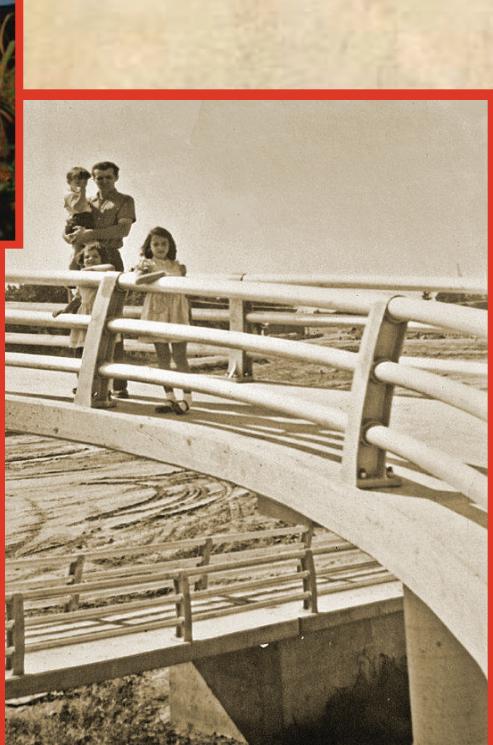
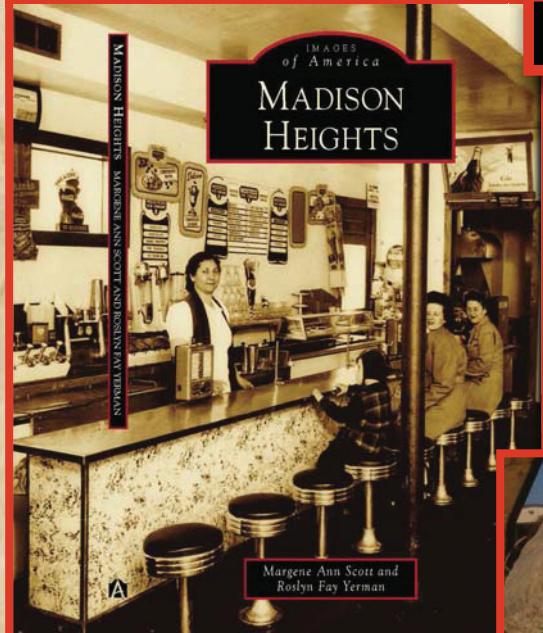




City of Madison Heights

Michigan

Connecting the past to the future



Proposed Annual Budget
Fiscal Year 2014-2015



The cover photos reflect the theme of bringing the past into the future as the City announced the publishing of the Arcadia Press book entitled *Images of America - Madison Heights*, which was released in early February 2014.

Left to right - Top row:

Arcadia Book Cover: Antonina Bucciarelli (also known as "Mrs. B") waits on patrons in her popular restaurant, the Madison Drive-In, later nicknamed The Loop. (Courtesy of Teresa (Bucciarelli) Hoskins and the late Angelina (Bucciarelli) Joyce)

City Hall: Former City offices in the City -Township Hall at 26305 John R. (Courtesy of Madison Heights Historical Commission)

Middle: Current City seal mounted in front of the Peter J. Connors Department of Public Services Building at 801 Ajax Drive. (Courtesy of City of Madison Heights)

Left to right - Bottom row:

Early Fire Station. (Courtesy of City of Madison Heights)

I-75 Construction: Ralph Merkel and his children watch the construction of I-75 from the newly constructed overpass on Gardenia in 1963. (Courtesy of Mary Merkel)

City of Madison Heights Proposed Annual Budget Fiscal Year 2014-15

Mayor
Edward C. Swanson

City Council
Brian C. Hartwell
Margene Ann Scott
Richard L. Clark
Robert J. Corbett
Mark A. Bliss
David M. Soltis

City Manager
Benjamin I. Myers

Deputy City Manager for Administrative Services
Melissa R. Marsh



Mayor and Council

Edward C. Swanson
Mayor



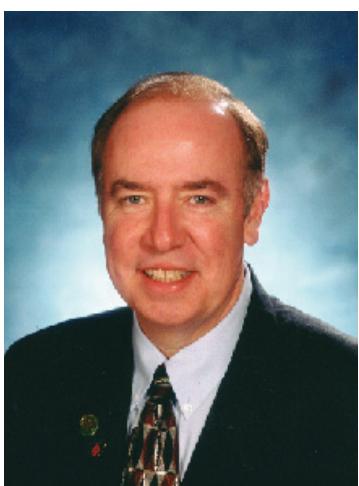
Brian C. Hartwell
Mayor Pro Tem



Margene A. Scott
Councilwoman



Richard L. Clark
Councilman



Robert J. Corbett
Councilman



Mark A. Bliss
Councilman



David M. Soltis
Councilman



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Madison Heights
Michigan**

For the Fiscal Year Beginning

July 1, 2013

A handwritten signature in black ink, appearing to read "Jeffrey P. Evans".

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 for its fiscal year beginning July 1, 2013. 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.

The award is valid for a period of one year only.



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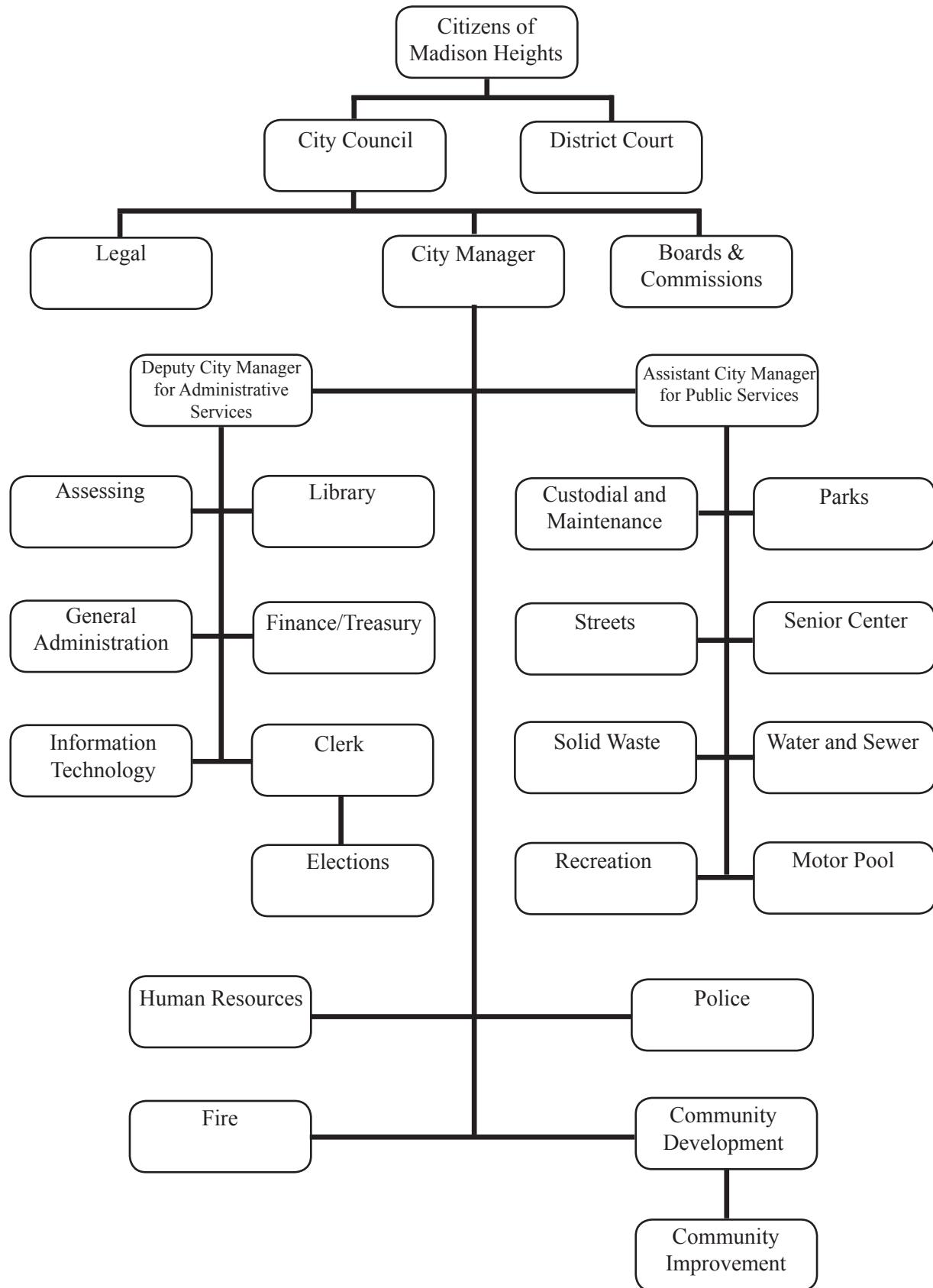
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City of Madison Heights Organizational Chart





City of Madison Heights

City Hall Municipal Offices **Department of Public Services** **Fire Department** **Police Department**
300 W. Thirteen Mile Road 801 Ajax Drive 31313 Brush Street 280 W. Thirteen Mile Road
Madison Heights, MI 48071 Madison Heights, MI 48071 Madison Heights, MI 48071 Madison Heights, MI 48071

April 3, 2014

Budget Message

Fiscal Year 2014-15 Proposed Budget

To The Honorable Mayor and Council:

Pursuant to Section 8.2 of the Madison Heights City Charter and the Michigan Uniform Budget Act, P.A. 621, transmitted herein are the Consolidated Budget for the Fiscal Year (FY) beginning July 1, 2014 and the updated Five Year Capital Improvement Plan for FY 2015-19. The Budget provides the annual financial plan for management of the City's affairs. The documents compiles the financial data needed to support the City of Madison Heights's comprehensive decision-making and policy development process. Based on the Five-Year Capital Improvement Plan, the City's Financial Policies, City Council input and the City Manager and departmental review of operations, this balanced Budget reflects a reasonable approach to meeting our most critical needs in the core service areas while positioning the City for long-term financial stability.

BUDGET OVERVIEW

The total budget equates to \$42.7 million and includes funding of operating and capital purposes for 11 appropriated funds. This amount represents a \$2.5 million or 5.5% decrease from the prior year. As shown in the table below, the operating budget is projected to decrease by \$363,000 or 1.0%, while the capital budget decreases by \$2.1 million or 28.4%.

Total Operational and Capital Budget		
	FY 2014 Budget	FY 2015 Budget
Operating Budget	\$ 37,724,175	\$37,361,078
Percent Change		-1.0%
Capital Improvement Budget	\$7,486,065	\$5,357,728
Percent change		-28.4%
Total Budget	\$45,210,240	\$42,718,806
Percent Change		-5.5%

Financial Challenges

Recovering from the largest revenue loss in the history of Madison Heights has been the single greatest financial challenge facing the City since 2008. The Great Recession of 2009 produced sharp declines in assessed and taxable property values in addition to skyrocketing foreclosures, falling property tax revenues, plummeting interest income, lower court revenues, and reduced revenue sharing as the State has sought to solve its own budgetary problems at the expense of its commitment to statutory revenue sharing for local government. That a longer-term economic recession occurred in Michigan where state laws such as the Headlee Amendment and Proposal "A" have combined to artificially hamstring local government revenue growth has made it harder for Michigan's cities to continue to maintain services and programs.

Beginning in 2008, and for six (6) consecutive budgets, City Council and staff have responded to this challenge by reducing expenditures and enhancing revenues in a total amount of over \$13.4 million as the City has successfully controlled the impact of the financial crisis on General Fund reserves, maintained basic services, and kept the Major/Local and Water and Sewer Funds fiscally able to meet planned infrastructure needs. Prudent

spending, sound financial planning, and a coordinated team effort by Council and staff have greatly assisted the City in weathering this storm.

As detailed in the FY 2015-17 Financial Forecast presented to Council last fall, Oakland County and the Southeast Michigan region are beginning to show signs of economic recovery, and the FY 2015 Budget does reflect a slight growth in General Fund real property tax revenue of 1.3%; however, overall, the City's FY 2015 Budget reflects another year of downward pressure on revenues and expenditures with a total decrease in all funds of 5.5% from FY 2014. Personal property tax revenue continues to slide with an anticipated reduction of 2.1% following the 2012 State legislation to exempt small parcels of \$40,000 or less in personal property taxable value, which make up 97% of personal property in Madison Heights, and eligible manufacturing personal property. See the Revenue Chapter for a discussion of this legislation and the recent 2014 amendments to make local governments whole for this revenue loss.

Because of the loss of revenues, the City made corresponding adjustments in expenditures for FY 2014-15. The City was able to balance the budget without reductions in personnel, maintaining the level of core services for residents. As of the print date of this document, the City has settled contracts with all non-Police and Fire groups with the exception of the 43rd District Court Clerks Union. The Department Heads Union, Supervisors & Assistants Union, Municipal Employees Union, and Department of Public Services Union have all agreed to concessions including maintaining a wage freeze, mirroring of retiree drug card benefits, and continuing with five unpaid holidays. The City is anticipating similar agreements with the Police and Fire groups as well as with the 43rd District Court Clerk's Union. Negotiations for the contracts that will expire June 30, 2015 will include continued emphasis on keeping the City's unfunded liabilities for pension and retiree health insurance in check.

Regarding Other Funds, our most significant financial challenge pertains to the future restructuring of the Detroit Water and Sewerage Department (DWSD) and the impact of a new DWSD operating arrangement on the wholesale water and sewer rates that are charged to the City and ultimately passed on to the City's water and sewer customers. As of this writing, Oakland and Macomb Counties have ended negotiations with the City of Detroit toward a proposed regional authority called for in Detroit's Plan of Adjustment under its municipal bankruptcy filing. Mismanagement and corruption at DWSD, serious operating inefficiencies, major unmet infrastructure needs, huge legacy benefit costs, and a large percentage of delinquent Detroit accounts are placing pressure on the Detroit Emergency Manager to find solutions for DWSD that may result in the suburban customers being asked to shoulder significant rate increases. As of this writing, Detroit is seeking proposals for a private operator. In addition, the recent exodus of 250,000 DWSD customers in the Flint area to the new Keregnondi Water Authority will also have a negative effect on DWSD revenues.

The City's FY 2015 Budget includes a combined 6.175% water and sewer increase for Madison Heights customers, reflecting a pass-through of the wholesale rate increases from DWSD for water and the Water Resources Commissioner for sewer.

Operating Budget Highlights

The FY 2015 budget was balanced without a use of Fund Balance. This was achieved by incorporating the union negotiated concessions and forgoing or deferring many capital purchases and improvements. The highlights of the significant changes and items included in this budget are as follows:

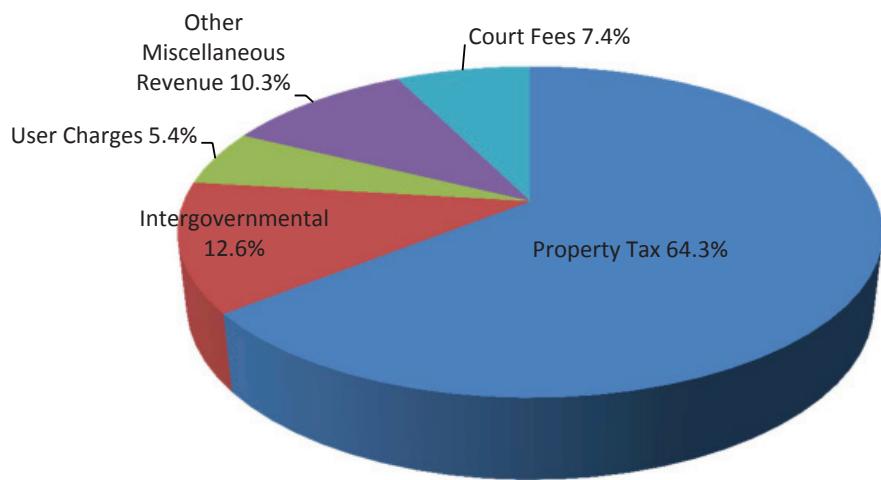
Revenues

General Fund Revenues are budgeted at \$24.6 million for the FY 2015 and no use of fund balance is planned. This represents a decrease of \$635,000, or 2.5% from FY 2014 Amended Budget Revenues, factoring in the \$965,000 use of fund balance in FY 2014. Exclusive of the use of fund balance in revenues for FY 2014, the FY

2015 budgeted revenues are up by \$329,500, or 1.3%. The majority of the revenue increases, \$204,000 or 62%, reflect the combined decrease in property tax refunds (5.7%) and increase in taxes (real property up by 2.25%, personal property tax down by 2.08%, administrative fees down by 5.5%), which net to an increase of 1.3%. The remaining amount of this change includes increases and decreases of other revenue sources the most significant of which is \$75,000 for a Michigan Economic Vitality Incentive Program (EVIP) Competitive Grant Assistance Program (CGAP) grant for the employer-sponsored health and wellness center and a 3% increase in State Revenue sharing, with the constitutional component budgeted at an increase of \$36,000 and EVIP budgeted at an increase of \$38,000.

The following pie chart represents the City's General fund income. Revenues are grouped by major category. Property taxes continue to be the largest City revenues source representing 64.3% of the FY 2015 General Fund Revenue budget. Other major revenues sources include user charges, intergovernmental revenues, court fees, and other miscellaneous revenues.

Where the Money Comes from by Sources of Funds



Despite a proposed rate increase to Madison Heights users, Water and Sewer revenues are projected to remain at the same level as budgeted in FY 2014 due to reduced consumption. The proposed rate increase is necessary to pass through rate increases from the Detroit Water and Sewer Department (DWSD) of 8% for water and from the Oakland County Water Resources Commissioner of 5% for sewage treatment. The effect of increasing Madison Heights user rates by 8% for water and 5% for sewage is a 6.175% combined rate increase.

Revenue generated by the Fire Station Bond Millage is projected to increase as needed to cover necessary principal and interest payments. Including FY 2015, the city has nine (9) more years before this bond is paid in full. Other millages remain at their FY 2013-14 levels, and the total millage levy remains under 23 million.

Expenditures

When compared to the FY 2014 Amended Budget, all funds expenditures are down \$2.5 million or 5.5% as detailed below. The majority of this decrease is related to Capital Outlay items which are briefly discussed later in this report.

The most significant changes in the operational budget are related to personal services. The budget includes no reduction in the number of positions and Full Time Equivalencies (FTEs) in FY 2015; however, because of cost savings achieved through continuation of previous concessions gained in the last round of negotiations, implementation of PA 152 (i.e. 80%/20% medical premium sharing) and reduced benefits for new hires, all funds personnel services accounts are down \$723,917 as compared to the FY 2013-14 Amended Budget.

This decrease in personal services is offset by an increase in all funds Other Services and Charges of \$222,000 and supplies of \$98,000. The most significant factor related to these increases is the implementation of a new Employer-Sponsored Health and Wellness Center to be located in the Lower Level of City Hall. The first year management cost for this project is included in the budget and proposed to be \$136,662. Savings have been budgeted to offset this expense in the health insurance line items of each department.

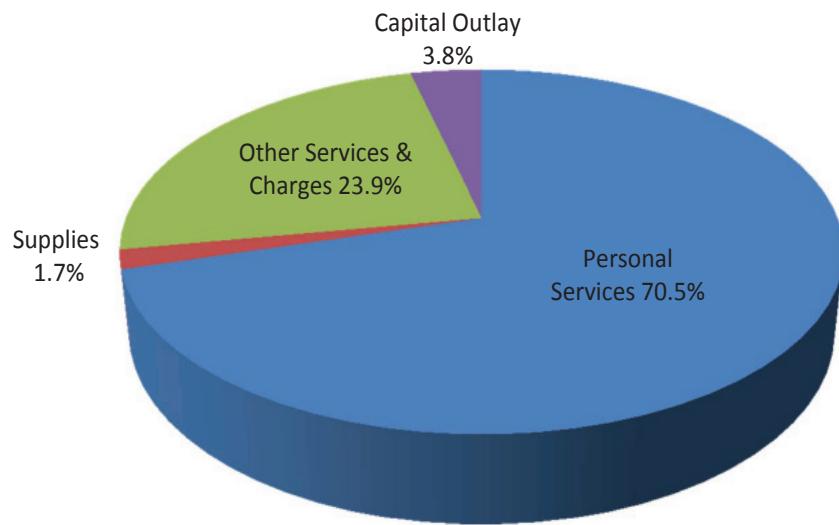
The following table presents a summary breakdown of the operating budget for all funds.

Fund Name	Actual 2012-13	Estimate 2013-14	Proposed Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent
General Fund	\$ 26,795,633	\$ 25,235,669	\$ 24,600,491	\$ (635,178)	(2.5)
Major Street	2,626,109	2,544,227	1,174,676	(1,369,551)	(53.8)
Local Street	2,599,245	2,963,350	3,191,357	228,007	7.7
Parks Maintenance and Improvement	17,264	31,344	32,968	1,624	5.2
Downtown Development Authority	76,959	45,080	54,928	9,848	21.8
Police Drug Forfeiture	97,277	86,325	63,170	(23,155)	(26.8)
Community Improvement	141,311	119,837	117,973	(1,864)	(1.6)
Special Assessment Revolving	608,957	609,817	427,965	(181,852)	(29.8)
Fire Station Bond Fund	458,342	373,135	419,405	46,270	12.4
Water & Sewer Fund	9,553,882	12,115,344	11,542,626	(572,718)	(4.7)
Motor & Equipment Pool	869,788	1,086,112	1,093,247	7,135	0.7
Total Appropriations	\$ 43,844,767	\$ 45,210,240	\$ 42,718,806 *	\$ (2,491,434)	(5.5)

* Net Budget is \$42.6 million excluding duplicate interfund transfers and charges.

Total expenditures in the General Fund are projected to be \$635,200 as compared to the FY 2014 amended budget. The following pie chart depicts appropriations by expenditures type. Personnel Costs (wages and benefits) and Other Services and Charges represent the largest portions of the General Fund.

Where the Money Goes by Line Item Category



Capital Budget Highlights

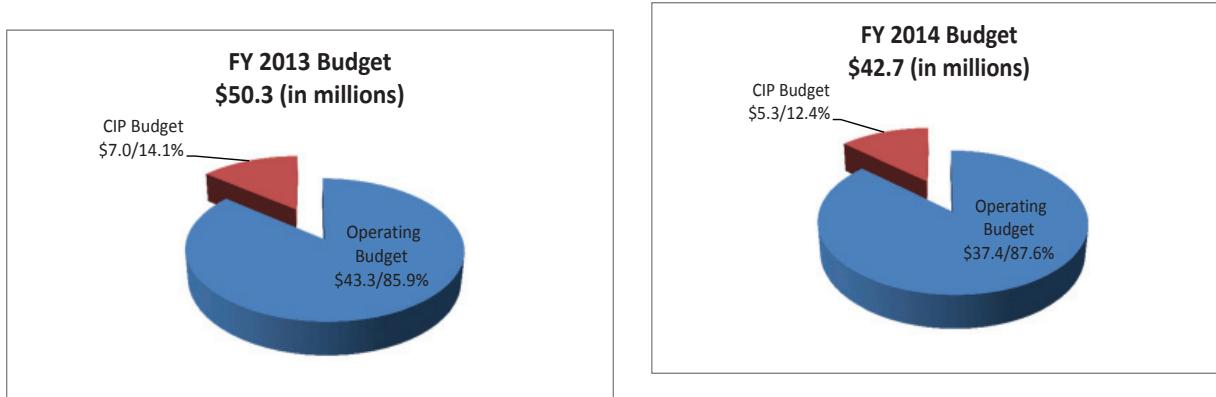
Capital Outlay purchases total \$5.4 million for all funds and \$931,483 for the General Fund. The majority of purchases are funded through dedicated millages (Proposal "V", "R-2" and "L"). The General Fund purchases that are not being funded through a dedicated millage include improvements to city-owned property, such as the aforementioned renovations of the City Hall lower level to incorporate a Health and Wellness Center, HVAC improvements throughout city hall, street light conversions to LED technology, Friendship Woods Parking lot improvements and trail overlay, Civic Center and Ambassador Park Trail Replacements, and Civic Plaza Parking Lot Maintenance and repairs. In addition to these improvements, the General Fund Budget also funds equipment purchases including the E-draulic Hurst Jaws of Life for the Fire Department, a new failover server, 20 computer replacements, new software for work orders and timesheets, two new servers for video and GIS, and a scanner.

Other Funds include a capital outlay of \$4.4 million. Most of this amount, \$3.4 million, is budgeted for road rehabilitation and reconstruction projects including R-2 dedicated millage projects, major roads sectional work, and the sidewalk repair and gap program. The remaining planned purchases include one Detective Bureau vehicle, video recording and monitoring equipment from the Drug Forfeiture Fund for the Police Station, four water main replacements as part of the R-2 projects, two handheld data collectors, and improvements including a partial roof replacement for the DPS pole barn from the Water and Sewer Fund.

Due to the uncertainty of future water and sewer charges from the Detroit Water and Sewerage Department, which is currently being restructured under the City of Detroit's municipal bankruptcy, the FY 2015 Budget temporarily suspends replacement of standalone (i.e. non-proposal "R-2") water mains in order to help maintain a healthy fund balance in the Water and Sewer fund, going into FY 2016.

The major reasons for the reduction in the capital budget from FY 2014 to FY 2015 include the completion of the John R Road projects and the aforementioned suspension of standalone water main replacements in FY 2015.

FINANCIAL ASSESSMENT



Madison Heights has developed and maintained a strong financial position through conservative financial management and adherence to sound financial analysis and policies.

Long-Range Financial Plan

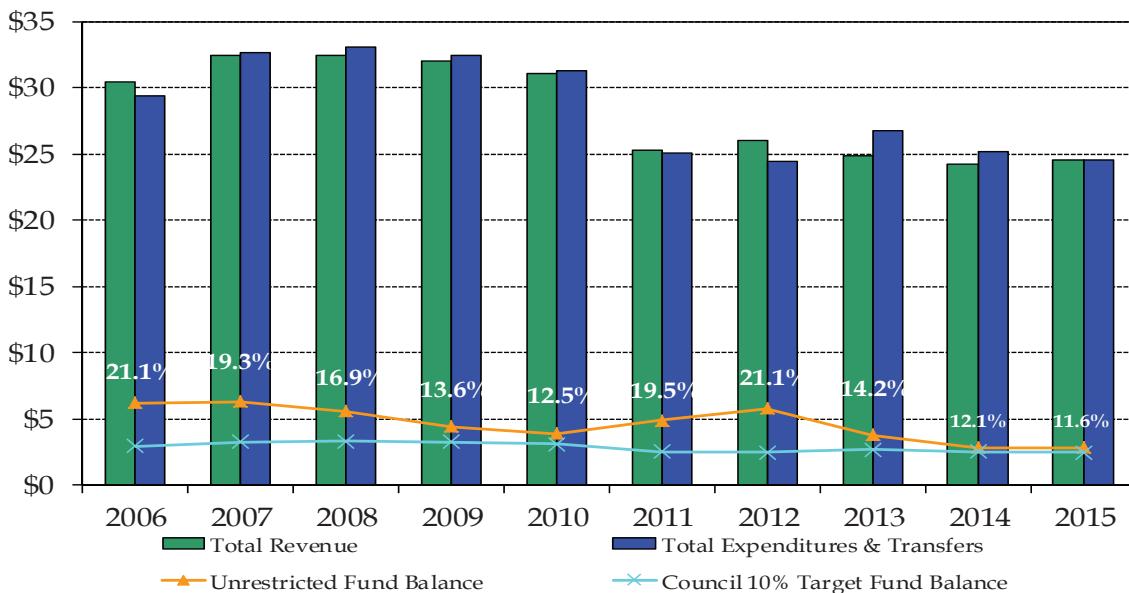
To provide a framework for gauging the financial sustainability of resource allocation decisions, financial forecasts are generated annually in the fall for the City's major funds including General, Major Street, Local Street and Water and Sewer Funds. Each forecast is produced from a baseline perspective that portrays the projected operating margin for each fund assuming current service levels. Assumptions about future revenue and expenditure growth variables are researched from external and internal sources and incorporated into the forecast. The resulting report provides Council with a projection of the ending balance for each fund, which in conjunction with the relevant fund balance policy, provides a starting point for the operating budget development.

This forecast projected a \$2.0 million budget gap for FY 2014-15 based on the assumption that General Fund revenues would stabilize and hold steady without much growth over the next three years while expenditures were projected to growth at an annual rate of 3.9%. This budget gap was eliminated by incorporating continues labor concessions in to the budget as well as forgoing and deferring many capital purchases and improvements.

Fund Balances

The City's successful management of our financial constraints has presented us with both new challenges and opportunities. As of June 30, 2013, the General Fund unreserved fund balance was \$3.8 million, or 15.1% of General Fund FY 2014 expenditures. In addition, in FY 2014, the City has budgeted for the fund balance to be reduced by \$964,665 to \$2.8 million, or 11.5% of FY 2015 expenditures by June 30, 2014. City Council policy directs staff to keep a minimum of a 10% fund balance of budgeted expenditures. Staff was mindful of this policy as we worked to propose a balanced budget with no projected use of fund balance in FY 2015.

General Fund - Fund Balance Compared to Total Revenues and Expenditures
Years Ended June 30
(in millions)



Our adopted policy for the General Fund Unassigned Fund Balance coverage is 10% of current year's expenditures. The graph above details the General Fund expenditures, revenues, levels of fund balance and the level of fund balance required to meet this Council policy.

At June 30, 2014 the City's Major Street and Local Street Funds are estimated to have \$180,775 and \$2.1 million in fund balance, respectively. The City's Water and Sewer fund is projected to have \$7.3 million in unrestricted net position.

Bond Ratings

The City's bond ratings are further evidence of its financial strength. Madison Heights's general obligation bonds are currently rated Aa2 with a stable outlook from Moody's and AA- by Standard & Poor's. Having strong financial management and conservative financial policies are quoted as reasons for this bond rating.

Major Policy Considerations

In order to provide a strategic framework to assist City Council with its appropriation decisions, staff has developed the following set of internal priorities to guide the departmental budget preparation process for FY 2015.

1. Maintain fiscal responsibility that will provide Madison Heights with a stable future.
2. Advance technology in our daily operations in order to improve communication between City government, residents and businesses.
3. Invest in people to attract and retain talented employees and assure the organization has a quality workforce to do the public's business, especially as the City's workforce is being asked to do more with fewer resources.

4. Reinvest in the city's infrastructure and equipment in a sustainable manner to protect our existing investment, avoid higher cost in the future, and provide greater budgetary flexibility in subsequent years.
5. Engage residents to foster a positive image of Madison Heights.

Conclusion

Even though the economy continues to provide the City with financial challenges, we expect conditions to improve over the long-term. The City prides itself on sound financial management, appropriate allocation of our limited resources, and a focus on and commitment to long-range planning. As conditions change, the City will continue to adapt in order to provide a strong foundation for the future.

I'd like to acknowledge the outstanding efforts of the Deputy City Manager for 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 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,



Benjamin I. Myers
City Manager

Internal Department Budget Priorities for Fiscal Year 2015

1. Key Issue: Maintain fiscal responsibility that will provide Madison Heights with a stable future.

Objectives:

- a. Human Resources – Participate in budget and negotiations goal setting with aim to reduce unfunded retiree liability by May 31, 2015.
 - b. Human Resources – Begin to negotiate successor contracts prior to expiration date, no later than June 15, 2015, to help achieve budgetary and fund balance projected goals.
 - c. Finance – Replace the three year annual financial forecast report with a five year plan by November 30, 2014.
 - d. Finance – Evaluate the feasibility of implementing a multi-year budget process for potential implementation for the FY 2016 budget by November 30, 2014.
 - e. Custodial & Maintenance Division (DPS) – Evaluate shared services including, but not limited to, reviewing the feasibility of providing maintenance to Madison School District on a limited basis and sharing equipment with neighboring communities for equipment that is not needed on a regular basis, by June 30, 2015.
 - f. Fire Department – Develop a fire inspection fee schedule that is in-line with neighboring communities beginning July 1, 2014.
 - g. Community Development – Evaluate and update the City’s Tax Abatement Policy following resolution of recent changes resulting from state personal property tax reform by June 30, 2015.
 - h. Community Development – Begin Road and infrastructure analysis necessary to develop an “R-3” Residential Road and Infrastructure Proposal for City Council Consideration in 2015.
 - i. Library – Revise the library policy which would require all fines to be cleared ahead of renewing a library card by December 31, 2014.
2. Key Issue: Advancement of technology in our daily operations in order to improve communication between City government, residents and businesses.

Objectives:

- a. Human Resources – Create, consolidate, and maintain accurate database in HR system of employee certifications, discipline, and other records so that reports can be generated as necessary by June 30, 2015.
 - b. General Administration – Increase the use of social media, specifically Facebook, to foster a positive image of the City and individual departments with the community by December 31, 2014.
 - c. Finance – Analyze online payment solutions for the possible implementation of a processor that offers reduced fees to residents, incorporates e-checks with same day settlement and e-messaging services before August 31, 2014.

- d. Information Technology – Turn up wireless internet access for guest in City Hall by December 31, 2014.
- e. Fire Department – Use current software to develop and update preplans of the City target hazards by December 31, 2014.
- f. Community Development – Complete implementation of recently installed update to the building inspection software to maximize field inspector real-time utilization and public/customer access by June 30, 2015.
- g. Community Development – Implementation of new public web mapping site, with easier to use maps that are published in-house, eliminating outside contracted site hosting at substantial annual savings by June 30, 2015.
- h. Street Division (DPS) – Implement a new work order and timesheet system and train all employees on its use by December 31, 2014.
- i. Street Division (DPS) – Review and update web pages, thus eliminating outdated information. Develop policy to ensure updating occurs in a timely manner by July 1, 2014.
- j. Library – Increase the amount and providers of electronic media such as eBooks and downloadable audio, which will allow more residents to locate and download material with less waiting by September 30, 2014.
- k. Library – Incorporate mobile applications as they become available for such activities as notifying residents of holds, and encourage use of existing methods of handling library transactions, such as renewing material and searching catalog remotely by June 30, 2015.
- l. Library – Evaluate replacement of Library's current copiers with more current technology, which will allow printing and scanning to and from USB drivers and copies and ability to print color copies by June 30, 2015.

3. Key Issues: Invest in people to attract and retain talented employees and assure the organization has a quality workforce to do the public's business, especially as the City's workforce is being asked to do more with fewer resources.

Objectives:

- a. Human Resources - Create annual employee evaluation program and train Department Heads and Supervisors on implementation and use of same by December 31, 2014.
- b. Human Resources – Implement a new Health and Wellness Center, and coordinate migration of employee wellness program to the center by December 31, 2014.
- c. Finance – Identify staff within Finance to attend training and accommodate attendance in accordance with the City's travel policy, beginning in July 2014.
- d. Police Department – Select motivated personnel to recruit talented employees by December 31, 2014.
- e. Community Development – Provide staff with Personal Safety Training on an annual basis by June 30, 2015.

4. Key Issue: Reinvest in the City's infrastructure and equipment in a sustainable manner to protect our existing investment avoiding higher costs in the future, and provide greater budgetary flexibility in subsequent years.

Objectives:

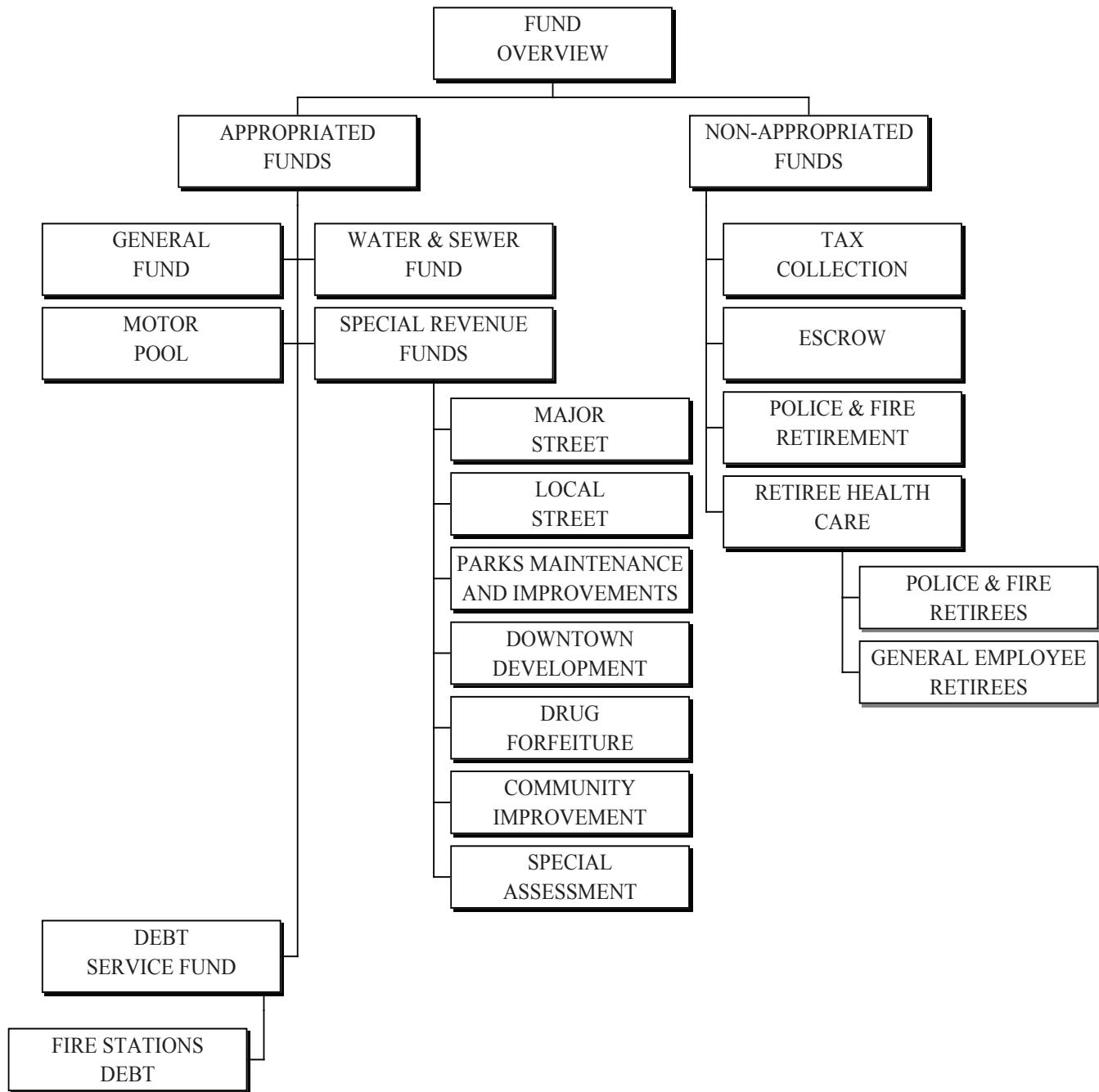
- a. Information Technology – Investigate utilizing Royal Oak/Troy as an alternative disaster recovery site for staff in the event all buildings are rendered unusable by June 30, 2015.
- b. Parks Division (DPS) – Complete trail rehabilitation at Civic Center and Ambassador Parks and parking lot repairs at Civic Center Park by June 30, 2015.

5. Key Issue: Engage residents to foster a positive image of Madison Heights.

Objectives:

- a. General Administration – Include a “Spotlight on Employees” in the newsletter by December 31, 2014.
- b. General Administration – Increase the use of social media, specifically Facebook, to foster a positive image of the City and individual departments with the community by December 31, 2014.
- c. Information Technology – Work with website host to automate emailing of Senior Center newsletters & other online postings by December 31, 2014.
- d. Fire Department – Establish a senior citizen health and fire safety awareness program in an effort to reduce the number of falls, citizen assists, cooking fires, and false alarms received from the senior high-rise complexes by June 30, 2015.
- e. Fire Department – Develop an online customer survey to allow feedback of our residents developed by June 30, 2015.
- f. Senior Citizens Division (DPS) – Strengthen communication to educate the community and our own membership about all that the Center offers to ensure that we are maximizing our assets by June 30, 2015.

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 16 separate funds. The Budget includes the 11 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) 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 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 local streets by MDOT. Financing is provided by the City's share of state gas and weight taxes, the Proposal "R-2" Neighborhood Roads property tax levy, transfers from other funds (Major Street Fund and General Fund), 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 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). The Community Improvement Division includes 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.

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.

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 other such 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.

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance**
All Fund Types
Three Year Comparison
Fiscal Year 2014-15

	GENERAL FUND			SPECIAL REVENUE/DEBT SERVICE FUNDS *		
	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Actual 2012-13	Estimate 2013-14	Budget 2014-15
REVENUES						
Property Taxes	\$ 16,467,524	\$ 15,612,327	\$ 15,816,720	\$ 2,077,856	\$ 1,857,709	\$ 1,948,813
Licenses and permits	833,181	760,350	810,350	0	0	0
Intergovernmental	2,989,618	3,165,041	3,143,505	1,903,429	1,924,688	1,932,050
Court fines and fees	1,531,203	1,820,998	1,821,043	0	0	0
Charges for services	276,115	247,900	254,555	0	0	0
Parks and Recreation	200,500	205,343	252,395	0	64,645	12,522
Interest and Misc. Revenue	1,773,936	1,412,310	1,430,930	45,424	60,822	105,266
Special assessments	0	0	0	545,755	597,623	326,670
Departmental Charges	885,756	985,435	1,011,690	0	0	0
Transfers from other funds	339,955	61,300	59,303	370,370	231,499	20,000
TOTAL REVENUES	\$ 25,297,788	\$ 24,271,004	\$ 24,600,491	\$ 4,942,834	\$ 4,736,986	\$ 4,345,321
EXPENDITURES						
General Government	\$ 5,792,396	\$ 5,162,160	\$ 5,448,482	\$ 0	\$ 0	\$ 0
Public Safety	13,336,819	13,784,129	13,180,766	97,277	86,325	63,170
Community Service	2,843,970	3,373,597	3,043,475	0	0	0
Culture and Recreation	1,688,925	1,801,663	1,869,048	94,223	76,424	87,896
Community Development	938,268	1,114,120	1,058,720	5,834,311	6,117,394	4,793,998
Community Improvement	0	0	0	141,311	119,837	117,973
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	2,195,255	0	0	25,000	94,115	156,499
Debt Service	0	0	0	458,342	373,135	419,405
TOTAL EXPENDITURES	\$ 26,795,633	\$ 25,235,669	\$ 24,600,491	\$ 6,650,464	\$ 6,867,230	\$ 5,638,941
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,497,845)	\$ (964,665)	\$ 0	\$ (1,707,630)	\$ (2,130,244)	\$ (1,293,620)
FUND BALANCES, BEGINNING OF YEAR	\$ 6,920,669	\$ 5,422,824	\$ 4,458,159	\$ 7,330,504	\$ 5,622,874	\$ 3,492,630
FUND BALANCES, END OF YEAR	\$ 5,422,824	\$ 4,458,159	\$ 4,458,159	\$ 5,622,874	\$ 3,492,630	\$ 2,199,010

* 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.

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 March 2013, 44 local governments participate in the MLGBC. Below is a listing of the latest FY 2011-12 results showing how Madison Heights compares to other local governments across the state in various performance measurements categories.

FY 2011-12

Category	Madison Heights	Consortium Average	Rank *
<i>Emergency Dispatch</i>			
Cost per resident	\$17.63	\$22.00	3/6
Cost per call answered	\$8.39	\$11.89	1/6
Total Calls Answered per 1,000 Population	2,101	1,690	3/7
Calls received per FTE/telecommunicator	9,325	7,133	2/6
FTE = full-time equivalent employee			
<i>Fire and Emergency Medical Services</i>			
Cost per resident for combined Fire and EMS service	\$162.13	\$156.92	4/7
Total Fires per 1,000 population	3.95	5.60	8/10
EMS Calls per 1,000 population	85.72	60.74	7/10
Percent of building fire call response times equal to or less than 5 minutes	86.11%	62.19%	1/7
Total Dispatch calls per 1,000 population	127.45	98.40	8/10
Percent of commercial buildings inspected	50.3%	30.3%	2/7

* 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

FY 2011-12

Category	Madison Heights	Consortium Average	City Rank *
<i>Fleet Maintenance</i>			
Average cost per gallon of gasoline	\$3.03	\$3.08	2/10
Average cost per gallon of diesel	\$3.14	\$3.25	3/12
Average employee cost per hour w/ benefits	\$52	\$49	9/11
Total Expenditures per number of vehicles:			
Maintenance Exp. Small Engine	\$121	\$805	5/11
Maintenance Exp. Heavy Equip.	\$1,178	\$3,720	3/10
Maintenance Exp. Light/Medium Vehicle	\$276	\$823	2/11
Maintenance Exp. Police Patrol Vehicle	\$1,887	\$2,102	4/8
<i>Information Technology (IT) Service</i>			
Servers supported per IT FTE	4.5	5.1	5/12
Applications supported per IT FTE	26.5	26.4	6/12
Operating expenditures per workstation	\$1,438	\$1,941	2/13
<i>Parks Maintenance</i>			
Cost per resident for park maintenance	\$19.41	\$27.62	8/12
Total operating budget per park acre	\$4,142	\$1,744	12/12
Operating budget per active park acre	\$4,972	\$3,768	7/9
Total Park acres per 1,000 population	4.7	30.8	11/16
Passive Park acres per 1,000 population	1.3	25.5	12/12
Active Park acres per 1,000 population	3.4	11.3	10/14
User fee as a percent of operational budget	0.0%	10.6%	1/15
Number of park maintenance FTE per 1,000 population	0.87	3.21	3/15
Number of park maintenance FTE per 100 acres	1.86	2.01	7/15
Average full-time employee cost per hour	\$42.25	\$33.00	14/15
<i>Clerk and Elections</i>			
Clerk Operating Costs per capita	\$7.58	\$9.70	4/14
Election operating costs per capita	\$1.40	\$1.85	4/11
Percentage registered voters voting in November	59.4%	65.3%	12/14
Percent absentee votes voting in November	22.8%	25.8%	11/14

* 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

FY 2011-12

Category	Madison Heights	Consortium Average	City Rank *
<i>Police</i>			
Cost per resident for police or sheriff service	\$292	\$182	11/12
Cost per officer	\$184,035	\$131,374	15/16
Officer per 1,000 residents	1.5	1.3	10/14
Training costs per officer	\$330	\$698	9/12
Total number of calls for service per 1,000 population	723	551	11/13
Total arrests per 1,000 residents	33	50	2/12
Traffic citations per 1,000 residents	333	149	11/12
Percent of unsustained citizen complaints of total complaints	60%	86%	2/10
Percent of sustained citizen complaints of total complaints	40%	24%	5/5
<i>Road Maintenance</i>			
Road FTE per 100 lane miles	2.26	8.38	9/9
Total staff hours in pothole repair per lane mile	12.0	10.0	6/7
Tons of cold patch per lane mile	0.63	2.60	6/8
Total staff hours of snow removal per lane mile	2.08	17.05	1/8
<i>Water and Sewer</i>			
Cost per resident for water	\$149	\$158	7/12
Cost per resident for sewer	\$220	\$171	9/12
Miles of water mains per FTE	23.55	13.71	2/9
Miles of sewer mains per FTE	39.0	12.8	1/8
Number of water main breaks per 100 miles of water main	4.62	4.08	2/4

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

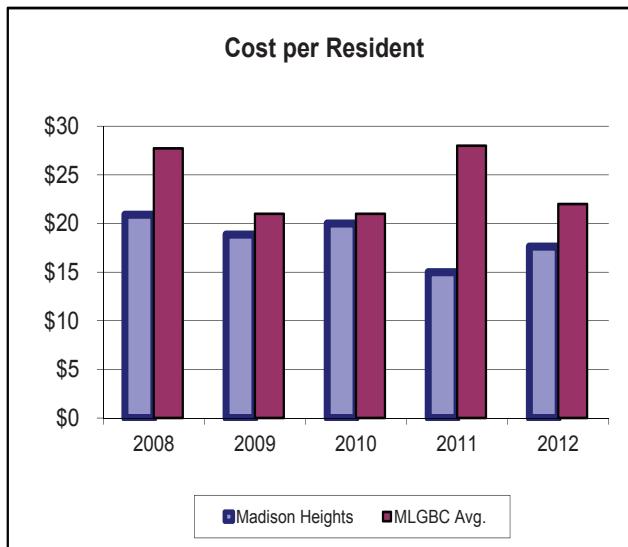
MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

FY 2011-12

Category	Madison Heights	Consortium Average	City Rank *
<i>Assessment and Equalization</i>			
Assessment cost per capita	\$8.15	\$11.47	3/11
Assessment cost per parcel	\$18.3	\$22.9	5/11
Taxable Value (TV) as percent of State Equalized Value (SEV): Total	99.65%	95.24%	13/14
<i>Building Inspection and Code Enforcement</i>			
Revenues as a percent of expenditures	72.7%	72.3%	1/9
Total code cases per code enforcement officer FTE	4,142	2,178	1/9
Average annual cost per inspection	\$228	\$98	4/4
Average number of days to complete commercial building construction plan review	4.0	7.2	1/9
<i>Library Services</i>			
Total resident circulation per capita	2.94	6.87	11/11
Cost per registered borrower	\$58	\$64	4/9
Cost per annual library operation hour	\$212	\$471	2/9
Percent circulation for non-residents	20.0%	20.9%	5/7
Percent of residents registered with library	34.8%	45.9%	8/11
Average attendance per program	17.5	25.9	9/11
<i>Refuse, Recycling and Yard Waste</i>			
Yard waste collection cost per service population	\$5.82	\$9.80	1/4
Refuse collection cost per service population	\$24.00	\$31.37	1/3
Recycling collection cost per service population	\$6.90	\$9.10	1/4
Tons of Recycling per 1,000 service population	38.1	53.6	4/8
Tons of Refuse per 1,000 service population	311	460	3/7
Tons of Yard Waste per 1,000 service population	45.6	101.4	2/8
Cost per ton for refuse, recycling and yard waste	\$93.21	\$113.40	3/6
Cost per ton for solid waste collected	\$77	\$114	1/4

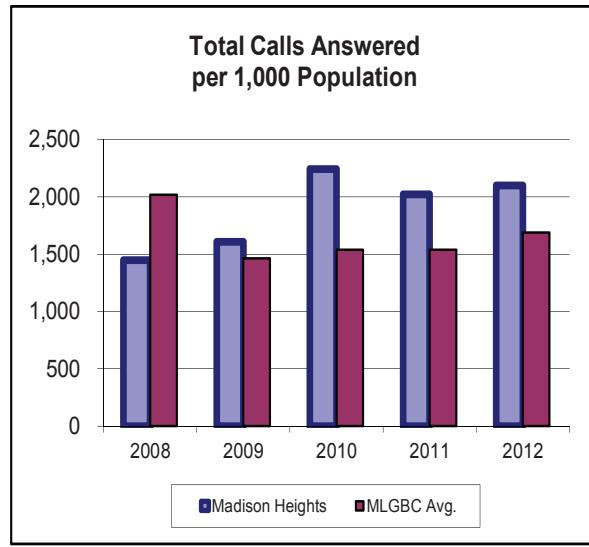
* The City's ranking from those governments reporting on these measures. The scale runs from 1 - best performing down to the lowest performing

Emergency Dispatch



FY 2012 Rank 3rd out of 6

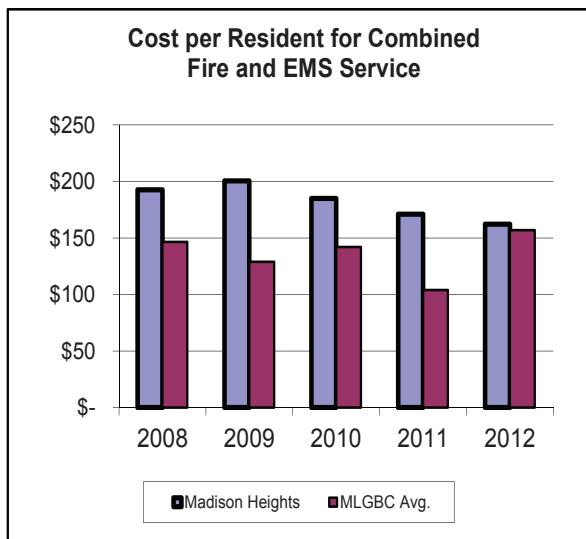
In FY 2012 Madison Heights staffed dispatch with civilian employees. Other reporting communities use a mix of sworn and civilian dispatchers. Madison Heights has the 3rd to the lowest cost per resident of all the reporting communities.



FY 2012 Rank 3rd out of 7

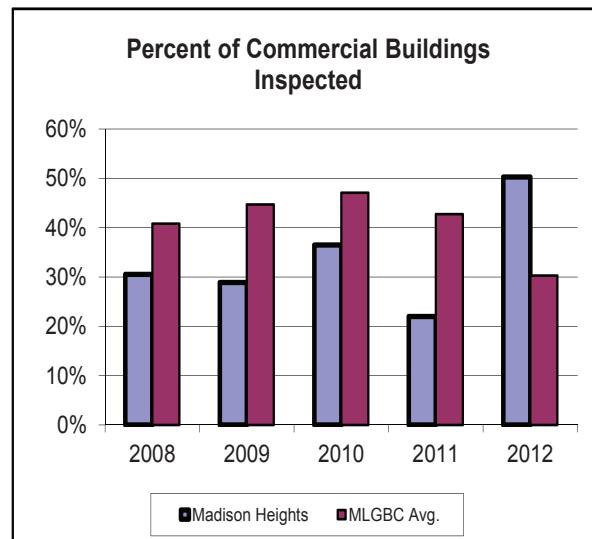
Madison Heights continues to have a higher than average number of call volume when compared with other communities in the survey. In FY 2012 Madison Heights had 2,101 calls per 1,000 population with an average of 1,690 of reporting communities.

Fire and Emergency Medical Services



FY 2012 Rank 4th out of 7

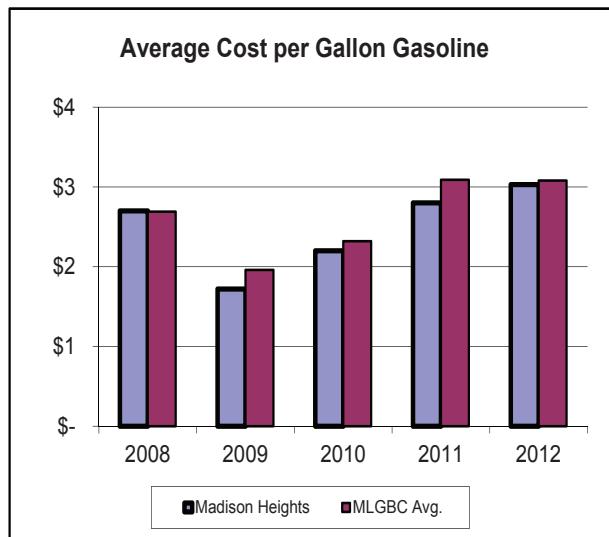
In FY 2012 Madison Heights cost per resident for combined Fire and EMS services was down to \$162 from \$171 in FY 2011. Madison Heights is the 4th highest community.



FY 2012 Rank 2nd out of 7

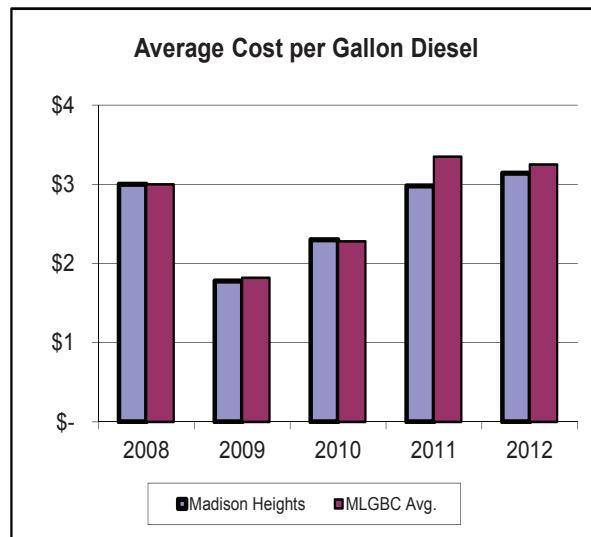
In FY 2012 Madison Heights inspected 50.3% of commercial buildings. This is significantly above the average for the 7 reporting communities.

Fleet Maintenance



FY 2012 Rank 2nd out of 10

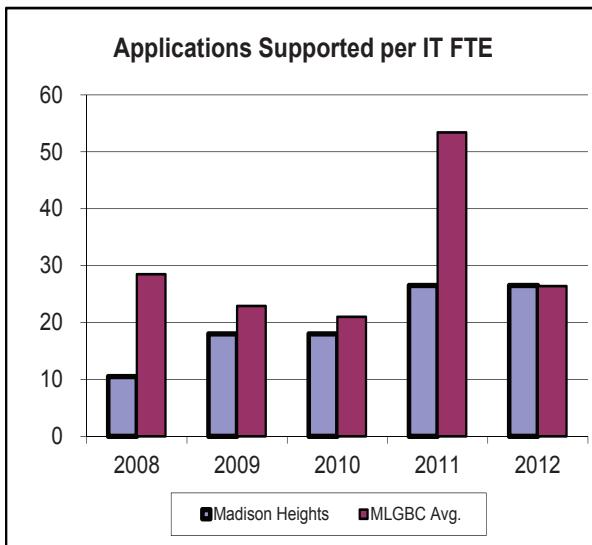
In FY 2012 Madison Heights paid an average of \$3.03 per gallon of gasoline as compared to the average \$3.08. This is up from the \$2.80 per gallon that the City paid in FY 2010.



FY 2012 Rank 3rd out of 12

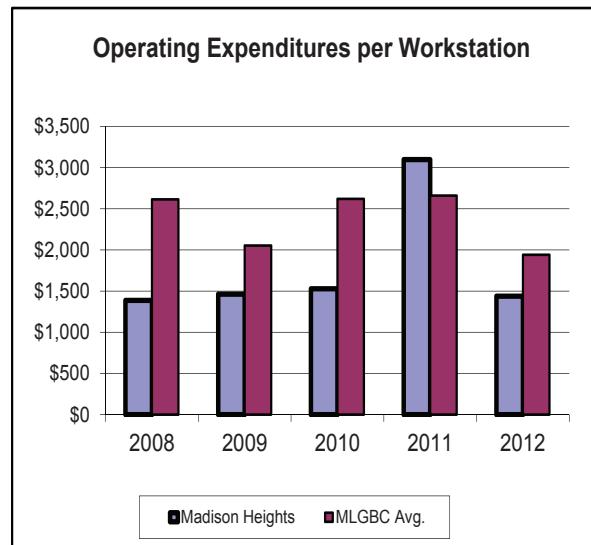
Madison Heights reported an average cost per gallon of diesel in FY 2012 of \$3.14. This is up from \$2.98 reported in FY 2011, but lower than the average of \$3.25.

Information Technology (IT) Service



FY 2012 Rank 6th out of 12

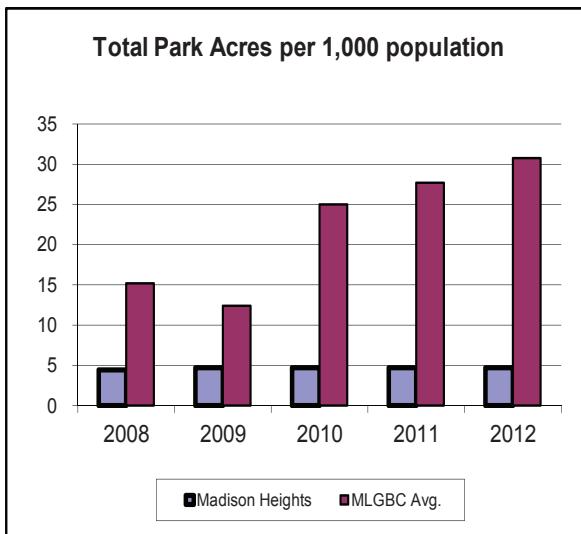
In FY 2012 Madison Heights IT Department supported 26.5 applications per IT FTE of 2.



FY 2012 Rank 2nd out of 13

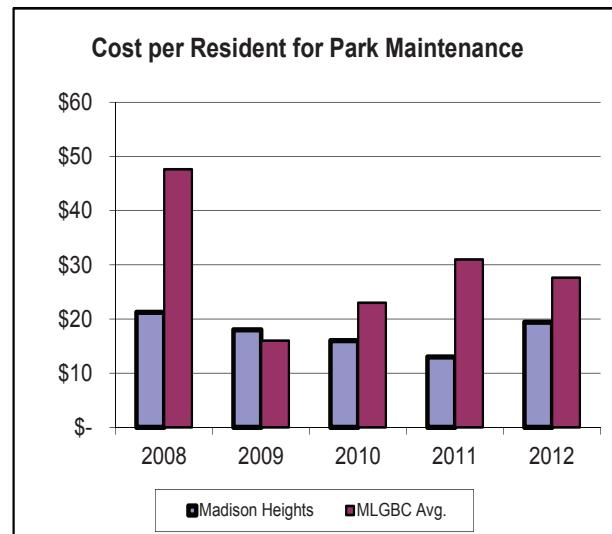
In FY 2012 Madison Heights IT Department had an operating expenditure per work station of \$1,438. This is lower than the average of \$1,941.

Park Maintenance



FY 2012 Rank 11th out of 16

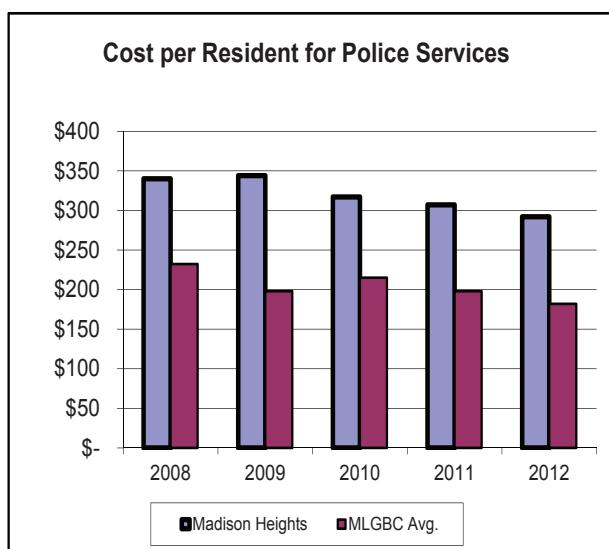
In FY 2012 Madison Heights had 4.7 park acres per 1,000 population. This is the 11th lowest out of the 16 reporting communities.



FY 2012 Rank 8th out of 12

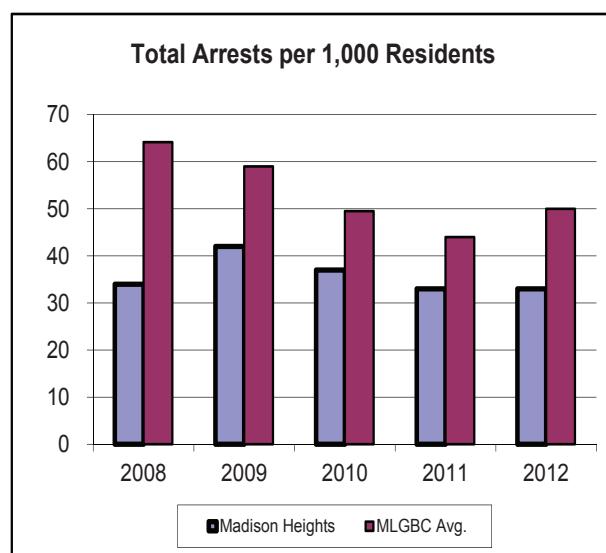
During FY 2012 Madison Heights averaged a cost of \$19 per resident for park maintenance as compared to the group average of \$28. This is the 8th lowest out of 12 reporting communities.

Police



FY 2012 Rank 11th out of 12

In FY 2012 Madison Heights reported a total cost per resident of \$292, compared to the group average of \$182. This placed the City 11th out of the 12 reporting communities.

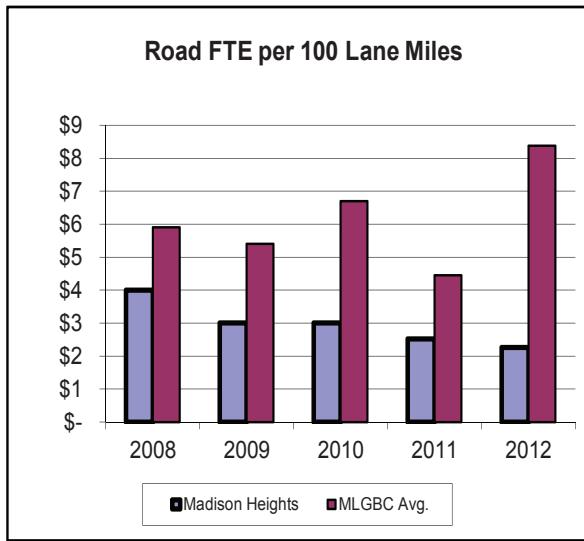


FY 2012 Rank 2nd out of 12

In FY 2012 Madison Heights reported 33 arrests per 1,000 residents. This is the 2nd lowest arrests per 1,000 residents of the 12 reporting communities.

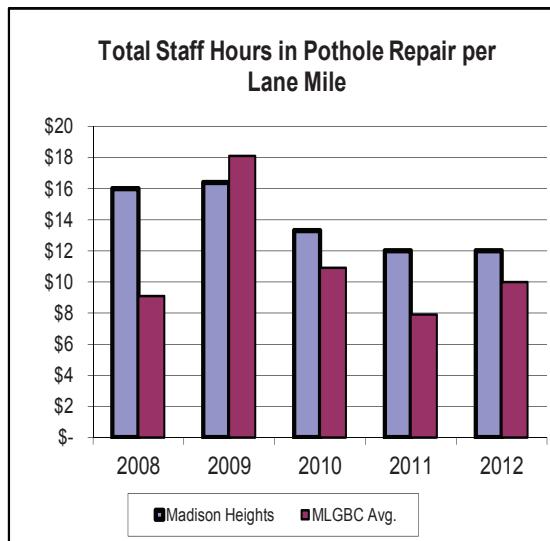
MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

Road Maintenance



FY 2012 Rank 9th out of 9

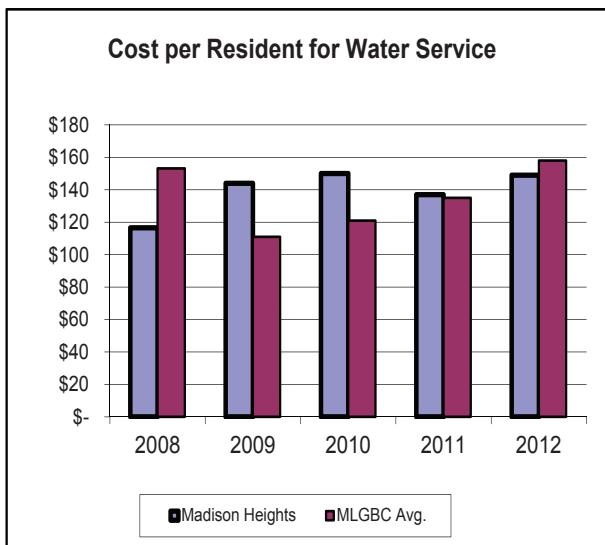
In FY 2012 Madison Heights had the lowest full-time equivalent per 100 lane miles at \$2.26, compared to \$8.38 for the average.



FY 2012 Rank 6th out of 7

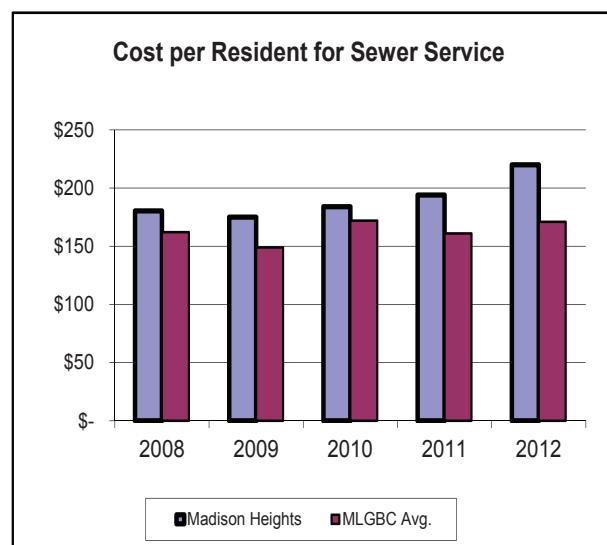
Madison Heights is the 6th highest out of 7 reporting communities for total staff hours in pothole repair per lane mile of 12 hours per mile, compared to the group average of 10.

Water and Sewer



FY 2012 Rank 7th out of 12

In FY 2012 Madison Heights's cost per resident for water was \$149 with the average at \$158. This is the 7th lowest out of 12 reporting communities.

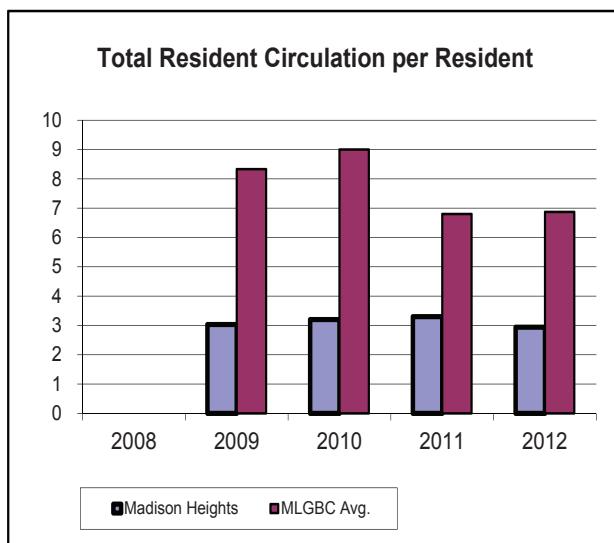


FY 2012 Rank 9th out of 12

In FY 2012 Madison Heights's cost per resident for sewer was \$220. This is the 9th lowest out of 12 reporting communities.

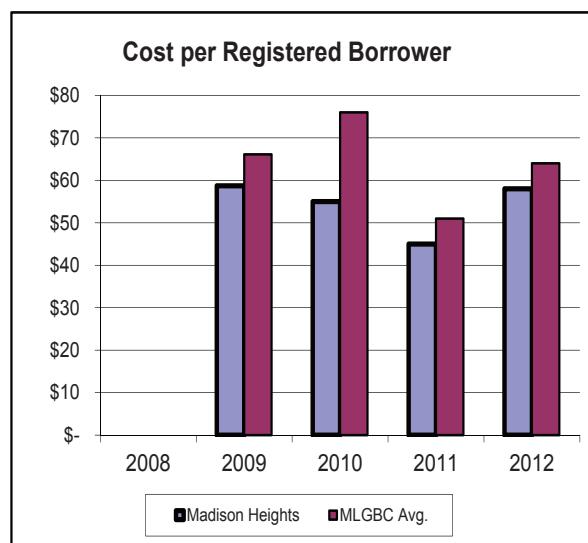
MICHIGAN LOCAL GOVERNMENT BENCHMARKING CONSORTIUM

Library



FY 2012 Rank 11th out of 11

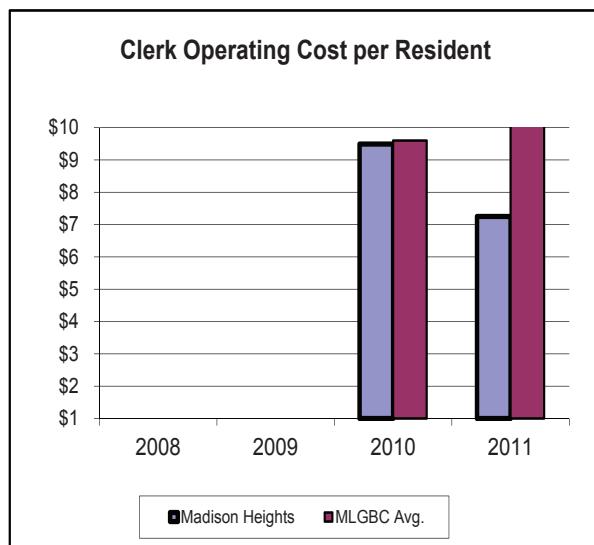
In FY 2012 Madison Heights had a circulation per resident of 2.94 which was the lowest out of the 11 communities reporting. The benchmarks for library services were added in FY 2009.



FY 2012 Rank 4th out of 9

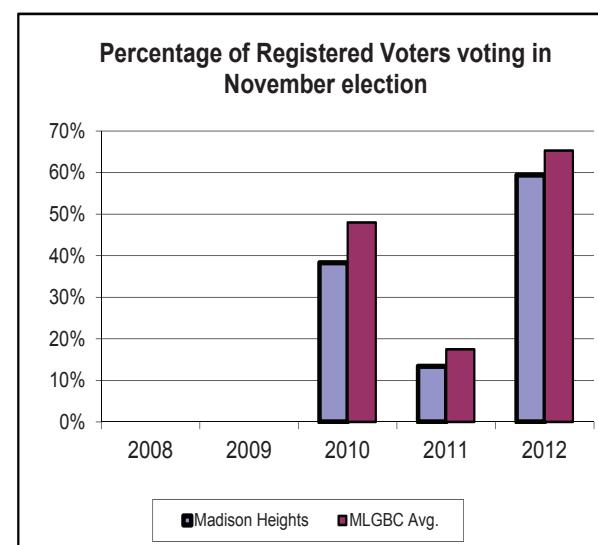
Madison Heights has the 4th lowest cost per registered borrower of the 9 reporting communities. The benchmarks for library services were added in FY 2009.

Clerk and Elections



FY 2012 Rank 4th out of 14

In FY 2012 Madison Heights City Clerk's operating cost per capita was the 4th lowest of the 14 reporting communities. Benchmarks for Clerk and Elections was added in FY 2010.



FY 2012 Rank 12th out of 14

In FY 2012 Madison Heights ranked 12th lowest in percentage of registered voters voting in the November election compared to the 14 communities reporting. Benchmarks for Clerks and Elections was added in FY 2010.



REVENUE CHAPTER

Revenue Overview

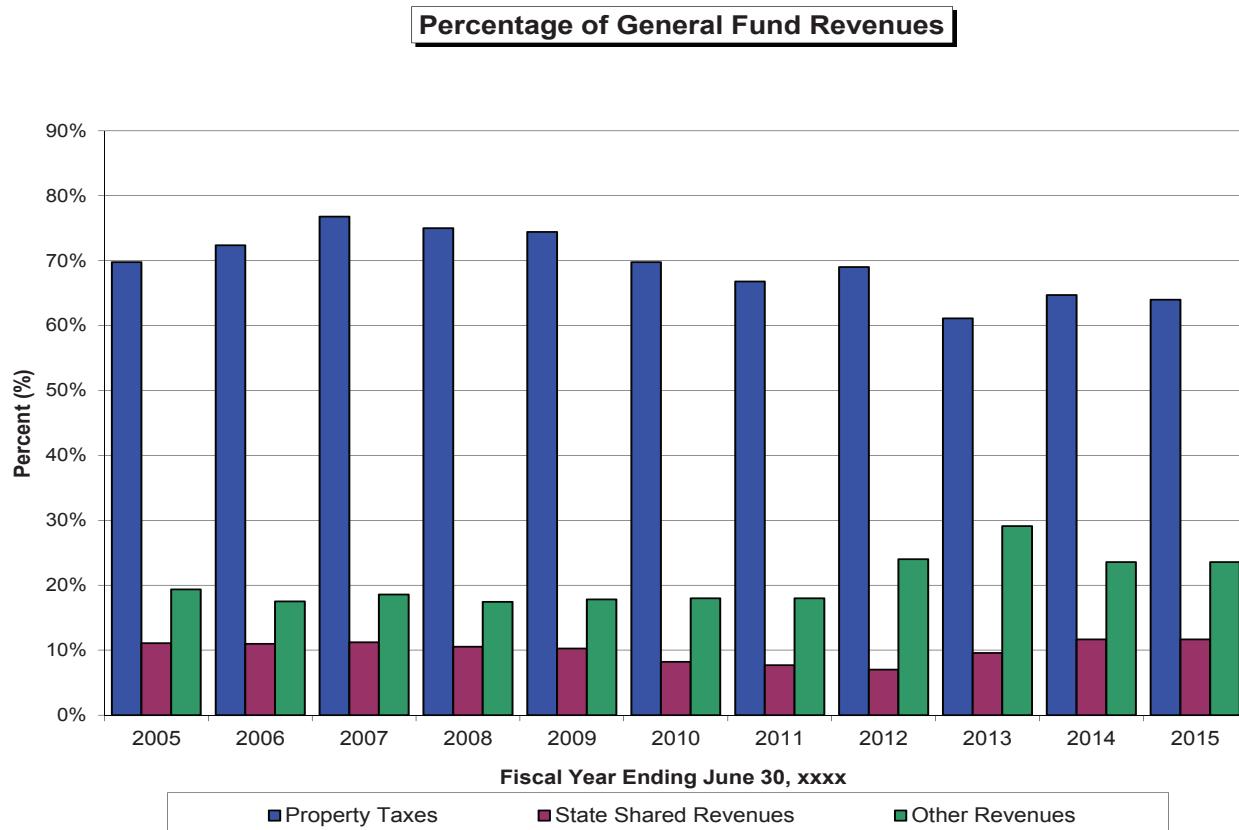
General Fund Revenues are budgeted at \$24.6 million for the FY 2014-15 and no use of fund balance is planned. This represents a decrease of \$635,000, or 2.5% from FY 2013-14 Amended Budget Revenues, factoring in the \$965,000 use of fund balance in FY 2014. Exclusive of the use of fund balance in revenues for FY 2014, the FY 2015 budgeted revenues are up by \$329,500, or 1.3%. The majority of the revenue increases, \$204,000 or 62%, reflect the combined decrease in property tax refunds (5.7%) and increase in taxes (real property up by 2.25%, personal property tax down by 2.08%, administrative fees down by 5.5%), which net to an increase of 1.3%. The remaining amount of this change includes increases and decreases of other revenue sources, the most significant of which is \$75,000 for an EVIP competitive grant assistance program (CGAP) grant for the health and wellness center and a 3% increase in State Revenue Sharing, with the constitutional component budgeted at an increase of \$36,000 and EVIP budgeted at an increase of \$38,000.

Factoring in the impact of the current inflation rate of 3.34%, General Fund Revenues are still down 5.6%.

Base Budget Revenue Changes

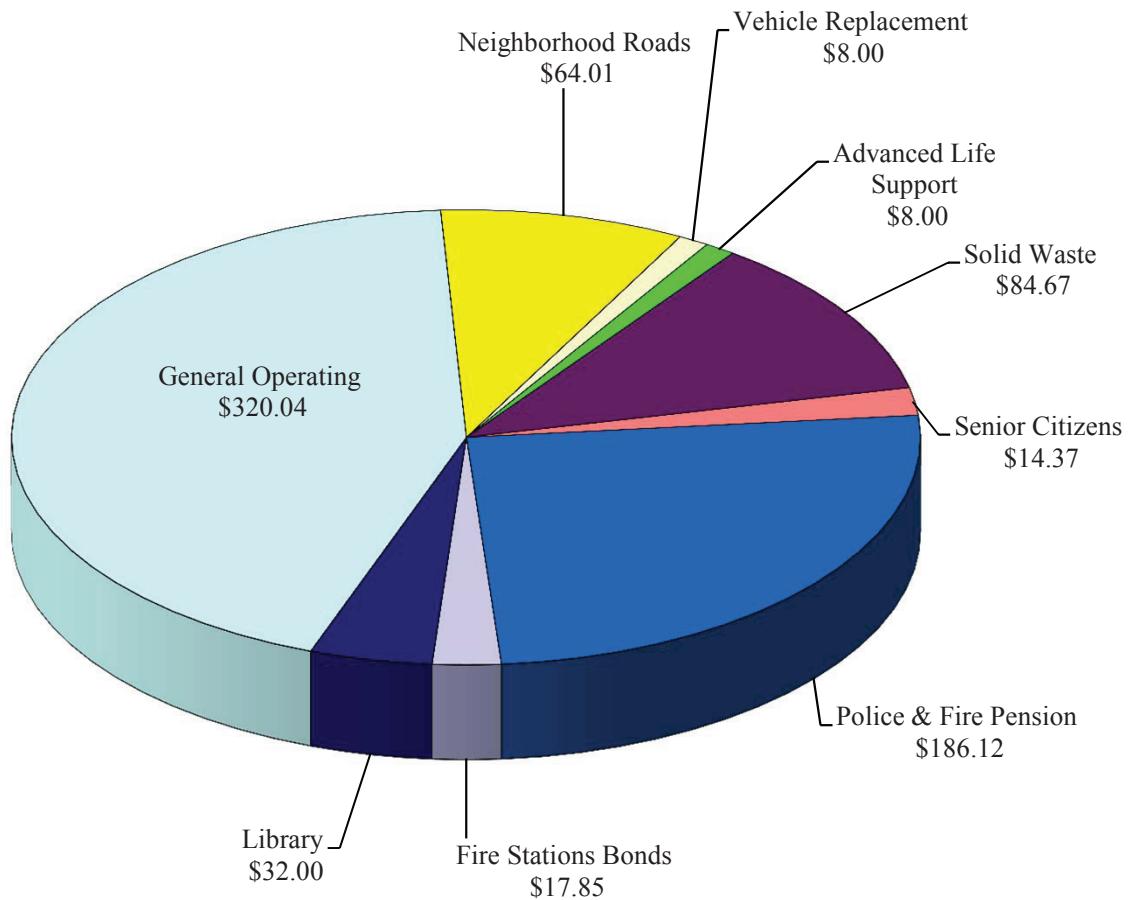
The composition of General Fund Revenues has gradually shifted away from Property Taxes and toward a greater reliance on other revenue sources in comparison to prior years. The principal sources of General Fund Revenue include: Property Taxes, \$15.8 million (64% of total General Fund Revenues); State Shared Revenues, \$3.0 million (12%); Court Related Revenues, \$1.8 million (7%); Charges to Other Funds, \$1.0 million (4%); Construction Permits, \$450,000 (2%); Ambulance/Rescue Insurance Reimbursement, \$495,000 (2%); Cable Television Fees, \$467,000 (2%), Charges for Service, \$255,000 (1%), and Other Revenues, \$1.3 million (6%).

Property tax revenues can be divided into four categories: Real Property Tax (\$13.2 million); Personal Property Tax (\$2.5 million); Michigan Tax Tribunal Tax Refunds (-\$537,100); and Penalties, Interest, Delinquent Taxes and Administration Fees (\$624,000).



Average City Taxes - FY 2014-15
Based on Average Home Market Value of \$67,548
(Taxable Value of \$32,004)

Total of \$735.06



Approximately 56 % 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 2014-15 combined City tax rate of 22.9680 mills per thousand dollars of State taxable valuation is broken down as follows:

DOLLARS PER \$1,000 OF TAXABLE VALUE *

	<u>Tax Rate</u> <u>2013-14</u>	<u>Tax Rate</u> <u>2014-15</u>	<u>Tax Rate</u> <u>Change</u>	<u>Tax Rate</u> <u>Limits **</u>	<u>Headlee Tax</u> <u>Limits **</u>
<u>Operating Millages:</u>					
General Operating	10.0000	10.0000	0.0000	10.0000	10.0000
Neighborhood Road Improvements	2.0000	2.0000	0.0000	2.0000	2.0000
Vehicle Replacement	0.2500	0.2500	0.0000	0.2500	0.2500
Advanced Life Support	0.2500	0.2500	0.0000	0.2500	0.2500
Solid Waste	2.6457	2.6457	0.0000	3.0000	2.6457
Senior Citizens	0.4490	0.4490	0.0000	0.5000	0.4751
Police & Fire Pension	5.8155	5.8155	0.0000	as needed	as needed
Fire Stations Bond	0.5148	0.5578	0.0430	as needed	as needed
Library	<u>1.0000</u>	<u>1.0000</u>	<u>0.0000</u>	1.0000	1.0000
Total Millage	22.9250	22.9680	0.0430		

*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.

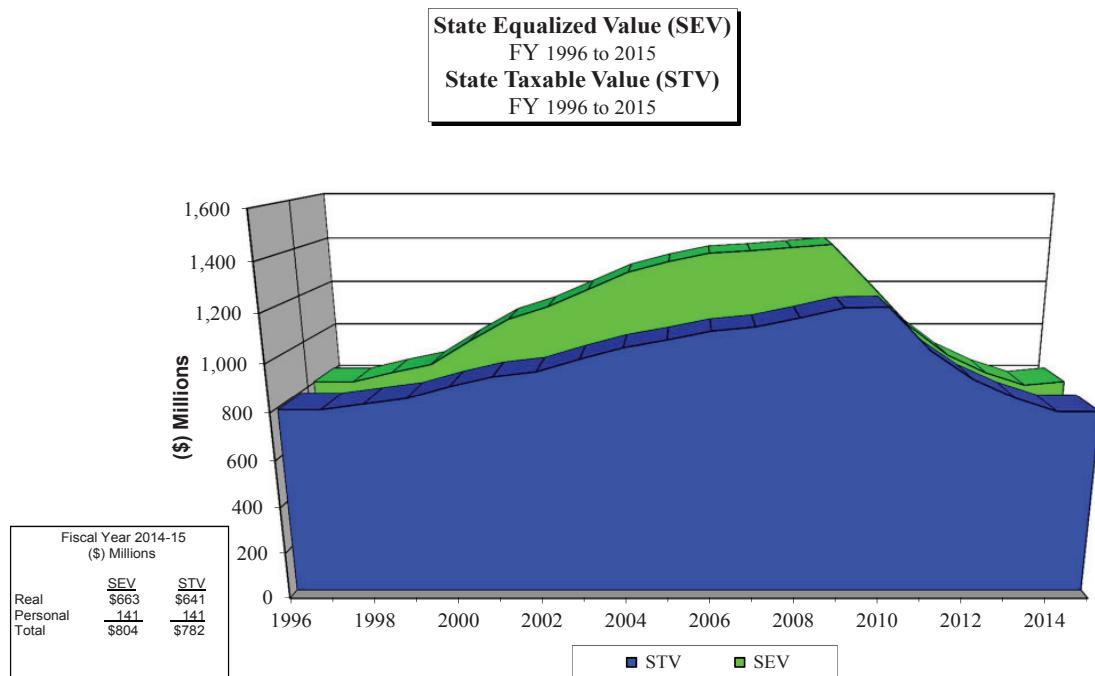
**Tax rate limits as established by the City Charter and various State laws. These limits are further subject to potential reduction as a result of the Headlee State Constitutional Amendment, which limits property tax increases related to the rate of inflation and Proposal "A" approved by State voters 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 10,064 single-family homes and condominiums in Madison Heights. The average home market value is \$67,548 (State Equalized Value is \$33,774) with a taxable value of \$32,004 and an average tax bill of \$735 for City services for Fiscal Year 2014-15.

Only one of the ten millages experienced a rate change for 2014-15. The Fire Station Bond millage will increase from 0.5148 to 0.5578. This millage has been adjusted to match the bond payment schedule.

Property Tax Base

The following chart illustrates the change in the State equalized value over the last seventeen 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 (40%), commercial (33%), industrial (9%) and personal property (18%).



Taxable property consists of 81.4% real (land and building) and 18.6% personal (equipment and fixtures).

This chart also illustrates the gap between equalized and taxable value. In FY 2015, the overall taxable value is estimated to essentially remain stagnant, with growth of 0.2% and equalized value increasing by 2.1%. It is anticipated that at least for the next one to two years the equalized value will continue to increase while taxable value will struggle to increase with residential and real property increases continuing to be offset by losses in personal property taxable value. Taxable value is also redistricted due to the Headlee Amendment, so even when the City does have an annual increase in uncapped property values, we will not benefit monetarily, as uncapped values are treated as growth on existing property and trigger the Headlee millage rollback. Under the Headlee Amendment, the increase in the taxable value of property not transferred is capped at the lesser of inflation, or 5 percent.

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 and continuing into 2014, the City refunded more past taxes than were received in delinquent tax collections. This loss of revenue was due to decreased taxable values and an increased number of Michigan Tax Tribunal (MTT) cases.

From July 2010 to January 2014, the City has refunded a total of \$2,235,000 for settled or completed MTT cases. For Fiscal Year 2015, this refund amount is budgeted to be \$537,093. This assumes that 40% 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 \$12.4 million.

Personal Property Tax Reform

In December 2012, Governor Rick Snyder signed a package of bills that collectively phased out the personal property tax (PPT) by providing exemptions for small parcels defined as personal property with a taxable value of \$40,000 or less and exemptions for eligible new and existing manufacturing personal property, beginning in 2014 for the small parcels and a 10-year phase-in starting in 2016 for the manufacturing personal property. The City estimated a loss of \$1.4 million from the small parcel exemption as it would affect 97% of all personal property parcels in the City. The manufacturing PPT exemption was estimated to cost the City \$9.6 million over the 10-year period (by 2022), inclusive of a \$341,000 loss by virtue of nine (9) current tax abatements becoming permanent. The legislation was predicted on voter approval in a State-wide election to be held in August 2014.

The 2012 legislation provided local units of government two potential sources of funding to partially replace lost PPT revenue. First, the new law allowed counties, cities, townships, and villages to levy what was called an “Essential Services Assessment” to replace 100% of the lost PPT revenue that would have funded police, fire, ambulance, and county jail services. Second, the law created a new Metropolitan Areas Metropolitan Authority (MAMA) that would receive a portion of the Michigan Use Tax and would be authorized to reimburse eligible local units for 80% of the lost PPT revenue used to support non-essential services. Again, the law was tied to voter-approval during the August 2014 Regular Election.

As the result of the extensive work by the Michigan Municipal League (MML) and lobbying on behalf of local governments, the State Legislature passed in March 2014 Senate Bills 821-830 which provide 100% reimbursement to local units for all lost PPT revenue, and which replaces the local Essential Services Assessment with a State assessment through a new Local Community Stabilization Authority. Although these technical bills are still being analyzed, it appears that the State assessment and manufacturing property PPT phase out would begin in 2016, and are predicted on voter approval at the August 2014 Election. The small parcel exemption would begin with the 2014 Tax Year. The legislation is expected to be signed by the Governor shortly. The FY 2015 Budget includes a reduction in personal property tax revenue due to the small parcel exemption. Even if voters approve the repurposing of a portion of the State Use Tax as Local Community Stabilization revenue, initial reimbursement will only be for debt losses. Non-debt losses will not begin until FY 2016 when the Authority will calculate a reimbursement to locals for FY 2014 and FY 2015. This calculation is based on the percentage of FY 2012 General Fund revenues used to fund essential services and must be included in the FY 2014 annual financial report.

In the event that Michigan voters do not approve the August 2014 Ballot Proposal, the personal property tax would remain in full effect; however, the MML has indicated there would be a strong possibility of the “lame duck” legislature repealing the PPT, with no replacement revenue to local governments.

State Shared Revenues

The City’s second largest source of General Fund Revenue is State Shared Revenues, which amount to \$3.0 million or 12% of the Budget.

State Shared Revenues are taxes collected by State government and then transferred back to local units of government. Michigan currently has two forms of revenue sharing payments: constitutional and statutory.

- Constitutional

Article IX, Section 10, of the Michigan Constitution requires that “[F]ifteen 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 2015 budget projects a total distribution under this constitutional provision of \$764.9 million, representing a \$19.4 million or 3% increase state-wide over the prior fiscal year based on estimated sales tax collections.

- Statutory - Economic Vitality Incentive Program (EVIP)

The second form of state revenue sharing, known as Economic Vitality Incentive Program or EVIP, replaced statutory revenue sharing and provides \$243 million for qualified cities, villages, and townships that adopt best practices. Criteria relate to accountability and transparency, consolidation of services, and unfunded accrued liability requirements. Municipalities receive one-third of their funding for each category of best practices they meet. 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.

The Governor’s executive budget includes a 3% increase in EVIP funding as well as a \$28.8 million or 12% supplemental payment into a new EVIP line item that eligible “gold standard” communities can receive if they meet one or more of the following “gold standard” criteria that would result in high-need, high performing municipalities receiving a larger share of total aid:

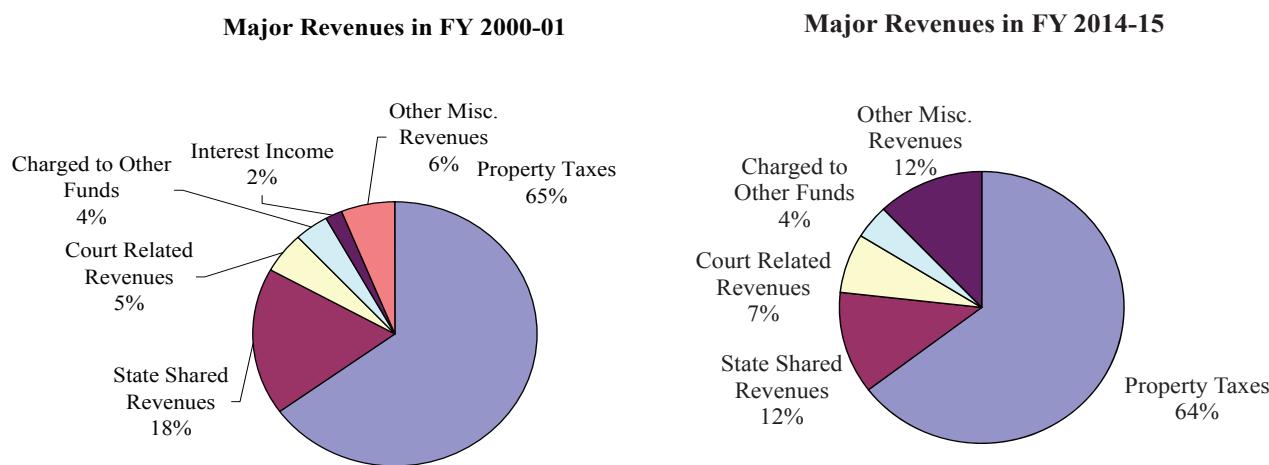
- (1) meet the four best practices defined as:
 - a. having a unrestricted fund balance equal to or greater than 6% of the most recently adopted general fund expenditures;
 - b. making defined benefit pension contributions that are equal to or greater than the annual required contribution amounts determined by actuarial valuation;
 - c. pre-funding post-employment benefit plans at levels that are equal to or greater than the annual required contribution amounts determined by the actuarial valuation; and,
 - d. having a general obligation bond or credit rating that is at least AA- or the equivalent of that rating from two out of three rating agencies.
- (2) being in the top 25% for violent crime;
- (3) being in the top 25% for unemployment; and
- (4) having submitted an approved deficit elimination plan to the Department of Treasury.

The total recommended State-wide funding of \$271.8 million reflects a 15% increase over FY 2014 funding, and a 30% increase since the program was created.

- Impact on City Budget

Budgeted State Shared Revenues are projected to increase 5.4% when compared to the amended FY 2014 Budget. The Constitutional Sales Tax portion is budgeted at \$2.3 million in FY 2015, which is a 3% increase reflecting the overall state-wide increase.

For budget purposes, the City assumed it will meet all three original EVIP requirements and planned for an increase in EVIP, but did not assume qualifying for the new supplemental payment, given that the City is unable to contribute 100% of the actuarially required contribution for retiree health care, does not face the severe crime and unemployment challenges as defined by the State, and has not had to submit a Deficit Reduction Plan. EVIP payments are budgeted at our maximum allocation of \$515,000.



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 2014-15 they are only 12% of the total.

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 (\$1.8 million), which are used to partially offset the cost of operating our State-mandated District Court and Police Department.

The fourth significant revenue is departmental charges, which is budgeted at \$1,011,000. These revenues are based on charges to the Major Street (\$124,000); Local Street (\$195,000); Water and Sewer (\$666,000); and Fire Station Bond (\$26,000) 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 insurance reimbursement charges. Interest income is budgeted at \$101,000 for FY 2015. Interest income continues to be down due to continued low interest rates as established by the Federal Reserve and reduced cash available for investment.

Revenue categories amounting to less than \$100,000 annually include Medicare Part D prescription 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 Assumptions

- State Shared Revenues - Based on the Governor's FY 2015 Proposed Budget, Constitutional State Shared Revenues (SSR) are budgeted to increase 3% and Economic Vitality Incentive Program (EVIP) SSR is budgeted to increase 8%. For more information on SSR see the SSR section of this chapter.
- 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 (Water and Sewer), time analysis, and costs for parts and labor, outside work, fuel, personnel, and insurance (Motor Pool).
- Interest Income – A conservative 1.25% return is assumed on cash reserves for general investments. In accordance with PA 404 of 2008, the cash reserves from the Parks Maintenance Fund is invested in a long-term portfolio to maximize investment returns. Interest income for the Parks Maintenance fund is budgeted to be 6.8%.
- Gas & Weight Tax – Michigan Department of Transportation estimated Act 51 Revenues as a 3.0% increase exclusive of any additional road funding currently being proposed in the House and Senate.
- Water Sales and Sewage Disposal – Detroit Water and Sewage Department has announced an 8% increase to Madison Heights for water usage in FY 2015. Oakland County has estimated an increase of 4%. This contributed to a proposed rate increase for Water of 8% and Sewage of 4% for a combined rate increase to Madison Heights Water and Sewage customers in FY 2015 of 6.175%.
- 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 \$1.3 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 and city population. Gas and Weight tax revenues comprise 95% of Major Street revenues. Other revenues include reimbursements from the Road Commissions of Oakland and Macomb Counties for winter and summer maintenance by the City on County roads and berm areas and interest income. FY 2015 also has a budgeted contribution to fund balance of \$150,000.

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 \$494,000, 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 \$1.5 million in FY 2015 and an estimated \$19 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 budgeted at \$16,400. The projected draw down of fund balance to complete scheduled neighborhood road reconstruction projects for FY 2015 is projected at \$1.2 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 \$42,500 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 contribution to fund balance for FY 2015 is \$9,500.

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. Tax revenues have decreased 83% over the last five years from \$243,100 in FY 2009-10 to \$42,500 for FY 2015. The FY 2015 budget also includes a \$12,500 use of fund balance.

Drug Forfeiture Fund

The Fund is used to account for revenues (FY 2015, \$63,170) 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

Community Improvement revenues are provided by the Federal Housing and Urban Development (HUD) Department for the Community Development Block Grants (CDBG) program. HUD monies for the CDBG program are estimated to be \$118,000 for FY 2015. This program is administered by Oakland County and provided reimbursement for 100 percent reimbursement for expenditures that aid low-mod-erately income areas. This reimbursement is limited to the amount of available Federal funding which has declined substantially in recent years.

Special Assessment Revolving Fund

Revenues to this Fund include property owner principal and interest payments from prior years' road and sidewalk projects (\$327,000). Other revenues include interest earned on fund balance (\$5,000), transfers from Local Streets (\$20,000) for key flags sidewalks/ramps at intersections and a \$76,000 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 \$419,000 this year to make principal and interest payments and repay the General Fund for refinancing costs from FY 2013. This is an increase of 12.4% over the FY 2014 budget. This increase is related to an increased bond payment from \$300,000 in FY 2014 to \$325,000 in FY 2015, and the repayment of \$26,000 to the General Fund for refinancing costs in FY 2013.

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 36% and 55% respectively of the revenues of this fund. The FY 2015 budget includes a water rate increase of 8% and a sewer rate increase of 5%, for a combined increase of 6.175%. This budget includes a contribution to net restricted assets in the amount of \$398,687. 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 (\$988,000) and Water and Sewer Fund (\$105,300). The amount contributed by each department is based on the cost incurred by the Motor Pool in maintaining each department's vehicles. This contribution is planned to increase our current water and sewer reserves in anticipation of potential rate adjustments due to the Detroit Water and Sewer (DWSD) reorganization.

FUND BALANCE

In Madison Heights, the General Fund fund balance consists of designations of assigned fund balance for various purposes amounting in total to \$3.8 million. The following table reflects the audited Fund Balance for the years ended June 30, 2012 and 2013:

FUND BALANCE	ACTUAL FY 2011-12	ACTUAL FY 2012-13	CHANGE FY 11-12 vs 12-13
Unreserved:			
Assigned:			
Vested Employee Benefits	\$2,022,872	\$2,287,483	\$ 264,611
Retained Insurance Risks	445,900	721,706	275,806
Capital Improvements	1,560,505	0	(1,560,505)
Postemployment Benefits	1,336,900	0	(1,336,900)
Technology Improvements	75,000	18,000	(57,000)
Subsequent Year's Expenditures	<u>391,515</u>	<u>785,165</u>	<u>393,650</u>
Total Assigned	\$5,832,692	\$3,812,354	(\$2,020,338)
Unassigned	0	0	0
Total Unreserved Fund Balance	\$5,832,692	\$3,812,354	(\$2,020,338)

Assigned Funds

Assigned Fund Balance falls into four categories: funds designated for vested employee benefits; retained insurance risks; technology improvements, and subsequent year's expenditures.

The designation for vested 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 \$2.3 million last year and makes up 60% of the Assigned Fund Balance.

In 1987, the City started setting aside a portion of its Fund Balance for possible contingencies related to self-insurance losses.

With the decreases in revenue sharing and property tax, and increasing prices, the general maintenance and upkeep of City facilities and technology has become a heavy burden to support and in some situations has been deferred for many years. However, on June 30, 2013, the assignment for future capital improvements had to be eliminated and the assigned amount for technology improvements was reduced to \$18,000.

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, 2013, those carry-forward purchase designated funds of \$785,165 made up 20.6% of the Assigned Fund Balance.

Unassigned Funds

Unassigned Fund Balance is that portion of the fund balance not specifically assigned for a specific purpose. Due to the current financial constraints, all of the Fund Balance is either nonspendable, assigned or reserved for specific purposes.

Restricted Funds

Restricted fund balance is the portion of fund balance that is constrained to specific purposes by an external characteristic. In the City's case, these monies are restricted for dedicated millages. As of June 30, 2013, the City had restricted funds in the amount of \$800,652. Of this amount \$201,897 is restricted for future vehicles purchased through Proposal "V", and \$92,192 is restricted for Proposal "L" (Library) expenses.

Changes in Fund Balance

The FY 2015 budget proposes no use of Fund Balance. The City Council has adopted a financial policy to maintain 10% of current year expenditures in fund balance. At the end of FY 2014, we are budgeted to have 11.5%.

**ALL FUNDS SUMMARY
CHANGES IN PROJECTED
FUND BALANCE/RETAINED EARNINGS
FISCAL YEAR 2014-15**

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund ⁽¹⁾	\$ 2,847,689	\$ 24,600,491	\$ 24,600,491	\$ 2,847,689	0
Major Street ⁽²⁾	30,614	1,324,837	1,174,676	180,775	490.5
Local Street - Non Proposal R ⁽³⁾	330,544	588,282	633,357	285,469	(13.6)
Local Street - Proposal R ⁽³⁾	2,816,820	1,570,993	2,558,000	1,829,813	(35.0)
Parks Maintenance and Improvements	614,777	42,500	32,968	624,309	1.6
Downtown Development Authority	48,960	42,485	54,928	36,517	(25.4)
Police Drug Forfeiture	33,511	36,866	63,170	7,207	(78.5)
Community Improvement Program	0	117,973	117,973	0	0
Special Assessment Revolving	945,003	351,670	427,965	868,708	(8.1)
Fire Stations Construction and Bond Funds	0	419,405	419,405	0	0
Water and Sewer Fund ⁽⁴⁾	6,884,457	11,941,313	11,542,626	7,283,144	5.8
Motor Pool and Equipment Fund	0	1,093,247	1,093,247	0	0
Total	\$ 14,552,375	\$ 42,130,062	\$ 42,718,806	\$ 13,963,631	(4.0)

- (1) The General Fund FY 2014 Amended Budget includes a planned use of fund balance of \$964,665 bringing the General Fund fund balance to \$2,847,689 or 11.5% of General Fund expenditures. Given Council's policy of a required 10% of current year expenditures in fund balance and the uncertainty with personal property tax, the FY 2015 General Fund utilizes no fund balance.
- (2) The Major Street Fund is budgeted to contribute \$150,161 to fund balance. This money will be reserved for future Major Street construction projects.
- (3) The Local Street fund has two components of fund balance. The first is non-Proposal R expenditures which are expected to exceed revenues by \$45,075 in FY 2015. The second is the Proposal R portion which is budgeted to use fund balance for planned construction projects for which the Proposal R millage is levied.
- (4) The Water and Sewer Fund's retained earnings is not representative of cash in this business-type fund and includes accounts receivable, depreciation and inventory. At June 30, 2013, the cash balance was \$5,644,647 with a June 30, 2014 projection of \$5,604,334.



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 City-wide 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 (10% to 12% 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

Written financial 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 Management, Budget and Expenditures, 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's 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 will establish a financial forecast to be updated annually, focusing on a four-year horizon combined with the current year for a five-year outlook.
2. The City will evaluate alternative means of services delivery when opportunities arise to ensure that services are being provided to our residents at the most economical cost.
3. 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.

Budget and Expenditure Policies

1. The City must adopt a balanced budget annually. A balanced budget is when total budgeted revenues are equal to total 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 maintain a budgetary control system to ensure adherence to the budget and will prepare periodic reports comparing actual revenues and expenditures to budgeted amounts.
3. The City will emphasize efforts to reduce expenditures in major cost centers (e.g. energy, medical insurance premiums, self-insurance liability premiums, communications, information technology, pension costs, worker's compensation premiums and other fringe benefits).
4. 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 automatically allow charges to grow at a rate that keeps pace with the cost of providing the service, which includes, but is not limited to, pass-through charges from other jurisdictions and wholesale providers of service to the City.
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 (assigned and/or unassigned 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 ten percent of annual expenditures.
2. The City will strive to establish a contingency expenditure reserve (assigned and/or unassigned 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 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.
5. 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, 2013, the City has assigned General Fund Fund Balance for vested employee benefits (\$2,287,483), retained insurance risk (\$721,706), technology improvements (\$18,000), and subsequent year's expenditures (\$785,165) for a total of \$3,812,354.

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 have been 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 Deputy City Manager for Administrative Services. The City implemented Statement No. 54 for Fiscal Year ending June 30, 2011.

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 are related to a grant opportunity will receive priority consideration.
 - b. Projects that implement a shared service or interlocal agreement will receive priority consideration.
 - c. Projects specifically included in an approved replacement schedule will receive priority consideration.
 - d. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
 - e. Projects that duplicate other public and/or private services will not be considered.
 - f. 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.

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 Deputy City Manager for Administrative Services serving as the Investment Officer or 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. Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
7. The Investment Officer 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 carrying investments at cost or amortized cost which approximates market and amortizes the premium or discount over the life of the investment.
10. The Investment Officer will submit a quarterly investment report that provides the principal and type of investment by fund, annualized yield, ratio of cash to investments, earnings year-to-date, and a summary report of cash and investments maintained in each financial institution. Material deviations from projected investment strategies will be reported immediately to the City Manager.
11. The Investment Officer 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 Deputy City Manager for Administrative Services serving as 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 City Manager 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 City Manager.

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 and segregation of duties to the best of its ability given reduced staffing levels.

Credit Card Policy

1. The City's Deputy City Manager for Administrative Services serving as the 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. Otherwise, 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 with penalties.

- 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 Proprietary Funds are unique to governmental 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.

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 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 1st and ending June 30th.

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, Department Heads, the Deputy City Manager for Administrative Services (serving as 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 priority services, covering insurance and bond requirements, and the balancing of staff, supplies and equipment.

Budget Review and Analysis

All funding requests are sent to the City Manager and Deputy City Manager for Administrative Services (serving as 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 Deputy City Manager for Administrative Services (serving as 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 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
December	Staff and Council review forecast results and presentation, and Council provides direction

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 road evaluation
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
Mid to 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
Late January/Early February	Staff proposes and Council reviews and approves amendments, if needed (no special notices or public hearing required)
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 April to Early May	Council Budget Workshop Session(s)
Early April	City Manager and staff resolve remaining budget concerns and other questions
By Mid April	Staff produces Proposed Budget for submission to City Council
Mid April	Deputy City Manager for Administrative Services and City Clerk publish notice of public hearing on millage rates and budget adoption
By the 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 June	Staff proposes and Council reviews and approves year-end budget amendments, if needed (no special notices or public hearing required)

APPROPRIATIONS CHAPTER

The Appropriations Chapter provides the backup and support materials for concepts and programs introduced in the Budget Overview. This chapter outlines changes to the base budget 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 \$19.5 million or over 45.5 percent of all funds appropriation totals. The budget for the personal services accounts are down a combined \$322,000, or 1.6%, principally due to changes to the funding of retiree health care. In the General Fund, personal services make up over \$17.4 million or 70.8 percent of the budget. The Budget includes frozen base wages for FY 2014-15 and combined needed labor concessions in order to provide the same service level as FY 2013-14.

Status of Labor Negotiations

As of July 1, 2013, 138 of 146 full-time City employees, or 94%, belong to one of eight bargaining units. Of course, with this high percentage of unionized workforce, it has been very time consuming, costly and difficult to initiate the type of change that has been necessary to meet our financial challenges.

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 Local 1917.34
3. Supervisors and Assistants Union - AFSCME Council 25 Local 1917.33
4. Municipal Employees Union - Technical, Professional and Officeworkers Association of Michigan (TPOAM)
5. Department of Public Service - TPOAM
6. Madison Heights Police Officers Union (Public Act 312 coverage)
7. Madison Heights Police Command Officers Association/Police Officers Labor Council (POLC) (Public Act 312 coverage)
8. Madison Heights Fire Fighters Association (Public Act 312 coverage)

All eight bargaining units had contracts that expired on June 30, 2013. As of the print date of these documents, the City has settled contract with TPOAM Municipal Employees Union, AFSCME Council 25 Department Heads Union, AFSCME Supervisors and Assistants Union and the TPOAM Department of Public Services Union. For more details on changes in employee cost and negotiated changes, please refer to the Personnel chapter.

Medical Costs

- Health Care Coverage - Current Employees

The largest fringe benefit cost is \$1.6 million for health care coverage. For the purpose of negotiated benefits, employees are divided into two groups: active (currently employed) and retired. On January 1, 2012, all active employees were moved to Blue Cross - Blue Shield Community Blue 4 Plan. The plan has a deductible of \$500 for single, \$1,000 for couple/family and 20% co-pay for expenses over

the deductible up to a maximum of \$1,500 for single and \$3,000 for couple/family per year. This plan also requires per visit fees of \$30 for doctor office visits, \$30 for urgent care clinic and \$150 for emergency room. On July 1, 2013, the City implemented the employee 20% medical premium sharing for all groups in accordance with PA 152.

The City's projected medical insurance premiums for active employees are budgeted at \$6,492 single, \$15,580 couple and \$19,475 family per year effective July 1, 2014.

As of the conclusion of the last round of negotiations, the City has in place a new cost containment measure moving all active employees to a \$5 generic, and \$40 preferred brand and \$80 non-preferred brand 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 budget for these line items is being offset by a shift in expenses to the two Retiree Health Care Trusts. The total monthly premiums for retirees has been shifted from pay as you go expenditures to monthly expenses of the General Employees Retiree Health Care Trusts, effective in 2013 and 2014 for sworn Police and Firefighters.

- 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 \$1.4 million, or 24.99%, of total wages based on the City Actuary's 2013 recommended contribution rate. In regard to the MERS plan, the pension contribution is budgeted by union group, ranging from \$1,956 for Police Service Aides to \$34,472 for non-Union Court Employees and Department Heads. The average MERS contribution rate for FY 2014-15 is \$15,835.

All non-sworn union groups and non-union employees have agreed to change pension benefits for new hires from a defined benefit to a defined contribution plan. The City will fund employee accounts at 7.0% of salary, with the employee contribution varying by union.

- 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 costs, 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.

The most recent actuarial study is as of June 30, 2012. At that time, the unfunded liability was calculated to be \$67.2 million over the next 28 years. Based on two studies of these projected liabilities, the actuary has set contribution rates of 77.12% of Police and Fire payroll and from 6.14% to 136.31% for General employees. Due to budget constraints, the City is unable to fund the complete annual required contribution, and instead the Budget includes funding of 39.25% of payroll for Police and Fire and between 6.14% and 54.31% of payroll for General employees.

- Dental Coverage

All employees receive 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 rate remained constant at \$982 per employee per year.

- Life Insurance Coverage

The Fire Fighters, Police Command Officers, Police Officers and the Department Heads' bargaining groups receive \$50,000 life insurance policies for active employees. 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 are \$207 for the \$50,000 policy and \$145 for the \$35,000 policy. Also, as part of the new labor agreements, life insurance is no longer provided for new hires.

- Worker's Compensation

Until 2010, 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 moved to a self insurance plan where the City contracts with a third party administrator (Citizens Management/CMI), and converted to pay-as-you-go claims. 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 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 \$165,500 with \$38,400 being the lowest and \$299,700 being the highest.

The City has seen initial success with self-funding our workers' compensation program, and calculates the savings from FY 2011 through FY 2013 to be \$639,630.

- Other Benefits

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

Short-term and long-term disability premiums have remained constant at \$48,000.

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 annual increase in the maximum wage to charge Social Security payroll tax.

- Employee Wellness Program

Funding for the Employee Wellness Program bonuses has been frozen for another year at current levels.

- 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. 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. Starting in 1994, the City has been attempting to eliminate longevity pay for employees hired after this date. All non-sworn groups agreed to eliminate longevity pay for new hires with effective dates from July 1, 1997 to August 1, 1999. Effective July 1, 2009, longevity pay has been eliminated for all new Police and Fire employees.

Supplies and Other Services and Charges

In the non-personal service areas of supplies, the departments have held spending constant with a small decrease of 0.5% across all funds. The area of Other Services and Charges increased slightly by 0.4%.

Capital Outlay

Capital Outlay purchases total \$5.4 million for all funds and \$931,483 for the General Fund. The majority of purchases are funded through dedicated millages (Proposal “V”, “R-2” and “L”). The General Fund purchases that are not being funded through a dedicated millage include improvements to City-owned property, such as the renovation of the lower level of City Hall to incorporate a Health and Wellness Center, HVAC improvements throughout City Hall, street light conversions to LED, Friendship Woods Parking lot improvements and trail overlay, Civic Center and Ambassador Park Trail Replacements, and Civic Plaza Parking Lot Maintenance and repairs. In addition to these improvements, the General Fund budget also includes equipment purchases of the E-draulic Hurst Jaws of Life for the Fire Department, a new failover computer server, 20 computer replacements, new software for work orders and timesheets, two new computer servers for video and GIS, and a scanner.

Other Funds include a capital outlay of \$4.4 million. The majority of this amount \$3.4 million is budgeted for road rehabilitation and reconstruction projects including R-2 dedicated millage projects, major roads sectional work, and the sidewalk program. The remaining planned purchases include one Detective Bureau vehicle and video monitoring and recording equipment from the Drug Forfeiture Fund for the Police Station, four water main replacements as part of the R-2 projects, two handheld data collectors, and a partial roof replacement for the DPS pole barn from the Water and Sewer Fund.

Due to the uncertainty of future water and sewer charges from the Detroit Water and Sewer Department, which is currently being restructured under the City of Detroit’s municipal bankruptcy, the FY 2015 Budget temporarily suspends replacement of stand alone (i.e. non-Proposal “R-2”) water mains in order to help maintain a healthy fund balance in the Water and Sewer Fund.

More details on these purchases can be found in the Department Chapters, Capital Improvements Plan and the Capital Outlay section of the policy document.

ALL FUNDS SUMMARY

FISCAL YEAR 2014-15

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture
City Council	\$ 53,421	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,471,453	0	0	0	0	0
City Manager	331,284	0	0	0	0	0
Elections	55,302	0	0	0	0	0
City Assessor	232,173	0	0	0	0	0
Legal	291,195	0	0	0	0	0
City Clerk	302,796	0	0	0	0	0
Personnel	459,609	0	0	0	0	0
Board of Review	3,373	0	0	0	0	0
General Administration	289,025	0	0	0	0	0
Finance	871,268	0	0	0	0	0
Information Technology	317,239	0	0	0	0	0
Municipal Building	208,461	0	0	0	0	0
Custodial & Maintenance	208,941	0	0	0	0	0
Police	8,395,959	0	0	0	0	63,170
Fire	4,784,807	0	0	0	0	0
Community Development	1,058,720	0	0	0	20,625	0
Streets	1,075,299	1,174,676	3,191,357	0	0	0
Solid Waste	1,968,176	0	0	0	0	0
Recreation	146,819	0	0	0	0	0
Nature Center	46,175	0	0	0	0	0
Parks	500,641	0	0	32,968	0	0
Senior Citizens	446,781	0	0	0	0	0
Library	728,632	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0
Insurance/Bonds/Transfers	352,942	0	0	0	34,303	0
Motor Pool	0	0	0	0	0	0
Total Appropriations	<u>\$ 24,600,491</u>	<u>\$ 1,174,676</u>	<u>\$ 3,191,357</u>	<u>\$ 32,968</u>	<u>\$ 54,928</u>	<u>\$ 63,170</u>

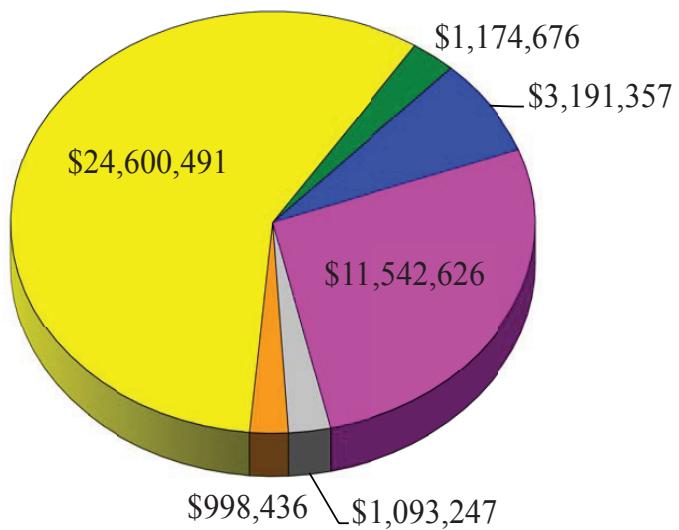
ALL FUNDS SUMMARY

FISCAL YEAR 2014-15

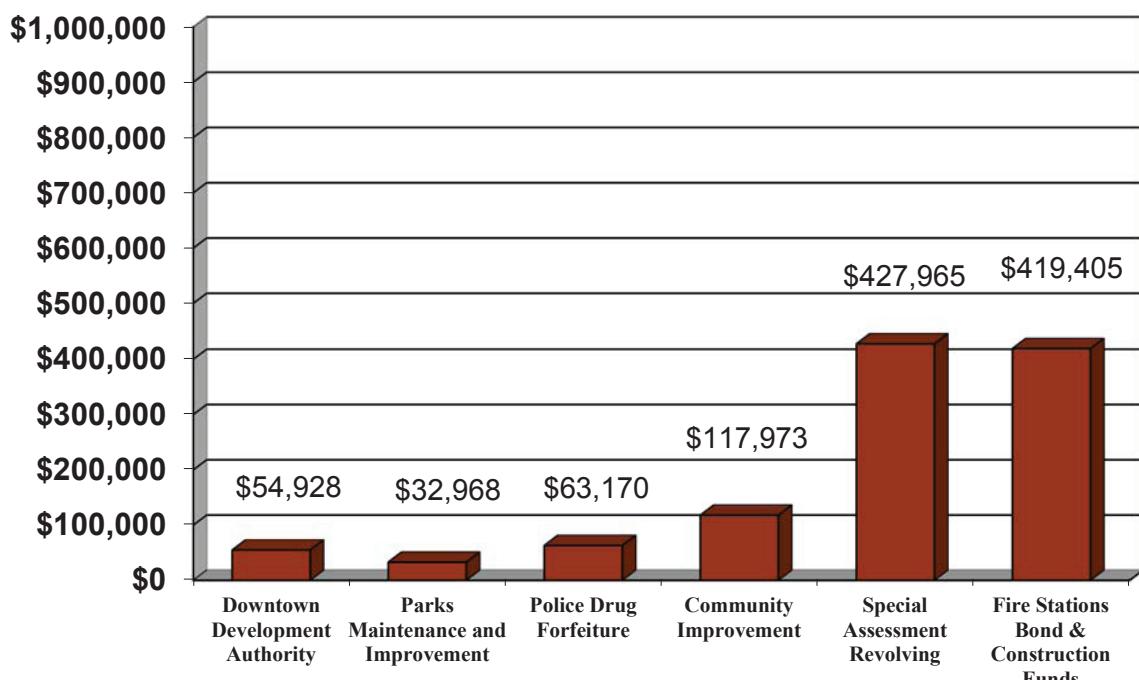
Community Improvement	Special Assessment Revolving	Fire Station Debt Fund	Water and Sewer Fund	Motor Pool and Equipment Fund	Total	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,421	City Council	
0	0	0	0	0	1,471,453	District Court
0	0	0	0	0	331,284	City Manager
0	0	0	0	0	55,302	Elections
0	0	0	0	0	232,173	City Assessor
0	0	0	0	0	291,195	City Attorney
0	0	0	0	0	302,796	City Clerk
0	0	0	0	0	459,609	Personnel
0	0	0	0	0	3,373	Board of Review
0	0	0	0	0	289,025	General Administration
0	0	0	0	0	871,268	Finance
0	0	0	0	0	317,239	Information Technology
0	0	0	0	0	208,461	Municipal Building
0	0	0	0	0	208,941	Custodial & Maintenance
0	0	0	0	0	8,459,129	Police Department
0	0	0	0	0	4,784,807	Fire
117,973	0	0	0	0	1,197,318	Community Development
0	402,965	0	0	0	5,844,297	Streets
0	0	0	0	0	1,968,176	Solid Waste
0	0	0	0	0	146,819	Recreation
0	0	0	0	0	46,175	Nature Center
0	0	0	0	0	533,609	Parks
0	0	0	0	0	446,781	Senior Citizen
0	0	0	0	0	728,632	Library
0	0	0	10,430,205	0	10,430,205	Water and Sewer
0	25,000	419,405	1,112,421	0	1,944,071	Insurance/Bonds/Transfers
0	0	0	0	1,093,247	1,093,247	Motor Pool
\$ 117,973	\$ 427,965	\$ 419,405	\$ 11,542,626	\$ 1,093,247	\$ 42,718,806	Total Appropriations

ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2014-15



Other Funds



Almost 85% of the City's operations are supported through the General Fund (57.6%) and the Water and Sewer Fund (27.0%).

ALL FUNDS APPROPRIATIONS
PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES
FISCAL YEAR 2014-15

Activity	Personal Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 49,518	\$ 0	\$ 3,904	\$ 0	\$ 53,422
District Court	1,067,261	33,300	343,416	27,476	1,471,453
City Manager	321,663	150	9,471	0	331,284
Elections	35,629	8,500	11,173	0	55,302
City Assessor	0	0	232,173	0	232,173
Legal	0	5,000	286,195	0	291,195
City Clerk	285,249	4,150	13,397	0	302,796
Human Resources	246,047	0	213,562	0	459,609
Board of Review	2,373	0	1,000	0	3,373
General Administration	146,665	43,550	98,810	0	289,025
Finance	794,594	5,000	71,673	0	871,267
Information Technology	248,524	16,300	2,500	49,915	317,239
Municipal Building	0	0	63,461	145,000	208,461
Custodial & Maintenance	30,461	17,250	161,230	0	208,941
Police	7,589,399	60,000	707,205	102,525	8,459,129
Fire	4,147,555	62,150	530,102	45,000	4,784,807
Community Development	962,811	5,250	211,257	18,000	1,197,318
Streets	727,645	313,095	1,307,323	3,476,234	5,824,297
Solid Waste	453,282	19,120	1,495,774	0	1,968,176
Recreation	49,796	16,144	80,879	0	146,819
Nature Center	0	0	8,175	38,000	46,175
Parks	238,911	31,350	156,848	106,500	533,609
Senior Citizens	124,630	85,374	86,777	150,000	446,781
Library	465,061	4,600	117,064	141,907	728,632
Insurance, Bonds and Transfers	0	0	458,500	0	458,500
Debt Service	0	0	1,421,978	0	1,421,978
Water and Sewer	1,035,796	2,261,785	6,201,642	1,014,575	10,513,798
Motorpool	437,450	266,750	389,047	0	1,093,247
Total Appropriations	\$ 19,460,320	\$ 3,258,818	\$ 14,684,536	\$ 5,315,132	\$ 42,718,806

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 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 insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. As of July 1, 2012, the City has moved to self-insurance for health, dental and worker's compensation.

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 \$15,000 each vehicle; \$30,000 per occurrence	\$1,500,000 per occurrence
Property	\$1,000 deductible plus 10% of first \$100,000 per occurrence	\$39,007,255

*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, 2013, the City had member reserves of \$262,370 with the Authority. It is estimated that \$721,706 is needed 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, which resulted in a reduction in the annual premium of \$206,236 or 25%.

Other Insurance Programs

As of July 1, 2010, the Worker's Compensation Program moved to being self-funded and administered through a third party, Citizens Management Incorporated (CMI). This transition has allowed the City to provide its own statutory workers compensation coverage while carrying excess insurance up to a \$350,000 specific retention for any occurrence. This program change cost the City \$163,180 in the first year, \$103,928 in the second year, and \$239,564 for year three. 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.

Please refer to the Personnel and Positions Chapter for a discussion of overall savings since switching to self-insurance for workers' compensation.

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 \$5.9 million. This amount includes \$1.8 million of vested employee benefits; \$457,635 reserve for worker's compensation insurance claim funds, \$118,017 for general liability insurance; and \$3.5 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 bond rating occurred in July 2010 when Moody's Investors Service (Moody's) and Standard and Poor's Ratings Services (S&P) both assigned their municipal bond ratings to the issue of 2010 General Obligation Limited Tax bonds for the purpose of improvements to the water supply system in the City and related sites, equipment, structures, attachments and appurtenances.

The City's bond ratings were reevaluated in December 2013 when S&P upgraded the City's rating from A+/Stable to AA- due to continued strong financial management.

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, 2014, the City will be at 6.24% of the City's debt limit of \$76 million, which is based on 10% of assessed valuation. The City has general obligation bonds outstanding in the amount of \$3.5 million of an original \$5,925,000 Fire Station Bond issue and \$1.2 million of the original \$1.5 million water and sewer bonds. The City is also responsible for our share of eight bonds (not counted toward the debt limit) related to the George W. Kuhn Drain project for a total of \$7.7 million.

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, 2014:

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. This bond was refinanced, allowing the City to reduce the coupon interest rate which increased from 3.0% to 4.0% over the next ten years to a fixed 1.9%, saving taxpayers over \$321,000. A total of \$3.5 million remains in principal payments.

II. George W. Kuhn Drain Bonds and State Revolving Loan Debt issued between October 2000 through September 2008. The total debt to be issued is \$125.8 million with Madison Heights's share being \$13.5 million. The bond and interest payments are being paid from the Water and Sewer Fund, with \$7.7 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 \$1.2 million principal remaining.

LEGAL DEBT MARGIN
(amounts expressed in thousands)
June 30, 2014

Calculation of debt limit:

State equalized valuation
 10% of assessed value

	2010	2011	2012	2013	2014
	\$ 1,053,898	\$ 909,099	\$ 865,669	\$ 788,217	\$ 805,535
	<u>105,390</u>	<u>90,910</u>	<u>86,567</u>	<u>78,822</u>	<u>80,554</u>

Calculation of debt subject to limit:

Total debt	\$ 14,543	\$ 15,466	\$ 14,493	\$ 13,437	\$ 12,467
Less: debt not subject to limit:					
General obligation	9,983	9,701	9,063	8,322	7,733
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net debt subject to limit (2)

\$ 4,560 \$ 5,765 \$ 5,430 \$ 5,115 \$ 4,734

Legal debt margin (1)

\$ 100,830 \$ 85,145 \$ 81,137 \$ 73,707 \$ 75,820

Net debt subject to limit as % of debt limit 4.52% 6.77% 6.69% 6.94% 6.24%

(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, 2014**

<u>Fiscal Year Ending June 30</u>	<u>Fire Stations Bond Obligations</u>	<u>Fixed Meter Network General Obligations</u>	<u>Kuhn Drain Obligations</u>	<u>Total</u>
2015	\$ 391,690	\$ 129,813	\$ 816,166	\$ 1,337,669
2016	400,515	132,688	900,453	1,433,656
2017	419,055	134,988	900,631	1,454,674
2018	427,120	136,900	899,178	1,463,198
2019	429,900	138,400	896,682	1,464,982
2020	437,490	139,725	895,811	1,473,026
2021	449,795	140,600	894,771	1,485,166
2022	446,720	141,000	894,729	1,482,449
2023	458,550	146,200	718,326	1,323,076
2024	-	146,000	711,676	857,676
2025	-	145,600	73,393	218,993
2026	-	-	73,421	73,421
2027	-	-	63,978	63,978
2028	-	-	63,643	63,643
2029	-	-	52,593	52,593
2030	-	-	-	-
Totals	\$ 3,860,835	\$ 1,531,913	\$ 8,855,451	\$ 14,248,199

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

Refinanced - May 1, 2013

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2015	\$ 325,000	\$ 66,690	\$ 391,690
2016	340,000	60,515	400,515
2017	365,000	54,055	419,055
2018	380,000	47,120	427,120
2019	390,000	39,900	429,900
2020	405,000	32,490	437,490
2021	425,000	24,795	449,795
2022	430,000	16,720	446,720
2023	450,000	8,550	458,550
	<hr/> \$ 3,510,000	<hr/> \$ 350,835	<hr/> \$ 3,860,835

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

	Fiscal Year			Total	
	<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>	
	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	
		<hr/>	<hr/>	<hr/>	
		\$ 1,225,000	\$ 306,913	\$ 1,531,913	

George W. Kuhn Drain Water & Sewer Obligations - Amount of Issue - \$125,794,822

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 \$2,277,676 Madison Heights Share \$239,675)

Series 2005F September 22, 2005 (Total \$1,519,146 Madison Heights Share \$162,391)

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

Series 2007G Sept. 20, 2007 (Total \$1,765,000 Madison Hgts. Share \$188,672)

Series 2008H Sept. 22, 2008 (total \$7,685,000 Madison Heights Share \$821,499)

Combined Issues Total \$125,794,822 Madison Heights Share \$13,517,677

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>
2015	\$ 607,078	\$ 209,088	\$ 816,166	
2016	710,088	190,365	900,453	
2017	729,572	171,059	900,631	
2018	747,995	151,183	899,178	
2019	765,909	130,773	896,682	
2020	785,919	109,892	895,811	
2021	806,464	88,307	894,771	
2022	828,595	66,134	894,729	
2023	674,978	43,348	718,326	
2024	686,326	25,350	711,676	
2025	66,276	7,117	73,393	
2026	67,788	5,633	73,421	
2027	59,862	4,116	63,978	
2028	60,931	2,712	63,643	
2029	51,310	1,283	52,593	
	<hr/> \$ 7,649,091	<hr/> \$ 1,206,360	<hr/> \$ 8,855,451	

PERSONNEL AND POSITIONS

The City of Madison Heights employs 146 full-time positions yielding 4.9 full-time employees per 1,000 of City population based on the 2010 census count of 29,694. The City also employs 141 positions on a part-time or seasonal basis. Personnel services comprise approximately \$17.4 million or 70.8% of the General Fund Budget.

During Fiscal Year 2014-15, the General Fund remains stable in regard to the number of positions and Full Time Equivalencies (FTEs); however, because of cost savings achieved through continuation of previous concessions gained in the last round of negotiations, implementation of PA 152 (discussed below) and reduced benefits for new hires, all funds personnel services accounts are down \$723,917 compared to the FY 2013-14 Amended Budget.

Given the escalating costs of funding retiree health care, it is important to note that 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 and negotiate concessions over the last few years 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 preserve our high rating from credit rating agencies.

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; Police Officers Union; 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.

Due in part to Public Act 54 of 2011, which freezes employee wages and benefits when a Collective Bargaining Agreement expires, and Public Act 152 of 2011, which limits the amount a Public Employer may pay toward health insurance premiums unless the governing body opts out, the City's bargaining team was able to negotiate significant concessions with all eight bargaining units during the previous round of negotiations for contracts that expired on June 30, 2013. These concessions included a wage freeze for the duration of the contracts until June 30, 2013, five unpaid holidays per year for non Police and Fire employees, a reduced number of paid holidays per year for Police and Fire employees, increased employee contributions to pensions, elimination of retiree health care for new hires (providing a health care savings program only), and a new Community Blue 4 medical plan with higher deductibles and co-insurance for all active employees. In July 2013, the City implemented the 20% medical premium sharing for all groups in accordance with PA 152.

All Union contracts expired June 30, 2013. As of the print date of this document, the City has settled contracts with the TPOAM Municipal Employees Union, AFSCME Council 25 Department Heads Union, AFSCME Supervisors and Assistants, and TPOAM/DPS Field Union. These Tentative Agreements, which have been approved by council, include a wage freeze for the duration of the two-year contract through June 30, 2015, the aforementioned 20% medical insurance premium sharing for all active employees in compliance with PA 152, mirroring of health insurance drug card for future retirees, and continuation of five unpaid holidays. The City is in the process of negotiating similar concessions with the remaining bargaining groups.

The City was also able to reach an agreement with the Department Heads to make the position of City Clerk a Non-Union position. Because of the Clerk's access to confidential records and presence at Closed Sessions, this was an important achievement for the administration and will allow operations to run more smoothly, especially as it relates to the position's involvement with labor negotiations, FOIA requests, legal matters and Union issues facing the City.

Personnel Actions

The FY 2014-15 Budget remains status quo as it relates to full-time equivalencies (FTEs).

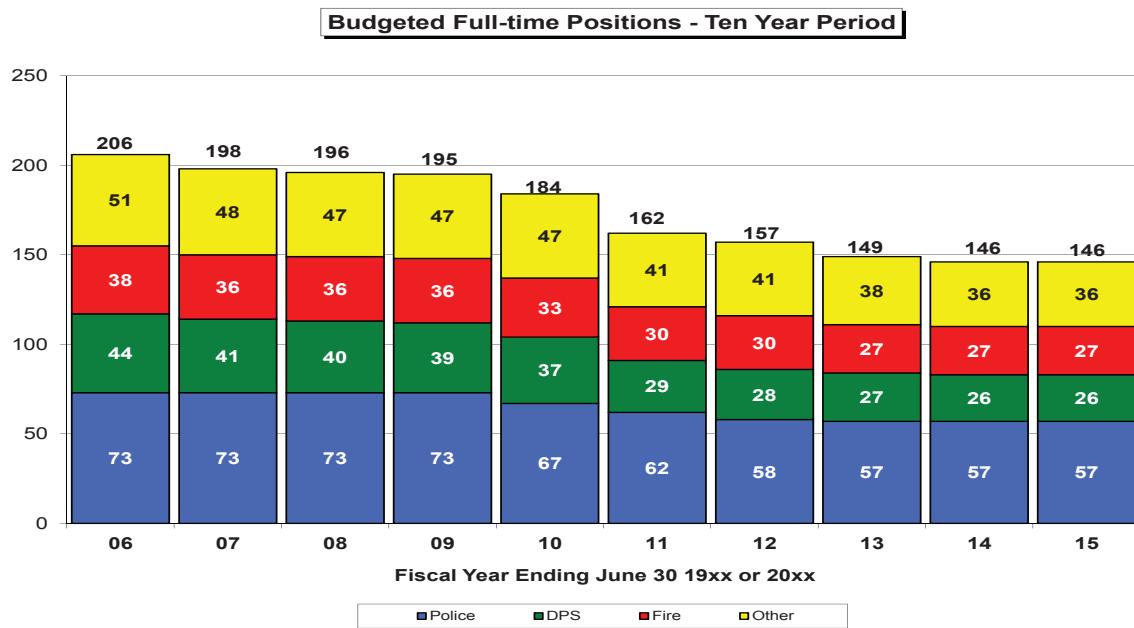
The City's current hiring review of all position vacancies continues in Fiscal Year 2014-15. Each vacated position whether full or part-time must be evaluated and approved by the City Manager before the hiring process may begin. The City continues to research options for position consolidation and reorganization where possible so that the City will remain fiscally sound without sacrificing core services.

The FY 2014-15 Budget does include funding for the creation of hiring eligibility lists for anticipated sworn police and fire vacancies due to retirement, and where the current eligibility lists are expired.

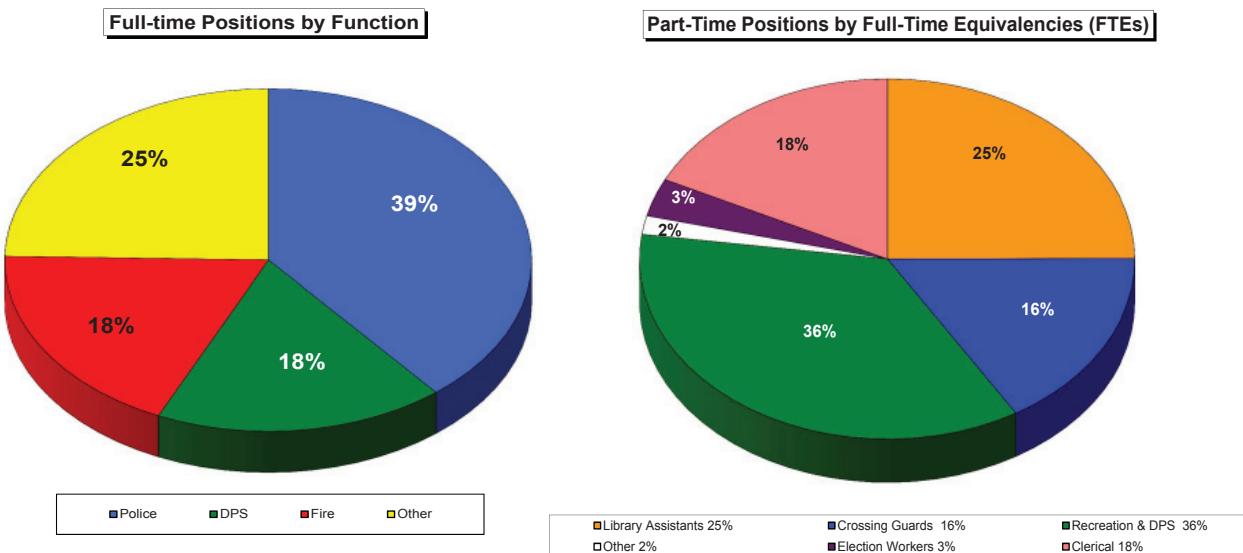
The Work Force at a Glance

Beginning in Fiscal Year 1993-94, the City has been able to reduce the workforce without significantly compromising core services, resulting in a leaner, more efficient organization. One hundred five full-time positions, or forty-two percent of the workforce, have been eliminated since Fiscal Year 1993-94, yet the City has still maintained essential services.

Presented on the following page 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-one 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 2014-15. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.



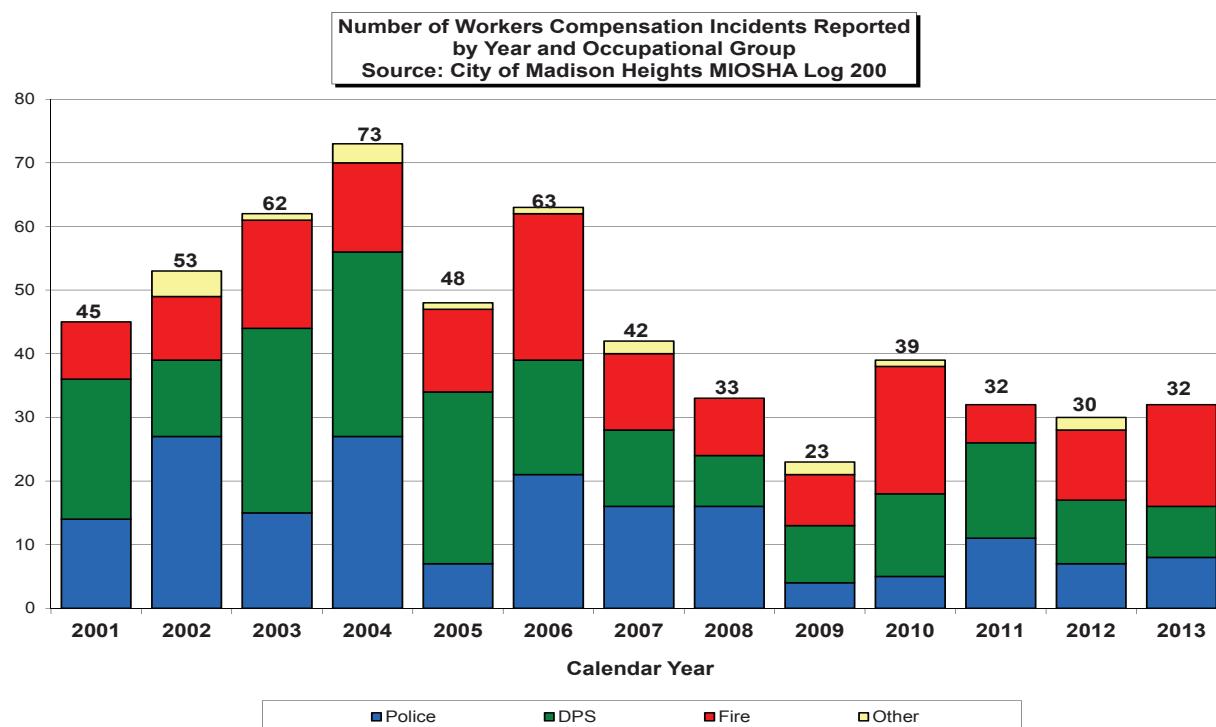
A breakdown of full-time and part-time positions in all funds is shown on the following page.

ALL FUNDS
FULL TIME AND PART TIME POSITIONS
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)
FISCAL YEAR 2014-15

	<u>Budget 2012-13</u>			<u>12 to '13</u>			<u>Budget 2013-14</u>			<u>13 to '14</u>			<u>Budget 2014-15</u>			<u>14 to '15</u>			
	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	
General Fund																			
District Court	8	4	10.4	0.0	8	4	10.4	0.0	8	4	10.4	0.0	8	4	10.4	0.0	8	4	10.4
City Manager	2	0	1.8	0.0	2	0	1.8	0.0	2	0	1.8	0.0	2	0	1.8	0.0	2	0	1.8
City Assessor	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0
City Clerk	2	72	2.8	0.0	2	72	3.3	0.6	2	72	3.3	0.0	2	72	3.3	0.0	2	72	3.3
Human Resources	2	0	1.5	0.0	2	0	1.5	0.0	2	0	1.5	0.0	2	0	1.5	0.0	2	0	1.5
General Administration	0	0	0.7	0.0	0	0	0.7	0.0	0	0	0.7	0.0	0	0	0.7	0.0	0	0	0.7
Finance	8	0	8.0	0.0	8	0	8.0	0.0	8	0	8.0	0.0	8	0	8.0	0.0	8	0	8.0
Information Technology	2	0	2.0	0.0	2	0	2.0	0.0	2	0	2.0	0.0	2	0	2.0	0.0	2	0	2.0
Police	57	19	61.1	(0.7)	57	19	61.1	0.0	57	19	61.1	0.0	57	19	61.1	0.0	57	19	61.1
Fire	27	1	27.5	(3.0)	27	1	27.5	0.0	27	1	27.5	0.0	27	1	27.5	0.0	27	1	27.5
Community Development	8	0	8.3	0.3	8	0	8.3	0.0	8	0	8.3	0.0	8	0	8.3	0.0	8	0	8.3
Library	3	10	8.2	0.0	3	10	8.2	0.0	3	10	8.2	0.0	3	10	8.2	0.0	3	10	8.2
Department of Public Service																			
Custodial & Maintenance	0	0	0.2	0.0	0	0	0.2	0.0	0	0	0.2	0.0	0	0	0.2	0.0	0	0	0.2
Streets	9	0	1.8	0.0	9	0	1.6	(0.2)	9	0	1.6	0.0	9	0	1.6	0.0	9	0	1.6
Solid Waste	2	0	4.5	(0.1)	2	0	4.2	(0.3)	2	0	4.2	0.0	2	0	4.2	0.0	2	0	4.2
Recreation	0	23	2.0	(0.4)	0	23	1.7	(0.2)	0	23	1.7	0.0	0	23	1.7	0.0	0	23	1.7
Youth Center	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0
Nature Center	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0
Parks	2	2	2.6	0.0	2	2	2.6	0.0	2	2	2.6	0.0	2	2	2.6	0.0	2	2	2.6
Senior Center	1	6	3.3	(0.5)	1	6	3.4	0.0	1	6	3.4	0.0	1	6	3.4	0.0	1	6	3.4
Sub Total	14	31	14.4	(1.0)	14	31	13.7	(0.7)	14	31	13.7	0.0	14	31	13.7	0.0	14	31	13.7
Total	133	137	146.5	(4.5)	133	137	146.3	(0.1)	133	137	146.3	0.0	133	137	146.3	0.0	133	137	146.3
Major Street Fund	1	0	3.0	0.0	1	0	2.8	(0.2)	1	0	2.8	0.0	1	0	2.8	0.0	1	0	2.8
Local Street Fund	0	1	3.5	0.0	0	1	3.2	(0.3)	0	1	3.2	0.0	0	1	3.2	0.0	0	1	3.2
Community Improvement Fund																			
Housing	2	0	1.9	0.2	0	0	0.0	(1.9)	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0
Comm. Dev. Block Grant	1	0	1.1	(0.2)	1	0	1.0	(0.1)	1	0	1.0	0.0	1	0	1.0	0.0	1	0	1.0
Total	3	0	3.0	0.0	1	0	1.0	(2.0)	1	0	1.0	(2.0)	1	0	1.0	0.0	1	0	1.0
Fire Manning Grant Fund	0	0	0.0	(2.0)	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0
Water & Sewer Fund																			
Water Division	4	0	4.0	0.0	4	0	4.0	0.0	4	0	4.0	0.0	4	0	4.0	0.0	4	0	4.0
Sewer Division	4	0	4.0	0.0	3	3	5.0	1.0	3	3	5.0	0.0	3	3	5.0	0.0	3	3	5.0
Water & Sewer Admin.	1	0	1.6	0.1	1	0	1.6	0.0	1	0	1.6	0.0	1	0	1.6	0.0	1	0	1.6
Total	9	0	9.6	0.1	8	3	10.6	1.0	8	3	10.6	1.0	8	3	10.6	1.0	8	3	10.6
Motor Pool Fund	3	0	3.0	0.0	3	0	3.0	0.0	3	0	3.0	0.0	3	0	3.0	0.0	3	0	3.0
Total All Funds	149	138	168.6	(6.4)	146	141	167.0	(1.6)	146	141	167.0	0.0	146	141	167.0	0.0	146	141	167.0

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 workers' compensation incidents in 2002, 2003, 2004, and 2006. Nevertheless, the number of reported workers' compensation incidents has declined overall since 2006.

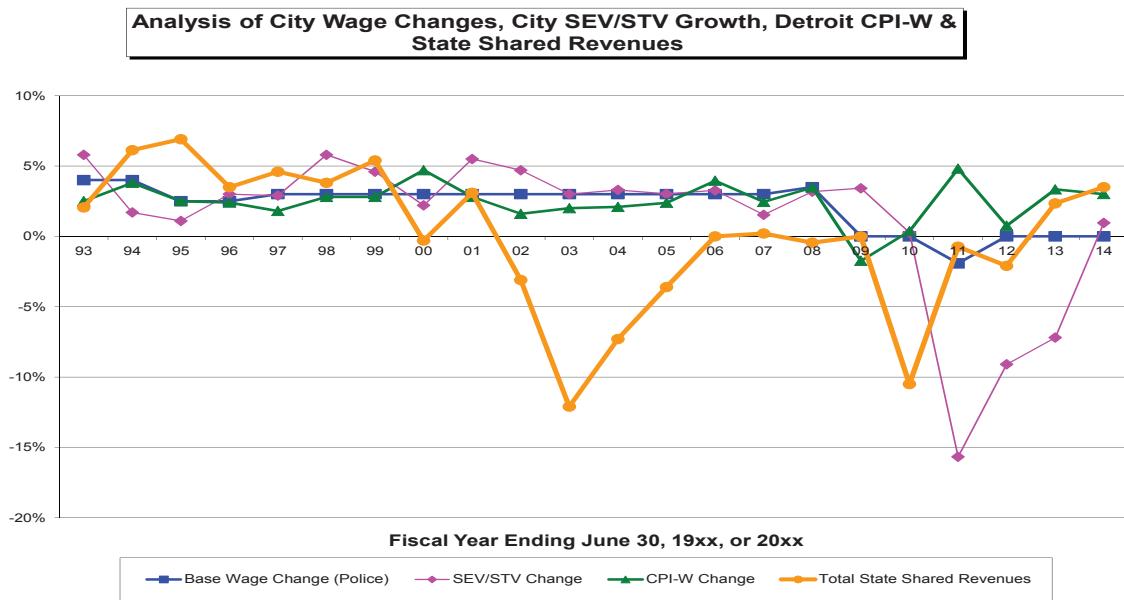


As part of the FY 2010-11 Budget, effective July 1, 2010, the City moved to a self insurance plan where the City is contracting with a third party administrator (Citizens Management - CMI) and converted to pay-as-you-go claims. During FY 2010, the City spent \$382,100 on workers' compensation premiums.

The City has provided 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. The City has seen initial success with self-funding our workers' compensation program, as the number of incidents has dropped to 32, and the cost to the City for the first year of the program (FY 2011) was \$163,180. The City's cost for the second year of the program (FY 2012) was \$103,972. The cost in the third year of the program (FY 2013) was \$239,564, which has resulted in an estimated three-year savings of \$639,629.

A Look at Wages and Fringe Benefits

Planning for labor negotiations and 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.

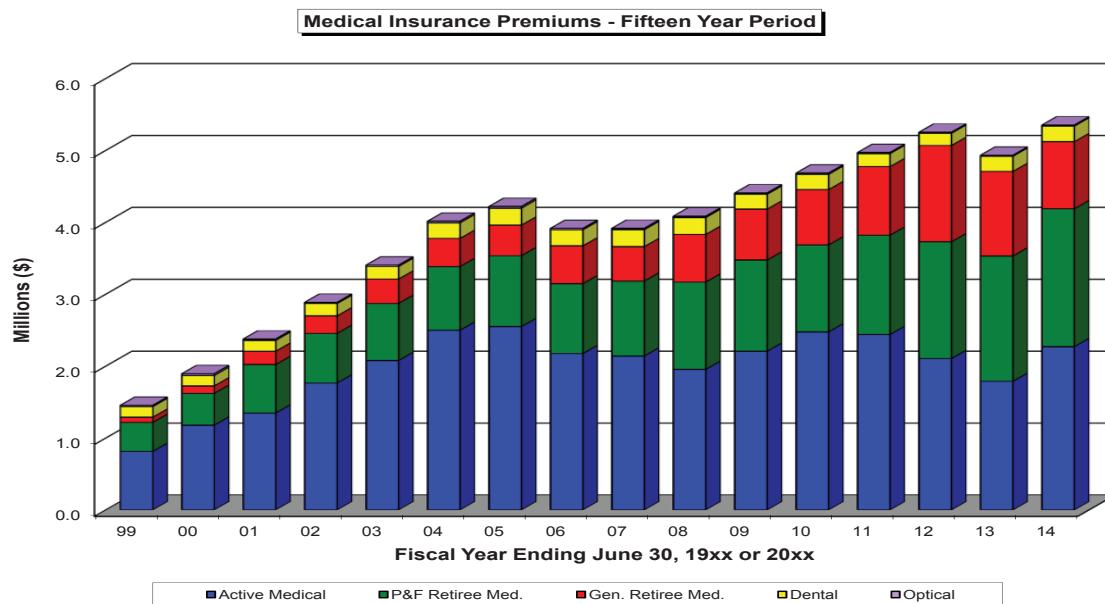


The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages and inflation start to converge while STV managed modest increases until 2001. Since FY 1994-95, wages and CPI-W increased less than 4% while STV fluctuated more due to new construction and the State's changes in the property tax valuation rules. Beginning in 2002, the early effects of the Great Recession were manifested in sharp declines in State Revenue Sharing, reflecting less disposable income and fewer sales. The "second wave" of the recession is shown beginning in FY 2008-09 and continuing through FY 2012-13, as the change in STV represents 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 were frozen, CPI-W changed by 3.3%, State shared revenues increased 2.35% and STV has fallen an additional 7.2%. This year, we anticipate wages will continue to be frozen, CPI-W will increase 3%, State Shared Revenues will increase 3.5%, and STV will increase less than 1%.

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 in 2009, 10 and 11, the impact of which is demonstrated in the chart on the following page, which compares the City's medical insurance premiums over the last ten years. In 2012, the General Retiree Medical was moved into the trust and therefore does not show as an operating budget expense. Police and Fire Retiree Hospitalization was moved into the trust for FY 2013-14. The slight decrease shown in 2012 for medical is due to the City's move to Community Blue PPO 4, which for the first time included deductibles and co-insurance for all active employees. In addition, the City moved to a self-insured medical insurance program in July 2012. The City is currently in the process of receiving quotes to self-insure its prescription drug program through an independent third-party pharmacy benefits manager. The premiums shown for 2014 are estimated.

As mentioned earlier, City Council passed a Resolution in December 2012, and again in December 2013, authorizing the City to impose a 20% health insurance premium sharing on all employees who receive City paid health insurance starting after the June 2013 expiration of the Collective Bargaining Agreements. This was implemented in July 2013 and saved approximately \$404,000 for FY 2014. This measure not only helps reduce the City's expenses for medical premiums, but also raises employee awareness of the exorbitant price of health care, which should in turn cause employees to take a more realistic look at the health care plans and realize that the days of no deductibles or co-insurance are over.



The Patient Protection and Affordable Care Act (PPACA), which was signed into law on March 23, 2010 by President Barack Obama, has had and continues to have a profound impact on the City regarding health care cost and selection of health care plans. Many, if not most, PPACA provisions will lead to increased costs due to expanded coverage provisions, reporting requirements, fee assessments, and modified rating rules. Many of the costs that are ostensibly the burden of the health insurance companies (e.g. expanded coverage provisions) will be passed along to the plan sponsor (the City) in the form of higher costs and higher illustrative premium rates.

PPACA regulations call for a Health Insurance Exchange where people may buy group health insurance and possibly qualify for a premium tax credit. Michigan is one of seven states that have been approved to establish a Health Insurance Exchange ("Marketplace") in collaboration with the Federal Government. The Marketplaces became operational effective January 2014, with open enrollment beginning October 2013. The initial roll-out of the Marketplace saw many challenges for those trying to enroll online, and open enrollment was extended by the Federal Government. It is important to note that if the City does not provide its full-time employees with the option to enroll in a City-sponsored, affordable, qualified health plan meeting minimum requirements, and the employee enrolls in the Marketplace and receives a premium tax credit, the City faces a penalty of \$3,000 per employee. This penalty has been delayed until 2015. Also, starting in 2018, if a health care plan exceeds an annual premium of \$10,200 for individuals and \$27,500 for families, a 40% excise tax ("Cadillac Tax") will be imposed. With projected increases to health insurance premiums, the City's current CB4 plan will fall into the "Cadillac Tax" category. Clearly, PPACA regulations will force health insurance nationwide to fall into a smaller spectrum of health care plan options given the requirements to provide minimum coverage, and the discouragement from providing high end, more expensive coverage.

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, 2012, the City has accumulated an actuarial value of \$13.5 million in these trust funds, but the unfunded portion has increased to \$67.2 million. In FY 2015, the City is unable to fund the total annual required contribution, which is 77.12% of Police and Fire payroll and between 6.14% and 136.31% of payroll for General employees. Instead, the budget includes funding of 39.25% of payroll for Police and Fire and between 6.14% and 54.31% of payroll for general employees. Both plans receive actuarial evaluations every two years. The next study will cover the year ending June 30, 2014.

Another significant change occurred in FY 2012 when the City began 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. During FY 2013, the Police and Fire Retiree Health Care Trust began to pay a portion of traditional pay-as-you-go premiums as well.

The City has also negotiated labor concessions, in the form of retiree health care savings accounts, for all new hires, 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 actuarial valuation guidelines 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.

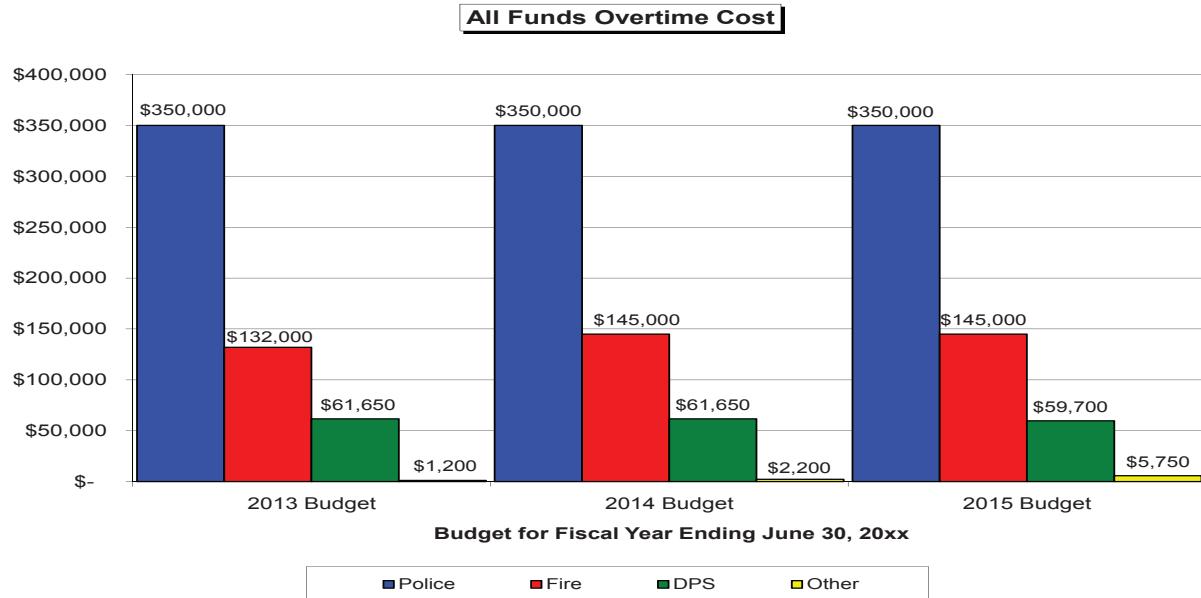
Pensions

The second largest fringe benefit cost component is the employer's contribution to the retiree pension plans. This expense is budgeted to be \$2.5 million in FY 2014-15. 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 24.99% of total wages based on the City's 2013 actuarially recommended contribution rates. In regard to the MERS plan, the pension contribution is budgeted by union group. All general employee groups including non-union have 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. Currently, there is State legislation being considered that would allow a municipality to implement a DC plan for Act 345 new hires and utilize the property tax millage levied under Act 345 to fund the DC plan.

Overtime

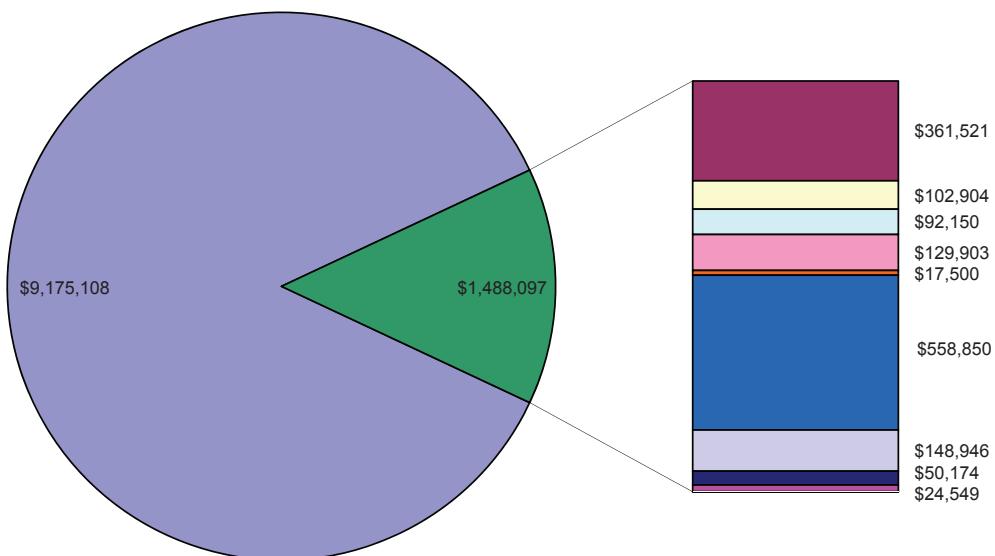
Overtime cost for all Funds in FY 2014-15 is budgeted at \$560,450. This amount is slightly more than the FY 2013-14 amended budget of \$558,850. Overtime budgeted in the Police and Fire Departments amount to \$495,000, and DPS overtime equals \$61,150. There has been a slight increase in the budget for overtime in the Information Technology Department (IT) to \$1,250, in anticipation of needed overtime to assist with the IT Assessment and Strategic Plan implementation.



The charts on the next page depicts the City's wage and fringe benefit costs for FY 2014-15.

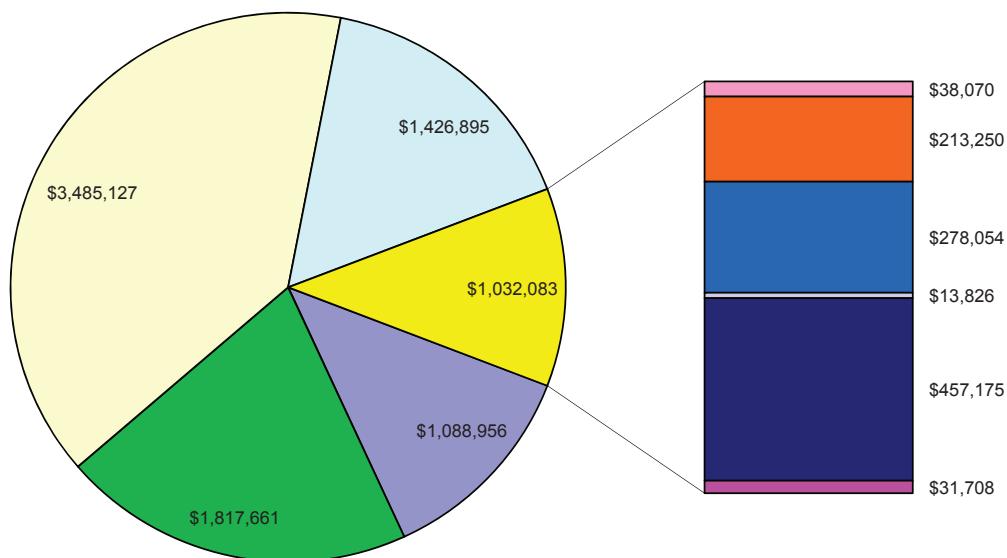
Wage and Fringe Benefit Costs (\$19,513,927)
Fiscal Year 2014-15 Budget
All Funds

Wages \$10,663,205



■ Wages	■ Longevity Pay	□ Food & Uniform
□ ALS/DB Premium Pay	■ Medical Incentive & Sick Buy Back	■ Education Incentive Pay
■ Overtime Pay	□ Holiday Pay & Wellness Incentive	■ COLA
■ Deferred Compensation		

Benefits \$8,850,722



■ General Employees Pension	■ Hospitalization	□ Retiree Health Contributions	□ Police & Fire Pension
■ Disability Insurance	■ Dental Insurance	■ Workers Compensation	■ Optical Insurance
■ FICA & Medicare	■ Life Insurance		

Total Compensation Analysis

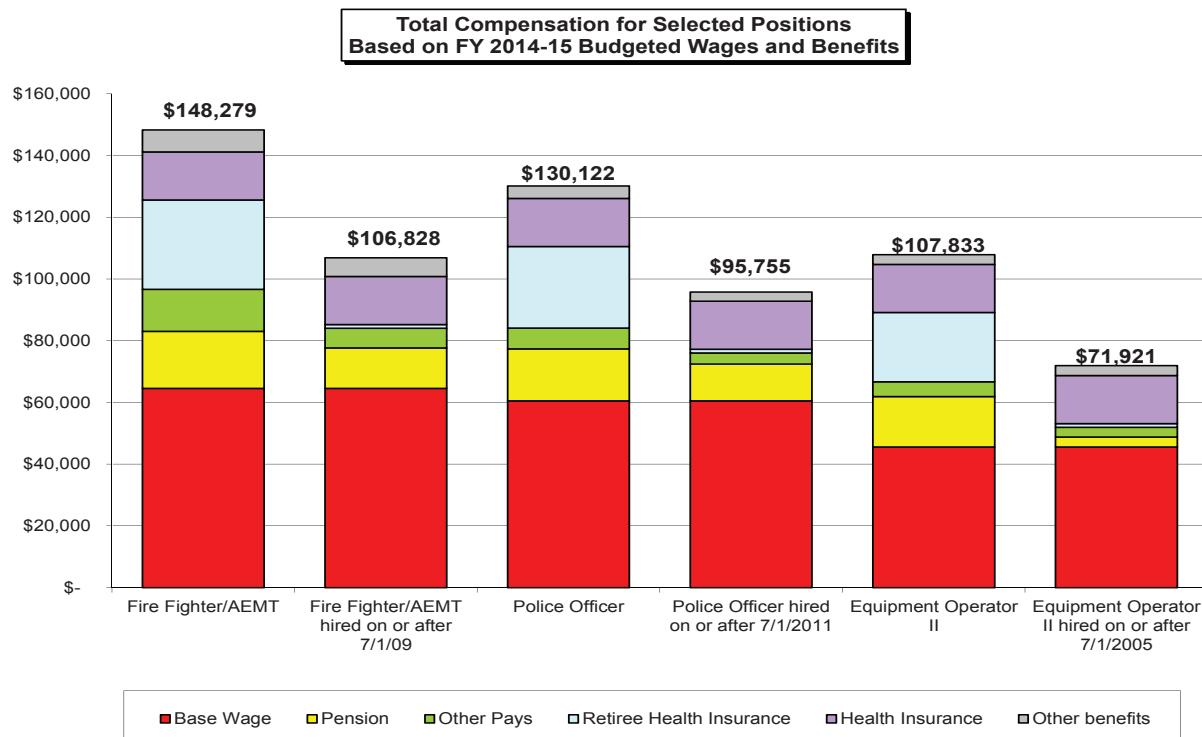
In order to determine what should be negotiated to control the City's expenses, we must look at the wages and benefits calculated together for total compensation currently provided the employees. The City has already made great strides in controlling costs for new hires including elimination of retiree health care and providing new employees with a Health Care Savings Program only; in addition, the non-Police and Fire new hires are provided with a Defined Contribution as opposed to a Defined Benefit retirement program. New hires for Police and Fire have a reduced pension multiplier of 2.5%, down from 2.8%.

For comparative purposes, this bar chart shows the total FY 2014-15 compensation amount and benefit components for the positions of Police Officer, Fire Fighter/AEMT, and Equipment Operator II, assumed at senior employee wages and longevity, and an average overtime cost. For comparative purposes, we have also included the wages and benefits for new hires in each category.

With benefits, the incumbent senior Fire Fighter/AEMT and Police Officer receive annual total compensation of \$148,300 and \$130,100 respectively. The incumbent equipment operator receives annual total compensation in the amount of \$107,800. Fringe benefits average 1.3 times base wages for senior employees.

In contrast, a newly hired Fire Fighter's total compensation is \$106,800 which is a savings of \$41,450 in comparison to an incumbent long-term Fire Fighter.

A newly hired Police Officer's total compensation is \$96,750, a savings of \$34,400, and a newly hired Equipment Operator will save the City \$35,900 in overall compensation. These savings are significant; however at this time we only have 3 Firefighters, 7 Police Officers, 1 Equipment Operator, and 10 other employees with the new hire benefits package.



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 2014-15. The position's compensation calculation assumes the maximum wage step and longevity.

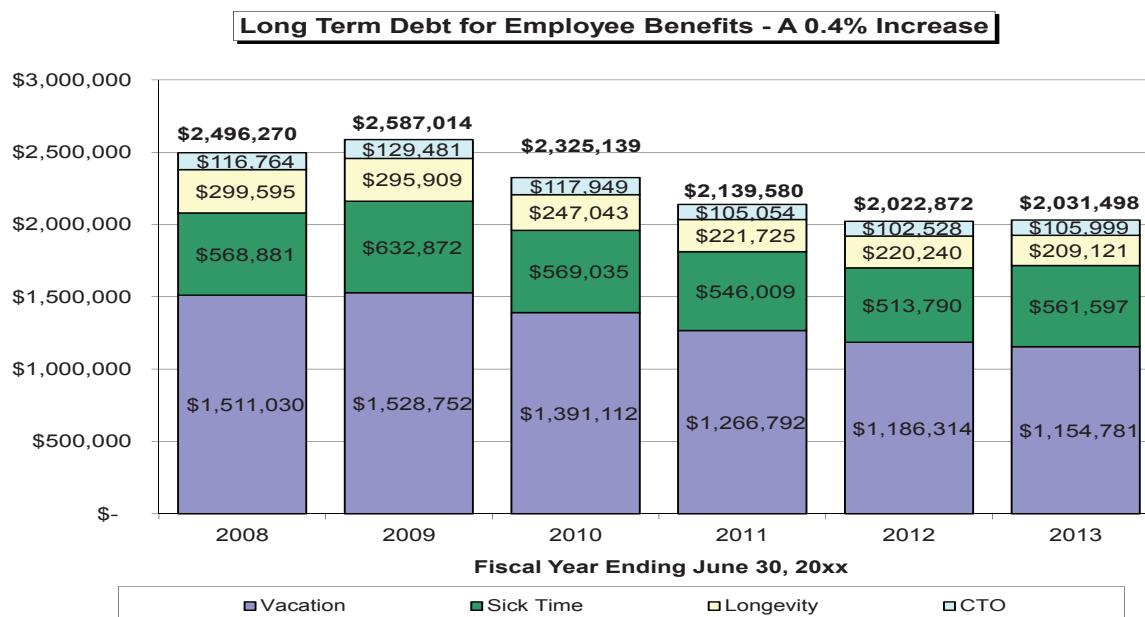
This chart shows the analysis of leave time cost for a Police Officer at maximum wage step and benefits based on FY 2014-15 wages.

Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$13,2768
Holidays	7	3,717
Admin. Leave Days	6	3,186
Sick leave (Max. of 12)	5	2,655
Personal Leave Days	2	1,062
Total	45	\$23,897

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 at the time of retirement. 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).



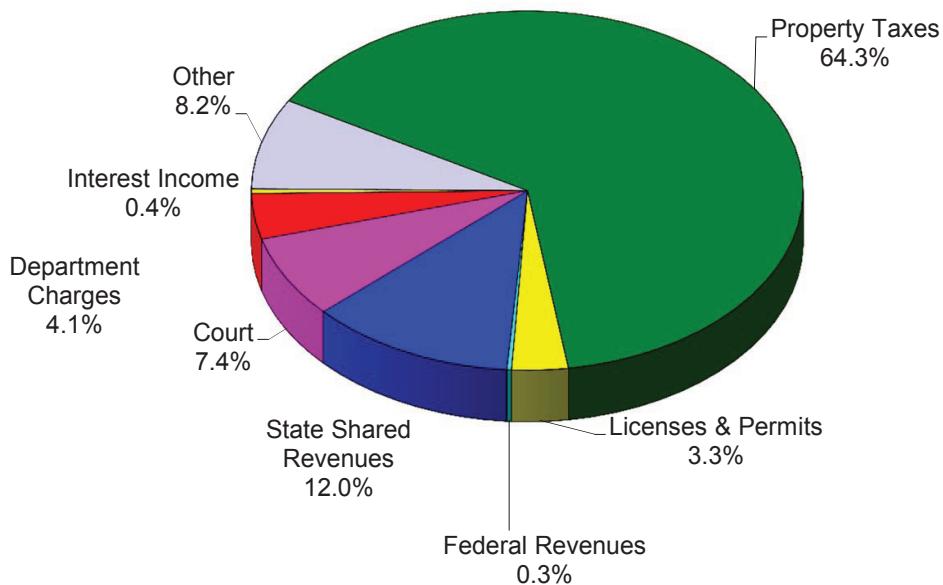
This chart is illustrative of the liability for these benefits as of the last audited fiscal year June 30, 2013.

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.

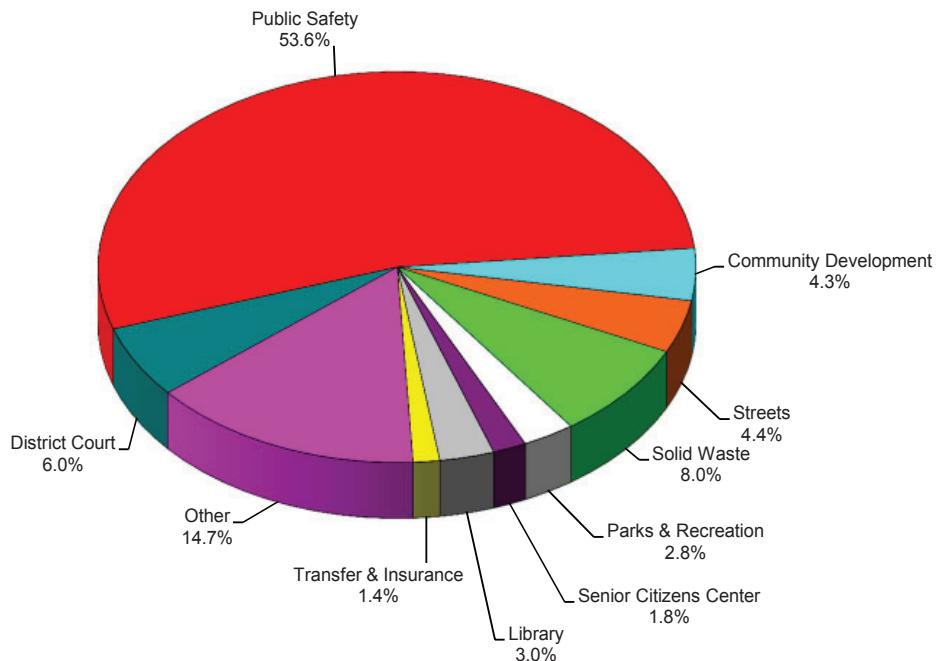
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General Fund Revenues



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

General Fund Expenditures



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

GENERAL FUND REVENUES AND EXPENDITURES

FY 2014-15 BUDGET

Description	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Revenues by Source:					
Property Taxes	\$ 16,467,524	\$ 15,612,327	\$ 15,816,720	\$ 204,393	1.3
Licenses & Permits	291,352	264,050	289,050	25,000	9.5
Non-Business Licenses & Permits	519,104	496,300	521,300	25,000	5.0
Federal Shared Revenues	134,286	216,000	67,164	(148,836)	(68.9)
State Shared Revenues	2,746,781	2,810,521	2,963,041	152,520	5.4
Payment in Lieu of Taxes	34,387	33,800	33,800	0	0.0
County Shared Revenues	39,435	40,000	39,000	(1,000)	(2.5)
SMART Revenues	68,866	64,720	40,500	(24,220)	(37.4)
Court Fines and Fees	1,531,203	1,820,998	1,821,043	45	0.0
Charges for Services	276,115	247,900	254,555	6,655	2.7
Sales-Miscellaneous	11,636	13,500	14,400	900	6.7
Parks & Recreation	200,500	205,343	252,395	47,052	22.9
Miscellaneous Revenues	1,633,469	1,371,310	1,380,030	8,720	0.6
Sale of Fixed Assets	36,819	27,500	36,500	9,000	32.7
Department Charges	885,756	985,435	1,011,690	26,255	2.7
Transfers In	80,588	61,300	59,303	(1,997)	0.0
Prior Years Fund Balance	0	964,665	0	(964,665)	(100.0)
Total Revenues	\$ 24,957,821	\$ 25,235,669	\$ 24,600,491	\$ (635,178)	(2.5)

Description	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Expenditures by Activity:					
City Council	\$ 51,079	\$ 53,422	\$ 53,422	\$ 0	0.0
District Court	1,325,927	1,468,096	1,471,453	3,357	0.2
City Manager	316,203	326,055	331,284	5,229	1.6
Elections	52,614	43,447	55,302	11,855	27.3
City Assessor	234,181	245,173	232,173	(13,000)	(5.3)
Legal	306,117	290,995	291,195	200	0.1
City Clerk	221,788	316,613	302,796	(13,817)	(4.4)
Human Resources	225,228	255,000	459,609	204,609	80.2
Board of Review	2,136	3,373	3,373	0	0.0
General Administration	1,496,255	303,764	289,025	(14,739)	(4.9)
Finance	829,229	945,843	871,267	(74,576)	(7.9)
Information Technology	261,103	285,605	317,239	31,634	11.1
Municipal Building	77,683	60,943	208,461	147,518	242.1
Custodial & Maintenance	220,302	198,040	208,941	10,901	5.5
Police	8,816,145	8,424,364	8,395,959	(28,405)	(0.3)
Fire	4,520,674	5,359,765	4,784,807	(574,958)	(10.7)
Community Development	938,268	1,114,120	1,058,720	(55,400)	(5.0)
Streets	928,810	1,258,066	1,075,299	(182,767)	(14.5)
Solid Waste	1,915,160	2,115,531	1,968,176	(147,355)	(7.0)
Recreation	143,981	110,574	146,819	36,245	32.8
Nature Center	9,042	8,175	46,175	38,000	4.3
Parks	478,927	480,119	500,641	20,522	12.9
Senior Citizens	439,614	395,785	446,781	50,996	(9.7)
Library	617,361	807,010	728,632	(78,378)	(3.5)
Insurance, Bonds and Transfers	2,367,806	365,791	352,942	(12,849)	(3.5)
Total Expenditures	\$ 26,795,633	\$ 25,235,669	\$ 24,600,491	\$ (635,178)	(2.5)

GENERAL FUND REVENUES

FY 2014-15 BUDGET

Description	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Property Taxes	\$ 16,467,524	\$ 15,612,327	\$ 15,816,720	\$ 204,393	1.3
Licenses & Permits	810,456	760,350	810,350	50,000	6.6
Federal Revenues	134,286	216,000	67,164	(148,836)	(68.9)
State Shared Revenues	2,746,781	2,810,521	2,963,041	152,520	5.4
Other Government	142,688	138,520	113,300	(25,220)	(18.2)
Court Fines and Fees	1,531,203	1,820,998	1,821,043	45	0.0
Service Fees	476,615	453,243	506,950	53,707	11.8
Sales - Miscellaneous	48,455	41,000	50,900	9,900	24.1
Miscellaneous	1,633,469	1,371,310	1,380,030	8,720	0.6
Department Charges	885,756	985,435	1,011,690	26,255	2.7
Transfers In	80,588	61,300	59,303	(1,997)	(3.3)
Prior Year's Fund Balance	0	964,665	0	(964,665)	(100.0)
Total	\$ 24,957,821	\$ 25,235,669	\$ 24,600,491	\$ (635,178)	(2.5)

Description	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
General Government	\$ 7,987,651	\$ 5,162,160	\$ 5,448,482	\$ 286,322	5.5
Public Safety	13,336,819	13,784,129	13,180,766	(603,363)	(4.4)
Community Service	2,843,970	3,373,597	3,043,475	(330,122)	(9.8)
Culture and Recreation	1,688,925	1,801,663	1,869,048	67,385	3.7
Community Development	938,268	1,114,120	1,058,720	(55,400)	(5.0)
Total	\$ 26,795,633	\$ 25,235,669	\$ 24,600,491	\$ (635,178)	(2.5)

Fund Balance - Unrestricted	\$ 5,832,692	\$ 4,868,027	\$ 4,868,027	\$ 0	0.0
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GENERAL FUND EXPENDITURES

FY 2014-15 BUDGET

GENERAL GOVERNMENT					
Description	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-14	Percent Change
Mayor and Council	\$ 51,079	\$ 53,422	\$ 53,422	\$ 0	0.0
District Court	1,325,927	1,468,096	1,471,453	3,357	0.2
City Manager	316,203	326,055	331,284	5,229	1.6
Legal	306,117	290,995	291,195	200	0.1
Assessor/Board of Review	236,317	248,546	235,546	(13,000)	(5.2)
City Clerk/Elections	274,402	360,060	358,098	(1,962)	(0.5)
Human Resources	225,228	255,000	459,609	204,609	80.2
General Administration	1,496,255	303,764	289,025	(14,739)	(4.9)
Finance	829,229	945,843	871,267	(74,576)	(7.9)
Information Technology	261,103	285,605	317,239	31,634	11.1
Custodial/Maintenance	297,985	258,983	417,402	158,419	61.2
Insurance/Bonds & Transfers	2,367,806	365,791	352,942	(12,849)	(3.5)
Total	\$ 7,987,651	\$ 5,162,160	\$ 5,448,482	\$ 286,322	5.5
PUBLIC SAFETY					
Police	\$ 8,816,145	\$ 8,424,364	\$ 8,395,959	\$ (28,405)	(0.3)
Fire	4,520,674	5,359,765	4,784,807	(574,958)	(10.7)
Total	\$ 13,336,819	\$ 13,784,129	\$ 13,180,766	\$ (603,363)	(4.4)
COMMUNITY SERVICE					
Streets	\$ 928,810	\$ 1,258,066	\$ 1,075,299	\$ (182,767)	(14.5)
Solid Waste	1,915,160	2,115,531	1,968,176	(147,355)	(7.0)
Total	\$ 2,843,970	\$ 3,373,597	\$ 3,043,475	\$ (330,122)	(9.8)
CULTURE AND RECREATION					
Recreation	\$ 143,981	\$ 110,574	\$ 146,819	\$ 36,245	32.8
Nature Center	9,042	8,175	46,175	38,000	464.8
Parks	478,927	480,119	500,641	20,522	4.3
Senior Citizens	439,614	395,785	446,781	50,996	12.9
Library	617,361	807,010	728,632	(78,378)	(9.7)
Total	\$ 1,688,925	\$ 1,801,663	\$ 1,869,048	\$ 67,385	3.7
COMMUNITY DEVELOPMENT					
Total	\$ 938,268	\$ 1,114,120	\$ 1,058,720	\$ (55,400)	(5.0)
TOTAL					
General Fund Total	\$ 26,795,633	\$ 25,235,669	\$ 24,600,491	\$ (635,178)	(2.5)

Mayor & Council

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	2012-13	2013-14	2014-15
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
- Information Technology Advisory Committee
- 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

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Motions Passed	224	202	202	0	0.0
Ordinances Adopted	7	7	7	0	0.0
Presentations Made	24	12	12	0	0.0
Public Hearings Held	11	4	4	0	0.0
Regular/Special Meetings	33	24	24	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$49,580	\$49,518	\$49,518	\$0	0.0
Supplies	0	0	0	\$0	0.0
Other Services and Charges	1,499	3,904	3,904	\$0	0.0
Capital Outlay	0	0	0	\$0	0.0
Total	\$51,079	\$53,422	\$53,422	\$0	0.0
Resources:					
General Fund	\$51,079	\$53,422	\$53,422	\$0	0.0
Total	\$51,079	\$53,422	\$53,422	\$0	0.0

Key Issues

- The budget for this department is supported at its current service level.

District Court

The 43rd 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	2012-13	2013-14	2014-15
Court Administrator	1	1	1
Chief Deputy Court Clerk	2	2	2
Deputy Court Clerk	4	4	4
Court Officer	1	1	1
Total Full-time	8	8	8
Magistrate	1	1	1
Court Officer	2	2	2
Probation Officer	1	1	1
Total Part-time	4	4	4
Total Employees	12	12	12

The District Court Judge who is an employee of the State of Michigan and elected by local voters supervises eight full-time and four 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

Requirements:	Actual	Estimate	Budget	Increase (Decrease)	Percent Change
	2012-13	2013-14	2014-15	FY 2013-14 to FY 2014-15	
Personal Services	\$996,686	\$1,079,956	\$1,067,261	\$(12,695)	(1.2)
Supplies	30,163	34,300	33,300	(1,000)	(2.9)
Other Services and Charges	292,905	343,840	343,416	(424)	(0.1)
Capital Outlay	6,173	10,000	27,476	17,476	174.8
Total	\$1,325,927	\$1,468,096	\$1,471,453	\$3,357	0.2
Resources:					
Court Salary Standard	\$47,112	\$45,725	\$45,725	\$0	0.0
Court Fines	736,642	1,080,929	1,080,929	0	0.0
Forfeits	14,380	18,995	18,995	0	0.0
Reimbursed Court Costs	492,020	481,950	481,950	0	0.0
Bond Fees	89,523	53,484	53,484	0	0.0
Probation Oversight	185,215	173,160	173,160	0	0.0
Violation Clearance	13,423	12,525	12,525	0	0.0
General Fund	(252,388)	(398,672)	(395,315)	3,357	(0.8)
Total	\$1,325,927	\$1,468,096	\$1,471,453	\$3,357	0.2

Key Issues

- The third largest source of General Fund Revenue is composed of Court Fines, forfeits and charges (\$1.8 million), which are used to partially offset the cost of operating our State-mandated District Court and legal prosecution costs. Although Fiscal Year 2013-14 is experiencing revenues levels in line with FY 2012-13 which is approximately 19% lower than budgeted, the FY 2014-15 Budget continues to fund Court-related revenues at the current level. This budget decision was based on restoration of Police staffing levels in the field, as in FY 2013 and 2014 new staff were being trained which resulted in reduced enforcement levels.
- The audio visual court recording system is scheduled for replacement at a cost of \$19,976.
- The balance of this budget is supported at the current service level.

City Manager

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.
- Development of performance measurement systems and benchmarking to evaluate City services.

Organizational Structure and Staff

Personnel Summary	2012-13	2013-14	2014-15
City Manager	1	1	1
Executive Assistant	1	1	1
Total Full-time	2	2	2
Total Employees	2	2	2

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Agenda Items	164	160	160	0	0.0
Weddings Performed/ Coordinated	30	0	0	0	0.0
Efficiency/Effectiveness					
# of Days From Adoption of Budget to GFOA Submittal	n/a	42	45	3	0.0
General Fund Budget Amendments (\$) as a % of Adopted Budget	1.5	2.5	2.5	0.0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$310,876	\$316,434	\$321,663	\$5,229	1.7
Supplies	53	150	150	0	0.0
Other Services and Charges	5,274	9,471	9,471	0	0.0
Capital Outlay	0	0	0	0	0.0
Total	\$316,203	\$326,055	\$331,284	\$5,229	1.6
Resources:					
General Fund	\$316,203	\$326,055	\$331,284	\$5,229	1.6
Total	\$316,203	\$326,055	\$331,284	\$5,229	1.6

Key Issues

- The increase in Personal Services is due to the increase in actuarially required pension contributions due to closing the Defined Benefit plan to new hires.
- The balance of the budget for this department is supported at the current service level.
- Evaluate the reinstitution of the Council goal setting process in the Fall of 2014 (FY 2016).

City Clerk & Elections

The Clerk's Office consists of the City Clerk who is appointed by the City Manager and one full-time Election & Communication Coordinator. During elections, there are 72 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 all 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;
- Serving as City Freedom of Information Act (FOIA) Coordinator; and,
- Maintaining a medical equipment loan closet to provide use of wheelchairs, crutches, canes and walkers for residents.
- Maintaining public news and event information on the City's website, Facebook and Twitter.

Organizational Structure and Staff

Personnel Summary	2012-13	2013-14	2014-15
City Clerk	1	1	1
Election & Communication Coordinator	1	1	1
Total Full-time	2	2	2
Election Workers-Chairpersons	24	24	24
Election Workers	48	48	48
Total Part-time	72	72	72
Total Employees	74	74	74

Accomplishments

Resource Management:

- Conducted the City's General Election on November 5, 2013, including continued training of election inspectors to submit General election results to Oakland County Bureau of Elections via modems from precinct locations.

Objectives

Resource Management:

- Find an alternative precinct location for Schoenhals Elementary School, which will be closed by Madison Schools for renovation.
- Conduct the State's General Elections on August 5, 2014 (Primary, if any) and November 4, 2014 (Gubernatorial).
- Scan historical documents (death and birth records, Council minutes and agendas) into an electronic format to increase efficiency and accessibility.
- Complete update of master index file of all contracts and agreements.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Animal Licenses Issued	761	700	700	0	0.0
Birth/Death Cert. Processed	424	400	390	(10)	(2.5)
Business Licenses Issued	592	620	625	5	0.8
Voters Registered	20,138	20,500	20,500	0	0.0
Efficiency/Effectiveness					
% Registered Voted	41%	15%	15%	0	0.0
% Voted Absentee	26%	23%	30%	0	30.4
# of Machines that required repair on Election Day	3	0	0	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$206,020	\$299,509	\$285,249	\$(14,260)	(4.8)
Supplies	2,836	2,147	4,150	2,003	93.3
Other Services and Charges	12,932	3,962	13,397	9,435	238.1
Subtotal-Elections	52,614	43,447	55,302	11,855	27.3
Total	\$274,402	\$349,065	\$358,098	\$9,033	2.6
Resources:					
Business Licenses	\$103,859	\$11,200	\$112,000	\$100,800	900.0
Animal Licenses	7,478	6,200	6,200	0	0.0
Bicycle Licenses	88	100	100	0	0.0
Vital Health Statistics	22,725	24,000	24,000	0	0.0
Maps	71	100	100	0	0.0
Election Reimbursement	12,964	0	0	0	0.0
General Fund	127,217	307,465	215,698	(91,767)	(29.8)
Total	\$274,402	\$349,065	\$358,098	\$9,033	2.6

Key Issues

- The budget includes staff funding for an August 5, 2014 State Primary and November 4, 2014 State General Election.
- The FY 2015 budget includes wages for a new City Clerk anticipated to be hired in April 2014.

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 1,758 personal property accounts in the City.

Accomplishments

Resource Management:

- Contracting assessing to Oakland County Equalization has saved approximately \$306,000 per year in General Fund operating expense.
- Renewed contract with Oakland County Equalization for three additional years until June 30, 2016.

Objectives

Resource Management:

- Establish new market and taxable property values for tax year 2014.
- Conduct audits of personal property accounts for 3.2% of all personal property accounts.
- Continue to evaluate and plan for impact of State Personal Property Tax (PPT) reform legislation and follow-up interpretation.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Board of Review Appeals	208	220	220	0	0.0
Mich. Tax Tribunal Cases	43	50	50	0	0.0
Personal Property Audits	31	50	50	0	0.0
Property Revaluation	13,453	13,000	13,000	0	0.0
Efficiency/Effectiveness					
% Assessment Changes Processed by Deadline	100	100	100	0	0.0
% Parcels Added/Deleted by Deadline	100	100	100	0	0.0
Minutes to Process Assessment Change	5	5	4	(1)	(20.0)
Minutes to Process Homestead Exemption Filing	5	5	4	(1)	(20.0)

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$0	\$0	\$0	\$0	0.0
Supplies	629	0	0	0	0.0
Other Services and Charges	232,857	245,173	232,173	(13,000)	(5.3)
Capital Outlay	0	0	0	0	0.0
Subtotal-Board of Review	2,136	3,373	3,373	0	0.0
Total	\$235,622	\$248,546	\$235,546	\$(13,000)	(5.2)
Resources:					
Assessing Fees	\$28,355	\$25,622	\$24,853	\$(769)	100.0
General Fund	207,267	222,924	210,693	(12,231)	(5.5)
Total	\$235,622	\$248,546	\$235,546	\$(13,000)	(5.2)

Key Issues

- In spring of 2010, the City replaced its in-house Assessing Office with a contract with Oakland County Equalization Department at a saving of \$306,000 per year.
- In January 2013, City Council approved a three-year continuation of the agreement with Oakland County Equalization with no increase to the price per parcel.

Legal Department

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 legal specialists 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

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Legal Counsel (Hours)					
Tax Tribunal	332	480	350	(130)	(27.1)
Labor	1,188	1,052	1,052	0	0.0
General	1,571	1,537	1,537	0	0.0
Telecommunications	3	3	6	3	100.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$0	\$0	\$0	\$0	0.0
Supplies	6,092	5,300	5,000	(300)	0.0
Other Services and Charges	300,025	285,695	286,195	500	0.2
Capital Outlay	0	0	0	0	0.0
Total	\$306,117	\$290,995	\$291,195	\$200	0.1
Resources:					
General Fund	\$306,117	\$290,995	\$291,195	\$200	0.1
Total	\$306,117	\$290,995	\$291,195	\$200	0.1

Key Issues

- All eight labor agreements expired on June 30, 2013, and while it is the City's goal to complete negotiations with all groups by June 30, 2014, the budget includes the needed funds to continue this process during the upcoming fiscal year. This process is projected to begin again in June 2014 for the contracts that will be expiring on June 30, 2014.
- A \$500 increase is proposed in Other Services and Charges in anticipation of telecommunication legal work with regard to a potential business arrangement concerning the City's cell tower.

Human Resources Department

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	2012-13	2013-14	2014-15
Human Resources Director	1	1	1
Purchasing and Personnel Coordinator/Assistant	1	1	1
Total Full-time	2	2	2
Total Employees	2	2	2

Accomplishments

Resource Management:

- Continued to assist retirees with Medicare Advantage health insurance billing questions and/or problems, and coordinate updates to Medicare Part B Premium payments for retirees.
- Assisted with administration of the Community Blue 4 health insurance and Flexible Spending Account programs, arranging for open enrollment and coordination with Payroll to ensure accurate processing of any changes.
- Coordinated selection process and interviews for Assistant City Manager for Public Services.
- Filed the City's first annual Title VI certification form documenting that the City has continued to provide adequate and unbiased assistance to all residents, business owners, and City program participants without regard to race, color, religion, national origin, sex, socio-economic status, or geographical location.
- Monitored requirements of, and changes to, the Patient Protection and Affordable Care Act (PPACA) to ensure continued compliance.

Objectives

Resource Management:

- Maintain compliance with PPACA to avoid unnecessary penalties.
- Participate in budget and negotiations goal setting with aim to reduce unfunded retiree liability. (Budget Priority 1.a.)
- Create, consolidate, and maintain accurate database in HR system of employee certifications, discipline, and other records so that reports can be generated as necessary. (Budget Priority 2.a.)
- Create annual employee evaluation program and train Department Heads and Supervisors on implementation and use of same. (Budget Priority 3.a.)
- Provide/coordinate periodic training for employees on customer service, stress reduction techniques, and other pertinent topics (through EAP provider or other sources).
- Implement new Health and Wellness Center, if approved, and coordinate migration of employee wellness program to new employee health and wellness center. (Budget Priority 3.b.)
- Begin to negotiate successor contracts prior to expiration date, no later than June 15, 2015, to help achieve budgetary and fund balance projected goals. (Budget Priority 1.b.)
- Re-bid Flexible Spending Account (FSA) program administration contract to improve customer service.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Entry-level Recruitments/ Selections	10	7	9	2	28.6
Grievances Filed	7	9	9	0	0.0
# of Workers Comp. Claims	17	20	20	0	0.0
Workers Compensation Expenses	\$239,565	\$240,176	\$230,000	(\$10,176)	(4.2)
# of Retirees Being Paid Benefits	249	251	262	11	4.4

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$176,357	\$193,955	\$246,047	\$52,092	26.9
Supplies	12	0	0	0	0.0
Other Services and Charges	48,859	61,045	213,562	152,517	249.8
Capital Outlay	0	0	0	0	0.0
Total	\$225,228	\$255,000	\$459,609	\$204,609	80.2
Resources:					
General Fund	\$225,228	\$255,000	\$459,609	\$204,609	80.2
Total	\$225,228	\$255,000	\$459,609	\$204,609	80.2

Key Issues

- As a result of Police Department retirements, the City is scheduled to hire replacement police officers. The budget has been increased by \$15,200 to fund the recruitment process.
- The increase in Personal Services is due to the increase in actuarially required contributions as a result of the Defined Benefit Plan being closed to new hired employees.
- In FY 2013, staff began researching the addition of a Wellness and Health Center as a collaborative effort with Ferndale, Royal Oak and Hazel Park. With implementation anticipated to begin on or about July 1, 2014, the FY 2014 budget includes \$136,662 to cover the projected City share of the first year of operations, based on a very conservative 20% utilization. For more detailed information, please refer to the Personnel Section of this budget document.

General Administration

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

Accomplishments

Resource Management:

- Continued to participate in Constellation Energy and Consumers Choice program for natural gas, resulting in annual savings of approximately \$12,000.
- Successfully bid Information Technology Assessment and Strategic Plan Professional Service Agreement, and re-bid tree removal services contract.
- Successfully auctioned surplus vehicles and other City surplus items on the City's co-operative purchasing website, netting nearly \$32,500 in revenue.
- Successfully upgraded Council Chambers Audio/Video to resolve sound and broadcast issues, modernize recording and playback, simplify the cable TV control room equipment rack, and improve the quality of titling and the bulletin board/municipal channel.

Objectives

Resource Management:

- Continue to utilize the cooperative purchasing website to attain optimal revenue when selling surplus items.
- Research document management options due to aging multifunction machines and eliminate additional desktop printers and faxes as appropriate.
- Increase the use of social media, specifically Facebook, to foster a positive image of the City and individual departments with the community. (Budget Priority 2.b.)

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Cable Messages Posted	130	135	135	0	0.0
Number of Formal Bids	9	9	11	2	22.2
Efficiency/Effectiveness					
% Cable Television Bulletin Board Up Time	98	95	98	3	3.2
% of Formal Bids Within Budgeted Amount	100	100	100	0	0.0
Web Site Traffic (Hits)	149,109	159,109	165,000	5,891	3.7

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$1,336,930	\$103,845	\$146,665	\$42,820	41.2
Supplies	38,363	59,126	43,550	(15,576)	(26.3)
Other Services and Charges	120,962	100,793	98,810	(1,983)	(2.0)
Capital Outlay	0	40,000	0	(40,000)	0.0
Total	\$1,496,255	\$303,764	\$289,025	\$(14,739)	(4.9)
Resources:					
Cell Tower	\$28,683	\$29,780	\$0	\$(29,780)	(100.0)
General Fund	1,467,572	273,984	289,025	15,041	5.5
Total	\$1,496,255	\$303,764	\$289,025	\$(14,739)	(4.9)

Key Issues

- The General Administration Budget funds some general retiree costs not chargeable to specific operating departments.
- The increase in Personal Services is due to the increase in actuarially required contributions as a result of the Defined Benefit Plan being closed to newly hired employees.
- The balance of the budget for this department is supported at the current service level.
- In 2013, Sprint/Nextel terminated its lease for equipment and facilities on the cell tower located behind the Police Station. The City is currently exploring alternatives to recoup some or all of the lost rental income.

Finance Department

The Finance Department consists of a Deputy City Manager for 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;
- Processing of financial reporting, accounting, accounts payable, budgeting, cash receipts, payroll, pension management, miscellaneous receivables, tax assessment documents, tax and utility billing and collections;
- Assisting in budget development, implementation, maintenance and control;
- 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; and
- Monitoring and evaluating the fiscal impact of Federal and State legislation regarding employee benefits.

Organizational Structure and Staff

Personnel Summary	2012-13	2013-14	2014-15
Deputy City Manager for Administrative Services	1	1	1
Accounting Supervisor	1	1	1
Accountant	1	1	1
Fiscal Assistant II	4	4	4
Fiscal Assistant I	1	1	1
Total Full-time	8	8	8
Total Employees	8	8	8

Accomplishments

Resource Management:

- Achieved an upgrade in the City's bond rating from A+ stable outlook to AA- stable outlook.
- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award for FY 2013-14.
- Evaluated and coordinated the move to self-funding for Medical and Prescription benefits.
- Redesigned one section of the City's Budget to eliminate redundancy and improve organization and readability.

Objectives

Resource Management:

- Complete annual audit and have Annual Financial Report finalized within three months of fiscal year end.
- Have property tax, special assessment, water/sewer and other unpaid bills settlement balanced and to Oakland County for reimbursement by the end of March.
- Replace the three year annual financial forecast report with a five year plan for Fall 2014. (Budget Priority 1.c.)
- Evaluate the feasibility of implementing a multi-year budget process for potential implementation in FY 2016. (Budget Priority 1.d.)
- Analyze online payment solutions for the possible implementation of a processor that offers reduced fees to residents, incorporates e-checks with same day settlement and e-messaging services by August 2014. (Budget Priority 2.c.)
- Identify staff within Finance to attend training and accommodate attendance in accordance with the City's travel policy, starting July 2014. (Budget Priority 3.c.)

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
# of Investment Transactions	47	40	40	0	0.0
# of Payroll Checks Issued	1,225	1,240	325	(915)	(73.8)
# of Payroll Direct Deposits	4,927	4,840	5,750	910	18.8
# Accts. Payable ACH Payments	1,398	730	825	95	13.0
Accts. Payable Checks Issued	6,381	4,610	4,500	(110)	(2.4)
# of Water Customers Utilizing ACH Payment	1,224	1,286	1,350	64	5.0
Efficiency/Effectiveness					
Average Staff Hours Lost Per Workers Compensation Claim	234	225	225	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	755,423	864,532	794,594	\$(69,938)	(8.1)
Supplies	4,705	5,000	5,000	0	0.0
Other Services and Charges	69,101	76,311	71,674	(4,637)	(6.1)
Capital Outlay	0	0	0	0	0.0
Total	\$829,229	\$945,843	\$871,268	\$(74,575)	(7.9)
Resources:					
Mobile Home Tax	\$39,636	\$32,040	\$33,840	\$1,800	5.6
Property Tax Admin. Fees	471,888	475,000	438,750	(36,250)	(7.6)
Garbage Bag Sales	6,920	8,700	9,300	600	6.9
Interest Income on Deposits	19,728	95,000	100,700	5,700	6.0
General Fund	291,057	335,103	288,678	(46,425)	13.9
Total	\$829,229	\$945,843	\$871,268	\$(74,575)	(7.9)

Key Issues

- The FY 2015 Budget maintains the same service level as in FY 2014.
- The decrease in the number of Accounts Payable checks processed directly relates to the closing of the housing assistance program effective July 1, 2013.

Information Technology

The Information Technology Department consists of the Management Information Systems Administrator, an Information Systems Specialist, and a portion of an Information Systems Specialist funded in the Police Department. 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, web and social media applications, and assistance in setting the technological direction for the City.

Organizational Structure and Staff

Personnel Summary	2012-13	2013-14	2014-15
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:

- Implemented .Net Building Department Software.
- Implemented wireless access in vehicles for CDD & Fire Department using Verizon MIFI.
- Replaced 55 computers based on computer replacement plan & .Net software upgrade.
- Upgraded Microsoft Office and Adobe software products.
- Implemented two replacement servers.

Objectives

Resource Management:

- Continue to investigate emerging technologies to improve efficiency.
- Improve disaster recoverability with incremental changes in hardware and software.
- Replace 23 computers based on 5-year plan and Adopted Budget.
- Turn up wireless internet access for guests in City Hall. (Budget Priority 2.d.)
- Work with website host (Revize) to automate emailing of Senior Center newsletters & other online postings. (Budget Priority 5.c.)
- Investigate Royal Oak/Troy as an alternative disaster recovery site for staff in event all buildings are rendered unusable. (Budget Priority 4.a.)
- Implement changes based upon IT Assessment and Strategic Plan.
- Establish and provide support for newly-approved Information Technology Advisory Committee (ITAC).
- Implement new BS&A Work Order and Timesheet systems. Train users.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Platforms Supported	8	8	8	0	0.0
Applications Supported	55	58	58	0	0.0
Efficiency/Effectiveness					
Number of computer workstations per IT FTE	92	101	101	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$221,133	\$238,255	\$248,524	\$10,269	4.3
Supplies	35,974	36,250	16,300	(19,950)	(55.0)
Other Services and Charges	3,996	600	2,500	1,900	0.0
Capital Outlay	0	10,500	49,915	39,415	0.0
Total	\$261,103	\$285,605	\$317,239	\$31,634	11.1
Resources:					
General Fund	\$261,103	\$285,605	\$317,239	\$31,634	11.1
Total	\$261,103	\$285,605	\$317,239	\$31,634	11.1

Key Issues

- The Supplies Account includes \$8,800 for the purchase of 16 new computers scheduled in the five-year replacement plan. The new computers will help the City catch up on deferred purchases and save time spent repairing failing computers at a fraction of the cost of the original equipment.
- The budget also includes \$49,915 in capital purchases for a video server, GIS server, two failover servers, BS&A software for work orders and timesheets, and a scanner.
- The balance of the budget for this department is supported at the current service level.

Custodial & Maintenance Division

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; planned improvements; 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.

Accomplishments

Resource Management:

- Needed brick paver and boulevard repairs were made to the Avenue of Mayors.
- Brick paver repairs were also made at the North entrance to City Hall.
- Completed exterior masonry repair at the Senior Center.
- Made repairs to podium, other delaminated wood surfaces, and various carpeted areas throughout the Council Chambers.
- Performed analysis of all existing heating and air conditioning units per building.
- Replaced hot water tanks at Fire Station #2 and the Police Department, and completed interior door repair at the 43rd District Court.
- Continued energy monitoring with Energy Science.

Objectives

Resource Management:

- Research into grant funding and additional energy loan for heating and air conditioning efficiency upgrades at City Hall and Library.
- Complete phased fire suppression system installation at Senior Center (Phase II).
- Perform carpet and blind inventories for future interior work at City buildings.
- Provide monthly building energy utilization report to City management.
- Evaluate shared services including, but not limited to, reviewing the feasibility of providing maintenance to Madison School District on a limited basis and sharing equipment with neighboring communities of equipment that is not needed on a regular basis. (Budget Priority 1.e.)
- Working with program administrator's design team, coordinate lower level City Hall renovation to accommodate new Health/Wellness Center scheduled for opening on or about July 1, 2014.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
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	1,065	1,065	1,065	0	0.0
Efficiency/Effectiveness					
Cost per square foot City Hall Utilities (\$)	1.19	1.12	1.12	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$26,915	\$33,829	\$30,461	\$(3,368)	(10.0)
Supplies	17,315	17,250	17,250	0	0.0
Other Services and Charges	146,092	146,961	161,230	14,269	9.7
Capital Outlay	29,980	0	0	0	0.0
Subtotal-Municipal Bldg.	77,683	60,943	208,461	147,518	242.1
Total	\$297,985	\$258,983	\$417,402	\$158,419	61.2
Resources:					
General Fund	\$297,985	\$258,983	\$417,402	\$158,419	61.2
Total	\$297,985	\$258,983	\$417,402	\$158,419	61.2

Key Issues

- The FY 2015 budget includes \$100,000 (\$95,000 in General Fund and \$5,000 in Water and Sewer) to remodel the City Hall basement to accommodate the new Health and Wellness Center.
- The FY 2015 budget includes \$50,000 to fund Phase I of City Hall HVAC improvements. The total project cost is \$250,000. The current heating system has very inefficient boilers (80% rating) and antiquated thermostat controls (pneumatics). By replacing the boilers with a much more efficient model, adding Direct Digital Control (DDC) thermostats, and re-building all 3 air handling units, the City should realize an immediate improvement in energy savings and user comfort ability. Also, with Phase I and Phase II of the HVAC improvements at the Library underway and decoupling that system from City Hall, it makes fiscal sense to address the HVAC issues at City Hall subsequently.
- The increase in Other Services & Charges is due to an increase in allocated Motor Pool charges relative to the recently acquired Building Maintenance Van in FY 2014.

Police Department

The Police Department is the largest department with 57 full-time positions, including one Animal Control Officer, 17 part-time Crossing Guards, one part-time Animal Control Support Worker and one part-time Records Clerk. 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;
- Solving crimes by successful investigation and prosecution; 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	2012-13	2013-14	2014-15
Police Chief	1	1	1
Deputy Police Chief	1	1	1
Lieutenants	4	4	4
Sergeants	8	7	6
Police Officers	31	32	33
Administrative Secretary	1	1	1
Information Systems Specialist	1	1	1
Office Assistant II	2	1	1
Police Service Assistants	8	8	8
Animal Control Officer	1	1	1
Total Full-time	58	57	57
Crossing Guards	17	17	17
Animal Control Support	1	1	1
Records Clerk	0	1	1
Total Part-time	18	19	19
Total Employees	76	76	76

Accomplishments

Public Safety:

- Promoted two (2) Sergeants, and hired and trained three (3) Police Officers.
- Implemented the utilization of a national pawn transaction database.
- Obtained a Risk Avoidance Program (RAP) grant from the Michigan Municipal Risk Management Authority (MMRMA) to assist in the purchase of replacement departmental Tasers.
- Replaced departmental Tasers.
- Replaced patrol vehicle radar units.
- Obtained a Justice Assistance Grant (JAG) from the State of Michigan to assist in the purchase of patrol vehicle in-car computers.
- Replaced patrol vehicle in-car computers.
- Received funds from board members of a local business for the continued training of the Police Department's canine.
- Replaced one (1) police vehicle with drug forfeiture funds.
- Established new internal Public/Police Relations Committee.

Objectives

Public Safety:

- Utilize social media (Facebook) to become more efficient in police operations and foster a positive image of the Police Department. (Budget Priority 2.b.)
- Select motivated personnel (Recruiters) to recruit talented employees. (Budget Priority 2.d.)
- Mentor and select and train employees to fill upcoming vacated positions and assignments, which have become and will become vacant due to retirements or promotions.
- Focus efforts on core service responsibilities of law enforcement through patrol and criminal investigations.
- Foster creation of mobile parent patrol group to monitor neighborhoods and school routes before and after school.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Total Arrests	1,001	1,178	1,050	(128)	(10.9)
Employee Training Hours	1,955	2,988	2,900	(88)	(2.9)
*Part A Crimes	1,914	1,840	2,000	160	8.7
Total Accidents Investigated	1,520	854	1,000	146	17.1
Total Calls for Service	18,593	26,119	25,000	(1,119)	(4.3)
Total Cases Investigated	3,146	2,728	3,100	372	13.6
Traffic Citations Issued	9,954	10,041	9,950	(91)	(0.9)

**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

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$7,936,325	\$7,543,397	\$7,589,399	\$46,002	0.6
Supplies	51,761	89,000	60,000	(29,000)	(32.6)
Other Services and Charges	730,262	663,627	672,710	9,083	1.4
Capital Outlay	97,797	128,340	73,850	(54,490)	(42.5)
Total	\$8,816,145	\$8,424,364	\$8,395,959	\$(28,405)	(0.3)
Resources:					
Animal Control and Pound	8,371	1,000	2,905	\$1,905	190.5
Liquor License Inspections	24,193	24,350	24,350	0	0.0
Police Fees and Grants	25,200	0	17,164	17,164	#DIV/0!
Police & Fire Pension Millage	2,716,598	2,648,767	2,602,336	(46,431)	(1.8)
Vehicle Proposal Millage	69,400	128,340	73,850	(54,490)	100.0
General Fund	5,972,383	5,621,907	5,675,354	53,447	1.0
Total	\$8,816,145	\$8,424,364	\$8,395,959	\$(28,405)	(0.3)

Key Issues

- Personnel services are increasing 0.6% due to step increases of employees who were hired during the last two fiscal years. Wage step increases for Patrol Officers are in twelve month intervals over four years. Contributions to the Police and Fire retirement pension are being reduced in accordance with the annual actuarial report from 27.82% of payroll to 24.99%. Funding for the Retiree Health Care Trust to cover Other Employee Benefits has been budgeted at the same 39.25% of payroll as last year. According to the actuarial report, funding should be 77.12% of payroll in FY 2015; however, this is not financially feasible.
- The budget includes two replacement patrol vehicles to be funded from the Proposal V-2 millage at a total cost of \$73,850 including vehicle change over costs.

Fire Department

The Fire Department consists of twenty-one licensed paramedics of whom 16 are Firefighters and 3 are Sergeants. In addition, staff includes 6 positions in fire suppression and 2 employees in the fire prevention/administration. Two firefighters were 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	2012-13	2013-14	2014-15
Fire Chief	1	1	1
Fire Marshal	1	1	1
Lieutenants	3	3	3
Sergeants	3	3	3
Firefighters	19	19	19
Total Full-time	27	27	27
Part-Time Office Support Staff	1	1	1
Total Part-time	1	1	1
Total Employees	28	28	28

Accomplishments

Public Safety:

- Received a \$149,000 Assistance to Firefighter Grant (AFG) for the purchase of new Self Contained Breathing apparatus (SCBA).
- Fire prevention division implemented a paperless inspection reporting system.
- Received final approval for our Mutual Aid Box Alarm System (MABAS) Division 3202.
- Placed into service three new ECG/Heart Monitors.

Resource Management

- Fire Marshal and Lieutenant completed Eastern Michigan University, Fire Staff and Command.
- Fire Marshal received the National Certified Fire and Explosive Investigator (CFEI) certification.
- Expansion of the department rehabilitation capabilities through new purchases and training. Firefighters trained on NFPA 1584: Standard on the Rehabilitation Process for Members During Emergency Operations.
- Fire Marshal, Lieutenant and Sergeant completed the Blue Card Command training program.
- Developed new procedure for emergency notification of off duty firefighters.

Objectives

Public Safety:

- Explore resource sharing opportunities with neighboring communities.
- Establish a senior citizen health and fire safety awareness program in an effort to reduce the number of falls, citizen assists, cooking fires, and false alarms received from the senior high-rise complexes. (Budget Priority 5.d.)
- Use current Fire Department software to develop and update preplans of the City target hazards. (Budget Priority 2.e.)
- Develop an online customer service survey to allow feedback of our residents. (Budget Priority 5.e.)
- Develop a fire inspection fee schedule that is in line with neighboring communities. (Budget Priority 1.f.)

Resource Management:

- Train all command staff in the Blue Card Command training course.
- Lieutenant to attend Eastern Michigan University, Fire Staff and Command.
- Establish a new entry-level Firefighter eligibility hiring list.
- Develop a work-related injury prevention program in efforts to reduce work-related injuries.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
EMS Incident Response	2,698	2,780	2,880	100	3.6
Structure Fire Response	65	77	80	3	3.9
Hazmat Call Response	165	170	170	0	0.0
Commercial Bldgs Inspected	860	650	600	(50)	(7.7)
Efficiency/Effectiveness					
% Bldg Fire Call Response Times < 5 min.	97	95	95	0	0.0
% EMS Call Response Times < 5 min.	96	97	95	(2)	(2.1)
% Commercial Bldgs Inspected	35	32	32	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$3,900,456	\$4,136,119	\$4,147,555	\$11,436	0.3
Supplies	52,949	50,564	62,150	11,586	22.9
Other Services and Charges	525,455	55,000	530,102	475,102	863.8
Capital Outlay	41,814	622,782	45,000	(577,782)	(92.8)
Total	\$4,520,674	\$4,864,465	\$4,784,807	\$(79,658)	(1.6)
Resources:					
Ambulance & CPR Revenues	\$613,070	\$489,600	\$495,000	\$5,400	1.1
Police & Fire Pension Millage	1,283,755	1,594,036	1,578,827	(15,209)	(1.0)
Federal Assistance to Firefighters Grant	0	166,000	0	(166,000)	100.0
Vehicle Proposal Millage	0	342,515	0	(342,515)	(100.0)
Advanced Life Support Millage	198,703	180,027	182,426	2,399	1.3
General Fund	2,425,146	2,258,287	2,528,554	270,267	12.0
Total	\$4,520,674	\$5,030,465	\$4,784,807	\$(245,658)	(4.9)

Key Issues

- Personnel services are increasing only 0.2% due to step increases of employees who were hired during the last two fiscal years. Wage step increases for Firefighters are in twelve months intervals over four years. Contributions to the Police and Fire retirement pension are being reduced in accordance with the annual actuarial report from 27.82% of payroll to 24.99%. Funding for the Retiree Health Care Trust to cover Other Employee Benefits has been budgeted at the same 39.25% of payroll as last year. According to the actuarial report funding should be 77.12% of payroll in FY 2015, however this is not financial feasible.
- The budget includes an increase of \$11,586 in Supplies due to uniform and gear requirements for new hire employees.
- Capital Outlay included in the FY 2015 Budget includes 4 field computers for the fire engines and the Fire Marshal for \$10,000, and one E-draulic Hurst Jaws of Life extrication tool for \$35,000.
- In August 2013, the City submitted an application for funding of two (2) firefighter positions from the Federal Staffing for Adequate Fire & Emergency Response (SAFER) grant. Awards will be made between January and September 2014, and cover a maximum two (2) year period. No funding has been included in the FY 2014-15 Budget for the two positions; however, the City anticipates a potential of ten (10) positions that will become vacant through attrition over the next two years, possibly allowing the City to absorb the SAFER-funded positions into the current 27-man staffing structure, if the grant is awarded.

Community Development

The Community Development Department consists of these functions: Building, Planning/Zoning, Engineering, Economic Development, Code Enforcement, Geographic Mapping, 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	2012-13	2013-14	2014-15
Community Development Director	1	1	1
Deputy Community Development Director	1	1	1
Economic Development Coordinator	1	1	1
Administrative Secretary	1	1	1
GIS/CDD Technician	1	1	1
Inspector	2	2	2
Office/CDBG Assistant	1	1	1
Total Full-time	8	8	8
Total Employees	8	8	8

Accomplishments

Public Safety:

- Continued successful implementation of multi-year contracts with road and sidewalk contractors completing the nine year 7 Residential Road projects funded through the R-2 millage, six Major Road sectional repairs, four local road sectional repairs and the sidewalk repair and gap program. For detailed project locations and final cost please refer to Neighborhood Projects and Road Improvements sections under the Capital Improvement Section.
- Continued implementation of complimentary special needs and Wright & Filippis wheel chair loaner programs for residents in construction project areas.
- Provided homeowners, contractors and businesses real-time Internet access to inspection results with upgrades to our inspection software.
- Hosted the annual R-2 Residential Roads public information meeting for residents and businesses impacted by R-2 Road Reconstruction projects.
- Provided routine construction updates to impacted property owners, businesses and residents via direct mail and the City's website.
- Conducted over 20,000 contacts on code enforcement issues, including periodic weekend enforcement.
- Completed over 3,400 inspections of building, electrical, mechanical, plumbing, sign and concrete permits conducted to ensure safe construction.
- Evaluated the use of contractor for building inspections and plan review services.

Objectives

- Evaluate and update the City's Tax Abatement Policy following resolution of recent changes resulting from state personal property tax reform. (Budget Priority 1.g.)
- Complete implementation of recently installed update to the building inspection software to maximize field inspector real-time utilization and public/customer access. (Budget Priority 2.f.)
- Implement new public web mapping site, with easier to use maps that are published in-house, eliminating outside contracted site hosting at substantial annual savings. (Budget Priority 2.g.)
- Provide staff with Personal Safety Training on an annual basis. (Budget Priority 3.e.)
- Begin road and infrastructure analysis in July 2014 necessary to develop an 'R-3" Residential Road and Infrastructure Proposal for City Council consideration in 2015. (Budget Priority 1.h.)
- Complete a comprehensive update to the City's Sidewalk Repair and Gap Program, including non-motorized transportation, by the end of 2014.
- Enhance the DDA's annual Tastefest and Art Challenge events to consolidate donor/vendor commitments while fostering increased resident participation prior to November 2014.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
BEMP* Permits Issued	1,289	1,400	1,500	100	7.1
BEMP Inspections	2,538	3,000	3,200	200	6.7
Rental Unit Inspections	2,569	2,900	3,100	200	6.9
Ordinance Violations	53	55	60	5	9.1
Code Enforcement Cases	4,172	4,300	4,500	200	4.7
Efficiency/Effectiveness					
% of Code Enforcement Actions Resolved Prior To Court	99	99	99	0	0.0
% of BEMP Inspection Requests Completed Within 1 Day	99	99	99	0	0.0

*BEMP - Building, Electrical, Mechanical, Plumbing

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$806,558	\$940,563	\$882,501	\$(58,062)	(6.2)
Supplies	4,446	5,900	5,250	(650)	(11.0)
Other Services and Charges	126,752	120,157	152,969	32,812	27.3
Capital Outlay	512	47,500	18,000	(29,500)	(62.1)
Total	\$938,268	\$1,114,120	\$1,058,720	\$(55,400)	(5.0)
Resources:					
Occupational Licenses	\$184,875	\$150,000	\$175,000	\$25,000	16.7
Other Permits	51,805	65,000	65,000	0	0.0
Building Permits	103,859	112,000	112,000	0	0.0
Engineering Fees	35,464	16,250	20,000	3,750	23.1
Planning Fees	13,730	10,000	10,000	0	0.0
GIS Services	6,000	1,500	2,000	500	33.3
Proposal V-2 Millage	512	22,500	18,000	(4,500)	(20.0)
General Fund	542,023	736,870	656,720	(80,150)	(10.9)
Total	\$938,268	\$1,114,120	\$1,058,720	\$(55,400)	(5.0)

Key Issues

- Capital Outlay purchases include the purchase of a vehicle from Proposal “V-2”.
- The decrease in Personal Services is primarily due to several department employees opting-out of health insurance and a reduction in the overall retiree health care contribution.
- The increase in Other Services and Charges reflects a projected increase in activity of the contractual rental inspector, mechanical/plumbing inspector, and electrical inspector.

Streets Division

The Streets Division of the Department of Public Service consists of 11 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	2012-13	2013-14	2014-15
Deputy Director	1	0	0
Coordinator	1	1	1
Equipment Operator III	2	3	3
Equipment Operator II	3	2	2
Equipment Operator I	3	3	3
Office Assistant II	1	0	0
Administrative Secretary (Major/Local Street Fund)	0	1	1
Total Full-time	11	10	10
Seasonal Laborer (Local Road Funded)	1	1	1
Total Part-time	1	1	1
Total Employees	12	11	11

Accomplishments

Public Safety:

- Assisted in the 2013 neighborhood and major road repair and reconstruction programs by creating and providing signs, barricades, storage facilities, debris removal, etc.
- Continued snow removal under the Snow Emergency Ordinance, and continued to reduce costs and improve the efficiency of our winter maintenance program by using brine as part of our snow fighting arsenal.
- Repainted crosswalks, stopbars, and legends through entire City.
- Continued with Manual on Uniform Traffic Control Devices (MUTCD) upgrades to all street name signs on local roads and their intersections (90-95% complete) City-wide. Received MDOT grant to complete work.
- Spray patched Ajax, Losee, W. Irving and Eastlawn roads in conjunction with 2013's sectional concrete replacement program.
- Spray patched Palmer, Alger, Brush, Townlee & Edward as part of the R-2 sectional work.

Objectives

Public Safety:

- Maintain, replace and repaint crosswalks, stop bars, legends and lane markings.
- Complete upgrading signage to meet new MUTCD standards.
- Support 2014 neighborhood and major road repair and reconstruction projects by providing assistance as required.
- Spray patch roads showing signs of minor joint deterioration: E. Greig and touch-up 2011-12 streets.
- Complete DPS Policy and Procedures binder compilation.
- Implement a new workorder and timesheet system and train all employees on its use. (Budget Priority 2.h.)
- Review and update web pages, thus eliminating outdated information. Develop policy to ensure updating occurs in a timely manner. (Budget Priority 2.i.)

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
% of functional sound bridges	100	100	100	0	0.0
Total hours snow removal per lane	24	48	40	(8)	(16.7)
Tree and Stump Removal	83	85	85	0	0.0
Efficiency/Effectiveness					
Cost per resident for routine road maintenance	\$32.55	\$42.81	\$44.09	\$1.28	3.0
Cost per resident for road construction	\$130.69	\$131.40	\$104.60	(\$26.80)	(20.4)

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$189,952	\$206,330	\$170,486	\$(35,844)	(17.4)
Supplies	4,089	3,100	3,100	0	0.0
Other Services and Charges	682,540	707,636	758,479	50,843	7.2
Capital Outlay	52,229	341,000	143,234	(197,766)	0.0
Total	\$928,810	\$1,258,066	\$1,075,299	\$(182,767)	(14.5)
Resources:					
Weed Mowing	\$65,966	\$75,000	\$75,000	\$0	0.0
Brush Chipping	3,700	4,000	4,000	0	0.0
Proposal V	52,229	341,000	0	(341,000)	0.0
General Fund	806,915	838,066	996,299	158,233	18.9
Total	\$928,810	\$1,258,066	\$1,075,299	\$(182,767)	(14.5)

Key Issues

- The FY 2015 budget includes \$143,234 for the City's contribution to convert existing mercury vapor streetlights to LED. This conversion will result in significant savings to the City of approximately \$37,000 annually. The City currently contributes about \$111,564 in annual lamp charges for these mercury vapor lights. With this initial contribution by the City, and Energy Office Rebate and DTE providing the labor, the return on investment period is estimated to be only 2.8 years.
- The decrease in Personal Services is due to the reallocation of personnel to Water and Sewer and a reduction in Retiree Health Care contributions.

Solid Waste Division

The Solid Waste Division of the Department of Public Services consists of 11 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 and charges from two supervisory positions. The Division is responsible for:

- Collection of refuse and recycling, brush chipping, street sweeping, leaf pickup, litter disposal, right-of-way tree management, park clean-up and catch basin clean out;
- By newsletter and website, informing citizens of refuse and recycling rules and schedules that instruct residents on the City's mandatory recycling program; and

Organizational Structure and Staff

Personnel Summary	2012-13	2013-14	2014-15
Assistant City Manager - DPS	1	1	1
Supervisor	1	1	1
Total Full-time	2	2	2
Total Employees	2	2	2

Accomplishments

Public Health:

- Completed removal of 85 right-of-way dead or diseased trees.

Objectives

Public Health:

- Continue to monitor the health of City trees and remove as necessary.
- Monitor performance of new tree contractor.

Public Safety:

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

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Commercial Waste (Stops)	87	87	87	0	0.0
Compost (Tons)	1,594	1,400	1,400	0	0.0
Refuse (Tons)	1,252	9,300	9,300	0	0.0
Leaf Pickup-Cubic Yards	5,180	4,760	5,000	240	5.0
Paid Brush Chipping (Stops)	208	220	220	0	0.0
Residential Recycling (Stops)	9,491	9,460	9,460	0	0.0
Street Sweeping (Miles)	1,200	1,200	1,200	0	0.0
Efficiency/Effectiveness					
Ave. Cost Per Weekly Stop- Regular Refuse Collection	\$6.08	\$6.08	\$6.08	\$0.00	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$483,794	\$546,214	\$453,282	\$(92,932)	(17.0)
Supplies	12,994	17,595	19,120	1,525	8.7
Other Services and Charges	1,418,372	1,551,722	1,495,774	(55,948)	(3.6)
Capital Outlay	0	0	0	0	0.0
Total	\$1,915,160	\$2,115,531	\$1,968,176	(147,355)	0.0
Indirect Costs	245,312	301,147	299,420	(1,727)	0.0
Resources:					
Solid Waste Millage	\$2,103,977	\$1,909,418	\$1,935,599	\$26,181	1.4
General Fund	56,495	507,260	331,997	(175,263)	(34.6)
Total	\$2,160,472	\$2,416,678	\$2,267,596	\$(149,082)	(6.2)

Key Issues

- The decrease in Personal Services is primarily due to the reduced Retiree Health Care contribution.
- The City contracts garbage and recycling services to Rizzo Services. The 2010-2020 contract holds prices through FY 2015.

Recreation Division

The Recreation Division of the Department of Public Service consists of a part-time coordinator, 22 seasonal part-time positions and many contracted recreation specialists. The Recreation Division is responsible for:

- Conducting the City's leisure and recreational programs including instructional programs such as dance, tennis, golf, photography, fitness, tai chi, yoga, painting, PlayFriends, bowling and team sports such as basketball, softball, T-Ball and volleyball;
- Processing all registrations, facility reservations, preparation and distribution of flyers, evaluation and selection of programs and instructional personnel and contractors, and coordination of volunteer coaches; and
- Hosting the annual "Festival in the Park", 5K Run/Walk, City Golf Outing, Holiday Tree Lighting and the February Coffee Concerts.

Organizational Structure and Staff

Personnel Summary	2012-13	2013-14	2014-15
Recreation Coordinator	1	1	1
Basketball Staff	15	15	15
Camp Staff	4	4	4
Lifeguard	1	1	1
Softball/T-Ball Staff	1	1	1
Volleyball Staff	1	1	1
Total Part-time	23	23	23
Total Employees	23	23	23

Accomplishments

Quality of Life:

- The division continues to work with surrounding communities to develop/share in recreation programs. Those partner communities include Royal Oak, Troy, Hazel Park, Oak Park, Clawson and Ferndale.
- Developed an e-newsletter has kept those who have registered (51 for recreation programs and 100+ for coffee concerts) well informed on upcoming programs.
- Expanded use of Active Net System to provide automated league schedules and to make schedules available online for coaches and participants.
- Developed alternative funding plan to continue the privately-sponsored Festival in the Park.
- Developed 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.

Objectives

Quality of Life:

- Promote programs for the young adult population (20-40 year old programs).
- Develop and distribute comprehensive sponsorship packet to increase revenues for events and programs and reduce staff time spent on solicitation.
- Review feasibility and benefits of Oakland County Parks & Recreation assuming operational oversight of soccer complex.
- Complete Recreation Master Plan update so that the City can be eligible for Michigan Recreation Trust Fund Grant.
- Include a "Spotlight on Employees" in the City Newsletter starting in 2014-15 (Budget Priority 5.a.)

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Water Aerobics Attendees	0	0	0	0	0.0
Dance Attendance - Fall	189	180	175	(5)	(2.8)
Youth Basketball - Winter	63	60	75	15	25.0
Youth Softball - Summer	71	60	70	10	16.7

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$45,894	\$56,263	\$49,796	\$(6,467)	(11.5)
Supplies	21,921	25,032	16,144	(8,888)	(35.5)
Other Services and Charges	76,166	29,279	80,879	51,600	176.2
Capital Outlay	0	0	0	0	0.0
Total	\$143,981	\$110,574	\$146,819	\$36,245	32.8
Resources:					
Recreation Fees	\$99,253	\$102,878	\$153,171	\$50,293	48.9
Recreation-Miscellaneous	2,726	3,550	2,500	(1,050)	0.0
General Fund	42,002	4,146	(8,852)	(12,998)	(313.5)
Total	\$143,981	\$110,574	\$146,819	\$36,245	32.8

Key Issues

- The Division has seen the addition of new recreation classes including Garage Muscle, a nutrition program, prenatal exercise, toner teens, seniors gone strong, cardio kickboxing, youth strength and conditioning, yoga and general fitness classes, as well as the addition of the new PlayFriends program by PlayAway, moving activities into our facilities with an existing client base.
- Other activities, such as bowling, the City-wide garage sale, Karate, and the junior golf league, have been dropped due to lack of interest or the workload demand on staff (garage sale).

Nature Center Division

The paid staff of the Nature Center Division of the Department of Public Service were laid off in June of 2010 due to declining property tax revenues and State shared revenues. Oakland County Parks and Recreation (OCPR) assumed operation in 2012, following execution of a 25-year lease with the City. 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.

Accomplishments

Quality of Life:

- Aided in promotion of Nature Center.
- Operated the privately-sponsored Open House in the Fall of 2013.

Objectives

Quality of Life:

- Work with Oakland County to promote OCPR programming and activities at the Nature Center.
- Evaluate parking lot expansion plans with OCPR.
- Improve trails and staff parking area.
- Continue capital planning with OCPR.

Financial Summary

	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Requirements:					
Personal Services	\$0	\$0	\$0	\$0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	9,042	8,175	8,175	0	0.0
Capital Outlay	0	0	38,000	38,000	0.0
Total	\$9,042	\$8,175	\$46,175	\$38,000	464.8
Resources:					
Nature Center Sales	\$0	\$0	\$0	\$0	0.0
Nature Center Contributions	0	0	0	0	0.0
General Fund	9,042	8,175	46,175	38,000	464.8
Total	\$9,042	\$8,175	\$46,175	\$38,000	464.8

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City was forced to lay off paid staff at the Nature Center on June 30, 2010. During FY 2013, a 25-year lease agreement was achieved with Oakland County Parks and Recreation Office, which began in October 2012, allowing them to assume operations of the Nature Center.
- The FY 2015 budget includes the City's prorated cost of Capital Improvements for phase I of the parking lot improvements, and the City's share for the FY 2015 2" trail overlay and building parking area improvement. Capital Improvements are cost shared between Oakland County and the City, with the County paying the first \$5,000 of each project, and the remainder being split equally.

Parks Division

The Parks Division of the Department of Public Services consists of the allocation of a portion of a full-time Public Works Supervisor, two full-time Equipment Operators, and two part-time Park Rangers. 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	2012-13	2013-14	2014-15
Parks Maintenance II	1	1	1
Parks Maintenance I	1	1	1
Total Full-time	2	2	2
Park Rangers	2	2	2
Total Part-time	2	2	2
Total Employees	4	4	4

Accomplishments

Quality of Life:

- Continued West Nile Virus prevention measures.
- Planted trees at various parks to replace trees removed due to Emerald Ash Borer.
- Continued to keep our park system and Rights-of-Way aesthetically pleasing while mowing on a bi-weekly schedule.
- Successfully assisted in the set-up and teardown of the following events: 5K Run/Walk, Memorial Day Parade, Festival in the Park and Holiday Tree Lighting.
- Asphalt restoration of Rosie's Park walking trail and connector trail.
- Bi-annual full inspection and repairs of City playgrounds.
- Continued maintenance partnership with Oakland County Parks and Recreation at Red Oaks Youth Soccer Complex.
- Completed parking lot concrete restoration of east and west parking areas at Huffman Park.
- Completed removal of skate park and relocation of equipment and facilities to private provider.

Objectives

Quality of Life:

- Complete tree trimming at Department of Public Service K-9 course and parks.
- 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 features at various parks (e.g. benches, barbecues, etc.).
- Continue to assist with ballfield/soccer maintenance through various seasons.
- Continue replacement of aged play structures and swing sets as funding allows, including Wildwood Park.
- Monitor park shelters and pavilions for needed maintenance items.
- Update Parks Recreation Master Plan, if funding allows.
- Complete trail rehabilitation at Civic Center and Ambassador Parks. (Budget Priority 4.b.)
- Perform parking lot repairs at Civic Center Park. (Budget Priority 4.b.)

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Ballfield Maintenance (hrs)	450	425	425	0	0.0
Flowers-Flats Planted	36	34	34	0	0.0
Meeting Room Set-ups	4	4	4	0	0.0
Tons of Salt Used	160	240	160	(80)	(33.3)
Trees Planted	21	25	25	0	0.0
Turf Maintenance (hrs per wk)	300	300	300	0	0.0
Efficiency/Effectiveness					
Number of Park Acres Maintained Per Employee	48	48	48	0	0.0
Number of Trees Trimmed Per Employee	40	40	40	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$203,609	\$273,112	\$238,911	\$(34,201)	(12.5)
Supplies	29,039	31,450	31,350	(100)	(0.3)
Other Services and Charges	99,706	110,557	123,880	13,323	12.1
Capital Outlay	146,573	65,000	106,500	41,500	0.0
Total	\$478,927	\$480,119	\$500,641	\$20,522	4.3
Resources:					
General Fund	\$452,354	\$465,119	\$471,641	\$6,522	1.4
Vehicle Millage	26,573	15,000	29,000	\$14,000	100.0
Total	\$478,927	\$480,119	\$500,641	\$6,522	1.4

Key Issues

- The decrease in Personal Services is primarily due to the reduction in Retiree Health Care Contribution.
- The FY 2015 budget includes capital expenditures for a replacement of a pick-up truck from the vehicle millage, and trail improvements at Civic Center and Ambassador Parks as well as parking lot repairs at the Civic Center Plaza.

Senior Citizens Division

The Senior Citizens Division of the Department of Public Service is staffed with one full-time Senior Coordinator, as well as part-time staff consisting of two Bus Drivers, three Chauffeur Drivers and one Program 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	2012-13	2013-14	2014-15
Supervisor	1	0	0
Coordinator	1	1	1
Total Full-time	2	1	1
Bus Driver/Chauffeur	5	5	5
Senior Program Assistant	1	1	1
Total Part-time	6	6	6
Total Employees	8	7	7

Accomplishments

- Raised \$14,991 throughout the year with fundraising events and donations covering extraneous equipment and programs including: a microwave for the kitchen, eight-foot tables, a wall rack, five new computers, one printer and two pieces of exercise equipment for the Center.
- Rented the senior center 14 times grossing \$2,925 in revenue.
- Provided 405 seniors and low-income clients' electronic filing of income tax returns through AARP volunteers.
- Furnished assistance to 70 seniors, providing aid with home repairs through the Senior Home Assistance Repair Program (SHARP). Also received a \$3,000 grant from North Woodward Community Foundation to use for the program.
- Provided 15 seniors with free legal aid through monthly appointments with University of Detroit Mercy Law School.
- Established partnerships with Hear USA to provide monthly free hearing aid cleaning and free hearing screenings; Cambridge East Nursing Home to provide a monthly caregiver support group; and Oakland Family Services to provide monthly counseling sessions.
- Changed the by-laws of the Senior Center to lower minimum program and activity participation age from 55 to 50.
- Increased innovative activities appealing to the "boomers" such as more exercise equipment, a vegetarian cooking class, meditation, reflexology and chair yoga.
- Extended the senior wish list with 'Auntie Eva' and others, saving almost \$2,000 in office and cleaning supplies, decorations and event prizes.
- Continued partnerships with Kim Kloc of Kim's Creations, who provides free centerpieces for dinner dances; Hopcroft Funeral Home, who provides free prizes for dinner dances and our 80 & Better Birthday Party; health care agencies to offer weekly blood pressure testing, blood sugar testing and health fairs and programs; and American House Hazel Park, who provides free desserts for dinner dances and bake sales.
- Expanded partnerships with SMART, who provided free supplies for our Ice Cream Social; the National Honor Society and Leadership group from Lamphere High School utilizing students as helpers at the Center fulfilling their community service hours as well; and The Nichols Bunch to provide additional services to the Center and more interaction with participants.

Objectives

- Further develop sustainable revenue streams through fundraising events, including new partnership with Texas Roadhouse Restaurant and Bob Evans Restaurant.
- Continue with the 'wish list' for office supplies and other items, to offset budget.
- Continue to expand our combining of forces by building strategic partnerships with more local businesses.
- Strengthen communication to educate the community and our own membership about all that the Center offers to ensure that we are maximizing our assets. (Budget Priority 5.g.)
- Further explore programming for the "boomers" by tracking their involvement and incorporating classes that appeal to them.
- Offer a broad scope of stimulating programs, which are acceptable to senior citizens representing various physical, social, economic, and ethnic groups.
- Provide companionship and meaningful leisure time activities for older adults, opportunities to do community service, learn new skills and make new friends.
- Continue to create a 'center for courageous aging' by examining different support groups through local hospitals that would assist seniors and their families to cope with the trials of aging.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
# of Two-Way Trips	8,460	8,400	8,400	0	0.0
Bus Miles Traveled	23,786	23,000	23,000	0	0.0
Day Trips	54	54	54	0	0.0
Lawns Mowed	2,089	1,500	1,500	0	0.0
Newsletter Subscriptions	304	400	400	0	0.0
Snow Removals	114	160	160	0	0.0

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$138,086	\$144,505	\$124,630	\$(19,875)	(13.8)
Supplies	74,425	88,894	85,374	(3,520)	(4.0)
Other Services and Charges	126,619	90,386	86,777	(3,609)	(4.0)
Capital Outlay	100,484	72,000	150,000	78,000	108.3
Total	\$439,614	\$395,785	\$446,781	\$50,996	12.9
Indirect Costs	149,598	149,628	161,257	11,629	7.8
Resources:					
Senior Non-Program	\$6,079	\$7,728	\$8,738	\$1,010	13.1
Senior Citizens Activities	89,805	88,187	85,186	(3,001)	(3.4)
Senior Center Millage	346,815	323,136	327,642	4,506	1.4
SMART	68,866	64,720	40,500	(24,220)	(37.4)
General Fund	77,647	61,642	145,972	84,330	136.8
Total	\$589,212	\$545,413	\$608,038	\$62,625	11.5

Key Issues

- With \$72,000 budgeted in FY 2013-14, combined with \$150,000 proposed in the FY 2014-15 budget, the City anticipates the installation of a Fire Suppression System during 2014. Preliminary required work was completed on the water main in 2013.
- Personal Services have decreased due to employees opting out of medical insurance for the current fiscal year.

Library

The Library is staffed by three full-time positions, a Library Director, a Librarian and a Library Technician. The operation is also supported by 14 part-time positions including: an Adult Reference Librarian, a Community Service Librarian, a Youth Service Assistant, a Circulation Assistant, 6 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	2012-13	2013-14	2014-15
Library Director	1	1	1
Librarian	1	1	1
Library Technician	1	1	1
Total Full-time	3	3	3
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	6
Substitute Librarians	4	4	4
Total Part-time	14	14	14
Total Employees	17	17	17

Accomplishments

Quality of Life:

- Introduced Mango Languages serving City residents interested in learning another language.
- Saw the release of Arcadia Publishing's Madison Heights addition to the publisher's Images of America series in February 2014, co-authored by Library Director Roslyn Yerman and Councilwoman Margene Scott.

Objectives

Quality of Life:

- Revise the library policy which would require all fines to be cleared ahead of renewing a library card. This would allow library fines to be fully collected instead of the current policy which allows use and renewal with a balance of under \$5.00. This policy change would help increase revenue, in eliminating a balance that had previously been reduced from the existing level. (Budget Priority 1.i.)
- Encourage staff participation and leadership opportunities on TLN committees. Involvement at the cooperative level affords the opportunity for input on decisions which directly impact library operations, and provide leadership experience.
- Increase the amount and providers of electronic media such as eBooks and downloadable audio, which will allow more residents to locate and download material with less waiting. Increase budgeted amounts for this material type, and implement B&T Axis as an additional source alongside Overdrive's Download Destination. (Budget Priority 2.j.)
- Incorporate mobile apps as they become available for such activities as notifying residents of holds, and encouraging use of existing methods of handling library transactions, such as renewing material, and searching the catalog remotely. (Budget Priority 2.k.)
- Evaluate replacement of Library's current copiers with more current technology, which will allow printing and scanning to and from USB drives, as well as copiers, and the ability to print color copies. (Budget Priority 2.i.)

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Building Usage	103,626	103,100	103,200	100	0.1
Interloans to Madison Heights	10,074	10,046	10,100	54	0.5
Materials Circulated	100,392	112,656	114,000	1,344	1.2
Patron Registrations	1,276	1,538	1,800	262	17.0
Public Internet Access Use	37,251	38,724	39,000	276	0.7
Reference Questions	7,184	7,200	7,250	50	0.7

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$432,055	\$476,001	\$465,061	\$(10,940)	(2.3)
Supplies	9,291	4,600	4,600	0	0.0
Other Services and Charges	128,530	114,602	117,064	2,462	2.1
Capital Outlay	47,485	211,807	141,907	(69,900)	(33.0)
Total	617,361	\$807,010	\$728,632	\$(78,378)	(9.7)
Indirect Costs	213,757	\$249,558	\$245,527		
Resources:					
State Library Aid	\$18,720	\$11,723	\$14,800	\$3,077	26.2
County Penal Fines	39,435	40,000	39,000	(1,000)	(2.5)
Book Fines	17,597	18,810	18,610	(200)	(1.1)
Video Revenues	2,333	2,000	2,000	0	0.0
Proposal L Millage	806,143	738,778	748,577	876,602	100.0
General Fund	(53,110)	245,257	151,172	(94,085)	(38.4)
Total	\$831,118	\$1,056,568	\$974,159	\$784,394	74.2

Key Issues

- On May 3, 2011, the voters of Madison Heights approved Ballot Proposal “L” to establish up to 1 mill of dedicated property tax levy to ensure the continued operation of the Library, restore past program reductions and capital improvement needs.
- The FY 2014-15 budget will see the installation of a new HVAC system at the Library. There was a carry forward amount from FY 2013-14 of \$152,900 and an additional amount of \$75,000 proposed for the FY 2014-15 budget. Work is estimated to commence in Spring of 2014, with completion in the Summer of 2014.

Insurance, Bonds and Transfers

Financial Summary

Requirements:	Actual 2011-12	Estimate 2012-13	Budget 2013-14	Increase (Decrease) FY 2012-13 to FY 2013-14	Percent Change
Personal Services	\$0	\$0	\$0	\$0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	(5,940)	439,193	365,791	(73,402)	(16.7)
Capital Outlay	0	0	0	0	0.0
Transfers	313,813	2,169,000	0	(2,169,000)	0.0
Total	\$307,873	\$2,608,193	\$365,791	\$(2,242,402)	(86.0)
Resources:					
General Fund	307,873	2,608,193	365,791	(2,242,402)	(86.0)
Total	\$307,873	\$2,608,193	\$365,791	\$(2,242,402)	(86.0)

Key Issues

- For the last 26 years, the City 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-insurance for lower ones. The City's solid history and decision to increase the deductible to \$250,000 in conjunction with the Pool's desire to keep rates down have benefited the City. Insurance rates have not been finalized for FY 2014; however, our Risk Manager projects a small increase of 3% over actual premiums from FY 2013. In FY 2012, the City received an earnings disbursement from the MMRMA that completely offset the fiscal year premiums.

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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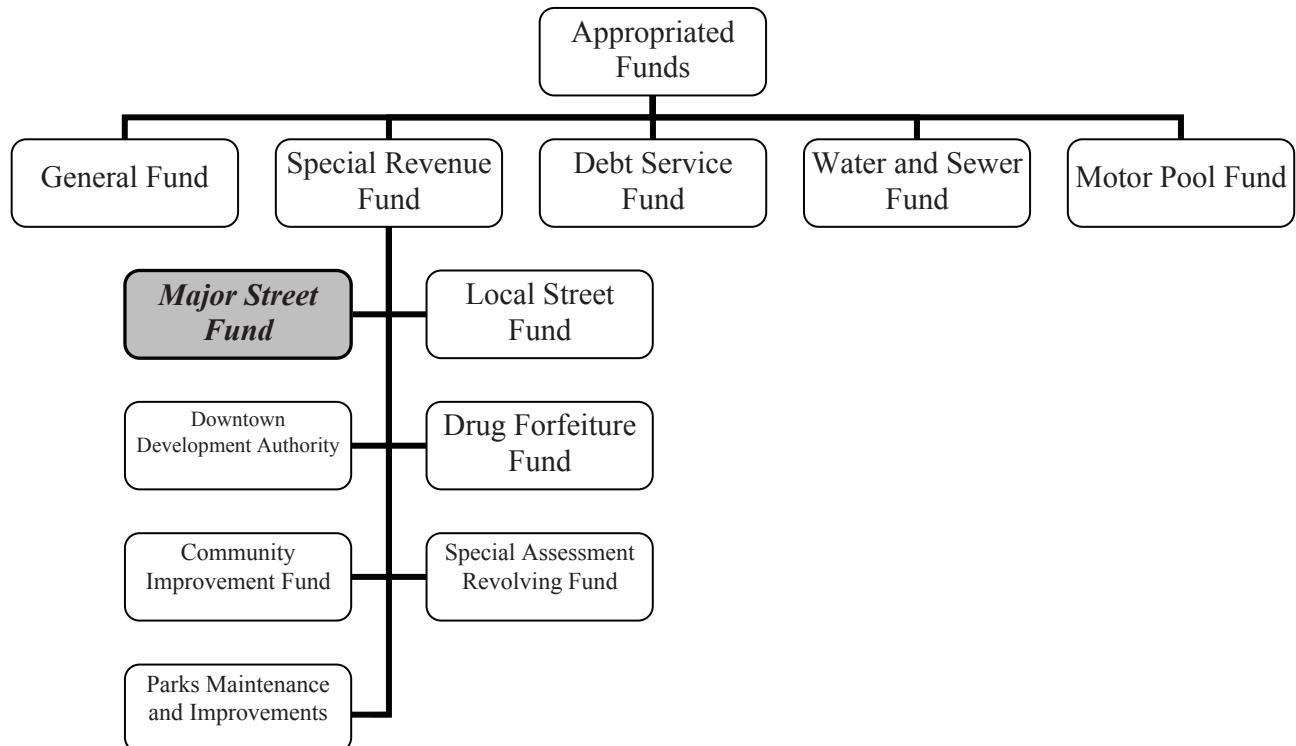
Major Street Fund

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 the Oakland and Macomb County Road Commissions.

Organizational Fund Structure



Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Construction	\$1,869,193	\$1,600,000	\$380,000	\$(1,220,000)	(76.3)
Maintenance	144,753	225,468	208,168	(17,300)	(7.7)
Traffic Services	149,306	191,721	184,507	(7,214)	(3.8)
Winter Maintenance	139,963	230,706	220,691	(10,015)	(4.3)
Administration	36,312	40,223	40,425	202	0.5
County Roads	111,582	151,109	140,885	(10,224)	(6.8)
Transfers	175,000	105,000	0	(105,000)	(100.0)
Total	\$2,626,109	\$2,544,227	\$1,174,676	\$(1,369,551)	(53.8)
Resources:					
Federal	\$0	\$0	\$80,000	80,000	100.0
State	1,228,094	1,221,734	1,257,080	35,346	2.9
County	64,070	63,263	63,257	(6)	(0.0)
Interest	1,302	4,500	4,500	0	0.0
Transfers	2,069,000	0	0	0	0.0
Fund Balance	0	1,254,730	(230,161)	(1,484,891)	(118.3)
Total	\$3,362,466	\$2,544,227	\$1,174,676	\$(1,369,551)	(53.8)
Fund Balance	\$1,295,973	\$41,243	\$271,404	\$230,161	558.1

Key Issues

- The budget includes \$5,000 for a Paser rating of roads within the City. The City will be utilizing this rating process to determine the conditions of the entire road network and provide the basis for consideration of a possible R-3 road 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. In FY 2014-15, \$75,000 is budgeted for this program in the Major Street Fund.
- Rehabilitation work is being budgeted in FY 2014-15 for \$175,000 and will include a \$100,000 National High Priority Project, NHPP Grant, covering sectional repairs on 13 Mile Road with a 20% local match.
- The reduction in the Construction Activity in FY 2014-15 reflects in large part the completion of the John R Overlay from 11 to 12-1/2 Mile and sectional repair between 10 and 11 Mile in FY 2013-14.

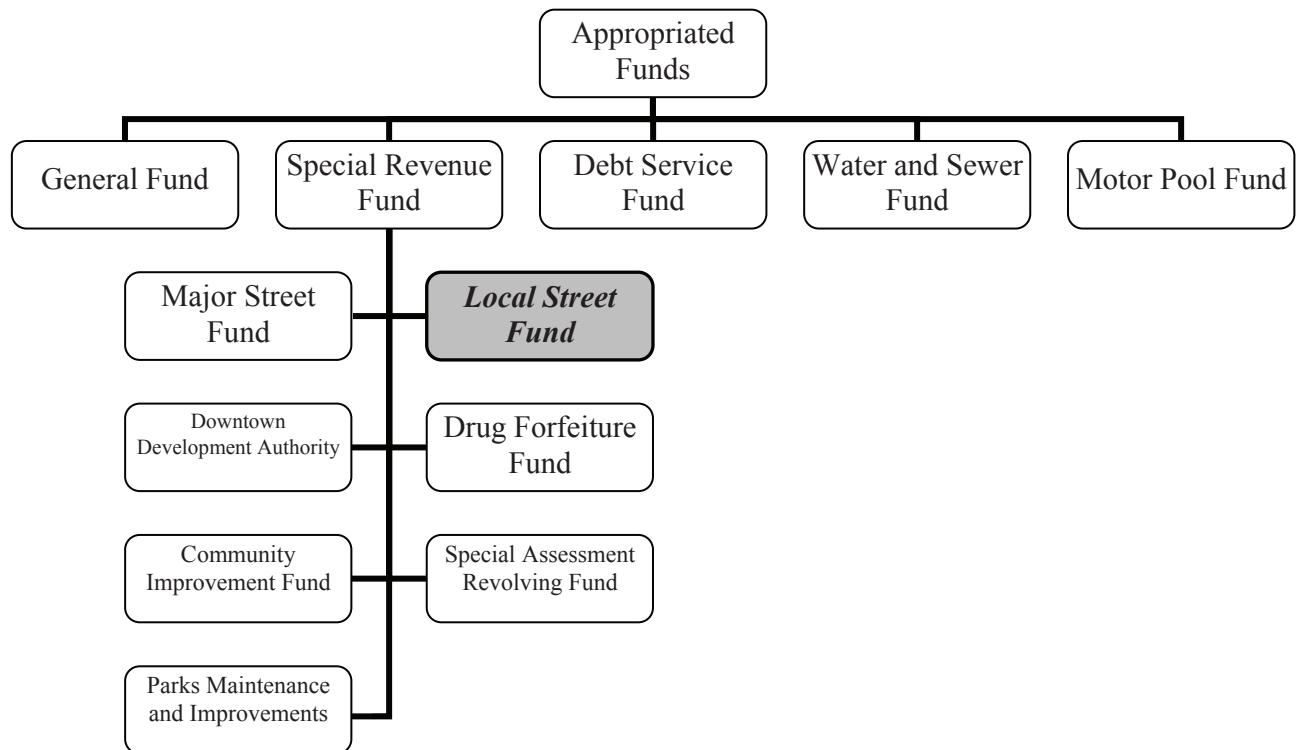
Local Street Fund

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

Requirements:	Actual	Estimate	Budget	Increase (Decrease)	Percent Change
	2012-13	2013-14	2014-15	FY 2013-14 to FY 2014-15	
Construction	\$2,011,704	\$2,302,000	\$2,558,000	\$256,000	11.1
Maintenance	387,917	397,268	369,040	(28,228)	(7.1)
Traffic Services	88,155	135,621	120,953	(14,668)	(10.8)
Winter Maintenance	56,550	90,560	84,143	(6,417)	(7.1)
Administration	34,919	37,901	39,221	1,320	3.5
Transfers	20,000	0	20,000	20,000	100.0
Total	\$2,599,245	\$2,963,350	\$3,191,357	\$228,007	7.7
Resources:					
Property Taxes	\$1,569,883	\$1,439,494	\$1,486,923	\$47,429	3.3
State	467,709	479,832	493,740	13,908	2.9
Interest	72	28,450	16,400	(12,050)	(42.4)
Transfers	344,115	211,499	0	(211,499)	(100.0)
Fund Balance	0	804,075	1,194,294	437,648	54.4
Total	\$2,381,779	\$2,963,350	\$3,191,357	\$228,007	7.7
Local Road Fund Balance	\$330,544	\$388,975	\$285,758	\$(103,217)	(26.5)
Proposal "R" Fund Balance	\$3,620,895	\$2,758,389	\$1,667,312	\$(1,091,077)	(39.6)

Key Issues

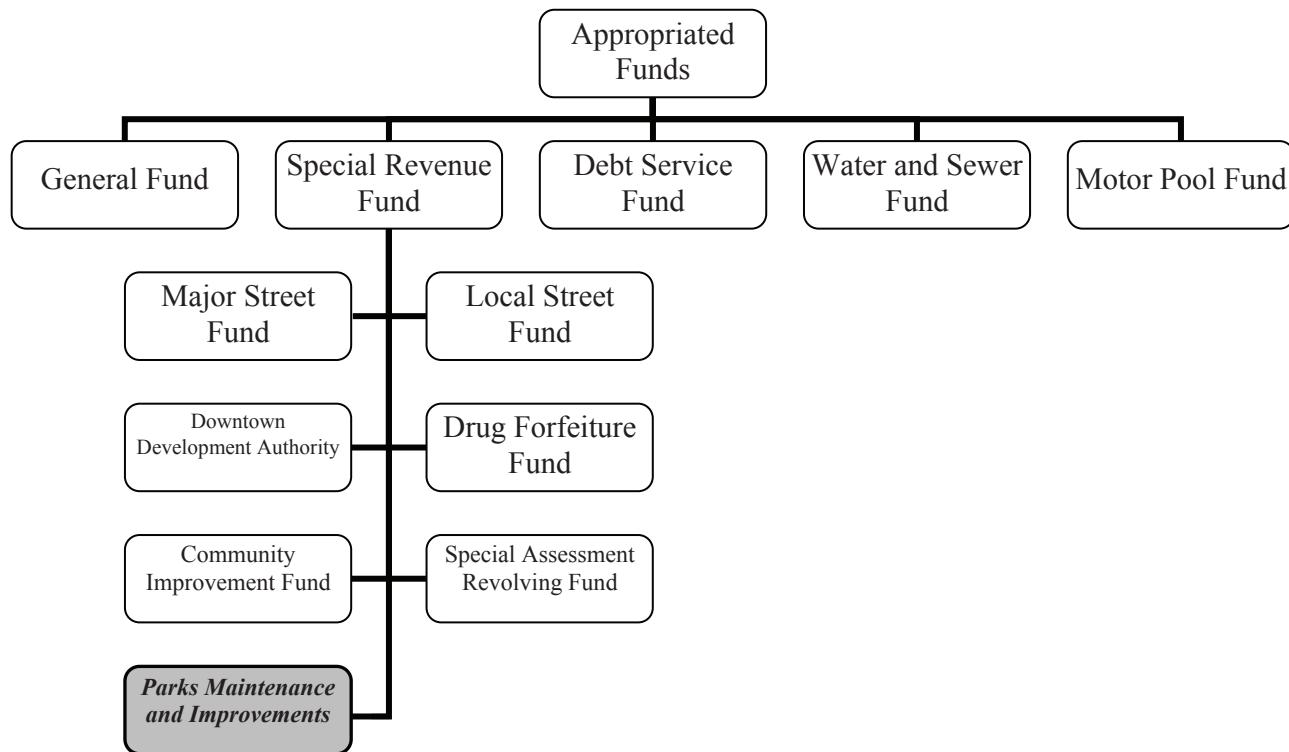
- The Local Street Fund accounts for expenditures associated with the construction and maintenance needs of our local street network and can be divided into the Proposal “R-2” road construction and the non-“R-2” related expenditures. Although the “R-2” portion of the Fund is in sound shape, the remainder 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.
- The Proposal “R-2” road construction projects scheduled for this year include Whittier – Longfellow to Chaucer (\$265,000), Chaucer – Whittier to Longfellow (\$160,000), Barrington – South of Horace Brown (\$518,000), Barrington (\$465,000) Blairmoor – Manchester to 13 Mile Road (\$543,000), and the Manchester & Woodmont intersection (\$102,000).
- Also, as called for in the “R-2” plan, the Budget includes \$200,000 in concrete road repairs and a \$20,000 contribution to the annual sidewalk repair program for key flag squares and ramps.
- In an effort to address the failing major and local commercial and industrial roads, sectional repair projects have been programmed for Whitcomb west of Mally (\$25,000), Commerce – Lincoln to Michael (\$25,000), Montpelier (\$80,000), Horace Brown (\$75,000), Michael (\$25,000), Dei – 10 Mile to Service Drive (\$25,000), Edmund – Harlo to John R (\$25,000) and Harlo (\$25,000).

Parks Maintenance and Improvements

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 original payment and investment interest will be used for the Red Oaks Soccer Complex and other Madison Heights park system improvements.

Organizational Fund Structure



Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease)	Percent Change
				FY 2013-14 to FY 2014-15	
Maintenance	\$17,264	\$31,344	\$32,968	\$1,624	5.2
Transfers	0	0	0	0	0.0
Total	\$17,264	\$31,344	\$32,968	\$1,624	5.2
Resources:					
Interest/Miscellaneous	\$(1,724)	\$12,522	\$42,500	\$29,978	239.4
County Shared Revenues	0	0	0	0	0.0
Fund Balance	0	18,822	(9,532)	(28,354)	(150.6)
Total	\$(1,724)	\$31,344	\$32,968	\$1,624	5.2
Fund Balance	\$633,599	\$614,777	\$624,309	\$9,532	1.6

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/re-stroom/meeting building and attached picnic pavilion. In 2009, new playscape equipment funded by the Oakland County Parks and Recreation Commission was installed. The complex re-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 (OCP&RC), who will provide soccer complex grounds maintenance including lawn, sod, fertilization and weed control services, as well as snow and ice control, on the parking lots and sidewalks. The Budget also includes the City's payments for utilities for the Concession/Training building.
- The City and OCP&RC have entered into a 25-year lease, effective October 1, 2012, for the OCP&RC to operate the Nature Center at Friendship Woods. The lease provides that the City will pay for one-half of the cost over \$5,000 for any capital improvements. A list of long-term capital improvements and deferred maintenance projects has been identified by the City and OCP&RC for Suarez Woods.
- Due to better than expected interest earnings, the FY 2015 Budget reflects a slight addition (\$9,532) to fund balance.

Downtown Development Authority

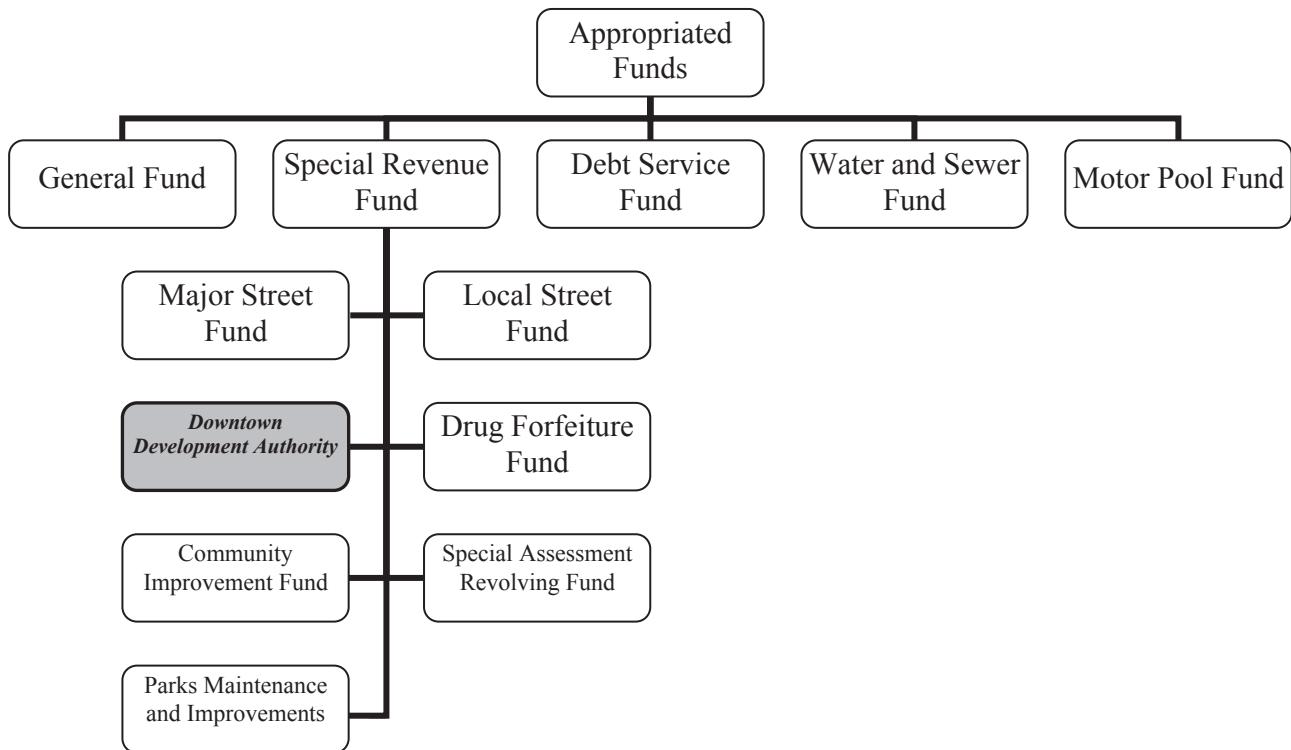
Statement of Services

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 515 visits to local businesses.
- Two DDA business events held in 2013 - Art Challenge and Around the Globe Taste Fest.

Objectives

Resource Management:

- Consolidate the highly successful Art Challenge and Around the Globe Taste Fest.
- Subject to funding, continue the Right-of-Way (ROW) maintenance program (lawn care and trash pickup).

Financial Summary

	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Requirements:					
Other Services and Charges	\$16,178	\$8,780	\$20,625	\$11,845	134.9
Construction	5,193	0	0	0	0.0
Transfers	55,588	36,300	34,303	(1,997)	(5.5)
Total	\$76,959	\$45,080	\$54,928	\$9,848	21.8
Resources:					
Property Taxes	\$78,734	\$45,080	\$42,485	\$(2,595)	(5.8)
Interest/Miscellaneous	2,850	0	0	0	0.0
Fund Balance	0	0	12,443	12,443	100.0
Total	\$81,584	\$45,080	\$54,928	\$9,848	21.8
Fund Balance	\$48,960	\$48,960	\$36,517	\$(12,443)	(25.4)

Key Issues

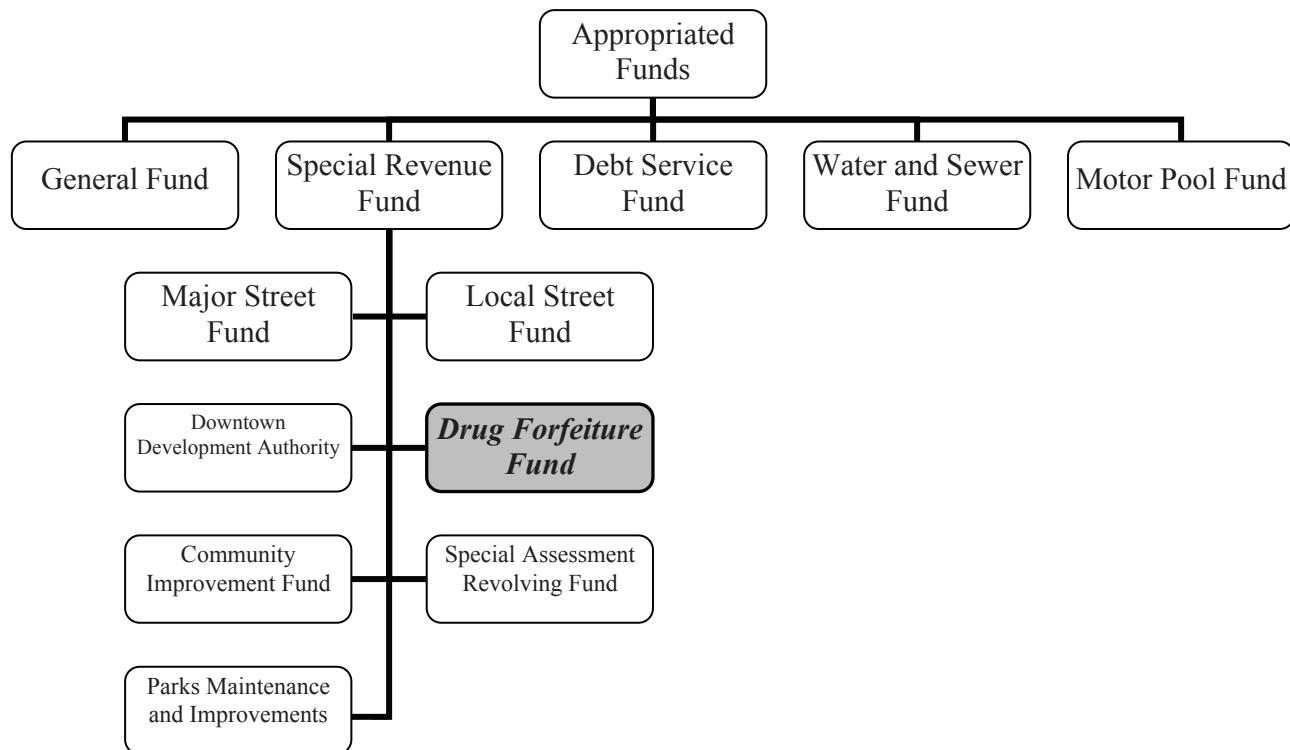
- Given the decline in property values and that DDA funding is derived exclusively from incremental growth in real and personal property tax above the 1997 base year, tax revenues have declined 82% over the last four years from \$243,100 in FY 2009-10 to \$42,485 for FY 2014-15.
- The FY 2014-15 Budget includes the following major expenditures:
 - \$ 34,303 - DDA funding match of 25% for the Economic Development Program and code enforcement support
 - \$ 5,000 - Right-of-way mowing
 - \$ 3,302 - Public right-of-way trash receptacle program
- The impact on DDA revenues of the 2012 State legislative repeal of the personal property tax remains unclear, although the recent 2014 legislation to fully replace lost personal property tax revenue does include a component to reimburse Tax Increment Financing (TIF) Districts for lost value and losses due to the exemptions.

Drug Forfeiture Fund

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 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Requirements:					
Supplies	\$0	\$0	\$0	\$0	0.0
Other Charges and Services	4,500	4,500	34,495	29,995	666.6
Capital Outlay	92,777	81,825	28,675	(53,150)	(65.0)
Total	\$97,277	\$86,325	\$63,170	\$(23,155)	(26.8)
Resources:					
Drug Forfeiture	\$43,996	\$55,500	\$36,616	\$(18,884)	(34.0)
Interest and Misc. Income	0	0	250	250	100.0
Fund Balance	0	30,825	26,304	(4,521)	(14.7)
Total	\$43,996	\$86,325	\$63,170	\$(23,155)	(26.8)
Fund Balance	\$64,336	\$33,511	\$7,207	\$(26,304)	(78.5)

Key Issues

- The Capital Outlay budget includes funding for one Patrol Officer vehicle (\$28,675).
- The budget includes \$29,995 to replace obsolete equipment and upgrade interior and exterior video recording and monitoring capabilities at the police station. The allocation will allow for the cameras located in the booking and detention areas to be upgraded, several monitors in the dispatch area to be replaced, the replacement of a DVR and multiplexer, and replacement of the outer cameras.

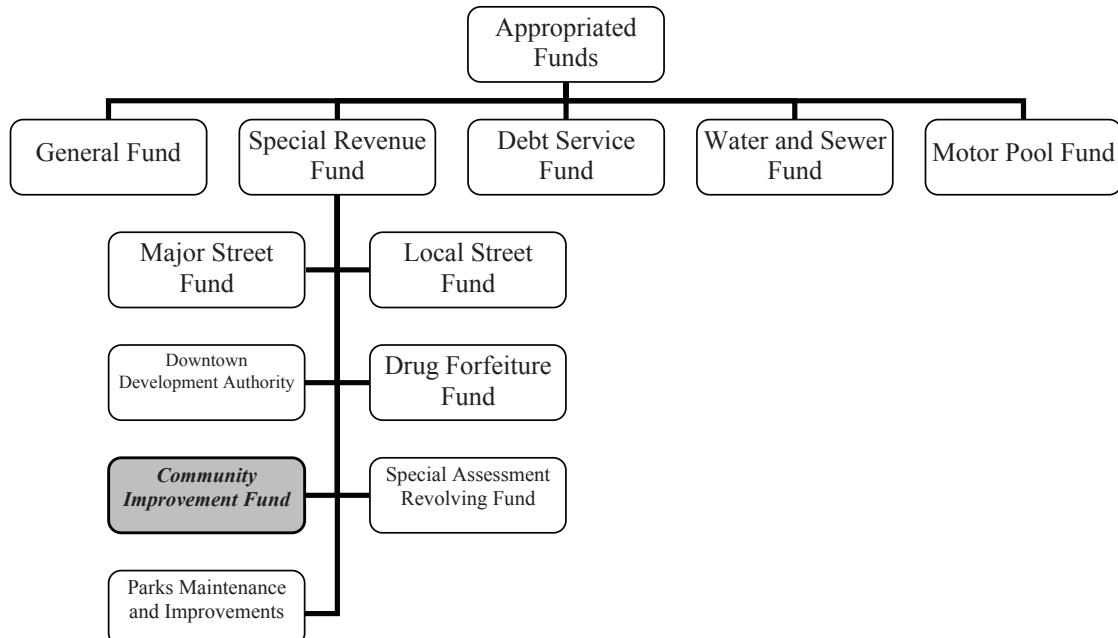
Community Improvement Fund

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) Program. The Community Improvement Program funds one full-time Code Enforcement Officer and covers a portion of other staff to administer the program.

Block Grant funds are used for the yard services program (lawn mowing and snow removal) and code enforcement, which primarily 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.

Organizational Fund Structure



Accomplishments

Quality of Life:

- 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 transfer of units to the Michigan State Housing Development Authority (MSHDA) and disbanded the Madison Heights Housing Commission (MHHC) on June 30, 2013.

Objectives

Quality of Life:

- Maintain a spending ratio of less than 1.5% of the CDBG allocations.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Home Chore Assignments	1,583	2,200	2,250	50	2.3
Home Rehabilitation Loans	10	10	10	0	0.0
Self Sufficiency Contracts*	6	6	0	(6)	(100.0)
Units Under Contract*	265	275	0	(275)	(100.0)

*Housing Commission Disbanded June 30, 2013

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$114,295	\$99,587	\$80,310	\$(19,277)	(19.4)
Supplies	0	0	0	0	0.0
Other Services and Charges	27,016	20,250	37,663	17,413	86.0
Capital Outlay	0	0	0	0	0.0
Total	\$141,311	\$119,837	\$117,973	\$(1,864)	(1.6)
Resources:					
Community Develop. Grant	143,556	111,859	117,976	6,117	5.5
Fund Balance	(2,245)	7,978	0	(7,978)	(100.0)
Total	\$141,311	\$119,837	\$117,976	\$(1,861)	(1.6)
Fund Balance	\$7,978	\$0	\$0	\$0	0.0

Key Issues

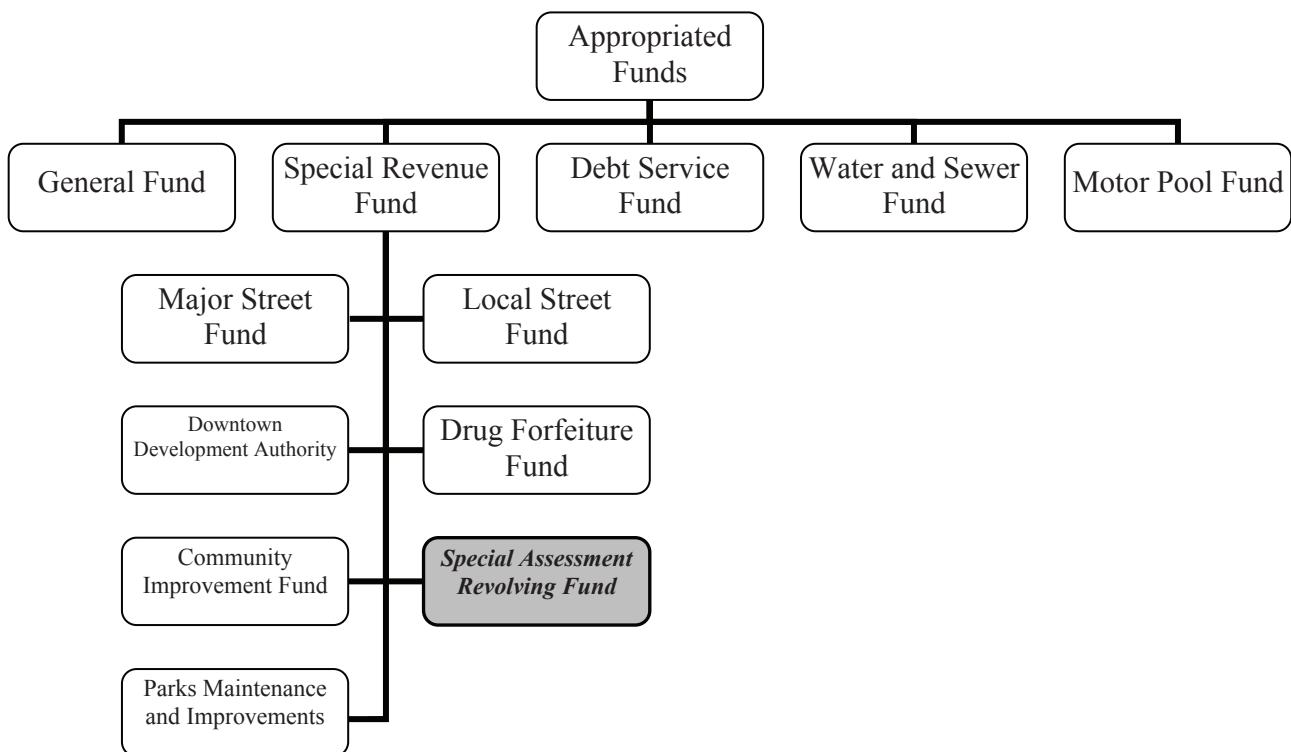
- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and a Home Chore Program, including mowing and snow shoveling for seniors.
- Due to insufficient Federal funding, the City dissolved the Section 8 Housing Commission and Program on June 30, 2013, and transferred the vouchers to MSHDA.

Special Assessment Revolving Fund

Statement of Services

The Special Assessment Revolving Fund's related projects are supported by the Community Development Department. The fund 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 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Requirements:					
Other Services and Charges	\$2,337	\$3,318	\$2,965	\$(353)	(10.6)
Capital Outlay	512,505	450,000	400,000	(50,000)	(11.1)
Transfers	94,115	156,499	25,000	(131,499)	(84.0)
Total	\$608,957	\$609,817	\$427,965	\$(181,852)	(29.8)
Resources:					
Interest and Misc. Income	\$711	\$5,000	\$5,000	\$0	0.0
Special Assessment Revenue	545,755	597,623	326,670	(270,953)	(45.3)
Transfers	20,000	20,000	20,000	0	0.0
Fund Balance	0	(12,806)	76,295	89,101	(695.8)
Total	\$566,466	\$609,817	\$427,965	\$(181,852)	(29.8)
Fund Balance	\$932,197	\$945,003	\$868,708	\$(76,295)	(8.1)

Key Issues

- A total of \$400,000 has been budgeted to support Year Twelve of the Sidewalk Repair and Gap Program. The Year Twelve Repair Program includes an area bounded by Fourteen Mile Road, Dequindre, Whitcomb, Milton and Mandoline. Year Twelve is the last year of the Sidewalk Program, as it is currently structured.

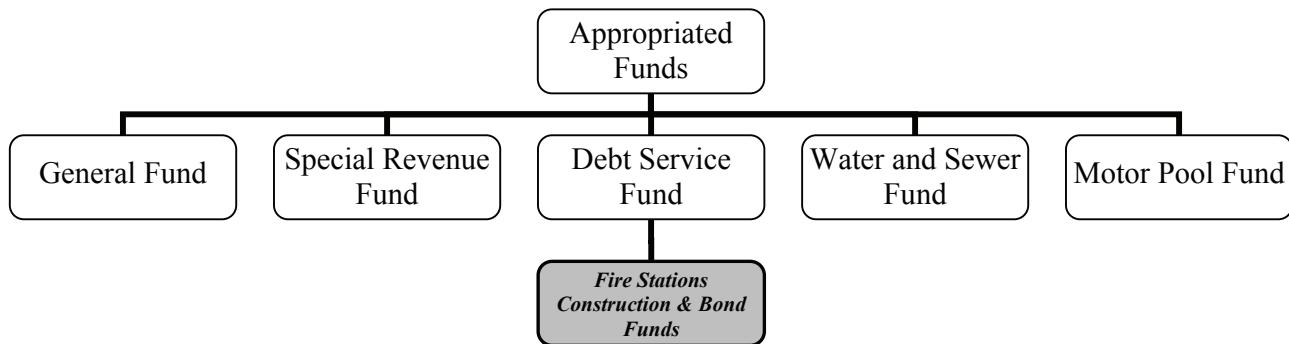
Under the Program, the City inspects the sidewalks and identifies those squares in need of replacement. After the assessment district is established, a contractor is hired and work is completed. The property owners have up to three years to reimburse the City through an annual special assessment billing for the cost of the sidewalk replacement.

Fire Stations Construction and Bond Funds

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 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Requirements:					
Other Services and Charges	\$38,017	\$745	\$1,460	\$715	96.0
Debt Service	420,325	373,135	391,690	18,555	5.0
Capital Outlay	0	0	0	0	100.0
Transfers	0	0	26,255	26,255	0.0
Total	\$458,342	\$373,880	\$419,405	\$45,525	12.2
Resources:					
Property Taxes	\$429,239	\$422,758	\$419,405	\$(3,353)	(0.8)
Interest Earned	1,097	0	0	0	0.0
Transfers In	26,255	0	0	0	0.0
Fund Balance	1,781	0	0	0	0.0
Total	\$458,372	\$422,758	\$419,405	\$(3,353)	(0.8)
Fund Balance	\$0	\$0	\$0	\$0	0.0

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. 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.
- In November of 2012, Council approved refinancing the Fire Station Bonds. This refinancing process allowed the City the ability to reduce the coupon interest rate, which was scheduled to increase from 3.0% to 4.0% over the next ten years, to a fixed 1.9%. This refinancing will save the taxpayers over \$321,000.
- The Fire Station Bond millage, like all voted debt issues, is not subject to the Headlee Amendment and Proposal A. The scheduled costs of the principal and interest payments is \$391,690. The budget also includes \$27,715 for audit services, paying agent fees and a pay-back to the General Fund for refinancing fees. The millage will increase slightly from 0.5148 in FY 2013-14 to 0.5578 in FY 2014-15.

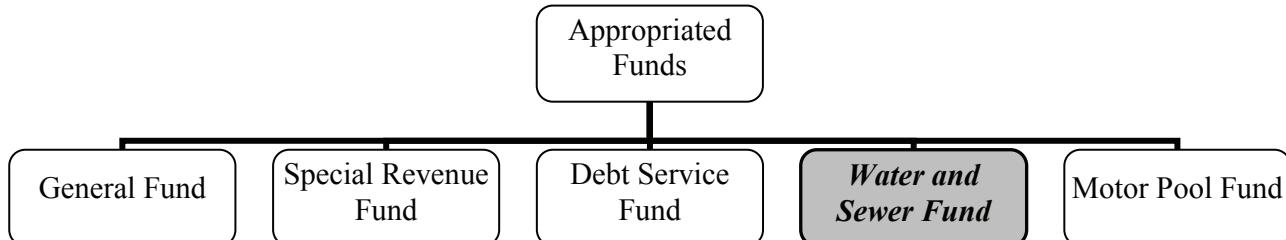
Water and Sewer Division

Statement of Services

The Water and Sewer Division of the Department of Public Services consists of one Water/Sewer Coordinator, four Sewer Maintenance Workers, one Water Meter Repair Worker and three Equipment Operators. The Division is responsible for:

- Providing water distribution to and sewage collection for 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 George 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 of catch basin structures; all cleaning of sewer mains, catch basins, gatewells and culverts; repair work including pavement and landscape repairs arising from water main breaks and/or sewer trench settlement; maintenance of municipal sprinklers; and providing and reporting on storm water management under Federal permits.

Organizational Fund Structure



Accomplishments

Public Health:

- Replaced 4,780 feet of water main on W. Harwood (Alger to Dartmouth), Couzens (11 Mile South to dead end), Dartmouth (26341 to 26107), E. Hudson (John R to 87 E. Hudson), Barrington (Cowan to 26521 Barrington), W. Kalama (Dartmouth to Stephenson), and W. Barrett (John R to Alger).
- Cleaned sanitary sewers in District #2 between 11 Mile and 12 Mile east of John R and the northeast industrial subdivision.
- Cleaned the catch basins in District #1 between 10 Mile and 11 Mile and the northeast industrial subdivision.
- Repaired or replaced 82 curb boxes that were damaged.
- Continued cross assignment of employees outside of the Water and Sewer Division.
- Repaired and/or assisted on over 49 water main breaks and completed all related landscape repairs.
- Repeated City-wide leak detection study on all water mains to help eliminate water loss.
- Larviced over 3,000 catch basins to help fight West Nile Virus.
- Replaced four fire hydrants.
- Completion of federally-mandated Disinfectant and Disinfection By-Product testing.
- Completion of Priority 3 Location Dry Weather Illicit Discharge Elimination Plan stormwater outfall screening.
- Conducted commercial meter and bypass audit.
- Replaced 190 feet of failing sewer main.
- Installed/added two new meter reading towers.
- Completed biannual MS4 Permit Progress Report.
- Treated 1,700 feet of sewer for root control on Couzens (South of 11 Mile) and Barrington (Andover to Lincoln).

Objectives

Public Health:

- Complete cleaning of sanitary sewers in District #3 between 12 Mile and 13 Mile.
- Clean catch basins in District #2 between 11 Mile and 12 Mile.
- Continue to cross train employees on all job-related issues.
- Continue annual water line cross-connection inspection and enforcement program.
- Larvicide all City owned catch basins (3,000).
- Submit storm water permit related reports to State of Michigan by the deadline.
- Repeat City-wide leak detection study on all water mains to help eliminate water loss.
- Undertake SAW Grant and State Revolving Fund supported Sanitary Sewer Inspection and Repair Program, Phase I.
- Replace 6,325 feet of water main on 2013 Residential "R-2" road projects.
- Conduct EPA-required Unregulated Contaminant Monitoring Rule 3 (UCMR3) testing.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
<u>Workload Indicators</u>					
Avg Daily Water Flow (Units*)	4,500	4,600	4,600	0	0.0
Curb Boxes Replaced	100	82	82	0	0.0
Main Break Repairs	55	49	49	0	0.0
New Watermain Installed (Feet)	4,780	11,675	6,325	(5,350)	(45.8)
Water and Sewer Accounts	11,176	11,172	11,175	3	0.0
Sewer Backups Resolved	5	5	5	0	0.0
Register Head Replacements	161	160	160	0	0.0
<u>Efficiency/Effectiveness</u>					
Distribution Water Loss	11.8%	7.8%	7.5%	(0.2%)	(2.6)
Combine Cost per unit for water and sewer*	\$6.69	\$7.00	\$7.35	\$0.35	5.0

* One unit equals 748 gallons

Key Issues

- The average quarterly residential water and sewage bill is projected to rise by 6.175%, or \$7.93, per quarter to \$177.46 (based on 2,200 cubic feet of consumption) or \$58.15 per month.

Financial Summary

Requirements	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Water Charges	\$2,078,772	\$2,069,256	\$2,154,050	\$84,794	4.1
Water System Maintenance	634,916	645,211	725,591	80,380	12.5
Water Tapping & Installation	(17,446)	9,000	9,000	0	0.0
Water Depreciation	377,645	377,646	480,086	102,440	27.1
Sewage Disposal Charges	3,984,995	4,200,447	3,967,460	(232,987)	(5.5)
Sewer System Maintenance	355,741	526,670	434,570	(92,100)	(17.5)
Sewer Depreciation	366,054	366,057	361,180	(4,877)	(1.3)
General Service Building	266,888	249,454	243,385	(6,069)	(2.4)
General Administration	1,212,694	1,143,481	1,123,901	(19,580)	(1.7)
Capital Outlay	5,198	1,501,000	1,014,575	(486,425)	(32.4)
Debt Service	288,425	1,027,122	1,028,828	1,706	0.2
Total	\$9,553,882	\$12,115,344	\$11,542,626	\$(572,718)	(4.7)
Resources:					
Sales: Water	\$5,323,549	\$5,084,027	\$5,324,080	\$240,053	4.7
Sales: Sewer	6,660,795	6,403,767	6,540,183	136,416	2.1
Interest/Miscellaneous	39,100	55,000	47,500	(7,500)	(13.6)
Departmental Charges	29,550	29,550	29,550	0	0.0
Retained Earnings	0	543,000	(398,687)	(941,687)	(173.4)
Total	\$12,052,994	\$12,115,344	\$11,542,626	\$(572,718)	(4.7)

Unrestricted Net Assets	\$7,427,457	\$6,884,457	\$7,283,144	\$398,687	5.8
Cash	\$5,644,647	\$5,101,647	\$5,500,334	\$398,687	7.8

* 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, 2013, retained earnings were \$7,427,457 and the cash balance was \$5.6 million.

Key Issues

- The FY 2015 budget includes a continuation of water main replacement associated with Proposal R-2 road projects at \$961,000. Other capital purchases that are included in the budget include \$14,575 for BS&A. net software to track work orders and process timesheet data, \$14,000 for handheld data collectors, and \$25,000 for improvements including a roof replacement for a section of the DPS Pole Barn and 5% of the lower level City Hall renovation for the Health and Wellness Center.
- The City continues to monitor the City of Detroit Emergency Manager's proposed restructuring of the Detroit Water and Sewerage Department (DWSD) pursuant to Detroit's municipal bankruptcy Plan of Adjustment.
- Because of the uncertainty of future rate increases from the DWSD, the City has temporarily suspended replacement of stand alone (i.e. non-Proposal "R-2" related) water mains in order to maintain retained earnings at a healthy level.

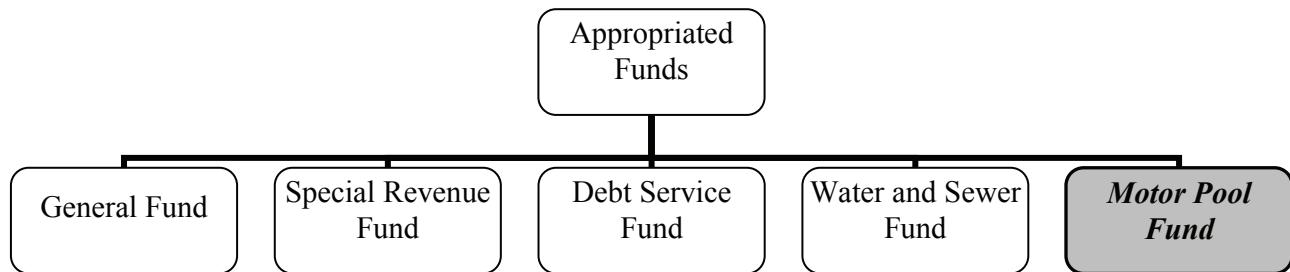
Motor Pool Division

Statement of Services

The Motor Pool Division of the Department of Public Services consists of one Motor Pool Supervisor and two Mechanics. All are State Certified Master 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.
- Overseeing State compliance programs for the DPS underground storage tanks and liquid industrial waste generation.
- Providing support information to assist with internal motor pool cost allocation and vehicle replacement scheduling.

Organizational Fund Structure



Accomplishments

Resource Management:

- Refurbished two of our larger pieces of equipment: Street Sweeper 402 was sent to the City of Troy for needed repairs and Loader 404 was sent to Michigan CAT for needed repair and repainting.
- Sold six farming-type implements that we have not used in over 10 years. They were sold at public auction on the MITN website.
- Purchased and installed three "V" box spreader inserts in three of our existing dump trucks. The inserts will allow us to change quickly from salting to hauling. They have improved our snow removal efficiency by allowing us to use more brine with the salt. They are also transferable to our next trucks, as our trucks are replaced.

Objectives

Resource Management:

- Continue vehicle replacement under the planned "V-2" millage with greater emphasis on fuel economy and alternative fuel.
- Continue to pursue cooperative purchasing methods with other communities to ensure best value in all our purchases.
- Continue to right-size the fleet to better match vehicles with our changing needs and to sell underutilized equipment to generate revenue to partially offset the operations costs.

Performance Measures

Performance Measures:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Workload Indicators					
Fleet Size	247	245	245	(2)	(0.8)
Total gallons gasoline purchased	51,957	52,870	52,000	43	0.1
Total gallons diesel purchased	28,296	30,620	29,000	704	2.5
Efficiency/Effectiveness					
Avg. cost - gallon of gasoline	\$3.03	\$2.97	\$2.99	(\$0.04)	(1.3)
Avg. cost - gallon of diesel	\$2.99	\$3.23	\$3.23	\$0.24	8.0
Avg. Maintenance expenditures per light/medium vehicle	\$570.84	\$600.00	\$555.00	(\$15.84)	(2.8)
Work Orders	800	797	605	(195)	(24.4)

Financial Summary

Requirements:	Actual 2012-13	Estimate 2013-14	Budget 2014-15	Increase (Decrease) FY 2013-14 to FY 2014-15	Percent Change
Personal Services	\$318,011	\$423,903	\$437,450	\$13,547	3.2
Supplies	268,600	273,750	266,750	(7,000)	(2.6)
Other Services and Charges	283,177	388,459	389,047	588	0.2
Capital Outlay	0	0	0	0	0.0
Total	\$869,788	\$1,086,112	\$1,093,247	\$7,135	0.7
Resources:					
Transfers-General Fund	\$783,210	\$988,362	\$987,938	\$(424)	(0.0)
Transfers-Water and Sewer	86,579	97,750	105,309	7,559	7.7
Fund Balance	0	0	0	0	0.0
Total	\$869,789	\$1,086,112	\$1,093,247	\$7,135	0.7
Fund Balance	\$0	\$0	\$0	\$0	0.0

Key Issues

- The budget for this department is supported at its current service level.

FY 2015-19 CAPITAL IMPROVEMENT PLAN

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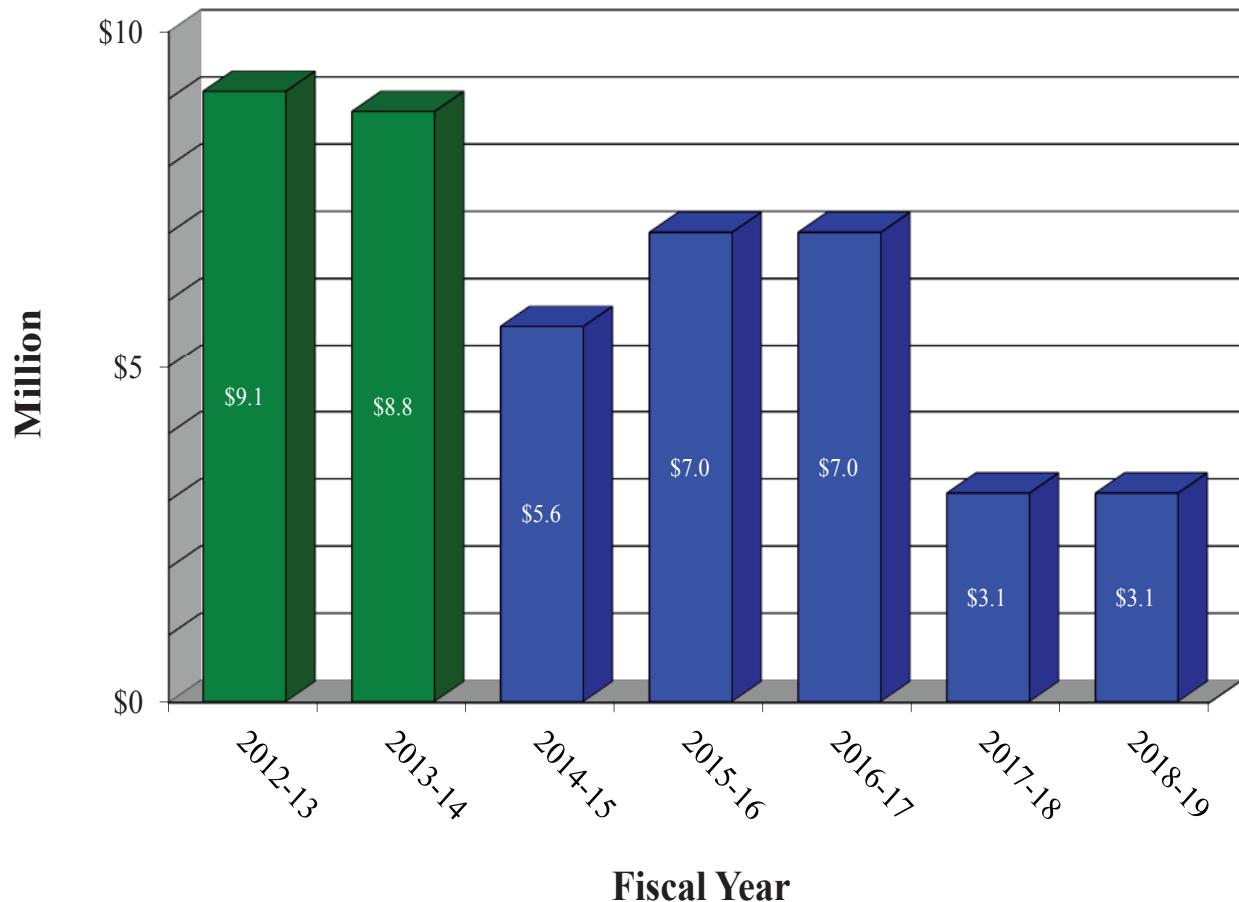
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FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 2015-19

FY 2012-13 ACTUAL AND
FY 2013-14 ESTIMATED



The largest category programmed during the Capital Improvement Plan includes the Proposal “R-2” Neighborhood Road Projects which range in expenditures from \$2.1 to \$3.7 million annually over the five year period. The plan also includes \$1.0 million for the sidewalk repair and gap program, and \$3.9 million for vehicle replacements over the five-year period.

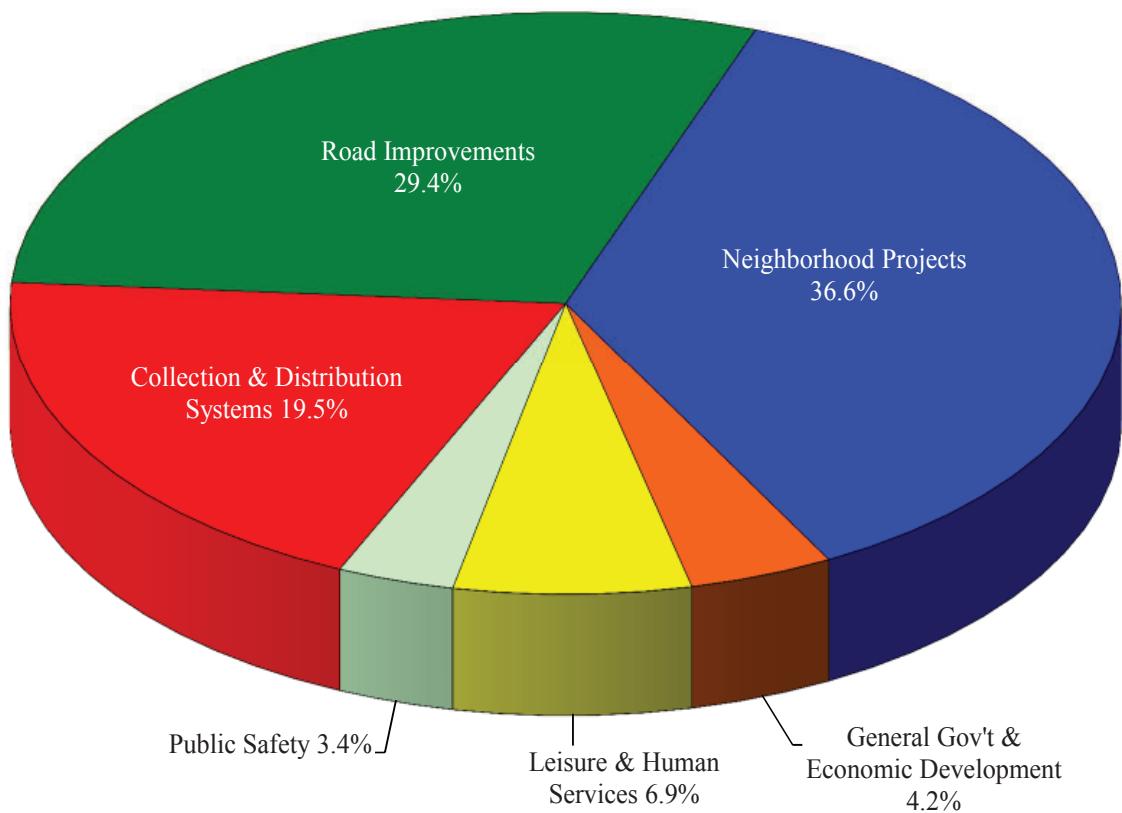
PLAN OVERVIEW

The FY 2015-19 Five Year Capital Improvement Plan totals \$25.8 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 the City's capital improvement policies. (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 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 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.

USE OF FUNDS FY 2015-19



Sixty-six percent of the Capital Improvement Plan is programmed for Road Improvements and Neighborhood Projects.

TABLE I
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
USE OF FUNDS
(IN THOUSANDS)

APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL APPROP.
Neighborhood Projects	III	\$ 2,855	\$ 3,167	\$ 3,600	\$ 3,695	\$ 2,145	\$ 0	\$ 0	\$ 9,440
Road Improvements	V	5,384	4,797	1,258	1,832	1,601	1,470	1,425	7,586
Collection & Distribution Sys.	VII	470	333	0	629	2,451	1,323	612	5,015
Public Safety	IX	161	578	185	240	75	35	340	875
General Govt & Economic Dev.	XI	0	153	270	279	294	120	120	1,083
Leisure & Human Services	XII	0	0	292	332	454	130	583	1,791
TOTAL		\$ 8,870	\$ 9,028	\$ 5,605	\$ 7,007	\$ 7,020	\$ 3,078	\$ 3,080	\$ 25,790

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.

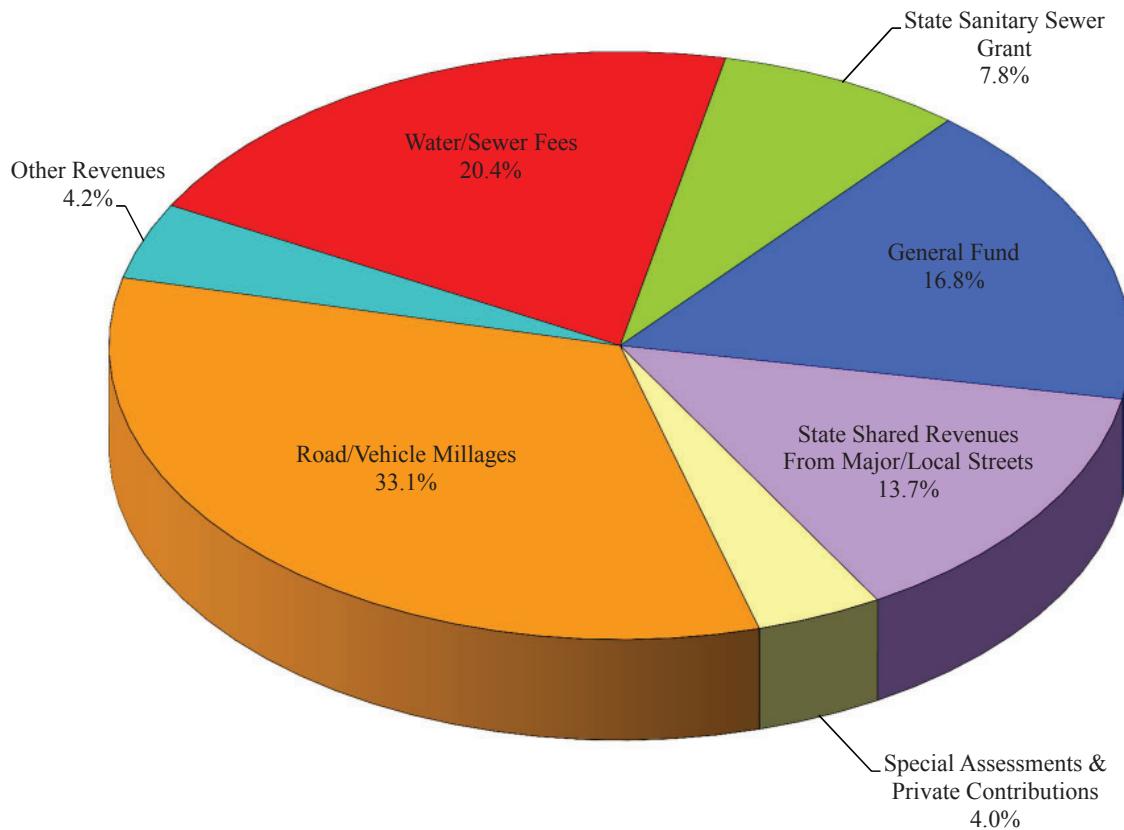
The five year planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Neighborhood Projects	36.6
Road Improvements	29.4
Collection & Distribution Systems	19.5
Leisure & Human Services	6.9
General Government & Economic Development	4.2
Public Safety	<u>3.4</u>
	100.0

The following pages illustrate the plan and those projects included within it. It is an ambitious program focusing on major infrastructure needs throughout Madison Heights.

SOURCE OF FUNDS

FY 2015-19



The Road and Vehicle Millage and Water and Sewer Fees provide over fifty-three percent of the funding for the Capital Improvement Plan.

TABLE II
FY 2015-2019 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
SOURCE OF FUNDS
(IN THOUSANDS)

REVENUES:

	TABLE III NEIGHBOR. PROJECTS	TABLE V ROAD IMPROV.	TABLE VII COLLECTION & DIST. SYSTEMS	TABLE IX PUBLIC SAFETY	TABLE XI GENERAL GOV'T & ECON. DEV.	TABLE XII LEISURE & HUMAN SERVICES	TOTAL	
Road/Vehicle Millage	7,225	\$ 1,275	\$ 0	\$ 35	\$ 0	\$ 0	\$ 8,535	
Water/Sewer Fees	2,145	0	3,015	0	102	0	5,262	
General Fund	0	1,761	0	810	840	919	4,330	
State Shared Revenues from Major/Local Streets	0	3,520	0	0	0	0	3,520	
Special Assessments & Private Contributions	70	950	0	0	0	0	1,020	
State of Michigan Sanitary Sewer Grant	0	0	2,000	0	0	0	2,000	
Federal Transportation Grant	0	0	0	0	0	0	0	
Other Revenues								
State of Michigan Grants	0	0	0	0	50	291	341	
Park Maintenance & Improvement Fund	0	0	0	0	0	337	337	
Oakland County Parks & Recreation	0	0	0	0	0	244	244	
Library Millage	0	0	0	0	91	0	91	
Oakland County (Other)	0	0	0	30	0	0	30	
Drug Forfeiture Fund	0	0	0	0	0	0	0	
Road Commission for Oakland County	0	80	0	0	0	0	80	
TOTAL		\$ 9,440	\$ 7,586	\$ 5,015	\$ 875	\$ 1,083	\$ 1,791	\$ 25,790

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, Water and Sewer Fees, General Fund and State Shared Revenues from Major and Local Streets totaling \$21.7 million or 84 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 2015-19 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Road and Vehicle Millages	33.1
Water and Sewer Fees	20.4
General Fund	16.8
State Shared Revenues from Major/Local Streets	13.7
State of Michigan Sanitary Sewer Grant	7.8
Special Assessment and Private Contributions	4.0
Other State of Michigan Grants	1.3
Park Maintenance & Improvement Fund	1.3
Other Revenues	0.9
Library Millage	0.4
Road Commission for Oakland County	<u>0.3</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 24 percent of the Capital Improvement Plan. Major and Local Streets State Shared Revenues serve as the source for the City's contribution to road construction 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 80 percent of the funding for the Twelve Mile overlay project.

The Five Year Capital Improvement Program calls for the completion/construction of 97 projects and the purchase of 25 major pieces of equipment.

The FY 2014-15 Capital Improvement Plan totals \$5.6 million (Table I) and calls for the construction of 41 projects and the purchase of two major pieces of equipment.

TABLE III
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

APPROPRIATIONS:

NEIGHBORHOOD PROJECTS	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL APPROP.
Proposal "R-2" Sidewalks	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 0	\$ 0	\$ 60
Proposal "R-2" Concrete Repair	100	100	200	100	100	0	0	400
YEAR 6 ROADS (R-2) 2012 (Original 2013)								
Lenox - Baxter to Sprague	230	0	0	0	0	0	0	0
Hampden - Farmum Intersection	127	0	0	0	0	0	0	0
University - Lenox to Hampden	127	0	0	0	0	0	0	0
Brettonwoods - Gardenia to Farmum	565	0	0	0	0	0	0	0
Forest - Hampden to Brettonwoods & Hampden Intersection	252	0	0	0	0	0	0	0
Gardenia - Hampden to Dartmouth	207	0	0	0	0	0	0	0
Parker - E of Sealcoat to John R - (Watermain Cross-Over)	609	0	0	0	0	0	0	0
YEAR 7 ROADS (R-2) 2013 (Original 2014)								
Dartmouth - 26333 Dartmouth to 26113 Dartmouth	82	231	0	0	0	0	0	0
Barrington - Cowan to Andover	93	212	0	0	0	0	0	0
W. Barrett - Alger to John R	0	217	0	0	0	0	0	0
E. Hudson - John R to 71 E. Hudson	90	158	0	0	0	0	0	0
Kalama - Stephenson Hwy. to Alger	0	537	0	0	0	0	0	0
Couzens - South of 11 Mile Road (SAD)	213	531	0	0	0	0	0	0
Harwood - Dartmouth to 368 Harwood	140	268	0	0	0	0	0	0
YEAR 8 ROADS (R-2) 2014 (Original 2015)								
Whittier - Longfellow to Chaucer (Sectional)	0	215	265	0	0	0	0	265
Chaucer - Whittier to Longfellow (Sectional)	0	74	160	0	0	0	0	160
Barrington - S. of Horace Brown to 13 Mile NB	0	223	518	0	0	0	0	518
Barrington - S. of Horace Brown to 13 Mile SB	0	182	465	0	0	0	0	465
Blairmoor - Manchester to Thirteen Mile Road	0	182	543	0	0	0	0	543
Manchester & Woodmont Intersection	0	17	102	0	0	0	0	102
Palmer - 13 Mile N. to end	0	0	494	0	0	0	0	494
YEAR 9 ROADS (R-2) 2015 (Original 2016)								
Fournier - Sherry to Mark and Mark - Fournier to Sherry	0	0	393	1,355	0	0	0	1,748
E. Harwood - Couzens to Dei	0	0	168	414	0	0	0	582
Lincoln - John R to 104 E. Lincoln	0	0	272	165	0	0	0	437
Lincoln - 504 E. Lincoln to 583 E. Lincoln	0	0	0	457	0	0	0	457
YEAR 10 ROADS (R-2) 2016 (Original 2017)								
Madison - Millard to 31605 Madison	0	0	0	239	289	0	0	528
Areada - N. of 11 Mile Road (SAD)	0	0	0	99	275	0	0	374
Meadows - Whitecomb to 31608 Meadows	0	0	0	256	416	0	0	672
Dorchester - 13 Mile to Windemere	0	0	0	50	126	0	0	176
Windemere - Dorchester to Edgeworth	0	0	0	83	255	0	0	338
Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	0	0	0	226	288	0	0	514
Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	0	0	0	231	376	0	0	607
TOTALS	\$ 2,855	\$ 3,167	\$ 3,600	\$ 3,695	\$ 2,145	\$ 0	\$ 0	\$ 9,440

TABLE III
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

REVENUES:

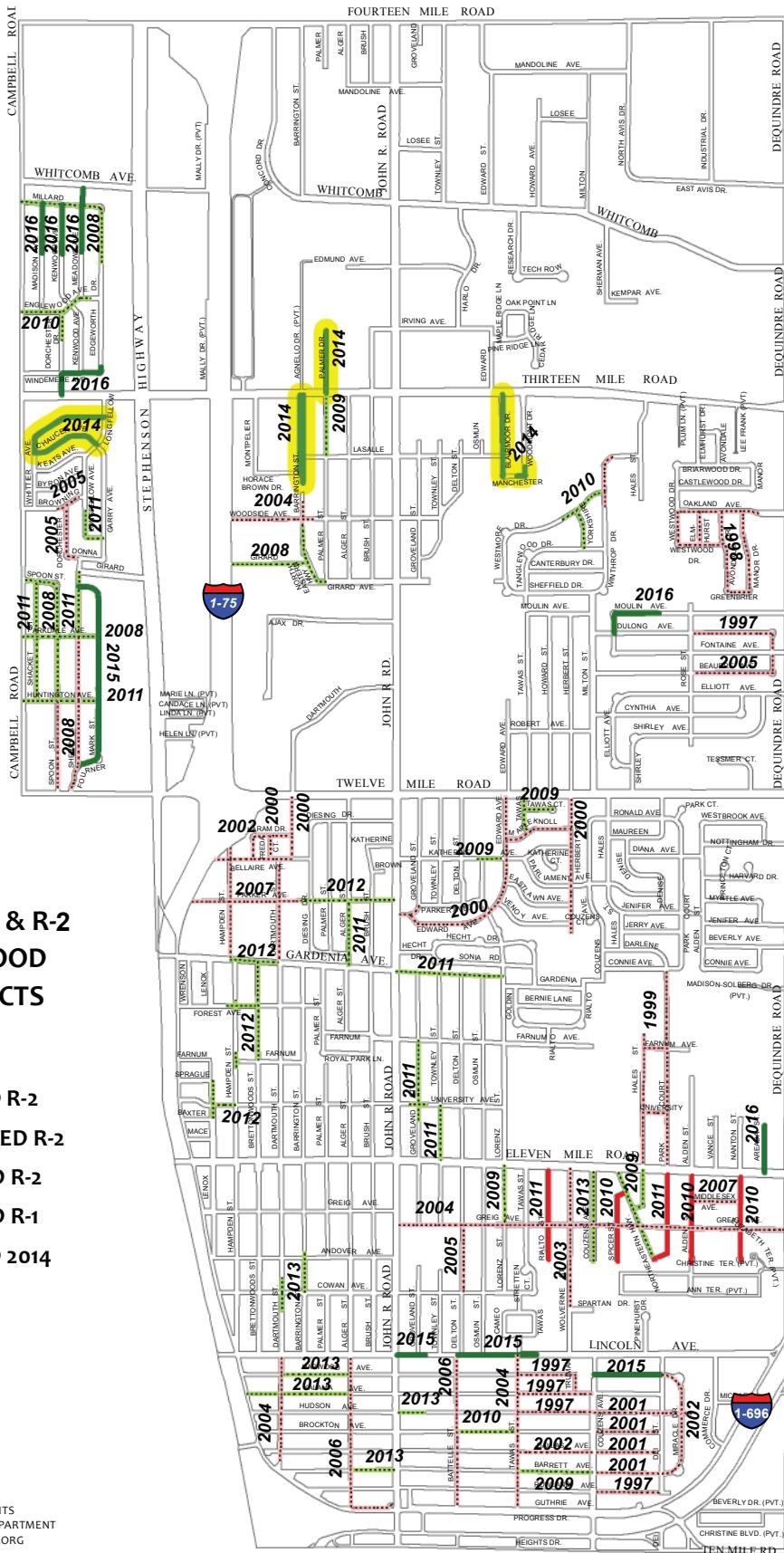
NEIGHBORHOOD PROJECTS	GENERAL FUND	CDBG	SPECIAL ASSESS.	ROAD MILLAGE	WATER & SEWER FUND	OTHER REVENUES	TOTAL REVENUE
Proposal "R-2" Sidewalks	\$ 0	\$ 0	\$ 0	\$ 60	\$ 0	\$ 0	\$ 60
Proposal "R-2" Concrete Repair	0	0	0	400	0	0	400
YEAR 8 ROADS (R-2) 2014							
Whittier - Longfellow to Chaucer (Sectional)	0	0	0	265	0	0	265
Chaucer - Whittier to Longfellow (Sectional)	0	0	0	160	0	0	160
Barrington - S. of Horace Brown to 13 Mile NB	0	0	0	518	0	0	518
Barrington - S. of Horace Brown to 13 Mile SB	0	0	0	465	0	0	465
Blairmoor - Manchester to Thirteen Mile Road	0	0	0	543	0	0	543
Manchester & Woodmont Intersection	0	0	0	102	0	0	102
Palmer - 13 Mile N. to end	0	0	0	366	128	0	494
YEAR 9 ROADS (R-2) 2015 (Original 2016)							
Fournier - Sherry to Mark and Mark - Fournier to Sherry	0	0	0	1,355	393	0	1,748
E. Harwood - Couzens to Dei	0	0	0	414	168	0	582
Lincoln - John R to 104 E. Lincoln	0	0	0	165	272	0	437
Lincoln - 504 E. Lincoln to 583 E. Lincoln	0	0	0	457	0	0	457
YEAR 10 ROADS (R-2) 2016 (Original 2017)							
Madison - Millard to 31605 Madison - (Watermain Whole Street)	0	0	0	289	239	0	528
Areada - N. of 11 Mile Road (SAD)	0	0	70	205	99	0	374
Meadows - Whitecomb to 31608 Meadows - (full Watermain)	0	0	0	416	256	0	672
Dorchester - 13 Mile to Windemere	0	0	0	126	50	0	176
Windemere - Dorchester to Edgeworth	0	0	0	255	83	0	338
Kenwood - Millard to 31601 Kenwood (Watermain to Englewood)	0	0	0	288	226	0	514
Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	0	0	0	376	231	0	607
TOTALS	\$ 0	\$ 0	\$ 70	\$ 7,225	\$ 2,145	\$ 0	\$ 9,440

PROPOSAL R-1 & R-2 NEIGHBORHOOD ROAD PROJECTS

- SCHEDULED R-2
- SAD REJECTED R-2
- .— COMPLETED R-2
- .— COMPLETED R-1
- SCHEDULED 2014**



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.

In developing these plans, pavement conditions and other infrastructure components such as storm water drains, water main 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 is planned to be completed for each project. When the City is financially able to replace deteriorating water main lines at the same time as the neighborhood road improvements, the City avoids future costs to repair broken water mains 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 water main replacements with the exception of a few water mains that crossed under road projects at intersections. Beginning in 2013-14, the City returned to replacing water mains under the R-2 roads as part of the road reconstruction program. These projects are needed to minimize the risk and exposure associated with having to excavate newly reconstructed concrete roadway, sidewalk, and driveway approaches, as well as the restoration of landscaping, in order to repair old, broken ductile iron water main.

A total of \$2.2 million has been programmed in the Water & Sewer Fund to complete R-2 related water mains over the next three years.

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 (\$4.0 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 2015-19 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	\$ 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					
		YEAR 2	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					
		YEAR 3	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					
		YEAR 4	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	Mapleknot - Edward to Herbert					
DONE	2000	Parker - John R to Groveland					
		YEAR 5	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	172	5 *	523	171 *	871
DONE	2003	Wolverine - Spartan to 11 MILE SAD 263					
		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	210	76 *	286
DONE	2005	Beaupre - Rose to Fontaine	0	258 *	234	0	492
DONE	2005	Proposal "R" Maintenance & Repair - Park Court/Hales	0	0	213	0	213
DONE	2005	Withrop Sectional Concrete Repair Phase I	0	0	139	0	139
		YEAR 10					
DONE	2006	Battelle - Lincoln to Guthrie	65	5	557	100 *	727
DONE	2006	Alger - Lincoln to Guthrie	240	5	734	130 *	1,109
DONE	2006	Guthrie (north half) - Alger to Cul De Sac	20	5	131	36 *	192
		YEAR 11					
DONE	2007	Parker District SAD 272	375	15	1,993	495 *	2,878
DONE	2007	Watermain Restoration -Middlesex-Alden to Nanton	0	0	190	87 *	277
		YEAR 12					
DONE	2008	Spoon Sectional	0	0	200	130 *	330
DONE	2008	Sherry Sectional	0	0	323	210 *	533
		YEAR 13					
DONE	2009	Proposal "R" Concrete Repair	0	0	957	0	957
		FUTURE YEARS					
PLANNED	2010-17	Proposal "R-2" Project Supplement	0	0	4,260	0	4,260
		TOTALS	\$ 2,700	\$ 493	\$ 19,786	\$ 3,677	\$ 26,656

* \$4,023,000 Funded by the Water Sewer Fund

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 water main 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.

The following 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: Woodside from I-75 to Barrington (completed in 2004), Dorchester from Donna to Browning (completed in 2005), Delton from Greig to Cowan (completed in 2005), Battelle from Lincoln to Guthrie, Alger from Lincoln to Guthrie and Guthrie from Alger to John R (all completed in 2006). Parker District (2007), Middlesex (2007), Spoon from Huntington to Twelve Mile and Sherry from Parkdale to Fournier (2008 - sectional), and sectional 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 \$4.3 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 has continued 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 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 \$19.4 million in revenue to support the ten year program presented in the Capital Improvement Plan. Due to the economic recession causing declining property values, this program’s funding is down \$8.2 million or 29.6% from the original April 2006 estimate. To close this funding gap, \$4.3 million in savings from the “R-1” was used to supplement the “R-2” program and \$800,000 in sidewalk and sectional concrete replacements were dropped. In June 2006, the elements of this millage program were outlined to the residents as part of the public information campaign through the City newsletter.

Of the 74.01 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 scheduled sealcoat roads, which will 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 “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.

Funding for the second multi-year Neighborhood Road Improvement Program includes:

1. Neighborhood Road Improvement Millage (\$21.2 million);
2. Water and Sewer Fund Revenues (\$4.8 million); and
3. Property Owner Special Assessment (\$1.2 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 in pricing for the next six years and moves up the scheduled reconstruction projects from 2012 to 2017 by one year.

As of December 2013, staff forecasts \$1.3 million remaining for additional R-2 eligible projects following the completion of the scheduled program in Year 10 (FY 2016-17). As part of the analysis

of potential projects, the City will need to re-evaluate those sealcoat roads which were previously surveyed and rejected by a majority of the affected property owners, including:

Estimated Project Costs (in Thousands)

	<u>Street Paving & Sewer</u>	<u>Water Mains</u>	<u>Total Estimated</u>
Alden - 11 Mile South to end (2009)	\$ 473	\$131	\$ 604
Spicer - Northeastern South to end (2009)	413	103	516
Nanton - 11 Mile South to end (2009)	452	129	581
Park Court - 11 Mile South to end (2010)	481	147	628
Rialto - 11 Mile South to end (2010)	<u>479</u>	<u>135</u>	<u>614</u>
Totals	\$2,298	\$645	\$2,943

As Council is aware, the R-2 road millage is scheduled to expire in FY 2017. City staff will be analyzing future potential neighborhood road construction, maintenance and repair needs, and will provide City Council with a recommendation no later than January of 2016. The first step of this analysis, a re-evaluation and rating of the City's major and local road network (City jurisdiction), is planned for FY 2015 (\$5,000 in Major Streets).

TABLE IV-B
FY 2015-19 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 1 ROADS						
2008	Spoon - Huntington North to Campbell	\$ 55	\$ 15	\$ 712	\$ 177	\$ 959
2008	Parkdale - Campbell to Mark	15	10	353	81	459
2008	Millard - Campbell to Edgeworth South to 31601 Millard	11	0	612	149	772
2008	Barrington/Northeastern - Woodside to Girard	27	5	540	88	660
2008	Girard - I-75 to Palmer	85	0	429	94	608
2008	Sidewalk Replacement	0	0	20	0	20
YEAR 2 ROADS						
2009	Palmer - 13 Mile to LaSalle	42	0	342	83	467
2009	Tawas - 12 Mile Road to Mapleknoll and Tawas Court	95	10	333	98	536
2009	E. Barrett - Tawas to Couzens	40	15	534	99	688
2009	Lorenz - 11 Mile to Greig	0	0	291	77	368
2009	Hales - 11 Mile to Northeastern	25	0	211	58	294
2009	Northeastern - 11 Mile to South End	40	5	451	123	619
2009	Katherine - Lorenz to Edward	30	0	128	0	158
YEAR 3 ROADS						
2010	Brockton - Battelle to Tawas	0	0	272	0	272
2010	Dorchester - Englewood to 31272 Dorchester	19	0	137	0	156
2010	Yorkshire - Westmore to Tanglewood	55	5	92	0	152
2010	Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	263	0	263
2010	Englewood - Campbell to Edgeworth	5	0	389	0	394
2010	Sidewalk Replacement	0	0	20	0	20
2010	Winthrop Sectional Concrete Repair Phase II	0	0	101	0	101
YEAR 4 ROADS						
2011	Gardenia - John R to Lorenz	2	0	523	25	550
2011	Alger - Parker South to Gardenia	82	16	325	0	423
2011	Townley - 11 Mile to University	0	0	280	0	280
2011	Winthrop Sectional Concrete Repair Phase III	0	0	203	0	203
2011	Sidewalk Replacement	0	0	20	0	20
YEAR 5 ROADS						
2011	Shacket - Huntington to Spoon	60	15	354	8	437
2011	Huntington - Campbell to Mark	5	0	250	0	255
2011	Sherry - Girard to S. of Parkdale	28	5	307	8	348
2011	Longfellow - Garry to 30290 Longfellow	2	0	260	0	262
2011	Groveland and University Intersection - (Watermain to 11 Mile) and 21700 Groveland to Farnum	0	0	391	8	399
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	565	0	565
2012	Forest - Hampden to Brettonwoods & Hampden Intersection	25	0	227	0	252
2012	Gardenia - Hampden to Dartmouth	0	0	207	0	207
2012	Parker - E of Sealcoat to John R - (Watermain Cross-Over)	150	0	459	0	609
2012	Concrete Replacement	0	0	100	0	100
2012	Sidewalk Replacement	0	0	20	0	20

TABLE IV-B
FY 2015-19 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	231	82	313
2013	Barrington - Cowan to Andover	0	0	212	93	305
2013	W. Barrett - Alger to John R	0	0	217	0	217
2013	E. Hudson - John R to 71 E. Hudson	0	0	158	90	248
2013	Kalamazoo - Stephenson Highway to Alger	60	17	460	0	537
2013	Couzens - S. of 11 Mile Road (SAD)	5	0	526	213	744
2013	Harwood - Dartmouth to 368 Harwood - (Watermain to Alger)	0	0	268	140	408
2013	Concrete Replacement	0	0	100	0	100
2013	Sidewalk Replacement	0	0	20	0	20
YEAR 8 ROADS						
2014	Whittier - Longfellow to Chaucer (Sectional)	25	0	240	215	480
2014	Chaucer - Whittier to Longfellow (Sectional)	11	0	149	74	234
2014	Barrington - S. of Horace Brown to 13 Mile NB	0	0	518	223	741
2014	Barrington - S. of Horace Brown to 13 Mile SB	0	0	465	182	647
2014	Blairmoor - Manchester to Thirteen Mile Road	50	15	478	182	725
2014	Manchester & Woodmont Intersection	0	0	102	17	119
2014	Concrete Replacement	0	0	200	0	200
2014	Sidewalk Replacement	0	0	20	0	20
2014	Palmer - 13 Mile N. to end	0	0	366	128	494
YEAR 9 ROADS						
2015	Fournier - Sherry to Mark and Mark - Fournier to Sherry	140	30	1,185	393	1,748
2015	E. Harwood - Couzens to Dei	46	15	353	168	582
2015	Lincoln - John R to 104 E. Lincoln - (Watermain to Osmun)	0	0	165	272	437
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	239	528
2016	Areada - N. of 11 Mile Road (SAD)	0	0	275	99	374
2016	Meadows - Whitcomb to 31608 Meadows - (full Watermain)	24	5	387	256	672
2016	Dorchester - 13 Mile to Windemere	0	0	126	50	176
2016	Windemere - Dorchester to Edgeworth	0	0	255	83	338
2016	Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	0	0	288	226	514
2016	Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	34	14	328	231	607
2016	Concrete Replacement	0	0	100	0	100
2016	Sidewalk Replacement	0	0	20	0	20
YEAR 11 ROADS						
2017	Additional Proposal R-2 Eligible Projects	0	0	646	0	646
TOTALS		\$ 1,305	\$ 202	\$ 20,912	\$ 4,832	\$ 27,251

TABLE V
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

APPROPRIATIONS:

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL APPROP.
A. STATE HIGHWAY PROJECTS								
Campbell - 12 Mile Intersection North	\$22	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Mile - Asphalt Overlay-Campbell to Stephenson	1,510	0	0	0	0	0	0	0
John R - Overlay 11 Mile to Dartmouth	1,895	0	0	0	0	0	0	0
12 Mile - Asphalt Overlay-Stephenson to Dequindre	0	2,800	0	0	0	0	0	0
C. LOCAL ROAD IMPROVEMENTS								
D. TRAFFIC SIGNAL UPGRADES								
Traffic Signal Improvements	10	0	30	30	30	0	0	90
E. REHABILITATION PROGRAMS								
Joint & Crack Sealing - City Wide Major	75	75	75	75	75	75	0	300
Sidewalk Replacement & Gap Installation	420	450	400	125	100	200	125	950
John R Sectional - 11 Mile to 12 1/2	100	0	0	0	0	0	0	0
Campbell 12-13 Mile Curb Repairs	150	0	0	0	0	0	0	0
NB I-75 Service Drive - Dallas to Lincoln	0	275	0	0	0	0	0	0
John R Sectional - 10 Mile to 11 Mile	350	510	0	0	0	0	0	0
13 Mile Sectional - Campbell to Dequindre	100	0	175	0	100	0	100	375
11 Mile Sectional- 1-75 to John R	250	0	0	275	0	0	100	375
11 Mile Sectional- John R to Dequindre	0	0	0	0	450	0	100	550
F. COMMERCIAL AND INDUSTRIAL ROAD PROJECTS (MAJOR/LOCAL)								
Whitcomb Sectional - Barrington to Townley (Major)	225	200	100	100	100	100	0	400
Industrial Sectional - Fourteen to East Avis (Major)	200	0	0	100	0	0	0	100
Whitcomb Sectional - West of Mally (Local)	25	25	25	0	0	0	0	25
Stephenson Hwy Sectional - Girard to 12 Mile (Major)	0	50	0	0	0	100	0	100
Sectional - Edward, Townley (Major)	0	50	0	0	0	100	0	100
Sectional - Mandoline, Brush, Alger (Local)	0	50	0	0	0	0	0	0
Sectional - Commerce - Lincoln to Michael (Local)	0	0	25	0	0	0	0	25
Sectional - Montpelier (Local)	0	0	80	100	0	0	0	180
Sectional - Horace Brown (Local)	0	0	75	100	0	0	0	175
Sectional - Michael (Local)	0	0	25	0	0	0	0	25
Sectional - Dei - 10 Mile to Service Drive (Local)	0	0	25	0	0	0	0	25
Sectional - Edmund - Harlo to John R (Local)	0	0	25	0	0	0	0	25
Sectional - Harlo (Local)	0	0	25	25	25	25	0	100
Sectional - Girard West of Stephenson Highway (Major)	0	0	25	0	0	0	0	25
Sectional - Barrington - 14 Mile to Whitcomb (Major)	0	0	0	0	0	200	200	400
Sectional - E Lincoln - Wolverine to Dequindre (Major)	0	0	0	100	100	0	0	200
Road Conditions Survey (Major/Local)	0	0	5	0	0	0	0	5
G. EQUIPMENT REPLACEMENT								
2003 Tandem Dump Trucks V-Box Inserts #418 & #422	0	150	0	0	0	0	0	0
2004 One Ton Dump Truck #431	52	0	0	0	0	0	0	0
2003 Street Sweeper #402	0	0	0	75	75	125	0	275
2003 Tandem Dump Truck #417	0	0	0	240	0	0	0	240
2003 Tandem Dump Truck #418	0	0	0	240	0	0	0	240
1999 Ford Single Axle Dump Truck #479	0	162	0	0	0	0	0	0
2003 Platform Truck #429	0	0	0	150	0	0	0	150
2003 Single Axle Dump # 425 (Phased Funding)	0	0	0	97	53	0	0	150
2003 Tandem Dump Truck #419	0	0	0	0	240	0	0	240
2003 Single Axle Dump #424	0	0	0	0	0	180	0	180
2002 Stake Truck #415	0	0	0	0	0	0	150	150
2003 Backhoe #407	0	0	0	0	98	0	0	98
2002 Brush Bandit Chipper #410	0	0	0	0	80	0	0	80
2003 Tandem Dump Truck #422	0	0	0	0	0	240	0	240
2006 Super Duty Dump Truck #481	0	0	0	0	75	0	0	75
2004 Brush Chipper Truck #525	0	0	0	0	0	125	0	125
2003 Single Axle Dump Truck #426	0	0	0	0	0	0	150	150
2003 Tandem Dump Truck #433	0	0	0	0	0	0	240	240
2003 CAT Loader 3 yd #409	0	0	0	0	0	0	260	260
Street Light Conversion - Mercury Vapor to LED	0	0	143	0	0	0	0	143
TOTALS	\$ 5,384	\$ 4,797	\$ 1,258	\$ 1,832	\$ 1,601	\$ 1,470	\$ 1,425	\$ 7,586

TABLE V
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

REVENUES:

ROAD IMPROVEMENTS	GENERAL FUND	LOCAL STREETS	MAJOR STREETS	SPECIAL ASSESS.	VEHICLE/ SOLID WASTE MILLAGE	OTHER REVENUES	FEDERAL TRANSPORT GRANT	OAKLAND CO. ROAD/ DRAIN	TOTAL REVENUES
A. STATE HIGHWAY PROJECTS									
B. MAJOR ROAD IMPROVEMENTS									
C. LOCAL ROAD IMPROVEMENTS (EXCL. PROP. "R")									
D. TRAFFIC SIGNAL UPGRADES									
Traffic Signal Improvements	0	90	0	0	0	0	0	0	90
E. REHABILITATION PROGRAMS									
Joint & Crack Sealing - City Wide Major	0	0	300	0	0	0	0	0	300
Sidewalk Replacement & Gap Installation	0	0	0	950	0	0	0	0	950
NB I-75 Service Dr - Dallas to Lincoln	0	0	0	0	0	0	0	0	0
John R Sectional - 10 Mile to 11 Mile	0	0	0	0	0	0	0	0	0
13 Mile Sectional - Campbell to Dequindre (Major)	0	0	295	0	0	0	0	80	375
11 Mile Sectional - I-75 to John R	0	0	375	0	0	0	0	0	375
11 Mile Sectional - John R to Dequindre	0	0	550	0	0	0	0	0	550
F. COMMERCIAL AND INDUSTRIAL ROAD PROJECTS									
Whitcomb Sectional - Barrington to Townley (Major)	0	0	400	0	0	0	0	0	400
Industrial Sectional - Fourteen to East Avis (Major)	0	0	100	0	0	0	0	0	100
Whitcomb Sectional - West of Mally (Local)	0	25	0	0	0	0	0	0	25
Stephenson Hwy Sectional - Girard to 12 Mile (Major)	0	0	100	0	0	0	0	0	100
Sectional - Edward, Townley (Major)	0	0	100	0	0	0	0	0	100
Sectional - Mandoline, Brush, Alger (Local)	0	0	0	0	0	0	0	0	0
Sectional - Commerce - Lincoln to Michael (Local)	0	25	0	0	0	0	0	0	25
Sectional - Montpelier (Local)	0	180	0	0	0	0	0	0	180
Sectional - Horace Brown (Local)	0	175	0	0	0	0	0	0	175
Sectional - Michael (Local)	0	25	0	0	0	0	0	0	25
Sectional - Dei - 10 Mile to Service Drive (Local)	0	25	0	0	0	0	0	0	25
Sectional - Edmund - Harlo to John R (Local)	0	25	0	0	0	0	0	0	25
Sectional - Harlo (Local)	0	100	0	0	0	0	0	0	100
Sectional - Girard west of Stephenson Highway (Major)	0	0	25	0	0	0	0	0	25
Sectional - Barrington - 14 Mile to Whitcomb (Major)	0	0	400	0	0	0	0	0	400
Sectional - E Lincoln - Wolverine to Dequindre	0	0	200	0	0	0	0	0	200
Road Conditions Survey (Major/Local)	0	0	5	0	0	0	0	0	5
G. EQUIPMENT REPLACEMENT									
2003 Street Sweeper #402	0	0	0	0	275	0	0	0	275
2003 Tandem Dump Truck #417	240	0	0	0	0	0	0	0	240
2003 Tandem Dump Truck #418	0	0	0	0	240	0	0	0	240
2003 Platform Truck #429	150	0	0	0	0	0	0	0	150
2003 Single Axle Dump # 425	0	0	0	0	150	0	0	0	150
2003 Tandem Dump Truck #419	240	0	0	0	0	0	0	0	240
2003 Single Axle Dump #424	0	0	0	0	180	0	0	0	180
2002 Stake Truck #415	0	0	0	0	150	0	0	0	150
2003 Backhoe #407	98	0	0	0	0	0	0	0	98
2002 Brush Bandit Chipper #410	0	0	0	0	80	0	0	0	80
2003 Tandem Dump Truck #422	240	0	0	0	0	0	0	0	240
2006 Super Duty Dump Truck #481	0	0	0	0	75	0	0	0	75
2004 Brush Chipper Truck #525	0	0	0	0	125	0	0	0	125
2003 Single Axle Dump Truck #426	150	0	0	0	0	0	0	0	150
2003 Tandem Dump Truck #433	240	0	0	0	0	0	0	0	240
2003 CAT Loader 3 yd #409	260	0	0	0	0	0	0	0	260
Street Light Conversion - Mercury Vapor to LED	143	0	0	0	0	0	0	0	143
TOTALS	\$ 1,761	\$ 670	\$ 2,850	\$ 950	\$ 1,275	\$ 0	\$ 0	\$ 80	\$ 7,586

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 2013-14 Budget, the City will receive \$56,800 per mile for City Major Streets and \$6,500 per mile for City Local Streets. The Act also established the Michigan Transportation Fund (MTF).

In FY 2013-14, the amount projected to be received by the City under Act 51 has increased by 5.8% or \$94,000 more than the previous fiscal year. 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.

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

- c. Lane Additions (one lane per direction)
- d. Mainline Improvements plus Interchange Improvements (including both Twelve and Fourteen Mile interchanges in Madison Heights)
- e. 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:

Impact Category	Expected Impact
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.
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.

Impact Category	Expected Impact
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.
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 (2005 dollars)	Right-of-way \$ 16,000,000 Design 93,000,000 Construction <u>463,000,000</u> \$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 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.

In late 2013, MDOT initiated the Context Sensitive Design (CSD) phase of the project. This includes discussions about the "Look & Feel" of the planned road improvements. In addition, MDOT released preliminary Act 51 estimates that the Madison Heights portion of the project would be approximately \$5 million, over a six-plus year period beyond the five year scope of this CIP. MDOT officials have indicated the City's local share would be equal to 8.75% of the 20% local share for portions of the project within City boundaries. MDOT officials are currently recalculating their estimates, so the reported local match is preliminary. At the request of MDOT, SEMCOG has added the project to the FY 2011-2014 Transportation Improvement Plan for Southeast Michigan.

B. Major Road Improvements

- 12 Mile/14 Mile 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 completed overlay projects in FY 2012-13 on 14 Mile from Campbell to Stephenson (\$1.5 million) as a concrete overlay and in FY 2013-14 for 12 Mile from Stephenson to Dequindre (\$2.8 million) as an asphalt overlay (signalization will be updated west to Campbell). The Road Commission will provide a 20 percent match to the Federal funding for these projects. No City funds were expended on these projects.

- Major Corridor Rehabilitation 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 over the last two years to allow Congress to work out the details of a 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 developed an alternative project to address these southend commercial corridors. Based on the success of the recent Downtown Development Authority road rehab project, the City performed concrete sectional replacement on 11 Mile from I-75 to John R (\$250,000 in FY 2012-13), 11 Mile from John R to Dequindre (\$250,000 in FY 2012-13), John R from 11 Mile to 12-1/2 (\$100,000 in FY 2012-13), John R from 11 Mile to 10 Mile (\$500,000 in FY 2013-14) and 13 Mile from Campbell to Dequindre (\$175,000 in FY 2014-15). In addition, a curb repair project on Campbell from 12 Mile to 13 Mile (\$150,000 in FY 2012-13) was completed. Due to the significant funding shortfall in the State's gas and weight taxes, these projects were funded through a one-time transfer of \$1 million from General Fund fund balance.

On February 22, 2011, the Oakland County Federal Aid Task Force Funding Committee gave approval for the City's request to rehabilitate and asphalt overlay 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. In addition, the City is required to fund 100% of the design engineering (\$105,000). In April 2012, the City's request to move this project to 2013 was approved. The City Council approved use of General Fund fund balance to have the City's entire match plus engineering (\$961,000) available by October 1, 2012 to allow construction in 2013. The project was completed in Summer 2013.

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 identified use of Federal CDBG/NSP funds to address sectional concrete repairs on an NSP-eligible residential road (\$175,000), Connie from Couzens to Park Court was reconstructed in 2012.

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 fifteen 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 coordinates 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.

In 2012, the signal at the Progress/John R crossover was eliminated.

An allocation of \$30,000 for each of the next three years has been included in the Capital Improvement Plan starting in FY 2014-15 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 \$400,000 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 $\frac{1}{2}$ ” 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 result 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 2014 is Year 12, which includes the area bounded by Fourteen Mile Road, Dequindre, Whitcomb, Milton and Mandoline.

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 map on the following page 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.

2014 marks the final year of the current 12-year program. Staff is working with the Planning Commission on development of a new non-motorized transportation plan that will be presented to City Council for consideration prior to the 2015 construction season.

- John R -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. The 2009 and 2010 funding was \$153,000 and \$158,000 respectively. The southbound lanes (\$221,000) were completed in 2011.

- 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, and \$100,000 in sectional concrete repairs was completed in 2012 between Campbell Road and Dequindre. Additional rehabilitation work is programmed in FY 2014-15 (\$175,000) and will include a \$100,000 NHPP (National High Priority Project) Grant, covering sectional repairs with a 20% local match.

- 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 each contribute 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.

The suspended program includes a Madison Heights project allocation of \$318,000 that would be split into three equal shares of \$106,000 between Oakland County, the Road Commission and the City. Although the City would like to support the Road Commission with a City contribution, given the lack of road funding, the money is not available.

- 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, some of the 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 or repaired, subject to available funding. 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.

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. In 2012-13, the City completed a minimum amount of \$250,000 in sectional concrete repairs on Whitcomb and \$200,000 on Industrial from 14 Mile to East Avis. Additional sectional repairs were completed on Whitcomb in FY 2013-14 (\$225,000).

The FY 2013-14 Budget and Capital Improvement Plan included \$275,000 allocated from Major Streets to reconstruct the Northbound I-75 Service Drive from Dallas to Lincoln (where Royal Oak jurisdiction begins). This project was completed in 2013.

- Concrete/Joint Repairs - Sectional

Budgetary constraints limit the City's ability to completely repair designated commercial and industrial roads with asphalt overlays. In FY 2012-13, a limited sectional repair program funded safety repairs on the City's commercial and industrial roads (\$50,000 per year), and repairs totalling \$50,000 were completed on Sherman, Kempar, Tech Row, and Research. Sectional work in the Industrial Subdivision completed in 2013 included: Edward, Townley, Mandoline, Brush, and Alger with \$100,000 in FY 2013-14, as well as a section of Stephenson Highway from Girard to 12 Mile (\$50,000). The FY 2015 Budget includes \$75,000 to fund City-wide joint repairs using the spray patching process, as needed.

FY 2014-15 planned road improvements are limited to sectional repairs and include: Whitcomb (\$125,000), Commerce (\$25,000), Michael (\$25,000), Montpelier (\$80,000), Horace Brown (\$75,000), Dei at 10 Mile (\$25,000), Edmund (\$25,000), Harlo (\$25,000), and Girard at 10 Mile (\$25,000).

- 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 from 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, 19 priority industrial/commercial road improvement projects have been identified.

G. Street Maintenance and Solid Waste Equipment Replacements

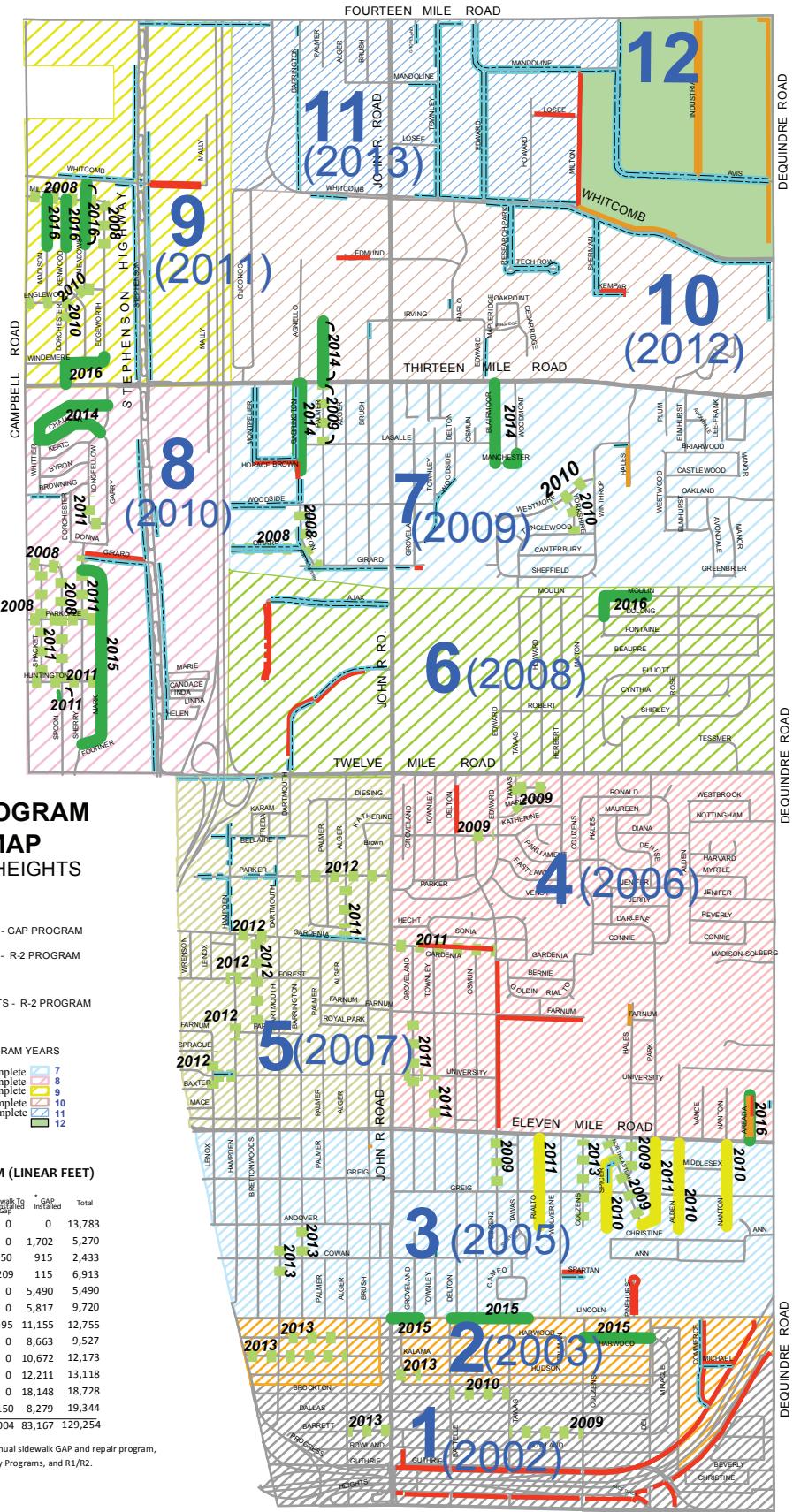
Various Street Maintenance and Solid Waste vehicles are programmed for purchase to correspond with the Five Year Equipment Replacement Plan. Also, as detailed in the Public Safety Chapter, Street Maintenance vehicles totaling \$619,000 will be funded through the "V-2" millage program.

- DTE Energy LED Campaign-Mercury Vapor Conversion to LEDs

DTE has an annual program to convert its existing Mercury Vapor streetlights (approximately 300 in Madison Heights) to LED. This conversion will result in significant savings to the City. The City currently contributes \$111,655 in annual lamp charges for these mercury vapor lights. With an initial contribution of \$143,234 by the City, combined with a Southeast Michigan Regional Energy Office Rebate of \$21,033 and DTE contribution of \$19,695 in labor costs, our new annual cost after the conversion will be \$75,024, or an annual savings of \$36,631, according to DTE. This program has a 2.8 year return on investment, and will allow the City to further evaluate possible conversion of high pressure sodium lighting to LED in the future.



CITY OF MADISON HEIGHTS
CITY PLANNING & ZONING DEPARTMENT
Adopted by City Council - March 12, 2001
Revised - May 5, 2011



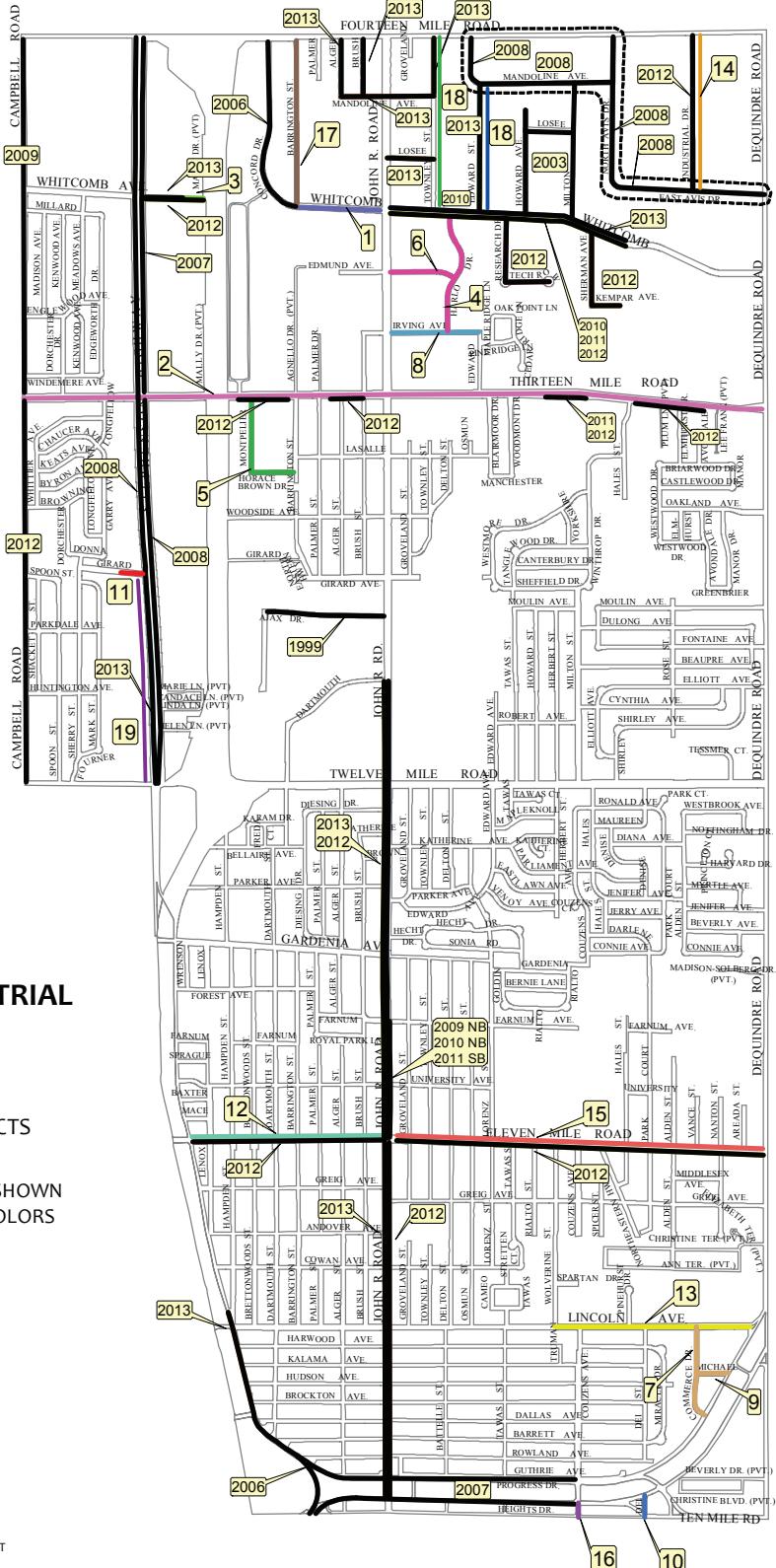


TABLE VI
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PRIORITY COMMERCIAL AND INDUSTRIAL ROAD PROJECTS (BASED ON CURRENT COSTS)

<u>Completed</u>	<u>Project Location/Limits</u>	<u>Estimated Cost</u>
1999	Ajax Drive - DPS Building to John R	\$ 620,000
2003	Losee Avenue - Howard to Milton (660 feet)	
	Milton Avenue - Mandoline to Whitcomb (1,950 feet)	
	Howard Avenue - North of Whitcomb (1,475 feet)	1,105,000
2006	I-696 WB Service Drive (Progress Drive to Stephenson Highway - Dallas to John R including I-696 NB Underpass	250,000
2006	Concord Drive - Fourteen Mile to Barrington	1,174,000
2007	Stephenson Highway - NB Thirteen Mile to Fourteen Mile	353,000
2007	I-696 EB Service Drive (Heights Drive) - John R to Couzens	205,000
2007	I-696 WB Service Drive (Progress Drive) - John R to Couzens	205,000
2008	Stephenson Highway - NB Twelve Mile to Thirteen Mile	431,000
2008	Stephenson Highway - SB Fourteen Mile to Girard	781,000
2008	North Avis Drive - Fourteen Mile to East Avis (includes sidewalk SAD \$107,000)	464,360
2008	East Avis Drive - North Avis to Dequindre (includes sidewalk SAD \$86,000)	344,000
2008	Edward Street - Fourteen Mile to Mandoline (includes sidewalk SAD \$29,000)	115,640
2008	Mandoline Avenue - Edward to North Avis (includes sidewalk SAD \$66,000)	294,000
2009	Campbell - Thirteen to Fourteen Mile	1,200,000
2009	John R NB - 11 Mile to Gardenia	155,000 *
2010	John R NB - 11 Mile to Gardenia	158,000 *
2010	Whitcomb at Edward (sectional)	50,000 *
2011	John R SB - 11 Mile to Gardenia	150,000 *
2011	Whitcomb EB (sectional)	50,000 *
2011	13 Mile EB (sectional)	16,000 *
2012	Whitcomb EB (sectional)	225,000 *
2012	Whitcomb East of Stephenson (sectional)	25,000 *
2012	Industrial (sectional)	200,000 *
2012	Sherman, Kempar, Tech Row & Research (sectional)	50,000 *
2012	John R - 10 Mile to 11 Mile (sectional)	350,000 *
2012	John R - 11 Mile to Dartmouth (sectional)	100,000 *
2012	11 Mile - John R to I-75 (sectional)	250,000 *
2012	11 Mile - John R to Dequindre (sectional)	250,000 *
2012	Campbell - 12 Mile to 13 Mile (curb repair)	150,000 *
2012	13 Mile (sectional)	100,000 *
2013	Whitcomb - East of Stephenson	25,000 *
2013	Whitcomb - John R to Dequindre	100,000 *
2013	John R - Dartmouth to 11 Mile	1,895,000
2013	NB I-75 Service Drive - Dallas to Lincoln	275,000 *
2013	John R - 10 Mile to 11 Mile	500,000 *
2013	Losee	5,000 **
2013	Edward Street - Mandoline to Whitcomb	25,000 *
2013	Townley - Fourteen Mile to Mandoline	25,000 *
2013	Stephenson Highway - SB Girard to Twelve Mile Road	50,000 *
2013	Alger - 14 Mile to Mandoline	16,000 *
2013	Brush - 14 Mile to Mandoline	16,000 *
2013	Mandoline - Townley to Alger	16,000 *
	Work Completed	\$ 12,769,000

*Sectional Concrete Repairs

** Joint Repair Only

TABLE VI
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PRIORITY COMMERCIAL AND INDUSTRIAL ROAD PROJECTS (BASED ON CURRENT COSTS)

<u>Planned</u>		Total Estimated Budget Cost
1.	Whitcomb Avenue Sectional - Barrington to Townley	\$400,000 *
2.	13 Mile - Campbell to Dequindre	375,000 *
3.	Whitcomb - West of Mally	25,000 *
4.	Harlo - entire length	250,000 *
5.	Montpelier/Horace Brown Drive - Thirteen Mile to East Enc	355,000 *
6.	Edmund - John R to Harlo	250,000 *
7.	Commerce - Lincoln to Michael	340,000 *
8.	Irving East of John R	250,000 *
9.	Michael	250,000 *
10.	Dei - 10 Mile to Service Drive	25,000 *
11.	Girard West of Stephenson	25,000 *
12.	11 Mile - John R to I-75	375,000 *
13.	East Lincoln Avenue - Wolverine to Dequindre	250,000 *
14.	Industrial - 14 Mile to E. Avis	100,000 *
15.	11 Mile - John R to Dequindre	550,000 *
16.	Couzens - 10 Mile to Service Drive	25,000 *
17.	Barrington - 14 Mile to Whitcomb	500,000 *
18.	Edward, Townley	100,000 *
19.	Stephenson - Girard to 12 Mile	100,000 *
Work Planned		\$4,545,000

*Sectional Concrete Repairs

TABLE VII
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

APPROPRIATIONS:

COLLECTION & DISTRIBUTION SYSTEMS	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL APPROP.
NON-"R" WATER MAINS/METERS								
Hampden - 11 Mile to Andover	\$ 0	\$ 224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Palmer - North Dead End to 11 Mile	210	0	0	0	0	0	0	0
Dartmouth - 11 Mile to Andover	0	0	0	266	0	0	0	266
Barrington -11 Mile to Andover	0	0	0	173	0	0	0	173
Palmer - LaSalle to Girard	0	0	0	0	268	0	0	268
Kalama - John R to Alger	0	0	0	0	128	0	0	128
Brush - 11 Mile to Royal Park Lane	0	0	0	0	314	0	0	314
Brockton - Alger to Service Dr.	0	0	0	0	0	198	0	198
Dallas - Alger to Service Dr.	0	0	0	0	0	182	0	182
Fourteen Mile - Palmer to John R	0	0	0	0	0	0	165	165
Harwood - John R to Progress	0	0	0	0	0	0	347	347
SEWER PROJECTS								
Sanitary Sewer Inspection/Rehabilitation Program	0	93	0	0	1,621	823	0	2,444
REPLACEMENTS								
2004 Sterling Vactor #465-Reconditioning	30	0	0	0	0	0	0	0
2001 Tandem Axle Dump #464	0	240	0	0	0	0	0	0
2003 GMC W 4500 Van #458	0	0	0	60	0	0	0	60
2004 Chevy 3/4 Ton Pickup 4 x 4 #423	0	0	0	0	30	0	0	30
2008 Ford F250 3/4 Ton Pickup 4 x 4 #475	0	0	0	0	0	30	0	30
2005 John Deere Backhoe #455	0	0	0	0	0	0	100	100
FACILITIES								
DPS Roof Section Repairs	5	0	0	0	0	0	0	0
DPS Water & Sewer Roof Replacement	225	0	0	0	0	0	0	0
DPS Salt Dome Containment Structure	0	0	0	90	90	90	0	270
DPS Garage Air Curtain	0	0	0	40	0	0	0	40
TOTALS	\$ 470	\$ 333	\$ 0	\$ 629	\$ 2,451	\$ 1,323	\$ 612	\$ 5,015

REVENUES:

COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL/ MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
WATER MAINS/METERS								
Hampden - 11 Mile to Andover	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 224	\$ 0	\$ 224
Dartmouth - 11 Mile to Andover	0	0	0	0	0	266	0	266
Barrington - 11 Mile to Andover	0	0	0	0	0	173	0	173
Palmer - LaSalle to Girard	0	0	0	0	0	268	0	268
Kalama - John R to Alger	0	0	0	0	0	128	0	128
Brush - 11 Mile to Royal Park Lane	0	0	0	0	0	314	0	314
Brockton - Alger to Service Dr.	0	0	0	0	0	198	0	198
Dallas - Alger to Service Dr.	0	0	0	0	0	182	0	182
Fourteen Mile - Palmer to John R	0	0	0	0	0	165	0	165
Harwood - John R to Progress	0	0	0	0	0	347	0	347
SEWER PROJECTS								
Sanitary Sewer Inspection/Rehabilitation Program	0	0	0	0	0	444	2,000	2,444
REPLACEMENTS								
2003 GMC W 4500 Van #458	0	0	0	0	0	60	0	60
2004 Chevy 3/4 Ton Pickup 4 x 4 #423	0	0	0	0	0	30	0	30
2008 Ford F250 3/4 Ton Pickup 4 x 4 #475	0	0	0	0	0	30	0	30
2005 John Deere Backhoe #455	0	0	0	0	0	100	0	100
FACILITIES								
DPS Roof Section Repairs	0	0	0	0	0	0	0	0
DPS Water & Sewer Roof Replacement	0	0	0	0	0	0	0	0
DPS Salt Dome Containment Structure	0	0	0	0	0	270	0	270
DPS Garage Air Curtain	0	0	0	0	0	40	0	40
TOTALS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,015	\$ 2,000	\$ 5,015

COLLECTION & DISTRIBUTION SYSTEMS

Local Water Improvements

- Water Main 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 water main replacement program aimed at reducing maintenance costs and water loss due to main breaks.

In the area of water main replacement, the Department of Public Service (DPS) annually reviews and identifies those areas needing extensive water main replacement and those requiring additional water mains to improve both water volume and pressure to customers. As a general strategy, the City is replacing six-inch cast iron water mains installed starting in the early 1940's with new eight-inch plastic pipe. Through the extension of existing water main lines, the City loops existing service areas by connecting parallel lines, improving supply and distribution in various neighborhoods. By implementing the water main replacement program, our future operating budget for expensive emergency repairs will be reduced by decreasing the occurrence of water main breaks.

As recommended by the Utilities Supervisor, Deputy City Manager, Community Development Director and City Engineer, starting in 1997, the water mains in the Proposal "R-1" Neighborhood Road Improvement Program - Year Two were replaced with plastic pipe in order to avoid the future possibility of having to tear up newer roadway to repair broken mains. Beginning in FY 2010-11, City Council amended this program under "R-2" to fund replacement of only "crossover" mains or those areas where the water main typically runs under the roadway (e.g. intersections). This was due to the financial condition of the Water & Sewer Fund. Given the improved financial position of the Water and Sewer Fund, staff recommended, and City Council concurred, to reinstitute R-2 related water main replacements, as detailed in the Neighborhood Projects chapter. Due to reduced cost and the success of the program, the City uses plastic pipe for all water main projects.

In regard to "non-R" replacement of old water mains, the City completed main replacement on Hampden from 11 Mile to Andover and on Palmer from the north dead end to 11 Mile in FY 2012-13. As presented in Table VIII, fifteen future high-priority "non-R" water main projects have been identified. No "non-R" water mains were replaced in 2013-14. FY 2014-15 will see "non R" water mains replaced on Dartmouth, Barrington, Palmer and Kalama.

- Equipment Replacement

No major vehicle purchases are anticipated for 2014-15.

- Facilities Needs

The Water and Sewer Fund owns and is responsible for the operation of the 18.6 acre Department of Public Services site and the 54,000 square foot building located at 801 Ajax Drive.

In September 2011, the Garland Company completed a roof analysis project which recommended projects for the 43rd District Court building (\$136,000), the Police Station (\$22,500) and the Department of Public Services facility (\$286,000). Based on these recommendations, the City broke down the recommendation into a two-year plan. The areas most in need of work (replacement of the original section of the Court roof and DPS motor pool roof, emergency repairs to the DPS water/sewer garage roof, and preventative maintenance repairs to the DPS Main Garage/Administration and Police Department roofs) were slated for year one (fall 2011) while the remainder of the DPS roof and Police roof work maintenance were addressed in FY 2012-13.

COLLECTION & DISTRIBUTION SYSTEMS

Non-R Water Main Replacement Projects By Priority

STATUS

- COMPLETED
- IDENTIFIED



CITY OF MADISON HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
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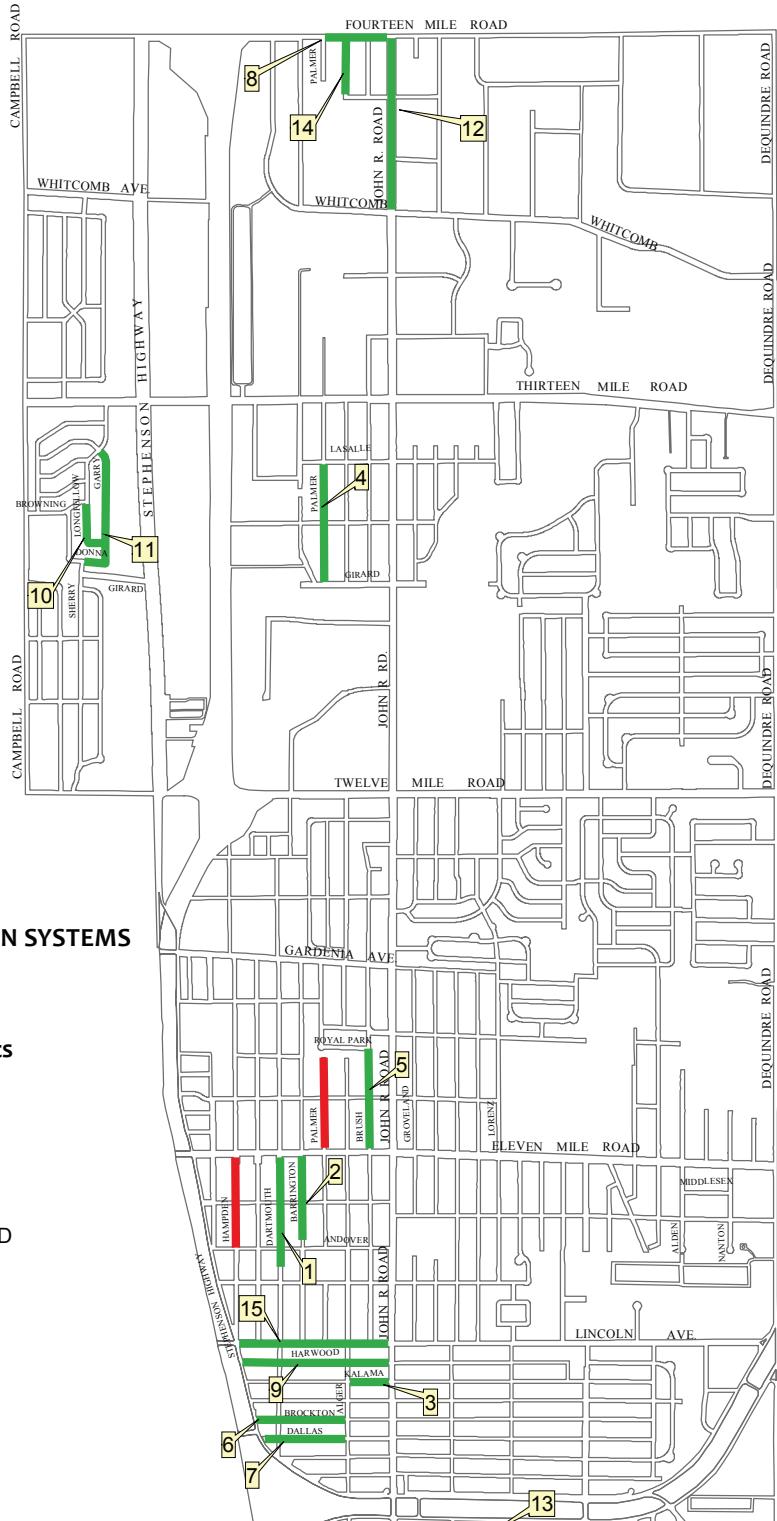


TABLE VIII

**FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PRIORITY NON-R WATER MAIN PROJECTS
(BASED ON CURRENT COSTS)**

<u>Location Number</u>	<u>Projected Fiscal Year</u>	<u>Watermain Location</u>	<u>Length (Feet)</u>	<u>Estimated Cost (in 2014)</u>
Completed	2012-13	Hampden - Eleven Mile to Andover	1,360	\$ 224,000
Completed	2012-13	Palmer - North Dead End to Eleven Mile	1,270	210,000
1.	2015-16	Dartmouth - Eleven Mile to 26341 Dartmouth	1,700	266,000
2.	2015-16	Barrington - Eleven Mile to 26521 Barrington	1,300	173,000
3.	2016-17	Kalama - John R to Alger	600	128,000
4.	2016-17	Palmer - LaSalle to Girard	1,700	268,000
5.	2016-17	Brush - Eleven Mile to Royal Park Lane	1,900	314,000
6.	2017-18	Brockton - Alger to Service Drive	1,200	198,000
7.	2017-18	Dallas - Alger to Service Drive	1,100	182,000
8.	2018-19	Fourteen Mile - John R to Palmer	1,000	165,000
9.	2018-19	Harwood - John R to Progress	2,100	347,000
10.	2019-20	Longfellow - Garry to Browning	850	140,000
11.	2019-20	Garry - Longfellow to Sherry	1,920	317,000
12.	2020-21	John R - Whitcomb to Fourteen Mile	2,450	404,000
13.	2021-22	Ten Mile - Dequindre to John R	2,900	479,000
14.	2021-22	Alger - Mandoline to Fourteen Mile	800	132,000
15.	2022-23	Lincoln - John R to Service Drive (2 mains)	4,600	759,000
		Totals	28,750	\$ 4,706,000

These costs assume \$156 - \$165 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. This estimated rate also includes landscape, sidewalk and drive approach restoration relating to the water main installation. In addition, 20% has been included for preliminary engineering, construction inspection and contingency.

During the process of analyzing the roof projects, the City unexpectedly was able to secure grant money through the Michigan Public Service Commission and Southeast Michigan Regional Energy Office to fund the repairs to the DPS motor pool roof, and this project was awarded to T.F. Beck Company on an emergency purchase basis to comply with the extremely strict grant application deadline. The second year roof plan (FY 2012-13) included an additional \$15,000 for the Police Station, \$5,000 for the DPS main roof and \$225,000 to replace the DPS Water Services Area roof.

Other DPS facility-related projects include \$90,000 in FY 2015-16 as the first phased payment toward a \$270,000 project in FY 2017-18 to replace the deteriorated salt storage dome and create a compliant runoff containment system. The salt dome was built in the fall of 1979 at a cost of \$92,000. FY 2015-16 also includes \$40,000 to install two air curtains for the east and west overhead doors of the DPS Main Garage. The air curtains will minimize the escape of heated air during the cold months when the garage doors are raised, in an effort to lower gas consumption and maximize energy savings.

- Neighborhood Road Plan

The Neighborhood Projects Chapter outlines the water main and sewer line replacement projects scheduled as part of the ten year plan.

On February 8, 2010, the City Council decided to suspend all scheduled water main replacements for the next two construction cycles, based on their decision to minimize increases in water and sewer rates. Unfortunately, in 2012 the City experienced its first water main break under newly paved roadway at the intersection of Hampden and Forest. Construction of full water main replacement under R-2 project areas resumed in FY 2013 in order to minimize the potential for further breaks under newer roads.

- Fixed Network Water Meter Reading System

In 2010, the Deputy City Manager and his staff were researching and evaluating options to bring down the cost of operating our water and sewer operations. At that time, the Water and Sewer Division of the Department of Public Services consisted 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 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) was equipped with a transmitter, which transmits information on a daily basis to a set of ten data collectors/antennas that were installed throughout Madison Heights and linked to a central computer system. This system allows daily water meter reads and has eliminated the need for the door-to-door monthly reading of the commercial accounts and quarterly reading of all residential accounts. System installation cost was \$1.4 million. The adoption of the new fixed read water meter system has greatly improved efficiency and allowed the City to reduce our staffing and long-term costs of this operation. Some key benefits of this system include:

- Improves Customer Service capabilities - address customer complaints with detailed consumption data, complete final reads without the need for site visits by field personnel
- 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

Detroit Water and Sewerage Department (DWSD)

The historic municipal bankruptcy filing by the City of Detroit includes a component to monetize and regionalize the assets of the DWSD as a means of generating revenue to help the City meet its obligations to the creditors in bankruptcy. Since mid-2013, representatives of Oakland, Macomb, and Wayne Counties have been meeting with City of Detroit representatives, through the Emergency Manager's Office, to determine whether a mutually advantageous agreement can be reached to form a new regional authority.

As expressed by the Oakland County Deputy Executives, who have been leading the negotiation team on behalf of the County Executive and Board of Commissioners, the City of Detroit's goal has been to monetize the assets while at the same time retaining titled ownership of the system, retaining a meaningful voice in management, operation, and control in the form of seats on the new regional board, and insuring that essential water and sewer service is provided to the City's residents and businesses. The Counties are motivated by the need to insure that essential water and sewer services are provided to their respective residents and businesses in the most cost-effective and efficient manner, which includes gaining a guaranteed measure of operational control on an authority board so as to affect positive change.

Under Michigan law and the County Charters, the respective County Boards of Commissioners, subject to participation by the County Executives, will determine whether to participate in the formation of a new authority. As a wholesale suburban DWSD customer, the City of Madison Heights has a keen interest in the outcome of these negotiations. Unfortunately, there has been a substantial lack of progress to date, and the Oakland and Macomb negotiation teams have recently announced their withdrawal from the negotiations, citing a lack of due diligence and appropriate financial disclosure from the City of Detroit, and the County's unwillingness to have their suburban ratepayers assume the tremendous long-term debt, OPEB, and infrastructure liabilities from the City of Detroit along with the proposed \$47 million lease payment which does not address the future infrastructure needs of the system. Moreover, the counties cited their serious concern with the State's unwillingness to step in as a financial backstop for the high number of delinquent City of Detroit ratepayers. As a result, it remains unclear how the DWSD will be restructured in the future and whether the Emergency Manager will be able to find a private operator, or some other arrangement to assume operation of the DWSD.

Although the City of Madison Heights FY 2015 Budget has factored in the respective water and sewer rates provided to the City by the DWSD and Water Resources Commissioner for FY 2015, it is unclear how and to what degree the outcome of the bankruptcy and DWSD restructuring will affect future water and sewer rates charged to the City of Madison Heights. Specifically, to what degree will the DWSD attempt to leverage suburban rate increases to help satisfy Detroit's creditors or subsidize the large number of delinquent City of Detroit accounts? Will the formation of the new Flint area Karegnondi Water Authority, with its 250,000 former DWSD customers, require DWSD to raise suburban wholesale rates? Will the State change its position and provide a financial backstop for the DWSD's City of Detroit customers?

Although these questions should be addressed in the upcoming year, there is a strong possibility of future additional rate increases beyond those associated with the City's consumption. For this reason, the FY 2015 Budget has deferred planned major stand alone (i.e. non-R related) water main replacements so that a strong fund balance can be maintained in anticipation of potential rate changes in FY 2016.

Local Sewer Improvements

Many of our sewer lines in the City are over 50 years old and many will need repairs, lining or replacing in the future.

As a sewer system ages, the risk of deterioration, blockages and collapses become a major concern. Because sewers are not readily visible like roads and other public facilities, they are often not considered for repair or

rehabilitation. As a result, sewer repairs are generally done in response to a major blockage or collapse that has caused basement backups or pavement failures. These are expensive repairs that may have been avoided by undertaking a routine cleaning and TV inspection program. The benefits of cleaning and TV inspecting public sewers include:

1. Identification of maintenance problems in the pipe such as roots, grease and deposits. These obstructions can reduce capacity in the pipe and lead to basement backups.
2. Identification of structural defects in the pipe including cracks, holes and collapsed sections. These structural defects can cause serious problems such as basement backups, sink holes and pavement undermining. Furthermore, costly emergency repairs on overtime can be avoided.
3. Identification of sources of ground water infiltration. Ground water infiltration can create voids around the pipe and weaken the pipe's integrity. Infiltration also reduces the capacity of the pipe.
4. Identification of sources of storm water inflow/illicit connections to the sewer. Storm water inflow severely restricts the capacity of the sewer pipe.
5. Television inspection of sewers can be utilized in the preparation of the Capital Improvement Program that would identify and prioritize cost-effective projects for repair and rehabilitation. Repair projects generally include excavating and replacing damaged pipe, and rehabilitation projects may include cured-in-place pipe sewer lining to extend the service life of a badly cracked pipe.
6. Television inspection records can be integrated with the City's GIS system and integrated into an asset management system.
7. The program allows the City to stage sewer repairs in advance of street repaving.

By utilizing proactive inspection to identify potential failures and for planning routine operations and maintenance and renovation programs, the City can make cost-effective repairs at its convenience before a major failure makes an expensive repair necessary.

The City Engineer Nowak and Fraus, consulting engineer Hubbell Roth and Clark, and DPS staff, working with the representatives of the Michigan Department of Environmental Quality, have identified grant funding to allow the City to undertake a multi-year cleaning, televising, and inventory of approximately 500,000 existing linear feet of sanitary sewer in the City. This program would include pipe from 6 to 60 inches in diameter.

The first phase would include planning, preliminary engineering, design, televising, cleaning and inventory. Funding would be provided through the MDEQ's SAW Grant Program. SAW stands for Stormwater, Asset Management and Wastewater. The estimated \$2.444 million cost for the project would be funded on a 90%/10% split for the first 1 million and 75%/25% for the remainder up to \$2.444 million dollars. Two million dollars of the estimated total will be the grant portion for the program. Following is a breakdown of estimated costs:

Project Component	City	Grant	Total
Cleaning and Televising. The City has approximately 500,000 lineal feet of sanitary sewer. When the lines are cleaned and televised, they are also rated 1-5. 1 being Excellent Condition, 2 Good, 3 Fair, 4 Poor and 5 Requires Immediate Attention.	\$410,574	\$1,898,388	\$2,308,962

<u>Project Component</u>	<u>City</u>	<u>Grant</u>	<u>Total</u>
Update of GIS. Once this data is received it needs to be uploaded into the City's GIS system. This includes hardware/software and staff time to download and implement.	9,245	27,737	36,982
Work Order System. The grant allows for the purchase of a work order system. The City's current work order system was developed by a former employee and cannot be updated. A good work order system will allow us to track problems, repairs and works completed and have it updated in the City GIS system.	3,875	11,625	15,500
Computer/Notebooks and or Tablets. The City will be able to download information from the field. This will allow staff to provide timely information.	2,000	6,000	8,000
Evaluation of Data. Engineers to perform analysis on data provided from Televising.	<u>18,750</u>	<u>56,250</u>	<u>75,000</u>
Total	\$444,444	\$2,000,000	\$2,444,444

Once awarded the Grant, the City has three years to complete an Asset Management Plan. A Financial review will then be done in-house by the Deputy City Manager to determine the costs of improvements and what rates would be needed to support those improvements. If it is determined the current rate structure is not adequate to support the required repairs, the City must raise its sewer rate in order to close the gap by a minimum of 10%.

On November 25, 2013, City Council authorized the submittal of the SAW grant application, which was due by December 2nd. If the City is awarded the grant, there is a 3-year period within which to complete the inventory and any required rehabilitation work.

The State of Michigan has budgeted a total of \$450 million for these grants with \$97 million budgeted for 2014. To allocate the FY 2014 funding, the State has conducted a “lottery” draw of the 671 applications, totaling \$540 million. Unfortunately, the City's application was not one of the 94 selected, but will remain in the pool as the State conducts future lotteries until the \$450 million has been awarded. This project has been programmed in FY 2017 and 2018.

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 has been renewed several times since then.

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. 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 (GKDD). 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 GKDD and the City. The GKDD 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 GKDD 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 GK Drain. The settlement provided 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 GK 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 was awarded to Site Development on September 21, 2010 for an amount of \$2.2 million and 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 completed in 2011.

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
• SOCSDS Heavy Cleaning (ACOE Project)	147,000

Future Projects

• 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.

- Illicit Sewer Connection at 12 Mile and John R Road

As part of storm drain monitoring done in June/July 2009, the Oakland County Water Resources Commissioner's (OCWRC) office found a cross connection of a 48-inch storm drain and a 60-inch combined sewer in the vicinity of the 12 Mile and John R intersection. The illicit connection impacted the South GWK storm drain which ultimately discharges to the Red Run Drain and Clinton River. Correction of the illicit discharge was required pursuant to the Federal NPDES Phase II Storm Water Permit.

Following further investigation and the completion of a consultant's report in October 2009, the OCWRC was able to successfully include this sewer separation as part of a US Army Corps of Engineers \$2.2 million project which also included repairs to the Red Run Drain in Macomb County. In addition to eliminating the illicit cross connection, the contractor also constructed 415 feet of new line ranging from 48 to 60 inches in diameter. This project, which was funded by the Federal American Recovery and Reinvestment Act, did not require a City contribution. Work was completed in early 2011.

TABLE IX
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PUBLIC SAFETY
(IN THOUSANDS)

APPROPRIATIONS:

PUBLIC SAFETY	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL APPROP.
POLICE								
Replace Police Station Roof	15	0	0	0	0	0	0	0
Patrol Car Laptop Replacements (14)	0	56	0	0	0	0	0	0
FIRE								
Self-Contained Breathing Apparatus and Rapid Intervention Team Packs	0	176	0	0	0	0	0	0
EKG/Defibrillator Replacements (3)	0	79	0	0	0	0	0	0
City Bldgs. Fire Detection & Suppression Systems	146	0	150	115	75	0	0	340
2002 Ambulance Rescue #713	0	267	0	0	0	0	0	0
Extrication/Jaws of Life Replacement	0	0	35	0	0	0	0	35
2002 Chevy Pickup 3500 #704	0	0	0	35	0	0	0	35
Emergency Operations Center Improvements	0	0	0	60	0	0	0	60
Lucas Chest Compression System (2)	0	0	0	30	0	0	0	30
2007 Ford F350 Pickup #702	0	0	0	0	0	35	0	35
2009 Ambulance Rescue #711	0	0	0	0	0	0	270	270
2003 Generator FS#1	0	0	0	0	0	0	70	70
TOTALS	\$ 161	\$ 578	\$ 185	\$ 240	\$ 75	\$ 35	\$ 340	\$ 875

REVENUES:

PUBLIC SAFETY	GENERAL FUND	LOCAL/ MAJOR STREETS	OAKLAND COUNTY GRANTS	SPECIAL ASSESS	ALS/ VEHICLE MILLAGE	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
POLICE									
Patrol Car Laptop Replacements (14)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FIRE									
Self-Contained Breathing Apparatus & RIT Packs	0	0	0	0	0	0	0	0	0
EKG/Defibrillator Replacements (3)	0	0	0	0	0	0	0	0	0
City Bldgs. Fire Detection & Suppression Systems	340	0	0	0	0	0	0	0	340
2002 Ambulance Rescue #713	0	0	0	0	0	0	0	0	0
Extrication/Jaws of Life Replacement	35	0	0	0	0	0	0	0	35
2002 Chevy Pickup 3500 #704	0	0	0	0	35	0	0	0	35
Emergency Operations Center Improvements	30	0	0	0	0	0	0	30	60
Lucas Chest Compression System (2)	30	0	0	0	0	0	0	0	30
2007 Ford F350 Pickup #702	35	0	0	0	0	0	0	0	35
2009 Ambulance Rescue #711	270	0	0	0	0	0	0	0	270
2003 Generator FS#1	70	0	0	0	0	0	0	0	70
TOTALS	\$ 810	\$ 0	\$ 0	\$ 0	\$ 35	\$ 0	\$ 0	\$ 30	\$ 875

PUBLIC SAFETY

Fire Protection and Emergency Response

- 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.

After completing the initial water main extension for the Senior Center, the City included \$146,000 in FY 2012-13 to install the necessary control valves and sprinkler system. In the fall of 2012, a sole bid was submitted in the amount of \$288,000, significantly higher than the project estimate. Staff is re-bidding the Senior Center fire suppression system, and an additional \$150,000 has been programmed in FY 2014-15 to complete this project. Fiscal Years 2015-16 and 2016-17 include programmed amounts for City Hall and the District Court, respectively. These amounts may require adjustments after review of the new Senior Center project bids.

- EKG/Defibrillator Replacements

The Fire Department currently utilizes Medtronic Live Pak 12 EKG Defibrillators, which have been in service for over ten years and are at the end of their expected service life. Two of the three monitors are no longer covered under a service contract, and repairs can range from \$500 to \$3,500. Replacement of the two units with the Life Pak 15 model will afford patients a high quality of care, enhance the safety of personnel at the scene and bring the equipment up to the current state of technology.

These upgrades are recommended by National Fire Protection Association Standard 1584, and the purchases are supported by the Oakland County Medical Central Authority and Chief of Emergency Medicine at St. John Macomb Oakland Hospital. FY 2013-14 included \$79,000 in the General Fund for the upgrade of the three units. The new units were purchased and installed in FY 2014.

- Self-Contained Breathing Apparatus (SCBA)

The Fire Department reports the current SCBA tanks are in their final year of their 15 year service life. The U.S. Department of Homeland Security, Federal Emergency Management Agency, has awarded a \$149,000 Assistance to Firefighter Grant to cover 90% of replacement cost for SCBA gear including backpacks, regulators, air bottles, face pieces and harnesses. Of the \$176,000 total project cost, the City funded the 10% local match as well as items not covered by the grant, such as the \$10,000 Rapid Intervention Team (RIT) Packs, in a total amount of \$27,000. The new SCBA equipment was purchased and installed in FY 2014.

- Extrication Tools (Jaws of Life)

The Fire Department has requested to replace and upgrade the current "Jaws of Life" purchased in the 1970s. The current equipment is unable to cut reinforced structures in newer vehicles. New extrication

tools are also lighter and battery powered, allowing for quieter operation and increased mobility. FY 2014-15 includes \$35,000 for replacement upgrade of this equipment.

- Lucas Chest Compression Systems

The Fire Department has requested to purchase two chest compression devices to maximize rescues and assist in advanced cardiac life support delivery. These devices provide automated chest compressions and assist with fatigue. FY 2015-16 includes \$30,000 for two chest compression systems.

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, programmed in FY 2015-16.

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.

District Court

- District Court, Police Station and Department of Public Services Building Roof Projects

In September 2011, the Garland Company completed a roof analysis project which recommended projects for the 43rd District Court building (\$136,000), the Police Station (\$22,500) and the Department of Public Services facility (\$286,000). Based on these recommendations, the City broke down the recommendation into a two-year plan. The areas most in need of work (replacement of the original section of the Court roof and DPS motor pool roof, emergency repairs to the DPS water/sewer garage roof, and preventative maintenance repairs to the DPS Main Garage/Administration and Police Department roofs) were slated for year one (fall 2010) while the remainder of the DPS roof and Police roof work maintenance were addressed in FY 2012-13.

During the process of analyzing the roof projects, the City unexpectedly was able to secure grant money through the Michigan Public Service Commission and Southeast Michigan Regional Energy Office to fund the repairs to the DPS motor pool roof, and this project was awarded to T.F. Beck Company on an emergency purchase basis to comply with the extremely strict grant application deadline. The second year roof plan (FY 2012-13) included an additional \$15,000 for the Police Station, \$5,000 for the DPS main roof and \$225,000 to replace the DPS Water Services roof.

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 following page.

The Finance Department has estimated that Proposal “V-2” will generate \$2.2 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 \$1.2 million from the original April 2006 estimate. To close the funding gap, the amounts scheduled for new vehicle replacement were reduced. The key 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, pumper 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 over 200 scheduled replacements of City vehicles planned over the 10 year period. As part of the millage funded program, the City will replace three ambulances/rescue vehicles and three large plow/dump trucks.

FY 2014 includes \$342,000 to replace the oldest of our three EMS/ambulance rescue trucks #713, purchased in 2005-06, and rated by the Motor Pool Division in “poor” condition and in need of priority replacement as of 11/01/13. These funds will be carried forward to replace this vehicle in FY 2015, for \$267,000, and Fire Pick-up #701 for \$29,000.

As the V-2 vehicle millage is scheduled to expire in 2017, staff will be analyzing future vehicle needs and will provide City Council with a recommendation no later than January 2016.

TABLE X
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
TEN YEAR V-2 VEHICLE MILLAGE PURCHASES
(IN THOUSANDS)

YEAR	VEHICLE	VEHICLE NUMBER	LAST SCHEDULED REPLACE.	REPLACEMENT COST			MILLAGE FUNDS
				POLICE/FIRE	DPS	OTHER	
2007-08	Fire Chief Vehicle	700	2008	\$ 31	\$ 0	0	\$ 31
	3/4 Ton Pick-up	457	2008	0	29	0	29
	Code Enforcement Vehicle	492	2008	0	0	13	13
2008-09	Riding Mower	373	2008	0	11	0	11
	Parks Pick-up W/Plow	484	2009	0	19	0	19
2009-10	Police Patrol Vehicle	105	2010	21	0	0	21
	Police Patrol Vehicle	109	2010	21	0	0	21
	Police Patrol Vehicle	110	2010	21	0	0	21
	Park Riding Mower	325	2010	0	10	0	10
	Senior Van	469	2009	0	22	0	22
	Water and Sewer Pickup Truck	460	2009	0	24	0	24
	Ambulance Rescue Truck	711	2009	200	0	0	200
	Spray Equipment-Dump Truck Brine Tank	--	--	0	4	0	4
2010-11	Rescue Patient Transfer Equipment	--	--	26	0	0	26
	Ambulance Rescue Truck (\$72,000 and \$25,000 prefunded in FY 2008-09 and FY 2009-10)	710	2011	205	0	0	205
	Code Enforcement Pickup Truck	483	2011	0	0	14	14
	Code Enforcement Vehicle	496	2011	0	0	15	15
	Parks Riding Mower	367	2011	0	11	0	11
	Streets Utility Maintenance Vehicle	364	2011	0	6	0	6
	Spray System-Dump Truck Brine Tank	--	--	0	4	0	4
2011-12	Animal Control Van	119	2012	28	0	0	28
	Parks Ex-Mark Mower	363	2012	0	11	0	11
2012-13	Police Patrol Vehicle	103	2006	28	0	0	28
	Police Patrol Vehicle	104	2006	28	0	0	28
	Police Patrol Vehicle Changeovers	--	--	14	0	0	14
	One Ton Dump Truck	431	2004	0	52	0	52
2013-14	Police Patrol Vehicle	110	2011	29	0	0	29
	Police Patrol Vehicle	113	2010	29	0	0	29
	Police Patrol Vehicle	114	2003	28	0	0	28
	Police Detective Bureau Vehicle	121	2002	26	0	0	26
	CDD Inspection Vehicle	494	2001	0	0	23	23
	Streets Chevrolet 3/4 Ton Pick-up	432	2002	0	29	0	29
	Police Patrol Vehicle Changeovers	--	--	17	0	0	17
	Ford Single Axle Dump Truck	479	1999	0	162	0	162
	Ambulance Rescue Truck (\$190,000 and \$77,000 prefunded in FY 2010-11 and FY 2011-12)	713	2005	312	0	0	312
2014-15	Police Patrol Vehicle	106	2011	29	0	0	29
	Police Motor Carrier Van	117	2000	29	0	0	29
	Police Detective Bureau Vehicle	123	2002	0	0	29	29
	Police Patrol Vehicle Changeover	--	--	17	0	0	17
2015-16	Police Patrol Vehicle	105	2011	29	0	0	29
	Police Patrol Vehicle	102	2011	29	0	0	29
	Police Patrol Explorer	111	2009	29	0	0	29
	Police Patrol Vehicle Changeover	--	--	17	0	0	17
	Single Axle Dump Truck (Phase I Funding Total \$150,000)	425	2003	0	97	0	97
	Chevy Pickup 3500	704	2001	35	0	0	35
2016-17	Super Duty Dump Truck	481	2006	0	75	0	75
	Chevy Blazer	700	2007	28	0	0	28
	Single Axle Dump Truck (Phase II Funding Total \$150,000)	425	2003	0	53	0	53
	To Be Determined	-	-	0	0	0	218
	TOTALS			\$ 1,306	\$ 619	\$ 94	\$ 2,237

TABLE XI
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT
(IN THOUSANDS)

APPROPRIATIONS:

GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL APPROP.
CIVIC CENTER / CITY WIDE								
HVAC Improvements	\$ 0	\$ 0	\$ 50	\$ 50	\$ 0	\$ 0	\$ 0	\$ 100
City Hall Renovation including Health & Wellness Center	0	0	100	0	0	0	0	100
City Hall On-Site Generator	0	0	0	110	0	0	0	110
City Hall North Entrance Canopy	0	0	0	0	75	0	0	75
INFORMATION TECHNOLOGY								
City Wide Upgrade Microsoft Office	30	0	0	0	0	0	0	0
City Hall Council Chamber Audio Upgrade	40	0	0	0	0	0	0	0
City Wide Microcomputer Replacements	16	27	20	19	19	20	20	98
Failover Servers	0	0	25	0	0	0	0	25
City Hall Computer Cabling Upgrade	0	0	0	0	100	0	0	100
Phone System Upgrades	0	0	0	50	50	50	50	200
IT Strategic Projects	0	0	0	50	50	50	50	200
ECONOMIC DEVELOPMENT								
Oakland County Brownfield Consortium	0	60	0	0	0	0	0	0
LIBRARY								
HVAC Improvements	0	153	75	0	0	0	0	75
TOTALS	\$ 86	\$ 240	\$ 270	\$ 279	\$ 294	\$ 120	\$ 120	\$ 1,083

REVENUES:

GENERAL GOVERNMENT & ECONOMIC DEV.	GENERAL FUND	LOCAL/ MAJOR STREETS	CDBG	SPECIAL ASSESS.	LIBRARY	WATER & SEWER	DOWNTOWN DEVELO. AUTHORITY	OTHER REVENUES	TOTAL REVENUES
CIVIC CENTER / CITY WIDE									
HVAC Improvements	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100
City Hall Renovations including Health and Wellness Center	45	0	0	0	0	5	0	50	100
City Hall On-Site Generator	110	0	0	0	0	0	0	0	110
City Hall North Entrance Canopy	75	0	0	0	0	0	0	0	75
INFORMATION TECHNOLOGY									
City Wide Microcomputer Replacements	88	0	0	0	6	4	0	0	98
Failover Servers	25	0	0	0	0	0	0	0	25
City Hall Computer Cabling Upgrade	95	0	0	0	0	5	0	0	100
Phone System Upgrades	170	0	0	0	5	25	0	0	200
IT Strategic Projects	132	0	0	0	5	63	0	0	200
LIBRARY									
HVAC Improvements	0	0	0	0	75	0	0	0	75
TOTALS	\$ 840	\$ 0	\$ 0	\$ 0	\$ 91	\$ 102	\$ 0	\$ 50	\$ 1,083

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 support the Office, based on an annual "simple payback" of 80% of the energy cost savings realized that year. After the grant amount is repaid, ongoing energy savings associated during the life of the project would be realized solely by the City. The Energy Office requires only an 80% payback so that the municipality can realize a portion of the savings (20%) immediately.

The grant was approved in January 2010 and included the following projects:

	<u>Project Cost</u>	<u>Grant Amount</u>	<u>Utility Rebates</u>	<u>City Contribution</u> <u>Water & Sewer Fund</u>
Ballfield Replacement Lights	\$ 10,000	\$ 10,000	\$ 0	\$ 0
Computer Room Air Conditioning Unit	19,800	15,000	0	4,800
City Hall Soffit / Fascia Resurfacing	33,990	30,000	0	3,990
Building Lighting*	<u>99,401</u>	<u>68,132</u>	<u>21,533</u>	<u>9,736</u>
	\$163,191	\$123,132	\$21,533	\$18,526

*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) Grant

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 assessed and analyzed 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 the City 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 were completed in a 120 day timeframe with a payback to the City of about 3 years.

Lighting efficiency upgrades included 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 were implemented in City Hall, 43rd District Court, Library, Fire Stations, DPS, Nature Center and the RV& Impound lots.

Building HVAC optimization included temperature controls in the DPS garages and 43rd District Court. A Technical Energy Assessment (TEA) was also conducted for the Senior Center to plan for possible future Demand Controlled Ventilation Project.

Having finished the EECBG grant projects, which were 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 has allowed 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.

In the second round of MPSC-funded energy upgrades, the City again utilized the professional services of Energy Sciences, which extended pricing from previously awarded lighting projects. The use of an energy expert has helped ensure a consistent energy solution and expedite project completion for the City. Energy Sciences performed all rebate application processing as a part of the project services to the City, and they assisted with developing our energy report formatting so that we can accurately track energy consumption and savings going forward.

The project cost breakdown and grant allocation are as follows:

<u>Project</u>	<u>Project Cost</u>	<u>Expected Utility Rebate</u>	<u>Grant Allocation</u>	<u>New City Contribution*</u>
Lighting Upgrades - City Hall	\$ 16,066	\$ (2,570)	\$ (13,496)	\$ 0
Lighting Upgrades - Court	28,565	(3,140)	(25,425)	0
Lighting Upgrades - Fire Station #1	22,187	(5,260)	(1,034)	15,893
Lighting Upgrades - Fire Station #2	9,169	(1,450)	0	7,719
Lighting Upgrades - Library	10,139	(1,221)	(8,918)	0
Lighting Upgrades - DPS	10,224	(1,404)	(8,820)	0
Lighting Upgrades - RV & Impound Lots	18,397	(2,441)	(15,956)	0
Lighting Upgrades - Nature Center	3,716	(653)	(3,063)	0
HVAC Upgrades - DPS	5,130	(1,050)	(4,080)	0
HVAC Upgrades - Court	475	(50)	(425)	0
HVAC Upgrades - Senior Center	<u>2,131</u>	<u>0</u>	<u>(2,131)</u>	<u>0</u>
Totals	\$126,199	\$ (19,239)	\$ (83,348)	\$23,612

*Fire Stations Bond

Finally, in 2012, the City secured additional MPSC Grant funding through the Regional Energy Office and completed the following projects:

<u>Project</u>	<u>Cost</u>	<u>Expected Rebate</u>	<u>Grant Addendum</u>	<u>New City Contribution</u>
DPS Motor Pool Roof	\$47,238	\$ 0	\$47,238	0
DPS Main Garage Interlocks	4,000	0	4,000	0
Police Station - Exterior Lighting	4,653	775	4,878	0
Senior Center - HVAC Upgrades with Demand Controlled Ventilation	<u>57,500</u>	<u>4,225</u>	<u>53,275</u>	<u>0</u>
	\$114,391	\$5,000	\$109,391	\$0

In FY 2015, the City is continuing its energy efficiency program with the planned conversion of all mercury vapor streetlights (approximately 300) to LED technology. See the Road Improvements Chapter of the CIP for more information.

- Installation of City Hall Generator

During FY 2016 it is planned to install a 150 kW natural gas generator with automatic transfer switch, sound enclosure, new gas line, electrical work, and masonry enclosure at City Hall to address power failures and emergency situations. Currently one portable 130 kW diesel-powered generator services both City Hall and the Senior Center. This improvement will minimize downtime at City Hall in the event of a power outage and will allow the portable generator to be used at the Senior Center, which houses one of the City's backup computer systems.

- 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 minimize liability. The DPS has estimated a project budget of \$75,000, tentatively programmed in FY 2016-17.

- HVAC Improvements

Staff has included funding for HVAC improvements and upgrades for City Hall, given the high cost for heating/natural gas for the building. The total project cost is not yet determined. Staff is utilizing a consultant to develop an energy efficiency plan for implementation during FY 2014-15. The goal is to resolve temperature control issues, allow for remote control and diagnostics of the system, and yield energy savings.

- Renovation

In FY 2013, staff began researching the addition of a Wellness and Health Center as a collaborative effort with Ferndale, Royal Oak and Hazel Park. As this idea matures, possible locations for the Center were evaluated and the lower level of the Madison Heights City Hall was identified as the most feasible. In order to accommodate this Center, the lower level would need some renovations. Staff has submitted for a State EVIP grant for these start up costs and has planned \$100,000 in FY 2015 for this renovation project. A more detailed project description can be found in the Personnel Chapter of the Budget.

- Replacement of Phone System

In March 2000, the City Council approved the purchase of a new phone system. Staff believed it had the life expectancy of approximately 15 years. In 2015, we will hit the 15-year threshold. We have begun looking at several options (hosted, hybrid, conventional) and gathered budgetary figures on two different scenarios. Based on those figures, a lease with purchase may be a viable option. A proposed budget of \$50,000 a year beginning in FY 2015-16 is projected for four years.

- IT Strategic Plan Upgrades

An IT Assessment & Strategic Plan is in the process of being developed. Staff is recommending a budget of \$50,000 a year for five years beginning in FY 2015-16 to implement the changes that may be proposed. A more precise figure and projected implementation schedule will be available once the study is completed.

Information Technology

- City Hall Council Chambers Audio/Video Upgrade

In 2009, the City Council requested that staff research options to improve the audio/video system in the Council Chambers and the related issues with Council Meeting broadcasts and replays. This will include elimination of the outdated VHS format for recording/playback in favor of streaming and DVR technologies. A consultant provided a cost estimate of \$40,000 to correct the sound quality problems and to provide an enhanced cable broadcast playback, programmed in FY 2013-14.

- City Hall Computer Cabling

A budget of \$50,000 is projected in FY 2016-17 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).

- Failover Servers

The FY 2015 Capital Improvement Plan includes \$25,000 for two failover servers. The City's disaster recovery plan calls for the City computer data and systems to be restored within 24 hours of a normal disaster. The installation of failover servers will allow for an automatic switch over with limited to no downtime if a server fails.

A failover is a backup operational mode in which the functions of the server are assumed by a secondary server when the primary unit becomes unavailable through either failure or scheduled down time.

- City-Wide Microcomputer Replacements

In recent years, the financial crisis has compelled the City to suspend cycled replacements of our microcomputers. As part of this year's Capital Improvement Plan, we are recommending the continued updating of an additional 20 computers for \$19,000 as outlined in the Table XV Computer Replacement Plan.

Economic Development

- 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 Brownfield Consortium

On November 9, 2009, the City Council approved participation in the Oakland County Brownfield Consortium Agreement (OCBC) 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. The key objective of the grant is to encourage the redevelopment of sites that may be complicated by the presence of potentially hazardous substances or pollutants. In addition, it is intended to trigger additional investment in the community. Through this grant, member communities are allocated \$100,000 each, with Oakland County allocated \$500,000. The monies were available to businesses and property owners in the cities to conduct initial environmental assessments (Phase 1, Phase 2, and Baseline Environmental Assessments [BEA]). Madison Heights successfully implemented the grant and over \$100,000 was awarded to Madison Heights businesses.

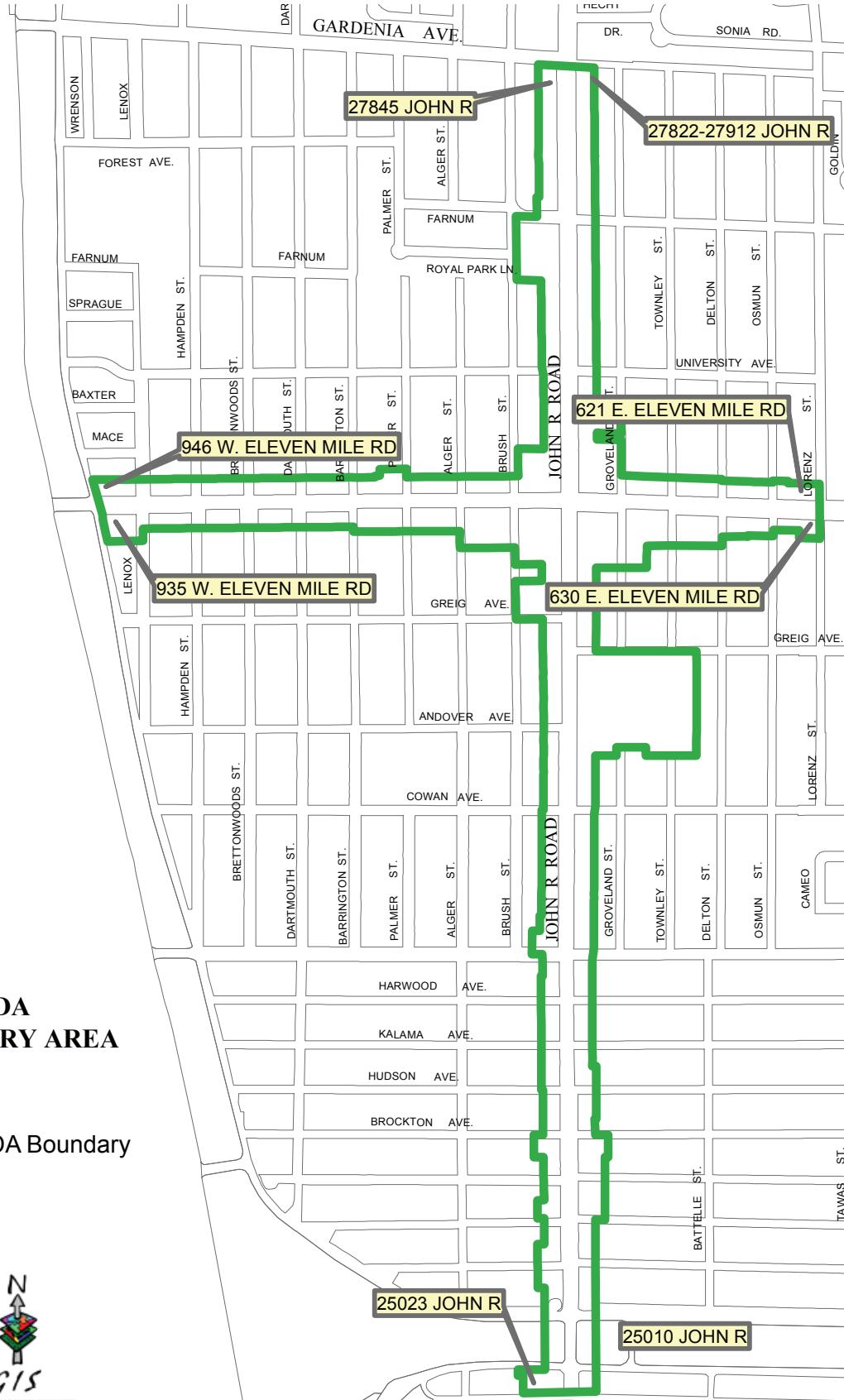
The Coalition was not successful in receiving the grant in 2011, but successfully applied for the grant in 2012 for the 2013 grant cycle. The grant is \$600,000 for this round, with \$300,000 allocated to Oakland County and \$60,000 allocated to each coalition city, making \$60,000 available to Madison Heights businesses and property owners to conduct initial environmental assessments.

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.

**DDA
BOUNDARY AREA**



CITY OF MADISON HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
WWW.MADISON-HEIGHTS.ORG



- 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.

Library

As part of the FY 2014-15 Budget and Capital Improvement Plan, staff has included Phase II funding for HVAC improvements and upgrades in the Library. The total estimated project cost is \$228,000. Phase II would resolve temperature control issues, provide remote control and diagnostics of the system (similar to the Senior Center), install a gas line and two boilers in the building, remove the hot water burden on the City Hall boilers, and yield energy savings, to be determined.

TABLE XII
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
LEISURE & HUMAN SERVICES
(IN THOUSANDS)

APPROPRIATIONS:

LEISURE & HUMAN SERVICES	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL APPROP.
PARK PROJECTS								
Friendship Woods - Trail Cutback	\$ 5	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Friendship Woods - Tree Cutting	60	0	0	0	0	0	0	0
Skate Park Rehabilitation	12	0	0	0	0	0	0	0
Rosie's Park - Sectional Path Replacement	45	0	0	0	0	0	0	0
Rosies Park - Hales Parking Lot Overlay	75	0	0	0	0	0	0	0
Huffman Park - East Parking Lot Overlay	0	50	0	0	0	0	0	0
Friendship Woods - Parking Lot Improvements	0	0	150	100	0	0	0	250
Civic and Ambassador Park Trail Overlay	0	0	50	0	0	0	0	50
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	0	0	0	100	0	0	0	100
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	0	50	0	0	0	50
Huffman Park - Building Furnace Replacement	0	0	0	7	0	0	0	7
Red Oaks - Walk/Bike Connection	0	0	0	0	179	0	0	179
Friendship Woods - 2" Trail Overlay	0	0	35	0	0	0	0	35
Ambassador Park Asphalt Pavement & Parking Lot	0	0	0	0	75	0	0	75
Friendship Woods - Nature Center Roof	0	0	0	0	0	30	0	30
Walk/Bike Path Construction	0	0	0	0	0	0	583	583
2002 Ford F250 3/4 Ton #474	0	0	29	0	0	0	0	29
Civic Center Parking Lot - Maintenance & Repairs	0	0	28	0	0	0	0	28
SENIORS/SENIOR CENTER								
2003 25 Passenger Bus #443	0	0	0	75	0	0	0	75
2002 Blue Bird Bus #471	0	0	0	0	200	0	0	200
Close South Senior Center Driveway	0	0	0	0	0	100	0	100
TOTALS	\$ 197	\$ 55	\$ 292	\$ 332	\$ 454	\$ 130	\$ 583	\$ 1,791

REVENUES:

LEISURE & HUMAN SERVICES	GENERAL FUND	LOCAL/MAJOR STREETS	VEHICLE MILLAGE	SPECIAL ASSESS.	WATER & SEWER	OAKLAND COUNTY PARKS	OTHER REVENUES	TOTAL REVENUES
PARK PROJECTS								
Huffman Park - East Parking Lot Overlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Friendship Woods - Parking Lot Improvements	123	0	0	0	0	127	0	250
Civic and Ambassador Park Trail Overlay	50	0	0	0	0	0	0	50
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	0	0	0	0	0	0	100	100
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	0	0	0	0	50	50
Huffman Park - Building Furnace Replacement	7	0	0	0	0	0	0	7
Red Oaks - Walk/Bike Connection	0	0	0	0	0	79	100	179
Friendship Woods - 2" Trail Overlay	15	0	0	0	0	20	0	35
Ambassador Park Asphalt Pavement & Parking Lot	0	0	0	0	0	0	75	75
Friendship Woods - Nature Center Roof	0	0	0	0	0	18	12	30
Walk/Bike Path Construction	292	0	0	0	0	0	291	583
2002 Ford F250 3/4 Ton #474	29	0	0	0	0	0	0	29
Civic Center Parking Lot - Maintenance & Repairs	28	0	0	0	0	0	0	28
SENIORS/SENIOR CENTER								
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
TOTALS	\$ 919	\$ 0	\$ 0	\$ 0	\$ 0	\$ 244	\$ 628	\$ 1,791

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

As the Council is aware, in recent years the City has had to defer both planned improvements and major maintenance projects for our parks system. For planning purposes, the staff has identified four categories of park projects:

1. Red Oaks Nature Center Projects
2. Other Park Projects
3. Property Acquisitions
4. Walking and Bike Trails

- Red Oaks Nature Center Projects

Based on the Fall 2009 Financial Forecast, and on the heels of the first round of Gap Reduction Measures, the City initiated a dialog with the Oakland County Parks and Recreation Commission (OCPRC) regarding a potential partnership arrangement at Friendship Woods. These discussions resulted in a 25 year lease agreement for the Red Oaks Nature Center at Friendship Woods which was approved August 23, 2012 by the Oakland County Board of Commissioners.

In exchange for the use of our property for the next 25 years, the City will receive the following: \$1 annual rent, plus; year-round programming services including personnel, contractors and supplies; majority of maintenance expense; majority of capital improvement expenditures; and annual utility costs above the current City budget, plus a small inflation factor. OCPRC is obligated, and is currently planning to fund the first \$5,000 of all capital and maintenance project expenses plus 50 percent of the amounts above the first \$5,000 in major maintenance and capital improvement projects. The OCPRC has not yet identified a list of long-term capital improvements and major maintenance projects. The City has identified several items that are projected to be scheduled over the next six years.

The list below represents the City's staff projections of projects and priorities from FY 2014 through 2018.

		<u>Total</u>	<u>Project</u>	
		<u>Cost</u>		<u>Fiscal Year(s)</u>
<u>Red Oaks Nature Center Capital Expenditures</u>				
a. Parking Lot Improvements (possibly remove island)		250,000		2015 & 2016
b. Trail Resurfacing with 2" Overlay		35,050		2015
c. Roof Replacement		<u>30,000</u>		2018
	Subtotal	\$315,050		



- Other Parks Projects

Given that the most recent Parks and Recreation Master Plan was developed almost nine years ago, in October 2011, staff was asked to review and identify current park project needs. These included:

<u>Other Park Projects</u>	<u>Cost</u>	<u>Fiscal Year(s)</u>
a. Sectional Path Replacement at Civic Center, Ambassador and Rosie's	\$ 45,000	2013 & 2014
b. Rosie's Park - Hales Parking Lot Overlay	75,000	2013
c. Wildwood Park - Replace Playscape; add Soft Fall Surfacing	100,000	2015-16
d. Huffman Park – E&W Parking Lot Overlay	100,000	2013
e. Civic Center Totscape; New Swings & Soft Fall Surfacing	50,000	2016
f. Replace Huffman Park Building Furnace	7,000	2016
g. Replace Park Shelter Building Roofs	15,000	2028 & 2031
h. Red Oaks Soccer Parking Lot Repaving	<u>150,000</u>	2033
	Subtotal	\$542,000

- Parks Maintenance and Improvement Fund

The Parks Maintenance and Improvement Fund was created as a result of a negotiated agreement between the GWK Drain District and the City of Madison Heights. 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 Youth Soccer Complex” includes nine youth soccer fields, a concession/meeting building, picnic pavilion, 240-space parking lot and playground (previous page). The \$2.1 million soccer complex was built by the GWK Drain District with a contribution of \$150,000 from the adjoining Lowe's and \$250,000 from the OCPRC.

The Soccer Complex was first opened in the fall of 2008, but closed for drain construction in 2009. In 2009, the new playscape equipment funded by OCPRC was installed. The complex re-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 GWK payment in a long-term portfolio to maximize investment returns, generating additional income over the term of the 25-year agreement.

On January 24, 2011, the City entered into an agreement with OCPRC, who will provide the ground maintenance, including lawn, sod, fertilization and weed control service, as well as snow and ice control, on the parking lots and sidewalks at the complex.

The License, Use and Maintenance Agreement with the GWK Drain District and the OCPRC runs from May 14, 2007 to May 13, 2032. The City received the lump-sum payment in the fall of 2007, and assumed maintenance responsibility for this facility in the summer of 2008.

For July 1, 2013, staff is projecting a fund balance of \$625,000. From this balance and any investment income, Madison Heights will need to cover the remaining 18 years of annual operating maintenance costs for the Soccer Complex. The annual costs are projected to run a total of \$1,292,000 over the life of the agreement. The staff will monitor the investment income and make adjustments in the Soccer Complex expenses to ensure a balanced budget.

Please keep in mind that a 18-year projection is extremely difficult given the unpredictable changes to both the economy and the Federal and State legislative mandates.

- Skate Park Rehabilitation

After exhausting all avenues to keep the Skate Park open, the Parks and Recreation Advisory Board and sponsorship groups recommended the City not rehabilitate the Skate Park. On June 10, 2013, City Council approved a proposal from private operator Modern Skate of Madison Heights that resulted in the sale of the equipment. The equipment has been moved to the new location, and staff are planning to restore the former skate park site to passive park area in 2015.

- Property Acquisition

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 included 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 (GKWD) 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 GKWD 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.

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.

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.

The City also continues to monitor availability of the Bretton and Winthrop parcels abutting Friendship Woods.

- Walking and Bike Trails

A high-priority recreational item in Madison Heights is the development of a 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. 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, boardwalk new path will help overcome challenges of a narrow park site while preserving and enhancing the value of Red Oaks as an urban natural area connecting Dequindre to 13 Mile on the south side of the dog park and water park, and to the nature center as well. The project is planned for FY 2014-15 based on the \$179,000 budget split between the Michigan Natural Resource Trust Fund (\$100,000) and Oakland County Parks and Recreation (\$79,000).

In an effort to maintain the condition of existing park facilities, the City completed a much needed parking lot overlay at Huffman Park in FY 2013-14.

Also, the City will be reviewing its Parks and Recreation Master Plan in FY 2014-15.

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, to improve traffic flow in the area.

This FY 2017-18 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.

The Capital Improvement Plan includes the replacement of two buses, one smaller bus for local trips and one larger 25 passenger bus for out-of-town trips.

In 2012, the City completed installation of the new Senior Center HVAC demand controlled HVAC system, as part of the City's Michigan Public Service Commission-funded energy work to provide demand controlled ventilation and reduce natural gas consumption. Phase II funding for the installation of the Senior Center sprinkler system is also programmed in FY 2015.

Library Building 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."

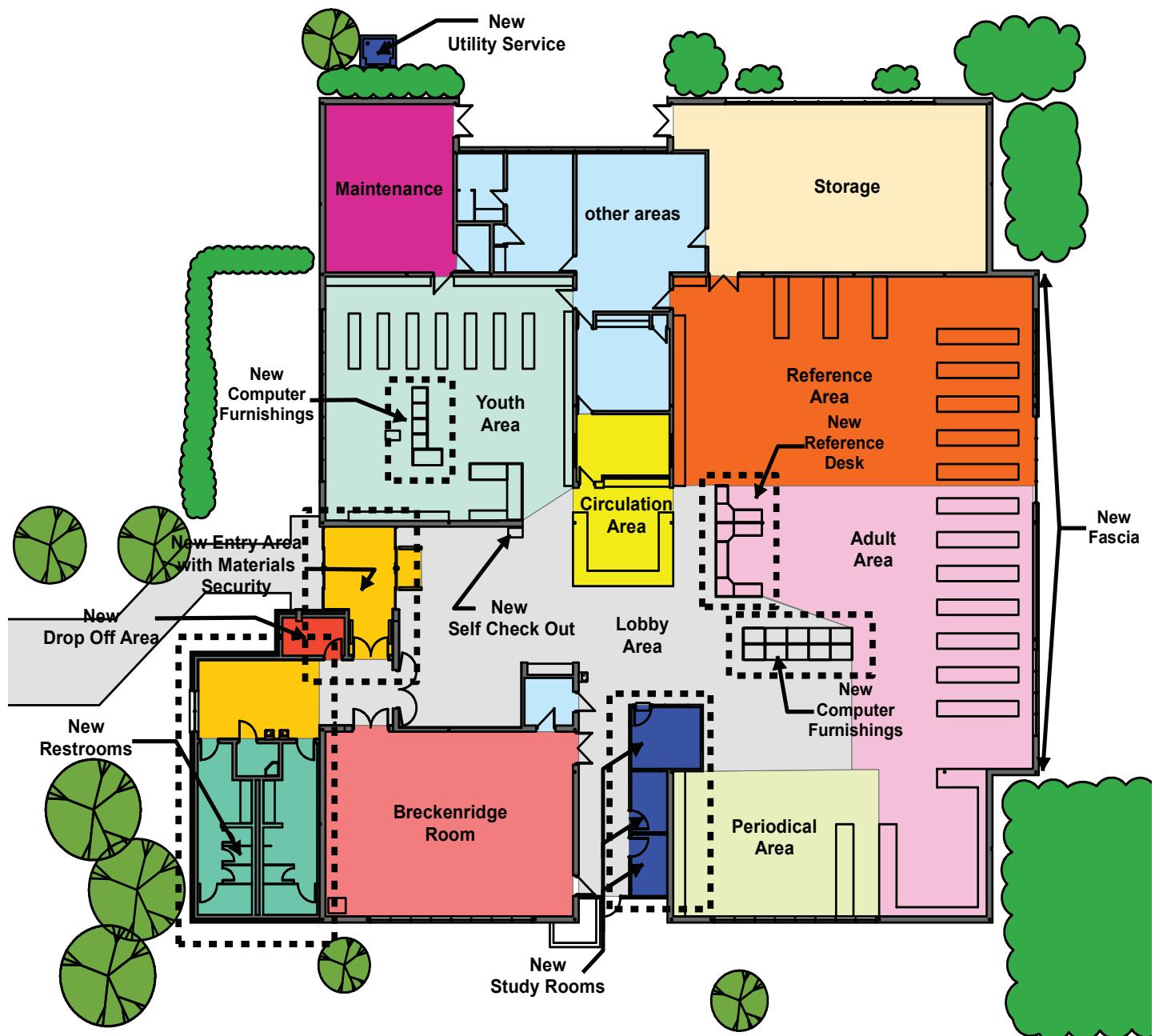
On August 14, 2006, Council approved the bidding of the Library project. The original estimated project included: an Americans with Disabilities Act (ADA)-accessible restroom addition; a realignment of the north entry door, vestibule, and outside walkway; replacement doors and windows; asbestos abatement; 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 the construction project was 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.

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

2007 Library Improvement Project



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 costs for the project with optional items are listed below:

	Cost
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.

A total of \$235,000 has been programmed in two phases to upgrade the HVAC system in the Library in FY 2013-14 and FY 2014-15. Please refer to the section in General Government and Economic Development for detailed project information.

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 XIII
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		ADOPTED METHOD OF FUNDING	Estimated Annual Operating Costs (Including Debt Repayment)				
	TOTAL COST/ FUNDING SOURCE	ADOPTED BUDGET FY 2014-15		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Neighborhood Projects								
Proposal "R-2" Sidewalks	\$ 60,000 RM	\$ 20,000	LSF	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Proposal "R-2" Concrete Repair	400,000 RM	200,000	LSF	500	500	500	500	500
Year 8 Roads (R-2)								
Whittier - Longfellow to Chaucer	480,000 RM/WS	265,000	LSF	0	500	500	500	500
Chaucer - Whittier to Longfellow	234,000 RM/WS	160,000	LSF	0	500	500	500	500
Barrington - S. of Horace Brown to 13 Mile NB	741,000 RM/WS	518,000	LSF	0	500	500	500	500
Barrington - S. of Horace Brown to 13 Mile SB (SAD)	647,000 RM/SAD/WS	465,000	LSF	0	500	500	500	500
Blairmoor - Manchester to Thirteen Mile Road	725,000 RM/WS	543,000	LSF	0	500	500	500	500
Manchester & Woodmont Intersection	119,000 RM/WS	102,000	LSF	0	500	500	500	500
Palmer - 13 Mile N. to end	494,000 RM/WS	494,000	WS/LSF	0	500	500	500	500
Year 9 Roads (R-2)								
Fourner - Sherry to Mark and Mark - Fourner to Sherry	1,748,000 RM/WS	393,000	WS	0	0	500	500	500
E. Hardwood - Couzens to Dei	582,000 RM/WS	168,000	WS	0	0	500	500	500
Lincoln - John R to 104 E. Lincoln	437,000 RM/WS	272,000	WS	0	0	500	500	500
Lincoln - 504 E. Lincoln to 583 E. Lincoln	457,000 RM/WS	0	LSF	0	0	500	500	500
Year 10 Roads (R-2)								
Madison - Millard to 31605 Madison - (Watermain Whole Street)	528,000 RM/WS	0	WS/LSF	0	0	0	500	500
Areada - N. of 11 Mile Road	374,000 RM/WS	0	WS/LSF	0	0	0	500	500
Meadows - Whitcomb to 31608 Meadows - (full Watermain)	672,000 RM/WS	0	WS/LSF	0	0	0	500	500
Dorchester - 13 Mile to Windemere	176,000 RM/WS	0	WS/LSF	0	0	0	500	500
Windemere - Dorchester to Edgeworth	338,000 RM/WS	0	WS/LSF	0	0	0	500	500
Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	514,000 RM/WS	0	WS/LSF	0	0	0	500	500
Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	607,000 RM/WS	0	WS/LSF	0	0	0	500	500
Total Neighborhood Projects	\$ 10,333,000	\$ 3,600,000		\$ 1,000	\$ 4,500	\$ 6,500	\$ 10,000	\$ 10,000

Legend:

Advanced Life Support Millage	ALSM
Drug Forfeiture	DF
General Fund	GF
Grant Funding	Grant
Library Millage	L
Local Street Fund	LSF
Major Street Fund	MSF
Oakland County Road Commission	OCRC
Oakland County Parks	OCP
Park Improvement Fund	PIF
Road Millage	RM
Solid Waste Millage	SM
Special Assessment District	SAD
Vehicle Millage	VM
Water and Sewer Fund	WS

TABLE XIII
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		ADOPTED METHOD OF FUNDING	Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	ADOPTED BUDGET FY 2014-15		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
Road Improvements									
<i>Major Road Improvements</i>									
12 Mile - Asphalt Overlay - Stephenson to Dequindre	2,800,000	0	OCRC	50	50	50	50	50	
<i>Traffic Signal Upgrades</i>									
Traffic Signal Improvements	100,000	30,000	MSF	50	50	50	50	50	
<i>Rehabilitation Programs</i>									
Joint & Crack Sealing - City Wide Major	450,000	75,000	MSF	100	100	100	100	100	
11 Mile Sectional- I-75 to John R	625,000	0	MSF	100	100	100	100	100	
11 Mile Sectional- John R to Dequindre	550,000	0	MSF	100	100	100	100	100	
Sidewalk Replacement & Gap Installation	1,820,000	400,000	SAD	100	100	100	100	100	
13 Mile Sectional - Campbell to Dequindre	475,000	175,000	MSF	100	100	100	100	100	
<i>Commercial and Industrial Road Projects</i>									
Whitcomb Sectional- Barrington to Townley	850,000	100,000	MSF	100	100	100	100	100	
Industrial Sectional - 14 Mile to East Avis	300	0	MSF	0	100	100	100	100	
Dei - 10 Mile to Service Drive	25,000	25,000	LSF	100	100	100	100	100	
Girard - West of Stephenson Highway	25,000	25,000	MSF	100	100	100	100	100	
Barrington - 14 Mile to Whitcomb	400,000	0	MSF	0	0	0	0	100	
E Lincoln - Wolverine to Dequindre	200,000	0	MSF	0	100	100	100	100	
Road Conditions Survey	20,000	20,000	MSF/LSF	0	0	0	0	0	
Whitcomb Sectional - West of Mally	75,000	25,000	LSF	100	100	100	100	100	
Industrial - Edward, Townley	150,000	0	MSF	100	100	100	100	100	
Commerce - Lincoln to Michael	25,000	25,000	LSF	100	100	100	100	100	
Michael/Montpelier/Horace Brown/Edmund/Harlot	405,000	230,000	MSF	300	300	300	300	300	
<i>Equipment Replacement</i>									
2003 Street Sweeper #402	275,000	0	SM	0	0	0	100	100	
2003 Platform Truck #429	150,000	0	GF	100	100	100	100	100	
2003 Tandem Dump Truck #417	240,000	0	GF	0	100	100	100	100	
2003 Tandem Dump Truck #418	240,000	0	VM	100	100	100	100	100	
2002 Stake Truck #415	150,000	0	VM	0	0	0	0	100	
2003 Tandem Dump Truck #419	240,000	0	GF	0	0	100	100	100	
2003 Single Axle Dump #424	180,000	0	SM	0	0	0	100	100	
2003 Backhoe #407	98,000	0	GF	0	0	100	100	100	
2003 Tandem Dump Truck #422	240,000	0	GF	0	0	0	0	100	
2003 Single Axle Dump #425	150,000	0	VM	0	0	0	100	100	
2002 Brush Bandit Chipper #410	80,000	0	SM	0	0	0	100	100	
2006 Super Duty Dump Truck #481	75,000	0	VM	0	0	100	100	100	
2004 Brush Chipper Truck #525	125,000	0	SM	0	0	0	100	100	
2003 Single Axle Dump Truck #426	150,000	0	GF	0	0	0	0	100	
2003 Tandem Dump Truck #433	240,000	0	GF	0	0	0	0	100	
Street Light Conversion - Mercury Vapor to LED	143,000	143,000	GF	0	50	50	50	150	
Total Road Improvements	\$ 11,628,300	\$ 1,130,000		\$ 1,700	\$ 2,050	\$ 2,350	\$ 2,850	\$ 3,450	

Legend:

Advanced Life Support Millage	ALSM
General Fund	GF
Grant Funding	Grant
Local Street Fund	LSF
Major Street Fund	MSF
Oakland County Road Commission	OCRC
Oakland County Parks	OCP
Park Improvement Fund	PIF
Road Millage	RM
Solid Waste Millage	SM
Special Assessment District	SAD
Vehicle Millage	VM
Water and Sewer Fund	WS

TABLE XIII
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		ADOPTED METHOD OF FUNDING	Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	ADOPTED BUDGET FY 2014-15		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
Collection & Distribution System									
<i>Watermains/Meters</i>									
Dartmouth - 11 Mile to Andover	266,000 WS	266,000	WS	0	0	100	100	100	
Barrington - 11 Mile to Andover	173,000 WS	173,000	WS	0	0	100	100	100	
Palmer - LaSalle to Girard	268,000 WS	0	WS	0	0	0	100	100	
Kalama - John R to Alger	128,000 WS	0	WS	0	0	0	100	100	
Brush - 11 Mile to Royal Park Lane	314,000 WS	0	WS	0	0	0	100	100	
Brockton - Alger to Service Drive	198,000 WS	0	WS	0	0	0	0	100	
Dallas - Alger to Service Drive	182,000 WS	0	WS	0	0	0	0	100	
Fourteen Mile - Palmer to John R	165,000 WS	0	WS	0	0	0	0	0	
Harwood - John R to Progress	347,000 WS	0	WS	0	0	0	0	0	
<i>Sewer Projects</i>									
Sewer Rehabilitation/Replacement	2,444,000 WS/Grant	0	WS/Grant	0	0	50	50	50	
<i>Replacements</i>									
2000 GMC W 4500 Van #458	60,000 WS	0	WS	0	0	50	50	50	
2008 Ford F250 3/4 Ton #475	30,000 WS	0	WS	0	50	50	50	50	
<i>Facilities</i>									
DPS Salt Dome Containment System Rehab	270,000 WS	0	WS	0	100	100	100	100	
DPS Garage Air Curtain	40,000 WS	0	WS	0	100	100	100	100	
Total Collection & Distribution System	\$ 4,885,000	\$ 439,000		\$ 0	\$ 250	\$ 550	\$ 850	\$ 1,050	

Legend:

Advanced Life Support Millage	ALSM
Drug Forfeiture	DF
General Fund	GF
Grant Funding	Grant
Library	L
Local Street Fund	LSF
Major Street Fund	MSF
Oakland County Road Commission	OCRC
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CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		ADOPTED METHOD OF FUNDING	Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	ADOPTED BUDGET FY 2014-15		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
Public Safety									
<i>Police</i>									
<i>Fire</i>									
City Bldgs. Fire Detection & Suppression Systems	340,000 GF	150,000 GF		0 300	300 300	300 300	300 300	300 300	
2002 Ambulance Rescue #713	267,000 VM	0 VM		0 0	300 50	300 50	300 50	300 50	
Emergency Operations Center Improvements	60,000 GF/GRANT	0 GF		0 0	0 0	50 0	50 0	50 50	
Extrication/Jaws of Life Replacement	35,000 GF	35,000 GF		0 0	0 0	0 0	0 0	0 0	
2002 Chevy Pickup 3500 #704	35,000 VM	0 VM		0 0	50 0	50 0	50 0	50 50	
2007 Ford F-350 Pickup #702	35,000 GF	0 GF		0 0	0 0	0 0	0 0	0 50	
Lucas Chest Compression System	30,000 GF	0 GF		0 0	0 50	50 50	50 50	50 50	
2009 Ambulance Rescue #711	270,000 GF	0 GF		0 0	0 0	0 0	0 0	100 100	
Total Public Safety	\$ 772,000	\$ 185,000		\$ 0	\$ 650	\$ 700	\$ 700	\$ 750	

Legend:

Advanced Life Support Millage	ALSM
Drug Forfeiture	DF
General Fund	GF
Grant Funding	Grant
Library	L
Local Street Fund	LSF
Major Street Fund	MSF
Oakland County Road Commission	OCRC
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TABLE XIII
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		ADOPTED METHOD OF FUNDING	Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	ADOPTED BUDGET FY 2014-15		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
General Gov't & Economic Dev.									
<i>Civic Center/City Wide</i>									
City Hall On-Site Generator	\$ 110,000 GF	\$ 0	GF	\$ 0	\$ 0	\$ 50	\$ 50	\$ 50	
City Hall North Entrance Canopy	\$ 75,000 GF	0	GF	0	0	0	50	50	
HVAC Improvements	\$ 100,000 GF	50,000	GF	0	0	100	100	100	
City Hall Renovation	\$ 100,000 Grant/GF/WS	100,000	Grant/GF/WS	0	0	0	0	0	
<i>Information Technology</i>									
City Wide Microcomputer Replacements	134,000 GF	19,800	GF	50	50	50	50	50	
City Hall Computer Cabling Upgrade	100,000 WS/GF	0	WS/GF	0	0	0	50	50	
Failover Servers	31,000 GF	25,000	GF	50	50	50	50	50	
Phone System Upgrades	200,000 GF/L/WS	0	GF/L/WS	0	100	100	100	100	
IT Strategic Projects	182,000 GF/L/WS	0	GF/L/WS	100	100	100	100	100	
<i>Economic Development</i>									
Oakland County Brownfield Consortium	60,000 Grant	0	Grant	0	0	0	0	0	
<i>Library</i>									
HVAC Improvements	228,000 L	75,000	L	0	0	0	0	0	
Total Gen. Gov't & Econ. Dev.	\$ 1,320,000	\$ 269,800		\$ 200	\$ 300	\$ 450	\$ 550	\$ 550	

Legend:

Advanced Life Support Millage	ALSM
Drug Forfeiture	DF
General Fund	GF
Grant Funding	Grant
Library	L
Local Street Fund	LSF
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TABLE XIII
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		ADOPTED METHOD OF FUNDING	Estimated Annual Operating Costs (Including Debt Repayment)						
	TOTAL COST/ FUNDING SOURCE	ADOPTED BUDGET FY 2014-15		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19		
Leisure & Human Services										
<i>Park Projects</i>										
Red Oaks - Walk/Bike Connection	\$ 179,000 OCP/Grant	\$ 0	OCP/PIF	\$ 0	\$ 0	\$ 50	\$ 50	\$ 50		
Friendship Woods - Parking Lot Improvements	250,000 OCP/PIF	250,000	OCP/PIF	500	500	500	500	500		
Friendship Woods - 2" Trail Overlay	35,000 OCP/PIF	35,000	OCP/PIF	0	500	500	500	500		
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	50,000 GF	0	GF	0	500	500	500	500		
Civic Center Park - Totscape, New Swings & Soft Fall Surface	50,000 GF	0	GF	0	0	50	50	50		
Huffman Park - Building Furnace Replacement	7,000 GF	0	GF	0	0	50	50	50		
Friendship Woods - Nature Center Roof	30,000 OCP/PIF	0	OCP/PIF	0	0	0	500	500		
Property Acquisition	150,000 Grant/GF	0	Grant/GF	0	0	0	500	500		
Walk/Bike Path Construction	583,000 Grant/GF	0	Grant/GF	0	0	0	0	500		
Ambassador Park Asphalt Pavement	75,000 GF	0	GF	0	0	50	50	50		
Civic & Ambassador Park Trail Overlay	50,000 GF	50,000	GF	0	50	50	50	50		
2002 Ford F250 3/4 Ton #474	29,000 GF	29,000	GF	100	100	100	100	100		
<i>Seniors/Senior Center</i>										
2003 25 Passenger Bus #443	75,000 GF	0	GF	0	0	50	50	50		
2002 Blue Bird Bus #471	200,000 GF	0	GF	0	0	50	50	50		
Close South Senior Center Driveway	100,000 GF	0	GF	0	0	0	0	50		
Total Leisure & Human Services	\$ 1,863,000	\$ 364,000		\$ 600	\$ 1,650	\$ 1,950	\$ 2,950	\$ 3,500		

TOTAL ALL FUNDS

\$ 30,801,300	\$ 5,987,800	\$ 3,500	\$ 9,400	\$ 12,500	\$ 17,900	\$ 19,300
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Legend:

Advanced Life Support Millage	ALSM
Drug Forfeiture	DF
General Fund	GF
Grant Funding	Grant
Library	L
Local Street Fund	LSF
Major Street Fund	MSF
Oakland County Road Commission	OCRC
Oakland County Parks	OCP
Park Improvement Fund	PIF
Road Millage	RM
Solid Waste Millage	SM
Special Assessment District	SAD
Vehicle Millage	VM
Water and Sewer Fund	WS

TABLE XIV
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PROJECTED CAPITAL OUTLAY PURCHASES
GENERAL FUND PROJECT FUNDING
(IN THOUSANDS)

ITEM	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL
ROAD IMPROVEMENTS						
REHABILITATION PROGRAMS						
STREETS						
2003 Tandem Dump Truck #417	0	240	0	0	0	240
2003 Platform Truck #429	0	150	0	0	0	150
2003 Tandem Dump Truck #419	0	0	240	0	0	240
2003 Backhoe #407	0	0	98	0	0	98
2003 Tandem Dump Truck #422	0	0	0	240	0	240
2003 Single Axle Dump Truck #424	0	0	0	180	0	180
2003 Tandem Dump Truck #418	0	240	0	0	0	240
2003 CAT Loader 3 yd #409	0	0	0	0	260	260
FIRE						
City Bldgs. Fire Detection & Suppression Systems	150	115	75	0	0	340
EKG / Defibrillator Replacements (2)	0	0	79	0	0	79
Extrication / Jaws of Life Replacement	35	0	0	0	0	35
Emergency Operations Center Improvements	0	60	0	0	0	60
2007 Ford F350 Pickup #702	0	0	0	35	0	35
2002 Chevy Pickup 3500 #704	0	35	0	0	0	35
Lucas Chest Compression System	0	30	0	0	0	30
2009 Ambulance Rescue #711	0	0	0	0	270	270
2003 Em. Generator F.S. #1	0	0	0	0	70	70
CIVIC CENTER / CITY WIDE						
City Hall On-Site Generator	0	110	0	0	0	110
City Hall North Entrance Canopy	0	0	0	75	0	75
HVAC Improvements	50	50	0	0	0	100
City Hall Renovation Including Wellness Center	100	0	0	0	0	100
INFORMATION TECHNOLOGY						
City Wide Microcomputer Replacements (20)	20	19	19	20	20	98
City Hall Computer Cabling Upgrade	0	0	0	100	0	100
Failover Server	25	0	0	0	0	25
PARK PROJECTS						
Wildwood Park - Playscape Replacement	0	50	0	0	0	50
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	50	0	0	50
Huffman Park - Building Furnace Replacement	0	0	7	0	0	7
Walk/Bike Path Construction	0	0	0	0	292	292
Civic and Ambassador Park Trail Overlay	50	0	0	0	0	50
2002 Ford F250 3/4 Ton #474	29	0	0	0	0	29
SENIORS/SENIOR CENTER						
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
TOTALS	\$ 459	\$ 1,099	\$ 643	\$ 850	\$ 1,012	\$ 4,063

Note: Excludes Solid Waste, Proposal "ALS" and Proposal "V" funded Vehicle purchases. See Tables III and X

TABLE XV
FY 2015-2019 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
City Council	Council		Duo Core	2300	2008					R
City Council	Home-Laptop	C	I5	2600	2013					N
City Council	Home-Laptop	C	I5	2600	2013					N
City Council	Home-Laptop	C	I5	2600	2013					N
City Council	Home-Laptop	C	I5	2600	2013					N
City Council	Home-Laptop	C	I5	2600	2013					N
City Council	Home-Laptop	C	I5	2600	2013					N
City Council	Home-Laptop	C	I5	2600	2013					N
City Council	Home-Laptop	C	I5	2600	2013					N
City Manager	Laptop - Council Meeting	C	I5	8400	2012		N			
City Manager	Exec Assistant	C	I5	2960	2012				N	
City Manager	City Manager	C	Pentium	2300	2011			N		
Assessing	Assessor	C	Pentium	2300	2008	R				
City Clerk	Part Time	C	I3	2400	2013					N
City Clerk	Election/Communicaton Coord.	C	I3	2400	2012			N		
City Clerk	Scan Station	C	Pentium	2800	2005	N				
City Clerk	Laptop	C	I5	2400	2012				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
City Clerk	Election Laptop	C	I3	2400	2013				N	
Personnel	Personnel Assistant	C	I5	2200	2012				N	
Personnel	HR Director	C	I5	8400	2011			N		
Purchasing	Cable	C	Pentium	2800	2006			R		
Finance	Counter		Quad	8400	2010		N			
Finance	Fiscal Ass't I	C	Quad	8400	2011		N			
Finance	Fiscal Ass't II	C	Quad	8400	2011		N			
Finance	Accounting Supervisor	C	Quad	8400	2011		N			
Finance	Accountant	C	Quad	8400	2011		N			
Finance	Fiscal Ass't II	C	Quad	8400	2011		N			
Finance	Fiscal Ass't II	C	Quad	8400	2011		N			
Finance	Director	C	Quad	8400	2010		N			
Finance	Fiscal Ass't II	C	Quad	8400	2011		N			
Finance	Register	C	Quad	8400	2011		N			
Information Tech	Laptop - Spare	C	Duo Core	2800	2012					
Information Tech	Laptop - Spare	C	I7	3200	2013					
Information Tech	Financial Server/AMR	C	Xeon	2400	2010			N		
Information Tech	File Server - Active Directory	C	Pentium	2800	2013					N
Information Tech	MIS Administrator	C	I5	3000	2011			N		
Information Tech	Info. Systems Specialist	C	I5	3000	2011			N		
Information Tech	Imaging File Server	C	Xeon	2400	2013				N	
Information Tech	File Server - Active Directory	C	Xeon	2400	2013				N	
Information Tech	Video Server		Pentium	2400	2003	N				
DPS-Bldg. Maint.	Supervisor	C	I5	3500	2012			N		
Police	Gas Boy		866	2000	2007		R			
Police	Training Officer	C	I5	3500	2012			N		
Police	Imaging	C	Pentium	3000	2006	N				
Police	Special Investigations	C	I5	3500	2012			N		
Police	Special Investigations	C	Pentium	3000	2013				N	
Police	Station Officer	C	Pentium	3000	2013				N	

N=NEW

R=ROTATED

C=CORE COMPUTER

TABLE XV
FY 2015-2019 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Police	DB Office Ass't II	C	I5	3500	2012			N		
Police	Crime Prevention Office		Pentium	1000	2001	N				
Police	DB Lieutenant	C	Pentium	3000	2013				N	
Police	K9	C	Pentium	1000	2001	N				
Police	DB Sergeant	C	I5	3500	2012			N		
Police	DB Sergeant	C	I5	3500	2012			N		
Police	DB Sergeant	C	I5	3500	2012			N		
Police	DB Sergeant	C	I5	3500	2012			N		
Police	Info. System Specialist	C	I5	3500	2012			N		
Police	DB Sergeant	C	I5	3500	2012			N		
Police	Records Office Ass't II	C	I5	3500	2013				N	
Police	1ST Shift Lieutenant	C	I5	3500	2013			N		
Police	2ND Shift Lieutenant	C	I5	3500	2013			N		
Police	3RD Shift Lieutenant	C	I5	3500	2013			N		
Police	Laptop/Training	C	I5	3500	2013			N		
Police	Dispatch Front Desk	C	I5	3500	2013			N		
Police	Deputy Chief	C	I5	3500	2013			N		
Police	Youth Bureau	C	I5	3500	2012			N		
Police	Records	C	I5	3500	2012			N		
Police	Conference Room		Pentium	3000	2005		R			
Police	Admin. Secretary	C	I5	3200	2012			N		
Police	Chief	C	I5	3200	2012			N		
Police	Gun Registration	C	I5	3500	2013					N
Police	Dispatch NWS	C	Pentium	2000	2005	R				
Police	Reserves		Pentium	600	1999	R		R		
Police	Reserves		Pentium	600	1999	R		R		
Police	Reserves		Pentium	300	1997	R		R		
Police	Vehicles (14 Computers)	C	I5	3500	2013					N
Police	Animal Control Desktop	C	I5	3200	2013					N
Fire	Station #2 Report Desk	C	I5	3500	2012				N	
Fire	Inspector Desktop	C	I5	3500	2013					N
Fire	Inspector - Tablet	C	Celeron	1000	2006	N				
Fire	Station #1 Report Desk	C	I3	3500	2012				N	
Fire	Station #1 Watch Desk	C	I3	3500	2013					N
Fire	Office Ass't II	C	I5	3200	2013					N
Fire	Officer Room #1	C	I3	3200	2013					N
Fire	Chief	C	I5	3500	2012				N	
Fire	Training Laptop		Pentium	1800	2007		N			
Fire	Fire Laptop Engine	C	Pentium	1830	2006	N				
Fire	Fire Laptop Engine	C	Pentium	1830	2006	N				
Fire	Fire Laptop Engine	C	Pentium	1830	2006	N				
Fire	Fire Tablet Rescue	C	Pentium	1830	2012				N	
Fire	Fire Tablet Rescue	C	Pentium	1830	2012				N	
Fire	Fire Tablet Rescue	C	Pentium	1830	2012				N	
CDD	Elec. Insp. Tablet	C	I5	3200	2013					N
CDD	Elec. Insp. Desktop	C	I5	3200	2013					N
CDD	Bldg. Insp. Tablet	C	I5	3200	2013					N
CDD	Bldg Insp. Desktop	C	I5	3200	2013					N
CDD	Mechanical Inspector Tablet	C	I5	3200	2013					N
CDD	Mechanical Inspector Desktop	C	I5	3200	2013					N
CDD	Counter	C	I5	3200	2013					N
CDD	Counter	C	I5	3200	2013					N
CDD	Director - Laptop	C	I5	3300	2011			N		
CDD	Imaging	C	Duo Core	2300	2008	N				
CDD	GIS	C	Duo Core	2000	2006					

N=NEW

R=ROTATED

C=CORE COMPUTER

TABLE XV
FY 2015-2019 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
CDD	GIS Technician	C	I5	3300	2012				N	
CDD	GIS Technician Tablet	C	I5	3300	2013				N	
CDD	Contract Inspector Tablet	C	I5	3200	2013				N	
CDD	Contract Inspector Desktop	C	I5	3200	2013				N	
CDD	Microfiche	C	Duo Core	2300	2008		R			
CDD	Office Ass't II	C	I5	3000	2012				N	
CDD	Deputy Director Tablet	C	I5	3200	2013				N	
CDD	Deputy Director Desktop	C	I5	3200	2013				N	
CDD	Admin. Secretary	C	I5	3000	2012				N	
CDD	Code Enforce Tablet	C	I5	3200	2013				N	
CDD	Code Enforce Desktop	C	I5	3200	2013				N	
CDD	Econ. Dev. Coord.	C	I3	2300	2011				N	
CDD	Econ. Dev. Coord. Laptop	C	Pentium	8400	2011			R		
CDD	GIS Server	C	Pentium	2800	2007	N				
CDD	Laptop - GIS Offsite	C	Pentium	2800	2002	R				
CDD	Deputy Field Tablet	C	Pentium	1883	2006					
Fire	911 Mapping GIS	C	Pentium	1883	2006	R				
DPS	DPW Supervisor		I5	3200	2012				N	
DPS-Streets	Streets Coordinator		I5	3200	2012				N	
DPS-Streets	Assistant City Manager	C	I5	3200	2013					N
DPS-Streets	Admin. Secretary	C	I5	8400	2011			N		
DPS-Streets	Laptop	C	Duo Core	2300	2009	N				
DPS-Streets	Equip. Operator 3	C	Pentium	2400	2004			N		
DPS-Recreation	Recreation Coord.		I5	3500	2012				N	
DPS-Recreation	Part Time	C	I5	3500	2012				N	
DPS-Nature Center	Floor		Pentium	233	1997					
DPS-Nature Center	Audio-Visual		Pentium	350	1998					
DPS-Nature Center	Part Time		Pentium	2000	2002					
Seniors	Part Time		I3	2500	2011			N		
Seniors	Office Ass't I	C	I5	3200	2013					N
Seniors	Coordinator	C	I3	2500	2012			N		
Main Library	Backroom East	C	Pentium	866	2000	N				
Main Library	Counter (ELLIS Software)		Pentium	866	2000				R	
Main Library	Adult Public Cat.	C	I5-3470	3200	2013					N
Main Library	Adult Internet - Express	C	Pentium	2800	2005	N				
Main Library	Adult Public	C	Pentium	2800	2006	N				
Main Library	Backroom West - serials	C	I5-3470	3200	2013					N
Main Library	Child Catalog	C	Pentium	2800	2006	N				
Main Library	Counter Side	C	Pentium	2800	2006	N				
Main Library	Adult Public	C	Pentium	2150	2007	N				
Main Library	Children Public	C	Pentium	2150	2007	N				
Main Library	Children Public	C	Pentium	2150	2007	N				
Main Library	Adult Librarian	C	I5-3470	3200	2013				N	
Main Library	Adult Reference	C	I5-3470	3200	2013				N	
Main Library	Adult Reference	C	I5-3470	3200	2013				N	
Main Library	Circulation Ass't	C	I5-3470	3200	2013				N	
Main Library	Counter North	C	I5-3470	3200	2013				N	
Main Library	Counter South	C	I5-3470	3200	2013				N	
Main Library	Library Technician	C	I5-3470	3200	2013				N	
Main Library	Youth Staff	C	I5-3470	3200	2013				N	
Main Library	Adult Internet	C	Pentium	3200	2011		N			
Main Library	Adult Internet	C	Pentium	3200	2011		N			
Main Library	Adult Internet	C	Pentium	3200	2011		N			
Main Library	Adult Internet	C	Pentium	3200	2011		N			
Main Library	Adult Internet	C	Pentium	3200	2011		N			
Main Library	Adult Internet	C	Pentium	3200	2011		N			

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TABLE XV
FY 2015-2019 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Main Library	Child Room Internet	C	Pentium	3200	2011		N			
Main Library	Child Room Internet	C	Pentium	3200	2011		N			
Main Library	Child Room Internet	C	Pentium	3200	2011		N			
Main Library	Child Room Internet	C	Pentium	3200	2011		N			
Main Library	Adult Internet	C	i5-3470	3200	2012			N		
Main Library	Adult Internet	C	i5-3470	3200	2012			N		
Main Library	Adult Internet	C	i5-3470	3200	2012			N		
Main Library	Adult Internet	C	i5-3470	3200	2012			N		
Main Library	Adult Internet	C	i5-3470	3200	2012			N		
Main Library	Adult Internet	C	i5-3470	3200	2012			N		
Main Library	Librarian	C	i5-3470	3200	2012			N		
Main Library	Adult Public Express	C	Pentium	2200	2007			N		
W/S Administration	Water Room	C	Pentium	2000	2002	N		R		
W/S Administration	Coordinator	C	i5	3450	2012			N		
Motor Pool	Laptop		Pentium	500	2000	R		R		R
Motor Pool	Supervisor	C	i5	2300	2013				R	N
Motor Pool	Parts	C	Pentium	2000	2002	N	N		R	
TOTAL					NEW	22	26	34	35	46
					ROTATE	8	3	7	2	3

GIS/A.M. TECHNOLOGICAL PERIPEHRAIS

ITEM	COMPANY	MODEL	YEAR PURCH	DEPT	REPLACE CYCLE LENGTH	YEAR TO REPLACE
Plotter	HP	1055CM	2000-01	CDD	8	2015-16
Plotter	HP	1055CM	2000-01	DPS	N/A	N/A
Printer	OKI	9600	2005-06	DPS	5	N/A
GPS	TRIMBLE	5700	2000-01	CDD	10	2016-17

N=NEW

R=ROTATED

C=CORE COMPUTER

TABLE XVI
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

DEPARTMENT	VEHICLE	VEH #	LAST YEAR PURCH		REPLACE CYCLE	NEXT REPLACED				
			Over \$30K	LENGTH		14-15	15-16	16-17	17-18	18-19
PD-Detective	Ford Taurus	100	2013-14		10					23-24
PD-Radar	Ford Crown Vic	102	2010-11		NF	VM				NF
PD-Radar	Ford Interceptor	103	2012-13		NF					19-20
PD-Patrol	Ford Interceptor	104	2012-13		NF					19-20
PD-Patrol	Ford Crown Vic	105	2010-11		NF	VM				NF
PD-Patrol	Ford Crown Vic	106	2011-12		NF	VM				NF
PD-Patrol	Ford Interceptor	107	2012-13		NF					NF
PD-Patrol	Ford Crown Vic	108	2011-12		NF		GF			19-20
PD-Patrol	Ford Interceptor	109	2012-13		NF				GF	NF
PD-Patrol	Ford Interceptor Utility	110	2013-14		NF					20-21
PD-Patrol	Ford Explorer	111	2009-10		NF	VM				NF
PD-A.I.T.	Ford Crown Vic	112	2011-12		NF			GF		NF
PD-A.I.T.	Ford Crown Vic	113	2013-14		NF					20-21
PD-Patrol Sup.	Ford Explorer	114	2013-14		NF					20-21
PD-Canine Unit	Ford Crown Vic	116	2011-12		NF		GF			16-17
PD-Mtr. Carrier	Chevy Astro Van	117	1999-00		10	VM				24-25
PD-Animal CTL	Chevy G20 Van	119	2011-12	X	9					20-21
PD-Admin	Chevy Impala	121	2013-14		10					23-24
PD-Detective	Pontiac Grand AM	123	2001-02		10	DF				24-25
PD-Admin	Chrysler Sebring	124	2013-14		10		GF			26-27
PD-Detective	Chevrolet Malibu	125	2006-07		10			GF		28-29
PD-Detective	Dodge Stratus	126	2003-04		10			GF		27-28
PD-Detective	Dodge Caravan	133	2006-07		5			GF		22-23
PD-Undercover	Chevy S-10 Pickup	138	2002-03		13		GF			29-30
PD-Reserves Sgt	Ford Crown Vic	140	1999-00		Rotation					Rotation
PD-Reserves	Ford Crown Vic	141	2000-01		Rotation					Rotation
PD-Reserves	Ford Crown Vic	142	2001-02		Rotation					Rotation
PD-Reserves	Ford Crown Vic	143	2002-03		Rotation					Rotation
PD-Reserves	Ford Crown Vic	144	1998-99		Rotation					Rotation
PD-Reserves	Ford Crown Vic	145	1999-00		Rotation					Rotation
PD-Reserves	Dodge Diplomat (Historical)	146	1988-89		N/A					N/A
PD-Reserves	Chevy Impala	147	2005-06		Rotation					Rotation
PD-Patrol	Harley Davidson	160	2006-07		20					26-27
PD-Patrol	Harley Davidson	161	2006-07		20					26-27
PD-Patrol	Peace Keeper A.P.C.	170	2000-01		N/A					N/A
Streets	Wanco Solar Arrow	257	2011-12		20					31-32
Streets	Concrete Drop Hammer	261	1999-00		20					19-20
Parks	Utility Maint. Cart / OCPR	281	1993-94		25			GF		43-44
Parks	Senior/Handicap Transportation Cart	282	1993-94		25			GF		43-44
Sewer	Trailer Air Compressor	300	1996-97		20		WS			36-37
Parks	Toro Snowblower	314	2002-03		20					22-23
Streets	Wanco Solar Arrow	318	2000-01		20	GF				35-36
Motorpool	Clark Fork Lift	320	1997-98	X	30					27-28
Parks	EX-Mark Mower	325	2008-09		7	GF				22-23
Streets	175 CFM Compressor	330	2003-04		15			GF		33-34
Sewer	4 Inch Trash Pump	336	2003-04		15			GF		33-34
Streets	Cement Saw Dimas	339	2005-06		20					25-26
Solid Waste	Leaf Loader Trailer	351	2007-08	X	20					27-28
Solid Waste	Leaf Loader Trailer	352	1999-00	X	20					19-20
Solid Waste	Leaf Loader Trailer	354	2001-02	X	20					21-22

Legend:

Advanced Life Support Millage	ALSM	Oakland County Parks	OCP
Drug Forfeiture Fund	DF	Park Improvement Fund	PIF
General Fund	GF	Road Millage	RM
Grant Funding	Grant	Senior Millage	SR
Local Street Fund	LSF	Solid Waste Millage	SM
Major Street Fund	MSF	Special Assessment District	SAD
New Formula	NF	Vehicle Millage	VM
Oakland County Road Commission	OCRC	Water and Sewer Fund	WS

TABLE XVI
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

DEPARTMENT	VEHICLE	VEH #	LAST PURCH	Over \$30K	REPLACE CYCLE	NEXT					
						14- LENGTH	15- 15	16- 16	17- 17	18- 19	REPLACED
Solid Waste	Leaf Loader Trailer	355	2001-02	X	20						21-22
Solid Waste	Leaf Loader Trailer	357	2007-08	X	20						27-28
Water	Case 60 Trencher	362	1996-97		N/A						N/A
Parks	EX-Mark Mower	363	2011-12		7						GF 25-26
Parks	Polaris ATV	364	2010-11		7						GF 24-25
Parks	EX-Mark Mower	367	2010-11		7						GF 24-25
Parks	EX-Mark Mower	368	2009-10		7						GF 23-24
Streets	Asphalt Roller Vibrator	369	1999-00		15		GF				30-31
Streets	Asphalt Paver Layton	371	1999-00	X	20						19-20
Parks	Toro 580D 16Ft Mower	372	2002-03		15						GF 32-33
Parks	EX-Mark Mower - Narrow	373	2007-08		10						GF 27-28
Streets	Wanco Solar Arrow	374	2008-09		20						28-29
Parks	Trailer	382	2002-03		15						GF 32-33
Solid Waste	Street Sweeper Cross Wind	402	2003-04	X	8						SW 25-26
Streets	4 YD. Loader CAT	404	2003-04	X	17						20-21
Water	3 YD. Loader CAT	405	2003-04	X	16						19-20
Solid Waste	Brush Bandit Chipper	406	2005-06	X	15						20-21
Streets	CAT Backhoe	407	2003-04	X	13						GF 29-30
Solid Waste	Street Sweeper Whirl Wind	408	2011-12	X	8						19-20
Streets	CAT Loader 3 Yrd	409	2003-04	X	15						GF 33-34
Solid Waste	Brush Bandit Chipper	410	2001-02	X	15						SW 31-32
Motor Pool	Chevy Lumina	412	1999-00		12						Rotation
Solid Waste	Pontiac Bonneville	413	2003-04		Rotation		SW				27-28
Streets	Stake Truck Ford	415	2003-04	X	12						GF 30-31
Motor Pool	Crown Victoria (former Police)	416	2004-05		Rotation						Rotation
Streets	Tandem Dump Truck	417	2003-04	X	10		GF				25-26
Streets	Tandem Dump Truck	418	2003-04	X	11		GF				26-27
Streets	Tandem Dump Truck	419	2003-04	X	12						GF 28-29
Streets	Chevy 3/4 Ton Pickup	420	2003-04		11		GF				26-27
Streets	Tandem Dump Truck	422	2003-04	X	13						GF 30-31
Water	Chevy 3/4 Ton Pickup	423	2003-04	X	11			WS			27-28
Solid Waste	Single Axle Dump	424	2003-04	X	12						SW 29-30
Streets	Single Axle Dump	425	2003-04	X	13			VM			29-30
Streets	Single Axle Dump	426	2003-04	X	14						GF 32-33
Streets	Platform Truck	429	2003-04	X	10		GF				25-26
Motorpool	3/4 Ton Pickup	430	1999-00		20						19-20
Streets	One Ton Dump Truck	431	2012-13	X	10						22-23
Streets	Chevy 3/4 Ton Pickup	432	2013-14		9						22-23
Streets	Tandem Dump Truck	433	2003-04	X	14						GF 32-33
Motorpool	Chevy Pickup	434	2006-07		15						21-22
Streets	Van Building Mnt.	435	2012-13		10						22-23
Streets	Chevy 3/4 Ton Pickup W/Plow	436	2003-04		9		GF				25-26
Streets	Chevy 3/4 Ton Pickup	440	2003-04		10		GF				26-27
Senior Citzn.	25 Passenger Bus Ford	443	2003-04	X	12		SR				27-28
Recreation	Chevy Astro Van	444	2002-03		12		GF				26-27
Water	GMC Cargo Van	453	2012-13		10						22-23
Water	3/4 Ton Pickup	454	1998-99		16		WS				31-32
Water	John Deere Backhoe	455	2005-06	X	13						WS 31-32
Streets	Ford F250 3/4 Ton Pickup	457	2007-08		10						GF 27-28
Water	GMC W 4500 Van	458	2002-03	X	10		WS				25-26
Sewer	Ford 3/4 Ton Pickup	460	2009-10		10						19-20

Legend:

Advanced Life Support Millage	ALSM	Oakland County Parks	OCP
Drug Forfeiture Fund	DF	Park Improvement Fund	PIF
General Fund	GF	Road Millage	RM
Grant Funding	Grant	Senior Millage	SR
Local Street Fund	LSF	Solid Waste Millage	SM
Major Street Fund	MSF	Special Assessment District	SAD
New Formula	NF	Vehicle Millage	VM
Oakland County Road Commission	OCRC	Water and Sewer Fund	WS

TABLE XVI
FY 2015-19 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

DEPARTMENT	VEHICLE	#	LAST YEAR PURCH	Over \$30K	REPLACE CYCLE							NEXT REPLACED
						14-	15-	16-	17-	18-	19	
Sewer	GMC Cargo Van	461	2012-13		10							22-23
Sewer	One Ton Dump Truck	462	2011-12	X	13							24-25
Sewer	GMC Pickup	463	2013-14		10							23-24
Water	Tandem Axle Dump	464	2013-14	X	13							26-27
Sewer	Sterling Vactor (Reconditioned)	465	2012-13		10							22-23
Sewer	Sewer T.V. Trailer	466	2008-09	X	20							28-29
Sewer	Ford Vactor	468	1997-98	X	N/A							N/A
Senior Citzn.	Ford Van	469	2009-10		10							19-20
Senior Citzn.	Blue Bird Bus	471	2001-02	X	15			SR				31-32
Parks	GMC 4X4 Pickup	473	2003-04		10		GF					24-25
Parks	GMC 4X4 Pickup	474	2001-02	X	10	GF						24-25
Water	Ford F250 3/4 Ton Pickup	475	2007-08	X	10				WS			27-28
Parks	Chevy S-10 Pickup	477	2012-13		7							19-20
Solid Waste	Ford Single Axle Dump Truck	479	2013-14	X	7							20-21
Senior Citzn.	GMC Rally Van	480	1995-96		10		SR					25-26
Streets	Super Duty Dump Truck	481	2005-06	X	10			VM				26-27
Senior Citzn.	GMC Van	482	2012-13		10							22-23
CDD Inspec.	Ford Ranger Pickup	483	2010-11		7			GF				24-25
Parks	Chevy Colorado Pickup	484	2008-09		10				GF			28-29
Parks	Chevy Pickup 4 x 4	485	2012-13		10							22-23
Parks	Volvo Loader	488	2003-04	X	17							20-21
Parks	Tractor Mower	489	1968-69		N/A							N/A
CDD Inspec.	Chevy Colorado Pickup	492	2007-08		7		GF					23-24
CDD Supervis.	Chevrolet Trail Blazer	493	2005-06		10		GF					25-26
CDD Inspec.	GMC Express Van 3500	494	2013-14		7							20-21
CDD Inspec.	Ford Ranger Pickup	496	2011-12		7				GF			25-26
CDD ED /Sup.	Pontiac Grand AM	500	2002-03		10	GF						24-25
Solid Waste	GMC Pickup	513	1996-97		Rotation							Rotation
Solid Waste	Brush Chipper Truck	525	2003-04	X	13				SW			30-31
Senior Citzn.	Smart Bus	530	2006-07	X	N/A							N/A
Motor Pool	Em. Gen. Fire Station #1	550	2003-04	X	15				GF			33-34
Motor Pool	Em. Gen. Police	551	2005-06	X	15							20-21
Motor Pool	Em.Gen. DPS	552	2005-06	X	15							20-21
Motor Pool	Em. Gen. Fire Station #2	553	2005-06	X	15							20-21
Motor Pool	Em. Gen. Portable-1 / 1986 Trailer	554	1974-75		N/A							N/A
Motor Pool	Em. Gen. Portable-2	555	2004-05	X	15							19-20
Fire	Chevy Trail Blazer	700	2007-08		7	VM						22-23
Fire	Chevy Blazer	701	2013-14		7							20-21
Fire	Ford F350 Pickup	702	2007-08	X	10				GF			27-28
Fire	Chevy Pickup 3500	704	2001-02	X	10	VM						25-26
Fire	Ambulance Rescue Truck	710	2011-12	X	9							20-21
Fire	Ambulance Rescue Truck	711	2009-10	X	9				GF			27-28
Fire	Ambulance Rescue Truck (Backup)	713	2013-14	X	9							22-23
Fire	Pumper Pierce	721	2003-04	X	20							23-24
Fire	Pumper Pierce	722	2002-03	X	20							22-23
Fire	Pumper Pierce	723	2006-07	X	20							26-27
Fire	Aerial Ladder E-One	730	1997-98	X	25							22-23
Fire	Hazmat Trailer	740	2006-07	X	15							21-22
Fire	Technical Rescue Trailer	741	2001-02	X	25							26-27
GRAND TOTAL								5	21	15	16	18

Legend:

Advanced Life Support Millage	ALSM	Oakland County Parks	OCP
Drug Forfeiture Fund	DF	Park Improvement Fund	PIF
General Fund	GF	Road Millage	RM
Grant Funding	Grant	Senior Millage	SR
Local Street Fund	LSF	Solid Waste Millage	SM
Major Street Fund	MSF	Special Assessment District	SAD
New Formula	NF	Vehicle Millage	VM
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**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2012-13**

<u>General Fund</u>	FY 2012-13						<u>FY 2012-13</u>
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD	Amended Budget	
Revenues							
Property Taxes	\$ 16,653,593	\$ -	\$ -	\$ -	\$ -	\$ 16,653,593	
Licenses	660,075	-		54,900	-	714,975	
Intergovernmental Revenue							
Federal	50,000	-	-	16,000	-	66,000	
State	2,607,047	-	-	103,700	-	2,710,747	
County	38,500	-	-	-	-	38,500	
Payment in Lieu of Taxes	33,800	-	-	-	-	33,800	
SMART-Mass Transit	64,720	-	-	-	-	64,720	
Court Revenues	1,903,000	-	-	-	-	1,903,000	
Charges for Services	237,051	-	-	-	-	237,051	
Sales - Miscellaneous	14,600	-	-	-	-	14,600	
Recreation Program Revenues	249,546	-	-	-	-	249,546	
Miscellaneous Revenues	1,345,430	-	-	-	-	1,345,430	
Sale of Fixed Assets	30,000	-	-	-	-	30,000	
Departmental Charges	985,435	-	-	-	-	985,435	
Transfers	105,742	-	-	-	-	105,742	
(Contr. To)/Use of Fund Balance	2,276,500	391,515	15,000	-	(785,165)	1,897,850	
Total Revenues	\$ 27,255,039	\$ 391,515	\$ 15,000	\$ 174,600	\$ (785,165)	\$ 27,050,989	
Expenditures							
Mayor & Council	\$ 53,456	\$ -	\$ -	\$ -	\$ -	\$ 53,456	
District Court	1,330,523	-	-	-	-	1,330,523	
City Manager	298,106	-	-	18,750	-	316,856	
Election	29,665	-	15,000	11,600	(3,650)	52,615	
City Assessor's Office	245,101	-	-	-	-	245,101	
Legal	267,410	-	-	38,810	-	306,220	
City Clerk	202,778	-	-	16,550	-	219,328	
Human Resources	228,827	-	-	-	-	228,827	
Board of Review	3,375	-	-	-	-	3,375	
General Administration	1,555,338	-	-	-	(40,000)	1,515,338	
Finance	811,050	-	-	22,380	-	833,430	
Information Technology	261,403	-	-	5,980	-	267,383	
DPS-Municipal Building	78,910	-	-	-	-	78,910	
DPS-Custodial & Maintenance	221,839	-	-	-	-	221,839	
Police	8,751,213	-	-	99,600	-	8,850,813	
Fire	4,484,935	360,515	-	31,700	(342,515)	4,534,635	
Community Development	916,892	26,000	-	-	-	942,892	
DPS-Streets	1,255,604	-	-	-	(312,000)	943,604	
DPS-Solid Waste	1,927,986	-	-	-	-	1,927,986	
DPS-Recreation	150,380	-	-	-	-	150,380	
DPS-Youth Center	-	-	-	-	-	-	
DPS-Nature Center	8,175	-	-	-	-	8,175	
DPS-Parks	507,181	-	-	-	(15,000)	492,181	
DPS-Senior Citizens	471,136	-	-	44,400	(72,000)	443,536	
Library	585,563	5,000	-	24,830	-	615,393	
Insurance, Bonds & Transfers	2,608,193	-	-	(140,000)	-	2,468,193	
Total Expenditures	\$ 27,255,039	\$ 391,515	\$ 15,000	\$ 174,600	\$ (785,165)	\$ 27,050,989	

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2012-13**

Major Streets	FY 2012-13		1/14/2013		6/24/2013		FY 2012-13	
	Adopted Budget	FY 2011-12 Carryforward	AMENDED	AMENDED	CARRYFORWARD	Amended Budget		
Revenues								
Intergovernmental								
State Gas & Weight Tax	\$ 1,166,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,166,080	\$ -
Other Governmental Revenues	-	-	-	-	-	-	-	-
County	73,473	-	-	-	-	-	73,473	-
Miscellaneous	250	-	-	-	-	-	250	-
Transfers	2,069,000	-	-	-	-	-	2,069,000	-
(Contr. To)/Use of Fund Balance	(53,776)	17,500	87,500	17,500	(690,000)	(621,276)		
	\$ 3,255,027	\$ 17,500	\$ 87,500	\$ 17,500	\$ (690,000)	\$ 2,687,527		

Expenditures

	FY 2012-13	1/14/2013	6/24/2013	FY 2012-13
	Adopted Budget	FY 2011-12 Carryforward	AMENDED	Amended Budget
Revenues				
Construction	\$ 2,269,000	\$ 17,500	\$ 87,500	\$ (665,000)
Maintenance	208,914	-	-	-
Traffic Services	203,618	-	-	-
Winter Maintenance	220,566	-	(25,000)	-
Administration	37,187	-	-	-
County Roads	140,742	-	-	-
Transfers	175,000	-	25,000	(25,000)
Total Expenditures	\$ 3,255,027	\$ 17,500	\$ 87,500	\$ (690,000)
	\$ 3,255,027	\$ 17,500	\$ 87,500	\$ 2,687,527

Local Streets

	FY 2012-13		1/14/2013		6/24/2013		FY 2012-13	
	Adopted Budget	FY 2011-12 Carryforward	AMENDED	AMENDED	CARRYFORWARD	Amended Budget		
Revenues								
Intergovernmental								
Property Taxes	\$ 1,534,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,534,417	\$ -
State Gas & Weight Tax	441,562	-	-	-	-	-	441,562	-
Miscellaneous	33,218	-	-	-	-	-	33,218	-
Transfers	344,115	-	-	-	-	-	344,115	-
(Contr. To)/Use of Fund Balance	818,541	98,110	34,280	-	(35,000)	(35,000)	915,931	-
Total Revenues	\$ 3,171,853	\$ 98,110	\$ 34,280	\$ -	\$ (35,000)	\$ (35,000)	\$ 3,269,243	

Expenditures

	FY 2012-13	1/14/2013	6/24/2013	FY 2012-13
	Adopted Budget	FY 2011-12 Carryforward	AMENDED	Amended Budget
Revenues				
Construction	\$ 2,538,000	\$ 98,110	\$ -	\$ (35,000)
Maintenance	367,703	-	34,280	-
Traffic Services	126,303	-	-	-
Winter Maintenance	84,009	-	-	-
Administration	35,838	-	-	-
Transfers	20,000	-	-	-
Total Expenditures	\$ 3,171,853	\$ 98,110	\$ 34,280	\$ (35,000)
	\$ 3,171,853	\$ 98,110	\$ 34,280	\$ 3,269,243

CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2012-13

Parks Maintenance & Improvement Fund	FY 2012-13			FY 2012-13			FY 2012-13 Amended Budget
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD		
Revenues							
Miscellaneous (Contr. To) Use of Fund Balance	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,000
	48,645	-	-	-	-	-	48,645
Total Revenues	\$ 64,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,645
Expenditures							
Parks Maintenance & Improvement	\$ 64,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,645
Transfers	-	-	-	-	-	-	-
Total Expenditures	\$ 64,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,645
Downtown Development Authority	FY 2012-13			FY 2012-13			FY 2012-13 Amended Budget
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD		
Revenues							
Property Taxes	\$ 86,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,169
Miscellaneous (Contr. To) Use of Fund Balance	-	-	-	-	-	-	-
	(9,000)	-	-	-	-	-	(9,000)
Total Revenues	\$ 77,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,169
Expenditures							
Downtown Development	\$ 21,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,581
Transfers	55,588	-	-	-	-	-	55,588
Total Expenditures	\$ 77,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,169
Drug Forfeiture Fund	FY 2012-13			FY 2012-13			FY 2012-13 Amended Budget
	Adopted Budget	FY 2011-13 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD		
Revenues							
Drug Forfeitures	\$ 55,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,500
Miscellaneous (Contr. To) Use of Fund Balance	-	-	-	-	-	-	-
	4,400	-	-	5,213	-	-	9,613
Total Revenues	\$ 59,900	\$ -	\$ -	\$ 5,213	\$ -	\$ -	\$ 65,113
Expenditures							
Drug Forfeiture - State	\$ 59,900	\$ -	\$ -	\$ 5,213	\$ -	\$ -	\$ 65,113
Drug Forfeiture - Federal	-	-	-	-	-	-	-
Total Expenditures	\$ 59,900	\$ -	\$ -	\$ 5,213	\$ -	\$ -	\$ 65,113

See Exhibit A For Explanation of Amendments

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2012-13**

Disabled Housing Vouchers		FY 2012-13			FY 2012-13		
		Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD	Amended Budget
<u>Revenues</u>							
Voucher Program	\$	-	\$	-	\$	262,056	\$
Miscellaneous		-		-		-	-
(Contr. To)/Use of Fund Balance		-		-		-	-
Total Revenues	\$	-	\$	-	\$	262,056	\$
<u>Expenditures</u>							
Community Development	\$	-	\$	-	\$	236,872	\$
Transfers to Housing		-		-		25,184	
Total Expenditures	\$	-	\$	-	\$	262,056	\$
Housing Commission		FY 2012-13			FY 2012-13		
		Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD	Amended Budget
<u>Revenues</u>							
Voucher Program	\$	1,262,916	\$	-	\$	(236,872)	\$
Miscellaneous		17,000		-		-	
Transfers		-		-		(25,184)	
(Contr. To)/Use of Fund Balance		589,831		-		-	
Total Revenues	\$	1,869,747	\$	-	\$	(262,056)	\$
<u>Expenditures</u>							
Housing	\$	1,869,747	\$	-	\$	(262,056)	\$
Total Expenditures	\$	1,869,747	\$	-	\$	(262,056)	\$
Community Improvement		FY 2012-13			FY 2012-13		
		Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD	Amended Budget
<u>Revenues</u>							
County Block Grant	\$	111,859	\$	-	\$	-	\$
Miscellaneous Revenue		1,000		-		-	
(Contr. To)/Use of Fund Balance		-		-		-	
Total Revenues	\$	112,859	\$	-	\$	-	\$
<u>Expenditures</u>							
County Block Grant	\$	112,859	\$	-	\$	-	\$
Transfers		-		-		-	
Total Expenditures	\$	112,859	\$	-	\$	-	\$
Neighborhood Stabilization		FY 2012-13			FY 2012-13		
		Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD	Amended Budget
<u>Revenues</u>							
Neighborhood Stabilization Funds	\$	-	\$	-	\$	-	\$
Total Revenues	\$	-	\$	-	\$	-	\$
<u>Expenditures</u>							
Personnel Services	\$	-	\$	-	\$	-	\$
Contractual Services		-		-		-	
Total Expenditures	\$	-	\$	-	\$	-	\$

See Exhibit A For Explanation of Amendments

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2012-13**

Fire Manning Grant	FY 2012-13						FY 2012-13 Amended Budget
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD		
Revenues							
Federal Fire Manning Grant (SAFER)	\$ 119,506	\$ -	\$ -	\$ 38,890	\$ -	\$ -	\$ 158,396
Miscellaneous Revenue	-	-	-	-	-	-	-
(Contr. To)/Use of Fund Balance	-	-	-	-	-	-	-
Total Revenues	\$ 119,506	\$ -	\$ -	\$ 38,890	\$ -	\$ -	\$ 158,396
Expenditures							
Personnel Services	\$ 119,506	\$ -	\$ -	\$ 38,890	\$ -	\$ -	\$ 158,396
Contractual Services	-	-	-	-	-	-	-
Total Expenditures	\$ 119,506	\$ -	\$ -	\$ 38,890	\$ -	\$ -	\$ 158,396
SAD Revolving Fund	FY 2012-13						FY 2012-13 Amended Budget
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD		
Revenues							
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	5,000	-	-	-	-	-	5,000
Special Assessment Revenue	325,700	-	-	-	-	-	325,700
Transfers	20,000	-	-	-	-	-	20,000
(Contr. To)/Use of Fund Balance	166,215	-	89,000	-	-	-	255,215
Total Revenues	\$ 516,915	\$ -	\$ 89,000	\$ -	\$ -	\$ -	\$ 605,915
Expenditures							
Construction/Other Charges	\$ 422,800	\$ -	\$ 89,000	\$ -	\$ -	\$ -	\$ 511,800
Transfers	94,115	-	-	-	-	-	94,115
Total Expenditures	\$ 516,915	\$ -	\$ 89,000	\$ -	\$ -	\$ -	\$ 605,915
Fire Stations Debt Service	FY 2012-13						FY 2012-13 Amended Budget
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD		
Revenues							
Property Taxes	\$ 422,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422,758
Interest Earned	-	-	-	-	-	-	-
Transfers in from General Fund	-	-	-	-	-	-	-
(Contr. To)/Use of Fund Balance	-	-	37,700	-	-	-	37,700
Total Revenues	\$ 422,758	\$ -	\$ 37,700	\$ -	\$ -	\$ -	\$ 460,458
Expenditures							
Debt Service	\$ 422,758	\$ -	\$ 37,700	\$ -	\$ -	\$ -	\$ 460,458
Total Expenditures	\$ 422,758	\$ -	\$ 37,700	\$ -	\$ -	\$ -	\$ 460,458

See Exhibit A For Explanation of Amendments

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2012-13**

Fire Station	FY 2012-13					FY 2012-13
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD	
Revenues						
Interest Earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Contr. To)/Use of Fund Balance		1,000		18,940		19,940
Total Revenues	\$ 1,000	\$ -	\$ 18,940	\$ -	\$ -	\$ 19,940
Expenditures						
Audit Fees	\$ 1,000	\$ -	\$ 758	\$ -	\$ -	\$ 1,758
Contractual Services		-		18,182		18,182
Equipment	-	-	-	-	-	-
Improvements	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Site Improvements	-	-	-	-	-	-
Demolition/Redevelopment	-	-	-	-	-	-
Total Expenditures	\$ 1,000	\$ -	\$ 18,940	\$ -	\$ -	\$ 19,940
Water & Sewer Fund						
Revenues	FY 2012-13					FY 2012-13
	Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED	CARRYFORWARD	
Sales of Water	\$ 4,862,438	\$ -	\$ -	\$ 36,717	\$ -	\$ 4,899,155
Sales of Sewer	6,050,164	-	-	-	-	6,050,164
Miscellaneous	39,000	-	-	-	-	39,000
Sale of Fixed Assets	-	-	-	-	-	-
Department Charges	29,550	-	-	-	-	29,550
Transfers	-	-	-	-	-	-
(Contr. To)/Use of Fund Balance	-	-	618,000	-	(240,000)	378,000
Total Revenues	\$ 10,981,152	\$ -	\$ 618,000	\$ 36,717	\$ (240,000)	\$ 11,395,869
Expenditures						
Water Purchased	\$ 1,983,795	\$ -	\$ -	\$ -	\$ -	\$ 1,983,795
Water System Maintenance	605,178	-	-	-	-	605,178
Water Tapping & Installation	9,000	-	-	-	-	9,000
Water Depreciation	257,323	-	-	-	-	257,323
Sewage Disposal	4,122,979	-	-	-	-	4,122,979
Sewer System Maintenance	434,373	-	-	-	-	434,373
Sewer Depreciation	390,691	-	-	-	-	390,691
General Service Building	217,435	-	-	26,682	-	244,117
General Administration	1,146,489	-	-	8,635	-	1,155,124
Capital Outlay	790,000	-	618,000	-	(240,000)	1,168,000
Debt Administration	1,023,889	-	-	1,400	-	1,025,289
Total Expenditures	\$ 10,981,152	\$ -	\$ 618,000	\$ 36,717	\$ (240,000)	\$ 11,395,869

See Exhibit A For Explanation of Amendments

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2012-13**

<u>Motor Pool and Equipment Fund</u>	FY 2012-13 Adopted Budget	FY 2011-12 Carryforward	1/14/2013 AMENDED	6/24/2013 AMENDED CARRYFORWARD	FY 2012-13 Amended Budget
<u>Revenues</u>					
Contributions - General Fund	\$ 1,039,295	\$ -	\$ -	\$ -	\$ 1,039,295
Contributions - Water/Sewer	-	-	-	-	-
Fund Balance	-	-	-	-	-
Total Revenues	\$ 1,039,295	\$ -	\$ -	\$ -	\$ 1,039,295
<u>Expenditures</u>					
Motorpool	\$ 1,039,295	\$ -	\$ -	\$ -	\$ 1,039,295
Total Expenditures	\$ 1,039,295	\$ -	\$ -	\$ -	\$ 1,039,295
Total Other Funds	21,691.826	115,610	885,420	98,320	(965,000)
Total General and Other Funds	\$ 48,946,865	\$ 507,125	\$ 900,420	\$ 272,920	\$ (1,750,165)
					\$ 48,877,165

EXHIBIT A
City of Madison Heights
Explanation of Budget Amendments FY 2012-13
June 24, 2013

General Fund Revenues

(101)	Explanation	Amount	Account Number
License and Permits	Construction Permits	<u>54,900</u>	54,900 101-017-4771-000
Federal Revenues	Medicare Subsidy Part D Reimbursement	<u>16,000</u>	16,000 101-021-5457-000
State Revenues	State Shared Revenues - EVIP	<u>103,700</u>	103,700 101-023-5753-000
		<u><u>\$ 174,600</u></u>	

General Fund

Expenditures (101)	Explanation	Amount	Account Number
City Manager	MERS Department Head Pension - change from percentage to flat rate	\$ <u>14,500</u>	101-172-7100-010
	Hospitalization	<u>4,250</u>	<u>18,750</u> 101-172-7100-002
Elections	Part-time Wages - Madison School Election & E-Poll Book Train	<u>8,500</u>	101-191-7070-000
	Overtime- Madison School Election and Training	<u>1,900</u>	101-191-7090-000
	Retiree Health Care Contribution	<u>1,200</u>	<u>11,600</u> 101-191-7100-050
Legal	Legal Fees - Labor	<u>38,810</u>	38,810 101-210-8263-000
Clerk	MERS Department Head Pension - change from percentage to flat rate	<u>16,550</u>	16,550 101-215-7100-010
Finance	Hospitalization	<u>22,380</u>	<u>22,380</u> 101-253-7100-002
Information Technology	MERS Department Head Pension - change from percentage to flat rate	<u>5,980</u>	<u>5,980</u> 101-248-7100-010
Police	Energy Grant Early Payback to receive discount	<u>99,600</u>	<u>99,600</u> 101-301-9230-000
Fire	Energy Grant Early Payback to receive discount	<u>31,700</u>	<u>31,700</u> 101-336-9230-000
Senior Citizens	Energy Grant Early Payback to receive discount	<u>44,400</u>	<u>44,400</u> 101-758-9230-000
Library	MERS Department Head Pension - change from percentage to flat rate	<u>17,930</u>	<u>17,930</u> 101-790-7100-010
	Energy Grant Early Payback to receive discount	<u>6,900</u>	<u>24,830</u> 101-790-9230-000
Insurance	Insurance - MMRMA Distribution	<u>(140,000)</u>	<u>(140,000)</u> 101-851-9100-000
		<u><u>\$ 174,600</u></u>	

Major Streets Revenues

(202)	Explanation	Amount	Account Number
Use of Fund Balance	Use of Fund Balance	<u>17,500</u>	<u>17,500</u> 202-053-6970-000
		<u><u>\$ 17,500</u></u>	

Major Streets

Expenditures (202)	Explanation	Amount	Account Number
Construction	Sectional Concrete Replacement - Commercial and Industrial	\$ <u>17,500</u>	\$ 17,500 202-451-9880-436
Winter Maintenance	Road Maintenance - Salt Savings	<u>(25,000)</u>	<u>(25,000)</u> 202-478-7820-000
Transfers	Transfer to Local Streets - Andover Sectional Repair	<u>25,000</u>	<u>25,000</u> 202-965-9992-000
		<u><u>\$ 17,500</u></u>	

Drug Forfeiture Fund	Explanation	Amount	Account Number
Use of Fund Balance	Use of Fund Balance	\$ 5,213	\$ 5,213 264-053-6970-000
		<u><u>\$ 5,213</u></u>	
Drug Forfeiture Fund	Explanation	Amount	Account Number
Forfeiture - State	Contractual Services - State	\$ 5,213	\$ 5,213 264-301-8180-039
		<u><u>\$ 5,213</u></u>	
Fire Manning Grant Revenues	Explanation	Amount	Account Number
Federal	Fire Manning Grant (SAFER) Revenues through March 2013	\$ 38,890	\$ 38,890 288-021-5254-000
		<u><u>\$ 38,890</u></u>	
Fire Manning Grant Expenditures	Explanation	Amount	Account Number
Fire	Wages through March 2013	\$ 38,890	\$ 38,890 288-336-7060-000
		<u><u>\$ 38,890</u></u>	
Water and Sewer Revenues	Explanation	Amount	Account Number
Sale of Water	Residential Water Sales	\$ 36,717	\$ 36,717 590-010-6430-000
		<u><u>\$ 36,717</u></u>	
Water and Sewer Expenditures	Explanation	Amount	Account Number
General Service building	Energy Grant Early Payback to receive discount	<u>26,682</u>	\$ 26,682 590-565-9230-000
General Administration	Energy Grant Early Payback to receive discount	\$ 8,635	8,635 590-590-8180-049
Debt Administration	Bond Interest - GWK	\$ 1,400	1,400 590-916-9990-000
		<u><u>\$ 36,717</u></u>	

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2013-14**

General Fund (101)	FY 2013-14		FY 2013-14	
	<u>Adopted</u> <u>Budget</u>	<u>2012-13</u> <u>Carry forward</u>	<u>Amended</u> <u>Budget</u>	
Revenues				
Property Taxes	\$ 15,612,327	\$ -	\$ 15,612,327	
Licenses & Permits	760,350	-	760,350	
Intergovernmental Revenue				
Federal	216,000	-	216,000	
State	2,810,521	-	2,810,521	
County	40,000	-	40,000	
Payment in Lieu of Taxes	33,800	-	33,800	
SMART-Mass Transit	64,720	-	64,720	
Court Revenues	1,820,998	-	1,820,998	
Charges for Services	247,900	-	247,900	
Sales - Miscellaneous	13,500	-	13,500	
Recreation Programs	205,343	-	205,343	
Miscellaneous Revenues	1,371,310	-	1,371,310	
Sale of Fixed Assets	27,500	-	27,500	
Department Charges	985,435	-	985,435	
Transfers	61,300	-	61,300	
(Contr. To)/Use of Fund Balance	179,500	785,165	964,665	
Total Revenue	\$ 24,450,504	\$ 785,165	\$ 25,235,669	
Expenditures				
Mayor & Council	\$ 53,422	\$ -	\$ 53,422	
District Court	1,468,096	-	1,468,096	
City Manager	326,055	-	326,055	
Election	39,797	3,650	43,447	
City Assessor's Office	245,173	-	245,173	
Legal	290,995	-	290,995	
City Clerk's Office	316,613	-	316,613	
Human Resources	255,000	-	255,000	
Board of Review	3,373	-	3,373	
General Administration	263,764	40,000	303,764	
Finance	945,843	-	945,843	
Information Technology	285,604	-	285,604	
DPS-Municipal Building	60,943	-	60,943	
DPS-Custodial & Maintenance	198,040	-	198,040	
Police	8,424,364	-	8,424,364	
Fire	5,017,249	342,515	5,359,764	
Community Development	1,114,120	-	1,114,120	
DPS-Streets	946,066	312,000	1,258,066	
DPS-Solid Waste	2,115,532	-	2,115,532	
DPS-Recreation	110,574	-	110,574	
DPS-Youth Center	-	-	-	
DPS-Nature Center	8,175	-	8,175	
DPS-Parks	465,118	15,000	480,118	
DPS-Senior Citizens	323,785	72,000	395,785	
Library	807,010	-	807,010	
Insurance, Bonds & Transfers	365,791	-	365,791	
Total Expenditures	\$ 24,450,502	\$ 785,165	\$ 25,235,667	

Major Street (202)	FY 2013-14		FY 2013-14	
	Adopted	2012-13	Amended	
	<u>Budget</u>	<u>Carry forward</u>	<u>Budget</u>	
Revenues				
Intergovernmental				
State Gas & Weight Tax	\$ 1,221,734	\$ -	\$ 1,221,734	
County	63,263	-	63,263	
Miscellaneous	4,500	-	4,500	
Transfers	-	-	-	
(Contr. To)/Use of Fund Balance	564,730	690,000	1,254,730	
Total Revenues	\$ 1,854,227	\$ 690,000	\$ 2,544,227	
Expenditures				
Construction	\$ 935,000	\$ 690,000	\$ 1,625,000	
Maintenance	225,468	-	225,468	
Traffic Services	191,721	-	191,721	
Winter Maintenance	230,706	-	230,706	
Administration	40,223	-	40,223	
County Roads	151,109	-	151,109	
Transfers	80,000	-	80,000	
Total Expenditures	\$ 1,854,227	\$ 690,000	\$ 2,544,227	
Local Street (203)	FY 2013-14		FY 2013-14	
Revenues	Adopted	2012-13	Amended	
	<u>Budget</u>	<u>Carry forward</u>	<u>Budget</u>	
Intergovernmental				
Property Taxes	\$ 1,439,494	\$ -	\$ 1,439,494	
State Gas & Weight Tax	479,832	-	479,832	
Miscellaneous	28,450	-	28,450	
Transfers	211,499	-	211,499	
(Contr. To)/Use of Fund Balance	769,075	35,000	804,075	
Total Revenues	\$ 2,928,350	\$ 35,000	\$ 2,963,350	
Expenditures				
Construction	\$ 2,267,000	\$ 35,000	\$ 2,302,000	
Maintenance	397,269	-	397,269	
Traffic Services	135,621	-	135,621	
Winter Maintenance	90,560	-	90,560	
Administration	37,900	-	37,900	
Transfers Out	-	-	-	
Total Expenditures	\$ 2,928,350	\$ 35,000	\$ 2,963,350	

Parks Maintenance & Improvement Fund (208)		FY 2013-14		FY 2013-14	
		Adopted Budget	2012-13 Carry forward	Amended Budget	
Miscellaneous		\$ 12,522	\$ -	\$ 12,522	
(Contr. To)/Use of Fund Balance		18,822	-	18,822	
Total Revenues		\$ 31,344	\$ -	\$ 31,344	
 Expenditures					
Maintenance		\$ 31,344	\$ -	\$ 31,344	
Transfers		-	-	-	
Total Expenditures		\$ 31,344	\$ -	\$ 31,344	
 Downtown Development Authority (248)					
		FY 2013-14		FY 2013-14	
		Adopted Budget	2012-13 Carry forward	Amended Budget	
Property Taxes		\$ 45,080	\$ -	\$ 45,080	
Total Revenues		\$ 45,080	\$ -	\$ 45,080	
 Expenditures					
Downtown Development		\$ 8,780	\$ -	\$ 8,780	
Transfer Out		36,300	-	36,300	
Total Expenditures		\$ 45,080	\$ -	\$ 45,080	
 Drug Forfeiture Fund (264)					
		FY 2013-14		FY 2013-14	
		Adopted Budget	2012-13 Carry forward	Amended Budget	
Drug Forfeitures		\$ 86,325	\$ -	\$ 86,325	
Total Revenues		\$ 86,325	\$ -	\$ 86,325	
 Expenditures					
Drug Forfeitures		\$ 86,325	\$ -	\$ 86,325	
Total Expenditures		\$ 86,325	\$ -	\$ 86,325	
 Community Improvement Block Grant (276)					
		FY 2013-14		FY 2013-14	
		Adopted Budget	2012-13 Carry forward	Amended Budget	
Revenues					
County Block Grant		\$ 111,859	\$ -	\$ 111,859	
Miscellaneous Revenues		7,978	-	7,978	
Total Revenues		\$ 119,837	\$ -	\$ 119,837	
 Expenditures					
County Block Grant		\$ 119,837	\$ -	\$ 119,837	
Transfers		-	-	-	
Total Expenditures		\$ 119,837	\$ -	\$ 119,837	

Special Assessment Revolving Fund (297)		FY 2013-14		FY 2013-14	
		Adopted Budget	2012-13 Carry forward	Amended Budget	
Revenues					
Interest	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000
Special Assessment Revenue	597,623	-	-	597,623	
Transfers	20,000	-	-	20,000	
(Contr. To)/Use of Fund Balance	(12,806)	-	-	(12,806)	
Total Revenues	\$ 609,817	\$ -	\$ 609,817	\$ -	\$ 609,817
Expenditures					
Construction/Other Charges	\$ 453,318	\$ -	\$ 453,318	\$ -	\$ 453,318
Transfers Out	156,499	-	-	156,499	
Total Expenditures	\$ 609,817	\$ -	\$ 609,817	\$ -	\$ 609,817
Fire Stations Debt Service (302)		FY 2013-14		FY 2013-14	
		Adopted Budget	2012-13 Carry forward	Amended Budget	
Revenues					
Transfers	\$ 373,135	\$ -	\$ 373,135	\$ -	\$ 373,135
Use of Fund Balance	-	-	-	-	-
Total Revenues	\$ 373,135	\$ -	\$ 373,135	\$ -	\$ 373,135
Expenditures					
Audit Fees	\$ 445	\$ -	\$ 445	\$ -	\$ 445
Debt Service	372,690	-	-	372,690	
Total Expenditures	\$ 373,135	\$ -	\$ 373,135	\$ -	\$ 373,135
Water & Sewer Fund (590)		FY 2013-14		FY 2013-14	
		Adopted Budget	2012-13 Carry forward	Amended Budget	
Revenues					
Sales of Water	\$ 5,084,026	\$ -	\$ 5,084,026	\$ -	\$ 5,084,026
Sales of Sewer	6,403,767	-	-	6,403,767	
Miscellaneous	55,000	-	-	55,000	
Departmental Charges	29,550	-	-	29,550	
(Contr. To)/Use of Fund Balance	303,000	240,000	-	543,000	
Total Revenues	\$ 11,875,343	\$ 240,000	\$ -	\$ 12,115,343	\$ 543,000
Expenditures					
Water Purchased	\$ 2,069,256	\$ -	\$ 2,069,256	\$ -	\$ 2,069,256
Water System Maintenance	645,210	-	-	645,210	
Water Tapping & Installation	9,000	-	-	9,000	
Water Depreciation	377,646	-	-	377,646	
Sewage Disposal	4,200,447	-	-	4,200,447	
Sewer System Maintenance	526,670	-	-	526,670	
Sewer Depreciation	366,057	-	-	366,057	
General Service Building	249,454	-	-	249,454	
General Administration	1,143,481	-	-	1,143,481	
Capital Outlay	1,261,000	240,000	-	1,501,000	
Debt Administration	1,027,122	-	-	1,027,122	
Total Expenditures	\$ 11,875,343	\$ 240,000	\$ -	\$ 12,115,343	\$ 1,501,000

Motor Pool and Equipment Fund (641)	FY 2013-14		FY 2013-14	
	Adopted Budget	2012-13 <u>Carry forward</u>	Amended	<u>Budget</u>
Revenues				
Contributions - General Fund	\$ 988,362	\$ -	\$ 988,362	
Contributions - Water/Sewer	97,750	-	97,750	
Total Revenues	\$ 1,086,112	\$ -	\$ 1,086,112	
Expenditures				
Motorpool	\$ 1,086,112	\$ -	\$ 1,086,112	
Total Expenditures	\$ 1,086,112	\$ -	\$ 1,086,112	
Total Other Funds	19,009,570	965,000	19,974,570	
Total General and Other Funds	\$ 43,460,072	\$ 1,750,165	\$ 45,210,237	

EXHIBIT B
City of Madison Heights
Explanation of Carryforwards from FY 2012-13 to FY 2013-14
June 24, 2013

General Fund Revenues (101)	Explanation	Amount	Account Number
Use of Fund Balance	Fund Balance	\$ 785,165	\$ 785,165 101-053-6970-000
<hr/>			
General Fund Expenditures (101)	Explanation	Amount	Account Number
Elections	Wages - Part-time Training E-Poll Books	\$ 3,650	3,650 101-191-7070-000
General Administration	Improvements - Council Chambers Audio	40,000	40,000 101-248-9870-000
Fire	Vehicles - Phase I and II Rescue 713	342,515	342,515 101-336-9850-00
DPS - Streets	Vehicles - Phase I & II Dump Truck "V" 479	162,000	101-446-9850-000
	Vehicles - Tandem Dump Truck V-Box 418 & 422	150,000	312,000 101-446-9850-000
DPS - Parks	Vehicles - Chevrolet S-10 Pickup 477	15,000	15,000 101-747-9850-000
Senior Citizens	Improvements - Fire Suppression System	72,000	72,000 101-758-9870-000
		<hr/>	<hr/>
		\$ 785,165	
Major Street Revenues (202)	Explanation	Amount	Account Number
Use of Fund Balance	Use of Fund Balance	\$ 690,000	\$ 690,000 202-053-6970-000
		<hr/>	<hr/>
Major Street Expenditures (202)	Explanation	Amount	Account Number
Construction	John R Overlay	\$ 665,000	\$ 665,000 202-451-9880-443
Transfers	Transfers to Local Streets	25,000	25,000 202-965-9992-000
		<hr/>	<hr/>
		\$ 690,000	
Local Street Revenues (203)	Explanation	Amount	Account Number
Fund Balance	Use of Fund Balance	\$ 35,000	\$ 35,000 203-053-6970-000
		<hr/>	<hr/>
Local Street Expenditures (203)	Explanation	Amount	Account Number
Construction	Lenox - Baxter to Sprague - Retainage	\$ 5,000	203-451-9890-569
	Hampden - Farnum Intersection - Retainage	5,000	203-451-9890-570
	University - Lenox to Hampden - Retainage	5,000	203-451-9890-571
	Brettonwoods - Gardenia to Farnum - Retainage	5,000	203-451-9890-572
	Forest - Hampden to Brettonwoods	5,000	203-451-9890-573
	Gardenia - Hampden to Dartmouth	5,000	203-451-9890-574
	Parker - East of Sealcoat to John R	5,000	203-451-9890-575
		<hr/>	<hr/>
		\$ 35,000	
		<hr/>	<hr/>

Water and Sewer Revenues

(590)	Explanation	Amount	Account Number
Fund Balance	Use of Fund Balance	\$ 240,000 \$ 240,000	590-053-6970-000 <u><u>\$ 240,000</u></u>

Water and Sewer Expenditures

(590)	Explanation	Amount	Account Number
Capital Outlay	Watermain Replacement - Couzens - S. of 11 Mile Road Vehicles - Vactor 465	210,000 \$ 30,000 \$ 240,000 \$ 240,000	590-916-9731-000 590-916-9850-000 <u><u>\$ 240,000</u></u>

OPERATING INDICATORS

Last Eight Fiscal Years

Function/ program	2006	2007	2008	2009	2010	2011	2012	2013
Election data:								
Voters Registered	19,823	19,811	20,704	20,692	20,692	20,542	20,542	20,686
Voters (at the polls or absentee)	10,084	2,545	13,519	3,288	7,922	2,755	2,787	2,161
Percent voting	51	13	65	16	39	13	14	11
District Court:								
Number of court cases	15,234	15,234	15,263	15,756	12,730	14,578	14,715	13,725
Police:								
Physical arrests	1,265	1,755	1,548	1,381	1,202	1,060	1,001	1,178
Traffic violations	9,850	9,332	9,983	8,231	9,473	8,489	9,954	10,041
Investigations	2,822	2,770	2,510	2,794	2,285	2,308	2,162	2,057
Fire:								
Ladder Operation	4	3	4	3	3	3	3	3
Structure Fire (all types)	39	39	31	57	56	63	72	65
Emergency Medical runs	2,631	2,518	2,600	2,628	2,558	2,482	2,562	2,639
Inspections	794	350	295	276	306	210	553	680
Parks and Recreation:								
Recreation Program attendance	2,639	2,697	2,694	2,534	2,531	2,047	1,853	1,590
Library:								
Circulation (books borrowed)	96,460	50,673	92,699	109,536	113,106	114,789	109,092	96,864
Collection volume (sets of books)	75	75	75	75	75	75	75	75
Water:								
Number of customers billed	54,140	55,185	54,891	55,414	55,256	55,243	55,229	52,236
Total consumption (per unit) *	1,857,194	1,695,269	1,552,065	1,459,243	1,429,938	1,433,589	1,437,675	1,452,332
Average consumption per user	34	31	28	26	27	26	26	28

* Each consumption unit equals 748 gallons.

Source: City's Finance Department records
 Oakland County Election Results - November Election

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 square miles in area.

The estimated 29,694 residents of the City of Madison Heights are provided various services by the 167.3 full-time equivalent employees.

Statistical data related to City services at June 30, 2013 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	27
Hydrants	1,115

Police protection:

Full and Part-time Employees	76
Crossing Guards	18
Patrol vehicles	17
Number of traffic violations issued	10,041
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

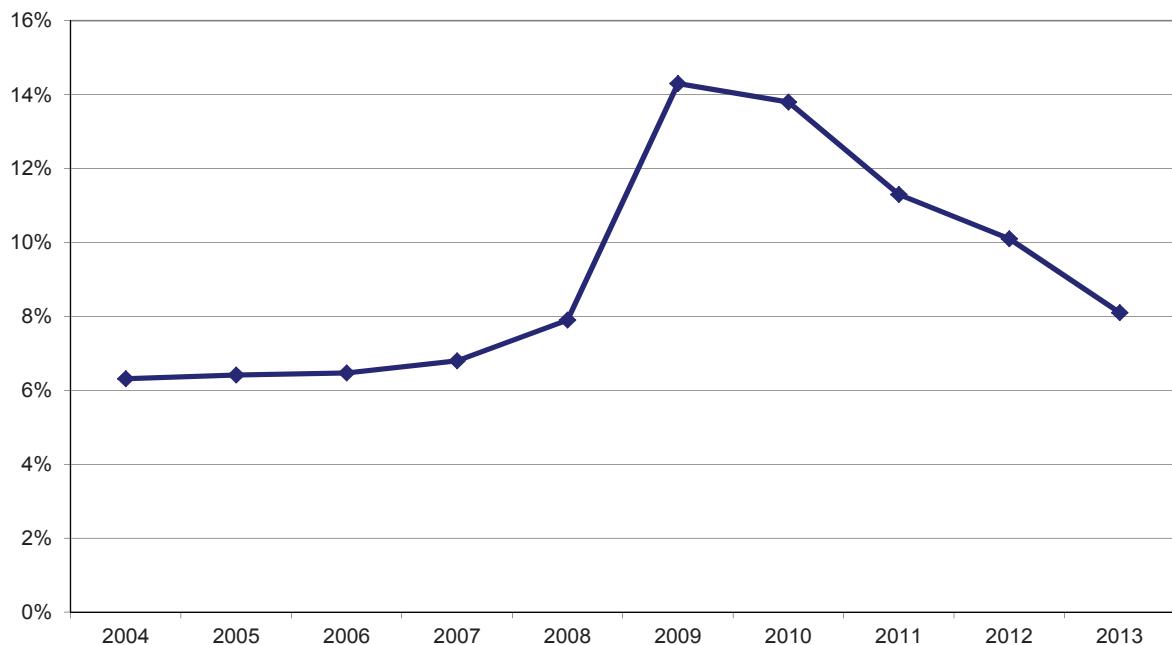
Fiscal Year Ended June 30	Estimated Population	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rates (2)
2004	31,101	\$ 666,463,329	\$ 21,429	6.3%
2005	31,101	\$ 666,463,329	\$ 21,429	6.4%
2006	31,101	\$ 666,463,329	\$ 21,429	6.5%
2007	31,101	\$ 666,463,329	\$ 21,429	6.8%
2008	31,101	\$ 666,463,329	\$ 21,429	7.9%
2009	31,101	\$ 666,463,329	\$ 21,429	14.3%
2010	29,694	\$ 716,813,160	\$ 24,140	13.8%
2011	29,694	\$ 716,813,160	\$ 24,140	11.3%
2012	29,694	\$ 716,813,160	\$ 24,140	10.1%
2013	29,694	\$ 716,813,160	\$ 24,140	8.1%

Sources:

(1) United States Census Bureau 2010

(2) Bureau of Labor Statistics - Not seasonally adjusted

City of Madison Heights
Unemployment Rate



CHANGES IN FUND BALANCE
(amounts expressed in thousands)

General Fund

Fiscal Year ended June 30,	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Restricted and Nonspendable:	\$ 512	\$ 274	\$ 273	\$ 435	\$ 189	\$ 366	\$ 1,140	\$ 1,611	\$ 777	\$ 1,088	\$ 1,611
Assigned:											
Vested employee benefits	\$ 2,123	\$ 2,202	\$ 2,244	\$ 2,333	\$ 2,557	\$ 2,496	\$ 2,587	\$ 2,656	\$ 2,353	\$ 2,023	\$ 2,287
Subsequent years' expenditures	449	509	436	438	145	543	393	56	915	392	785
Retained insurance risk	733	330	478	663	500	250	250	250	336	446	722
Vehicle replacement	1,451	1,136	1,136	1,136	1,136	1,136	1,136	853	0	0	0
Capital improvements	100	0	300	600	500	590	32	102	1,218	1,561	0
Park improvements	0	0	0	300	500	450	0	0	0	0	0
Retirees' health benefits	39	0	825	578	778	0	0	0	0	0	0
Technology Improvements	0	0	0	200	200	89	0	0	75	75	18
Postemployment Benefits	0	0	0	0	0	0	0	0	0	1,337	0
Insurance Claims Receivable	448	0	0	0	0	0	0	0	0	0	0
Total Assigned:	\$ 5,343	\$ 4,177	\$ 5,419	\$ 6,248	\$ 6,316	\$ 5,554	\$ 4,398	\$ 3,917	\$ 4,897	\$ 5,834	\$ 3,812
Unassigned	0	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	\$ 5,855	\$ 4,451	\$ 5,692	\$ 6,683	\$ 6,505	\$ 5,920	\$ 5,538	\$ 5,528	\$ 5,675	\$ 6,922	\$ 5,423

Sources: City's Audited Annual Financial Statements

EXPENDITURE HISTORY BY ACTIVITY

General Fund

Activity Name	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Amended Budget	2014-15 Budget
Mayor and City Council	\$ 54,966	\$ 54,966	\$ 51,719	\$ 51,266	\$ 51,079	\$ 53,422	\$ 53,422
City Manager	297,496	297,496	312,480	308,169	316,203	326,055	331,284
Elections	37,877	37,877	57,139	41,921	52,614	43,447	55,302
City Assessor	408,406	408,406	253,919	241,960	234,181	245,173	232,173
Legal	351,356	351,356	307,518	307,695	306,117	290,995	291,195
City Clerk	257,536	257,536	215,284	226,533	221,788	316,613	302,796
Human Resources	256,625	256,625	181,955	245,395	225,228	255,000	459,609
Board of Review	5,894	5,894	2,448	2,740	2,136	3,373	3,373
General Administration	1,029,101	1,029,101	982,457	1,448,869	1,496,255	303,764	289,025
Finance	735,776	735,776	771,898	821,666	829,229	945,843	871,267
Information Technology	248,759	248,759	231,774	243,897	261,103	285,605	317,239
Total City Administration	\$ 3,683,792	\$ 3,683,792	\$ 3,368,591	\$ 3,940,111	\$ 3,995,933	\$ 3,069,290	\$ 3,206,685
Municipal Building Custodial and Maintenance	\$ 253,501 255,819	\$ 253,501 255,819	\$ 261,522 207,817	\$ 259,759 191,268	\$ 77,683 220,302	\$ 60,943 198,040	\$ 208,461 208,941
Total General Municipal Maint.	\$ 509,320	\$ 509,320	\$ 469,339	\$ 451,027	\$ 297,985	\$ 258,983	\$ 417,402
Police	\$ 10,158,234	\$10,158,234	\$ 9,126,302	\$ 8,519,441	\$ 8,816,145	\$ 8,424,364	\$ 8,395,959
Fire	5,762,795	5,762,795	5,086,024	4,148,350	4,520,674	5,359,765	4,784,807
District Court	1,431,805	1,431,805	1,389,988	1,292,352	1,325,927	1,468,096	1,471,453
Total Public Safety	\$ 17,352,834	\$17,352,834	\$ 15,602,314	\$13,960,143	\$14,662,746	\$15,252,225	\$ 14,652,219
Community Development Streets	\$ 1,076,616 978,332	\$ 1,076,616 978,332	\$ 941,034 957,719	\$ 917,448 854,595	\$ 938,268 928,810	\$ 1,114,120 1,258,066	\$ 1,058,720 1,075,299
Total Community Improvement	\$ 2,054,948	\$ 2,054,948	\$ 1,898,753	\$ 1,772,043	\$ 1,867,078	\$ 2,372,186	\$ 2,134,019
Solid Waste	\$ 2,451,303	\$ 2,451,303	\$ 2,065,986	\$ 2,155,871	\$ 1,915,160	\$ 2,115,531	\$ 1,968,176
Total Solid Waste	\$ 2,451,303	\$ 2,451,303	\$ 2,065,986	\$ 2,155,871	\$ 1,915,160	\$ 2,115,531	\$ 1,968,176
Recreation	\$ 164,682	\$ 164,682	\$ 170,909	\$ 115,949	\$ 143,981	\$ 110,574	\$ 146,819
Youth Center	36,124	36,124	1,513	0	0	0	0
Nature Center	159,540	159,540	9,515	10,393	9,042	8,175	46,175
Parks	805,738	805,738	360,671	337,277	478,927	480,119	500,641
Senior Citizen Center	425,687	425,687	363,646	297,387	439,614	395,785	446,781
Total Parks and Recreation	\$ 1,591,771	\$ 1,591,771	\$ 906,254	\$ 761,006	\$ 1,071,564	\$ 994,653	\$ 1,140,416
Library	\$ 693,589	\$ 693,589	\$ 521,216	\$ 584,232	\$ 617,361	\$ 807,010	\$ 728,632
Total Library	\$ 693,589	\$ 693,589	\$ 521,216	\$ 584,232	\$ 617,361	\$ 807,010	\$ 728,632
Outside Agencies Insurance	\$ 53,604 243,923	\$ 53,604 243,923	\$ 18,921 246,575	\$ 0 (5,940)	\$ 0 172,551	\$ 0 365,791	\$ 0 352,942
General Expenditures	\$ 297,527	\$ 297,527	\$ 265,496	\$ (5,940)	\$ 172,551	\$ 365,791	\$ 352,942
Transfers Out	\$ 2,815,903	\$ 2,815,903	\$ 0	\$ 313,813	\$ 2,195,255	\$ 0	\$ 0
General Fund Expenditures	\$ 31,450,987	\$31,450,987	\$ 25,097,949	\$23,932,306	\$26,795,633	\$25,235,669	\$ 24,600,491

Source: Finance Expenditure Records

ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY

Last Ten Fiscal Years

Tax Year	Real Property	Personal Property	Total Taxable Value	Tax Rate (mills)	Total Actual Value	Taxable Value as a % of Actual
2004	\$ 947,271,730	\$ 166,469,160	\$ 1,113,740,890	17.00	\$ 2,745,233,800	40.6%
2005	\$ 985,767,400	\$ 146,603,390	\$ 1,132,370,790	17.30	\$ 2,789,160,520	40.6%
2006	\$ 1,024,514,300	\$ 143,881,280	\$ 1,168,395,580	17.90	\$ 2,851,814,820	41.0%
2007	\$ 1,063,312,930	\$ 143,905,590	\$ 1,207,218,520	18.04	\$ 2,837,974,300	42.5%
2008	\$ 1,065,017,700	\$ 144,657,570	\$ 1,209,675,270	18.16	\$ 2,753,445,080	50.0%
2009	\$ 1,048,995,740	\$ 142,457,590	\$ 1,191,453,330	18.00	\$ 2,576,560,268	50.0%
2010	\$ 909,910,710	\$ 146,211,130	\$ 1,056,121,840	18.82	\$ 2,137,585,600	49.4%
2011	\$ 772,654,640	\$ 125,065,880	\$ 897,720,520	21.87	\$ 1,834,902,132	50.0%
2012	\$ 686,135,720	\$ 140,622,550	\$ 826,758,270	22.43	\$ 1,660,329,910	49.8%
2013	\$ 633,607,230	\$ 145,976,860	\$ 779,584,090	22.93	\$ 1,566,754,360	49.8%

Sources: City and County Assessing Records

PROPERTY TAX RATES

Direct and Overlapping Governments

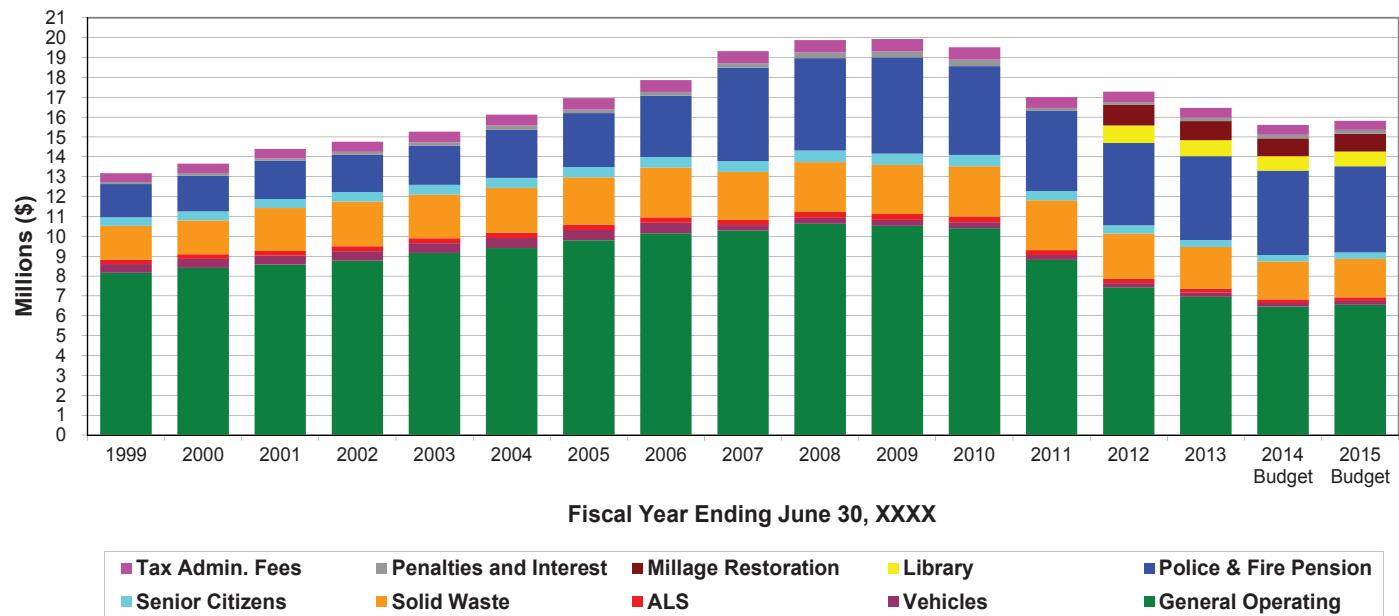
(Per \$1,000 of Taxable Valuation)

Fiscal Year Ending June 30,	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>City of Madison Heights</u>													
General Operating	8.89	8.80	8.82	8.82	8.82	8.82	8.82	8.82	8.82	8.82	10.00	10.00	10.00
Neighborhood Road Improvements	1.95	1.93	1.93	1.93	1.93	1.93	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Vehicle Replacement	0.48	0.48	0.48	0.47	0.47	0.23	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Advanced Life Support	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.25	0.25	0.25	0.25
Solid Waste	2.25	2.09	2.10	2.18	2.23	2.07	2.08	2.04	2.13	2.54	2.65	2.65	2.65
Senior Center	0.48	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.48	0.47	0.44	0.45
Police and Fire Pension	1.88	1.88	2.26	2.48	2.73	4.05	3.85	4.01	3.75	4.10	4.80	5.30	5.82
Fire Station Bond	n.a.	n.a.	0.41	0.41	0.41	0.09	0.33	0.33	0.34	0.39	0.45	0.55	0.52
Library	n.a.	1.00	1.00	1.00									
Police Facility	n.a.												
County Drain	0.05	n.a.											
Building Authority	n.a.												
Total Direct City Taxes	16.22	15.89	16.71	17.00	17.30	17.90	18.04	18.16	18.00	18.82	21.87	22.43	22.94
<u>Overlapping Taxes</u>													
County	4.98	5.28	5.24	5.24	5.25	5.24	5.24	5.09	5.24	5.24	5.24	5.24	5.24
Community College	1.61	1.60	1.60	1.59	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58
Intermediate School District	3.42	3.40	3.40	3.38	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37
School Homestead *	17.21	16.98	15.80	16.60	16.00	16.23	16.71	16.56	12.04	13.76	13.76	13.76	14.23
School Non-Homestead *	28.58	28.50	27.44	28.33	27.94	28.40	29.04	28.83	30.12	31.76	31.76	31.76	32.41
Zoological Authority	n.a.	0.10	0.10	0.10	0.10	0.10	0.10						
Art Institute	n.a.	0.20	0.20	0.20									
Total Homestead	43.44	43.15	42.75	43.81	43.50	44.32	44.94	44.76	40.23	42.77	45.81	46.37	47.35
Total Non-Homestead	54.81	54.67	54.39	55.54	55.44	56.49	57.27	57.03	58.41	60.87	63.91	64.47	65.63

* Madison District Public School Rates

Sources: County Assessor's Warrant

General Fund Property Tax Revenue History By Millage
(Real and Personal; Excludes Neighborhood Roads and Fire Station Bond Millages)



Source: Finance Department

FY 2014-15 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
14-15	n/a	No changes in FTE
13-14	Clerk/DPS	Reallocate funding for one PT Support Staff position (Clerk +0.36 FTE and Senior Center +0.045 FTE)
13-14	DPS - Recreation	Decrease PT Recreation Coordinator FTE to comply with PPACA (-0.045)
13-14	Community Improvement Fund	Eliminate Community Housing & Grants Supervisor (-1.0) and Housing Program Assistant (-1.0)
13-14	DPS - Water	Eliminate Equipment Operator I position (-1.0)
13-14	DPS - Sewer	Add two PT Year Round Laborer Positions (+1.35)
12-13	Police	Eliminate vacant Office Assistant position (-1.0), add part time assistant position (+.47)
12-13	DPS - Recreation	Eliminate Recreation Supervisor position (-0.5) and increase part time Recreation Coordinator hours (+0.22)
12-13	DPS - Senior Center	Eliminate Recreation Supervisor position (-0.5)
12-13	DPS - Streets	Eliminate Equipment Operator II position (-1.0)
12-13	Fire	Eliminate three vacant unbudgeted Firefighter positions (-3.0)
12-13	Fire Manning Grant Fund	Reallocate two grant funded positions to General Fund (-2.0)
11-12	District Court	Eliminate vacant part time Probation Officer position (-1.0)
11-12	Police	Eliminate vacant Police position associated with Lieutenant retirement (-1.0)
11-12	Police	Eliminate vacant Police position associated with Sergeant retirement (-1.0)
11-12	Police	Eliminate two vacant Police Officer positions (-2.0)
11-12	Community Development	Eliminate vacant part time Code Enforcement Officer position (-0.8)
11-12	DPS - Parks	Eliminate vacant part time Seasonal Laborer position (-0.3)
11-12	DPS - Streets	Eliminate vacant Deputy DPS Director position (-0.5)
11-12	DPS - Solid Waste	Eliminate vacant Deputy DPS Director position (-0.5)
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)

FY 2014-15 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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)
BA = mid-year Budget Amendment adopted as of December 14, 2009		
BA 09-10	Police	Eliminate two vacant Police Officer positions (-2.0)
BA 09-10	Police	Eliminate one vacant Public Service Aide position (-1.0)
BA 09-10	Fire	Eliminate two vacant Firefighter positions (-2.0)
BA 09-10	Library	Eliminate vacant part-time Library Assistant position (-0.21)
BA 09-10	DPS - Senior Center	Eliminate vacant part-time Senior Center Assistant (-0.25)
BA 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 position (-0.3)

FY 2014-15 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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)
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)
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)

FY 2014-15 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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)
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)

FY 2014-15 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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 (-0.4)
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 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)
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)

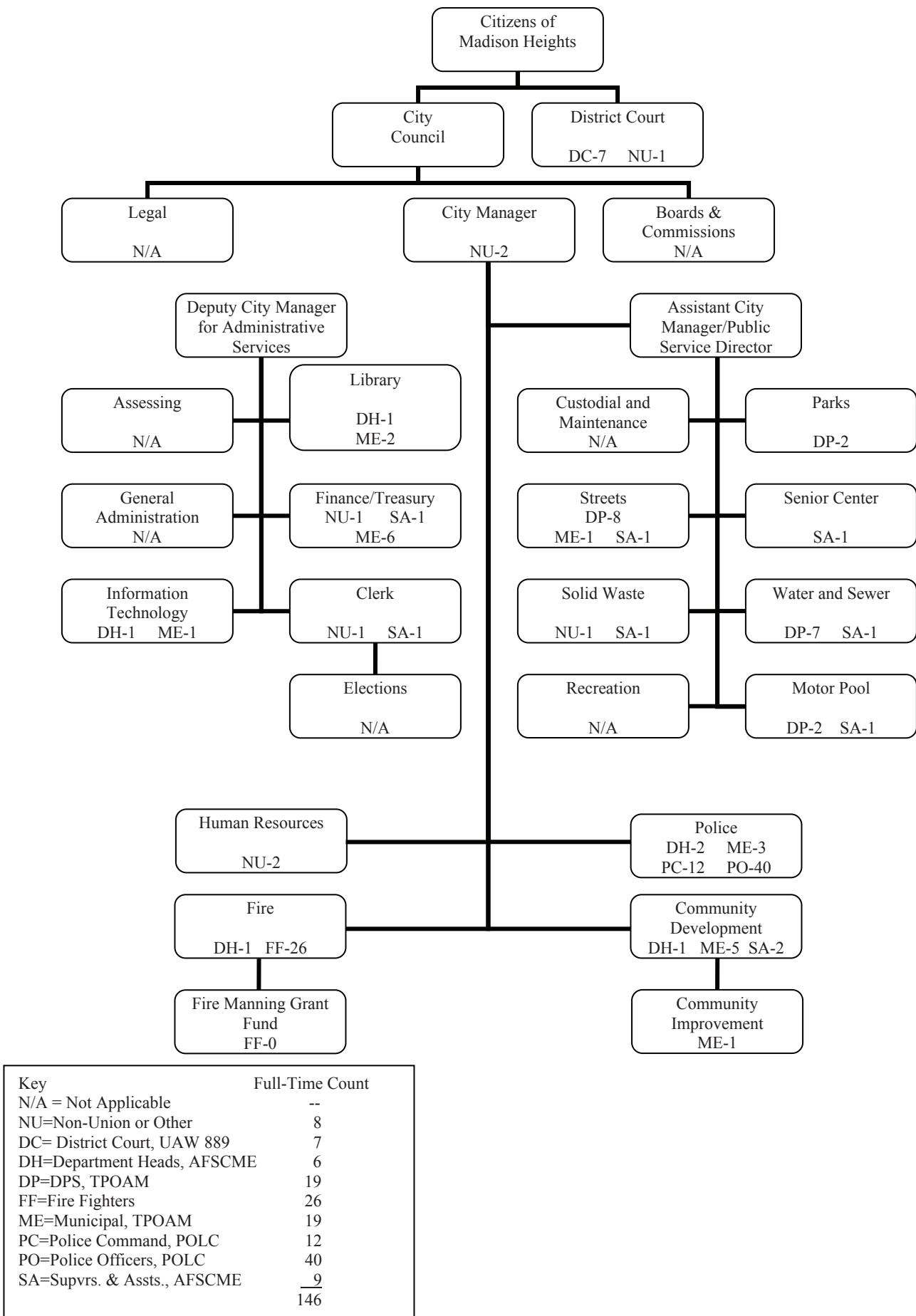
FY 2014-15 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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)
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 FTE)
94-95	Community Development	Elimination of a vacant full-time Construction Inspector position

FY 2014-15 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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 Organizational Chart



CITY OF MADISON HEIGHTS
FY 2014-15 BUDGET
FULL TIME POSITIONS
ALL FUNDS

FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
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GENERAL FUND

Court	13	13	11	11	12	12	11	10	10	9	9
Manager	2	2	2	2	2	2	2	2	2	2	2
Assessor	5	4	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	4	3	3	3	3	3	2	2	2	2	2
Finance	8	7	7	7	7	11	11	11	11	11	11
Information Technology	0	0	0	0	0	2	2	2	2	2	2
Police	76	76	76	76	76	76	77	77	77	77	77
Fire	44	43	40	40	40	40	40	40	40	40	40
Community Development	9	8	8	8	8	9	10	10	11	11	11
Library	4	4	4	4	4	4	4	4	4	4	4
Department of Public Services											
Custodial & Maintenance	6	6	3	6	5	5	4	4	1	1	1
Streets	18	18	18	18	18	18	18	18	18	18	18
Solid Waste	12	12	12	0	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	1	1	1
Parks	6	5	5	5	5	5	5	5	6	6	6
Senior Citizen	3	3	3	3	3	3	3	3	3	3	3
Sub total	47	46	43	34	33	33	32	32	31	31	31
Total	218	212	204	195	195	195	199	200	199	199	199
Major Street Fund	1	1	1	1	1	1	1	1	1	1	1
Community Improvement Fund	4	4	4	4	4	4	4	4	4	4	4
Fire Manning Grant Fund	0	0	0	0	0	0	0	0	0	0	0
Juvenile Grant Fund	1	0	0	0	0	0	0	0	0	0	0
Auto Theft Prevention Grant Fund	1	1	1	1	1	1	1	1	1	1	1
Crime Suppression Grant Fund	0	0	0	1	1	1	1	0	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	2	2	2	0	0	0	0	0
Water & Sewer Administration	5	5	5	5	5	5	1	1	1	1	1
Total	20	20	20	19	19	19	13	13	13	13	13
Motor Pool Fund	6	6	6	6	6	5	5	5	5	5	5
Total All Funds	251	244	236	227	227	226	224	224	223	223	223

FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
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GENERAL FUND

9	9	9	9	9	9	8	8	8	8	8	Court
2	2	2	2	2	2	2	2	2	2	2	Manager
4	4	4	3	3	3	0	0	0	0	0	Assessor
3	3	3	3	3	3	2	2	2	2	2	Clerk
2	2	2	2	2	2	2	1	2	2	2	Human Resources
1	1	1	1	1	1	1	1	0	0	0	General Administration
10	10	9	9	9	9	8	8	8	8	8	Finance
2	2	2	2	2	2	2	2	2	2	2	Information Technology
75	73	73	73	73	67	62	58	57	57	57	Police
39	38	36	36	36	33	30	30	27	27	27	Fire
10	10	9	9	9	9	8	8	8	8	8	Community Development
4	4	4	4	4	4	3	3	3	3	3	Library

Department of Public Services

1	1	1	1	1	1	0	0	0	0	0	Custodial & Maintenance
16	15	13	13	13	12	11	10	9	9	9	Streets
0	1	1	1	1	1	1	2	2	2	2	Solid Waste
1	1	1	1	0	0	0	0	0	0	0	Recreation
0	0	0	0	0	0	0	0	0	0	0	Youth Center
1	1	1	1	1	1	0	0	0	0	0	Nature Center
6	5	5	4	4	4	2	2	2	2	2	Parks
3	2	2	2	2	2	2	2	1	1	1	Senior Citizen

28	26	24	23	22	21	16	16	14	14	14	Sub total
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189	184	178	176	175	165	144	139	133	133	133	Total
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------

1	1	1	1	1	1	1	1	1	1	1	Major Street Fund
4	4	3	3	3	3	3	3	3	1	1	Community Improvement Fund
0	0	0	0	0	0	0	2	2	0	0	Fire Manning Grant Fund
0	0	0	0	0	0	0	0	0	0	0	Juvenile Grant Fund
0	0	0	0	0	0	0	0	0	0	0	Auto Theft Prevention Grant Fund
0	0	0	0	0	0	0	0	0	0	0	Crime Suppression Grant Fund

Water & Sewer Fund

6	6	6	6	6	6	4	4	4	4	4	Water Division
6	6	5	5	5	4	4	4	4	3	3	Sewer Division
0	0	0	0	0	0	0	0	0	0	0	Information Technology
1	1	1	1	1	1	1	1	1	1	1	Water & Sewer Administration

13	13	12	12	12	11	9	9	9	8	8	Total
----	----	----	----	----	----	---	---	---	---	---	-------

4	4	4	4	4	4	3	3	3	3	3	Motor Pool Fund
---	---	---	---	---	---	---	---	---	---	---	-----------------

211	206	198	196	195	184	162	157	149	146	146	Total All Funds
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----------------

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 2010 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.

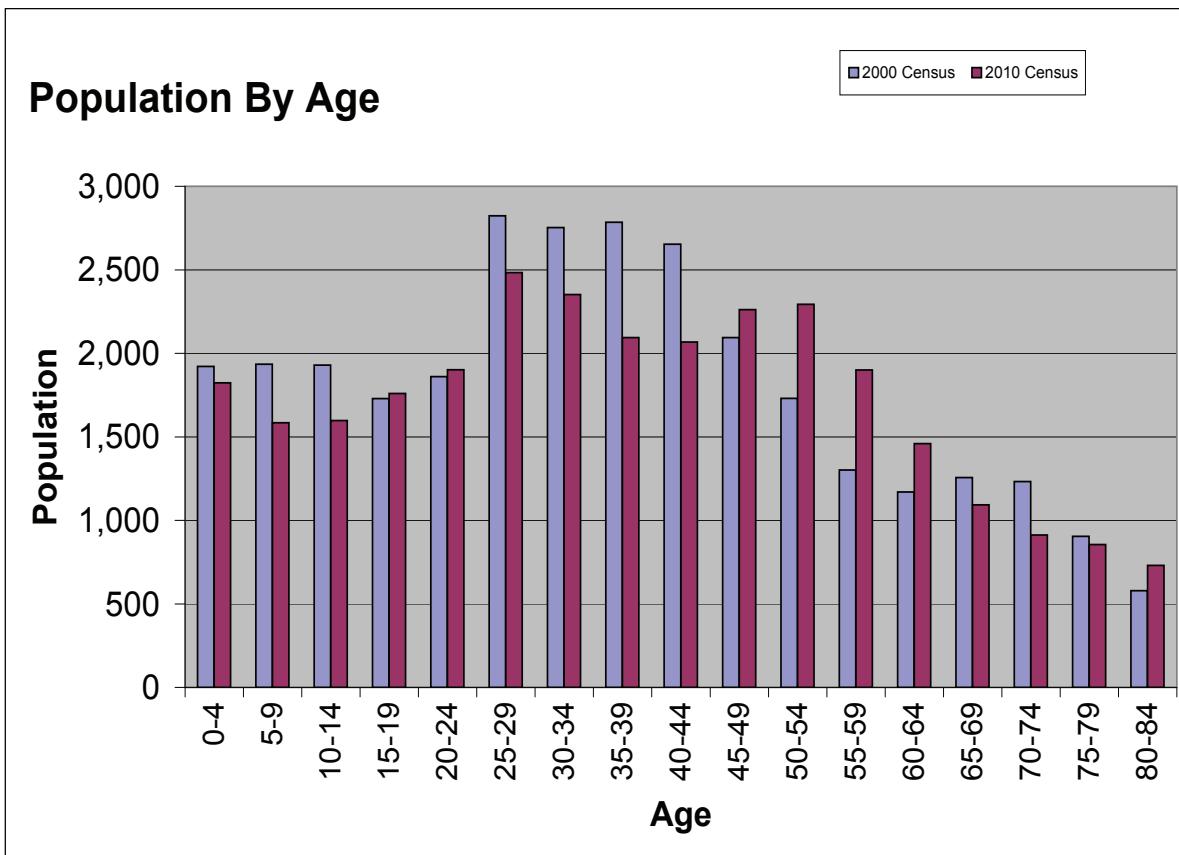
Population

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 (population under 18 has decreased 11.8% from 2000 to 2010, which represents a decline of approximately 800 pre-school and school age children in the City).

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.

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.

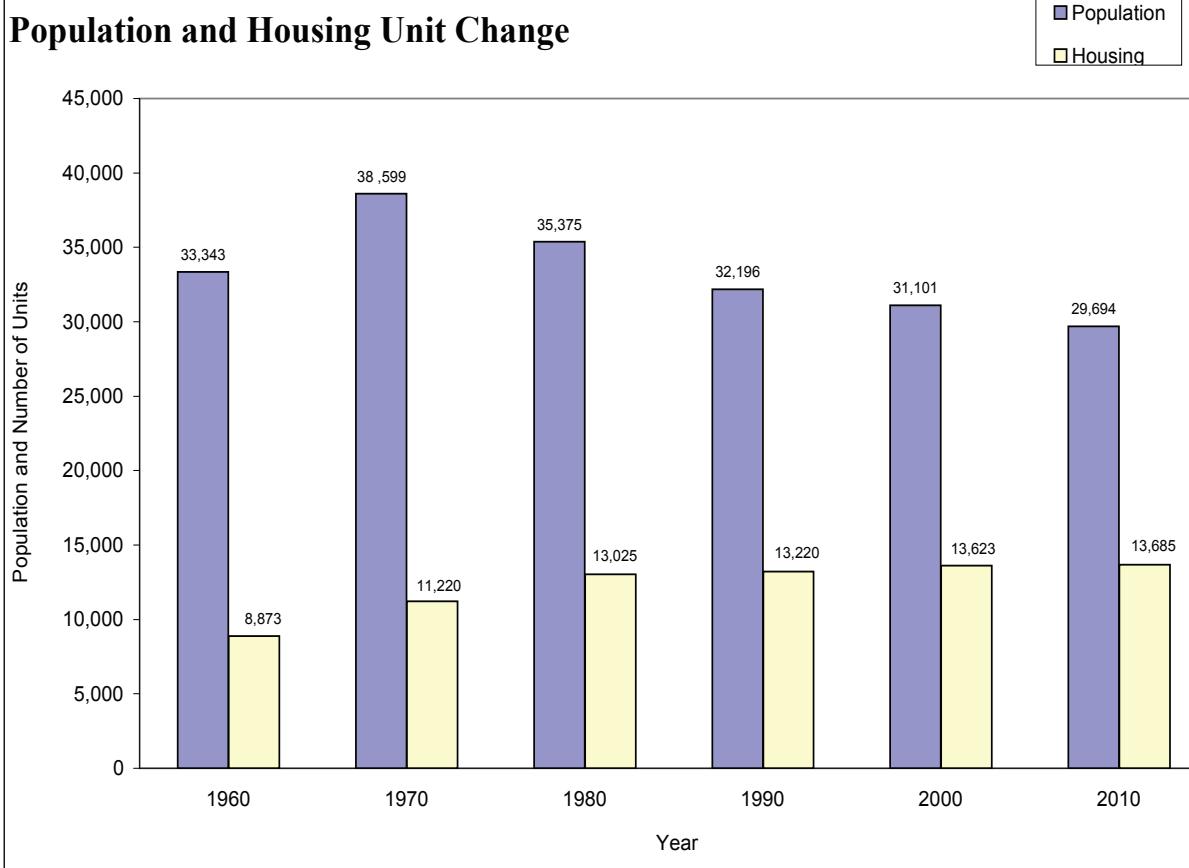


Table 1
Selected Population Characteristics: 2000-2010
City of Madison Heights

	<u>2000</u>	<u>2010</u>	<u>% change</u>	<u>% of Population</u> <u>2010</u>
Total Population	31,101	29,694	(4.5)	100.0
Male	15,216	14,570	(4.2)	49.0
Female	15,885	15,124	(4.8)	51.0
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

The 2010 Census shows that 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 (2.33 persons per household in 2000, 2.32 in 2010) 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 of 2007-2012 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, 1990-2040
City of Madison Heights

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2040</u>
Total Population	32,196	31,101	29,694	30,542
Total Households (occupied housing units)	12,850	13,299	12,712	12,695
Average Household Size	2.51	2.33	2.32	2.39

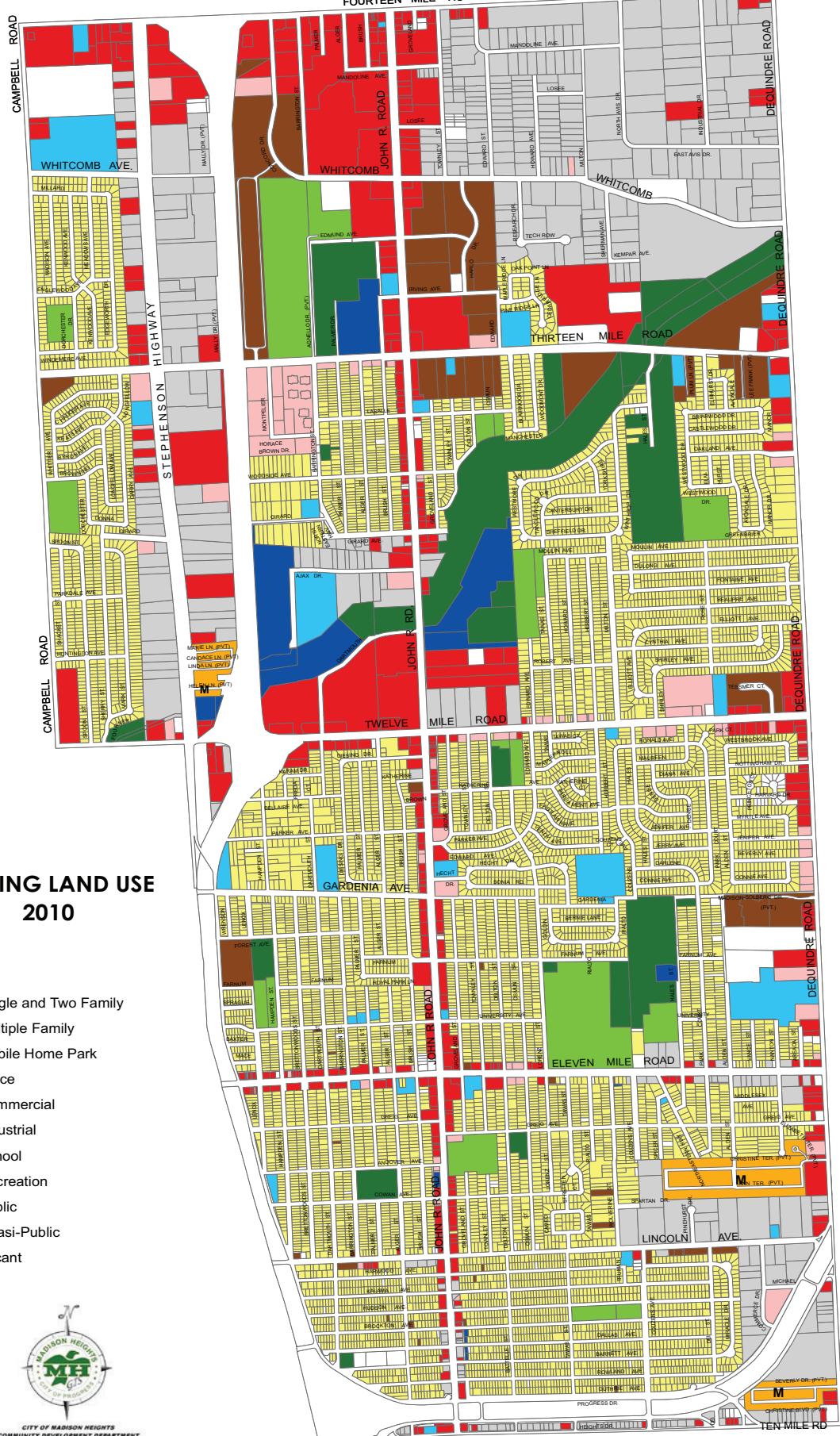
(1) 1990, 2000, 2010 Census data based on Persons Living in Households and Occupied Housing Units, and SEMCOG 2035 projections.

EXISTING LAND USE 2010

- Single and Two Family
- Multiple Family
- M Mobile Home Park
- Office
- Commercial
- Industrial
- School
- Recreation
- Public
- Quasi-Public
- Vacant



CITY OF MADISON HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
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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 2010, 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.

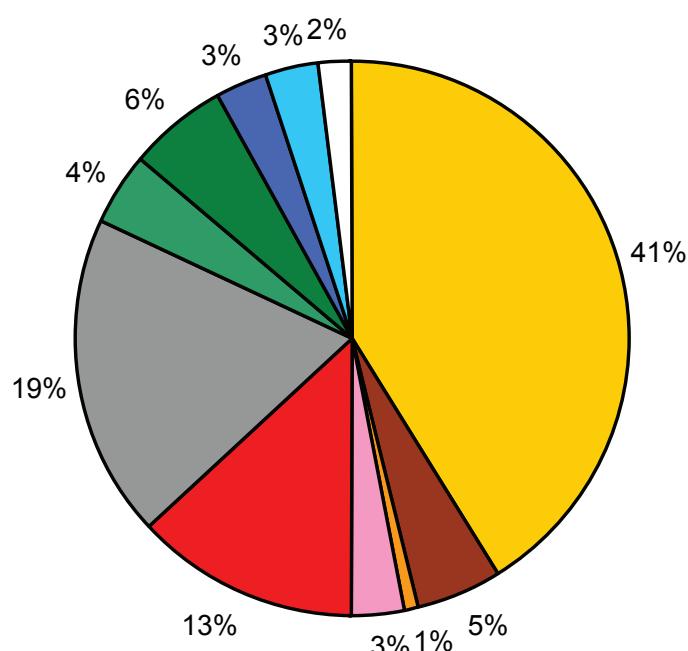
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

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 Youth Soccer Complex; Suarez Friendship Woods and Nature Center (a Red Oaks facility beginning October 1, 2012); 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 Monroe Park. It should be noted that the entire Red Run right-of-way (137 acres) is included in this category.

EXISTING LAND USE 2010



SINGLE AND TWO FAMILY

MULTIPLE FAMILY

MOBILE HOME PARK

OFFICE

COMMERCIAL

INDUSTRIAL

SCHOOLS

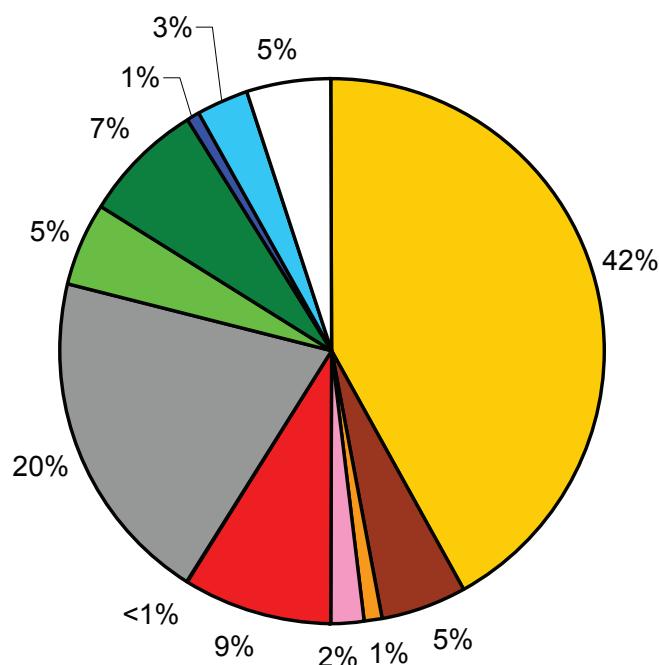
RECREATION AND OPEN SPACE

PUBLIC

QUASI-PUBLIC

VACANT

EXISTING LAND USE 1989



SINGLE AND TWO FAMILY

MULTIPLE FAMILY

MOBILE HOME PARK

OFFICE

COMMERCIAL

MIXED BUSINESS

INDUSTRIAL

SCHOOLS

RECREATION AND OPEN SPACE

PUBLIC

QUASI-PUBLIC

VACANT

* 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 2010, 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 2007-2012, 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 7.1 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, Kmart, Meijer, Microcenter, Navistar, Netlink, Sam's Club, Starbucks, Target, TrynEx, 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 2010, 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 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, now operated by Oakland County Parks and Recreation, 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 14 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 and library staff and 2,080 hours per year for Department of Public Service and recreation 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. See the Revenues Chapter for a discussion of the categories or types of fund balance.

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 54: Michigan Public Act 54 requires public employers to cap unionized employee wages and benefits at the levels in effect at the time when a collective bargaining agreement expires until a successor agreement is reached.

Michigan Public Act 152: Michigan Public Act 152 limits the amount that public employers pay toward medical benefit plans, beginning January 1, 2012.

Michigan Public Act 312: Michigan Public Act 312 provides for compulsory binding arbitration for sworn police and fire unions following impasse during collective bargaining. Traditional labor actions such as strikes, walk-outs, and lockouts are not permitted as a result of P.A. 312.

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.

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 L: Approved in May 2011, this Proposal generates 1 mill (to be reduced by the State's property tax limitations) of revenue for a ten year duration used to support and maintain the Library.

Proposal MR: Approved in May 2011, this Proposal generates 1.181 mill (to be reduced by the State's property tax limitations) of revenue for a ten year duration, 2011 through 2020, for general operating purposes.

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
BYOD	Bring Your Own Device (Policy)
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CDD	Community Development Department
CIP	Capital Improvement Plan
CPI-W	Consumer Price Index – Workers
CTO	Compensatory Time Off
D/FEIS	Draft/Final Environmental Impact Statement
DDA	Downtown Development Authority
DPS	Department of Public Services
DWSD	Detroit Water and Sewerage Department
EFTPS	Electronic Federal Tax Payment System
ESL	English as a Second Language
EVIP	Economic Vitality Incentive Program
FHWA	Federal Highway Administration
FTE	Full-Time Equivalency
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain
AVA	Help America to Vote Act
HCMA	Huron-Clinton Metropolitan Authority
HMO	Health Maintenance Organization
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IBNR	Incurred but not Reported
ISP	Investment Service Program
ITS	Intelligent Transportation System
LHOH	Little House on Hales
MCRC	Macomb County Road Commission
MDEQ	Michigan Department of Environmental Quality
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MEDA	Michigan Economic Development Association

MEDC	Michigan Economic Development Corporation
MERS	Municipal Employees Retirement System
MLGBC	Michigan Local Government Benchmarking Consortium
MML	Michigan Municipal League
MNRTF	Michigan Natural Resource Trust Fund
MPSC	Michigan Public Service Commission
MUTCD	Manual of Uniform Traffic Control Devices
NPDES	National Pollutant Discharge Elimination System
OCP&RC	Oakland County Parks and Recreation Commission
OPEB	Other Post-Employment Benefits
PPO	Preferred Provider Organization
PPT	Personal Property Tax
RCOC	Road Commission for Oakland County
ROW	Right-of-Way
RTF	Retention Treatment Facility
SAD	Special Assessment District
SAFER	Staffing for Fire Emergency Response
SAW	Stormwater Asset Management and Wastewater Program
SCATS	Sydney Coordinated Adaptive Traffic System
SCBA	Self-Contained Breathing Apparatus
SEMCOG	Southeast Michigan Council of Governments
SEMREO	Southeast Michigan Regional Energy Office
SEV	State Equalized Value
SOCSDS	South Oakland County Sewerage Disposal System
STV	State Taxable Value
TIF	Tax Increment Financing
TLN	The Library Network
TV	Taxable Value
WRC	Water Resources Commissioner



**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
FY 2014-2015**

		<u>Description</u>	<u>Account</u>	<u>2014-15 Amount Proposed</u>
			<u>Vehicle</u>	
<u>General Fund</u>				
<u>District Court</u>				
101-136	<u>Books</u>	Books	<u>9780000</u>	\$ 7,500
	<u>Machinery and Equipment</u>	Video Recording Equipment	<u>9870000</u>	19,977
<u>Municipal Building</u>				
101-265	<u>Improvements</u>	Renovation of Lower Level City Hall - Health and Wellness Center (95%) HVAC Improvements at City Hall Phase I	<u>9870000</u>	\$ 95,000 50,000 <hr/> 145,000
<u>Information Technology</u>				
101-258	<u>Computer Equipment</u>	Failover Servers Computer Replacements (16) BS&A Work Order .NET software and training (split 75% WS and 25% GF) BS&A Timesheet .NET software and training (split 25% WS and 75% GF) Video Server GIS Server Scanners (1)	<u>9810000</u>	\$ 25,000 8,800 3,975 7,940 5,000 5,000 3,000 <hr/> 58,715
<u>Police</u>				
101-301	<u>Vehicles</u>	Patrol Vehicles (2), "V" Change over costs for Patrol Vehicles - "V"	<u>9850000</u> #106, #117	\$ 57,350 16,500 <hr/> 73,850
<u>Fire</u>				
101-336	<u>Machinery and Equipment</u>	E-Draulic Hurst Jaws of Life	<u>9820000</u>	35,000
	<u>Computer Equipment</u>	Fire Engine and Marshal Computers (4)	<u>9810000</u>	11,000
<u>Community Devlop.</u>				
101-400	<u>Vehicles - "V" Funded</u>	Ford Focus	<u>9850000</u> #500	18,000
<u>Streets</u>				
101-446	<u>Improvements</u>	Street Light Conversion to LED (300 Mercury Vapor)	<u>9870000</u>	143,234
<u>Nature Center</u>				
101-756	<u>Improvements</u>	Friendship Woods Parking Lot Improvements - Phase I (City Share) Friendship Woods 2" Trail Overlay & Building Parking (City Share)	<u>23,000</u> <u>15,000</u>	\$ 38,000
<u>Parks</u>				
101-757	<u>Improvements</u>	Civic and Ambassador Park Trail Replacement Civic Plaza Parking Lot - Maintenance and Repairs	<u>9870000</u> 50,000 27,500	77,500
	<u>Vehicles - "V"</u>	Pick-up 4WD	<u>9850000</u> #474	29,000

**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
FY 2014-2015**

	<u>Description</u>	<u>Account</u>	<u>2014-15 Amount Proposed</u>
		<u>Vehicle</u>	
General Fund			
Seniors			
101-758	Improvements Fire Suppression System - Phase II	<u>9870000</u>	150,000
Library			
101-790	Improvements HVAC Improvements - Phase II	<u>9870000</u>	75,000
	Books Books	<u>9780000</u>	49,707
		Total Fund	<u>\$ 931,483</u>
Major Street Fund			
Construction			
202-451	Rehabilitation Programs Joint & Crack Sealing - City Wide Major 13 Mile Sectional - Campbell to Dequindre	<u>9880436</u>	\$ 75,000 175,000 \$ 250,000
	Commercial and Industrial Road Projects Whitcomb Sectional - Barrington to Townley Girard West of Stephenson Highway	<u>9890-008</u> <u>9890-010</u>	\$ 100,000 25,000 125,000
		Total Fund	<u>\$ 375,000</u>
Local Street Fund			
Construction			
203-451	Proposal "R-2" Concrete Repair Sectional Concrete Replacement Sidewalk Replacement	<u>9890528</u>	\$ 200,000 20,000 \$ 220,000
	Proposal "R-2" Construction Whittier - Longfellow to Chaucer (Sectional) Chaucer - Whittier to Longfellow (Sectional) Barrington - S. of Horace Brown to 13 Mile NB Barrington - S. of Horace Brown to 13 Mile SB Blairmoor - Manchester to Thirteen Mile Road Manchester & Woodmont Intersection	<u>9890XXX</u>	\$ 265,000 160,000 518,000 465,000 543,000 102,000 2,053,000
	Commercial and Industrial Road Projects Whitcomb Sectional - West of Mally Commerce - Lincoln to Michael Montpelier Horace Brown Michael Dei - 10 Mile to Service Drive Edmund - Harlo to John R Harlo	<u>9897-277</u>	\$ 25,000 25,000 80,000 75,000 25,000 25,000 25,000 25,000 305,000
		Total Fund	<u>\$ 2,578,000</u>
Drug Forfeiture			
264-301	Vehicles - State Detective Bureau Vehicles (1)	<u>9850000</u> #123	\$ 28,675
	Machinery and Equipment - State Recording Equipment Internal/External	<u>9820000</u>	29,995
		Total Fund	<u>\$ 58,670</u>
Special Assessment			
Revolving Fund			
297-401	Sidewalk Program Sidewalk Replacement & Gap Installation	<u>9897-501</u>	\$ 400,000
		Total Fund	<u>\$ 400,000</u>

**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
FY 2014-2015**

		<u>2014-15</u>
	<u>Amount</u>	<u>Proposed</u>
General Fund		
Water & Sewer Fund		
590-901		
Watermain Replacement - "R-2" Projects	<u>9731XXX</u>	
Fourner - Sherry to Mark and Mark - Fourner to Sherry	\$ 393,000	
E. Harwood - Couzens to Dei	168,000	
Palmer- 13 Mile N. to End	128,000	
Lincoln - John R to 104 E. Lincoln	<u>272,000</u>	\$ 961,000
Computer Equipment		
BS&A Work Order .NET software and training (split 75% WS and 25% GF)	<u>9810000</u>	\$ 11,925
BS&A Timesheet .NET software and training (split 10% WS and 90% GF)	2,650	14,575
Machinery and Equipment	<u>9820000</u>	
Handheld Data Collectors (2)	14,000	
Improvements	<u>987000</u>	
Roof Replacement for Pole Barn	20,000	
Renovation of City Hall to include Health and Wellness Center (5%)	<u>5,000</u>	25,000
Total Fund	<u><u>\$ 1,014,575</u></u>	

