
| Total                      | \$212,971         | \$148,214           | \$213,155         | \$64,941                                              | 43.8              |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and cuts to State Shared revenues, the City is implementing the following reductions:
  - Elimination of the individual monetary awards of \$125 per person for part-time employees in the City's Wellness Program; and
  - Advertising for vacant positions will be moved online, saving \$2,000 in publication costs.



# General Administration

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General Administration is responsible for conducting many of the City's centralized administrative functions such as purchasing, communication administration, cable television production and regulation, and special projects as assigned. A portion of the Purchasing and Personnel Assistant's compensation is funded through this budget.

## Organizational Structure and Staff

| Personnel Summary                  | 2009-10 | 2010-11 | 2011-12 |
|------------------------------------|---------|---------|---------|
| Deputy City Manager                | 1       | 1       | 0       |
| Purchasing and Personnel Assistant | 0       | 0       | 1       |
| Total Full-time                    | 1       | 1       | 1       |
| Total Employees                    | 1       | 1       | 1       |

### Accomplishments

#### **Resource Management:**

- Continued to participate in Constellation Energy and Consumers Choice program for natural gas, resulting in annual savings of approximately \$22,000.
- Successfully renewed service contracts with existing vendors, saving the City approximately \$10,000 in costs related to potential price increases and costs for staff time to develop specifications and analyze bids.
- Successfully auctioned surplus vehicles, information technology equipment and other City surplus items on the City's co-op website, netting approximately \$45,000.

### Objectives

#### **Resource Management:**

- Implement appropriate amendments to purchasing policy and ordinance to allow for online competitive sealed bid process.
- Continue to utilize the cooperative purchasing website to attain optimal revenue when selling surplus items.

## Performance Measures

|                                           | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>              |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>         |                   |                     |                   |                                                       |                   |
| Cable Messages Posted                     | 940               | 940                 | 945               | 5                                                     | 0.5               |
| Number of Formal Bids                     | 20                | 18                  | 15                | (3)                                                   | (16.7)            |
| <b><u>Efficiency/Effectiveness</u></b>    |                   |                     |                   |                                                       |                   |
| % Cable Television Bulletin Board Up Time | 99                | 99                  | 99                | 0                                                     | 0.0               |
| % of Formal Bids Within Budgeted Amount   | 100               | 100                 | 100               | 0                                                     | 0.0               |
| Web Site Traffic                          | 89,480            | 91,008              | 99,500            | 8,492                                                 | 9.3               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$637,641         | \$816,095           | \$1,237,408       | \$421,313                                             | 51.6              |
| Supplies                   | 60,810            | 52,719              | 49,500            | (3,219)                                               | (6.1)             |
| Other Services and Charges | 122,288           | 105,023             | 111,916           | 6,893                                                 | 6.6               |
| Capital Outlay             | 0                 | 71,281              | 18,000            | (53,281)                                              | 0.0               |
| Total                      | \$820,739         | \$1,045,118         | \$1,416,824       | \$371,706                                             | 35.6              |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Cell Tower                 | \$19,094          | \$38,473            | \$24,500          | \$(13,973)                                            | (36.3)            |
| General Fund               | 801,645           | 1,006,645           | 1,392,324         | 385,679                                               | 38.3              |
| Total                      | \$820,739         | \$1,045,118         | \$1,416,824       | \$371,706                                             | 35.6              |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and cuts to State Shared revenues, the City is implementing the following reductions:
  - Reducing forms and budgets by print applications and other miscellaneous forms in-house; reducing office supplies through the greater use of electronic documents; and reducing organizational memberships for a savings of over \$2,000; and
  - The Budget includes the replacement of four uninterruptable power source batteries (\$6,000) and eight computer network switches (\$12,000) to meet the needs of our computer network.

# Finance Department

The Finance Department consists of a Director of Administrative Services, Accounting Supervisor, one accountant, and five full-time Fiscal Assistants. The Finance Department is responsible for:

- Preparing and maintaining the City's financial statements in compliance with the requirements of the Governmental Accounting Standards Board;
- Accounting, pension administration, risk management, treasury and oversight of assessing functions;
- Improving the online data processing of financial reporting, accounting, accounts payable, budgeting, cash receipts, payroll, pension management, purchasing and encumbrance system, tax and utility billing and collections;
- Assisting in budget development, implementation, maintenance and control; and
- Additionally, the Finance Department provides support services to other departments; including being part of the management team in labor negotiations with all employee bargaining units.

## Organizational Structure and Staff

| Personnel Summary                                                | 2009-10 | 2010-11 | 2011-12 |
|------------------------------------------------------------------|---------|---------|---------|
| Finance Director/Treasurer - Director of Administrative Services | 1       | 1       | 1       |
| Deputy Finance Director/Treasurer                                | 1       | 0       | 0       |
| Accounting Supervisor                                            | 0       | 1       | 1       |
| Accountant                                                       | 2       | 1       | 1       |
| Fiscal Assistant II                                              | 4       | 4       | 4       |
| Fiscal Assistant I                                               | 1       | 1       | 1       |
| Total Full-time                                                  | 9       | 8       | 8       |
| Total Employees                                                  | 9       | 8       | 8       |

## Accomplishments

### **Resource Management:**

- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award.
- Coordinated the move to self-funding for worker's compensation and dental insurance.
- Set up a cafeteria plan for the city to allow pre-tax contributions to employees HSAs.
- Completed Official Statement and updated financial information for bond rating, resulting in the City being given an A+ rating for Standard & Poor's.
- Completed the consolidation of Finance/Treasury and Assessing offices.

## Objectives

### **Resource Management:**

- Complete annual audit and have Annual Financial Report finalized within three months of fiscal year end.
- Receive the Government Finance Officers Association's (GFOA) Distinguished Budget Award.
- Have property tax, special assessment, water/sewer and other unpaid bills settlement balanced and to Oakland County for reimbursement by the end of March.
- Implement financial software system update.
- Implement face to face credit card transactions.

## Performance Measures

|                                                          | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                             |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                        |                   |                     |                   |                                                       |                   |
| # of Investment Transactions                             | 16                | 20                  | 20                | 0                                                     | 0.0               |
| # of Payroll Checks Issued                               | 7,511             | 7,350               | 7,150             | (200)                                                 | (2.7)             |
| # of Payroll Checks Voided                               | 5                 | 10                  | 13                | 3                                                     | 30.0              |
| Accts. Payable Checks Issued                             | 8,327             | 8,378               | 8,350             | (28)                                                  | (0.3)             |
| # of Water Customers<br>Utilizing ACH Payment            | 857               | 945                 | 1,036             | 91                                                    | 9.6               |
| <b><u>Efficiency/Effectiveness</u></b>                   |                   |                     |                   |                                                       |                   |
| Average Man Hours Lost Per<br>Workers Compensation Claim | 657               | 550                 | 500               | (50)                                                  | (9.1)             |
| Cost Per Payroll Check (dollars)                         | 10                | 11                  | 11                | 0                                                     | 0.0               |

## Financial Summary

|                             | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>        |                   |                     |                   |                                                       |                   |
| Personal Services           | 857,372           | 736,828             | 743,009           | \$6,181                                               | 0.8               |
| Supplies                    | 4,988             | 4,468               | 3,468             | (1,000)                                               | (22.4)            |
| Other Services and Charges  | 67,879            | 69,240              | 67,276            | (1,964)                                               | (2.8)             |
| Capital Outlay              | 0                 | 5,000               | 0                 | (5,000)                                               | 0.0               |
| Total                       | \$930,239         | \$815,536           | \$813,753         | \$(1,783)                                             | (0.2)             |
| <b>Resources:</b>           |                   |                     |                   |                                                       |                   |
| Mobile Home Tax             | \$2,202           | \$2,126             | \$2,050           | \$(76)                                                | (3.6)             |
| Property Tax Admin. Fees    | 619,128           | 539,657             | 427,756           | (111,901)                                             | (20.7)            |
| Garbage Bag Sales           | 9,012             | 10,000              | 10,000            | 0                                                     | 0.0               |
| Interest Income on Deposits | 99,856            | 150,000             | 125,000           | (25,000)                                              | (16.7)            |
| General Fund                | 200,041           | 113,753             | 248,947           | 135,194                                               | (118.8)           |
| Total                       | \$930,239         | \$815,536           | \$813,753         | \$(1,783)                                             | (0.2)             |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reduction in State Shared revenues, the City is implementing the following measures:
  - Reducing office supplies utilization and eliminating overtime and participation in the Government Finance Officers Association document review program at a combined savings of \$2,500; and
  - On June 30, 2010, the Deputy Finance Director left employment with the City. At that time, the Department restructured using current staff and upgrading an existing Accounting Supervisor to assume the additional responsibility. Spreading this additional workload to the remaining staff has resulted in an annual savings of \$110,000.

# Information Technology

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The Information Technology Department consists of the Management Information Systems Administrator and an Information Systems Specialist. The Information Technology Office is responsible for supporting the City's Wide Area Network (WAN) and computer related functions. Examples of key services provided include: installation and support of microcomputers, technical support liaison for all hardware and software, water and tax bill coordination and assistance in setting the technological direction for the City.

## Organizational Structure and Staff

| Personnel Summary              | 2008-09 | 2009-10 | 2010-11 |
|--------------------------------|---------|---------|---------|
| MIS Administrator              | 1       | 1       | 1       |
| Information Systems Specialist | 1       | 1       | 1       |
| Total Full-time                | 2       | 2       | 2       |
| Total Employees                | 2       | 2       | 2       |

### Accomplishments

#### **Resource Management:**

- Meet budget reduction measures by implementing new technological improvements.
- Convert website to new software, thereby reducing annual maintenance cost.
- Replace computer room air conditioning unit with more efficient unit (1 year pay back on costs).
- Bid out local and long distance phone service (estimated \$6,000 annual savings).
- Work with Oakland County and staff to implement transfer of assessing responsibilities.

### Objectives

#### **Resource Management:**

- Eliminate unnecessary phone circuits at Police Department (\$18,000 annual savings)
- Work with Department of Public Service and vendors to complete wireless Automated Meter Reading (AMR) system.
- Consolidate file servers to lower replacement and maintenance costs.
- Implement new .Net based financial system.

## Performance Measures

|                                                        | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|--------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                           |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                      |                   |                     |                   |                                                       |                   |
| Platforms Supported                                    | 7                 | 8                   | 7                 | (1)                                                   | (12.5)            |
| Applications Supported                                 | 36                | 36                  | 36                | 0                                                     | 0.0               |
| <b><u>Efficiency/Effectiveness</u></b>                 |                   |                     |                   |                                                       |                   |
| Number of computer workstations per IT FTE             | 91                | 97                  | 97                | 0                                                     | 0.0               |
| Operating expenditures per workstation                 | 3,159             | 3,159               | 3,100             | (59)                                                  | (1.9)             |
| Satisfaction with timeliness for IT assistance request | 85%               | 86%                 | 87%               | 2                                                     | 2.3               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$234,007         | \$240,841           | \$249,552         | \$8,711                                               | 3.6               |
| Supplies                   | 6,431             | 7,768               | 8,650             | 882                                                   | 11.4              |
| Other Services and Charges | 785               | 600                 | 600               | 0                                                     | 0.0               |
| Capital Outlay             | 0                 | 2,000               | 0                 | (2,000)                                               | 0.0               |
| Total                      | \$241,223         | \$251,209           | \$258,802         | \$7,593                                               | 3.0               |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$241,223         | \$251,209           | \$258,802         | \$7,593                                               | 3.0               |
| Total                      | \$241,223         | \$251,209           | \$258,802         | \$7,593                                               | 3.0               |

## Key Issues

- This budget is supported at current service levels.

# Custodial & Maintenance Division

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The services of the Custodial and Maintenance Division of the Department of Public Service are provided on an assignment basis by Department of Public Service employees and contractors. The Division is responsible for:

- Maintaining City buildings, which includes preventative maintenance and repairs; and
- Custodial services through outside contractors at the Library, District Court, Police Station, Senior Citizens Center, City Hall and the Department of Public Service buildings.

## Organizational Services

| Personnel Summary              | 2009-10 | 2010-11 | 2011-12 |
|--------------------------------|---------|---------|---------|
| Assistant Building Maintenance | 1       | 0       | 0       |
| Total Full-time                | 1       | 0       | 0       |
| Total Employees                | 1       | 0       | 0       |

### Accomplishments

#### **Resource Management:**

- Installed new entry doors to the west end of City Hall with grant funds.
- Replaced decorative stone panels improving energy efficiency at City Hall with grant funds.
- Re-lamped Police Station, Senior Center and Department of Public Service with energy efficient bulbs and install motion switches/occupancy sensors in the Senior Center, Police Department, Department of Public Service and City Hall with grant funds.
- Reduced hours of new custodial contractor to reduce costs.
- Replaced inefficient air conditioning unit in City Hall Information Technologies area with grant funds.
- Installed new humidifiers at City Hall
- Performed a full scale inventory of all bulbs and fixtures at all buildings.

### Objectives

#### **Resource Management:**

- Do research into finding a new elevator contractor to reduce costs.
- Continue monitoring condition of 43rd District Court and Police Station roofs.
- Continue to monitor condition of salt dome for re-sealing.
- Complete formal energy assessment of all City facilities.

## Performance Measures

|                                                  | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|--------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                     |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                |                   |                     |                   |                                                       |                   |
| Boiler Inspections                               | 6                 | 6                   | 6                 | 0                                                     | 0.0               |
| Boiler Water Treatment                           | 12                | 12                  | 12                | 0                                                     | 0.0               |
| Elevator Inspections                             | 51                | 51                  | 51                | 0                                                     | 0.0               |
| Filter Replacements                              | 1,060             | 1,065               | 1,065             | 0                                                     | 0.0               |
| <b><u>Efficiency/Effectiveness</u></b>           |                   |                     |                   |                                                       |                   |
| Cost per square foot<br>City Hall Utilities (\$) | 1.14              | 1.82                | 1.65              | (0.17)                                                | (9.3)             |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$135,826         | \$31,590            | \$26,599          | \$(4,991)                                             | (15.8)            |
| Supplies                   | 20,972            | 18,500              | 17,250            | (1,250)                                               | (6.8)             |
| Other Services and Charges | 140,140           | 106,728             | 129,454           | 22,726                                                | 21.3              |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Subtotal-Municipal Bldg.   | 93,667            | 211,638             | 92,930            | (118,708)                                             | (56.1)            |
| Total                      | \$390,605         | \$368,456           | \$266,233         | \$(102,223)                                           | (27.7)            |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$390,605         | \$368,456           | \$266,233         | \$(102,223)                                           | (27.7)            |
| Total                      | \$390,605         | \$368,456           | \$266,233         | \$(102,223)                                           | (27.7)            |

## Key Issues

- This budget is supported at current service level.



# Police Department

The Police Department is the largest department with 57 full-time positions, including 1 Animal Control Officer, 17 part-time Crossing Guards and 1 part-time Animal Control Support Worker. The Department is responsible for:

- Establishing a safe environment for residents and businesses through community policing, crime suppression, maintaining order and responding to emergencies and calls for assistance;
- Investigating crimes by researching, solving and successful prosecution of crimes; and
- Helping citizens who wish to become more involved and aware of methods of crime prevention in their community. Current volunteer groups include Police Reserves, Crisis Response Team and Police Explorers, who are young people interested in law enforcement careers.

## Organizational Structure and Staff

| Personnel Summary              | 2009-10 | 2010-11 | 2011-12 |
|--------------------------------|---------|---------|---------|
| Police Chief                   | 1       | 1       | 1       |
| Deputy Police Chief            | 1       | 1       | 1       |
| Lieutenants                    | 4       | 4       | 4       |
| Sergeants                      | 13      | 10      | 8       |
| Police Officers                | 35      | 33      | 31      |
| Administrative Secretary       | 1       | 1       | 1       |
| Information Systems Specialist | 1       | 1       | 1       |
| Office Assistant II            | 2       | 2       | 2       |
| Police Service Assistants      | 8       | 8       | 8       |
| Animal Control Officer         | 1       | 1       | 0       |
| Total Full-time                | 67      | 62      | 57      |
| Crossing Guards                | 17      | 17      | 17      |
| Animal Control Support         | 1       | 1       | 0       |
| Total Part-time                | 18      | 18      | 17      |
| Total Employees                | 85      | 80      | 74      |

## Accomplishments

### Public Safety:

- Implemented the new E-911 call taking equipment for Police/Fire Dispatch Center.
- Implement a new digital video recording system for patrol cars.

## Objectives

### Public Safety:

- Develop long-term strategic plans for Departmental changes due to pending retirements and personnel reductions.
- Replace Department's firearms with new models of Glock pistols using Federal Grant funds.

## Performance Measures

|                                   | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>      |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b> |                   |                     |                   |                                                       |                   |
| Total Arrests                     | 1,202             | 1,060               | 1,050             | (10)                                                  | (0.9)             |
| Employee Training Hours           | 3,596             | 2,688               | 2,800             | 112                                                   | 4.2               |
| *Part A Crimes                    | 2,670             | 2,509               | 2,650             | 141                                                   | 5.6               |
| Total Accidents Investigated      | 1,866             | 1,385               | 1,500             | 115                                                   | 8.3               |
| Total Calls for Service           | 20,770            | 19,453              | 20,500            | 1,047                                                 | 5.4               |
| Total Cases Investigated          | 2,285             | 2,308               | 2,500             | 192                                                   | 8.3               |
| Traffic Citations Issued          | 9,473             | 8,489               | 13,000            | 4,511                                                 | 53.1              |

\*"Part A" Crimes include: Homicide, Criminal Sexual Conduct, Kidnapping, Robbery, Assaults, Stalking, Arson, Burglaries, Forgery, Larcenies, Motor Vehicle Theft, Embezzlement, Retail Fraud, Drug/Narcotic Violations, Prostitution, Weapons Offenses & Gambling.

## Financial Summary

|                                  | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>             |                   |                     |                   |                                                       |                   |
| Personal Services                | \$8,889,016       | \$8,598,893         | \$8,483,672       | \$(115,221)                                           | (1.3)             |
| Supplies                         | 51,265            | 47,500              | 42,000            | (5,500)                                               | (11.6)            |
| Other Services and Charges       | 624,998           | 665,812             | 593,394           | (72,418)                                              | (10.9)            |
| Capital Outlay                   | 63,168            | 11,000              | 0                 | (11,000)                                              | (100.0)           |
| Total                            | \$9,628,447       | \$9,323,205         | \$9,119,066       | \$(204,139)                                           | (2.2)             |
| <b>Resources:</b>                |                   |                     |                   |                                                       |                   |
| Liquor License Inspections       | 23,439            | 22,000              | 22,600            | 600                                                   | 2.7               |
| Police Records Filing Fees       | 64,764            | 88,932              | 56,558            | (32,374)                                              | (36.4)            |
| Police & Fire Pension<br>Millage | 2,357,597         | 2,337,163           | 2,537,150         | 199,987                                               | 8.6               |
| General Fund                     | 7,182,647         | 6,875,110           | 6,502,758         | (372,352)                                             | (5.4)             |
| Total                            | \$9,628,447       | \$9,323,205         | \$9,119,066       | \$(204,139)                                           | (2.2)             |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues:
  - To improve traffic safety, enhance neighborhood service delivery and provide partial cost recovery, the Department will be implementing new initiatives including a two officer traffic enforcement unit (\$500,000); a motor carrier unit to enforce overweight and truck safety equipment (\$87,000); garbage day enforcement detail (\$36,000); garbage day and snow emergency parking permits (\$2,500); and a new processing and storage fee of \$10 per prisoner per arrest (\$2,000);
  - Oakland County has approached their municipalities with an offer to take over Animal Control for those communities currently not receiving services. Under this plan, the City would be forced to drop its current shared service agreement with Hazel Park, eliminate both the full and part time Animal Control positions, shut down our local impound facility, discontinuing the local licensing of pets and repeal our local animal ordinance. Although this proposal will save \$99,000 per year, the services provided to the community will be greatly curtailed, and residents will have to travel to Auburn Hills to search for lost pets; and
  - With the scheduled retirements of two Command and two Police Officer positions in the next year, the City would not replace those vacant positions, saving \$27,000 in FY 2011-12 Budget and \$340,000 in FY 2012-13 Budget. The Police Chief will reorganize operations and reallocate workload to existing staff members.

# Fire Department

The Fire Department consists of twenty-one licensed paramedics, 18 are Firefighters and 3 are Sergeants. In addition, staff includes 7 positions in fire suppression and 3 employees in the fire prevention/administration. An additional two firefighters are funded through a federal grant that expires in January of 2013. The Department is responsible for:

- Enforcing State laws and City ordinances that relate to fire protection and prevention including inspections of commercial and industrial buildings, and multiple unit dwellings for fire code violations;
- Protecting the lives and property from the ravages of fire by responding to residential, commercial and industrial fires with specialized equipment;
- Responding to hazardous material incidents, confined space rescue and trench rescue; and
- Providing advanced life support emergency medical services.

## Organizational Structure and Staff

| Personnel Summary                  | 2009-10 | 2010-11 | 2011-12 |
|------------------------------------|---------|---------|---------|
| Fire Chief                         | 1       | 1       | 1       |
| Fire Marshal                       | 1       | 1       | 1       |
| Lieutenants                        | 3       | 3       | 3       |
| Sergeants                          | 6       | 6       | 3       |
| Firefighters (General Fund)        | 22      | 19      | 22      |
| Total Full-time                    | 33      | 30      | 30      |
| Office Assistant II                | 1       | 1       | 1       |
| Total Part-time                    | 1       | 1       | 1       |
| Total Employees                    | 34      | 31      | 31      |
| Firefighters (Federal SAFER Grant) | 0       | 2       | 2       |

### Accomplishments

#### **Public Health:**

- Placed a new Rescue Ambulance into service.

#### **Public Safety:**

- Implemented the Mutual Aid Box Alarm System (MABAS) for effective and efficient command, control and emergency resource sharing between cities for long-term, large scale or complex incidents.

#### **Resource Management**

- Implemented a comprehensive work-related injury reduction program that includes annual training with regards to proper lifting and patient handling techniques; core strengthening and body flexibility; and procurement of patient handling equipment to reduce firefighter injuries.
- Began participation with the Regional Alliance for Firefighter Training (RAFT) and implemented videoconference training capability to share fire and EMS training with fire departments throughout Southeastern Michigan.

### Objectives

#### **Public Health:**

- Develop wireless field EKG transmission capability in conjunction with St. John Oakland Hospital.

#### **Public Safety:**

- Place into service a fire station alerting system that is common among the south Oakland County fire departments and dispatch centers.
- Develop mutual aid with neighboring communities to the east of Madison Heights.

## Performance Measures

|                                                        | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|--------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                           |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                      |                   |                     |                   |                                                       |                   |
| EMS Incident Response                                  | 2,558             | 2,610               | 2,500             | (110)                                                 | (4.2)             |
| Structure Fire Reponse                                 | 56                | 55                  | 40                | (15)                                                  | (27.3)            |
| Hazmat Call Response                                   | 52                | 45                  | 43                | (2)                                                   | (4.4)             |
| Commerical Bldgs Inspected                             | 306               | 325                 | 300               | (25)                                                  | (7.7)             |
| <b><u>Efficiency/Effectiveness</u></b>                 |                   |                     |                   |                                                       |                   |
| % Bldg Fire Call Response<br>Times less than 5 minutes | 96                | 95                  | 95                | 0                                                     | 0.0               |
| % EMS Call Response Times<br>less than 5 minutes       | 99                | 96                  | 95                | (1)                                                   | (1.0)             |
| % Commerical Bldgs<br>Inspected                        | 32                | 34                  | 32                | (2)                                                   | (5.9)             |

## Financial Summary

|                                  | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>             |                   |                     |                   |                                                       |                   |
| Personal Services                | \$4,873,539       | \$4,535,754         | \$4,474,621       | \$(61,133)                                            | (1.3)             |
| Supplies                         | 46,884            | 51,929              | 50,929            | (1,000)                                               | (1.9)             |
| Other Services and Charges       | 491,697           | 560,369             | 552,612           | (7,757)                                               | (1.4)             |
| Capital Outlay                   | 206,935           | 453,088             | 175,151           | (277,937)                                             | (61.3)            |
| Total                            | \$5,619,055       | \$5,601,140         | \$5,253,313       | \$(347,827)                                           | (6.2)             |
| <b>Resources:</b>                |                   |                     |                   |                                                       |                   |
| Ambulance & CPR Revenues         | \$442,208         | \$467,934           | \$489,400         | \$21,466                                              | 4.6               |
| Police & Fire Pension Millage    | 1,288,643         | 1,273,184           | 1,234,590         | (38,594)                                              | (3.0)             |
| Vehicle Proposal Millage         | 200,449           | 453,088             | 157,151           | (295,937)                                             | (65.3)            |
| Advanced Life Support<br>Millage | 285,824           | 257,223             | 222,103           | (35,120)                                              | (13.7)            |
| General Fund                     | 3,401,931         | 3,149,711           | 3,150,069         | 358                                                   | 0.0               |
| Total                            | \$5,619,055       | \$5,601,140         | \$5,253,313       | \$(347,827)                                           | (6.2)             |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State revenues, the City plans to:
  - Move to online emergency medical service reporting which will allow our billing agent more timely receipt of information, improved accuracy and real-time information, resulting in a five percent increase in revenues of \$18,600;
  - The City currently transports to three local hospitals: St. John's Madison Heights, DMC Madison Heights, and Beaumont Royal Oak, and four remote hospitals: Beaumont Troy, Providence Southfield, Bi-County Warren and St. John's Warren. By eliminating transport to remote hospitals, the Department should save 45 minutes per incident; and
  - With recent reductions in staffing, there are more supervisors than needed. Based on anticipated retirements over the next year, there is a projection of at least three Command Officers retiring. Under this new program, the City would maintain its staffing and save the funds associated with paying the higher Fire Sergeant wage, saving \$25,000 per year.
- The Capital Outlay Budget includes: Phase II funding for ambulance rescue #713 (\$77,000); Phase I funding for ambulance rescue #711 (\$80,000); and required grant match for new self-contained breathing apparatus and equipment (\$18,000).

# Community Development

The Community Development Department consists of these functions: Building, Planning, Engineering, Economic Development, Code Enforcement, Geographic Mapping, Housing and Block Grants. The Department is responsible for:

- Handling all inspections of new buildings, inspections of commercial buildings for business licenses and inspections for landlord licenses, as well as providing recommendations on matters coming before the Planning Commission and Zoning Board of Appeals;
- Handling all code inspection and enforcement services;
- Providing support to the Planning Commission, Downtown Development and Brownfield Redevelopment Authorities, and working with the development, business and real estate communities to promote economic development; and
- Designing, bidding, inspecting and planning road reconstruction projects.

## Organizational Structure and Staff

| Personnel Summary                        | 2009-10 | 2010-11 | 2011-12 |
|------------------------------------------|---------|---------|---------|
| Community Development Director           | 1       | 1       | 1       |
| Deputy Community Development Director    | 1       | 1       | 1       |
| Economic Development Coordinator         | 1       | 1       | 1       |
| Geographic Information System Supervisor | 1       | 0       | 0       |
| Administrative Secretary                 | 1       | 1       | 1       |
| GIS/CDD Technician                       | 1       | 1       | 1       |
| Inspector                                | 2       | 2       | 2       |
| Office Assistant II                      | 1       | 1       | 1       |
| Total Full-time                          | 9       | 8       | 8       |
| Community Development Assistant I        | 1       | 0       | 0       |
| Geographic Information System Assistant  | 0       | 0       | 0       |
| Code Enforcement Officer                 | 1       | 1       | 0       |
| Total Part-time                          | 2       | 1       | 0       |
| Total Employees                          | 11      | 9       | 8       |

## Accomplishments

### Public Safety:

- Completed the following projects: Brockton - Battelle to Tawas; Dorchester - Englewood to 31272 Dorchester; Yorkshire - Westmore to Tanglewood; Westmore - Winthrop to west of Yorkshire; Englewood - Campbell to Edgeworth; Residential Sectional Concrete Repair Program (Winthrop); Annual Sidewalk Repair and Gap Program; Barrett/Dallas Sectional Repair Program (NSP); Major Road Sectional Repair Program (13 Mile; Whitcomb; John R NB - DDA); Asphalt crack seal program.
- Continued implementation of complimentary Wright & Filippis wheel chair loaner program for residents in construction project areas.
- Two blighted structures and six blighted/nonconforming signs demolished.
- Two driveway approaches were removed from the City's road network as part of the City's ongoing driveway reduction/consolidation program.

### Public Health:

- Conducted over 16,550 contacts on code enforcement issues, including periodic Saturday and Sunday enforcement.
- Over 3,700 inspections of building, electrical, mechanical, plumbing, sign and concrete permits conducted to ensure safe construction.

### Resource Management:

- Business retention, ombudsman and business welcome programs including more than 630 visits to local businesses.
- Successful implementation of contractual agreement with outside contractor (Safebuilt) to provide mechanical/plumbing inspections.

## Objectives

### Public Safety:

- Complete construction of the planned 2011 and 2012 "R-2" Residential Roads in the 2011 construction year: Gardenia - John R to Lorenz; Alger - Parker south to Gardenia; Townley - 11 Mile to University; Shacket - Huntington to Spoon; Huntington - Campbell to Mark; Sherry - Girard to S. of Parkdale; Longfellow - Garry to 30290 Longfellow; Groveland and University intersections and 21700 Groveland to Farnum; Winthrop Section Repairs - Milton to Westmore; NSP Sectional Concrete Repairs - various locations; Sectional concrete repairs - Whitcomb - East of John R and John R - Gardenia to 11 Mile.
- Complete Annual Sidewalk Repair and Gap Program.

### Resource Management:

- Successfully implement Gap Reduction measures approved by City Council.

## Performance Measures

|                                                         | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|---------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                            |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                       |                   |                     |                   |                                                       |                   |
| Building Permits Issued                                 | 595               | 590                 | 575               | (15)                                                  | (2.5)             |
| Ordinance Violations                                    | 97                | 60                  | 60                | 0                                                     | 0.0               |
| Rental Unit Inspections                                 | 2,916             | 2,500               | 2,700             | 200                                                   | 8.0               |
| Site Plans Approved                                     | 3                 | 5                   | 5                 | 0                                                     | 0.0               |
| New Business and Retention Visits                       | 280               | 300                 | 320               | 20                                                    | 6.7               |
| <b><u>Efficiency/Effectiveness</u></b>                  |                   |                     |                   |                                                       |                   |
| % of Code Enforcement Actions<br>Resolved Without Court | 99                | 99                  | 99                | 0                                                     | 0.0               |
| % of ZBA Cases<br>Resolved After 1st Hearing            | 98                | 98                  | 98                | 0                                                     | 0.0               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$889,504         | \$830,222           | \$812,325         | \$(17,897)                                            | (2.2)             |
| Supplies                   | 3,346             | 6,000               | 4,900             | (1,100)                                               | (18.3)            |
| Other Services and Charges | 140,766           | 158,967             | 114,974           | (43,993)                                              | (27.7)            |
| Capital Outlay             | 0                 | 35,000              | 26,000            | (9,000)                                               | (25.7)            |
| Total                      | \$1,033,616       | \$1,030,189         | \$958,199         | \$(71,990)                                            | (7.0)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Occupational Licenses      | \$190,165         | \$110,000           | \$120,000         | \$10,000                                              | 9.1               |
| Other Permits              | 64,795            | 50,000              | 65,000            | 15,000                                                | 30.0              |
| Building Permits           | 275,866           | 350,000             | 325,000           | (25,000)                                              | (7.1)             |
| Engineering Fees           | 12,426            | 15,000              | 10,000            | (5,000)                                               | (33.3)            |
| Planning Fees              | 4,200             | 4,000               | 4,000             | 0                                                     | 0.0               |
| GIS Services               | 1,115             | 300                 | 1,000             | 700                                                   | 233.3             |
| Proposal V                 | 0                 | 35,000              | 26,000            | (9,000)                                               | (25.7)            |
| General Fund               | 485,049           | 465,889             | 407,199           | (58,690)                                              | (12.6)            |
| Total                      | \$1,033,616       | \$1,030,189         | \$958,199         | \$(71,990)                                            | (7.0)             |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues:
  - In light of the declines in tax liabilities for businesses, Council will review the current tax abatement policy to determine the incentives moving forward. In addition, an auditing process would be established to verify compliance with existing tax abatements, which when in non-compliance would result in refunds to the City (\$58,000);
  - To improve cost recovery for code enforcement efforts in the areas of lawn mowing, snow removal and trash/debris removal, the City would reset its rates for the 1,600 violations per year resulting in an additional \$53,000;
  - Under this plan the City will charge the design and construction of proposed sectional concrete road repairs to the separate Neighborhood Stabilization Program grant funds generating \$3,000 savings;
  - The vacant part-time code enforcement officer position would be eliminated, saving the General Fund \$9,000; and
  - To further reduce costs, the department will reduce the use of contract civil engineering (\$15,000), use the escrow for right-of-way fees to support Geographic Information System mapping costs (\$10,000) over the next three years, and reduce Board meeting schedules, saving \$1,400 in posting and legal requirements.

# Streets Division

The Streets Division of the Department of Public Service consists of 13 employees whose time is allocated between the General Fund Divisions for Streets and Solid Waste, as well as the Major Street Fund and Local Street Fund. The Streets Division is responsible for:

- Maintaining the 106 miles of streets;
- Street cleaning, snow and ice removal, tree trimming, street signs, and open drain repair;
- Replacing worn street signs with a high density facing for safer, more visible signs.

## Organizational Structure and Staff

| Personnel Summary                             | 2009-10 | 2010-11 | 2011-12 |
|-----------------------------------------------|---------|---------|---------|
| Deputy Director                               | 1       | 1       | 0       |
| Coordinator                                   | 0       | 1       | 1       |
| Equipment Operator III                        | 3       | 2       | 2       |
| Equipment Operator II                         | 4       | 4       | 4       |
| Equipment Operator I                          | 3       | 3       | 3       |
| Office Assistant II (Major/Local Street Fund) | 1       | 1       | 1       |
| Administrative Secretary                      | 1       | 0       | 0       |
| Total Full-time                               | 13      | 12      | 11      |
| Seasonal Laborer                              | 1       | 0       | 0       |
| Seasonal Laborer (Major Road Funded)          | 1       | 1       | 1       |
| Seasonal Laborer (Local Road Funded)          | 1       | 1       | 1       |
| Total Part-time                               | 3       | 2       | 2       |
| Total Employees                               | 16      | 14      | 13      |

## Accomplishments

### **Public Safety:**

- Assisted in the 2010 neighborhood and major road repair and reconstruction programs by creating and providing signs, barricades, storage facilities, debris removal, etc.
- Continued snow removal with institution of new “Snow Emergency Ordinance”, and reduction of salt usage with continued use of brine.
- Repainted crosswalks, stopbars, and legends through entire City.
- Continued use of improved cold patch project adding longevity to repairs.
- Continued with Manual on Uniform Traffic Control Devices (MUTCD) upgrades to all street name signs on local roads and their intersections (35-40% complete) City-wide.
- Continued to reduce costs and improve the efficiency of our winter maintenance program by adding brine to our snow fighting arsenal (4 out of 5 tandems complete with tanks).

## Objectives

### **Public Safety:**

- Maintain, replace and repaint crosswalks, stop bars, legends and lane markings.
- Continue upgrading signage to meet new MUTCD standards.
- Support 2011 neighborhood and major road repair and reconstruction projects by providing assistance as required.
- Construct containment barrier for brine production and storage unit.
- Add 2 units (1 tandem, 1 single axle) brine tanks to complete fleet.



## Performance Measures

|                                                | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                   |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>              |                   |                     |                   |                                                       |                   |
| % of functional sound bridges                  | 100               | 100                 | 100               | 0                                                     | 0.0               |
| Total hours snow removal per lane              | 30                | 40                  | 30                | (10)                                                  | (25.0)            |
| Joint Crack Seal (Feet)                        | 200,000           | 250,000             | 150,000           | (100,000)                                             | (40.0)            |
| Tree and Stump Removal                         | 277               | 182                 | 225               | 43                                                    | 23.6              |
| <b><u>Efficiency/Effectiveness</u></b>         |                   |                     |                   |                                                       |                   |
| Cost per resident for routine road maintenance | \$74.25           | \$78.60             | \$73.60           | (\$5.00)                                              | (6.4)             |
| Cost per resident for road construction        | \$119.97          | \$77.99             | \$161.19          | \$83.20                                               | 106.7             |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$301,074         | \$283,510           | \$188,212         | \$(95,298)                                            | (33.6)            |
| Supplies                   | 2,923             | 3,300               | 3,550             | 250                                                   | 7.6               |
| Other Services and Charges | 692,243           | 724,594             | 708,635           | (15,959)                                              | (2.2)             |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$996,240         | \$1,011,404         | \$900,397         | \$(111,007)                                           | (11.0)            |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Weed Mowing                | \$61,571          | \$35,000            | \$73,750          | \$38,750                                              | 110.7             |
| Brush Chipping             | 4,435             | 10,000              | 6,000             | (4,000)                                               | (40.0)            |
| Proposal V                 | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| General Fund               | 930,234           | 966,404             | 820,647           | (145,757)                                             | (15.1)            |
| Total                      | \$996,240         | \$1,011,404         | \$900,397         | \$(111,007)                                           | (11.0)            |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues, the City plans to:
  - Adjust the current recreation vehicle lot rental from \$10 to \$15 per month to more accurately reflect the market rates, generating an additional \$12,000; and
  - Elimination of the Deputy Department of Public Service Director position, spreading the workload to the existing departmental supervisors at a savings of \$72,000 to the General Fund and \$72,000 to the Solid Waste Millage.



# Solid Waste Division

---

The Solid Waste Division of the Department of Public Service consists of 12 employees whose time is allocated between the General Fund Divisions for Streets and Solid Waste, as well as the Major Street Fund and Local Street Fund. The Division is responsible for:

- Collection of refuse and recycling, brush chipping, street sweeping, leaf pickup, litter disposal, park clean-up and catch basin clean out;
- A newsletter and website informs citizens of refuse and recycling rules and schedules that instruct residents on the City's mandatory recycling program; and
- Educational seminars are also conducted for schools and businesses on recycling and composting.

## Organizational Structure and Staff

| Personnel Summary   | 2009-10 | 2010-11 | 2011-12 |
|---------------------|---------|---------|---------|
| Deputy City Manager | 0       | 0       | 1       |
| Supervisor          | 1       | 1       | 1       |
| Total Full-time     | 1       | 1       | 2       |
| Seasonal Laborer    | 1       | 0       | 0       |
| Total Part-time     | 1       | 0       | 0       |
| Total Employees     | 2       | 1       | 2       |

### Accomplishments

#### **Public Health:**

- Cancellation of "Spring Clean-Up" Day at the Department of Public Service for residents due to financial constraints.
- Successfully implemented new solid waste contractor (Rizzo).
- Completed removal of 277 right-of-way dead or diseased trees.

#### **Public Safety:**

- Converted from quarterly to semi-annual billing for mobile home park refuse collection and disposal.

### Objectives

#### **Public Health:**

- Continue to monitor the health of City trees and remove as necessary.

#### **Public Safety:**

- Continue weekly sweeping of residential areas.
- Monitor new solid waste collection and disposal contractor (Rizzo).

## Performance Measures

|                                                         | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|---------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                            |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                       |                   |                     |                   |                                                       |                   |
| Commercial Waste Stops                                  | 87                | 88                  | 88                | 0                                                     | 0.0               |
| Compost (Tons)                                          | 1,887             | 2,000               | 2,100             | 100                                                   | 5.0               |
| Refuse (Tons)                                           | 9,326             | 9,400               | 9,500             | 100                                                   | 1.1               |
| Leaf Pickup-Cubic Yards                                 | 5,440             | 4,250               | 6,000             | 1,750                                                 | 41.2              |
| Paid Brush Chipping (stops)                             | 250               | 260                 | 265               | 5                                                     | 1.9               |
| Residential Recycling (stops)                           | 9,516             | 9,516               | 9,516             | 0                                                     | 0.0               |
| Street Sweeping (Miles)                                 | 1,100             | 1,200               | 1,200             | 0                                                     | 0.0               |
| <b><u>Efficiency/Effectiveness</u></b>                  |                   |                     |                   |                                                       |                   |
| Ave. Cost Per Weekly Stop-<br>Regular Refuse Collection | \$8.22            | \$5.90              | \$5.90            | \$0.00                                                | 0.0               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$696,187         | \$595,075           | \$572,130         | \$(22,945)                                            | (3.9)             |
| Supplies                   | 20,487            | 11,140              | 13,040            | 1,900                                                 | 17.1              |
| Other Services and Charges | 1,812,278         | 1,850,001           | 1,536,970         | (313,031)                                             | (16.9)            |
| Capital Outlay             | 0                 | 0                   | 209,000           | 209,000                                               | 0.0               |
| Total                      | \$2,528,952       | \$2,456,216         | \$2,331,140       | \$(125,076)                                           | (5.1)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Solid Waste Millage        | \$2,534,429       | \$2,608,553         | \$2,350,470       | \$(258,083)                                           | (9.9)             |
| General Fund               | (5,477)           | (152,337)           | (19,330)          | 133,007                                               | (87.3)            |
| Total                      | \$2,528,952       | \$2,456,216         | \$2,331,140       | \$(125,076)                                           | (5.1)             |

## Key Issues

- The Capital Outlay Budget includes a Solid Waste Millage funded replacement of a street sweeper #408 at a cost of \$209,000.
- The balance of the budget for this Division is supported at the current service level.

# Recreation Division

The Recreation Division of the Department of Public Service consists of split allocations of a full-time position: the Recreation Supervisor and 22 part-time positions. The Recreation Division is responsible for:

- Conducting the City's leisure and recreational programs including instructional programs such as dance, tennis, swimming, photography, skate boarding, water aerobics and team sports such as basketball, softball, and volleyball;
- Processing all registrations, preparation and distribution of flyers, evaluation and selection of programs and instructional personnel, and coordination of volunteer coaches; and
- Hosting the annual "Festivals in the Park", the July TGIF Concerts and the February Coffee Concerts.

## Organizational Structure and Staff

| Personnel Summary        | 2009-10 | 2010-11 | 2011-12 |
|--------------------------|---------|---------|---------|
| Recreation Coordinator   | 1       | 1       | 1       |
| Basketball Staff         | 25      | 15      | 15      |
| Camp Staff               | 4       | 4       | 4       |
| Dance Building Attendant | 1       | 0       | 0       |
| Lifeguard                | 1       | 1       | 1       |
| Sled Hill Staff          | 5       | 0       | 0       |
| Softball/T-Ball Staff    | 1       | 1       | 1       |
| Volleyball Staff         | 1       | 1       | 1       |
| Total Part-time          | 39      | 23      | 23      |
| Total Employees          | 39      | 23      | 23      |

## Accomplishments

### **Quality of Life:**

- Converted to a new web-based registration program. The old one was becoming outdated and costly. This new service will reduce cost from \$5,500 to \$2,500 annually and will be more user-friendly. Several days of staff training was involved.
- The development of a e-newsletter has kept those who have registered (35 for recreation programs and 100+ for coffee concerts) well informed on upcoming programs.
- The division continues to work with surrounding communities to develop/share in recreation programs. Those communities are Royal Oak, Troy, Hazel Park, Oak Park and Clawson.
- Upgraded and repaired ball field lights at Rosie's and Huffman Parks through an Energy Efficiency and Conservation Block Grant (EECBG) for \$10,000.
- Assumed responsibility for the Healthy Heights 5K Run/Walk in April.

## Objectives

### **Quality of Life:**

- Promote wellness programs for the older population (50+ programs).
- Offer a wide variety of programs for Madison Heights residents.
- Investigate a Facebook page for the Recreation Department to promote events and post reminders of deadlines. The younger population uses Facebook as a major source of information. The information can easily be shared with the click of a mouse to hundreds of people. The Recreation Department could easily reach more people with less cost and time.

## Performance Measures

|                                   | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>      |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b> |                   |                     |                   |                                                       |                   |
| Water Aerobics Attendees          | 47                | 41                  | 38                | (3)                                                   | (7.3)             |
| Dance Attendance - Fall           | 110               | 136                 | 152               | 16                                                    | 11.8              |
| Youth Softball - Summer           | 100               | 117                 | 135               | 18                                                    | 15.4              |
| Youth Basketball - Winter         | 109               | 90                  | 93                | 3                                                     | 3.3               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$63,162          | \$97,610            | \$106,019         | \$8,409                                               | 8.6               |
| Supplies                   | 25,285            | 19,216              | 28,625            | 9,409                                                 | 49.0              |
| Other Services and Charges | 57,430            | 60,004              | 61,306            | 1,302                                                 | 2.2               |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$145,877         | \$176,830           | \$195,950         | \$19,120                                              | 10.8              |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Recreation Fees            | \$118,420         | \$108,740           | \$144,279         | \$35,539                                              | 32.7              |
| Recreation-Miscellaneous   | 4,101             | 0                   | 3,925             | 3,925                                                 | 0.0               |
| General Fund               | 23,356            | 68,090              | 47,746            | (20,344)                                              | (29.9)            |
| Total                      | \$145,877         | \$176,830           | \$195,950         | \$19,120                                              | 10.8              |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues, the City plans the following:
  - Increase the sponsor fees for the youth sports teams from \$175 to \$200 and update the participation rates for all recreation programs, resulting in the net upward adjustment in projected revenues of \$23,000;
  - Eliminate summer youth sports camps due to low enrollment at a savings of \$1,400; and
  - Move the annual golf outing fundraiser to under the Recreation Division supervision with a projection to recover \$3,000 in costs.

# Youth Center Division

---

The Youth Center Division of the Department of Public Service was closed in December 2009 as a result of the reduction in State Revenue Sharing payments. The Division was responsible for:

- Providing children a place to meet after school hours where they could participate in planned activities and tutoring assistance; and
- Open to middle school students from 3:00 p.m. to 5:30 p.m. during the school year.

## Organizational Structure and Staff

| Personnel Summary | 2009-10 | 2010-11 | 2011-12 |
|-------------------|---------|---------|---------|
| Youth Coordinator | 0       | 0       | 0       |
| Youth Leader      | 0       | 0       | 0       |
| Total Part-time   | 0       | 0       | 0       |
| Total Employees   | 0       | 0       | 0       |

### Accomplishments

#### Quality of Life:

- Sold approximately \$1,200 worth of items from the interior of Little House on Hales through the Michigan Inter-governmental Trade Network (MITN).

### Objectives

#### Quality of Life

- Demolish building and clear lot for park purposes (\$4,971).

## Performance Measures

|                                      | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|--------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>         |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>    |                   |                     |                   |                                                       |                   |
| Fall Enrollment (6th to 8th graders) | 66                | 0                   | 0                 | 0                                                     | 0.0               |
| School Year Transportation           | 1,500             | 0                   | 0                 | 0                                                     | 0.0               |
| Daily Attendance (school year)       | 35                | 0                   | 0                 | 0                                                     | 0.0               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$13,100          | \$ 0                | \$0               | \$ 0                                                  | 0.0               |
| Supplies                   | 3,461             | 0                   | 0                 | 0                                                     | 0.0               |
| Other Services and Charges | 4,674             | 3,858               | 0                 | (3,858)                                               | (100.0)           |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$21,235          | \$3,858             | \$0               | \$(3,858)                                             | (100.0)           |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$21,235          | \$3,858             | \$0               | \$(3,858)                                             | (100.0)           |
| Total                      | \$21,235          | \$3,858             | \$0               | \$(3,858)                                             | (100.0)           |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues, the City will use the current escrow account to demolish the Little House on Hales and sell the attached trailers, resulting in savings in alarms and utility costs, netting \$12,000 to the General Fund.

# Nature Center Division

---

The Nature Center Division of the Department of Public Service paid staff were laid off in June of 2010 due to dropping property tax revenues and State shared revenues. Discussions are underway regarding Oakland County Parks and Recreation assuming operation in 2011. The Division was responsible for:

- Providing visitors a better appreciation of nature by fostering a safe home for live animals, taxidermy mounts, artwork and special events;
- Maintaining the building and 36 acres of natural preservation for visitors to enjoy as an oasis in the middle of a developed community; and
- Maintaining a 40 hour week, which offered a variety of seasonal displays, programs, walking tours and a small gift store.

## Organizational Structure and Staff

| Personnel Summary | 2009-10 | 2010-11 | 2011-12 |
|-------------------|---------|---------|---------|
| Naturalist        | 1       | 0       | 0       |
| Total Full-time   | 1       | 0       | 0       |
| Naturalist        | 1       | 0       | 0       |
| Total Part-time   | 1       | 0       | 0       |
| Total Employees   | 2       | 0       | 0       |

### Accomplishments

#### **Quality of Life:**

- Knowing that the Nature Center was closing and losing staff, the volunteers approached the City to offer their services until Oakland County Parks have made their decision whether to manage the Nature Center long-term. The volunteers open the building 24 hours per week averaging 65 visitors per day versus 100 when there was paid staff. Volunteers are also cleaning the building, feeding the critters and greeting visitors.

### Objectives

#### **Quality of Life:**

- If the Oakland County Parks and Recreation Commission decides to assume operation of the Nature Center, the City will certainly help in the transition.

## Performance Measures

|                                        | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>           |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>      |                   |                     |                   |                                                       |                   |
| Adult Volunteers Hours                 | 5,180             | 4,907               | 3,312             | (1,595)                                               | (32.5)            |
| Birthday Parties                       | 25                | 23                  | 0                 | (23)                                                  | (100.0)           |
| Free Public School & Group Tours       | 37                | 39                  | 0                 | (39)                                                  | (100.0)           |
| Paid Tours                             | 66                | 74                  | 0                 | (74)                                                  | (100.0)           |
| Teen Volunteer Hours                   | 613               | 555                 | 48                | (507)                                                 | (91.4)            |
| <b><u>Efficiency/Effectiveness</u></b> |                   |                     |                   |                                                       |                   |
| Average Patrons Per Day                | 106               | 100                 | 65                | (35)                                                  | (35.0)            |

## Financial Summary

|                             | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>        |                   |                     |                   |                                                       |                   |
| Personal Services           | \$126,818         | \$0                 | \$0               | \$0                                                   | 0.0               |
| Supplies                    | 4,449             | 0                   | 0                 | 0                                                     | 0.0               |
| Other Services and Charges  | 21,239            | 10,201              | 10,527            | 326                                                   | 3.2               |
| Capital Outlay              | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                       | \$152,506         | \$10,201            | \$10,527          | \$326                                                 | 3.2               |
| <b>Resources:</b>           |                   |                     |                   |                                                       |                   |
| Nature Center Sales         | \$13,648          | \$0                 | \$0               | \$0                                                   | 0.0               |
| Nature Center Contributions | 8,169             | 0                   | 0                 | 0                                                     | 0.0               |
| General Fund                | 130,689           | 10,201              | 10,527            | 326                                                   | 3.2               |
| Total                       | \$152,506         | \$10,201            | \$10,527          | \$326                                                 | 3.2               |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues, the City has been forced to lay off paid staff at the Nature Center in George Suarez Friendship Woods on June 30, 2010. Discussions are currently underway with the Oakland County Parks and Recreation Office regarding their interest in assuming operations of the Nature Center on a long-term basis.



# Parks Division

The Parks Division of the Department of Public Service consists of the allocation of a full-time Maintenance and Facilities Supervisor, 3 full-time Equipment Operators, 2 part-time Park Rangers and 2 part-time Park Laborers. The Division is responsible for:

- Maintaining all City parks including all landscaping duties;
- Preparing the athletic fields, as well as sidewalk and parking lot maintenance for all City buildings; and
- Mowing, responding to tree service calls, removal of unsafe or dead trees, coordination of the tree planting program, and overseeing of the mowing contractor.

## Organizational Structure and Staff

| Personnel Summary     | 2009-10 | 2010-11 | 2011-12 |
|-----------------------|---------|---------|---------|
| Parks Maintenance III | 1       | 0       | 0       |
| Parks Maintenance II  | 1       | 1       | 1       |
| Parks Maintenance I   | 2       | 1       | 0       |
| Total Full-time       | 4       | 2       | 1       |
| Park Rangers          | 2       | 2       | 2       |
| Seasonal Laborers     | 5       | 1       | 0       |
| Total Part-time       | 7       | 3       | 2       |
| Total Employees       | 11      | 5       | 3       |

## Accomplishments

### Quality of Life:

- Completed tree trimming at Rosie's Park oak stand and Civic Center Park mature trees.
- Continued West Nile Virus prevention measures.
- Planted trees at various parks to replace trees removed due to Emerald Ash Borer.
- Light towers relamped with grant funds at Huffman and Rosie's parks.
- Opened new playscape at Soccer Complex.
- Opened new Monroe Park and oversaw installation of playscape and pavilion.
- Purchased All Terrain Vehicle (ATV) for sidewalk/crosswalk snow removal.

## Objectives

### Quality of Life:

- Complete tree trimming at Department of Public Service dog run and street trees (low limbs).
- Continue West Nile Virus prevention measures, as funding allows.
- Continue planting trees at various parks to replace trees removed from Emerald Ash Borer.
- As funding allows, add or replace enhancements at various parks (benches, bar-b-q's, etc.).
- Continue to assist with ballfield/soccer maintenance through various seasons.

## Performance Measures

|                                                 | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                    |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>               |                   |                     |                   |                                                       |                   |
| Ballfield Maintenance (hrs)                     | 500               | 475                 | 475               | 0                                                     | 0.0               |
| Flowers-Flats Planted                           | 40                | 38                  | 36                | (2)                                                   | (5.3)             |
| Meeting Room Set-ups                            | 4                 | 4                   | 4                 | 0                                                     | 0.0               |
| Tons of Salt Used                               | 100               | 110                 | 100               | (10)                                                  | (9.1)             |
| Trees Planted                                   | 58                | 30                  | 30                | 0                                                     | 0.0               |
| Turf Maintenance (hrs per<br>wk)                | 300               | 304                 | 300               | (4)                                                   | (1.3)             |
| <b><u>Efficiency/Effectiveness</u></b>          |                   |                     |                   |                                                       |                   |
| Number of Park Acres<br>Maintained Per Employee | 35                | 36                  | 48                | 12                                                    | 33.3              |
| Number of Trees<br>Trimmed Per Employee         | 30                | 30                  | 40                | 10                                                    | 33.3              |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$253,858         | \$278,020           | \$211,935         | \$(66,085)                                            | (23.8)            |
| Supplies                   | 22,476            | 31,950              | 31,950            | 0                                                     | 0.0               |
| Other Services and Charges | 90,110            | 99,722              | 96,038            | (3,684)                                               | (3.7)             |
| Capital Outlay             | 14,331            | 33,200              | 11,000            | (22,200)                                              | 0.0               |
| Total                      | \$380,775         | \$442,892           | \$350,923         | \$(91,969)                                            | (20.8)            |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| General Fund               | \$366,444         | \$409,692           | \$339,923         | \$(69,769)                                            | (17.0)            |
| Vehicle Millage            | 14,331            | 33,200              | 11,000            | \$(22,200)                                            | 100.0             |
| Total                      | \$380,775         | \$442,892           | \$350,923         | \$(69,769)                                            | (15.8)            |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues, the City has adopted the following:
  - Elimination of one part-time seasonal laborer position (\$6,000);
  - Close the Skate Park, sell the ramps and transfer the related vending machine revenues to the General Fund (\$8,000); and
  - Increase the cost of the memorial tree planting from \$250 to \$300 and move escrow revenues to the General Fund (\$23,000).
- The Capital Outlay Budget includes the Proposal “V-2” replacement of a riding mower (\$11,000).

# Senior Citizens Division

The Senior Citizens Division of the Department of Public Service is staffed with one full-time Senior Coordinator and an allocation of a Recreation Supervisor, as well as part-time staff consisting of 1 Bus Driver, 3 Chauffeur Drivers and 1 Assistant. The Division is responsible for:

- Hosting a wide range of programs at the Center where seniors can enjoy their leisure time participating in educational and recreational programs; and
- Providing transportation for recreation, personal business appointments and other activities as well as a daily lunch program, a home chore (grass cutting and snow removal) program, and human services information and referrals.

## Organizational Structure and Staff

| Personnel Summary    | 2009-10 | 2010-11 | 2011-12 |
|----------------------|---------|---------|---------|
| Supervisor           | 1       | 1       | 1       |
| Coordinator          | 1       | 1       | 1       |
| Total Full-time      | 2       | 2       | 2       |
| Bus Driver/Chauffeur | 5       | 5       | 5       |
| Senior Assistant     | 1       | 1       | 1       |
| Total Part-time      | 6       | 6       | 6       |
| Total Employees      | 8       | 8       | 8       |

## Accomplishments

### **Quality of Life:**

- Expanded the Senior Home Assistance Repair Program (SHARP), providing aid to 105 seniors with minor home repairs.
- Provided 399 seniors and low income electronic filing of income tax returns through AARP volunteers.
- Raised \$8,000 through fundraising events throughout the year that have paid for extra equipment (1/2 of new commercial refrigerator/freezer for kitchen at Center, new ice machine) and programs that are not covered in the budget.
- The Senior Center was rented 16 times grossing \$4,000 in revenue.
- Increased monthly fees for exercise, billiards and movies to continue to raise money to supplement budget.
- Strengthened community partnerships with local library (book club), free lunch and learn with local doctors, Lamphere Center, special needs group for custodial services.
- Built on Wayne State University nursing student program that continues to be available two days per week for glucose testing, blood pressure testing, health fairs and programs.
- Increased the number of seniors that take computer classes.

## Objectives

### **Quality of Life:**

- Research feasibility of changing by-laws to allow people 50 and over to participate in programs and activities at the Center. To thrive, the Center needs to program for the “boomers” who are now retired and want to take part in fresh and innovative activities that appeal to their age group.
- Become a regional center for AARP tax assistance for seniors and low income clients, introducing many new seniors to the Center.
- Partner with other cities to coordinate day trips and extended travel to increase access to a variety of trips for our seniors.
- Begin a cooking class to adopt healthy eating and promote physical activity for sedentary seniors.
- Create an ambassador group among the seniors to spread the word about the Center at local apartments and other establishments that seniors frequent.
- Subject to available funding, increase public awareness of the Center through marketing and outreach by way of a mass mailing, schools, churches, open house, volunteers, and retiree associations.

## Performance Measures

|                                   | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>      |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b> |                   |                     |                   |                                                       |                   |
| # of Two-Way Trips                | 8,721             | 9,000               | 9,200             | 200                                                   | 2.2               |
| Bus Miles Traveled                | 32,463            | 33,000              | 33,500            | 500                                                   | 1.5               |
| Day Trips                         | 53                | 55                  | 57                | 2                                                     | 3.6               |
| Lawns Mowed                       | 1,546             | 1,575               | 1,585             | 10                                                    | 0.6               |
| Newsletter Subscriptions          | 470               | 400                 | 400               | 0                                                     | 0.0               |
| Snow Removal                      | 100               | 130                 | 140               | 10                                                    | 7.7               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$232,163         | \$215,173           | \$227,018         | \$11,845                                              | 5.5               |
| Supplies                   | 108,524           | 109,442             | 58,769            | (50,673)                                              | (46.3)            |
| Other Services and Charges | 84,199            | 86,926              | 75,448            | (11,478)                                              | (13.2)            |
| Capital Outlay             | 22,350            | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$447,236         | \$411,541           | \$361,235         | \$(50,306)                                            | (12.2)            |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Senior Non-Program         | \$8,058           | \$9,800             | \$12,430          | \$2,630                                               | 26.8              |
| Senior Citizens Activities | 111,503           | 120,360             | 54,190            | \$(66,170)                                            | (55.0)            |
| Senior Center Millage      | 564,504           | 422,085             | 422,085           | 0                                                     | 0.0               |
| Proposal V                 | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| General Fund               | (236,829)         | (140,704)           | (127,470)         | 13,234                                                | (9.4)             |
| Total                      | \$447,236         | \$411,541           | \$361,235         | \$(50,306)                                            | (12.2)            |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues, the City is planning:
  - To increase funding through a transfer from the Senior escrow account, increasing non-medical transportation fee from \$2 to \$4 for banks, grocery stores and beauty shops, increasing fees for billiards, exercise equipment, non-resident golf league, day trips and establishing a resident and non-resident computer fee (\$7,000);
  - Eliminating helium tank service, reducing carpet cleaning from two to one time per year and reducing custodial services from three to two days per week (\$3,000).

# Outside Agencies

Historically, the City has financially supported select Outside Agencies. These include: Madison Heights Little Baseball, Madison Heights Community Family Coalition, Friends of Madison Heights Youth, HAVEN (safe home for abused spouses and children), Oakland County Youth Assistance and Gateway Counseling.

## Financial Summary

|                                 | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|---------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>            |                   |                     |                   |                                                       |                   |
| Gateway Counseling              | \$16,810          | \$8,405             | \$0               | \$(8,405)                                             | (100.0)           |
| Oakland County Youth Assistance | 13,628            | 6,814               | 0                 | (6,814)                                               | (100.0)           |
| HAVEN                           | 1,818             | 909                 | 0                 | (909)                                                 | (100.0)           |
| Friends of Madison Hgts. Youth  | 6,541             | 3,271               | 0                 | (3,271)                                               | (100.0)           |
| MH Community Family Coalition   | 6,541             | 3,271               | 0                 | (3,271)                                               | (100.0)           |
| MH Little Baseball              | 5,586             | 2,793               | 0                 | (2,793)                                               | (100.0)           |
| Total                           | \$50,924          | \$25,463            | \$0               | \$(25,462)                                            | (100.0)           |
| <b>Resources:</b>               |                   |                     |                   |                                                       |                   |
| General Fund                    | \$50,924          | \$25,463            | \$0               | \$(25,462)                                            | (100.0)           |
| Total                           | \$50,924          | \$25,463            | \$0               | \$(25,462)                                            | (100.0)           |

## Key Issues

- In light of the financial difficulties created by falling property tax and reduction in State Shared revenues, the City plans to drop General Fund support of these agencies. The services provided by the City would not change, however the services provided by each Outside Agency may need to be adjusted. These outside agencies may need to increase fundraising efforts, solicit other donations and/or re-evaluate the services provided. The in-kind contributions by the City, such as use of office space, accounting services, support for fundraisers, and staff and Council assistance in volunteerism would continue.

# Insurance, Bonds and Transfers

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$0               | \$0                 | \$0               | \$0                                                   | 0.0               |
| Supplies                   | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Other Services and Charges | 303,200           | 437,485             | 439,193           | 1,708                                                 | 0.4               |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Transfers                  | 2,814,485         | 2,459,055           | 2,460,612         | 1,557                                                 | 0.1               |
| Total                      | \$3,117,685       | \$2,896,540         | \$2,899,805       | \$3,265                                               | 0.1               |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Road Proposal Millage      | \$2,381,870       | \$2,057,787         | \$1,776,823       | \$(280,964)                                           | (13.7)            |
| Fire Stations Bond Millage | 408,490           | 401,268             | 398,897           | (2,371)                                               | 0.0               |
| General Fund               | 327,325           | 437,485             | 724,085           | 286,600                                               | 65.5              |
| Total                      | \$3,117,685       | \$2,896,540         | \$2,899,805       | \$3,265                                               | 0.1               |

## Key Issues

- For the last 25 years, the City of Madison Heights has been a member of the Michigan Municipal Risk Management Authority's (MMRMA) Liability and Casualty Insurance Pool. Given the absence of the need to generate a profit and efforts of members to reduce risk, the Authority provides the City with coverage at reduced rates over the private sector and coverage in some areas that are not available through private insurance. MMRMA buys re-insurance from international firms for higher claims and self-insures for lower ones. The City's solid history and recent decision to increase the deductible to \$250,000 in conjunction with the Pool's desire to keep rates down have benefited the City in comparison with other entities seeking coverage. Although rates have not been finalized for the next fiscal year, our Risk Manager is projecting a increase of \$1,700 or 0.4% in this budget.
- The revenues associated with the Proposal "R" Neighborhood Road Improvement Program is brought in with other property tax revenue through the General Fund and then transferred to the Local Street Fund.
- Revenue associated with the 2003 Fire Stations' Bond Issue is brought in through the General Fund and then transferred to the Fire Stations' Debt Service Fund. Both the millage and the amount of the transfer are low as a result of the attractive interest rate that the City was able to obtain based on its strong credit rating.

# Library

The Library is staffed by a full-time position, a Library Director. The operation is also supported by 11 part-time positions including: an Adult Reference Librarian, a Community Service Librarian; a Youth Service Assistant, a Circulation Assistant, 3 Library Assistants and 4 Substitute Librarians. The Department is responsible for:

- Meeting the community's needs for information in a variety of formats, including educational, recreational and cultural materials;
- Providing information enhanced by membership in The Library Network (TLN), which allows for the electronic inter-loan of items from other TLN members;
- Offering home delivery of books to home bound patrons and a myriad of additional services to serve the City's significant and varied immigrant population;
- Public access to the Internet and personal computers for word processing; and
- Supporting the operations of the Heritage Rooms.

## Organizational Structure and Staff

| Personnel Summary           | 2009-10 | 2010-11 | 2011-12 |
|-----------------------------|---------|---------|---------|
| Library Director            | 1       | 1       | 1       |
| Librarians                  | 2       | 1       | 0       |
| Library Technician          | 1       | 1       | 0       |
| Total Full-time             | 4       | 3       | 1       |
| Adult Reference Librarian   | 1       | 1       | 1       |
| Community Service Librarian | 1       | 1       | 1       |
| Youth Service Assistant     | 1       | 1       | 1       |
| Circulation Assistant       | 1       | 1       | 1       |
| Library Assistants          | 6       | 6       | 5       |
| Substitute Librarians       | 4       | 4       | 4       |
| Total Part-time             | 14      | 14      | 13      |
| Total Employees             | 18      | 17      | 14      |

## Accomplishments

### Quality of Life:

- Added seven new public Internet access workstations from funding made available through a Federal Stimulus Grant, allowing the Library to bring the number of public Internet access workstations from twelve, to the federally recommended nineteen, for a library with the population size of Madison Heights, including an ADA compliant low vision workstation.
- Continued to observe positive results in implemented cost recovery measures such as the use of Library Collection Agency software, which saw the recovery of \$2,700 in materials costs and \$500 in fines.

## Objectives

### Quality of Life:

- Continue implementing cost recovery and revenue enhancement measures and evaluate others.
- Continue streamlining Department procedures and services to best meet the needs of users under existing financial constraints.
- Explore OverDrive Downloadable Audio Books.

## Performance Measures

|                                        | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>           |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>      |                   |                     |                   |                                                       |                   |
| Building Usage                         | 103,227           | 104,890             | 80,000            | (24,890)                                              | (23.7)            |
| Interloans to Madison Heights          | 10,278            | 11,447              | 12,500            | 1,053                                                 | 9.2               |
| Materials Circulated                   | 113,106           | 116,723             | 119,000           | 2,277                                                 | 2.0               |
| Outreach Visits                        | 35                | 16                  | 15                | (1)                                                   | (6.3)             |
| Patron Registrations                   | 1,984             | 2,100               | 2,400             | 300                                                   | 14.3              |
| Public Internet Access Use             | 35,515            | 36,000              | 38,500            | 2,500                                                 | 6.9               |
| Reference Questions                    | 7,473             | 7,896               | 8,500             | 604                                                   | 7.6               |
| <b><u>Efficiency/Effectiveness</u></b> |                   |                     |                   |                                                       |                   |
| Average Number of Check Outs per Week  | 2,175             | 2,245               | 2,269             | 24                                                    | 1.1               |
| Average Days to Shelve Returned Items  | 1                 | 1                   | 1                 | 0                                                     | 0.0               |

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$490,568         | \$406,443           | \$276,280         | \$(130,163)                                           | (32.0)            |
| Supplies                   | 3,263             | 3,395               | 3,395             | 0                                                     | 0.0               |
| Other Services and Charges | 97,647            | 104,820             | 104,825           | 5                                                     | 0.0               |
| Capital Outlay             | 23,562            | 15,407              | 15,407            | 0                                                     | 0.0               |
| Total                      | \$615,040         | \$530,065           | \$399,907         | \$(130,158)                                           | (24.6)            |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| State Library Aid          | \$45,801          | \$11,723            | \$0               | \$(11,723)                                            | (100.0)           |
| County Penal Fines         | 41,589            | 42,000              | 41,589            | (411)                                                 | (1.0)             |
| Book Fines                 | 15,673            | 17,720              | 21,500            | 3,780                                                 | 21.3              |
| Video Revenues             | 3,426             | 2,750               | 1,500             | (1,250)                                               | (45.5)            |
| General Fund               | 508,551           | 455,872             | 335,318           | (120,554)                                             | (26.4)            |
| Total                      | \$615,040         | \$530,065           | \$399,907         | \$(130,158)                                           | (24.6)            |

## Key Issues

- In light of the financial difficulties created by falling property tax revenues and reductions in State Shared revenues, the City plans to:
  - Reduce Library hours from 50 to 32 hours per week, closing in the month of August and six additional days in December, and eliminating two full-time and one part-time library position (\$126,000); and
  - Initiate new revenue measures including increase in non-resident checkout fees, visitor Internet pass fee, special youth program charge, and changes to Library fine criteria and DVD checkout charges.
- The Capital Outlay Budget includes funding for Digital Versatile/Video Disc (\$850), books (\$13,700) and audio visual items (\$850).





## **OTHER FUNDS**

These funds are categorized to distinguish the specific reason for the expenditure of funds. Included in this segment are the following funds:

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# Major Street Fund

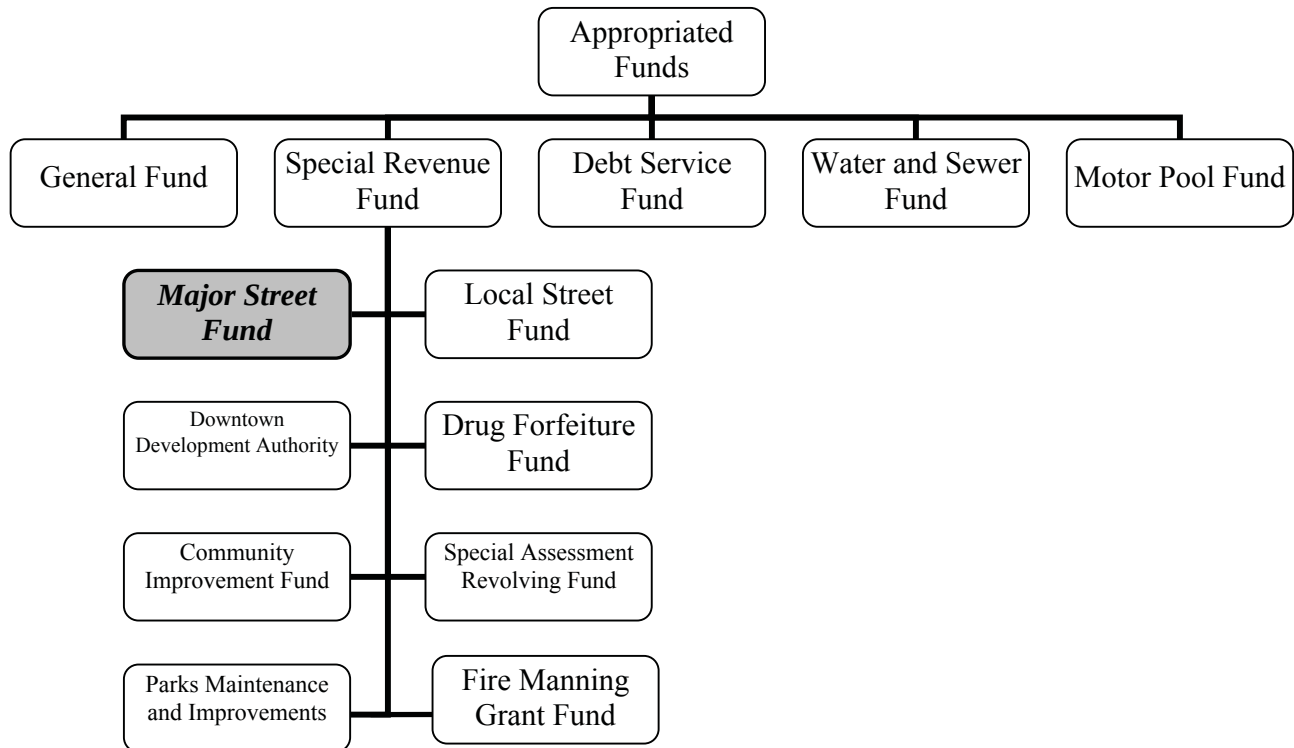
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## Statement of Services

The Major Street Fund maintenance is supported by the Department of Public Service and staffed with an allocation of 1 Coordinator, 9 Equipment Operators, 1 part-time Seasonal Laborer and part of a full-time administrative support position.

The Major Street Fund accounts for expenditures associated with the maintenance needs of the major street portion of the City's street network. This Fund is financed directly from the State gas and weight taxes, interest on investment and maintenance reimbursements from Oakland and Macomb Counties Road Commissions.

## Organizational Fund Structure



## Financial Summary

|                      | Actual<br>2009-10  | Estimate<br>2010-11 | Budget<br>2011-12  | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------|--------------------|---------------------|--------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b> |                    |                     |                    |                                                       |                   |
| Construction         | \$902,213          | \$575,000           | \$495,013          | \$(79,987)                                            | (13.9)            |
| Maintenance          | 165,167            | 204,928             | 205,402            | 474                                                   | 0.2               |
| Traffic Services     | 172,576            | 194,009             | 191,807            | (2,202)                                               | (1.1)             |
| Winter Maintenance   | 185,114            | 230,586             | 236,629            | 6,043                                                 | 2.6               |
| Administration       | 65,864             | 64,525              | 35,881             | (28,644)                                              | (44.4)            |
| County Roads         | 131,110            | 147,992             | 138,865            | (9,127)                                               | (6.2)             |
| Transfers            | 250,000            | 200,000             | 0                  | (200,000)                                             | (100.0)           |
| <b>Total</b>         | <b>\$1,872,044</b> | <b>\$1,617,040</b>  | <b>\$1,303,597</b> | <b>\$(313,443)</b>                                    | <b>(19.4)</b>     |
| <b>Resources:</b>    |                    |                     |                    |                                                       |                   |
| State                | \$1,190,531        | \$1,041,340         | \$1,107,004        | \$65,664                                              | 6.3               |
| County               | 271,387            | 162,134             | 73,473             | (88,661)                                              | (54.7)            |
| Interest             | 81                 | 2,500               | 1,000              | (1,500)                                               | (60.0)            |
| Transfers            | 0                  | 0                   | 140,012            | 140,012                                               | 100.0             |
| Fund Balance         | 410,045            | 411,066             | (17,892)           | (428,958)                                             | (104.4)           |
| <b>Total</b>         | <b>\$1,872,044</b> | <b>\$1,617,040</b>  | <b>\$1,303,597</b> | <b>(313,443)</b>                                      | <b>(19.4)</b>     |
| <b>Fund Balance*</b> | <b>\$89,955</b>    | <b>\$(321,111)</b>  | <b>\$(303,219)</b> | <b>\$17,892</b>                                       | <b>5.6</b>        |

\*The revised projected Fund Balance for FY 2011-12 is a positive \$72,892. The Fund Balance increase of \$376,111 is the result of road construction work completed ahead of schedule and prior to the start of the FY 2010-11 Budget on July 1, 2010.

## Key Issues

- The budget for State Shared revenues for gas and weight tax increased slightly from last year, given the large reduction in FY 2010-11 from the State was only about half of what was anticipated.
- On February 22, 2011, the Oakland County Federal Aid Task Force Funding Committee awarded the City federal assistance to rehabilitate John R with an asphalt overlay from 11 Mile to the Red Run Drain north of 12 Mile for construction in 2015. The grant provided will be 50%, or \$855,000, of the \$1.7 million project. In an effort to accumulate the City's 50% match, the FY 2011-12 Budget will include the first of four appropriations of \$214,000 in the form of a transfer from the General Fund.
- To address much needed concrete repair on John R south of Gardenia and Whitcomb west of John R, \$271,000 has been programmed in an effort to extend the useful life of these roads until additional funding is available for full rehabilitation.
- In recent years, the City has been working with the Road Commission for Oakland County to identify traffic signals that are expensive to maintain that inhibit traffic flow and do not enhance traffic safety but result in significant maintenance costs. A total of \$10,000 has been programmed to evaluate signals, including the signal on the westbound I-696 service drive just east of John R that serves a limited amount of traffic.

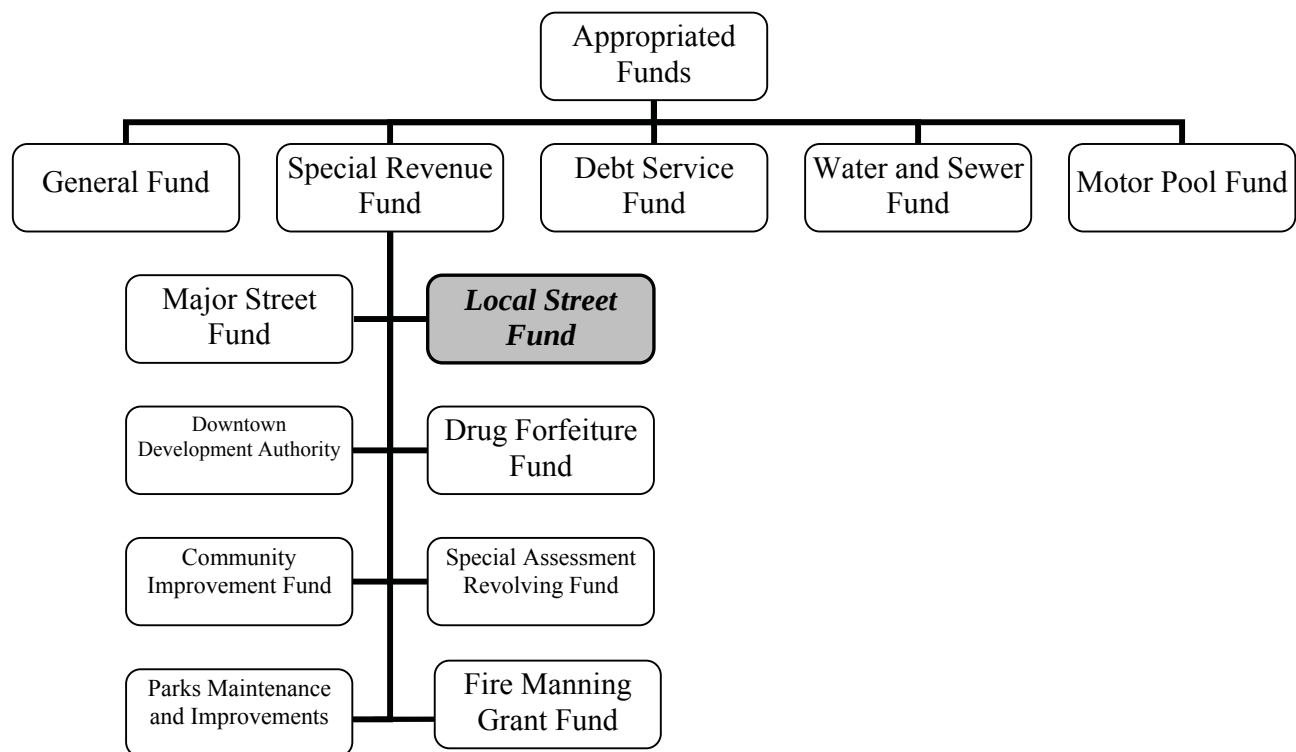
# Local Street Fund

## Statement of Services

The Local Street Fund maintenance is supported by the Department of Public Service and staffed with an allocation of 1 Coordinator, 9 Equipment Operators, 1 part-time Seasonal Laborer and part of a full-time administrative support position.

The Local Street Fund accounts for expenditures associated with construction and maintenance needs of the local street portion of the City's street network. This Fund is financed directly from the City's share of State gas and weight taxes, transfers from the General Fund and interest income.

## Organizational Fund Structure



## Financial Summary

|                         | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>    |                   |                     |                   |                                                       |                   |
| Construction            | \$2,437,488       | \$1,596,000         | \$3,992,000       | \$2,396,000                                           | 150.1             |
| Maintenance             | 364,494           | 410,893             | 409,539           | (1,354)                                               | (0.3)             |
| Traffic Services        | 115,755           | 115,229             | 116,728           | 1,499                                                 | 1.3               |
| Winter Maintenance      | 70,918            | 78,886              | 74,029            | (4,857)                                               | (6.2)             |
| Administration          | 37,837            | 38,760              | 32,892            | (5,868)                                               | (15.1)            |
| Transfers               | 0                 | 20,000              | 20,000            | 0                                                     | 0.0               |
| Total                   | \$3,026,492       | \$2,259,768         | \$4,645,188       | \$2,385,420                                           | 105.6             |
| <b>Resources:</b>       |                   |                     |                   |                                                       |                   |
| State                   | \$446,211         | \$390,297           | \$417,647         | \$27,350                                              | 7.0               |
| Interest                | 38,664            | 130,000             | 60,500            | (69,500)                                              | (53.5)            |
| Transfers               | 2,902,099         | 2,257,787           | 1,953,204         | (304,583)                                             | (13.5)            |
| Fund Balance            | (360,482)         | (518,316)           | 2,213,837         | 2,732,153                                             | (527.1)           |
| Total                   | \$3,026,492       | \$2,259,768         | \$4,645,188       | \$2,385,420                                           | 105.6             |
| Unreserved Fund Balance | \$(55,670)        | \$20,859            | \$65,818          | \$44,959                                              | 215.5             |
| Reserved Fund Balance   | \$5,701,686       | \$6,661,789         | \$4,602,993       | \$(2,058,796)                                         | (30.9)            |

## Key Issues

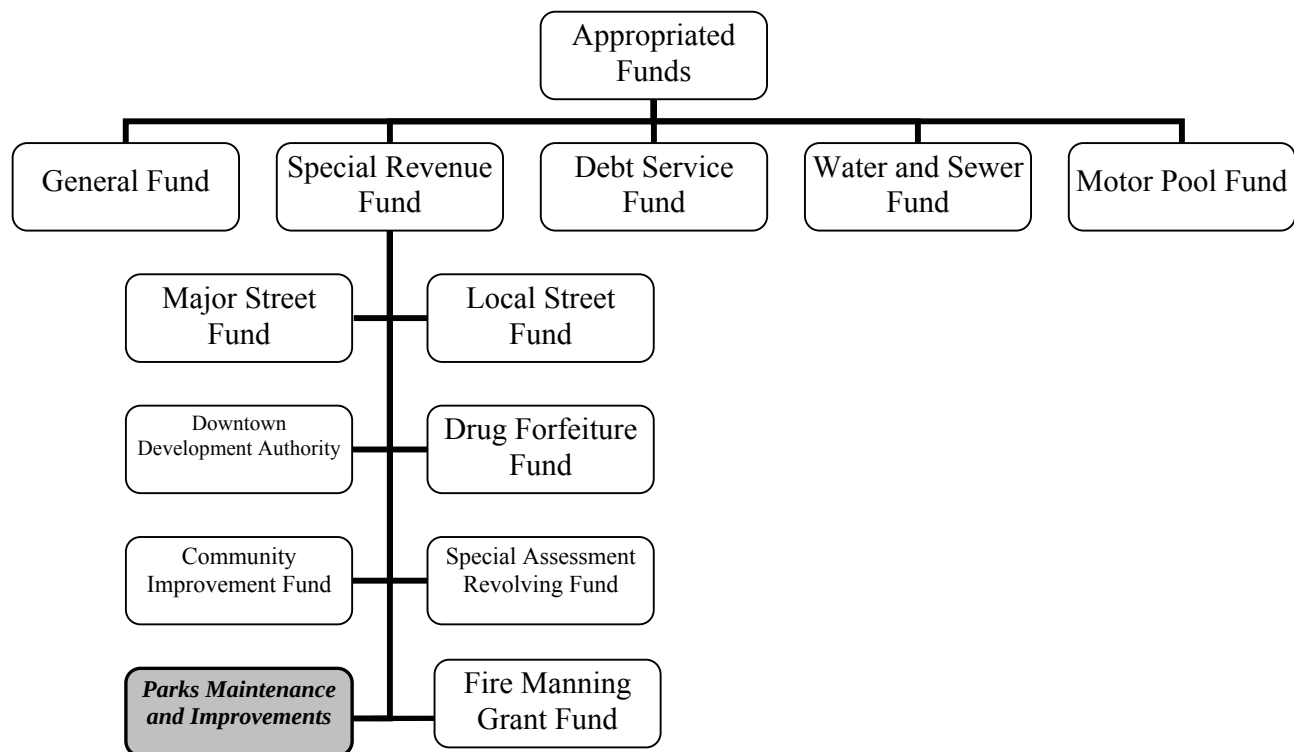
- The Local Street Fund accounts for expenditures associated with the construction and maintenance needs of our local street network and can be divided into the Proposal “R-2” road construction and the non-“R-2” related expenditures. Although the “R-2” portion of the Fund is in sound shape, the remainder of the Fund’s activities have struggled through a continual decline of the State gas and weight tax as a result of decreased gas consumption by Michigan drivers. In the past, the Major Street Fund has transferred up to \$200,000 to the Local Street Fund as a subsidy. To allow the Major Street Fund to address urgent repair needs, this year’s \$200,000 subsidy will come through a transfer from the General Fund.
- The Proposal “R-2” road construction projects scheduled for this year include Gardenia from John R to Lorenz (\$550,000), Alger from Parker south to Gardenia (\$457,000), Townley from 11 Mile to University (\$321,000), Shacket from Huntington to Spoon (\$700,000), Sherry from Girard to Parkdale (\$420,000), Groveland and University intersection (\$594,000), Huntington from Campbell to Mark (\$440,000), Longfellow from Garry to 30290 Longfellow (\$262,000). With a low level of major street construction scheduled for 2011, the City Council approved the staff proposal to move up those neighborhood road improvement projects that were originally scheduled for 2012 to 2011 construction, bringing the total scheduled projects to \$3.7 million.
- Also, as called for in the “R-2” plan, the Budget includes \$228,000 in concrete repair (including a stretch of Winthrop between Westmore and Sheffield) and \$20,000 contribution to the annual sidewalk repair program for key flag squares and ramps.

# Parks Maintenance and Improvement

## Statement of Services

The Parks Maintenance and Improvements Fund was created as a result of a negotiated agreement between the George W. Kuhn (GWK) Drainage District and the Madison Heights City Manager. Under the agreement, the City in November 2007 received a one time payment of \$850,000 in exchange for the commitment to operate and maintain a 10-acre soccer complex for a 25 year period. The “Red Oaks Soccer Complex” includes nine youth soccer fields, a concession/meeting building, picnic pavilion, 245 space parking lot and playground. The \$2.1 million soccer complex was built by the GWK Drainage District with contributions of \$150,000 from the adjoining Lowe’s and \$200,000 from the Oakland County Parks and Recreation Commission. The principal and interest on the original payment is not restricted to just the Red Oaks Soccer Complex, but may be used to fund any Madison Heights park system improvement.

## Organizational Fund Structure



## Financial Summary

|                        | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>   |                   |                     |                   |                                                       |                   |
| Maintenance            | \$140,715         | \$11,523            | \$23,659          | \$12,136                                              | 105.3             |
| Transfers              | 15,768            | 0                   | 0                 | 0                                                     | 0.0               |
| Total                  | \$156,483         | \$11,523            | \$23,659          | \$12,136                                              | 105.3             |
| <b>Resources:</b>      |                   |                     |                   |                                                       |                   |
| Interest/Miscellaneous | \$16,068          | \$8,000             | \$14,800          | \$6,800                                               | 85.0              |
| County Shared Revenues | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Fund Balance           | 140,415           | 3,523               | 8,859             | 5,336                                                 | 151.5             |
| Total                  | \$156,483         | \$11,523            | \$23,659          | \$12,136                                              | 105.3             |

|              |           |           |           |           |       |
|--------------|-----------|-----------|-----------|-----------|-------|
| Fund Balance | \$727,043 | \$723,520 | \$714,661 | \$(8,859) | (1.2) |
|--------------|-----------|-----------|-----------|-----------|-------|

## Key Issues

- The Red Oaks Youth Soccer Complex was first opened in the fall of 2008, but closed for drain construction in 2009. The 10 acre site includes nine soccer fields, a concession/restroom/meeting building and attached picnic pavilion. In 2009, new playscape equipment funded by the Oakland County Parks and Recreation Commission was installed. The complex opened for the Fall 2010 soccer season.
- On January 5, 2009, the Governor signed Public Act 404 of 2008. This legislation allows the City to invest the one-time George W. Kuhn Drainage District payment of \$850,000 in a long-term portfolio to maximize investment returns generating additional income over the term of the 25-year agreement. The revenue generated from these investments will support the maintenance and improvement of not only the Red Oaks Youth Soccer Complex, but also the City's entire 12 park system.
- On January 24, 2011, the City entered into an agreement with the Oakland County Parks and Recreation Commission, who will provide grounds maintenance including lawn, sod, fertilization and weed control services, as well as snow and ice control, on the parking lots and sidewalks.



# Downtown Development Authority

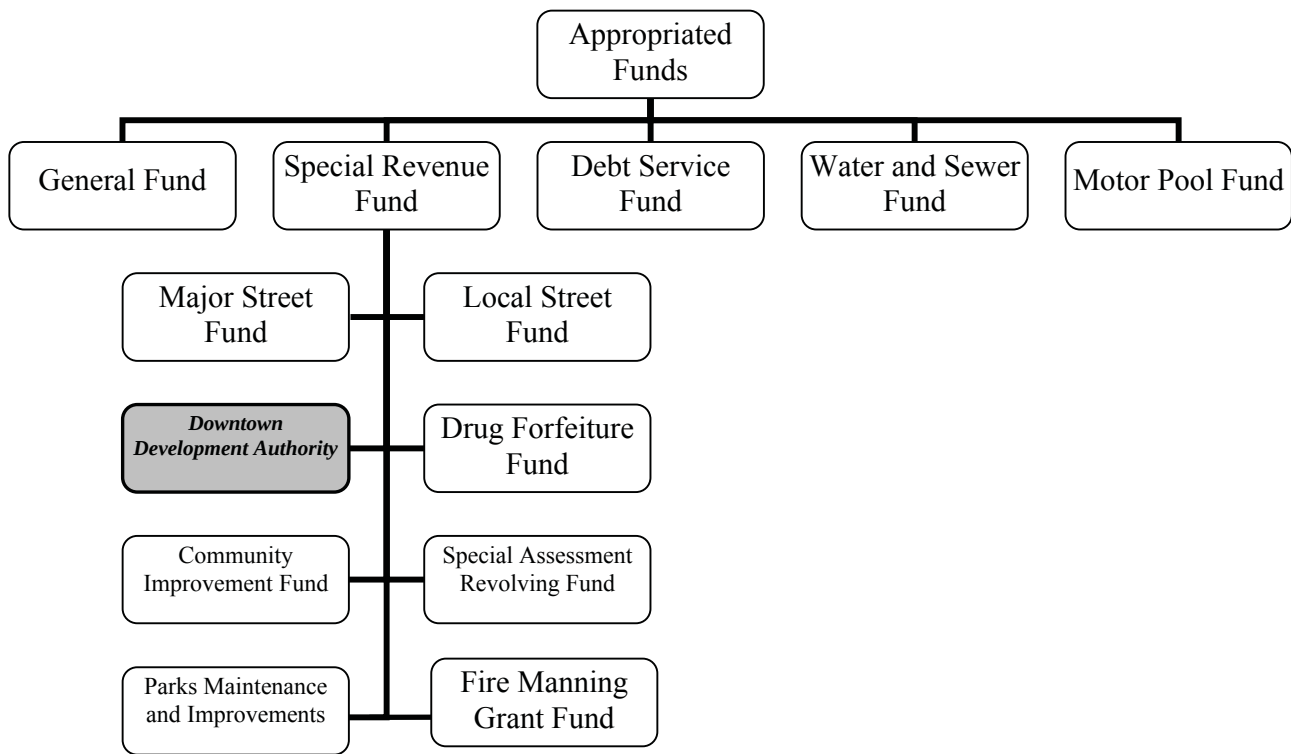
## Statement of Services

The Downtown Development Authority (DDA) is supported by the Community Development Department and was established to correct and prevent stagnation and deterioration within the south end commercial business district.

The boundaries of the District include properties abutting John R Road from Gardenia to Ten Mile Road and Eleven Mile Road from I-75 to Lorenz. These properties are primarily zoned and used for commercial and industrial purposes.

This Fund is financed from the capture of incremental property taxes on properties within the District.

## Organizational Fund Structure



### Accomplishments

#### **Resource Management:**

- Business retention, ombudsmen and new business welcome programs included more than 650 visits to local businesses.
- Two DDA business events held in 2010 for DDA business and property owners - Art Challenge and Around the Globe Taste Fest.
- Two businesses received sign grants for new signage in 2010.
- One business received a façade grant in 2010.
- Sectional concrete repair of northbound John R - 11 Mile to Gardenia.

### Objectives

#### **Resource Management:**

- Continue highly successful Art Challenge and Around the Globe Taste Fest events.
- Subject to funding, continue sectional concrete repair program on southbound John R from 11 Mile to Gardenia.

## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Other Services and Charges | \$87,596          | \$52,202            | \$12,807          | (39,395)                                              | (75.5)            |
| Construction               | \$528,750         | \$139,468           | \$0               | (139,468)                                             | (100.0)           |
| Transfers                  | 71,335            | 72,354              | 93,394            | 21,040                                                | 29.1              |
| Total                      | \$687,681         | \$264,024           | \$106,201         | \$(157,823)                                           | (59.8)            |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Property Taxes             | \$236,497         | \$182,757           | \$101,300         | \$(81,457)                                            | (44.6)            |
| Interest/Miscellaneous     | 4,695             | 2,000               | 2,000             | 0                                                     | 0.0               |
| Fund Balance               | 446,489           | 79,267              | 2,901             | (76,366)                                              | (96.3)            |
| Total                      | \$687,681         | \$264,024           | \$106,201         | \$(157,823)                                           | (59.8)            |
| Fund Balance*              | \$(19,690)        | \$(98,957)          | \$(101,858)       | \$(2,901)                                             | 0.0               |

\*The revised projected Fund Balance for FY 2011-12 is \$7,300. The Fund Balance increase of \$106,000 is the result of road construction work completed ahead of schedule and prior to the start of the FY 2010-11 Budget on July 1, 2010.

## Key Issues

- The FY 2011-12 Budget includes the following major expenditures:
  - \$ 67,000 - DDA funding match of 50% for the Economic Development Program and code enforcement support
  - \$ 5,000 - Right-of-way mowing
  - \$ 5,000 - Public right-of-way trash receptacle program
  - \$ 26,000 - John R maintenance

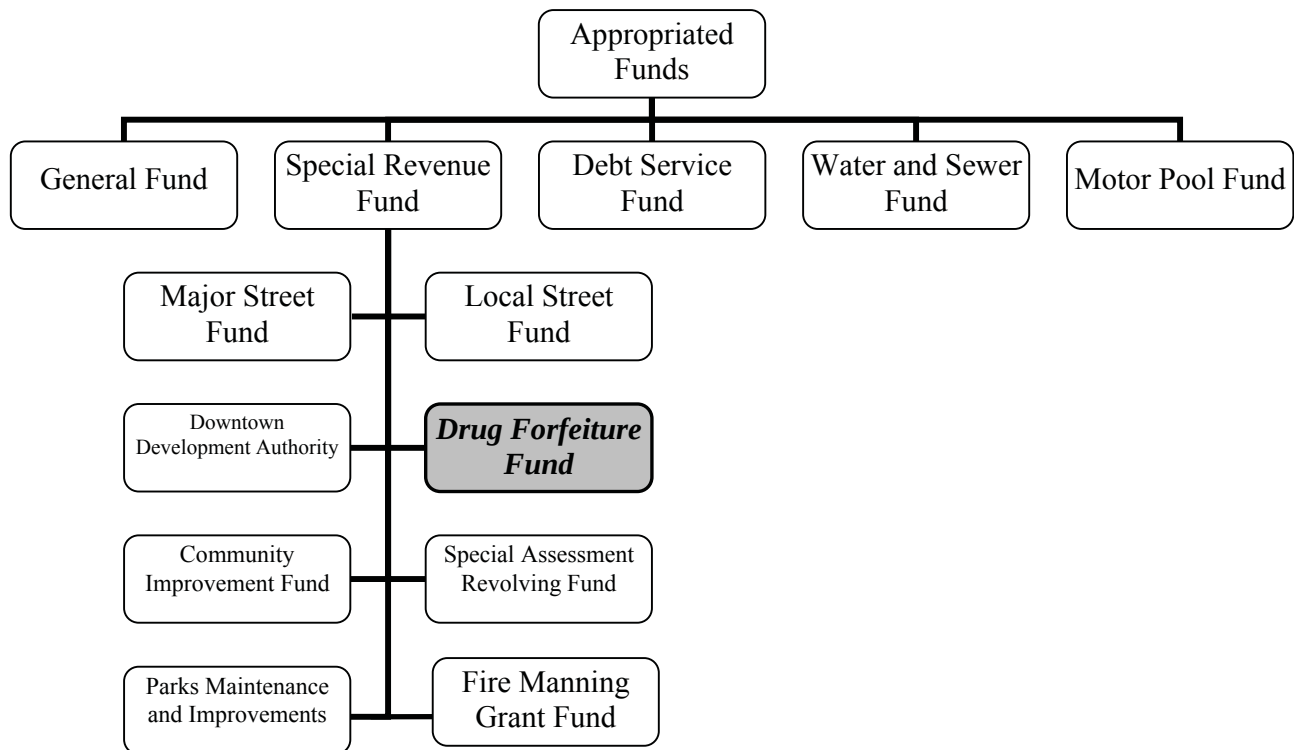
# Drug Forfeiture Fund

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## Statement of Services

The Drug Forfeiture Fund is used to account for revenues generated by drug forfeitures and expenditures related to the enforcement of drug laws per Public Act 251 of 1982.

## Organizational Fund Structure



## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Supplies                   | \$3,500           | \$0                 | \$0               | 0                                                     | 0.0               |
| Other Charges and Services | 117,973           | 0                   | 2,000             | 2,000                                                 | 0.0               |
| Capital Outlay             | 9,925             | 94,000              | 103,000           | 9,000                                                 | 9.6               |
| Total                      | \$131,398         | \$94,000            | \$105,000         | \$11,000                                              | 11.7              |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Drug Forfeiture            | \$103,647         | \$55,500            | \$55,500          | \$0                                                   | 0.0               |
| Interest Income            | 28                | 1,000               | 1,000             | \$0                                                   | 0.0               |
| Fund Balance               | 27,723            | 37,500              | 48,500            | \$11,000                                              | 29.3              |
| Total                      | \$131,398         | \$94,000            | \$105,000         | \$11,000                                              | 11.7              |
|                            |                   |                     |                   |                                                       |                   |
| Fund Balance               | \$126,793         | \$89,293            | \$40,793          | \$(48,500)                                            | (54.3)            |

## Key Issues

- The Capital Outlay Budget includes funding for the replacement of four police patrol vehicles (\$98,000) and the purchase of two hand-held speed detection laser devices that measure the speed of vehicles (\$5,000).

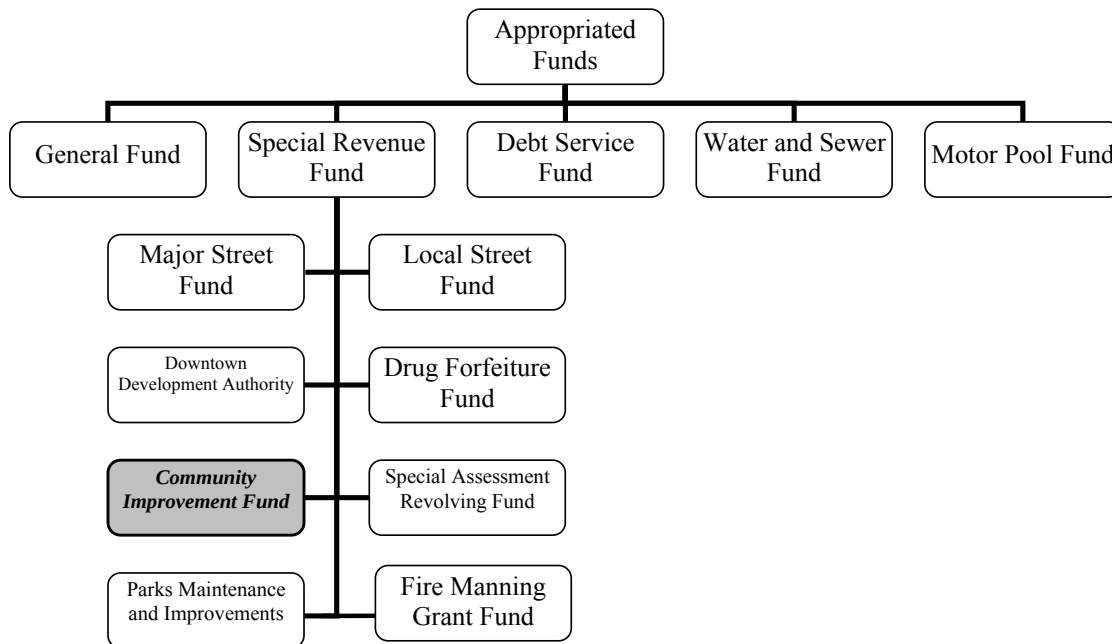
# Community Improvement Fund

## Statement of Services

The Community Improvement Program is a federally funded Division of the Community Development Department that administers the City's Housing and Urban Development (HUD) Community Development Block Grant (CDBG), Housing Commission and the Neighborhood Stabilization Program Funds. The Community Improvement Division includes one full-time Community Housing and Grants Supervisor, one full-time Housing Program Assistant and one full-time Code Enforcement Officer.

Block Grant funds have been used for the yard services program (lawn mowing and snow removal), code enforcement, minor home repair, barrier free improvements and other similar projects that benefit low and moderate-income residents. These funds also provide assistance to low-income families in securing low-interest and/or deferred home improvement loans. The Housing Commission uses federal grant funds to subsidize the rent for over 260 low-income tenants.

## Organizational Fund Structure



## Accomplishments

### Quality of Life:

- Achieved a utilization rate for Federal Housing Section 8 Rental Assistance Program of 95%.
- Maintained a spending ratio of less than 1.5% of the Community Development Block Grant (CDBG) allocations, as requested by Oakland County Community and Home Improvement.
- Finalized utilization of \$1.4 million in Neighborhood Stabilization Program (NSP) funds to demolish 11 blighted vacant single-family structures, rehabilitated five and constructed three new single-family homes for low and moderate families, demolished a blighted school building, purchased land and constructed a neighborhood park in the NSP target area.

## Objectives

### Quality of Life:

- Maintain a spending ratio of less than 1.5% of the CDBG allocations.
- Maintain adequate Section 8 Management Assessment Program score.
- Maintain 95% or higher utilization rate for Federal Housing Section 8.
- Monitor NSP implementation compliance.

## Performance Measures

|                                   | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>      |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b> |                   |                     |                   |                                                       |                   |
| Home Chore Assignments            | 1,639             | 1,900               | 1,800             | (100)                                                 | (5.3)             |
| Home Rehabilitations              | 27                | 12                  | 13                | 1                                                     | 8.3               |
| Minor Home Repair                 | 3                 | 4                   | 5                 | 1                                                     | 25.0              |
| Self Sufficiency Contracts        | 4                 | 6                   | 6                 | 0                                                     | 0.0               |
| Units Under Contract              | 267               | 275                 | 280               | 5                                                     | 1.8               |

## Financial Summary

|                                  | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>             |                   |                     |                   |                                                       |                   |
| Personal Services                | \$219,028         | \$248,382           | \$268,101         | \$19,719                                              | 7.9               |
| Supplies                         | 347               | 500                 | 0                 | (500)                                                 | (100.0)           |
| Other Services and Charges       | 1,547,591         | 1,689,784           | 1,669,012         | (20,772)                                              | (1.2)             |
| Capital Outlay                   | 0                 | 0                   | 28,021            | 28,021                                                | 100.0             |
| Transfers                        | 0                 | 9,000               | 36,684            | 27,684                                                | 307.6             |
| Total                            | \$1,766,966       | \$1,947,666         | \$2,001,818       | \$54,152                                              | 2.8               |
| <b>Resources:</b>                |                   |                     |                   |                                                       |                   |
| Federal Assistance               | \$1,790,550       | \$1,807,750         | \$1,841,765       | \$34,015                                              | 1.9               |
| Community Develop. Grant         | 89,923            | 129,394             | 134,021           | 4,627                                                 | 3.6               |
| Interest & Miscellaneous<br>Rev. | 12,105            | 9,705               | 6,000             | (3,705)                                               | (38.2)            |
| Fund Balance                     | (125,612)         | 817                 | 20,032            | 19,215                                                | 2,351.9           |
| Total                            | \$1,766,966       | \$1,947,666         | \$2,001,818       | \$54,152                                              | 2.8               |
| Fund Balance                     | \$25,746          | \$24,929            | \$4,897           | \$(20,032)                                            | (80.4)            |

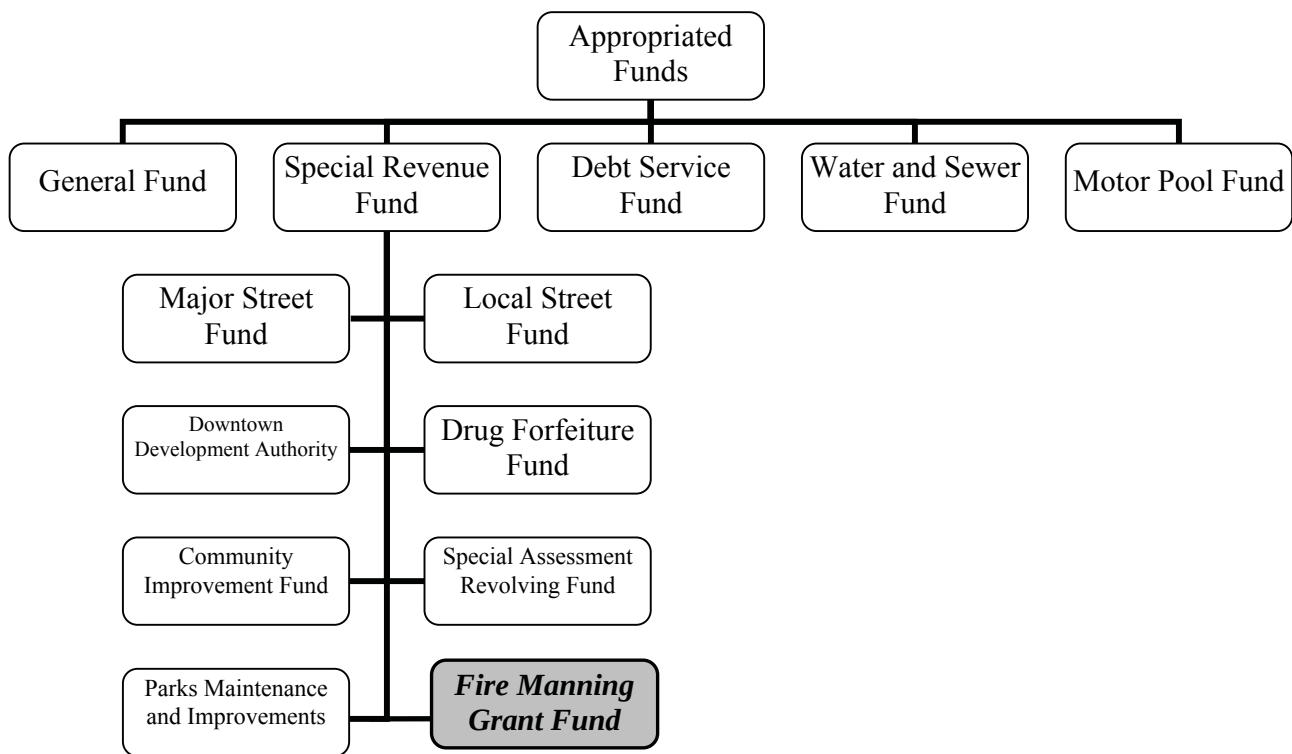
## Key Issues

- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and 25% of the Community Improvement Supervisor (the remaining 75% funded through the Housing Fund); a Home Chore Program, including mowing and snow shoveling for seniors; and minor home repair for emergency repairs for qualifying households.
- The Housing Assistance Program supports: funding for one Housing Assistant and 75% of the Community Improvement Supervisor; and funding at the 287 family level (regular 237 and disability 50). The Federal government is programmed to provide \$61.15 per unit per month to offset the City's local administration costs.
- In March of 2009, the City received funding for the Neighborhood Stabilization Program through a Federal grant to provide assistance for acquisition, redevelopment and/or demolition of foreclosed and abandoned properties in an effort to stabilize neighborhoods with declining housing values. Under this program, the City received \$1.4 million to spend toward: the purchase and demolition of vacant and foreclosed homes; the purchase, renovation and sale of vacant and foreclosed homes; and in a special cooperative effort with the Madison Public Schools that resulted in the demolition of the old blighted Monroe School Building, the purchase of one acre for a City park and the installation of park improvements at that location. In March of 2010 and 2011, the City Council approved the donation of property to Habitat for Humanity of Oakland County to use additional NSP funding to construct six new homes on properties obtained through this program.

# Fire Manning Grant Fund

## Statement of Services

The Fire Manning Grant Fund was created to account for the United States Department of Homeland Security Federal Emergency Management Agency's Staffing for Fire and Emergency Response (SAFER) Grant awarded to the City on December 31, 2010. The grant provided the funding to bring back two fire fighters that were laid off on June 30, 2010 due to the General Fund's financial constraints. The Fire Manning Grant Fund will account for the reimbursement of the majority of expenses (excluded overtime and uniform allowance) associated with the two firefighter positions for a two-year period starting January 17, 2011.



## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$0               | \$0                 | \$231,932         | \$231,932                                             | 0.0               |
| Supplies                   | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Other Services and Charges | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$0               | \$0                 | \$231,932         | \$231,932                                             | 0.0               |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Federal                    | \$0               | \$0                 | \$231,932         | \$231,932                                             | 0.0               |
| General Fund               | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$0               | \$0                 | \$231,932         | \$231,932                                             | 0.0               |

## Key Issues

- The grant will provide majority funding for two firefighter positions until January 17, 2012.



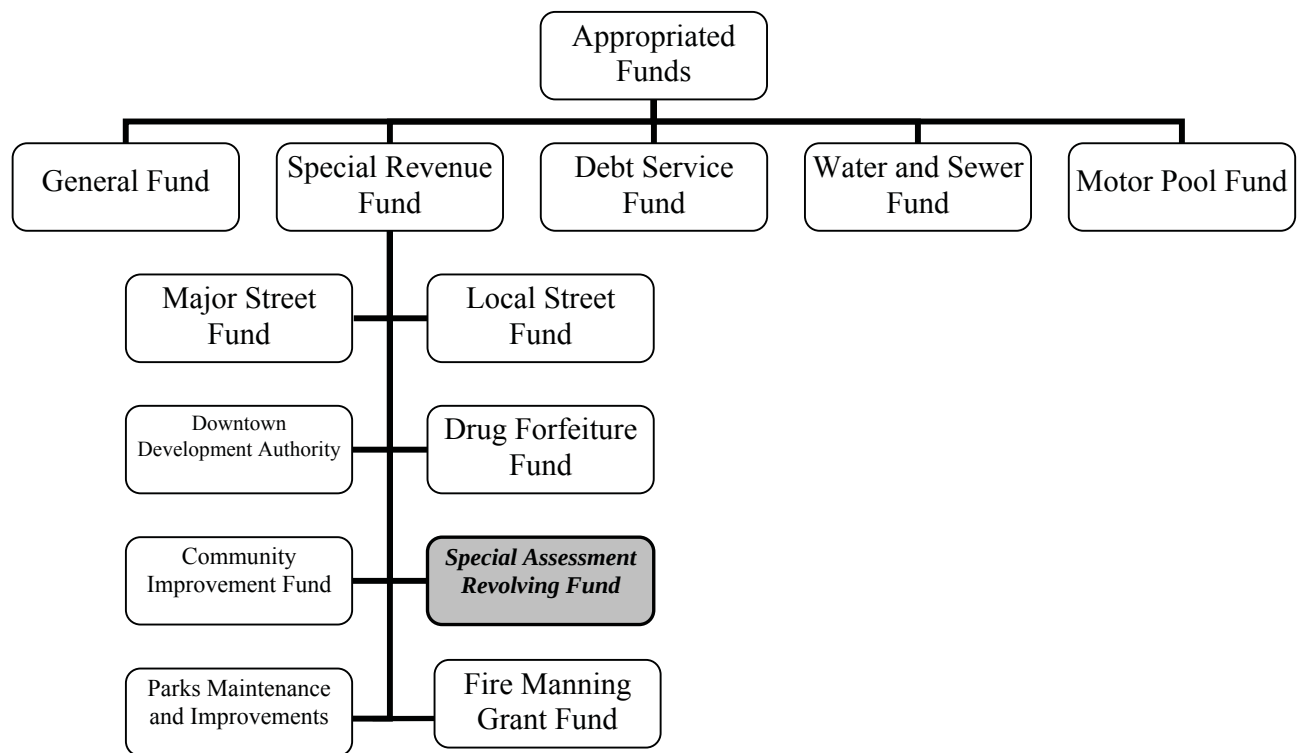
# Special Assessment Revolving Fund

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## Statement of Services

The Special Assessment Revolving Fund is supported by the Community Development Department and is used to account for the payment of construction of sidewalks, roads and other City projects. Revenues are realized from property owners' special assessment payments and interest income.

## Organizational Fund Structure



## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Other Services and Charges | \$2,654           | \$2,698             | \$2,779           | \$81                                                  | 3.0               |
| Capital Outlay             | 410,099           | 420,000             | 425,000           | 5,000                                                 | 0.0               |
| Transfers                  | 298,229           | 0                   | 25,000            | 25,000                                                | 100.0             |
| Total                      | \$710,982         | \$422,698           | \$452,779         | \$30,081                                              | 7.1               |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Interest Income            | \$7,680           | \$8,500             | \$10,000          | \$1,500                                               | 17.6              |
| Special Assessment Revenue | 799,423           | 367,613             | 330,093           | (37,520)                                              | (10.2)            |
| Transfers                  | 0                 | 20,000              | 20,000            | 0                                                     | 0.0               |
| Fund Balance               | (96,121)          | 26,585              | 92,686            | 66,101                                                | 248.6             |
| Total                      | \$710,982         | \$422,698           | \$452,779         | \$30,081                                              | 7.1               |
| Fund Balance               | \$598,177         | \$571,592           | \$478,906         | \$(92,686)                                            | (16.2)            |

## Key Issues

- A total of \$425,000 has been budgeted to support year nine of the Sidewalk Repair and Gap Program. The year nine repair program includes an area bounded by 13 Mile, I-75, 14 Mile and Campbell Road.

Under the program, the City inspects the sidewalks and identifies those squares in need of replacement. After the assessment district is established, a contractor is hired and work is completed. The property owners have up to three years to reimburse the City through an annual special assessment billing for the cost of the sidewalk replacement.

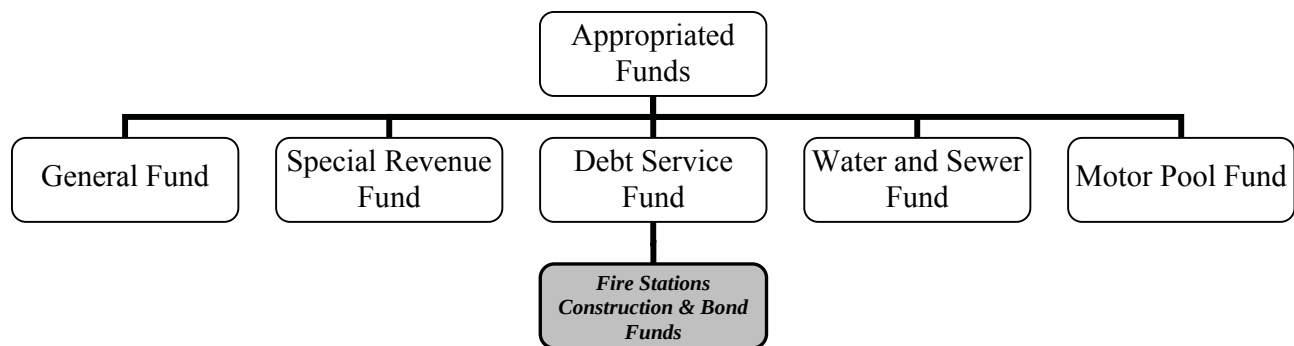
# Fire Stations Construction and Bond Funds

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## Statement of Services

The Fire Stations Bond Fund accounts for principal and interest payments on General Obligation Bonds issued in May 2003, to construct the new Fire Station Headquarters, demolish and redevelopment of the old building site and make renovations to Fire Station #2. Revenues are generated by an ad valorem property tax. The City also maintains a Fire Station Construction Fund to account for all expenditures associated with this project and related equipment purchases. Once the existing fund balance is exhausted, this fund will be eliminated.

## Organizational Fund Structure



## Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Other Services and Charges | \$1,037           | \$1,055             | \$1,089           | \$34                                                  | 3.2               |
| Debt Service               | 404,447           | 412,098             | 414,598           | 2,500                                                 | 0.6               |
| Capital Outlay             | 880               | 0                   | 30,646            | 30,646                                                | 100.0             |
| Transfers                  | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$406,364         | \$413,153           | \$446,333         | \$33,180                                              | 8.0               |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Property Taxes             | \$408,491         | \$401,268           | \$393,595         | \$(7,673)                                             | (1.9)             |
| Interest                   | 62                | 1,250               | 0                 | (1,250)                                               | (100.0)           |
| Fund Balance               | (2,189)           | 10,635              | 52,738            | 42,103                                                | 395.9             |
| Total                      | \$406,364         | \$413,153           | \$446,333         | \$33,180                                              | 8.0               |
|                            |                   |                     |                   |                                                       |                   |
| Fund Balance               | \$92,543          | \$81,908            | \$29,170          | \$(52,738)                                            | (64.4)            |

## Key Issues

- On August 6, 2002, Madison Heights' voters approved a proposal for the City to borrow \$5,926,000 and issue General Obligation Unlimited Tax Bonds, payable over the next 20 years for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, construction of a draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. A separate Construction and Debt Service Funds have been set up to record the actual project costs and the servicing of the bonds. The new Headquarters Fire Station opened in June 2004. The demolition of the old Fire Station and redevelopment of the Thirteen Mile Road frontage was completed in the fall of 2004.
- The Bond property tax millage is brought in through the General Fund and transferred to the Fire Stations Bond Fund. The Bond Fund is scheduled to make two payments totaling \$415,000 for principal and interest.

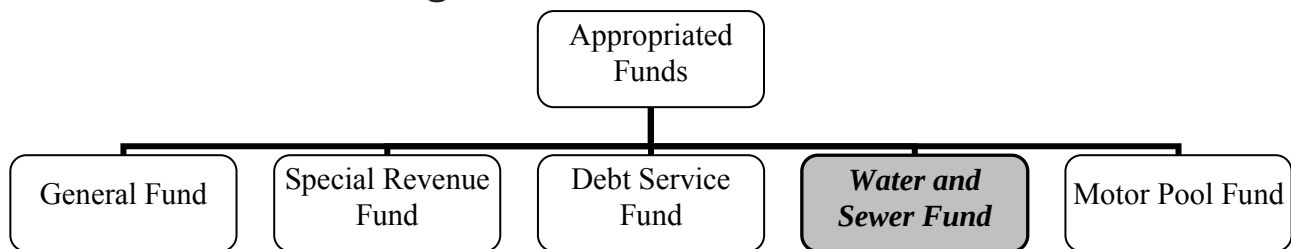
# Water and Sewer Division

## Statement of Services

The Water and Sewer Division of the Department of Public Service consists of 1 Water/Sewer Coordinator, 3 Sewer Maintenance Workers, 1 Water Meter Repair Worker and 3 Equipment Operators. The Division is responsible for:

- Providing water distribution and sewage collection to the City's citizens and businesses. This process begins with the purchase of water from the Detroit Water and Sewerage Department and ends with the City paying the Geroge W. Kuhn Drain District for the treatment of sewage that enters its facilities; and
- Handling all installation, repair and reading of all water meters; all repair work on water and sewer mains; gatewells; maintenance hole and catch basin structures; all cleaning of sewer mains, catch basins, gatewells and culverts; and repair work including pavement and landscape repairs arising from watermain breaks and/or sewer trench settlement.

## Organizational Fund Structure



### Accomplishments

#### Public Health:

- Replaced 250 feet of watermain for the crossover project on newly repaired roads.
- Cleaned sanitary sewers and catch basins in District #1 between 10 Mile to 11 Mile, Dequindre to Stephenson.
- Cleaned the catch basins on major roads.
- Repaired or replaced 75 curb boxes that were damaged.
- Stenciled around all catch basins "Flows to River" for Clinton River Watershed Program.
- Completed installation of Automated Meter Reading (AMR) transmitters on all residential homes.
- Completed all inside repairs to the AMR Transmitters to activate remote reading system.
- Began AMR antenna installation. Completed DPS and Police Station antennas.
- Completed cross training of employees in the Water/Sewer Department and Streets/Facilities Department.
- Continued Continuing Education Credit program for water employees with existing certifications as required.
- Helped eliminate water loss by shutting water off at vacant homes.
- Repaired and/or assisted on a number of watermain breaks throughout the City.
- Larvicided over 3,000 catch basins to fight the West Nile Virus.

### Objectives

#### Public Health:

- Clean catch basins and sanitary sewers in District #2 between 11 Mile to 12 Mile.
- Complete installation of the AMR system.
- Continue to cross train employees on all job-related issues.
- Continue annual cross-connection inspection and enforcement program.
- Maintain the water distribution system and the sewer infrastructure by locating and repairing problems, i.e., leaking stop boxes and failing sewer structures.
- Train water employees on fixed network water meter reading computer located at City Hall and take full advantage of system capabilities.
- Larvicide all City owned catch basins (3,000).
- Submit required water and storm water related reports to State of Michigan on a timely manner.
- Complete second City-wide leak detection study of water distribution system. Make necessary repairs.

## Performance Measures

|                                                 | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|-------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                    |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>               |                   |                     |                   |                                                       |                   |
| Avg Daily Water Flow<br>(Units*)                | 5,635             | 5,608               | 5,700             | 92                                                    | 1.6               |
| Curb Boxes Replaced                             | 75                | 132                 | 60                | (72)                                                  | (54.5)            |
| Main Break Repairs                              | 35                | 50                  | 45                | (5)                                                   | (10.0)            |
| New Watermain Installed<br>(Feet)               | 0                 | 250                 | 230               | (20)                                                  | (8.0)             |
| Water and Sewer Customers                       | 54,891            | 55,414              | 55,500            | 86                                                    | 0.2               |
| Sewer Backups Resolved                          | 5                 | 12                  | 7                 | (5)                                                   | (41.7)            |
| Register Head Replacements                      | 99                | 100                 | 150               | 50                                                    | 0.0               |
| <b><u>Efficiency/Effectiveness</u></b>          |                   |                     |                   |                                                       |                   |
| Distribution Water Loss                         | 5.3%              | 1.0%                | 0.8%              | (0.2%)                                                | (20.0)            |
| Combine Cost per unit for<br>water and sewer*   | \$4.80            | \$5.77              | \$6.10            | \$0.33                                                | 5.7               |
| Meter Reading Cost Per<br>Residential Customers | \$2.16            | \$2.63              | \$2.00            | (\$0.63)                                              | (24.0)            |

\* One unit equals 748  
gallons

## Key Issues

- In an attempt to modernize our system, staff has identified a fixed network water meter reading system as the latest state-of-the-art technology. Under this system, each water meter reading device is equipped with a transmitter, which transmits information on a daily basis to a set of 9 data collectors/antennas, that will be installed throughout Madison Heights, and will be linked to a central computer system. This system will allow daily water meter reads and would eliminate the need for the door-to-door monthly reading of commercial accounts and quarterly reading of residential accounts. To install this system is projected to cost \$1.4 million. The City has eliminated two water positions as a result of this new system.
- The average quarterly residential water and sewage bill is projected to rise by \$12.98 per quarter to \$150.18 (based on 2,200 cubic feet of consumption) or \$50.06 per month.

## Financial Summary

| <b>Requirements</b>          | Actual<br>2009-10  | Estimate<br>2010-11 | Budget<br>2011-12  | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|------------------------------|--------------------|---------------------|--------------------|-------------------------------------------------------|-------------------|
| Water Charges                | \$1,606,069        | \$1,747,378         | \$1,769,427        | \$22,049                                              | 1.3               |
| Water System Maintenance     | 769,720            | 711,537             | 708,424            | (3,113)                                               | (0.4)             |
| Water Tapping & Installation | 4,245              | 18,000              | 9,000              | (9,000)                                               | (50.0)            |
| Water Depreciation           | 269,495            | 430,310             | 270,600            | (159,710)                                             | (37.1)            |
| Sewage Disposal Charges      | 2,925,955          | 3,105,090           | 3,534,641          | 429,551                                               | 13.8              |
| Sewer System Maintenance     | 403,869            | 349,642             | 560,865            | 211,223                                               | 60.4              |
| Sewer Depreciation           | 360,250            | 408,700             | 358,473            | (50,227)                                              | (12.3)            |
| General Service Building     | 237,245            | 267,015             | 263,359            | (3,656)                                               | (1.4)             |
| General Administration       | 1,273,994          | 1,187,092           | 1,263,241          | 76,149                                                | 6.4               |
| Capital Outlay               | 0                  | 0                   | 60,000             | 60,000                                                | 0.0               |
| Debt Service                 | 290,722            | 1,065,913           | 1,025,241          | (40,672)                                              | (3.8)             |
| <b>Total</b>                 | <b>\$8,141,564</b> | <b>\$9,290,677</b>  | <b>\$9,823,271</b> | <b>\$532,594</b>                                      | <b>5.7</b>        |
| <b>Resources:</b>            |                    |                     |                    |                                                       |                   |
| Sales: Water                 | \$3,942,327        | \$4,204,210         | \$4,645,599        | \$441,389                                             | 10.5              |
| Sales: Sewer                 | 5,151,583          | 5,175,355           | 5,849,237          | 673,882                                               | 13.0              |
| Interest/Miscellaneous       | 87,638             | 33,000              | 37,000             | 4,000                                                 | 12.1              |
| Departmental Charges         | 29,550             | 29,550              | 27,050             | (2,500)                                               | (8.5)             |
| Transfers                    | 24,124             | 0                   | 0                  | 0                                                     | 0.0               |
| Retained Earnings            | (1,093,658)        | (151,438)           | (735,615)          | (584,177)                                             | 385.8             |
| <b>Total</b>                 | <b>\$8,141,564</b> | <b>\$9,290,677</b>  | <b>\$9,823,271</b> | <b>\$532,594</b>                                      | <b>5.7</b>        |

|                                 |             |             |             |           |      |
|---------------------------------|-------------|-------------|-------------|-----------|------|
| Unrestricted Retained Earnings* | \$1,773,118 | \$1,924,556 | \$2,660,171 | \$735,615 | 38.2 |
|---------------------------------|-------------|-------------|-------------|-----------|------|

\* The Water and Sewer's retained earnings is not representative of cash in this business-type fund and includes accounts receivable, depreciation and inventory. At June 30, 2010, the cash balance was \$738,420.

## Key Issues

- The City is doing an excellent job of reducing internal operating costs and rebuilding cash reserves. The principle funding problems stems from the projected increase of 6% from the Detroit Water and Sewage Board for water and a projected 12.5% increase from the Oakland County Water Resource Commissioner for sewage treatment, resulting in the combined increase of \$452,000. Staff has programmed a 9.8% increase to keep the Fund financially sound.
- The Capital Outlay Budget includes the replacement of a one-ton dump truck at a cost of \$60,000.

# Debt Summary

The City in the past has issued bonds to provide for the acquisition and construction of some major capital facilities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. Revenue Bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

- I. Fire Stations' General Obligation Unlimited Tax Bonds in the amount of \$5,926,000 was issued on May 1, 2003, payable over 20 years, for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, park and site improvements, construction of an underground storm water retention structure and draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. As of July 1, 2011, \$4,310,000 remains in principal payments.
- II. George W. Kuhn Drain Bonds and State Revolving Loan Debt was issued between October 2000 and August 2007. The total debt to be issued is estimated to be \$117,338,000 with Madison Heights' share being \$12,596,000. The bond and interest payments are being paid from the Water and Sewer Fund, with \$9,550,018 principal remaining as of July 1, 2011.
- III. Fixed Network Water Meter Reading System General Obligation Bonds in the amount of \$1,525,000 was issued on August 23, 2010. This bond is payable over 15 years for the purpose of paying cost of improvements to the City's water supply system and related sites, equipment, structures, attachments and appurtenances. As of July 1, 2011, \$1,455,000 principal is remaining.

## FY 2011-12 Budget

| General Obligations |           |           |           |
|---------------------|-----------|-----------|-----------|
|                     | Principal | Interest  | Total     |
| Fire Stations Bond  | \$260,000 | \$154,598 | \$414,598 |

| Water & Sewer Obligations        |           |           |             |
|----------------------------------|-----------|-----------|-------------|
|                                  | Principal | Interest  | Total       |
| George Kuhn Drain                | \$638,552 | \$262,276 | \$900,828   |
| Fixed Network Water Meter System | 75,000    | 49,413    | 124,413     |
| Water & Sewer Total              | \$713,552 | \$311,689 | \$1,025,241 |

|                    |           |           |             |
|--------------------|-----------|-----------|-------------|
| Total Debt Service | \$973,552 | \$466,287 | \$1,439,839 |
|--------------------|-----------|-----------|-------------|



# Motor Pool Division

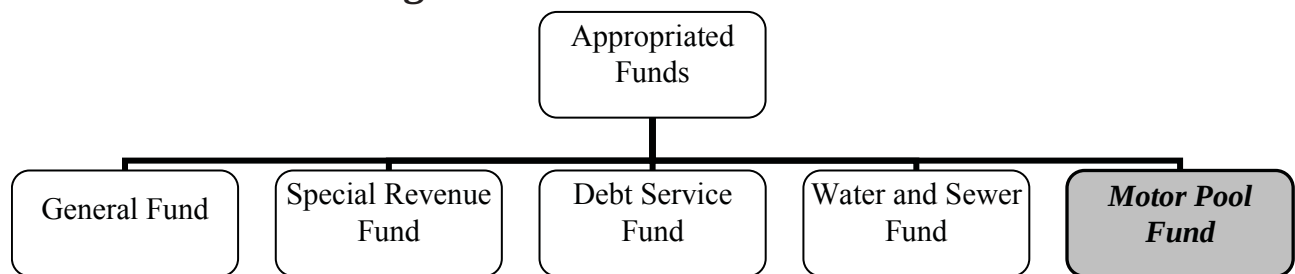
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## Statement of Services

The Motor Pool Division of the Department of Public Service consists of 1 Motor Pool Supervisor and 2 Mechanics. The Division is responsible for:

- Maintaining all City vehicles and related equipment, including keeping records on each vehicle and piece of equipment to help determine whether the cost of repair is justified;
- Inspecting for safety problems, protecting the employees and the general public, as well as keeping adequate vehicle and equipment parts in stock and updated; and
- Ordering gasoline and diesel fuel, and overseeing the work done on all emergency backup generators.

## Organizational Fund Structure



## Accomplishments

### Resource Management:

- Worked with other departments to draft and implement a No Idle policy. This will lower operating costs and reduce our environmental impact.
- Investigated, purchased and implemented the replacement of our gas cards with new gas keys. The keys increase our accountability and security of our fuel dispensing system.

## Objectives

### Resource Management:

- Continue vehicle replacement under the planned "V-2" millage with greater emphasis on fuel economy and, if funding is available, a Hybrid vehicle.
- Continue to equip our salt trucks with pre-wetting tanks to allow all our trucks to benefit from the use of brine.
- As the City is not able to replace some of our older equipment, implement an outsource refurbishment program.

### Performance Measures

|                                                        | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|--------------------------------------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Performance Measures:</b>                           |                   |                     |                   |                                                       |                   |
| <b><u>Workload Indicators</u></b>                      |                   |                     |                   |                                                       |                   |
| Fleet Size                                             | 249               | 247                 | 245               | (2)                                                   | (0.8)             |
| Total gallons gasoline purchased                       | 65,689            | 57,706              | 60,000            | 2,294                                                 | 4.0               |
| Total gallons diesel purchased                         | 35,443            | 31,280              | 32,000            | 720                                                   | 2.3               |
| <b><u>Efficiency/Effectiveness</u></b>                 |                   |                     |                   |                                                       |                   |
| Avg. cost - gallon of gasoline                         | \$1.72            | \$2.20              | \$2.29            | \$0.09                                                | 4.1               |
| Avg. cost - gallon of diesel                           | \$1.79            | \$2.30              | \$2.60            | \$0.30                                                | 13.0              |
| Avg. Maintenance expenditures per light/medium vehicle | \$671.20          | \$675.00            | \$670.00          | (\$5.00)                                              | (0.7)             |
| Work Orders                                            | 1,050             | 656                 | 700               | 44                                                    | 6.7               |

### Financial Summary

|                            | Actual<br>2009-10 | Estimate<br>2010-11 | Budget<br>2011-12 | Increase<br>(Decrease)<br>FY 2010-11<br>to FY 2011-12 | Percent<br>Change |
|----------------------------|-------------------|---------------------|-------------------|-------------------------------------------------------|-------------------|
| <b>Requirements:</b>       |                   |                     |                   |                                                       |                   |
| Personal Services          | \$414,523         | \$344,665           | \$367,617         | \$22,952                                              | 6.7               |
| Supplies                   | 230,393           | 368,750             | 234,250           | (134,500)                                             | (36.5)            |
| Other Services and Charges | 367,119           | 427,919             | 430,467           | 2,548                                                 | 0.6               |
| Capital Outlay             | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$1,012,035       | \$1,141,334         | \$1,032,334       | \$(109,000)                                           | (9.6)             |
| <b>Resources:</b>          |                   |                     |                   |                                                       |                   |
| Transfers-General Fund     | \$900,749         | \$919,294           | \$928,415         | \$9,121                                               | 1.0               |
| Transfers-Water and Sewer  | 111,286           | 122,040             | 103,919           | (18,121)                                              | (14.8)            |
| Fund Balance               | 0                 | 0                   | 0                 | 0                                                     | 0.0               |
| Total                      | \$1,012,035       | \$1,041,334         | \$1,032,334       | \$(9,000)                                             | (0.9)             |

|              |     |     |     |     |     |
|--------------|-----|-----|-----|-----|-----|
| Fund Balance | \$0 | \$0 | \$0 | \$0 | 0.0 |
|--------------|-----|-----|-----|-----|-----|

### Key Issues

- The budget for this Division is supported at the current service level.



## **FY 2011-16 CAPITAL IMPROVEMENT PLAN**

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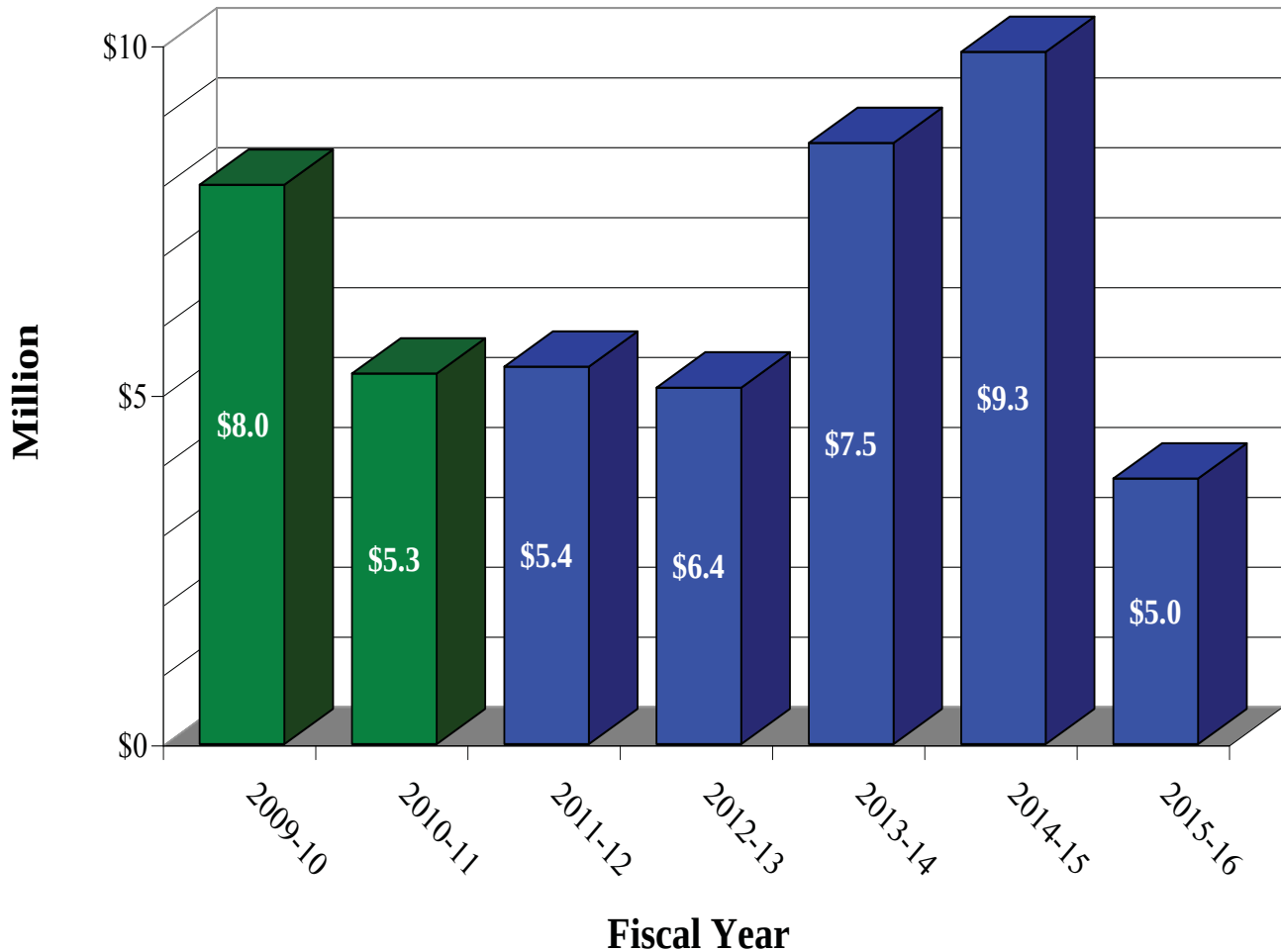
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## FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 2011-16

FY 2009-10 ACTUAL AND  
FY 2010-11 ESTIMATED



The largest projects programmed during the Capital Improvement Plan include the Proposal “R-2” Neighborhood Road Improvements which range in size from \$2.3 to \$4.0 million over the five year period. The Capital Improvement Plan spikes in FY 2013-14 and FY 2014-15 due to \$3.3 million scheduled for Road Commission overlay projects on Twelve Mile and \$3.0 million programmed for Eleven Mile and John R rehabilitation. The plan also includes \$1.4 million to complete the sidewalk program.

## **PLAN OVERVIEW**

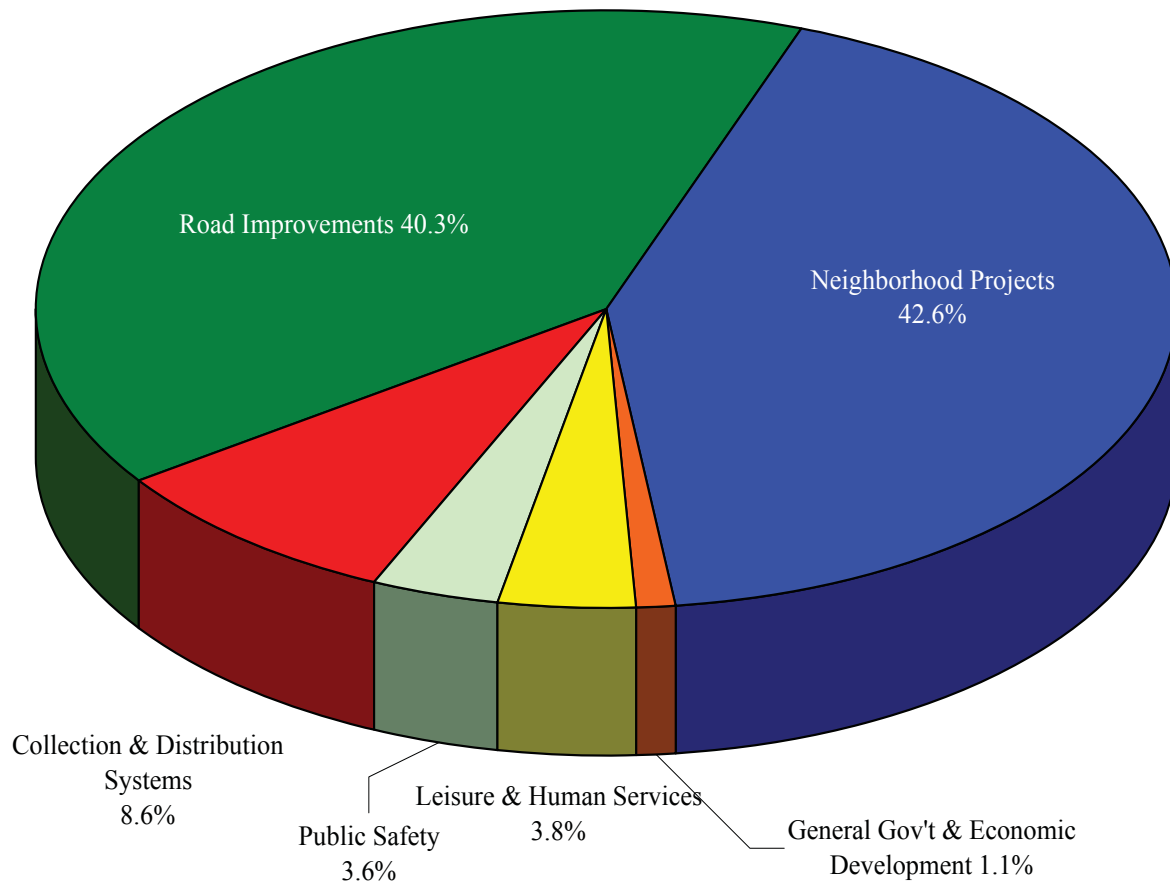
The FY 2011-16 Five Year Capital Improvement Plan totals \$33.6 million. The bar graph presented on the facing page shows the scheduled appropriations by year. The five year program, which is a consolidation of ongoing projects and projects planned over the next five years, represents future capital improvement commitments consistent with past City Council direction. (See Table I - Financial Overview.

The Capital Improvement Plan (CIP) is being generated in response to the financial policies first adopted with the FY 1992-93 Budget. The plan is amended as needed and readopted each year. The proposed capital improvement policies include:

1. The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements in accordance with the plan.
2. The City's plan will include large capital purchases and construction projects costing more than \$30,000.
3. When financially feasible, the City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital infrastructure and equipment from current revenues where possible.
4. The City will try to ensure that prime commercial/industrial acreage is provided with the necessary infrastructure to meet the market demand for this property.
5. The City will use the following criteria to evaluate the relative merit of each capital project:
  - a. Projects that implement a component of the approved goal plan will be a priority when establishing funding.
  - b. Projects specifically included in an approved replacement schedule will receive priority consideration.
  - c. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
  - d. Projects that duplicate other public and/or private services will not be considered.
  - e. Priority will be given to those projects that directly support development efforts in areas with a majority of low to moderate-income households.



## USE OF FUNDS FY 2011-16



**More than eighty percent of the Capital Improvement Plan is programmed for Road Improvements and Neighborhood Projects.**

**TABLE I  
FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
FINANCIAL OVERVIEW  
USE OF FUNDS  
(IN THOUSANDS)**

**APPROPRIATIONS:**

| PROJECT DESCRIPTION            | TABLE | FY<br>2009-10   | FY<br>2010-11   | FY<br>2011-12   | FY<br>2012-13   | FY<br>2013-14   | FY<br>2014-15   | FY<br>2015-16   | TOTAL<br>APPROP. |
|--------------------------------|-------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Neighborhood Projects          | III   | \$ 3,682        | \$ 1,538        | \$ 3,992        | \$ 2,283        | \$ 2,493        | \$ 3,053        | \$ 2,511        | \$ 14,332        |
| Road Improvements              | V     | 3,071           | 1,022           | 822             | 2,595           | 3,343           | 5,056           | 1,744           | 13,560           |
| Collection & Distribution Sys. | VII   | 0               | 1,939           | 60              | 932             | 605             | 819             | 459             | 2,875            |
| Public Safety                  | IX    | 112             | 387             | 325             | 371             | 382             | 75              | 60              | 1,213            |
| General Gov't & Economic Dev.  | XI    | 399             | 381             | 218             | 60              | 0               | 0               | 75              | 353              |
| Leisure & Human Services       | XIII  | 706             | 0               | 0               | 179             | 688             | 270             | 145             | 1,282            |
| <b>TOTAL</b>                   |       | <b>\$ 7,970</b> | <b>\$ 5,267</b> | <b>\$ 5,417</b> | <b>\$ 6,420</b> | <b>\$ 7,511</b> | <b>\$ 9,273</b> | <b>\$ 4,994</b> | <b>\$ 33,615</b> |

## **Summary of Appropriations by Program**

In calculating the projected cost of future capital improvement projects and major equipment purchases, assumptions need to be made regarding what inflationary increases should apply to these items. This year's estimates have been adjusted to include assumed inflationary rates of up to 5 percent per year for vehicles and 5 percent for construction projects (unless set by predetermined financial targets).

In estimating the cost of future local improvement projects, construction costs have been increased to reflect an additional 20 percent above actual construction estimates. The 20 percent has been added to these projects to cover construction design, contract administration, construction staking, engineering, as-built drawings preparation, material testing, field inspections, right-of-way acquisition and contingency expenses. These types of expenses vary considerably from project to project but do not normally exceed 20 percent.

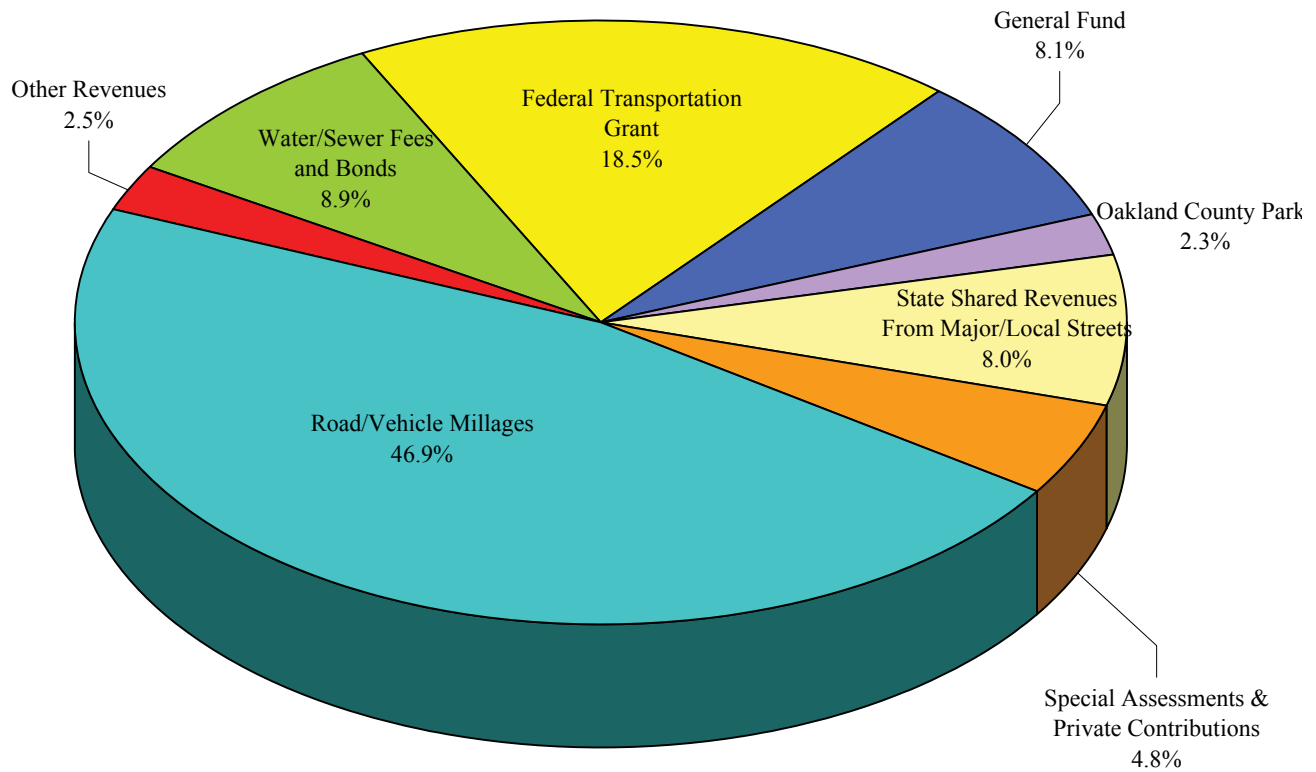
The format for the Capital Improvement Plan has been established to emphasize major functional areas. All capital improvement proposals have been classified into one of six functional areas: Neighborhood Projects, Road Improvements, Collection & Distribution Systems, Public Safety, General Government & Economic Development, and Leisure & Human Services. A separate chapter has been included in this plan for each functional area outlining the justification and funding for each proposal.

The five year planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

| <u>Expenditure Program</u>                | <u>Percent<br/>of Plan</u> |
|-------------------------------------------|----------------------------|
| Road Improvements                         | 40.3                       |
| Neighborhood Projects                     | 42.6                       |
| Collection & Distribution Systems         | 8.6                        |
| Leisure & Human Services                  | 3.8                        |
| Public Safety                             | 3.6                        |
| General Government & Economic Development | <u>1.1</u>                 |
|                                           | 100.0                      |

The following pages illustrate the plan and those proposed projects included within it. It is an ambitious program focusing on major infrastructure needs throughout Madison Heights.

## SOURCE OF FUNDS FY 2011-16



**The Road and Vehicle Millage provides over forty percent of the funding for the Capital Improvement Plan.**

**TABLE II  
FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
FINANCIAL OVERVIEW  
SOURCE OF FUNDS  
(IN THOUSANDS)**

**REVENUES:**

|                                                 | TABLE<br>III<br>NEIGHBOR.<br>PROJECTS | TABLE<br>V<br>ROAD<br>IMPROV. | TABLE<br>VII<br>COLLECTION<br>& DIST.<br>SYSTEMS | TABLE<br>IX<br>PUBLIC<br>SAFETY | TABLE<br>XI<br>GENERAL<br>GOV'T &<br>ECON. DEV. | TABLE<br>XIII<br>LEISURE<br>& HUMAN<br>SERVICES | TOTAL           |
|-------------------------------------------------|---------------------------------------|-------------------------------|--------------------------------------------------|---------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------|
| General Fund                                    | \$ 0                                  | \$ 1,076                      | \$ 0                                             | \$ 729                          | \$ 135                                          | \$ 792                                          | \$ 2,732        |
| State Shared Revenues from Major/Local Streets  | 0                                     | 2,678                         | 0                                                | 0                               | 0                                               | 0                                               | 2,678           |
| Special Assessments & Private Contributions     | 156                                   | 1,435                         | 0                                                | 0                               | 0                                               | 20                                              | 1,611           |
| Road/Vehicle Millage                            | 14,176                                | 1,314                         | 0                                                | 292                             | 0                                               | 0                                               | 15,782          |
| Royal Oak/Troy/Hazel Pk./Warren Local Rd. Match | 0                                     | 0                             | 0                                                | 0                               | 0                                               | 0                                               | 0               |
| Water/Sewer Fees and Bonds                      | 0                                     | 128                           | 2,875                                            | 0                               | 0                                               | 0                                               | 3,003           |
| Federal Transportation Grant                    | 0                                     | 6,232                         | 0                                                | 0                               | 0                                               | 0                                               | 6,232           |
| Oakland County Parks                            | 0                                     | 697                           | 0                                                | 0                               | 0                                               | 79                                              | 776             |
| Drug Forfeiture                                 | 0                                     | 0                             | 0                                                | 0                               | 0                                               | 0                                               | 0               |
| Downtown Development Authority                  | 0                                     | 0                             | 0                                                | 0                               | 68                                              | 0                                               | 68              |
| Fire Bond Issue                                 | 0                                     | 0                             | 0                                                | 0                               | 0                                               | 0                                               | 0               |
| Other Revenues - Grants                         | 0                                     | 0                             | 0                                                | 192                             | 150                                             | 391                                             | 733             |
| <b>TOTAL</b>                                    | <b>\$ 14,332</b>                      | <b>\$ 13,560</b>              | <b>\$ 2,875</b>                                  | <b>\$ 1,213</b>                 | <b>\$ 353</b>                                   | <b>\$ 1,282</b>                                 | <b>\$33,615</b> |

### Summary of Revenues by Source

The Capital Improvement Program is financed through a combination of tax and fee supported funds, State and Federal grants, pay-as-you-go projects and long-term borrowing. The program's largest revenue local sources are Road and Vehicle Property Tax Millages and Federal Transportation Grants revenues totaling \$22.1 million or 64.4 percent of the plan. The majority of these funds will be needed for scheduled neighborhood road improvement projects and major road work. A breakdown of revenues programmed in the FY 2011-16 Capital Improvement Plan is as follows:

| <u>Revenue Source</u>                          | <u>Percent of<br/>Plan</u> |
|------------------------------------------------|----------------------------|
| Road and Vehicle Millages                      | 46.9                       |
| Federal Transportation Grants                  | 18.5                       |
| Water and Sewer Fees and Bonds                 | 8.9                        |
| State Shared Revenues from Major/Local Streets | 8.0                        |
| General Fund                                   | 8.1                        |
| Special Assessment and Private Contributions   | 4.8                        |
| Oakland County Parks                           | 2.3                        |
| Other Revenues                                 | 2.3                        |
| Downtown Development Authority                 | <u>0.2</u>                 |
|                                                | 100.0                      |

Revenue estimates are realistic and assume low growth and full Federal and State participation. Grants and other revenues from Federal, State and County governments now account for 28.8 percent of the Capital Improvement Plan. Major and Local Streets State Shared Revenues serve as the source for the City's contribution to road projects and support road maintenance projects (e.g. John R rehabilitation, Industrial/Commercial road overlays, annual joint/crack sealing and sectional concrete replacement projects). Federal transportation grants are projected to provide over 80 percent of the funding for the Eleven Mile, John R, Twelve Mile and Fourteen Mile projects.

The Five Year Capital Improvement Program calls for the construction of 103 projects and the purchase of 20 major pieces of equipment.

The FY 2011-12 Capital Improvement Plan totals \$5.4 million (Table I) and calls for the construction of 17 projects and the purchase of three major pieces of equipment.

**TABLE III**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

| NEIGHBORHOOD PROJECTS                                                                           | FY<br>2009-10 | FY<br>2010-11 | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 | TOTAL<br>APPROP. |
|-------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| Proposal "R-1" Concrete Repair                                                                  | \$ 945        | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0             |
| Proposal "R-2" Sidewalks                                                                        | 20            | 20            | 20            | 20            | 20            | 20            | 20            | 100              |
| Proposal "R-2" Concrete Repair                                                                  | 75            | 0             | 228           | 100           | 100           | 100           | 100           | 628              |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 2 ROADS (R-2) 2009                                                                         |               |               |               |               |               |               |               |                  |
| Palmer - 13 Mile to LaSalle                                                                     | 367           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Tawas - 12 Mile Road to Mapleknoll and Tawas Court                                              | 454           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| E. Barrett - Tawas to Couzens                                                                   | 572           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Lorenz - 11 Mile to Greig                                                                       | 308           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Hales - 11 Mile to Northeastern                                                                 | 258           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Northeastern - 11 Mile to South End                                                             | 523           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Katherine - Lorenz to Edward                                                                    | 160           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 3 ROADS (R-2) 2010                                                                         |               |               |               |               |               |               |               |                  |
| Brockton - Battelle to Tawas                                                                    | 0             | 326           | 0             | 0             | 0             | 0             | 0             | 0                |
| Dorchester - Englewood to 31224 Dorchester                                                      | 0             | 176           | 0             | 0             | 0             | 0             | 0             | 0                |
| Englewood - Campbell to Edgeworth                                                               | 0             | 417           | 0             | 0             | 0             | 0             | 0             | 0                |
| Yorkshire - Westmore to Tanglewood                                                              | 0             | 274           | 0             | 0             | 0             | 0             | 0             | 0                |
| Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore                                      | 0             | 276           | 0             | 0             | 0             | 0             | 0             | 0                |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 4 ROADS (R-2) 2011                                                                         |               |               |               |               |               |               |               |                  |
| Gardenia - John R to Lorenz                                                                     | 0             | 25            | 550           | 0             | 0             | 0             | 0             | 550              |
| Alger - Parker South to Gardenia                                                                | 0             | 0             | 457           | 0             | 0             | 0             | 0             | 457              |
| Townley - 11 Mile to University                                                                 | 0             | 0             | 321           | 0             | 0             | 0             | 0             | 321              |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 5 ROADS (R-2) 2011 (Original 2012)                                                         |               |               |               |               |               |               |               |                  |
| Shacket - Huntington to Spoon                                                                   | 0             | 8             | 700           | 0             | 0             | 0             | 0             | 700              |
| Huntington - Campbell to Mark                                                                   | 0             | 0             | 440           | 0             | 0             | 0             | 0             | 440              |
| Sherry - Girard to Parkdale                                                                     | 0             | 8             | 420           | 0             | 0             | 0             | 0             | 420              |
| Longfellow - Garry to 30290 Longfellow                                                          | 0             | 0             | 262           | 0             | 0             | 0             | 0             | 262              |
| Groveland and University Intersection - (Watermain to 11 Mile)<br>and 21700 Groveland to Farnum | 0             | 8             | 594           | 0             | 0             | 0             | 0             | 594              |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 6 ROADS (R-2) 2012 (Original 2013)                                                         |               |               |               |               |               |               |               |                  |
| Lenox - Baxter to Sprague                                                                       | 0             | 0             | 0             | 230           | 0             | 0             | 0             | 230              |
| Hampden - Farnum Intersection                                                                   | 0             | 0             | 0             | 127           | 0             | 0             | 0             | 127              |
| University - Lenox to Hampden                                                                   | 0             | 0             | 0             | 127           | 0             | 0             | 0             | 127              |
| Brettonwoods - Gardenia to Farnum                                                               | 0             | 0             | 0             | 578           | 0             | 0             | 0             | 578              |
| Forest - Hampden to Brettonwoods & Hampden Intersection                                         | 0             | 0             | 0             | 252           | 0             | 0             | 0             | 252              |
| Gardenia - Hampden to Dartmouth                                                                 | 0             | 0             | 0             | 283           | 0             | 0             | 0             | 283              |
| Parker - E of Sealcoat to John R - (Watermain Cross-Over)                                       | 0             | 0             | 0             | 566           | 0             | 0             | 0             | 566              |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 7 ROADS (R-2) 2013 (Original 2014)                                                         |               |               |               |               |               |               |               |                  |
| Dartmouth - 26333 Dartmouth to 26113 Dartmouth                                                  | 0             | 0             | 0             | 0             | 203           | 0             | 0             | 203              |
| Barrington - Cowan to Andover                                                                   | 0             | 0             | 0             | 0             | 204           | 0             | 0             | 204              |
| W. Barrett - Alger to John R                                                                    | 0             | 0             | 0             | 0             | 253           | 0             | 0             | 253              |
| E. Hudson - John R to 71 E. Hudson                                                              | 0             | 0             | 0             | 0             | 166           | 0             | 0             | 166              |
| Kalama - Stephenson Hwy. to Alger                                                               | 0             | 0             | 0             | 0             | 610           | 0             | 0             | 610              |
| Couzens - South of 11 Mile Road                                                                 | 0             | 0             | 0             | 0             | 694           | 0             | 0             | 694              |
| Harwood - Dartmouth to 368 Harwood                                                              | 0             | 0             | 0             | 0             | 243           | 0             | 0             | 243              |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 8 ROADS (R-2) 2014 (Original 2015)                                                         |               |               |               |               |               |               |               |                  |
| Whittier - Longfellow to Chaucer                                                                | 0             | 0             | 0             | 0             | 0             | 529           | 0             | 529              |
| Palmer - 13 Mile N. to end                                                                      | 0             | 0             | 0             | 0             | 0             | 366           | 0             | 366              |
| Chaucer - Whittier to Longfellow                                                                | 0             | 0             | 0             | 0             | 0             | 410           | 0             | 410              |
| Barrington - S. of Horace Brown to 13 Mile NB                                                   | 0             | 0             | 0             | 0             | 0             | 518           | 0             | 518              |
| Barrington - S. of Horace Brown to 13 Mile SB                                                   | 0             | 0             | 0             | 0             | 0             | 465           | 0             | 465              |
| Blairmoor - Manchester to Thirteen Mile Road                                                    | 0             | 0             | 0             | 0             | 0             | 543           | 0             | 543              |
| Manchester & Woodmont Intersection                                                              | 0             | 0             | 0             | 0             | 0             | 102           | 0             | 102              |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| YEAR 9 ROADS (R-2) 2015 (Original 2016)                                                         |               |               |               |               |               |               |               |                  |
| Fournier - Sherry to Mark and<br>Mark - Fournier to Sherry                                      | 0             | 0             | 0             | 0             | 0             | 0             | 1,355         | 1,355            |
| E. Harwood - Couzens to Dei                                                                     | 0             | 0             | 0             | 0             | 0             | 0             | 414           | 414              |
| Lincoln - John R to 104 E. Lincoln                                                              | 0             | 0             | 0             | 0             | 0             | 0             | 165           | 165              |
| Lincoln - 504 E. Lincoln to 583 E. Lincoln                                                      | 0             | 0             | 0             | 0             | 0             | 0             | 457           | 457              |
|                                                                                                 |               |               |               |               |               |               |               |                  |
| TOTALS                                                                                          | \$ 3,682      | \$ 1,538      | \$ 3,992      | \$ 2,283      | \$ 2,493      | \$ 3,053      | \$ 2,511      | \$ 14,332        |

**TABLE III**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

**REVENUES:**

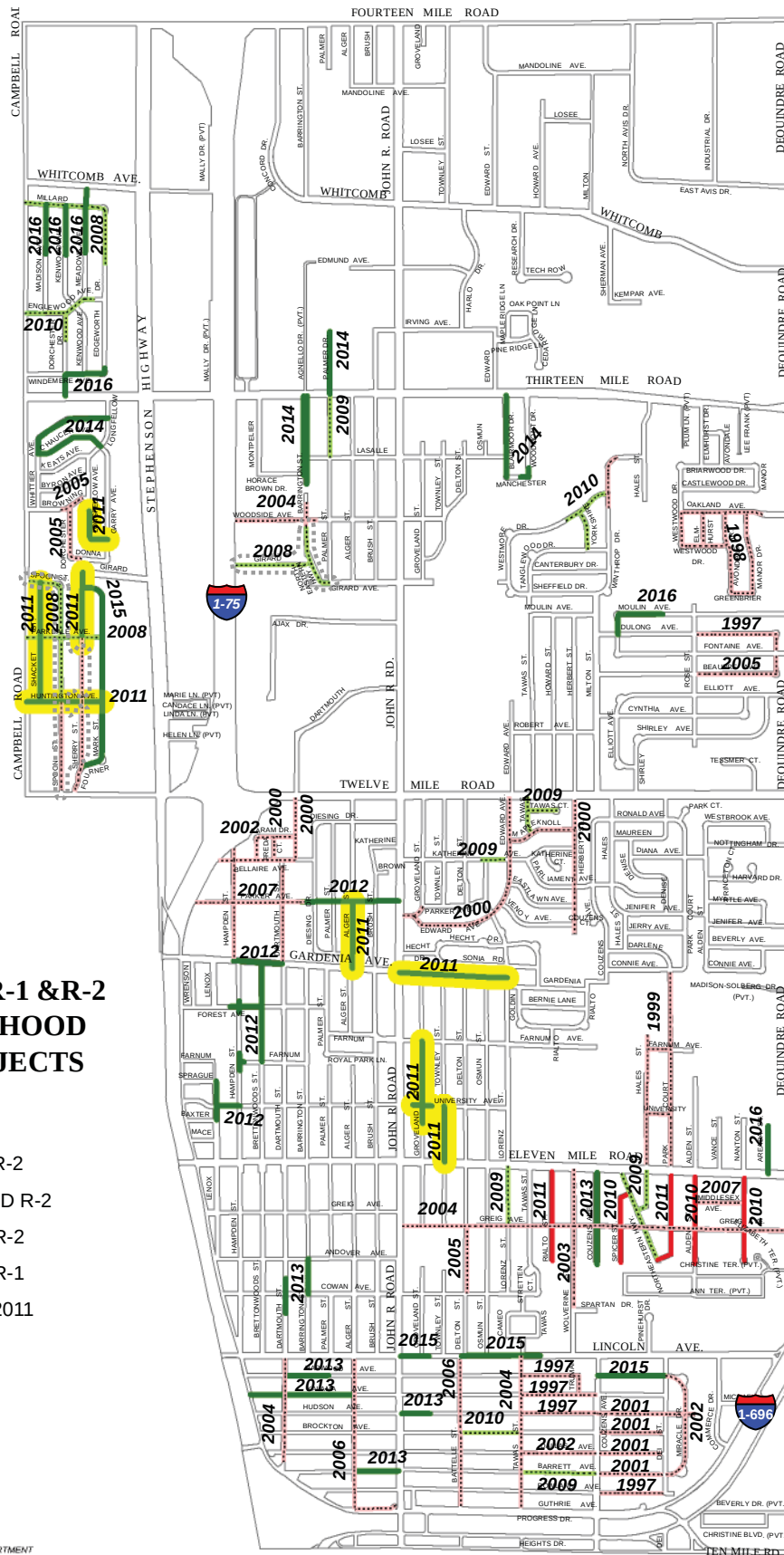
| NEIGHBORHOOD PROJECTS                                   | GENERAL<br>FUND | CDBG | SPECIAL<br>ASSESS. | ROAD<br>MILLAGE | WATER &<br>SEWER<br>FUND | OTHER<br>REVENUES | OTHER<br>REVENUES | TOTAL<br>REVENUE |
|---------------------------------------------------------|-----------------|------|--------------------|-----------------|--------------------------|-------------------|-------------------|------------------|
| Proposal "R-2" Sidewalks                                | \$ 0            | \$ 0 | \$ 0               | \$ 100          | \$ 0                     | \$ 0              | \$ 0              | \$ 100           |
| Proposal "R-2" Concrete Repair                          | 0               | 0    | 0                  | 628             | 0                        | 0                 | 0                 | 628              |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
| YEAR 4 ROADS (R-2) 2011                                 |                 |      |                    |                 |                          |                   |                   |                  |
| Gardenia - John R to Lorenz                             | 0               | 0    | 0                  | 550             | 0                        | 0                 | 0                 | 550              |
| Alger - Parker South to Gardenia                        | 0               | 0    | 0                  | 457             | 0                        | 0                 | 0                 | 457              |
| Townley - 11 Mile to University                         | 0               | 0    | 0                  | 321             | 0                        | 0                 | 0                 | 321              |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
| YEAR 5 ROADS (R-2) 2011                                 |                 |      |                    |                 |                          |                   |                   |                  |
| Shacket - Huntington to Spoon                           | 0               | 0    | 0                  | 700             | 0                        | 0                 | 0                 | 700              |
| Huntington - Campbell to Mark                           | 0               | 0    | 0                  | 440             | 0                        | 0                 | 0                 | 440              |
| Sherry - Girard to S. of Parkdale                       | 0               | 0    | 0                  | 420             | 0                        | 0                 | 0                 | 420              |
| Longfellow - Garry to 30290 Longfellow                  | 0               | 0    | 0                  | 262             | 0                        | 0                 | 0                 | 262              |
| Groveland and University Intersection - (WM to 11 Mile) | 0               | 0    | 0                  | 594             | 0                        | 0                 | 0                 | 594              |
| and 21700 Groveland to Farnum                           |                 |      |                    |                 |                          |                   |                   |                  |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
| YEAR 6 ROADS (R-2) 2012                                 |                 |      |                    |                 |                          |                   |                   |                  |
| Lenox - Baxter to Sprague                               | 0               | 0    | 0                  | 230             | 0                        | 0                 | 0                 | 230              |
| Hampden - Farnum Intersection                           | 0               | 0    | 0                  | 127             | 0                        | 0                 | 0                 | 127              |
| University - Lenox to Hampden                           | 0               | 0    | 0                  | 127             | 0                        | 0                 | 0                 | 127              |
| Brettonwoods - Gardenia to Farnum                       | 0               | 0    | 0                  | 578             | 0                        | 0                 | 0                 | 578              |
| Forest - Hampden to Brettonwoods & Hampden Intersection | 0               | 0    | 0                  | 252             | 0                        | 0                 | 0                 | 252              |
| Gardenia - Hampden to Dartmouth                         | 0               | 0    | 0                  | 283             | 0                        | 0                 | 0                 | 283              |
| Parker - E of Sealcoat to John R - (WM Cross-Over)      | 0               | 0    | 0                  | 566             | 0                        | 0                 | 0                 | 566              |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
| YEAR 7 ROADS (R-2) 2013                                 |                 |      |                    |                 |                          |                   |                   |                  |
| Dartmouth - 26333 Dartmouth to 26113 Dartmouth          | 0               | 0    | 0                  | 203             | 0                        | 0                 | 0                 | 203              |
| Barrington - Cowan to Andover                           | 0               | 0    | 0                  | 204             | 0                        | 0                 | 0                 | 204              |
| W. Barrett - Alger to John R                            | 0               | 0    | 0                  | 253             | 0                        | 0                 | 0                 | 253              |
| E. Hudson - John R to 71 E. Hudson                      | 0               | 0    | 0                  | 166             | 0                        | 0                 | 0                 | 166              |
| Kalama - Stephenson Hwy. To Alger                       | 0               | 0    | 0                  | 610             | 0                        | 0                 | 0                 | 610              |
| Couzens - South of 11 Mile Road                         | 0               | 0    | 156                | 538             | 0                        | 0                 | 0                 | 694              |
| Harwood - Dartmouth to 368 Harwood                      | 0               | 0    | 0                  | 243             | 0                        | 0                 | 0                 | 243              |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
| YEAR 8 ROADS (R-2) 2014                                 |                 |      |                    |                 |                          |                   |                   |                  |
| Whittier - Longfellow to Chaucer                        | 0               | 0    | 0                  | 529             | 0                        | 0                 | 0                 | 529              |
| Palmer - 13 Mile N. to end                              | 0               | 0    | 0                  | 366             | 0                        | 0                 | 0                 | 366              |
| Chaucer - Whittier to Longfellow                        | 0               | 0    | 0                  | 410             | 0                        | 0                 | 0                 | 410              |
| Barrington - S. of Horace Brown to 13 Mile NB           | 0               | 0    | 0                  | 518             | 0                        | 0                 | 0                 | 518              |
| Barrington - S. of Horace Brown to 13 Mile SB           | 0               | 0    | 0                  | 465             | 0                        | 0                 | 0                 | 465              |
| Blairmoor - Manchester to Thirteen Mile Road            | 0               | 0    | 0                  | 543             | 0                        | 0                 | 0                 | 543              |
| Manchester & Woodmont Intersection                      | 0               | 0    | 0                  | 102             | 0                        | 0                 | 0                 | 102              |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
| YEAR 9 ROADS (R-2) 2015 (Original 2016)                 |                 |      |                    |                 |                          |                   |                   |                  |
| Fourner - Sherry to Mark and                            | 0               | 0    | 0                  | 1,355           | 0                        | 0                 | 0                 | 1,355            |
| Mark - Fourner to Sherry                                |                 |      |                    |                 |                          |                   |                   |                  |
| E. Harwood - Couzens to Dei                             | 0               | 0    | 0                  | 414             | 0                        | 0                 | 0                 | 414              |
| Lincoln - John R to 104 E. Lincoln                      | 0               | 0    | 0                  | 165             | 0                        | 0                 | 0                 | 165              |
| Lincoln - 504 E. Lincoln to 583 E. Lincoln              | 0               | 0    | 0                  | 457             | 0                        | 0                 | 0                 | 457              |
|                                                         |                 |      |                    |                 |                          |                   |                   |                  |
| Totals                                                  | \$ 0            | \$ 0 | \$ 156             | \$ 14,176       | \$ 0                     | \$ 0              | \$ 0              | \$ 14,332        |

## PROPOSAL R-1 & R-2 NEIGHBORHOOD ROAD PROJECTS

- SCHEDULED R-2
- SAD REJECTED R-2
- - - COMPLETED R-2
- - - COMPLETED R-1
- SCHEDULED 2011



CITY OF MADISON HEIGHTS  
COMMUNITY DEVELOPMENT DEPARTMENT  
WWW.MADISON-HEIGHTS.ORG



## **NEIGHBORHOOD PROJECTS**

The staff annually reviews the current road conditions and updates projections regarding proposed neighborhood roadway improvements. To coordinate this process, the staff has developed a multi-year neighborhood road improvement plan that is primarily funded by the Proposal “R” two-mill property tax levy and water and sewer fees.

In developing these plans, pavement conditions and other infrastructure components such as storm water drains, watermain lines and sanitary sewers have also been evaluated. The table on the following page outlines each of these neighborhood projects and the scope of work that needs to be completed for each project. When the City is financially able to replace deteriorating watermain lines at the same time as the neighborhood road improvements, the City avoids future costs to repair broken watermains and road surfaces, and related disruption in water service to residents. Due to the financial condition of the Water and Sewer Fund, in February of 2010 the City Council voted to suspend all watermain replacements with the exception of a few watermains that crossed under road projects at intersections.

### **Neighborhood Road Millage Programs**

- **First Roads Millage Program**

On August 6, 1996, the voters in Madison Heights approved ballot proposals “R-1” and “V-1.” Proposal “R-1” provided the City with a two-mill ten-year property tax levy (rolled back by State imposed millage limits) to support an extensive neighborhood road improvement plan.

The Proposal “R-1” millage generated \$19.6 million in revenue from 1997 to 2006 to support this program. The Neighborhood Road Plan mirrored the information provided to the residents as part of the public information campaign during the summer of 1996 plus the City Council approved amendments.

Funding for the multi-year Neighborhood Road Improvement Program came from different sources including:

1. Neighborhood Road Improvement Millage (\$19.6 million);
2. Water and Sewer Fund Revenues (\$3.7 million) - Generated from system user fees and financed through user rates;
3. Property Owner Special Assessments (\$2.2 million) - In accordance with the City Council Special Assessment District Policy for road improvements as amended;
4. Community Development Block Grant Funds (\$655,000) - Used to support four road projects. In FY 1997-98, Harwood from Tawas to Truman; FY 2001-02, Brockton from Couzens to Dei; FY 2002-03, Miracle from Harwood to Barrett; and FY 2003-04, Greig from Dequindre to Delton; and,
5. Chapter 20 Drain Refund (\$136,000) - Historically, the Oakland County Water Resources Commissioner had retained funds previously assessed to residents of the City of Madison Heights to address future storm water needs. These funds were used in year one of the plan to support the storm drain portions of the road improvements. In addition, retained funds from the completed Henry Graham Drain were used to support payment for the George W. Kuhn Drain construction project.



TABLE IV-A  
FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
R-1 NEIGHBORHOOD PROJECTS  
(IN THOUSANDS)

| STATUS  | DATE    | NEIGHBORHOOD PROJECTS                                | STORM DRAIN | SANITARY SEWER | STREET PAVING | WATER MAIN | ESTIMATED COST |
|---------|---------|------------------------------------------------------|-------------|----------------|---------------|------------|----------------|
|         |         | YEAR 1 ROADS                                         | \$ 136      | \$ 76          | \$ 958        | \$ 227     | \$ 1,397       |
| DONE    | 1997    | Harwood -Tawas to Truman                             |             |                |               |            |                |
| DONE    | 1997    | Truman - Harwood to Kalama                           |             |                |               |            |                |
| DONE    | 1997    | Kalama -Tawas to Couzens                             |             |                |               |            |                |
| DONE    | 1997    | Hudson -Tawas to Couzens                             |             |                |               |            |                |
| DONE    | 1997    | Rowland from Couzens to Dei                          |             |                |               |            |                |
| DONE    | 1997    | Dulong from Rose east to Fontaine                    |             |                |               |            |                |
|         |         | EASTWOOD MANOR                                       | 24          | 0              | 1,002         | 72         | 1,098          |
| DONE    | 1998    | Oakland, Greenbrier & Westwood                       |             |                |               |            |                |
| DONE    | 1998    | Elmhurst - Oakland to Westwood                       |             |                |               |            |                |
| DONE    | 1998    | Avondale & Manor - Oakland to Greenbrier             |             |                |               |            |                |
|         |         | STREETS N OF 11 MILE                                 | 52          | 17             | 1,275         | 206        | 1,550          |
| DONE    | 1999    | Park Court - 11 Mile to Connie SAD 255               |             |                |               |            |                |
| DONE    | 1999    | Hales - 11 Mile to Rosies Park SAD 255               |             |                |               |            |                |
| DONE    | 1999    | Farnum & University from Hales to Park Court SAD 255 |             |                |               |            |                |
|         |         | STREETS S OF 12 MILE                                 | 935         | 83             | 1,430         | 489        | 2,937          |
| DONE    | 2000    | Dartmouth - Bellaire to 12 Mile                      |             |                |               |            |                |
| DONE    | 2000    | Herbert - 12 Mile to Venoy                           |             |                |               |            |                |
| DONE    | 2000    | Edward - 12 Mile to Parker                           |             |                |               |            |                |
| DONE    | 2000    | Mapleknoll - Edward to Herbert                       |             |                |               |            |                |
| DONE    | 2000    | Parker - John R to Groveland                         |             |                |               |            |                |
|         |         | STREETS S OF 11 MILE                                 | 105         | 0              | 895           | 264        | 1,264          |
| DONE    | 2001    | Hudson - Couzens to Miracle                          |             |                |               |            |                |
| DONE    | 2001    | Brockton - Couzens to Dei                            |             |                |               |            |                |
| DONE    | 2001    | Dallas - Couzens to Dei                              |             |                |               |            |                |
| DONE    | 2001    | Barrett - Couzens to Dei                             |             |                |               |            |                |
|         |         | YEAR 6                                               | 209         | 0              | 857           | 325        | 1,391          |
| DONE    | 2002    | Karam - Dartmouth to Bellaire                        |             |                |               |            |                |
| DONE    | 2002    | Freda Ct.- Karam to Bellaire                         |             |                |               |            |                |
| DONE    | 2002    | Full length of Miracle Drive                         |             |                |               |            |                |
|         |         | Harwood to Barrett                                   |             |                |               |            |                |
| DONE    | 2002    | Dallas - Tawas to Couzens                            |             |                |               |            |                |
|         |         | YEAR 7                                               |             |                |               |            |                |
| DONE    | 2003    | Wolverine - Spartan to 11 MILE SAD 263               | 172         | 5              | 523           | 171        | 871            |
|         |         | YEAR 8                                               |             |                |               |            |                |
| DONE    | 2004    | Greig - John R to Dequindre SAD 265 /SAD 266         | 40          | 0              | 1,384         | 210        | 1,634          |
| DONE    | 2004    | Dartmouth - Lincoln to Dallas                        | 200         | 12             | 266           | 25         | 503            |
| DONE    | 2004    | Tawas - Lincoln to Guthrie                           | 57          | 12             | 318           | 40         | 427            |
| DONE    | 2004    | Woodside - I-75 to Barrington SAD 267                | 70          | 0              | 342           | 110        | 522            |
| DONE    | 2004    | Barrington - Gravel Park to Woodside                 | 0           | 0              | 90            | 21         | 111            |
|         |         | YEAR 9                                               |             |                |               |            |                |
| DONE    | 2005    | Dorchester - Donna to Browning SAD 268               | 0           | 0              | 305           | 253        | 558            |
| DONE    | 2005    | Delton - Greig to Cowan SAD 269                      | 0           | 0              | 206           | 76         | 282            |
| DONE    | 2005    | Beaupre - Rose to Fontaine                           | 0           | 265            | 234           | 0          | 499            |
| DONE    | 2005    | Proposal "R" Maintenance & Repair - Park Court/Hales | 0           | 0              | 213           | 0          | 213            |
|         |         | YEAR 10                                              |             |                |               |            |                |
| DONE    | 2006    | Battelle - Lincoln to Guthrie                        | 65          | 5              | 560           | 100        | 730            |
| DONE    | 2006    | Alger - Lincoln to Guthrie                           | 240         | 5              | 739           | 130        | 1,114          |
| DONE    | 2006    | Guthrie (north half) - Alger to Cul De Sac           | 20          | 5              | 132           | 36         | 193            |
|         |         | YEAR 11                                              |             |                |               |            |                |
| DONE    | 2007    | Parker District SAD 272                              | 375         | 15             | 2,018         | 495        | 2,903          |
| DONE    | 2007    | Loan to SAD Fund (272)                               | 0           | 0              | 487           | 0          | 487            |
| DONE    | 2007    | Watermain Restoration -Middlesex-Alden to Nanton     | 0           | 0              | 219           | 87         | 306            |
|         |         | YEAR 12                                              |             |                |               |            |                |
| DONE    | 2008    | Spoon Sectional                                      | 0           | 0              | 250           | 130        | 380            |
| DONE    | 2008    | Sherry Sectional                                     | 0           | 0              | 300           | 210        | 510            |
|         |         | YEAR 13                                              |             |                |               |            |                |
| DONE    | 2009    | Proposal "R" Concrete Repair                         | 0           | 0              | 945           | 0          | 945            |
|         |         | FUTURE YEARS                                         |             |                |               |            |                |
| PLANNED | 2010-17 | Proposal "R-2" Project Supplement                    | 0           | 0              | 3,043         | 0          | 3,043          |
|         |         | TOTALS                                               | \$ 2,700    | \$ 500         | \$ 18,991     | \$ 3,677   | \$ 25,868      |

In allocating funds, the Neighborhood Road Improvement Millage has been dedicated to the street improvement and integrated storm sewer portion of the neighborhood projects. Water and Sewer Fund Revenues are used for the watermain portion of the projects. Special Assessment Funds and Community Development Block Grant Funds were used both for roadway and storm water drain improvements. Finally, Chapter 20 Drain Refund Revenues were used exclusively for the storm water drain improvement portions of the neighborhood projects.

In January 1997, the staff proposed and the City Council adopted a Residential Road Improvement Policy to provide guidelines on how the Neighborhood Road Program would be administered. This Policy specifies the order in which road projects would be undertaken, the percent of Proposal “R-1” contributions that would be made to each project, specifics on how the project would address a special assessment district project, what would happen if a proposed special assessment project should be turned down, and the process to be followed if all the scheduled projects were completed and additional funds became available.

The Policy indicates that approximately one year in advance of the year that the Proposal “R-1” funds are to be made available for a special assessment designated road project, an advisory survey shall be taken by the City of the benefiting property owners as to their willingness to be specially assessed for the private benefit portion of the total cost of a road improvement. The City will conduct this survey through the mail utilizing a postcard return system. Results of this advisory survey shall be presented to Council, and the project only proceeds with the establishment of the special assessment district when the project is supported by a majority of property owners.

On December 15, 2003, the Council adopted as part of the 2004-05 Goal Plan, a proposal to modify the existing Ten Year Residential Road Improvement Program to utilize program savings to expedite critical road reconstruction projects.

Given program savings, the City’s Proposal “R-1” program was able to program additional roadwork as part of the ten year plan. According to the Council Policy, if there are still monies available to fund additional projects, citizens who own property abutting a road could petition Council to have their street added to the Proposal “R-1” listing.

Streets were considered on a first-come first-served basis, based on need, and projects were also considered only to the extent that funds remain to offset construction costs. Per the Policy, no additional projects were undertaken until all scheduled Proposal “R-1” projects were programmed.

As part of the November 2003 and January 2004 SAD Road Policy Amendments, Greig Street from John R to Dequindre, Dartmouth from Lincoln to Dallas, and Tawas from Lincoln to Guthrie were moved up to 2004, completing the originally scheduled Proposal “R-1” projects. In response to citizens’ petitions for road improvements, Woodside from I-75 to Barrington (completed in 2004), Dorchester from Donna to Browning (completed in 2005) and Delton from Greig to Cowan (completed in 2005) were added to the Proposal “R-1” project list.

On February 14, 2005, the SAD Road Policy was amended to extend the Proposal “R-1” Program to include the 2006 reconstruction of Battelle from Lincoln to Guthrie, Alger from Lincoln to Guthrie and Guthrie from Alger to John R (all completed in 2006).

As part of the FY 2006-11 Capital Improvement Plan, staff proposed the City again approach the property owners in the Parker District regarding a 2007 neighborhood improvement project. As discussed with the City Council at the November 19, 2005 Goals Meeting, in the spring of 2006 the staff surveyed the residents regarding their willingness to support a 25 percent special assessment

contribution for a new road improvement project. The “R-1” Proposal Millage was used to fund the 75 percent City match plus all of the storm sewer improvements. The Water and Sewer Fund was used to support the replacement of watermain in this area.

The Joint and Crack Seal Program has been a very successful method by which to extend the useful life of the City’s concrete roads. The process includes the removal of old tar, dirt and weeds, the blowing clean of these areas and a refilling of all cracks and seams with tar. Projects were scheduled for FY 2007-08 and FY 2008-09 at \$80,000 per year.

The Parker District project was completed in the fall of 2007. FY 2008-09 projects funded from “R-1” funds included sectional concrete replacement on Spoon from Huntington to Twelve Mile and Sherry from Parkdale to Fournier.

The final “R-1” project completed in FY 2009-10 included the concrete repair (\$945,000) of any “R-1” programmed street exhibiting signs of deterioration.

At the conclusion of the “R-1” program, the remaining funds of \$3.0 million were reprogrammed to supplement the “R-2” program which started in 2008.

- Second Roads Millage Program

On December 12, 2005 as part of the 2006-07 Goal Plan, the City Council adopted a goal to “Evaluate, identify, prioritize and create a new long-range millage-based comprehensive infrastructure replacement plan including roads, sewers and sidewalks to take before voters in 2006.”

On August 8, 2006, the voters in Madison Heights approved, by an overwhelming margin, millage Proposals “R-2” and “V-2.” The “R-2” program will continue to provide funding at an initial annual level of two mills for ten years to carry out the City’s second comprehensive residential street repair and reconstruction program. The road improvement projects will include new concrete streets, approaches, necessary sidewalk repairs and installations, and connections to the storm water drainage system.

The Finance Department has estimated that Proposal “R-2” will generate \$19.3 million in revenue to support the ten year program presented in the Capital Improvement Plan. Due to the economic recession causing declining property values, this program’s funding is down \$8.1 million, 30% from the original April 2006 estimate. To close this funding gap, \$3.0 million savings from the “R-1” will be used to supplement the “R-2” program and \$800,000 in sidewalk and sectional concrete replacements were dropped. The elements of this millage program as outlined to the residents as part of the public information campaign through the City newsletter in June 2006 are still scheduled.

Of the 73.3 miles of local roads in Madison Heights, the original Proposal “R-1” millage funded repair of 11.6 miles or 15.8% of the worst roads in the City. Proposal “R-2” will allow the City to repair over 11.1 miles (65 roads) of additional roadway. In August of 2005, an independent professional transportation planning engineering firm completed a comprehensive analysis of all streets in Madison Heights. This study identified over 20 miles of poor residential roads that needed to be addressed. Even after the Proposal “R-2” program, the City is estimated, at that point in time, to have 9 miles of poorly-rated streets still needing attention.

All road reconstruction work will be totally funded through millage except for the 13 sealcoat roads, which require the residents with frontage on these streets to contribute a 25 percent special

assessment. The rationale behind this proposal is that those property owners living on an existing concrete road with curb and gutter (i.e. not a sealcoat road) have already paid for their road once in the price of the home or in the form of a prior special assessment district project.

Property owners on a sealcoat road have not paid an assessment in the past, and prior to the “R-1” program, they were responsible for 100 percent of the project cost. Under the original “R-1” program, they were only responsible for 50 percent of the project cost. The City reduced the special assessment by one-half to make the projects more affordable for the average property owner. Under the new “R-2” program, residents living on sealcoat roads scheduled for reconstruction will pay no more than 25 percent of the cost of the project. The affected property owners will be surveyed in advance of the project to confirm their support for the proposed special assessment.

FY 2007-08 was a transition point between the two programs. The Parker District and Middlesex were completed under the original Proposal “R-1” program. The “R-2” program, for which the first millage was collected in the summer of 2007, started with the construction in the spring of 2008. The first year project included Spoon from Huntington to Campbell; Parkdale from Campbell to Mark; Millard from Campbell to Edgeworth (south to 31601 Millard); Barrington/Northeastern from Woodside to Palmer; and Girard from the dead end at I-75 to Palmer.

In November of 2009, the staff surveyed the property owners for the scheduled 2010 special assessment related projects on: Alden from 11 Mile south to its end; Spicer from Northeastern south to its end; and Nanton from 11 Mile south to its end. The majority of property owners indicated opposition, resulting in these projects being dropped from the ten year plan.

In November of 2010, the staff surveyed the property owners for the scheduled 2010 special assessment related projects. Park Court and Rialto from 11 Mile south to the end did not reach a majority and will be dropped from the program.

Funding for the second million multi-year Neighborhood Road Improvement Program includes:

1. Neighborhood Road Improvement Millage (\$22.0 million);
2. Water and Sewer Fund Revenues (\$2.1 million); and
3. Property Owner Special Assessment (\$1.3 million).

For the 2011 construction season, staff proposed advance constructing the Year 5 (2012) “R-2” roads along with the scheduled Year 4 (2011) “R-2” roads. This opportunity is possible due to available “R-2” fund balance and the availability of engineering/inspection resources due to a lack of major road projects. On January 24, 2011, City Council approved a long-term agreement with the City’s road contractor that locks pricing for the next six years and moves up the scheduled reconstruction projects from 2012 to 2017 by one year.

**TABLE IV-B**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

| YR           | NEIGHBORHOOD PROJECTS                                                                           | STORM<br>DRAIN | SANITARY<br>SEWER | STREET<br>PAVING | WATER<br>MAIN | ESTIMATED<br>COST |
|--------------|-------------------------------------------------------------------------------------------------|----------------|-------------------|------------------|---------------|-------------------|
| YEAR 1 ROADS |                                                                                                 |                |                   |                  |               |                   |
| 2008         | Spoon - Huntington North to Campbell                                                            | \$ 55          | \$ 15             | \$ 732           | \$ 177        | \$ 979            |
| 2008         | Parkdale - Campbell to Mark                                                                     | 15             | 10                | 375              | 81            | 481               |
| 2008         | Millard - Campbell to Edgeworth South to 31601 Millard                                          | 11             | 0                 | 613              | 149           | 773               |
| 2008         | Barrington/Northeastern - Woodside to Girard                                                    | 27             | 5                 | 543              | 88            | 663               |
| 2008         | Girard - I-75 to Palmer                                                                         | 85             | 0                 | 395              | 94            | 574               |
| 2008         | Sidewalk Replacement                                                                            | 0              | 0                 | 20               | 0             | 20                |
| YEAR 2 ROADS |                                                                                                 |                |                   |                  |               |                   |
| 2009         | Palmer - 13 Mile to Lasalle                                                                     | 42             | 0                 | 325              | 83            | 450               |
| 2009         | Tawas - 12 Mile Road to Mapleknoll and Tawas Court                                              | 95             | 10                | 349              | 98            | 552               |
| 2009         | E. Barrett - Tawas to Couzens                                                                   | 40             | 15                | 385              | 99            | 539               |
| 2009         | Lorenz - 11 Mile to Greig                                                                       | 0              | 0                 | 308              | 77            | 385               |
| 2009         | Hales - 11 Mile to Northeastern                                                                 | 25             | 0                 | 233              | 58            | 316               |
| 2009         | Northeastern - 11 Mile to South End                                                             | 40             | 5                 | 478              | 123           | 646               |
| 2009         | Katherine - Lorenz to Edward                                                                    | 30             | 0                 | 130              | 0             | 160               |
| 2009         | Sidewalk Replacement                                                                            | 0              | 0                 | 20               | 0             | 20                |
| YEAR 3 ROADS |                                                                                                 |                |                   |                  |               |                   |
| 2010         | Brockton - Battelle to Tawas                                                                    | 0              | 0                 | 326              | 0             | 326               |
| 2010         | Dorchester - Englewood to 31272 Dorchester                                                      | 19             | 0                 | 157              | 0             | 176               |
| 2010         | Yorkshire - Westmore to Tanglewood                                                              | 55             | 5                 | 214              | 0             | 274               |
| 2010         | Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore                                      | 0              | 0                 | 276              | 0             | 276               |
| 2010         | Englewood - Campbell to Edgeworth                                                               | 5              | 0                 | 412              | 0             | 417               |
| 2010         | Sidewalk Replacement                                                                            | 0              | 0                 | 20               | 0             | 20                |
| 2010         | Sectional Concrete Repair                                                                       | 0              | 0                 | 100              | 0             | 100               |
| YEAR 4 ROADS |                                                                                                 |                |                   |                  |               |                   |
| 2011         | Gardenia - John R to Lorenz                                                                     | 2              | 0                 | 548              | 25            | 575               |
| 2011         | Alger - Parker South to Gardenia                                                                | 82             | 16                | 359              | 0             | 457               |
| 2011         | Townley - 11 Mile to University                                                                 | 0              | 0                 | 321              | 0             | 321               |
| 2011         | Concrete Replacement (additional \$28,000 in CDBG for Winthrop)                                 | 0              | 0                 | 100              | 0             | 100               |
| 2011         | Sidewalk Replacement                                                                            | 0              | 0                 | 20               | 0             | 20                |
| YEAR 5 ROADS |                                                                                                 |                |                   |                  |               |                   |
| 2011         | Shacket - Huntington to Spoon                                                                   | 60             | 15                | 625              | 8             | 708               |
| 2011         | Huntington - Campbell to Mark                                                                   | 5              | 0                 | 435              | 0             | 440               |
| 2011         | Sherry - Girard to S. of Parkdale                                                               | 28             | 5                 | 387              | 8             | 428               |
| 2011         | Longfellow - Garry to 30290 Longfellow                                                          | 2              | 0                 | 260              | 0             | 262               |
| 2011         | Groveland and University Intersection - (Watermain to 11 Mile)<br>and 21700 Groveland to Farnum | 0              | 0                 | 594              | 8             | 602               |
| 2011         | Concrete Replacement                                                                            | 0              | 0                 | 100              | 0             | 100               |
| 2011         | Sidewalk Replacement                                                                            | 0              | 0                 | 20               | 0             | 20                |
| YEAR 6 ROADS |                                                                                                 |                |                   |                  |               |                   |
| 2012         | Lenox - Baxter to Sprague                                                                       | 2              | 0                 | 228              | 0             | 230               |
| 2012         | Hampden - Farnum Intersection                                                                   | 10             | 5                 | 112              | 0             | 127               |
| 2012         | University - Lenox to Hampden                                                                   | 0              | 0                 | 127              | 0             | 127               |
| 2012         | Brettonwoods - Gardenia to Farnum                                                               | 0              | 0                 | 578              | 0             | 578               |
| 2012         | Forest - Hampden to Brettonwoods & Hampden Intersection                                         | 25             | 0                 | 227              | 0             | 252               |
| 2012         | Gardenia - Hampden to Dartmouth                                                                 | 0              | 0                 | 283              | 0             | 283               |
| 2012         | Parker - E of Sealcoat to John R - (Watermain Cross-Over)                                       | 150            | 0                 | 416              | 0             | 566               |
| 2012         | Concrete Replacement                                                                            | 0              | 0                 | 100              | 0             | 100               |
| 2012         | Sidewalk Replacement                                                                            | 0              | 0                 | 20               | 0             | 20                |

**TABLE IV-B**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

| YR     | NEIGHBORHOOD PROJECTS                                         | STORM DRAIN | SANITARY SEWER | STREET PAVING | WATER MAIN | ESTIMATED COST |
|--------|---------------------------------------------------------------|-------------|----------------|---------------|------------|----------------|
|        | YEAR 7 ROADS                                                  |             |                |               |            |                |
| 2013   | Dartmouth - N. of Cowan (26333) S. to 26113 Dartmouth         | 0           | 0              | 203           | 0          | 203            |
| 2013   | Barrington - Cowan to Andover                                 | 0           | 0              | 204           | 0          | 204            |
| 2013   | W. Barrett - Alger to John R                                  | 0           | 0              | 253           | 0          | 253            |
| 2013   | E. Hudson - John R to 71 E. Hudson                            | 0           | 0              | 166           | 0          | 166            |
| 2013   | Kalama - Stephenson Highway to Alger                          | 60          | 17             | 533           | 0          | 610            |
| 2013   | Couzens - S. of 11 Mile Road                                  | 5           | 0              | 538           | 0          | 543            |
| 2013   | Harwood - Dartmouth to 368 Harwood - (Watermain to Alger)     | 0           | 0              | 243           | 0          | 243            |
| 2013   | Concrete Replacement                                          | 0           | 0              | 100           | 0          | 100            |
| 2013   | Sidewalk Replacement                                          | 0           | 0              | 20            | 0          | 20             |
|        | YEAR 8 ROADS                                                  |             |                |               |            |                |
| 2014   | Whittier - Longfellow to Chaucer                              | 45          | 0              | 484           | 0          | 529            |
| 2014   | Palmer - 13 Mile N. to end                                    | 0           | 0              | 366           | 0          | 366            |
| 2014   | Chaucer - Whittier to Longfellow                              | 45          | 0              | 365           | 0          | 410            |
| 2014   | Barrington - S. of Horace Brown to 13 Mile NB                 | 0           | 0              | 518           | 0          | 518            |
| 2014   | Barrington - S. of Horace Brown to 13 Mile SB                 | 0           | 0              | 465           | 0          | 465            |
| 2014   | Blairmoor - Manchester to Thirteen Mile Road                  | 50          | 15             | 478           | 0          | 543            |
| 2014   | Manchester & Woodmont Intersection                            | 0           | 0              | 102           | 0          | 102            |
| 2014   | Concrete Replacement                                          | 0           | 0              | 100           | 0          | 100            |
| 2014   | Sidewalk Replacement                                          | 0           | 0              | 20            | 0          | 20             |
|        | YEAR 9 ROADS                                                  |             |                |               |            |                |
| 2015   | Fourmer - Sherry to Mark and Mark - Fourmer to Sherry         | 140         | 30             | 1,185         | 0          | 1,355          |
| 2015   | E. Harwood - Couzens to Dei                                   | 46          | 15             | 353           | 0          | 414            |
| 2015   | Lincoln - John R to 104 E. Lincoln - (Watermain to Osmun)     | 0           | 0              | 165           | 0          | 165            |
| 2015   | Lincoln - 504 E. Lincoln to 583 E. Lincoln                    | 0           | 0              | 457           | 0          | 457            |
| 2015   | Concrete Replacement                                          | 0           | 0              | 100           | 0          | 100            |
| 2015   | Sidewalk Replacement                                          | 0           | 0              | 20            | 0          | 20             |
|        | YEAR 10 ROADS                                                 |             |                |               |            |                |
| 2016   | Madison - Millard to 31605 Madison - (Watermain Whole Street) | 0           | 0              | 289           | 180        | 469            |
| 2016   | Areada - N. of 11 Mile Road                                   | 0           | 0              | 275           | 74         | 349            |
| 2016   | Meadows - Whitcomb to 31608 Meadows - (full Watermain)        | 24          | 5              | 387           | 192        | 608            |
| 2016   | Dorchester - 13 Mile to Windemere                             | 0           | 0              | 126           | 38         | 164            |
| 2016   | Windemere - Dorchester to Edgeworth                           | 0           | 0              | 255           | 64         | 319            |
| 2016   | Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood) | 0           | 0              | 288           | 170        | 458            |
| 2016   | Moulin - Dulong to 1353 Moulin - (Watermain to Rose)          | 34          | 14             | 328           | 174        | 550            |
| 2016   | Concrete Replacement                                          | 0           | 0              | 100           | 0          | 100            |
| 2016   | Sidewalk Replacement                                          | 0           | 0              | 20            | 0          | 20             |
| TOTALS |                                                               | \$ 1,359    | \$ 202         | \$ 21,777     | \$ 2,068   | \$ 25,406      |

**TABLE V**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

|                                                                    | FY<br>2009-10   | FY<br>2010-11   | FY<br>2011-12 | FY<br>2012-13   | FY<br>2013-14   | FY<br>2014-15   | FY<br>2015-16   | TOTAL<br>APPROP. |
|--------------------------------------------------------------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <b>ROAD IMPROVEMENTS</b>                                           |                 |                 |               |                 |                 |                 |                 |                  |
| <b>A. STATE HIGHWAY PROJECTS</b>                                   |                 |                 |               |                 |                 |                 |                 |                  |
| <b>B. MAJOR ROAD IMPROVEMENTS</b>                                  |                 |                 |               |                 |                 |                 |                 |                  |
| Campbell 12-13 Mile Curb Repairs                                   | \$0             | \$0             | \$0           | \$170           | \$0             | \$0             | \$0             | \$170            |
| 14 Mile - Asphalt Overlay-Campbell to Stephenson                   | 0               | 0               | 0             | 1,084           | 0               | 0               | 0               | 1,084            |
| 12 Mile - Asphalt Overlay-Stephenson to Dequindre                  | 0               | 0               | 0             | 0               | 2,398           | 0               | 0               | 2,398            |
| 11 Mile - I-75 to John R                                           | 0               | 0               | 0             | 0               | 0               | 764             | 0               | 764              |
| 11 Mile - John R to Dequindre                                      | 0               | 0               | 0             | 0               | 0               | 1,308           | 0               | 1,308            |
| John R - Overlay 11 Mile to 12 1/2                                 | 0               | 0               | 0             | 0               | 0               | 1,710           | 0               | 1,710            |
| John R - 10 Mile to 11 Mile                                        | 0               | 0               | 0             | 0               | 0               | 0               | 1,169           | 1,169            |
| <b>C. LOCAL ROAD IMPROVEMENTS (EXCLUDING PROP "R-1 &amp; R-2")</b> |                 |                 |               |                 |                 |                 |                 |                  |
| NSP Sectional Concrete Repair                                      | 63              | 0               | 128           | 0               | 0               | 0               | 0               | 128              |
| <b>D. TRAFFIC SIGNAL UPGRADES</b>                                  |                 |                 |               |                 |                 |                 |                 |                  |
| Traffic Signal Improvements                                        | 0               | 0               | 10            | 30              | 30              | 30              | 30              | 130              |
| <b>E. REHABILITATION PROGRAMS (EXCLUDING PROP "R-1 &amp; R-2")</b> |                 |                 |               |                 |                 |                 |                 |                  |
| Joint & Crack Sealing - City Wide Major                            | 0               | 0               | 0             | 75              | 75              | 75              | 75              | 300              |
| 13 Mile Sectional - John R to Stephenson Highway                   | 366             | 0               | 0             | 0               | 0               | 0               | 0               | 0                |
| 13 Mile Sectional - Campbell to Stephenson Highway                 | 0               | 312             | 0             | 0               | 0               | 0               | 0               | 0                |
| Asphalt Crack Seal                                                 | 0               | 50              | 0             | 0               | 0               | 0               | 0               | 0                |
| John R Maintenance                                                 | 0               | 0               | 0             | 221             | 0               | 0               | 0               | 221              |
| Campbell 13 to 14 Mile Rd.                                         | 1,014           | 140             | 0             | 0               | 0               | 0               | 0               | 0                |
| Sidewalk Replacement & Gap Installation                            | 410             | 420             | 425           | 310             | 350             | 350             | 0               | 1,435            |
| <b>F. COMMERCIAL AND INDUSTRIAL ROAD PROJECTS</b>                  |                 |                 |               |                 |                 |                 |                 |                  |
| North Avis Drive - Fourteen Mile to East Avis                      | 464             | 0               | 0             | 0               | 0               | 0               | 0               | 0                |
| East Avis Drive - North Avis to Dequindre                          | 344             | 0               | 0             | 0               | 0               | 0               | 0               | 0                |
| Edward Street - Fourteen Mile to Mandoline                         | 116             | 0               | 0             | 0               | 0               | 0               | 0               | 0                |
| Mandoline Avenue - Edward to North Avis                            | 294             | 0               | 0             | 0               | 0               | 0               | 0               | 0                |
| Whitcomb - John R to end of Islands (east of Sherman)              | 0               | 50              | 50            | 50              | 50              | 0               | 0               | 150              |
| Industrial - Fourteen to East Avis                                 | 0               | 0               | 0             | 0               | 0               | 379             | 0               | 379              |
| Commercial & Industrial Sectional Concrete Replacement             | 0               | 50              | 0             | 50              | 50              | 50              | 50              | 200              |
| <b>G. EQUIPMENT REPLACEMENT</b>                                    |                 |                 |               |                 |                 |                 |                 |                  |
| 2003 Street Sweeper #402                                           | 0               | 0               | 0             | 209             | 0               | 0               | 0               | 209              |
| 2003 Street Sweeper #408                                           | 0               | 0               | 209           | 0               | 0               | 0               | 0               | 209              |
| 2004 One Ton Dump Truck #431                                       | 0               | 0               | 0             | 55              | 0               | 0               | 0               | 55               |
| 2003 Building Maintenance Van #435                                 | 0               | 0               | 0             | 61              | 0               | 0               | 0               | 61               |
| 1999 Ford Single Axle Dump Truck #479                              | 0               | 0               | 0             | 180             | 0               | 0               | 0               | 180              |
| 2003 Tandem Dump Trucks V-Box Inserts #418 & #422                  | 0               | 0               | 0             | 100             | 0               | 0               | 0               | 100              |
| 2003 Platform Truck #429                                           | 0               | 0               | 0             | 0               | 150             | 0               | 0               | 150              |
| 2003 Tandem Dump Truck #417                                        | 0               | 0               | 0             | 0               | 240             | 0               | 0               | 240              |
| 2002 Stake Truck #415                                              | 0               | 0               | 0             | 0               | 0               | 150             | 0               | 150              |
| 2003 Tandem Dump Truck #418                                        | 0               | 0               | 0             | 0               | 0               | 240             | 0               | 240              |
| 2003 Tandem Dump Truck #419                                        | 0               | 0               | 0             | 0               | 0               | 0               | 240             | 240              |
| 2003 Single Axle Dump #424                                         | 0               | 0               | 0             | 0               | 0               | 0               | 180             | 180              |
| <b>TOTALS</b>                                                      | <b>\$ 3,071</b> | <b>\$ 1,022</b> | <b>\$ 822</b> | <b>\$ 2,595</b> | <b>\$ 3,343</b> | <b>\$ 5,056</b> | <b>\$ 1,744</b> | <b>\$ 13,560</b> |

**TABLE V**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

**REVENUES:**

| ROAD IMPROVEMENTS                                        | GENERAL FUND | LOCAL/ MAJOR STREETS | SPECIAL ASSESS. | VEHICLE/ SOLID WASTE MILLAGE | TROY/ H.P/R.O. CONTRIB. | OTHER REVENUES | FEDERAL TRANSPORT GRANT | OAKLAND CO. ROAD/ DRAIN | TOTAL REVENUES |
|----------------------------------------------------------|--------------|----------------------|-----------------|------------------------------|-------------------------|----------------|-------------------------|-------------------------|----------------|
| <b>A. STATE HIGHWAY PROJECTS</b>                         |              |                      |                 |                              |                         |                |                         |                         |                |
| <b>B. MAJOR ROAD IMPROVEMENTS</b>                        |              |                      |                 |                              |                         |                |                         |                         |                |
| Campbell 12-13 Mile Curb Repairs                         | \$ 0         | \$ 170               | \$ 0            | \$ 0                         | \$ 0                    | \$ 0           | \$ 0                    | \$ 0                    | \$ 170         |
| 14 Mile-Asphalt Overlay-Campbell to Stephenson           | 0            | 0                    | 0               | 0                            | 0                       | 0              | 867                     | 217                     | 1,084          |
| 12 Mile-Asphalt Overlay-Stephenson to Dequindre          | 0            | 0                    | 0               | 0                            | 0                       | 0              | 1,918                   | 480                     | 2,398          |
| 11 Mile - I-75 to John R                                 | 0            | 153                  | 0               | 0                            | 0                       | 0              | 611                     | 0                       | 764            |
| 11 Mile-John R to Dequindre                              | 0            | 262                  | 0               | 0                            | 0                       | 0              | 1,046                   | 0                       | 1,308          |
| John R - Overlay 11 Mile to 12 1/2                       | 855          | 0                    | 0               | 0                            | 0                       | 0              | 855                     | 0                       | 1,710          |
| John R-10 Mile to 11 Mile                                | 0            | 234                  | 0               | 0                            | 0                       | 0              | 935                     | 0                       | 1,169          |
| <b>C. LOCAL ROAD IMPROVEMENTS (EXCL. PROP. "R")</b>      |              |                      |                 |                              |                         |                |                         |                         |                |
| NSP Sectional Concrete Repair                            | 0            | 0                    | 0               | 0                            | 0                       | 128            | 0                       | 0                       | 128            |
| <b>D. TRAFFIC SIGNAL UPGRADES</b>                        |              |                      |                 |                              |                         |                |                         |                         |                |
| Traffic Signal Improvements                              | 0            | 130                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 130            |
| <b>E. REHABILITATION PROGRAMS</b>                        |              |                      |                 |                              |                         |                |                         |                         |                |
| Joint & Crack Sealing - City Wide Major                  | 0            | 300                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 300            |
| John R Maintenance                                       | 221          | 0                    | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 221            |
| Sidewalk Replacement & Gap Installation                  | 0            | 0                    | 1,435           | 0                            | 0                       | 0              | 0                       | 0                       | 1,435          |
| <b>F. COMMERCIAL AND INDUSTRIAL ROAD PROJECTS</b>        |              |                      |                 |                              |                         |                |                         |                         |                |
| Whitcomb - John R to end of Islands (east of Sherman)    | 0            | 150                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 150            |
| Industrial - Fourteen to East Avis                       | 0            | 379                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 379            |
| Commercial and Industrial Sectional Concrete Replacement | 0            | 200                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 200            |
| <b>G. EQUIPMENT REPLACEMENT</b>                          |              |                      |                 |                              |                         |                |                         |                         |                |
| 2003 Street Sweeper #402                                 | 0            | 0                    | 0               | 209                          | 0                       | 0              | 0                       | 0                       | 209            |
| 2003 Street Sweeper #408                                 | 0            | 0                    | 0               | 209                          | 0                       | 0              | 0                       | 0                       | 209            |
| 2004 One Ton Dump Truck #431                             | 0            | 0                    | 0               | 55                           | 0                       | 0              | 0                       | 0                       | 55             |
| 2003 Building Maintenance Vehicle #435                   | 0            | 0                    | 0               | 61                           | 0                       | 0              | 0                       | 0                       | 61             |
| 1999 Ford Single Axle Dump Truck #479                    | 0            | 180                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 180            |
| 2003 Tandem Dump Trucks V-Box Inserts #418 & #422        | 0            | 100                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 100            |
| 2003 Platform Truck #429                                 | 0            | 0                    | 0               | 150                          | 0                       | 0              | 0                       | 0                       | 150            |
| 2003 Tandem Dump Truck #418                              | 0            | 0                    | 0               | 240                          | 0                       | 0              | 0                       | 0                       | 240            |
| 2002 Stake Truck #415                                    | 0            | 0                    | 0               | 150                          | 0                       | 0              | 0                       | 0                       | 150            |
| 2003 Tandem Dump Truck #417                              | 0            | 0                    | 0               | 240                          | 0                       | 0              | 0                       | 0                       | 240            |
| 2003 Tandem Dump Truck #419                              | 0            | 240                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 240            |
| 2003 Single Axle Dump #424                               | 0            | 180                  | 0               | 0                            | 0                       | 0              | 0                       | 0                       | 180            |
| <b>TOTALS</b>                                            | \$ 1,076     | \$ 2,678             | \$ 1,435        | \$ 1,314                     | \$ 0                    | \$ 128         | \$ 6,232                | \$ 697                  | \$ 13,560      |



## **ROAD IMPROVEMENTS**

### **Road Improvement Funding**

- Historical State Funding Model

Act 51 of the Michigan Public Acts of 1951, as amended, outlines the tri-level responsibility for road jurisdiction in our State. It provides a continuous classification of all roads and streets into three separate categories/systems – state, county and municipal, and into sub-classifications within each system. In each municipality's jurisdiction, the State has assigned roads to either Major or Local Street categories. As a result, in Madison Heights we have 21.5 miles of City Major Streets and 74.0 miles of City Local Streets. In FY 2010-11 Budget, the City will receive \$48,434 per mile for City Major Streets and \$5,317 per mile for City Local Streets. The Act also established the Michigan Transportation Fund (MTF).

In FY 2010-11, the amount projected to be received by the City under Act 51 is 12.3% or \$200,500 less than the previous fiscal year. The MDOT projects the distribution rates and actual collections often vary.

The MTF is supported through collection of the nineteen cents-a-gallon gas tax, fifteen cents-a-gallon diesel tax, vehicle registration fees, and other taxes and license fees. The MTF statute outlines how funds are distributed to owners of these road systems. First, funds are set aside by the State for administration, recreation, the critical bridge fund, railroad crossings, economic development, mass transit, State bridges and State debt service. The remaining funds are split between the Michigan Department of Transportation (MDOT), 39.1 percent; 83 County Road Commissions, 39.1 percent; and cities and villages statewide, 21.8 percent. Separate Federal highway funds are split with 75 percent of those funds going to the State and 25 percent being divided between counties, and cities and villages.

- Governor Granholm's Appointed Transportation Funding Task Force

On November 10, 2008 after 10 months of discussion, public meetings and review of preliminary findings, the Transportation Funding Task Force (TF2) released its formal report on Michigan's transportation needs to the Michigan Legislature, Governor Jennifer Granholm and the State Transportation Commission.

The report says Michigan needs to at least double its current investment in transportation to prevent a loss of up to \$1 billion in federal funds each year and to adequately maintain Michigan's highways, roads, bridges, passenger transportation, freight transportation and aviation systems. The report also says that investing in transportation will create jobs and economic activity, attract business, increase revenue, and provide better transportation services to Michigan taxpayers.

While the Task Force was charged with identifying and recommending alternatives to fund transportation in Michigan, as members learned more about the issues, several important truths became clear to the group.

1. Michigan's transportation investment needs are of such importance that doing nothing to address them is clearly not an option.

Michigan's transportation needs are huge, and growing each day that action is not taken to address them. Without additional transportation investment, Michigan can expect a substantial decline in the state's transportation system, particularly in the condition of the infrastructure, but also in the frequency and safety of service across all modes and all jurisdictions. *Without additional state and local investment, Michigan stands to lose up to \$1 billion in federal funds across the modes and more than 17,000 jobs.*

2. Michigan needs a multi-year approach to transportation investment that enables the state to achieve a "good" investment level (increase of \$3.6 billion per year) in the short-term, while continuing to strive for a "better" investment level in the future as the economy improves.
3. Recognize that fuel taxes are no longer generating sufficient revenue to meet transportation needs.

Many forces are currently eroding the revenue from motor fuel taxes. The increase in the price of gasoline, increasing numbers of fuel efficient vehicles, concern about global climate change, and changing demographics are all working together to reduce the amount of automobile travel and the amount of fuel consumed. As a result, transportation revenues are falling at a time when demand for additional and alternative transportation service is at an all time high. Alternatives to the gas tax may then be necessary if Michigan hopes to maintain and improve its infrastructure.

4. Recognize that transportation provides economic benefit that merits investment beyond the revenue generated by user fees.
5. As a partner in a federal-state-local effort to ensure adequate transportation and service, Michigan must increase state transportation investment in order to encourage and access more federal investment.
6. All state transportation funds should be ensured the same protection as the constitutional guarantee provided for the Michigan Transportation Fund (MTF).
7. Increased revenue should carry with it an expectation of increased efficiency.
8. Create incentives that encourage consolidation, coordination, or regionalization of transportation providers.
9. Change public policy that prohibits progress.

Revenue to the MTF currently comes from user fees such as motor fuel taxes and vehicle registration fees. The Task Force considered alternative involving both user fees and non-user fees. A combination of alternatives would be required to achieve a "good" level of investment.

1. Increase vehicle registration fees.
2. Eliminate registration discounts.
3. Adjust motor fuel taxes.

Michigan's per gallon motor fuel taxes (19 cents per gallon for gasoline and 15 cents per gallon for diesel fuel) currently provide about half the revenue to the MTF. Michigan's per gallon motor fuel taxes have not increased in ten years, and were not increased for ten years prior. However, the cost of providing transportation infrastructure and service increases every year. This helps explain why underinvestment in transportation is an ongoing problem in Michigan. Transportation systems are too important to the economy and the general quality of life to allow this trend to continue.

While the motor fuels tax has become a less reliable source of revenue in recent years, and is not expected to be viable as a source of revenue over the long term, it is currently the most efficient means of raising much needed revenue for transportation. The Task Force considered several options for increasing motor fuel taxes over time.

- a. Convert the cents per gallon motor fuel tax to a percent of sales price.
  - b. Enact a flat cents per gallon increase.
  - c. Take phased-in approach to increases.
4. Equalize diesel and propane tax rates with gasoline.
5. Abolish 1.5 percent cost of collection allowance on gasoline.
6. Enact measures to control costs that are paid for with transportation funding through Inter-Departmental Grants.
7. Increase sales and use tax one percent and dedicate that additional revenue to transportation.
8. Direct all or a portion of the sales tax on fuel to the MTF.
9. Redirect all or a portion of the Natural Resources Trust Fund to transportation.
10. Encourage local investment in transportation by enabling a broad spectrum of local revenue options statewide.
11. Enable Public-Private Partnerships for toll-financed reconstruction, expansion or new construction of freeways or other transportation systems.
12. Enable toll-financed reconstruction, expansion, or new construction of freeways.

The road improvement expenditures in this Chapter are described in seven categories:

- A. State Highway Projects
- B. Major Road Improvements
- C. Local Road Improvements
- D. Traffic Signal Upgrades
- E. Rehabilitation Programs
- F. Commercial and Industrial Roads
- G. Street Maintenance and Solid Waste Vehicle Replacement

#### **A. State Highway Projects**

- Oakland County I-75 Corridor Study

In 1999, MDOT, the Southeast Michigan Council of Governments (SEMCOG), Road Commission for Oakland County and the Traffic Improvement Association of Oakland County hired a consultant, the Corradino Group, to study the Oakland County I-75 Corridor to review the highway's traffic problems and recommend solutions.

In the fall of 1999 and summer of 2000, the City provided input to the consultant and at two public meetings held in Madison Heights.

The final report from the consultant recommended:

1. Non-I-75 Roadway Improvements
  - a. Widen Arterial Roadways
  - b. New Roadway in West Oakland County
2. Intelligent Transportation System (ITS) and Widen Arterial Roadways plus Sydney Coordinated Adaptive Traffic System (SCATS) plus Incident Management and Ramp Metering (where appropriate)
3. Improvements to I-75
  - a. Lane Additions (one lane per direction)
  - b. Mainline Improvements plus Interchange Improvements (including both Twelve and Fourteen Mile interchanges in Madison Heights)
  - c. Collector/Distributor (CD) Roadways at appropriate locations

In the ITS improvement area, the consultant has suggested an expansion of the SCATS system south of the City of Troy (for those areas not currently served by SCATS) in Oakland County.

In the non I-75 Roadway Improvement area, the study projected that Dequindre (north of I-696), Twelve Mile and Fourteen Mile Roads will all have volumes exceeding existing capacity by the year 2020.

Interchange reconstruction recommendations include a "single point" design. This design brings all ramp ends together at a single point and provides a three-phase (three green phases, one for each of three movements) intersection operation. The three phases would be left turns from the ramp ends, left turns to the entrance ramp and the through movement on the cross street. This

design increases vehicle through-put (improving vehicle flow) with minimal property taking and results in surplus property that could be sold to help finance the project.

The study had identified Twelve Mile, Fourteen Mile and Rochester Roads as the top candidates for the “single point” design. Earlier review has indicated that the underpasses in Madison Heights would need to be widened and the highway raised to implement this design.

- Environmental Study Update

In late December 2003, MDOT issued a DEIS (Draft Environmental Impact Statement) for the I-75 reconstruction project from M-102 (8 Mile Road) to M-59.

#### Description of the Proposed Project

The I-75 Corridor Study in Oakland County (Feasibility Study), completed in November 2000, recommended providing four through travel lanes in each direction throughout Oakland County. It also recommended the improvement of several interchanges and arterial streets near I-75. The project proposed by MDOT and covered by the DEIS addresses the reconstruction of I-75 and its widening of I-75 from three to four through travel lanes in each direction between M-102 (8 Mile Road - exit 59) and M-59 (exit 77), a distance of 18 miles. The next six miles, north to Joslyn Road (exit 83) has already been widened to four through travel lanes. The Feasibility Study recommended that MDOT widen I-75 north of Joslyn Road. The proposed improvements between M-102 and M-59 have independent utility, i.e., they can stand alone and provide transportation benefits without relying upon the development of other projects. The proposed project will connect with the four-lane section north of Square Lake Road and south of M-102.

The DEIS is a product of the I-75 Oakland County Planning/Environmental Study, which was listed in the SEMCOG 2025 Regional Transportation Plan, in SEMCOG’s Transportation Improvement Program (TIP), and in the MDOT’s Five-Year Road & Bridge Program (Volume V - 2003 to 2007) for the Metro Region.

In June 2005, the City received a copy of the Final Environmental Impact Statement (FEIS). The document had been approved by the Federal Highway Administration (FHWA) on May 31, 2005 and forwarded to the Environmental Protection Agency. The impact of the project was summarized as follows:

| <u>Impact Category</u> | <u>Expected Impact</u>                                                                                                                               |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                                                                                                                                                      |
| Traffic and Safety     | Mainline I-75 Level of Service D or better (except 11 Mile Road to 14 Mile Road), compared to Level of Service F with No Build. Safety will improve. |
| Relocations            | Twenty-six single family residences, one church, and two businesses.                                                                                 |
| Community Cohesion     | Improved access across I-75 for pedestrians and bicyclists.                                                                                          |
| Environmental Justice  | No disproportionately high and adverse human health or environmental effects on minority or low-income populations.                                  |
| Land Use               | Consistent with local and regional planning documents.                                                                                               |

| <u>Impact Category</u>          | <u>Expected Impact</u>                                                                                                                                                                                                                                                                         |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Farmland/Act 451, Part 361 Land | No prime or unique farmlands. No Act 451, Part 361 lands.                                                                                                                                                                                                                                      |
| Economics                       | Added capacity responds to growth and supports the focal point of Michigan's economic growth. Tax base losses insignificant.                                                                                                                                                                   |
| Air Quality                     | Lower emissions from improved traffic flow. No violations of the National Ambient Air Quality Standard for carbon monoxide. Project is included on air quality conforming 2030 Regional Transportation Plan.                                                                                   |
| Noise                           | 430 dwelling units, 1 school, and 5 churches would be exposed to noise levels exceeding the 66 dBA criterion under future no build conditions compared to 466 dwelling units, 1 school, and 5 churches with the project. Mitigation would substantially reduce impacts under build conditions. |
| Surface Water Impacts           | Two crossings of River Rouge and 10 of county drains. Storm water quantity will increase, flow rate will not. Storm water in depressed section will be separated from current combined sewer system, a positive effect.                                                                        |
| Wetlands                        | Preferred Alternative affects 0.41 acres of Palustrine Emergent, and Palustrine Shrub-Scrub. Potential 0.61 acres of mitigation at an identified site.                                                                                                                                         |
| Threat/Endangered Species       | None.                                                                                                                                                                                                                                                                                          |
| Cultural Resources              | No potential National Register eligible sites or districts affected.                                                                                                                                                                                                                           |
| Parks/Recreation                | No effect on any park. No Section 4(f) involvement.                                                                                                                                                                                                                                            |
| Visual Conditions               | Reduction of grassy banks and landscape plantings from 8 Mile to 12 Mile (depressed section) and grass median north to Square Lake Road (at-grade and elevated section).                                                                                                                       |
| Contaminated Sites              | One site recommended for Phase II testing.                                                                                                                                                                                                                                                     |
| Soils                           | Cutting into banks of depressed section could undermine some existing noise walls, requiring stabilization or reconstruction. Poor soils in north project area, potentially affecting noise wall cost, but no anticipated problems with roadway construction.                                  |
| Utility Systems                 | Utility relocation on I-75 bridges. No effect on high-tension electric line at 12 Mile Road or any cell towers. Relocation of MDOT traffic surveillance equipment necessary.                                                                                                                   |

| <u>Impact Category</u>          | <u>Expected Impact</u>                                                                                                                                                                                                    |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Indirect and Cumulative         | Project responds to growth, consistent with local planning. Together with other regional projects, there will be future impacts to resources from development, subject to local, state, and federal laws and regulations. |
| Energy                          | Energy used during construction. Fuel savings upon opening.                                                                                                                                                               |
| Project Costs<br>(2005 dollars) | Right-of-way \$ 16,000,000<br>Design 93,000,000<br>Construction <u>463,000,000</u><br>\$572,000,000                                                                                                                       |

On July 25, 2005, the City took the following position on the FEIS:

#### **General**

- The City of Madison Heights supports the proposed I-75 improvements as a component of the measures needed to address the congestion issues within the I-75 Corridor.
- The City continues to support consideration of mass transit alternatives, in addition to the proposed I-75 improvements, as appropriate and supplemental methods of addressing current and future congestion within the I-75 corridor.
- **The City is not committing to enforcement of any High Occupancy Vehicle (HOV) lane alternative.** Should the proposed project ultimately include HOV lanes, enforcement should be the responsibility of the State Police. The response to the City's DEIS comment in this regard referenced "...*additional funding sources will be explored...*" Madison Heights welcomes the opportunity to receive additional information on these sources and their level of compensation for any eventual local enforcement resources.

#### **Project Design/Improvements**

- The City supports MDOT's efforts to provide separated storm water management through this project.
- There is a concern, however, with the method of conveyance for the separated storm flow from I-75 to the Red Run Drain East of Dequindre. The FEIS does not specifically address this issue; however, the consultant involved in the drainage study indicates that the intent is to construct a new storm system along the existing George W. Kuhn (GWK) Drain right of way. **This concept must be reevaluated and discussed in detail with the Oakland County Water Resources Commissioner's office and all communities that are part of the GWK Drainage District.** The exact location of the proposed storm pipe, to be established during the design phase, must take into account the surface and subsurface facilities that occupy the intended route. There is approximately 1 mile of I-75 right of way, north and south of 12 Mile Road including the interchange



which has its run-off already accounted for within the GWK separated system being conveyed directly to Red Run east of Dequindre.

- The City recommends including extension of a westbound right turn lane on 12 Mile Road, immediately west of existing Home Depot driveway, within the project scope. The response to our DEIS comment indicates potential conflicts with FHWA policy. The widening project will have substantial impact on this area and should be within the scope of the project. In light of the intersection design modifications called for later in the FEIS, the City continues to recommend that a dedicated I-75 access lane be accommodated in this location, designed in accordance with applicable federal and state design criteria.
- The City plans to install a sidewalk (completed summer 2006) on the south side of 14 Mile from Concord to Stephenson Highway. The City requests that this expense, within the I-75 project area, be credited toward any local contribution that may be required relative to the I-75 project.
- The City plans to provide maintenance overlays (completed summer 2006) for portions of the service drive at the I-75/I-696 intersection. The City requests this expense, within the I-75 project area, be credited toward any local contribution that may be required relative to the I-75 project.

### **Non-Motorized Access**

- The City continues to recommend providing designated pedestrian and bicycle access across all proposed bridges and underpasses, as well as at the Red Run Drain crossing, within the scope of this project.
- The Project includes new sidewalk adjacent to service drive on the east side. The City supports this concept and recommends continuing this non-motorized path throughout the project area (north to 14 Mile) with a design to accommodate bicycle traffic. This recommendation is not predicated on the referenced countywide non-motorized plan.
- The project includes removal of the I-75/Red Run Bridge. This will eliminate or minimize the potential for any future GWK and pedestrian/bicycle access across I-75 under the existing bridge system. Alternatives must be provided to ensure future access in this regard. This recommendation is not predicated on the referenced countywide non-motorized plan.

### **Local Road Impacts**

- The FEIS generally references the extensive impact the proposed improvements will have on the adjacent road network (56 miles +), but does not address specific adjacent street improvement costs and impacts within Madison Heights or the funding mechanisms necessary to mitigate those impacts. This project will have extensive and long-term impacts on our local roads, both during construction as well as operationally after construction. These must be identified along with an



identified cost sharing structure. The FEIS response that these costs will be "... determined through the long-range planning process by the responsible agency" is not responsive and does not address the true costs of these impacts.

- The FEIS generally references the extensive impact on adjacent streets and communities during actual construction, but does not address costs attributable to local units to mitigate those impacts.

## Neighborhood Impacts

- The FEIS identifies the possible taking of twenty-three single-family homes (three additional single-family properties are impacted), one church and portions of other parcels in Madison Heights. These are identified as "preliminary estimates" that are "subject to change during the design phase". The City supports efforts to reduce these impacts further during the design phase.
- The City recommends additional evaluation of the existing and proposed sound walls in the area from I-696 to 11 Mile. **The City continues to oppose transferring responsibility for maintenance and reconstruction of the sound walls from MDOT to the City.**
- Local access and diverted through-traffic during construction will be maintained via service drives. The FEIS references a future "...maintenance of traffic program..." during the design phase to address safeguards to protect adjacent neighborhoods from this impact. This process must include analysis of closing/restricting access to side streets during construction as well as on a permanent basis.

## Interchange Impacts

- The City continues to support use of land area freed up by new interchanges for private economic development, where appropriate based on adjacent land uses and parcel configurations. The proceeds from the sale of property should be credited toward any local contribution that may be required relative to the I-75 project and as partial compensation for lost local revenues due to possible takings elsewhere in the project area.

On October 28, 2005, the City received a copy of the I-75 at Lincoln Avenue Local Road Scenario Report. It was prepared in response to a resolution passed by the Royal Oak Commission on August 1, 2005.

The analysis shows the necessity to preserve the Lincoln Avenue Bridge based on many reasons including traffic operations, safety, emergency access issues, non-motorized concerns and others. The recommendation of the report is to retain the Lincoln Avenue Bridge as a part of the Preferred Alternative for I-75 improvements, as recommended in the FEIS, April 2005. The FHWA also concurred with the analysis and its findings, including retaining the Lincoln Avenue Bridge as a part of the Preferred Alternative for the I-75 improvements.

This project is listed as a study in MDOT's approved *2004-2009 Five-Year Transportation Program*, which outlines roadway expenditures over the next five years. It is on SEMCOG's *2030 Regional Transportation Plan (RTP)*, with construction scheduled for the 2011-2015 time period. With its inclusion on the plan, it is shown to be in conformity with the Clean Air Act.

Due to modifications that are recommended at the I-696 interchange and 12 Mile Road, an Interstate Break-in-Access Justification Report (IAJR) was prepared to document the effect of the proposed access changes on the interstate system and affected local roads. Analysis performed for that report has been incorporated into this FEIS.

The FEIS has been distributed to federal, state and local agencies, private organizations, and all members of the public making substantive comments on the DEIS. Following the comment period on the FEIS, it was forwarded to the FHWA with a recommendation that a Record of Decision (ROD) be issued. The ROD will act as the Location/Design Approval document, allowing the project to move forward to the design stage, when funding is identified. After design is completed the right-of-way acquisition and construction phases will occur. However, due to the Governor's "Preserve First" program and the Michigan Transportation Fund shortfalls, the project has been deferred. It is expected that when funding is provided, the project can move into detail design. Construction funding has not yet been identified.

A new I-75 engineering report study was released in September 2010. The report represents the final engineering report for the I-75 widening project from 8 Mile Road to south of 12 Mile Road. Key components include a new proposed Park & Ride lot at the northeast corner of I-75 and I-696, accessed off the existing service drive. In addition, the number of parcels identified as probable to be purchased has been reduced from 62 to 44 parcels. Design, right-of-way acquisition and construction phases are deferred, and no funds have been identified.

## **B. Major Road Improvements**

- 12 Mile/14 Mile Asphalt Overlay

The Road Commission for Oakland County has road jurisdiction over 10 Mile, 12 Mile, 14 Mile and portions of John R roads. To extend the life of two of these roads, they have programmed asphalt overlay projects in FY 2012-13 on 14 Mile from Campbell to Stephenson (\$1.1 million) and in FY 2013-14 for 12 Mile from Stephenson to Dequindre (\$2.4 million). The Road Commission will provide a 20 percent match to the Federal funding for these projects.

- Southend Corridor Projects

In October of 2009, a six-year federal transportation funding bill known as SAFETEA-LU expired. SAFETEA-LU stands for Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. The bill has been extended for 18 months to allow Congress to work out the details of the new bill.

At Congressman Levin's request, the City submitted four major road reconstruction projects; 11 Mile from I-75 to John R (\$1.2 million); 11 Mile from John R to Dequindre (\$1.9 million); John R from 10 Mile to 11 Mile (\$2.1 million); and John R from 11 Mile to 12 Mile (\$2.8 million). The typical match requirements are 80% federal for 20% local match. In October of 2009, we were notified that Congressman Levin had requested a local "earmark" of \$2.2 million for the two 11 Mile projects.

Given the Federal government's move to eliminate earmarked projects, staff has developed an alternative project to address these southend commercial corridors. Based on the success of the recent Downtown Development Authority road rehab project, the plan is to perform a comprehensive concrete sectional replacement for 11 Mile from I-75 to John R (\$764,000), 11 Mile from John R to Dequindre (\$1.3 million), John R from 12 Mile to Gardenia (\$1.1 million) and John R from 11 Mile to 10 Mile (\$1.2 million).

In addition, Congressman Gary Peters has requested an earmark of \$90 million to plan, design, acquire right-of-way, construct and rehabilitate the I-75 corridor between 8 Mile and M-59 through MDOT.

On February 22, 2011, the Oakland County Federal Aid Task Force Funding Committee gave approval for the City's request to rehabilitate and asphalt overly John R from 11 Mile north to the Red Run Drain. The 2015 project expenditures of \$1,710,640 will be split equally between the federal grant and our local match at \$855,230 each. To raise the local match, the City Manager proposed that the Council appropriate one-fourth of the required funds, or \$213,813, for the next four years. In an effort to maintain the driveability of John R prior to the overlay project, the FY 2011-12 Budget includes \$247,400 (General Fund \$221,200 and Downtown Development Authority Fund \$26,200) for needed sectional concrete repair.

#### **C. Local Road Improvements**

In addition to the Proposal "R-1 and R-2" Ten Year Residential Road Improvement Programs outlined in the Neighborhood Roads Chapter, historically there have been additional local road improvements scheduled in the Capital Improvement Plan. In light of the decreasing gas tax revenues from the Michigan Transportation Fund, there is only enough Local Street Fund revenue to support operation and maintenance costs.

- Neighborhood Stabilization Program (NSP) Monroe Park Road Improvements

In March of 2009, the City received a federal NSP grant of \$1.2 million to provide redevelopment of areas negatively impacted by abandoned and foreclosed homes. In December 2009, the City was notified that we would receive an additional \$190,799, bringing the total grant to \$1.4 million. One of the four major projects under this grant was the redevelopment of the old 3.6 acre abandoned Monroe School site in the southwest corner of the City.

This project included four components: demolition of the old school building; purchase of one acre for a park site; installation of the park improvements; and rehabilitation of the roads that abut the site. The City selected a contractor in November of 2009 for sectional concrete replacement work on Barrett and Dallas Streets. The project was completely funded through NSP (\$63,000), with work completed in Spring 2010.

Staff has identified use of Federal CDBG/NSP funds to address sectional concrete repairs on NSP-eligible residential roads (\$128,000).

#### **D. Traffic Signal Upgrades**

Over the last fifteen years, the City has undertaken a considerable effort to upgrade the existing traffic signals on major City thoroughfares to improve traffic safety and reduce congestion during peak travel times. To this end, left-hand turn signals have been added at John R and Whitcomb, John R and Eleven Mile, Dequindre and Whitcomb, Dequindre and Thirteen Mile, Dequindre and Twelve Mile, and Dequindre and Eleven Mile.

Over the last few years, at the request of the Road Commission for Oakland County (RCOC) and with considerable financial incentive to the City, the City Council has authorized the installation of the SCATS system at a number of locations. This system is part of the RCOC's FAST-TRAC Intelligent Transportation System, which was first introduced in Oakland County in 1992.

SCATS stands for the Sydney Coordinated Adaptive Traffic System and was first deployed in Sydney, Australia. SCATS is an area-wide traffic controlled strategy designed to reduce overall system delay. Some drivers might experience slightly more delay, but most drivers will benefit. SCATS maximizes the use of available road capacity, thereby improving the efficiency of the overall system.

SCATS uses telephone lines to communicate between a regional computer and the traffic signal controller at each SCATS intersection. Each intersection has vehicle detector cameras that let SCATS know when vehicles are present. The detectors allow SCATS to count vehicles and SCATS uses this information to decide how much green-time each approach to a signalized intersection should have. This is recomputed every cycle to determine what timing changes need to be made in order to move traffic most effectively. SCATS also coordinate timing at adjacent intersections to provide for the best possible traffic flow.

The SCATS system is but one tool to be used to optimize traffic flow on existing roads. SCATS is not intended to replace road widening where extra capacity is required, but it has certainly proven to be the next best thing.

Since 1998, SCATS projects have been completed at John R and I-696, Twelve Mile from Stephenson to Milton, Eleven Mile and John R, Fourteen Mile from Stephenson to Industrial, John R and Dartmouth, Thirteen Mile from Stephenson to Hales, John R and Ajax, John R and Irving, Eleven Mile from I-75 to Hales and John R from Brockton to Madison Place.

An allocation of \$10,000 to \$30,000 per year has been included in the Capital Improvement Plan starting in FY 2011-12 to provide funding for unanticipated signal upgrades.

#### **E. Road and Sidewalk Rehabilitation Programs**

The Capital Improvement Plan also includes the continuation of two very successful City-wide programs. Within the capital budget, \$75,000 to \$425,000 per year for each of the next five years has been programmed for each of the following: sidewalk repair and installation program; and joint and crack sealing and/or over-band crack sealing of major roads.

- **Sidewalk Repair & Gaps Program**

On December 13, 1999, the City Council adopted a goal to “identify gaps in the sidewalk network, develop financing and implement multi-year programs to improve pedestrian access and safety.”

The City has had a very successful sidewalk repair program. After 2001 (final year of the original fourteen year program), the entire City sidewalk system had been inspected and repaired to a ½” trip standard. However, over time the sidewalk system will continue to need ongoing repair. In addition, several areas of the City have “gaps” within the sidewalk system that results in poor or incomplete pedestrian circulation.

As part of the Sidewalk Special Assessment Program, the City's contractor replaces key flags and installs handicap ramps at intersections, and does general sidewalk repairs and replacement. Funding is provided by property owners' assessments each year on a district-by-district basis. The district schedule for 2011 is Year 9, which includes sidewalks north of Thirteen Mile Road, west of I-75, south of Twelve Mile Road, and east of Campbell.

# **SIDEWALK PROGRAM AND GAP MAP** CITY OF MADISON HEIGHTS

- SIDEWALK GAPS TO REMAIN
- SIDEWALK TO BE INSTALLED - GAP PROGRAM
- SIDEWALK TO BE INSTALLED - R-2 PROGRAM
- COMPLETED - R-2 PROGRAM
- SAD REJECTED BY RESIDENTS - R-2 PROGRAM

## **SIDEWALK PROGRAM YEARS**

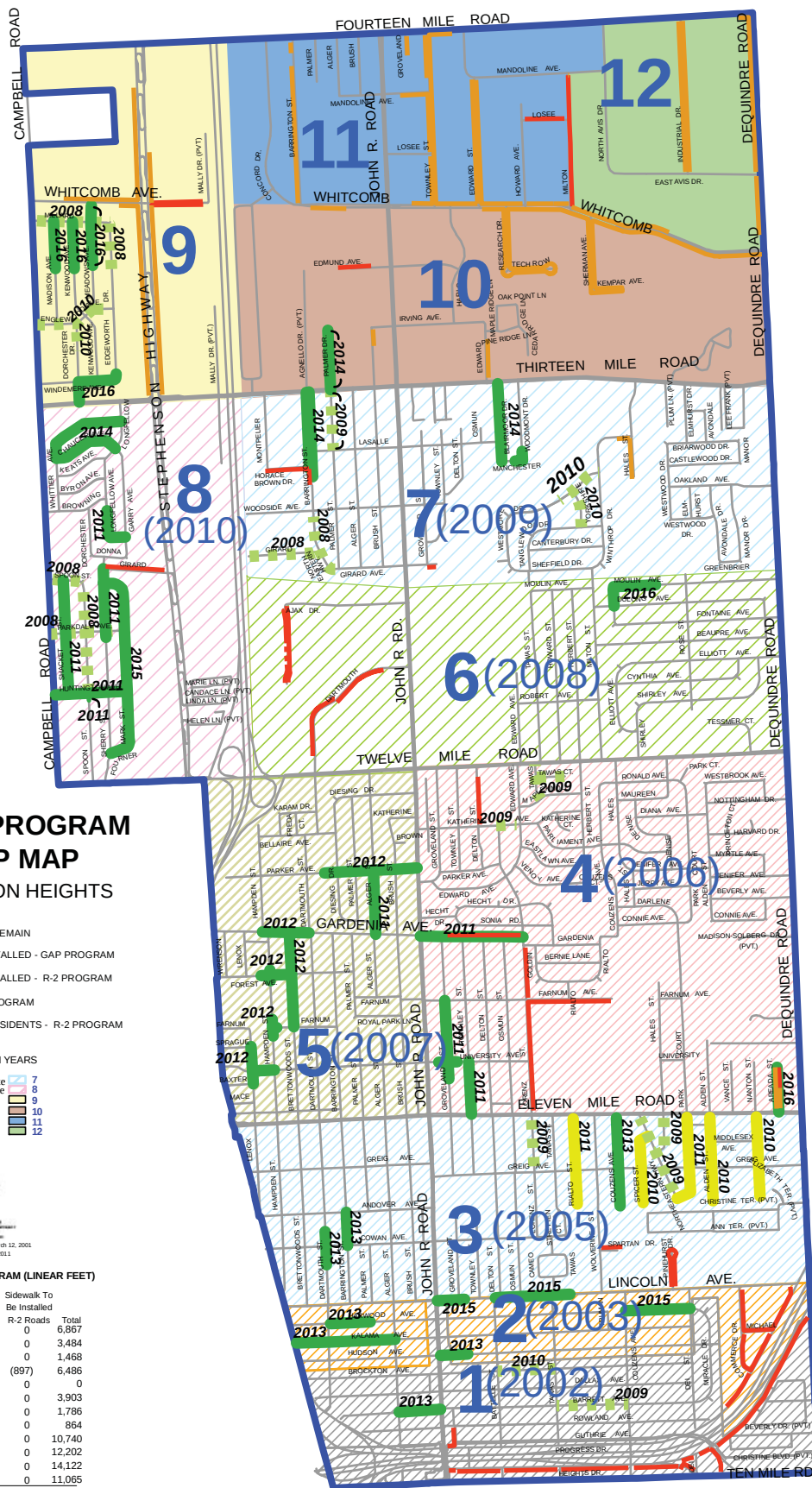
|          |   |          |    |
|----------|---|----------|----|
| Complete | 1 | Complete | 7  |
| Complete | 2 | Complete | 8  |
| Complete | 3 | Complete | 9  |
| Complete | 4 | Complete | 10 |
| Complete | 5 | Complete | 11 |
| Complete | 6 | Complete | 12 |



Adopted by City Council: March 12, 2001  
Revised: March 18, 2011  
Scale: N/A

## **SIDEWALK GAP PROGRAM (LINEAR FEET)**

|              |                   | Sidewalk To<br>Be Installed | Sidewalk To<br>Be Installed | Total         |
|--------------|-------------------|-----------------------------|-----------------------------|---------------|
|              | Gaps<br>To Remain | Gap                         | R-2 Roads                   |               |
| Complete 1   | 6,867             | 0                           | 0                           | 6,867         |
| Complete 2   | 3,484             | 0                           | 0                           | 3,484         |
| Complete 3   | 1,468             | 0                           | 0                           | 1,468         |
| Complete 4   | 5,589             | 897                         | (897)                       | 6,486         |
| Complete 5   | 0                 | 0                           | 0                           | 0             |
| Complete 6   | 3,903             | 0                           | 0                           | 3,903         |
| Complete 7   | 1,005             | 781                         | 0                           | 1,786         |
| Complete 8   | 864               | 0                           | 0                           | 864           |
| Complete 9   | 1,497             | 9,243                       | 0                           | 10,740        |
| Complete 10  | 485               | 11,717                      | 0                           | 12,202        |
| Complete 11  | 580               | 13,542                      | 0                           | 14,122        |
| Complete 12  | 1,915             | 9,150                       | 0                           | 11,065        |
| <b>TOTAL</b> | <b>27,657</b>     | <b>45,330</b>               | <b>(897)</b>                | <b>72,987</b> |





On March 12, 2001, the City Council adopted the Sidewalk “Gap” and Replacement Policy. The following criteria were developed as the basis for determining sidewalk gap construction and funding contributions:

1. Pedestrian Safety
2. Current/Projected Use/Demand
3. Physical/Right of way constraints (“Constructibility”)
4. Proximity/Links to Schools, Parks, Employment Centers
5. Coordination with other public/private projects
6. Funding Resources
7. Maintenance – Public/Private
8. Property Ownership – Public, Schools, Private
9. Provision of sidewalks on both sides of Major Roads

The policy indicates that all sidewalks shall comply with the Code of Ordinances, except as specified below.

There is established as a part of this policy a “Sidewalk Program and Gap Map”. The preceding map establishes sidewalk gap locations throughout the City and denotes those gaps that are “to remain” and those that are “to be installed” with new sidewalk.

All new developments occurring within the City that are located on a parcel or parcels that have a sidewalk gap shown as “to be installed” on the Gap Map shall install said sidewalk. Provisions for such sidewalk construction shall be included as a part of site plan review, subdivision approval, or building permit application. Cost of sidewalk gap construction shall be the entire responsibility of the property owner or developer.

All public road and utility projects occurring within the City that are located on or adjacent to a parcel or parcels that have a sidewalk gap shown as “to be installed” on the Gap Map shall include installation of said sidewalk as a part of the scope of project.

For commercial and industrial mill and overlay projects the property owners will pay the full cost of the sidewalks. Cost of sidewalk gap construction shall be allocated between the City and the property owners in accordance with the percentage allocations in the City’s Special Assessment District Policy for Road Improvements (July 12, 1999, as amended) and through a special assessment district.

All other streets that have a sidewalk gap shown as “to be installed” on the Gap Map shall be installed during the City’s scheduled annual sidewalk program in accordance with the “Sidewalk Program” years on the Gap Map. Cost of sidewalk gap construction shall be the entire responsibility of the property owner either directly or through a special assessment district in conjunction with the City’s annual sidewalk program.

Construction of sidewalks shown on the “Gap Map” as “Sidewalk Gaps to Remain” shall not be required. However, nothing in the policy should be construed as preventing installation of said sidewalks where the property owner and/or City voluntarily seek such installation.

To address concerns voiced regarding homeowners’ ability to pay, the City Council amended the Sidewalk Program Policy in 2003 to provide for financial assistance for those who qualify.

Starting in FY 2007-08, Proposal “R-2” funding of \$20,000 per year is used to support the sidewalk handicap ramps and key flags.

- Campbell Road Rehabilitation Thirteen Mile to Fourteen Mile

A mill and asphalt overlay project was completed in 2009. Originally scheduled for FY 2010-11, the City received American Recovery and Reinvestment Act (ARRA) funding for 100% of the construction costs, saving both Madison Heights and Royal Oak approximately \$500,000 each. Total project cost was approximately \$1.15 million. The two Cities are reviewing options with the State regarding the funding of the remaining \$140,000 (Royal Oak \$77,000 and Madison Heights \$63,000) in project cost.

- John R Northbound -11 Mile to Gardenia

In 2009, the Downtown Development Authority funded a sectional concrete repair on the northbound curb line of John R from 11 Mile to Gardenia. Future sectional concrete repairs on this stretch of John R are planned subject to funding. The 2009 and 2010 funding was \$153,000 and \$158,000 respectively.

- Thirteen Mile Rehabilitation

As a result of the City’s success in being awarded an ARRA grant for the Campbell Road reconstruction, funding was freed up to address other pressing needs. To preserve the integrity of this important thoroughfare, phase one of sectional concrete replacement was completed in November of 2009. The John R to Stephenson Highway segment was funded through the Major Streets Fund at a cost of \$366,000. The next phase for Stephenson Highway to Campbell was completed in the Fall of 2010 at a cost of \$312,000.

- Oakland County Tri-Party Program

The Tri-Party Program was a program to assist the County to maintain their roads by seeking match funding. Under the program, the City, County and Road Commission contributes one-third of the cost of road improvements on roads located in Madison Heights, but under the jurisdiction of the Road Commission for Oakland County. In Madison Heights, these roads include Ten Mile, Twelve Mile, Fourteen Mile and John R from the Red Run Drain to Fourteen Mile. In October, Oakland County announced that they were suspending new funding of this program.

To address road needs and to capture funding on account with the Road Commission, the City has scheduled sectional concrete replacement projects on Ten Mile and Twelve Mile Roads for FY 2010-11. The project cost estimated at \$325,000 would have been split \$108,333 each between Oakland County, the Road Commission and the City. Based on dropping Gas and Weight Tax revenues from the State, this project has been put on hold.

- Concrete Joint and Crack Seal Program

The Joint and Crack Sealing Program has been a very successful method by which to extend the useful life of the City's concrete roads. The process includes the removal of old tar, dirt and weeds, the blowing clean of these areas and a refilling of all cracks and seams with tar. Starting in FY 2012-13, the major roads portion will be funded through the Major Street Fund at \$75,000 per year.

## **F. Commercial and Industrial Roads**

Industrial area road surfaces and commercial connector roads are taking an increasing amount of patching to maintain drivability. In addition, many roads in these areas are not wide enough to accommodate today's truck traffic and turning radii. The surface conditions of roads in the Madison Industrial Research District (north of Whitcomb) and other industrial/commercial areas have declined significantly in recent years.

On July 12, 1999, the City Council adopted a Special Assessment District Policy to expedite the reconstruction of these industrial subdivision and commercial roads.

- Prior Projects

Based on the past Council Policy, the staff was selecting one road (based on the annual road survey) every two to three years to be reconstructed, subject to available funding. Roads in this area were widened and resurfaced as necessary. The first project, Ajax Drive from John R to the Department of Public Services, was programmed and completed in 1999 at a cost of \$750,000.

The second industrial road project, Losee Avenue from Howard to Milton, was originally budgeted for FY 1999-2000 and was later rescheduled to FY 2001-02. The Losee project was combined with FY 2001-02 (original plan) reconstruction of Milton Avenue from Mandoline to Whitcomb and Howard Avenue from North Cul-de-sac to Whitcomb.

Starting in August 2001, two attempts were made to establish funding for this project (\$1.7 million) through a special assessment district. In March 2002, the City Council delayed consideration of the related Special Assessment Roll until December 2002. On December 16, 2002, the City Council approved the Special Assessment and construction was completed in the summer of 2003.

Scheduled for 2006 was the rehabilitation of Progress Drive from John R to Dallas and the I-696 northbound underpass. This I-696 service drive had developed road surface problems. Funds were allocated to mill and overlay the worst concrete sections. The project was completed in 2006 for \$185,000.

In FY 2006-07, the City completed the \$1.1 million (including \$293,000 in special assessment contributions and \$50,000 in Water and Sewer Fund contributions) reconstruction of Concord between Fourteen Mile Road and Barrington.

As part of the FY 2007-08 Community Development Block Grant (CDBG) application, the City requested \$288,000 (plus \$122,000 from the Major Street Fund) for the reconstruction of Progress and Heights Drives from John R to Couzens. The 2007 construction consisted of approximately 5,304 linear feet for both the eastbound and westbound drives of deteriorated concrete pavement being reconstructed with cold milling of the concrete pavement and asphalt overlay. The CDBG funding was derived from the net proceeds from the sale of the former Branch Library.



## COMMERCIAL & INDUSTRIAL ROAD PROJECTS BY PRIORITY

— COMPLETED PROJECTS

NOTE: PLANNED PROJECTS ARE SHOWN  
IN VARIOUS OTHER LINE COLORS

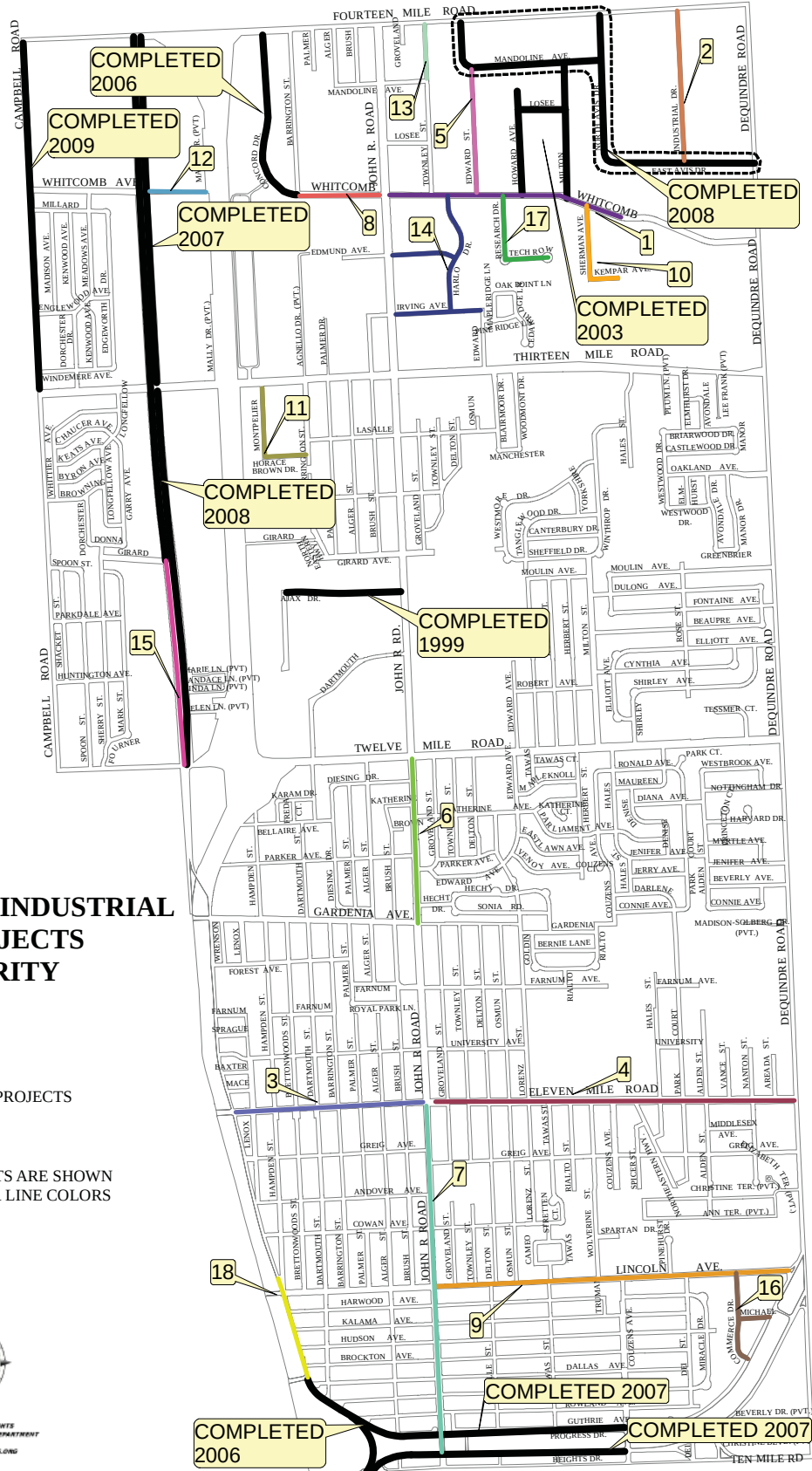


TABLE VI

FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
PRIORITY COMMERCIAL AND INDUSTRIAL ROAD PROJECTS  
(BASED ON CURRENT COSTS)

|                | <u>Project Location/Limits</u>                                                                               | <u>Length<br/>(Feet)</u> | <u>Estimated<br/>Cost (in 2010)</u> |
|----------------|--------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| Done 1999      | Ajax Drive - DPS Building to John R                                                                          | 1,700                    | \$ 620,000                          |
| Done 2003      | Losee Avenue - Howard to Milton (660 feet)                                                                   |                          |                                     |
|                | Milton Avenue - Mandoline to Whitcomb (1,950 feet)                                                           |                          |                                     |
|                | Howard Avenue - North of Whitcomb (1,475 feet)                                                               | 4,085                    | 1,105,000                           |
| Done 2006      | I-696 WB Service Drive (Progress Drive to Stephenson Highway - Dallas to John R including I-696 NB Underpass | 3,500                    | 250,000                             |
| Done 2006      | Concord Drive - Fourteen Mile to Barrington                                                                  | 2,700                    | 1,174,000                           |
| Done 2007      | Stephenson Highway - NB Thirteen Mile to Fourteen Mile                                                       | 5,149                    | 353,000                             |
| Done 2007      | I-696 EB Service Drive (Heights Drive) - John R to Couzens                                                   | 2,636                    | 205,000                             |
| Done 2007      | I-696 WB Service Drive (Progress Drive) - John R to Couzens                                                  | 2,668                    | 205,000                             |
| Done 2008      | Stephenson Highway - NB Twelve Mile to Thirteen Mile                                                         | 5,531                    | 431,000                             |
| Done 2008      | Stephenson Highway - SB Fourteen Mile to Girard                                                              | 7,281                    | 781,000                             |
| Done 2008      | North Avis Drive - Fourteen Mile to East Avis (Includes sidewalk SAD \$107,000)                              | 2,978                    | 464,360                             |
| Done 2008      | East Avis Drive - North Avis to Dequindre (includes sidewalk SAD \$86,000)                                   | 2,150                    | 344,000                             |
| Done 2008      | Edward Street - Fourteen Mile to Mandoline (includes sidewalk SAD \$29,000)                                  | 722                      | 115,640                             |
| Done 2008      | Mandoline Avenue - Edward to North Avis (includes sidewalk SAD \$66,000)                                     | 1,900                    | 294,000                             |
| Done 2009      | Campbell - Thirteen to Fourteen Mile                                                                         | 5,280                    | \$1,200,000                         |
|                | Work Completed                                                                                               | 48,280                   | \$7,542,000                         |
| <u>Planned</u> |                                                                                                              |                          |                                     |
| 1.             | Whitcomb Avenue Sectional - John R to end of Islands (east of Sherman)                                       | 3,500                    | \$ 663,000*                         |
| 2.             | Industrial Drive - Fourteen Mile to East Avis                                                                | 2,256                    | 379,000                             |
| 3.             | 11 Mile - John R to I-75                                                                                     | 2,970                    | 764,000                             |
| 4.             | 11 Mile - John R to Dequindre                                                                                | 5,280                    | 1,308,000                           |
| 5.             | Edward Street - Mandoline to Whitcomb                                                                        | 1,866                    | 313,500                             |
| 6.             | John R - 12 Mile to Gardenia                                                                                 | 2,640                    | 1,130,000*                          |
| 7.             | John R - 10 Mile to 11 Mile                                                                                  | 5,280                    | 1,169,000*                          |
| 8.             | Whitcomb - Barrington to John R                                                                              | 1,200                    | 345,600                             |
| 9.             | East Lincoln Avenue - John R to Dequindre                                                                    | 5,346                    | 900,000                             |
| 10.            | Sherman/Kempar                                                                                               | 1,470                    | 286,000                             |
| 11.            | Montpelier/Horace Brown Drive - Thirteen Mile to East End                                                    | 1,750                    | 294,000                             |
| 12.            | Whitcomb Avenue - Mally to Stephenson                                                                        | 958                      | 161,000                             |
| 13.            | Townley - Fourteen Mile to Mandoline                                                                         | 2,492                    | 419,000                             |
| 14.            | Edmund - John R to Harlo, Harlo - entire length, and Irving east of John R                                   | 3,956                    | 665,000                             |
| 15.            | Stephenson Highway - SB Girard to Twelve Mile Road                                                           | 3,393                    | 570,000                             |
| 16.            | Commerce/Michael                                                                                             | 1,750                    | 340,000                             |
| 17.            | Research Dr./Tech Row                                                                                        | 1,770                    | 344,000                             |
| 18.            | NB I-75 Service Dr. - Dallas to Hampden                                                                      | 1,518                    | 335,000                             |
|                | Work Planned                                                                                                 | 49,395                   | \$10,386,100                        |

\*Sectional Concrete Repairs

As part of the 2008-09 Goal Plan, the City Council approved a proposal: “In an effort to balance funding limitations and the backlog of commercial and industrial roads in need of repair, modify the existing program to allow for development, design, procurement and construction of a mill and asphalt overlay with appropriate joint and base repairs for these high priority road needs.”

For FY 2008-09, the following overlay projects were completed: North Avis from Fourteen Mile to East Avis (\$464,000); East Avis from North Avis to Dequindre (\$344,000); Edward from Fourteen Mile to Mandoline (\$116,000); and Mandoline from Edward to North Avis (\$294,000). In addition to the overlay portion, each project included a sidewalk special assessment to fill in missing parts of the sidewalk network.

A continued lack of major road funding has severely limited major road improvements. For 2011-12, a minimum amount of \$50,000 is programmed for sectional concrete repairs on Whitcomb east of John R.

- Concrete/Joint Repairs - Sectional

Budgetary constraints limit the City’s ability to completely repair designated commercial and industrial roads with asphalt overlays. Starting in FY 2012-13, a limited sectional repair program is planned to fund safety repairs on the City’s commercial and industrial roads (\$50,000 per year).

- Asphalt Crack Seal Program

Since the City’s commercial and industrial program utilizes asphalt overlays for Progress Drive, Heights Drive, Stephenson Highway northbound from 12 Mile to 14 Mile, Stephenson Highway southbound 14 Mile to Girard, Edward, Mandoline, North Avis, East Avis and Campbell Road 13 Mile to 14 Mile, these road surfaces must be maintained with a routine crack seal program. The 2010-11 program included \$50,000 for a comprehensive crack sealing of all City asphalt overlays.

As presented in Table VI, 18 priority industrial/commercial road improvement projects have been identified.

## **G. Street Maintenance and Solid Waste Vehicle Replacements**

Various Street Maintenance and Solid Waste vehicles are programmed for purchase to correspond with the Five Year Equipment Replacement Plan. Also, as detailed in the Public Safety Chapter, Street Maintenance vehicles totaling \$1.6 million will be funded through the “V-2” millage program.

**TABLE VII**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COLLECTION & DISTRIBUTION SYSTEMS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

| COLLECTION & DISTRIBUTION SYSTEMS        | FY<br>2009-10 | FY<br>2010-11   | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 | TOTAL<br>APPROP. |
|------------------------------------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>WATERMAINS/METERS</b>                 |               |                 |               |               |               |               |               |                  |
| Fixed Network Water Meter Reading System | \$ 0          | \$ 1,379        | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0             |
| Palmer - North Dead End to 11 Mile       | 0             | 210             | 0             | 210           | 0             | 0             | 0             | 210              |
| Brush - 11 Mile to Royal Park Lane       | 0             | 0               | 0             | 252           | 0             | 0             | 0             | 252              |
| Barrington - 11 Mile to Andover          | 0             | 0               | 0             | 0             | 235           | 0             | 0             | 235              |
| Hampden - 11 Mile to Andover             | 0             | 0               | 0             | 0             | 225           | 0             | 0             | 225              |
| Harwood - John R to Progress             | 0             | 0               | 0             | 0             | 0             | 378           | 0             | 378              |
| Fourteen Mile - Palmer to John R         | 0             | 0               | 0             | 0             | 0             | 166           | 0             | 166              |
| Longfellow - Garry to Brown              | 0             | 0               | 0             | 0             | 0             | 0             | 153           | 153              |
| Dartmouth - 11 Mile to Andover           | 0             | 0               | 0             | 0             | 0             | 0             | 256           | 256              |
|                                          |               |                 |               |               |               |               |               |                  |
| <b>SEWER PROJECTS</b>                    |               |                 |               |               |               |               |               |                  |
|                                          |               |                 |               |               |               |               |               |                  |
| Kuhn Drain Sewer Separation and Re-Route | 0             | 350             | 0             | 0             | 0             | 0             | 0             | 0                |
| Sewer Rehabilitation/Replacement         | 0             | 0               | 0             | 50            | 50            | 50            | 50            | 200              |
| DPS Brine Containment Structure          | 0             | 0               | 0             | 0             | 40            | 0             | 0             | 40               |
| <b>REPLACEMENTS</b>                      |               |                 |               |               |               |               |               |                  |
| 1997 One Ton Dump Truck #462             | 0             | 0               | 60            | 0             | 0             | 0             | 0             | 60               |
| 1998 Ford Vactor #468                    | 0             | 0               | 0             | 380           | 0             | 0             | 0             | 380              |
| 2000 GMC W 4500 Van #458                 | 0             | 0               | 0             | 0             | 55            | 0             | 0             | 55               |
| 2001 Tandem Axle Dump #464               | 0             | 0               | 0             | 0             | 0             | 225           | 0             | 225              |
|                                          |               |                 |               |               |               |               |               |                  |
| <b>REPAIRS</b>                           |               |                 |               |               |               |               |               |                  |
| Salt Dome Concrete Repair & Resurface    | 0             | 0               | 0             | 40            | 0             | 0             | 0             | 40               |
|                                          |               |                 |               |               |               |               |               |                  |
| <b>TOTALS</b>                            | <b>\$ 0</b>   | <b>\$ 1,939</b> | <b>\$ 60</b>  | <b>\$ 932</b> | <b>\$ 605</b> | <b>\$ 819</b> | <b>\$ 459</b> | <b>\$ 2,875</b>  |

**REVENUES:**

| COLLECTION & DISTRIBUTION SYSTEMS     | GENERAL<br>FUND | LOCAL/<br>MAJOR<br>STREETS | C.D.B.G.    | SPECIAL<br>ASSESS. | ROAD<br>IMPROV.<br>ACCOUNT | WATER &<br>SEWER | OTHER<br>REVENUES | TOTAL<br>REVENUES |
|---------------------------------------|-----------------|----------------------------|-------------|--------------------|----------------------------|------------------|-------------------|-------------------|
| <b>WATERMAINS/METERS</b>              |                 |                            |             |                    |                            |                  |                   |                   |
| Palmer-North Dead End to 11 Mile      | \$ 0            | \$ 0                       | \$ 0        | \$ 0               | \$ 0                       | \$ 210           | \$ 0              | \$ 210            |
| Brush - 11 Mile to Royal Park Lane    | 0               | 0                          | 0           | 0                  | 0                          | 252              | 0                 | 252               |
| Barrington - 11 Mile to Andover       | 0               | 0                          | 0           | 0                  | 0                          | 235              | 0                 | 235               |
| Hampden - 11 Mile to Andover          | 0               | 0                          | 0           | 0                  | 0                          | 225              | 0                 | 225               |
| Harwood - John R to Progress          | 0               | 0                          | 0           | 0                  | 0                          | 378              | 0                 | 378               |
| Fourteen Mile - Palmer to John R      | 0               | 0                          | 0           | 0                  | 0                          | 166              | 0                 | 166               |
| Longfellow - Garry to Brown           | 0               | 0                          | 0           | 0                  | 0                          | 153              | 0                 | 153               |
| Dartmouth - 11 Mile to Andover        | 0               | 0                          | 0           | 0                  | 0                          | 256              | 0                 | 256               |
|                                       |                 |                            |             |                    |                            |                  |                   |                   |
| <b>SEWER PROJECTS</b>                 |                 |                            |             |                    |                            |                  |                   |                   |
| Sewer Rehabilitation/Replacement      | 0               | 0                          | 0           | 0                  | 0                          | 200              | 0                 | 200               |
| DPS Brine Containment Structure       | 0               | 0                          | 0           | 0                  | 0                          | 40               | 0                 | 40                |
|                                       |                 |                            |             |                    |                            |                  |                   |                   |
| <b>REPLACEMENTS</b>                   |                 |                            |             |                    |                            |                  |                   |                   |
| 1997 One Ton Dump truck #462          | 0               | 0                          | 0           | 0                  | 0                          | 60               | 0                 | 60                |
| 1998 Ford Vactor #468                 | 0               | 0                          | 0           | 0                  | 0                          | 380              | 0                 | 380               |
| 2000 GMC W 4500 Van #458              | 0               | 0                          | 0           | 0                  | 0                          | 55               | 0                 | 55                |
| 2001 Tandem Axle Dump #464            | 0               | 0                          | 0           | 0                  | 0                          | 225              | 0                 | 225               |
|                                       |                 |                            |             |                    |                            |                  |                   |                   |
| <b>REPAIRS</b>                        |                 |                            |             |                    |                            |                  |                   |                   |
| Salt Dome Concrete Repair & Resurface | 0               | 0                          | 0           | 0                  | 0                          | 40               | 0                 | 40                |
|                                       |                 |                            |             |                    |                            |                  |                   |                   |
| <b>TOTALS</b>                         | <b>\$ 0</b>     | <b>\$ 0</b>                | <b>\$ 0</b> | <b>\$ 0</b>        | <b>\$ 0</b>                | <b>\$ 2,875</b>  | <b>\$ 0</b>       | <b>\$ 2,875</b>   |

## **COLLECTION & DISTRIBUTION SYSTEMS**

### **Local Water Improvements**

- Watermain Replacement Program

As part of the 2001-02 Goal Plan, the City Council approved the following goal:

Develop plans, schedule funding and implement a multi-year systematic watermain replacement program aimed at reducing maintenance costs and water loss due to main breaks.

In the area of watermain replacement, the Department of Public Service (DPS) annually reviews and identifies those areas needing extensive watermain replacement and those requiring additional watermains to improve both water volume and pressure to customers. As a general strategy, the City is replacing six-inch cast iron watermains installed starting in the early 1940's with new eight-inch pipe. Through the extension of existing watermain lines, the City loops existing service areas by connecting parallel lines, improving supply and distribution in various neighborhoods. By implementing the watermain replacement program, our future operating budget for expensive emergency repairs will be reduced by decreasing the occurrence of watermain breaks.

As recommended by the Utilities Supervisor, Deputy City Manager, Community Development Director and City Engineer starting in 1997, the watermains in the Proposal "R-1" Neighborhood Road Improvement Program - Year Two were replaced with plastic pipe. Due to reduced cost and the success of the program, the City now uses plastic pipe for all watermain projects.

As presented in Table VIII, fourteen future high-priority watermain projects have been identified.

On February 8, 2010, the City Council decided to suspend all scheduled watermain replacements for at least 30 months, based on their decision to minimize increases in water and sewer rates.

- Equipment Replacement

Concerning rolling equipment and tools, the DPS is also projecting a need to replace a water service van, a sewer vactor, a one-ton dump truck and related equipment.

- Facilities Needs

The Water and Sewer Fund owns the DPS property and facilities at the end of Ajax Drive. During the winter of 2008, the Department installed a new brine manufacturing unit to improve road de-icing operations. To protect the environment from accidental spills, and in compliance with MDEQ requirements, \$40,000 is programmed for a secondary brine containment system. Also, in light of the age and condition of the concrete salt dome, a project is scheduled to repair and apply sealant (\$40,000) to the structure to improve longevity.

- Neighborhood Road Plan

The Neighborhood Projects Chapter outlines the watermain and sewer line replacement projects scheduled as part of the ten year plan.

# COLLECTION & DISTRIBUTION SYSTEMS BY PRIORITY



TABLE VIII

FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
PRIORITY WATERMAIN PROJECTS  
(BASED ON CURRENT COSTS)

| <u>Location<br/>Number</u> | <u>Projected<br/>Fiscal<br/>Year</u> | <u>Watermain Location</u>              | <u>Length<br/>(Feet)</u> | <u>Estimated Cost<br/>(in 2010)</u> |
|----------------------------|--------------------------------------|----------------------------------------|--------------------------|-------------------------------------|
| 1.                         | 2012-13                              | Palmer - North Dead End to Eleven Mile | 1,270                    | \$ 210,000                          |
| 2.                         | 2012-13                              | Brush - Eleven Mile to Royal Park Lane | 1,900                    | 252,000                             |
| 3.                         | 2013-14                              | Barrington - Eleven Mile to Andover    | 1,420                    | 235,000                             |
| 4.                         | 2013-14                              | Hampden - Eleven Mile to Andover       | 1,360                    | 225,000                             |
| 5.                         | 2014-15                              | Fourteen Mile - John R to Palmer       | 1,000                    | 166,000                             |
| 6.                         | 2014-15                              | Harwood - John R to Progress           | 2,100                    | 378,000                             |
| 7.                         | 2015-16                              | Longfellow - Garry to Browning         | 850                      | 153,000                             |
| 8.                         | 2015-16                              | Dartmouth - Eleven Mile to Andover     | 1,420                    | 256,000                             |
| 9.                         | 2016-17                              | Garry - Longfellow to Sherry           | 1,920                    | 346,000                             |
| 10.                        | 2017-18                              | Palmer - LaSalle to Girard             | 1,750                    | 315,000                             |
| 11.                        | 2018-19                              | Kalama - John R to Alger               | 550                      | 99,000                              |
| 12.                        | 2018-19                              | John R - Whitcomb to Fourteen Mile     | 2,450                    | 441,000                             |
| 13.                        | 2019-20                              | Ten Mile - Dequindre to John R         | 2,900                    | 522,000                             |
| 14.                        | 2019-20                              | Alger - Mandoline to Fourteen Mile     | 800                      | 144,000                             |
| Totals                     |                                      |                                        | 21,690                   | \$ 3,742,000                        |

These costs assume \$110 per linear foot for watermain installation including pipe, hydrants, valves, taps, hauling, sand, contractual labor cost, City labor costs, and other costs related to the project.

Also, costs assume \$40 linear foot for landscape, sidewalk and drive approach restoration relating to the watermain installation.

In addition, 20% has been added for preliminary engineering, construction inspection and contingency.



- **Fixed Network Water Meter Reading System**

The Deputy City Manager and his staff have been researching and evaluating options to bring down the cost of operating our water and sewer operations. Currently, the Water and Sewer Division of the Department of Public Services consists of one water and sewer coordinator, four water operations positions (two water maintenance workers and two water repair workers) and three sewer operations employees (equipment operators).

In an attempt to look forward, staff has identified a fixed network water meter reading system as the latest state-of-the-art technology. Under this system, each water meter reading device (i.e. meter and registration head) is equipped with a transmitter, which transmits information on a daily basis to a set of 9 data collectors/antennas that would be installed throughout Madison Heights that would be linked to a central computer system. This system would allow daily water meter reads and would eliminate the need for the door-to-door monthly reading of the commercial accounts and quarterly reading of all residential accounts. To install this system is projected to cost \$1.4 million. The adoption of the new fixed read water meter system will greatly improve the efficiency and allow the City to reduce our staffing and long-term costs of this operation. Some key benefits of this system:

- Improves Customer Service capabilities - address customer complaints with detailed consumption data
- Performs detailed usage analysis (i.e., usage/consumption profiling)
- Provides the tools to reduce non-revenue water
- Provides information to optimize distribution network - leak detection
- Collects data features available to facilitate leak, tamper and reverse flow detection at the end customer
- Reduces meter reading costs
- Improves cash flow by reducing read-to-bill cycle

### **Local Sewer Improvements**

Many of our sewer lines in the City are over 40 years old and many will need repairs, lining or replacing in the future.

Funding for local sewer rehabilitation is programmed for line replacement, and chemically treating roots that infiltrate our sanitary sewers. Creation of a long-range sanitary sewer rehabilitation and replacement program and the annual allocation of up to \$50,000 per year starts in FY 2012-13.

### **Regional Sewer System**

#### **Brief History**

The Southeastern Oakland County Sewage Disposal Authority (also referred to as the Twelve Towns Drain District) was established in 1942 to address flooding problems in this region. The Twelve Towns Drain District includes the cities of Berkley, Birmingham, Clawson, Ferndale, Hazel Park, Huntington Woods, Madison Heights, Oak Park, Pleasant Ridge, Royal Oak, Southfield, Troy, Royal Oak Township and the Village of Beverly Hills.



In 1972, the Twelve Towns Drain District completed construction of a Retention Treatment Facility (RTF), a 20 foot high by 65 foot wide structure in the bed of the former Red Run Drain. This RTF runs 2.2 miles from Twelve Mile and Stephenson Highway in a northeastern direction to Dequindre Road south of Whitcomb where it empties into the Red Run Drain.

During rain events, the RTF receives a combination of storm and sanitary flows from the 14 communities that make up the District. The RTF captures this storm water and sanitary sewage and drains gradually into the Dequindre Sewer Interceptor where flows travel south to the Detroit Water and Sewage Board Treatment Plant. In heavy storms, after retaining 35 million gallons of combined sewage, the basin overflows into the Red Run Drain, in Warren, after receiving primary treatment including skimming and chlorination.

As part of an Agreement with the Michigan Department of Environmental Quality (MDEQ), the Twelve Towns Communities were required to plan and construct \$144 million (original estimate) in improvements to the RTF aimed at reducing the volume and the frequency of the overflows, and providing adequate treatment of these overflows when they do occur.

### **Twelve Towns Contested Case Settlement**

On October 22, 1998, the Director of MDEQ issued the new National Pollutant Discharge Elimination System (NPDES) Operating Permit that allows the South Oakland County Sewerage Disposal System (SOCSDS) to discharge Combined Sewer Overflow (CSO) into the Red Run Drain until October 1, 2003. This Permit was renewed for an additional five years to October 1, 2008 with its same terms and conditions.

The Water Resources Commissioner's staff reports that it is time for the renewal of the NPDES Permit with the Michigan Department of Natural Resources and Environment (MDNRE) for the George W. Kuhn retention treatment basin. Proposed revisions to the permit included removal of language indicating that the facility meets the State's definition of "adequate treatment" unless the State demonstrates that the water quality violations are occurring solely as a result of the discharge. Also added to the permit were requirements for a Total Residual Chlorine (TRC) Minimization Program which includes analysis of the discharge from the basin relating to chlorine concentrations. A recent meeting was held with the MDNRE which included assistance from a communities' consultant on behalf of the District. As a result of the meeting, the MDNRE retained the current language regarding the facility meeting adequate treatment verbatim. TRC Minimization Program requirements still remain in the proposed permit as the permit negotiations continue.

In March 2005, the MDEQ notified the Oakland County Water Resources Commissioner that they would be changing the NPDES Permit expiration date from 2008 to 2010 in an attempt to stagger permits for the different watersheds across the State. In June 2005, the communities agreed to the change and renaming the permit to "George W. Kuhn Drainage Board on behalf of the George W. Kuhn Drainage District".

- **Permit Key Features**

The NPDES Permit includes the following key features:

1. New limits and reporting standards for the treated combined sewer overflow to the Red Run Drain including procedures for monitoring this overflow;
2. In-stream testing for escherichia coli (e-coli) per State statute;

3. Requirements for the development of new procedures and assessment of the operation of the RTF;
  4. Discharge notification requirements;
  5. The Combined Sewer Overflow control program including:
    - a. North Arm Relief project with 4.8 million-gallon increase in storage;
    - b. RTF storage capacity increase of 30 million gallons to a total of 64 million gallons;
    - c. Construction of a new inlet weir and related headworks including improved treatment features;
    - d. Elimination of the Madison Heights separated storm sewer inputs from the RTF by the construction of two new parallel storm sewers;
    - e. Elimination of the two Madison Heights combined sewer overflow interceptors to the RTF by rerouting of them upstream of the new inlet weir structure;
    - f. Elimination of the Hazel Park sanitary sewer discharge to the RTF by the construction of a new Ten Mile Road interceptor;
    - g. Construction of a new de-watering pump station to facilitate the removal of flows in the early stages of a storm event by increasing discharge to the Twelve Mile Road interceptor;
    - h. Downspout Disconnection Program; and
    - i. Storm Water Input Restriction Program.
  6. A December 31, 2005 deadline for the construction (started in October 2000) of the proposed improvements;
  7. Commitment by the MDEQ that the proposed CSO improvements would constitute “adequate treatment” capable of meeting water quality standards which means no additional improvements of the system will be required unless a problem is uncovered and can be traced solely to the RTF or unless evidence is found as a result of the Total Maximum Daily Load (TMDL) review of the Red Run Drain and the Lower Clinton River Watershed; and
  8. A provision that would allow this permit to be reopened by the MDEQ or the Twelve Towns communities based on technical and/or financial problems that may arise in the future.
- George W. Kuhn Drain

In March 1999, the Drain Board accepted petitions from the Twelve Towns Communities and established a new drain district for this construction project named the George W. Kuhn Drain District (GWKDD). The three major components of this construction project include Contract #1, construction of the 10-foot parallel storm sewers north and south of the existing RTF including the disconnect of the existing Madison Heights storm sewers and rerouting of two combined sewer interceptors; Contract #2, construction of a new Ten Mile Road interceptor in Hazel Park; and Contract #4, construction of a new inlet weir just east of Interstate Freeway 75 (I-75) and south of the City’s Department of Public Service Building. The project was constructed on property owned by the GWKDD and the City. The GWKDD held a permanent easement over the City property. Contracts #1 and #2 were initiated in the fall of 2000 and were completed in 2002.

The GWKDD approved Contract #4 on August 14, 2001 at a cost of \$79.5 million or \$6.1 million under engineering estimates. Contract #4 includes the following additions:

1. Lowering and extending the existing inlet weir to eliminate the RTF bypass gates west of I-75.
2. Adding 30 million gallons of storage.
3. A new 2,000 foot intermediate weir to the existing RTF.
4. A new 100 cubic foot per second dewatering pump station and inlet to the combined sewer interceptor connection.
5. New disinfecting system utilizing diffusers and high-energy mixers.
6. Sodium hydrochloride feed and storage.
7. Self-cleaning fine screens with sluice conveyance to the outlet sewer.
8. Automatic full-coverage nozzle flushing system to convey screened solids to the proposed dewatering pumping station.
9. Extending a rerouted combined sewer outlet line to the proposed dewatering pump station and storage facility.
10. Electrical and instrumentation rehabilitation of the existing dewatering pump station.
11. A chemical odor control system.

### **Operations and Maintenance Agreement**

In February 2005, the City had a major breakthrough in efforts to secure a favorable modification to the Operation and Maintenance (O & M) Apportionment for the GWK Drain. The settlement is providing the City \$3.4 million over the next five years in reduced charges and cash and an additional \$449,000 in savings annually from that point forward. The City Manager headed up the effort to have the GWK Drain Board revise the existing O & M Apportionments to reflect the implementation of the new parallel storm sewers and the rerouting of the City's storm water directly to the Red Run Drain. Key provisions of the agreement include:

1. A new O & M Apportionment adopted by the Drain District Board, which will save the City \$449,000 per year effective July 1, 2005.
2. The Drain District will credit the communities as a whole \$1 million a year for the next five years and the credits will be spread in relationship to the current apportionments (calculating the credits based on the old apportionment which benefits Madison Heights since the old rate will be dropped from 10.286% to 6.5409% with the adoption of the new apportionment). In addition, the Water Resources Commissioner reserves the right to charge the communities up to \$500,000 per year for five years based on the new O & M Apportionments to fund a capital replacement and repair reserve. Water Resources Commissioner McCulloch indicated that it may not be necessary to impose this new charge if he determines the \$18 million reserve is adequate. The net impact of the new credit and the new charge will result in a net credit on Madison Heights' bill of an additional \$70,000 over five years or \$350,000.

3. The Drain District by agreement would agree to pay Madison Heights \$850,000 to maintain the new green open space being created west from John R to the new screen building. The new facility consolidates many of the Madison Heights' soccer fields in one complex at this location including 9 soccer fields, a 230 space parking lot, a support building (including concessions, restrooms, storage and a small meeting room/office), a playground and a picnic shelter. The Drain District has agreed to fund all improvements except the playground (funded by Oakland County Parks and Recreation).
4. The City would be responsible for any future treatment of storm water that it contributes to the new parallel storm sewers to the extent of what is currently required under federal and state law. Madison Heights would also be apportioned 94.5% of the estimated \$20,000 annual cost for the O & M Apportionment for the parallel storm sewers.

In regard to the O & M Apportionment restriction (\$449,000 per year) and the net credit (\$70,000 per year), these monies will benefit the Water and Sewer Fund. Some portion of the funds from the Soccer Field Agreement (\$850,000) will need to be used to maintain the new park over the term of the Agreement. As you add up the numbers, this is the largest financial settlement in the City's history and even though the funds generated will have some restrictions, the benefits to Madison Heights are considerable.

#### **George W. Kuhn (GWK) Improvement Project**

Listed below is the status report of each of the major project elements undertaken in the last five years.

- Contract No. 4 - RTF Improvements

The project was bid July 17, 2001 and awarded to Walbridge Aldinger. The project consisted of RTF Improvements including construction of a 30.7 million gallon concrete basin expansion, a 9,140 square foot Treatment Facility, modifications to existing concrete control structures, and various electrical and mechanical systems control modifications.

The project was substantially complete on December 31, 2005. Following substantial completion, issues arose over continued failures in the disinfection system. A settlement was recently negotiated among contractor, subcontractor and design engineer. The contract final payment was approved by the Drainage Board in February 2009 in the amount of \$83.9 million.

- Contract No. 5 - Regulator Reconstruction and Improvements

The project was bid in July of 2005 and awarded to Weiss Construction Company. The goal of this project was to remove and/or abandon several combined sewage flow regulators that had deteriorated beyond repair and were no longer functioning, and replace them with new stainless steel regulators and slide gates, as well as new level sensors and programmable logic controllers to monitor and control sewage flows.

The project was substantially complete on December 29, 2006 and final payment was made to Weiss on November 18, 2008. After all adjustments and change order, the final contract amount is \$1.2 million. The newly installed regulators and level sensors will be monitored and adjusted on a continual basis in order to optimize their effectiveness in controlling flood risks.

- Contract No. 6A - Structural Repairs and Access Gate Replacement

The project was bid in July of 2007 and awarded to Western Waterproofing. The GWK retention treatment basin was constructed in the early 1970's and was beginning to show signs of deterioration. The goal of this project was to restore the concrete inside of the GWK retention and treatment basin including resealing all of the construction and expansion joints and the replacement of the vehicle access roller gate at Dequindre Road.

The dates of substantial completion for the Structural Concrete Repairs and the Access Roller Gate were July 31, 2008 and September 30, 2008 respectively. The final contract amount is \$1.4 million.

- Contract No. 6B - Flushing System Rehabilitation

The project was bid in July of 2008 and awarded to Six-S for the amount of \$6.4 million. The contract consists of the construction of approximately 11,000 feet of 20 inch diameter ductile iron pipe, 3,000 flushing nozzle piping connections and Screening Building Water Services modifications at the Retention Treatment Facility. The date of substantial completion for the Flushing System Rehabilitation was October 15, 2009.

- Contract No. 7 - Confined Space Entry Training Facility

The project was bid in August of 2006 and awarded to Sorensen Gross Construction. This project consists of the construction of a confined space entry training facility, the grading and construction of nine youth soccer fields including the infrastructure and the construction of a building and pavilion to serve as a training/conference facility. The project was substantially complete on October 24, 2008. The final contract amount was \$1.9 million.

- Contract No. 8 - Chlorine System Rehabilitation Contract

The project was bid on February 26, 2008 and awarded to Process Piping and Equipment. The project consists of the replacement of approximately 66 inch valves and miscellaneous appurtenances in the disinfection system that were constructed in the Retention Treatment Facility by Walbridge Aldinger in Contract 4. The project was substantially completed on January 1, 2009. The final contract amount was \$508,000.

- U.S. Army Corps of Engineers Projects

- Project #1. Red Run Drain Improvements and Cross Connection Repair

This project consists of repairing the drain outfalls and selected slope stabilization along the banks of the Red Run Inter-county Drain, as well as the removal of a 48 inch storm and 60 inch combined sewer cross connection located within the GWK drainage system beneath John R Road near 12 Mile.

The project has been awarded to Site Development on September 21, 2010 for an amount of \$2.2 million. The construction is currently underway and should be completed in summer 2011

- Project #2. Southfield No. 2 Drain CIPP Rehab and 66 inch SOCSDS Cleaning

This project consists of cleaning the Southeast Oakland County Sewage Disposal System 66 inch interceptor in order to increase the maximum flows to the DWSD system, as well as rehabilitate the 90 year old combined drains located in the Southfield No. 2 drainage system. This project was awarded to Blaze Contracting on October 15, 2010 for an amount of \$1.3 million and the project is underway.

### **GWK Maintenance Fund**

- The George W. Kuhn Drain Project Segments 1 - 4 and Contract 8 - Establish Maintenance Fund and Transfer Construction Surplus

On June 15, 2010, the GWK Drain Board, pursuant to Chapter 20, Act 40 of the Public Acts of 1956, determined the George W. Kuhn Drain Project was complete with net construction surplus of \$10.8 million. The Water Resources Commission's staff requested that \$7.0 million of the surplus reserve funds of the George W. Kuhn Drain Project be transferred to cover construction costs for other George W. Kuhn Drain Projects as listed below:

| <u>Project Name</u>                                             | <u>Amount</u>  |
|-----------------------------------------------------------------|----------------|
| • GWK Segment 4                                                 | \$ 386,000     |
| • GWK Contract 8                                                | 167,000        |
| • GWK Contract 6A                                               | 218,000        |
| • GWK Contract 6B with Golf Access                              | 476,000        |
| • GWK Contract 7 with Soccer Facility                           | 2,800,000      |
| • SOCSDS Heavy Cleaning (ACOE Project)                          | 147,000        |
| <u>Future Projects</u>                                          |                |
| • Southfield No. 2 Drain Rehabilitation (ACOE Project)          | 259,000        |
| • Red Run E-Coli Reduction within GWKDD (ACOE Project)          | 307,000        |
| • GWK RTB Entrance Weir Baffle Wall                             | 500,000        |
| • Remove/Replace Roof - Dequindre Booster Station               | 50,000         |
| • Install additional GWK Regulator - early flow to SOCSDS       | 500,000        |
| • Replace Generator - Stephenson Control Building               | 100,000        |
| • Remove/Replace Driveway - Stephenson Control Building         | 25,000         |
| • Install Rollup Doors and Interior Repairs - Stephenson Garage | 150,000        |
| • Southfield No. 6 Drain Rehabilitation Project                 | <u>963,000</u> |
| Total                                                           | \$7,048,000    |

Further, the Board determined there is a need to have funds in a maintenance fund for the inspection, repair and maintenance of the drain; and the amount needed is \$1.2 million. Finally, the Board determined, having provided sufficient funds to maintain the drain and to cover other drain projects, the remaining surplus of \$3.1, plus any additional interest earnings, be credited to the contributors (municipalities and State). Madison Heights' share of this credit will be \$115,700.



**TABLE IX**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**PUBLIC SAFETY**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

| PUBLIC SAFETY                                    | FY<br>2009-10 | FY<br>2010-11 | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 | TOTAL<br>APPROP. |
|--------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>POLICE</b>                                    |               |               |               |               |               |               |               |                  |
| Public Safety Dispatch System Technology Upgrade | \$112         | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0              |
| Patrol Car Video System Upgrade                  | 0             | 105           | 0             | 0             | 0             | 0             | 0             | 0                |
| 2002 Animal Control Van #119                     | 0             | 0             | 25            | 0             | 0             | 0             | 0             | 25               |
| Replace Police Station Roof                      | 0             | 0             | 0             | 225           | 0             | 0             | 0             | 225              |
|                                                  |               |               |               |               |               |               |               |                  |
| <b>FIRE</b>                                      |               |               |               |               |               |               |               |                  |
| Fire Dispatch Station Alerting System            | 0             | 28            | 0             | 0             | 0             | 0             | 0             | 0                |
| Rescue Patient Transfer Equipment                | 0             | 33            | 0             | 0             | 0             | 0             | 0             | 0                |
| 2002 Ambulance Rescue #710                       | 0             | 221           | 0             | 0             | 0             | 0             | 0             | 0                |
| Self Contained Breathing Aparatus and 60 Bottles | 0             | 0             | 180           | 0             | 0             | 0             | 0             | 180              |
| City Bldgs. Fire Detection & Suppression Systems | 0             | 0             | 0             | 146           | 115           | 75            | 0             | 336              |
| 2002 Ambulance Rescue #713                       | 0             | 0             | 0             | 0             | 267           | 0             | 0             | 267              |
| Emergency Operations Center Improvements         | 0             | 0             | 0             | 0             | 0             | 0             | 60            | 60               |
|                                                  |               |               |               |               |               |               |               |                  |
| <b>DISTRICT COURT</b>                            |               |               |               |               |               |               |               |                  |
| Replace North Section of Roof                    | 0             | 0             | 120           | 0             | 0             | 0             | 0             | 120              |
|                                                  |               |               |               |               |               |               |               |                  |
| <b>TOTALS</b>                                    | <b>\$ 112</b> | <b>\$ 387</b> | <b>\$ 325</b> | <b>\$ 371</b> | <b>\$ 382</b> | <b>\$ 75</b>  | <b>\$ 60</b>  | <b>\$ 1,213</b>  |

**REVENUES:**

| PUBLIC SAFETY                                    | GENERAL<br>FUND | LOCAL/<br>MAJOR<br>STREETS | OAKLAND<br>COUNTY<br>GRANTS | SPECIAL<br>ASSESS | ALS/<br>VEHICLE<br>MILLAGE | WATER &<br>SEWER | DRUG<br>FORFEITURE | OTHER         | TOTAL<br>REVENUES |
|--------------------------------------------------|-----------------|----------------------------|-----------------------------|-------------------|----------------------------|------------------|--------------------|---------------|-------------------|
| <b>POLICE</b>                                    |                 |                            |                             |                   |                            |                  |                    |               |                   |
| 2002 Animal Control Van #119                     | \$0             | \$0                        | \$0                         | \$0               | \$25                       | \$0              | \$0                | \$0           | \$25              |
| Replace Police Station Roof                      | 225             | 0                          | 0                           | 0                 | 0                          | 0                | 0                  | 0             | 225               |
|                                                  |                 |                            |                             |                   |                            |                  |                    |               |                   |
| <b>FIRE</b>                                      |                 |                            |                             |                   |                            |                  |                    |               |                   |
| Self Contained Breathing Aparatus and 60 Bottles | 18              | 0                          | 0                           | 0                 | 0                          | 0                | 0                  | 162           | 180               |
| City Bldgs. Fire Detection & Suppression Systems | 336             | 0                          | 0                           | 0                 | 0                          | 0                | 0                  | 0             | 336               |
| 2002 Ambulance Rescue #713                       | 0               | 0                          | 0                           | 0                 | 267                        | 0                | 0                  | 0             | 267               |
| Emergency Operations Center Improvements         | 30              | 0                          | 0                           | 0                 | 0                          | 0                | 0                  | 30            | 60                |
|                                                  |                 |                            |                             |                   |                            |                  |                    |               |                   |
| <b>DISTRICT COURT</b>                            |                 |                            |                             |                   |                            |                  |                    |               |                   |
| Replace North Section of Roof                    | 120             | 0                          | 0                           | 0                 | 0                          | 0                | 0                  | 0             | 120               |
|                                                  |                 |                            |                             |                   |                            |                  |                    |               |                   |
| <b>TOTALS</b>                                    | <b>\$ 729</b>   | <b>\$ 0</b>                | <b>\$ 0</b>                 | <b>\$ 0</b>       | <b>\$ 292</b>              | <b>\$ 0</b>      | <b>\$ 0</b>        | <b>\$ 192</b> | <b>\$ 1,213</b>   |

## **PUBLIC SAFETY**

### **Law Enforcement**

- Patrol Car Video System

As part of the 2008-09 Goal Plan, the City Council adopted a proposal to: “Investigate, determine specifications, bid procure and install upgraded in-car police digital recorders aimed at improving quality of recorded images, storage, retrieval and duplications capabilities.”

The existing patrol car video system is a VHS tape system that has reached the end of its functional life span. Purchased in 2001, the existing VHS tape system was prone to mechanical breakdowns forcing supervisors to shuffle cars that have working systems. The new systems work wireless and improve the quality of recorded images and systems for storage, retrieval and copying. A total of 15 patrol vehicles were outfitted with in-car digital recorders at a cost of \$105,000.

The Michigan Municipal Risk Management Authority provided Risk Avoidance Program (RAP) grants. The department was awarded a grant of \$11,000 to reduce the costs for this purchase.

- Public Safety Dispatch System Technology Upgrade

The former Positron E-911 telephone system was over ten years old and was at the end of its projected longevity. Parts and support were becoming an issue and AT&T had indicated that departments should be making plans for replacement of outdated equipment. Oakland County CLEMIS had researched the replacement costs for E-911 equipment for the Public Safety Answering Points (PSAP) in Oakland County. Unfortunately for these PSAPs, CLEMIS has maintained that all PSAP equipment costs are the responsibility of each individual PSAP. CLEMIS worked out a plan for a new Internet Protocol (IP) based E-911 system with a central server at CLEMIS maintaining each PSAPs equipment through the County’s fiber network (OAKNET) to reduce some costs associated with maintenance and upgrades.

The City coordinated with Oakland County on the technology upgrade to the E-911 Positron replacement for the public safety dispatch which cost \$111,960. Grant funds were obtained to cover 80% of the cost including \$76,179 from the Oakland County E-911 telephone surcharge, \$28,325 from the Federal American Recovery and Reinvestment Act Byrne Justice Assistance grant and \$7,456 from the Federal Urban Area Security Initiative Homeland Security grant.

### **Fire Protection and Emergency Response**

- Fire Dispatch Alerting System

As part of the 2008-09 Goal Plan, the City Council adopted a proposal to: “To support current efforts for fire service resource sharing with other communities in Southeast Oakland County, analyze, design, bid, procure and implement an upgraded internet based dispatch alerting system to facilitate structure fires automatic mutual aid runs and other response efforts.”

The Fire Department is currently alerted to an incoming incident by a “plectron” system that operates via radio. The current system has become dated and during a recent breakdown it was discovered that parts are becoming harder to obtain. It can require nearly a week to repair the system to full function.



There are now “alerting” systems available that are computer internet protocol based and that will allow great flexibility in set up and application. Alerts may be transmitted from dispatch to the fire stations through fiber optic cables that are already in place. Under the new system, there would be redundant wireless backup to the fiber optic cables. The dispatch component could be configured to operate from an alternate location, for instance, the police reserve station.

With the onset of Automatic Aid for structure fires and the discussion of regionalization of the fire service continuing, such a system becomes more important. A computer internet protocol based alerting system (\$28,000) could allow any of our prospective mutual aid partners to be dispatched through the same system. The system could also allow for apparatus tracking as to who was in quarters and who was deployed. The Fire Chiefs of Ferndale, Hazel Park and Royal Oak have indicated their willingness to consider a collective approach to this system. In fact, the former Royal Oak Fire Chief has stated that the lack of a “common alerting system” is major impediment for their participation in Automatic Aid or regionalization.

- City Building Fire Detector and Suppression Systems

After a devastating fire at the Department of Public Services building in the spring of 2003, it became apparent that the City should consider upgrading the fire alarm systems in the City’s principal buildings. At that time, all City principal buildings, with the exception of the two fire stations, had fire alarm systems; however, the systems at City Hall, Police Department and District Court were out of service. New systems were installed and upgraded in all City buildings during the summer of 2005.

In addition to a functioning alarm system, it would be wise to consider fire sprinkler systems. A sprinkler system can hold in check or extinguish a fire in its early stages, avoiding a loss as experienced at the Department of Public Services. Currently, the Police Department, the Department of Public Service, Headquarters Fire Station and the Library are the buildings with a fire sprinkler system. The buildings without sprinklers are Fire Station Two, the Senior Citizen Center, City Hall and District Court.

The Capital Improvement Plan includes funding for the necessary watermain extension and sprinkler system for the Senior Citizen Center (\$146,000), City Hall (\$115,000) and District Court (\$75,000).

- Rescue Patient Transfer Equipment

The Fire Department experienced 172 lost work days to on-the-job injuries in 2008. In addition to the cost for Workers Compensation, the City must backfill positions, when below minimum staffing standard, for fire fighters that are off-duty as a result of work related injuries. Not only does this create a significant annual expense in overtime costs, those fire fighters that are working overtime if not in top physical shape may become more fatigued and injury prone. The average cost of overtime required to cover lost workdays due to work related injuries over the prior three years was \$65,000.

Further complicating our work related injury profile was a Fire Department workforce with an average age of 46 years and 18-1/2 years of service. The possibility of repetitive work injuries due to frequent exertion and failure is possible.

The proposed solution includes training, equipment purchases and job conditioning through an occupational therapist when returning to work after an injury. The focus will be primarily on Emergency Medical Service functions because this is 76% of the Fire Department workload. Training programs would focus on safe patient handling, and body core stabilization through strengthening, flexibility, and stretching.

Planned equipment purchases would include: two Power Pro Ambulance cots (\$24,000); two Stair Pro Stair Chairs with tread climber (\$5,200); one Mangar CAMEL (\$3,000); one Slide Mat Transfer Assist (\$220); and two Multi-Handled Transfer Belts (\$240). Since all this equipment becomes part of the rescue, it would be funded through the Proposal “V” vehicle millage at a total cost of \$32,660.

- Self-Contained Breathing Apparatus (SCBA)

The Fire Department reports the current SCBA tanks are in their final three years of their 15 year service life. An application has been submitted to the U.S. Department of Homeland Security Federal Emergency Management Agency for an Assistance to Firefighter Grant to replace all SCBA gear including backpacks, regulators, 60 air bottles and face pieces. Of the \$180,000 project cost, the City would provide an \$18,000, or ten percent, match.

### **Police and Fire Operations**

- Emergency Operations Center Improvements

The Emergency Operations Plan for the City of Madison Heights calls for a communication center/municipal command center located at the Police Department auditorium to coordinate activities during a community crisis. The Mayor, City Manager and various department heads would report to this location to gather information, allocate and coordinate resources, prepare public information releases, communicate with Oakland County Emergency Management personnel and prepare for a “Declaration of a Local State of Emergency.”

During a recent emergency preparedness drill, several shortfalls were discovered within this command and communication center, which could seriously impair the ability of the City to manage emergency responders and communication during a community emergency. One goal is to provide computers with internet access available; several telephones and telephone lines; GIS mapping capabilities; radio communication capabilities to police, fire and DPS staff; sufficient power outlets for the necessary computers, printers, etc.; and, cable television to monitor outside events. In addition, the Police Reserve Station located within the DPS building on Ajax Drive is designated as the backup communication/command center, and it too should have similar capabilities. The projected cost of these improvements is \$60,000.

Also, staff will obtain additional training for key personnel in Emergency Management and Incident Command. Many of the classes are available for free from the State of Michigan. As an additional benefit, this facility could also be used for a command and control center for local events such as the Memorial Day Parade, the fireworks and concerts in the park.

**TABLE X**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**TEN YEAR V-2 VEHICLE MILLAGE PURCHASES PLUS FUTURE PURCHASES UNDER \$40,000**  
**(IN THOUSANDS)**

| YEAR    | VEHICLE                                                                                  | VEHICLE<br>NUMBER | LAST<br>SCHEDULED<br>REPLACE. | REPLACEMENT COST |          |       | MILLAGE<br>FUNDS |
|---------|------------------------------------------------------------------------------------------|-------------------|-------------------------------|------------------|----------|-------|------------------|
|         |                                                                                          |                   |                               | POLICE/FIRE      | DPS      | OTHER |                  |
| 2007-08 | Fire Chief Vehicle                                                                       | 700               | 2008                          | \$ 31            | \$ 0     | 0     | \$ 31            |
|         | Riding Mower                                                                             | 373               | 2008                          | 0                | 6        | 0     | 6                |
|         | 3/4 Ton Pick-up                                                                          | 475               | 2008                          | 0                | 29       | 0     | 29               |
|         | Streets Pick Up V Box                                                                    | --                | --                            | 0                | 6        | 0     | 6                |
|         | Code Enforcement Vehicle                                                                 | 492               | 2008                          | 0                | 0        | 16    | 16               |
| 2008-09 | Ambulance Rescue Truck                                                                   | 711               | 2009                          | 208              | 0        | 0     | 208              |
|         | Code Enforcement Vehicle                                                                 | 496               | 2009                          | 0                | 0        | 16    | 16               |
|         | Parks Pick-up W/Plow                                                                     | 484               | 2009                          | 0                | 23       | 0     | 23               |
| 2009-10 | Police Patrol Vehicle                                                                    | 105               | 2010                          | 27               | 0        | 0     | 27               |
|         | Police Patrol Vehicle                                                                    | 109               | 2010                          | 27               | 0        | 0     | 27               |
|         | Police Patrol Vehicle                                                                    | 110               | 2010                          | 27               | 0        | 0     | 27               |
|         | Park Riding Mower                                                                        | 325               | 2010                          | 0                | 11       | 0     | 11               |
|         | Senior Van                                                                               | 469               | 2009                          | 0                | 27       | 0     | 27               |
|         | Water and Sewer Pickup Truck                                                             | 460               | 2009                          | 0                | 29       | 0     | 29               |
| 2010-11 | Rescue Patient Transfer Equipment                                                        | --                | --                            | 35               | 0        | 0     | 35               |
|         | Ambulance Rescue Truck (\$72,000 and \$25,000<br>prefunded in FY 2008-09 and FY 2009-10) | 710               | 2002                          | 221              | 0        | 0     | 221              |
|         | Ambulance Rescue Truck - Phase I Funding                                                 | 713               | 2005                          | 190              | 0        | 0     | 190              |
|         | Code Enforcement Pickup Truck                                                            | 483               | 2001                          | 0                | 0        | 16    | 16               |
|         | Parks Pickup Truck                                                                       | 417               | 1999                          | 0                | 20       | 0     | 20               |
|         | Parks Riding Mower                                                                       | 367               | 1999                          | 0                | 13       | 0     | 13               |
| 2011-12 | Animal Control Van                                                                       | 119               | 2002                          | 40               | 0        | 0     | 40               |
|         | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | 0                |
| 2012-13 | One Ton Dump Truck                                                                       | 431               | 2004                          | 0                | 55       | 0     | 55               |
|         | Building Maint. Van                                                                      | 435               | 2003                          | 0                | 61       | 0     | 61               |
|         | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | 0                |
| 2013-14 | Platform Truck                                                                           | 429               | 2003                          | 0                | 150      | 0     | 150              |
|         | Tandem Dump Truck                                                                        | 417               | 2003                          | 0                | 240      | 0     | 240              |
|         | Ambulance Rescue Truck - Phase II Funding                                                | 713               | 2005                          | 77               | 0        | 0     | 77               |
|         | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | 0                |
| 2014-15 | Stake Truck                                                                              | 415               | 2003                          | 0                | 150      | 0     | 150              |
|         | Tandem Dump Truck                                                                        | 418               | 2003                          | 0                | 240      | 0     | 240              |
|         | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | 0                |
| 2015-16 | Tandem Dump Truck                                                                        | 419               | 2003                          | 0                | 240      | 0     | 240              |
|         | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | 0                |
| 2016-17 | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | 0                |
| 2017-18 | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | 0                |
| 2018-19 | Ambulance Rescue Truck                                                                   | 711               | 2009                          | 302              | 0        | 0     | 302              |
|         | To Be Determined                                                                         | --                | --                            | 0                | 0        | 0     | (119)            |
|         | TOTALS                                                                                   |                   |                               | \$ 1,185         | \$ 1,300 | \$ 48 | \$ 2,414         |

### **District Court**

- City Hall, District Court and Police Station Roof Replacement

In December 2007, the City's consultant completed the annual review of building roof systems. The consultant recommended that City Hall (\$158,000 completed in 2009), District Court north section (\$120,000) and Police Station (\$225,000) roofs be replaced.

Given the current problems with the Police and Court building roofs, if money is not available for complete roof replacement, the Department of Public Services has recommended \$32,000 in roof repairs.

### **Vehicle Replacement Millage**

On August 8, 2006, the voters in Madison Heights approved ballot Proposals "R-2" and "V-2". Proposal "V-2" will provide the City with a one-quarter mill property tax levy for a ten year duration to support the replacement of City vehicles. A list of scheduled vehicle replacements has been outlined in the Table on the facing page.

The Finance Department has estimated that Proposal "V-2" will generate \$2.4 million in revenue to support the ten-year program presented in the Capital Improvement Plan. Due to the economic recession causing declining property values, the program's funding is down \$1 million from the original April 2006 estimate. To close the funding gap, the amounts scheduled for new vehicle replacement were reduced. The elements of this millage program were outlined to the residents as part of the public information campaign through the City newsletter in June 2006.

As part of the original Proposal "V-1" program, the City replaced \$4.1 million worth of costly, outdated and expensive fire rescues, pumpers and ladder trucks and other critical vehicles. The earlier program allowed funding for 119 vehicle replacements over a 10 year period. In light of the stagnating economy and in an effort to provide tax relief, the City Council cut the initial Proposal "V-1" millage in half. The one-quarter mill "V-2" proposal will fund a reduced number (under 30) vehicles, as compared to 203 scheduled replacements of City vehicles planned over the 10 year period. As part of the millage funded program, the City will replace four ambulances/rescue vehicles and three large plow/dump trucks.

**TABLE XI**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

| GENERAL GOVERNMENT & ECONOMIC DEV.   | FY<br>2009-10 | FY<br>2010-11 | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 | TOTAL<br>APPROP. |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| CIVIC CENTER / CITY WIDE             |               |               |               |               |               |               |               |                  |
| City - Wide Energy Projects          | \$ 10         | \$ 123        | \$ 102        | \$ 0          | \$ 0          | \$ 0          | \$ 0          | 102              |
| City Hall North Entrance Canopy      | 0             | 0             | 0             | 0             | 0             | 0             | 75            | 75               |
|                                      |               |               |               |               |               |               |               |                  |
| INFORMATION TECHNOLOGY               |               |               |               |               |               |               |               |                  |
| City Hall Computer Cabling           | 0             | 0             | 0             | 60            | 0             | 0             | 0             | 60               |
|                                      |               |               |               |               |               |               |               |                  |
| ECONOMIC DEVELOPMENT                 |               |               |               |               |               |               |               |                  |
| John R Improvements                  | 153           | 158           | 26            | 0             | 0             | 0             | 0             | 26               |
| Alley Improvements                   | 236           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Oakland County Brownfield Consortium | 0             | 100           | 0             | 0             | 0             | 0             | 0             | 0                |
|                                      |               |               |               |               |               |               |               |                  |
| TOTALS                               | \$ 399        | \$ 381        | \$ 128        | \$ 60         | \$ 0          | \$ 0          | \$ 75         | \$ 263           |

**REVENUES:**

| GENERAL GOVERNMENT & ECONOMIC DEV. | GENERAL<br>FUND | LOCAL/<br>MAJOR<br>STREETS | CDBG | SPECIAL<br>ASSESS. | ROAD<br>IMPROVE<br>ACCOUNT | WATER &<br>SEWER | DOWNTOWN<br>DEVELOP.<br>AUTHORITY | OTHER<br>REVENUES | TOTAL<br>REVENUES |
|------------------------------------|-----------------|----------------------------|------|--------------------|----------------------------|------------------|-----------------------------------|-------------------|-------------------|
| CIVIC CENTER / CITY WIDE           |                 |                            |      |                    |                            |                  |                                   |                   |                   |
| City - Wide Energy Projects        | \$ 0            | \$ 0                       | \$ 0 | \$ 0               | \$ 0                       | \$ 0             | \$ 0                              | \$ 102            | \$ 102            |
| City Hall North Entrance Canopy    | 75              | 0                          | 0    | 0                  | 0                          | 0                | 0                                 | 0                 | 75                |
|                                    |                 |                            |      |                    |                            |                  |                                   |                   |                   |
| INFORMATION TECHNOLOGY             |                 |                            |      |                    |                            |                  |                                   |                   |                   |
| City Hall Computer Cabling         | 60              | 0                          | 0    | 0                  | 0                          | 0                | 0                                 | 0                 | 60                |
|                                    |                 |                            |      |                    |                            |                  |                                   |                   |                   |
| ECONOMIC DEVELOPMENT               |                 |                            |      |                    |                            |                  |                                   |                   |                   |
| John R Improvements                | 0               | 0                          | 0    | 0                  | 0                          | 0                | 26                                | 0                 | 26                |
|                                    |                 |                            |      |                    |                            |                  |                                   |                   |                   |
| TOTALS                             | \$ 135          | \$ 0                       | \$ 0 | \$ 0               | \$ 0                       | \$ 0             | \$ 26                             | \$ 102            | \$ 263            |

## **GENERAL GOVERNMENT AND ECONOMIC DEVELOPMENT**

Projects planned under this chapter are broken down into three categories: Civic Center/City-wide, Information Technology and Economic Development.

### **Civic Center/Citywide Projects**

- Energy Efficiency Community Block Grant

The Michigan Municipal League, Michigan Suburbs Alliance, Southeast Michigan Council of Governments and WARM Training Center have partnered to create the Southeast Michigan Regional Energy Office, which is a collaborative coalition focused on educating, enabling and promoting energy efficiency and conservation among local governments in the region. The Energy Office's service area is the same geographic footprint as the SEMCOG's service area. The primary services offered by the Energy Office include benchmarking, auditing, sustainability planning, evaluating & reporting, advocacy, education & training, marketing, grant researching & writing, technical assistance, joint purchasing, and loans for energy projects.

As stated in their Business Plan, the most important function of the Energy Office is to assist local governments in evaluating their energy use, auditing their facilities and taking action on recommended projects. The Energy Office recognizes the opportunity presented by the \$3.2 billion allocated to the Federal Energy Efficiency and Conservation Block Grant program through stimulus funding in the American Recovery and Reinvestment Act of 2009. Currently, non-entitlement communities such as Madison Heights, which are designated as communities with less than 35,000 in population and counties with less than 200,000 in population, are not eligible to receive funding directly from the federal government, but rather have to compete nationally for up to \$900 million in grants from the states and smaller competitive Department of Energy grants to fund energy efficiency and renewable energy efforts. The Energy Office assists the City with securing funds for energy efficiency and renewable energy projects by ensuring the timely and complete filing of grant applications for energy projects on behalf of the City and providing direct technical assistance to the City in identifying and designing competitive proposals. Thereafter, the Energy Office will ensure that the reporting, accountability and transparency requirements are met for the grant, so that City staff are not overburdened.

As a non-profit corporation operating under the Michigan Suburbs Alliance, the Energy Office is governed by a Board of Directors comprised of representatives of the member governmental units, an Executive Committee of governmental and non-profit representatives, and Technical Advisory Committees made up of professionals and experts from the energy industry. To join the consortium, larger, direct-entitlement communities are required to contribute the lesser of 10% of the block grant allocation or \$250,000. Non-entitlement communities such as Madison Heights are asked to refund the value of any grants secured for them through the Energy Office to the support of the Office, as realized through energy and maintenance cost savings predicted for the project on a "simple payback" basis. After the grant amount is repaid, ongoing energy and maintenance savings associated during the life of the project would be realized solely by the City.

The grant was approved in January 2010 and currently includes the following projects:

|                                       |               |
|---------------------------------------|---------------|
| Ballfield Replacement Lights          | \$ 10,000     |
| Computer Room Air Conditioning Unit   | 19,800        |
| City Hall Soffit / Fascia Resurfacing | 33,990        |
| Building Lighting*                    | <u>94,705</u> |
|                                       | \$158,495     |

\*Project totals \$94,705 including grant \$59,342 and Water & Sewer Fund \$35,363. An additional project, the City Hall west entry door replacement, was eliminated to allow funding of the other projects

The first project, lighting replacements at Rosie's & Huffman Park ballfields, was completed in the spring of 2010 after soliciting and receiving quotes from vendors. The second project, the air conditioning unit for the Information Technology server room, was approved by Council at the Regular Meeting of September 18, 2010 and is completed. The third project, City Hall façade improvement, was approved by Council at the Regular Meeting of November 22, 2010, and work is completed.

- Michigan Public Service Commission (MPSC) Grants

On March 1, 2011, the Southeast Michigan Regional Energy Office awarded the City a grant to continue a second phase of energy-related improvement projects. The City carried out a strategic plan by assessing and analyzing additional energy efficiency opportunities in major City owned buildings that had not been previously identified prior to application submittal. By doing this, the City proved the return of investment was high and projects were "shovel ready" which scored high on two heavily weighted categories. In fact, the Energy Office set up a 100 point scoring criteria against which we received the highest score of 82 points of all 17 applicants. Energy Sciences provided energy assessment services and also assisted the City in preparing the grant application.

The City is focusing on energy efficiency measures that provide the maximum energy savings and best return on investment. The funding will be used to implement lighting efficiency upgrades, HVAC optimization and technical energy analysis. The projects are anticipated to be completed in a 120 day timeframe with a payback to the City of about 3 years.

Lighting efficiency upgrades include interior and exterior lighting retrofits, replacements and occupancy sensors that will provide energy savings and standardize lighting throughout all City buildings minimizing the number of lighting replacement components.

The lighting upgrades will be implemented in City Hall, 43rd District Court, Library, Fire Stations, DPS, Nature Center and the RV& Impound lots.

Building HVAC optimization includes temperature controls and demand controlled ventilation. Temperature controls will be installed in the DPS garages and 43rd District Court. Demand controlled ventilation will be installed in the Senior Center.

Having just finished our EECBG grant projects, which was our "Phase One" of building energy improvements, the MPSC grant was perfectly timed to allow us to begin the next phase of work. The City is very pleased that this Grant award will allow the City to get one step closer to meeting its 25% energy reduction goal by 2015. Staff projects energy reductions of over 200,000 kWh and 660 MCF of natural gas as a result of this project.



The City will again utilize professional services of Energy Sciences which has extended pricing from previously awarded lighting upgrades. This will help ensure a consistent energy solution and expedite project completion for the City. Energy Sciences will also perform all rebate application processing as a part of the project services to the City, and they are assisting us with developing our energy report formatting so that we can accurately track energy consumption and savings going forward.

The project cost of \$101,778 is being funded through the MPSC grant (\$83,437) and DTE Energy rebate checks (\$18,341).

- Upgrade North City Hall Entrance

Mayor Swanson has proposed that a canopy at the north entrance of City Hall should be constructed to protect City Hall patrons from the elements as they climb the stairs and enter the building. The Mayor has suggested that some type of canvas enclosure could be mounted on the westerly side of the canopy to provide further protection during winter months. Additionally, given the lack of on-site maintenance personnel, the canopy would help prevent the accumulation of snow and ice on the steps of City Hall and minimizing liability. The DPS has estimated a project budget of \$75,000.

### **Information Technology**

- City Hall Computer Cabling

A budget of \$60,000 is projected to rewire the computer cable within City Hall. The Information Technology Department is proposing installing new standard for data cable Gigabit-speed Ethernet. The cost for this project includes removal of the old cable and installation of new cable. Operating in conjunction with our other upgraded network infrastructure, this cable project will support transmitting data at ten times the current speed (fast Ethernet).

### **Economic Development**

- Oakland County Brownfield Consortium

On November 9, 2009, the City Council approved participation in the Oakland County Brownfield Consortium Agreement between Oakland County and members of the Brownfield Consortium. Oakland County asked the cities of Madison Heights, Ferndale, Hazel Park, Farmington Hills, and Pontiac (collectively known as the Oakland County Brownfield Consortium) to form a coalition and were successfully awarded \$1 million United States Environmental Protection Agency (USEPA) Coalition Assessment Grant. An agreement delineates the relationship and responsibility between the County and the municipality as it relates to the coalition assessment grant.

Through this cooperative agreement, the City of Madison Heights and other members of the Oakland County Brownfield Coalition will each receive \$100,000, with the remaining \$500,000 to be used in other Oakland County communities. Assessment grant dollars provide funding to conduct initial environmental assessment activities (Phase I, Phase II and Baseline Environmental Assessment).

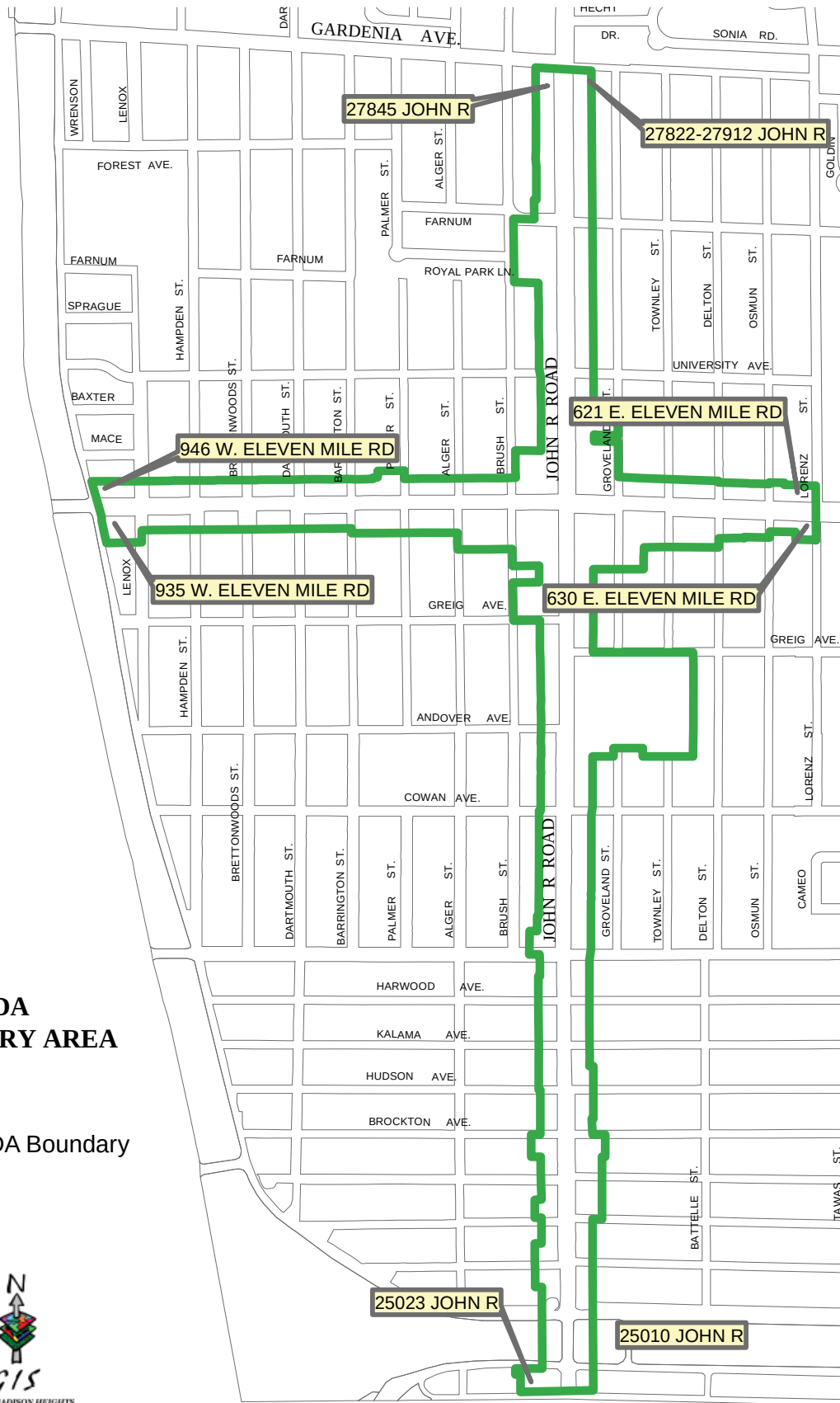
The key objective is to encourage the redevelopment or reuse of sites, which may be complicated by the presence of a potentially hazardous substance, pollutant, or contaminant. The other important objective is to trigger additional investments in our community as developers are encouraged by the improvements. Other benefits include:

- Increased property values if sites are redeveloped
- Encourage cleanup of contaminated sites
- Aids marketing of our community to developers looking for redevelopment opportunities
- Promotes new business investment and reuse of abandoned or neglected sites
- Facilitates job growth when sites are developed



# DDA BOUNDARY AREA

 DDA Boundary



The Grant Application Process is summarized as follows:

- Oakland County and coalition communities will market/announce available grant
  - Interested owners/developers contact the Economic Development Coordinator and/or Oakland County
  - Oakland County and City will meet with the interested developer to discuss projects
  - Grant Money may be available for Phase I and Phase II Site Assessment, and Baseline Environmental Assessment (The average cost for Phase I = \$3-5,000, Phase II = \$10,000+)
  - An RFP will be drafted by Oakland County to select qualified Environmental Consultants
  - Approximately 4-6 environmental consultant firms will be selected by Oakland County and forwarded to EPA for final approval
  - The interested developer will select one of the consultant firms selected by Oakland County to conduct their Phase I and Phase II or Baseline Environmental Assessment (BEA)
  - The same environmental consultant, on behalf of the interested developer, will submit a pre-approval application to Oakland County and eventually to EPA for final approval
  - The consultant will then submit an invoice to Oakland County for reimbursement
  - If there's interest from developers that exceeds the allotted \$100,000/coalition community, that developer may request additional funding from Oakland County (Local coalition member would need to support)
- Downtown Development Authority

In June 1997, the Madison Heights City Council adopted Ordinance 948 that created the Madison Heights Downtown Development Authority (DDA), pursuant to Act 197 of Public Acts of 1975 of the State of Michigan. A thirteen member DDA Board was appointed to represent the City's south commercial district business interests. The City Council also designated the boundaries (see previous map) of the downtown district within which the Authority may legally operate. This DDA District boundary was amended in the spring of 1998 to include seven additional lots at the northwest and southeast corners of John R and Eleven Mile Roads.

Since its formation, the DDA has scheduled and conducted regular public meetings to establish the procedures under which it operates, to discuss Business District issues, priorities and objectives to be addressed, to consider initial program strategies and approaches to downtown development, and to review ongoing and planned public and private development projects within the Business District.

The DDA concentrates its efforts to correct and prevent stagnation and/or deterioration within the existing business district, to eliminate blighting influences, and to undertake projects which will encourage businesses to remain or locate, and people to shop in the District. The DDA focuses on the identification and implementation of public improvements to enhance the areas that are needed to strengthen the quality of the District. Attention to maintenance, property upkeep, code enforcement and regular reinvestment in public features is essential. In addition, the DDA develops programs to solicit commitment and investment from business owners to make improvements on private property that serve the public purpose of enhancing the District.

In March 1998, the Tax Increment Financing and Development Plan was adopted by City Council to establish the legal basis and procedure for the capture and expenditure of tax increment revenues in accordance with Public Act 197 of 1975 as amended, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

**TABLE XII**  
**FY 1998-2018 TWENTY YEAR EXPENDITURE PLAN**  
**DOWNTOWN DEVELOPMENT AUTHORITY**

|                                                    | FY<br>1998-99 | FY<br>1999-2000 | FY<br>2000-01 | FY<br>2001-02 | FY<br>2002-03 | FY<br>2003-04 |
|----------------------------------------------------|---------------|-----------------|---------------|---------------|---------------|---------------|
| Intersection Design & Improvements                 | \$ 37,388     | \$ 119,576      | \$ 0          | \$ 0          | \$ 0          | \$ 0          |
| Right of Way Maintenance                           | 17,483        | 13,980          | 10,300        | 16,000        | 16,000        | 16,000        |
| Clock Tower Maintenance                            | 0             | 0               | 0             | 0             | 0             | 0             |
| Supplies/Audit/Legal Fees                          | 45            | 1,963           | 1,000         | 2,000         | 2,700         | 3,950         |
| Intersection Loan Repayment                        | 0             | 10,000          | 12,500        | 22,000        | 20,000        | 20,000        |
|                                                    |               |                 |               |               |               |               |
| Clock Tower - Electric                             | 0             | 0               | 0             | 5,000         | 500           | 750           |
| Blight Clearance Programs                          | 0             | 0               | 0             | 20,000        | 5,792         | 11,536        |
| Economic Development Coordinator                   | 0             | 0               | 0             | 0             | 36,877        | 28,082        |
| Code Enforcement Officer                           | 0             | 0               | 0             | 0             | 0             | 0             |
|                                                    |               |                 |               |               |               |               |
| Streetscape Improvements                           | 0             | 0               | 0             | 0             | 0             | 23,004        |
| Facade Improvement Program                         | 0             | 0               | 0             | 0             | 0             | 0             |
| Property Acquisitions                              | 0             | 0               | 0             | 0             | 0             | 0             |
| Address Signs                                      | 0             | 0               | 0             | 0             | 0             | 0             |
|                                                    |               |                 |               |               |               |               |
| Market / Land Use Analysis                         | 0             | 0               | 0             | 0             | 0             | 0             |
| Infrastructure/ Environmental Improvement          | 0             | 0               | 0             | 0             | 0             | 0             |
| Parking Analysis/ Improvements                     | 0             | 0               | 0             | 0             | 0             | 0             |
| Business Recruitment, Marketing and Special Events | 0             | 0               | 0             | 0             | 0             | 1,500         |
| Downtown Plan                                      | 0             | 0               | 0             | 0             | 0             | 0             |
| Other Projects Consistent With Objective of Plan   | 0             | 0               | 0             | 0             | 0             | 0             |
|                                                    |               |                 |               |               |               |               |
| TOTAL                                              | \$ 54,916     | \$ 145,519      | \$ 23,800     | \$ 65,000     | \$ 81,869     | \$ 104,822    |

|                                                    | FY<br>2004-05 | FY<br>2005-06 | FY<br>2006-07 | FY<br>2007-08 | FY<br>2008-09 | FY<br>2009-10 |
|----------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Intersection Design & Improvements                 | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          |
| Right of Way Maintenance                           | 18,000        | 20,000        | 41,100        | 27,000        | 27,000        | 30,000        |
| Clock Tower Maintenance                            | 2,741         | 3,000         | 3,100         | 3,100         | 10,000        | 3,400         |
| Supplies/Audit/Legal Fees                          | 4,280         | 4,580         | 7,125         | 5,300         | 5,000         | 4,750         |
| Intersection Loan Repayment                        | 66,196        | 0             | 0             | 0             | 0             | 0             |
|                                                    |               |               |               |               |               |               |
| Clock Tower - Electric                             | 1,000         | 3,600         | 3,600         | 3,000         | 1,500         | 1,500         |
| Blight Clearance/Sign Grant Programs               | 0             | 50,000        | 33,005        | 20,000        | 20,000        | 20,000        |
| Economic Development Coordinator                   | 32,000        | 31,780        | 39,006        | 37,300        | 40,000        | 39,000        |
| Code Enforcement Officer                           | 0             | 0             | 18,668        | 19,300        | 20,000        | 21,000        |
|                                                    |               |               |               |               |               |               |
| Streetscape Improvements/Permanent Signs           | 11,000        | 0             | 20,000        | 95,000        | 0             | 20,000        |
| Facade Improvement Program                         | 0             | 0             | 0             | 0             | 20,000        | 28,000        |
| Property Acquisitions                              | 0             | 0             | 0             | 0             | 50,000        | 50,000        |
| Address Signs                                      | 0             | 0             | 0             | 20,000        | 10,000        | 0             |
|                                                    |               |               |               |               |               |               |
| Market / Land Use Analysis                         | 0             | 0             | 0             | 0             | 0             | 0             |
| Infrastructure/ Environmental Improvement          | 0             | 50,400        | 0             | 0             | 100,000       | 94,050        |
| Parking Analysis/ Improvements                     | 0             | 0             | 0             | 0             | 0             | 0             |
| Business Recruitment, Marketing and Special Events | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         |
| Downtown Plan                                      | 0             | 0             | 0             | 0             | 0             | 0             |
| Other Projects Consistent With Objective of Plan   | 0             | 0             | 20,000        | 0             | 1,000         | 0             |
|                                                    |               |               |               |               |               |               |
| TOTAL                                              | \$ 137,217    | \$ 165,360    | \$ 187,604    | \$ 232,000    | \$ 306,500    | \$ 313,700    |

**TABLE XII**  
**FY 1998-2018 TWENTY YEAR EXPENDITURE PLAN**  
**DOWNTOWN DEVELOPMENT AUTHORITY**

|                                                           | FY<br>2010-11 | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Intersection Design & Improvements                        | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          |
| Right of Way Maintenance                                  | 25,000        | 20,000        | 20,000        | 20,000        | 20,000        | 20,000        |
| Clock Tower Maintenance                                   | 1,000         | 500           | 500           | 500           | 500           | 500           |
| Supplies/Audit/Legal Fees                                 | 4,750         | 1,500         | 1,500         | 1,500         | 1,500         | 1,500         |
| Intersection Loan Repayment                               | 0             | 0             | 0             | 0             | 0             | 0             |
|                                                           |               |               |               |               |               |               |
| Clock Tower - Electric                                    | 1,500         | 500           | 500           | 500           | 500           | 500           |
| Blight Clearance Sign Grants Programs                     | 0             | 2,500         | 2,500         | 2,500         | 2,500         | 2,500         |
| Economic Development Coordinator                          | 46,000        | 55,000        | 55,000        | 55,000        | 55,000        | 55,000        |
| Code Enforcement Officer                                  | 18,000        | 9,000         | 9,000         | 9,000         | 9,000         | 9,000         |
|                                                           |               |               |               |               |               |               |
| Streetscape Improvements (Permanent Signs)                | 0             | 0             | 0             | 0             | 0             | 0             |
| Facade Improvement Program                                | 0             | 2,500         | 2,500         | 2,500         | 2,500         | 2,500         |
| Property Acquisitions                                     | 0             | 0             | 0             | 0             | 0             | 0             |
| Address Signs                                             | 0             | 0             | 0             | 0             | 0             | 0             |
|                                                           |               |               |               |               |               |               |
| Market / Land Use Analysis                                | 0             | 0             | 0             | 0             | 0             | 0             |
| Infrastructure/Environmental Improvements (Alley / Roads) | 100,000       | 68,000        | 68,000        | 68,000        | 68,000        | 68,000        |
| Parking Analysis/ Improvements                            | 0             | 0             | 0             | 0             | 0             | 0             |
| Business Recruitment, Marketing and Special Events        | 1,500         | 500           | 500           | 500           | 500           | 500           |
| Downtown Plan                                             | 0             | 0             | 0             | 0             | 0             | 0             |
| Other Projects Consistent With Objective of Plan          | 9,000         | 0             | 0             | 0             | 0             | 0             |
|                                                           |               |               |               |               |               |               |
| TOTAL                                                     | \$ 206,750    | \$ 160,000    | \$ 160,000    | \$ 160,000    | \$ 160,000    | \$ 160,000    |

|                                                    | FY<br>2016-17 | FY<br>2017-18 |  |  |  | TOTAL        |
|----------------------------------------------------|---------------|---------------|--|--|--|--------------|
| Intersection Design & Improvements                 | \$ 0          | \$ 0          |  |  |  | \$ 156,964   |
| Right of Way Maintenance                           | 20,000        | 20,000        |  |  |  | 417,863      |
| Clock Tower Maintenance                            | 500           | 500           |  |  |  | 29,841       |
| Supplies/Audit/Legal Fees                          | 1,500         | 1,500         |  |  |  | 57,943       |
| Intersection Loan Repayment                        | 0             | 0             |  |  |  | 150,696      |
|                                                    |               |               |  |  |  |              |
| Clock Tower - Electric                             | 500           | 500           |  |  |  | 25,450       |
| Blight Clearance Programs                          | 2,500         | 2,500         |  |  |  | 197,833      |
| Economic Development Coordinator                   | 55,000        | 55,000        |  |  |  | 715,045      |
| Code Enforcement Officer                           | 9,000         | 9,000         |  |  |  | 159,968      |
|                                                    |               |               |  |  |  |              |
| Streetscape Improvements                           | 0             | 0             |  |  |  | 169,004      |
| Facade Improvement Program                         | 2,500         | 2,500         |  |  |  | 65,500       |
| Property Acquisitions                              | 0             | 0             |  |  |  | 100,000      |
| Address Signs                                      | 0             | 0             |  |  |  | 30,000       |
|                                                    |               |               |  |  |  |              |
| Market / Land Use Analysis                         | 0             | 0             |  |  |  | 0            |
| Infrastructure/Environmental Improvement:          | 68,000        | 68,000        |  |  |  | 820,450      |
| Parking Analysis/ Improvements                     | 0             | 0             |  |  |  | 0            |
| Business Recruitment, Marketing and Special Events | 500           | 500           |  |  |  | 18,500       |
| Downtown Plan                                      | 0             | 0             |  |  |  | 0            |
| Other Projects Consistent With Objective of Plan   | 0             | 0             |  |  |  | 30,000       |
|                                                    |               |               |  |  |  |              |
| TOTAL                                              | \$ 160,000    | \$ 160,000    |  |  |  | \$ 3,145,057 |

In the fall of 1998, the DDA retained the services of a professional planning consultant to design the proposed intersection improvements at the center of the DDA District (John R and Eleven Mile Roads). The DDA selected a clock tower and related brick planters and walls to serve as the initial project and focal point for the District.

In February 1999, the City Council authorized an advance of funds not to exceed \$156,000 to support the clock tower and related intersection improvements. The DDA agreed to re-transfer the funds on an annual basis starting in March 2000 from funds generated through tax increment revenues to repay this advance. The clock tower project was completed in spring 2000. The clock tower loan was repaid to the City in full in 2005.

Table XII outlines the 20 Year project plan. Details on the original planned expenditures can be found in the Tax Increment Financing and Development Plan.

- **Brownfield Redevelopment Authority**

As part of the 2001-02 Goal Plan, the City Council approved a project to “Investigate and establish, if justified, a Brownfield Redevelopment Authority in an effort to provide economic development incentives for environmental encumbered properties.” In November 2001, the City Council adopted the Ordinance to establish the Authority and appointed the Downtown Development Authority to serve as the governing Board.

Oakland County will serve as the lead member of the coalition and be responsible for administering the grant, including expenditure of funds.

This grant provides an excellent opportunity for the City to encourage and facilitate redevelopment of properties throughout the City. There will be no cost to the City, other than staff time associated with developer meetings and coordination with Oakland County.

Six properties were saved by this grant, as the City was the first to utilize its grant funding for economic development enhancements to these properties.

- **Economic Development Program**

As part of the FY 2002-03 Budget, an Economic Development and Redevelopment Program was established within the Community Development Department. This program supports the Downtown Development Authority and the Brownfield Redevelopment Authority and provides assistance to the Planning Commission and the City Council regarding economic development projects. The program is also responsible for developing strategies and initiating projects, assembling plans and directing programs to improve the economic base of the community to help create employment opportunities, reducing commercial and industrial vacancies and improving/maintaining a viable mix of businesses. A network of communications, outreach in cooperation with area real estate brokers and development firms, property owners, business owners, civic, community and business groups to coordinate and enhance business relationships, recruitment and retention efforts have been developed.

The Economic Development Coordinator position and related expenses are funded 50% by the General Fund (\$50,900) and 50% by the Downtown Development Authority (\$50,900).

- **Economic Development - Business Retention Program**

The Department’s Economic Development Division fulfilled a City Council Goal to establish a comprehensive economic development program. One of the most important responsibilities of the Economic Development Division is retaining existing businesses in the City. To better serve business needs, a comprehensive Business Retention Program is fully operational. Site visits and

follow-up activities are conducted in cooperation with the Madison Heights/Hazel Park Chamber of Commerce, Oakland County Planning and Economic Development, and the Michigan Economic Development Corporation (MEDC). In addition, Ombudsman Services are provided to businesses to promote communication and cooperation within the City.

#### 2010 Accomplishments

- 280 business retention site visits.
- 300 current businesses provided assistance through the “Business Ombudsman Program”.
- 50 New Business Welcome visits (In cooperation with the Madison Heights/Hazel Park Chamber of Commerce)
- Economic Development - Business Attraction and Marketing Program

In order to increase and improve development readiness, a Business Attraction and Marketing Program is maintained. These efforts include providing information on available commercial and industrial properties to encourage development of underutilized sites; marketing and networking at conferences, meetings and special events; electronic distribution of the “Business Brochure” and “Food and Fun Guide”; maintenance of a potential and targeted business list; and increased communication efforts to market the City and development opportunities. Due to budget constraints, the “Available Commercial and Industrial Property Report” and the “Food and Fun Guide” are no longer available in print format or mailed to the businesses. However, electronic copies are made available to interested developers or residents.

#### 2010 Accomplishments

- City marketing brochure (“Business Brochure”) distributed and emailed to potential businesses, developers, and real estate agents at numerous retail, office and industrial marketing events.
- Marketing letters/information sent to potential businesses / developers / agents encouraging them to consider development projects in the City of Madison Heights.
- Information regarding available commercial and industrial properties distributed via e-mail to interested individuals, real estate, business and development interests.
- “City of Madison Heights Food and Fun Guide” continues to be an excellent City marketing tool. This comprehensive listing of restaurants, bars, entertainment venues, parks, hotels, and banks in the City was designed to help businesses, employees, customers and residents find great places to eat, shop, stay and have fun in our community. Electronic copies are available to view and download on the city’s web site and emailed directly to interested individuals.
- Hosted the 2nd annual “City of Progress” Art Challenge & Exhibit, featuring student artwork.
- Hosted the 3rd annual “Around the Globe in Madison Heights” featuring and promoting the diversity of Madison Heights businesses.
- Partnered with Detroit TechTown, the Wayne State University research technology park in their efforts to apply for the “Entrepreneurial Regional Collaboration” grant through the Michigan Department of Energy, Labor and Economic Growth (DELEG).
- Hosted 5 Entrepreneur Lounge or E-Lounge sessions with the local Biggby Coffee Shop. These sessions feature dynamic speakers to deliver useful and inspiring messages for entrepreneurs, innovators and small business owners. Topics have included motivational kick-off, social media, city’s business team, legal and accounting tips.

- Created 2 short streaming video clips to highlight successful local entrepreneurs
- Establish partnership with the Matching Opportunities and Resources for Entrepreneurs Program (The MORE Program). This statewide entrepreneurial support system headed by the MORE Program will help to catalog and publicize all the statewide resources available to entrepreneurs.
- Host community for the upcoming Regional Job Fair, planned for February 2011.
- Participated in Senator Pappageorge's 3rd Annual Senior Salute Day - Royal Oak Farmer's Market.
- Economic Development - Coordination with Other Economic Development Programs

Increased coordination with economic development colleagues throughout the state is crucial to the success of the City's economic development efforts. Coordination has been significantly increased with the MH/HP Chamber of Commerce, Oakland County Planning and Economic Development, neighboring communities, Michigan Economic Development Corporation (MEDC), Michigan Economic Developers Association (MEDA) and Michigan Downtown Association (MDA).

#### 2010 Accomplishments

- Continue to serve as City Liaison to MH/HP Chamber of Commerce.
- Participated in 65 MH/HP Chamber of Commerce special events.
- Attended 35 Oakland County economic development meetings and events.
- Coordinated 14 Business Retention/Expansion visits with MEDC and 16 with Oakland County
- Attended 15 economic development meetings and workshops throughout the state to increase City's presence in the development field.
- Attended 2 Automation Alley networking events and workshops.
- Attended 1 International Council for Shopping Centers (ICSC) Idea Exchange & Alliance Programs
- Participated in the MEDA Social Media Taskforce. The charge for the taskforce was to discuss how social media could benefit economic development organizations.
- Participated in a focus group that resulted in a report called "Economic Development Practitioners' Perspective-An Initiative to Remake Michigan". This report focused on three critical areas: Michigan's business climate, state economic development structure and state incentives.
- DDA Identification and Marketing Program

The DDA's goals include enhancing the streetscape areas as well as developing an image that will encourage additional retail and commercial activity. In 2003, staff created and began distributing a quarterly newsletter "Heights Herald" to increase communication with DDA businesses and property owners, and to market the district to potential developers and businesses. The DDA also continues to host business events for business owners, property owners, and other interested parties in order to facilitate communication, provide information regarding recent and future developments in the City, and explore topics of interest and need for our business owners.

#### 2010 Accomplishments

- DDA newsletter "Heights Herald" emailed to businesses and property owners quarterly.
- Two DDA business events held in 2010 for DDA business and property owners.
- Implemented Summer Hanging Basket Program to enhance core areas within DDA.



- DDA Blight Clearance Program

This ongoing program seeks to encourage property and business owners to remove dilapidated and nonconforming signs, improve building and property signage, upgrade or demolish blighted buildings, and make capital improvements to properties.

2010 Accomplishments

- Four properties improved in 2010.
- Two properties currently under renovation.

- DDA Right of Way Maintenance Program

This seasonal lawn care and maintenance program, begun in 1998, assists property and business owners in maintaining the rights of way (ROW) in front of their properties. A lawn care company performs regular lawn maintenance and weed removal in the right-of-ways (between the sidewalk and the street) throughout the district. In 2010 the DDA continued a trash pick up and trash receptacle program, providing for weekly trash pick up and the maintenance of trash cans at various locations in the DDA.

2010 Accomplishments

- Approximately 185 business properties received ROW lawn care and maintenance services through the DDA ROW Maintenance Program.
- Continued Trash Receptacle and Trash Pick up Program.

- DDA Sign Grant Program

In 2001, the DDA established a Sign Grant Program to encourage businesses to replace non-conforming signage and upgrade existing signs. This program provides 50% of the cost to design, construct and install a new sign, or 100% of the cost to remove a non-conforming or dilapidated sign, up to \$10,000. Only current DDA businesses that meet the criteria are eligible for this program.

2010 Accomplishments

- Two businesses received sign grants for new signage in 2010.
- Over \$5,000 in total private investment from the property owners.

- DDA Façade/Property Grant Program

In 2008, the DDA established a Façade/Property Grant Program to assist commercial and industrial property owners to fund physical redevelopment improvements to their existing properties. This program will encourage private investment, reduce blight, and provide incentives to current businesses and property owners, and improve the overall image of the DDA District. Property owners in the DDA are eligible to receive up to \$5,000 per parcel on a one-to-one (public to private fund) matching basis.

2010 Accomplishments

- One business received Façade grants in 2009, leveraging over \$18,000 in total private investment.

- DDA Road Improvements

In 2010, the DDA funded sectional concrete repairs to Northbound John R from 11 Mile to Gardenia.



**TABLE XIII**  
**FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**LEISURE & HUMAN SERVICES**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

| LEISURE & HUMAN SERVICES                        | FY<br>2009-10 | FY<br>2010-11 | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 | TOTAL<br>APPROP. |
|-------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>SINGLE PARK PROJECTS</b>                     |               |               |               |               |               |               |               |                  |
| Red Oaks Youth Soccer Complex                   | \$ 250        | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0             |
| Monroe Park                                     | 296           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Suarez Woods Park Expansion                     | 120           | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Red Oaks - Develop Dog Park                     | 40            | 0             | 0             | 0             | 0             | 0             | 0             | 0                |
| Red Oaks - Walk/Bike Path Connection            | 0             | 0             | 0             | 179           | 0             | 0             | 0             | 179              |
| Rosie's Park Trail Overlay                      | 0             | 0             | 0             | 0             | 30            | 0             | 0             | 30               |
| Rosie's Park - New Pavilion                     | 0             | 0             | 0             | 0             | 0             | 45            | 0             | 45               |
| Twelve Sherry Park - Replace 12 Mile Road Fence | 0             | 0             | 0             | 0             | 0             | 10            | 0             | 10               |
| Huffman Park - Add Pavilion                     | 0             | 0             | 0             | 0             | 0             | 0             | 45            | 45               |
| <b>MULTIPLE PARK PROJECTS</b>                   |               |               |               |               |               |               |               |                  |
| Walk/Bike Path Construction                     | 0             | 0             | 0             | 0             | 583           | 0             | 0             | 583              |
| Landscape Enhancements                          | 0             | 0             | 0             | 0             | 0             | 15            | 0             | 15               |
| <b>SENIORS / SENIOR CENTER</b>                  |               |               |               |               |               |               |               |                  |
| 2003 25 Passenger Bus #443                      | 0             | 0             | 0             | 0             | 75            | 0             | 0             | 75               |
| 2002 Blue Bird Bus #471                         | 0             | 0             | 0             | 0             | 0             | 200           | 0             | 200              |
| Close South Senior Center Driveway              | 0             | 0             | 0             | 0             | 0             | 0             | 100           | 100              |
| <b>TOTALS</b>                                   | <b>\$ 706</b> | <b>\$ 0</b>   | <b>\$ 0</b>   | <b>\$ 179</b> | <b>\$ 688</b> | <b>\$ 270</b> | <b>\$ 145</b> | <b>\$ 1,282</b>  |

**REVENUES:**

| LEISURE & HUMAN SERVICES                        | GENERAL<br>FUND | LOCAL/<br>MAJOR<br>STREETS | VEHICLE<br>MILLAGE | GRANT/<br>SPECIAL<br>ASSESS. | WATER &<br>SEWER | OAKLAND<br>COUNTY<br>PARKS | OTHER<br>REVENUES | TOTAL<br>REVENUES |
|-------------------------------------------------|-----------------|----------------------------|--------------------|------------------------------|------------------|----------------------------|-------------------|-------------------|
| <b>SINGLE PARK PROJECTS</b>                     |                 |                            |                    |                              |                  |                            |                   |                   |
| Red Oaks - Walk/Bike Path Connection            | \$ 0            | \$ 0                       | \$ 0               | \$ 0                         | \$ 0             | \$ 79                      | \$ 100            | \$ 179            |
| Rosie's Park Trail Overlay                      | 30              | 0                          | 0                  | 0                            | 0                | 0                          | 0                 | 30                |
| Rosie's Park - New Pavilion                     | 30              | 0                          | 0                  | 15                           | 0                | 0                          | 0                 | 45                |
| Twelve Sherry Park - Replace 12 Mile Road Fence | 5               | 0                          | 0                  | 5                            | 0                | 0                          | 0                 | 10                |
| Huffman Park - Add Pavilion                     | 45              | 0                          | 0                  | 0                            | 0                | 0                          | 0                 | 45                |
| <b>MULTIPLE PARK PROJECTS</b>                   |                 |                            |                    |                              |                  |                            |                   |                   |
| Walk/Bike Path Construction                     | 292             | 0                          | 0                  | 0                            | 0                | 0                          | 291               | 583               |
| Landscape Enhancements                          | 15              | 0                          | 0                  | 0                            | 0                | 0                          | 0                 | 15                |
| <b>SENIORS / SENIOR CENTER</b>                  |                 |                            |                    |                              |                  |                            |                   |                   |
| 2003 25 Passenger Bus #443                      | 75              | 0                          | 0                  | 0                            | 0                | 0                          | 0                 | 75                |
| 2002 Blue Bird Bus #471                         | 200             | 0                          | 0                  | 0                            | 0                | 0                          | 0                 | 200               |
| Close South Senior Center Driveway              | 100             | 0                          | 0                  | 0                            | 0                | 0                          | 0                 | 100               |
| <b>TOTALS</b>                                   | <b>\$ 792</b>   | <b>\$ 0</b>                | <b>\$ 0</b>        | <b>\$ 20</b>                 | <b>\$ 0</b>      | <b>\$ 79</b>               | <b>\$ 391</b>     | <b>\$ 1,282</b>   |

## **LEISURE AND HUMAN SERVICES**

The improvements programmed in this Chapter can be divided into three categories: Recreation, Senior Center and Library Service Improvements.

### **Recreation Improvements**

- Suarez Woods Park Expansion

In April of 2009, the City was contacted by a Madison Heights resident, who lives at the entrance of George W. Suarez Friendship Woods, inquiring as to whether the City would be interested in purchasing her property.

Since the 1990's, the City of Madison Heights has adopted a strategy of pursuing enhancement of parks through property acquisition. The City has concentrated on evaluating and purchasing properties that are adjacent to existing City parks. Since the mid 1990's, the City purchased the Cherukuri property at the Nature Center (parking area on the west side of the drive as you enter the site), four separate parcels adjacent to Rosie's Park and one parcel at the rear of the Senior Center property on Edward Street (later resold). The 2006-2010 Parks and Recreation Master Plan includes three goals related to this strategy:

Goal B – Acquire appropriate land to expand existing park facilities and services

Goal C – Continue to develop and expand the Nature Center

Goal F – Continue to provide recreational facilities and programs that address the needs of all residents

These Goals support the Master Plan's action plan which calls for the continued land acquisition near Rosie's Park and Suarez Friendship Woods.

The Master Plan indicates:

“In addition to the development of bike trails, acquisition of additional park land adjacent to existing parks, is a high priority and long-term project for the City. Given there is less than 2% vacant land within the City, Madison Heights wants to acquire additional park land when feasible. Two high-priority parks for future expansion of park land are Friendship Woods and Rosie's Park. The high-priority parcels for Friendship Woods are the southern-most home on Hales and the vacant parcel behind the home on Winthrop. High-priority parcels for Rosie's Park are located along and adjacent to 11 Mile Road. If other lands become available to the City prior to the parcels adjacent to either Friendship Woods or Rosie's, Madison Heights may seek to acquire those parcels. The City may choose to acquire additional park land, as it becomes available, whether or not it is adjacent to the above-referenced parks, throughout the lifespan of this plan.”

The Parks Maintenance and Improvement Fund was created as a result of the negotiated agreement between the George W. Kuhn Drainage District (GWKDD) and the City. Under the Agreement, the City in November 2007 received a one-time payment of \$850,000 in exchange for the commitment to operate and maintain a 10-acre soccer complex for a 25 year period. The principal and interest on the original payment is not restricted to just the Red Oaks Soccer Complex, but may be used to fund any Madison Heights park system improvement. On January 5, 2009, the Governor signed Public Act 404 of 2008. This legislation allows the City to invest the one-time GWKDD payment in a long-term portfolio to maximize investment returns, generating investment income over the

term of the agreement. The revenues generated from these investments will support maintenance and improvement of not only the Red Oaks Youth Soccer Complex, but also the City's entire 12-park system.

The City retained the services of an independent appraiser who reported estimated values of \$80,000 for 30553 Hales and \$40,000 for 30545 Hales (known as the "Hardesty properties"). The City Manager extended offers for these properties in the amount of the appraisals on June 26, 2009.

The City Council approved the purchase of the Hardesty properties in August of 2009. In keeping with the City's long-term plans, the home was demolished to avoid any future maintenance costs associated with the structure. Next, staff will work with the input from the Parks and Recreation Commission and the public to develop future plans for the property that would enhance Suarez Friendship Woods.

- Monroe Park Development

On July 30, 2008, President Bush signed the Housing Economic Recovery Act of 2008. A total of \$3.9 billion was appropriated through the Community Development Block Grant (CDBG) Program under the new Neighborhood Stabilization Program (NSP). The purpose of the NSP is to provide local community assistance for the redevelopment of neighborhoods with abandoned and foreclosed homes and properties. In calendar year 2008, the City of Madison Heights saw a record 588 foreclosures.

In late October 2008, the City received official notification from Oakland County's Department of Economic Development and Community Affairs - Community and Home Improvement Division that Madison Heights, as a sub-recipient of the County's CDBG program, was being considered for a \$1.2 million NSP grant. To be eligible, the City signed a general letter of commitment and completed a detailed application, which was prepared to include a proposal to redevelop the former Monroe School site.

The City's NSP program as approved includes three major elements:

1. Acquisition/Demolition (Budget \$300,000)

The City will identify and demolish a minimum of five blighted single-family homes in the targeted area. The lots will then be sold to those who meet the low income standards or, in the alternative, may be donated or sold to a non-profit organization for redevelopment as an affordable single-family home. The City has been able to purchase 11 properties (11 houses demolished). Due to favorable property prices and demo bids, the Budget has reduced to \$230,000 and reprogrammed to house building.

2. Acquisition/Renovation/Sale Budget (\$313,078)

The City will purchase, renovate and sell a minimum of four foreclosed single-family homes in the NSP target area. The homes will be sold to homeowners who meet the federal low income standards. In the alternative, the City may donate or sell the homes to a not-for-profit organization for redevelopment as an affordable single-family home to homeowners who meet the low income standards. All homes will be repaired to a level necessary to achieve compliance with applicable Michigan Building Code. The City has been able to purchase five houses instead of four. To date, rehab work is complete on all five houses.

# MONROE PARK



Map Document: (g:\server\GIS\project\_files\city\_manager\budget11-12\PLAN\_new\_aerial.mxd)12/7/2010 -- 8:57:45 AM





### 3. Blight Demolition/Park Development

The Monroe School property, located at 25421 Alger, is bounded by Dallas on the north, Alger on the east, Barrett on the south and Dartmouth on the west. The subject site is 4.63 acres, or 932 feet by 216 feet, and contained a single story former school building of approximately 27,700 square feet. The major elements of the project include:

- a. City use of NSP funds to demolish the former school building and parking lot.
- b. The City purchase one acre of property on the west side of the site to be redeveloped as a City park.
- c. The School District agrees that the remaining 3.6 acre property would be sold for single family residential development, with lots being no larger than 60 feet in width. The City estimates that the property could yield 24 homes once redeveloped.

Only items a. and b. would need to be completed as part of this grant program, but within the 18 month time period.

Park development includes removal of existing dilapidated non-accessible play structures, damaged fencing and sidewalk, construction of a new accessible play structure, park pavilion, safety fencing, benches, walking path and repair/replace sidewalk where necessary. In addition, adjacent street repairs were made to eliminate deteriorating road surface where the streets provide direct access to the new park site.

The final project breakdown:

|                                                   |               |
|---------------------------------------------------|---------------|
| Demolition of the school building and parking lot | \$119,500     |
| Purchase of one acre of property                  | 121,700       |
| Install park play structure and pavilion          | 175,200       |
| Sidewalk and street work                          | <u>63,000</u> |
|                                                   | \$479,400     |

Based on the City's success with this grant, we have been awarded an additional \$190,799 in NSP funds, which when combined with project savings, will fund the construction of up to three new homes on the vacant properties resulting from the demolition project.

On March 8, 2010, City Council approved three contracts with Habitat for Humanity of Oakland County to construct three single-family homes (27380 Hampden, 1624 E. Greig and 26354 Wolverine) on sites purchased by the City with NSP funds and cleared with NSP funds. The City provided \$95,000 per home, or \$285,000 total. Habitat will select the new homeowner and set up the mortgage for three low income families. One home is completed and two are under construction.

- Parks Improvement Priorities

Given the large number of projects, the associated costs and limited amount of funding, the staff has developed a short list of priority park projects:

| <u>FY 2007-08 to FY 2009-10</u> |                                              |                                                                                                                        |
|---------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| 1.                              | Red Oaks Youth Soccer Facility Park Proposal | Soccer complex (9 fields) and playscape with park shelter (concessions; restrooms; storage; meeting room) and parking. |
|                                 | Estimated Cost:                              | \$2,090,000 GWK Drain District (over three years)                                                                      |

Basis for Action: Additional soccer facilities were needed in Madison Heights and the area around the GWK Drain could accommodate a soccer complex that was developed through a joint effort of the GWK Drainage District, Oakland County Parks and Recreation Commission and the City.

FY 2009-10

2. Red Oaks Dog Park Dog park and bike trail developed by Oakland County Parks and Recreation Commission and George W. Kuhn Drainage District was completed in June 2010.

Estimated Cost: \$40,000 Oakland County Parks and Recreation Commission

Basis for Action: Some City residents had expressed an interest in a dog park and the area around the George W. Kuhn Drain, developed by the Oakland County Parks and Recreation Commission, was a good location. A portion of the bike trail that traverses the property was installed. In the future, this segment will link up to the planned Red Oaks trail.

FY 2012-13

3. Red Oaks Water Park Walk/ Bike Connection Pursue development of a walking and bike trail system.

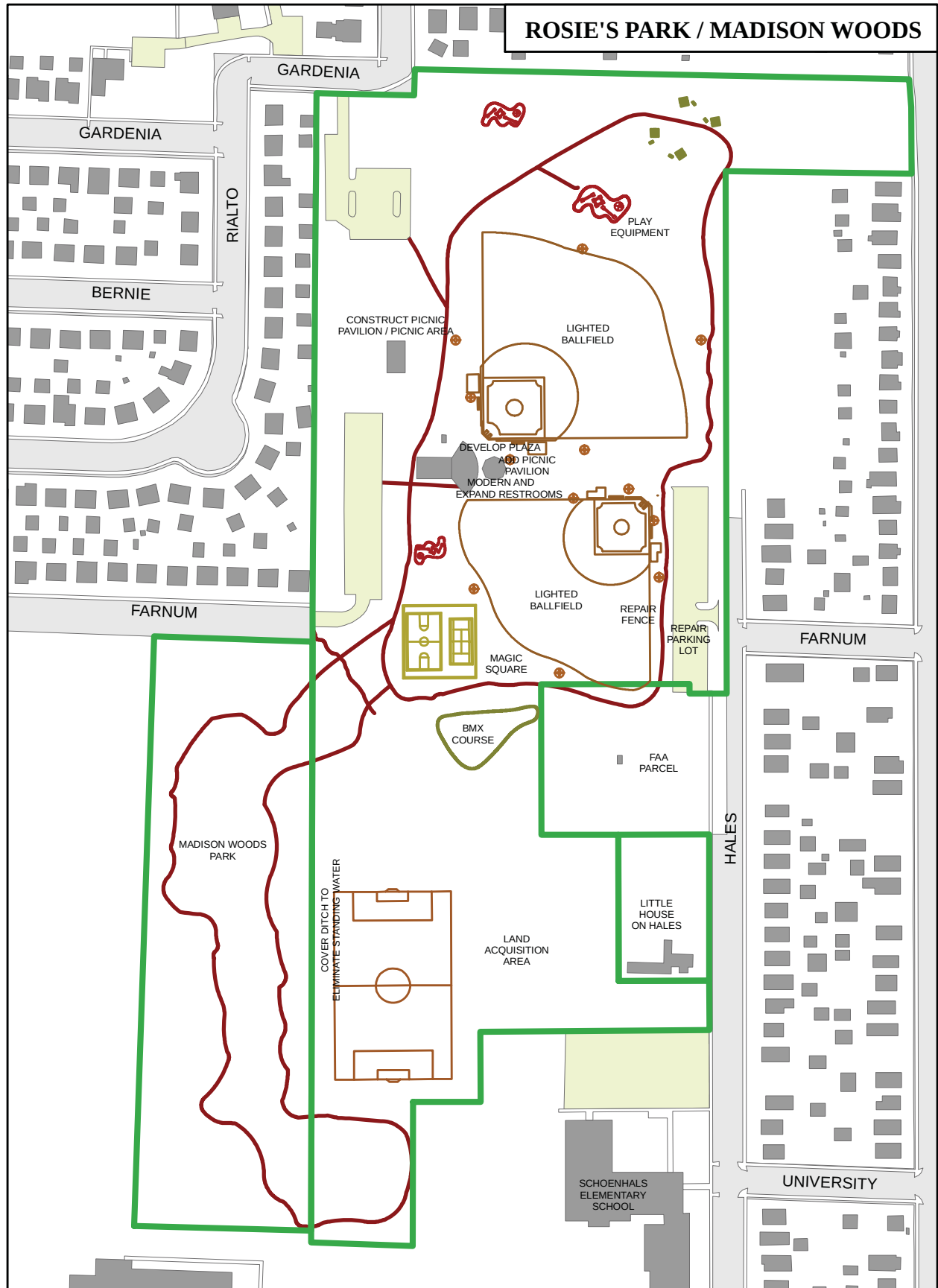
Estimated Cost: \$100,000 Michigan Natural Resources Trust Fund  
79,000 Oakland County Parks & Recreation  
\$179,000

Basis for Action: In December 2010, the Oakland County Parks and Recreation was awarded a \$308,000 development grant for natural area accessibility improvements by the Michigan Natural Resources Trust Fund Board of Trustees. The grant will fund construction of boardwalks, wildlife viewing platforms and floating fishing piers at Highland Oaks, Lyon Oaks, Red Oaks and Rose Oaks county parks.

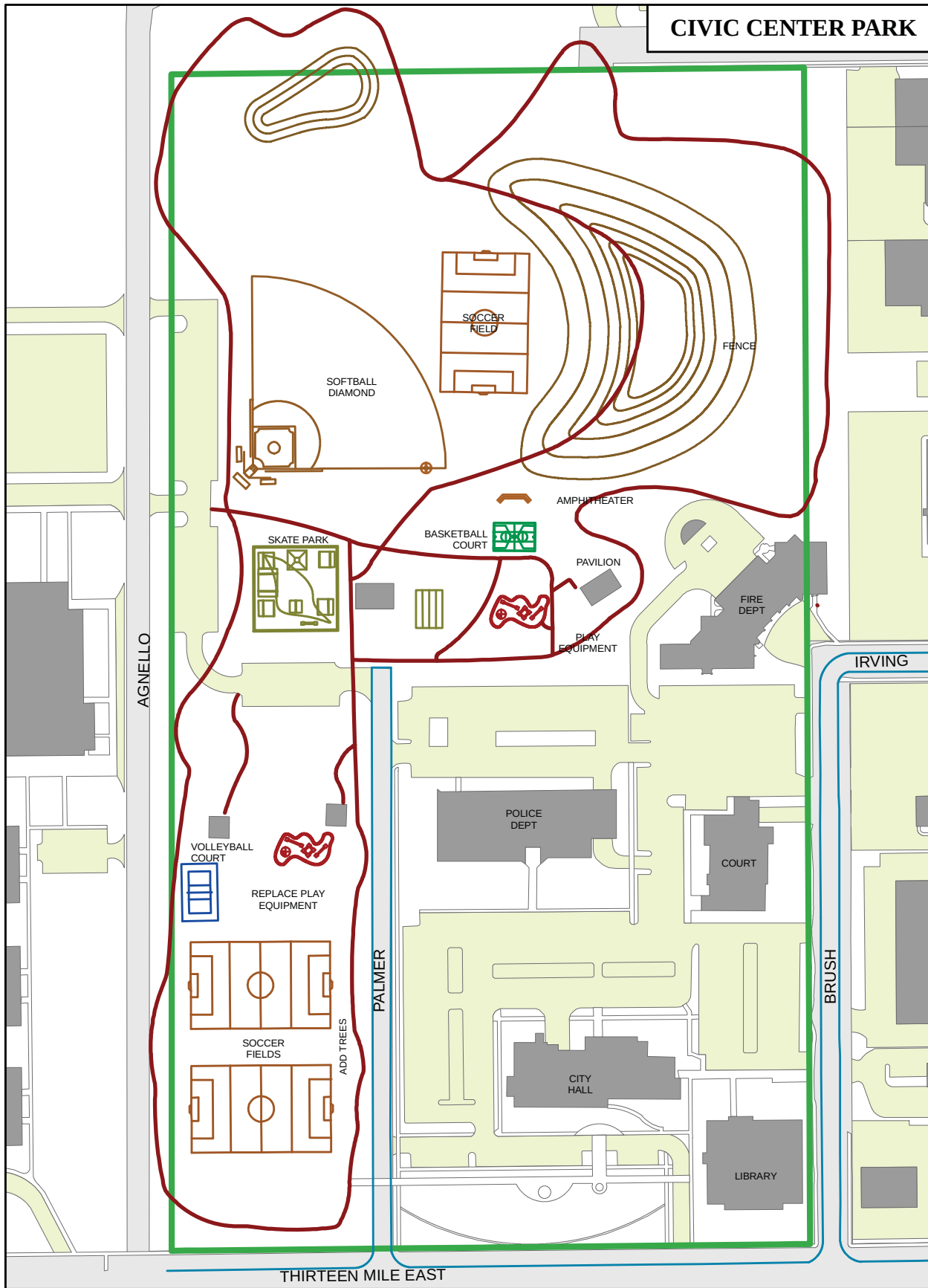
At Red Oaks County Park, 600 feet of boardwalk will help overcome challenges of a narrow park site while preserving and enhancing the value of Red Oaks as an urban natural area.

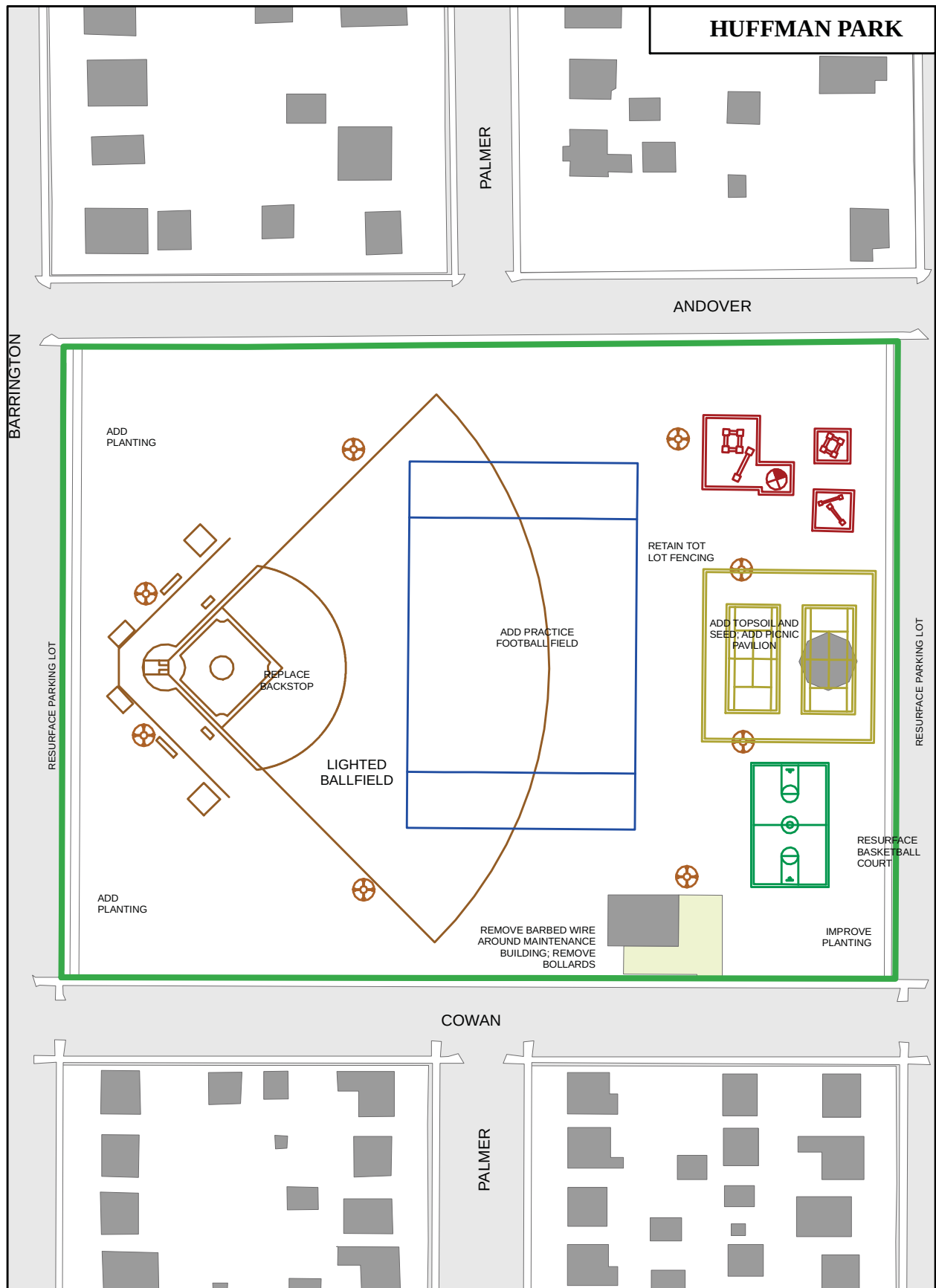
- FY 2013-14
4. Walking and Bike Trails Pursue development of a walking and bike trail system
- Estimated Cost: \$291,500 Local  
291,500 MDNR Grant or Act 51
- Total \$583,000 (13 Mile to John R segment)
- Basis for Action: A high-priority recreational item in Madison Heights is the development of an 8 foot wide bike trail system. In the future, the proposed trails will connect with trails developed by Oakland County and Macomb County. The bike path is proposed to run along the George W. Kuhn Drain and the east side of I-75, as part of the I-75 widening project. A sidewalk section in the road right-of-way between Woodside and Hiller Elementary on Delton was constructed in 2008 at a cost of \$35,000 as part of the City's Sidewalk Program and Gap Repair Plan.
5. Rosie's Park Asphalt overlay of existing trail
- Estimated Cost: \$30,000 Local
- Basis for Action: To eliminate developing trip hazards and related liability, this project is needed.
- FY 2014-15
6. Twelve Mile/Sherry Park Remove Sherry Street fence, replace Twelve Mile Road fence
- Estimated Cost: \$ 5,000 Local  
5,000 Civic Group Contribution  
 \$10,000
- Basis for Action: Removing the fence at Sherry Street will open up the park and make it much more inviting to park users. The replacement of the Twelve Mile Road fence will update the site and improve the aesthetics of the area while maintaining a barrier for safety between the road and the playground. The City must negotiate a long-term agreement with a local civic organization to allow for continued funding of ongoing maintenance and improvement items.





- |    |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | Rosie's Park                           | Plan, design, and construct 1,800 square foot park pavilion                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|    | Estimated Cost:                        | <div style="display: flex; justify-content: space-between;"> <div>\$30,000 Local</div> <div>10,000 Civic Group Contribution</div> </div> <div style="display: flex; justify-content: space-between; border-top: 1px solid black; padding-top: 2px;"> <div><u>5,000</u> Escrow</div> <div>\$45,000</div> </div>                                                                                                                                                                                                        |
|    | Basis for Action:                      | There is a high demand for shelters in the City's largest park. Providing a large shelter would enhance the types of programs and events that the City could accommodate, and provide an additional facility for rent. The pavilion would be located on the west side of the park, between the two parking lots.                                                                                                                                                                                                      |
| 8. | Landscape Enhancements Phases I and II | Replace trees, plant additional trees and install benches                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|    | Estimated Cost:                        | \$30,000 Local                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    | Basis for Action:                      | Plant trees between the baseball fields in Rosie's Park to replace the poor quality cottonwood trees. Trees should be planted in Friendship Woods, between the driveways and parking lot, to replace those that were necessary to remove. Open areas in Huffman and Ambassador Parks should be enhanced with tree plantings. Benches should be installed along the pathway in Civic Center Park to provide areas for park users to rest. Phase I is programmed for FY 2014-15 and Phase II beyond the five year plan. |
|    | <u>FY 2015-16</u>                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 9. | Huffman Park                           | Add pavilion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    | Estimated Cost:                        | \$45,000 Local                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    | Basis for Action:                      | A pavilion will enhance the park by providing an area for people to gather while using the other park facilities such as the play equipment or the baseball field.                                                                                                                                                                                                                                                                                                                                                    |





### **Senior Center Improvements**

The most recent Capital Improvement Plan project completed was the creation of the new access from the rear parking lot of the Senior Center through the SOCRRA drive to a safe signalized intersection on John R. The Department of Public Services has requested the southern entrance to the Center be closed to further enhance public safety. The future traffic plan for the Senior Center and John R/Dartmouth intersection calls for the closure of the south Senior Center Driveway - now restricted to right turn in/right turn out - and the re-routing of all traffic to and from the Center to the shared SOCRRA driveway.

This project would include removal of the signage and “pork chop” island, removal of the asphalt from John R to the circular Senior Center entryway, curbing along John R, extension of the sprinkler lines and heads, sod, and new asphalt and asphalt curb to close off and complete the circular drive at the front entrance of the Center. As part of this project, we also plan to install a sanitary sewer cleanout in the right-of-way to assist with the cleaning of the Senior Center sanitary sewer line, which includes the kitchen.

### **Library Service Improvements**

In February 2000, City Council directed staff to prepare an ordinance to create a Citizen Task Force to review both short and long-term upgrades and improvements to the Library system. City Council had identified the following issues that needed to be addressed: resource availability; perception that the book collection is aged and not comprehensive and that basic research volumes are limited; the concern that the separation between the Adult Reading Room and Youth areas is not adequate; the number of computer stations for Internet access; limitations of the physical plant; long-term maintenance; and review of personnel needs and compensation.

The Library Advisory Board worked with City and Library staff in conjunction with a Library Architect and Interior Designer to complete a conceptual building design. Incorporated into the mission of the Library Advisory Board was the directive to identify and determine the scope of a project to address needs and provide efficient library service to City residents.

Furniture replacement was a critical need, and public seating and tables, along with lounge furniture were ordered and installed during FY 2001-02.

In the FY 2002-03 Budget, a total of an additional \$20,000 was programmed for furnishing replacements and an additional \$50,500 for building fascia repairs (\$49,500 already available in FY 2001-02 Budget) and \$35,000 to slurry seal the parking lots north and west of the Library. The additional Library furnishings, building fascia repairs and reference desk projects were placed on hold pending City Council’s direction regarding the Library Advisory Board’s recommendation to renovate and expand the Main Library.

In May 2002, the Library Advisory Board adopted a motion to recommend Council consideration of Ehresman Associates Library Renovation Option #4. This Option includes improvements to comply with barrier-free accessibility, building codes, and the Federal Americans with Disabilities Act. In addition, Option #4 includes a 15,700 square foot renovation and an 8,950 square foot addition to extend the building approximately 65 feet north of the existing main entrance. The total addition includes a youth library component of 5,100 square feet at \$820,000, a basic addition of 1,200 square feet at \$250,000 and a new Breckenridge Meeting Center at 2,650 square feet for \$425,000. As calculated by the project’s architect, the total cost of Option #4 was \$3,475,000, inclusive of other project costs totaling 42 percent. By completing the project at one time, it is anticipated that the City would save between \$150,000 to \$250,000.

Option #4 was recommended following an exhaustive review of all alternatives including shared school usage and that the City pursue financing and that continued outreach efforts be conducted to obtain additional input from the community.

A goal within the 2003-04 Goal Plan calls for supporting the results of the Library Advisory Board's Needs Assessment by evaluating funding alternatives and receiving additional input on planned Library expansion/renovation.

In February 2003, the Library Advisory Board reviewed updated financial projections regarding project funding. A decision was made to defer any further recommendations to City Council regarding the project and any public presentation until project funding has been approved.

The Library's technology plans include the introduction of the Library's Public Access Web Page, the introduction of public Internet access, and the expansion of computers by ten, all of which have been completed.

As part of the 2005-06 Goal Plan, the City Council approved the following goal: Structure for City Council's consideration a plan to implement a State of Michigan Public Act 164 Library governed by an appointed Library Board and supported through an independent millage levy, State aid, penal fines, book fines and user fees; where the millage is offset by a reduction in the City's operating millage and the transition is "revenue neutral" to the General Fund.

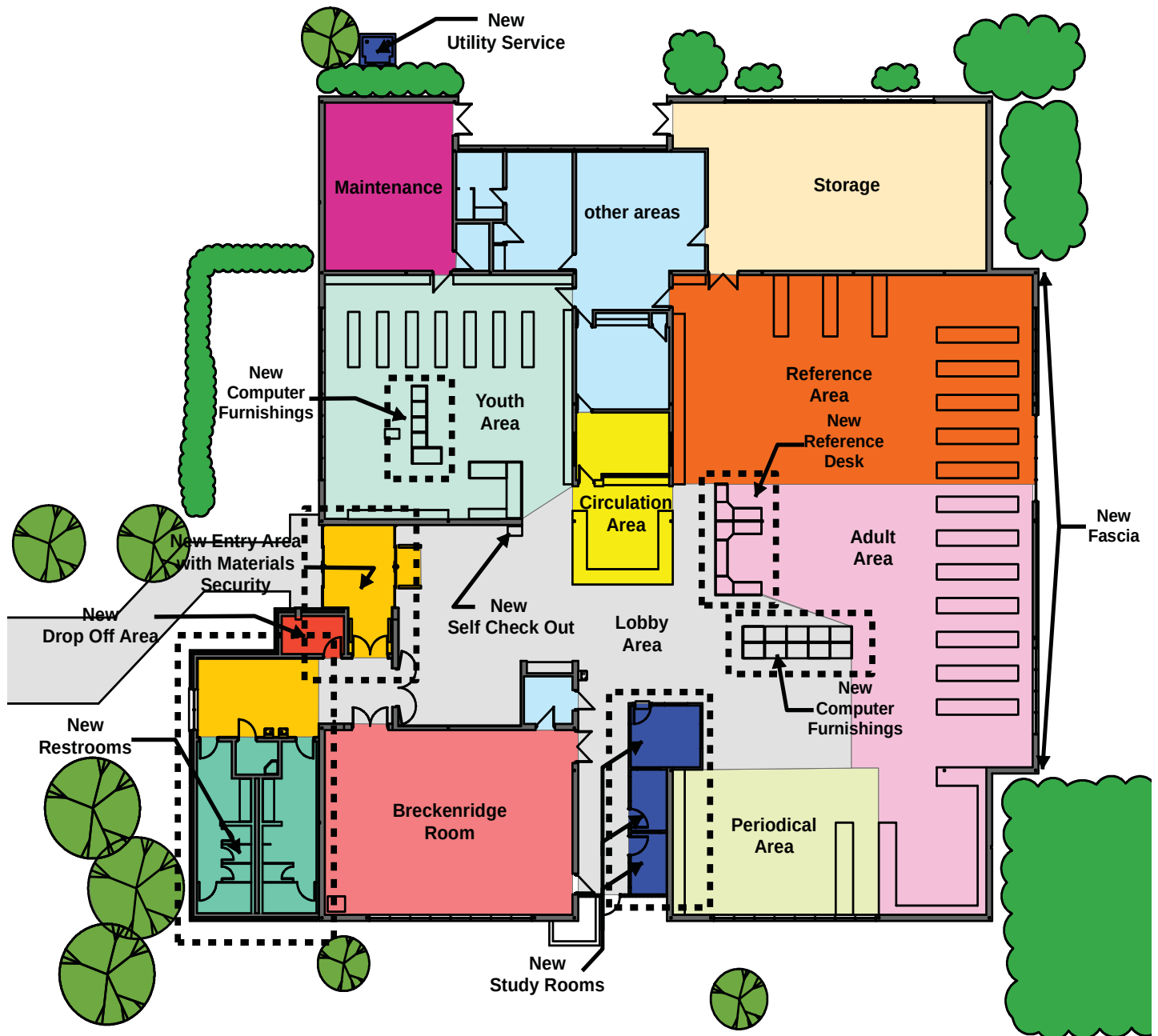
In spring 2005, staff brought before the Council a recommendation to create a Public Act 164 Library that would be supported by up to a one mill levy. The dedicated millage would have assumed the operation and maintenance cost from the General Fund and allowed for funding for the proposed improvements. A decision was made by the City Council not to pursue the Act 164 Library, instead the Council suggested that the staff research making use of the money that was set aside in prior years for improvements and any additional funding to support a scaled down renovation project.

As part of the 2006-07 Goal Plan, a goal was approved on December 12, 2005: "Working within the context of the Library Advisory Board's long-range Library improvement plan, develop a scaled down project that best utilizes existing funding."

On August 14, 2006, Council approved the bidding of the Library project. The original estimated project included: an Americans with Disabilities Act (ADA)-accessible restroom addition; a realignment of the north entry door, vestibule, and outside walkway; replacement doors and windows; asbestos abatement; reference and public computer furnishings; three group study rooms; electrical system separation (Library/City Hall); signage; Breckenridge Room blinds; a new roof and the optional self-checkout and materials security.

On November 29, 2006, the City received and opened 12 bids for Library renovations. The project architect and staff reviewed the bids and checked references for the four lowest bidders. The lowest bid for construction project Cedroni Associates, Inc., who completed the project in July 2007. The Library closed from mid-December to early July 2007. This schedule allowed construction to be completed in the most safe and efficient manner, especially given asbestos abatement affecting over 11,000 square feet of the building.

# 2007 Library Improvement Project



The costs for this project with alternatives are listed below:

|                                                              |              |
|--------------------------------------------------------------|--------------|
| Base Construction plus Alternatives                          | \$641,095    |
| Engineering/Construction Management                          | 58,348       |
| Testing, Surveys and Computer Networking                     | 19,250       |
| Furniture                                                    | 25,408       |
| Asbestos Removal                                             | 18,000       |
| Asbestos Consultant                                          | <u>5,500</u> |
| Total Base Construction, Alternatives Asbestos and Furniture | \$767,601    |

The furniture was separately bid. The asbestos removal was also bid separate from the other building improvements. Five bids were received on December 6, 2006 with the lowest responsible bidder being Environmental Maintenance Engineers, Inc. (EME) for \$18,000.

In addition to the general construction costs, asbestos removal and furniture, Council requested prices for the self-check out and security. The Library received prices of \$19,200 and \$15,800 respectively for these items.

Also, included in the Capital Improvement Plan document were plans to place sprinkler systems in the remaining buildings without fire suppression systems. With the renovations, this was the best time to consider adding this equipment. The addition of a sprinkler system was estimated to cost approximately \$100,000 for specifications and contracted installation.

The estimated costs for the project with optional items are listed below:

|                                   |                |
|-----------------------------------|----------------|
|                                   | <u>Cost</u>    |
| Self-Checkout                     | \$ 19,200      |
| Security System                   | 15,800         |
| Sprinkler System                  | <u>100,000</u> |
| Optional Items                    | \$135,000      |
| Optional Construction Contingency | <u>64,100</u>  |
| Total Extra Items                 | \$199,100      |

The optional items were funded by the General Fund Designation for Capital Improvements, which stood at \$600,000. The construction, alternatives, asbestos and furniture (\$767,601) plus optional items (\$199,100) totaled \$966,701.



## **Impact of Capital Improvement Plan on the Operating Budget**

The Capital Improvement Plan impacts the operating budget of the City in many different ways depending on the nature of the capital improvement item. A capital improvement can be a new asset to the City that would increase the need for such things as maintenance, utilities and insurance. A capital improvement can also be expanding or replacing a current asset.

The City of Madison Heights reviews the impact capital improvements will have on the operating budget each year when the Capital Improvement Plan is approved. This plan details the estimated annual operating costs for the next five years. These charts are provided in the next few pages.

In order to estimate the impact on the operating budget, staff first considers if the capital improvement is a replacement, new or expanded asset. If the item increases expenditures in the operating budget, staff will identify other sources of funds for maintenance, such as new cost recovery fees, increases in existing rates, private contributions or grants for maintenance.

Much of the capital maintenance program is coordinated by the Department of Public Services (DPS), which oversees or provides routine maintenance for streets, buildings, equipment and public property. The City uses a combination of contract and City workforces to perform basic routine maintenance such as motor pool, mowing and weed control. Staff uses historical costs of similar items to estimate labor and service contract costs to determine the estimated operating expenditures for the next five years.

TABLE XIV  
FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

| PROJECT<br>DESCRIPTION                                                                       | CAPITAL OUTLAY                      |                                     | Estimated Annual Operating Costs (Including Debt Repayment) |               |               |               |               |               |  |
|----------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--|
|                                                                                              | TOTAL<br>COST/<br>FUNDING<br>SOURCE | PROPOSED<br>BUDGET<br>FY<br>2011-12 | PROPOSED<br>METHOD<br>OF<br>FUNDING                         |               |               |               |               |               |  |
|                                                                                              |                                     |                                     |                                                             | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |  |
| <b>Neighborhood Projects</b>                                                                 |                                     |                                     |                                                             |               |               |               |               |               |  |
| Proposal "R-2" Sidewalks                                                                     | \$ 100,000<br>RM                    | \$ 20,000                           | LSF                                                         | \$ 500        | \$ 500        | \$ 500        | \$ 500        | \$ 500        |  |
| Proposal "R-2" Concrete Repair                                                               | 628,000<br>RM                       | 228,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| <b>Year 4 Roads (R-2)</b>                                                                    |                                     |                                     |                                                             |               |               |               |               |               |  |
| Gardenia - John R to Lorenz                                                                  | 550,000<br>RM                       | 550,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| Alger - Parker South to Gardenia                                                             | 457,000<br>RM                       | 457,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| Townley - 11 Mile to University                                                              | 321,000<br>RM                       | 321,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| <b>Year 5 Roads (R-2)</b>                                                                    |                                     |                                     |                                                             |               |               |               |               |               |  |
| Shacket - Huntington to Spoon                                                                | 700,000<br>RM/WS                    | 700,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| Huntington - Campbell to Mark                                                                | 440,000<br>RM                       | 440,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| Sherry - Girard to S. of Parkdale                                                            | 420,000<br>RM/WS                    | 420,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| Longfellow - Garry to 30290 Longfellow                                                       | 262,000<br>RM                       | 262,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| Groveland and University Intersection - (Watermain to 11 Mile) and 21700 Groveland to Farnum | 594,000<br>RM/WS                    | 594,000                             | LSF                                                         | 500           | 500           | 500           | 500           | 500           |  |
| <b>Year 6 Roads (R-2)</b>                                                                    |                                     |                                     |                                                             |               |               |               |               |               |  |
| Lenox - Baxter to Sprague                                                                    | 230,000<br>RM                       | 0                                   | LSF                                                         | 0             | 500           | 500           | 500           | 500           |  |
| Hampden - Farnum Intersection                                                                | 127,000<br>RM                       | 0                                   | LSF                                                         | 0             | 500           | 500           | 500           | 500           |  |
| University - Lenox to Hampden                                                                | 127,000<br>RM                       | 0                                   | LSF                                                         | 0             | 500           | 500           | 500           | 500           |  |
| Brettonwoods - Gardenia to Farnum                                                            | 578,000<br>RM                       | 0                                   | LSF                                                         | 0             | 500           | 500           | 500           | 500           |  |
| Forest - Hampden to Brettonwoods & Hampden Intersection                                      | 252,000<br>RM                       | 0                                   | LSF                                                         | 0             | 500           | 500           | 500           | 500           |  |
| Gardenia - Hampden to Dartmouth                                                              | 283,000<br>RM                       | 0                                   | LSF                                                         | 0             | 500           | 500           | 500           | 500           |  |
| Parker - E. of Sealcoat to John R                                                            | 566,000<br>RM                       | 0                                   | LSF                                                         | 0             | 500           | 500           | 500           | 500           |  |

Legend:

Advanced Life Support Millage  
Community Development Block Grant  
Downtown Development Authority  
Drug Forfeiture  
Fire Bond Issue  
General Fund  
Grant Funding  
Local Street Fund  
Major Street Fund  
Neighborhood Stabilization Program  
Oakland County Road Commission  
Oakland County Water Resources Commissioner  
Road Millage  
Royal Oak Contribution  
Solid Waste Millage  
Special Assessment District  
Vehicle Millage  
Water and Sewer Fund

ALSM  
CDBG  
DDA  
DF  
FB  
GF  
Grant  
LSF  
MSF  
NSP  
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OCWRC  
RM  
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SAD  
VM  
WS

TABLE XIV  
FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

| PROJECT<br>DESCRIPTION                                  | CAPITAL OUTLAY                      |                                     | Estimated Annual Operating Costs (Including Debt Repayment) |               |               |               |               |               |  |
|---------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--|
|                                                         | TOTAL<br>COST/<br>FUNDING<br>SOURCE | PROPOSED<br>BUDGET<br>FY<br>2011-12 | PROPOSED<br>METHOD<br>OF<br>FUNDING                         |               |               |               |               |               |  |
|                                                         |                                     |                                     |                                                             | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |  |
| <b>Year 7 Roads (R-2)</b>                               |                                     |                                     |                                                             |               |               |               |               |               |  |
| Dartmouth - 26333 Dartmouth to 26113 Dartmouth          | 203,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 500           | 500           | 500           |  |
| Barrington - Cowan to Andover                           | 204,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 500           | 500           | 500           |  |
| W. Barrett - Alger to John R                            | 253,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 500           | 500           | 500           |  |
| E. Hudson - John R to 71 E. Hudson                      | 166,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 500           | 500           | 500           |  |
| Kalama - Stephenson Hwy. To Alger                       | 610,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 500           | 500           | 500           |  |
| Couzens - South of 11 Mile Road                         | 694,000<br>RM/SAD                   | 0                                   | LSF                                                         | 0             | 0             | 500           | 500           | 500           |  |
| Harwood - Dartmouth to 368 Harwood                      | 243,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 500           | 500           | 500           |  |
| <b>Year 8 Roads (R-2)</b>                               |                                     |                                     |                                                             |               |               |               |               |               |  |
| Whittier - Longfellow to Chaucer                        | 529,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Palmer - 13 Mile N. to end                              | 366,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Chaucer - Whittier to Longfellow                        | 410,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Barrington - S. of Horace Brown to 13 Mile NB           | 518,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Barrington - S. of Horace Brown to 13 Mile SB           | 465,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Blairmoor - Manchester to Thirteen Mile Road            | 543,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Manchester & Woodmont Intersection                      | 102,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| <b>Year 9 Roads (R-2)</b>                               |                                     |                                     |                                                             |               |               |               |               |               |  |
| Fournier - Sherry to Mark and Mark - Fournier to Sherry | 1,355,000<br>RM                     | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| E. Hardwood - Couzens to Dei                            | 414,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Lincoln - John R to 104 E. Lincoln                      | 165,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
| Lincoln - 504 E. Lincoln to 583 E. Lincoln              | 457,000<br>RM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 500           | 500           |  |
|                                                         |                                     |                                     |                                                             |               |               |               |               |               |  |
| Total Neighborhood Projects                             | \$ 11,941,000                       | \$ 3,992,000                        |                                                             | \$ 5,000      | \$ 8,500      | \$ 12,000     | \$ 17,500     | \$ 17,500     |  |

Legend:

Advanced Life Support Millage  
Community Development Block Grant  
Downtown Development Authority  
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Fire Bond Issue  
General Fund  
Grant Funding  
Local Street Fund  
Major Street Fund  
Neighborhood Stabilization Program  
Oakland County Road Commission  
Oakland County Water Resources Commissioner  
Road Millage  
Royal Oak Contribution  
Solid Waste Millage  
Special Assessment District  
Vehicle Millage  
Water and Sewer Fund

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| PROJECT<br>DESCRIPTION                                          | CAPITAL OUTLAY                      |                                     | Estimated Annual Operating Costs (Including Debt Repayment) |               |               |               |               |               |  |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--|
|                                                                 | TOTAL<br>COST/<br>FUNDING<br>SOURCE | PROPOSED<br>BUDGET<br>FY<br>2011-12 | PROPOSED<br>METHOD<br>OF<br>FUNDING                         |               |               |               |               |               |  |
|                                                                 |                                     |                                     |                                                             | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |  |
| <b>Road Improvements</b>                                        |                                     |                                     |                                                             |               |               |               |               |               |  |
| <i>Major Road Improvements</i>                                  |                                     |                                     |                                                             |               |               |               |               |               |  |
| Campbell 12-13 Mile Curb Repairs                                | \$ 170,000<br>MSF                   | \$ 0                                | MSF                                                         | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 0          |  |
| 12 Mile - Asphalt Overlay - Stephenson to Dequindre             | 2,398,000<br>Grant/OCRC             | 0                                   | MSF                                                         | 0             | 0             | 50            | 50            | 50            |  |
| 14 Mile - Asphalt Overlay - Campbell to Stephenson              | 1,084,000<br>Grant/OCRC             | 0                                   | MSF                                                         | 0             | 0             | 0             | 50            | 50            |  |
| 11 Mile - I-75 to John R                                        | 764,000<br>MSF/Grant                | 0                                   | MSF                                                         | 0             | 0             | 0             | 0             | 100           |  |
| 11 Mile - John R to Dequindre                                   | 1,308,000<br>MSF/Grant              | 0                                   | MSF                                                         | 0             | 0             | 0             | 0             | 100           |  |
| John R - Overlay 11 Mile to 12 1/2                              | 1,711,000<br>MSF/Grant              | 0                                   | MSF                                                         | 0             | 0             | 0             | 0             | 100           |  |
| John R - 10 Mile to 11 Mile                                     | 1,169,000<br>MSF/Grant              | 0                                   | MSF                                                         | 0             | 0             | 0             | 0             | 0             |  |
| <i>Local Road Improvements (Excluding Prop "R-1 &amp; R-2")</i> |                                     |                                     |                                                             |               |               |               |               |               |  |
| NSP Sectional Concrete Repair                                   | 100,000<br>NSP                      | 100,000                             | MSF                                                         | 0             | 50            | 50            | 50            | 50            |  |
| <i>Traffic Signal Upgrades</i>                                  |                                     |                                     |                                                             |               |               |               |               |               |  |
| Traffic Signal Improvements                                     | 150,000<br>MSF                      | 10,000                              | MSF                                                         | 0             | 50            | 50            | 50            | 50            |  |
| <i>Rehabilitation Programs</i>                                  |                                     |                                     |                                                             |               |               |               |               |               |  |
| Joint & Crack Sealing - City Wide Major                         | 375,000<br>MSF                      | 0                                   | MSF                                                         | 0             | 100           | 100           | 100           | 100           |  |
| John R Maintenance                                              | 221,000<br>MSF                      | 221,000                             | MSF                                                         | 100           | 100           | 100           | 100           | 100           |  |
| Sidewalk Replacement & Gap Installation                         | 1,435,000<br>SAD                    | 425,000                             | SAD                                                         | 100           | 100           | 100           | 100           | 100           |  |
| <i>Commercial and Industrial Road Projects</i>                  |                                     |                                     |                                                             |               |               |               |               |               |  |
| Whitcomb - John R to end of Islands (east of Sherman)           | 150,000<br>MSF                      | 50,000                              | MSF                                                         | 0             | 100           | 100           | 100           | 100           |  |
| Industrial - Fourteen to East Avis                              | 379,000<br>MSF                      | 0                                   | MSF                                                         | 0             | 0             | 0             | 0             | 100           |  |
| Commercial & Industrial Sectional Concrete Replacement          | 200,000<br>MSF                      | 0                                   | LSF                                                         | 0             | 100           | 100           | 100           | 100           |  |
| <i>Equipment Replacement</i>                                    |                                     |                                     |                                                             |               |               |               |               |               |  |
| 2003 Street Sweeper #402                                        | 209,000<br>SM                       | 0                                   | GF                                                          | 100           | 100           | 100           | 100           | 100           |  |
| 2003 Street Sweeper #408                                        | 209,000<br>SM                       | 209,000                             | GF                                                          | 0             | 100           | 100           | 100           | 100           |  |
| 2004 One Ton Dump Truck #431                                    | 55,000<br>VM                        | 0                                   | GF                                                          | 0             | 0             | 100           | 100           | 100           |  |
| 2003 Building Maintenance Van #435                              | 61,000<br>VM                        | 0                                   | GF                                                          | 0             | 100           | 100           | 100           | 100           |  |
| 1999 Ford Single Axle Dump Truck #479                           | 180,000<br>LSF                      | 0                                   | LSF                                                         | 0             | 100           | 100           | 100           | 100           |  |
| 2003 Tandem Dump Trucks V - Box Inserts #418 & #422             | 100,000<br>LSF                      | 0                                   | LSF                                                         | 0             | 0             | 100           | 100           | 100           |  |
| 2003 Platform Truck #429                                        | 150,000<br>VM                       | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 100           |  |
| 2003 Tandem Dump Truck #417                                     | 240,000<br>VM                       | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 100           |  |
| 2002 Stake Truck #415                                           | 150,000<br>VM                       | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 0             |  |
| 2003 Tandem Dump Truck #418                                     | 240,000<br>VM                       | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 0             |  |
| 2003 Tandem Dump Truck #419                                     | 240,000<br>VM                       | 0                                   | LSF                                                         | 0             | 0             | 0             | 0             | 0             |  |
| 2003 Single Axle Dump #424                                      | 180,000<br>LSF                      | 0                                   | LSF                                                         | 0             | 0             | 0             | 0             | 0             |  |
| Total Road Improvements                                         | \$ 13,628,000                       | \$ 1,015,000                        |                                                             | \$ 300        | \$ 950        | \$ 1,150      | \$ 1,150      | \$ 1,250      |  |

**Legend:**

Advanced Life Support Millage  
Community Development Block Grant  
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FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

| PROJECT<br>DESCRIPTION                 | CAPITAL OUTLAY                      |                                     | Estimated Annual Operating Costs (Including Debt Repayment) |               |               |               |               |               |  |
|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--|
|                                        | TOTAL<br>COST/<br>FUNDING<br>SOURCE | PROPOSED<br>BUDGET<br>FY<br>2011-12 | PROPOSED<br>METHOD<br>OF<br>FUNDING                         |               |               |               |               |               |  |
|                                        |                                     |                                     |                                                             | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |  |
| Collection & Distribution System       |                                     |                                     |                                                             |               |               |               |               |               |  |
| Watermains/Meters                      |                                     |                                     |                                                             |               |               |               |               |               |  |
| Palmer - North Dead End to 11 Mile     | \$ 210,000<br>WS                    | \$ 0                                | WS                                                          | \$ 0          | \$ 0          | \$ 100        | \$ 100        | \$ 100        |  |
| Brush - 11 Mile to Royal Park Lane     | 252,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 100           | 100           | 100           |  |
| Barrington - 11 Mile to Andover        | 235,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 0             | 100           | 100           |  |
| Hampden - 11 Mile to Andover           | 225,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 0             | 100           | 100           |  |
| Harwood - John R to Progress           | 378,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 0             | 0             | 100           |  |
| Fourteen Mile - Palmer to John R       | 166,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 0             | 0             | 100           |  |
| Longfellow - Garry to Brown            | 153,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 0             | 0             | 0             |  |
| Dartmouth - 11 Mile to Andover         | 256,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 0             | 0             | 0             |  |
| Sewer Projects                         |                                     |                                     |                                                             |               |               |               |               |               |  |
| Sewer Rehabilitation/Replacement       | 200,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 50            | 50            | 50            |  |
| DPS Brine Containment Structure        | 40,000<br>WS                        | 0                                   | WS                                                          | 0             | 0             | 0             | 50            | 50            |  |
| Replacements                           |                                     |                                     |                                                             |               |               |               |               |               |  |
| 1998 Ford Vactor #468                  | 380,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 300           | 300           | 300           |  |
| 1997 One Ton Dump Truck #462           | 60,000<br>WS                        | 60,000                              | WS                                                          | 0             | 300           | 300           | 300           | 300           |  |
| 2000 GMC W 4500 Van #452               | 55,000<br>WS                        | 0                                   | WS                                                          | 0             | 0             | 0             | 300           | 300           |  |
| 2001 Tandem Axle Dump #464             | 225,000<br>WS                       | 0                                   | WS                                                          | 0             | 0             | 0             | 0             | 300           |  |
| Repairs                                |                                     |                                     |                                                             |               |               |               |               |               |  |
| Salt Dome Concrete Repair & Resurface  | 40,000<br>WS                        | 0                                   | WS                                                          | 0             | 0             | 300           | 300           | 300           |  |
| Total Collection & Distribution System | \$ 2,875,000                        | \$ 60,000                           |                                                             | \$ 0          | \$ 300        | \$ 1,050      | \$ 1,600      | \$ 2,100      |  |

Legend:

Advanced Life Support Millage  
Community Development Block Grant  
Downtown Development Authority  
Drug Forfeiture  
Fire Bond Issue  
General Fund  
Grant Funding  
Local Street Fund  
Major Street Fund  
Neighborhood Stabilization Program  
Oakland County Road Commission  
Oakland County Water Resources Commissioner  
Road Millage  
Royal Oak Contribution  
Solid Waste Millage  
Special Assessment District  
Vehicle Millage  
Water and Sewer Fund

ALSM  
CDBG  
DDA  
DF  
FB  
GF  
Grant  
LSF  
MSF  
NSP  
OCRC  
OCWRC  
RM  
ROC  
SM  
SAD  
VM  
WS

TABLE XIV  
FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

| PROJECT<br>DESCRIPTION                            | CAPITAL OUTLAY                      |                                     | Estimated Annual Operating Costs (Including Debt Repayment) |               |               |               |               |               |  |
|---------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--|
|                                                   | TOTAL<br>COST/<br>FUNDING<br>SOURCE | PROPOSED<br>BUDGET<br>FY<br>2011-12 | PROPOSED<br>METHOD<br>OF<br>FUNDING                         |               |               |               |               |               |  |
|                                                   |                                     |                                     |                                                             | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |  |
| <b>Public Safety</b>                              |                                     |                                     |                                                             |               |               |               |               |               |  |
| <i>Police</i>                                     |                                     |                                     |                                                             |               |               |               |               |               |  |
| 2002 Animal Control Van #119                      | \$ 40,000<br>VM                     | \$ 25,000                           | GF                                                          | \$ 0          | \$ 300        | \$ 300        | \$ 300        | \$ 300        |  |
| Replace Police Station Roof                       | 225,000<br>GF                       | 0                                   | GF                                                          | 0             | 0             | 300           | 300           | 300           |  |
| <i>Fire</i>                                       |                                     |                                     |                                                             |               |               |               |               |               |  |
| Self Contained Breathing Apparatus and 60 Bottles | 180,000<br>GF                       | 180,000                             | GF                                                          | 50            | 50            | 50            | 50            | 50            |  |
| City Bldgs. Fire Detection & Suppression Systems  | 336,000<br>GF                       | 0                                   | GF                                                          | 0             | 0             | 300           | 300           | 300           |  |
| 2002 Ambulance Rescue #713                        | 267,000<br>VM                       | 0                                   | ALSM                                                        | 0             | 0             | 0             | 300           | 300           |  |
| Emergency Operations Center Improvements          | 60,000<br>GF                        | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 0             |  |
| <i>District Court</i>                             |                                     |                                     |                                                             |               |               |               |               |               |  |
| Replace North Section of Roof                     | 120,000<br>GF                       | 120,000                             | GF                                                          | 0             | 50            | 50            | 50            | 50            |  |
| Total Public Safety                               | \$ 1,228,000                        | \$ 325,000                          |                                                             | \$ 50         | \$ 400        | \$ 1,000      | \$ 1,300      | \$ 1,300      |  |

Legend:

Advanced Life Support Millage  
Community Development Block Grant  
Downtown Development Authority  
Drug Forfeiture  
Fire Bond Issue  
General Fund  
Grant Funding  
Local Street Fund  
Major Street Fund  
Neighborhood Stabilization Program  
Oakland County Road Commission  
Oakland County Water Resources Commissioner  
Road Millage  
Royal Oak Contribution  
Solid Waste Millage  
Special Assessment District  
Vehicle Millage  
Water and Sewer Fund

ALSM  
CDBG  
DDA  
DF  
FB  
GF  
Grant  
LSF  
MSF  
NSP  
OCRC  
OCWRC  
RM  
ROC  
SM  
SAD  
VM  
WS

TABLE XIV  
FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

| PROJECT<br>DESCRIPTION            | CAPITAL OUTLAY                      |                                     | Estimated Annual Operating Costs (Including Debt Repayment) |               |               |               |               |               |  |
|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--|
|                                   | TOTAL<br>COST/<br>FUNDING<br>SOURCE | PROPOSED<br>BUDGET<br>FY<br>2011-12 | PROPOSED<br>METHOD<br>OF<br>FUNDING                         |               |               |               |               |               |  |
|                                   |                                     |                                     |                                                             | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |  |
| General Gov't & Economic Dev.     |                                     |                                     |                                                             |               |               |               |               |               |  |
| Civic Center/City Wide            |                                     |                                     |                                                             |               |               |               |               |               |  |
| City-Wide Federal Energy Projects | \$ 150,000<br>Grant                 | \$ 102,000                          | Grant                                                       | \$ 0          | \$ 50         | \$ 50         | \$ 50         | \$ 50         |  |
| City Hall North Entrance Canopy   | \$ 75,000<br>GF                     | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 0             |  |
| Information Technology            |                                     |                                     |                                                             |               |               |               |               |               |  |
| City Hall Computer Cabling        | 60,000<br>GF                        | 0                                   | GF                                                          | 0             | 0             | 50            | 50            | 50            |  |
| Economic Development              |                                     |                                     |                                                             |               |               |               |               |               |  |
| John R Improvements               | 26,000<br>DDA                       | 26,000                              | DDA                                                         | 50            | 50            | 50            | 50            | 50            |  |
| Total Gen. Gov't & Econ. Dev.     | \$ 311,000                          | \$ 128,000                          |                                                             | \$ 50         | \$ 100        | \$ 150        | \$ 150        | \$ 150        |  |

Legend:

|                                             |       |
|---------------------------------------------|-------|
| Advanced Life Support Millage               | ALSM  |
| Community Development Block Grant           | CDBG  |
| Downtown Development Authority              | DDA   |
| Drug Forfeiture                             | DF    |
| Fire Bond Issue                             | FB    |
| General Fund                                | GF    |
| Grant Funding                               | Grant |
| Local Street Fund                           | LSF   |
| Major Street Fund                           | MSF   |
| Neighborhood Stabilization Program          | NSP   |
| Oakland County Road Commission              | OCRC  |
| Oakland County Water Resources Commissioner | OCWRC |
| Road Millage                                | RM    |
| Royal Oak Contribution                      | ROC   |
| Solid Waste Millage                         | SM    |
| Special Assessment District                 | SAD   |
| Vehicle Millage                             | VM    |
| Water and Sewer Fund                        | WS    |

TABLE XIV  
FY 2011-16 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

| PROJECT<br>DESCRIPTION                          | CAPITAL OUTLAY                      |                                     | Estimated Annual Operating Costs (Including Debt Repayment) |               |               |               |               |               |  |
|-------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--|
|                                                 | TOTAL<br>COST/<br>FUNDING<br>SOURCE | PROPOSED<br>BUDGET<br>FY<br>2011-12 | PROPOSED<br>METHOD<br>OF<br>FUNDING                         |               |               |               |               |               |  |
|                                                 |                                     |                                     |                                                             | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |  |
| Leisure & Human Services                        |                                     |                                     |                                                             |               |               |               |               |               |  |
| Single Park Projects                            |                                     |                                     |                                                             |               |               |               |               |               |  |
| Red Oaks - Walk/Bike Path Connection            | \$ 179,000<br>OC/Grant              | \$ 0                                | GF                                                          | \$ 0          | \$ 0          | \$ 50         | \$ 50         | \$ 50         |  |
| Rosie's Park Trail Overlay                      | 30,000<br>GF/Grant                  | 0                                   | GF                                                          | 0             | 0             | 0             | 500           | 500           |  |
| Rosie's Park - New Pavilion                     | 45,000<br>GF/Grant                  | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 50            |  |
| Twelve Sherry Park - Replace 12 Mile Road Fence | 10,000<br>GF/Grant                  | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 50            |  |
| Huffman Park - Add Pavilion                     | 45,000<br>GF                        | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 0             |  |
| Multiple Park Projects                          |                                     |                                     |                                                             |               |               |               |               |               |  |
| Walk/Bike Path Construction                     | 583,000<br>GF/Grant                 | 0                                   | GF                                                          | 0             | 0             | 0             | 500           | 500           |  |
| Landscaping Enhancements                        | 15,000<br>GF                        | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 500           |  |
| Seniors/Senior Center                           |                                     |                                     |                                                             |               |               |               |               |               |  |
| 2003 25 Passenger Bus #486                      | 75,000<br>GF                        | 0                                   | GF                                                          | 0             | 0             | 0             | 50            | 50            |  |
| 2002 Blue Bird Bus #471                         | 200,000<br>GF                       | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 50            |  |
| Close South Senior Center Driveway              | 10,000<br>GF                        | 0                                   | GF                                                          | 0             | 0             | 0             | 0             | 0             |  |
| Total Leisure & Human Services                  | \$ 1,182,000                        | \$ 0                                |                                                             | \$ 0          | \$ 0          | \$ 50         | \$ 1,050      | \$ 1,650      |  |

TOTAL ALL FUNDS

|               |              |  |          |           |           |           |           |
|---------------|--------------|--|----------|-----------|-----------|-----------|-----------|
| \$ 31,165,000 | \$ 5,520,000 |  | \$ 5,400 | \$ 10,250 | \$ 15,400 | \$ 22,750 | \$ 23,950 |
|---------------|--------------|--|----------|-----------|-----------|-----------|-----------|

Legend:

Advanced Life Support Millage  
Community Development Block Grant  
Downtown Development Authority  
Drug Forfeiture  
Fire Bond Issue  
General Fund  
Grant Funding  
Local Street Fund  
Major Street Fund  
Neighborhood Stabilization Program  
Oakland County Road Commission  
Oakland County Water Resources Commissioner  
Road Millage  
Royal Oak Contribution  
Solid Waste Millage  
Special Assessment District  
Vehicle Millage  
Water and Sewer Fund

ALSM  
CDBG  
DDA  
DF  
FB  
GF  
Grant  
LSF  
MSF  
NSP  
OCRC  
OCWRC  
RM  
ROC  
SM  
SAD  
VM  
WS



**TABLE XV**  
**FY 2011-16 FIVE YEAR FINANCIAL FORECAST**  
**PROJECTED CAPITAL OUTLAY PURCHASES**  
**GENERAL FUND PROJECT FUNDING**  
**(IN THOUSANDS)**

| ITEM                                              | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 | TOTAL           |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| <b>ROAD IMPROVEMENTS</b>                          |               |               |               |               |               |                 |
| John R Maintenance                                | \$ 221        | \$ 0          | \$ 0          | \$ 0          | \$ 0          | \$ 221          |
| John R Overlay 11 Mile to 12 1/2                  | 214           | 214           | 214           | 213           | 0             | 855             |
|                                                   |               |               |               |               |               |                 |
| <b>POLICE</b>                                     |               |               |               |               |               |                 |
| Replace Police Station Roof                       | 0             | 225           | 0             | 0             | 0             | 225             |
|                                                   |               |               |               |               |               |                 |
| <b>FIRE</b>                                       |               |               |               |               |               |                 |
| City Bldgs. Fire Detection & Suppression Systems  | 0             | 146           | 115           | 75            | 0             | 336             |
| Emergency Operations Center Improvements          | 0             | 0             | 0             | 0             | 30            | 30              |
| Self Contained Breathing Apparatus and 60 Bottles | 18            | 0             | 0             | 0             | 0             | 18              |
|                                                   |               |               |               |               |               |                 |
| <b>DISTRICT COURT</b>                             |               |               |               |               |               |                 |
| Replace North Section of Roof                     | 120           | 0             | 0             | 0             | 0             | 120             |
|                                                   |               |               |               |               |               |                 |
| <b>CIVIC CENTER / CITY WIDE</b>                   |               |               |               |               |               |                 |
| City Hall North Entrance Canopy                   | 0             | 0             | 0             | 0             | 75            | 75              |
|                                                   |               |               |               |               |               |                 |
| <b>INFORMATION TECHNOLOGY</b>                     |               |               |               |               |               |                 |
| City Hall Computer Cabling                        | 0             | 60            | 0             | 0             | 0             | 60              |
|                                                   |               |               |               |               |               |                 |
| <b>SINGLE PARK PROJECTS</b>                       |               |               |               |               |               |                 |
| Rosie's Park Trail Overlay                        | 0             | 0             | 30            | 0             | 0             | 30              |
| Rosie's Park - New Pavilion                       | 0             | 0             | 0             | 45            | 0             | 45              |
| Twelve Sherry Park - Replace 12 Mile Road Fence   | 0             | 0             | 0             | 5             | 0             | 5               |
| Huffman Park - Add Pavilion                       | 0             | 0             | 0             | 0             | 45            | 45              |
|                                                   |               |               |               |               |               |                 |
| <b>MULTIPLE PARK PROJECTS</b>                     |               |               |               |               |               |                 |
| Walk/Bike Path Construction                       | 0             | 0             | 292           | 0             | 0             | 292             |
| Landscape Enhancements                            | 0             | 0             | 0             | 15            | 0             | 15              |
|                                                   |               |               |               |               |               |                 |
| <b>SENIORS/SENIOR CENTER</b>                      |               |               |               |               |               |                 |
| 2003 25 Passenger Bus #443                        | 0             | 0             | 75            | 0             | 0             | 75              |
| 2002 Blue Bird Bus #471                           | 0             | 0             | 0             | 200           | 0             | 200             |
| Close South Senior Center Driveway                | 0             | 0             | 0             | 0             | 100           | 100             |
|                                                   |               |               |               |               |               |                 |
| <b>TOTALS</b>                                     | <b>\$ 138</b> | <b>\$ 431</b> | <b>\$ 512</b> | <b>\$ 340</b> | <b>\$ 250</b> | <b>\$ 2,747</b> |

Note: Excludes Solid Waste, Proposal "ALS" and Proposal "V" funded Vehicle purchases. See Tables III and XI.

**TABLE XVI**  
**FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

| DEPARTMENT/<br>DIVISION | LOCATION                       | STATUS | CLASS   | SPEED | YEAR<br>PURCHASED | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |
|-------------------------|--------------------------------|--------|---------|-------|-------------------|---------------|---------------|---------------|---------------|---------------|
| City Council            | Council                        |        | Pentium | 866   | 2000              | R             |               |               |               |               |
| City Council            | Home-Laptop                    | C      | Pentium | 1800  | 2007              |               |               | N             |               |               |
| City Council            | Home-Laptop                    | C      | Pentium | 1600  | 2007              |               |               | N             |               |               |
| City Council            | Home-Laptop                    | C      | Pentium | 1600  | 2007              |               |               | N             |               |               |
| City Council            | Home-Laptop                    | C      | Pentium | 1600  | 2006              |               |               | N             |               |               |
| City Council            | Home-Laptop                    | C      | Pentium | 1900  | 2008              |               |               | N             |               |               |
| City Council            | Home-Laptop                    | C      | Pentium | 1800  | 2007              |               |               | N             |               |               |
| City Council            | Home-Laptop                    | C      | Pentium | 1800  | 2007              |               |               | N             |               |               |
| City Manager            | Laptop-Council Meeting         | C      | Pentium | 2200  | 2008              |               |               |               |               |               |
| City Manager            | Exec Assistant                 | C      | Pentium | 2200  | 2008              |               |               | N             |               |               |
| City Manager            | City Manager                   | C      | Pentium | 2300  | 2008              |               |               |               |               | N             |
| Assessing               | Assessor                       | C      | Pentium | 2300  | 2008              |               |               |               | N             |               |
| City Clerk              | Office Ass't II-Voting         |        | Pentium | 2400  | 2005              | N             |               |               |               |               |
| City Clerk              | Counter                        | C      | Pentium | 1000  | 2001              | R             |               |               |               |               |
| City Clerk              | Scan Station                   | C      | Pentium | 2800  | 2005              | R             |               |               |               |               |
| City Clerk              | City Clerk-Tablet              | C      | Pentium | 1200  | 2008              |               |               | N             |               |               |
| City Clerk              | Imaging                        | C      | Pentium | 1000  | 2001              |               |               |               |               |               |
| Personnel               | Personnel Coordinator          | C      | Pentium | 2200  | 2008              |               |               | N             |               |               |
| Personnel               | HR Director                    | C      | Pentium | 3000  | 2006              | N             |               |               |               |               |
| Purchasing              | Purchasing Office              |        | Pentium | 1000  | 2001              |               |               |               | R             |               |
| Purchasing              | Cable                          | C      | Pentium | 2800  | 2006              | R             |               |               |               |               |
| Finance                 | Deposit                        |        | Pentium | 866   | 2000              | R             |               |               | R             |               |
| Finance                 | Counter                        |        | Pentium | 866   | 2000              | R             |               |               | R             |               |
| Finance                 | Fiscal Ass't I                 | C      | Pentium | 1600  | 2011              |               |               |               |               | N             |
| Finance                 | Fiscal Ass't II                | C      | Pentium | 2300  | 2008              |               |               |               |               | N             |
| Finance                 | Deputy                         | C      | Pentium | 2000  | 2011              |               |               |               |               | N             |
| Finance                 | Accountant                     | C      | Pentium | 2000  | 2011              |               |               |               |               | N             |
| Finance                 | Fiscal Ass't II                | C      | Pentium | 2300  | 2008              |               |               |               |               | N             |
| Finance                 | Fiscal Ass't II                | C      | Pentium | 2000  | 2011              |               |               |               |               | N             |
| Finance                 | Director                       | C      | Pentium | 2400  | 2010              |               |               |               |               | N             |
| Finance                 | Fiscal Ass't II                | C      | Pentium | 2000  | 2011              |               |               |               |               | N             |
| Finance                 | Register                       | C      | Pentium | 1600  | 2001              | R             |               |               | R             |               |
| Information Tech        | Laptop - Spare                 | C      | Pentium | 2800  | 2005              |               |               |               |               |               |
| Information Tech        | Laptop - Spare - ELECTION      |        | Pentium | 900   | 2001              | R             |               |               |               |               |
| Information Tech        | Laptop - Spare - ELECTION      |        | Pentium | 900   | 1999              | R             |               |               |               |               |
| Information Tech        | Disaster Recovery Server       | C      | Pentium | 1000  | 2001              |               |               |               |               |               |
| Information Tech        | File Server - Active Directory | C      | Pentium | 2800  | 2006              |               |               | N             |               |               |
| Information Tech        | MIS Administrator              | C      | Pentium | 3000  | 2006              | N             |               |               |               |               |
| Information Tech        | Info. Systems Specialist       | C      | Pentium | 3000  | 2006              | N             |               |               |               |               |
| Information Tech        | Print Server                   | C      | Pentium | 2000  | 2002              |               |               |               | N             | N             |
| Information Tech        | Imaging File Server            | C      | Pentium | 3000  | 2006              |               |               | N             |               |               |

N=NEW  
R=ROTATED  
C=CORE COMPUTER

**TABLE XVI**  
**FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

| DEPARTMENT/<br>DIVISION | LOCATION                       | STATUS | CLASS   | SPEED | YEAR<br>PURCHASED | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |
|-------------------------|--------------------------------|--------|---------|-------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Information Tech        | File Server - Active Directory | C      | Pentium | 2800  | 2006              |               |               | N             |               |               |
| Information Tech        | Public Record Display          |        | Pentium | 1000  | 2001              | R             |               |               | R             |               |
| Information Tech        | Video Server                   |        | Pentium | 2400  | 2003              |               |               |               |               | R             |
| Information Tech        | Laptop - (PT Code Enforcement) | C      | Pentium | 1600  | 2004              |               |               |               |               |               |
| DPS-Bldg. Maint.        | Supervisor                     | C      | Pentium | 2800  | 2005              |               | N             |               |               |               |
| Police                  | Gas Boy                        |        | 866     | 2000  | 2007              |               |               |               |               | R             |
| Police                  | Training Officer               | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Imaging                        | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | Special Investigations         | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Special Investigations         | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | Station Officer                | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | DB Office Ass't II             | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Crime Prevention Office        |        | Pentium | 1000  | 2001              |               |               |               |               | R             |
| Police                  | DB Lieutenant                  | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | K9                             | C      | Pentium | 1000  | 2001              |               | N             |               |               |               |
| Police                  | DB Sergeant                    | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | DB Sergeant                    | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | DB Sergeant                    | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | DB Sergeant                    | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Info. System Specialist        | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | DB Sergeant                    | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Records Office Ass't II        | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | 1ST Shift Lieutenant           | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | 2ND Shift Lieutenant           | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | 3RD Shift Lieutenant           | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | Laptop/Training                | C      | Pentium | 1667  | 2006              |               | N             |               |               |               |
| Police                  | Dispatch Front Desk            | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | Deputy Chief                   | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | Youth Bureau                   | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Records                        | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Conference Room                |        | Pentium | 3000  | 2005              |               |               |               |               | R             |
| Police                  | Admin. Secretary               | C      | Pentium | 3000  | 2005              |               | N             |               |               |               |
| Police                  | Chief                          | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | Gun Registration               | C      | Pentium | 3000  | 2006              |               | N             |               |               |               |
| Police                  | Dispatch NWS                   | C      | Pentium | 1000  | 2000              |               |               |               |               |               |
| Police                  | Reserves                       |        | Pentium | 600   | 1999              | R             |               | R             |               |               |
| Police                  | Reserves                       |        | Pentium | 600   | 1999              | R             |               | R             |               |               |
| Police                  | Reserves                       |        | Pentium | 300   | 1997              | R             |               | R             |               |               |
| Fire                    | Station #2 Report Desk         | C      | Pentium | 1000  | 2001              |               |               |               | N             | N             |

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**TABLE XVI**  
**FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

| DEPARTMENT/<br>DIVISION | LOCATION                  | STATUS | CLASS   | SPEED | YEAR<br>PURCHASED | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |
|-------------------------|---------------------------|--------|---------|-------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Fire                    | Scan Station              | C      | Pentium | 1000  | 2001              | R             |               |               | N             | N             |
| Fire                    | Communication             |        | Pentium | 866   | 2000              |               |               |               | N             | N             |
| Fire                    | Inspector                 | C      | Pentium | 1000  | 2001              | R             |               |               |               |               |
| Fire                    | Inspector - Tablet        | C      | Celeron | 1000  | 2006              |               | N             |               |               |               |
| Fire                    | Report Desk               | C      | Pentium | 1000  | 2001              |               |               |               | N             | N             |
| Fire                    | Office Ass't II           | C      | Pentium | 1000  | 2001              |               |               |               | N             | N             |
| Fire                    | Station #2 Officer        | C      | Pentium | 1000  | 2001              |               |               |               | N             | N             |
| Fire                    | Officer Room #1           | C      | Pentium | 1000  | 2001              |               |               |               | N             | N             |
| Fire                    | Chief                     | C      | Pentium | 1000  | 2001              |               |               |               | N             | N             |
| Fire                    | Training                  |        | Pentium | 1800  | 2007              |               |               | N             |               |               |
| Fire                    | Hazmat-Laptop             |        | Pentium | 1800  | 2002              |               |               |               |               | R             |
| Fire                    | Fire Dispatch Laptop      | C      | Pentium | 1830  | 2006              |               |               | N             |               |               |
| Fire                    | Fire Dispatch Laptop      | C      | Pentium | 1830  | 2006              |               |               | N             |               |               |
| Fire                    | Fire Dispatch Laptop      | C      | Pentium | 1830  | 2006              |               |               | N             |               |               |
| Fire                    | Fire Dispatch Laptop      | C      | Pentium | 1830  | 2006              |               |               | N             |               |               |
| CDD                     | Laptop Elec. Insp.        | C      | Pentium | 2800  | 2009              |               |               |               | N             |               |
| CDD                     | Laptop Bldg. Insp.        | C      | Pentium | 2800  | 2010              |               |               |               |               | N             |
| CDD                     | Contract Inspector        |        | Pentium | 866   | 2000              | R             |               |               | R             |               |
| CDD                     | Counter                   |        | Pentium | 866   | 2000              | R             |               |               | R             |               |
| CDD                     | Counter                   |        | Pentium | 866   | 2000              | R             |               |               | R             |               |
| CDD                     | Director                  | C      | Pentium | 2300  | 2008              |               |               | N             |               |               |
| CDD                     | Imaging                   | C      | Pentium | 2300  | 2008              |               |               | N             |               |               |
| CDD                     | GIS ARC IMS               | C      | Pentium | 2000  | 2006              |               |               |               | N             |               |
| CDD                     | GIS Technician            | C      | Pentium | 2000  | 2006              | N             |               |               |               |               |
| CDD                     | Contract Inspector        | C      | Pentium | 866   | 2000              |               |               |               | R             | R             |
| CDD                     | Microfiche                | C      | Pentium | 2300  | 2008              |               |               |               |               | R             |
| CDD                     | Office Ass't II           | C      | Pentium | 866   | 2002              |               | N             |               | R             | R             |
| CDD                     | Deputy Director           | C      | Pentium | 2000  | 2007              |               | N             |               |               |               |
| CDD                     | Admin. Secretary          | C      | Pentium | 2000  | 2002              |               |               |               |               |               |
| CDD                     | Laptop Code Enforce       | C      | Pentium | 2400  | 2010              |               |               |               |               | N             |
| CDD                     | Econ. Dev. Position       | C      | Pentium | 2660  | 2003              | R             |               |               | N             |               |
| CDD                     | ARC IMS Server            | C      | Pentium | 2800  | 2007              |               |               | N             |               |               |
| CDD                     | Laptop - GIS Offsite      | C      | Pentium | 2800  | 2002              |               |               |               | R             | R             |
| CDD                     | Crime Scene Investigation | C      | Pentium | 1883  | 2006              |               | N             |               |               |               |
| CDD                     | 911 Mapping GIS           | C      | Pentium | 1883  | 2006              |               | N             |               |               |               |
| DPS-Streets             | Recreation Registration   |        | Pentium | 1600  | 2002              |               |               |               |               |               |
| DPS-Streets             | Deputy City Manager       | C      | Pentium | 2000  | 2002              |               | N             |               | N             |               |
| DPS-Streets             | Office Ass't II           | C      | Pentium | 2800  | 2005              |               | N             |               |               |               |
| DPS-Streets             | Admin. Secretary          | C      | Pentium | 2800  | 2005              |               | N             |               |               |               |
| DPS-Streets             | Deputy Super.             | C      | Pentium | 2800  | 2005              |               | N             |               |               |               |
| DPS-Streets             | Laptop                    | C      | Pentium |       | 2009              |               |               |               | N             |               |
| DPS-Streets             | Equip. Operator 3         | C      | Pentium | 2400  | 2004              |               | N             |               |               | N             |
| DPS-Recreation          | Counter                   |        | Pentium | 1000  | 2001              | R             |               |               | R             |               |
| DPS-Recreation          | Recreation Coord.         |        | Pentium | 2000  | 2004              |               | N             |               |               |               |
| DPS-Recreation          | Supervisor                | C      | Pentium | 2800  | 2005              |               | N             |               |               |               |
| DPS-Recreation          | Office Ass't II           | C      | Pentium | 2800  | 2005              |               | N             |               |               |               |
| DPS-Youth               | Internet                  |        | Pentium | 2800  | 2005              |               |               |               |               | R             |
| DPS-Youth               | Internet                  |        | Pentium | 2800  | 2005              |               |               |               |               | R             |
| DPS-Nature Center       | Floor                     |        | Pentium | 233   | 1997              | R             |               | R             |               |               |
| DPS-Nature Center       | Audio-Visual              |        | Pentium | 350   | 1998              |               |               | R             |               |               |

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**TABLE XVI**  
**FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

| DEPARTMENT/<br>DIVISION | LOCATION             | STATUS | CLASS   | SPEED | YEAR<br>PURCHASED | FY<br>2011-12 | FY<br>2012-13 | FY<br>2013-14 | FY<br>2014-15 | FY<br>2015-16 |
|-------------------------|----------------------|--------|---------|-------|-------------------|---------------|---------------|---------------|---------------|---------------|
| DPS-Nature Center       | Supervisor           |        | Pentium | 2000  | 2002              |               |               |               |               | R             |
| DPS-Parks               | Supervisor           |        | Pentium | 2800  | 2005              | R             |               |               |               |               |
| Seniors                 | Part Time            |        | Pentium | 2800  | 2006              | R             |               |               |               |               |
| Seniors                 | Office Ass't I       | C      | Pentium | 2500  | 2009              |               |               | N             |               |               |
| Seniors                 | Coordinator          | C      | Pentium | 2500  | 2009              |               |               | N             |               |               |
| Main Library            | Adult Room Internet  | C      | Pentium | 2200  | 2007              |               | N             |               |               |               |
| Main Library            | Adult Room Internet  | C      | Pentium | 2200  | 2007              |               | N             |               |               |               |
| Main Library            | Child Room Internet  | C      | Pentium | 2800  | 2004              | N             |               |               |               |               |
| Main Library            | Circulation Ass't    | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Child East Catalog   | C      | Pentium | 2800  | 2006              |               |               |               | R             |               |
| Main Library            | Child West Catalog   | C      | Pentium | 866   | 2000              |               |               |               | R             |               |
| Main Library            | Backroom West        |        | Pentium | 2800  | 2006              |               |               |               | R             |               |
| Main Library            | Backroom East        |        | Pentium | 2800  | 2006              |               |               |               | R             |               |
| Main Library            | Child Magazine       | C      | Pentium | 2800  | 2004              |               | N             |               |               |               |
| Main Library            | Children Internet    | C      | Pentium | 2800  | 2006              |               | N             |               |               |               |
| Main Library            | Children Public      | C      | Pentium | 2800  | 2004              |               | N             |               |               |               |
| Main Library            | Adult Internet       | C      | Pentium | 2000  | 2002              |               | N             |               |               |               |
| Main Library            | Adult Internet       | C      | Pentium | 2200  | 2007              |               | N             |               |               |               |
| Main Library            | Adult Internet       | C      | Pentium | 2200  | 2007              |               | N             |               |               |               |
| Main Library            | Adult Internet       | C      | Pentium | 2800  | 2005              |               | N             |               |               |               |
| Main Library            | Library Staff        | C      | Pentium | 866   | 2000              | N             |               |               |               |               |
| Main Library            | Counter Side         | C      | Pentium | 2800  | 2006              | N             |               |               |               |               |
| Main Library            | Counter Side         | C      | Pentium | 866   | 2000              | N             |               |               |               |               |
| Main Library            | Library Technician   | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Children Lib.        | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Adult Reference      | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Adult Reference      | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Librarian            | C      | Pentium | 2800  | 2006              |               | N             |               |               |               |
| Main Library            | Adult Librarian      | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Counter North        | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Counter South        | C      | Pentium | 2100  | 2008              |               | N             |               |               |               |
| Main Library            | Youth Staff          | C      | Pentium | 2100  | 2008              |               | N             |               |               | N             |
| Main Library            | Adult Public Cat.    | C      | Pentium | 866   | 2002              | N             |               |               |               |               |
| Main Library            | Adult Public Cat.    | C      | Pentium | 866   | 2000              | N             |               |               |               |               |
| Main Library            | Adult Public Express | C      | Pentium | 2800  | 2004              | N             |               |               |               |               |
| Main Library            | Adult Public Express | C      | Pentium | 2200  | 2007              | N             |               |               |               |               |
| CIP Housing             | Supervisor           | C      | Pentium | 2300  | 2008              |               |               | N             |               |               |
| CIP Housing             | Housing Aide         | C      | Pentium | 2300  | 2008              |               |               | N             |               |               |
| W/S Administration      | Water Room           | C      | Pentium | 1000  | 2001              | R             | R             |               | R             |               |
| W/S Administration      | Water Supervisor     | C      | Pentium | 3000  | 2005              | N             |               |               |               | N             |
| Motor Pool              | Laptop               |        | Pentium | 500   | 2000              | R             |               |               | R             |               |
| Motor Pool              | Supervisor           | C      | Pentium | 2000  | 2002              | N             |               |               |               | N             |
| Motor Pool              | Parts                | C      | Pentium | 2000  | 2002              | N             |               |               |               | N             |
| TOTAL                   |                      |        |         |       | NEW               | 16            | 59            | 26            | 15            | 24            |
|                         |                      |        |         |       | ROTATE            | 25            | 1             | 5             | 18            | 12            |

**GIS/A.M. TECHNOLOGICAL PERIPEHRALS**

| ITEM    | COMPANY | MODEL  | YEAR<br>PURCH | DEPT | REPLACE<br>CYCLE<br>LENGTH |
|---------|---------|--------|---------------|------|----------------------------|
| Plotter | HP      | 1055CM | 2000-01       | CDD  | 8                          |
| Plotter | HP      | 1055CM | 2000-01       | DPS  | 8                          |
| Printer | OKI     | 9600   | 2005-06       | DPS  | 5                          |
| GPS     | TRIMBLE | 5700   | 2000-01       | CDD  | 10                         |
|         |         |        |               |      |                            |

|                       |
|-----------------------|
| YEAR<br>TO<br>REPLACE |
| 2012-2013             |
| 2013-14               |
| N/A                   |
| 2012-13               |
|                       |

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**TABLE XVII**  
**FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

|                 |                                     | VEH | LAST<br>YEAR | Over<br>\$30K | REPLACE<br>CYCLE | 11- | 12- | 13- | 14- | 15- | NEXT<br>REPLACED |
|-----------------|-------------------------------------|-----|--------------|---------------|------------------|-----|-----|-----|-----|-----|------------------|
| DEPARTMENT      | VEHICLE                             | #   | PURCH        |               | LENGTH           | 12  | 13  | 14  | 15  | 16  |                  |
| PD-Detective    | Ford Taurus                         | 100 | 2002         |               | 7                |     | X   |     |     |     | 19-20            |
| PD-Radar        | Chevy Impala                        | 102 | 2006         |               | N.F.             | X   |     |     |     |     | N.F.             |
| PD-Radar        | Dodge Charger                       | 103 | 2008         |               | N.F.             |     |     |     |     |     | N.F.             |
| PD-Patrol       | Chevy Impala                        | 104 | 2006         |               | N.F.             |     |     |     |     |     | N.F.             |
| PD-Patrol       | Ford Crown Vic                      | 105 | 2010         |               | N.F.             |     |     |     |     |     | N.F.             |
| PD-Patrol       | Dodge Charger                       | 106 | 2008         |               | N.F.             |     | X   |     |     |     | N.F.             |
| PD-Patrol       | Ford Crown Vic                      | 107 | 2006         |               | N.F.             |     | X   |     |     |     | N.F.             |
| PD-Patrol       | Ford Crown Vic                      | 108 | 2010         |               | N.F.             |     |     |     |     |     | N.F.             |
| PD-Patrol       | Ford Crown Vic                      | 109 | 2010         |               | N.F.             | X   |     |     |     |     | N.F.             |
| PD-Patrol       | Ford Crown Vic                      | 110 | 2010         |               | N.F.             |     |     |     |     |     | N.F.             |
| PD-Patrol       | Ford Explorer                       | 111 | 2009         |               | N.F.             |     | X   |     |     |     | N.F.             |
| PD-A.I.T.       | Dodge Charger                       | 112 | 2007         |               | N.F.             | X   |     |     |     |     | N.F.             |
| PD-A.I.T.       | Ford Crown Vic                      | 113 | 2008         |               | N.F.             |     |     |     |     |     | N.F.             |
| PD-Patrol Sup.  | Ford Explorer                       | 114 | 2003         |               | 5                |     |     | X   |     |     | 18-19            |
| PD-Canine Unit  | Ford Crown Vic                      | 116 | 2006         |               | 4                | X   |     |     |     | X   | 19-20            |
| PD-Mtr. Carrier | Chevy Astro Van                     | 117 | 2000         |               | 10               |     |     |     | X   |     | 24-25            |
| PD-Animal CTL   | Chevy G20 Van                       | 119 | 2002         |               | 9                | X   |     |     |     |     | 20-21            |
| PD-Admin        | Chevy Impala                        | 121 | 2002         |               | 7                |     | X   |     |     |     | 19-20            |
| PD-Detective    | Pontiac Grand AM                    | 123 | 2002         |               | 7                |     | X   |     |     |     | 19-20            |
| PD-Admin        | Chrysler Sebring                    | 124 | 2002         |               | 7                |     | X   |     |     |     | 19-20            |
| PD-Detective    | Chevrolet Malibu                    | 125 | 2007         |               | 7                |     |     | X   |     |     | 20-21            |
| PD-Detective    | Dodge Stratus                       | 126 | 2004         |               | 7                |     | X   |     |     |     | 19-20            |
| PD-Detective    | Dodge Caravan                       | 133 | 2007         |               | 5                |     | X   |     |     |     | 17-18            |
| PD-Reserves     | Ford Crown Vic                      | 140 | 2000         |               | Rotation         |     |     |     |     |     | Rotation         |
| PD-Reserves     | Ford Crown Vic                      | 141 | 2001         |               | Rotation         |     |     |     |     |     | Rotation         |
| PD-Reserves     | Ford Crown Vic                      | 142 | 2002         |               | Rotation         |     |     |     |     |     | Rotation         |
| PD-Reserves     | Ford Crown Vic                      | 143 | 2003         |               | Rotation         |     |     |     |     |     | Rotation         |
| PD-Reserves     | Ford Crown Vic                      | 144 | 1999         |               | Rotation         |     |     |     |     |     | Rotation         |
| PD-Reserves     | Ford Crown Vic                      | 145 | 2000         |               | Rotation         |     |     |     |     |     | Rotation         |
| PD-Reserves     | Dodge Diplomat (Historical)         | 146 | 1989         |               | N/A              |     |     |     |     |     | N/A              |
| PD-Reserves     | Ford Crown Vic                      | 147 | 1999         |               | Rotation         |     |     |     |     |     | Rotation         |
| PD-Patrol       | Harley Davidson                     | 160 | 2008         |               | 7                |     |     |     |     | X   | 22-23            |
| PD-Patrol       | Harley Davidson                     | 161 | 2008         |               | 7                |     |     |     |     | X   | 22-23            |
| PD-Patrol       | Peace Keeper A.P.C.                 | 170 | 1983         |               | N/A              |     |     |     |     |     | N/A              |
| Streets         | Wanco Solar Arrow                   | 257 | 1998         |               | 15               |     |     | X   |     |     | 28-29            |
| Streets         | Concrete Drop Hammer                | 261 | 1999         |               | 20               |     |     |     |     |     | 18-19            |
| Parks           | Utility Maint. Cart                 | 281 | 1993         |               | 13               |     | X   |     |     |     | 25-26            |
| Parks           | Senior/Handicap Transportation Cart | 282 | 1993         |               | 13               |     | X   |     |     |     | 25-26            |
| Parks           | Ex-Mark Walk Mower                  | 283 | 2003         |               | 10               |     |     | X   |     |     | 23-24            |
| Sewer           | Trailer Air Compressor              | 300 | 1996         |               | 15               |     | X   |     |     |     | 27-28            |
| Parks           | Toro Snowblower                     | 314 | 2002         |               | 20               |     |     |     |     |     | 22-23            |
| Streets         | Wanco Solar Arrow                   | 318 | 2000         |               | 20               |     |     |     |     |     | 20-21            |
| Motorpool       | Clark Fork Lift                     | 320 | 1997         | X             | 30               |     |     |     |     |     | 27-28            |
| Parks           | EX-Mark Mower                       | 325 | 2009         |               | 7                |     |     |     |     |     | 16-17            |
| Streets         | 175 CFM Compressor                  | 330 | 2004         |               | 15               |     |     |     |     |     | 19-20            |
| Sewer           | 4 Inch Trash Pump                   | 336 | 2003         |               | 10               |     |     | X   |     |     | 23-24            |
| Solid Waste     | Leaf Loader Trailer                 | 351 | 2007         | X             | 20               |     |     |     |     |     | 27-28            |
| Solid Waste     | Leaf Loader Trailer                 | 352 | 1999         | X             | 20               |     |     |     |     |     | 19-20            |
| Solid Waste     | Leaf Loader Trailer                 | 354 | 2001         | X             | 20               |     |     |     |     |     | 21-22            |
| Solid Waste     | Leaf Loader Trailer                 | 355 | 2001         | X             | 20               |     |     |     |     |     | 21-22            |
| Solid Waste     | Leaf Loader Trailer                 | 357 | 2007         | X             | 20               |     |     |     |     |     | 27-28            |
| Water           | Case 60 Trencher                    | 362 | 1997         |               | N/A              |     |     |     |     |     | N/A              |
| Parks           | EX-Mark Mower                       | 363 | 2002         |               | 7                | X   |     |     |     |     | 18-19            |
| Parks           | Polaris ATV                         | 364 | 2010         |               | 7                |     |     |     |     |     | 17-18            |
| Parks           | Ex-Mark Rider Mower                 | 367 | 2010         |               | 10               |     |     |     |     |     | 20-21            |
| Parks           | EX-Mark Mower                       | 368 | 2009         |               | 7                |     |     |     |     |     | 16-17            |
| Streets         | Asphalt Roller Vibrator             | 369 | 1999         |               | 15               |     |     |     | X   |     | 29-30            |
| Streets         | Asphalt Paver Layton                | 371 | 1999         | X             | 20               |     |     |     |     |     | 19-20            |
| Parks           | Toro 580D 16Ft Mower                | 372 | 2002         |               | 15               |     |     |     |     |     | 17-18            |
| Parks           | EX-Mark Mower                       | 373 | 2007         |               | 7                |     |     |     |     | X   | 22-23            |

**TABLE XVII**  
**FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

|                |                             | VEH | LAST  | Over  | REPLACE  | 11- | 12- | 13- | 14- | 15- | NEXT     |
|----------------|-----------------------------|-----|-------|-------|----------|-----|-----|-----|-----|-----|----------|
| DEPARTMENT     | VEHICLE                     | #   | YEAR  | \$30K | CYCLE    | 12  | 13  | 14  | 15  | 16  | REPLACED |
|                |                             |     | PURCH |       | LENGTH   |     |     |     |     |     |          |
| Water          | Solar Arrow                 | 374 | 2008  |       | 20       |     |     |     |     |     | 28-29    |
| Parks          | Trailer                     | 381 | 1986  |       | N/A      |     |     |     |     |     | N/A      |
| Parks          | Trailer                     | 382 | 2002  |       | 15       |     |     |     |     |     | 17-18    |
| Solid Waste    | Street Sweeper Cross Wind   | 402 | 2003  | X     | 8        |     | X   |     |     |     | 19-20    |
| Streets        | 4 YD. Loader CAT            | 404 | 2003  | X     | 17       |     |     |     |     |     | 20-21    |
| Water          | 3 YD. Loader CAT            | 405 | 2003  | X     | 16       |     |     |     |     |     | 19-20    |
| Solid Waste    | Brush Bandit Chipper        | 406 | 2006  | X     | 15       |     |     |     |     |     | 21-22    |
| Streets        | CAT Backhoe                 | 407 | 2003  | X     | 13       |     |     |     |     |     | 16-17    |
| Solid Waste    | Street Sweeper Cross Wind   | 408 | 2003  | X     | 8        | X   |     |     |     |     | 19-20    |
| Streets        | CAT Loader 3 Yrd            | 409 | 2003  | X     | 15       |     |     |     |     |     | 18-19    |
| Solid Waste    | Brush Bandit Chipper        | 410 | 2002  | X     | 15       |     |     |     |     |     | 17-18    |
| Court          | Chevy Lumina                | 412 | 1999  |       | 10       |     | X   |     |     |     | 22-23    |
| Solid Waste    | Pontiac Bonneville          | 413 | 2004  |       | 8        |     | X   |     |     |     | 20-21    |
| Solid Waste    | Chevrolet Trail Blazer      | 414 | 2006  |       | 7        |     | X   |     |     |     | 19-20    |
| Streets        | Stake Truck Ford            | 415 | 2002  | X     | 12       |     |     |     | X   |     | 26-27    |
| Motor Pool     | Crown Victoria              | 416 | 2004  |       | Rotation |     |     |     |     |     | Rotation |
| Streets        | Tandem Dump Truck           | 417 | 2003  | X     | 10       |     |     | X   |     |     | 23-24    |
| Streets        | Tandem Dump Truck           | 418 | 2003  | X     | 11       |     |     |     | X   |     | 25-26    |
| Streets        | Tandem Dump Truck           | 419 | 2003  | X     | 12       |     |     |     |     | X   | 27-28    |
| Streets        | Chevy 3/4 Ton Pickup        | 420 | 2004  |       | 11       |     |     |     |     | X   | 26-27    |
| Streets        | Tandem Dump Truck           | 422 | 2003  | X     | 13       |     |     |     |     |     | 16-17    |
| Water          | Chevy 3/4 Ton Pickup        | 423 | 2004  |       | 11       |     |     |     |     | X   | 26-27    |
| Solid Waste    | Single Axle Dump            | 424 | 2003  | X     | 12       |     |     |     |     | X   | 27-28    |
| Streets        | Single Axle Dump            | 425 | 2003  | X     | 13       |     |     |     |     |     | 16-17    |
| Streets        | Single Axle Dump            | 426 | 2003  | X     | 14       |     |     |     |     |     | 17-18    |
| Streets        | Platform Truck              | 429 | 2003  | X     | 10       |     |     | X   |     |     | 23-24    |
| Motorpool      | 3/4 Ton Pickup              | 430 | 2000  |       | 20       |     |     | X   |     |     | 33-34    |
| Streets        | One Ton Dump Truck          | 431 | 2004  | X     | 10       |     | X   |     |     |     | 22-23    |
| Streets        | Chevy 3/4 Ton Pickup        | 432 | 2002  |       | 9        |     | X   |     |     |     | 21-22    |
| Streets        | Tandem Dump Truck           | 433 | 2003  | X     | 14       |     |     |     |     |     | 17-18    |
| Motorpool      | Chevy Pickup                | 434 | 2007  |       | 10       |     |     |     |     |     | 17-18    |
| Streets        | Van Building Mnt.           | 435 | 2003  | X     | 10       |     | X   |     |     |     | 22-23    |
| Streets        | Chevy 3/4 Ton Pickup W/Plow | 436 | 2004  |       | 9        |     | X   |     |     |     | 21-22    |
| Streets        | Chevy 3/4 Ton Pickup        | 440 | 2004  |       | 10       |     |     | X   |     |     | 23-24    |
| Senior Citizn. | 25 Passenger Bus Ford       | 443 | 2003  | X     | 10       |     |     | X   |     |     | 23-24    |
| Recreation     | Chevy Astro Van             | 444 | 2003  |       | 10       |     |     | X   |     |     | 23-24    |
| City Mgr.      | Ford Explorer               | 447 | 2004  |       | 7        |     |     | X   |     |     | 20-21    |
| Library        | Ford Crown Vic              | 448 | 2001  |       | Rotation |     |     |     |     |     | Rotation |
| Water          | Chevy Pickup                | 453 | 2000  |       | 10       |     |     |     | X   |     | 24-25    |
| Water          | 3/4 Ton Pickup              | 454 | 1999  |       | N/A      |     |     |     |     |     | N/A      |
| Water          | John Deere Backhoe          | 455 | 2006  | X     | 13       |     |     |     |     |     | 19-20    |
| Streets        | Chevy Pickup                | 457 | 2007  |       | 10       |     |     |     |     |     | 17-18    |
| Water          | GMC W 4500 Van              | 458 | 2002  |       | 10       |     |     | X   |     |     | 23-24    |
| Sewer          | 3/4 Ton Pickup              | 460 | 2006  |       | 10       |     |     |     |     |     | 16-17    |
| Sewer          | Chevy 2500 Pickup           | 461 | 2000  |       | 10       |     |     | X   |     |     | 23-24    |
| Sewer          | One Ton Dump Truck          | 462 | 1997  | X     | 13       | X   |     |     |     |     | 24-25    |
| Sewer          | GMC Pickup                  | 463 | 2002  |       | 10       |     | X   |     |     |     | 22-23    |
| Water          | Tandem Axle Dump            | 464 | 2001  | X     | 13       |     |     |     | X   |     | 27-28    |
| Sewer          | Sterling Vactor             | 465 | 2003  | X     | 10       |     |     | X   |     |     | 23-24    |
| Sewer          | Sewer T.V. Trailer          | 466 | 2009  | X     | N/A      |     |     |     |     |     | N/A      |
| Sewer          | Vactor                      | 468 | 1998  | X     | 10       |     | X   |     |     |     | 22-23    |
| Senior Citizn. | Chevy Van                   | 469 | 2009  |       | 10       |     |     |     |     |     | 19-20    |
| Senior Citizn. | Blue Bird Bus               | 471 | 2002  | X     | 12       |     |     |     | X   |     | 26-27    |
| Parks          | GMC Pickup                  | 473 | 2003  |       | 10       |     |     | X   |     |     | 23-24    |
| Parks          | GMC 4X4 Pickup              | 474 | 2002  |       | 10       |     |     | X   |     |     | 23-24    |
| Water          | Chevy 4X4 3/4 Ton Pickup    | 475 | 2008  |       | 10       |     |     |     |     |     | 18-19    |
| Parks          | Chevy S-10 Pickup           | 477 | 1999  |       | Rotation |     |     |     |     |     | Rotation |
| Solid Waste    | Ford Single Axle Dump Truck | 479 | 1999  | X     | 7        |     | X   |     |     |     | 19-20    |
| Senior Citizn. | GMC Rally Van               | 480 | 1996  |       | 10       |     |     | X   |     |     | 23-24    |
| Streets        | Super Duty Dump Truck       | 481 | 2006  | X     | 10       |     |     |     |     |     | 16-17    |

**TABLE XVII**  
**FY 2011-2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

|                    |                          | VEH | LAST  | Over  | REPLACE  |          |           |           |          |           | NEXT     |
|--------------------|--------------------------|-----|-------|-------|----------|----------|-----------|-----------|----------|-----------|----------|
| DEPARTMENT         | VEHICLE                  | #   | YEAR  | \$30K | CYCLE    | 11-      | 12-       | 13-       | 14-      | 15-       | REPLACED |
|                    |                          |     | PURCH |       | LENGTH   | 12       | 13        | 14        | 15       | 16        |          |
| Senior Citizn.     | Chevy Van                | 482 | 2002  |       | 10       |          | X         |           |          |           | 22-23    |
| Code Enforce       | Ford Ranger Pickup       | 483 | 2010  |       | 7        |          |           |           |          |           | 17-18    |
| Parks              | Chevy S-10 Pickup        | 484 | 2009  |       | 10       |          |           |           |          |           | 19-20    |
| Parks              | Chevy Pickup             | 485 | 2000  |       | 10       |          | X         |           |          |           | 22-23    |
| Parks              | Volvo Loader             | 488 | 2003  | X     | 17       |          |           |           |          |           | 20-21    |
| Parks              | Tractor Mower            | 489 | 1969  |       | N/A      |          |           |           |          |           | N/A      |
| CDD Inspec.        | S-10 Pickup              | 492 | 2008  |       | 7        |          |           |           |          | X         | 22-23    |
| CDD Supervis.      | Jimmy                    | 493 | 1999  |       | 7        | X        |           |           |          |           | 18-19    |
| CDD Inspec.        | GMC Express Van 3500     | 494 | 2001  |       | 7        |          | X         |           |          |           | 19-20    |
| CDD Inspec.        | Ford Ranger Pickup       | 496 | 2010  |       | 7        |          |           |           |          |           | 17-18    |
| CDD ED./Sup.       | Pontiac Grand AM         | 500 | 2003  |       | 10       |          |           |           | X        |           | 24-25    |
| Solid Waste        | Chevy Pickup             | 513 | 1997  |       | Rotation |          |           |           |          |           | Rotation |
| Solid Waste        | Brush Chipper Truck      | 525 | 2004  | X     | 13       |          |           |           |          |           | 17-18    |
| Senior Citizn.     | Smart Bus                | 530 | 2006  | X     | N/A      |          |           |           |          |           | N/A      |
| Motor Pool         | Em. Gen. Fire STA. 1     | 550 | 2004  | X     | 15       |          |           |           |          |           | 19-20    |
| Motor Pool         | Em. Gen. Police          | 551 | 2004  | X     | 15       |          |           |           |          |           | 19-20    |
| Motor Pool         | Em.Gen. DPS              | 552 | 2006  | X     | 15       |          |           |           |          |           | 21-22    |
| Motor Pool         | Em. Gen. Fire Sta. 2     | 553 | 2004  | X     | 15       |          |           |           |          |           | 19-20    |
| Motor Pool         | Em. Gen. Portable-2      | 555 | 2004  | X     | 15       |          |           |           |          |           | 19-20    |
| Fire               | Chevy Trail Blazer       | 700 | 2008  |       | 7        |          |           |           |          | X         | 22-23    |
| Fire               | Chevy Blazer             | 701 | 2003  |       | 7        |          | X         |           |          |           | 19-20    |
| Fire               | GMC Sierra Pickup        | 702 | 2007  |       | 9        |          |           |           |          |           | 16-17    |
| Fire               | Chevy Pickup 3500        | 704 | 2001  | X     | 9        |          |           | X         |          |           | 21-22    |
| Fire               | Ambulance Rescue Truck   | 710 | 2010  | X     | 9        |          |           |           |          |           | 19-20    |
| Fire               | Ambulance Rescue Truck   | 711 | 2009  | X     | 9        |          |           |           |          |           | 18-19    |
| Fire               | Ambulance Rescue Truck   | 713 | 2005  | X     | 9        |          |           | X         |          |           | 22-23    |
| Fire               | Pumper Pierce            | 721 | 2003  | X     | 20       |          |           |           |          |           | 23-24    |
| Fire               | Pumper Pierce            | 722 | 2002  | X     | 20       |          |           |           |          |           | 22-23    |
| Fire               | Pumper Pierce            | 723 | 2007  | X     | 20       |          |           |           |          |           | 27-28    |
| Fire               | Aerial Ladder E-One      | 730 | 1998  | X     | 25       |          |           |           |          |           | 23-24    |
| Fire               | Hazmat Trailer           | 740 | 2006  | X     | 15       |          |           |           |          |           | 21-22    |
| Fire               | Technical Rescue Trailer | 741 | 2001  | X     | 15       |          |           |           |          |           | 16-17    |
| <b>GRAND TOTAL</b> |                          |     |       |       |          | <b>9</b> | <b>27</b> | <b>20</b> | <b>8</b> | <b>10</b> |          |





## **APPENDICES**

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## **FY 2010-11 Budget Resolution**

### **A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2010-11 TO APPROPRIATE FUNDS FOR SAID PURPOSES AND TO PROVIDE FOR A LEVY OF TAXES FOR SAID BUDGET APPROPRIATIONS**

**WHEREAS**, in accordance with Section 8.4 of the Charter of the City of Madison Heights, it is provided that the City Council shall adopt a budget for the fiscal year, appropriate funds for said purposes and provide for a levy of taxes for said Budget appropriations; and

**WHEREAS**, on May 10, 2010, a public hearing was held in accordance with Section 8.3 of the Charter of the City of Madison Heights, and the statutes of the State of Michigan for the fiscal year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Budget hereto as Exhibit "A" is hereby adopted.
2. That the amounts set forth in said Budget are hereby appropriated for the purposes stated therein.
3. That 18.8146 mills per \$1,000 State Taxable Valuation on the real and personal property in the City of Madison Heights be levied to provide funds for said Budget for municipal purposes:

|                                |                |
|--------------------------------|----------------|
| General Operating              | 8.8190         |
| Neighborhood Road Improvements | 2.0000         |
| Major Vehicle Replacement      | 0.2500         |
| Advanced Life Support          | 0.2500         |
| Solid Waste                    | 2.5353         |
| Senior Citizens                | 0.4751         |
| Police & Fire Pension          | 4.0952         |
| Fire Station Debt Obligation   | 0.3900         |
| Total                          | <u>18.8146</u> |

4. That the City of Madison Heights approves the imposition, by the City Treasurer, of a one percent (1%) property tax administration fee for all property taxes levied in Fiscal Year 2010-11 and for the imposition of a late penalty charged, when applicable, in accordance with Public Act 1982, specifically Michigan Compiled Laws, Section 211.44(7).
5. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for the operation of the Police and Fire Pension System.
6. That the City of Madison Heights approves and establishes the City Clerk Fees set forth in Exhibit "B".
7. That the City of Madison Heights approves and establishes the Finance/Treasury Department Fees set forth in Exhibit "C".

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to make budgetary transfers within the appropriation centers established throughout the Budget, and all transfers between appropriations may be made only by further action of the Council, pursuant to the provisions of the Michigan Uniform Accounting and Budget Act.

EXHIBIT "A"  
CITY OF MADISON HEIGHTS  
ADOPTED BUDGET RESOLUTION  
FISCAL YEAR 2010-11

EXPENDITURES

REVENUES

GENERAL FUND

|                        |                      |                            |                      |
|------------------------|----------------------|----------------------------|----------------------|
| General Government     | \$ 7,809,626         | Property Taxes and Fees    | \$ 20,431,558        |
| Public Safety          | 14,827,587           | Intergovernmental Revenues | 2,897,780            |
| Community Services     | 3,467,620            | Other                      | 4,620,290            |
| Culture and Recreation | 1,592,648            | Use of Fund Balance        | 737,542              |
| Community Development  | 989,689              |                            |                      |
| <b>TOTAL</b>           | <b>\$ 28,687,170</b> | <b>TOTAL</b>               | <b>\$ 28,687,170</b> |

MAJOR STREET FUND

|                      |                     |                            |                     |
|----------------------|---------------------|----------------------------|---------------------|
| Program Expenditures | \$ 1,602,037        | Intergovernmental Revenues | \$ 1,203,474        |
|                      |                     | Other                      | 2,500               |
|                      |                     | Use of Fund Balance        | 396,063             |
| <b>TOTAL</b>         | <b>\$ 1,602,037</b> | <b>TOTAL</b>               | <b>\$ 1,602,037</b> |

LOCAL STREET FUND

|                      |                     |                            |                     |
|----------------------|---------------------|----------------------------|---------------------|
| Program Expenditures | \$ 2,259,768        | Intergovernmental Revenues | \$ 390,297          |
|                      |                     | Other                      | 2,387,787           |
|                      |                     | Use of Fund Balance        | (518,316)           |
| <b>TOTAL</b>         | <b>\$ 2,259,768</b> | <b>TOTAL</b>               | <b>\$ 2,259,768</b> |

PARKS MAINTENANCE & IMPROVEMENT FUND

|                      |                  |                     |                  |
|----------------------|------------------|---------------------|------------------|
| Program Expenditures | \$ 11,523        | Other               | \$ 8,000         |
|                      |                  | Use of Fund Balance | 3,523            |
| <b>TOTAL</b>         | <b>\$ 11,523</b> | <b>TOTAL</b>        | <b>\$ 11,523</b> |

DOWNTOWN DEVELOPMENT AUTHORITY

|                      |                   |                     |                   |
|----------------------|-------------------|---------------------|-------------------|
| Program Expenditures | \$ 183,032        | Property Taxes      | \$ 182,757        |
|                      |                   | Other               | 2,000             |
|                      |                   | Use of Fund Balance | (1,725)           |
| <b>TOTAL</b>         | <b>\$ 183,032</b> | <b>TOTAL</b>        | <b>\$ 183,032</b> |

DRUG FORFEITURE FUND

|                      |                  |                            |                  |
|----------------------|------------------|----------------------------|------------------|
| Program Expenditures | \$ 94,000        | Intergovernmental Revenues | \$ 55,500        |
|                      |                  | Other                      | 1,000            |
|                      |                  | Use of Fund Balance        | 37,500           |
| <b>TOTAL</b>         | <b>\$ 94,000</b> | <b>TOTAL</b>               | <b>\$ 94,000</b> |

**COMMUNITY IMPROVEMENT FUND**

|                      |                     |                            |                     |
|----------------------|---------------------|----------------------------|---------------------|
| Program Expenditures | <u>\$ 1,947,666</u> | Intergovernmental Revenues | <u>\$ 1,937,144</u> |
|                      |                     | Other                      | <u>10,522</u>       |
| TOTAL                | <u>\$ 1,947,666</u> | TOTAL                      | <u>\$ 1,947,666</u> |

**SPECIAL ASSESSMENT REVOLVING**

|                      |                   |                     |                   |
|----------------------|-------------------|---------------------|-------------------|
| Program Expenditures | <u>\$ 422,698</u> | Other               | <u>\$ 396,113</u> |
|                      |                   | Use of Fund Balance | <u>26,585</u>     |
| TOTAL                | <u>\$ 422,698</u> | TOTAL               | <u>\$ 422,698</u> |

**FIRE STATION BOND**

|                      |                   |                |                   |
|----------------------|-------------------|----------------|-------------------|
| Program Expenditures | <u>\$ 413,153</u> | Property Taxes | <u>\$ 401,268</u> |
|                      |                   | Other          | <u>11,885</u>     |
| TOTAL                | <u>\$ 413,153</u> | TOTAL          | <u>\$ 413,153</u> |

**WATER AND SEWER FUND**

|                      |                      |                          |                      |
|----------------------|----------------------|--------------------------|----------------------|
| Program Expenditures | <u>\$ 10,670,032</u> | Sales to Customers       | <u>\$ 9,379,565</u>  |
|                      |                      | Other                    | <u>1,441,905</u>     |
|                      |                      | Use of Retained Earnings | <u>(151,438)</u>     |
| TOTAL                | <u>\$ 10,670,032</u> | TOTAL                    | <u>\$ 10,670,032</u> |

**MOTOR AND EQUIPMENT POOL**

|                      |                     |       |                     |
|----------------------|---------------------|-------|---------------------|
| Program Expenditures | <u>\$ 1,041,334</u> | Other | <u>\$ 1,041,334</u> |
| TOTAL                | <u>\$ 1,041,334</u> | TOTAL | <u>\$ 1,041,334</u> |

**EXHIBIT B  
RESOLUTION  
AMENDMENT TO CITY CLERK FEE SCHEDULE**

**WHEREAS**, the City of Madison Heights has adopted a City Code containing a building code, housing code, and other provisions to protect the public health safety and welfare: and

**WHEREAS**, it is provided in said Code that the City Council, by resolution, shall establish reasonable fees to be charged by the City for acts and services performed there under; and

**WHEREAS**, in accordance with Section 8.4 of the Charter of the Madison Heights, it is provided that the City Council shall adopt a Budget for the fiscal year, appropriate funds for said purposes and provide for a levy of taxes for said Budget appropriations; and

**NOW, THEREFORE, BE IT RESOLVED** that the said schedule of fees be, and hereby are, determined and established as follows:

| Description                    | Old Rate | New Rate                                   |
|--------------------------------|----------|--------------------------------------------|
| <b>Business Licenses:</b>      |          |                                            |
| Temporary/Seasonal Licenses    | \$50     | \$100                                      |
| <b>Notary Services:</b>        |          |                                            |
| Notary Services – resident     | \$0      | \$10 each after the first (first one free) |
| Notary Services – non-resident | \$0      | \$10 each                                  |

**EXHIBIT C  
RESOLUTION  
AMENDMENT TO FINANCE/TREASURY DEPARTMENT**

**WHEREAS**, the City of Madison Heights has adopted a City Code containing a building code, housing code, and other provisions to protect the public health safety and welfare: and

**WHEREAS**, it is provided in said Code that the City Council, by resolution, shall establish reasonable fees to be charged by the City for acts and services performed there under; and

**WHEREAS**, in accordance with Section 8.4 of the Charter of the Madison Heights, it is provided that the City Council shall adopt a Budget for the fiscal year, appropriate funds for said purposes and provide for a levy of taxes for said Budget appropriations; and

**NOW, THEREFORE, BE IT RESOLVED** that the said schedule of fees be, and hereby are, determined and established as follows:

| Description                           | Old Rate                     | New Rate                      |
|---------------------------------------|------------------------------|-------------------------------|
| <b>Delinquent Water and Sewer Fee</b> | 0% of amount sent delinquent | 10% of amount sent delinquent |

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2010-11**

| General Fund                    | FY 2010-11    |              | FY 2010-11 |           |              |  | FY 2010-11    |  |
|---------------------------------|---------------|--------------|------------|-----------|--------------|--|---------------|--|
|                                 | Adopted       | FY 2010-11   | 1/24/2011  | 6/30/2011 |              |  | Amended       |  |
| Revenues                        | Budget        | Carryforward | AMENDED    | AMENDED   | CARRYFORWARD |  | Budget        |  |
| Property Taxes                  | \$ 20,431,558 | \$ -         | \$ -       | \$ -      | \$ -         |  | \$ 20,431,558 |  |
| Licenses                        | 595,858       | -            | -          | -         | -            |  | 595,858       |  |
| Intergovernmental Revenue       |               |              |            |           |              |  |               |  |
| Federal                         | -             | -            | 204,924    | -         | -            |  | 204,924       |  |
| State                           | 2,448,925     | -            | -          | -         | -            |  | 2,448,925     |  |
| County                          | 42,000        | -            | -          | -         | -            |  | 42,000        |  |
| Payment in Lieu of Taxes        | 33,800        | -            | -          | -         | -            |  | 33,800        |  |
| SMART-Mass Transit              | 70,329        | -            | -          | -         | -            |  | 70,329        |  |
| Court Revenues                  | 1,414,000     | -            | -          | -         | -            |  | 1,414,000     |  |
| Charges for Services            | 179,440       | -            | 25,226     | -         | -            |  | 204,666       |  |
| Sales - Miscellaneous           | 15,975        | -            | -          | -         | -            |  | 15,975        |  |
| Recreation Program Revenues     | 238,900       | -            | -          | -         | -            |  | 238,900       |  |
| Miscellaneous Revenues          | 1,337,759     | -            | (30,000)   | -         | -            |  | 1,307,759     |  |
| Sale of Fixed Assets            | 31,250        | -            | -          | -         | -            |  | 31,250        |  |
| Departmental Charges            | 988,480       | -            | -          | -         | -            |  | 988,480       |  |
| Transfers                       | 121,354       | -            | -          | -         | -            |  | 121,354       |  |
| (Contr. To)/Use of Fund Balance | 737,542       | 45,635       | 230,235    | -         | -            |  | 1,013,412     |  |
| Total Revenues                  | \$ 28,687,170 | \$ 45,635    | \$ 430,385 | \$ -      | \$ -         |  | \$ 29,163,190 |  |
| Expenditures                    |               |              |            |           |              |  |               |  |
| Mayor & Council                 | \$ 55,363     | \$ -         | \$ -       | \$ -      | \$ -         |  | \$ 55,363     |  |
| District Court                  | 1,354,384     | -            | 62,503     | -         | -            |  | 1,416,887     |  |
| City Manager                    | 311,749       | -            | -          | -         | -            |  | 311,749       |  |
| Election                        | 47,886        | 5,135        | -          | -         | -            |  | 53,021        |  |
| City Assessor's Office          | 295,116       | -            | (52,139)   | -         | -            |  | 242,977       |  |
| Legal                           | 255,950       | -            | 56,440     | -         | -            |  | 312,390       |  |
| City Clerk                      | 219,353       | -            | -          | -         | -            |  | 219,353       |  |
| Human Resources                 | 148,214       | -            | -          | -         | -            |  | 148,214       |  |
| Board of Review                 | 3,374         | -            | -          | -         | -            |  | 3,374         |  |
| General Administration          | 974,837       | -            | 70,281     | -         | -            |  | 1,045,118     |  |
| Finance                         | 740,397       | -            | 75,139     | -         | -            |  | 815,536       |  |
| Information Technology          | 251,209       | -            | -          | -         | -            |  | 251,209       |  |
| DPS-Municipal Building          | 98,436        | -            | 113,202    | -         | -            |  | 211,638       |  |
| DPS-Custodial & Maintenance     | 156,818       | -            | -          | -         | -            |  | 156,818       |  |
| Police                          | 9,323,205     | -            | -          | -         | -            |  | 9,323,205     |  |
| Fire                            | 5,504,382     | -            | 96,758     | -         | -            |  | 5,601,140     |  |
| Community Development           | 989,689       | 40,500       | -          | -         | -            |  | 1,030,189     |  |
| DPS-Streets                     | 1,011,404     | -            | -          | -         | -            |  | 1,011,404     |  |
| DPS-Solid Waste                 | 2,456,216     | -            | -          | -         | -            |  | 2,456,216     |  |
| DPS-Recreation                  | 176,830       | -            | -          | -         | -            |  | 176,830       |  |
| DPS-Youth Center                | 3,858         | -            | -          | -         | -            |  | 3,858         |  |
| DPS-Nature Center               | 2,000         | -            | 8,201      | -         | -            |  | 10,201        |  |
| DPS-Parks                       | 442,892       | -            | -          | -         | -            |  | 442,892       |  |
| DPS-Senior Citizens             | 411,541       | -            | -          | -         | -            |  | 411,541       |  |
| Human Relations                 | 25,462        | -            | -          | -         | -            |  | 25,462        |  |
| Library                         | 530,065       | -            | -          | -         | -            |  | 530,065       |  |
| Insurance, Bonds & Transfers    | 2,896,540     | -            | -          | -         | -            |  | 2,896,540     |  |
| Total Expenditures              | \$ 28,687,170 | \$ 45,635    | \$ 430,385 | \$ -      | \$ -         |  | \$ 29,163,190 |  |

See Exhibit A For Explanation of Amendments



**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2010-11**

| <b>Major Streets</b>            | FY 2010-11          |                 | FY 2010-11       |             |              | FY 2010-11          |  |
|---------------------------------|---------------------|-----------------|------------------|-------------|--------------|---------------------|--|
|                                 | Adopted             | FY 2010-11      | 1/24/2011        | 6/30/2011   |              | Amended             |  |
| <u>Revenues</u>                 | Budget              | Carryforward    | AMENDED          | AMENDED     | CARRYFORWARD | Budget              |  |
| Intergovernmental               |                     |                 |                  |             |              |                     |  |
| State Gas & Weight Tax          | \$ 1,041,340        | \$ -            | \$ -             | \$ -        | \$ -         | \$ 1,041,340        |  |
| Other Governmental Revenues     | -                   | -               | -                | -           | -            | -                   |  |
| County                          | 162,134             | -               | -                | -           | -            | 162,134             |  |
| Miscellaneous                   | 2,500               | -               | -                | -           | -            | 2,500               |  |
| Transfers                       | -                   | -               | -                | -           | -            | -                   |  |
| (Contr. To)/Use of Fund Balance | 396,063             | 2,000           | 15,003           | -           | -            | 413,066             |  |
|                                 | <u>\$ 1,602,037</u> | <u>\$ 2,000</u> | <u>\$ 15,003</u> | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ 1,619,040</u> |  |

| <u>Expenditures</u> |                     |                 |                  |             |             |                     |  |
|---------------------|---------------------|-----------------|------------------|-------------|-------------|---------------------|--|
| Construction        | \$ 575,000          | \$ 2,000        | \$ -             | \$ -        | \$ -        | \$ 577,000          |  |
| Maintenance         | 204,928             | -               | -                | -           | -           | 204,928             |  |
| Traffic Services    | 179,006             | -               | 15,003           | -           | -           | 194,009             |  |
| Winter Maintenance  | 230,586             | -               | -                | -           | -           | 230,586             |  |
| Administration      | 64,525              | -               | -                | -           | -           | 64,525              |  |
| County Roads        | 147,992             | -               | -                | -           | -           | 147,992             |  |
| Transfers           | 200,000             | -               | -                | -           | -           | 200,000             |  |
| Total Expenditures  | <u>\$ 1,602,037</u> | <u>\$ 2,000</u> | <u>\$ 15,003</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,619,040</u> |  |

| <b>Local Streets</b>            | FY 2010-11          |              | FY 2010-11  |             |              | FY 2010-11          |  |
|---------------------------------|---------------------|--------------|-------------|-------------|--------------|---------------------|--|
|                                 | Adopted             | FY 2010-11   | 1/24/2011   | 6/30/2011   |              | Amended             |  |
| <u>Revenues</u>                 | Budget              | Carryforward | AMENDED     | AMENDED     | CARRYFORWARD | Budget              |  |
| Intergovernmental               |                     |              |             |             |              |                     |  |
| State Gas & Weight Tax          | \$ 390,297          | \$ -         | \$ -        | \$ -        | \$ -         | \$ 390,297          |  |
| Miscellaneous                   | 130,000             | -            | -           | -           | -            | 130,000             |  |
| Transfers                       | 2,257,787           | -            | -           | -           | -            | 2,257,787           |  |
| (Contr. To)/Use of Fund Balance | (518,316)           | -            | -           | -           | -            | (518,316)           |  |
| Total Revenues                  | <u>\$ 2,259,768</u> | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ 2,259,768</u> |  |

| <u>Expenditures</u> |                     |             |             |             |             |                     |  |
|---------------------|---------------------|-------------|-------------|-------------|-------------|---------------------|--|
| Construction        | \$ 1,596,000        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 1,596,000        |  |
| Maintenance         | 410,893             | -           | -           | -           | -           | 410,893             |  |
| Traffic Services    | 115,229             | -           | -           | -           | -           | 115,229             |  |
| Winter Maintenance  | 78,886              | -           | -           | -           | -           | 78,886              |  |
| Administration      | 38,760              | -           | -           | -           | -           | 38,760              |  |
| Transfers           | 20,000              | -           | -           | -           | -           | 20,000              |  |
| Total Expenditures  | <u>\$ 2,259,768</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,259,768</u> |  |

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2010-11**

|                                                 | FY 2010-11 |      | FY 2010-11   |      | 1/24/2011 | 6/30/2011 |              | FY 2010-11 |
|-------------------------------------------------|------------|------|--------------|------|-----------|-----------|--------------|------------|
| <b>Parks Maintenance &amp; Improvement Fund</b> | Adopted    |      | Carryforward |      | AMENDED   | AMENDED   | CARRYFORWARD | Amended    |
| <u>Revenues</u>                                 | Budget     |      |              |      |           |           |              | Budget     |
| Miscellaneous                                   | \$ 8,000   | \$ - | \$ -         | \$ - | \$ -      | \$ -      | \$ -         | \$ 8,000   |
| (Contr. To)/Use of Fund Balance                 | 3,523      | -    | -            | -    | -         | -         | -            | 3,523      |
| Total Revenues                                  | \$ 11,523  | \$ - | \$ -         | \$ - | \$ -      | \$ -      | \$ -         | \$ 11,523  |

Expenditures

|                                 |           |      |      |      |      |      |      |           |
|---------------------------------|-----------|------|------|------|------|------|------|-----------|
| Parks Maintenance & Improvement | \$ 11,523 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 11,523 |
| Transfers                       | -         | -    | -    | -    | -    | -    | -    | -         |
| Total Expenditures              | \$ 11,523 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 11,523 |

|                                       | FY 2010-11 |           | FY 2010-11   |      | 1/24/2011 | 6/30/2011 |              | FY 2010-11 |
|---------------------------------------|------------|-----------|--------------|------|-----------|-----------|--------------|------------|
| <b>Downtown Development Authority</b> | Adopted    |           | Carryforward |      | AMENDED   | AMENDED   | CARRYFORWARD | Amended    |
| <u>Revenues</u>                       | Budget     |           |              |      |           |           |              | Budget     |
| Property Taxes                        | \$ 182,757 | \$ -      | \$ -         | \$ - | \$ -      | \$ -      | \$ -         | \$ 182,757 |
| Miscellaneous                         | 2,000      | -         | -            | -    | -         | -         | -            | 2,000      |
| (Contr. To)/Use of Fund Balance       | (1,725)    | 80,992    | -            | -    | -         | -         | -            | 79,267     |
| Total Revenues                        | \$ 183,032 | \$ 80,992 | \$ -         | \$ - | \$ -      | \$ -      | \$ -         | \$ 264,024 |

Expenditures

|                      |            |           |      |      |      |      |      |            |
|----------------------|------------|-----------|------|------|------|------|------|------------|
| Downtown Development | \$ 110,678 | \$ 80,992 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 191,670 |
| Transfers            | 72,354     | -         | -    | -    | -    | -    | -    | 72,354     |
| Total Expenditures   | \$ 183,032 | \$ 80,992 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 264,024 |

|                                 | FY 2010-11 |      | FY 2010-11   |      | 1/24/2011 | 6/30/2011 |              | FY 2010-11 |
|---------------------------------|------------|------|--------------|------|-----------|-----------|--------------|------------|
| <b>Forfeiture Fund</b>          | Adopted    |      | Carryforward |      | AMENDED   | AMENDED   | CARRYFORWARD | Amended    |
| <u>Revenues</u>                 | Budget     |      |              |      |           |           |              | Budget     |
| Drug Forfeitures                | \$ 55,500  | \$ - | \$ -         | \$ - | \$ -      | \$ -      | \$ -         | \$ 55,500  |
| Miscellaneous                   | 1,000      | -    | -            | -    | -         | -         | -            | 1,000      |
| (Contr. To)/Use of Fund Balance | 37,500     | -    | -            | -    | -         | -         | -            | 37,500     |
| Total Revenues                  | \$ 94,000  | \$ - | \$ -         | \$ - | \$ -      | \$ -      | \$ -         | \$ 94,000  |

Expenditures

|                           |           |      |      |      |      |      |      |           |
|---------------------------|-----------|------|------|------|------|------|------|-----------|
| Drug Forfeiture - State   | \$ 94,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 94,000 |
| Drug Forfeiture - Federal | -         | -    | -    | -    | -    | -    | -    | -         |
| Total Expenditures        | \$ 94,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 94,000 |

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2010-11**

| <b>SEMCAC Task Force Forfeiture</b> | FY 2010-11        |                            |                      |                      |              | FY 2010-11        |          |
|-------------------------------------|-------------------|----------------------------|----------------------|----------------------|--------------|-------------------|----------|
|                                     | Adopted<br>Budget | FY 2010-11<br>Carryforward | 1/24/2011<br>AMENDED | 6/30/2011<br>AMENDED | CARRYFORWARD | Amended<br>Budget |          |
| <b>Revenues</b>                     |                   |                            |                      |                      |              |                   |          |
| Drug Forfeitures                    | \$ -              | \$ -                       | \$ -                 | \$ -                 | \$ -         | \$ -              | -        |
| Miscellaneous                       | -                 | -                          | -                    | -                    | -            | -                 | -        |
| (Contr. To)/Use of Fund Balance     | -                 | -                          | -                    | -                    | -            | -                 | -        |
| <b>Total Revenues</b>               | <b>\$ -</b>       | <b>\$ -</b>                | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>  | <b>\$ -</b>       | <b>-</b> |

|                           |             |             |             |             |             |             |          |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|
| <b>Expenditures</b>       |             |             |             |             |             |             |          |
| Drug Forfeiture - State   | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | -        |
| Drug Forfeiture - Federal | -           | -           | -           | -           | -           | -           | -        |
| <b>Total Expenditures</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>-</b> |

| <b>Housing Commission</b>       | FY 2010-11          |                            |                      |                      |              | FY 2010-11          |  |
|---------------------------------|---------------------|----------------------------|----------------------|----------------------|--------------|---------------------|--|
|                                 | Adopted<br>Budget   | FY 2010-11<br>Carryforward | 1/24/2011<br>AMENDED | 6/30/2011<br>AMENDED | CARRYFORWARD | Amended<br>Budget   |  |
| <b>Revenues</b>                 |                     |                            |                      |                      |              |                     |  |
| Voucher Program                 | \$ 1,807,750        | \$ -                       | \$ -                 | \$ -                 | \$ -         | \$ 1,807,750        |  |
| Miscellaneous                   | 8,705               | -                          | -                    | -                    | -            | 8,705               |  |
| Transfers                       | -                   | -                          | -                    | -                    | -            | -                   |  |
| (Contr. To)/Use of Fund Balance | (5,172)             | -                          | -                    | -                    | -            | (5,172)             |  |
| <b>Total Revenues</b>           | <b>\$ 1,811,283</b> | <b>\$ -</b>                | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>  | <b>\$ 1,811,283</b> |  |

|                           |                     |             |             |             |             |                     |  |
|---------------------------|---------------------|-------------|-------------|-------------|-------------|---------------------|--|
| <b>Expenditures</b>       |                     |             |             |             |             |                     |  |
| Housing                   | \$ 1,811,283        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 1,811,283        |  |
| <b>Total Expenditures</b> | <b>\$ 1,811,283</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,811,283</b> |  |

| <b>Community Improvement</b>    | FY 2010-11        |                            |                      |                      |              | FY 2010-11        |  |
|---------------------------------|-------------------|----------------------------|----------------------|----------------------|--------------|-------------------|--|
|                                 | Adopted<br>Budget | FY 2010-11<br>Carryforward | 1/24/2011<br>AMENDED | 6/30/2011<br>AMENDED | CARRYFORWARD | Amended<br>Budget |  |
| <b>Revenues</b>                 |                   |                            |                      |                      |              |                   |  |
| County Block Grant              | \$ 129,394        | \$ -                       | \$ -                 | \$ -                 | \$ -         | \$ 129,394        |  |
| Miscellaneous Revenue           | 1,000             | -                          | -                    | -                    | -            | 1,000             |  |
| (Contr. To)/Use of Fund Balance | 5,989             | -                          | -                    | -                    | -            | 5,989             |  |
| <b>Total Revenues</b>           | <b>\$ 136,383</b> | <b>\$ -</b>                | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>  | <b>\$ 136,383</b> |  |

|                           |                   |             |             |             |             |                   |  |
|---------------------------|-------------------|-------------|-------------|-------------|-------------|-------------------|--|
| <b>Expenditures</b>       |                   |             |             |             |             |                   |  |
| County Block Grant        | \$ 136,383        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 136,383        |  |
| Transfers                 | -                 | -           | -           | -           | -           | -                 |  |
| <b>Total Expenditures</b> | <b>\$ 136,383</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 136,383</b> |  |

| <b>Neighborhood Stabilization</b> | FY 2010-11        |                            |                      |                      |              | FY 2010-11        |          |
|-----------------------------------|-------------------|----------------------------|----------------------|----------------------|--------------|-------------------|----------|
|                                   | Adopted<br>Budget | FY 2010-11<br>Carryforward | 1/24/2011<br>AMENDED | 6/30/2011<br>AMENDED | CARRYFORWARD | Amended<br>Budget |          |
| <b>Revenues</b>                   |                   |                            |                      |                      |              |                   |          |
| Neighborhood Stabilization Funds  | \$ -              | \$ -                       | \$ -                 | \$ -                 | \$ -         | \$ -              | -        |
| <b>Total Revenues</b>             | <b>\$ -</b>       | <b>\$ -</b>                | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>  | <b>\$ -</b>       | <b>-</b> |

|                           |             |             |             |             |             |             |          |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|
| <b>Expenditures</b>       |             |             |             |             |             |             |          |
| Personnel Services        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | -        |
| Contractual Services      | -           | -           | -           | -           | -           | -           | -        |
| <b>Total Expenditures</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>-</b> |

See Exhibit A For Explanation of Amendments

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2010-11**

| <b>SAD Revolving Fund</b>       | FY 2010-11 |              |           | FY 2010-11 |              |            |
|---------------------------------|------------|--------------|-----------|------------|--------------|------------|
|                                 | Adopted    | FY 2010-11   | 1/24/2011 | 6/30/2011  | Amended      |            |
| <u>Revenues</u>                 | Budget     | Carryforward | AMENDED   | AMENDED    | CARRYFORWARD | Budget     |
| Interest                        | \$ -       | \$ -         | \$ -      | \$ -       | \$ -         | \$ -       |
| Miscellaneous Revenue           | 8,500      | -            | -         | -          | -            | 8,500      |
| Special Assessment Revenue      | 367,613    | -            | -         | -          | -            | 367,613    |
| Transfers                       | 20,000     | -            | -         | -          | -            | 20,000     |
| (Contr. To)/Use of Fund Balance | 26,585     | -            | -         | -          | -            | 26,585     |
| Total Revenues                  | \$ 422,698 | \$ -         | \$ -      | \$ -       | \$ -         | \$ 422,698 |

Expenditures

|                            |            |      |      |      |      |            |
|----------------------------|------------|------|------|------|------|------------|
| Construction/Other Charges | \$ 422,698 | \$ - | \$ - | \$ - | \$ - | \$ 422,698 |
| Transfers                  | -          | -    | -    | -    | -    | -          |
| Total Expenditures         | \$ 422,698 | \$ - | \$ - | \$ - | \$ - | \$ 422,698 |

| <b>Fire Stations Debt Service</b> | FY 2010-11 |              |           | FY 2010-11 |              |            |
|-----------------------------------|------------|--------------|-----------|------------|--------------|------------|
|                                   | Adopted    | FY 2010-11   | 1/24/2011 | 6/30/2011  | Amended      |            |
| <u>Revenues</u>                   | Budget     | Carryforward | AMENDED   | AMENDED    | CARRYFORWARD | Budget     |
| Interest Earned                   | \$ 1,250   | \$ -         | \$ -      | \$ -       | \$ -         | \$ 1,250   |
| Transfers in from General Fund    | 401,268    | -            | -         | -          | -            | 401,268    |
| (Contr. To)/Use of Fund Balance   | 10,635     | -            | -         | -          | -            | 10,635     |
| Total Revenues                    | \$ 413,153 | \$ -         | \$ -      | \$ -       | \$ -         | \$ 413,153 |

Expenditures

|                    |            |      |      |      |      |            |
|--------------------|------------|------|------|------|------|------------|
| Debt Service       | \$ 413,153 | \$ - | \$ - | \$ - | \$ - | \$ 413,153 |
| Total Expenditures | \$ 413,153 | \$ - | \$ - | \$ - | \$ - | \$ 413,153 |

| <b>Fire Station</b>             | FY 2010-11 |              |           | FY 2010-11 |              |        |
|---------------------------------|------------|--------------|-----------|------------|--------------|--------|
|                                 | Adopted    | FY 2010-11   | 1/24/2011 | 6/30/2011  | Amended      |        |
| <u>Revenues</u>                 | Budget     | Carryforward | AMENDED   | AMENDED    | CARRYFORWARD | Budget |
| Interest Earned                 |            |              |           |            |              |        |
| (Contr. To)/Use of Fund Balance | \$ -       | \$ -         | \$ -      | \$ -       | \$ -         | \$ -   |
| Total Revenues                  | \$ -       | \$ -         | \$ -      | \$ -       | \$ -         | \$ -   |

Expenditures

|                          |      |      |      |      |      |      |
|--------------------------|------|------|------|------|------|------|
| Audit Fees               |      |      |      |      |      |      |
| Furniture                | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Equipment                | -    | -    | -    | -    | -    | -    |
| Improvements             | -    | -    | -    | -    | -    | -    |
| Construction             | -    | -    | -    | -    | -    | -    |
| Site Improvements        | -    | -    | -    | -    | -    | -    |
| Demolition/Redevelopment | -    | -    | -    | -    | -    | -    |
| Total Expenditures       | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2010-11**

| <b>Water Bond and Construction Fund</b> | FY 2010-11 |              | FY 2010-11   |           |              | FY 2010-11   |  |
|-----------------------------------------|------------|--------------|--------------|-----------|--------------|--------------|--|
|                                         | Adopted    |              | 1/24/2011    | 6/30/2011 |              | Amended      |  |
| <u>Revenues</u>                         | Budget     | Carryforward | AMENDED      | AMENDED   | CARRYFORWARD | Budget       |  |
| Miscellaneous - Bond Proceeds           | \$ -       | \$ -         | \$ 1,513,442 | \$ -      | \$ -         | \$ 1,513,442 |  |
| (Contr. To)/Use of Fund Balance         | -          | -            | -            | -         | -            | -            |  |
| Total Revenues                          | \$ -       | \$ -         | \$ 1,513,442 | \$ -      | \$ -         | \$ 1,513,442 |  |

Expenditures

|                    |      |      |              |      |      |              |  |
|--------------------|------|------|--------------|------|------|--------------|--|
| Water and Sewer    | \$ - | \$ - | \$ 1,513,442 | \$ - | \$ - | \$ 1,513,442 |  |
| Transfers          | -    | -    | -            | -    | -    | -            |  |
| Total Expenditures | \$ - | \$ - | \$ 1,513,442 | \$ - | \$ - | \$ 1,513,442 |  |

**Water & Sewer Fund**

|                                 | FY 2010-11    |              | FY 2010-11     |           |              | FY 2010-11   |  |
|---------------------------------|---------------|--------------|----------------|-----------|--------------|--------------|--|
|                                 | Adopted       |              | 1/24/2011      | 6/30/2011 |              | Amended      |  |
| <u>Revenues</u>                 | Budget        | Carryforward | AMENDED        | AMENDED   | CARRYFORWARD | Budget       |  |
| Sales of Water                  | \$ 4,204,210  | \$ -         | \$ -           | \$ -      | \$ -         | \$ 4,204,210 |  |
| Sales of Sewer                  | 5,175,355     | -            | -              | -         | -            | 5,175,355    |  |
| Miscellaneous                   | 1,412,355     | -            | (1,379,355)    | -         | -            | 33,000       |  |
| Sale of Fixed Assets            | -             | -            | -              | -         | -            | -            |  |
| Department Charges              | 29,550        | -            | -              | -         | -            | 29,550       |  |
| Transfers                       | -             | -            | -              | -         | -            | -            |  |
| (Contr. To)/Use of Fund Balance | (151,438)     | -            | -              | -         | -            | (151,438)    |  |
| Total Revenues                  | \$ 10,670,032 | \$ -         | \$ (1,379,355) | \$ -      | \$ -         | \$ 9,290,677 |  |

Expenditures

|                              |               |      |                |      |      |              |  |
|------------------------------|---------------|------|----------------|------|------|--------------|--|
| Water Purchased              | \$ 1,747,378  | \$ - | \$ -           | \$ - | \$ - | \$ 1,747,378 |  |
| Water System Maintenance     | 711,537       | -    | -              | -    | -    | 711,537      |  |
| Water Tapping & Installation | 18,000        | -    | -              | -    | -    | 18,000       |  |
| Water Depreciation           | 430,310       | -    | -              | -    | -    | 430,310      |  |
| Sewage Disposal              | 3,105,090     | -    | -              | -    | -    | 3,105,090    |  |
| Sewer System Maintenance     | 349,643       | -    | -              | -    | -    | 349,643      |  |
| Sewer Deprecation            | 408,700       | -    | -              | -    | -    | 408,700      |  |
| General Service Building     | 267,015       | -    | -              | -    | -    | 267,015      |  |
| General Administration       | 1,187,092     | -    | -              | -    | -    | 1,187,092    |  |
| Capital Outlay               | 1,379,355     | -    | (1,379,335)    | -    | -    | 20           |  |
| Debt Administration          | 1,065,912     | -    | -              | -    | -    | 1,065,912    |  |
| Total Expenditures           | \$ 10,670,032 | \$ - | \$ (1,379,335) | \$ - | \$ - | \$ 9,290,697 |  |

See Exhibit A For Explanation of Amendments

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2010-11**

| <b>Motor Pool and Equipment Fund</b> | FY 2010-11           |                   | FY 2010-11          |             |              | FY 2010-11  |             |                      |
|--------------------------------------|----------------------|-------------------|---------------------|-------------|--------------|-------------|-------------|----------------------|
|                                      | Adopted              |                   | Carryforward        | 1/24/2011   | 6/30/2011    | AMENDED     | AMENDED     | AMENDED              |
| <u>Revenues</u>                      | Budget               |                   |                     | AMENDED     | CARRYFORWARD |             |             | Amended Budget       |
| Contributions - General Fund         | \$ 919,294           | \$ -              | \$ -                | \$ -        | \$ -         | \$ -        | \$ -        | \$ 919,294           |
| Contributions - Water/Sewer          | 122,040              | -                 | -                   | -           | -            | -           | -           | 122,040              |
| Fund Balance                         | -                    | -                 | -                   | -           | -            | -           | -           | -                    |
| Total Revenues                       | <u>\$ 1,041,334</u>  | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,041,334</u>  |
| <u>Expenditures</u>                  |                      |                   |                     |             |              |             |             |                      |
| Motorpool                            | \$ 1,041,334         | \$ -              | \$ -                | \$ -        | \$ -         | \$ -        | \$ -        | \$ 1,041,334         |
| Total Expenditures                   | <u>\$ 1,041,334</u>  | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,041,334</u>  |
| Total Other Funds                    | 18,645,243           | 82,992            | (1,364,332)         | -           | -            | -           | -           | 17,363,903           |
| Total General and Other Funds        | <u>\$ 47,332,413</u> | <u>\$ 128,627</u> | <u>\$ (933,947)</u> | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46,527,093</u> |

See Exhibit A For Explanation of Amendments

**City of Madison Heights**  
**Explanation of Budget Amendments FY 2010-11**  
**January 24, 2011**

| General Fund Revenues     | Explanation                                                               | Amount                   | Account Number            |
|---------------------------|---------------------------------------------------------------------------|--------------------------|---------------------------|
| Federal Revenues          | Energy Efficiency Community Block Grant (EECBG)                           | \$ 124,061               | 101-021-5263-000          |
| Federal Revenues          | Medicare Part D Prescription Reimbursement Subsidy (new account)          | 30,000                   | 101-021-5457-000          |
| Federal Revenues          | Medicare Early Retiree Reimbursement Program                              | <u>50,863</u>            | 204,924 101-021-5457-001  |
| Charges for Services      | Hazel Park Animal Control Services                                        | <u>25,226</u>            | 25,226 101-030-6076-000   |
| Miscellaneous             | Miscellaneous - move Medicare Part D Subsidy to new account               | <u>(30,000)</u>          | (30,000) 101-044-6701-000 |
| Use of Fund Balance       | Use of Fund Balance                                                       | <u>\$ 230,235</u>        | 230,235 101-053-6970-000  |
|                           |                                                                           | <u><b>\$ 430,385</b></u> |                           |
| General Fund Expenditures | Explanation                                                               | Amount                   | Account Number            |
| Court                     | Wages - Permanent Employees - delayed start of Court Administrator        | (21,300)                 | 101-209-7060-000          |
|                           | FICA/Medicare - Mathias retirement and delayed start of Court Admin       | (3,800)                  | 101-136-7100-001          |
|                           | Hospitalization Active - new members (Hunt, Arseneault, Strehlke)         | 26,205                   | 101-136-7100-002          |
|                           | Dental - Mathias retirement and delayed start of Court Administrator      | (1,460)                  | 101-136-7100-004          |
|                           | Life Insurance - Add life insurance back after other union concessions    | 1,306                    | 101-136-7100-005          |
|                           | Optical - Mathias retirement and delayed start of Court Administrator     | (200)                    | 101-136-7100-006          |
|                           | Disability - Mathias retirement and delayed start of Court Administrator  | (1,400)                  | 101-136-7100-007          |
|                           | Workers Compensation - City self-funding                                  | (1,878)                  | 101-136-7100-008          |
|                           | MERS Pension - Mathias retirement and delayed start of Court Administratc | (6,800)                  | 101-136-7100-010          |
|                           | Retiree Health Care Contributions - new employees (Hunt, Arseneault)      | 13,819                   | 101-136-7100-050          |
|                           | Retiree Hospitalization - Mathias                                         | 16,622                   | 101-136-7103-002          |
|                           | Retiree Life Insurance - Mathias                                          | 89                       | 101-136-7103-005          |
|                           | Audit Fees                                                                | 5,500                    | 101-136-8070-000          |
|                           | Interpreter                                                               | 4,000                    | 101-136-8240-000          |
|                           | Jury Fees                                                                 | 1,800                    | 101-136-8360-000          |
|                           | Contractual - Security Officers - offset elimination of Court Officer     | <u>30,000</u>            | 62,503 101-136-8180-000   |
| Assessing                 | Wages - Permanent Employees - Transfer Kastelic to Finance                | (42,624)                 | 101-209-7060-000          |
|                           | FICA/Medicare - Transfer Kastelic                                         | (3,417)                  | 101-209-7100-001          |
|                           | Hospitalization Active - Kastelic                                         | (14,649)                 | 101-209-7100-002          |
|                           | Dental - Transfer Kastelic                                                | (1,250)                  | 101-209-7100-004          |
|                           | Life Insurance - Transfer Kastelic                                        | (164)                    | 101-209-7100-005          |
|                           | Optical - Transfer Kastelic                                               | (104)                    | 101-209-7100-006          |
|                           | Disability - Transfer Kastelic                                            | (309)                    | 101-209-7100-007          |
|                           | Workers Compensation - Transfer Kastelic                                  | (228)                    | 101-209-7100-008          |
|                           | MERS Pension - Transfer Kastelic                                          | (5,355)                  | 101-209-7100-010          |
|                           | Retiree Health Care Contributions - Transfer Kastelic                     | (7,039)                  | 101-209-7100-050          |
|                           | Legal Fees - Sherman Tax Tribunal Cases                                   | <u>23,000</u>            | (52,139) 101-209-8260-000 |
| Legal                     | Legal Fees - Labor - Increase per new billing procedure                   | 56,440                   | 56,440 101-210-8263-000   |
| General Administration    | Retiree Hospitalization BCBS - Stewart, Kennedy, Quick, Troesch           | 62,396                   | 101-248-9810-000          |
|                           | Contractual Services - GRS Retiree Health Care Actuarial Study            | <u>7,885</u>             | 70,281 101-248-9810-000   |
| Finance                   | Wages - Permanent Employees - Transfer Kastelic from Assessing            | 42,624                   | 101-253-7060-000          |
|                           | FICA/Medicare - Transfer Kastelic                                         | 3,417                    | 101-253-7100-001          |
|                           | Hospitalization Active - Kastelic                                         | 14,649                   | 101-253-7100-002          |
|                           | Dental - Transfer Kastelic                                                | 1,250                    | 101-253-7100-004          |
|                           | Life Insurance - Transfer Kastelic                                        | 164                      | 101-253-7100-005          |
|                           | Optical - Transfer Kastelic                                               | 104                      | 101-253-7100-006          |
|                           | Disability - Transfer Kastelic                                            | 309                      | 101-253-7100-007          |
|                           | Workers Compensation - Transfer Kastelic                                  | 228                      | 101-253-7100-008          |
|                           | MERS Pension - Transfer Kastelic                                          | 5,355                    | 101-253-7100-010          |
|                           | Retiree Health Care Contributions - Transfer Kastelic                     | <u>7,039</u>             | 75,139 101-253-7100-050   |
| Municipal Building        | EECBG - Improvements                                                      | <u>113,202</u>           | 113,202 101-265-9870-008  |
| Fire                      | Vehicles Phase I & II Funding #710 rescue carry forward                   | 96,758                   | 96,758 101-336-9850-00    |

**EXHIBIT A**  
**City of Madison Heights**  
**Explanation of Budget Amendments FY 2010-11**  
**January 24, 2011**

|               |                                                       |       |                   |                  |
|---------------|-------------------------------------------------------|-------|-------------------|------------------|
| Nature Center | Communications - continued operations with volunteers | 281   |                   | 101-756-8500-000 |
|               | Electric                                              | 5,000 |                   | 101-756-9210-000 |
|               | Heat                                                  | 2,105 |                   | 101-756-9230-000 |
|               | Water                                                 | 615   |                   | 101-756-9270-000 |
|               | Equipment Maintenance                                 | 200   | 8,201             | 101-756-9330-000 |
|               |                                                       |       | <u>\$ 430,385</u> |                  |

| Major Streets Revenues          | Explanation  | Amount    | Account Number             |
|---------------------------------|--------------|-----------|----------------------------|
| (Contr. To)/Use of Fund Balance | Fund Balance | \$ 15,003 | \$ 15,003 101-053-6970-000 |
|                                 |              |           | <u>\$ 15,003</u>           |

| Major Streets Expenditures | Explanation                                                   | Amount    | Account Number          |
|----------------------------|---------------------------------------------------------------|-----------|-------------------------|
| Traffic Service            | Contractual Services - Signal and Scats Autoscope Maintenance | \$ 15,003 | 15,003 202-474-8180-000 |
|                            |                                                               |           | <u>\$ 15,003</u>        |

| Water Bond and Construction Fund | Explanation   | Amount       | Account Number                |
|----------------------------------|---------------|--------------|-------------------------------|
| Miscellaneous Revenue            | Bond Proceeds | \$ 1,513,442 | \$ 1,513,442 403-044-6980-000 |
|                                  |               |              | <u>\$ 1,513,442</u>           |

| Water Bond and Construction Fund | Explanation                                                     | Amount    | Account Number                |
|----------------------------------|-----------------------------------------------------------------|-----------|-------------------------------|
| Water and Sewer                  | Bond Issuance Costs                                             | \$ 40,550 | 403-553-8175-000              |
|                                  | Automatic Watermain Reading (AMR) system & Crossover Watermains | 1,472,892 | \$ 1,513,442 403-553-9870-000 |
|                                  |                                                                 |           | <u>\$ 1,513,442</u>           |

| Water and Sewer Revenues | Explanation   | Amount         | Account Number                |
|--------------------------|---------------|----------------|-------------------------------|
| Miscellaneous Revenue    | Bond Proceeds | \$ (1,379,355) | (1,379,355) 590-044-69800-000 |
|                          |               |                | <u>\$ (1,379,355)</u>         |

| Water and Sewer Expenditures | Explanation                                                  | Amount         | Account Number               |
|------------------------------|--------------------------------------------------------------|----------------|------------------------------|
| Water & Sewer Capital Outlay | Machinery and Equipment - AMR Project moved to separate Fund | \$ (1,379,355) | (1,379,355) 590-901-9820-000 |
|                              |                                                              |                | <u>\$ (1,379,355)</u>        |



## **OPERATING INDICATORS**

### **Last Seven Fiscal Years**

| Function/ program                 | 2004      | 2005      | 2006      | 2007      | 2008      | 2009      | 2010      |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Election data:                    |           |           |           |           |           |           |           |
| Voters Registered                 | 20,128    | 20,030    | 19,823    | 19,811    | 20,704    | 20,692    | 20,692    |
| Voters (at the polls or absentee) | 13,650    | 2,729     | 10,084    | 2,545     | 13,519    | 3,288     | 3,310     |
| Percent voting                    | 68        | 14        | 51        | 13        | 65        | 16        | 16        |
| District Court:                   |           |           |           |           |           |           |           |
| Number of court cases             | 13,966    | 14,210    | 15,234    | 15,234    | 15,263    | 15,756    | 12,730    |
| Police:                           |           |           |           |           |           |           |           |
| Physical arrests                  | 1,473     | 1,265     | 1,755     | 1,548     | 1,381     | 1,202     | 1,060     |
| Traffic violations                | 9,194     | 9,850     | 9,332     | 9,983     | 8,231     | 9,473     | 8,489     |
| Investigations                    | 2,985     | 2,822     | 2,770     | 2,510     | 2,794     | 2,285     | 2,308     |
| Fire:                             |           |           |           |           |           |           |           |
| Ladder Operation                  | 2         | 8         | 4         | 3         | 4         | 3         | 3         |
| Structure Fire (all types)        | 19        | 36        | 39        | 39        | 31        | 57        | 56        |
| Emergency Medical runs            | 2,506     | 2,609     | 2,631     | 2,518     | 2,600     | 2,628     | 2,558     |
| Inspections                       | 738       | 691       | 794       | 350       | 295       | 276       | 306       |
| Parks and Recreation:             |           |           |           |           |           |           |           |
| Recreation Program attendance     | 2,679     | 2,798     | 2,639     | 2,697     | 2,694     | 2,534     | 2,531     |
| Library:                          |           |           |           |           |           |           |           |
| Circulation (books borrowed)      | 99,164    | 97,708    | 96,460    | 50,673    | 92,699    | 109,536   | 113,106   |
| Collection volume (sets of books) | 75        | 75        | 75        | 75        | 75        | 75        | 75        |
| Water:                            |           |           |           |           |           |           |           |
| Number of customers billed        | 54,100    | 54,100    | 54,140    | 55,185    | 54,891    | 55,414    | 55,256    |
| Total consumption (per unit) *    | 1,968,115 | 1,836,424 | 1,857,194 | 1,695,269 | 1,552,065 | 1,459,243 | 1,429,938 |
| Average consumption per user      | 36        | 34        | 34        | 31        | 28        | 26        | 27        |

\* Each consumption unit equals 724 gallons.

Source: City's Finance Department records

## **MISCELLANEOUS STATISTICAL DATA**

The City of Madison Heights was incorporated January 17, 1955, under Home Rule Act 279 P.A. 1909, as amended, and is administrated by a City Manager, and governed by Mayor and Council. It is located in Southeast Oakland County and is approximately seven (7) square miles in area.

The estimated 29,694 residents of the City of Madison Heights are provided various services by the 169.1 full-time equivalent employees.

Statistical data related to City services at June 30, 2010 is as follows:

Street service:

|                 |             |
|-----------------|-------------|
| Paved streets   | 106 miles   |
| Sidewalks       | 199.5 miles |
| Street lighting | 1,830 poles |

Water and sewer operation:

|                 |           |
|-----------------|-----------|
| Watermains      | 131 miles |
| Consumers:      |           |
| Residential     | 9,619     |
| Commercial      | 1,315     |
| Sanitary sewers | 111 miles |
| Storm sewers    | 52 miles  |

Fire protection:

|           |       |
|-----------|-------|
| Stations  | 2     |
| Employees | 30    |
| Hydrants  | 1,115 |

Police protection:

|                                     |       |
|-------------------------------------|-------|
| Employees                           | 62    |
| Crossing Guards                     | 17    |
| Patrol vehicles                     | 15    |
| Number of traffic violations issued | 9,473 |
| Police Reserve members              | 22    |

Culture, education and recreation:

|                  |             |
|------------------|-------------|
| Libraries        | 1           |
| Schools by type: |             |
| Elementary       | 6           |
| Middle           | 2           |
| Senior           | 3           |
| Parks            | 13          |
| Area of parks    | 135.8 acres |

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### Last Ten Fiscal Years

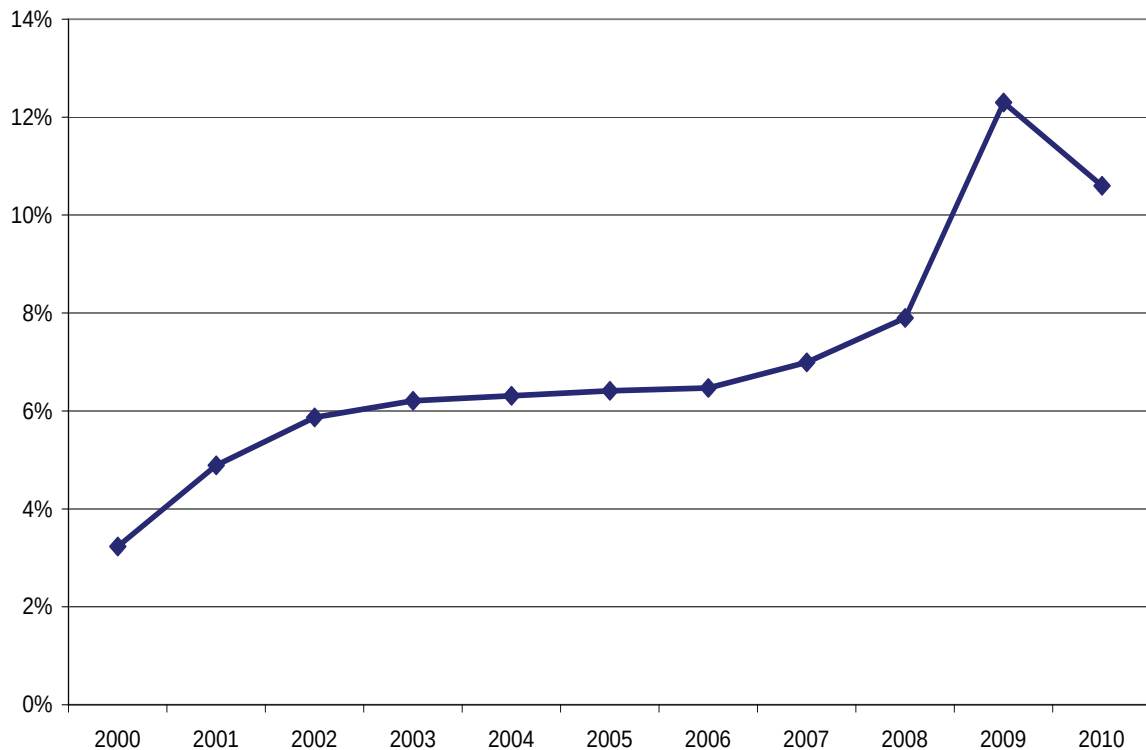
| Fiscal Year<br>Ended June 30 | Estimated<br>Population | Personal<br>Income (1) | Per Capita<br>Personal<br>Income (1) | Unemployment<br>Rates (2) |
|------------------------------|-------------------------|------------------------|--------------------------------------|---------------------------|
| 2000                         | 32,196                  | \$ 456,925,632         | \$ 14,192                            | 3.2%                      |
| 2001                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 4.9%                      |
| 2002                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 5.9%                      |
| 2003                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 6.2%                      |
| 2004                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 6.3%                      |
| 2005                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 6.4%                      |
| 2006                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 6.5%                      |
| 2007                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 7.0%                      |
| 2008                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 7.9%                      |
| 2009                         | 31,101                  | \$ 666,463,329         | \$ 21,429                            | 12.3%                     |
| 2010                         | 29,694                  | \$ 716,813,160         | \$ 24,140                            | 10.6%                     |

Sources:

(1) United States Census Bureau 2011

(2) Michigan Department of Labor Market Information

City of Madison Heights  
Unemployment Rate



# **CHANGES IN FUND BALANCE**

(amounts expressed in thousands)

## **General Fund**

| Fiscal Year ended June 30,     | 2001     | 2002     | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     | 2010     |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Reserved                       | \$ -     | \$ -     | \$ 512   | \$ 274   | \$ 273   | \$ 435   | \$ 189   | \$ 366   | \$ 1,140 | \$ 1,611 |
| Designated                     |          |          |          |          |          |          |          |          |          |          |
| Vested employee benefits       | \$ 2,158 | \$ 1,890 | \$ 2,123 | \$ 2,202 | \$ 2,244 | \$ 2,333 | \$ 2,557 | \$ 2,496 | \$ 2,587 | \$ 2,656 |
| Subsequent years' expenditures | 1,212    | 816      | 449      | 509      | 436      | 438      | 145      | 543      | 393      | 56       |
| Retained insurance risk        | 246      | 978      | 733      | 330      | 478      | 663      | 500      | 250      | 250      | 250      |
| Vehicle replacement            | 929      | 1,137    | 1,451    | 1,136    | 1,136    | 1,136    | 1,136    | 1,136    | 1,136    | 853      |
| Capital improvements           | 500      | 500      | 100      | -        | 300      | 600      | 500      | 590      | 32       | 102      |
| Park improvements              | -        | -        | -        | -        | -        | 300      | 500      | 450      | -        | -        |
| Retirees' health benefits      | 696      | 497      | 39       | -        | 825      | 578      | 778      | -        | -        | -        |
| Technology Improvements        | -        | -        | -        | -        | -        | 200      | 200      | 89       | -        | -        |
| Insurance Claims Receivable    | -        | -        | 448      | -        | -        | -        | -        | -        | -        | -        |
| Total Designated               | \$ 5,741 | \$ 5,818 | \$ 5,343 | \$ 4,177 | \$ 5,419 | \$ 6,248 | \$ 6,316 | \$ 5,554 | \$ 4,398 | \$ 3,917 |
| Undesignated                   | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Total Unreserved Fund Balance  | \$ 5,741 | \$ 5,818 | \$ 5,343 | \$ 4,177 | \$ 5,419 | \$ 6,248 | \$ 6,316 | \$ 5,554 | \$ 4,398 | \$ 3,917 |

Sources: City's Audited Annual Financial Statements

## EXPENDITURE HISTORY BY ACTIVITY

### General Fund

| Activity Name                         | 2005-06<br>Actual   | 2006-07<br>Actual   | 2007-08<br>Actual   | 2008-09<br>Actual   | 2009-10<br>Actual   | 2010-11<br>Amended<br>Budget | 2011-12<br>Budget   |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------------|---------------------|
| Mayor and City Council                | \$ 52,966           | \$ 55,334           | \$ 53,599           | \$ 54,966           | \$ 54,966           | \$ 55,363                    | \$ 53,497           |
| City Manager                          | 247,696             | 297,889             | 315,035             | 297,496             | 297,496             | 311,749                      | 298,568             |
| Elections                             | 31,187              | 43,720              | 39,847              | 37,877              | 37,877              | 53,021                       | 29,956              |
| City Assessor                         | 390,314             | 460,314             | 461,192             | 408,406             | 408,406             | 242,977                      | 237,202             |
| Legal                                 | 301,416             | 308,099             | 337,519             | 351,356             | 351,356             | 312,390                      | 311,060             |
| City Clerk                            | 219,831             | 251,625             | 329,213             | 257,536             | 257,536             | 219,352                      | 238,144             |
| Human Resources                       | 230,705             | 237,267             | 260,899             | 256,625             | 256,625             | 148,214                      | 213,155             |
| Board of Review                       | 3,155               | 3,597               | 3,584               | 5,894               | 5,894               | 3,374                        | 3,375               |
| General Administration                | 858,167             | 891,822             | 950,851             | 1,029,101           | 1,029,101           | 1,045,118                    | 1,416,824           |
| Finance                               | 702,184             | 766,802             | 794,488             | 735,776             | 735,776             | 815,536                      | 813,753             |
| Information Technology                | 203,383             | 287,757             | 240,922             | 248,759             | 248,759             | 251,209                      | 258,802             |
| <b>Total City Administration</b>      | <b>\$ 3,241,004</b> | <b>\$ 3,604,226</b> | <b>\$ 3,787,148</b> | <b>\$ 3,683,792</b> | <b>\$ 3,683,792</b> | <b>\$ 3,458,303</b>          | <b>\$ 3,874,336</b> |
| Municipal Building                    | \$ 95,698           | \$ 114,570          | \$ 147,197          | \$ 253,501          | \$ 253,501          | \$ 211,638                   | \$ 92,930           |
| Custodial and Maintenance             | 281,320             | 339,061             | 331,261             | 255,819             | 255,819             | 156,818                      | 173,303             |
| <b>Total General Municipal Maint.</b> | <b>\$ 377,018</b>   | <b>\$ 453,631</b>   | <b>\$ 478,459</b>   | <b>\$ 509,320</b>   | <b>\$ 509,320</b>   | <b>\$ 368,456</b>            | <b>\$ 266,233</b>   |
| Police                                | \$ 8,857,889        | \$ 9,892,162        | \$10,383,098        | \$10,158,234        | \$10,158,234        | \$ 9,323,205                 | \$ 9,119,066        |
| Fire                                  | 5,146,344           | 6,280,661           | 5,967,198           | 5,762,795           | 5,762,795           | 5,601,140                    | 5,253,313           |
| District Court                        | 1,347,627           | 1,406,825           | 1,445,864           | 1,431,805           | 1,431,805           | 1,416,887                    | 1,466,650           |
| <b>Total Public Safety</b>            | <b>\$15,351,860</b> | <b>\$17,579,648</b> | <b>\$17,796,160</b> | <b>\$17,352,834</b> | <b>\$17,352,834</b> | <b>\$16,341,232</b>          | <b>\$15,839,029</b> |
| Community Development                 | \$ 918,114          | \$ 1,036,067        | \$ 1,065,702        | \$ 1,076,616        | \$ 1,076,616        | \$ 1,030,189                 | \$ 958,199          |
| Streets                               | 945,902             | 936,172             | 987,491             | 978,332             | 978,332             | 1,011,404                    | 900,397             |
| <b>Total Community Improvement</b>    | <b>\$ 1,864,016</b> | <b>\$ 1,972,239</b> | <b>\$ 2,053,193</b> | <b>\$ 2,054,948</b> | <b>\$ 2,054,948</b> | <b>\$ 2,041,593</b>          | <b>\$ 1,858,596</b> |
| Solid Waste                           | \$ 2,374,586        | \$ 2,477,298        | \$ 2,498,832        | \$ 2,451,303        | \$ 2,451,303        | \$ 2,456,216                 | \$ 2,331,140        |
| <b>Total Solid Waste</b>              | <b>\$ 2,374,586</b> | <b>\$ 2,477,298</b> | <b>\$ 2,498,832</b> | <b>\$ 2,451,303</b> | <b>\$ 2,451,303</b> | <b>\$ 2,456,216</b>          | <b>\$ 2,331,140</b> |
| Recreation                            | \$ 234,169          | \$ 195,526          | \$ 222,297          | \$ 164,682          | \$ 164,682          | \$ 176,830                   | \$ 195,950          |
| Youth Center                          | 34,450              | 31,735              | 51,999              | 36,124              | 36,124              | 3,858                        | -                   |
| Nature Center                         | 143,498             | 163,117             | 149,032             | 159,540             | 159,540             | 10,201                       | 10,527              |
| Parks                                 | 535,239             | 502,123             | 586,147             | 805,738             | 805,738             | 442,892                      | 350,923             |
| Senior Citizen Center                 | 466,894             | 497,824             | 510,233             | 425,687             | 425,687             | 411,541                      | 361,235             |
| <b>Total Parks and Recreation</b>     | <b>\$ 1,414,250</b> | <b>\$ 1,390,325</b> | <b>\$ 1,519,707</b> | <b>\$ 1,591,771</b> | <b>\$ 1,591,771</b> | <b>\$ 1,045,322</b>          | <b>\$ 918,635</b>   |
| Library                               | \$ 563,027          | \$ 1,410,300        | \$ 706,053          | \$ 693,589          | \$ 693,589          | \$ 530,065                   | \$ 399,907          |
| <b>Total Library</b>                  | <b>\$ 563,027</b>   | <b>\$ 1,410,300</b> | <b>\$ 706,053</b>   | <b>\$ 693,589</b>   | <b>\$ 693,589</b>   | <b>\$ 530,065</b>            | <b>\$ 399,907</b>   |
| Outside Agencies                      | \$ 48,703           | \$ 46,719           | \$ 53,604           | \$ 53,604           | \$ 53,604           | \$ 25,463                    | \$ -                |
| Insurance                             | 538,137             | 494,858             | 304,492             | 243,923             | 243,923             | 437,485                      | 439,193             |
| <b>General Expenditures</b>           | <b>\$ 586,840</b>   | <b>\$ 541,577</b>   | <b>\$ 358,096</b>   | <b>\$ 297,527</b>   | <b>\$ 297,527</b>   | <b>\$ 462,948</b>            | <b>\$ 439,193</b>   |
| Transfers Out                         | \$ 2,644,266        | \$ 2,341,162        | \$ 2,816,306        | \$ 2,815,903        | \$ 2,815,903        | \$ 2,459,055                 | \$ 2,460,612        |
| <b>General Fund Expenditures</b>      | <b>\$28,416,867</b> | <b>\$31,770,407</b> | <b>\$32,013,955</b> | <b>\$31,450,987</b> | <b>\$31,450,987</b> | <b>\$29,163,190</b>          | <b>\$28,387,681</b> |

Source: Finance Expenditure Records

**ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY****Last Ten Fiscal Years**

| Tax Year | Real Property    | Personal Property | Total Value      | Tax Rate (mills) | Estimated Actual Value | Taxable Value as a % of Actual |
|----------|------------------|-------------------|------------------|------------------|------------------------|--------------------------------|
| 2001     | \$ 821,075,300   | \$ 180,513,970    | \$ 1,001,589,270 | 16.63            | \$ 2,430,386,460       | 41.2%                          |
| 2002     | \$ 868,982,990   | \$ 179,337,420    | \$ 1,048,320,410 | 16.22            | \$ 2,580,886,700       | 40.6%                          |
| 2003     | \$ 911,478,430   | \$ 168,465,610    | \$ 1,079,944,040 | 15.89            | \$ 2,672,064,560       | 40.4%                          |
| 2004     | \$ 947,271,730   | \$ 166,469,160    | \$ 1,113,740,890 | 17.31            | \$ 2,743,381,200       | 40.6%                          |
| 2005     | \$ 985,767,400   | \$ 146,603,390    | \$ 1,132,370,790 | 17.35            | \$ 2,764,198,820       | 41.0%                          |
| 2006     | \$ 1,024,514,300 | \$ 143,881,280    | \$ 1,168,395,580 | 17.30            | \$ 2,791,412,780       | 41.9%                          |
| 2007     | \$ 1,063,312,930 | \$ 143,905,590    | \$ 1,207,218,520 | 17.90            | \$ 2,417,463,340       | 49.9%                          |
| 2008     | \$ 1,065,017,700 | \$ 144,657,570    | \$ 1,209,675,270 | 18.04            | \$ 2,419,350,540       | 50.0%                          |
| 2009     | \$ 1,048,995,740 | \$ 142,457,590    | \$ 1,191,453,330 | 18.00            | \$ 2,051,609,258       | 58.1%                          |
| 2010     | \$ 909,910,710   | \$ 146,211,130    | \$ 1,056,121,840 | 18.81            | \$ 2,051,609,258       | 51.5%                          |

Sources: City and County Assessing Records

## PROPERTY TAX RATES

### Direct and Overlapping Governments

(Per \$1,000 of Taxable Valuation)

| Fiscal Year Ending June 30,           | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b><u>City of Madison Heights</u></b> |              |              |              |              |              |              |              |              |              |              |              |
| General Operating                     | 8.96         | 8.89         | 8.80         | 8.82         | 8.82         | 8.82         | 8.82         | 8.82         | 8.82         | 8.82         | 8.82         |
| Neighborhood Road Improvements        | 1.93         | 1.95         | 1.93         | 1.93         | 1.93         | 1.93         | 1.93         | 2.00         | 2.00         | 2.00         | 2.00         |
| Vehicle Replacement                   | 0.48         | 0.48         | 0.48         | 0.48         | 0.47         | 0.47         | 0.23         | 0.25         | 0.25         | 0.25         | 0.25         |
| Advanced Life Support                 | 0.25         | 0.24         | 0.24         | 0.24         | 0.24         | 0.24         | 0.24         | 0.24         | 0.24         | 0.24         | 0.25         |
| Solid Waste                           | 2.26         | 2.25         | 2.09         | 2.10         | 2.18         | 2.23         | 2.07         | 2.08         | 2.04         | 2.13         | 2.54         |
| Senior Center                         | 0.48         | 0.48         | 0.47         | 0.47         | 0.47         | 0.47         | 0.47         | 0.47         | 0.47         | 0.47         | 0.48         |
| Police and Fire Pension               | 2.03         | 1.88         | 1.88         | 2.26         | 2.48         | 2.73         | 4.05         | 3.85         | 4.01         | 3.75         | 4.10         |
| Fire Station Bond                     | n.a.         | n.a.         | n.a.         | 0.41         | 0.41         | 0.41         | 0.09         | 0.33         | 0.33         | 0.34         | 0.39         |
| Police Facility                       | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |
| County Drain                          | 0.06         | 0.05         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |
| Building Authority                    | 0.18         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |
| <b>Total Direct City Taxes</b>        | <b>16.63</b> | <b>16.22</b> | <b>15.89</b> | <b>16.71</b> | <b>17.00</b> | <b>17.30</b> | <b>17.90</b> | <b>18.04</b> | <b>18.16</b> | <b>18.00</b> | <b>18.82</b> |
| <b><u>Overlapping Taxes</u></b>       |              |              |              |              |              |              |              |              |              |              |              |
| County                                | 3.61         | 4.98         | 5.28         | 5.24         | 5.24         | 5.25         | 5.24         | 5.24         | 5.09         | 5.24         | 5.24         |
| Community College                     | 1.60         | 1.61         | 1.60         | 1.60         | 1.59         | 1.58         | 1.58         | 1.58         | 1.58         | 1.58         | 1.58         |
| Intermediate School District          | 3.45         | 3.42         | 3.40         | 3.40         | 3.38         | 3.37         | 3.37         | 3.37         | 3.37         | 3.37         | 3.37         |
| School Homestead *                    | 17.20        | 17.21        | 16.98        | 15.80        | 16.60        | 16.00        | 16.23        | 16.71        | 16.56        | 12.04        | 13.76        |
| School Non-Homestead *                | 28.87        | 28.58        | 28.50        | 27.44        | 28.33        | 27.94        | 28.40        | 29.04        | 28.83        | 30.12        | 31.76        |
| Zoological Authority                  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 0.10         | 0.10         | 0.10         |
| <b>Total Homestead</b>                | <b>42.49</b> | <b>43.44</b> | <b>43.15</b> | <b>42.75</b> | <b>43.81</b> | <b>43.50</b> | <b>44.32</b> | <b>44.94</b> | <b>44.76</b> | <b>40.23</b> | <b>42.77</b> |
| <b>Total Non-Homestead</b>            | <b>54.16</b> | <b>54.81</b> | <b>54.67</b> | <b>54.39</b> | <b>55.54</b> | <b>55.44</b> | <b>56.49</b> | <b>57.27</b> | <b>57.03</b> | <b>58.41</b> | <b>60.87</b> |

\* Madison District Public School Rates

Sources: County Assessor's Warrant

**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>     | <b>ACTION</b>                                                                                                                                                                                                                                                                                                  |
|-----------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11-12     | District Court        | Eliminate vacant part time Probation Officer position (-1.0)                                                                                                                                                                                                                                                   |
| 11-12     | Police                | Eliminate vacant Police Lieutenant position (-1.0)                                                                                                                                                                                                                                                             |
| 11-12     | Police                | Eliminate vacant Police Sergeant position (-1.0)                                                                                                                                                                                                                                                               |
| 11-12     | Police                | Eliminate two vacant Police Officer positions (-2.0)                                                                                                                                                                                                                                                           |
| 11-12     | Police                | Eliminate Animal Control/Code Enforcement Officer Position (-1.0)                                                                                                                                                                                                                                              |
| 11-12     | Police                | Eliminate part time Animal Control Assistant (-0.3)                                                                                                                                                                                                                                                            |
| 11-12     | Community Development | Eliminate vacant part time Code Enforcement Officer (-0.8)                                                                                                                                                                                                                                                     |
| 11-12     | DPS - Parks           | Eliminate vacant part time Seasonal Laborer (-0.3)                                                                                                                                                                                                                                                             |
| 11-12     | DPS - Streets         | Eliminate vacant Deputy DPS Director (-1.0)                                                                                                                                                                                                                                                                    |
| 11-12     | Library               | Eliminate one part time Library Assistant Position (-0.44), reduce partime Adult Reference Librarian position (-0.16), reduce part time Circulation Assistant position (-0.11), reduce part time Community Services Librarian position (-0.16), and reduce part time Youth Services Assistant position (-0.13) |
| 11-12     | Library               | Eliminate one Library position (-1.0)                                                                                                                                                                                                                                                                          |
| 11-12     | Library               | Eliminate one Library Technician position (-1.0)                                                                                                                                                                                                                                                               |



**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>          | <b>ACTION</b>                                                                                                                                                                                                                                            |
|-----------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10-11     | Assessing                  | Eliminate City Assessor position (-1.0)                                                                                                                                                                                                                  |
| 10-11     | Assessing                  | Eliminate Property Appraiser position (-1.0)                                                                                                                                                                                                             |
| 10-11     | Assessing                  | Eliminate part-time Personal Property Auditor position (-0.4)                                                                                                                                                                                            |
| 10-11     | Court                      | Eliminate Court Officer position (-1.0)                                                                                                                                                                                                                  |
| 10-11     | Community Development      | Eliminate part-time Clerical position (-0.52)                                                                                                                                                                                                            |
| 10-11     | City Clerk                 | Eliminate vacant Office Assistant II position (-1.0)                                                                                                                                                                                                     |
| 10-11     | Human Resources            | Restructure Personnel & Purchasing Coordinator position. Full-time position split between Human Resources (0.5) and General Administration (0.5) moved to DPS - Streets. Transfer part-time Office Assistant (0.75) from DPS to Human Resources (+0.25). |
| 10-11     | General Administration     | Restructuring the Personnel & Purchasing Coordinator position reduced General Administration by (-0.25) of a position.                                                                                                                                   |
| 10-11     | Finance                    | Eliminate Fiscal Assistant I position (-1.0)                                                                                                                                                                                                             |
| 10-11     | Finance                    | Eliminate vacant Fiscal Assistant II position (-1.0)                                                                                                                                                                                                     |
| 10-11     | Police                     | Eliminate two vacant Police Officer positions (-2.0)                                                                                                                                                                                                     |
| 10-11     | Police                     | Eliminate three vacant Police Sergeant positions (-3.0)                                                                                                                                                                                                  |
| 10-11     | Fire                       | Eliminate three vacant Firefighter positions (-3.0)                                                                                                                                                                                                      |
| 10-11     | Community Development      | Eliminate GIS Supervisor position (-1.0)                                                                                                                                                                                                                 |
| 10-11     | Library                    | Eliminate Librarian position (-1.0)                                                                                                                                                                                                                      |
| 10-11     | Library                    | Reduce ten part-time Librarian Assistant positions (-0.66)                                                                                                                                                                                               |
| 10-11     | DPS – Building Maintenance | Eliminate vacant Equipment Operator II position (-1.0). Full-time split between Streets (0.04) and Building Maintenance (0.96).                                                                                                                          |
| 10-11     | DPS - Streets              | Eliminate vacant seasonal part-time Laborer position (-0.35)                                                                                                                                                                                             |
| 10-11     | DPS - Solid Waste          | Eliminate vacant seasonal part-time Laborer position (-0.35)                                                                                                                                                                                             |
| 10-11     | DPS - Recreation           | Reduce part-time Recreation Coordinator hours (-0.11)                                                                                                                                                                                                    |
| 10-11     | DPS - Recreation           | Eliminate sixteen vacant seasonal part-time recreation positions (-0.425)                                                                                                                                                                                |
| 10-11     | DPS - Nature Center        | Eliminate Nature Center Coordinator position (-1.0)                                                                                                                                                                                                      |
| 10-11     | DPS - Nature Center        | Eliminate part-time Naturalist position (-0.26)                                                                                                                                                                                                          |
| 10-11     | DPS - Parks                | Eliminate Equipment Operator I position (-1.0)                                                                                                                                                                                                           |
| 10-11     | DPS - Parks                | Eliminate three seasonal part-time Laborer positions (-0.75)                                                                                                                                                                                             |
| 10-11     | DPS - Parks                | Reduce three part-time Park Ranger hours (-0.2)                                                                                                                                                                                                          |
| 10-11     | DPS - Senior Center        | Reduce part-time Bus Driver and Chauffer hours (-0.31)                                                                                                                                                                                                   |
| 10-11     | DPS - Senior Center        | Reduce part-time Senior Center Assistant hours (-0.1)                                                                                                                                                                                                    |
| 10-11     | DPS - Major Street Fund    | Reallocation of Administrative Support (-0.15)                                                                                                                                                                                                           |
| 10-11     | DPS - Local Street Fund    | Reallocation of Administrative Support position (-0.1)                                                                                                                                                                                                   |
| 10-11     | DPS - Water                | Eliminate two vacant Water Meter Reader positions (-1.0)                                                                                                                                                                                                 |
| 10-11     | DPS - Sewer                | Eliminate Equipment Operator I position (-1.0)                                                                                                                                                                                                           |
| 10-11     | DPS - Motor Pool           | Eliminate General Mechanic position (-1.0)                                                                                                                                                                                                               |

**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b>                                                      | <b>DEPARTMENT</b>     | <b>ACTION</b>                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BA = mid-year Budget Amendment adopted as of December 14, 2009 |                       |                                                                                                                                                                                                                                                                                          |
| BA<br>09-10                                                    | Police                | Eliminate two vacant Police Officer positions (-2.0)                                                                                                                                                                                                                                     |
| BA<br>09-10                                                    | Police                | Eliminate one vacant Public Service Aide position (-1.0)                                                                                                                                                                                                                                 |
| BA<br>09-10                                                    | Fire                  | Eliminate two vacant Firefighter positions (-2.0)                                                                                                                                                                                                                                        |
| BA<br>09-10                                                    | Library               | Eliminate vacant part-time Library Assistant position (-0.21)                                                                                                                                                                                                                            |
| BA<br>09-10                                                    | DPS - Senior Center   | Eliminate vacant part-time Senior Center Assistant (-0.25)                                                                                                                                                                                                                               |
| BA<br>09-10                                                    | DPS - Water and Sewer | Eliminate one vacant Equipment Operator I position (-1.0)                                                                                                                                                                                                                                |
| 09-10                                                          | Police                | Eliminate vacant Patrol positions (-3.0)                                                                                                                                                                                                                                                 |
| 09-10                                                          | Fire                  | Eliminate vacant Firefighter swing man position (-1.0)                                                                                                                                                                                                                                   |
| 09-10                                                          | DPS - Streets         | Eliminate vacant DPS field employee split between divisions (-0.2)                                                                                                                                                                                                                       |
| 09-10                                                          | DPS - Solid Waste     | Eliminate vacant DPS field employee split between divisions (-0.3)                                                                                                                                                                                                                       |
| 09-10                                                          | Major Streets Fund    | Eliminate vacant DPS field employee split between divisions (-0.2)                                                                                                                                                                                                                       |
| 09-10                                                          | Local Streets Fund    | Eliminate vacant DPS field employee split between divisions (-0.3)                                                                                                                                                                                                                       |
| 09-10                                                          | DPS - Youth Center    | Reduce 6 part-time employees hours by closing the Youth Center during the summer. (-0.4)                                                                                                                                                                                                 |
| 09-10                                                          | DPS - Recreation      | Move full-time position split between Fire, Senior Center and Recreation to Finance, replacing a part-time positions (-0.3)                                                                                                                                                              |
| 09-10                                                          | DPS - Parks           | Eliminate seasonal part-time employee due to reduction in mowing frequency.(-0.3)                                                                                                                                                                                                        |
| 09-10                                                          | DPS - Senior Center   | Eliminate vacant part-time aide positions, reduce hours of six part-time employees by closing the Senior Center between Christmas and New Year's and move full-time positions currently split between Fire, Senior Center, Recreation and Finance, replacing a part-time position (-1.1) |
| 09-10                                                          | Finance               | Move full-time positions currently split between Fire, Senior Center and Recreation to Finance, replacing a part-time position. (0.5)                                                                                                                                                    |
| 09-10                                                          | Library               | Reduction of hours for ten part-time positions due to reducing the Library hours of operation from 61.5 to 56 hours per week. (-0.5)                                                                                                                                                     |
| 09-10                                                          | Community Development | Eliminate the part-time GIS part-time position (-0.5)                                                                                                                                                                                                                                    |
| 09-10                                                          | Water and Sewer       | Eliminate two seasonal laborers; one in the Water Division and one in the Sewer Division (-0.7)                                                                                                                                                                                          |

**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>     | <b>ACTION</b>                                                                                                                                               |
|-----------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 07-08     | Finance               | Reallocation one vacant Fiscal I position to Fire (-0.5)                                                                                                    |
| 07-08     | Fire                  | Eliminate part-time office position (-0.3) reallocation of Fiscal I/Office Assistant (0.5)                                                                  |
| 07-08     | DPS - Streets         | Eliminate vacant DPS Supervisor split between divisions. (-0.5)                                                                                             |
| 07-08     | DPS - Solid Waste     | Eliminate vacant DPS Supervisor split between divisions. (-0.1)                                                                                             |
| 07-08     | DPS - Parks           | Eliminate vacant DPS Supervisor split between divisions. (-0.5)                                                                                             |
| 07-08     | DPS-Youth Center      | Reduction of hours for part-time Youth Leaders (-0.2)                                                                                                       |
| 07-08     | Assessing             | Reduction of full-time Deputy Assessor position. (-1.0)                                                                                                     |
| 07-08     | Assessing             | Addition of part-time Property Appraiser. (0.4)                                                                                                             |
| 07-08     | Housing               | Eliminate part-time Housing Assistant (-0.4)                                                                                                                |
| 06-07     | Finance               | Eliminate vacant Fiscal I position (-1.0)                                                                                                                   |
| 06-07     | Police                | Eliminate vacant Crime Prevention Officer (-1.0)                                                                                                            |
| 06-07     | Fire                  | Eliminate vacant Fire Inspector positions (-1.0) and Vacant Officer Assistant I position (-1.0) add a part time Office Positions (0.5).                     |
| 06-07     | Community Development | Eliminate vacant Information System position (-1.0), reduce GIS part-time position (-0.27), reallocate Code Enforcement from CDBG (0.80) and Housing (0.25) |
| 06-07     | DPS – Streets         | Reduce two vacant Street Laborer positions (-2.0)                                                                                                           |
| 06-07     | DPS – Sewer           | Reduce vacant Laborer position (-1.0)                                                                                                                       |
| 06-07     | Library               | Eliminate vacant part-time Library Assistant (-0.4); and reduce hours for Youth Service Assistant (-0.05)                                                   |
| 06-07     | DPS – Parks           | Reduce vacant Park Laborer hours (-0.33)                                                                                                                    |
| 06-07     | DPS – Water           | Eliminate vacant Water Clerical position (-0.8)                                                                                                             |
| 06-07     | Housing               | Reallocate Code Enforcement Officers house to CDD (-0.25), reduce Housing Assistant hours (-0.1)                                                            |
| 06-07     | CDBG                  | Reallocate Code Enforcement Officer hours to CDD (-0.8)                                                                                                     |

**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>             | <b>ACTION</b>                                                                                                                                                                         |
|-----------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 05-06     | District Court                | Eliminate vacant part-time Probation Clerk (-0.8)                                                                                                                                     |
| 05-06     | City Clerk                    | Elections - due to consolidated elections and precincts reduce number of Chairpersons from 16 to 12 (-0.4) and Workers from 68 to 55 (-1.5), and reallocate maintenance hours (+0.04) |
| 05-06     | Police                        | Eliminate vacant full-time Animal Control Officer (-1.0) Office Assistant II (-1.0); add part-time animal control support (+0.3)                                                      |
| 05-06     | Fire                          | Eliminate vacant Fire Fighter position (-1.0) and eliminate vacant Fire Fighter position following Lieutenant retirement and promotional process (-0.2)                               |
| 05-06     | Community Development         | Reduce hours of part-time Community Development Assistant (-0.3)                                                                                                                      |
| 05-06     | DPS – Custodial & Maintenance | Reallocate maintenance hours to Elections (-0.04) and supervisor hours to Solid Waste for Tree Replacement Program coordination (-0.06)                                               |
| 05-06     | DPS – Solid Waste             | Add supervisor hours for Tree Replacement Program coordination (+0.06)                                                                                                                |
| 05-06     | DPS – Recreation              | Reduce and reclassify seasonal recreation positions (-1.2)                                                                                                                            |
| 05-06     | DPS – Youth Center            | Reduce hours of part-time Youth Leader (-0.22)                                                                                                                                        |
| 05-06     | DPS – Nature Center           | Reduce hours of part-time Naturalist (-0.04) and reallocate Recreation Supervisor hours (-0.05)                                                                                       |
| 05-06     | DPS – Parks                   | Eliminate vacant Parks Maintenance Laborer (-1.0) and add part-time laborer (+0.6)                                                                                                    |
| 05-06     | DPS – Senior Citizens         | Eliminate vacant Officer Assistant II (-1.0); add part-time assistant (+0.8); reallocate part-time receptionist hours (+0.5) and Recreation Supervisor hours (+0.05)                  |
| 05-06     | Community Improvement Fund    | Reallocate Code enforcement Officer hours between Housing (-0.2) and Community Improvement (+0.2)                                                                                     |
| 05-06     | Motor Pool Fund               | Eliminate vacant full-time Tool Crib Operator position (-0.6)                                                                                                                         |

**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>          | <b>ACTION</b>                                                                                                                                                                                                                      |
|-----------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 04-05     | District Court             | Add hours for part-time Deputy Court Clerk (+0.2)                                                                                                                                                                                  |
| 04-05     | Assessor                   | Eliminate vacant part-time Office Assistant (-0.4)                                                                                                                                                                                 |
| 04-05     | City Clerk                 | Eliminate vacant Deputy Clerk position (-1.0); add hours to part-time election workers for a third election (+0.9)                                                                                                                 |
| 04-05     | Human Resources            | Reflect 50% funding of combined Purchasing & Personnel Coordinator position (-0.5)                                                                                                                                                 |
| 04-05     | General Administration     | Eliminate vacant Purchasing Officer position (-1.0); reflect 50% funding of combined Purchasing & Personnel Coordinator position (+0.5)                                                                                            |
| 04-05     | Finance                    | Eliminate vacant Accounting Supervisor position (-1.0); add Accountant position (+1.0); eliminate vacant Fiscal Assistant I position (-1.0)                                                                                        |
| 04-05     | Information Technology     | Eliminate vacant part-time Information Systems Support position (-0.7)                                                                                                                                                             |
| 04-05     | Police                     | Eliminate vacant positions: Police Officer (-1.0); Police Service Assistant (-1.0); and Office Assistant II (-1.0); reflect Police Department transfer of Police Officer position from Auto Theft Prevention Fund to patrol (+1.0) |
| 04-05     | Fire                       | Eliminate vacant Fire Fighter position (-1.0)                                                                                                                                                                                      |
| 04-05     | Community Development      | Eliminate vacant Office Assistant II position (-1.0); add hours to part-time CDD Aide position (+0.2)                                                                                                                              |
| 04-05     | Library                    | Eliminate hours for part-time Branch Library Circulation Chief (-0.4) and Branch Library Assistant (-0.4)                                                                                                                          |
| 04-05     | DPS – Streets              | Eliminate vacant Equipment Operator III (-1.0) and Laborer (-1.0) positions; reallocate labor from other divisions (+0.3)                                                                                                          |
| 04-05     | DPS – Solid Waste          | Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)                                                                                                                                        |
| 04-05     | DPS – Recreation           | Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)                                                                                                                                       |
| 04-05     | DPS – Youth Center         | Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)                                                                                        |
| 04-05     | DPS – Nature Center        | Reduce hours of part-time Naturalist (-0.4)                                                                                                                                                                                        |
| 04-05     | DPS – Parks                | Eliminate two vacant part-time Park Laborer positions (-0.5)                                                                                                                                                                       |
| 04-05     | DPS – Senior Citizen       | Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)                                                                                                                                     |
| 04-05     | Major Streets Fund         | Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.1)                                                                                                                                        |
| 04-05     | Local Streets Fund         | Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.6)                                                                                                                                        |
| 04-05     | Community Improvement Fund | Reallocate full-time Code Enforcement Officer FTE between Housing (-0.3) & Community Improvement (0.3)                                                                                                                             |
| 04-05     | Auto Theft Prevention Fund | Transfer of Police Officer position back into road patrol (-1.0)                                                                                                                                                                   |
| 04-05     | Motor Pool Fund (DPS)      | Eliminate vacant Tool Crib Operator position after retirement of incumbent                                                                                                                                                         |

**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>             | <b>ACTION</b>                                                                                                                                                                                                                                                    |
|-----------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 03-04     | District Court                | Add additional part-time Deputy Court Clerk position (+0.6); increase hours for part-time Probation Officer (+0.7)                                                                                                                                               |
| 03-04     | DPS – Youth Center            | Split part-time supervisor position for summer and school year programs into two part-time positions (0.0)                                                                                                                                                       |
| 03-04     | Community Imp.                | Downgrade Code Enforcement Supervisor to Code Enf. Officer (0.0)                                                                                                                                                                                                 |
| 03-04     | CIP - Housing                 | Reduce hours of part-time CIP Assistant (-0.3)                                                                                                                                                                                                                   |
| 02-03     | City Clerk                    | Increase part-time hours for election workers due to one additional election (+0.8 FTE).                                                                                                                                                                         |
| 02-03     | Community Development         | Add full-time Economic Development Coordinator position (+1.0 FTE).                                                                                                                                                                                              |
| 02-03     | DPS – Parks Division          | Add two part-time Park Ranger positions (+ 0.5 FTE).                                                                                                                                                                                                             |
| 01-02     | DPS – Custodial & Maintenance | Eliminate three vacant positions (-3.0 FTE), with one of the positions added to the Parks Division.                                                                                                                                                              |
| 01-02     | Community Development         | Increase hours (+0.3 FTE) for the part-time Geographic Information System (GIS) office assistant position.                                                                                                                                                       |
| 01-02     | DPS – Nature Center           | Upgrade part-time Naturalist position to full-time status (+0.4 FTE).                                                                                                                                                                                            |
| 01-02     | DPS – Parks                   | Add one position transferred from DPS - Custodial & Maintenance                                                                                                                                                                                                  |
| 01-02     |                               | Division (+1.0 FTE).                                                                                                                                                                                                                                             |
| 01-02     | Library                       | Increase part-time hours (+1.7 FTE).                                                                                                                                                                                                                             |
| 00-01     | District Court                | Elimination of Court Recorder position following retirement (-1.0 FTE).                                                                                                                                                                                          |
| 00-01     | Police                        | Due to elimination of Federal Crime Suppression Grant, transfer one officer position from Crime Suppression Fund (1.0 FTE) to the Police Department's General Fund Activity (+1.0 FTE).                                                                          |
| 00-01     | Community Development         | Addition of one Information Systems Specialist Position-GIS in the Community Development Department (+1.0 FTE).                                                                                                                                                  |
| 00-01     | DPS – Youth Center            | Addition of four part-time positions to staff new Youth Drop-In Center (+2.1 FTE).                                                                                                                                                                               |
| 99-00     | District Court                | Consolidation of Court Administrator and Legal Secretary positions (-1.0 FTE); elimination of vacant part-time Security Officer position (-0.7 FTE); reduce hours of part-time Magistrate (-0.3 FTE); increase hours for part-time Probation Officer (+0.3 FTE). |
| 99-00     | General Administration        | Elimination of vacant Reproduction and Stores Assistant position (-1.0 FTE).                                                                                                                                                                                     |
| 99-00     | Finance                       | Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE).                                                                                                         |
| 99-00     | Data Processing (Gen. Fund)   | Transfer of Activity (2 full-time; 1 part-time) from Water and Sewer Fund (+2.8 FTE).                                                                                                                                                                            |
| 99-00     | Community Development         | Addition of full-time GIS Supervisor position and a part-time GIS Assistant (+1.3 FTE).                                                                                                                                                                          |

**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>                    | <b>ACTION</b>                                                                                                                                                           |
|-----------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 99-00     | Library                              | Additional part-time hours to increase coverage of the three existing part-time librarians by an additional 7 ½ hours per week (+0.6 FTE).                              |
| 99-00     | DPS- Custodial & Maintenance         | Elimination of vacant Custodian position (-1.0 FTE).                                                                                                                    |
| 99-00     | Data Processing (Water & Sewer)      | Transfer of Activity (2 full-time; 1 part-time) to General Fund (-2.8 FTE).                                                                                             |
| 99-00     | Water & Sewer Administration         | Transfer of four administrative positions to General Fund (-4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE) (-4.8 FTE).               |
| 98-99     | Nature Center                        | Increase from one to two part-time Naturalists (+0.8 FTE).                                                                                                              |
| 98-99     | DPS – Motor Pool                     | Elimination of vacant Mechanics Helper position through attrition (-1.0 FTE).                                                                                           |
| 97-98     | District Court                       | Through collective bargaining the contractual Court Officer becomes full time (+1.0 FTE).                                                                               |
| 97-98     | DPS- Custodial & Maintenance         | Elimination of vacant Laborer position through attrition due to outsourcing refuse collection (-1.0 FTE).                                                               |
| 96-97     | District Court                       | Move part-time position from Law Clerk to Probation Clerk; increase hours (+0.2 FTE).                                                                                   |
| 96-97     | Assessing                            | Addition of one part-time co-op student to assist with computer scanning and sketching project (+0.5 FTE).                                                              |
| 96-97     | Clerk                                | Eliminate vacant part-time clerical position (-0.8 FTE).                                                                                                                |
| 96-97     | Police                               | Eliminate vacant Detective Sergeant position (-1.0 FTE).                                                                                                                |
| 96-97     | DPS-Custodial & Maintenance          | Reduction of full-time Supervisor position (-1.0 FTE) and transfer of four employees into full time laborer positions from Solid Waste Division outsourcing (+4.0 FTE). |
| 96-97     | Solid Waste                          | Outsource collection of household refuse and recycling; elimination of 12 F/T and 2 P/T laborer positions (-12.8 FTE).                                                  |
| 96-97     | DPS – Senior Citizen                 | Elimination of part-time building attendant position; adjustment of other part-time hours (no FTE change).                                                              |
| 96-97     | DPS – Parks                          | Elimination of two part-time seasonal laborer positions to reflect outsourcing of grass cutting (-0.8 FTE).                                                             |
| 96-97     | Police – Crime Suppression Fund      | Add multi-jurisdictional unit officer with funding from “COPS” grant (+1.0 FTE).                                                                                        |
| 96-97     | Community Improvement Fund           | Elimination of two part-time Home Chore Worker positions due to outsourcing of raking, lawn cutting, and snow shoveling services (-0.2 FTE).                            |
| 96-97     | Water & Sewer Fund – Data Processing | Replace vacant keypunch operator position (-1.0 FTE) with part-time PC Technical Support position (+0.8 FTE).                                                           |



**FY 2011-12 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

| <b>FY</b> | <b>DEPARTMENT</b>               | <b>ACTION</b>                                                                                                                                                                                      |
|-----------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 95-96     | Library                         | Reduce part-time Circulation Chief, Technical Services Clerk, and Branch Library Aide (-0.2 FTE).                                                                                                  |
| 95-96     | Fire                            | Eliminate three vacant full-time Fire Fighter positions as part of consolidated dispatch project (-3.0 FTE).                                                                                       |
| 95-96     | DPS – Custodial & Maintenance   | Eliminate three full-time custodians as part of cost-savings move to contract out custodial services (-3.0 FTE).                                                                                   |
| 95-96     | DPS – Recreation                | Reduce part-time hours as Oakland County will conduct summer swim lessons; add part-time Naturalist position (+0.5 FTE).                                                                           |
| 95-96     | Community Dev. Block Grant Fund | Elimination of six vacant part-time home chore workers due to contracting out of raking, lawn cutting, and snow shoveling services (-0.8 FTE).                                                     |
| 94-95     | Assessing                       | Elimination of a vacant full-time Residential Appraiser position (+1.0                                                                                                                             |
| 94-95     | Community Development           | Elimination of a vacant full-time Construction Inspector position.                                                                                                                                 |
| 94-95     | DPS – Parks                     | Eliminate a vacant Parks Maintenance position created by an employee who did not return from an extended Worker's Compensation leave.                                                              |
| 94-95     | Finance                         | Lay off the Deputy Treasurer and eliminate the position (+1.0 FTE).                                                                                                                                |
| 94-95     | General Administration          | Elimination of a vacant full-time Switchboard Operator / Receptionist position (-1.0 FTE).                                                                                                         |
| 94-95     | Fire                            | Eliminate a vacant full-time "Swing Man" Fire Fighter position (-1.0 FTE).                                                                                                                         |
| 94-95     | Library                         | Lay off one part-time position and reduce the hours for five more part-time positions.                                                                                                             |
| 94-95     | Police                          | Eliminate a vacant full-time Special Investigations Unit Police Officer position (-1.0 FTE) and have the Chief transfer a position back into the Patrol Division from another section of the Dept. |
| 93-94     | General Administration          | Change Purchasing Agent position from part-time to full-time (no FTE data available).                                                                                                              |
| 93-94     | Community Development           | Elimination of two part-time clerk typist positions and addition of one full-time clerk typist position (no FTE data available).                                                                   |



## CITY OF MADISON HEIGHTS

## FY 2011-12 BUDGET

## FULL TIME POSITIONS

## ALL FUNDS

|  | FY      | FY      | FY      | FY      | FY      | FY      | FY      | FY      | FY      | FY      | FY      |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |

**GENERAL FUND**

|                        |    |    |    |    |    |    |    |    |    |    |    |
|------------------------|----|----|----|----|----|----|----|----|----|----|----|
| Court                  | 13 | 13 | 13 | 11 | 11 | 12 | 12 | 11 | 10 | 10 | 9  |
| Manager                | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  |
| Assessor               | 5  | 5  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  |
| Clerk                  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  |
| Human Resources        | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  |
| General Administration | 3  | 4  | 3  | 3  | 3  | 3  | 3  | 2  | 2  | 2  | 2  |
| Finance                | 8  | 8  | 7  | 7  | 7  | 7  | 7  | 11 | 11 | 11 | 11 |
| Information Technology | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 2  | 2  | 2  | 2  |
| Police                 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 77 | 77 | 77 |
| Fire                   | 44 | 44 | 43 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Community Development  | 9  | 9  | 8  | 8  | 8  | 8  | 8  | 9  | 10 | 10 | 11 |
| Library                | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  | 4  |

## Department of Public Services

|                         |    |    |    |    |    |    |    |    |    |    |    |
|-------------------------|----|----|----|----|----|----|----|----|----|----|----|
| Custodial & Maintenance | 6  | 6  | 6  | 3  | 6  | 5  | 5  | 4  | 4  | 1  | 1  |
| Streets                 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Solid Waste             | 12 | 12 | 12 | 12 | 0  | 0  | 0  | 0  | 0  | 0  | 0  |
| Recreation              | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  |
| Youth Center            | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  |
| Nature Center           | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 1  | 1  |
| Parks                   | 6  | 6  | 5  | 5  | 5  | 5  | 5  | 5  | 5  | 6  | 6  |
| Senior Citizen          | 3  | 3  | 3  | 3  | 3  | 3  | 3  | 3  | 3  | 3  | 3  |

|           |    |    |    |    |    |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|----|----|----|----|----|
| Sub total | 47 | 47 | 46 | 43 | 34 | 33 | 33 | 32 | 32 | 31 | 31 |
|-----------|----|----|----|----|----|----|----|----|----|----|----|

|       |     |     |     |     |     |     |     |     |     |     |     |
|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total | 217 | 218 | 212 | 204 | 195 | 195 | 195 | 199 | 200 | 199 | 199 |
|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

|                          |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Major Street Fund</b> | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|

|                                   |   |   |   |   |   |   |   |   |   |   |   |
|-----------------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Community Improvement Fund</b> | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
|-----------------------------------|---|---|---|---|---|---|---|---|---|---|---|

|                                |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Fire Manning Grant Fund</b> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|

|                            |   |   |   |   |   |   |   |   |   |   |   |
|----------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Juvenile Grant Fund</b> | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------------------|---|---|---|---|---|---|---|---|---|---|---|

|                                         |   |   |   |   |   |   |   |   |   |   |   |
|-----------------------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Auto Theft Prevention Grant Fund</b> | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
|-----------------------------------------|---|---|---|---|---|---|---|---|---|---|---|

|                                     |   |   |   |   |   |   |   |   |   |   |   |
|-------------------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Crime Suppression Grant Fund</b> | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
|-------------------------------------|---|---|---|---|---|---|---|---|---|---|---|

**Water & Sewer Fund**

|                              |   |   |   |   |   |   |   |   |   |   |   |
|------------------------------|---|---|---|---|---|---|---|---|---|---|---|
| Water Division               | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sewer Division               | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Information Technology       | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 0 | 0 | 0 | 0 |
| Water & Sewer Administration | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 1 | 1 | 1 | 1 |

|       |    |    |    |    |    |    |    |    |    |    |    |
|-------|----|----|----|----|----|----|----|----|----|----|----|
| Total | 20 | 20 | 20 | 20 | 19 | 19 | 19 | 13 | 13 | 13 | 13 |
|-------|----|----|----|----|----|----|----|----|----|----|----|

|                        |   |   |   |   |   |   |   |   |   |   |   |
|------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Motor Pool Fund</b> | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 5 |
|------------------------|---|---|---|---|---|---|---|---|---|---|---|

|                 |     |     |     |     |     |     |     |     |     |     |     |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total All Funds | 249 | 251 | 244 | 236 | 227 | 227 | 226 | 224 | 224 | 223 | 223 |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

| FY      | FY      | FY      | FY      | FY      | FY      | FY      | FY      | FY      |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |

# **GENERAL FUND**

|    |    |    |    |    |    |    |    |    |                        |
|----|----|----|----|----|----|----|----|----|------------------------|
| 9  | 9  | 9  | 9  | 9  | 9  | 9  | 8  | 8  | Court                  |
| 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | Manager                |
| 4  | 4  | 4  | 4  | 3  | 3  | 3  | 0  | 0  | Assessor               |
| 4  | 3  | 3  | 3  | 3  | 3  | 3  | 2  | 2  | Clerk                  |
| 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 1  | Human Resources        |
| 2  | 1  | 1  | 1  | 1  | 1  | 1  | 1  | 1  | General Administration |
| 11 | 10 | 10 | 9  | 9  | 9  | 9  | 8  | 8  | Finance                |
| 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | Information Technology |
| 77 | 75 | 73 | 73 | 73 | 73 | 67 | 62 | 57 | Police                 |
| 40 | 39 | 38 | 36 | 36 | 36 | 33 | 30 | 30 | Fire                   |
| 11 | 10 | 10 | 9  | 9  | 9  | 9  | 8  | 8  | Community Development  |
| 4  | 4  | 4  | 4  | 4  | 4  | 4  | 3  | 1  | Library                |

## Department of Public Services

|    |    |    |    |    |    |    |    |    |                         |
|----|----|----|----|----|----|----|----|----|-------------------------|
| 1  | 1  | 1  | 1  | 1  | 1  | 1  | 0  | 0  | Custodial & Maintenance |
| 18 | 16 | 15 | 13 | 13 | 13 | 12 | 11 | 10 | Streets                 |
| 0  | 0  | 1  | 1  | 1  | 1  | 1  | 1  | 2  | Solid Waste             |
| 2  | 1  | 1  | 1  | 1  | 0  | 0  | 0  | 0  | Recreation              |
| 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | Youth Center            |
| 1  | 1  | 1  | 1  | 1  | 1  | 1  | 0  | 0  | Nature Center           |
| 6  | 6  | 5  | 5  | 4  | 4  | 4  | 2  | 2  | Parks                   |
| 3  | 3  | 2  | 2  | 2  | 2  | 2  | 2  | 2  | Senior Citizen          |

|    |    |    |    |    |    |    |    |    |
|----|----|----|----|----|----|----|----|----|
| 31 | 28 | 26 | 24 | 23 | 22 | 21 | 16 | 16 |
|----|----|----|----|----|----|----|----|----|

Sub total

|     |     |     |     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 199 | 189 | 184 | 178 | 176 | 175 | 165 | 144 | 136 |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|

Total

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
|---|---|---|---|---|---|---|---|---|

## **Major Street Fund**

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 |
|---|---|---|---|---|---|---|---|---|

## **Community Improvement Fund**

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
|---|---|---|---|---|---|---|---|---|

## **Fire Manning Grant Fund**

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

## **Juvenile Grant Fund**

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

## **Auto Theft Prevention Grant Fund**

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

## **Crime Suppression Grant Fund**

## **Water & Sewer Fund**

|   |   |   |   |   |   |   |   |   |                              |
|---|---|---|---|---|---|---|---|---|------------------------------|
| 6 | 6 | 6 | 6 | 6 | 6 | 6 | 4 | 4 | Water Division               |
| 6 | 6 | 6 | 5 | 5 | 5 | 4 | 4 | 4 | Sewer Division               |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Information Technology       |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | Water & Sewer Administration |

|    |    |    |    |    |    |    |   |   |
|----|----|----|----|----|----|----|---|---|
| 13 | 13 | 13 | 12 | 12 | 12 | 11 | 9 | 9 |
|----|----|----|----|----|----|----|---|---|

Total

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| 5 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 |
|---|---|---|---|---|---|---|---|---|

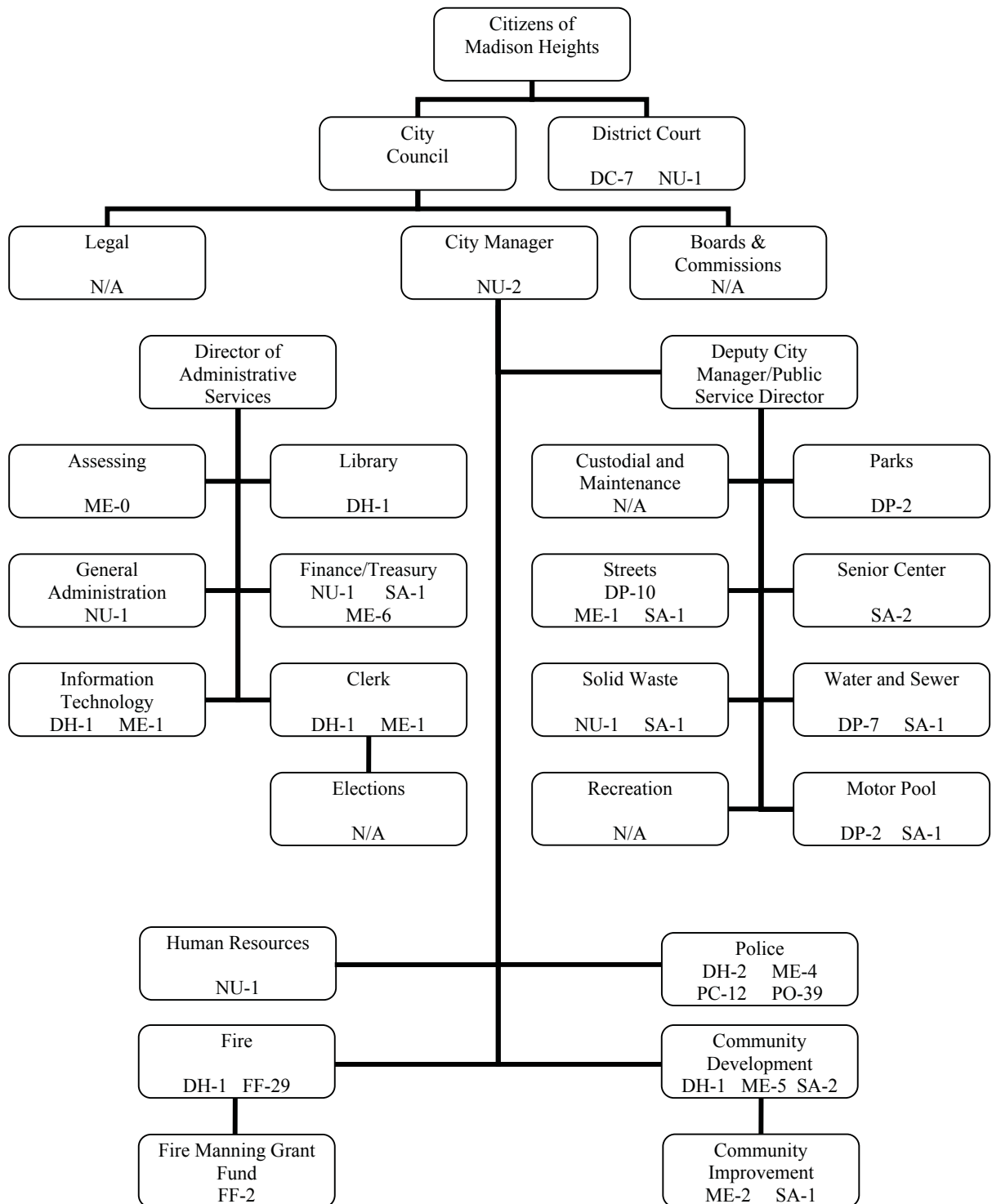
## **Motor Pool Fund**

|     |     |     |     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 223 | 211 | 206 | 198 | 196 | 195 | 184 | 162 | 154 |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|

Total All Funds

# City Of Madison Heights

## Organizational Chart



| Key                         | Count     |
|-----------------------------|-----------|
| N/A = Not Applicable        | --        |
| NU=Non-Union or Other       | 7         |
| DC= District Court, UAW 889 | 7         |
| DH=Department Heads, AFSCME | 7         |
| DP=DPS, TPOAM               | 21        |
| FF=Fire Fighters            | 31        |
| ME=Municipal, TPOAM         | 20        |
| PC=Police Command, POLC     | 12        |
| PO=Police Officers, POLC    | 39        |
| SA=Supvrs. & Assts., AFSCME | <u>10</u> |
|                             | 154       |

## **COMMUNITY PROFILE**

### **Regional Setting**

The City of Madison Heights is located near the southeast corner of Oakland County, adjacent to the western boundary of Macomb County and approximately two miles north of the City of Detroit. Freeway access to the southeast Michigan region is provided by Interstate 75 (I-75) and Interstate 696 (I-696). In addition, regional access is available using the bus system of the Suburban Mobility Authority for Regional Rapid Transit (SMART) system.

Incorporated in 1955, Madison Heights has grown and prospered significantly over the past 55 years. According to the 2008 Land Use Survey, only 2 percent of the City's total acreage is vacant land.

Oakland County is no longer experiencing the tremendous growth that began in the late 1980's and continued through the mid-2000's. However, the proximity to the I-696 and I-75 Freeways continues to provide easy access to employment centers and residential communities throughout Oakland County and has made Madison Heights a strategic location for both employers and employees.

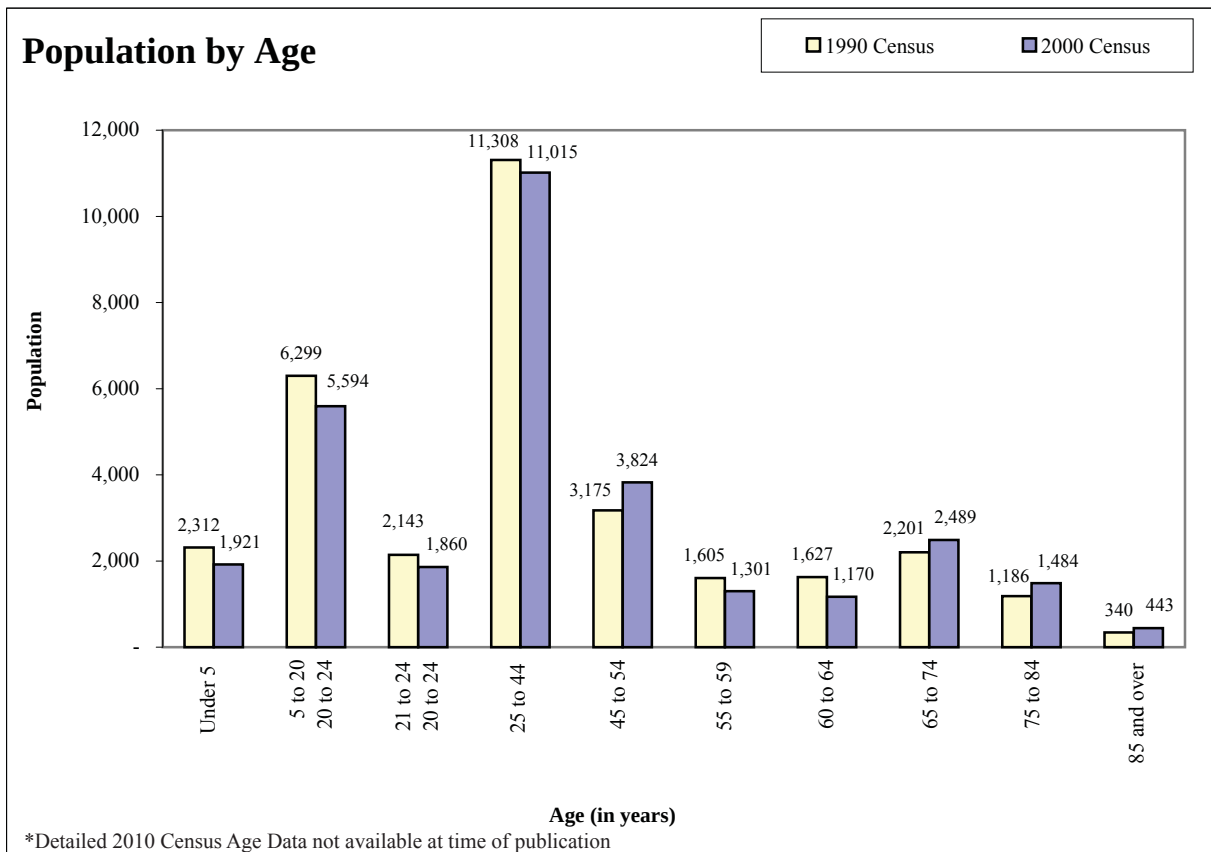
### **Population**

The population of a community, its composition and characteristics, is a basic ingredient in planning for the future. Historical and current population trends can be used in various ways to illustrate problem areas of development and provide indication of probable future needs. Proper planning of future community facilities must take the existing allocations of population and particularly future projections into consideration.

This section will examine three primary aspects of the City's population: past historical trends, current composition, and future projects based on current trends, correlated with the effects of certain future variables.

### **Historical Trends**

The following bar graph shows population change in Madison Heights from 1960 to 2010. Total population peaked in 1970. The City's 2010 population is actually less than its population in 1960, due to decreases in household family size and the addition of smaller units of residential housing including apartments and condominiums. This is clear when one looks at the historical decline in the number of persons per household. On the other hand, the number of housing units has actually grown to 13,685 (2010) during a time of slight decline in total population. The end result is more housing units supporting a smaller population.



The Major Age Group Comparison shown above indicates some subtle changes occurring to the City's population. The City's residents continue to get older as a group, reflecting national demographic characteristics and increased life expectancy. The Retirement Age group of 65 and over continues to grow as a percent of total population while School-Age and Pre-School Age children continues to decline. This is an indication that Madison Heights remains an attractive community for very young families as well as retirees, but continues to reflect the natural trend of increased life expectancy and smaller family sizes.

Detailed 2010 Census age data is not available yet. However, general age group data has been released stating that the percentage of the City's population under 18 has decreased from 22.1% in 2000 to 20.4% in 2010. This represents a decline of approximately 800 pre-school and school age children in the City.

### Current Composition

Also important to City planning are characteristics of the population, such as race, ethnic origin, and distribution, as well as age characteristics. The following Tables summarize these characteristics of the City's population.

## Population and Housing Unit Change

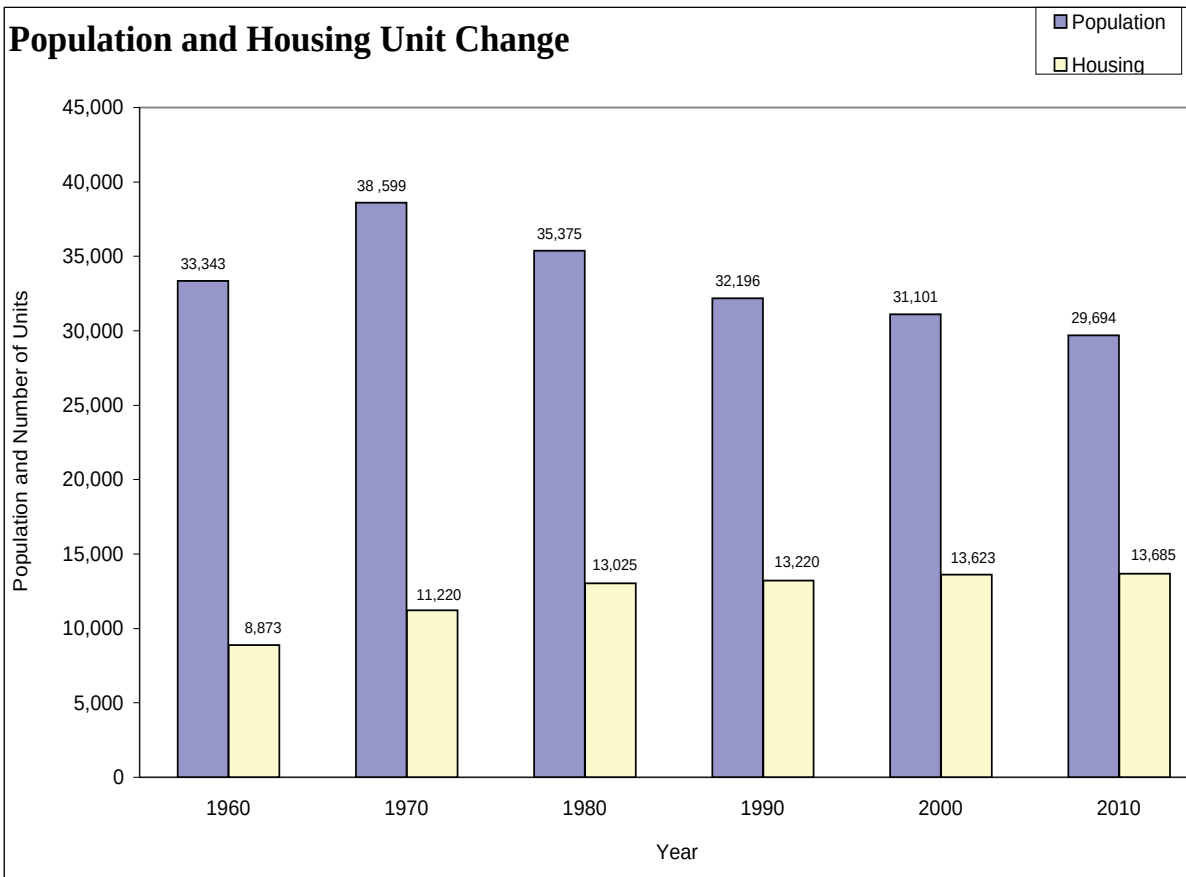


Table 1  
Selected Population Characteristics: 2000-2010  
City of Madison Heights

|                                 | <u>2000</u> | <u>2010</u> | <u>%<br/>change</u> | <u>% of<br/>Population<br/>2010</u> |
|---------------------------------|-------------|-------------|---------------------|-------------------------------------|
| Total Population                | 31,101      | 29,694      | (4.5)               | 100.0                               |
| Male                            | 15,216      | *           | *                   | *                                   |
| Female                          | 15,885      | *           | *                   | *                                   |
| White                           | 27,866      | 24,909      | (10.6)              | 83.8                                |
| Black                           | 567         | 1,897       | 234.6               | 6.5                                 |
| American Indian, Eskimo & Aleut | 138         | 136         | (1.4)               | 0.5                                 |
| Asian or Pacific Islander       | 1,563       | 1,744       | 11.6                | 5.8                                 |
| Two or more Races               | 833         | 803         | (3.6)               | 2.7                                 |
| Other Race                      | 142         | 205         | 44.4                | 0.7                                 |
| Persons of Hispanic Origin      | 502         | 756         | 50.6                | 2.5                                 |

Source: U.S. Census of Population & Housing, 2000, 2010

\* Data not released at publication

While not all the 2010 Census data has been released, the preliminary data show Madison Heights' population is diversifying, with marked increases in Blacks, Asians and Hispanics.

### Future Projections

Only 2.0 percent of the land in Madison Heights is vacant, and approximately one-fourth of this vacant land is zoned for residential development. After declining consistently for decades, the average household size remained steady from 2000-2010 at 2.33 persons per household, while the population declined 4.5% over the same period.

Preparing population projections for a community such as Madison Heights is much different than the process one would follow in a rapidly growing community with ample vacant land. Traditional methods such as constant proportion method (linked to the county population), growth rate method (based on past percentage changes), and increasing proportion method (based on an increasing share of County growth) are not appropriate. More appropriately, new housing and family size are the two most important variables that need to be examined.

The national and local trends over the past 30 years indicate shrinking family sizes along with increases in the number of households. This trend is due, at least in part, to lower fertility rates and higher divorce rates. While the Census of Population shows these trends are present in the City, historically, the unprecedented economic crisis over the last three years has had a marked impact on housing and population. The foreclosure crisis and net out migration have resulted in a negative impact on population and total households, as outlined in Table 2 below:

Table 2  
Population & Household Estimate, 1990-2035  
City of Madison Heights

|                                           | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2035</u> |
|-------------------------------------------|-------------|-------------|-------------|-------------|
| Total Population                          | 32,196      | 31,101      | 29,694      | 29,468      |
| Total Households (occupied housing units) | 12,850      | 13,299      | 12,712      | 14,025      |
| Average Household Size                    | 2.51        | 2.33        | 2.33        | 2.08        |

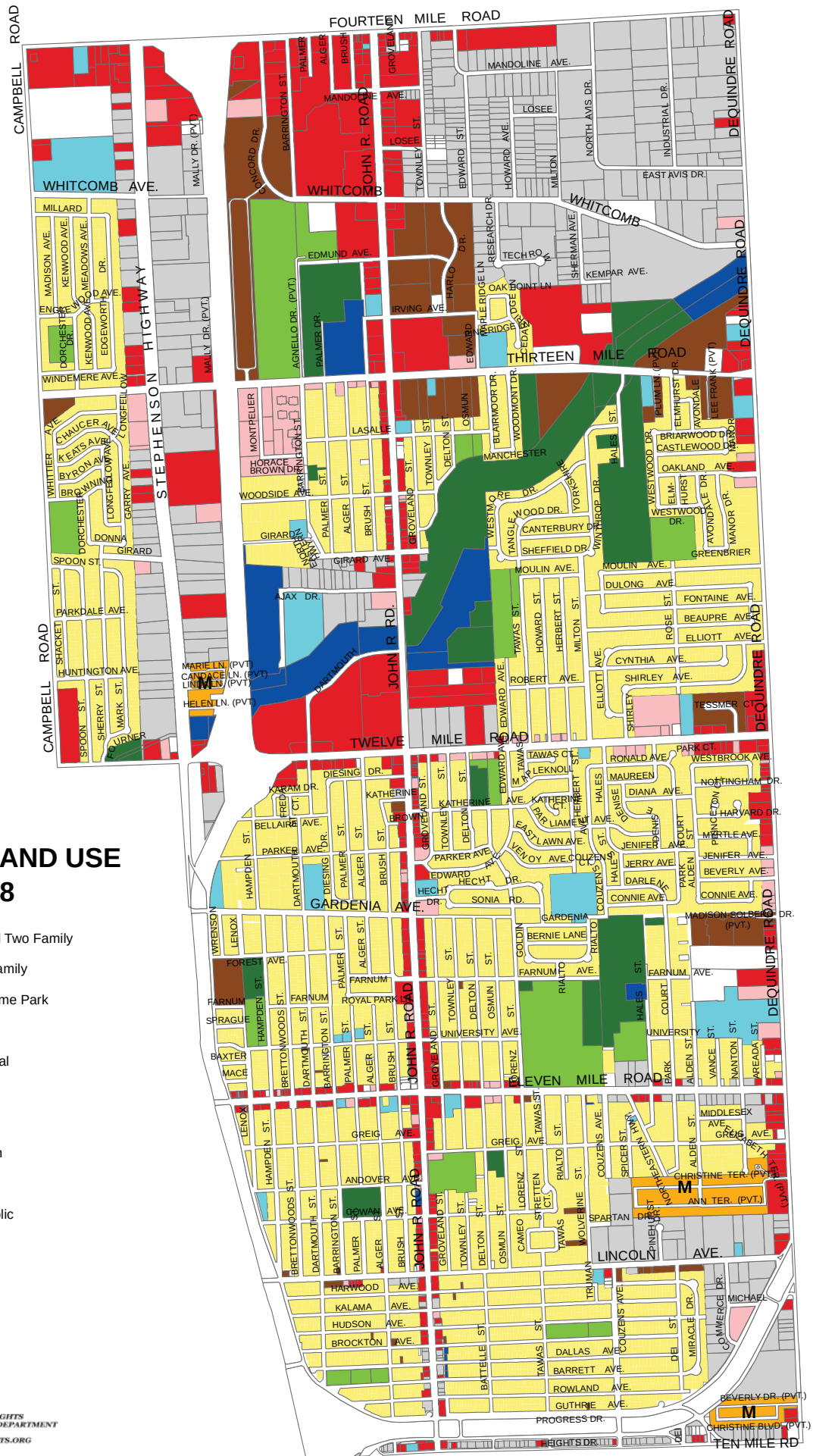
(1) 1990, 2000, 2010 Census data based on Persons Living in Households and Occupied Housing Units, and SEMCOG 2035 projections.

## EXISTING LAND USE 2008

- Single and Two Family
- Multiple Family
- M Mobile Home Park
- Office
- Commercial
- Industrial
- School
- Recreation
- Public
- Quasi-Public
- Vacant



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## Existing Land Use

The pattern of development established in a community is influenced by a number of factors including the community's regional setting, citizen demands and needs, political conditions, changes in technology and environmental characteristics and systems. As outlined in the Regional Setting, the growth and development of the City of Madison Heights has been influenced by its position in the Detroit Metropolitan Area. In addition, the City has become fixed in its land area due to the incorporation of the surrounding communities: cities of Hazel Park, Royal Oak, Troy and Warren.

In 2008, the City conducted a survey of the City recording all of the existing uses of land. The resulting pattern of existing development has been documented on the land use map available in the Community Development Department.

The following is a description of the various land use classifications used in the survey.

Single and Two Family - This classification is for those areas containing single-family and two-family dwelling units and accessory structures.

Mobile Home Park - This category identified mobile homes in a planned community or mobile home park setting.

Multiple Family - Included in this group are all apartments and multiplex type of units where more than two separate residential units occupy a single building. Included are apartments, townhouses, condominiums and senior apartments.

Commercial - Retail sales establishments, personal and business services are placed in the commercial category. Included are shopping centers, restaurants, gas stations, party stores, beauty parlors, while-you-wait printers, and the like.

Office - Uses include general business offices; professional services such as banking, real estate, engineering and architectural services; medical and dental offices; and similar uses.

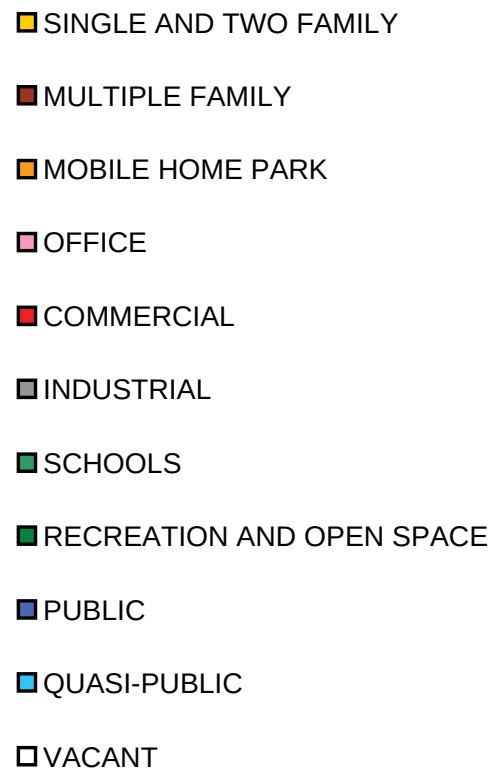
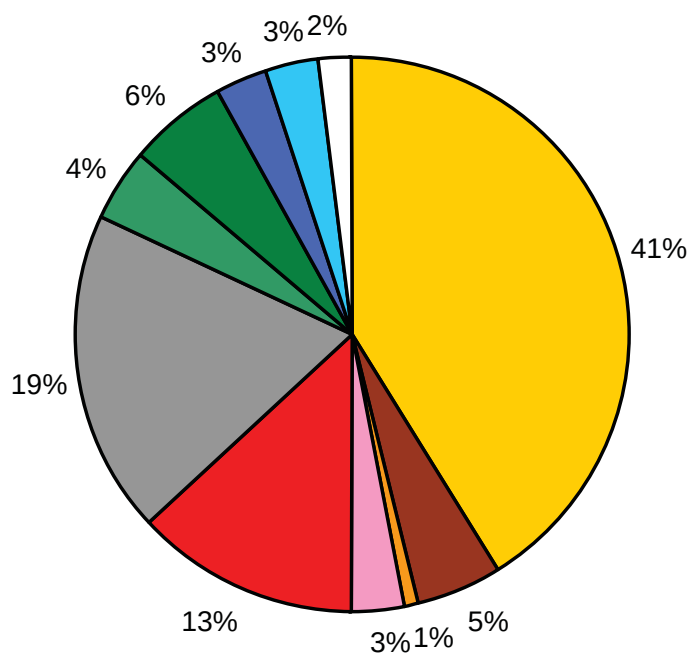
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

Public - Land area and facilities such as public schools, libraries, public works buildings, and government buildings are considered public uses.

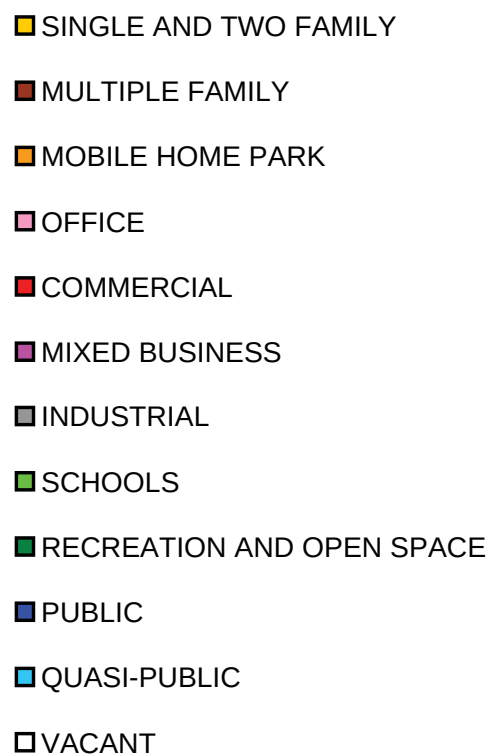
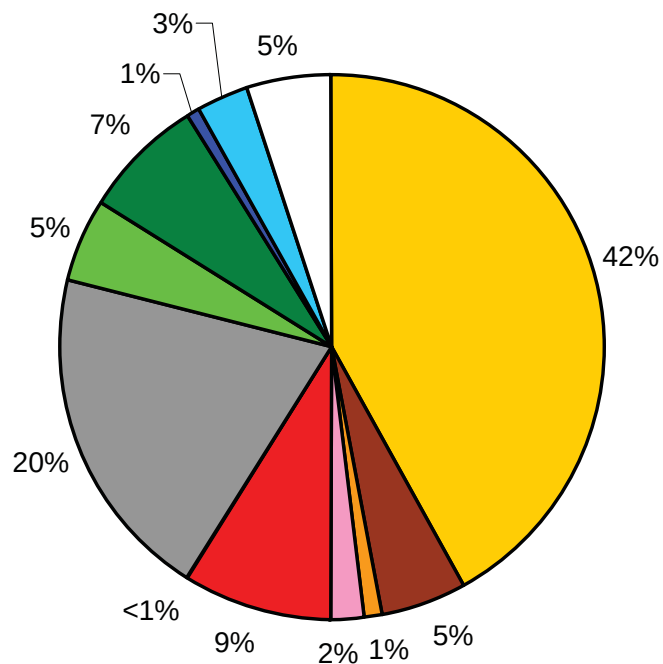
Quasi-Public - Included within this classification are such as churches, hospitals, private schools, lodge halls, private cemeteries, utility stations/sub-stations, etc.

Recreation and Open Space - This category has grown significantly since 1969, from 46 acres (1%) to 225 acres (6%). Major parks and recreation areas include the Red Oaks Golf Course; Red Oaks Water Park; Red Oaks Soccer Complex; Suarez Friendship Woods and Nature Center; Rosie's Park/Madison Woods; and the Civic Center Park. In 2000, the City added 0.7 acres northeast of Rosie's Park and 1.5 acres at Suarez Friendship Woods. In 2009, the City added 0.42 acres at the southwest corner of Hales and Winthrop as a second expansion of Suarez Friendship Woods; and 1.0 acres at the southeast corner of Dartmouth and Dallas from the Madison Public Schools for the new Monroe Park. It should be noted that the entire Red Run right-of-way (137 acres) is included in this category.

### EXISTING LAND USE 2008



### EXISTING LAND USE 1989



\* 1989 Land Use shows Mixed Business and Commercial use types.  
In 2003, those use types were combined into Commercial.

School Sites - School sites in the City of Madison Heights now comprise 164 acres. Many of the City's school sites include significant recreation areas, provided by either the Madison or Lamphere School District.

Vacant - This category includes all remaining land that is presently vacant or unused. As of 2008, only 2 percent of the City remained as vacant land, although not all of the land is available for development.

In short, the City of Madison Heights welcomes residents, businesses and visitors alike to a vibrant and diverse Community! The City is ideally located in southeastern Michigan, within Oakland County's "Automation Alley". Madison Heights provides a full range of services to residents, visitors and the business community and is conveniently located for employers and employees alike at the intersection of I-75 and I-696. In spite of the economic downturn of 2007-2010, Oakland County continues to rank high in per capita income, employment opportunities and overall quality of life. The City of Madison Heights exemplifies the very best in Oakland County through its excellent city services, road maintenance and snow removal, and opportunities for residents and the business community. It is a fiscally sound and stable community with many advantages because of its diverse tax base, housing mix, business climate and convenient access to other business and residential areas in southeastern Michigan.

There are more than 1,300 commercial and industrial businesses and services within the City's 7.25 square miles and the City is proud to have a majority of small businesses, as well as more than 100 major companies within its borders, such as: Best Buy, Coca Cola, Costco, CVS Pharmacy, Henkel Technologies, Home Depot, Lowes, Starbucks, Kmart, Meijer, Microcenter, Netlink, Sam's Club, Target, and United Parcel Service. It is a "City of Progress" with 23 shopping centers, 11 hotels, more than 860,000 square feet of office space, and seven industrial parks that include 10 million square feet.

The City of Madison Heights is committed to working with present and future residents and businesses to continue our excellent tradition as The City of Progress!

### Natural Features

By 2008, over 98-percent of the City's land area had been developed by urbanized uses and City parks. For this reason, very few properties remain in their original natural state. The two principal exceptions include properties that have been protected as Madison Heights City Parks. The two include: Suarez Friendship Woods and Madison Woods. In addition to these, several other City parks have maintained a sizeable number of mature hardwood trees.

### Topography, Soils and Drainage

The surface geology of Southeast Michigan is characterized by two broad zones, a lowland zone and a hilly upland zone. Madison Heights is situated within the flat, lowland zone lying between the Great Lakes shoreline and the hill zone. This lowland zone was formed by clay and sand deposits laid in the bottom of a large lake that existed about 10,000 years ago. The topography of

Madison Heights is nearly flat due to this history as part of the glacial lake plain. The soils found throughout the City are poorly drained to moderately well drained in their natural state. The urbanization of the City has required the creation of an artificial storm drainage system to overcome the major limitation of the City's soil - wetness. The Red Run Drain, which cuts diagonally through Madison Heights, is the eventual outlet for most of the City's storm water. Over the years, many of the City's storm and sanitary sewer systems have been separated so that most of the storm water is now able to be discharged to the George W. Kuhn storm sewers and to the Red Run Drain without treatment. The City of Madison Heights is wholly located within the Clinton River Watershed Basin.

### Woodlands and Wildlife

As mentioned earlier, Suarez Friendship Woods and Madison Woods are the only parcels of land that remain in their original, natural state. Suarez Woods includes areas maintained in mature hardwoods, brush, and grasslands. The site also includes a small vernal pond. This 36 acre nature preserve supports a surprising variety of wildlife for a mature urban city, including native birds, rodents and mammals. A Nature Center is located in Suarez Friendship Woods. The Center has a variety of exhibits and programs related to natural history and the environment.

### Climate

The Southeast Michigan region, of which Madison Heights is part of and lies within the humid continental climatic zone of eastern North America. This zone is characterized by hot summers, cold winters, and a relatively constant year-round supply of moisture. Temperature characteristics of the immediate Southeast Michigan area include winter temperatures that average around freezing (32°F) with overnight lows between 15°F and 20°F. Summer temperatures average around 72°F with afternoon highs in July and August of 85°F. At the extremes, winter temperatures as low as 13°F below zero and summer temperatures over 100°F have been recorded.

The rhythm of the seasons in Southeast Michigan is regular, if somewhat syncopated. The winter and summer seasons tend to be long while fall and especially spring tend to be quite short. The area is characterized by prevailing westerly winds. Although the Great Lakes tend to moderate the weather somewhat due to their large capacity as a thermal reservoir, the region is located at the edge of an area that is affected by frequent incursions of cold arctic air.

Because Southeast Michigan lies on the dividing line of a much colder area to the north and a much warmer region to the south, its winters tend to be less cold and its summers less hot than the far extremes of the humid continental climatic zone. This particular characteristic has resulted in the dominance of broadleaf trees as opposed to the needleleaf forests found a little farther north.

## Recreation Facilities Inventory

Recreation facilities available to Madison Heights residents range from small tot lots to neighborhood parks to large community-wide playfields to major regional recreation developments. The City currently operates a system of 16 City parks including the new Red Oaks Youth Soccer Complex and Monroe Park. A Senior Citizens activities center provides special programs for seniors that include recreation, home chores such as yard maintenance, meals, transportation and many other outstanding programs. The City also operates indoor recreation programs for all ages in cooperation with Madison and Lamphere Public Schools and on a space-available basis at City Hall and the Main Library.

In addition to the City-owned parks, many of the public and parochial schools in Madison Heights include recreation opportunities. Specific facilities range from playground equipment and outdoor athletic fields to indoor gymnasiums and pools.

Beyond the City limits are a wide array of public, regional recreation areas and private recreation facilities. Oakland County operates a system of 11 county parks. One of these, the Red Oaks complex, is physically located within Madison Heights. There are at least 50 public golf courses in Oakland County alone. The Huron-Clinton Metropolitan Authority (HCMA) has developed a system of 13 regional parks, all of which are within a 60-minute drive of Madison Heights. Activities such as picnicking, swimming, fishing, boating, wildlife study and even horseback riding can be enjoyed at several of the HCMA parks. There are also 22 State parks or recreation areas within an approximate one-hour drive of Madison Heights. These State parks offer camping, hunting, cross-country skiing and even snowmobile trails among their many available activities.

## **GLOSSARY OF BUDGET AND FINANCE TERMS**

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary has been included in the document.

**Accounting System:** The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

**Activity:** A special unit of work or service performed.

**Accrual:** Basis of accounting where revenues are recognized when they are measurable and earned. Expenses are recorded when incurred.

**Advanced Life Support (ALS):** Advanced Life Support is a part of the Fire Department operation that provides paramedic-level emergency medical treatment and transportation service. The department's licensed advanced emergency medical technicians provide pre-hospital emergency care.

**Appropriation:** An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period.

**Assessed Value:** 50 percent of the estimated true cash value placed upon all taxable real and personal property by the local assessing jurisdiction's certified assessor.

**Assets:** Property owned by the City that has monetary value.

**Audit:** A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ascertain whether financial statements fairly present financial positions and results of operations
- test whether transactions have been legally performed
- identify areas for possible improvements in accounting practices and procedures
- ascertain whether transactions have been recorded accurately and consistently
- ascertain the stewardship of officials responsible for governmental resources

**Balanced Budget:** A budget in which estimated revenues are equal to or greater than estimated expenditures.

**Balance Sheet:** A statement purporting to present the financial position of an entity by disclosing the cost of its assets, liabilities, and equities as of a specified date.

**Benchmarking:** The process of comparing the business processes and performance metrics to industry bests.

**Bond (Debt Instrument):** A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

**Brownfield Redevelopment Authority:** Established by Public Act 145 of 2000 to encourage redevelopment of idle or under-utilized commercial and industrial properties, which may not otherwise be redeveloped due to real or perceived contamination of the property. The Authority works to assist developers with the options of reimbursing for cleanup costs and/or providing a single business tax credit (authorized through the State of Michigan).

**Budget Calendar:** The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

**Budget Message (City Manager's):** A general discussion of the budget document presented in writing as an overview of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

**Budget (Operating):** A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

**Capital Improvements:** Annual appropriations in the City's budget for capital purchases and construction projects costing more than \$30,000. This plan details funding sources and expenditure amounts for these large projects or purchases that will be required beyond the one year period of the annual budget.

**Capital Outlays:** Expenditures for the acquisition of capital assets over \$2,000. Includes the cost of land, buildings, permanent improvements, machinery, computers, large tools, rolling and stationary equipment.

**Cash Management:** The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

**Certificates of Deposit:** A negotiable or non-negotiable receipt for monies deposited in banks or financial institutions for a specified period and rate of interest.

**Consumer Price Index - Workers (CPI-W):** An indicator of the consumer prices issued by the United States Department of Labor, Bureau of Labor Statistics, which is a widely used indicator



of inflation (or deflation) and indicates the changing purchasing power of money. It is obtained by calculating the cost of a fixed “basket” of commodities purchased by a typical consumer. The basket contains products from various categories including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes.

**Contractual Services:** Items of expenditure for services that the City receives from an internal service fund or an outside company. Utilities, rent and custodial services are examples of contractual services.

**Current Taxes:** Taxes that are levied and due within one year.

**Debt Service:** The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

**Delinquent Taxes:** Taxes that remained unpaid on and after the date on which a penalty for non-payment is attached.

**Department:** A major organizational unit of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

**Department of Public Service (DPS):** The Department of Public Service provides numerous round-the-clock services to residents and business owners. The Department’s operational divisions include: Water and Sewer; Streets; Parks; Recreation; Building Maintenance; Motor Pool; Nature Center and Senior Center.

**Depreciation:** (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

**Downtown Development Authority (DDA):** Created by the State of Michigan, under Public Act 197 of 1975, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

**Encumbrances:** Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

**Enterprise Fund:** A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer, parking facilities, transit systems, airports, solid waste management (when financed through user fees) and golf courses.



**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by Council.

**Fiscal Year:** The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

**Full Faith and Credit:** A pledge of the City's taxing power of a government to repay debt obligations (typically used in reference to General Obligation Bonds or tax-supported debt).

**Full Time Equivalent Position (FTE):** A measure of full-time position equivalents. A part-time position converted to a decimal equivalent of a full-time position based on 1,950 hours per year for clerical, library and recreation staff and 2,080 hours per year for Department of Public Service staff.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts, recorded cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

**Fund Balance:** The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

**General Fund:** The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, user fees, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as police and fire protection, finance, parks and recreation, libraries, public works and general administration.

**General Obligation Bonds:** When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to the bonds that are to be repaid from taxes and other general revenues.

**Geographic Information System (GIS):** A system of software and hardware used to capture, store, manage, analyze and map geographic information.

**Government Finance Officers Association (GFOA):** The GFOA is the professional association of state and local finance officers in the United States and Canada and has served the public finance profession since 1906. GFOA members are dedicated to the sound management of government financial resources.

**Goal:** A statement of broad direction, purpose or intent based on the needs of the community. The City Council adopts an annual Goal Plan for the City focusing on the City's top priorities.

**Headlee Amendment:** The Headlee Amendment, approved by the voters of the State of Michigan as a Constitutional Amendment, places an upper limit on the total amount of property taxes a city can collect in the fiscal year. In effect, the City cannot collect operating millage on the Taxable Value (TV)

increase derived from existing property, which is in excess of the Headlee inflation factor (4.4% for FY 2009-10) plus TV on new construction. This limit is accomplished by rolling back those operating millages, which are at their authorized maximum, by the same percentage as the TV is over the Headlee allowable maximum. The Headlee Amendment limitation may be waived only by a vote of the electorate.

**Infrastructure:** Capital assets that are stationary and normally have a useful life greater than most other capital assets. Examples include roads, sewer lines and water systems.

**Interfund Transfers:** Amounts transferred from one fund to another.

**Intergovernmental Grant:** A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

**Intergovernmental Revenue:** Revenue received from another government.

**Internal Service Fund:** Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government on a cost reimbursement basis. The City has one internal service fund for Motor Pool vehicle and equipment repair and maintenance.

**Investment:** Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payment.

**George W. Kuhn Drain District:** Established under State statute to facilitate a construction project, started in March 1999, to improve the Retention Treatment Facility (RTF) that was constructed by the Twelve Towns Drain District. These improvements to the RTF were to reduce the volume and frequency of overflows and to provide adequate treatment of the overflows when they do occur.

**Liabilities:** Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

**Long Term Debt:** Debt with a maturity of more than one year after the date of issuance.

**Maturities:** The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

**Michigan Public Act 345:** Michigan Public Act 345 was created for the City's Police and Fire Departments to establish and maintain the retirement pension and medical benefits for sworn personnel that could be supported through a dedicated property tax millage.

**Michigan Uniform Accounting and Budgeting Act:** Provides for the formulation and establishment of uniform charts of accounts and reports for local units of government; to define local units of

government; to provide for the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the State Treasurer and the Attorney General; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government.

**Millage Rate:** One mill equals \$1.00 of taxes for each \$1,000 of taxable value. The millage rate is the total number of mills assessed against the taxable value.

**Modified Accrual:** A "basis of accounting" that determines when a transaction or event is recognized in the fund's operating statements. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Changes to the modified accrual basis from the accrual basis are as follows:

- a) Those revenues susceptible to accrual are property taxes, intergovernmental revenues, special assessments, licenses, interest revenues and charges for services. Fines and forfeits, permits and certain miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.
- b) Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- c) Interest income on special assessments receivable is not accrued until its due date.
- d) Principal on general long-term debt is recorded as a fund liability when due. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e) Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- f) Normally, expenditures are not divided between years by the recording of prepaid expenditures.
- g) The non-current portion of vested employee benefits is reflected in the General Long Term Debt Account Group.

**Motor Pool:** A Department of Public Service division that is responsible for the maintenance of all City vehicles and rolling or motorized equipment.

**Motor Vehicle Highway Fund Act:** The Motor Vehicle Highway Fund Act provides for the classification of all public roads, streets, and highways in this state, to provide for the deposits of specific State taxes on motor vehicles and motor vehicle fuels, and to provide for the allocation of funds for the use and administration of the funds for transportation purposes.

**Municipal Employees Retirement System (MERS):** The Municipal Employees Retirement System of Michigan is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits to the State's local government employees.

**Objective:** Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

**Object of Expenditure:** Expenditure classifications based upon the type or categories of goods and services purchased. Typical objects of expenditure include:

- personal services (salaries, wages and fringe benefits, etc.)
- commodities (motor fuel, office and custodial supplies, etc.)
- contractual services (utilities, maintenance contracts, etc.)
- capital outlays (equipment, computer, vehicles, etc.)

**Operating Funds:** Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital improvement projects.

**Outside Agencies:** Outside non-profit agencies, receiving City funding support, including the Boys & Girls Club of South Oakland County, Gateway Counseling Center (mental health), Oakland County Youth Assistance, HAVEN (shelter and programs for spousal and other abuse relationships), Friends of Madison Heights Youth and Madison Heights Community Family Coalition.

**Personal Services:** Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees, as well as the fringe benefit costs associated with City employment.

**Proposal R:** Approved in 1996 and 2006, this Proposal generates two mills (reduced by the State's property tax limitations) of revenue for a ten year duration used to fund infrastructure construction such as roads, storm sewer separation, landscaping and sidewalks.

**Proposal V:** Approved in 1996 and 2006, this Proposal generates one-half to one-quarter mill (reduced by the State's property tax limitations) for a ten year duration to fund for police, fire, street maintenance and other vehicle purchases.

**Rating:** The credit worthiness of a city as evaluated by independent agencies.

**Reconciliation:** A detailed summary of increases and decreases in departmental expenditures from one budget year to another.

**Reserve:** An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

**Resources:** Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balance.

**Retained Earnings:** Within an Enterprise Fund, the accumulation of assets over liabilities. The City's only Enterprise Fund is the Water and Sewer Fund.

**Special Assessment District (SAD):** Special Assessment District refers to one or more parcels of property that receive a capital improvement (paving, sewers, sidewalks) and then are assessed a debt (principal and interest) to be repaid over a specific number of years.

**State Equalized Value (SEV):** The assessed value of real and personal property multiplied by a factor as determined by the Michigan State Tax Commission to ensure an assessment level of 50 percent of market value.

**Taxable Value:** The value upon which the property tax is levied. It is determined by multiplying the prior years taxable value by the current year's cost-of-living index. When the property changes ownership, the SEV becomes the taxable value for that year. The taxable value can never exceed the SEV or assessed value

**Tax Rate:** The amount of tax levied for each \$1,000 of assessed valuation.

**Tax Rate Limits:** The maximum legal property tax rate at which a municipality may levy a tax. The limits may apply to taxes raised for a particular purpose or for general purposes.

**Trust and Agency Funds:** Known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. These funds are not specifically budgeted. The trust funds used by the City are Police and Fire Retirement, and Police and Fire Other Post-employment Benefits. Agency funds are custodial in nature and do not measure the results of operations. The City has two Agency Funds, the Tax Collection Fund and the Escrow Fund.

**Truth In Taxation:** The Truth in Taxation Act provides a mechanism to ensure public notice and awareness of the increase in property taxes that occurs as a result of an increase in the Taxable Value base on existing property. This act mandates a "tax freeze" with regard to existing property and prohibits revenue growth by requiring a tax rate reduction (rollback) on operating millages unless a specific public hearing is conducted. At the public hearing, the Council discusses and adopts by resolution the millage or tax rates necessary to fund the city services and programs identified in the budget document. Because Madison Heights complies with the MICHIGAN UNIFORM BUDGET ACT (PA 621), the required public hearing for Truth in Taxation is combined with the public hearing for budget adoption as permitted by statute.

**Unit Costs:** The cost required to produce a specific product or unit of service.

**User Charges (also known as User Fees):** The payment of a fee for direct receipt of a public service by the party benefiting from the service.

**Yield:** The rate earned on an investment based on the price paid for the investment.

## ACRONYMS

| Acronym | Description                                       |
|---------|---------------------------------------------------|
| ACH     | Automated Clearing House                          |
| ADA     | American with Disabilities Act                    |
| AEMT    | Advanced Emergency Medical Technician             |
| ALS     | Advanced Life Support                             |
| CAFR    | Comprehensive Annual Financial Report             |
| CDBG    | Community Development Block Grant                 |
| CIP     | Capital Improvement Plan                          |
| CPI-W   | Consumer Price Index – Workers                    |
| CTO     | Compensatory Time Off                             |
| DDA     | Downtown Development Authority                    |
| DPS     | Department of Public Service                      |
| EFTPS   | Electronic Federal Tax Payment System             |
| ESL     | English as a Second Language                      |
| FY      | Fiscal Year                                       |
| GAAP    | Generally Accepted Accounting Principals          |
| GASB    | Governmental Accounting Standards Board           |
| GFOA    | Government Finance Officers Association           |
| GIS     | Geographic Information Systems                    |
| GPS     | Global Positioning Systems                        |
| GWK     | George W. Kuhn Drain                              |
| HCMA    | Huron-Clinton Metropolitan Authority              |
| HMO     | Health Maintenance Organization                   |
| HUD     | Housing and Urban Development                     |
| IBNR    | Incurred but not Reported                         |
| ISP     | Investment Service Program                        |
| LHOH    | Little House on Hales                             |
| MDNR    | Michigan Department of Natural Resources          |
| MDOT    | Michigan Department of Transportation             |
| MEDA    | Michigan Economic Development Association         |
| MEDC    | Michigan Economic Developers Corporation          |
| MERS    | Municipal Employees Retirement System             |
| MLGBC   | Michigan Local Government Benchmarking Consortium |
| MNRTF   | Michigan Natural Resource Trust Fund              |
| PPO     | Preferred Provider Organization                   |
| ROW     | Right-of-Way                                      |
| SAD     | Special Assessment District                       |
| SAFER   | Staffing for Fire Emergency Response              |
| SEV     | State Equalized Value                             |
| STV     | State Taxable Value                               |
| TV      | Taxable Value                                     |



**CITY OF MADISON HEIGHTS  
CAPITAL OUTLAY SUMMARY  
ITEMS \$2,000 AND OVER  
FISCAL YEAR 2011-12**

|                                      | <u>Description</u>                                                                            | <u>Vehicle</u> | <u>Account</u>         | <u>Amount</u>     |
|--------------------------------------|-----------------------------------------------------------------------------------------------|----------------|------------------------|-------------------|
| <b><u>General Fund</u></b>           |                                                                                               |                |                        |                   |
| <b><u>District Court</u></b>         | <b><u>Books</u></b>                                                                           |                | <b><u>9780000</u></b>  |                   |
| <b><u>101-136</u></b>                | Books                                                                                         |                |                        | \$ 10,000         |
|                                      | <b><u>Improvements</u></b>                                                                    |                | <b><u>9870000</u></b>  |                   |
|                                      | Replacement of Court Roof                                                                     |                |                        | \$ 120,000        |
|                                      | (Alternative Police & Court Roof Repair \$32,000)                                             |                |                        |                   |
|                                      |                                                                                               |                | Total Department       | <u>\$ 130,000</u> |
| <b><u>General Administration</u></b> | <b><u>Computer Equipment</u></b>                                                              |                | <b><u>9810000</u></b>  |                   |
| <b><u>101-248</u></b>                | UPS Batteries (4)                                                                             |                |                        | \$ 6,000          |
|                                      | Network Switches (8)                                                                          |                |                        | <u>12,000</u>     |
|                                      |                                                                                               |                | Total Department       | <u>\$ 18,000</u>  |
| <b><u>Fire</u></b>                   |                                                                                               |                |                        |                   |
| <b><u>101-336</u></b>                | <b><u>Machinery and Equipment</u></b>                                                         |                | <b><u>9820000</u></b>  |                   |
|                                      | Self Contained Breathing Apparatus and 60 bottles (Total Project cost w/FEMA Grant \$180,000) |                |                        | \$ 18,000         |
|                                      | <b><u>Vehicles (Proposal "V" Funded)</u></b>                                                  |                | <b><u>9850-000</u></b> |                   |
|                                      | Ambulance Rescue Phase II Funding                                                             | #713           |                        | \$ 77,000         |
|                                      | Ambulance Rescue Phase I Funding                                                              | #711           |                        | <u>80,151</u>     |
|                                      |                                                                                               |                | Total Department       | <u>\$ 175,151</u> |
| <b><u>CDD</u></b>                    |                                                                                               |                |                        |                   |
| <b><u>101-400</u></b>                | <b><u>Vehicles (Proposal "V" Funded)</u></b>                                                  |                | <b><u>9850000</u></b>  |                   |
|                                      | Sports Utility Vehicle                                                                        | #493           |                        | \$ 26,000         |
|                                      |                                                                                               |                | Total Division         | <u>\$ 26,000</u>  |
| <b><u>Solid Waste</u></b>            |                                                                                               |                |                        |                   |
| <b><u>101-521</u></b>                | <b><u>Vehicles (Solid Waste Millage funded)</u></b>                                           |                | <b><u>9850000</u></b>  |                   |
|                                      | Elgin Crosswind Street Sweeper                                                                | #408           |                        | \$ 209,000        |
|                                      |                                                                                               |                | Total Division         | <u>\$ 209,000</u> |
| <b><u>Parks</u></b>                  |                                                                                               |                |                        |                   |
| <b><u>101-751</u></b>                | <b><u>Vehicles (Proposal "V" Funded)</u></b>                                                  |                | <b><u>9810000</u></b>  |                   |
|                                      | Ex-Mark Mower                                                                                 | #363           |                        | \$ 11,000         |
|                                      |                                                                                               |                | Total Department       | <u>\$ 11,000</u>  |
| <b><u>Library</u></b>                |                                                                                               |                |                        |                   |
| <b><u>101-790</u></b>                | <b><u>Books</u></b>                                                                           |                | <b><u>9780000</u></b>  |                   |
|                                      | Books                                                                                         |                |                        | \$ 13,707         |
|                                      |                                                                                               |                | Total Department       | <u>\$ 13,707</u>  |
|                                      |                                                                                               |                | Total Fund             | <u>\$ 582,858</u> |



**CITY OF MADISON HEIGHTS  
CAPITAL OUTLAY SUMMARY  
ITEMS \$2,000 AND OVER  
FISCAL YEAR 2011-12**

|                                                 | <u>Description</u>                                              | <u>Account<br/>Vehicle</u> | <u>Amount</u> |
|-------------------------------------------------|-----------------------------------------------------------------|----------------------------|---------------|
| <b><u>Major Street Fund</u></b>                 |                                                                 |                            |               |
| <b><u>Construction</u></b>                      | <b><u>Rehabilitation Programs</u></b>                           | <b><u>9880436</u></b>      |               |
| <b><u>202-451</u></b>                           | Whitcomb - John R to end of Islands (east of Sherman)           |                            | 50,000        |
|                                                 | Traffic Signal Improvements                                     |                            | 10,000        |
|                                                 | John R Maintenance                                              |                            | 221,200       |
|                                                 | John R Asphalt Overlay 11 Mile to 12 1/2                        |                            |               |
|                                                 | Phase I Funding (City match 50% total project cost \$1,710,640) |                            | 213,813       |
|                                                 |                                                                 |                            | \$ 495,013    |
|                                                 |                                                                 | Total Fund                 | \$ 495,013    |
| <b><u>Local Street Fund</u></b>                 |                                                                 |                            |               |
| <b><u>Construction</u></b>                      | <b><u>Proposal "R-2" Concrete Repair</u></b>                    | <b><u>9890528</u></b>      |               |
| <b><u>203-451</u></b>                           | Section Sidewalk Replacement                                    |                            | \$ 20,000     |
|                                                 | Section Concrete Replacement ( 2011 and 2012)                   |                            | 228,000       |
|                                                 |                                                                 |                            | \$ 248,000    |
|                                                 | <b><u>Proposal "R-2" Construction</u></b>                       | <b><u>9890XXX</u></b>      |               |
|                                                 | Gardenia - John R to Lorenz                                     |                            | \$ 550,000    |
|                                                 | Alger - Parker south to Gardenia                                |                            | 457,000       |
|                                                 | Townley - 11 Mile to University                                 |                            | 321,000       |
|                                                 | Shacket - Huntington to Spoon                                   |                            | 700,000       |
|                                                 | Sherry - Girard to Parkdale                                     |                            | 420,000       |
|                                                 | Groveland and University Intersection                           |                            | 594,000       |
|                                                 | Huntington - Campbell to Mark                                   |                            | 440,000       |
|                                                 | Longfellow - Garry to 30290 Longfellow                          |                            | 262,000       |
|                                                 |                                                                 |                            | \$ 3,744,000  |
|                                                 |                                                                 | Total Fund                 | \$ 3,992,000  |
| <b><u>Downtown Development Authority</u></b>    |                                                                 |                            |               |
| <b><u>248-863</u></b>                           | <b><u>Improvements</u></b>                                      | <b><u>9870007</u></b>      |               |
|                                                 | John R Improvements                                             |                            | \$ 26,200     |
|                                                 |                                                                 | Total Fund                 | \$ 26,200     |
| <b><u>Drug Forfeiture Funds - State</u></b>     |                                                                 |                            |               |
| <b><u>264-301</u></b>                           | <b><u>Vehicles</u></b>                                          | <b><u>9850039</u></b>      |               |
|                                                 | Police Patrol Vehicles (4)                                      | #102, #109                 | \$ 98,000     |
|                                                 |                                                                 | #112, #116                 |               |
|                                                 |                                                                 | Total Fund                 | \$ 98,000     |
| <b><u>Neighborhood Stabilization</u></b>        |                                                                 |                            |               |
| <b><u>278-451</u></b>                           | <b><u>Non-"R" NSP</u></b>                                       | <b><u>9890xxx</u></b>      |               |
|                                                 | Neighborhood Stabilization Program Sectional Concrete Repair    |                            | \$ 128,000    |
|                                                 |                                                                 | Total Fund                 | \$ 128,000    |
| <b><u>Special Assessment Revolving Fund</u></b> |                                                                 |                            |               |
| <b><u>297-401</u></b>                           | <b><u>Sidewalk Program</u></b>                                  | <b><u>9897503</u></b>      |               |
|                                                 | Sidewalk Replacement & Gap Installation                         |                            | \$ 425,000    |
|                                                 |                                                                 | Total Fund                 | \$ 425,000    |
| <b><u>Water &amp; Sewer Fund</u></b>            |                                                                 |                            |               |
| <b><u>590-901</u></b>                           | <b><u>Machinery and Equipment</u></b>                           | <b><u>9820000</u></b>      |               |
|                                                 | One Ton Dump Truck                                              | #462                       | \$ 60,000     |
|                                                 |                                                                 | Total Fund                 | \$ 60,000     |