



City of Madison Heights Michigan

Adopted Annual Budget

Fiscal Year 2009-2010

Madison Heights Senior Citizens Center







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Madison Heights
Michigan**

For the Fiscal Year Beginning

July 1, 2008

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Madison Heights, Michigan for its annual budget for the fiscal year beginning July 1, 2008. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

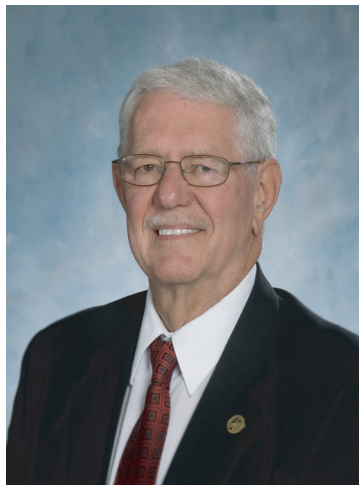


Edward C. Swanson
Mayor

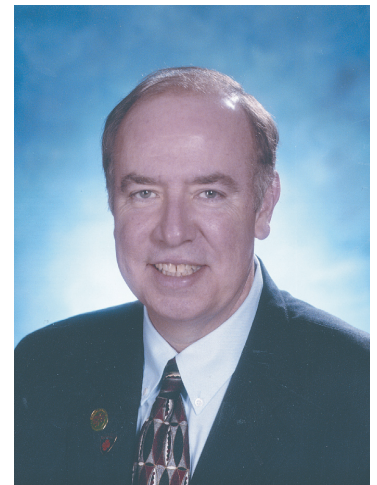
Mayor and Council



Margene A. Scott
Mayor Pro Tem



Richard L. Clark
Councilman



Robert J. Corbett
Councilman



Brian C. Hartwell
Councilman



Cindy Holder
Councilwoman



Craig M. Hennigan
Councilman

City of Madison Heights Adopted Annual Budget Fiscal Year 2009-10

Mayor

Edward C. Swanson

City Council

Margene Ann Scott

Richard L. Clark

Robert J. Corbett

Brian C. Hartwell

Cindy Holder

Craig M. Hennigan

City Manager

Jon R. Austin

Director of Administrative Services

Melissa R. Marsh

City of Madison Heights Organizational Chart

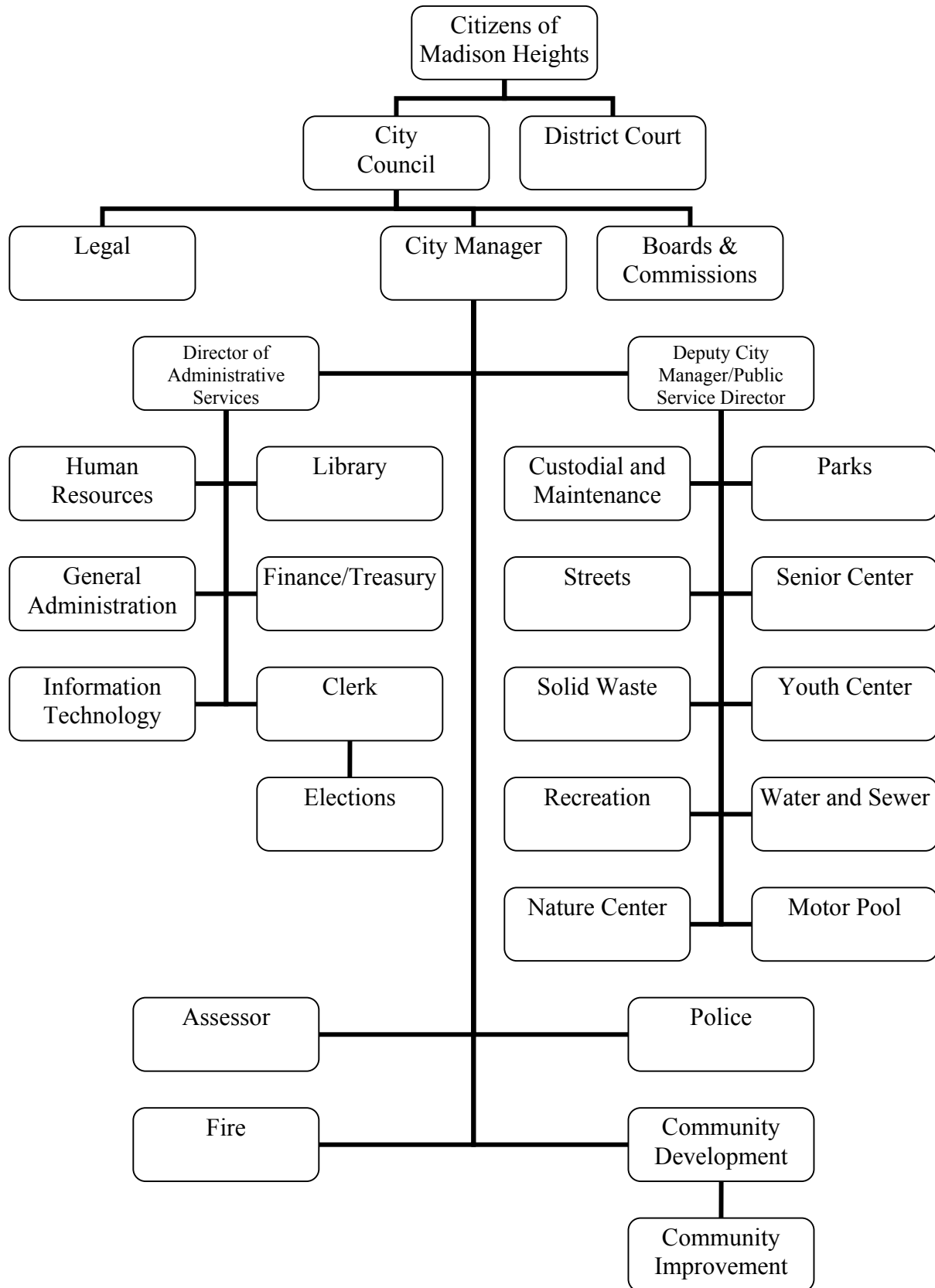


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City of Madison Heights

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

May 12, 2009

Budget Message
Fiscal Year 2009-10 Adopted Budget

Honorable Mayor and Council:

Pursuant to Section 8.2 of the Madison Heights City Council Charter and the Michigan Uniform Budget Act, P.A. 621, transmitted herein are the consolidated Budget for the Fiscal Year (FY) beginning July 1, 2009 and the Five Year Capital Improvement Plan for FY 2009-14. The Budget provides the annual financial plan for management of the City's affairs. The document compiles the financial data needed to support the City of Madison Heights' comprehensive decision-making and policy development process. This Budget is based on the Organization's Mission Statement, Goal Plan, the Five Year Capital Improvement Plan, the City's financial policies, City Council gap reduction priorities, and City Manager and departmental review of operations.

The total budget equates to \$50.9 million and represents a decrease of \$4.6 million or 8.3% under the prior year. The process was difficult this year given current and future financial challenges.

Introduction

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

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

Financial Challenges

Madison Heights, like most cities in Michigan, is facing a challenge not seen in 25 years. As the national economy joins the state economy in recession, the automobile industry, losing 114,000 jobs in the last year, has been dealt a big blow. With auto workers and suppliers losing their jobs, causing unemployment to jump to 12.6%, it has become increasingly difficult to maintain mortgage payments. As the sub prime loan and credit crisis hit the banking industry, the combination of layoffs and credit tightening has driven up foreclosures. In 2008, Madison Heights saw 588 home

foreclosures. With home affordability becoming a problem and the supply of homes increasing, home prices (state equalized values) fell 11.8%. The constitutionally guaranteed portion of the Proposal “A” property tax measure has provided some cushion for dropping values. Currently 45% of homeowners are still benefiting from Proposal “A” by paying their property taxes based on a “taxable value” that is lower than their “state equalized value.” The net impact, after millage adjustments, is a \$915,000, or 3.9%, reduction in property tax revenue for the FY 2009-10 Budget. Given that property tax makes up 71% of General Fund revenues and other revenue sources are also negatively impacted by the economy, significant changes were made to the City’s financial plans. From the residential taxpayer’s standpoint, the millage limits and lower values will reduce the City’s property tax bill by \$40 this year.

General Fund Overview



Faced with a \$2.0 million revenue/expenditure gap and based on City Council direction, staff has programmed \$440,000 in new revenues and \$1.1 million in expenditure reductions, lowering the funding gap to \$478,000. At the March 10, 2009 Budget Workshop, the City Council directed the use of fund balance to close this remaining gap. The net result is compared to the FY 2008-09 Amended Budget, spending is down \$1.4 million or 4.4%.

Although the City would prefer to not use reserves to fund ongoing expenditures in this way, the use of fund balance will allow the City to avoid layoffs of full-time employees and preserve the highest priority basic services. The City’s plan is that the pattern established by the recent Department of Public Service field workers labor settlement can be used to generate expenditure savings in the remaining negotiations to make up for the use of this fund balance in future budget years.

General Fund Gap Reduction Measures

The basis for the selection of the Gap Reduction Measures in the Budget included the original Department Head proposals, Council rankings process and a goal to avoid service reductions that would result in the layoff of full-time employees, which would affect basic City services.



The projected \$2.0 million gap projection was resolved by:

Increasing Revenues	\$ 440,000	22%
Decreasing Expenditures	1,054,000	54%
Use of Fund Balance	<u>478,000</u>	<u>24%</u>
	\$1,972,000	100%

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

Impact on Workforce

The most significant savings from the Gap Reduction Measures were those that involved the downsizing of the City workforce. The Personnel chapter of the Budget outlines the detailed changes. The Budget continues the City's strategy of eliminating vacant positions through attrition. In addition, the City has also reduced some part-time filled and vacant positions.

The five vacant full-time position reductions include three police officers (two related to the May 2007 termination of officers), a firefighter and an equipment operator. In regard to part-time workforce reductions, the decreases (3.4 Full Time Equivalence (FTE)) impact the Community Development, Library, Recreation, Youth Center, Parks, Senior Center and Water and Sewer Departments or Divisions operations.

Other Funds

The Major Street Fund is projected to be down \$1.9 million in FY 2009-10. Most of the decrease is associated with the large drawdown of fund balance in the FY 2008-09 Budget due to completed major street rehabilitation projects. On the revenue side, one concern is the \$40,000 drop (3.2%) in gas and weight tax resulting from continued decreases in gas consumption by Michigan drivers. The Budget includes a small \$37,500 allotment for repairs to our major roads in an attempt to extend their life until additional funding is available for full rehabilitation. On a positive note, the City anticipates the completion of the \$1.46 million Campbell Road rehabilitation project funded through the Federal Stimulus bill.



The Local Street Budget also drops \$588,000, or 12.7%, in FY 2009-10. On the revenue side, two areas of concern include the declining gas and weight tax of \$14,000 (3.0%) and the drop in property tax revenue of \$45,000 (1.9%). The Budget does include the very aggressive Neighborhood Road Reconstruction program funded through the dedicated road millage, which draws down reserve funds with \$3.4 million in expenditures. The non-millage portion of the Fund is planned to be sustained through a \$250,000 transfer from Major to Local Street Fund. Unfortunately, this is contrary to recent attempts to reduce or eliminate the transfer amount in an effort to provide funding for needed major street rehabilitation and reconstruction.

The last of the highlighted Non-General Fund activities is the Water and Sewer Fund. The City's water and sewer operation has experienced a steep decline in water consumption with residential usage down 8.0% and commercial sales off 14.8% over the last year. Overall revenues are down over \$900,000 or 9.7%. This drop in revenue has had a tremendous impact on the Fund's cash reserves, as the Fund has gone from \$180,000 cash balance on June 30, 2008 to a projected negative balance on June 30, 2009.



On the expenditure side, the Fund is facing even more significant challenges. The Detroit Water and Sewage Department has announced a proposed increase of 10.7% in our Madison Heights rates, which on a level consumption basis would cost the City an additional \$130,000. The Oakland County Water Resources Commissioner is planning a 7.2% increase on the sewage disposal charge. In addition, the Fund needs to provide \$583,000 for watermain replacement to support the Neighborhood Road Improvement program scheduled projects for next year.

To address these challenges, assuming no reduction in full-time workforce, the City would need to implement revenue enhancements and expenditure reductions plus increase rates 16%.

Two additional avenues are being pursued to address this challenge. Staff has held three meetings with representatives from the Detroit Water and Sewage Board to talk about entering into a new 30 year agreement for delivery of water to Madison Heights. This agreement would require a new mandatory restriction on watering of lawns. Other communities who have entered into these agreements have seen substantial savings in rates in the first year. If approved, this agreement would save \$186,000 annually and reduce the overall proposed increase from 16% to 13.5%.

Also as included in the City's Goal Plan, staff will be looking into the advisability of borrowing money to support a watermain replacement program over the next ten years.

Future Funding Strategies

Almost all economists say they expect the nationwide recession to linger through most of this year, if not into 2010. Even when the economy rebounds, the unemployment rate normally remains stubbornly high well into a recovery as employers delay hiring until they're sure good times are back. Until the local economy recovers, the value of real estate will continue to suffer. Based on the State's prescribed process of setting taxable values, it takes up to two years after a recovery to see value increases positively impact property tax revenue. To prepare the City to meet the continuing challenge of constrained resources and unfinanced needs in future budgets, the City will strive for:



1. Diversification of Revenue Sources - The City should attempt to become less reliant on property taxes and state shared revenues.
2. Review Wage and Benefit Level - The majority of the City's General Fund resources are used to support employee wages and benefits. The City should resist proposals to increase the number of employees and search for methods to constrain the increase in benefit costs. The hiring review and freeze is planned to continue to create vacant positions that could be eliminated in future budgets, avoiding the hardship of layoffs; however, future unfilled vacancies could lead to service reductions.
3. Alternative Service Delivery - The City should continue to review programs to determine options regarding productivity improvements, cost effective alternatives, consolidation, contracting, reduction, or elimination.

City Council's Changes to Proposed Budget

In April of 2009, the City of Madison Heights was notified of the award of a grant under the Federal Edward Byrne Justice Assistance Grant (JAG) Program as part of the President's American Recovery and Reinvestment Act of 2009.

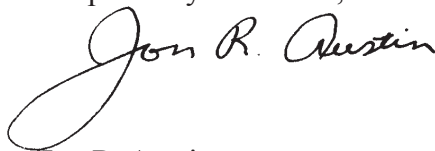
This funding source will be applied to the Police Department's consolidated dispatch Public Safety Answering Point (PSAP) call taking equipment replacement project expected to cost between \$130,000 and \$140,000. Three funding sources will be utilized for this purchase: the City's Federal Drug Forfeiture Fund (\$52,000); the County E-911 phone surcharge (\$51,000-\$67,000 to be determined by Oakland County); and the Federal JAG (\$24,500). The Proposed Budget was adjusted at the May 2, 2009 Council Workshop to reflect this change.

Conclusion

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Jon R. Austin". The signature is written in a cursive style with a large, looping initial "J".

Jon R. Austin

EXECUTIVE SUMMARY
FY 2009-10 ADOPTED BUDGET

Future Financial Challenge

In light of the downturn in the Federal, State and local economy and its impact on local property values, and the three year financial forecast, the City has been forced to take a new approach to this year's budget preparation process. Some of the strategies to address the projected gap between revenue and expenditures include:

1. Re-evaluation of the FY 2008-09 budgeted capital outlay (\$560,000 deferral);
2. Reduction of workforce through attrition;
3. Adjustment of user fees; and
4. Prioritization and elimination of lower priority services and programs through a Council ranking process.

To address strategies 2 through 4 listed above, staff developed a new gap resolution proposal process. This process was geared toward getting the City Council's input on various reduction proposals prior to the preparation of the detailed budget.

The City's General Fund Budget is \$31.6 million for FY 2009-10. This represents a decrease of \$1.4 million or 4.4 percent from the FY 2008-09 Amended Budget.

General Fund - Revenues

Total revenues are projected to be down \$614,000 in the Budget as compared to FY 2008-09. Most of the change in General Fund revenues can be highlighted by looking at three areas, one of which decreased and two that remained the same.

A decrease in property tax related revenues of \$915,000 or 3.9% was the most significant change in the Budget. Tax on real property should decrease by 3.0%, while personal property tax (commercial and industrial machinery, fixtures and equipment) continued to struggle, falling by 1.7%.

Given the State is in an economic slowdown, State Shared Revenue is difficult to project. Under the Governor's Proposed Budget, she has held these revenues constant. Due to the uncertainty of the State's Budget decision (Sales Tax Constitutional \$2.1 million and Sales Tax Statutory \$994,000), no increase in Revenue Sharing is programmed.

Our third highest source of General Fund revenues, Court revenues, is projected to be down slightly

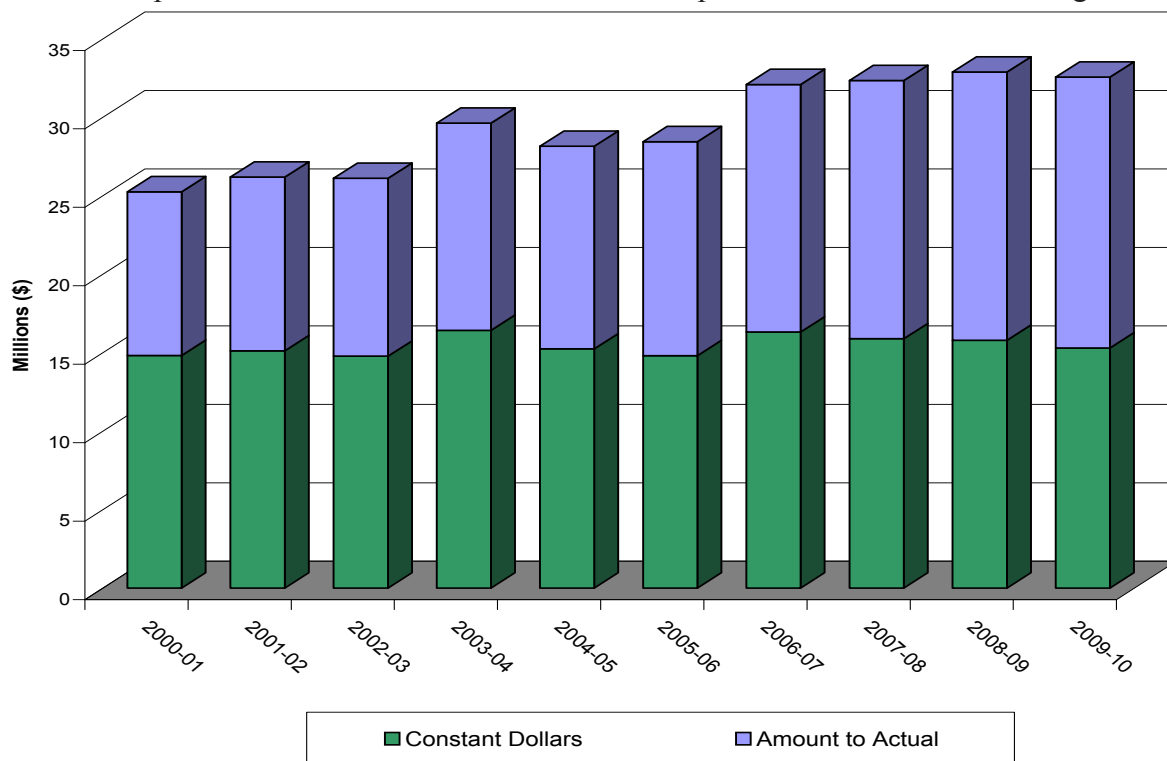
\$6,000 compared to current budget or \$1.5 million. In an effort to more fully recover operation costs and to adjust schedules to be more in line with its peers, the Judge has indicated that he will be increasing cost reimbursements for probationary oversight charges (\$63,000), drunk driver conviction costs (\$40,000) and general court fines and fees (\$35,000).

In an effort to forestall deeper cuts in programs, services and special events, the City took a comprehensive look at existing user fees and charges to improve cost recovery. As a result, \$413,000 in revenue adjustments have been programmed, some of the most significant including:

- \$25,000 business licenses
- \$27,000 rental inspections
- \$50,000 planning and building user fees
- \$63,000 ambulance rescue treatment and transport charges
- \$31,000 sale of underutilized vehicles
- \$28,000 sidewalk inspection chargeback

General Fund - Expenditures

Factoring in the effects of inflation (change in the Detroit Area CPI-W), the FY 2009-10 Budget decreased 3.1 percent in constant dollar terms when compared to the FY 2008-09 Budget.



Constant dollar expenditures are calculated by adjusting actual expenditures for the Detroit Area Consumer Price Index - Workers (CPI-W) using the Bureau of Labor Statistics' 1982-84 base year. The increases from FY 2002-03 to FY 2003-04 are due to the restoration of the fire-damaged Department of Public Service building. The substantial drop from FY 2003-04 to FY 2004-05 relates to the State's cuts in shared revenues, resulting in a five percent reduction in the City workforce and implementation of the Council's Goal Plan related budget measures. The small increase in actual expenditures in FY 2008-09 is due to the \$805,000 use of designated fund balance to sup-

port deferred building and park projects and vehicle purchases. The large reduction in FY 2009-10 is caused by service, program and special events reductions caused by the large drop in property tax revenues.

Total expenditures for the FY 2009-10 Budget are down \$1.4 million or 4.4%. Details of the expenditure reductions are outlined in the Appropriation Chapter. Although it was very difficult again this year, the City did succeed in maintaining the highest priority basic services, addressing the Council's FY 2008-09 Goal Plan and avoiding layoffs of personnel.

Given the financial constraints and the fact that 69.4% of the General Fund is comprised of personal services expenses, the City was forced to focus on personnel related costs to keep expenditures down.

A total savings of \$664,880 will be realized in the General Fund during Fiscal Year 2009-10 through the reduction by attrition of five full-time positions and elimination or reduction of 53 part-time positions or hours. Full-time positions eliminated were all vacant and included three in Police, one in Fire and one in the Department of Public Service. Due in large part to these necessary budget-balancing measures, there is a 1.7% decrease in personnel services as compared to the prior fiscal year. Savings also resulted from a decrease in the actuarial calculated contribution for retiree health care. After factoring in the position reductions, total General Fund fringe benefits decrease by 2.4% or \$224,000 over Fiscal Year 2008-09 while General Fund wages decrease by 1.2% or \$149,000.

Given that all labor agreements expired on June 30, 2008 and negotiations are underway (except for the TPOAM DPS field workers who settled their contract through June 30, 2011), the Budget includes a general wage freeze in FY 2008-09 and a small increase for the next two years. The Budget assumes employee benefits at current labor agreement levels while at the same time the City bargains for significant labor benefit concessions.

As a point of reference, the City has eliminated 33 full-time and 114 part-time positions over the last six years. The departments have worked hard to maintain the programs by stretching staff's resources to provide all existing services at or near the same levels that have been provided in prior years.

In terms of capital outlay, the Budget restricts spending to three basic areas: \$56,000 in energy efficiency projects; \$143,000 in vehicle replacement funded through the dedicated Proposal "V" Millage; and the remaining \$39,000, which funds the District Court's law library and basic Library Department materials.

General Fund - Fund Balance

The Budget includes the use of \$478,000 in Designated Fund Balance. Over the last five years, the Adopted Budget has included \$100,000, \$100,000, \$200,000, \$601,000 and \$805,000 respectively from Fund Balance to help maintain programs and service deliveries. Although the City would

prefer to not use reserves to fund ongoing expenditures, in this way, the use of fund balance will allow the City to avoid layoffs of full-time employees and preserve basic services. Our hope is that based on the pattern established by the recent DPS labor settlement, the City will be able to generate savings to make up for the use of this fund balance in the following budget years. Based on projection for FY 2008-09 revenues and spending and the FY 2009-10 Budget, a General Fund fund balance of \$4.1 million is anticipated on June 30, 2010.

All Funds Overview

The combined FY 2009-10 Budget for the City's 11 appropriated funds decreased \$4.6 million or 8.3% to \$50.9 million as compared to the FY 2008-09 Amended Budget.

TOTAL APPROPRIATIONS SCHEDULE

ALL FUNDS

FISCAL YEAR 2009-10

Fund Name	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
General Fund	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ (1,440,405)	(4.4)
Major Street	1,540,298	3,020,746	1,107,180	(1,913,566)	(63.3)
Local Street	3,579,056	4,622,539	4,034,107	(588,432)	(12.7)
Parks Maintenance and Improvement	0	10,263	29,440	19,177	0.0
Downtown Development Authority	85,590	670,969	434,750	(236,219)	(35.2)
Police Drug Forfeiture	86,017	145,382	52,000	(93,382)	(64.2)
Community Improvement	2,138,829	1,896,701	1,923,258	26,557	1.4
Special Assessment Revolving	807,287	1,267,879	819,225	(448,654)	(35.4)
Fire Station Bond Fund	392,348	397,173	408,933	11,760	3.0
Water & Sewer Fund	8,667,125	9,341,788	9,490,589	148,801	1.6
Motor & Equipment Pool	1,161,930	1,160,957	1,045,008	(115,949)	(10.0)
Total Appropriations	\$ 50,472,448	\$ 55,546,845	\$ 50,916,533	* \$ (4,630,312)	(8.3)

* Net Budget is \$47.2 million excluding duplicate interfund transfers and charges.

Major Street Fund

The Major Street Fund's purpose is to account for expenditures associated with the maintenance needs of the 21.5 miles of the major street road system. The Budget includes two construction projects: major road rehabilitation (\$37,500); and concrete repair, mill and overlay of Campbell from Thirteen Mile to Fourteen Mile (\$1.46 million funded through Federal Stimulus program).

Local Street Fund

The Local Street Fund's purpose is to account for expenditures associated with the maintenance needs of the 73.37 miles of the local street road system. On August 6, 1996, the voters in Madison Heights approved the ten year Millage Proposal "R-1" by an overwhelming margin. The "R-1" Road Millage Program has provided the necessary funding to carry on a ten-year comprehensive residential street repair and reconstruction program. On August 8, 2006, voters approved Millage Proposal "R-2" for an additional ten years. The "R-2" millage will fund ten years of road improvement projects include new concrete streets, approaches, and necessary sidewalk repair and storm sewer installation. This year's neighborhood projects are funded at the \$3.4 million level and includes "R-1" funded projects for sectional concrete replacement and crack and joint sealing (\$850,000); "R-2" funded reconstruction of Palmer, Tawas, East Barrett, Lorenz, Hales, Northeastern, and Katherine (\$2.5 million) and a contribution for ramps and corner squares for Year 7 of the Sidewalk Replacement Program (\$20,000).

Parks Maintenance and Improvement Fund

The Parks Maintenance and Improvement Fund was established with a November 2007 one-time payment of \$850,000 from the George W. Drainage District in exchange for the City's agreement to assume responsibility for the operation and upkeep of the new 10-acre Red Oaks Soccer Complex. On January 5, 2009, the Governor signed Public Act 404 of 2008. This legislation allows the City to invest the one-time George W. Kuhn Drainage District payment in a long-term strategy to maximize investment returns generating an additional \$3 million over the term of the 25-year agreement. The revenue generated from these investments will support the maintenance and improvement of not only the Red Oaks Youth Soccer Complex, but also the City's 12 park system.

The projected revenues for the budget year include \$21,000 in interest income from the investment of the original payment. Fund expenditures will be used to support fertilizer, grass mowing, trash removal, utilities, park ranger monitoring and transfer to the General Fund to support the other City Parks.

Downtown Development Authority Fund

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

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

The FY 2009-10 Budget highlights include funding for: \$15,000 to retain a contractor for maintenance of the greenbelt along John R and Eleven Mile Road; \$51,000 (50%) contribution to the City's Economic Development Program; \$20,000 (25%) contribution for a Code Enforcement Officer; \$20,000 for a business sign grant program; \$15,000 trash receptacle program; \$10,000 sign identification project; \$20,000 façade improvement grants; \$94,000 alley improvements; \$100,000 Eleven Mile/John R improvements; and \$50,000 property acquisition sinking accounts.

Drug Forfeiture Fund

The Drug Forfeiture Fund is used to account for revenues generated by drug forfeiture expenditures related to enforcement of drug laws pursuant to Public Act 251 of 1982. The Budget includes \$52,000 toward a \$130,000 public safety dispatch system technology upgrade. The \$78,000 balance will be funded through the Oakland County E-911 phone surcharge and the Federal Justice Assistance Grant.

Community Improvement Fund

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

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

Special Assessment Revolving Fund

The Special Assessment Revolving Fund is used for the financing of construction of commercial, industrial and residential roads, sidewalks and other City projects. Revenues are received from special assessment payments and interest income. On March 12, 2001, the City Council adopted a new sidewalk special assessment program that establishes a twelve year program to address needed repairs and complete the sidewalk network. A total of \$410,000 has been budgeted to support year seven of the program for an area bounded by Thirteen Mile, I-75, Ajax/Moulin and Dequindre. Also as part of the neighborhood road improvement program, \$273,000 will be transferred to the Local Street Fund to support projects on Lorenz, Hales and Northeastern.

Water and Sewer Fund

The Water and Sewer Divisions of the Department of Public Service supports the activities of this Fund. The Divisions are responsible for providing water distribution and sewage collection for the

City's residents and businesses.

Highlights for this year's Budget include: support of the Neighborhood Road Improvement Program with \$583,000 programmed to replace watermain on Brockton, Alden, Dorchester, Spicer, Englewood and Nanton; and \$117,000 to replace a pickup truck and a backhoe.

Based on the analysis by the Finance Department of the Water and Sewer Fund Retained Earnings and projected Revenues and Expenditures, the City's water and sewer rates will be increased by 16% (no increase to the meter charge). The average quarterly residential water and sewage bill will rise to \$122.49 (based on average 2,200 cubic feet of consumption). If the City Council approves the new Detroit Water and Sewerage Board 30 year agreement, this increase will drop to 13.5%.

Motor Pool and Equipment Fund

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

2009-10 GOAL PLAN

Each fall the City Department Heads, City Manager and City Council undertake a review of the overall City priorities and direction. Working through the months of November and December, the existing Goal Plan is reviewed, and new goal proposals are developed and evaluated. The process ends with the formal adoption of the organization mission statement, goals and strategic work plans.

Listed below is the 2009-10 Goal Plan followed by the recommendation to fund these goals in the FY 2009-10 Budget.

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. Analyze projected water and sewer rates, revenues, and operating and capital expenditures over the next 10 years to determine advisability of issuing debt to support future watermain replacements and other capital projects.
- B. Investigate historical municipal solid waste, compost and recycling history along with new service demands and anticipated participation rates, and develop new specifications for competitive bidding, or re-negotiation if cost-effective, and award of long-term solid waste collection and disposal contract.

Public Safety Related Goals

- C. Review advance life support (ALS) operations, expenditures and revenues to evaluate the continuation of the ALS millage, and if approved by Council, develop ballot proposal language and conduct a comprehensive public information effort.
- D. Revise the City's false alarm ordinance to encourage organizations with a high number of false alarms to correct mechanical and operational deficiencies that have caused City resources to be shifted away from true emergencies and genuine needs for assistance.

Quality of Life

- E. Implement the new Neighborhood Stabilization Program using federal grants to provide assistance for the acquisition, redevelopment and/or demolition of foreclosed and abandoned properties in an effort to stabilize neighborhoods with declining housing values.
- F. Partner with the Senior Home Assistance Repair Program (SHARP) to assist Madison Heights homeowners over 60 years of age and those physically challenged in an effort to maintain their homes and remain independent by making homes safer and by reducing the stress and confusion involved in making home repairs.

Resource Management Related Goals

- G. Explore environmentally-friendly measures to reduce electric and natural gas consumption and improve building energy efficiency by seeking grant funding, conducting feasibility studies and energy audits of the City's facilities.
- H. Research methods to reduce vehicle fuel consumption through development of a new vehicle operation policy, an evaluation of alternative engine sizes and types including hybrids, and improved monitoring of fuel consumption.
- I. Update the current business licensing process by streamlining the renewal procedure, removing unnecessary requirements and creating more equitable and consistent treatment among the different classes of businesses.
- J. Establish an annual review of contractual services, as part of the City Manager's budget preparation, including the background and history of how they are provided and justification for the current work relationships with an effort to reduce costs or forestall cost increases, where applicable, through renegotiation and/or rebidding.

GOAL PLAN IMPLEMENTATION

As part of this year's goal setting process, the City Council adopted a ten part Goal Plan that supports the City's overall mission statement. Listed below are each of the City's citywide goals and related funding, where applicable, included within the budget to support these goals:

- A. Analyze projected water and sewer rates, revenues, and operating and capital expenditures over the next 10 years to determine advisability of issuing debt to support future watermain replacements and other capital projects.**

The City has historically used Water and Sewer Fund revenues to finance watermain replacements undertaken as part of the Proposal "R" neighborhood road improvement program. Under the current rate structure, expenditures exceeded revenues in the prior fiscal year. This trend is projected to continue into the current and future years, resulting in a declining fund balance and potentially putting the financial stability of the Water and Sewer Fund at risk.

In the coming months, staff will be reviewing projected revenues and operating and capital expenditures of the Water and Sewer Fund, including capital improvement expenditures over the next ten years. Staff will analyze various options to match available revenues to expenditures. Council will be presented with a report that outlines the options of funding the capital improvement plan through current rates or the issuance of bonds supported through debt service payments.

B. Investigate historical municipal solid waste, compost and recycling history along with new service demands and anticipated participation rates, and develop new specifications for competitive bidding, or re-negotiation if cost-effective, and award of long-term solid waste collection and disposal contract.

The current agreement for solid waste collection (municipal solid waste, recycling and composting) and disposal expires on June 30, 2010. The FY 2009-10 Budget includes \$1.4 million to support these services. This goal will focus on reviewing all options of the next multi-year agreement. Staff will analyze recycling and composting history, taking into account new services and demands such as e-waste and household hazardous waste. In addition, staff will survey other municipal agreements in order to structure a proposal request to meet service demands at the lowest possible cost. Staff will work with the Environmental Citizens Committee to garner citizen input on contract options. The contractor will be selected and approved by Council well in advance of expiration of the current contract, allowing for sufficient time for transition.

The funding for the new solid waste agreement will start with the FY 2010-11 Budget.

C. Review advance life support (ALS) operations, expenditures and revenues to evaluate the continuation of the ALS millage, and if approved by Council, develop ballot proposal language and conduct a comprehensive public information effort.

The Madison Heights Fire Department is a full service operation providing comprehensive services including enforcement of state laws and ordinances related to fire protection and fire prevention including inspection services; fire suppression services; response to hazardous material incidents, confined space rescue, and trench rescue; emergency management planning; and the provision of advance life support emergency medical services. Over 85% of the Department's runs and the majority of the Department's manpower and resources are dedicated to this vital function. The Department is currently responding to 2,600 emergency medical services incidents each year, resulting in 1,400 hospital transports.

Of the 37 Department employees, 18 firefighters and three sergeants, at a minimum, have been trained and maintained certification to provide paramedic level advance life support emergency medical services. Excluding vehicle purchases, the Department spends approximately \$5.9 million per year. Vehicle replacement in any given year can add up to an additional \$600,000.

The Department is funded through five major sources of revenue. Vehicles scheduled for replacement are funded through the Proposal "V-2" Vehicle Millage. Additional sources of revenue include \$3.4 million from the General Operating Millage, \$1.8 million from the Police and Fire Retirement Millage, \$407,000 from ambulance usage charges and \$288,000 from the Advance Life Support Millage.

On November 4, 1997, the City approached the residents with a request to establish a 0.25 addition mill per year for 12 years to help fund the upgrade of rescue services from basic life support to advance life support (ALS). This millage expires after the July 2009 tax levy. ALS is the state of the art in pre-hospital emergency medical services. It is a system which literally brings the hospital emergency room to the patient. Many procedures normally performed in an emergency room can be implemented on-scene without the transportation delay experienced under the basic program.

ALS services have become the standard of care in South Oakland County and are provided by a majority of the Oakway Mutual Aid group partners including Royal Oak, Ferndale, Birmingham, Bloomfield Township, Southfield, Pontiac and West Bloomfield Township.

The continuation of the ALS Millage is essential to maintaining the current comprehensive Fire Department services to our residents and businesses. Without this millage, the City would need to reduce both staffing and services in this department or elsewhere.

Later this spring, the Fire Chief and City Manager will prepare a comprehensive report on the Advance Life Support operations, revenues and expenditures for Council's consideration and direction to staff. Staff will work with Legal Bond Counsel to develop ballot proposal language for Council consideration. Council will consider and decide ballot proposal language and timing of the potential election. If ballot language is approved, Legal Bond Counsel will seek approval from the State regarding ballot language.

Staff would also develop a newsletter explaining the ballot proposal. Staff would plan to work with a contractor to develop a video to be used in public presentations and on cable television explaining the ballot proposal. As directed by Council, public information meetings would be held. A total of \$9,700 has been budgeted to support the development of this public information. Staff will also coordinate with local print media to ensure accurate presentation of the facts involving the ballot proposal. Finally, the millage election would take place, and if approved, the new millage would be established for FY 2010-11 Budget starting July 1, 2010.

D. Revise the City's false alarm ordinance to encourage organizations with a high number of false alarms to correct mechanical and operational deficiencies that have caused City resources to be shifted away from true emergencies and genuine needs for assistance.

The City of Madison Heights' Police Department has received and responded to an average of 2,121 false alarms annually over the last five years. On an individual basis, seven local businesses have had more than one alarm call per month in the last year. Responding to alarms is the second highest event count activity (Computer Aided Dispatch numbers) annually by the road patrol officers, only behind traffic stop activity numbers.

Many surrounding communities in Southeastern Michigan and communities throughout the nation have begun using false alarm fee schedules to facilitate a more effective use of police and fire services for true emergencies and for people who genuinely believe they need assistance. An ordinance revision and fee schedule would not be used to discourage residents from seeking help, but rather, used to prompt residents and businesses to correct mechanical and operating alarms system deficiencies.

A committee made up of representatives from the Police, Fire, Clerk's and Legal departments will develop the necessary revisions to the false alarm ordinance and the new procedure for billing. The committee would meet and work to revise the ordinance to address new procedures for false alarms, follow-up, appeals and fee schedules.

Although the new fee schedule hasn't been approved at this point in time, for estimating purposes a fee of \$100 per run (after the second false alarm) times 50 runs per year would generate \$5,000. Once the ordinance is developed by City Council, the Police and Fire Departments would monitor the false alarms and then notify, seek corrections by working with the alarm users and ultimately bill for false alarms, if warranted.

E. Implement the new Neighborhood Stabilization Program using federal grants to provide assistance for the acquisition, redevelopment and/or demolition of foreclosed and abandoned properties in an effort to stabilize neighborhoods with declining housing values.

The Federal Housing and Urban Development Department's new Neighborhood Stabilization Program (NSP) will provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The NSP provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell or redevelop these homes in order to stabilize neighborhoods and stem the decline of housing values. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008.

Oakland County Community Development Block Grant (CDBG) program is scheduled to receive \$17.4 million in the original NSP funding allocation. As a subgrantee of the Oakland County CDBG program, the City has been allocated \$1,168,000.

Last fall, the City was provided approximately 30 days to create our individual program that would meet the federal guidelines, agree to a letter of committal and submit our plan to Oakland County CDBG. After a public notice period, Oakland County did assemble plans for the various communities and forward these to the federal CDBG program for review. We are currently awaiting word from the federal government as to whether our application has been approved.

The City's NSP program is broken down into three projects: acquisition/demolition of single-family foreclosed homes (\$300,000); acquisition/redevelopment/sale (\$313,000); and blight demolition/park development (\$550,000).

Under Project 1, the City will identify and demolish a minimum of five blighted single-family homes in the targeted low income area. The lots will then be sold to adjacent property owners who meet the federal standards or may be donated to not-for-profit organizations for redevelopment as affordable single-family homes.

Under Project 2, the City will purchase at a minimum 5% discount from the current market appraised value, renovate and sell a minimum of four foreclosed single-family homes in the low income target area. The homes will be sold to homeowners who meet the low income standards.

In the alternate, the City may donate or sell the homes to a not-for-profit for redevelopment as an affordable single-family home to homeowners who meet the federal standards. All homes will be repaired to a level necessary to achieve compliance with the applicable Michigan Building Code.

Under Project 3, the City will provide the Madison School District with the funding to demolish the blighted Monroe School Building and purchase one acre for the site from the school district for redevelopment as a City park. The park will be developed fully accessible and is located in an area of the City that meets the low income guidelines.

The park development will include the removal of an existing dilapidated non-accessible play structure, damaged fencing and sidewalk, construction of a new accessible play structure, safety fencing, benches, trees, walking path and repair/replace sidewalks where necessary. In addition, adjacent street repairs will be made to eliminate deteriorated road surface where the adjacent streets provide access to the new park site. All areas of the park will be provided with accessible sidewalk from the adjacent road network to the surrounding residential areas. The Project 3 Budget includes parkland purchase of one acre (\$150,000); demolition of existing vacant school (\$125,000); park improvements (\$175,000); and road/sidewalk improvements adjacent to park (\$100,000). The General Fund will be reimbursed approximately \$10,000 by CDBG for direct staff costs.

F. Partner with the Senior Home Assistance Repair Program (SHARP) to assist Madison Heights homeowners over 60 years of age and those physically challenged in an effort to maintain their homes and remain independent by making homes safer and by reducing the stress and confusion involved in making home repairs.

The purpose of the Senior Home Assistance Repair Program (SHARP) is to assist seniors in maintaining their home and remaining independent for a longer period of time. It also enhances their quality of life by making their home safer and by reducing some of the stress and confusion involved with making home repairs.

Often senior citizens need help with minor home repairs (leaky faucets, replacement light fixtures, etc.). This program would provide a service to the senior citizens who would be responsible to cover the cost of the supplies. Labor for these projects would be provided by the SHARP volunteers.

As part of this effort, the City would join the North-Woodward SHARP Program, which includes the Cities of Troy and Clawson. SHARP would be responsible for bookkeeping, finances, fundraising, training and coordinating the volunteers to provide the services. The City would be responsible for volunteer background checks, insurance coverage for volunteers and for the initial phone call from the senior requesting the services, writing up the order and forwarding the order to SHARP.

The City would also assist in recruiting volunteers. The Senior Citizen Advisory Council has agreed to fund the \$2,500 initiation fee through an escrow account with no cost to the General Fund. Once the agreement is finalized, it will go to City Council for approval.

G. Explore environmentally-friendly measures to reduce electric and natural gas consumption and improve building energy efficiency by seeking grant funding, conducting feasibility studies and energy audits of the City's facilities.

Under this program, the City would complete a number of building upgrades. The City's electrical contractor has already initiated a survey, an analysis and an estimating process to install energy saving fixtures and switches in all City buildings. The cost for more efficient light fixtures and new motion switches/occupancy sensors is \$56,200. These projects would provide an average project payback period of 3.4 years. Next, the City's heating, ventilation and air conditioning contractor will also survey and provide estimates to determine alternative energy saving heating and cooling options, including the installation of programmable thermostats.

In addition to the roof replacement at City Hall, which will increase insulation value from R-2 to R-13, a roof contractor will also survey the R-Factors and estimate costs to improve other building roofs. Also, subject to funding availability, the City would install replacement doors, upgrading insulation at the west entrance to City Hall. Once funding for these projects are identified and approved through the budget, implementation would proceed.

H. Research methods to reduce vehicle fuel consumption through development of a new vehicle operation policy, an evaluation of alternative engine sizes and types including hybrids, and improved monitoring of fuel consumption.

Rapidly rising fuel costs have spurred the City on to looking into methods to reduce fuel consumption of City vehicles. The first step will be to work with the fuel system vendor to identify possible system upgrades for better accountability and monitoring. In addition, the new system should integrate the Department of Public Service and the Madison Heights Police Department fuel dispensing into one system.

As part of our vehicle purchasing plan, the City would identify and integrate hybrid candidate vehicles and 6-cylinder patrol vehicles into the fleet where warranted. Finally, a new vehicle operation policy, which emphasizes fuel economy while meeting the demands of the Departments, will be developed and implemented.

I. Update the current business licensing process by streamlining the renewal procedure, removing unnecessary requirements and creating more equitable and consistent treatment among the different classes of businesses.

The existing business license ordinances have become antiquated due to changes in the type of businesses in today's environment and advances in methods used to process applications and renewals. The goal of this plan is to clarify the need for a license and to equalize the playing field for those businesses providing multiple services at one location.

As part of this process, the City would remove the requirements for many multiple license operations at one location. Next, staff would streamline the renewal process by dropping some of the internal review requirements, basing the renewal on verification that taxes are not delinquent

and an occupancy certificate is in effect. This new process will also result in savings of substantial staff time in the Clerk's, Treasury and Community Development departments. And finally, the new policy would define covered businesses to make the current licensing requirements more equitable over all classes of businesses.

Effective for all 2010 business licenses, the City would increase initial and renewal business license fees as follows:

	Current Fee	Proposed Fee
Up to 5,000 sq feet	\$ 50	\$100
5,001 to 20,000 sq feet	\$100	\$200
Over 20,000 sq feet	\$150	eliminate
20,000 to 50,000 sq feet	\$150	\$300
NEW 50,000 to 100,000 sq feet	\$150	\$400
NEW over 100,000 sq feet	\$150	\$500

This new fee structure will eliminate classification of businesses by type, and uniformly and equitably base the business license fee on the size of the building's square footage.

Note: After September 1st, ½ fee is charged for initial license applications and after the February 1st deadline, a penalty is assessed of double the fee for renewals.

In 2008, approximately 500 business licenses were issued. The proposed fee increases would generate an additional \$24,600 in licensing revenue. The City last increased business license fees to current levels in June 1994.

J. Establish an annual review of contractual services, as part of the City Manager's budget preparation, including the background and history of how they are provided and justification for the current work relationships with an effort to reduce costs or forestall cost increases, where applicable, through renegotiation and/or rebidding.

The staff would annually review all contracted services utilized by the City departments and annual base fees charged by these contractors, as well as services provided. During the budget process, each department would be required to submit rationale for each current contractor and reason for extending their services for an additional year without bidding.

The Department Heads have been instructed to submit the justification and details for contractor services under their oversight. These details include the fee schedules and planned projects for the upcoming year. The process to date has net significant savings including \$35,000 in audit services, \$5,000 reduction from our electrical and heating, ventilation and air conditioning contractors, and \$68,000 from our watermain installation contractor.

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Fund Types
Three Year Comparison
Fiscal Year 2009-10**

	GENERAL FUND			SPECIAL REVENUE/DEBT SERVICE FUNDS *		
	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Actual 2007-08	Estimate 2008-09	Budget 2009-10
REVENUES						
Property Taxes	\$ 22,701,372	\$ 23,296,532	\$ 22,381,856	\$ 223,300	\$ 243,189	\$ 234,384
Licenses and permits	687,518	504,100	656,726	-	-	-
Intergovernmental	3,366,202	3,364,928	3,367,780	4,124,822	3,837,652	3,673,381
Court fines and fees	1,442,400	1,501,480	1,495,050	-	-	-
Charges for services	223,115	172,610	231,486	-	-	-
Parks and Recreation	234,071	246,050	247,477	-	-	-
Interest and Misc. Revenue	1,721,765	1,573,161	1,600,430	1,316,049	383,348	297,858
Special assessments	0	0	0	497,851	390,963	454,086
Departmental Charges	1,006,102	988,480	988,480	-	-	-
Transfers from other funds	53,558	61,013	124,940	3,610,422	3,600,784	3,117,226
TOTAL REVENUES	\$ 31,436,103	\$ 31,708,354	\$ 31,094,225	\$ 9,772,444	\$ 8,455,936	\$ 7,776,935
EXPENDITURES						
General Government	\$ 6,015,969	\$ 6,237,828	\$ 6,035,055	\$ 0	\$ 0	\$ 0
Public Safety	16,350,299	16,722,073	16,110,652	86,017	145,382	80,000
Community Service	3,486,325	3,474,232	3,451,150	0	0	0
Culture and Recreation	2,279,366	2,635,657	2,029,307	0	0	0
Community Development	1,065,703	1,145,569	1,069,249	5,439,752	8,107,469	5,552,817
Community Improvement	0	0	0	1,863,634	2,516,920	2,300,508
Water Division	0	0	0	0	0	0
Sewer Division	0	0	0	0	0	0
W/S Support and Capital Outlay	0	0	0	0	0	0
Transfers out	2,816,306	2,797,089	2,876,630	847,674	864,708	494,635
Debt Service	0	0	0	392,348	397,173	408,933
TOTAL EXPENDITURES	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ 8,629,425	\$ 12,031,652	\$ 8,836,893
REVENUES OVER (UNDER) EXPENDITURES	\$ (577,865)	\$ (1,304,094)	\$ (477,818)	\$ 1,143,019	\$ (3,575,716)	\$ (1,059,958)
FUND BALANCES, BEGINNING OF YEAR	\$ 6,498,206	\$ 5,920,341	\$ 4,616,247	\$ 10,006,494	\$ 11,149,513	\$ 7,573,797
FUND BALANCES, END OF YEAR	\$ 5,920,341	\$ 4,616,247	\$ 4,138,429	\$ 11,149,513	\$ 7,573,797	\$ 6,513,839

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

Debt Service includes the Fire Stations Bond Fund.

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Fund Types
Three Year Comparison
Fiscal Year 2009-10**

	WATER AND SEWER FUND			TOTALS Memorandum Only		
	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Actual 2007-08	Estimate 2008-09	Budget 2009-10
REVENUES						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 22,924,672	\$ 23,539,721	\$ 22,616,240
Licenses and permits	0	0	0	687,518	504,100	656,726
Intergovernmental	0	0	0	7,491,024	7,202,580	7,041,161
Court fines and fees	0	0	0	1,442,400	1,501,480	1,495,050
Charges for services	8,889,860	9,151,333	9,509,745	9,112,975	9,323,943	9,741,231
Parks and Recreation	0	0	0	234,071	246,050	247,477
Interest and Misc. Revenue	104,086	70,000	37,650	3,141,900	2,026,509	1,935,938
Special assessments	0	0	0	497,851	390,963	454,086
Departmental Charges	29,550	29,550	29,550	1,035,652	1,018,030	1,018,030
Transfers from other funds	0	0	116,100	3,663,980	3,661,797	3,358,266
TOTAL REVENUES	\$ 9,023,496	\$ 9,250,883	\$ 9,693,045	\$ 50,232,043	\$ 49,415,173	\$ 48,564,205
EXPENDITURES						
General Government	\$ 0	\$ 0	\$ 0	\$ 6,015,969	\$ 6,237,828	\$ 6,035,055
Public Safety	0	0	0	16,436,316	16,867,455	16,190,652
Community Service	0	0	0	3,486,325	3,474,232	3,451,150
Culture and Recreation	0	0	0	2,279,366	2,635,657	2,029,307
Community Development	0	0	0	6,505,455	9,253,038	6,622,066
Community Improvement	0	0	0	1,863,634	2,516,920	2,300,508
Water Division	3,057,904	2,745,933	2,756,458	3,057,904	2,745,933	2,756,458
Sewer Division	3,848,772	3,759,689	3,731,734	3,848,772	3,759,689	3,731,734
W/S Support & Capital Outlay	1,720,068	1,993,501	2,161,368	1,720,068	1,993,501	2,161,368
Transfers Out	0	0	0	3,663,980	3,661,797	3,371,265
Debt Service	40,381	842,665	841,029	432,729	1,239,838	1,249,962
TOTAL EXPENDITURES	\$ 8,667,125	\$ 9,341,788	\$ 9,490,589	\$ 49,310,518	\$ 54,385,888	\$ 49,899,525
REVENUES OVER (UNDER) EXPENDITURES	\$ 356,371	\$ (90,905)	\$ 202,456	\$ 921,525	\$ (4,970,715)	\$ (1,335,320)
FUND BALANCES, ** BEGINNING OF YEAR	\$ 916,347	\$ 1,272,718	\$ 1,181,813	\$ 16,340,053	\$ 18,655,960	\$ 17,010,165
FUND BALANCES, END OF YEAR	\$ 1,272,718	\$ 1,181,813	\$ 1,384,269	\$ 17,261,578	\$ 13,685,245	\$ 15,674,845

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

REVENUE CHAPTER

Revenue Overview

General Fund Revenues are budgeted at \$31.6 million for the FY 2009-10. This represents a decrease of \$1.4 million, or 4.4 % over FY 2008-09 Amended Budget Revenues.

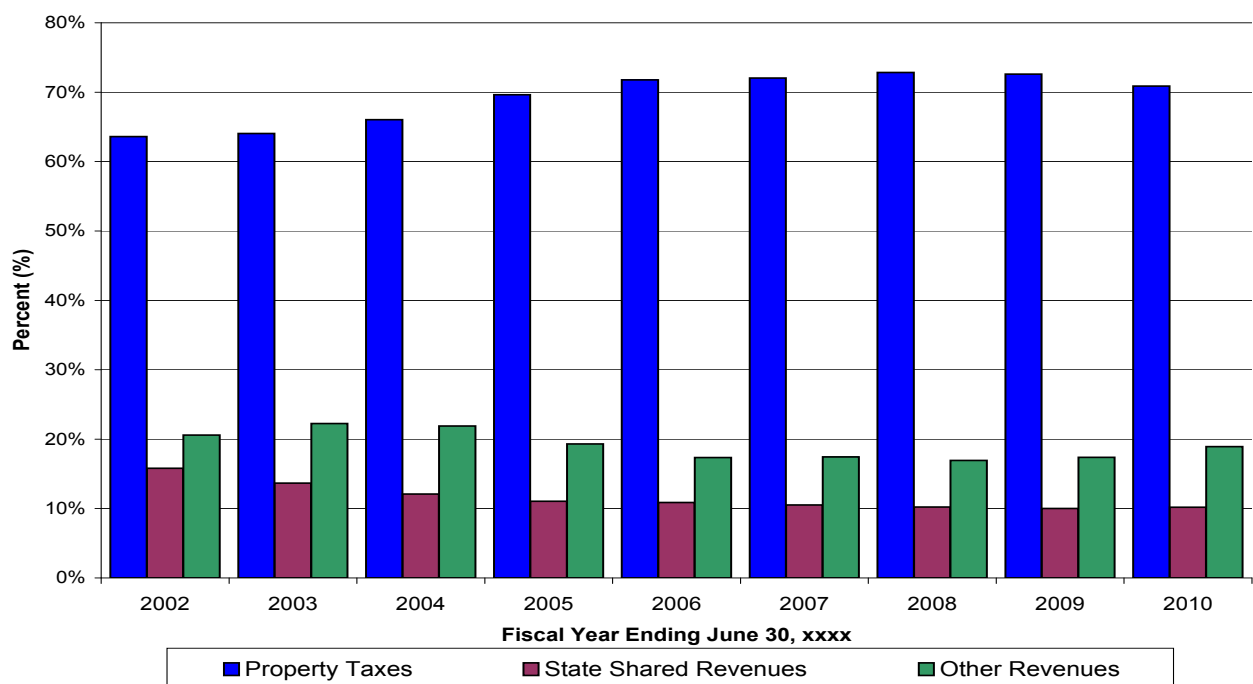
Factoring in the impact of the current inflation rate of 4.4%, General Fund Revenues are down 8.8%. Designated Fund Balance in the amount of \$478,000 is used as a revenue source to support this year's expenditure budget. A full discussion of fund balance is included later in this Chapter.

Base Budget Revenue Changes

The composition of General Fund Revenues has shifted away from Property Taxes and toward a greater reliance on other revenue sources in comparison to prior years. The principal sources of General Fund Revenue include; Property Taxes, \$22.4 million (71% of total General Fund Revenues); State Shared Revenues, \$3.2 million (10%); Court related revenues, \$1.5 million (5%); Charges to Other Funds, \$1.0 million (3%); Interest Income, \$385,000 (1%), Construction Permits, \$428,000 (1%); Ambulance Rescue Insurance Reimbursement, \$474,000 (2%); Cable Television Fees, \$335,000 (1%), and other governmental revenues \$1.9 million (6%).

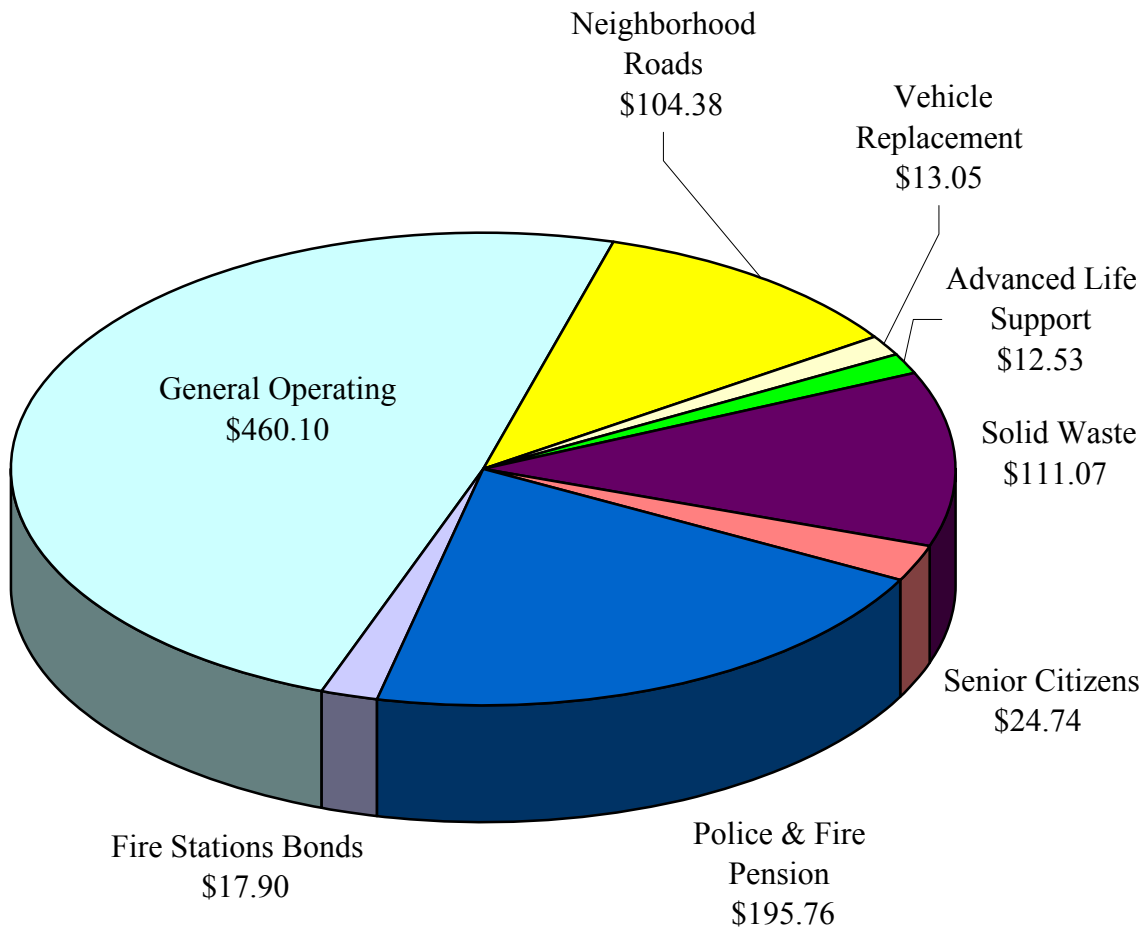
Property tax revenues can be divided into three categories: Real Property Tax (\$18.7 million); Personal Property Tax, (\$2.5 million); and Tax Abatements, Penalties, Interest, Delinquent Taxes and Administration Fees (\$1.2 million).

Percentage of General Fund Revenues



Average City Taxes Paid - FY 2009-10
Based on Average Home Market Value of \$115,260
(Taxable Value of \$52,190)

Total of \$939.53



Approximately 51% 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 2009-10 combined City tax rate of 18.0021 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>2009-10</u>	<u>Tax Rate</u> <u>2008-09</u>	<u>Tax Rate</u> <u>Limits **</u>	<u>Headlee Tax</u> <u>Limits **</u>
<u>Operating Millages:</u>				
General Operating	8.8160	8.8160	10.0000	8.8190
Neighborhood Road Improvements	2.0000	2.0000	2.0000	2.0000
Vehicle Replacement	0.2500	0.2500	0.2500	0.2500
Advanced Life Support	0.2400	0.2400	0.2500	0.2407
Solid Waste	2.1281	2.0443	3.0000	2.6457
Senior Citizens	0.4740	0.4740	0.5000	0.4751
Police & Fire Pension	3.7510	4.0082	as needed	as needed
Fire Stations Bond	<u>0.3430</u>	<u>0.3291</u>	as needed	as needed
Total Millage	18.0021	18.1616		

*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.

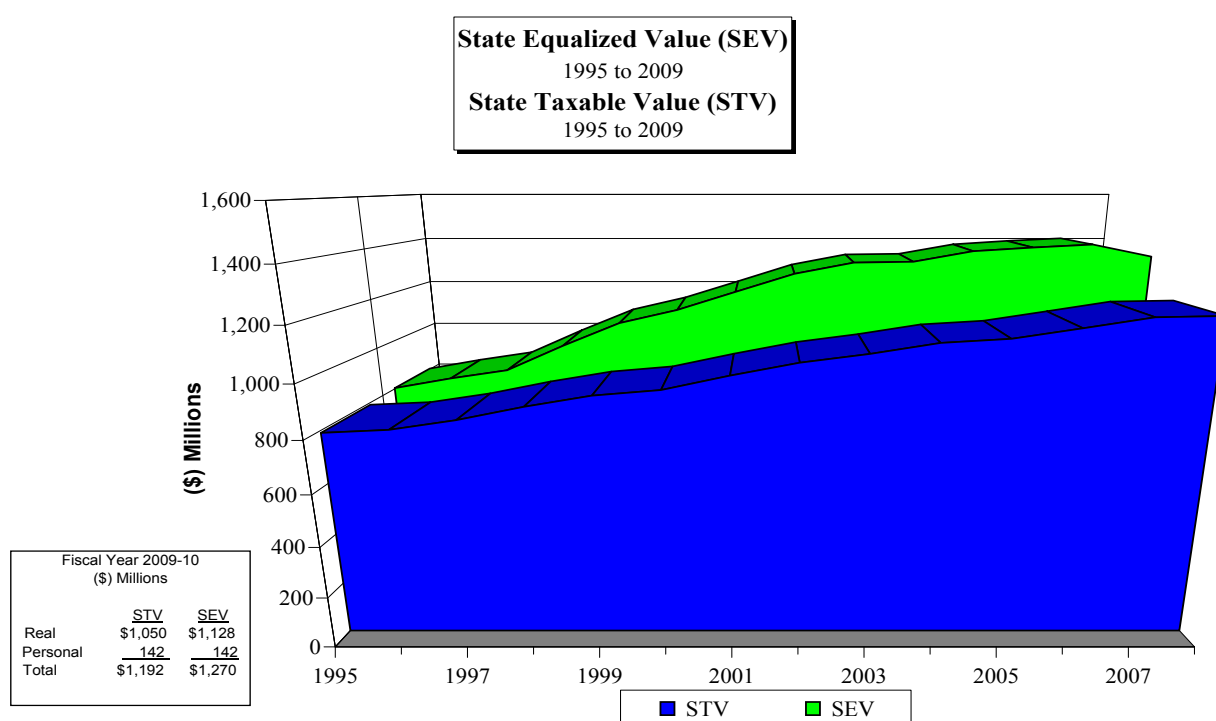
Only three of the eight millages experienced a rate change for 2009-10. The Solid Waste millage increased 0.0838 or four-tenths of one percent. The Police and Fire Pension millage decreased 0.2572 of a mill or 6 percent. The decrease in the millage is due to the reduced actuarial contribution to prefund police and fire retiree health care benefits. The Fire Stations Bond millage was adjusted to match the bond payment schedule.

In Michigan, property is assessed at one-half of the market value and taxed at a taxable value, which is the prior year's taxable value plus five percent or the cost of living increase, whichever is less. There are 10,112 single-family homes and condominiums in Madison Heights. The average home market value is \$115,260 (State Equalized Value is \$57,630) with a taxable value of \$52,190 and an average tax bill of \$940 for City services for Fiscal Year 2009-10.

Property Tax Base

The table below illustrates the growth in the State equalized value over the last fourteen 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 (23%), industrial (20%) and personal property (11%).

This chart also illustrates the gap between equalized and taxable value. In FY 2009-10 the overall taxable value decreased 1.25% with equalized value decreasing 6.3%. It is anticipated that at least for the next few years the equalized value will continue to decrease. As the overall gap between taxable values and equalized values closes and more individual properties' equalized values match taxable values, this will negatively impact the amount of tax revenue available to support City services.



Taxable property consists of 88% real (land and building) and 12% personal (equipment and fixtures).

The State Tax Commission implemented revised Personal Property Tax valuation tables effective with the FY 2000-01 Budget. Assessors and Equalization Directors concluded that although the tables did produce revenue losses, they were not an unreasonable reflection of market value conditions (with the exception of gas and electric transmission and distribution property). In Madison Heights, the new tables resulted in a 6% reduction or a \$170,000 annual decrease in Personal Property Tax revenues in 2001. The new valuation multipliers continue to reduce personal property valuations on an accelerated basis when contrasted with pre-2001 tables.

A revision in the personal property accounting methods, which correctly and more accurately tabulate "Headlee" Additions and Losses, continues to have a positive revenue effect on millage rates. The millage calculation process now recognizes the diminution of value of personal property as it ages as a form of depreciation and provides an offset to real property appreciation (including uncapped value increments after property transfers), thus minimizing or eliminating future millage reductions.

State Shared Revenues

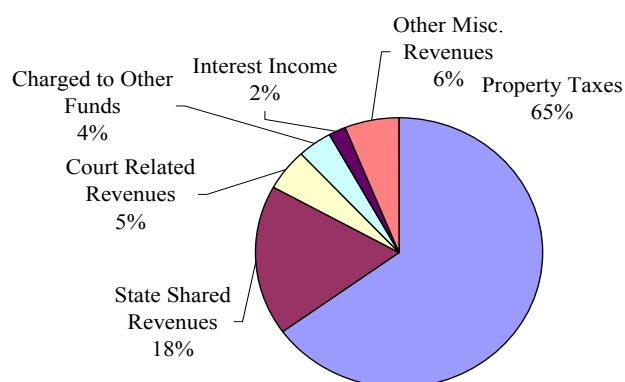
The City's second largest source of General Fund Revenue is State Shared Revenues, which amount to \$3.2 million or 10.2% of the Budget. Budgeted State Shared Revenues are projected to be flat since the State's Governor and Legislature continue to delay actions on setting funding priorities for the future. The major components of State Shared Revenues are the Constitutional Sales Tax (\$2.1 million) and Statutory Sales Tax (\$994,000).

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

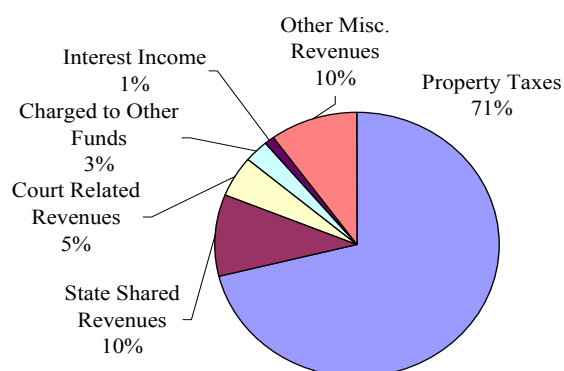
Public Act 532 eliminated inventory reimbursements. Increases in total payments are capped at no more than 8% per year; any amount above the growth cap is redistributed to the no-growth or low-growth communities. The new Revenue Sharing formula is impacted by a community's population in all three of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

Based on projections of the impact of the new formula, any community that grew at less than the average for the State of Michigan or under four percent received a reduction in revenue sharing payments for the State's fiscal year. Given that the City's fiscal year does not coincide with the State's fiscal year, the initial negative impact of the new formula was spread over two years (FY 2000-01 and FY 2001-02). For the last eight years, the State has systematically frozen or cut Statutory Shared Revenues each year.

Major Revenues in FY 2000-01



Major Revenues in FY 2009-10



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 2009-10 they are only 10% of the total.

Technically this revenue sharing formula expired on September 30, 2007 however in October 2007 the State budget appropriated revenue sharing at fiscal year 2006-07 levels. While no formal action has been taken yet to extend the Revenue Sharing Act, it is the generally understood intent of the Legislature to do so. This is based upon the budget that was adopted for FY 2008-09 and the Governor's budget proposal for FY 2009-10.

The Governor's Proposed FY 2009-10 Budget recommends no increase in overall Revenue Sharing payments from the FY 2008-09 level. Since July 2000, Madison Heights' Statutory State Shared Revenues have been cut \$1.2 million from \$2,098,100 to \$994,205 or 53%.

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 (\$1.5 million), which are used to offset the cost of operating our State-mandated District Court. The Budget forecasts a \$6,000 decrease (0.4%) in Court related revenues as compared to the Amended FY 2008-09 Budget.

A fourth significant revenue is departmental charges, which is budgeted at \$1.0 million. These revenues are based on charges to the Major Street (\$124,000); Local Street (\$198,000); and Water and Sewer (\$666,000) Funds, based on equipment, facilities and manpower costs incurred by the General Fund to support their operations.

A fifth major source of revenue is interest income, which is budgeted at \$385,000 for FY 2009-10. The significant 13% decrease in interest income is due to the recent cuts in the interest rates by the Federal Reserve. In March, the Federal Reserve cut federal funds rates to 0.17% marking the lowest rate in decades. This cut in rates negatively impacts the interest rate the City can earn on invested funds.

A sixth group of revenue sources provides between \$100,000 and \$600,000 in annual funding. This category is not as important to the overall budget as those already mentioned earlier, but represents a significant source of revenue. These revenues include business and non-business licenses, permits and fees, charges for service, recreation and senior center user fees, cable television franchise fees, telecommunication right-of-way fees and ambulance charges.

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 and fixed asset sales.

Revenue Adjustments

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

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

1. Business Licenses	\$24,600
2. Fire Marshall Re-Inspections	3,600
3. Rental Inspections	27,000
4. Planning & Building User Fees	50,000
5. Snow Emergency Parking Enforcement	11,250
6. Birth & Death Certificates	2,000
7. Library Overdue	1,000
8. Library Sale of Excess Youth Materials	100
9. Library Print Cost	150
10. Library Non-Resident Summer Program	150
11. Library Non-Resident Internet	2,500
12. Library Non-Resident Materials Circulation	5,000
13. Mobile Home Park Waste Collection	5,200
14. Brush Chipping	2,000
15. Recreation Vehicle Storage	11,500
16. Recreation Non-Resident Program	1,000
17. Recreation Adult Softball Lighting Charge	1,300
18. Recreation Summer Day Camp	4,000
19. Senior Center Day Trip Transportation	5,700
20. Senior Center Non-Resident Activities	850
21. Message Board Greetings	500
22. Public Safety False Alarm	5,200
23. Fire Structure Cost Recovery	9,300
24. Emergency Medical Treat & Release	4,000
25. Emergency Medical Transportation	<u>63,000</u>
	\$240,900

Revenue Assumptions

- State Shared Revenues - Tax preliminary figures provided by the State of Michigan Department of Treasury.
- Licenses and Permits – Fees set by City Council; based on activity projected by the Community Development Director for occupational and non-business licenses; and City Clerk for business licenses and permits.
- Charges From Other Departments – Consultant’s cost allocation plan.
- Interest Income - A conservative 2.5% return was assumed.
- Gas & Weight Tax - Office of Revenue and Tax Analysis, Department of Treasury, a 3% reduction was assumed.
- Section 8 Housing Grant - Department of Housing and Urban Development (HUD), total allowable rental units per contracts with HUD calculated at fair market rents.
- Water Sales and Sewage Disposal - Prior 12 months water usage assuming 0.6% decrease in the unit cost.
- 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 \$1.2 million is derived from Gas and Weight taxes collected by the State of Michigan. These taxes are distributed to local municipalities based on miles of roads. Gas and Weight tax revenues comprise 94% of Major Street revenues. Other revenues include reimbursements from the Road Commission of Oakland and Macomb Counties for winter and summer maintenance by the City on County roads and berm areas (6%) and interest income (1%). The projected contribution to fund balance for FY 2009-10 is \$163,000.

Local Street Fund

Prior to 1996, the primary source of revenue for the Local Street Fund had been from State distributions of Gas and Weight tax. These State distributions, estimated to be \$444,000 only provided enough funding to perform minor road repairs and maintenance. In an effort to raise revenues for more extensive and much needed repairs and rehabilitation, the voters approved a ten year dedicated road millage of two mills in August 2006. This millage will provide \$2.4 million in FY 2009-10 and an estimated \$23.3 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, \$198,000; and two transfers (1) from the Special Assessing Revolving Fund, for the repayment of prior years' projects, \$107,000, and (2) contribution from Major Street Fund to sustain the non-millage maintenance operations. The projected use of fund balance for FY 2009-10 is \$679,000.

Parks Maintenance and Improvement Fund

The Parks Maintenance and Improvement Fund was established with a November 2007 one-time payment of \$850,000 from the George W. Drainage District, in exchange for the City's agreement to assume responsibility for the operation and upkeep of the new 10 acre Red Oaks Soccer Complex. The projected revenues for the budget year include \$21,000 in interest income from the investment of the original payment. The revenues and accumulated funds can be used for any Madison Heights park system improvement. The projected contribution to the fund balance for FY 2009-10 is \$8,000.

Downtown Development Authority Fund

Funding for the Downtown Development Authority is derived exclusively from the growth (increment) in real and personal property tax above the 1997 base year for those properties located in the District and interest income (\$14,000). Tax revenues have decreased 4% over last year to \$234,000.

Drug Forfeiture Fund

The Fund is used to account for revenues (FY 2009-10, \$55,500) generated by the Madison Heights Police Department through drug forfeitures related to enforcement of drug laws pursuant to Public Act 251 of 1982.

Community Improvement Fund

All Community Improvement revenues are provided by the Federal Housing and Urban Development (HUD) Department. There are two types of funding provided by HUD. The first is through the Community Development Block Grant (CDBG) program (\$121,000 for FY 2009-10). This program, administered by Oakland County, provides for 100 percent reimbursement for expenditures that aid low-moderate income areas. This reimbursement is limited to the amount of available Federal funding which has declined substantially in recent years. The second classification of revenue is provided through the Section 8 Housing Grant Program (\$1.8 million for FY 2009-10). This program provides funding for rental housing assistance to low-moderate income families.

Special Assessment Revolving Fund

Revenues to this Fund include principal and interest payments from prior years' road and sidewalk projects (\$454,000). Other revenues include interest earned on fund balance (\$40,000). These assessments will be repaid as the 3 to 15 year special assessment payments are made by the property owners.

Fire Stations Bond/Debt Service Funds

These funds account for the construction activities related to the \$5.9 million 2003 Fire Stations Bond project and the repayment of the debt associated with this project. The dedicated millage will generate \$404,000 this year to make principal and interest payments.

Water and Sewer Fund

Water and Sewer Fund revenues are generated through user charges to residential and commercial customers based on water usage. Revenues from water and sewer user charges comprise 45% and 53% respectively of the revenues of this fund. The next largest revenue source is the transfer from the dedicated vehicle property tax millage to fund the purchase of a backhoe and pickup. To eliminate use of the the general water and sewer rates from supporting specific benefit to system users, the City will start charging non-consumption accounts (\$60,000) and adjust special project and special meter charges (\$61,700). The remaining revenues are derived from meter charges, service charges, tap fees, interest on investments and building rental charges.

Based on the analysis by the Finance Department of the Water and Sewer Fund Retained Earnings and projected revenues and expenditures, including projected George W. Kuhn Debt Service and Detroit Water and Sewerage Department (DWSD) and Oakland County Water Resources Commissioner charges, water and sewer rates will be increased 16% this year. If the City Council approves the new DWSD 30 year agreement, this increase will drop to 13.5%.

Motor Pool and Equipment Fund

Revenues of the Motor Pool and Equipment Fund are provided exclusively through contributions from departments of the General Fund (\$931,000) and Water and Sewer Fund (\$114,000). The amount contributed by each department is based on the cost incurred by the Motor Pool in maintaining the department's vehicles.

FUND BALANCE

In Madison Heights, the General Fund Fund Balance consists of designations for various purposes amounting in total to \$6.3 million. The following table reflects the audited Fund Balance for the years ended June 30, 2007 and 2008:

FUND BALANCE	ACTUAL FY 2006-07	ACTUAL FY 2007-08	CHANGE FY 06-07 vs 07-08
Unreserved:			
Designated:			
Vested Employee Benefits	\$2,557,926	2,496,270	\$ (61,656)
Retirees' Health Benefits	778,165	0	(778,165)
Retained Insurance Risks	500,000	250,000	(250,000)
Vehicle Replacement	1,136,030	1,136,030	0
Capital Improvements	500,000	590,000	90,000
Park Improvements	500,000	450,000	(50,000)
Technology Improvements	200,000	88,967	(111,033)
Subsequent Year's Expenditures	<u>144,636</u>	<u>543,200</u>	<u>428,564</u>
Total Designated	\$6,316,757	\$5,554,467	\$(732,290)
Undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	\$6,316,757	\$5,554,467	\$ (732,290)

Designated Funds

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

The designation for employee benefits was established to provide a reserve for unused sick leave and vacation benefit liabilities not funded elsewhere. These funds would be required to meet the commitments, which change over time based on employee retirements, leave accrual and utilization rates. This designation was set based on audited records at \$2.5 million last year and makes up 45% of the Designated Fund Balance.

In April 2004, the Governmental Accounting Standards Board (GASB) issued new regulations for the purpose of improving disclosure for liabilities associated with future retiree health care cost, similar to the existing pension obligation disclosure requirements. Based on these guidelines, the

City was required to disclose on or before July 1, 2007 statistics on our liabilities and what City contributions are to fund these liabilities over the following 30 years. Based on a special actuarial study, the City's liability was calculated at \$55.1 million. Given the City is now pre-funding this obligation in the Budget, this designation was eliminated on June 30, 2008.

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

With the decreases in revenue sharing and property tax, and increasing prices, the general maintenance and upkeep of City facilities has become a heavy burden to support and in some situations has been deferred for many years. On June 30, 2007, the City acknowledged responsibility and established designations for capital improvements (\$500,000), park improvements (\$500,000) and technology improvements (\$200,000). In the FY 2008-09 Budget, \$501,000 is used from designated fund balance for costly repairs. This includes a \$191,000 allocation from the Capital Improvement designation for City Hall roof replacement (\$152,000), automatic sliding doors on the south entrances of City Hall (\$34,000) and loading ramp renovation at the Court (\$5,000). An allocation from the Parks Designation (\$310,000) was budgeted for projects at Civic Center Park, Rosie's Park, Suarez Woods and Red Oaks Pathway. Details on these expenditures can be found in the department pages or in the Capital Outlay section.

To achieve a long-range goal of the City's financial policies and to ensure the timely replacement of vehicles as scheduled in the Fifteen Year Vehicle Replacement Plan, a dedicated source of funding was established through the motor pool charge in FY 1998-99. The monies added to the "Sinking Fund" account through an annual appropriation were the amount needed to replace that vehicle when scheduled for replacement. As of June 30, 2004, the designation for vehicle replacement stood at \$1.1 million. In light of the funding constraints, the annual appropriation was discontinued in FY 2003-04.

The City has also followed the sound practice of designating funds for budgeted purchases and projects that cannot be accomplished by the end of any given fiscal year. This method of carrying forward monies could be used to retain appropriations on large equipment purchases or construction projects budgeted, but not bid or completed prior to the end of a fiscal year. This financial tool is used to pull together all those significant items outstanding, but not acted upon by the end of a budget year. On June 30, 2008, those carry-forward purchase designated funds (\$543,200) made up 2% of the Designated Fund Balance.

Undesignated Funds

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

Changes in Fund Balance

A total of \$478,000 of the Designated Fund Balance has been programmed to support the budget. It is preferable to not only fund current operations and related expenditures with current revenues, but also add to (increase) fund balance over time.

**ALL FUNDS SUMMARY
CHANGES IN PROJECTED
FUND BALANCE/RETAINED EARNINGS
FISCAL YEAR 2009-10**

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund	\$4,616,247	\$31,094,226	\$31,572,043	\$4,138,430	(10.4)
Major Street ⁽¹⁾	(306,895)	1,270,419	1,107,180	(143,656)	(53.2)
Local Street - Non Proposal R ⁽²⁾	(199,439)	892,676	654,107	39,130	(119.6)
Local Street -Proposal R ⁽³⁾	6,312,473	2,463,102	3,380,000	5,395,575	(14.5)
Parks Maintenance and Improvements	892,956	21,000	29,440	884,516	(0.9)
Downtown Development Authority ⁽⁴⁾	168,591	247,961	434,750	(18,198)	(110.8)
Police Drug Forfeiture	182,285	80,000	52,000	210,285	15.4
Community Improvement Program	44,061	1,923,258	1,923,258	44,061	0
Special Assessment Revolving ⁽⁵⁾	65,547	494,086	819,225	(259,592)	(496.0)
Fire Stations Bond Fund	49,465	408,933	408,933	49,465	0
Water and Sewer Fund ⁽⁶⁾	1,037,234	9,693,045	9,490,589	1,239,690	19.5
Motor Pool and Equipment Fund	0	1,045,008	1,045,008	0	0
Total	\$12,862,525	\$49,633,714	\$50,916,533	\$11,579,706	(10.0)

- (1) The Major Street Fund is budgeted to begin the year in a deficit position, however most of the FY 2008-09 projects have been completed for an amount less than budgeted amounts which will result in a projected beginning balance of \$242,548, and a FY 2009-10 projected ending fund balance of \$405,787.
- (2) The Local Street Fund has two components of fund balance the first is Non-Proposal R expenditures which will have exceeded Non-Proposal R revenues by \$199,439 by July 1, 2009. A transfer from Major Street Fund is budgeted to cover this deficit and will lead to a projected positive ending fund balance of \$39,130 at June 30, 2010.
- (3) The Local Street Fund Proposal R portion is budgeted to use fund balance for planned construction projects for which the Proposal R millage is levied.
- (4) The Downtown Development Authority use of fund balance is a result of planned expenditures for projects that will enhance the Downtown Development District. While the budgeted fund balance at the end of FY 2009-10 is negative, some of the FY 2008-09 budgeted projects will not take place and will lead to an actual positive fund balance at June 30, 2010.
- (5) The Special Assessment Revolving Fund's use of fund balance will be programmed to pay up front costs associated with the Sidewalk Replacement and Local Street Fund projects. While this fund indicates a negative balance at year end the actual revenues collected year to date in FY 2008-09 are higher than budgeted and will lead to a higher than expected beginning balance by approximately \$272,000.
- (6) The Water and Sewer's retained earnings is not representative of cash in this business-type fund and includes accounts receivables and inventory.



MAJOR INITIATIVES

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

General Fund

Public Health related program improvements including:

- | | | |
|----|--------|--|
| \$ | 53,000 | Emerald Ash Borer Removal of dead and diseased trees from City parks and rights-of-way |
| \$ | 5,000 | Special Spring Clean Up Day |

Energy efficiency consumption reduction projects:

- | | | |
|----|--------|---|
| \$ | 24,000 | <ul style="list-style-type: none">• Police Building energy conserving light fixtures• Police Building light motion sensors |
|----|--------|---|

Leisure Service Program improvements including:

- | | | |
|----|--------|---|
| \$ | 24,000 | Library purchases including books, videos and audio visuals |
|----|--------|---|

Proposal “V-1” Millage vehicle replacements including:

- | | | |
|----|---------|---|
| \$ | 259,000 | <ul style="list-style-type: none">• 3 police patrol cars• 1 ambulance rescue (phase II funding)• 1 parks riding mower• 1 senior van• 1 water & sewer backhoe• 1 water & sewer pickup truck |
|----|---------|---|

Major Street Fund

- | | | |
|----|--------|-----------------------------|
| \$ | 38,000 | Major street rehabilitation |
|----|--------|-----------------------------|

Local Street Fund

\$ 2,510,000	Proposal “R-2” Millage road reconstruction scheduled as part of Year Two of the Neighborhood Road Improvement Program including: <ul style="list-style-type: none">• Palmer - Thirteen Mile to LaSalle• Tawas - Twelve Mile to Mapleknoll• Tawas Court• Barrett - Tawas to Couzens• Lorenz - Eleven Mile to Greig• Hales - Eleven Mile to Northeastern• Northeastern - Eleven Mile to South End• Katherine - Lorenz to Edward
\$ 850,000	Sectional concrete replacement and crack and joint sealing on Proposal “R-1” roads
\$ 20,000	Proposal “R-2” contribution to fund key sidewalk squares and ramps in an area bounded by Ajax/Moulin, Dequindre, Thirteen Mile and I-75

Downtown Development Authority Fund

\$ 51,000	Downtown Development Authority (DDA) funding match of 50% for Economic Development Program
\$ 20,000	DDA funding match of 25% for Code Enforcement Officer
\$ 10,000	Identification sign project
\$ 20,000	Sign grant project
\$ 20,000	Facade improvement grant project
\$ 15,000	Public right-of-way mowing
\$ 15,000	Public right-of-way trash receptacle program
\$ 94,000	Alley improvements
\$ 50,000	Property Acquisition sinking account
\$ 100,000	Eleven Mile/John R improvements

Drug Forfeiture Fund

\$ 80,000 Public Safety Dispatch System Technology Upgrade (Project cost \$130,000 including \$50,000 County phone tax grant)

Community Improvement Fund

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

Special Assessment Revolving Fund

\$ 410,000 Year 7 of Sidewalk Gap and Replacement Program for an area bounded by Ajax/Moulin, Dequindre, Thirteen Mile and I-75

\$ 273,000 Transfer to Local Street Fund to support Neighborhood Road Improvement projects on Lorenz, Hales and Northeastern

Water and Sewer Fund

\$ 583,000 Watermain replacements as part of Year Three of the “R-2” Neighborhood Road Improvement Program on Brockton, Alden, Dorchester, Spicer, Englewood, and Nanton

\$ 10,000 West Nile Virus mosquito prevention program (also an additional \$1,000 budgeted in General Fund Parks Division)

\$ 88,000 Backhoe

\$ 29,000 Pickup Truck

BUDGET POLICIES AND PROCEDURES CHAPTER

Role of the Budget

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

Budget Strategy

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

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

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

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

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

Revenues will be estimated at realistic levels;

Reserves will be programmed at appropriate levels (10% of annual expenditures) to protect the City from future uncertainties; and

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

FINANCIAL POLICIES

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

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

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

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

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

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

Operating Budget Policies

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

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

Revenue Policies

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

Reserve Policies

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

undesignated fund balance) to provide for unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs. A target amount for this reserve will be one percent of operating funds.

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

As of June 30, 2008, the City has established a designated General Fund Fund Balance for vested employee benefits (\$2,496,270), retained insurance risk (\$250,000), vehicle replacement (\$1,136,030), technology improvements (\$88,967), capital improvements (\$590,000), park improvements (\$450,000) and subsequent year's expenditures (\$543,200).

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 proj-

ect:

- a. Projects that implement a component of the approved Goal Plan will be a priority when establishing funding.
- b. Projects specifically included in an approved replacement schedule will receive priority consideration.
- c. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
- d. Projects that duplicate other public and/or private services will not be considered.
- e. Priority will be given to those projects that directly support development efforts in areas with a majority of low to moderate-income households.

Debt Policies

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

As of June 30, 2008, the legal debt limit (10 percent of total assessed valuation) was \$128 million. The City had \$5.0 million debt for the Fire Station Bonds applicable to the limit in 2008.

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

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

Electronic Transactions of Public Funds Policy

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

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

2. Responsibility for ACH.

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

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

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

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

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

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

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

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

Auditing and Financial Reporting Policies

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

Credit Card Policy

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

Accounting Policies

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

1. Basis of Accounting

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

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

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

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

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

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

2. Budgeting

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

3. Fund Accounting

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

A. Governmental Funds

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

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of earmarked revenue from financing activities requiring separate accounting because of legal or regulatory provisions.

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

B. Proprietary Funds

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

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

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

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

C. Fiduciary Funds

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

D. Other Account Groups

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

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

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

Identity Theft Policy

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

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

This policy will:

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

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

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

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

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

BUDGET REQUIREMENTS

Uniform Budgeting Act Requirements

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

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

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

City Charter Requirements

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

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

BUDGETING CONTROLS

Internal Controls

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

Independent Audit

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

BUDGET PROCESS OVERVIEW

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

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

Departmental Budget Requests

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

Building the Proposed Budget

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

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

Budget Review and Analysis

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

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

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

City Manager Review

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

City Council Adoption

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

Budget Amendments

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

Budget Calendar

Goal Setting Plan

September to October	Department Heads and City Manager develop and rank goal proposals
October to mid-November	City Council submits additional proposals, reviews and ranks comprehensive list of goal proposals
October to mid-November	Staff financial team develops three year financial forecast and future funding presentation
Third Saturday in November	Staff and Council review forecast results and presentation, and Council provides direction on goal plan at workshop
Mid-December	Council considers and adopts formal goal plan including financial estimates
December	Staff develops strategic work plans outlining steps to implement goal proposals
Early April, July and October	Staff generates quarterly goal progress reports

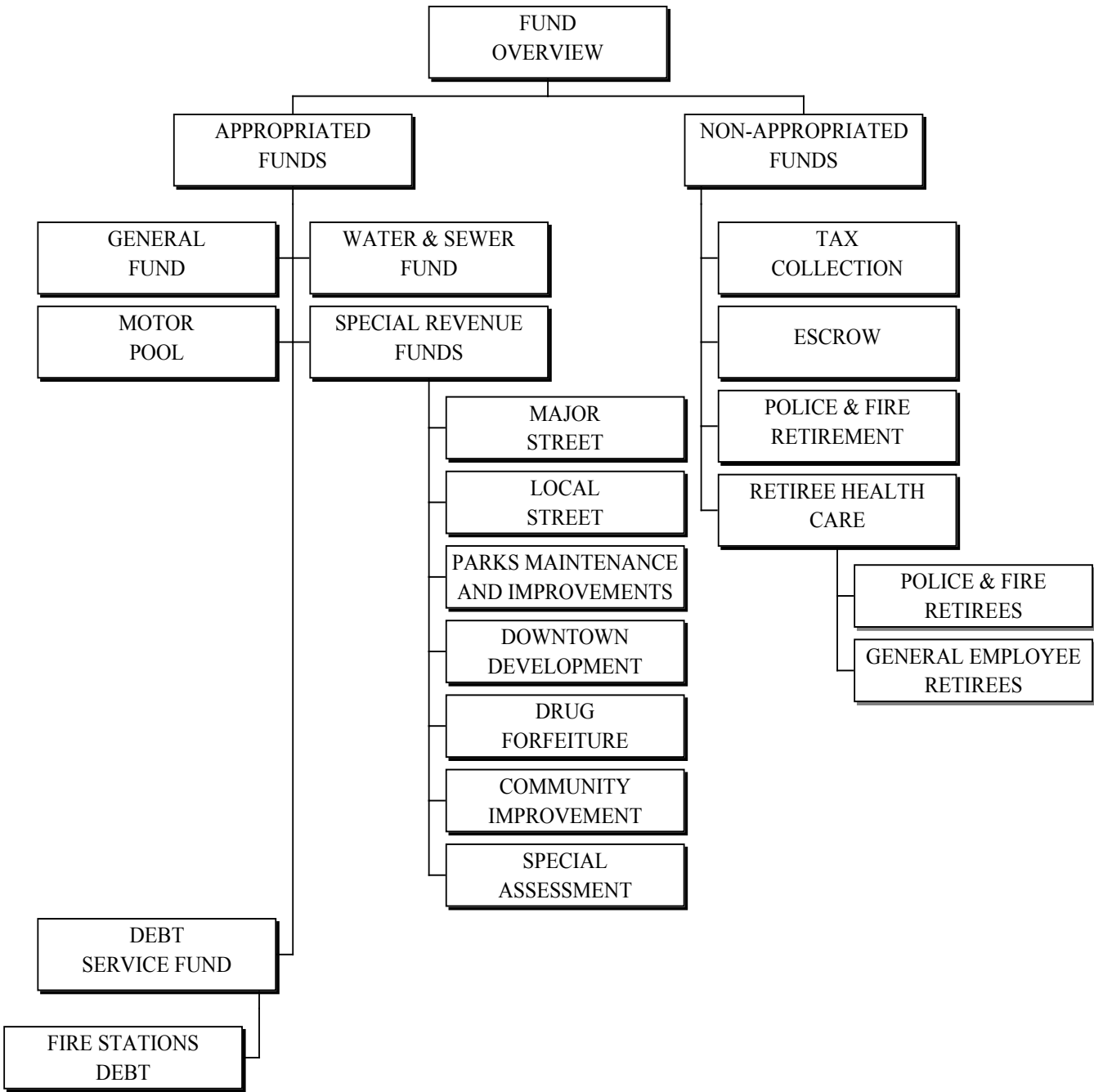
Capital Improvement Plan

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

Operating Budget

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

BUDGET FUND STRUCTURE



BUDGET FUND STRUCTURE

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

Fund Descriptions

The City maintains accounts for 16 separate funds. The Budget includes the 11 funds that are appropriated by the City Council. The appropriated funds can be divided into five groups of funds based on the type of financial activities. The groups include the General Fund, Special Revenue Funds, Debt Service Funds, Internal Service (Motor Pool) Fund and Enterprise (Water and Sewer) Fund.

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

Appropriated Funds

1. General Fund

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

2. Enterprise Fund - Water and Sewer Fund

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

3. Special Revenue Funds

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

Parks Maintenance and Improvement Fund

On May 14, 2007, the City entered into a license, use and maintenance agreement with the George W. Kuhn Drainage District and the Oakland County Parks and Recreation Commission regarding the 10 acre Red Oaks Soccer Complex. As consideration for the City's agreement to maintain the Complex for the next 25 years, the City received \$850,000 without restrictions of its use. This Fund was established to support maintenance and improvements for both the Red Oaks Soccer Complex and other City parks. Public Act 404 of 2008 allows the City to use a long-term investment strategy for idle funds.

Downtown Development Authority Fund

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

Drug Forfeiture Fund

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

Community Improvement Fund

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

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

Special Assessment Revolving Fund

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

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

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

5. Debt Service Fund – Fire Stations Debt Service Fund

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

Non-Appropriated/Fiduciary Funds

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

1. Tax Collection Fund

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

2. Escrow Fund

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

3. Trust Funds

Police and Fire Retirement Fund

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

Retiree Medical Health Care Funds

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

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

APPROPRIATIONS CHAPTER

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

Changes to the Base Budget

Personal Services

Wages

The personal services account group includes funding of \$24.3 million or over 47.8 percent of all funds appropriation totals. In the General Fund, personal services make up over \$21.9 million or 69.4 percent of the budget. With the exception of eight executive and administrative employees, the City's full-time workforce belongs to one of eight bargaining units. The Budget calls for a pay freeze in FY 2008-09 and two increases starting in FY 2009-10 for all bargaining units; scheduled step adjustments based on years of service; full funding of appropriate cost-of-living adjustments, longevity, police and fire holiday, education, uniform, food and fire fighter paramedic premium pays; and related impact on salary driven fringe benefits.

Status of Labor Negotiations

All eight of the bargaining units have current labor agreements that expired on June 30, 2008:

1. Madison Heights Court Clerks Association - In negotiations
2. Department Heads Union - American Federation of State, County and Municipal Employees (AFSCME) Council 25 - In negotiations
3. Madison Heights Fire Fighters Association - In negotiations
4. Municipal Employees Union - Technical, Professional and Officeworkers Association of Michigan (TPOAM) - In negotiations
5. Madison Heights Police Officers Association/Police Officers Labor Council - In negotiations
6. Madison Heights Police Command Officers Association - In negotiations
7. Supervisors and Assistants Union - AFSCME Local 1917 - In negotiations
8. Department of Public Service - TPOAM - Settled July 1, 2008 to June 30, 2011

Medical Costs

- Health Care Coverage - Current Employees

The largest fringe benefit cost is \$5.0 million for health care coverage. For the purpose of negotiated benefits, employees are divided into two groups: active (currently employed) and retired. Through the last two rounds of negotiations, the City has moved employees from the standard Blue Cross - Blue Shield coverage (traditional plan) to a more economical managed care coverage. On July 1, 2006, all active employees formerly on the Community Blue (preferred provider) coverage plan

(PPO) were moved to the Municipal Employees' Retirement System (MERS) Premier PPO plan at a substantial (\$325,000) annual savings. The cost for the MERS Premier now ranges from \$7,002 to \$20,361 per employee per year, depending on the household size.

In the case of the Court Clerks, Department Heads, TPOAM DPS, Municipal Employees, and the Supervisors and Assistants Unions, all new hires are enrolled in the Blue Care Network plan. Blue Care Network, the City's health maintenance organization (HMO), premiums range from \$5,571 to \$13,369 per employee per year, depending on household size. All current and retired employees do have the option of switching to Blue Care Network, which results in savings on deductibles, co-payments, and the filing of insurance forms.

As employees moved to the PPO and HMO coverage, the City saved substantially in premium costs. In 1994, the City instituted a health care cost measure that provided the employees financial incentives to move to the HMO, or switch to coverage by their former employers or spouse's employer health provider insurance. As of January 1, 2009, the City's active employees maintain the following coverage: traditional, 0; PPO, 102; HMO, 68; and 15 employees that have dropped City insurance due to coverage being provided otherwise. The City's retirees maintain the following coverage: traditional, 0; PPO, 125; and HMO, 7.

At the conclusion of the last round of negotiations, the City has in place a new cost containment measure moving all active employees to a \$10 generic and \$20 non-generic prescription co-pay program.

To partially offset the cost to employees for the higher prescription drug card deductible, the City has increased the allowable employee only medical reimbursement to \$125 per year and have expanded allowable reimbursements to include not only co-pays for physicals but prescription out-of-pocket expenses.

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

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

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

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

As part of the December 2008 settlement of the July 1, 2008 to June 30, 2011 labor contract, the group agreed to raise the prescription co-pay to \$10 generic and \$40 non-generic.

- Health Care Coverage - Retirees

The overall increase in medical, dental and life insurance costs for Police and Fire retirees raised the City's cost by \$175,000 to \$2,056,000. In regard to retired employee coverage, the City, at this time, allows eligible retirees to retain their level of coverage that they maintained at the time of retirement. This means that most retirees have retained the MERS Premier (PPO) plan. The cost for the MERS Premier retirees for next year ranges from \$13,234 to \$27,129 per retiree per year, for either employee or employee plus spouse household coverage.

- Pensions

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

The budget for the employer contribution to the Police and Fire Pension Fund is 22.3% of total wages based on the City's actuary 2008 recommended contribution rate. In regard to the MERS plan, the pension contribution is budgeted by union group ranging from 7.1% for District Court Clerks to 20.1% for non-Union Court Employees and Department Heads. For comparison purposes, the average MERS contribution rate increased from 11.6% in FY 2008-09 to 13.0% for FY 2009-10.

As part of the last round of negotiations, the City has agreed to reduce the pension contribution formerly required for various labor groups. In general, the City set a pattern of awarding the employees a reduction on their pension contributions by 2.53% from the former contribution levels. The standard reduction is budgeted for the Firefighters, Police Officers Association and the Police Command Officers Association. In the case of the Departments Heads Union, in place of pension contribution reductions, the City has introduced a 2.53% deferred compensation contribution for these employees. For the Municipal Employees Union, they negotiated a phase out of their current 1.8% pension contribution, and additional benefits like a raised tuition refund to \$600 per year and increased the HMO opt-out incentive to \$2,400 annually (all employees except DPS-Field Workers now have this provision). The Supervisors and Assistants Union negotiated an elimination of their 1.63% pension contribution and an employee-supported upgrade of their pension plan to the Michigan Municipal Employee Retirement System B-3 Plan (2.25% per year multiplier) and a new employee contribution rate of 2.44%. In regard to the Court Clerks, as negotiated by District Court Judge Turner, they have maintained a 3.04% contribution rate, which allows them to retire at

age 50 with 25 years of service as opposed to the other non-Police and Fire sworn groups, which are required to attain the age of 55 with 15 years of service.

- Pre-funding Retiree Health Care

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

The liability has been calculated to be \$55.1 million over the next 30 years. Based on two studies of these projected liabilities, the actuary has set contribution rates of 10.7% and 11.8% of total wages for Police and Fire Pension and MERS Pension employees respectively. The total budget for this expense will exceed \$1.4 million.

- Dental Coverage

Based on the settlement of the last round of agreements, all employees have been moved to the Delta Premier PPO, which will increase their annual benefit to \$1,500 per year, for specified dental procedures. In addition, the City has expanded coverage to provide a maximum \$1,000 lifetime benefit for orthodontics. Dental and orthodontic coverage increased an average of \$59 (6%) per employee per year to an average of \$1,135.

- Life Insurance Coverage

The Madison Heights Fire Fighters Association, Police Command Officers Association, Police Officers Association of Michigan and the Department Heads' bargaining groups were recently awarded upgraded \$50,000 life insurance policies. The Municipal Employees Union; DPS Employee - Field Workers (TPOAM); the Supervisors and Assistants Union; and the Court Clerks have a \$35,000 policy. Many retirees receive \$10,000 in coverage. The annual premiums for these coverages for active employees has dropped 16% and are budgeted at current levels of \$117 to \$234 per employee.

- Worker's Compensation

Annually, the City makes significant contributions to the Worker's Compensation Insurance Fund to compensate employees for lost wages resulting from on-the-job injuries. Despite workplace safety programs, and improved equipment and supervision used by the City to protect workers, the workforce has experienced several serious long-term injuries in Public Service, Police and Fire. The Budget for the Worker's Compensation Insurance contribution has been decreased by \$26,000 or 6% to \$433,000.

- Other Benefits

Optical insurance rates of \$95 per employee have not changed.

Short-term and long-term disability premium costs have dropped 15% to \$82,000, saving \$15,000 per year.

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

- Employee Wellness Program

Funding for the Employee Wellness Program bonuses has been frozen at current levels. As part of the budget reduction, the exercise incentives have been eliminated.

- Longevity Pay

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

Supplies/Other Services and Charges

The budget for the Supplies Account decreased 6.5 percent, with most accounts held constant or reduced. The area of Other Services and Charges decreased by 3.7 percent.

General Fund Gap Reduction Measures

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

The projected \$2.0 million gap projection was resolved by:

Increasing Revenues	\$ 440,000	22%
Decreasing Expenditures	1,054,000	54%
Use of Fund Balance	<u>478,000</u>	<u>24%</u>
	\$1,972,000	100%

Expenditure reductions can be classified into three categories: those impacting multiple departments or divisions; those impacting individual department services and programs; and those having no significant impacts on services or programs.

The budget reduction measures will have an impact on how the City operates and/or the services delivered across every City department. Approximately 26%, or \$273,000, of these General Fund reductions are cost cutting measures impacting multiple departments/divisions including:

1. Eliminate Vacant Office Assistant Position Serving Senior Center and Recreation	\$ 41,536
2. Eliminate Vacant Equipment Operator Position Serving Various DPS Divisions	39,372
3. Modify Computer Purchase and Reuse Monitors, Keyboards and Mice	30,250
4. Reduce Motor Pool Expenses	25,837
5. Renegotiation of Annual Audit Agreement	24,161
6. Reduction of Computer Related Maintenance Agreements	19,281
7. Elimination of Memorial Day Parade and Pancake Breakfast	18,934
8. Decrease Contractual Mowing Frequencies and Fertilization	16,486
9. Cancel 2010 "Pre Fourth of July" Festival-in-the-Park	12,942
10. Reduce the Number of Cell Phones	9,930
11. Move to Semi-annual City Newsletter and Recreation Brochure	7,475
12. Eliminate Wellness Program Exercise Incentives	5,320
13. Eliminate All Window Cleaning Service	4,618
14. Negotiate Savings From Electrical & Heating Ventilation Air Conditioning Contractors	4,103
15. Eliminate Annual Animal Clinic	3,155
16. Reduce Irrigation on City-Owned Properties to Once a Week	2,500
17. Reduce Energy Consumption	2,000
18. Reduce Printing	2,000
19. Eliminate Most Contractual Pest Control Services	1,679
20. Eliminate Contract for Document Shredding Services	<u>1,600</u>
Total	\$273,179

Individual department service and program reductions make up 58% of the General Fund total and include:

1. Eliminate 3 Vacant Police Officer Positions	\$263,695
2. Reduce Daily Minimum Staffing (overtime related expenses) from 9 to 8 Firefighters	79,651
3. Eliminate Vacant Fire Swingman Position	74,796
4. Eliminate Energy Efficiency Lighting Projects except the Police Building	32,589
5. Remove Vehicle Millage Funded Replacement of the City Manager's Vehicle	25,000
6. Reduce Library Hours of Operation by 5.5 Hours	15,836
7. Drop Summer Program at Little House on Hales Youth Center	13,523
8. Eliminate Geographic Information System Part-Time Position	13,146
9. Reduce Funding for Outside Agencies by 5% & Drop South Oakland Co. Boys & Girls Club	9,565
10. Eliminate 2010 Boards and Commissions Dinner	9,015
11. Reduce Contractual Rental Inspector Hours	8,000
12. Eliminate Quarterly Litigation Report to Council	8,000
13. Reduce Nature Center Store Purchase/Resale Items (cost net of revenue)	5,840
14. Eliminate Special Event Cable Television Programming	5,400
15. Reduce Custodial Contractor Hours at Library	5,123
16. Eliminate Community Development Dept. Scanner and GPS Maintenance Agreements	4,900
17. Eliminate Purchase and Resale of Items at DPS (cost net of revenue)	4,000
18. Eliminate Hard Copy of New Resident Package	3,600
19. Reduce Contractual Engineering Services	3,000
20. Reduce Holiday Lighting Utility Expenses for Streetlight Pole Decorations	2,792
21. Reduce Annual Flower Planting around City Grounds	2,500
22. Move Senior Newsletter from Monthly to Bi-Monthly	2,500
23. Eliminate Printing of the Popular Annual Financial Report	2,225
24. Eliminate Motorcycle Unit Overtime (keep two cycles for patrol duty)	1,864
25. Close Senior Center Between Christmas Eve and New Year's Day	1,685
26. Eliminate Police Bike Patrol Overtime (keep bikes for patrol duty)	1,631
27. Eliminate Nature Center Open House	1,350
28. Eliminate Fire Department Open House	1,142
29. Eliminate Clerical Overtime for Crime Commission Meetings	1,024
30. Eliminate Nature Center Guest Speaker Program	1,000
31. Legal Attendance at Planning Commission Moves to an As-Needed Basis	1,000
32. Eliminate Cablecasting of Zoning Board of Appeals Meetings	900
33. Reduce Library Magazine Subscriptions	750
34. Reduce Amount Spent on Nature Center Volunteer Gifts	600
35. Eliminate Fire Department Bike Emergency Medical Services Overtime	300
36. Close Nature Center on Sundays in Winter	<u>175</u>
Total	\$608,117

The remainder of the expenditure reductions totaling 16% involve conservation and efficiency measures to supplies and contractual services accounts and appear to have no significant impact on services or programs.

RESOURCE SHARING

The City of Madison Heights has worked hard to develop a wide-range of meaningful long-term partnerships. These include agreements with neighboring communities such as the Cities of Royal Oak, Ferndale, Hazel Park, Clawson and Troy; Oakland County, the Road Commissions for Oakland and Macomb Counties, Southeast Michigan Council of Governments (SEMCOG), Oakland County Water Resource Commissioner (OCWRC), George W. Kuhn Drain District and Oakland County Parks and Recreation and many other groups. The City currently participates in over 70 partnerships.

Mayor and Council

The City is a member of the Michigan Municipal League (MML) and benefits from many of their programs. The City has opted to join the MML Defense Fund. This advocacy program provides support and assistance to the City and the City's attorneys, in court cases where the issues have a broad impact on both the municipality involved in the case and on other municipalities in the State.

The MML also provides valuable training to the City's elected officials and employees. Seminars provide up-to-date information on major issues and concerns relating to local government. The City Council and staff also attend the MML Legislative Conference and Annual Convention, which provides a forum where attendees learn from experts in the field and network with other municipalities. General sessions, workshops, a trade show and social activities offer information and learning experiences for elected and appointed officials.

Elections

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

In the fall of 2007, the City entered into an inter-local agreement with Oakland County to provide the canvassing of local elections, ballot layout printing and ballot coding services.

City Assessor

The Assessing Department often shares resources with other units of government in the Michigan Tax Tribunal appeal where business properties are owned in multiple municipalities. Recent examples include the public utility cases (DTE/Consumers Power) and Wide Open West Cable Television, thereby minimizing legal expenses by spreading them over a larger group of municipal entities. In addition, the City Assessor's office makes use of County-wide data information including: Register of Deeds ownership records, homestead property owner status and equalization factors.

General Administration/Purchasing

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

Human Resources

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

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

In July 2006, the City also switched health and prescription insurance providers from Blue Cross Blue Shield to MERS Premier Health. Three years into the new program services are running smoothly, customer service has been very attentive and the City saved over \$325,000 in insurance premiums the first year.

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

Finance

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

The Treasury Office also utilized the County Treasury Department for collection of delinquent personal property taxes.

In 2008, the Finance Department teamed with Information Technology to utilize the Oakland County printing office to print and mail water and sewer bills and tax bills. The Assessing Department's "Notice of Assessment" notices are also processed through the Oakland County print shop. This sharing of services is saving the City approximately \$2,000 per year, plus countless hours of Information Technology staff time.

Police

The Police Department participates in a number of cooperative efforts with other law enforcement agencies. The Police Department has an officer assigned to the multi-jurisdictional Crime Suppression Task Force (CSTF) and provides office space in the basement of the police building for the CSTF office. CSTF focuses its operations on the identification and arrest of individuals involved in criminal activity through a combination of directed patrol, surveillance, undercover operations and intelligence gathering.

Another officer is assigned to the Oakland County Narcotics Enforcement Team (NET) whose primary responsibility is to eliminate or reduce controlled substance trafficking in Oakland County. NET conducts investigations leading to identification, apprehension and prosecution of controlled substance law violators primarily through undercover investigations.

While not currently providing an officer to the Auto Theft Unit due to personnel staffing issues, the Police does provide office space in the police building basement for the offices for the Oakland Curtail Auto Theft (OCAT) Unit.

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

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

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

The Police Department annually assists the Oakland County Probation Department with their Operation Nighthawk. This annual inspection involves home visits to area probationers to check on their behavior and monitoring their probationary requirements.

The Police Department entered a local agreement with the City of Royal Oak and the Royal Oak Police Department to share and coordinate police radio antennas and repeater functions to improve the radio reception and area coverage for both police agencies.

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

On October 22, 2007, the City renewed a three-year agreement with Oakland County Animal Control for disposal of dead animals.

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

Fire Services

The Fire Department provides staff paramedics to work as tactical medics in conjunction with the South Oakland Special Weapons and Tactics (SWAT) Team that is made up of the Cities of Ferndale, Madison Heights and Royal Oak.

The Department also participates in the hazardous materials response through Oakway Mutual Aid Pact with the Cities of Birmingham, Ferndale, Pontiac, Royal Oak, Southfield, West Bloomfield and Townships of Bloomfield and Waterford.

On January 28, 2008, the City joined the new Oakland County Mutual Aid Association. The Association has adopted a Mutual Aid Box Alarm System (MABAS) for activating and coordinating mutual aid responses. The MABAS system identifies on a prearranged process what outside agencies will be called-in to respond if the need arises for a second, third, fourth or fifth alarm incident. The City will also have access to highly specialized hazardous materials, technical rescue and communication equipment to augment our existing resources when needed.

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

Madison Heights runs an American Heart Association Community Training in conjunction with Hazel Park and owns a training tower and draft pit that has been utilized by other communities reducing their training cost.

For the past five years, the Fire Department and City Administration has been diligently working with the Cities of Ferndale, Hazel Park, Royal Oak, Pleasant Ridge and Royal Oak Township to

provide consolidated fire protection and emergency medical services. This effort has resulted in the communities (minus Royal Oak) implementing an automatic mutual aid for structure fire suppression.

Community Development

- Planning

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

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

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

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

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

- Rodent Abatement

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

- Inspections

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

Key elements of the proposed Agreement are:

- Plumbing & Mechanical inspection services will be provided by Troy's existing state-registered plumbing and mechanical inspectors, with the Cities of Troy and Madison Heights operating in an independent contractor relationship.
- Services will be provided on a retainer basis, initially including 4 hours per day, five days per week, for plan review, office time and inspections.

- Troy's inspectors will carry Madison Heights identification cards, but will be driving Troy vehicles and will remain City of Troy employees.
- Madison Heights will provide all required forms etc. while Troy will provide inspection vehicles and gas.
- The inspectors will report to the City of Madison Heights Building Official for all Madison Heights related code issues, interpretations and the like.
- The monthly retainer for the services provided under this proposed agreement is a flat \$2,200.
- The Agreement includes a provision for annual review.

Library

The City's library coordinates efforts with two most beneficial consortiums, the Library Network (TLN) and the Michicard program.

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

The Michicard program allows members of different library cooperatives to borrow print material from each other. Madison Heights participates in the Michicard program along with Sterling Heights and Warren, who are part of the Suburban Library Cooperative, thereby allowing print materials to be borrowed from those locations, which otherwise would not have been possible.

Department of Public Services

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

The City has partnered with Macomb County Department of Public Works, and communities in the Red Run Subwatershed of the Clinton River Watershed toward a joint effort for ongoing compliance with the approved National Pollution Discharge Elimination System Storm Water Permit requirements. In Fiscal Year 2007-08, the City joined the Clinton River Watershed Council to promote and hold compliance events and activities.

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

For water distribution and sewage collection, the City is a suburban customer within the Detroit Water and Sewerage Department (DWSD) system. The City is currently working with the DWSD and its Technical Advisory Committee toward a new model contract to address concerns about rate volatility, complexity, and fairness.

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

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

The Recreation Division and Little House on Hales work with many organizations to provide a variety of services.

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

Friends of Madison Heights Youth – continues to offer funding for the Teen Program.

Royal Oak Y.M.C.A. – provides learn-to-swim lessons for residents in a middle school pool for which the City takes the registrations and promotes the program.

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

Gateway Counseling Center – provides a doctoral intern student at the Youth Center to provide guidance and coordinates peer counseling to develop core values.

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

Oakland County Parks and Recreation Commission – provides three free special event mobile recreation units, such as show mobiles, puppet shows and climbing walls. The City provides the Nature Center meeting room for Oakland County to conduct their summer orientation for all those working at the wave pool. The City also works closely with the Commission in supporting a junior golf league.

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

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

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

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

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

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

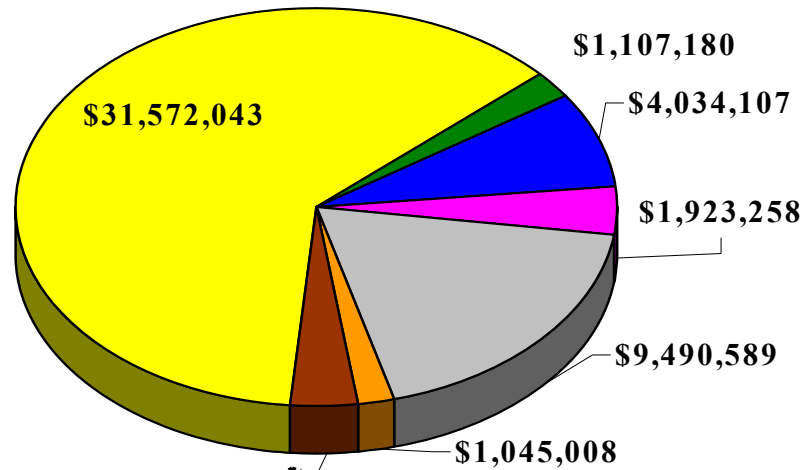
Oakland County Mobile Meals – provides a State funded nutrition site at the Senior Center, as well as home bound meal delivery.

Gateway Counseling Center – offers student interns an opportunity to conduct small group and individual counseling appointments free of charge at the Senior Center.

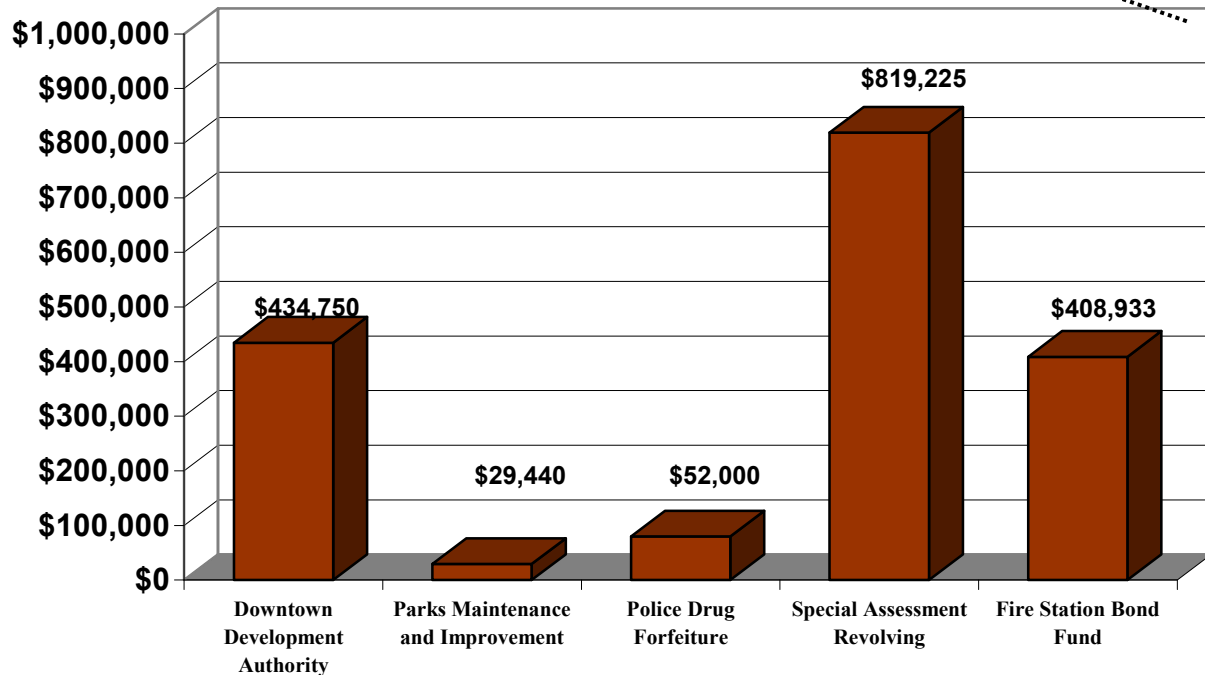
University of Detroit Law School – provides law students and professionals an opportunity to meet with senior citizens on a monthly basis to assist in legal matters.

ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2009-10



Other Funds



Over three-quarters of the City's operations are supported through the General Fund (64.2%) and the Water and Sewer Fund (19.3%).

TOTAL APPROPRIATIONS SCHEDULE

ALL FUNDS

FISCAL YEAR 2009-10

Fund Name	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
General Fund	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ (1,440,405)	(4.4)
Major Street	1,540,298	3,020,746	1,107,180	(1,913,566)	(63.3)
Local Street	3,579,056	4,622,539	4,034,107	(588,432)	(12.7)
Parks Maintenance and Improvement	0	10,263	29,440	19,177	0.0
Downtown Development Authority	85,590	670,969	434,750	(236,219)	(35.2)
Police Drug Forfeiture	86,017	145,382	52,000	(93,382)	(64.2)
Community Improvement	2,138,829	1,896,701	1,923,258	26,557	1.4
Special Assessment Revolving	807,287	1,267,879	819,225	(448,654)	(35.4)
Fire Station Bond Fund	392,348	397,173	408,933	11,760	3.0
Water & Sewer Fund	8,667,125	9,341,788	9,490,589	148,801	1.6
Motor & Equipment Pool	1,161,930	1,160,957	1,045,008	(115,949)	(10.0)
Total Appropriations	\$ 50,472,448	\$ 55,546,845	\$ 50,916,533	* \$ (4,630,312)	(8.3)

* Net Budget is \$47.2 million excluding duplicate interfund transfers and charges.

ALL FUNDS SUMMARY

FISCAL YEAR 2009-10

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture
City Council	\$ 55,409	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,501,944	0	0	0	0	0
City Manager	300,107	0	0	0	0	0
Elections	39,907	0	0	0	0	0
City Assessor	374,330	0	0	0	0	0
Legal	288,490	0	0	0	0	0
City Clerk	264,678	0	0	0	0	0
Personnel	251,076	0	0	0	0	0
Board of Review	3,586	0	0	0	0	0
General Administration	1,020,268	0	0	0	0	0
Finance	853,066	0	0	0	0	0
Information Technology	259,907	0	0	0	0	0
Municipal Building	130,578	0	0	0	0	0
Custodial & Maintenance	254,232	0	0	0	0	0
Police	10,249,781	0	0	0	0	52,000
Fire	5,860,871	0	0	0	0	0
Community Development	1,069,249	0	0	0	363,415	0
Streets	949,623	857,180	4,034,107	0	0	0
Solid Waste	2,501,527	0	0	0	0	0
Recreation	174,722	0	0	0	0	0
Youth Center	46,121	0	0	0	0	0
Nature Center	150,465	0	0	0	0	0
Parks	502,177	0	0	13,835	0	0
Senior Citizens	469,194	0	0	0	0	0
Outside Agencies	50,924	0	0	0	0	0
Library	635,704	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0
Insurance/Bonds/Transfers	3,314,107	250,000	0	15,605	71,335	0
Motor Pool	0	0	0	0	0	0
Total Appropriations	<u>\$ 31,572,043</u>	<u>\$ 1,107,180</u>	<u>\$ 4,034,107</u>	<u>\$ 29,440</u>	<u>\$ 434,750</u>	<u>\$ 52,000</u>

ALL FUNDS SUMMARY

FISCAL YEAR 2009-10

Community Improvement	Special Assessment Revolving	Fire Station Debt Fund	Water and Sewer Fund	Motor Pool and Equipment Fund	Total	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,409	City Council
0	0	0	0	0	1,501,944	District Court
0	0	0	0	0	300,107	City Manager
0	0	0	0	0	39,907	Elections
0	0	0	0	0	374,330	City Assessor
0	0	0	0	0	288,490	City Attorney
0	0	0	0	0	264,678	City Clerk
0	0	0	0	0	251,076	Personnel
0	0	0	0	0	3,586	Board of Review
0	0	0	0	0	1,020,268	General Administration
0	0	0	0	0	853,066	Finance
0	0	0	0	0	259,907	Information Technology
0	0	0	0	0	130,578	Municipal Building
0	0	0	0	0	254,232	Custodial & Maintenance
0	0	0	0	0	10,301,781	Police Department
0	0	408,933	0	0	6,269,804	Fire
1,923,258	411,530	0	0	0	3,767,452	Community Development
0	0	0	0	0	5,840,910	Streets
0	0	0	0	0	2,501,527	Solid Waste
0	0	0	0	0	174,722	Recreation
0	0	0	0	0	46,121	Nature Center
0	0	0	0	0	150,465	Youth Center
0	0	0	0	0	516,012	Parks
0	0	0	0	0	469,194	Senior Citizen
0	0	0	0	0	50,924	Outside Agencies
0	0	0	0	0	635,704	Library
0	0	0	9,490,589	0	9,490,589	Water and Sewer
0	407,695	0	0	0	4,058,742	Insurance/Bonds/Transfers
0	0	0	0	1,045,008	1,045,008	Motor Pool
<u>\$ 1,923,258</u>	<u>\$ 819,225</u>	<u>\$ 408,933</u>	<u>\$ 9,490,589</u>	<u>\$ 1,045,008</u>	<u>\$ 50,916,533</u>	Total Appropriations

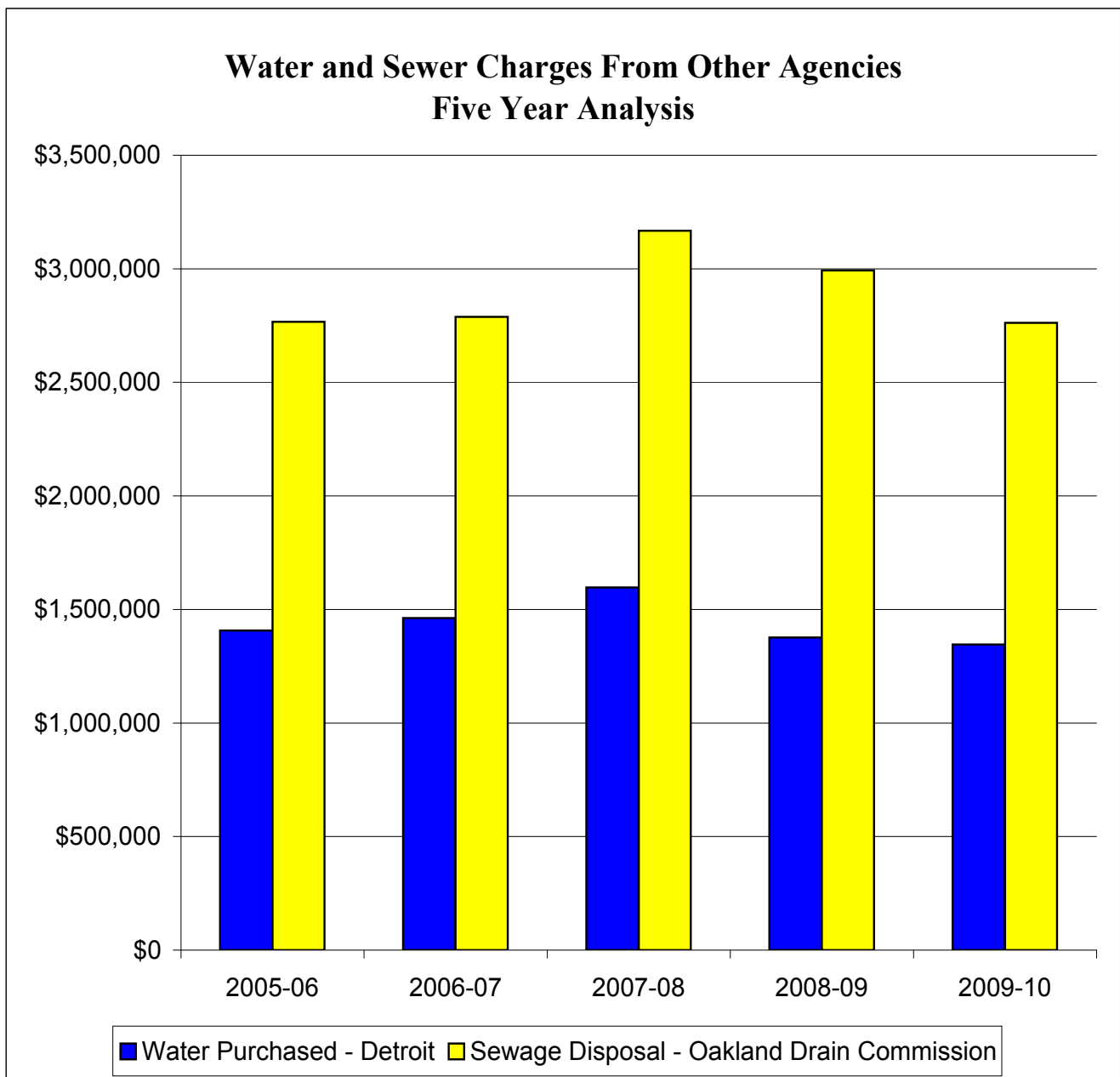
ALL FUNDS APPROPRIATIONS
PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES
FISCAL YEAR 2009-10

Activity	Personal Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 49,560	\$ 0	\$ 5,849	\$ 0	\$ 55,409
District Court	1,083,588	33,790	369,566	15,000	1,501,944
City Manager	291,668	200	8,239	0	300,107
Elections	22,032	9,000	8,875	0	39,907
City Assessor	344,764	2,945	25,121	1,500	374,330
Legal	0	5,300	283,190	0	288,490
City Clerk	249,948	6,275	8,455	0	264,678
Human Resources	210,033	0	41,043	0	251,076
Board of Review	2,380	0	1,206	0	3,586
General Administration	813,085	74,087	133,096	0	1,020,268
Finance	772,090	9,097	69,379	2,500	853,066
Information Technology	245,650	11,657	600	2,000	259,907
Municipal Building	0	0	107,030	23,548	130,578
Custodial & Maintenance	113,300	20,500	120,432	0	254,232
Police	9,399,722	50,500	719,059	132,500	10,301,781
Fire	5,188,524	53,915	593,432	25,000	5,860,871
Community Development	1,147,764	9,100	2,197,588	413,000	3,767,452
Streets	803,614	331,294	1,288,502	3,417,500	5,840,910
Solid Waste	616,449	19,215	1,865,863	0	2,501,527
Recreation	85,939	28,690	60,093	0	174,722
Youth Center	29,718	6,675	9,728	0	46,121
Nature Center	120,880	7,325	22,260	0	150,465
Parks	349,900	34,400	120,712	11,000	516,012
Senior Citizens	235,236	109,800	97,658	26,500	469,194
Outside Agencies	0	0	50,924	0	50,924
Library	492,684	3,888	113,682	25,450	635,704
Insurance, Bonds and Transfers	0	0	4,058,742	0	4,058,742
Debt Service	0	0	1,249,962	0	1,249,962
Water and Sewer	1,212,150	146,107	6,592,203	699,100	8,649,560
Motorpool	403,831	216,900	424,277	0	1,045,008
Total Appropriations	\$ 24,284,509	\$ 1,190,660	\$ 20,646,766	\$ 4,794,598	\$ 50,916,533

CITY OF MADISON HEIGHTS

FISCAL YEAR 2009-10

Water and Sewer Charges	Actual 2005-06	Actual 2006-07	Actual 2007-08	Estimate 2008-09	Budget 2009-10
Water Purchased - Detroit	\$1,407,861	\$1,462,438	\$1,596,696	\$1,376,115	\$1,345,640
Sewage Disposal - Oakland Drain Commission	\$2,766,814	\$2,788,683	\$3,167,945	\$2,992,526	\$2,762,387



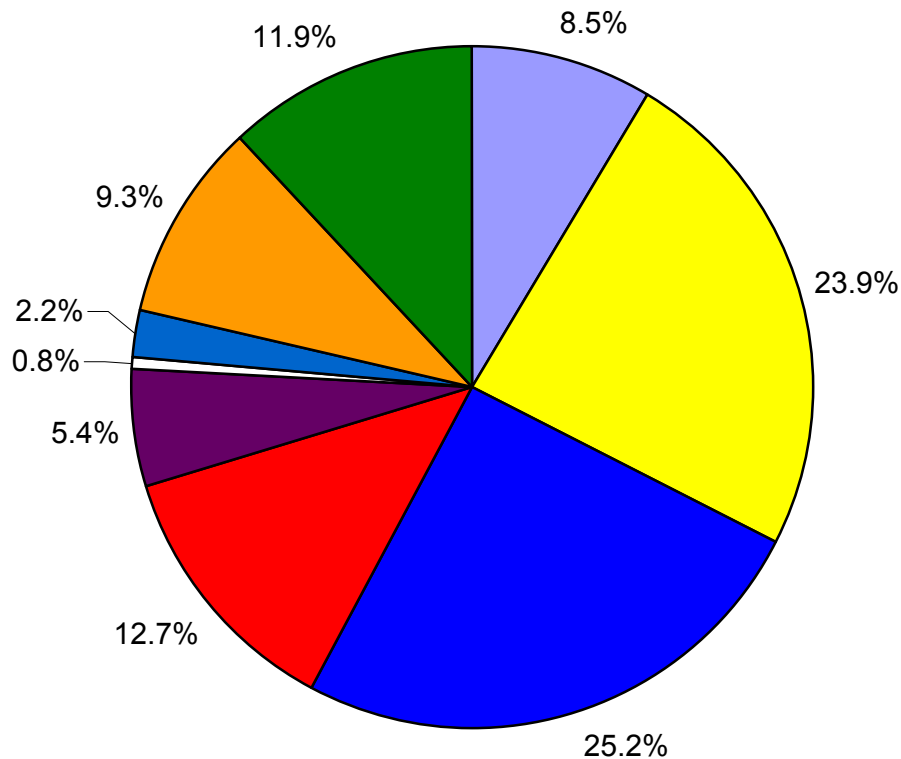
Sewage Disposal charges are more than two times higher than Water Purchased.

CITY OF MADISON HEIGHTS

FISCAL YEAR 2009-10

Utility Charges - By Building	Actual 2005-06	Actual 2006-07	Actual 2007-08	Estimate 2008-09	Budget 2009-10
Court Building	\$ 39,355	\$ 39,097	\$ 49,597	\$ 47,841	\$ 51,608
City Hall	133,730	129,270	142,357	162,450	145,842
Police Station	129,185	131,588	152,695	144,904	153,707
Fire Stations	69,241	66,375	72,672	80,585	77,559
Senior Center	29,134	26,878	30,626	30,249	32,746
Recreation/Nature Center	3,440	3,368	4,728	4,244	4,648
Parks	14,484	14,171	13,401	15,139	13,345
Library Buildings	43,477	44,073	48,270	45,098	56,847
DPS	62,776	74,258	71,220	73,198	72,779
Total	\$524,821	\$529,078	\$585,566	\$603,708	\$609,081

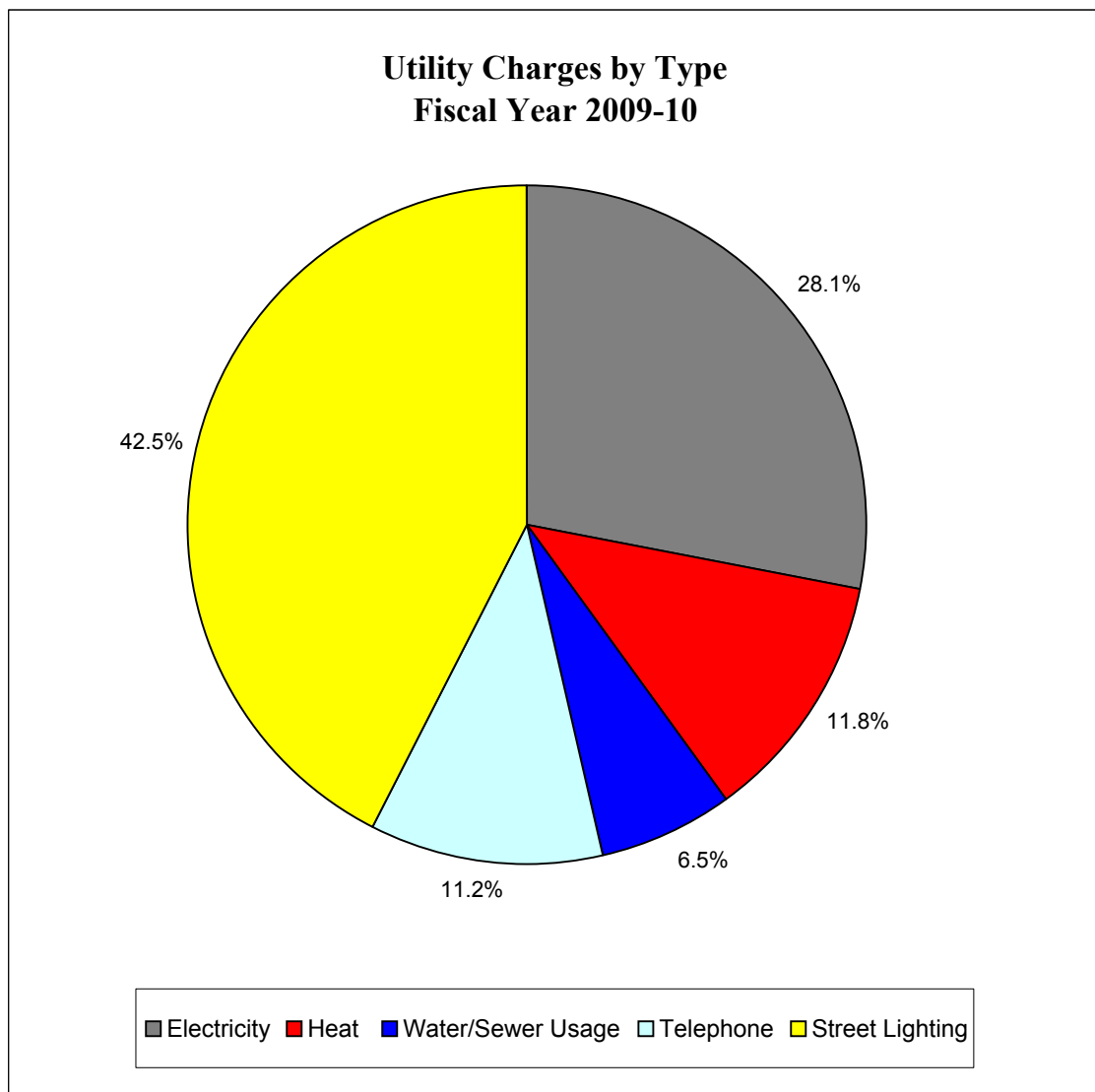
**Utility Charges By Building
Fiscal Year 2009-10**



CITY OF MADISON HEIGHTS

FISCAL YEAR 2009-10

Utility Charges - City-Wide	Actual 2005-06	Actual 2006-07	Actual 2007-08	Estimate 2008-09	Budget 2009-10
Electricity	\$ 258,428	\$266,027	\$ 294,746	\$ 296,152	\$ 311,623
Heat - Gas	117,649	115,586	115,316	123,025	124,036
Water/Sewer Usage	38,525	33,471	45,383	67,845	58,599
Telephone	110,219	113,994	130,121	116,686	114,823
Street Lighting	407,917	436,025	435,143	436,000	440,537
Total	\$ 932,738	\$965,103	\$1,020,709	\$1,039,708	\$1,049,618



SOLID WASTE MANAGEMENT COST
BUDGET 2009-10

SOCRRA Refuse Disposal Cost Only:

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

N/A= Not Available

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

Contractor Refuse Collection and Disposal Costs:

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

Notes:

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

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

RISK MANAGEMENT

Liability and Property Insurance

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

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

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

In addition to the losses retained, the City may be responsible for certain defense costs. The City has elected to participate in the Authority's Stop Loss Program, which limits paid losses from the City to no more than \$355,000 per fiscal year.

The City's policy is to record premium payments to the Authority as expenditures of the participating funds. At June 30, 2008, the City had member reserves of \$169,273 with the Authority. It is estimated that \$101,015 will be used to pay claims reported to date; the amount to be paid for claims incurred, but not yet reported can not be estimated at this time. Upon termination of the program, any amounts remaining on deposit after the Authority has settled all claims incurred prior to termination will be returned to the City.

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

Other Insurance Programs

The Worker's Compensation Program is administered by the Meadowbrook Insurance Group for the Michigan Municipal Worker's Compensation Fund and provides the City with statutory worker's compensation coverage. Premium costs are allocated to individual activities of the City, based on payroll exposure with the rates being adjusted at least annually. Unemployment compensation insurance is carried through the State of Michigan. All three programs have active loss control programs.

Special Events Insurance Requirements

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

DEBT ADMINISTRATION

The City's current outstanding long-term debt is \$7.6 million. This amount includes \$2.5 million of vested employee benefits and \$250,000 reserve for general liability insurance claims and \$4.8 million in general obligation bonds. The vested employee benefits will be paid on various future dates with General Fund general revenues.

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

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

As of June 30, 2008, the City will be utilizing less than 3.9% of the City's debt limit of \$128.1 million. The City has general obligation bonds outstanding in the amount of \$4.8 million of an original \$5,925,000 of original issue. The City is also responsible for five general obligation bonds related to the George W. Kuhn Drain project for a total of \$9.9 million. The City's legal limit is \$128.1 million or a per capita debt limit of \$4,117.

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, 2008:

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

II. 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, construction of an underground storm water retention structure and draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. \$4.8 million remains in principal payments.

**SUMMARY OF DEBT SERVICE REQUIREMENTS
TO MATURITY
ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2009**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Fire Stations Bond</u> <u>Obligations</u>	<u>Water & Sewer</u> <u>Obligations</u>	<u>Total</u>
2010	\$ 404,148	\$ 840,929	\$ 1,245,077
2011	412,098	840,516	1,252,614
2012	414,598	840,150	1,254,748
2013	421,798	840,476	1,262,274
2014	458,548	839,313	1,297,861
2015	434,588	837,720	1,272,308
2016	444,523	838,857	1,283,380
2017	458,473	838,910	1,297,383
2018	466,223	838,947	1,305,170
2019	467,903	836,127	1,304,030
2020	473,850	835,646	1,309,496
2021	483,663	835,027	1,318,690
2022	487,000	834,908	1,321,908
2023	494,000	659,019	1,153,019
2024	-	653,694	653,694
2025	-	8,367	8,367
2026	-	8,739	8,739
Totals	<u>\$ 6,321,413</u>	<u>\$ 12,227,345</u>	<u>\$ 18,548,758</u>

Fire Stations Bond

Date of issue - May 1, 2003

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$5,925,000

<u>Fiscal Year</u>				<u>Total</u>
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>		<u>Requirements</u>
2010	\$ 235,000	\$ 169,148	\$	404,148
2011	250,000	162,098		412,098
2012	260,000	154,598		414,598
2013	275,000	146,798		421,798
2014	280,000	178,548		458,548
2015	305,000	129,588		434,588
2016	325,000	119,523		444,523
2017	350,000	108,473		458,473
2018	370,000	96,223		466,223
2019	385,000	82,903		467,903
2020	405,000	68,850		473,850
2021	430,000	53,663		483,663
2022	450,000	37,000		487,000
2023	<u>475,000</u>	<u>19,000</u>		<u>494,000</u>
	\$ 4,795,000	\$ 1,526,413	\$	6,321,413

Water & Sewer Obligations - Amount of Issue - \$117,338,000

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

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

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

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

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

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

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2010	\$ 570,863	\$ 270,066	\$ 840,929
2011	586,120	254,396	840,516
2012	600,852	239,298	840,150
2013	618,741	221,735	840,476
2014	634,525	204,788	839,313
2015	650,310	187,410	837,720
2016	669,251	169,606	838,857
2017	687,665	151,245	838,910
2018	706,606	132,341	838,947
2019	722,917	113,210	836,127
2020	741,858	93,788	835,646
2021	761,325	73,702	835,027
2022	781,845	53,063	834,908
2023	627,159	31,860	659,019
2024	638,209	15,485	653,694
2025	9,471	(1,104)	8,367
2026	9,997	(1,258)	8,739
	<u>\$ 10,017,714</u>	<u>\$ 2,209,631</u>	<u>\$ 12,227,345</u>

PERSONNEL AND POSITIONS

The City of Madison Heights employs 190 full-time positions yielding 6.1 full-time employees per 1,000 of City population based on the 2000 census count of 31,101. The City also employs 157 positions on a part-time or seasonal basis. Personnel services comprise approximately \$21.9 million or 69.4% of the General Fund Budget.

A total savings of \$664,880 will be realized in the General Fund during Fiscal Year 2009-10 through the reduction by attrition of five full-time positions and elimination or reduction of 53 part-time positions or hours. Due in large part to these necessary budget-balancing measures, there is a 1.7% decrease in personnel services as compared to the prior fiscal year. Savings also resulted from a decrease in the actuarial required contribution for retiree health care. After factoring in the position reductions, total General Fund fringe benefits decrease by 2.4% or \$224,000 over Fiscal Year 2008-09 while General Fund wages decrease by 1.2% or \$149,000. Without the personnel related measures outlined above, City benefits for employees would have increased 0.9% or \$8,000 and wages for employees would have increased by 2.2% or \$283,000.

With the exception of eight executive and administrative employees, all of the City's full-time work force belongs to one of eight bargaining units (seven City unions and the 43rd District Court Non-Supervisory personnel). All the bargaining unit contracts with the City expired on June 30, 2008. These units include the Madison Heights Court Clerks Association, Police Command Officers Association, Department Heads Union, Police Officers Association, Supervisors & Assistants Union, Fire Fighters Association, Department of Public Services (DPS) Union, and Municipal Employees Union, which represents clerical and technical workers. These agreements, with the exception of the Department of Public Services field personnel, are still in negotiations. The DPS Union settled their contract in January 2009 with wage adjustments of 0% (pay freeze), 2% and 2% over three years and an increase in their prescription co-pay from \$10 for generics and \$20 for brand name drugs to \$10 for generics and \$40 for brand name drugs.

In the previous Union contract the DPS Union had agreed to replace guaranteed retiree health care with a defined contribution retiree health care savings plan for all new hires "closing" the defined benefit retiree health plans. The Court employees also were offered the option to waive their right to any retiree health care benefits in the future in lieu of a retiree health care savings plan. To date eight active employees have joined the health care savings plan. This contract change did have a direct effect on the actuarial required contributions for the general employees group. Once a group is closed to new employees, the actuarial funding methodology changes from a percent of payroll, which is assumed to increase annually, to a fixed dollar amount.

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

Personnel Actions

The FY 2009-10 Budget reflects a total net reduction of 8.7 full-time equivalencies (FTEs). This reduction includes the annual fluctuation in part-time elections workers by (0.3), elimination of five (5) full-time positions and the elimination or reduction of 24 part-time part-time positions. The City's current hiring review of all full-time position vacancies continues in Fiscal Year 2009-10. The following table, reflects the City's personnel actions (excluding election changes) planned for Fiscal Year 2009-10.

Fiscal Year 2009-10 Personnel Actions

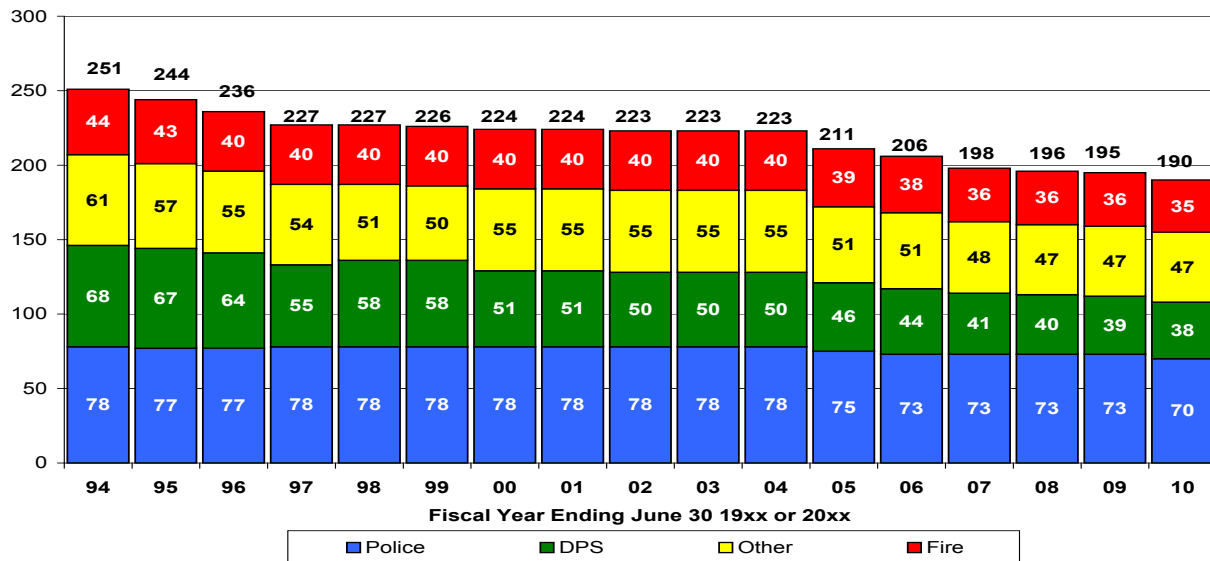
Department	Action	Net FTE Change
Police	Eliminate vacant Patrol positions.	-3.0
Fire	Eliminate vacant Firefighter swing man position.	-1.0
DPS - Streets	Eliminate vacant DPS field employee split between divisions.	-0.2
DPS - Solid Waste	Eliminate vacant DPS field employee split between divisions.	-0.3
Major Streets	Eliminate vacant DPS field employee split between divisions.	-0.2
Local Streets	Eliminate vacant DPS field employee split between divisions.	-0.3
DPS - Youth Center	Reduce 6 part-time employees hours by closing the Youth Center during the summer.	-0.4
DPS - Recreation	Move full-time position split between Fire, Senior Center and Recreation to Finance, replacing with a part-time position.	-0.3
DPS - Parks	Eliminate seasonal part-time employee due to reduction in mowing frequency.	-0.3
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 with a part-time position.	-1.1
Finance	Move full-time position currently split between Fire, Sr. Center and Recreation to Finance, replacing a part-time position.	0.5
Library	Reduction of ten (10) part-time positions due to reducing the Library hours of operation from 61.5 to 56 hours per week.	-0.5
Community Development	Eliminate the part-time GIS position.	-0.5
Water and Sewer	Eliminate two (2) seasonal laborers; one (1) in the Water Division and one (1) in the Sewer Division.	-0.7
Total FY 2009-10 FTE Change		-8.4

The Work Force at a Glance

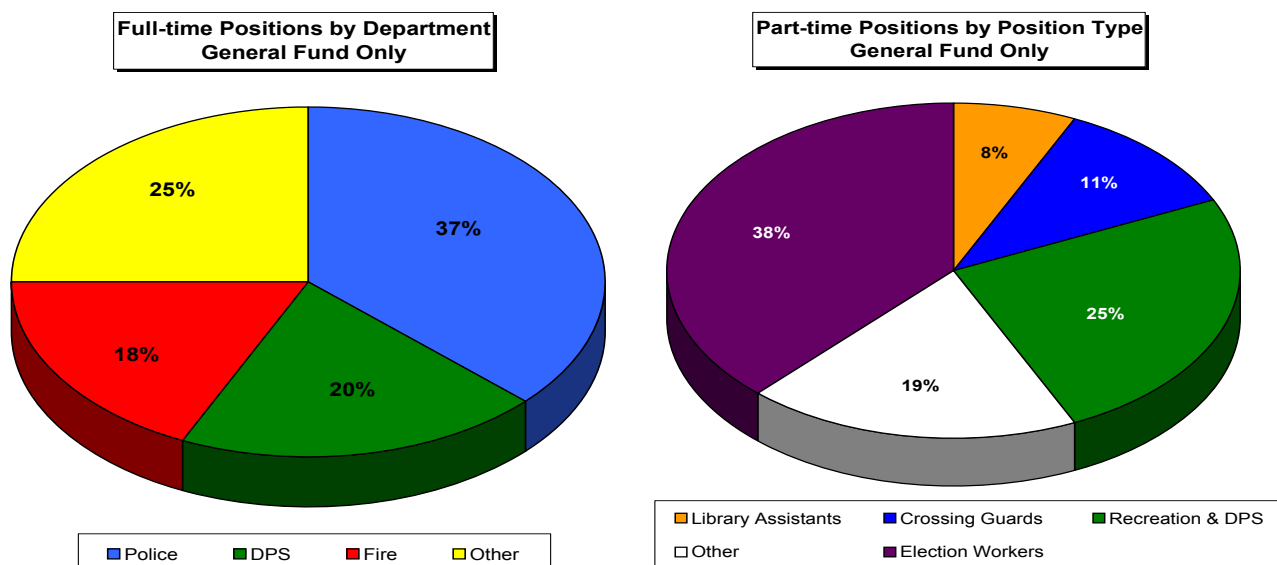
Beginning in Fiscal Year 1993-94, the City has been able to reduce the workforce without significantly compromising services, resulting in a leaner, more efficient organization. Sixty-one (61) full-time positions or twenty-four percent (24%) of the workforce have been eliminated since Fiscal Year 1993-94.

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

Budgeted Full-time Positions - Seventeen 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 2009-10. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.



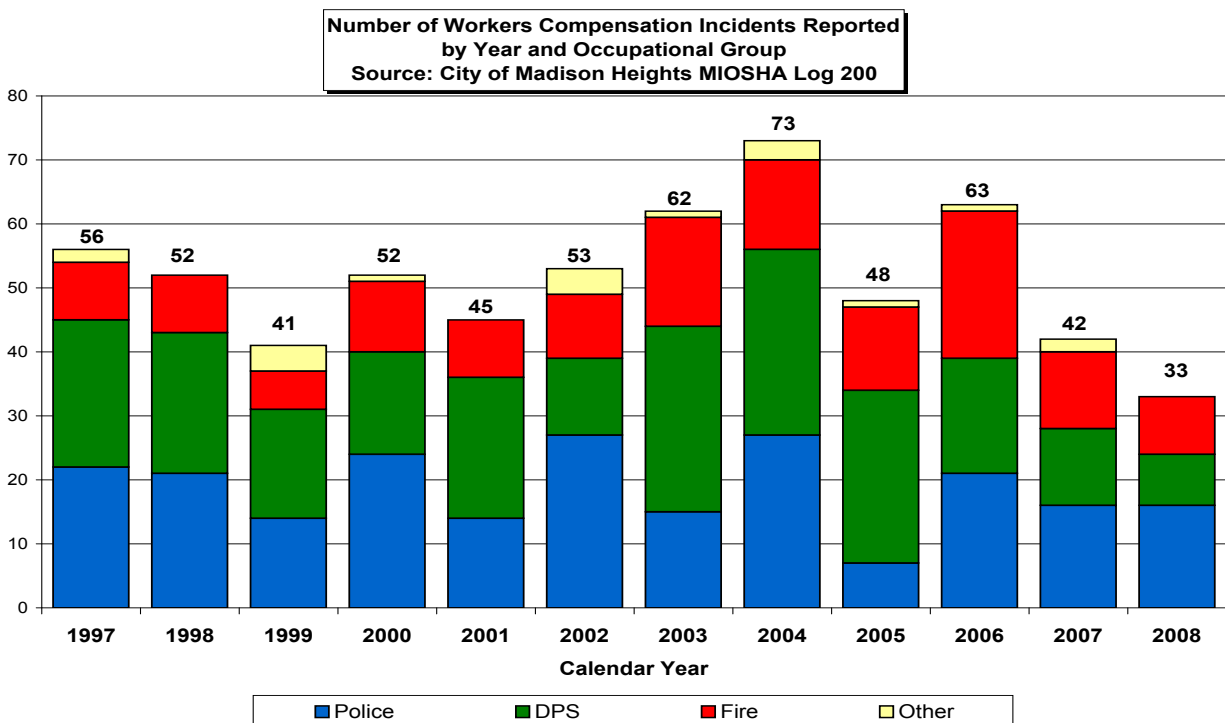
A breakdown of full-time and part-time positions in all funds is shown on the following page.

ALL FUNDS
FULL TIME AND PART TIME POSITIONS
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)
FISCAL YEAR 2009-10

	Actual 2007-08			BUDGET 2008-09			'08 TO '09	BUDGET 2009-10			'09 TO '10
	FULL	PART	F.T.E.	FULL	PART	F.T.E.	F.T.E.	FULL	PART	F.T.E.	F.T.E.
	TIME	TIME		TIME	TIME		CHANGE	TIME	TIME		CHANGE
General Fund											
District Court	9	4	12.4	9	4	12.4	0.0	9	4	12.4	0.0
City Manager	2	0	1.9	2	0	1.9	0.0	2	0	1.9	0.0
City Assessor	3	1	3.9	3	1	3.4	(0.5)	3	1	3.4	0.0
City Clerk	3	67	3.8	3	89	4.0	0.0	3	60	3.7	(0.3)
Human Resources	2	0	1.5	2	0	1.5	0.0	2	0	1.5	0.0
General Administration	1	0	0.8	1	0	0.8	0.0	1	0	0.8	0.0
Finance	9	0	8.5	9	0	8.5	0.0	9	0	9.0	0.5
Information Technology	2	0	2.0	2	0	2.0	0.0	2	0	2.0	0.0
Police	73	18	76.6	73	18	76.6	0.0	70	18	73.6	(3.0)
Fire	36	1	36.5	36	1	36.5	0.0	35	1	35.5	(1.0)
Community Development	9	3	11.1	9	3	11.1	0.0	9	2	10.6	(0.5)
Library	4	11	9.7	4	11	9.3	(0.4)	4	11	8.8	(0.5)
Department of Public Service											
Custodial & Maintenance	1	0	1.2	1	0	1.2	(0.0)	1	0	1.2	0.0
Streets	13	1	3.4	13	1	3.4	0.0	12	1	3.3	(0.2)
Solid Waste	1	1	5.8	1	1	5.8	0.0	1	1	5.5	(0.3)
Recreation	1	39	2.2	0	39	2.2	0.0	0	39	2.0	(0.2)
Youth Center	0	4	1.6	0	4	1.6	0.0	0	4	1.2	(0.4)
Nature Center	1	1	1.5	1	1	1.5	(0.0)	1	1	1.5	0.0
Parks	4	7	6.1	4	7	6.1	(0.0)	4	6	5.8	(0.3)
Senior Center	2	7	5.5	2	7	5.5	(0.0)	2	6	4.3	(1.1)
Sub Total	23	60	27.2	22	60	27.2	(0.0)	21	58	24.7	(2.5)
Total	176	165	195.7	175	187	195.1	(0.6)	170	155	187.7	(7.4)
Major Street Fund	1	1	3.4	1	1	3.4	0.0	1	1	3.2	(0.2)
Local Street Fund	0	1	3.7	0	1	3.7	0.0	0	1	3.5	(0.3)
Community Improvement Fund											
Housing	2	0	1.5	2	0	1.8	0.3	2	0	1.8	0.0
Comm. Dev. Block Grant	1	0	1.5	1	0	1.3	(0.3)	1	0	1.3	0.0
Total	3	0	3.0	3	0	3.1	0.1	3	0	3.0	0.0
Water & Sewer Fund											
Water Division	6	1	6.4	6	1	6.4	(0.1)	6	0	6.0	(0.4)
Sewer Division	5	1	5.4	5	1	5.4	(0.1)	5	0	5.0	(0.4)
Water & Sewer Admin.	1	0	1.5	1	0	1.5	(0.0)	1	0	1.5	0.0
Total	12	2	13.2	12	2	13.2	(0.0)	12	0	12.5	(0.7)
Motor Pool Fund	4	0	4.0	4	0	4.0	0.0	4	0	4.0	0.0
Total All Funds	196	169	223.0	195	191	222.5	(0.5)	190	157	213.8	(8.7)

On-The-Job Injury Experience

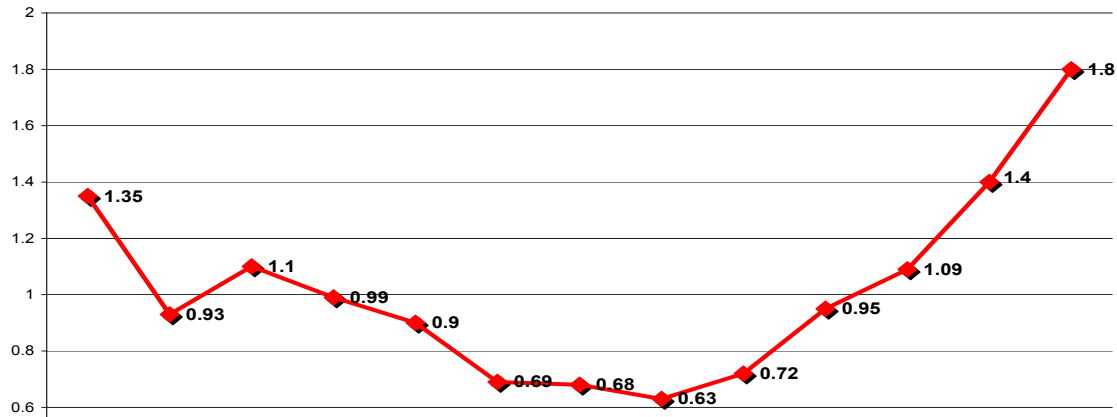
In August of 1998, the Personnel Department implemented a return-to-work program wherein employees off on long-term periods of workers compensation leave are returned to work in temporary “bridge” assignments. These jobs vary according to medical restrictions and the type of work needed. As shown in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



Another important measure of the City’s workers compensation costs is the annual experience modification factor provided by the Michigan Municipal League Worker’s Compensation Fund, which is the City’s insurance carrier for workers compensation. This number directly affects the City’s annual workers compensation premium savings. The lower the “mod factor”, which is multiplied by the standard premium to achieve the City’s actual premium, the lower the City’s actual annual premium. A mod factor of 1.0 represents average experience. Positive claim experience from 2000-2005 allowed the City to forestall premium increases and save over \$359,000 in premiums. In 2007 this mod factor was 1.09 and in 2008 the factor increased to 1.40 due to several Police, DPS and Fire claims filed over the past three years. Again in 2009 this mod factor has increased to 1.8.

Presented on the following page is the mod factor for the City excluding the 43rd District Court over the last thirteen years.

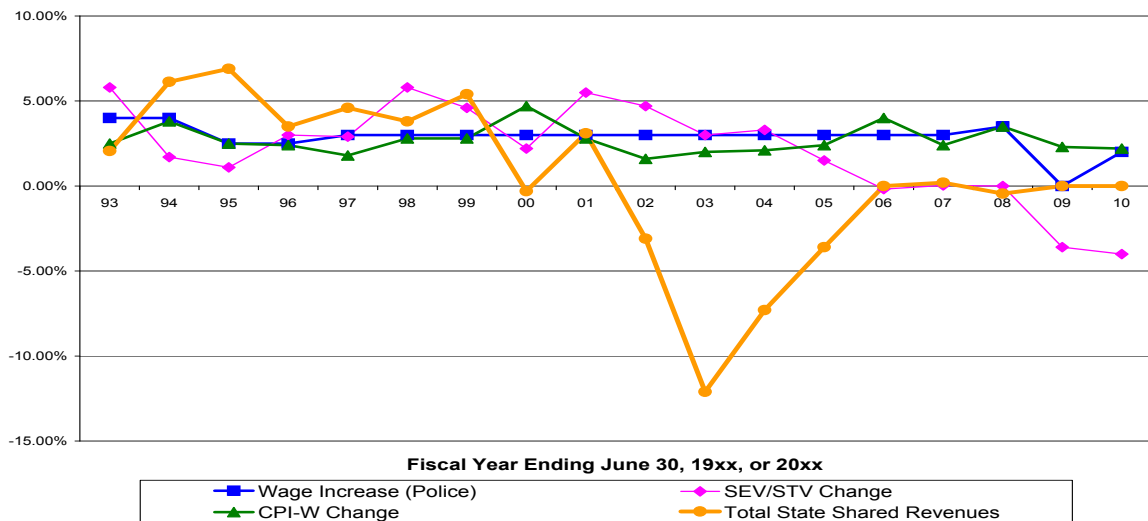
**Worker's Compensation Modification Factor
(excluding 43rd District Court)**



A Look at Wages and Fringe Benefits

Planning for labor negotiations and the future growth of 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.

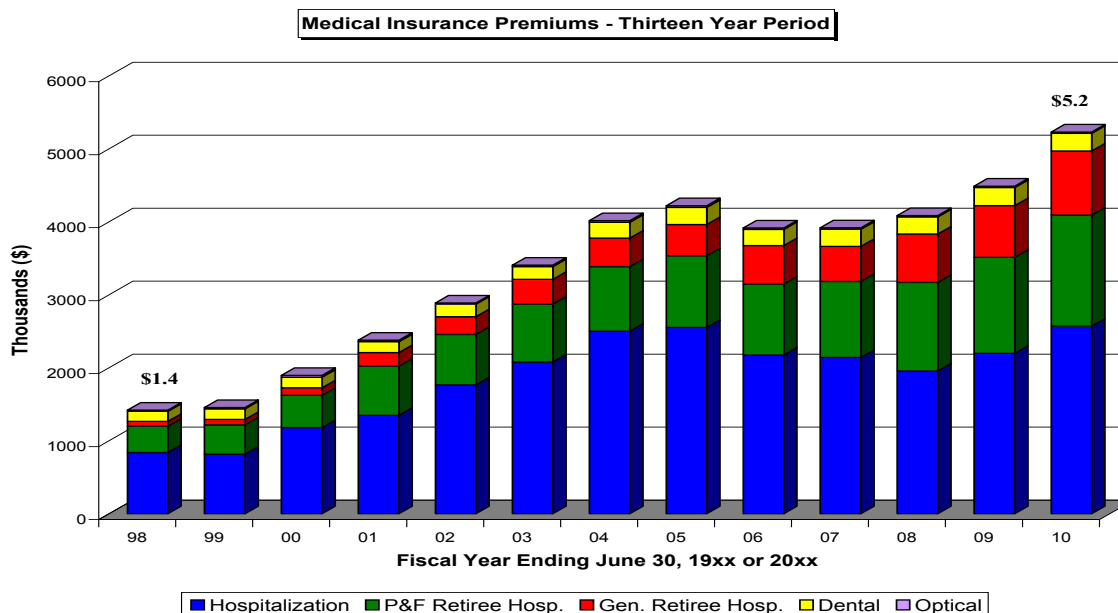
Analysis of City Wages Increases, City SEV/STV Growth, Detroit CPI-W & State Shared Revenues



The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages, inflation, and STV start to converge. Since FY 1994-95, wages and CPI-W have continued between 2½% and 4% while STV has fluctuated somewhat due to new construction and the State's changes in the property tax valuation rules. However, beginning in FY 2008-09 and continuing into FY 2009-10 this convergence has drastically changed as the City tries to cope with fewer revenues, while the STV has dropped 7.6%. This is the largest downturn in STV that the City has ever experienced. This 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 through FY 2003-04, the hardest impact of which is demonstrated in the chart shown on the following page, which compares the City's medical insurance premiums over the last twelve years. Due to the elimination of full-time positions, the City experienced a decrease of 7.2% in FY 2005-06. The FY 2006-07 change is reflective of the elimination of two full-time positions and the moving of those covered by Blue Cross Blue Shield to MERS Premier Health on July 1, 2006, which provided over \$325,000 in savings to the City. Since that time our rates have increased an average of 15.7% per year.



Retiree Medical Insurance

Future labor agreements must control medical insurance premiums especially as the City attempts to fund retiree health care. 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.

This liability is calculated to be \$55.1 million of which \$50 million remains unfunded. The City has started fully funding the annual required contribution (ARC) to the retiree health care trust as of June 30, 2008; the Police and Fire retiree health care trust was 8.1% funded. The General Employee retiree health care trust was funded at 11.1% as of June 30, 2008. The FY 2009-10 budget continues to fully fund the ARC for both trust at \$822,000 and \$567,000 respectively after current retiree premiums.

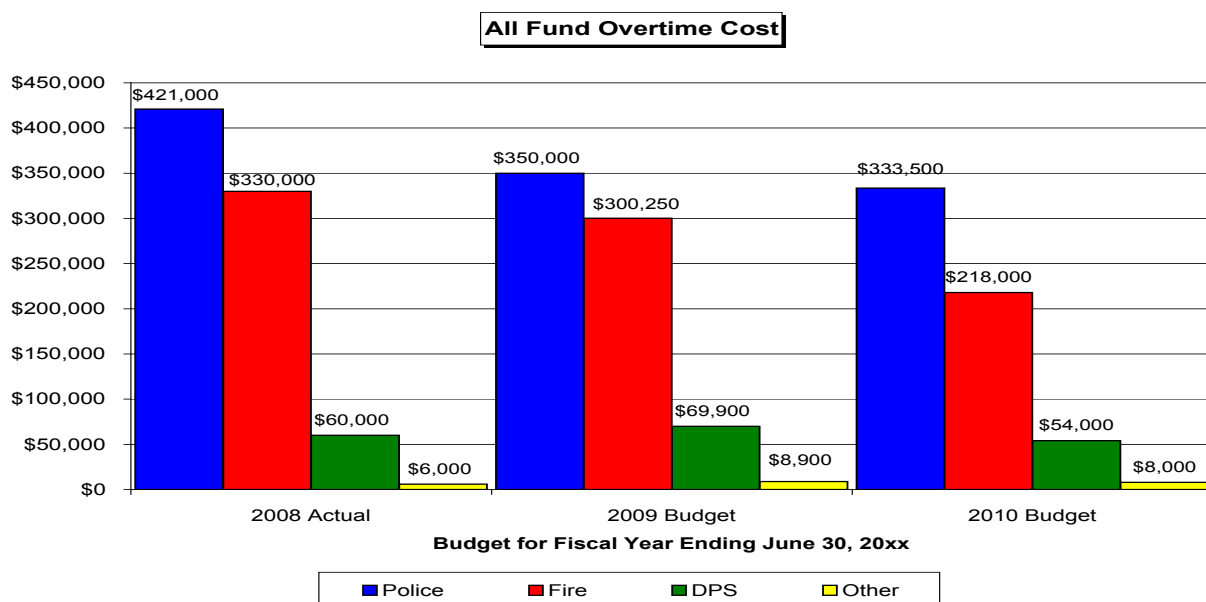
Pensions

The second largest fringe benefit cost component is the employer's contribution to the employee retiree pension plans. This expense is budgeted to be \$2.4 million in FY 2009-10. 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 22.25% of total wages based on the City's actuary 2008 recommended contribution rates. In regard to the MERS plan, the pension contribution is budgeted by union group ranging from 7.71% for District Court Clerks to 20.01% for non-Union Court Employees and Department Heads. In 2006 both the Department of Public Service field employees and Court employees agreed to change pension benefits for new hires from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. These DC plans are funded at 7% by the City with various employee contributions. 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. In FY 2009-10 the contribution for DPS field employees is \$6,240 with Court employees at \$3,324.

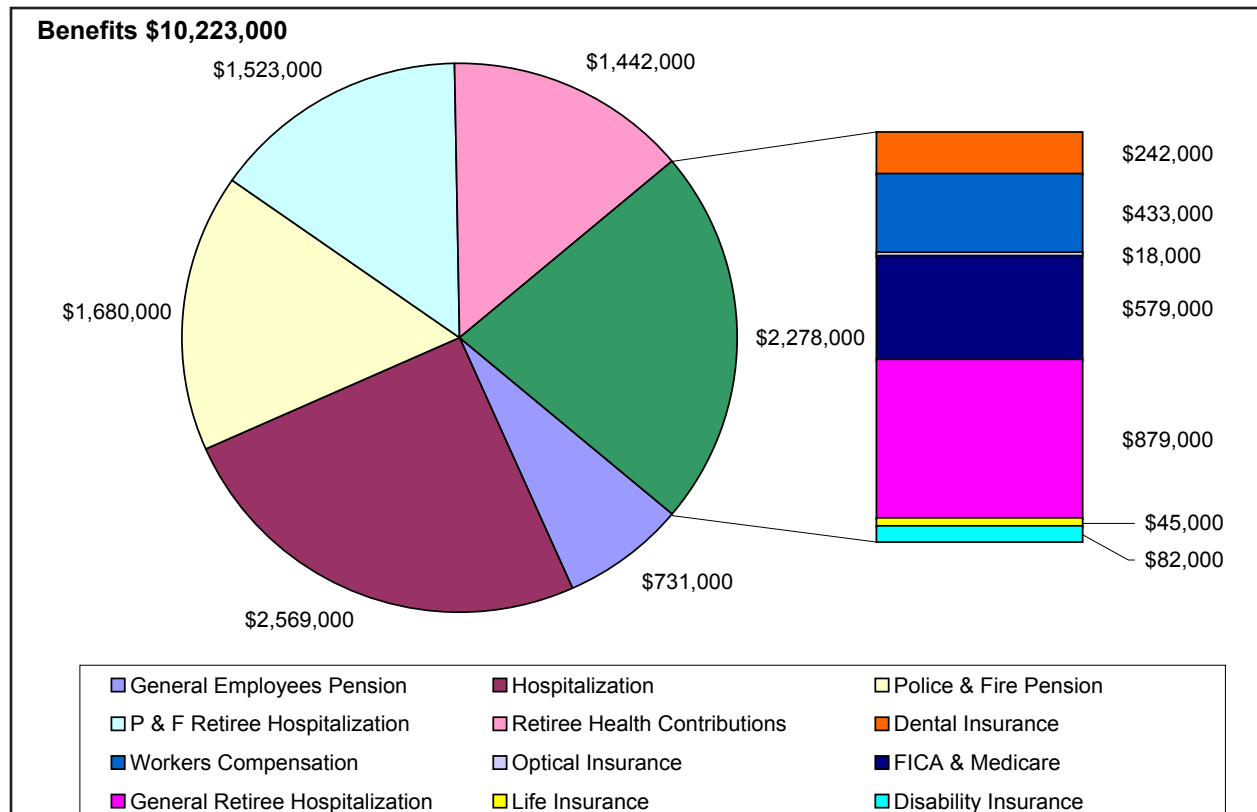
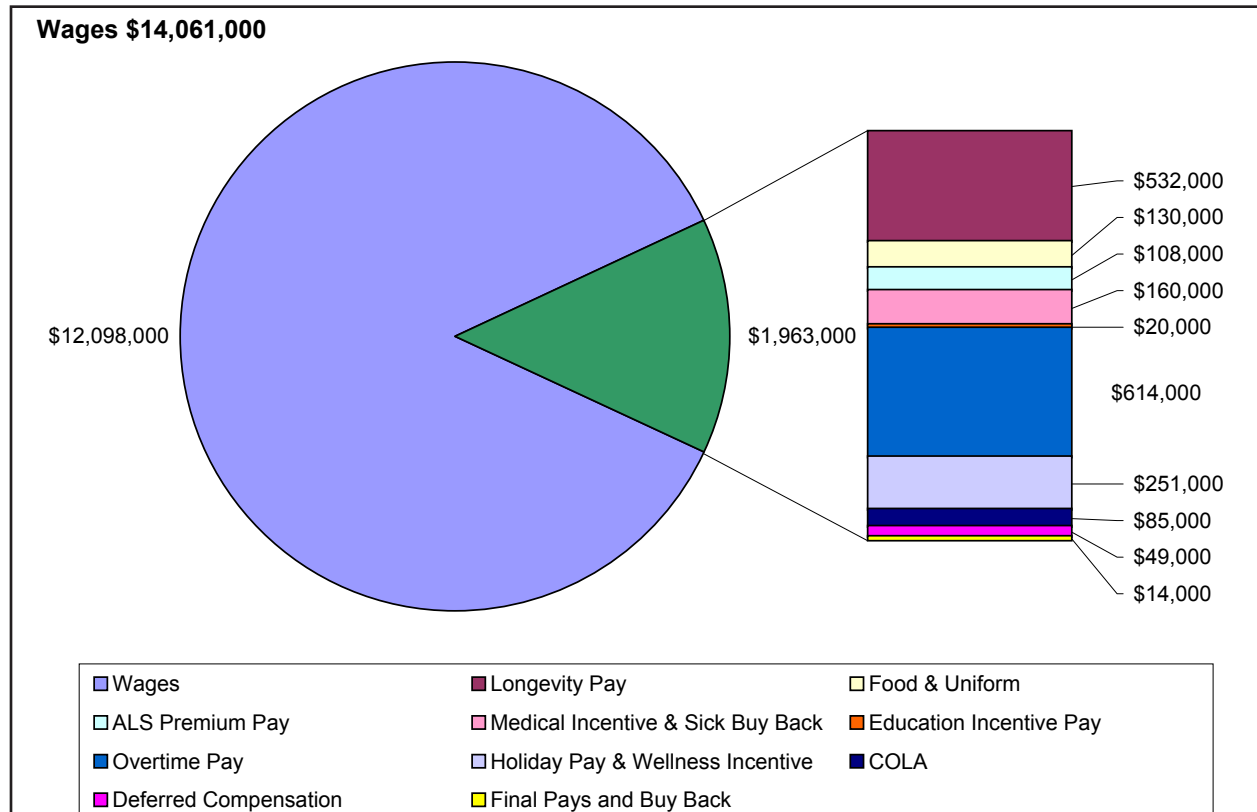
Overtime

Overtime cost for all Funds in FY 2009-10 is budgeted at \$614,000. This is a decrease over the FY 2008-09 amended budget by 16% or \$115,300 due to various adopted gap reduction measures. Decreases in the Police and Fire Departments amount to \$98,700, and DPS overtime reductions equal \$15,700.



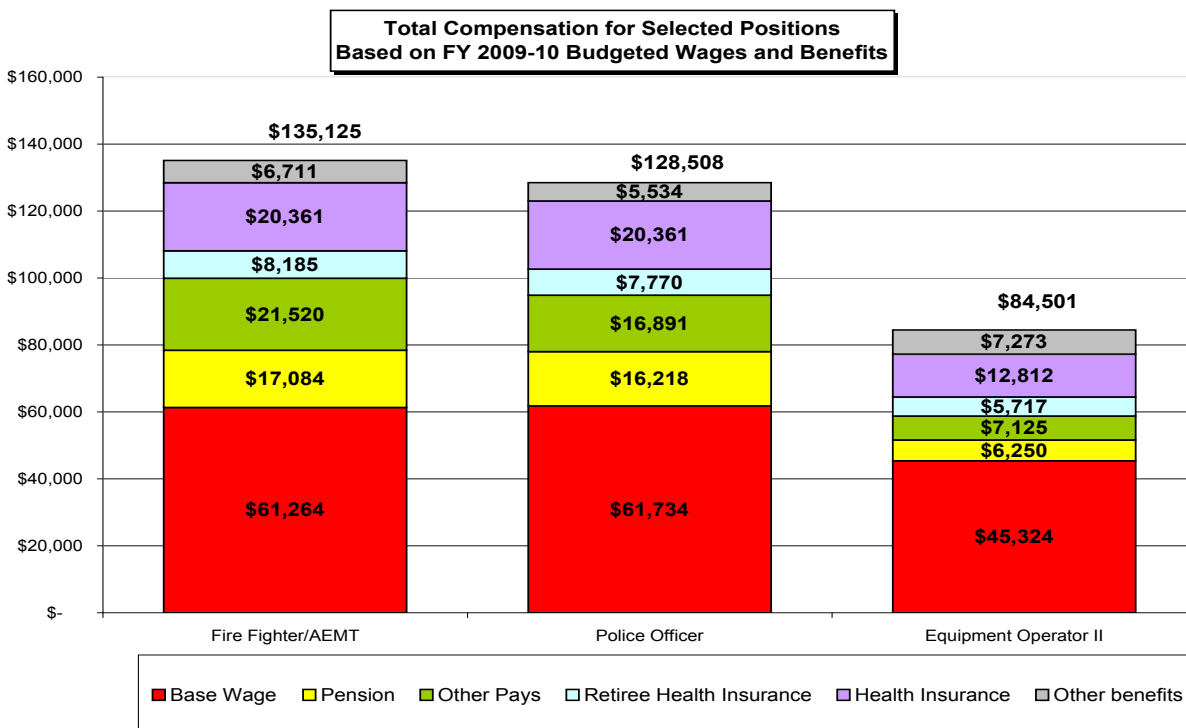
The charts on the next page depicts the City's wage and fringe benefit costs for FY 2009-10.

Wage and Fringe Benefit Costs (\$24,284,000)
Fiscal Year 2009-10 Budget
All Funds



Total Compensation Analysis

In planning for collective bargaining, it is necessary to look at total compensation. For comparative purposes, the next bar chart shows the total FY 2009-10 compensation amount and component percentages for the positions of Fire Fighter/AEMT, Police Officer, and Equipment Operator II, assumed at maximum wage and longevity, and an average overtime cost. With benefits, the Fire Fighter/AEMT and Police Officer receive very similar annual total compensation of \$135,125 and \$128,508 respectively. The equipment operator receives annual compensation in the amount of \$84,501. Fringe benefits range from 46% to over 55% of total compensation!



Of course, wages are comprised of pay for time worked and pay for time not worked. The value of leave time is an important wage component to track for purposes of productivity analysis and cost control. The following table shows the cost of leave time for a Police Officer in FY 2008-09. The position's compensation calculation assumes the maximum wage step and longevity.

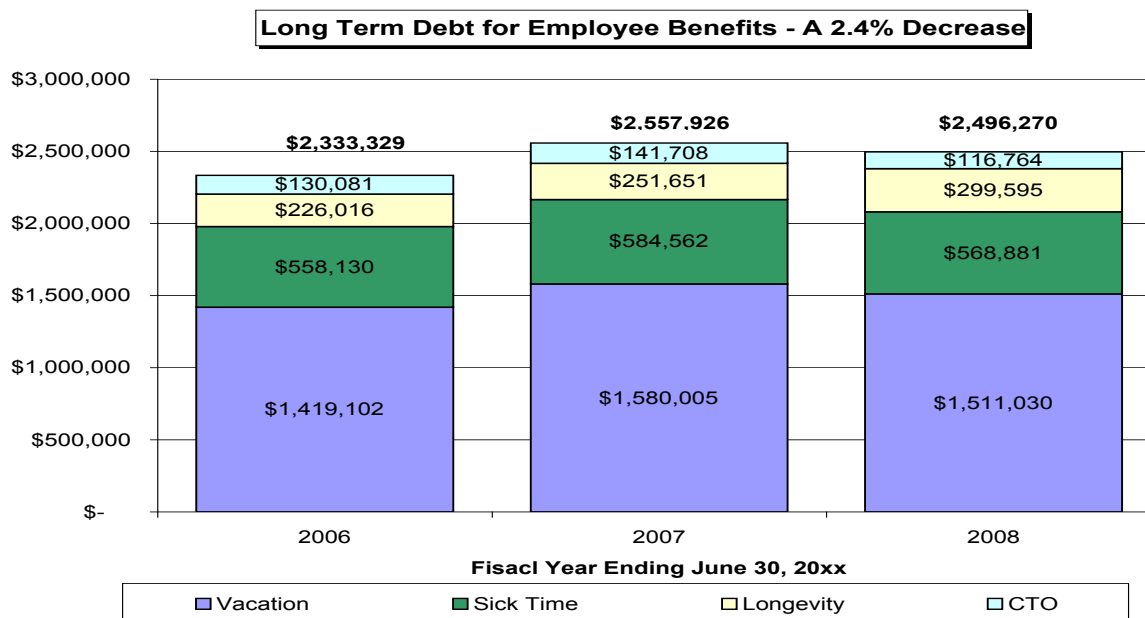
This chart shows the analysis of leave time cost for a Police Officer at maximum wage step and benefits based on FY 2008-09 wages.

Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$12,356
Holidays	13	6,425
Admin. Leave Days	6	2,965
Sick leave (Max. of 12)	5	2,471
Personal Leave Days	2	988
Total	51	\$25,205

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

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

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



This chart is illustrative of the liability for these benefits as of the last audited fiscal year June 30, 2008. This 2.4% decrease is attributable to the continued elimination of full-time positions through attrition.

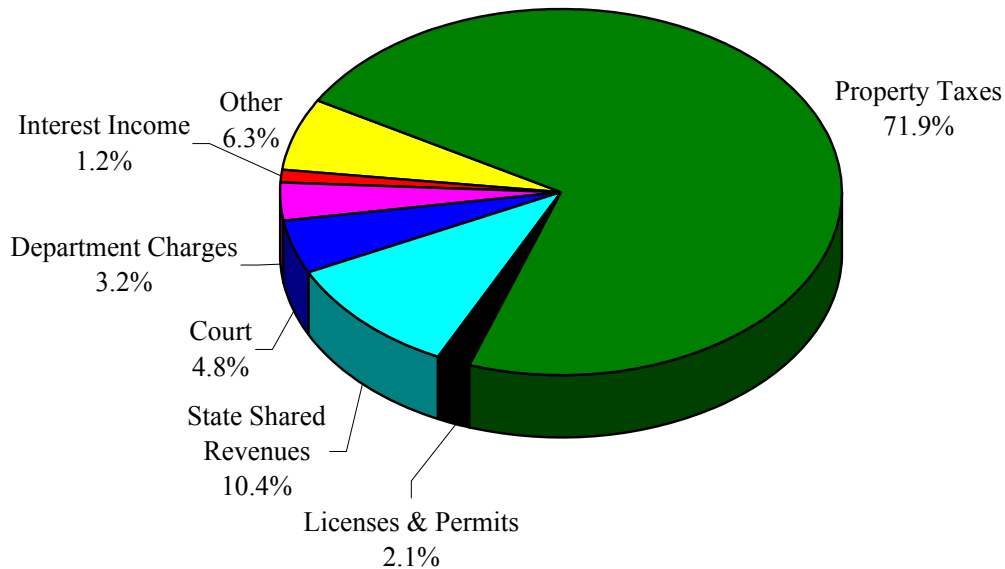


GENERAL FUND

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.

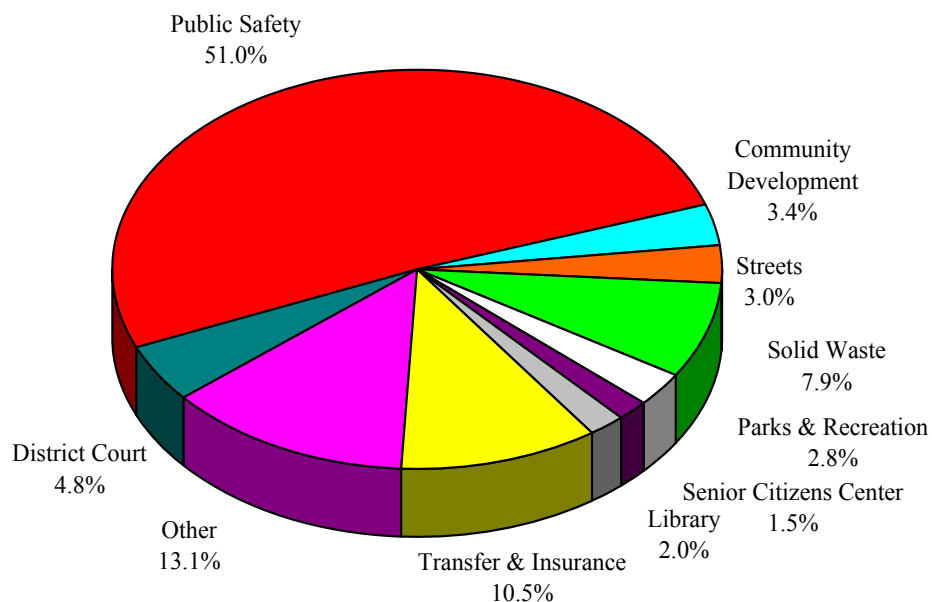
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General Fund Revenues



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

General Fund Expenditures



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

GENERAL FUND REVENUES AND EXPENDITURES

FY 2009-10 BUDGET

Description	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Revenues by Source:					
Property Taxes	\$ 22,701,372	\$ 23,296,532	\$ 22,381,856	\$ (914,676)	(3.9)
Licenses & Permits	139,334	134,000	146,726	12,726	9.5
Non-Business Licenses & Permits	548,184	370,100	510,000	139,900	37.8
State Shared Revenues	3,193,905	3,213,118	3,218,651	5,533	0.2
Payment in Lieu of Taxes	33,253	34,481	33,800	(681)	(2.0)
County Shared Revenues	46,865	47,000	45,000	(2,000)	(4.3)
SMART Revenues	92,179	70,329	70,329	-	0.0
Court Fines and Fees	1,442,400	1,501,480	1,495,050	(6,430)	(0.4)
Charges for Services	223,115	172,610	231,486	58,876	34.1
Sales-Miscellaneous	27,825	32,275	17,225	(15,050)	(46.6)
Parks & Recreation	234,071	246,050	247,477	1,427	0.6
Miscellaneous Revenues	1,641,090	1,507,731	1,515,550	7,819	0.5
Sale of Fixed Assets	52,850	33,155	67,655	34,500	104.1
Department Charges	1,006,102	988,480	988,480	-	0.0
Transfers In	53,558	61,013	124,940	63,927	0.0
Prior Years Fund Balance	577,865	1,304,094	477,817	(826,277)	(63.4)
Total Revenues	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ (1,440,406)	(4.4)

Description	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Expenditures by Activity:					
City Council	\$ 53,599	\$ 56,723	\$ 55,409	\$ (1,314)	(2.3)
District Court	1,445,866	1,476,113	1,501,944	25,831	1.7
City Manager	315,037	308,327	300,107	(8,220)	(2.7)
Elections	39,846	62,040	39,907	(22,133)	(35.7)
City Assessor	461,192	377,588	374,330	(3,258)	(0.9)
Legal	337,519	314,415	288,490	(25,925)	(8.2)
City Clerk	329,213	263,916	264,678	762	0.3
Human Resources	260,900	256,279	251,076	(5,203)	(2.0)
Board of Review	3,584	3,588	3,586	(2)	(0.1)
General Administration	950,851	1,021,182	1,020,269	(913)	(0.1)
Finance	794,488	853,993	853,066	(927)	(0.1)
Information Technology	240,922	252,923	259,907	6,984	2.8
Municipal Building	147,198	304,426	130,578	(173,848)	(57.1)
Custodial & Maintenance	331,262	260,699	254,232	(6,467)	(2.5)
Police	10,383,099	10,440,687	10,249,781	(190,906)	(1.8)
Fire	5,967,200	6,281,386	5,860,871	(420,515)	(6.7)
Community Development	1,065,703	1,145,569	1,069,249	(76,320)	(6.7)
Streets	987,492	968,643	949,623	(19,020)	(2.0)
Solid Waste	2,498,833	2,505,589	2,501,527	(4,062)	(0.2)
Recreation	222,296	212,421	174,722	(37,699)	(17.7)
Youth Center	51,999	61,013	46,121	(14,892)	(24.4)
Nature Center	149,031	175,896	150,465	(25,431)	(14.5)
Parks	586,146	924,290	502,177	(422,113)	(45.7)
Senior Citizens	510,234	493,292	469,194	(24,098)	(4.9)
Outside Agencies	53,604	60,489	50,924	(9,565)	(15.8)
Library	706,056	708,256	635,704	(72,552)	(10.2)
Insurance, Bonds and Transfers	3,120,798	3,222,705	3,314,106	91,401	2.8
Total Expenditures	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ (1,440,405)	(4.4)

GENERAL FUND REVENUES

FY 2009-10 BUDGET

Description	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Property Taxes	\$ 22,701,372	\$ 23,296,532	\$ 22,381,857	\$ (914,675)	(3.9)
Licenses & Permits	687,518	504,100	656,726	152,626	30.3
State Shared	3,193,905	3,213,118	3,218,651	5,533	0.2
Other Government	172,297	151,810	149,129	(2,681)	(1.8)
Court Fines and Fees	1,442,400	1,501,480	1,495,050	(6,430)	(0.4)
Service Fees	457,186	418,660	478,963	60,303	14.4
Sales - Miscellaneous	80,675	65,430	84,880	19,450	29.7
Miscellaneous	1,641,090	1,507,731	1,515,550	7,819	0.5
Department Charges	1,006,102	988,480	988,480	0	0.0
Transfers In	53,558	61,013	124,940	63,927	104.8
Prior Year's Fund Balance	577,865	1,304,094	477,817	(826,277)	(63.4)
Total	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ (1,440,405)	(4.4)

Description	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
General Government	\$ 8,832,275	\$ 9,034,917	\$ 8,911,685	\$ (123,232)	(1.4)
Public Safety	16,350,299	16,722,073	16,110,652	(611,421)	(3.7)
Community Service	3,486,325	3,474,232	3,451,150	(23,082)	(0.7)
Culture and Recreation	2,279,366	2,635,657	2,029,307	(606,350)	(23.0)
Community Development	1,065,703	1,145,569	1,069,249	(76,320)	(6.7)
Total	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ (1,440,405)	(4.4)

Fund Balance - Unreserved	\$ 5,554,467	\$ 4,250,373	\$ 3,772,556	\$ (477,817)	(11.2)
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GENERAL FUND EXPENDITURES

FY 2009-10 BUDGET

GENERAL GOVERNMENT					
Description	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Mayor and Council	\$ 53,599	\$ 56,723	\$ 55,409	\$ (1,314)	(2.3)
District Court	1,445,866	1,476,113	1,501,944	25,831	1.7
City Manager	315,037	308,327	300,107	(8,220)	(2.7)
Legal	337,519	314,415	288,490	(25,925)	(8.2)
Assessor/Board of Review	464,776	381,176	377,916	(3,260)	(0.9)
City Clerk/Elections	369,059	325,956	304,585	(21,371)	(6.6)
Human Resources	260,900	256,279	251,076	(5,203)	(2.0)
General Administration	950,851	1,021,182	1,020,269	(913)	(0.1)
Finance	794,488	853,993	853,066	(927)	(0.1)
Information Technology	240,922	252,923	259,907	6,984	2.8
Custodial/Maintenance	478,460	565,125	384,810	(180,315)	(31.9)
Insurance/Bonds & Transfers	3,120,798	3,222,705	3,314,106	91,401	2.8
Total	\$ 8,832,275	\$ 9,034,917	\$ 8,911,685	\$ (123,232)	(1.4)
PUBLIC SAFETY					
Police	10,383,099	10,440,687	10,249,781	\$ (190,906)	(1.8)
Fire	5,967,200	6,281,386	5,860,871	(420,515)	(6.7)
Total	\$ 16,350,299	\$ 16,722,073	\$ 16,110,652	\$ (611,421)	(3.7)
COMMUNITY SERVICE					
Streets	987,492	968,643	949,623	\$ (19,020)	(2.0)
Solid Waste	2,498,833	2,505,589	2,501,527	(4,062)	(0.2)
Total	\$ 3,486,325	\$ 3,474,232	\$ 3,451,150	\$ (23,082)	(0.7)
CULTURE AND RECREATION					
Recreation	222,296	212,421	174,722	\$ (37,699)	(17.7)
Youth Center	51,999	61,013	46,121	(14,892)	(24.4)
Nature Center	149,031	175,896	150,465	(25,431)	(14.5)
Parks	586,146	924,290	502,177	(422,113)	(45.7)
Senior Citizens	510,234	493,292	469,194	(24,098)	(4.9)
Outside Agencies	53,604	60,489	50,924	(9,565)	(15.8)
Library	706,056	708,256	635,704	(72,552)	(10.2)
Total	\$ 2,279,366	\$ 2,635,657	\$ 2,029,307	\$ (606,350)	(23.0)
COMMUNITY DEVELOPMENT					
Total	1,065,703	1,145,569	1,069,249	\$ (76,320)	(6.7)
TOTAL					
General Fund Total	\$ 32,013,968	\$ 33,012,448	\$ 31,572,043	\$ (1,440,405)	(4.4)

Mayor & Council

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

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Mayor	1	1	1
Mayor Pro-Tem	1	1	1
Councilmembers	5	5	5
Total Elected Officials	7	7	7

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

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

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Avg. Council Mtg. (Min.)	63	65	60	(5)	(7.7)
Motions Passed	396	348	350	2	0.6
Ordinances Adopted	8	3	5	2	66.7
Presentations Made	39	36	30	(6)	(16.7)
Public Hearings Held	27	29	30	1	3.4
Regular/Special Meetings	28	25	25	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$49,919	\$49,734	\$49,560	\$(174)	(0.3)
Supplies	0	0	0	0	0.0
Other Services and Charges	3,680	6,989	5,849	(1,140)	(16.3)
Capital Outlay	0	0	0	0	0.0
Total	\$53,599	\$56,723	\$55,409	\$(1,314)	(2.3)
Resources:					
General Fund	\$53,599	\$56,723	\$55,409	\$(1,314)	(2.3)
Total	\$53,599	\$56,723	\$55,409	\$(1,314)	(2.3)

Key Issues

- Conservation and efficiency measures have resulted in expenditure reductions that have no significant impact on this Department's current service levels.

District Court

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Court Administrator	1	1	1
Chief Deputy Court Clerk	2	2	2
Deputy Court Clerk	4	4	4
Court Officer	2	2	2
Total Full-time	9	9	9
Magistrate	1	1	1
Probation Clerk	1	1	1
Probation Officer	2	2	2
Total Part-time	4	4	4
Total Employees	13	13	13

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

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

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$1,045,586	\$1,049,996	\$1,083,588	\$33,592	3.2
Supplies	39,046	33,100	33,790	690	2.1
Other Services and Charges	340,530	368,190	369,566	1,376	0.4
Capital Outlay	20,704	24,827	15,000	(9,827)	(39.6)
Total	\$1,445,866	\$1,476,113	\$1,501,944	\$25,831	1.7
Resources:					
Court Salary Standard	\$46,174	\$45,724	\$45,724	\$0	0.0
Court Fines	668,636	574,105	686,250	112,145	19.5
Forfeits	40,825	36,250	36,500	250	0.7
Reimbursed Court Costs	428,930	531,030	400,000	(131,030)	(24.7)
Bond Fees	43,855	48,195	45,000	(3,195)	(6.6)
Probation Oversight	247,217	297,600	313,000	15,400	5.2
Violation Clearance	12,937	14,300	14,300	0	0.0
General Fund	(42,708)	(71,091)	(38,830)	32,261	(45.4)
Total	\$1,445,866	\$1,476,113	\$1,501,944	\$25,831	1.7

Key Issues

- In an effort to more fully recover operation costs and to adjust schedules to be more in line with his peers, the Judge has indicated that he will be increasing cost reimbursements for probationary oversight charges (\$63,000), drunk driver conviction costs (\$40,000) and general court fines and fees (\$35,000).
- The balance of the budget for this Department is supported at the current service level.

City Manager

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

The City Manager is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
City Manager	1	1	1
Executive Assistant	1	1	1
Total Full-time	2	2	2
Total Employees	2	2	2

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Agenda Items	203	180	190	10	5.6
Goal Plan Projects	11	10	10	0	0.0
Weddings Performed	52	38	36	(2)	(5.3)
<u>Efficiency/Effectiveness</u>					
# of Days From Adoption of Budget to GFOA Submittal	20	30	28	(2)	(6.7)
General Fund Budget Amendments as a % of Adopted Budget	0.4	1.0	1.0	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$307,188	\$296,510	\$291,668	\$(4,842)	(1.6)
Supplies	76	200	200	0	0.0
Other Services and Charges	7,773	9,617	8,239	(1,378)	(14.3)
Capital Outlay	0	2,000	0	(2,000)	0.0
Total	\$315,037	\$308,327	\$300,107	\$(8,220)	(2.7)
Resources:					
General Fund	\$315,037	\$308,327	\$300,107	\$(8,220)	(2.7)
Total	\$315,037	\$308,327	\$300,107	\$(8,220)	(2.7)

Key Issues

- Conservation and efficiency measures have resulted in expenditure reductions that have no significant impact on this Department's service levels.
- The FY 2008-09 Budget replacement of the City Manager's vehicle (\$25,000) at 105,000 miles was deferred in December of 2008 and has been indefinitely deferred at the direction of City Council.

City Clerk & Elections

The Clerk's Office consists of the City Clerk who is appointed by the City Manager and two full-time Office Assistants. During elections, there are between 60-89 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 and coordinating temporary, seasonal and regular retail business licenses, right-of-way and door-to-door solicitation permits;
- Administering the Elections Division, which is responsible for voter registration and conducting Federal, State, County, City and School Elections in accordance with the Federal and State Election Laws while striving to protect the rights of voters; and,
- Maintaining a medical equipment loan closet to provide use of wheelchairs, crutches, canes and walkers for residents.

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
City Clerk	1	1	1
Office Assistant II	2	2	2
Total Full-time	3	3	3
Election Workers-Chairpersons	12	16	21
Election Workers	55	73	39
Total Part-time	67	89	60
Total Employees	70	92	63

Accomplishmentss

Resource Management:

- Conducted three elections, the State Primary on August 5, 2008, the Presidential Election on November 4, 2008, and the School Districts on May 5, 2009.
- Implemented an increase in business license fees that have not been adjusted since 1991.
- In January 2009, negotiated a new two-year Election Coordinating Agreement with Oakland County to conduct the Lamphere and Madison School Districts Elections.
- Updated the Council's Policy on Uniform Insurance Requirements for Special Events.
- Updated the current business licensing process by streamlining the renewal procedure, removing unnecessary requirements and creating more equitable and consistent treatment among the different classes of businesses. (Goal I)

Objectives

Resource Management:

- Conduct the City's General Election on November 3, 2009 and the Lamphere School District Election on May 4, 2010.
- Verify that the necessary retention schedule requirements are being met, and identify resources to convert historical paper documents to imaging system prior to deterioration.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Animal Licenses Issued	752	800	775	(25)	(3.1)
Birth/Death Cert. Processed	446	433	450	17	3.9
Business Licenses Issued	720	691	700	9	1.3
Voters Registered	16,343	21,147	22,000	853	4.0
<u>Efficiency/Effectiveness</u>					
% Registered Voted	13	68	10	(58)	(85.3)
% Voted Absentee	9	22	5	(17)	(77.3)
# of Machines that required repair on Election Day	1	1	1	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$310,005	\$248,406	\$249,948	\$1,542	0.6
Supplies	5,995	7,500	6,275	(1,225)	(16.3)
Other Services and Charges	13,213	8,010	8,455	445	5.6
Subtotal-Elections	39,846	62,040	39,907	(22,133)	(35.7)
Total	\$369,059	\$325,956	\$304,585	\$(21,371)	(6.6)
Resources:					
Business Licenses	\$60,889	\$63,000	\$84,600	\$21,600	34.3
Animal Licenses	6,672	5,000	4,250	(750)	(15.0)
Bicycle Licenses	96	100	100	0	0.0
Vital Health Statistics	24,258	25,000	27,000	2,000	8.0
Maps	103	125	125	0	0.0
Election Reimbursement	5,853	21,000	6,726	(14,274)	(68.0)
General Fund	271,188	211,731	181,784	(29,947)	(14.1)
Total	\$369,059	\$325,956	\$304,585	\$(21,371)	(6.6)

Key Issues

- The Elections budget includes funding for the Local General Election in November 2009 and the Lamphere Public Schools Election in May 2010.
- As part of the 2009-10 Goal Plan, the City adopted: Goal I - Update the current licensing process by streamlining the renewal procedure, removing unnecessary requirements and creating more equitable and consistent treatment among the different classes of businesses. The new fee structure will generate an additional \$24,600 per year.
- In light of the funding difficulties created by falling property tax revenues, the City will be eliminating its annual animal clinic at a savings of \$3,000 per year.

City Assessor

The Assessing Office consists of the City Assessor, who is appointed by the City Manager, a Personal Property Auditor, a Property Appraiser and an Assessing Assistant. The Assessing Office is responsible for:

- Operating under the provisions of the General Property Tax Act of 1893, as amended, and applicable local charter provisions;
- Monitoring and maintaining the “principal residence” status of all property throughout the City as well as tracking property transfers;
- Developing special assessment district rolls used to fund infrastructure improvements;
- Defending all assessments before the Michigan Tax Tribunal and supporting economic development efforts; and
- Handling the appraisal of all real estate and personal property for property tax purposes on an annual basis. There are over 11,500 real property descriptions and 1,750 personal property accounts in the City.

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
City Assessor	1	1	1
Property Appraiser	1	1	1
Assessing Assistant	1	1	1
Total Full-time	3	3	3
Personal Property Appraiser	1	1	1
Total Part-time	1	1	1
Total Employees	4	4	4

Accomplishments

Resource Management:

- Conducted audits of personal property accounts discovering an additional \$983,420 in taxable value, thereby generating an additional \$17,742 in revenue for the City.
- Produced periodic vacancy reports on commercial and industrial property for the City’s economic development program.
- Discovered undisclosed real property transfers resulting in an additional \$803,610 in taxable value, thereby generating approximately \$14,480 in additional revenue plus proportionate penalties and interest.
- Processed \$19,010 in property transfer affidavit fines.

Objectives

Resource Management:

- Establish new market and taxable property values for 2009 including conversion to new current cost schedules.
- Conduct 32 audits of personal property accounts.
- Add and expand mapping component to appraisal records for internal and public use through geographic information system applications.
- Expand efforts to edit computerized building diagrams and photographs for all real property.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Board of Review Appeals	366	380	405	25	6.6
Building Permit Inspections	293	307	325	18	5.9
Mich. Tax Tribunal Cases	74	80	100	20	25.0
Personal Property Audits	32	35	40	5	14.3
Property Revaluation	13,261	13,261	13,300	39	0.3
<u>Efficiency/Effectiveness</u>					
% Assessment Changes Processed by Deadline	100	100	100	0	0.0
% Parcels Added/Deleted by Deadline	100	100	100	0	0.0
Minutes to Process Assessment Change	5	5	4	(1)	(20.0)
Minutes to Process Homestead Exemption Filing	5	5	4	(1)	(20.0)

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$415,178	\$351,516	\$344,764	\$(6,752)	(1.9)
Supplies	2,816	2,405	2,945	540	22.5
Other Services and Charges	41,892	23,667	25,121	1,454	6.1
Capital Outlay	1,306	0	1,500	1,500	0.0
Subtotal-Board of Review	3,584	3,588	3,586	(2)	(0.1)
Total	\$464,776	\$381,176	\$377,916	\$(3,260)	(0.9)
Resources:					
Assessing Fees	\$13,350	\$20,000	\$20,000	\$0	0.0
General Fund	451,426	361,176	357,916	(3,260)	(0.9)
Total	\$464,776	\$381,176	\$377,916	\$(3,260)	(0.9)

Key Issues

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

Legal Department

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

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

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Legal Counsel (Hours)					
Tax Tribunal	325	138	150	12	8.7
Labor	1,042	700	579	(121)	(17.3)
General	2,006	2,090	1,945	(145)	(6.9)
Telecommunications	21	30	30	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$0	\$0	\$0	\$0	0.0
Supplies	7,862	5,300	5,300	0	0.0
Other Services and Charges	329,657	309,115	283,190	(25,925)	(8.4)
Capital Outlay	0	0	0	0	0.0
Total	\$337,519	\$314,415	\$288,490	\$(25,925)	(8.2)
Resources:					
General Fund	\$337,519	\$314,415	\$288,490	\$(25,925)	(8.2)
Total	\$337,519	\$314,415	\$288,490	\$(25,925)	(8.2)

Key Issues

- Legal Counsel routinely attend all Planning Commission meetings, even when no items have been scheduled to warrant legal opinions or representations. Switching legal counsel's appearance to an as-needed basis is projected to save \$1,000.
- Current quarterly litigations reports require 20 hours of work at \$100 an hour to prepare. In light of the funding difficulties created by falling property tax revenues, the City will forgo these quarterly reports and rely on periodic reports received on major cases.
- In light of the status of the ongoing labor negotiation process and grievances before the Madison Heights Civil Service Commission and Court, staff is projecting a \$11,500 reduction in labor counsel defense fees for FY 2009-10.
- The balance of the budget for this Department is supported at the current service level.

Human Resources Department

The Human Resources Department consists of the Director of Administrative Services who is appointed by the City Manager, a Purchasing and Personnel Coordinator whose costs, based on workload, is split between Human Resources and General Administration Departments. The Director of Administrative Services oversees the City Clerk's Office, Finance, General Administration, Information Technology and the Library Departments. The 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	2007-08	2008-09	2009-10
Director of Administrative Services	1	1	1
Purchasing and Personnel Coordinator	1	1	1
Total Full-time	2	2	2
Total Employees	2	2	2

Accomplishments

Resource Management:

- Planned, organized, recruited volunteers, coordinated and staged at the Suarez Friendship Woods Nature Center an expanded community wellness oriented five kilometer and one-mile run/walk.
- As part of the 2008-09 City Goal Plan, the City adopted: To help address our service funding constraints, develop an employee incentive program aimed at soliciting and rewarding innovative ideas for increasing revenues, reducing expenses or becoming more efficient.

Objectives

Resource Management:

- Survey comparable employers, develop meaningful cost saving proposals, and successfully negotiate collective bargaining agreements with the City's seven bargaining unit agreements which expired on June 30, 2008.
- Review potential group long-term care insurance for purchase by employees.
- As part of the 2008-09 City Goal Plan, implement an employee incentive program aimed at soliciting and rewarding innovative ideas for increasing revenues, reducing expenses or becoming more efficient.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators:</u>					
Entry-level Recruit/ Selections	3	2	1	(1)	(50.0)
Grievances Resolved	10	8	7	(1)	(12.5)
Promotions Processed	5	2	0	(2)	(100.0)
<u>Efficiency/Effectiveness</u>					
# of Lost or Restricted Days Due to Workers Comp.	390	600	550	(50)	(8.3)
% of Full-Time Positions Filled Within 90 Days of Vacancy	0	40	100	60	150.0
% of Salary/Wage Changes Processed On or Before Effective Date	99	100	100	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$215,403	\$212,084	\$210,033	\$(2,051)	(1.0)
Supplies	0	0	0	0	0.0
Other Services and Charges	45,497	44,195	41,043	(3,152)	(7.1)
Capital Outlay	0	0	0	0	0.0
Total	\$260,900	\$256,279	\$251,076	\$(5,203)	(2.0)
Resources:					
General Fund	\$260,900	\$256,279	\$251,076	\$(5,203)	(2.0)
Total	\$260,900	\$256,279	\$251,076	\$(5,203)	(2.0)

Key Issues

- The Wellness Program currently has bi-monthly exercise credit awards for those employees meeting pre-established criteria. Assuming no reduction in program participants, the elimination of this incentive will save the City \$5,300 annually.
- The balance of the budget for this Department is supported at its current service level.

General Administration

General Administration is responsible for conducting many of the City's centralized administrative functions such as purchasing, communication administration, cable television production and regulation, and special projects as assigned. A portion of the Deputy City Manager/Public Service Director and 50% of the Purchasing and Personnel Coordinator's compensation is funded through this budget.

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Deputy City Manager	1	1	1
Total Full-time	1	1	1
Total Employees	1	1	1

Accomplishments

Public Safety:

- As part of the 2008-09 Goal Plan, the City adopted: With input from employees, analyze, specify, budget and implement improved physical security features at City Hall.

Resource Management:

- Prepared a Popular Annual Financial Report (PAFR) following the guidelines of the Government Finance Officer's Association (GFOA) for distribution to citizens and businesses within the City and received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting.

Objectives

Resource Management:

- Implement appropriate amendments to purchasing policy and ordinance to allow for online competitive sealed bid process.
- Provide support and strategic direction for City's quality initiative and coordinate external customer surveys.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Cable Messages Posted	935	940	945	5	0.5
Number of Formal Bids	18	28	26	(2)	(7.1)
Purchase Orders	1,260	1,270	1,200	(70)	(5.5)
<u>Efficiency/Effectiveness</u>					
% Cable Television Bulletin Board Up Time	97	98	99	1	1.0
% of Formal Bids Within Budgeted Amount	99	99	100	1	1.0
Web Site Traffic	141,768	175,420	200,000	24,580	14.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$710,289	\$761,750	\$813,085	\$51,335	6.7
Supplies	79,380	78,857	74,087	(4,770)	(6.0)
Other Services and Charges	152,877	180,575	132,847	(47,728)	(26.4)
Capital Outlay	8,305	0	250	250	0.0
Total	\$950,851	\$1,021,182	\$1,020,269	\$(913)	(0.1)
Resources:					
Cell Tower	\$23,575	\$22,593	\$24,000	\$1,407	6.2
General Fund	927,276	998,589	996,269	(2,320)	(0.2)
Total	\$950,851	\$1,021,182	\$1,020,269	\$(913)	(0.1)

Key Issues

- The increase in Personal Services is attributed to a \$53,000 increase in general employee's retiree health care costs, due to an increasing number of retirees and higher premium payments for this group.
- In light of the financial difficulties created by falling property tax revenues, the City is implementing the following program reductions:
 - Discontinuing cablecasting of the monthly Zoning Board of Appeals meetings at a savings of \$900; and elimination of the following events: State of the Cities Address, Community Roundtable Awards Banquet, Spring Dance Recital, Memorial Day Parade, Pre-Fourth of July Festival, Little Baseball All Star Game, sports championship games (rotated among youth leagues), Candidate Forum/Debate, Tree Lighting Ceremony and other special events at a savings of \$5,400 annually;
 - Moving the Boards Dinner to a bi-annual event held in odd years at a savings of \$9,000; and
 - Starting in 2010, dropping the annual Memorial Day Parade with it's significant support from the Streets and Facilities Division, Recreation Division, Senior Center staff (Pancake Breakfast) manpower and supplies, Police Department, Fire Department, City Hall staff (planning, advertising, office work), electrical contractor, sound contractor and Library staff (ceremony) at a savings of \$18,900 per event.

Finance Department

The Finance Department consists of a Finance Director/Treasurer, Deputy Finance Director, two accountants, and five full-time Fiscal Assistants. The Finance Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Finance Director/Treasurer	1	1	1
Deputy Finance Director/Treasurer	1	1	1
Accountant	2	2	2
Fiscal Assistant II	4	4	4
Fiscal Assistant I	1	1	1
Total Full-time	9	9	9
Total Employees	9	9	9

Accomplishments

Resource Management:

- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award.
- Received the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- As requested by the Police and Fire Retirement Board, prepared a request for proposal and coordinated the selection of an investment advisor's service.
- Established an annual review of contractual services, as part of the City Manager's budget preparation, including the background and history of how they are provided and justification for the current work relationships with an effort to reduce costs or forestall cost increases, where applicable, through renegotiation and/or rebidding. (Goal J)

Objectives

Resource Management:

- Complete annual audit and have Comprehensive Financial Report finalized within three months of fiscal year end.
- Receive the Government Finance Officers Association's (GFOA) Distinguished Budget Award.
- Receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
# of Investment Transactions	33	36	35	(1)	(2.8)
# of Payroll Checks Issued	7,872	7,765	7,600	(165)	(2.1)
# of Payroll Checks Voided	17	10	9	(1)	(10.0)
Accts. Payable Checks Issued	8,774	8,900	8,800	(100)	(1.1)
# of Water Customers Utilizing ACH Payment	815	878	1,050	172	19.6
<u>Efficiency/Effectiveness</u>					
Average Man Hours Lost Per Workers Compensation Claim	645	600	450	(150)	(25.0)
Cost Per Payroll Check (dollars)	11	12	12	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$690,056	\$756,372	\$772,090	\$15,718	2.1
Supplies	10,991	10,335	9,097	(1,238)	(12.0)
Other Services and Charges	93,441	87,286	69,379	(17,907)	(20.5)
Capital Outlay	0	0	2,500	2,500	0.0
Total	\$794,488	\$853,993	\$853,066	\$(927)	(0.1)
Resources:					
Mobile Home Tax	\$2,186	\$3,000	\$2,126	\$(874)	(29.1)
Property Tax Admin. Fees	629,777	631,144	618,655	(12,489)	(2.0)
Garbage Bag Sales	11,503	12,000	11,500	(500)	(4.2)
Interest Income on Deposits	577,922	444,298	385,000	(59,298)	(13.3)
General Fund	(426,900)	(236,449)	(164,215)	72,234	30.5
Total	\$794,488	\$853,993	\$853,066	\$(927)	(0.1)

Key Issues

- As part of the 2009-10 Goal Plan, the City adopted:
Goal J - Establish an annual review of contractual services, as part of the City Manager's budget preparation, including the background and history of how they are provided and justification for the current work relationships with an effort to reduce costs or forestall cost increases, where applicable, through renegotiation and/or rebidding. Savings generated through this process in the current year exceeded \$100,000.
- In light of the financial difficulties created by falling property tax revenues, the City is eliminating production of the Popular Annual Financial Report at a savings of \$2,200.
- The balance of the budget for this Department is supported at the current service level.

Information Technology

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
MIS Administrator	1	1	1
Information Systems Specialist	1	1	1
Total Full-time	2	2	2
Total Employees	2	2	2

Accomplishments

Resource Management:

- Outsourced the printing, folding and distribution of 16,000 property bills and 60,000 water bills annually. (2008-09 Goal Plan)
- Eliminated two computer file servers by combining activities onto a single server, reducing long-term maintenance and replacement costs of two servers going forward.

Objectives

Resource Management:

- Continue efforts to identify cost efficiency technological improvements.
- Replace the City's print server.
- Obtain quotes on upgrading all City Hall system software (BS&A) products to the internet version of their products.
- Replace network attached storage device with local drives on one server.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Mortgage Direct Tax Payments	9,920	9,928	9,950	22	0.2
Tax Bills Produced	15,905	15,886	15,860	(26)	(0.2)
Water Bills Produced	55,000	55,032	55,050	18	0.0
<u>Efficiency/Effectiveness</u>					
% Computer Up Time-LAN	96	98	98	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$234,589	\$240,340	\$245,650	\$5,310	2.2
Supplies	6,003	10,700	11,657	957	8.9
Other Services and Charges	330	600	600	0	0.0
Capital Outlay	0	1,283	2,000	717	0.0
Total	\$240,922	\$252,923	\$259,907	\$6,984	2.8
Resources:					
General Fund	\$240,922	\$252,923	\$259,907	\$6,984	2.8
Total	\$240,922	\$252,923	\$259,907	\$6,984	2.8

Key Issues

- In reviewing the scheduled computer replacements, staff found by reusing the monitors, keyboards and mice the replacement cost per unit could be reduced to approximately \$500. In addition, 15 current computers could avoid replacement through upgrading the existing memory unit. With extra effort by staff, the City should save \$27,800 across the departments next year.
- The balance of the budget for this Department is supported at its current service level.

Custodial & Maintenance Division

The Custodial and Maintenance Division of the Department of Public Service consists primarily of one full-time Assistant Building Maintenance employee; however, other Department of Public Service employees and contractors provide assistance when needed. The Division is responsible for:

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

Organizational Services

Personnel Summary	2007-08	2008-09	2009-10
Assistant Building Maintenance	1	1	1
Total Full-time	1	1	1
Total Employees	1	1	1

Accomplishments

Resource Management:

- Completed portable generator electrical upgrade to allow hookup capability to Senior Citizen Center and City Hall.
- Assume maintenance responsibility of new training/concession building and park grounds at the Red Oaks Soccer Complex.
- Installed fully automatic Americans with Disability Act (ADA) accessible doors to the south entrance of City Hall.
- Replaced roof at City Hall.
- Replaced ramp to 43rd District Court garage.
- Re-roof damaged side of Department of Public Service pole barn.
- Completed building energy efficiency study with electrical contractor.
- Repaired elevator at 43rd District Court

Objectives

Resource Management:

- Convert document shredding to “in house” process by departmental personnel
- Convert pest control to “in house” process by departmental personnel
- Explore environmentally-friendly measures to reduce electric and natural gas consumption and improve building energy efficiency by seeking grant funding, conducting feasibility studies and energy audits of the City’s facilities. (Goal G)

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Boiler Inspections	6	6	6	0	0.0
Boiler Water Treatment	12	12	12	0	0.0
Elevator Inspections	39	* 28	39	11	39.3
Filter Replacements	1,060	1,065	1,065	0	0.0
<u>Efficiency/Effectiveness</u>	* Reduced amount reflects inoperable elevator @ 43rd Court				
Cost per square foot City Hall Utilities	1.91	2.03	2.06	0.03	1.5

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$128,361	\$111,855	\$113,300	\$1,445	1.3
Supplies	55,576	20,300	20,500	200	1.0
Other Services and Charges	147,325	128,544	120,432	(8,112)	(6.3)
Capital Outlay	0	0	0	0	0.0
Subtotal-Municipal Bldg.	147,198	304,426	130,578	(173,848)	(57.1)
Total	\$478,460	\$565,125	\$384,810	\$(180,315)	(31.9)
Resources:					
General Fund	\$478,460	\$565,125	\$384,810	\$(180,315)	(31.9)
Total	\$478,460	\$565,125	\$384,810	\$(180,315)	(31.9)

Key Issues

- As part of the 2009-10 Goal Plan, the City adopted:
 - Goal G - Explore environmental-friendly measures to reduce electrical and natural gas consumption and improve building efficiency by seeking grants, conducting feasibility studies and energy audits of the City's facilities. The Budget includes \$23,500 for the replacement of light fixtures and motion sensed lights in the Police Department that is projected to save the City \$10,400 per year providing a three year payback period.
- In light of the financial difficulties created by falling property tax revenues, the City plans the following reductions:
 - Dropping contractor pest control services in all but two buildings (where meals are served) and shifting the responsibilities to the Department of Public Service staff at a savings of \$2,100;
 - Elimination of all contracted window cleaning services and moving the responsibility to Department of Public Service staff, savings \$4,800; and
 - Shifting the responsibility for document shredding from the contractor to the departments housed in City Hall, the District Court and the Police Department at a savings of \$1,600 per year.

Police Department

The Police Department is the largest department with 69 full-time positions, 1 Animal Control/Code Enforcement Officer (split funding with the Community Development Department) and 17 part-time Crossing Guards and 1 part-time Animal Control Support Worker. The Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Police Chief	1	1	1
Deputy Police Chief	1	1	1
Lieutenants	4	4	4
Sergeants	13	13	13
Police Officers	40	40	37
Administrative Secretary	1	1	1
Information Systems Specialist	1	1	1
Office Assistant II	2	2	2
Police Service Assistants	9	9	9
Animal Control Officer	1	1	1
Total Full-time	73	73	70
Crossing Guards	17	17	17
Animal Control Support	1	1	1
Total Part-time	18	18	18
Total Employees	91	91	88

Accomplishments

Public Safety:

- Purchased new mobile data computers for patrol vehicles.
- Implemented E-ticket - an electronic traffic citation system.

Objectives

Public Safety:

- Implementation of the new 800-megahertz radio system.
- Revise the City's false alarm ordinance to encourage organizations with a high number of false alarms to correct mechanical and operational deficiencies that have caused City resources to be shifted away from true emergencies and genuine needs for assistance. (Goal D)

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Total Arrests	1,464	1,381	1,400	19	1.4
Employee Training Hours	4,260	3,921	4,000	79	2.0
*Part A Crimes	3,054	3,258	3,200	(58)	(1.8)
Total Accidents Investigated	1,624	1,750	1,700	(50)	(2.9)
Total Calls for Service	23,696	22,870	23,000	130	0.6
Total Cases Investigated	2,510	2,794	2,800	6	0.2
Traffic Citations Issued	9,883	8,231	9,000	769	9.3
<u>Efficiency/Effectiveness</u>					
% of Roadway Accidents Resulting in Fatalities	0.00	0.00	0.00	0.0	0.0

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

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$9,633,824	\$9,648,754	\$9,399,722	\$(249,032)	(2.6)
Supplies	51,569	50,500	50,500	0	0.0
Other Services and Charges	697,706	734,433	719,059	(15,374)	(2.1)
Capital Outlay	0	7,000	80,500	73,500	1,050.0
Total	\$10,383,099	\$10,440,687	\$10,249,781	\$(190,906)	(1.8)
Resources:					
Liquor License Inspections	22,210	22,000	22,000	0	0.0
Police Records Filing Fees	68,384	80,000	65,000	(15,000)	(18.8)
Police & Fire Pension Millage	2,854,964	3,065,492	2,813,186	(252,306)	(8.2)
General Fund	7,437,541	7,273,195	7,349,595	76,400	1.1
Total	\$10,383,099	\$10,440,687	\$10,249,781	\$(190,906)	(1.8)

Key Issues

- As part of the 2009-10 Goal Plan, the City adopted:
 - Goal D - Revise the false alarm ordinance to encourage organizations with a high number of false alarms to correct mechanical and operational deficiencies that have caused City resources to be shifted from true emergencies and genuine need for assistance. The Department estimates that even a modest fee will generate \$5,000 the first year until businesses modify their behavior.
- The Capital Outlay Budget includes Proposal "V-2" funded purchase of three police patrol cars at a cost of \$80,500.
- In light of the financial difficulties created by falling property tax revenues, the City plans to implement the following measures:
 - Eliminate overtime to support the annual "Festival in the Park" (\$2,000), Crime Commission meeting (\$1,000), bicycle patrol unit (\$1,600), motorcycle unit (\$1,900) and Memorial Day Parade (\$5,700); and
 - Eliminate through attrition three vacant officer positions, two that have been vacant since May 2007 at a savings of \$263,700.

Fire Department

The Fire Department consists of twenty-one licensed paramedics, 18 are Firefighters and 3 are Sergeants. In addition, staff includes 12 positions in fire suppression and 3 employees in the fire prevention/administration. 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	2007-08	2008-09	2009-10
Fire Chief	1	1	1
Fire Marshal	1	1	1
Lieutenants	3	3	3
Sergeants	6	6	6
Firefighters	25	25	24
Office Assistant II	0	0	0
Total Full-time	36	36	35
Office Assistant II	1	1	1
Total Part-time	1	1	1
Total Employees	37	37	36

Accomplishments

Public Safety:

- Installed a new severe weather warning siren in cooperation with Oakland County Emergency Response and Preparedness.
- Provided Incident Command training for key supervisory personnel from the Police and Fire Departments and the Department of Public Services.
- Implemented a comprehensive CPR/Automated External Defibrillator (AED) training program for City employees
- Converted to new, comprehensive Fire and EMS incident reporting software.
- Collaborated with the Hazel Park and Ferndale Fire Departments in joint training in support of automatic aid.

Objectives

Public Health:

- Place a new Rescue Ambulance into service.

Public Safety:

- Review advance life support (ALS) operations, expenditures and revenues to evaluate the continuation of the ALS millage, and if approved by Council, develop ballot proposal language and conduct a comprehensive public information effort. (Goal C)

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
EMS Hospital Transports	1,505	1,574	1,625	51	3.2
EMS Incident Response	2,538	2,600	2,625	25	1.0
Fire Building Inspections	293	295	300	5	1.7
Fire Code Violations Issued	518	520	530	10	1.9
Incidences of Building Fires*	60	54	60	6	11.1
<u>Efficiency/Effectiveness</u>					
Fire Related Injuries to Firefighters	16	10	10	0	0.0
Fires Investigated per Fire Investigator	16	18	18	0	0.0

*Includes Automatic Aid Responses to Hazel Park and Ferndale

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$5,274,070	\$5,365,627	\$5,188,524	\$(177,103)	(3.3)
Supplies	43,554	51,450	53,915	2,465	4.8
Other Services and Charges	615,106	574,851	593,432	18,581	3.2
Capital Outlay	34,470	289,458	25,000	(264,458)	(91.4)
Total	\$5,967,200	\$6,281,386	\$5,860,871	\$(420,515)	(6.7)
Resources:					
Ambulance & CPR Revenues	\$354,446	\$410,240	\$476,250	\$66,010	16.1
Police & Fire Pension Millage	1,805,449	1,748,078	1,606,255	(141,823)	(8.1)
Vehicle Proposal Millage	30,762	279,758	25,000	(254,758)	(91.1)
Advanced Life Support Millage	290,353	288,224	272,443	(15,781)	(5.5)
General Fund	3,486,190	3,555,086	3,480,923	(74,163)	(2.1)
Total	\$5,967,200	\$6,281,386	\$5,860,871	\$(420,515)	(6.7)

Key Issues

- As part of the 2009-10 Goal Plan, the City adopted:
Goal C - Review advance life support (ALS) operations, expenditures and revenue to evaluate the continuation of the ALS millage and, if approved by Council, develop ballot proposal language and conduct a comprehensive public information effort. This millage is likely to be considered by voters in November of 2010 for renewal for July 2010 levy. A total of \$9,700 has been budgeted in an effort to inform and educate the public on this ballot issue.
- The Capital Outlay budget includes the Proposal “V-2” Phase II funding for an ambulance rescue (\$25,000).
- In light of the financial difficulties, the City has adopted the following measures:
 - Elimination of the annual October Fire Prevention Week open house at a savings of \$1,100;
 - Elimination of the swingman position, which has not been filled in 18 months due to the current hiring freeze; and
 - Moving from a 9 firefighter to an 8 firefighter minimum staffing level, which is projected to save the City 4,500 hours per year, or \$79,700 in costs.

Community Development

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

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Community Development Director	1	1	1
Deputy Community Development Director	1	1	1
Economic Development Coordinator	1	1	1
Geographic Information System Supervisor	1	1	1
Administrative Secretary	1	1	1
GIS/CDD Technician	1	1	1
Inspector	2	2	2
Office Assistant II	1	1	1
Total Full-time	9	9	9
Community Development Assistant I	1	1	1
Geographic Information System Assistant	1	1	0
Code Enforcement Officer	1	1	1
Total Part-time	3	3	2
Total Employees	12	12	11

Accomplishments

Public Safety:

- Completed the following projects: Stephenson Highway Resurfacings; Commercial & Industrial Road Reconstruction and Sidewalk Program - N. Avis, E. Avis, Mandoline and Edward; Residential Reconstruction - Parkdale, Millard, Edgeworth, Girard, Northeastern, Barrington; Sectional Concrete Street Repair - Sherry, Spoon; Year 6 Sidewalk Program; GWK Bike Path - Delton to Groveland; Heights Drive (I-696 EB Service Drive) Resurfacing; and I-75 NB / I-696 WB Service Drive Signal Removal
- Five blighted structures demolished and five nonconforming signs removed.
- Modified existing Roads Policy to expedite maintenance and repair of C&I Roads - (2008-09 Goal Plan)

Public Health:

- Conducted over 22,500 contacts on code enforcement issues, including periodic Saturday and Sunday enforcement.
- Over 4,100 inspections of building, electrical, mechanical, plumbing, sign and flatwork concrete permits conducted to ensure safe construction.

Resource Management:

- Business retention, ombudsman and new business welcome programs included more than 275 visits to local businesses.
- Negotiated Interlocal Agreement with Troy to provide Mechanical/plumbing inspections at substantial savings.

Objectives

Public Safety:

- Complete the following projects: Palmer - 12 Mile to LaSalle; Tawas - 12 Mile to Mapleknoll; Tawas Ct; E. Barrett - Tawas to Couzens; Lorenz - 11 Mile to Greig; Hales - 11 Mile to Northeastern; Northeastern - South of 11 Mile; Katherine - Lorenz to Edward; Residential Road Joint/Crack and Sectional Repair; Year 7 Sidewalk Repair and Gap Program; and 11 Mile Alleys.

Resource Management:

- Implement the new Neighborhood Stabilization Program using federal grants to provide assistance for the acquisition, redevelopment and/or demolition of foreclosed and abandoned properties in an effort to stabilize neighborhoods with declining housing values. (Goal E)

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Building Permits Issued	724	700	675	(25)	(3.6)
Ordinance Violations	84	60	70	10	16.7
Rental Unit Inspections	2,554	2,400	2,700	300	12.5
Site Plans Approved	17	12	12	0	0.0
New Business and Retention Visits	275	280	285	5	1.8
<u>Efficiency/Effectiveness</u>					
% of Code Enforcement Actions Resolved Without Court	99	99	99	0	0.0
% of ZBA Cases Resolved After 1st Hearing	100	95	95	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$857,184	\$923,494	\$903,941	\$(19,553)	(2.1)
Supplies	7,947	8,600	8,600	0	0.0
Other Services and Charges	178,028	196,885	153,708	(43,177)	(21.9)
Capital Outlay	22,544	15,590	3,000	(12,590)	(80.8)
Total	\$1,065,703	\$1,144,569	\$1,069,249	\$(75,320)	(6.6)
Resources:					
Occupational Licenses	\$76,259	\$68,000	\$60,000	\$(8,000)	(11.8)
Other Permits	62,310	60,000	77,050	17,050	28.4
Building Permits	479,106	305,000	428,600	123,600	40.5
Engineering Fees	27,740	35,000	25,000	(10,000)	(28.6)
Planning Fees	4,500	6,000	5,000	(1,000)	(16.7)
GIS Services	1,345	500	400	(100)	(20.0)
General Fund	414,443	670,069	473,199	(181,370)	(27.7)
Total	\$1,065,703	\$1,144,569	\$1,069,249	\$(75,320)	(6.6)

Key Issues

- In light of the financial difficulties created by falling tax revenues, the City has adopted the following:
 - Elimination of the General Fund subsidy for the administration and inspection of the annual sidewalk repair and gap programs (\$28,000);
 - Modify the rentals inspection program by increasing cost recovery and expanding the inspection cycle to three years, while shifting inspections to in-house personnel (\$27,000);
 - Increase site plan, building, zoning, utility, easement and mapping charges and fees to the current market (\$50,000);
 - Eliminate the part-time geographic information specialist assistant position with field work collection, tabulation and maintenance being shifted to existing full-time positions; and
 - Full year implementation of the service sharing agreement with the City of Troy for mechanical and plumbing inspections at a significant savings (\$8,200).

Streets Division

The Streets Division of the Department of Public Service consists of 16 employees whose time is allocated between the General Fund Divisions for Streets and Solid Waste, as well as the Major Street Fund and Local Street Fund. The Streets Division is responsible for:

- Maintaining the 106 miles of streets;
- Street cleaning, snow and ice removal, tree trimming, street signs, and open drain repair;
- Replacing worn street signs with a high density facing for safer, more visible signs; and
- Performing targeted and generalized concrete repair as part of the Ten Year Neighborhood Road Improvement Program that was initiated in 1997.

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Deputy Director	1	1	1
Equipment Operator III	3	3	3
Equipment Operator II	5	5	4
Equipment Operator I	3	3	3
Office Assistant II	1	1	1
Administrative Secretary (Major/Local Street Funded)	1	1	1
Total Full-time	14	14	13
Seasonal Laborer	1	1	1
Seasonal Laborer (Major Road Funded)	1	1	1
Seasonal Laborer (Local Road Funded)	1	1	1
Total Part-time	3	3	3
Total Employees	17	17	16

Accomplishments

Public Safety:

- Supported 2008 neighborhood and major road repair and reconstruction programs.
- Continued to improve snow removal with purchase of an additional truck-mounted brine tank.
- Completed joint sealing for neighborhoods west of John R and south of Lincoln; and south of Twelve Mile, west of Dequindre, between Connie and Alden.
- Repainted crosswalks, stop bars and legend markings throughout the City.
- Applied spray patch on Eleven Mile Road west of John R.
- Evaluated new cold patch mix on winter pothole repairs.
- Successfully moved and upgraded sign room at the Department of Public Service building.
- Rewrote, implemented and enforced new and improved Snow Emergency ordinance.

Objectives

Public Safety:

- Add liquid application tanks to the balance of fleet for optimum snow removal.
- Complete stop and yield sign reflective strip project installation.
- Continue upgrading signage to meet new Manual on Uniform Traffic Control Devices standards.
- Spray patch John R from Edward to Farnum.
- Install additional truck-mounted brine tanks.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Asphalt (Tons)	620	400	410	10	2.5
Concrete (Yards)	585	100	105	5	5.0
Holiday Decorations Installed	168	168	168	0	0.0
Joint Crack Seal (Feet)	187,560	200,000	250,000	50,000	25.0
Tree and Stump Removal	265	300	200	(100)	(33.3)
<u>Efficiency/Effectiveness</u>					
Annual Maintenance Cost Per Mile-Local Streets	\$6,146	\$6,034	\$5,912	(\$122)	(2.0)
Annual Maintenance Cost Per Mile-Major Streets	\$11,401	\$11,192	\$10,973	(\$219)	(2.0)

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$320,553	\$304,619	\$287,975	\$(16,644)	(5.5)
Supplies	2,681	3,400	3,400	0	0.0
Other Services and Charges	636,401	653,531	658,248	4,717	0.7
Capital Outlay	27,857	7,093	0	(7,093)	0.0
Total	\$987,492	\$968,643	\$949,623	\$(19,020)	(2.0)
Resources:					
Weed Mowing	\$10,980	\$13,000	\$13,000	\$0	0.0
Brush Chipping	7,300	8,000	8,000	0	0.0
General Fund	969,212	947,643	928,623	(19,020)	(2.0)
Total	\$987,492	\$968,643	\$949,623	\$(19,020)	(2.0)

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City is implementing the following reductions:
 - Eliminate one vacant equipment operator position at a savings of \$79,000. The position's costs are split between the General Fund Streets and Solid Waste Divisions, and Major and Local Street Funds; and
 - In an effort to save on utilities through the Christmas holiday season, the City would install Christmas decorations on the light poles along John R but not illuminate the decorations at a savings of \$2,800.

Solid Waste Division

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

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Supervisor	1	1	1
Total Full-time	1	1	1
Seasonal Laborer	1	1	1
Total Part-time	1	1	1
Total Employees	2	2	2

Accomplishments

Public Health:

- Successfully coordinated the second "Spring Clean-Up" Day at the Department of Public Service site for residents.
- Converted from quarterly to semi-annual billing for mobile home park refuse collection and disposal.

Public Safety:

- Completed Year IV of Emerald Ash Borer removal project with removal of 260 dead or diseased trees on public property.

Objectives

Public Health:

- Continue to monitor the health of City trees and remove as necessary.
- Enhance "Spring Clean-Up Day" at the Department of Public Service.

Public Safety:

- Continue weekly sweeping of residential areas.
- Investigate historical municipal solid waste, compost and recycling history along with new service demands and anticipated participation rates, and develop new specifications for competitive bidding, or re-negotiation if cost-effective, and award of long-term solid waste collection and disposal contract. (Goal B)

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Commercial Waste Stops	87	87	88	1	1.1
Compost (Tons)	2,280	2,044	2,350	306	15.0
Refuse (Tons)	10,045	9,752	10,000	248	2.5
Leaf Pickup-Cubic Yards	4,625	4,500	4,600	100	2.2
Paid Brush Chipping (stops)	258	250	260	10	4.0
Residential Recycling Stops	9,516	9,516	9,520	4	0.0
Street Sweeping (Miles)	1,000	1,100	1,200	100	9.1
<u>Efficiency/Effectiveness</u>					
Ave. Cost Per Weekly Stop- Regular Refuse Collection	\$7.74	\$7.98	\$8.22	\$0.24	3.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$635,805	\$550,022	\$616,449	\$66,427	12.1
Supplies	17,046	16,490	19,215	2,725	16.5
Other Services and Charges	1,800,221	1,901,994	1,865,863	(36,131)	(1.9)
Capital Outlay	45,761	37,083	0	(37,083)	0.0
Total	\$2,498,833	\$2,505,589	\$2,501,527	\$(4,062)	(0.2)
Resources:					
Solid Waste Millage	\$2,517,726	\$2,455,063	\$2,507,334	\$52,271	2.1
General Fund	(18,893)	50,526	(5,807)	(56,333)	(111.5)
Total	\$2,498,833	\$2,505,589	\$2,501,527	\$(4,062)	(0.2)

Key Issues

- As part of the 2009-10 Goal Plan, the City adopted:
Goal B - Investigate historical municipal solid waste, compost and recycling history along with new service demands and anticipated participation rates, and develop new specifications for competitive bidding, or re-negotiation if cost-effective, and award of long-term solid waste collection and disposal contract. The current contract runs through June 30, 2010 and will not impact this year's budget.
- The significant increase in the Personnel Services account is associated with shifting of the payment for eight current retirees' health insurance costs from the General Administration budget to the Solid Waste millage at a cost of \$96,000.
- In light of the financial difficulties created by falling property tax revenues, the City plans to decrease contractual mowing frequency by 50% at the Civic Center and the Senior Center and reduce fertilization and weed control at a savings of \$8,500.

Recreation Division

The Recreation Division of the Department of Public Service consists of split allocations of a full-time position: the Recreation Supervisor and 25 part-time positions including: 1 Recreation Coordinator; 3 Adult Sports Supervisors; 1 Art Instructor; 16 Basketball Officials; 1 Building Attendant; 2 Camp Counselors; 1 Camp Supervisor; 1 Camp Leader; 6 Basketball Scorers; and 2 Youth Baseball Supervisors. The Recreation Division is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Recreation Supervisor	1	1	0
Total Full-time	1	1	0
Recreation Coordinator	1	1	1
Spring-Recreation Program Workers	2	2	2
Summer-Recreation Program Workers	4	4	4
Fall-Recreation Program Workers	2	2	2
Winter-Recreation Program Workers	30	30	25
Total Part-time	39	39	34
Total Employees	40	40	34

Accomplishments

Quality of Life:

- Recruited local businesses for 23 youth t-ball, basketball and girl's softball teams. Sponsor's fee of \$175 per team helps to offset the cost of the program and keeps the participant's fee at a minimum.
- Assisted the Madison Heights Community Family Coalition with the first "Battle of the Bands" event held on Memorial Day following the Parade.
- Coordinated additional recreational programs with the Royal Oak YMCA, Clawson, Troy, and the Royal Oak Recreation Departments.
- Planned and coordinated a "sold out" City wide Garage Sale held at City Hall with a total of 77 spots purchased at \$10 per space.
- Coordinated a revised "Pavilion Rental Policy" with the involvement of several City departments.

Objectives

Resource Management:

- Develop a new funding source for the February Peoples Coffee Concerts. Peoples State Bank has indicated that they have pulled their support of the popular concert series (after February 2009).
- Create an "E-Newsletter" called the "RecLine" to inform residents of upcoming recreational opportunities and reminding them to register for programs.
- Reduce the City Newsletter and Recreation Brochure from three issues per year to two issues per year.
- Implement new program fee schedules.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Water Aerobics Attendees	45	59	60	1	1.7
Dance Attendance - Fall 08	128	120	125	5	4.2
Youth Softball - Summer 08	117	123	125	2	1.6
Youth Basketball - Winter 09	148	139	145	6	4.3

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$107,919	\$107,784	\$85,939	\$(21,845)	(20.3)
Supplies	40,935	36,690	28,690	(8,000)	(21.8)
Other Services and Charges	73,442	67,947	60,093	(7,854)	(11.6)
Capital Outlay	0	0	0	0	0.0
Total	\$222,296	\$212,421	\$174,722	\$(37,699)	(17.7)
Resources:					
Recreation Fees	\$104,940	\$102,000	\$98,557	\$(3,443)	(3.4)
Recreation-Miscellaneous	6,505	4,200	0	(4,200)	(100.0)
General Fund	110,851	106,221	76,165	(30,056)	(28.3)
Total	\$222,296	\$212,421	\$174,722	\$(37,699)	(17.7)

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City plans the following reductions:
 - Reduction of one-half of the office assistant's time involved in supporting the Recreation programs at a savings of \$20,800;
 - Moving the City's Pre-Fourth of July Festival-in-the-Park to a bi-annual basis for a savings of \$4,800 in entertainment costs; and
 - Reducing the City's three times a year newsletter and recreational brochure to a semi-annual basis at a savings of \$5,900.
- The balance of the budget for this Division is supported at the current service level.

Youth Center Division

The Youth Center Division of the Department of Public Service operates with part-time staff consisting of a Recreation Coordinator, a Youth Coordinator, a Bus Driver, and 3 part-time Youth Leaders. The Division is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Youth Coordinator	1	1	1
Youth Leader	3	3	3
Total Part-time	4	4	4
Total Employees	4	4	4

Accomplishments

Quality of Life:

- Served an average of 23 middle school students during the 2008-09 school year on a daily basis.
- Served an average of 16 middle school students during the 2009 summer program on a daily basis.

Objectives

Quality of Life:

- Adequately publicize closing of Youth Center during the summer, and suggest alternative non-City programs for youth.

Performance Measures

Performance Measures:	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
<u>Workload Indicators</u>					
Fall Enrollment (6th to 8th graders)	109	66	70	4	6.1
School Year Transportation	3,195	3,100	3,000	(100)	(3.2)
Summer Daily Average 08	16	16	0	(16)	(100.0)
Summer Registrations 08	35	35	0	(35)	(100.0)
Daily Attendance (school year)	35	23	25	2	8.7

Financial Summary

Requirements:	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Personal Services	\$33,316	\$39,395	\$29,718	\$(9,677)	(24.6)
Supplies	7,455	8,900	6,675	(2,225)	(25.0)
Other Services and Charges	11,228	12,718	9,728	(2,990)	(23.5)
Capital Outlay	0	0	0	0	0.0
Total	\$51,999	\$61,013	\$46,121	\$(14,892)	(24.4)
Resources:					
General Fund	\$51,999	\$61,013	\$46,121	\$(14,892)	(24.4)
Total	\$51,999	\$61,013	\$46,121	\$(14,892)	(24.4)

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City will be eliminating the current summer Youth Center programs at a savings of \$13,500 per year.
- The balance of the budget, including the school year program, for this Division is supported at the current service level.

Nature Center Division

The Nature Center Division of the Department of Public Service operates with a full-time Naturalist and many volunteers. The Division 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, programs, walking tours and a small gift store.

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Naturalist	1	1	1
Total Full-time	1	1	1
Naturalist	1	1	0
Total Part-time	1	1	0
Total Employees	2	2	1

Accomplishments

Quality of Life:

- Repaved portions of the Habitat Trail and constructed a new path to Simonds Elementary neighborhood.
- Recruited four new adult volunteers to assist in greeting patrons.
- Raised \$975 for the Nature Center through the City Golf Outing.
- Hosted 28 free Madison Heights school group tours, and 83 non-Madison Heights paid groups and 22 birthday parties.

Objectives

Resource Management:

- Restain the logs of the Nature Center and install new energy efficient fireplace screen with funding from the golf outing escrow account.
- Recruit additional volunteers to assist the Naturalist.
- Restructure hours to accommodate elimination of Sunday hours during the winter.
- Develop alternate non-cost programs to replace guest speaker programs.
- Downsize Nature Center store.
- Adequately publicize closing of Nature Center on Sundays in the winter.

Performance Measures

Performance Measures:	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
<u>Workload Indicators</u>					
Adult Volunteers Hours	5,378	5,400	5,500	100	1.9
Birthday Parties	22	30	32	2	6.7
Free Public School & Group Tours	28	30	31	1	3.3
Paid Tours	83	85	81	(4)	(4.7)
Teen Volunteer Hours	678	1,000	1,100	100	10.0
<u>Efficiency/Effectiveness</u>					
Average Patrons Per Day	110	96	110	14	14.6

Financial Summary

Requirements:	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Personal Services	\$95,501	\$120,721	\$120,880	\$159	0.1
Supplies	23,909	28,825	7,325	(21,500)	(74.6)
Other Services and Charges	29,621	26,350	22,260	(4,090)	(15.5)
Capital Outlay	0	0	0	0	0.0
Total	\$149,031	\$175,896	\$150,465	\$(25,431)	(14.5)
Resources:					
Nature Center Sales	\$11,706	\$13,160	\$0	\$(13,160)	(100.0)
Nature Center Contributions	9,932	7,800	7,200	(600)	(7.7)
General Fund	127,393	154,936	143,265	(11,671)	(7.5)
Total	\$149,031	\$175,896	\$150,465	\$(25,431)	(14.5)

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City is implementing the following reductions:
 - Greatly reducing the Nature Center retail store merchandise at a net savings of \$5,800;
 - Closing the Nature Center on Sundays from January through March when this facility is less frequently used at a savings of \$250;
 - Eliminating the fall Nature Center open house with savings on supplies, materials, entertainment and overtime of \$1,400; and
 - Eliminating General Fund support for the guest speakers at the Nature Center at a savings of \$1,000.

Parks Division

The Parks Division of the Department of Public Service consists of the allocation of a full-time Maintenance and Facilities Supervisor, 4 full-time Equipment Operators, 2 part-time Park Rangers and 4 part-time Park Laborers. The Division is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Parks Maintenance III	1	1	1
Parks Maintenance II	1	1	1
Parks Maintenance I	2	2	2
Total Full-time	4	4	4
Park Rangers	2	2	2
Seasonal Laborers	5	5	4
Total Part-time	7	7	6
Total Employees	11	11	10

Accomplishments

Quality of Life:

- Completed tree trimming at Senior Center; Oakland, Barrington and Stephenson Highway traffic islands.
- Continued larviciding and trapping mosquitoes to combat West Nile Virus.
- Improved the Bike Motor Cross course at Rosie's Park.
- In cooperation with Lamphere Schools, resurfaced, improved drainage and re-stripped parking lot at Greenleaf Park.
- Facilitated construction of Rosie's Park playscape.
- Reconstructed Rosie's Park parking lot
- Repaved Civic Center parking lot.
- Friendship Woods connecting path
- Removed 120 ash trees from Nature Center and other parks

Objectives

Quality of Life:

- Complete tree trimming at Department of Public Service, Fire Station Number 2, Whitcomb traffic islands, Rosie's and Wildwood parks.
- Continue West Nile Virus prevention measures.
- Install drain pipe and cover the ditch at Madison Woods section of Rosie's Park

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Ballfield Maintenance (hrs)	500	500	490	(10)	(2.0)
Flowers-Flats Planted	40	40	20	(20)	(50.0)
Meeting Room Set-ups	2	5	6	1	20.0
Tons of Salt Used	90	100	90	(10)	(10.0)
Trees Planted	33	30	32	2	6.7
Turf Maintenance (hrs per wk)	350	360	350	(10)	(2.8)
<u>Efficiency/Effectiveness</u>					
Number of Park Acres Maintained Per Employee	12	15	16	1	6.7
Number of Trees Trimmed Per Employee	30	30	32	2	6.7

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$292,900	\$364,533	\$349,900	\$(14,633)	(4.0)
Supplies	45,870	34,400	34,400	0	0.0
Other Services and Charges	113,333	121,932	106,877	(15,055)	(12.3)
Capital Outlay	134,043	403,425	11,000	(392,425)	0.0
Total	\$586,146	\$924,290	\$502,177	\$(422,113)	(45.7)
Resources:					
General Fund	\$557,332	\$901,290	\$491,177	\$(410,113)	(45.5)
Vehicle Millage	28,814	23,000	11,000	\$(12,000)	100.0
Total	\$586,146	\$924,290	\$502,177	\$(410,113)	(44.4)

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City is reducing the following programs:
 - Reduction of the annual flower plantings around City facilities and grounds (\$2,500);
 - Decreasing park mowing frequency to bi-weekly basis (\$8,600); and
 - Savings associated with a move to the bi-annual Festival-in-the-Park.
- The Capital Outlay Budget included the Proposal “V-2” replacement of a riding lawnmower at a cost of \$1,100.

Senior Citizens Division

The Senior Citizens Division of the Department of Public Service is staffed with one full-time Senior Coordinator and an allocation of a Recreation Supervisor, as well as part-time staff consisting of 2 Bus Drivers, 3 Chauffeur Drivers and 1 Assistant. The Division is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Supervisor	1	1	1
Coordinator	1	1	1
Total Full-time	2	2	2
Bus Driver/Chauffeur	5	5	5
Senior Aide	1	1	0
Senior Assistant	1	1	1
Total Part-time	7	7	6
Total Employees	9	9	8

Accomplishments

Quality of Life:

- Hosted the American Association for Retired Persons (AARP) tax preparation assistance program servicing 330 seniors free of charge.
- Based on an agreement with the Southeastern Oakland County Resource Recovery Authority, constructed new-shared driveway for the Senior Center.
- Partner with the Senior Home Assistance Repair Program (SHARP) to assist Madison Heights homeowners over 60 years of age and those physically challenged in an effort to maintain their homes and remain independent by making homes safer and by reducing the stress and confusion involved in making home repairs. (Goal F)
- Began a one-year trial program renting the Senior Center out to Civic Groups and Residents.
- Serviced 40 Seniors per day through a successful self-supporting daily meal program.
- Replaced aging exercise equipment.

Objectives

Quality of Life:

- Recruit new volunteers for the SHARP Program to provide labor while the senior would pay the cost of home repair supplies.
- Continue to offer fundraisers at the Center to cover the cost of extras that are not supported in the budget (i.e. exercise equipment; computers for public use, etc.).
- Evaluate continuation of facility rental program.
- Adequately publicize the closing of the Senior Center during the Christmas holiday.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
# of Two-Way Trips	10,371	10,500	10,000	(500)	(4.8)
Bus Miles Traveled	37,731	38,000	37,000	(1,000)	(2.6)
Day Trips	52	60	48	(12)	(20.0)
Lawns Mowed	1,625	1,716	1,700	(16)	(0.9)
Newsletter Subscriptions	716	764	735	(29)	(3.8)
Snow Removal	66	154	150	(4)	(2.6)

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$263,020	\$276,131	\$235,236	\$(40,895)	(14.8)
Supplies	106,349	112,472	109,800	(2,672)	(2.4)
Other Services and Charges	107,428	100,589	97,658	(2,931)	(2.9)
Capital Outlay	33,437	4,100	26,500	22,400	546.3
Total	\$510,234	\$493,292	\$469,194	\$(24,098)	(4.9)
Resources:					
Senior Bus Fee	\$7,973	\$7,600	\$13,510	\$5,910	0.0
Senior Center Millage	573,448	569,242	558,328	(10,914)	(1.9)
Proposal V	0	0	26,500	26,500	0.0
General Fund	(71,187)	(83,550)	(129,144)	(45,594)	54.6
Total	\$510,234	\$493,292	\$469,194	\$(24,098)	(4.9)

Key Issues

- As part of the 2009-10 Goal Plan, the City adopted:
 - Goal F - Partner with the Senior Home Assistance Repair Program (SHARP) to assist Madison Heights homeowners over 60 years of age and those physically challenged in an effort to maintain their homes and retain independence by making homes safer by reducing the stress and confusion involved in making home repairs. The initial program participation payment will be funded through the Senior Center escrow account at no cost to the General Fund.
- In light of the financial difficulties created by falling property tax revenues, the City is planning the following reductions:
 - Elimination of long time vacant Senior Center part-time aide position at a savings of \$17,800;
 - Reduction in the support/time budgeted from the office assistant position at a savings of \$20,800; and
 - Moving the current monthly Senior newsletter to a bi-monthly basis at a savings of \$2,500.
- The Capital Outlay Budget includes the Proposal “V-2” replacement of a full sized van at a cost of \$26,500.

Outside Agencies

Outside Agencies support programs that are important to the community. These include: Madison Heights Little Baseball, Madison Heights Community Family Coalition, Friends of Madison Heights Youth, HAVEN (safe home for abused women and children), Oakland County Youth Assistance, and Gateway Counseling.

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Boys & Girls Club	0	6,885	0	(6,885)	(100.0)
Gateway Counseling	17,695	17,695	16,810	(885)	(5.0)
Oakland County Youth Assistance	14,345	14,345	13,628	(717)	(5.0)
HAVEN	1,914	1,914	1,818	(96)	(5.0)
Friends of Madison Hgts. Youth	6,885	6,885	6,541	(344)	(5.0)
MH Community Family Coalition	6,885	6,885	6,541	(344)	(5.0)
MH Little Baseball	5,880	5,880	5,586	(294)	(5.0)
Total	\$53,604	\$60,489	\$50,924	\$(2,386)	(3.9)
Resources:					
General Fund	\$53,604	\$60,489	\$50,924	(9,565)	(15.8)
Total	\$53,604	\$60,489	\$50,924	\$(9,565)	(15.8)

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City plans to eliminate the contribution to the South Oakland Boys and Girls Club and reduce the remaining contributions by 5% for a savings of \$9,600. The services provided by the City would not change, however the services provided by each Outside Agency may need to be adjusted. These outside agencies may need to increase fundraising efforts, solicit other donations and/or re-evaluate the services provided. The in-kind contributions by the City, such as use of office space, accounting services, support for fundraisers, and staff and Council assistance in volunteerism would continue.

Insurance, Bonds and Transfers

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$0	\$0	\$0	\$0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	304,492	425,616	437,476	11,860	2.8
Capital Outlay	0	0	0	0	0.0
Transfers	2,816,306	2,797,089	2,876,630	79,541	2.8
Total	\$3,120,798	\$3,222,705	\$3,314,106	\$91,401	2.8
Resources:					
Road Proposal Millage	\$2,419,611	\$2,401,862	\$2,356,406	\$(45,456)	(1.9)
Fire Stations Bond Millage	396,695	395,227	404,124	8,897	2.3
General Fund	304,492	425,616	553,576	127,960	30.1
Total	\$3,120,798	\$3,222,705	\$3,314,106	\$91,401	2.8

Key Issues

- For the last 23 years, the City of Madison Heights has been a member of the Michigan Municipal Risk Management Authority's (MMRMA) Liability and Casualty Insurance Pool. Given the absence of the need to generate a profit and efforts of members to reduce risk, the Authority provides the City with coverage at reduced rates over the private sector and coverage in some areas that are not available through private insurance. MMRMA buys re-insurance from international firms that have recently been impacted by world events and related high claims over the last five years. The City's solid history and recent decision to increase the deductible to \$250,000 in conjunction with the Pool's desire to keep rates down have benefited the City in comparison with other entities seeking coverage. Although rates have not been finalized for the next fiscal year, our Risk Manager is projecting a increase of \$11,900 or 2.8% in this budget.
- The revenues associated with the Proposal "R" Neighborhood Road Improvement Program is brought in with other property tax revenue through the General Fund and then transferred to the Local Street Fund.
- Revenue associated with the 2003 Fire Stations' Bond Issue is brought in through the General Fund and then transferred to the Fire Stations' Debt Service Fund. Both the millage and the amount of the transfer are low as a result of the attractive interest rate that the City was able to obtain based on its strong credit rating.

Library

The Library is staffed by four full-time positions, a Library Director, 2 Librarians and 1 Library Technician. The operation is also supported by 15 part-time positions including: an Adult Reference Librarian, a Community Service Librarian; a Youth Service Assistant, a Circulation Assistant, 7 Library Assistants and 4 Substitute Librarians. The Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2007-08	2008-09	2009-10
Library Director	1	1	1
Librarians	2	2	2
Library Technician	1	1	1
Total Full-time	4	4	4
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	7	7	7
Substitute Librarians	4	4	4
Total Part-time	15	15	15
Total Employees	19	19	19

Accomplishments

- Maintained regular weekly Thursday hours of operation at the Heritage Rooms and by appointment, and conducted special tours for groups including the Madison Heights Senior Center and the New Horizon Senior Co-op.
- Observed positive results in implemented cost recovery measures such as the use of Library Collection Agency software, which resulted in the recovery of lost library material, and revenue enhancement measures in circulation of feature videocassettes.

Objectives

- Continue implementing cost recovery and revenue enhancement measures and evaluate others.
- Adequately publicize the change in Library hours, reducing hours of operation from 61.5 per week to 56 per week.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Building Usage	71,239	108,737	100,000	(8,737)	(8.0)
Interloans to Madison Heights	5,855	8,657	9,500	843	9.7
Materials Circulated	92,699	112,644	100,000	(12,644)	(11.2)
Outreach Visits	81	91	90	(1)	(1.1)
Patron Registrations	2,818	2,395	2,100	(295)	(12.3)
Public Internet Access Use	19,218	30,000	35,000	5,000	16.7
Reference Questions	5,817	8,006	7,500	(506)	(6.3)
<u>Efficiency/Effectiveness</u>					
Average number of Check Outs per week	1,782	2,166	1,923	(243)	(11.2)
Average Days to Shelve Returned Items	1	1	1	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$494,686	\$514,687	\$492,684	\$(22,003)	(4.3)
Supplies	5,043	4,500	3,888	(612)	(13.6)
Other Services and Charges	107,393	107,269	113,682	6,413	6.0
Capital Outlay	98,934	81,800	25,450	(56,350)	(68.9)
Total	\$706,056	\$708,256	\$635,704	\$(72,552)	(10.2)
Resources:					
State Library Aid	\$22,338	\$29,000	\$29,000	\$0	0.0
County Penal Fines	46,865	47,000	45,000	(2,000)	(4.3)
Book Fines	8,289	8,750	19,136	10,386	118.7
Video Revenues	1,306	3,890	2,500	(1,390)	(35.7)
General Fund	627,258	619,616	540,068	(79,548)	(12.8)
Total	\$706,056	\$708,256	\$635,704	\$(72,552)	(10.2)

Key Issues

- In light of the financial difficulties created by falling property tax revenues, the City is implementing the following reductions:
 - Library operation hours will be reduced from 61.5 to 56 hours per week by opening one hour later Monday through Friday and one and a half hours later on Saturday at a savings of \$15,800; and
 - Custodial services will be reduced from six to three days per week at a savings of \$5,100.
- The Capital Outlay Budget includes funding for Digital Versatile/Video Disc (\$850), books (\$23,630) and audio visual items (\$850).



OTHER FUNDS

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

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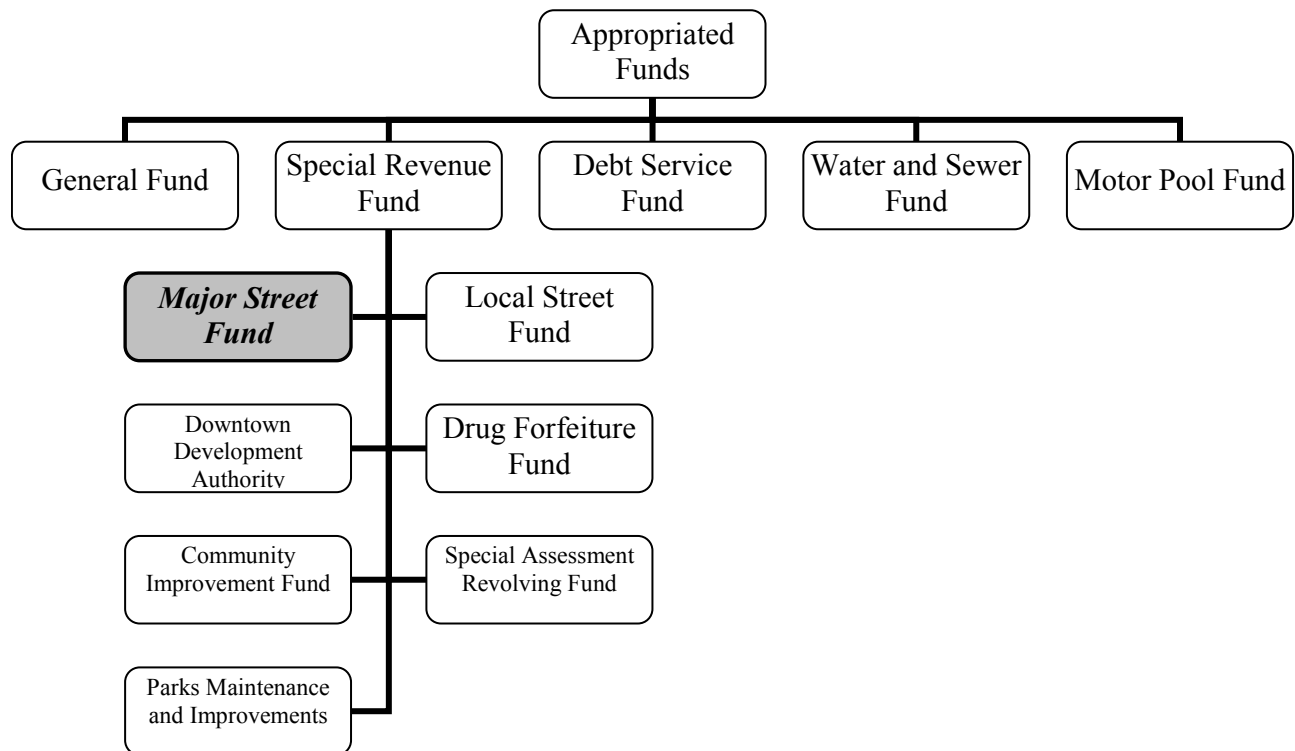
Major Street Fund

Statement of Services

The Major Street Fund maintenance is supported by the Department of Public Service and staffed with an allocation of 12 Equipment Operators, 1 part-time Seasonal Laborer and part of a full-time Administrative Secretary.

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

Organizational Fund Structure



Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Construction	\$769,910	\$2,139,750	\$37,500	\$(2,102,250)	(98.2)
Maintenance	257,259	221,093	215,800	(5,293)	(2.4)
Traffic Services	164,146	280,623	208,576	(72,047)	(25.7)
Winter Maintenance	174,457	192,232	202,020	9,788	5.1
Administration	48,253	50,208	56,587	6,379	12.7
County Roads	126,273	136,840	136,697	(143)	(0.1)
Transfers	0	0	250,000	250,000	0.0
Total	\$1,540,298	\$3,020,746	\$1,107,180	\$(1,913,566)	(63.3)
Resources:					
State	\$1,258,746	\$1,227,551	\$1,187,910	\$(39,641)	(3.2)
County	72,167	172,166	72,484	(99,682)	(57.9)
Interest	28,791	25,000	10,025	(14,975)	(59.9)
Transfers	307,227	288,000	0	(288,000)	(100.0)
Fund Balance	(126,633)	1,308,029	(163,239)	(1,570,950)	(120.1)
Total	\$1,540,298	\$3,020,746	\$1,107,180	\$(2,013,248)	(66.6)

Key Issues

- State shared revenues from gas and weight tax are projected to drop three percent, or \$40,000, as a result of the continued decrease in gas consumption by Michigan drivers.
- The Capital Outlay Budget includes \$37,500 which is a 50% reduction in repairs for our major roads in an attempt to extend their life until additional funding is available for full rehabilitation.
- The City has been notified by Oakland County Surface Funding Transportation Committee that Madison Heights will be allocated \$1.46 million from the Federal Stimulus Bill passed in February 2009 for the milling, rehabilitation and overlay of Campbell from 13 Mile to 14 Mile.

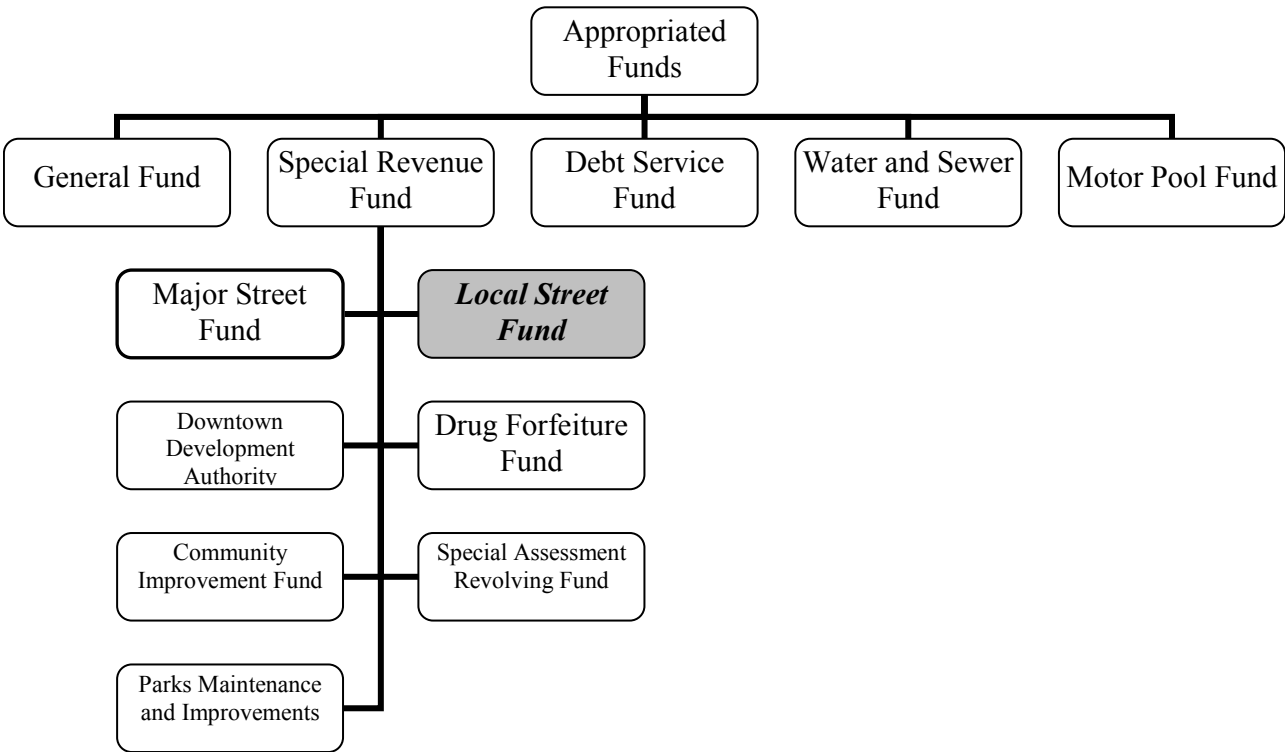
Local Street Fund

Statement of Services

The Local Street Fund maintenance is supported by the Department of Public Service and staffed with an allocation of 12 Equipment Operators, 1 part-time Seasonal Laborer and part of a full-time Administrative Secretary.

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 Major Street Fund and interest income.

Organizational Fund Structure



Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Construction	\$2,917,328	\$3,707,768	\$3,380,000	\$(327,768)	(8.8)
Maintenance	440,410	436,674	433,937	(2,737)	(0.6)
Traffic Services	109,840	128,314	114,435	(13,879)	(10.8)
Winter Maintenance	71,148	97,038	78,279	(18,759)	(19.3)
Administration	40,338	41,745	27,456	(14,289)	(34.2)
Transfers	0	211,000	0	(211,000)	0.0
Total	\$3,579,064	\$4,622,539	\$4,034,107	\$(588,432)	(12.7)
Resources:					
State	\$469,844	\$458,136	\$444,276	\$(13,860)	(3.0)
Interest	258,654	245,000	198,400	(46,600)	(19.0)
Transfers	2,906,500	2,706,557	2,713,102	6,545	0.2
Fund Balance	0	1,212,846	678,329	(534,517)	(44.1)
Total	\$3,634,998	\$4,622,539	\$4,034,107	\$(588,432)	(12.7)
Unreserved Fund Balance	\$(119,186)	\$(119,821)	\$(131,252)	\$(11,431)	9.5
Reserved Fund Balance	\$7,234,066	\$5,020,009	\$3,674,782	\$(1,345,227)	(26.8)

Key Issues

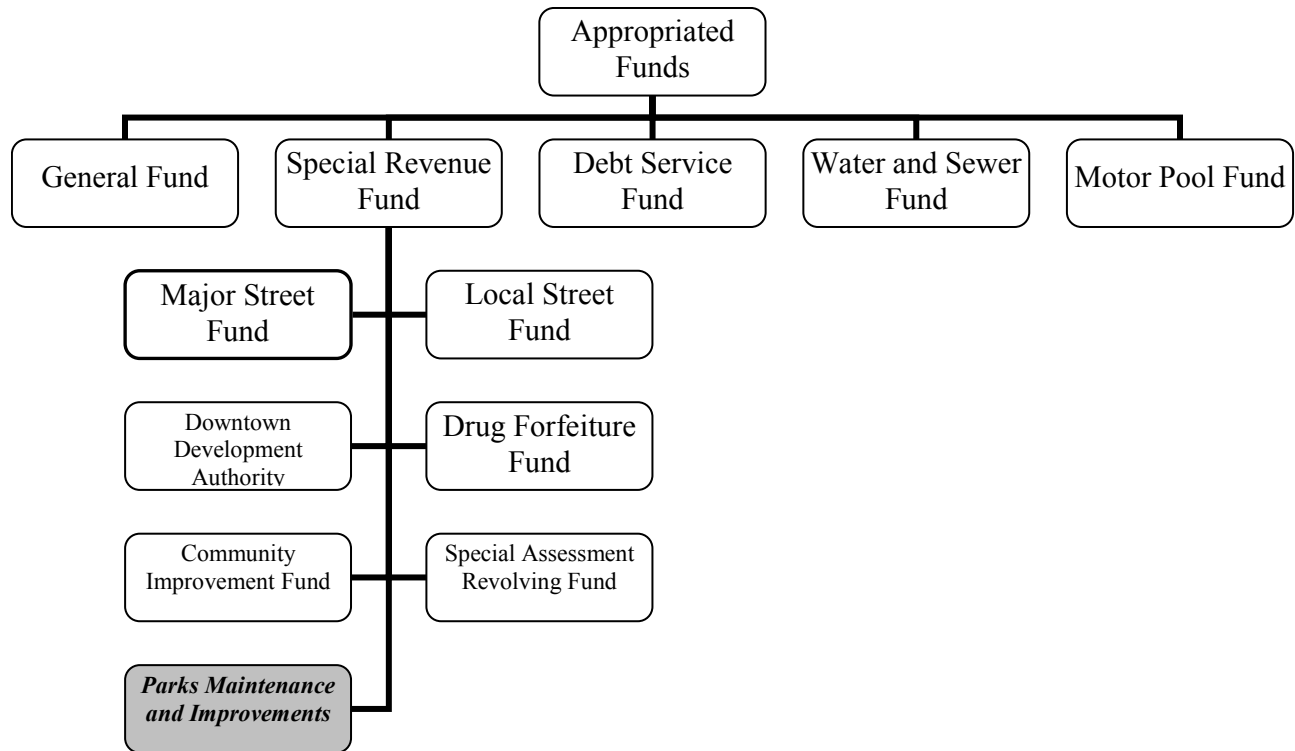
- The Ten Year Neighborhood Road Improvement Program is scheduled to include: “R-1” millage funding for joint and crack seal maintenance (\$100,000), and concrete repair and rehabilitation (\$750,000) for all roads needing work and completed under the original program.
- The Proposal “R-2” road construction projects scheduled for this year include Palmer from 13 Mile to LaSalle (\$367,000), Tawas from 12 Mile to Mapleknoll and Tawas Court (\$454,000), East Barrett from Tawas to Couzens (\$440,000), Lorenz from 11 Mile to Greig (\$380,000), Hales from 11 Mile to Northeastern (\$258,000), Northeastern from 11 Mile to south dead end (\$523,000) and Katherine from Lorenz to Edwards (\$160,000) for a total cost of \$2.5 million.
- Also, as called for in the “R-2” plan, the Budget includes a \$20,000 contribution to the annual sidewalk repair program for key flag squares and ramps.

Parks Maintenance and Improvement

Statement of Services

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

Organizational Fund Structure



Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Maintenance	\$0	\$9,658	\$13,835	\$4,177	0.0
Transfers	0	605	15,605	15,000	0.0
Total	\$0	\$10,263	\$29,440	\$19,177	0.0
Resources:					
Interest/Miscellaneous	\$867,219	\$36,000	\$21,000	\$20,692	57.5
County Shared Revenues	0	0	0	0	0.0
Fund Balance	0	(25,737)	8,440	34,177	0.0
Total	\$0	\$10,263	\$29,440	\$54,869	534.6

Fund Balance	\$867,219	\$892,956	\$884,516	\$(8,440)	(0.9)
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Key Issues

- The Red Oaks Youth Soccer Complex was opened in the fall of 2008. The 10 acre site includes nine soccer fields, a concession/restroom/meeting building and attached picnic pavilion. Scheduled for construction in late 2009 is new playscape equipment funded by the Oakland County Parks and Recreation Commission. Construction of a new flushing system for the underground retention treatment facility started in the winter of 2008-09 and will continue until late summer or early fall.
- A total of \$15,000 in interest income has been budgeted to be transferred from this fund to the City's General Fund to support park maintenance at the other facilities.
- 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 an additional \$3 million over the term of the 25-year agreement. The revenue generated from these investments will support the maintenance and improvement of not only the Red Oaks Youth Soccer Complex, but also the City's entire 12 park system.

Downtown Development Authority

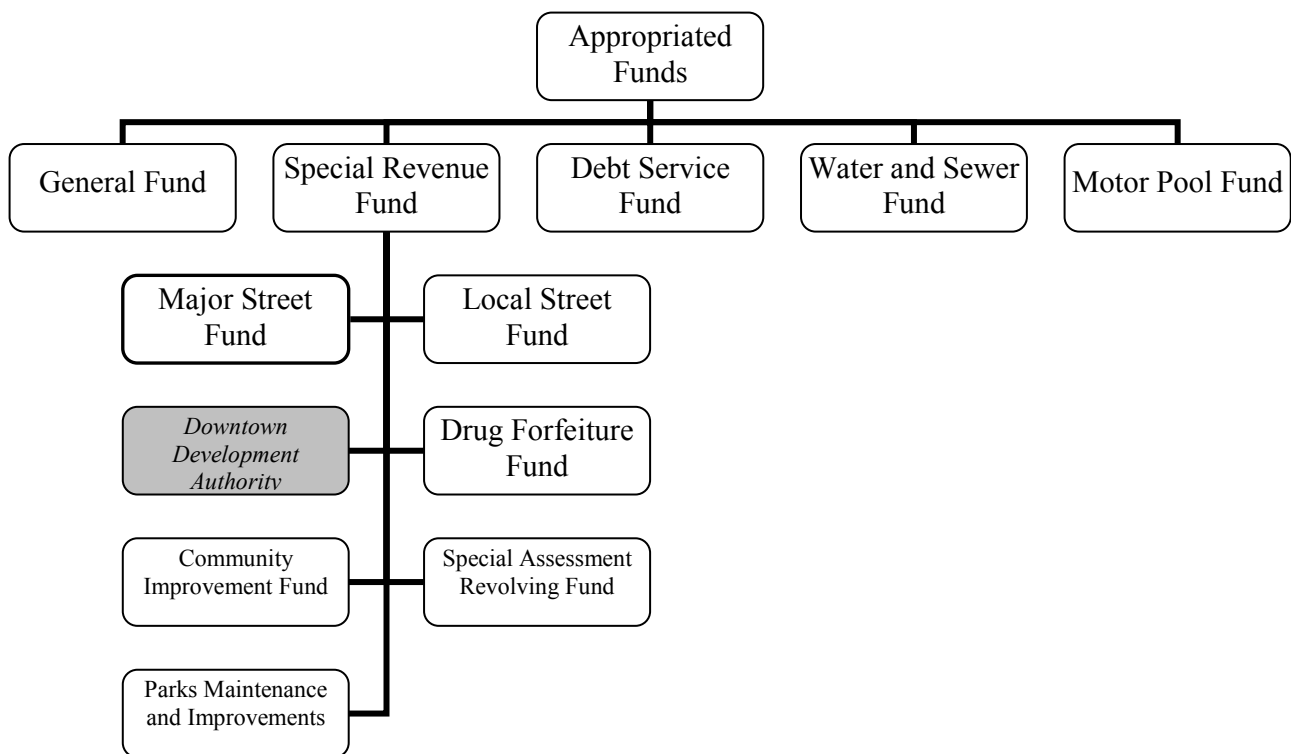
Statement of Services

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 and new business welcome programs included more than 277 visits to local businesses.

Objectives

Resource Management:

- Reconstruct public alleys on 11 Mile Road.

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Other Services and Charges	\$32,032	\$610,561	\$363,415	(247,146)	(40.5)
Transfers	53,558	60,408	71,335	10,927	18.1
Total	\$85,590	\$670,969	\$434,750	\$(236,219)	(35.2)
Resources:					
Property Taxes	\$223,300	\$243,189	\$234,384	\$(8,805)	(3.6)
Interest	19,928	18,500	13,577	(4,923)	0.0
Fund Balance	(157,638)	409,280	186,789	(222,491)	(54.4)
Total	\$85,590	\$670,969	\$434,750	\$(236,219)	(35.2)
Fund Balance	\$472,731	\$63,451	\$(123,338)	\$(186,789)	(294.4)

Key Issues

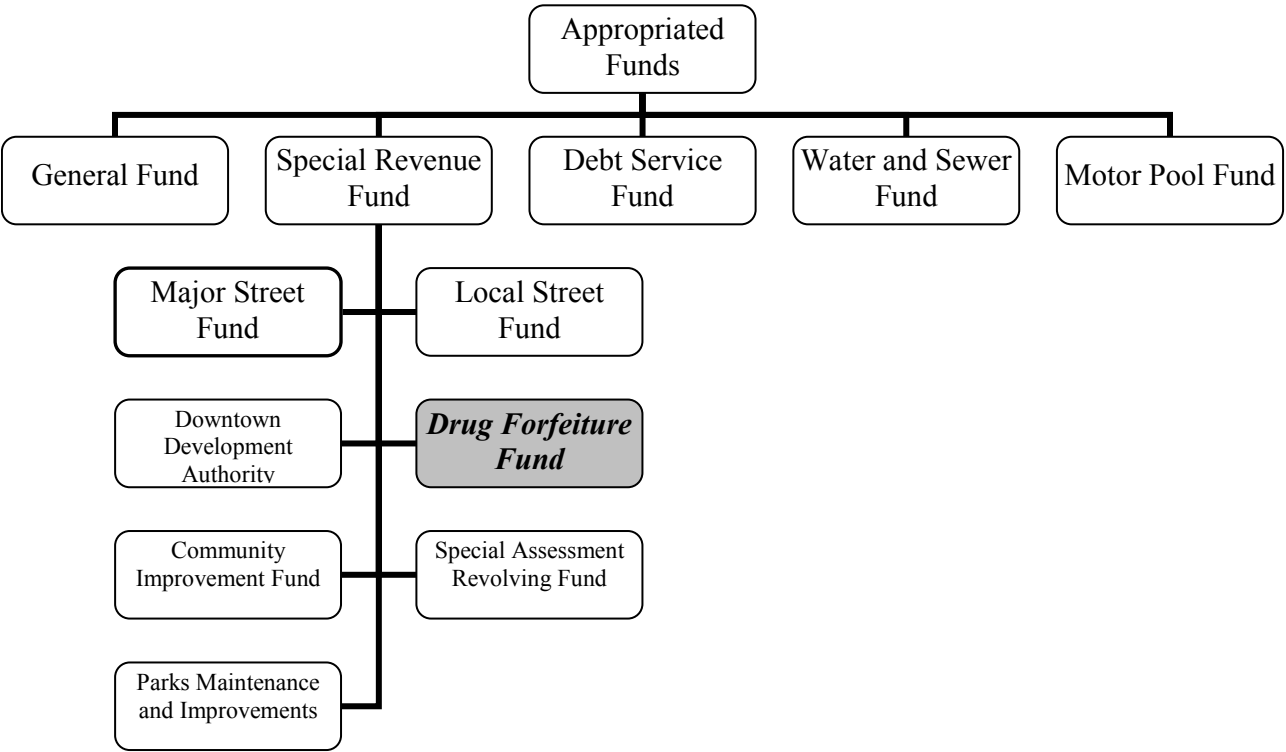
- The FY 2009-10 Budget includes the following major expenditures:
 - \$ 71,300 - DDA funding match of 50% for the Economic Development Program and 25% of a Code Enforcement Officer
 - \$ 20,000 - Private sign upgrade grant program
 - \$ 28,000 - Building facade improvement program
 - \$ 15,000 - Right-of-way mowing
 - \$ 15,000 - Public right-of-way trash receptacle program
 - \$ 10,000 - Permanent identification signage for right-of-way
 - \$ 94,000 - Alley improvements
 - \$ 50,000 - Property acquisition sinking account
 - \$100,000 - 11 Mile/John R improvement sinking fund

Drug Forfeiture Fund

Statement of Services

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

Organizational Fund Structure



Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Supplies	\$5,722	\$2,125	\$0	(2,125)	0.0
Capital Outlay	80,295	143,257	52,000	(91,257)	(63.7)
Total	\$86,017	\$145,382	\$52,000	\$(93,382)	(64.2)
Resources:					
Drug Forfeiture	\$79,984	\$96,000	\$55,500	\$(40,500)	(42.2)
Interest Income	10,236	4,000	0	\$(4,000)	(100.0)
Fund Balance	(4,203)	45,382	(3,500)	\$(48,882)	(107.7)
Total	\$86,017	\$145,382	\$52,000	\$(93,382)	(64.2)
Fund Balance	\$227,667	\$182,285	\$185,785	\$3,500	1.9

Key Issues

- The Capital Outlay Budget includes \$52,000 in matching funds toward a \$130,000 upgrade of the public safety dispatch system technological improvements. Along with the Federal Drug Forfeiture Fund resources of \$52,000, the Oakland County E-911 telephone surcharge of \$51,000 to \$67,000 and the Federal Justice Assistance Grant for \$24,500 will be utilized to fully fund this project.

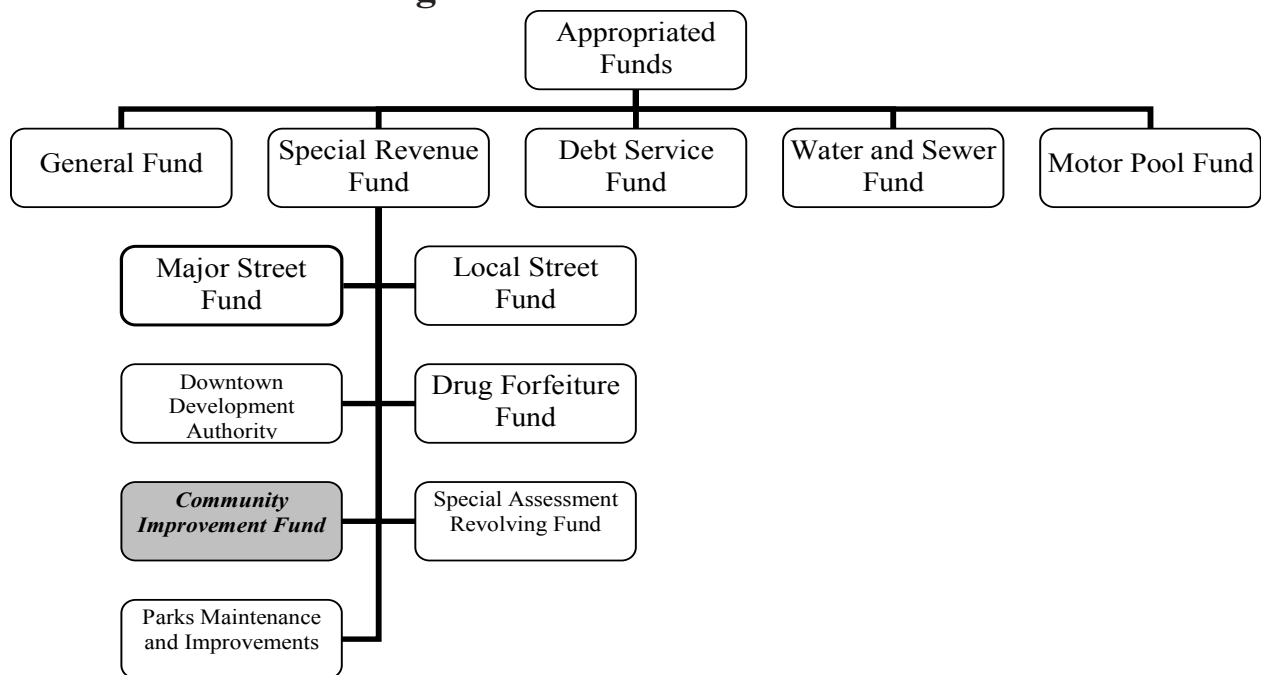
Community Improvement Fund

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) and Housing Commission Funds. The Community Improvement Division includes one full-time Community Housing and Grants Supervisor, one full-time Housing Program Assistant and one full-time Code Enforcement Officer.

Block Grant funds have been used for the yard services program (lawn mowing and snow removal), code enforcement, minor home repair, barrier free improvements and other similar projects that benefit low and moderate-income residents. These funds also provide assistance to low-income families in securing low-interest and/or deferred home improvement loans. The Housing Commission uses federal grant funds to subsidize the rent for over 250 low-income tenants.

Organizational Fund Structure



Accomplishments

Quality of Life:

- Achieved a utilization rate for Federal Housing Section 8 Rental Assistance Program of 97%.
- Maintained a spending ratio (1.08) less than the maximum 1.5 of the CDBG allocation, as requested by Oakland County Community and Home Improvement.
- Joined the HUD "Dollar Homes Initiative" and purchased four foreclosed surplus homes for \$1 each.

Objectives

Quality of Life:

- Maintain 95% or higher utilization rate for Federal Housing Section 8.
- Maintain a spending ratio of less than 1.5 of the CDBG allocations.
- Implement the \$1.2 million Neighborhood Stabilization Program grant aimed at addressing foreclosed homes in targeted low income areas.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
Home Chore Assignments	1,771	1,767	1,800	33	1.9
Home Rehabilitations	12	14	15	1	7.1
Minor Home Repair	4	4	5	1	25.0
Self Sufficiency Contracts	20	20	20	0	0.0
Units Under Contract	273	275	275	0	0.0

Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Personal Services	\$241,157	\$246,249	\$243,823	\$(2,426)	(1.0)
Supplies	190	750	500	(250)	(33.3)
Other Services and Charges	1,587,713	1,649,702	1,678,935	29,233	1.8
Capital Outlay	2,542	0	0	0	0.0
Transfers	307,227	0	0	0	0.0
Total	\$2,138,829	\$1,896,701	\$1,923,258	\$26,557	1.4
Resources:					
Federal Assistance	\$1,782,409	\$1,762,386	\$1,791,798	\$29,412	1.7
Community Develop. Grant	461,672	121,413	121,413	0	0.0
Interest & Miscellaneous Rev.	36,268	12,902	10,047	(2,855)	0.0
Fund Balance	(141,520)	0	0	0	0.0
Total	\$2,138,829	\$1,896,701	\$1,923,258	\$26,557	1.4
Fund Balance	\$671,750	\$671,750	\$671,750	\$0	0.0

Key Issues

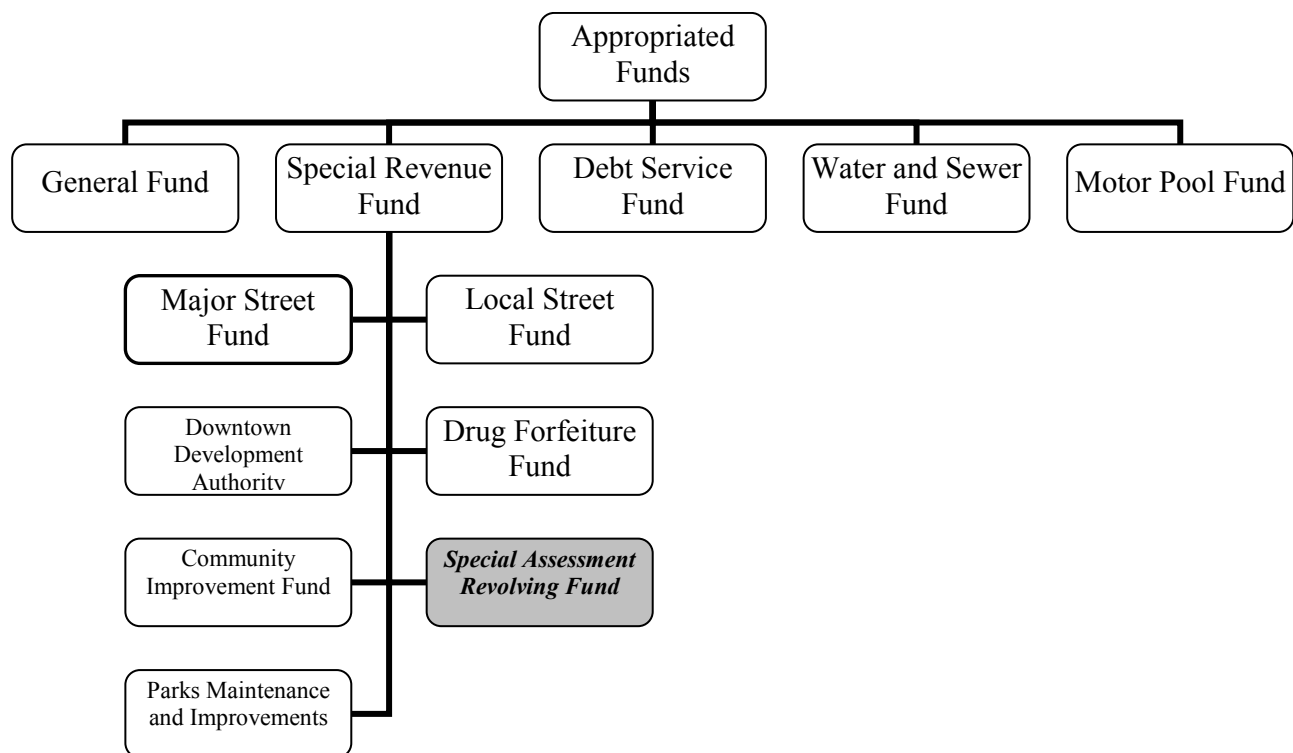
- As part of the 2009-10 Goal Plan, the City adopted:
Goal E - Implement the new Neighborhood Stabilization Program using federal grants to provide assistance for acquisition, redevelopment and/or demolition of foreclosed and abandoned properties in an effort to stabilize neighborhoods with declining housing values. Under this program the City will be receiving \$1.2 million to be spent toward: the purchase and demolition of vacant and foreclosed homes; the purchase, renovation and sale of vacant and foreclosed homes; and in a special cooperative project with the Madison Public Schools that will result in the demolition of the old blighted Monroe School building, the purchase of one acre for a City park and the installation of park improvements at that location.
- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and 25% of the Community Improvement Supervisor (the remaining 75% funded through Housing Program); a Home Chore Program, including mowing and snow shoveling for seniors; and minor home rehabilitation for emergency repairs for qualifying households.
- The Housing Assistance Program is funded at the 275 family level (regular 225 and disability 50). The Federal government is programmed to provide \$42.51 per unit per month to offset the City's local administration costs.

Special Assessment Revolving Fund

Statement of Services

The Special Assessment Revolving Fund is supported by the Community Development Department and 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 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Other Services and Charges	\$4,025	\$4,066	\$1,530	\$(2,536)	(62)
Capital Outlay	316,373	671,118	410,000	(261,118)	0
Transfers	486,889	592,695	407,695	(185,000)	(31)
Total	\$807,287	\$1,267,879	\$819,225	\$(448,654)	(35)
Resources:					
Interest Income	\$82,746	\$40,000	\$40,000	\$0	0
Special Assessment Revenue	497,509	390,963	454,086	63,123	16
Transfers	227,032	211,000	0	(211,000)	0
Fund Balance	0	625,916	325,139	(300,777)	(48)
Total	\$807,287	\$1,267,879	\$819,225	\$(448,654)	(35)
Fund Balance	\$691,463	\$65,547	\$(259,592)	\$(325,139)	(496)

Key Issues

- A total of \$410,000 has been budgeted to support year seven of the Sidewalk Repair and Gap Program. The year seven repair program includes an area bounded by Girard and Moulin on the south, Dequindre on the east, 13 Mile on the north and I-75 on the west.

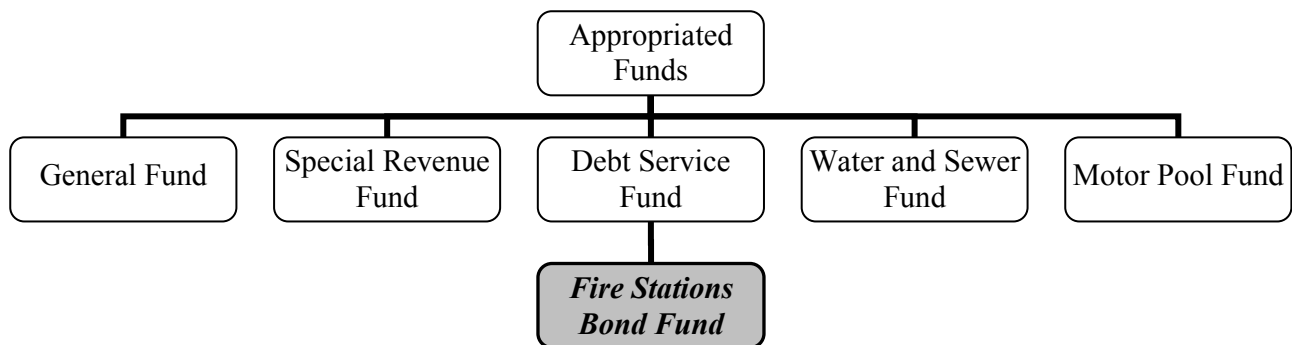
Under the program, the City inspects the sidewalks and identifies those squares in need of replacement. After the assessment district is established, a contractor is hired and work is completed. The property owners have up to three years to reimburse the City through an annual special assessment billing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

Fire Stations Bond Fund

Statement of Services

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

Organizational Fund Structure



Financial Summary

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Requirements:					
Debt Service	\$390,748	\$395,498	\$404,448	\$8,950	2.3
Capital Outlay	0	46,937	0		
Miscellaneous	1,600	1,675	4,485	2,810	0.0
Transfers	0	0	0	0	0.0
Total	\$392,348	\$444,110	\$408,933	\$11,760	2.6
Resources:					
Property Taxes	\$396,695	\$395,227	\$404,124	\$8,897	2.3
Interest	12,207	1,946	4,809	2,863	0.0
Fund Balance	(16,554)	46,937	0	(46,937)	0.0
Total	\$392,348	\$444,110	\$408,933	\$11,760	2.6
Fund Balance	\$97,720	\$50,783	\$50,783	\$0	0.0

Key Issues

- On August 6, 2002, Madison Heights' voters approved a proposal for the City to borrow \$5,926,000 and issue General Obligation Unlimited Tax Bonds, payable over the next 20 years for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, construction of an underground storm water retention structure and draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. A separate Construction and Debt Service Funds have been set up to record the actual project costs and the servicing of the bonds. The new Headquarters Fire Station opened in June 2004. The demolition of the old Fire Station and redevelopment of the Thirteen Mile Road frontage was completed in the fall of 2004.
- The Bond property tax millage is brought in through the General Fund and transferred to the Fire Stations Bond Fund. The Bond Fund is scheduled to make two payments totaling \$404,148 for principal and interest.

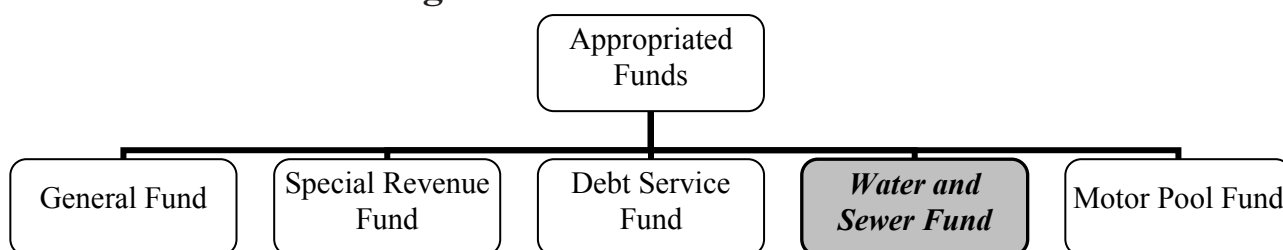
Water and Sewer Division

Statement of Services

The Water and Sewer Division of the Department of Public Service consists of 1 Utilities Supervisor, 2 Water Maintenance Workers, 2 Water Meter Repair Workers, 2 Meter Readers and 5 Equipment Operators. The Division is responsible for:

- Providing water distribution and sewage collection to the City's citizens and businesses. This process begins with the purchase of water from the Detroit Water and Sewerage Department and ends with the City paying the Geroge W. Kuhn Drain District for the treatment of sewage that enters its facilities; and
- Handling all installation, repair and reading of all water meters; all repair work on water and sewer mains; gatewells; maintenance hole and catch basin structures; all cleaning of sewer mains, catch basins, gatewells and culverts; and repair work including pavement and landscape repairs arising from watermain breaks and/or sewer trench settlement.

Organizational Fund Structure



Accomplishments

Public Health:

- Replaced over 10,400 feet of watermain; and repaired 13 catch basins, 6 gatewells and 12 manholes.
- Completed valve exercising in the industrial subdivision sections of the City.
- Cleaned sanitary sewers in District #3 between 13 Mile to 14 Mile.
- Repaired or replaced 60 curb boxes that were damaged.
- Larvicided over 3,600 catch basins to fight the West Nile Virus.
- Began using City Works program for daily work orders including geocoding.
- Submitted Public Education Plan, Illicit Discharge Elimination Plan, and Storm Water Pollution Prevention and Initiative reports in compliance with storm water permit requirements.
- Cleaned the gatewells in the industrial subdivisions.
- Stenciled around all catch basins on new pavement "Flows to River".
- Analyzed projected water and sewer rates, revenues, and operating and capital expenditures over the next 10 years to determine advisability of issuing debt to support future watermain replacements and other capital projects. (Goal A)

Objectives

Public Health:

- Clean catch basins in District #1 between 10 Mile to 11 Mile.
- Clean the sanitary sewers in District #1 between 10 Mile to 11 Mile.
- Larvicide all City owned catch basins.

Performance Measures

Performance Measures:	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
<u>Workload Indicators</u>					
Avg Daily Water Flow (Units*)	5,247	5,607	5,500	(107)	(1.9)
Catch Basins Repaired	13	15	15	0	0.0
Curb Boxes Replaced	69	60	60	0	0.0
Main Break Repairs	52	50	60	10	20.0
New Watermain Installed (Feet)	10,400	5,600	5,600	0	0.0
Sanitation Line Cleaned (Feet)	100,000	100,000	101,000	1,000	1.0
Sewer Backups Resolved	1	1	1	0	0.0
Radio Read Installation	104	0	0	0	0.0
<u>Efficiency/Effectiveness</u>					
Meters Read Per Reader (Comm)	185	185	185	0	0.0
Meters Read Per Reader (Residential)	540	600	630	30	5.0
Meter Reading Cost Per Commercial Customers (Dollars)	8.91	9.48	10.06	0.58	6.1
Meter Reading Cost Per Residential Customers (Dollars)	2.16	2.31	2.46	0.15	6.5

* One unit equals 748 gallons

Key Issues

- The City's water and sewer operation has experienced a steep decline in water consumption with residential usage down 8.0% and commercial sales off 14.8% over the last year. Overall, revenues are down \$900,000 or 9.7%. This has had a tremendous impact on the Fund's cash reserve as the cash balance has dropped from \$180,000 on July 1, 2008 to a projected negative balance by June 30, 2009.
- As a point of information, the Detroit Water and Sewerage Department and the Detroit City Council have proposed a 10.7% increase for the Madison Heights water rates effective July 2009, and the Oakland County Water Resources Commissioner is planning a 7.2% increase in sewage disposal. Based on the analysis by the Finance Department of the Water and Sewer Fund Retained Earnings and projected Revenues and Expenditures, the City's water and sewer rates will need to be increased 16% in FY 2009-10 unless Council approves a new 30 year agreement for the delivery of water to Madison Heights. This agreement will require new mandatory restrictions on watering lawns and will save \$186,000 annually, reducing the overall proposed increase from 16% to 13.5%..
- The average quarterly residential water and sewage bill will increase by \$13.87 to \$122.49 (based on 2,200 cubic feet of consumption).
- In an effort to fortify the financial position of the Water and Sewer Fund, the Department of Public Service has proposed the establishment of a ready to serve bill for customers no longer receiving water consumption (\$60,000) and adjustments to the City's current schedule of water and sewer special service fees (\$61,600).

Financial Summary

Requirements	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Water Charges	\$1,910,231	\$1,708,868	\$1,733,990	\$25,122	1
Water System Maintenance	841,614	758,565	736,168	(22,397)	(3)
Water Tapping & Installation	9,447	24,500	20,300	(4,200)	(17)
Water Depreciation	296,612	254,000	266,000	12,000	5
Sewage Disposal Charges	3,167,967	2,992,526	2,991,520	(1,006)	(0)
Sewer System Maintenance	468,827	540,633	511,684	(28,949)	(5)
Sewer Depreciation	211,978	226,530	228,530	2,000	1
General Service Building	256,175	244,065	254,688	10,623	4
General Administration	1,134,125	1,194,436	1,207,580	13,144	1
Capital Outlay	329,768	555,000	699,100	144,100	26
Debt Service	40,381	842,665	841,029	(1,636)	(0)
Total	\$8,667,125	\$9,341,788	\$9,490,589	\$148,801	2
Resources:					
Sales: Water	\$3,908,841	\$4,006,548	\$4,247,422	\$240,874	6
Sales: Sewer	4,981,019	5,144,785	5,262,323	117,538	2
Interest/Miscellaneous	104,086	70,000	37,650	(32,350)	(46)
Departmental Charges	29,550	29,550	29,550	0	0
Transfers	0	0	116,100	116,100	0
Retained Earnings	(356,371)	90,905	(202,456)	(293,361)	(323)
Total	\$8,667,125	\$9,341,788	\$9,490,589	\$148,801	2
Retained Earnings	\$1,128,139	\$1,037,234	\$1,239,690	\$202,456	20
Cash	\$178,469	\$87,564	\$290,020	\$202,456	231

Key Issues

- To support the Neighborhood Road Improvement Program, \$583,000 has been budgeted to replace water-mains on Brockton, Alden, Dorchester, Spicer, Englewood and Nanton.
- Vehicles scheduled for replacement include a backhoe (\$87,500) and a pickup truck (\$28,600).
- The City continues its discussion with representatives of the Detroit Water and Sewerage Board in an effort to obtain concessions on the proposed water rate increase.
- As part of the 2009-10 Goal Plan, the City adopted:
 - Goal A - Analyze projected water and sewage rates, revenues and operating and capital expenditures for the next 10 years to determine the advisability of issuing debt to support future watermain replacements and other capital projects.
- In light of the financial difficulties created by dropping water consumption and falling revenues, the City plans to implement the following reductions:
 - Elimination of two part-time seasonal positions (\$15,700); and
 - Reduction in water contractors installation rates (\$70,800).

Debt Summary

The City in the past has issued bonds to provide for the acquisition and construction of some major capital facilities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. Revenue Bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

- I. George W. Kuhn Drain Bonds and State Revolving Loan Debt issued between October 2000 and August 2007. The total debt to be issued is estimated to be \$117,338,000 with Madison Heights' share being \$12,596,000. The bond and interest payments are being paid from the Water and Sewer Fund, with \$10,489,282 principal remaining as of July 1, 2008.
- II. Fire Stations' General Obligation Unlimited Tax Bonds in the amount of \$5,926,000 issued on May 1, 2003, payable over 20 years, for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, park and site improvements, construction of an underground storm water retention structure and draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. As of July 1, 2008 \$5,015,000 remains in principal payments.

FY 2009-10 Budget

General Obligations			
	Principal	Interest	Total
Fire Stations Bond	\$235,000	\$169,148	\$404,148

Water & Sewer Obligations			
	Principal	Interest	Total
Water & Sewer	\$570,863	\$270,066	\$840,929
Total Debt Service	\$805,863	\$439,214	\$1,245,077

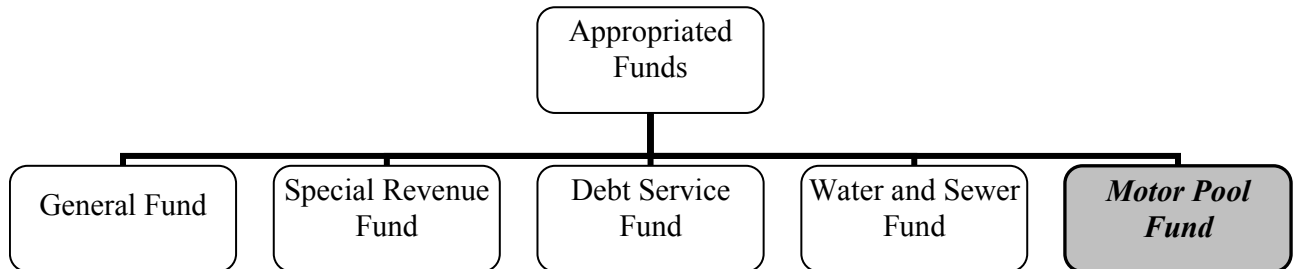
Motor Pool Division

Statement of Services

The Motor Pool Division of the Department of Public Service consists of 1 Motor Pool Supervisor and 3 Mechanics. The Division is responsible for:

- Maintaining all City vehicles and related equipment, including keeping records on each vehicle and piece of equipment to help determine whether the cost of repair is justified;
- Inspecting for safety problems, protecting the employees and the general public, as well as keeping adequate vehicle and equipment parts in stock and updated; and
- Ordering gasoline and diesel fuel, and overseeing the work done on all emergency backup generators.

Organizational Fund Structure



Accomplishments

Resource Management:

- Continued to install pre-welding tanks and equipment on our salt trucks to further increase the savings resulting from our use of brine.
- Evaluated and rejected nitrogen tire inflation based on the expense of equipment outweighing the benefits of improved mileage.
- Designed and implemented an improved quantitative method of evaluating the vehicles in our fleet to raise the accuracy of our replacement schedule.

Objectives

Resource Management:

- Analyze and investigate higher levels of security within our existing fuel dispensing system.
- Work with other departments to establish a "No Idle Policy" to lower our fuel consumption.
- Continue vehicle replacement under the planned schedule and "V-2" millage with greater emphasis on fuel economy and, if funding is available, a hybrid vehicle.
- Continue to equip our salt trucks with pre-wetting tanks to allow all our trucks to benefit from the use of brine.
- Determine cost effective solution to clean inside of DPS underground fuel tank to resolve issue with ethanol causing vehicle problems on certain pick up trucks.
- Research methods to reduce vehicle fuel consumption through development of a new vehicle operation policy, an evaluation of alternative engine sizes and types including hybrids, and improved monitoring of fuel consumption.

Performance Measures

	Actual 2007-08	Estimate 2008-09	Budget 2009-10	Increase (Decrease) FY 2008-09 to FY 2009-10	Percent Change
Performance Measures:					
<u>Workload Indicators</u>					
City Vehicle Repairs	590	600	550	(50)	(8.3)
Preventative Maintenance	475	500	500	0	0.0
Preventative Mte.-Cars	220	234	235	1	0.4
Preventative Mte.-Small Eq.	75	83	85	2	2.4
Preventative Mte.-Trucks	180	183	180	(3)	(1.6)
Work Orders	1,050	1,100	1,050	(50)	(4.5)

Financial Summary

	Actual 2006-07	Estimate 2007-08	Budget 2008-09	Increase (Decrease) FY 2007-08 to FY 2008-09	Percent Change
Requirements:					
Personal Services	\$367,267	\$382,947	\$399,650	\$16,703	4.4
Supplies	228,188	238,250	292,750	54,500	22.9
Other Services and Charges	452,970	524,276	434,308	(89,968)	(17.2)
Capital Outlay	15,000	0	0	0	0.0
Total	\$1,063,425	\$1,145,473	\$1,126,708	\$(18,765)	(1.6)
Resources:					
Transfers-General Fund	\$939,642	\$1,010,662	\$996,018	\$(14,645)	(1.4)
Transfers-Water and Sewer	123,783	134,811	130,690	(4,121)	(3.1)
Fund Balance	0	0	0	0	0.0
Total	\$1,063,425	\$1,145,473	\$1,126,708	\$(18,766)	(1.6)

Fund Balance	\$0	\$0	\$0	\$0	0.0
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Key Issues

- As part of the 2009-10 Goal Plan, the City adopted:
Goal H - Research methods to reduce vehicle fuel consumption through development of a new vehicle operation policy, an evaluation of alternative engine sizes and types including hybrids, and improved monitoring of fuel consumption.
- A “No Idle Policy” for unoccupied vehicles, enforcement among all departments, would reduce carbon emissions , improve the environment, save money, reduce wasted fuel and reduce engine wear. Savings is estimated at 2.5% (\$4,900) of each fuel account, based on average reduced consumption of one-half gallon per 20 gallon tank.
- As a result of a comprehensive inventory and review of all City vehicles, the City would plan to sell 14 spare and backup vehicles at a one-time estimated revenue of \$30,500.



FY 2009-14 CAPITAL IMPROVEMENT PLAN

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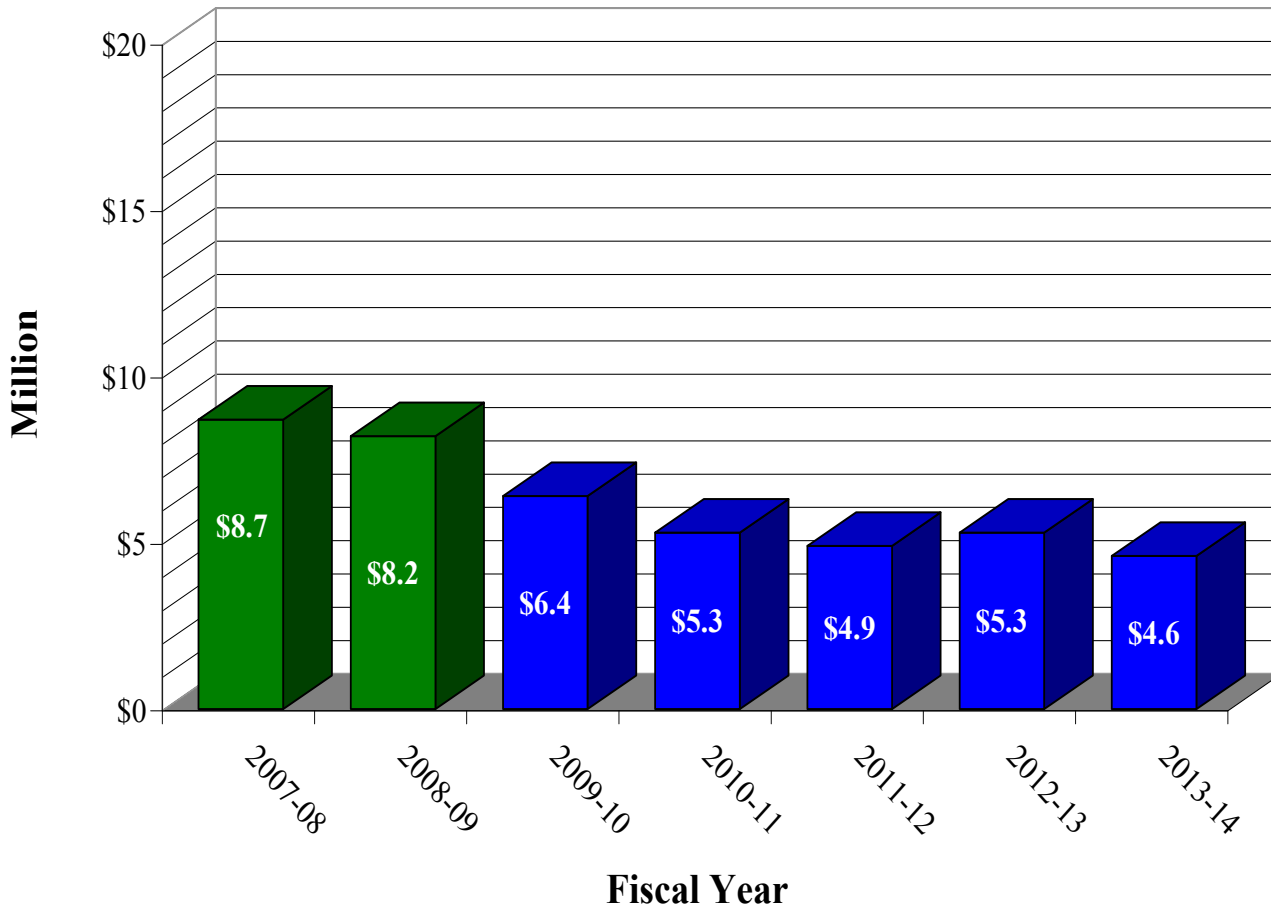
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FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 2009-14

FY 2007-08 ACTUAL AND
FY 2008-09 ESTIMATED



The largest projects programmed during the Capital Improvement Plan include the Proposal “R-2” Neighborhood Road Improvements which range in size from \$2 to \$4 million over the five year period. The Capital Improvement Plan spikes in FY 2009-10 due to \$1.5 million programmed for Campbell Road reconstruction; and \$410,000 for Year 7 of the Sidewalk program. The last three years of the plan include \$1.4 million to support the new industrial road mill and asphalt overlay program.

PLAN OVERVIEW

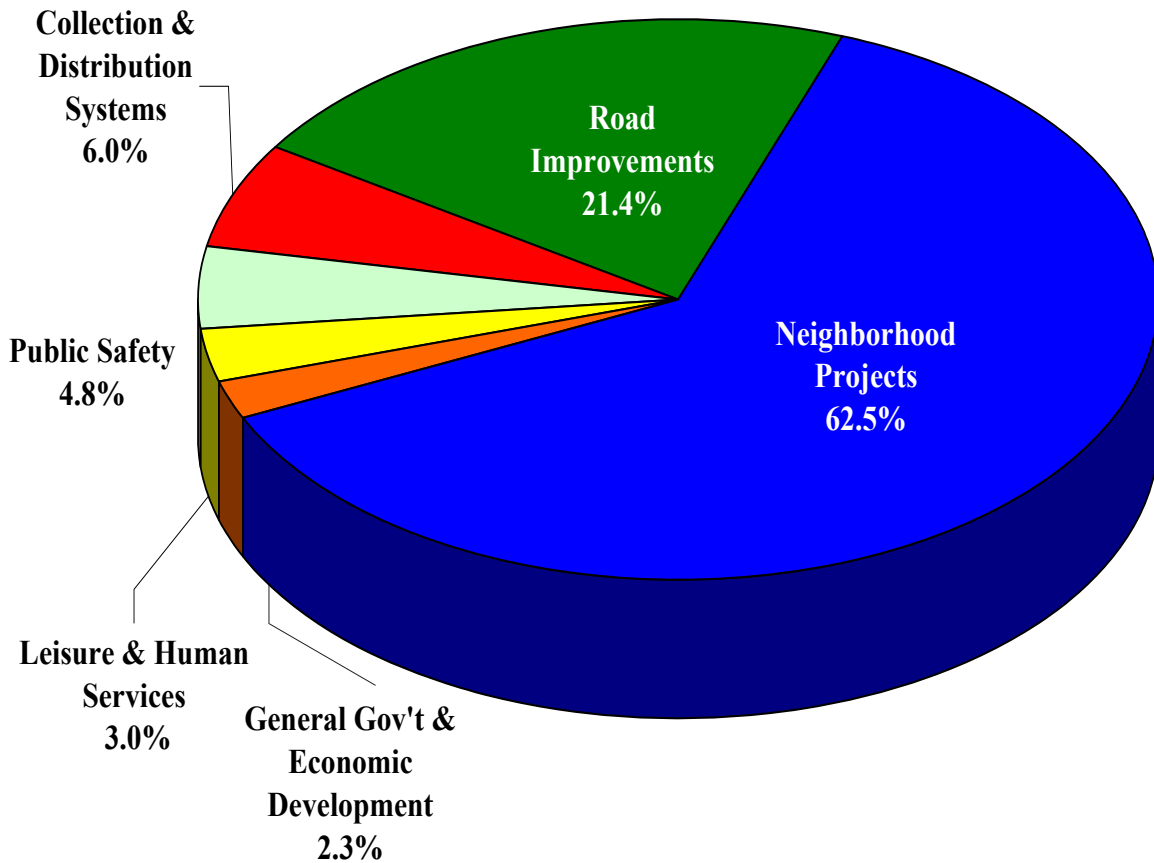
The FY 2009-14 Five Year Capital Improvement Plan totals \$26.4 million. The bar graph presented on the facing page shows the scheduled appropriations by year. The five year program, which is a consolidation of ongoing projects and projects planned over the next five years, represents future capital improvement commitments consistent with past City Council direction and the City's 2009-10 Goal Plan. (See Table I - Financial Overview.)

The Capital Improvement Plan (CIP) is being generated in response to the financial policies first adopted with the FY 1992-93 Budget. The plan is amended as needed and readopted each year. The proposed capital improvement policies include:

1. The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements in accordance with the plan.
2. The City's plan will include large capital purchases and construction projects costing more than \$30,000.
3. When financially feasible, the City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital infrastructure and equipment from current revenues where possible.
4. The City will try to ensure that prime commercial/industrial acreage is provided with the necessary infrastructure to meet the market demand for this property.
5. The City will use the following criteria to evaluate the relative merit of each capital project:
 - a. Projects that implement a component of the approved goal plan will be a priority when establishing funding.
 - b. Projects specifically included in an approved replacement schedule will receive priority consideration.
 - c. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
 - d. Projects that duplicate other public and/or private services will not be considered.
 - e. Priority will be given to those projects that directly support development efforts in areas with a majority of low to moderate-income households.

USE OF FUNDS

FY 2009-14



More than eighty-four percent of the Capital Improvement Plan is programmed for Road Improvements and Neighborhood Projects.

TABLE I
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
USE OF FUNDS
(IN THOUSANDS)

APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL APPROP.
Neighborhood Projects	III	\$ 3,579	\$ 4,119	\$ 3,963	\$ 3,336	\$ 3,258	\$ 2,962	\$ 3,022	\$ 16,541
Road Improvements	V	3,238	2,794	1,909	778	1,207	1,019	734	5,647
Collection & Distribution Sys.	VII	507	0	88	824	365	216	90	1,583
Public Safety	IX	110	261	130	227	40	320	562	1,279
General Govt & Economic Dev.	XI	25	431	244	50	50	140	125	609
Leisure & Human Services	XIII	1,233	546	40	44	0	653	45	782
TOTAL		\$ 8,692	\$ 8,151	\$ 6,374	\$ 5,259	\$ 4,920	\$ 5,310	\$ 4,578	\$ 26,441

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 4 to 10 percent per year for vehicles and 5 percent for construction projects (unless set by predetermined financial targets).

In estimating the cost of future local improvement projects, construction costs have been increased to reflect an additional 20 percent above actual construction estimates. The 20 percent has been added to these projects to cover construction design, contract administration, construction staking, engineering, as-built drawings preparation, material testing, field inspections, right-of-way acquisition and contingency expenses. These types of expenses vary considerably from project to project but do not normally exceed 20 percent.

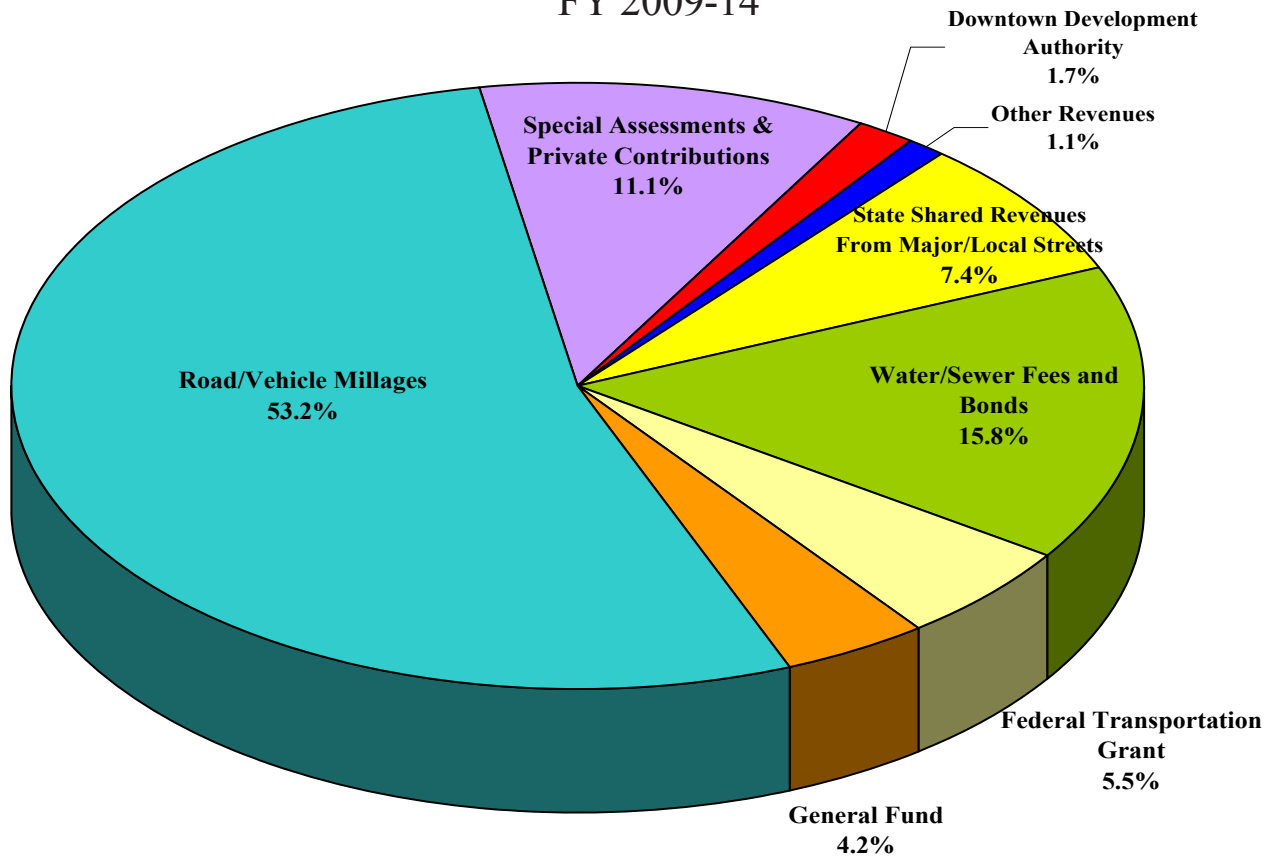
The format for the Capital Improvement Plan has been established to emphasize major functional areas. All capital improvement proposals have been classified into one of six functional areas: Neighborhood Projects, Road Improvements, Collection & Distribution Systems, Public Safety, General Government & Economic Development, and Leisure & Human Services. A separate chapter has been included in this plan for each functional area outlining the justification and funding for each proposal.

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

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Neighborhood Projects	62.5
Road Improvements	21.4
Collection & Distribution Systems	6.0
Public Safety	4.8
Leisure & Human Services	3.0
General Government & Economic Development	<u>2.3</u>
	100.0

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

SOURCE OF FUNDS FY 2009-14



The Road and Vehicle Millage provides over one-half of the funding for the Capital Improvement Plan.

**TABLE II
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
SOURCE OF FUNDS
(IN THOUSANDS)**

REVENUES:

	TABLE III NEIGHBOR. PROJECTS	TABLE V ROAD IMPROV.	TABLE VII COLLECTION & DIST. SYSTEMS	TABLE IX PUBLIC SAFETY	TABLE XI GENERAL GOV'T & ECON. DEV.	TABLE XIII LEISURE & HUMAN SERVICES	TOTAL
General Fund	\$ 0	\$ 0	\$ 0	\$ 525	\$ 165	\$ 431	\$ 1,121
State Shared Revenues from Major/Local Streets	0	1,945	0	0	0	0	1,945
Special Assessments & Private Contributions	874	1,740	0	0	0	311	2,925
Road/Vehicle Millage	13,075	501	0	494	0	0	14,070
Royal Oak/Troy/Hazel Pk./Warren Local Rd. Match	0	0	0	0	0	0	0
Water/Sewer Fees and Bonds	2,592	0	1,583	0	0	0	4,175
Federal Transportation Grant	0	1,461	0	0	0	0	1,461
Oakland Grants	0	0	0	50	0	40	90
Drug Forfeiture	0	0	0	180	0	0	180
Downtown Development Authority	0	0	0	0	444	0	444
Fire Bond Issue	0	0	0	30	0	0	30
TOTAL	\$ 16,541	\$ 5,647	\$ 1,583	\$ 1,279	\$ 609	\$ 782	\$26,441

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 sources are Road and Vehicle Property Tax Millages and Water and Sewer Fund revenues totaling \$18.2 million or 69.0 percent of the plan. The majority of these funds will be needed for scheduled neighborhood road improvement projects and replacement of watermain. A breakdown of revenues programmed in the FY 2009-14 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Road and Vehicle Millages	53.2
Water and Sewer Fees and Bonds	15.8
Special Assessment and Private Contributions	11.1
State Shared Revenues from Major/Local Streets	7.4
Federal Transportation Grants	5.5
General Fund	4.2
Downtown Development Authority	1.7
Drug Forfeiture	0.7
Other Local Governments	0.3
Fire Bond Issue	<u>0.1</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 13.2 percent of the Capital Improvement Plan. Major and Local Streets State Shared Revenues serve as the source for the City's contribution to road projects and support road maintenance projects (e.g. Campbell Road reconstruction, Industrial/Commercial road overlays, annual joint/crack sealing and sectional concrete replacement projects). Federal transportation grants provide over 91 percent of the funding for the Campbell Road reconstruction project.

In November 2008, Oakland County approved a contribution to the Road Commission's Tri-Party Program of \$2.25 million. The \$2.25 million contribution is matched by the Road Commission and the municipalities for a total program of \$6.75 million. The Madison Heights annual contribution is \$39,792, while the Road Commission and County's annual match stands at \$79,585.

The Five Year Capital Improvement Program calls for the construction of 87 projects and the purchase of 16 major pieces of equipment.

The FY 2009-10 Capital Improvement Plan totals \$6.6 million (Table I) and calls for the construction of 18 projects and the purchase of two major pieces of equipment.

TABLE III
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

APPROPRIATIONS:

NEIGHBORHOOD PROJECTS	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL APPROP.
Parker District (R-1)	\$ 2,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Proposal "R-1" Joint & Crack Maintenance	80	80	100	0	0	0	0	100
Proposal "R-1" Concrete Repair	50	50	750	0	0	0	0	750
Proposal "R-2" Sidewalks	20	20	20	20	20	20	20	100
Proposal "R-2" Concrete Repair	0	0	0	0	20	20	20	60
YEAR 1 ROADS								
Spoon - Huntington North to Campbell (R-2)	177	802	0	0	0	0	0	0
Parkdale - Campbell to Mark (R-2)	81	400	0	0	0	0	0	0
Millard - Campbell to Edgeworth South to 31601 Millard (R-2)	149	624	0	0	0	0	0	0
Barrington/Northeastern - Woodside to Girard (R-2)	88	575	0	0	0	0	0	0
Girard - I-75 to Palmer (R-2)	94	480	0	0	0	0	0	0
Spoon Sectional (R-1)	130	250	0	0	0	0	0	0
Sherry Sectional (R-1)	210	300	0	0	0	0	0	0
YEAR 2 ROADS (R-2)								
Palmer - 13 Mile to Lasalle	0	83	367	0	0	0	0	367
Tawas - 12 Mile Road to Mapleknoll and Tawas Court	0	98	454	0	0	0	0	454
E. Barrett - Tawas to Couzens	0	99	440	0	0	0	0	440
Lorenz - 11 Mile to Greig	0	77	308	0	0	0	0	308
Hales - 11 Mile to Northeastern	0	58	258	0	0	0	0	258
Northeastern - 11 Mile to South End	0	123	523	0	0	0	0	523
Katherine - Lorenz to Edward	0	0	160	0	0	0	0	160
YEAR 3 ROADS (R-2)								
Brockton - Battelle to Tawas	0	0	86	326	0	0	0	412
Alden - 11 Mile to South end	0	0	131	473	0	0	0	604
Dorchester - Englewood to 31272 Dorchester	0	0	80	176	0	0	0	256
Spicer - Northeastern to South end	0	0	109	413	0	0	0	522
Englewood - Campbell to Edgeworth	0	0	122	417	0	0	0	539
Nanton - 11 Mile to South end	0	0	55	452	0	0	0	507
Yorkshire - Westmore to Tanglewood	0	0	0	274	0	0	0	274
Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	0	276	0	0	0	276
YEAR 4 ROADS (R-2)								
Gardenia - John R to Lorenz	0	0	0	147	609	0	0	756
Rialto - 11 Mile to South end	0	0	0	135	505	0	0	640
Park Court - 11 Mile to South end	0	0	0	147	563	0	0	710
Alger - Parker South to Gardenia	0	0	0	80	477	0	0	557
Townley - 11 Mile to University	0	0	0	0	311	0	0	311
YEAR 5 ROADS (R-2)								
Shacket - Huntington to Spoon	0	0	0	0	304	782	0	1,086
Spoon - S. of Huntington Ave	0	0	0	0	12	73	0	85
Huntington - Campbell to Mark	0	0	0	0	51	451	0	502
Sherry - Girard to S. of Parkdale	0	0	0	0	118	458	0	576
Longfellow - Garry to 30290 Longfellow	0	0	0	0	84	268	0	352
Groveland and University Intersection - (Watermain to 11 Mile) and 21700 Groveland to Farnum	0	0	0	0	184	601	0	785
YEAR 6 ROADS (R-2)								
Lenox - Baxter to Sprague	0	0	0	0	0	0	248	248
Hampden - Farnum Intersection	0	0	0	0	0	9	150	159
University - Lenox to Hampden	0	0	0	0	0	9	135	144
Brettonwoods - Gardenia to Farnum	0	0	0	0	0	150	620	770
Forest - Hampden to Brettonwoods & Hampden Intersection	0	0	0	0	0	15	311	326
Gardenia - Hampden to Dartmouth	0	0	0	0	0	63	304	367
Parker - E of Sealcoat to John R - (Watermain Cross-Over)	0	0	0	0	0	43	756	799
YEAR 7 ROADS (R-2)								
Dartmouth - 26333 Dartmouth to 26113 Dartmouth	0	0	0	0	0	0	0	0
Barrington - Cowan to Andover	0	0	0	0	0	0	56	56
W. Barrett - Alger to John R	0	0	0	0	0	0	63	63
E. Hudson - John R to 71 E. Hudson	0	0	0	0	0	0	63	63
Kalama - Stephenson Hwy. to Alger	0	0	0	0	0	0	46	46
Couzens - South of 11 Mile Road	0	0	0	0	0	0	130	130
Harwood - Dartmouth to 368 Harwood	0	0	0	0	0	0	100	100
TOTALS	\$ 3,579	\$ 4,119	\$ 3,963	\$ 3,336	\$ 3,258	\$ 2,962	\$ 3,022	\$ 16,541

TABLE III
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

REVENUES:

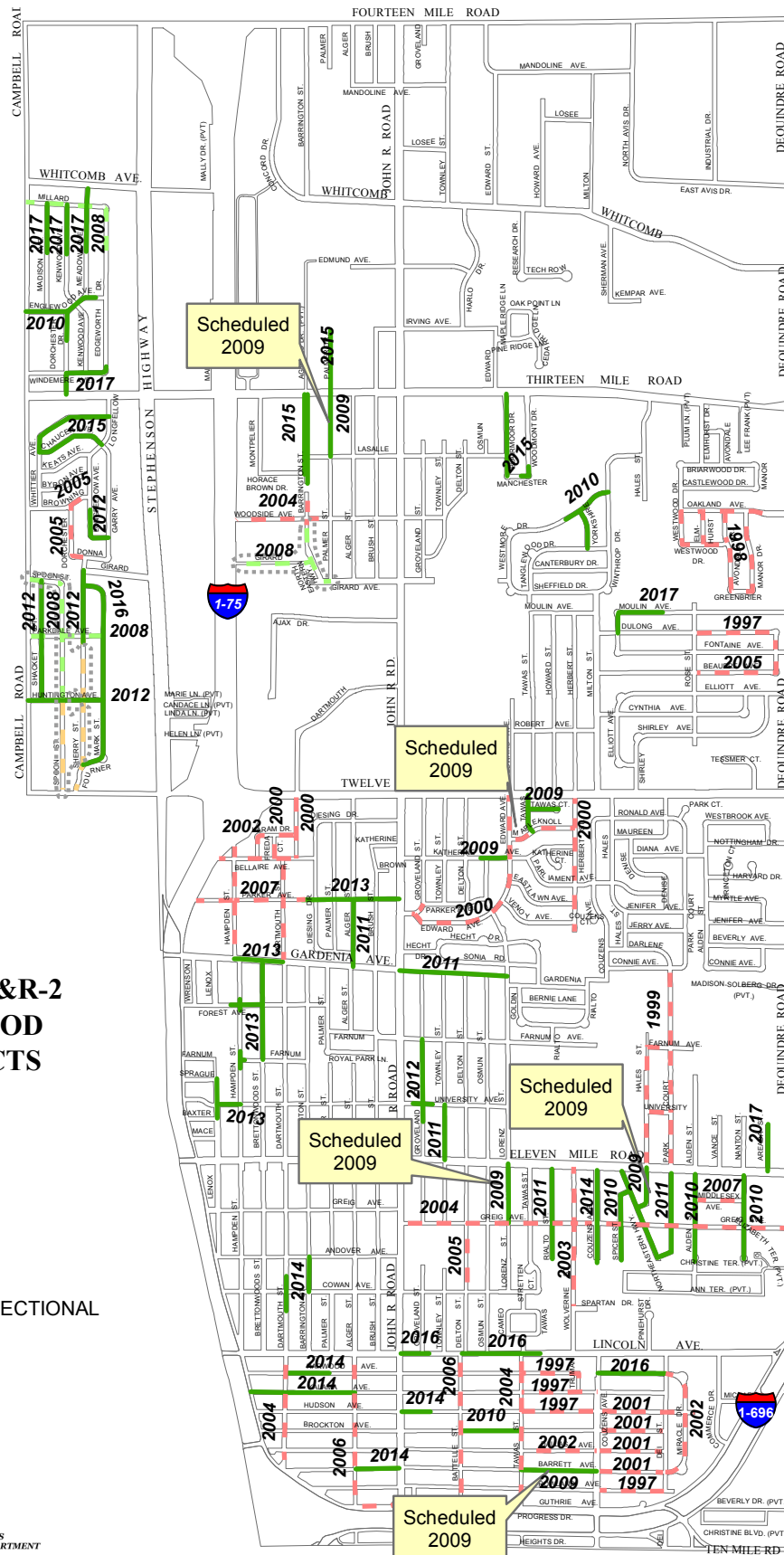
NEIGHBORHOOD PROJECTS	GENERAL FUND	LOCAL/ MAJOR STREETS	CDBG	SPECIAL ASSESS.	ROAD MILLAGE	WATER & SEWER FUND	OTHER REVENUES	OTHER REVENUES	TOTAL REVENUE
Proposal "R-1" Joint & Crack Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100	\$ 0	\$ 0	\$ 0	\$ 100
Proposal "R-1" Concrete Repair	0	0	0	0	750	0	0	0	750
Proposal "R-2" Sidewalks	0	0	0	0	100	0	0	0	100
Proposal "R-2" Concrete Repair	0	0	0	0	60	0	0	0	60
YEAR 2 ROADS (R-2)									
Palmer - 13 Mile to Lasalle	0	0	0	0	367	0	0	0	367
Tawas - 12 Mile Road to Mapleknoll and Tawas Court	0	0	0	0	454	0	0	0	454
E. Barrett - Tawas to Couzens	0	0	0	0	440	0	0	0	440
Lorenz - 11 Mile to Greig	0	0	0	77	231	0	0	0	308
Hales - 11 Mile to Northeastern	0	0	0	65	193	0	0	0	258
Northeastern - 11 Mile to South End	0	0	0	131	392	0	0	0	523
Katherine - Lorenz to Edward	0	0	0	0	160	0	0	0	160
YEAR 3 ROADS (R-2)									
Brockton - Battelle to Tawas	0	0	0	0	326	86	0	0	412
Alden - 11 Mile to South end	0	0	0	118	355	131	0	0	604
Dorchester - Englewood to 31272 Dorchester	0	0	0	0	176	80	0	0	256
Spicer - Northeastern to South end	0	0	0	103	310	109	0	0	522
Englewood - Campbell to Edgeworth	0	0	0	0	417	122	0	0	539
Nanton - 11 Mile to South end	0	0	0	113	339	55	0	0	507
Yorkshire - Westmore to Tanglewood	0	0	0	0	274	0	0	0	274
Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	0	0	276	0	0	0	276
YEAR 4 ROADS (R-2)									
Gardenia - John R to Lorenz	0	0	0	0	609	147	0	0	756
Rialto - 11 Mile to South end	0	0	0	126	379	135	0	0	640
Park Court - 11 Mile to South end	0	0	0	141	422	147	0	0	710
Alger - Parker South to Gardenia	0	0	0	0	477	80	0	0	557
Townley - 11 Mile to University	0	0	0	0	311	0	0	0	311
YEAR 5 ROADS (R-2)									
Shacket - Huntington to Spoon	0	0	0	0	782	304	0	0	1,086
Spoon - S. of Huntington Ave	0	0	0	0	73	12	0	0	85
Huntington - Campbell to Mark	0	0	0	0	451	51	0	0	502
Sherry - Girard to S. of Parkdale	0	0	0	0	458	118	0	0	576
Longfellow - Garry to 30290 Longfellow	0	0	0	0	268	84	0	0	352
Groveland and University Intersection - (WM to 11 Mile) and 21700 Groveland to Farnum	0	0	0	0	601	184	0	0	785
YEAR 6 ROADS (R-2)									
Lenox - Baxter to Sprague	0	0	0	0	248	0	0	0	248
Hampden - Farnum Intersection	0	0	0	0	150	9	0	0	159
University - Lenox to Hampden	0	0	0	0	135	9	0	0	144
Brettonwoods - Gardenia to Farnum	0	0	0	0	620	150	0	0	770
Forest - Hampden to Brettonwoods & Hampden Intersection	0	0	0	0	311	15	0	0	326
Gardenia - Hampden to Dartmouth	0	0	0	0	304	63	0	0	367
Parker - E of Sealcoat to John R - (WM Cross-Over)	0	0	0	0	756	43	0	0	799
YEAR 7 ROADS (R-2)									
Dartmouth - 26333 Dartmouth to 26113 Dartmouth	0	0	0	0	0	0	0	0	0
Barrington - Cowan to Andover	0	0	0	0	0	56	0	0	56
W. Barrett - Alger to John R	0	0	0	0	0	63	0	0	63
E. Hudson - John R to 71 E. Hudson	0	0	0	0	0	63	0	0	63
Kalama - Stephenson Hwy. To Alger	0	0	0	0	0	46	0	0	46
Couzens - South of 11 Mile Road	0	0	0	0	0	130	0	0	130
Harwood - Dartmouth to 368 Harwood	0	0	0	0	0	100	0	0	100
TOTALS	\$ 0	\$ 0	\$ 0	\$ 874	\$ 13,075	\$ 2,592	\$ 0	\$ 0	\$ 16,541

PROPOSAL R-1 & R-2 NEIGHBORHOOD ROAD PROJECTS

- SCHEDULED R-2
- COMPLETED R-2
- COMPLETED R-1
- COMPLETED R-1 SECTIONAL



CITY OF MADISON HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
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NEIGHBORHOOD PROJECTS

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

In developing these plans, pavement conditions and other infrastructure components such as storm water drains, watermain lines and sanitary sewers have also been evaluated. The table on the following page outlines each of these neighborhood projects and the scope of work that needs to be completed for each project. By replacing deteriorating watermain lines at the same time as the neighborhood road improvements, the City avoids future costs to repair broken watermains and road surfaces, and related disruption in water service to residents.

Neighborhood Road Millage Programs

- **First Roads Millage Program**

On August 6, 1996, the voters in Madison Heights approved ballot proposals “R-1” and “V-1.” Proposal “R-1” provided the City with a two-mill ten-year property tax levy (rolled back by State imposed millage limits) to support an extensive neighborhood road improvement plan.

The Proposal “R-1” millage generated \$19.6 million in revenue from 1997 to 2006 to support this program. The Neighborhood Road Plan mirrored the information provided to the residents as part of the public information campaign during the summer of 1996 plus the City Council approved amendments.

Funding for the multi-year Neighborhood Road Improvement Program comes from different sources including:

1. Neighborhood Road Improvement Millage (\$19.6 million);
2. Water and Sewer Fund Revenues (\$3.7 million) - Generated from system user fees and financed through user rates and the issuance of debt;
3. Property Owner Special Assessments (\$2.2 million) - In accordance with the City Council Special Assessment District Policy for road improvements as amended;
4. Community Development Block Grant Funds (\$655,000) - Used to support four road projects. In FY 1997-98, Harwood from Tawas to Truman; FY 2001-02, Brockton from Couzens to Dei; FY 2002-03, Miracle from Harwood to Barrett; and FY 2003-04, Greig from Dequindre to Delton; and,
5. Chapter 20 Drain Refund (\$136,000) - Historically, the Oakland County Water Resources Commissioner had retained funds previously assessed to residents of the City of Madison Heights to address future storm water needs. These funds were used in year one of the plan to support the storm drain portions of the road improvements. In addition, retained funds from the completed Henry Graham Drain were used to support payment for the George W. Kuhn Drain construction project.

TABLE IV-A
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-1 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	DATE	NEIGHBORHOOD PROJECTS	STORM DRAIN	SANITARY SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
		YEAR 1 ROADS	\$ 136	\$ 76	\$ 958	\$ 227	\$ 1,397
DONE	1997	Harwood -Tawas to Truman					
DONE	1997	Truman - Harwood to Kalama					
DONE	1997	Kalama -Tawas to Couzens					
DONE	1997	Hudson -Tawas to Couzens					
DONE	1997	Rowland from Couzens to Dei					
DONE	1997	Dulong from Rose east to Fontaine					
		EASTWOOD MANOR	24	0	1,002	72	1,098
DONE	1998	Oakland, Greenbrier & Westwood					
DONE	1998	Elmhurst - Oakland to Westwood					
DONE	1998	Avondale & Manor - Oakland to Greenbrier					
		STREETS N OF 11 MILE	52	17	1,275	206	1,550
DONE	1999	Park Court - 11 Mile to Connie SAD 255					
DONE	1999	Hales - 11 Mile to Rosies Park SAD 255					
DONE	1999	Farnum & University from Hales to Park Court SAD 255					
		STREETS S OF 12 MILE	935	83	1,430	489	2,937
DONE	2000	Dartmouth - Bellaire to 12 Mile					
DONE	2000	Herbert - 12 Mile to Venoy					
DONE	2000	Edward - 12 Mile to Parker					
DONE	2000	Mapleknoll - Edward to Herbert					
DONE	2000	Parker - John R to Groveland					
		STREETS S OF 11 MILE	105	0	895	264	1,264
DONE	2001	Hudson - Couzens to Miracle					
DONE	2001	Brockton - Couzens to Dei					
DONE	2001	Dallas - Couzens to Dei					
DONE	2001	Barrett - Couzens to Dei					
		YEAR 6	209	0	857	325	1,391
DONE	2002	Karam - Dartmouth to Bellaire					
DONE	2002	Freda Ct.- Karam to Bellaire					
DONE	2002	Full length of Miracle Drive					
		Harwood to Barrett					
DONE	2002	Dallas - Tawas to Couzens					
		YEAR 7					
DONE	2003	Wolverine - Spartan to 11 MILE SAD 263	172	5	523	171	871
		YEAR 8					
DONE	2004	Greig - John R to Dequindre SAD 265 /SAD 266	40	0	1,331	210	1,581
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	323	253	576
DONE	2005	Delton - Greig to Cowan SAD 269	0	0	223	76	299
DONE	2005	Beaupre - Rose to Fontaine	0	258	216	0	474
DONE	2005	Proposal "R" Maintenance & Repair - Park Court/Hales	0	0	213	0	213
		YEAR 10					
DONE	2006	Battelle - Lincoln to Guthrie	65	5	560	100	730
DONE	2006	Alger - Lincoln to Guthrie	240	5	739	130	1,114
DONE	2006	Guthrie (north half) - Alger to Cul De Sac	20	5	132	36	193
		YEAR 11					
DONE	2007	Parker District SAD 272	575	15	2,104	495	3,189
DONE	2007	Loan to SAD Fund (272)	0	0	487	0	487
DONE	2007	Watermain Restoration -Middlesex-Alden to Nanton	0	0	219	87	306
		YEAR 12					
DONE	2008	Spoon Sectional	0	0	250	130	380
DONE	2008	Sherry Sectional	0	0	300	210	510
		YEAR 13					
PLANNED	2009	Proposal "R"Joint & Crack Maintenance	0	0	100	0	100
PLANNED	2009	Proposal "R" Concrete Repair	0	0	750	0	750
		FUTURE YEARS					
PLANNED	2008-2017	Proposal "R-2" Project Supplement	0	0	3,311	0	3,311
		TOTALS	\$ 2,900	\$ 493	\$ 19,214	\$ 3,677	\$ 26,284

In allocating funds, the Neighborhood Road Improvement Millage has been dedicated to the street improvement and integrated storm sewer portion of the neighborhood projects. Water and Sewer Fund Revenues are used for the watermain portion of the projects. Special Assessment Funds and Community Development Block Grant Funds were used both for roadway and storm water drain improvements. Finally, Chapter 20 Drain Refund Revenues were used exclusively for the storm water drain improvement portions of the neighborhood projects.

In January 1997, the staff proposed and the City Council adopted a Residential Road Improvement Policy to provide guidelines on how the Neighborhood Road Program would be administered. This Policy specifies the order in which road projects would be undertaken, the percent of Proposal “R-1” contributions that would be made to each project, specifics on how the project would address a special assessment district project, what would happen if a proposed special assessment project should be turned down, and the process to be followed if all the scheduled projects were completed and additional funds became available.

The Policy indicates that approximately one year in advance of the year that the Proposal “R-1” funds are to be made available for any 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 for use in their deliberations as to whether or not to proceed with the establishment of the special assessment district.

On December 15, 2003, the Council adopted as part of the 2004-05 Goal Plan, a proposal to modify the existing Ten Year Residential Road Improvement Program to utilize program savings to expedite critical road reconstruction projects.

Given program savings, the City’s Proposal “R-1” program was able to program additional roadwork as part of the ten year plan. According to the Council Policy, if there are still monies available to fund additional projects, citizens who own property abutting a road could petition Council to have their street added to the Proposal “R-1” listing.

Streets were considered on a first-come first-served basis, based on need, and projects were also considered only to the extent that funds remain to offset construction costs. Per the Policy, no additional projects were undertaken until all scheduled Proposal “R-1” projects were programmed.

As part of the November 2003 and January 2004 SAD Road Policy Amendments, Greig Street from John R to Dequindre, Dartmouth from Lincoln to Dallas, and Tawas from Lincoln to Guthrie were moved up to 2004, completing the originally scheduled Proposal “R-1” projects. In response to citizens’ petitions for road improvements, Woodside from I-75 to Barrington (completed in 2004), Dorchester from Donna to Browning (completed in 2005) and Delton from Greig to Cowan (completed in 2005) were added to the Proposal “R-1” project list.

On February 14, 2005, the SAD Road Policy was amended to extend the Proposal “R-1” Program to include the 2006 reconstruction of Battelle from Lincoln to Guthrie, Alger from Lincoln to Guthrie and Guthrie from Alger to John R (all completed in 2006).

As part of the FY 2006-11 Capital Improvement Plan, staff proposed the City again approach the property owners in the Parker District regarding a 2007 neighborhood improvement project. As discussed with the City Council at the November 19, 2005 Goals Meeting in the spring of 2006, the staff surveyed the residents regarding their willingness to support a 25 percent special assessment contribution for a new road improvement project. The “R-1” Proposal Millage was used to fund the 75 percent City match plus all of the storm sewer improvements. The Water and Sewer Fund was used to support the replacement of watermain in this area.

The Joint and Crack Seal Program has been a very successful method by which to extend the useful life of the City’s concrete roads. The process includes the removal of old tar, dirt and weeds, the blowing clean of these areas and a refilling of all cracks and seams with tar. Projects were scheduled for FY 2007-08 to FY 2009-10 at \$80,000 to \$100,000 per year.

The Parker District project was completed in the fall of 2007. FY 2008-09 projects funded from “R-1” funds included sectional concrete replacement on Spoon from Huntington to Twelve Mile and Sherry from Parkdale to Fournier.

The final “R-1” project scheduled for FY 2009-10 will include the concrete repair (\$750,000) of any “R-1” programmed street exhibiting signs of deterioration.

- Second Roads Millage Program

On December 12, 2005 as part of the 2006-07 Goal Plan, the City Council adopted a goal to “Evaluate, identify, prioritize and create a new long-range millage-based comprehensive infrastructure replacement plan including roads, sewers and sidewalks to take before voters in 2006.”

On August 8, 2006, the voters in Madison Heights approved, by an overwhelming margin, millage Proposals “R-2” and “V-2.” The “R-2” program will continue to provide funding at an initial annual level of two mills for ten years to carry out the City’s second comprehensive residential street repair and reconstruction program. The road improvement projects will include new concrete streets, approaches, necessary sidewalk repairs and installations, and connections to the storm water drainage system.

The Assessor’s Office has estimated that Proposal “R-2” will generate \$23.3 million in revenue to support the ten year program presented in the Capital Improvement Plan. Due to the economic recession causing declining property values, this program’s funding is down \$4.1 million from the original April 2006 estimate. To close this funding gap, \$3.3 million savings from the “R-1” will be used to supplement the “R-2” program and \$800,000 in sidewalk and sectional concrete replacements were dropped. The elements of this millage program as outlined to the residents, as part of the public information campaign through the City newsletter in June 2006, are still scheduled to be completed.

Of the 73.3 miles of local roads in Madison Heights, the original Proposal “R-1” millage funded repair of 11.6 miles or 15.8% of the worst roads in the City. Proposal “R-2” will allow the City to repair over 11.1 miles (65 roads) of additional road. 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 to have 9 miles of poorly-rated streets still needing attention.

All road reconstruction work will be totally funded through millage except for the 13 sealcoat roads, which require the residents with frontage on these streets to contribute a 25 percent special assessment. The rationale behind this proposal is that those property owners living on an existing concrete road with curb and gutter (i.e. not a sealcoat road) have already paid for their road once in the price of the home or in the form of a prior special assessment district project.

Property owners on a sealcoat road have not paid an assessment in the past, and prior to the “R-1” program, they were responsible for 100 percent of the project cost. Under the original “R-1” program, they were only responsible for 50 percent of the project cost. The City reduced the special assessment by one-half to make the projects more affordable for the average property owner. Under the new “R-2” program, residents living on sealcoat roads scheduled for reconstruction will pay no more than 25 percent of the cost of the project. The affected property owners will be surveyed in advance of the project to confirm their support for the proposed special assessment.

FY 2007-08 was a transition point between the two programs. The Parker District and Middlesex were completed under the original Proposal “R-1” program. The “R-2” program, for which the first millage was collected in the summer of 2007, started with the construction in the spring of 2008. The first year project included Spoon from Huntington to Campbell; Parkdale from Campbell to Mark; Millard from Campbell to Edgeworth (south to 31601 Millard); Barrington/Northeastern from Woodside to Palmer; and Girard from the dead end at I-75 to Palmer.

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

1. Neighborhood Road Improvement Millage (\$26.6 million);
2. Water and Sewer Fund Revenues (\$6.0 million); and
3. Property Owner Special Assessment (\$1.6 million).

TABLE IV-B
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-2 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

YR	NEIGHBORHOOD PROJECTS	STORM DRAIN	SANITARY SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
	YEAR 1 ROADS					
2008	Spoon - Huntington North to Campbell	\$ 55	\$ 15	\$ 732	\$ 177	\$ 979
2008	Parkdale - Campbell to Mark	15	10	375	81	481
2008	Millard - Campbell to Edgeworth South to 31601 Millard	11	0	613	149	773
2008	Barrington/Northeastern - Woodside to Girard	27	5	543	88	663
2008	Girard - I-75 to Palmer	85	0	395	94	574
2008	Sidewalk Replacement	0	0	20	0	20
	YEAR 2 ROADS					
2009	Palmer - 13 Mile to Lasalle	42	0	325	83	450
2009	Tawas - 12 Mile Road to Mapleknoll and Tawas Court	95	10	349	98	552
2009	E. Barrett - Tawas to Couzens	40	15	385	99	539
2009	Lorenz - 11 Mile to Greig	0	0	308	77	385
2009	Hales - 11 Mile to Northeastern	25	0	233	58	316
2009	Northeastern - 11 Mile to South End	40	5	478	123	646
2009	Katherine - Lorenz to Edward	30	0	130	0	160
2009	Sidewalk Replacement	0	0	20	0	20
	YEAR 3 ROADS					
2010	Brockton - Battelle to Tawas	0	0	326	86	412
2010	Alden - 11 Mile to South end	5	0	468	131	604
2010	Dorchester - Englewood to 31272 Dorchester	19	0	157	80	256
2010	Yorkshire - Westmore to Tanglewood	55	5	214	0	274
2010	Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	276	0	276
2010	Spicer - Northeastern to South end	10	0	403	109	522
2010	Englewood - Campbell to Edgeworth	5	0	412	122	539
2010	Nanton - 11 Mile to South end	5	0	447	55	507
2010	Sidewalk Replacement	0	0	20	0	20
	YEAR 4 ROADS					
2011	Gardenia - John R to Lorenz	2	0	607	147	756
2011	Rialto - 11 Mile to South end	0	0	505	135	640
2011	Park Court - 11 Mile to South end	30	5	528	147	710
2011	Alger - Parker South to Gardenia	82	16	379	80	557
2011	Townley - 11 Mile to University	0	0	311	0	311
2011	Concrete Replacement	0	0	20	0	20
2011	Sidewalk Replacement	0	0	20	0	20
	YEAR 5 ROADS					
2012	Shacket - Huntington to Spoon	60	15	707	304	1,086
2012	Spoon - S. of Huntington Ave	11	7	55	12	85
2012	Huntington - Campbell to Mark	5	0	446	51	502
2012	Sherry - Girard to S. of Parkdale	28	5	425	118	576
2012	Longfellow - Garry to 30290 Longfellow	2	0	266	84	352
2012	Groveland and University Intersection - (Watermain to 11 Mile) and 21700 Groveland to Farnum	0	0	601	184	785
2012	Concrete Replacement	0	0	20	0	20
2012	Sidewalk Replacement	0	0	20	0	20
	YEAR 6 ROADS					
2013	Lenox - Baxter to Sprague	2	0	246	0	248
2013	Hampden - Farnum Intersection	10	5	135	9	159
2013	University - Lenox to Hampden	0	0	135	9	144
2013	Brettonwoods - Gardenia to Farnum	0	0	620	150	770
2013	Forest - Hampden to Brettonwoods & Hampden Intersection	25	0	286	15	326
2013	Gardenia - Hampden to Dartmouth	0	0	304	63	367
2013	Parker - E of Sealcoat to John R - (Watermain Cross-Over)	150	0	606	43	799
2013	Concrete Replacement	0	0	20	0	20
2013	Sidewalk Replacement	0	0	20	0	20

TABLE IV-B
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-2 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

YR	NEIGHBORHOOD PROJECTS	STORM DRAIN	SANITARY SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
	YEAR 7 ROADS					
2014	Dartmouth - N. of Cowan (26333) S. to 26113 Dartmouth	0	0	232	0	232
2014	Barrington - Cowan to Andover	0	0	233	56	289
2014	W. Barrett - Alger to John R	0	0	289	63	352
2014	E. Hudson - John R to 71 E. Hudson	0	0	192	63	255
2014	Kalama - Stephenson Highway to Alger	60	17	693	46	816
2014	Couzens - S. of 11 Mile Road	5	0	617	130	752
2014	Harwood - Dartmouth to 368 Harwood -(Watermain to Alger)	0	0	282	100	382
2014	Concrete Replacement	0	0	20	0	20
2014	Sidewalk Replacement	0	0	20	0	20
	YEAR 8 ROADS					
2015	Whittier - Longfellow to Chaucer	45	0	634	150	829
2015	Palmer - 13 Mile N. to end	0	0	440	95	535
2015	Chaucer - Whittier to Longfellow	45	0	492	53	590
2015	Barrington - S. of Horace Brown to 13 Mile NB	0	0	662	155	817
2015	Barrington - S. of Horace Brown to 13 Mile SB	0	0	558	128	686
2015	Blairmoor - Manchester to Thirteen Mile Road	50	15	580	128	773
2015	Manchester & Woodmont Intersection	0	0	124	12	136
2015	Concrete Replacement	0	0	20	0	20
2015	Sidewalk Replacement	0	0	20	0	20
	YEAR 9 ROADS					
2016	Fournier - Sherry to Mark and Mark - Fournier to Sherry	140	30	1,500	340	2,010
2016	E. Harwood - Couzens to Dei	46	15	500	120	681
2016	Lincoln - John R to 104 E. Lincoln - (Watermain to Osmun)	0	0	210	143	353
2016	Lincoln - 504 E. Lincoln to 583 E. Lincoln	0	0	580	0	580
2016	Concrete Replacement	0	0	20	0	20
2016	Sidewalk Replacement	0	0	20	0	20
	YEAR 10 ROADS					
2017	Madison - Millard to 31605 Madison - (Watermain Whole Street)	0	0	400	180	580
2017	Areada - N. OF 11 Mile Road	0	0	370	74	444
2017	Meadows - Whitcomb to 31608 Meadows - (full Watermain)	24	5	500	192	721
2017	Dorchester - 13 Mile to Windemere	0	0	168	38	206
2017	Windemere - Dorchester to Edgeworth	0	0	341	64	405
2017	Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	0	0	400	170	570
2017	Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	34	14	502	174	724
2017	Concrete Replacement	0	0	20	0	20
2017	Sidewalk Replacement	0	0	20	0	20
TOTALS		\$ 1,420	\$ 214	\$ 26,570	\$ 5,935	\$ 34,139

TABLE V
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

APPROPRIATIONS:

ROAD IMPROVEMENTS	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL APPROP.
A. STATE HIGHWAY PROJECTS								
I-696 / I-75 Bridge Reconstruction	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
B. MAJOR ROAD IMPROVEMENTS								
Stephenson Highway Turn Arouds	400	0	0	0	0	0	0	0
Sidewalk 12 Mile (Under I-75) Tri-Party	0	150	0	0	0	0	0	0
C. LOCAL ROAD IMPROVEMENTS (EXCLUDING PROP "R-1 & R-2")								
D. TRAFFIC SIGNAL UPGRADES								
Traffic Signal Improvements	10	30	0	30	30	30	30	120
Dequindre Corridor Signal Improvement	0	900	0	0	0	0	0	0
E. REHABILITATION PROGRAMS (EXCLUDING PROP "R-1 & R-2")								
John R & 12 Mile Intersection (RCOC)	200	0	0	0	0	0	0	0
John R & 13 Mile Intersection (RCOC)	200	0	0	0	0	0	0	0
Stephenson Hwy Resurfacing Northbound (13 to 14 Mile)	360	0	0	0	0	0	0	0
Stephenson Hwy Resurfacing Northbound (12 to 13 Mile)	431	0	0	0	0	0	0	0
Stephenson Hwy Resurfacing Southbound (Girard to 14 Mile)	781	0	0	0	0	0	0	0
Joint & Crack Sealing - City Wide Major	75	78	38	75	75	75	75	338
Sidewalk Replacement & Gap Installation	317	284	410	420	350	310	250	1,740
Campbell 13 to 14 Mile Rd.	0	134	1,461	0	0	0	0	1,461
F. COMMERCIAL AND INDUSTRIAL ROAD PROJECTS								
Progress & Heights Phase II - John R to Couzens (CDBG)	373	0	0	0	0	0	0	0
North Avis Drive - Fourteen Mile to East Avis	0	464	0	0	0	0	0	0
East Avis Drive - North Avis to Dequindre	0	344	0	0	0	0	0	0
Edward Street - Fourteen Mile to Mandoline	0	116	0	0	0	0	0	0
Mandoline Avenue - Edward to North Avis	0	294	0	0	0	0	0	0
Whitcomb - W/B John R to end of Islands (east of Sherman)	0	0	0	0	504	0	0	504
Whitcomb - E/B John R to end of Islands (east of Sherman)	0	0	0	0	0	504	0	504
Industrial - Fourteen to East Avis	0	0	0	0	0	0	379	379
G. EQUIPMENT REPLACEMENT								
2007 Leaf Loader Trailer #351	41	0	0	0	0	0	0	0
1989 Concrete Drop Hammer #280	0	0	0	69	0	0	0	69
2004 One Ton Dump Truck #431	0	0	0	0	55	0	0	55
2003 Street Sweeper #402	0	0	0	184	0	0	0	184
2003 Street Sweeper #408	0	0	0	0	193	0	0	193
2003 Tandem Dump Trucks V-Box Inserts #418 & #422	0	0	0	0	0	100	0	100
TOTALS	\$ 3,238	\$ 2,794	\$ 1,909	\$ 778	\$ 1,207	\$ 1,019	\$ 734	\$ 5,647

TABLE V
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

REVENUES:

ROAD IMPROVEMENTS	GENERAL FUND	LOCAL/ MAJOR STREETS	SPECIAL ASSESS.	VEHICLE/ SOLID WASTE MILLAGE	TROY/ H.P/R.O. CONTRIB.	WATER & SEWER FUND	FEDERAL TRANSPORT GRANT	OAKLAND CO. ROAD/ DRAIN	TOTAL REVENUES
A. STATE HIGHWAY PROJECTS									
B. MAJOR ROAD IMPROVEMENTS									
C. LOCAL ROAD IMPROVEMENTS (EXCL. PROP. "R")									
D. TRAFFIC SIGNAL UPGRADES									
Traffic Signal Improvements	\$ 0	\$ 120	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120
E. REHABILITATION PROGRAMS									
Joint & Crack Sealing - City Wide Major	0	338	0	0	0	0	0	0	338
Sidewalk Replacement & Gap Installation	0	0	1,740	0	0	0	0	0	1,740
Campbell 13 to 14 Mile Rd.	0	0	0	0	0	0	1,461	0	1,461
F. COMMERCIAL AND INDUSTRIAL ROAD PROJECTS									
Whitcomb - W/B John R to end of Islands (east of Sherman)	0	504	0	0	0	0	0	0	504
Whitcomb - E/B John R to end of Islands (east of Sherman)	0	504	0	0	0	0	0	0	504
Industrial - Fourteen to East Avis	0	379	0	0	0	0	0	0	379
G. EQUIPMENT REPLACEMENT									
1989 Concrete Drop Hammer #280	0	0	0	69	0	0	0	0	69
2004 One Ton Dump Truck #431	0	0	0	55	0	0	0	0	55
2003 Street Sweeper #402	0	0	0	184	0	0	0	0	184
2003 Street Sweeper #408	0	0	0	193	0	0	0	0	193
2003 Tandem Dump Trucks V-Box Inserts #418 & #422	0	100	0	0	0	0	0	0	100
TOTALS	\$ 0	\$ 1,945	\$ 1,740	\$ 501	\$ 0	\$ 0	\$ 1,461	\$ 0	\$ 5,647

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 73.4 miles of City Local Streets. In FY 2009-10 Budget, the City will receive \$55,252 per mile for City Major Streets and \$6,053 per mile for City Local Streets. The Act also established the Michigan Transportation Fund (MTF).

In FY 2009-10, the amount projected to be received by the City under Act 51 was 3.2% or \$53,500 less than the previous fiscal year. The MDOT projects the distribution rates and actual collections often vary.

The MTF is supported through collection of the nineteen cents-a-gallon gas tax, fifteen cents-a-gallon diesel tax, vehicle registration fees, and other taxes and license fees. The MTF statute outlines how funds are distributed to owners of these road systems. First, funds are set aside by the State for administration, recreation, the critical bridge fund, railroad crossings, economic development, mass transit, State bridges, and State debt service. The remaining funds are split between the Michigan Department of Transportation (MDOT), 39.1 percent; 83 County Road Commissions, 39.1 percent; and cities and villages statewide, 21.8 percent. Separate Federal highway funds are split with 75 percent of those funds going to the State and 25 percent being divided between counties, and cities and villages.

- Governor Granholm's Appointed Transportation Funding Task Force

On November 10, 2008 after 10 months of discussion, public meetings and review of preliminary findings, the Transportation Funding Task Force (TF2) released its formal report on Michigan's transportation needs to the Michigan Legislature, Governor Jennifer Granholm and the State Transportation Commission.

The report says Michigan needs to at least double its current investment in transportation to prevent a loss of up to \$1 billion in federal funds each year and to adequately maintain Michigan's highways, roads, bridges, passenger transportation, freight transportation and aviation systems. The report also says that investing in transportation will create jobs and economic activity, attract business, increase revenue, and provide better transportation services to Michigan taxpayers.

While the Task Force was charged with identifying and recommending alternatives to fund transportation in Michigan, as members learned more about the issues, several important truths became clear to the group.

1. Michigan's transportation investment needs are of such importance that doing nothing to address them is clearly not an option.

Michigan's transportation needs are huge, and growing each day that action is not taken to address them. Without additional transportation investment, Michigan can expect a substantial decline in the state's transportation system, particularly in the condition of the infrastructure, but also in the frequency and safety of service across all modes and all jurisdictions. *Without additional state and local investment, Michigan stands to lose up to \$1 billion in federal funds across the modes and more than 17,000 jobs.*

2. Michigan needs a multi-year approach to transportation investment that enables the state to achieve a "good" investment level (increase of \$3.6 billion per year) in the short-term, while continuing to strive for a "better" investment level in the future as the economy improves.
3. Recognize that fuel taxes are no longer generating sufficient revenue to meet transportation needs.

Many forces are currently eroding the revenue from motor fuel taxes. The increase in the price of gasoline, increasing numbers of fuel efficient vehicles, concern about global climate change, and changing demographics are all working together to reduce the amount of automobile travel and the amount of fuel consumed. As a result, transportation revenues are falling at a time when demand for additional and alternative transportation service is at an all time high. Alternatives to the gas tax may then be necessary if Michigan hopes to maintain and improve its infrastructure.

4. Recognize that transportation provides economic benefit that merits investment beyond the revenue generated by user fees.
5. As a partner in a federal-state-local effort to ensure adequate transportation and service, Michigan must increase state transportation investment in order to encourage and access more federal investment.
6. All state transportation funds should be ensured the same protection as the constitutional guarantee provided for the Michigan Transportation Fund (MTF).
7. Increased revenue should carry with it an expectation of increased efficiency.
8. Create incentives that encourage consolidation, coordination, or regionalization of transportation providers.
9. Change public policy that prohibits progress.

Revenue to the MTF currently comes from user fees such as motor fuel taxes and vehicle registration fees. The Task Force considered alternative involving both user fees and non-user fees. A combination of alternatives would be required to achieve a "good" level of investment.

1. Increase vehicle registration fees.
2. Eliminate registration discounts.
3. Adjust motor fuel taxes.

Michigan's per gallon motor fuel taxes (19 cents per gallon for gasoline and 15 cents per gallon for diesel fuel) currently provide about half the revenue to the MTF. Michigan's per gallon motor fuel taxes have not increased in ten years, and were not increased for ten years prior. However, the cost of providing transportation infrastructure and service increases every year. This helps explain why underinvestment in transportation is an ongoing problem in Michigan. Transportation systems are too important to the economy and the general quality of life to allow this trend to continue.

While the motor fuels tax has become a less reliable source of revenue in recent years, and is not expected to be viable as a source of revenue over the long term, it is currently the most efficient means of raising much needed revenue for transportation. The Task Force considered several options for increasing motor fuel taxes over time.

- a. Convert the cents per gallon motor fuel tax to a percent of sales price.
 - b. Enact a flat cents per gallon increase.
 - c. Take phased-in approach to increases.
4. Equalize diesel and propane tax rates with gasoline.
5. Abolish 1.5 percent cost of collection allowance on gasoline.
6. Enact measures to control costs that are paid for with transportation funding through Inter-Departmental Grants.
7. Increase sales and use tax one percent and dedicate that additional revenue to transportation.
8. Direct all or a portion of the sales tax on fuel to the MTF.
9. Redirect all or a portion of the Natural Resources Trust Fund to transportation.
10. Encourage local investment in transportation by enabling a broad spectrum of local revenue options statewide.
11. Enable Public-Private Partnerships for toll-financed reconstruction, expansion or new construction of freeways or other transportation systems.
12. Enable toll-financed reconstruction, expansion, or new construction of freeways.

The road improvement expenditures in this Chapter are described in seven categories:

- A. State Highway Projects
- B. Major Road Improvements
- C. Local Road Improvements
- D. Traffic Signal Upgrades
- E. Rehabilitation Programs
- F. Commercial and Industrial Roads
- G. Street Maintenance and Solid Waste Vehicle Replacement

A. State Highway Projects

- Oakland County I-75 Corridor Study

In 1999, MDOT, the Southeast Michigan Council of Governments (SEMCOG), Road Commission for Oakland County and the Traffic Improvement Association of Oakland County hired a consultant, the Corradino Group, to study the Oakland County I-75 Corridor to review the highway's traffic problems and recommend solutions.

In the fall of 1999 and summer of 2000, the City provided input to the consultant and at two public meetings held in Madison Heights.

The final report from the consultant recommended:

1. Non-I-75 Roadway Improvements
 - a. Widen Arterial Roadways
 - b. New Roadway in West Oakland County
2. Intelligent Transportation System (ITS) and Widen Arterial Roadways plus Sydney Coordinated Adaptive Traffic System (SCATS) plus Incident Management and Ramp Metering (where appropriate)
3. Improvements to I-75
 - a. Lane Additions (one lane per direction)
 - b. Mainline Improvements plus Interchange Improvements (including both Twelve and Fourteen Mile interchanges in Madison Heights)
 - c. Collector/Distributor (CD) Roadways at appropriate locations

In the ITS improvement area, the consultant has suggested an expansion of the SCATS system south of the City of Troy (for those areas not currently served by SCATS) in Oakland County.

In the non I-75 Roadway Improvement area, the study projected that Dequindre (north of I-696), Twelve Mile and Fourteen Mile Roads will all have volumes exceeding existing capacity by the year 2020.

Interchange reconstruction recommendations include a "single point" design. This design brings all ramp ends together at a single point and provides a three-phase (three green phases, one for each of three movements) intersection operation. The three phases would be left turns from the ramp ends, left turns to the entrance ramp and the through movement on the cross street. This

design increases vehicle through-put (improving vehicle flow) with minimal property taking and results in surplus property that could be sold to help finance the project.

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

- Environmental Study Update

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

Description of the Proposed Project

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

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

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

<u>Impact Category</u>	<u>Expected Impact</u>
Traffic and Safety	
Relocations	Twenty-six single family residences, one church, and two businesses.
Community Cohesion	Improved access across I-75 for pedestrians and bicyclists.
Environmental Justice	No disproportionately high and adverse human health or environmental effects on minority or low-income populations.
Land Use	Consistent with local and regional planning documents.

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

<u>Impact Category</u>	<u>Expected Impact</u>
Indirect and Cumulative	Project responds to growth, consistent with local planning. Together with other regional projects, there will be future impacts to resources from development, subject to local, state, and federal laws and regulations.
Energy	Energy used during construction. Fuel savings upon opening.
Project Costs (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) is being prepared to document the effect of the proposed access changes on the interstate system and affected local roads. Analysis performed for that report has been incorporated into this FEIS.

The FEIS has been distributed to federal, state and local agencies, private organizations, and all members of the public making substantive comments on the DEIS. Following the comment period on the FEIS, it was forwarded to the FHWA with a recommendation that a Record of Decision (ROD) be issued. The ROD will act as the Location/Design Approval document, allowing the project to move forward to the design stage, when funding is identified. After design is completed the right-of-way acquisition and construction phases will occur. However, due to the Governor's "Preserve First" program and the Michigan Transportation Fund shortfalls, the design phase for this project has been deferred. It is expected that when funding is provided, the project can move into design. Construction funding has not yet been identified.

- I-696/I-75 Bridge Reconstruction

In February 2007, MDOT contacted the City to indicate that a number of bridges at the I-696 and I-75 interchanges were to be replaced in the summer 2007. The State completed the project during the of winter 2007-08. The City provided a \$50,000 local contribution.

B. Major Road Improvements

- Stephenson Highway Median Turnarounds

The median "Michigan" turnarounds on Stephenson Highway from Twelve Mile to Fourteen Mile in the late 1990s had deteriorated badly and created a constant pothole problem. The through lanes of Stephenson Highway were first rehabilitated with a crack/seal and overlay in 1996. Reconstruction costs for the 16,000 square yards of turnarounds were estimated at \$1.3 million. In both February 2000 and 2001, the City applied for eighty percent federal funding through the Oakland County Surface Transportation Committee. On February 21, 2001, the City learned its latest request was not approved. Without grant funding, the City planned a phased approach to the project with \$105,000 to \$400,000 budgeted per year.

Over a seven year period, the City used a phased replacement of 26 turnarounds on Stephenson Highway and the elimination of three turnarounds. The 2007 project completed the restoration of all turnarounds prior to the resurfacing of Stephenson Highway in 2007 and 2008.

- Twelve Mile Road/I-75 Sidewalk

In an effort to improve pedestrian safety in this area, the City has planned to install a sidewalk on the south side of Twelve Mile from Marinelli's Restaurant (located east of I-75) west under I-75 to Mac's Party Store. The project will be funded through the Tri-Party Program with equal contributions from the City (\$50,000), the Road Commission for Oakland County (RCOC) (\$50,000) and Oakland County (\$50,000) for a total cost of \$150,000.

C. Local Road Improvements

In addition to the Proposal “R-1 and R-2” Ten Year Residential Road Improvement Programs outlined in the Neighborhood Roads Chapter, historically there have been additional local road improvements scheduled in the Capital Improvement Plan. In light of the decreasing gas tax revenues from the Michigan Transportation Fund, there is only enough Local Street Fund revenue to support operation and maintenance costs.

D. Traffic Signal Upgrades

Over the last fifteen years, the City has undertaken a considerable effort to upgrade the existing traffic signals on major City thoroughfares to improve traffic safety and reduce congestion during peak travel times. To this end, left-hand turn signals have been added at John R and Whitcomb, John R and Eleven Mile, Dequindre and Whitcomb, Dequindre and Thirteen Mile, Dequindre and Twelve Mile, and Dequindre and Eleven Mile.

Over the last few years, at the request of the Road Commission for Oakland County (RCOC) and with considerable financial incentive to the City, the City Council has authorized the installation of the SCATS system at a number of locations. This system is part of the RCOC’s FAST-TRAC Intelligent Transportation System, which was first introduced in Oakland County in 1992.

SCATS stands for the Sydney Coordinated Adaptive Traffic System and was first deployed in Sydney, Australia. SCATS is an area-wide traffic controlled strategy designed to reduce overall system delay. Some drivers might experience slightly more delay, but most drivers will benefit. SCATS maximizes the use of available road capacity, thereby improving the efficiency of the overall system.

SCATS uses telephone lines to communicate between a regional computer and the traffic signal controller at each SCATS intersection. Each intersection has vehicle detector cameras that let SCATS know when vehicles are present. The detectors allow SCATS to count vehicles and SCATS uses this information to decide how much green-time each approach to a signalized intersection should have. This is recomputed every cycle to determine what timing changes need to be made in order to move traffic most effectively. SCATS also coordinate timing at adjacent intersections to provide for the best possible traffic flow.

The SCATS system is but one tool to be used to optimize traffic flow on existing roads. SCATS is not intended to replace 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 per year has been included in the Capital Improvement Plan starting in FY 2010-11 to provide funding for unanticipated signal upgrades.

- Dequindre Road Corridor Signals

In an effort to improve traffic flow on Dequindre, the Macomb County Road Commission (MCRC) developed a plan to fully activate the signals in this corridor. An amount of \$10,000 has been budgeted to upgrade the Madison Senior Campus signal and add pedestrian activated signals. The Senior Campus has pledged \$1,500 to the project. The Road Commission has obtained a Federal Congestion Mitigation Air Quality (CMAQ) Grant to replace the local funding. The \$900,100 project cost will be funded between CMAQ (\$750,000), MCRC (\$73,000), Warren (\$36,500) and Madison Heights (\$40,600).

E. Road and Sidewalk Rehabilitation Programs

The Capital Improvement Plan also includes the continuation of two very successful City-wide programs. Within the capital budget, \$37,500 to \$420,000 per year for each of the next five years has been programmed for each of the following: sidewalk repair and installation program; and joint and crack sealing and/or over-band crack sealing of major roads.

- Sidewalk Repair & Gaps Program

On December 13, 1999, the City Council adopted a goal to “identify gaps in the sidewalk network, develop financing and implement multi-year programs to improve pedestrian access and safety.”




The City has had a very successful sidewalk repair program. After 2001 (final year of the original fourteen year program), the entire City sidewalk system had been inspected and repaired to a ½” trip standard. However, over time the sidewalk system will continue to need ongoing repair. In addition, several areas of the City have “gaps” within the sidewalk system that results in poor or incomplete pedestrian circulation.

As part of the Sidewalk Special Assessment Program, the City’s contractor replaces key flags and installs handicap ramps at intersections, and does general sidewalk repairs and replacement. Funding is provided by property owners’ assessments each year on a district-by-district basis. The district schedule for 2009 is Year 7, which includes sidewalks south of Thirteen Mile Road, east of I-75, north of Ajax and Moulin, and west of Dequindre.

On March 12, 2001, the City Council adopted the Sidewalk “Gap” and Replacement Policy. The following criteria were developed as the basis for determining sidewalk gap construction and funding contributions:

1. Pedestrian Safety
2. Current/Projected Use/Demand
3. Physical/Right of way constraints (“Constructibility”)
4. Proximity/Links to Schools, Parks, Employment Centers
5. Coordination with other public/private projects
6. Funding Resources
7. Maintenance – Public/Private
8. Property Ownership – Public, Schools, Private
9. Provision of sidewalks on both sides of Major Roads

SIDEWALK PROGRAM AND GAP MAP CITY OF MADISON HEIGHTS

-  SIDEWALK GAPS TO REMAIN
-  SIDEWALK TO BE INSTALLED - GAP PROGRAM
-  SIDEWALK TO BE INSTALLED - R-1/R-2 PROGRAM

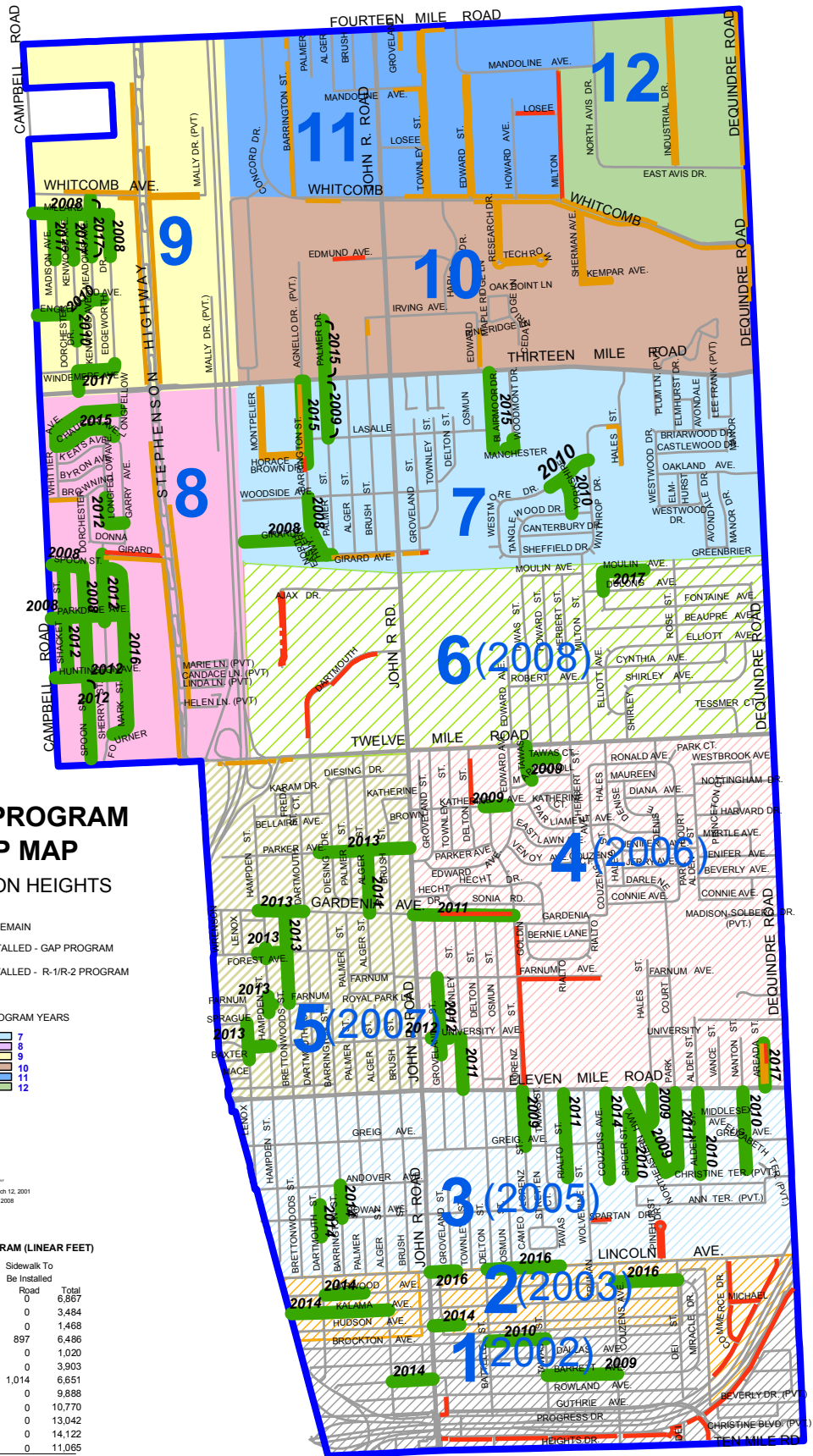
SIDEWALK PROGRAM YEARS

Complete	1	7
Complete	2	8
Complete	3	9
Complete	4	10
Complete	5	11
Complete	6	12



SIDEWALK GAP PROGRAM (LINEAR FEET)

	Sidewalk To Gaps To Remain	Sidewalk To Be Installed Gap	Sidewalk To Be Installed Road	Total
Complete 1	6,867	0	0	6,867
Complete 2	3,484	0	0	3,484
Complete 3	1,468	0	0	1,468
Complete 4	5,589	897	897	6,486
Complete 5	0	1,020	0	1,020
Complete 6	3,903	0	0	3,903
7	362	6,289	1,014	6,651
8	864	9,024	0	9,888
9	0	10,770	0	10,770
10	485	12,557	0	13,042
11	580	13,542	0	14,122
12	1,915	9,150	0	11,065
TOTAL	25,517	63,249	1,911	88,766



The policy indicates that all sidewalks shall comply with the Code of Ordinances, except as specified below.

There is established as a part of this policy a “Sidewalk Program and Gap Map”. The preceding map establishes sidewalk gap locations throughout the City and denotes those gaps that are “to remain” and those that are “to be installed” with new sidewalk.

All new developments occurring within the City that are located on a parcel or parcels that have a sidewalk gap shown as “to be installed” on the Gap Map shall install said sidewalk. Provisions for such sidewalk construction shall be included as a part of site plan review, subdivision approval, or building permit application. Cost of sidewalk gap construction shall be the entire responsibility of the property owner or developer.

All public road and utility projects occurring within the City that are located on or adjacent to a parcel or parcels that have a sidewalk gap shown as “to be installed” on the Gap Map shall include installation of said sidewalk as a part of the scope of project.

For commercial and industrial mill and overlay projects the property owners will pay the full cost of the sidewalks. Cost of sidewalk gap construction shall be allocated between the City and the property owners in accordance with the percentage allocations in the City’s Special Assessment District Policy for Road Improvements (July 12, 1999, as amended) and through a special assessment district.

All other streets that have a sidewalk gap shown as “to be installed” on the Gap Map shall be installed during the City’s scheduled annual sidewalk program in accordance with the “Sidewalk Program” years on the Gap Map. Cost of sidewalk gap construction shall be the entire responsibility of the property owner either directly or through a special assessment district in conjunction with the City’s annual sidewalk program.

Construction of sidewalks shown on the “Gap Map” as “Sidewalk Gaps to Remain” shall not be required. However, nothing in the policy should be construed as preventing installation of said sidewalks where the property owner and/or City voluntarily seek such installation.

To address concerns voiced regarding homeowners’ ability to pay, the City Council amended the Sidewalk Program Policy in 2003 to provide for financial assistance for those who qualify.

Starting in FY 2007-08, Proposal “R-2” funding of \$20,000 per year is used to support the sidewalk handicap ramps and key flags.

- Major Road Rehabilitation

Stephenson Highway Resurfacing (Twelve to Fourteen Mile Road)

To address the long-term wear on the 1996 overlay, a multi-year asphalt overlay project was programmed (\$2,195,000). The project was broken down into three segments: northbound Thirteen Mile to Fourteen Mile, northbound Twelve Mile to Thirteen Mile; and southbound Fourteen Mile to Girard.

On November 13, 2006, the City Council approved two contracts, the Advance Construction Contract and the Local Jobs Today Program Loan Contract, necessary to move forward with the planned 2007 construction of a mill, joint repair, curb and gutter replacement and asphalt overlay of northbound Stephenson Highway from Thirteen Mile to Fourteen Mile Road.

In 2007, the Michigan Department of Public Transportation (MDOT) granted the City a credit for \$57,000 for fast tracking the project through the Local Jobs Today program. The City-requested loan for the Surface Transportation Program (STPU) of \$228,000 from MDOT will be paid by federal funding to MDOT directly. As a result, this required loan, although authorized with MDOT, will not be used.

The final phases of this project (northbound Stephenson Highway from Twelve Mile to Thirteen Mile and southbound Stephenson Highway from Fourteen Mile to Girard) was built in 2008. The City's costs were \$630,000 and federal funding covered \$935,000 of the total \$1,572,000.

- Campbell Road Rehabilitation Thirteen Mile to Fourteen Mile

To help extend the useful life of this major north-south artery, a mill and asphalt overlay project is scheduled for FY 2009-10. Project funding will include contributions of approximately \$134,000 from Madison Heights and Royal Oak and a \$1,461,000 federal grant for a total project cost of \$1,595,000.

- Oakland County Road Commission Rehabilitation Projects

On February 7, 2005, City staff met with officials from the Road Commission for Oakland County to discuss the condition of existing roads and plans for the future. The Road Commission staff indicated that they were planning three projects over the next two years.

Fourteen Mile Road Overlay - Edward to Dequindre

During the summer of 2005, the Road Commission completed repair to the existing road and the overlay of 1-1/2 inch asphalt for the three-quarter mile stretch of Fourteen Mile Road from Edward east to Dequindre Road. The project cost of \$187,500 was funded by the Road Commission's maintenance fund.

John R Rehabilitation - Fourteen Mile to the Red Run Drain

After years of urging by the City of Madison Heights, the Road Commission agreed to undertake a major overlay project for their portion of John R, which runs from Fourteen Mile Road to the Red Run Drain. This project was completed in 2006 at an estimated cost of \$1,476,000. The City Council approved a 50 percent funding match. The City has been allocated some additional Tri-Party (Road Commission, Oakland County and City) funds for this project reducing the City's share to \$458,000.

John R and Twelve Mile Road and John R and Thirteen Mile Road Intersection Replacements

The Road Commission officials received a 100 percent state-wide safety grant to reconstruct the intersections of John R and Twelve Mile Road, and John R and Thirteen Mile Road. This project was constructed in November 2007 at an estimated cost of \$400,000.

- Joint and Crack Seal Program

The Joint and Crack Sealing Program has been a very successful method by which to extend the useful life of the City's concrete roads. The process includes the removal of old tar, dirt and weeds, the blowing clean of these areas and a refilling of all cracks and seams with tar. Starting in FY 2007-08, the major roads portion will be funded through the Major Street Fund at \$37,500 to \$75,000 per year.

F. Commercial and Industrial Roads

Industrial area road surfaces and commercial connector roads are taking an increasing amount of patching to maintain drivability. In addition, many roads in these areas are not wide enough to accommodate today's truck traffic and turning radii. The surface conditions of roads in the Madison Industrial Research District (north of Whitcomb) and other industrial/commercial areas have declined significantly in recent years.

On July 12, 1999, the City Council adopted a new Special Assessment District Policy to expedite the reconstruction of these industrial subdivision and commercial roads.

Based on the past Council Policy, the staff was selecting one road (based on the annual road survey) every two to three years to be reconstructed, subject to available funding. Roads in this area were widened and resurfaced as necessary. The first project, Ajax Drive from John R to the Department of Public Services, was programmed and completed in 1999 at a cost of \$750,000.

The second industrial road project, Losee Avenue from Howard to Milton, was originally budgeted for FY 1999-2000 and was later rescheduled to FY 2001-02. The Losee project was combined with FY 2001-02 (original plan) reconstruction of Milton Avenue from Mandoline to Whitcomb and Howard Avenue from North Cul-de-sac to Whitcomb.

Starting in August 2001, two attempts were made to establish funding for this project (\$1.7 million) through a special assessment district. In March 2002, the City Council delayed consideration of the related Special Assessment Roll until December 2002. On December 16, 2002, the City Council approved the Special Assessment and construction was completed in the summer of 2003.

Scheduled for 2006 was the rehabilitation of Progress Drive from John R to Dallas and the I-696 northbound underpass. This I-696 service drive had developed road surface problems. Funds were allocated to mill and overlay the worst concrete sections. The project was completed in 2006 for \$185,000.

In FY 2006-07, the City completed the \$1.1 million (including \$293,000 in special assessment contributions and \$50,000 in Water and Sewer Fund contributions) reconstruction of Concord between Fourteen Mile Road and Barrington.

As part of the FY 2007-08 Community Development Block Grant (CDBG) application, the City requested \$288,000 (plus \$122,000 from the Major Street Fund) for the reconstruction of Progress and Heights Drives from John R to Couzens. The 2007 construction consisted of approximately 5,304 linear feet for both the eastbound and westbound drives of deteriorated concrete pavement being reconstructed with cold milling of the concrete pavement and asphalt overlay. The CDBG funding was derived from the net proceeds from the sale of the former Branch Library.

COMMERCIAL & INDUSTRIAL ROAD PROJECTS BY PRIORITY

— COMPLETED PROJECTS

NOTE: PLANNED PROJECTS ARE SHOWN
IN VARIOUS OTHER LINE COLORS

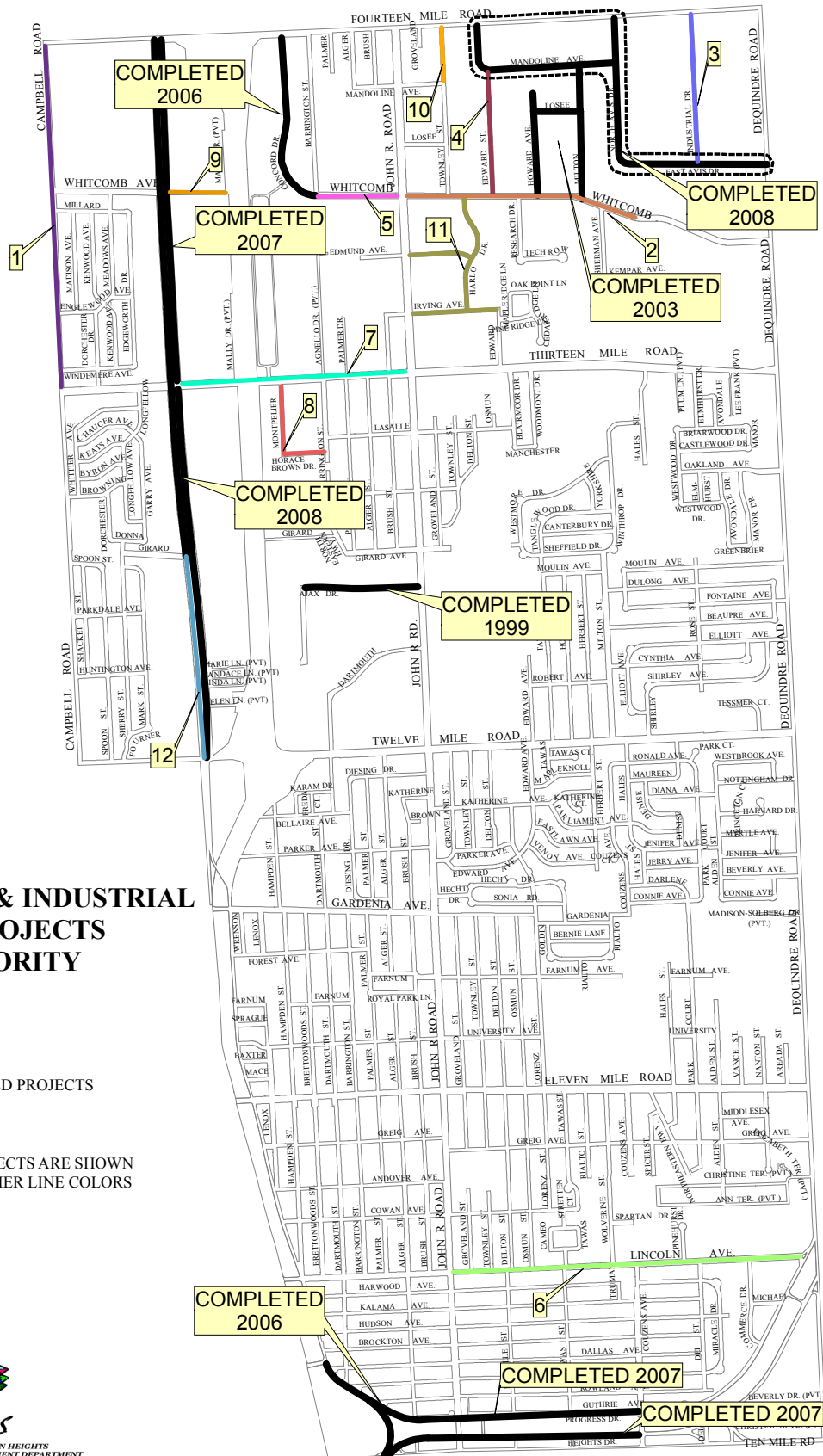


TABLE VI

FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PRIORITY COMMERCIAL AND INDUSTRIAL ROAD PROJECTS
(BASED ON CURRENT COSTS)

	<u>Project Location/Limits</u>	<u>Length (Feet)</u>	<u>Estimated Cost (in 2008)</u>
Done 1999	Ajax Drive - DPS Building to John R	1,700	\$620,000
Done 2003	Losee Avenue - Howard to Milton (660 feet)		
	Milton Avenue - Mandoline to Whitcomb (1,950 feet)		
	Howard Avenue - North of Whitcomb (1,475 feet)	4,085	1,105,000
Done 2006	I-696 WB Service Drive (Progress Drive to Stephenson Highway - Dallas to John R including I-696 NB Underpass	3,500	250,000
Done 2006	Concord Drive - Fourteen Mile to Barrington	2,700	1,174,000
Done 2007	Stephenson Highway - NB Thirteen Mile to Fourteen Mile	5,149	353,000
Done 2007	I-696 EB Service Drive (Heights Drive) - John R to Couzens	2,636	205,000
Done 2007	I-696 WB Service Drive (Progress Drive) - John R to Couzens	2,668	205,000
Done 2008	Stephenson Highway - NB Twelve Mile to Thirteen Mile	5,531	431,000
Done 2008	Stephenson Highway - SB Fourteen Mile to Girard	7,281	781,000
Done 2008	North Avis Drive - Fourteen Mile to East Avis (Includes sidewalk SAD \$107,000)	2,978	464,360
Done 2008	East Avis Drive - North Avis to Dequindre (includes sidewalk SAD \$86,000)	2,150	344,000
Done 2008	Edward Street - Fourteen Mile to Mandoline (includes sidewalk SAD \$29,000)	722	115,640
Done 2008	Mandoline Avenue - Edward to North Avis (includes sidewalk SAD \$66,000)	1,900	294,000
	Work Completed	43,000	\$6,342,000
<u>Planned</u>			
1.	Campbell - Thirteen to Fourteen Mile	5,280	\$1,595,000
2.	Whitcomb Avenue - John R to end of Islands (east of Sherman) and Widening at Intersections	3,500	1,008,000
3.	Industrial Drive - Fourteen Mile to East Avis	2,256	379,000
4.	Edward Street - Mandoline to Whitcomb	1,866	313,500
5.	Whitcomb - Barrington to John R	1,200	345,600
6.	East Lincoln Avenue - John R to Dequindre	5,346	900,000
7.	W Thirteen Mile Road - John R to Stephenson	3,548	1,022,000
8.	Montpelier/Horace Brown Drive - Thirteen Mile to East End	1,750	294,000
9.	Whitcomb Avenue - Mally to Stephenson	958	161,000
10.	Townley - Fourteen Mile to Mandoline	2,492	419,000
11.	Edmund - John R to Harlo, Harlo - entire length, and Irving east of John R	3,956	665,000
12.	Stephenson Highway - SB Girard to Twelve Mile Road	3,393	570,000
	Work Planned	35,545	\$7,672,100

As part of the 2008-09 Goal Plan, the City Council approved a proposal: “In an effort to balance funding limitations and the backlog of commercial and industrial roads in need of repair, modify the existing program to allow for development, design, procurement and construction of a mill and asphalt overlay with appropriate joint and base repairs for these high priority road needs.”

For FY 2008-09, the following overlay projects were completed: North Avis from Fourteen Mile to East Avis (\$464,000); East Avis from North Avis to Dequindre (\$344,000); Edward from Fourteen Mile to Mandoline (\$116,000); and Mandoline from Edward to North Avis (\$294,000). In addition to the overlay portion, each project included a sidewalk special assessment to fill in missing parts of the sidewalk network.

As presented in Table VI, 12 priority industrial/commercial road improvement projects have been identified.

- Asset Management

The theory of Asset Management (AM) is to provide proper, timely maintenance to increase the overall life cycle and provide better daily service of the City’s infrastructure assets (roads, utilities, etc.). Asset management is the tool to schedule preventive maintenance and replacement timed to improve the condition of the asset while increasing the overall life cycle. AM replaces the “worst first” theory of utility maintenance and replacement. The practical application of asset management includes four main components: inventory, condition assessment, maintenance and long range planning for the assets. The Community Development Department Geographic Information System Division (CDD/GIS) has been developing the data necessary for asset management since the beginning of the City’s GIS program. The inventory of the current City assets is nearly complete and will be updated by CDD/GIS as utility and roadwork occurs throughout the City.

In August 2005, a comprehensive road-rating project was undertaken to address the need for a road network condition assessment. Stantec Consulting completed this assessment through a financial partnership with the Road Commission for Oakland County (RCOC). The project rated the complete road network within the City, delivering a rating for each road segment by scanning the pavement with a number of cameras and digitally measuring pavement imperfections. The second road rating was completed during the fall of 2007. A third road rating is tentatively scheduled for 2009. The GIS Division has recommended that this project be continued for the next two years to enable the development of a multi-year pavement deterioration curve for enhanced City-wide pavement management.

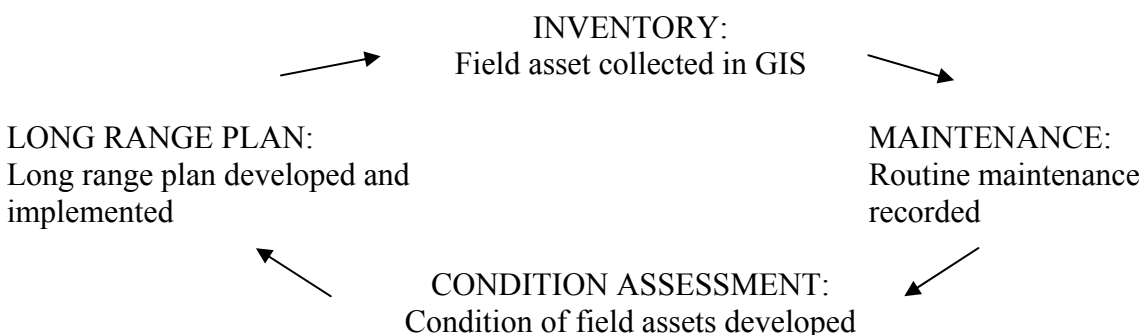
To track ongoing and future maintenance, the City is in the process of implementing a Computer Maintenance Management System (CMMS) for work order management within DPS. Work order management provides a connection between daily DPS tasks and GIS utility features, which are being geolocated. This connection enables spatial queries to be conducted on GIS utility features to review the types of work that have been completed, are in progress, or are planned. Another benefit is the ability to track requests from citizens. Cityworks from Azteca Systems, Inc. was selected as the preferred software and implementation began in the fall of 2004. CDD/GIS was the onsite resource for deployment, streamlining interdepartmental communication. Implementation was completed in the summer of 2005 as planned by CDD/GIS and DPS staff.

The project was designed for the DPS divisions of Streets and Facilities, and Water and Sewer. The development included custom Microsoft (MS) Access reports and design changes to the original Cityworks software program. As part of the implementation, multiple day training was created and provided by CDD/GIS for applicable DPS staff. Training is ongoing.

Implementation for the Streets Division was completed in fall 2005, including initial and follow-up training. The Water and Sewer Division's system is in process. The Streets Division was combined with Parks Division in 2007.

This final component of AM entails development of a long-range plan for infrastructure assets. The next step is to fully integrate GIS and work order data so that it can be spatially compared, where appropriate.

Presently, CDD/GIS is pursuing funding from the Transportation Asset Management Council (TAMC) to enable the City's road ratings to be used in computer modeling. In the past, the TAMC has funded pilot projects with the use of grants to further the development of asset management principles within the State of Michigan. The goal of this funding is to develop alternative long range plans for the City's road system. The flowchart below outlines the completed AM cycle.



G. Street Maintenance and Solid Waste Vehicle Replacements

Various Street Maintenance and Solid Waste vehicles are programmed for purchase to correspond with the Five Year Equipment Replacement Plan. Also, as detailed in the Public Safety Chapter, Street Maintenance vehicles totaling \$1.3 million will be funded through the "V-2" millage program.

TABLE VII
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

APPROPRIATIONS:

COLLECTION & DISTRIBUTION SYSTEMS	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL APPROP.
WATERMAINS								
Palmer - North Dead End to 11 Mile	\$ 0	\$ 0	\$ 0	\$ 210	\$ 0	\$ 0	\$ 0	\$ 210
Barrington - 11 Mile to Andover	0	0	0	235	0	0	0	235
Hampden - 11 Mile to Andover	0	0	0	0	225	0	0	225
Fourteen Mile - Palmer to John R	0	0	0	0	0	166	0	166
SEWER PROJECTS								
By Pass/Eliminate Wolverine Lift Station	507	0	0	0	0	0	0	0
Sewer Rehabilitation/Replacement	0	0	0	50	50	50	50	200
DPS Brine Containment Structure	0	0	0	0	0	0	40	40
REPLACEMENTS								
2000 GMC W 4500 Van #452	0	0	0	0	55	0	0	55
1996 Ford Backhoe #456	0	0	88	0	0	0	0	88
1998 Ford Vactor #468	0	0	0	290	0	0	0	290
1975 Emergency Generator-Portable #554	0	0	0	39	0	0	0	39
REPAIRS								
Salt Dome Concrete Repair & Resurface	0	0	0	0	35	0	0	35
TOTALS	\$ 507	\$ 0	\$ 88	\$ 824	\$ 365	\$ 216	\$ 90	\$ 1,583

REVENUES:

COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL/ MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
WATERMAINS								
Palmer-North Dead End to 11 Mile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210	\$ 0	\$ 210
Barrington - 11 Mile to Andover	0	0	0	0	0	235	0	235
Hampden - 11 Mile to Andover	0	0	0	0	0	225	0	225
Fourteen Mile - Palmer to John R	0	0	0	0	0	166	0	166
SEWER PROJECTS								
Sewer Rehabilitation/Replacement	0	0	0	0	0	200	0	200
DPS Brine Containment Structure	0	0	0	0	0	40	0	40
REPLACEMENTS								
2000 GMC W 4500 Van #452	0	0	0	0	0	55	0	55
1996 Ford Backhoe #456	0	0	0	0	0	88	0	88
1998 Ford Vactor #468	0	0	0	0	0	290	0	290
1975 Emergency Generator-Portable #554	0	0	0	0	0	39	0	39
REPAIRS								
Salt Dome Concrete Repair & Resurface	0	0	0	0	0	35	0	35
TOTALS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,583	\$ 0	\$ 1,583

COLLECTION & DISTRIBUTION SYSTEMS

Local Water Improvements

- Watermain Replacement Program

As part of the 2001-02 Goal Plan, the City Council approved the following goal:

Develop plans, schedule funding and implement a multi-year systematic watermain replacement program aimed at reducing maintenance costs and water loss due to main breaks.

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

As recommended by the Utilities Supervisor, Deputy City Manager, Community Development Director and City Engineer starting in 1997, the watermains in the Proposal "R-1" Neighborhood Road Improvement Program - Year Two were replaced with plastic pipe. Due to reduced cost and the success of the program, the City now uses plastic pipe for all watermain projects.

As presented in Table VIII, fourteen high-priority watermain projects have been identified.

- Equipment Replacement

Concerning rolling equipment and tools, the DPS is also projecting a need to replace two water service vans, a backhoe, a sewer vactor, an emergency generator and related equipment.

- Facilities Needs

The Water and Sewer Fund owns the DPS property and facilities at the end of Ajax Drive. During the winter of 2008, the Department installed a new brine manufacturing unit to improve road de-icing operations. To protect the environment from accidental spills, and in compliance with MDEQ requirements, \$40,000 is programmed for a secondary brine containment system. Also, in light of the age and condition of the concrete salt dome, a project is scheduled to repair and apply sealant to the structure to improve longevity.

- Neighborhood Road Plan

The Neighborhood Projects Chapter outlines the watermain and sewer line replacement projects scheduled as part of those two ten year plans.

COLLECTION & DISTRIBUTION SYSTEMS BY PRIORITY



TABLE VIII

FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PRIORITY WATERMAIN PROJECTS
(BASED ON CURRENT COSTS)

<u>Location Number</u>	<u>Watermain Location</u>	<u>Length (Feet)</u>	<u>Estimated Cost (in 2009)</u>
1.	Palmer - North Dead End to Eleven Mile	1,270	\$ 210,000
2.	Barrington - Eleven Mile to Andover	1,420	235,000
3.	Hampden - Eleven Mile to Andover	1,360	225,000
4.	Fourteen Mile - John R to Palmer	1,000	166,000
5.	Brush - Eleven Mile to Royal Park Lane	1,400	252,000
6.	Harwood - John R to Progress	2,100	378,000
7.	Longfellow - Garry to Browning	850	153,000
8.	Dartmouth - Eleven Mile to Andover	1,420	256,000
9.	Garry - Longfellow to Sherry	1,920	346,000
10.	Palmer - LaSalle to Girard	1,750	315,000
11.	Kalama - John R to Alger	550	99,000
12.	John R - Whitcomb to Fourteen Mile	2,450	441,000
13.	Ten Mile - Dequindre to John R	2,900	522,000
14.	Alger - Mandoline to Fourteen Mile	<u>800</u>	<u>144,000</u>
	Totals	21,190	\$ 3,742,000

These costs assume \$110 per linear foot for watermain installation including pipe, hydrants, valves, taps, hauling, sand, contractual labor cost, City labor costs, and other costs related to the project.

Also, costs assume \$40 linear foot for landscape, sidewalk and drive approach restoration relating to the watermain installation.

Local Sewer Improvements

Many of our sewer lines in the City are over 40 years old and many will need repairs, lining or replacing in the future.

Funding for local sewer rehabilitation is programmed for line replacement, and chemically treating roots that infiltrate our sanitary sewers. Creation of a long-range sanitary sewer rehabilitation and replacement program and the annual allocation of up to \$50,000 per year was approved by City Council as part of the 1998 Goal Plan.

Over a five year period, the City eliminated the last three sewer lift stations. With the installation of the Kuhn Drain Ten Mile Road interceptor sewer, sewage now travels east from Battelle to Dequindre. This project provided the City with an opportunity to eliminate the Guthrie Lift Station, located on Heights Drive and Couzens. By rerouting the sewers to flow by gravity rather than being pumped up to a higher elevation sewer, the City saves the daily maintenance, electrical and replacement cost of the lift station. Additionally, in case of a power outage, staff would have to be concerned with flooding the commercial buildings on Ten Mile Road. The City Engineer worked with the Oakland County Water Resources Commissioner and Kuhn Drain engineers to coordinate connecting directly to the Ten Mile interceptor. The Water and Sewer Fund Budget included \$83,000 to finance this project that was completed in early 2003.

In the fall of 2005, the underground lift station located east of Rose on Beaupre was eliminated through the installation of a new sewer routed east to Fontaine. This project was done in conjunction with the Proposal “R-1” Road Improvement Project (see Neighborhood Projects Chapter for details).

The third and final lift station was located on Wolverine south of Eleven Mile Road. To improve sewer system operations and prevent basement backups, a new line was installed rerouting flows north to Eleven Mile and then east to the large Dequindre Sewer Interceptor.

In November 2005, bids were opened for the Wolverine Pump Abandonment and Eleven Mile Sewer project. The low qualified bidder was Pamar Enterprises, Inc. The bids came in substantially higher than the original Engineer’s estimate and the project was put on hold while staff and the consulting City Engineer evaluated funding options. In September 2006, the City Engineer recommended a phased approach to the project, with Phase I fully funded in FY 2006-07 (\$1,400,000) and Phase II funded in FY 2007-08 (\$507,000).

In October 2007, the City’s long-term goal of eliminating sanitary sewer pump stations altogether, along with the accompanying daily maintenance, monitoring and repair was achieved.

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

As part of an Agreement with the Michigan Department of Environmental Quality (MDEQ), the Twelve Towns Communities were required to plan and construct \$144 million (original estimate) in improvements to the RTF aimed at reducing the volume and the frequency of the overflows, and providing adequate treatment of these overflows when they do occur.

Twelve Towns Contested Case Settlement

On October 22, 1998, the Director of MDEQ issued the new National Pollutant Discharge Elimination System (NPDES) Operating Permit that allows the South Oakland County Sewerage Disposal System (SOCSDS) to discharge Combined Sewer Overflow (CSO) into the Red Run Drain until October 1, 2003. This Permit was renewed for an additional five years to October 1, 2008 with its current terms and conditions.

In March 2005, the MDEQ notified the Oakland County Water Resources Commissioner that they would be changing the NPDES Permit expiration date from 2008 to 2010 in an attempt to stagger permits for the different watersheds across the State. In June 2005, the communities agreed to the change and renaming the permit to “George W. Kuhn Drainage Board on behalf of the George W. Kuhn Drainage District”.

- **Permit Key Features**

The NPDES Permit includes the following key features:

1. New limits and reporting standards for the treated combined sewer overflow to the Red Run Drain including procedures for monitoring this overflow;
2. In-stream testing for escherichia coli (e-coli) per State statute;
3. Requirements for the development of new procedures and assessment of the operation of the RTF;
4. Discharge notification requirements;
5. The Combined Sewer Overflow control program including:
 - a. North Arm Relief project with 4.8 million-gallon increase in storage;
 - b. RTF storage capacity increase of 30 million gallons to a total of 64 million gallons;
 - c. Construction of a new inlet weir and related headworks including improved treatment features;

- d. Elimination of the Madison Heights separated storm sewer inputs from the RTF by the construction of two new parallel storm sewers;
 - e. Elimination of the two Madison Heights combined sewer overflow interceptors to the RTF by rerouting of them upstream of the new inlet weir structure;
 - f. Elimination of the Hazel Park sanitary sewer discharge to the RTF by the construction of a new Ten Mile Road interceptor;
 - g. Construction of a new de-watering pump station to facilitate the removal of flows in the early stages of a storm event by increasing discharge to the Twelve Mile Road interceptor;
 - h. Downspout Disconnection Program; and
 - i. Storm Water Input Restriction Program.
6. A December 31, 2005 deadline for the construction (started in October 2000) of the proposed improvements;
 7. Commitment by the MDEQ that the proposed CSO improvements would constitute “adequate treatment” capable of meeting water quality standards which means no additional improvements of the system will be required unless a problem is uncovered and can be traced solely to the RTF or unless evidence is found as a result of the Total Maximum Daily Load (TMDL) review of the Red Run Drain and the Lower Clinton River Watershed; and
 8. A provision that would allow this permit to be reopened by the MDEQ or the Twelve Towns communities based on technical and/or financial problems that may arise in the future.
- George W. Kuhn Drain

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

The GWKDD approved Contract #4 on August 14, 2001 at a cost of \$79.5 million or \$6.1 million under engineering estimates. Contract #4 includes the following additions:

1. Lowering and extending the existing inlet weir to eliminate the RTF bypass gates west of I-75.
2. Adding 30 million gallons of storage.
3. A new 2,000 foot intermediate weir to the existing RTF.

4. A new 100 cubic foot per second dewatering pump station and inlet to the combined sewer interceptor connection.
5. New disinfecting system utilizing diffusers and high-energy mixers.
6. Sodium hydrochloride feed and storage.
7. Self-cleaning fine screens with sluice conveyance to the outlet sewer.
8. Automatic full-coverage nozzle flushing system to convey screened solids to the proposed dewatering pumping station.
9. Extending a rerouted combined sewer outlet line to the proposed dewatering pump station and storage facility.
10. Electrical and instrumentation rehabilitation of the existing dewatering pump station.
11. A chemical odor control system.

Operations and Maintenance Agreement

In February 2005, the City had a major breakthrough in efforts to secure a favorable modification to the Operation and Maintenance (O & M) Apportionment for the GWK Drain. The settlement is providing the City \$3.4 million over the next five years in reduced charges and cash and an additional \$449,000 in savings annually from that point forward. The City Manager headed up the effort to have the GWK Drain Board revise the existing O & M Apportionments to reflect the implementation of the new parallel storm sewers and the rerouting of the City's storm water directly to the Red Run Drain. Key provisions of the agreement include:

1. A new O & M Apportionment adopted by the Drain District Board, which will save the City \$449,000 per year effective July 1, 2005.
2. The Drain District will credit the communities as a whole \$1 million a year for the next five years and the credits will be spread in relationship to the current apportionments (calculating the credits based on the old apportionment which benefits Madison Heights since the old rate will be dropped from 10.286% to 6.5409% with the adoption of the new apportionment). In addition, the Water Resources Commissioner reserves the right to charge the communities up to \$500,000 per year for five years based on the new O & M Apportionments to fund a capital replacement and repair reserve. Water Resources Commissioner McCulloch indicated that it may not be necessary to impose this new charge if he determines the \$18 million reserve is adequate. The net impact of the new credit and the new charge will result in a net credit on Madison Heights' bill of an additional \$70,000 over five years or \$350,000.

3. The Drain District by agreement would agree to pay Madison Heights \$850,000 to maintain the new green open space being created west from John R to the new screen building. The staff has been working on the concept of consolidating all of Madison Heights' soccer fields in one complex at this location to include 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.

TABLE IX
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PUBLIC SAFETY
(IN THOUSANDS)

APPROPRIATIONS:

PUBLIC SAFETY	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL APPROP.
POLICE								
CLEMIS Mobile Data Computers	\$ 75	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety Dispatch System Technology Upgrade	0	0	130	0	0	0	0	130
2002 Animal Control Van #119	0	0	0	0	40	0	0	40
Patrol Car Video System Upgrade	0	0	0	0	0	100	0	100
Replace Police Station Roof	0	0	0	0	0	0	110	110
Remove & Replace Fuel Dispenser Island	0	0	0	0	0	0	50	50
FIRE								
2009 Ambulance Rescue #711	0	208	0	0	0	0	0	0
Fire Dispatch Station Alerting System	0	28	0	0	0	0	0	0
2002 Ambulance Rescue #710	0	0	0	227	0	0	0	227
City Bldgs. Fire Detection & Suppression Systems	0	0	0	0	0	100	75	175
2002 Ambulance Rescue #713	0	0	0	0	0	0	267	267
Emergency Operations Center Improvements	0	0	0	0	0	0	60	60
DISTRICT COURT								
District Court Elevator Cylinder Replacement	35	0	0	0	0	0	0	0
District Court Loading Ramp Renovations	0	25	0	0	0	0	0	0
Replace North Section of Roof	0	0	0	0	0	120	0	120
TOTALS	\$ 110	\$ 261	\$ 130	\$ 227	\$ 40	\$ 320	\$ 562	\$ 1,279

REVENUES:

PUBLIC SAFETY	GENERAL FUND	LOCAL/ MAJOR STREETS	OAKLAND COUNTY GRANTS	SPECIAL ASSESS	ALS/ VEHICLE MILLAGE	WATER & SEWER	DRUG FORFEITURE	FIRE BOND ISSUE	TOTAL REVENUES
POLICE									
Public Safety Dispatch System Tech. Upgrade	\$ 0	\$ 0	\$ 50	\$ 0	\$ 0	\$ 0	\$ 80	\$ 0	\$ 130
2002 Animal Control Van #119	40	0	0	0	0	0	0	0	40
Patrol Car Video System Upgrade	0	0	0	0	0	0	100	0	100
Replace Police Station Roof	110	0	0	0	0	0	0	0	110
Remove & Replace Fuel Dispenser Island	50	0	0	0	0	0	0	0	50
FIRE									
2002 Ambulance Rescue #710	0	0	0	0	227	0	0	0	227
City Bldgs. Fire Detection & Suppression Systems	175	0	0	0	0	0	0	0	175
2002 Ambulance Rescue #713	0	0	0	0	267	0	0	0	267
Emergency Operations Center Improvements	30	0	0	0	0	0	0	30	60
DISTRICT COURT									
Replace North Section of Roof	120	0	0	0	0	0	0	0	120
TOTALS	\$ 525	\$ 0	\$ 50	\$ 0	\$ 494	\$ 0	\$ 180	\$ 30	\$ 1,279

PUBLIC SAFETY

Communication System

The current public safety communication system consists of a base station located in the Police Department (operating at 155 MHz), a secondary base station located at the Department of Public Services (used by the Auxiliary Services Section), 42 mobile units and 50 portable units. Installed in 1989 with the building of the new police facility, the base station was modified in 1995 to accommodate combined Police and Fire Dispatch. In addition, in 1995, the Federal Communications Commission (FCC) adopted new rules that reduce the frequency separation on Land Mobile UHF and UHF Radio Systems from 25 Megahertz (MHz) to 12.5 MHz. The FCC will further reduce frequency separation to 6.25 MHz sometime in the future.

In November 1999, the Oakland County Board of Commissioners approved a charge of 57 cents per month per telephone line to financially support the new 800 MHz County-wide system.

In October 2000, the City approved a service agreement to provide for the use of 28 two-way mobile cellular phones. The cost of these telephones is offset by land lease revenue from the monopole installed north of the Police Station. The monopole has helped address historical intermittent “dead spot” problems.

As part of the 2001–02 Goal Plan, the staff was directed to coordinate with Oakland County and support their implementation of the new 800 MHz system, including the installation of the new monopole and purchase of local radio equipment to eliminate radio transmission and reception problems.

As of December 2000, the City Council approved the \$10,000 purchase of replacement radios as an interim measure to upgrade reception. In May 2001, the Police Department entered into a working agreement with Royal Oak Police Department and added two antennas to Royal Oak’s repeater system. Subsequent testing of the system showed 100 percent portable radio coverage throughout the City. The Police and Fire Departments have been working with Oakland County in an effort to make Madison Heights part of a new County-wide 800 MHz Radio System. When implemented this system would eliminate any remaining reception problems, allow seamless communication with other system participants and provide sufficient frequencies to prevent “bleed over” resulting from the FCC reframing existing VHF and UHF frequencies.

In early 2006, Oakland County informed the Police Department that additional necessary items including encryption technology, shoulder microphones and extra batteries at a cost of \$38,000 would not be provided by Oakland County. The cost of those items would be the sole responsibility of each agency. An analysis of the Madison Heights Police Department’s equipment revealed the need for encryption on all mobile, portable and base stations, shoulder microphones for portable radios and extra batteries to allow transition between the three shifts. Three existing radio-phone lines with monthly costs of \$425 would be eliminated after switching to the 800 MHz system. This telephone line removal would result in an annual savings of \$5,100.

The County has been pursuing radio tower sites and has now completed construction of other radio towers. The new 800 MHz system has been rescheduled to become operational in 2009.

TABLE X
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
TEN YEAR V-2 VEHICLE MILLAGE PURCHASES PLUS FUTURE PURCHASES UNDER \$40,000
(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
	Riding Mower	373	2008	0	6	0	6
	3/4 Ton Pick-up	475	2008	0	29	0	29
	Streets Pick Up V Box	--	--	0	6	0	6
	Code Enforcement Vehicle	492	2008	0	0	16	16
2008-09	Ambulance Rescue Truck	711	1999	208	0	0	208
	Code Enforcement Vehicle	496	1999	0	0	16	0
	Parks Pick-up W/Plow	484	1998	0	23	0	23
2009-10	Police Patrol Vehicle	105	2007	27	0	0	27
	Police Patrol Vehicle	110	2006	27	0	0	27
	Police Patrol Vehicle	116	2006	27	0	0	27
	Park Riding Mower	325	2001	0	11	0	11
	Senior Van	469	1998	0	27	0	27
	Water and Sewer Backhoe	456	1996	0	88	0	88
	Water and Sewer Pickup Truck	460	1998	0	29	0	29
2010-11	Senior Van	480	1996	0	25	0	25
	Senior/Handicap Transportation Cart	282	1993	0	12	0	12
	Ambulance Rescue Truck (\$72,000 and \$25,000 prefunded in FY 2008-09 and FY 2009-10)	710	2002	227	0	0	227
	Concrete Drop Hammer	280	1989	0	69	0	69
	To Be Determined	--	--	0	0	0	66
2011-12	One Ton Dump Truck	431	2004	0	43	0	43
	To Be Determined	--	--	0	0	0	66
2012-13	Building Maint. Van	435	2003	0	61	0	61
	To Be Determined	--	--	0	0	0	66
2013-14	Platform Truck	429	2003	0	150	0	150
	Ambulance Rescue Truck	713	2005	267	0	0	267
	To Be Determined	--	--	0	0	0	67
2014-15	Tandem Dump Truck	418	2003	0	151	0	151
	To Be Determined	--	--	0	0	0	67
2015-16	Tandem Dump Truck	415	2003	0	82	0	82
	Tandem Dump Truck	419	2003	0	157	0	157
	To Be Determined	--	--	0	0	0	67
2016-17	Backhoe	407	2003	0	108	0	108
	Tandem Dump Truck	422	2003	0	164	0	164
	Single Axle Dump	425	2003	0	133	0	133
	Ambulance Rescue Truck	711	2007	302	0	0	302
	To Be Determined	--	--	0	0	0	67
	TOTALS			\$ 1,116	\$ 1,374	\$ 32	\$ 2,972

Vehicle Replacement Millage

On August 8, 2006, the voters in Madison Heights approved ballot Proposals “R-2” and “V-2”. Proposal “V-2” will provide the City with a one-quarter mill property tax levy for a ten year duration to support the replacement of City vehicles. A list of scheduled vehicle replacements over \$40,000 has been outlined in the Table on the facing page. Due to the difficulty in forecasting millages on cars and small trucks a variable amount for these purchases has been programmed.

The Assessor’s Office has estimated that Proposal “V-2” will generate \$2.9 million in revenue to support the ten-year program presented in the Capital Improvement Plan. Due to the economic recession causing declining property values, the program’s funding is down \$500,000 from the original April 2006 estimate. To close the funding gap, the amounts scheduled for new vehicle replacement were reduced. The elements of this millage program were outlined to the residents as part of the public information campaign through the City newsletter in June 2006.

As part of the original Proposal “V-1” program, the City replaced \$4.1 million worth of costly, outdated and expensive fire rescues, pumpers and ladder trucks and other critical vehicles. This program allowed funding for 119 vehicle replacements over the last 10 years. In light of the stagnating local economy and in an effort to provide tax relief, the City cut the initial Proposal “V-1” millage in half. The one-quarter mill “V-2” proposal will fund a reduced number (under 50) vehicles, as compared to 203 scheduled replacements of City vehicles planned over the next 10 years. As part of the millage funded program, the City will replace three ambulances/rescue vehicles and a number of the snow plow dump trucks.

Law Enforcement

- **Field Reporting System**

Historically, Police Officers were responsible for taking written reports in the field, having them completed by the end of the shift, and turning them into their supervisors for review. Recently, the department has implemented new software packages that can give officers the ability to create reports in the field on mobile computer terminals or laptops running in a Windows based software environment. The reports are transmitted to supervisors for online review and upon the supervisor’s approval are uploaded to holding files on the computer operating system and subsequently merged into the law enforcement records database.

There are numerous benefits to this system, some of which are: officers in the field have a report entry tool that is easy to use; speeding up report completion; and provide increased report accuracy since reports are completed while information is still fresh in the officer’s mind. Another advantage of this system is that officers use time normally spent writing reports doing actual report entry thereby freeing up some of the Police Clerk’s time and enabling them to be used in other areas or in new tasks.

The Police Chief reported that as of December 2000, fifteen vehicles were equipped with the new Mobile Data Computer (MDC) replacing the Mobile Data Terminals (MDT) that were over ten years old. Three new laptop computers are used for undercover operations. These laptops function as the MDC in a covert package. Currently, the MDCs serve the same functions as the older

MDTs, allowing officers to check records from the State's Law Enforcement Information Network (LEIN) and Secretary of State (SOS) and communicating with the dispatch and "car to car". The implementation of the first Field Base Reporting System was completed in 2004.

The old terminals and software could not communicate with the mainframe computer, but instead interface with Oakland County's Court Law Enforcement Management Information System known as CLEMIS. The new software can maintain interfacing with CLEMIS if needed. Accordingly, future operating budgets will not require the necessity to increase personnel to support inefficient manual systems and make costly repairs to obsolete equipment.

Oakland County used a Federal Justice Department Grant to fund the purchase of the MDC. The grant is programmed to fund the eighteen MDCs at a cost of \$8,000 each for a total of \$144,000. The federal grant requires the communities show that the MDC has allowed the Department to reallocate manpower to the field from the station. The CLEMIS system assures Madison Heights that this requirement can be met. In 2005, a data conversion was completed to transfer more than twelve years of New World Systems data into the CLEMIS System.

In 2007, the Department completed a conversion to the CLEMIS supported records management system for a Field Based Incident Reporting System. In 2008, the Police Department replaced existing MDCs at a cost of \$75,000. The newer in-car mobile computers will provide more processor speed to keep pace with improvements to CLEMIS-supported systems like field reporting, driver's license records and fingerprint records.

- Patrol Car Video System

As part of the 2008-09 Goal Plan, the City Council adopted a proposal to: "Investigate, determine specifications, bid procure and install upgraded in-car police digital recorders aimed at improving quality of recorded images, storage, retrieval and duplications capabilities."

The existing patrol car video system is a VHS tape system that has reached the end of its functional life span. Purchased in 2001, the existing VHS tape system is prone to mechanical breakdowns forcing supervisors to shuffle cars that have working systems. The new systems use DVD or hard drive capture systems to improve the quality of recorded images and provide improved systems for storage, retrieval and copying. Plans include outfitting 15 patrol vehicles with in-car digital recorders at a projected cost of \$6,500 per unit or \$97,500.

The Michigan Municipal Risk Management Authority has provided Risk Avoidance Program (RAP) grants for these types of equipment purchases in the past. The department would actively pursue those grants to reduce the costs for this purchase if this project again qualifies for this grant and the funding is available.

Due to higher departmental priorities and funding constraints, the Police Chief has recommended delaying this purchase.

- Public Safety Dispatch System Technology Upgrade

The existing Positron E-911 telephone system is over ten years old and is at the end of its projected longevity. Parts and support are becoming an issue and AT&T has indicated that departments should be making plans for replacement of outdated equipment. Oakland County CLEMIS has begun research into the replacement costs for E-911 equipment for the Public Safety Answering

Points (PSAP) in Oakland County. Unfortunately for these PSAPs, CLEMIS has maintained that all PSAP equipment costs are the responsibility of each individual PSAP. CLEMIS is working on a proposal for a new Internet Protocol (IP) based E-911 system with a central server at CLEMIS maintaining each PSAPs equipment through the County's fiber network (OAKNET) to reduce some costs associated with maintenance and upgrades. CLEMIS expects to begin their portion of this project in the next few year.

The City has been notified by CLEMIS that they will not be able to fund the scheduled technology upgrade and positron replacement for the public safety dispatch system, but will be working with Madison Heights to fund \$50,000 of this \$130,000 project through the County phone surcharge and Homeland Security grant. CLEMIS has indicated that the County funds are only available through March 2010. The FY 2009-10 Budget includes \$52,000 in the Drug Forfeiture Fund to support this project and \$28,000 from the Byrne Justice Assistance federal grant.

In June 2007, the City of Madison Heights submitted a proposal in response to the RFP for a consolidated dispatch model as a component of the Fire Regionalization Study. In that proposal, the costs for the replacement of the E-911 equipment was built into the costs proposed for the consolidated dispatch. On October 17, 2007, the subcommittee for consolidated dispatch chose the proposal from the Oakland County Sheriffs Department over the Madison Heights proposal based on costs. While this decision appears to eliminate Madison Heights from further consideration for a four-City consolidated dispatch, it is far from reaching a consensus on consolidated dispatch because of the lingering issue of prisoner monitoring in all four police stations that are affected by consolidation. Therefore, Madison Heights must move forward and plan for new E-911 equipment.

Fire Protection and Emergency Response

- Fire Dispatch Alerting System

As part of the 2008-09 Goal Plan, the City Council adopted a proposal to: "To support current efforts for fire service resource sharing with other communities in Southeast Oakland County, analyze, design, bid, procure and implement an upgraded internet based dispatch alerting system to facilitate structure fires automatic mutual aid runs and other response efforts."

The Fire Department is currently alerted to an incoming incident by a "plectron" system that operates via radio. The current system has become dated and during a recent breakdown it was discovered that parts are becoming harder to obtain. It required nearly a week to repair the system to full function.

There are now "alerting" systems available that are computer internet protocol based and that will allow great flexibility in set up and application. Alerts may be transmitted from dispatch to the fire stations through fiber optic cables that are already in place. Under the new system, there would be redundant wireless backup to the fiber optic cables. The dispatch component could be configured to operate from an alternate location, for instance, the police reserve station.

With the onset of Automatic Aid for structure fires and the discussion of regionalization of the fire service continuing, such a system becomes more important. A computer internet protocol based alerting system (\$28,000) could allow any of our prospective mutual aid partners to be dispatched through the same system. The system could also allow for apparatus tracking as to who was in quarters and who was deployed. The Fire Chiefs of Ferndale, Hazel Park and Royal Oak have

indicated their willingness to consider a collective approach to this system. In fact, the Royal Oak Fire Chief has stated that the lack of a “common alerting system” is major impediment for their participation in Automatic Aid or regionalization.

- Outdoor Warning Siren Replacement

As part of the 2008-09 Goal Plan, the City Council adopted a proposal: “Working with Oakland County Emergency Response and Preparedness, replace and relocate the current outdoor warning siren serving the middle one-third of our community with a new unit with appropriate backup power supply and long-term maintenance provided by the County.”

The City of Madison Heights owned an outdoor warning siren that was located on the roof of the South Oakland County Resource Recovery Authority (SOCRRA) building. This siren was the only one in Oakland County that was not County owned. The siren was one of three in the City that was used to warn residents of tornados. In the summer of 2007, a failure of the siren during the monthly test was reported to Oakland County Emergency Response and Preparedness (ERP) and to the Madison Heights Fire Department. A maintenance technician inspected the siren and reported that the most likely cause of the failure was that the power to the unit was shutoff from the SOCRRA building. Oakland County no longer uses this model, which has been replaced with an updated unit that has a backup battery power supply and a two-way radio that transmits a signal to the County showing the operating status of the unit. Our siren has been out of production since about 1990 and replacement parts are very difficult to locate. Additionally, with the closing of the SOCRRA site, access for maintenance has become problematic.

Oakland County has a program whereby Madison Heights would purchase the updated siren and the County would install it. The cost of a new siren was \$21,000 and the County paid 25% of that cost. The County retains ownership of the siren and assumes the responsibility for the maintenance of the unit. In the summer of 2008, the siren was located on the east side of the Senior Citizen Center property near John R.

- City Building Fire Detector and Suppression Systems

After a devastating fire at the Department of Public Services building in the spring of 2003, it became apparent that the City should consider upgrading the fire alarm systems in the City’s principal buildings. At that time, all City principal buildings, with the exception of the two fire stations, had fire alarm systems; however, the systems at City Hall, Police Department and District Court were out of service. New systems were installed and upgraded in all City buildings during the summer of 2005.

In addition to a functioning alarm system, it would be wise to consider fire sprinkler systems. A sprinkler system can hold in check or extinguish a fire in its early stages, avoiding a loss as experienced at the Department of Public Services. Currently, the Police Department, the Department of Public Service, Headquarters Fire Station and the Library are the buildings with a fire sprinkler system. The buildings without sprinklers are Fire Station Two, the Senior Citizen Center, City Hall and District Court.

The Capital Improvement Plan includes funding for the necessary watermain extension and sprinkler system for the Senior Citizen Center (\$100,000) and District Court (\$75,000).

Police and Fire Operations

- Emergency Operations Center Improvements

The Emergency Operations Plan for the City of Madison Heights calls for a communication center/municipal command center located at the Police Department auditorium to coordinate activities during a community crisis. Appropriate elected officials and department heads would report to this location to gather information, allocate and coordinate resources, prepare public information releases, communicate with Oakland County Emergency Management personnel and prepare for a “Declaration of a Local State of Emergency.”

During a recent emergency preparedness drill, several shortfalls were discovered within this command and communication center, which will seriously impair the ability of the City to manage emergency responders and communication during a community emergency. One goal is to provide computers with internet access available; several telephones and telephone lines; GIS mapping capabilities; radio communication capabilities to police, fire and DPS staff; sufficient power outlets for the necessary computers, printers, etc.; and, cable television to monitor outside events. In addition, the Police Reserve Station located within the DPS building on Ajax Drive is designated as the backup communication/command center, and it too should have similar capabilities. The projected cost of these improvements is \$60,000.

Also, staff will obtain additional training for key personnel in Emergency Management and Incident Command. Many of the classes are available for free from the State of Michigan. As an additional benefit, this facility could also be used for a command and control center for local events such as the Memorial Day Parade, the fireworks and concerts in the park.

District Court

- City Hall, District Court and Police Station Roof Replacement

In December 2007, the City’s consultant completed the annual review of building roof systems. The consultant has recommended that City Hall (\$158,000), District Court north section (\$120,000) and Police Station (\$110,000) roofs be replaced.

The FY 2008-09 Budget included \$25,000 to repair and renovate the Court building’s loading dock.

TABLE XI
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT
(IN THOUSANDS)

APPROPRIATIONS:

GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL APPROP.
CIVIC CENTER / CITY WIDE								
City Hall Upgrade Electric Circuits	\$ 25	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
City Hall Roof Replacement	0	158	0	0	0	0	0	0
City Hall Exterior Panel Replacement	0	0	0	0	0	30	0	30
City Hall North Entrance Canopy	0	0	0	0	0	0	75	75
INFORMATION TECHNOLOGY								
City Hall Computer Cabling	0	0	0	0	0	60	0	60
ECONOMIC DEVELOPMENT								
11 Mile/John R Improvements	0	0	100	0	0	0	0	100
Alley Improvements	0	223	94	0	0	0	0	94
Property Acquisition	0	50	50	50	50	50	50	250
TOTALS	\$ 25	\$ 431	\$ 244	\$ 50	\$ 50	\$ 140	\$ 125	\$ 609

REVENUES:

GENERAL GOVERNMENT & ECONOMIC DEV.	GENERAL FUND	LOCAL/ MAJOR STREETS	CDBG	SPECIAL ASSESS.	ROAD IMPROVE ACCOUNT	WATER & SEWER	DOWNTOWN DEVELOP. AUTHORITY	OTHER REVENUES	TOTAL REVENUES
CIVIC CENTER / CITY WIDE									
City Hall Exterior Panel Replacement	\$ 30	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30
City Hall North Entrance Canopy	75	0	0	0	0	0	0	0	75
INFORMATION TECHNOLOGY									
City Hall Computer Cabling	60	0	0	0	0	0	0	0	60
ECONOMIC DEVELOPMENT									
11 Mile/John R Improvement:	0	0	0	0	0	0	100	0	100
Alley Improvements	0	0	0	0	0	0	94	0	94
Property Acquisition	0	0	0	0	0	0	250	0	250
TOTALS	\$ 165	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 444	\$ 0	\$ 609

GENERAL GOVERNMENT AND ECONOMIC DEVELOPMENT

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

Civic Center/Citywide Projects

- City Hall Electrical Circuits Upgrade

In the fall 2005, an electrical malfunction in the lower level utility room brought to light the increasing demands being placed on the system. The DPS has budgeted \$25,000 in electrical work to accommodate additions to lighting, computers and media room. These circuits will be tied to the emergency generator, representing Phase II of a project started in fall 2005.

- City Hall

In December 2007, the City's consultant completed the annual review of City buildings' roof systems. The consultant has recommended that City Hall (\$158,000), District Court north section (\$120,000) and Police Station (\$110,000) roofs be replaced.

- City Hall Exterior Panel Replacement

The existing City Hall building panels are warped and no longer flush with the exterior allowing for wind and rain to infiltrate, and a loss of insulation. The DPS has proposed that the 44 year old decorative stone panels between the windows be removed and replaced at a cost of \$30,000.

- Upgrade North City Hall Entrance


Mayor Swanson indicates that he feels a canopy at the north entrance of City Hall should be constructed to protect City Hall patrons from the elements as they climb the stairs and enter the building. The Mayor has suggested that some type of canvas enclosure could be mounted on the westerly end so this canopy could provide further protection during winter months. Additionally, given the lack of on-site maintenance personnel, the canopy would help prevent the accumulation of snow and ice on the steps when City Hall is open, and minimizing any liability. The DPS has estimated a project budget of \$75,000.

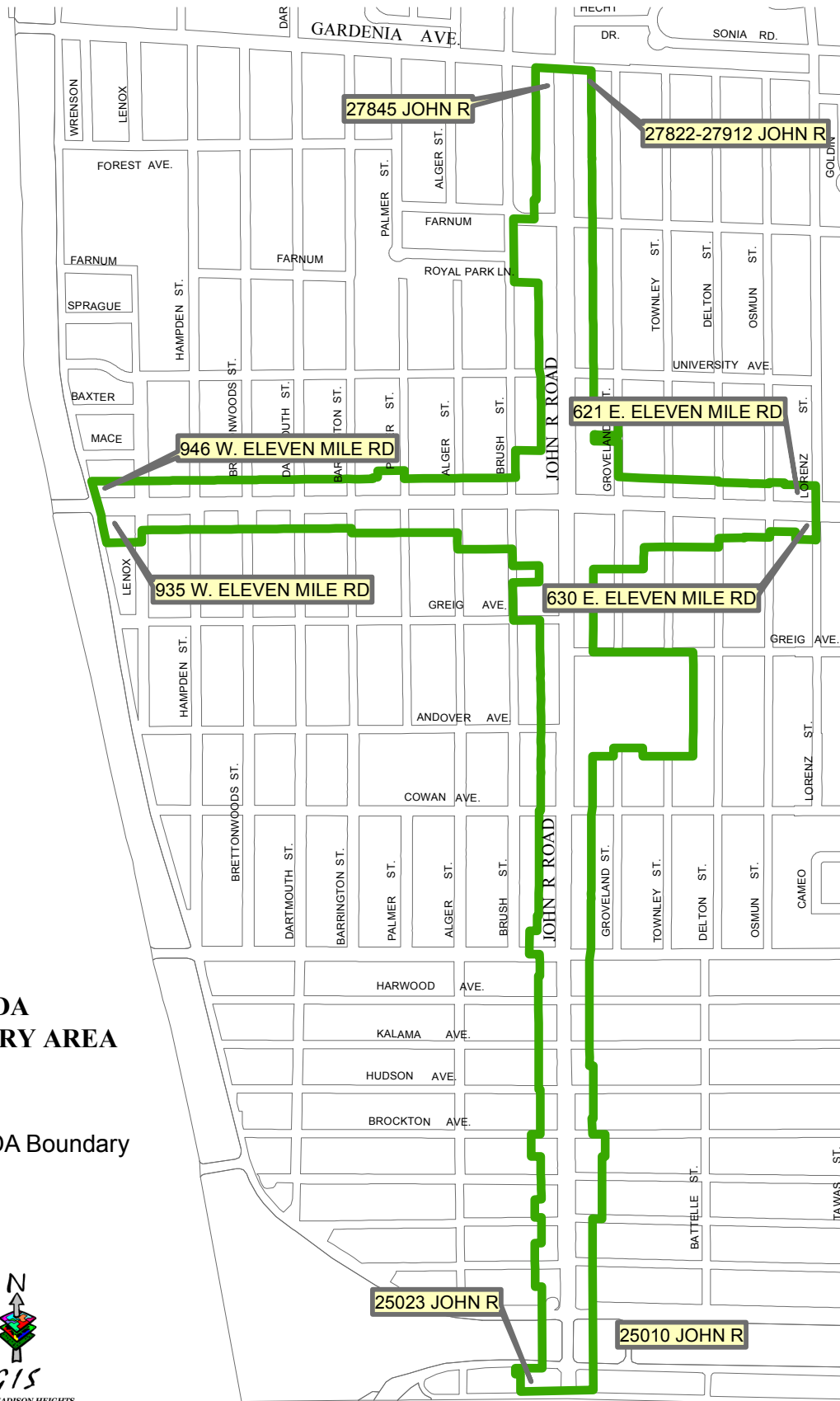
Information Technology

- City Hall Computer Cabling

A budget of \$60,000 is projected to rewire the computer cable within City Hall. The Information Technology Department is proposing installing new standard for data cable Gigabit-speed Ethernet. The cost for this project includes removal of the old cable and installation of new cable. Operating in conjunction with our other upgraded network infrastructure, this cable project will support transmitting data at ten times the current speed (fast Ethernet).

DDA BOUNDARY AREA

 DDA Boundary



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 previous map) of the downtown district within which the Authority may legally operate. This DDA District boundary was amended in the spring of 1998 to include seven additional lots at the northwest and southeast corners of John R and Eleven Mile Roads.

Since its formation, the DDA has scheduled and conducted regular public meetings to establish the procedures under which it operates, to discuss Business District issues, priorities and objectives to be addressed, to consider initial program strategies and approaches to downtown development, and to review ongoing and planned public and private development projects within the Business District.

The DDA concentrates its efforts to correct and prevent stagnation and/or deterioration within the existing business district, to eliminate blighting influences, and to undertake projects which will encourage businesses to remain or locate, and people to shop in the District. The DDA focuses on the identification and implementation of public improvements to enhance the areas that are needed to strengthen the quality of the District. Attention to maintenance, property upkeep, code enforcement and regular reinvestment in public features is essential. In addition, the DDA develops programs to solicit commitment and investment from business owners to make improvements on private property that serve the public purpose of enhancing the District.

In March 1998, the Tax Increment Financing and Development Plan was adopted by City Council to establish the legal basis and procedure for the capture and expenditure of tax increment revenues in accordance with Public Act 197 of 1975 as amended, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements

In the fall of 1998, the DDA retained the services of a professional planning consultant to design the proposed intersection improvements at the center of the DDA District (John R and Eleven Mile Roads). The DDA selected a clock tower and related brick planters and walls to serve as the initial project and focal point for the District.

In February 1999, the City Council authorized an advance of funds not to exceed \$156,000 to support the clock tower and related intersection improvements. The DDA agreed to re-transfer the funds on an annual basis starting in March 2000 from funds generated through tax increment revenues to repay this advance. The clock tower project was completed in spring 2000. The clock tower loan was repaid to the City in full in 2005.

Table XII outlines the 20 Year project plan. Details on these expenditures can be found in the Tax Increment Financing and Development Plan.

TABLE XII
FY 1998-2018 TWENTY YEAR EXPENDITURE PLAN
DOWNTOWN DEVELOPMENT AUTHORITY

	FY 1998-99	FY 1999-2000	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
Intersection Design & Improvements	\$ 37,388	\$ 119,576	\$ 0	\$ 0	\$ 0	\$ 0
Right of Way Maintenance	17,483	13,980	10,300	16,000	16,000	16,000
Clock Tower Maintenance/Contractual Services	0	0	0	0	0	0
Supplies/Audit/Legal Fees	45	1,963	1,000	2,000	2,700	3,950
Intersection Loan Repayment	0	10,000	12,500	22,000	20,000	20,000
Clock Tower - Electric	0	0	0	5,000	500	750
Blight Clearance Programs	0	0	0	20,000	5,792	11,536
Economic Development Coordinator	0	0	0	0	36,877	28,082
Code Enforcement Officer	0	0	0	0	0	0
Streetscape Improvements	0	0	0	0	0	23,004
Facade Improvement Program	0	0	0	0	0	0
Property Acquisitions	0	0	0	0	0	0
Address Signs	0	0	0	0	0	0
Market / Land Use Analysis	0	0	0	0	0	0
Infrastructure/ Environmental Improvement	0	0	0	0	0	0
Parking Analysis/ Improvements	0	0	0	0	0	0
Business Recruitment, Marketing and Special Events	0	0	0	0	0	1,500
Motorpool	0	0	0	0	0	0
Other Projects Consistent With Objective of Plan	0	0	0	0	0	0
TOTAL	\$ 54,916	\$ 145,519	\$ 23,800	\$ 65,000	\$ 81,869	\$ 104,822

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Intersection Design & Improvements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Right of Way Maintenance	18,000	20,000	41,100	27,000	27,000	30,000
Clock Tower Maintenance/Contractual Services	2,741	3,000	3,100	3,100	10,000	20,000
Supplies/Audit/Legal Fees	4,280	4,580	7,125	5,300	5,000	4,865
Intersection Loan Repayment	66,196	0	0	0	0	0
Clock Tower - Electric	1,000	3,600	3,600	3,000	1,500	1,500
Blight Clearance Programs - Sign Grant	0	50,000	33,005	20,000	20,000	20,000
Economic Development Coordinator	32,000	31,780	39,006	37,300	40,000	51,285
Code Enforcement Officer	0	0	18,668	19,300	20,000	20,000
Streetscape Improvements/Permanent Signs	11,000	0	20,000	95,000	0	10,000
Facade Improvement Program	0	0	0	0	20,000	28,000
Property Acquisitions	0	0	0	0	50,000	50,000
Address Signs	0	0	0	20,000	10,000	0
Market / Land Use Analysis	0	0	0	0	0	0
Infrastructure/ Environmental Improvement	0	50,400	0	0	100,000	194,050
Parking Analysis/ Improvements	0	0	0	0	0	0
Business Recruitment, Marketing and Special Events	2,000	2,000	2,000	2,000	2,000	2,000
Motorpool	0	0	0	0	0	3,050
Other Projects Consistent With Objective of Plan	0	0	20,000	0	1,000	0
TOTAL	\$ 137,217	\$ 165,360	\$ 187,604	\$ 232,000	\$ 306,500	\$ 434,750

TABLE XII
FY 1998-2018 TWENTY YEAR EXPENDITURE PLAN
DOWNTOWN DEVELOPMENT AUTHORITY

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Intersection Design & Improvements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Right of Way Maintenance	30,000	30,000	31,000	31,000	32,000	33,000
Clock Tower Maintenance/Contractual Services	3,400	3,600	3,700	3,800	3,900	4,000
Supplies/Audit/Legal Fees	4,750	5,250	5,250	5,250	5,250	5,250
Intersection Loan Repayment	0	0	0	0	0	0
Clock Tower - Electric	1,500	3,700	3,700	3,700	3,700	3,700
Blight Clearance Programs	20,000	20,000	20,000	20,000	20,000	20,000
Economic Development Coordinator	39,000	49,400	51,900	54,500	57,300	60,200
Code Enforcement Officer	21,000	21,700	22,300	23,000	23,700	24,400
Streetscape Improvements (Permanent Signs)	20,000	1,000	0	0	10,000	8,000
Facade Improvement Program	28,000	9,000	9,000	9,000	9,000	10,000
Property Acquisitions	50,000	50,000	50,000	50,000	50,000	50,000
Address Signs	0	0	0	0	0	0
Market / Land Use Analysis	0	0	0	0	0	0
Infrastructure/Environmental Improvements (Alley / Roads)	0	29,350	28,200	25,100	22,150	20,400
Parking Analysis/ Improvements	0	0	0	0	0	0
Business Recruitment, Marketing and Special Events	2,000	2,000	2,000	2,000	2,000	2,000
Motor Pool	0	0	0	0	0	0
Other Projects Consistent With Objective of Plan	5,350	0	2,950	6,650	0	3,050
TOTAL	\$ 225,000	\$ 225,000	\$ 230,000	\$ 234,000	\$ 239,000	\$ 244,000

	FY 2016-17	FY 2017-18				TOTAL
Intersection Design & Improvements	\$ 0	\$ 0				\$ 156,964
Right of Way Maintenance	34,000	35,000				508,863
Clock Tower Maintenance/Contractual Services	4,100	4,200				72,641
Supplies/Audit/Legal Fees	5,750	5,750				85,308
Intersection Loan Repayment	0	0				150,696
Clock Tower - Electric	3,800	3,800				48,050
Blight Clearance Programs	20,000	20,000				340,333
Economic Development Coordinator	63,300	66,500				738,430
Code Enforcement Officer	25,000	25,900				264,968
Streetscape Improvements	0	0				198,004
Facade Improvement Program	10,000	10,000				142,000
Property Acquisitions	50,000	50,000				500,000
Address Signs	0	0				30,000
Market / Land Use Analysis	0	0				0
Infrastructure/Environmental Improvement	17,800	12,900				500,350
Parking Analysis/ Improvements	0	0				0
Business Recruitment, Marketing and Special Events	3,000	3,000				31,500
Motor Pool	0	0				3,050
Other Projects Consistent With Objective of Plan	12,250	16,950				68,200
TOTAL	\$ 249,000	\$ 254,000				\$ 3,839,357

- Brownfield Redevelopment Authority

As part of the 2001-02 Goal Plan, the City Council approved a project to “Investigate and establish, if justified, a Brownfield Redevelopment Authority in an effort to provide economic development incentives for environmental encumbered properties.” In November 2001, the City Council adopted the Ordinance to establish the Authority and appointed the Downtown Development Authority to serve as the governing Board.

- Economic Development Program

As part of the FY 2002-03 Budget, an Economic Development and Redevelopment Program was established within the Community Development Department. This program supports the Downtown Development Authority and the Brownfield Redevelopment Authority and provides assistance to the Planning Commission and the City Council regarding economic development projects. The program is also responsible for developing strategies and initiating projects, assembling plans and directing programs to improve the economic base of the community to help create employment opportunities, reducing commercial and industrial vacancies and improving/maintaining a viable mix of businesses. A network of communications, outreach in cooperation with area real estate brokers and development firms, property owners, business owners, civic, community and business groups to coordinate and enhance business relationships, recruitment and retention efforts have been developed.

The Economic Development Coordinator position and related expenses are funded 40% by the General Fund (\$40,300) and 60% by the Downtown Development Authority (\$60,400).

- Business Retention Program

The Department’s Economic Development Division fulfilled a City Council Goal to establish a comprehensive economic development program. One of the most important responsibilities of the Economic Development Division is retaining the current businesses in our community. To better serve the needs of the office, commercial and industrial businesses in the City, a Business Retention Program was developed and is fully operational. Site visits and follow-up activities are conducted in cooperation with the Madison Heights/Hazel Park Chamber of Commerce, Oakland County Planning and Economic Development, and the Michigan Economic Development Corporation (MEDC). In addition, Ombudsman Services are provided to those businesses with questions, concerns and issues on the local, county, or state level to further promote communication and cooperation within the City.

2008 Accomplishments

- 260 business retention site visits.
- 200 current businesses provided assistance through the “Business Ombudsman Program”.
- New Business Welcome Program – In cooperation with the Madison Heights/Hazel Park Chamber of Commerce, 88 new Madison Heights businesses and/or business owners visited.

- Business Attraction and Marketing Program

In order to increase and improve the City's development readiness capabilities, a Business Attraction and Marketing Program was established and implemented. These efforts include distribution of the City's "Available Commercial and Industrial Property Report" to encourage development of underutilized sites; marketing and networking at conferences, meetings and special events; distribution of the "Business Brochure" and "Food and Fun Guide" to further market the City; development of a potential and targeted business list; and increased communication efforts to market and promote the City and increase awareness of development opportunities.

2008 Accomplishments:

- City marketing brochure ("Business Brochure") distributed to potential businesses, developers, and real estate agents at numerous retail, office and industrial marketing events.
- Marketing letters/information sent to potential businesses / developers / agents encouraging them to consider development projects in the City of Madison Heights.
- Quarterly Available Commercial and Industrial Property Report distributed via e-mail, the Internet and paper copy to approximately 200 individuals, real estate, business and development interests each quarter.
- "City of Madison Heights Food and Fun Guide" continues to be an excellent City marketing tool. This comprehensive listing of restaurants, bars, entertainment venues, parks, hotels, and banks in the City was designed to help businesses, employees, customers and residents find great places to eat, shop, stay and have fun in our community. More than 500 guides were distributed in 2008.
- Hosted an event titled "Bridging to the Global Markets Right Here in Madison Heights" This interactive presentation focused on the roles and opportunities of Madison Heights businesses in the global market.
- Hosted an event titled "Around the Globe in Madison Heights" The event featured and helped to promote the diversity of Madison Heights businesses.
- Working with Chamber, schools and Hazel Park to develop and promote a Community Open House in Spring 2008 to promote the City and available real estate opportunities.
- One of the founding and active committee members of the Chamber of Commerce's Connect to Connect Committee, "C2C"

- Coordination with Other Economic Development Programs

Increased coordination with economic development colleagues throughout the state is crucial to the success of the City's economic development efforts. Coordination has been significantly increased with the MH/HP Chamber of Commerce, Oakland County Planning and Economic Development, neighboring communities, Michigan Economic Development Corporation (MEDC), Michigan Economic Developers Association (MEDA) and Michigan Downtown Association (MDA).

2008 Accomplishments:

- Continue to serve as City Liaison to MH/HP Chamber of Commerce.
- Participated in 20 MH/HP Chamber of Commerce special events.
- Attended 30 Oakland County economic development meetings and events.
- Coordinated 15 Business Retention/Expansion visits with MEDC and 17 with Oakland County
- Attended 17 economic development meetings and workshops throughout the state to increase City's presence in the development field.
- Attended 3 Automation Alley networking events and workshops.
- Attended 2 International Council for Shopping Centers (ICSC) Idea Exchange & Alliance Programs

- DDA Identification and Marketing Program

The DDA's goals include enhancing the streetscape areas as well as developing an image that will encourage additional retail and commercial activity. In 2003, staff created and began distributing a quarterly newsletter "Heights Herald" to increase communication with DDA businesses and property owners, and to market the district to potential developers and businesses. Another of the DDA's identification efforts in this regard was the DDA Pilot Streetscape Banner Program, completed in 2004. In addition, a DDA Permanent Signage and Wayfinding Program are in the final phase of implementation. A DDA Signage Committee was created in 2008, and improved wayfinding signage was approved and installed in 2008. New in 2008, the DDA Board approved a façade/property grant program that provides matching grants, up to \$5,000 for exterior improvements to sites in the DDA District. The DDA also continues to host business events for business owners, property owners, and other interested parties in order to facilitate communication, provide information regarding recent and future developments in the City, and explore topics of interest and need for our business owners.

2008 Accomplishments:

- DDA newsletter "Heights Herald" distributed to 600 businesses and property owners quarterly.
- Two DDA business events held in 2008 for DDA business and property owners.
- In the final phase of the permanent addressing signage program to assist customers and vendors with DDA wayfinding.

- DDA Blight Clearance Program

This ongoing program seeks to encourage property and business owners to remove dilapidated and nonconforming signs, improve building and property signage, upgrade or demolish blighted buildings, and make capital improvements to properties.

2008 Accomplishments:

- Six properties improved in 2008.
- Two properties currently under renovation.

- DDA Right of Way Maintenance Program

This seasonal lawn care and maintenance program, begun in 1998, assists property and business owners in maintaining the rights-of-way (ROW) in front of their properties. A lawn care company performs regular lawn maintenance and weed removal in the right-of-ways (between the sidewalk and the street) throughout the district. In 2008 the DDA continued a trash pick up and trash receptacle program, providing for weekly trash pick up and the placement of trash cans at various locations in the DDA.

2008 Accomplishments:

- Approximately 185 business properties received ROW lawn care and maintenance services through the DDA ROW Maintenance Program.
- Continued Trash Receptacle and Trash Pick up Program.
- In 2008, the DDA Board directed staff to research the different options to replace the deteriorated trash receptacles placed in various locations in the DDA District.

- DDA Sign Grant Program

In 2001, the DDA established a Sign Grant Program to encourage businesses to replace non-conforming signage and upgrade existing signs. This program provides 50% of the cost to design, construct and install a new sign, or 100% of the cost to remove a non-conforming or dilapidated sign, up to \$10,000.00. Only current DDA businesses that meet the criteria are eligible for this program.

2008 Accomplishments:

- Three business received sign grant for new signage in 2008.
- Over \$108,000 in total private investment from the property owners.

- DDA Facade/Property Grant Program

In 2008, the DDA established a Façade/Property Grant Program to assist commercial and industrial property owners to fund physical redevelopment improvements to their existing properties. This program will encourage private investment, reduce blight, and provide incentives to current businesses and property owners, and improve the overall image of the DDA District. Property owners in the DDA are eligible to receive up to \$5,000 per parcel on a one-to-one (public to private fund) matching basis.

- Brownfield Redevelopment Authority (BRA)

The City of Madison Heights Brownfield Redevelopment Authority (BRA) provides developers with the opportunity of tax incentives and grant and loan programs to remediate those properties that are environmentally contaminated.

2008 Accomplishments:

- Contact with several potential Brownfield developers to encourage project opportunities.
- Two Brownfield Project applications were approved in 2008.
- Attended the 12th National Brownfield Conference held at Cobo Hall in Detroit.
- Formed a coalition with five other Oakland County communities to apply for the \$1 million dollar United States Environmental Protection Agency Coalition Assessment Grant.

TABLE XIII
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
LEISURE & HUMAN SERVICES
(IN THOUSANDS)

APPROPRIATIONS:

LEISURE & HUMAN SERVICES	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL APPROP.
SINGLE PARK PROJECTS								
Red Oaks Youth Soccer Complex	\$ 945	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Huffman Park-Replace Playground Equipment	80	0	0	0	0	0	0	0
Friendship Woods Path Overlay	37	0	0	0	0	0	0	0
Civic Center Park- Repave Parking Lot (Phase 2&3)	129	0	0	0	0	0	0	0
Rosie's Park-Resurface & Expand Farnum Parking Lot	0	108	0	0	0	0	0	0
Greenleaf Park-Resurface, Restripe Drainage Parking Lot	0	95	0	0	0	0	0	0
Kuhn Drain - Develop Dog Park	0	0	40	0	0	0	0	40
Rosie's Park - New Pavilion	0	0	0	0	0	45	0	45
Twelve Sherry Park - Replace 12 Mile Road Fence	0	0	0	0	0	10	0	10
Huffman Park - Add Pavilion	0	0	0	0	0	0	45	45
MULTIPLE PARK PROJECTS								
New Toolcat Truck	0	0	0	44	0	0	0	44
Bike Path Construction	0	35	0	0	0	583	0	583
Landscape Enhancements	0	0	0	0	0	15	0	15
SENIORS/SENIOR CENTER								
Senior Center Upgrade Electric Circuits	25	0	0	0	0	0	0	0
City Hall and Senior Center Front Handicap Accessible Doors	17	71	0	0	0	0	0	0
Senior Center SOCRRA Drive	0	37	0	0	0	0	0	0
TOTALS	\$ 1,233	\$ 546	\$ 40	\$ 44	\$ 0	\$ 653	\$ 45	\$ 782

REVENUES:

LEISURE & HUMAN SERVICES	GENERAL FUND	LOCAL/ MAJOR STREETS	LIBRARY FUND	GRANT/ SPECIAL ASSESS.	WATER & SEWER	OAKLAND COUNTY PARKS	TOTAL REVENUES
SINGLE PARK PROJECTS							
Kuhn Drain - Develop Dog Park	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40	\$ 40
Rosie's Park - New Pavilion	30	0	0	15	0	0	45
Twelve Sherry Park - Replace 12 Mile Road Fence	5	0	0	5	0	0	10
Huffman Park - Add Pavilion	45	0	0	0	0	0	45
MULTIPLE PARK PROJECTS							
New Toolcat Truck	44	0	0	0	0	0	44
Bike Path Construction	292	0	0	291	0	0	583
Landscape Enhancements	15	0	0	0	0	0	15
TOTALS	\$ 431	\$ 0	\$ 0	\$ 311	\$ 0	\$ 40	\$ 782

LEISURE AND HUMAN SERVICES

The improvements programmed in this Chapter can be divided into three categories: Recreation, Senior Center and Library Service Improvements.

Recreation Improvements

- Parks and Recreation Master Plan

In order to be eligible for recreation grants from the Michigan Department of Natural Resources (DNR), the City needs to have on file with the DNR an approved Parks and Recreation Master Plan. In the past, the City has been successful in securing hundreds of thousands of dollars in grant funding because of the justification provided by this type of plan.

In 2003, the City retained the services of a recreation planner to work with the Parks and Recreation Commission to create the Master Plan. In November 2005, the Commission completed their work and approved a Master Plan. The City Council held a public hearing and approved the Master Plan in January 2006.

- Department of Public Services - Parks Improvement Priorities

Given the large number of projects, the associated costs and limited amount of funding, the Department of Public Services (DPS) has provided their recommended short list of priority park projects:

<u>FY 2007-08</u>		
1.	Red Oaks Youth Soccer Facility Park Proposal	Soccer complex (9 fields) and playscape with park shelter (concessions; restrooms; storage; meeting room) and parking.
	Estimated Cost:	\$2,090,000 GWK Drain District (over three years)
	Basis for Action:	Additional soccer facilities were needed in Madison Heights and the area around the GWK Drain could accommodate a soccer complex that was developed through a joint effort of the GWK Drainage District, Oakland County Parks and Recreation Commission and the City.
2.	Huffman Park	Playground Equipment
	Estimated Cost:	\$80,000
	Basis for Action:	On December 17, 2007, City Council approved Huffman Park's playscape equipment replacement for spring 2008. The existing playscape is considered not repairable and needs to be replaced with safer and more modern equipment.

- | | | |
|----|-------------------|---|
| 3. | Friendship Woods | Overlay of asphalt path |
| | Estimated Cost: | \$37,000 |
| | Basis for Action: | On December 17, 2007, City Council approved this project. The Parks and Recreation Master Plan did not address the deteriorating trails in Friendship Woods that had already been joint sealed several times. The trails were beyond this type of temporary repair and will be overlaid. The first phase of the overlay included the 3,150 foot habitat trail and extension to Simonds Elementary School. |
| 4. | Civic Center Park | Repave parking lot west of Skate Park (near Agnello Drive) - Phases II and III |
| | Estimated Cost: | \$129,000 Local |
| | Basis for Action: | On December 17, 2007, City Council approved this project. Repaving of the parking lot is necessary to maintain its functioning and keep it safe. The plan included the reconstruction of these parking lots, one at a time, in FY 2007-08 and FY 2008-09. |
| 5. | Rosie's Park | Resurface and expand the Farnum parking lot |
| | Estimated Cost: | \$108,000 |
| | Basis for Action: | On December 17, 2007, City Council approved this project. The Rosie's Park parking lot was deteriorating badly and was in immediate need of repaving. The scheduled enlargement of the existing parking lot will help address peak summer demand. |
| | <u>FY 2008-09</u> | |
| 6. | Greenleaf Park | Resurface, restripe drainage parking lot |
| | Estimated Cost: | \$95,000 Lamphere Public Schools Funded |
| | Basis for Action: | Lamphere Public Schools has decided to rehabilitate this aging lot that is shared with Edmonson Elementary School. |

FY 2009-10

7. Kuhn Drain Dog Park Dog park and bike trail developed by Oakland County Parks and Recreation Commission and George W. Kuhn Drainage District
- Estimated Cost: \$40,000 Oakland County Parks and Recreation Commission
- Basis for Action: Some City residents have expressed an interest in a dog park and the area around the George W. Kuhn Drain, developed by the Oakland County Parks and Recreation Commission, might be the best location. The bike trail will run from Dequindre to 13 Mile and link up to the planned Red Oaks trail.

FY 2012-13

8. Rosie's Park Plan, design, and construct 1,800 square foot park pavilion
- Estimated Cost: \$30,000 Local
10,000 Civic Group Contribution
5,000 Escrow
\$45,000
- Basis for Action: There is a high demand for shelters in the City's largest park. Providing a large shelter would enhance the types of programs and events that the City could accommodate, and provide an additional facility for rent. The pavilion should be located on the west side of the park, between the two parking lots.
9. Twelve Mile/Sherry Park Remove Sherry Street fence, replace Twelve Mile Road fence
- Estimated Cost: \$ 5,000 Local
5,000 Civic Group Contribution
\$10,000
- Basis for Action: Removing the fence at Sherry Street will open up the park and make it much more inviting to park users. The replacement of the Twelve Mile Road fence will update the site and improve the aesthetics of the area while maintaining a barrier for safety between the road and the playground. The City must negotiate a long-term agreement with a local civic organization to allow for continued funding of ongoing maintenance and improvement items.

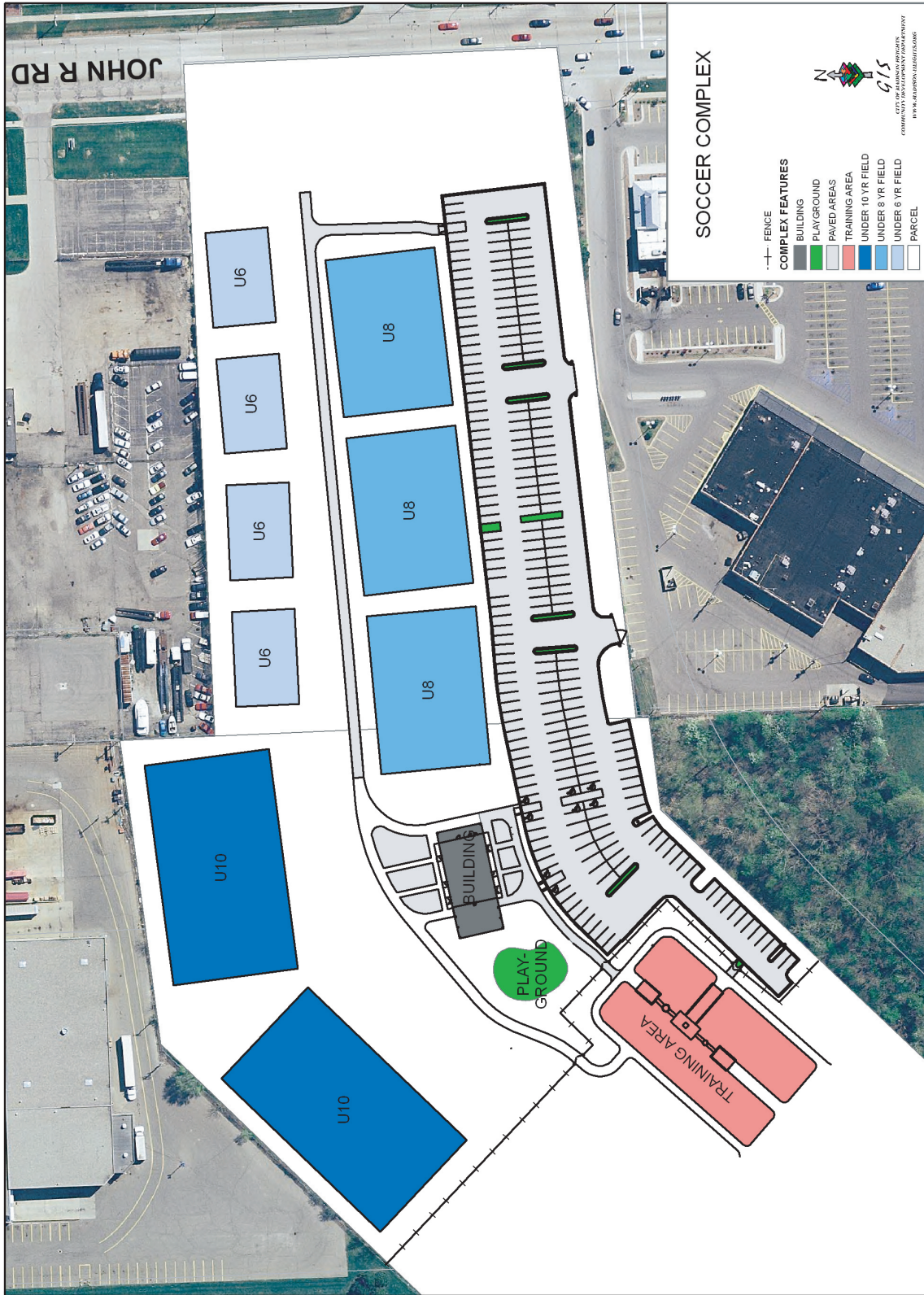
10.	Walking and Bike Trails	Pursue development of a walking and bike trail system
	Estimated Cost:	\$291,500 Local <u>291,500</u> MDNR Grant or Act 51
	Total	\$583,000 (13 Mile to John R segment)
	Basis for Action:	A high-priority recreational item in Madison Heights is the development of an 8 foot wide bike trail system. In the future, the proposed trails will connect with trails developed by Oakland County and Macomb County. The bike path is proposed to run along the George W. Kuhn Drain and the east side of I-75, as part of the I-75 widening project. A sidewalk section in the road right-of-way between Woodside and Hiller Elementary on Delton was constructed in 2008 at a cost of \$35,000 as part of the City's Sidewalk Program and Gap Repair Plan.
11.	Landscape Enhancements Phases I and II	Replace trees, plant additional trees and install benches
	Estimated Cost:	\$30,000 Local
	Basis for Action:	Plant trees between the baseball fields in Rosie's Park to replace the poor quality cottonwood trees. Trees should be planted in Friendship Woods, between the driveways and parking lot, to replace those that were necessary to remove. Open areas in Huffman and Ambassador Parks should be enhanced with tree plantings. Benches should be installed along the pathway in Civic Center Park to provide areas for park users to rest. Phase I is programmed for FY 2012-13 and Phase II beyond the five year plan.
	<u>FY 2013-14</u>	
12.	Huffman Park	Add pavilion
	Estimated Cost:	\$45,000 Local

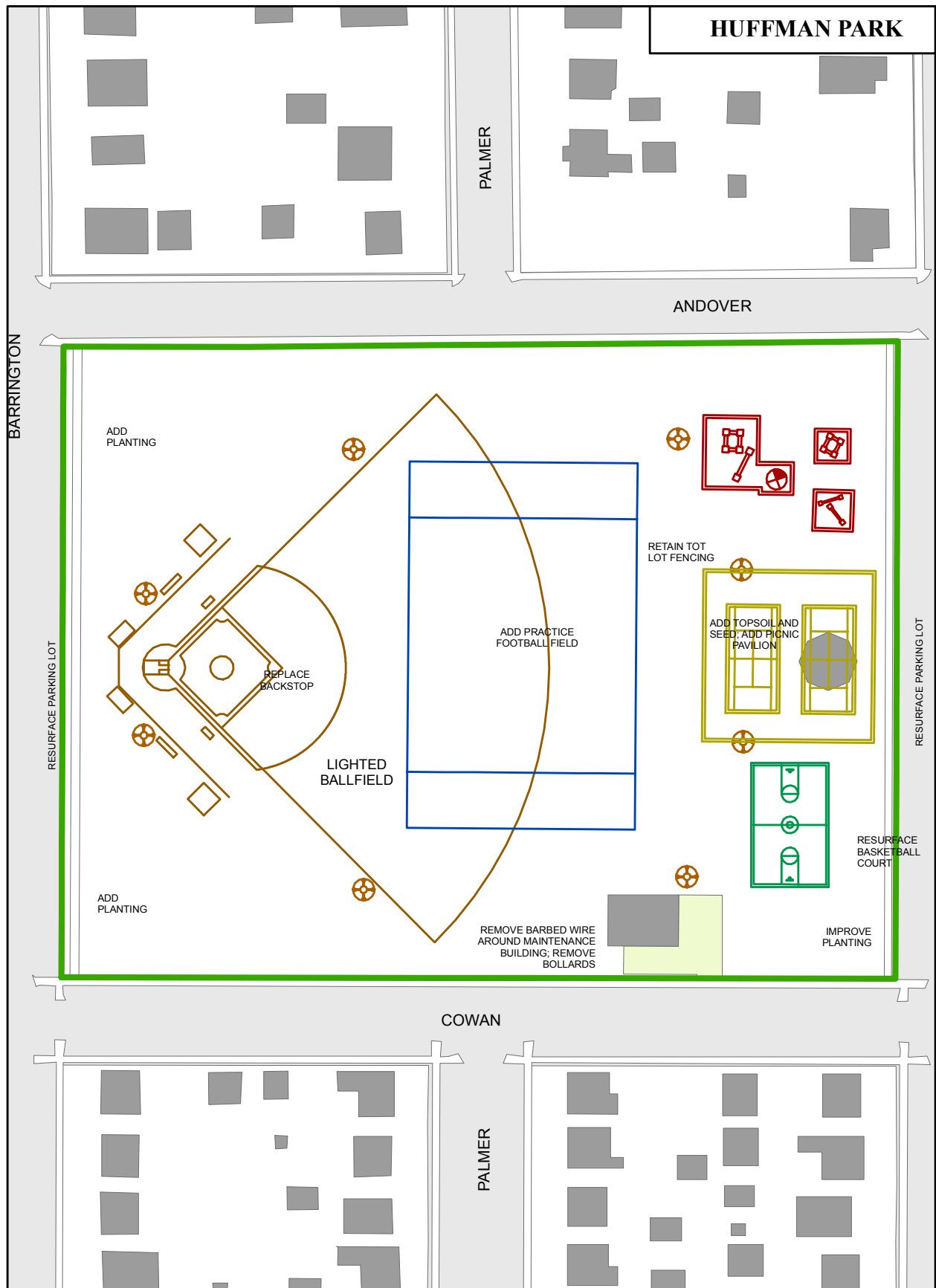
Basis for Action: A pavilion will enhance the park by providing an area for people to gather while using the other park facilities such as the play equipment or the baseball field.

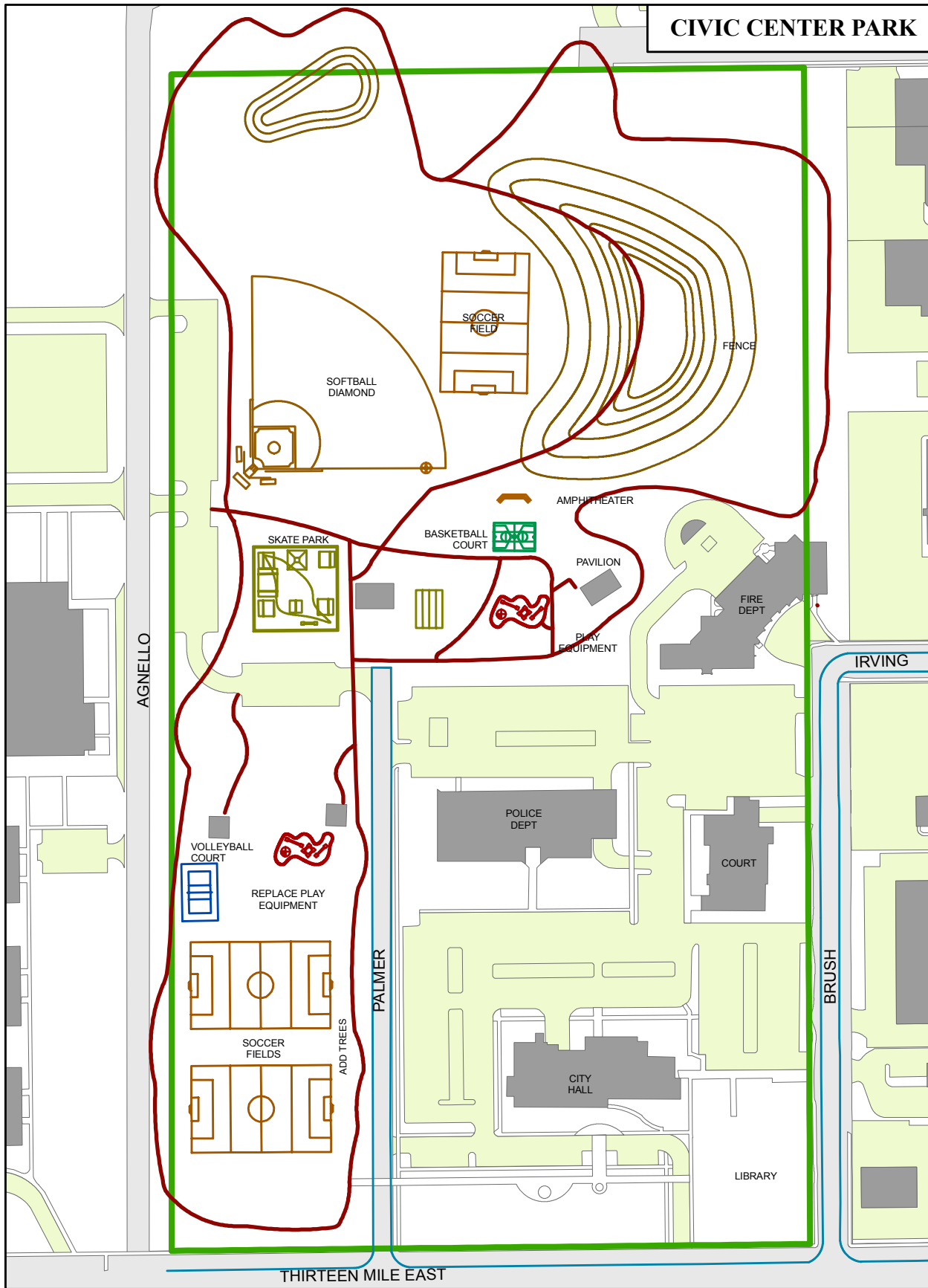
13. Gravel Park
- Begin process towards redeveloping park to a residential use and to earmark revenue to go towards park development. The Planning Commission and City Council have approved a Master Plan Amendment to allow for the project. This project is on hold pending improvement in the real estate market.

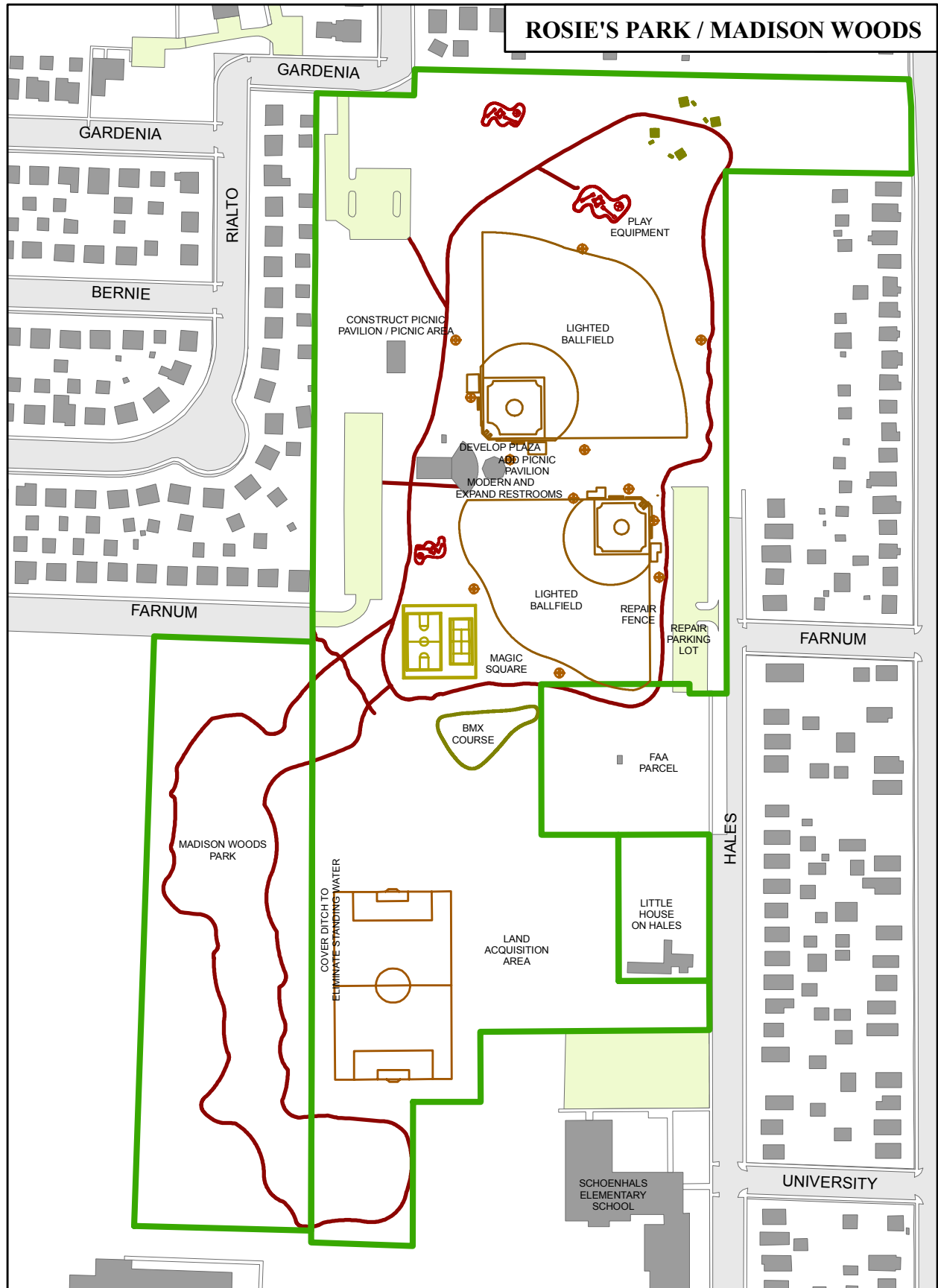
Estimated Revenue: To be Determined

Basis for Action: Loss of Ash trees in Gravel Park greatly impacts its use, but further redevelopment of the City's park facilities is possible with revenues from its sale.









Senior Center Improvements

Two recent Capital Improvement Plan projects included the upgrade of the electrical system to accommodate a portable emergency generator (\$25,000), installing a new handicap accessible door (\$17,000) at the Senior Center and the creation of the new drive from the rear of the Center through the SOCRRA drive to the signalized intersection on John R.

Library Service Improvements

In February 2000, City Council directed staff to prepare an ordinance to create a Citizen Task Force to review both short and long-term upgrades and improvements to the Library system. City Council had identified the following issues that needed to be addressed: resource availability; perception that the book collection is aged and not comprehensive and that basic research volumes are limited; the concern that the separation between the Adult Reading Room and Youth areas is not adequate; the number of computer stations for Internet access; limitations of the physical plant; long-term maintenance; and review of personnel needs and compensation.

The Library Advisory Board worked with City and Library staff in conjunction with a Library Architect and Interior Designer to complete a conceptual building design. Incorporated into the mission of the Library Advisory Board was the directive to identify and determine the scope of a project to address needs and provide efficient library service to City residents.

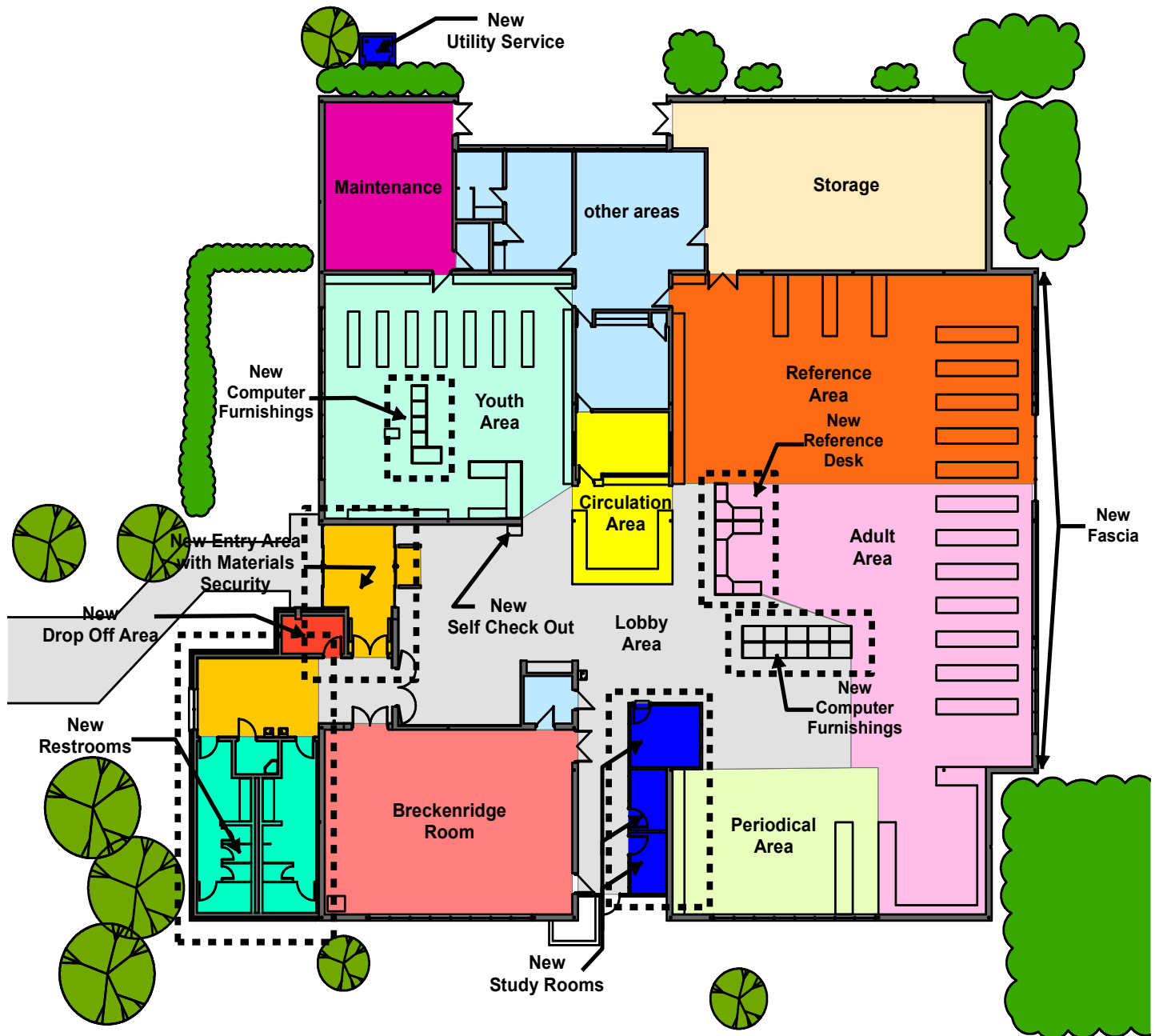
Furniture replacement was a critical need, and public seating and tables, along with lounge furniture were ordered and installed during FY 2001-02.

In the FY 2002-03 Budget, a total of an additional \$20,000 was programmed for furnishing replacements and an additional \$50,500 for building fascia repairs (\$49,500 already available in FY 2001-02 Budget) and \$35,000 to slurry seal the parking lots north and west of the Library. The additional Library furnishings, building fascia repairs and reference desk projects were placed on hold pending City Council's direction regarding the Library Advisory Board's recommendation to renovate and expand the Main Library.

In May 2002, the Library Advisory Board adopted a motion to recommend Council consideration of Ehresman Associates Library Renovation Option #4. This Option includes improvements to comply with barrier-free accessibility, building codes, and the Federal Americans with Disabilities Act. In addition, Option #4 includes a 15,700 square foot renovation and an 8,950 square foot addition to extend the building approximately 65 feet north of the existing main entrance. The total addition includes a youth library component of 5,100 square feet at \$820,000, a basic addition of 1,200 square feet at \$250,000 and a new Breckenridge Meeting Center at 2,650 square feet for \$425,000. As calculated by the project's architect, the total cost of Option #4 was \$3,475,000, inclusive of other project costs totaling 42 percent. By completing the project at one time, it is anticipated that the City would save between \$150,000 to \$250,000.

Option #4 was recommended following an exhaustive review of all alternatives including shared school usage and that the City pursue financing and that continued outreach efforts be conducted to obtain additional input from the community.

2007 Library Improvement Project



A goal within the 2003-04 Goal Plan calls for supporting the results of the Library Advisory Board's Needs Assessment by evaluating funding alternatives and receiving additional input on planned Library expansion/renovation.

In February 2003, the Library Advisory Board reviewed updated financial projections regarding project funding. A decision was made to defer any further recommendations to City Council regarding the project and any public presentation until project funding has been approved.

The Library's technology plans include the introduction of the Library's Public Access Web Page, the introduction of public Internet access, and the expansion of computers by ten, all of which have been completed.

As part of the 2005-06 Goal Plan, the City Council approved the following goal: Structure for City Council's consideration a plan to implement a State of Michigan Public Act 164 Library governed by an appointed Library Board and supported through an independent millage levy, State aid, penal fines, book fines and user fees; where the millage is offset by a reduction in the City's operating millage and the transition is "revenue neutral" to the General Fund.

In spring 2005, staff brought before the Council a recommendation to create a Public Act 164 Library that would be supported by up to a one mill levy. The dedicated millage would have assumed the operation and maintenance cost from the General Fund and allowed for funding for the proposed improvements. A decision was made by the City Council not to pursue the Act 164 Library, instead the Council suggested that the staff research making use of the money that was set aside in prior years for improvements and any additional funding to support a scaled down renovation project.

As part of the 2006-07 Goal Plan, a goal was approved on December 12, 2005: "Working within the context of the Library Advisory Board's long-range Library improvement plan, develop a scaled down project that best utilizes existing funding."

On August 14, 2006, Council approved the bidding of the Library project. The original estimated project included: an Americans with Disabilities Act (ADA)-accessible restroom addition; a realignment of the north entry door, vestibule, and outside walkway; replacement doors and windows; asbestos abatement; reference and public computer furnishings; three group study rooms; electrical system separation (Library/City Hall); signage; Breckenridge Room blinds; a new roof and the optional self-checkout and materials security.

On November 29, 2006, the City received and opened 12 bids for Library renovations. The project architect and staff reviewed the bids and checked references for the four lowest bidders. The lowest bid for construction project Cedroni Associates, Inc., completed the project in July 2007. The Library closed from mid-December to early July 2007. This schedule allowed construction to be completed in the most safe and efficient manner, especially given asbestos abatement affecting over 11,000 square feet of the building.

The costs for this project with alternatives are listed below:

Base Construction plus Alternatives	\$641,095
Engineering/Construction Management	58,348
Testing, Surveys and Computer Networking	19,250
Furniture	25,408
Asbestos Removal	18,000
Asbestos Consultant	<u>5,500</u>
Total Base Construction, Alternatives Asbestos with Furniture	\$767,601

The furniture was separately bid. The asbestos removal was also bid separate from the other building improvements. Five bids were received on December 6, 2006 with the lowest responsible bidder being Environmental Maintenance Engineers, Inc. (EME) for \$18,000.

In addition to the general construction costs, asbestos removal and furniture, Council requested prices for the self-check out and security. The Library received prices of \$19,200 and \$15,800 respectively for these items.

Also, included in the Capital Improvement Plan document were plans to place sprinkler systems in the remaining buildings without fire suppression systems. With the renovations, this was the best time to consider adding this equipment. The addition of a sprinkler system was estimated to cost approximately \$100,000 for specifications and contracted installation.

The estimated costs for the project with optional items are listed below:

	<u>Cost</u>
Self-Checkout	\$ 19,200
Security System	15,800
Sprinkler System	<u>100,000</u>
Optional Items	\$135,000
Optional Construction Contingency	<u>64,100</u>
Total Extra Items	\$199,100

The optional items were funded by the General Fund Designation for Capital Improvements, which stood at \$600,000. The construction, alternatives, asbestos and furniture (\$767,601) plus optional items (\$199,100) totaled \$966,701.

Impact of Capital Improvement Plan on the Operating Budget

The Capital Improvement Plan impacts the operating budget of the City in many different ways depending on the nature of the capital improvement item. A capital improvement can be a new asset to the City that would increase the need for such things as maintenance, utilities and insurance. A capital improvement can also be expanding or replacing a current asset.

The City of Madison Heights reviews the impact capital improvements will have on the operating budget each year when the Capital Improvement Plan is approved. This plan details the estimated annual operating costs including debt replacement each year for the next five years. These charts are provided in the next few pages.

In order to estimate the impact on the operating budget, staff first considers if the capital improvement is a replacement, new or expanded asset. If the item increases expenditures in the operating budget, staff will identify other sources of funds for maintenance, such as new cost recovery fees, increases in existing rates, private contributions or grants for maintenance.

Much of the capital maintenance program is coordinated by the Department of Public Services (DPS), which oversees or provides routine maintenance for streets, buildings, equipment and public property. The City uses a combination of contract and City workforces to perform basic routine maintenance such as motor pool, mowing and weed control. Staff uses historical costs of similar items to estimate labor and service contract costs to determine the estimated operating expenditures for the next five years.

TABLE XIV
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Neighborhood Projects								
Proposal "R-1" Joint & Crack Maintenance	\$ 100,000 RM	\$ 100,000	LSF	\$ 0	\$ 500	\$ 500	\$ 500	\$ 500
Proposal "R-1" Concrete Repair	750,000 RM	750,000	LSF	0	500	500	500	500
Proposal "R-2" Sidewalks	100,000 RM	20,000	LSF	0	500	500	500	500
Proposal "R-2" Concrete Repair	60,000 RM	0	LSF	0	0	500	500	500
Year 2 Roads (R-2)								
Palmer - 13 Mile to Lasalle	367,000 RM	367,000	LSF	0	500	500	500	500
Tawas - 12 Mile Road to Mapleknoll and Tawas Court	454,000 RM	454,000	LSF	0	500	500	500	500
E. Barrett - Tawas to Couzens	440,000 RM	440,000	LSF	0	500	500	500	500
Lorenz - 11 Mile to Greig	308,000 RM/SAD	308,000	LSF	0	500	500	500	500
Hales - 11 Mile to Northeastern	258,000 RM/SAD	258,000	LSF	0	500	500	500	500
Northeastern - 11 Mile to South End	523,000 RM/SAD	523,000	LSF	0	500	500	500	500
Katherine - Lorenz to Edward	160,000 RM	160,000	LSF	0	500	500	500	500
Year 3 Roads (R-2)								
Brockton - Battelle to Tawas	412,000 RM/WS	86,000	LSF	0	0	500	500	500
Alden - 11 Mile to South end	604,000 RM/WS/SAD	131,000	LSF	0	0	500	500	500
Dorchester - Englewood to 31272 Dorchester	256,000 RM/WS	80,000	LSF	0	0	500	500	500
Spicer - Northeastern to South end	522,000 RM/WS/SAD	109,000	LSF	0	0	500	500	500
Englewood - Campbell to Edgeworth	539,000 RM/WS	122,000	LSF	0	0	500	500	500
Nanton - 11 Mile to South end	507,000 RM/WS/SAD	55,000	LSF	0	0	500	500	500
Yorkshire - Westmore to Tanglewood	274,000 RM	0	LSF	0	0	500	500	500
Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	276,000 RM	0	LSF	0	0	500	500	500

Legend:

General Fund
Solid Waste Millage
Road Millage
Vehicle Millage
Advanced Life Support Millage
Community Development Block Grant
Water and Sewer Fund
Special Assessment District
Major Street Fund
Local Street Fund
Grant Funding
Oakland County Road Commission
Oakland County Water Resources Commissioner
Royal Oak Contribution
Fire Bond Issue
Downtown Development Authority

GF
SM
RM
VM
ALSM
CDBG
WS
SAD
MSF
LSF
Grant
OCRC
OCWRC
ROC
FB
DDA

TABLE XIV
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Year 4 Roads (R-2)								
Gardenia - John R to Lorenz	756,000 RM/WS	0	LSF	0	0	0	500	500
Rialto - 11 Mile to South end	640,000 RM/WS/SAD	0	LSF	0	0	0	500	500
Park Court - 11 Mile to South end	710,000 RM/WS/SAD	0	LSF	0	0	0	500	500
Alger - Parker South to Gardenia	557,000 RM/WS	0	LSF	0	0	0	500	500
Townley - 11 Mile to University	311,000 RM	0	LSF	0	0	0	500	500
Year 5 Roads (R-2)								
Shacket - Huntington to Spoon	1,086,000 RM/WS	0	LSF	0	0	0	0	500
Spoon - S. of Huntington Ave	85,000 RM/WS	0	LSF	0	0	0	0	500
Huntington - Campbell to Mark	502,000 RM/WS	0	LSF	0	0	0	0	500
Sherry - Girard to S. of Parkdale	576,000 RM/WS	0	LSF	0	0	0	0	500
Longfellow - Garry to 30290 Longfellow	352,000 RM/WS	0	LSF	0	0	0	0	500
Groveland and University Intersection - (Watermain to 11 Mile) and 21700 Groveland to Farnum	785,000 RM/WS	0	LSF	0	0	0	0	500
Year 6 Roads (R-2)								
Lenox - Baxter to Sprague	248,000 RM	0	LSF	0	0	0	0	0
Hampden - Farnum Intersection	159,000 WS	0	LSF	0	0	0	0	0
University - Lenox to Hampden	144,000 WS	0	LSF	0	0	0	0	0
Brettonwoods - Gardenia to Farnum	770,000 WS	0	LSF	0	0	0	0	0
Forest - Hampden to Brettonwoods & Hampden Intersection	326,000 WS	0	LSF	0	0	0	0	0
Gardenia - Hampden to Dartmouth	367,000 WS	0	LSF	0	0	0	0	0
Parker - E of Sealcoat to John R - (Watermain Cross-Over)	799,000 WS	0	LSF	0	0	0	0	0

Legend:

General Fund	GF
Solid Waste Millage	SM
Road Millage	RM
Vehicle Millage	VM
Advanced Life Support Millage	ALSM
Community Development Block Grant	CDBG
Water and Sewer Fund	WS
Special Assessment District	SAD
Major Street Fund	MSF
Local Street Fund	LSF
Grant Funding	Grant
Oakland County Road Commission	OCRC
Oakland County Water Resources Commissioner	OCWRC
Royal Oak Contribution	ROC
Fire Bond Issue	FB
Downtown Development Authority	DDA

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FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Year 7 Roads (R-2)								
Barrington - Cowan to Andover	56,000 WS	0	WS	0	0	0	0	0
W. Barrett - Alger to John R	63,000 WS	0	WS	0	0	0	0	0
E. Hudson - John R. to 71 E. Hudson	63,000 WS	0	WS	0	0	0	0	0
Kalama - Stephenson Hwy. To Alger	46,000 WS	0	WS	0	0	0	0	0
Couzens - South of 11 Mile Road	130,000 WS	0	WS	0	0	0	0	0
Harwood - Dartmouth to 368 Harwood	100,000 WS	0	WS	0	0	0	0	0
Total Neighborhood Projects	\$ 16,541,000	\$ 3,963,000		\$ -	\$ 5,000	\$ 9,500	\$ 12,000	\$ 15,000

Legend:

General Fund
Solid Waste Millage
Road Millage
Vehicle Millage
Advanced Life Support Millage
Community Development Block Grant
Water and Sewer Fund
Special Assessment District
Major Street Fund
Local Street Fund
Grant Funding
Oakland County Road Commission
Oakland County Water Resources Commissioner
Royal Oak Contribution
Fire Bond Issue
Downtown Development Authority

GF
SM
RM
VM
ALSM
CDBG
WS
SAD
MSF
LSF
Grant
OCRC
OCWRC
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FB
DDA

TABLE XIV
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Road Improvements								
<i>Traffic Signal Upgrades</i>								
Traffic Signal Improvements	\$ 120,000 MSF	\$ 0	MSF	\$ 0	\$ 0	\$ 50	\$ 50	\$ 50
<i>Rehabilitation Programs</i>								
Joint & Crack Sealing - City Wide Major	338,000 MSF	38,000	MSF	0	100	100	100	100
Sidewalk Replacement & Gap Installation	1,740,000 SAD	410,000	SAD	0	100	100	100	100
Campbell 13 to 14 Mile Rd	1,461,000 MLSF/Grant/ROC	1,461,000	MSF/Grant/ROC	0	100	100	100	100
<i>Commercial and Industrial Road Projects</i>								
Whitcomb - W/B John R to end of Islands (east of Sherman)	504,000 MSF	0	MSF	0	0	0	100	100
Whitcomb -E/B John R to end of Islands (east of Sherman)	504,000 MSF	0	MSF	0	0	0	0	100
Industrial - Fourteen to East Avis	379,000 LSF	0	LSF	0	0	0	0	0
<i>Equipment Replacement</i>								
1989 Concrete Drop Hammer #280	69,000 VM	0	GF	0	0	100	100	100
2004 One Ton Dump Truck #431	55,000 VM	0	GF	0	0	0	100	100
2003 Street Sweeper #402	184,000 VM	0	GF	0	0	100	100	100
2003 Street Sweeper #408	193,000 VM	0	GF	0	0	0	100	100
2003 Tandem Dump Trucks V-Box Inserts #418 & #422	100,000 LS	0	GF	0	0	0	0	100
Total Road Improvements	\$ 5,647,000	\$ 1,909,000	\$ 0	\$ 0	\$ 300	\$ 550	\$ 850	\$ 1,050

Legend:

General Fund
Solid Waste Millage
Road Millage
Vehicle Millage
Advanced Life Support Millage
Community Development Block Grant
Water and Sewer Fund
Special Assessment District
Major Street Fund
Local Street Fund
Grant Funding
Oakland County Road Commission
Oakland County Water Resources Commissioner
Royal Oak Contribution
Fire Bond Issue
Downtown Development Authority

GF
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RM
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ALSM
CDBG
WS
SAD
MSF
LSF
Grant
OCRC
OCWRC
ROC
FB
DDA

TABLE XIV
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Collection & Distribution System								
<i>Watermains</i>								
Palmer - North Dead End to 11 Mile	\$ 210,000 WS	\$ 0	WS	\$ 0	\$ 0	\$ 100	\$ 100	\$ 100
Barrington - 11 Mile to Andover	235,000 WS	0	WS	0	0	0	100	100
Hampden - 11 Mile to Andover	225,000 WS	0	WS	0	0	0	0	100
Fourteen Mile - Palmer to John R	166,000 WS	0	WS	0	0	0	0	0
<i>Sewer Projects</i>								
Sewer Rehabilitation/Replacement	200,000 WS	0	WS	0	0	50	50	50
DPS Brine Containment Structure	40,000 WS	0	WS	0	0	0	0	0
<i>Replacements</i>								
2000 GMC W 4500 Van #452	55,000 WS	0	WS	0	0	0	300	300
1996 Ford Backhoe #456	88,000 WS	88,000	WS	0	300	300	300	300
1998 Ford Vactor #468	290,000 WS	0	WS	0	0	300	300	300
1975 Emergency Generator -Portable #554	39,000 WS	0	WS	0	0	300	300	300
<i>Repairs</i>								
Salt Dome Concrete Repair & Resurface	35,000 WS	0	WS	0	0	0	0	300
Total Collection & Distribution System	\$ 1,583,000	\$ 88,000		\$ 0	\$ 300	\$ 1,050	\$ 1,450	\$ 1,850

Legend:

General Fund
Solid Waste Millage
Road Millage
Vehicle Millage
Advanced Life Support Millage
Community Development Block Grant
Water and Sewer Fund
Special Assessment District
Major Street Fund
Local Street Fund
Grant Funding
Oakland County Road Commission
Oakland County Water Resources Commissioner
Royal Oak Contribution
Fire Bond Issue
Downtown Development Authority

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TABLE XIV
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Public Safety								
<i>Police</i>								
2002 Animal Control Van #119	\$ 40,000 GF	\$ 0	GF	\$ 0	\$ 0	\$ 0	\$ 300	\$ 300
Patrol Car Video System Upgrade	100,000 Grant	0	GF	0	0	0	0	300
Replace Police Station Roof	110,000 GF	0	GF	0	0	0	0	0
Remove & Replace Fuel Dispenser Island	50,000 GF	0	GF	0	0	0	0	0
Public Safety Dispatch Technology Upgrade	130,000 Grant/Drug For.	130,000	GF	0	300	300	300	300
<i>Fire</i>								
2002 Ambulance Rescue #710	227,000 VM	0	ALSM	0	0	300	300	300
City Bldgs. Fire Detection & Supression Systems	175,000 GF	0	GF	0	0	0	0	300
2002 Ambulance Rescue #713	267,000 VM	0	ALSM	0	0	0	0	300
Emergency Operations Center Improvements	60,000 GF	0	GF	0	0	0	0	500
<i>District Court</i>								
Replace North Section of Roof	120,000 GF	0	GF	0	0	0	0	50
Total Public Safety	\$ 1,279,000	\$ 130,000		\$ 0	\$ 300	\$ 600	\$ 900	\$ 2,350

Legend:

General Fund	GF
Solid Waste Millage	SM
Road Millage	RM
Vehicle Millage	VM
Advanced Life Support Millage	ALSM
Community Development Block Grant	CDBG
Water and Sewer Fund	WS
Special Assessment District	SAD
Major Street Fund	MSF
Local Street Fund	LSF
Grant Funding	Grant
Oakland County Road Commission	OCRC
Oakland County Water Resources Commissioner	OCWRC
Royal Oak Contribution	ROC
Fire Bond Issue	FB
Downtown Development Authority	DDA

TABLE XIV
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
<u>General Gov't & Economic Dev.</u>								
<i>Civic Center/City Wide</i>								
City Hall Exterior Panel Replacement	\$ 30,000 GF	\$ 0	GF	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50
City Hall North Entrance Canopy	75,000 GF	0	GF	0	0	0	0	0
<i>Information Technology</i>								
City Hall Computer Cabling	60,000 GF	0	GF	0	0	0	0	50
<i>Economic Development</i>								
Alley Improvements	94,000 DDA	94,000	DDA	0	50	50	50	50
11 Mile/John R Improvements	100,000 DDA	100,000	DDA	0	100	100	100	100
Property Acquisition	250,000 DDA	50,000	DDA	50	50	50	50	50
Total Gen. Gov't & Econ. Dev.	\$ 609,000	\$ 244,000		\$ 50	\$ 200	\$ 200	\$ 200	\$ 300

Legend:

General Fund	GF
Solid Waste Millage	SM
Road Millage	RM
Vehicle Millage	VM
Advanced Life Support Millage	ALSM
Community Development Block Grant	CDBG
Water and Sewer Fund	WS
Special Assessment District	SAD
Major Street Fund	MSF
Local Street Fund	LSF
Grant Funding	Grant
Oakland County Road Commission	OCRC
Oakland County Water Resources Commissioner	OCWRC
Royal Oak Contribution	ROC
Fire Bond Issue	FB
Downtown Development Authority	DDA

TABLE XIV
FY 2009-14 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

PROJECT DESCRIPTION	CAPITAL OUTLAY		Estimated Annual Operating Costs (Including Debt Repayment)					
	TOTAL COST/ FUNDING SOURCE	PROPOSED BUDGET FY 2009-10	PROPOSED METHOD OF FUNDING					
				FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Leisure & Human Services								
Single Park Projects								
Kuhn Drain -Develop Dog Park	\$ 40,000 OCRC	\$ 40,000	OCRC	\$ 0	\$ 500	\$ 500	\$ 500	\$ 500
Rosie's Park - New Pavilion	45,000 GF/SAD	0	GF	0	0	0	0	500
Twelve Sherry Park-Replace 12 Mile Road Fence	10,000 GF/SAD	0	GF	0	0	0	0	500
Huffman Park-Add Pavilion	45,000 GF	0	GF	0	0	0	0	0
Multiple Park Projects								
New Toolcat Truck	44,000 GF	0	GF	0	0	100	100	100
Bike Path Construction	583,000 GF/SAD	0	GF/SAD	0	0	0	0	500
Landscape Enhancements	15,000 GF	0	GF	0	0	0	0	500
Total Leisure & Human Services	\$ 782,000	\$ 40,000		\$ 0	\$ 500	\$ 600	\$ 600	\$ 2,600

TOTAL ALL FUNDS

\$ 26,441,000	\$ 6,374,000		\$ 50	\$ 6,600	\$ 12,500	\$ 16,000	\$ 23,150
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Legend:

General Fund
Solid Waste Millage
Road Millage
Vehicle Millage
Advanced Life Support Millage
Community Development Block Grant
Water and Sewer Fund
Special Assessment District
Major Street Fund
Local Street Fund
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Oakland County Road Commission
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TABLE XV
FY 2009-14 FIVE YEAR FINANCIAL FORECAST
PROJECTED CAPITAL OUTLAY PURCHASES
GENERAL FUND PROJECT FUNDING
(IN THOUSANDS)

ITEM	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL
POLICE						
2002 Animal Control Van #119	\$ 0	\$ 0	\$ 40	\$ 0	\$ 0	\$ 40
Replace Police Station Roof	0	0	0	0	110	110
Remove & Replace Fuel Dispenser Island	0	0	0	0	50	50
FIRE						
City Bldgs. Fire Detection & Supression Systems	0	0	0	100	75	175
Emergency Operations Center Improvements	0	0	0	0	30	30
DISTRICT COURT						
Replace North Section of Roof	0	0	0	120	0	120
CIVIC CENTER /CITY WIDE						
City Hall Exterior Panel Replacement	0	0	0	30	0	30
City Hall North Entrance Canopy	0	0	0	0	75	75
INFORMATION TECHNOLOGY						
City Hall Computer Cabling	0	0	0	60	0	60
SINGLE PARK PROJECTS						
Rosie's Park - New Pavilion	0	0	0	30	0	30
Twelve Sherry Park - Replace 12 Mile Road Fence	0	0	0	5	0	5
Huffman Park - Add Pavilion	0	0	0	0	45	45
MULTIPLE PARK PROJECTS						
Bike Path Construction	0	0	0	292	0	292
Landscape Enhancements	0	0	0	15	0	15
TOTALS	\$ 0	\$ 0	\$ 40	\$ 652	\$ 385	\$ 1,077

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

TABLE XVI
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
City Council	Council		Pentium	866	2000			R		
City Council	Home-Laptop	C	Pentium	1800	2007					N
City Council	Home-Laptop	C	Pentium	1600	2007					N
City Council	Home-Laptop	C	Pentium	1600	2007					N
City Council	Home-Laptop	C	Pentium	1600	2006					N
City Council	Home-Laptop	C	Pentium	1900	2008					N
City Council	Home-Laptop	C	Pentium	1800	2007					N
City Council	Home-Laptop	C	Pentium	1000	2001		N			
City Manager	Laptop-Council Meeting	C	Pentium	2200	2003					
City Manager	Exec Assistant	C	Pentium	2200	2008					N
City Manager	City Manager	C	Pentium	2300	2008					N
Assessing	Counter-2		Pentium	866	2000		R			
Assessing	Counter-1		Pentium	866	2000		R			
Assessing	Laptop	C	Pentium	700	1998					R
Assessing	Photo Scanning		Pentium	550	1999					
Assessing	Assessing Ass't	C	Pentium	1000	2001	N				
Assessing	Appraiser	C	Pentium	1000	2001	N				
Assessing	Deputy Assessor		Pentium	1600	2002		R			
Assessing	Assessor	C	Pentium	2000	2002	N				
City Clerk	Office Ass't II-Voting		Pentium	2400	2005		N			
City Clerk	Counter	C	Pentium	1000	2001		N			
City Clerk	Office Ass't II	C	Pentium	1000	2001		N			
City Clerk	City Clerk-Laptop	C	Pentium	1000	2008					N
City Clerk	Imaging	C	Pentium	1000	2001					
Personnel	Personnel Coordinator	C	Pentium	2200	2008					N
Personnel	Director of Administrative Service	C	Pentium	3000	2006			N		
Purchasing	Purchasing Office	C	Pentium	866	2000	R				
Purchasing	Cable	C	Pentium	2800	2006			R		
Finance	Deposit		Pentium	866	2000	R				
Finance	Counter		Pentium	866	2000	R		R		
Finance	Fiscal Ass't I	C	Pentium	1600	2002	N				
Finance	Fiscal Ass't II	C	Pentium	1600	2002	N				
Finance	Accountant	C	Pentium	2000	2002					
Finance	Accountant	C	Pentium	2000	2002	N				
Finance	Fiscal Ass't II	C	Pentium	2000	2002	N				
Finance	Fiscal Ass't II	C	Pentium	2000	2002					
Finance	Deputy	C	Pentium	2000	2002					
Finance	Director	C	Pentium	3000	2005					
Finance	Fiscal Ass't II	C	Pentium	2000	2002	N				
Finance	Register	C	Pentium	1600	2001	R				
Information Tech	Laptop - Spare - ELECTION		Pentium	900	2001			R		
Information Tech	Laptop - Spare - ELECTION		Pentium	900	1999			R		
Information Tech	Disaster Recovery Server	C	Pentium	1000	2001					
Information Tech	File Server - Active Directory	C	Pentium	2800	2006					N
Information Tech	MIS Administrator	C	Pentium	3000	2006			N		
Information Tech	Info. Systems Specialist	C	Pentium	3000	2006			N		
Information Tech	Print Server	C	Pentium	2000	2002	N				
Information Tech	Imaging File Server	C	Pentium	3000	2006					N

N=NEW
R=ROTATED
C=CORE COMPUTER

TABLE XVI
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Information Tech	File Server - Active Directory	C	Pentium	2800	2006					N
Information Tech	Public Record Display		Pentium	1000	2001	R				
Information Tech	Video Server		Pentium	2400	2003		R			
DPS-Bldg. Maint.	Supervisor	C	Pentium	2800	2005			N		
Police	Gas Boy		866	2000	2007		R			
Police	Training Officer	C	Pentium	3000	2005			N		
Police	Imaging	C	Pentium	3000	2006			N		
Police	Special Investigations	C	Pentium	3000	2005			N		
Police	Special Investigations	C	Pentium	3000	2006			N		
Police	Station Officer	C	Pentium	3000	2006			N		
Police	DB Office Ass't II	C	Pentium	3000	2005			N		
Police	Crime Prevention Office		Pentium	1000	2001		R			
Police	DB Lieutenant	C	Pentium	3000	2006			N		
Police	K9	C	Pentium	1000	2001			N		
Police	DB Sergeant	C	Pentium	3000	2005		N			
Police	DB Sergeant	C	Pentium	3000	2005		N			
Police	DB Sergeant	C	Pentium	3000	2005		N			
Police	DB Sergeant	C	Pentium	3000	2005		N			
Police	Info. System Specialist	C	Pentium	3000	2005		N			
Police	DB Sergeant	C	Pentium	3000	2005		N			
Police	Records Office Ass't II	C	Pentium	3000	2006			N		
Police	1ST Shift Lieutenant	C	Pentium	3000	2006			N		
Police	2ND Shift Lieutenant	C	Pentium	3000	2006			N		
Police	3RD Shift Lieutenant	C	Pentium	3000	2006			N		
Police	Laptop/Training	C	Pentium	1667	2006			N		
Police	Dispatch Front Desk	C	Pentium	3000	2006			N		
Police	Deputy Chief	C	Pentium	3000	2006			N		
Police	Youth Bureau	C	Pentium	3000	2005			N		
Police	Records	C	Pentium	3000	2005			N		
Police	Conference Room		Pentium	3000	2005		R			
Police	Admin. Secretary	C	Pentium	3000	2005			N		
Police	Chief	C	Pentium	3000	2006			N		
Police	Gun Registration	C	Pentium	3000	2006			N		
Police	Dispatch NWS	C	Pentium	1000	2000					
Police	Reserves		Pentium	600	1999			R		R
Police	Reserves		Pentium	600	1999			R		R
Police	Reserves		Pentium	300	1997			R		R
Fire	Station #2 Report Desk	C	Pentium	1000	2001					

N=NEW
R=ROTATED
C=CORE COMPUTER

TABLE XVI
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Fire	Scan Station	C	Pentium	1000	2001			R		
Fire	Communication		Pentium	866	2000					
Fire	Inspector	C	Pentium	1000	2001			R		
Fire	Inspector - Tablet	C	Celeron	1000	2006				N	
Fire	Report Desk	C	Pentium	1000	2001					
Fire	Office Ass't II	C	Pentium	1000	2001					
Fire	Station #2 Officer	C	Pentium	1000	2001					
Fire	Officer Room #1	C	Pentium	1000	2001					
Fire	Chief	C	Pentium	1000	2001					
Fire	Training		Pentium	1800	2007					N
Fire	Hazmat-Laptop		Pentium	1800	2002		R			
Fire	Fire Dispatch Laptop	C	Pentium	1830	2006					N
Fire	Fire Dispatch Laptop	C	Pentium	1830	2006					N
Fire	Fire Dispatch Laptop	C	Pentium	1830	2006					N
Fire	Fire Dispatch Laptop	C	Pentium	1830	2006					N
Fire	Fire Dispatch Laptop	C	Pentium	1830	2006					N
CDD	Laptop Elec. Insp.	C	Pentium	2800	2005	N				
CDD	Laptop Bldg. Insp.	C	Pentium	2800	2005					N
CDD	Contract Inspector		Pentium	866	2000	R		R		
CDD	Counter		Pentium	866	2000	R		R		
CDD	Counter		Pentium	866	2000	R		R		
CDD	Director	C	Pentium	2300	2008					N
CDD	Imaging	C	Pentium	2300	2008					N
CDD	GIS Supervisor	C	Pentium	2000	2002	N				
CDD	GIS Technician	C	Pentium	2000	2002	N				
CDD	Contract Inspector	C	Pentium	866	2000	R				
CDD	Office Part Time	C	Pentium	866	2000	R				
CDD	Office Ass't II	C	Pentium	866	2002	R		N		
CDD	Deputy Director	C	Pentium	2000	2007				N	
CDD	Admin. Secretary	C	Pentium	2000	2002		N			
CDD	Laptop Code Enforce	C	Pentium	2800	2005		N			
CDD	Laptop Code Enforce	C	Pentium	2800	2005		N			
CDD	Econ. Dev. Position	C	Pentium	2660	2003		N			
CDD	ARC IMS Server	C	Pentium	2800	2007					N
CDD	Laptop - GIS Offsite	C	Pentium	2800	2002	R				
CDD	Crime Scene Investigation	C	Pentium	1883	2006			N		
CDD	911 Mapping GIS	C	Pentium	1883	2006			N		
CDD	Laptop - PT Code Enforcement	C	Pentium	1600	2004	N				
DPS-Streets	Recreation Registration		Pentium	1600	2002					
DPS-Streets	Deputy City Manager	C	Pentium	2000	2002	N				
DPS-Streets	Office Ass't II	C	Pentium	2800	2005		N			
DPS-Streets	Admin. Secretary	C	Pentium	2800	2005		N			
DPS-Streets	Deputy Super.	C	Pentium	2800	2005		N			
DPS-Streets	Laptop	C	Celeron	2400	2004		N			
DPS-Streets	Equip. Operator 3	C	Pentium	2400	2004		N			
DPS-Recreation	Counter		Pentium	1000	2001	R		R		
DPS-Recreation	Recreation Coord.		Pentium	2000	2004				N	
DPS-Recreation	Supervisor	C	Pentium	2800	2005				N	
DPS-Recreation	Office Ass't II	C	Pentium	2800	2005				N	
DPS-Youth	Internet		Pentium	2800	2005		R			
DPS-Youth	Internet		Pentium	2800	2005		R			
DPS-Nature Center	Floor		Pentium	233	1997			R		R
DPS-Nature Center	Audio-Visual		Pentium	350	1998					R

N=NEW
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C=CORE COMPUTER

TABLE XVI
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	STATUS	CLASS	SPEED	YEAR PURCHASED	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
DPS-Nature Center	Supervisor		Pentium	2000	2002		R			
DPS-Parks	Supervisor		Pentium	2800	2005			R		
Seniors	Part Time		Pentium	866	2000			R		
Seniors	Office Ass't I	C	Pentium	1600	2001					
Seniors	Coordinator	C	Pentium	866	2000					
Main Library	Adult Room Internet		Pentium	2800	2006					N
Main Library	Adult Room Internet		Pentium	2800	2006					N
Main Library	Child Room Internet		Pentium	233	1997					
Main Library	Circulation Ass't	C	Pentium	866	2001				N	
Main Library	Child East Catalog		Pentium	400	1998	R				
Main Library	Child West Catalog		Pentium	866	2000	R				
Main Library	Backroom West		Pentium	300	1998	R				
Main Library	Backroom East		Pentium	400	1998	R				
Main Library	Child Magazine	C	Pentium	866	2000				N	
Main Library	Children Internet	C	Pentium	500	1999				N	
Main Library	Children Public	C	Pentium	500	1999				N	
Main Library	Adult Internet	C	Pentium	2800	2006				N	
Main Library	Adult Internet	C	Pentium	2800	2006				N	
Main Library	Adult Internet	C	Pentium	866	2000				N	
Main Library	Adult Internet	C	Pentium	2800	2006				N	
Main Library	Library Staff	C	Pentium	866	2000		N			
Main Library	Counter Side	C	Pentium	866	2000		N			
Main Library	Counter Side	C	Pentium	866	2000		N			
Main Library	Library Technician	C	Pentium	2800	2006				N	
Main Library	Children Lib.	C	Pentium	2800	2006				N	
Main Library	Adult Reference	C	Pentium	866	2000				N	
Main Library	Adult Reference	C	Pentium	866	2000				N	
Main Library	Librarian	C	Pentium	2800	2006				N	
Main Library	Adult Librarian	C	Pentium	2800	2006				N	
Main Library	Counter North	C	Pentium	2800	2006				N	
Main Library	Counter South	C	Pentium	2800	2006				N	
Main Library	Youth Staff	C	Pentium	866	2000		N			
Main Library	Adult Public Cat.	C	Pentium	866	2000				N	
Main Library	Adult Public Cat.	C	Pentium	866	2000				N	
Main Library	Adult Public Express	C	Pentium	866	2000				N	
Main Library	Adult Public Express	C	Pentium	866	2000				N	
CIP Housing	Supervisor	C	Pentium	2300	2008					N
CIP Housing	Housing Aide	C	Pentium	2300	2008					N
W/S Administration	Water Room	C	Pentium	1000	2001	R				
W/S Administration	Water Supervisor	C	Pentium	3000	2005		N			
Motor Pool	Laptop		Pentium	500	2000	R				
Motor Pool	Supervisor	C	Pentium	2000	2002		N			
Motor Pool	Parts	C	Pentium	2000	2002		N			
TOTAL					NEW	14	26	26	25	26
					ROTATE	19	11	15	0	6
						27	27	27	27	27

GIS/A.M. TECHNOLOGICAL PERIPEHRALS

ITEM	COMPANY	MODEL	YEAR PURCH	DEPT	REPLACE CYCLE LENGTH
Plotter	HP	1055CM	2000-01	CDD	8
Plotter	HP	1055CM	2000-01	DPS	8
Printer	OKI	9600	2005-06	CDD	5
Printer	OKI	9600	2005-06	DPS	5
GPS	TRIMBLE	5700	2000-01	CDD	10
SCANNER	VIDAR	TRUSCAN	2000-01	CDD	8

YEAR TO REPLACE
2009-10
2013-14
2010-11
2010-11
2010-11
2009-10

N=NEW
R=ROTATED
C=CORE COMPUTER

TABLE XVII
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

		VEH	LAST	REPLACE						NEXT
DEPARTMENT	VEHICLE	#	YEAR	CYCLE	09-	10-	11-	12-	13-	REPLACED
			PURCH	LENGTH	10	11	12	13	14	
PD-Detective	Ford Taurus	100	2002	7			X			18-19
PD-Detective	Dodge Stratus	101	2005	7			X			18-19
PD-Radar	Chevy Impala	102	2006	N.F.						N.F.
PD-Radar	Dodge Charger	103	2008	N.F.						N.F.
PD-Patrol	Chevy Impala	104	2006	N.F.						N.F.
PD-Patrol	Ford Crown Vic	105	2007	N.F.	X					N.F.
PD-Patrol	Dodge Charger	106	2008	N.F.						N.F.
PD-Patrol	Ford Crown Vic	107	2006	N.F.						N.F.
PD-Patrol	Ford Crown Vic	108	2007	N.F.						N.F.
PD-Patrol	Ford Crown Vic	109	2006	N.F.						N.F.
PD-Patrol	Ford Crown Vic	110	2006	N.F.	X					N.F.
PD-Patrol	Ford Explorer	111	2007	N.F.						N.F.
PD-A.I.T.	Dodge Charger	112	2007	N.F.						N.F.
PD-A.I.T.	Ford Crown Vic	113	2008	N.F.						N.F.
PD-Patrol Sup.	Ford Explorer	114	2003	5			X			16-17
PD-SIU	Undercover	115	2009	5					X	18-19
PD-Canine Unit	Ford Crown Vic	116	2006	4	X				X	17-18
PD-Mtr. Carrier	Chevy Astro Van	117	2000	10				X		22-23
PD-Animal CTL	Chevy G20 Van	119	2002	9			X			20-21
PD-Crime Prev.	Chevy Tahoe	120	1998	N/A						N/A
PD-Admin	Chevy Impala	121	2002	7			X			18-19
PD-Detective	Ford Crown Vic	122	1999	Rotation						Rotation
PD-Detective	Pontiac Grand AM	123	2002	7			X			18-19
PD-Admin	Chrysler Sebring	124	2002	7			X			18-19
PD-Detective	Chevrolet Malibu	125	2007	7					X	20-21
PD-Detective	Dodge Stratus	126	2004	7				X		19-20
PD-Detective	Chevy Lumina	132	1999	N/A				X		N/A
PD-CSTF (SIU)	Undercover	133	2007	5				X		17-18
PD-SIU (CSTF)	Undercover	134	2004	5			X			16-17
PD-Pool	Ford Crown Vic	137	2001	Rotation						Rotation
PD-SIU	Undercover	138	2002	7				X		19-20
PD-Reserves	Ford Crown Vic	140	2000	Rotation						Rotation
PD-Reserves	Ford Crown Vic	141	2001	Rotation						Rotation
PD-Reserves	Ford Crown Vic	142	2002	Rotation						Rotation
PD-Reserves	Ford Crown Vic	143	2003	Rotation						Rotation
PD-Reserves	Ford Crown Vic	144	1999	Rotation						Rotation
PD-Reserves	Ford Crown Vic	145	2000	Rotation						Rotation
PD-Reserves	Dodge Diplomat (Historical)	146	1989	N/A						N/A
PD-Reserves	Ford Crown Vic	147	1999	Rotation						Rotation
PD-Patrol	Harley Davidson	160	2008	7						15-16
PD-Patrol	Harley Davidson	161	2008	7						15-16
PD-Patrol	Peace Keeper A.P.C.	170	1983	N/A						N/A
Streets	Wanco Solar Arrow	257	1998	15					X	28-29
Streets	Concrete Drop Hammer	261	1999	20						18-19
Streets	Concrete Drop Hammer	280	1989	20		X				30-31
Parks	Utility Maint. Cart	281	1993	13			X			24-25
Parks	Senior/Handicap Transportation Cart	282	1993	13		X				23-24
Sewer	Trailer Air Compressor	300	1996	15				X		27-28
Parks	Toro Snowblower	314	2002	20						22-23
Streets	Wanco Solar Arrow	318	2000	15						15-16
Motorpool	Clark Fork Lift	320	1997	30						27-28
Parks	EX-Mar Mower	325	2001	7	X					16-17
Water	Trailer Welder Miller	329	1983	N/A						N/A
Streets	175 CFM Compressor	330	2004	15						19-20
Sewer	4 Inch Trash Pump	336	2003	10					X	23-24
Streets	Cement Saw Target	338	1997	15				X		27-28

TABLE XVII
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

		VEH	LAST	REPLACE						NEXT
DEPARTMENT	VEHICLE	#	YEAR	CYCLE	09-	10-	11-	12-	13-	REPLACED
			PURCH	LENGTH	10	11	12	13	14	
Streets	Cement Saw Dimas	339	2006	15						21-22
Solid Waste	Leaf Loader Trailer	351	2007	20						27-28
Solid Waste	Leaf Loader Trailer	352	1999	20						19-20
Solid Waste	Leaf Loader Sweepster	353	1996	N/A						N/A
Solid Waste	Leaf Loader Trailer	354	2001	20						21-22
Solid Waste	Leaf Loader Trailer	355	2001	20						21-22
Solid Waste	Leaf Loader Sweepster	356	1996	N/A						N/A
Solid Waste	Leaf Loader Trailer	357	2007	20						27-28
Water	Case 60 Trencher	362	1997	N/A						N/A
Parks	EX-Mark Mower	363	2002	7			X			18-19
Parks	Tool Cat Utility Truck	364	N/A	N/A						N/A
Parks	Toro Rider Mower	367	1999	10		X				20-21
Parks	EX-Mark Mower	368	2009	7						16-17
Streets	Asphalt Roller Vibrator	369	1999	15						14-15
Streets	Asphalt Paver Layton	371	1999	15						14-15
Parks	Toro 580D 16Ft Mower	372	2002	15						17-18
Parks	EX-Mark Mower	373	2008	7						15-16
Water	Solar Arrow	374	2008	30						38-39
Senior Citizn.	Special Events Trailer	375	1985	15					X	28-29
Parks	Trailer	381	1986	N/A						N/A
Parks	Trailer	382	2002	15						17-18
Solid Waste	Street Sweeper Cross WD	402	2003	8		X				18-19
Streets	4 YD. Loader CAT	404	2003	17						20-21
Water	3 YD. Loader CAT	405	2003	16						19-20
Solid Waste	Brush Bandit Chipper	406	2006	15						21-22
Streets	CAT Backhoe	407	2003	13						16-17
Solid Waste	Street Sweeper Cross WD	408	2003	8			X			19-20
Streets	CAT Loader 3 Yrd	409	2003	15						18-19
Solid Waste	Brush Bandit Chipper	410	2002	15						17-18
Solid Waste	Morbark Chipper	411	1997	15				X		22-23
Solid Waste	Pontiac Bonneville	413	2004	8			X			19-20
Solid Waste	Chevrolet Trail Blazer	414	2006	7				X		19-20
Streets	Stake Truck Ford	415	2002	12						14-15
Motor Pool	Crown Victoria	416	1999	Rotation						Rotation
Solid Waste	Tandem Dump Truck	417	2003	10					X	23-24
Streets	Tandem Dump Truck	418	2003	11						14-15
Streets	Tandem Dump Truck	419	2003	12						15-16
Streets	Chevy 3/4 Ton Pickup	420	2004	11						15-16
Streets	Tandem Dump Truck	422	2003	13						16-17
Water	Chevy 3/4 Ton Pickup	423	2004	11						15-16
Solid Waste	Single Axle Dump	424	2003	12						15-16
Streets	Single Axle Dump	425	2003	13						16-17
Streets	Single Axle Dump	426	2003	14						17-18
Streets	Platform Truck	429	2003	10					X	23-24
Motorpool	3/4 Ton Pickup	430	2000	20				X		32.33
Streets	One Ton Dump Truck	431	2004	10			X			21-22
Streets	Chevy 3/4 Ton Pickup	432	2002	9				X		21-22
Streets	Tandem Dump Truck	433	2003	14						17-18
Motorpool	Chevy Pickup	434	2007	10						17-18
Streets	Van Building Mnt.	435	2003	10				X		22-23
Streets	Chevy 3/4 Ton Pickup W/Plow	436	2004	9				X		21-22
Streets	Chevy 3/4 Ton Pickup	440	2004	10					X	23-24
Senior Citizn.	25 Passenger Bus Ford	443	2003	9				X		21-22
Recreation	Chevy Astro Van	444	2003	10					X	23-24
City Mgr.	Ford Crown Vic	447	2001	N/A						N/A
Library	Pontiac Bonneville	448	1998	9			X			20-21
Parks	Ford 2000 Tractor	449	1969	N/A						N/A

TABLE XVII
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

		VEH	LAST	REPLACE						NEXT
DEPARTMENT	VEHICLE	#	PURCH	LENGTH	09-	10-	11-	12-	13-	REPLACED
					10	11	12	13	14	
Parks	Ford 2000 Tractor	450	1969	N/A						N/A
Water	3/4 Ton Pickup	451	1998	10		X				20-21
Water	GMC W 4500 Van	452	2000	10			X			21-22
Water	Chevy Pickup	453	2000	10			X			21-22
Water	3/4 Ton Pickup	454	1999	10		X				20-21
Water	John Deere Backhoe	455	2006	13						19-20
Water	Backhoe Ford	456	1996	13	X					22-23
Water	Chevy Pickup	457	1997	20						17-18
Water	GMC W 4500 Van	458	2002	10					X	23-24
Sewer	3/4 Ton Pickup	460	1998	10	X					19-20
Sewer	Chevy 2500 Pickup	461	2000	10			X			21-22
Sewer	One Ton Dump Truck	462	1997	13		X				23-24
Sewer	GMC Pickup	463	2002	10				X		22-23
Water	Tandem Axle Dump	464	2001	13						14-15
Sewer	Ford Vactor	465	2003	12						15-16
Sewer	Sewer T.V. Trailer	466	2009	N/A						N/A
Sewer	Ford Vactor	468	1998	12		X				22-23
Senior Citizn.	Chevy Van	469	1998	10	X					19-20
CDD Inspec.	Chevy Lumina	470	2001	7			X			18-19
Senior Citizn.	Blue Bird Bus	471	2002	12						14-15
Parks	GMC Pickup	473	2003	10					X	23-24
Parks	GMC 4X4 Pickup	474	2002	10					X	23-24
Parks	Chevy 4X4 3/4 Ton Pickup	475	2008	10						18-19
Parks	Chevy S-10 Pickup	477	1999	10		X				20-21
Parks	Chevy Blazer	478	2002	Rotation						Rotation
Solid Waste	Single Axle Dump Ford	479	1999	7				X		19-20
Senior Citizn.	GMC Rally Van	480	1996	10		X				20-21
Streets	Super Duty Dump Truck	481	2006	10						16-17
Senior Citizn.	Chevy Van	482	2002	10				X		22-23
Code Enforce	Chevy S-10 Pickup	483	2001	7			X			18-19
Parks	Chevy S-10 Pickup	484	2009	10						19-20
Parks	Chevy Pickup	485	2000	10			X			21-22
Senior Citizn.	22 Passenger Bus	486	2003	9					X	22-23
Parks	Tractor Low Boy	487	1969	N/A						N/A
Parks	Volvo Loader	488	2003	17						20-21
Parks	Tractor Mower	489	1969	N/A						N/A
CDD Inspec.	S-10 Pickup	492	2008	7					X	20-21
CDD Supervis.	Jimmy	493	1999	7			X			18-19
CDD Inspec.	GMC Express Van 3500	494	2001	7			X			18-19
Assessing	Chevy Lumina	495	1999	10			X			21-22
Code Enforce	S-10 Pickup	496	2009	7						16-17
CDD GIS	S-10 Pickup	498	2000	7				X		18-19
Assessing	Chevy Lumina	499	1999	10				X		22-23
CDD ED./Sup.	Pontiac Grand AM	500	2003	10				X		22-23
Solid Waste	Chevy Pickup	513	1997	Rotation						Rotation
Solid Waste	Brush Chipper Truck	525	2004	13						17-18
Senior Citizn.	Smart Bus	530	2006	N/A						N/A
Motor Pool	Em. Gen. Fire STA. 1	550	2004	15						19-20
Motor Pool	Em. Gen. Police	551	2004	15						19-20
Motor Pool	Em.Gen. DPS	552	2006	15						21-22
Motor Pool	Em. Gen. Fire Sta. 2	553	2004	15						19-20
Motor Pool	Em. Gen. Portable-1	554	1975	35		X				45-46
Motor Pool	Em. Gen. Portable-2	555	2004	15						19-20

TABLE XVII
FY 2009-2014 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

		VEH	LAST	REPLACE						NEXT
DEPARTMENT	VEHICLE	#	YEAR	CYCLE	09-	10-	11-	12-	13-	REPLACED
			PURCH	LENGTH	10	11	12	13	14	
Fire	Chevy S-10 Blazer	700	2008	7						15-16
Fire	Chevy Blazer	701	2003	7				X		19-20
Fire	GMC Sierra Pickup	702	2007	9						16-17
Fire	Chevrolet Lumina	703	1997	N/A						N/A
Fire	Chevy Pickup 3500	704	2001	9				X		21-22
Fire	Ambulance Rescue Truck	710	2002	9		X				19-20
Fire	Ambulance Rescue Truck	711	2009	9						18-19
Fire	Ambulance Rescue Truck	713	2005	9					X	22-23
Fire	Pumper Pierce	721	2003	20						23-24
Fire	Pumper Pierce	722	2002	20						22-23
Fire	Pumper Quality	723	2007	20						N/A
Fire	Aerial Ladder E-One	730	1998	25						23-24
Fire	Hazmat Trailer	740	2006	15						21-22
Fire	Technical Rescue Trailer	741	2001	15						16-17
GRAND TOTAL					7	12	23	22	16	



APPENDICES

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FY 2009-10 Budget Resolution

A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2009-10 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 11, 2009, a public hearing was held in accordance with Section 8.3 of the Charter of the City of Madison Heights, and the statutes of the State of Michigan for the fiscal year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Budget hereto as Exhibit "A" is hereby adopted.
2. That the amounts set forth in said Budget are hereby appropriated for the purposes stated therein.
3. That 18.0021 mills per \$1,000 State Taxable Valuation on the real and personal property in the City of Madison Heights be levied to provide funds for said Budget for municipal purposes:

General Operating	8.8160
Neighborhood Road Improvements	2.0000
Major Vehicle Replacement	0.2500
Advanced Life Support	0.2400
Solid Waste	2.1281
Senior Citizens	0.4740
Police & Fire Pension	3.7510
Fire Station Debt Obligation	0.3430
Total	<u>18.0021</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 2009-10 and for the imposition of a late penalty charged, when applicable, in accordance with Public Act 1982, specifically Michigan Compiled Laws, Section 211.44(7).
5. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for the operation of the Police and Fire Pension System.
6. That the City of Madison Heights approves and establishes the Community Development Department Fees set forth in Exhibit "B".

7. That the City of Madison Heights approves and establishes the City Clerk Fees set forth in Exhibit "C".
8. That the City of Madison Heights approves and establishes the Department of Public Services Fees set forth in Exhibit "D".
9. That the City of Madison Heights approves and establishes the Fire Department Fees set forth in Exhibit "E".
10. That the City of Madison Heights approves and establishes the Police Department Fees set forth in Exhibit "F".

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 2009-10

EXPENDITURES

REVENUES

GENERAL FUND

General Government	\$ 8,911,685	Property Taxes and Fees	\$ 22,381,856
Public Safety	16,110,652	Intergovernmental Revenues	3,367,780
Community Services	3,451,150	Other	5,344,590
Culture and Recreation	2,029,307	Use of Fund Balance	477,817
Community Development	1,069,249		
TOTAL	\$ 31,572,043	TOTAL	\$ 31,572,043

MAJOR STREET FUND

Program Expenditures	\$ 1,107,180	Intergovernmental Revenues	\$ 1,260,394
		Other	10,025
		Use of Fund Balance	(163,239)
TOTAL	\$ 1,107,180	TOTAL	\$ 1,107,180

LOCAL STREET FUND

Program Expenditures	\$ 4,034,107	Intergovernmental Revenues	\$ 642,676
		Other	2,713,102
		Use of Fund Balance	678,329
TOTAL	\$ 4,034,107	TOTAL	\$ 4,034,107

DOWNTOWN DEVELOPMENT AUTHORITY

Program Expenditures	\$ 434,750	Property Taxes	\$ 234,384
		Other	13,577
		Use of Fund Balance	186,789
TOTAL	\$ 434,750	TOTAL	\$ 434,750

DRUG FORFEITURE FUND

Program Expenditures	\$ 52,000	Intergovernmental Revenues	\$ 52,000
		Other	-
		Use of Fund Balance	-
TOTAL	\$ 52,000	TOTAL	\$ 52,000

COMMUNITY IMPROVEMENT FUND

Program Expenditures	<u>\$ 1,923,258</u>	Intergovernmental Revenues	\$ 1,913,211
		Other	<u>10,047</u>
TOTAL	<u><u>\$ 1,923,258</u></u>	TOTAL	<u><u>\$ 1,923,258</u></u>

SPECIAL ASSESSMENT REVOLVING

Program Expenditures	<u>\$ 819,225</u>	Other	\$ 494,086
		Use of Fund Balance	<u>325,139</u>
TOTAL	<u><u>\$ 819,225</u></u>	TOTAL	<u><u>\$ 819,225</u></u>

FIRE STATION BOND

Program Expenditures	<u>\$ 408,933</u>	Property Taxes	\$ 404,124
		Other	<u>4,809</u>
TOTAL	<u><u>\$ 408,933</u></u>	TOTAL	<u><u>\$ 408,933</u></u>

WATER AND SEWER FUND

Program Expenditures	<u>\$ 9,490,589</u>	Sales to Customers	\$ 9,509,745
		Other	<u>183,300</u>
		Use of Retained Earnings	<u>(202,456)</u>
TOTAL	<u><u>\$ 9,490,589</u></u>	TOTAL	<u><u>\$ 9,490,589</u></u>

MOTOR AND EQUIPMENT POOL

Program Expenditures	<u>\$ 1,126,708</u>	Other	<u>\$ 1,126,708</u>
TOTAL	<u><u>\$ 1,126,708</u></u>	TOTAL	<u><u>\$ 1,126,708</u></u>

**EXHIBIT B
RESOLUTION
AMENDMENT TO COMMUNITY DEVELOPMENT DEPARTMENT FEES**

WHEREAS, the City of Madison Heights has adopted a City Code containing a building code, housing code, and other provisions to protect the public health safety and welfare: and

WHEREAS, it is provided in said Code that the City Council, by resolution, shall establish reasonable fees to be charged by the City for acts and services performed there under; and

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

NOW, THEREFORE, BE IT RESOLVED that the said schedule of fees be, and hereby are, determined and established as follows:

BUILDING FEES AND INSPECTION SCHEDULE
--

1.0 ELECTRICAL, MECHANICAL & PLUMBING PERMIT FEE SCHEDULE

- 1.1 All permits shall be assessed a non-refundable application fee of \$25.00.
- 1.2 The permit fees for any electrical, mechanical or plumbing permit shall be \$70.00 per inspection. A minimum of one inspection and the application fee are required on all permits. Permit renewals shall be \$35.00. Permit fees are non-refundable after work has started and non-transferable.
- 1.3 Contractor registration fee shall be \$15.00 for all categories of electrical, mechanical and plumbing contractors.
- 1.4 Permits shall be for the minimum number of inspections required in Section 3.
- 1.5 An investigative fee equal to the amount provided for in Section 1.2, shall be assessed if a permit was not obtained prior to commencement of work.
- 1.6 A fee of \$35.00 per inspection shall be charged for the re-inspection of all failed inspections.

2.0 **BUILDING, MOVING, DEMOLITION AND SIGN PERMIT FEE SCHEDULE**

- 2.1 All permits shall be assessed a non-refundable application fee of \$25.00.
- 2.2 The permit fees for building permits shall be an application fee plus the applicable permit fee. One inspection and the application fee are required on all permits. Permit renewals shall be \$35.00. Permit fees are non-refundable after work has started and non-transferable.
- 2.3 Contractor registration fee shall be \$15.00 for building, moving, demolition and sign contractors.
- 2.4 A fee of \$35.00 per inspection shall be charged for the re-inspection of all failed inspections.
- 2.5 FEE SCHEDULE

Building Permit Fees Residential Alterations, Additions and Accessory Structures

Accessory structures, remodels, repairs, alterations, and other small jobs based on improvement cost as follows:

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

<u>Improvement Cost</u>	<u>Fee</u>
\$0.00 to \$1,000.00	= \$70.00
\$1001.00 up	= \$70.00 + \$6.30 per thousand or fraction thereof, over \$1000.00

Plan review fee when required: \$55.00

Certificate of Occupancy including replacement certificates: \$25.00

New One and Two Family Residential Construction

\$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

\$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

Additions/New Construction/Change in use, owner or occupant: \$200.00.
Attached residential condominiums: \$25.00 per unit.
Replacement certificates: \$25.00

Temporary Certificate of Occupancy

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 \$1,000.00.

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

All temporary certificates are 90 days maximum with one renewal.

Signs

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

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

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):

Sewer and/or water cut off fee (Temporary shut off): \$300.00

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

Code Inspections

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

Overtime Inspections

\$105.00 per hour.

Special Inspections

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

Additional/Add-on Inspections, All Permits

\$70.00 per inspection.

Appeal Boards

Construction Board of Appeals: \$250.00

- 2.6 An investigation fee equal to the amounts provided in Section 2.1 and 2.2, shall be assessed if a permit was not obtained prior to commencement of work.

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 RIGHT OF WAY
--

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 right of way. 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

Performance Bond Minimum \$5,000.00 (Required for right of way)

1.4 An investigative fee equal to the amount provided for in Section 1.2, shall be assessed if a permit was not obtained prior to commencement of work.

PRIVATE SEWER AND WATER SERVICE
--

- 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 right of way)
- 1.4 An investigative fee equal to the amount provided for in Section 1.2, shall be assessed if a permit was not obtained prior to commencement of work.

PLANNING FEES

- Site Plan Review:
Planning Commission \$1,000.00
Administrative \$500.00
- Plats and Site Condominiums: \$1,000.00
- Easements:
Vacations \$500.00
Encroachments \$50.00
- Land Divisions: \$200.00 (Established by Assessing Department)

ZONING FEES

- Zoning Board of Appeals:
Residential \$200.00
Commercial \$500.00
- Special Use Approvals: \$1,000.00
- Re-zonings: \$1,000.00

BROWNFIELD REDEVELOPMENT AUTHORITY FEES
--

Application fee: \$1,500.00 plus \$2,500.00 engineering escrow.

ENGINEERING FEES - (NON-TELECOMMUNICATION)

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 right of way inspection below.)
	Private projects - Review fee	2% of site construction cost
	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)

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 the non-refundable fee, the permittee is responsible for the difference between 4% of the value of the project plus 175% of the payroll costs (including but not limited to wages, fringe benefits and/or expenses) for any inspection fee above the non-refundable 4% inspection fee. \$100.00 for each road crossing/driveway compaction test
Geographic Information System Fee:	\$0.10 per lineal foot of cable, wire, conduit or pipe plus \$10.00 for each structure, including but not limited to, manholes, hand holes and/or vaults, whichever is greater. Minimum fee is \$150.00.

LANDLORD LICENSING

<u>Three Year Registration Fees:</u>	<u>New Registrations and Renewals Through Renewal Date</u>	<u>Late Fees*</u>
Single-family	\$195.00	\$97.50
2 to 4 units	\$240.00	\$120.00
5 or more units	\$46.50 per unit	\$23.25 per unit

*Late fees are assessed if the application and fee are not received before the current expiration date or if the renewal is not completed within fifteen (15) days after the renewal 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	\$50.00 Administrative Fee + Actual Mowing Charges
Clean-up & Debris Removal	\$50.00 Administrative Fee + Actual Labor and Disposal Charges
Snow Removal (Public Walks)	\$50.00 Administrative Fee + Actual Labor Charges

GEOGRAPHIC INFORMATION SYSTEM FEES (GIS)

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 are not existing; shall be \$75.00 per hour plus printing costs.

Hardcopy Maps	Small Format (11 x 17)	Large Format (24 x 36 & up)
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
Blueline of utilities	NA	\$25.00
Misc. (Future printed products)	\$5.00	\$25.00

Electronic File Format Prices (when available)

Layers	Prices	Per Section
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

BE IT FURTHER RESOLVED, that the fee schedule for the Community Development Department Fees, as set forth above, is hereby adopted; and

BE IT FURTHER RESOLVED, that the fees herein established shall be effective July 1, 2009.

EXHIBIT C
RESOLUTION
AMENDMENT TO CITY CLERK FEE SCHEDULE

WHEREAS, the City of Madison Heights has adopted a City Code containing a building code, housing code, and other provisions to protect the public health safety and welfare: and

WHEREAS, it is provided in said Code that the City Council, by resolution, shall establish reasonable fees to be charged by the City for acts and services performed there under; and

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

NOW, THEREFORE, BE IT RESOLVED that the said schedule of fees be, and hereby are, determined and established as follows:

Description	Old Rate	New Rate
Business Licenses:		
Up to 5,000 sq feet	\$50	\$100
5,001 to 20,000 sq feet	\$100	\$200
Over 20,000 sq feet	\$150	Eliminate
20,000 to 50,000 sq feet	\$150	\$300
50,000 to 100,000 sq feet	\$150	\$400
Over 100,000 sq feet	\$150	\$500
Birth/Death Certificates:		
Birth and Death Certificates	\$10	\$15

EXHIBIT D
RESOLUTION
AMENDMENT TO DEPARTMENT OF PUBLIC SERVICES FEE SCHEDULE

WHEREAS, the City of Madison Heights has adopted a City Code containing a building code, housing code, and other provisions to protect the public health safety and welfare: and

WHEREAS, it is provided in said Code that the City Council, by resolution, shall establish reasonable fees to be charged by the City for acts and services performed there under; and

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

NOW, THEREFORE, BE IT RESOLVED that the said schedule of fees be, and hereby are, determined and established as follows:

Description	Old Rate	New Rate
Mobile Home Park Refuse Collection	\$5 per site	\$6 per site
Brush Chipping	\$20 per 15 minutes	\$25 per 15 minutes
Recreational Vehicle Storage	\$60 per year	\$120 per year

EXHIBIT E
RESOLUTION
AMENDMENT TO FIRE DEPARTMENT FEE SCHEDULE

WHEREAS, the City of Madison Heights has adopted a City Code containing a building code, housing code, and other provisions to protect the public health safety and welfare: and

WHEREAS, it is provided in said Code that the City Council, by resolution, shall establish reasonable fees to be charged by the City for acts and services performed there under; and

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

NOW, THEREFORE, BE IT RESOLVED that the said schedule of fees be, and hereby are, determined and established as follows:

Description	Old Rate	New Rate
Emergency Medical Service Treat and Release	\$40	\$100
Cost Recovery for Structure Fires	\$0	\$500
Advance Life Support Run	\$600	\$710
Basic Life Support Run	\$375	\$410
Oxygen	\$45	\$50
Mileage	\$8.50	\$9.25
Treatment/No Transport	\$0	\$100

EXHIBIT F
RESOLUTION
AMENDMENT TO POLICE DEPARTMENT FEE SCHEDULE

WHEREAS, the City of Madison Heights has adopted a City Code containing a building code, housing code, and other provisions to protect the public health safety and welfare: and

WHEREAS, it is provided in said Code that the City Council, by resolution, shall establish reasonable fees to be charged by the City for acts and services performed there under; and

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

NOW, THEREFORE, BE IT RESOLVED that the said schedule of fees be, and hereby are, determined and established as follows:

POLICE DEPARTMENT Response in a 12 month period:

1st Response Warning notice pursuant to paragraph 7-198(A). No Fines or Fees.
2nd Response Progressive Warning notice pursuant to paragraph 7-198(B). No Fines or Fees
3rd Response \$50.00
4th Response \$100.00
5th Response \$100.00
6th Response \$100.00 Inspection required and proof of repair or modifications required.
A seventh (7th) or subsequent response is deemed a public nuisance pursuant to Section 7-198 (F) and subject to criminal prosecution under this ordinance.

FIRE DEPARTMENT Response in a 12 month period:

1st Response Warning notice pursuant to paragraph 7-198(A) No Fines or Fees
2nd Response Progressive warning notice pursuant to paragraph 7-198(B). No fines or fees
3rd Response \$100.00
4th Response \$250.00
5th Response \$250.00
6th Response \$250.00
A seventh (7th) or subsequent response is deemed a public nuisance pursuant to Section 7-198 (F) and subject to criminal prosecution under this ordinance.
Alarm shut off fee \$50.00
Invoices not paid within 30 days of the billing date are subject to an administrative fee equal to fifty percent (50%) of the original invoice.

OPERATING INDICATORS

Last Five Fiscal Years

Function/ program	2003	2004	2005	2006	2007	2008
Election data:						
Voters Registered	19,315	20,128	20,030	19,823	19,811	20,704
Voters (at the polls or absentee)	2,623	13,650	2,729	10,084	2,545	13,519
Percent voting	14	68	14	51	13	65
District Court:						
Number of court cases	15,552	13,966	14,210	15,234	15,234	15,263
Police:						
Physical arrests	1,265	1,473	1,265	1,755	1,548	1,381
Traffic violations	10,209	9,194	9,850	9,332	9,983	8,231
Investigations	3,065	2,985	2,822	2,770	2,510	2,794
Fire:						
Ladder Operation	3	2	8	4	3	4
Structure Fire (all types)	38	19	36	39	39	31
Emergency Medical runs	2,284	2,506	2,609	2,631	2,518	2,600
Inspections	733	738	691	794	350	295
Parks and Recreation:						
Recreation Program attendance	2,639	2,679	2,798	2,639	2,697	2,694
Library:						
Circulation (books borrowed)	100,854	99,164	97,708	96,460	50,673	92,699
Collection volume (sets of books)	75	75	75	75	75	75
Water:						
Number of customers billed	54,000	54,100	54,100	54,140	55,185	54,891
Total consumption (per unit) *	1,998,163	1,968,115	1,836,424	1,857,194	1,695,269	1,552,065

Source: City's Finance Department records

MISCELLANEOUS STATISTICAL DATA

The City of Madison Heights was incorporated January 17, 1955, under Home Rule Act 279 P.A. 1909, as amended, and is administrated by a City Manager, and governed by Mayor and Council. It is located in Southeast Oakland County and is approximately seven (7) square miles in area.

The estimated 31,101 residents of the City of Madison Heights are provided various services by the 213.7 full-time equivalent employees.

Statistical data related to City services at June 30, 2008 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	37
Hydrants	1,115

Police protection:

Employees	73
Crossing Guards	18
Patrol vehicles	15
Number of traffic violations issued	11,458
Police Reserve members	19

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

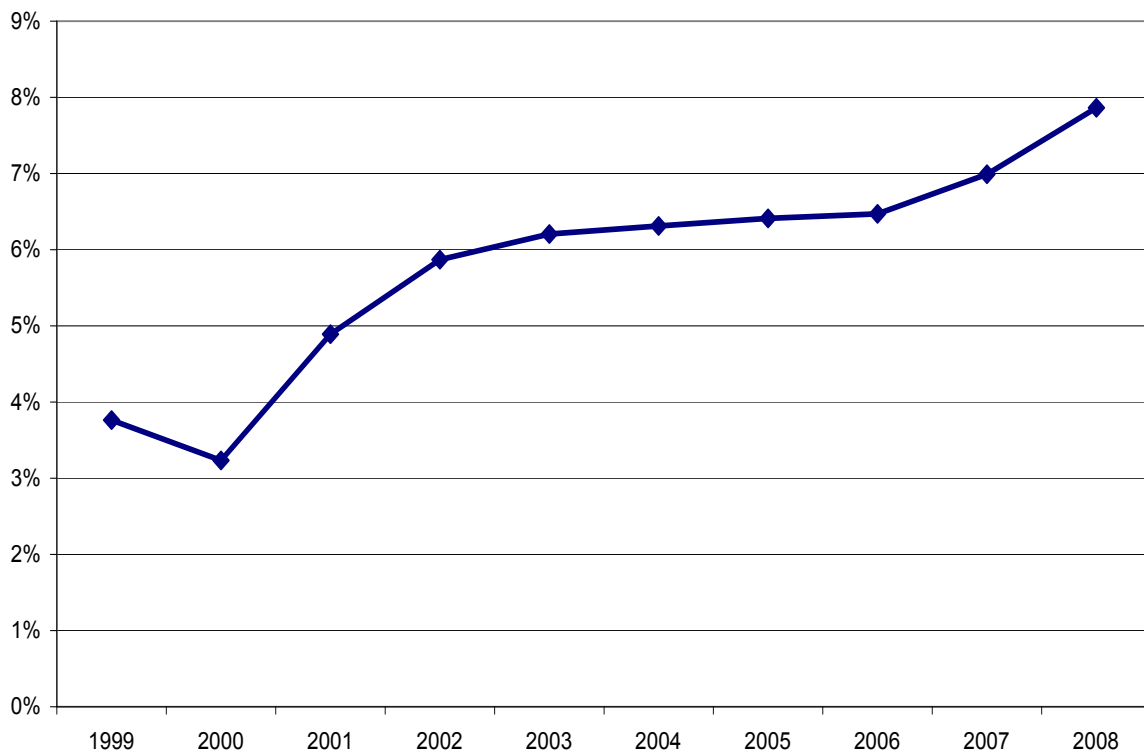
Fiscal Year Ended June 30	Estimated Population	Per Capital Income (1)	Per Capital Personal Income (1)	Unemployment Rates (2)
1999	32,196	456,925,632	14,192	3.8%
2000	32,196	456,925,632	14,192	3.2%
2001	31,101	666,463,329	21,429	4.9%
2002	31,101	666,463,329	21,429	5.9%
2003	31,101	666,463,329	21,429	6.2%
2004	31,101	666,463,329	21,429	6.3%
2005	31,101	666,463,329	21,429	6.4%
2006	31,101	666,463,329	21,429	6.5%
2007	31,101	666,463,329	21,429	7.0%
2008	31,101	666,463,329	21,429	7.9%

Sources:

(1) United States Census Bureau

(2) Michigan Department of Labor Market Information

City of Madison Heights
Unemployment Rate



CHANGES IN FUND BALANCE

(amounts expressed in thousands)

General Fund

Fiscal Year ended June 30,	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Reserved	\$ 484	\$ 127	\$0	\$0	\$ 512	\$ 274	\$ 273	\$ 435	\$ 189	\$ 366
Designated										
Vested employee benefits	\$ 1,474	\$ 1,521	\$ 2,158	\$ 1,890	\$ 2,123	\$ 2,202	\$ 2,244	\$ 2,333	\$ 2,557	\$ 2,496
Subsequent years' expenditures	922	1,609	1,212	816	449	509	436	438	145	543
Retained insurance risk	334	237	246	978	733	330	478	663	500	250
Vehicle replacement	252	577	929	1,137	1,451	1,136	1,136	1,136	1,136	1,136
Capital improvements	0	500	500	500	100	0	300	600	500	590
Park improvements	0	0	0	0	0	0	0	300	500	450
Retirees' health benefits	1,051	372	696	497	39	0	825	578	778	0
Technology Improvements	0	0	0	0	0	0	0	200	200	89
Insurance Claims Receivable	0	0	0	0	448	0	0	0	0	0
Total Designated	\$ 4,033	\$ 4,816	\$ 5,741	\$ 5,818	\$ 5,343	\$ 4,177	\$ 5,419	\$ 6,248	\$ 6,316	\$ 5,554
Undesignated	0	0	0	0	0	0	0	0	0	0
Total Unreserved Fund Balance	\$ 4,033	\$ 4,816	\$ 5,741	\$ 5,818	\$ 5,343	\$ 4,177	\$ 5,419	\$ 6,248	\$ 6,316	\$ 5,554

Sources: City's Audited Annual Financial Statements

EXPENDITURE HISTORY BY ACTIVITY

General Fund

Activity Name	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Amended Budget	2009-10 Budget
Mayor and City Council	\$ 60,092	\$ 53,616	\$ 52,966	\$ 55,334	\$ 53,599	\$ 56,723	\$ 55,409
City Manager	242,073	245,140	247,696	297,889	315,035	308,327	300,107
Elections	26,140	47,884	31,187	43,720	39,847	62,040	39,907
City Assessor	384,288	410,118	390,314	460,314	461,192	377,588	374,330
Legal	381,697	308,161	301,416	308,099	337,519	314,415	288,490
City Clerk	332,205	203,011	219,831	251,625	329,213	263,916	264,678
Human Resources	219,051	203,487	230,705	237,267	260,899	256,279	251,076
Board of Review	2,689	2,849	3,155	3,597	3,584	3,588	3,586
General Administration	683,337	792,802	858,167	891,822	950,851	1,021,182	1,020,269
Finance	827,964	841,297	702,184	766,802	794,488	853,993	853,066
Information Technology	184,937	203,759	203,383	287,757	240,922	252,923	259,907
Total City Administration	\$ 3,344,473	\$ 3,312,124	\$ 3,241,004	\$ 3,604,226	\$ 3,787,148	\$ 3,770,974	\$ 3,710,825
Municipal Building	\$ 77,868	\$ 100,992	\$ 95,698	\$ 114,570	\$ 147,197	\$ 304,426	\$ 130,578
Custodial and Maintenance	332,575	256,185	281,320	339,061	331,261	260,699	254,232
Total General Municipal Maint.	\$ 410,443	\$ 357,177	\$ 377,018	\$ 453,631	\$ 478,459	\$ 565,125	\$ 384,810
Police	\$ 8,220,871	\$ 8,435,684	\$ 8,857,889	\$ 9,892,162	\$10,383,098	\$10,440,687	\$10,249,781
Fire	5,104,808	4,918,774	5,146,344	6,280,661	5,967,198	6,281,386	5,860,871
District Court	1,264,014	1,304,236	1,347,627	1,406,825	1,445,864	1,476,113	1,501,944
Total Public Safety	\$14,589,693	\$14,658,694	\$15,351,860	\$17,579,648	\$17,796,160	\$18,198,186	\$17,612,596
Community Development	\$ 1,011,612	\$ 968,552	\$ 918,114	\$ 1,036,067	\$ 1,065,702	\$ 1,145,569	\$ 1,042,249
Streets	2,348,145	914,935	945,902	936,172	987,491	968,643	949,623
Total Community Improvement	\$ 3,359,757	\$ 1,883,487	\$ 1,864,016	\$ 1,972,239	\$ 2,053,193	\$ 2,114,212	\$ 1,991,872
Solid Waste	\$ 2,454,707	\$ 1,991,973	\$ 2,374,586	\$ 2,477,298	\$ 2,498,832	\$ 2,505,589	\$ 2,501,527
Total Solid Waste	\$ 2,454,707	\$ 1,991,973	\$ 2,374,586	\$ 2,477,298	\$ 2,498,832	\$ 2,505,589	\$ 2,501,527
Recreation	\$ 248,027	\$ 257,616	\$ 234,169	\$ 195,526	\$ 222,297	\$ 212,421	\$ 174,722
Youth Center	66,360	70,521	34,450	31,735	51,999	61,013	46,121
Nature Center	155,298	147,339	143,498	163,117	149,032	175,896	150,465
Parks	656,850	634,730	535,239	502,123	586,147	924,290	502,177
Senior citizen Center	684,865	425,884	466,894	497,824	510,233	493,292	469,194
Total Parks and Recreation	\$ 1,811,400	\$ 1,536,090	\$ 1,414,250	\$ 1,390,325	\$ 1,519,707	\$ 1,866,912	\$ 1,342,679
Library	\$ 574,813	\$ 556,820	\$ 563,027	\$ 1,410,300	\$ 706,053	\$ 708,256	\$ 635,704
Total Library	\$ 574,813	\$ 556,820	\$ 563,027	\$ 1,410,300	\$ 706,053	\$ 708,256	\$ 635,704
Outside Agencies	\$ 40,425	\$ 47,900	\$ 48,703	\$ 46,719	\$ 53,604	\$ 60,489	\$ 50,924
Insurance	493,228	497,819	538,137	494,858	304,492	425,616	437,476
General Expenditures	\$ 533,653	\$ 545,719	\$ 586,840	\$ 541,577	\$ 358,096	\$ 486,105	\$ 488,400
Transfers Out	\$ 2,544,702	\$ 2,600,678	\$ 2,644,266	\$ 2,341,162	\$ 2,816,306	\$ 2,797,089	\$ 2,876,630
General Fund Expenditures	\$29,623,641	\$27,442,762	\$28,416,867	\$31,770,407	\$32,013,955	\$33,012,448	\$31,545,043

Source: Finance Expenditure Records

ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY

Last Ten Fiscal Years

Tax Year	Real Property	Personal Property	Total Value	Tax Rate (mills)	Estimated Actual Value	Taxable Value as a % of Actual
1999	\$ 738,017,960	\$ 191,107,820	\$ 929,125,780	17.04	\$ 2,170,326,040	42.8%
2000	\$ 773,732,980	\$ 175,823,370	\$ 949,556,350	16.79	\$ 2,280,945,040	41.6%
2001	\$ 821,075,300	\$ 180,513,970	\$ 1,001,589,270	16.63	\$ 2,430,386,460	41.2%
2002	\$ 868,982,990	\$ 179,337,420	\$ 1,048,320,410	16.22	\$ 2,580,886,700	40.6%
2003	\$ 911,478,430	\$ 168,465,610	\$ 1,079,944,040	15.89	\$ 2,672,064,560	40.4%
2004	\$ 947,271,730	\$ 166,469,160	\$ 1,113,740,890	17.31	\$ 2,743,381,200	40.6%
2005	\$ 985,767,400	\$ 146,603,390	\$ 1,132,370,790	17.35	\$ 2,764,198,820	41.0%
2006	\$ 1,024,514,300	\$ 143,881,280	\$ 1,168,395,580	17.30	\$ 2,791,412,780	41.9%
2007	\$ 1,063,312,930	\$ 143,905,590	\$ 1,207,218,520	17.90	\$ 2,417,463,340	49.9%
2008	\$ 1,065,017,700	\$ 144,657,570	\$ 1,209,675,270	18.04	\$ 2,419,350,540	50.0%

Sources: City's Assessing Records

PROPERTY TAX RATES

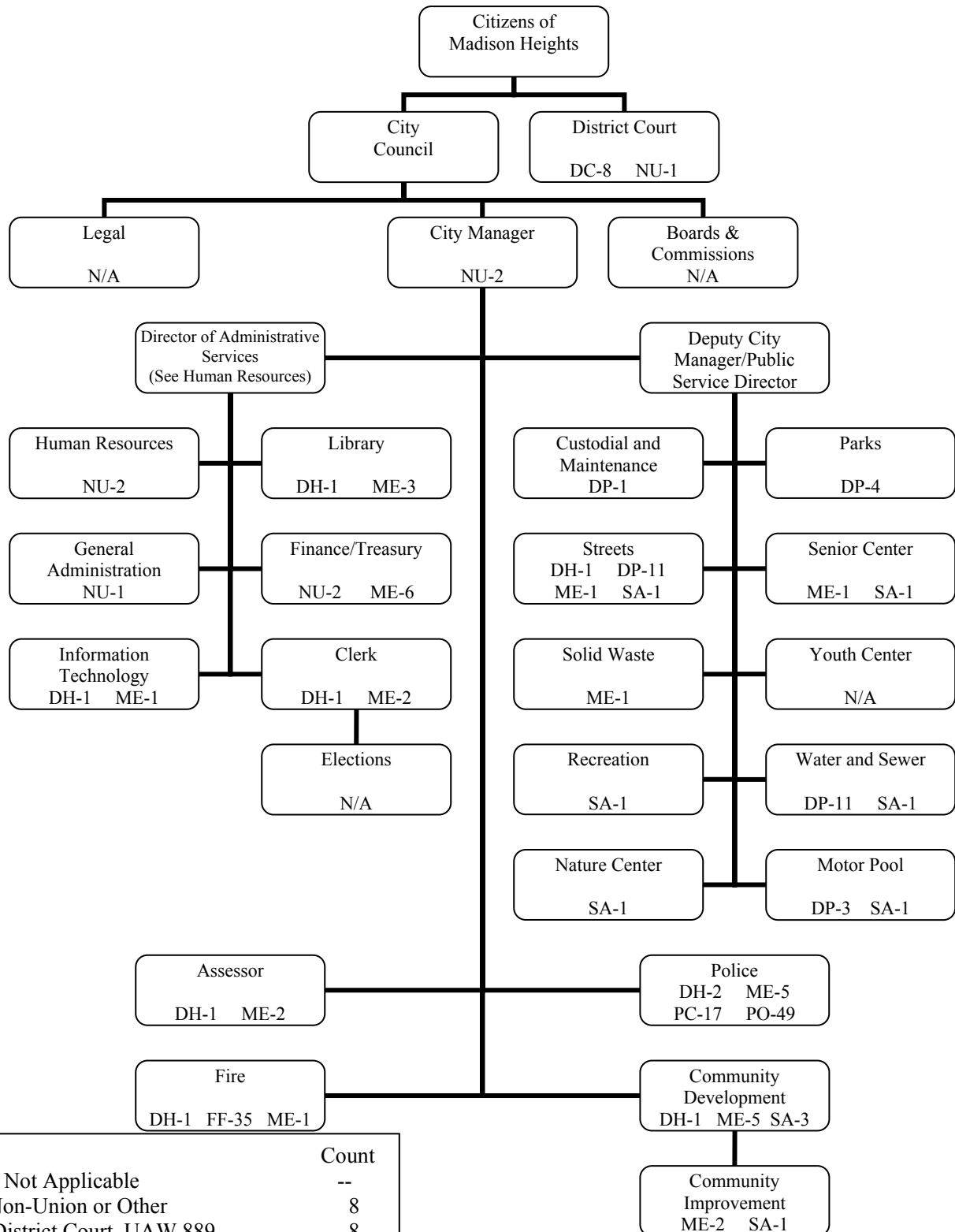
Direct and Overlapping Governments

(Per \$1,000 of Taxable Valuation)

Fiscal Year Ending June 30,	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>City of Madison Heights</u>										
General Operating	9.03	8.96	8.89	8.80	8.82	8.82	8.82	8.82	8.82	8.82
Neighborhood Road Improvements	1.98	1.93	1.95	1.93	1.93	1.93	1.93	1.93	2.00	2.00
Vehicle Replacement	0.49	0.48	0.48	0.48	0.48	0.47	0.47	0.23	0.25	0.25
Advanced Life Support	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Solid Waste	1.86	2.26	2.25	2.09	2.10	2.18	2.23	2.07	2.08	2.04
Senior Center	0.49	0.48	0.48	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Police and Fire Pension	1.96	2.03	1.88	1.88	2.26	2.48	2.73	4.05	3.85	4.01
Fire Station Bond	n.a.	n.a.	n.a.	n.a.	0.41	0.41	0.41	0.09	0.33	0.33
Police Facility	0.43	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
County Drain	0.11	0.06	0.05	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Building Authority	0.19	0.18	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Direct City Taxes	16.79	16.63	16.22	15.89	16.71	17.00	17.30	17.90	18.04	18.16
<u>Overlapping Taxes</u>										
County	5.23	3.61	4.98	5.28	5.24	5.24	5.25	5.24	5.24	5.09
Community College	1.61	1.60	1.61	1.60	1.60	1.59	1.58	1.58	1.58	1.58
Intermediate School District	2.08	3.45	3.42	3.40	3.40	3.38	3.37	3.37	3.37	3.37
School Homestead	17.38	17.20	17.21	16.98	15.80	16.60	16.00	16.23	16.71	16.56
School Non-Homestead	28.51	28.87	28.58	28.50	27.44	28.33	27.94	28.40	29.04	28.83
Zoological Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.10
Total Homestead	43.09	42.49	43.44	43.15	42.75	43.81	43.50	44.32	44.94	44.76
Total Non-Homestead	54.22	54.16	54.81	54.67	54.39	55.54	55.44	56.49	57.27	57.03

Sources: City Assessor's Warrant

City Of Madison Heights Organizational Chart



Key	Count
N/A = Not Applicable	--
NU=Non-Union or Other	8
DC= District Court, UAW 889	8
DH=Department Heads, TPOAM	9
DP=DPS, TPOAM	30
FF=Fire Fighters	35
ME=Municipal, TPOAM	30
PC=Police Command, POAM	17
PO=Police Officers, POAM	49
SA=Supvrs. & Assts., AFSCME 1917	<u>10</u>
	196

FY 2009-10 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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 - Recreataion	Move full-time position split between Fire, Senior Center and Recreation to Finance, replacing a part-time positions (-0.3)
09-10	DPS - Parks	Eliminate seasonal part-time employee due to reduction in mowing frequency.(-0.3)
09-10	DPS - Senior Center	Eliminate vacant part-time aide positions, reduce hours of six part-time employees by closing the Senior Center between Christmas and New Year's and move full-time positions currently split between Fire, Senior Center, Recreation and Finance, replacing a part-time positions (-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 labors; one in the Water Division and one (1) in the Sewer Divisions (-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)

FY 2009-10 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
06-07	Finance	Eliminate vacant Fiscal I position (-1.0)
06-07	Police	Eliminate vacant Crime Prevention Officer (-1.0)
06-07	Fire	Eliminate vacant Fire Inspector positions (-1.0) and Vacant Officer Assistant I position (-1.0) add a part time Office Positions (0.5).
06-07	Community Development	Eliminate vacant Information System position (-1.0), reduce GIS part-time position (-0.27), reallocate Code Enforcement from CDBG (0.80) and Housing (0.25)
06-07	DPS – Streets	Reduce two vacant Street Laborer positions (-2.0)
06-07	DPS – Sewer	Reduce vacant Laborer position (-1.0)
06-07	Library	Eliminate vacant part-time Library Assistant (-0.4); and reduce hours for Youth Service Assistant (-0.05)
06-07	DPS – Parks	Reduce vacant Park Laborer hours (-0.33)
06-07	DPS – Water	Eliminate vacant Water Clerical position (-0.8)
06-07	Housing	Reallocate Code Enforcement Officers house to CDD (-0.25), reduce Housing Assistant hours (-0.1)
06-07	CDBG	Reallocate Code Enforcement Officer hours to CDD (-0.8)
05-06	District Court	Eliminate vacant part-time Probation Clerk (-0.8)
05-06	City Clerk	Elections - due to consolidated elections and precincts reduce number of Chairpersons from 16 to 12 (-0.4) and Workers from 68 to 55 (-1.5), and reallocate maintenance hours (+0.04)
05-06	Police	Eliminate vacant full-time Animal Control Officer (-1.0) Office Assistant II (-1.0); add part-time animal control support (+0.3)
05-06	Fire	Eliminate vacant Fire Fighter position (-1.0) and eliminate vacant Fire Fighter position following Lieutenant retirement and promotional process (0.2)
05-06	Community Development	Reduce hours of part-time Community Development Assistant (-0.3)
05-06	DPS – Custodial & Maintenance	Reallocate maintenance hours to Elections (-0.04) and supervisor hours to Solid Waste for Tree Replacement Program coordination (-0.06)
05-06	DPS – Solid Waste	Add supervisor hours for Tree Replacement Program coordination (+0.06)
05-06	DPS – Recreation	Reduce and reclassify seasonal recreation positions (-1.2)
05-06	DPS – Youth Center	Reduce hours of part-time Youth Leader (-0.22)
05-06	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.04) and reallocate Recreation Supervisor hours (-0.05)
05-06	DPS – Parks	Eliminate vacant Parks Maintenance Laborer (-1.0) and add part-time laborer (+0.6)
05-06	DPS – Senior Citizens	Eliminate vacant Officer Assistant II (-1.0); add part-time assistant (+0.8); reallocate part-time receptionist hours (+0.5) and Recreation Supervisor hours (+0.05)
05-06	Community Improvement Fund	Reallocate Code enforcement Officer hours between Housing (-0.2) and Community Improvement (+0.2)
05-06	Motor Pool Fund	Eliminate vacant full-time Tool Crib Operator position (-0.6)

FY 2009-10 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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
04-05		(-1.0); and Office Assistant II (-1.0); reflect Police Department transfer of Police Officer position from Auto Theft Prevention Fund to patrol (+1.0)
04-05	Fire	Eliminate vacant Fire Fighter position (-1.0)
04-05	Community Development	Eliminate vacant Office Assistant II position (-1.0); add hours to part-time CDD Aide position (+0.2)
04-05	Library	Eliminate hours for part-time Branch Library Circulation Chief (-0.4) and Branch Library Assistant (-0.4)
04-05	DPS – Streets	Eliminate vacant Equipment Operator III (-1.0) and Laborer (-1.0) positions; reallocate labor from other divisions (+0.3)
04-05	DPS – Solid Waste	Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)
04-05	DPS – Recreation	Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)
04-05	DPS – Youth Center	Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)
04-05	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.4)
04-05	DPS – Parks	Eliminate two vacant part-time Park Laborer positions (-0.5)
04-05	DPS – Senior Citizen	Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)
04-05	Major Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.1)
04-05	Local Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.6)
04-05	Community Improvement Fund	Reallocate full-time Code Enforcement Officer FTE between Housing (-0.3) & Community Improvement (0.3)
04-05	Auto Theft Prevention Fund	Transfer of Police Officer position back into road patrol (-1.0)
04-05	Motor Pool Fund (DPS)	Eliminate vacant Tool Crib Operator position after retirement of incumbent (-0.4)

FY 2009-10 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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		
01-02	Library	Increase part-time hours (+1.7 FTE).
00-01	District Court	Elimination of Court Recorder position following retirement (-1.0 FTE).
00-01	Police	Due to elimination of Federal Crime Suppression Grant, transfer one officer position from Crime Suppression Fund (1.0 FTE) to the Police Department's General Fund Activity (+1.0 FTE).
00-01	Community Development	Addition of one Information Systems Specialist Position-GIS in the Community Development Department (+1.0 FTE).
00-01	DPS – Youth Center	Addition of four part-time positions to staff new Youth Drop-In Center (+2.1 FTE).
99-00	District Court	Consolidation of Court Administrator and Legal Secretary positions (-1.0 FTE); elimination of vacant part-time Security Officer position (-0.7 FTE); reduce hours of part-time Magistrate (-0.3 FTE); increase hours for part-time Probation Officer (+0.3 FTE).
99-00	General Administration	Elimination of vacant Reproduction and Stores Assistant position (-1.0 FTE).
99-00	Finance	Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE).
99-00	Data Processing (Gen. Fund)	Transfer of Activity (2 full-time; 1 part-time) from Water and Sewer Fund (+2.8 FTE).
99-00	Community Development	Addition of full-time GIS Supervisor position and a part-time GIS Assistant (+1.3 FTE).

FY 2009-10 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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).

FY 2009-10 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
95-96	DPS – Custodial & Maintenance	Eliminate three full-time custodians as part of cost-savings move to contract out custodial services (-3.0 FTE).
95-96	DPS – Recreation	Reduce part-time hours as Oakland County will conduct summer swim lessons; add part-time Naturalist position (+0.5 FTE).
95-96	Community Dev. Block Grant Fund	Elimination of six vacant part-time home chore workers due to contracting out of raking, lawn cutting, and snow shoveling services (-0.8 FTE).
94-95	Assessing	Elimination of a vacant full-time Residential Appraiser position (+1.0 FTE).
94-95	Community Development	Elimination of a vacant full-time Construction Inspector position.
94-95	DPS – Parks	Eliminate a vacant Parks Maintenance position created by an employee who did not return from an extended Worker's Compensation leave.
94-95	Finance	Lay off the Deputy Treasurer and eliminate the position (+1.0 FTE).
94-95	General Administration	Elimination of a vacant full-time Switchboard Operator / Receptionist position (-1.0 FTE).
94-95	Fire	Eliminate a vacant full-time "Swing Man" Fire Fighter position (-1.0 FTE).
94-95	Library	Lay off one part-time position and reduce the hours for five more part-time positions.
94-95	Police	Eliminate a vacant full-time Special Investigations Unit Police Officer position (-1.0 FTE) and have the Chief transfer a position back into the Patrol Division from another section of the Dept.
93-94	General Administration	Change Purchasing Agent position from part-time to full-time (no FTE data available).
93-94	Community Development	Elimination of two part-time clerk typist positions and addition of one full-time clerk typist position (no FTE data available).

**CITY OF MADISON HEIGHTS
FY 2009-10 BUDGET
FULL TIME POSITIONS
ALL FUNDS**

FY FY FY FY FY FY FY FY FY FY FY
1989-90 1990-91 1991-92 1992-93 1993-94 1994-95 1995-96 1996-97 1997-98 1998-99 1999-00

GENERAL FUND

Court	11	12	12	13	13	13	11	11	12	12	11
Manager	2	2	2	2	2	2	2	2	2	2	2
Assessor	5	5	5	5	5	4	4	4	4	4	4
Clerk	4	4	4	4	4	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	2	2
General Administration	4	4	4	3	4	3	3	3	3	3	2
Finance	7	8	8	8	8	7	7	7	7	7	11
Information Technology	0	0	0	0	0	0	0	0	0	0	2
Police	76	76	76	76	76	76	76	76	76	76	76
Fire	38	44	43	44	44	43	40	40	40	40	40
Community Development	10	10	9	9	9	8	8	8	8	8	9
Library	4	4	4	4	4	4	4	4	4	4	4

Department of Public Services

Custodial & Maintenance	5	5	5	6	6	6	3	6	5	5	4
Streets	18	18	18	18	18	18	18	18	18	18	18
Solid Waste	13	13	13	12	12	12	12	0	0	0	0
Recreation	2	2	2	2	2	2	2	2	2	2	2
Youth Center	0	0	0	0	0	0	0	0	0	0	0
Nature Center	0	0	0	0	0	0	0	0	0	0	0
Parks	6	6	6	6	6	5	5	5	5	5	5
Senior Citizen	3	3	3	3	3	3	3	3	3	3	3

Sub total	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>46</u>	<u>43</u>	<u>34</u>	<u>33</u>	<u>33</u>	<u>32</u>
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Total	<u>210</u>	<u>218</u>	<u>216</u>	<u>217</u>	<u>218</u>	<u>212</u>	<u>204</u>	<u>195</u>	<u>195</u>	<u>195</u>	<u>199</u>
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Major Street Fund	1	1	1	1	1	1	1	1	1	1	1
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Community Improvement Fund	3	3	3	3	4	4	4	4	4	4	4
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Juvenile Grant Fund	1	1	1	1	1	0	0	0	0	0	0
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Auto Theft Prevention Grant Fund	1	1	1	1	1	1	1	1	1	1	1
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Crime Suppression Grant Fund	0	0	0	0	0	0	0	1	1	1	1
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Water & Sewer Fund

Water Division	6	6	6	6	6	6	6	6	6	6	6
Sewer Division	6	6	6	6	6	6	6	6	6	6	6
Information Technology	4	4	3	3	3	3	3	2	2	2	0
Water & Sewer Administration	5	5	5	5	5	5	5	5	5	5	1

Total	<u>21</u>	<u>21</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>13</u>
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Motor Pool Fund	6	6	6	6	6	6	6	6	6	5	5
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Total All Funds	<u>243</u>	<u>251</u>	<u>248</u>	<u>249</u>	<u>251</u>	<u>244</u>	<u>236</u>	<u>227</u>	<u>227</u>	<u>226</u>	<u>224</u>
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FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10

GENERAL FUND

10	10	9	9	9	9	9	9	9	9	Court
2	2	2	2	2	2	2	2	2	2	Manager
4	4	4	4	4	4	4	3	3	3	Assessor
4	4	4	4	3	3	3	3	3	3	Clerk
2	2	2	2	2	2	2	2	2	2	Human Resources
2	2	2	2	1	1	1	1	1	1	General Administration
11	11	11	11	10	10	9	9	9	9	Finance
2	2	2	2	2	2	2	2	2	2	Information Technology
77	77	77	77	75	73	73	73	73	70	Police
40	40	40	40	39	38	36	36	36	35	Fire
10	10	11	11	10	10	9	9	9	9	Community Development
4	4	4	4	4	4	4	4	4	4	Library

Department of Public Services

4	1	1	1	1	1	1	1	1	1	Custodial & Maintenance
18	18	18	18	16	15	13	13	13	12	Streets
0	0	0	0	0	1	1	1	1	1	Solid Waste
2	2	2	2	1	1	1	1	0	0	Recreation
0	0	0	0	0	0	0	0	0	0	Youth Center
0	1	1	1	1	1	1	1	1	1	Nature Center
5	6	6	6	6	5	5	4	4	4	Parks
3	3	3	3	3	2	2	2	2	2	Senior Citizen

32	31	31	31	28	26	24	23	22	21	Sub total
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200	199	199	199	189	184	178	176	175	170	Total
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1	1	1	1	1	1	1	1	1	1	Major Street Fund
4	4	4	4	4	4	3	3	3	3	Community Improvement Fund
0	0	0	0	0	0	0	0	0	0	Juvenile Grant Fund
1	1	1	1	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	6	6	6	6	6	6	6	6	Water Division
6	6	6	6	6	6	5	5	5	5	Sewer Division
0	0	0	0	0	0	0	0	0	0	Information Technology
1	1	1	1	1	1	1	1	1	1	Water & Sewer Administration

13	13	13	13	13	13	12	12	12	12	Total
----	----	----	----	----	----	----	----	----	----	-------

5	5	5	5	4	4	4	4	4	4	Motor Pool Fund
---	---	---	---	---	---	---	---	---	---	------------------------

224	223	223	223	211	206	198	196	195	190	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 54 years. According to the 2008 Land Use Survey, only 2 percent of the City's total acreage is vacant land. Most of the growth occurring in Oakland County has now shifted to the north and west where vacant land is available.

Oakland County is no longer experiencing the tremendous growth that began in the late 1980's. By 1990, Oakland County led the state in employment growth. The proximity to the I-696 and I-75 Freeways 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.

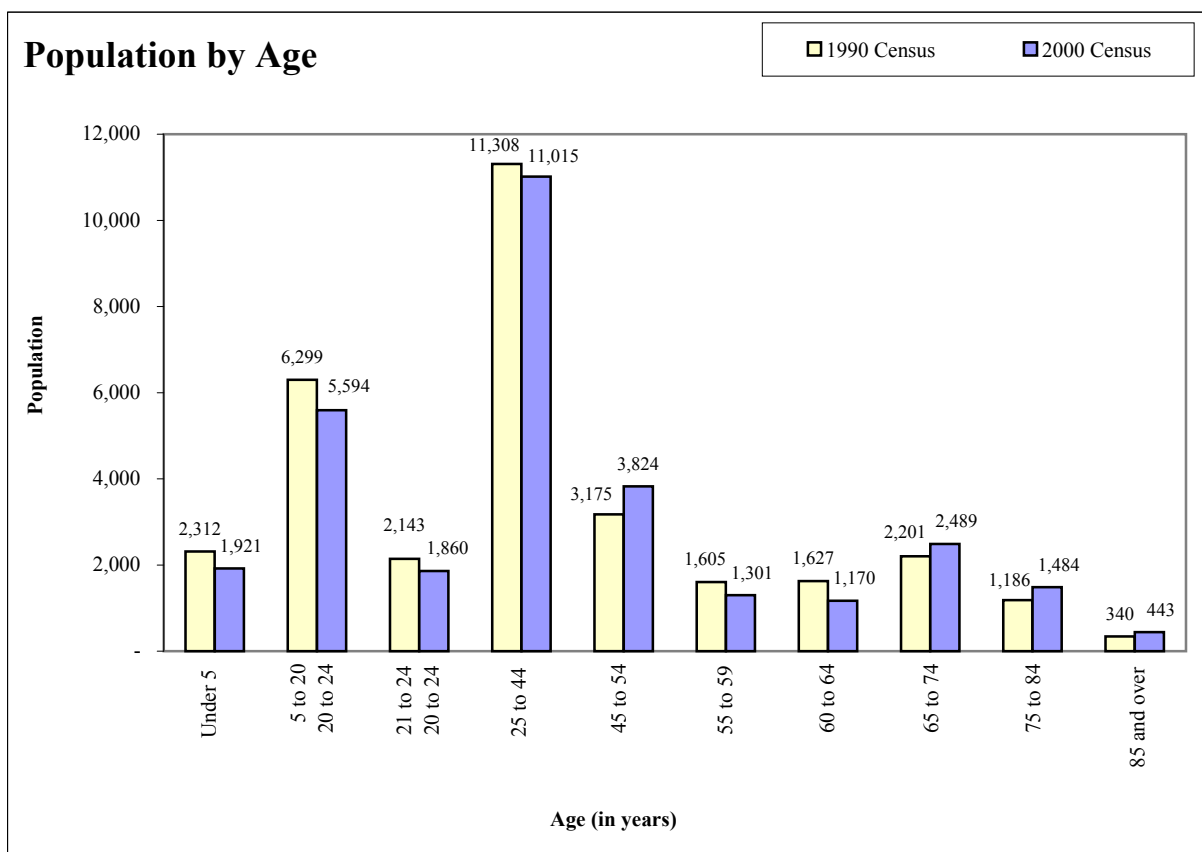
Population

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 2000. Total population peaked in 1970. The City's 2000 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 decline in the number of person per occupied dwelling unit from the bar chart. On the other hand, the number of housing units has actually grown to 13,757 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 slightly. 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.

Population and Housing Unit Change

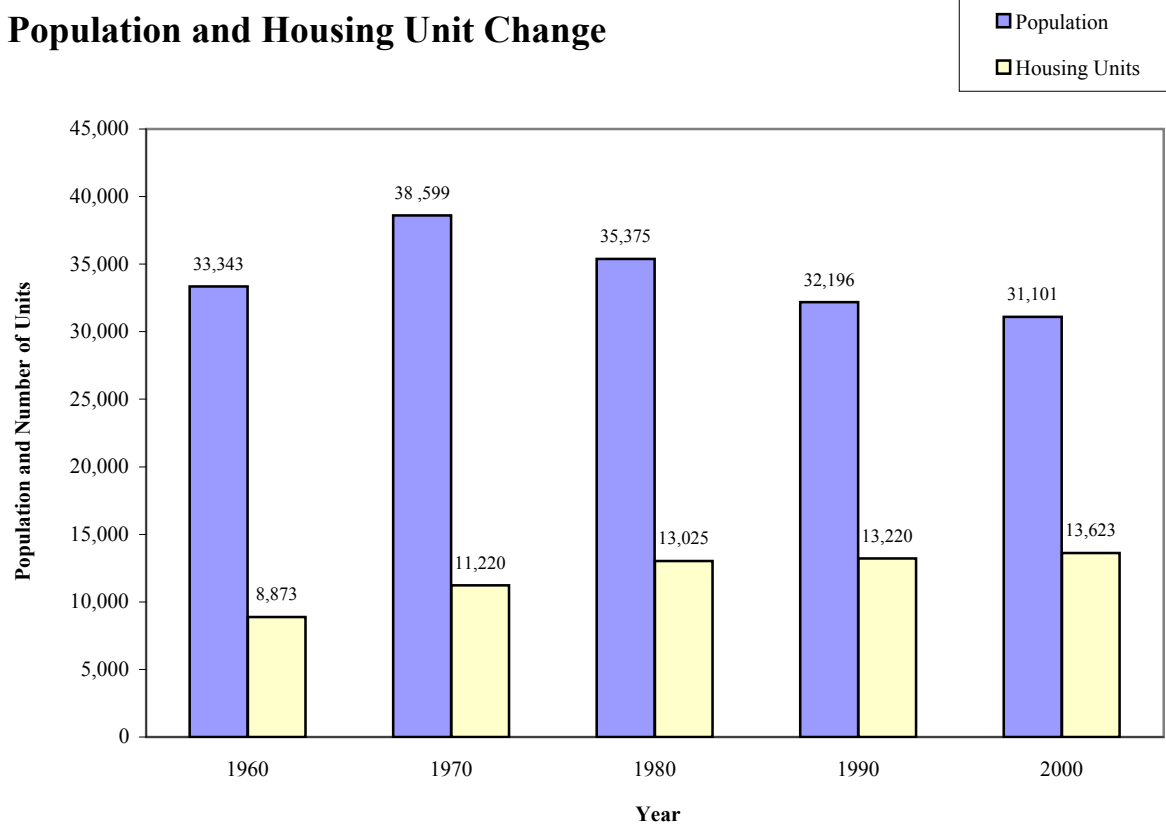


Table 1
Selected Population Characteristics: 2000
City of Madison Heights

Total Population	31,101
Male (48.9%)	15,216
Female (51.1%)	15,885
White (89.6%)	27,866
Black (1.8%)	567
American Indian, Eskimo & Aleut (0.4%)	138
Asian or Pacific Islander (5.0%)	1,563
Two or more Races (2.7%)	833
Other Race (0.5%)	142
Persons of Hispanic Origin (1.6%)	502

Source: U.S. Census of Population & Housing, 2000

Future Projections

Only 2.0 percent of the land in Madison Heights is vacant, and approximately one-fourth of this vacant land is zoned for residential development. In addition, the average household size continues

to decline as the population matures and children grow up and leave home. The 2000 Census indicates that household size is 2.3 persons per household.

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. The Census of Population shows these trends are present in the City. The City will, at the same time, gradually approach maximum capacity development of its housing units.

Applying these trends and assumptions results in the following estimate:

Table 2
Population & Household Estimate, 1990-2009
City of Madison Heights

	<u>1990</u>	<u>2000</u>	<u>2009 Estimate</u>
Total Population	32,196	31,101	29,286
Total Households	12,850	13,299	13,167
Average Household Size	2.51	2.33	2.22

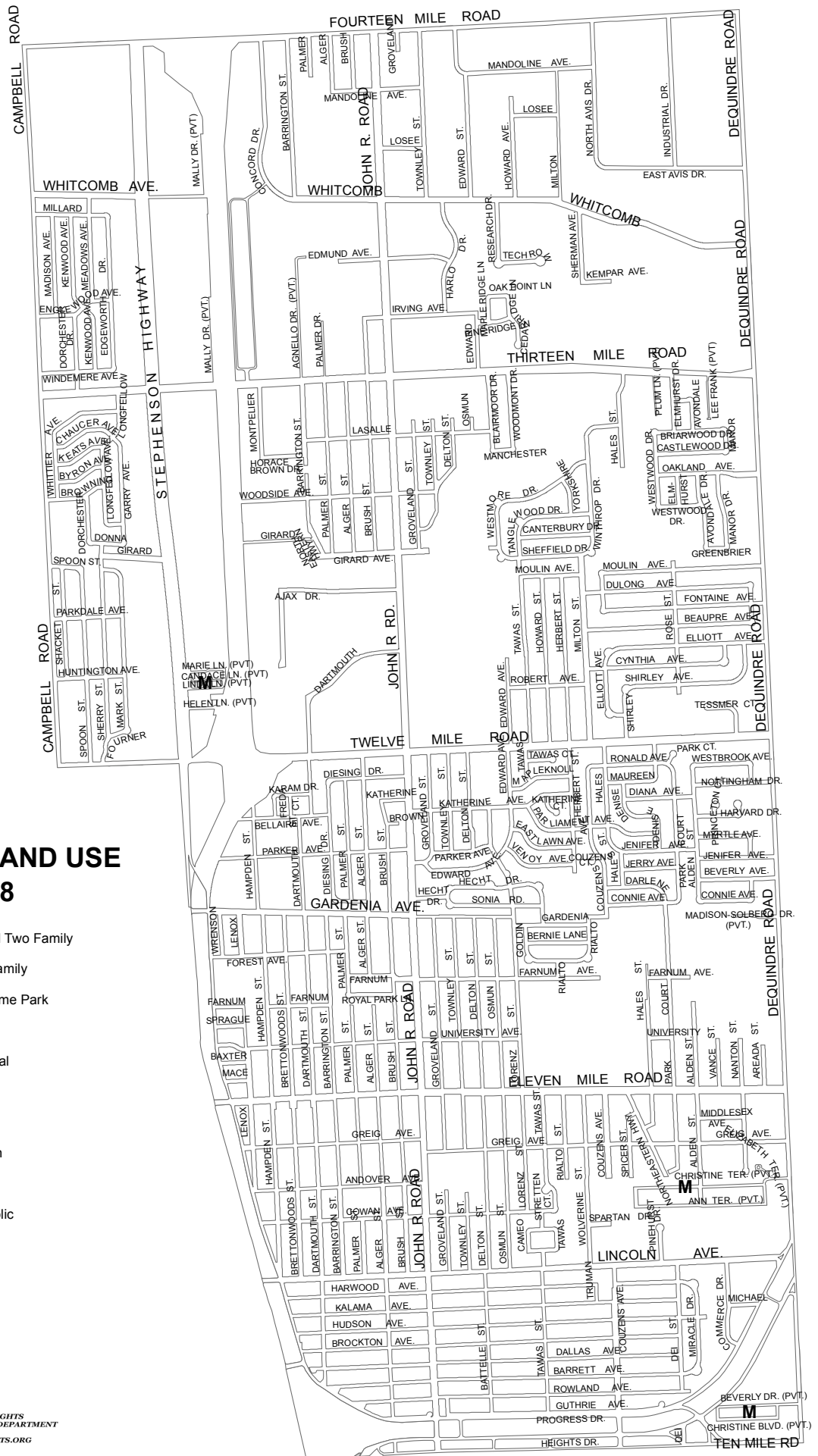
(1) 1990 and 2000 Census data based on Persons Living in Households, Occupied Housing Units, and SEMCOG January 2009 estimates.

EXISTING LAND USE 2008

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



CITY OF MADISON HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
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Existing Land Use

The pattern of development established in a community is influenced by a number of factors including the community's regional setting, citizen demands and needs, political conditions, changes in technology and environmental characteristics and systems. As outlined in the Regional Setting, the growth and development of the City of Madison Heights has been influenced by its position in the Detroit Metropolitan Area. In addition, the City has become fixed in its land area due to the incorporation of the surrounding communities: cities of Hazel Park, Royal Oak, Troy and Warren.

In 2008, the City conducted a survey of the City recording all of the existing uses of land. The resulting pattern of existing development has been documented on the land use map available in the Community Development Department.

The following is a description of the various land use classifications used in the survey.

Single and Two Family - This classification is for those areas containing single-family and two-family dwelling units and accessory structures.

Mobile Home Park - This category identified mobile homes in a planned community or mobile home park setting.

Multiple Family - Included in this group are all apartments and multiplex type of units where more than two separate residential units occupy a single building. Included are apartments, townhouses, condominiums and senior apartments.

Commercial - Retail sales establishments, personal and business services are placed in the commercial category. Included are shopping centers, restaurants, gas stations, party stores, beauty parlors, while-you-wait printers, and the like.

Office - Uses include general business offices; professional services such as banking, real estate, engineering and architectural services; medical and dental offices; and similar uses.

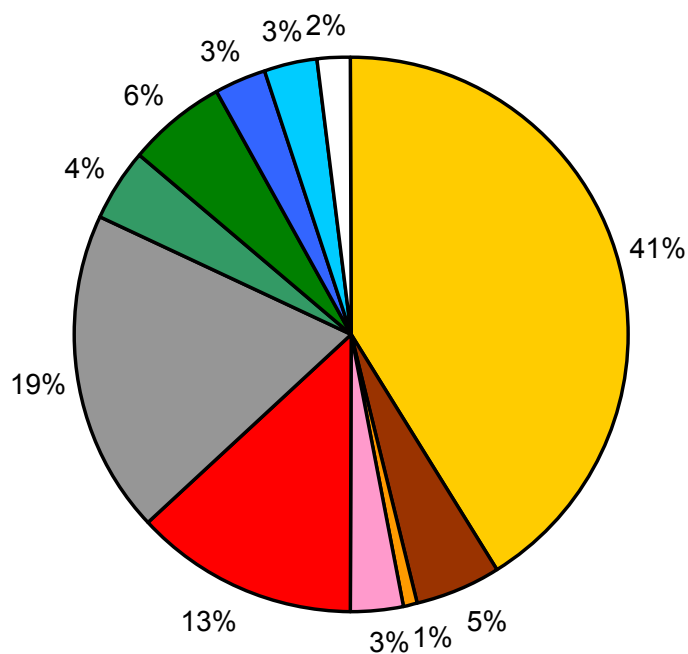
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

Public - Land area and facilities such as libraries, public works buildings, and government buildings are considered public uses.

Quasi-Public - Included within this classification are such as churches, hospitals, private schools, lodge halls, private cemeteries, utility stations/sub-stations, etc.

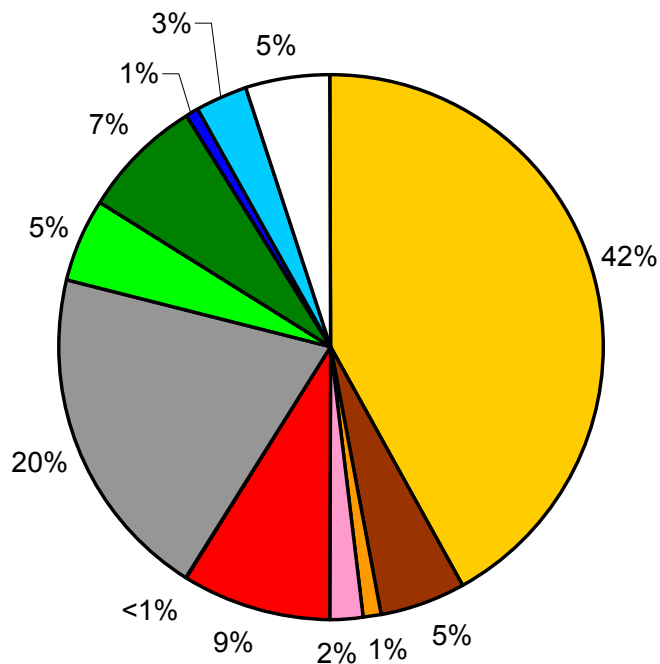
Recreation and Open Space - This category has grown significantly since 1969, from 46 acres (1%) to 225 acres (6%). Major parks and recreation areas include the Red Oaks Golf Course; Red Oaks Water Park; Red Oaks Soccer Complex; Suarez Friendship Woods and Nature Center; Rosie's Park/Madison Woods; and the Civic Center Park. In 2000, the City added 0.7 acres northeast of Rosie's Park and 1.5 acres at Suarez Friendship Woods. It should be noted that the entire Red Run right-of-way (137 acres) is included in this category.

EXISTING LAND USE 2008



- SINGLE AND TWO FAMILY
- MULTIPLE FAMILY
- MOBILE HOME PARK
- OFFICE
- COMMERCIAL
- INDUSTRIAL
- SCHOOLS
- RECREATION AND OPEN SPACE
- PUBLIC
- QUASI-PUBLIC
- VACANT

EXISTING LAND USE 1989



- SINGLE AND TWO FAMILY
- MULTIPLE FAMILY
- MOBILE HOME PARK
- OFFICE
- COMMERCIAL
- MIXED BUSINESS
- INDUSTRIAL
- SCHOOLS
- RECREATION AND OPEN SPACE
- PUBLIC
- QUASI-PUBLIC
- VACANT

* 1989 Land Use shows Mixed Business and Commercial use types.

In 2003, those use types were combined into Commercial.

School Sites - School sites in the City of Madison Heights now comprise 164 acres. Many of the City's school sites include significant recreation areas, provided by either the Madison or Lamphere School District.

Vacant - This category includes all remaining land that is presently vacant or unused. As of 2008, only 2 percent of the City remained as vacant land, although not all of the land is available for development.

In short, the City of Madison Heights welcomes residents, businesses and visitors alike to a vibrant and diverse Community! The City is ideally located in southeastern Michigan, within Oakland County's "Automation Alley". Madison Heights provides a full range of services to residents, visitors and the business community and is conveniently located for employers and employees alike at the intersection of I-75 and I-696. Oakland County continues to rank high in per capita income, increased 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, increasing median income and variety of opportunities for residents and the business community. It is a fiscally sound and stable community with many advantages because of its favorable tax base, housing mix, business climate and convenient access to other business and residential areas in southeastern Michigan.

There are more than 1,300 commercial and industrial businesses and services within the City's 7.25 square miles and the City is proud to have a majority of small businesses, as well as more than 100 major companies within its borders, such as: Best Buy, Coca Cola, Costco, CVS Pharmacy, Henkel Technologies, Home Depot, Lowes, Starbucks, Kmart, Meijer, Microcenter, Netlink, Sam's Club, Target, and United Parcel Service. It is a "City of Progress" with 23 shopping centers, 11 hotels, more than 860,000 square feet of office space, and seven industrial parks that include 10 million square feet.

The City of Madison Heights is committed to working with present and future residents and businesses to continue our excellent tradition as The City of Progress!

Natural Features

By 2008, over 98-percent of the City's land area had been developed by urbanized uses and City parks. For this reason, very few properties remain in their original natural state. The two principal exceptions include properties that have been protected as Madison Heights City Parks. The two include: Suarez Friendship Woods and Madison Woods. In addition to these, several other City parks have maintained a sizeable number of mature hardwood trees.

Topography, Soils and Drainage

The surface geology of Southeast Michigan is characterized by two broad zones, a lowland zone and a hilly upland zone. Madison Heights is situated within the flat, lowland zone lying between

the Great Lakes shoreline and the hill zone. This lowland zone was formed by clay and sand deposits laid in the bottom of a large lake that existed about 10,000 years ago. The topography of Madison Heights is nearly flat due to this history as part of the glacial lake plain. The soils found throughout the City are poorly drained to moderately well drained in their natural state. The urbanization of the City has required the creation of an artificial storm drainage system to overcome the major limitation of the City's soil - wetness. The Red Run Drain, which cuts diagonally through Madison Heights, is the eventual outlet for most of the City's storm water. Over the years, many of the City's storm and sanitary sewer systems have been separated so that most of the storm water is now able to be discharged to the Red Run Drain without treatment. The City of Madison Heights is wholly located within the Clinton River Watershed Basin.

Woodlands and Wildlife

As mentioned earlier, Suarez Friendship Woods and Madison Woods are the only parcels of land that remain in their original, natural state. Suarez Woods includes areas maintained in mature hardwoods, brush, and grasslands. The site also includes a small vernal pond. This 36 acre nature preserve supports a surprising variety of wildlife for a mature urban city, including native birds, rodents and mammals. A Nature Center is located in Suarez Friendship Woods. The Center has a variety of exhibits and programs related to natural history and the environment.

Climate

The Southeast Michigan region, of which Madison Heights is part of and lies within the humid continental climatic zone of eastern North America. This zone is characterized by hot summers, cold winters, and a relatively constant year-round supply of moisture. Temperature characteristics of the immediate Southeast Michigan area include winter temperatures that average around freezing (32°F) with overnight lows between 15°F and 20°F. Summer temperatures average around 72°F with afternoon highs in July and August of 85°F. At the extremes, winter temperatures as low as 13°F below zero and summer temperatures over 100°F have been recorded.

The rhythm of the seasons in Southeast Michigan is regular, if somewhat syncopated. The winter and summer seasons tend to be long while fall and especially spring tend to be quite short. The area is characterized by prevailing westerly winds. Although the Great Lakes tend to moderate the weather somewhat due to their large capacity as a thermal reservoir, the region is located at the edge of an area that is affected by frequent incursions of cold arctic air.

Because Southeast Michigan lies on the dividing line of a much colder area to the north and a much warmer region to the south, its winters tend to be less cold and its summers less hot than the far extremes of the humid continental climatic zone. This particular characteristic has resulted in the dominance of broadleaf trees as opposed to the needleleaf forests found a little farther north.

Recreation Facilities Inventory

Recreation facilities available to Madison Heights residents range from small tot lots to neighborhood parks to large community-wide playfields to major regional recreation developments. The City currently operates a system of 15 City parks including the new Red Oaks Youth Soccer Complex. 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.

Bond (Debt Instrument): A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

Brownfield Redevelopment Authority: Established by Public Act 145 of 2000 to encourage redevelopment of idle or under-utilized commercial and industrial properties, which may not otherwise be redeveloped due to real or perceived contamination of the property. The Authority works to assist developers with the options of reimbursing for cleanup costs and/or providing a single business tax credit (authorized through the State of Michigan).

Budget Calendar: The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

Budget Message (City Manager's): A general discussion of the budget document presented in writing as an overview of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget (Operating): A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

Capital Improvements: Annual appropriations in the City's budget for capital purchases and construction projects costing more than \$30,000. This plan details funding sources and expenditure amounts for these large projects or purchases that will be required beyond the one year period of the annual budget.

Capital Outlays: Expenditures for the acquisition of capital assets over \$2,000. Includes the cost of land, buildings, permanent improvements, machinery, computers, large tools, rolling and stationary equipment.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

Certificates of Deposit: A negotiable or non-negotiable receipt for monies deposited in banks or financial institutions for a specified period and rate of interest.

Consumer Price Index - Workers (CPI-W): An indicator of the consumer prices issued by the United States Department of Labor, Bureau of Labor Statistics, which is a widely used indicator

of inflation (or deflation) and indicates the changing purchasing power of money. It is obtained by calculating the cost of a fixed “basket” of commodities purchased by a typical consumer. The basket contains products from various categories including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes.

Contractual Services: Items of expenditure for services that the City receives from an internal service fund or an outside company. Utilities, rent and custodial services are examples of contractual services.

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes: Taxes that remained unpaid on and after the date on which a penalty for non-payment is attached.

Department: A major organizational unit of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Department of Public Service (DPS): The Department of Public Service provides numerous round-the-clock services to residents and business owners. The Department's operational divisions include: Water and Sewer; Streets; Parks; Recreation; Building Maintenance; Motor Pool; Nature Center and Senior Center.

Depreciation: (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

Downtown Development Authority (DDA): Created by the State of Michigan, under Public Act 197 of 1975, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

Encumbrances: Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer, parking facilities, transit systems, airports, solid waste management (when financed through user fees) and golf courses.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by Council.

Fiscal Year: The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Full Faith and Credit: A pledge of the City's taxing power of a government to repay debt obligations (typically used in reference to General Obligation Bonds or tax-supported debt).

Full Time Equivalent Position (FTE): A measure of full-time position equivalents. A part-time position converted to a decimal equivalent of a full-time position based on 1,950 hours per year for clerical, library and recreation staff and 2,080 hours per year for Department of Public Service staff.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, recorded cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, user fees, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as police and fire protection, finance, parks and recreation, libraries, public works and general administration.

General Obligation Bonds: When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to the bonds that are to be repaid from taxes and other general revenues.

Geographic Information System (GIS): A system of software and hardware used to capture, store, manage, analyze and map geographic information.

Government Finance Officers Association (GFOA): The GFOA is the professional association of state and local finance officers in the United States and Canada and has served the public finance profession since 1906. GFOA members are dedicated to the sound management of government financial resources.

Goal: A statement of broad direction, purpose or intent based on the needs of the community. The City Council adopts an annual Goal Plan for the City focusing on the City's top priorities.

Headlee Amendment: The Headlee Amendment, approved by the voters of the State of Michigan as a Constitutional Amendment, places an upper limit on the total amount of property taxes a city can collect in the fiscal year. In effect, the City cannot collect operating millage on the Taxable Value (TV)

increase derived from existing property, which is in excess of the Headlee inflation factor (4.4% for FY 2009-10) plus TV on new construction. This limit is accomplished by rolling back those operating millages, which are at their authorized maximum, by the same percentage as the TV is over the Headlee allowable maximum. The Headlee Amendment limitation may be waived only by a vote of the electorate.

Infrastructure: Capital assets that are stationary and normally have a useful life greater than most other capital assets. Examples include roads, sewer lines and water systems.

Interfund Transfers: Amounts transferred from one fund to another.

Intergovernmental Grant: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

Intergovernmental Revenue: Revenue received from another government.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government on a cost reimbursement basis. The City has one internal service fund for Motor Pool vehicle and equipment repair and maintenance.

Investment: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payment.

George W. Kuhn Drain District: Established under State statute to facilitate a construction project, started in March 1999, to improve the Retention Treatment Facility (RTF) that was constructed by the Twelve Towns Drain District. These improvements to the RTF were to reduce the volume and frequency of overflows and to provide adequate treatment of the overflows when they do occur.

Liabilities: Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

Maturities: The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

Michigan Public Act 345: Michigan Public Act 345 was created for the City's Police and Fire Departments to establish and maintain the retirement pension and medical benefits for sworn personnel that could be supported through a dedicated property tax millage.

Michigan Uniform Accounting and Budgeting Act: Provides for the formulation and establishment of uniform charts of accounts and reports for local units of government; to define local units of

government; to provide for the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the State Treasurer and the Attorney General; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government.

Millage Rate: One mill equals \$1.00 of taxes for each \$1,000 of taxable value. The millage rate is the total number of mills assessed against the taxable value.

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

- a) Those revenues susceptible to accrual are property taxes, intergovernmental revenues, special assessments, licenses, interest revenues and charges for services. Fines and forfeits, permits and certain miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.
- b) Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- c) Interest income on special assessments receivable is not accrued until its due date.
- d) Principal on general long-term debt is recorded as a fund liability when due. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e) Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- f) Normally, expenditures are not divided between years by the recording of prepaid expenditures.
- g) The non-current portion of vested employee benefits is reflected in the General Long Term Debt Account Group.

Motor Pool: A Department of Public Service division that is responsible for the maintenance of all City vehicles and rolling or motorized equipment.

Motor Vehicle Highway Fund Act: The Motor Vehicle Highway Fund Act provides for the classification of all public roads, streets, and highways in this state, to provide for the deposits of specific State taxes on motor vehicles and motor vehicle fuels, and to provide for the allocation of funds for the use and administration of the funds for transportation purposes.

Municipal Employees Retirement System (MERS): The Municipal Employees Retirement System of Michigan is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits to the State's local government employees.

Objective: Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

Object of Expenditure: Expenditure classifications based upon the type or categories of goods and services purchased. Typical objects of expenditure include:

- personal services (salaries, wages and fringe benefits, etc.)
- commodities (motor fuel, office and custodial supplies, etc.)
- contractual services (utilities, maintenance contracts, etc.)
- capital outlays (equipment, computer, vehicles, etc.)

Operating Funds: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital improvement projects.

Outside Agencies: Outside non-profit agencies, receiving City funding support, including the Boys & Girls Club of South Oakland County, Gateway Counseling Center (mental health), Oakland County Youth Assistance, HAVEN (shelter and programs for spousal and other abuse relationships), Friends of Madison Heights Youth and Madison Heights Community Family Coalition.

Personal Services: Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees, as well as the fringe benefit costs associated with City employment.

Proposal R: Approved in 1996 and 2006, this Proposal generates two mills (reduced by the State's property tax limitations) of revenue for a ten year duration used to fund infrastructure construction such as roads, storm sewer separation, landscaping and sidewalks.

Proposal V: Approved in 1996 and 2006, this Proposal generates one-half to one-quarter mill (reduced by the State's property tax limitations) for a ten year duration to fund for police, fire, street maintenance and other vehicle purchases.

Rating: The credit worthiness of a city as evaluated by independent agencies.

Reconciliation: A detailed summary of increases and decreases in departmental expenditures from one budget year to another.

Reserve: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resources: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balance.

Retained Earnings: Within an Enterprise Fund, the accumulation of assets over liabilities. The City's only Enterprise Fund is the Water and Sewer Fund.

Special Assessment District (SAD): Special Assessment District refers to one or more parcels of property that receive a capital improvement (paving, sewers, sidewalks) and then are assessed a debt (principal and interest) to be repaid over a specific number of years.

State Equalized Value (SEV): The assessed value of real and personal property multiplied by a factor as determined by the Michigan State Tax Commission to ensure an assessment level of 50 percent of market value.

Taxable Value: The value upon which the property tax is levied. It is determined by multiplying the prior years taxable value by the current year's cost-of-living index. When the property changes ownership, the SEV becomes the taxable value for that year. The taxable value can never exceed the SEV or assessed value

Tax Rate: The amount of tax levied for each \$1,000 of assessed valuation.

Tax Rate Limits: The maximum legal property tax rate at which a municipality may levy a tax. The limits may apply to taxes raised for a particular purpose or for general purposes.

Trust and Agency Funds: Known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. These funds are not specifically budgeted. The trust funds used by the City are Police and Fire Retirement, and Police and Fire Other Post-employment Benefits. Agency funds are custodial in nature and do not measure the results of operations. The City has two Agency Funds, the Tax Collection Fund and the Escrow Fund.

Truth In Taxation: The Truth in Taxation Act provides a mechanism to ensure public notice and awareness of the increase in property taxes that occurs as a result of an increase in the Taxable Value base on existing property. This act mandates a "tax freeze" with regard to existing property and prohibits revenue growth by requiring a tax rate reduction (rollback) on operating millages unless a specific public hearing is conducted. At the public hearing, the Council discusses and adopts by resolution the millage or tax rates necessary to fund the city services and programs identified in the budget document. Because Madison Heights complies with the MICHIGAN UNIFORM BUDGET ACT (PA 621), the required public hearing for Truth in Taxation is combined with the public hearing for budget adoption as permitted by statute.

Unit Costs: The cost required to produce a specific product or unit of service.

User Charges (also known as User Fees): The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Yield: The rate earned on an investment based on the price paid for the investment.

ACRONYMS

Acronym	Description
ACH	Automated Clearing House
ADA	American with Disabilities Act
AEMT	Advanced Emergency Medical Technician
ALS	Advanced Life Support
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CIP	Capital Improvement Plan
CPI-W	Consumer Price Index – Workers
CTO	Compensatory Time Off
DDA	Downtown Development Authority
DPS	Department of Public Service
EFTPS	Electronic Federal Tax Payment System
ESL	English as a Second Language
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain
HCMA	Huron-Clinton Metropolitan Authority
HMO	Health Maintenance Organization
HUD	Housing and Urban Development
IBNR	Incurred but not Reported
ISP	Investment Service Program
LHOH	Little House on Hales
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MEDA	Michigan Economic Development Association
MEDC	Michigan Economic Developers Corporation
MERS	Municipal Employees Retirement System
MNRTF	Michigan Natural Resource Trust Fund
PPO	Preferred Provider Organization
ROW	Right-of-Way
SAD	Special Assessment District
SEV	State Equalized Value
STV	State Taxable Value
TV	Taxable Value



**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
ITEMS \$2,000 AND OVER
FISCAL YEAR 2009-10**

<u>General Fund</u>	<u>Description</u>	<u>Account</u> <u>Vehicle</u>	<u>Amount</u>
<u>District Court</u>			
101-136	<u>Books</u>	<u>9780000</u>	
	Books		\$ 15,000
		Total Department	<u>\$ 15,000</u>
<u>Information Technology</u>			
101-258	<u>Computer Equipment</u>	<u>9810000</u>	
	Printer Server		\$ 2,000
		Total Department	<u>\$ 2,000</u>
<u>Municipal Building</u>			
101-265	<u>Improvements</u>	<u>9870-000</u>	
	Replacement of Police Building Light Fixtures to conserve energy (ROI \$5,498 per year)		\$ 15,862
	Installation of Police Building Motion Sensors (ROI \$5,245 per year)		7,686
		Total Department	<u>\$ 23,548</u>
<u>Police</u>			
101-301	<u>Vehicles (Proposal "V" Funded)</u>	<u>9850000</u>	
	Patrol Vehicles (3)	#105, #110, #116	\$ 80,500
		Total Department	<u>\$ 80,500</u>
<u>Fire</u>			
101-336	<u>Vehicles (Proposal "V" Funded)</u>	<u>9850000</u>	
	Ambulance Rescue Phase II Funding #710	#325	\$ 25,000
		Total Department	<u>\$ 25,000</u>
<u>Parks</u>			
101-757	<u>Vehicles (Proposal "V" Funded)</u>	<u>9850000</u>	
	Riding Mower	#325	\$ 11,000
		Total Division	<u>\$ 11,000</u>
<u>Seniors</u>			
101-758	<u>Vehicles (Proposal "V" Funded)</u>		
	Full Sized Van	#469	\$ 26,500
		Total Division	<u>\$ 26,500</u>
<u>Library</u>			
101-790	<u>Books</u>	<u>9780000</u>	
	Books		23,630
		Total Department	<u>\$ 23,630</u>
		Total Fund	<u><u>\$ 207,178</u></u>

**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
ITEMS \$2,000 AND OVER
FISCAL YEAR 2009-10**

	<u>Description</u>	<u>Vehicle</u>	<u>Account</u>	<u>Amount</u>
<u>Major Street Fund</u>				
<u>Construction</u>				
202-451	<u>Rehabilitation Programs</u>		<u>9880425</u>	
	Section Concrete Replacement and Joint & Crack Sealing on Major Streets			\$ 37,500
		Total Activity		<u>\$ 37,500</u>
		Total Fund		<u><u>\$ 37,500</u></u>
<u>Local Street Fund</u>				
<u>Construction</u>				
203-451	<u>Proposal "R-1" Concrete Repair</u>		<u>9890528</u>	
	Section Concrete Replacement and Joint & Crack Sealing on Local Streets			\$ 850,000
				\$ 850,000
	<u>Proposal "R-2" Construction</u>			
	Palmer - 13 Mile to LaSalle	(Total Project cost \$450,000)		\$ 367,000
	Tawas - 12 Mile Road to Mapleknoll and Tawas Court	(Total Project cost \$552,000)		454,000
	E. Barrett - Tawas to Couzens	(Total Project cost \$539,000)		440,000
	Lorenz - 11 Mile to Greig	(Total Project cost \$385,000)		308,000
	Hales - 11 Mile to Northeastern	(Total Project cost \$316,000)		258,000
	Northeastern - 11 Mile to South End	(Total Project cost \$646,000)		523,000
	Katherine - Lorenz to Edward	(Total Project cost \$160,000)		160,000
				\$ 2,510,000
	<u>Proposal "R-2" Sidewalks</u>		<u>9870000</u>	20,000
		Total Fund		<u><u>\$ 3,380,000</u></u>
<u>Downtown Development Authority</u>				
248-863	<u>Improvements</u>		<u>9870000</u>	
	Sign ID Program			\$ 10,000
	11 Mile /John R Improvements			100,000
	Alley Improvements			94,000
	Property Acquisition			<u>50,000</u>
				\$ 254,000
		Total Fund		<u><u>\$ 254,000</u></u>

**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
ITEMS \$2,000 AND OVER
FISCAL YEAR 2009-10**

	<u>Description</u>	<u>Account</u> <u>Vehicle</u>	<u>Amount</u>
<u>Drug Forfeiture Fund - State</u>			
264-301	<u>Machinery and Equipment</u>	<u>9820039</u>	
	Dispatch Public Safety System Technology Upgrade	(Total Project Cost \$130,000)	\$ 52,000
		Total Fund	<u>\$ 52,000</u>
<u>Special Assessment Revolving Fund</u>			
297-401	<u>Sidewalk Program</u>	<u>9897278</u>	
	Sidewalk Replacement Year 7		\$ 410,000
		Total Fund	<u>\$ 410,000</u>
<u>Water & Sewer Fund</u>			
590-901	<u>Watermain Replacement</u>	<u>9731000</u>	
	Brockton - Battelle to Tawas	(Total Project cost \$412,000)	\$ 86,000
	Alden - 11 Mile to South End	(Total Project cost \$604,000)	131,000
	Dorchester - Englewood to 31272 Dorchester	(Total Project cost \$256,000)	80,000
	Spicer - Northeastern to South End	(Total Project cost \$522,000)	109,000
	Englewood - Campbell to Edgeworth	(Total Project cost \$539,000)	122,000
	Nanton - 11 Mile to South End	(Total Project cost \$507,000)	<u>55,000</u> \$ 583,000
	<u>Vehicles (Proposal "V" Funded)</u>	<u>985000</u>	
	Backhoe	#456	\$ 87,500
	Pickup Truck	#460	28,600 <u>116,100</u>
		Total Fund	<u>\$ 699,100</u>

