



# ADOPTED ANNUAL BUDGET 2017-2018

City of Madison Heights, Michigan

*This is Home*



# **City of Madison Heights Adopted Annual Budget Fiscal Year 2017-18**

## **Mayor**

Brian C. Hartwell

## **City Council**

Mark A. Bliss

Margene Ann Scott

Richard L. Clark

Robert J. Corbett

David M. Soltis

Robert B. Gettings

## **City Manager**

Benjamin I. Myers

## **Deputy City Manager for Administrative Services**

Melissa R. Marsh



# Mayor and Council

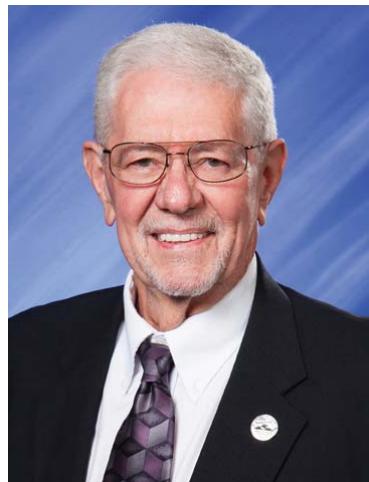
Brian C. Hartwell  
Mayor



Mark A. Bliss  
Mayor Pro Tem



Margene A. Scott  
Councilwoman



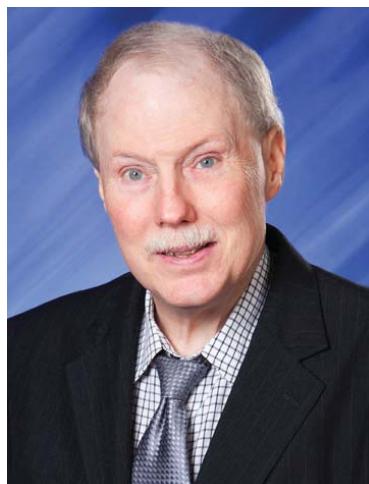
Richard L. Clark  
Councilman



Robert J. Corbett  
Councilman



David M. Soltis  
Councilman



Robert B. Gettings  
Councilman



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished*  
*Budget Presentation*  
*Award*

PRESENTED TO

**City of Madison Heights**  
**Michigan**

For the Fiscal Year Beginning

**July 1, 2016**

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

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, 2016. 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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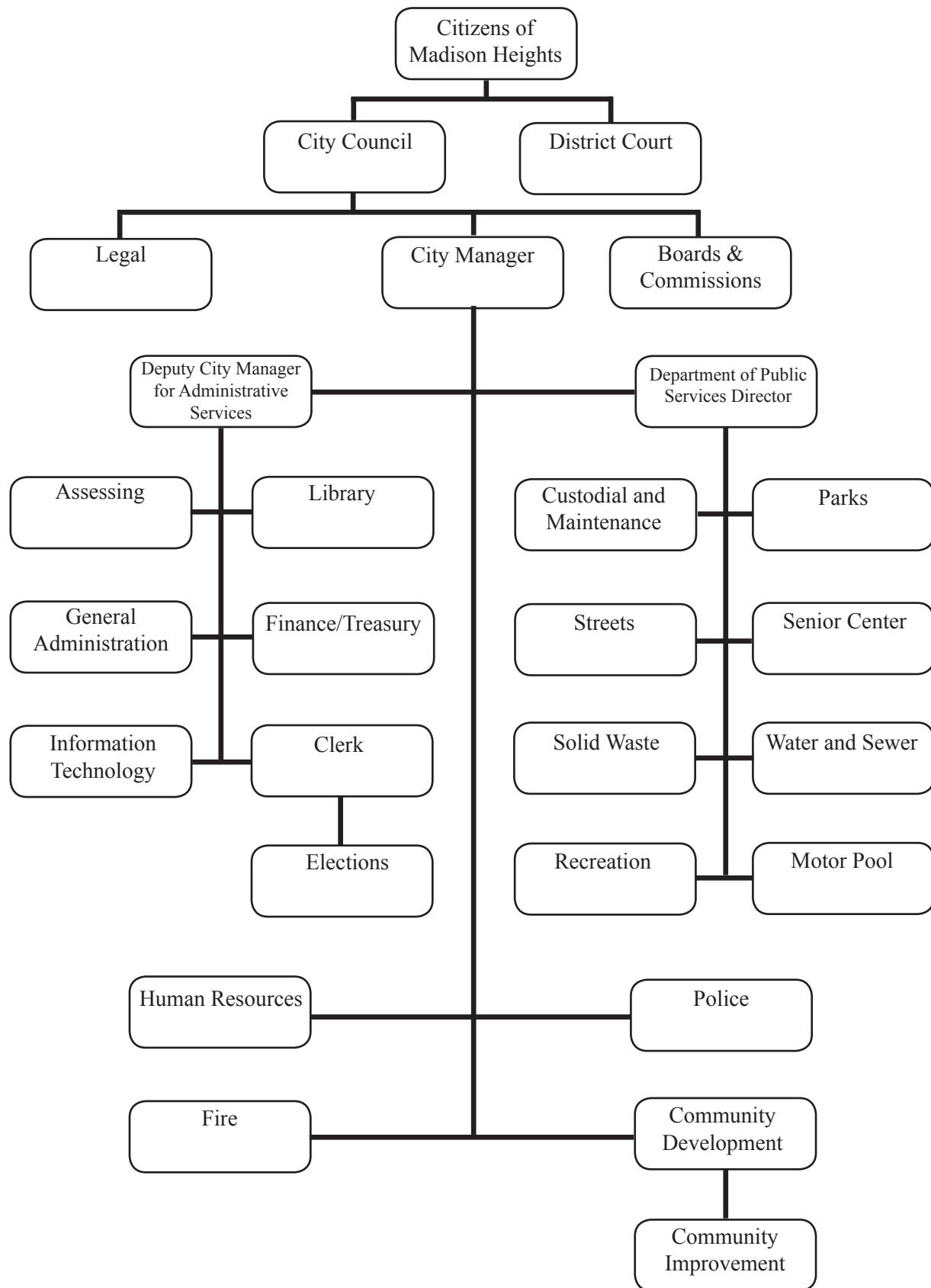
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# City of Madison Heights Organizational Chart





# 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 7, 2017

## Budget Message Fiscal Year 2017-18 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) 2018 beginning July 1, 2017 and the updated Five Year Capital Improvement Plan for FY 2018-2022. The Budget provides the annual financial plan for management of the City's affairs. The documents compile 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's departmental review of operations, this balanced Budget reflects a reasonable approach to meeting our most critical needs in the core service areas while continuing to position the City for long-term financial stability.

## BUDGET OVERVIEW

The total budget equates to \$51.3 million and includes funding of operations and capital purposes for 13 appropriated funds. This amount represents a \$1,073,725 or 2.0% decrease from the FY 2017 amended budget. As shown in the table below, the operating budget is projected to decrease by \$840,318 or 1.9%, and the capital budget decreases by \$233,407 or 2.6%.

Total Operating and Capital Budget			
	FY 2017 Budget	FY 2018 Budget	
<b>Operating Budget</b>	\$ 43,566,246	\$ 42,725,928	
Percent Change		-1.9%	
<b>Capital Improvement Budget</b>	\$ 8,839,689	\$ 8,606,282	
Percent Change		-2.6%	
<b>Total Budget</b>	\$ 52,405,935	\$ 51,332,210	
Percent Change		-2.0%	

## Financial Challenges

Looking ahead to FY 2018, we continue to see encouraging signs of economic recovery both state-wide and locally. While this trend is gradually lessening the budgetary constraints on the City, we continue to face three major financial challenges that restrict the City's ability to keep up with growth and the expectation to restore staff and services that were reduced during the most recent recession period of 2008-2015. These continued challenges are the reduction of the City's tax base due to personal property tax reforms, lack of significant increases in State Revenue Sharing and legacy cost of pension and other post-employment benefits (retiree health care). These challenges have hindered the City year after year and will continue to cause funding problems until the State legislature makes significant reforms to the structure of City funding and legacy cost, such as eliminating or offsetting the drastic cumulative effect of the Headlee Amendment and Proposal "A" caps on taxable value.

The number one long-term financial challenge facing Madison Heights and most municipalities in the State of Michigan is the decline in personal property taxes (PPT) due to the personal property tax reforms passed by

the State. Starting in 2014, personal property taxes are not assessed on parcels that have \$80,000 or less in personal property, and in 2016, taxes were also eliminated on all eligible manufacturing personal property (EMPP). EMPP acquired prior to January 1, 2006 or after December 31, 2012 is now fully exempt from property taxes, and exemptions of EMPP purchased between 2006 and 2012 will be phased in over the next seven years. In Madison Heights, this latest implementation of personal property tax reform has reduced our taxable value for personal property over 75.8%, resulting in a reduction of property taxes by over \$2.5 million. Fortunately, the tax reform law includes reimbursement of this loss in its entirety; however, to date the City has received only \$1,973,913 in new stabilization revenue or 79% of the lost PPT revenue.

The second major financial issue is also related to the long-term revenue loss imposed on the City from the State of Michigan through State Shared Revenue. According to the Michigan Municipal League's website ([www.SaveMiCity.org](http://www.SaveMiCity.org)), the City has lost over \$11 million dollars in revenue sharing payments from the time period of FY 2003 – FY 2015. During this same period, the State's revenues have increased almost 29%. This revenue stream is the City's second largest revenue source budgeted at \$2.8 million or 10.5% of General Fund revenue.

Addressing the issue of legacy cost for pensions and retiree health care remains a third central financial long-term challenge for the City. As of June 30, 2016, the unfunded liabilities for pension and retiree health care stand at \$46.6 million and \$75.4 million, respectively, for a total unfunded liability of \$122.0 million. The budget includes the actuarially required contribution for pensions in FY 2018 (\$3.1 million) as well as a planned contribution to Other Post-Employment Benefits (OPEB) (\$3.8 million) totalling \$6.9 million. This increase is directly related to a change in the mortality table for members of the Police and Fire Pension system. The required Police and Fire Pension contribution will necessitate an increase in the millage that supports this contribution from 5.8612 to 6.9586 mills. This contribution is in addition to the debt payments for the recently issued Pension Obligation Bonds for General Employee's pension.

In FY 2017, the City successfully issued Pension Obligation Bonds (POBs) for the General Employees pension pursuant to Public Act 34 of 2001 and a resolution adopted by City Council on March 28, 2016. When analysis was completed on issuing POBs, it was determined that the City would experience savings of approximately \$4 million over a 16-year period if the bonds sold with a true interest cost of 4.2% and investment earnings average 5.2%. These bonds sold in September 2016 with a true interest cost of 3.12%, which is well below the City's expectation of 4.2%. The lower than expected interest cost will lead to greater savings over the long-term. Debt payments budgeted in FY 2018 for POB principal and interest are \$1.19 million.

Regarding Other Funds, the City and the entire southeast Michigan region continue to face the major financial challenge of overall road network condition and how to fund the major needed repairs and ongoing maintenance. In an effort to address the deteriorating road and bridge network state-wide, in November 2015, Governor Snyder signed nine bills into law which will raise \$1.2 billion for the new transportation revenue package. This includes a Registration Fee and Fuel Tax increase as well as a dedication of State General Fund to the MTF among other changes. This is the largest state investment in transportation in Michigan history. Below is a high-level summary of the main points:

- Starting in January 2017, an additional \$600 million will be raised annually and dedicated for transportation purposes.
- Roughly one-third of funds will flow to the Michigan Department of Transportation (MDOT); two-thirds to counties, cities and villages. After full phase in, local agencies will see an estimated 60 percent increase in Act 51 revenue over their 2015 allocation.

- \$400 million in additional fuel tax revenues (fuel taxes will rise to 26.3 cents per gallon for both gas and diesel).
- \$200 million from a 20 percent increase in vehicle registration fees.
- Starting in 2019, General Fund transfers make up the remaining \$600 million in additional money, if available. The transfers will be phased in over a period of three years: \$150 million in 2019; \$325 million in 2020; and the full \$600 million in 2021. This money will be divided between the State Transportation Fund, county road commissions, and cities and villages.

The budget includes an increase in the Major Street Fund of \$295,645 or 19.4%, and a Local Street Fund increase of \$83,376 or 14.3% based on the Michigan Department of Transportation's (MDOT's) projections of revenues from fuel tax increases and vehicle registration fees included in this State Restricted Revenue Package.

### **Operating Budget Highlights**

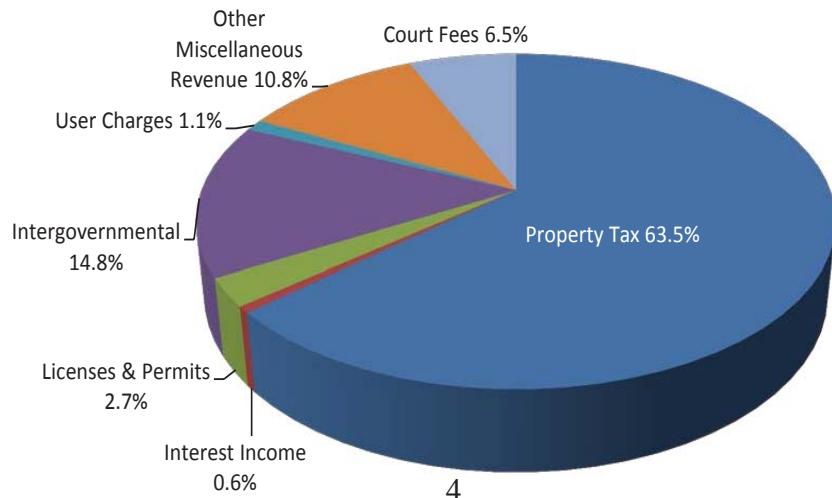
The FY 2018 budget was balanced through the utilization of \$3,085,571 of fund balance across all budgeted funds. Over 74% of this use of fund balance or \$2,299,000 is from the Water and Sewer Fund, 10.5% or \$326,585 is from the General Fund, 10.1% or \$313,966 is from the Local Street Fund, and the remaining portion is from other funds. The majority of this use is to fund one-time capital outlay purchases and projects.

#### **Revenues**

General Fund Revenues are budgeted at \$27.0 million exclusive of the planned use of fund balance. This represents an increase of \$96,828, or 0.35% from FY 2017 Amended Budget Revenues. Revenue is stagnant due to the small increase in taxable value of only 0.78%. Property taxes are budgeted at a 2.1% increase assuming the recommended millage structure. All other revenues are holding steady with no significant growth.

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 revenue source representing 63.5% of the FY 2018 General Fund Revenue Budget. Other major revenue sources include user charges, intergovernmental revenues, court fees, and other miscellaneous revenues.

#### **Where the Money Comes from by Sources of Funds**



Regarding the Water and Sewer Fund, effective January 2016, the Detroit Water and Sewerage Department (DWSD) operations were taken over by the Great Lakes Water Authority (GLWA). The GLWA operating agreement caps the wholesale revenue requirements for suburban customers like Madison Heights to 4% annually. This 4% is a revenue projection and not a wholesale rate increase cap.

Starting in FY 2017, the City began to adjust the method for billing customers for water, sewer and stormwater charges. The first step of this change was to remove stormwater from the sewage rate and to calculate a new stormwater charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface have a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed for stormwater continues to cover all of the city's stormwater expenses from the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%. In FY 2018, the water and sewer rates will decrease again by an additional 9% and the stormwater rate will be increased to \$11.37 per quarter.

The second step of this rate method change will be implemented with the FY 2018 budget for water and sewer bills on or after July 1, 2017. This step removes the drain debt from the water and sewer rate and assesses it on the tax bills, pursuant to Michigan Drain Code Chapter 20 of Public Act 40 of 1956, at 1.1562 mills. This final step will also eliminate the \$3 per quarter meter charge, and the flat rate service charge to commercial customers.

For the typical residential customer with a 10-unit minimum water usage, the quarterly bill will decrease overall by approximately 2% to \$80.40 as compared to FY 2017 when the same usage would cost \$82.29. In FY 2016, ten units of usage cost approximately \$94.99.

Rates are approximate and will vary by resident based on total stormwater ERUs of the parcel.

### Expenditures

When compared to the FY 2017 Amended Budget, all funds expenditures are down by \$1,073,725 or 2.0% (see the table on the following page). Most of this decrease is due to two FY 2017 budget amendments for one-time additional contributions from the General Fund and Water and Sewer Fund to the Retiree Health Care Trust (\$1,767,012), and additional contributions to the Police and Fire Pension System in a total amount of \$236,038. Factoring out these budget amendments from FY 2017, wages and benefits are up by only \$82,293 in FY 2018, a small increase reflecting prior year actuarial assumption changes.

Description	Actual FY 2016	Amended Budget FY 2017	Budget FY 2018	Difference
Police and Fire Pension Contributions	\$1,747,747	\$2,549,377	\$2,823,551	\$274,174
General Employee (MERS) Pension Contributions	1,733,575	676,227	299,448	(\$376,779)
Pension Obligation Bonds Payment	-	1,046,793	1,189,032	\$142,239
Total	\$ 3,481,322	\$ 4,366,298	\$ 4,312,032	(\$54,266)

In FY 2018, Police and Fire pension contributions increase by 10.75% or \$274,174 due to updated actuarial information and revised assumptions; however, this increase is more than offset by the \$376,779 or 55.7% decrease in General Employee pension contributions resulting from the issuance of the POBs. The annual POB debt service is budgeted at \$1,189,032 in FY 2018, which is an increase of \$142,239 over the FY 2017

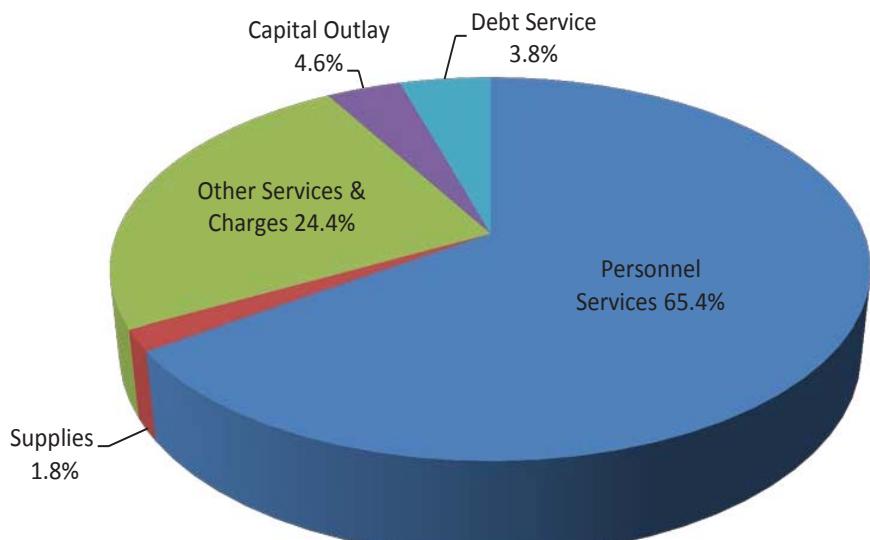
debt service payment of \$1,046,793. Overall, taking into account both pension contributions and pension obligation debt service, there is a net decrease in expenditures of almost \$55,000 in FY 2018.

As previously mentioned, the Water and Sewer Fund is budgeted to use \$2,299,000 of fund balance to fund watermain replacements and Phase 2 of the water meter replacement program. The following table presents a summary breakdown of the operating budget for all funds.

Fund Name	Actual 2015-16	Amended Budget 2016-17	Adopted Budget* 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
General Fund	\$ 26,002,625	\$ 29,495,462	\$ 27,341,065	\$ (2,154,397)	(7.3)
Major Street	2,090,843	1,717,269	1,984,487	267,218	15.6
Local Street	3,302,705	3,852,877	2,695,088	(1,157,789)	(30.0)
Parks Maintenance and Improvement	33,724	33,467	36,518	3,051	9.1
Downtown Development Authority	26,705	48,041	52,039	3,998	8.3
Police Drug Forfeiture	17,313	59,500	49,575	(9,925)	(16.7)
Community Improvement	100,174	99,489	103,110	3,621	3.6
Special Assessment Revolving	315,168	405,295	254,922	(150,373)	(37.1)
Fire Station Bond Fund	401,641	420,439	428,059	7,620	1.8
Water & Sewer Fund	10,660,492	15,195,522	14,495,113	(700,409)	(4.6)
Motor & Equipment Pool	1,079,400	1,078,574	955,633	(122,941)	(11.4)
Department of Public Services	-	-	2,049,341	2,049,341	n/a
Chapter 20 Drain Debt	-	-	887,260	887,260	n/a
<b>Total Appropriations</b>	<b>\$ 44,030,790</b>	<b>\$ 52,405,935</b>	<b>\$ 51,332,210</b>	<b>\$ (1,073,725)</b>	<b>(2.0)</b>

Total expenditures in the General Fund are projected to be down 6.8% as compared to the FY 2017 Amended Budget, as previously described. The following pie chart depicts appropriations by expenditure 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**



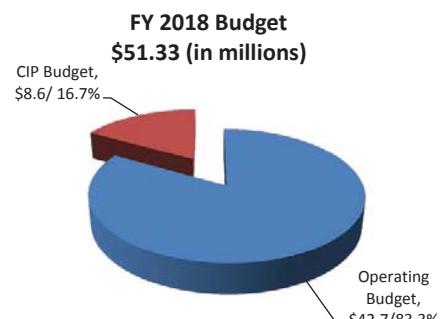
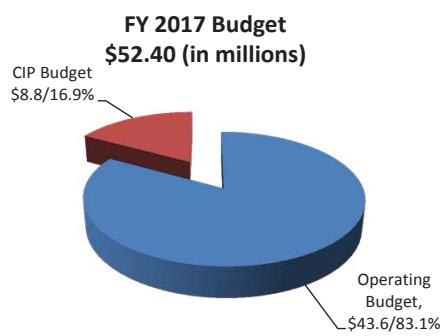
From the 1990's until FY 2010, City Council and Staff conducted an annual strategic planning/goal setting process; however, beginning in FY 2011 until FY 2016, goal setting was replaced with a financial budget gap reduction process where the City focused on reducing expenditures and enhancing revenues in order to keep us fiscally stable during the crisis caused by the Great Recession. Beginning in FY 2017 and continuing in FY 2018, Council and Staff have re-established the goal setting process to determine priorities and special initiatives for the coming budget year. Selected goals are developed into work plans that are reflected in the City's departmental budgets, department summaries and the capital improvement plan. The City's Adopted Goal Plan for FY 2017-18 may be found in the Budget Overview chapter and the various departmental goals are referenced through this document.

### **Capital Budget Highlights**

Capital Outlay purchases for FY 2018 total \$8.6 million for all funds including \$1.3 million in the General Fund. Of the General Fund purchases, 47.8% or \$574,000 are funded through dedicated millages (Proposals "V-3" and "L" and Senior Millage). The General Fund purchases that are not funded through dedicated millages include the second phase of the underground storage tanks located behind the Police Department building, a Microsoft Exchange Server, upgrading the fire engines from basic to advanced life support, two (2) chest compression systems for the Fire Department, phase one funding for an ambulance rescue vehicle, Fire Station #2 parking lot improvements and apparatus room floor resurfacing, a toolcat utility vehicle for the Streets Division, roof replacement for the Nature Center, replacement of aging swing sets throughout the city parks, Wildwood Park playscape, and pavement and parking lot replacement at Ambassador Park.

Other Funds include a capital outlay of \$7.3 million. The majority of this amount, \$3.4 million, is budgeted for road rehabilitation and reconstruction projects including R-3 dedicated millage projects, major roads sectional work, and the sidewalk repair and gap program. In the Water and Sewer Fund, \$1.3 million is budgeted for water main replacement, \$1 million is budgeted for Phase 2 of 4 of a city-wide meter replacement program and \$206,400 is budgeted as the local match for a \$1.03 million grant-funded sanitary sewer inspection/rehabilitation program. The remaining planned purchases include final phase of the underground storage tanks located behind the Department of Public Services, replacement of the salt dome structure, repairs and replacement to the Department of Public Services parking lot, a utility locator, an updated Neptune Collector for the Automatic Meter Reading System, and a sewer camera trailer. Drug Forfeiture Fund capital outlay includes a canine unit vehicle.

More details on these purchases including the budgeted dollar amounts can be found in the Department Chapters, Capital Improvement Plan and the Capital Outlay section of the Policy Document.



## 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 the framework for gauging the financial sustainability of resource allocated 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.

The Fall 2016 Forecast, which is included in the Appendices Chapter, projected a \$2.7 million budget gap for FY 2017-18 as compared to the actual, \$327,000. This forecast was based on the assumption that all Capital Outlay included in the Capital Improvement Plan would be budgeted.

Last November's forecast projected a \$2.7 million budget gap for FY 2017-18 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 grow at an annual rate of 0.95%, excluding possible wage increase that may result from negotiation. This budget gap was eliminated through slightly higher than anticipated revenues, a planned use of fund balance, and prioritization of capital purchases and improvements.

### **Fund Balances**

Due to strong financial management, our City survived the worst economic decline in our history and emerged with strong financial reserves across major funds allowing us the ability to use these reserves when needed to cover emergencies and one-time expenditures to balance the budget. As of June 30, 2016, the General Fund unreserved fund balance was \$8.4 million. Based on the budgeted use of fund balance, the City projects this fund balance will be \$5.6 million at the end of FY 2018, or just at 16% plus one year of debt payments. This is in compliance with the financial policies approved by City Council, directing staff to keep fund balance equal to or above 16% of regular operating expenditures plus one year of debt payments. Staff was mindful of the policy as we worked to establish City-wide Goals for FY 2018 and propose the FY 2018 Budget for Council's consideration.

### **General Fund - Fund Balance Compared to Total Revenues and Expenditures**



\* In 2017, the Council Target Fund Balance increased from 10% of expenditures to 16% of operating expenditures plus one year of debt service payments, as included in the City's Adopted FY 2017 Goal Plan.

The preceding graph 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, 2017, the City's Major Street and Local Street Funds are estimated to have fund balances of \$49,157 and \$527,524, respectively. The City's Water and Sewer Fund is projected to have \$5.3 million in unrestricted net position.

### **Bond Ratings**

In June 2016, the City had the bond rating reassigned as part of the bond issuance process for the Limited Tax General Obligations for POBs. During this process, the City secured a rating from Standard and Poors ("S&P") of AA-/stable. They described the City's strong management with "good" financial policies and practices under the financial management assessment methodology; adequate budgetary performance, which closed with operating surpluses in the general fund and at the total governmental fund level providing very strong budgetary flexibility and liquidity. The rating agency also noted that the City has a strong institutional framework.

### **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 2018.

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.

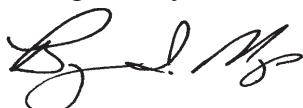
### **Conclusion**

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 Mary Daley, 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

**CITY OF MADISON HEIGHTS**  
**Adopted 2017-18 GOAL PLAN**  
**March 13, 2017**

**Organizational Mission Statement**

The Mission of the City of Madison Heights is to provide high quality services to residents and businesses in the most efficient, effective, and ethical manner possible so as to maintain and enhance, where possible, the public's health, safety and quality of life.

**Health Related Goals**

- A. Offer a Building Department "how to" seminar to teach those residents who wish to build their own decks, but who do not have the knowledge and skills necessary to successfully complete their projects without encountering budget, design and code issues.
- B. Provide residents with the voluntary option to purchase 95-gallon wheeled residential trash receptacles as an alternative container that will assist the City with code and rodent issues due to added capacity/less exposed trash, and provide an attached lid to prevent animal access to refuse, easier wheeling to and from the curb, and increased durability.

**Public Safety Related Goals**

- C. Reclassify and equip the Fire Department's front-line Fire Engines from a Basic Life Support (BLS) response vehicle to an Advanced Life Support (ALS) response vehicle to assist with the performance of critical lifesaving ALS procedures.
- D. Restore the Special Investigations Unit (SIU) function and improve the Police Department's ability to conduct undercover investigations by assigning a Police Officer to the multi-jurisdictional Troy SIU Task Force and back-filling the resulting vacant Police Officer position.
- E. Improve pedestrian and traffic safety by analyzing pedestrian crossings, and making improvements where necessary and feasible, along Dequindre Road between 11 and 13 Mile Roads.
- F. Institute a Fire Department Community Outreach Program to offer a File of Life medical information card to all residents, specifically targeting those who are 60 years of age and older, in an effort to ensure that a patient in need of emergency medical attention receives prompt medical care.

**Quality of Life Related Goals**

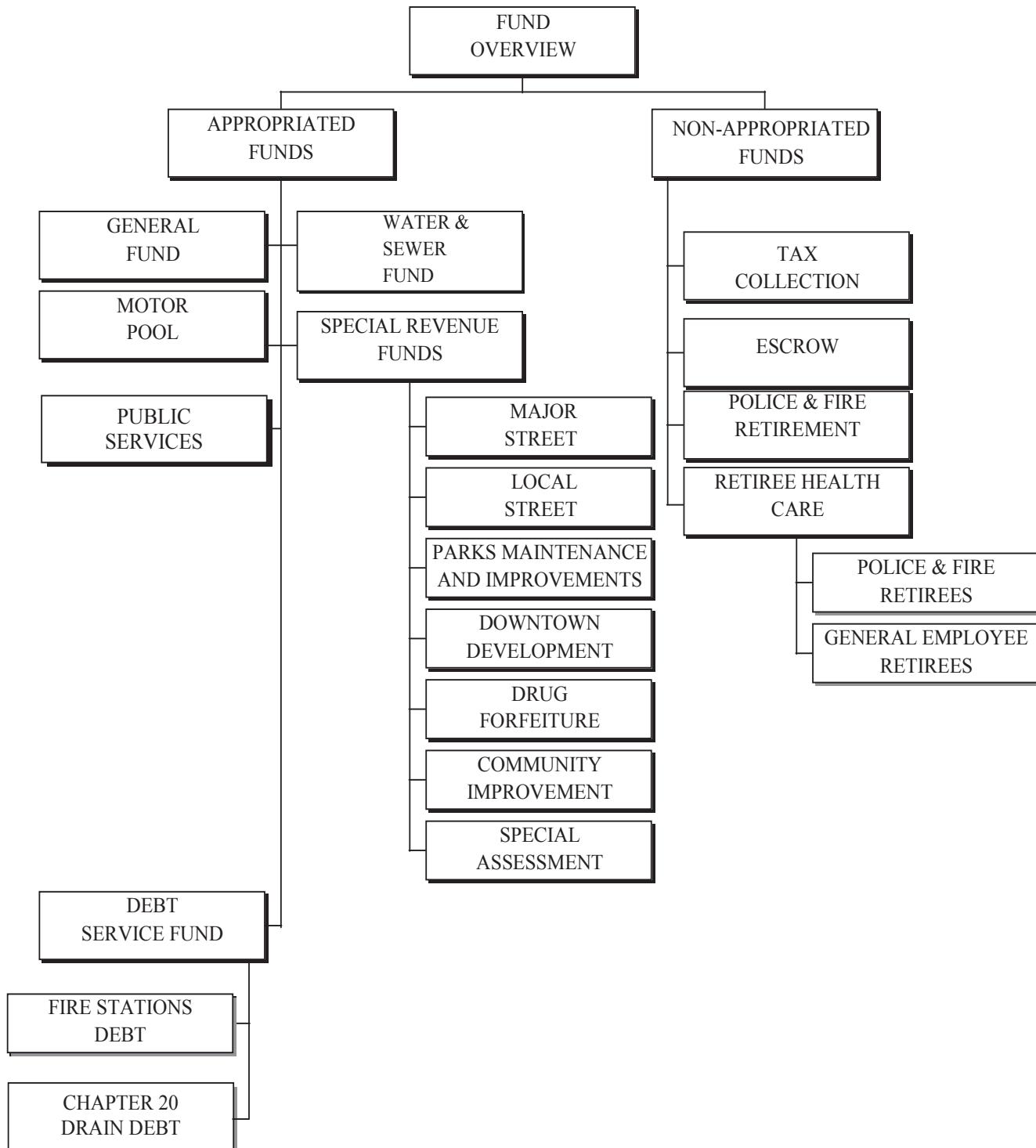
- G. Establish a Department of Public Services and Community Development Department program to replace right-of-way trees that are unavoidably removed due to City road and utility projects, thereby maintaining neighborhood aesthetics, property values, energy savings, air quality, noise reduction, and other direct benefits derived from trees.
- H. As a fairness measure, modify the Fire Department policy to waive the resident portion of the EMS transport fee not covered by insurance or Medicare.
- I. Retain and expand use of portable toilets in our City parks by continuing to provide portable family-style restrooms at Civic, Rosie's, and Ambassador Parks on an annual basis and by adding portable family-style restrooms to Huffman and Monroe Parks during the Spring, Summer, and Fall.
- J. Conduct training for Library patrons regarding the use of electronic options to traditional print materials (i.e. Ebook and Zinio), including instruction, handouts, and the use of Library Advisory Board members for promotional assistance.
- K. Implement the Little Free Library program of installing free book exchanges at various locations to promote literacy and the love of reading, and the use of the public library and its wider options.
- L. Provide transportation to and from the Library, in the form of a Library Day, for those senior and disabled residents whose interest in Library services cannot be satisfied through a home visit.

- M. Offer a Library Book Club to better serve the young adult segment of the population through specific programming, group sessions, encouragement of reading, and other promotions.
- N. Reinstitute the Summer Beautification and Holiday Light Award Programs as a means of providing recognition of and an incentive for City pride, landscaping and home improvements, and spreading holiday cheer, as well as a means for the Senior Advisory Board and staff to interact with the community to promote our City.
- O. Partner with the Chamber of Commerce and Michigan Manufacturing Association (MMA) to offer periodic collaborative meetings with a goal to bring our local manufacturing businesses the information and contacts necessary to keep them competitive and improve their bottom line.
- P. Promote utilization of the City's Heritage Rooms through activities such as book signings, joint advertising and open house with other community events, increased signage and publications, and a social media presence.
- Q. Analyze and submit a proposal for a Michigan Economic Development Corporation / Michigan Municipal League Patronicity Placemaking Grant for creative crowdfunding of an internal City priority or project done in conjunction with an outside group.
- R. Following the Department of Public Services Recreation Scholarship model, offer a Voucher Program enabling qualified Madison Heights residents to obtain free and/or discounted tickets to visit the Red Oaks Water Park.

#### **Resource Management Related Goals**

- S. Convert the Police Department's Policies to the PowerDMS Electronic System format which will allow for officer testing and the ability to work toward Michigan Association of Chiefs of Police Accreditation, thereby increasing the Department's professionalism and decreasing liability.
- T. Implement a Community Development Department electronic application, payment, comment and approval process for building and planning permits, thereby reducing paper waste, eliminating the need to scan new permit applications, and substantially reducing staff time to process permits.
- U. Streamline the Boards and Commissions recordkeeping and re-appointment process in the City Clerk's Office by consolidating multiple databases, analyzing semi-annual term expirations, and creating a uniform re-appointment procedure for Council's consideration.
- V. Implement an E-Lock Box Service in the Treasurer's Office to convert Non-Automated Clearing House (ACH) electronic payments into ACH payments, which will reduce staff research time and lower processing costs.
- W. Systematically analyze and update all City job descriptions in the Human Resources Office so that essential functions are accurately represented and work performance can be properly evaluated.
- X. Conduct surplus item auctions on the major online auction sites and perform an ongoing analysis of items to be sold at auction to ensure that the City is realizing the highest possible revenue.
- Y. Fund, recruit, and hire a Part-Time Seasonal Recreation Division Intern to provide enhanced programming support for the Department of Public Services during peak periods.

# 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 18 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 seven 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" and "R-3"

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 Funds**

Internal Services Funds account for the financing of services and materials provided by a department of the government to another department on a cost reimbursement basis. The City has two Internal Service Funds that are accounted for separately. Descriptions of the Internal Services Funds maintained by the City are as follows:

#### **Public Services Fund**

The Public Services Fund is a new fund to the City as of FY 2017. Prior to FY 2017 Public Service employees were allocated based on a fixed percentage, where the department estimated they would spend their time. Now all public services employees are charged to this internal services fund and we use ac-

tual hours worked and equipment used to charge to the other activities throughout the city on a monthly basis using the City's Work order program. The Public Services Division is responsible for the maintenance of all city property, including City buildings and grounds, parks, roadways and water and sewer lines. This division also handles special events and activities.

### **Motor Pool Service Fund**

The Motor Pool Vehicle and Equipment Fund are used to account for the cost of operating and maintain 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**

The debt service funds are used to account for and report financial resources that are restricted to the expenditure of principle and interest.

#### **Fire Station Debt Service Fund**

The Fire Stations Debt Service Fund accounts for principle 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 on Fire Station #2.

#### **Chapter 20 Drain Debt Services Fund**

The Chapter 20 Drain Debt Services Fund accounts for principal and interest payments made on bond issued by Oakland County Drain Commissioner for construction and capital for the drains in Madison Heights. Unlimited millage authorized by Chapter 20 of the State of Michigan Drain Code of 1956 (Public Act 40 of 1956).

### **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.

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance**  
**All Fund Types**  
**Three Year Comparison**  
**Fiscal Year 2016-17**

	GENERAL FUND			SPECIAL REVENUE/DEBT SERVICE FUNDS *		
	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Actual 2015-16	Estimate 2016-17	Budget 2017-18
<b>REVENUES</b>						
Property Taxes	\$ 16,736,287	\$ 16,810,103	\$ 17,159,281	\$ 1,994,334	\$ 2,050,960	\$ 2,878,913
Licenses and permits	808,300	738,350	739,150	0	0	0
Intergovernmental	3,371,201	4,691,508	4,018,989	2,344,826	2,392,303	2,952,196
Court fines and fees	1,817,788	1,743,000	1,743,000	0	0	0
Charges for services	247,903	229,160	225,050	0	0	0
Parks and Recreation	221,933	216,588	248,357	0	0	0
Interest and Misc. Revenue	2,559,396	1,555,778	1,914,623	94,747	100,250	58,563
Special assessments	0	0	0	267,409	160,380	141,400
Departmental Charges	922,579	870,730	911,030	0	0	0
Transfers from other funds	93,607	62,735	55,000	0	0	0
<b>TOTAL REVENUES</b>	<b>\$ 26,778,994</b>	<b>\$ 26,917,952</b>	<b>\$ 27,014,480</b>	<b>\$ 4,701,316</b>	<b>\$ 4,703,893</b>	<b>\$ 6,031,072</b>
<b>EXPENDITURES</b>						
General Government	\$ 5,789,092	\$ 6,236,624	\$ 4,907,730	\$ 0	\$ 0	\$ 0
Public Safety	13,916,119	16,001,588	15,348,987	17,313	59,500	49,575
Community Service	3,421,652	3,344,580	3,243,892	0	0	0
Culture and Recreation	1,768,586	1,803,333	1,766,319	45,194	66,273	88,557
Community Development	1,089,676	1,062,544	1,037,896	5,708,716	5,972,941	4,931,997
Community Improvement	0	0	0	100,174	99,489	103,110
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	0	0	0	15,235	17,735	2,500
Debt Service	17,500	1,046,793	1,036,241	401,641	420,439	1,315,319
<b>TOTAL EXPENDITURES</b>	<b>\$ 26,002,625</b>	<b>\$ 29,495,462</b>	<b>\$ 27,341,065</b>	<b>\$ 6,288,273</b>	<b>\$ 6,636,377</b>	<b>\$ 6,491,058</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 776,369</b>	<b>\$ (2,577,510)</b>	<b>\$ (326,585)</b>	<b>\$ (1,586,957)</b>	<b>\$ (1,932,484)</b>	<b>\$ (459,986)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>\$ 7,954,376</b>	<b>\$ 8,730,745</b>	<b>\$ 6,153,235</b>	<b>\$ 5,906,162</b>	<b>\$ 4,319,205</b>	<b>\$ 2,386,721</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 8,730,745</b>	<b>\$ 6,153,235</b>	<b>\$ 5,826,650</b>	<b>\$ 4,319,205</b>	<b>\$ 2,386,721</b>	<b>\$ 1,926,735</b>

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

Debt Service includes the Fire Stations Bond Fund and Chapter 20 Drain Debt Fund.

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance**  
**All Fund Types**  
**Three Year Comparison**  
**Fiscal Year 2016-17**

	WATER AND SEWER FUND			TOTALS Memorandum Only		
	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Actual 2015-16	Estimate 2016-17	Budget 2017-18
<b>REVENUES</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 18,730,621	\$ 18,861,063	\$ 20,038,194
Licenses and permits	0	0	0	808,300	738,350	739,150
Intergovernmental	0	0	825,600	5,716,027	7,083,811	7,796,785
Court fines and fees	0	0	0	1,817,788	1,743,000	1,743,000
Charges for services	12,902,287	12,610,964	11,212,510	13,150,190	12,840,124	11,437,560
Parks and Recreation	0	0	0	221,933	216,588	248,357
Interest and Misc. Revenue	475,680	132,000	112,000	3,129,823	1,788,028	2,085,186
Special assessments	0	0	0	267,409	160,380	141,400
Departmental Charges	29,550	29,550	46,003	952,129	900,280	957,033
Transfers from other funds	0	0	0	93,607	62,735	55,000
<b>TOTAL REVENUES</b>	<b>\$ 13,407,517</b>	<b>\$ 12,772,514</b>	<b>\$ 12,196,113</b>	<b>\$ 44,887,827</b>	<b>\$ 44,394,359</b>	<b>\$ 45,241,665</b>
<b>EXPENDITURES</b>						
General Government	\$ 0	\$ 0	\$ 0	\$ 5,789,092	\$ 6,236,624	\$ 4,907,730
Public Safety	0	0	0	13,933,432	16,061,088	15,398,562
Community Service	0	0	0	3,421,652	3,344,580	3,243,892
Culture and Recreation	0	0	0	1,813,780	1,869,606	1,854,876
Community Development	0	0	0	6,798,392	7,035,485	5,969,893
Community Improvement	0	0	0	100,174	99,489	103,110
Water Division	3,543,536	3,869,935	3,567,906	3,543,536	3,869,935	3,567,906
Sewer Division	5,749,834	5,566,171	5,583,527	5,749,834	5,566,171	5,583,527
W/S Support & Capital Outlay	1,142,922	4,706,220	5,053,689	1,142,922	4,706,220	5,053,689
Transfers Out	0	0	0	15,235	17,735	2,500
Debt Service	224,200	1,053,196	289,991	643,341	2,520,428	2,641,551
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,660,492</b>	<b>\$ 15,195,522</b>	<b>\$ 14,495,113</b>	<b>\$ 42,951,390</b>	<b>\$ 51,327,361</b>	<b>\$ 48,327,236</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 2,747,025</b>	<b>\$ (2,423,008)</b>	<b>\$ (2,299,000)</b>	<b>\$ 1,936,437</b>	<b>\$ (6,933,002)</b>	<b>\$ (3,085,571)</b>
<b>FUND BALANCES, ** BEGINNING OF YEAR</b>	<b>\$ 31,312,362</b>	<b>\$ 34,059,387</b>	<b>\$ 31,636,379</b>	<b>\$ 45,172,900</b>	<b>\$ 47,109,337</b>	<b>\$ 40,176,335</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 34,059,387</b>	<b>\$ 31,636,379</b>	<b>\$ 29,337,379</b>	<b>\$ 47,109,337</b>	<b>\$ 40,176,335</b>	<b>\$ 37,090,764</b>

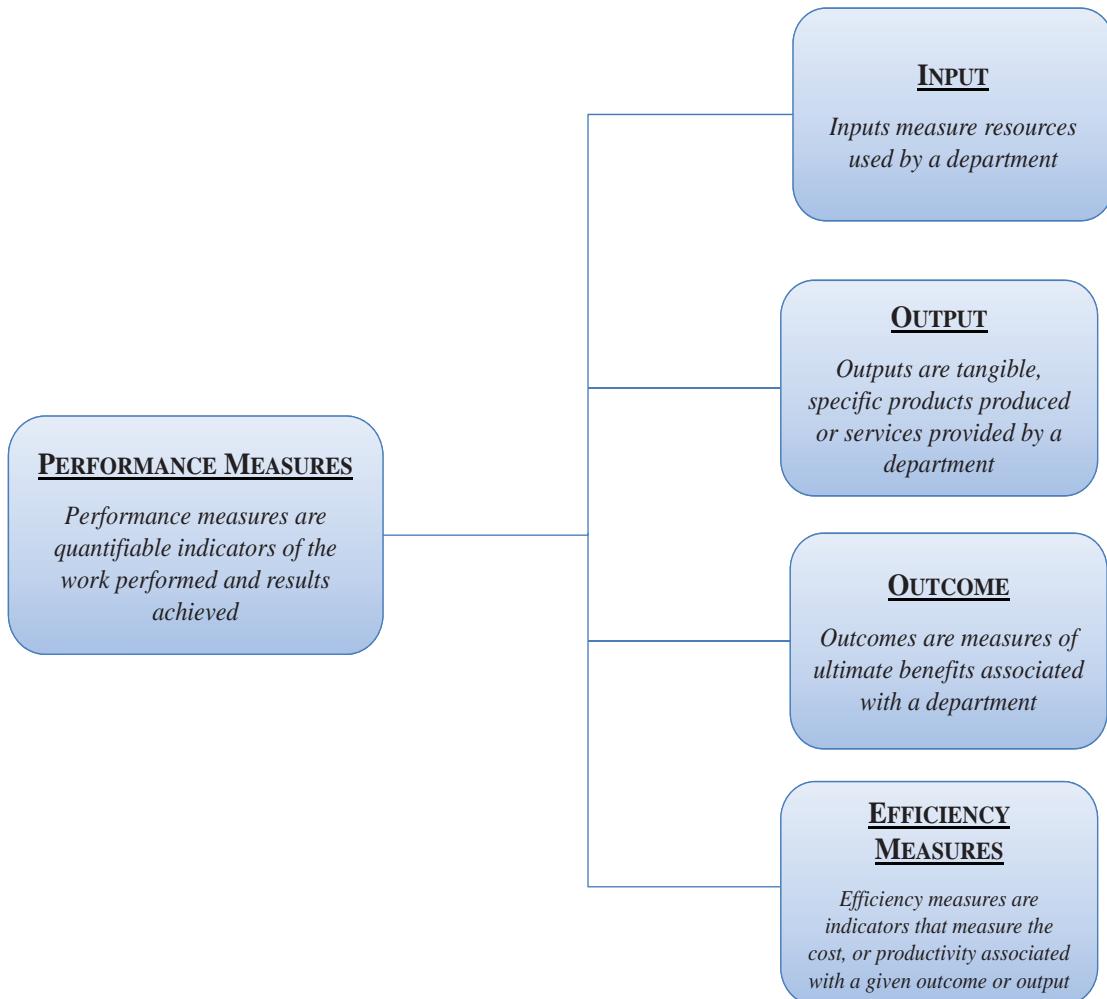
\*\* The Water and Sewer Fund Fund Balance (Net Position) is affected by assets and liabilities. This is not reflective of cash available in the fund.

## **Performance Measurement**

After participating in several benchmarking programs that proved to have high cost and little value, the City of Madison Heights underwent an in-house redevelopment of performance measures across all departments. This project has taken our City's performance measurement to a new level requiring department heads and staff to develop outcome-oriented identifiers that are useful to management. These performance measures are meant to be an indicator of the work performed and results achieved by each department. Measures must be either inputs, outputs, outcomes or efficiency measures. These updated performance measures are included in each department chapter.

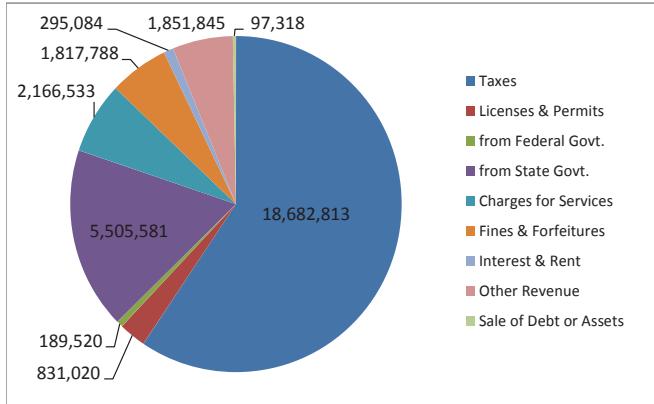
The value of performance measurement is dependent upon the quality of the individual measures and focusing more on the results rather than on the effort required to affect significant changes in the measured activities. The use of outcome, output, input and efficiency measures are integral to assessing department performance.

In addition, the City is required by the State of Michigan to submit a Citizens Financial Report and a Dashboard which contains a brief version of these performance measures compared to the prior year.

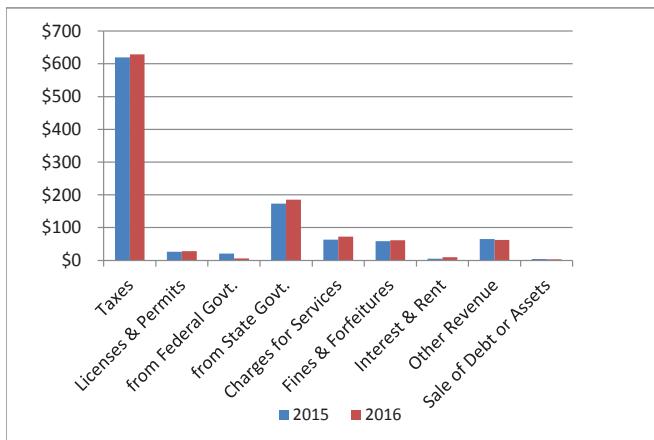


## Citizens Guide to Local Unit Finances - Revenues

### 1. Where our money comes from (all governmental funds)



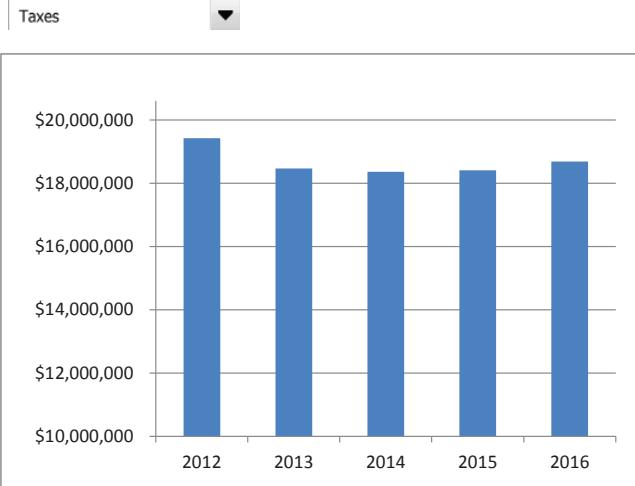
### 3. Revenue sources per capita - compared to the prior year



### 2. Compared to the prior year

	FY 2015	FY 2016	%
Taxes	\$ 18,404,397	\$ 18,682,813	2%
Licenses & Permits	797,664	831,020	4%
from Federal Govt.	623,518	189,520	-70%
from State Govt.	5,163,661	5,505,581	7%
Charges for Services	1,882,296	2,166,533	15%
Fines & Forfeitures	1,748,751	1,817,788	4%
Interest & Rent	170,076	295,084	74%
Other Revenue	1,949,747	1,851,845	-5%
Sale of Debt or Assets	130,693	97,318	-26%
	<u>\$ 30,870,803</u>	<u>\$ 31,437,502</u>	2%

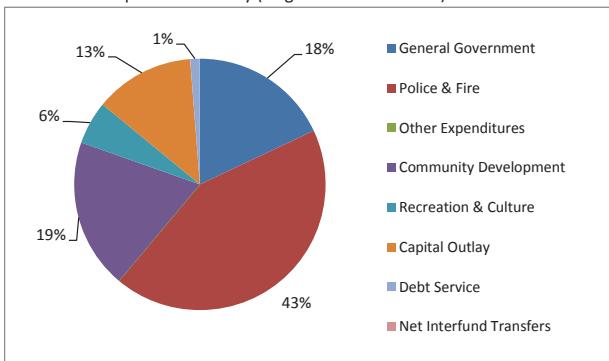
### 4. Historical trends of individual sources



Governmental funds include the General Fund, Major and Local Street Funds, Special Assessment Revolving Fund and other Non-Major Funds. Governmental Fund revenues were up 1.9% when compared to FY 2015. This increase is due to an unbudgeted insurance distribution of \$511,930 and cable fees exceeding budget by \$132,815. Local Streets planned construction expenditures exceeded revenues by \$893,400. Major Streets planned construction expenditures exceeded revenues by \$635,332. During the Fiscal Year, the City's overall taxable value increased 1.5%. The City's second largest source of Governmental Fund revenue is State Shared Revenues, which amount to 17.5 % of Governmental Fund Revenues.

## Citizens Guide to Local Unit Finances - Expenditures

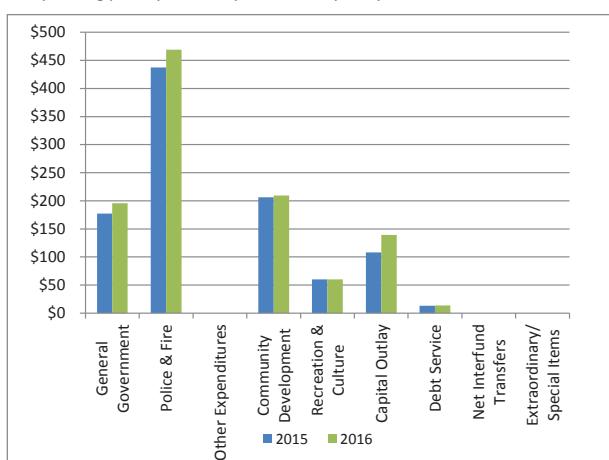
### 1. Where we spend our money (all governmental funds)



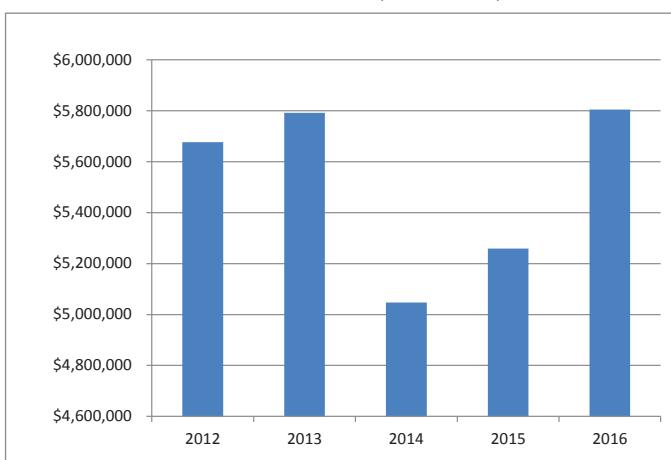
### 2. Compared to the prior year

	FY 2015	FY 2016	% change
General Government	\$ 5,258,533	\$ 5,804,730	10%
Police & Fire	12,993,451	13,921,984	7%
Health & Welfare	-	-	n/a
Community & Economic Dev.	6,124,673	6,219,338	2%
Recreation & Culture	1,789,119	1,791,979	0%
Capital Outlay	3,210,477	4,138,138	29%
Debt Service	392,913	401,640	2%
Total Expenditures	<u>\$ 29,769,166</u>	<u>\$ 32,277,809</u>	8%

### 3. Spending per capita - compared to the prior year



### 4. Historical trends of General Government Department Groups:

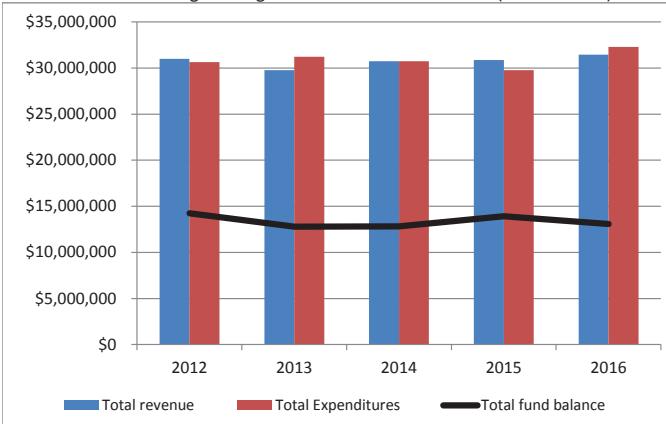


Total expenditures for Governmental Activities were up 8% when compared to FY 2015. Investment in capital outlay was up 29% over the prior year and debt service payments were up 2%. Expenses for Police and Fire increased due to several retirements and increased contributions to pension and OPEB Trusts. The City strives to fund the Other Post-Employment Benefits (OPEB) and Pension accounts to the actuarial required contributions.

For more information regarding the City's Finances please visit [www.madison-heights.org](http://www.madison-heights.org) or contact the City Manager's Office or Finance Department.

## Citizens Guide to Local Unit Finances - Financial Position

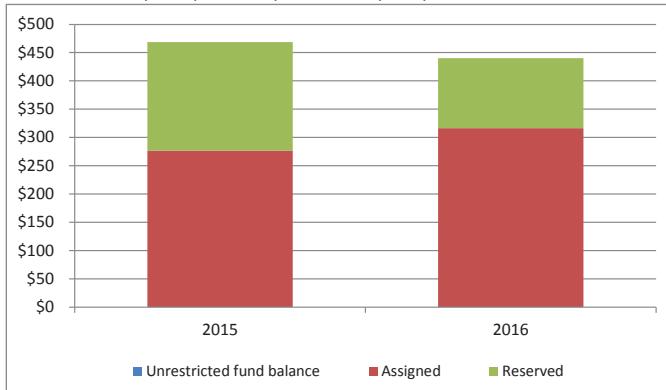
### 1. How have we managed our governmental fund resources (fund balance)



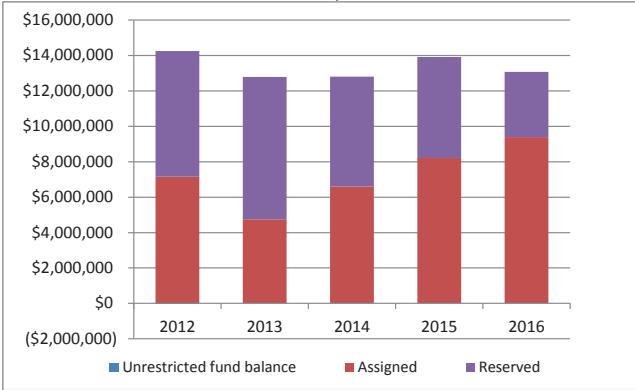
### 2. Compared to the prior year

	FY 2015	FY 2016	% change
Revenue	\$ 30,870,803	\$ 31,437,502	1.8%
Expenditures	29,769,166	32,277,809	8.4%
Surplus (Shortfall)	<u>\$ 1,101,637</u>	<u>\$ (840,307)</u>	
<b>Fund Balance, by Component:</b>			
Reserved	\$ 5,695,471	\$ 3,676,035	-35.5%
Assigned	8,216,946	9,396,075	14.3%
Unassigned	0	0	0%
<b>Total Fund Balance</b>	<u>\$ 13,912,417</u>	<u>\$ 13,072,110</u>	<u>-6.0%</u>

### 3. Fund balance per capita - compared to the prior year



### 4. Historical trends of Fund Balance Components

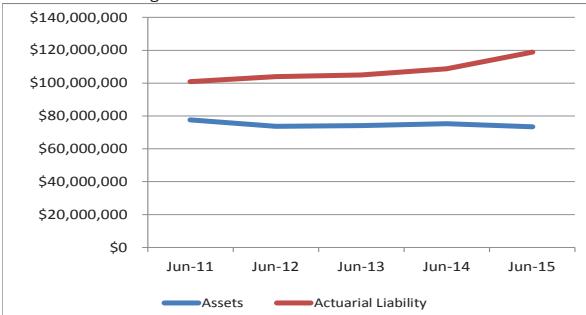


At June 30, 2016 the Governmental Funds had fund balances of \$13.1 million of which \$9.4 million was unreserved. This is 29.1% of the FY 2016 Governmental Fund expenditures. The General Fund was budgeted to use \$665,000 in fund balance; however, at year end \$768,000 was added to fund balance. This significant savings was due to an insurance distribution of \$511,930, an increase in cable franchise fees \$132,815, ambulance revenues higher than budgeted by \$107,000. Several departments also completed the year under budget. Most noteable is Information Technology which ended the year under budget by \$147,768 adding to fund balance; however this money should have been carried forward to FY 2017 for payment of the new telephone system.

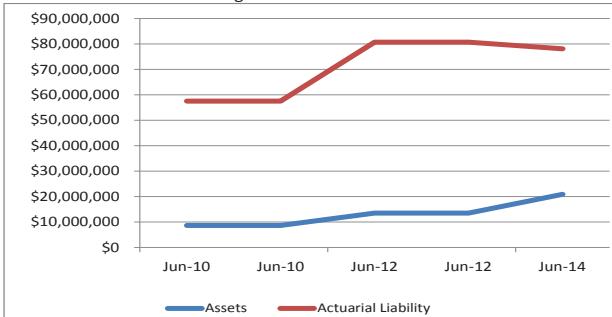
For more information regarding the City's finances please visit [www.madison-heights.org](http://www.madison-heights.org) or contact the City Manager's Office or Finance Department.

## Citizens Guide to Local Unit Finances - Other Long Term Obligations

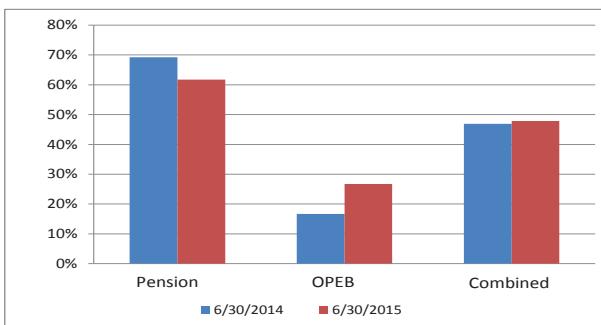
1. Pension funding status



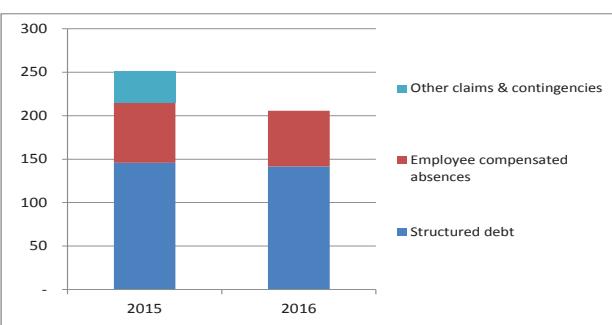
2. Retiree Health care funding status



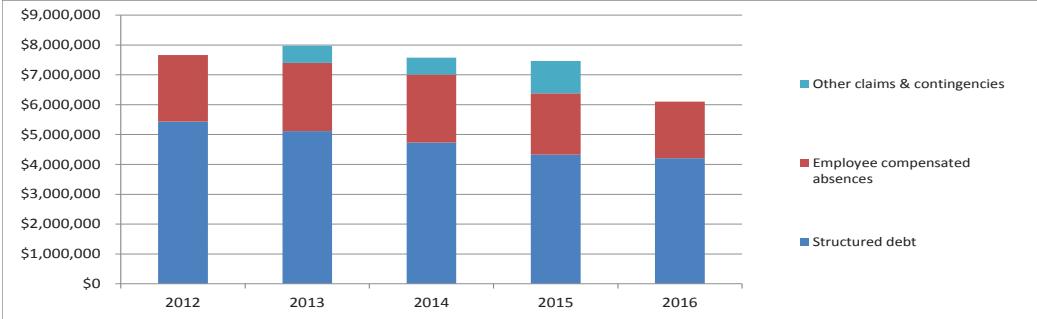
3. Percent funded - compared to the prior year



4. Debt & other long term obligations per capita - compared to the prior year



5. Long Term Debt obligations:



For the fiscal year ended June 30, 2016, the City's annual pension cost was \$3.5 million excluding contributions for other post employment retirement benefits (OPEB) and administrative expenses. The City annually contributes the required annual contribution to the pension plans. At the end of FY 2016, the City was in the process of bonding for the unfunded liability of the General Employees Pension. These bonds were not issued until September 2016.

In 2006, the City also established two healthcare savings trusts in order to save for future retiree health insurance. The City has been diligent in addressing this liability by making contributions since that time. OPEB benefits for new hires have also been changed from a defined benefit plan to a defined contribution plan reducing the City's overall liability. In FY 2017, staff plan to request an additional OPEB contribution from fund balance of \$1.5 million and develop an OPEB funding plan.



## City of Madison Heights Performance Dashboard

Prior Year = FY 2015

Current Year = FY 2016

<b>Fiscal Stability</b>			
	Prior	Current	Progress
Annual General Fund Expenditures Per Capita	\$ 834	\$ 902	⬇️
Unrestricted Fund Balance as a % of General Fund Expenditures	28.9%	31.2%	⬆️
Other Post-Employment Benefits Liability Funding Percentage	31.4%	32.3%	⬆️
Debt Burden Per Capita	\$ 414	\$ 368	⬆️
Full-time Employees	143	143	↔️
Total Taxable Property Value (in millions)	\$ 782	\$ 785	⬆️
<b>Public Safety</b>			
	Prior	Current	Progress
Number of Total Calls Answered by Public Safety Dispatch	69,413	72,123	⬇️
Number of Emergency Medical Service (EMS) and Rescue Calls	3,224	3,483	⬇️
Number of People Transported by EMS	2,041	2,252	⬇️
Number of Building Inspections	4,351	4,452	⬆️
Number of Building Structure Fire Calls	71	68	⬆️
Total Vehicle Crashes	1,120	1,551	⬇️
Total Traffic Fatalities	3	2	⬆️
Total Arrests	1,048	1,504	⬇️
Traffic Police Citations Issued	10,993	9,649	⬆️
<b>Economic Strength</b>			
	Prior	Current	Progress
% of Community with Access to High Speed Internet	100%	100%	↔️
Number of New Businesses	111	101	⬇️
Investment in Streets, Water and Wastewater Infrastructure Per Capita	\$ 156	\$ 163	⬆️
Building Inspection - Building Permit Revenue (in thousands)	\$ 428	\$ 497	⬆️
Unemployment Rate	7.7%	6.7%	⬆️
Industrial Vacancy Rate	4.3%	5.3%	⬇️
<b>Quality of Life</b>			
	Prior	Current	Progress
% of General Fund Budget Committed to Arts, Culture and Recreation	7.3%	7.3%	⬆️
Senior Meals Served Daily	106	90	⬇️
Senior Two-Way Bus Trips Provided	9,826	8,396	⬇️
Operating Budget Per Park Acre	\$ 4,419	\$ 5,139	⬆️
Library Visits Per Year	102,969	98,172	⬇️
% of Drinking Water Standards Met	100	100	↔️
Persons Enrolled in Recreation Programs	1,301	1,562	⬆️

Performance Improving ↑

Performance Staying About the Same ↔

Performance Declining ↓



## REVENUE CHAPTER

### Revenue Overview

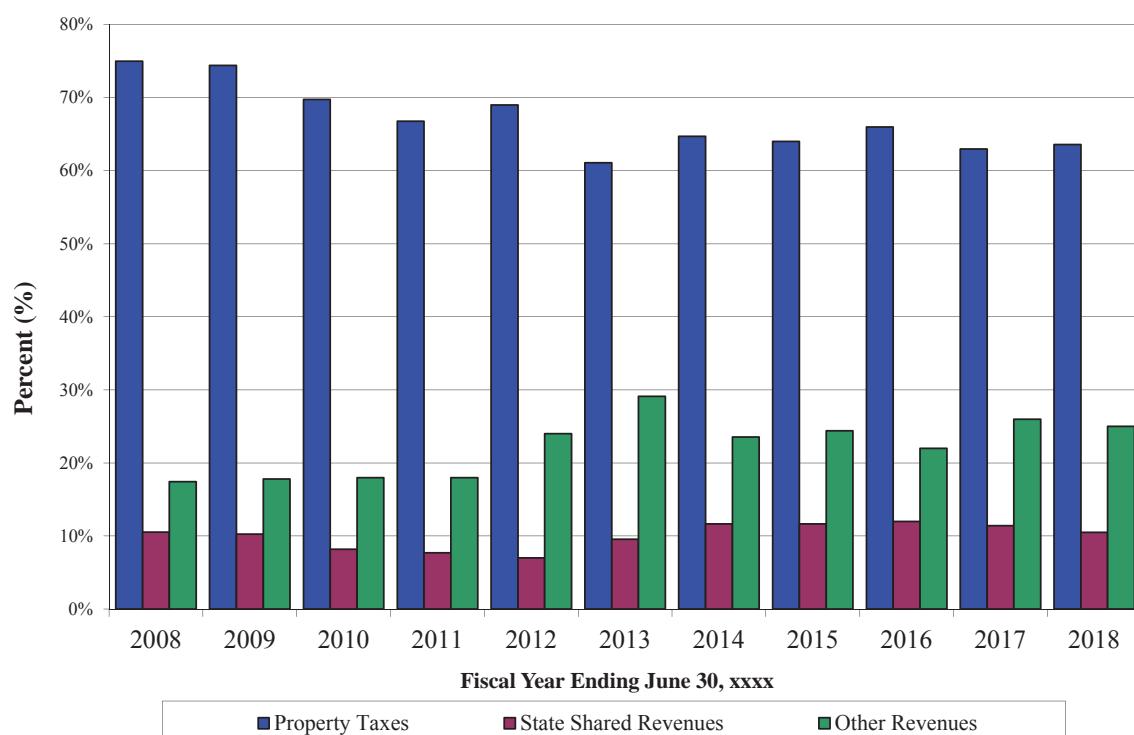
General Fund Revenues are budgeted at \$27.3 million for FY 2017-18, with a planned use of fund balance of \$326,585. This represents a decrease of \$2 million or 6.8% from FY 2016-17 Amended Budget revenues, factoring in the use of fund balance. Exclusive of the use of fund balance, revenues are stagnant with an increase of only \$96,500 in FY 2018. The changes in revenues are related to four categories with the most significant being the budgeted use of fund balance which is \$2,093,732 less in FY 2018 when compared to FY 2017. Other significant changes in revenues are property taxes which are up \$349,000 or 2%. This is directly related to the increased millage for Police and Fire Pension as property tax values only increased 0.78%. Intergovernmental revenues are down \$672,500 based on an estimated reduction in Local Community State Shared revenue for reimbursement of lost Personal Property Tax (PPT). This decrease is offset by an increase in miscellaneous revenues of \$373,500 due to the planned receipt of a distribution of earnings from the Michigan Municipal Risk Management Authority.

Factoring in the impact of the current inflation rate (Detroit Area Consumer Price Index) of 2.28%, General Fund revenues are down 9.08%.

### Base Budget Revenue Changes

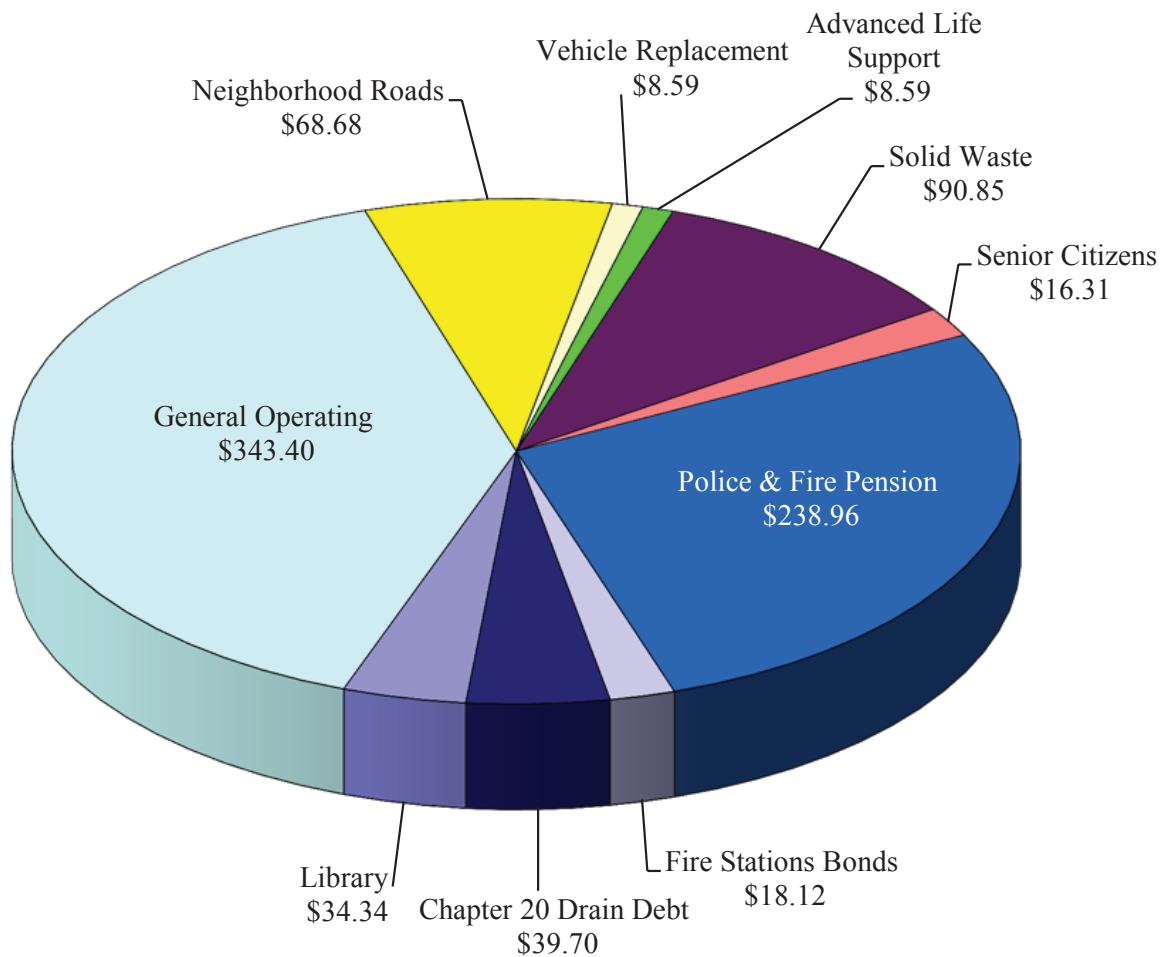
The composition of General Fund Revenues includes: Property Taxes at \$17.2 million or 63.6% of total General Fund Revenues; State Shared Revenues at \$2.8 million (10.5%); Court Related Revenues at \$1.7 million (6.5%); Charges to Other Funds of \$912,000 (3.4%); Construction Permits at \$400,000 (1.5%); Ambulance/Rescue Insurance Reimbursement of \$560,500 (2.0%); Cable Television Fees in the amount of \$554,000 (2.0%); Charges for Services of \$225,000 (0.8%); and Other Revenues of \$2.6 million (9.7%).

**Percentage of General Fund Revenues**



**Average City Taxes - FY 2017-18**  
**Based on Average Home Market Value of \$97,400**  
**(Taxable Value of \$34,340)**

**Total of \$867.54**



Approximately 60% 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 2017-18 combined City tax rate of 25.2632 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>2016-17</u>	<u>Tax Rate</u> <u>2017-18</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	0.4751	0.4751	0.0000	0.5000	0.4751
Police & Fire Pension	5.8612	6.9586	1.0974	as needed	as needed
Fire Stations Bond	0.5330	0.5276	(0.0054)	as needed	as needed
Library	1.0000	1.0000	0.0000	1.0000	1.0000
Chapter 20 Drain Debt	<u>0.0000</u>	<u>1.1562</u>	<u>1.1562</u>	as needed	as needed
Total Millage	23.015	25.2632	2.2482		

\*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.

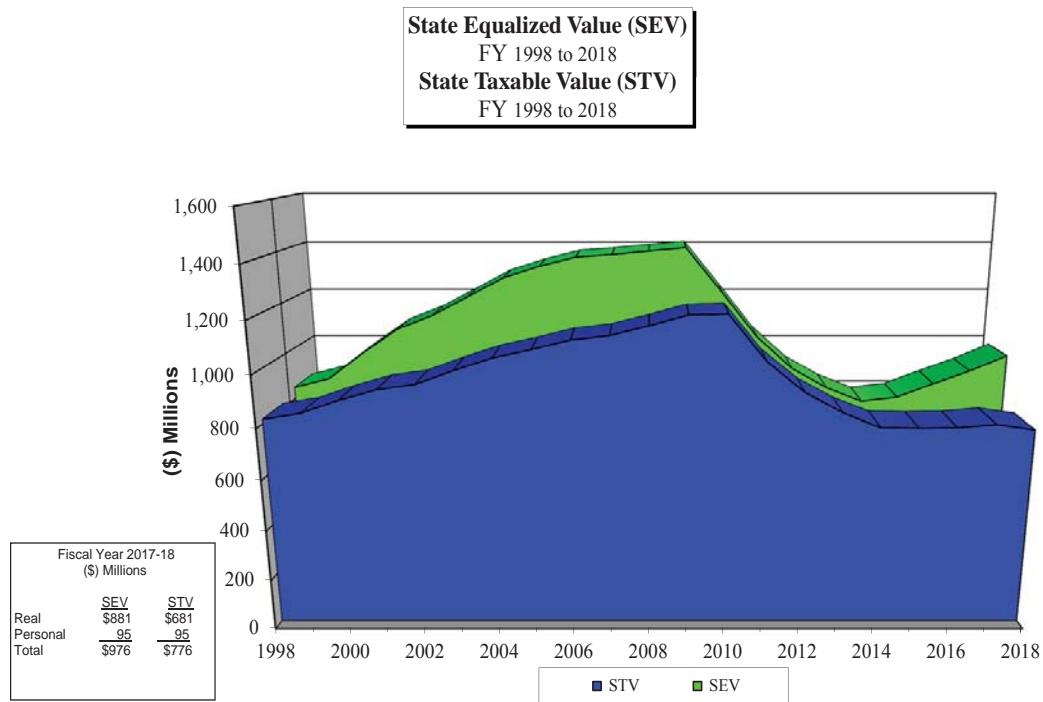
In Michigan, property is assessed at one-half of the market value and taxed at a taxable value, which is the prior year's taxable value plus five percent or the rate of inflation, whichever is less. For FY 2018, the rate of inflation was calculated at 0.9%. There are 10,082 single-family homes and condominiums in Madison Heights. The average home market value is \$90,215 (State Equalized Value is \$45,107) with a taxable value of \$32,891 and an average tax bill of \$757 for City services for Fiscal Year 2016-17.

In FY 2018, the City will be adding a new millage pursuant to Michigan Drain Code Chapter 20 of Public Act 40 of 1956, at 1.1562 mills. By adding this millage, the City will be able to remove the drain debt as a factor in the water and sewer rates resulting in a direct decrease of 9% in utility rates.

Two of the existing millages have also changed rates for FY 2017-18. The fire stations bond millage is being decreased to match the bond payment schedule. Police and Fire Pension millage is increasing to cover the actuarially calculated required contributions resulting from a change in the assumptions related to the mortality rates of members. Overall, the millage increased by 2.2482 mills for FY 2017-18. The average home with a taxable value of \$34,340 will see an additional \$110.56 in City tax in 2017-18 offset by the decrease in utility rates, amounts of which will vary based on usage.

## Property Tax Base

The following chart illustrates the change in the State Equalized Value (SEV) over the last twenty 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 (46%), commercial (33%), industrial (9%) and personal property (12%).



Taxable property consists of 87.8% real (land and building) and 12.2% personal (equipment and fixtures).

This chart also illustrates the gap between equalized and taxable value. In FY 2018, the overall taxable value is estimated to essentially remain stagnant, with growth of 0.78% and equalized value increasing by 6.7%. It is anticipated that for the year, 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 restricted 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 of 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.

## 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 predicated on voter approval in a State-wide election 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. As voters approved the required language in August 2014, the State assessment and manufacturing property PPT phase-out began in 2016. The small parcel exemption begins with the 2014 Tax Year. The FY 2018 Budget continues a reduction in personal property from this latest implementation of the personal property tax reform, resulting in a reduction of taxable value for personal property of over 75.8% which has reduced property taxes by over \$2.5 million since implementation of this bill. Fortunately, the tax reform law includes reimbursement of this loss in its entirety. However, to date the City has only received \$1,973,913 in new stabilization revenue or only 79% of the lost PPT revenue.

### **State Shared Revenues**

The City’s second largest source of General Fund Revenue is State Shared Revenues budgeted at \$2.8 million or 10.5% of revenues.

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.” For FY 2018, the State projects a distribution of constitutional revenue sharing of \$2,846,133 for the City or a 1.9% (\$51,969) increase over their projections for FY 2017.

- Statutory - City, Village and Township Revenue Sharing

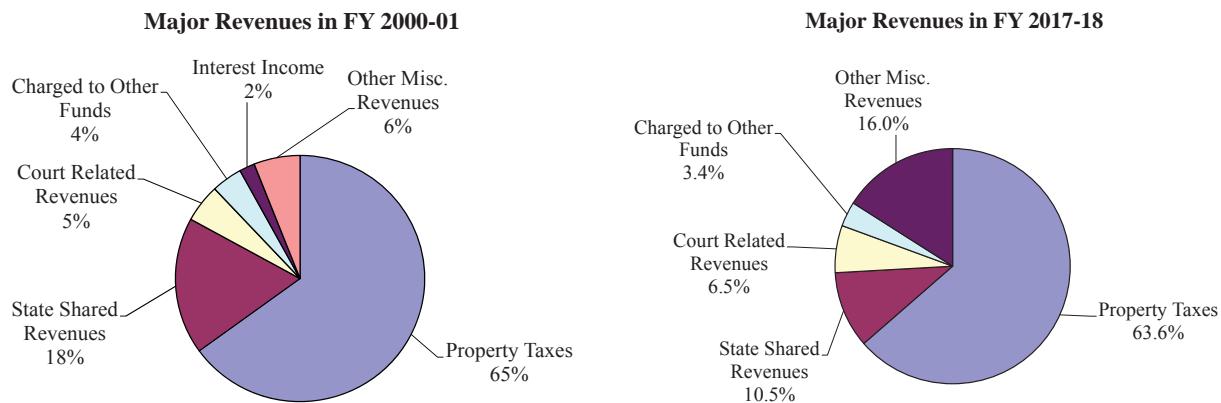
Beginning in FY 2014-15, the Legislature established the City, Village, and Township Revenue Sharing (CVTRS) program to simplify the Economic Vitality Incentive Program (EVIP). Each eligible local unit must meet all of the requirements of Accountability and Transparency in order to receive the full CVTRS payments, eliminating the consolidation of services plan and an unfunded accrued liability plan requirement.

Under this new legislation, cities like Madison Heights that had a FY 2010 statutory payment greater than \$4,500 and a population greater than 7,500 will receive the greater of the “Percent Payment” or “Population Payment”. In FY 2018, this total for the City is budgeted to be \$514,800.

In order to receive this money, the City must make required documents available to the State Treasury office

and have them available for public viewing in the City, or on a publicly accessible Internet site. These required documents include a certification of accountability and transparency, a citizen's guide including unfunded liabilities, a performance dashboard, and a debt service report. As of the publication of this document, all the required documents can be found at [www.madison-heights.org](http://www.madison-heights.org).

For budget purposes, the City assumed it will meet all CVTRS requirements and planned for a decrease in CVTRS. CVTRS payments are budgeted at our maximum allocation of \$514,800.



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 2017-18 they are only 10.5% of the total. This revenue source has been a target for the state resulting in long-term revenue loss imposed on the City. According to the Michigan Municipal League's website ([www.SaveMiCity.org](http://www.SaveMiCity.org)), the City has lost over \$11 million dollars in revenue sharing payments from the time period of FY 2003 – FY 2015. During this same period, the State's revenues have increased almost 29%.

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 (\$1.7 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 \$911,000. These revenues are based on charges to the Major Street Fund (\$75,000); Local Street Fund (\$169,550); and Water and Sewer Fund (\$719,000) for equipment, facilities and manpower costs incurred by the General Fund to support their operations.

A fifth group of revenue sources, other governmental revenues, includes items that provide between \$100,000 and \$560,000 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, and ambulance insurance reimbursement charges. Interest income is budgeted at \$175,000 for FY 2018. 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 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 Michigan Department of Treasury Projections, Constitutional State Shared Revenues (SSR) are budgeted to be \$2,320,647 and City, Village and Township Revenue Sharing (CVTRS) is budgeted to be \$514,800. 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 2.0% return is assumed on cash reserves for general investments. In accordance with PA 404 of 2008, the cash reserves from the Parks Maintenance and Improvement Fund are invested in a long-term portfolio to maximize investment returns. Interest income for the Parks Maintenance and Improvement Fund is budgeted to be 4.0%.
- Gas & Weight Tax – The Michigan Department of Transportation recently released updated projections for Act 51 revenues based on the new transportation revenue package. In November 2015, nine bills were signed into law which will raise \$1.2 billion for the new transportation revenue package. For details, please see the Budget Overview and Capital Outlay Chapter. This is the largest state investment in transportation in Michigan history. The budget includes a \$430,000 increase based on projections of revenues from fuel tax increases and vehicle registration fees included in this State Restricted Revenue Package.
- Water Sales and Sewage Disposal – The Great Lakes Water Authority has announced a 3.5% combined increase to Madison Heights for water usage in FY 2018. Oakland County has estimated an increase of 3% for sewage disposal. Due to strong water and sewer reserves, we are able to implement a rate stabilization plan and new rate structure as detailed on the following page. This results in an overall reduced rate for water and sewer charges for Madison Heights customers.
- 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 \$1.9 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 96.5% 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 2018 also includes a contribution to fund balance of \$2,979.

### 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 \$682,526, only provide 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 the renewal of a ten-year dedicated road millage of two mills in August 2016. This millage will provide \$1.5 million in FY 2018 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 \$35,000. The projected draw down of fund balance to complete scheduled projects for FY 2018 is projected at \$320,800.

### 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 10-acre Red Oaks Soccer Complex. The projected revenues for the budget year include \$17,200 in interest income from the investment of the original payment. The revenues and accumulated funds can be used for any Madison Heights park system improvement. The projected use of fund balance for FY 2017 is \$18,300.

### Downtown Development Authority Fund

Funding for the Downtown Development Authority is derived exclusively from the incremental growth in real and personal property tax above the 1997 base year for those properties located in the District. Tax revenues have decreased 75% over the last six years from \$243,100 in FY 2009-10 to \$52,000 for FY 2018.

### Drug Forfeiture Fund

The Fund is used to account for revenues (FY 2018, \$41,000) generated by the Madison Heights Police Department through drug forfeitures related to enforcement of drug laws pursuant to Public Act 251 of 1982. The FY 2018 Budget also includes a use of fund balance of \$8,475.

### 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 \$107,118 for FY 2018. This program is administered by Oakland County and provides reimbursement for expenditures that aid low-moderate income areas. This reimbursement is limited to the amount of available Federal funding which has declined substantially in recent years.

### Special Assessment Revolving Fund

Revenues to this Fund include property owner principal and interest payments from prior years' road and sidewalk projects (\$141,400). Other revenues include interest earned on fund balance (\$5,000) and a \$108,500 use fund balance. These assessments are being repaid over 3 to 15 years 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 project and the repayment of the debt associated with this project. The dedicated millage will generate \$428,100 this year to make principal and interest payments.

## Chapter 20 Drain Debt Fund

This fund accounts for the principal and interest payments pursuant to Michigan Drain Code Chapter 20 of Public Act 40 of 1956. A dedicated millage (being assessed for the first time in FY 2018) of 1.1562 mills will generate \$887,260 to make these principal and interest payments.

## Water and Sewer Fund

Water and Sewer Fund revenues are generated through user charges to residential and commercial customers. For bills on or after July 1, 2017, the rate structure will change to more accurately reflect the rates needed to cover the cost for utilities and comply with evolving regulatory requirements. This revised rate structure began in FY 2017 when the City adjusted the method for billing customer for water, sewer and stormwater charges. The first step of this change was to remove stormwater from the sewage rate and to calculate a new stormwater charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface has a have a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed for stormwater continues to cover all of the city's stormwater expenses charged by the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%. In FY 2018, the water and sewer rates will decrease again by an additional 9% and the stormwater rate will be increased to \$11.37 per quarter.

The second step of this rate method change will be implemented with the FY 2018 budget for water and sewer bills on or after July 1, 2017. This step removes the drain debt from the water and sewer rate and assesses it on the tax bills, pursuant to Michigan Drain Code Chapter 20 of Public Act 40 of 1956, at 1.1562 mills. This final step will also eliminate the \$3 per quarter meter charge, and the flat rate service charge to commercial customers.

For the typical residential customer with a 10-unit minimum water usage, the quarterly bill will decrease overall by approximately 2% to \$80.40 as compared to FY 2017 when the same usage costs \$82.29. In FY 2016, 10 units of usage cost approximately \$94.99.

(Rates are approximately and will vary by resident based on total ERUs of the parcel.)

This budget includes a use of net restricted assets in the amount of \$2,299,000 to fund water main replacements and the second phase of a meter replacement program. The other revenues are derived from meter 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 (\$887,027) and the Water and Sewer Fund (\$68,606). The amount contributed by each department is based on the cost incurred by the Motor Pool in maintaining each department's vehicles.

## Department of Public Services Fund

Revenues of the Department of Public Services Fund are provided exclusively through contributions from other departments in the City. The amount contributed by each department is based on the time incurred by Department of Public Services personnel as tracked by the City's work order system. FY 2018 is the first year this internal service fund is being budgeted. Previously, these activities were charged as fixed allocations to the different City divisions. FY 2018 includes revenues from the General Fund (\$555,400), Major Street Fund (\$243,150), Local Street Fund (\$291,140) and Water and Sewer Fund (\$959,600).

## **FUND BALANCE**

In Madison Heights, the General Fund fund balance consists of designations of assigned fund balance for various purposes, totalling \$8.36 million. The following table reflects the audited Fund Balance for the years ended June 30, 2015 and 2016:

FUND BALANCE	ACTUAL FY 2014-15	ACTUAL FY 2015-16	CHANGE FY 14-15 vs 15-16
Unreserved:			
Assigned:			
Vested Employee Benefits	\$1,991,029	\$1,841,333	(\$149,696)
Retained Insurance Risks	1,318,585	1,318,585	0
Capital Improvements	980,000	1,033,000	53,000
Postemployment Benefits	1,932,949	1,565,806	(367,143)
Technology Improvements	100,000	150,000	50,000
Pension Bonds	0	1,090,000	1,090,000
Subsequent Year's Expenditures	<u>785,165</u>	<u>1,364,383</u>	<u>579,218</u>
Total Assigned	\$7,157,728	\$8,363,107	\$1,205,379
Unassigned	0	0	0
Total Unreserved Fund Balance	\$7,157,728	\$8,363,107	\$1,205,379

### 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 \$1.8 million last year and makes up 22% 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. Based on reporting of claims incurred but not reported, staff assigned \$1,318,585 for insurance risk.

With the decreases in revenue sharing and property tax, and increasing prices, the general maintenance and upkeep of City facilities and technology have become a heavy burden to support and in some situations has been deferred for years. As of June 30, 2016, the assignment for future capital improvements was included at \$1,033,000 and the assigned amount for technology improvements was increased to \$150,000.

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, 2016, those carry-forward purchase designated funds of \$1,364,383 made up 16.3% of the Assigned Fund Balance.

In FY 2017, the City issued Pension Obligation Bonds. At June 30, 2016 one year of debt payments were assigned at \$1,090,000.

### 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, 2016, the City had restricted funds for future vehicles purchased through Proposal "V" in the amount of \$359,020.

### Changes in Fund Balance

The FY 2018 budget proposes a use of Fund Balance of \$326,585. This budget document complies with the City Council financial policy to maintain a minimum two months (16%) of regular operating expenditures plus one year of debt payments. In addition, unrestricted fund balance should include one percent (1%) of annual expenditures. For more details, please see the Reserve Policy in the Appropriations Chapter.

**ALL FUNDS SUMMARY  
CHANGES IN PROJECTED  
FUND BALANCE/RETAINED EARNINGS  
FISCAL YEAR 2017-18**

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund <sup>(1)</sup>	\$ 5,942,790	\$ 27,014,480	\$ 27,341,065	\$ 5,616,205	(5.5)
Major Street <sup>(2)</sup>	10,821	1,987,466	1,984,487	13,800	27.5
Local Street - Non Proposal R <sup>(3)</sup>	(111,781)	682,526	850,088	(279,343)	149.9
Local Street - Proposal R <sup>(3)</sup>	988,031	1,691,762	1,845,000	834,793	(15.5)
Parks Maintenance and Improvements	616,174	8,213	36,518	587,869	(4.6)
Downtown Development Authority	51,250	52,039	52,039	51,250	0
Police Drug Forfeiture	94,532	41,100	49,575	86,057	(9.0)
Community Improvement Program	262	107,108	103,110	4,260	1,526.0
Special Assessment Revolving	793,053	146,400	254,922	684,531	(13.7)
Fire Stations Construction and Bond Funds	10,871	417,188	428,059	-	(100.0)
Chapter 20 Drain Fund	-	887,260	887,260	-	-
Water and Sewer Fund <sup>(4)</sup>	7,985,642	12,196,113	14,495,113	5,686,642	(29)
Motor Pool and Equipment Fund	-	955,633	955,633	-	-
Department of Public Services	-	2,049,341	2,049,341	-	-
Total	\$ 16,381,645	\$ 48,236,629	\$ 51,332,210	\$ 13,286,064	(18.9)

- (1) The General Fund is budgeted to use \$326,585 in fund balance during Fiscal Year 2018. Considering this planned use of fund balance the General Fund is projected to have a fund balance of \$5,616,205 or 17.4% plus one year of debt payments.
- (2) The Major Street Fund is budgeted to add \$2,979 in fund balance. At June 30, 2018, the fund balance is projected to be \$13,800.
- (3) The Local Street Fund has two components of fund balance. The first includes non-Proposal R revenues which are coming in less than expenditures by \$167,562 in FY 2018. 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. At June 30, 2018, the fund balance for Proposal R projects is projected to be \$1,966,793.
- (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, 2017, the retained earnings are projected to be \$7,985,642.

## **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 (two months' worth of operating expenditures or 16% of annual operating expenditures plus one year of debt payments) 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.

### **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**

GASB 54 requires certain actions by the City in order to establish a means to segregate fund balance for reporting purposes. Furthermore, in order to ensure that the City maintains adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls, this policy establishes a minimum level of unrestricted fund balance in our general fund, along with use and replenishment of fund balance.

### **Purpose**

The City believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, a fund balance in the General Fund must be sufficient to fund all cash flows of the organization, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to provide funds for all existing encumbrances.

The purpose of this policy is to establish a key element of the financial stability by setting guidelines for fund balance as well as use and replenishment. Fund balance is an important measure of economic stability. It is essential to maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for general operations.

In addition, this policy addresses the City's requirements under GASB 54 surrounding the composition of fund balance, including the establishment and use of the various components of fund balance.

## Definitions

Fund Balance – A governmental fund's fund balance is the difference between its assets, deferred outflows and its liabilities and deferred inflows.

Fund Balance Components – An accounting distinction is made between the portions of fund equity that are spendable and nonspendable. Under GASB 54, these are broken up into five categories:

1. Nonspendable Fund Balance – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
2. Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and dedicated millages.
3. Committed Fund Balance - Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
4. Assigned Fund Balance – Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
5. Unassigned Fund Balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Unrestricted Fund Balance - Unrestricted fund balance includes committed, assigned and unassigned fund balance categories. Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance rather than on unrestricted fund balance.

## Minimum Unrestricted Fund Balance – Major Funds

1. The City will maintain unrestricted fund balance of no less than two months (16%) of regular operating expenditures plus one year of debt payments if applicable.
2. The City will plan to meet all reoccurring expenditures with reoccurring revenues. Only one-time expenditures shall be funded through a use of fund balance.
3. 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 \$30,000 or more.
4. 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.

5. The City will review fund balance levels at the end of each year to insure compliance with this policy. If fund balance falls below the policy guidelines, the City should immediately take all steps necessary to control operating expenditures and use budget surplus to replenish the fund balance to target levels in the following year.

#### Committed Fund Balance

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council at the Council meeting. If a commitment is to be made, the resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year.

#### Assigned Fund Balance

The City Council has authorized the City Manager and/or Deputy City Manager as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

#### Order of Expenditure of Funds (Spending Prioritization)

When multiple components of fund balance are available for the same expenditure (for example, a project has both restricted and unrestricted funds available for it), spending will occur in this order – restricted amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

#### 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.

## **Capital Asset Management Policy**

### Purpose

The purpose of this policy is to ensure that the City's capital assets are accounted for in conformance with generally accepted accounting principles; and to establish a consistent and cost-effective method for accounting for assets.

This capital asset policy is in accordance with generally accepted accounting principles and closely conforms to capital asset accounting practices as recommended by the Government Finance Officers Association (GFOA).

### Policy

1. Capitalization Thresholds - Effective July 1, 2016, for assets that have an estimated useful life of at least two (2) years, the City will increase the capitalization threshold of individual assets other than Buildings, Building Improvements and Land Improvements and Infrastructure from \$2,000 to \$5,000. The capitalization threshold for Buildings and Building Improvements shall be \$50,000 and for Land Improvements the capitalization threshold shall be \$25,000. However, assets acquired with debt proceeds may be capitalized regardless of cost. In addition, assets acquired prior to July 1, 2016 and capitalized at a lower threshold, may continue to be depreciated on the basis of past practice. Effective July 1, 2016, infrastructure projects and improvements shall be capitalized so as to substantially account for the City's investment in infrastructure and consider related debt. Individual assets that cost less than \$5,000, but that operate as part of a networked system may be capitalized in the aggregate, using the group method, if the estimated average useful life of the individual asset is at least two years. A network is determined to be where individual components may be below \$5,000 but are interdependent and the overriding values to the City is on the entire network and not the individual assets (e.g. computer systems and telephone systems).
2. Valuation - In accordance with generally accepted accounting principles, the City will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the City the asset will be valued based on the fair market value at the time the asset is donated.

3. Capital Assets Inventory Report - As part of the financial audit, the Finance Department shall submit a capital asset report to the City's independent auditor on an annual basis. This report will include the following information:
  - a. Type of asset (i.e. land, building, infrastructure)
  - b. Date of acquisition
  - c. Acquisition cost
  - d. Estimated useful life
  - e. Annual depreciation
  - f. Accumulated depreciation
4. Depreciation - The City will use the Straight-Line Method as its standard approach to depreciate capital assets.
5. Salvage Value - The City will set the salvage value on capital assets at 10 percent of acquisition cost.
6. Estimated Useful Lives - For assets purchased after July 1, 2016, the City will use the following ranges in setting useful lives for depreciating assets:
  - a. Buildings and land improvements - 50 years
  - b. Machinery and equipment - 5 years
  - c. Furniture and fixtures - 5 years
  - d. Office Equipment - 5 years
  - e. Vehicles - 5 years
  - f. Infrastructure assets
    - i. Streets and bridges - 25 years
    - ii. Sidewalks - 15 years
    - iii. Utility systems - 20-50 years
7. Capital vs. Repair and Maintenance Expense -
  - a. With respect to improvements on non-infrastructure and infrastructure capital assets, cost should be capitalized if the useful life of the asset is substantially extended, or the cost results in a substantial increase in the capacity or efficiency of the assets.
    - i. Otherwise the cost should be expensed as repair and maintenance.
  - b. With respect to improvements on infrastructure capital assets under the Modified Approach, cost should be capitalized if expenditures substantially increase the capacity or efficiency of an infrastructure.
    - i. Otherwise this cost, including those that preserve the useful life of an infrastructure asset, are expensed.

8. Disposal and Transfer of City's Assets - Disposition of City's assets will be performed in accordance with applicable City policies and procedures.

### **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 provide 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 is contained in the electronic general ledger software system.

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](http://www.madison-heights.org).

#### Water and Sewer Billing Policy

Minimum Bill Fee - During each year's budget process, the user rates for water, sewer and stormwater shall be evaluated and approved as part of the annual budget resolution. These rates are calculated by dividing total estimated units to be sold in the coming year into the total budgeted expenses.

Budgeted expenses are composed of operational cost, capital expenses, general maintenance of the water, sewer and stormwater systems, and the commodity charge from the Great Lakes Water Authority (GLWA) and Oakland County Water Resource Commissioner.

Fixed operational cost and capital expenses are paid by all accounts connected to our system regardless of usage. This is charged in a minimum bill fee of 10 units and represents a "ready to serve" charge. Regardless of an account's usage, the water and sewer lines in the City must be maintained so that service can be provided when needed.

For residential customers, the minimum bill is 10 units for usage of 0-10 units a quarter.

For commercial customers, the minimum bill is 3.33 units for usage of 0-3.33 units a month.

## **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. The 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 1<sup>st</sup> and ending June 30<sup>th</sup>.

There are several goals associated with the preparation and development of the City's annual budget document. First, the budget is a financial plan and management tool. The document should assist staff in monitoring revenues and expenditures and in evaluating the effectiveness of City program and services. Second, the budget serves as an important reference document and communication tool. 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 and the Deputy City Manager for Administrative Services (serving as the Finance Director) prepare 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 is 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 City and 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 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 Process**

September to Mid November	Staff financial team develops five year financial forecast and future funding presentation
November	Staff and Council review forecast results and presentation

### **Budget Goals/City Goal Plan**

Early August to Early September	Department Heads develop goal proposals using goal proposal template
September	City Manager reviews proposals and makes modifications as necessary
Late September to Mid October	City Council reviews proposals and contacts City Manager with additional goal proposals that they would like considered by the full Council
Mid to Late October	Department Heads rank the top goals on sheets provided and return rankings to the City Manager
Late October	City Manager generates a comprehensive list of goal proposals and distributes to City Council
Early November	First Goal Review Workshop with City Council and Staff to review submitted goal proposals
Mid to Late November	City Council ranks each Goal and City Manager tabulates results of proposals and reports to City Council
Early March	Based on available revenues, City Council holds a second Goals Workshop to discuss and finalize Goals List
Mid March	City Council formally adopts Mission Statement and Goal Plan
Late March to Early May	Department Heads and City Manager develop strategic work plans and provide copies to Council

## **Capital Improvement Plan**

Late September	City Manager requests that departments submit Capital requests for Five-Year Capital Improvement Plan (CIP) (over \$30,000)
Mid October	Department of Public Services and Community Development Department complete road evaluation
Late October	Final deadline for CIP requests to City Manager
Late October to Mid November	City Manager and Staff review and compile the CIP requests
November	Preparation of CIP worksheets, maps, graphs and tables for presentation
November to Mid December	City Manager and Staff prepare the Five-Year CIP document
Mid December	City Council receives the Five-Year CIP report for review
Mid to Late January	Presentation of Five-Year CIP to City Council; Council receives and file report

## **Operating Budget**

Early January to Late February	Preparation of Personnel Schedules by Finance Department; Motor Pool budget 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)
Early February	Deadline for submission of department budgets
Late February	City Manager's review of budget request with Department Heads
March	Staff compiles draft line item budget and policy document
Late March	City Manager and staff resolve remaining budget concerns and other questions
Early April	Staff produces Proposed Budget for submission to City Council
Mid April	Council Budget Workshop Session(s)
Late 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	Charter Requirement - 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 and electronically posts the 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**

#### **Personnel Services**

##### **Wages & Benefits**

Personnel services comprise approximately \$20.3 million or 39.6% of the Total Budget and approximately \$17.7 million or 64.7% of the General Fund Budget. Personnel Services across all funds are down \$2,085,353 when compared to the FY 2017 Amended Budget. This is directly related to a budget amendment in FY 2017 that made an additional contribution to the Retiree Health Care Trust for a total of \$1,767,012, including General Fund and Water and Sewer Fund contributions. There was also a budget amendment for Police and Fire Pension contributions for a total of \$236,038. When these one-time budget amendments are factored out of the FY 2017 Amended Budget, the FY 2018 wages and benefits are up by only \$82,293, a small increase reflecting prior year actuarial assumption changes.

In FY 2018, Police and Fire pension contributions increase by 10.75% or \$274,174 due to updated actuarial information and revised assumptions; however, this increase is more than offset by the \$376,779 or 55.7% decrease in General Employee pension contributions resulting from the issuance of the POBs. The annual POB debt service is budgeted at \$1,189,032 in FY 2018, which is an increase of \$142,239 over the FY 2017 debt service payment of \$1,046,793. Overall, taking into account both pension contributions and pension obligation debt service, there is a net decrease in expenditures of almost \$55,000 in FY 2018.

Overall, the Budget includes a net increase of 3.1 full-time equivalencies (FTEs) and no changes to wages or benefits.

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

As of July 1, 2017, 134 of 142 full-time City employees, or 94%, belong to one of eight bargaining units. All eight bargaining units have contracts that expire on June 30, 2017. For more details on employee cost and negotiated changes, please refer to the Personnel Chapter.

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 (Public Act 312 coverage)
8. Madison Heights Fire Fighters Association (Public Act 312 coverage)

## **Medical Costs**

Health care coverage is the largest fringe benefit cost component for the City due to the retiree health care trust contributions.

- **Health Care Coverage - Current Employees**

The largest fringe benefit cost is \$1.7 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 a self-insured Blue Cross - Blue Shield Community Blue 4 Plan. The plan has a deductible of \$500 for single, \$1,000 for couple/family and a 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. Prescriptions for all active employees is a \$5 generic, \$40 preferred brand and \$80 non-preferred brand prescription copay program. On July 1, 2013, the City implemented the employee 20% medical premium sharing for all groups in accordance with PA 152, which saves the City \$417,000 per year and allows the City to continue to offer the BCBS CB4 plan without further benefit reductions.

The City's projected medical insurance premiums for active employees are budgeted at 80% of the premium or \$5,836 single, \$14,006 couple and \$17,508 family per year effective July 1, 2017.

To partially offset the cost of the higher employee prescription drug card deductible, the City contributes \$125 into a Flexible Spending Account (FSA), a tax-advantaged account used for eligible medical expenses for the employees and eligible dependents. The Police and Fire bargaining units elected to have the \$125 added to their taxable uniform allowance.

In January 2015, the City, working with our healthcare consultant, Cornerstone, and the Cities of Ferndale and Royal Oak, opened the region's first municipal employer-sponsored employee health and wellness center. The participating Cities, which are self-insured, realize savings by reducing the number of visits through traditional insurance plans and eliminating the mark-up for traditional office overhead, diagnostic tests, and prescriptions. For more details on the MiLife Center, please refer to the Personnel Chapter.

- **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 Fire employees.

- **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, 2016. At that time, the City had accumulated a market value of \$23.2 million in these trust funds. The unfunded portion is \$75.4 million resulting in these Trusts being 23.5% funded. In FY 2017, City Council approved an additional contribution to these trusts of \$1.7 million combined from the General Fund and Water and Sewer Funds.

In FY 2018, the City is again unable to fund the total annual required contribution, which is 108.18% of Police and Fire payroll or \$4,349,707 and between 44.98% and 150.12% of payroll for General employees or \$2,632,909. Instead, the budget includes funding at the same level as FY 2017; \$2,516,296 for Police and Fire and \$1,283,389 for General employees. Both plans receive actuarial evaluations every two years. The next study is currently being completed by the Retiree Health Care Trust actuary and will cover the year ending June 30, 2018.

- 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. The dental and orthodontic coverage rate remained constant at \$1,281 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 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, retiree life insurance is no longer provided for new hires.

The City is currently in the process of quoting life insurance for both active employees and retirees for a July 1, 2017 renewal. At this point, we have received 8 declinations and 1 proposal due to the number of retirees on our life insurance plan. It is possible that in order to renew, we will have a significant increase in the cost for this benefit that may cause a budget amendment to be needed after the start of the budget year.

- 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, effective July 1, 2010, the City moved to a self-insurance plan where the City is contracting with a third party administrator (Citizens Management, now York Risk Services (York)) 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 York 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 given that the number of incidents has dropped to 24. This program change cost the city \$1,329,993 over the past six years (FY 2011-2016), which has saved the City an estimated \$927,900 over the same period.

- Other Benefits

In January 2015, the City's Optical Insurance Plan was changed by the provider. This change opened a network of providers and offered more current coverage for lenses. The cost of this plan increased the City's cost from a flat \$95 per year per employee to a tiered system: \$58.32 for single coverage; \$105 for couple; and \$163 for family, and remains constant for FY 2018.

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, and firefighter food allowance have 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, based on the Federal government's annual increase in the maximum wage subject to 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, employees hired 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. Of the 142 active employees, 72 employees still receive longevity.

### **Pensions**

The second largest fringe benefit cost component is the employer's contribution to the pension plans. This expense is budgeted to be \$3.1 million in FY 2017-18. 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 48.26% of total wages based on the City's 2016 actuarially required contribution rates. This plan remains open to all new hires in the Police and Fire departments; however, starting in 2009, new hires can only count base wage into their final average compensation and the pension multiplier was adjusted from 2.8% to 2.5%. In regard to the MERS plan, all general employee groups including non-union have agreed to close the pension plans changing 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.

As part of the FY 2016-17 City Goal plan, Council adopted the resource-related goal to develop and implement a plan and policy to fully address the City's unfunded liabilities for pension and other post-employment benefits (i.e. retiree health care).

The State has authorized, through Public Act 329 of 2012, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category or higher, plans being closed to new hires, the preparation of a comprehensive financial plan, and approval from the Michigan Department of Treasury.

In FY 2017, the City successfully issued Pension Obligation Bonds (POBs) for the General Employees pension pursuant to Public Act 34 of 2001 and a resolution adopted by City Council on March 28, 2016. When analysis was completed on issuing POBs, it was determined that the City would experience savings of approximately \$4 million over a 16 year period if the bonds sold with a true interest cost of 4.2% and investment earnings

average 5.2%. These bonds sold in September 2016 with a true interest cost of 3.12% well below the City's expectations of 4.2%. This will lead to greater savings than expected over the long-term. Debt payments budgeted in FY 2018 for POB principal and interest are \$1.19 million. With this contribution, the City's General Employees pension is considered 100% funded on an actuarial basis. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost on an annual basis.

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

In the non-personnel service areas of supplies, the department's budgets have decreased 18% overall across all funds when compared to the Amended Budget for FY 2017. This decrease is largely due to a FY 2017 budgeted amount for one-time purchases such as replacement conference room and council chamber chairs, an increase in computer replacements, senior program activity supplies, and an additional overhead emergency light bar. The area of Other Services and Charges increased 9.3%. This increase is related to a shift in the way the City budgets and charges for the Department of Public Services personnel costs. Until FY 2018, this cost had been budgeted in different departments based on an estimate at the start of the year where the employees would spend their time. Due to changes with the Michigan Department of Transportation's eligibility requirements for Public Act 51 road funding throughout the State, the City was required to track actual time worked in the Major and Local Street Funds. On July 1, 2016, the City moved all Department of Public Service employees into an Internal Services Fund and charged the cost of this fund back to the separate departments based on where personnel actually work. This shifted the expense for these employees from the Personnel Services category to the Other Services category.

Other changes to Other Services include an increase in legal fees and an increase in MiLife cost due to increased utilization.

### **Capital Outlay**

Capital Outlay purchases for FY 2018 total \$8.6 million for all funds including \$1.3 million for the General Fund. Of the General Fund purchases, 47.8% or \$574,000 are funded through dedicated millages (Proposal "V-3" and "L" and Seniors Millage). The General Fund purchases that are not funded through dedicated millages include the second phase of the underground storage tanks located behind the Police Department building, a Microsoft Exchange Server, upgrading the fire engines from basic to advanced life support, two (2) chest compression systems for the Fire Department, phase one funding for an ambulance rescue vehicle, Fire Station #2 parking lot improvements and apparatus room floor resurfacing, a toolcat utility vehicle for the Streets Division, roof replacement for the Nature Center, replacement of aging swing sets throughout the city parks, Wildwood Park playscape and pavement and parking lot replacement at Ambassador Park.

Other Funds include a capital outlay of \$7.3 million. The majority of this amount, \$3.4 million, is budgeted for road rehabilitation and reconstruction projects including R-3 dedicated millage projects, major roads sectional work, and the sidewalk repair and gap program. In the Water and Sewer Fund, \$1.3 million is budgeted for water main replacement, \$1 million is budgeted for Phase 2 of 4 of a city-wide meter replacement program and \$206,4000 is budgeted as the match for a \$1.03 million grant-funded sanitary sewer inspection/rehabilitation program. The remaining planned purchases include final phase of the underground storage tanks located behind the Department of Public Services, replacement of

the salt dome structure, repairs and replacement to the Department of Public Services parking lot, a utility locator, an updated Neptune Collector for the Automatic Meter Reading System, and a sewer camera trailer. Drug Foreiture Fund capital outlay includes a canine unit vehicle.

More details on these purchases including the budgeted dollar amounts can be found in the Department Chapters, Capital Improvement Plan and the Capital Outlay section of the policy documents.

# ALL FUNDS SUMMARY

## FISCAL YEAR 2017-18

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture	Community Improvement
City Council	\$ 55,296	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,492,662	0	0	0	0	0	0
City Manager	298,790	0	0	0	0	0	0
Elections	70,018	0	0	0	0	0	0
City Assessor	209,577	0	0	0	0	0	0
Legal	332,695	0	0	0	0	0	0
City Clerk	272,466	0	0	0	0	0	0
Personnel	389,150	0	0	0	0	0	0
Board of Review	2,493	0	0	0	0	0	0
General Administration	213,654	0	0	0	0	0	0
Finance	772,419	0	0	0	0	0	0
Information Technology	187,693	0	0	0	0	0	0
Municipal Building	54,121	0	0	0	0	0	0
Custodial & Maintenance	184,186	0	0	0	0	0	0
Police	9,607,291	0	0	0	0	49,575	0
Fire	5,741,696	0	0	0	0	0	0
Community Development	1,037,896	0	0	0	52,039	0	103,110
Streets	957,521	1,984,487	2,695,088	0	0	0	0
Solid Waste	2,286,371	0	0	0	0	0	0
Recreation	170,687	0	0	0	0	0	0
Nature Center	32,675	0	0	0	0	0	0
Parks	502,515	0	0	36,518	0	0	0
Senior Citizens	344,868	0	0	0	0	0	0
Library	715,574	0	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0	0
Insurance/Bonds/Transfers	1,408,751	0	0	0	0	0	0
Motor Pool	0	0	0	0	0	0	0
Department of Public Services	0	0	0	0	0	0	0
<b>Total Appropriations</b>	<b>\$ 27,341,065</b>	<b>\$ 1,984,487</b>	<b>\$ 2,695,088</b>	<b>\$ 36,518</b>	<b>\$ 52,039</b>	<b>\$ 49,575</b>	<b>\$ 103,110</b>

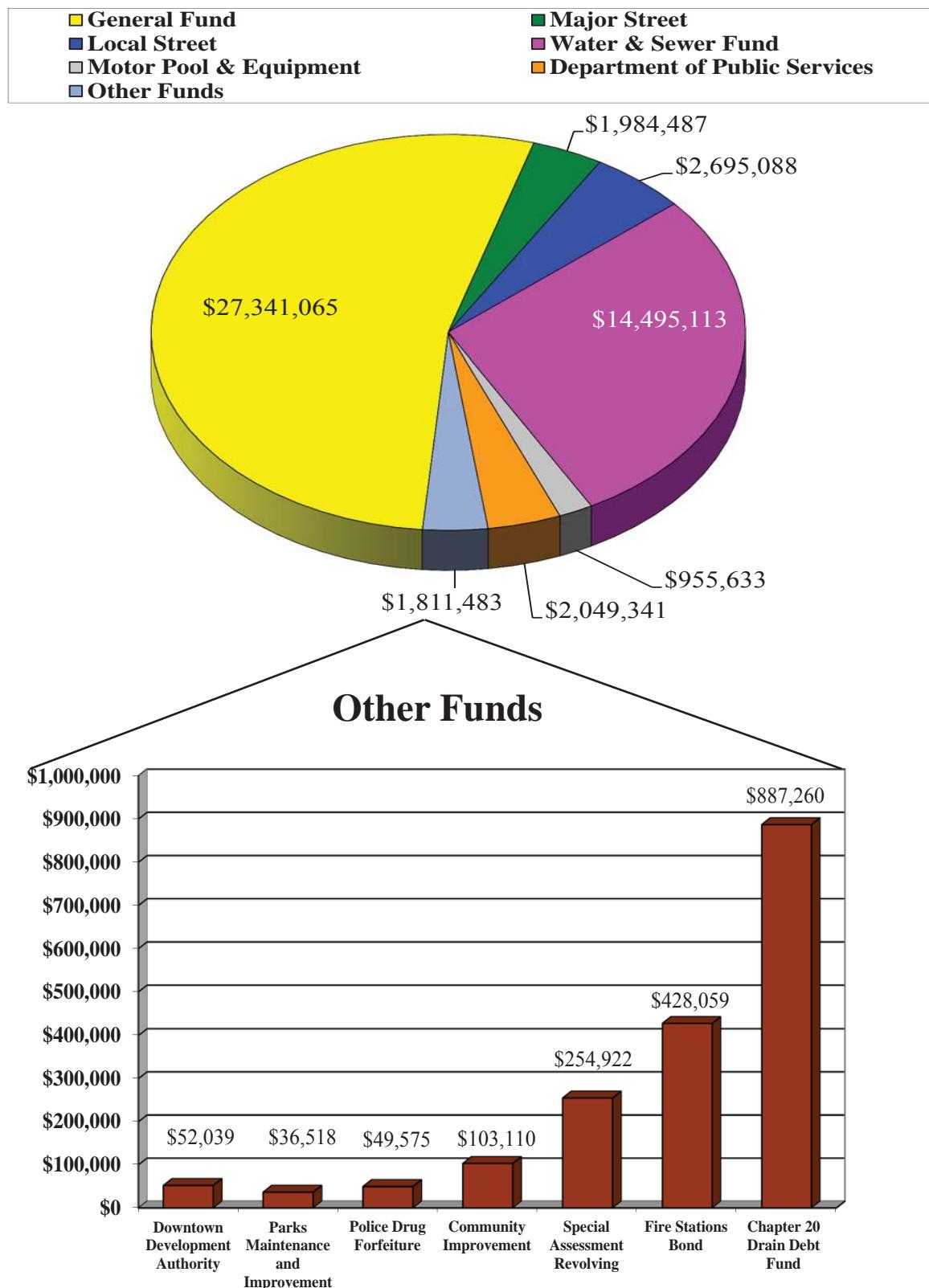
## ALL FUNDS SUMMARY

### FISCAL YEAR 2017-18

Special Assessment Revolving	Fire Station Fund	Water and Sewer Fund	Motor Pool and Equipment Fund	Department of Public Services	Chapter 20 Drain Debt Fund	Total	
\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0	\$ 55,296 1,492,662 298,790	City Council District Court City Manager
0 0	0 0	0 0	0 0	0 0	0 0	70,018 209,577 332,695	Elections City Assessor City Attorney
0 0	0 0	0 0	0 0	0 0	0 0	272,466 389,150 2,493	City Clerk Personnel Board of Review
0 0	0 0	0 0	0 0	0 0	0 0	213,654 772,419 187,693	General Administration Finance Information Technology
0 0	0 0	0 0	0 0	0 0	0 0	54,121 184,186 9,656,866	Municipal Building Custodial & Maintenance Police Department
0 0	0 0	0 0	0 0	0 0	0 0	5,741,696 1,193,045 5,889,518	Fire Community Development Streets
252,422 0	0 0	0 0	0 0	0 0	0 0	2,286,371 170,687	Solid Waste Recreation
0 0	0 0	0 0	0 0	0 0	0 0	32,675 539,033 344,868	Nature Center Parks Senior Citizen
0 0	0 0	0 14,031,682	0 0	0 0	0 0	715,574 14,031,682	Library Water and Sewer
2,500 428,059	463,431 0	0 955,633	0 2,049,341	0 887,260	0 0	3,190,001 955,633 2,049,341	Insurance/Bonds/Transfers Motor Pool Department Public Services
\$ 254,922	\$ 428,059	\$ 14,495,113	\$ 955,633	\$ 2,049,341	\$ 887,260	\$ 51,332,210	Total Appropriations

## ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2017-18



Almost 81% of the City's operations are supported through the General Fund (53%) and the Water and Sewer Fund (28%).

**ALL FUNDS APPROPRIATIONS**  
**PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES**  
**FISCAL YEAR 2017-18**

Activity	Personnel Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 51,010	\$ 322	\$ 3,964	\$ 0	\$ 55,296
District Court	1,110,844	32,300	342,018	7,500	1,492,662
City Manager	288,916	300	9,574	0	298,790
Elections	49,752	11,030	9,236	0	70,018
City Assessor	0	0	209,577	0	209,577
Legal	0	7,500	325,195	0	332,695
City Clerk	252,926	4,325	15,215	0	272,466
Human Resources	200,233	0	188,917	0	389,150
Board of Review	2,373	0	120	0	2,493
General Administration	112,062	44,750	56,842	0	213,654
Finance	710,117	6,520	55,782	0	772,419
Information Technology	0	25,178	147,515	15,000	187,693
Municipal Building	0	0	54,121	0	54,121
Custodial & Maintenance	19,301	18,500	146,385	0	184,186
Police	8,977,442	69,850	494,799	114,775	9,656,866
Fire	4,579,222	65,780	559,194	537,500	5,741,696
Community Development	775,159	9,850	410,458	250,000	1,445,467
Streets	19,301	270,771	1,920,024	3,427,000	5,637,096
Solid Waste	72,502	17,686	1,946,183	250,000	2,286,371
Recreation	71,576	27,797	71,314	0	170,687
Nature Center	0	0	8,175	24,500	32,675
Parks	29,310	31,108	303,615	175,000	539,033
Senior Citizens	158,344	107,848	67,176	11,500	344,868
Library	469,613	6,415	127,039	112,507	715,574
Insurance and Transfers	0	0	548,450	0	548,450
Debt Service	0	0	2,641,551	0	2,641,551
Water and Sewer	110,105	2,548,870	7,641,707	3,731,000	14,031,682
Motorpool	377,557	171,600	406,476	0	955,633
Department of Public Services	2,049,341	0	0	0	2,049,341
<b>Total Appropriations</b>	<b>\$ 20,487,006</b>	<b>\$ 3,478,300</b>	<b>\$ 18,710,622</b>	<b>\$ 8,656,282</b>	<b>\$ 51,332,210</b>

## **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 (MMRMA) 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	\$500,000 per occurrence	\$15,000,000 per occurrence
Auto physical damage (Non-Fire/EMS)	\$1,000 deductible and \$15,000 each vehicle; \$30,000 per occurrence	\$1,500,000 per occurrence
Fire/EMS Vehicle Replacement Cost	\$1,000 deductible per occurrence	
Property	\$1,000 deductible	\$42,568,092

\*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 \$750,000 per fiscal year.

The City's policy is to record premium payments to the Authority as expenditures of the participating funds. At June 30, 2016, the City had member reserves of \$261,342 with the Authority. It is estimated that \$222,360 is needed to pay claims reported to date; the amount to be paid for claims incurred, but not yet reported cannot 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 June 13, 2016, Council approved increasing the retention from \$250,000 to \$500,000, which resulted in a reduction in the annual premium of \$70,376 or 7.4%.

### **Other Insurance Programs**

As of July 1, 2010, the Worker's Compensation Program moved to being self-funded and administered through a third party. 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 \$1,329,993 over the past six years (FY 2011-2016), which has saved the City an estimated \$927,900 over the same period. 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 adopted 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", and outlines the requirements for: liability, property, fire damage, medical and vehicle insurances; indemnification, defend and hold harmless agreements; and participant liability release.

Effective July 2014, the State of Michigan approved Public Act 271 which revised laws relating to insurance. This triggered a policy update by staff and the City's liability insurance consultant. As a result, on March 14, 2016, the City Council approved an update of this Council Policy. The policy is periodically reviewed by staff and the City's Risk Manager to determine the need for further modification.

## **DEBT ADMINISTRATION**

The City's current General Fund outstanding long-term debt is \$20.5 million. This amount includes \$1.9 million of vested employee benefits; \$522,600 reserve for worker's compensation insurance claim funds, \$17,000 for general liability insurance; and \$18.1 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 June 2016 when the City secured a rating from Standard and Poors ("S&P") for the issuance of general obligation bonds. S&P assigned its "AA-/stable" underlying rating, describing the City's strong management with "good" financial policies and practices under the financial management assessment methodology; adequate budgetary performance, including operating surpluses in the general fund and at the total governmental fund level; very strong liquidity.

As of June 30, 2017, the City will be at 22.7% of the City's debt limit of \$77.6 million, which is based on 10% of assessed valuation. The City has general obligation bonds outstanding in the amount of \$2,480,000 of an original \$5,925,000 Fire Station Bond issue, \$955,000 million of the original \$1.5 million water and sewer bonds, and \$14,160,000 of an issue of \$15,250,000 for general employee pension. 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 \$5.6 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, 2017:

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 ten years to a fixed 1.9%, saving taxpayers over \$321,000. A total of \$2.48 million remains in principal payments.

II. George W. Kuhn Drain Bonds and State Revolving Loan Debt issued between October 2000 through September 2008. Portions of this debt have been refinanced with the most recent occurring in February 2016 when the District issued \$7,450,000 to refinance a 2007 issuance saving Madison Heights \$57,400 over 8 years. 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 a Chapter 20 Drain Debt tax levy, with \$5.58 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 \$955,000 principal remaining.

IV. The State has authorized, through Public Act 329 of 2013, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category or higher, plans being closed to new hires, the preparation of a comprehensive financial plan, and approval from the Michigan Department of Treasury.

Bonding for post-retirement benefits can be a risky endeavor. On March 28, 2016, Staff have recommended, and Council has approved, a resolution to move forward with the issuance of Pension Obligation Bonds (POBs) in a not-to-exceed amount of \$15,250,000 in order to address 86% of the City's General Pension unfunded liability of \$17,500,000. Based on financial analysis, issuing pension obligation bonds for the general employees could produce savings to the City of approximately \$4 million over the next sixteen years, while offering predictable debt service payments. This savings will be recognized if investment earnings exceed 5.2% of the life of the bond and the City can sell bonds at a true interest cost of 4.2%

General Employees Pension Obligation Bonds in the amount of \$15,250,000 were issued on September 15, 2016 payable over 16 years. The bonds were well received by investors and the City was able to secure a true interest cost of 3.12%, well below the needed 4.2%.

**LEGAL DEBT MARGIN**  
**(amounts expressed in thousands)**  
**June 30, 2017**

**Calculation of debt limit:**

	2013	2014	2015	2016	2017
State equalized valuation	\$ 788,217	\$ 804,700	\$ 773,601	\$ 756,687	\$ 775,679
10% of assessed value	<u>78,822</u>	<u>80,470</u>	<u>77,360</u>	<u>75,669</u>	<u>77,568</u>

**Calculation of debt subject to limit:**

Total debt (3)	\$ 13,437	\$ 12,467	\$ 11,367	\$ 10,213	\$ 23,178
Less: debt not subject to limit:					
General obligation (2)	8,322	7,733	7,042	6,318	5,583
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt subject to limit	<u>\$ 5,115</u>	<u>\$ 4,734</u>	<u>\$ 4,325</u>	<u>\$ 3,895</u>	<u>\$ 17,595</u>
Legal debt margin available (1)	<u>\$ 73,707</u>	<u>\$ 75,736</u>	<u>\$ 73,035</u>	<u>\$ 71,774</u>	<u>\$ 59,973</u>
Net debt subject to limit as % of debt limit	6.49%	5.88%	5.59%	5.15%	22.68%

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

(2) Debt not subject to the limit - water and sewer general obligation bonds

(3) Total debt includes the issuance of \$15.25 million of POBs sold in September 2016

**SUMMARY OF DEBT SERVICE REQUIREMENTS  
TO MATURITY**  
**ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS**  
**June 30, 2017**

<u>Fiscal Year Ending June 30</u>	<u>Fire Stations Bond Obligations</u>	<u>Fixed Meter Network General Obligations</u>	<u>Pension Obligation</u>	<u>Kuhn Drain Obligations</u>	<u>Total</u>
2018	\$ 427,120	\$ 136,900	\$ 1,189,032	\$ 887,260	\$ 2,640,312
2019	429,900	138,400	1,189,069	884,430	2,641,799
2020	437,490	139,725	1,191,933	883,841	2,652,989
2021	449,795	140,600	1,187,738	882,818	2,660,951
2022	446,720	141,000	1,187,106	882,944	2,657,770
2023	458,550	146,200	1,188,874	706,329	2,499,953
2024	-	146,000	1,188,898	700,136	2,035,034
2025	-	145,600	1,191,038	73,393	1,410,031
2026	-	-	1,191,340	73,658	1,264,998
2027	-	-	1,190,120	63,977	1,254,097
2028	-	-	1,191,260	63,644	1,254,904
2029	-	-	1,189,703	52,593	1,242,296
2030	-	-	1,189,927	-	1,189,927
2031	-	-	1,187,370	-	1,187,370
2032	-	-	1,187,480	-	1,187,480
<b>Totals</b>	<b>\$ 2,649,575</b>	<b>\$ 1,134,425</b>	<b>\$ 17,840,886</b>	<b>\$ 6,155,023</b>	<b>\$ 27,779,909</b>

## Fire Stations Bond

Date of issue - May 1, 2003

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$5,925,000

Refinanced - May 1, 2013

	Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Requirements</u>
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	
	\$ 2,480,000	\$ 169,575	\$ 2,649,575	

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

Date of issue - August 23, 2010

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$1,525,000

	<u>Fiscal Year</u>				<u>Total</u>
	<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>		<u>Requirements</u>
	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/>	<hr/>
		\$ 955,000	\$ 179,425	\$ 1,134,425	

**George W. Kuhn Drain Water & Sewer Obligations - Amount of Issue - \$125,683,280**

**Debt Name:**

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 Sept. 22, 2005 (Total \$1,519,146 Madison Heights Share \$162,391)  
 \* Series 2007 Refinancing B & E Aug. 2007 (Total \$12,460,000 Madison Heights Share \$1,311,143)  
 Series 2007G Sept. 2007 (Total \$1,765,000 Madison Heights Share \$188,672)  
 Series 2008H Sept. 2008 (Total \$7,685,000 Madison Heights Share \$821,499)  
 \* Series 2016 Refinancing B & E March 2016 (Total \$7,449,998.63 Madison Heights Share \$783,949)  
 Combined Issue Total \$125,683,280 Madison Heights Share \$13,505,754

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

<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2018	\$ 752,730	\$ 134,530	\$ 887,260
2019	768,013	116,417	884,430
2020	785,920	97,921	883,841
2021	803,834	78,984	882,818
2022	823,332	59,612	882,944
2023	666,560	39,769	706,329
2024	676,560	23,576	700,136
2025	66,276	7,117	73,393
2026	68,025	5,633	73,658
2027	59,862	4,115	63,977
2028	60,931	2,713	63,644
2029	51,310	1,283	52,593
	<hr/>	<hr/>	<hr/>
	\$ 5,583,353	\$ 571,670	\$ 6,155,023

## Pension Obligation Bonds

Date of issue - September 29, 2016

Payment Date:

Principal, January 1

Interest, July 1, January 1

Amount of issue - \$15,250,000

	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
	<u>Ending June 30</u>			
	2018	\$ 810,000	\$ 379,032	\$ 1,189,032
	2019	820,000	369,069	1,189,069
	2020	835,000	356,933	1,191,933
	2021	845,000	342,738	1,187,738
	2022	860,000	327,106	1,187,106
	2023	880,000	308,874	1,188,874
	2024	900,000	288,898	1,188,898
	2025	925,000	266,038	1,191,038
	2026	950,000	241,340	1,191,340
	2027	975,000	215,120	1,190,120
	2028	1,005,000	186,260	1,191,260
	2029	1,035,000	154,703	1,189,703
	2030	1,070,000	119,927	1,189,927
	2031	1,105,000	82,370	1,187,370
	2032	<u>1,145,000</u>	<u>42,480</u>	<u>1,187,480</u>
		<u>\$ 14,160,000</u>	<u>\$ 3,680,886</u>	<u>\$ 17,840,886</u>



## PERSONNEL AND POSITIONS

The City of Madison Heights employs 142 full-time positions yielding 4.8 full-time employees per 1,000 of City population based on the 2010 census count of 29,694. The City also employs 142 positions on a part-time or seasonal basis. Personnel services comprise approximately \$20.3 million or 39.6% of the Total Budget and approximately \$17.7 million or 64.7% of the General Fund Budget.

Employee wages and benefits are down \$2,085,353 when compared to the FY 2017 Amended Budget. When compared to the FY 2017 Amended Budget, all funds expenditures are up by \$1,043,090 or 2.1% (see following table). Most of this increase is due to two FY 2017 budget amendments for one-time additional contributions from the General Fund and Water and Sewer Fund to the Retiree Health Care Trust (\$1,767,012), and additional contributions to the Police and Fire Pension System in a total amount of \$236,038. Factoring out these budget amendments from FY 2017, wages and benefits are up by only \$82,293 in FY 2018, a small increase reflecting prior year actuarial assumption changes.

Description	Actual FY 2016	Amended Budget FY 2017	Budget FY 2018	Difference
Police and Fire Pension Contributions	\$1,747,747	\$2,549,377	\$2,823,551	\$274,174
General Employee (MERS) Pension Contributions	1,733,575	676,227	299,448	(\$376,779)
Pension Obligation Bonds Payment	-	1,046,793	1,189,032	\$142,239
Total	\$ 3,481,322	\$ 4,366,298	\$ 4,312,032	(\$54,266)

In FY 2018, Police and Fire pension contributions increase by 10.75% or \$274,174 due to updated actuarial information and revised assumptions; however, this increase is more than offset by the \$376,779 or 55.7% decrease in General Employee pension contributions resulting from the issuance of the Pension Obligation Bonds (POBs). The annual POB debt service is budgeted at \$1,189,032 in FY 2018, which is an increase of \$142,239 over the FY 2017 debt service payment of \$1,046,793. Overall, taking into account both pension contributions and pension obligation debt service, there is a net decrease in expenditures of almost \$55,000 in FY 2018.

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 retiree health care 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 may 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 the credit rating agencies. Because of the large liability and the financial inability of most of the municipalities state-wide to address the issue of unfunded retiree liabilities, legislation was introduced during the 2016 lame duck legislative session to mandate funding reform. At the time of the publication of this document, the Governor has formed a committee to further review retiree health care. The City is awaiting final legislation regarding the funding of retiree health care which may possibly affect our funding levels, required contributions (employer, employee and retiree), and budgeting process.

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 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.

All of the City's eight bargaining units and non-union administrative staff have labor agreements through June 30, 2017. The City's negotiation team will pursue contract settlements based upon Council direction and the financial outlook for the City.

### **Personnel Actions**

The FY 2017-18 Budget reflects a total net increase of 3.1 full-time equivalencies (FTEs). This increase is due to hiring a new Part-Time Probation Officer at the Court (while decreasing hours for two current Part-Time Probation Officers), increasing the hours for the Part-Time Office Assistants in DPS and the Clerk's Office, adding a new Part-Time Recreation Intern (City Goal Y), incorporating the Part-Time Social Media Intern position, and adding a new Full-Time Special Investigations Unit (SIU) Officer in the Police Department (City Goal D).

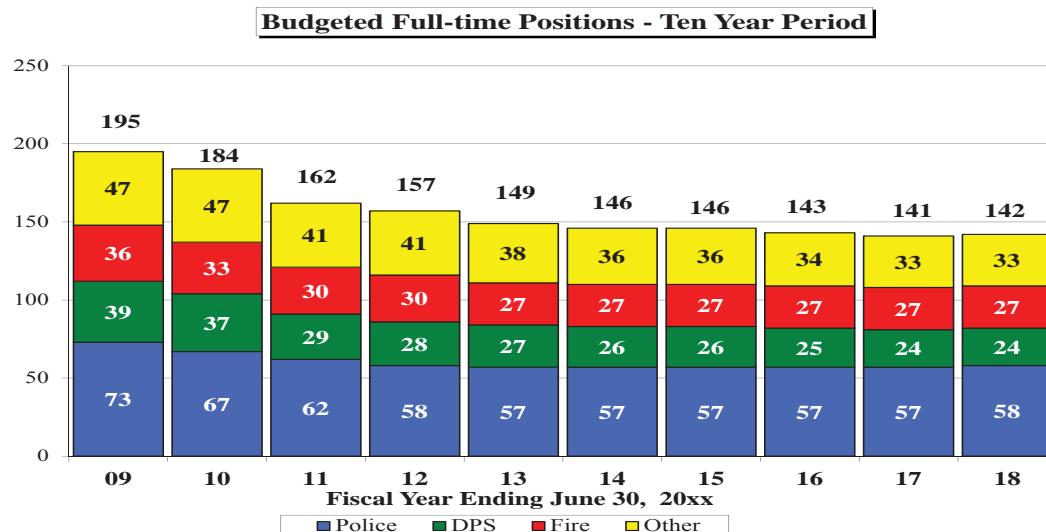
<b><u>FY</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>ACTION</u></b>
17-18	Court	Add new PT Probation Officer (+0.60)
17-18		Decrease two current PT Probation Officers (-0.28)
17-18	City Clerk	Increase PT Office Support Staff (+0.12)
17-18	City Clerk - Elections	Reallocation DPS Employees (-0.3)
17-18	General Administration	Add new PT Social Media Intern (+.04)
17-18	Community Development	Add new PT Social Media Intern (+0.5)
17-18	Police	Add new Special Investigations Unit Officer (+1.0)
17-18	DPS - Custodial & Maintenance	Reallocation DPS Employees (-0.1)
17-18	DPS - Streets	Reallocation DPS Employees (-1.7)
17-18	DPS- Solid Waste	Reallocation DPS Employees (-3.7)
17-18	DPS - Recreation	Increase 3 PT Camp Leaders (+0.12 each for total +0.36)
		Add PT Recreation Intern (+0.16)
17-18	DPS - Parks	Reallocation DPS Employees (-1.1)
17-18	DPS - Senior Center	Increase PT Chauffeur (+.09)
17-18	DPS - Major Street Fund	Reallocation DPS Employees (-2.3)
17-18	DPS - Local Street Fund	Reallocation DPS Employees (-2.7)
17-18	DPS - Water	Reallocation DPS Employees (-4.0)
17-18	DPS - Sewer	Reallocation DPS Employees (-5.4)
17-18	DPS - Water/Sewer Administration	Reallocation DPS Employees (-1.5)
17-18	DPS Division	DPS Reallocation (+22.8)
17-18		Increase PT Office Support Staff (+0.43)

The City's current hiring review of all position vacancies continues in Fiscal Year 2017-18. 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 and prudent so that the City will remain fiscally sound without sacrificing core services.

## **The Work Force at a Glance**

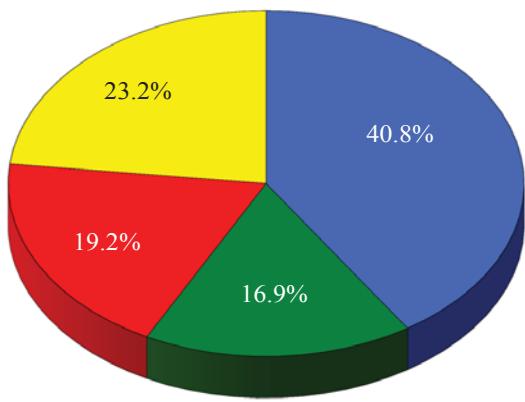
Beginning in Fiscal Year 1993-94, the City has been able to reduce the workforce without significantly compromising core services, resulting in a leaner, more efficient organization. One hundred ten full-time positions, or forty-four percent of the workforce, have been eliminated since Fiscal Year 1993-94,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

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

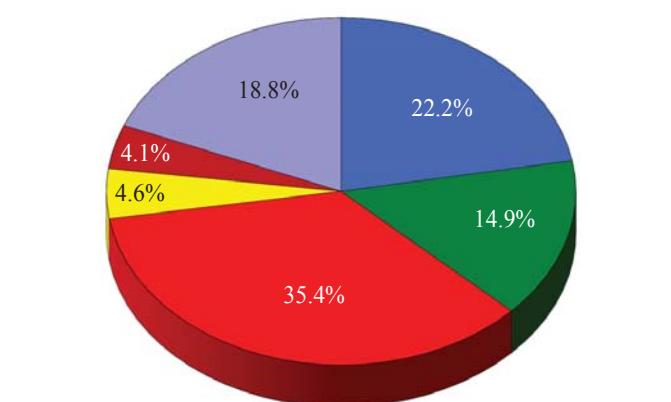


Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2017-18. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.

**Full-Time Positions by Function**



**Part-Time Positions Full-Time Equivalencies (FTE)**



■ Police ■ DPS ■ Fire ■ Other

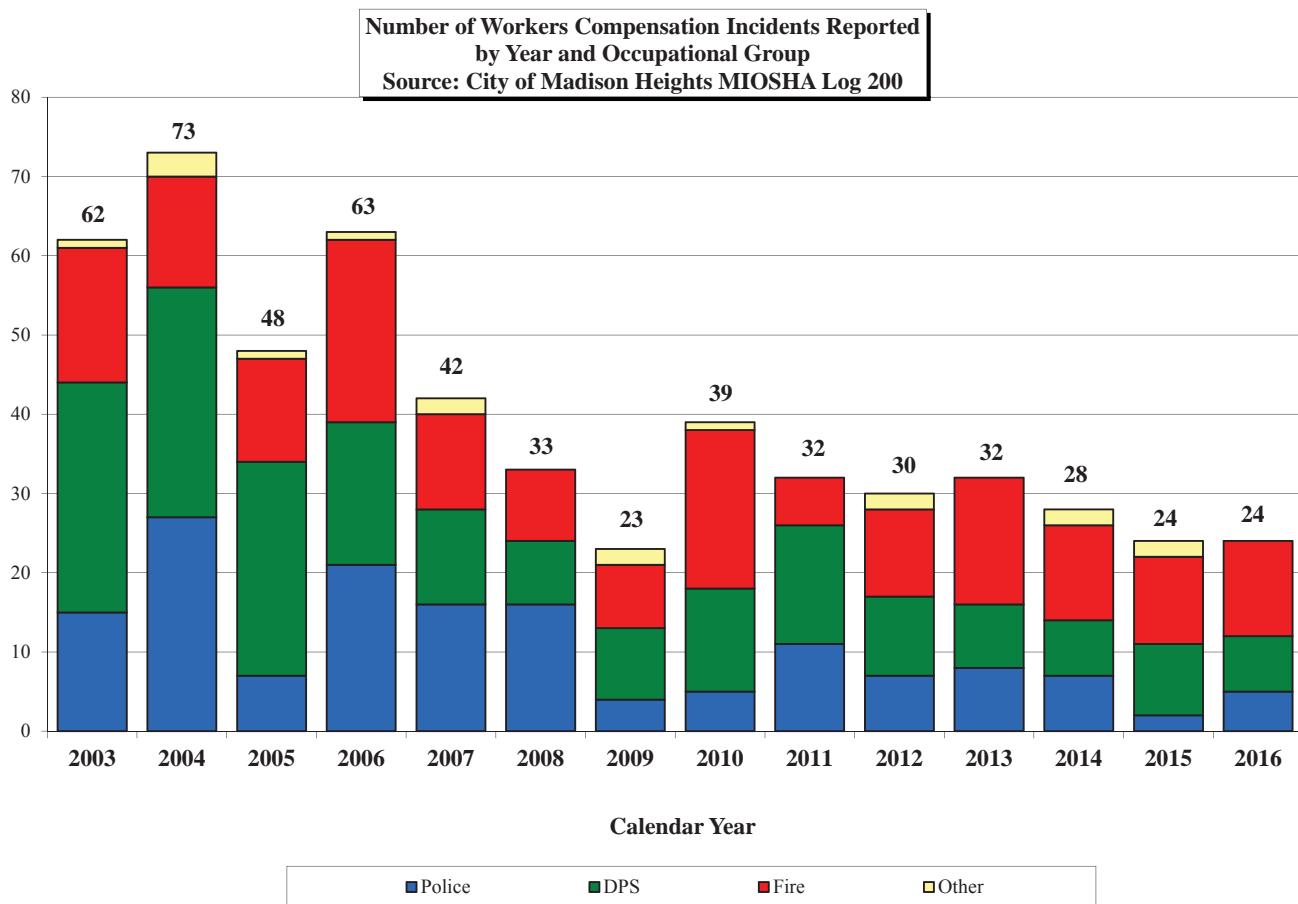
■ Library Assistants ■ Crossing Guards ■ Recreation & DPS  
■ Other ■ Election Workers ■ Clerical

**ALL FUNDS**  
**FULL TIME AND PART TIME POSITIONS**  
**INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)**  
**FISCAL YEAR 2017-18**

	<u>Budget 2015-16</u>			<u>15 to '16</u>		<u>Budget 2016-17</u>			<u>16 to '17</u>		<u>Budget 2017-18</u>			<u>17 to '18</u>	
	Full Time	Part Time	F.T.E.	F.T.E.	Change	Full Time	Part Time	F.T.E.	F.T.E.	Change	Full Time	Part Time	F.T.E.	F.T.E.	Change
<b>General Fund</b>															
District Court	8	4	10.4	0.0		8	4	10.4	0.0		8	5	10.7	0.3	
City Manager	2	0	1.8	0.0		2	0	1.8	0.0		2	0	1.8	0.0	
City Assessor	0	0	0.0	0.0		0	0	0.0	0.0		0	0	0.0	0.0	
City Clerk	2	72	3.2	(0.1)		2	73	3.2	0.3		2	73	3.3	0.1	
Human Resources	2	0	1.5	0.0		2	0	1.5	0.0		2	0	1.5	0.0	
General Administration	0	0	0.5	(0.2)		0	0	0.5	0.0		0	0	0.5	0.0	
Finance	7	0	7.0	(1.0)		7	0	7.0	0.0		7	0	7.0	0.0	
Information Technology	0	0	0.0	(2.0)		0	0	0.0	0.0		0	0	0.0	0.0	
Police	57	19	61.3	0.2		57	19	61.3	0.0		58	19	62.3	1.0	
Fire	28	0	28.0	0.5		28	0	28.0	0.0		28	0	28.0	0.0	
Community Development	7	1	7.7	(0.6)		6	1	6.7	(1.0)		6	2	7.3	0.5	
Library	3	10	8.2	0.0		3	10	8.2	0.0		3	10	8.2	0.0	
<b>Department of Public Service (Prior to FY 2017-18)</b>															
Custodial & Maintenance	0	0	0.1	(0.1)		0	0	0.1	0.0		0	0	0.0	(0.1)	
Streets	9	0	1.6	0.0		9	0	1.7	0.1		0	0	0.0	(1.7)	
Solid Waste	1	0	3.7	(0.5)		1	0	3.7	0.0		0	0	0.0	(3.7)	
Recreation	0	23	1.7	0.0		0	23	1.7	0.2		0	26	2.3	0.5	
Parks	2	2	2.5	0.0		1	2	1.5	(1.0)		0	2	0.4	(1.1)	
Senior Center	1	6	3.4	0.0		1	6	3.4	0.0		1	6	3.4	0.1	
Sub Total	13	31	13.0	(0.6)		12	31	12.1	(1.0)		1	34	6.1	(6.0)	
Total	129	137	142.6	(3.6)		127	138	140.7	(1.5)		117	143	136.7	(4.0)	
Major Street Fund	1	0	2.4	(0.4)		1	0	2.3	(0.1)		0	0	0.0	(2.3)	
Local Street Fund	0	0	2.9	(0.3)		0	0	2.7	(0.1)		0	0	0.0	(2.7)	
Community Improvement Fund															
Comm. Dev. Block Grant	1	0	1.0	0.0		1	0	1.0	0.0		1	0	1.0	0.0	
Total	1	0	1.0	0.0		1	0	1.0	0.0		1	0	1.0	0.0	
<b>Water &amp; Sewer Fund</b>															
Water Division	4	0	4.0	0.0		4	0	4.0	0.0		0	0	0.0	(4.0)	
Sewer Division	3	2	4.4	(0.6)		4	2	5.4	0.9		0	0	0.0	(5.4)	
Water & Sewer Admin.	2	0	2.5	0.9		1	1	1.7	(0.4)		1	0	0.2	(1.5)	
Total	9	2	10.9	0.3		9	3	11.1	0.2		1	0	0.2	(10.9)	0.0
Motor Pool Fund	3	1	3.7	0.7		3	1	3.7	0.0		3	1	3.7	0.0	
DPS Fund (Beginning FY 2017-18)	0	0	0	0.0		0	0	0.0	0.0		20	3	22.9	22.9	
Total All Funds	143	140	163.5	(3.4)		141	142	161.4	(1.3)		142	144	164.4	3.1	

## 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.

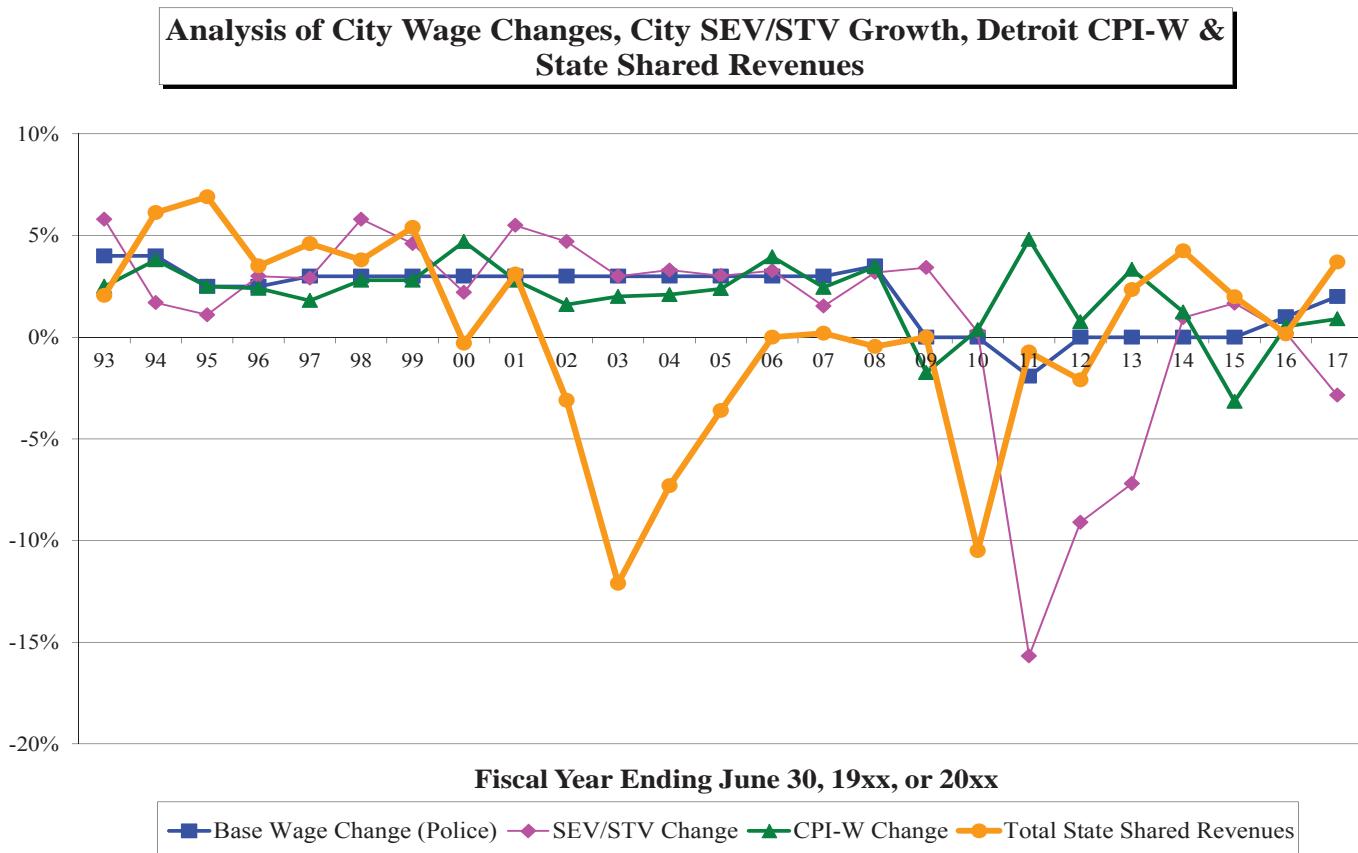


As part of the FY 2010-11 Budget, effective July 1, 2010, the City moved to a self insurance plan where the City is contracting with a third party administrator (Citizens Management, now York Risk Services (York)) and converted to pay-as-you-go claims. During FY 2010, the City spent \$382,100 on workers'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

The City has provided training for Department Heads and Supervisors by York 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 24. The cost to the City over the past six years (FY 2011-2016) was \$1,329,993 and the savings during this same time period is estimated to be \$927,900.

## 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.

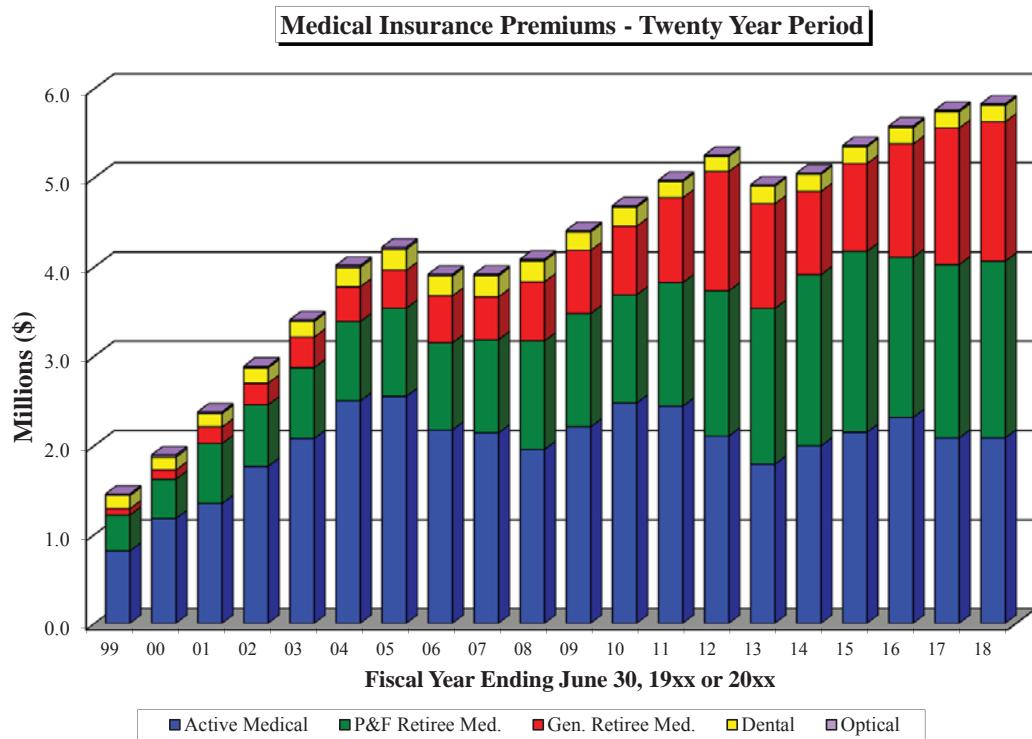


The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages and inflation start to converge while STV managed modest increases until 2001. Since FY 1994-95, wages and CPI-W increased less than 4% while STV fluctuated more due to new 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.

## 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 ("CB4"), 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 premiums shown for FY 2018 are estimated.

Pursuant to Public Act 152, City Council passed a Resolution in December 2012, and each following year, 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. The 20% health insurance premium sharing has also been negotiated into each collective bargaining agreement. 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, make healthier lifestyle choices, and realize that the days of no deductibles or co-insurance are over.



The fate of the Patient Protection and Affordable Care Act (PPACA), which was signed into law on March 23, 2010 by President Barack Obama, is very uncertain as the new administration under President Donald J. Trump looks to eliminate and/or replace many aspects of the Act. The City is working with its benefits consultants to keep apprised of and in compliance with any changes to medical insurance requirements and reporting mandates.

One of the City's most innovative attempts to curb health care costs was the opening of the MiLife Health & Wellness Center, located in the lower level of City Hall in January 2015. By way of background, in August 2012, staff and the City's healthcare consultant Cornerstone, began researching the concept of an on-site, employer-sponsored health and wellness center as a collaborative venture with Ferndale and Royal Oak. In January 2015, this concept became a reality when the MiLife Health and Wellness Center officially opened to eligible employees and dependents. This Center offers an alternative primary care option focusing on the Patient Centered Medical Home (PCMH) model of a salaried physician and medical staff paid by a third party management company under contract with the participating cities. The participating cities, which are self-insured, realize savings by reducing the number of visits through traditional insurance plans and eliminating the mark-up for traditional office overhead, diagnostic tests, and prescriptions.

Employees benefit from using the Center because there is no deductible or co-pay for office visits, basic lab work, or generic prescriptions. Additional benefits of the Center are that wait times for appointments are typically less than five minutes, and appointments with the doctor are longer than at a traditional office, averaging 17 minutes.

Original estimates show that participating cities would need a minimum of 20% participation in the first year to “break-even”. The first annual performance report of the MiLife Health and Wellness Center detailed a 59% utilization rate, approximately \$30,000 in hard dollar medical savings to the City and over \$25,500 savings to our employees through zero co-pays. These savings do not take into consideration the “soft-dollar” savings of treating a formerly undiagnosed chronic condition and avoiding lost productivity and time off of employees to attend traditional medical appointments. These “soft-dollar” costs are estimated at over \$750,000 for the first year.

The second year resulted in an overall utilization of 65%, with \$31,121 in hard medical savings, and an additional \$32,715 in “productivity savings” (calculated at a conservative \$15 per hour and 3 hours lost time per office visit) totaling \$63,836. Employees saved approximately \$23,305 in out-of-pocket copay expenses by utilizing the center. Chronic condition management remains a central focus for the center. Out of those employees who were identified as having previously undiagnosed chronic conditions in the first year, 48% have maintained their risk level and 35% have decreased their risk level. The potential “soft dollar” savings from identifying and treating chronic conditions since the center’s inception is calculated at \$908,537.

In January 2016, the Center was opened to pre-Medicare retirees, and the City of Madison Heights also began to utilize the Center for non-police and fire pre-employment physicals. The goal in 2017-18 is to obtain the necessary equipment and certifications to perform pre-employment physicals for sworn Police and Fire employees. The City is also making efforts to expand membership to the MiLife Center through outreach to both public and private entities in and around Madison Heights. The City remains optimistic that with appropriate marketing, communication, integration of the City’s existing Healthy Heights wellness program with the MiLife Center, and positive employee experiences at the Center, the utilization and savings will continue to grow, and overall employee health will improve.

### **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, 2016, the City has accumulated a market value of \$23.2 million in these trust funds, and the unfunded portion is \$75.4 million resulting in these Trusts being 23.5% funded. In FY 2017 City Council approved an additional contribution to these trusts of \$1.7 million combined from the General Fund and Water and Sewer Funds.

In FY 2018, the City is again unable to fund the total annual required contribution, which is 108.18% of Police and Fire payroll or \$4,349,707 and between 44.98% and 150.12% of payroll for General employees or \$2,632,909. Instead, the budget includes funding at the same level as FY 2017; \$2,516,296 for Police and Fire and \$1,283,389 for General employees. Both plans receive actuarial evaluations every two years. The next study is currently being completed by the Retiree Health Care Trust actuary and will cover the year ending June 30, 2018.

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 these premiums moving away from traditional pay-as-you-go premiums as well.

Between 2005 and 2009, the City 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. As of July 1, 2009, all 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 pension plans. This expense is budgeted to be \$3.1 million in FY 2017-18. 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 48.26% of total wages based on the City's 2016 actuarially recommended contribution rates. This plan remains open to all new hires in the Police and Fire Departments; however, starting in 2009 new hires can only count base wage into their final average compensation and the pension multiplier was adjusted from 2.8% to 2.5%. In regard to the MERS plan, all general employee groups including non-union have agreed to close the pension plans changing 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.

As part of the FY 2016-17 City Goal plan, Council adopted the resource-related goal to develop and implement a plan and policy to fully address the City's unfunded liabilities for pension and other post-employment benefits (i.e. retiree health care).

The State has authorized, through Public Act 329 of 2012, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category or higher, plans being closed to new hires, the preparation of a comprehensive financial plan, and approval from the Michigan Department of Treasury.

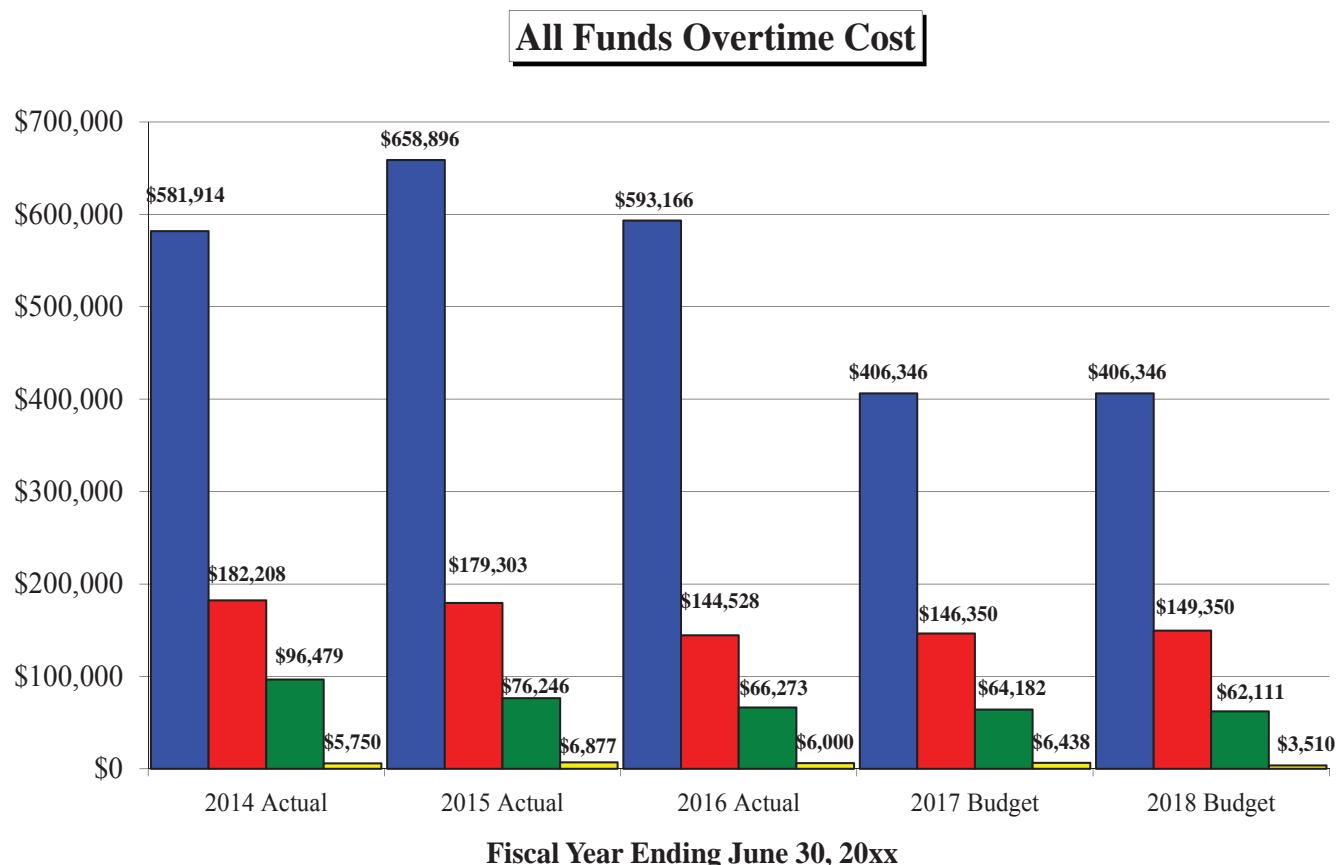
In FY 2017, the City successfully issued Pension Obligation Bonds (POBs) for the General Employees pension pursuant to Public Act 34 of 2001 and a resolution adopted by City Council on March 28, 2016. When analysis was completed on issuing POBs, it was determined that the City would experience savings of approximately \$4 million over a 16-year period if the bonds sold with a true interest cost of 4.2% and investment earnings average 5.2%. These bonds sold in September 2016 with a true interest cost of 3.12%, well below the City's expectations of 4.2%. This will lead to greater savings than expected over the long-term. Debt payments budgeted in FY 2018 for POB principal and interest are \$1.19 million. With this contribution, the City's General Employees pension is considered 100% funded on market value. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost on an annual basis.

### **Overtime**

Overtime costs for all Funds in FY 2017-18 is budgeted at \$621,317. In furtherance of an Adopted FY 2017 City Goal, this allocation includes overtime to assign one officer to perform special investigations through participation in the FBI's Violent Crimes Task Force. Overtime budgeted in the Police and Fire Departments amount to \$555,696, and DPS overtime equals \$62,111. The following chart shows overtime costs over the past five years. Much of the overtime costs have been attributable to having vacant positions, due to the long lead

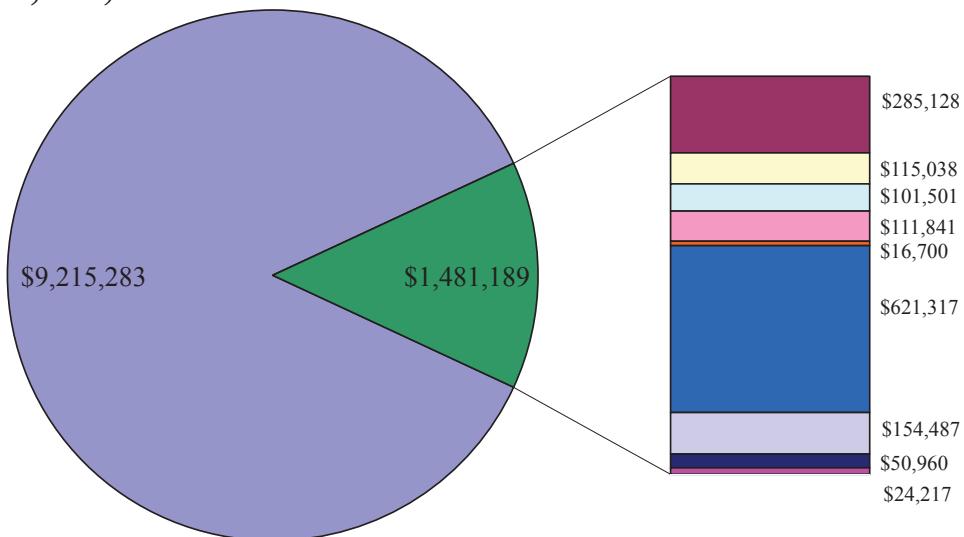
time hiring qualified sworn personnel. The City has attempted to reduce this by starting the recruitment process prior to the occurrence of the vacancy.

The charts below depicts the City's wage and fringe benefit costs for FY 2017-18.

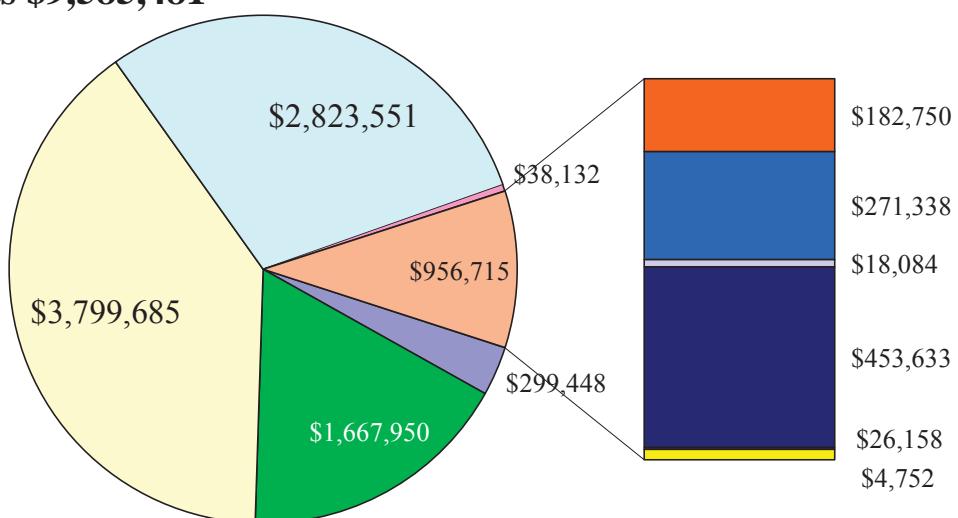


**2017-18**  
**Wage and Fringe Benefit Costs (\$20,281,953)**  
**Fiscal Year Budget**  
**All Funds**

**Wages \$10,696,472**



**Benefits \$9,585,481**



## Total Compensation Analysis

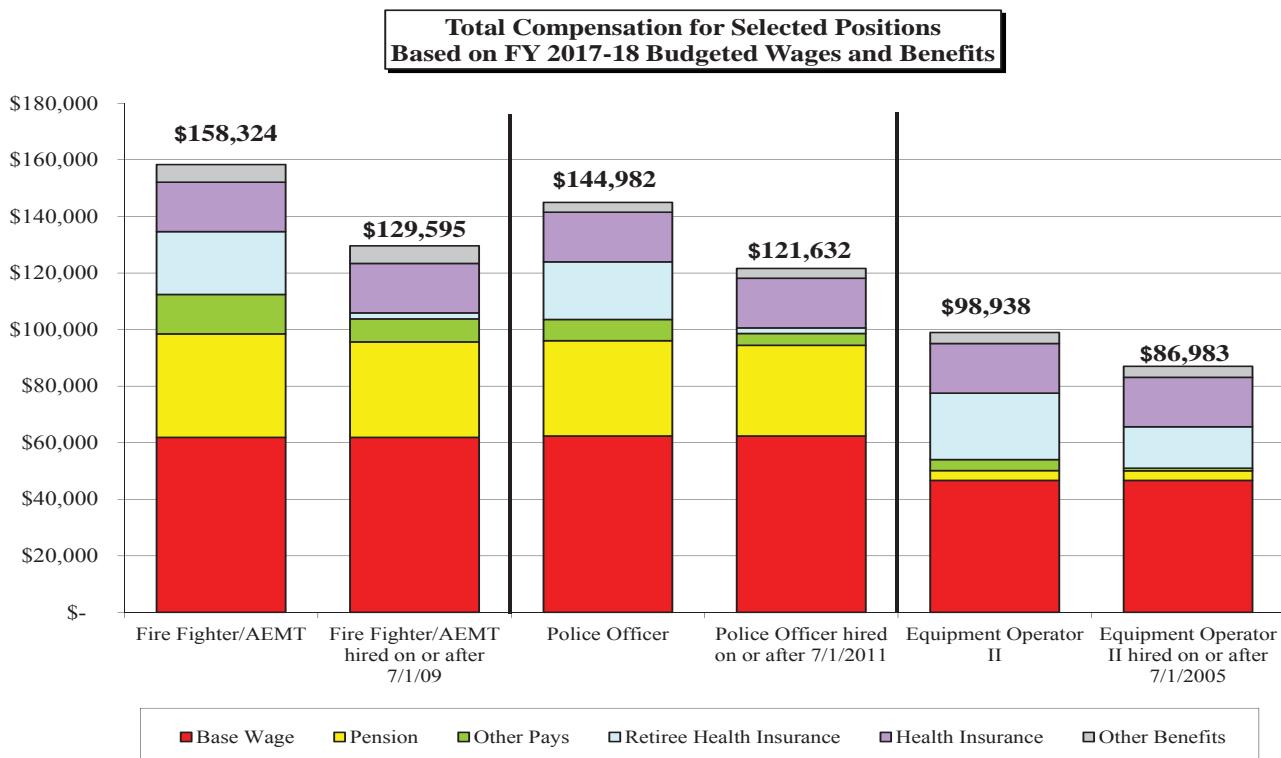
In order to determine what should be negotiated to control the City's expenses, we must look at the wages and benefits calculated together for total compensation currently provided to employees. The City has already made great strides in controlling costs for new hires by eliminating retiree health care and providing new employees with a Health Care Savings Program. In addition, the non-Police and Fire new hires are provided with a Defined Contribution Pension 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, the bar chart below shows the total FY 2017-18 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 \$158,326 and \$143,704 respectively. The incumbent equipment operator receives annual total compensation in the amount of \$96,956. Fringe benefits average 1.2 times base wages for senior employees.

In contrast, a newly hired Fire Fighter's total compensation is \$126,791 which is a savings of \$31,535 in comparison to an incumbent long-term Fire Fighter.

A newly hired Police Officer's total compensation is \$121,560, a savings of \$22,144, and a newly hired Equipment Operator will save the City \$22,148 in annual overall compensation. These savings are significant. At this time, we have 17 Firefighters, 12 Police Officers, 5 Equipment Operators, and 14 other employees with the new hire benefits package, totalling 48 positions or almost 34% of the full-time workforce.



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 2018. The position's compensation calculation assumes the maximum wage step and longevity.

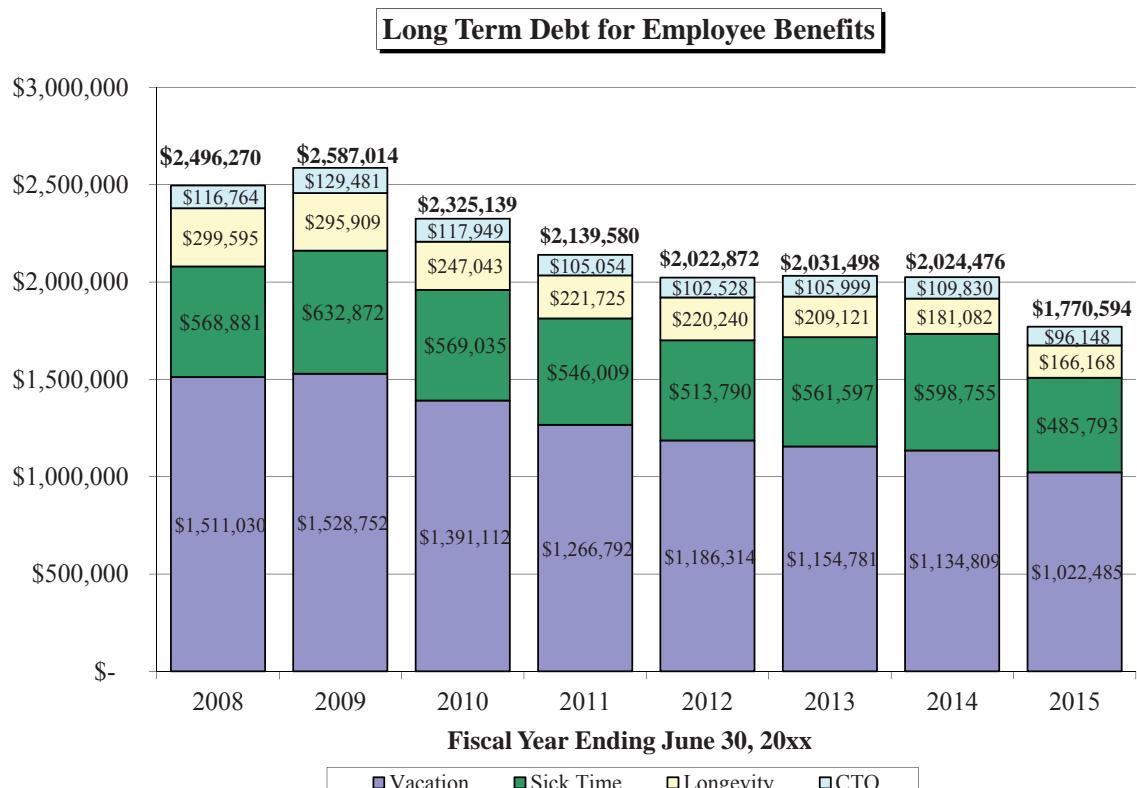
Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$12,993
Holidays	12	6,237
Admin. Leave Days	6	3,118
Sick leave (Max. of 12)	5	2,599
Personal Leave Days	2	1,039
<b>Total</b>	<b>50</b>	<b>\$25,986</b>

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

Cash benefits include compensation and other fringe benefits apart from the compensation received for time worked and leave time. Specifically, cash benefits may include cost-of-living payments (COLA) (if applicable), 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, 2016.



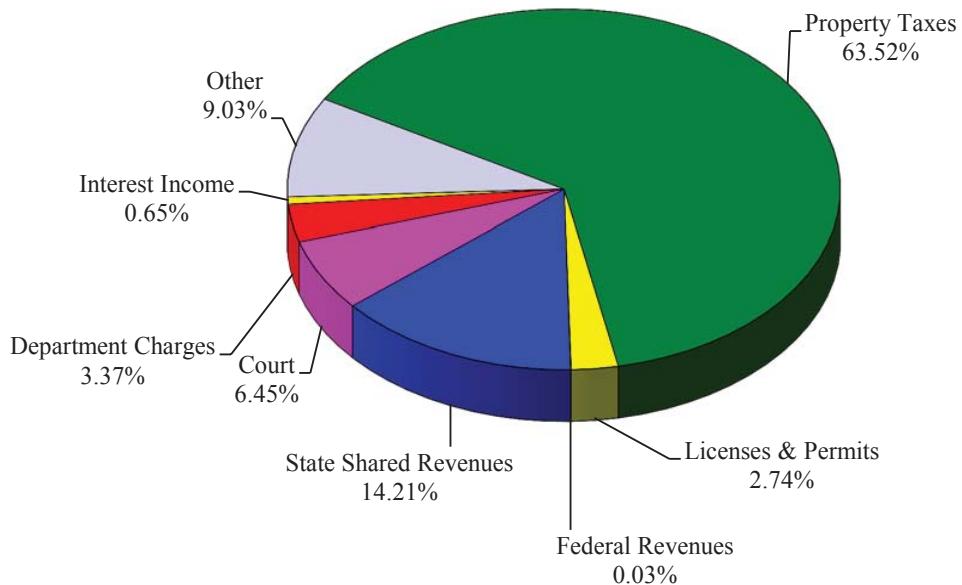


## **GENERAL FUND**

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.

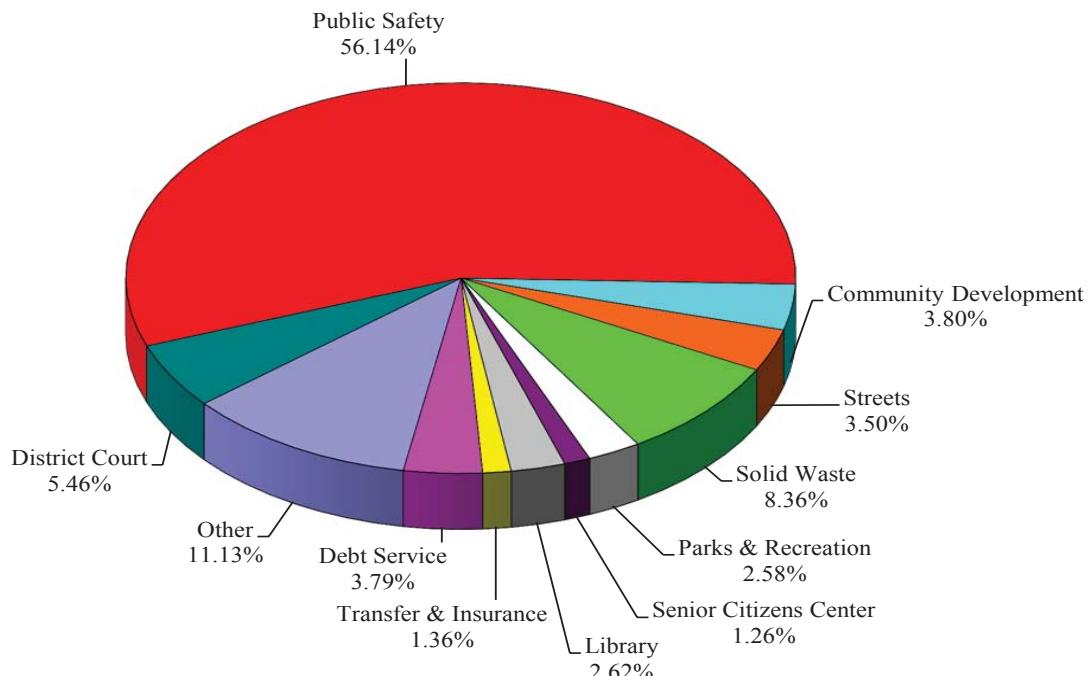
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# General Fund Revenues



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 sixty percent of all General Fund Expenditures.

## GENERAL FUND REVENUES AND EXPENDITURES

### FY 2017-18 BUDGET

Description	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Revenues by Source:</b>					
Property Taxes	\$ 16,736,287	\$ 16,810,103	\$ 17,159,281	\$ 349,178	2.1
Licenses & Permits	269,560	267,050	267,050	0	0.0
Non-Business Licenses & Permits	538,740	471,300	472,100	800	0.2
Federal Shared Revenues	90,535	89,000	8,500	(80,500)	(90.4)
State Shared Revenues	3,111,914	4,443,689	3,839,970	(603,719)	(13.6)
Payment in Lieu of Taxes	35,926	36,500	36,500	0	0.0
County Shared Revenues	62,807	52,300	64,000	11,700	22.4
SMART Revenues	70,019	70,019	70,019	0	0.0
Court Fines and Fees	1,817,788	1,743,000	1,743,000	0	0.0
Charges for Services	247,903	229,160	225,050	(4,110)	(1.8)
Sales-Miscellaneous	19,690	21,600	23,900	2,300	10.6
Parks & Recreation	221,933	216,588	248,357	31,769	14.7
Miscellaneous Revenues	2,240,919	1,331,928	1,698,223	366,295	27.5
Sale of Fixed Assets	73,983	210,268	17,500	(192,768)	(91.7)
Interest Earned	224,804	175,000	175,000	0	0.0
Department Charges	922,579	870,730	911,030	40,300	4.6
Transfers In	93,607	62,735	55,000	(7,735)	0.0
Prior Years Fund Balance	0	2,394,492	326,585	(2,067,907)	(86.4)
<b>Total Revenues</b>	<b>\$ 26,778,994</b>	<b>\$ 29,495,462</b>	<b>\$ 27,341,065</b>	<b>\$ (2,154,397)</b>	<b>(7.3)</b>

Description	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Expenditures by Activity:</b>					
City Council	\$ 51,592	\$ 55,042	\$ 55,296	\$ 254	0.5
District Court	1,645,305	1,519,517	1,492,662	(26,855)	(1.8)
City Manager	337,395	310,257	298,790	(11,467)	(3.7)
Elections	70,200	134,933	70,018	(64,915)	(48.1)
City Assessor	221,402	209,577	209,577	0	0.0
Legal	287,424	268,695	332,695	64,000	23.8
City Clerk	297,078	287,996	272,466	(15,530)	(5.4)
Human Resources	419,037	427,428	389,150	(38,278)	(9.0)
Board of Review	1,503	3,103	2,493	(610)	(19.7)
General Administration	599,967	1,014,798	213,654	(801,144)	(78.9)
Finance	887,681	796,528	772,419	(24,109)	(3.0)
Information Technology	259,293	390,937	187,693	(203,244)	(52.0)
Municipal Building	61,503	82,641	54,121	(28,520)	(34.5)
Custodial & Maintenance	237,608	186,920	184,186	(2,734)	(1.5)
Police	8,852,867	10,242,613	9,607,291	(635,322)	(6.2)
Fire	5,063,252	5,758,975	5,741,696	(17,279)	(0.3)
Community Development	1,089,676	1,062,544	1,037,896	(24,648)	(2.3)
Streets	1,341,462	1,301,412	957,521	(343,891)	(26.4)
Solid Waste	2,080,190	2,043,168	2,286,371	243,203	11.9
Recreation	135,293	138,022	170,687	32,665	23.7
Nature Center	21,978	28,208	32,675	4,467	(6.9)
Parks	489,777	539,953	502,515	(37,438)	(6.1)
Senior Citizens	379,489	367,354	344,868	(22,486)	(1.9)
Library	742,049	729,796	715,574	(14,222)	(11.7)
Insurance, Bonds and Transfers	429,604	1,595,045	1,408,751	(186,294)	(11.7)
<b>Total Expenditures</b>	<b>\$ 26,002,625</b>	<b>\$ 29,495,462</b>	<b>\$ 27,341,065</b>	<b>\$ (2,154,397)</b>	<b>(7.3)</b>

## GENERAL FUND REVENUES

### FY 2017-18 BUDGET

Description	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Property Taxes	\$ 16,736,287	\$ 16,810,103	\$ 17,159,281	\$ 349,178	2.1
Licenses & Permits	808,300	738,350	739,150	800	0.1
Federal Revenues	90,535	89,000	8,500	(80,500)	(90.4)
State Shared Revenues	3,111,914	4,443,689	3,839,970	(603,719)	(13.6)
Other Government	168,752	158,819	170,519	11,700	7.4
Court Fines and Fees	1,817,788	1,743,000	1,743,000	0	0.0
Service Fees	469,836	445,748	473,407	27,659	6.2
Sales - Miscellaneous	93,673	231,868	41,400	(190,468)	(82.1)
Miscellaneous	2,465,723	1,506,928	1,873,223	366,295	24.3
Department Charges	922,579	870,730	911,030	40,300	4.6
Transfers In	93,607	62,735	55,000	(7,735)	(12.3)
Prior Year's Fund Balance	0	2,394,492	326,585	(2,067,907)	(86.4)
<b>Total</b>	<b>\$ 26,778,994</b>	<b>\$ 29,495,462</b>	<b>\$ 27,341,065</b>	<b>\$ (2,154,397)</b>	<b>(7.3)</b>

Description	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
General Government	\$ 5,806,592	\$ 7,283,417	\$ 5,943,971	\$ (1,339,446)	(18.4)
Public Safety	13,916,119	16,001,588	15,348,987	(652,601)	(4.1)
Community Service	3,421,652	3,344,580	3,243,892	(100,688)	(3.0)
Culture and Recreation	1,768,586	1,803,333	1,766,319	(37,014)	(2.1)
Community Development	1,089,676	1,062,544	1,037,896	(24,648)	(2.3)
<b>Total</b>	<b>\$ 26,002,625</b>	<b>\$ 29,495,462</b>	<b>\$ 27,341,065</b>	<b>\$ (2,154,397)</b>	<b>(7.3)</b>

<b>Fund Balance - Unrestricted</b>	\$ 8,363,107	\$ 5,968,615	\$ 5,642,030	\$ (326,585)	(5.5)
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## GENERAL FUND EXPENDITURES

### FY 2017-18 BUDGET

<b>GENERAL GOVERNMENT</b>					
Description	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Mayor and Council	\$ 51,592	\$ 55,042	\$ 55,296	\$ 254	0.5
District Court	1,645,305	1,519,517	1,492,662	(26,855)	(1.8)
City Manager	337,395	310,257	298,790	(11,467)	(3.7)
Legal	287,424	268,695	332,695	64,000	23.8
Assessor/Board of Review	222,905	212,680	212,070	(610)	(0.3)
City Clerk/Elections	367,278	422,929	342,484	(80,445)	(19.0)
Human Resources	419,037	427,428	389,150	(38,278)	(9.0)
General Administration	599,967	1,014,798	213,654	(801,144)	(78.9)
Finance	887,681	796,528	772,419	(24,109)	(3.0)
Information Technology	259,293	390,937	187,693	(203,244)	(52.0)
Custodial/Maintenance	299,111	269,561	238,307	(31,254)	(11.6)
Insurance/Bonds & Transfers	429,604	1,595,045	1,408,751	(186,294)	(11.7)
<b>Total</b>	<b>\$ 5,806,592</b>	<b>\$ 7,283,417</b>	<b>\$ 5,943,971</b>	<b>\$ (1,339,446)</b>	<b>(18.4)</b>
<b>PUBLIC SAFETY</b>					
Police	\$ 8,852,867	\$ 10,242,613	\$ 9,607,291	\$ (635,322)	(6.2)
Fire	5,063,252	5,758,975	5,741,696	(17,279)	(0.3)
<b>Total</b>	<b>\$ 13,916,119</b>	<b>\$ 16,001,588</b>	<b>\$ 15,348,987</b>	<b>\$ (652,601)</b>	<b>(4.1)</b>
<b>COMMUNITY SERVICE</b>					
Streets	\$ 1,341,462	\$ 1,301,412	\$ 957,521	\$ (343,891)	(26.4)
Solid Waste	2,080,190	2,043,168	2,286,371	243,203	11.9
<b>Total</b>	<b>\$ 3,421,652</b>	<b>\$ 3,344,580</b>	<b>\$ 3,243,892</b>	<b>\$ (100,688)</b>	<b>(3.0)</b>
<b>CULTURE AND RECREATION</b>					
Recreation	\$ 135,293	\$ 138,022	\$ 170,687	\$ 32,665	23.7
Nature Center	21,978	28,208	32,675	4,467	15.8
Parks	489,777	539,953	502,515	(37,438)	(6.9)
Senior Citizens	379,489	367,354	344,868	(22,486)	(6.1)
Library	742,049	729,796	715,574	(14,222)	(1.9)
<b>Total</b>	<b>\$ 1,768,586</b>	<b>\$ 1,803,333</b>	<b>\$ 1,766,319</b>	<b>\$ (37,014)</b>	<b>(2.1)</b>
<b>COMMUNITY DEVELOPMENT</b>					
<b>Total</b>	<b>\$ 1,089,676</b>	<b>\$ 1,062,544</b>	<b>\$ 1,037,896</b>	<b>\$ (24,648)</b>	<b>(2.3)</b>
<b>TOTAL</b>					
<b>General Fund Total</b>	<b>\$ 26,002,625</b>	<b>\$ 29,495,462</b>	<b>\$ 27,341,065</b>	<b>\$ (2,154,397)</b>	<b>(7.3)</b>

# **Mayor & Council**

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

- Appointment of the City Manager, to exercise and perform all administrative functions of the City that are not assigned by the City Charter or ordinance to another official;
- Adoption of the Annual Budget, appropriation of funds, and levy of taxes necessary to support municipal purposes;
- 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**

<b>Personnel Summary</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
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
- Multicultural Relations 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 Indicators	2016 Actual	2017 Estimate	2017-18 Budget
Input	Regular City Council Meetings	23	23	23
	Agenda Items	306	300	300
	Public Hearings Held	9	10	10
Outcomes	Ordinances and Amendments Adopted	6	5	5
	Agenda Items Acted Upon	306	383	300
	Annual % Change in Millage Rate	0.00%	0.23%	9.79%
	Department Expenditures as a % of General Fund	0.2%	0.2%	0.2%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 49,925	\$ 50,756	\$ 51,010	\$ 254	0.5
Supplies	208	322	322	0	0.0
Other Services and Charges	1,459	3,964	3,964	0	0.0
Capital Outlay	0	0	0	0	0.0
Total	\$ 51,592	\$ 55,042	\$ 55,296	\$ 254	0.5
Resources:					
General Fund	\$ 51,592	\$ 55,042	\$ 55,296	\$ 254	0.5
Total	\$ 51,592	\$ 55,042	\$ 55,296	\$ 254	0.5

## Key Issues

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

# District Court

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

## Organizational Structure and Staff

Personnel Summary	2015-16	2016-17	2017-18
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	2
Total Part-Time	4	4	5
Total Employees	12	12	13

The District Court Judge who is an employee of the State of Michigan and elected by local voters supervises eight full-time and five 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 \$5,500 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

<b>Requirements:</b>	Actual	Amended	Budget	Increase	Percent
	2015-16	Budget 2016-17	2017-18	(Decrease) FY 2016-17 to FY 2017-18	
Personnel Services	\$ 1,168,191	\$ 1,121,626	\$ 1,110,844	\$ (10,782)	(1.0)
Supplies	28,829	32,300	32,300	0	0.0
Other Services and Charges	333,507	352,491	342,018	(10,473)	(3.0)
Capital Outlay	114,778	13,100	7,500	(5,600)	(42.7)
<b>Total</b>	<b>\$ 1,645,305</b>	<b>\$ 1,519,517</b>	<b>\$ 1,492,662</b>	<b>\$ (26,855)</b>	<b>(1.8)</b>
<b>Resources:</b>					
Court Salary Standard	\$ 47,312	\$ 47,074	\$ 47,516	\$ 442	0.9
Court Fines	904,225	875,000	875,000	0	0.0
Forfeits	22,691	25,000	25,000	0	0.0
Reimbursed Court Costs	578,863	500,000	500,000	0	0.0
Bond Fees	79,615	90,000	90,000	0	0.0
Probation Oversight	216,584	240,000	240,000	0	0.0
Violation Clearance	15,810	13,000	13,500	500	3.8
General Fund	(219,795)	(270,557)	(298,354)	(27,797)	10.3
<b>Total</b>	<b>\$ 1,645,305</b>	<b>\$ 1,519,517</b>	<b>\$ 1,492,662</b>	<b>\$ (26,855)</b>	<b>(1.8)</b>

## Key Issues

- The third largest source of General Fund Revenue is composed of Court fines, forfeits and charges (\$1.5 million), which are used to partially offset the cost of operating our State-mandated District Court and legal prosecution costs.
- This budget is supported at the current service level.

# City Manager

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

The City Manager is responsible for:

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

## Organizational Structure and Staff

Personnel Summary	2015-16	2016-17	2017-18
City Manager	1	1	1
Executive Assistant	1	1	1
Total Full-Time	2	2	2
Total Employees	2	2	2

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Output	Agenda Reports Reviewed	91	180	180
	Number of Council-adopted goals managed	N/A	20	25
	Media inquiries/requests handled	11	8	8
Efficiency	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting		99%	99%
	Department Expenditures as a % of General Fund		1.3%	1.4%

## Financial Summary

Requirements:	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 333,496	\$ 300,398	\$ 288,916	\$ (11,482)	(3.8)
Supplies	282	300	300	0	0.0
Other Services and Charges	3,617	9,559	9,574	15	0.2
Capital Outlay	0	0	0	0	0.0
Total	\$ 337,395	\$ 310,257	\$ 298,790	\$ (11,467)	(3.7)
<b>Resources:</b>					
General Fund	\$ 337,395	\$ 310,257	\$ 298,790	\$ (11,467)	(3.7)
Total	\$ 337,395	\$ 310,257	\$ 298,790	\$ (11,467)	(3.7)

## Key Issues

- The decrease in Personnel Services is related to the reduction in hospitalization due to department employee opt-out and the reduction in budgeted pension contributions. Budgeted pension contributions have been reduced for all departments with General Employees who participate in the Michigan Employee Retirement System due to the issuance of Pension Obligation Bonds. The actuarially required contribution has been replaced with a payment of the normal cost for earned pension credit.
- The balance of the budget for this department is supported at the current service level.

# City Clerk & Elections

The Clerk's Office consists of the City Clerk who is appointed by the City Manager and one full-time Election Coordinator. During elections, there are 72 seasonal 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 public meeting information.

## Organizational Structure and Staff

Personnel Summary	2015-16	2016-17	2017-18
City Clerk	1	1	1
Election Coordinator	1	1	1
Total Full-Time	2	2	2
Election Workers-Chairpersons	24	24	24
Election Workers	48	48	48
Office Assistant	1	1	1
Total Part-Time	73	73	73
Total Employees	75	75	75

## Accomplishments

### **Resource Management:**

- Conducted the August 2, 2016 State Primary Election and the Presidential General Election November, 2016; conducted training for election inspectors, and recruited student election inspectors for each election.
- Implemented the use of the State's Electronic Death Registration System.
- Managed the reinstated Mock City Council program.
- Streamlined administrative Processing of Business Licenses.
- Professional development of City Clerk and Election & Communications Coordinator.

## Objectives

### **Resource Management:**

- Conduct City General Election on November 7, 2017.
- Review and make necessary changes (if any) to precinct boundaries for 2017/18 election cycle.
- Implement new state-wide voting system.
- Continue electronic storage, retention and indexing of all contracts, titles, resolutions and agreement records.
- Continue professional development for the City Clerk and Election Coordinator.
- Streamline the Boards and Commissions recordkeeping and re-appointment process in the City Clerk's Office by consolidating multiple databases, analyzing, semi-annual term expirations, and creating a uniform re-appointment procedure for Council's consideration. (2018 Goal U)

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	Hours attending City Council Meetings	35	35	35
	Number of Election Workers per election	53	72	72
	Average Number of Voters per FTE	3,349	7,914	2,050
Output	Number of Business and Animal Licenses Issued	1,452	1,400	1,400
	Number of New Registered Voters/Changes	6,161	2,250	2,250
	Number of Absentee Ballots Sent	3,102	4,576	2,000
Outcome	Average Days to Post Approved Board Minutes to website	30	30	30
	Number of Election Workers Trained	160	150	72
	Average Length of time to Process New Business Licenses (days)	71	70	70
Efficiency	% Voter Turnout per November State Election	n/a	64%	n/a
	% of FOIA request responded to within 10 business days	100%	100%	100%
	Department Expenditures as a % of General Fund	1.4%	1.4%	1.2%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 266,668	\$ 269,131	\$ 252,926	\$ (16,205)	(6.0)
Supplies	1,475	4,150	4,325	175	4.2
Other Services and Charges	14,800	14,715	15,215	500	3.4
Capital Outlay	14,135	0	0	0	#DIV/0!
Subtotal-Elections	70,200	134,933	70,018	(64,915)	(48.1)
Total	\$ 367,278	\$ 422,929	\$ 342,484	\$ (80,445)	(19.0)
<b>Resources:</b>					
Business Licenses	\$ 93,354	\$ 90,000	\$ 90,000	\$ 0	0.0
Animal Licenses	10,119	6,200	7,000	800	12.9
Bicycle Licenses	134	100	100	0	0.0
Vital Health Statistics	22,720	24,000	24,000	0	0.0
Election Reimbursement	2,090	16,133	0	(16,133)	(100.0)
State of Michigan Grant	0	30,000	0	(30,000)	0.0
General Fund	238,861	256,496	221,384	(35,112)	(13.7)
Total	\$ 367,278	\$ 422,929	\$ 342,484	\$ (80,445)	(19.0)

## Key Issues

- The decrease in Personnel Services is related budgeted pension contributions that have been reduced for all departments with General Employees who participate in the Michigan Employee Retirement System due to the issuance of Pension Obligation bonds. The actuarial required contribution has been replaced with a payment of the normal cost for earned pension credit.
- The reduction in Election expense is directly related to the reduced number of elections in FY 2018. FY 2017 saw two elections including a Presidential election; FY 2018 includes one City Council election.
- The budget is supported at the current service level.

# Assessing

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The Assessing function is contained within 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 11,514 real property descriptions and 1,677 personal property accounts in the City.
- Providing analysis of proposed Special Assessment District (SAD) projects.

## **Accomplishments**

### **Resource Management:**

- Contracting assessing to Oakland County Equalization has saved approximately \$306,000 per year in General Fund operating expense.
- Reviewed 726 small business exemption 5,076 affidavits and processed 539 personal property statements in accordance with the State Personal Property Tax (PPT) reform legislation.
- Renewed contract with Oakland County Equalization for these additional years until June 30, 2019.

## **Objectives**

### **Resource Management:**

- Establish new market and taxable property values for tax year 2017.
- Conduct audits of personal property accounts for 3.2% of all personal property accounts.

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Output	Assessment Notices Processed	13,211	13,217	13,200
	Board of Review Appeals	228	58	200
	Property Splits/Combinations	6	5	5
	Michigan Tax Tribunal Cases	10	9	5
Efficiency	% Parcels added/deleted by the deadline	100%	100%	100%
	Department Expenditures as a % of the General Fund	0.9%	0.7%	0.8%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	221,402	209,577	209,577	0	0.0
Capital Outlay	0	0	0	0	0.0
Subtotal-Board of Review	1,503	3,103	2,493	(610)	(19.7)
Total	\$ 222,905	\$ 212,680	\$ 212,070	\$ (610)	(0.3)
Resources:					
Assessing Fees	\$ 23,180	\$ 20,000	\$ 20,000	\$ 0	100.0
General Fund	199,725	192,680	192,070	(610)	(0.3)
Total	\$ 222,905	\$ 212,680	\$ 212,070	\$ (610)	(0.3)

## Key Issues

- In the spring of 2010, the City replaced its in-house Assessing Office with a contract with Oakland County Equalization Department at a savings of \$306,000 per year.
- The City is currently under contract with Oakland County Equalization to provide assessing services through June 30, 2019.

# Legal Department

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The City's legal services are contracted to a number of external legal firms. The City Attorney, as called for in the City Charter, is appointed by the City Council. The City also retains services of 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 matters and prosecution of criminal matters;
- Preparing legal opinions and/or reviewing ordinances, resolutions and contracts;
- Presenting legal updates to City Council, Administration; and
- Attending City Council meetings and various Boards and Commissions.

## Performance Measures

Performance Measures:	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Workload Indicators</b>					
Legal Counsel (Hours)					
Tax Tribunal	51	32	30	(100)	(312.5)
Labor	713	750	790	(250)	(33.3)
General	1,725	1,505	1,757	252	16.7
Telecommunications	0	3	10	8	300.0
Department Expenditures as a % of the General Fund	1.1%	0.9%	1.2%	0.1%	0.0%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	10,322	7,500	7,500	0	0.0
Other Services and Charges	277,102	261,195	325,195	64,000	24.5
Capital Outlay	0	0	0	0	0.0
Total	\$ 287,424	\$ 268,695	\$ 332,695	\$ 64,000	23.8
<b>Resources:</b>					
General Fund	\$ 287,424	\$ 268,695	\$ 332,695	\$ 64,000	23.8
Total	\$ 287,424	\$ 268,695	\$ 332,695	\$ 64,000	23.8

## Key Issues

- Expenses for legal fees related to labor are expected to increase in FY 2018. This is directly related to all union contracts expiring on June 30, 2017 and the possibility of have to arbitrate these contracts, along with an increased number of general counsel related cases.

# Human Resources Department

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The Human Resources Department consists of the Human Resources Director who is appointed by the City Manager, and the Purchasing and Personnel Assistant whose cost is split between the 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	2015-16	2016-17	2017-18
Human Resources Director	1	1	1
Purchasing and Personnel Coordinator/Assistant	1	1	1
Total Full-Time	2	2	2

## Accomplishments

### **Resource Management:**

- Continued to assist retirees with enrolling in Medicare Advantage, and with Medicare Advantage health insurance billing questions and/or problems, as well as coordinate updates to Medicare Part B premium payments to eligible retirees.
- Assisted with transition for Medicare-eligible retirees to move from Blue Cross Blue Shield commercial prescription plan to a Blue Cross Blue Shield Medicare Advantage Employer Group Waiver Plan (EGWP) prescription plan.
- 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 and timely processing of any changes.
- Expanded the MiLife Health and Wellness Center services by approving the purchase of a hearing booth to provide for Police and Fire pre-employment physicals.
- Along with the cities of Royal Oak and Ferndale, required the newly hired doctor for the Center to be MDOT certified for Public Services MDOT mandated physicals.
- Monitored the Patient Protection and Affordable Care Act (PPACA) to ensure continued compliance.
- Created an interim electronic format for new employee packets where feasible during the transition to the new City website and employee intranet.
- Began project to scan current and past employee personnel and medical files and store in HR system, reducing paper and physical storage space.

## Objectives

### **Resource Management:**

- Evaluate ongoing success of previous integration of wellness program into the MiLife Health and Wellness Center.
- Assist with the promotion of the MiLife Center in order to attract other municipalities and local businesses to join.
- As vacancies occur, update and refresh job advertisements and job descriptions in an effort to reach the Millennial workforce.
- Assist with the design and implementation of the new employee web portal/intranet.
- Successfully negotiate all contracts within the bargaining authority received from Council.
- Systematically analyze update all City job descriptions in the Human Resource Office so that essential functions are accurately represented and work performance can be properly evaluated (2018 Goal W)
- Fund, recruit, and hire a Part-Time Seasonal Recreation Division Intern to provide enhanced programming support for the Department of Public Services during peak periods. (2018 Goal Y)

## Performance Measures

Performance Indicators		2016 Actual	2017 Estimate	2018 Budget
<i>Input</i>	All staff in jurisdiction: Average years of service	12	12	11
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Sworn public safety	67	67	70
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Total	129	141	141
	Hours Paid: All Human Resources staff	4,070	4,057	4,057
	Hours paid to all jurisdiction staff	566,298	582,782	590,257
<i>Output</i>	HR: Number of full time positions filled	16	11	10
	Percentage of new full-time employees completing probationary period	54%	81%	83%
	Turnover: Number of full-time, permanent employees who left: Total*	6	5	4
	Turnover: Number of full-time, regular employees who left: Sworn public safety*	2	4	4
	Turnover rate: All full-time employees*	4.60%	3.55%	2.84%
<i>Outcome</i>	HR: Percentage of successful full time applicants still employed 12 months from hire date	61%	81%	90%
	Department Expenditures as a % of General Fund	1.5%	1.9%	1.7%

\*does not include those who left during probation or due to retirement or death

## Financial Summary

<b>Requirements:</b>	Actual	Amended	Budget	Increase (Decrease)	Percent Change
	2015-16	Budget 2016-17	Budget 2017-18	FY 2016-17 to FY 2017-18	
Personnel Services	\$ 238,338	\$ 206,986	\$ 200,233	\$ (6,753)	(3.3)
Supplies	0	0	0	0	0.0
Other Services and Charges	180,699	220,442	188,917	(31,525)	(14.3)
Capital Outlay	0	0	0	0	0.0
<b>Total</b>	<b>\$ 419,037</b>	<b>\$ 427,428</b>	<b>\$ 389,150</b>	<b>\$ (38,278)</b>	<b>(9.0)</b>
<b>Resources:</b>					
General Fund	\$ 419,037	\$ 427,428	\$ 389,150	\$ (38,278)	(9.0)
<b>Total</b>	<b>\$ 419,037</b>	<b>\$ 427,428</b>	<b>\$ 389,150</b>	<b>\$ (38,278)</b>	<b>(9.0)</b>

## Key Issues

- The decrease in Personnel Services is related budgeted pension contributions that have been reduced for all departments with General Employees who participate in the Michigan Employee Retirement System due to the issuance of Pension Obligation bonds. The actuarial required contribution has been replaced with a payment of the normal cost for earned pension credit.

# General Administration

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General Administration serves as the cost center for general administrative support and non-department specific payments such as city-wide telephone maintenance and website hosting.

## Accomplishments

- Created account with govdeals.com for online auction of larger ticket items. Our initial auction of a 2003 Sterling LT7500 Dump Truck with Plow netted a profit of \$15,000.
- Successfully auctioned other surplus vehicles and miscellaneous City surplus items on the City's co-operative purchasing website, netting over \$40,000 in revenue.
- Completed purchase of miscellaneous fleet vehicles including Police Department Interceptor Sedan, Interceptor Utility vehicle, administrative vehicle and first Ford F-150 to join the Police Department Fleet. Other vehicles purchased include a tandem axle dump truck in the Streets Department, a sewer vactor, and a GMC 500 for the Water/Sewer Department.

## Objectives

- Continue to utilize the MITN cooperative purchasing website and govdeals.com to attain optimal revenue when selling surplus items.
- Continue to take advantage of cooperative purchasing including but not limited to MITN, the State of Michigan (MiDEAL), Oakland County and Macomb County to increase purchasing power while reducing staff time spent on creating, issuing, and administering bids.
- Conduct surplus items auctions on the major online auction sites and perform an ongoing analysis of items to be sold at auction to ensure that the City is realizing the highest possible revenue. (2018 Goal X)

## Performance Measures

	<b>Performance Indicators</b>	<b>2016 Actual</b>	<b>2017 Estimate</b>	<b>2018 Budget</b>
<i>Input</i>	Expenditures: General fund personnel and operations	\$ 26,002,625	\$ 29,521,287	\$ 27,341,065
	Expenditures: Special-revenue/restricted fund personnel and operations	\$ 18,028,165	\$ 22,910,473	\$ 23,991,145
	Square miles of land area served	7.2	7.2	7.2
	Revenues, General fund: Property Tax	\$ 16,736,287	\$ 16,810,103	\$ 17,159,281
	Revenues, General fund: State Revenue Sharing	\$ 3,111,914	\$ 4,443,689	\$ 3,839,970
<i>Efficiency</i>	Department Expenditures as a % of General Fund	2.3%	3.4%	0.8%

## Financial Summary

<b>Requirements:</b>	<b>Actual 2015-16</b>	<b>Amended Budget 2016-17</b>	<b>Budget 2017-18</b>	<b>Increase (Decrease) FY 2016-17 to FY 2017-18</b>	<b>Percent Change</b>
Personnel Services	\$ 457,500	\$ 889,923	\$ 112,062	\$ (777,861)	(87.4)
Supplies	56,056	45,350	44,750	(600)	(1.3)
Other Services and Charges	86,411	79,525	56,842	(22,683)	(28.5)
Capital Outlay	0	0	0	0	0.0
<b>Total</b>	<b>\$ 599,967</b>	<b>\$ 1,014,798</b>	<b>\$ 213,654</b>	<b>\$ (801,144)</b>	<b>(78.9)</b>
<b>Resources:</b>					
General Fund	\$ 599,967	\$ 1,014,798	\$ 213,654	\$ (801,144)	(78.9)
<b>Total</b>	<b>\$ 599,967</b>	<b>\$ 1,014,798</b>	<b>\$ 213,654</b>	<b>\$ (801,144)</b>	<b>(78.9)</b>

## Key Issues

- The decrease in Personnel Services is related to a Budget Amendment in FY 2017 for a one-time additional contribution into the Retiree Health Care Trust for General Employees.
- FY 2018 includes the addition of part-time wages for a cable television broadcasting operator to record council meetings.

# Finance Department

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The Finance Department consists of a Deputy City Manager for Administrative Services, Deputy Finance Director, one Accountant, an Administrative Secretary, and three 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	2015-16	2016-17	2017-18
Deputy City Manager for Administrative Services	1	1	1
Deputy Treasurer/Finance Director	1	1	1
Accountant	1	1	1
Fiscal Assistant II	3	3	3
Administrative Secretary	1	1	1
Total Full-Time	7	7	7
Total Employees	7	7	7

## Accomplishments

### Resource Management:

- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award for FY 2016-17.
- Completed annual audit within 3 months, with no audit findings.
- Renewed the agreement for actuarial services with the current actuarial firm, Gabriel Roeder Smith & Company, and received OPEB actuarial reports for FY 2016.
- Issued an RFP for audit services and entered a five year agreement with the current audit firm, Plante Moran.
- Met all State requirements and issued Pension Obligation Bonds for the General Employees Defined Benefit Pension plan.
- Revised the City's Financial Reserve Policy to comply with the Michigan Government Finance Officers Association Best Practices reserving 16% of annual expenditures plus one year of debt payments.

## 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.
- Complete an analysis of water, sewer, and stormwater rates needed to support the system with infrastructure projects over the next ten (10) years.
- Implement an E-Lock Box Service in the Treasurer's Office to convert Non-Automated Clearing House (ACH) electronic payments into ACH payments, which will reduce staff research time and lower processing costs. (2018 Goal V)

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	Total Dollar amount of City Budget (all funds)	\$ 46,619,929	\$ 52,431,760	\$ 51,332,210
	Total Dollar amount of Budget Amendments (all funds)	\$ 2,331,801	\$ 4,469,941	\$ 2,560,000
	City Taxable Value	\$ 772,565,630	\$ 784,126,110	\$ 796,645,220
	Total Dollar value of Fiscal Year CIP - all funds	\$ 7,533,000	\$ 7,031,000	\$ 8,606,282
Output	Accounts Payable Processed - Paper Check	3,755	3,687	3,545
	Accounts Payable Processed - ACH	971	1,039	1,181
	# of water/sewer customers	11,804	11,804	11,804
	# of water/sewer customers signed up for ACH	1,253	1,253	1,253
Outcome	% of Accounts Payable processed by ACH	20.5%	22.0%	25.0%
	% of water/sewer customers signed up for ACH	10.6%	11.0%	12.0%
	% of Dollar amount of budget amendments	4.7%	>5%	>5%
	% of Budget GF revenues received	92.9%	94.0%	95.0%
	% of Budgeted GF expenditures spent	88.7%	90.0%	90.0%
Efficiency	Taxes collected by March 1 as a % of Total	94.2%	95.0%	95.0%
	Date of Annual Auditor's Report	10/13/2016	10/16/2017	10/15/2018
	% Funded for General Employees Pension Trust	64.0%	100.0%	100.0%
	% Funded for Police and Fire Pension Trust	58.6%	56.8%	54.3%
	% Funded for the General Employee Retiree Health Benefits Trust	26.1%	28.6%	30.6%
	% Funded for the Police and Fire Employee Retiree Health Benefits Trust	21.9%	24.9%	27.4%
	Department Expenditures as a % of General Fund	3.3%	3.3%	3.3%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 821,176	\$ 729,641	\$ 710,117	\$ (19,524)	(2.7)
Supplies	5,236	5,000	6,520	1,520	30.4
Other Services and Charges	61,269	61,887	55,782	(6,105)	(9.9)
Capital Outlay	0	0	0	0	0.0
Total	\$ 887,681	\$ 796,528	\$ 772,419	\$ (24,109)	(3.0)
Resources:					
Mobile Home Tax	\$ 51,084	\$ 34,060	\$ 34,700	\$ 640	1.9
Property Tax Admin. Fees	458,659	443,361	429,864	(13,497)	(3.0)
Garbage Bag Sales	5,997	6,700	7,500	800	11.9
Interest Income on Deposits	224,804	175,000	175,000	0	0.0
General Fund	147,137	137,407	125,355	(12,052)	8.8
Total	\$ 887,681	\$ 796,528	\$ 772,419	\$ (24,109)	(3.0)

## Key Issues

- The decrease in Personnel Services is related budgeted pension contributions that have been reduced for all departments with General Employees who participate in the Michigan Employee Retirement System due to the issuance of Pension Obligation bonds. The actuarial required contribution has been replaced with a payment of the normal cost for earned pension credit.

# Information Technology

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Outsourced to BPI Information Systems in 2015, the Information Technology Department is responsible for supporting the City's wide area network and computer-related functions. Examples of the services provided include:

- Installation and support of computers/devices/peripherals, technical support of all hardware and software platforms, telephony, and assistance with and administration of the technological direction of the City.

## Accomplishments

### **Resource Management:**

- Replace 25 desktop computers on the five-year replacement plan.
- Upgrade nine computers to extend their useful life.
- Completed a request for proposal to overhaul the city website.
- Replace the aging WiFi equipment at City Hall for better coverage and improved security.
- Setup new Microsoft Exchange email server.
- Schedule vulnerability tests for the network and computers.
- Setup phase two of the monitoring system to track system health and automate performance alerts.
- Tested system backup and restore for servers, data and applications.
- Moved VPN to a central connect for higher security and improved reliability.
- Removed legacy phone system to reduce electrical costs and reliance on old technology.
- Provided technology support 24x7x365.
- Migrated to a hosted email spam filtering service improving filtering and lowering the cost.

## Objectives

### **Resource Management:**

- Refine the disaster recovery and return to operation process.
- Complete a City wide Cyber review and testing.
- Provide in-service security awareness training for all staff.
- Optimize the SAN data partitions to reduce unused but allocated space.
- Replace 18 desktop computers on the five-year replacement schedule.
- Add WiFi equipment at the Fire, DPS, and Senior Center buildings.
- Classify printers into either Enterprise or Departmental for maintenance cost savings.
- Purchase, install and train personnel on dashboard-based IT performance monitoring software to measure network and server reliability, improve communication between IT and City Staff and allow benchmarking of IT systems (2017 Goal O).
- Schedule vulnerability tests for the network and computers.
- Investigate shared resource for disaster preparedness with Royal Oak, Hazel Park, and/or Troy.
- Update the Capital Improvement Plan for long range planning and budget.
- Integrate a help desk internet with the new City website.
- Provide desk side and phone support 24x7x365.

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
<i>Input</i>	Number of helpdesk requests	0	1,500	1,500
	Number of endpoints served	0	435	435
<i>Output</i>	Number of new computers installed	0	24	24
	Special IT projects handled	0	15	15
<i>Efficiency</i>	% of helpdesk request handled in 8 hours or less	0%	90%	90%
	Total number of helpdesk cases resolved	0	1,500	1,500
<i>Outcome</i>	Capital expenditures for IT	\$0	\$ 146,000	\$ 15,000
	Expenditures per each endpoint served	\$0	\$ 899	\$ 431
	Department Expenditures as a % of General Fund	0.00%	1.32%	0.69%

## Financial Summary

	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ -	\$ -	\$ 0	\$ 0	0.0
Supplies	16,581	29,872	25,178	(4,694)	(15.7)
Other Services and Charges	214,980	215,065	147,515	(67,550)	0.0
Capital Outlay	27,732	146,000	15,000	(131,000)	0.0
<b>Total</b>	<b>\$ 259,293</b>	<b>\$ 390,937</b>	<b>\$ 187,693</b>	<b>\$ (203,244)</b>	<b>(52.0)</b>
<b>Resources:</b>					
General Fund	\$ 259,293	\$ 390,937	\$ 187,693	\$ (203,244)	(52.0)

## Key Issues

- FY 2018 is supported at the current support level
- The decrease in expenditures is related to capital outlay items and the completion of the telephone system in FY 2017 for \$146,000. Capital Outlay items this year include \$15,000 for an Exchange Server.

# Custodial & Maintenance Division

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The services of the Custodial and Maintenance Division of the Department of Public Services are provided on an assignment basis by Department of Public Services 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 Services buildings.

## **Accomplishments**

### **Resource Management:**

- Completed Phase 2 of the Library Waterproofing Project to improve air quality in the building, and energy efficiency of the new HVAC system.
- Continued to monitor and adjust HVAC schedules and setpoints at City buildings through the i-Vu web interface, resulting in both increased comfort and energy savings.
- Performed carpet and blind inventories for future interior work at City buildings.
- Provided monthly building energy utilization report to City management.
- Performed thermal imaging scans of roofing systems at DPS and Police Department to detect leaks and perform repairs as part of preventative maintenance program.
- Completed waterproofing of the City Hall elevator pit.

## **Objectives**

### **Resource Management:**

- Add IvU network cards to Fire Station #1's HVAC system.
- Budget for HVAC replacement and upgrades to the Police Department.
- Continue to explore energy savings opportunities through LED lighting conversions and replacements.
- Continue to monitor performance of custodial contractors at City buildings.
- Assess and schedule targeted roof replacements for future Budget years.

# Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	Expenditures: Total jurisdiction facilities: Repairs	\$ 226,418	215,334	221,794
	Jurisdiction facilities, Total Electricity usage: kWh	1,618,924	1,586,545	1,554,815
Efficiency	Admin/office facilities, Custodial expenditure per square foot	\$ 0.93	\$ 0.93	\$ 0.96
	Admin/office facilities, Repair expenditure per square foot	\$ 0.79	\$ 0.75	\$ 0.78
	Departmental Expenditures as a % of General Fund	1.7%	1.0%	1.0%

# Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 19,988	\$ 20,201	\$ 19,301	\$ (900)	(4.5)
Supplies	24,435	18,250	18,500	250	1.4
Other Services and Charges	193,185	148,469	146,385	(2,084)	(1.4)
Capital Outlay	0	0	0	0	0.0
Subtotal-Municipal Bldg.	61,503	82,641	54,121	(28,520)	(34.5)
<b>Total</b>	<b>\$ 299,111</b>	<b>\$ 269,561</b>	<b>\$ 238,307</b>	<b>\$ (31,254)</b>	<b>(11.6)</b>
<b>Resources:</b>					
General Fund	\$ 299,111	\$ 269,561	\$ 238,307	\$ (31,254)	(11.6)
<b>Total</b>	<b>\$ 299,111</b>	<b>\$ 269,561</b>	<b>\$ 238,307</b>	<b>\$ (31,254)</b>	<b>(11.6)</b>

# Key Issues

- The budget is supported at the current service level.

# Police Department

The Police Department is the largest department with 58 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	2015-16	2016-17	2017-18
Police Chief	1	1	1
Deputy Police Chief	1	1	1
Lieutenants	4	4	4
Sergeants	7	7	8
Police Officers	32	32	32
Administrative Secretary	1	1	1
Information Systems Specialist	1	1	1
Office Assistant II	1	1	1
Police Service Assistants	8	8	8
Animal Control Officer	1	1	1
<b>Total Full-Time</b>	<b>57</b>	<b>57</b>	<b>58</b>
Crossing Guards	17	17	17
Animal Control Support	1	1	1
Records Clerk	1	1	1
<b>Total Part-Time</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Total Employees</b>	<b>76</b>	<b>76</b>	<b>77</b>

## Accomplishments

### Public Safety:

- Hired and trained (1) Police Officer.
- Hired and trained (2) Police Service Aides (PSA).
- Received grant funding from the Traffic Improvement Association of Michigan for Operating While Impaired patrols and Seatbelt Enforcement.
- Held the Annual Bicycle Rodeo and Police Department Open House to help foster the relationship between the Police Department and the Community. (2017 Goal J)
- Began participation in the FBI Violent Crime Task Force to provide focused investigations and enforcement of narcotics violations, weapons offenses, larcenies, recovering and concealing stolen property, prostitution and other offenses. (2017 Goal D)
- Began replacement of overhead emergency lighting on fully marked Police Department Patrol Vehicles by replacing the lighting on four (4) patrol vehicles.
- Revised the City's False Alarm Ordinance to allow for civil fines or ordinance violation after the seventh (7th) and subsequent false alarms in order to reduce the number of false alarms and lessen the enforcement burden under the existing ordinance. (2017 Goal T)
- The Police Department engaged residents to foster a positive image of the Police Department by continuing to hold four (4) quarterly events-Senior Citizen Safety, Gun Safety Education, Elementary School Outreach, and High School Outreach, in addition to two (2) public safety events at local businesses-as a means of building the department's partnership with the community.
- Updated the Police Service Aides dispatch protocol guidelines for emergency dispatch through PowerPhone.

## Objectives

### Public Safety:

- Restore Special Investigations Unit (SIU) function and improve our ability to conduct undercover investigations by assigning a Police Officer to a multi-jurisdictional task force. (2018 Goal D)
- Purchase five (5) bullet resistant vests for SWAT team and FBI Taskforce Members.
- Purchase new interview/interrogation recording system for the Detective Bureau to comply with MCOLES standards.
- Continue replacement of overhead lighting on fully marked Police Department Patrol Vehicles by replacing the lighting on four (4) patrol vehicles.
- Purchase, install and train personnel on three replacement Computer Aided Dispatch (CAD) Consoles, which are required in order to efficiently operate the new Oakland County Dispatch Software. (2017 Goal H)
- Advance 911 technologies, improving communication and emergency response; specifically deploy NextGen911, in the Police Department's operations. (2017 Goal C)
- Institute electronic policy system with PowerDMS to allow the Police Department to work towards State of Michigan Professional Accreditation (2018 Goal S).

## Performance Measures

	<b>Performance Indicators</b>	<b>2016 Actual</b>	<b>2017 Estimate</b>	<b>2018 Budget</b>
<i>Input</i>	Expenditures, police personnel and overtime (including support charged to department)	\$ 8,852,867	\$ 10,242,613	\$ 9,607,291
	Expenditures: Sworn police overtime	\$ 593,166	406,346	\$ 406,346
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$ 7,364,088	\$ 8,749,584	\$ 8,571,096
	Sworn Police FTEs (Budgeted)	45	45	46
	Sworn Police FTEs per 1,000 pop	1.52	1.52	1.55
<i>Output</i>	Dispatch calls/initiated actions: Total Police Responses	30,176	30,000	30,000
	Injury: producing traffic accidents	256	250	225
	Moving violation citations issued (excluding DUIs)	4,817	4,800	4,800
	Number of accidents involving fatalities	2	0	0
	DUI Arrests	168	150	150
<i>Outcome</i>	Complaints against sworn police personnel: Excessive force	0	0	0
	Complaints against sworn police personnel: Excessive force, sustained	0	0	0
	Top Priority calls: Average time from dispatch to arrival on scene (in seconds)	226.5	235.0	235.0
	Complaints against sworn police personnel: Total	8	5	2
	Complaints sustained against sworn personnel: Total	0	0	0
<i>Efficiency</i>	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	1,016	1,000	1,000
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	671	667	652
	Dispatch calls/initiated actions: Total police department expenditures per total police response	293	341	320
	Department Expenditures as a % of General Fund	34.0%	34.6%	35.1%

## Financial Summary

<b>Requirements:</b>	<b>Actual 2015-16</b>	<b>Amended Budget 2016-17</b>	<b>Budget 2017-18</b>	<b>Increase (Decrease) FY 2016-17 to FY 2017-18</b>	<b>Percent Change</b>
Personnel Services	\$ 7,957,254	\$ 9,155,930	\$ 8,977,442	\$ (178,488)	(1.9)
Supplies	60,535	88,560	67,350	(21,210)	(23.9)
Other Services and Charges	651,589	645,064	494,799	(150,265)	(23.3)
Capital Outlay	183,489	353,059	67,700	(285,359)	(80.8)
<b>Total</b>	<b>\$ 8,852,867</b>	<b>\$ 10,242,613</b>	<b>\$ 9,607,291</b>	<b>\$ (635,322)</b>	<b>(6.2)</b>
<b>Resources:</b>					
Animal Control and Pound	\$ 4,046	\$ 12,750	\$ 6,400	\$ (6,350)	(49.8)
Liquor License Inspections	26,402	24,500	24,500	0	0.0
Police Fees and Grants	106,595	79,390	85,000	5,610	7.1
Police & Fire Pension Millage	2,588,443	3,711,582	3,461,070	(250,512)	(6.7)
Vehicle Proposal Millage	52,176	57,000	0	(57,000)	100.0
General Fund	6,075,205	6,357,391	6,030,321	(327,070)	(5.1)
<b>Total</b>	<b>\$ 8,852,867</b>	<b>\$ 10,242,613</b>	<b>\$ 9,607,291</b>	<b>\$ (635,322)</b>	<b>(6.2)</b>

## Key Issues

- Personnel services are decreasing 1.9% due to a budget amendment in FY 2017 for a one-time additional contribution to the Retiree Health Care Trusts. Without this adjustment in FY 2017, personnel services in FY 2018 would have increased 3.9% due to the addition of a full-time officer for Special Investigations and increased pension contributions of \$257,959.
- The budget also includes Phase II of IV funding for the underground storage tank located at the Police Department.

# Fire Department

The Fire Department consists of twenty-one licensed paramedics of whom 18 are Firefighters and 3 are Sergeants. In addition, staff also includes 2 employees in fire prevention/administration, plus one full time clerical position. 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	2015-16	2016-17	2017-18
Fire Chief	1	1	1
Fire Marshal	1	1	1
Lieutenants	3	3	3
Sergeants	3	3	3
Firefighters	19	19	19
Fiscal Assistant II	1	1	1
Total Full-Time	28	28	28
Part-Time Office Support Staff	0	0	0
Total Part-Time	0	0	0
Total Employees	28	28	28

## Accomplishments

### Public Safety:

- Upgraded the radio communication system in the fire engine house at Fire Station 2.
- Adoption of the 2015 International Fire Code.
- Reinstated the Fire Department Open House.
- Purchased and installed the Power Load stretcher lifting system in the ambulance housed at Fire Station 2.
- Trained Command staff to NFPA 1521: *Standard for Fire Department Safety Officer Professional Qualifications*.
- Purchase new Hurst E-Draulic extrication equipment to replace outdated tools located on the Fire Engine housed at Fire Station #2.

### Resource Management

- The hiring of five new Firefighter/Paramedics.
- The Promotion of a new Fire Marshal.
- The Promotion of two Sergeant/Paramedics to Lieutenant.
- The Promotion of three Firefighters to Sergeant/Paramedic.
- Lieutenant graduating from Eastern Michigan University, Fire Staff and Command.
- The Fire Marshal completing NFPA Inspector I & II, and NFPA Plan Review courses.

## Objectives

### Public Safety:

- Re-classifying and equip the Fire Department's front line Fire Engines from a Basic Life Support (BLS) certification to an Advanced Life Support (ALS) certification. (2018 Goal C)
- Develop and implement a File of Life outreach program. (2018 Goal F)
- Implement a vehicle emergency response mapping system.
- Upgrade the electronic patient care porting computers on all three ambulances.
- Place into service two automated chest compression devices.

### Resource Management:

- Sergeant attending Eastern Michigan University, Fire Staff and Command.
- Train and certify two Firefighter/Paramedic as EMS instructors.
- Promotion of two Sergeants to the rank of Lieutenant.

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to department)	\$ 5,063,252	\$ 5,784,800	\$ 5,741,696
	Expenditures, Fire/EMS Personnel: Sworn	\$ 4,207,831	\$ 5,010,518	\$ 4,579,222
	Expenditures: Sworn Fire/EMS personnel, OT only	\$ 182,644	\$ 149,350	\$ 149,350
Output	EMS: Number of ALS Responses	1,711	1,675	1,700
	EMS: Total BLS and ALS Responses	2,899	3,200	3,200
	Inspections: Commercial/Industrial occupancies inspected	697	750	800
	EMS: Total BLS and ALS Transports	2,199	2,200	2,300
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	99%	99%	99%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	83%	85%	85%
	Percentage of responses within 8 minutes (conclusion of dispatch to arrival on scene of effective response force) for 1-2 family residential structure fire incidents.	100%	100%	100%
	Emergency fire response time: Percentage 8 Min or under: Dispatch to arrival	100%	100%	100%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%	100%
	Total BLS and ALS responses per capita	0.1	0.1	0.1
	Total Fire/EMS personnel and operations expenditures per capita	148	174	159
	Department Expenditures as a % of General Fund	19.4%	20.2%	21.0%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 4,207,831	\$ 5,010,510	\$ 4,579,222	\$ (431,288)	(8.6)
Supplies	76,140	70,750	65,780	(4,970)	(7.0)
Other Services and Charges	450,228	549,831	559,194	9,363	1.7
Capital Outlay	329,053	127,884	537,500	409,616	320.3
Total	\$ 5,063,252	\$ 5,758,975	\$ 5,741,696	\$ (17,279)	(0.3)
Resources:					
Ambulance & CPR Revenues	\$ 588,309	\$ 515,000	\$ 560,465	\$ 45,465	8.8
Police & Fire Pension Millage	1,443,555	2,130,768	1,878,777	(251,991)	(11.8)
Vehicle Proposal Millage	154,259	0	200,000	200,000	n/a
Advanced Life Support Millage	192,198	197,550	197,206	(344)	(0.2)
General Fund	2,684,931	2,915,657	2,905,248	(10,409)	(0.4)
Total	\$ 5,063,252	\$ 5,758,975	\$ 5,741,696	\$ (17,279)	(0.3)

## Key Issues

- Personnel services are decreasing 2.3% due to a budget amendment in FY 2017 for a one-time additional contribution to the Retiree Health Care Trusts.
- Capital Outlay included in the FY 2018 Budget includes Phase I of III funding for a replacement pumper truck (funded from Proposal “V-3” millage), Phase I of II funding for a replacement Ambulance Rescue, two Lucas chest compressions systems, resurfacing fire Apparatus Room Floor at Fire Station #2, and the final Phase of funding of for the Fire Station #2 Parking Lot Improvements.
- Budgeted revenues include a decrease in ambulance fees for a modification to the department policy to waive the resident portion of the EMS transport fee not covered by insurance or Medicare. (2018 Goal H)

# 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;
- Handling marketing, social media, website, and City brand management; and
- Designing, bidding, inspecting and planning road reconstruction projects.

Personnel Summary	2015-16	2016-17	2017-18
Community Development Director	1	1	1
Building Official (Contracted 2015-16)	1	0	0
Economic & Community Engagement Supervisor	1	1	1
Administrative Secretary	1	1	1
GIS/CDD Technician	0	0	1
GIS/Multimedia Specialist	1	1	0
Inspector	1	1	1
Office/CDBG Assistant	1	1	1
Total Full-Time	7	6	6
Code Enforcement Officer	1	1	2
Total Part-Time	1	1	2
Total Employees	8	7	8

## Accomplishments

### **Public Safety:**

- Continued successful implementation of multi-year road and sidewalk Programs, completing the Year 9 Residential Road projects funded through the R-2 millage, eight Major Road sectional repairs, three local road sectional repair and the second year of the People Powered Transportation Program (PPTP) south of Lincoln. For detailed project locations and final cost, please refer to Neighborhood Projects and Road Improvements sections under the Capital Improvement Chapter.
- Provided staff with Safety Training on an annual basis.
- Purchased new GPS units and trained CDD, Police, and DPS staff in its use. (2017 Goal G)
- Implemented the DDA's annual Art Challenge events.
- Conducted over 13,000 contacts on code enforcement issues.
- Completed over 3,700 inspections of building, electrical, mechanical, plumbing, sign and concrete permits conducted to ensure safe construction.
- Initiated DDA-TIF Plan update. (2017 Goal L)
- Updated the City's Tax Abatement Policy following resolution of recent changes resulting from state personal property tax reform. (2017 Goal M)
- Developed an "R-3" Residential Road and Infrastructure Proposal for City Council consideration in 2016 that was approved by voters in 2016. (2017 Goal E)

### **Objectives**

- Provide staff with personal safety training and construction safety training session.
- Hold "How To" seminars for residents on "How to Build Decks." (2018 Goal A)
- Implement Electronic Permit applications. (2018 Goal T)
- Organize and hold the DDA's Annual Art Challenge prior to December 2017.
- Offer periodic collaborative manufacturing meetings with Chamber and MMA. (2018 Goal O)
- Analyze and submit a proposal for a Michigan Economic Development Corporation/Michigan Municipal League Patronicity Placemaking Grant for creative crowdfunding of an internal City priority or project done in conjunction with an outside group. (2018 Goal Q)

## Performance Measures

	Performance Indicators	Actual 15-16	Estimate 16-17	Budget 17-18
Input	Valuation of commercial/industrial construction: Regular	\$ 17,145,202	\$ 7,500,000	\$8,000,000
	Expenditures: Code Enforcement personnel and operations	\$ 107,000	\$ 109,000	\$ 110,000
	Expenditures: Development inspection, personnel and operations	\$ 1,089,673	\$ 1,200,000	\$1,200,000
Output	Code Enforcement: Total Cases Initiated	2,272	2,300	2,300
	# of Building Permits issued: Commercial	341	350	350
	# of Building Permits issued : Residential	1,122	1,100	1,100
Outcome	Vacancy Rate: Industrial	5.76%	5.50%	5.00%
	Vacancy Rate: Office	11.75%	11.00%	10.00%
	Vacancy Rate: Retail	4.42%	4.50%	4.00%
Efficiency	Amount recovered from property owners relating to jurisdiction abatement efforts	\$ 67,237	\$ 33,000	\$ 35,000
	% of cases resolved through forced compliance	<1%	<1%	<1%
	% of cases resolved through voluntary compliance	>99%	>99%	>99%
	Department Expenditures as a % of General Fund	5.0%	5.0%	5.0%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 738,795	\$ 688,956	\$ 694,831	\$ 5,875	0.9
Supplies	5,345	11,500	9,850	(1,650)	(14.3)
Other Services and Charges	345,536	339,588	333,215	(6,373)	(1.9)
Capital Outlay	0	22,500	0	(22,500)	(100.0)
Total	\$ 1,089,676	\$ 1,062,544	\$ 1,037,896	\$ (24,648)	(2.3)
Resources:					
Occupational Licenses	\$ 173,478	\$ 175,000	\$ 175,000	\$ 0	0.0
Other Permits	51,197	65,000	65,000	0	0.0
Building Permits	477,290	400,000	400,000	0	0.0
Engineering Fees	32,701	20,000	20,000	0	0.0
Planning Fees	10,200	10,000	12,000	2,000	20.0
GIS Services	5,680	2,250	3,000	750	33.3
General Fund	339,130	390,294	362,896	(27,398)	(7.0)

## Key Issues

- The FY 2018 budget includes funding for part-time Social Media Intern position that was implemented during FY 2017.
- The remaining budget is supported at the current service level.

# Streets Division

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The Streets Division of the Department of Public Services 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	2015-16	2016-17	2017-18
Supervisor	1	1	0
Leader	0	1	0
Equipment Operator III	3	1	0
Equipment Operator II	2	3	0
Equipment Operator I	3	3	0
Administrative Secretary (Major/Local Street Fund)	1	1	0
Total Full-Time	10	10	0
Seasonal Laborer (Local Road Funded)	1	1	0
Total Part-Time	1	1	0

## Accomplishments

### **Public Safety:**

- Assisted in the 2016 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, V-Body inserts as part of the snow fighting arsenal.
- Repainted crosswalks, stopbars, and legends through entire City.
- Touched up thirty R-1 and R-2 roads showing signs of joint deterioration along with several Stephenson Highway turn-arounds with spray patch.
- Replaced 2003 Tandem Axle Dump truck #418 through Rochester Hills cooperative bid.

## Objectives

### **Public Safety:**

- Maintain, replace and repaint crosswalks, stop bars, legends and lane markings.
- Complete upgrading signage to meet new federal traffic control standards.
- Support 2017 neighborhood and major road repair and reconstruction projects by providing assistance as required.
- Complete DPS Policy and Procedures binder compilation.
- Implement ToolCat utility vehicle into Public Services fleet.
- Replace 2003 Tandem Axle Dump truck #422 through Rochester Hills cooperative bid.
- Continue to review and update web pages, thus eliminating outdated information. Develop policy and assign staff to ensure updating occurs in a timely manner.
- Improve pedestrian and traffic safety by analyzing pedestrian crossing, and making improvements where necessary and feasible, along Dequindre Road between 11 and 13 Mile Roads. (2018 Goal E)

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	Expenditures on paved sidewalks (operations and capital)	\$ 312,114	\$ 250,000	\$ 250,000
	Annual Streetlighting Expense	\$ 434,027	\$ 503,286	\$ 513,351
Efficiency	Expenditures, paved road rehabilitation, per total paved lane miles	\$ 11,367	\$ 9,611	\$ 10,091
	Department Expenditures as a % of General Fund	4.5%	5.5%	4.8%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 203,105	\$ 172,242	\$ 19,301	\$ (152,941)	(88.8)
Supplies	2,941	2,750	3,025	275	10.0
Other Services and Charges	730,411	906,420	860,195	(46,225)	(5.1)
Capital Outlay	405,005	220,000	75,000	(145,000)	0.0
Total	\$ 1,341,462	\$ 1,301,412	\$ 957,521	\$ (343,891)	(26.4)
Resources:					
Weed Mowing	\$ 28,088	\$ 50,000	\$ 40,000	\$ (10,000)	(20.0)
Brush Chipping	7,525	5,000	6,000	1,000	20.0
Proposal V	23,338	220,000	0	(220,000)	0.0
General Fund	1,282,511	1,026,412	911,521	(114,891)	(11.2)
Total	\$ 1,341,462	\$ 1,301,412	\$ 957,521	\$ (343,891)	(26.4)

## Key Issues

- In FY 2017, we began to charge the Department of Public Services personnel cost to departments based on where the work was actually completed using the BS&A Work Order system. At this time, all the employees in this department were moved into an Internal Services Fund, and out of the various departments where they had previously been allocated. See Other Funds - Department of Public Services for the FY 2018 allocation of personnel.
- Capital Outlay includes a new Tool Cat Utility Vehicle that will replace two trucks that were to be replaced.

# Solid Waste Division

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The Solid Waste Division of the Department of Public Services 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.

## Organizational Structure and Staff

Personnel Summary	2015-16	2016-17	2017-18
DPS Director	0	1	0
Total Full-Time	1	1	0
Total Employees	1	1	0

## Accomplishments

### **Public Health:**

- Completed removal of 56 dead or diseased trees, and proactively removed 70 trees from the R-2 projects.
- Completed 69 tree trimming/pruning requests.
- Sold 305 recycling bins to our residents.
- Implement DPS Spring Clean-Up Day and Brush Chipping Week to encourage clean-out of basements, yards, and garages. (2017 Goal A)

## Objectives

### **Public Health:**

- Continue to monitor the health of City trees and remove or trim as necessary.
- Continue to monitor performance of tree contractor, Branch Tree Service.
- Assist with rodent control issues and reduce calls for code enforcement.
- Provide residents with a voluntary option to purchase 95-gallon wheeled residential trash receptacles as an alternative container. (2018 Goal B)
- Expand use of portable toilets in parks by continuing to provide portable family-style restrooms at Civic, Rosie's, and Ambassador Parks on an annual basis. (2018 Goal I)

### **Public Safety:**

- Monthly sweeping of residential areas.
- Continue to monitor solid waste collection and disposal contractor (GFL Environmental).

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
<i>Input</i>	Expenditures for Recycling	\$ 219,877	\$ 219,877	\$ 222,955
<i>Output</i>	Residential recycling: Tons collected	1,039	1,070	1,102
	Yard Waste Tons Collected: Composted	1,739	1,791	1,844
<i>Efficiency</i>	Street sweeping expenditures per lane mile	\$ 302	\$ 302	\$ 307
	Department Expenditures as a % of the General Fund	8.8%	7.8%	7.9%

## Financial Summary

<b>Requirements:</b>	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 480,778	\$ 409,704	\$ 72,502	\$ (337,202)	(82.3)
Supplies	17,505	17,012	17,686	674	4.0
Other Services and Charges	1,565,945	1,616,452	1,946,183	329,731	20.4
Capital Outlay	15,962	0	250,000	250,000	0.0
<b>Total</b>	<b>\$ 2,080,190</b>	<b>\$ 2,043,168</b>	<b>\$ 2,286,371</b>	<b>243,203</b>	<b>0.0</b>
<b>Indirect Costs</b>	<b>328,152</b>	<b>338,670</b>	<b>327,846</b>	<b>(10,824)</b>	<b>0.0</b>
<b>Resources:</b>					
Solid Waste Millage	\$ 2,067,687	\$ 2,086,998	\$ 2,030,232	\$ (56,766)	(2.7)
General Fund	340,655	294,840	583,985	289,145	98.1
<b>Total</b>	<b>\$ 2,408,342</b>	<b>\$ 2,381,838</b>	<b>\$ 2,614,217</b>	<b>\$ 232,379</b>	<b>98.1</b>

## Key Issues

- In FY 2017, we began to charge the Department of Public Services personnel cost to departments based on where the work was actually completed using the BS&A Work Order system. At this time all the employees in this department were moved into a Department of Public Services Internal Services Fund. See Other Funds - Department of Public Services for the FY 2018 allocation of personnel.
- Capital Outlay includes a replacement Street Sweeper.

# Recreation Division

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The Recreation Division of the Department of Public Services 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, fitness, yoga, painting, and team sports such as basketball, softball, T-Ball, volleyball, gymnastics and martial arts;
- 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, Nature Center Fall Open House, Holiday Tree Lighting and the February Coffee Concerts; and supporting the Parade Pub Crawl and Memorial Day Parade.

## Organizational Structure and Staff

Personnel Summary	2015-16	2016-17	2017-18
Recreation Coordinator	1	1	1
Basketball Staff	15	15	13
Camp Staff	4	4	7
Lifeguard	1	1	1
Adult Program Supervisor	1	1	2
Youth Program Supervisor	1	1	1
Recreation Intern	0	0	1
Total Part-Time	23	23	26
Total Employees	23	23	26

## 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.
- Expanded use of Active Net System to provide automated league schedules and to make schedules available online for coaches and participants.
- Utilized a Facebook page for the Recreation Department to promote events and post reminders of deadlines. The information can easily be shared with the click of a mouse to hundreds of people. The Recreation Department has reached 654 followers with less cost and time.
- Continued sponsorship packet to increase revenues for events and programs and reduce staff time and postage cost spent on solicitation.
- Started gymnastics program that has been very successful with registrations and participation thus far.
- Continued building Day Camp program to offer full summer of opportunities to meet families' needs.

## Objectives

### **Quality of Life:**

- Promote programs for the young adult population (20-40 year old programs).
- Continue to include a "Spotlight on Employees" in the City Newsletter.
- By June 30, 2018, identify one recreation project, identify local match source and submit application for Michigan Natural Resources Trust Fund (MNRTF) grant, and include FY 2018-19 CIP/Budget, utilizing updated Parks and Recreation Master Plan.
- Increase participation in youth sports by tailoring programs to meet needs of community (i.e. fastpitch softball and basketball).
- Reinstate aquatics programs to provide fitness opportunities for those requiring less impactful exercise.
- Offer Red Oaks Water Park Voucher Program (2018 Goal R).

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	New Programs introduced	5	3	3
	Recreation revenues	\$ 94,238	\$ 102,300	\$ 127,125
Output	Recreation Registrations	1,562	1,640	1,722
	Pavilion Rentals	58	60	60
Efficiency	Department Expenditures as a % of the General Fund	0.52%	0.47%	0.62%

## Financial Summary

	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 55,942	\$ 63,339	\$ 71,576	\$ 8,237	13.0
Supplies	21,077	21,001	27,797	6,796	32.4
Other Services and Charges	58,274	53,682	71,314	17,632	32.8
Capital Outlay	0	0	0	0	0.0
<b>Total</b>	<b>\$ 135,293</b>	<b>\$ 138,022</b>	<b>\$ 170,687</b>	<b>\$ 32,665</b>	<b>23.7</b>
<b>Resources:</b>					
Recreation Fees	\$ 90,590	\$ 99,800	\$ 124,625	\$ 24,825	24.9
Recreation-Miscellaneous	3,648	2,500	2,500	0	0.0
General Fund	41,055	35,722	43,562	7,840	21.9
<b>Total</b>	<b>\$ 135,293</b>	<b>\$ 138,022</b>	<b>\$ 170,687</b>	<b>\$ 32,665</b>	<b>23.7</b>

## Key Issues

- The FY 2018 budget includes funding for a Part-Time Seasonal Recreation Intern (2018 Goal Y).
- An increase in contractual services is also budgeted this covers costs such as instructors for classes and programs being offered during the fiscal year.
- Following the Department of Public Service Recreation Scholarship Model, the Recreation Division plans to offer a Vouchers Program enabling qualified Madison Heights residents to obtain free and/or discounted tickets to visit the Red Oaks Water Park (2018 Goal R).

# Nature Center Division

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Oakland County Parks and Recreation (OCPR) assumed operation of the Red Oaks Nature Center in 2012, following execution of a 25-year lease with the City. The Oakland County Parks and Recreation staff is 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 offers a variety of seasonal displays and programs.

## **Accomplishments**

### **Quality of Life:**

- Aided in promotion of Red Oaks Nature Center.
- Met with OCPR Staff to coordinate Capital Improvement planning and implementation schedules with City Staff.
- Successfully held the 2016 Nature Center Open House.
- Made needed drainage improvements near the Hales street main entrance and driveway to alleviate sidewalk flooding.

## **Objectives**

### **Quality of Life:**

- Work with Oakland County to promote OCPR programming and activities at the Red Oaks Nature Center.
- Evaluate parking lot expansion plans with OCPR.
- Continue capital planning with OCPR.
- Replace roof at the Red Oaks Nature Center.
- Sectional trail replacement/resurfacing work on Forest Trail.
- Coordinate with OCPR with perimeter tree trimming, removals, and maintenance.

## Financial Summary

<b>Requirements:</b>	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	23	0	0	0	0.0
Other Services and Charges	8,318	8,208	8,175	(33)	(0.4)
Capital Outlay	13,637	20,000	24,500	4,500	0.0
Total	\$ 21,978	\$ 28,208	\$ 32,675	\$ 4,467	15.8
<b>Resources:</b>					
Nature Center Contributions	\$ 0	\$ 0	\$ 0	\$ 0	0.0
General Fund	21,978	28,208	32,675	4,467	15.8
Total	\$ 21,978	\$ 28,208	\$ 32,675	\$ 4,467	15.8

## Key Issues

- In light of the financial difficulties created by failing 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 (OCPR) Office, which became effective October 1, 2012, allowing them to assume operations of the Nature Center and Suarez 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 OCPR for Suarez Friendship Woods. In FY 2018, the roof is budgeted to be replaced for a total of \$54,000 (OCPR \$29,500 and Madison Heights \$24,500).
- City staff will continue to work with OCPR staff regarding long-term parking lot improvements.

# Parks Division

The Parks Division of the Department of Public Services consists two part-time Park Rangers, and 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
- 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	2015-16	2016-17	2017-18
Parks Maintenance III	1	0	0
Parks Maintenance I	1	0	0
Total Full-Time	2	1	0
Park Rangers	2	2	2
Total Part-Time	2	2	2
Total Employees	4	3	2

## Accomplishments

### **Quality of Life:**

- Continued West Nile Virus prevention measures.
- Planted trees at various parks to replace trees removed due to Emerald Ash Borer and tree decline.
- 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.
- Bi-annual full inspection and repairs of City playgrounds.
- Continued maintenance partnership with Oakland County Parks and Recreation at Red Oaks Youth Soccer Complex.
- Added ADA and pet accessible drinking fountain to Ambassador Park.
- Rehabilitated ballfield lights at Rosie's and Huffman Park to full working order.
- Comprehensive reconditioning completed at a majority of City Park and Elementary School ballfields.
- Completed trail rehabilitation projects at Ambassador and Civic Center Parks.

## Objectives

### **Quality of Life:**

- 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.
- Perform parking lot repairs at Civic Center Plaza.
- Continue to explore energy savings opportunities at the park shelter buildings and facilities through lighting, HVAC, and insulation upgrades.
- Secure grant funding through the MDNR (Recreation Passport Grant) to replace playground at Wildwood Park.
- Replace furnace at Huffman Park Shelter Building.
- Replace parking lot at Ambassador Park.
- Replace various swing sets throughout the City.
- Expand use of portable toilets in parks by continuing to provide portable family-style restrooms at Civic, Rosies, and Ambassador Parks on an annual basis. (2018 Goal I)
- Following the Department of Public Services Recreation Scholarship model, offer a Voucher Program enabling qualified Madison Heights residents to obtain free and/or discounted tickets to visit the Red Oaks Water Park. (2018 Goal R)

## Performance Measures

	City Goal	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
<i>Input</i>		Expenditures: Parks personnel and operations: Total	\$ 489,777	\$ 539,953	\$ 502,515
		Park maintenance expenditures per acre	\$ 5,156	\$ 5,684	\$ 5,290
<i>Efficiency</i>		Department Expenditures as a % of General Fund	1.9%	1.6%	1.8%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 140,254	\$ 114,413	\$ 29,310	\$ (85,103)	(74.4)
Supplies	45,027	30,950	31,108	158	0.5
Other Services and Charges	200,959	194,590	267,097	72,507	37.3
Capital Outlay	103,537	200,000	175,000	(25,000)	0.0
Total	\$ 489,777	\$ 539,953	\$ 502,515	\$ (37,438)	(6.9)
Resources:					
General Fund	\$ 456,198	\$ 539,953	\$ 502,515	\$ (37,438)	(6.9)
Vehicle Millage	33,579	0	0	\$ 0	100.0
Total	\$ 489,777	\$ 539,953	\$ 502,515	\$ (37,438)	(6.9)

## Key Issues

- In FY 2017, we began to charge the Department of Public Services personnel cost to departments based on where the work was actually completed using the BS&A Work Order system. At this time, all the employees in this department were moved into a Department of Public Services Internal Services Fund, and out of the various departments where they had previously been allocated. See Other Funds - Department of Public Services for the FY 2018 allocation of personnel.
- The FY 2018 budget includes funding for replacement of play equipment at Wildwood Park and replacement of swings sets throughout the City. Also included is the pavement and parking lot replacement at Ambassador Park.

# Senior Citizens Division

The Senior Citizens Division of the Department of Public Services 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

Personnel Summary	2015-16	2016-17	2017-18
Supervisor	0	0	0
Coordinator	1	1	1
Total Full-Time	1	1	1
Bus Driver/Chauffeur	5	5	5
Senior Program Assistant	1	1	1
Total Part-Time	6	6	6
Total Employees	7	7	7

## Accomplishments

- Raised \$10,400 throughout the year through fundraising events and donations to help cover extraneous equipment and programs including a portion of the cost for carpet in the front room and offices.
- Replaced seals on windows all around Center to save on heating and cooling costs.
- Provided 391 clients with free tax service through the help of AARP.
- Furnished assistance to 71 seniors, providing aid with home repairs through the Senior Home Assistance and Repair Program (SHARP).
- Provided 39 seniors with free legal aid through free monthly consultation appointments.
- Continued partnership with Area Agency on Aging 1-B to provide Medicare Assistance days, helping 41 beneficiaries.
- Worked continuously to promote the Senior Center, from volunteers handing out newsletters in parking lots, to having articles in the C & G News as well as asking seniors to pass newsletters to other seniors and/or businesses and churches.
- Regularly updated Center Facebook page to reach more seniors and advertise activities at the Center as well as post pictures of past events and trips.
- Established partnership with Michigan State University (MSU) Extension to provide free health related classes.
- Continued partnership with Better Business Bureau and the Attorney General's Office to provide free seminars on scams and fraud protection.

## Objectives

- Evaluate changing the facility name from 'Senior Center' to 'Active Adult Center' to alleviate stigma regarding aging.
- Purchase insulation for the Senior Center to save heating and cooling costs and to enable temperature regulation that will make it more comfortable for the seniors.
- Create a resource referral book to help fill in the gaps left by our agency and other agencies.
- Continue to look at providing more in-house activities such as art classes.
- Meet the service needs of older adults and their families to enhance dignity, independence and quality of life for seniors, keeping the senior in their homes as long as possible.
- Provide positive events that foster interaction among older adults and between seniors and the community to build friendships making the community stronger, healthier and more supportive.
- Provide volunteer opportunities for older adults whether it be service to the Center itself or to the community.
- Act as a non-partisan advocate for the rights of seniors, individually or as a group, helping adults advocate for themselves.
- Continue to provide many of our trips, events and activities free of charge or very low cost such as Great Lakes Crossing, Exotic Zoo, Detroit Zoo, DIA, Ikea, 80 & Better Birthday Party, Brain Games, exercise class, scrabble, dominoes, prize bingo, game day, Wii bowling, card games, knit & crochet, movie, book club, computer class and services such as monthly hearing screenings, blood pressure checks, annual health fair, monthly lawyer consultations and monthly informational talks.
- Reinstate the Summer Beautification and Holiday Light Award Programs as a means of providing recognition of and an incentive for City pride, landscaping, and home improvements, and spreading holiday cheer, as well as a means for the Senior Advisory Board and Staff to interact with the community to promote our City. (2018 Goal N)

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	Two-way trips	8,396	8,648	8,907
	Bus Miles Traveled	22,824	23,509	24,214
Output	Lawns mowed	909	840	840
	Snow removals	52	52	40
	Day trips	52	51	59
	Newsletter subscriptions	400	400	400
	Department Expenditures as a % of the General Fund	1.5%	1.2%	1.3%

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 175,422	\$ 185,318	\$ 158,344	\$ (26,974)	(14.6)
Supplies	112,810	100,312	107,848	7,536	7.5
Other Services and Charges	83,757	74,224	67,176	(7,048)	(9.5)
Capital Outlay	7,500	7,500	11,500	4,000	53.3
Total	\$ 379,489	\$ 367,354	\$ 344,868	\$ (22,486)	(6.1)
Indirect Costs	150,423	153,249	157,016	3,767	2.5
Resources:					
Senior Non-Program	\$ 11,094	\$ 12,748	\$ 11,628	\$ (1,120)	(8.8)
Senior Citizens Activities	116,601	101,540	109,604	8,064	7.9
Senior Center Millage	371,962	374,771	364,578	(10,193)	(2.7)
SMART	70,019	70,019	70,019	0	0.0
General Fund	(39,764)	(38,475)	(53,945)	(15,470)	40.2
Total	\$ 529,912	\$ 520,603	\$ 501,884	\$ (18,719)	(3.6)

## Key Issues

- The decrease in Personnel Services is related to the reduction in hospitalization due to department employee opt-out and the reduction in budgeted pension contributions. Budgeted pension contributions have been reduced for all departments with General Employees who participate in the Michigan Employee Retirement System due to the issuance of Pension Obligation bonds. The actuarial required contribution has been replaced with a payment of the normal cost for earned pension credit.

# Library

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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;
- Supporting the operations of the Heritage Rooms; and
- Providing staff support for the Historical Commission and Multi-Cultural Relations Advisory Board.

## Organizational Structure and Staff

Personnel Summary	2015-16	2016-17	2017-18
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:**

- Reactivate the Library Advisory Board in an effort to maintain a connection with Board members as community representatives for the Library.
- Work with an area college or university to establish a Library internship on grant writing to benefit the Library and all City Departments. (2017 Goal I)
- Implement the e-commerce solution through Smart Access Manager (SAM) for printing and copying from library computers, which would allow patrons to pay by coin, cash, debit card or credit card at the copiers, resulting in increased revenue for these services.

## Objectives

### **Quality of Life:**

- Work jointly with the Library Advisory Board and the Friends of the Library on fundraising opportunities, including the possibility of a donation drive.
- Conduct training regarding the use of electronic options. (2018 Goal J)
- Expand the free little library program. (2018 Goal K)
- Provide transportation to and from the Library, in the form of a Library Day, for those senior and disabled residents whose interest in Library services cannot be satisfied through a home visit. (2018 Goal L)
- Offer a Library Book Club to better serve the young adult segment of the population through specific programming, group sessions, encouragement of reading, and other promotions. (2018 Goal M)
- Continue to develop content on the Library's Facebook page to further announce and promote Library programs and services.

## Performance Measures

Performance Indicators		2016 Actual	2017 Estimate	2018 Budget
Input	Expenditures, Library: E-Materials acquisition	\$ 17,500	\$ 17,500	\$ 17,500
	Expenditures, Library: Hard-copy materials acquisition	\$ 50,106	\$ 55,000	\$ 55,000
	Hours Paid: Library Staff	14,924	14,981	14,981
Output	Electronic Circulation per Capita	0.33	0.35	0.35
	Number of library visitors	98,172	98,250	98,250
	Library: Total reference transactions	6,537	6,800	6,800
Outcome	Library community involvement	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB
	Library: Hours worked by volunteers	692	650	650
	Expenditures, Library: Online resources acquisition/subscription	\$ 16,200	\$ 16,200	\$ 16,200
Efficiency	Libraries: Circulation per capita	3.67	3.90	3.90
	Library visitation rate per capita	3.30	3.60	3.60
	Department Expenditures as a % of the General Fund	2.9%	2.5%	2.6%

\* CRT = Community Roundtable; LAB = Library Advisory Board; Historical = Historical Commission; MRAB = Multicultural Relations Advisory Board

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 500,153	\$ 479,649	\$ 469,613	\$ (10,036)	(2.1)
Supplies	7,588	4,500	6,415	1,915	42.6
Other Services and Charges	128,593	128,440	127,039	(1,401)	(1.1)
Capital Outlay	105,715	117,207	112,507	(4,700)	(4.0)
Total	\$ 742,049	\$ 729,796	\$ 715,574	\$ (14,222)	(1.9)
Indirect Costs	\$ 119,458	\$ 120,000	\$ 116,963	\$ (3,037)	(2.5)
Resources:					
State Library Aid	\$ 19,417	\$ 18,000	\$ 18,000	\$ 0	0.0
County Penal Fines	62,807	52,300	64,000	11,700	22.4
Book Fines	19,112	24,100	24,100	0	0.0
Video Revenues	2,292	1,800	2,500	700	38.9
Copy/Print Fees	7,520	10,000	10,300	300	3.0
Proposal L Millage	774,932	788,827	767,371	876,602	100.0
General Fund	(17,053)	(35,231)	(43,434)	(8,203)	23.3
Total	\$ 869,027	\$ 859,796	\$ 842,837	\$ 881,099	102.5

## Key Issues

- The decrease in Personnel Services is related to the reduction in hospitalization due to department employee opt-out and the reduction in budgeted pension contributions. Budgeted pension contributions have been reduced for all departments with General Employees who participate in the Michigan Employee Retirement System due to the issuance of Pension Obligation bonds. The actuarially required contribution has been replaced with a payment of the normal cost for earned pension credit.
- Capital Outlay includes the replacement of drop ceiling and HVAC Diffusers in the Breckenridge Room, replacement of the humidifier steam boiler for the library's HVAC system, and the reduction, relocation and replacement of the Bollard Lights at the Library.

# Insurance & Transfers

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Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	412,104	382,363	372,510	(9,853)	(2.6)
Transfers	0	0	0	0	0.0
Total	\$ 412,104	\$ 382,363	\$ 372,510	\$ (9,853)	(2.6)
Resources:					
General Fund	\$ 412,104	\$ 382,363	\$ 372,510	\$ (9,853)	(2.6)
Total	\$ 412,104	\$ 382,363	\$ 372,510	\$ (9,853)	(2.6)

## Key Issues

- For the last 28 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 the 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. Based on the City's solid history the decision was made to increase the Stop Loss from \$400,000 to \$900,000 at the beginning of FY 2017 resulting in annual premiums being \$366,382 under budget for FY 2017. \$250,000 of this savings was required to be deposited into the City's loss fund with the MMRMA. The budget for FY 2018 Insurance rates have not been finalized for FY 2018; but the budget modest increase which results in a reduction of 10% when compared to the amended budget for FY 2017.

# Pension Obligation Debt Service

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The Pension Obligation Debt Services Department is a new budgeted department within the General Fund. This department accounts for the debt obligation for the bonds issued in September 2016 specifically for the General Employees Pension Obligations. These bonds were issued for 16 years. For more details regarding this debt please see the Debt Administration section in the Expenditures Chapter.

## Financial Summary

	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	17,500	166,389	0	(166,389)	(100.0)
Issuance of Debt	0	13,107,360	0	(13,107,360)	(100.0)
Debt Service	0	1,046,793	1,036,241	(10,552)	0.0
Transfers	0	0	0	0	0.0
Total	\$ 17,500	\$ 14,320,542	\$ 1,036,241	\$ (13,284,301)	(92.8)
<b>Resources:</b>					
General Fund	\$ 17,500	\$ 14,320,542	\$ 1,036,241	\$ (13,284,301)	(92.8)
Total	\$ 17,500	\$ 14,320,542	\$ 1,036,241	\$ (13,284,301)	(92.8)

## Key Issues

- This fund is new for FY 2018. As part of the FY 2016-17 City Goal plan, Council adopted the resource-related goal to develop and implement a plan and policy to fully address the City's unfunded liabilities for pension and other post-employment benefits (i.e. retiree health care).

The State has authorized, through Public Act 329 of 2012, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category or higher, plans being closed to new hires, the preparation of a comprehensive financial plan, and approval from the Michigan Department of Treasury.

In FY 2017, the City successfully issued Pension Obligation Bonds (POBs) for the General Employees pension pursuant to Public Act 34 of 2001 and a resolution adopted by City Council on March 28, 2016. When analysis was completed on issuing POBs it was determined that the City would experience savings of approximately \$4 million over a 16 year period if the bonds sold with a true interest cost of 4.2% and investment earnings average 5.2%. These bonds sold in September 2016 with a true interest cost of 3.12% well below the City's expectations of 4.2%, this will lead to greater savings than expected over the long-term. Debt payments budgeted in FY 2018 for POB principal and interest are \$1.19 million. With this contribution the City's General Employees pension is considered 100% funded on an actuarial value basis.



## **OTHER FUNDS**

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

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# Major Street Fund

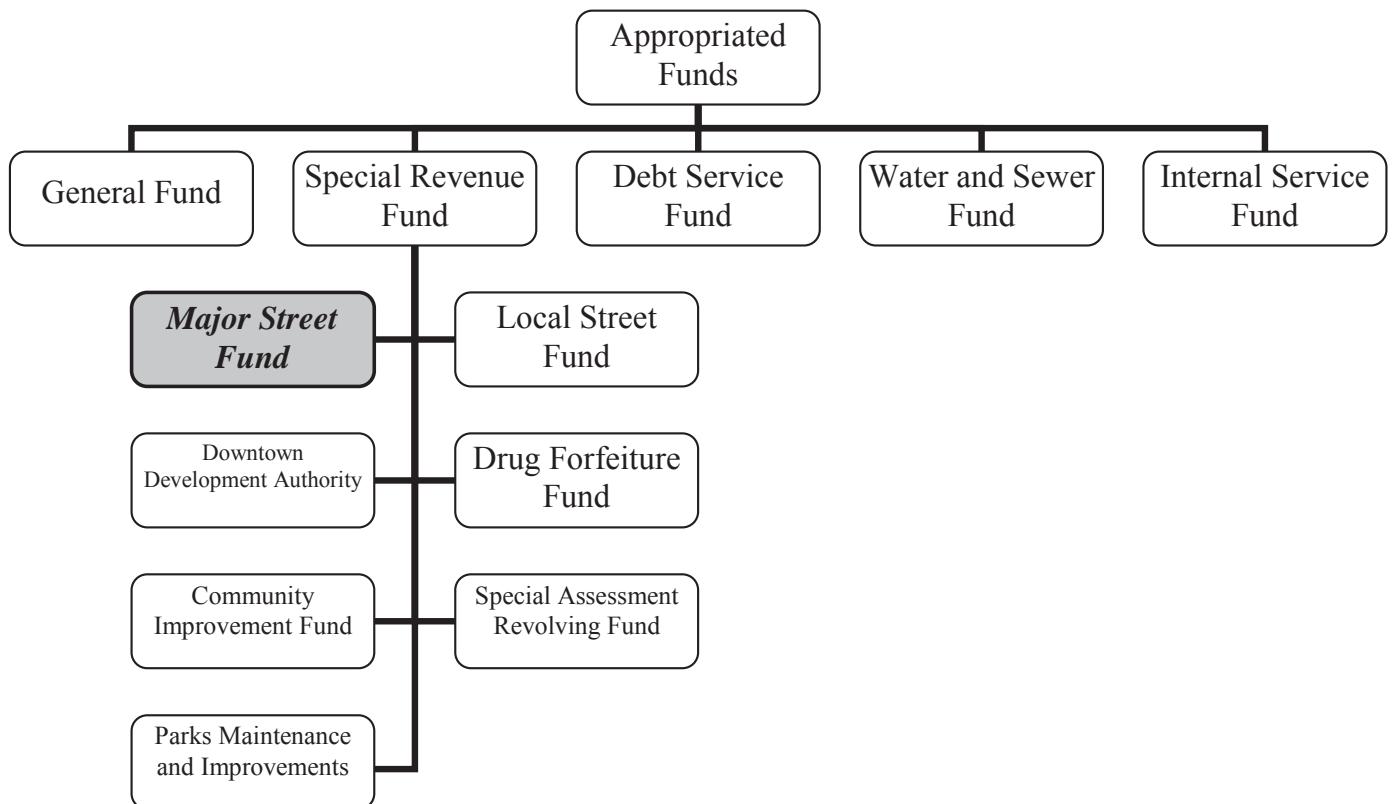
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## Statement of Services

The Major Street Fund maintenance activity is supported by the Department of Public Services.

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 investments and maintenance reimbursements from the Oakland and Macomb County Road Commissions.

## Organizational Fund Structure



## Financial Summary

<b>Requirements:</b>	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Construction	\$ 1,286,465	\$ 885,621	\$ 1,262,000	\$ 376,379	42.5
Maintenance	198,230	177,851	163,280	(14,571)	(8.2)
Traffic Services	216,362	258,335	215,226	(43,109)	(16.7)
Winter Maintenance	203,639	223,483	193,618	(29,865)	(13.4)
Administration	49,741	38,107	40,291	2,184	5.7
County Roads	136,406	133,872	110,072	(23,800)	(17.8)
Transfers	0	0	0	0	0.0
<b>Total</b>	<b>\$ 2,090,843</b>	<b>\$ 1,717,269</b>	<b>\$ 1,984,487</b>	<b>\$ 267,218</b>	<b>15.6</b>
<b>Resources:</b>					
Federal	\$ 0	\$ 0	\$ 0	\$ 0	100.0
State	1,361,751	1,569,608	1,916,964	347,356	22.1
County	69,295	74,845	70,502	(4,343)	(5.8)
Interest	24,467	24,400	0	(24,400)	0.0
Transfers	0	0	0	0	0.0
Fund Balance	0	48,416	(2,979)	(51,395)	(106.2)
<b>Total</b>	<b>\$ 1,455,513</b>	<b>\$ 1,717,269</b>	<b>\$ 1,984,487</b>	<b>267,218</b>	<b>15.6</b>
<b>Fund Balance</b>	<b>\$ 59,237</b>	<b>\$ 10,821</b>	<b>\$ 13,800</b>	<b>\$ 2,979</b>	<b>27.5</b>

## Key Issues

- State revenues are projected to increase \$347,356. Of this amount, \$297,956 is based on MDOT's projections of revenues from fuel tax increases and vehicle registration fees in the State Restricted Revenue package. For more details, see the Budget Overview Chapter.
- 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 2017-18, \$75,000 is budgeted for this program in the Major Street Fund.
- Rehabilitation work is being budgeted in FY 2017-18 for a total of \$1.2 million. This includes sectional concrete replacement on Whitcomb - Barrington to Dequindre (\$203,000); East Lincoln - Wolverine to Dequindre (\$320,000); Stephenson Highway southbound - Girard to 12 Mile (\$165,000); Stephenson Highway turnarounds (\$100,000); Edward - Mandoline to Whitcomb (\$164,000); and 11 Mile - John R to Dequindre (\$235,000).

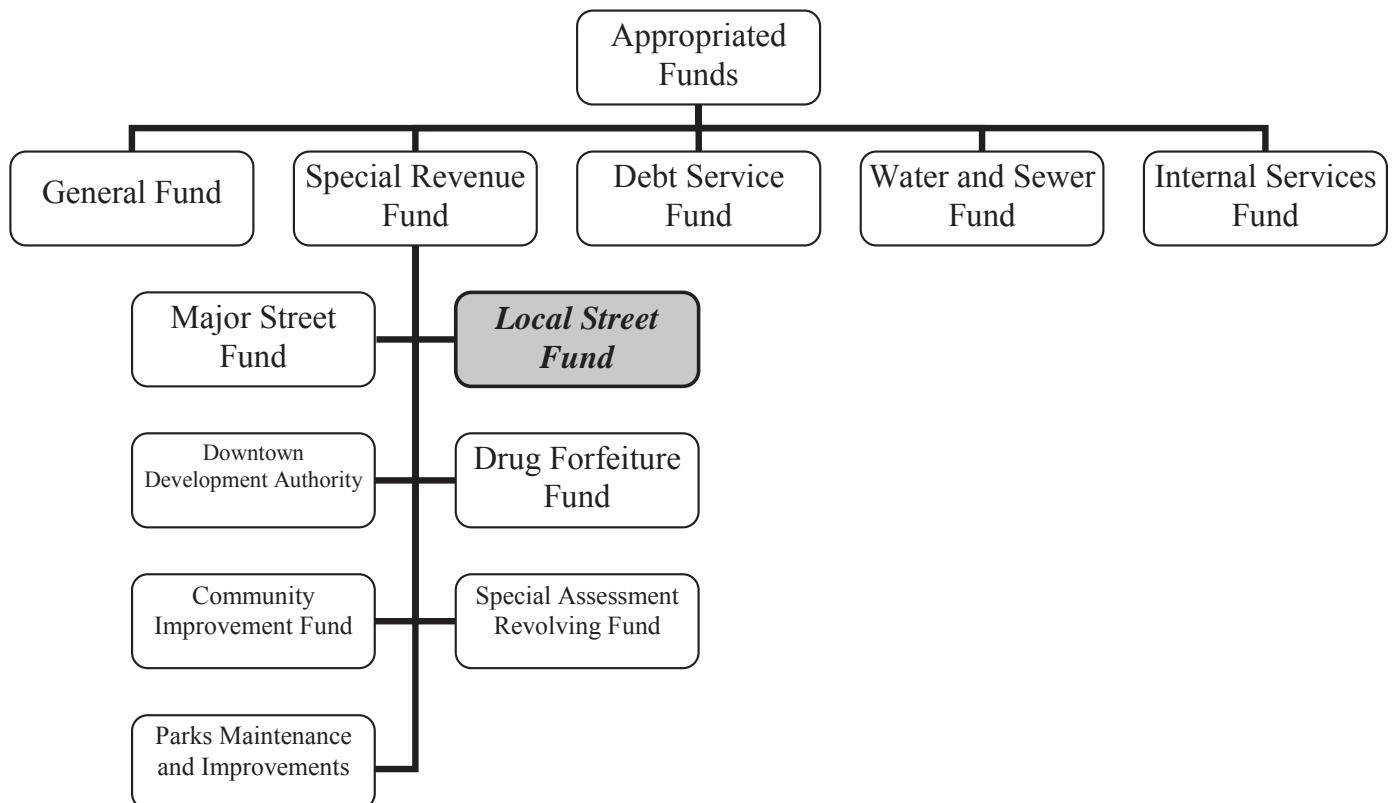
# Local Street Fund

## Statement of Services

The Local Street Fund maintenance activity is supported by the Department of Public Services.

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

<b>Requirements:</b>	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18
Construction	\$ 2,506,421	\$ 3,205,151	\$ 2,060,000	\$ (1,145,151)
Maintenance	547,792	403,929	424,513	20,584
Traffic Services	138,631	133,313	110,890	(22,423)
Winter Maintenance	60,754	78,363	60,397	(17,966)
Administration	49,107	32,121	39,288	7,167
Transfers	0	0	0	0
<b>Total</b>	<b>\$ 3,302,705</b>	<b>\$ 3,852,877</b>	<b>\$ 2,695,088</b>	<b>\$ (1,157,789)</b>
<b>Resources:</b>				
Property Taxes	\$ 1,569,148	\$ 1,577,654	\$ 1,534,741	\$ (42,913)
Intergovernmental - State	801,889	599,150	804,547	205,397
Interest	38,257	45,000	35,000	(10,000)
Transfers	0	0	0	0
Fund Balance	0	1,631,073	320,800	(1,310,273)
<b>Total</b>	<b>\$ 2,409,294</b>	<b>\$ 3,852,877</b>	<b>\$ 2,695,088</b>	<b>\$ (1,157,789)</b>
Non-Proposal "R" Fund Balance	\$ 242,946	\$ (111,781)	\$ (307,269)	\$ (195,488)
Proposal "R" Fund Balance	\$ 2,264,377	\$ 988,031	\$ 834,793	\$ (153,238)

## Key Issues

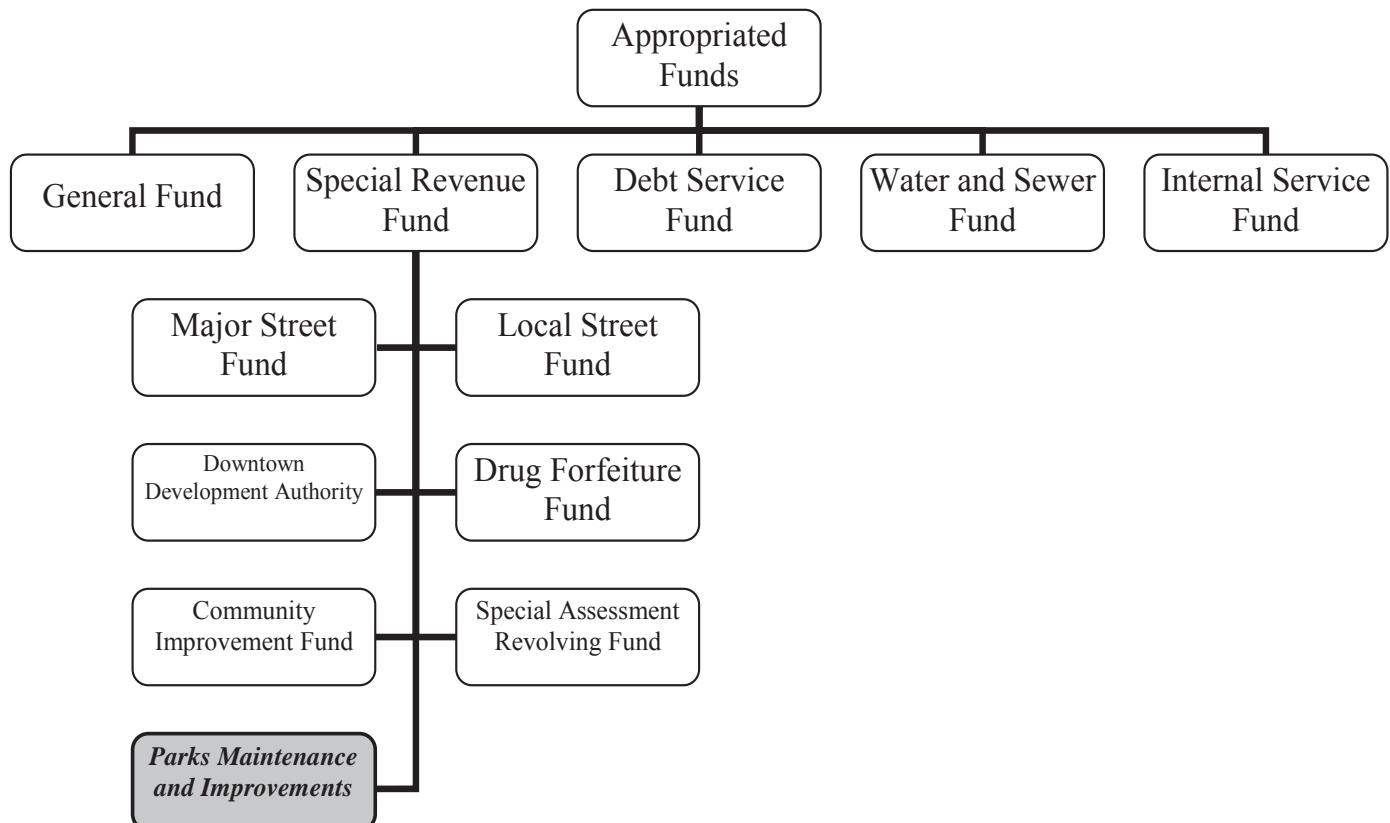
- State revenues are projected to increase by \$205,397 based on MDOT's projections of revenues from fuel tax and registration fee increases in the State Restricted Revenue package. For more details, see the Budget Overview.
- The Local Street Fund accounts for expenditures associated with the construction and maintenance needs of our local street network and can be divided into the Proposal "R" road construction and the non-"R" related expenditures.
- Proposal "R-3" was approved by voters in August 2016 and will begin in FY 2018 for a ten-year period.
- The Proposal "R-2" road construction projects scheduled for this year include Dei - Lincoln to South End (\$1,030,000), Hales - Thirteen Mile to the Winthrop (\$501,000), and Lincoln Sectional work (\$314,000).
- In an effort to address the failing major and local commercial and industrial roads, sectional repair projects have been programmed for Sherman (\$150,000) and Montpelier (\$65,000).
- The 2018 City Goal Plan includes the establishment of a Department of Public Services and Community Development Department program to replace right-of-way trees that are unavoidably removed due to City road and utility projects, thereby maintaining neighborhood aesthetics, property values, energy savings, air quality, noise reduction, and other direct benefits derived from trees. (2018 Goal G)

# 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 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Maintenance	\$ 33,724	\$ 33,467	\$ 36,518	\$ 3,051	9.1
Transfers	0	0	0	0	0.0
Total	\$ 33,724	\$ 33,467	\$ 36,518	\$ 3,051	9.1
<b>Resources:</b>					
Interest/Miscellaneous	\$ 10,100	\$ 25,500	\$ 18,213	\$ (7,287)	(28.6)
County Shared Revenues	0	0	0	0	0.0
Fund Balance	0	7,967	18,305	10,338	129.8
Total	\$ 10,100	\$ 33,467	\$ 36,518	\$ 3,051	9.1

## Key Issues

- The Red Oaks Youth Soccer Complex was first opened in the fall of 2008, but closed for drain construction in 2009. The 10-acre site includes nine soccer fields, a concession/restroom/meeting building and attached picnic pavilion. In 2009, new playscape equipment funded by the Oakland County Parks and Recreation Commission was installed. The complex 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 13 park system.
- On January 24, 2011, the City entered into an agreement with Oakland County Parks and Recreation (OCPR), 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.

# Downtown Development Authority

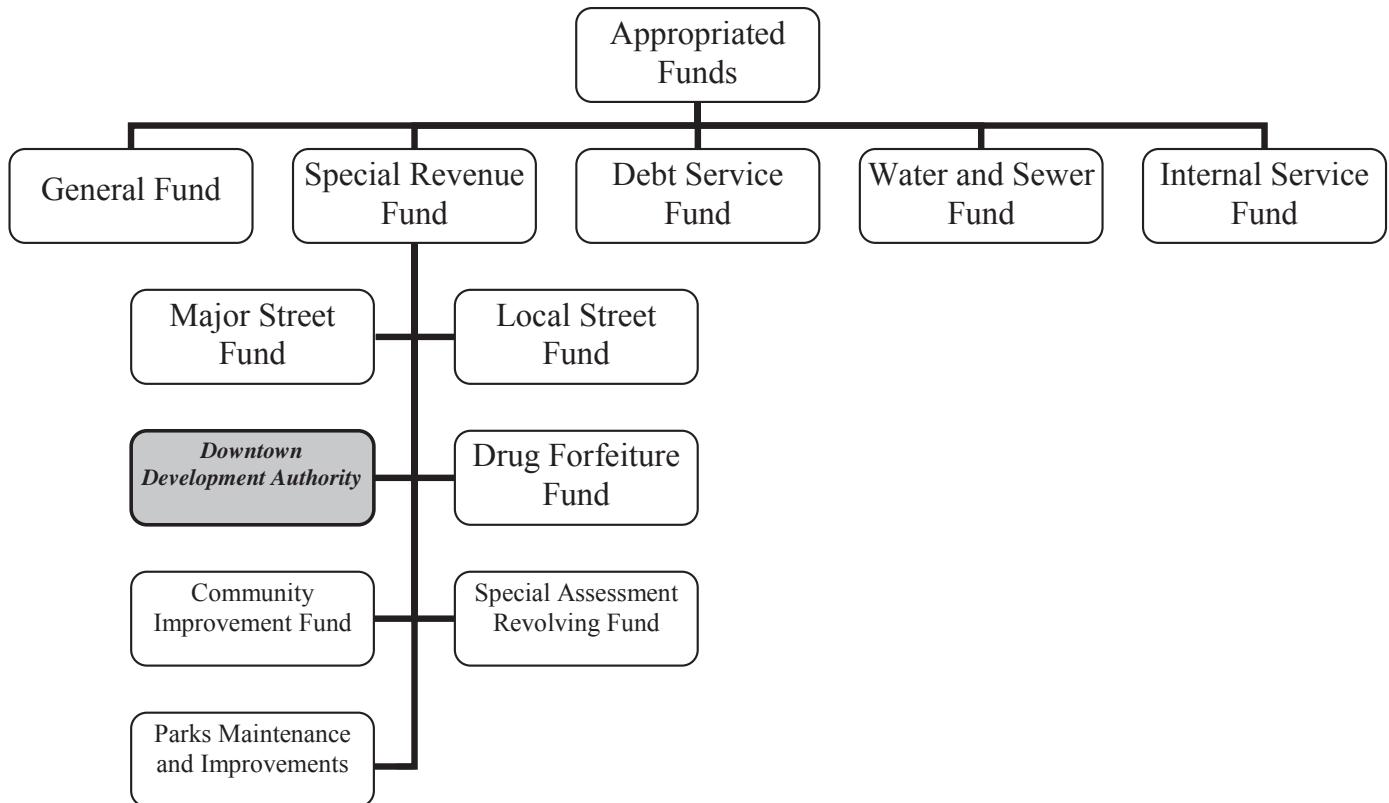
## Statement of Services

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 240 visits to local businesses.
- Consolidated the highly successful Art Challenge and Around the Globe Taste Fest.

### Objectives

### **Resource Management:**

- Subject to funding, continue the Right-of-Way (ROW) maintenance program (lawn care and trash pickup).
- Complete update of the new Tax Increment Finance (TIF) Plan.

## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Other Services and Charges	\$ 11,470	\$ 21,306	\$ 47,039	\$ 25,733	120.8
Capital Outlay	0	11,500	5,000	(6,500)	0.0
Transfers	15,235	15,235	0	(15,235)	(100.0)
Total	\$ 26,705	\$ 48,041	\$ 52,039	\$ 3,998	8.3
<b>Resources:</b>					
Property Taxes	\$ 47,808	\$ 52,867	\$ 52,039	\$ (828)	(1.6)
Interest/Miscellaneous	0	0	0	0	0.0
Fund Balance	0	(4,826)	0	4,826	100.0
Total	\$ 47,808	\$ 48,041	\$ 52,039	\$ 3,998	8.3

## 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 79% over the last six years from \$243,100 in FY 2009-10 to \$52,039 for FY 2017-18.
- The FY 2017-18 Budget includes the following major expenditures:
  - \$ 1,900 - DDA events
  - \$10,000 - Right-of-way mowing
  - \$ 3,302 - Public right-of-way trash receptacle program
  - \$22,000 - Clocktower upgrades; wall maintenance
  - \$ 8,000 - Blight removal
- The impact on DDA revenues of the 2012 State legislative repeal of the personal property tax continues to have a major impact on DDA Tax Increment Financing (TIF) revenues.
- The DDA has started to receive State reimbursement for replacement of repealed personal property tax. In 2016 this reimbursement amount was \$20,514, \$20,100 is budgeted for FY 2017 and FY 2018.
- In order to maximize funding for projects, the DDA will no longer cover 10% of the Community Economic Engagement Supervisor position.
- The DDA has begun the process to update the 20 year TIF Plan.

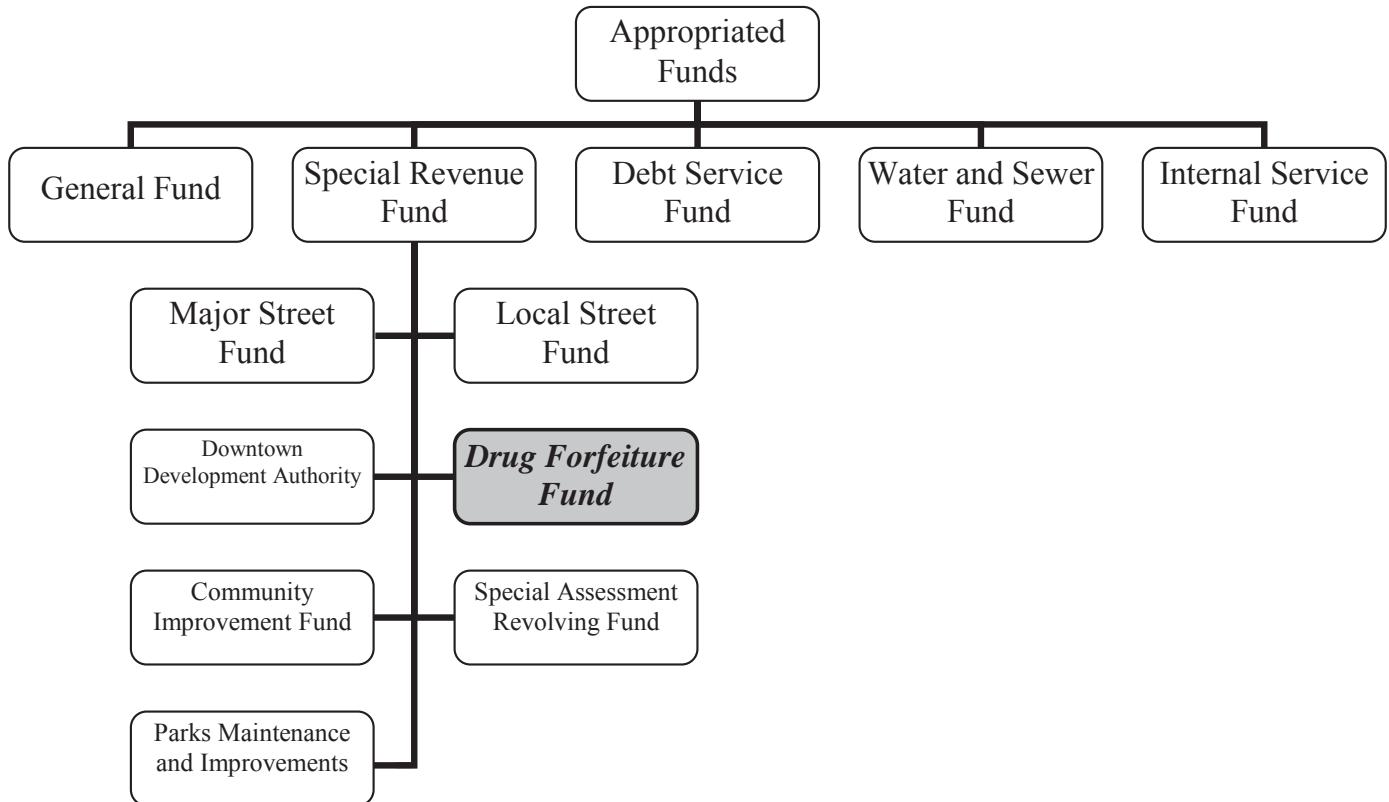
# Drug Forfeiture Fund

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## Statement of Services

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

## Organizational Fund Structure



## Financial Summary

<b>Requirements:</b>	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Supplies	\$ 3,366	\$ 0	\$ 0	\$ 0	0.0
Other Charges and Services	2,500	2,500	2,500	0	0.0
Capital Outlay	11,447	57,000	47,075	(9,925)	(17.4)
<b>Total</b>	<b>\$ 17,313</b>	<b>\$ 59,500</b>	<b>\$ 49,575</b>	<b>\$ (9,925)</b>	<b>(16.7)</b>
<b>Resources:</b>					
Drug Forfeiture	\$ 12,906	\$ 40,750	\$ 40,750	\$ 0	0.0
Interest and Misc. Income	414	350	350	0	100.0
Fund Balance	0	18,400	8,475	(9,925)	(53.9)
<b>Total</b>	<b>\$ 13,320</b>	<b>\$ 59,500</b>	<b>\$ 49,575</b>	<b>\$ (9,925)</b>	<b>(16.7)</b>

## Key Issues

- The Capital Outlay budget includes funding for bullet resistant vests for the SWAT Team and FBI Task Force members and one (1) Police Canine Vehicle (#116).

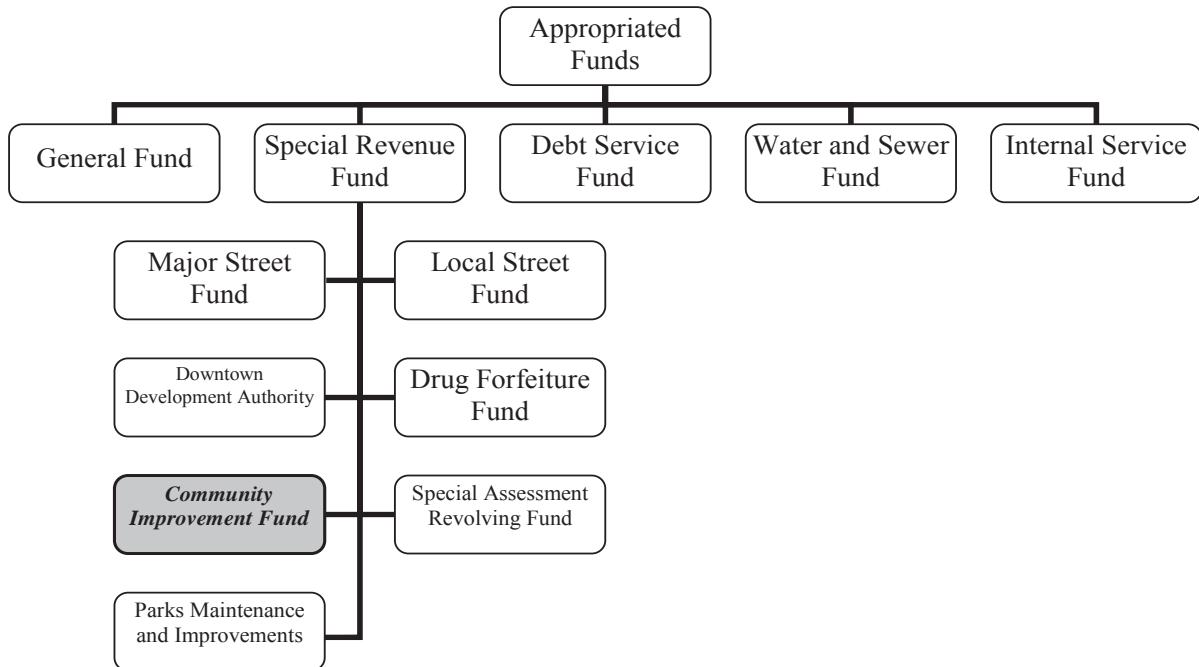
# Community Improvement Fund

## 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.

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.

## 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.

## Objectives

### Quality of Life:

- Maintain a spending ratio of less than 1.5% of the CDBG allocations.
- Provide lawn and snow services to 75 low income or disabled residents.

## Performance Measures

<b>Performance Measures:</b>	Actual 2015-16	Estimate 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Workload Indicators</b>					
Home Chore Assignments	1,108	1,100	1,000	(100)	(9.1)

## Financial Summary

<b>Requirements:</b>	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 84,288	\$ 84,489	\$ 80,328	\$ (4,161)	(4.9)
Supplies	0	0	0	0	0.0
Other Services and Charges	15,886	15,000	22,782	7,782	51.9
Capital Outlay	0	0	0	0	0.0
Total	\$ 100,174	\$ 99,489	\$ 103,110	\$ 3,621	3.6
<b>Resources:</b>					
Community Develop. Grant	\$ 100,174	\$ 107,950	\$ 107,118	\$ (832)	(0.8)
Fund Balance	0	(8,461)	(4,008)	4,453	0.0
Total	\$ 100,174	\$ 99,489	\$ 103,110	\$ 3,621	3.6

## Key Issues

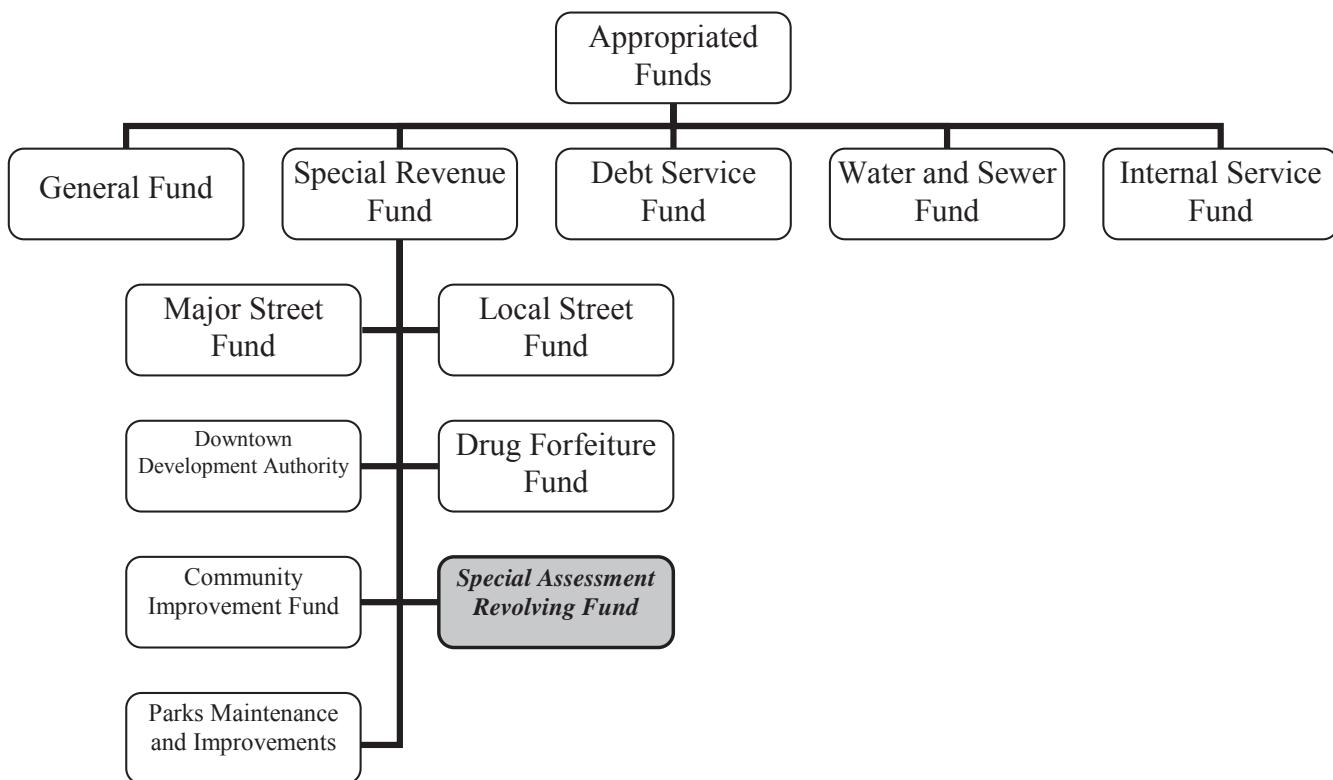
- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and a Home Chore Program, including mowing and snow shoveling for seniors.
- Continuing to provide quality lawn mowing and snow removal service in the face of tighter CDBG regulations and spending restrictions, while maintaining program participation at or near the current level, will remain a challenge for staff.

# 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 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Requirements:</b>					
Other Services and Charges	\$ 3,054	\$ 2,795	\$ 2,422	\$ (373)	(13.3)
Capital Outlay	312,114	400,000	250,000	(150,000)	(37.5)
Transfers	0	2,500	2,500	0	0.0
Total	\$ 315,168	\$ 405,295	\$ 254,922	\$ (150,373)	(37.1)
<b>Resources:</b>					
Interest and Misc. Income	\$ 21,509	\$ 5,000	\$ 5,000	\$ 0	0.0
Special Assessment Revenue	272,409	160,380	141,400	(18,980)	(11.8)
Transfers	(5,000)	0	0	0	0.0
Fund Balance	0	239,915	108,522	(131,393)	(54.8)
Total	\$ 288,918	\$ 405,295	\$ 254,922	\$ (150,373)	(37.1)

## Key Issues

- A total of \$250,000 has been budgeted for the continuation of the very successful sidewalk repair and installation program. This year's program (Year 3) will cover the area from 11 Mile to Gardenia/Connie (11 1/2 Mile).
- In the summer of 2014, the City completed the final year, Year 12, of the current sidewalk repair program in the northeastern-most portion of the City. On May 12, 2014, City Council adopted a new 8-year, non-motorized transportation program called the "People Powered Transportation and Sidewalk Repair Program". Beginning in 2015, this program guides implementation of a non-motorized transportation system throughout the City, as well as provide for the continued maintenance of the City's sidewalk network. Several key changes in the new program include elimination of Special Assessment District (SAD) funding in favor of the SAD Revolving Fund and Major and Local Street Funds; creation of a new 8-year annual repair program (reduced from 12 areas or districts); and inclusion of the on/off street non-motorized transportation elements (primarily signage and bike route pavement markings) to be installed on the same 8-year cycle.

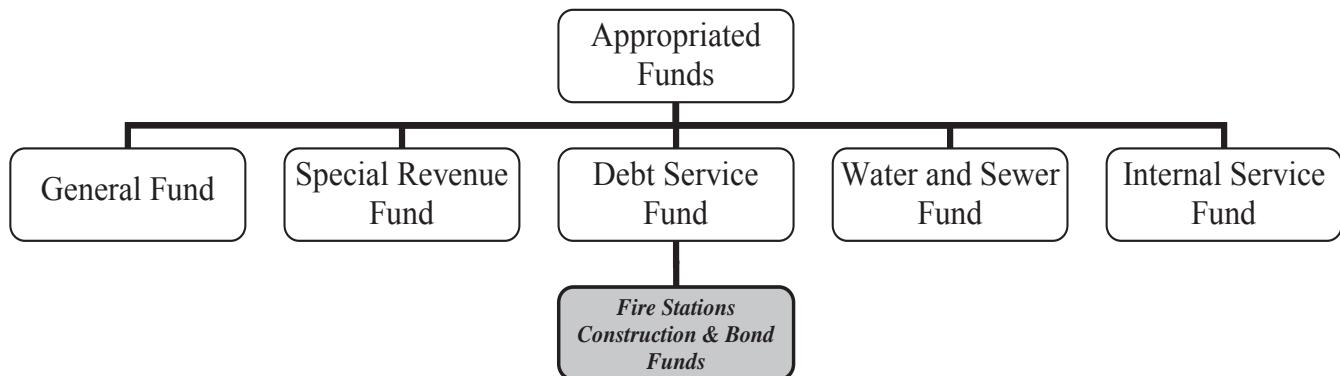
# Fire Stations Construction and Bond Funds

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## Statement of Services

The Fire Stations Bond Fund accounts for principal and interest payments on General Obligation Bonds issued in May 2003, to construct the new Fire Station Headquarters, demolish and redevelopment of the old building site and make renovations to Fire Station #2. Revenues are generated by an ad valorem property tax. The City also maintains a Fire Station Construction Fund to account for all expenditures associated with this project and related equipment purchases. Once the existing fund balance is exhausted, this fund will be eliminated.

## Organizational Fund Structure



## Financial Summary

<b>Requirements:</b>	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Other Services and Charges	\$ 1,195	\$ 1,384	\$ 939	\$ (445)	(32.2)
Debt Service	400,446	419,055	427,120	8,065	1.9
Capital Outlay	0	0	0	0	100.0
Transfers	0	0	0	0	0.0
<b>Total</b>	<b>\$ 401,641</b>	<b>\$ 420,439</b>	<b>\$ 428,059</b>	<b>\$ 7,620</b>	<b>1.8</b>
<b>Resources:</b>					
Property Taxes	\$ 377,378	\$ 420,439	\$ 404,873	\$ (15,566)	(3.7)
State Shared Revenues	\$ 0	\$ 0	\$ 12,315		
Interest Earned	-	0	0	0	0.0
Transfers In	-	0	0	0	0.0
Fund Balance	-	0	10,871	10,871	0.0
<b>Total</b>	<b>\$ 377,378</b>	<b>\$ 420,439</b>	<b>\$ 428,059</b>	<b>\$ 7,620</b>	<b>1.8</b>

## 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 \$427,120. The budget also includes \$939 for audit services and paying agent fees. The millage will decrease slightly from 0.5330 in FY 2016-17 to 0.5276 in FY 2017-18.

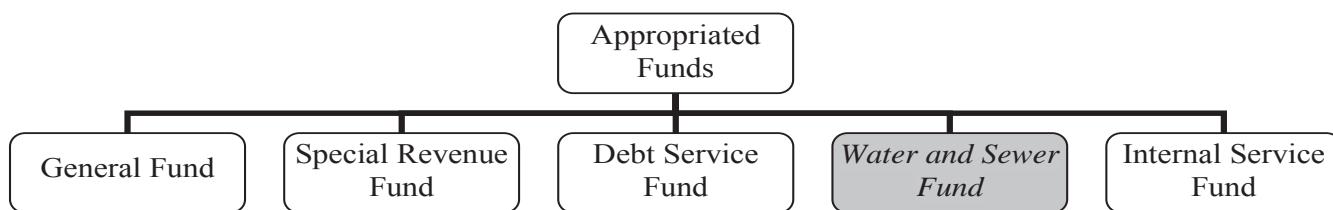
# Water and Sewer Division

## Statement of Services

The Water and Sewer Division of the Department of Public Services 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:

- Repaired or replaced 160 curb boxes that were damaged.
- Repaired and/or assisted on over 41 water main breaks and completed all related landscape repairs.
- Larviced over 3,000 catch basins to help fight West Nile Virus.
- Replaced four fire hydrants.
- Continued federally-mandated Disinfectant and Disinfection By-Product testing.
- Cleaned all catch basins on Year 1 and Year 2 sanded only roads and prior water main project roads.
- Continued to monitor high volume commercial water accounts for meter repair or replacement based on consumption.
- Replaced 4,900 feet of water main on 2016 Residential "R-2" road projects.
- Submitted application for 2015 NPDES Stormwater Permit.
- Cleaned catch basins on John R and Stephenson Highway.
- Continued cleaning sanitary sewers in District 1.
- Replaced 5,300 feet of watermain on 2016 stand-alone projects.
- Implemented Lead Service replacement program at no cost to residents or business owners.
- Awarded SAW Grant funding for the City's Sanitary Sewer Inspection and Repair program.

### Objectives

Public Health:

- Clean catch basins in District #1 between 10 Mile and 11 Mile.
- Continue to cross train employees on all job-related issues.
- Increase annual water line cross-connection inspection and enforcement program.
- Larvicide all City owned catch basins (3,000).
- Repeat City-wide leak detection study on all water mains to help eliminate water loss.
- Continue to monitor and test large commercial meters for accuracy.
- Continue with a fire hydrant painting and maintenance program.
- Continue with a hydrant flushing and gate valve exercising program.
- Complete sanitary sewer cleaning in District 1, and start District 2.
- Continue catch basin cleaning on major roads.
- Install water main in conjunction with 2018 "R-3" projects and identified stand-alone projects.
- Implement City-wide meter change out program – District 1
- Establish a Department of Public Services and Community Development Department program to replace right-of-way trees that are unavoidably removed due to City road and utility projects, thereby maintaining neighborhood aesthetics, property values, energy savings, air quality, noise reduction, and other direct benefits derived from trees. (2018 Goal G)

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
Input	Curb boxes replaced	160	105	121
	Main break repairs	41	40	39
Output	New water main installed (in feet)	10,200	6,750	7,700
	New water main installed (per lineal foot cost)	\$ 194.55	\$ 200.38	\$ 200.38
Efficiency	Water Loss	6.87%	6.20%	6.00%

## Key Issues

- Starting in FY 2017, the City began to adjust the method for billing customers for water, sewer and stormwater charges. The first step of this change was to remove stormwater from the sewage rate and to calculate a new stormwater charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface has a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed from stormwater continues to cover all of the city's stormwater expenses from the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%. In FY 2018, the water and sewer rates will decrease again by an additional 9% and the stormwater rate will be increased to \$11.37 per quarter.
- The second step of this rate method change will be implemented with the FY 2018 budget for water and sewer bills on or after July 1, 2017. This step removed the drain debt from the water and sewer rate and assesses it on the tax bills, pursuant to the Michigan Drain Code Chapter 20 of Public Act 40 of 1956, at 1.1562 mills. This final step will also eliminate the \$3 per quarter meter charge, and the flat rate service charge to commerical customers.
- For a typical residential customer with a 10-unit minimum water usage, the quarterly bill will decrease overall by approximately 2% to \$80.40 as compared to FY 2017 when the same usage would cost \$82.29. In FY 2016, 10-units of usage would cost \$94.99. (Rates are approximate and will vary by resident based on total stormwater ERUs of the parcel.)
- The FY 2018 Budget includes a continuation of water main replacement associated with Proposal "R-3" road projects at \$707,000. Other capital purchases that are included in the Budget are Phase II of the sewer camera trailer at \$65,000 (total cost \$130,000), Phase III of III for the salt containment structure at DPS and both remaining phases (II and III) of the fueling station improvements at DPS.
- The budget also includes capital outlay for standalone water mains for \$567,000. These water mains have been determined to be in serious need of replacement and are being funded through a use of reserves.
- The FY 2018 budget includes Phase II of IV of a city-wide water meter replacement program for \$1,000,000. Funds are available from reserves to pay for this project.
- Establish a Department of Public Services and Community Development Department program to replace right-of-way trees that are unavoidably removed due to City road and utility projects, thereby maintaining neighborhood aesthetics, property values, energy savings, air quality, noise reduction, and other direct benefits derived from trees. (2018 Goal G)

## Financial Summary

Requirements	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Water Charges	\$ 2,190,847	\$ 2,517,071	\$ 2,409,880	\$ (107,191)	(4.3)
Water System Maintenance	958,369	940,264	745,926	(194,338)	(20.7)
Water Tapping & Installation	6,492	8,100	8,100	0	0.0
Water Depreciation	387,828	404,500	404,000	(500)	(0.1)
Sewage Disposal Charges	4,317,403	4,536,712	4,760,418	223,706	4.9
Sewer System Maintenance	588,347	630,959	572,359	(58,600)	(9.3)
Sewer Depreciation	844,084	398,500	250,750	(147,750)	(37.1)
General Service Building	(192,787)	259,973	206,352	(53,621)	(20.6)
General Administration	1,353,676	1,422,080	1,197,337	(224,743)	(15.8)
Capital Outlay	(17,967)	3,024,167	3,650,000	625,833	20.7
Debt Service	224,200	1,053,196	289,991	(763,205)	(72.5)
<b>Total</b>	<b>\$ 10,660,492</b>	<b>\$ 15,195,522</b>	<b>\$ 14,495,113</b>	<b>\$ (700,409)</b>	<b>(4.6)</b>
<b>Resources:</b>					
Sales: Water	\$ 5,667,076	\$ 5,640,793	\$ 4,834,430	\$ (806,363)	(14.3)
Sales: Sewer	7,235,211	6,970,171	6,378,080	(592,091)	(8.5)
State Shared Revenues	0	0	825,600		
Interest/Miscellaneous	475,680	132,000	112,000	(20,000)	(15.2)
Departmental Charges	29,550	29,550	46,003	16,453	55.7
Retained Earnings *	0	2,423,008	2,299,000	(124,008)	(5.1)
<b>Total</b>	<b>\$ 13,407,517</b>	<b>\$ 15,195,522</b>	<b>\$ 14,495,113</b>	<b>\$ (1,526,009)</b>	<b>(10.0)</b>
Unrestricted Net Assets	\$ 8,707,444	\$ 6,284,436	\$ 3,985,436	\$ (2,299,000)	(36.6)
Cash	\$ 9,480,330	\$ 5,345,809	\$ 3,046,809	\$ (2,299,000)	(43.0)

\* 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, 2016, retained earnings were \$8,707,444 and the cash balance was \$9.5 million.

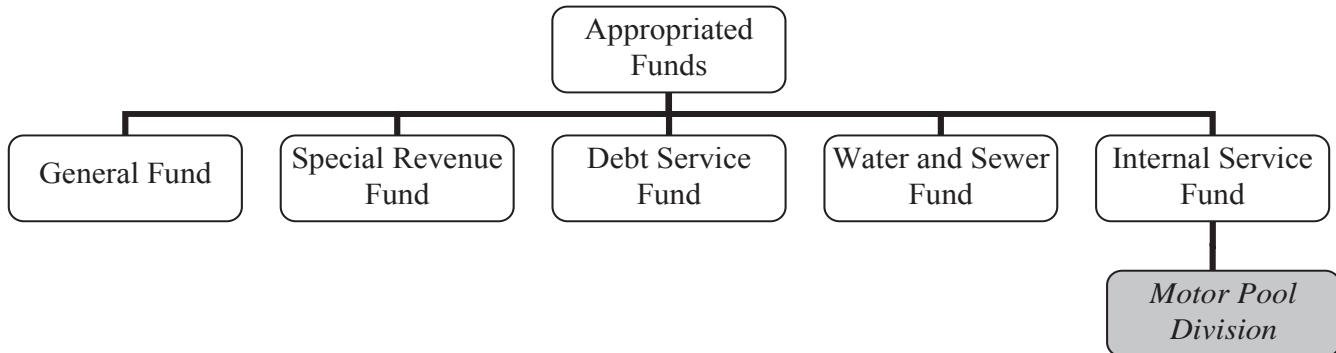
# Motor Pool Division

## Statement of Services

The Motor Pool Division of the Department of Public Services 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;
- 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; and
- Providing support information to assist with internal motor pool cost allocation and vehicle replacement scheduling.

## Organizational Fund Structure



## Accomplishments

### **Resource Management:**

- Purchased vehicle #418 through the Rochester Hills consortium bid process. This vehicle is heavily used by the Streets Division for winter maintenance and by the Solid Waste Division for fall leaf operations.
- Coordinated bi-annual renewal and training for employee aerial platform and forklift certifications.
- Completed replacement of hoist used for maintenance of patrol cars and other vehicles.

## Objectives

### **Resource Management:**

- Continue vehicle replacement under the planned “V-3” 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 under-utilized equipment to generate revenue to partially offset the operations costs.
- Purchase and implement an updated asset management system for more effective and accurate work order entry and vehicle cost-tracking.

## Performance Measures

	Performance Indicators	2016 Actual	2017 Estimate	2018 Budget
<i>Input</i>	Total gasoline purchased (gallons)	50,654	49,134	47,660
	Total diesel purchased (gallons)	32,586	31,608	30,660
<i>Efficiency</i>	Motorpool work orders	530	556	556
	Avg. cost - gallon of gasoline	\$ 2.06	\$ 2.16	\$ 2.38
	Avg. cost - gallon of diesel	\$ 1.83	\$ 1.92	\$ 2.11
	Department Expenditures as a percentage of the total budget	2.3%	2.7%	1.9%

## Financial Summary

	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 469,046	\$ 398,398	\$ 377,557	\$ (20,841)	(5.2)
Supplies	152,396	238,600	171,600	(67,000)	(28.1)
Other Services and Charges	457,958	441,576	406,476	(35,100)	(7.9)
Capital Outlay	0	0	0	0	0.0
Total	\$ 1,079,400	\$ 1,078,574	\$ 955,633	\$ (122,941)	(11.4)
<b>Resources:</b>					
Transfers-General Fund	\$ 1,004,103	\$ 998,674	\$ 887,027	\$ (111,647)	(11.2)
Transfers-Water and Sewer	75,297	79,900	68,606	(11,294)	(14.1)
Fund Balance	0	0	0	0	0.0
Total	\$ 1,079,400	\$ 1,078,574	\$ 955,633	\$ (122,941)	(11.4)

## Key Issues

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

# Department of Public Services

## Statement of Services

The Department of Public Services Fund is a new budgeted Internal Services Fund for FY 2018. This fund consists of the personnel cost for the personnel listed below and is charged back to the departments as work is completed based on the City's work order system.

## Organizational Structure and Staff

Personnel Summary	2015-16	2016-17	2017-18
Supervisor	0	0	2
Leader	0	0	2
Equipment Operator III	0	0	3
Equipment Operator II	0	0	6
Equipment Operator I	0	0	6
Administrative Secretary	0	0	1
Total Full-Time	0	0	20
Seasonal Laborer	0	0	3
Total Part-Time	0	0	3
Total Employees	0	0	23

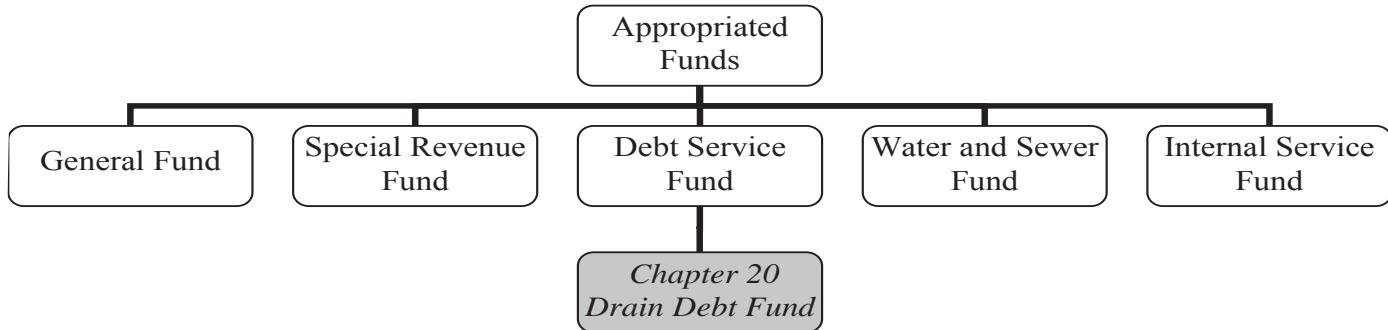
## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 2,049,341	\$ 2,049,341	n/a
Supplies	0	0	0	0	n/a
Other Services and Charges	0	0	0	0	n/a
Capital Outlay	0	0	0	0	n/a
Total	\$ 0	\$ 0	\$ 2,049,341	\$ 2,049,341	n/a
Resources:					
Transfers - General Fund	\$ 0	\$ 0	\$ 555,427	\$ 555,427	n/a
Transfers - Major Street	0	0	243,148	243,148	n/a
Transfers - Local Street	0	0	291,137	291,137	n/a
Transfers - Water and Sewer	0	0	959,629	959,629	n/a
Fund Balance	0	0	0	0	n/a
Total	\$ 0	\$ 0	\$ 2,049,341	\$ 2,049,341	n/a

# Chapter 20 Drain Debt Service

The Chapter 20 Drain Debt Service Fund is a new budgeted fund for FY 2018. Revenues to pay this debt service are generated from a new tax levy sufficient to allow for principal and interest payment. For FY 2018, Council is being requested to approve a levy of 1.1562 mills.

## Organizational Fund Structure



## Financial Summary

Requirements:	Actual 2015-16	Amended Budget 2016-17	Budget 2017-18	Increase (Decrease) FY 2016-17 to FY 2017-18	Percent Change
Debt Service	\$ 0	\$ 0	\$ 887,260	\$ 887,260	n/a
Total	\$ 0	\$ 0	\$ 887,260	\$ 887,260	n/a
<b>Resources:</b>					
Property Taxes	\$ 0	\$ 0	\$ 887,260	\$ 887,260	n/a
Fund Balance	0	0	0	0	n/a
Total	\$ 0	\$ 0	\$ 887,260	\$ 887,260	n/a

## Key Issues

- Starting in FY 2017, the City began to adjust the method for billing customers for water, sewer and stormwater charges. The first step of this change was to remove stormwater from the sewage rate and to calculate a new stormwater charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface has a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed from stormwater continues to cover all of the city's stormwater expenses from the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%. In FY 2018, the water and sewer rates will decrease again by an additional 9% and the stormwater rate will be increased to \$11.37 per quarter.
- The second step of this rate method change will be implemented with the FY 2018 budget for water and sewer bills on or after July 1, 2017. This step removed the drain debt from the water and sewer rate and assesses it on the tax bills, pursuant to the Michigan Drain Code Chapter 20 of Public Act 40 of 1956, at 1.1562 mills. This final step will also eliminate the \$3 per quarter meter charge, and the flat rate service charge to commerical customers.
- For a typical residential customer with a 10-unit minimum water usage, the quarterly bill will decrease overall by approximately 2% to \$80.40 as compared to FY 2017 when the same usage would cost \$82.29. In FY 2016, 10-units of usage would cost \$94.99. (Rates are approximate and will vary by resident based on total stormwater ERUs of the parcel.)

## **FY 2018-22 CAPITAL IMPROVEMENT PLAN**

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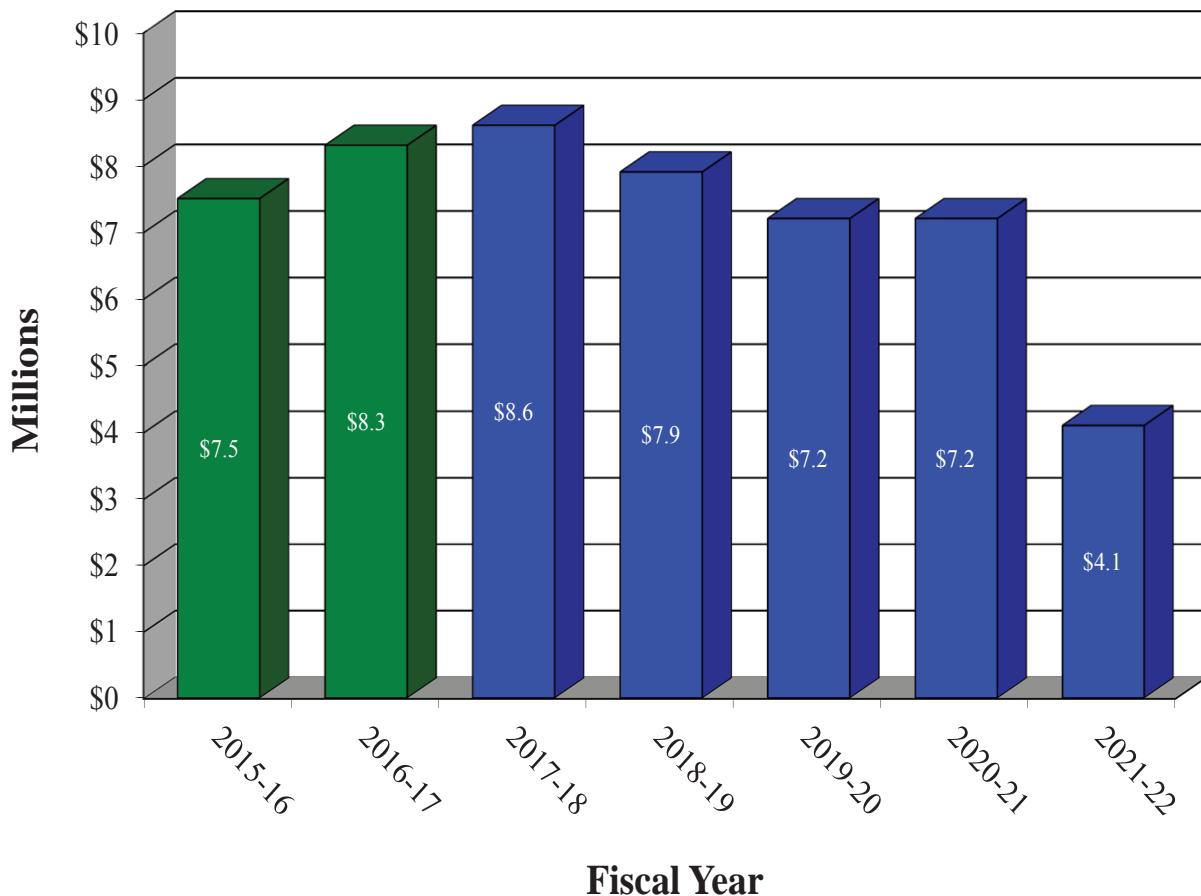
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## FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 2018-22

FY 2015-16 ACTUAL AND  
FY 2016-17 ESTIMATED



The largest category programmed during the Capital Improvement Plan is Road Improvements including non-R-3 road projects and equipment. This category has annual programmed expenditures from \$530,000 to \$3.3 million over the five-year period. The plan also includes \$9.5 million in Proposal "R-2" and Proposal "R-3" Neighborhood Road Projects and \$8.2 million for Collection and Distribution Systems.

## **PLAN OVERVIEW**

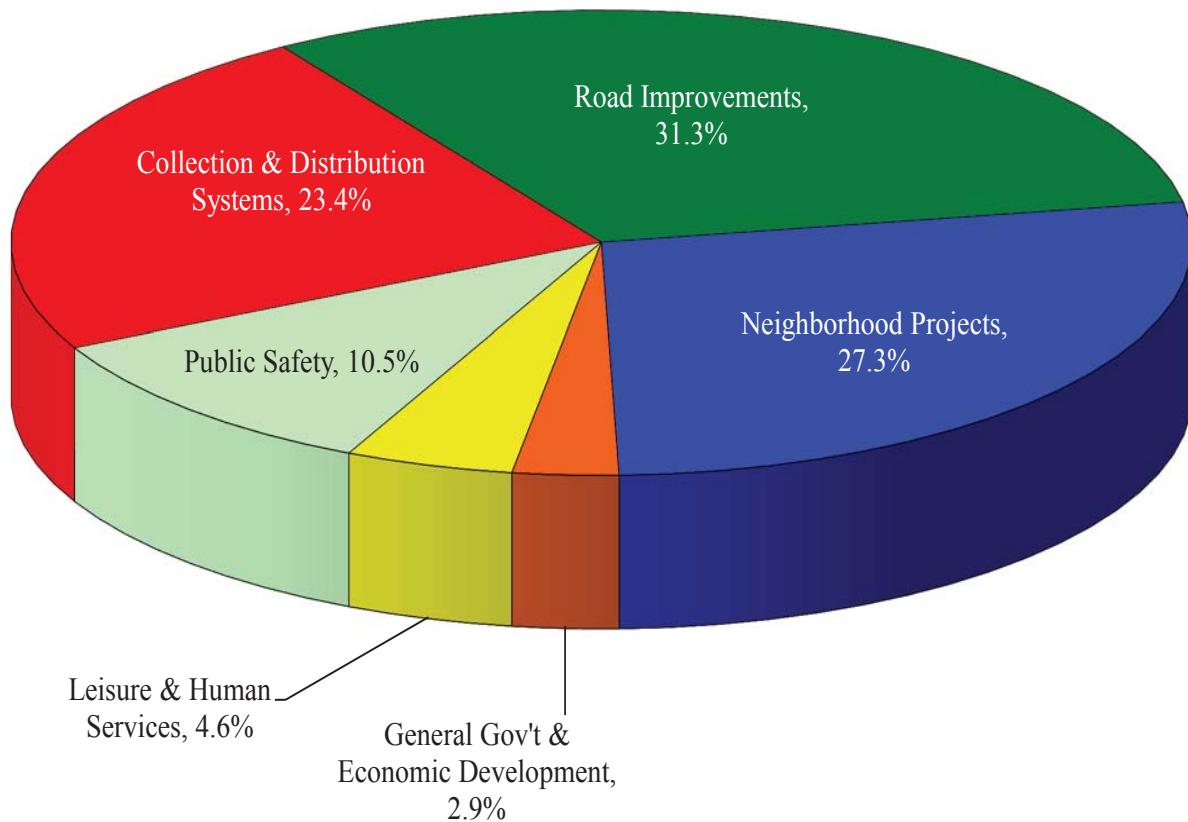
The FY 2018-22 Five Year Capital Improvement Plan totals \$34.9 million. The bar graph presented on the prior page shows the scheduled appropriations by year. The five year program, which is a consolidation of ongoing projects and projects planned over the next five years, represents future capital improvement 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:
  - f. Projects that implement a component of an approved goal plan will be a priority when establishing funding.
  - g. Projects specifically included in an approved replacement schedule will receive priority consideration.
  - h. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
  - i. Projects that duplicate other public and/or private services will not be considered.
  - j. 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 2018-22



**Over fifty-eight percent of the Capital Improvement Plan is programmed for Road Improvements and Neighborhood Projects.**

**TABLE I**  
**FY 2018-22 FIVE-YEAR CAPITAL IMPROVEMENT PLAN**  
**FINANCIAL OVERVIEW**  
**USE OF FUNDS**  
**(IN THOUSANDS)**

### APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL APPROP.
Neighborhood Projects	III	\$ 3,554	\$ 2,477	\$ 2,551	\$ 1,527	\$ 2,303	\$ 1,764	\$ 1,371	\$ 9,516
Road Improvements	V	2,003	2,261	2,082	3,301	1,717	3,300	530	10,930
Collection & Distribution Sys.	VI	1,148	2,879	2,955	2,057	1,800	427	939	8,178
Public Safety	VIII	248	420	571	880	862	766	583	3,662
General Gov't & Economic Dev.	X	251	189	20	165	205	405	205	1,000
Leisure & Human Services	XI	313	120	204	112	304	498	492	1,610
<b>TOTAL</b>		<b>\$ 7,517</b>	<b>\$ 8,346</b>	<b>\$ 8,383</b>	<b>\$ 8,042</b>	<b>\$ 7,191</b>	<b>\$ 7,160</b>	<b>\$ 4,120</b>	<b>\$ 34,896</b>

## **Summary of Appropriations by Program**

In calculating the projected cost of future capital improvement projects and major equipment purchases, assumptions need to be made regarding what inflationary increases should apply to these items. This year's estimates have been adjusted to include assumed inflationary rates of up to 5 percent per year for vehicles and 3 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.

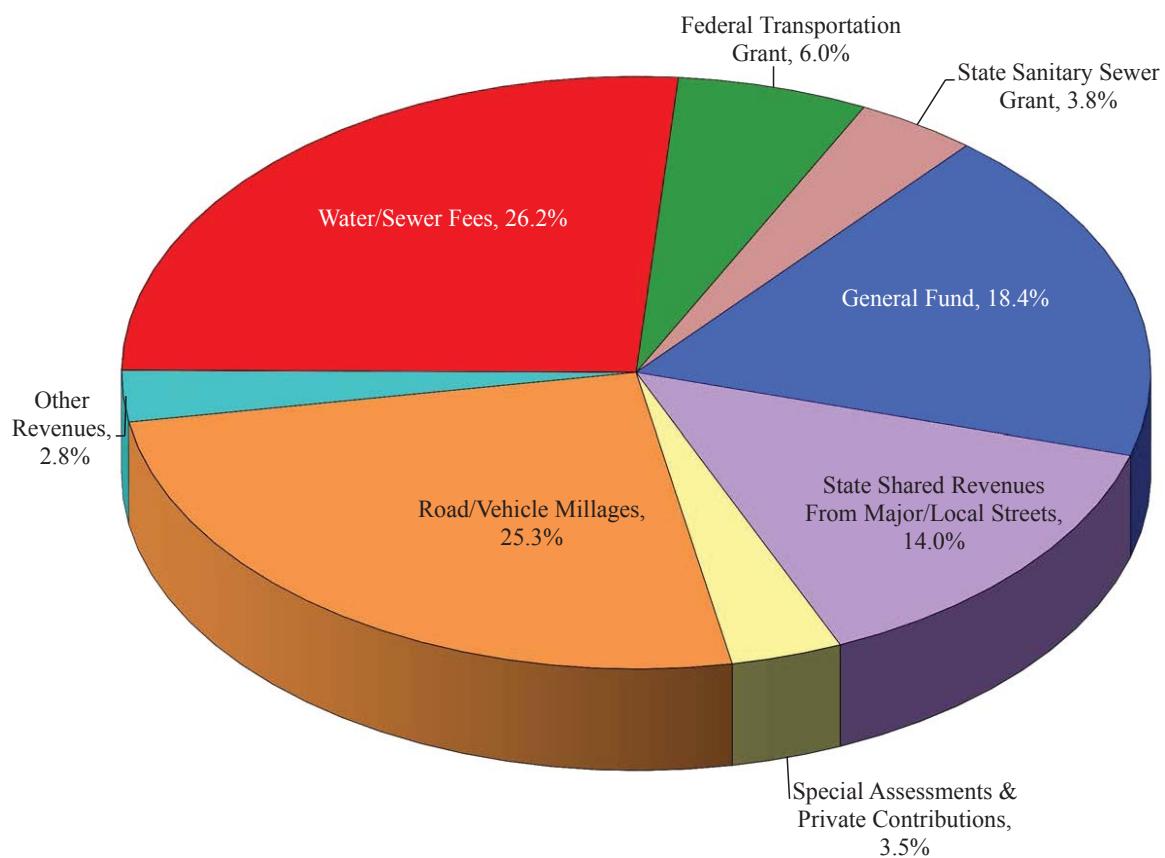
The five-year planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Road Improvements	31.3
Neighborhood Projects	27.3
Collection & Distribution Systems	23.4
Public Safety	10.5
Leisure & Human Services	4.6
General Government & Economic Development	<u>2.9</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 2018-22



**The Road and Vehicle Millages and Water and Sewer Fees provide fifty-two percent of the funding for the Capital Improvement Plan.**

**TABLE II**  
**FY 2018-22 FIVE-YEAR CAPITAL IMPROVEMENT PLAN**  
**FINANCIAL OVERVIEW**  
**SOURCE OF FUNDS**  
**(IN THOUSANDS)**

**REVENUES:**

	TABLE III NEIGHBOR. PROJECTS	TABLE V ROAD IMPROV.	TABLE VI COLLECTION & DIST. SYSTEMS	TABLE VIII PUBLIC SAFETY	TABLE X GENERAL GOV'T & ECON. DEV	TABLE XI LEISURE & HUMAN SERVICES	TOTAL
Road/Vehicle/Solid Waste Millage	7,168	\$ 717	\$ 0	\$ 955	\$ 0	\$ 0	\$ 8,840
Water/Sewer Fees	2,223	0	6,853	0	80	0	9,156
General Fund	0	2,047	0	2,592	914	870	6,423
State Shared Revenues from Major/Local Streets	0	4,876	0	0	0	0	4,876
Special Assessments & Private Contributions	0	1,210	0	0	0	0	1,210
State of Michigan Sanitary Sewer Grant	0	0	1,325	0	0	0	1,325
Federal Transportation Grant	0	2,080	0	0	0	0	2,080
Other Revenues							
Oakland County Parks & Recreation	125	0	0	0	0	149	274
Library Millage	0	0	0	0	6	0	6
Oakland County/State of Michigan (Other)	0	0	0	0	0	591	591
Drug Forfeiture Fund	0	0	0	115	0	0	115
<b>TOTAL</b>	<b>\$ 9,516</b>	<b>\$ 10,930</b>	<b>\$ 8,178</b>	<b>\$ 3,662</b>	<b>\$ 1,000</b>	<b>\$ 1,610</b>	<b>\$ 34,896</b>

## **Summary of Revenues by Source**

The Capital Improvement Program is financed through a combination of tax and fee supported funds, State and Federal grants, pay-as-you-go projects and long-term borrowing. The program's largest revenue local sources are Road and Vehicle Property Tax Millages, Water and Sewer Fees, the General Fund, and State Shared Revenues from Major and Local Streets, totaling \$29.3 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 2018-22 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Water and Sewer Fees	26.2
Road and Vehicle Millages	25.3
General Fund	18.4
State Shared Revenues from Major/Local Streets	14.0
Federal Transportation Grant	6.0
State of Michigan Sanitary Sewer Grant	3.8
Special Assessment and Private Contributions	3.5
Other Revenues	<u>2.8</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 13 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 such as Industrial/Commercial road overlays, annual joint/crack sealing and sectional concrete replacement projects.

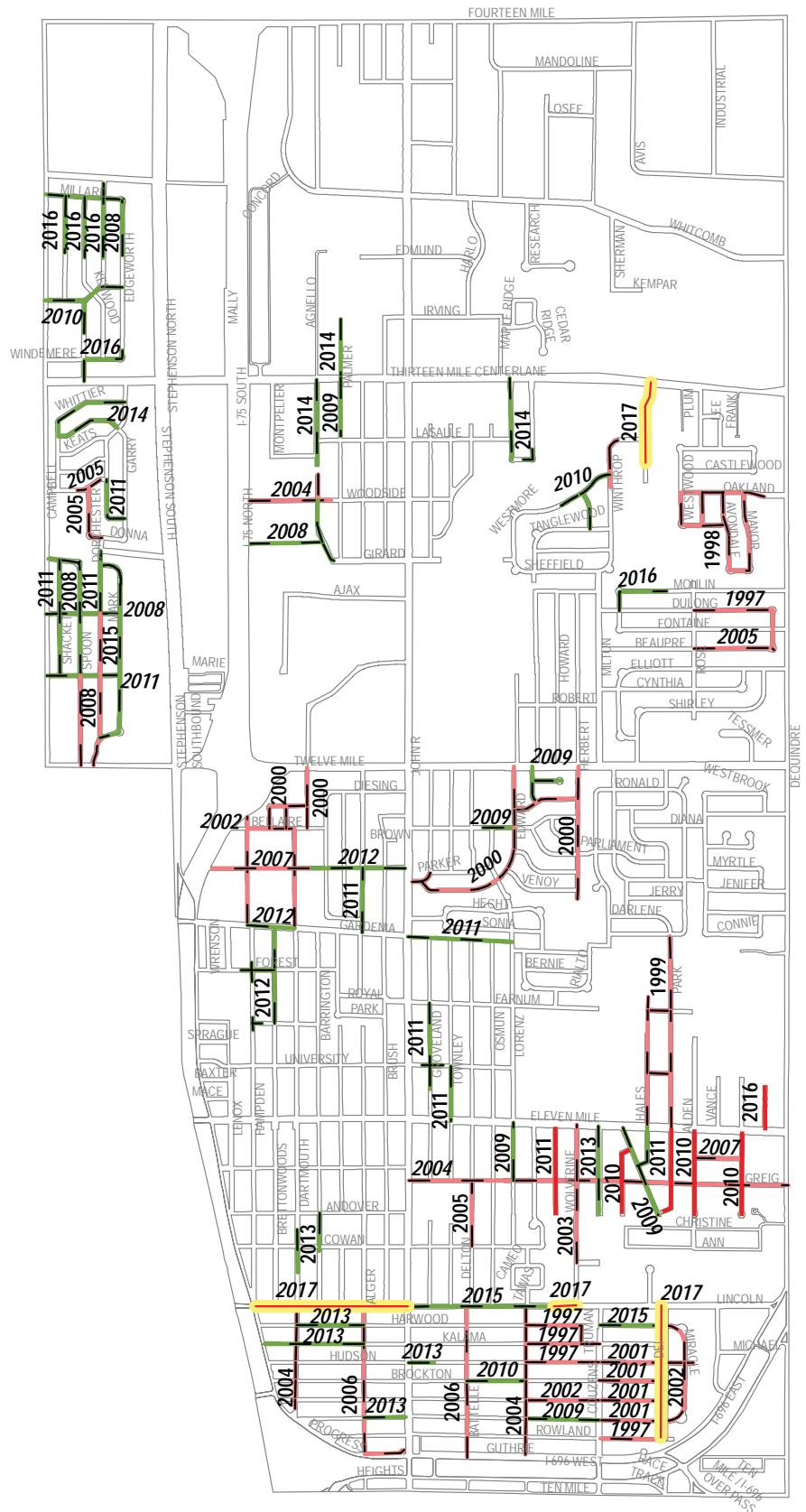
The Five Year Capital Improvement Program calls for the completion/construction of 131 projects and the purchase of 37 major pieces of equipment.

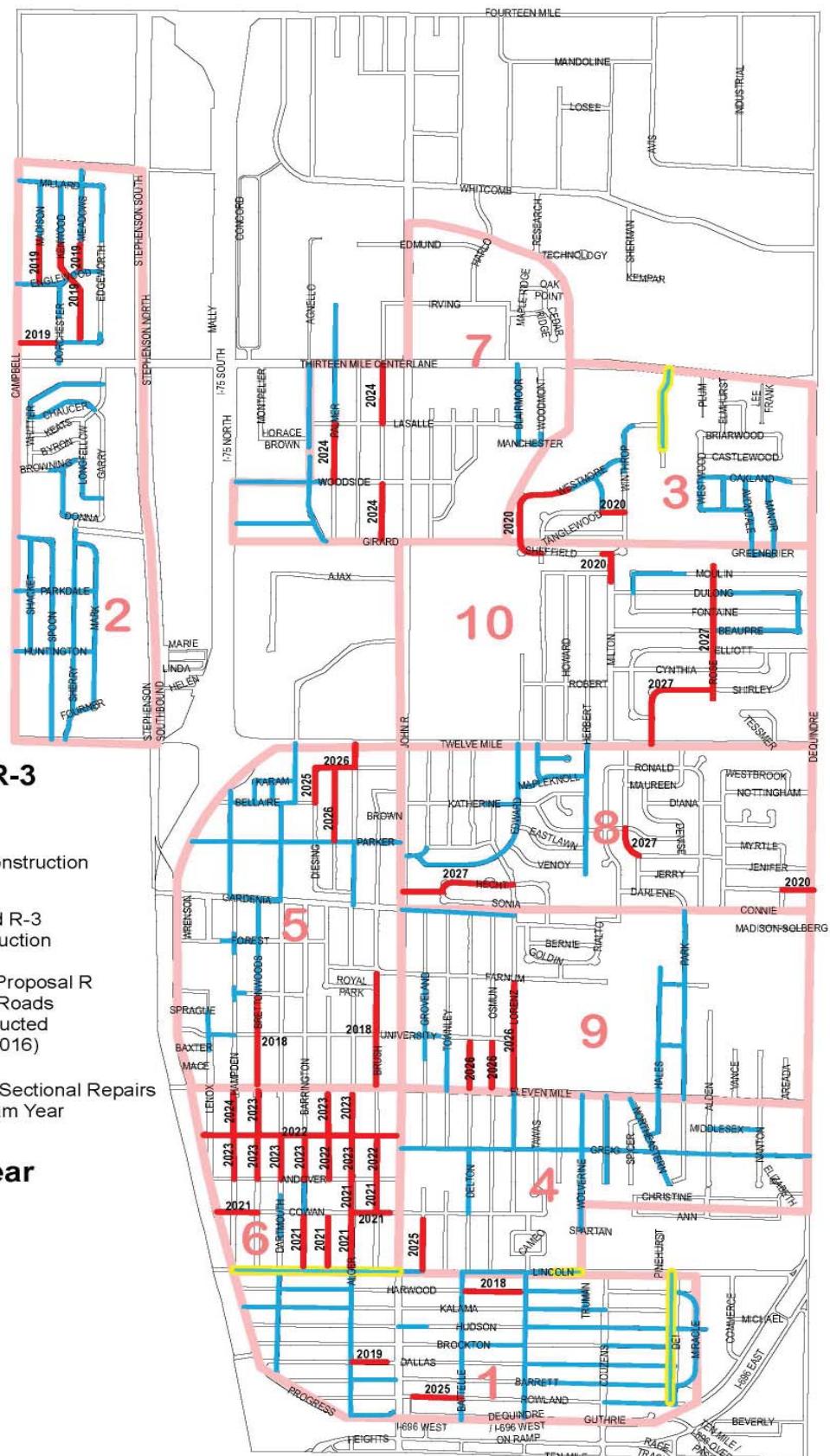
The FY 2018 Capital Improvement Plan totals \$8.6 million (Table I) and calls for the construction of 28 projects and the purchase of 7 major pieces of equipment.



# Proposal R-1 & R-2 Neighborhood Road Projects

- Completed R-1
- Completed R-2
- SAD Rejected R-2
- Scheduled R-2





## **NEIGHBORHOOD PROJECTS**

Staff annually reviews the current road conditions and updates projections regarding proposed neighborhood roadway improvements. To coordinate this process, staff has developed a multi-year neighborhood road improvement plan that is primarily funded by the Proposal “R-2” two-mill property tax levy.

Following completion of an initial 10-year neighborhood road reconstruction funded by a 2-mill property tax levy (Proposal “R-1”), Proposal “R-2” was adopted by Madison Heights voters on August 8, 2006 and provides continued funding at the 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. 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 at the end of this section 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 older, deteriorating watermain 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.

A total of \$3.8 million of “R-2” funds have been included in the first two years of the capital improvement plan for neighborhood roads. In addition, a total of \$415,000 has been programmed in the Water & Sewer Fund to complete the last year of the “R-2” related watermain replacement. As Council is aware, Proposal “R-2” road millage is scheduled to expire in Fiscal Year 2017; however, watermains are budgeted and completed in the fiscal year prior to the road project, since watermains are replaced in the spring preceding summer road construction. As of December 2016, staff forecasts \$293,000 remaining for additional “R-2” eligible projects following completion of the scheduled program in Year 10 (FY 2016-17).

- First Roads Millage Program (1997-2006)

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.

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 Fourner (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 (2007-2016)

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 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 the "R-2" 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 "R-2" 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:

6. Neighborhood Road Improvement Millage (\$22.3 million);
7. Water and Sewer Fund Revenues (\$5.2 million); and
8. 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 2016, staff forecasts \$293,000 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</u> <u>&amp; 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)	479	135	614
Areada - North of 11 Mile	<u>275</u>	<u>108</u>	<u>383</u>
Totals	\$2,573	\$753	\$3,326

• Third Roads Millage Program (2017-2026)

As Council is aware, the "R-2" road millage expires in FY 2017. In August 2016, Madison Heights voters approved a new 2-mill R-3 Road Millage for ten years, beginning in 2018. The new millage program was included in the City's Adopted 2016-17 Goal Plan to evaluate, identify, prioritize, and create a new long-range, millage-based comprehensive "Proposal R-3" infrastructure replacement plan including roads, sewers, and sidewalks to take before the voters in 2016.

This CIP section contains appropriations and revenues for the recent and scheduled neighborhood road projects (Table III), a map depicting "R-1", "R-2", and "R-3" neighborhood road programs, and a detailed history of "R-1" and "R-2" projects (Table IV-A & IV-B).

**TABLE III**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

NEIGHBORHOOD PROJECTS	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL APPROP.
Proposal "R-2" Sidewalks	\$ 20	\$ 20	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
YEAR 8 ROADS (R-2) 2015 (Original 2016)								
Fournier - Sherry to Mark and Mark - Fournier to Sherry	1,355	0	0	0	0	0	0	0
E. Harwood - Couzens to Dei	414	0	0	0	0	0	0	0
Lincoln - John R to 104 E. Lincoln	165	0	0	0	0	0	0	0
Lincoln - 504 E. Lincoln to 583 E. Lincoln	457	0	0	0	0	0	0	0
YEAR 9 ROADS (R-2) 2016 (Original 2017)								
Madison - Millard to 31605 Madison (Watermain whole street)	230	328	0	0	0	0	0	0
Meadows - Whitcomb to 31608 Meadows (Full watermain)	199	321	0	0	0	0	0	0
Dorchester - 13 Mile to Windemere	61	87	0	0	0	0	0	0
Windemere - Dorchester to Edgeworth	115	295	0	0	0	0	0	0
Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	230	286	0	0	0	0	0	0
Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	308	450	0	0	0	0	0	0
Harlo Sectional	0	275	0	0	0	0	0	0
Areada - N. of 11 Mile Road (SAD) Failed	0	0	0	0	0	0	0	0
YEAR 10 ROADS (R-2) 2017 (Additional R-2 projects)								
Dei - Lincoln to Southend	0	258	1,030	0	0	0	0	1,030
Hales - 13 Mile to Winthrop	0	157	501	0	0	0	0	501
Lincoln Sectional	0	0	314	0	0	0	0	314
YEAR 1 ROADS (R-3) 2018								
Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	0	0	247	554	0	0	0	801
Harwood Avenue (Battelle Ave to Tawas Street)	0	0	162	339	0	0	0	501
Brush Street (W. University Avenue to W. Farnum Avenue)	0	0	149	207	0	0	0	356
Brush Street (W. University Avenue to Eleven Mile Road)	0	0	149	172	0	0	0	321
Sectional	0	0	0	75	0	0	0	75
YEAR 2 ROADS (R-3) 2019								
Meadows Avenue (Englewood Ave to Meadows)	0	0	0	0	263	0	0	263
W. Dallas Avenue (Alger Street to John R Road)	0	0	0	0	260	0	0	260
Kenwood Avenue (Windemere Avenue to Englewood Avenue)	0	0	0	180	232	0	0	412
Madison Avenue (Englewood Avenue to Madison)	0	0	0	0	181	0	0	181
Kenwood Avenue (Englewood Avenue to Kenwood)	0	0	0	0	174	0	0	174
Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	0	0	133	0	0	133
Sectional	0	0	0	0	100	0	0	100
YEAR 3 ROADS (R-3) 2020								
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	0	0	360	975	0	1,335
Milton Avenue (Moulin to Sheffield Drive)	0	0	0	0	114	167	0	281
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	0	0	288	72	0	360
Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	0	0	198	98	0	296
Sectional	0	0	0	0	0	75	0	75
YEAR 4 ROADS (R-3) 2021								
Alger Street (W Cowan Avenue to Andover Avenue)	0	0	0	0	0	0	212	212
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	0	0	0	144	109	253
Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	0	0	0	0	109	109
Barrington Street (W Lincoln Avenue to W. Cowan Avenue)	0	0	0	0	0	0	148	148
Alger Street (W. Lincoln Avenue to W Cowan Avenue)	0	0	0	0	0	0	148	148
Brush Street (W Cowan Avenue to Andover Avenue)	0	0	0	0	0	81	120	201
W Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	0	0	0	0	140	140
W Cowan Avenue (Alger Street to John R Road)	0	0	0	0	0	0	75	75
Palmer Street (W Lincoln Avenue to W Cowan Avenue)	0	0	0	0	0	152	210	362
Sectional	0	0	0	0	0	0	100	100
TOTALS	\$ 3,554	\$ 2,477	\$ 2,551	\$ 1,527	\$ 2,303	\$ 1,764	\$ 1,371	\$ 9,516
Total Projects	11	10	7	6	11	8	10	42
Total Equipment	0	0	0	0	0	0	0	0

**TABLE III**  
**FY 2018-22 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	\$ 0	\$ 0	\$ 0	\$ 0
YEAR 10 ROADS (R-2) 2017 (Additional R-2 projects)							
Dei - Lincoln to Southend	0	0	0	1,030	0	0	1,030
Hales - 13 Mile to Winthrop	0	0	0	376	0	125	501
Lincoln Sectional	0	0	0	314	0	0	314
YEAR 1 ROADS (R-3) 2018							
Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	0	0	0	554	247	0	801
Harwood Avenue (Battelle Ave to Tawas Street)	0	0	0	339	162	0	501
Brush Street (W. University Avenue to W. Farnum Avenue)	0	0	0	207	149	0	356
Brush Street (W. University Avenue to Eleven Mile Road)	0	0	0	172	149	0	321
Sectional	0	0	0	75	0	0	75
YEAR 2 ROADS (R-3) 2019							
Meadows Avenue (Englewood Ave to Meadows)	0	0	0	263	0	0	263
W. Dallas Avenue (Alger Street to John R Road)	0	0	0	260	0	0	260
Kenwood Avenue (Windemere Avenue to Englewood Avenue)	0	0	0	232	180	0	412
Madison Avenue (Englewood Avenue to Madison)	0	0	0	181	0	0	181
Kenwood Avenue (Englewood Avenue to Kenwood)	0	0	0	174	0	0	174
Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	0	133	0	0	133
Sectional	0	0	0	100	0	0	100
YEAR 3 ROADS (R-3) 2020							0
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	0	975	360	0	1,335
Milton Avenue (Moulin to Sheffield Drive)	0	0	0	167	114	0	281
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	0	72	288	0	360
Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	0	98	198	0	296
Sectional	0	0	0	75	0	0	75
YEAR 4 Road (R-3) 2021							
Alger Street (W Cowan Avenue to Andover Avenue)	0	0	0	212	0	0	212
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	0	109	144	0	253
Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	0	109	0	0	109
Barrington Street (W Lincoln Avenue to W. Cowan Avenue)	0	0	0	148	0	0	148
Alger Street (W. Lincoln Avenue to W Cowan Avenue)	0	0	0	148	0	0	148
Brush Street (W Cowan Avenue to Andover Avenue)	0	0	0	120	81	0	201
W Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	0	140	0	0	140
W Cowan Avenue (Alger Street to John R Road)	0	0	0	75	0	0	75
Palmer Street (W Lincoln Avenue to W Cowan Avenue)	0	0	0	210	152	0	362
Sectional	0	0	0	100	0	0	100
<b>TOTALS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,168</b>	<b>\$ 2,223</b>	<b>\$ 125</b>	<b>\$ 9,516</b>

**TABLE IV-A**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-1 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

STATUS	YEAR	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	Winthrop 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					
DONE	2010-17	Proposal "R-2" Project Supplement	0	0	4,260	0	4,260
		TOTALS	\$ 2,700	\$ 493	\$ 19,786	\$ 3,677	\$ 26,656

\* \$3,677,000 Funded by the Water Sewer Fund

**TABLE IV-B**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

STATUS	YEAR	NEIGHBORHOOD PROJECTS	STORM	SANITARY	STREET	WATER	ESTIMATED
			DRAIN	SEWER	PAVING	MAIN	COST
YEAR 1 ROADS							
DONE	2008	Spoon - Huntington North to Campbell	\$ 55	\$ 15	\$ 712	\$ 177	\$ 959
DONE	2008	Parkdale - Campbell to Mark	15	10	353	81	459
DONE	2008	Millard - Campbell to Edgeworth South to 31601 Millard	11	0	612	149	772
DONE	2008	Barrington/Northeastern - Woodside to Girard	27	5	540	88	660
DONE	2008	Girard - I-75 to Palmer	85	0	429	94	608
DONE	2008	Sidewalk Replacement	0	0	20	0	20
YEAR 2 ROADS							
DONE	2009	Palmer - 13 Mile to LaSalle	42	0	342	83	467
DONE	2009	Tawas - 12 Mile Road to Mapleknoll and Tawas Court	95	10	333	98	536
DONE	2009	E. Barrett - Tawas to Couzens	40	15	534	99	688
DONE	2009	Lorenz - 11 Mile to Greig	0	0	291	77	368
DONE	2009	Hales - 11 Mile to Northeastern	25	0	211	58	294
DONE	2009	Northeastern - 11 Mile to South End	40	5	451	123	619
DONE	2009	Katherine - Lorenz to Edward	30	0	128	0	158
YEAR 3 ROADS							
DONE	2010	Brockton - Battelle to Tawas	0	0	272	0	272
DONE	2010	Dorchester - Englewood to 31272 Dorchester	19	0	137	0	156
DONE	2010	Yorkshire - Westmore to Tanglewood	55	5	92	0	152
DONE	2010	Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	263	0	263
DONE	2010	Englewood - Campbell to Edgeworth	5	0	389	0	394
DONE	2010	Sidewalk Replacement	0	0	20	0	20
DONE	2010	Winthrop Sectional Concrete Repair Phase II	0	0	101	0	101
YEAR 4 ROADS							
DONE	2011	Gardenia - John R to Lorenz	2	0	523	25	550
DONE	2011	Alger - Parker South to Gardenia	82	16	325	0	423
DONE	2011	Townley - 11 Mile to University	0	0	280	0	280
DONE	2011	Winthrop Sectional Concrete Repair Phase III	0	0	203	0	203
DONE	2011	Sidewalk Replacement	0	0	20	0	20
DONE	2011	Shacket - Huntington to Spoon	60	15	354	8	437
DONE	2011	Huntington - Campbell to Mark	5	0	250	0	255
DONE	2011	Sherry - Girard to S. of Parkdale	28	5	307	8	348
DONE	2011	Longfellow - Garry to 30290 Longfellow	2	0	260	0	262
DONE	2011	Groveland and University Intersection - (Watermain to 11 Mile)	0	0	391	8	399
and 21700 Groveland to Farnum							
YEAR 5 ROADS							
DONE	2012	Lenox - Baxter to Sprague	2	0	228	0	230
DONE	2012	Hampden - Farnum Intersection	10	5	112	0	127
DONE	2012	University - Lenox to Hampden	0	0	127	0	127
DONE	2012	Brettonwoods - Gardenia to Farnum	0	0	565	0	565
DONE	2012	Forest - Hampden to Brettonwoods & Hampden Intersection	25	0	227	0	252
DONE	2012	Gardenia - Hampden to Dartmouth	0	0	207	0	207
DONE	2012	Parker - E of Sealcoat to John R - (Watermain Cross-Over)	150	0	459	0	609
DONE	2012	Concrete Replacement	0	0	100	0	100
DONE	2012	Sidewalk Replacement	0	0	20	0	20

**TABLE IV-B**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

STATUS	YEAR	NEIGHBORHOOD PROJECTS	STORM	SANITARY	STREET	WATER	ESTIMATED
			DRAIN	SEWER	PAVING	MAIN	COST
YEAR 6 ROADS							
DONE	2013	Dartmouth - N. of Cowan (26333) S. to 26113 Dartmouth	0	0	231	82	313
DONE	2013	Barrington - Cowan to Andover	0	0	212	93	305
DONE	2013	W. Barrett - Alger to John R	0	0	217	0	217
DONE	2013	E. Hudson - John R to 71 E. Hudson	0	0	158	90	248
DONE	2013	Kalama - Stephenson Highway to Alger	60	17	460	0	537
DONE	2013	Couzens - S. of 11 Mile Road (SAD)	5	0	526	213	744
DONE	2013	Harwood - Dartmouth to 368 Harwood - (Watermain to Alger)	0	0	268	140	408
DONE	2013	Concrete Replacement	0	0	100	0	100
DONE	2013	Sidewalk Replacement	0	0	20	0	20
YEAR 7 ROADS							
DONE	2014	Whittier - Longfellow to Chaucer (Sectional)	25	0	240	215	480
DONE	2014	Chaucer - Whittier to Longfellow (Sectional)	11	0	149	74	234
DONE	2014	Barrington - S. of Horace Brown to 13 Mile NB	0	0	518	223	741
DONE	2014	Barrington - S. of Horace Brown to 13 Mile SB	0	0	465	182	647
DONE	2014	Blairmoor - Manchester to Thirteen Mile Road	50	15	478	182	725
DONE	2014	Manchester & Woodmont Intersection	0	0	102	17	119
DONE	2014	Concrete Replacement	0	0	200	0	200
DONE	2014	Sidewalk Replacement	0	0	20	0	20
DONE	2014	Palmer - 13 Mile N. to end	0	0	366	128	494
YEAR 8 ROADS							
DONE	2015	Fournier - Sherry to Mark and Mark - Fournier to Sherry	140	30	1,185	393	1,748
DONE	2015	E. Harwood - Couzens to Dei	46	15	353	168	582
DONE	2015	Lincoln - John R to 104 E. Lincoln - (Watermain to Osmun)	0	0	165	272	437
DONE	2015	Lincoln - 504 E. Lincoln to 583 E. Lincoln	0	0	457	0	457
DONE	2015	Sidewalk Replacement	0	0	20	0	20
YEAR 9 ROADS							
DONE	2016	Madison - Millard to 31605 Madison - (Watermain Whole Street)	0	0	316	230	546
DONE	2016	Meadows - Whitcomb to 31608 Meadows - (full Watermain)	24	5	282	199	510
DONE	2016	Dorchester - 13 Mile to Windemere	0	0	87	61	148
DONE	2016	Windemere - Dorchester to Edgeworth	0	0	283	115	398
DONE	2016	Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	0	0	278	230	508
DONE	2016	Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	34	14	398	308	754
DONE	2016	Sidewalk Replacement	0	0	20	0	20
DONE	2016	Areada - N. of 11 Mile Road (SAD) Failed	0	0	0	0	-
YEAR 10 ROADS							
2017	2017	Dei - Lincoln to South end	190	0	840	258	1,288
2017	2017	Hales - 13 Mile to Winthrop	0	0	501	157	658
2017	2017	Lincoln Sectional	0	0	314	0	314
FUTURE YEARS							
2018-2019	2018-2019	Proposal "R-3" Project Supplement	0	0	293	0	293
		<b>TOTALS</b>	<b>\$ 1,495</b>	<b>\$ 202</b>	<b>\$ 21,710</b>	<b>\$ 5,206</b>	<b>\$ 28,613</b>

**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-3 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

YEAR	NEIGHBORHOOD PROJECTS	STORM * DRAIN	SANITARY * SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
<b>YEAR 1 ROADS</b>						
2018	Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	\$ 0	\$ 0	\$ 554	\$ 247	\$ 801
2018	Harwood Avenue (Battelle Ave to Tawas Street)	0	0	339	162	501
2018	Brush Street (W. University Avenue to W. Farnum Avenue)	0	0	207	149	356
2018	Brush Street (W. University Avenue to Eleven Mile Road)	0	0	172	149	321
2018	Sectional	0	0	75	0	75
<b>YEAR 2 ROADS</b>						
2019	Meadows Avenue (Englewood Ave to Meadows)	0	0	263	0	263
2019	W. Dallas Avenue (Alger Street to John R. Road)	0	0	260	0	260
2019	Kenwood Avenue (Windemere Avenue to Englewood Avenue)	0	0	232	180	412
2019	Madison Avenue (Englewood Avenue to Madison)	0	0	181	0	181
2019	Kenwood Avenue (Englewood Avenue to Kenwood)	0	0	174	0	174
2019	Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	133	0	133
2019	Sectional	0	0	100	0	100
<b>YEAR 3 ROADS</b>						
2020	Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	975	360	1,335
2020	Milton Avenue (Moulin to Sheffield Drive)	0	0	167	114	281
2020	Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	72	288	360
2020	Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	98	198	296
2020	Sectional	0	0	75	0	75
<b>YEAR 4 ROADS</b>						
2021	Alger Street (W. Cowan Avenue to Andover Avenue)	0	0	212	0	212
2021	Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	109	144	253
2021	Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	109	0	109
2021	Barrington Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	148	0	148
2021	Alger Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	148	0	148
2021	Brush Street (W. Cowan Avenue to Andover Avenue)	0	0	120	81	201
2021	W. Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	140	0	140
2021	W. Cowan Avenue (Alger Street to John R Road)	0	0	75	0	75
2021	Palmer Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	210	152	362
2021	Sectional	0	0	100	0	100
<b>YEAR 5 ROADS</b>						
2022	W. Greig Avenue (W. Terminus to Hampden Street)	0	0	198	0	198
2022	W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	139	0	139
2022	W. Greig Avenue ( Brush Street to John R Road)	0	0	145	0	145
2022	Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	293	0	293
2022	Brush Street (Andover Avenue to W. Greig Avenue)	0	0	165	0	165
2022	W. Greig Avenue ( Hampden Street to Brettonwoods Street)	0	0	79	0	79
2022	W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	80	0	80
2022	W. Greig Avenue (Barrington Street to Palmer Street)	0	0	81	0	81
2022	W. Greig Avenue (Palmer Street to Alger Street)	0	0	81	0	81
2022	W. Greig Avenue (Alger to Brush Street)	0	0	82	0	82
2022	Sectional	0	0	75	0	75
<b>YEAR 6 ROADS</b>						
2023	Hampden Street (Andover Avenue to Greig Avenue)	0	0	168	0	168
2023	Brettonwoods Street (Andover Avenue to W. Greig Avenue)	0	0	169	122	291
2023	Brettonwoods Street (W. Greig Avenue to Eleven Mile Road)	0	0	180	122	302
2023	Dartmouth Street (Andover Avenue to W. Greig Avenue)	0	0	170	0	170
2023	Barrington Street (Andover Avenue to W. Greig Avenue)	0	0	170	0	170
2023	Palmer Street (W. Greig Avenue to Eleven Mile Road)	0	0	181	0	181
2023	Alger Street (W. Greig Avenue to Eleven Mile Road)	0	0	181	126	307
2023	Alger Street (Andover Avenue to W. Greig Avenue)	0	0	170	108	278
2023	Sectional	0	0	50	0	50

**TABLE IV-C**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-3 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

YEAR	NEIGHBORHOOD PROJECTS	STORM * DRAIN	SANITARY * SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
YEAR 7 ROADS						
2024	Brush Street ( W. LaSalle Avenue to Thirteen Mile Road)	0	0	416	153	569
2024	Palmer Street (W. Woodward to W. LaSalle Avenue)	0	0	406	0	406
2024	Brush Street (W. Girard Avenue to W. Woodside Avenue)	0	0	412	162	574
2024	Hampden Street (W. Greig Avenue to Eleven Mile Road)	0	0	327	0	327
2024	Sectional	0	0	100	0	100
YEAR 8 ROADS						
2025	Diesing Drive (Bellaire Avenue to Alger Street)	0	0	557	207	764
2025	Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	415	216	631
2025	E Rowland Avenue (John R. Road to Battelle Avenue)	0	0	413	144	557
2025	Sectional	0	0	75	0	75
YEAR 9 ROADS						
2026	Palmer Street (W. Parker Street to Diesing Drive)	0	0	305	198	503
2026	Alger Street (Diesing Drive to Twelve Mile Road)	0	0	101	90	191
2026	Delton Street ( Eleven Mile Road to E. University Avenue)	0	0	219	0	219
2026	Osmun Street (Eleven Mile Road to E. University Avenue)	0	0	220	0	220
2026	Lorenz Street (Eleven Mile Road to E. University Avenue)	0	0	220	144	364
2026	Lorenz Street (E University Avenue to E. Farnum Avenue)	0	0	252	162	414
2026	Sectional	0	0	100	0	100
YEAR 10 ROADS						
2027	Shirley Avenue (Twelve Mile Road to Rose Street)	0	0	330	279	609
2027	Rose Street (South Terminus to Elliot Avenue)	0	0	207	180	387
2027	Rose Street (Elliot Avenue to North Terminus)	0	0	360	180	540
2027	Hales Street ( Jennifer Avenue to Parliament Avenue)	0	0	126	68	194
2027	Hecht Drive ( John R Road to Sonia/Hecht Avenue)	0	0	151	90	241
2027	Hecht Drive ( Sonia Avenue to Sonia Lorenz Street)	0	0	297	189	486
2027	Sectional	0	0	100	0	100
TOTALS		\$ 0	\$ 0	\$ 14,414	\$ 5,162	\$ 19,576

\* Included in Street Paving cost estimate.

## **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 74.2 miles of City Local Streets. In the FY 2015-16 Budget, the City will receive \$63,928 per mile for City Major Streets and \$7,070 per mile for City Local Streets. The Act also established the Michigan Transportation Fund (MTF).

In FY 2016-17, the amount projected to be received by the City under Act 51 is estimated to increase 6.61% or \$116,680 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, cities and villages.

On November 10, 2015, Governor Snyder signed nine bills into law which will raise \$1.2 billion for the new transportation revenue package. This includes a Registration Fee and Fuel Tax increase as well as a dedication of State General Fund to the MTF among other changes. This is the largest state investment in transportation in Michigan history. Below is a high-level summary of the main points:

- Starting in January 2017, an additional \$600 million annually will be raised and dedicated for transportation purposes.
- Roughly one-third will flow to the Michigan Department of Transportation; two-thirds to counties, cities and villages. After full phase in, local agencies will see an estimated 60 percent increase in Act 51 revenue over their 2015 allocation.
- \$400 million in additional fuel tax revenues (fuel taxes will rise to 26.3 cents per gallon for both gas and diesel).
- \$200 million from a 20 percent increase in vehicle registration fees.
- Starting in 2019, General Fund transfers make up the remaining \$600 million in additional money, if available. The transfers will be phased in over a period of three years; \$150 million in 2019; \$325 million in 2020; and the full \$600 million in 2021. This money

will be divided between the State Transportation Fund, county road commissions, and cities and villages.

The budget includes a \$430,700 increase based on projections of revenues from fuel tax increases and vehicle registration fees included in this State Restricted Revenue package.

#### **A. State and Federal Highway Projects**

- Thirteen Mile Rehabilitation

Staff has identified \$1 million for repairs needed for Thirteen Mile Road. The City received NHPP (National High Priority Project) Grant funds for sectional concrete repairs on Thirteen Mile. A \$100,000 grant was received for this project in Fiscal Year 2015. We were also successful in securing \$600,000 in NHPP funding for Fiscal Year 2017 and an additional \$600,000 in NHPP funding for 2019. Additional sectional repairs were completed in several areas of 13 Mile Road in 2015 and 2016.

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

throughput (improving vehicle flow) with minimal property taking and results in surplus property that could be sold to help finance the project.

The study had identified Twelve Mile, Fourteen Mile and Rochester Roads as the top candidates for the “single point” design. Earlier review has indicated that the underpasses in Madison Heights would need to be widened and the highway raised to implement this design.

- Environmental Study Update

In late December 2003, MDOT issued a DEIS (Draft Environmental Impact Statement) for the I-75 reconstruction project from M-102 (8 Mile Road) to M-59.

#### Description of the Proposed Project

The I-75 Corridor Study in Oakland County (Feasibility Study), completed in November 2000, recommended providing four through travel lanes in each direction throughout Oakland County. It also recommended the improvement of several interchanges and arterial streets near I-75. The project proposed by MDOT and covered by the DEIS addresses the reconstruction of I-75 and its widening of I-75 from three to four through travel lanes in each direction between M-102 (8 Mile Road - exit 59) and M-59 (exit 77), a distance of 18 miles. The next six miles, north to Joslyn Road (exit 83) has already been widened to four through travel lanes. The Feasibility Study recommended that MDOT widen I-75 north of Joslyn Road. The proposed improvements between M-102 and M-59 have independent utility, i.e., they can stand alone and provide transportation benefits without relying upon the development of other projects. The proposed project will connect with the four-lane section north of Square Lake Road and south of M-102.

The DEIS is a product of the I-75 Oakland County Planning/Environmental Study, which was listed in the SEMCOG 2025 Regional Transportation Plan, in SEMCOG’s Transportation Improvement Program (TIP), and in the MDOT’s Five-Year Road & Bridge Program (Volume V - 2003 to 2007) for the Metro Region.

In June 2005, the City received a copy of the Final Environmental Impact Statement (FEIS). The document had been approved by the Federal Highway Administration (FHWA) on May 31, 2005 and forwarded to the Environmental Protection Agency. The impact of the project was summarized as follows:

<u>Impact Category</u>	<u>Expected Impact</u>
Traffic and Safety	Mainline I-75 Level of Service D or better (except 11 Mile Road to 14 Mile Road), compared to Level of Service F with No Build. Safety will improve.
Relocations	Twenty-six single family residences, one church, and two businesses.
Community Cohesion	Improved access across I-75 for pedestrians and bicyclists.
Environmental Justice	No disproportionately high and adverse human health or environmental effects on minority or low-income populations.
Land Use	Consistent with local and regional planning documents.

<u>Impact Category</u>	<u>Expected Impact</u>
Farmland/Act 451, Part 361 Land	No prime or unique farmlands. No Act 451, Part 361 lands.
Economics	Added capacity responds to growth and supports the focal point of Michigan's economic growth. Tax base losses insignificant.
Air Quality	Lower emissions from improved traffic flow. No violations of the National Ambient Air Quality Standard for carbon monoxide. Project is included on air quality conforming 2030 Regional Transportation Plan.
Noise	430 dwelling units, 1 school, and 5 churches would be exposed to noise levels exceeding the 66 dBA criterion under future no build conditions compared to 466 dwelling units, 1 school, and 5 churches with the project. Mitigation would substantially reduce impacts under build conditions.
Surface Water Impacts	Two crossings of River Rouge and 10 of county drains. Storm water quantity will increase, flow rate will not. Storm water in depressed section will be separated from current combined sewer system, a positive effect.
Wetlands	Preferred Alternative affects 0.41 acres of Palustrine Emergent, and Palustrine Shrub-Scrub. Potential 0.61 acres of mitigation at an identified site.
Threat/Endangered Species	None.
Cultural Resources	No potential National Register eligible sites or districts affected.
Parks/Recreation	No effect on any park. No Section 4(f) involvement.
Visual Conditions	Reduction of grassy banks and landscape plantings from 8 Mile to 12 Mile (depressed section) and grass median north to Square Lake Road (at-grade and elevated section).
Contaminated Sites	One site recommended for Phase II testing.
Soils	Cutting into banks of depressed section could undermine some existing noise walls, requiring stabilization or reconstruction. Poor soils in north project area, potentially affecting noise wall cost, but no anticipated problems with roadway construction.
Utility Systems	Utility relocation on I-75 bridges. No effect on high-tension electric line at 12 Mile Road or any cell towers. Relocation of MDOT traffic surveillance equipment necessary.
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.

Impact Category	Expected Impact
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 was 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 for a Record of Decision (ROD) to be issued. The ROD will act as the Location/Design Approval document.

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 34.

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. October 19, 2015, MDOT advised the City by letter that the revised estimated local cost share is \$4.025 million broken down as \$800,000 in Fiscal 2018, \$425,000 in Fiscal 2024, and \$2.8 million in Fiscal 2026. At the request of MDOT, SEMCOG has added the project to the FY 2011-2014 Transportation Improvement Plan for Southeast Michigan.

Public Act 51 of 1951, the public act that establishes and governs the distribution of the Michigan Transportation funds as well as other state transportation funds and programs, required that incorporated cities and villages meeting certain population thresholds participate, with MDOT, in the cost of opening, widening, and improving state trunkline highways within those cities. In response to MDOT's original plan to use Act 51 for the I-75 widening, City Council passed a resolution at their March 28, 2016 meeting objecting to this funding methodology.

Soon after, Senator Knollenberg introduced Senate Bill 1068, which would eliminate the Act 51 requirement of local share contributions on this and other MDOT Trunkline projects. On January 5, 2017, SB 1068 was signed into law to amend Act 51 indicating that with respect to the cost participation requirements, the term "state trunkline highway" does not include a limited access highway. As a result, the City will not be required to participate in the capital contribution or reconstruction cost of state trunkline limited access highways, i.e. "freeways," such as I-75 and I-696. This will result in a savings of over \$4.0 million in local road funding with the I-75 modernization project.

As of November 2016, MDOT has initiated the property takings process with one parcel completed. MDOT has also advised that the project schedule has been accelerated to 2018 although the funding source has yet to be confirmed and it is not clear whether a design-build or design-bid-build construction methodology will be used. Most recently, MDOT has indicated that significant drainage improvements will be needed which could delay road construction until 2022.

## **B. Major Road Improvements**

- 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. In FY 2017, the major roads portion of the program amount increased to \$75,000 from \$70,000 in FY 2016 and remains \$75,000 for the five year CIP period.

- Thirteen Mile Rehabilitation

As discussed under state and federal highway projects, staff has identified over \$1 million of repairs needed to Thirteen Mile Road. While the City has been awarded grants to assist with funding this project, the Capital Improvement Plan includes over \$1.2 million in funding during the next five years to meet any grant matching requirements and complete sectional repairs.

- Concrete/Joint Repairs - Sectional

Budgetary constraints limit the City's ability to completely repair designated commercial and industrial roads with asphalt overlays. Multi-year sectional work includes: Edward (\$164,000 in FY 2018), 11 Mile (\$235,000 in FY 2018 and \$400,000 in FY 2019 and \$200,000 in FY 2020); East Lincoln from Wolverine to Dequindre (\$320,000 in FY 2018); Barrington from 14 Mile to Whitcomb (\$200,000 starting in FY 2019 for three years); Whitcomb from Barrington to Dequindre (\$203,000 for 2018); Irving from John R. to Edward (\$115,000 in FY 2019 and FY 2020); Stephenson Highway from Girard to 12 Mile (\$165,000 in FY 2018); and various turnarounds from 12 Mile to 14 Mile.

### **C. Local Road Improvements**

In addition to the Proposal "R-1," "R-2," and "R-3" Ten Year Residential Road Improvement Programs outlined in the Neighborhood Roads Chapter, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support operation and maintenance costs; however, the CIP includes limited sectional repairs for Sherman and Montpelier totaling \$215,000 in FY 2018 and sealcoat road rehabilitation for \$48,000 for each of the next three years.

### **D. Traffic Signal Upgrades**

Over the last nineteen 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. Also, 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.

An allocation of \$30,000 for the next five years has been included in the Capital Improvement Plan to provide funding for unanticipated signal upgrades.

#### **E. Road and Sidewalk Rehabilitation Programs**

The Capital Improvement Plan also includes the continuation of the very successful sidewalk repair and installation program. Within the capital budget, \$250,000 per year for each of the next five years has been programmed for this program.

In the summer of 2014, the City completed the final year, Year 12, of the current sidewalk repair program in the northeastern-most portion of the City. On May 12, 2014, City Council adopted a new 8-year, non-motorized transportation program called the “People Powered Transportation and Sidewalk Repair Program” (PPTP). Beginning in 2015, this program will guide implementation of a non-motorized transportation system throughout the City, as well as provide for the continued maintenance of the City’s sidewalk network. Several key changes in the new program include elimination of Special Assessment District (SAD) funding in favor of the SAD Revolving Fund and Major and Local Street Funds; creation of a new 8-year annual repair program (reduced from 12 areas or districts); and inclusion of the on/off street non-motorized transportation elements (primarily signage and bike route pavement markings) to be installed on the same 8-year cycle. 2015 and 2016 saw the successful completion of Years 1 and 2 (area between 10 Mile and 11 Mile). Year 3 (2017) will cover the area from 11 Mile to Gardenia/Connie, and Year 4 (2018) will include the area from Gardenia/Connie to 12 Mile Road.

#### **F. 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. Street Maintenance vehicles totaling \$2.044 million will be programmed through the General Fund with an additional \$765,000 programmed to be funded through the Solid Waste Millage.

As Council is aware, the “V” millage expires in FY 2017. In August 2016, Madison Heights voters approved a renewal of the 0.25 vehicle millage "V-3" for a ten-year period, beginning in 2018.

The following pages in this CIP section include appropriations and revenue for recent and scheduled road improvement projects (Table V), and the map depicting the People Powered Transportation and Sidewalk Repair Program, effective October 1, 2014.

**TABLE V**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL APPROP.
<b>A. STATE/FEDERAL PROJECTS</b>								
13 Mile WB from Hales to Dequindre NHPP	\$200	\$720	\$0	\$720	\$0	\$0	\$0	720
NB Stephenson Hwy 12-14 Overlay (80-20)	0	0	0	0	0	1,150	0	1,150
SB Stephenson Hw 14 - Girard (80/20)	0	0	0	0	0	850	0	850
<b>B. MAJOR ROAD IMPROVEMENTS</b>								
Joint & Crack Sealing - City Wide Major	70	75	75	75	75	75	75	375
Campbell 12-13 Mile Curb Repairs/Sectional	10	24	0	0	0	0	0	0
13 Mile Sectional - Campbell to Dequindre NON-NHPP	100	116	0	0	0	0	0	0
11 Mile Sectional - I-75 to John R	160	0	0	200	100	0	0	300
11 Mile Sectional - John R to Dequindre	0	200	235	200	100	0	0	535
Couzens - 10 Mile to EB Service Drive	50	0	0	0	0	0	0	0
Stephenson Hwy Turnarounds	50	50	100	50	50	50	0	250
Edward - Mandoline to Whitcomb	50	50	164	0	0	0	0	164
Townley - 14 Mile to Whitcomb	50	0	0	0	0	0	0	0
Sectional - Girard West of Stephenson Highway	0	0	0	0	0	0	0	0
Sectional - Barrington - 14 Mile to Whitcomb	0	0	0	200	200	200	0	600
Sectional - E Lincoln - Wolverina to Dequindre	100	100	320	0	0	0	0	320
Sectional - Irving - John R to Edward	0	0	0	115	115	0	0	230
Whitcomb Sectional - Barrington to Dequindre	200	100	203	0	0	0	0	203
Industrial Sectional - Fourteen to East Avis	100	0	0	0	0	0	0	0
Stephenson Hwy Sectional - Girard to 12 Mile	50	50	165	0	0	0	0	165
<b>C. LOCAL ROAD IMPROVEMENTS</b>								
Sectional - Sherman	0	25	150	0	0	0	0	150
Sectional - Kempar	0	25	0	0	0	0	0	0
Sectional - Research Park	0	25	0	115	0	0	0	115
Sectional - Tech Row	0	25	0	115	0	0	0	115
Sectional - Commerce - Lincoln to Michael	0	0	0	0	0	0	0	0
Sectional - Montpelier	0	78	65	0	0	0	0	65
Sectional - Horace Brown	0	78	0	0	0	0	0	0
Sectional - Michael	0	0	0	0	0	0	0	0
Sectional - Edmund - Harlo to John R	0	0	0	115	0	0	0	115
Sectional - Harlo	115	0	0	0	0	0	0	0
Sealcoat Road Rehabilitation	0	0	0	48	48	0	0	96
Whitcomb Sectional - West of Stephenson Highway	0	50	0	0	200	0	0	200
<b>D. TRAFFIC SIGNAL UPGRADES</b>								
Traffic Signal Improvements	0	0	30	30	30	30	30	150
<b>E. REHABILITATION PROGRAMS</b>								
Sidewalk Replacement, Sectional Repairs & Gap Installation	275	250	250	250	250	250	250	1,250
<b>F. EQUIPMENT REPLACEMENT</b>								
2003 Street Sweeper #402	0	0	250	0	0	0	0	250
2003 CAT Loader 4 yd. #404	0	0	0	0	0	175	175	350
2003 Backhoe #407	0	0	0	98	0	0	0	98
2003 CAT Loader 3 yd. #409	0	0	0	260	0	0	0	260
2002 Brush Bandit Chipper #410	0	0	0	0	90	0	0	90
2002 Stake Truck #415	0	0	0	0	150	0	0	150
2003 Tandem Dump Truck #417	220	0	0	0	0	0	0	0
2003 Tandem Dump Truck #418	0	220	0	0	0	0	0	0
2003 Tandem Dump Truck #419	0	0	0	120	120	0	0	240
2004 Chevy 3/4 Ton Pickup #420	33	0	0	0	0	0	0	0
2003 Tandem Dump Truck #422	0	0	0	240	0	0	0	240
2003 Single Axle Dump #424	0	0	0	60	60	60	0	180
2003 Single Axle Dump #425	0	0	0	50	50	50	0	150
2003 Single Axle Dump Truck #426	0	0	0	0	0	150	0	150
2003 Platform Truck #429	170	0	0	0	0	0	0	0
2003 Tandem Dump Truck #433	0	0	0	240	0	0	0	240
2006 Super Duty Dump Truck #481	0	0	0	0	64	0	0	64
2004 Brush Chipper Truck #525	0	0	0	0	0	200	0	200
Leaf Loader Trailer #352	0	0	0	0	0	45	0	45
Concrete Drop Hammer #261	0	0	0	0	15	15	0	30
Tool Cat (New)	0	0	75	0	0	0	0	75
<b>TOTALS</b>	\$ 2,003	\$ 2,261	\$ 2,082	\$ 3,301	\$ 1,717	\$ 3,300	\$ 530	\$ 10,930
Total Projects	15	18	11	13	10	7	3	44
Total Equipment	3	1	2	4	4	6	1	17

**TABLE V**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

**REVENUES:**

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	GENERAL FUND	LOCAL STREETS	MAJOR STREETS	SPECIAL ASSESS.	VEHICLE/ SOLID WASTE MILLAGE	OTHER REVENUES	FEDERAL TRANSPORT GRANT	OAKLAND CO. ROAD/ DRAIN	TOTAL REVENUES
<b>A. STATE/FEDERAL PROJECTS</b>									
13 Mile WB from Hales to Dequindre NHPP	\$0	\$0	\$240	\$0	\$0	\$0	\$480	\$0	720
NB Stephenson Hwy 12-14 Overlay (80/20)	0	0	230	0	0	0	920	0	1,150
SB Stephenson Hwy 14 - Girard (80/20)	0	0	170	0	0	0	680	0	850
<b>B. MAJOR ROAD IMPROVEMENTS</b>									
Joint & Crack Sealing - City Wide Major	0	0	375	0	0	0	0	0	375
Campbell 12-13 Mile Curb Repairs/Sectional	0	0	0	0	0	0	0	0	0
11 Mile Sectional- I-75 to John R	0	0	300	0	0	0	0	0	300
11 Mile Sectional- John R to Dequindre	0	0	535	0	0	0	0	0	535
Stephenson Hwy Turnarounds	0	0	250	0	0	0	0	0	250
Edward - Mandoline to Whitcomb	0	0	164	0	0	0	0	0	164
Sectional - Barrington - 14 Mile to Whitcomb	0	0	600	0	0	0	0	0	600
Sectional - E Lincoln - Wolverine to Dequindre	0	0	320	0	0	0	0	0	320
Sectional - Irving - John R to Edward	0	0	230	0	0	0	0	0	230
Whitcomb Sectional - Barrington to Dequindre	0	0	203	0	0	0	0	0	203
Stephenson Hwy Sectional - Girard to 12 Mile	0	0	165	0	0	0	0	0	165
<b>C. LOCAL ROAD IMPROVEMENTS</b>									
Sectional - Sherman	0	150	0	0	0	0	0	0	150
Sectional - Kemp	0	0	0	0	0	0	0	0	0
Sectional - Research Park	0	115	0	0	0	0	0	0	115
Sectional - Tech Row	0	115	0	0	0	0	0	0	115
Sectional - Commerce - Lincoln to Michael	0	0	0	0	0	0	0	0	0
Sectional - Montpelier	0	65	0	0	0	0	0	0	65
Sectional - Horace Brown	0	0	0	0	0	0	0	0	0
Sectional - Michael	0	0	0	0	0	0	0	0	0
Sectional - Edmund - Harlo to John R	0	115	0	0	0	0	0	0	115
Sealcoat Road Rehabilitation	0	96	0	0	0	0	0	0	96
Whitcomb Sectional - West of Mally	0	200	0	0	0	0	0	0	200
<b>D. TRAFFIC SIGNAL UPGRADES</b>									
Traffic Signal Improvements	0	0	150	0	0	0	0	0	150
<b>E. REHABILITATION PROGRAMS</b>									
Sidewalk Replacement, Sectional Repairs & Gap Installation	0	40	0	1,210	0	0	0	0	1,250
<b>F. EQUIPMENT REPLACEMENT</b>									
2003 Street Sweeper #402	0	0	0	0	250	0	0	0	250
2003 CAT Loader 4 yd. #404	350	0	0	0	0	0	0	0	350
2003 Backhoe #407	98	0	0	0	0	0	0	0	98
2003 CAT Loader 3 yd #409	260	0	0	0	0	0	0	0	260
2002 Brush Bandit Chipper #410	0	0	0	0	90	0	0	0	90
2002 Stake Truck #413	150	0	0	0	0	0	0	0	150
2003 Tandem Dump Truck #419	240	0	0	0	0	0	0	0	240
2003 Tandem Dump Truck #422	240	0	0	0	0	0	0	0	240
2003 Single Axle Dump #424	0	0	0	0	180	0	0	0	180
2003 Single Axle Dump # 425	150	0	0	0	0	0	0	0	150
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
2006 Super Duty Dump Truck #481	64	0	0	0	0	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	0	200	0	0	0	200
Leaf Loader Trailer #352	0	0	0	0	45	0	0	0	45
Concrete Drop Hammer	30	0	0	0	0	0	0	0	30
Tool Cat ( New)	75	0	0	0	0	0	0	0	75
<b>TOTALS</b>	<b>\$ 2,047</b>	<b>\$ 896</b>	<b>\$ 3,932</b>	<b>\$ 1,210</b>	<b>\$ 765</b>	<b>\$ 0</b>	<b>\$ 2,080</b>	<b>\$ 0</b>	<b>\$ 10,930</b>



## People Powered Transportation & Sidewalk Repair Program

### Non-Motorized Transportation

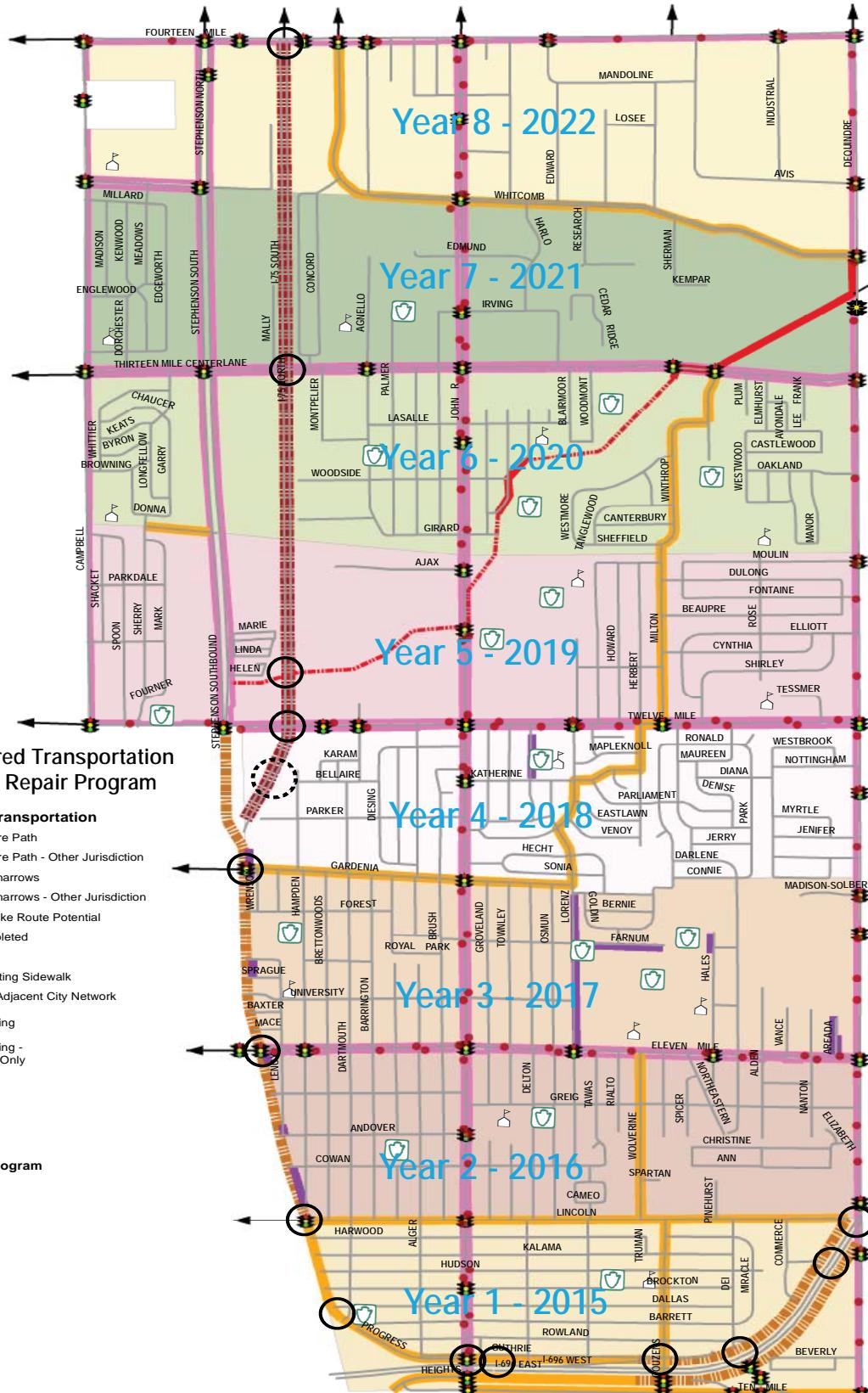
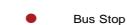
- Walk Ride Share Path
- Walk Ride Share Path - Other Jurisdiction
- Bike Route - Sharrows
- Bike Route - Sharrows - Other Jurisdiction
- I-75 Corridor Bike Route Potential
- Red Run Completed
- Red Run
- Fill Gap in Existing Sidewalk
- Connection to Adjacent City Network
- Freeway Crossing
- Freeway Crossing - Non-Motorized Only

### Traffic Signals

- Flash Only
- Standard Signal

### Sidewalk Repair Program

- Year 1 - 2015
- Year 2 - 2016
- Year 3 - 2017
- Year 4 - 2018
- Year 5 - 2019
- Year 6 - 2020
- Year 7 - 2021
- Year 8 - 2022



Document Path: T:\Planning\_maps\NonMotorized\_Transp\_Sidewalk\_Repair.mxd

## **COLLECTION & DISTRIBUTION SYSTEMS**

### **Local Water Improvements**

- Watermain Replacement Program

As part of the 2001-02 Goal Plan, the City Council approved the following goal: Develop plans, schedule funding and implement a multi-year systematic watermain replacement program aimed at reducing maintenance costs and water loss due to main breaks.

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

As recommended by the Utilities Supervisor, Deputy City Manager, Community Development Director and City Engineer, starting in 1997, the watermains in the Proposal "R-1" Neighborhood Road Improvement Program - Year Two were replaced with plastic pipe in order to avoid the future possibility of having to tear up newer roadway to repair broken mains. Beginning in FY 2011, City Council amended this program under "R-2" to fund replacement of only "crossover" mains or those areas where the watermain 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 watermain replacements, as detailed in the Neighborhood Projects chapter. Due to reduced cost, durability, easier handling and the success of the program, the City uses plastic pipe for all watermain projects.

The replacement of "non-R" or standalone watermains is undertaken when sufficient water and sewer funding is available. In FY 2015, the City deferred replacement of standalone watermains due to the potential for future additional wholesale rate increases charged to the City as a consequence of the restructuring of the Detroit Water and Sewerage Department (DWSD) and the outcome of the City of Detroit bankruptcy proceedings.

The agreement between Wayne, Oakland, and Macomb Counties and the City of Detroit to form the new Great Lakes Water Authority includes a four percent (4%) annual wholesale revenue requirement over the next ten years, effective for the City's FY 2017 rates. In light of this positive development and because of a strong fund balance in the Water and Sewer Fund, the FY 2018-22 CIP programs two standalone watermain replacement projects in FY 2018: Tawas from Moulin to Robert and Fontaine from Rose to Dequindre. Seventeen additional high-priority "non-R" watermain projects have been identified in the Capital Improvement Plan. See Table VII for a complete listing of all programmed projects.

- Equipment Replacement

Four pieces of water and sewer related equipment are scheduled for replacement over the five years of the CIP. The replacement of the sewer camera and refurbishment of the trailer is being scheduled for replacement after two years of saving or "phased funding" and will be purchased in FY 2018 for \$140,000. The existing camera is aging and uses software that does not provide a means to identify, map, or evaluate the sewers being televised. FY 2021 includes the replacement of a 2007 Ford pick-up at \$34,000 with FY 2022 including the replacement of a three-yard loader estimated to be

\$300,000 and a backhoe at \$90,000.

- 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.

Other DPS facility-related projects include \$90,000 in FY 2018 as the third of three phases of a \$270,000 project to replace the deteriorated salt storage dome and to create an MDEQ-compliant runoff containment system. The salt dome was built in the fall of 1979 at a cost of \$92,000.

FY 2018 also includes \$75,000 for replacement and repairs needed to the failing concrete at the Ajax location. FY 2019 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.

In 2015, the underground storage tank (UST) at the Police Station required a minor repair. As a result of this effort, the storage tanks located at the Ajax location and the Police Station were evaluated. This evaluation proved that the UST at the Police Station required decommissioning. At this point, City staff identified the Police Station as being best suited as the future unleaded fuel site and the Ajax Department of Public Services site as the diesel fueling site. The funding for these projects are included in the Capital Improvement Plan in phases with the General Fund funding the police site and Water and Sewer Fund funding the Ajax site. FY 2018 and 2019 includes \$50,000 in phased funding for the Ajax site. FY 2022 includes \$75,000 for HVAC upgrades to several roof top units at the DPS facility.

- City-wide water meter change-out program

The Department of Public Services has identified the need for a four-year phased water meter replacement program based on the age of the current meters. Madison Heights' water meters were last replaced City-wide in 1995-1997 and were changed out to a consistent brass-body Neptune T-10 water meter.

Water meters are given a service expectation of approximately twenty years. Given the age of these meters, it is prudent to start planning for the replacement of the meter system as they near the end of their functional life. As meters age, they begin to under-register due to wear of internal components, and buildup of sediment and debris in the meter chamber. We have also encountered increased costs due to the NSF-61 Lead-Free Brass standard. Enacted at the beginning of 2014, all waterworks brass with a wettable surface which comes into contact with potable water has to be certified with the NSF-61 stamp as being lead-free.

Staff has analyzed the performance of our water meters through the Automated Meter Reading (AMR) system and proposes to continue a 4-year phased project in FY 2018 and focus on one district annually, starting with District 1 (10-11 Mile Road). District 1 is identified as the starting point because it has the oldest meters in the City; it was the first district to be changed out, and has a number of meters dating back to 1993-1995. The total cost for this citywide meter change-out program is projected to be \$3.9 million over four years, with \$1.0 million for Phase II included in FY 2018.

### **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, 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 includes pipe from 6 to 60 inches in diameter.

The first phase includes planning, preliminary engineering, design, televising, cleaning and inventory. Funding is 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 will 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:

<u>Project Component</u>	<u>City</u>	<u>Grant</u>	<u>Total</u>
Cleaning and Televising	\$410,574	\$1,898,388	\$2,308,962
Update of GIS	9,245	27,737	36,982
Work Order System	3,875	11,625	15,500
Computer/Notebooks and or Tablets	2,000	6,000	8,000
Evaluation of Data	18,750	56,250	75,000
Total	\$444,444	\$2,000,000	\$2,444,444

Once the Grant is awarded, 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. Grant awardees are allowed 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 each year from FY 2017 through FY 2020.

In August 2016, the City received confirmation from the MDEQ that our grant application was funded in Round 4. The City Engineer and DPS staff will be underwriting a Wastewater Asset Management Plan over the next several fiscal years.

The following pages in this CIP section include appropriations and revenues (Table VI), priority non-R water main projects (Table VII), and a map depicting “Non-R” watermain projects by priority.

### **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:
  - f. North Arm Relief project with 4.8 million-gallon increase in storage;
  - g. RTF storage capacity increase of 30 million gallons to a total of 64 million gallons;
  - h. Construction of a new inlet weir and related headworks including improved treatment features;
  - i. Elimination of the Madison Heights separated storm sewer inputs from the RTF by the construction of two new parallel storm sewers;
  - j. Elimination of the two Madison Heights combined sewer overflow interceptors to the RTF by rerouting of them upstream of the new inlet weir structure;
  - k. Elimination of the Hazel Park sanitary sewer discharge to the RTF by the construction of a new Ten Mile Road interceptor;
  - l. 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;
  - m. Downspout Disconnection Program; and
  - n. Storm Water Input Restriction Program.
15. A December 31, 2005 deadline for the construction (started in October 2000) of the proposed improvements;
16. 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
17. 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 (GKWD). 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 Services Building. The project was constructed on property owned by the GKWD and the City. The GKWD 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 GKWD approved Contract #4 on August 14, 2001 at a cost of \$79.5 million or \$6.1 million under engineering estimates. Contract #4 includes the following additions:

1. Lowering and extending the existing inlet weir to eliminate the RTF bypass gates west of I-75.
2. Adding 30 million gallons of storage.
3. A new 2,000 foot intermediate weir to the existing RTF.
4. A new 100 cubic foot per second dewatering pump station and inlet to the combined sewer interceptor connection.
5. New disinfecting system utilizing diffusers and high-energy mixers.
6. Sodium hydrochloride feed and storage.
7. Self-cleaning fine screens with sluice conveyance to the outlet sewer.
8. Automatic full-coverage nozzle flushing system to convey screened solids to the proposed dewatering pumping station.
9. Extending a rerouted combined sewer outlet line to the proposed dewatering pump station and storage facility.
10. Electrical and instrumentation rehabilitation of the existing dewatering pump station.
11. A chemical odor control system.

### **Operations and Maintenance Agreement**

In February 2005, the City had a major breakthrough in efforts to secure a favorable modification to the Operation and Maintenance (O & M) Apportionment for the GWK Drain. The settlement 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 GWK Drain Board revise the existing O & M Apportionments to reflect the implementation of the new parallel storm sewers and the rerouting of the City's storm water directly to the Red Run Drain. Key provisions of the agreement include:

1. A new O & M Apportionment adopted by the Drain District Board, which will save the City \$449,000 per year effective July 1, 2005.
2. The Drain District will credit the communities as a whole \$1 million a year for the next five years and the credits will be spread in relationship to the current apportionments (calculating the credits based on the old apportionment which benefits Madison Heights since the old rate will be dropped from 10.286% to 6.5409% with the

adoption of the new apportionment). In addition, the Water Resources Commissioner reserves the right to charge the communities up to \$500,000 per year for five years based on the new O & M Apportionments to fund a capital replacement and repair reserve. Water Resources Commissioner McCulloch indicated that it may not be necessary to impose this new charge if he determines the \$18 million reserve is adequate. The net impact of the new credit and the new charge will result in a net credit on Madison Heights' bill of an additional \$70,000 over five years or \$350,000.

3. The Drain District by agreement would agree to pay Madison Heights \$850,000 to maintain the new green open space being created west from John R to the new screen building. The new facility consolidates many of the Madison Heights' soccer fields in one complex at this location including 9 soccer fields, a 230 space parking lot, a support building (including concessions, restrooms, storage and a small meeting room/office), a playground and a picnic shelter. The Drain District has agreed to fund all improvements except the playground (funded by Oakland County Parks and Recreation).
4. The City would be responsible for any future treatment of storm water that it contributes to the new parallel storm sewers to the extent of what is currently required under federal and state law. Madison Heights would also be apportioned 94.5% of the estimated \$20,000 annual cost for the O & M Apportionment for the parallel storm sewers.

In regard to the O & M Apportionment restriction (\$449,000 per year) and the net credit (\$70,000 per year), these monies will benefit the Water and Sewer Fund. Some portion of the funds from the Soccer Field Agreement (\$850,000) will need to be used to maintain the new park over the term of the Agreement. As you add up the numbers, this is the largest financial settlement in the City's history and even though the funds generated will have some restrictions, the benefits to Madison Heights are considerable.

### **George W. Kuhn (GWK) Improvement Project**

Listed below is the status report of each of the major project elements undertaken in the last seventeen 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 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:

<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 VI**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COLLECTION & DISTRIBUTION SYSTEMS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

COLLECTION & DISTRIBUTION SYSTEMS	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL APPROP.
<b>NON-"R" WATER MAINS</b>								
Dartmouth - 11 Mile to 26341 Dartmouth	\$ 291	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Barrington -11 Mile to 26521 Barrington	221	0	0	0	0	0	0	0
Palmer - LaSalle to Girard	294	0	0	0	0	0	0	0
Kalama - John R to Alger	139	0	0	0	0	0	0	0
Hampden - Andover to Service Drive	0	219	0	0	0	0	0	0
Alger - Andover to W. Lincoln	0	207	0	0	0	0	0	0
Tawas - Moulin to Robert	0	0	319	0	0	0	0	319
Fontaine - Rose to Dequindre	0	0	274	0	0	0	0	274
Brockton - Alger to Service Dr.	0	0	0	216	0	0	0	216
Dallas - Alger to Service Dr.	0	0	0	198	0	0	0	198
Harwood - John R to Progress	0	0	0	0	216	0	0	216
Longfellow - Garry to Browning	0	0	0	0	153	0	0	153
Garry - Longfellow to Sherry	0	0	0	0	346	0	0	346
Connie - Beverly to Alden	0	0	0	0	0	243	0	243
Fourteen Mile - John R to Palmer	0	0	0	0	0	0	180	180
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	0	144	144
<b>SEWER PROJECTS</b>								
Sanitary Sewer Inspection/Rehabilitation Program	0	747	1,032	628	35	0	0	1,695
Sanitary Sewer Projects that result from Inspection	0	0	0	0	150	150	150	450
<b>REPLACEMENTS</b>								
2003 GMC 4500 Van #458	30	30	0	0	0	0	0	0
2004 Chevy 3/4 Ton Pickup 4 x 4 #423	0	34	0	0	0	0	0	0
Sewer Vactor #465	0	410	0	0	0	0	0	0
Sewer Camera Trailer #466	0	75	65	0	0	0	0	65
2003 3 Yard Loader #405	0	0	0	0	0	0	300	300
Backhoe #455	0	0	0	0	0	0	90	90
2007 Ford F250 3/4 Ton Pick-up #457	0	0	0	0	0	34	0	34
City-wide Water Meter Replacement Program	0	1,000	1,000	975	900	0	0	2,875
<b>FACILITIES</b>								
DPS Salt Dome Containment Structure	90	90	90	0	0	0	0	90
Replacement/Repairs to DPS Parking Lot	50	50	75	0	0	0	0	75
Underground Gasoline and Diesel Fuel Storage	33	17	100	0	0	0	0	100
DPS Garage Air Curtain	0	0	0	40	0	0	0	40
HVAC Ajax	0	0	0	0	0	0	75	75
<b>TOTALS</b>	<b>\$ 1,148</b>	<b>\$ 2,879</b>	<b>\$ 2,955</b>	<b>\$ 2,057</b>	<b>\$ 1,800</b>	<b>\$ 427</b>	<b>\$ 939</b>	<b>\$ 8,178</b>
Total Projects	4	5	7	5	6	2	4	24
Total Equipment	0	3	1	0	0	1	2	4

**REVENUES:**

COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL/MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
<b>WATER MAINS/METERS</b>								
Tawas - Moulin to Robert	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 319	\$ 0	\$ 319
Fontaine - Rose to Dequindre	0	0	0	0	0	274	0	274
Brockton - Alger to Service Dr.	0	0	0	0	0	216	0	216
Dallas - Alger to Service Dr.	0	0	0	0	0	198	0	198
Harwood - John R to Progress	0	0	0	0	0	216	0	216
Longfellow - Garry to Browning	0	0	0	0	0	153	0	153
Garry - Longfellow to Sherry	0	0	0	0	0	346	0	346
Connie - Beverly to Alden	0	0	0	0	0	243	0	243
Fourteen Mile - John R to Palmer	0	0	0	0	0	180	0	180
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	144	0	144
<b>SEWER PROJECTS</b>								
Sanitary Sewer Inspection/Rehabilitation Program	0	0	0	0	0	370	1,325	1,695
Sanitary Sewer Projects that result from Inspection	0	0	0	0	0	450	0	450
<b>REPLACEMENTS</b>								
Sewer Camera Trailer #466	0	0	0	0	0	65	0	65
2003 3 Yard Loader #405	0	0	0	0	0	300	0	300
Backhoe #455	0	0	0	0	0	90	0	90
2007 Ford F250 3/4 Ton Pick-up #457	0	0	0	0	0	34	0	34
City-Wide Meter Replacement Program	0	0	0	0	0	2,875	0	2,875
<b>FACILITIES</b>								
DPS Salt Dome Containment Structure	0	0	0	0	0	90	0	90
Replacement/Repairs to DPS Parking Lot	0	0	0	0	0	75	0	75
Underground Gasoline and Diesel Fuel Storage	0	0	0	0	0	100	0	100
DPS Garage Air Curtain	0	0	0	0	0	40	0	40
HVAC Ajax	0	0	0	0	0	75	0	75
<b>TOTALS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,853</b>	<b>\$ 1,325</b>	<b>\$ 8,178</b>

**TABLE VII**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**PRIORITY NON-R WATER MAIN PROJECTS**  
**(BASED ON CURRENT COSTS)**

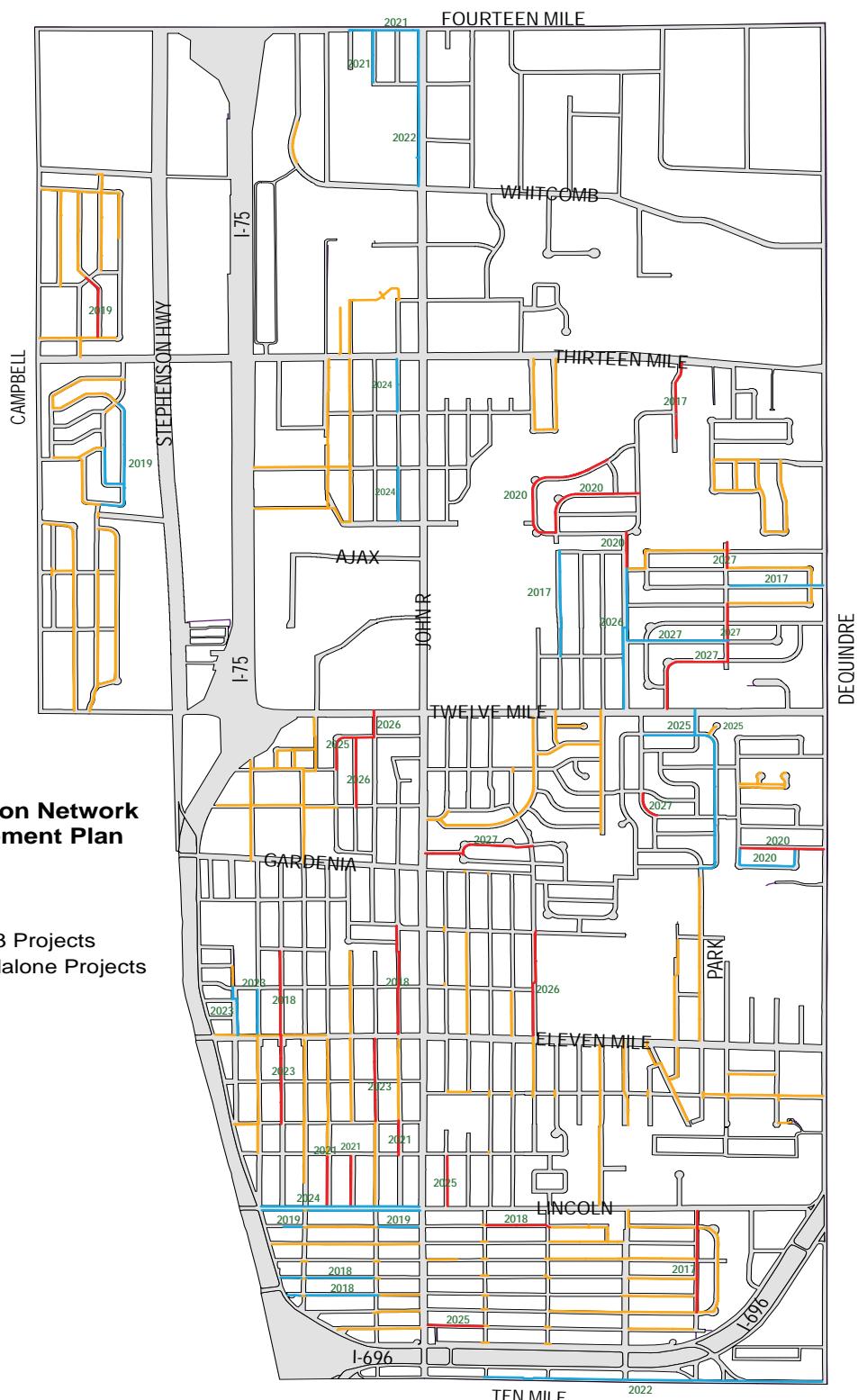
<u>Location Number</u>	<u>Projected Fiscal Year</u>	<u>Watermain Location</u>	<u>Length (Feet)</u>	<u>Estimated Cost (in 2017)</u>
1	2017-18	Tawas - Moulin to Robert	1,700	318,500
2	2017-18	Fontaine - Rose to Dequindre	1,450	273,500
3	2018-19	W. Brockton - Alger to Service Drive	1,200	216,000
4	2018-19	Dallas - Alger to Service Drive	1,100	198,000
5	2019-20	Harwood - John R to Alger and Dartmouth to Progress	1,200	216,000
6	2019-20	Longfellow - Garry to Browning	850	153,000
7	2019-20	Garry - Longfellow to Sherry	1,920	345,600
8	2020-21	Connie - Beverly to Alden	1,350	243,000
9	2021-22	Fourteen Mile - John R to Palmer	1,000	180,000
10	2021-22	Alger - Mandoline to Fourteen Mile	800	144,000
11	2022-23	John R - Whitcomb to Fourteen Mile	2,450	441,000
12	2022-23	Ten Mile - Dequindre to John R	2,900	522,000
13	2023-24	Hampden - 11 Mile to University	800	144,000
14	2023-24	Lenox - 11 Mile to University	800	144,000
15	2024-25	Lincoln - John R to Service Drive (2 mains)	4,600	828,000
16	2025-26	Park Ct. - 12 Mile to Darlene	2,450	441,000
17	2025-26	Ronald - Hales to Park Court	750	135,000
18	2026-27	Milton - 12 Mile to Moulin	2,500	450,000
19	2027-28	Cynthia - Rose to Milton	<u>1,300</u>	<u>234,000</u>
		Totals	<u>31,120</u>	<u>\$ 5,626,600</u>

These costs assume \$180-\$188 per linear foot cost for water main installation including pipe, hydrants, valves, taps, hauling sand, contractual labor cost, City labor costs, and also includes landscape, tree replacement, sidewalk and drive approach restoration relating to the water main installation. In addition, 20% has been included for preliminary engineering, construction inspection and contingency.



## Water Distribution Network Capital Improvement Plan

- Planned R2/R3 Projects
- Planned Standalone Projects
- PVC Installed



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## **PUBLIC SAFETY**

The 2018-22 CIP includes funding for seven public safety facility improvements. These improvements cover both Police and Fire for a total of \$1.7 million.

- Fire Station #1 and #2 Floors

The apparatus room concrete floor coating at Fire Stations #1 and #2 were installed in 2004 and has started to fail. At this time, it appears this installation was completed incorrectly. Given that it is outside the warranty period, the CIP includes a replacement at both stations starting in FY 2018 with a budget of \$16,000 for Fire Station #2 and FY 2019 with \$54,000 for Fire Station #1.

- Fire Station #2 Parking Lot

Phase II of parking lot improvements are included in the budget for FY 2018 for Fire Station #2 at \$55,000. The existing parking lot and alley have deteriorated beyond any a patchwork repair. Phase I was funded in FY 2017 at \$85,000.

- Station Alerting System

The CIP includes \$90,000 in FY 2019 for funding of an alerting system. The Fire Department currently uses VHF radio for station alerting. This upgrade would move the alerting system to an IP-based system.

- Padded Flooring Surface

The padded floor surfaces in the two prisoner holding areas are original to the 1991 construction and are in need of replacement. This replacement is included in the CIP at \$45,000 in FY 2018.

- Roof Replacement

A complete roof replacement for the Police Building is included in the CIP in two phases starting in FY 2019 for a total of \$476,000.

- Underground Storage Tank Replacement

In 2015, the underground storage tanks at the Police Station required a minor repair. As a result of this effort, the storage tanks located at the Ajax location and the Police Station were evaluated. This evaluation determined that the Police site is best suited for the unleaded fueling station and the underground storage tanks at the Ajax location would be exclusively for diesel. The Police Station changes will be funded through the General Fund with the Ajax location being funded from the Water and Sewer Fund. The five year CIP includes phased funding of an additional \$150,000 for the Police location with \$50,000 funded in FY 2018. This project has been funded at \$67,000 in the past two years.

- HVAC Upgrades

FY 2020 includes phase I of III for the upgrades of the HVAC system at the Police Station. This building has very high energy cost due to the near constant operation of the system's electric heating components. The total projected cost for this project is \$402,000.

- City Building and Emergency Response

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 Services, Headquarters Fire Station, Senior Center, and the Library are the buildings with a fire sprinkler system.

Fiscal Years 2020 and 2021 include programmed amounts for the upper level of City Hall (\$125,000) and the District Court (\$75,000).

On August 11, 2014 the Southeast Michigan area experienced severe flooding which caused significant damage to the City Hall and Court lower levels. Both of these areas have undergone complete renovations/reconstruction. Staff took advantage of this construction to install the first phase of the City Hall sprinklering system in the lower level of City Hall in FY 2015. \$200,000 has been programmed in years three and four of the CIP to finish this project.

#### **Vehicle Replacement - Police**

The five-year CIP includes replacement of nine (9) marked patrol vehicles which now cost in excess of \$30,000 inclusive of costs for changeover lights, radio, computer, and other equipment. The plan also includes five (5) other vehicles used throughout the department. Detailed vehicle information may be found in Table XIII, the Five-Year Vehicle and Equipment Replacement Plan.

#### **Vehicle Replacement - Fire**

Seven (7) pieces of equipment or vehicles over \$30,000 are scheduled to be replaced during the CIP period, FY 2018-22. These vehicles are utilized by the Fire Department and include two pick-up trucks at approximately \$35,000 each, two ambulance rescues (\$270,000 each) and full funding for one pumper truck currently budgeted at \$600,000, and partial funding for a second pumper and a generator for Fire Station #1.

The Budget also includes an upgrade of Fire Engine equipment from Basic Life Support to Advanced Life Support at a cost of \$80,000 in FY 2018. This project was given a high priority as part of the FY 2018 Goal Setting Process.

The following tables show appropriations and revenues for Public Safety (Table VIII) and the 10-year V-2 vehicle millage purchases (Table IX).

**TABLE VIII**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**PUBLIC SAFETY**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

PUBLIC SAFETY	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL APPROP.
<b>POLICE</b>								
Patrol Car In-Car Cameras	\$114	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Next Generation 911 Telephone Answering System	0	139	0	0	0	0	0	0
Patrol Vehicles (14)	84	114	0	57	115	115	115	402
Police Underground Gasoline and Diesel Underground Storage	17	50	50	50	50	0	0	150
Police Padded Flooring Surface	0	0	0	45	0	0	0	45
Police Gun Range Refurbishment	0	0	0	180	0	0	0	180
Police HVAC Upgrades	0	0	0	0	134	133	133	400
Police Roof Replacement	0	0	0	0	238	238	0	476
<b>FIRE</b>								
Fire Hoses	33	0	0	0	0	0	0	0
Fire Station Alerting System	0	0	0	90	0	0	0	90
City Bldgs. Fire Detection & Suppression Systems	0	0	0	0	125	75	0	200
2002 Chevy Pickup 3500 #704	0	0	0	34	0	0	0	34
Fire Station #2 Parking Lot Improvements	0	85	55	0	0	0	0	55
Resurfacing Fire Apparatus Room Floors	0	0	16	54	0	0	0	70
Lucas Chest Compression System (2)	0	0	35	0	0	0	0	35
2007 Ford F350 Pickup #702	0	0	0	35	0	0	0	35
2011 Ambulance Rescue #710	0	0	0	0	0	135	135	270
2009 Ambulance Rescue #711	0	0	135	135	0	0	0	270
2002 Pierce Pumper #722	0	0	200	200	200	0	0	600
2004 Pierce Pumper #721	0	0	0	0	0	0	200	200
Hurst E-Draulic Extrication Tools (Jaws of Life)	0	32	0	0	0	0	0	0
Upgrade Fire Engines - Basic to Advanced Life Support	0	0	80	0	0	0	0	80
2003 Generator Fire Station #1 #550	0	0	0	0	0	70	0	70
<b>TOTALS</b>	<b>\$ 248</b>	<b>\$ 420</b>	<b>\$ 571</b>	<b>\$ 880</b>	<b>\$ 862</b>	<b>\$ 766</b>	<b>\$ 583</b>	<b>\$ 3,662</b>
Total Projects	0	1	2	4	2	2	1	11
Total Equipment	3	2	3	4	2	2	2	13

**REVENUES:**

PUBLIC SAFETY	GENERAL FUND	LOCAL/ MAJOR STREETS	OAKLAND COUNTY GRANTS	SPECIAL ASSESS	ALS/ VEHICLE MILLAGE	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
<b>POLICE</b>									
Patrol Vehicles (14)	\$202	\$0	\$0	\$0	\$85	\$0	\$115	\$0	\$402
Underground Gasoline and Diesel Underground Storage	150	0	0	0	0	0	0	0	150
Padded Flooring Surface	45	0	0	0	0	0	0	0	45
Gun Range Refurbishment	180	0	0	0	0	0	0	0	180
HVAC Upgrades	400	0	0	0	0	0	0	0	400
Roof Replacement	476	0	0	0	0	0	0	0	476
<b>FIRE</b>									
Fire Station Alerting System	90	0	0	0	0	0	0	0	90
City Bldgs. Fire Detection & Suppression Systems	200	0	0	0	0	0	0	0	200
2002 Chevy Pickup 3500 #704	34	0	0	0	0	0	0	0	34
Fire Station #2 Parking Lot Improvements	55	0	0	0	0	0	0	0	55
Resurfacing Apparatus Room Floors	70	0	0	0	0	0	0	0	70
Lucas Chest Compression System (2)	35	0	0	0	0	0	0	0	35
2007 Ford F350 Pickup #702	35	0	0	0	0	0	0	0	35
2011 Ambulance Rescue #710	0	0	0	0	270	0	0	0	270
2009 Ambulance Rescue #711	270	0	0	0	0	0	0	0	270
2002 Pierce Pumper #722	0	0	0	0	600	0	0	0	600
2004 Pierce Pumper #721	200	0	0	0	0	0	0	0	200
Upgrade Fire Engines - Basic to Advanced Life Support	80	0	0	0	0	0	0	0	80
2003 Generator FS#1 #550	70	0	0	0	0	0	0	0	70
<b>TOTALS</b>	<b>\$ 2,592</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 955</b>	<b>\$ 0</b>	<b>\$ 115</b>	<b>\$ 0</b>	<b>\$ 3,662</b>

**TABLE IX - A**  
**FY 2018-22 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	28	0	0	28
	Police Patrol Vehicle	113	2010	28	0	0	28
	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	34	0	34
	Police Patrol Vehicle Changeovers	--	--	17	0	0	17
2014-15	Police Patrol Vehicle	106	2011	27	0	0	27
	Police Motor Carrier Van	117	2000	27	0	0	27
	3/4 Ton Pick-Up	432	2002	0	23	0	23
	Ford Pick-Up	474	2002	0	22	0	22
	Ambulance Rescue Truck (\$190,000 and \$77,000 prefunded in FY 2010-11 and FY 2011-12) 50% Deposit	713	2005	122	0	0	122
2015-16	Police Patrol Vehicle	102	2011	28	0	0	28
	Police Patrol Explorer	111	2009	28	0	0	28
	Police Patrol Vehicle Changeover	--	--	13	0	0	13
	Chevy Blazer	700	2007	28	0	0	28
	Ambulance Rescue Truck (\$190,000 and \$77,000 prefunded in FY 2010-11 and FY 2011-12) 50% Deposit	713	2005	122	0	0	122
	Chevy 3/4 Ton Pickup	473	2004	0	33	0	33
	Tandem Axle Dump Truck	417	2004	0	220	0	220
	Chevy 3/4 Ton Pickup	420	2004	0	33	0	33
	Platform Truck	429	2004	0	170	0	170
2016-17	Police Patrol Vehicle	112	2011	29	0	0	29
	Police Patrol Vehicle	138	2003	29	0	0	29
	Police Patrol Change Over Cost	--	--	13	0	0	13
	Tandem Axle Dump Truck with V-Box	418	2003	0	220	0	220
	<b>TOTALS</b>			\$ 1,216	\$ 958	\$ 65	\$ 2,239

**TABLE IX - B**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**TEN YEAR V-3 VEHICLE MILLAGE PURCHASES**  
**(IN THOUSANDS)**

YEAR	VEHICLE	VEHICLE NUMBER	LAST SCHEDULED REPLACE.	REPLACEMENT COST			MILLAGE FUNDS
				POLICE/FIRE	DPS	OTHER	
2017-18	2004 Pierce Pumper (Phase I of III)	722	2004	\$ 200	\$ 0	0	\$ 200
2018-19	2004 Pierce Pumper (Phase II of III)	722	2004	200	0	0	200
2019-20	2004 Pierce Pumper (Phase III of III)	722	2004	200	0	0	200
2020-21	Police Patrol Vehicle	113	2013	28	0	0	28
	Police Patrol Vehicle Changeovers	--	--	7	0	0	7
	Ambulance Rescue (Phase I of II)	710	2011	135	0	0	135
2021-22	Police Patrol Vehicle	117	2015	28	0	0	28
	Police Patrol Vehicle	110	2015	28	0	0	28
	Police Patrol Vehicle Changeovers	--	--	14	0	0	14
	Ambulance Rescue (Phase II of II)	710	2011	135	0	0	135
2022-23	TBD			0	0	0	207
2023-24	TBD			0	0	0	209
2024-25	TBD			0	0	0	211
2025-26	TBD			0	0	0	213
2026-27	TBD			0	0	0	215
	TOTALS			\$ 975	\$ 0	\$ 0	\$ 2,030

## **GENERAL GOVERNMENT AND ECONOMIC DEVELOPMENT**

Projects planned under this chapter are broken down into four categories: Civic Center/City-wide, Information Technology, Library and Economic Development.

### **Civic Center/Citywide Projects**

- HVAC Improvements

Staff has included funding for Heating, Ventilation and Air Conditioning (HVAC) improvements and upgrades for City Hall given the high cost for heating/natural gas for the building. In FY 2021, the City Hall HVAC is scheduled to be replaced at a cost of \$200,000. The goal is to resolve temperature control issues, allow for remote control and diagnostics of the system, and yield energy savings.

- Installation of City Hall Generator

During FY 2019, \$70,000 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.

- Civic Center Plaza Parking Lot

The existing parking lot at Civic Plaza has been deteriorating for years and is in need of structural repair. The complete removal and replacement of the existing parking lot would nearly double the estimated cost of the proposed repair. The proposed repairs should add an additional 15 to 20 years to the life of the parking lot. The Capital Improvement Plan includes three years of phased funding at \$110,000 per year from FY 2020 through FY 2022. An initial amount of \$27,500 was budgeted in FY 2015, which a portion of this funding was used to seal coat and re-stripe the entire Civic Center Plaza, to extend the service life of the parking lot.

- 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 Water &amp; 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 continued its energy efficiency program with the planned conversion of all mercury vapor streetlights (376) to LED technology. The project required a one-time investment of \$118,000 in FY 2014-15, and following a two-year payback period the City expects to save approximately \$40,000 annually in energy costs.

Since 2012, the City has invested almost \$600,000 in HVAC building improvements and \$317,000 in roof and door repairs and replacements.

As a result of the City's energy conservation efforts beginning in 2010, the City is very pleased to announce that the adopted City Council goal of reducing overall energy consumption by 25% from 2005 to 2015 has been met and surpassed with an overall reduction of 33%. This outstanding energy conservation performance comes as the cumulative result of almost \$1.4 million in investment since 2010 including \$474,000 in outside funding.

### **Information Technology (IT)**

In June 2014, the City and consultant Plante Moran completed the IT Assessment & Strategic Plan,

which resulted in the outsourcing of the IT function, as of January 2015. As part of this plan, the contractor has assessed the City's IT systems with the most critical included in this capital plan and detailed below:

- IT Strategic Plan Upgrades

In FY 2019, staff is recommending a budget of \$75,000 and each year thereafter for a total of four years to implement the changes that are being proposed by our new provider. In FY 2018, the IT changes do not reach the \$30,000 threshold for inclusion in the capital plan.

- 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 computers on a five-year rotating schedule as outlined in the Table XII (Computer Replacement Plan). In FY 2018, replacements for 20 computers are scheduled for a total of \$20,000, with \$20,000 planned each year thereafter for computer replacements.

## **Economic Development**

- 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 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.

The Adopted FY 2017 City Goal Plan includes Goal "L" to "review and update the Downtown Development Authority's Tax Increment Financing and Development Plan, which expires in December 2017, to guide

the continued development of the downtown development district." This project will be completed utilizing in-house resources and personnel. In September of 2016, the DDA Board and City Council held a Joint Town Hall meeting to solicit input from stakeholders and the public. Following the Town Hall meeting, the DDA completed an online public survey for additional feedback. At this time, the DDA Board continues its review of the TIF plan.

The table on the following page shows appropriations and revenues for General Government and Economic Development.

**TABLE X**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL APPROP.
<b>43RD DISTRICT COURT</b>								
Rooftop HVAC Unit Replacement	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>CIVIC CENTER / CITY WIDE</b>								
HVAC Improvements	0	0	0	0	0	200	0	200
City Hall On-Site Generator	0	0	0	70	0	0	0	70
Civic Center Parking Lot	0	0	0	0	110	110	110	330
Election Tabulating Equipment	0	120	0	0	0	0	0	0
<b>INFORMATION TECHNOLOGY</b>								
City Wide Microcomputer Replacements	19	19	20	20	20	20	20	100
Phone System Upgrades	130	0	0	0	0	0	0	0
Phone Switches	60	0	0	0	0	0	0	0
IT Strategic Projects	12	0	0	75	75	75	75	300
<b>LIBRARY</b>								
Waterproofing Library Exterior Walls	30	50	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$ 251</b>	<b>\$ 189</b>	<b>\$ 20</b>	<b>\$ 165</b>	<b>\$ 205</b>	<b>\$ 405</b>	<b>\$ 205</b>	<b>\$ 1,000</b>
Total Projects	3	1	0	1	1	2	2	6
Total Equipment	3	2	1	2	1	1	1	6

**REVENUES:**

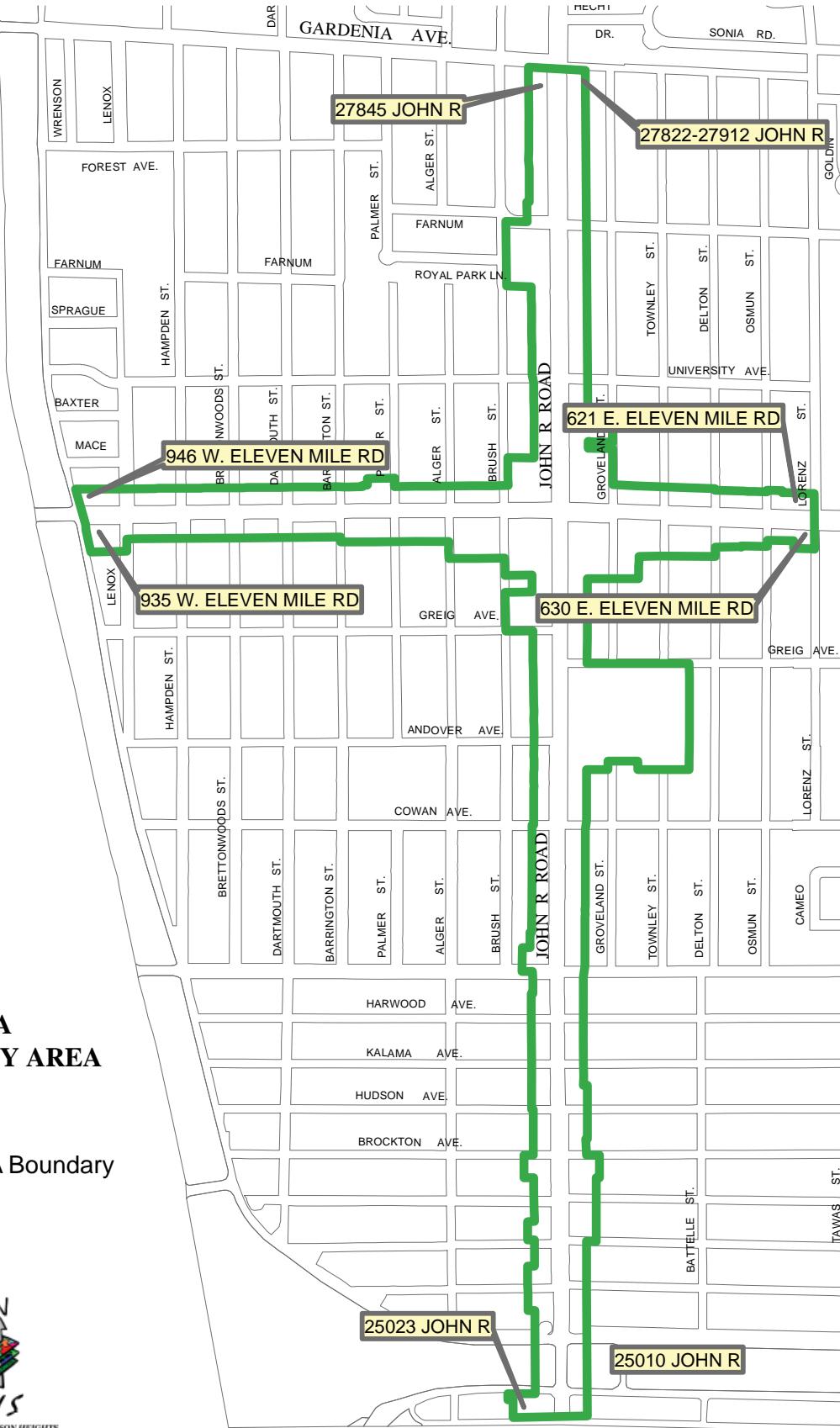
GENERAL GOVERNMENT & ECONOMIC DEV.	GENERAL FUND	LOCAL/ MAJOR STREETS	CDBG	SPECIAL ASSESS.	LIBRARY	WATER & SEWER	DOWNTOWN DEVELO. AUTHORITY	OTHER REVENUES	TOTAL REVENUES
<b>CIVIC CENTER / CITY WIDE</b>									
<b>HVAC Improvements</b>									
HVAC Improvements	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200
City Hall On-Site Generator	70	0	0	0	0	0	0	0	70
Civic Center Parking Lot	330	0	0	0	0	0	0	0	330
<b>INFORMATION TECHNOLOGY</b>									
City Wide Microcomputer Replacements	89	0	0	0	6	5	0	0	100
IT Strategic Projects	225	0	0	0	0	75	0	0	300
<b>LIBRARY</b>									
<b>TOTALS</b>	<b>\$ 914</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6</b>	<b>\$ 80</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,000</b>

**DDA  
BOUNDARY AREA**

 DDA Boundary



CITY OF MADISON HEIGHTS  
COMMUNITY DEVELOPMENT DEPARTMENT  
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## **LEISURE AND HUMAN SERVICES**

The improvements programmed in this Chapter can be divided into two categories: Parks and Recreation and Senior Center.

### **Parks and 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 (OCPR) 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. OCPR 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 OCPR 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.

City and OCPR Staff have discussed and are working together to project a list of long-term capital improvements and major maintenance projects. Items that have been discussed and will potentially be scheduled over the next five years from FY 2017-21 include:

<u>Red Oaks Nature Center &amp; Trail Connections Capital Expenditures</u>	<u>Total</u>	
	<u>Project Cost</u>	<u>Fiscal Year(s)</u>
a. Trail Improvements - Sensory and Forest Trails	\$40,000	2016
b. Replace Roof	\$54,000	2018
c. Update HVAC System	\$75,000	2020
d. Redesign driveway, parking lot, vehicle entry, and walking trails		
i. Parking/Circular Drive Area	\$295,177	TBD
ii. Entrance Road/Parking Area	\$207,418	TBD
iii. Alternate - Overflow Lawn Parking Area	\$123,827	TBD
e. LED park entrance sign - 13 Mile	<u>\$30,000</u>	TBD
	Subtotal	\$825,422

- Other Parks Projects

With adoption of the 2015-19 Recreation Master Plan, City Council, the Parks and Recreation Advisory Board, and City Staff have reviewed and identified other park project needs which include:

<u>Other Park Projects</u>	<u>Total Project Cost</u>	<u>Fiscal Year(s)</u>
e. Resurfacing of Parking Lot at Ambassador Park	75,000	2018
f. Wildwood Park Playground Replacement	125,000	2017, 2018
g. Red Oaks Walk/Bike Connection	229,000	2019,2020
h. Civic Center Park – Totscape/Swings	50,000	2020
i. Resurface Gardenia Parking Lot at Rosie's Park	75,000	2021
j. Replace Backstop/Fencing at Huffman Park	35,000	To Be Determined
k. Skate Park Redevelopment at Civic Park	35,000	To Be Determined
l. Replace Backstops at Greenleaf Park	30,000	To Be Determined
m. Add Pavilion at Huffman Park	30,000	To Be Determined
n. Replace Playscape at Edison Park	50,000	To Be Determined
o. Replace Swings/Soft Fall Surfacing at 12/Sherry Park	30,000	To Be Determined
p. Red Oaks Soccer Parking Lot Repaving	<u>150,000</u>	To Be Determined
Subtotal	\$996,000	

- 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, a new boardwalk 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 was reviewed during the development of the 2015-19 Recreation Master Plan and is planned for FY 2021 based on the \$583,000 budget split between the Michigan Natural Resource Trust Fund (\$100,000) and Oakland County Parks and Recreation (\$79,000).

### **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 2021 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. This is programmed at \$100,000.

The FY 2022 Capital Improvement Plan includes the replacement of a 25-passenger bus (\$62,000 in FY 2019) and one larger 40 passenger bus for out-of-town trips (\$200,000), and replacement of a senior transportation van (\$32,000).

The following pages include appropriations and revenues for Leisure and Human Services, the computer replacement plan, and 5-Year vehicle replacement plan.

**TABLE XI**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**LEISURE & HUMAN SERVICES**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

LEISURE & HUMAN SERVICES	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL APPROP.
<b>PARK PROJECTS</b>								
Friendship Woods - Parking Lot Improvements	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civic and Ambassador Park Trail Overlay	80	70	0	0	0	0	0	0
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	0	50	75	0	0	0	0	75
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	0	0	50	0	0	50
Red Oaks - Improvements and Walk/Bike Connection	0	0	0	50	179	0	0	229
Friendship Woods - 2" Trail Overlay	0	0	0	0	0	0	0	0
Ambassador Park Asphalt Pavement & Parking Lot	0	0	75	0	0	0	0	75
Friendship Woods - Nature Center Roof	0	0	54	0	0	0	0	54
Walk/Bike Path Construction	0	0	0	0	0	291	292	583
2004 Chevy 3/4 ton Pick-up #473	33	0	0	0	0	0	0	0
Rosie's Park - Gardenia Parking Lot	0	0	0	0	0	75	0	75
Friendship Woods - HVAC System	0	0	0	0	75	0	0	75
<b>SENIORS / SENIOR CENTER</b>								
2003 25 Passenger Bus #443	0	0	0	62	0	0	0	62
1996 Wheel Chair Van #480	50	0	0	0	0	0	0	0
2002 Blue Bird Bus #471	0	0	0	0	0	0	200	200
2010 Senior Van #469	0	0	0	0	0	32	0	32
Close South Senior Center Driveway	0	0	0	0	0	100	0	100
2006 SMART Bus - 23' w/wheel chair lift #530	100	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$ 313</b>	<b>\$ 120</b>	<b>\$ 204</b>	<b>\$ 112</b>	<b>\$ 304</b>	<b>\$ 498</b>	<b>\$ 492</b>	<b>\$ 1,610</b>
Total Projects	1	1	3	0	3	3	1	10
Total Equipment	3	0	0	1	0	1	1	3

**REVENUES:**

LEISURE & HUMAN SERVICES	GENERAL FUND	LOCAL / MAJOR STREETS	VEHICLE MILLAGE	SPECIAL ASSESS.	WATER & SEWER	OAKLAND COUNTY PARKS	OTHER REVENUES	TOTAL REVENUES
<b>PARK PROJECTS</b>								
Civic and Ambassador Park Trail Overlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	0	0	0	0	0	0	75	75
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	0	0	0	0	50	50
Red Oaks - Walk/Bike Connection	50	0	0	0	0	79	100	229
Ambassador Park Asphalt Pavement & Parking Lot	0	0	0	0	0	0	75	75
Friendship Woods - Nature Center Roof	24	0	0	0	0	30	0	54
Walk/Bike Path Construction	292	0	0	0	0	0	291	583
Rosie's Park - Gardenia Parking Lot	75	0	0	0	0	0	0	75
Friendship Woods - HVAC system	35	0	0	0	0	40	0	75
<b>SENIORS / SENIOR CENTER</b>								
2003 25 Passenger Bus #443	62	0	0	0	0	0	0	62
2002 Blue Bird Bus #471	200	0	0	0	0	0	0	200
2010 Senior Van #469	32	0	0	0	0	0	0	32
Close South Senior Center Driveway	100	0	0	0	0	0	0	100
<b>TOTALS</b>	<b>\$ 870</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 149</b>	<b>\$ 591</b>	<b>\$ 1,610</b>

**TABLE XII**  
**FY 2018-2022 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
City Council	Council	B5021051	Duo Core	2008		R			
City Council	Home-Laptop	UNTAGGED	i5	2016				N	
City Council	Home-Laptop	UNTAGGED	i5	2013		N			
City Council	Home-Laptop	UNTAGGED	i5	2013		N			
City Council	Home-Laptop	UNTAGGED	i5	2013		N			
City Council	Home-Laptop	UNTAGGED	i5	2013		N			
City Council	Home-Laptop	UNTAGGED	i5	2013		N			
City Council	Home-Laptop	UNTAGGED	i5	2013		N			
City Manager	Laptop - Council Meeting	1051	i5	2014			N		
City Manager	Exec Assistant	1047	i5	2015				N	
City Manager	City Manager	1051	i7	2015		N			N
HR	HR Manager	1184	i5	2015			N		
HR	HR Assistant	1048	i5	2013			N		
HR	Social Media	UNTAGGED	i5	2016					N
City Clerk	Desktop	1046	i5	2015		N			
City Clerk	Election/Communicaton Coord.	1161	i5	2015			N		
City Clerk	Part Time	1029				N			
City Clerk	Scan Station	1030					N		
City Clerk	Election Laptop	1165	i3	2013	R				N
City Clerk	Election Laptop	1166	i3	2013	R				N
City Clerk	Election Laptop	1167	i3	2013	R				N
City Clerk	Election Laptop	1168	i3	2013	R				N
City Clerk	Election Laptop	1169	i3	2013	R				N
City Clerk	Election Laptop	1170	i3	2013	N				N
City Clerk	Election Laptop	1171	i3	2013	N				N
City Clerk	Election Laptop	1172	i3	2013	N				N
City Clerk	Election Laptop	1174	i3	2013	N				N
City Clerk	Election Laptop	1177	i3	2013	N				N
City Clerk	Election Laptop	1179	i3	2013	N				N
City Clerk	Election Laptop	1173	i5	2016				N	
City Clerk	Election Laptop	1175	i5	2016				N	
City Clerk	Election Laptop	1176	i5	2016				N	
City Clerk	Election Laptop	1178	i5	2016				N	
City Clerk	Election Laptop	1180	i5	2016				N	
City Clerk	Election Laptop	1181	i5	2016				N	
City Clerk	Election Tablet	1162		2016				N	
City Clerk	Election Tablet	1163		2016				N	
City Clerk	Election Tablet	1164		2016				N	
Purchasing	Cable	1185	i5	2016				N	
Finance	Counter/Register	1081	i5	2016			N		
Finance	Deputy City Manager	1038	i5	2015			N		
Finance	Deputy Finance Director/Treasurer	1039	i5	2015			N		
Finance	Accountant	UNTAGGED	i5	2015			N		
Finance	Administrative Secretary	1041	i5	2015			N		
Finance	Fiscal Assistant II	1035	i5	2015			N		
Finance	Fiscal Assistant II	1031	i5	2015			N		
Finance	Fiscal Assistant II	1036	i5	2015			N		
City Council	Laptop City Spare #2	UNTAGGED	i5	2013		N			
Information Tech	Laptop - Spare	1007	i7	2013		N			
Information Tech	Financial Server/AMR								
Information Tech	File Server - Active Directory								
Information Tech	Imaging File Server								
Information Tech	File Server - Active Directory								
CDD	GIS Server			2016					
Police	Training Officer	1154	i5	2016				NHD	
Police	Imaging	1065	Pentium	2014			N		
Police	Special Investigations	1080 (1155)	i5	2016				NHD	

N=NEW

R=ROTATED

NHD - New Hard Drive

**TABLE XII**  
**FY 2018-2022 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Police	Special Investigations	1079	Pentium	2013	N				NHD
Police	Station Officer	1084	Pentium	2013	N				NHD
Police	DB Office Ass't II	1062 (1156)	i5	2016					NHD
Police	Crime Prevention Office	DISPO	Pentium	2014			N		
Police	DB Lieutenant	1083	Pentium	2013	R				
Police	K9	1078	Pentium	2016					NHD
Police	DB Open	1050	i5	2016					
Police	DB Sergeant	1074	i5	2012			N		
Police	DB Officer	1070	i5	2012			N		
Police	DB Officer	1068	i5	2012			N		
Police	DB Officer	1076	i5	2012			N		
Police	Info. System Specialist	1152	i5	2016					NHD
Police	DB Officer	1069	i5	2012				N	
Police	Records Office	1075	i5	2013	NHD				N
Police	1ST Shift Lieutenant	1071	i5	2013	NHD				N
Police	2ND Shift Lieutenant	1072	i5	2013	NHD				N
Police	3RD Shift Lieutenant	1068	i5	2013	NHD				N
Police	Laptop/Training	UNTAGGED	i5	2013	NHD				N
Police	Dispatch Front Desk	1082	i5	2013	NHD				N
Police	Deputy Chief	1066	i5	2013	NHD				N
Police	Youth Bureau	1085 (1157)	i5	2016					NHD
Police	Records	1067 (1158)	i5	2016					NHD
Police	Conference Room	DISPO	Pentium	2005		NHD			
Police	Admin. Secretary	1062	i5	2016				N	
Police	Chief	1063	i5	2016				N	
Police	Gun Registration	1061	i5	2013	NHD				N
Police	Dispatch NWS	DISPO	Pentium	2005			R		
Police	Reserves	DISPO	Pentium	1999			R		
Police	Reserves	DISPO	Pentium	1999			R		
Police	Reserves	DISPO	Pentium	1997			R		
Police	Vehicles (14 Computers)	UNTAGGED	i5	2013			N		
Police	Animal Control Desktop	1003	i5	2013	N				
Fire	Fire Marshal								
Fire	Station #1 Watch Desk 1	1093	i3	2012	N				NHD
Fire	Station #1 Watch Desk 2	1092	i3	2015		N			
Fire	Station #2 Watch Desk	1120	i5	2012	N				NHD
Fire	Secretary	1089	i5	2013	N				
Fire	Lieutenant's Office								
Fire	Sergeant's Office								
Fire	Chief	1091	i5	2012	N				NHD
Fire	Training Laptop	1088	Pentium	2007					
Fire	Fire Tablet	UNTAGGED	Celeron	2006			N		
Fire	Fire Tablet	UNTAGGED	Pentium	2006			N		
Fire	Fire Tablet	UNTAGGED	Pentium	2006			N		
Fire	Fire Tablet	UNTAGGED	Pentium	2012	N				NHD
Fire	Fire Tablet	UNTAGGED	Pentium	2012	N				NHD
Fire	Fire Tablet	UNTAGGED	Pentium	2012	N				NHD
Fire	Fire Tablet	UNTAGGED							
Fire	Fire Tablet	UNTAGGED							
Fire	Fire Tablet	UNTAGGED							
Fire	911 Mapping GIS	UNTAGGED	Pentium	2006			R		
CDD	Director – Laptop	1151	i5	2015					
CDD	Office Ass't II/CDBG	1025	i5	2012	N				N
CDD	Admin. Secretary	1026	i5	2012	N				N
CDD	Counter	1022	i5	2013		N			
CDD	Counter	1023	i5	2013		N			
CDD	Microfiche		Duo Core	2008					
CDD	Imaging	1018	Duo Core	2008			N		
CDD	GIS Offsite - laptop	1168	i5	2016			R		

**TABLE XII**  
**FY 2018-2022 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CDD	GIS Technician Desktop	1017	15	2012	N				N
CDD	Elec. Insp Desktop	1013	15	2013		N			
CDD	Elec. Insp. Laptop	UNTAGGED	15	2016		N			N
CDD	Bldg Insp Desktop	1014	15	2013		N			
CDD	Building Offical	1016	i5						
CDD	Mechanical Inspector Laptop	UNTAGGED	15	2013		N			
CDD	Mechanical Inspector Desktop	1015	15	2013		N			
CDD	Contract Inspector Laptop	UNTAGGED	15	2016				N	
CDD	Contract Inspector Desktop	1012	15	2013		N			
CDD	Code Enforce Laptop	UNTAGGED	15	2016				N	
CDD	Code Enforce Desktop	1043	15	2013		N			
CDD	C. E. Field Laptop	UNTAGGED	i5	2016				N	
CDD	Econ. Dev. Coord.	1149	i5	2015					
CDD	Econ. Dev. Coord. Ipad	UNTAGGED	iPad	2015					
DPS-Bldg. Maint.	Supervisor	1097	i5	2015					
DPS	DPW Supervisor	1097	i5						
DPS-Streets	Admin. Secretary - laptop	1159	15	2015					
DPS-Assistant	Assistant	1160	i5	2013		N			
DPS-Recreation	Recreation Coord.	1044	i5	2013	N				N
DPS-Streets	Streets Supervisor	1100	i5	2015					
DPS-Streets	Laptop	1045	i5	2015			N		
DPS-Streets	Streets Leader	1187		2015					
W/S Administration	Water Service Desk	1153						N	
W/S Administration	Water Service Desk	1188	i5	2016				N	
W/S Administration	Water Leader	1098	i5	2015					
Motor Pool	Laptop	1189	15	2016					
Motor Pool	Supervisor	1104	15	2013	R		N		
Motor Pool	Parts	1103	i5	2015					
Seniors	Part Time	1105	i3	2011					
Seniors	Office Ass't I	1106	i5	2013		N			
Seniors	Coordinator	1148	i5	2016				NHD	
Seniors	Front Lobby	1108	i3						
Seniors	Front Lobby	1109	i3						
Seniors	Front Lobby	1110	i3						
Seniors	Front Lobby	1111	i3						
Seniors	Front Lobby	1112	i3						
Main Library	Backroom East	UNTAGGED	Pentium	2000				NHD	
Main Library	Counter (ELLIS Software)	UNTAGGED	Pentium	2000		R			
Main Library	Adult Public Cat.	UNTAGGED	15-3470	2013		N			
Main Library	Adult Internet - Express	UNTAGGED	Pentium	2005				NHD	
Main Library	Adult Public	UNTAGGED	Pentium	2014				NHD	
Main Library	Backroom West - serials	UNTAGGED	15-3470	2013		NHD	R		
Main Library	Child Catalog	UNTAGGED	Pentium	2014				NHD	
Main Library	Counter Side	UNTAGGED	Pentium	2014				NHD	
Main Library	Adult Public	UNTAGGED	Pentium	2014				NHD	
Main Library	Children Public	UNTAGGED	Pentium	2014				NHD	
Main Library	Children Public	UNTAGGED	Pentium	2014				NHD	
Main Library	Adult Librarian	UNTAGGED	15-3470	2013		N			
Main Library	Adult Reference	UNTAGGED	15-3470	2013		N			
Main Library	Adult Reference	UNTAGGED	15-3470	2013		N			
Main Library	Circulation Ass't	UNTAGGED	15-3470	2013				NHD	
Main Library	Counter North	UNTAGGED	15-3470	2013				NHD	
Main Library	Counter South	UNTAGGED	15-3470	2013				NHD	
Main Library	Library Technician	UNTAGGED	15-3470	2013				NHD	
Main Library	Youth Staff	UNTAGGED	15-3470	2013				NHD	
Main Library	Adult Internet	UNTAGGED	Pentium	2014					
Main Library	Adult Internet	UNTAGGED	Pentium	2014					
Main Library	Adult Internet	UNTAGGED	Pentium	2014					

N=NEW

R=ROTATED

NDH - New Hard Drive

**TABLE XII**  
**FY 2018-2022 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Main Library	Adult Internet	UNTAGGED	Pentium	2014					
Main Library	Adult Internet	UNTAGGED	Pentium	2014					
Main Library	Adult Internet	UNTAGGED	Pentium	2014					
Main Library	Child Room Internet	UNTAGGED	Pentium	2014					
Main Library	Child Room Internet	UNTAGGED	Pentium	2014					
Main Library	Child Room Internet	UNTAGGED	Pentium	2014					
Main Library	Child Room Internet	UNTAGGED	Pentium	2014					
Main Library	Child Room Internet	UNTAGGED	Pentium	2014					
Main Library	Adult Internet	UNTAGGED	i5-3470	2012					
Main Library	Adult Internet	UNTAGGED	i5-3470	2012					
Main Library	Adult Internet	UNTAGGED	i5-3470	2012					
Main Library	Adult Internet	UNTAGGED	i5-3470	2012					
Main Library	Adult Internet	UNTAGGED	i5-3470	2012					
Main Library	Adult Internet	UNTAGGED	i5-3470	2012					
Main Library	Librarian	UNTAGGED	i5-3470	2012					
Main Library	Adult Public Express	UNTAGGED	Pentium	2007					
43 Court	Director	1060				N			
43 Court	Judge	UNTAGGED							
43 Court	Magistrate	No PC							
43 Court	Point of Sale - We do not replace	1053							N
43 Court	Probation 1	UNTAGGED				N			
43 Court	Probation 2	UNTAGGED				N			
43 Court	Probation 3	No PC				N			
43 Court	Inter Office	1059							
43 Court	Inter Office	1054							
43 Court	Inter Office	1055							
43 Court	Inter Office	1056							
43 Court	Inter Office	1058							
43 Court	Inter Office	1057							
43 Court	Inter Office	1052							
43 Court	Court Room 1	UNTAGGED							
43 Court	Court Room 2	UNTAGGED							
TOTAL				NEW	24	28	23	22	27
				ROTATE	7	2	7	0	0
				NEW HARD DRIVE	8	7	8	8	8

**GIS/A.M. TECHNOLOGICAL PERIPHERALS**

ITEM	COMPANY	YEAR PURCH	REPLACE CYCLE LENGTH
Plotter	HP	2016-17	10
Plotter	HP - DPS	2000-01	N/A

N=NEW

R=ROTATED

NDH - New Hard Drive

**TABLE XIII**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

		VEH	LAST YEAR PURCH	Over \$30K	REPLACE CYCLE							NEXT REPLACED
						17-	18-	19-	20-	21-	22	
DEPARTMENT	VEHICLE	#			LENGTH	18	19	20	21	22		
PD-Detective	Ford Fusion	100	2013-14		10							23-24
PD-Radar	Ford Crown Vic	102	2015-16		NF							NF
PD-Radar	Ford Interceptor	103	2014-15		NF			GF				NF
PD-Patrol	Ford Interceptor	104	2012-13		NF			GF				NF
PD-Patrol	Ford Interceptor Sedan	105	2014-15		NF			GF				NF
PD-Patrol	Ford Interceptor Utility	106	2014-15		NF				DF			NF
PD-Patrol	Ford Interceptor Sedan	107	2012-13		NF							NF
PD-Patrol	Ford Interceptor Utility	108	2014-15		NF				DF			NF
PD-Patrol	Ford Interceptor Sedan	109	2016-17		NF							NF
PD-Patrol	Ford Interceptor Utility	110	2014-15		NF					VM		NF
PD-Patrol	Ford Explorer	111	2015-16		NF			GF				NF
PD-A.I.T.	Ford Crown Vic	112	2016-17		NF							NF
PD-A.I.T.	Ford Interceptor Sedan	113	2013-14		NF				VM			NF
PD-Patrol Sup.	Ford Interceptor Utility	114	2013-14		NF			DF				NF
PD-Canine Unit	Ford Crown Vic	116	2011-12		NF	DF						NF
PD-Mtr. Carrier	Ford Interceptor Utility	117	2014-15		5					VM		26-27
PD-Animal CTL	Chevy G20 Van	119	2011-12	X	12							23-24
PD-Admin	Ford Explorer	121	2014-15		10							24-25
PD-Detective	Dodge Journey	123	2014-15		10							24-25
PD-Admin	Chrysler Sebring	124	2015-16		10							25-26
PD-Detective	Chevrolet Malibu	125	2006-07		12			GF				32-33
PD-Detective	Dodge Stratus	126	2003-04		14		DF					32-33
PD-Detective	Dodge Caravan	133	2006-07		13				GF			34-35
PD-Undercover	Chevy S-10 Pickup	138	2016-17		14							30-31
PD-Reserves Sgt	Ford Explorer	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			GF				40-41
Parks	Utility Maint. Cart / OCPR	281	1993-94		30							43-44
Parks	Senior/Handicap Transportation Cart	282	1993-94		30							43-44
Sewer	Trailer Air Compressor	300	2016-17		20							36-37
Parks	Toro Snowblower	314	2002-03		20							22-23
Streets	Wanco Solar Arrow	318	2000-01		20			GF				41-42
Motorpool	Clark Fork Lift	320	1997-98	X	25							22-23
Streets	175 CFM Compressor	330	2003-04		20							23-24
Sewer	4 Inch Trash Pump	336	2003-04		15		GF					34-35
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			SW				40-41
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	SW
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 XIII**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

DEPARTMENT	VEHICLE	#	LAST YEAR PURCH	Over \$30K	REPLACE CYCLE							NEXT REPLACED
						17-	18-	19-	20-	21-	22	
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	Polaris ATV	364	2010-11		10							GF 31-32
Streets	Asphalt Roller Vibrator	369	1999-00	X	25							24-25
Streets	Wanco Solar Arrow	374	2008-09		20							28-29
Solid Waste	Street Sweeper Cross Wind	402	2003-04	X	16	SW						35-36
Streets	4 YD. Loader CAT	404	2003-04	X	18							GF 39-40
Water	3 YD. Loader CAT	405	2003-04	X	18							WS 39-40
Solid Waste	Brush Bandit Chipper	406	2005-06	X	18							23-24
Streets	CAT Backhoe	407	2003-04	X	15		GF					33-34
Solid Waste	Street Sweeper Whirl Wind	408	2011-12	X	12							23-24
Streets	CAT Loader 3 Yrd	409	2003-04	X	15		GF					33-34
Solid Waste	Brush Bandit Chipper	410	2001-02	X	16		SW					33-34
Streets	Stake Truck Ford	415	2003-04	X	16			GF				35-36
Motor Pool	Chevy Impala	416	2014-15		10							24-25
Streets	Tandem Dump Truck	417	2015-16	X	12							27-28
Streets	Tandem Dump Truck	418	2016-17	X	13							29-30
Streets	Tandem Dump Truck	419	2003-04	X	15			GF				33-34
Streets	Chevy 3/4 Ton Pickup	420	2015-16		12							27-28
Streets	Tandem Dump Truck	422	2003-04	X	14		GF					31-32
Water	Chevy 3/4 Ton Pickup	423	2016-17	X	13							29-30
Solid Waste	Single Axle Dump	424	2003-04	X	16			SW				35-36
Streets	Single Axle Dump	425	2003-04	X	17			GF				37-38
Streets	Single Axle Dump	426	2003-04	X	17			GF				37-38
Streets	Platform Truck	429	2015-16	X	12							27-28
Motorpool	3/4 Ton Pickup	430	1999-00		20				GF			40-41
Streets	One Ton Dump Truck	431	2012-13	X	13							25-26
Streets	Ford 3/4 Ton Pickup	432	2013-14	X	12							25-26
Streets	Tandem Dump Truck	433	2003-04	X	15		GF					33-34
Motorpool	Chevy Pickup	434	2006-07	X	15							21-22
Streets	Van Building Mnt.	435	2012-13	X	10							22-23
Streets	Chevy 3/4 Ton Pickup W/Plow	436	2003-04	X	14							N/A
Streets	Toolcat Utility Vehicle	438	N/A	X	20	GF						37-38
Streets	Chevy 3/4 Ton Pickup	440	2003-04	X	15							N/A
Senior Citzn.	25 Passenger Bus Ford	443	2003-04	X	14		SR					32-33
Recreation	GMC Savanna	444	2014-15		12							26-27
Water	GMC Cargo Van	453	2012-13		10							22-23
Water	John Deere Backhoe	455	2005-06	X	16					WS		37-38
Water	Ford F250 3/4 Ton Pickup	457	2007-08	X	12				WS			32-33
Water	GMC W 4500 Van	458	2016-17	X	14							30-31
Sewer	Ford 3/4 Ton Pickup	460	2009-10		12							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	SW
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 XIII**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

DEPARTMENT	VEHICLE	VEH #	LAST YEAR PURCH	Over \$30K	REPLACE CYCLE LENGTH	NEXT REPLACED						
						17-18	18-19	19-20	20-21	21-22		
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		12							25-26
Water	Tandem Axle Dump	464	2013-14	X	13							26-27
Sewer	Sterling Vactor (Reconditioned)	465	2016-17		14							30-31
Sewer	Sewer T.V. Trailer	466	2017-18	X	8	WS						25-26
Senior Citzn.	Ford Van	469	2009-10		10				GF			30-31
Senior Citzn.	Blue Bird Bus	471	2001-02	X	20							41-42
Parks	GMC 4X4 Pickup	473	2015-16	X	12							27-28
Parks	Ford Pick-Up	474	2014-15	X	12							26-27
Water	Ford F250 3/4 Ton Pickup	475	2007-08	X	15							22-23
Parks	Chevy Silverado	477	2013-14		12							25-26
Solid Waste	Single Axle Dump Truck	479	2013-14	X	14							27-28
Senior Citzn.	GMC Rally Van (SMART)	480	2015-16		N/A							N/A
Streets	Super Duty Dump Truck	481	2005-06	X	14		GF					33-34
Senior Citzn.	GMC Van	482	2012-13		10							22-23
CDD Inspec.	Ford F-150 Pick-Up	483	2014-15		7							21-22
Parks	Chevy Colorado Pickup	484	2008-09		13							21-22
Parks	Chevy Pickup 4 x 4	485	2012-13		12							24-25
Parks	Volvo Loader	488	2003-04	X	20							23-24
Parks	Tractor Mower	489	1968-69		N/A							N/A
CDD Inspec.	Ford F150 Pick-up	492	2014-15		7							21-22
CDD Supervis.	Ford Explorer	493	2014-15		10							24-25
DPS	GMC	494	2014-15		7							21-22
CDD Inspec.	Ford F150 Pick-Up	496	2014-15		7							21-22
CDD ED./Sup.	Ford Focus	500	2014-15		10							24-25
Solid Waste	GMC Pickup	513	1996-97		Rotation							Rotation
Solid Waste	Brush Chipper Truck	525	2003-04	X	17			SW				37-38
Senior Citzn.	Smart Bus	530	2015-16	X	N/A							N/A
Motor Pool	Em. Gen. Fire Station #1	550	2003-04	X	17			GF				37-38
Motor Pool	Em. Gen. Police	551	2005-06	X	15							36-37
Motor Pool	Em. Gen. DPS	552	2005-06	X	15							36-37
Motor Pool	Em. Gen. Fire Station #2	553	2005-06	X	15							36-37
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				GF			35-36
Fire	Chevy Trail Blazer	700	2015-16		8							23-24
Fire	GMC Sierra	701	2014-15		7							21-22
Fire	Ford F350 Pickup	702	2007-08	X	10	GF						28-29
Fire	Chevy Pickup 3500	704	2001-02	X	15	GF						33-34
Fire	Ambulance Rescue Truck	710	2011-12	X	9				VM			30-31
Fire	Ambulance Rescue Truck	711	2009-10	X	9	GF						27-28
Fire	Ambulance Rescue Truck (Backup)	713	2014-15	X	9							23-24
Fire	Pumper Pierce	721	2003-04	X	18				GF			39-40
Fire	Pumper Pierce	722	2002-03	X	18		VM					37-38
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	2015-16	X	15							30-31
Fire	Technical Rescue Trailer	741	2001-02	X	25							26-27
<b>GRAND TOTAL</b>							4	9	10	16	10	

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	SW
Major Street Fund	MSF	Special Assessment District	SAD
New Formula	NF	Vehicle Millage	VM
Oakland County Road Commission	OCRC	Water and Sewer Fund	WS

## **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 and may result in savings.

Capital Improvement Projects must include impacts on the general operating budget when the project is submitted. Assumptions used in determining the estimated impact are noted for each project. These impacts are reviewed by Administration before projects are recommended to Council as part of the five year Capital Improvement Plan.

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 projects being proposed in the upcoming year.

The pages that follow present the operating budget considerations that were reviewed when deciding to include each project in the Capital Improvement Plan. Calculations are included for projects being proposed in FY 2018. Projects included in the plan in years beyond FY 2018 are concepts only and impacts on operating budgets are subject to change.

**TABLE XIV**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

<u>Neighborhood Projects - Table III</u>			
<b>Project Description</b>	<b>Dei - Lincoln to Southend</b>		<b>Department : Community Development/Dept. of Public Sv.</b>
Funding Type			
Water and Sewer Fund	\$ 258,000	<i>FY 2017</i>	
Proposal R-2 Millage	1,030,000	<i>FY 2018</i>	
<b>Total Funding Amount</b>	<b>\$ 1,288,000</b>		
Type:	Replacement of current capital asset		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
<b>Project Description</b>	<b>Hales - 13 Mile to Nature Center Gate</b>		<b>Department : Community Development/Dept. of Public Sv.</b>
Funding Type			
Water and Sewer Fund	\$ 157,000	<i>FY 2017</i>	
Proposal R-2 Millage	501,000	<i>FY 2018</i>	
<b>Total Funding Amount</b>	<b>\$ 658,000</b>		
Type:	Replacement of current capital asset		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
<b>Project Description</b>	<b>Lincoln Sectional</b>		<b>Department : Community Development/Dept. of Public Sv.</b>
Funding Type			
Proposal R-2 Millage	\$ 314,000	<i>FY 2018</i>	
<b>Total Funding Amount</b>	<b>\$ 314,000</b>		
Type:	Replacement of current capital asset		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
<b>Project Description</b>	<b>Brettonwoods Street (Eleven Mile to W. Farnum Avenue)</b>		<b>Department : Community Development/Dept. of Public Sv.</b>
Funding Type			
Water and Sewer Fund	\$ 247,000	<i>FY 2018</i>	
Proposal R-3 Millage	554,000	<i>FY 2019</i>	
<b>Total Funding Amount</b>	<b>\$ 801,000</b>		
Type:	Replacement of current capital asset		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
<b>Project Description</b>	<b>Harwood Avenue (Battelle Ave to Tawas Street)</b>		<b>Department : Community Development/Dept. of Public Sv.</b>
Funding Type			
Water and Sewer Fund	\$ 162,000	<i>FY 2018</i>	
Proposal R-3 Millage	339,000	<i>FY 2019</i>	
<b>Total Funding Amount</b>	<b>\$ 501,000</b>		
Type:	Replacement of current capital asset		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
<b>Project Description</b>	<b>Brush Street (W. University to W. Farnum Avenue)</b>		<b>Department : Community Development/Dept. of Public Sv.</b>
Funding Type			
Water and Sewer Fund	\$ 149,000	<i>FY 2018</i>	
Proposal R-3 Millage	207,000	<i>FY 2019</i>	
<b>Total Funding Amount</b>	<b>\$ 356,000</b>		
Type:	Replacement of current capital asset		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
<b>Project Description</b>	<b>Brush Street ( W. University Avenue to Eleven Mile Road)</b>		<b>Department : Community Development/Dept. of Public Sv.</b>
Funding Type			
Water and Sewer Fund	\$ 149,000	<i>FY 2018</i>	
Proposal R-3 Millage	172,000	<i>FY 2019</i>	
<b>Total Funding Amount</b>	<b>\$ 321,000</b>		
Type:	Replacement of current capital asset		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		

**TABLE XIV**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

Road Improvements - Table V						
Project Description	Joint and Crack Sealing			Department:	Department of Public Services	
Funding Type Major Street Act 51	\$ 75,000 per year					
<b>Total Funding Amount</b>	\$ 75,000					
Type: Project Details	Reoccurring Maintenance Cost The Capital Improvement Plan includes \$75,000 per year for regular maintenance to Major streets for joint and crack sealing work. Locations vary throughout the City depending on road conditions. This program extends the life of the current road system					
	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Reoccurring Personnel Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reoccurring Operational Cost	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
New Operational Cost	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Project Description	Sectional Road Work on Major Streets			Department:	Community Development	
Funding Type Major Street Act 51	\$ 1,187,000					
<b>Total Funding Amount</b>	\$ 1,187,000					
Type: Project Details	Reoccurring Maintenance Cost See the Road Improvement section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Sectional Road Work on Local Streets			Department:	Community Development	
Funding Type Local Street Act 51	\$ 215,000					
<b>Total Funding Amount</b>	\$ 215,000					
Type: Project Details	Reoccurring Maintenance Cost See the Road Improvement section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Sidewalk Replacement, Sectional Repairs & Gaps Installation			Department:	Community Development	
Funding Type Special Assessment Revolving Fund	\$ 250,000 per year					
<b>Total Funding Amount</b>	\$ 250,000					
Type: Project Details	Reoccurring asset replacement program See the Road Improvement section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Traffic Signal Improvements			Department:	Community Development	
Funding Type Major Street Act 51	\$ 30,000 per year					
<b>Total Funding Amount</b>	\$ 30,000					
Type: Project Details	Reoccurring asset replacement program See the Road Improvement section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	2003 Street Sweeper #402			Department:	Department of Public Services	
Funding Type Proceeds from Sale Solid Waste	\$ 5,000 245,000					
<b>Total Funding Amount</b>	\$ 250,000					
Type: Project Details	Replacement of current asset Current vehicle to be replaced has 8,285 hours of operation and was purchased in 2003. Total maintenance cost over the life of the vehicle is \$87,478. This vehicle is rated in very poor condition by the Vehicle Replacement & Evaluation Worksheet. This vehicle has been in for repairs 4 times in the last month and 6 times in the last three months.					
	2017-18	2018-19	2019-20	2020-21	2021-22	Total
<b>Operational Cost</b>	\$ (18,000)	\$ -	\$ -	\$ -	\$ -	\$ (18,000)

**TABLE XIV**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

Project Description	Tool Cat Utility Vehicle (NEW)	Department:	Department of Public Services			
Funding Type						
Proceeds from Sale	\$ -					
General Fund	75,000					
<b>Total Funding Amount</b>	<b>\$ 75,000</b>					
Type: Project Details	New to the fleet but will replace Trucks #436 and #440 once they have reached the end of their useful life. Purchasing a Tool Cat instead of replacing trucks #436 and #440 would allow the department more versatility. This piece of equipment is street legal and is highly maneuverable offering interchangeable power operated tools such as a plow, loader bucket, angle broom.					
	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Operational Cost	\$ (2,500)	\$ -	\$ -	\$ -	\$ -	\$ (2,500)
<b>Collection and Distribution Systems - Table VI</b>						
Project Description	Tawas - Moulin to Robert	Department:	Department of Public Services			
Funding Type						
Water and Sewer Funds	\$ 319,000					
<b>Total Funding Amount</b>	<b>\$ 319,000</b>					
Type: Project Details	Replacement of current asset There have been four breaks on this watermain since 2006. These breaks average \$4,000 each.					
	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Operational Cost	\$ (4,000)	\$ -	\$ -	\$ -	\$ -	\$ (4,000)
Project Description	Fontaine - Rose to Dequindre	Department:	Department of Public Services			
Funding Type						
Water and Sewer Funds	\$ 274,000					
<b>Total Funding Amount</b>	<b>\$ 274,000</b>					
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.					
	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Operational Cost	\$ (4,000)	\$ -	\$ -	\$ -	\$ -	\$ (4,000)
Project Description	Sanitary Sewer Inspection/Rehabilitation Program	Department:	Department of Public Services			
Funding Type						
State of Michigan Grant	\$ 2,000,000					
Water and Sewer Funds	444,000					
<b>Total Funding Amount</b>	<b>\$ 2,444,000</b>					
Type: Project Details	New Project See Collection and Distribution section for details.					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Sewer Camera Trailer #466	Department:	Department of Public Services			
Funding Type						
Water and Sewer Funds	140,000	* Funded over two years starting in FY 2017 to be purchased in FY 2018.				
<b>Total Funding Amount</b>	<b>\$ 140,000</b>					
Type: Project Details	Replacement of current asset While current asset only has 40 hours of utilization and is rated in excellent condition, it has become obsolete. The current recording system offers no means to identify, map or evaluate the sewers being televised.					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					

**TABLE XIV**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

Project Description	Salt Dome Containment Structure		Department:	Department of Public Services
Funding Type Water and Sewer Funds	\$ 270,000 *			* Funded over three years starting in FY 2016 to be purchased in FY 2018.
<b>Total Funding Amount</b>	<b>\$ 270,000</b>			
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.			
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.			
Project Description	City-Wide Water Meter Replacement Program		Department:	Department of Public Services
Funding Type Water and Sewer Funds	\$ 3,875,000 *			* Funded over four years with project starting in FY 2017 with District 1.
<b>Total Funding Amount</b>	<b>\$ 3,875,000</b>			
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.			
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.			
Project Description	Replacement of DPS Parking Lot		Department:	Department of Public Services
Funding Type Water and Sewer Funds	\$ 175,000			* Funded over two years starting in FY 2016 to be purchased in FY 2017.
<b>Total Funding Amount</b>	<b>\$ 175,000</b>			
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.			
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.			
Project Description	Underground Storage Tank and Diesel Fuel Storage		Department:	Department of Public Services
Funding Type Water and Sewer Funds	\$ 150,000			
<b>Total Funding Amount</b>	<b>\$ 150,000</b>			
Type: Project Details	New Project See Collection and Distribution section for details.			
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.			
<b>Public Safety - Table VIII</b>				
Project Description	Underground Storage Tank		Department:	Department of Public Services
Funding Type General Fund	\$ 217,000			* Funded over five years starting in FY 2015 to be completed in FY 2020.
<b>Total Funding Amount</b>	<b>\$ 217,000</b>			
Type: Project Details	New Project See Public Safety section.			
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.			
Project Description	Fire Station #2 Parking Lot		Department:	Fire Department
Funding Type General Fund	\$ 140,000			*Funded over two years starting in FY 2017 to be completed in FY 2018
<b>Total Funding Amount</b>	<b>\$ 140,000</b>			
Type: Project Details	Replacement of current asset See Public Safety section.			
New Operational Cost	None			
Project Description	Resurfacing Apparatus Room Floors		Department:	Fire Department
Funding Type General Fund	\$ 70,000			*Funded over two years starting in FY 2018 to be completed in FY 2019
<b>Total Funding Amount</b>	<b>\$ 70,000</b>			
Type: Project Details	Replacement of current asset See Public Safety section.			
New Operational Cost	None			

**TABLE XIV**  
**FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

<b>Project Description</b>	<b>Lucas Chest Compression System</b>					<b>Department:</b>	<b>Fire Department</b>
Funding Type General Fund	\$ 35,000						
<b>Total Funding Amount</b>	\$ 35,000						
Type: Project Details	This is new equipment for the department. The chest compression will free the responder to perform other tasks by delivering high quality chest compressions.						
New Operational Cost	None						
<b>Project Description</b>	<b>2009 Ambulance Rescue #711</b>					<b>Department:</b>	<b>Department of Public Services</b>
Funding Type General Fund	\$ 270,000					* Funded over two years starting in FY 2018 to be purchased in FY 2019	
<b>Total Funding Amount</b>	\$ 270,000						
Type: Project Details	This Rescue was purchased in 2009 and has 77,104 miles. Repair costs have been \$20,307 through October 1, 2016. This vehicle is rated at the low end of fair condition by the Vehicle condition report.						
Operational Cost	2017-18	2018-19	2019-20	2020-21	2021-22		Total
	\$ (1,250)	\$ -	\$ -	\$ -	\$ -		\$ (1,250)
<b>Project Description</b>	<b>2002 Pierce Pumper #722</b>					<b>Department:</b>	<b>Department of Public Services</b>
Funding Type "V" millage funded	\$ 600,000					* Funded over three years starting in FY 2018 to be purchased in FY 2020.	
<b>Total Funding Amount</b>	\$ 600,000						
Type: Project Details	The pumper being replaced was purchased in 2002 and has 64,712 miles. Maintenance costs are \$42,364 as of October 1, 2016.						
Operational Cost	2017-18	2018-19	2019-20	2020-21	2021-22		Total
	\$ (2,500)	\$ -	\$ -	\$ -	\$ -		\$ (2,500)
<b>General Government &amp; Economic Development - Table X</b>							
<b>Project Description</b>	<b>Information Technology Computer Replacements</b>					<b>Department:</b>	<b>Information Technology</b>
Funding Type General Fund	\$ 20,000 per year						
<b>Total Funding Amount</b>	\$ 20,000						
Type: Project Details	Replacement of current assets The Capital Improvement Plan includes a detailed computer replacement chart starting on page 219. Each year we try to replace approximately 18-20 computers.						
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.						
<b>Leisure and Human Services - Table XI</b>							
<b>Project Description</b>	<b>Ambassador Park Asphalt Pavement &amp; Parking Lot</b>					<b>Department:</b>	<b>Department of Public Services</b>
Funding Type General Fund	\$ 75,000						
<b>Total Funding Amount</b>	\$ 75,000						
Type: Project Details	Replacement of current assets Replaced a current asset						
New Operational Cost	This project will not result in any significant increase in operating cost over the next five years.						
<b>Project Description</b>	<b>Wildwood Park - Playscape Replacement</b>					<b>Department:</b>	<b>Department of Public Services</b>
Funding Type General Fund	\$ 125,000 *					* Funded over the next two years at \$50,000 a year	
<b>Total Funding Amount</b>	\$ 125,000						
Type: Project Details	Replacement of current assets Replace the existing non-compliant play structure at Wildwood Park. The proposed playground would offer 2-5 year old children and 5-12 year old children designed play areas. Wildwood Park's playground equipment consists of some of the oldest play structures that remain in the City's park system. While inspected frequently, this playground remains a liability due to age.						
New Operational Cost	This project will not result in any significant increase in operating cost over the next five years.						
<b>Project Description</b>	<b>Friendship Woods - Nature Center Roof</b>					<b>Department:</b>	<b>Department of Public Services</b>
Funding Type General Fund	\$ 54,000 *						
<b>Total Funding Amount</b>	\$ 54,000						
Type: Project Details	Replacement of current assets This project will be completed in coordination with Oakland County, who operates the Nature Center						
New Operational Cost	This project will not result in any significant increase in operating cost over the next five years.						

## **APPENDICES**

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## FY 2017-18 Budget Resolution

### A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2017-18 TO APPROPRIATE FUNDS FOR SAID PURPOSES AND TO PROVIDE FOR A LEVY OF TAXES FOR SAID BUDGET APPROPRIATIONS

**WHEREAS**, in accordance with Section 8.4 of the Charter of the City of Madison Heights, it is provided that the City Council shall adopt a budget for the fiscal year, appropriate funds for said purposes and provide for a levy of taxes for said Budget appropriations; and

**WHEREAS**, on May 8, 2017, a public hearing was held in accordance with Section 8.3 of the Charter of the City of Madison Heights, and the statutes of the State of Michigan for the fiscal year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Budget hereto as Exhibit "A" is hereby adopted.
2. That the amounts set forth in said Budget are hereby appropriated for the purposes stated therein.
3. That 25.2632 mills per \$1,000 State Taxable Valuation on the real and personal property in the City of Madison Heights be levied to provide funds for said Budget for municipal purposes:

General Operating	10.0000
Neighborhood Road Improvements	2.0000
Vehicle Replacement	0.2500
Advanced Life Support	0.2500
Solid Waste	2.6457
Senior Citizens	0.4751
Police & Fire Pension	6.9586
Fire Stations Debt Obligation	0.5276
Library	1.0000
Chapter 20 Drain Debt	<u>1.1562</u>
Total	<u>25.2632</u>

4. That the City of Madison Heights approves the imposition, by the City Treasurer, of a one percent (1%) property tax administration fee for all property taxes levied in Fiscal Year 2017-18 and for the imposition of a late penalty charged, when applicable, in accordance with Public Act 1982, specifically Michigan Compiled Laws, Section 211.44(7).
5. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for the operation of the Police and Fire Pension System.
6. That the City of Madison Heights assigns the authority to the City Manager and/or Deputy City Manager for Administrative Services to assign amounts for fund balance to be used for a specific purposes.
7. That the City of Madison Heights approves and establishes Water, Sewer and Stormwater Charges set forth in the attached fee schedule.
8. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for principal and interest for the Chapter 20 Drain Debt Obligations.

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to make budgetary transfers within the appropriation centers established throughout the Budget, and all transfers between appropriations may be made only by further action of the Council, pursuant to the provisions of the Michigan Uniform Accounting and Budget Act.

**EXHIBIT "A"**  
**CITY OF MADISON HEIGHTS**  
**ADOPTED BUDGET RESOLUTION**  
**FISCAL YEAR 2017-18**

EXPENDITURES		REVENUES		
GENERAL FUND				
General Government	\$ 5,943,971		Property Taxes and Fees	\$ 17,159,281
Public Safety	15,348,987		Intergovernmental Revenues	4,018,989
Community Services	3,243,892		Other	5,836,210
Culture and Recreation	1,766,319		Use of Fund Balance	326,585
Community Development	1,037,896			
<b>TOTAL</b>	<b>\$ 27,341,065</b>			<b>\$ 27,341,065</b>
MAJOR STREET FUND				
Program Expenditures	\$ 1,984,487		Intergovernmental Revenues	\$ 1,987,466
			Other	-
			Use of Fund Balance	(2,979)
	<b>\$ 1,984,487</b>			<b>\$ 1,984,487</b>
LOCAL STREET FUND				
Program Expenditures	\$ 2,695,088		Property Taxes	\$ 1,534,741
			Intergovernmental Revenues	804,547
			Other	35,000
			Use of Fund Balance	320,800
	<b>\$ 2,695,088</b>			<b>\$ 2,695,088</b>
PARKS MAINTENANCE & IMPROVEMENT FUND				
Program Expenditures	\$ 36,518		Other	\$ 18,213
			Use of Fund Balance	18,305
	<b>\$ 36,518</b>			<b>\$ 36,518</b>
DOWNTOWN DEVELOPMENT AUTHORITY				
Program Expenditures	\$ 52,039		Property Taxes	\$ 52,039
			Use of Fund Balance	-
	<b>\$ 52,039</b>			<b>\$ 52,039</b>
DRUG FORFEITURE FUND				
Program Expenditures	\$ 49,575		Intergovernmental Revenues	\$ 40,750
			Other	350
			Use of Fund Balance	8,475
	<b>\$ 49,575</b>			<b>\$ 49,575</b>

EXHIBIT "A"  
 CITY OF MADISON HEIGHTS  
 ADOPTED BUDGET RESOLUTION  
 FISCAL YEAR 2017-18

COMMUNITY IMPROVEMENT FUND				
Program Expenditures	\$ 103,110		Intergovernmental Revenues	\$ 107,118
			Use of Fund Balance	(4,008)
	<u>\$ 103,110</u>			<u>\$ 103,110</u>
SPECIAL ASSESSMENT REVOLVING				
Program Expenditures	\$ 254,922		Other	\$ 146,400
			Use of Fund Balance	108,522
	<u>\$ 254,922</u>			<u>\$ 254,922</u>
FIRE STATIONS BONDS				
Program Expenditures	\$ 428,059		Property Taxes	\$ 417,188
			Use of Fund Balance	10,871
	<u>\$ 428,059</u>			<u>\$ 428,059</u>
WATER AND SEWER FUND				
Program Expenditures	\$ 14,495,113		Sales to Customers	\$ 11,212,510
			Other	983,603
			Use of Retained Earnings	2,299,000
	<u>\$ 14,495,113</u>			<u>\$ 14,495,113</u>
MOTOR AND EQUIPMENT POOL				
Program Expenditures	\$ 955,633		Other	\$ 955,633
	<u>\$ 955,633</u>			<u>\$ 955,633</u>
DEPARTMENT OF PUBLIC SERVICES				
Program Expenditures	\$ 2,049,341		Other	\$ 2,049,341
	<u>\$ 2,049,341</u>			<u>\$ 2,049,341</u>
CHAPTER 20 DRAIN DEBT SERVICE				
Program Expenditures	\$ 887,260		Property Taxes	\$ 887,260
			Use of Fund Balance	-
	<u>\$ 887,260</u>			<u>\$ 887,260</u>

## FY 2018 FEE SCHEDULE

The FY 2018 City of Madison Heights Fee Schedule will be effective July 1, 2017 unless otherwise noted. The entire schedule will be adopted with the Budget Policy document. Revisions from the FY 2017 schedule are listed below and can occur throughout the year on various dates which will be listed below:

### **SUMMARY OF REVISIONS:**

**Section 1. Community Development Department Services**  
No changes

**Section 2 City Clerk Services**  
No changes

**Section 3 Water and Sewer**  
*Proposed revisions for May 8, 2017. Effective for bills on or after July 1, 2017:*

- Stormwater change from \$5.17 per ERU per bill to \$11.37 per ERU per quarter for residential and \$3.79 per ERU per month for business
- Eliminate the \$3.00 meter fee from all accounts
- Eliminate the service charge fee from all commercial and industrial accounts
- Decrease water rate from \$3.39 per unit to \$3.04 per unit
- Decrease sewer rate from \$3.83 per unit to \$3.44 per unit
- Updated frozen meter fee to reflect the City's cost
- Increased fire detector meter fee to reflect cost of materials
- Eliminate Reconnect Fee
- Increased and separated the Disconnect fee (3/4"-2"; 3"-6") to reflect contractual labor

**Section 4 Treasury and Assessing Services**  
No changes

**Section 5 Library Services**  
No changes

**Section 6 Fire Services**  
*Proposed revisions for May 8, 2017. Effective for bills on or after July 1, 2017:*

Based on changes in insurance reimbursement rates

- ALS Non-Emergency current \$410 will decrease to \$400
- ALS II Emergency current \$710 will increase to \$950
- BLS Non-Emergency current \$410 will decrease to \$400
- BLS Emergency current \$410 will increase to \$550
- Mileage current \$13.50 per mile will increase to \$14.00 per mile

**Section 7. Police Services:**

*Revisions*

- January 9, 2017 – False Alarm Fees adjusted by City Council

**Section 8. Department of Public Services**

No Changes

**Section 9. Parks and Recreation**

No Changes

**Section 10. Senior Citizens Services**

*Revisions*

- February 28, 2017 – Department Head adjusted cancellation fee from \$3 to \$5 for trips where the trip vendor has already been paid effective April 1, 2017

**Section 11. General Government**

*Revisions*

- February 28, 2017 – Department Head adjusted garbage bags from \$16 to \$18 per box based on City costs effective July 1, 2017.

**Section 12. Freedom of Information Act (FOIA)**

No Changes

### Section 3. WATER AND SEWER OPERATION SERVICE FEES

#### Utility Rates

##### 1.0 **Water and Sewer Rates**

*Residential water received into 590-010-6430-000*

*Commercial/industrial water received into 590-010-6440-000*

*Sewer received into 590-020-6115-000*

Residential customers of the City are billed quarterly depending on what district or area of the City they live. All residential customers that are connected to the City water/sewer system is subject to a minimum bill of 10 units per quarter.

Commercial customers of the City are billed monthly. All commercial customers that are connected to the City water/sewer system are subject to a minimum bill of 3.33 units per month.

Water and Sewer is billed in units. 1 unit = 100 cubic feet = approximate 748 gallons.

Water	\$3.04 per unit
Sewer	\$3.44 per unit

##### 2.0 **Stormwater**

*Received into 590-020-6118-000*

Stormwater fees shall be charged to all properties within the city based on Equivalent Residential Units (ERUs) calculated for each property.

ERUs is a subunit of measurement that related the volume of storm water discharge from the parcel based on the amount of total and impervious lot area. One ERU equaling 2,600 square feet with runoff factor.

Single Family Residential \$11.37 per ERU per quarter  
Commercial/Industrial \$ 3.79 per ERU per month

#### Service Fees

##### 1.0 **Service Tapping Fees**

*Meter & Materials received into 590-000-2735-000*

*Service Connection received into 590-000-2736-000*

*Transmission received into 590-000-6113-000*

*Paving received into 590-010-6111-000*

*Sewer Privilege Fee received into 590-020-6117*

If the service requires crossing a five (5) lane highway, additional charges will apply.

Description	Supply/ Meter Size					
	1"	1 1/2"	2"	3"	4"	6"
Meter & Materials	\$1,080	\$1,460	\$1,980	\$3,190	\$4,070	\$6,050
Service Connection	\$825	\$1,045	\$1,238	-	-	-
Transmission	\$72	\$72	\$72	-	-	-
Paving	\$275	\$275	\$275	-	-	-
Sewer Privilege Fee	\$622	\$897	\$1,183	\$2,310	\$3,493	\$3,575
Total	\$2,874	\$3,749	\$4,748	\$5,550	\$7,563	\$9,625

### **New One and Two Family Residential Construction**

*Received to 101-017-4771-000*

\$25.00 non-refundable application fee plus permit fees as follows:

\$850.00 plus \$1.15 per square foot over 1,000 square feet. For fee purposes all finished areas are included including habitable basement spaces and all attached garages.

Plan review fee when required = \$80.00

Certificate of Occupancy including replacement certificates = \$25.00

Exception: Permit and inspection fees for the construction of barrier free ramps serving one and two family dwelling units shall be waived.

### **Multiple Family, Commercial, and Industrial**

*Received to 101-017-4771-000*

\$25.00 non-refundable application fee plus permit fees as follows:

<u>Improvement Cost</u>	<u>Fee</u>
\$0.00 to \$6000.00	= \$78.00
\$6,001.00 and above	= \$0.013 x construction cost

Plan review fee = .005 x cost, minimum \$200.00, maximum \$5,000.00 In the event that the Department requires review by outside consultants as part of the plan review, all costs for required outside architectural or engineering reviews shall be paid by the applicant in addition to the standard plan review fees.

### **Certificate of Occupancy - Multiple-Family, Commercial, Industrial**

*Received to 101-017-4771-000*

Additions/New Construction/Change in use, owner or occupant: \$200.00.

(Where only the ownership of a multi-tenant building changes, the building owner shall be responsible for obtaining a new certificate of occupancy for each tenant. The fee for each new tenant certificate shall be 20% of the regular fee. Where it has been less than one year since issuance of a certificate of occupancy for any tenant space, the fee and inspection will be waived for that tenant space.)

Attached residential condominiums: \$25.00 per unit.

Replacement certificates: \$25.00

### **Temporary Certificate of Occupancy**

*Received into 101-017-4770-000 with bonds in 705-000-2830-000*

Single-family residential - \$250.00 plus bond of \$500.00 per incomplete item or 100% of cost, whichever is greater. Bondable items are concrete, sod and final grade in the winter months only. Bond for an as-built plot plan shall be \$1000.00.

All other construction - \$250.00 plus bond for 100% of incomplete work.

All temporary certificates are 90 days maximum with one renewal.

**Signage Permits***Received into 101-017-4770-000*

All permits shall be assessed a non-refundable application fee of \$25.00.

Permit Fees:      Permit fees are non-transferable.

**Permanent signs**

Ground signs:	Up to 60 square feet	\$185.00
	Over 60 square feet	\$265.00

Wall signs:	Up to 100 square feet	\$185.00
	Over 100 square feet	\$265.00

**Temporary signs**

General information	\$25.00 per side
Non-commercial signs	No fee, must be on private property

**Demolition***Received into 101-017-4770-000 with bonds in 705-000-2830-000*

All permits shall be assessed a non-refundable application fee of \$25.00.

Permit Fees:      \$210.00 (Includes pre-demolition, open hole and final site inspections. Additional inspections \$70.00 each. The inspector shall estimate the number of visits required.)

Performance Bond      \$5,000.00      (Note: Bond required for all demolition permits including homeowner permits. Bond may be reduced to \$1000.00 for qualified homeowners at the Department's discretion.)

**Moving***Received into 101-017-4770-000 with bonds in 705-000-2830-000*

All permits shall be assessed a non-refundable application fee of \$25.00.

Permit Fees:      \$140.00 (Includes pre and post move inspection. Additional inspections \$70.00 each. The inspector shall estimate the number of visits required)

Performance Bond      \$5,000.00

**Utility Disconnect Fees for Demolition (established by Utility Department):***Received into 590-551-8180-000*

Sewer and/or water discontinuation fee: (Permanent shut off) \$400.00

**Code Inspections***Received into 101-017-4770-000*

\$70.00 per inspector/per hour, or fraction thereof.

**Overtime Inspections***Received into 101-017-4770-000*

\$105.00 per hour.

**Special Inspections***Received into 101-017-4770-000*

Inspector required on site full time. \$70.00 per hour.

***Received into 101-017-4770-000***

\$70.00 per inspection.

**Appeal Boards**

***Received into 101-017-4770-000***

Construction Board of Appeals. \$250.00

**3.0 INSPECTIONS: MINIMUM NUMBER AND WHEN REQUIRED**

3.1 Electrical: Single-Family Residential

For new construction a minimum of three inspections are required, a service, rough and final inspection. An additional inspection shall be required if temporary service is provided.

Remodels shall require a minimum of two inspections, a rough and a final. For all other types of work of this class, inspections shall be required for each visit required from the electrical inspector.

3.2 Electrical: Multiple-Family, Commercial, Industrial

For a multiple-family structure or multi-tenant commercial or industrial building, a minimum of two inspections, a rough and a final, shall be required for each living or work unit in such a structure. An inspection shall also be required for the service.

For all other buildings of this class, inspections shall be required for each visit required from the electrical inspector. The inspector shall estimate the number of visits required.

A separate inspection shall be required for temporary service.

3.3 Mechanical: Single-Family Residential

1. For new construction a minimum of three inspections, a rough, final, and gas line inspection shall be required for each heating system. A separate inspection shall be required for each cooling system. A heating or cooling unit without a distribution system shall require one inspection.

Remodels shall require a minimum of a rough and final inspection. For all other types of work of this class, inspections shall be required for each visit required from the mechanical inspector.

2. Pre-fab fireplaces shall require a minimum of one inspection per dwelling unit. Multiple fireplaces in the same dwelling unit and inspected on the same visit shall require one inspection. Units may also require a gas line pressure test and inspection.

3.4 Mechanical: Multiple-Family, Commercial, Industrial

Each heating and/or cooling unit shall require one inspection. Each multi-family dwelling unit shall require a rough and final. Installation or modification of any distribution system not involving the associated heating/cooling unit shall require one inspection. Where an underground inspection(s) is required, an additional inspection shall be charged per visit. Gas lines require an additional pressure test and inspection per system.

Refrigeration units of one horse-power or greater shall require one inspection per unit.

Concealed piping shall require an additional inspection per system.

3.5 Plumbing: Single-Family Residential

For new construction an underground, rough and final plumbing inspection shall be required.

Remodels shall require a minimum of two inspections, a rough and final. For all other types of work of this class, inspections shall be required for each visit required from the plumbing inspector.

3.6 Plumbing: Multiple-Family, Commercial, Industrial

Each unit in a multiple-family structure or in a multi-tenant structure shall require a rough and a final inspection. An additional inspection for underground plumbing shall be required for each unit in a strip center. A multiple-family structure or other multi-tenant building shall require an additional inspection for underground plumbing at the rate of one inspection per building. An additional inspection shall be required for sewer and water service.

All other commercial and industrial buildings shall be charged at the rate of one inspection for each visit required from the plumbing inspector. The inspector shall estimate the number of visits required.

3.7 Building: All Construction

Building inspections shall follow the schedule below to the extent applicable:

- a. Footing - before footing is poured. Property lines must be identified for the inspection.
- b. Backfill - before foundation wall is backfilled and before slab floors and with sill plate and foundation drain in place and anchor bolts installed.
- c. Brick Ledge - after first course of brick, flashing, weep holes, and pea stone are installed.
- d. Rough - before any framing is covered and after rough electrical, mechanical and plumbing inspections are approved.
- e. Insulation - prior to covering insulation.
- f. Slab - prior to pouring concrete slab with sub-base, forms and any reinforcement and insulation installed.
- g. Fireplace - Masonry - when damper and first flue liner are in place.
- h. Drywall - fastener inspection before drywall is taped.
- i. Final - after final electrical, plumbing, and mechanical inspections are approved.
- j. Final Site/Certificate of Occupancy - when all inspections are approved and prior to Occupancy. It is illegal to occupy a building before a Certificate of Occupancy is issued. As built drawings including the approved, existing, final grade elevations must be received before an occupancy certificate can be issued.

**CONCRETE PERMITS INCLUDING NON-TELECOMMUNICATION WORK IN R.O.W.**

*Received into 101-017-4770-000 with bonds in 705-000-2830-000*

- 1.1 All permits shall be assessed a non-refundable application fee of \$25.00.

- 1.2 Permit Fees: Permit fees are non-refundable after work has started and non-transferable.

Cutting, repair, sawing, removal, replacement or modification of street surface,  
aprons or curb and gutter:  
\$70.00 per required inspection

(Two inspections required minimum unless work is covered by a site plan and bond.)  
\$5,000 bond (\$1,000 for qualified homeowner permits at the Departments discretion) required for r.o.w.  
work. Waived for registered contractors with annual bond posted and projects with site plan  
guarantee bonds posted.

Concrete flatwork	\$70.00 per inspection	(fees waived for five (5) squares or less of public sidewalk)
1.3 Contractor registration fee:		
Registration	\$15.00	

### PRIVATE SEWER AND WATER SERVICE

*Received into 101-017-4770-000 with bonds in 705-000-2830-000*

1.1	All permits shall be assessed a non-refundable application fee of \$25.00.
1.2	Permit Fees:      Permit fees are non-refundable after work has started and non-transferable. Private sewer and water leads (from the building to the storm sewer, sanitary sewer or water main) including replacements:
	Storm or sanitary sewer lead      \$70.00 each.
	Water lead      \$70.00 each.
	Gate wells or structures      \$70.00 each.
	Public sewer and water mains:      See non-telecommunication engineering fees below
1.3	Contractor registration fee:
	Registration      \$15.00
	Performance Bond      \$5,000.00 (Required for r.o.w.)

### PLANNING FEES

*Received into 101-030-6071-000*

Site Plan Review	
Planning Commission	\$1000.00
Administrative	\$500.00
Plats and Site Condominiums	\$1000.00
Easements:	
Vacations	\$500.00
Encroachments	\$ 50.00
Land Divisions	\$200.00

### ZONING FEES

*Received into 101-044-6701-000*

Z.B.A.	
Residential	\$200.00
Commercial	\$550.00
Special Use Approvals	\$1000.00
Re-zonings	\$1000.00

### BROWNFIELD REDEVELOPMENT AUTHORITY FEES

*Received into 101-044-6701-000*

Application fee: \$1500.00 plus \$2500.00 engineering escrow.

### ENGINEERING FEES - (NON-TELECOMMUNICATION)

*Received into 101-030-6701-000*

Engineering Plan Review	Application fee (Non-refundable)      \$200.00 for all projects
	Public projects - Review fee      2% of site construction cost

Inspection fee	4% of site construction cost (see r.o.w. inspection below.)
Private projects - Review fee	2% of site construction cost (\$200.00 Minimum)
Residential site/plot plan review	\$75.00

Engineering Inspections: \$70 / Inspection + \$100 for each Compaction / Material Test

Landfill permits: \$60.00 + \$0.05 per cubic yard of fill.

#### **RIGHT-OF WAY PERMITS – (NON-TELECOMMUNICATION)**

*Received into 101-030-6701-000*

Application Fee: \$200.00 (non-refundable)

Review fee 2% of the cost of the project. Minimum \$200.00

Inspection Fees: 4% of the cost of the project. If the inspection fees exceed 4% of the project cost, the permittee shall be charged 175% of the actual payroll costs (including but not limited to wages, fringe benefits and/or expenses) for all inspection fees exceeding the non-refundable 4% inspection fee.

\$100.00 for each road crossing/driveway compaction test

GIS Fee \$150.00.

#### **LANDLORD LICENSING**

*Received into 101-017-4771-000*

Three Year Registration Fees: New Registrations and Renewals  
Through Renewal Date\*

Single-family	\$195.00
2 to 4 units	\$240.00
5 or more units	\$46.50 per unit

\*Code enforcement action will commence if the application and fee are not received before the current expiration date; if the renewal is not completed within thirty (30) days after the renewal date; or if a new application is not completed within thirty (30) days of the initial application date.

A fee of \$35.00 per inspection shall be charged for all locked-out inspections and the second re-inspection of all failed inspections.

Note: All renewal licenses are for thirty-six (36) months. New and pro-rated licenses may be for less than thirty-six (36) months. All licenses for the same landlord will expire on the same date.

#### **CODE ENFORCEMENT PROPERTY MAINTENANCE FEES**

Service: Cost: (Note: Mowing, labor and disposal costs are based on the current contract.)

Mowing \$100.00 Administrative Fee + Actual Mowing Charges

*Received into 101-030-6260-000*

Clean-up/Debris Removal (ROW)	\$150.00 Administrative Fee + Actual Labor and Disposal Charges
Clean-up/Debris Removal (PVT)	\$250.00 Administrative Fee + Actual Labor and Disposal Charges
<b><i>Receipted into 101-030-6270-000</i></b>	
Snow Removal (Public Walks)	\$100.00 Administrative Fee + Actual Labor Charges
<b><i>Receipted into 101-030-6250-000</i></b>	

#### **GEOGRAPHIC INFORMATION SYSTEM FEES**

##### ***Receipted into 101-030-6075-000***

Digital prices are for digital raw data of City of Madison Heights. Datasets are to be distributed “**AS IS**” at the time of sale. The cost DOES NOT include updates to ongoing coverage projects. Creation of mapping products that do not exist shall be \$75.00 per hour plus printing costs.

<b>Hardcopy Maps</b>	<b>Small Format (11 x 17)</b>	<b>Large Format (24 x 36 &amp; up)</b>
Aerial Photos (City wide)	NA	\$25.00-\$45.00
Existing Land Use Map	\$5.00	\$25.00
Future Land Use Map	\$5.00	\$25.00
Zoning Map	\$5.00	\$25.00
General Street Map	\$5.00	\$25.00
Utility ¼ Section Map	\$5.00	\$25.00
Benchmark Map	\$5.00	\$25.00
Street Map	\$5.00	\$25.00
Misc. (Future printed products)	\$5.00	\$25.00

#### **Electronic File Format Prices (when available)**

<b>Layers</b>	<b>Prices</b>	<b>Per Section</b>
Benchmarks (elevations)	\$50.00	NA
Contours	\$250.00	\$75.00
Aerial Photos	\$250.00	\$75.00
Parcel Coverage (property lines)	\$500.00	\$135.00
Pictures of all parcels	\$200.00	NA
Pavement Management (profiles)	\$500.00	NA
Road Projects	\$50.00	NA
Sidewalk Gap	\$50.00	NA
Utilities (each)	\$500.00	\$135.00
City Fiber Network	\$200.00	NA
Street ROW	\$200.00	NA
Street light network	\$200.00	NA
Street sign	\$100.00	NA
Public Facilities (buildings, properties)	\$100.00	NA
Zoning	\$100.00	NA
Existing Land Use	\$100.00	NA
Future Land Use	\$100.00	NA

## Section 2. CLERK DEPARTMENT SERVICES

### Business License/Permits

Business Licenses fees are based on square footage:

Up to 5,000 square feet	\$100.00 per year
5,001 to 20,000 square feet	\$200.00 per year
20,001 to 50,000 square feet	\$300.00 per year
50,001 – 100,000 square feet	\$400.00 per year
Over 100,000 square feet	\$500.00 per year

Late Fee is double the fee listed above.

Temporary Business Licenses	\$100.00
Home Solicitation Licenses	\$100.00

### Animal License/Permits

#### 1.0 Dogs and Cats.

*Received into 101-017-4800-000*

All dogs and cats, six (6) months of age or older, must be licensed and have a current Rabies Vaccination Certificate. Residents must provide a valid rabies vaccination certificate signed by the veterinarian to obtain a license.

- Rabies Vaccination must be valid for:

6 months to receive a 1 year license	\$10.00	Spayed/Neutered: \$7.00
24 months to receive a 2 year license	\$15.00	Spayed/Neutered: \$10.00
36 months to receive a 3 year license	\$20.00	Spayed/Neutered: \$15.00

A \$5.00 penalty per pet will be imposed if the license renewal occurs more than 30 days after the rabies vaccination expires

- Animal Tag Replacement \$1.00 per tag

#### 2.0 Domestic Hens

*Received into 101-017-4800-000*

Single-family residence shall be allowed to keep up to three (3) domesticated hens. Roosters or male chickens are prohibited. An annual license valid from January 1 – December 31 of each calendar year, is required. Each hen licensed shall at all times have attached to the hen a City-issued leg band corresponding to the City issued license.

\$20 per single-family residence.

### Miscellaneous Fees

#### 1.0 Bicycle Licenses

*Received into 101-017-4810-000*

All bicycles to be ridden in the City on a street or public path shall be licensed.

Bicycle \$2.00 one-time fee per bicycle

#### 2.0 Vital Health Statistics

*Received into 101-030-6078-000*

Birth Certificates – First Copy	\$15.00
Birth Certificates – Second and additional copies	\$ 5.00
Death Certificates – First Copy	\$15.00

Death Certificates – Second and additional copies \$ 5.00

3.0 **Video/Vending Machine**

*Received into 101-014-4570-000*

Distributor Licenses	\$10.00
Amusement Devices (Pool Tables, Jukeboxes)	\$20.00
Vending Machines	\$20.00
Video/Electronic Amusement Devices	\$62.50

4.0 **Voter Registration Records**

Processing Fee	\$12.00 + Per Name $\frac{1}{2}$ cent per name
Labels	\$12.00 + .015 per label
Electronic Media Storage	\$12.00 + actual price of storage device

5.0 **Notary Fees**

Notarizing Documents	Residents – first documents no-charge additional documents \$10
	Non-resident – each documents \$10

6.0 **Copy Fees**

Copies	\$0.10 per page
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### Section 3. WATER AND SEWER OPERATION SERVICE FEES

#### Utility Rates

##### 1.0 **Water and Sewer Rates**

*Residential water received into 590-010-6430-000*

*Commercial/Industrial water received into 590-010-6440-000*

*Sewer received into 590-020-6115-000*

Residential customers of the City are billed quarterly depending on what district or area of the City they live. All residential customers that are connected to the City water/sewer system is subject to a minimum bill of 10 units per quarter.

Commercial customers of the City are billed monthly. All commercial customers that are connected to the City water/sewer system are subject to a minimum bill of 3.33 units per month.

Water and Sewer is billed in units. 1 unit = 100 cubic feet = approximate 748 gallons.

Water	\$3.04 per unit
Sewer	\$3.44 per unit

##### 2.0 **Stormwater**

*Received into 590-020-6118-000*

Stormwater fees shall be charged to all properties within the city based on Equivalent Residential Units (ERUs) calculated for each property.

ERUs is a subunit of measurement that related the volume of storm water discharge from the parcel based on the amount of total and impervious lot area. One ERU equaling 2,600 square feet with runoff factor.

Single Family Residential \$11.37 per ERU per quarter  
Commercial/Industrial \$ 3.79 per ERU per month

#### Service Fees

##### 1.0 **Service Tapping Fees**

*Meter & Materials received into 590-000-2735-000*

*Service Connection received into 590-000-2736-000*

*Transmission received into 590-000-6113-000*

*Paving received into 590-010-6111-000*

*Sewer Privilege Fee received into 590-020-6117*

If the service requires crossing a five (5) lane highway, additional charges will apply.

Description	Supply/ Meter Size					
	1"	1 1/2"	2"	3"	4"	6"
Meter & Materials	\$1,080	\$1,460	\$1,980	\$3,190	\$4,070	\$6,050
Service Connection	\$825	\$1,045	\$1,238	-	-	-
Transmission	\$72	\$72	\$72	-	-	-
Paving	\$275	\$275	\$275	-	-	-
Sewer Privilege Fee	\$622	\$897	\$1,183	\$2,310	\$3,493	\$3,575
Total	\$2,874	\$3,749	\$4,748	\$5,550	\$7,563	\$9,625

Description	5/8"	¾"	1"	1 ½"	2"	3"	4"	6"
Frozen Meter Charge w/service charge	\$170	\$210	\$275	\$505	\$620	\$2,170	\$2,835	\$4,720
Damaged/Missing Transmitter (R900)	\$105	\$105	\$105	\$105	\$105	\$105	\$105	\$105
Damaged Register Head <i>(Per Head if Compound)</i>	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80
GLWA (Pass Through)	\$5.65	\$8.48	\$14.13	\$31.08	\$45.20	\$81.93	\$113.00	\$169.50

**3.0      Miscellaneous Service Fees**  
*Received into 590-010-6111-000*

Fire Suppression Private Water Line Charge	\$5 per month
Final Reading	\$20 per account processed
“No Show” Charge for service calls	\$25 per occurrence
Turn-Off/Turn-On	\$60
Reinstall Meter with Turn-On	\$60
Meter Bench Test – Reading within AWWA range	\$60
Meter Bench Test – Reading outside AWWA range	Waived
Fire Suppression System – Turn-Off/Turn-On	\$60
Fire Detector Meter (5/8 x x3/4 with register)	\$200
Construction Water Use	\$125
Hydrant Meter Deposit	\$1,000
Disconnected Water Service from Main (3/4"-2")	\$700
Disconnect Water Service from Main (3"-6")	\$1,000
Service Call Overtime Charge (Mon- Sat)	\$120
Service Call Overtime Charge (Sun & Holidays)	\$200
Hydrant Flow Test	\$100
Hydrant Flow Test with Salt Needed	\$175
Hydrant and Meter Rental	\$5 per day + water consumption
Hydrant Inspection	\$5 per inspection

**Tampering with meter or water service:**

Residential	50 unit penalty plus the City may prosecute
Commercial/Industrial	100 unit penalty plus the City may prosecute
Bypass violations	100 unit penalty plus the City may prosecute

## Section 4. TREASURY AND ASSESSING SERVICE FEES

### 1.0 Property Affidavit Penalty

*Receipted into 101-011-4040-000*

A Property Affidavit must be filed within 45 days of the property transfer. Filing is mandatory and required Form 2766 from the Michigan Department of Treasury.

Penalty for failure to complete and submit all required paperwork to the City:

- Industrial and Commercial property:

If the sale is \$100,000,000 or less - \$20 per day for each separate failure beginning after the 45 days have elapsed up to a maximum of \$1,000

If the sale is \$100,000,000 or more - \$20,000 after the 45 days have elapsed

- Real property other than industrial and commercial:

\$5 per day for each separate failure beginning after the 45 days has elapsed, up to a maximum of \$200.

### 2.0 Tax Administration Fee

*Receipted into 101-011-4470-000*

The City of Madison Heights bills and collects taxes on behalf of all taxing jurisdictions in the City. A 1% fee of all taxes billed is added to cover this service as allowed in the State of Michigan General Property Tax Act 211.4 (3).

### 3.0 Duplicate Bill Fees

*Receipted into 101-044-6701-000*

If a duplicate bill must be printed for payment or customer records the City charged a duplicate bill fee. This fee is set by the Department Head Based on an estimate of time and materials.

\$3 per bill requested

### 4.0 Stop Payment Fee

*Receipted into 101-044-6701-000*

If the City must stop payment of a check issued a \$32 stop payment fee may be charged to the payee of the check. This fee is set by the Department Head based on the fee the City is charged from our banking institution.

### 5.0 Returned check/ACH fee

*Receipted into 101-044-6705-000*

If a customer has a payment returned for any reason including (non-sufficient funds, closed account, wrong account information) a \$25 returned check/ach fee will be charged to the customer. This fee is set by the Department Head based on the fee the City is charged from our banking institution.

## Section 5. LIBRARY SERVICE FEES

### 1.0 Rental and Late Fees

*Late Fees received into 101-030-6085-000*

*Video Fees received into 101-033-6427-000*

DVD rental for feature films	\$1 for three (3) days with \$1 per day late fee
DVD rental for donated items	No charge for 7 days with \$1 per day late fee
VHS rental for feature films (Youth)	No charge for 7 days with \$1 per day late fee
Late Fees:	
Books and audio material	\$0.25 per day
Video	\$1.00 per day

### 2.0 Program Fees

*Received into 101-030-6085-000*

Special Craft Program	\$2 per program residents/ \$3 per program non-residents
Coffee Concerts	\$5 per concert
Summer Reading Program	No-charge residents/ \$5 per program non-resident
Youth Program	\$2 per program residents/ \$3 per program non-residents

### 3.0 Computer and Printer Fees

*Printer Fees received into 101-033-6086-000*

*Computer Use fees received into 101-030-6085-000*

Computer Use fees – A Madison Heights library card is needed to use the public computers including internet or MS Office programs. If the customer does not have a Library Network library card, or wish computer time beyond the three hours per day allowed with that card, a \$2 per hour visitor pass can be purchased.

All pages printed	\$0.15 per page (black and white)
	\$0.50 per page (color)

### 4.0 Miscellaneous

*Printer Fees received into 101-033-6086-000*

Fax – Local Calls	\$1 per page
Fax – Long Distance Calls	\$2 first page and \$1.50 each additional page
Replacement Library Card	\$2 first instance; additional cards \$5 each

## Section 6. FIRE SERVICE FEES

### Ambulance and Emergency Response Fees

#### 1.0 Advanced Life Support Services

*Received into 101-044-6707-000*

ALS Emergency Transport	\$710
ALS Emergency Transport II	\$950
ALS Non-Emergency Transport	\$400
Treat No Transport	\$225

#### 2.0 Basic Life Support Services

*Received into 101-044-6707-000*

BLS Emergency Transports	\$550
BLS Non-Emergency Transport	\$400

#### 3.0 Miscellaneous Fees

*Received into 101-044-6707-000*

Loaded Mile (scene to hospital fee per mile)	\$14.00 per mile
Oxygen	\$50
Extrication	\$500
Defibrillator	\$50
Cost Recovery for Structure Fires	\$500

### Miscellaneous Fees

#### 1.0 Cardiopulmonary Resuscitation (CPR) Course Courses

*Received into 101-044-6709-000*

Course fees include supplies and materials used.

Basic CPR	\$50 per participant
CPR and Automatic Defibrillation	\$50 per participant
CPR/First Aid	\$50 per participant
CPR for Professional Health Care Providers	\$50 per participant
On-line CPR Practical Skill Verification	\$25 per participant

#### 2.0 Inspections and Reporting

Fire incident reports	See Section 12 – FOIA Fees
EMS reports	See Section 12 – FOIA Fees
Environmental Inspection Assessment	\$25 per assessment
Fire Re-Inspection	no charge 1 <sup>st</sup> and 2 <sup>nd</sup> inspection 3 <sup>rd</sup> inspection \$100 each 4 <sup>th</sup> inspection \$200 each 5 <sup>th</sup> or more inspection \$300 each

*False alarms – see fee schedule in the Police Department in Section 7.*

## Section 7. POLICE SERVICES FEES

### False Alarm Fees

Number of alarms is determined on a rolling calendar year from the date of the first false alarm.

1st False Alarm	No Charge
2nd False Alarm	No Charge
3rd False Alarm	\$100
4th False Alarm	\$200
5th False Alarm	\$300
6th False Alarm	\$400
7th and all subsequent violations	\$500

### Police FOIA and Miscellaneous Fees

#### 1.0 FOIA

In-Car Video Tapes	\$0.20 + actual wages to prepare
Audio Tapes	\$0.20 + actual wages to prepare
Photographs	\$0.20 per disc + actual wages to prepare

#### 2.0 Reports

Accident Reports	\$13 per report set by contract with Oakland County
Police Report Photographs (excluding accident report)	\$0.10 per page of photographs

**Section 8. DEPARTMENT OF PUBLIC SERVICES**

1.0 **RV Lot Rental Fee**

*Receipted into 101-030-6285-000*

RV Lot Rental based on availability \$10 per month

2.0 **Brush Chipping Fee**

*Receipted into 101-030-6270-000*

Curbside brush chipping service \$25 per every 15 minutes

## Section 9. PARKS AND RECREATION SERVICE FEES

The City of Madison Heights offers numerous classes and programs through our recreation department. The resident and non-resident fees are set each class cycle based on cost for instructors, program expenses and staff. These fees are published by class/program in the recreation brochure.

### Meeting Room Rentals

The City of Madison Height allows groups to use meeting rooms at the Library/Breckenridge Room and Fire Department Room.

#### 1.0 Groups for which No fee is charged:

Programs sponsored by the City  
Meeting of Madison Heights non-profit (501 C3) political, educational organizations  
Organizations where all members reside in Madison Heights (i.e. sports leagues, condo associations, etc.)  
Service clubs that reside in Madison Heights  
County, state and federal offices requesting usage for business use

#### 2.0 Groups for which a \$20 an hour/minimum of 2 hours will be charged:

Any non-profit groups (must provide a copy of 501-C3 documentation) that do not reside in Madison Heights (this would include organizations such as Toy Dog Club, Trout Unlimited, etc.)  
Any adult\* group/club providing an activity to make money for the club/group  
Any adult\* group desiring to have instructional or social activity for their own benefit where a fee is assessed to participants

#### 3.0 Groups for which a \$30 an hour/minimum of 2 hours will be charged:

Any group originating from a business establishment such as union meetings, company staff meetings  
Groups other than civic, cultural, educational, political groups, deriving personal or financial gain  
(such as sales meetings, investment clubs, training sessions, etc.)  
Any group not comprised of 75% Madison Heights residents.

### Park Pavilion Rentals

The City of Madison Heights allows residents and groups to rent the City pavilions. Pavilion A, B and C are available on a first come first served basis.

Pavilion Rental Fees	\$50 per pavilion + %50 refundable damage/cleaning deposit
Cancelation Fee	\$10 with one week (7 days) notice
	No refund will be given if cancelled in less than one week (7 days) of the rental date

### Senior Center Rentals

The City of Madison Heights allows residents and groups to rent the Senior Center Building.

**Receipted into 101-030-6530-000**

\$50 per hour	3 hour minimum for Madison Heights residents and businesses.
\$25 per hour	3 hour minimum for civic groups, schools and scout troops
\$200	refundable damage deposit.

## **Section 10. SENIOR CITIZEN CENTER SERVICE FEES**

The City of Madison Heights offers numerous trips, classes and programs through our Senior citizens Center. The resident and non-resident fees set for each trip/program based on cost by the Center Coordinator.

### **1.0 Transportation**

The City of Madison Heights transports residents who are age 50 and older and/or disabled Monday through Friday to banks, beauty shops, grocery stores, senior center and social service appointments.

Rides	\$1 each way, within Madison Heights, \$2.50 each way within a seven (7) mile radius of the Senior Center
Doctor appointments	\$2.50 each way Monday – Friday, appointments must stay within a seven (7) mile radius of the Senior Center

### **2.0 Lunch Program**

Lunch served daily at the Senior Center \$3.50 per person.

### **3.0 Miscellaneous**

Trip Cancelation Fee	\$5
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## Section 11. GENERAL GOVERNMENTAL SERVICE FEES

### 1.0 Message Board Greetings

City Hall Message Board	Non-Roundtable members \$10 for one per day or \$20 for a week Roundtable members no charge
Senior Citizen Center Message Board	\$10 for one day or \$20 for a week

### 2.0 Wedding Ceremony

Administration fee	\$50 per wedding
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### 3.0 Items for Sale

Garbage Bags <a href="#">Receipted into 101-033-6421-000</a>	Box of 50 Heavy Duty bags \$18 per box
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Recycling Bin and Lid <a href="#">Receipted into 101-033-6422-000</a>	\$13.50
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## Section 12. FOIA FEES

A fee will not be charged for the cost of search, examination, review and the deletion and separation of exempt from nonexempt information unless failure to charge a fee would result in unreasonably high costs to the City because of the nature of the request in the particular instance, and the City specifically identifies the nature of the unreasonably high costs.

The Michigan FOIA statute permits the City to assess and collect a fee for six designated processing components. The City may charge for the following costs associated with processing a request:

- Labor costs associated with searching for, locating and examining a requested public record.
- Labor costs associated with a review of a record to separate and delete information exempt from disclosure of information which is disclosed.
- The cost of computer discs, computer tapes or other digital or similar media when the requestor asks for records in non-paper physical media.
- The cost of duplication or publication, not including labor, of paper copies of public records.
- Labor costs associated with duplication or publication, which includes making paper copies, making digital copies, or transferring digital public records to non-paper physical media or through the Internet.
- The cost to mail or send a public record to a requestor.

### 1.0 Labor Costs

- All labor costs will be estimated and charged in 15 minute increments with all partial time increments rounded down.
- Labor costs will be charged at the hourly wage of the lowest-paid City employee capable of doing the work in the specific fee category, regardless of who actually performs work.
- Labor costs will also include a charge to cover or partially cover the cost of fringe benefits.

### 2.0 Non-paper Physical Media

- The cost for records provided on non-paper physical media, such as computer discs, computer tapes or other digital or similar media will be at the actual and most reasonably economical cost for the non-paper media.
- This cost will only be assessed if the City has the technological capability necessary to provide the public record in the requested non-paper physical media format.

### 3.0 Paper Copies

- Paper copies of public records made on standard letter (8 1/2 x 11) or legal (8 1/2 x 14) sized paper will be \$.10 per sheet of paper. Copies for non-standard sized sheets will reflect the actual cost of reproduction.
- The City may provide records using double-sided printing, if cost-saving and available.

### 4.0 Mailing Costs

- The cost to mail public records will use a reasonably economical and justified means.
- The City may charge for the least expensive form of postal delivery confirmation.
- No cost will be made for expedited shipping or insurance unless requested.



# City of Madison Heights

**City Hall Municipal Offices**  
300 W. Thirteen Mile Road  
Madison Heights, MI 48071

**Department of Public Services**  
801 Ajax Drive  
Madison Heights, MI 48071

**Fire Department**  
31313 Brush Street  
Madison Heights, MI 48071

**Police Department**  
280 W. Thirteen Mile Road  
Madison Heights, MI 48071

[www.madison-heights.org](http://www.madison-heights.org)

To: Honorable Mayor and City Council

From: Benjamin I. Myers, City Manager  
Melissa R. Marsh, Deputy City Manager – Administrative Services

Date: October 31, 2016

RE: Five Year Financial Forecast – Fiscal Years 2017-2021

Attached please find the five year forecast for the City of Madison Heights for the Fiscal Years 2017-2021. This forecast should be evaluated as a financial estimate, created from the best available information at this point in time.

## Executive Summary

The goal of the Five-Year Financial Forecast is to provide Staff, Council, and the public with a detailed estimate of the revenues and expenditures for the current and future four years to serve as the first step in the upcoming year budget process. This detailed look at the financial estimates serves as a tool to identify financial trends, shortfalls and issues so the City can proactively address them. The forecast, therefore, is essential for planning the future financial strategy of the City as we proceed through the Goal Setting, Capital Improvement and Budget Planning processes.

Since December 2007, the City has had to deal with many financial obstacles including declining revenues, increased home foreclosures, skyrocketing health insurance increases and increasing legacy cost including pension and retiree health care benefit costs. Starting in FY 2014, the economic climate began to improve as noted by the majority of national, State, regional and local economic indicators. This forecast assumes continued gradual growth of the national economy with positive impacts to the local economy, which is reflective in staff's estimates of economically sensitive revenue estimates. Despite the steadily improving economic climate, the long-term financial outlook continues to identify structural challenges to the City's General, Major Street, Local Street and Water and Sewer Funds due primarily to the restrictions of the Headlee Amendment, changes by the State to property taxes and burden of legacy costs such as pension and retiree health care benefits.

**It is important to stress that this forecast is not a budget.** It doesn't make expenditure decisions but does assess the need to continue to prioritize the allocation of City resources. The purpose of the forecast is to provide an overview of the City's fiscal health based on various assumptions over the current and next four years and provide the City Council, management and the citizens of Madison Heights with a "heads up" on the financial outlook beyond the annual budget cycle. The five-year forecast is intended to serve as a planning tool to bring a long-term perspective to the budget process.

## Area Code (248)

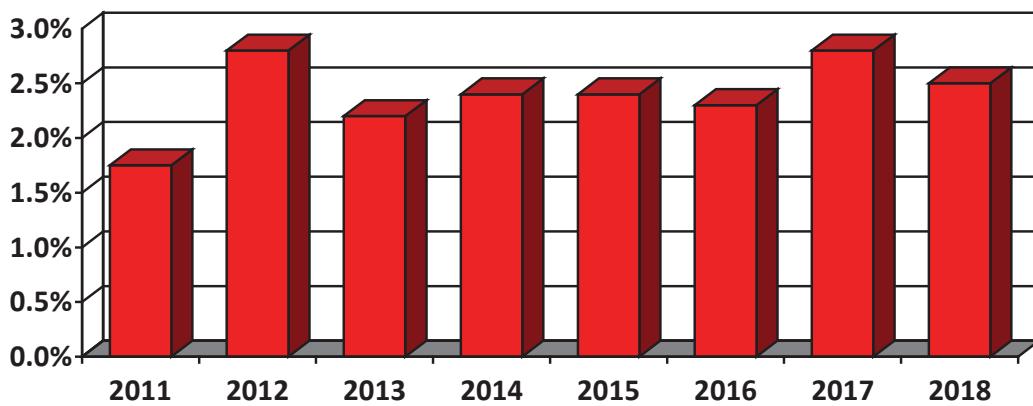
Assessing .....	858-0776	Fire Department .....	583-3605	Nature Center .....	585-0100
City Clerk.....	583-0826	43rd District Court .....	583-1800	Police Department .....	585-2100
City Manager.....	583-0829	Housing Commission .....	583-0843	Purchasing .....	837-2602
Community Development .....	583-0831	Human Resources .....	583-0828	Recreation.....	589-2294
Department of Public Services .....	589-2294	Library .....	588-7763	Senior Citizen Center.....	545-3464
Finance.....	583-0846	Mayor & City Council .....	583-0829	Water & Treasurer.....	583-0845

The Government Finance Officers Association (GFOA) recognizes the importance of combining the forecasting of revenues and expenditures into a single financial forecast. The GFOA recommends that a government should have a financial planning process that assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve its goals.

### Regional Economic Outlook

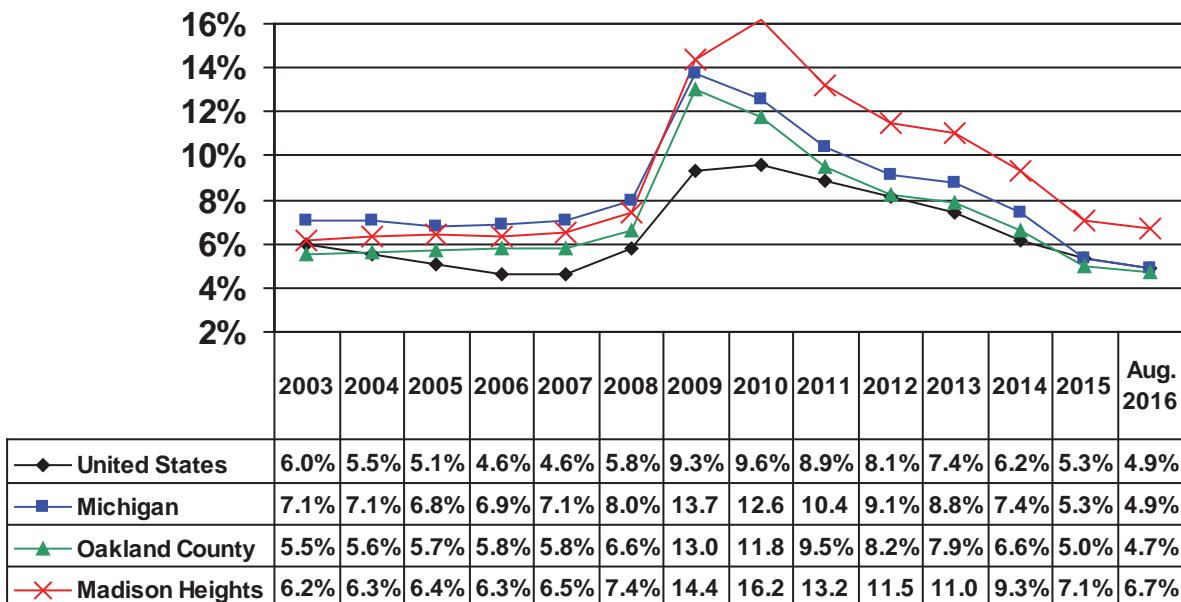
Reflecting the country as a whole, Oakland County and the Southeast Michigan region continue the slow economic recovery from the Great Recession of 2009. As reported by representatives of the University of Michigan's Institute for Research on Labor, Employment, and the Economy at the June 2016 Oakland County Economic Outlook Forum, real or inflation-adjusted U.S. Gross Domestic Product (GDP) averaged 2.4 percent in 2015 with forecasted growth of 2.3%, 2.8%, and 2.5% in 2016, 2017, and 2018, respectively. As forecasted, U.S. Light Vehicle Sales crossed the 16 million line in 2014, and then cleared the 17 million line in 2015, with the forecasted units sold continuing up from there. Pent-up demand continues to be a significant factor in the climb, as the average age of vehicles on the road today is still at a record high level and gasoline and interest rates remain low, and the labor market continues to improve. Detroit's Big Three shares of these sales have shrunk from 44.3 percent in 2014 to 43.6 percent in 2015. The forecast increases to 44.2 percent in 2016 and 44.5 percent in 2017 and 2018. After growing consistently over the recovery period, Detroit Three sales flatten out from 2016 to 2018.

### Growth in U.S. Gross Domestic Product, 2011-2018



Of the key economic factors, job growth and unemployment are two of the most important financial indicators of recovery because a loss of jobs cuts across all sectors of Michigan's economy, impacting the housing market, and funding for state and local government services which rely on income, property and sales taxes. The University of Michigan economists forecast continued total private sector job growth in Oakland County. Over the period from 2009 to 2015, the county's job growth of 15.2 percent greatly outpaced both the nation's growth of 8.0 percent and the state's 9.6 percent. The economists note that this anticipated continued job growth would replenish 92 percent, or about twelve in thirteen, of the jobs lost from the spring of 2000 to the summer of 2009. This would also return Oakland County to the job levels it posted in the second half of 2001, about a year into the nine-year decline.

## Annual Unemployment Rates, 2003 through August 2016



(Source: Bureau of Labor Statistics)

As indicated above, unemployment rates have continued to drop, although Madison Heights remains slightly higher than the State and Oakland County. The continued decline in unemployment is a positive trend with the University of Michigan economists forecasting that the County's unemployment rate will continue to fall to 3.3 percent by 2018. In 2016, Madison Heights experienced a slight decrease of 0.4% from the prior year.

### Financial Forecast

The forecast reflects actuals for Fiscal Year 2016, estimated expenditures for Fiscal Year 2017 and forecasted figures for Fiscal Years 2018-2021. The forecast focuses on the City's major appropriated funds which include the General, Major Street, Local Street and Water and Sewer Funds.

The General Fund is the primary focus of the forecast report because this fund is the City's operating fund which pays for services such as police, fire, library, parks, recreation, solid waste collection/disposal, and administration.

### Overview of Fiscal Year 2015-16

Fiscal Year 2016 General Fund reserves ended at \$8.7 million, up from \$7.95 million in fiscal year 2015. Of this amount, \$8.36 million is considered to be spendable and available to fund operations. This increase in fund balance was a direct result of several items. First, the City's miscellaneous revenue is a source of income that is not typically reoccurring and is from unpredictable sources. The largest miscellaneous revenues are cable fees and insurance distributions. During FY 2016 cable fees exceeded the budget by \$132,815. The City also received a Michigan Municipal Risk Management Authority (MMRMA) insurance distribution of \$658,432 of which \$511,930 was allocated to the General Fund. This exceeded the amount budgeted by \$244,395. Second, several other revenue items exceeded the budget including interest income which was recorded at \$224,804 or \$64,804 more than budgeted, court fees which exceeded expectations by \$106,778 and ambulance revenue which was higher by \$88,309. Third, several General Fund departments completed the year with expenditures under budget. Most notable is Information Technology which ended the FY 2016 with a department balance under budget by \$147,768, adding to fund balance; however, this money should

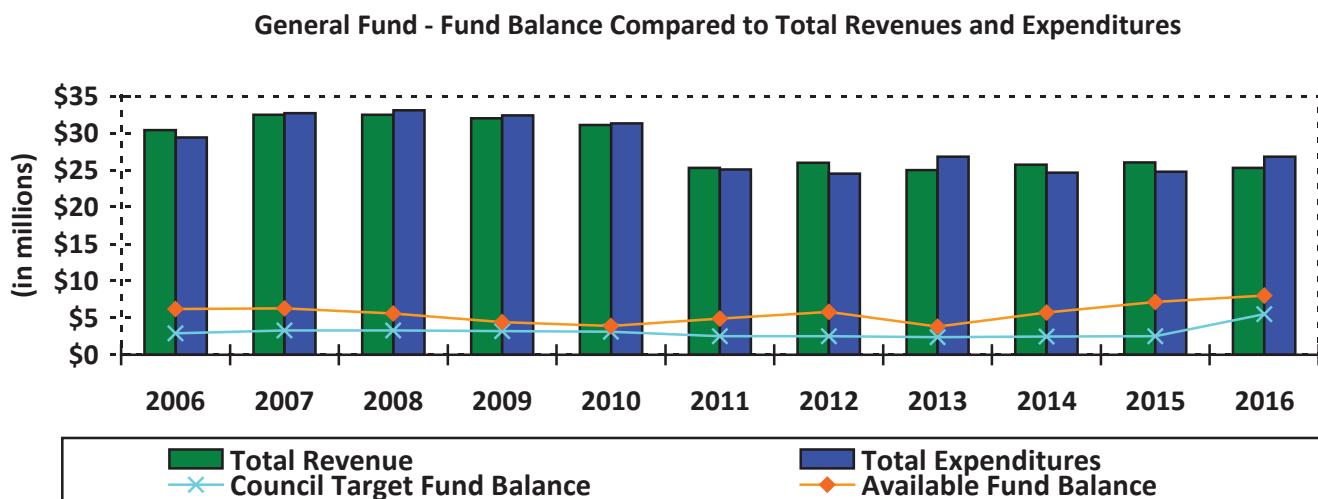
have been carried forward to FY 2017 for payment of the new telephone system. We were anticipating having this project completed and paid by the end of FY 2016; however, several unanticipated contingencies extended the project time and delayed payment. Other General Fund departments that came in significantly under budget were Human Resources at \$77,537, due to lower than anticipated consultant fee testing and oral interview fees due to these tests not taking place until FY 2017. Also, the Community Development Department had vacant positions and renegotiated contracting fees for Building Official, inspection services and intermittent office assistance. Third, at year end, Council approved the budget carry-forwards for FY 2017 in the amount of for \$144,394 which is an addition to budgeted use of fund balance in FY 2017 for a total of \$1,218,834.

### **Overview of the Current Fiscal Year 2016-2017**

The fiscal year 2017 General Fund budget of \$26.8 million, which includes a budgeted use of fund balance of \$1,074,440, was adopted by Council in May 2016. Budget amendments were approved in June 2016 including an additional use of fund balance of \$144,394 for carry-over expenditures. Since that time, revenues have held steady as reported in the first quarter Council and departmental revenue and expenditure reports. Expenditures during the first quarter are also in line with budgeted expenditures with the exception of pension contributions. As Council is aware, on September 29, 2016 the City closed on a \$15,250,000 sale of Pension Obligation Bonds. The bond payments (with interest) will replace the pension contribution except for the annual normal cost. We originally planned to have these bonds issued prior to July 2016; however, due to required state approvals the bonds were not issued until the end of September. This has caused approximately \$350,000 in overage when the bond payment plus July through September contributions are compared to the FY 2017 budget. There may also be emergencies or unknown expenses that can cause overages as of December 31, 2016. City Council will be asked to review and approve mid-year budget amendments if overages are likely to occur.

### **General Fund Reserves**

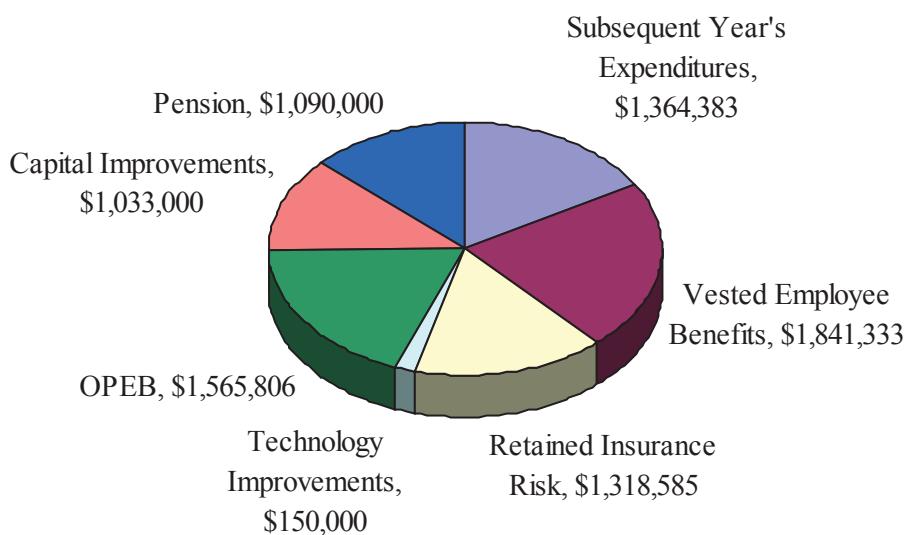
In December 2015, the City Council approved the goal to modify the City's Financial Reserve Policy to comply with the Michigan Government Financial Officers Association Best Practices of adhering to an operating reserve policy setting the minimum reserve level at no less than two months or 16% of regular operating expenditures plus one year of debt payments using fund balance reserves only for one-time expenditures. This policy was established to prudently protect the fiscal solvency of the City. Reserves are important in order to mitigate the negative impact on revenues from economic fluctuations, State budget adjustments and unfunded mandates, and unforeseen expenditure requirements. The bar/line graph below depicts the target and available General Fund Balances since 2006, as shown against total revenues and expenditures. In all years, the City has been able to maintain a fund balance at or slightly above the minimum target fund balance.



As stated previously, in Fiscal Year 2016 General Fund reserves ended at \$8.7 million, up from \$7.95 million in FY 2015. Of this amount, \$8.36 million is considered to be spendable and available to fund operations. Total FY 2017 expenditures are \$26.8 million with general obligation debt payments at \$1,324,526. The required fund balance reserve is \$5,618,000. Strong financial policies that are reviewed on a regular basis are part of the reason the City has maintained their AA-bond rating.

In addition, staff reviews the reserve levels at the end of each fiscal year and assigns reserves to meet unfunded liabilities. Currently, reserves are assigned as follows: 16% to fund subsequent year's expenditures, 22% for vested employee benefits (not including pension or retire health care), 15% for retained insurance risk, 1% for technology improvements, 18% for other post-employment benefits, 13% for pension obligation bond payments and 12% capital improvements (see the following pie chart).

#### Assigned General Fund Reserves as of June 30, 2016



## Overview of Five Year Forecast - FY 2017-2021

The Five Year Financial Forecast includes a baseline projection of revenues and expenditures used to evaluate the City's future financial condition and capacity to fund existing services and infrastructure needs. The growth assumptions in the baseline projections are based on the most recent economic data provided by various sources and existing City contractual obligations such as service contracts, labor agreements and debt service.

General Fund revenues are projected to continue to be stable in the current year remaining at the same level for the next four years. This is mainly due to the reductions in personal property tax phase-in through the State of Michigan. Although the State did establish a Local Community Stabilization Sharing allocation, this amount does not completely fill the gap created from the numerous new tax exemptions. Major discretionary revenues are projected to increase less than 1% overall as property taxes (our largest revenue source) are forecasted to decrease over the next four years through a combination of real property increasing by 1% and personal property decreasing by 20%. This compares to an historical average decrease of total revenues of 2.9% over the past five years (2010-2015), which included declines in property tax revenues, court revenues and state revenue sharing. After an increase from FY 2016 to 2017 of 3%, expenditures are projected to grow at an annual average rate of 1% during the current and succeeding four years, taking into account the City's infrastructure needs and assumption of full implementation of the City's current Capital Improvement Plan. This forecast does not take into consideration any changes in negotiated benefits or wage increases as all the City's eight bargaining contracts expire on June 30, 2017. (For reference, a 1% wage increase cost approximately \$135,000 for the General Fund with roll-up benefits.)

## Forecasted Challenges – FY 2017-2021

The two major financial challenges facing the City over the next decade are legacy costs and infrastructure needs. Legacy costs are the cost of pension and retiree health care for employees after they leave the service of the City. Each benefit has a unique set of issues as are discussed separately below:

### Pension

As part of the FY 2017 goal process, Council approved Goal P: Develop and implement a plan and policy to fully address the City's unfunded liabilities for pension and other post-employment benefits. As part of accomplishing this goal staff researched and Council approved the issuance of Pension Obligation Bonds (POBs) in the amount of \$15,250,000 for 16 years in order to fund the accrued liability for the General (non-sworn) employees in the Michigan Municipal Employee Retirement System (MERS). These bonds were issued on September 29, 2016 and funds were transferred to MERS bringing the general employees' pension system to 106.6% funded. Future budgets and the forecast include the bond payment plus the normal cost for the pension system on an annual basis. Normal cost is required to be paid even when funds are over 100% funded because the normal cost is not included in the accrued liability. It is the amount attributable to the current year of services.

Police and Fire Pension fund is only 60.4% funded and not been addressed. This pension plan remains open to new hires, although their benefits have been reduced through a tiered system. The funding of this liability is paid annually through the Public Act 345 millage which is currently 5.8612 mills or 25% of the current overall millage rate.

## Retiree Health Care

Eight years ago, the Council approved the establishment of a Retiree Health Care Trust and since that time we have funded over \$23.6 million into two trusts for Retiree health care; however, this pales in comparison to the amount needed which is actuarially calculated to be \$78.1 million. In FY 2015, 2016 and 2017 budget, the City only funded 56.1% of the recommended annually calculated contribution for retiree health care benefits. While this is still better than many municipalities statewide, the current funding level is not considered acceptable to City management and increasing this funding will be a major focus of future budget proposals.

Staff has yet to address the OPEB portion of this goal but is considering presenting Council with a recommended OPEB funding policy. Once the details of this policy have been created and approved by Council, this could impact the budget by allocating a larger portion of fund toward the OPEB benefits that have been promised but not paid.

The forecast includes level funding of 56.1% of the annually calculated contribution as currently including the FY 2017 budget.

## **Forecast Summary/Conclusion**

This long-term financial outlook continues to identify structural challenges to the City's General Fund. Specific recommendations to achieve a balanced budget for Fiscal Year 2016-17 will be presented as part of the proposed budget and will address legacy costs to the City.

**General Fund Forecast Summary**  
(in millions)

	2015-16 Actual	2016-17 Projected	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
Revenues	\$26.779	\$38.867	\$25.448	\$25.422	\$25.451	\$25.601
Expenditures	\$26.011	\$40.466	\$28.153	\$28.419	\$27.729	\$27.613
	\$0.768	(\$1.598)	(\$2.705)	(\$2.998)	(\$2.277)	(\$2.012)
General Fund Non-restricted Reserves	\$8.363	\$6.764	\$4.059	\$1.062	(\$1.216)	(\$3.228)
% Reserves of Current Year Expenditures	<b>32.15%</b>	<b>26.82%</b>	<b>14.42%</b>	<b>3.74%</b>	<b>(4.39%)</b>	<b>(11.69%)</b>

Development of a long-term financial plan is essential to sound fiscal management. The plan is not able to predict with certainty the City's fiscal future, but rather it will serve as a tool to highlight significant issues or problems that must be addressed during the upcoming budget cycle if the City's goal of maintaining fiscal health and sustainability over the long term is to be achieved.

It should be noted that this report has focused on the City's ability to continue current services and programs using existing sources of revenues. **Based on the five-year forecast report, funding for any new programs or goals, reversal of "gap" measures used to balance the budget, or other major initiatives will require tradeoffs during the planning and budgeting processes.**

## General Fund Revenue & Expenditure Assumptions

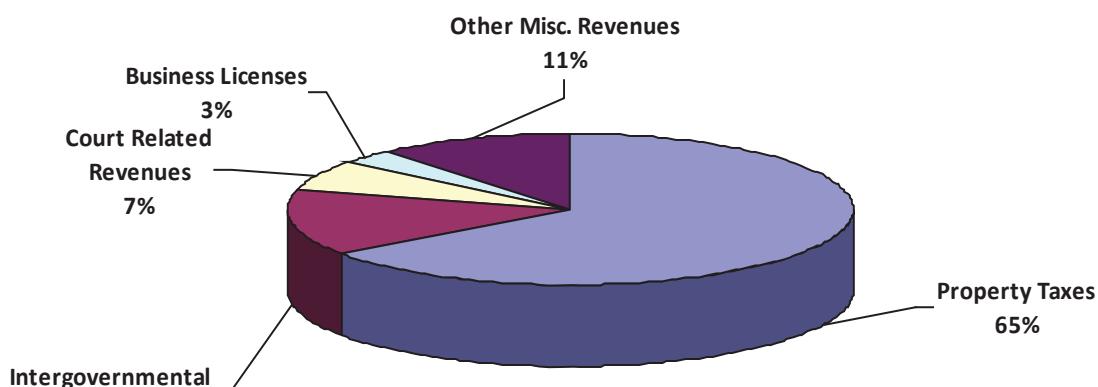
As mentioned earlier, current economic reports indicate that the state and county are showing signs of recovery. Revenue estimates contained in this forecast are based on assumptions that the overall property tax will be stable but stagnate with real property tax growing at a slow rate of 1% while personal property tax decreases. Although housing costs are increasing faster than this estimated 1%, the Michigan tax structure limits growth to CPI or 5% whichever is less. It is anticipated that CPI will be less than 1% and that the City will have both marginal growth and marginal tax roll additions. Real taxable value estimates are based on assumptions received from Oakland County Equalization and variations are due to the Michigan Tax Tribunal reductions. Other major revenues such as State Revenue Sharing are assumed to see a modest increase of 1.6% based on the State of Michigan budget projections.

After 2016-17, overall total revenues are estimated to remain essentially flat without much growth over the forecast period. These projections in revenue are less than the annual forecasted increase in expenditures.

**Forecast of Major General Fund Revenues  
% Change from Prior Year**

Revenue Category	2015-16 Actual	2016-17 Projected	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
Property Tax	1.81%	(2.91%)	(2.01%)	(1.23%)	(0.81%)	(0.46%)
Business Licenses	3.98%	(8.65%)	0.10%	0.00%	0.00%	0.00%
Intergovernmental	5.76%	1.77%	6.62%	4.65%	4.11%	5.56%
Court	3.95%	(3.28%)	(0.86%)	0.00%	0.00%	0.00%
Other	12.74%	(15.93%)	(0.49%)	0.00%	0.00%	0.00%
<b>Total</b>	3.87%	(4.48%)	(0.51%)	(0.10%)	0.12%	0.59%

**General Fund Revenues  
Major Revenues Forecasted in FY 2017-18 by Category**



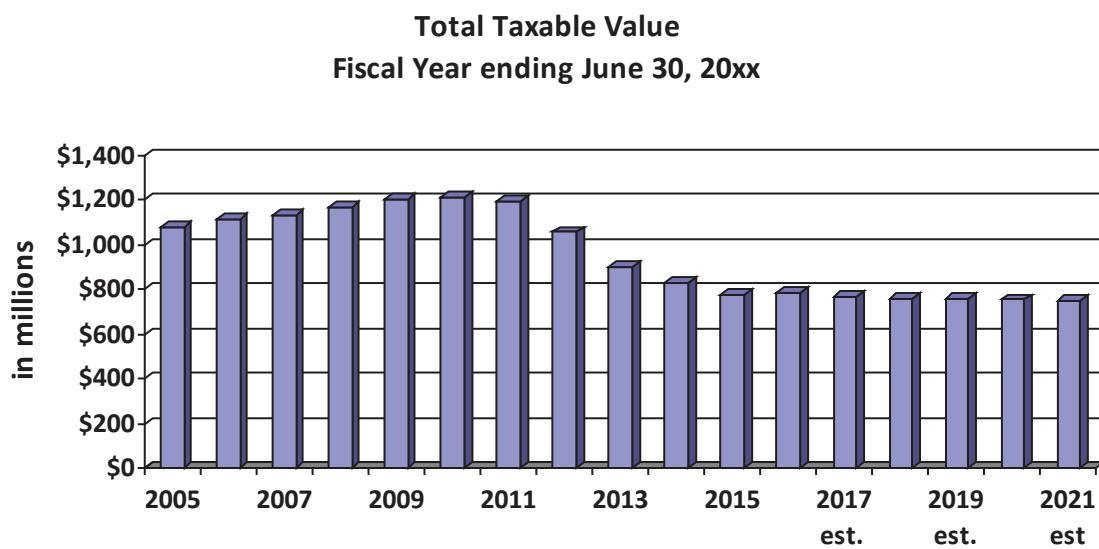
The following pages detail several key assumptions applied in the preparation of the financial forecast, as reflected in the table above.

### General Fund Assumptions

#### Major Revenues

##### Property Tax

Real Property Tax revenues will remain relatively flat in Fiscal Year 2017 with a moderate decrease budgeted based on reductions in personal property for the next four years. This information is based on estimates from Oakland County Equalization. As mentioned earlier, the estimate from Oakland County was for growth of real property without factoring in Michigan Tax Tribunal (MTT) activity or personal property. The forecast assumes significant decreases in refunds through the MTT and stagnant revenues for personal property taxes.

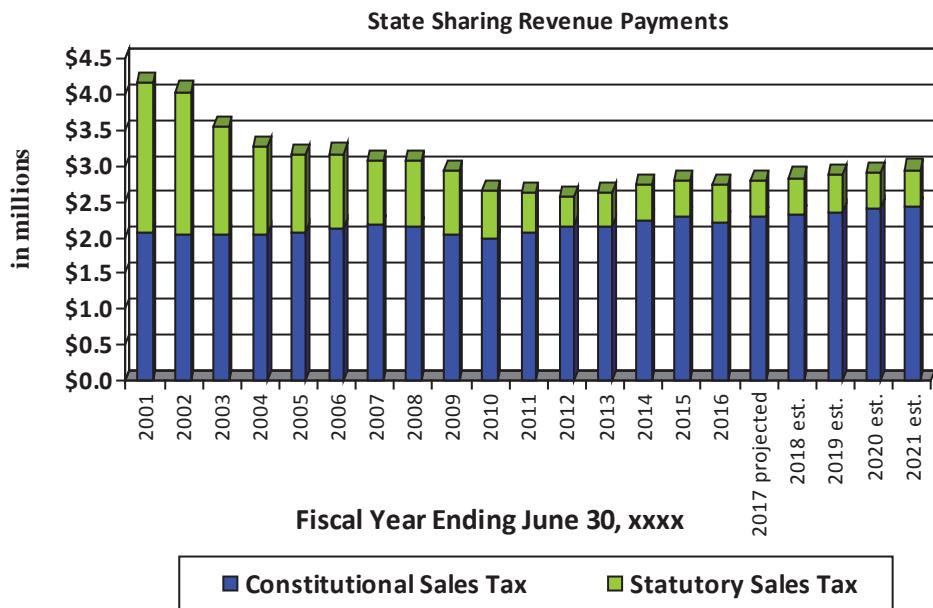


It is important to note that in Michigan, taxable value is approximately 50 percent of the property's fair market value in the year following the date of transfer as adjusted for inflation in accordance with Proposal A of 1994, which limits future increases to five percent or the rate of inflation, whichever is lower, for each individual property.

#### Intergovernmental – including State Shared Revenues

State Shared Revenues including the new city, village, and township revenue sharing (CVTRS) program that replaced the Economic Vitality Incentive Program (EVIP) are anticipated to increase by 1.6% annually for Fiscal Years 2017-2021 based on projections from the State of Michigan. The forecast assumes that the City continues to meet all the requirements to achieve 100% of the CVTRS funds. These requirements now include a citizen's guide, performance dashboard, debt service and projected budget report.

Federal revenues are forecast to be flat during the forecast years. The only forecasted federal revenue is Law Enforcement Grant revenue.



#### Court Revenues

Court Revenues are forecasted to be down in the current year as actual revenues recorded to date are not tracking with budget estimates. The following four years are anticipated to remain steady at the Fiscal Year 2016 levels.

#### Other Revenues

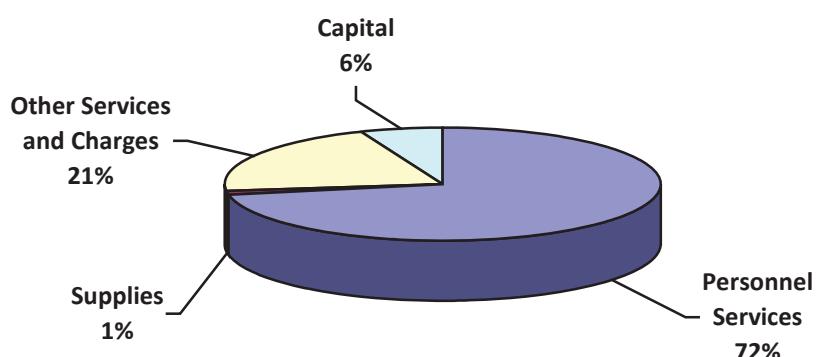
Miscellaneous Revenues are conservatively assumed to be stagnant at the FY 2017 budget level during the forecasted years. Miscellaneous revenues include revenues such as cable television franchise fees and interest income as well as one-time items.

Business license revenues are anticipated to increase based on historical collections for occupational licenses and continued high collection and enforcement of business licenses.

#### Major Expenditures

##### General Fund Expenditures

##### Major Expenditures Forecasted in FY 2017-18 by Category

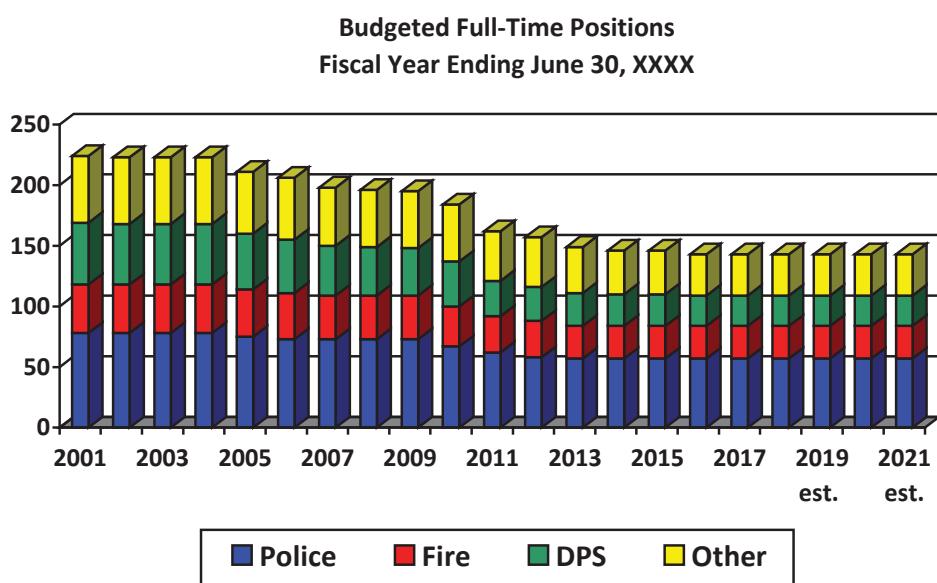


From 2009 until 2016, the City enacted a number of measures to keep operational expenditures in line with its declining revenues. Expenditures in the forecast are estimated to be \$28.2 million for Fiscal Year 2018, \$28.4 million in Fiscal Year 2019, \$27.7 million in Fiscal Year 2020, and \$27.6 million in Fiscal Year 2021. This is still lower than 2008 when the city ended the year with actual expenditures of \$31.4 million. These expenditures are made up of personnel services, supplies, other services, and capital outlay.

#### Personnel Categories

The personnel category, including health care premiums and retirement benefits, represents 72% of the General Fund budget.

Full-time staffing, which consists of 143 full-time employees, is assumed to remain at or near the same level for the period covered by the financial forecast. As the City is experiencing a large number of retirements in the key service areas (e.g. police, fire, public services), staff are working hard to provide for timely replacement hires in order to maintain authorized strength.

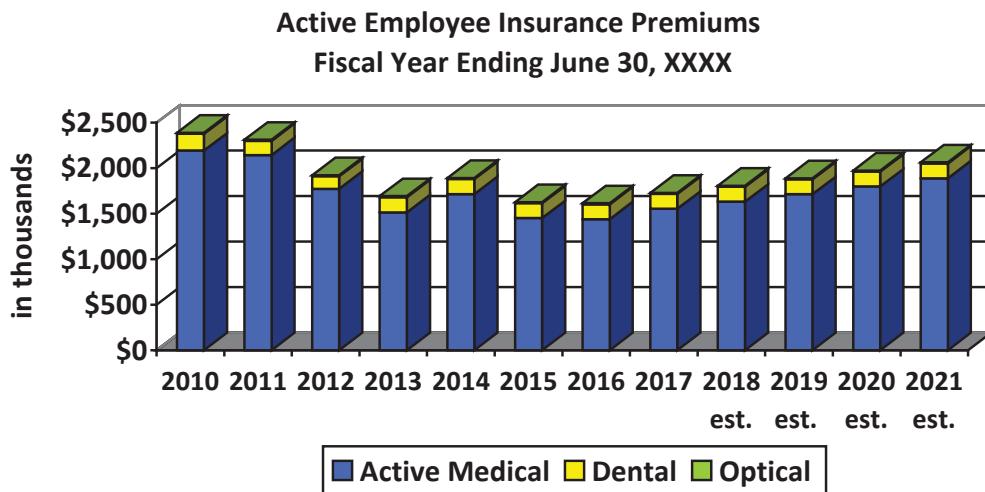


Expenditures related to negotiated salaries are not included in the forecast due to all the unions in the City have contracts that expire June 30, 2017. For estimating purposes, the forecast assumes status quo with wages and benefits for years beyond the union contract periods.

Because of the volatility of health care costs, this forecast assumes rate increases in excess of inflation. Based on estimates from the City's health care consultant and national and state trends, health insurance is forecasted to increase an average of 5.0% during the forecasted years. The City is hopeful that the initial positive results from the implementation of the MiLife Employee Health and Wellness Center continue into future years. This center opened in January 2015 and first year results show a savings of almost \$30,000. We have also seen a direct impact on our weekly health insurance cost. The MiLife Wellness Center is a relatively new concept of delivering primary health care to employees in a center dedicated to them, offering zero co-pays and deductibles as a supplemental and

voluntary alternative to using their traditional insurance benefits. The City has partnered with two other self-insured municipalities, Ferndale and Royal Oak, in this groundbreaking and innovative endeavor.

The following chart shows the historical and forecasted medical premiums for active employees.



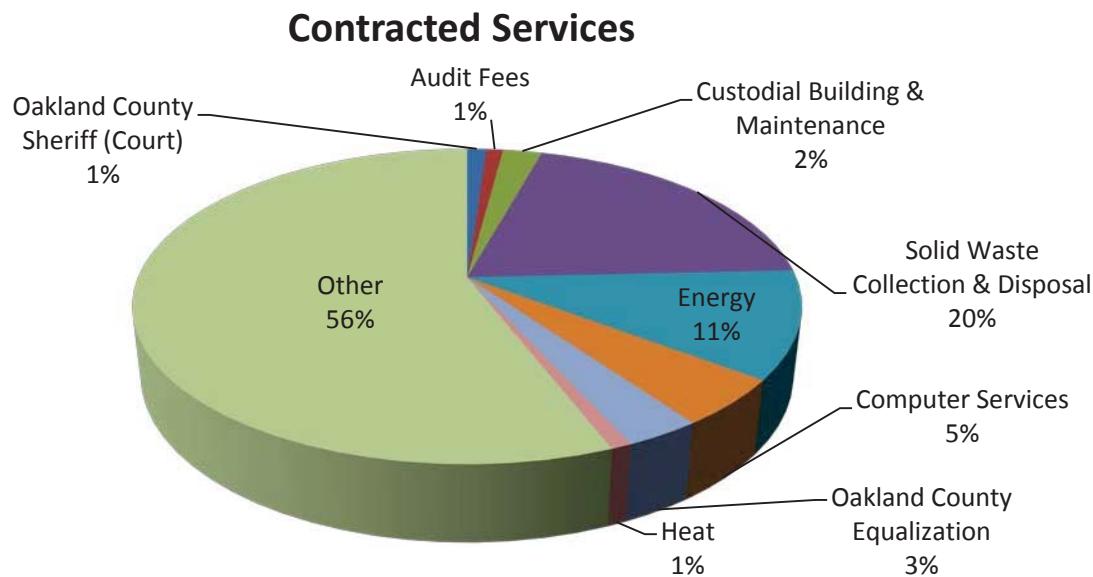
As mentioned previously in this report, the most significant expenditure issue included in the forecast relates to unfunded accrued liabilities. Unfunded accrued liabilities refer to employee pensions and other post-employment benefits.

Starting in FY 2015, municipal employers who provide defined benefit pensions and retiree health care benefits were required to recognize their unfunded obligations as a liability and must comprehensively measure and report the annual cost of pension. FY 2017 will require this same recognition for OPEB benefits. As a result of implementing these new standards, the City's net position will decrease from \$82.9 million to \$7.7 million. It is important to note that the majority of this \$82.9 million net position is actually fixed assets that cannot be sold such as roads, watermains, sewer lines and buildings such as City Hall.

#### Supplies

The majority of supply account line items have been held at status quo for the current year and four forecasted years.

Other major expenditures included in the budget include contracted services. This category includes services for things such as auditing, solid waste collection and disposal, and assessing.



### Contracted Services

In February 2013, Council approved a second three-year contract with Oakland County for Equalization Services, which will hold the FY 2014 prices through FY 2016. Beginning in Fiscal Year 2017, this expenditure is estimated to increase by 3% annually.

The City's Solid Waste Contractor, Rizzo Services, is currently operating under a ten-year contract which began on July 1, 2010. In accordance with the contract, Rizzo has held the same price through year 5 which is Fiscal Year 2014-15. In Fiscal year 2016 there was a 6.8% increase, but no contractual increase in Fiscal Year 2017. The remainders of the forecast years increase 1.4% in Fiscal Year 2018, 1.48% in 2019 and 1.579% in 2020, and status quo for 2021 based on contractual pricing.

### Capital Outlay Summary

As a result of dedicated millages, the City continues to make progress with the preservation of four major asset classes including Vehicles in the General Fund, Improvements to the Senior Center and Library, watermain and sanitary sewers in the Water and Sewer Fund, and street-related rehabilitation projects in the Local Street Fund. Other assets included in the forecasted Capital Outlay that are not covered by special millages include computer technology, building improvements, other vehicles, and machinery and Equipment in the General Fund.

The five-year forecast includes all of the capital outlay items contained in the Capital Improvement Plan (CIP) and included in the FY 2017 budget. Capital Outlay items recommended in the budget will depend on current year needs and available funding. A detailed listing will be presented when Council receives and files the CIP in early January.

Following is a brief summary of the General Fund capital items included in the forecast separated by year, category and funding source:

Total - Computers	\$ 19,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
<u>Machinery and Equipment:</u>					
Court	\$ -	\$ -	\$ -	\$ -	\$ -
Streets	-	-	70,000	-	-
Solid Waste	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Total - Machinery and Equipment	\$ -	\$ -	\$ 70,000	\$ -	\$ -
<u>Vehicles - Proposal "V":</u>					
Police	\$ 57,000	\$ 86,000	\$ 56,000	\$ 56,000	\$ -
Fire	-	34,000	-	250,000	250,000
Parks	-	-	-	-	-
Streets	-	-	598,000	-	165,000
Subtotal - Proposal "V"	\$ 57,000	\$ 120,000	\$ 654,000	\$ 306,000	\$ 415,000
<u>Vehicles - Non-Proposal "V":</u>					
Police	\$ 57,000	\$ 86,000	\$ 115,000	\$ 115,000	\$ 86,000
Fire	-	35,000	270,000	-	270,000
Streets	-	514,000	-	165,000	-
Seniors	-	-	-	-	200,000
Solid Waste	75,000	575,000	75,000	-	-
Parks	220,000	131,000	267,000	-	-
Subtotal - Non-Proposal "V"	\$ 352,000	\$ 1,341,000	\$ 727,000	\$ 280,000	\$ 556,000
Total - All Vehicles	\$ 409,000	\$ 1,461,000	\$ 1,381,000	\$ 586,000	\$ 971,000
<u>Improvements:</u>					
Court	\$ -	\$ -	\$ -	\$ -	\$ -
Gen Admin	-	303,000	238,000	239,000	-
Police	189,000	110,000	50,000	50,000	-
Fire	85,000	155,000	75,000	-	-
Nature Center	-	-	-	-	-
Parks	70,000	116,000	75,000	75,000	292,000
Senior Center	-	100,000	-	-	-
Library	50,000	-	-	-	-
Total - Improvements	\$ 394,000	\$ 784,000	\$ 438,000	\$ 364,000	\$ 292,000
Total - All Items	\$ 822,000	\$ 2,340,000	\$ 1,984,000	\$ 1,045,000	\$ 1,358,000
All Items Less Proposal "V"	\$ 765,000	\$ 2,220,000	\$ 1,330,000	\$ 739,000	\$ 943,000

A major source of funding for police, fire and maintenance vehicle replacements, Proposal "V", was renewed by Madison Heights voters at the current level for a 10-year period beginning in FY 2018.

## Major Street Fund Assumptions

### Major Revenues

The primary revenue source of the Major Street Fund is Act 51 road funding from the State. For the five years of this forecast, it is anticipated that funding will increase based on projection from the state to include the new State restricted revenue package.

### Major Expenditures

Other than a percentage of Department of Public Services personnel and maintenance costs, the majority of expenditures allocated in the Major Street Fund involve road construction projects. Road construction projects included in the forecast are as follows:

Major Road Project	Projection 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Joint & Crack Sealing – City Wide	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
13 Mile Sectional NHPP – 13 Mile WB from Hales to Dequindre	\$240,000	0	0	0	0
Campbell 12-13 Mile Curb Repairs/Sectional	24,000	0	0	0	0
Traffic Signals	30,000	30,000	30,000	30,000	30,000
11 Mile Sectional – John R to Dequindre	200,000	100,000	100,000	100,000	0
Stephenson Hwy Turnarounds	50,000	50,000	50,000	50,000	50,000
Edward – Mandoline to Whitcomb	50,000	0	0	0	0
Sectional Repairs	250,000	350,000	300,000	200,000	200,000
<b>Total</b>	<b>\$919,000</b>	<b>\$605,000</b>	<b>\$480,000</b>	<b>\$380,000</b>	<b>\$280,000</b>

The forecast does not include a transfer from the Major Street to Local Street Fund in any of the years forecasted. During the budget process, staff will make recommendations if and when transfers are needed.

Also not included in the forecast is the first phase of the I-75 Modernization Project projected to start in FY 2019. The State of Michigan, though the Michigan Department of Transportation (MDOT), originally announced an intent to use regional road improvement funds to finance the I-75 widening project from 8 Mile to M-59. Since this original announcement the State has suggested they are reviewing other funding options that will be more equitable to all cities. The details or official approval of a different funding mechanism has not yet been disclosed. Without another funding option, the local match of \$800,000 would be required from the City in FY 2019. Future project segments include local costs of \$425,000 in FY 2024 and \$2,800,000 in FY 2026. The funding structure established through Act 51 to fund this project will significantly impact the City's major road funds for years before, during and after construction.

## Local Street Fund Assumptions

### Major Revenues

The primary funding source for Local Streets is the dedicated Proposal "R-2" Neighborhood Roads Millage and, starting in FY 2018, the recently approved Proposal "R-3" millage renewal, which was approved for ten years. Funds collected under this road millage have the same assumption as General Fund property tax revenues of 1% per year.

Local Streets also receives funds through the Act 51 road program from the State. For the five years of this forecast, it is anticipated that funding will increase based on projection from the state to include the new State restricted revenue package.

### Major Expenditures

Other than a percentage of Department of Public Services personnel and maintenance costs, the majority of expenditures allocated in the Local Street Fund are for road construction projects. Road construction projects included in the forecast are as follows:

Local Road Project	Projected 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Traffic Signal Improvements	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
<b>Neighborhood Roads</b>					
Dei – Lincoln to Southend	\$0	\$1,010,000	\$0	\$0	\$0
Hales – 13 Mile to Winthrop	0	321,000	0	0	0
Madison - Millard to 31605 Madison	328,000	0	0	0	0
Meadows - Whitcomb to 31608 Meadows	321,000	0	0	0	0
Dorchester - 13 Mile to Windemere	87,000	0	0	0	0
Kenwood - Millard to 31601 Kenwood	286,000	0	0	0	0
Moulin	450,000	0	0	0	0
Windemere - Dorchester to Edgeworth	295,000	0	0	0	0
Sidewalk Replacement	20,000	0	0	0	0
Harlo	275,000	369,000	0	0	0
Sectional Replacements	256,000	75,000			
Additional Proposal R-2 and future R-3 projects	0	0	1,700,000	1,582,103	1,613,920
<b>Total</b>	<b>\$2,348,000</b>	<b>\$1,805,000</b>	<b>\$1,730,000</b>	<b>\$1,582,103</b>	<b>\$1,613,920</b>

At June 30, 2016, the fund balance for the Local Street Fund was \$2.5 million. Of this amount, \$2.3 million is reserved for Neighborhood Road projects and will be expended on R-2 projects in the upcoming year.

## Water and Sewer Fund

### Major Revenues

### Water/Sewer Rates

The major revenue sources in the Water and Sewer Fund are from charges for water and sewage. Although future proposed budgets will most likely reflect the need to increase water/sewage rates to the end users, the rates are not included in the forecast because the forecast is only the first step in the budget process and we do not know the exact amount of future increases from the Oakland Water Resources Commissioner for sewage disposal and treatment and stormwater rates. Once these major expenditures are identified, we will begin the process of recommending a

water/sewer rate for FY 2018 which will be incorporated in the budget process and budget recommendation presented to Council.

Under the newly formed Great Lakes Water Authority (GLWA) which has recently been approved by the Wayne, Oakland, and Macomb County Boards of Commissioners, Madison Heights has switched from being a wholesale water customer under the Detroit Water and Sewerage Department (DWSD) to being a wholesale customer of the GLWA, and as such, will be subject to maximum water rate increases needed to generate total revenue of a 4% for each of the next ten years. The existing Water Services Contract between the City and DWSD will be honored by the GLWA. This does not mean the increases are capped at 4%!

Effective with billings as or after July 1, 2016 the City began operating under a new sewer rate structure that splits out the stormwater charge based on the individual parcel's stormwater runoff as calculated by the amount of pervious and impervious surface and shown through Equivalent Residential Units (ERUs). This charge will not affect the total amount charged for stormwater, but will more accurately reflect the differential between sanitary and stormwater usage.

### **Major Expenditures**

Other than personnel expenditures which were calculated using the same assumptions as the general fund employees, the major expenditures in the Water and Sewer Fund are the purchase of commodities, water and sewer capital improvement projects and debt service.

#### **Purchase of Commodities**

As briefly mentioned under revenues, the City has not yet received the actual rate increase from the GLWA or the Oakland Water Resources Commissioner. The forecast assumes an increase of 4% per year for each of the forecast years for water and 4% for sewage treatment and stormwater services. This percentage is based on trends as historically the rates have been higher than 6% per year.

#### **Infrastructure**

The Water and Sewer Fund structure has ensured that adequate funding is available to proactively address watermain replacements in the upcoming four years in coordination with the road improvement projects, assuming a continuation of the residential road millage in FY 2018. (Watermain replacement is completed in the fiscal year prior to road construction. Therefore, for road millage projects to be completed in FY 2018, watermains must be estimated in fiscal year 2017.) In addition, the forecast includes watermain replacement in areas outside the R-3 construction project areas where the older main is in critical need of replacement.

Future infrastructure needs include evaluation and replacement of the City's residential water meters which were purchased in 1995 and are nearing the end of their service life. The replacement of these meters is not included in the forecast but will be included in upcoming capital improvement requests.

## Debt Service

The Water and Sewer Fund also includes a significant amount of debt repayment for the George W. Kuhn Drain and Automatic Meter Reading System. The amounts used in the forecast are the actual amounts to be paid over the next three year period from the bond repayment schedules. The amounts included are as follows:

	Projected 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Bond Principal Payment – GWK	\$729,572	\$752,731	\$768,013	\$785,919	\$803,832
Bond Principal Payments – Fixed Network system	95,000	100,000	105,000	110,000	115,000
Bond Principal Payments – Pension Obligation Bonds	130,800	97,200	98,400	100,200	101,400
Bond Interest Payment – GWK	171,059	154,827	134,530	116,416	97,920
Bond Interest Payments – Fixed Network System	39,988	36,900	33,400	29,725	25,600
Bond Interest Payments – Pension Obligation Bonds	11,945	45,484	44,288	42,832	41,129
<b>Total</b>	<b>\$1,033,141</b>	<b>\$1,035,619</b>	<b>\$1,036,078</b>	<b>\$1,035,082</b>	<b>\$1,035,536</b>

At June 30, 2016, the Water and Sewer Department had built up an unrestricted net position of \$9.3 million dollars. Without any changes to revenues and expenses, the cash position will be **(\$1.4)** million at the end of the forecast period.

## **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 administered 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 142 full-time equivalent employees.

Statistical data related to City services at June 30, 2016 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	28
Hydrants	1,115

Police protection:

Full and Part-Time Employees	77
Crossing Guards	19
Patrol vehicles	17
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

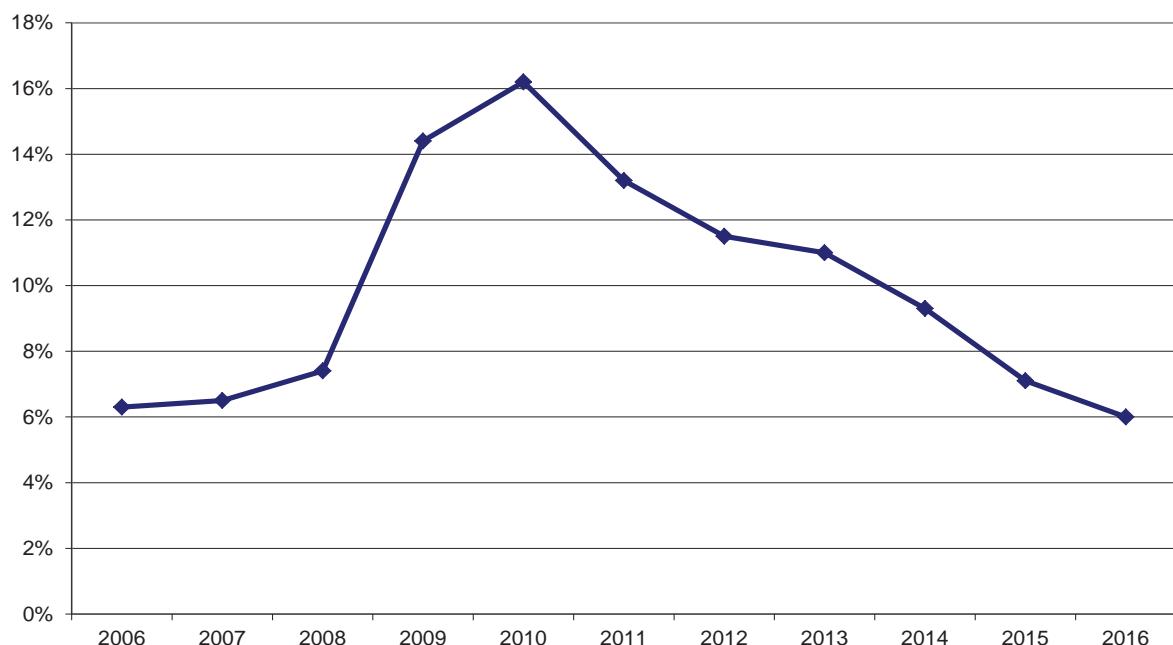
Fiscal Year Ended June 30	Estimated Population	Personal Income (1)	Per Capita Personal Income (1)	Annual Average Unemployment Rate (2)
2006	31,101	\$ 666,463,329	\$ 21,429	6.3%
2007	31,101	\$ 666,463,329	\$ 21,429	6.5%
2008	31,101	\$ 666,463,329	\$ 21,429	7.4%
2009	31,101	\$ 666,463,329	\$ 21,429	14.4%
2010	29,694	\$ 716,813,160	\$ 24,140	16.2%
2011	29,694	\$ 716,813,160	\$ 24,140	13.2%
2012	29,694	\$ 716,813,160	\$ 24,140	11.5%
2013	29,694	\$ 716,813,160	\$ 24,140	11.0%
2014	29,694	\$ 716,813,160	\$ 24,140	9.3%
2015	29,694	\$ 716,813,160	\$ 24,140	7.1%
2016	29,694	\$ 716,813,160	\$ 24,140	6.0%

Sources:

(1) United States Census Bureau 2010

(2) Bureau of Labor Statistics - Not seasonally adjusted; Annual Average

City of Madison Heights  
Unemployment Rate



## **CHANGES IN FUND BALANCE**

(amounts expressed in thousands)

### **General Fund**

Fiscal Year ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Restricted and Nonspendable:	\$ 435	\$ 189	\$ 366	\$ 1,140	\$ 1,611	\$ 777	\$ 1,088	\$ 1,611	\$ 844	\$ 797	\$ 359
Assigned:											
Vested employee benefits	\$2,333	\$2,557	\$2,496	\$2,587	\$2,656	\$2,353	\$2,023	\$2,287	\$ 2,235	\$ 1,991	\$ 1,841
Subsequent years' expenditures	438	145	543	393	56	915	392	785	386	786	1,364
Retained insurance risk	663	500	250	250	250	336	446	722	2,013	1,319	1,319
Vehicle replacement	1,136	1,136	1,136	1,136	853	0	0	0	0	0	0
Capital improvements	600	500	590	32	102	1,218	1,561	0	527	980	1,033
Park improvements	300	500	450	0	0	0	0	0	0	0	0
Retirees' health benefits	578	778	0	0	0	0	0	0	0	283	0
Technology Improvements	200	200	89	0	0	75	75	18	100	150	150
Postemployment Benefits	0	0	0	0	0	0	1,337	0	440	1,648	1,566
Penion bonds	0	0	0	0	0	0	0	0	0	0	1,090
Total Assigned:	\$ 6,248	\$ 6,316	\$ 5,554	\$ 4,398	\$ 3,917	\$ 4,897	\$ 5,834	\$ 3,812	\$ 5,701	\$ 7,157	\$ 8,363
Unassigned	0	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	\$ 6,683	\$ 6,505	\$ 5,920	\$ 5,538	\$ 5,528	\$ 5,675	\$ 6,922	\$ 5,423	\$ 6,545	\$ 7,954	\$ 8,722

Sources: City's Audited Annual Financial Statements

## EXPENDITURE HISTORY BY ACTIVITY

### General Fund

Activity Name	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Amended Budget	2017-18 Budget
Mayor and City Council	\$ 51,266	\$ 51,079	\$ 50,897	\$ 50,462	\$ 51,592	\$ 55,042	\$ 55,296
City Manager	308,169	316,203	332,431	322,759	337,395	310,257	298,790
Elections	41,921	52,614	31,402	61,122	70,200	134,933	70,018
City Assessor	241,960	234,181	221,902	200,465	221,402	209,577	209,577
Legal	307,695	306,117	296,996	313,331	287,424	268,695	332,695
City Clerk	226,533	221,788	285,562	264,295	297,078	287,996	272,466
Human Resources	245,395	225,228	280,824	363,746	419,037	427,428	389,150
Board of Review	2,740	2,136	1,768	1,400	1,503	3,103	2,493
General Administration	1,448,869	1,496,255	312,230	349,146	599,967	1,014,798	213,654
Finance	821,666	829,229	891,131	850,007	887,681	796,528	772,419
Information Technology	243,897	261,103	326,036	355,369	259,293	390,937	187,693
<b>Total City Administration</b>	<b>\$ 3,940,111</b>	<b>\$ 3,995,933</b>	<b>\$ 3,031,179</b>	<b>\$ 3,132,102</b>	<b>\$ 3,432,572</b>	<b>\$ 3,899,294</b>	<b>\$ 2,804,251</b>
Municipal Building	\$ 259,759	\$ 77,683	\$ 54,613	\$ 138,954	\$ 61,503	\$ 82,641	\$ 54,121
Custodial and Maintenance	191,268	220,302	226,376	278,823	237,608	186,920	184,186
<b>Total General Municipal Maint.</b>	<b>\$ 451,027</b>	<b>\$ 297,985</b>	<b>\$ 280,989</b>	<b>\$ 417,777</b>	<b>\$ 299,111</b>	<b>\$ 269,561</b>	<b>\$ 238,307</b>
Police	\$ 8,519,441	\$ 8,816,145	\$ 8,664,017	\$ 8,381,018	\$ 8,852,867	\$ 10,242,613	\$ 9,607,291
Fire	4,148,350	4,520,674	4,966,206	4,475,687	5,063,252	5,758,975	5,741,696
District Court	1,292,352	1,325,927	1,391,303	1,398,389	1,645,305	1,519,517	1,492,662
<b>Total Public Safety</b>	<b>\$ 13,960,143</b>	<b>\$ 14,662,746</b>	<b>\$ 15,021,526</b>	<b>\$ 14,255,094</b>	<b>\$ 15,561,424</b>	<b>\$ 17,521,105</b>	<b>\$ 16,841,649</b>
Community Development	\$ 917,448	\$ 938,268	\$ 1,089,483	\$ 937,877	\$ 1,089,676	\$ 1,062,544	\$ 1,037,896
Streets	854,595	928,810	1,181,642	1,080,727	1,341,462	1,301,412	957,521
<b>Total Community Improvement</b>	<b>\$ 1,772,043</b>	<b>\$ 1,867,078</b>	<b>\$ 2,271,125</b>	<b>\$ 2,018,604</b>	<b>\$ 2,431,138</b>	<b>\$ 2,363,956</b>	<b>\$ 1,995,417</b>
Solid Waste	\$ 2,155,871	\$ 1,915,160	\$ 2,063,506	\$ 2,127,087	\$ 2,080,190	\$ 2,043,168	\$ 2,286,371
<b>Total Solid Waste</b>	<b>\$ 2,155,871</b>	<b>\$ 1,915,160</b>	<b>\$ 2,063,506</b>	<b>\$ 2,127,087</b>	<b>\$ 2,080,190</b>	<b>\$ 2,043,168</b>	<b>\$ 2,286,371</b>
Recreation	\$ 115,949	\$ 143,981	\$ 100,803	\$ 95,619	\$ 135,293	\$ 138,022	\$ 170,687
Nature Center	10,393	9,042	1,370	45,205	21,978	28,208	32,675
Parks	337,277	478,927	457,140	437,761	489,777	539,953	502,515
Senior Citizen Center	297,387	439,614	289,629	377,890	379,489	367,354	344,868
<b>Total Parks and Recreation</b>	<b>\$ 761,006</b>	<b>\$ 1,071,564</b>	<b>\$ 848,942</b>	<b>\$ 956,475</b>	<b>\$ 1,026,537</b>	<b>\$ 1,073,537</b>	<b>\$ 1,050,745</b>
Library	\$ 584,232	\$ 617,361	\$ 773,942	\$ 764,916	\$ 742,049	\$ 729,796	\$ 715,574
<b>Total Library</b>	<b>\$ 584,232</b>	<b>\$ 617,361</b>	<b>\$ 773,942</b>	<b>\$ 764,916</b>	<b>\$ 742,049</b>	<b>\$ 729,796</b>	<b>\$ 715,574</b>
Insurance	(5,940)	172,551	343,209	474,908	412,104	382,363	372,510
Pension Obligation Debt	-	-	-	-	17,500	1,212,682	1,036,241
<b>General Expenditures</b>	<b>\$ (5,940)</b>	<b>\$ 172,551</b>	<b>\$ 343,209</b>	<b>\$ 474,908</b>	<b>\$ 429,604</b>	<b>\$ 1,595,045</b>	<b>\$ 1,408,751</b>
Transfers Out	\$ 313,813	\$ 2,195,255	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>General Fund Expenditures</b>	<b>\$ 23,932,306</b>	<b>\$ 26,795,633</b>	<b>\$ 24,634,418</b>	<b>\$ 24,146,963</b>	<b>\$ 26,002,625</b>	<b>\$ 29,495,462</b>	<b>\$ 27,341,065</b>

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
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	22.94	\$ 1,566,754,360	49.8%
2014	\$ 640,650,860	\$ 143,475,250	\$ 784,126,110	22.96	\$ 1,611,070,960	48.7%
2015	\$ 652,228,800	\$ 144,416,420	\$ 796,645,220	22.97	\$ 1,617,069,810	49.3%
2016	\$ 662,682,700	\$ 106,973,970	\$ 769,656,670	23.02	\$ 1,617,069,810	47.6%

Sources: City and County Assessing Records

## PROPERTY TAX RATES

### Direct and Overlapping Governments

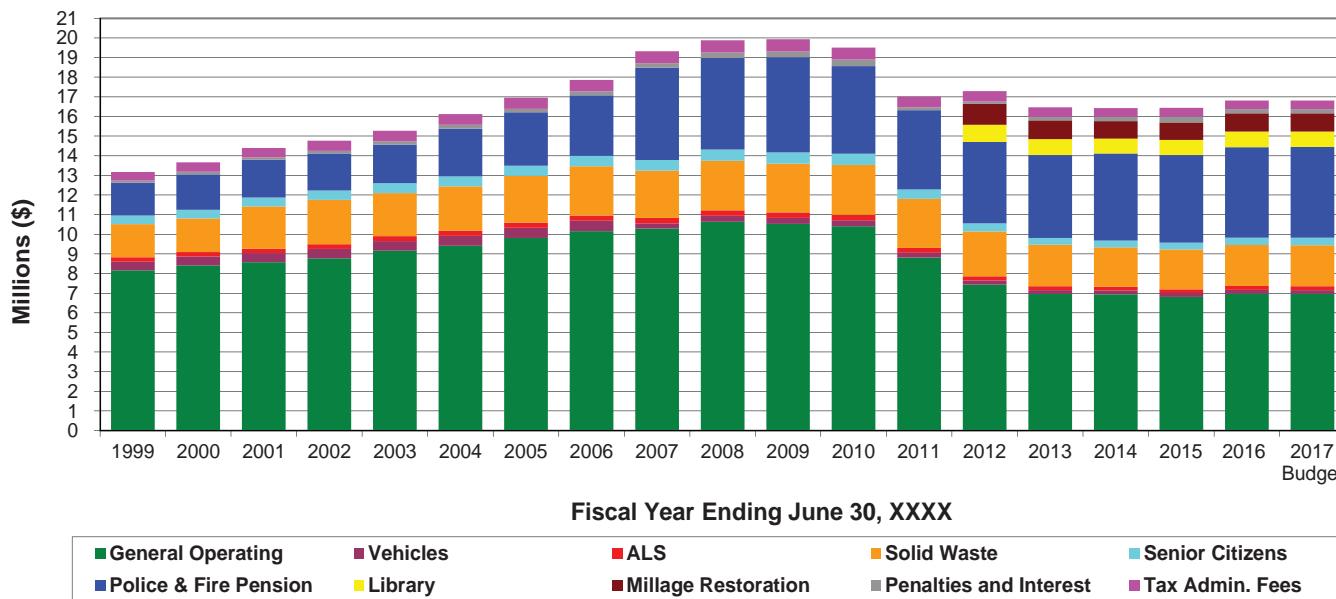
(Per \$1,000 of Taxable Valuation)

Fiscal Year Ending June 30,	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>City of Madison Heights</b>																
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	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	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	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	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	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	0.48	0.48	0.48
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	5.83	5.86	5.86
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	0.51	0.48	0.53
Library	n.a.	1.00	1.00	1.00	1.00	1.00	1.00									
County Drain	0.05	n.a.														
<b>Total Direct City Taxes</b>	<b>16.22</b>	<b>15.89</b>	<b>16.71</b>	<b>17.00</b>	<b>17.30</b>	<b>17.90</b>	<b>18.04</b>	<b>18.16</b>	<b>18.00</b>	<b>18.82</b>	<b>21.87</b>	<b>22.43</b>	<b>22.94</b>	<b>22.96</b>	<b>22.97</b>	<b>23.02</b>
<b>Overlapping Taxes</b>																
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	5.65	5.55	5.49
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	1.58	1.58	1.57
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	3.37	3.37	3.34
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	13.76	13.76	14.22	13.76
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	31.76	31.76	32.40	32.40
Zoological Authority	n.a.	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10						
Art Institute	n.a.	0.20	0.20	0.20	0.20	0.20	0.20									
<b>Total Homestead</b>	<b>43.44</b>	<b>43.15</b>	<b>42.75</b>	<b>43.81</b>	<b>43.50</b>	<b>44.32</b>	<b>44.94</b>	<b>44.76</b>	<b>40.23</b>	<b>42.77</b>	<b>45.81</b>	<b>46.37</b>	<b>46.89</b>	<b>47.32</b>	<b>47.69</b>	<b>47.17</b>
<b>Total Non-Homestead</b>	<b>54.81</b>	<b>54.67</b>	<b>54.39</b>	<b>55.54</b>	<b>55.44</b>	<b>56.49</b>	<b>57.27</b>	<b>57.03</b>	<b>58.41</b>	<b>60.87</b>	<b>63.91</b>	<b>64.47</b>	<b>64.99</b>	<b>65.42</b>	<b>65.97</b>	<b>65.91</b>

\* 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 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
17-18	Court	Add new PT Probation Officer (+0.60),
17-18		Decrease two current PT Probation Officers (-0.28)
17-18	City Clerk	Increase PT Office Support Staff (+0.12)
17-18	City Clerk - Elections	Reallocation DPS Employees (-0.3)
17-18	General Administration	Add new PT Social Media Intern (.04)
17-18	Community Development	Add new PT Social Media Intern (+0.5)
17-18	Police	Add new Special Investigations Unit Officer (+1.0)
17-18	DPS - Custodial & Maintenance	Reallocation DPS Employees (-0.1)
17-18	DPS - Streets	Reallocation DPS Employees (-1.7)
17-18	DPS- Solid Waste	Reallocation DPS Employees (-3.7)
17-18	DPS - Recreation	Increase 3 PT Camp Leaders (+0.12 each for total +0.36)
		Add PT Recreation Intern (+0.16)
17-18	DPS - Parks	Reallocation DPS Employees (-1.1)
17-18	DPS - Senior Center	Increase PT Chauffeur (+.09)
17-18	DPS - Major Street Fund	Reallocation DPS Employees (-2.3)
17-18	DPS - Local Street Fund	Reallocation DPS Employees (-2.7)
17-18	DPS - Water	Reallocation DPS Employees (-4.0)
17-18	DPS - Sewer	Reallocation DPS Employees (-5.4)
17-18	DPS - Water/Sewer Administration	Reallocation DPS Employees (-1.5)
17-18	DPS Division	DPS Reallocation (+22.8)
17-18		Increase PT Office Support Staff (+0.43)
16-17	City Clerk	Increase PT Office Support Staff (+0.3)
16-17	City Clerk - Elections	Decrease PT Office Support Staff elections portion (-0.13)
16-17	Community Development	Eliminate vacant Building Official Position (-1.0)
16-17	DPS - Streets	Reallocation of Admin Support due to Act 51 requirements (+0.10)
16-17	DPS - Solid Waste	Eliminate PT Office Support split (-0.13)
16-17		Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Recreation	Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Misc Funds	Transfer one DPS pooled position to Water (-1.0)
16-17	DPS - Parks	Transfer one fulltime Parks employee to vacant DPS pooled position (-1.0)
16-17	DPS - Major Street Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Local Streets Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Water	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (+1.0)
16-17		Transfer one DPS pooled position to Water (+1.0)
16-17	DPS - Water/Sewer Administration	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (-1.0)
16-17		Reallocation of Admin Support due to Act 51 requirements (.20)
16-17		Add dedicated DPS PT Office Support (+0.35)
15-16	City Clerk	Reallocate PT Office Support Staff (-0.1)
15-16	General Administration	Eliminate Asst City Mgr Split between Departments (-0.2)
15-16	Finance	Transfer Fiscal Assistant II to Fire Department (-1.0)
15-16	Information Technology	Eliminate MIS Administrator (-1.0)
15-16	Information Technology	Eliminate Information Systems Specialist (-1.0)

**FY 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
15-16	Police	Reallocate Animal Control Officer (+0.3)
15-16	Fire	Eliminate PT Office Support Staff (-0.5)
15-16	Fire	Transfer Fiscal Assistant II to Fire Department (+1.0)
15-16	Community Development	Eliminate Building Inspector (-1.0)
15-16	Community Development	Eliminate GIS/CDD Technician (-1.0)
15-16	Community Development	Add GIS/Social Media Specialist (+1.0)
15-16	Community Development	Reallocate Animal Control Officer (-0.3)
15-16	Community Development	Add PT Code Enforcement Officer (+0.7)
15-16	DPS - Custodial & Maintenance	Reallocate DPS Director (-0.1)
15-16	DPS - Solid Waste	Eliminate Asst City Mgr Split between Departments (-0.5)
15-16	DPS - Major Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Local Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Water	Eliminate Water Meter Reader (-1.0)
15-16	DPS - Sewer	Transfer PT Year Round Laborer (-0.7)
15-16	DPS - Water/Sewer Administration	Elimination of Asst City Mgr/Reallocation of DPS Director (+0.9)
15-16	DPS - Water/Sewer Administration	Eliminate Water & Sewer Coordinator (-1.0)
15-16	DPS - Water/Sewer Administration	Add DPS Analyst/Planner (+1.0)
15-16	DPS - Water/Sewer Administration	Add Equipment Operator I (+1.0)
15-16	DPS - Motor Pool	Add PT Year Round Laborer (+0.7)
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)
13-14	Police	Eliminate Police Sergeant position (-1.0), add Police Officer position (+1.0)
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)

**FY 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

FY	DEPARTMENT	ACTION
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)
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)

**FY 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
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)
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) and 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)

**FY 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
06-07	Housing	Reallocate Code Enforcement Officers hours 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)
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)

**FY 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

FY	DEPARTMENT	ACTION
04-05	DPS – Solid Waste	Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)
04-05	DPS – Recreation	Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)
04-05	DPS – Youth Center	Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)
04-05	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.4)
04-05	DPS – Parks	Eliminate two vacant part-time Park Laborer positions (-0.5)
04-05	DPS – Senior Citizen	Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)
04-05	Major Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.1)
04-05	Local Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.6)
04-05	Community Improvement Fund	Reallocate full-time Code Enforcement Officer FTE between Housing (-0.3) & Community Improvement (0.3)
04-05	Auto Theft Prevention Fund	Transfer of Police Officer position back into road patrol (-1.0)
04-05	Motor Pool Fund (DPS)	Eliminate vacant Tool Crib Operator position after retirement of incumbent (-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)

**FY 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

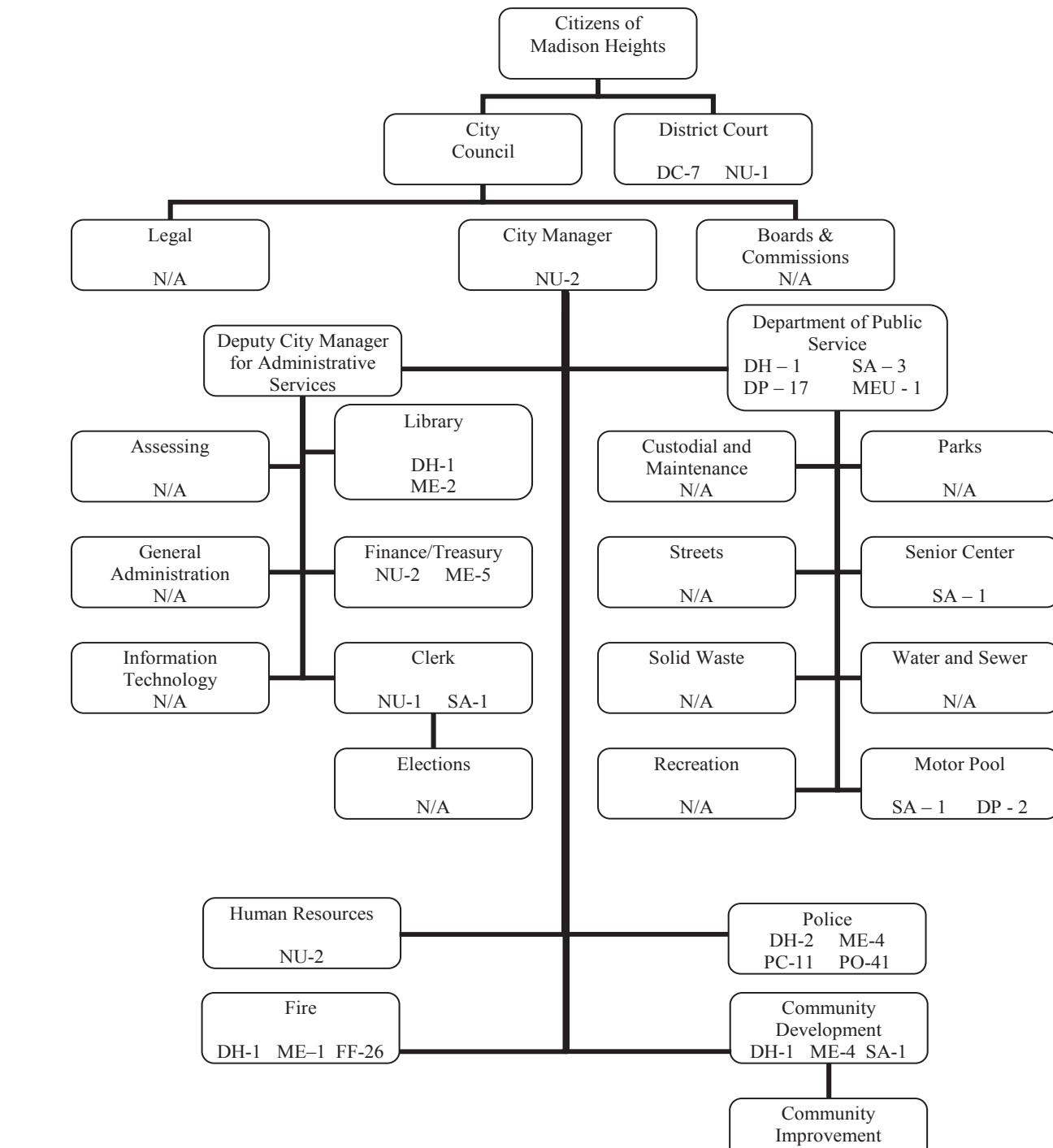
<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
99-00	General Administration	Elimination of vacant Reproduction and Stores Assistant position (-1.0 FTE)
99-00	Finance	Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-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)
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)

**FY 2017-18 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
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
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 – Full Time Employees By Bargaining Unit



Key	Full-Time Count
N/A = Not Applicable	--
NU=Non-Union or Other	8
DC= District Court, UAW 889	7
DH=Department Heads, AFSCME	6
DP=DPS, TPOAM	19
FF=Fire Fighters	26
ME=Municipal, TPOAM	18
PC=Police Command, POLC	11
PO=Police Officers, POU	41
SA=Supvrs. & Assts., AFSCME	6
	142

**CITY OF MADISON HEIGHTS**  
**FY 2017-18 BUDGET**  
**FULL TIME POSITIONS**  
**ALL FUNDS**

FY      FY  
1996-97 1997-98 1998-99 1999-00 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07 2007-08

**GENERAL FUND**

Court	11	12	12	11	10	10	9	9	9	9	9	9
Manager	2	2	2	2	2	2	2	2	2	2	2	2
Assessor	4	4	4	4	4	4	4	4	4	4	4	3
Clerk	4	4	4	4	4	4	4	3	3	3	3	3
Human Resources	2	2	2	2	2	2	2	2	2	2	2	2
General Administration	3	3	3	2	2	2	2	1	1	1	1	1
Finance	7	7	7	11	11	11	11	10	10	9	9	9
Information Technology	0	0	0	2	2	2	2	2	2	2	2	2
Police	76	76	76	76	77	77	77	75	73	73	73	73
Fire	40	40	40	40	40	40	40	39	38	36	36	36
Community Development	8	8	8	9	10	10	11	10	10	9	9	9
Library	4	4	4	4	4	4	4	4	4	4	4	4
Department of Public Services (Prior to FY 2017-18)												
Custodial & Maintenance	6	5	5	4	4	1	1	1	1	1	1	1
Streets	18	18	18	18	18	18	18	16	15	13	13	13
Solid Waste	0	0	0	0	0	0	0	0	1	1	1	1
Recreation	2	2	2	2	2	2	2	1	1	1	1	1
Youth Center	0	0	0	0	0	0	0	0	0	0	0	0
Nature Center	0	0	0	0	1	1	1	1	1	1	1	1
Parks	5	5	5	5	6	6	6	6	5	5	4	4
Senior Citizen	3	3	3	3	3	3	3	2	2	2	2	2
Sub total	34	33	33	32	32	31	31	28	26	24	23	
Total	195	195	195	199	200	199	199	189	184	178	176	
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	3	3	
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	1	1	1	1	1	1	1	0	0	0	0	
Crime Suppression Grant Fund	1	1	1	1	0	0	0	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	5	5	
Information Technology	2	2	2	0	0	0	0	0	0	0	0	
Water & Sewer Administration	5	5	5	1	1	1	1	1	1	1	1	
Total	19	19	19	13	13	13	13	13	13	12	12	
Motor Pool Fund	6	6	5	5	5	5	5	4	4	4	4	
DPS Fund (Beginning FY 2017-18)												
Total All Funds	227	227	226	224	224	223	223	223	211	206	198	196

**CITY OF MADISON HEIGHTS**  
**FY 2017-18**  
**FULL TIME POSITIONS**  
**ALL FUNDS**

FY      FY      FY      FY      FY      FY      FY      FY      FY      FY  
2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18

<b>GENERAL FUND</b>										
9	9	8	8	8	8	8	8	8	8	Court
2	2	2	2	2	2	2	2	2	2	Manager
3	3	0	0	0	0	0	0	0	0	Assessor
3	3	2	2	2	2	2	2	2	2	Clerk
2	2	2	1	2	2	2	2	2	2	Human Resources
1	1	1	1	0	0	0	0	0	0	General Administration
9	9	8	8	8	8	8	7	7	7	Finance
2	2	2	2	2	2	2	0	0	0	Information Technology
73	67	62	58	57	57	57	57	57	58	Police
36	33	30	30	27	27	27	28	28	28	Fire
9	9	8	8	8	8	8	7	6	6	Community Development
4	4	3	3	3	3	3	3	3	3	Library
Department of Public Services (Prior to FY 2017-18)										
1	1	0	0	0	0	0	0	0	0	Custodial & Maintenance
13	12	11	10	9	9	9	9	9	0	Streets
1	1	1	2	2	2	2	1	1	0	Solid Waste
0	0	0	0	0	0	0	0	0	0	Recreation
0	0	0	0	0	0	0	0	0	0	Youth Center
1	1	0	0	0	0	0	0	0	0	Nature Center
4	4	2	2	2	2	2	2	1	0	Parks
2	2	2	2	1	1	1	1	1	1	Senior Citizen
22	21	16	16	14	14	14	13	12	1	Sub total
175	165	144	139	133	133	133	129	127	117	Total
1	1	1	1	1	1	1	1	1	0	Major Street Fund
3	3	3	3	3	1	1	1	1	1	Community Improvement Fund
0	0	2	2	0	0	0	0	0	0	Fire Manning Grant Fund
0	0	0	0	0	0	0	0	0	0	Juvenile Grant Fund
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	Crime Suppression Grant Fund
Water & Sewer Fund										
6	6	4	4	4	4	4	4	4	0	Water Division
5	4	4	4	4	3	3	3	4	0	Sewer Division
0	0	0	0	0	0	0	0	0	0	Information Technology
1	1	1	1	1	1	1	2	1	1	Water & Sewer Administration
12	11	9	9	9	8	8	9	9	1	Total
4	4	3	3	3	3	3	3	3	3	Motor Pool Fund
0	0	0	0	0	0	0	0	0	20	DPS Fund (Beginning FY 2017-18)
195	184	162	157	149	146	146	143	141	142	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 60 years. According to the 2014 Land Use Survey, only 1.5 percent of the City's total acreage is vacant land.

Oakland County continues to experience steady growth. 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.

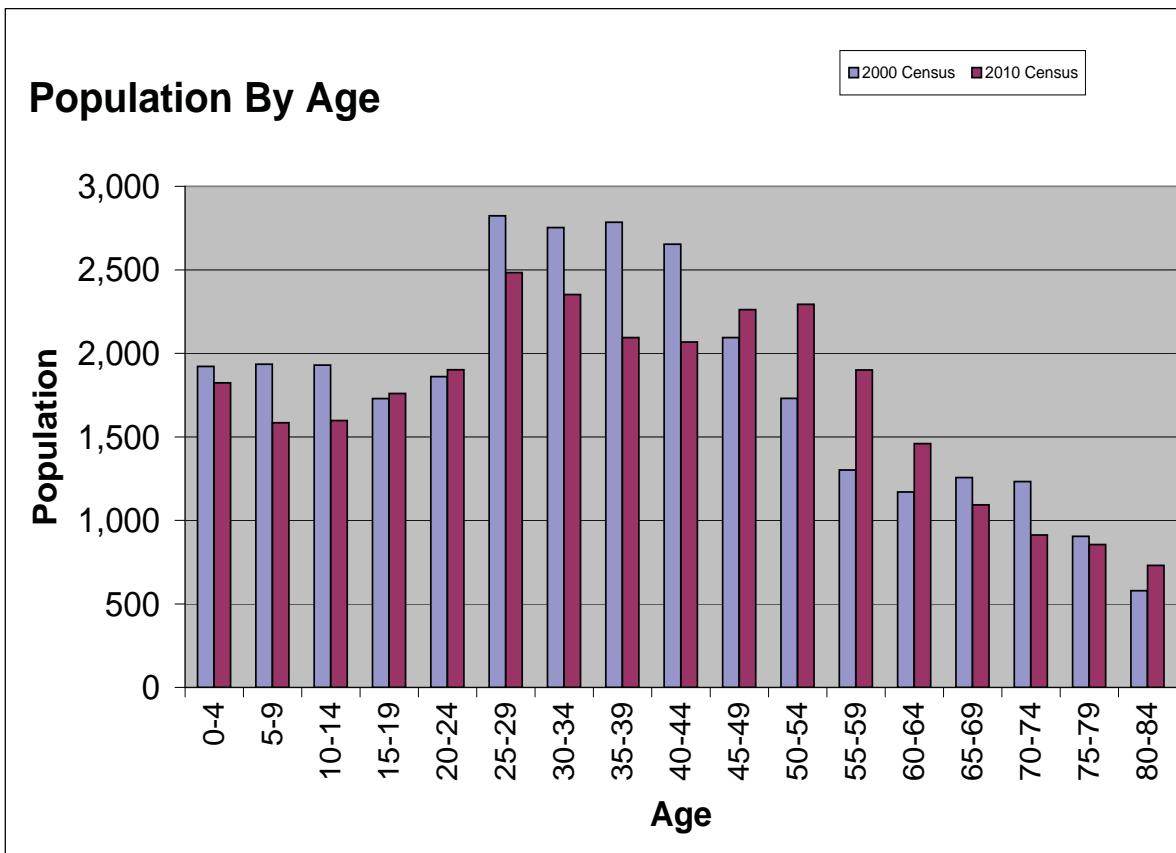
### Population

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 2016 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 13,717 (2016) 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.

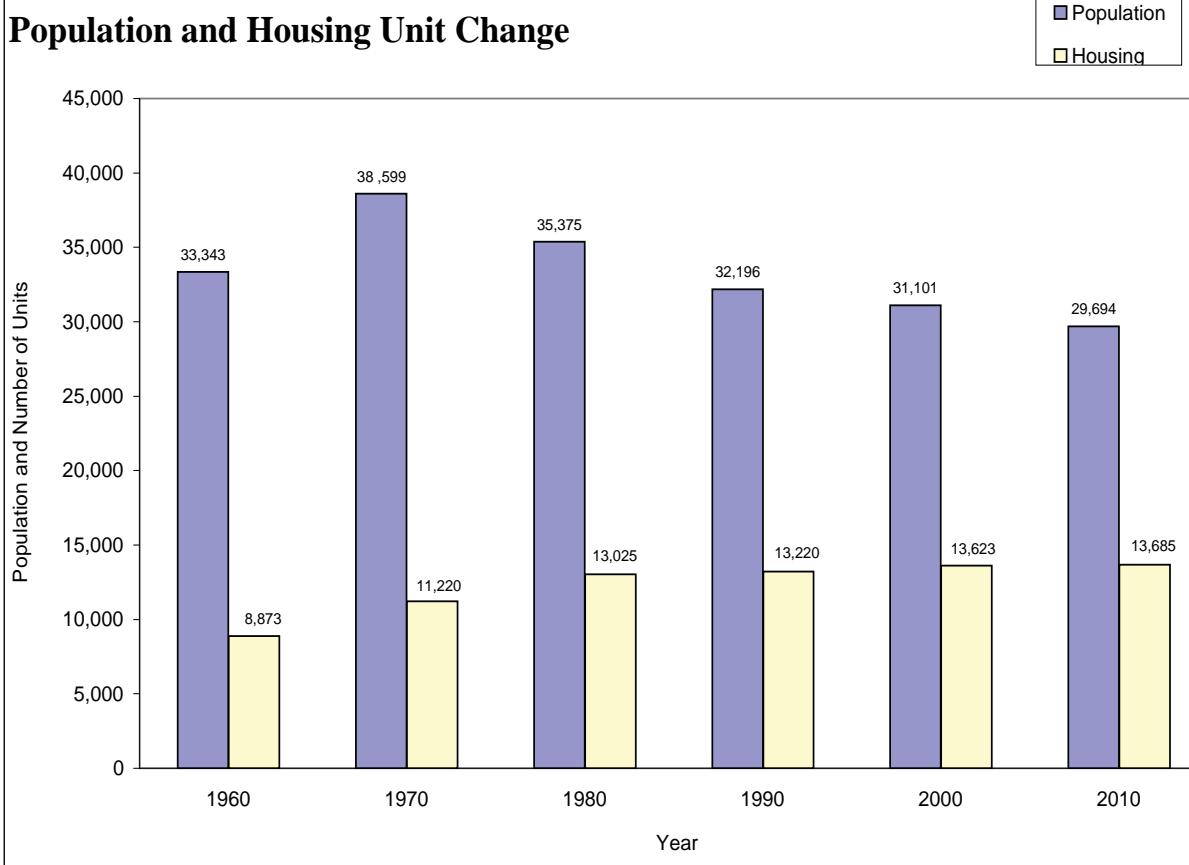


Table 1  
Selected Population Characteristics: 2000-2010  
City of Madison Heights

	<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 1.5 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.

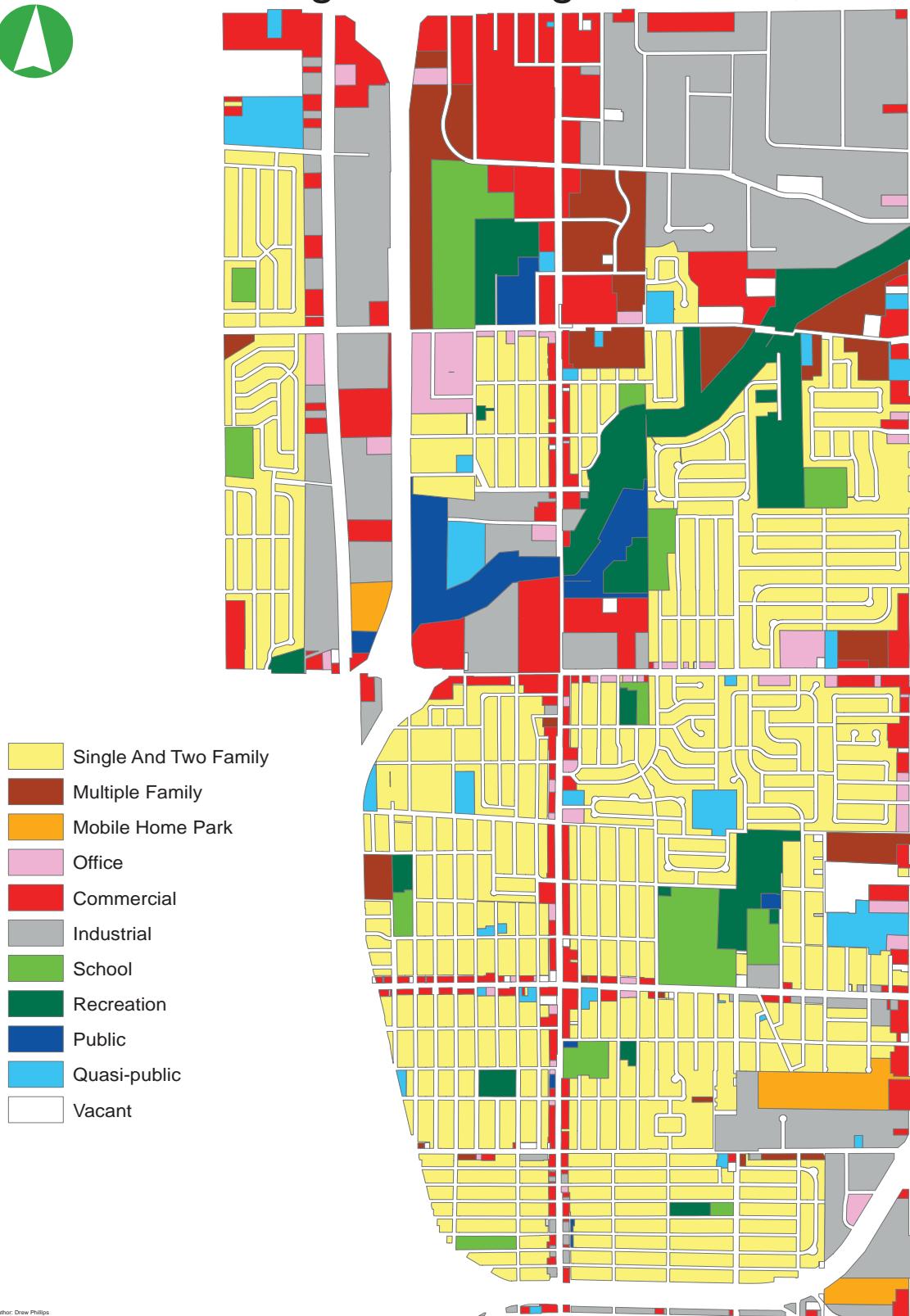
The national and local trends over the past 30 years indicate shrinking family sizes along with increases in the number of households. This trend is due, at least in part, to lower fertility rates and higher divorce rates. While the Census of Population shows these trends are present in the City, historically, 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 2040 projections.

# Madison Heights Existing Land Use, 2014



Author: Drew Phillips  
Document Path: T:\Planning\maps\Existing\_Land\_Use.mxd  
Data Updated 2014

## 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.

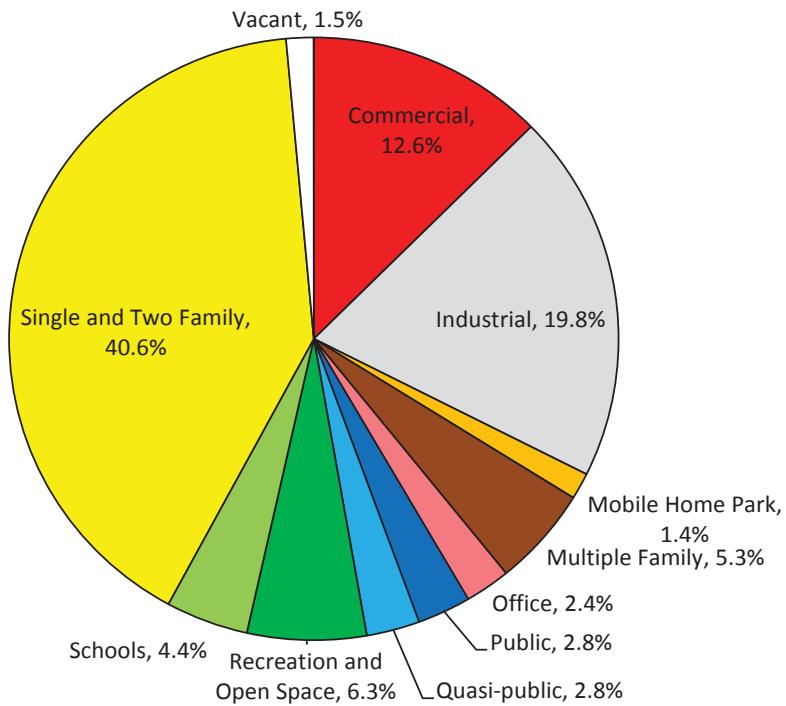
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

Public - Land area and facilities such as public schools, libraries, public works buildings, and government buildings are considered public uses.

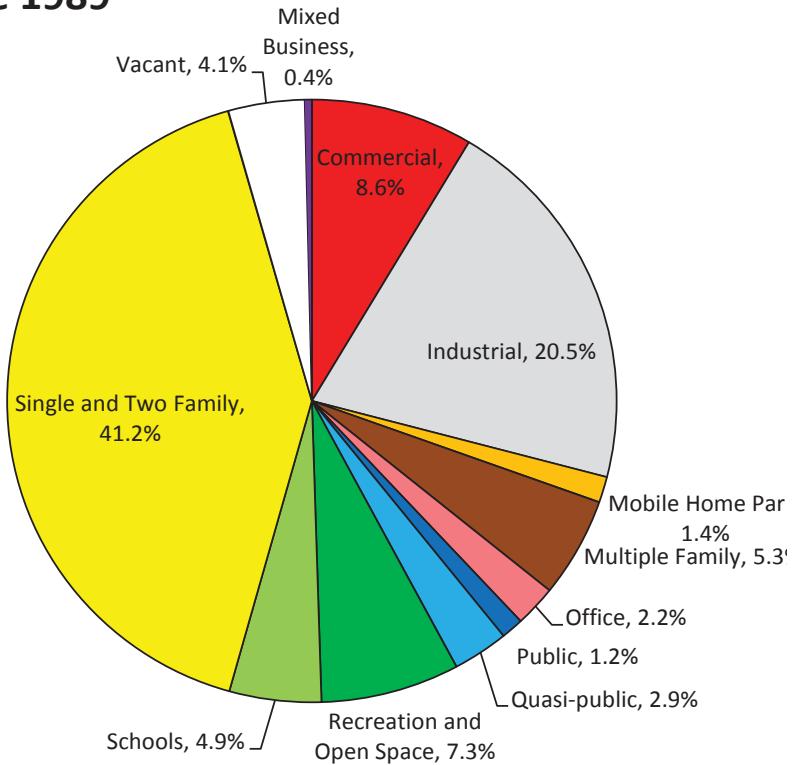
Quasi-Public - Included within this classification are such as churches, hospitals, private schools, lodge halls, private cemeteries, utility stations/sub-stations, etc.

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 2014



## Existing Land Use 1989



\* 1989 Land Use shows Mixed Business and Commercial use types. In 2003, those use types were combined into Commercial.

School Sites - School sites in the City of Madison Heights now comprise 164 acres. Many of the City's school sites include significant recreation areas, provided by either the Madison or Lamphere School District.

Vacant - This category includes all remaining land that is presently vacant or unused. As of 2014, only 1.5 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, 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.

**Chapter 20 Drain Debt** - Chapter 20 of the State of Michigan Drain Code, Public Act 40 of 1956, grants a municipality the right to levy taxes for the principal and interest of Drainage debt.

**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 Services (DPS):** The Department of Public Services 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.

**Equivalent Residential Unit (ERU):** A standard engineering calculation designed to determine stormwater runoff based on pervious and impervious areas. Each ERU is based on a value of 2,600 square feet.

**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 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 orga-

nization 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 Municipal Risk Management Authority (MMRMA):** The MMRMA is a public entity self-insurance pool that provides liability and property coverage to municipal governmental entities across Michigan.

**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 ser-

vices 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
AMR	Automatic Meter Reading
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
CVTRS	City, Village and Township Revenue Sharing
D/FEIS	Draft/Final Environmental Impact Statement
DDA	Downtown Development Authority
DPS	Department of Public Service
DWSD	Detroit Water and Sewerage Department
EFTPS	Electronic Federal Tax Payment System
EPA	Environmental Protection Agency
ERU	Equivalent Residential Unit
ESL	English as a Second Language
EVIP	Economic Vitality Incentive Program
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FTE	Full-Time Equivalency
FSA	Flexible Spending Account
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GLWA	Great Lakes Water Authority
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain
HAVA	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
MDNR	Michigan Department of Natural Resources
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 Developers Corporation
MERS	Municipal Employees Retirement System
MLGBC	Michigan Local Government Benchmarking Consortium
MML	Michigan Municipal League
MMRMA	Michigan Municipal Risk Management Authority
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
POB	Pension Obligation Bonds
PPO	Preferred Provider Organization
PPTP	People Powered Transportation Program
PPT	Personal Property Tax
RAP	Risk Avoidance Program
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
SSR	State Shared Revenues
STV	State Taxable Value
TIF	Tax Increment Financing
TLN	The Library Network
TV	Taxable Value
UPS	Uninterruptible Power Source
WRC	Water Resources Commissioner



**CITY OF MADISON HEIGHTS  
CAPITAL OUTLAY SUMMARY  
COMBINED  
FISCAL YEAR 2017-18**

		<u>Description</u>	<u>Account</u>	<u>2017-18 Amount Proposed</u>
<b><u>General Fund</u></b>				
<b>Court</b>				
<b><u>101-136</u></b>	<b><u>Books</u></b>		<b><u>9780000</u></b>	
	Books			\$ 7,500
			<i>Total Department</i>	<u>\$ 7,500</u>
<b>Information Technology</b>				
<b><u>101-258</u></b>	<b><u>Computer Equipment</u></b>		<b><u>9780000</u></b>	
	Exchange Server			\$ 15,000
			<i>Total Department</i>	<u>\$ 15,000</u>
<b>Police</b>				
<b><u>101-301</u></b>	<b><u>Computer Equipment</u></b>		<b><u>9810000</u></b>	
	Interview Rooms Recording System - Suspect Interviews			\$ 5,000
	<b><u>Machinery and Equipment</u></b>		<b><u>9820000</u></b>	
	Equipment for Vehicle #116			12,700
	<b><u>Improvements</u></b>		<b><u>9870000</u></b>	
	Underground Storage Tank (Phase II of IV)			\$ 50,000
			<i>Total Department</i>	<u>\$ 67,700</u>
<b>Fire</b>				
<b><u>101-336</u></b>	<b><u>Computer Equipment</u></b>		<b><u>9810000</u></b>	
	Tablet Computers for EMS Field Reporting (ePCR), (3)			\$ 16,500
	<b><u>Machinery and Equipment</u></b>		<b><u>9820000</u></b>	
	Upgrade Fire Engines from Basic to Advanced Life Support			80,000
	<b><u>Vehicles</u></b>		<b><u>9850000</u></b>	
	2002 Pierce Pumper #722 - "V" funded Phase I of III		\$ 200,000	
	2009 Ambulance Rescue #711 Non-V Phase I of II		<u>135,000</u>	335,000
	<b><u>Improvements</u></b>		<b><u>9870000</u></b>	
	Fire Station #2 Parking Lot Improvements (Phase II of II)		\$ 55,000	
	Resurfacing Fire Apparatus Room Floor (Phase I of II)		16,000	
	Lucas Chest Compression System (2)		35,000	\$ 106,000
			<i>Total Department</i>	<u>\$ 537,500</u>
<b>Streets</b>				
<b><u>101-446</u></b>	<b><u>Machinery and Equipment</u></b>		<b><u>9820000</u></b>	
	Tool Cat Utility Vehicle (New)			\$ 75,000
			<i>Total Department</i>	<u>\$ 75,000</u>
<b>Solid Waste</b>				
<b><u>101-521</u></b>	<b><u>Machinery and Equipment</u></b>		<b><u>9820000</u></b>	
	2003 Street Sweeper #402			\$ 250,000
			<i>Total Department</i>	<u>\$ 250,000</u>
<b>Nature Center</b>				
<b><u>101-756</u></b>	<b><u>Improvements</u></b>			
	Friendship Woods - Nature Center Roof (half of total less \$5,000)			\$ 24,500
			<i>Total Department</i>	<u>\$ 24,500</u>
<b>Parks</b>				
<b><u>101-757</u></b>	<b><u>Machinery and Equipment</u></b>		<b><u>9820000</u></b>	
	Replacement of Aging Swing Sets Through the City Parks (5 at \$5,000 each)		25,000	
	Wildwood Park - Playscape Replacement (Phase II of II)		<u>75,000</u>	\$ 100,000
	<b><u>Improvements</u></b>		<b><u>9870000</u></b>	
	Ambassador Park Asphalt Pavement & Parking Lot			\$ 75,000
			<i>Total Department</i>	<u>\$ 175,000</u>

**CITY OF MADISON HEIGHTS  
CAPITAL OUTLAY SUMMARY  
COMBINED  
FISCAL YEAR 2017-18**

			2017-18 Amount <u>Proposed</u>
			Description
			Account
<b>Senior Center</b>			
101-758	<b>Improvements</b>	<u>9870000</u>	
	Sealcoat and Restripe Asphalt Parking Lots and Walking Path at Senior Center		\$ 11,500
		<i>Total Department</i>	<u>\$ 11,500</u>
<b>Library</b>			
101-790	<b>Materials</b>	<u>97xx-xxx</u>	
	DVD		\$ 1,800
	Books		49,707
	E-Books		14,200
	Audio Media		1,800
			\$ 67,507
101-790	<b>Improvements</b>	<u>9870000</u>	
	Replace Compromised Drop Ceiling and HVAC Diffusers - Breckenridge		\$ 7,500
	Replacement of Failed Humidifier Steam Boiler for the Library's HVAC System		27,500
	Reduce, Relocate and Replace Bollard Lights at the Library		10,000
		<i>Total Department</i>	<u>\$ 45,000</u>
		<b>Total Fund</b>	<u><b>\$ 112,507</b></u>
			<u><b>\$ 1,276,207</b></u>
<b>Major Street Fund</b>			
202-451	<b>Repairs/Construction</b>	<u>9880425</u>	
	Joint and Crack Sealing		\$ 75,000
	<b>Rehabilitation Programs</b>	<u>9880436</u>	
	11 Mile Sectional - John R to Dequindre		\$ 235,000
	Stephenson Hwy Turnarounds		100,000
	Edward - Mandoline to Whitcomb		164,000
	Sectional - E. Lincoln Wolverine to Dequindre		320,000
	Whitcomb Sectional - Barrington to Dequindre		203,000
	Stephenson Hwy Sectional - Girard to 12 Mile		165,000
		<i>Total Department</i>	<u>\$ 1,187,000</u>
			<u>\$ 1,262,000</u>
202-474	<b>Traffic Service</b>		
	Traffic Signal Improvements		\$ 30,000
		<i>Total Department</i>	<u>\$ 30,000</u>
		<b>Total Fund</b>	<u><b>\$ 1,292,000</b></u>
<b>Local Street Fund</b>			
203-451	<b>Proposal R-3 Construction</b>	<u>9890XXX</u>	
	Dei - Lincoln to Southend		\$ 1,030,000
	Hales - 13 Mile to Winthrop		501,000
	Lincoln Sectional		314,000
		<i>Total Fund</i>	<u>\$ 1,845,000</u>
	<b>Rehabilitation Program - Non "R-3"</b>		
	Sectional - Sherman		150,000
	Sectional - Montpelier		65,000
		<i>Total Fund</i>	<u>\$ 215,000</u>
			<u><b>\$ 2,060,000</b></u>
<b>Drug Forfeiture Fund</b>			
264-301	<b>Machinery and Equipment - State</b>	<u>9820-039</u>	
	Bullet Resistant Vests SWAT Team and FBI Task Force (5)		\$ 19,075
	<b>Vehicles - State</b>	<u>9850-039</u>	
	Ford Crown Victoria Canine Unit #116		\$ 28,000
		<i>Total Fund</i>	<u><b>\$ 47,075</b></u>
<b>Special Assessment</b>			
297-401	<b>Construction</b>	<u>9850000</u>	
	Sidewalk Program		\$ 250,000
		<i>Total Fund</i>	<u><b>\$ 250,000</b></u>
<b>Water &amp; Sewer Fund</b>			
590-551	<b>Machinery and Equipment</b>	<u>9820000</u>	
	SPX RD8100 Precision Utility Locator		\$ 7,000
	V3 or V4 Neptune Collector for AMR Systems		9,000
		<i>Total Department</i>	<u>\$ 16,000</u>
			<u><b>\$ 16,000</b></u>

**CITY OF MADISON HEIGHTS  
CAPITAL OUTLAY SUMMARY  
COMBINED  
FISCAL YEAR 2017-18**

			2017-18 Amount <u>Proposed</u>
<b><u>590-560</u></b>	<b><u>Machinery and Equipment</u></b>	<b><u>9820000</u></b>	
	Sewer Camera Trailer #466 (Phase II of II)		\$ 65,000
		<i>Total Department</i>	<u>\$ 65,000</u>
<b><u>590-901</u></b>	<b><u>Improvements</u></b>	<b><u>9820000</u></b>	
	Robinair 134A Refrigerant Recovery, Recycling, Recharging Machine		\$ 4,000
	Sanitary Sewer Inspection/Rehabilitation Program		1,032,000
	Salt Dome Structure		90,000
	Replacement/Repairs to DPS Parking Lot		75,000
	Underground Storage Tank Replacement (Phase II and III of III)		<u>100,000</u> \$ 1,301,000
	<b><u>Electronic Equipment</u></b>	<b><u>9860000</u></b>	
	City-wide Water Meter Replacement Program (District 2)		1,000,000
	<b><u>Watermain Replacement - "R-3"</u></b>	<b><u>9731000</u></b>	
	Brettonwoods Street (Eleven Mile to W. Farnum Ave.)		\$ 247,000
	Harwood Avenue (Battelle Ave. to Tawas Street)		162,000
	Brush Street (W. University to W. Farnum Ave. )		149,000
	Brush Street (W. University to Eleven Mile Road )		<u>149,000</u> 707,000
	<b><u>Watermains Replacement - "Non-R-3"</u></b>	<b><u>9731000</u></b>	
	Tawas - Moulin to Robert		\$ 318,500
	Fontaine - Rose to Dequindre		<u>273,500</u> 592,000
		<i>Total Department</i>	<u>\$ 3,600,000</u>
		<b>Total Fund</b>	<b><u>\$ 3,681,000</u></b>

