

City of Madison Heights, Michigan



CITY OF
MADISON HEIGHTS
THIS IS HOME

Adopted

Annual Budget

2018-2019

www.madison-heights.org



City of Madison Heights Adopted Annual Budget Fiscal Year 2018-19

Mayor

Brian C. Hartwell

City Council

Mark A. Bliss

Robert J. Corbett

Robert B. Gettings

Roslyn E. Grafstein

Margene Ann Scott

David M. Soltis

City Manager

Benjamin I. Myers

Deputy City Manager

Melissa R. Marsh



Mayor and Council

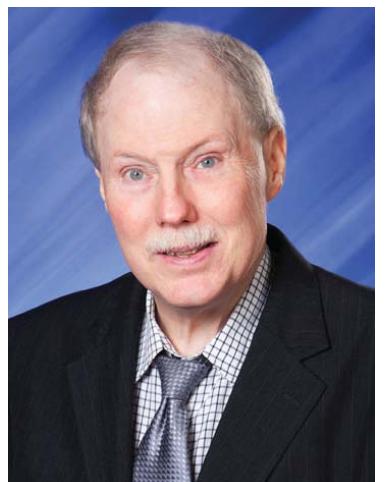
Brian C. Hartwell
Mayor



Mark A. Bliss
Mayor Pro Tem



Robert J. Corbett
Councilman



Robert B. Gettings
Councilman



Roslyn E. Grafstein
Councilor



Margene A. Scott
Councilwoman



David M. Soltis
Councilman



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Madison Heights
Michigan**

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Madison Heights for its fiscal year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

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



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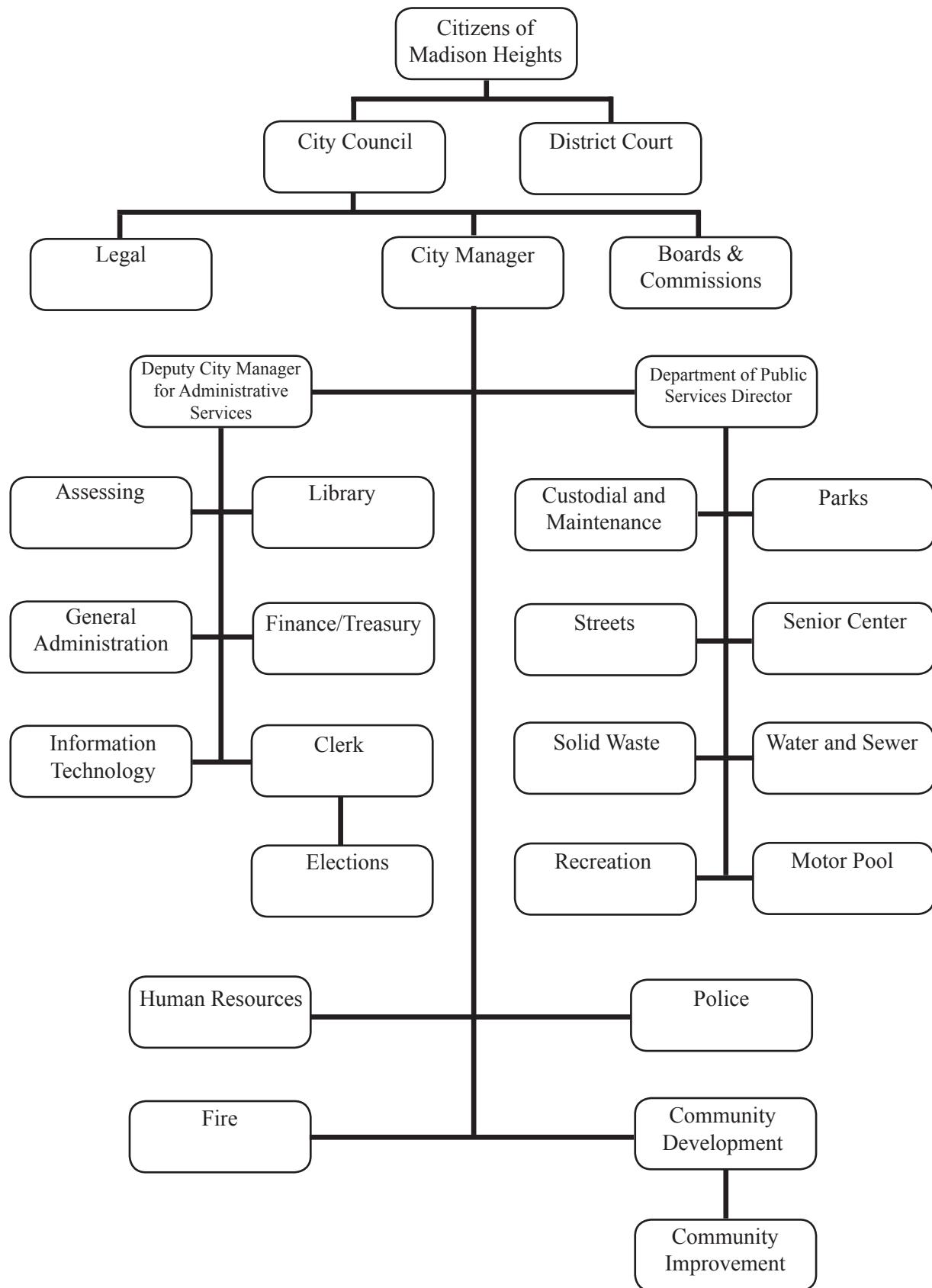
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City of Madison Heights Organizational Chart





City of Madison Heights

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

May 14, 2018

Budget Message Fiscal Year 2018-19 Budget

To the Honorable Mayor and Council:

Pursuant to Section 8.2 of the Madison Heights City Charter and the Michigan Uniform Budget Act, P.A. 621, transmitted herein are the Consolidated Budget for the Fiscal Year (FY) 2019 beginning July 1, 2018 and the updated Five-Year Capital Improvement Plan for FY 2019-2023. The Budget provides the annual financial plan for management of the City's affairs. The documents compile the financial data needed to support the City of Madison Heights's comprehensive decision-making and policy development process. Based on the Five-Year Capital Improvement Plan, the City's Financial Policies, City Council input and the City Manager's departmental review of operations, this balanced Budget reflects a reasonable approach to meeting our most critical needs in the core service areas while continuing to position the City for long-term financial stability.

For the first time in over ten years, the City is experiencing revenue growth due to the maturity of State reimbursements to cover the phasing out of personal property taxes, increased state revenue sharing, and an approved State Inflation Rate Multiplier for taxes at 2.1%. At this same time, however, we are also experiencing increased expenditure pressure from unfunded legacy costs, expectations to restore services to pre-recession levels, and general inflation increases in contracted services and commodities that were held status quo for most of the past decade. The downsizing and contracting of the City's budget since 2008 were necessary to keep our community in a sound financial position during the recession, but are not sustainable over the long-term in terms of providing the resources needed to meet the demand for services.

This adopted budget takes the path to the long-term restoration of services and quality of life in the City by prioritizing core public safety services and infrastructure. I have incorporated City Council's budget guidance in the form of adopted goals to propose a balanced budget that reflects a commitment to providing excellent local government services while focusing on rebuilding our public safety departments. This is reflective in the addition of seven (7) full-time positions: one Police Service Assistant (Dispatcher), two Patrol Officers (one as a detective), two Fire Fighters, one Code Enforcement Officer, and one Water and Sewer Utilities Supervisor.

BUDGET OVERVIEW

The total budget equates to \$54 million and includes funding of operations and capital purposes for 13 appropriated funds. This amount represents a \$324,845 or 0.6% increase from the FY 2018 amended budget. As shown in the table below, the operating budget is projected to increase by \$1.7 million or 4.1%, and the capital budget decreases by \$1.45 million or 13.5%.

Total Operating and Capital Budget

	FY 2018 Amended Budget	FY 2019 Budget
Operating Budget	\$ 42,935,628	\$ 44,712,470
Percent Change		4.1%
Capital Improvement Budget	\$ 10,764,208	\$ 9,312,211
Percent Change		-13.5%
Total Budget	\$ 53,699,836	\$ 54,024,681
Percent Change		0.6%

Financial Challenges

The City continues to face financial challenges that will hinder our ability to restore services, fund legacy cost and expand offerings to meet the demands of residents. The number one long-term challenge continues to be the broken funding model for municipalities across the State. Although the State and regional economy continues to grow steadily, the cumulative effect of the Headlee Amendment and Proposal “A” cap the amount of increase in taxable value a municipality can have to 5% or the State approved Inflation Rate Multiplier. In FY 2019, this multiplier is 2.1% which caps the City’s overall taxable value growth of 3.17%. Until the State makes reforms to the structure of capping municipal revenue growth, the City will continue to struggle to keep up with actual cost inflation while having pressure to restore services.

The second major financial challenge is legacy cost for pensions and retiree health care. As of June 30, 2017, unfunded liabilities for pension and retiree health care stand at \$37.2 million and \$75.4 million, respectively, for a total unfunded liability of \$112.7 million. The budget includes the actuarially required \$3.6 million contribution for pensions in FY 2019 as well as planned \$3.8 million contribution to Other Post-Employment Benefits (OPEB), totaling \$7.4 million. Compared to FY 2018, this is an increase of \$499,316 related to Police and Fire Retiree benefits due specifically to the four new sworn employee positions and the increase in the actuarial calculated City contribution of 54.5% of payroll, which is up from 48.26% in FY 2018. The required Police and Fire pension contribution will necessitate an increase in the millage that supports this contribution from 6.9586 mills to 7.5927 mills. This contribution is in addition to the debt payment for the Pension Obligation Bonds for General Employees’ pension.

The significance of these legacy costs have been a subject of debate at the State Legislature for the past two years. In December of 2017, the Protecting Local Government Retirement and Benefits Act (Public Act 202 of 2017) was signed into law in Michigan. The legislation implemented recommendations from the Responsible Retirement Reform Task Force to address unfunded pension and retiree health care liabilities (OPEB) of local governments in Michigan. This act requires local units to report the fiscal health of each plan offered, identify problems in funding of these plans and develop correction action plans if these plans are deemed to be underfunded. A city is determined to be underfunded for Pension if the plan total assets are less than 60% of the plan total liabilities and the actuarially determined contribution (ADC) is greater than 10% of total governmental fund revenues. A city is determined to be underfunded for OPEB if the plan total assets are less than 40% of the plan total liabilities and the annual contribution is greater than 12% of the total governmental revenues. Currently, the City Police and Fire Pension plan and both OPEB plans (Police and Fire and General Employees’ plans) have been determined to be underfunded.

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

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

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

The budget includes an increase in the Major Street Fund of \$184,553 or 9.6%, and a Local Street Fund increase of \$65,736 or 9.6% based on the Michigan Department of Transportation's (MDOT's) projections of revenues from fuel tax increases and vehicle registration fees included in this State Restricted Revenue Package.

Operating Budget Highlights

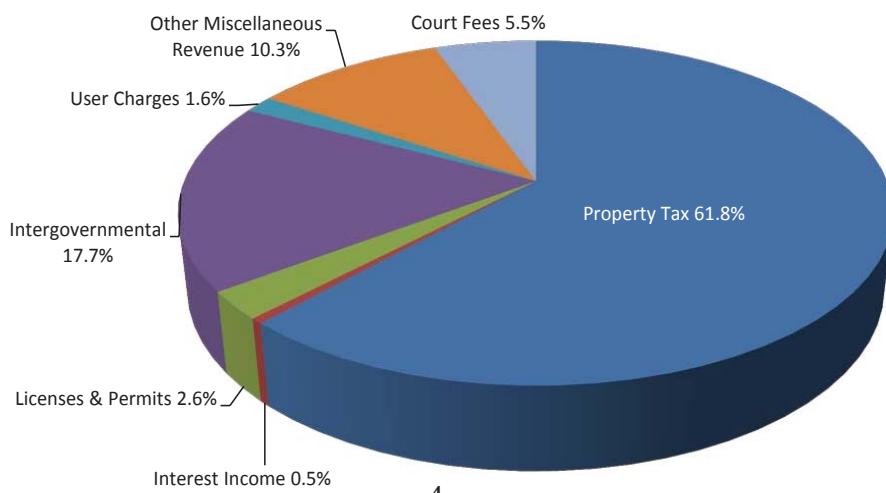
The FY 2019 budget was balanced through the utilization of \$3,109,855 of fund balance across all budgeted funds. Over 70% of this use of fund balance or \$1,997,075 is from the Water and Sewer Fund, 16.7% or \$520,844 is from the General Fund, and the remaining portion is from other funds. The majority of this use is to fund one-time capital outlay purchases and projects.

Revenues

General Fund Revenues are budgeted at \$29.2 million exclusive of the planned use of fund balance. This represents an increase of \$2.1 million, or 7.8% from FY 2018 Amended Budget Revenues. This significant increase in revenue is due to two revenue streams both related to taxes. First, property tax, the City's largest revenue, is increasing \$900,494. Over half of this increase is due to the increase of the Police and Fire millage from 6.9586 to 7.5927. This millage adjustment equates to a 9.1% increase or \$499,000. The remaining change is taxable value increase of approximately 2.1%. As discussed earlier, taxable value actually increased 3.17% overall, but is capped by State legislation at the approved inflation rate multiplier.

The following pie chart represents the City's General Fund income. Revenues are grouped by major category. Property taxes continue to be the largest City revenue source representing 61.8% of the FY 2019 General Fund Revenue Budget. Other major revenue sources include user charges, intergovernmental revenues, court fees, and other miscellaneous revenues.

Where the Money Comes from by Sources of Funds



Second, starting in 2014, legislative changes to personal property resulted in a reduction of property tax of over \$2.5 million. The tax reform law does include reimbursements of this loss in its entirety; however, until FY 2018, the City had not seen 100% replacement from the State. Based on estimates from the state formula and past reimbursements, the City has budgeted \$1.7 million in FY 2019. This is an increase of \$824,000. This is great news for the FY 2019 budget; however, this revenue stream is questionable as we rely 100% on the state for the calculation and the reimbursement of funds.

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

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

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

Starting in FY 2019, the City has implemented a rate analysis tool and method for reviewing and adjusting rates annually. This procedure for reviewing water and sewer rates includes a five year forecast of known capital outlay, and projected operational expenditures and revenues. The basic principle guiding this rate study and any rate adjustments that result is that rates should be set to meet revenue requirements as defined by historical costs adjusted by known cost increases and decreases. New rates, proposed in this study, would come into effect beginning for bills on or after July 1, 2018 and will result in a 3.25% rate increase for water and sewer. No change is being proposed for stormwater rates. The full water and sewer rate report can be viewed in the Appendices of this document.

Expenditures

When compared to the FY 2018 Amended Budget, all funds expenditures are up by \$322,375. This increase is due to the increased personnel being added during FY 2019. Staffing changes are detailed in the Personnel Chapter; however, seven full-time employees are being added along with two additional part-time staff. Operational expenditures across all other line-items are being held at status quo with some planned fluctuation in capital outlay due to needed improvements and equipment replacement. Exclusive of the personnel additions, the Adopted FY 2019 Goal Plan adds \$330,240 to the FY 2019 Budget, of which \$329,440 or 99.8% is in the General Fund.

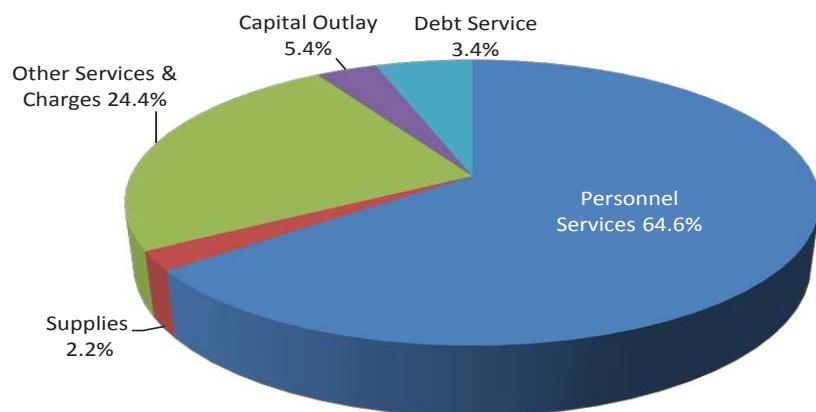
The following table presents a summary breakdown of the operating budget for all funds:

Fund Name	Actual 2016-17	Amended Budget 2017-18	Adopted Budget* 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
General Fund	\$ 28,878,829	\$ 27,624,140	\$ 29,731,103	\$ 2,106,963	7.6
Major Street	1,408,137	2,147,838	2,301,585	153,747	7.2
Local Street	2,586,924	2,725,088	3,045,584	320,496	11.8
Parks Maintenance and Improvement	29,039	36,518	39,906	3,388	9.3
Downtown Development Authority	26,705	52,039	48,054	(3,985)	(7.7)
Police Drug Forfeiture	60,744	49,575	94,820	45,245	91.3
Community Improvement	93,741	103,110	106,279	3,169	3.1
Special Assessment Revolving	194,290	286,922	255,448	(31,474)	(11.0)
Fire Station Bond Fund	420,139	428,059	430,637	2,578	0.6
Water & Sewer Fund	11,523,278	16,354,313	13,972,251	(2,382,062)	(14.6)
Motor & Equipment Pool	978,394	955,633	987,881	32,248	3.4
Department of Public Services	1,912,885	2,049,341	2,124,553	75,212	3.7
Chapter 20 Drain Debt	-	887,260	886,580	(680)	(0.1)
Total Appropriations	\$ 48,113,105	\$ 53,699,836	\$ 54,024,681	\$ 324,845	0.6

* Net Budget is \$50.6 million excluding duplicate interfund transfers and charges.

Total expenditures in the General Fund are projected to be up 7.6% or \$2.1 million as compared to the FY 2018 Amended Budget, as previously described. The following pie chart depicts appropriations by expenditure type. Personnel Costs (wages and benefits) and Other Services and Charges represent the largest portions of the General Fund.

Where the Money Goes by Line Item Category

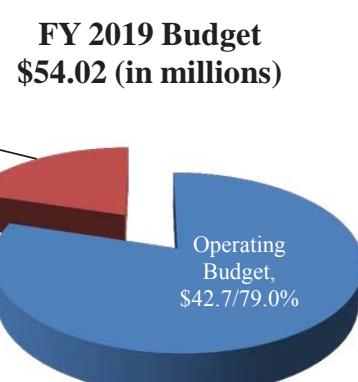
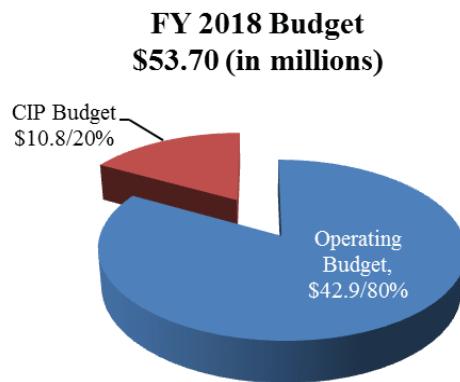


From the 1990s until FY 2010, City Council and Staff conducted an annual strategic planning/goal setting process; however, beginning in FY 2011 until FY 2016, goal setting was replaced with a financial budget gap reduction process where the City focused on reducing expenditures and enhancing revenues in order to keep us fiscally stable during the crisis caused by the Great Recession. Beginning in FY 2017 and continuing in FY 2019, Council and Staff have re-established the goal setting process to determine priorities and special initiatives for the coming budget year. Selected goals are developed into work plans that are reflected in the City's departmental budgets, department summaries and the capital improvement plan. The City's Adopted Goal Plan for FY 2018-19 may be found in this Budget Overview chapter and the various departmental goals are referenced through this document.

Capital Budget Highlights

Capital Outlay purchases for FY 2019 total \$11.3 million for all funds including \$1.6 million in the General Fund. Of the General Fund purchases, 27.1% or \$440,172 are funded through dedicated millages (Proposals "V-3", "L", Solid Waste, and Senior Millage). The General Fund purchases that are not funded through dedicated millage include carpet in the 43rd District Court building, a fire suppression system for the city hall server room, an on-site generator for city hall, gazebo refurbishing, a vehicle for the new Code Enforcement position, fleet management software, a pavement patch hotbox, replacement of the playscape at Edison Park and a new backstop and fence at Huffman Park. Approximately 64% of the capital outlay expenditures budgeted in the General Fund are related to public safety. These expenditures include two copy machines, two patrol vehicles, a motorcycle, phase three of four for an underground storage tank, replacement of the padded flooring surface and refurbishment of the gun range for the Police Department. The Fire Department is budgeted to receive a generator for Fire Station #2, a new ambulance rescue, resurfacing of apparatus room floor at Fire Station #1 and new overhead doors.

Other Funds include a capital outlay of \$9.7 million. The majority of this amount, \$6.5 million, is budgeted for road rehabilitation and reconstruction projects including R-3 dedicated millage projects, major roads sectional work, and the sidewalk repair and gap program. In the Water and Sewer Fund, \$744,000 is budgeted for water main replacement, \$1.2 million is budgeted for Phase 4 of 4 of a city-wide meter replacement program and \$663,000 is budgeted for the grant-funded sanitary sewer inspection/rehabilitation program (\$497,000 in grant funds). The remaining planned purchases include the final phase of the underground storage tanks located behind the Department of Public Services, repairs and replacement to the Department of Public Services parking lot, a 4-yard loader, a tandem axle dump truck with V-box, and an updated Neptune Collector for the Automatic Meter Reading System. Drug Forfeiture Fund capital outlay includes a two patrol vehicles and a \$25,000 transfer to the General Fund to offset the gun range refurbishment.



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

FINANCIAL ASSESSMENT

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

Long-Range Financial Plan

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

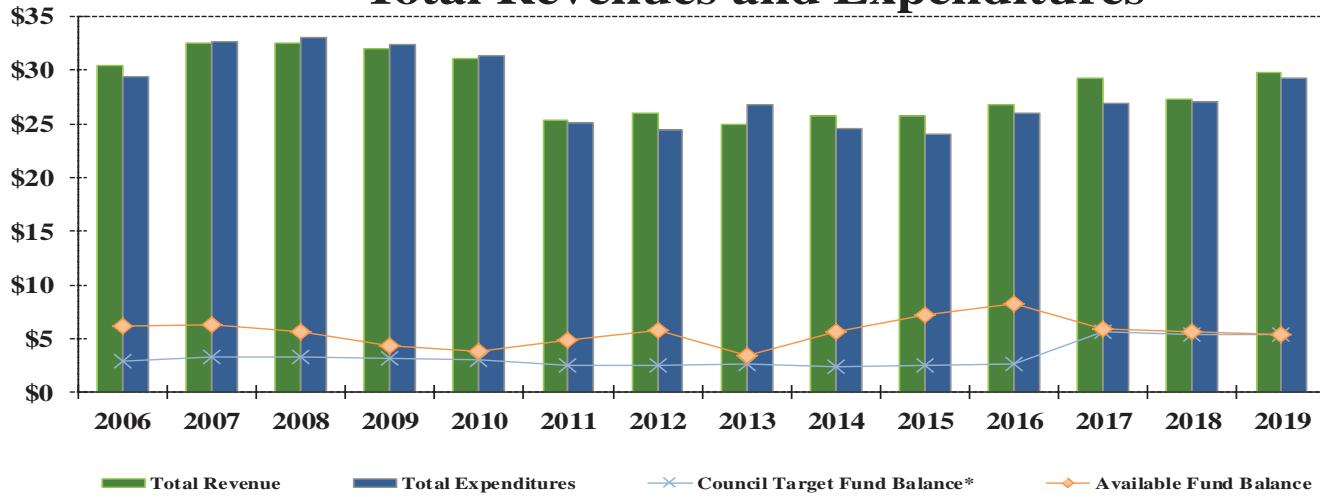
The Fall 2017 Forecast, which is included in the Appendices Chapter, projected a \$521,000 budget gap for FY 2018-19 as compared to the actual, \$518,374. This forecast was based on the assumption that all Capital Outlay included in the Capital Improvement Plan would be budgeted, staffing would be status quo, and General Fund revenues would stabilize and hold steady without much growth over the next three years while expenditures were projected to grow at an annual rate of 2.0%. This assumption excluded a possible wage increase that may result from negotiations. This budget gap was eliminated through slightly higher than anticipated revenues, a planned use of fund balance, and prioritization of capital purchases and improvements. As stated earlier, the FY 2019 budget includes an increase of personnel of 8.02 full-time equivalencies.

Fund Balances

Due to strong financial management, our City survived the worst economic decline in our history and emerged with strong financial reserves across major funds allowing us the ability to use these reserves when needed to cover emergencies and one-time expenditures to balance the budget. As of June 30, 2017, the General Fund unreserved fund balance was \$6.7 million. Based on the budgeted use of fund balance, the City projects this fund balance will be \$5.4 million at the end of FY 2019, or just at 16% plus one year of debt payments. This is in compliance with the financial policies approved by City Council, directing staff to keep fund balance equal to or above 16% of regular operating expenditures plus one year of debt payments. Staff was mindful of the policy as we worked to establish City-wide Goals for FY 2019 and propose the FY 2019 Budget for Council's consideration.

The following graph details the General Fund expenditures, revenues, levels of fund balance and the level of fund balance required to meet this Council policy.

General Fund - Fund Balance Compared to Total Revenues and Expenditures



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

At June 30, 2018, the City's Major Street and Local Street Funds are estimated to have fund balances of \$167,251 and \$63,329, respectively. The City's Water and Sewer Fund is projected to have \$4.6 million in unrestricted net position.

Bond Ratings

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

Major Policy Considerations

In order to provide a strategic framework to assist City Council with its appropriation decisions, staff has developed the following set of internal priorities to guide the departmental budget preparation process for FY 2019.

1. Maintain fiscal responsibility that will provide Madison Heights with a stable future.
2. Advance technology in our daily operations in order to improve communication between City government, residents and businesses.
3. Invest in people to attract and retain talented employees and assure the organization has a quality workforce to do the public's business, especially as the City's workforce is being asked to do more with fewer resources.
4. Reinvest in the city's infrastructure and equipment in a sustainable manner to protect our existing investment, avoid higher cost in the future, and provide greater budgetary flexibility in subsequent years.
5. Engage residents to foster a positive image of Madison Heights.

Conclusion

The City prides itself on sound financial management, appropriate allocation of our limited resources, and a focus on and commitment to long-range planning. As conditions change, the City will continue to adapt in order to provide a strong foundation for the future.

I'd like to acknowledge the outstanding efforts of the Deputy City Manager for Administrative Services Melissa Marsh and Executive Assistant Mary Daley, as well as the Finance and City Manager's Office staff for their hard work and efforts during this year's Budget process. The City's Department Heads and staff are also to be commended for their team effort in support of this process and their continued commitment to service excellence.

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

Respectfully submitted,



Benjamin I. Myers
City Manager

CITY OF MADISON HEIGHTS

ADOPTED 2018-19 GOAL PLAN

March 12, 2018 & May 14, 2018

(Goals in italics were not included in Council's formal adoption of the Goal Plan, but were added later by Council action.)

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. Enhance the City's Code Enforcement Program through the addition of a full-time code enforcement officer position, the implementation of evening and weekend code enforcement hours, and the institution of a new policy to penalize frequent offenders and increase the checks on those properties.
- B. Enhance the City's Employee Assistance Program through the creation of a new interactive online Mental Health Portal that will help supervisors and employees recognize the signs of mental illness and provide ways to cope with emotional or mental challenges.
- C. Reinstate Pest Control Services at the Department of Public Services, City Hall, and District Court to prevent infestations and unhealthy conditions, and protect City property.
- D. Offer A Building Department "How To" Seminar to teach those residents who wish to remodel their own basements, but who do not have the knowledge and skills necessary to successfully complete their projects without encountering budget, design and code issues.
- E. Establish a "Pick the Heights Clean" Voluntary Litter Pick-Up Program to encourage employees, residents, businesses, school and civic groups to help keep the City clean by routinely picking up and disposing of trash in designated areas. Unlike "Adopt A Road" programs, this would not be an actively managed program with designated days and City oversight.

Public Safety Related Goals

- F. Enhance the City's efforts to combat gangs, drugs, prostitution and human trafficking through the addition of one full-time Police Officer position that will enable an additional assignment to the Detective Bureau to work on those issues.
- G. Address overtime costs and enhance Police Department staffing and response through the addition of one full-time Police Officer position.
- H. Enhance Fire Department staffing and response through the addition of two 24-hour Fire Fighter positions.
- I. Refurbish the Police Department Gun Range to ensure the safety of visitors and officers using the range, and to reduce backfill overtime costs necessitated by officers having to use an off-site facility.

CITY OF MADISON HEIGHTS
ADOPTED 2018-19 GOAL PLAN
March 12, 2018 & May 14, 2018

(Goals in italics were not included in Council's formal adoption of the Goal Plan, but were added later by Council action.)

Public Safety Related Goals (continued)

- J. Maintain the City's Public Safety Answering Point license and annual training funds, ensure adequate dispatcher shift staffing, and reduce overtime through the addition of one Police Service Assistant (Dispatcher) position.
- K. Protect the City's phone system, host servers, and storage area network and equipment by installing an automatic Fire Suppression System in the City Hall Server Room.
- L. Provide community outreach by holding an additional Fire Department Open House at Fire Station #2.
- M. Solicit volunteers for the Police Reserve and Explorer Programs through active promotion on online and other media and through a reserve officer stipend increase to help with recruitment.
- N. *Convert Three Fire Fighter Positions to Fire Sergeant to improve daily supervision, eliminate "acting" sergeant assignments to inexperienced personnel, and allow the Chief to better delegate key departmental responsibilities.*

Quality of Life Related Goals

- O. Update the City's Recreation Master Plan in order to maintain State grant eligibility and include an Americans with Disabilities Act Assessment and Plan for the City's park system in order to improve barrier free facility rankings.
- P. Renew the Voucher Program to enable qualified Madison Heights residents to obtain free and/or discounted tickets to visit the Red Oaks Water Park.
- Q. Add Wheelchair Swing Platforms to City parks in order to improve access to persons of all disabilities.
- R. Expand the deployment of Portable Family-style Restrooms to the other City parks that have play structures, including Edison, Twelve-Sherry, and Wildwood Parks.
- S. Increase and improve the City's offering of online services, including board applications, garbage day parking permits, pavilion/building rentals, web portals, e-commerce, licensing, and other areas.
- T. As part of an overall economic development strategy, reactivate the Economic Development Corporation in order to encourage redevelopment City-wide and explore funding opportunities.

CITY OF MADISON HEIGHTS
ADOPTED 2018-19 GOAL PLAN
March 12, 2018 & May 14, 2018

(Goals in italics were not included in Council's formal adoption of the Goal Plan, but were added later by Council action.)

Quality of Life Related Goals (continued)

- U. Implement a Tax Foreclosure Purchase / Sale / Redevelopment Program which would result in the immediate clean-up of property exteriors as well as ongoing maintenance; guaranteed code-compliant renovations to foreclosed properties in a prompt fashion; sale of residential properties to owner occupants; an immediate tax base benefit from renovated structures as well as use of these properties for future appraisal comparables; and a reduction of potential future single-family rental and vacant properties.
- V. Establish a “PAWS to Read” Library and Shelter Animal Reading Program that allows youngsters to become more fluent readers, overcome shyness, improve concentration and focus, improve attitudes about school, and develop positive social interactions by reading out loud to an animal, offering the added benefit of drawing attention to the animal shelter and the need to find homes for its animals.
- W. Establish a Library Teen Volunteer Program to offer young adults a connection to their library and meaningful pre-college and pre-employment experience in helping patrons with computer-related issues and assisting staff with activities such as the summer reading program and book sale.
- X. Establish a process for Senior Center staff to assist volunteer groups that have expressed interest in providing snow shoveling and leaf raking services for senior and disabled residents of Madison Heights, through communication/outreach and the establishment of a database of recipient addresses that could be shared with volunteer groups on an as-needed basis and based on availability of voluntary labor.
- Y. *Establish a “No Knock” Commercial Solicitation Registry to restrict certain vendors, peddlers, and solicitors from door-to-door sales at the homes of those residents who do not wish to be solicited.*
- Z. *Change the Name of the Madison Heights Senior Center to the “Madison Heights Active Adult Center” to more accurately reflect the services provided and the Center’s participants aged 50 years and up.*
- AA. *Undertake an inventory, review and audit of public land to determine the best possible uses and reuses.*
- BB. *Devise a formal strategy for park property acquisition that actively monitors the market and establishes a process for identifying target parcels and bringing those parcels forward for consideration.*
- CC. *Increase marketing and promotion of the block party permitting process in order to facilitate introduction of neighbors to each other.*

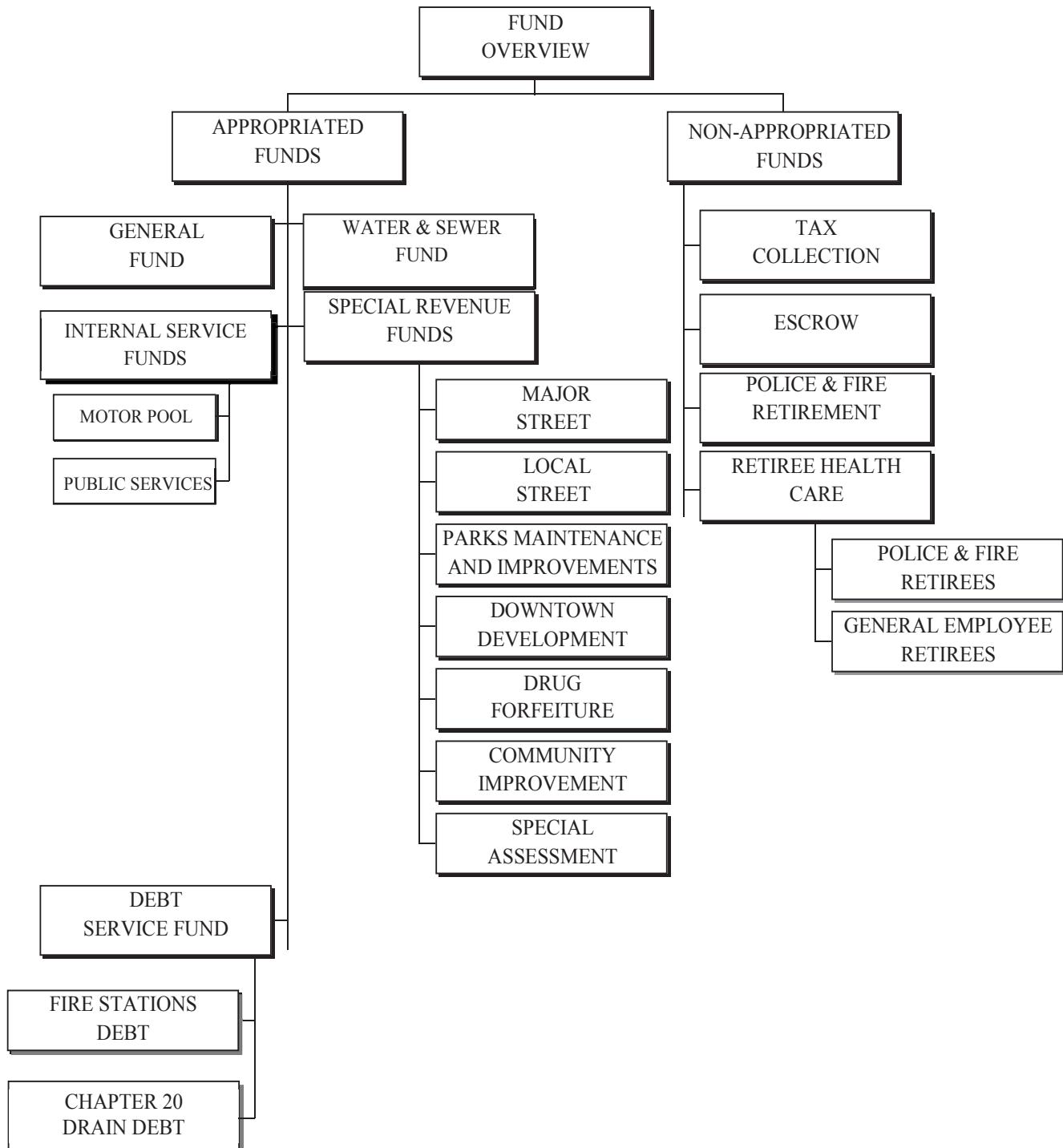
CITY OF MADISON HEIGHTS
ADOPTED 2018-19 GOAL PLAN
March 12, 2018 & May 14, 2018

(Goals in italics were not included in Council's formal adoption of the Goal Plan, but were added later by Council action.)

Resource Management Related Goals

- DD. Provide Information Security Awareness Training to City employees in order to minimize user mistakes that allow malware, viruses, social engineering, phishing, and other threats to data and personal identity.
- EE. Implement the Graphic Sciences Human Resources Scanning System with personnel and medical files to provide more efficient data access and retrieval, and improved network backup and recovery capabilities.
- FF. Streamline the Capital Improvement Plan (CIP) Process by eliminating the initial November CIP document, which has to be revised when better funding estimates are available, and continuing with CIP section in the Proposed and Adopted Budget Policy Documents.
- GG. *Develop a Citizens Academy to educate residents and build a civic leader talent pool for potential board and commission members.*
- HH. *Review all boards and commissions to ensure their respective mission statements, structure, and functions are relevant and up-to-date.*

BUDGET FUND STRUCTURE



BUDGET FUND STRUCTURE

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

Fund Descriptions

The City maintains accounts for 18 separate funds. The Budget includes the 13 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 Funds and Enterprise (Water and Sewer) Fund.

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

Appropriated Funds

1. General Fund

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

2. Enterprise Fund - Water and Sewer Fund

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

3. Special Revenue Funds

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

Major Street Fund

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

Local Street Fund

The Local Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the portion of the City's street network designated as local streets by MDOT. Financing is provided by the City's share of state gas and weight taxes, the Proposal "R-2" and "R-3"

Neighborhood Roads property tax levy, transfers from other funds (Major Street Fund and General Fund), special assessments and interest on investments.

Parks Maintenance and Improvement Fund

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

Downtown Development Authority Fund

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

Drug Forfeiture Fund

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

Community Improvement Fund

The Community Improvement Program is a federally funded Division of the Community Development Department that administers the City's Housing and Urban Development (HUD) Community Development Block Grant (CDBG). The Community Improvement Division includes one full-time Code Enforcement Officer.

Block Grant funds have been used for the yard services program (lawn mowing and snow removal), code enforcement, minor home repair, barrier free improvements and other similar projects that benefit low and moderate-income residents.

Special Assessment Revolving Fund

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

4. Internal Service Funds

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

Public Services Fund

The Public Services Fund is a new fund to the City as of FY 2017. Prior to FY 2017 Public Service employees were allocated based on a fixed percentage, where the department estimated they would spend

their time. Now all public services employees are charged to this internal service fund and we use actual hours worked and equipment used to charge to the other activities throughout the city on a monthly basis using the City's Work order program. The Public Services Division is responsible for the maintenance of all city property, including City buildings and grounds, parks, roadways and water and sewer lines. This division also handles special events and activities.

Motor Pool Service Fund

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

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

Fire Station Debt Service Fund

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

Chapter 20 Drain Debt Service Fund

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

Non-Appropriated/Fiduciary Funds

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

1. Tax Collection Fund

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

2. Escrow Fund

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

3. Trust Funds

Police and Fire Retirement Funds and OPEB (Police, Fire, and General Employees)

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 for Police and Fire sworn employees are funded through a special millage authorized by Public Act 345 of 1937.

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance**
All Fund Types
Three Year Comparison
Fiscal Year 2018-19

	GENERAL FUND			SPECIAL REVENUE/DEBT SERVICE FUNDS *		
	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Actual 2016-17	Estimate 2017-18	Budget 2018-19
REVENUES						
Property Taxes	\$ 16,218,689	\$ 17,159,281	\$ 18,059,775	\$ 1,971,960	\$ 2,878,913	\$ 2,894,852
Licenses and permits	788,229	739,150	760,850	0	0	0
Intergovernmental	4,804,253	4,055,649	5,209,770	2,629,841	3,124,568	3,397,084
Court fines and fees	1,638,103	1,743,000	1,616,000	0	0	0
Charges for services	178,720	225,050	177,150	0	0	0
Parks and Recreation	267,414	250,097	269,809	0	0	0
Interest and Misc. Revenue	2,117,252	1,946,923	2,097,925	51,622	58,563	144,678
Special assessments	0	0	0	192,596	141,400	80,343
Departmental Charges	908,699	911,030	916,480	0	0	0
Transfers from other funds	107,968	55,000	102,500	0	0	100,000
TOTAL REVENUES	\$ 27,029,327	\$ 27,085,180	\$ 29,210,259	\$ 4,846,019	\$ 6,203,444	\$ 6,616,957
EXPENDITURES						
General Government	\$ 5,166,284	\$ 4,159,602	\$ 4,349,798	\$ 0	\$ 0	\$ 0
Public Safety	16,809,918	16,976,649	18,589,778	60,744	49,575	94,820
Community Service	3,311,941	3,275,892	3,256,267	0	0	0
Culture and Recreation	1,029,113	1,112,860	1,160,342	29,039	36,518	39,906
Community Development	1,010,826	1,062,896	1,343,493	4,030,894	4,492,011	5,395,223
Community Improvement	0	0	0	288,031	390,032	361,727
Water Division	0	0	0	0	0	0
Sewer Division	0	0	0	0	0	0
W/S Support and Capital Outlay	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Debt Service	1,367,734	1,036,241	1,031,425	420,139	1,315,319	1,317,217
TOTAL EXPENDITURES	\$ 28,695,816	\$ 27,624,140	\$ 29,731,103	\$ 4,828,847	\$ 6,283,455	\$ 7,208,893
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,666,489)	\$ (538,960)	\$ (520,844)	\$ 17,172	\$ (80,011)	\$ (591,936)
FUND BALANCES, BEGINNING OF YEAR	\$ 8,722,127	\$ 7,055,638	\$ 6,516,678	\$ 4,349,983	\$ 4,367,155	\$ 4,287,144
FUND BALANCES, END OF YEAR	\$ 7,055,638	\$ 6,516,678	\$ 5,995,834	\$ 4,367,155	\$ 4,287,144	\$ 3,695,208

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

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

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance**
All Fund Types
Three Year Comparison
Fiscal Year 2018-19

	WATER AND SEWER FUND			TOTALS Memorandum Only		
	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Actual 2016-17	Estimate 2017-18	Budget 2018-19
REVENUES						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 18,190,649	\$ 20,038,194	\$ 20,954,627
Licenses and permits	0	0	0	788,229	739,150	760,850
Intergovernmental	259,480	825,600	497,000	7,693,574	8,005,817	9,103,854
Court fines and fees	0	0	0	1,638,103	1,743,000	1,616,000
Charges for services	12,729,830	11,212,510	11,311,476	12,908,550	11,437,560	11,488,626
Parks and Recreation	0	0	0	267,414	250,097	269,809
Interest and Misc. Revenue	863,459	112,000	127,000	3,032,333	2,117,486	2,369,603
Special assessments	0	0	0	192,596	141,400	80,343
Departmental Charges	86,161	46,003	39,700	994,860	957,033	956,180
Transfers from other funds	1,029	0	0	108,997	55,000	202,500
TOTAL REVENUES	\$ 13,939,959	\$ 12,196,113	\$ 11,975,176	\$ 45,815,305	\$ 45,484,737	\$ 47,802,392
EXPENDITURES						
General Government	\$ 0	\$ 0	\$ 0	\$ 5,166,284	\$ 4,159,602	\$ 4,349,798
Public Safety	0	0	0	16,870,662	17,026,224	18,684,598
Community Service	0	0	0	3,311,941	3,275,892	3,256,267
Culture and Recreation	0	0	0	1,058,152	1,149,378	1,200,248
Community Development	0	0	0	5,041,720	5,554,907	6,738,716
Community Improvement	0	0	0	288,031	390,032	361,727
Water Division	1,854,228	3,774,258	3,339,200	1,854,228	3,774,258	3,339,200
Sewer Division	5,465,521	5,658,527	5,344,365	5,465,521	5,658,527	5,344,365
W/S Support & Capital Outlay	2,029,272	6,631,537	4,998,400	2,029,272	6,631,537	4,998,400
Transfers Out	0	0	0	-	-	-
Debt Service	2,174,256	289,991	290,236	3,962,129	2,641,551	2,638,878
TOTAL EXPENDITURES	\$ 11,523,277	\$ 16,354,313	\$ 13,972,201	\$ 45,047,940	\$ 50,261,908	\$ 50,912,197
REVENUES OVER (UNDER) EXPENDITURES	\$ 2,416,682	\$ (4,158,200)	\$ (1,997,025)	\$ 767,365	\$ (4,777,171)	\$ (3,109,805)
FUND BALANCES, ** BEGINNING OF YEAR	\$ 34,059,388	\$ 36,476,070	\$ 32,317,870	\$ 47,131,498	\$ 47,898,863	\$ 43,121,692
FUND BALANCES, END OF YEAR	\$ 36,476,070	\$ 32,317,870	\$ 30,320,845	\$ 47,898,863	\$ 43,121,692	\$ 40,011,887

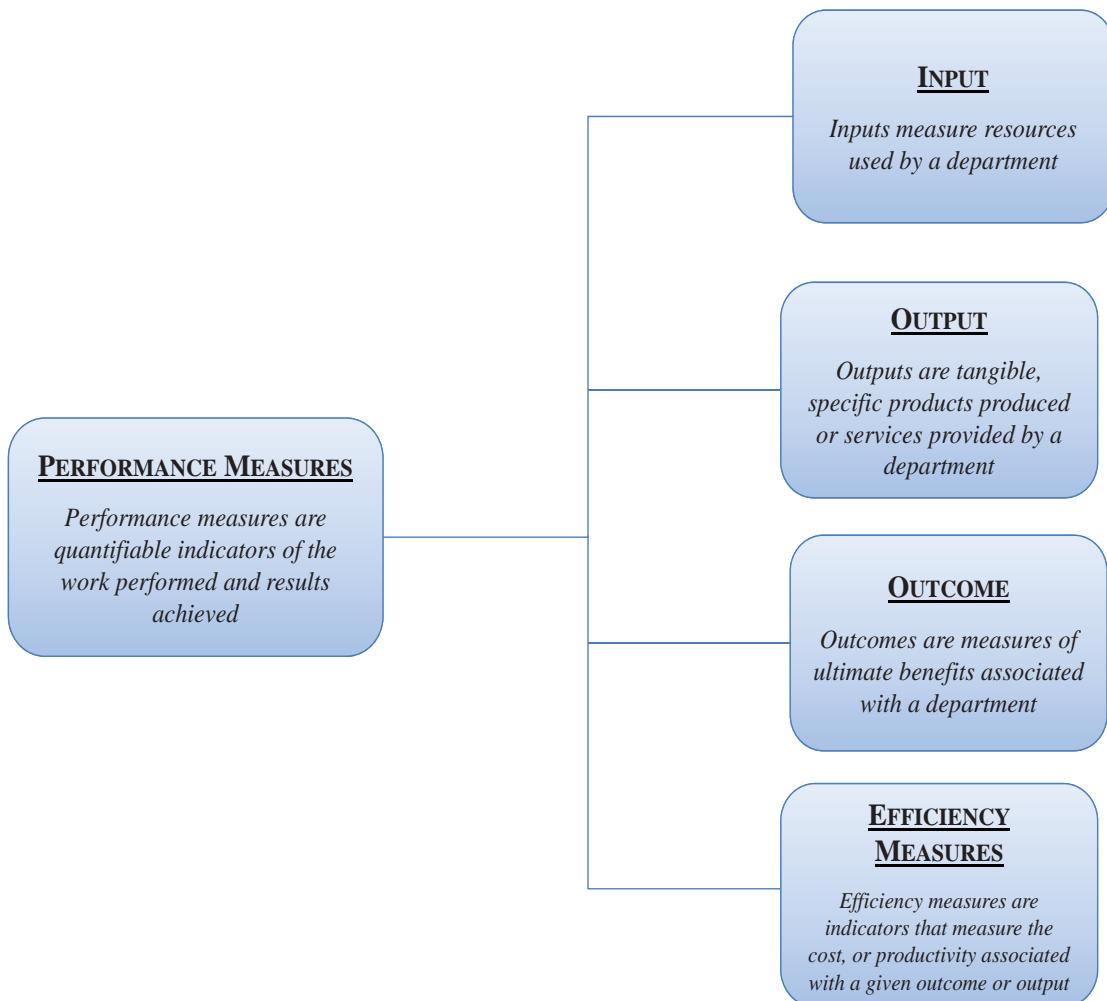
** The Water and Sewer Fund Fund Balance is actually Net Position and is affected by assets and liabilities. This is not reflective of cash available in the fund.

Performance Measurement

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

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

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



Southeast Michigan Municipal Performance Indicator Consortium

FY 2017 Annual Report

Background

The City of Madison Heights has spent more than ten years searching for a local performance benchmarking solution that is inexpensive, straight forward to administer, relevant and useful for comparable communities, staff and residents and able to produce consistent reporting and timely results. Over the years, the City had participated in several different programs including the Michigan Local Government Benchmarking Consortium and International City/County Management Association (ICMA) Insights.

In the spring of 2017, Madison Heights staff contacted several nearby municipalities, who are dealing with the same issues, and started the Southeast Michigan Municipal Performance Indicator Consortium Committee.

This committee was comprised of city representatives from each participating city. These members spent many hours reviewing proposed benchmarks, offering ideas and suggestions in order to make this project more useful. These representatives were also the staff members who were responsible for collecting data from their peers and reporting the information in order to complete this report. My deepest gratitude to these fellow local government leaders for their work making this project a reality.

Name	City
Joelle LaBaere Haines, Assistant to the City Manager	Birmingham
Melissa Marsh, Deputy City Manager	Madison Heights
Crystal McLain, Director of Strategic Planning & Special Projects	Oak Park

We are hopeful that once this report is complete and distributed by the participating cities, other municipalities in the Southeast Michigan and in other parts of the State will join our reporting project.

The cost for participation is free and the data is collected within six months and reported in approximately eight months of the end of the fiscal year end.

As with all benchmarks, this data will become more meaningful as more years of data are collected. In future years, it is anticipated that information will be included by Municipality comparing all the years reported data.

Introduction

This is the first report of the Southeast Michigan Municipal Performance Indicator Consortium (SEMPIC). The performance benchmarking data contained in this report covers the period of July 1, 2016 through June 30, 2017.

We have attempted to include all municipal departments and create relevant performance benchmarks for each one. A summary of select financial and performance data is also provided for each departmental service. The presentation of benchmarks begins with a description of how the services are provided in each participating city, and is followed by a graph comparing each city to the benchmarks, or average, for all participating cities.

In the Appendix you will also find any history as report by the participating municipalities as well as definitions for the measures.

The four cities participating in the initial project are:

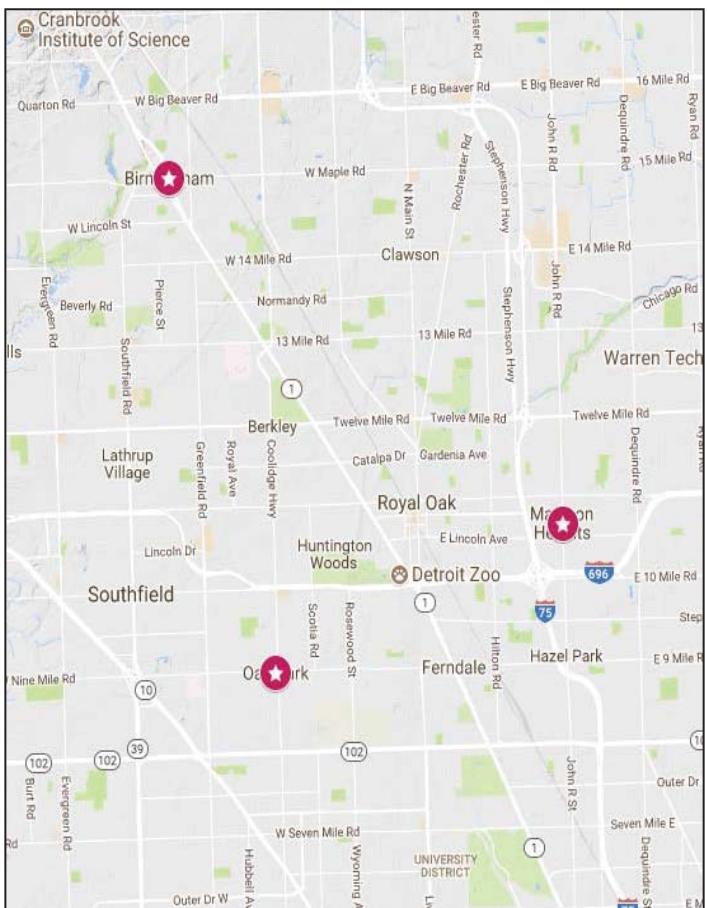
City	Population*
Birmingham	21,007
Madison Heights	30,088
Oak Park	29,645

- *Population data based on US Census as of July 1, 2016.*

The members of the SEMPIC planning committee worked diligently to ensure that the benchmarks presented here are based on accurate and complete cost and service data and that each community was measuring the same information the same way. However, every city is different; therefore we have made adjustments to account for the differences in service delivery systems among our participating cities. Users of this information should review the description of the service that accompanies each city's benchmark data to put the information into the proper context. The graphs should be interpreted in light of the narrative descriptions of the services in each city. Benchmarking provides an additional data point from which to identify differences in operations and opportunities for improvements or alternative service methods.

As with any measure, as we collect more data over the years, this report will become more meaningful as trend and outliers are identified. Only Madison Heights has provided historical data for FY 2015 and 2016 in addition to the reporting year. This data has been formatted and added as an appendix in the same fashion as we plan to report all city data in future years.

City Profiles



October 29, 1945. The City Council is comprised of a Mayor, elected at-large every two years, and four council members, two elected at-large every two years for four year terms.

The City of Oak Park is a fully developed, diverse community with modest homes, shopping and tree-lined streets.

Birmingham:

In 1933, the incorporation of Birmingham from a Village was completed and the City established itself as a Home Rule City in order to address its needs in becoming a more progressive community. The City is located approximately 20 miles north of downtown Detroit and is in the southeastern portion of Oakland County, one of the wealthiest counties in the country. The City of Birmingham has a thriving retail shopping district with a historic downtown dating back to the 1830s. According to the U.S. Bureau of Census of as July 1, 2016 the City has a population of 21,007.

The City Commission serves as the City's legislative body, consisting of seven commissioners, one of whom serves as Mayor. The Commissioners represent the citizens of Birmingham and formulate and enable policy as the legislative and policy-making body of the municipal government. They are elected at large for four-year terms at non-partisan elections held in November of each odd-numbered year. The Mayor and Mayor Pro-Tem are elected from among their fellow Commissioners for a one-year term.

While each city in the state has similarities we are all different, offering different service models and facing slightly different challenges. This section for City profiles will give the user a background of each city participating as well as a physical location within proximately to each other. Differences in service delivery are noted under each section of the report.

Oak Park:

Oak Park is located near the southeast corner of Oakland County, Michigan, and is approximately 3.5 miles from Macomb County and adjacent to the Northern boundary of the City of Detroit. The City contains approximately 5.18 square miles with a population of 29,649 persons as reported by the U.S. Bureau of Census as of July 1, 2016.

The City operates under the Council-Manager form of government as established in its Charter adopted on

The City commission operates as a Home Rule Charter City, with a Council-Manager form of government.

Madison Heights:

Madison Heights is approximately 7 square miles and is located in Southeast Oakland County. The City shares a border with Macomb County on the east. As of July 1, 2016, the U.S. Bureau of Census listed the population at 30,088. Madison Heights is also a very diverse community that is fully developed and has a balanced property make up of 40% commercial and 60% residential.

Madison Heights was incorporated on January 17, 1955 and operates under the Council-Manager form of government as established in its Charter. The Council is comprised of a Mayor, elected at-large every two years, and six council members, three elected at-large every two years for four year terms.

Southeast Michigan Municipal Performance Indicator Consortium
General Information – FY 2017

Measure	Municipality Response		
Time Period - Full Fiscal Year ONLY	7/1/16- 6/30/17	7/1/16- 6/30/17	7/1/16- 6/30/17
Municipality Name	Madison Heights	Birmingham	Oak Park
Residential Population	30,088	21,007	29,645
Total City Mills Levied	23.0150	14.7614	36.1677
Total Revenue from Taxes	\$18,190,646	\$31,344,636	\$16,794,692
Total General Fund Personnel Full-time Only	127	160	101.5
Total General Fund Personnel Part-time including Seasonal	138	170	98
Total General Fund FTE (all full-time and part-time)	141.1	209.5	134.5
Expenditures: General fund personnel and operations	\$ 28,132,992	\$23,339,461	\$ 19,200,877
Expenditures: special-revenue/restricted fund personnel and operations	\$ 17,001,722	\$ 4,575,221	\$ 37,322,379
Square miles of land area served	7.2	4.7	5.2
Revenues, General Fund: Property Tax	\$ 16,218,687	\$21,129,268	\$ 12,220,719
Revenues, General Fund: State Revenue Sharing	\$ 2,903,314	\$ 1,808,160	\$ 3,323,906

Southeast Michigan Municipal Performance Indicator Consortium Public Safety – FY 2017

Public Safety consists of Police, Fire and Community Development Services, which consist of activities such as building codes, code enforcement, and planning. All these activities play a significant role in the public safety of our residents and business owners.

Oak Park operates a consolidated public safety department which differs from the traditional police and fire departments operated by the other two reporting jurisdictions. All sworn, full-time members of the department are cross-trained (state certified) as police officers, firefighters and medical first responders. Oak Park Public Safety results have been removed from this report.

Reported police services consist of traditional law enforcement functions, including patrol, investigations and police administration.

Reported fire services consist of the entire range of services including fire suppression, fire prevention, fire code inspections, and/or emergency medical services.

Reported Community Development consists of permits and inspections, rental inspections, code enforcement, plan review and zoning.

Definition of Terms Used

FTE Positions – Number of hours worked converted into the FTE positions. For Police and Dispatch personnel this is 2,080 hours per full-time equivalent. For Fire this is 2,808 hours per full-time equivalent.

Relevant User Notes and takeaways for future benchmarking:

As stated above, Oak Park operates a Public Safety Department for combined Police and Fire services with contracted emergency medical care for ALS/BLS and transport. The injury accident count routinely only involves the injury codes A and B. Injury accidents can be coded as A, B, or C depending on level of injury, which would require further clarification on degree of injury being measured by this metric (in majority of accidents people will respond with some "complaint" of injury (C) = a complaint of injury that cannot be verified on scene).

Oak Park generally has only one dispatcher on duty, and they do not employ the "priority code" category in the Computer Aided Design (CAD) system which would provide the number requested. The average response time presented includes the entire spectrum of dispatched runs, from the "abandoned auto" to a "crime in progress".

Oak Park Public Safety does not habitually utilize the "exceptional clearance" option; the % displayed reveals incidents closed by arrest - department wide.

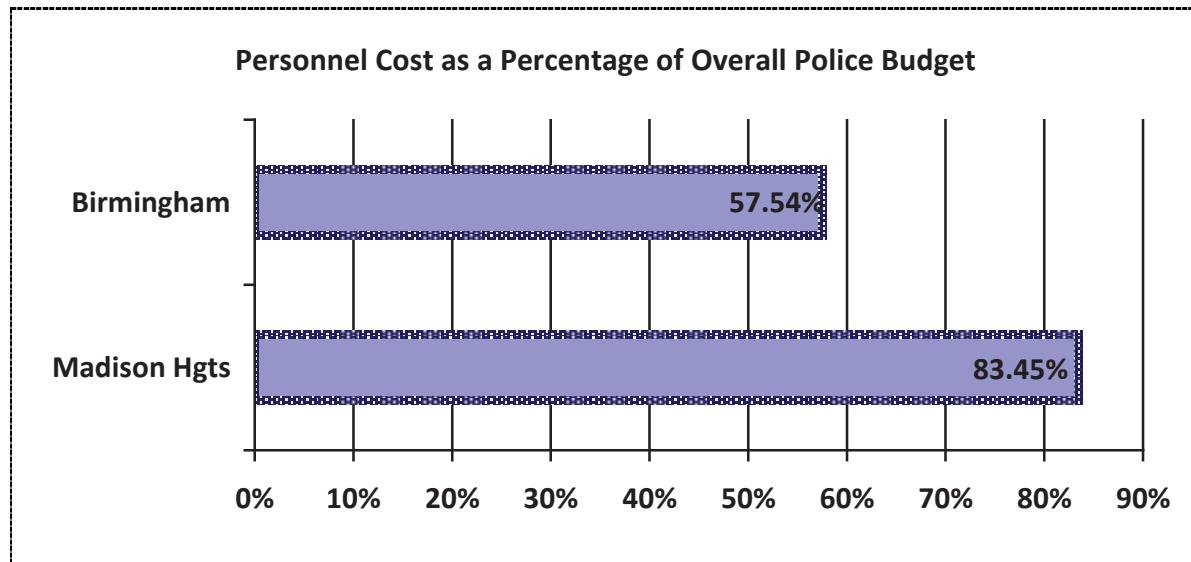
**Southeast Michigan Municipal Performance Indicator Consortium
Police Services – FY 2017**

Police		Madison Heights	Birmingham
Input	Expenditures, police personnel and overtime (including support charged to department)	\$ 9,128,668	\$ 7,040,483
	Expenditures: Sworn police overtime	\$ 664,693	\$ 204,770
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$ 7,618,197	\$ 4,050,939
	Sworn Police FTEs (Budgeted)	45	32
	Sworn Police FTEs per 1,000 population	1.52	1.43
Output	Dispatch calls/initiated actions: Total Police Responses	25,140	14,614
	Injury producing traffic accidents	250	211
	Moving violations citations issued (excluding DUIs)	4,226	5,874
	Number of accidents involving fatalities	3	0
	DUI Arrest	120	67
Outcome	Complaints against sworn police personnel: Excessive force	1	0
	Complaints against sworn police personnel: Excessive force, sustained	0	0
	Top priority calls: average time from dispatch to arrival on scene (in minutes h:mm:ss)	0:03:46	0:02:14
	Complaints against sworn police personnel: Total	7	2
	Complaints sustained against sworn personnel: Total	0	0
Efficiency	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	836	730
	Dispatch calls/ initiated actions: Number of total police responses per sworn FTE	558.67	456.69
	Dispatch calls/ initiated actions: Total police department expenditures per police responses	\$ 363	\$ 482
	% of overtime of department expenditures	7.3%	2.9%
	Department cost per Capita	\$ 303.40	\$ 335.15
	Department Expenditures as a % of the General Fund	34.5%	23.2%

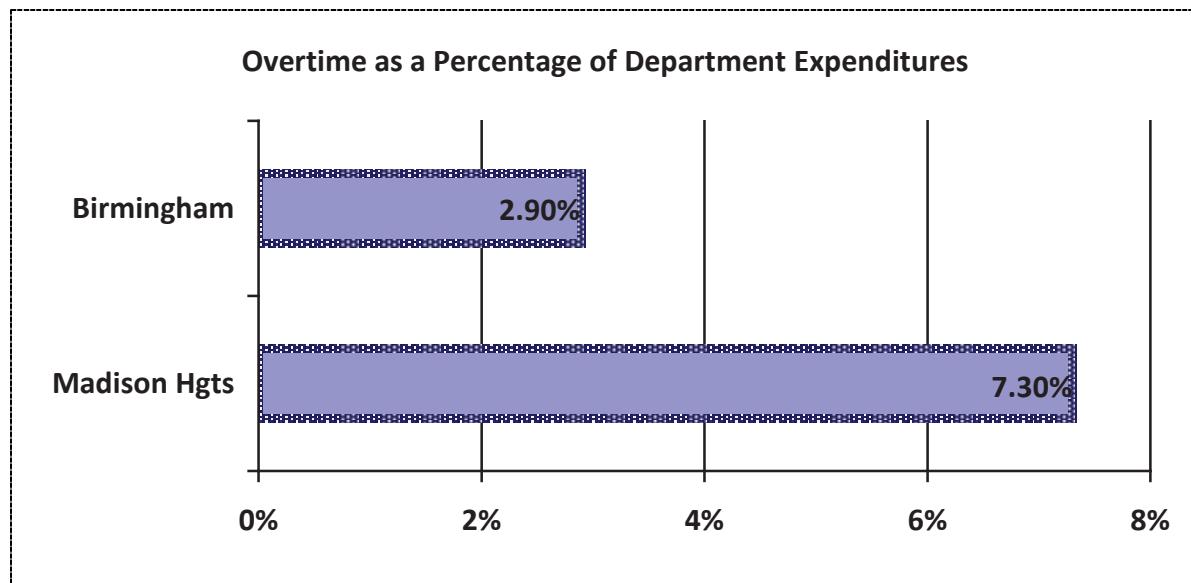
Service Trends: Police

Police Costs

The police service costs exclude drug forfeiture amounts. The largest allocation in this department is personnel services which are by far the largest component in all municipalities. Oak Park is a Public Safety Department. Madison Heights and Birmingham are Police only.

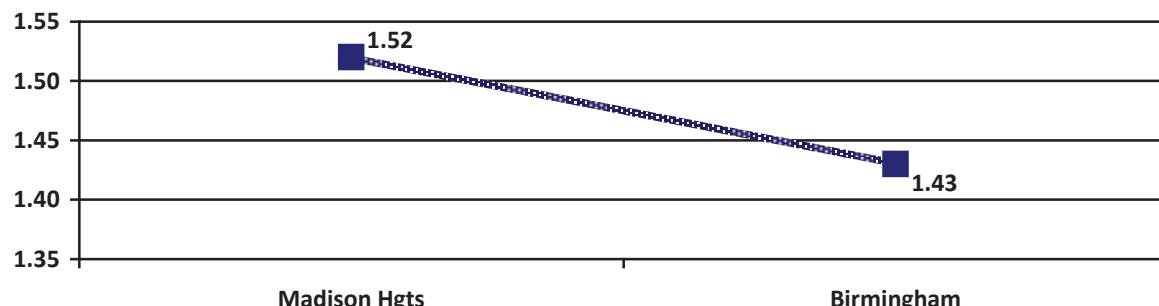


The participating cities evidenced some variation in managing overtime, reflecting the demand for services. As additional years of data are collected, overtime trends may emerge providing more useful comparison.

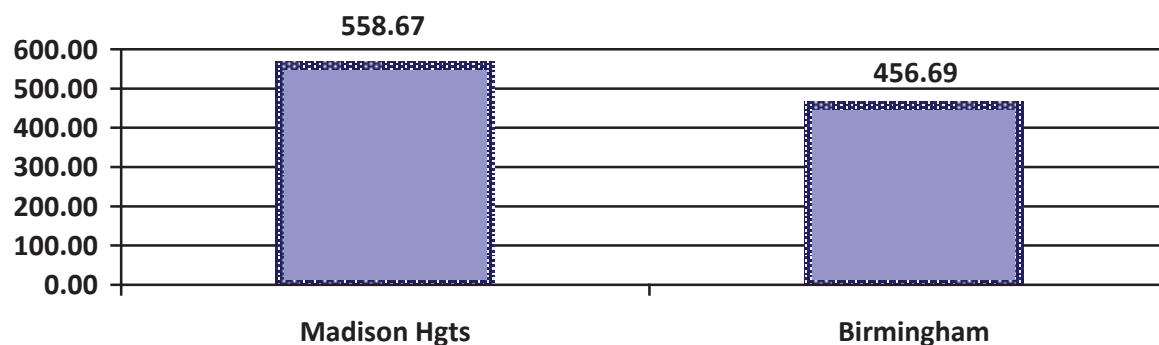


This measure gives some indication of the demand on existing staff as evidenced by the calls per sworn position and the FTE per 1000 population.

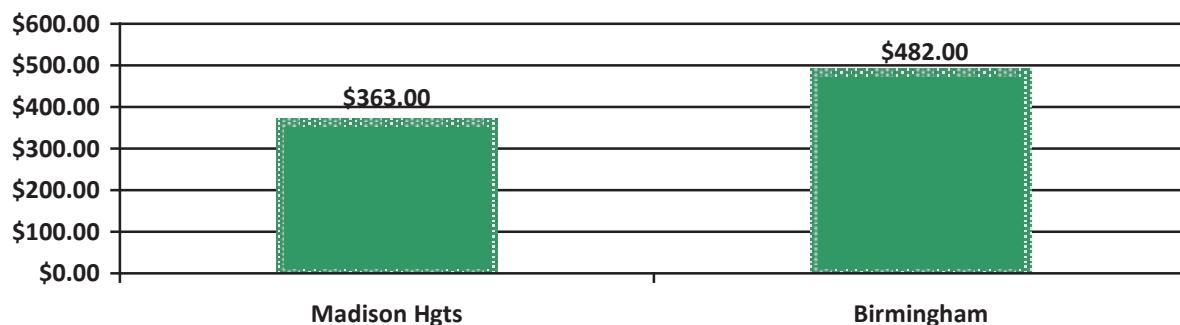
Sworn Police FTEs per 1,000 of Population



Dispatch Calls/Initiated Actions: Total Police Responses per Sworn FTE



Dispatch Calls/Initiated Actions: Total Police Expenditures per Police Response



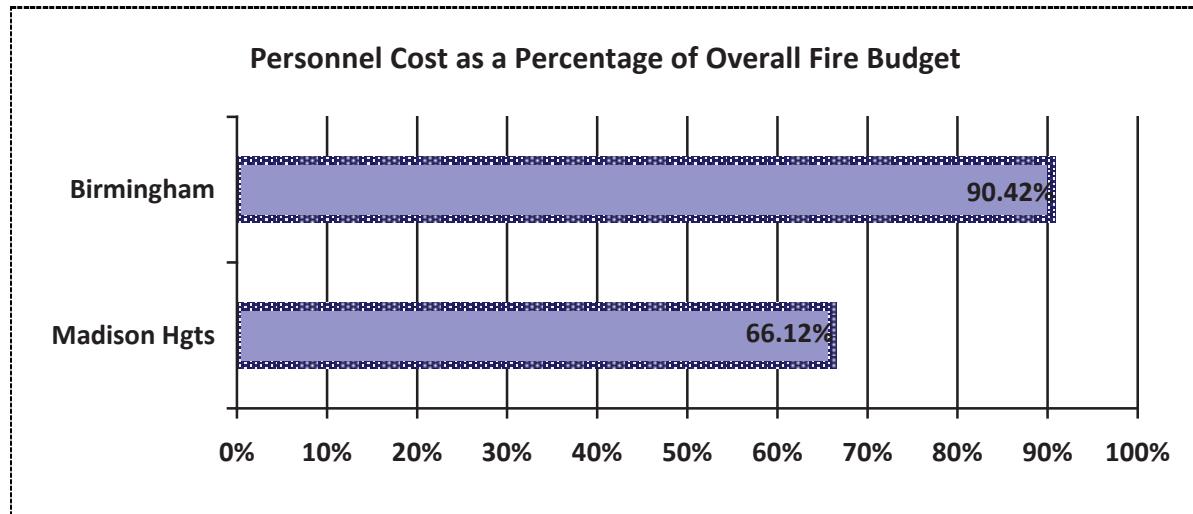
**Southeast Michigan Municipal Performance Indicator Consortium
Fire Services – FY 2017**

Fire		Madison Heights	Birmingham
Input	Expenditures: Total Fire/EMS personnel and operations (including support charged to department)	\$ 5,447,425	\$ 5,277,466
	Expenditures, Fire/EMS Personnel: Sworn	\$ 3,601,640	\$ 4,771,762
	Expenditures: Sworn Fire/EMS personnel, OT only	\$ 181,221	\$ 355,966
Output	EMS: Number of ALS Responses	1,784	915
	EMS: Total BLS and ALS Responses	3,217	1,271
	Inspections: Commercial/Industrial Occupancies Inspected		711
	EMS: Total BLS and ALS Transports	2,394	942
	Total Number of Incidents	4,677	2,211
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	98%	100%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	83%	96%
	Percentage of responses within 8 minutes (conclusion of	100%	100%
	Emergency fire response time: Percentage 8 Min or under: Dispatch to arrival	100%	100%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%
	Total BLS and ALS responses per 1,000 of population	110.03	41.90
	Total Fire/EMS personnel and operations expenditures per capita	\$182	\$266
	Number of total Fire Department (Fire and EMS) responses per suppression FTE	187.1	73.7
	Department Expenditures as % of General Fund	18.9%	17.4%

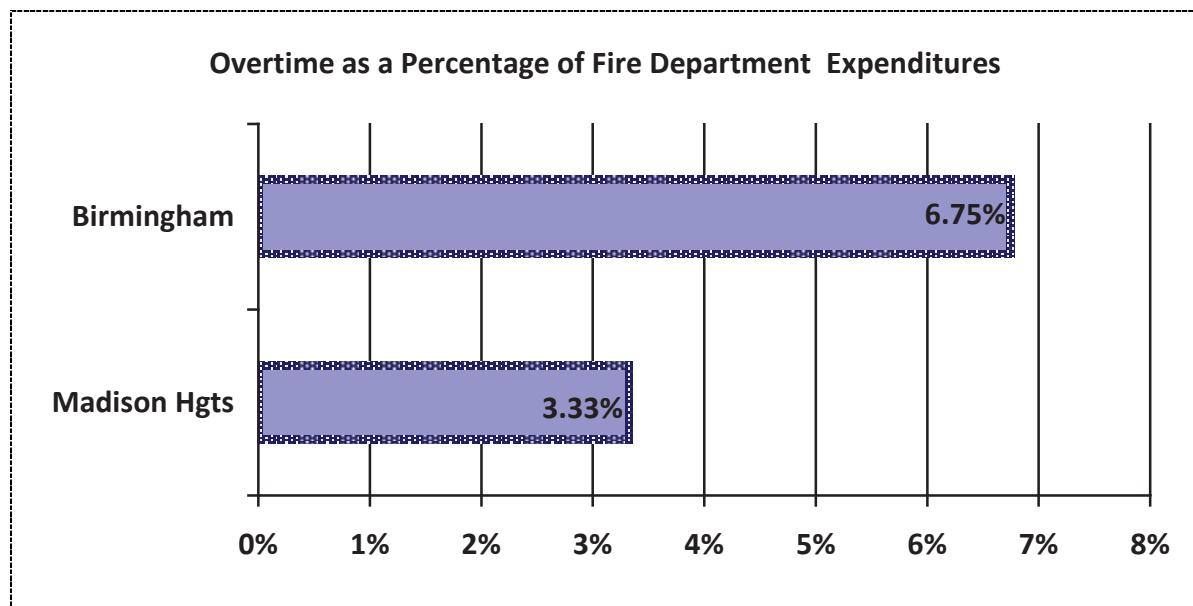
Service Trends: Fire

Fire Costs

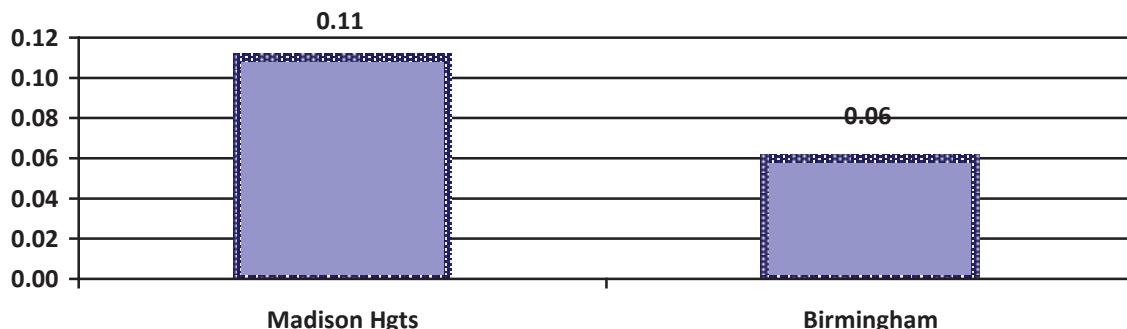
The fire service costs include emergency medical service and transport.



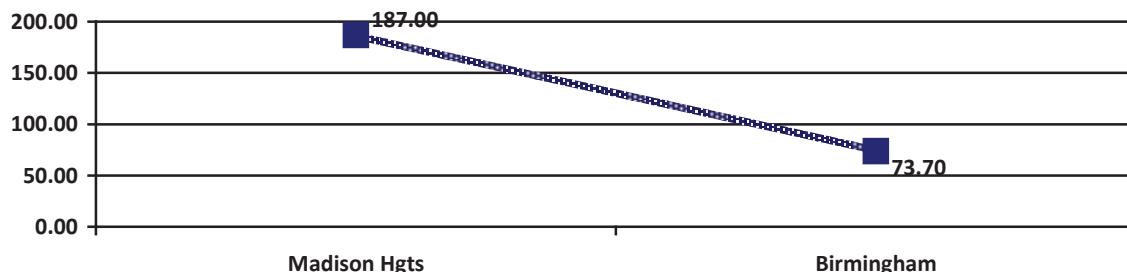
The participating cities evidenced some variation in managing overtime, reflecting the demand for services. As additional years of data are collected, overtime trends may emerge providing more useful comparison.



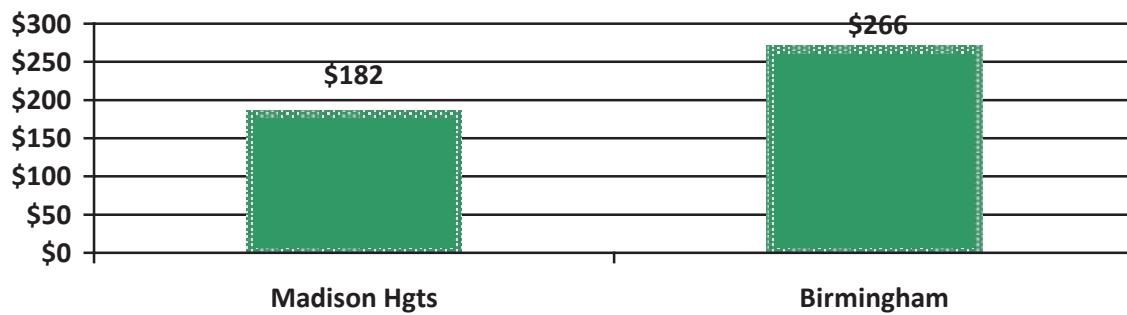
Total BLS and ALS Responses Per Thousand



Number of Total Fire Department Responses per FTE



Dispatch/Calls Initiated Actions: Fire Department Expenditures to Fire Responses



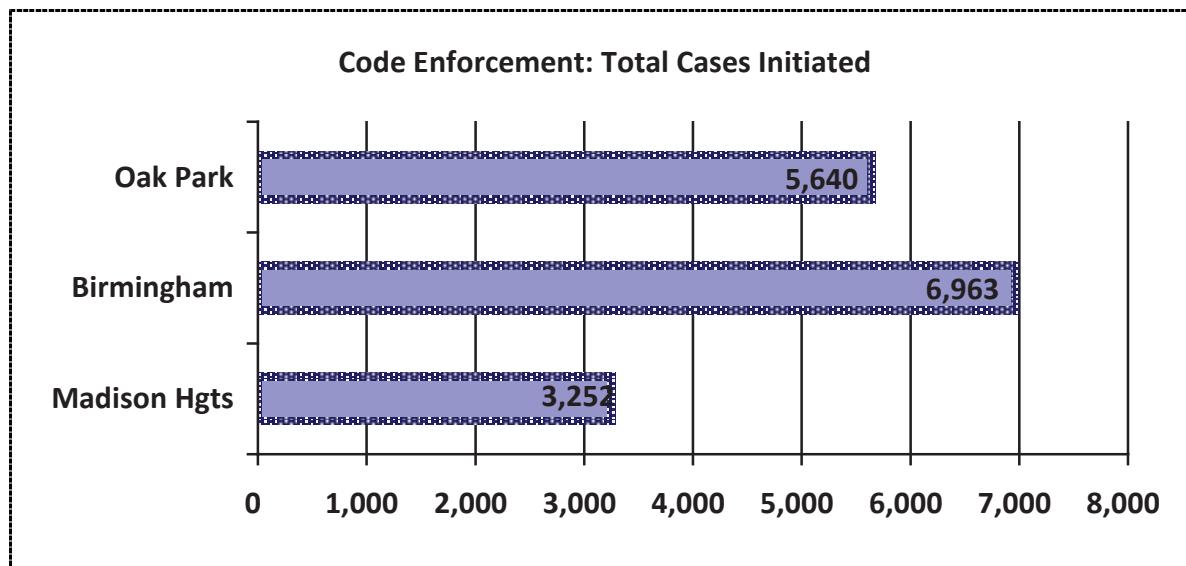
Southeast Michigan Municipal Performance Indicator Consortium
Community Development – FY 2017

Community Development		Madison Heights	Birmingham	Oak Park
Input	Valuation of commercial/industrial construction: Regular	\$ 5,161,758	\$ 31,363,063	\$ 4,396,564
	Valuation of Residential Construction	\$ 5,672,704	\$ 90,505,040	\$ 5,252,849
	Expenditures: Code Enforcement personnel and operations	\$ 110,500	\$ 94,017	\$ 123,901
	Expenditures: Development inspection, personnel and operations	\$ 1,010,825	\$ 1,949,339	\$ 586,661
	Revenue from Civil Infraction Violations	N/A	N/A	N/A
Output	Code Enforcement: Total cases Initiated	3,252	6,963	5,640
	Permit Revenue	\$ 348,318	N/A	\$ 329,568
	Number of Civil Infraction violations	N/A	N/A	N/A
	Total Rentals Certified/Licensed	4,711	1,749	1,414
	# of Building Permits issued: Commercial	362	131	59
Outcome	# of Building Permits issued: Residential	1,282	701	664
	Vacancy Rate: Industrial	3.6%		3.2%
	Vacancy Rate: Office	14.3%	9.0%	1.4%
Efficiency	Vacancy: Retail	9.2%	3.0%	14.4%
	Amount recovered from property owners related to jurisdiction abatement efforts	40,047	N/A	25,793
	% of cases resolved through forced compliance	<1%	<1%	N/A Do not currently track
	% of cases resolved through voluntary compliance	>99%	>99%	N/A Do not currently track
	Average Days to Issue Building Permit from Time of Application	N/A Do not currently track		N/A Do not currently track
	Department Expenditures as a % of General Fund	3.7%	6.7%	3.6%

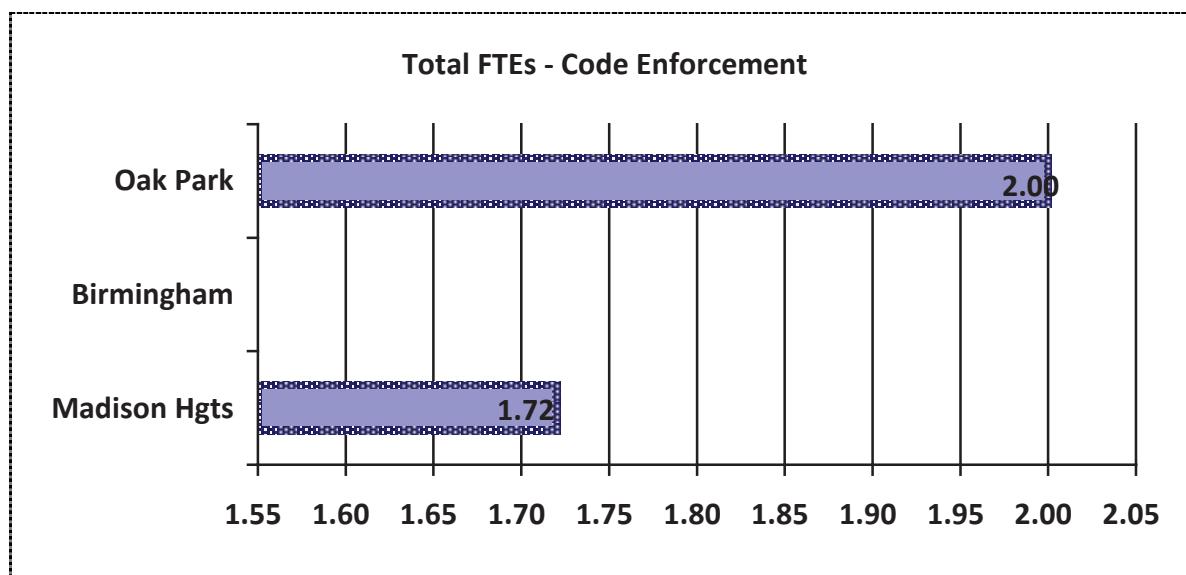
Oak Park expects a Civil Infractions ordinance to be approved in 2018.

Community Development Costs

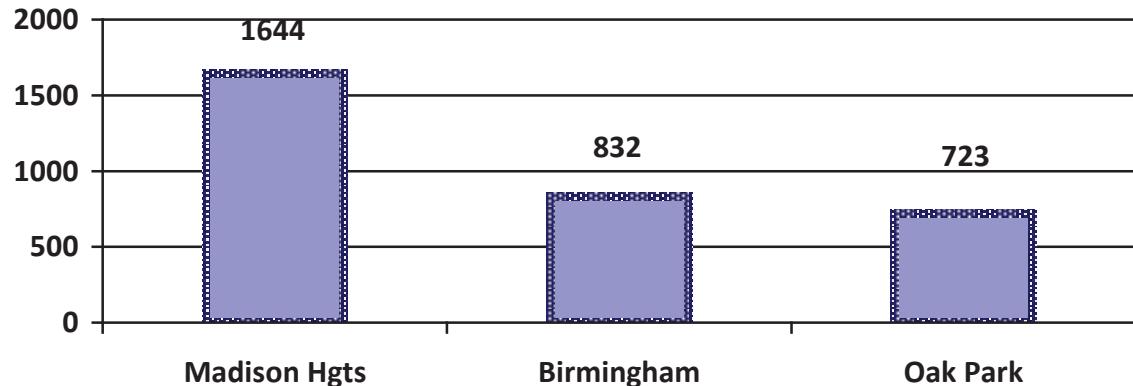
Community Development costs include commercial/industrial construction permits, inspections and compliance activities. This department also includes rental inspections, landlord licenses and code enforcement.



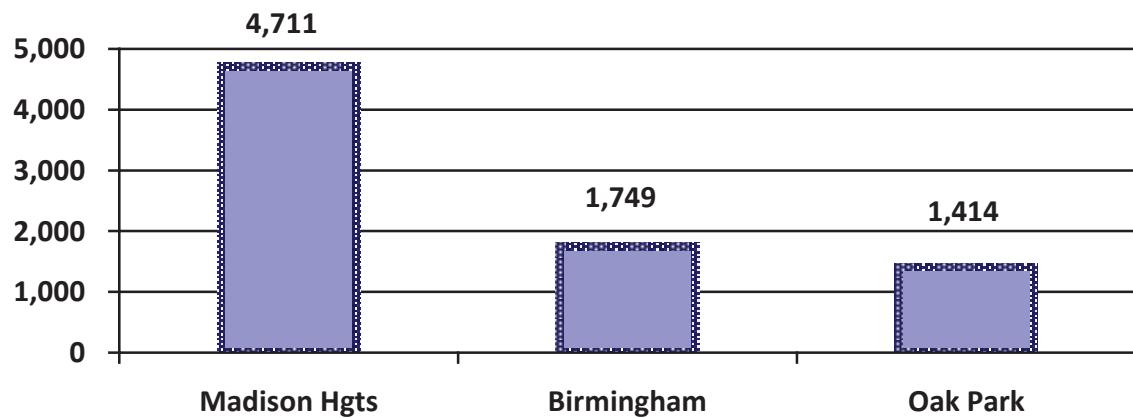
The participating cities have different operational methods of gaining code enforcement compliance. This is most evident with the number of FTEs completing code enforcement activities. This is the biggest factor in gaining compliance and initiated cases.



Total Building Permits Issued: Commerical and Residential



Total Rentals Certified/Licensed



**Southeast Michigan Municipal Performance Indicator Consortium
Public Works– FY 2017**

Public Works consists of Streets (General Fund not Act 51 activity), Solid Waste, Parks and Motorpool.

Definition of Terms

Streets activity includes traffic lights, streets lights, General Fund street equipment purchases and any activity on city streets not covered by Act 51 Major and Local Street Funds.

Solid Waste includes rubbish collection, contracted by all reporting municipalities, recycling and general waster activities within the city. Oak Park and Birmingham are both members of Southeastern Oakland County Resource Recovery Authority (SOCCRA). SOCRRA is a municipal corporation founded in the early '50s consisting of twelve member municipalities. Member voting power is based on individual member municipality refuse tonnage delivered to the Authority's facilities.

Madison Heights is not a member of SOCRRA, and contracts trash collection and recycling to GFL.

Parks include maintenance and up-keep to the park systems.

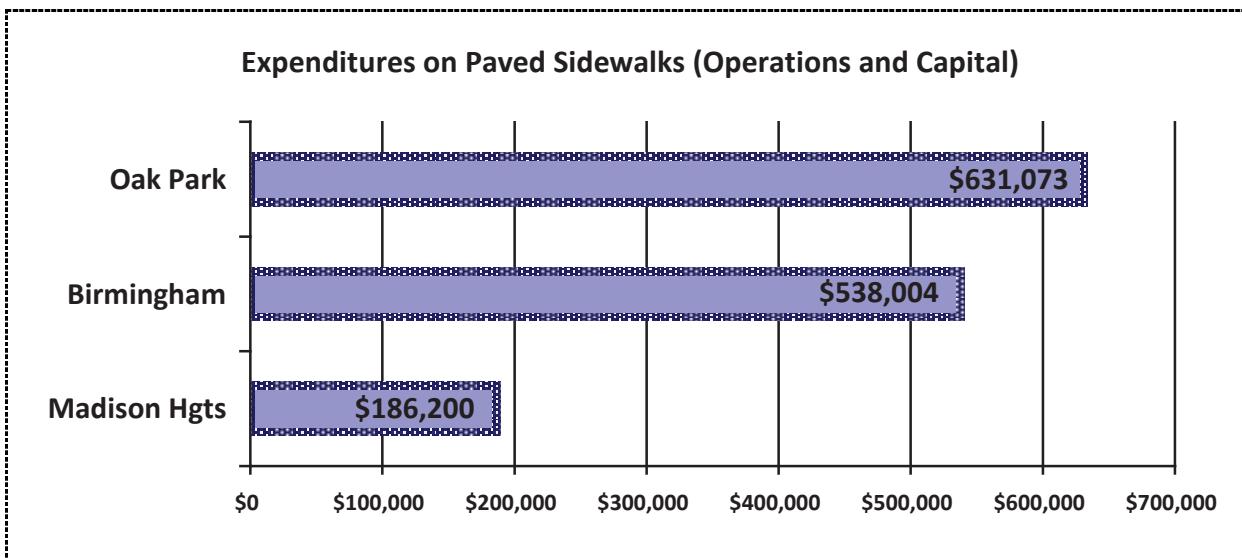
Motorpool services include the maintenance of city equipment.

**Southeast Michigan Municipal Performance Indicator Consortium
Streets – FY 2017**

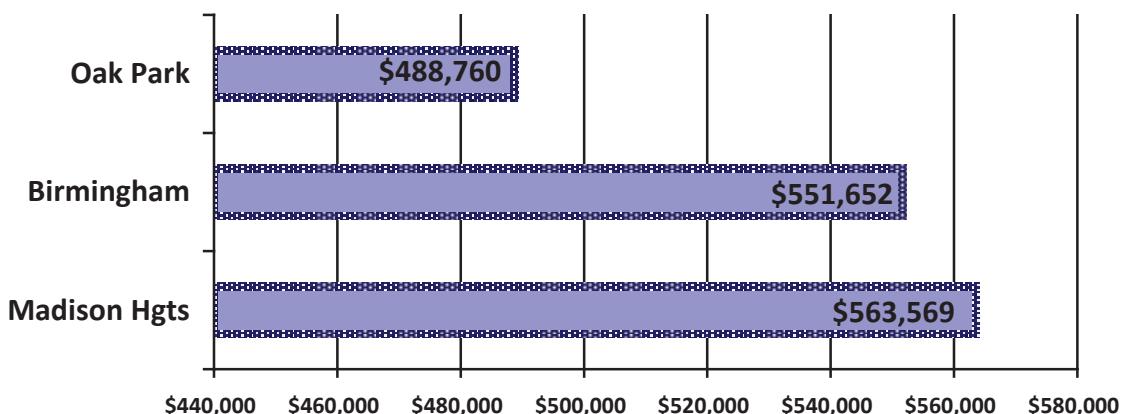
Streets		Madison Heights	Birmingham	Oak Park
Input	Expenditures on paved sidewalks (operations and capital)	\$ 186,200	\$ 538,004	\$631,073
	Tons of Cold Patch	114	426	81
	Tons of Hot Patch	12	498	56
	Number of Trees Planted	17	239	53
	Number of Trees Removed	85	216	162
Annual Street lighting Expenses		\$ 563,569	\$ 551,652	\$ 488,760
Efficiency	Expenditures, paved road rehabilitation, per total paved lane miles	\$ 9,611	\$ 16,566	\$ 9,616
	Department expenditures as a % of General Fund	3.5%	3.3%	N/A ACT 51

Streets

Streets activity includes traffic lights, street lights, General Fund street equipment purchases and any activity on city streets not covered by Act 51 Major and Local Street Funds.

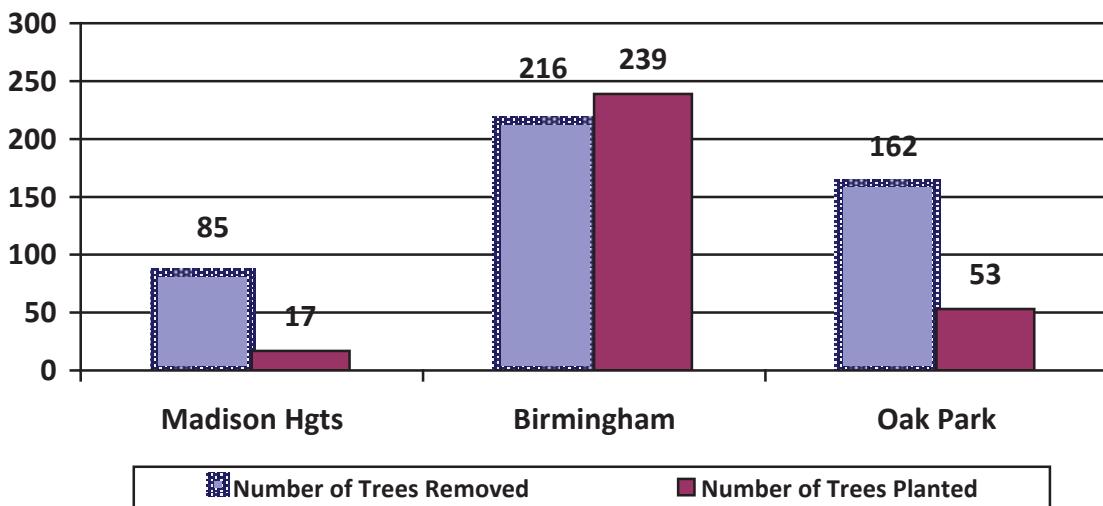


Annual Streetlight Expenditures



- Includes energy, rental and maintenance charges

Right-of-Way Tree Activity

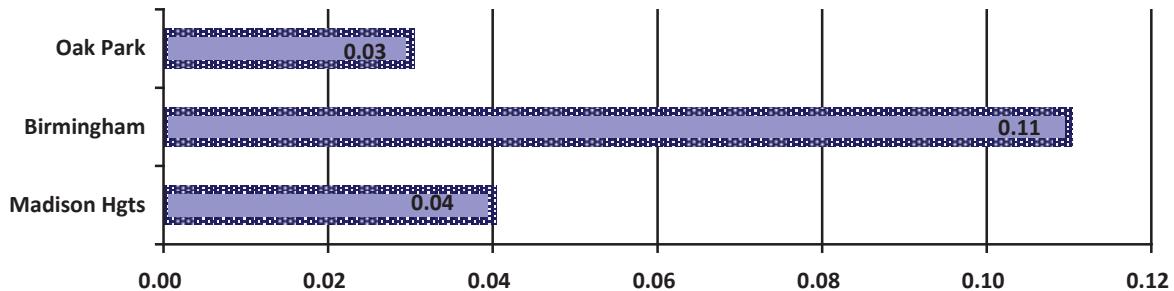


Southeast Michigan Municipal Performance Indicator Consortium
Solid Waste – FY 2017

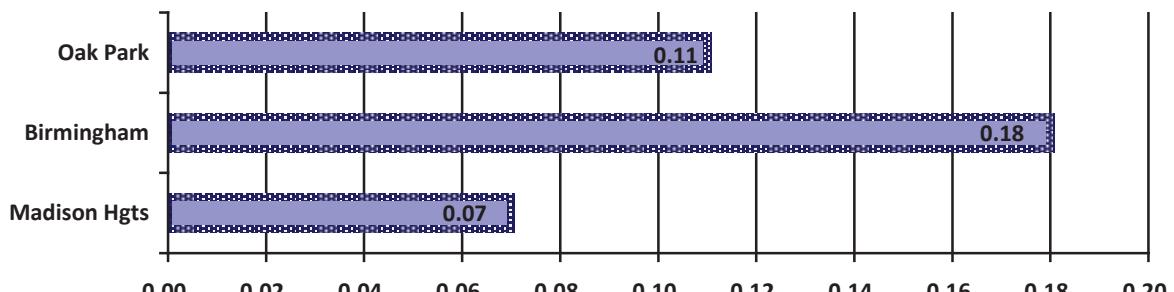
Solid Waste		Madison Heights	Birmingham	Oak Park
Input	Expenditures for Recycling	\$ 222,303	N/A	N/A
	Tons of Leaves collected	N/A	N/A	1,596
Output	Residential recycling: Tons collected per capita	0.04	0.11	0.03
	Yard Waste Tons Collected: Composted per capita	0.07	0.18	0.11
Efficiency	Street sweeping expenditures per lane mile	\$ 54	\$ 1,458	\$ 35
	Department Expenditures as a % of the General Fund	7.0%	6.2%	N/A

Solid Waste Cost includes refuse, recycling and yard waste.

Residential Recycling: Tons Collected Per Capita



Yard Waste: Tons Collected Per Capita



Southeast Michigan Municipal Performance Indicator Consortium
Parks – FY 2017

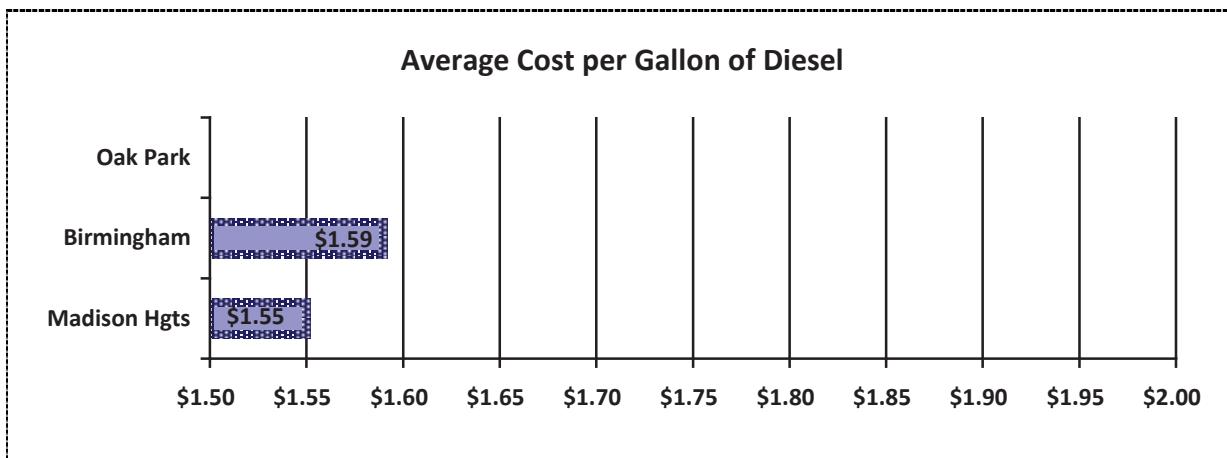
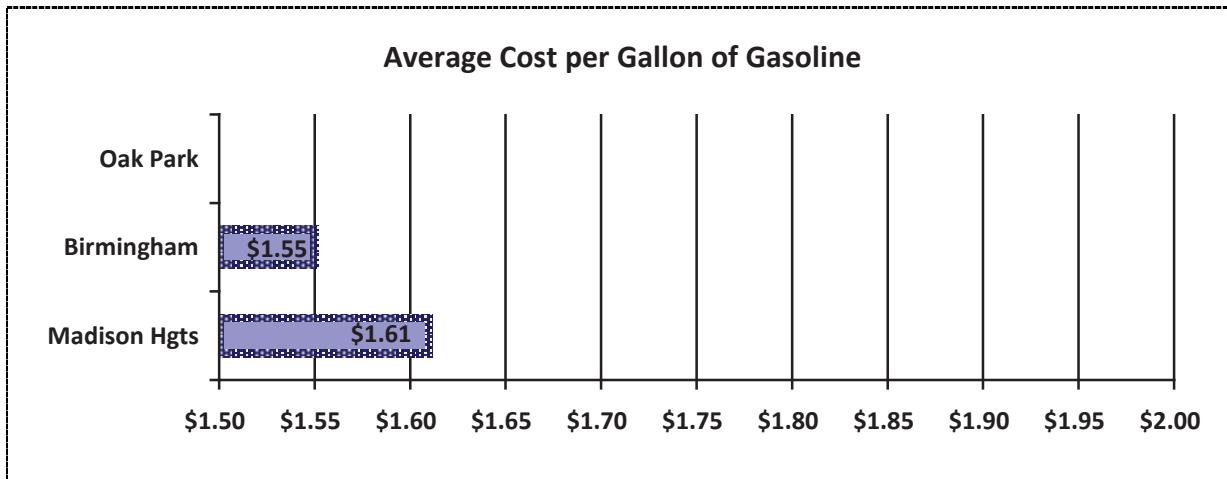
Parks		Madison Heights	Birmingham	Oak Park
Input	Expenditures: Parks personnel and operations	\$ 335,985	\$ 932,213	\$ 86,399
	# of Staff Dedicated to Park Maintenance	3	10 FT 12 Seasonal	N/A
	Parks maintenance expenditures per acre	\$ 3,537	\$ 4,348	\$ 787
Efficiency	Department Expenditures as a % of General Fund	1.7%	3.1%	0.45%

**Southeast Michigan Municipal Performance Indicator Consortium
Motorpool – FY 2017**

Motorpool		Madison Heights	Birmingham	Oak Park
Input	Total gasoline purchases (gallons)	47,308	60,765	56,415
	Vehicles Purchased	6		4
	Heavy Equipment Purchased	4		0
	Total Diesel purchased (gallons)	32,766	31,244	12,534
Efficiency	Motorpool work orders	561	562	665
	Avg. Cost - gallon of gasoline	\$ 1.61	\$ 1.55	N/A did not track
	Avg. Cost of a repair order	N/A did not track		N/A did not track
	Avg. cost - gallon of diesel	\$ 1.55	\$ 1.59	N/A did not track
	Department Expenditures as a percentage of the total budget	2.0%	3.2%	

Motorpool Costs

Motorpool accounts for all vehicle maintenance cost including items such as gasoline and diesel.



Recreation and Culture:

Recreation and Culture includes Recreation, Senior Center, and Library.

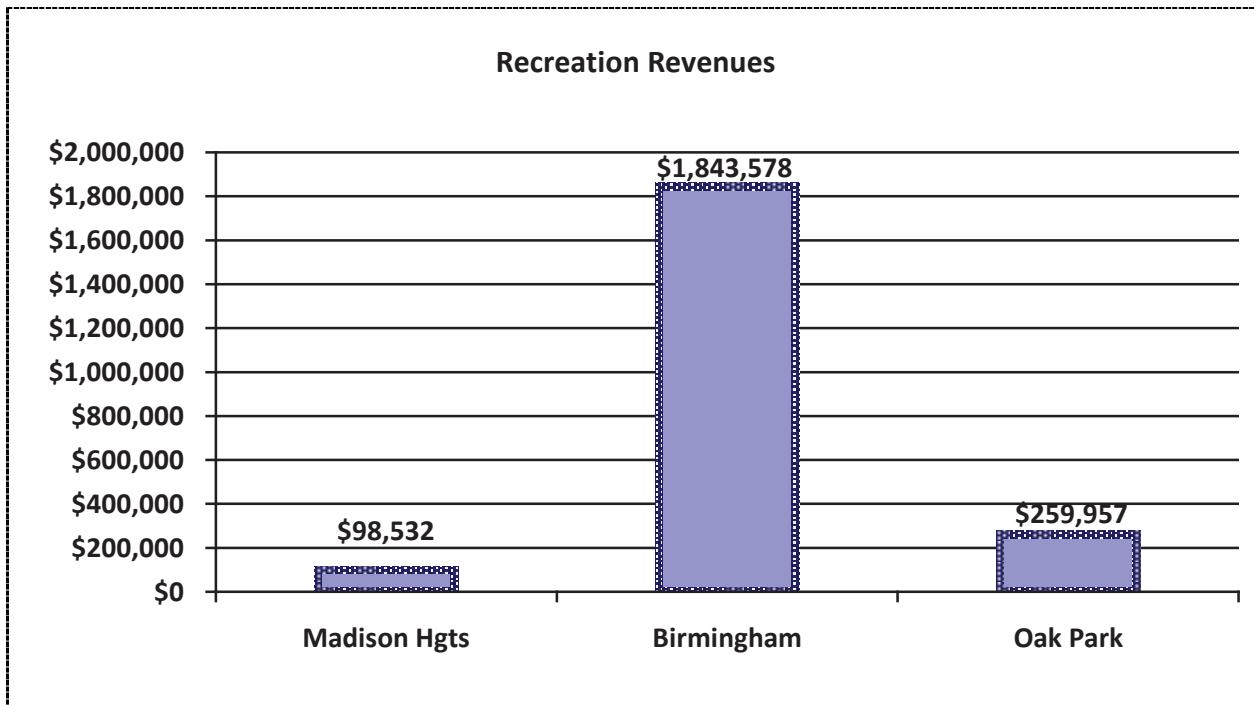
Recreation activity includes all recreation programs and the staff and contractors to operate these programs.

Senior Center activity includes all activities that take place at the Senior Center including activities, special events directed at seniors, and meal program.

Library consists of all full and part-time who operate the library system. This section also includes all library programs and activities.

Southeast Michigan Municipal Performance Indicator Consortium
Recreation – FY 2017

Recreation		Madison Heights	Birmingham	Oak Park
Input	New Programs introduced	15	0	156
	Total Recreation Programs	191	3	301
	Number of full-time staff	0	4	4
	Number of part-time staff (including seasonal)	16	40	77
	Recreation revenues	\$ 98,532	\$ 1,843,578	\$ 259,957
Output	Recreation Registrations	1,555	-	12,075
	Pavilion Rentals	45	69	294
Efficiency	Department expenditures as a % of the General Fund	0.52%	5.40%	3.05%



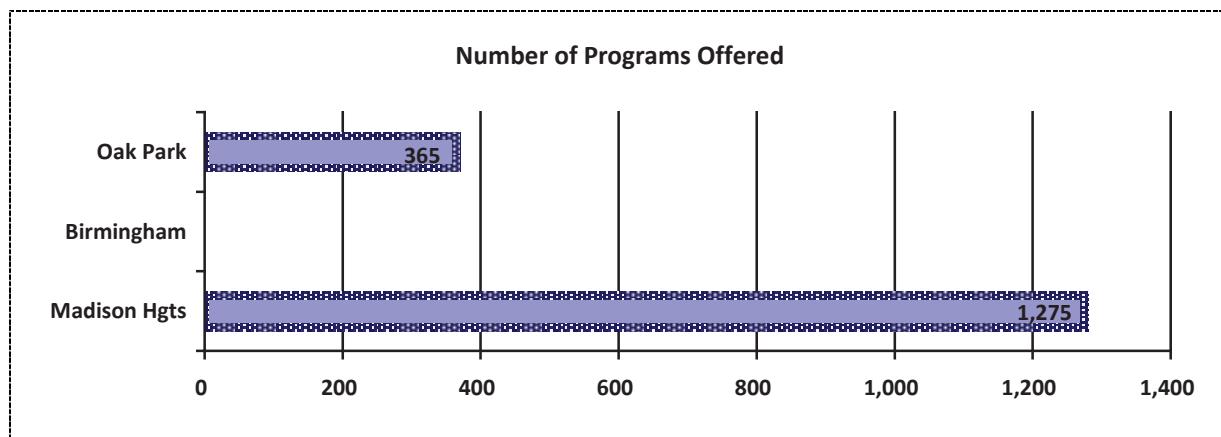
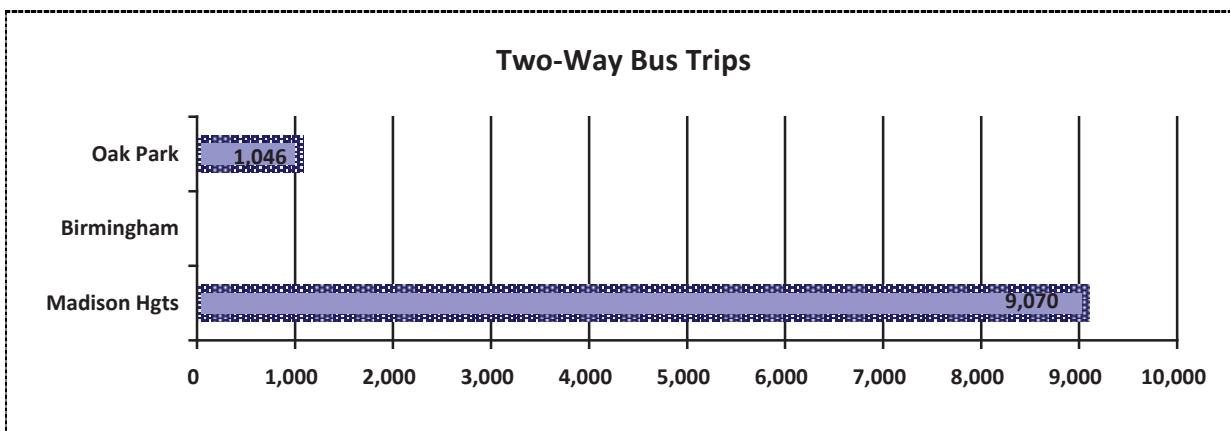
The participating cities have different operational methods of providing recreation programs. Birmingham operates a golf course and an ice arena. Oak Park owns an ice arenas they lease for \$30,000 per year.

Southeast Michigan Municipal Performance Indicator Consortium
Senior Center – FY 2017

	Senior Citizens	Madison Heights	Birmingham	Oak Park
Input	Two-Way Trips	9,070	0	1,046
	Bus Miles Traveled	22,757	0	11,834
Output	Number of Programs Offered for Seniors	1,275	-	365
	Day Trips	49	0	75
	Newsletter Subscriptions	400	0	N/A
Efficiency	Department expenditures as a % of the General fund	1.25%	0.30%	0.24%

Senior Center Costs

The participating cities have different operational methods of providing senior services to residents. In Birmingham, the BASCC Birmingham Area Senior Center is a non-profit, tax-exempt organization that provides services to individuals 55+ in the Birmingham School District. This organization is not considered part of City operations and therefore is not included in performance benchmarking results.

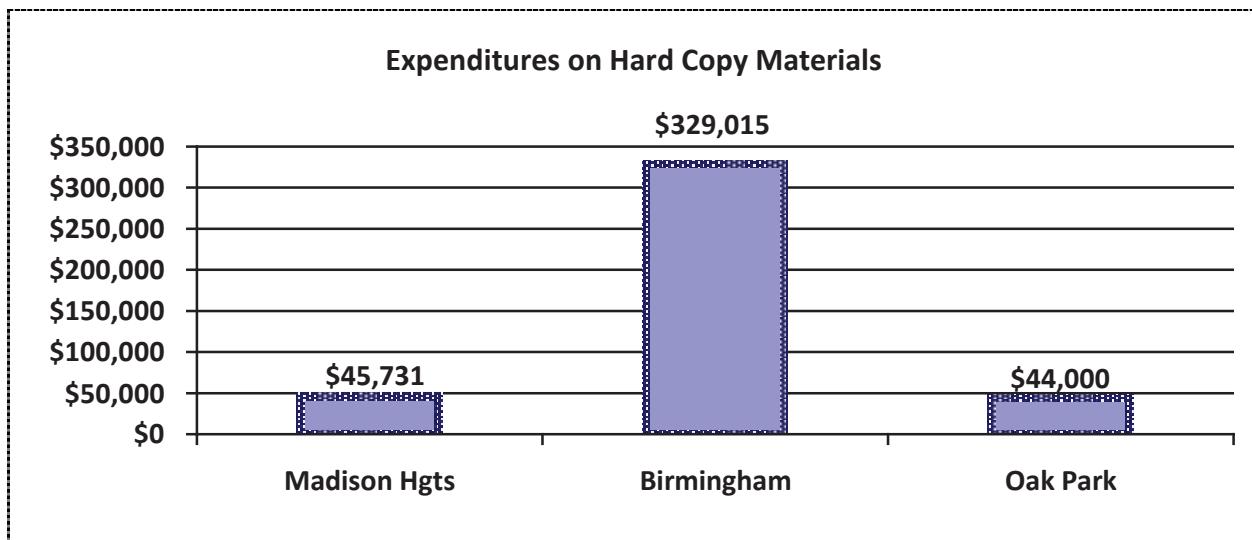


**Southeast Michigan Municipal Performance Indicator Consortium
Library – FY 2017**

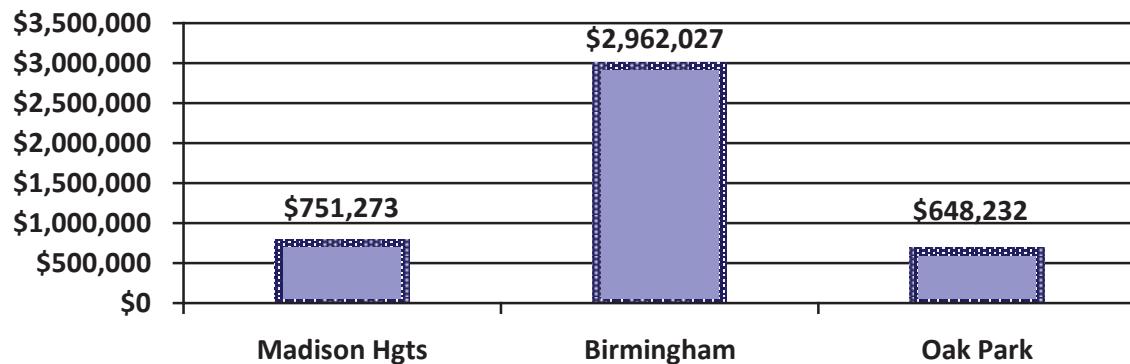
Library		Madison Heights	Birmingham	Oak Park
Input	Expenditures, Library: E-Materials acquisition	\$ 10,943	\$ 168,630	\$ 1,800
	Expenditures, Library: Hard-copy materials acquisition	\$ 45,731	\$ 329,015	\$ 44,000
	Number of Computer Users	39,483	227,413	N/A
	Number of part-time staff	17	65	14
	Number of full-time staff	3	16	4
	Number of programs offered	N/A	N/A	176
	Program Expenditures	N/A did not track	N/A	\$1,000.00
	Hours Paid: Library Staff	14,924	67,754	20,072.0
	Number of Mills Levied	1	1.41	1.5
	Revenues from Mills Levied for Library	\$ 751,273	\$ 2,962,027	\$ 672,601
Output	Electronic Circulation per Capita	0.36	2.3	0.01
	Number of people in program attendance	3,313	35,528	4,842
	Number of library visitors	105,531	270,842	146,202
	Library: Total reference transactions	4,946	46,949	23,301
	Library: hours worked by volunteers	615	2,504	832
Efficiency	Libraries: Circulation per capita	3.36	13.80	3.45
	Library visitation rate per capita	3.55	7.70	4.98
	Department Expenditures as a % of the General Fund	2.49%	16.70%	0.45%

Library Costs

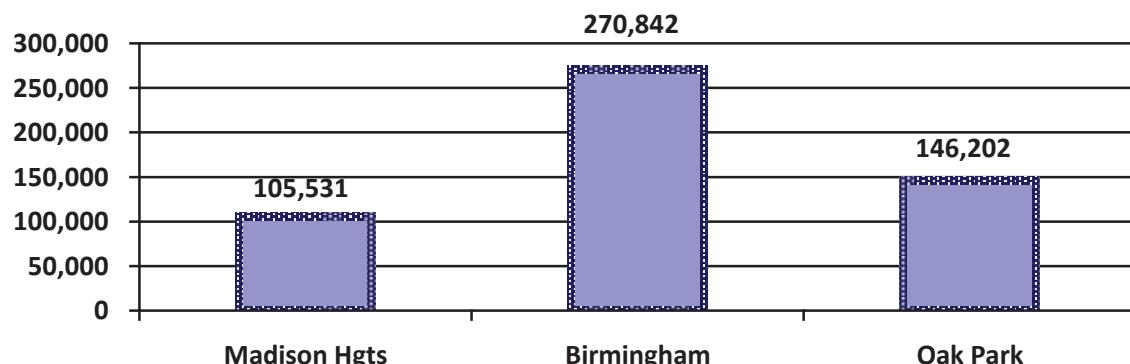
The participating cities fund library services differently. Madison Heights has a 1.0 mill library millage that is accounted for as part of the General Fund budget. The millage covered all the Library expenditures in FY 2017 without a General Fund supplement. This is not the case in most fiscal years. Oak Park's library service is covered by a millage separate from the General Fund and requires a \$90,000 General Fund subsidy.



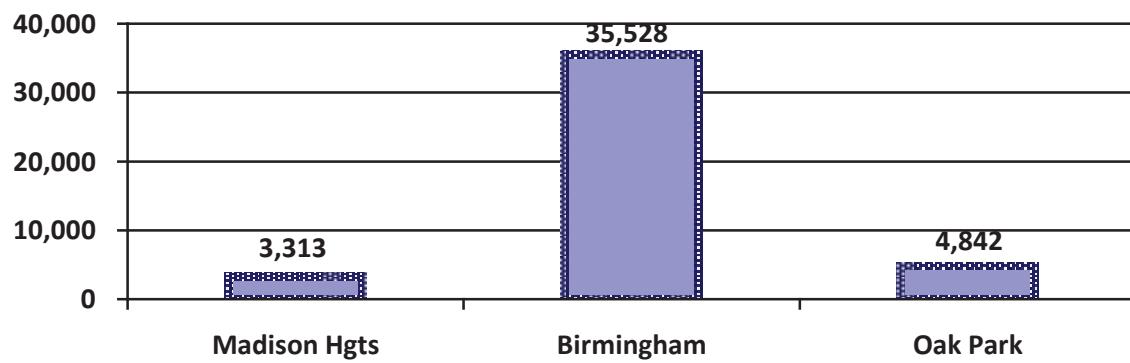
Dollar Amount Collected from Dedicated Library Millage



Number of Total Library Visitors



Number of People in Program Attendance



General Government:

General Government includes Assessing Services, Human Resources, Finance and Treasury and Information Technology.

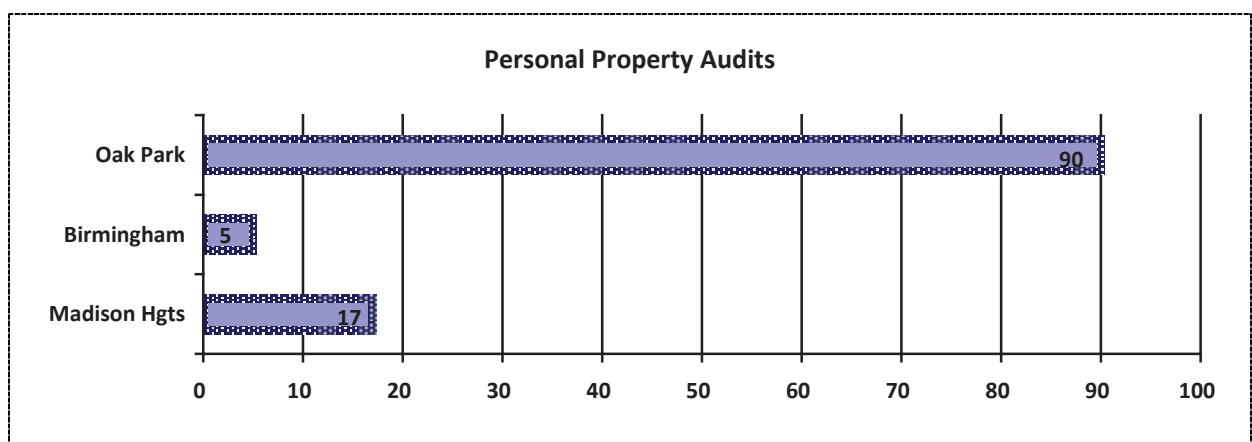
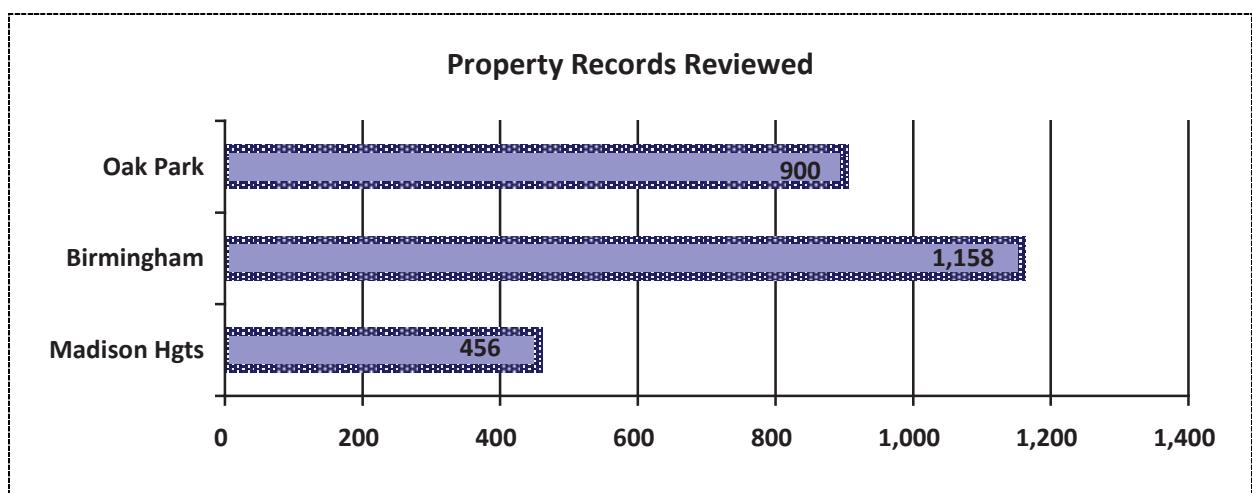
These departments are all for the service of the entire City in general or with the “behind the scene” operations of day-to-day activities.

**Southeast Michigan Municipal Performance Indicator Consortium
Assessing – FY 2017**

Assessing		Madison Heights	Birmingham	Oak Park
Input	Property Records Reviewed	456	1158	900
	Personal Property Audits	17	5	90
	Michigan Tax Tribunal Cases	11	60	9
	Board of Review Appeals	400	181	59
Efficiency	% Assessment Changes Processed by the Deadline	100%	100%	99%
	% of Parcels Added/Deleted by Deadline	100%	100%	0%

Community Development Costs

The participating municipalities manage Assessing services in different methods. Madison Heights contracts this function to Oakland County Equalization. Oak Park contracts this service to WAC Assessing. Birmingham has an in-house Assessing Department.

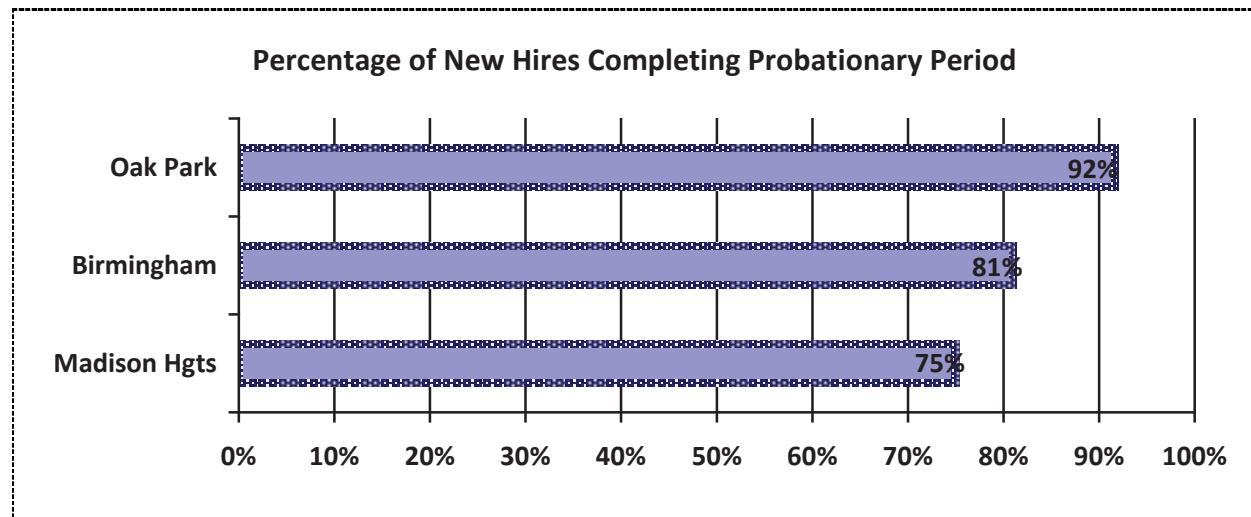
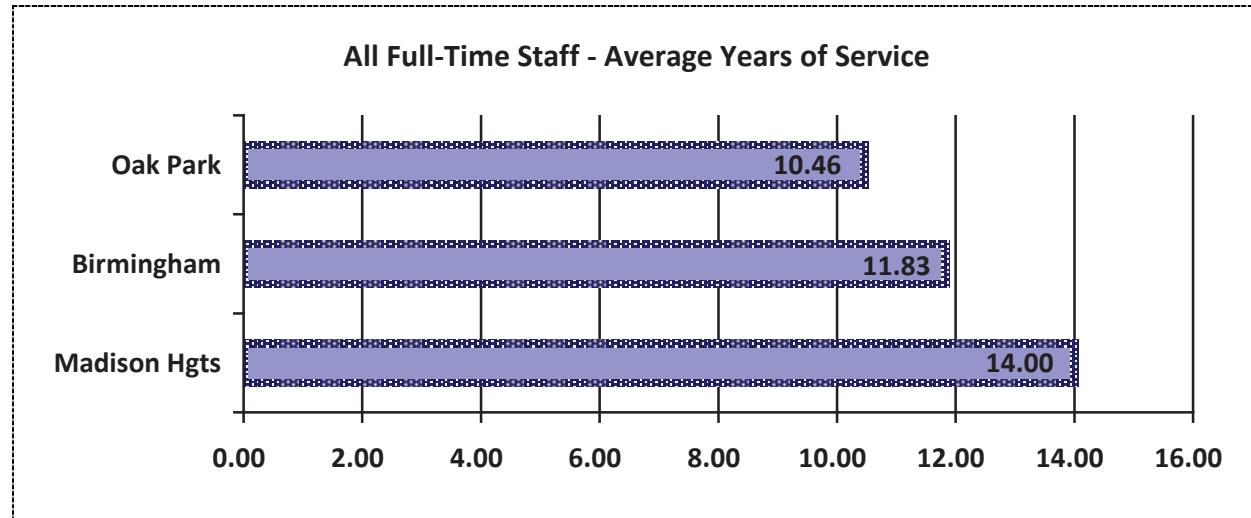


Southeast Michigan Municipal Performance Indicator Consortium
Human Resources – FY 2017

Human Resources		Madison Heights	Birmingham	Oak Park
Input	All Full-Time Staff in Jurisdiction: Avg. years of service	14.00	11.83	10.459
	All Part-time Staff in Jurisdiction: Avg. years of service	6.00	5.44	10.53
	Avg. Number of full-time, regular employees on payroll jurisdiction-wide; Sworn public safety	70	60	51
	Avg. Number of full-time, regular employees on payroll jurisdiction-wide: Total	137	153	122
	Avg. number of PTO given to new hires upon hire date	0	0	0
	Avg. number of PTO hours given to new hires at end of probation	4.9	26.0	72.0
	Avg. number of PTO given to new hires at 1 year anniversary date	10	0	128
	Number of employee trainings	N/A Not Tracked	N/A Not Tracked	5
	Number of employee training hours	N/A Not Tracked	N/A Not Tracked	11
	Avg. amount of FMLA Days utilized per employee - organization wide.	12	2	27
Output	Hours paid: All jurisdiction staff	593,083	495,800	368,583
	HR: Number of full-time positions filled	16	11	12
	Avg. number of sick days taken per employee	5.40	8.69	3.99
	% of new full-time employees completing probationary period	75.00%	81.00%	91.67%
	Turnover: Number of full-time, permanent employees who left: Total	8	6	3
	Turnover: Number of full-time, permanent employees who left: Sworn public safety	4	2	0
	Number of workers compensation claims	16	21	13
Outcome	Turnover rate: All full-time employees	5.84%	5.86%	2.46%
	HR: % of successful full time applicants still employed 12 months from hire date	88.89%	64.00%	91.67%
	Number of loss days due to workers compensation claim	32	170	235
	Department Expenditures as a % of General Fund	1.2%	1.1%	1.2%

Human Resources Costs

The participating municipalities all have in-house professional Human Resource staff managing internal employment issues, benefits and union negotiations.

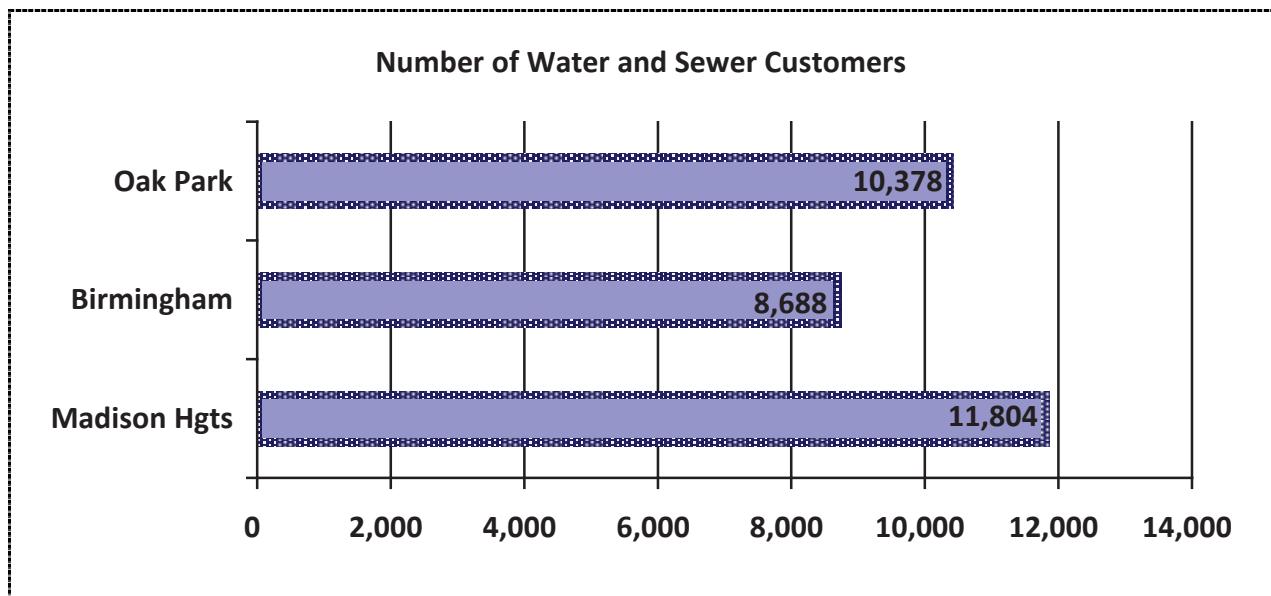
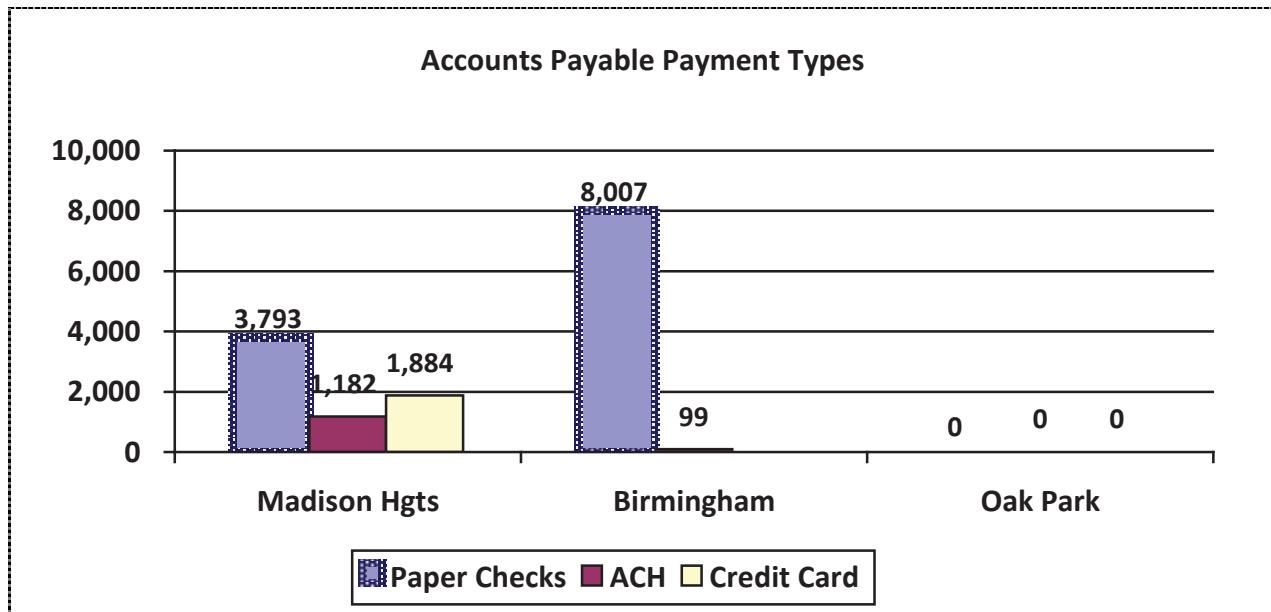


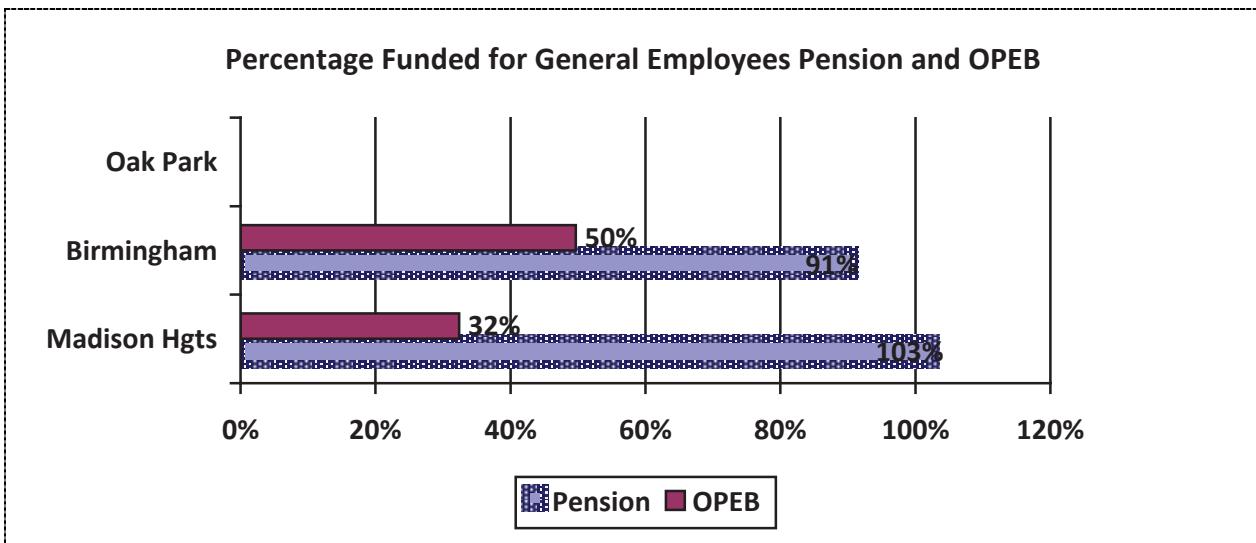
Southeast Michigan Municipal Performance Indicator Consortium
Finance and Treasury – FY 2017

Finance		Madison Heights	Birmingham	Oak Park
Input	Total Dollar amount of City Budget (all funds)	\$ 48,327,236	\$ 77,660,490	\$ 56,523,256
	City Taxable Value	\$ 784,034,080	\$ 2,110,188,780	\$ 446,311,980
	Total Dollar value of Fiscal Year CIP - all funds	\$ 8,346,000	\$ 11,117,069	\$ 4,428,377
Output	Accounts Payable Processed - Paper Check	3,793	8,007	N/A do not track
	Accounts Payable Processed - ACH	1,182	99	N/A do not track
	Accounts Payable Processed - Credit Card	1,884	-	N/A not currently offered
	% of personnel using Direct Deposit for payroll	100%	82%	99%
	# of water/sewer customers	11,804	8,688	10,378
	# of water/sewer customers signed up for ACH	1,244	941	359
Outcome	% of Accounts Payable processed by ACH	23.8%	1.1%	N/A Do not track
	% of water/sewer customers signed up for ACH	10.5%	10.8%	3.4%
	% of Dollar amount of budget amendments	10.4%	2.5%	3.46%
	% of Budget GF revenues received	94.7%	100.1%	100.8%
	% of Budget GF expenditures spent	98.97%	93.70%	99.40%
Efficiency	Taxes collected by March 1 as a % of Total	94.5%	99%	93.39%
	Date of Annual Auditor's Report	10/27/2017	N/A	N/A Not received
	% Funded for General Employees Pension Trust	103%	91%	N/A Not received
	% Funded for Police and Fire Pension Trust	55%	N/A	N/A Not received
	% Funded for the General Retiree Health Benefits Trust	32.4%	49.7%	N/A Not received
	% Funded for the Police and Fire Retiree Health Benefits Trust	26.9%	N/A	N/A Not received
	Annual Credit Card/Purchasing Card Rebate	\$ 6,626	\$ 320	N/A
	Department Expenditures as a % of General Fund	2.7%	2.4%	1.3%

Finance and Treasury Costs

The participating municipalities all have professional accounting staff and full-time Treasurers managing the day-to-day financial obligations and responsibilities of the municipality.





**Southeast Michigan Municipal Performance Indicator Consortium
Information Technology – FY 2017**

Information Technology Cost:

The City of Madison Heights contracts the Information Technology function to BPI. Both Oak Park and Birmingham have in-house information technology departments.

Information Technology		Madison Heights	Birmingham	Oak Park
Input	Number of helpdesk requests	1,325	851	
	Number of endpoints served	431	190	232
Output	Number of new computers installed	22	10	30
	Special IT projects handled	18	5	15
Outcome	% of helpdesk request handled in 8 hours or less	74%	46%	NA did not track
	Total number of helpdesk cases resolved	1,320	848	N/A did not track
Efficiency	Capital expenditures for IT	\$ 39,284	\$ 368,181	\$ 18,000
	Detected attempts at Cyber Security Breach	0	0	0
	Expenditures per each endpoint served	\$ 825	\$ 950	\$ 1,245
	Department expenditures as a % of the General Fund	1.5%	2.1%	1.4%

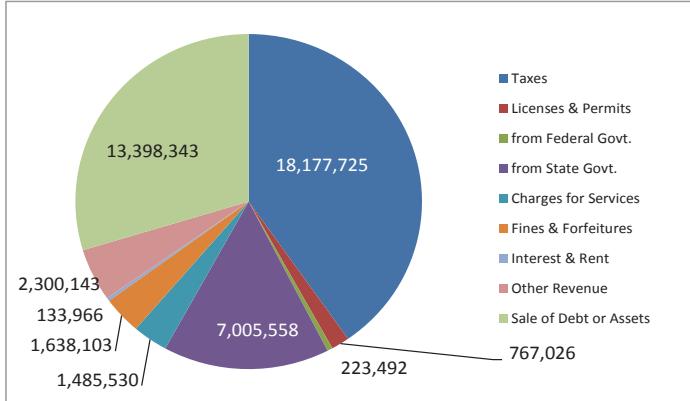
Legislative:

Legislative consist of Mayor and Councils, City Managers, City Clerks and Elections Departments. All municipalities that participate operate these departments under the Council-Manager form of government with full-time professional City Managers.

Mayor & Council		Madison Heights	Birmingham	Oak Park
Input	Regular City Council Meetings	23	24	24
	Special City Council Meetings	8	3	11
	City Council Attendance	77.4%	89.0%	48.6%
Outcome	Public Hearings Held	9	33	12
	Ordinances and Amendments Adopted	4	60	23
	Agenda Items Requiring Council Action	278	291	496
	Annual % Change in Millage Rate	0.23%	-0.50%	-2.07%
	Department Expenditures as a % of the General Fund	0.18%	0.20%	0.24%
City Manager		Madison Heights	Birmingham	Oak Park
Output	Number of Staff Meetings Held	23	50	29
	Number of Council-adopted goals managed	25	5	19
	Media inquiries / requests handled	7	24	N/A do not track
Efficiency	% of Council Agenda Items Reviewed week Prior to Submittal Deadline	99%	99%	N/A do not track
	Department Expenditures as a % of General Fund	0.99%	1.00%	1.76%
City Clerk & Elections		Madison Heights	Birmingham	Oak Park
Input	Hours attending City Council Meetings	36	91.8	48
	Number of Election Workers	87	91	172
	Average Number of Actual Voters per Election Workers (November reported above) Full-time staff	6,430	4,423	4001
Output	Number of Business Licenses Issued	632	122	595
	Number of Animal Licenses Issued	716	671	460
	Number of New Registered Voters/Changes	4,357	3,050	2,794
	Number of FOIA request	936	536	1,863
	Number of FOIA - General Government	14	37	107
	Number of FOIA - Police	746	330	1,756
	Number of FOIA - Fire	102	58	Included in General
	Number of FOIA - Community Development/Planning	74	105	Included in General
Outcome	Number of Absentee Ballots Sent	4576	4,489	4,174
	Avg. Days to Post Approved Board Minutes to website	4	3	1
	Number or Election Workers Trained	150	91	110
	Revenue from Business Licenses	\$ 91,537	\$ 61,160	\$ 214,861
	Revenues from Animal Licenses	\$ 8,664	\$ 6,363	\$ 7,186
Efficiency	Avg. Days to Process New Business Licenses	50	1	2
	% Voter Turnout per November Election	64%	76.21%	66.20%
	Number of hours billed for FOIA request	N/A	N/A	
	% of total ballots that were AV	25%	4,445	25.96%
	% of FOIA Responded to within 10 business days		2%	
	% of FOIA Responded to within 5 business days		98%	
Department Expenditures as a % of General Fund		1.2%	1.1%	1.671%

Citizens Guide to Local Unit Finances - Revenues

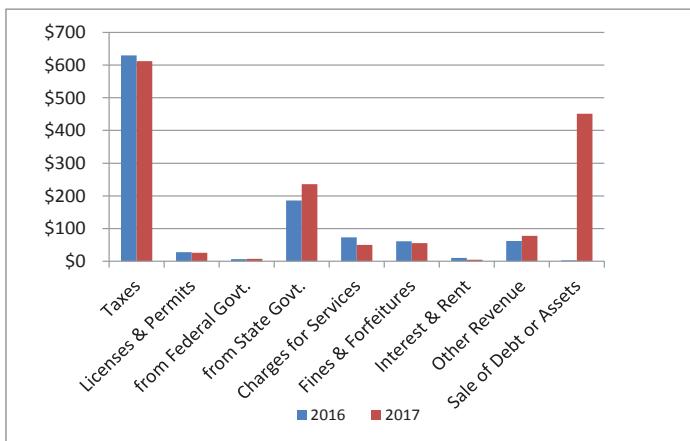
1. Where our money comes from (all governmental funds)



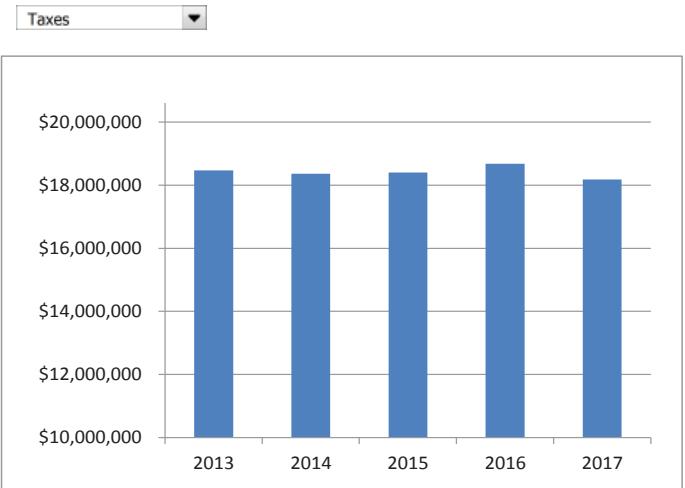
2. Compared to the prior year

	FY 2016	FY 2017	% change
Taxes	\$ 18,682,813	\$ 18,177,725	-3%
Licenses & Permits	831,020	767,026	-8%
from Federal Govt.	189,520	223,492	18%
from State Govt.	5,505,581	7,005,558	27%
Charges for Services	2,166,533	1,485,530	-31%
Fines & Forfeitures	1,817,788	1,638,103	-10%
Interest & Rent	295,084	133,966	-55%
Other Revenue	1,851,845	2,300,143	24%
Sale of Debt or Assets	97,318	13,398,343	13668%
	<u>\$ 31,437,502</u>	<u>\$ 45,129,886</u>	<u>44%</u>

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



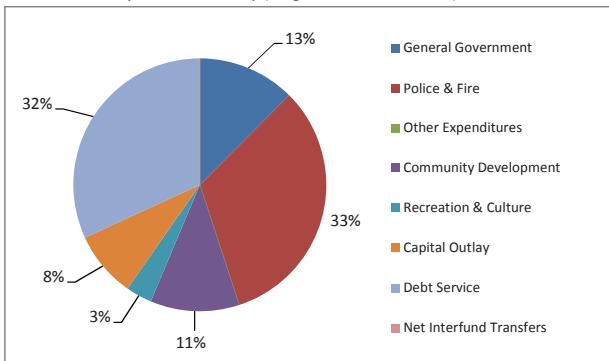
4. Historical trends of individual sources



Governmental funds include the General Fund, Major and Local Street Funds, Special Assessment Revolving Fund and other Non-Major Funds. Governmental Fund revenues were up 44% when compared to FY 2016, due to bond proceeds for Pension Obligation Bonds. State Shared Revenues are up from FY 2016 by \$169,380 or 7%. In addition the City also received reimbursement from the state for the lost Personal Property Taxes due from recent changes in the laws. This equates to \$543,000 or an additional 9% increase. Miscellaneous revenue included several revenues that are typically not reoccurring such as insurance distributions. In FY 2017 this was \$514,955. The Local Street Fund received a portion of personal property tax reimbursement from the state in the amount of \$211,900.

Citizens Guide to Local Unit Finances - Expenditures

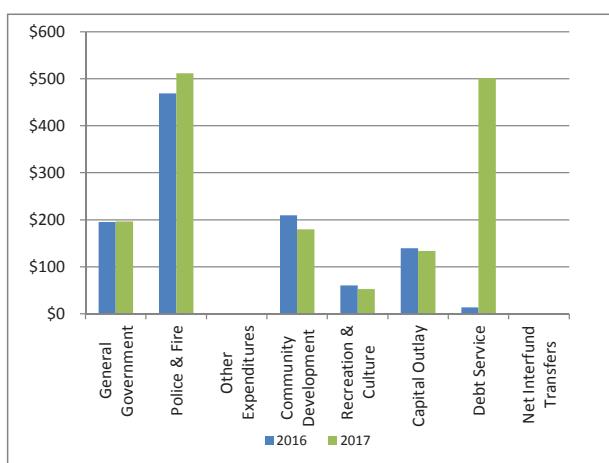
1. Where we spend our money (all governmental funds)



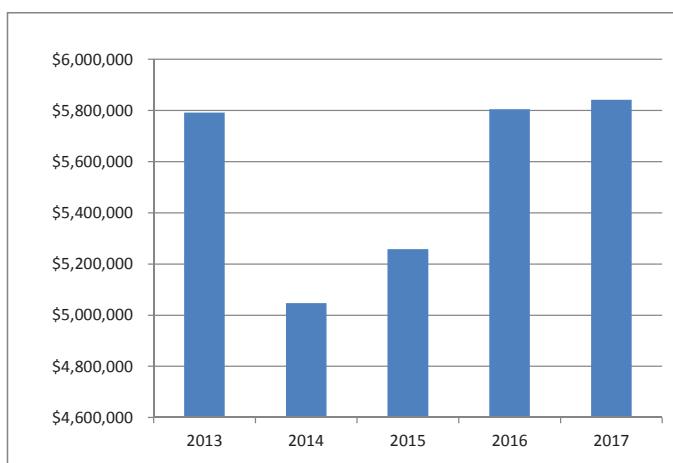
2. Compared to the prior year

	FY 2016	FY 2017	% change
General Government	\$ 5,804,730	\$ 5,842,106	1%
Police & Fire	13,921,984	15,193,446	9%
Health & Welfare	-	-	n/a
Community & Economic Dev.	6,219,338	5,328,605	-14%
Recreation & Culture	1,791,979	1,554,692	-13%
Capital Outlay	4,138,138	3,964,617	-4%
Debt Service	401,640	14,895,735	3609%
Total Expenditures	<u>\$ 32,277,809</u>	<u>\$ 46,779,201</u>	45%

3. Spending per capita - compared to the prior year



4. Historical trends of General Government Department Groups:

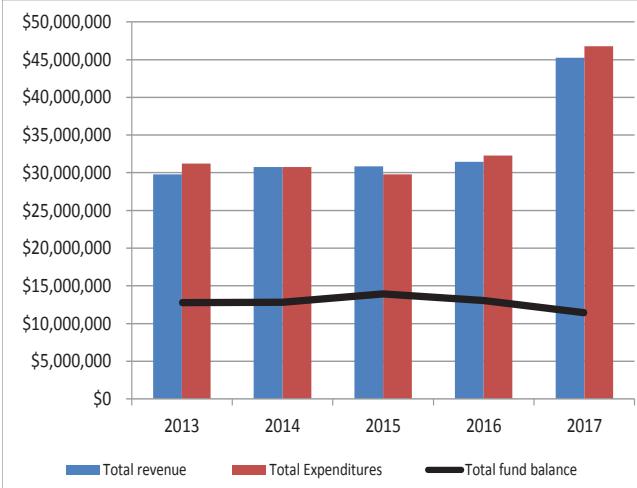


General Government program expenditures remained at status quo with a slight decrease of \$62,000 or 0.17 percent from the previous year when factoring out bond proceeds. This decrease resulted in a direct result from the bonding for General Employees pension obligations, which replaced the large employer contributions in each departmental budget with a payment for the normal cost only. This bond issuance is also the reason for the large increase in interest on long-term debt in governmental activities.

For more information regarding the City's Finances please visit www.madison-heights.org or contact the City Manager's Office or Finance Department.

Citizens Guide to Local Unit Finances - Financial Position

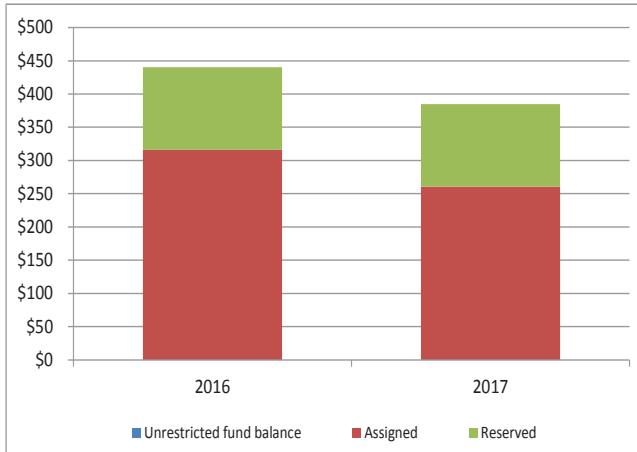
1. How have we managed our governmental fund resources (fund balance)



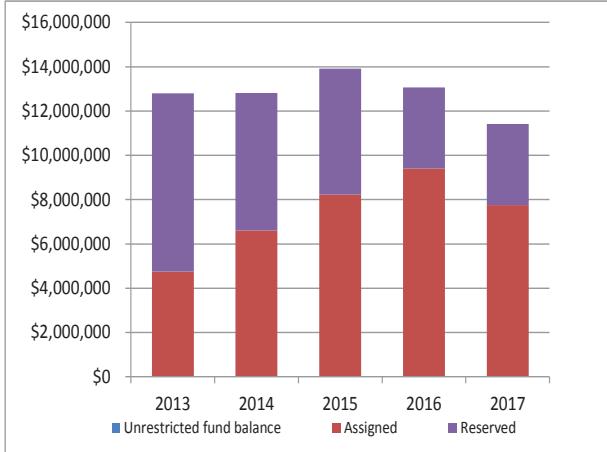
2. Compared to the prior year

	FY 2016	FY 2017	% change
Revenue	\$ 31,437,502	\$ 45,240,354	43.9%
Expenditures	32,277,809	46,779,201	44.9%
Surplus (Shortfall)	<u>\$ (840,307)</u>	<u>\$ (1,538,847)</u>	
Fund Balance, by Component:			
Reserved	\$ 3,676,035	\$ 3,674,377	0.0%
Assigned	9,396,075	7,748,416	-17.5%
Unassigned	0	0	0%
Total Fund Balance	<u>\$ 13,072,110</u>	<u>\$ 11,422,793</u>	<u>-12.6%</u>

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



4. Historical trends of Fund Balance Components

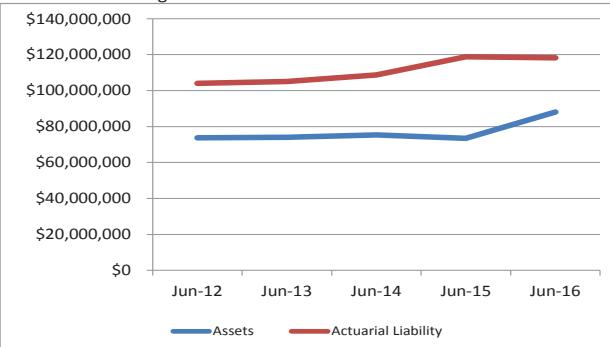


At June 30, 2017 the Governmental activities show a decrease of approximately \$5.1 million in net position during fiscal year 2017. Relative to changes in fund balance for governmental activities, the General Fund has a decrease of approximately \$1.7 million. The City's General Fund was budgeted to use approximately \$2.2 million of fund balance during the current fiscal year. Major Streets was budgeted to use \$73,400 in fund balance in the fiscal year; however, \$266,137 was added to the fund balance. Local Streets Fund was budgeted to use \$1,726,073 in fund balance during the fiscal year; actual use was \$253,665. This difference was due to several items. The City received \$211,901 in Personal Property Tax reimbursement. Three construction projects crossed fiscal years.

For more information regarding the City's finances please visit www.madison-heights.org or contact the City Manager's Office or Finance Department.

Citizens Guide to Local Unit Finances - Other Long Term Obligations

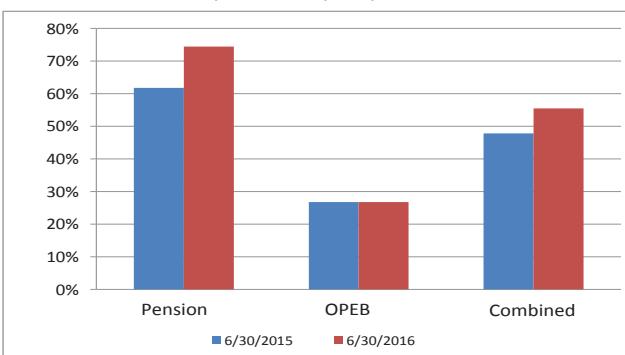
1. Pension funding status



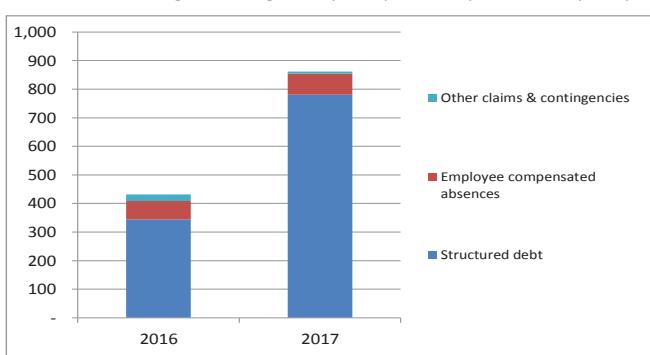
2. Retiree Health care funding status



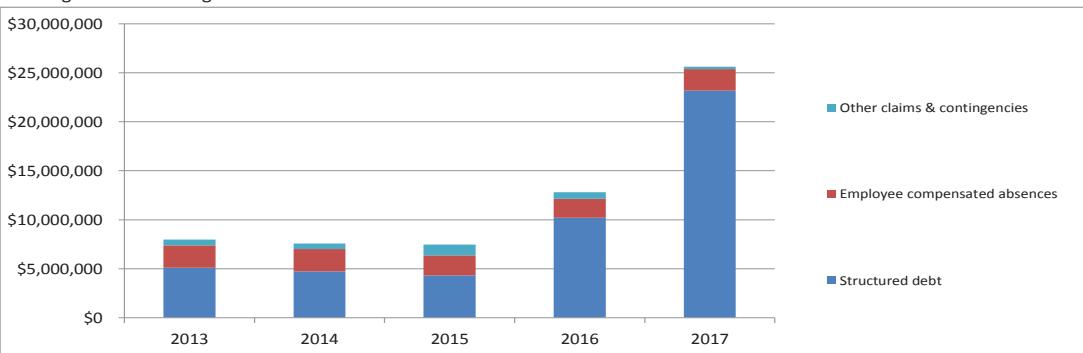
3. Percent funded - compared to the prior year



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



5. Long Term Debt obligations:



For the fiscal year ended June 30, 2017, the City's contributions to the pension and OPEB trust were \$8,488,056 in addition to the Pension Obligation Bonds that were issued for the General Employees Pension in the amount of \$15,250,000.

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



City of Madison Heights Performance Dashboard

Prior Year = FY 2016

Current Year = FY 2017

Fiscal Stability		Prior	Current	Progress
Annual General Fund Expenditures Per Capita	\$ 902	\$ 973	↓	
Unrestricted Fund Balance as a % of General Fund Expenditures	31.2%	23.2%	↓	
Other Post-Employment Benefits Liability Funding Percentage	32.3%	27.7%	↓	
Debt Burden Per Capita	\$ 368	\$ 593	↓	
Full-time Employees	143	141	↑	
Total Taxable Property Value (in millions)	\$ 785	\$ 776	↓	
Public Safety		Prior	Current	Progress
Dispatch calls/initiated actions: Total Police Responses	30,176	25,140	↑	
Total Basic Life Support and Advanced Life Support Responses	2,899	3,217	↓	
Number of People Transported by EMS	2,199	2,394	↓	
Number of Building Inspections	4,452	4,441	↓	
Number of Building Structure Fire Calls	68	75	↓	
Injury producing traffic accidents	256	250	↑	
Total Traffic Fatalities	2	3	↓	
Total Arrests	1,504	994	↑	
Moving violations citations issued (excluding DUIs)	4,817	4,226	↑	
Economic Strength		Prior	Current	Progress
% of Community with Access to High Speed Internet	100%	100%	↔	
Number of New Businesses	101	109	↑	
Investment in Streets, Water and Wastewater Infrastructure Per Capita	\$ 163	\$ 152	↓	
Building Inspection - Building Permit Revenue (in thousands)	\$ 528	\$ 406	↓	
Unemployment Rate	6.7%	4.9%	↑	
Industrial Vacancy Rate	5.8%	3.6%	↑	
Quality of Life		Prior	Current	Progress
% of General Fund Budget Committed to Arts, Culture and Recreation	7.3%	6.2%	↓	
Senior Meals Served Daily	90	99	↑	
Senior Two-Way Bus Trips Provided	8,396	9,070	↑	
Operating Budget Per Park Acre	\$ 5,139	\$ 4,034	↓	
Library Visits Per Year	98,172	105,531	↑	
% of Drinking Water Standards Met	100%	100%	↔	
Persons Enrolled in Recreation Programs	1,562	1,555	↓	

Performance Improving ↑

Performance Staying About the Same



Performance Declining ↓

REVENUE CHAPTER

Revenue Overview

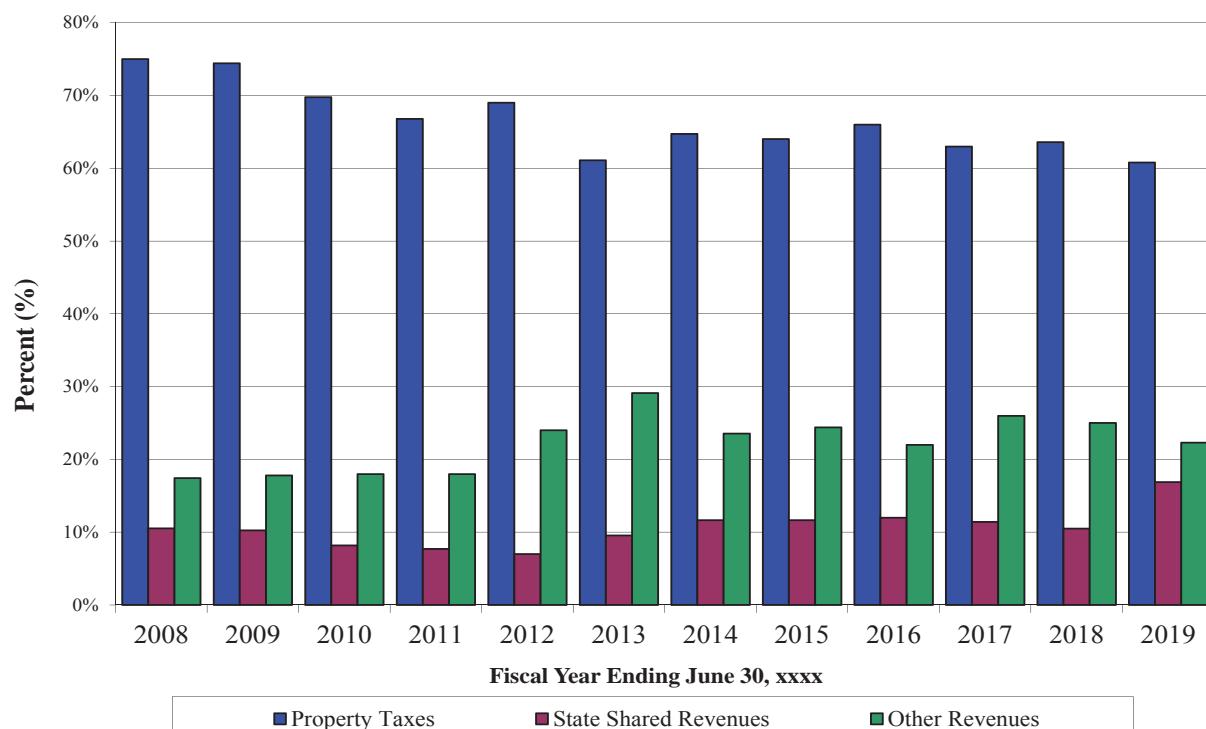
General Fund Revenues are budgeted at \$29.2 million exclusive of the planned use of fund balance. This represents an increase of \$2.1 million, or 7.8% from FY 2018 Amended Budget revenues. This significant increase in revenue is due to two revenue streams both related to taxes. First, property tax, the City's largest revenue, is increasing \$900,494. Over half of this increase is due to the increase of the Police and Fire millage from 6.9586 to 7.5927. This millage adjustment equates to a 9.1% increase or \$499,000. The remaining change is due to a taxable value increase of approximately 2.1%. As discussed earlier, taxable value actually increased by 3.17% overall, but is capped by State legislation at the approved inflation rate multiplier of 2.1%.

Factoring in the impact of the current inflation rate (Detroit Area Consumer Price Index) of 1.09%, General Fund revenues are up 6.7%.

Base Budget Revenue Changes

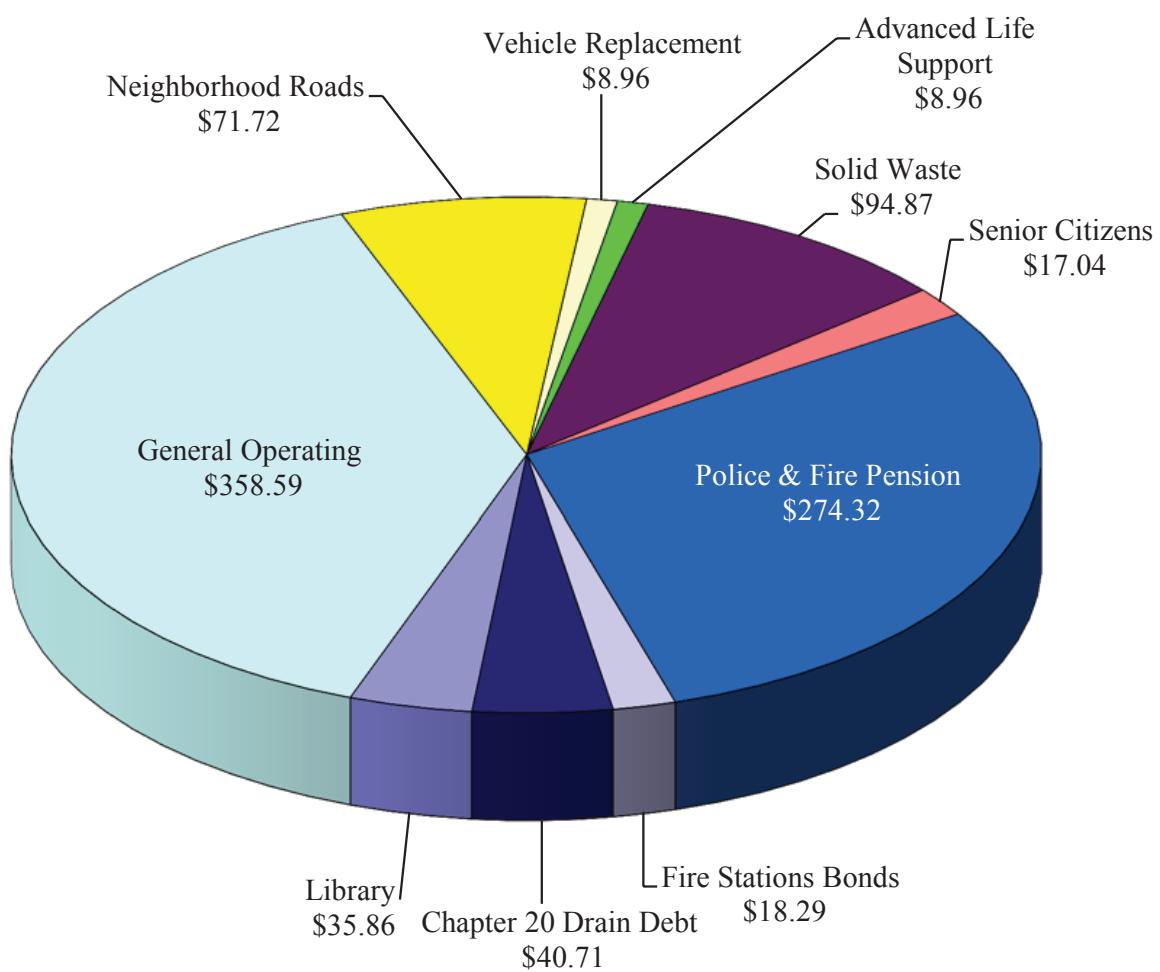
The composition of General Fund Revenues includes: Property Taxes at \$18.1 million or 60.8% of total General Fund Revenues; State Shared Revenues at \$5.0 million (16.9%); Court Related Revenues at \$1.6 million (5.4%); Charges to Other Funds of \$916,480 (3.1%); Construction Permits at \$400,000 (1.3%); Ambulance/Rescue Insurance Reimbursement of \$610,000 (2.1%); Cable Television Fees in the amount of \$580,000 (2.0%); Charges for Services of \$177,150 (0.6%); Other Revenues of \$1.8 million (6.1%) and Use of Fund Balance \$520,844 (1.8%).

Percentage of General Fund Revenues



**Average City Taxes - FY 2018-19
Based on Average Home Market Value of \$103,930
(Taxable Value of \$36,130)**

Total of \$929.32



Approximately 61% 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 2018-19 combined City tax rate of 25.7214 mills per thousand dollars of State taxable valuation is broken down as follows:

DOLLARS PER \$1,000 OF TAXABLE VALUE *

	<u>Tax Rate 2017-18</u>	<u>Tax Rate 2018-19</u>	<u>Tax Rate Change</u>	<u>Tax Rate Limits **</u>	<u>Headlee Tax Limits **</u>	<u>Expires</u>
<u>Operating Millages:</u>						
General Operating	9.9689	9.9250	(0.0439)	10.0000	9.9250	N/A
Neighborhood Road Improvements	1.9938	1.9850	(0.0088)	2.0000	1.9850	2026
Vehicle Replacement	0.2492	0.2481	(0.0011)	0.2500	0.2481	2026
Advanced Life Support	0.2492	0.2481	(0.0011)	0.2500	0.2481	2024
Solid Waste	2.6374	2.6257	(0.0117)	3.0000	2.6258	N/A
Senior Citizens	0.4736	0.4715	(0.0021)	0.5000	0.4715	N/A
Police & Fire Retiree Benefits	6.9586	7.5927	0.6341	as needed	as needed	N/A
Fire Stations Bond	0.5276	0.5061	(0.0215)	as needed	as needed	2022
Library	0.9969	0.9925	(0.0044)	1.0000	0.9925	2020
Chapter 20 Drain Debt	<u>1.1562</u>	<u>1.1266</u>	<u>(0.0296)</u>	as needed	as needed	2028
Total Millage	25.2114	25.7213	0.5099			

*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. For FY 2019 the rate of inflation has been calculated at 2.1%.

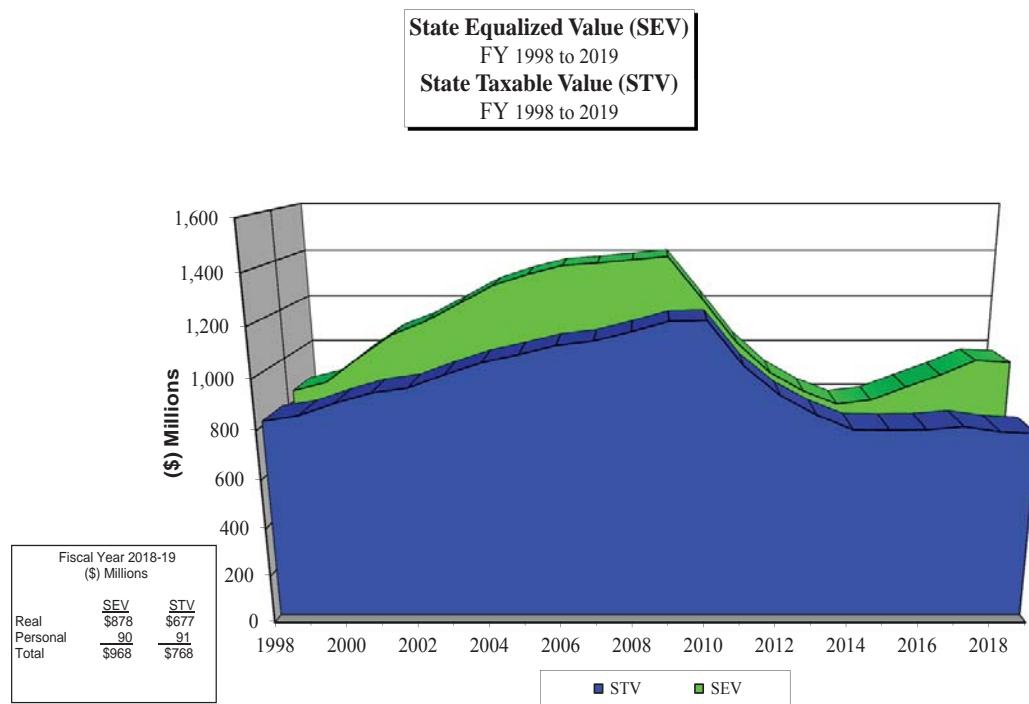
When taxable value increases more than the amount explained above the millages are “rollback”. For the second year in a row the city has experienced a rollback of millage rates. This can be seen in the decrease above. Three millages are not affected by the rollback. These millages are set to the rate needed to generate the required payments and include Police and Fire Retiree Benefits (PA 345), Fire Station Bonds and Chapter 20 Drain Debt payments.

**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.

There are 10,339 single-family homes and condominiums in Madison Heights. The average home market value is \$103,930 (State Equalized Value is \$51,965) with a taxable value of \$36,130 and an average tax bill of \$929 for City services for Fiscal Year 2018-19.

Property Tax Base

The following chart illustrates the change in the State Equalized Value (SEV) over the last twenty years based on the type of property. The property tax base for the General Fund is quite diversified. The major components of the General Fund Property Tax Revenue are single unit residential/condominiums (46%), commercial (33%), industrial (9%) and personal property (12%).



Taxable property consists of 88.2% real (land and building) and 11.8% personal (equipment and fixtures).

This chart also illustrates the gap between equalized and taxable value. In FY 2019, the overall taxable value is estimated to grow 3.17% with equalized value increasing by 6.79%. It is anticipated that for the year, equalized value will continue to increase while taxable value will struggle to increase because residential and real property increases continue to be offset by losses in personal property taxable value. Taxable value is also restricted due to the Headlee Amendment, so even when the City does have an annual increase in uncapped property values, we will not benefit monetarily as uncapped values are treated as growth on existing property and trigger the Headlee millage rollback. Under the Headlee Amendment, the increase in the taxable value of property not transferred is capped at the lesser of inflation or 5 percent.

Oakland County is responsible for collection of all property tax that goes unpaid as of March of each year. In the past, the delinquent tax account was estimated based on projected collections from Oakland County of past delinquent taxes that were paid throughout the year.

Personal Property Tax Reform

In December 2012, Governor Rick Snyder signed a package of bills that collectively phased out the personal property tax (PPT) by providing exemptions for small parcels (defined as personal property with a taxable value of \$40,000 or less) and exemptions for eligible new and existing manufacturing personal property. The exemptions begin in 2014 for the small parcels and a 10-year phase-in starts in 2016 for the manufacturing personal property. The City estimated a loss of \$1.4 million from the small parcel exemption as it would affect 97% of all personal property parcels in the City. The manufacturing PPT exemption was estimated to cost the City \$9.6 million over the 10-year period (by 2022), inclusive of a

\$341,000 loss by virtue of nine (9) current tax abatements becoming permanent. The legislation was predicated on voter approval in a State-wide election held in August 2014.

As the result of the extensive work by the Michigan Municipal League (MML) and lobbying on behalf of local governments, the State Legislature passed in March 2014 Senate Bills 821-830 which provide 100% reimbursement to local units for all lost PPT revenue, and which replaces the local Essential Services Assessment with a State assessment through a new Local Community Stabilization Authority. As voters approved the required language in August 2014, the State assessment and manufacturing property PPT phase-out began in 2016. The FY 2019 Budget continues a reduction in personal property from this latest implementation of the personal property tax reform, resulting in a reduction of taxable value for personal property of 4.4%. PPT losses from this legislation are over 80.2% which has reduced property taxes by over \$2.5 million since implementation of this bill. Fortunately, the tax reform law includes reimbursement of this loss in its entirety, however; until FY 2018, the City had not seen 100% replacement from the State. Based on estimates from the state formula and past reimbursements, the City budgeted only \$876,000 in FY 2018. In FY 2019, this revenue is estimated to be \$1.7 million. This is great news for the FY 2018 and FY 2019 budget; however, this revenue stream is questionable as we depend 100% on the state for the calculation and the reimbursement of funds.

As of March 2018, state officials do not have a set formula for reimbursement. This has made it very difficult to estimate for budget and planning purposes.

State Shared Revenues

The City's second largest source of General Fund Revenue is State Shared Revenues budgeted at \$5.0 million or 16.9% of revenues. This revenue source has increased from 10% of revenues since FY 2017 due to the reimbursement discussed above. The State mandates that PPT reimbursement be accounted for as State Shared revenues.

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

- Constitutional

Article IX, Section 10, of the Michigan Constitution requires that "Fifteen percent of all taxes imposed on retailers on taxable sales at retail of tangible personal property at a rate of not more than 4% shall be used exclusively for assistance to townships, cities and villages, on a population basis as provided by law." For FY 2019, the State projects a distribution of constitutional revenue sharing of \$2,485,100 for the City or a 7.0% (\$164,762) increase over the amended budget for FY 2018.

- Statutory - City, Village and Township Revenue Sharing

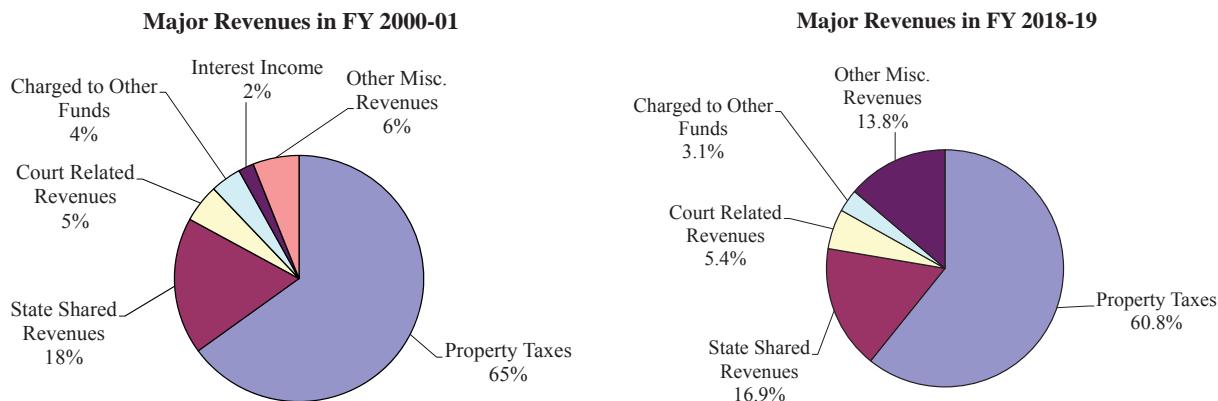
Beginning in FY 2014-15, the Legislature established the City, Village, and Township Revenue Sharing (CVTRS) program to simplify the Economic Vitality Incentive Program (EVIP). Each eligible local unit must meet all of the requirements of Accountability and Transparency in order to receive the full CVTRS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

Under this new legislation, cities like Madison Heights that had a FY 2010 statutory payment greater than \$4,500 and a population greater than 7,500 will receive the greater of the "Percent Payment" or "Population Payment". In FY 2019, this total for the City is budgeted to be \$538,920. This is a 4.7% increase over past years or \$24,120.

In order to receive this money, the City must make required documents available to the State Treasury office and have them available for public viewing in the City, or on a publicly accessible Internet site. These required

documents include a certification of accountability and transparency, a citizen's guide including unfunded liabilities, a performance dashboard, and a debt service report. As of the publication of this document, all the required documents can be found at www.madison-heights.org.

For budget purposes, the City assumed it will meet all CVTRS requirements and planned for an increase in budgeted CVTRS.



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 2018-19 they are only 16.9% of the total. Statutory and Constitutional revenue sharing has been a target for the state resulting in long-term revenue loss imposed on the City. According to the Michigan Municipal League's website (www.SaveMiCity.org), the City has lost over \$11 million dollars in revenue sharing payments from the time period of FY 2003 – FY 2015. During this same period, the State's revenues have increased almost 29%.

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

Other Revenues

The third largest source of General Fund Revenue is composed of Court fines, forfeits, and charges (\$1.6 million), which are used to partially offset the cost of operating our State-mandated District Court and Police Department. This is a decrease from the FY 2018 Amended Budget of 7.3%.

The fourth significant revenue is departmental charges, which is budgeted at \$916,480. These revenues are based on charges to the Major Street Fund (\$80,000); Local Street Fund (\$170,000); and Water and Sewer Fund (\$666,480) for equipment, facilities and manpower costs incurred by the General Fund to support their operations.

A fifth group of revenue sources, other governmental revenues, includes items that provide between \$100,000 and \$560,000 in annual funding. This category is not as important to the overall budget as those already mentioned earlier, but represents a significant source of revenue. These revenues include business and non-business licenses, permits and fees, charges for service, recreation and senior center user fees, cable television franchise fees, and ambulance insurance reimbursement charges. Interest income is budgeted at \$150,000 for FY 2019.

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

Revenue Assumptions

- State Shared Revenues - Based on Michigan Department of Treasury Projections, Constitutional State Shared Revenues (SSR) are budgeted to be \$2,485,109 and City, Village and Township Revenue Sharing (CVTRS) is budgeted to be \$538,920. For more information on SSR, see the SSR section of this chapter.
- Licenses and Permits – Fees set by City Council; based on activity projected by the Community Development Director for occupational and non-business licenses; and City Clerk for business licenses and permits.
- Charges From Other Departments – Consultant's cost allocation plan (Water and Sewer), time analysis, and costs for parts and labor, outside work, fuel, personnel, and insurance (Motor Pool).
- Interest Income – A conservative 2.0% return is assumed on cash reserves for general investments. In accordance with PA 404 of 2008, the cash reserves from the Parks Maintenance and Improvement Fund are invested in a long-term portfolio to maximize investment returns. Interest income for the Parks Maintenance and Improvement Fund is budgeted to be 4.0%.
- Gas & Weight Tax – The Michigan Department of Transportation recently released updated projections for Act 51 revenues based on the new transportation revenue package. In November 2015, nine bills were signed into law which will raise \$1.2 billion for the new transportation revenue package. For details, please see the Budget Overview and Capital Outlay Chapter. This is the largest state investment in transportation in Michigan history. The budget includes a \$250,289 increase over FY 2018 based on projections of revenues from fuel tax increases and vehicle registration fees included in this State Restricted Revenue Package. This is an increase of \$685,962 or 31.7% since implementation of this legislation.
- Water Sales and Sewage Disposal – The Great Lakes Water Authority has announced a 3.8% combined increase to Madison Heights for water usage in FY 2019. Oakland County has estimated an increase of 0.1% for stormwater and sewage disposal. During FY 2017 and 2018, the City has undergone a rate restructuring which resulted in the completion of an annual rate review with five year projection of reserves. New rates, proposed in this study, would come into effect beginning for bills on or after July 1, 2018 and would result in a 3.25% rate increase. This report can be reviewed as part of the Appendices.
- 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 \$2.1 million is derived from Gas and Weight taxes collected by the State of Michigan. These taxes are distributed to local municipalities based on miles of roads and city population. Gas and Weight tax revenues comprise 91.3% of Major Street revenues. Other revenues include reimbursements from the Road Commissions of Oakland and Macomb Counties for winter and summer maintenance by the City on County roads and berm areas, and interest income. FY 2019 also includes a use of fund balance of \$129,084.

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 \$748,262, only provide enough funding to perform minor road repairs and maintenance. In an effort to raise revenues for more extensive and much needed repairs and rehabilitation, the voters approved the renewal of a ten-year dedicated road millage of two mills in August 2016. This millage will provide \$1.6 million in FY 2019 and an estimated \$20 million over the ten-year period, which will be used exclusively for the repair and reconstruction of residential streets and rights-of-way. Other revenues include interest income budgeted at \$25,000. The projected use of fund balance to complete scheduled projects for FY 2019 is projected at \$253,482.

Parks Maintenance and Improvement Fund

The Parks Maintenance and Improvement Fund was established with a November 2007 one-time payment of \$850,000 from the George W. Kuhn Drainage District, in exchange for the City's agreement to assume responsibility for the operation and upkeep of the 10-acre Red Oaks Soccer Complex. The projected revenues for the budget year include \$55,000 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 of fund balance for FY 2019 is \$51,094.

Downtown Development Authority Fund

Funding for the Downtown Development Authority is derived exclusively from the incremental growth in real and personal property tax above the 1997 base year for those properties located in the District. Tax revenues have decreased 76% over the last seven years from \$243,100 in FY 2009-10 to \$48,054 for FY 2019.

Drug Forfeiture Fund

The Fund is used to account for revenues (FY 2019, \$44,000) generated by the Madison Heights Police Department through drug forfeitures related to enforcement of drug laws pursuant to Public Act 251 of 1982. The FY 2019 Budget also includes a use of fund balance of \$50,470.

Community Improvement Fund

Community Improvement revenues are provided by the Federal Housing and Urban Development (HUD) Department for the Community Development Block Grants (CDBG) program. HUD monies for the CDBG program are estimated to be \$110,282 for FY 2019. This program is administered by Oakland County and provides reimbursement for expenditures that aid low-moderate income areas. This reimbursement is limited to the amount of available Federal funding which has declined substantially in recent years.

Special Assessment Revolving Fund

Revenues to this Fund include property owner principal and interest payments from prior years' road and sidewalk projects (\$80,343). Other revenues include interest earned on fund balance (\$5,000) and a \$170,105 use of fund balance. These assessments are being repaid over 3 to 15 years by the property owners.

Fire Stations Construction and Bond Funds

These funds account for the construction activities related to the \$5.9 million 2003 Fire Stations project

and the repayment of the debt associated with this project. The dedicated millage will generate \$398,276 this year to make principal and interest payments.

Chapter 20 Drain Debt Fund

This fund accounts for the principal and interest payments pursuant to Michigan Drain Code Chapter 20 of Public Act 40 of 1956. A dedicated millage of 1.1266 mills will generate \$886,580 to make these principal and interest payments.

Water and Sewer Fund

Water and Sewer Fund revenues are generated through user charges to residential and commercial customers. These user rates have been restructured over the past two fiscal years, Significant changes in the rate structure resulted in an initial reduction of commodity rates. The significant changes were the removal of stormwater from the sewage rate with a new stormwater charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface have a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed for stormwater continues to cover all of the city's stormwater expenses charged by the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%. Starting with bills on or after July 1, 2018, the water and sewer rates will increase by 3.25% and the stormwater rate will remain fixed at the FY 2018 rate of \$11.37 per quarter.

In FY 2018, drain debt was removed from the water and sewer rate and assessed on the tax bills, pursuant to Michigan Drain Code Chapter 20 of Public Act 40 of 1956, for FY 2019 this is being assessed at 1.1266 mills.

Starting in FY 2019, the City has adopted a rate analysis tool and method for reviewing and adjusting rates annually. This procedure for reviewing water and sewer rates includes a five year forecast of known capital outlay, projected operational expenditures and revenues. The basic principle guiding this rate study and any rate adjustments that result is that rates should be set to meet revenue requirements as defined by historical costs adjusted by known cost increases and decreases.

This budget includes a use of net restricted assets in the amount of \$1,997,075 to fund water main replacements and the second phase of a City-wide meter replacement program. The other revenues are derived from meter charges, tap fees, interest on investments and building rental charges.

Motor Pool and Equipment Fund

Revenues of the Motor Pool and Equipment Fund are provided exclusively through contributions from departments of the General Fund (\$850,813) and the Water and Sewer Fund (\$137,068). The amount contributed by each department is based on the cost incurred by the Motor Pool in maintaining each department's vehicles.

Department of Public Services Fund

Revenues of the Department of Public Services Fund are provided exclusively through contributions from other departments in the City. The amount contributed by each department is based on the time incurred by Department of Public Services personnel as tracked by the City's work order system. FY 2019 includes revenues from the General Fund (\$601,682), Major Street Fund (\$204,366), Local Street Fund (\$276,670) and Water and Sewer Fund (\$1,041,835).

FUND BALANCE

In Madison Heights, the General Fund Fund Balance consists of designations of assigned fund balance for various purposes, totalling \$6.7 million. The following table reflects the audited Fund Balance for the years ended June 30, 2016 and 2017:

FUND BALANCE	ACTUAL FY 2015-16	ACTUAL FY 2016-17	CHANGE FY 15-16 vs. 16-17
Unreserved:			
Assigned:			
Vested Employee Benefits	\$1,841,333	\$2,130,599	\$289,266
Retained Insurance Risks	1,318,585	1,357,410	38,825
Capital Improvements	1,033,000	983,000	(50,000)
Postemployment Benefits	1,565,806	745,415	(820,391)
Technology Improvements	150,000	150,000	0
Pension Bonds	1,090,000	810,000	(280,000)
Subsequent Year's Expenditures	<u>1,364,383</u>	<u>536,460</u>	<u>(827,923)</u>
Total Assigned	\$8,363,107	\$6,712,884	(\$1,650,223)
Unassigned	0	0	0
Total Unreserved Fund Balance	\$8,363,107	\$6,712,884	(\$1,650,223)

Assigned Funds

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

The designation for vested employee benefits was established to provide a reserve for unused sick leave and vacation benefit liabilities not funded elsewhere. These funds would be required to meet the commitments, which change over time based on employee retirements, leave accrual and utilization rates. This designation was set based on audited records at \$2.1 million last year and makes up 31.7% of the Assigned Fund Balance.

In 1987, the City started setting aside a portion of its Fund Balance for possible contingencies related to self-insurance losses. Based on reporting of claims incurred but not reported, staff assigned \$1,357,410 for insurance risk.

With the decreases in revenue sharing and property tax, and increasing prices, the general maintenance and upkeep of City facilities and technology have become a heavy burden to support and in some situations have been deferred for years. As of June 30, 2017, the assignment for future capital improvements was included at \$983,000 and the assigned amount for technology improvements remained the same at \$150,000.

The City has also followed the sound practice of designating funds for budgeted purchases and projects that cannot be accomplished by the end of any given fiscal year. This method of carrying forward monies could be used to retain appropriations on large equipment purchases or construction projects budgeted, but not bid or completed prior to the end of a fiscal year. This financial tool is used to pull together all those significant items outstanding, but not acted upon by the end of a budget year. On June 30, 2017, those carry-forward purchase designated funds of \$536,460 made up 8% of the Assigned Fund Balance.

In FY 2017, the City issued Pension Obligation Bonds. At June 30, 2017, one year of debt payments for principal were assigned at \$810,000.

Unassigned Funds

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

Restricted Funds

Restricted fund balance is the portion of fund balance that is constrained to specific purposes by an external characteristic. In the City's case, these monies are restricted for dedicated millages. As of June 30, 2017, the City had restricted funds for future vehicles purchased through Proposal "V" in the amount of \$98,085.

Changes in Fund Balance

The FY 2019 budget proposes a use of Fund Balance of \$520,844. This budget document complies with the City Council financial policy to maintain a minimum two months (16%) of regular operating expenditures plus one year of debt payments. In addition, unrestricted fund balance should include one percent (1%) of annual expenditures. For more details, please see the Reserve Policy in the Appropriations Chapter.

**ALL FUNDS SUMMARY
CHANGES IN PROJECTED
FUND BALANCE/RETAINED EARNINGS
FISCAL YEAR 2018-19**

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund ⁽¹⁾	\$ 6,173,924	\$ 29,210,259	\$ 29,731,103	\$ 5,653,080	(8.4)
Major Street ⁽²⁾	167,251	2,172,501	2,301,585	38,167	(77.2)
Local Street - Non Proposal R ⁽³⁾	(20,943)	932,590	1,173,584	(261,937)	1,150
Local Street - Proposal R ⁽³⁾	1,923,204	1,860,031	1,872,000	1,911,235	(0.6)
Parks Maintenance and Improvements	636,869	55,000	39,906	651,963	2.4
Downtown Development Authority	62,996	48,054	48,054	62,996	-
Police Drug Forfeiture	74,807	44,350	94,820	24,337	(67.5)
Community Improvement Program	-	106,279	106,279	-	-
Special Assessment Revolving	1,194,761	85,383	255,448	1,024,696	(14.2)
Fire Stations Construction and Bond Funds	17,198	422,226	430,637	8,787	(48.9)
Chapter 20 Drain Fund	-	886,580	886,580	-	-
Water and Sewer Fund ⁽⁴⁾	6,170,303	11,975,176	13,972,251	4,173,228	(32)
Motor Pool and Equipment Fund	-	987,881	987,881	-	-
Department of Public Services	-	2,124,553	2,124,553	-	-
Total	\$ 16,400,370	\$ 50,910,863	\$ 54,024,681	\$ 13,286,552	(19.0)

- (1) The General Fund is budgeted to use \$520,844 in fund balance during Fiscal Year 2019. Considering this planned use of fund balance, the General Fund is projected to have a fund balance of \$5,653,080. This includes projected reserve amounts for dedicated millages of Solid Waste and Proposal "V". The projected unreserved fund balance will be \$5,302,000 or 16% plus one year of debt payments.
- (2) The Major Street Fund is budgeted to use \$129,084 in fund balance. At June 30, 2019, the fund balance is projected to be \$38,167.
- (3) The Local Street Fund has two components of fund balance. The first includes non-Proposal R revenues which are coming in less than expenditures by \$240,994 in FY 2019. The second is the Proposal R portion which is budgeted to use fund balance for planned construction projects for which the Proposal R millage is levied. At June 30, 2019, the fund balance for Proposal R projects is projected to be \$1,911,235.
- (4) The Water and Sewer Fund's retained earnings is not representative of cash in this business-type fund and includes accounts receivable, depreciation and inventory. At June 30, 2019, the cash portion of retained earnings are projected to be \$4,173,228.

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's comprehensive decision-making and policy development process. This Budget is based on the Five Year Capital Improvement Plan, the City's financial policies, past City Council direction, and City Manager and Departmental review of operations.

Budget Strategy

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

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

Program costs will reflect a true picture of the cost of operations. Depreciation will not be included in program costs and some City-wide expenses will be separated from program expenditures for ease of administration;

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

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

Revenues will be estimated at realistic levels;

Reserves will be programmed at appropriate levels (two months' worth of operating expenditures or 16% of annual operating expenditures plus one year of debt payments) to protect the City from future uncertainties; and

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

FINANCIAL POLICIES

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

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

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

Operating Budget Policies

1. The City will establish a financial forecast to be updated annually, focusing on a four-year horizon combined with the current year for a five-year outlook.
2. The City will evaluate alternative means of services delivery when opportunities arise to ensure that services are being provided to our residents at the most economical cost.
3. The City will attempt to maintain its present service level for all priority and essential services within the existing property tax millage limits.

Budget and Expenditure Policies

1. The City must adopt a balanced budget annually. A balanced budget is when total budgeted revenues are equal to total expenditures. All expenditures or revenues that increase or decrease the budget causing it to be out of balance must be amended by City Council through formal action.
2. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare periodic reports comparing actual revenues and expenditures to budgeted amounts.
3. The City will emphasize efforts to reduce expenditures in major cost centers (e.g. energy, medical insurance premiums, self-insurance liability premiums, communications, information technology, pension costs, worker's compensation premiums and other fringe benefits).
4. The Water and Sewer Fund operations will be self-supporting.

Revenue Policies

1. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source.
2. The City will attempt to obtain additional revenue sources as a way of ensuring a balanced budget.
3. The City will follow an aggressive policy of collecting revenues.
4. The City will establish all user charges and fees at a level related to the full cost (operating, direct, indirect and capital) of providing the service.
5. The City will review fees and charges annually, and will design or modify revenue systems to automatically allow charges to grow at a rate that keeps pace with the cost of providing the service, which includes, but is not limited to, pass-through charges from other jurisdictions and wholesale providers of service to the City.
6. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
7. The City will, to the extent possible, use one-time revenues to fund one-time expenditures instead of financing ongoing programs.
8. The City will evaluate revenue sources to identify those sources that are unpredictable and use conservative estimates in preparing revenue projections.

Reserve Policies

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

Purpose

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

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

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

Definitions

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

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

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

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

Minimum Unrestricted Fund Balance – Major Funds

1. The City will maintain unrestricted fund balance of no less than two months (16%) of regular operating expenditures plus one year of debt payments if applicable.
2. The City will plan to meet all reoccurring expenditures with reoccurring revenues. Only one-time expenditures shall be funded through a use of fund balance.
3. The City will establish reserves to comply with the terms and conditions of the debt instruments used to finance capital improvement projects. Capital improvement projects are large purchases and construction projects costing \$30,000 or more.
4. The City shall set aside specific amounts of retained earnings in reserves for future development of capital improvement projects that it has determined to be in the best long-term interests of the City.

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

Committed Fund Balance

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

Assigned Fund Balance

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

Order of Expenditure of Funds (Spending Prioritization)

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

Capital Improvement Policies

1. The City will develop an inventory of capital needs annually. The capital needs are reviewed to determine what projects and/or assets should be funded. In the past, the cost for some capital improvements has been large enough to warrant a separate millage or bond proposal.
2. The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements in accordance with the plan.
3. The City's plan will include large capital purchases and construction projects costing more than \$30,000.
4. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital infrastructure and equipment from current revenues where possible.
5. The City will try to ensure that prime commercial and industrial acreage is provided with the necessary infrastructure to meet the market demand for this property.
6. The City will use the following criteria to evaluate the relative merit of each capital project:
 - a. Projects that are related to a grant opportunity will receive priority consideration.
 - b. Projects that implement a shared service or interlocal agreement will receive priority consideration.

- c. Projects specifically included in an approved replacement schedule will receive priority consideration.
- d. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
- e. Projects that have been funded for at least one prior year as part of a multi-year phased funding approach will receive priority consideration.
- f. Projects that duplicate other public and/or private services will not be considered.
- g. Priority will be given to those projects that directly support development efforts in areas with a majority of low to moderate-income households.

Capital Asset Management Policy

Purpose

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

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

Policy

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

any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the City, the asset will be valued based on the fair market value at the time the asset is donated.

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

- i. Otherwise this cost, including those that preserve the useful life of an infrastructure asset, is expensed.
8. Disposal and Transfer of City's Assets - Disposition of City's assets will be performed in accordance with applicable City policies and procedures.

Debt Policies

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

Investment Policy

1. The City will invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State statutes and local ordinances governing the investment of public funds.
2. This investment policy applies to all financial assets held by the City other than the Police and Fire Retirement Fund and the Parks Maintenance and Improvements Fund which are governed by Public Act 314 of 1965 as amended.
3. The City's investments shall be reasonably diversified by specific maturity dates, and/or individual financial institutions or a specific class of securities.
4. In managing its investment portfolio, the Deputy City Manager for Administrative Services (serving as the Investment Officer) or designee should avoid transactions that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of these affairs, not for speculation, but for investment, considering the probable safety of this capital as well as the probable income to be derived.
5. The City's officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair or create the appearance of an impairment on their ability to make impartial investment decisions.

6. The City is empowered by State statute (1943 P.A. 20 as amended by 1988 P.A. 285, and Section 1 (as amended by 1997 P.A. 44) to invest in the following types of securities:
 - a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
 - b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
 - c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after date of purchase.
 - d. Repurchase agreements consisting of instruments in subdivision (a).
 - e. Bankers' acceptances of United States banks.
 - f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
 - g. Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S. C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
 - (i) the purchase of securities on a when-issued or delayed delivery basis;
 - (ii) the ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned; and
 - (iii) the limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
 - h. Obligations described in subdivision (a) through (g) if purchased through an inter-local agreement under the Urban Cooperation Act of 1967, 1967 (Extra Session) PA 7, MCL 124.501 to 124.51.
 - i. Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
 - j. Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
7. The Investment Officer is restricted to investments in any one single issue or obligation of \$3,000,000 or less, which meet the statutory restrictions above.
8. Except for cash in certain restricted and special accounts, the investment officer may pool cash of various funds to maximize investment earnings. Investment income shall be allocated to the various funds based upon their respective participation.

9. The City maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the City in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. Accounting treatment will include carrying investments at cost or amortized cost which approximates market and amortizes the premium or discount over the life of the investment.
10. The Investment Officer will submit a quarterly investment report that provides the principal and type of investment by fund, annualized yield, ratio of cash to investments, earnings year-to-date, and a summary report of cash and investments maintained in each financial institution. Material deviations from projected investment strategies will be reported immediately to the City Manager.
11. The Investment Officer shall establish a system of internal controls, which are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Finance/Treasurer Department. Required elements of the system of internal controls shall include 1) the timely reconciliation of all bank accounts (i.e., monthly reconciliation within 30 days of the end of the monthly cycle), and 2) details of delivery versus payment procedures and trust receipt documentation.

Electronic Transactions of Public Funds Policy

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

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

2. Responsibility for ACH.

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

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

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

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

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

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

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

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

Auditing and Financial Reporting Policies

1. An independent audit will be performed annually.
2. The City will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board.
3. The City will maintain a strong internal audit and segregation of duties to the best of its ability given reduced staffing levels.

Credit Card Policy

1. The City's Deputy City Manager for Administrative Services (serving as the Finance Director) is responsible for the City of Madison Heights credit card accounting, monitoring, and generally for overseeing compliance with this credit card policy. The Human Resources Director is responsible for credit card issuance and retrieval.
2. A credit card may be used only by an officer or employee of the City of Madison Heights for the purchase of goods or services for the official business of the City of Madison Heights. In addition, any administrative policy that may be implemented by the City Manager may limit the specific official business for which credit cards may be used.
3. An officer or employee using credit cards issued by the City of Madison Heights shall submit to the Finance Department documentation detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which purchased.
4. An officer or employee issued a credit card is responsible for its protection and custody and shall immediately notify the Finance Director if the credit card is lost or stolen.
5. An officer or employee issued a credit card shall return the credit card upon the termination of his or her employment or service in office with the City of Madison Heights.
6. The Finance Director shall establish a system of internal accounting controls to monitor the use of credit cards issued by the City of Madison Heights.
7. The approval of credit card invoices by the utilizing department shall be completed before payment.

8. The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within 30 days of the initial statement date or before the stated due date. The City of Madison Heights shall comply with this provision.
9. Disciplinary measures shall be consistent with law for the unauthorized use of a credit card by an officer or employee of the City of Madison Heights.

Accounting Policies

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

1. Basis of Accounting

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

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

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

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

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

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

2. Budgeting

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

3. Fund Accounting

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

A. Governmental Funds

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

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

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

B. Proprietary Funds

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

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

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

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

C. Fiduciary Funds

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

D. Fixed Assets and Long-term Liabilities

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

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

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

Identity Theft Policy

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

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

This policy will:

1. Define sensitive information;
2. Describe the physical security of data when it is printed on paper;
3. Describe the electronic security of data when stored and distributed; and
4. Place the City in compliance with state and federal law regarding identity theft protection.

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

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

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

Water and Sewer Billing Policy

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

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

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

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

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

BUDGET REQUIREMENTS

Uniform Budgeting Act Requirements

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

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

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

City Charter Requirements

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

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

BUDGETING CONTROLS

Internal Controls

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

Independent Audit

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

BUDGET PROCESS OVERVIEW

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

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

Departmental Budget Requests

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

Building the Proposed Budget

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

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

Budget Review and Analysis

All funding requests are sent to the City Manager and Deputy City Manager for Administrative Services (serving as Finance Director) for review and evaluation. The objectives of this phase are to:

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

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

City Manager Review

Review sessions are scheduled with the City Manager. After these discussions, the City Manager makes final adjustments and works with the Deputy City Manager for Administrative Services (serving as Finance Director) and staff to prepare the draft of the Proposed Budget.

City Council Adoption

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

Budget Amendments

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

Budget Calendar

Economic Outlook Process

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

Budget Goals/City Goal Plan

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

Capital Improvement Plan

Early January	City Manager requests that departments submit Capital requests for Five-Year Capital Improvement Plan (CIP) (over \$5,000)
Mid January	Department of Public Services and Community Development Department complete road evaluation
Late January	Final deadline for CIP requests to City Manager
Mid February	City Manager and Staff review and compile the CIP requests
Early February to mid February	Preparation of CIP worksheets, maps, graphs and tables for presentation
Early March	City Manager and Staff prepare the Five-Year CIP document as part of the Policy Operating Budget

Operating Budget

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

APPROPRIATIONS CHAPTER

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

Changes to the Base Budget

Personnel Services

Wages & Benefits

Personnel services comprise approximately \$22.1 million or 41.4% of the Total Budget and approximately \$19.2 million or 65.2% of the General Fund Budget. Personnel Services across all funds are up \$1,555,734 when compared to the FY 2018 Amended Budget. Over 45% of this increase, or \$711,405, is due to seven additional full-time positions being added to staffing for FY 2019. Other significant factors in this increase include: step pay changes for newer employees for \$318,371 or 20.4% of the increase; police and fire pension contribution increases for a total of \$243,074 or 15.6%; medical insurance which is budgeted to increase \$175,931 due to premium increases of 8%; and status changes of employees.

Overall, the Budget includes a net increase of 8.05 full-time equivalencies (FTEs) and no changes to wages or benefits.

Status of Labor Negotiations

As of July 1, 2018, 140 of 148 full-time City employees, or 94%, belong to one of eight bargaining units. All eight bargaining units have contracts that expire on June 30, 2018. For more details on employee cost and negotiated changes, please refer to the Personnel Chapter.

The current bargaining units include:

1. Madison Heights Court Clerks Association
2. Department Heads Union - American Federation of State, County and Municipal Employees (AFSCME) Council 25 Local 1917.34
3. Supervisors and Assistants Union - AFSCME Council 25 Local 1917.33
4. Municipal Employees Union - Technical, Professional and Officeworkers Association of Michigan (TPOAM)
5. Department of Public Service - TPOAM
6. Madison Heights Police Officers Union (Public Act 312 coverage)
7. Madison Heights Police Command Officers Association (Public Act 312 coverage)
8. Madison Heights Fire Fighters Association (Public Act 312 coverage)

Medical Costs

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

- Health Care Coverage - Current Employees

The largest fringe benefit cost is \$1.9 million for health care coverage. For the purpose of negotiated benefits, employees are divided into two groups: active (currently employed) and retired. On January 1,

2012, all active employees were moved to a self-insured Blue Cross - Blue Shield Community Blue 4 Plan. The plan has a deductible of \$500 for single, \$1,000 for couple/family and a 20% co-pay for expenses over the deductible up to a maximum of \$1,500 for single and \$3,000 for couple/family per year. This plan also requires per visit fees of \$30 for doctor office visits, \$30 for urgent care clinic and \$150 for emergency room. Prescriptions for all active employees are a \$5 generic, \$40 preferred brand and \$80 non-preferred brand prescription copay program. On July 1, 2017, the City reduced the employee 20% medical premium sharing to 10% for all groups in accordance with PA 152. This 10% equates to approximately \$195,000 per year and allows the City to continue to offer the BCBS CB4 plan without further benefit reductions.

The City's projected medical insurance premiums for active employees are budgeted at 90% of the premium or \$6,684 single, \$16,042 couple and \$20,053 family per year effective July 1, 2018.

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

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

- Health Care Coverage - Retirees

The budget for these line items is being offset by a shift in expenses to the two Retiree Health Care Trusts. The total monthly premiums for retirees has been shifted from pay-as-you-go expenditures to monthly expenses of the General Employees Retiree Health Care Trusts, effective in 2013 and 2014 for sworn Police and Fire employees.

- Pre-Funding Retiree Health Care

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

The most recent actuarial study is as of June 30, 2016. At that time, the City had accumulated a market value of \$23.2 million in these trust funds. The unfunded portion is \$75.4 million resulting in these Trusts being 23.5% funded. In FY 2017, City Council approved an additional contribution to these trusts of \$1.7 million combined from the General Fund and Water and Sewer Funds.

In December 2017, the State legislature passed Public Act 202, The Protecting Local Government Retirement and Benefits Act. This Public Act is detailed in the Personnel Chapter. The purpose of this Act is to bring to light the magnitude of unfunded Retiree Health Care and Pension benefits throughout the State. The Madison Heights Retiree Health Care Trusts are both considered "Underfunded" according to this Act.

In FY 2019, the City is again unable to fund the total annual recommended contribution, which is 110.47%

of Police and Fire payroll or \$4,338,351 and between 34.65% and 155.75% of payroll for General employees or \$2,913,878. Instead, the budget includes funding at the same level as FY 2018; approximately \$2,515,000 for Police and Fire and \$1,285,000 for General employees. Both plans receive actuarial valuations every two years. The next study will be completed by the Retiree Health Care Trust actuary and will cover the year ending June 30, 2018.

- Dental Coverage

All employees receive the Delta Premier PPO, with an annual benefit to \$1,500 per year, for specified dental procedures. In addition, the City provides a maximum \$1,000 lifetime benefit for orthodontics. The dental and orthodontic coverage rate remained constant at \$1,281 per employee per year.

- Life Insurance Coverage

The Fire Fighters, Police Command Officers, Police Officers and the Department Heads' bargaining groups receive \$50,000 life insurance policies for active employees. The Municipal Employees Union; DPS Employee - Field Workers (TPOAM), the Supervisors and Assistants Union, and Court Clerks have a \$35,000 policy. Many retirees receive \$10,000 in coverage. The annual premiums for these coverages for active employees are \$264 for the \$50,000 policy and \$185 for the \$35,000 policy. Effective July 1, 2011 as part of the new labor agreements, retiree life insurance is no longer provided for new hires.

- Worker's Compensation

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

The City has provided training for Department Heads and Supervisors by York to provide education regarding workers compensation and how the City can manage costs better now that we are self-funded. The City has seen success with self-funding our workers' compensation program given that the number of incidents has dropped to 12. The cost to the City over the past seven years (FY 2011-2017) was \$1,882,964 and the savings during this same time period is estimated to be \$896,428.

- Other Benefits

In January 2015, the City's Optical Insurance Plan was changed by the provider. This change opened a network of providers and offered more current coverage for lenses. The cost of this plan increased the City's cost from a flat \$95 per year per employee to a tiered system: \$58.32 for single coverage; \$105 for couple; and \$163 for family, and remains constant for FY 2019.

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

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

- Employee Wellness Program

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

- Longevity Pay

Historically, the City has provided employees with longevity pay based on achieving their anniversary dates at 5, 10, 15 and 20 years, with awards of longevity pay based on their salary of 2%, 4%, 6% and 8% of wages, respectively. In regard to the Police Officers Union, employees hired after 1994 receive 1%, 3%, 5% and 6% as they hit the four anniversary dates. Police Command Officers have the same adjusted longevity pay as the Police Officers Union for employees hired after 1997. Starting in 1994, the City has been attempting to eliminate longevity pay for employees hired after this date. All non-sworn groups agreed to eliminate longevity pay for new hires with effective dates from July 1, 1997 to August 1, 1999. Effective July 1, 2009, longevity pay has been eliminated for all new Police and Fire employees. Of the 148 active employees, 64 employees still receive longevity.

Pensions

The second largest fringe benefit cost component is the employer's contribution to the pension plans. This expense is budgeted to be \$3.5 million in FY 2018-19. 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 54.5% of total wages based on the City's 2017 actuarially required contribution rates. This plan remains open to all new hires in the Police and Fire Departments; however, starting in 2009, new hires can only count base wage into their final average compensation and the pension multiplier was adjusted from 2.8% to 2.5%. In regard to the MERS plan, all general employee groups including non-union have agreed to close the pension plans changing pension benefits for new hires from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. These DC plans are funded at 7.0% by the City with variable employee contributions by union. When a plan changes from DB to DC, the plan becomes closed and the remaining unfunded liability is revised to be paid at a flat dollar amount for the number of employees.

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

In FY 2017, the City successfully issued Pension Obligation Bonds (POBs) for the General Employees pension pursuant to Public Act 34 of 2001 and a resolution adopted by City Council on March 28, 2016. When analysis was completed on issuing POBs, it was determined that the City would experience savings of approximately \$4 million over a 16 year period if the bonds sold with a true interest cost of 4.2% and investment earnings average 5.2%. These bonds sold in September 2016 with a true interest cost of 3.12% well below the City's expectations of 4.2%. This will lead to greater savings than expected over the long-term. Debt payments budgeted in FY 2019 for POB principal and interest are \$1.19 million. With this contribution, the City's General Employees pension is considered 100% funded on an actuarial basis. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost on an annual basis.

Supplies and Other Services and Charges

In the non-personnel service areas of supplies, the department's budgets have increased 1.98% overall across all funds when compared to the Amended Budget for FY 2018. This increase is largely due to a FY 2019

budgeted amount for one-time purchases such as: replacing two copy machines and equipping overhead emergency lights for patrol vehicles in the Police Department; increasing expense for ambulance medical supplies in the Fire Department; and the addition of wheelchair swing ramps in city parks. The area of Other Services and Charges increased 4.3%, which is related to contractual services in the 43rd District Court for security and state compliance requirements, Quad-Tran monthly computer maintenance fee increases, and the online computer maintenance agreement for the website and Human Resources online portal. Other increases across all departments include an increase in electric costs based on historical usage and a 3.25% increase in water as proposed in this budget.

Capital Outlay

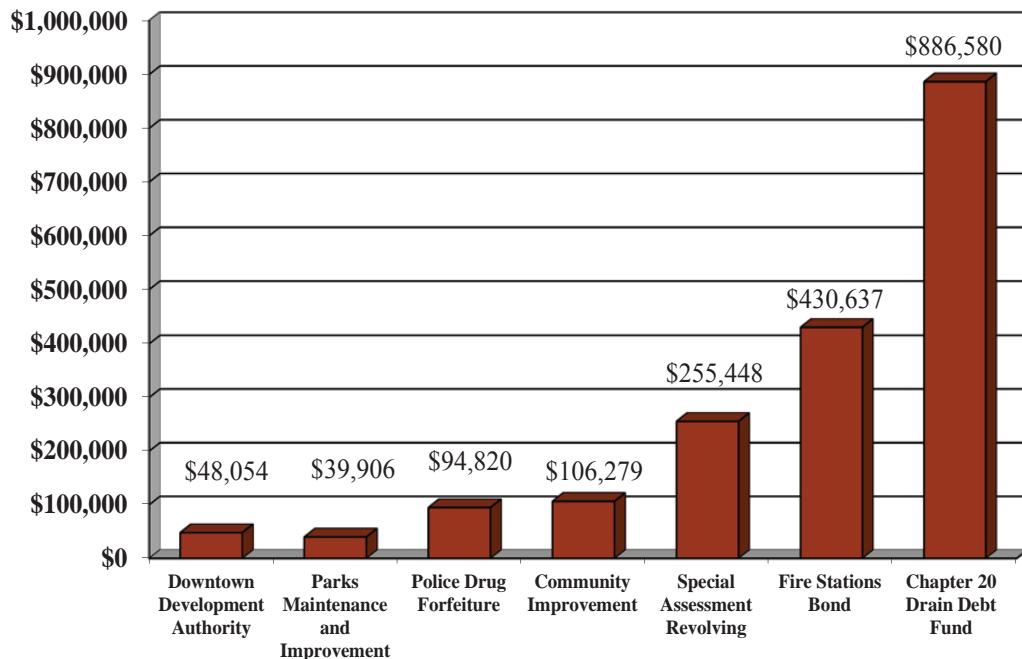
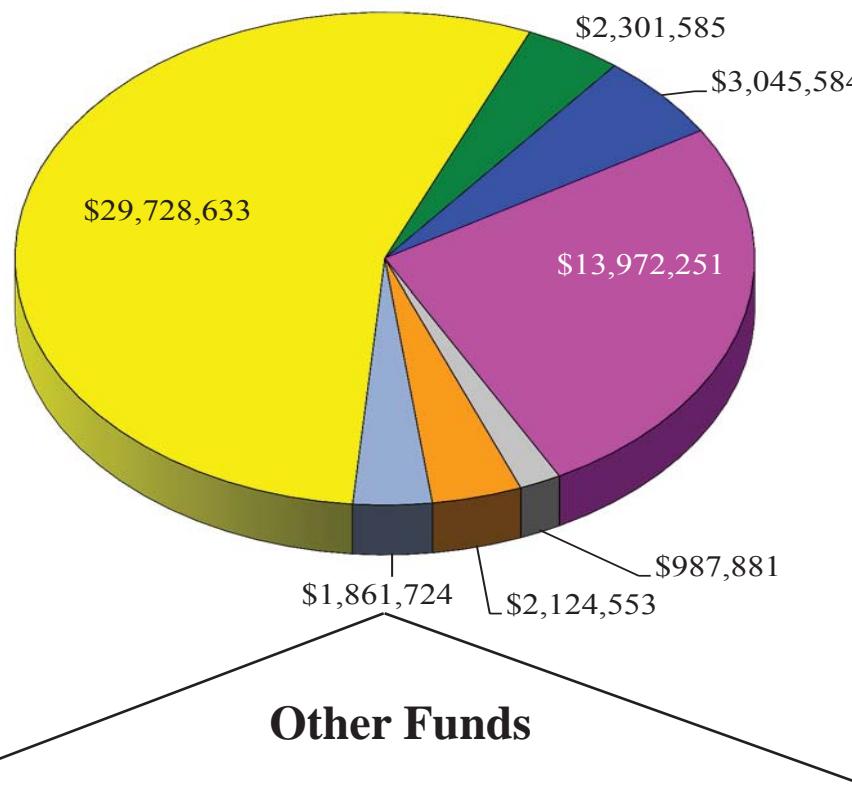
Capital Outlay purchases for FY 2019 total \$11.3 million for all funds including \$1.6 million for the General Fund. Of the General Fund purchases, 27.1% or \$440,172 are funded through dedicated millages (Proposal “V-3”, Solid Waste and “L” and Seniors Millage). The General Fund purchases that are not funded through dedicated millages include fire suppression in the City Hall server room, two copy machines in the police department, two new patrol vehicles and a patrol motorcycle, phase three of four for an underground storage tank, refurbishment of the police gun range, the final phase for an ambulance rescue, resurfacing the apparatus room floor in Fire Station #1 and overhead fire department doors, a code enforcement vehicle, fleet management software, phase one of two for the Nature Center HVAC project, and Edison Park playscape, and a backstop and fence in Huffman Park.

Other Funds include a capital outlay of \$9.7 million. The majority of this amount, \$6.5 million, is budgeted for road rehabilitation and reconstruction projects including R-3 dedicated millage projects, major roads sectional work, and the sidewalk repair and gap program. In the Water and Sewer Fund, \$3.5 million is budgeted for capital including \$744,000 for water main replacement. A total of \$1.2 million is budgeted for District 9 and the final phase of a city-wide meter replacement program, \$350,000 is budgeted for a new Caterpillar 4-Yard Loader and \$220,000 is allocated for a replacement Tandem Axle Dump Truck. The remaining planned purchases include final phase of the underground storage tanks located behind the Department of Public Services, and the repairs and replacement to the Department of Public Services parking lot. Drug Forfeiture Fund capital outlay includes two police patrol vehicles.

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

ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2018-19



Almost 81% of the City's operations are supported through the General Fund (55%) and the Water and Sewer Fund (25.8%).

ALL FUNDS SUMMARY

FISCAL YEAR 2018-19

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture	Community Improvement
City Council	\$ 56,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,568,339	0	0	0	0	0	0
City Manager	292,019	0	0	0	0	0	0
Elections	66,599	0	0	0	0	0	0
City Assessor	212,630	0	0	0	0	0	0
Legal	342,945	0	0	0	0	0	0
City Clerk	280,718	0	0	0	0	0	0
Personnel	401,476	0	0	0	0	0	0
Board of Review	2,963	0	0	0	0	0	0
General Administration	234,027	0	0	0	0	0	0
Finance	807,992	0	0	0	0	0	0
Information Technology	188,115	0	0	0	0	0	0
Municipal Building	129,840	0	0	0	0	0	0
Custodial & Maintenance	194,261	0	0	0	0	0	0
Police	10,639,933	0	0	0	0	94,820	0
Fire	6,379,036	0	0	0	0	0	0
Community Development	1,343,493	0	0	0	48,054	0	106,279
Streets	1,072,001	2,301,585	3,045,584	0	0	0	0
Solid Waste	2,184,266	0	0	0	0	0	0
Recreation	202,436	0	0	0	0	0	0
Nature Center	58,531	0	0	0	0	0	0
Parks	489,775	0	0	39,906	0	0	0
Senior Citizens	409,600	0	0	0	0	0	0
Library	753,741	0	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0	0
Insurance/Bonds/Transfers	1,417,587	0	0	0	0	0	0
Motor Pool	0	0	0	0	0	0	0
Department of Public Services	0	0	0	0	0	0	0
Total Appropriations	\$ 29,728,633	\$ 2,301,585	\$ 3,045,584	\$ 39,906	\$ 48,054	\$ 94,820	\$ 106,279

ALL FUNDS SUMMARY

FISCAL YEAR 2018-19

Special Assessment Revolving	Fire Station Debt Fund	Water and Sewer Fund	Motor Pool and Equipment Fund	Department of Public Services	Chapter 20 Drain Debt Fund	Total	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,310	City Council	
0	0	0	0	0	0	1,568,339	District Court
0	0	0	0	0	0	292,019	City Manager
0	0	0	0	0	0	66,599	Elections
0	0	0	0	0	0	212,630	City Assessor
0	0	0	0	0	0	342,945	City Attorney
0	0	0	0	0	0	280,718	City Clerk
0	0	0	0	0	0	401,476	Personnel
0	0	0	0	0	0	2,963	Board of Review
0	0	0	0	0	0	234,027	General Administration
0	0	0	0	0	0	807,992	Finance
0	0	0	0	0	0	188,115	Information Technology
0	0	0	0	0	0	129,840	Municipal Building
0	0	0	0	0	0	194,261	Custodial & Maintenance
0	0	0	0	0	0	10,734,753	Police Department
0	0	0	0	0	0	6,379,036	Fire
0	0	0	0	0	0	1,497,826	Community Development
252,948	0	0	0	0	0	6,672,118	Streets
0	0	0	0	0	0	2,184,266	Solid Waste
0	0	0	0	0	0	202,436	Recreation
0	0	0	0	0	0	58,531	Nature Center
0	0	0	0	0	0	529,681	Parks
0	0	0	0	0	0	409,600	Senior Citizen
0	0	0	0	0	0	753,741	Library
0	0	13,499,683	0	0	0	13,499,683	Water and Sewer
2,500	430,637	472,568	0	0	886,580	3,209,872	Insurance/Bonds/Transfers
0	0	0	987,881	0	0	987,881	Motor Pool
0	0	0	0	2,124,553	0	2,124,553	Department Public Services
\$ 255,448	\$ 430,637	\$ 13,972,251	\$ 987,881	\$ 2,124,553	\$ 886,580	\$ 54,022,211	Total Appropriations

ALL FUNDS APPROPRIATIONS
PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES
FISCAL YEAR 2018-19

Activity	Personnel Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 52,024	\$ 322	\$ 3,964	\$ 0	\$ 56,310
District Court	1,148,719	54,791	351,764	13,065	1,568,339
City Manager	287,632	300	4,087	0	292,019
Elections	51,054	7,410	8,135	0	66,599
City Assessor	0	0	212,630	0	212,630
Legal	0	7,500	335,445	0	342,945
City Clerk	260,290	4,080	16,348	0	280,718
Human Resources	204,697	0	196,779	0	401,476
Board of Review	2,378	0	585	0	2,963
General Administration	123,046	45,475	65,506	0	234,027
Finance	742,622	6,520	58,850	0	807,992
Information Technology	0	28,500	151,365	8,250	188,115
Municipal Building	0	0	48,840	81,000	129,840
Custodial & Maintenance	19,073	18,500	156,688	0	194,261
Police	9,525,652	88,780	513,025	582,296	10,709,753
Fire	5,217,305	76,750	559,381	525,600	6,379,036
Community Development	774,655	11,050	427,121	532,948	1,745,774
Streets	19,519	283,702	2,123,121	3,900,328	6,326,670
Solid Waste	78,553	17,601	1,998,112	90,000	2,184,266
Recreation	79,070	46,995	76,371	0	202,436
Nature Center	0	0	8,531	50,000	58,531
Parks	31,380	33,238	305,063	160,000	529,681
Senior Citizens	178,596	127,113	78,891	25,000	409,600
Library	491,942	6,091	126,161	129,547	753,741
Insurance and Transfers	0	0	511,162	0	511,162
Debt Service	0	0	2,638,878	0	2,638,878
Water and Sewer	241,833	2,543,091	7,222,041	3,675,050	13,682,015
Motorpool	396,125	170,600	421,156	0	987,881
Department of Public Services	2,124,553	0	0	0	2,124,553
Total Appropriations	\$ 22,050,718	\$ 3,578,409	\$ 18,620,000	\$ 9,773,084	\$ 54,022,211

RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased insurance for health, dental, optical, and life insurance claims, is insured for workers' compensation claims, and participates in the Michigan Municipal Risk Management Authority (MMRMA) risk pool for general liability claims. Settled claims relating to the insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. As of July 1, 2012, the City has moved to self-insurance for health, dental and worker's compensation.

Liability and Property Insurance

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

	<u>RETENTION *</u>	<u>LIMITS OF REINSURANCE</u>
General and auto liability	\$500,000 per occurrence	\$15,000,000 per occurrence
Auto physical damage (Non-Fire/EMS)	\$1,000 deductible and \$15,000 each vehicle; \$30,000 per occurrence	\$1,500,000 per occurrence
Fire/EMS Vehicle Replacement Cost	\$1,000 deductible per occurrence	
Property	\$1,000 deductible	\$45,114,894

*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 \$925,000 per fiscal year.

The City's policy is to record premium payments to the Authority as expenditures of the participating funds. At June 30, 2017, the City had member reserves of \$499,176 with the Authority. It is estimated that \$312,169 is needed to pay claims reported to date; the amount to be paid for claims incurred, but not yet reported cannot be estimated at this time. Upon termination of the program, any amounts remaining on deposit after the Authority has settled all claims incurred prior to termination will be returned to the City.

On June 13, 2016, Council approved increasing the retention from \$250,000 to \$500,000, which resulted in a reduction in the annual premium of \$70,376 or 7.4%.

Other Insurance Programs

As of July 1, 2010, the Worker's Compensation Program moved to being self-funded and administered through a third party. This transition has allowed the City to provide its own statutory workers compensation coverage while carrying excess insurance up to a \$350,000 specific retention for any occurrence. This program change has saved the City an estimated \$896,928 (FY 2011-2017). The administrative costs are allocated to individual budget activities of the City, based on payroll exposure. The actual workers compensation payments of claims will be allocated to the department where the worker's compensation claims are generated.

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

Special Events Insurance Requirements

On December 14, 1992, the City Council adopted a Council Policy establishing Uniform Insurance Requirements for Special Events. The policy covers clubs and organizations that request to hold special events on City property and/or in the City's right-of-way. The policy categorizes special events based on the potential risk involving the event activities into "hazard groups", and outlines the requirements for: liability, property, fire damage, medical and vehicle insurances; indemnification, defend and hold harmless agreements; and participant liability release.

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

DEBT ADMINISTRATION

The City's current Governmental Activities General Obligation long-term debt outstanding is \$17.0 million. This amount includes \$2.2 million of vested employee benefits; and \$14.7 million in general obligation bonds. The vested employee benefits will be paid on various future dates with general revenues from Governmental Funds.

The City's latest government bond rating occurred in June 2016 when the City secured a rating from Standard and Poors ("S&P") for the issuance of general obligation bonds. S&P assigned its "AA-/stable" underlying rating, describing the City's strong management with "good" financial policies and practices under the financial management assessment methodology; adequate budgetary performance, including operating surpluses in the general fund and at the total governmental fund level; very strong liquidity.

As of June 30, 2018, the City will be at 16.84% of the City's debt limit of \$80.53 million, which is based on 10% of assessed valuation. The City has general obligation bonds outstanding in the amount of \$2.1 million of an original \$5,925,000 Fire Station Bond issue, \$855,000 of the original \$1.5 million water and sewer bonds, and \$13,350,000 of an issue of \$15,250,000 for general employee pension. The City is also responsible for our share of eight bonds (not counted toward the debt limit) related to the George W. Kuhn Drain project for a total of \$4.8 million.

The City in the past has issued bonds to provide for the acquisition and construction of some major capital facilities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. City contractual labor agreements are also general obligations of the government; however, these are not funded by the issuance of bonds. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. Outstanding long-term debt recorded in the General Long-Term Debt Account Group, exclusive of contractual labor agreements, will include the following at June 30, 2018:

I. Fire Stations' General Obligation Unlimited Tax Bonds in the amount of \$5.9 million issued on May 1, 2003, payable over 20 years, for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, park and site improvements, draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. This bond was refinanced, allowing the City to reduce the coupon interest rate which increased from 3.0% to 4.0% over ten years to a fixed 1.9%, saving taxpayers over \$321,000. A total of \$2.1 million remains in principal payments.

II. George W. Kuhn Drain Bonds and State Revolving Loan Debt issued between October 2000 through September 2008. Portions of this debt have been refinanced with the most recent occurring in February 2016 when the District issued \$7,450,000 to refinance a 2007 issuance saving Madison Heights \$57,400 over 8 years. The total debt to be issued is \$125.8 million with Madison Heights's share being \$13.5 million. The bond and interest payments are being paid from a Chapter 20 Drain Debt tax levy, with \$4.83 million principal remaining.

III. Fixed Network Water Meter Reading System General Obligation Limited Tax Bonds in the amount of \$1.5 million issued on August 23, 2010, payable over 15 years, for the purchase and installation of a transmitter on every water meter and 12 antennas to allow daily non-manned readings. The bond and interest payments are being paid from the Water and Sewer Fund with \$855,000 principal remaining.

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

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

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

LEGAL DEBT MARGIN
(amounts expressed in thousands)
June 30, 2019

Calculation of debt limit:

	2015	2016	2017	2018	2019
State equalized valuation	\$ 855,731	\$ 907,622	\$ 970,477	\$ 966,049	\$ 968,372
10% of assessed value	<u>85,573</u>	<u>90,762</u>	<u>97,048</u>	<u>96,605</u>	<u>96,837</u>

Calculation of debt subject to limit:

Total debt	\$ 12,467	\$ 11,367	\$ 10,213	\$ 23,178	\$ 21,136
Less: debt not subject to limit:					
General obligation (2)	8,322	7,733	7,042	6,318	4,830
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt subject to limit	<u>\$ 4,145</u>	<u>\$ 3,634</u>	<u>\$ 3,171</u>	<u>\$ 16,860</u>	<u>\$ 16,306</u>
Legal debt margin available (1)	<u>\$ 81,428</u>	<u>\$ 87,128</u>	<u>\$ 93,877</u>	<u>\$ 79,745</u>	<u>\$ 80,531</u>
Net debt subject to limit as % of debt limit	4.84%	4.00%	3.27%	17.45%	16.84%

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

"Notwithstanding a charter provision to the contrary, the net indebtedness incurred for all public purposes shall not exceed the greater of the following:

- (a) Ten percent of the assessed value of all the real and personal property in the city.
- (b) Fifteen percent of the assessed value of all the real and personal property in the city if that portion of the total amount of indebtedness incurred which exceeds 10% is or has been used solely for the construction or renovation of hospital facilities.

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

**SUMMARY OF DEBT SERVICE REQUIREMENTS
TO MATURITY**
ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2018

<u>Fiscal Year Ending June 30</u>	<u>Fire Stations Bond Obligations</u>	<u>Fixed Meter Network General Obligations</u>	<u>Pension Obligation</u>	<u>Kuhn Drain Obligations</u>	<u>Total</u>
2019	\$ 429,900	\$ 138,400	\$ 1,189,069	\$ 884,430	\$ 2,641,799
2020	437,490	139,725	1,191,933	883,841	2,652,989
2021	449,795	140,600	1,187,738	882,818	2,660,951
2022	446,720	141,000	1,187,106	882,944	2,657,770
2023	458,550	146,200	1,188,874	706,329	2,499,953
2024	-	146,000	1,188,898	700,136	2,035,034
2025	-	145,600	1,191,038	73,393	1,410,031
2026	-	-	1,191,340	73,658	1,264,998
2027	-	-	1,190,120	63,977	1,254,097
2028	-	-	1,191,260	63,644	1,254,904
2029	-	-	1,189,703	52,593	1,242,296
2030	-	-	1,189,927	-	1,189,927
2031	-	-	1,187,370	-	1,187,370
2032	-	-	1,187,480	-	1,187,480
Totals	\$ 2,222,455	\$ 997,525	\$ 16,651,854	\$ 5,267,763	\$ 25,139,597

Fire Stations Bond

Date of issue - May 1, 2003

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$5,925,000

Refinanced - May 1, 2013

	Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Requirements</u>
2019	\$ 390,000	\$ 39,900	\$ 429,900	
2020	405,000	32,490	437,490	
2021	425,000	24,795	449,795	
2022	430,000	16,720	446,720	
2023	<u>450,000</u>	<u>8,550</u>	<u>458,550</u>	
	\$ 2,100,000	\$ 122,455	\$ 2,222,455	

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

Date of issue - August 23, 2010

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$1,525,000

	Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Requirements</u>
2019	\$ 105,000	\$ 33,400	\$ 138,400	
2020	110,000	29,725	139,725	
2021	115,000	25,600	140,600	
2022	120,000	21,000	141,000	
2023	130,000	16,200	146,200	
2024	135,000	11,000	146,000	
2025	140,000	5,600	145,600	
	<hr/> \$ 855,000	<hr/> \$ 142,525	<hr/> \$ 997,525	

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

Debt Name:

Series A Oct. 1, 2000 (Total \$17,888,000 Madison Heights Share \$1,881,478)
 Series C Sept. 29, 2001 (Total \$82,200,000 Madison Heights Share \$8,649,748)
 Series D Dec. 20, 2001 (Total \$2,277,676 Madison Heights Share \$239,675)
 Series 2005F Sept. 22, 2005 (Total \$1,519,146 Madison Heights Share \$162,391)
 * Series 2007 Refinancing B & E Aug. 2007 (Total \$12,460,000 Madison Heights Share \$1,311,143)
 Series 2007G Sept. 2007 (Total \$1,765,000 Madison Heights Share \$188,672)
 Series 2008H Sept. 2008 (Total \$7,685,000 Madison Heights Share \$821,499)
 * Series 2016 Refinancing B & E March 2016 (Total \$7,449,998.63 Madison Heights Share \$783,949)
 Combined Issue Total \$125,683,280 Madison Heights Share \$13,505,754

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

<u>Ending June 30</u>	Fiscal Year	<u>Principal</u>	<u>Interest</u>	Total <u>Requirements</u>
2019		\$ 768,013	\$ 116,417	\$ 884,430
2020		785,920	97,921	883,841
2021		803,834	78,984	882,818
2022		823,332	59,612	882,944
2023		666,560	39,769	706,329
2024		676,560	23,576	700,136
2025		66,276	7,117	73,393
2026		68,025	5,633	73,658
2027		59,862	4,115	63,977
2028		60,931	2,713	63,644
2029		51,310	1,283	52,593
		<hr/>	<hr/>	<hr/>
		\$ 4,830,623	\$ 437,140	\$ 5,267,763

Pension Obligation Bonds

Date of issue - September 29, 2016

Payment Date:

Principal, January 1

Interest, July 1, January 1

Amount of issue - \$15,250,000

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2019	820,000	369,069	1,189,069
2020	835,000	356,933	1,191,933
2021	845,000	342,738	1,187,738
2022	860,000	327,106	1,187,106
2023	880,000	308,874	1,188,874
2024	900,000	288,898	1,188,898
2025	925,000	266,038	1,191,038
2026	950,000	241,340	1,191,340
2027	975,000	215,120	1,190,120
2028	1,005,000	186,260	1,191,260
2029	1,035,000	154,703	1,189,703
2030	1,070,000	119,927	1,189,927
2031	1,105,000	82,370	1,187,370
2032	<u>1,145,000</u>	<u>42,480</u>	<u>1,187,480</u>
	<u>\$ 13,350,000</u>	<u>\$ 3,301,854</u>	<u>\$ 16,651,854</u>

PERSONNEL AND POSITIONS

The City of Madison Heights employs 148 full-time positions yielding 4.9 full-time employees per 1,000 of City population based on the 2010 census count of 29,694. The City also employs 149 positions on a part-time or seasonal basis. Personnel services comprise approximately \$22.1 million or 41.1% of the Total Budget and approximately \$19.2 million or 65.2% of the General Fund Budget.

Total personnel costs are up \$1,555,734 when compared to the FY 2018 Amended Budget. Over 45% of this increase, or \$711,405, is due to seven additional full-time positions being added to staffing for FY 2019. Other significant factors in this increase include: step pay changes for newer employees for \$318,371 or 20.4% of the increase; police and fire pension contribution increases for a total of \$243,074 or 15.6%; and medical insurance which is budgeted to increase \$175,931 due to premium increases of 8%.

Pension and Retiree Health care “legacy costs” are the largest liability of the City. Police and Fire Pension contributions have been calculated at 54.5% of payroll, up from 48.26% last year. This contribution is projected to continue to increase over the next five years. Retiree Health Care is budgeted to be funded at status quo for the same dollar amount as in prior years. This prior year funding is approximately 34% of our actuarially calculated recommended contribution.

In December 2017, the State legislature passed Public Act 202, Protecting Local Government Retirement and Benefits Act. Under this law, a municipality’s retiree health plan is considered underfunded if its assets are less than 40 percent of its obligations, or require annual contributions greater than 12 percent of a jurisdiction’s annual operating revenues. A pension plan is deemed underfunded if it is less than 60 percent funded or its annual contributions are greater than 10 percent of annual operating revenues. The City of Madison Heights has been identified as underfunded with our funding status as follows:

Benefit Plan	Most Recent Actuarial Study	Funding Ratio	Underfunded
Police and Fire Pension	June 30, 2017	54.5%	Yes
General Pension	December 30, 2016	103% *	No
General Retiree Health Care	June 30, 2016	26.1%	Yes
Police and Fire Retiree Health Care	June 30, 2016	21.9%	Yes

*due to issuance of Bonds authorized by Council in 2016

Under this Act, municipalities are required to report pension and retiree health care finances to the State for review. If a municipality is underfunded, it must also submit an approved corrective action plan if it has not received a waiver from the State. The new law does not include explicit enforcement mechanisms, but according to the Deputy State Treasurer and head of the Treasury’s State and Local Finance Group, this Act is just the first step as municipalities across the State continue to struggle to fund the promises that have resulted in these legacy costs.

With the exception of eight executive and administrative employees, the City’s entire full-time workforce belongs to one of eight bargaining units (seven City unions and one 43rd District Court union). The unions can be divided into two groups, based on binding arbitration rights that are provided to public safety sworn employees by the State under Public Act 312. The sworn unions include: Police Command Officers; Police Officers Union; and International Association of Fire Fighters. The non-sworn unions include: Madison Heights Court Clerks

Association; American Federation of State, County, and Municipal Employees (AFSCME) Council 25 Department Heads Union; AFSCME Council 25 Supervisors & Assistants Union; Technical, Professional and Officeworkers Association of Michigan (TPOAM) Department of Public Services Union; and TPOAM Municipal Employees Union, which represents clerical and technical workers.

All of the City's eight bargaining units and non-union administrative staff have labor agreements through June 30, 2018. The City's negotiation team will pursue contract settlements based upon Council direction.

Personnel Actions

The FY 2018-19 Budget reflects a total net increase of 8.05 full-time equivalencies (FTEs). This increase is due to the addition of seven full-time positions and two part-time positions. The majority of full-time positions are related to the City Goal Plan adopted by City Council on March 12, 2018 and include one Code Enforcement officer (City Goal A), one Police Service Assistant (City Goal J), two Patrol Officers (City Goals F & G), two Fire Fighters (City Goal H), and a Water Utility Supervisor. Part-time positions being added include an Office Assistant at the Senior Center and a Department of Public Services Laborer.

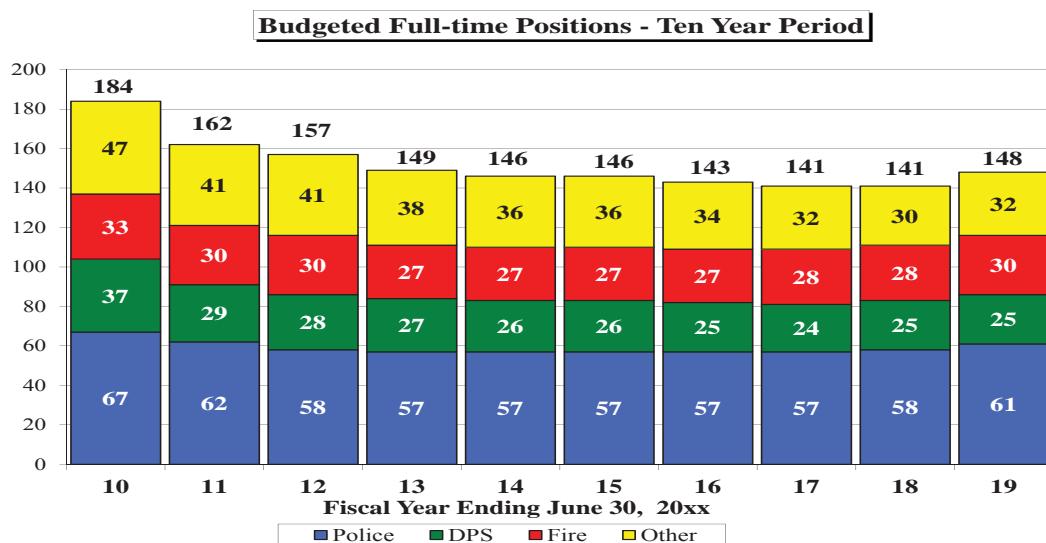
The City's current hiring review of all position vacancies continues in Fiscal Year 2018-19. Each vacated position, whether full or part-time, must be evaluated and approved by the City Manager before the hiring process may begin. The City continues to research options for position consolidation and reorganization where possible and prudent so that the City will remain fiscally sound without sacrificing core services.

<u>Fiscal Year</u>	<u>Department</u>	<u>Action</u>
2018-19	Police	Add two new Patrol Officer Positions (+2.0)
2018-19	Police	Add one new Police Service Assistant (+1.0)
2018-19	Fire	Add two new Firefighter positions (+2.0)
2018-19	Community Development	Add one new Code Enforcement Officer (+1.0)
2018-19	DPS-Senior Center	Add one part-time Office Assistant (+0.37)
2018-19	DPS-Water	Add one full-time Water Utility Supervisor (+1.0)
2018-19	DPS-Service	Add one part-time Laborer (+0.68)

The Work Force at a Glance

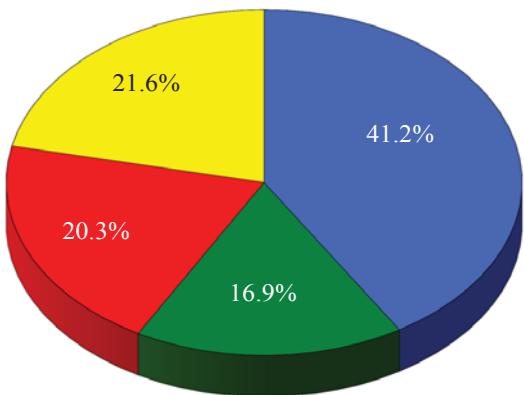
In Fiscal Year 1993-94, the City employed 251 full-time positions. Since that time, the City has been able to reduce the workforce without significantly compromising core services, resulting in a leaner, more efficient organization. One hundred three full-time positions, or forty-one percent of the workforce, have been eliminated since Fiscal Year 1993-94, yet the City has still maintained essential services.

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

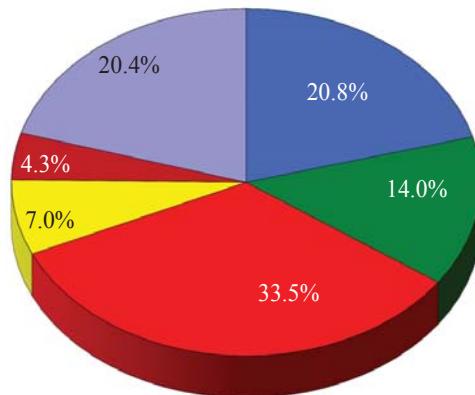


Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2018-19. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.

Full-Time Positions by Function



Part-Time Positions Full-Time Equivalencies (FTE)



■ Police ■ DPS ■ Fire ■ Other

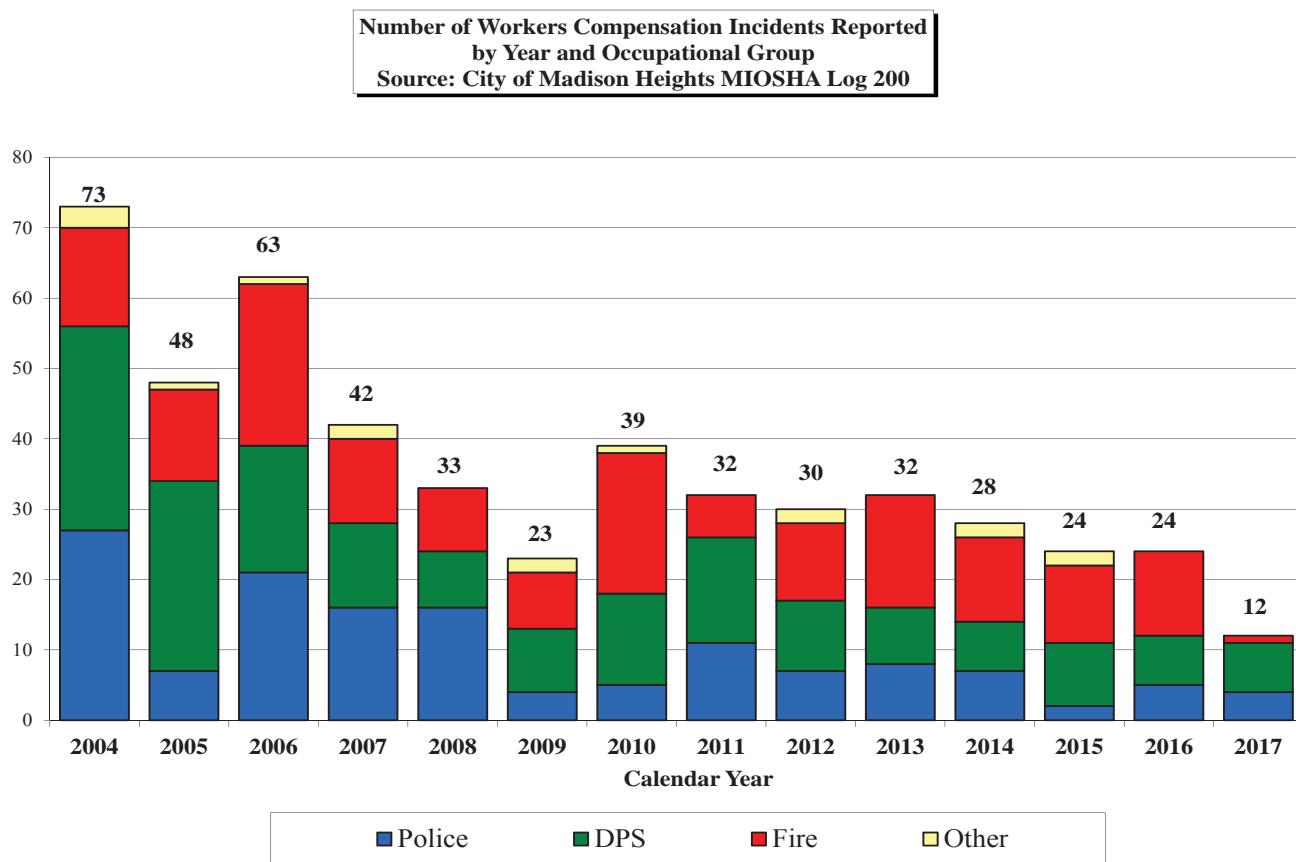
■ Library Assistants ■ Crossing Guards ■ Recreation & DPS
■ Other ■ Election Workers ■ Clerical

ALL FUNDS
FULL TIME AND PART TIME POSITIONS
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)
FISCAL YEAR 2018-19

	<u>Budget 2016-17</u>			<u>'16 to '17</u>			<u>Budget 2017-18</u>			<u>'17 to '18</u>			<u>Budget 2018-19</u>			<u>'18 to '19</u>
	Full Time	Part Time	F.T.E.			F.T.E.	Full Time	Part Time	F.T.E.			F.T.E.	Full Time	Part Time	F.T.E.	
General Fund																
District Court	8	4	10.4	0.0	8	5	10.7	0.3	8	5	10.7	0.0				
City Manager	2	0	1.8	0.0	2	0	1.8	0.0	2	0	1.8	0.0				
City Assessor	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0				
City Clerk	2	73	3.2	0.3	2	73	3.3	0.1	2	73	3.3	0.0				
Human Resources	2	0	1.5	0.0	2	0	1.5	0.0	2	0	1.5	0.0				
General Administration	0	0	0.5	0.0	0	0	0.5	0.0	0	1	1.1	0.5				
Finance	7	0	7.0	0.0	7	0	7.0	0.0	7	0	7.0	0.0				
Information Technology	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0				
Police	57	19	61.3	0.0	58	19	62.3	1.0	61	19	65.3	3.0				
Fire	28	0	28.0	0.0	28	0	28.0	0.0	30	0	30.0	2.0				
Community Development	7	1	6.7	(1.0)	5	2	6.4	(0.3)	6	1	6.8	0.4				
Library	3	10	8.2	0.0	3	10	8.2	0.0	3	10	8.2	0.0				
Department of Public Service																
(Prior to FY 2017-18)																
Custodial & Maintenance	0	0	0.1	0.0	0	0	0.0	(0.1)	0	0	0.0	0.0				
Streets	9	0	1.7	0.1	0	0	0.0	(1.7)	0	0	0.0	0.0				
Solid Waste	1	0	3.7	0.0	0	0	0.0	(3.7)	0	0	0.0	0.0				
Recreation	0	23	1.7	0.2	0	26	2.3	0.5	0	26	2.3	0.0				
Parks	1	2	1.5	(1.0)	0	2	0.5	(1.0)	0	2	0.5	0.0				
Senior Center	1	6	3.4	0.0	1	6	3.4	0.0	1	7	3.8	0.4				
Sub Total	12	31	12.1	(1.0)	1	34	6.2	(5.9)	1	35	6.6	0.4				
Total	128	138	140.7	(1.5)	116	143	135.8	(4.8)	122	144	142.2	6.4				
Major Street Fund	1	0	2.3	(0.1)	0	0	0.0	(2.3)	0	0	0.0	0.0				
Local Street Fund	0	0	2.7	(0.1)	0	0	0.0	(2.7)	0	0	0.0	0.0				
Community Improvement Fund																
Comm. Dev. Block Grant																
Total	1	0	1.0	0.0	1	0	1.0	0.0	1	0	1.0	0.0				
Water & Sewer Fund																
Water Division	4	0	4.0	0.0	0	0	0.0	(4.0)	0	0	0.0	0.0				
Sewer Division	4	2	5.4	0.9	0	0	0.0	(5.4)	0	0	0.0	0.0				
Water & Sewer Admin.	1	1	1.7	(0.4)	1	0	0.5	(1.2)	2	0	1.5	1.0				
Total	9	3	11.1	0.2	1	0	0.5	(10.6)	2	0	1.5	1.0				
0.0												0.0				
Motor Pool Fund	3	1	3.7	0.0	3	1	3.7	0.0	3	1	3.7	0.0				
DPS Fund (Beginning FY 2017-18)	0	0	0.0	0.0	20	3	22.5	22.5	20	4	23.2	0.7				
Total All Funds	142	142	161.4	(1.3)	141	147	163.5	2.1	148	149	171.6	8.1				
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

On-The-Job Injury Experience

In August of 1998, the Human Resources Department implemented a return-to-work program wherein employees off on long-term periods of workers' compensation leave are returned to work in temporary "bridge" assignments. These jobs vary according to medical restrictions and the type of work needed. As shown in the following bar graph, the program has had some early success, but several severe long-term injuries in Public Services, Police and Fire yielded an increase in the number of workers' compensation incidents in 2002, 2003, 2004, and 2006. Nevertheless, the number of reported workers' compensation incidents has declined overall



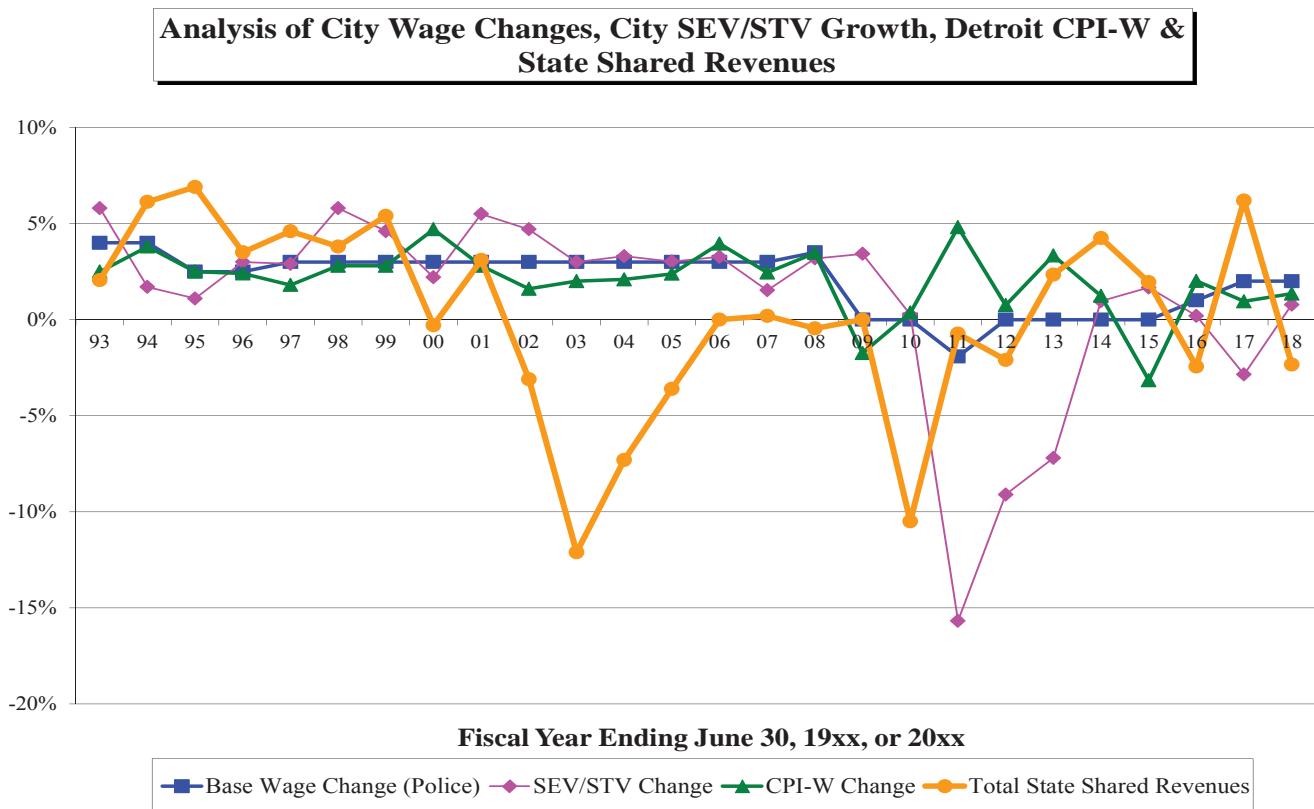
since 2006, with a low of 12 incidents in 2017.

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

The City, through York, has trained Department Heads and Supervisors regarding workers compensation and how the City can manage costs better now that we are self-funded. The City has seen success with self-funding our workers' compensation program as the number of incidents has dropped to 12. The cost to the City over the past seven years (FY 2011-2017) was \$1,882,964 and the savings during this same time period is estimated to be \$896,428.

A Look at Wages and Fringe Benefits

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

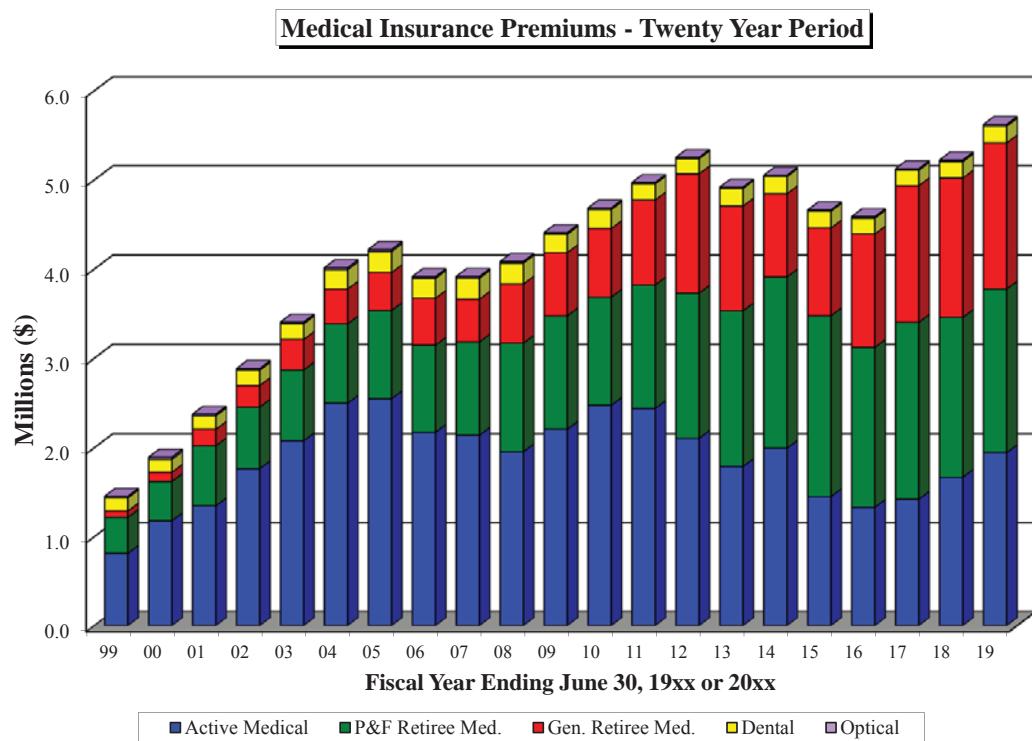


The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages and inflation start to converge while STV managed modest increases until 2001. Since FY 1994-95, wages and CPI-W increased less than 4% while STV fluctuated more due to new construction and the State's changes in the property tax valuation rules. Beginning in 2002, the early effects of the Great Recession were manifested in sharp declines in State Revenue Sharing, reflecting less disposable income and fewer sales. The "second wave" of the recession is shown beginning in FY 2008-09 and continuing through FY 2012-13, as the change in STV represents the largest downturn in STV that the City has ever experienced. This downturn directly affected the taxes collected by the City and resulted 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. Since FY 2013-14, the CPI-W has increased an average of only 0.25%.

Medical Insurance

One of the most important fringe benefits to monitor, with an eye toward cost control, is medical insurance. The FY 2019 budget includes an 8% increase to medical insurance based on projections from the City's health care consultant. The chart on the following page compares the City's medical insurance premiums over the past twenty years. In 2012, the General Retiree Medical premiums were moved into the trust and therefore does not show as an operating budget expense. Police and Fire Retiree Hospitalization premiums were moved into the trust for FY 2013-14. The slight decrease shown in FY 2012-13 for medical is due to the City's move to Community Blue PPO 4 ("CB4"), which for the first time included deductibles and co-insurance for all active employees. In addition, the City moved to a self-insured medical insurance program in July 2012. The premiums shown for FY 2019 are estimated.

Pursuant to Public Act 152, City Council passed a Resolution in December 2012, and each following year, authorizing the City to impose a 20% health insurance premium sharing on all employees who receive City paid health insurance starting after the June 2013 expiration of the Collective Bargaining Agreements. In FY 2018, this premium sharing was adjusted to 10%, as reflected in each Collective Bargaining Agreement. This measure not only helps reduce the City's expenses for medical premiums, but also raises employee awareness of the exorbitant price of health care, which should in turn cause employees to take a more realistic look at the health care plans, make healthier lifestyle choices, and realize that the days of no deductibles or co-insurance are over.



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

One of the City's most innovative attempts to curb health care costs was the opening of the MiLife Health & Wellness Center, located in the lower level of City Hall in January 2015. By way of background, in August 2012, staff and the City's healthcare consultant Cornerstone, began researching the concept of an on-site, employer-sponsored health and wellness center as a collaborative venture with Ferndale and Royal Oak. In January 2015, this concept became a reality when the MiLife Health and Wellness Center officially opened to eligible employees and dependents. This Center offers an alternative primary care option focusing on the Patient Centered Medical Home (PCMH) model of a salaried physician and medical staff paid by a third party management company under contract with the participating cities. The participating cities, which are self-insured, realize savings by reducing the number of visits through traditional insurance plans and eliminating the mark-up for traditional office overhead, diagnostic tests, and prescriptions. In March 2018, two additional municipalities, Oak Park and Hazel Park, joined this collaborative and a second Center offering additional hours opened in Ferndale.

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

Original estimates show that participating cities would need a minimum of 20% participation in the first year to “break-even”. The first annual performance report of the MiLife Health and Wellness Center detailed a 59% utilization rate, \$29,458 in hard dollar medical savings to the City and over \$25,500 savings to our employees through zero co-pays. These savings do not take into consideration the “soft-dollar” savings of treating a formerly undiagnosed chronic condition and avoiding lost productivity and time off of employees to attend traditional medical appointments. These “soft-dollar” costs are estimated at over \$750,000 for the first year.

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

In January 2016, the Center was opened to pre-Medicare retirees, and the City of Madison Heights also began to utilize the Center for non-police and fire pre-employment physicals. The goal in 2018-19 is to obtain the necessary equipment and certifications to perform pre-employment physicals for sworn Police and Fire employees. The City is also making efforts to expand membership to the MiLife Center through outreach to both public and private entities in and around Madison Heights. The City remains optimistic that with appropriate marketing, communication, integration of the City’s existing Healthy Heights wellness program with the MiLife Center, and positive employee experiences at the Center, the utilization and savings will continue to grow, and overall employee health will improve.

Retiree Medical Insurance

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

In FY 2006, the City developed and implemented a plan to prefund this liability. Implementation of this plan began when Council approved the establishment of two Trust plans, one for Police and Fire (sworn) Retiree Health Care and a second for General Employee (non-police and fire) Retiree Health Care. The next step was to appropriate the money in the budget. As of June 30, 2017, the City has accumulated a market value of \$28.6 million in these trust funds, and the actuarial accrued liability is \$98.6 million resulting in these Trusts being approximately 29% funded.

In FY 2019, the City is again unable to fund the total annual recommended contribution, which is 110.47% of Police and Fire payroll or \$3,927,098 and 90.13% of payroll for General employees or \$2,913,878. Instead, the budget includes funding at the same level as prior years; \$2,530,302 for Police and Fire and \$1,288,369 for General employees. Both plans receive actuarial evaluations every two years. The next study will be completed by the Retiree Health Care Trust actuary for the year ending June 30, 2018.

Another significant change occurred in FY 2012 when the City began to fund retiree health care benefits from the General Employee Retiree Health Care Trust, moving away from the traditional pay-as-you-go premium payments. During FY 2013, the Police and Fire Retiree Health Care Trust began to pay these premiums moving away from traditional pay-as-you-go premiums as well.

Between 2005 and 2009, the City also negotiated labor concessions in the form of retiree health care savings accounts for all new hires, which will reduce this liability in the future. As of July 1, 2009, all employee groups have agreed to eliminate retiree health care in lieu of a health savings plan for all new hires, and the Court employees agreed to change to this plan for all new hires and the majority of current employees. While in the long run this labor negotiation strategy is fiscally sound, the actuarial valuation guidelines require the Trust to be funded over a shorter amortization period, which increases the City's contribution rate over the next few years before declining in the future.

Pensions

The second largest fringe benefit cost component is the employer's contribution to the pension plans. This expense is budgeted to be \$3.5 million in FY 2018-19. 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 54.5% of total wages based on the City's 2017 actuarially required contribution rates. This plan remains open to all new hires in the Police and Fire Departments; however, starting in 2009 new hires can only count base wage into their final average compensation and the pension multiplier was adjusted from 2.8% to 2.5%. In regard to the MERS plan, all general employee groups including non-union have agreed to close the pension plans changing pension benefits for new hires from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. These DC plans are funded at 7.0% by the City with variable employee contributions by union. When a plan changes from DB to DC, the plan becomes closed and the remaining unfunded liability is revised to be paid at a flat dollar amount for the number of employees.

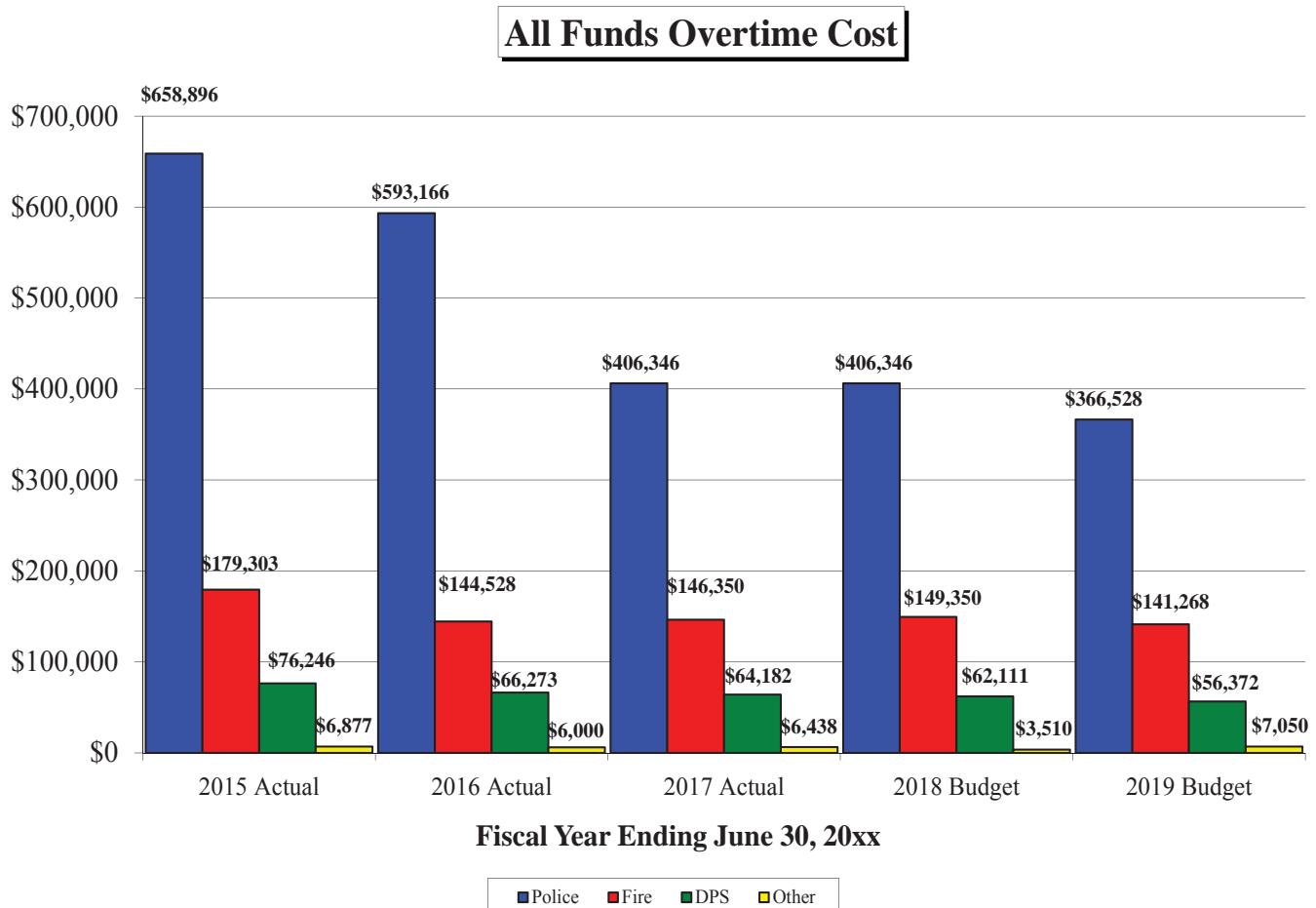
The State has authorized, through Public Act 329 of 2012, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category or higher, plans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

In FY 2017, the City successfully issued Pension Obligation Bonds (POBs) for the General Employees pension pursuant to Public Act 34 of 2001 and a resolution adopted by City Council on March 28, 2016. When analysis was completed on issuing POBs, it was determined that the City would experience savings of approximately \$4 million over a 16-year period if the bonds sold with a true interest cost of 4.2% and investment earnings average 5.2%. These bonds sold in September 2016 with a true interest cost of 3.12%, well below the City's expectations of 4.2%. This will lead to greater savings than expected over the long-term. Debt payments budgeted in FY 2019 for POB principal and interest are \$1.19 million. With this contribution, the City's General Employees pension is considered 100% funded on market value. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost on an annual basis.

Overtime

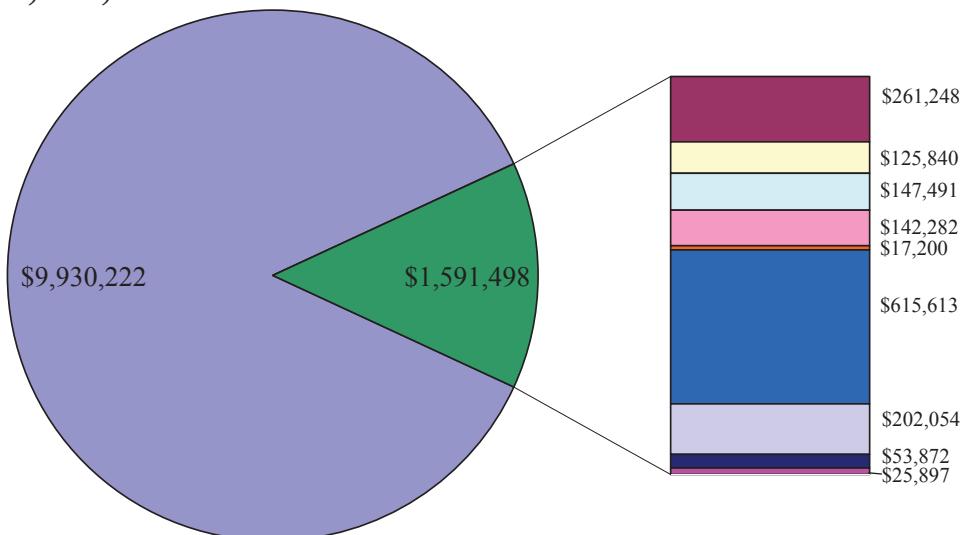
Overtime costs for all Funds in FY 2018-19 is budgeted at \$582,287. Overtime budgeted in the Police and Fire Departments amount to \$366,528, and DPS overtime equals \$56,372. The following chart shows overtime costs over the past five years. Much of the overtime costs have been attributable to having vacant positions, due to the long lead time hiring qualified sworn personnel. The City has attempted to reduce this by starting the recruitment process prior to the occurrence of the vacancy. Overtime cost is budgeted to go down in FY 2018 with the hiring of two additional officers and one police service assistant.

The charts below depicts the City's wage and fringe benefit costs for FY 2018-19 and the past four years



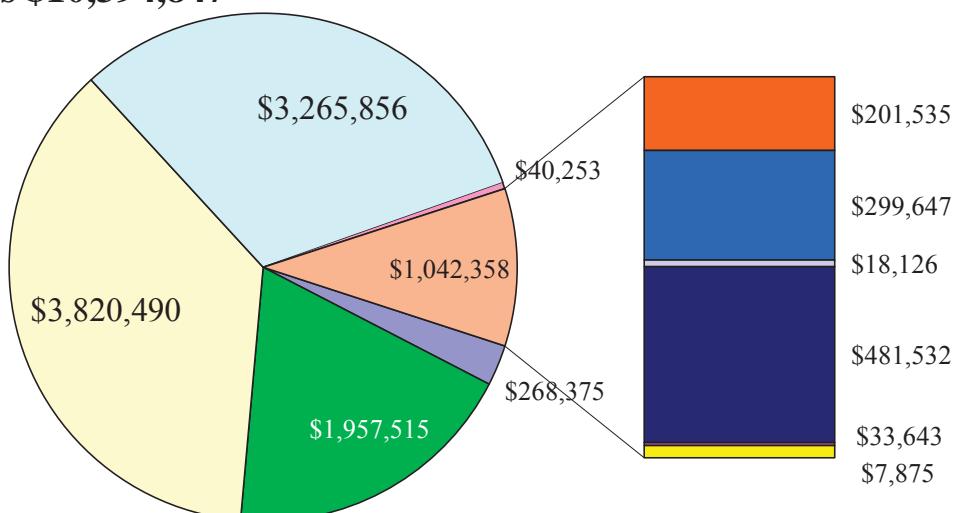
2018-19
Wage and Fringe Benefit Costs (\$21,916,567)
Fiscal Year Budget
All Funds

Wages \$11,521,720



- | Category | Sub-Category | Amount |
|--------------|-----------------------------------|-------------|
| Wages | Wages | \$9,930,222 |
| | ALS/DB Premium Pay | \$261,248 |
| | Overtime Pay | \$1,591,498 |
| Overtime Pay | Longevity Pay | \$125,840 |
| | Medical Incentive & Sick Buy Back | \$147,491 |
| | Holiday Pay & Wellness Incentive | \$142,282 |
| | Education Incentive Pay | \$17,200 |
| | Food & Uniform | \$615,613 |
| | COLA | \$202,054 |
| | Deferred Compensation | \$53,872 |
| | Flex Reimbursement | \$25,897 |

Benefits \$10,394,847



- | Category | Sub-Category | Amount |
|---------------------------|------------------------------|-------------|
| General Employees Pension | General Employees Pension | \$3,820,490 |
| | Police & Fire Pension | \$3,265,856 |
| | Workers Compensation | \$1,042,358 |
| | Flex Reimbursement | \$40,253 |
| | Flex Reimbursement | \$40,253 |
| Workers Compensation | Hospitalization | \$1,957,515 |
| | Disability Insurance | \$268,375 |
| | Optical Insurance | \$201,535 |
| | Life Insurance | \$299,647 |
| | Retiree Health Contributions | \$18,126 |
| | Dental Insurance | \$481,532 |
| | FICA & Medicare | \$33,643 |
| Flex Reimbursement | \$7,875 | |

Total Compensation Analysis

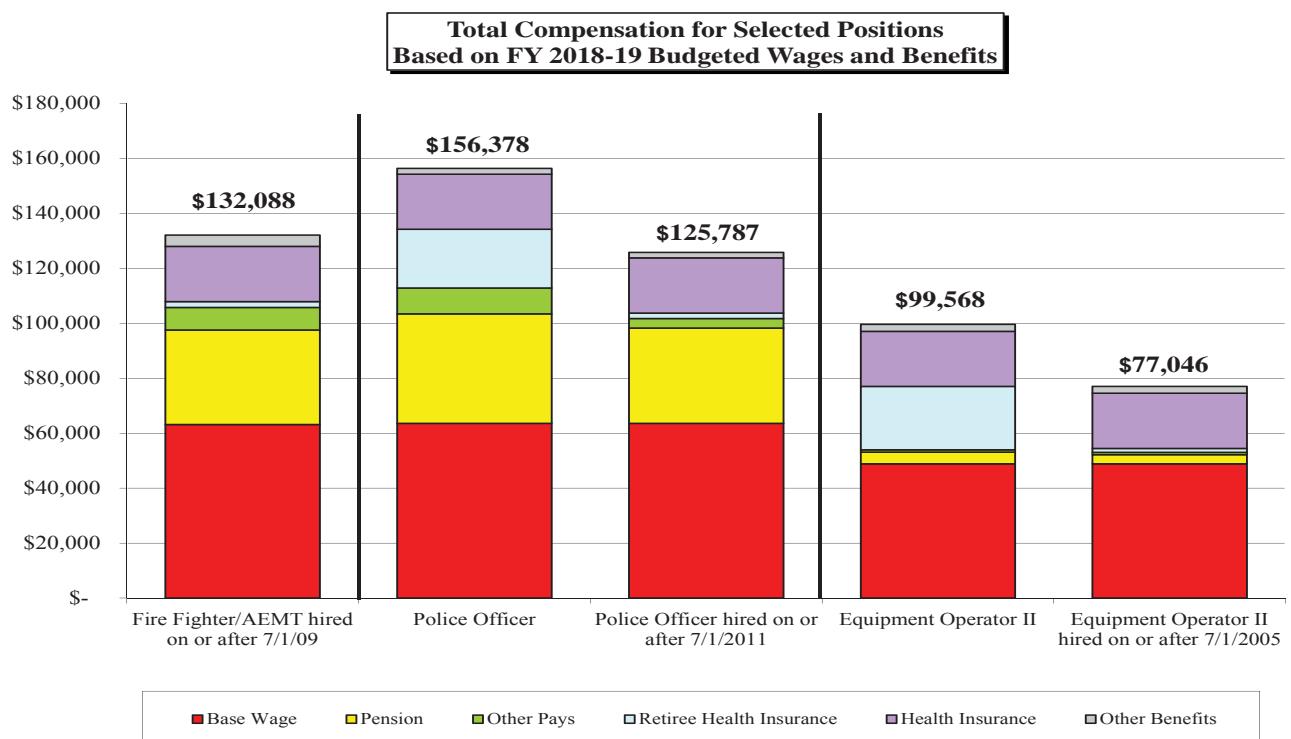
In order to determine what should be negotiated to control the City's expenses, we must look at the wages and benefits calculated together for total compensation currently provided to employees. The City has already made great strides in controlling costs for new hires by eliminating retiree health care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

For comparative purposes, the bar chart below shows the total FY 2018-19 compensation amount and benefit components for the positions of Police Officer, Fire Fighter/Paramedic, and Equipment Operator II, assumed at senior employee wages and longevity, and an average overtime cost. For comparative purposes, we have also included the wages and benefits for new hires in each category.

With benefits, the incumbent senior Police Officer receives annual total compensation of \$156,378. The incumbent equipment operator receives annual total compensation in the amount of \$99,568. Fringe benefits average 1.2 times base wages for senior employees.

A newly hired Fire Fighter's total compensation is \$132,088. It is important to note that the last incumbent Senior Firefighter/Paramedic under the old tier of benefits retired in March 2018.

A newly hired Police Officer's total compensation is \$125,787, a savings of \$30,591, and a newly hired Equipment Operator will save the City \$22,522 in annual overall compensation. These savings are significant. At this time, we have 19 Firefighters, 15 Police Officers, 9 Equipment Operators, and 15 other employees with the new hire benefits package, totalling 48 positions or almost 34% of the full-time workforce.



Of course, wages are comprised of pay for time worked and pay for time not worked. The value of leave time is an important wage component to track for purposes of productivity analysis and cost control. The following table shows the cost of leave time for a Police Officer in FY 2019. The position's compensation calculation assumes the maximum wage step and longevity.

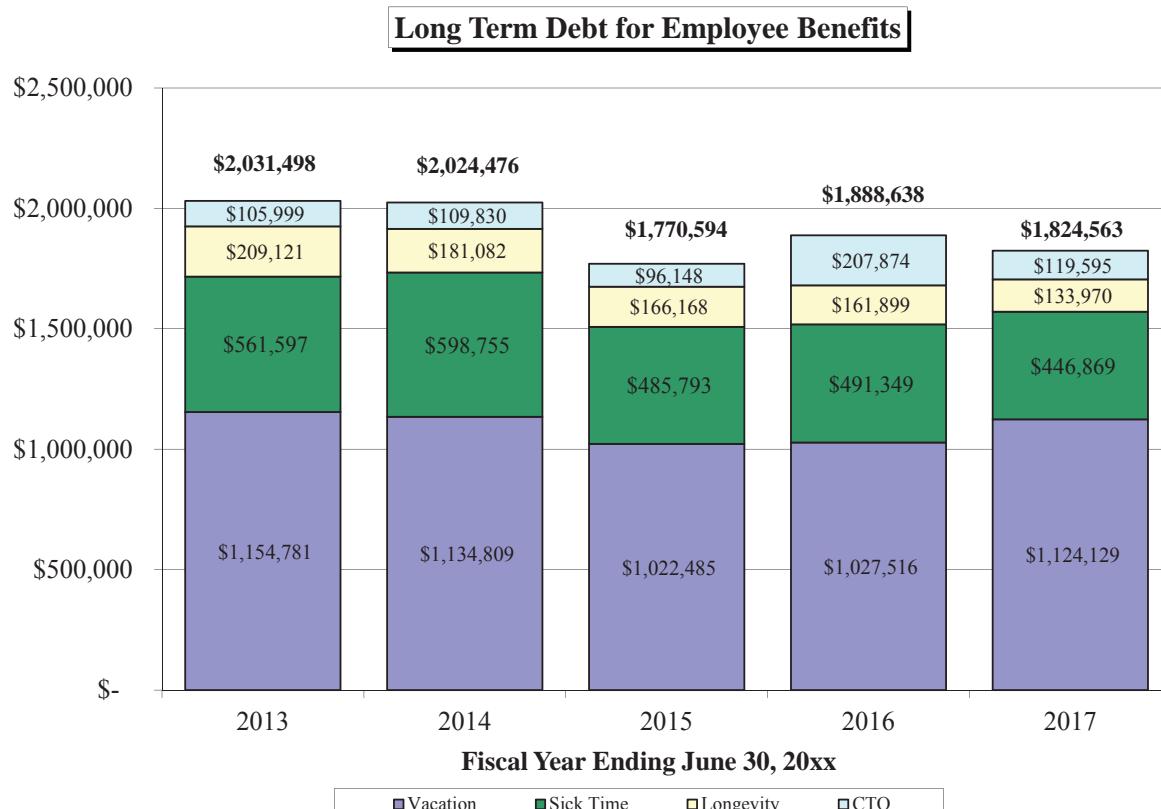
Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$15,258
Holidays	12	7,324
Admin. Leave Days	6	3,662
Sick leave (Max. of 12)	5	3,052
Personal Leave Days	2	1,221
Total	50	\$30,515

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

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

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

This chart is illustrative of the liability for these benefits as of the last audited fiscal year, June 30, 2017.



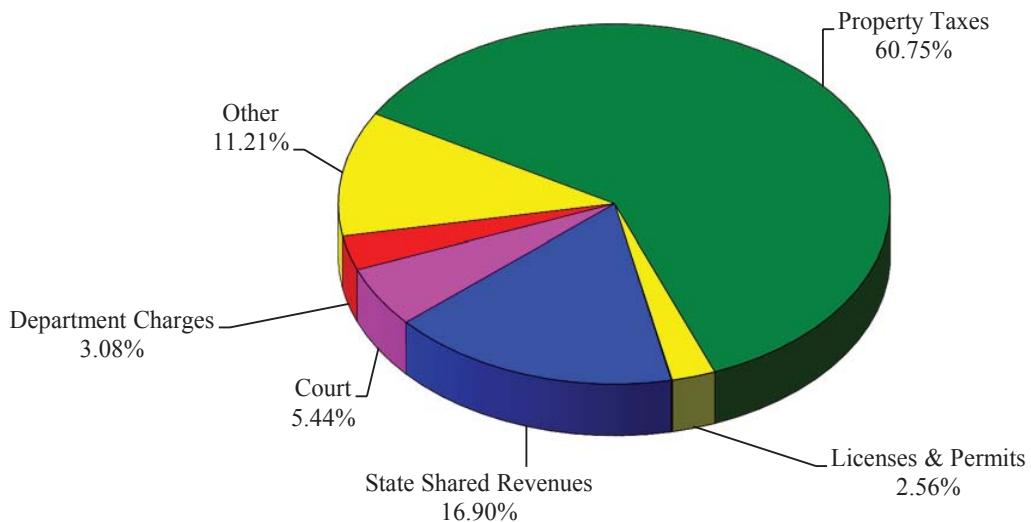


GENERAL FUND

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

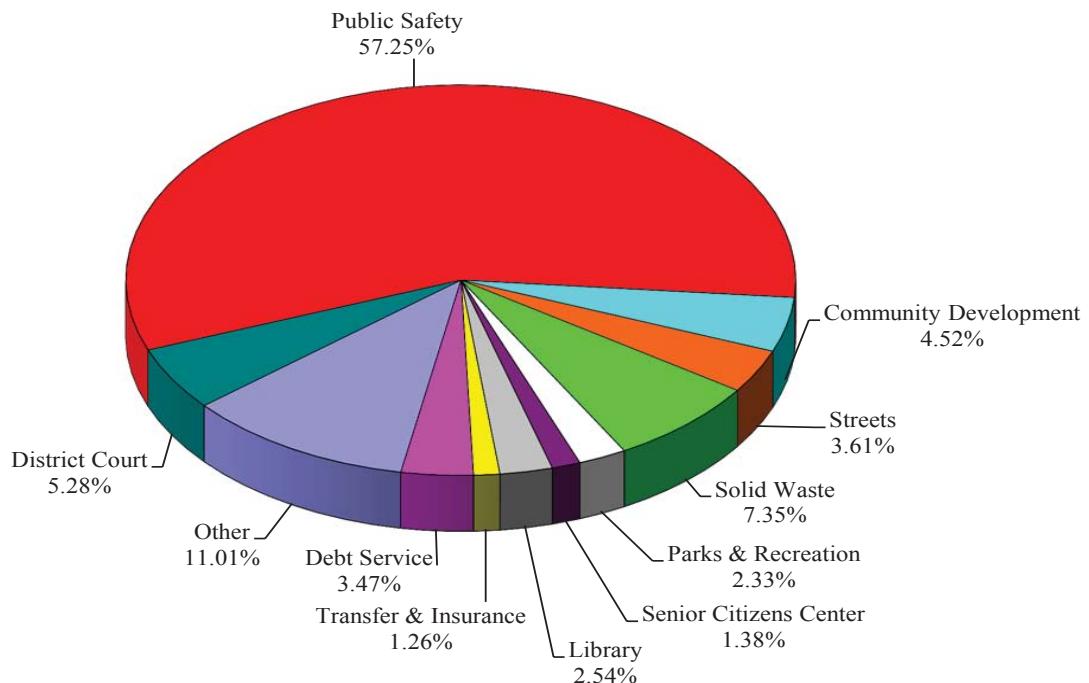
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General Fund Revenues



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

General Fund Expenditures



Police, Fire and Court operations combined make up over sixty-two percent of all General Fund Expenditures.

GENERAL FUND REVENUES AND EXPENDITURES

FY 2018-19 BUDGET

Description	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Revenues by Source:					
Property Taxes	\$ 16,218,689	\$ 17,159,281	\$ 18,059,775	\$ 900,494	5.2
Licenses & Permits	354,840	267,050	292,750	25,700	9.6
Non-Business Licenses & Permits	415,059	472,100	468,100	(4,000)	(0.8)
Federal Shared Revenues	130,013	8,500	19,300	10,800	127.1
State Shared Revenues	4,577,493	3,876,630	5,022,951	1,146,321	29.6
Payment in Lieu of Taxes	36,612	36,500	36,500	0	0.0
County Shared Revenues	60,135	64,000	61,000	(3,000)	(4.7)
SMART Revenues	70,019	70,019	70,019	0	0.0
Court Fines and Fees	1,638,103	1,743,000	1,616,000	(127,000)	(7.3)
Charges for Services	178,720	225,050	177,150	(47,900)	(21.3)
Sales-Miscellaneous	21,292	23,900	20,050	(3,850)	(16.1)
Parks & Recreation	267,414	250,097	269,809	19,712	7.9
Miscellaneous Revenues	2,014,767	1,905,523	2,005,375	99,852	5.2
Sale of Fixed Assets	13,319,879	17,500	72,500	55,000	314.3
Department Charges	908,699	911,030	916,480	5,450	0.6
Transfers In	107,968	55,000	102,500	47,500	0.0
Prior Years Fund Balance	0	538,960	520,844	(18,116)	(3.4)
Total Revenues	\$ 40,319,702	\$ 27,624,140	\$ 29,731,103	\$ 2,106,963	7.6
Description	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Expenditures by Activity:					
City Council	\$ 52,332	\$ 55,296	\$ 56,310	\$ 1,014	1.8
District Court	1,391,767	1,492,662	1,568,339	75,677	5.1
City Manager	286,598	298,790	292,019	(6,771)	(2.3)
Elections	71,108	80,018	66,599	(13,419)	(16.8)
City Assessor	211,304	209,577	212,630	3,053	1.5
Legal	313,599	332,695	342,945	10,250	3.1
City Clerk	276,950	272,466	280,718	8,252	3.0
Human Resources	358,487	395,350	401,476	6,126	1.5
Board of Review	1,823	2,493	2,963	470	18.9
General Administration	1,234,737	217,054	234,027	16,973	7.8
Finance	765,320	774,479	807,992	33,513	4.3
Information Technology	389,475	187,693	188,115	422	0.2
Municipal Building	86,173	54,121	129,840	75,719	139.9
Custodial & Maintenance	199,775	184,186	194,261	10,075	5.5
Police	9,956,038	9,657,291	10,639,933	982,642	10.2
Fire	5,462,113	5,826,696	6,381,506	554,810	9.5
Community Development	1,010,826	1,062,896	1,343,493	280,597	26.4
Streets	1,271,821	969,521	1,072,001	102,480	10.6
Solid Waste	2,040,120	2,306,371	2,184,266	(122,105)	(5.3)
Recreation	147,809	174,927	202,436	27,509	15.7
Nature Center	24,744	37,675	58,531	20,856	(11.8)
Parks	494,081	555,390	489,775	(65,615)	18.8
Senior Citizens	362,479	344,868	409,600	64,732	4.3
Library	719,832	722,874	753,741	30,867	0.6
Insurance, Bonds and Transfers	14,856,378	1,408,751	1,417,587	8,836	0.6
Total Expenditures	\$ 41,985,689	\$ 27,624,140	\$ 29,731,103	\$ 2,106,963	7.6

GENERAL FUND REVENUES

FY 2018-19 BUDGET

Description	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Property Taxes	\$ 16,218,689	\$ 17,159,281	\$ 18,059,775	\$ 900,494	5.2
Licenses & Permits	769,899	739,150	760,850	21,700	2.9
Federal Revenues	130,013	8,500	19,300	10,800	127.1
State Shared Revenues	4,577,493	3,876,630	5,022,951	1,146,321	29.6
Other Government	166,766	170,519	167,519	(3,000)	(1.8)
Court Fines and Fees	1,638,103	1,743,000	1,616,000	(127,000)	(7.3)
Service Fees	446,134	475,147	446,959	(28,188)	(5.9)
Sales - Miscellaneous	21,292	23,900	20,050	(3,850)	(16.1)
Miscellaneous	15,334,646	1,923,023	2,077,875	154,852	8.1
Department Charges	908,699	911,030	916,480	5,450	0.6
Transfers In	107,968	55,000	102,500	47,500	86.4
Prior Year's Fund Balance	0	538,960	520,844	(18,116)	(3.4)
Total	\$ 40,319,702	\$ 27,624,140	\$ 29,731,103	\$ 2,106,963	7.6

Description	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
General Government	\$ 19,104,559	\$ 4,472,969	\$ 4,627,482	\$ 154,513	3.5
Public Safety	16,809,918	16,976,649	18,589,778	1,613,129	9.5
Community Service	3,806,022	3,831,282	3,746,042	(85,240)	(2.2)
Culture and Recreation	1,254,864	1,280,344	1,424,308	143,964	11.2
Community Development	1,010,826	1,062,896	1,343,493	280,597	26.4
Total	\$ 41,986,189	\$ 27,624,140	\$ 29,731,103	\$ 2,106,963	7.6

Fund Balance - Unrestricted	\$ 6,712,884	\$ 6,173,924	\$ 5,653,080	\$ (520,844)	(8.4)
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GENERAL FUND EXPENDITURES

FY 2018-19 BUDGET

GENERAL GOVERNMENT					
Description	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Mayor and Council	\$ 52,332	\$ 55,296	\$ 56,310	\$ 1,014	1.8
District Court	1,391,767	1,492,662	1,568,339	75,677	5.1
City Manager	286,598	298,790	292,019	(6,771)	(2.3)
Legal	313,599	332,695	342,945	10,250	3.1
Assessor/Board of Review	213,127	212,070	215,593	3,523	1.7
City Clerk/Elections	348,058	352,484	347,317	(5,167)	(1.5)
Human Resources	358,487	395,350	401,476	6,126	1.5
General Administration	1,234,737	217,054	234,027	16,973	7.8
Finance	765,320	774,479	807,992	33,513	4.3
Information Technology	389,475	187,693	188,115	422	0.2
Custodial/Maintenance	285,948	238,307	324,101	85,794	36.0
Insurance/Bonds & Transfers	14,856,878	1,408,751	1,417,587	8,836	0.6
Total	\$ 20,496,326	\$ 5,965,631	\$ 6,195,821	\$ 230,190	3.9
PUBLIC SAFETY					
Police	\$ 9,956,038	\$ 9,657,291	\$ 10,639,933	\$ 982,642	10.2
Fire	5,462,113	5,826,696	6,381,506	554,810	9.5
Total	\$ 15,418,151	\$ 15,483,987	\$ 17,021,439	\$ 1,537,452	9.9
COMMUNITY SERVICE					
Streets	\$ 1,271,821	\$ 969,521	\$ 1,072,001	\$ 102,480	10.6
Solid Waste	2,040,120	2,306,371	2,184,266	(122,105)	(5.3)
Total	\$ 3,311,941	\$ 3,275,892	\$ 3,256,267	\$ (19,625)	(0.6)
CULTURE AND RECREATION					
Recreation	\$ 147,809	\$ 174,927	\$ 202,436	\$ 27,509	15.7
Nature Center	24,744	37,675	58,531	20,856	55.4
Parks	494,081	555,390	489,775	(65,615)	(11.8)
Senior Citizens	362,479	344,868	409,600	64,732	18.8
Library	719,832	722,874	753,741	30,867	4.3
Total	\$ 1,748,945	\$ 1,835,734	\$ 1,914,083	\$ 78,349	4.3
COMMUNITY DEVELOPMENT					
Total	\$ 1,010,826	\$ 1,062,896	\$ 1,343,493	\$ 280,597	26.4
TOTAL					
General Fund Total	\$ 41,986,189	\$ 27,624,140	\$ 29,731,103	\$ 2,106,963	7.6

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 the Annual Budget, appropriation of funds, and levy of taxes necessary to support municipal purposes;
- Adoption of laws, ordinances and resolutions, as deemed proper to promote and protect the high level of service quality and financial stability in the City; and
- Promotion of community involvement by appointing members to the various Boards and Commissions within the City.

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
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:

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

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2018-19 Budget
Input	Regular City Council Meetings	23	23	23
	Agenda Items	278	300	300
	Public Hearings Held	9	10	10
Outcomes	Ordinances and Amendments Adopted	4	5	5
	Agenda Items Acted Upon	278	300	300
	Annual % Change in Millage Rate	0.2%	9.5%	0.9%
	Department Expenditures as a % of General Fund	0.2%	0.2%	0.2%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 50,810	\$ 51,010	\$ 52,024	\$ 1,014	2.0
Supplies	141	322	322	0	0.0
Other Services and Charges	1,381	3,964	3,964	0	0.0
Capital Outlay	0	0	0	0	0.0
Total	\$ 52,332	\$ 55,296	\$ 56,310	\$ 1,014	1.8
Resources:					
General Fund	\$ 52,332	\$ 55,296	\$ 56,310	\$ 1,014	1.8
Total	\$ 52,332	\$ 55,296	\$ 56,310	\$ 1,014	1.8

Key Issues

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

District Court

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Court Administrator	1	1	1
Chief Deputy Court Clerk	2	2	2
Deputy Court Clerk	4	4	4
Court Officer	1	1	1
Total Full-Time	8	8	8
Magistrate	1	1	1
Court Officer	2	2	2
Probation Officer	1	2	2
Total Part-Time	4	5	5
Total Employees	12	13	13

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

- The Criminal Division handles all felony and misdemeanor complaints filed by law enforcement.
- The Civil Cases Division handles the jurisdiction of all civil litigation up to \$25,000.
- The Small Claims Division hears civil cases filed below \$5,500 and requires no attorney.
- The Probation Division provides services to the Judge and probationary clients. The Probation Officer provides special reports and analysis to the Judge for assistance on sentencing decisions.
- The Traffic Bureau Division handles complaints filed by law enforcement agencies regarding traffic and City ordinances.

Financial Summary

Requirements:	Actual	Amended	Budget	Increase	Percent
	2016-17	Budget 2017-18	2018-19	(Decrease) FY 2017-18 to FY 2018-19	
Personnel Services	\$ 1,037,501	\$ 1,110,844	\$ 1,148,719	\$ 37,875	3.4
Supplies	27,116	32,300	54,791	22,491	69.6
Other Services and Charges	314,926	342,018	351,764	9,746	2.8
Capital Outlay	12,224	7,500	13,065	5,565	74.2
Total	\$ 1,391,767	\$ 1,492,662	\$ 1,568,339	\$ 75,677	5.1
Resources:					
Court Salary Standard	\$ 47,219	\$ 47,516	\$ 47,219	\$ (297)	(0.6)
Court Fines	853,124	875,000	850,000	(25,000)	(2.9)
Forfeits	25,070	25,000	23,000	(2,000)	(8.0)
Reimbursed Court Costs	486,524	500,000	475,000	(25,000)	(5.0)
Bond Fees	84,335	90,000	80,000	(10,000)	(11.1)
Probation Oversight	174,965	240,000	175,000	(65,000)	(27.1)
Violation Clearance	14,085	13,000	13,000	0	-
General Fund	(293,555)	(297,854)	(94,880)	202,974	(68.1)
Total	\$ 1,391,767	\$ 1,492,662	\$ 1,568,339	\$ 75,677	5.1

Key Issues

- The third largest source of General Fund Revenue is composed of Court fines, forfeits and charges (\$1.6 million), which are used to partially offset the cost of operating our State-mandated District Court and legal prosecution costs.
- This budget is supported at the current service level.
- A Probation officer position has been upgraded one step to the same grade as Deputy Court Clerk, with a cost of \$2,182.
- This budget includes replacement courtroom seating.
- The State of Michigan has established a 15-member Indigent Defense Commission responsible for recommending improvements to legal representation for indigent criminal defendants. This commission has issued several standards for compliance that are required to be implemented by the City, the Court's funding unit, if implementation funds are approved by the State. This budget includes \$5,000 for compliance implementation for initial activities that will not be reimbursed. The total cost of the City's proposed implementation plan exceeds \$468,000.

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	2016-17	2017-18	2018-19
City Manager	1	1	1
Executive Assistant	1	1	1
Total Full-Time	2	2	2
Total Employees	2	2	2

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Output	Number of Staff Meetings held	23	23	23
	Number of Council-adopted goals managed	25	25	25
	Media inquiries/requests handled	7	10	15
Efficiency	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting	99%	99%	99%
	Department Expenditures as a % of General Fund	1%	1%	1%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 281,429	\$ 288,916	\$ 287,632	\$ (1,284)	(0.4)
Supplies	574	300	300	0	0.0
Other Services and Charges	4,595	9,574	4,087	(5,487)	(57.3)
Capital Outlay	0	0	0	0	0.0
Total	\$ 286,598	\$ 298,790	\$ 292,019	\$ (6,771)	(2.3)
Resources:					
General Fund	\$ 286,598	\$ 298,790	\$ 292,019	\$ (6,771)	(2.3)
Total	\$ 286,598	\$ 298,790	\$ 292,019	\$ (6,771)	(2.3)

Key Issues

- The slight decrease in Personnel Services is related to the reduction in pension normal cost as calculated by the Michigan Employee Retirement System actuary.
- The balance of the budget for this department is supported at the current service level.

City Clerk & Elections

The Clerk's Office consists of the City Clerk who is appointed by the City Manager and one full-time Election Coordinator. During elections, there are 72 seasonal Election Workers who participate in running the election precincts. The number of elections and the anticipated voter turnout determine the number of election workers. The Clerk's Office is responsible for:

- Retaining all official records of the City;
- Attending all City Council Meetings and various board meetings to record official actions in the form of minutes, indices, adjustments of directories and updates to the Code of Ordinances;
- Preparing ceremonial certificates of commendation and testimonials;
- Issuing animal licenses; coordinating all business licenses; right-of-way and door-to-door solicitation permits;
- Administering the Elections Division, which is responsible for voter registration and conducting Federal, State, County, City and School Elections in accordance with the Federal and State Election Laws while striving to protect the rights of voters;
- Serving as City Freedom of Information Act (FOIA) Coordinator;
- Maintaining public meeting information;
- Managing Boards and Commissions.

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
City Clerk	1	1	1
Election Coordinator	1	1	1
Total Full-Time	2	2	2
Election Workers-Chairpersons	24	24	24
Election Workers	48	48	48
Office Assistant	1	1	1
Total Part-Time	73	73	73
Total Employees	75	75	75

Accomplishments

Resource Management:

- Conducted the November 7, 2017 General Election; conducted training for election inspectors, and recruited student election inspectors.
- Implemented new city-wide voting system.
- Coordinated the Mock City Council program.
- Streamlined Administrative Approval Process for Business Licenses.
- Educational development of City Clerk and Election & Communications Coordinator to maintain professional certification through the State of Michigan and International Institute of Municipal Clerks.
- Relocated Precinct Number 2 for improved accessibility for voters.

Objectives

Resource Management:

- Conduct Primary Election on August 7, 2018 and General Election on November 6, 2018.
- Review all Boards and Commissions to ensure their respective mission statement, structure, and functions are relevant and up-to-date (2019 Goal HH).
- Perform document scanning of City Clerk's Office permanent records.
- Continue electronic storage, retention, and indexing of all contracts, titles, resolutions and agreement records.
- Continue educational development for the City Clerk and Election Coordinator for maintenance of professional certifications.
- Establish a "no knock" commercial solicitation registry (2019 Goal Y).

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2018-19 Budget
Input	Hours attending City Council Meetings	36	35	35
	Number of Election Workers per election	87	72	72
	Average Number of Voters per FTE	6,430	3,300	2,050
Output	Number of Business and Animal Licenses Issued	1,348	1,400	1,400
	Number of New Registered Voters/Changes	4,357	2,250	2,250
	Number of Absentee Ballots Sent	4,576	2,000	2,000
Outcome	Average Days to Post Approved Board Minutes to website	4	4	4
	Number of Election Workers attending training (workers x trainings)	150	72	150
	Average Length of time to Process New Business Licenses (days)	50	70	70
Efficiency	% Voter Turnout per November State Election	64%	65%	65%
	% of FOIA request responded to within 10 business days	91%	100%	100%
	Department Expenditures as a % of General Fund	1.4%	1.2%	1.18%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 255,378	\$ 252,926	\$ 260,290	\$ 7,364	2.9
Supplies	3,741	4,325	4,080	(245)	(5.7)
Other Services and Charges	17,831	15,215	16,348	1,133	7.4
Capital Outlay	0	0	0	0	0.0
Subtotal-Elections	71,108	70,018	66,599	(3,419)	(4.9)
Total	\$ 348,058	\$ 342,484	\$ 347,317	\$ 4,833	1.4
Resources:					
Business Licenses	\$ 91,537	\$ 90,000	\$ 90,000	\$ 0	0.0
Animal Licenses	8,664	7,000	8,000	1,000	14.3
Bicycle Licenses	64	100	100	0	0.0
Vital Health Statistics	18,330	24,000	22,500	(1,500)	(6.3)
Election Reimbursement	16,133	0	0	0	0.0
General Fund	213,330	221,384	226,717	5,333	2.4
Total	\$ 348,058	\$ 342,484	\$ 347,317	\$ 4,833	1.4

Key Issues

- The reduction in Election expense is directly related to the purchase of election computer equipment in FY 2017 and FY 2018. FY 2019 includes no budget allocation for computer equipment as this project will be complete.
- The budget is supported at the current service level.

Assessing

The Assessing function is contained within the Finance Department, with contractual services provided by Oakland County Equalization Department. Assessing responsibilities include:

- Operating under the provisions of the General Property Tax Act of 1893, as amended, and applicable local charter provisions;
- Monitoring and maintaining the “principal residence” status of all property throughout the City as well as tracking property transfers;
- Developing special assessment district rolls used to fund infrastructure improvements;
- Defending all assessments before the Michigan Tax Tribunal and supporting economic development efforts; and
- Handling the appraisal of all real estate and personal property for property tax purposes on an annual basis. There are 11,514 real property descriptions and 1,677 personal property accounts in the City.
- Providing analysis of proposed Special Assessment District (SAD) projects.

Accomplishments

Resource Management:

- Contracting assessing to Oakland County Equalization has saved approximately \$306,000 per year in General Fund operating expense.
- Reviewed 851 small business exemption 4,613 affidavits and processed 552 personal property statements in accordance with the State Personal Property Tax (PPT) reform legislation.
- Settled 14 Michigan Tax Tribunal cases.
- Renewed contract with Oakland County Equalization for three additional years until June 30, 2019.

Objectives

Resource Management:

- Establish new market and taxable property values for tax year 2018.
- Conduct audits of personal property accounts for 3.2% of all personal property accounts.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2018-19 Budget
Output	Property Records Reviewed	456	200	200
	Personal Property Audits	17	15	15
	Michigan Tax Tribunal Cases	11	10	10
	Board of Review Appeals	400	200	200
Efficiency	% Assessment Changes Processed by the Deadline	100%	100%	100%
	% of Parcels Added/Deleted by Deadline	100%	100%	100%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	211,304	209,577	212,630	3,053	1.5
Capital Outlay	0	0	0	0	0.0
Subtotal-Board of Review	1,555	2,373	2,963	590	24.9
Total	\$ 212,859	\$ 211,950	\$ 215,593	\$ 3,643	1.7
Resources:					
Assessing Fees	\$ 28,205	\$ 20,000	\$ 20,420	\$ 420	100.0
General Fund	184,654	191,950	195,173	3,223	1.7
Total	\$ 212,859	\$ 211,950	\$ 215,593	\$ 3,643	1.7

Key Issues

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

Legal Department

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

- Providing legal representation and advising the City Council and City Administration;
- Representing the City in civil matters and prosecution of criminal matters;
- Preparing legal opinions and/or reviewing ordinances, resolutions and contracts;
- Presenting legal updates to City Council, Administration; and
- Attending City Council meetings and various Boards and Commissions.

Performance Measures

Performance Measures:	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Workload Indicators					
Legal Counsel (Hours)					
Tax Tribunal	137	150	150	0	0.0%
Labor	787	790	895	105	13.3%
General	1,963	1,787	1,787	0	0.0%
Telecommunications	2.5	10.0	10.0	0	0.0%
Department Expenditures as a % of the General Fund	0.98%	0.92%	1.16%	0.24%	26.1%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	12,256	7,500	7,500	0	0.0
Other Services and Charges	301,343	325,195	335,445	10,250	3.2
Capital Outlay	0	0	0	0	0.0
Total	\$ 313,599	\$ 332,695	\$ 342,945	\$ 10,250	3.1
Resources:					
General Fund	\$ 313,599	\$ 332,695	\$ 342,945	\$ 10,250	3.1
Total	\$ 313,599	\$ 332,695	\$ 342,945	\$ 10,250	3.1

Key Issues

- Expenses for legal fees related to labor are expected to increase in FY 2019. This is directly related to all union contracts expiring on June 30, 2018 and the possibility of have to arbitrate these contracts, along with an increased number of general counsel related cases.

Human Resources Department

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

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Human Resources Director	1	1	1
Purchasing and Personnel Coordinator/Assistant	1	1	1
Total Full-Time	2	2	2

Accomplishments

Resource Management:

- Continued to assist retirees with enrolling in Medicare Advantage, and with Medicare Advantage health insurance billing questions and/or problems, as well as coordinating updates to Medicare Part B premium payments to eligible retirees.
- Successfully transitioned all incumbent Medicare Advantage retirees from Blue Cross Blue Shield commercial prescription plan to a Blue Cross Blue Shield Medicare Advantage Employer Group Waiver Plan (EGWP) prescription plan, and implemented transition for all new Medicare Advantage applicants.
- Assisted with administration of the Community Blue 4 health insurance and Flexible Spending Account programs, arranging for open enrollment and coordination with Payroll to ensure accurate and timely processing of any changes.
- Monitored the Patient Protection and Affordable Care Act (PPACA) to ensure continued compliance.
- Completed PPACA year-end reporting in-house for required 1094-C and 1095-C forms including filing with the IRS.
- Implemented new CivicHR application and onboarding portals.
- Completed systematic analysis and update of all job descriptions so that essential functions are accurately represented and work performance can be properly evaluated (2018 Goal W).
- Successfully negotiated wages and conditions of employment with Fire Fighters Union to reclassify and equip the Fire Department's front-line Fire Engines from a Basic Life Support (BSL) response vehicle to an Advanced Life Support (ALS) response vehicle to assist with the performance of critical lifesaving ALS procedures (2018 Goal C).
- Successfully recruited and hired a Part-Time Seasonal Recreation Division Intern to provide enhanced programming support for the Department of Public Services during peak periods (2018 Goal Y).
- Successfully negotiated all contracts within the bargaining authority received from Council for a one year contract through June 30, 2018.

Objectives

Resource Management:

- Evaluate ongoing success of previous integration of wellness program into the MiLife Health and Wellness Center, and make adjustments as appropriate.
- Assist with the promotion of the MiLife Center in order to attract other municipalities and local businesses to join.
- Create database in Application Extender to scan current and past employee personnel and medical files and store in HR system, reducing paper and physical storage space (2019 Goal EE).
- Evaluate whether CivicHR onboarding portal capabilities are sufficient for incumbent employee needs and determine whether creation of additional dedicated employee intranet through CivicPlus is required.
- In conjunction with the Department of Public Services (DPS) Director and the Technical Professional and Officeworkers Association – DPS Field Union (DPS Union), analyze and realign the Department to reflect consolidation of divisions and to streamline field positions into fewer classifications, subject to Collective Bargaining.
- Successfully negotiate all contracts within the bargaining authority received from Council. Enhance Employee Assistance Program through new mental health portal (2019 Goal B).

Performance Measures

Performance Indicators		2017 Actual	2018 Estimate	2019 Budget
<i>Input</i>	All full-time staff in jurisdiction: Average years of service	14	12	11
	All part-time staff in jurisdiction: Average years of service	6	5	6
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Sworn public safety	70	71	74
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Total	137	138	145
	Hours Paid: All Human Resources staff	3,900	3,900	3,900
	Hours paid: All jurisdiction staff	593,083	595,163	609,723
<i>Output</i>	HR: Number of full time positions filled	16	15	15
	Percentage of new full-time employees completing probationary period	75%	80%	95%
	Turnover: Number of full-time, permanent employees who left: Total*	8	5	6
	Turnover: Number of full-time, regular employees who left: Sworn public safety*	4	4	6
	Turnover rate: All full-time employees*	5.8%	3.6%	2.8%
<i>Outcome</i>	HR: Percentage of successful full time applicants still employed 12 months from hire date	88.9%	85%	90%
	Department Expenditures as a % of General Fund	1.4%	1.4%	1.4%

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

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 198,652	\$ 200,233	\$ 204,697	\$ 4,464	2.2
Supplies	130	0	0	0	0.0
Other Services and Charges	159,705	195,117	196,779	1,662	0.9
Capital Outlay	0	0	0	0	0.0
Total	\$ 358,487	\$ 395,350	\$ 401,476	\$ 6,126	1.5
Resources:					
General Fund	\$ 358,487	\$ 395,350	\$ 401,476	\$ 6,126	1.5
Total	\$ 358,487	\$ 395,350	\$ 401,476	\$ 6,126	1.5

Key Issues

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

General Administration

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

Accomplishments

- Successfully auctioned surplus vehicles and miscellaneous City surplus items on govdeals.com and the City's co-operative purchasing website netting over \$22,000 in revenue.
- Completed purchase of miscellaneous fleet vehicles including Police Department Interceptor Utility vehicle. Other vehicles and significant equipment purchased include a DPS utility van, DPS Bobcat, water and sewer camera system, a Stryker power lift system for Fire, as well as custom EMS cabinets, chest compression system, and defibrillators/monitors.
- Purchased new equipment for the cable room to help address ongoing sound issues during meeting broadcasts.

Goals/Objectives

- Continue to utilize the MITN cooperative purchasing website and govdeals.com to attain optimal revenue when selling surplus items.
- Continue to take advantage of cooperative purchasing including but not limited to MITN, the State of Michigan (MiDEAL), Oakland County and Macomb County to increase purchasing power while reducing staff time spent on creating, issuing, and administering bids.
- Develop a Citizens Academy to educate residents and develop a civic leader talent pool for potential future Boards and Commissions members (2019 Goal GG).
- Complete re-wiring of audio rack in cable television control room to provide for easier access, maintenance, and troubleshooting, as well as to eliminate potential future points of failure.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
<i>Input</i>	Expenditures: General fund personnel and operations	\$ 28,132,992	\$ 26,222,365	\$ 27,805,730
	Expenditures: Special-revenue/restricted fund personnel and operations	\$ 17,001,722	\$ 16,898,645	\$ 17,025,700
	Square miles of land area served	7.2	7.2	7.2
	Revenues, General fund: Property Tax	\$ 16,218,687	\$ 17,159,281	\$ 17,773,790
	Revenues, General fund: State Revenue Sharing	\$ 2,903,314	\$ 2,835,456	\$ 3,024,029
<i>Efficiency</i>	Department Expenditures as a % of General Fund	4.3%	0.8%	0.8%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 1,115,077	\$ 112,062	\$ 123,046	\$ 10,984	9.8
Supplies	43,371	44,750	45,472	722	1.6
Other Services and Charges	76,289	60,242	65,509	5,267	8.7
Capital Outlay	0	0	0	0	0.0
Total	\$ 1,234,737	\$ 217,054	\$ 234,027	\$ 16,973	7.8
Resources:					
General Fund	\$ 1,234,737	\$ 217,054	\$ 234,027	\$ 16,973	7.8
Total	\$ 1,234,737	\$ 217,054	\$ 234,027	\$ 16,973	7.8

Key Issues

- FY 2019 includes Council adopted Goal E - “Pick The Heights Clean” litter program. This goal establishes a voluntary program to encourage employees, residents, businesses, schools, and civic groups to help keep the City clean by routinely picking up and disposing of trash in designated areas.
- Also included is a Citizens Academy to educate residents and develop a leadership talent pool for potential Board and Commission members (2019 Goal GG).

Finance Department

The Finance Department consists of a Deputy City Manager for Administrative Services, Deputy Finance Director, one Accountant, an Administrative Secretary, and three full-time Fiscal Assistants. The Finance Department is responsible for:

- Preparing and maintaining the City's financial statements in compliance with the requirements of the Governmental Accounting Standards Board;
- Accounting, pension administration, risk management, treasury and oversight of assessing functions;
- Processing of financial reporting, accounting, accounts payable, budgeting, cash receipts, payroll, pension management, miscellaneous receivables, tax assessment documents, tax and utility billing and collections;
- Assisting in budget development, implementation, maintenance and control;
- Additionally, the Finance Department provides support services to other departments, including being part of the management team in labor negotiations with all employee bargaining units; and
- Monitoring and evaluating the fiscal impact of Federal and State legislation regarding employee benefits.

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Deputy City Manager for Administrative Services	1	1	1
Deputy Treasurer/Finance Director	1	1	1
Accountant	1	1	1
Fiscal Assistant II	3	3	3
Administrative Secretary	1	1	1
Total Full-Time	7	7	7
Total Employees	7	7	7

Accomplishments

Resource Management:

- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award for FY 2017-18.
- Completed annual audit within 3 months, with a clean opinion.
- Renewed the agreement for actuarial services with the current actuarial firm, Gabriel Roeder Smith & Company, for a one year term.
- Implement an E-Lock Box Service in the Treasurer's Office to convert Non-Automated Clearing House (ACH) electronic payments into ACH payments, which will reduce staff research time and lower processing costs. (2018 Goal V)
- Completed an analysis of water, sewer, and stormwater rates needed to support the system with infrastructure projects over the next ten (10) years.

Objectives

Resource Management:

- Complete annual audit and have Annual Financial Report finalized within three months of fiscal year end.
- Have property tax, special assessment, water/sewer and other unpaid bills settlement balanced and to Oakland County for reimbursement by the end of March.
- Revise the capital improvement planning process (2019 Goal FF).

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	Total Dollar amount of City Budget (all funds)	\$ 48,327,236	\$ 51,332,210	\$ 53,662,699
	Total Dollar amount of Budget Amendments (all funds)	\$ 2,670,944	\$ 2,367,626	\$ 2,683,135
	City Taxable Value	\$ 772,565,630	\$ 784,126,110	\$ 797,364,150
	Total Dollar value of Fiscal Year CIP - all funds	\$ 8,389,000	\$ 9,259,000	\$ 10,984,000
Output	Accounts Payable Processed - Paper Check	3,793	3,391	3,052
	Accounts Payable Processed - ACH	1,182	968	1,064
	Accounts Payable Processed - Credit Card	\$1,256	\$1,824	\$1,825
	# of water/sewer customers	11,804	11,804	11,804
Outcome	# of water/sewer customers signed up for ACH	1,244	1,253	1,253
	% of Accounts Payable processed by ACH	23.8%	20.3%	20.3%
	% of water/sewer customers signed up for ACH	10.5%	11.0%	12.0%
	Amount of Credit Card Rebate	\$6,403	\$7,461	\$7,500
Efficiency	% of Dollar amount of budget amendments	5.5%	>5%	>5%
	% of Budgeted GF revenues received	94.7%	95.0%	95.0%
	% of Budgeted GF expenditures spent	99.0%	95.0%	95.0%
	Taxes collected by March 1 as a % of Total	94.5%	95.0%	95.0%
Date of Annual Auditor's Report		10/27/2017	10/16/2018	10/15/2019
% Funded for General Employees Pension Trust		103%	100%	100%
% Funded for Police and Fire Pension Trust		54.5%	55.7%	56.0%
% Funded for the General Employee Retiree Health Benefits Trust		32.4%	33.5%	34.8%
% Funded for the Police and Fire Employee Retiree Health Benefits Trust		26.9%	28.4%	29.8%
Department Expenditures as a % of General Fund		2.94%	2.80%	2.74%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 716,417	\$ 712,177	\$ 742,622	\$ 30,445	4.3
Supplies	2,648	6,520	6,520	0	0.0
Other Services and Charges	46,255	55,782	58,850	3,068	5.5
Capital Outlay	0	0	0	0	0.0
Total	\$ 765,320	\$ 774,479	\$ 807,992	\$ 33,513	4.3
Resources:					
Mobile Home Solid Waste	\$ 34,776	\$ 34,700	\$ 34,700	\$ 0	0.0
Property Tax Admin. Fees	445,261	429,864	454,600	24,736	5.8
Garbage Bag Sales	5,347	7,500	6,000	(1,500)	(20.0)
Interest Income on Deposits	34,376	175,000	150,000	(25,000)	(14.3)
General Fund	245,560	127,415	162,692	35,277	(27.7)
Total	\$ 765,320	\$ 774,479	\$ 807,992	\$ 33,513	4.3

Key Issues

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

Information Technology

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

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

Accomplishments

Resource Management:

- Implemented the new Michigan Judicial Information System (JIS) system for 43rd District Court.
- Installed a wireless connection between City Hall and DPS Ajax facility to resolve problematic connection issues.
- Moved the DPS radio base stations to their own subnet/VLAN to improve security.
- Setup presentation display within the Madison conference room for wireless screen sharing.
- Replaced 21 desktop computers on the five-year replacement plan.
- Reduced monthly phone bills by moving security alarms from analog POTS lines to a cellular service in each city building.
- Provide technology support 24x7x365.
- Scheduled vulnerability tests for the network and computers
- Replaced Exchange email host server to improve reliability and speed.
- Assisted dispatch with integration of NextGen 911 and the city phone system.
- Setup IP-based Fire Alert System with alerts, monitors and lighting systems.
- Replaced the security camera system within the Finance Department.
- Tested system backup and restore for servers, computers, and applications.
- Setup a new Fire Department training room with audio and video equipment.
- Reorganized the cable plant within the Library building.
- Setup a public access kiosk for the Community Development Department.
- Reduced monthly phone bills by converting fax lines from analog POTS lines to DID.
- Expanded the secure wireless network to all city buildings.
- Changed printer service process to eliminate monthly service fees and improve support.
- Participated in City Council, Department Head, Safety, and ITAC meetings.

Objectives

Resource Management:

- Refine the disaster recovery and return to operation process.
- Complete a City wide Cyber review and testing.
- Provide in-service security awareness training for all staff.
- Provide classroom and online application training.
- Implement a password management system.
- Optimize the SAN data partitions to reduce unused but allocated space.
- Replace 25 desktop computers on the five-year replacement schedule.
- Schedule vulnerability tests for the network and computers.
- Publish internal Technology newsletter.
- Investigate shared resource for disaster preparedness with Royal Oak, Hazel Park, and/or Troy.
- Update the Capital Improvement Plan for long range planning and budget.
- Integrate a help desk intranet with the new City website.
- Provide desk side and phone support 24x7x365.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	Number of helpdesk requests	1,325	1,500	1,500
	Number of endpoints served	431	435	435
Output	Number of new computers installed	22	24	24
	Special IT projects handled	18	15	15
Outcome	% of helpdesk request handled in 8 hours or less	74%	90%	90%
	Total number of helpdesk cases resolved	1,320	1,500	1,500
Efficiency	Capital expenditures for IT	\$ 39,284	\$ 13,000	\$ 8,250
	Expenditures per each endpoint served	\$ 825	\$ 899	\$ 431
	Department Expenditures as a % of General Fund	1.5%	0.7%	0.6%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	22,566	25,178	28,500	3,322	13.2
Other Services and Charges	215,077	147,515	151,365	3,850	0.0
Capital Outlay	151,832	15,000	8,250	(6,750)	0.0
Total	\$ 389,475	\$ 187,693	\$ 188,115	\$ 422	0.2
Resources:					
General Fund	\$ 389,475	\$ 187,693	\$ 188,115	\$ 422	0.2
Total	\$ 389,475	\$ 187,693	\$ 188,115	\$ 422	0.2

Key Issues

- FY 2019 includes continuation of current services levels and three Council approved goals.
- Provide Information Technology Security Awareness Training to staff (2019 Goal DD).
- Install fire suppression system to City Hall server room that houses the majority of the host computer systems (2019 Goal K).
- Increase and improve Online services for all departments in the City (2019 Goal S). The Information Technology Committee proposed this goal as a project they will perform by reviewing each section of the City website in order to suggest enhancements, as well as auditing customer processes such as garbage day parking permits, pavilion building rentals, web portals, e-commerce, licensing, and other areas.

Custodial & Maintenance Division

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

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

Accomplishments

Resource Management:

- Continued to monitor and adjust HVAC schedules and setpoints at City buildings through the i-Vu web interface, resulting in energy savings.
- Provided monthly building energy utilization report to City management.
- Performed thermal imaging scans of roofing systems at DPS and Police Department to detect leaks and perform repairs as part of preventative maintenance program.
- City Hall exterior lighting added to i-Vu building control system for added energy savings.
- Eliminated long-term hot water delivery issue at Fire Station #1.
- Emergency replacement of humidifier boiler at Library.

Objectives

Resource Management:

- Budget for HVAC replacement and upgrades to the Police Department and City Hall.
- Continue to explore energy savings opportunities through LED lighting conversions and replacements.
- Continue to monitor performance of custodial contractors at City buildings.
- Assess and schedule targeted roof replacements for future Budget years.
- Purchase and install standby generator at City Hall.
- Refurbish gazebo at City Hall.
- Implement a replacement strategy for carpets and blinds.
- Reinstate Pest Control Services at the Department of Public Services, City Hall, and District Court to prevent infestations and unhealthy conditions, and protect City property (2019 Goal C).

Performance Measures

Performance Indicators		2017 Actual	2018 Estimate	2019 Budget
<i>Input</i>	Expenditures: Total jurisdiction facilities: Repairs	\$ 217,854	221,794	436,688
	Jurisdiction facilities, Total Electricity usage: kWh	1,713,293	1,554,815	1,578,881
<i>Efficiency</i>	Admin/office facilities, Custodial expenditure per square foot	\$ 0.93	\$ 0.93	\$ 0.93
	Admin/office facilities, Repair expenditure per square foot	\$ 0.76	\$ 0.75	\$ 0.77
Departmental Expenditures as a % of General Fund		1.1%	0.9%	1.1%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 17,770	\$ 19,301	\$ 19,073	\$ (228)	(1.2)
Supplies	22,481	18,500	18,500	0	0.0
Other Services and Charges	159,524	146,385	156,688	10,303	7.0
Capital Outlay	0	0	0	0	0.0
Subtotal-Municipal Bldg.	86,173	54,121	129,840	75,719	139.9
Total	\$ 285,948	\$ 238,307	\$ 324,101	\$ 85,794	36.0
Resources:					
General Fund	\$ 285,948	\$ 238,307	\$ 324,101	\$ 85,794	36.0
Total	\$ 285,948	\$ 238,307	\$ 324,101	\$ 85,794	36.0

Key Issues

- The budget is supported at the current service level.

Police Department

The Police Department is the largest department with 61 full-time positions, including one Animal Control Officer, 17 part-time Crossing Guards, part-time Animal Control Support Worker and one part-time Records Clerk. The Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Police Chief	1	1	1
Deputy Police Chief	1	1	1
Lieutenants	4	4	4
Sergeants	7	8	8
Police Officers	32	32	34
Administrative Secretary	1	1	1
Information Systems Specialist	1	1	1
Office Assistant II	1	1	1
Police Service Assistants	8	8	9
Animal Control Officer	1	1	1
Total Full-Time	57	58	61
Crossing Guards	17	17	17
Animal Control Support	1	1	1
Records Clerk	1	1	1
Total Part-Time	19	19	19
Total Employees	76	77	80

Accomplishments

Public Safety:

- Hired and trained (7) Police Officers.
- Hired and trained (1) Police Service Assistant (PSA).
- Received grant funding from the Traffic Improvement Association of Michigan for Operating While Impaired patrols and Seatbelt Enforcement.
- Held the Annual Bicycle Rodeo and Police Department Open House to help foster the relationship between the Police Department and the Community.
- Began participation in the Troy Special Investigations Unit to provide focused investigations and enforcement of narcotics violations, weapons offenses, larcenies, home invasions, recovering and concealing stolen property, and various additional undercover operations.
- Purchased new interview/interrogation recording system for the Detective Bureau to comply with MCOLES standards.
- Continued replacement of overhead lighting on fully marked Police Department Patrol Vehicles by replacing the lighting on four (4) patrol vehicles.
- Purchased, installed, and trained personnel on three replacement Computer Aided Dispatch (CAD) Consoles, which were required in order to efficiently operate the new Oakland County Dispatch Software. (2017 Goal H)
- Advanced 911 technologies, improving communication and emergency response; specifically deployed NextGen911, in the Police Department's operations. (2017 Goal C)
- Instituted electronic policy system with PowerDMS to all the Police Department to work towards State of Michigan Professional Accreditation (2018 Goal S).
- The Police Department engaged residents to foster a positive image of the Police Department by continuing to be active participants in four (4) quarterly events within the community.

Objectives

Public Safety:

- Purchase five (5) bullet resistant vests for SWAT team, FBI Taskforce Member and Troy Special Investigations Unit Member.
- Continue adding policy updates, forms, rules and regulations into PowerDMS to work towards professional accreditation with the Michigan Association of Chiefs of Police.
- Refurbish police department gun range to allow for continued training of our officers. (2019 Goal I).
- Engage citizens to continue to foster a positive image of the Police Department by continuing to be active participants in four (4) quarterly events within the community.
- Solicit volunteers for the Police Reserve and Explorer programs through active promotion on online and other media and through a reserve officer stipend increase to help with recruitment (2019 Goal M).
- Increase marketing of and promotion of the block party permitting process in order to facilitate introduction of neighbors to each other (2019 Goal CC).

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	Expenditures, police personnel and overtime (including support charged to department)	\$ 9,128,668	\$ 8,977,442	\$ 9,525,652
	Expenditures: Sworn police overtime	\$ 664,693	\$ 406,346	\$ 366,528
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$ 7,318,197	\$ 7,455,168	\$ 7,660,687
	Sworn Police FTEs (Budgeted)	45	46	48
	Sworn Police FTEs per 1,000 pop	2	2	2
Output	Dispatch calls/initiated actions: Total Police Responses	25,140	30,000	30,000
	Injury: producing traffic accidents	250	250	225
	Moving violation citations issued (excluding DUIs)	4,226	4,250	4,250
	Number of accidents involving fatalities	3	0	0
	DUI Arrests	120	125	125
Outcome	Complaints against sworn police personnel: Excessive force	1	0	0
	Complaints against sworn police personnel: Excessive force, sustained	0	0	0
	Complaints against sworn police personnel: Total	7	0	0
	Complaints sustained against sworn personnel: Total	0	0	0
Efficiency	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	836	1,000	1,000
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	559	667	652
	Dispatch calls/initiated actions: Total police department expenditures per total police response	\$363	\$325	\$358
	Department Expenditures as a % of General Fund	38.3%	34.9%	36.0%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 9,049,740	\$ 8,977,442	\$ 9,525,652	\$ 548,210	6.1
Supplies	105,017	67,350	88,780	21,430	31.8
Other Services and Charges	570,995	494,799	510,525	15,726	3.2
Capital Outlay	230,286	117,700	514,976	397,276	337.5
Total	\$ 9,956,038	\$ 9,657,291	\$ 10,639,933	\$ 982,642	10.2
Resources:					
Animal Control and Pound	\$ 12,526	\$ 6,400	\$ 2,600	\$ (3,800)	(59.4)
Liquor License Inspections	26,201	24,500	26,000	1,500	6.1
Police Fees and Grants	109,407	85,000	140,900	55,900	65.8
Police & Fire Pension Millage	3,571,175	3,540,936	3,732,624	191,688	5.4
Vehicle Proposal Millage	57,000	0	0	0	100.0
General Fund	6,179,729	6,000,455	6,737,809	737,354	12.3
Total	\$ 9,956,038	\$ 9,657,291	\$ 10,639,933	\$ 982,642	10.2

Key Issues

- Personnel services are budgeted to increase 6.1% due to the addition of one Police Service Assistant and two Patrol Officers. There will also be an additional assignment of a Detective Bureau officer in order to enhance the City's efforts to combat gangs, drugs, prostitution and human trafficking (2019 Goal F, G, and J).
- Capital Outlay includes the refurbishment of the Gun Range at \$248,000 to ensure the safety of visitors and officers using the range, and to reduce backfill overtime costs necessitated by officers having to use an offsite facility (2019 Goal I). Other Capital Outlay items include four patrol vehicles (two from General Fund and two from Drug Forfeitures), a motorcycle and two copy machines.

Fire Department

The Fire Department consists of 27 licensed paramedics of whom 21 are Firefighters, 3 are Sergeants, and 3 are Lieutenants. In addition, staff also includes 2 employees in fire prevention/administration, plus one full time clerical position. The Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Fire Chief	1	1	1
Fire Marshal	1	1	1
Lieutenants	3	3	3
Sergeants	3	3	3
Firefighters	19	19	21
Fiscal Assistant II	1	1	1
Total Full-Time	28	28	30
Total Employees	28	28	30

Accomplishments

Public Safety:

- Implemented a new internet protocol fire station alerting system.
- Implemented a new emergency response mapping software.
- Re-classified the Fire Department fire engines from Basic Life Support license to Advanced Life Support license.
- Purchased three new electrocardiogram heart Monitors.
- Developed and implemented a senior citizen file of life program.
- Purchased a new Stryker ambulance cot and installed a new Stryker Power Load ambulance cot lifting system in the reserve ambulance.
- Implemented a new departmental emergency call-back procedure to decrease the response time of off-duty personnel.
- Purchased two new chest compression systems.
- Adoption of an EMS fee waiver ordinance for City residents.

Resource Management

- Sergeant's successful completion of EMU's Fire Staff and Command Executive Leadership Program.
- Established a Fire Sergeant Eligibility list.
- The promotion of a Sergeant to Fire Marshal.
- Fire Marshal's successful completion of the NFPA's Fire Inspector I, II, & Plan Examiner
- Two Firefighter/Paramedics successful completion of the EMS Instructor Coordinator program.
- Four probationary Firefighter/Paramedics successful completion of their one-year probation.

Objectives

Public Safety:

- Design and write the bid specifications for the purchase of a new rescue/ambulance.
- Hold a joint open house with the Madison Heights Police Department.
- Hold an open house at Fire Station 2 during fire prevention week (2019 Goal L).
- Complete building improvements at Fire Station 2.

Resource Management:

- Send Sergeant to Eastern Michigan University, Fire Staff and Command.
- Hire two new Firefighter/Paramedics. (2019 Goal H)
- Guide the newly hired firefighters through their probationary period.
- Establish a new Firefighter eligibility hiring list.
- Send five officers to the Blue Card Command Certification Training Program.
- Fire Marshal to attend the National Fire Academy's Fire Investigation and Arson Course.
- Convert three (3) Firefighter positions to Fire Sergeant. (2019 Goal N)

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to department)	\$ 5,447,425	\$ 5,826,696	\$ 6,255,447
	Expenditures, Fire/EMS Personnel: Sworn	\$ 3,601,640	\$ 3,647,682	\$ 4,154,711
	Expenditures: Sworn Fire/EMS personnel, OT only	\$ 181,221	\$ 149,350	\$ 152,337
Output	EMS: Number of ALS Responses	1,784	1,675	1,700
	EMS: Total BLS and ALS Responses	3,217	3,200	3,200
	Inspections: Commercial/Industrial occupancies inspected	711	750	800
	EMS: Total BLS and ALS Transports	2,394	2,200	2,300
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	98%	99%	99%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	83%	85%	85%
	Percentage of responses within 8 minutes (conclusion of dispatch to arrival on scene of effective response force) for 1-2 family residential structure fire incidents.	100%	100%	100%
	Emergency fire response time: Percentage 8 Min or under: Dispatch to arrival	100%	100%	100%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%	100%
	Total BLS and ALS responses per capita	110	100	100
	Total Fire/EMS personnel and operations expenditures per capita	\$ 182	\$ 190	\$ 208
	Department Expenditures as a % of General Fund	21.0%	21.1%	21.6%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 4,861,128	\$ 4,579,222	\$ 5,219,775	\$ 640,553	14.0
Supplies	85,105	65,780	76,750	10,970	16.7
Other Services and Charges	460,719	559,194	559,381	187	0.0
Capital Outlay	55,161	537,500	525,600	(11,900)	(2.2)
Total	\$ 5,462,113	\$ 5,741,696	\$ 6,381,506	\$ 639,810	11.1
Resources:					
Ambulance & CPR Revenues	\$ 607,087	\$ 560,465	\$ 610,000	\$ 49,535	8.8
Police & Fire Pension Millage	2,216,402	1,920,237	2,147,863	227,626	11.9
Vehicle Proposal Millage	0	200,000	200,000	0	n/a
Advanced Life Support Millage	189,363	190,843	192,104	1,261	0.7
General Fund	2,449,261	2,870,151	3,231,539	361,388	12.6
Total	\$ 5,462,113	\$ 5,741,696	\$ 6,381,506	\$ 639,810	11.1

Key Issues

- Personnel services are budgeted to increase 13.9% due to step increases for the large number of newer employees in the Department, an increase in pension contributions, and the addition of two fire fighters (2019 Goal H).
- FY 2019 also includes \$525,600 in Capital Outlay including Phase 2 funding for a pumper truck and full funding for an ambulance rescue truck.

Community Development

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

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Community Development Director	1	1	1
Building Official (Contracted 2015-16)	1	0	0
Economic & Community Engagement Supervisor	1	1	1
Administrative Secretary	1	1	1
GIS/CDD Technician	0	0	1
GIS/Multimedia Specialist	1	1	0
Inspector	1	0	0
Office/CDBG Assistant	1	1	1
Code Enforcement Officer (Non-CDBG)	0	0	1
Total Full-Time	7	5	6
Part-time Social Media Intern	0	1	0
Code Enforcement Officer	1	1	1
Total Part-Time	1	2	1
Total Employees	8	7	7

Accomplishments

Public Safety:

- Continued successful implementation of multi-year road and sidewalk Programs, completing the Year 10 Residential Road projects funded through the R-2 millage, seven Major Road sectional repairs, two local road sectional repairs and the third year of the People Powered Transportation Program (PPTP) north of Lincoln. For detailed project locations and final cost, please refer to Neighborhood Projects and Road Improvements sections under the Capital Improvement Chapter.
- Provided staff with Safety Training.
- Purchased large monitors for Electronic Plan Review (2017 Goal)
- Implemented the DDA's annual Art Challenge event.
- Conducted over 13,000 contacts on code enforcement issues.
- Completed over 3,700 inspections of building, electrical, mechanical, plumbing, sign and concrete permits conducted to ensure safe construction.
- Completed DDA-TIF Plan update. (2017 Goal L)
- Offered collaborative manufacturing meetings with Chamber and MMA. (2018 Goal O)

Objectives

- Provide staff with personal safety training and construction safety training session.
- Hold "How To" seminar for residents on "How to Remodel Basements" (2019 Goal D).
- Organize and hold the DDA's Annual Art Challenge prior to December 2018.
- Implement a Tax Foreclosure Purchase/Sale/Redevelopment Program (2019 Goal U).
- Create a new afternoon/evening/weekend code enforcement program including a change in policy to penalize frequent offenders. (2019 Goal A).
- Create a "Pick The Heights Clean" Litter Program (2019 Goal E).
- Undertake an inventory review and audit of public land to determine the best possible uses and reuses (2019 Goal AA).
- Reactivate the Economic Development Cooperation in order to encourage redevelopment City-wide and explore funding opportunities (2019 Goal T).

Performance Measures

	Performance Indicators	Actual 16-17	Estimate 17-18	Budget 18-19
Input	Valuation of commercial/industrial construction: Regular	\$ 5,161,758	\$ 7,500,000	\$8,000,000
	Valuation of residential construction	\$ 5,672,704	\$ 5,500,000	\$5,500,000
	Expenditures: Code Enforcement personnel and operations	\$ 110,500	\$ 109,616	\$ 190,737
	Expenditures: Development inspection, personnel and operations	\$ 1,010,825	\$ 688,114	\$1,011,253
Output	Code Enforcement: Total Cases Initiated	3,252	2,300	2,300
	# of Building Permits issued: Commercial	362	350	350
	# of Building Permits issued : Residential	1,282	1,100	1,100
Outcome	Vacancy Rate: Industrial	3.6%	3.5%	3.5%
	Vacancy Rate: Office	14.3%	11.0%	10.0%
	Vacancy Rate: Retail	9.2%	4.5%	4.0%
Efficiency	Amount recovered from property owners relating to jurisdiction abatement efforts	\$ 40,047	\$ 35,000	\$ 35,000
	% of cases resolved through forced compliance	<1%	<1%	<1%
	% of cases resolved through voluntary compliance	>99%	>99%	>99%
	Department Expenditures as a % of General Fund	3.9%	3.9%	3.8%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 629,859	\$ 694,831	\$ 691,158	\$ (3,673)	(0.5)
Supplies	18,016	9,850	11,050	1,200	12.2
Other Services and Charges	351,706	358,215	611,285	253,070	70.6
Capital Outlay	11,245	0	30,000	30,000	0.0
Total	\$ 1,010,826	\$ 1,062,896	\$ 1,343,493	\$ 280,597	26.4
Resources:					
Occupational Licenses	\$ 260,431	\$ 175,000	\$ 200,000	\$ 25,000	14.3
Other Permits	58,013	65,000	60,000	(5,000)	(7.7)
Building Permits	348,318	400,000	400,000	0	0.0
Engineering Fees	17,926	20,000	25,000	5,000	25.0
Planning Fees	13,430	12,000	10,000	(2,000)	(16.7)
GIS Services	6,150	3,000	5,000	2,000	66.7
General Fund	306,558	387,896	643,493	255,597	65.9
Total	\$ 1,010,826	\$ 1,062,896	\$ 1,343,493	\$ 280,597	26.4

Key Issues

- The FY 2019 budget includes an additional full-time Code Enforcement Officer and the decrease of an Electrical Inspector through contracting. This has resulted in an overall decrease of 0.5% and an increase of other services and charges of .9%.
- Other changes in the budget include Capital Outlay of one vehicle for the new Code Enforcement Officer for \$30,000 and the inclusion of a budgeted line-item for emergency property demolition and clean-up of \$25,000.
- The Budget includes an estimated expenditure of \$250,000 to provide for upfront, reimburseable cost for cleanup of contaminated properties.

Streets Division

The Streets Division of the Department of Public Services is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Supervisor	1	0	0
Equipment Operator III	3	0	0
Equipment Operator II	2	0	0
Equipment Operator I	2	0	0
Administrative Secretary (Major/Local Street Fund)	1	0	0
Total Full-Time	9	0	0

Accomplishments

Public Safety:

- Assisted in the 2017 neighborhood and major road repair and reconstruction programs by creating and providing signs, barricades, storage facilities, debris removal, etc.
- Continued snow removal under the Snow Emergency Ordinance, and continued to reduce costs and improve the efficiency of our winter maintenance program by using brine, V-Body inserts, and wing plows (2) as part of the snow fighting arsenal.
- Repainted crosswalks, stopbars, and legends through entire City.
- Touched up thirty R-1 and R-2 roads showing signs of joint deterioration along with several Stephenson Highway turn-arounds with spray patch.
- Integrated ToolCat utility vehicle into Public Services fleet.
- DPS Signshop assisted the DDA with wayfinding project and Library with interior signage upgrades.
- Completed the upgrade of 8 span lights from mercury vapor to LED (W. Gardenia) along with 5 decorative LED lights along Brush street north of 13 Mile.

Objectives

Public Safety:

- Maintain, replace, and repaint crosswalks, stop bars, legends, and lane markings.
- Complete upgrading signage to meet new federal traffic control standards.
- Support 2018 neighborhood and major road repair and reconstruction projects by providing assistance as required.
- Complete DPS Policy and Procedures binder compilation.
- Continue to review and update web pages, thus eliminating outdated information.
- Improve pedestrian and traffic safety by analyzing pedestrian crossings, and making improvements where necessary and feasible, along Dequindre Road between 11 and 13 Mile Roads.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	Expenditures on paved sidewalks (operations and capital)	\$ 186,200	\$ 181,107	\$ 217,572
	Annual Streetlighting Expense	\$ 563,569	\$ 536,000	\$ 535,000
Efficiency	Expenditures, paved road rehabilitation, per total paved lane miles	\$ 9,611	\$ 9,349	\$ 11,215
	Department Expenditures as a % of General Fund	3.9%	3.2%	3.4%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 39,632	\$ 19,301	\$ 19,519	\$ 218	1.1
Supplies	2,241	3,025	3,462	437	14.4
Other Services and Charges	1,028,681	872,195	1,015,020	142,825	16.4
Capital Outlay	201,267	75,000	34,000	(41,000)	0.0
Total	\$ 1,271,821	\$ 969,521	\$ 1,072,001	\$ 102,480	10.6
Resources:					
Weed Mowing	\$ 19,953	\$ 40,000	\$ 30,000	\$ (10,000)	(25.0)
Brush Chipping	6,100	6,000	6,000	0	0.0
Proposal V	0	0	0	0	0.0
General Fund	1,245,768	923,521	1,036,001	112,480	12.2
Total	\$ 1,271,821	\$ 969,521	\$ 1,072,001	\$ 102,480	10.6

Key Issues

- In FY 2017, we began to charge the Department of Public Services personnel cost to departments based on where the work was actually completed using the BS&A Work Order system. At this time, all the employees in this department were moved into an Internal Services Fund, and out of the various departments where they had previously been allocated. See Other Funds - Department of Public Services for the FY 2019 allocation of personnel.

Solid Waste Division

The Solid Waste Division of the Department of Public Services is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
DPS Director	1	0	0
Total Full-Time	1	0	0
Total Employees	1	0	0

Accomplishments

Public Health:

- Completed removal of 56 dead or diseased trees, and proactively removed and replaced 23 trees from the R-2/water main projects.
- Sold 342 recycling bins to our residents.
- Implement DPS Spring Clean-Up Day and Brush Chipping Week to encourage clean-out of basements, yards, and garages. (2017 Goal A)
- Expanded the use of portable toilets in parks by adding units during summer/fall 2017 at Monroe and Huffman Parks. (2018 Goal I)
- Completed 16 tree trimming/pruning requests along with annual winter trimming/pruning by Branch Tree Service and DPS personnel in the area south of 12 Mile, east and west of John R.
- Took receipt of street sweeper #402.

Objectives

Public Health:

- Monthly sweeping of residential areas.
- Continue to monitor solid waste collection and disposal contractor (GFL Environmental).
- Continue to monitor the health of City trees and remove or trim as necessary.
- Continue to monitor performance of tree contractor, Branch Tree Service.
- Assist with rodent control issues and reduce calls for code enforcement.
- Evaluate and potentially pursue a contract extension with GFL Environmental that would include options for both 95 gallon trash and 64 gallon recycling toters.
- Replace vehicle (chipper) #410, a 2002 Brush Bandit.
- Provide staff support to first year of newly reestablished Environmental Citizens Committee (ECC).
- Expand the deployment of portable family-style restrooms to the other City parks that have play structures, including Edison, Twelve-Sherry, and Wildwood Parks (2019 Goal R).

Public Safety:

- Monthly sweeping of residential areas.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
<i>Input</i>	Expenditures for Recycling	\$ 222,303	\$ 237,172	\$ 243,430
<i>Output</i>	Residential recycling: Tons collected	1,174	1,235	1,467
	Yard Waste Tons Collected: Composted	1,972	1,791	1,740
<i>Efficiency</i>	Street sweeping expenditures per lane mile	\$ 54	\$ 55	\$ 55
	Department Expenditures as a % of the General Fund	7.9%	8.4%	7.4%

Financial Summary

	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Requirements:					
Personnel Services	\$ 140,379	\$ 72,502	\$ 78,553	\$ 6,051	8.3
Supplies	11,455	17,686	17,601	(85)	(0.5)
Other Services and Charges	1,888,286	1,966,183	1,998,112	31,929	1.6
Capital Outlay	0	250,000	90,000	(160,000)	0.0
Total	\$ 2,040,120	\$ 2,306,371	\$ 2,184,266	(122,105)	0.0
Resources:					
Solid Waste Millage	\$ 2,001,125	\$ 2,030,232	\$ 2,049,622	\$ 19,390	1.0
General Fund	377,775	621,689	476,774	(144,915)	(23.3)
Total	\$ 2,378,900	\$ 2,651,921	\$ 2,526,396	\$ (125,525)	98.1

Key Issues

- In FY 2017, we began to charge the Department of Public Services personnel cost to departments based on where the work was actually completed using the BS&A Work Order system. At this time all the employees in this department were moved into a Department of Public Services Internal Services Fund. See Other Funds - Department of Public Services for the FY 2019 allocation of personnel.
- The FY 2019 budget includes an increase in the GFL waste hauling contract to accommodate a waste hauling extension to include voluntary carts for recycling and trash throughout the City. This item will be discussed with the Environmental Citizen Committee prior to implementation.
- Capital Outlay items include a replacement Brush Chipper.

Recreation Division

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

- Conducting the City's leisure and recreational programs including instructional programs such as dance, tennis, golf, fitness, yoga, painting, and team sports such as basketball, softball, T-Ball, volleyball, gymnastics and martial arts;
- Processing all registrations, facility reservations, preparation and distribution of flyers, evaluation and selection of programs and instructional personnel and contractors, and coordination of volunteer coaches; and
- Hosting the annual "Festival in the Park", 5K Run/Walk, City Golf Outing, Nature Center Fall Open House, Holiday Tree Lighting and the February Coffee Concerts; and supporting the Parade Pub Crawl and Memorial Day Parade.

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Recreation Coordinator	1	1	1
Basketball Staff	15	13	13
Camp Staff	4	7	7
Lifeguard	1	1	1
Adult Program Supervisor	1	2	2
Youth Program Supervisor	1	1	1
Recreation Intern	0	1	1
Total Part-Time	23	26	26
Total Employees	23	26	26

Accomplishments

Quality of Life:

- The division continues to work with surrounding communities to develop/share in recreation programs. Those partner communities include Royal Oak, Troy, Hazel Park, Oak Park, Clawson and Ferndale.
- Expanded use of Active Net System to provide automated league schedules and to make schedules available online for coaches and participants.
- Continue to use a Facebook page for the Recreation Department to promote events and post reminders of deadlines. The information can easily be shared with the click of a mouse to hundreds of people. The Recreation Department has reached over 800 followers with less cost and time.
- Continued sponsorship initiatives to increase revenues for events and programs and reduce staff time and postage cost spent on solicitation.
- Gymnastics program has been very successful with registrations and participation.
- Continued building Day Camp program to offer full summer of opportunities to meet families' needs.
- Reinstate aquatics programs to provide fitness opportunities for those requiring less impactful exercise.
- Offer Red Oaks Water Park Voucher Program (2018 Goal R).
- Revised Ordinance to add an additional at-large member from the community and staff member from Oakland County Parks & Recreation to the Parks & Recreation Advisory Board.
- Offered more programs with lower minimum participation requirements, leading to more successful programs and fewer cancellations.

Objectives

Quality of Life:

- Promote programs for the young adult population (20-40 year old programs).
- Continue to include a "Spotlight on Employees" in the City Newsletter.
- Identify one recreation project, identify local match source and submit application for Michigan Natural Resources Trust Fund (MNRTF) grant, and include in the FY 2019-20 CIP/Budget, utilizing updated Parks and Recreation Master Plan.
- Increase participation in youth sports by tailoring programs to meet needs of community (i.e. fastpitch softball and basketball).
- Update Parks and Recreation Master Plan, to include Americans with Disabilities Act (ADA) improvements and a plan for the park system (2019 Goal O).
- Utilize internship program to offer more one-day activities.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	New Programs introduced	15	3	3
Output	Recreation revenues	\$ 98,532	\$ 128,865	\$ 138,000
Efficiency	Recreation Registrations	1,555	1,600	1,600
Pavilion Rentals	45	60	60	
Department Expenditures as a % of the General Fund	0.57%	0.63%	0.69%	

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 60,578	\$ 71,576	\$ 79,070	\$ 7,494	10.5
Supplies	27,375	27,797	46,995	19,198	69.1
Other Services and Charges	59,856	75,554	76,371	817	1.1
Capital Outlay	0	0	0	0	0.0
Total	\$ 147,809	\$ 174,927	\$ 202,436	\$ 27,509	15.7
Resources:					
Recreation Fees	\$ 121,521	\$ 126,365	\$ 135,000	\$ 8,635	6.8
Recreation-Miscellaneous	3,709	2,500	3,000	500	0.0
General Fund	22,579	46,062	64,436	18,374	39.9
Total	\$ 147,809	\$ 174,927	\$ 202,436	\$ 27,509	15.7

Key Issues

- An increase in contractual services is budgeted to cover costs such as instructors for classes and programs being offered during the fiscal year.
- Following the Department of Public Service Recreation Scholarship Model, the Recreation Division plans to continue to offer a Voucher Program enabling qualified Madison Heights residents to obtain free and/or discounted tickets to visit the Red Oaks Water Park (2018 Goal R and 2019 Goal P).
- FY 2019 also includes updating the Recreation Master Plan including ADA parks (2019 Goal O), and the installation of wheelchair swing ramps in City parks (2019 Goal Q).

Nature Center Division

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

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

Accomplishments

Quality of Life:

- Aided in promotion of Red Oaks Nature Center.
- Met with OCPR Staff to coordinate Capital Improvement planning and implementation schedules with City Staff.
- Successfully held the 2017 Nature Center Hometown Harvest.
- Replaced roof and chimney stack at facility.
- Sectional trail and grade improvements made on all trail networks.
- Hazardous tree assessment and trimming/removal along perimeter of Nature Center property.

Objectives

Quality of Life:

- Work with Oakland County to promote OCPR programming and activities at the Red Oaks Nature Center.
- Evaluate parking lot expansion plans with OCPR.
- Continue capital planning with OCPR.
- Coordinate with OCPR with perimeter tree trimming, removals, and maintenance.
- Upgrade HVAC system throughout entire facility applying network controls.

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	5,947	8,175	8,531	356	4.4
Capital Outlay	18,797	29,500	50,000	20,500	0.0
Total	\$ 24,744	\$ 37,675	\$ 58,531	\$ 20,856	55.4
Resources:					
Nature Center Contributions	\$ 0	\$ 0	\$ 0	\$ 0	0.0
General Fund	24,744	37,675	58,531	20,856	55.4
Total	\$ 24,744	\$ 37,675	\$ 58,531	\$ 20,856	55.4

Key Issues

- In light of the financial difficulties created by failing property tax revenues, the City was forced to lay off paid staff at the Nature Center on June 30, 2010. During FY 2013, a 25-year lease agreement was achieved with Oakland County Parks and Recreation (OCPR) Office, which became effective October 1, 2012, allowing them to assume operations of the Nature Center and Suarez Friendship Woods.
- The lease provides that the City will pay for one-half of the cost over \$5,000 for any agreed-upon capital improvements. A list of long-term capital improvements and deferred maintenance projects has been identified by the City and OCPR for Suarez Friendship Woods. In FY 2019, the HVAC is budgeted to be replaced in phases. FY 2019 includes City funding of \$50,000.

Parks Division

The Parks Division of the Department of Public Services consists two part-time Park Rangers, and is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Parks Maintenance III	1	0	0
Total Full-Time	1	0	0
Park Rangers	2	2	2
Total Part-Time	2	2	2
Total Employees	4	2	2

Accomplishments

Quality of Life:

- Continued West Nile Virus prevention measures.
- Planted trees at various parks to replace trees removed due to Emerald Ash Borer and tree decline.
- Successfully assisted in the set-up and teardown of the following events: 5K Run/Walk, Memorial Day Parade, Festival in the Park and Holiday Tree Lighting.
- Bi-annual full inspection and repairs of City playgrounds.
- Continued maintenance partnership with Oakland County Parks and Recreation at Red Oaks Youth Soccer Complex
- Expanded the use of portable toilets in parks by adding units during summer/fall 2017 at Monroe and Huffman Parks. (2018 Goal I)
- Following the DPS Recreation Scholarship model, offered a Voucher Program allowing qualified residents to receive Red Oaks Waterpark discounted tickets. (2018 Goal R)
- Launched an extensive analysis and replacement program of all memorial tree plaques with in-house resources.

Objectives

Quality of Life:

- Continue West Nile Virus prevention measures, as funding allows.
- Continue planting trees at various parks to replace trees removed from Emerald Ash Borer.
- As funding allows, add or replace features at various parks (e.g. benches, barbecues, etc.).
- Continue to assist with ballfield/soccer maintenance through various seasons.
- Continue replacement of aged play structures and swing sets as funding allows, including Wildwood Park.
- Monitor park shelters and pavilions for needed maintenance items.
- Continue to explore energy savings opportunities at the park shelter buildings and facilities through lighting, HVAC, and insulation upgrades.
- Secure grant funding through the MDNR (Recreation Passport Grant) to replace playground at Wildwood Park.
- Replace parking lot at Ambassador Park.
- Replace various swing sets throughout the City.
- Replace playscape at Edison Park.
- Replace backstop and fence at Huffman Park.
- Devise a formal strategy for park property acquisition that actively monitors the market and establishes a process for identifying target parcels for consideration (2019 Goal BB).

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
<i>Input</i>	Expenditures: Parks personnel and operations: Total	\$ 335,985	\$ 327,515	\$ 329,775
	Park maintenance expenditures per acre	\$ 3,537	\$ 3,448	\$ 3,472
<i>Efficiency</i>	Department Expenditures as a % of General Fund	1.9%	2.0%	1.7%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 27,586	\$ 29,310	\$ 31,380	\$ 2,070	7.1
Supplies	42,386	31,108	33,238	2,130	6.8
Other Services and Charges	265,536	272,097	265,157	(6,940)	(2.6)
Capital Outlay	158,573	222,875	160,000	(62,875)	0.0
Total	\$ 494,081	\$ 555,390	\$ 489,775	\$ (65,615)	(11.8)
Resources:					
General Fund	\$ 494,081	\$ 555,390	\$ 489,775	\$ (65,615)	(11.8)
Vehicle Millage	-	0	0	0	100.0
Total	\$ 494,081	\$ 555,390	\$ 489,775	\$ (65,615)	(11.8)

Key Issues

- In FY 2017, we began to charge the Department of Public Services personnel cost to departments based on where the work was actually completed using the BS&A Work Order system. At this time, all the employees in this department were moved into a Department of Public Services Internal Services Fund, and out of the various departments where they had previously been allocated. See Other Funds - Department of Public Services for the FY 2019 allocation of personnel.
- The FY 2019 budget includes funding for replacement of play equipment at Edison Park, and replacement of swings sets throughout the City. Also included is the replacement of the backstop and fence at Huffman Park.

Senior Citizens Division

The Senior Citizens Division of the Department of Public Services is staffed with one full-time Senior Coordinator, as well as part-time staff consisting of two Bus Drivers, three Chauffeur Drivers, one Program Assistant, and an Office 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	2016-17	2017-18	2018-19
Coordinator	1	1	1
Total Full-Time	1	1	1
Bus Driver/Chauffeur	5	5	5
Senior Program Assistant	1	1	1
Office Assistant	0	0	1
Total Part-Time	6	6	7
Total Employees	7	7	8

Accomplishments

- Raised \$10,272 throughout the year through fundraising events and donations to help cover extraneous equipment and programs.
- Provided 305 clients with free tax service through the help of AARP.
- Furnished assistance to 72 seniors, providing aid with home repairs through the Senior Home Assistance and Repair Program (SHARP).
- Provided 35 seniors with free legal aid through free monthly consultation appointments.
- Continued partnership with Area Agency on Aging 1-B to provide Medicare Assistance days, helping 41 beneficiaries.
- Continued partnership with Better Business Bureau and the Attorney General's Office to provide free seminars on scams and fraud protection.
- Rented the Senior Center 27 times generating \$4,850 in revenue.
- Worked to elicit new donations of items for the senior center such as exercise equipment, kitchen equipment, a television, computer desks and chairs and more.
- Continued partnerships with the following: Lamphere and Page Bands, Shanbom Eye, American House, MHFD, Hopcroft Funeral Home, various health care agencies, and Creative Employment Opportunities (CEO) – formerly known as The Nichols Bunch.
- Reinstated the Summer Beautification and Holiday Light Award Program. (2018 Goal N)

Objectives

- Change the facility name from "Madison Heights Senior Center" to "The Madison Heights Active Adult Center" to alleviate stigma regarding aging (2019 Goal Z).
- Purchase insulation for the Senior Center to save heating and cooling costs and to enable temperature regulation that will make it more comfortable for the seniors.
- Provide positive events that foster interaction among older adults and between seniors and the community to build friendships making the community stronger, healthier and more supportive.
- Provide volunteer opportunities for older adults whether it be service to the Center itself or to the community.
- Act as a non-partisan advocate for the rights of seniors, individually or as a group, helping adults advocate for themselves.
- Continue to provide many of our trips, events and activities free of charge or very low cost such as Detroit Zoo, exercise class, game day, knit & crochet, book club, computer class and services such as monthly hearing screenings, blood pressure checks, annual health fair, and monthly lawyer consultations.
- Change one Chauffeur position to front desk/dispatcher position with 27 hours per week – SMART grant.
- Purchase new room divider for Rooms D & E. Rehabilitate the Senior Center pavilion.
- Establish a process to assist volunteer groups in shoveling snow and raking leaves for Senior and disabled residents through outreach and a database.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	Two-way trips	9,070	9,100	9,100
	Bus Miles Traveled	22,757	24,215	24,250
Output	Number of programs offered for seniors	1,275	1,300	1,300
	Day trips	49	51	59
	Newsletter subscriptions	400	400	400
	Department Expenditures as a % of the General Fund	1.4%	1.3%	1.4%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 159,141	\$ 158,344	\$ 178,596	\$ 20,252	12.8
Supplies	123,345	107,848	127,113	19,265	17.9
Other Services and Charges	79,993	67,176	78,891	11,715	17.4
Capital Outlay	0	11,500	25,000	13,500	117.4
Total	\$ 362,479	\$ 344,868	\$ 409,600	\$ 64,732	18.8
Indirect Costs	153,732	147,580	151,540	3,960	2.7
Resources:					
Senior Non-Program	\$ 11,569	\$ 11,628	\$ 11,809	\$ 181	1.6
Senior Citizens Activities	130,615	109,604	120,000	10,396	9.5
Senior Center Millage	360,010	364,578	368,090	3,512	1.0
SMART	70,019	70,019	70,019	0	0.0
General Fund	(56,002)	(63,381)	(8,778)	54,603	(86.2)
Total	\$ 516,211	\$ 492,448	\$ 561,140	\$ 68,692	13.9

Key Issues

- The increase in Personnel Services is related to an increase in part-time wages and one additional part-time office staff budgeted at 15 hours per week.
- The FY 2019 budget includes the rehabilitation of the pavilion located at the Senior Center. The other significant increase is with program activities which are offset by program revenues.

Library

The Library is staffed by three full-time positions, a Library Director, a Librarian and a Library Technician. The operation is also supported by 14 part-time positions including: an Adult Reference Librarian, a Community Service Librarian, a Youth Service Assistant, a Circulation Assistant, 6 Library Assistants and 4 Substitute Librarians. The Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Library Director	1	1	1
Librarian	1	1	1
Library Technician	1	1	1
Total Full-Time	3	3	3
Adult Reference Librarian	1	1	1
Community Service Librarian	1	1	1
Youth Service Assistant	1	1	1
Circulation Assistant	1	1	1
Library Assistants	6	6	6
Substitute Librarians	4	4	4
Total Part-Time	14	14	14
Total Employees	17	17	17

Accomplishments

Quality of Life:

- Conducted training regarding the use of electronic options (2018 Goal J).
- Expanded the Little Free Library program (2018 Goal K).
- Promoted transportation to and from the Library, in the form of a Library Day, for those senior and disabled residents whose interest in Library services can be more fully satisfied with a Library visit than through a home visit (2018 Goal L).
- Promoted utilization of the City's Heritage Rooms (2018 Goal P).
- Offered a Young Adult Book Club to better serve the young adult population (2018 Goal M).
- Continued to develop content on the Library's Facebook page to further announce and promote Library programs and services.

Objectives

Quality of Life:

- Continue to develop adult programming including author visits such as Murder: Michigan! and Michigan Notable Book Authors in the spring.
- Continue to develop and facilitate book club opportunities for all segments of the population from seniors to adults to young adults.
- Establish a "PAWS to Read" Library and Shelter Animal Reading Program that allows youngsters to become more fluent readers, overcome shyness, improve concentration and focus, improve attitudes about school, and develop positive social interactions by reading out loud to an animal, offering the added benefit of drawing attention to the animal shelter and the need to find homes for its animals (2019 Goal V).
- Establish a Library Teen Volunteer Program to offer young adults a connection to their library and meaningful pre-college and pre-employment experience in helping patrons with computer related issues and assisting staff with activities such as the summer reading program and book sale (2019 Goal W).

Performance Measures

Performance Indicators		2017 Actual	2018 Estimate	2019 Budget
<i>Input</i>	Expenditures, Library: E-Materials acquisition	\$ 10,943	\$ 14,200	\$ 15,200
	Expenditures, Library: Hard-copy materials acquisition	\$ 45,731	\$ 49,707	\$ 52,192
	Hours Paid: Library Staff	14,924	14,924	14,924
<i>Output</i>	Electronic Circulation per Capita	0.36	0.40	0.45
	Number of library visitors	105,531	106,000	106,000
	Library: Total reference transactions	4,946	5,500	5,500
<i>Outcome</i>	Library community involvement	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB
	Library: Hours worked by volunteers	615	650	650
	Expenditures, Library: Online resources acquisition/subscription	\$ 16,425	\$ 16,000	\$ 17,090
<i>Efficiency</i>	Libraries: Circulation per capita	3.36	3.90	3.90
	Library visitation rate per capita	3.55	3.60	3.60
	Department Expenditures as a % of the General Fund	2.8%	2.6%	2.6%

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

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 460,295	\$ 469,613	\$ 491,942	\$ 22,329	4.8
Supplies	5,761	6,415	6,091	(324)	(5.1)
Other Services and Charges	123,844	127,039	126,161	(878)	(0.7)
Capital Outlay	129,932	119,807	129,547	9,740	8.1
Total	\$ 719,832	\$ 722,874	\$ 753,741	\$ 30,867	4.3
Indirect Costs	\$ 134,680	\$ 136,750	\$ 142,100	\$ 5,350	3.9
Resources:					
State Library Aid	\$ 26,703	\$ 18,000	\$ 19,500	\$ 1,500	8.3
County Penal Fines	60,135	64,000	61,000	(3,000)	(4.7)
Book Fines	9,860	24,100	10,500	(13,600)	(56.4)
Video Revenues	1,864	2,500	1,200	(1,300)	(52.0)
Copy/Print Fees	9,625	10,300	9,000	(1,300)	(12.6)
Proposal L Millage	751,273	767,371	774,715	876,602	100.0
General Fund	(4,948)	(26,647)	19,926	46,573	(174.8)
Total	\$ 854,512	\$ 859,624	\$ 895,841	\$ 905,475	105.3

Key Issues

- The budget includes a 5% increase in the materials line-items for books and magazines.
- Budgeted pension contributions have been reduced for all departments with General Employees who participate in the Michigan Employee Retirement System due to the issuance of Pension Obligation bonds. The actuarially required contribution has been replaced with a payment of the normal cost for earned pension credit.
- Capital Outlay includes the replacement of carpet and lighting upgrade from fluorescent to LED.

Insurance & Transfers

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	381,284	372,510	386,162	13,652	3.7
Transfers	0	0	0	0	0.0
Total	\$ 381,284	\$ 372,510	\$ 386,162	\$ 13,652	3.7
Resources:					
General Fund	\$ 381,284	\$ 372,510	\$ 386,162	\$ 13,652	3.7
Total	\$ 381,284	\$ 372,510	\$ 386,162	\$ 13,652	3.7

Key Issues

- For the last 28 years, the City has been a member of the Michigan Municipal Risk Management Authority's (MMRMA) Liability and Casualty Insurance Pool. Given the absence of the need to generate a profit and the efforts of members to reduce risk, the Authority provides the City with coverage at reduced rates over the private sector and coverage in some areas that are not available through private insurance. MMRMA buys re-insurance from international firms for higher claims and self-insurance for lower ones. Based on the City's solid history the decision was made to increase the Stop Loss from \$400,000 to \$900,000 at the beginning of FY 2017 resulting in annual premiums being \$366,382 under budget for FY 2017. \$250,000 of this savings was required to be deposited into the City's loss fund with the MMRMA. The budget for FY 2019 insurance rates has not been finalized for FY 2019; but the budget includes a modest increase of 3%.

Pension Obligation Debt Service

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

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	166,399	0	440	440	0.0
Issuance of Debt	13,107,360	0	0	0	0.0
Debt Service	1,201,845	1,036,241	1,030,985	(5,256)	0.0
Transfers	0	0	0	0	0.0
Total	\$ 14,475,604	\$ 1,036,241	\$ 1,031,425	\$ (4,816)	(0.5)
Resources:					
General Fund	\$ 14,475,604	\$ 1,036,241	\$ 1,031,425	\$ (4,816)	(0.5)
Total	\$ 14,475,604	\$ 1,036,241	\$ 1,031,425	\$ (4,816)	(0.5)

Key Issues

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

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

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



OTHER FUNDS

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

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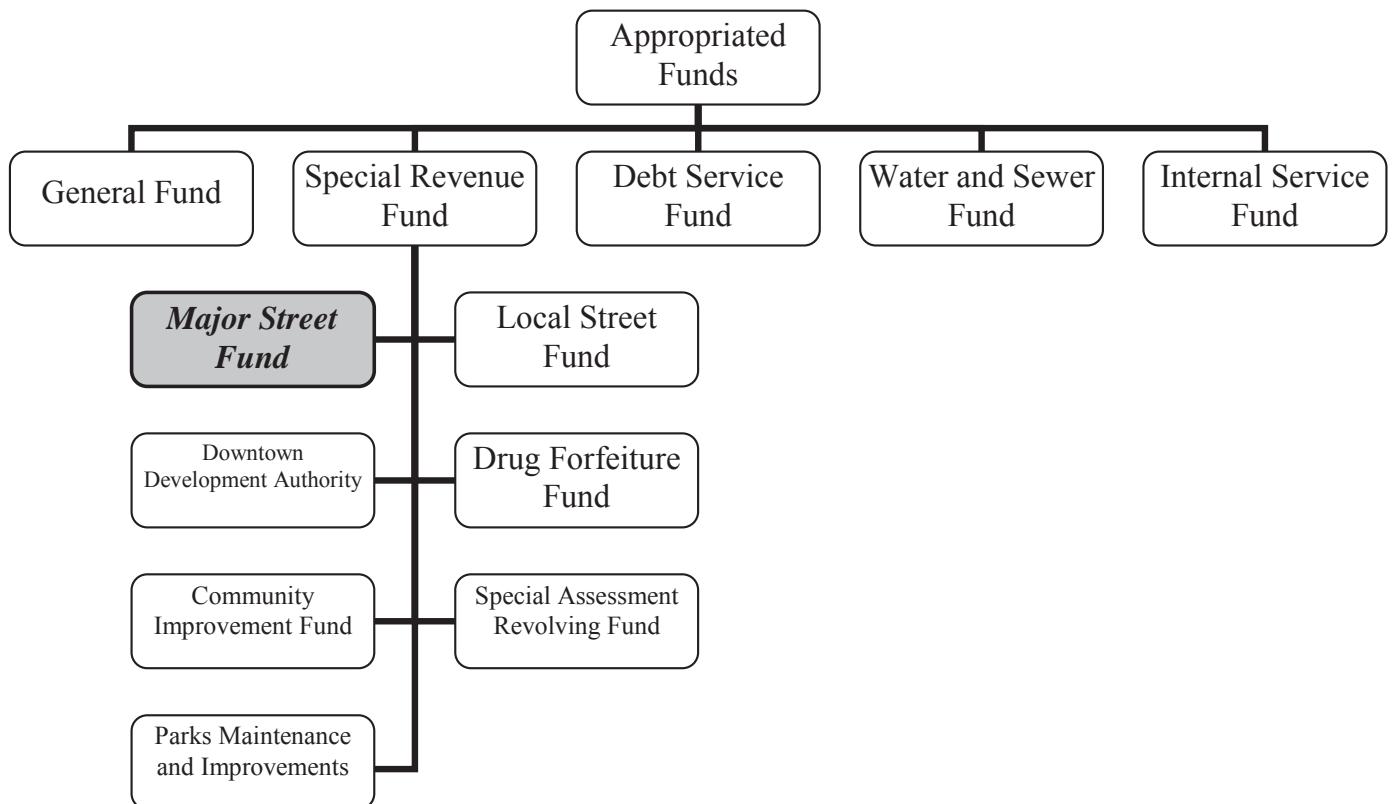
Major Street Fund

Statement of Services

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

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

Organizational Fund Structure



Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Construction	\$ 768,618	\$ 1,400,351	\$ 1,455,000	\$ 54,649	3.9
Maintenance	217,091	188,280	256,815	68,535	36.4
Traffic Services	171,243	215,226	205,566	(9,660)	(4.5)
Winter Maintenance	132,384	193,618	183,477	(10,141)	(5.2)
Administration	15,375	40,291	8,885	(31,406)	(77.9)
County Roads	103,426	110,072	91,842	(18,230)	(16.6)
Transfers	0	0	100,000	100,000	0.0
Total	\$ 1,408,137	\$ 2,147,838	\$ 2,301,585	\$ 153,747	7.2
Resources:					
Federal	\$ 0	\$ 0	\$ 0	\$ 0	100.0
State	1,565,978	1,916,964	2,101,517	184,553	9.6
County	108,296	70,502	70,984	482	0.7
Interest	0	0	0	0	0.0
Transfers	0	0	0	0	0.0
Fund Balance	0	160,372	129,084	(31,288)	(19.5)
Total	\$ 1,674,274	\$ 2,147,838	\$ 2,301,585	153,747	7.2
Fund Balance	\$ 327,623	\$ 167,251	\$ 38,167	\$ (129,084)	(77.2)

Key Issues

- State revenues are projected to increase by \$184,500. This is based on MDOT's projections of revenues from fuel tax increases and vehicle registration fees in the State Restricted Revenue package. For more details, see the Budget Overview Chapter.
- The Joint and Crack Sealing Program has been a very successful method by which to extend the useful life of the City's concrete roads. The process includes the removal of old tar, dirt and weeds, the blowing clean of these areas and a refilling of all cracks and seams with tar. In FY 2019, \$75,000 continues to be budgeted for this program in the Major Street Fund.
- Rehabilitation work is being budgeted in FY 2018-19 for a total of \$2.1 million. This includes sectional concrete replacement on major streets (\$650,000); Stephenson Highway from south of 14 Mile to Girard (\$170,000); 13 Mile Sectional - National Highway Performance Program (NHPP) (\$240,000); 13 Mile Sectional (\$75,000); and Northbound Stephenson Highway from 12 Mile to 14 Mile (\$245,000).

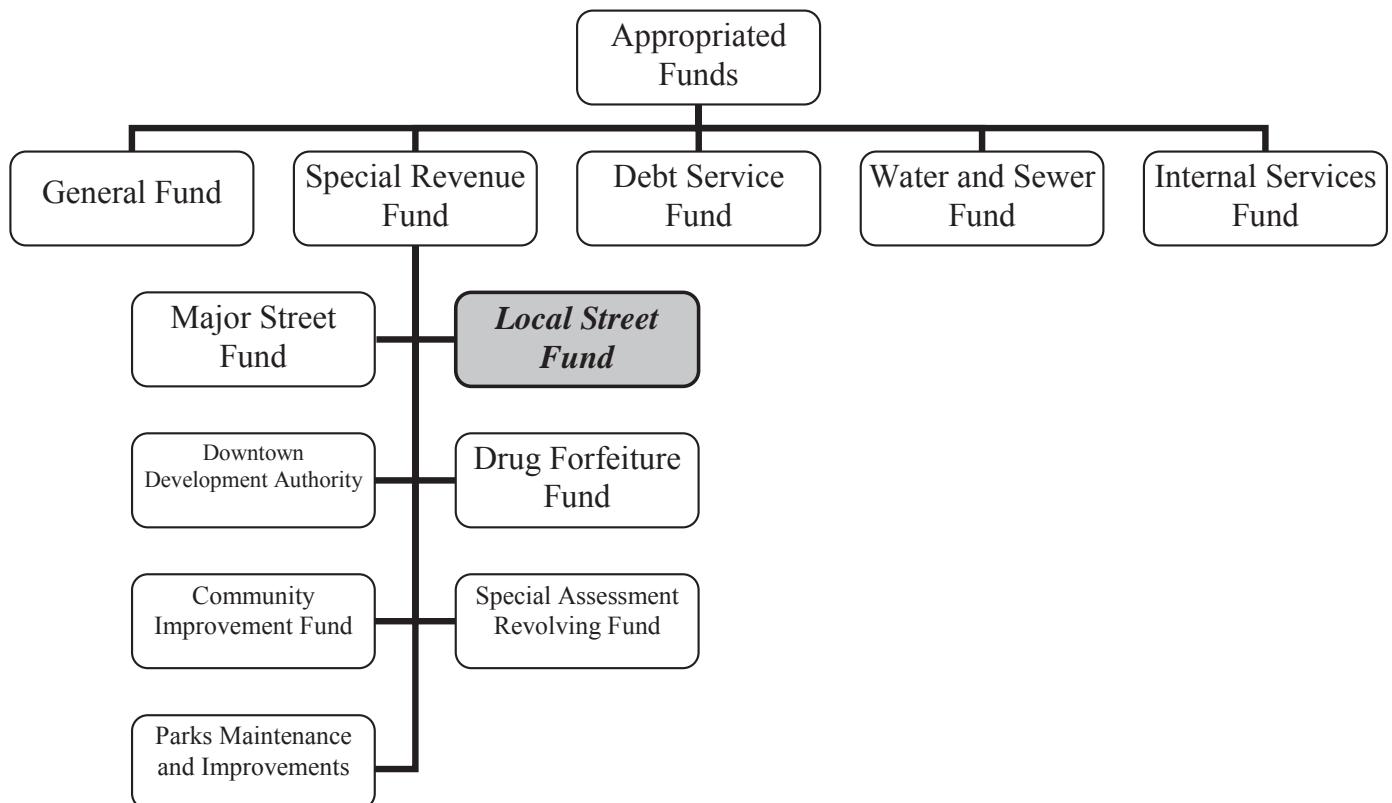
Local Street Fund

Statement of Services

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

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

Organizational Fund Structure



Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Construction	\$ 2,101,829	\$ 2,060,000	\$ 2,381,328	\$ 321,328	15.6
Maintenance	209,139	424,513	374,435	(50,078)	(11.8)
Traffic Services	209,538	110,890	212,950	102,060	92.0
Winter Maintenance	51,704	60,397	69,075	8,678	14.4
Administration	14,714	39,288	7,796	(31,492)	(80.2)
Transfers	0	0	0	0	100.0
Total	\$ 2,586,924	\$ 2,695,088	\$ 3,045,584	\$ 350,496	13.0
Resources:					
Property Taxes	\$ 1,516,022	\$ 1,534,741	\$ 1,549,430	\$ 14,689	1.0
Intergovernmental - State	809,740	804,547	1,046,351	241,804	30.1
Miscellaneous	7,494	35,000	84,328	49,328	140.9
Transfers	0	0	100,000	100,000	0.0
Fund Balance	253,668	320,800	265,475	(55,325)	(17.2)
Total	\$ 2,586,924	\$ 2,695,088	\$ 3,045,584	\$ 350,496	13.0
Non-Proposal "R-2" Fund Balance	\$ 15,891	\$ 63,329	\$ 306,663	\$ 243,334	384.2
Proposal "R-2" Fund Balance	\$ 2,237,170	\$ 1,868,932	\$ 1,360,123	\$ (508,809)	(27.2)

Key Issues

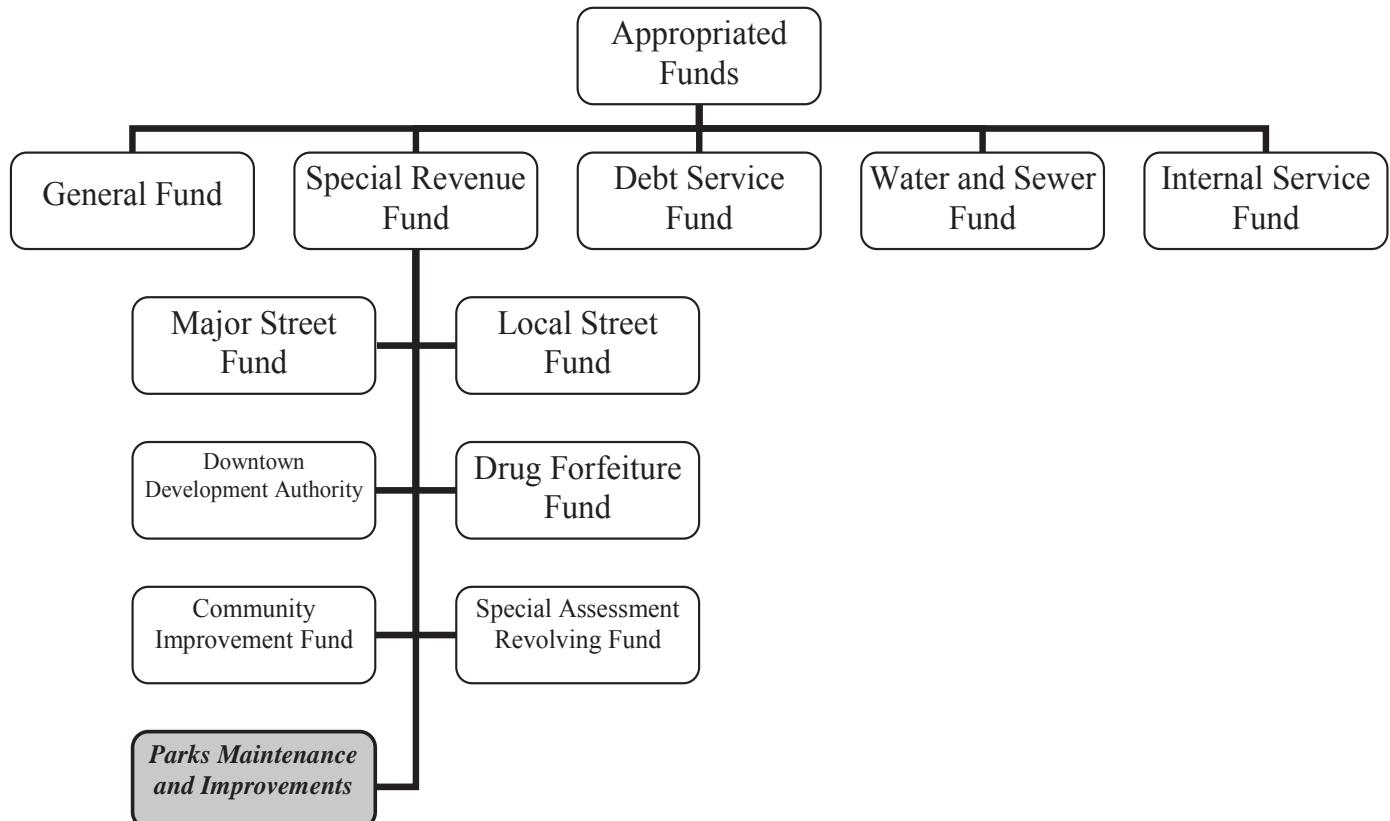
- Public Act 51 revenues are projected to increase by \$65,736 based on MDOT's projections of revenues from fuel tax and registration fee increases in the State Restricted Revenue package. For more details, see the Budget Overview.
- The Local Street Fund accounts for expenditures associated with the construction and maintenance needs of our local street network and can be divided into the Proposal "R" road construction and the non-"R" related expenditures.
- The Proposal R-3 road construction scheduled for FY 2019 include: Brettonwoods (11 Mile to W. Farnum) (\$554,000); Harwood (Battelle to Tawas) (\$339,000); Brush (11 Mile to Farnum) (\$379,000).
- In an effort to address the other local road needs, \$509,328 is being budgeted for Research Park and Tech Row.

Parks Maintenance and Improvements

Statement of Services

The Parks Maintenance and Improvements Fund was created as a result of a negotiated agreement between the George W. Kuhn (GWK) Drainage District and the Madison Heights City Manager. Under the agreement, the City in November 2007 received a one time payment of \$850,000 in exchange for the commitment to operate and maintain a 10-acre soccer complex for a 25 year period. The “Red Oaks Soccer Complex” includes nine youth soccer fields, a concession/meeting building, picnic pavilion, 245 space parking lot and playground. The \$2.1 million soccer complex was built by the GWK Drainage District with contributions of \$150,000 from the adjoining Lowe’s and \$200,000 from the Oakland County Parks and Recreation Commission. The original payment and investment interest will be used for the Red Oaks Soccer Complex and other Madison Heights park system improvements.

Organizational Fund Structure



Financial Summary

Requirements:	Actual 2016-17	Amended	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
		Budget 2017-18			
Maintenance	\$ 29,039	\$ 36,518	\$ 39,906	\$ 3,388	9.3
Transfers	0	0	0	0	0.0
Total	\$ 29,039	\$ 36,518	\$ 39,906	\$ 3,388	9.3
Resources:					
Interest/Miscellaneous	\$ 56,307	\$ 18,213	\$ 55,000	\$ 36,787	202.0
County Shared Revenues	0	0	0	0	0.0
Fund Balance	(27,268)	18,305	(15,094)	(33,399)	(182.5)
Total	\$ 29,039	\$ 36,518	\$ 39,906	\$ 3,388	9.3
Fund Balance	\$ 655,174	\$ 636,869	\$ 651,963	\$ 15,094	2.4

Key Issues

- The Red Oaks Youth Soccer Complex was first opened in the fall of 2008, but closed for drain construction in 2009. The 10-acre site includes nine soccer fields, a concession/restroom/meeting building and attached picnic pavilion. In 2009, new playscape equipment funded by the Oakland County Parks and Recreation Commission was installed. The complex re-opened for the Fall 2010 soccer season.
- On January 5, 2009, the Governor signed Public Act 404 of 2008. This legislation allows the City to invest the one-time George W. Kuhn Drainage District payment of \$850,000 in a long-term portfolio to maximize investment returns generating additional income over the term of the 25-year agreement. The revenue generated from these investments will support the maintenance and improvement of not only the Red Oaks Youth Soccer Complex, but also the City's entire 13 park system.
- On January 24, 2011, the City entered into an agreement with Oakland County Parks and Recreation (OCPR), who will provide soccer complex grounds maintenance including lawn, sod, fertilization and weed control services, as well as snow and ice control, on the parking lots and sidewalks. The Budget also includes the City's payments for utilities for the Concession/Training building.

Downtown Development Authority

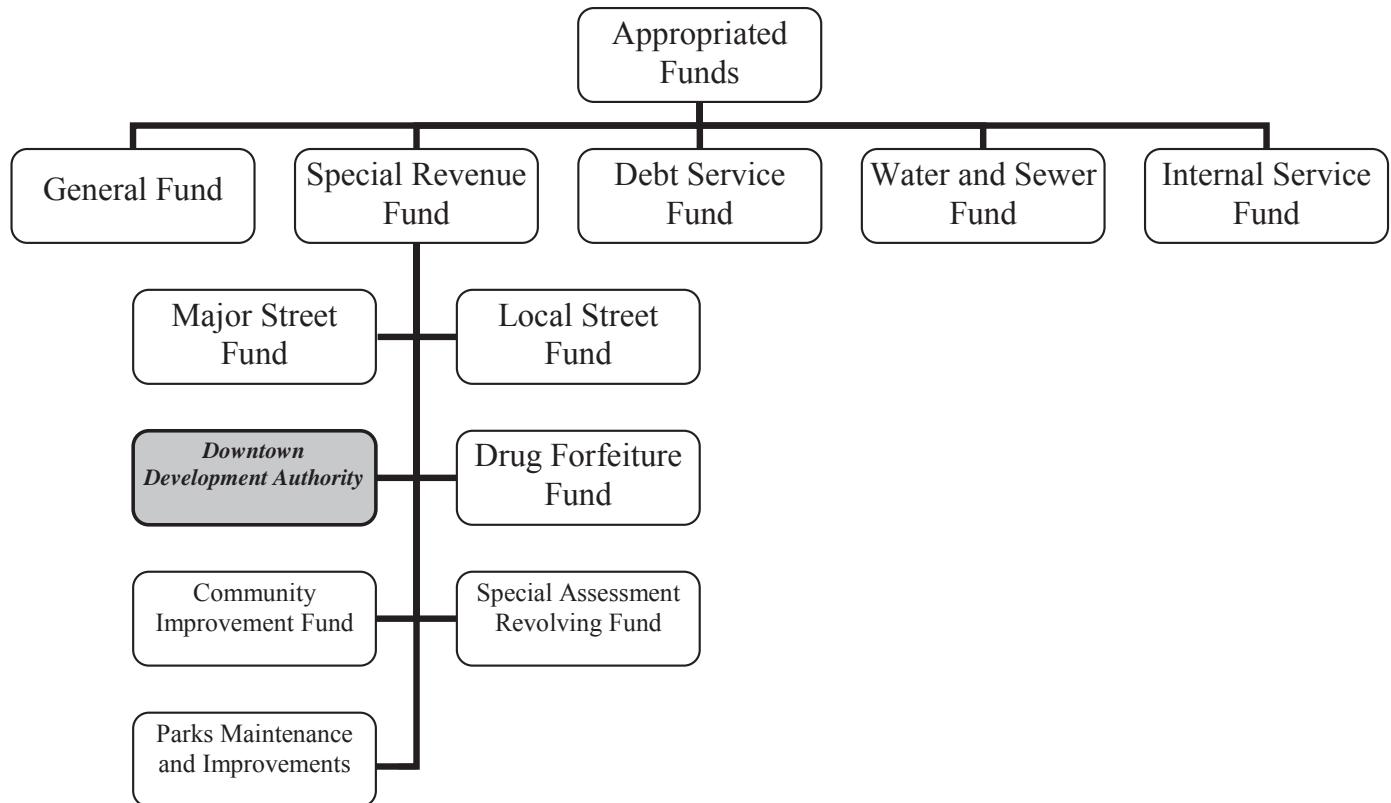
Statement of Services

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

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

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

Organizational Fund Structure



Accomplishments

Resource Management:

- Business retention, ombudsmen and new business welcome programs ongoing.
- Continued the highly successful Art Challenge and Around the Globe Taste Fest.
- Completed new 20 year Tax Increment Finance (TIF) Plan.

Objectives

Resource Management:

- Continue the Right-of-Way (ROW) maintenance program (lawn care and trash pickup).
- Implement first-year TIF Plan activities including community events, proactive code enforcement, sign grants, and tree planting in the right-of-way.

Financial Summary

Requirements:	Actual	Amended	Budget	Increase	Percent
	2016-17	Budget	2018-19	(Decrease)	
Other Services and Charges	\$ 20,598	\$ 52,039	\$ 43,054	\$ (8,985)	(17.3)
Capital Outlay	0	0	0	0	0.0
Transfers	15,235	0	5,000	5,000	0.0
Total	\$ 35,833	\$ 52,039	\$ 48,054	\$ (3,985)	(7.7)
Resources:					
Property Taxes	\$ 52,406	\$ 52,039	\$ 48,054	\$ (3,985)	(7.7)
Interest/Miscellaneous	0	0	0	0	0.0
Fund Balance	(16,573)	0	0	0	100.0
Total	\$ 35,833	\$ 52,039	\$ 48,054	\$ (3,985)	(7.7)
Fund Balance	\$ 62,996	\$ 62,995	\$ 62,995	\$ 0	0.0

Key Issues

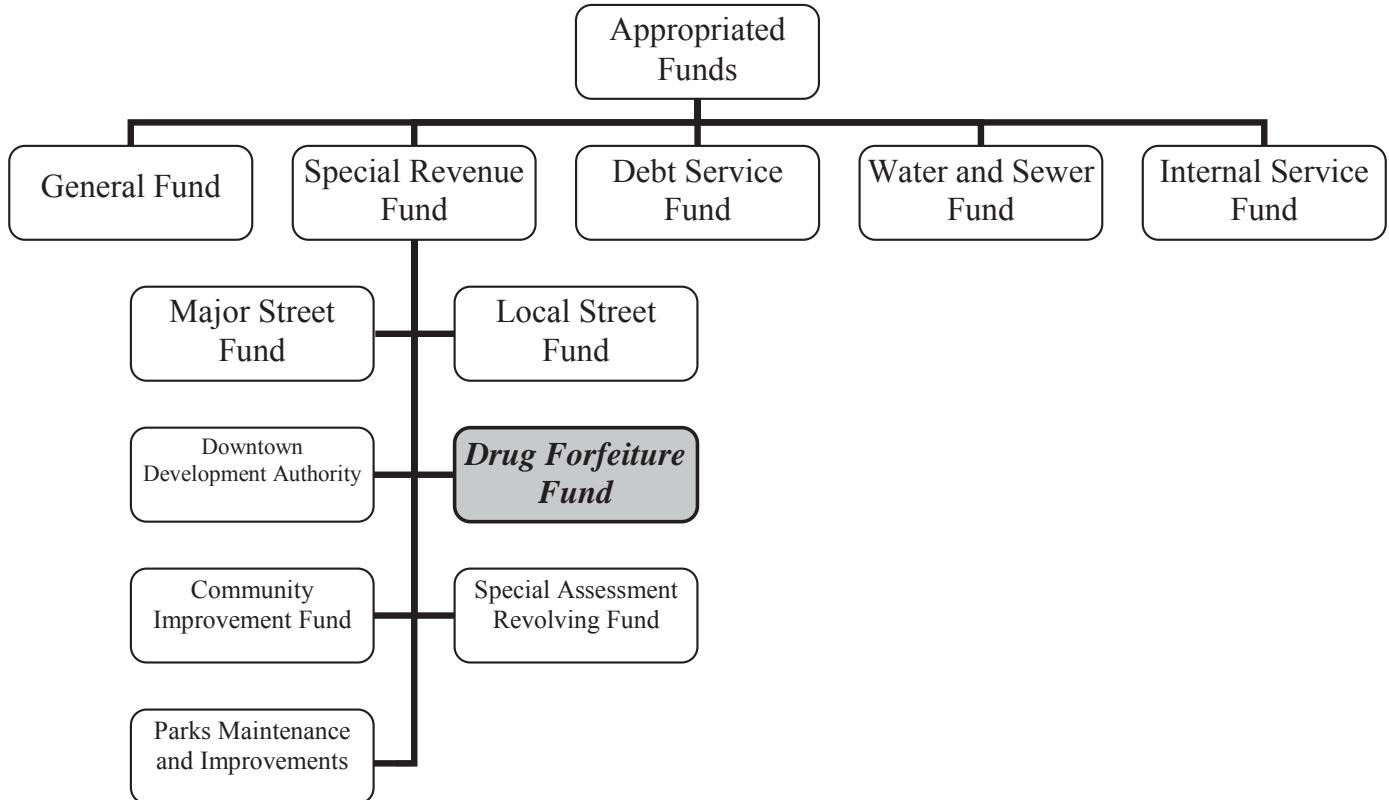
- Given the decline in property values and that DDA funding is derived exclusively from incremental growth in real and personal property tax above the 1997 base year, tax revenues have declined 80% over the last six years from \$243,100 in FY 2009-10 to \$48,054 for FY 2017-18.
- The FY 2018-19 Budget includes the following major expenditures:
 - \$ 1,500 - DDA website
 - \$ 3,100 - Clocktower maintenance
 - \$ 3,000 - Tree program
- The impact on DDA revenues of the 2012 State legislative repeal of the personal property tax continues to have a major impact on DDA Tax Increment Financing (TIF) revenues.
- The DDA has started to receive State reimbursement for replacement of repealed personal property tax. In 2016, this reimbursement amount was \$20,514, \$25,042 in FY 2017, \$7,449 in FY 2018, and is projected to be \$18,900 in FY 2019.

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

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Supplies	\$ 2,408	\$ 0	\$ 0	\$ 0	0.0
Other Charges and Services	2,500	2,500	2,500	0	0.0
Capital Outlay	55,836	47,075	67,320	20,245	43.0
Transfers	0	0	25,000		
Total	\$ 60,744	\$ 49,575	\$ 94,820	\$ 20,245	40.8
Resources:					
Drug Forfeiture	\$ 30,961	\$ 40,750	\$ 44,000	\$ 3,250	8.0
Interest and Misc. Income	134	350	350	0	100.0
Fund Balance	29,783	8,825	50,820	41,995	475.9
Total	\$ 60,878	\$ 49,925	\$ 95,170	\$ 45,245	90.6
Fund Balance	\$ 83,282	\$ 74,457	\$ 23,637	\$ (50,820)	(68.3)

Key Issues

- The Capital Outlay budget includes funding for two patrol vehicles and a transfer to the General Fund of \$25,000 to offset the capital cost of the refurbished gun range budgeted at \$248,000.

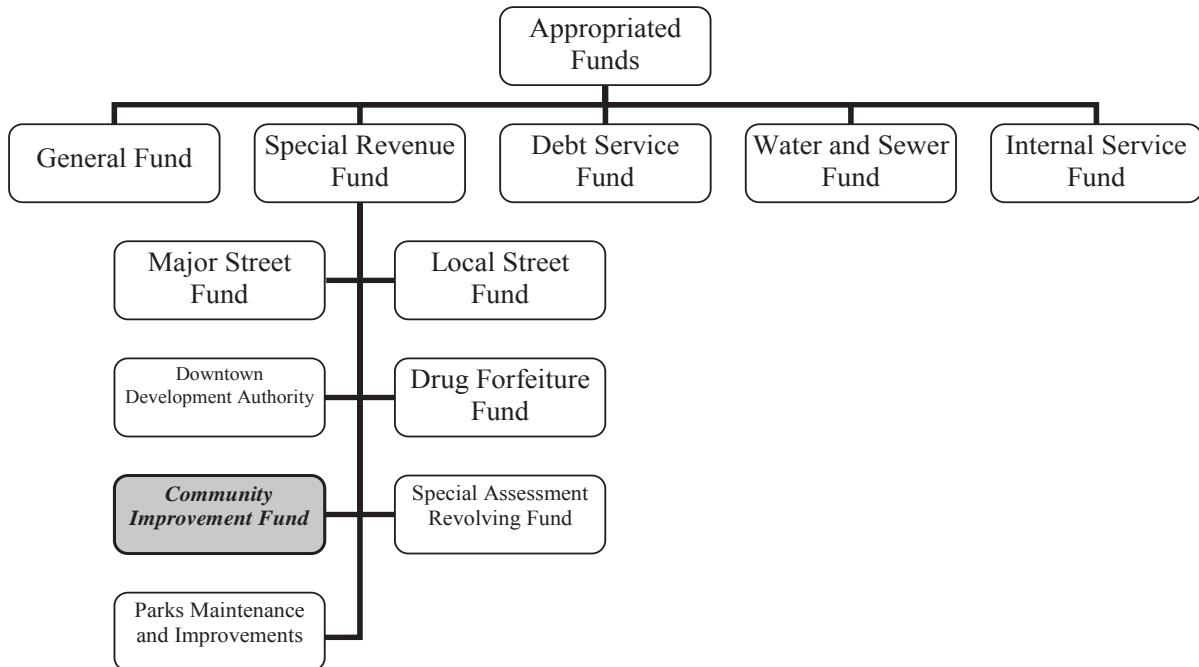
Community Improvement Fund

Statement of Services

The Community Improvement Program is a federally funded Division of the Community Development Department that administers the City's Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program. The Community Improvement Program funds one full-time Code Enforcement Officer.

Block Grant funds are used for the yard services program (lawn mowing and snow removal) and code enforcement, which primarily benefit low and moderate-income residents.

Organizational Fund Structure



Accomplishments

Quality of Life:

- Maintained a spending ratio of less than 1.5% of the Community Development Block Grant (CDBG) allocations, as requested by Oakland County Community and Home Improvement.

Objectives

Quality of Life:

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

Performance Measures

Performance Measures:	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Workload Indicators					
Home Chore Assignments	899	1,150	1,950	800	9.1

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 79,022	\$ 80,328	\$ 83,497	\$ 3,169	3.9%
Supplies	0	0	0	0	0.0%
Other Services and Charges	14,719	22,782	22,782	0	0.0%
Capital Outlay	0	0	0	0	0.0%
Total	\$ 93,741	\$ 103,110	\$ 106,279	\$ 3,169	3.1%
Resources:					
Community Develop. Grant	\$ 93,479	\$ 107,118	\$ 110,282	\$ 3,164	3.0%
Fund Balance	0	(4,008)	(4,003)	5	-0.1%
Total	\$ 93,479	\$ 103,110	\$ 106,279	\$ 3,169	3.1%

Key Issues

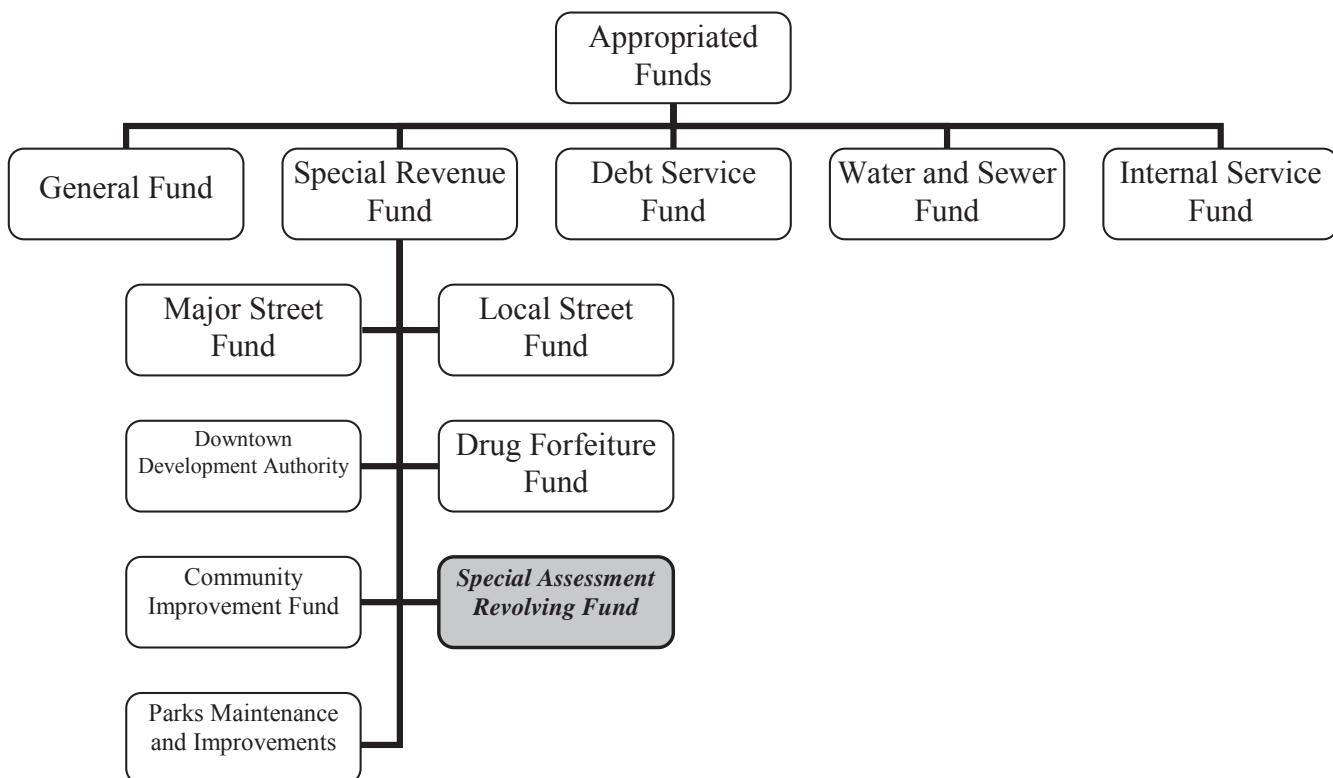
- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and a Home Chore Program, including mowing for seniors.
- Continuing to provide quality lawn mowing service in the face of tighter CDBG regulations and spending restrictions, while maintaining program participation at or near the current level, will remain a challenge for staff.
- FY 2019 snow removal was eliminated from the services provided to allow more funds for lawn mowing and weed cutting.

Special Assessment Revolving Fund

Statement of Services

The Special Assessment Revolving Fund's related projects are supported by the Community Development Department. The fund is used to account for the payment of construction of sidewalks, roads and other City projects. Revenues are realized from property owners' special assessment payments and interest income.

Organizational Fund Structure



Financial Summary

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

Key Issues

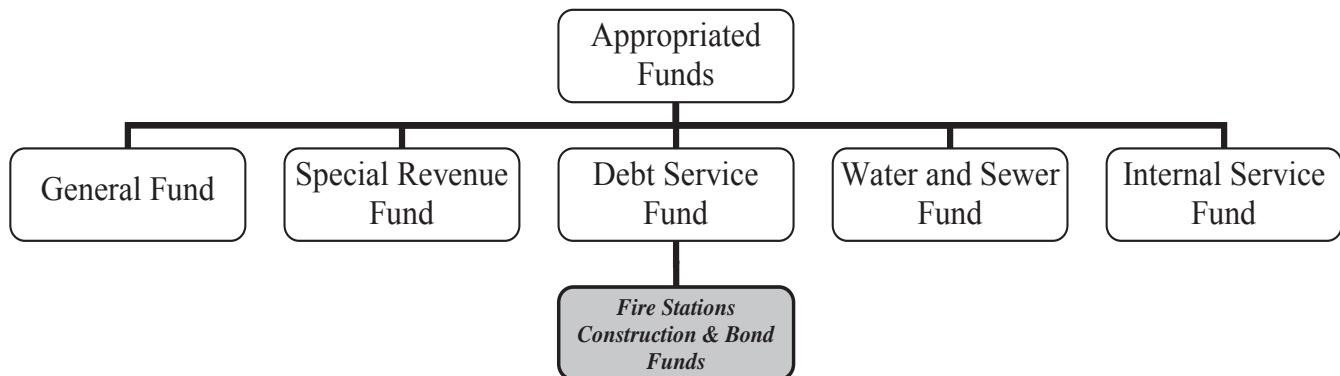
- A total of \$250,000 has been budgeted for the continuation of the very successful sidewalk repair and installation program. This year's program (Year 4 of the third cycle) will cover the area from Gardenia/Connie to 12 Mile.
- In the summer of 2014, the City completed the final year of the second cycle, of the current sidewalk repair program in the northeastern-most portion of the City. On May 12, 2014, City Council adopted a new 8-year, non-motorized transportation program called the "People Powered Transportation and Sidewalk Repair Program". Beginning in 2015, this program guides implementation of a non-motorized transportation system throughout the City, as well as provide for the continued maintenance of the City's sidewalk network. Several key changes in the new program include elimination of Special Assessment District (SAD) funding in favor of the SAD Revolving Fund and Major and Local Street Funds; creation of a new 8-year annual repair program (reduced from 12 areas or districts); and inclusion of the on/off street non-motorized transportation elements (primarily signage and bike route pavement markings) to be installed on the same 8-year cycle.

Fire Stations Construction and Bond Funds

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

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Other Services and Charges	\$ 1,084	\$ 939	\$ 737	\$ (202)	(21.5)
Debt Service	419,055	427,120	429,900	2,780	0.7
Capital Outlay	0	0	0	0	100.0
Transfers	0	0	0	0	0.0
Total	\$ 420,139	\$ 428,059	\$ 430,637	\$ 2,578	0.6
Resources:					
Property Taxes	\$ 403,532	\$ 404,873	\$ 402,639	\$ (2,234)	(0.6)
State Shared Revenues	\$ 21,387	\$ 24,315	\$ 23,950		
Interest Earned	-	0	0	0	0.0
Fund Balance	(4,780)	(1,129)	4,048	5,177	0.0
Total	\$ 420,139	\$ 428,059	\$ 430,637	\$ 2,578	0.6
Fund Balance	\$ 10,871	\$ 12,000	\$ 7,952	\$ (4,048)	0.0

Key Issues

- On August 6, 2002, Madison Heights voters approved a proposal for the City to borrow \$5,926,000 and issue General Obligation Unlimited Tax Bonds, payable over the next 20 years for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, construction of a draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. Separate Construction and Debt Service Funds have been set up to record the actual project costs and the servicing of the bonds. The new Headquarters Fire Station opened in June 2004. The demolition of the old Fire Station and redevelopment of the Thirteen Mile Road frontage was completed in the Fall of 2004.
- In November of 2012, Council approved refinancing the Fire Station Bonds. This refinancing process allowed the City the ability to reduce the coupon interest rate, which was scheduled to increase from 3.0% to 4.0% over the next ten years, to a fixed 1.9%. This refinancing will save the taxpayers over \$321,000.
- The Fire Station Bond millage, like all voted debt issues, is not subject to the Headlee Amendment and Proposal A. The scheduled cost of the principal and interest payments is \$429,900. The budget also includes \$939 for audit services and paying agent fees. The millage will decrease slightly from 0.5276 in FY 2017-18 to 0.5061 in FY 2018-19.

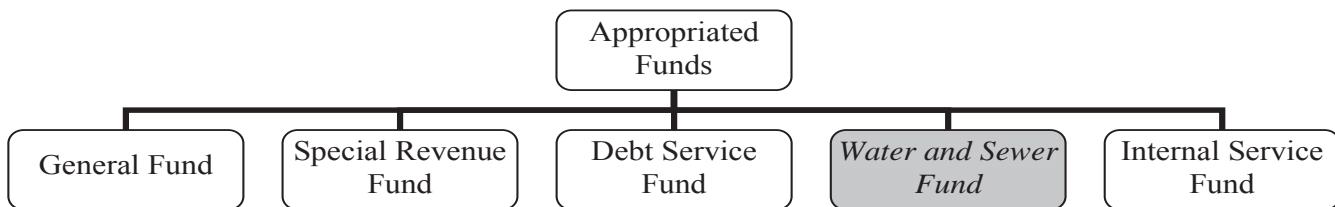
Water and Sewer Division

Statement of Services

The Water and Sewer Division of the Department of Public Services is responsible for:

- Providing water distribution to and sewage collection for the City's citizens and businesses. This process begins with the purchase of water from the Great Lakes Water Authority and ends with the City paying the George W. Kuhn Drain District for the treatment of sewage that enters its facilities; and
- Handling all installation, repair and reading of all water meters; all repair work on water and sewer mains; gatewells; maintenance of catch basin structures; all cleaning of sewer mains, catch basins, gatewells and culverts; repair work including pavement and landscape repairs arising from water main breaks and/or sewer trench settlement; maintenance of municipal sprinklers; and providing and reporting on storm water management under Federal permits.

Organizational Fund Structure



Accomplishments

Public Health:

- Repaired or replaced 136 curb boxes that were damaged.
- Repaired and/or assisted on over 41 water main breaks and completed all related landscape repairs.
- Applied larvicide to over 2,000 catch basins to help fight West Nile Virus.
- Replaced fourteen fire hydrants.
- Continued federally-mandated Disinfectant and Disinfection By-Product testing.
- Continued to monitor high volume commercial water accounts for meter repair or replacement based on consumption.
- Replaced 3,160 feet of water main on 2017 Residential "R-2" road projects.
- Cleaned catch basins on various major roads.
- Replaced 3,100 feet of watermain on 2017 stand-alone projects.
- Implemented Lead Service replacement program at no cost to residents or business owners.
- Cleaned all catch basins on Year 4 thru Year 1 sanded only roads and prior water main project roads.
- Submitted bi-annual Progress Report to MDEQ.
- Implemented City-wide sanitary and combined sewer cleaning program under the SAW grant. Additionally, DPS purchased a new sewer camera, retrofitted/upgraded the existing camera trailer, and launched new software (Pipelogix) to capture video and integrate with current GIS systems.
- Implemented a City-wide water meter change-out program, starting in District 1.
- Implemented a more rigorous commercial cross connection monitoring program.
- Performed maintenance on and painted over 225 fire hydrants.
- Established a Department of Public Services and Community Development Department program to replace right-of-way trees that are removed due to City-related construction activities. (2018 Goal G)
- Took receipt of a Gap-Vax Sewer cleaning machine, vehicle #468.

Objectives

Public Health:

- Continue to cross train employees on all job-related issues.
- Repeat City-wide leak detection study on all water mains to help eliminate water loss.
- Continue to monitor and test large commercial meters for accuracy.
- Continue with a fire hydrant painting and maintenance program.
- Continue with a hydrant flushing and gate valve exercising program.
- Complete sanitary sewer cleaning in District 1, and start District 2.
- Continue catch basin cleaning on major and local roads.
- Install water main in conjunction with 2018 "R-3" projects and identified stand-alone projects.
- Larvicide all residential City catch basins for West Nile prevention.
- Complete District 9 (commercial) meter replacement program.
- Finish copper replacement of all identified lead service water lines in the City.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
Input	Curb boxes replaced	136	121	120
	Main break repairs	42	40	40
Output	New water main installed (in feet)	7,200	7,700	3,400
	New water main installed (per lineal foot cost)	\$ 169	\$ 188	\$ 188
Efficiency	Water Loss	6.87%	6.00%	6.00%

Key Issues

- For FY 2019, the City created a comprehensive rate study to be updated annually. This study is included in the appendices.
- Starting in FY 2017, the City began to adjust the method for billing customers for water, sewer and stormwater charges. The first step of this change was to remove stormwater from the sewage rate and to calculate a new stormwater charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface has a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed from stormwater continues to cover all of the city's stormwater expenses from the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%. In FY 2019, the water and sewer rates will increase again by 3.25% and the stormwater rate remains status quo at \$11.37 per quarter. See the Appendix for the FY 2019 Rate Study.
- The FY 2019 Budget includes a continuation of water main replacement associated with Proposal "R-3" road projects at \$215,000. Other capital purchases that are included in the Budget are a Caterpillar 4-yard loader (\$350,000), a Tandem Axle Dump Truck (\$220,000), Phase II of II for the underground storage tanks at the DPS yard, and continuation of the sanitary sewer inspection rehabilitation program.
- The FY 2018 Budget includes Phase IV of IV of a city-wide water meter replacement program for \$1,200,000 for District 9. Funds are available from reserves to pay for this project.
- The budget also includes capital outlay to replace standalone (i.e Non R-3) water mains for \$529,000.

Financial Summary

Requirements	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Water Charges	\$ 2,258,348	\$ 2,409,880	\$ 2,412,639	\$ 2,759	0.1
Water System Maintenance	(1,020,189)	745,926	739,285	(6,641)	(0.9)
Water Tapping & Installation	20,030	8,100	8,100	0	0.0
Water Depreciation	405,011	404,000	0	(404,000)	(100.0)
Sewage Disposal Charges	4,541,091	4,760,418	4,810,542	50,124	1.1
Sewer System Maintenance	447,670	647,359	533,823	(113,536)	(17.5)
Sewer Depreciation	476,760	250,750	0	(250,750)	(100.0)
General Service Building	191,029	206,352	179,176	(27,176)	(13.2)
General Administration	1,551,480	1,197,337	1,323,400	126,063	10.5
Capital Outlay	220,618	5,434,200	3,675,050	(1,759,150)	(32.4)
Debt Service	2,174,256	289,991	290,236	245	0.1
Total	\$ 11,266,104	\$ 16,354,313	\$ 13,972,251	\$ (2,382,062)	(14.6)
Resources:					
Sales: Water	\$ 5,618,762	\$ 4,834,430	\$ 4,856,991	\$ 22,561	0.5
Sales: Sewer	7,111,068	6,378,080	6,454,485	76,405	1.2
State Shared Revenues	0	825,600	497,000		
Interest/Miscellaneous	888,015	112,000	127,000	15,000	13.4
Departmental Charges	86,161	46,003	39,700	(6,303)	(13.7)
Retained Earnings *	(2,437,902)	4,158,200	1,997,075	(2,161,125)	(52.0)
Total	\$ 11,266,104	\$ 16,354,313	\$ 13,972,251	\$ (2,053,462)	(12.6)
Unrestricted Net Assets	\$ 8,775,272	\$ 4,617,072	\$ 2,619,997	\$ (1,997,075)	(43.3)
Cash	\$ 10,328,503	\$ 3,610,617	\$ 1,613,542	\$ (1,997,075)	(55.3)

* The Water and Sewer Fund's retained earnings is not representative of cash in this business-type fund and includes accounts receivable, depreciation and inventory. At June 30, 2017, unrestricted retained earnings were \$8,775,272 and the cash balance was \$10.3 million.

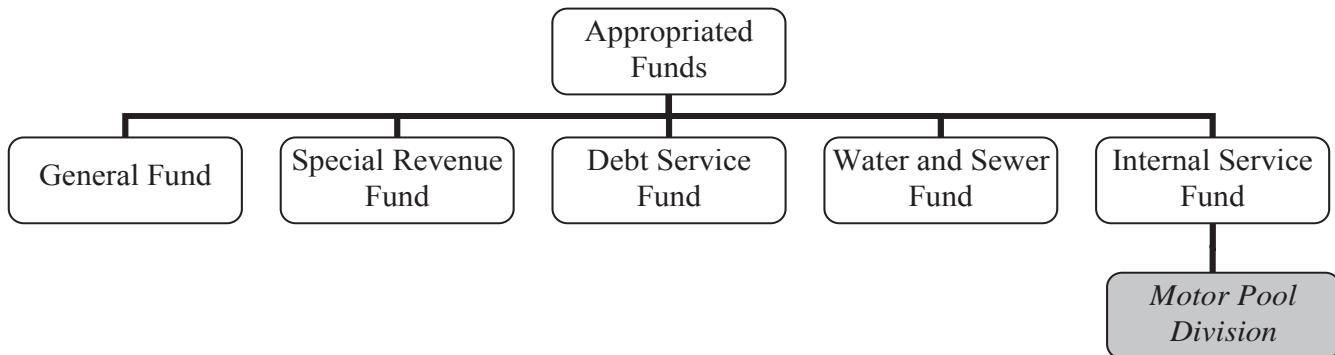
Motor Pool Division

Statement of Services

The Motor Pool Division of the Department of Public Services is responsible for:

- Maintaining all City vehicles and related equipment, including keeping records on each vehicle and piece of equipment to help determine whether the cost of repair is justified;
- Inspecting for safety problems, protecting the employees and the general public, as well as keeping adequate vehicle and equipment parts in stock and updated;
- Ordering gasoline and diesel fuel, and overseeing the work done on all emergency backup generators;
- Overseeing State compliance programs for the DPS underground storage tanks and liquid industrial waste generation; and
- Providing support information to assist with internal motor pool cost allocation and vehicle replacement scheduling.

Organizational Fund Structure



Accomplishments

Resource Management:

- Purchased street sweeper #402 through the National Intergovernmental Purchasing Alliance bid process. This vehicle is heavily used in spring, summer, and fall.
- Purchased a Robinair refrigerant recovery, recycling, and recharging machine.
- Assisted all other Departments with vehicle planning and purchasing.

Objectives

Resource Management:

- Continue vehicle replacement under the planned “V-3” millage with greater emphasis on fuel economy and alternative fuel.
- Continue to pursue cooperative purchasing methods with other communities to ensure best value in all our purchases.
- Continue to right-size the fleet to better match vehicles with our changing needs and to sell under-utilized equipment to generate revenue to partially offset the operations costs.
- Purchase and implement an updated asset management system for more effective and accurate work order entry and vehicle cost-tracking.

Performance Measures

	Performance Indicators	2017 Actual	2018 Estimate	2019 Budget
<i>Input</i>	Total gasoline purchased (gallons)	47,308	47,660	43,214
	Total diesel purchased (gallons)	32,766	30,660	32,682
	Motorpool work orders	561	556	556
	Avg. cost - gallon of gasoline	\$ 1.61	\$ 2.11	\$ 1.90
	Avg. cost - gallon of diesel	\$ 1.55	\$ 1.63	\$ 1.63
Department Expenditures as a percentage of the total budget		2.0%	1.8%	1.8%

Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 401,160	\$ 377,557	\$ 396,125	\$ 18,568	4.9
Supplies	135,813	171,600	170,600	(1,000)	(0.6)
Other Services and Charges	441,421	406,476	421,156	14,680	3.6
Capital Outlay	0	0	0	0	0.0
Total	\$ 978,394	\$ 955,633	\$ 987,881	\$ 32,248	3.4
Resources:					
Transfers-General Fund	\$ 898,054	\$ 887,027	\$ 850,813	\$ (36,214)	(4.1)
Transfers-Water and Sewer	80,339	68,606	137,068	68,462	99.8
Fund Balance	0	0	0	0	0.0
Total	\$ 978,393	\$ 955,633	\$ 987,881	\$ 32,248	3.4

Key Issues

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

Department of Public Services

Statement of Services

The Department of Public Services Fund is an Internal Services Fund new in FY 2017. This fund consists of the personnel cost for the positions listed below and is charged back to the departments as work is completed based on the City's work order system.

Organizational Structure and Staff

Personnel Summary	2016-17	2017-18	2018-19
Supervisor	0	2	2
Leader	0	2	2
Equipment Operator III	0	3	3
Equipment Operator II	0	6	6
Equipment Operator I	0	6	6
Administrative Secretary	0	1	1
Total Full-Time	0	20	20
Seasonal Laborer	0	3	4
Total Part-Time	0	3	4
Total Employees	0	23	24

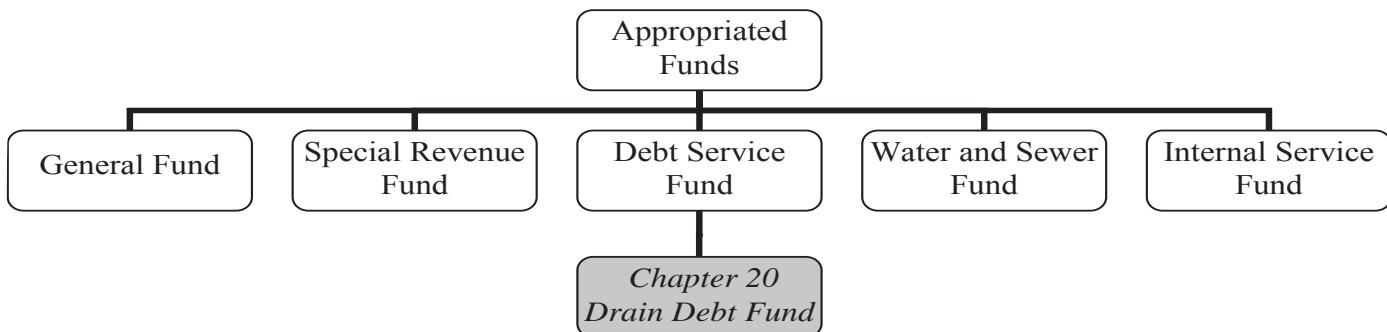
Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Personnel Services	\$ 1,902,040	\$ 2,049,341	\$ 2,118,635	\$ 69,294	3.4%
Supplies	10,845	0	0	0	0.0%
Other Services and Charges	0	0	5,918	5,918	0.0%
Capital Outlay	0	0	0	0	0.0%
Total	\$ 1,912,885	\$ 2,049,341	\$ 2,124,553	\$ 75,212	3.7%
Resources:					
Transfers - General Fund	\$ 548,647	\$ 555,427	\$ 601,682	\$ 46,255	8.3%
Transfers - Major Street	179,253	243,148	204,366	(38,782)	-15.9%
Transfers - Local Street	253,557	291,137	276,670	(14,467)	-5.0%
Transfers - Water and Sewer	931,427	959,629	1,041,835	82,206	8.6%
Fund Balance	0	0	0	0	0.0%
Total	\$ 1,912,885	\$ 2,049,341	\$ 2,124,553	\$ 75,212	3.7%

Chapter 20 Drain Debt Service

The Chapter 20 Drain Debt Service Fund is a new budgeted fund for FY 2018. Revenues to pay this debt service are generated from a new tax levy sufficient to allow for principal and interest payment. For FY 2019, Council is being requested to approve a levy of 1.126 mills.

Organizational Fund Structure



Financial Summary

Requirements:	Actual 2016-17	Amended Budget 2017-18	Budget 2018-19	Increase (Decrease) FY 2017-18 to FY 2018-19	Percent Change
Debt Service	\$ 0	\$ 887,260	\$ 886,580	\$ (680)	-0.1%
Total	\$ 0	\$ 887,260	\$ 886,580	\$ (680)	-0.1%
Resources:					
Property Taxes	\$ 0	\$ 887,260	\$ 886,580	\$ (680)	-0.1%
Miscellaneous	0	0	0	0	0.0%
Total	\$ 0	\$ 887,260	\$ 886,580	\$ (680)	-0.1%

Key Issues

- Starting in FY 2017, the City began to adjust the method for billing customers for water, sewer and stormwater charges. The first step of this change was to remove stormwater from the sewage rate and to calculate a new stormwater charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface has a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed from stormwater continues to cover all of the city's stormwater expenses from the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%.
- The second step of this rate method change was implemented with the FY 2018 budget for water and sewer bills on or after July 1, 2017. This step removed the drain debt from the water and sewer rate and assesses it on the tax bills, pursuant to the Michigan Drain Code Chapter 20 of Public Act 40 of 1956. This final step will also eliminate the \$3 per quarter meter charge, and the flat rate service charge to commercial customers.
- In FY 2019, the City has implemented a rate analysis tool and method for reviewing and adjusting rates annually. This review includes a five year forecast of known capital outlay, and projected operational expenditures and revenues. The basic principle guiding this rate study and any rate adjustments that result is that rates should be set to meet revenue requirements as defined by historical costs adjusted by known cost increases and decreases. New rates, proposed in this study, would begin for bills on or after 07/01/18 and will result in a 3.25% rate increase to water and sewer. No change to stormwater is being proposed.

FY 2019-23 CAPITAL IMPROVEMENT PLAN

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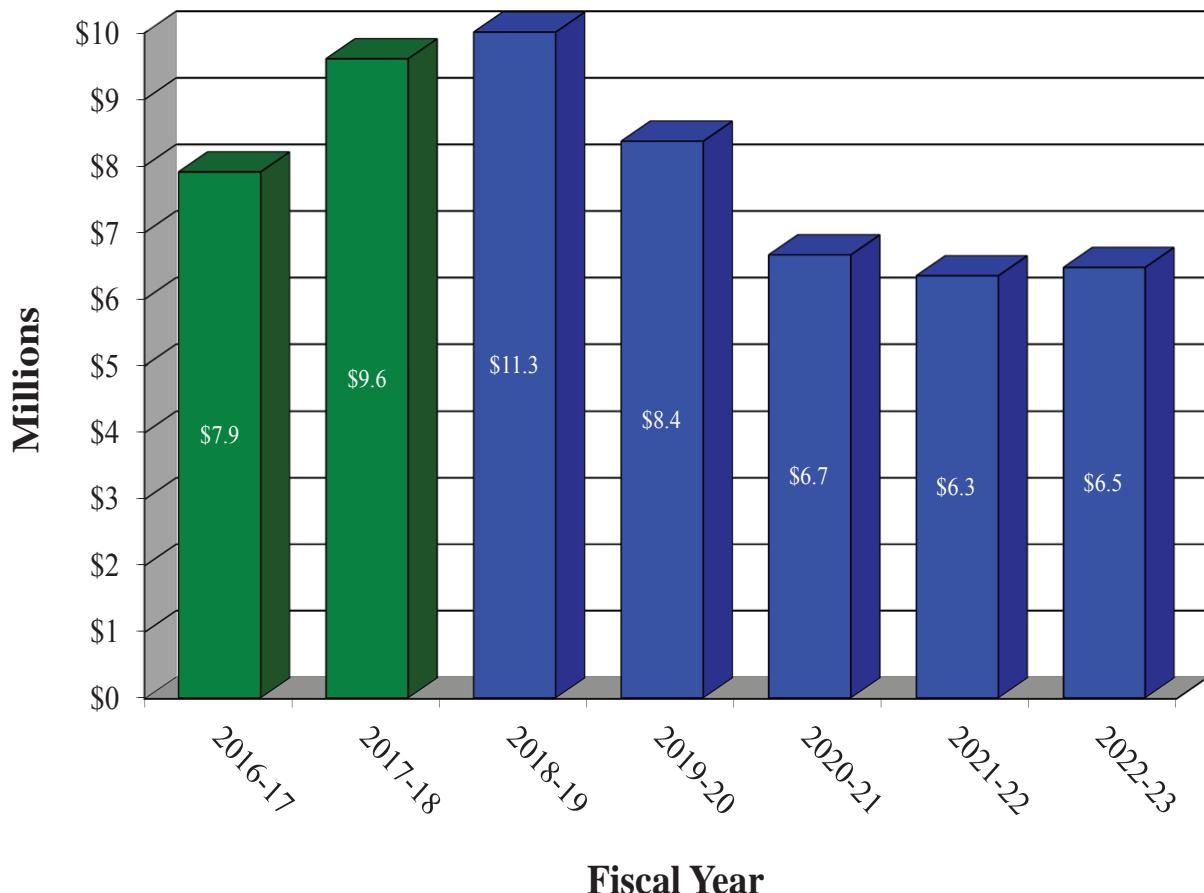
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FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 2019-23

FY 2016-17 ACTUAL AND
FY 2017-18 ESTIMATED



The largest category programmed during the Capital Improvement Plan is Road Improvements including non-R-3 road projects and equipment. This category has annual programmed expenditures from \$1.9 million to \$4.5 million over the five-year period. The plan also includes \$9.0 million in Proposal "R-2" and Proposal "R-3" Neighborhood Road Projects and \$7.8 million for Collection and Distribution Systems.

PLAN OVERVIEW

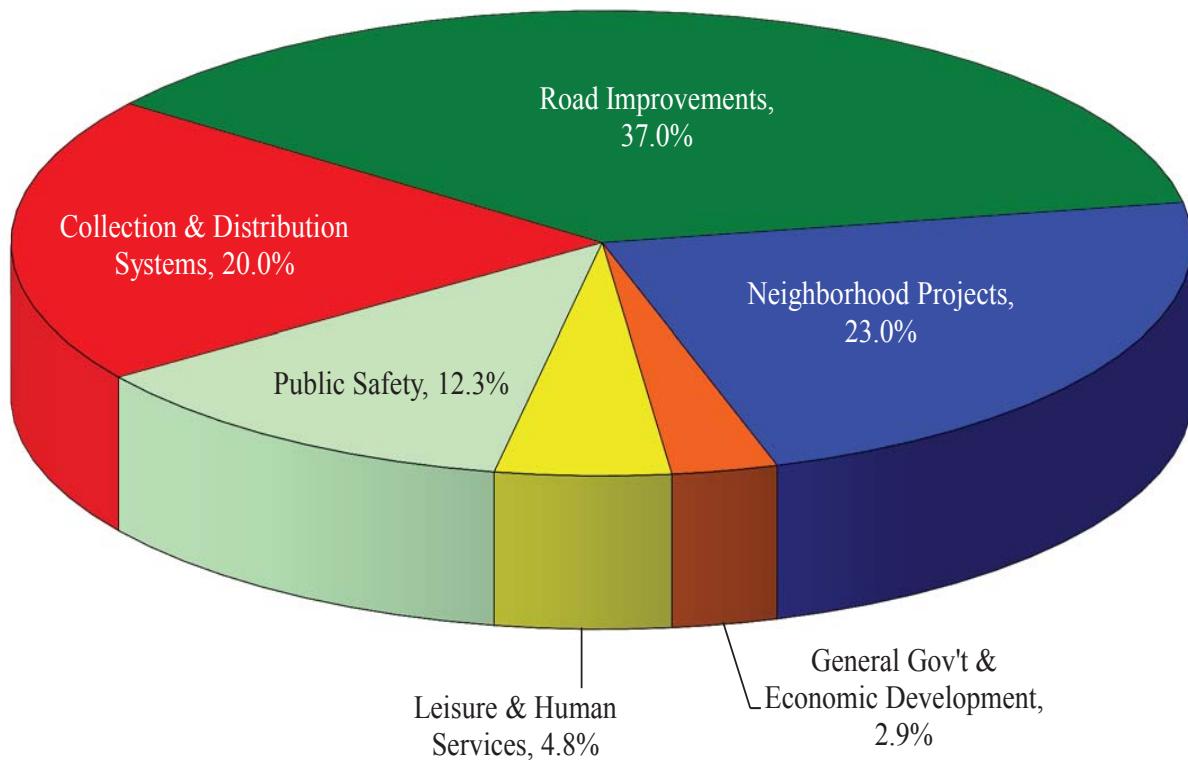
The FY 2019-23 Five Year Capital Improvement Plan totals \$39.1 million. The bar graph presented on the prior page shows the scheduled appropriations by year. The five year program, which is a consolidation of ongoing projects and projects planned over the next five years, represents future capital improvement commitments consistent with the City's capital improvement policies. (See Table I - Financial Overview.)

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

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

USE OF FUNDS

FY 2019-23



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

TABLE I
FY 2019-23 FIVE-YEAR CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
USE OF FUNDS
(IN THOUSANDS)

APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL APPROP.
Neighborhood Projects	III	\$ 2,477	\$ 2,552	\$ 2,012	\$ 2,390	\$ 1,802	\$ 1,371	\$ 1,418	\$ 8,993
Road Improvements	V	2,217	1,835	4,475	3,099	2,765	2,205	1,930	14,474
Collection & Distribution Sys.	VI	2,479	4,280	3,291	1,522	693	1,021	1,289	7,816
Public Safety	VIII	420	599	1,027	872	878	727	1,306	4,810
General Govt & Economic Dev.	X	209	140	222	205	405	205	95	1,132
Leisure & Human Services	XI	120	204	235	273	111	811	427	1,857
TOTAL		\$ 7,922	\$ 9,610	\$ 11,262	\$ 8,361	\$ 6,654	\$ 6,340	\$ 6,465	\$ 39,082

Summary of Appropriations by Program

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

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

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

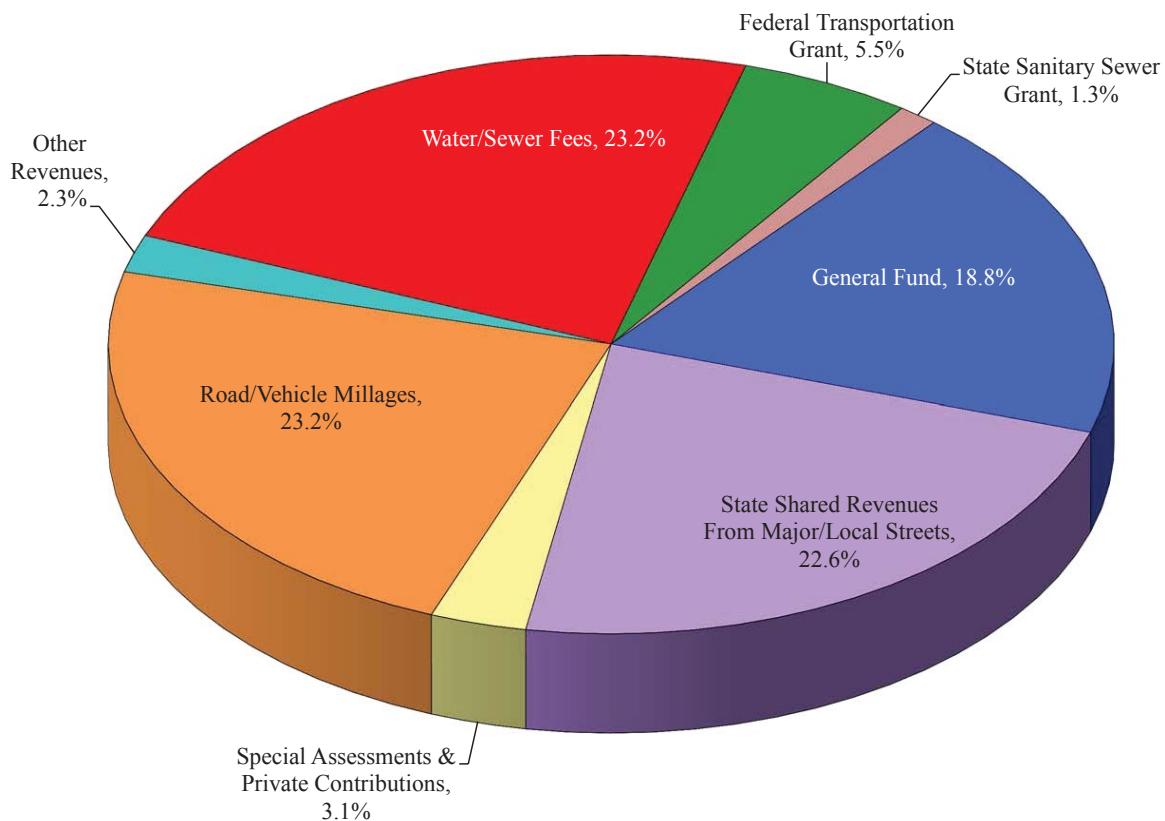
The five-year planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Road Improvements	37.0
Neighborhood Projects	23.0
Collection & Distribution Systems	20.0
Public Safety	12.3
Leisure & Human Services	4.8
General Government & Economic Development	<u>2.9</u>
	100.0

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

SOURCE OF FUNDS

FY 2019-23



The Road and Vehicle Millages and Water and Sewer Fees provide over forty-six percent of the funding for the Capital Improvement Plan.

TABLE II
FY 2019-23 FIVE-YEAR CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
SOURCE OF FUNDS
(IN THOUSANDS)

REVENUES:

	TABLE III NEIGHBOR. PROJECTS	TABLE V ROAD IMPROV.	TABLE VI COLLECTION & DIST. SYSTEMS	TABLE VIII PUBLIC SAFETY	TABLE X GENERAL GOVT & ECON. DEV.	TABLE XI LEISURE & HUMAN SERVICES	TOTAL
Road/Vehicle/Solid Waste Millage	7,219	\$ 895	\$ 0	\$ 971	\$ 0	\$ 0	\$ 9,085
Water/Sewer Fees	1,674	0	7,298	0	80	0	9,052
General Fund	0	1,424	21	3,704	1,046	1,163	7,358
State Shared Revenues from Major/Local Streets	100	8,745	0	0	0	0	8,845
Special Assessments & Private Contributions	0	1,210	0	0	0	0	1,210
State of Michigan Sanitary Sewer Grant	0	0	497	0	0	0	497
Federal Transportation Grant	0	2,141	0	0	0	0	2,141
Other Revenues							
Oakland County Parks & Recreation	0	0	0	0	0	153	153
Library Millage	0	0	0	0	6	0	6
Oakland County/State of Michigan (Other)	0	59	0	0	0	541	600
Drug Forfeiture Fund	0	0	0	135	0	0	135
TOTAL	\$ 8,993	\$ 14,474	\$ 7,816	\$ 4,810	\$ 1,132	\$ 1,857	\$ 39,082

Summary of Revenues by Source

The Capital Improvement Program is financed through a combination of tax and fee supported funds, State and Federal grants, pay-as-you-go projects and long-term borrowing. The program's largest revenue local sources are Road and Vehicle Property Tax Millages, Water and Sewer Fees, the General Fund, and State Shared Revenues from Major and Local Streets, totaling \$34.3 million or 87 percent of the plan. The majority of these funds will be needed for scheduled neighborhood road improvement projects and major road work. A breakdown of revenues programmed in the FY 2019-23 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Water and Sewer Fees	23.2
Road and Vehicle Millages	23.2
General Fund	18.8
State Shared Revenues from Major/Local Streets	22.6
Federal Transportation Grant	5.5
State of Michigan Sanitary Sewer Grant	1.3
Special Assessment and Private Contributions	3.1
Other Revenues	<u>2.3</u>
	100.0

Revenue estimates are realistic and assume low growth and full Federal and State participation. Grants and other revenues from Federal, State and County governments now account for 9 percent of the Capital Improvement Plan. Major and Local Streets State Shared Revenues serve as the source for the City's contribution to road construction and support road maintenance projects such as Industrial/Commercial road overlays, annual joint/crack sealing and sectional concrete replacement projects.

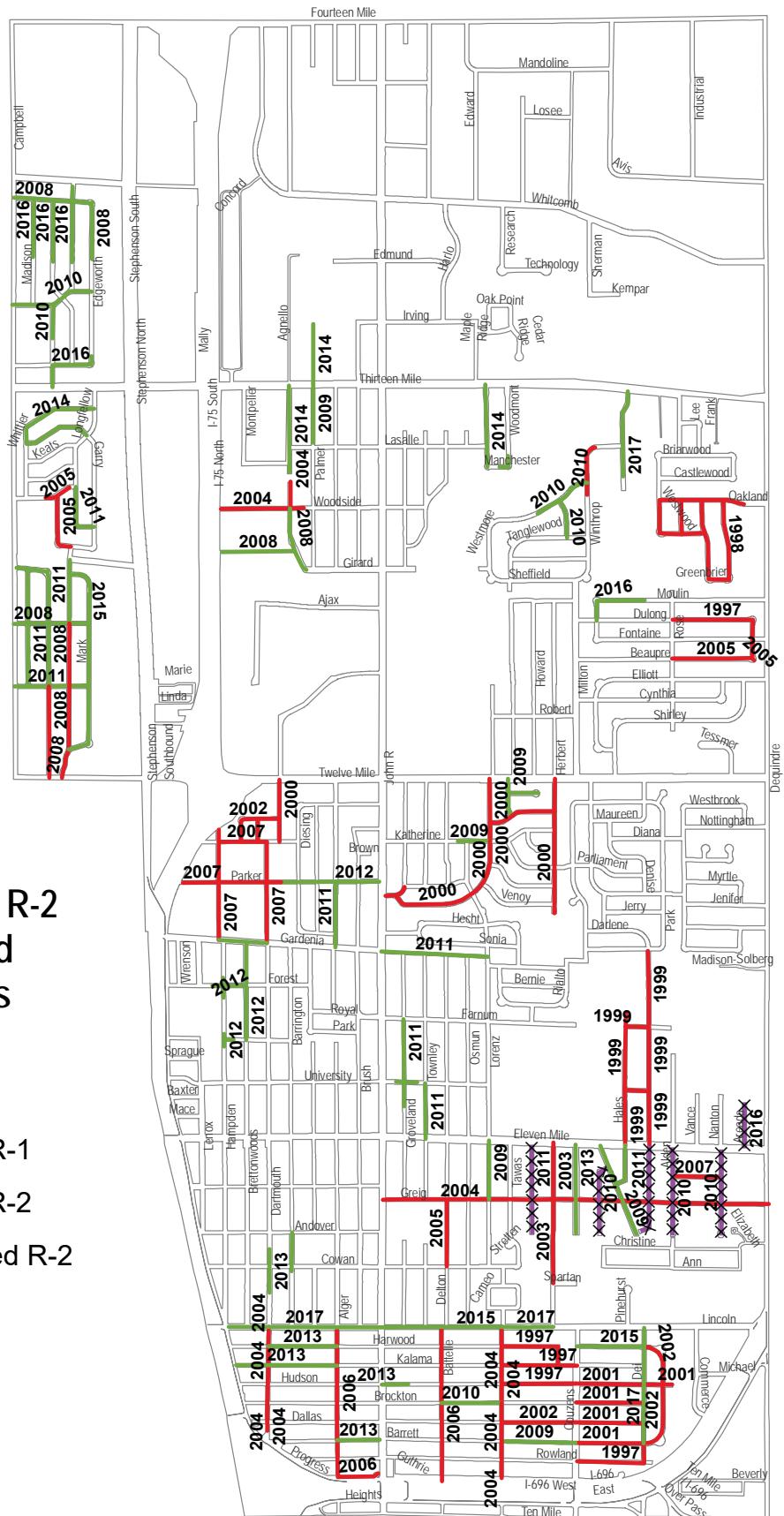
The Five Year Capital Improvement Program calls for the completion/construction of 169 projects and the purchase of 166 major pieces of equipment.

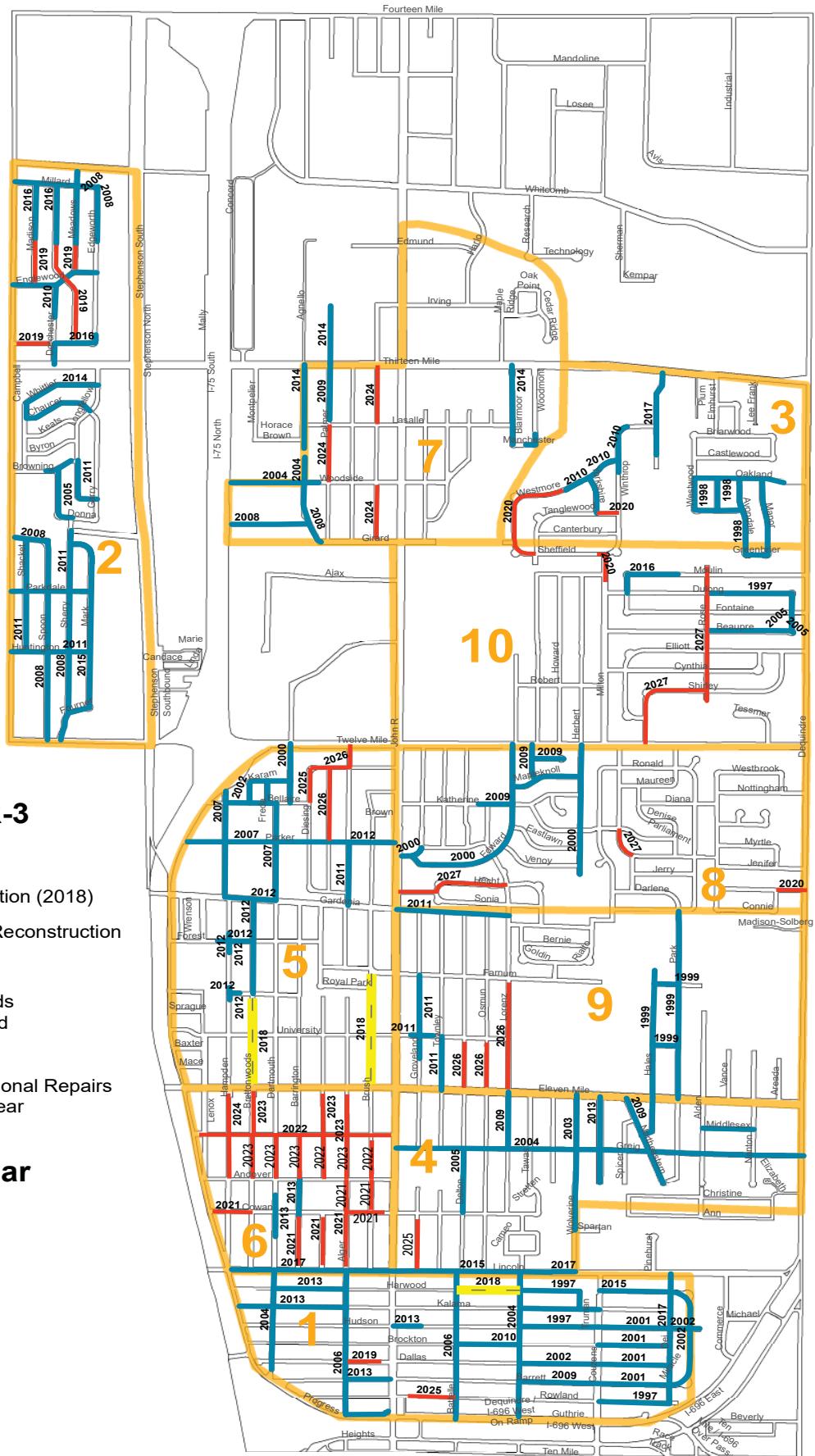
The FY 2019 Capital Improvement Plan totals \$11.3 million (Table I) and calls for the construction of 37 projects and the purchase of 33 pieces of equipment.



Proposals R-1 & R-2 Neighborhood Road Projects

- Completed R-1
- Completed R-2
- xxxxxx SAD Rejected R-2





NEIGHBORHOOD PROJECTS

Staff annually reviews the current road conditions and updates projections regarding proposed neighborhood roadway improvements. To coordinate this process, staff has developed a multi-year neighborhood road improvement plan that is primarily funded by the Proposal “R-3” two-mill property tax levy.

Following completion of an initial 10-year neighborhood road reconstruction funded by a 2-mill property tax levy (Proposal “R-1”), Proposal “R-2” was adopted by Madison Heights voters on August 8, 2006 and provided continued funding at the initial annual level of two mills for ten years to carry out the City’s second comprehensive residential street repair and reconstruction program. The R-2 Program was completed with the 2017 residential construction projects. On August 2, 2016, Madison Heights voters again approved a ten-year continuation of the residential street program and reconstruction program called Proposal "R-3" funded at 2 mills. The road improvement projects include new concrete streets, approaches, necessary sidewalk repairs and installations, and connections to the storm water drainage system. In developing these plans, pavement conditions and other infrastructure components such as storm water drains, water main lines and sanitary sewers have also been evaluated. The table at the end of this section outlines each of these neighborhood projects and the scope of work that is planned to be completed for each project. When the City is financially able to replace older, deteriorating watermain lines at the same time as the neighborhood road improvements, the City avoids future costs to repair broken water mains and road surfaces, and related disruption in water service to residents.

As of November 2017, staff forecasts \$450,000 remaining for additional “R-2” eligible projects following completion of the scheduled program in Year 10 (FY 2016-17).

First Roads Millage Program (1997-2006)

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

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

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

1. Neighborhood Road Improvement Millage (\$19.6 million);
2. Water and Sewer Fund Revenues (\$4.0 million) - Generated from system user fees and financed through user rates
3. Property Owner Special Assessments (\$2.2 million) - In accordance with the City Council Special Assessment District Policy for road improvements as amended;
4. Community Development Block Grant Funds (\$655,000) - Used to support four road projects. In FY 1997-98, Harwood from Tawas to Truman; FY 2001-02, Brockton from Couzens to Dei; FY 2002-03, Miracle from Harwood to Barrett; and FY 2003-04, Greig from Dequindre to Delton; and,

5. Chapter 20 Drain Refund (\$136,000) - Historically, the Oakland County Water Resources Commissioner had retained funds previously assessed to residents of the City of Madison Heights to address future storm water needs. These funds were used in year one of the plan to support the storm drain portions of the road improvements. In addition, retained funds from the completed Henry Graham Drain were used to support payment for the George W. Kuhn Drain construction project.

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

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

The Policy indicates that approximately one year in advance of the year that the Proposal "R-1" funds are to be made available for a special assessment designated road project, an advisory survey shall be taken by the City of the benefiting property owners as to their willingness to be specially assessed for the private benefit portion of the total cost of a road improvement. The City will conduct this survey through the mail utilizing a postcard return system. Results of this advisory survey shall be presented to Council, and the project only proceeds with the establishment of the special assessment district when the project is supported by a majority of property owners.

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

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

The following streets were considered on a first-come first-served basis, based on need, and projects were also considered only to the extent that funds remain to offset construction costs. Per the Policy, no additional projects were undertaken until all scheduled Proposal "R-1" projects were programmed: Woodside from I-75 to Barrington (completed in 2004), Dorchester from Donna to Browning (completed in 2005), Delton from Greig to Cowan (completed in 2005), Battelle from Lincoln to Guthrie, Alger from Lincoln to Guthrie and Guthrie from Alger to John R (all completed in 2006). Parker District (2007), Middlesex (2007), Spoon from Huntington to Twelve Mile and Sherry from Parkdale to Fourner (2008 - sectional), and sectional concrete repair (\$945,000) of any "R-1" programmed street exhibiting signs of deterioration.

At the conclusion of the “R-1” program, the remaining funds of \$4.3 million were reprogrammed to supplement the “R-2” program which started in 2008.

Second Roads Millage Program - Proposal R-2 (2007-2016)

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

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

The Finance Department has estimated that Proposal “R-2” will generate \$19.4 million in revenue to support the ten year program presented in the Capital Improvement Plan. Due to the economic recession causing declining property values, this program’s funding is down \$8.2 million or 29.6% from the original April 2006 estimate. To close this funding gap, \$4.3 million in savings from the “R-1” was used to supplement the “R-2” program and \$800,000 in sidewalk and sectional concrete replacements were dropped. In June 2006, the elements of this millage program were outlined to the residents as part of the public information campaign through the City newsletter.

Of the 74.01 miles of local roads in Madison Heights, the original Proposal “R-1” millage funded repair of 11.6 miles or 15.8% of the worst roads in the City. Proposal “R-2” will allow the City to repair over 11.1 miles (65 roads) of additional roadway. In August of 2005, an independent professional transportation planning engineering firm completed a comprehensive analysis of all streets in Madison Heights. This study identified over 20 miles of poor residential roads that needed to be addressed. Even after the Proposal “R-2” program, the City is estimated, at that point in time, to have 9 miles of poorly-rated streets still needing attention.

All road reconstruction work will be totally funded through the "R-2" millage except for the 13 scheduled sealcoat roads, which will require the residents with frontage on these streets to contribute a 25 percent special assessment. The rationale behind this proposal is that those property owners living on an existing concrete road with curb and gutter (i.e. not a sealcoat road) have already paid for their road once in the price of the home or in the form of a prior special assessment district project.

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

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

1. Neighborhood Road Improvement Millage (\$22.3 million)
2. Water and Sewer Fund Revenues (\$5.2 million); and
3. Property Owner Special Assessment (\$1.2 million).

For the 2011 construction season, staff proposed advance constructing the Year 5 (2012) "R-2" roads along with the scheduled Year 4 (2011) "R-2" roads. This opportunity is possible due to available "R-2" fund balance and the availability of engineering/inspection resources due to a lack of major road projects. On January 24, 2011, City Council approved a long-term agreement with the City's road contractor that locks in pricing for the next six years and moves up the scheduled reconstruction projects from 2012 to 2017 by one year.

As of November 2017, staff forecasts \$390,000 remaining of R-2 funds to be used for additional R-2 eligible projects following the completion of the scheduled program in Year 10 (FY 2016-17). As part of the analysis of potential projects, the City will need to re-evaluate those sealcoat roads which were previously surveyed and rejected by a majority of the affected property owners, including:

Estimated Project Costs (in Thousands)

	<u>Street Paving</u> <u>& Sewer</u>	<u>Water Mains</u>	<u>Total Estimated</u>
Alden - 11 Mile South to end (2009)	\$ 473	\$131	\$ 604
Spicer - Northeastern South to end (2009)	413	103	516
Nanton - 11 Mile South to end (2009)	452	129	581
Park Court - 11 Mile South to end (2010)	481	147	628
Rialto - 11 Mile South to end (2010)	479	135	614
Areada - North of 11 Mile	<u>275</u>	<u>108</u>	<u>383</u>
Totals	<u>\$2,573</u>	<u>\$753</u>	<u>\$3,326</u>

Third Roads Millage Program - Proposal R-3 (2017-2026)

The "R-2" road millage expired in FY 2017. In August 2016, Madison Heights voters approved a new 2-mill R-3 Road Millage for ten years, beginning in 2018. The new millage program was included in the City's Adopted 2016-17 Goal Plan to evaluate, identify, prioritize, and create a new long-range, millage-based comprehensive "Proposal R-3" infrastructure replacement plan including roads, sewers, and sidewalks to take before the voters in 2016. Road projects scheduled under the new R-3 Program will begin with the 2018 construction season and run through the 2027 construction season.

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

TABLE III
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

APPROPRIATIONS:

NEIGHBORHOOD PROJECTS	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL APPROP.
Proposal "R-2" Sidewalks	\$ 20	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
YEAR 9 ROADS (R-2) 2016 (Original 2017)								
Madison - Millard to 31605 Madison (Watermain whole street)	328	0	0	0	0	0	0	0
Meadows - Whitcomb to 31608 Meadows (Full watermain)	321	0	0	0	0	0	0	0
Dorchester - 13 Mile to Windemere	87	0	0	0	0	0	0	0
Windemere - Dorchester to Edgeworth	295	0	0	0	0	0	0	0
Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	286	0	0	0	0	0	0	0
Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	450	0	0	0	0	0	0	0
Harlo Sectional	275	0	0	0	0	0	0	0
Areada - N. of 11 Mile Road (SAD) Failed	0	0	0	0	0	0	0	0
YEAR 10 ROADS (R-2) 2017 (Additional R-2 projects)								
Dei - Lincoln to Southend	258	1,030	0	0	0	0	0	0
Hales - 13 Mile to Winthrop	157	501	0	0	0	0	0	0
Lincoln Sectional	0	314	0	0	0	0	0	0
YEAR 1 ROADS (R-3) 2018								
Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	0	247	554	0	0	0	0	554
Harwood Avenue (Battelle Ave to Tawas Street)	0	162	339	0	0	0	0	339
Brush Street (W. University Avenue to W. Farnum Avenue)	0	149	207	0	0	0	0	207
Brush Street (W. University Avenue to Eleven Mile Road)	0	149	172	0	0	0	0	172
Sectional	0	0	525	0	0	0	0	525
YEAR 2 ROADS (R-3) 2019								
Meadows Avenue (Englewood Ave to Meadows)	0	0	0	263	0	0	0	263
W. Dallas Avenue (Alger Street to John R Road)	0	0	0	260	0	0	0	260
Kenwood Avenue (Windemere Avenue to Englewood Avenue)	0	0	215	232	0	0	0	447
Madison Avenue (Englewood Avenue to Madison)	0	0	0	181	0	0	0	181
Kenwood Avenue (Englewood Avenue to Kenwood)	0	0	0	174	0	0	0	174
Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	0	133	0	0	0	133
Sectional	0	0	0	100	0	0	0	100
YEAR 3 ROADS (R-3) 2020								
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	0	392	975	0	0	1,367
Milton Avenue (Moulin to Sheffield Drive)	0	0	0	125	167	0	0	292
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	0	314	75	0	0	389
Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	0	216	98	0	0	314
Sectional	0	0	0	0	75	0	0	75
YEAR 4 ROADS (R-3) 2021								
Alger Street (W Cowan Avenue to Andover Avenue)	0	0	0	0	0	212	0	212
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	0	0	157	109	0	266
Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	0	0	0	109	0	109
Barrington Street (W Lincoln Avenue to W. Cowan Avenue)	0	0	0	0	0	148	0	148
Alger Street (W. Lincoln Avenue to W Cowan Avenue)	0	0	0	0	0	148	0	148
Brush Street (W Cowan Avenue to Andover Avenue)	0	0	0	0	89	120	0	209
W Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	0	0	0	140	0	140
W Cowan Avenue (Alger Street to John R Road)	0	0	0	0	0	75	0	75
Palmer Street (W Lincoln Avenue to W Cowan Avenue)	0	0	0	0	166	210	0	376
Sectional	0	0	0	0	0	100	0	100
YEAR 5 ROADS (R-3) 2022								
W. Greig Avenue (W. Terminus to Hampden Street)	0	0	0	0	0	0	198	198
W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	0	0	0	0	139	139
W. Greig Avenue (Brush Street to John R Road)	0	0	0	0	0	0	145	145
Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	0	0	0	0	293	293
Brush Street (Andover Avenue to W. Greig Avenue)	0	0	0	0	0	0	165	165
W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	0	0	0	0	79	79
W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	0	0	0	0	80	80
W. Greig Avenue (Barrington Street to Palmer Street)	0	0	0	0	0	0	81	81
W. Greig Avenue (Palmer Street to Alger Street)	0	0	0	0	0	0	81	81
W. Greig Avenue (Alger to Brush Street)	0	0	0	0	0	0	82	82
Sectional	0	0	0	0	0	0	75	75
TOTALS	\$ 2,477	\$ 2,552	\$ 2,012	\$ 2,390	\$ 1,802	\$ 1,371	\$ 1,418	\$ 8,993
Total Projects	10	7	6	11	8	10	11	46
Total Equipment	0	0	0	0	0	0	0	0

TABLE III
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

REVENUES:

NEIGHBORHOOD PROJECTS	GENERAL FUND	MAJOR/ LOCAL FUND	SPECIAL ASSESS.	ROAD MILLAGE	WATER & SEWER FUND	OTHER REVENUES	TOTAL REVENUE
Proposal "R-2" Sidewalks	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
YEAR 1 ROADS (R-3) 2018							
Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	0	0	0	554	0	0	554
Harwood Avenue (Battelli Ave to Tawas Street)	0	0	0	339	0	0	339
Brush Street (W. University Avenue to W. Farnum Avenue)	0	0	0	207	0	0	207
Brush Street (W. University Avenue to Eleven Mile Road)	0	0	0	172	0	0	172
Sectional R-2 and R-3 Maintenance and Repair	0	100	0	425	0	0	525
YEAR 2 ROADS (R-3) 2019							
Meadows Avenue (Englewood Ave to Meadows)	0	0	0	263	0	0	263
W. Dallas Avenue (Alger Street to John R Road)	0	0	0	260	0	0	260
Kenwood Avenue (Windemere Avenue to Englewood Avenue)	0	0	0	232	215	0	447
Madison Avenue (Englewood Avenue to Madison)	0	0	0	181	0	0	181
Kenwood Avenue (Englewood Avenue to Kenwood)	0	0	0	174	0	0	174
Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	0	133	0	0	133
Sectional	0	0	0	100	0	0	100
YEAR 3 ROADS (R-3) 2020							
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	0	975	392	0	1,367
Milton Avenue (Moulin to Sheffield Drive)	0	0	0	167	125	0	292
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	0	75	314	0	389
Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	0	98	216	0	314
Sectional	0	0	0	75	0	0	75
YEAR 4 Road (R-3) 2021							
Alger Street (W Cowan Avenue to Andover Avenue)	0	0	0	212	0	0	212
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	0	109	157	0	266
Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	0	109	0	0	109
Barrington Street (W Lincoln Avenue to W. Cowan Avenue)	0	0	0	148	0	0	148
Alger Street (W. Lincoln Avenue to W Cowan Avenue)	0	0	0	148	0	0	148
Brush Street (W Cowan Avenue to Andover Avenue)	0	0	0	120	89	0	209
W Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	0	140	0	0	140
W Cowan Avenue (Alger Street to John R Road)	0	0	0	75	0	0	75
Palmer Street (W Lincoln Avenue to W Cowan Avenue)	0	0	0	210	166	0	376
Sectional	0	0	0	100	0	0	100
YEAR 5 ROADS (R-3) 2022							
W. Greig Avenue (W. Terminus to Hampden Street)	0	0	0	198	0	0	198
W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	0	139	0	0	139
W. Greig Avenue (Brush Street to John R Road)	0	0	0	145	0	0	145
Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	0	293	0	0	293
Brush Street (Andover Avenue to W. Greig Avenue)	0	0	0	165	0	0	165
W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	0	79	0	0	79
W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	0	80	0	0	80
W. Greig Avenue (Barrington Street to Palmer Street)	0	0	0	81	0	0	81
W. Greig Avenue (Palmer Street to Alger Street)	0	0	0	81	0	0	81
W. Greig Avenue (Alger to Brush Street)	0	0	0	82	0	0	82
Sectional	0	0	0	75	0	0	75
TOTALS	\$ 0	\$ 100	\$ 0	\$ 7,219	\$ 1,674	\$ 0	\$ 8,993

TABLE IV-A
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-1 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	YEAR	NEIGHBORHOOD PROJECTS	STORM DRAIN	SANITARY SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
		YEAR 1	\$ 136	\$ 76	\$ 958	\$ 227 *	\$ 1,397
DONE	1997	Harwood -Tawas to Truman					
DONE	1997	Truman - Harwood to Kalama					
DONE	1997	Kalama -Tawas to Couzens					
DONE	1997	Hudson -Tawas to Couzens					
DONE	1997	Rowland from Couzens to Dei					
DONE	1997	Dulong from Rose East to Fontaine					
		YEAR 2	24	0	1,002	72 *	1,098
DONE	1998	Oakland, Greenbrier & Westwood					
DONE	1998	Elmhurst - Oakland to Westwood					
DONE	1998	Avondale & Manor - Oakland to Greenbrier					
		YEAR 3	52	17	1,275	206 *	1,550
DONE	1999	Park Court - 11 Mile to Connie SAD 255					
DONE	1999	Hales - 11 Mile to Rosies Park SAD 255					
DONE	1999	Farnum & University from Hales to Park Court SAD 255					
		YEAR 4	935	83 *	1,430	489 *	2,937
DONE	2000	Dartmouth - Bellaire to 12 Mile					
DONE	2000	Herbert - 12 Mile to Venoy					
DONE	2000	Edward - 12 Mile to Parker					
DONE	2000	Mapleknot - Edward to Herbert					
DONE	2000	Parker - John R to Groveland					
		YEAR 5	105	0	895	264 *	1,264
DONE	2001	Hudson - Couzens to Miracle					
DONE	2001	Brockton - Couzens to Dei					
DONE	2001	Dallas - Couzens to Dei					
DONE	2001	Barrett - Couzens to Dei					
		YEAR 6	209	0	857	325 *	1,391
DONE	2002	Karam - Dartmouth to Bellaire					
DONE	2002	Freda Ct.- Karam to Bellaire					
DONE	2002	Full length of Miracle Drive					
		Harwood to Barrett					
DONE	2002	Dallas - Tawas to Couzens					
		YEAR 7	172	5 *	523	171 *	871
DONE	2003	Wolverine - Spartan to 11 MILE SAD 263					
		YEAR 8					
DONE	2004	Greig - John R to Dequindre SAD 265 /SAD 266	40	0	1,384	210 *	1,634
DONE	2004	Dartmouth - Lincoln to Dallas	200	12	266	25 *	503
DONE	2004	Tawas - Lincoln to Guthrie	57	12	318	40 *	427
DONE	2004	Woodside - I-75 to Barrington SAD 267	70	0	342	110 *	522
DONE	2004	Barrington - Gravel Park to Woodside	0	0	90	21 *	111
		YEAR 9					
DONE	2005	Dorchester - Donna to Browning SAD 268	0	0	305	253 *	558
DONE	2005	Delton - Greig to Cowan SAD 269	0	0	210	76 *	286
DONE	2005	Beaupre - Rose to Fontaine	0	258 *	234	0	492
DONE	2005	Proposal "R" Maintenance & Repair - Park Court/Hales	0	0	213	0	213
DONE	2005	Winthrop Sectional Concrete Repair Phase I	0	0	139	0	139
		YEAR 10					
DONE	2006	Battelle - Lincoln to Guthrie	65	5	557	100 *	727
DONE	2006	Alger - Lincoln to Guthrie	240	5	734	130 *	1,109
DONE	2006	Guthrie (north half) - Alger to Cul De Sac	20	5	131	36 *	192
		YEAR 11					
DONE	2007	Parker District SAD 272	375	15	1,993	495 *	2,878
DONE	2007	Watermain Restoration -Middlesex-Alden to Nanton	0	0	190	87 *	277
		YEAR 12					
DONE	2008	Spoon Sectional	0	0	200	130 *	330
DONE	2008	Sherry Sectional	0	0	323	210 *	533
		YEAR 13					
DONE	2009	Proposal "R" Concrete Repair	0	0	957	0	957
		FUTURE YEARS					
DONE	2010-17	Proposal "R-2" Project Supplement	0	0	4,260	0	4,260
		TOTALS	\$ 2,700	\$ 493	\$ 19,786	\$ 3,677	\$ 26,656

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

TABLE IV-B
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-2 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM	SANITARY	STREET	WATER	ESTIMATED
			DRAIN	SEWER	PAVING	MAIN	COST
YEAR 1 ROADS							
DONE	2009	Spoon - Huntington North to Campbell	\$ 55	\$ 15	\$ 712	\$ 177	\$ 959
DONE	2009	Parkdale - Campbell to Mark	15	10	353	81	459
DONE	2009	Millard - Campbell to Edgeworth South to 31601 Millard	11	0	612	149	772
DONE	2009	Barrington/Northeastern - Woodside to Girard	27	5	540	88	660
DONE	2009	Girard - I-75 to Palmer	85	0	429	94	608
DONE	2009	Sidewalk Replacement	0	0	20	0	20
YEAR 2 ROADS							
DONE	2010	Palmer - 13 Mile to LaSalle	42	0	342	83	467
DONE	2010	Tawas - 12 Mile Road to Mapleknoll and Tawas Court	95	10	333	98	536
DONE	2010	E. Barrett - Tawas to Couzens	40	15	534	99	688
DONE	2010	Lorenz - 11 Mile to Greig	0	0	291	77	368
DONE	2010	Hales - 11 Mile to Northeastern	25	0	211	58	294
DONE	2010	Northeastern - 11 Mile to South End	40	5	451	123	619
DONE	2010	Katherine - Lorenz to Edward	30	0	128	0	158
YEAR 3 ROADS							
DONE	2011	Brockton - Battelle to Tawas	0	0	272	0	272
DONE	2011	Dorchester - Englewood to 31272 Dorchester	19	0	137	0	156
DONE	2011	Yorkshire - Westmore to Tanglewood	55	5	92	0	152
DONE	2011	Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	263	0	263
DONE	2011	Englewood - Campbell to Edgeworth	5	0	389	0	394
DONE	2011	Sidewalk Replacement	0	0	20	0	20
DONE	2011	Winthrop Sectional Concrete Repair Phase II	0	0	101	0	101
YEAR 4 ROADS							
DONE	2012	Gardenia - John R to Lorenz	2	0	523	25	550
DONE	2012	Alger - Parker South to Gardenia	82	16	325	0	423
DONE	2012	Townley - 11 Mile to University	0	0	280	0	280
DONE	2012	Winthrop Sectional Concrete Repair Phase III	0	0	203	0	203
DONE	2012	Sidewalk Replacement	0	0	20	0	20
DONE	2012	Shacket - Huntington to Spoon	60	15	354	8	437
DONE	2012	Huntington - Campbell to Mark	5	0	250	0	255
DONE	2012	Sherry - Girard to S. of Parkdale	28	5	307	8	348
DONE	2012	Longfellow - Garry to 30290 Longfellow	2	0	260	0	262
DONE	2012	Groveland and University Intersection - (Watermain to 11 Mile)	0	0	391	8	399
		and 21700 Groveland to Farnum					
YEAR 5 ROADS							
DONE	2013	Lenox - Baxter to Sprague	2	0	228	0	230
DONE	2013	Hampden - Farnum Intersection	10	5	112	0	127
DONE	2013	University - Lenox to Hampden	0	0	127	0	127
DONE	2013	Brettonwoods - Gardenia to Farnum	0	0	565	0	565
DONE	2013	Forest - Hampden to Brettonwoods & Hampden Intersection	25	0	227	0	252
DONE	2013	Gardenia - Hampden to Dartmouth	0	0	207	0	207
DONE	2013	Parker - E of Sealcoat to John R - (Watermain Cross-Over)	150	0	459	0	609
DONE	2013	Concrete Replacement	0	0	100	0	100
DONE	2013	Sidewalk Replacement	0	0	20	0	20

TABLE IV-B
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-2 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM	SANITARY	STREET	WATER	ESTIMATED
			DRAIN	SEWER	PAVING	MAIN	COST
YEAR 6 ROADS							
DONE	2014	Dartmouth - N. of Cowan (26333) S. to 26113 Dartmouth	0	0	231	82	313
DONE	2014	Barrington - Cowan to Andover	0	0	212	93	305
DONE	2014	W. Barrett - Alger to John R	0	0	217	0	217
DONE	2014	E. Hudson - John R to 71 E. Hudson	0	0	158	90	248
DONE	2014	Kalama - Stephenson Highway to Alger	60	17	460	0	537
DONE	2014	Couzens - S. of 11 Mile Road (SAD)	5	0	526	213	744
DONE	2014	Harwood - Dartmouth to 368 Harwood - (Watermain to Alger)	0	0	268	140	408
DONE	2014	Concrete Replacement	0	0	100	0	100
DONE	2014	Sidewalk Replacement	0	0	20	0	20
YEAR 7 ROADS							
DONE	2015	Whittier - Longfellow to Chaucer (Sectional)	25	0	240	215	480
DONE	2015	Chaucer - Whittier to Longfellow (Sectional)	11	0	149	74	234
DONE	2015	Barrington - S. of Horace Brown to 13 Mile NB	0	0	518	223	741
DONE	2015	Barrington - S. of Horace Brown to 13 Mile SB	0	0	465	182	647
DONE	2015	Blairmoor - Manchester to Thirteen Mile Road	50	15	478	182	725
DONE	2015	Manchester & Woodmont Intersection	0	0	102	17	119
DONE	2015	Concrete Replacement	0	0	200	0	200
DONE	2015	Sidewalk Replacement	0	0	20	0	20
DONE	2015	Palmer - 13 Mile N. to end	0	0	366	128	494
YEAR 8 ROADS							
DONE	2016	Fournier - Sherry to Mark and Mark - Fournier to Sherry	140	30	1,185	393	1,748
DONE	2016	E. Harwood - Couzens to Dei	46	15	353	168	582
DONE	2016	Lincoln - John R to 104 E. Lincoln - (Watermain to Osmun)	0	0	165	272	437
DONE	2016	Lincoln - 504 E. Lincoln to 583 E. Lincoln	0	0	457	0	457
DONE	2016	Sidewalk Replacement	0	0	20	0	20
YEAR 9 ROADS							
DONE	2017	Madison - Millard to 31605 Madison - (Watermain Whole Street)	0	0	316	230	546
DONE	2017	Meadows - Whitcomb to 31608 Meadows - (Full Watermain)	24	5	282	199	510
DONE	2017	Dorchester - 13 Mile to Windemere	0	0	87	61	148
DONE	2017	Windemere - Dorchester to Edgeworth	0	0	283	115	398
DONE	2017	Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	0	0	278	230	508
DONE	2017	Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	34	14	398	308	754
DONE	2017	Sidewalk Replacement	0	0	20	0	20
DONE	2017	Areada - N. of 11 Mile Road (SAD) Failed	0	0	0	0	0
YEAR 10 ROADS							
DONE	2018	Dei - Lincoln to South end (Full Watermain)	190	0	840	258	1,288
DONE	2018	Hales - 13 Mile to Winthrop (Full Watermain)	0	0	501	157	658
DONE	2018	Lincoln Sectional	0	0	314	0	314
FUTURE YEARS							
2018	2018	Sectional Proposal "R-2" Maintenance and Repair	0	0	450	0	450
		TOTALS	\$ 1,495	\$ 202	\$ 21,867	\$ 5,206	\$ 28,770

TABLE IV-C
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-3 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM * DRAIN	SANITARY * SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
YEAR 1 ROADS						
2019	Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	\$ 0	\$ 0	\$ 554	\$ 247	\$ 801
2019	Harwood Avenue (Battelle Ave to Tawas Street)	0	0	339	162	501
2019	Brush Street (W. University Avenue to W. Farnum Avenue)	0	0	207	149	356
2019	Brush Street (W. University Avenue to Eleven Mile Road)	0	0	172	149	321
2019	Sectional	0	0	75	0	75
YEAR 2 ROADS						
2020	Meadows Avenue (Englewood Ave to Meadows)	0	0	263	0	263
2020	W. Dallas Avenue (Alger Street to John R. Road)	0	0	260	0	260
2020	Kenwood Avenue (Windemere Avenue to Englewood Avenue)	0	0	232	215	447
2020	Madison Avenue (Englewood Avenue to Madison)	0	0	181	0	181
2020	Kenwood Avenue (Englewood Avenue to Kenwood)	0	0	174	0	174
2020	Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	133	0	133
2020	Sectional	0	0	100	0	100
YEAR 3 ROADS						
2021	Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	975	392	1,367
2021	Milton Avenue (Moulin to Sheffield Drive)	0	0	167	125	292
2021	Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	72	314	386
2021	Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	98	216	314
2021	Sectional	0	0	75	0	75
YEAR 4 ROADS						
2022	Alger Street (W. Cowan Avenue to Andover Avenue)	0	0	212	0	212
2022	Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	109	157	266
2022	Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	109	0	109
2022	Barrington Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	148	0	148
2022	Alger Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	148	0	148
2022	Brush Street (W. Cowan Avenue to Andover Avenue)	0	0	120	89	209
2022	W. Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	140	0	140
2022	W. Cowan Avenue (Alger Street to John R Road)	0	0	75	0	75
2022	Palmer Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	210	166	376
2022	Sectional	0	0	100	0	100
YEAR 5 ROADS						
2023	W. Greig Avenue (W. Terminus to Hampden Street)	0	0	198	0	198
2023	W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	139	0	139
2023	W. Greig Avenue (Brush Street to John R Road)	0	0	145	0	145
2023	Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	293	0	293
2023	Brush Street (Andover Avenue to W. Greig Avenue)	0	0	165	0	165
2023	W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	79	0	79
2023	W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	80	0	80
2023	W. Greig Avenue (Barrington Street to Palmer Street)	0	0	81	0	81
2023	W. Greig Avenue (Palmer Street to Alger Street)	0	0	81	0	81
2023	W. Greig Avenue (Alger to Brush Street)	0	0	82	0	82
2023	Sectional	0	0	75	0	75
YEAR 6 ROADS						
2024	Hampden Street (Andover Avenue to Greig Avenue)	0	0	168	0	168
2024	Brettonwoods Street (Andover Avenue to W. Greig Avenue)	0	0	169	133	302
2024	Brettonwoods Street (W. Greig Avenue to Eleven Mile Road)	0	0	180	133	313
2024	Dartmouth Street (Andover Avenue to W. Greig Avenue)	0	0	170	0	170
2024	Barrington Street (Andover Avenue to W. Greig Avenue)	0	0	170	0	170
2024	Palmer Street (W. Greig Avenue to Eleven Mile Road)	0	0	181	0	181
2024	Alger Street (W. Greig Avenue to Eleven Mile Road)	0	0	181	138	319
2024	Alger Street (Andover Avenue to W. Greig Avenue)	0	0	170	118	288
2024	Sectional	0	0	50	0	50
YEAR 7 ROADS						
2025	Brush Street (W. LaSalle Avenue to Thirteen Mile Road)	0	0	416	167	583
2025	Palmer Street (W. Woodward to W. LaSalle Avenue)	0	0	406	0	406
2025	Brush Street (W. Girard Avenue to W. Woodside Avenue)	0	0	412	177	589
2025	Hampden Street (W. Greig Avenue to Eleven Mile Road)	0	0	327	0	327
2025	Sectional	0	0	100	0	100

TABLE IV-C
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
R-3 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM * DRAIN	SANITARY * SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
YEAR 8 ROADS						
2026	Diesing Drive (Bellaire Avenue to Alger Street)	0	0	557	226	783
2026	Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	415	236	651
2026	E Rowland Avenue (John R. Road to Battelle Avenue)	0	0	413	157	570
2026	Sectional	0	0	75	0	75
YEAR 9 ROADS						
2027	Palmer Street (W. Parker Street to Diesing Drive)	0	0	305	216	521
2027	Alger Street (Diesing Drive to Twelve Mile Road)	0	0	101	98	199
2027	Delton Street (Eleven Mile Road to E. University Avenue)	0	0	219	0	219
2027	Osmun Street (Eleven Mile Road to E. University Avenue)	0	0	220	0	220
2027	Lorenz Street (Eleven Mile Road to E. University Avenue)	0	0	220	157	377
2027	Lorenz Street (E University Avenue to E. Farnum Avenue)	0	0	252	177	429
2027	Sectional	0	0	100	0	100
YEAR 10 ROADS						
2028	Shirley Avenue (Twelve Mile Road to Rose Street)	0	0	330	304	634
2028	Rose Street (South Terminus to Elliot Avenue)	0	0	207	196	403
2028	Rose Street (Elliott Avenue to North Terminus)	0	0	360	196	556
2028	Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	126	74	200
2028	Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	151	98	249
2028	Hecht Drive (Sonia Avenue to Sonia/Lorenz Street)	0	0	297	206	503
2028	Sectional	0	0	100	0	100
	TOTALS	\$ 0	\$ 0	\$ 14,414	\$ 5,587	\$ 20,001

* Included in Street Paving cost estimate.

ROAD IMPROVEMENTS

Road Improvement Funding

- Historical State Funding Model

Act 51 of the Michigan Public Acts of 1951, as amended, outlines the tri-level responsibility for road jurisdiction in our State. It provides a continuous classification of all roads and streets into three separate categories/systems – state, county and municipal, and into sub-classifications within each system. In each municipality's jurisdiction, the State has assigned roads to either Major or Local Street categories. As a result, in Madison Heights we have 21.5 miles of City Major Streets and 74.2 miles of City Local Streets. In the FY 2016-17 Budget, the City received \$63,928 per mile for City Major Streets and \$7,070 per mile for City Local Streets. The Act also established the Michigan Transportation Fund (MTF).

In FY 2017-18, the amount projected to be received by the City under Act 51 is estimated to increase 6.61% or \$116,680 more than the previous fiscal year. The distribution rates and actual collections often vary.

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

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

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

A. State and Federal Highway Projects

- Thirteen Mile Rehabilitation

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

- Oakland County I-75 Corridor Study

In 1999, MDOT, the Southeast Michigan Council of Governments (SEMCOG), Road Commission for Oakland County and the Traffic Improvement Association of Oakland County hired a consultant, the Corradino Group, to study the Oakland County I-75 Corridor to review the highway's traffic problems and recommend solutions.

In the fall of 1999 and summer of 2000, the City provided input to the consultant and at two public meetings held in Madison Heights.

The final report from the consultant recommended:

1. Non-I-75 Roadway Improvements
 - a. Widen Arterial Roadways
 - b. New Roadway in West Oakland County
2. Intelligent Transportation System (ITS) and Widen Arterial Roadways plus Sydney Coordinated Adaptive Traffic System (SCATS) plus Incident Management and Ramp Metering (where appropriate)
3. Improvements to I-75
 - 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 throughput (improving vehicle flow) with minimal property taking and results in surplus property that could be sold to help finance the project.

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

- Environmental Study Update

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

Description of the Proposed Project

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

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

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

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

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

<u>Impact Category</u>	<u>Expected Impact</u>
Project Costs (2005 dollars)	Right-of-way \$ 16,000,000
	Design 93,000,000
	Construction <u>463,000,000</u>
	\$572,000,000

On July 25, 2005, the City took the following position on the FEIS:

General

- The City of Madison Heights supports the proposed I-75 improvements as a component of the measures needed to address the congestion issues within the I-75 Corridor.
- The City continues to support consideration of mass transit alternatives, in addition to the proposed I-75 improvements, as appropriate and supplemental methods of addressing current and future congestion within the I-75 corridor.
- **The City is not committing to enforcement of any High Occupancy Vehicle (HOV) lane alternative.** Should the proposed project ultimately include HOV lanes, enforcement should be the responsibility of the State Police. The response to the City's DEIS comment in this regard referenced "...*additional funding sources will be explored....*" Madison Heights welcomes the opportunity to receive additional information on these sources and their level of compensation for any eventual local enforcement resources.

Project Design/Improvements

- The City supports MDOT's efforts to provide separated storm water management through this project.
- There is a concern, however, with the method of conveyance for the separated storm flow from I-75 to the Red Run Drain East of Dequindre. The FEIS does not specifically address this issue; however, the consultant involved in the drainage study indicates that the intent is to construct a new storm system along the existing George W. Kuhn (GWK) Drain right of way. **This concept must be reevaluated and discussed in detail with the Oakland County Water Resources Commissioner's office and all communities that are part of the GWK Drainage District.** The exact location of the proposed storm pipe, to be established during the design phase, must take into account the surface and subsurface facilities that occupy the intended route. There is approximately 1 mile of I-75 right of way, north and south of 12 Mile Road including the interchange which has its run-off already accounted for within the GWK separated system being conveyed directly to Red Run east of Dequindre.
- The City recommends including extension of a westbound right turn lane on 12 Mile Road, immediately west of existing Home Depot driveway, within the project scope. The response to our DEIS comment indicates potential conflicts with FHWA policy. The widening project will have substantial impact on this area and should be within the scope of the project. In light of the intersection design modifications called for later in the FEIS, the City continues to recommend

that a dedicated I-75 access lane be accommodated in this location, designed in accordance with applicable federal and state design criteria.

- The City plans to install a sidewalk (completed summer 2006) on the south side of 14 Mile from Concord to Stephenson Highway. The City requests that this expense, within the I-75 project area, be credited toward any local contribution that may be required relative to the I-75 project.
- The City plans to provide maintenance overlays (completed summer 2006) for portions of the service drive at the I-75/I-696 intersection. The City requests this expense, within the I-75 project area, be credited toward any local contribution that may be required relative to the I-75 project.

Non-Motorized Access

- The City continues to recommend providing designated pedestrian and bicycle access across all proposed bridges and underpasses, as well as at the Red Run Drain crossing, within the scope of this project.
- The Project includes new sidewalk adjacent to service drive on the east side. The City supports this concept and recommends continuing this non-motorized path throughout the project area (north to 14 Mile) with a design to accommodate bicycle traffic. This recommendation is not predicated on the referenced countywide non-motorized plan.
- The project includes removal of the I-75/Red Run Bridge. This will eliminate or minimize the potential for any future GWK and pedestrian/bicycle access across I-75 under the existing bridge system. Alternatives must be provided to ensure future access in this regard. This recommendation is not predicated on the referenced countywide non-motorized plan.

Local Road Impacts

- The FEIS generally references the extensive impact the proposed improvements will have on the adjacent road network (56 miles +), but does not address specific adjacent street improvement costs and impacts within Madison Heights or the funding mechanisms necessary to mitigate those impacts. This project will have extensive and long-term impacts on our local roads, both during construction as well as operationally after construction. These must be identified along with an identified cost sharing structure. The FEIS response that these costs will be "... determined through the long-range planning process by the responsible agency" is not responsive and does not address the true costs of these impacts.
- The FEIS generally references the extensive impact on adjacent streets and communities during actual construction, but does not address costs attributable to local units to mitigate those impacts.

Neighborhood Impacts

- The FEIS identifies the possible taking of twenty-three single-family homes (three additional single-family properties are impacted), one church and portions of other parcels in Madison Heights. These are identified as "preliminary estimates"

- that are “subject to change during the design phase”. The City supports efforts to reduce these impacts further during the design phase.
- The City recommends additional evaluation of the existing and proposed sound walls in the area from I-696 to 11 Mile. **The City continues to oppose transferring responsibility for maintenance and reconstruction of the sound walls from MDOT to the City.**
 - Local access and diverted through-traffic during construction will be maintained via service drives. The FEIS references a future “...maintenance of traffic program...” during the design phase to address safeguards to protect adjacent neighborhoods from this impact. This process must include analysis of closing/restricting access to side streets during construction as well as on a permanent basis.

Interchange Impacts

- The City continues to support use of land area freed up by new interchanges for private economic development, where appropriate based on adjacent land uses and parcel configurations. The proceeds from the sale of property should be credited toward any local contribution that may be required relative to the I-75 project and as partial compensation for lost local revenues due to possible takings elsewhere in the project area.

On October 28, 2005, the City received a copy of the I-75 at Lincoln Avenue Local Road Scenario Report. It was prepared in response to a resolution passed by the Royal Oak Commission on August 1, 2005.

The analysis shows the necessity to preserve the Lincoln Avenue Bridge based on many reasons including traffic operations, safety, emergency access issues, non-motorized concerns and others. The recommendation of the report is to retain the Lincoln Avenue Bridge as a part of the Preferred Alternative for I-75 improvements, as recommended in the FEIS, April 2005. The FHWA also concurred with the analysis and its findings, including retaining the Lincoln Avenue Bridge as a part of the Preferred Alternative for the I-75 improvements.

This project is listed as a study in MDOT’s approved *2004-2009 Five-Year Transportation Program*, which outlines roadway expenditures over the next five years. It is on SEMCOG’s *2030 Regional Transportation Plan (RTP)*, with construction scheduled for the 2011-2015 time period. With its inclusion on the plan, it is shown to be in conformity with the Clean Air Act.

Due to modifications that are recommended at the I-696 interchange and 12 Mile Road, an Interstate Break-in-Access Justification Report (IAJR) was prepared to document the effect of the proposed access changes on the interstate system and affected local roads. Analysis performed for that report has been incorporated into this FEIS.

The FEIS was distributed to federal, state and local agencies, private organizations, and all members of the public making substantive comments on the DEIS. Following the comment period on the FEIS, it was forwarded to the FHWA for a Record of Decision (ROD) to be issued. The ROD will act as the Location/Design Approval document.

A new I-75 engineering report study was released in September 2010. The report represents the final engineering report for the I-75 widening project from 8 Mile Road to south of 12 Mile Road. Key components include a new proposed Park & Ride lot at the northeast corner of I-75 and I-696, accessed off the existing service drive. In addition, the number of parcels identified as probable to be purchased has been reduced from 62 to 34.

In late 2013, MDOT initiated the Context Sensitive Design (CSD) phase of the project. This includes discussions about the “Look & Feel” of the planned road improvements. In addition, MDOT released preliminary Act 51 estimates that the Madison Heights portion of the project would be approximately \$5 million, over a six-plus year period beyond the five year scope of this CIP. MDOT officials have indicated the City’s local share would be equal to 8.75% of the 20% local share for portions of the project within City boundaries. October 19, 2015, MDOT advised the City by letter that the revised estimated local cost share is \$4.025 million broken down as \$800,000 in Fiscal 2018, \$425,000 in Fiscal 2024, and \$2.8 million in Fiscal 2026. At the request of MDOT, SEMCOG has added the project to the FY 2011-2014 Transportation Improvement Plan for Southeast Michigan.

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

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

As of November 2017, MDOT continues with the property takings process with few parcels remaining, including one City-owned parcel. MDOT has also advised that the project schedule has been accelerated to 2018 and will utilize a design-bid-finance-build construction methodology. Staff continues to work with MDOT to insure that the design process addresses the City’s numerous concerns as noted above.

B. Major Road Improvements

- Concrete Joint and Crack Seal Program

The Joint and Crack Sealing Program has been a very successful method by which to extend the useful life of the City’s concrete roads. The process includes the removal of old tar, dirt and weeds, the blowing clean of these areas and a refilling of all cracks and seams with tar. In FY 2017, the major roads portion of the program amount increased to \$75,000 from \$70,000 in FY 2016 and remains \$75,000 for the five year CIP period.

- Thirteen Mile Rehabilitation

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

- Concrete/Joint Repairs - Sectional

Budgetary constraints limit the City's ability to completely repair designated commercial and industrial roads. The City's plan is to continue to address needed repairs through multi-year sectional work on commercial and industrial roads throughout the City. Research Park and Tech Row will include \$59,328 in Local Road Improvement Program (LRIP) grant money from Oakland County. Table V highlights these projects yearly through 2022.

C. Local Road Improvements

In addition to the Proposal "R-1," "R-2," and "R-3" Ten Year Residential Road Improvement Programs outlined in the Neighborhood Roads Chapter, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support operation and maintenance costs; however, the CIP does include limited sectional repairs for local commercial and industrial roads. Research Park and Tech Row will include \$59,328 in Local Road Improvement Program (LRIP) grant money from Oakland County. Table V highlights these projects through 2022.

D. Traffic Signal Upgrades

Over the last nineteen years, the City has undertaken a considerable effort to upgrade the existing traffic signals on major City thoroughfares to improve traffic safety and reduce congestion during peak travel times. To this end, left-hand turn signals have been added at John R and Whitcomb, John R and Eleven Mile, Dequindre and Whitcomb, Dequindre and Thirteen Mile, Dequindre and Twelve Mile, and Dequindre and Eleven Mile. Also, at the request of the Road Commission for Oakland County (RCOC) and with considerable financial incentive to the City, the City Council has authorized the installation of the SCATS system at a number of locations. This system is part of the RCOC's FAST-TRAC Intelligent Transportation System, which was first introduced in Oakland County in 1992.

SCATS stands for the Sydney Coordinated Adaptive Traffic System and was first deployed in Sydney, Australia. SCATS is an area-wide traffic controlled strategy designed to reduce overall system delay. Some drivers might experience slightly more delay, but most drivers will benefit. SCATS maximizes the use of available road capacity, thereby improving the efficiency of the overall system.

SCATS uses telephone lines to communicate between a regional computer and the traffic signal controller at each SCATS intersection. Each intersection has vehicle detector cameras that let SCATS know when vehicles are present. The detectors allow SCATS to count vehicles and SCATS uses this information to decide how much green-time each approach to a signalized intersection should have. This is recomputed every cycle to determine what timing changes need to be made in order to move traffic most effectively. SCATS also coordinates timing at adjacent intersections to provide for the best possible traffic flow.

The SCATS system is but one tool to be used to optimize traffic flow on existing roads. SCATS is not intended to replace road widening where extra capacity is required, but it has certainly proven

to be the next best thing.

Since 1998, SCATS projects have been completed at John R and I-696, Twelve Mile from Stephenson to Milton, Eleven Mile and John R, Fourteen Mile from Stephenson to Industrial, John R and Dartmouth, Thirteen Mile from Stephenson to Hales, John R and Ajax, John R and Irving, Eleven Mile from I-75 to Hales and John R from Brockton to Madison Place.

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

E. Road and Sidewalk Rehabilitation Programs

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

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

F. Street Maintenance and Solid Waste Equipment Replacements

Various Street Maintenance and Solid Waste vehicles are programmed for purchase to correspond with the Five Year Equipment Replacement Plan. Street Maintenance vehicles totaling \$2.044 million will be programmed through the General Fund with an additional \$765,000 programmed to be funded through the Solid Waste Millage.

As Council is aware, the second "V" millage expired in FY 2017. In August 2016, Madison Heights voters approved a renewal of the 0.25 vehicle millage "V-3" for a ten-year period, beginning in FY 2018 and going through 2027.

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

TABLE V
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

APPROPRIATIONS:

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL APPROP.
A. STATE/FEDERAL PROJECTS								
13 Mile WB from Hales to Dequindre NHPP								
\$720	\$0	\$720	\$0	\$0	\$0	\$0	\$0	\$720
NB Stephenson Hwy 12-14 Overlay (80/20)	0	0	1,226	0	0	0	0	1,226
SB Stephenson Hwy 14 - Girard (80/20)	0	0	850	0	0	0	0	850
B. MAJOR ROAD IMPROVEMENTS								
Joint & Crack Sealing - City Wide Major	75	75	75	75	75	75	75	375
Campbell 12-13 Mile Curb Repairs/Sectional	24	0	0	0	0	25	0	25
13 Mile Sectional - Campbell to Dequindre NON-NHPP	116	0	0	250	0	0	250	500
11 Mile Sectional - I-75 to John R	0	0	0	200	200	0	0	400
11 Mile Sectional - John R to Dequindre	200	235	0	200	200	0	0	400
Stephenson Hwy Turnarounds	50	100	250	0	0	0	0	250
Edward - Mandoline to Whitcomb	50	164	0	175	0	0	0	175
Townley - 14 Mile to Whitcomb	0	0	0	0	115	0	0	115
Sectional - Girard West of Stephenson Highway	0	0	0	0	0	0	200	200
Sectional - Barrington - 14 Mile to Whitcomb	0	0	0	0	0	700	0	700
Sectional - E Lincoln - Wolverine to Dequindre	100	320	0	250	0	0	0	250
Sectional - Whitcomb - Barrington to Dequindre	100	206	0	200	0	200	200	600
Sectional - Industrial - Fourteen to East Avis	0	0	0	0	115	0	0	115
Sectional - Stephenson Hwy - Girard to 12 Mile	50	165	400	0	0	0	200	600
Sectional - Whitcomb - West of Stephenson Highway	50	0	0	200	0	0	0	200
C. LOCAL ROAD IMPROVEMENTS								
Sectional - Sherman	25	150	0	0	0	0	0	0
Sectional - Kempar	25	0	0	25	0	0	0	25
Sectional - Research Park and Tech Row	50	0	509	200	0	0	0	709
Sectional - Commerce - Lincoln to Michael	0	0	0	50	0	300	0	350
Sectional - Montpelier	78	65	0	0	0	0	0	0
Sectional - Horace Brown	78	0	0	0	0	0	0	0
Sectional - Edmund - Harlo to John R	0	0	0	0	115	0	0	115
Sealcoat Road Rehabilitation	0	0	75	75	75	75	75	375
Sectional - Irving - Brush to Edward	0	0	0	115	250	0	0	365
Brush - 13 Mile to Irving	0	0	0	350	0	0	0	350
Losee - John R to Townley	0	0	0	0	250	0	0	250
Mandoline - Alger/Townley	0	0	0	0	0	0	125	125
Ajax	0	0	0	0	0	0	150	150
Palmer - South of 14 Mile	0	0	0	0	0	0	25	25
Alger - South of 14 Mile	0	0	0	0	0	0	50	50
Brush - South of 14 Mile	0	0	0	0	0	0	50	50
Girard - West of John R	0	0	0	0	115	0	0	115
D. TRAFFIC SIGNAL UPGRADES								
Traffic Signal Improvements	0	30	30	30	30	30	30	150
E. REHABILITATION PROGRAMS								
Sidewalk Replacement, Sectional Repairs & Gap Installation	250	250	250	250	250	250	250	1,250
F. EQUIPMENT REPLACEMENT								
Concrete Drop Hammer #261	0	0	0	0	30	0	0	30
Leaf Loader Trailer #352	0	0	0	0	55	0	0	55
Leaf Loader Trailer #354	0	0	0	0	0	55	0	55
Leaf Loader Trailer #355	0	0	0	0	0	55	0	55
2012 Street Sweeper #408	0	0	0	0	0	250	0	250
2003 CAT Loader 3 yd. #409	0	0	0	0	260	0	0	260
2002 Brush Bandit Chipper #410	0	0	90	0	0	0	0	90
2002 Stake Truck #415	0	0	0	150	0	0	0	150
2003 Tandem Dump Truck #418	201	0	0	0	0	0	0	0
2003 Tandem Dump Truck #419	0	0	0	240	0	0	0	240
2003 Single Axle Dump #424	0	0	0	0	190	0	0	190
2003 Single Axle Dump Truck #426	0	0	0	0	0	0	190	190
2003 Tandem Dump Truck #433	0	0	0	0	240	0	0	240
2013 Van Building Maintenance #435	0	0	0	0	0	0	60	60
2003 Single Axle Dump #425	0	0	0	0	0	190	0	190
2006 Super Duty Dump Truck #481	0	0	0	64	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	0	200	0	0	200
Tool Cat (New)	0	75	0	0	0	0	0	0
TOTALS	\$ 2,242	\$ 1,835	\$ 4,475	\$ 3,099	\$ 2,765	\$ 2,205	\$ 1,930	\$ 14,474
Total Projects	17	11	10	16	12	8	13	61
Total Equipment	1	1	1	3	6	4	2	16

TABLE V
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

REVENUES:

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	GENERAL FUND	LOCAL STREETS	MAJOR STREETS	SPECIAL ASSESS.	VEHICLE/ SOLID WASTE MILLAGE	OTHER REVENUES	FEDERAL TRANSPORT GRANT	OAKLAND CO. ROAD/ DRAIN	TOTAL REVENUES
A. STATE/FEDERAL PROJECTS									
13 Mile WB from Hales to Dequindre NHPP	\$0	\$0	\$240	\$0	\$0	\$0	\$480	\$0	\$720
NB Stephenson Hwy 12-14 Overlay (80/20)	0	0	245	0	0	0	981	0	1,226
SB Stephenson Hwy 14 - Girard (80/20)	0	0	170	0	0	0	680	0	850
B. MAJOR ROAD IMPROVEMENTS									
Joint & Crack Sealing - City Wide Major	0	0	375	0	0	0	0	0	375
Campbell 12-13 Mile Curb Repairs/Sectional	0	0	25	0	0	0	0	0	25
13 Mile Sectional - Campbell to Dequindre NON-NHPP	0	0	500	0	0	0	0	0	500
11 Mile Sectional- I-75 to John R	0	0	400	0	0	0	0	0	400
11 Mile Sectional- John R to Dequindre	0	0	400	0	0	0	0	0	400
Stephenson Hwy Turnarounds	0	0	250	0	0	0	0	0	250
Edward - Mandoline to Whitcomb	0	0	175	0	0	0	0	0	175
Townley - 14 Mile to Whitcomb	0	0	115	0	0	0	0	0	115
Sectional - Girard West of Stephenson Highway	0	0	200	0	0	0	0	0	200
Sectional - Barrington - 14 Mile to Whitcomb	0	0	700	0	0	0	0	0	700
Sectional - E Lincoln - Wolverine to Dequindre	0	0	250	0	0	0	0	0	250
Sectional - Whitcomb - Barrington to Dequindre	0	0	600	0	0	0	0	0	600
Sectional - Industrial - 14 Mile to Avis	0	0	115	0	0	0	0	0	115
Stephenson Hwy Sectional - Girard to 12 Mile	0	0	600	0	0	0	0	0	600
Sectional - Whitcomb - West to Stephenson Highway	0	0	200	0	0	0	0	0	200
C. LOCAL ROAD IMPROVEMENTS									
Sectional - Kempar	0	25	0	0	0	0	0	0	25
Sectional - Research Park and Tech Row	0	650	0	0	0	0	0	59	709
Sectional - Commerce - Lincoln to Michael	0	350	0	0	0	0	0	0	350
Sectional - Edmund - Harlo to John R	0	115	0	0	0	0	0	0	115
Sealcoat Road Rehabilitation	0	375	0	0	0	0	0	0	375
Sectional - Irving - Brush to Edward	0	365	0	0	0	0	0	0	365
Brush - 13 Mile to Irving	0	350	0	0	0	0	0	0	350
Losee - John R to Townley	0	250	0	0	0	0	0	0	250
Mandoline - Alger/Townley	0	125	0	0	0	0	0	0	125
Ajax	0	150	0	0	0	0	0	0	150
Palmer - South of 14 Mile	0	25	0	0	0	0	0	0	25
Alger - South of 14 Mile	0	50	0	0	0	0	0	0	50
Brush - South of 14 Mile	0	50	0	0	0	0	0	0	50
Girard - West of John R	0	115	0	0	0	0	0	0	115
D. TRAFFIC SIGNAL UPGRADES									
Traffic Signal Improvements	0	0	150	0	0	0	0	0	150
E. REHABILITATION PROGRAMS									
Sidewalk Replacement, Sectional Repairs & Gap Installation	0	40	0	1,210	0	0	0	0	1,250
F. EQUIPMENT REPLACEMENT									
Concrete Drop Hammer #261	30	0	0	0	0	0	0	0	30
Leaf Loader Trailer #352	0	0	0	0	55	0	0	0	55
Leaf Loader Trailer #354	0	0	0	0	55	0	0	0	55
Leaf Loader Trailer #355	0	0	0	0	55	0	0	0	55
2012 Street Sweeper #408	0	0	0	0	250	0	0	0	250
2003 CAT Loader 3 yd. #409	260	0	0	0	0	0	0	0	260
2002 Brush Bandit Chipper #410	0	0	0	0	90	0	0	0	90
2002 Stake Truck #415	150	0	0	0	0	0	0	0	150
2003 Tandem Dump Truck #419	240	0	0	0	0	0	0	0	240
2003 Single Axle Dump #424	0	0	0	0	190	0	0	0	190
2003 Single Axle Dump Truck #426	190	0	0	0	0	0	0	0	190
2003 Tandem Dump Truck #433	240	0	0	0	0	0	0	0	240
2013 Van Building Maintenance #435	60	0	0	0	0	0	0	0	60
2003 Single Axle Dump # 425	190	0	0	0	0	0	0	0	190
2006 Super Duty Dump Truck #481	64	0	0	0	0	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	0	200	0	0	0	200
TOTALS	\$ 1,424	\$ 3,035	\$ 5,710	\$ 1,210	\$ 895	\$ 0	\$ 2,141	\$ 59	\$ 14,474



People Powered Transportation & Sidewalk Repair Program

Non-Motorized Transportation

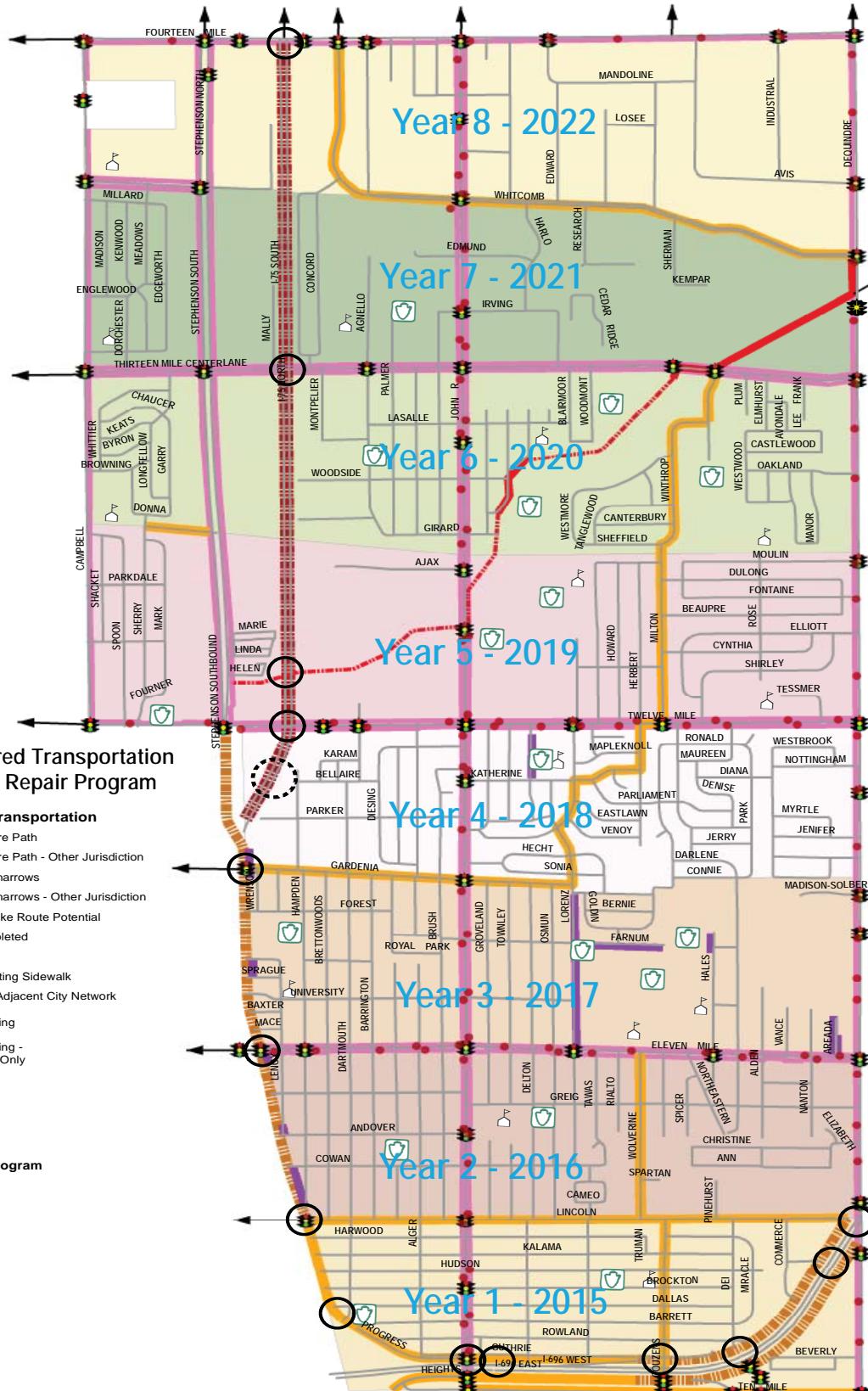
- Walk Ride Share Path
- Walk Ride Share Path - Other Jurisdiction
- Bike Route - Sharrows
- Bike Route - Sharrows - Other Jurisdiction
- I-75 Corridor Bike Route Potential
- Red Run Completed
- Red Run
- Fill Gap in Existing Sidewalk
- Connection to Adjacent City Network
- Freeway Crossing
- Freeway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

Traffic Signals

- Flash Only
- Standard Signal

Sidewalk Repair Program

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



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COLLECTION & DISTRIBUTION SYSTEMS

Local Water Improvements

- Water Main Replacement Program

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

The Department of Public Services (DPS) annually reviews and identifies those areas needing extensive water main replacement and those requiring additional water mains to improve both water volume and pressure to customers. As a general strategy, the City is replacing six-inch cast iron water mains installed starting in the early 1940s with new eight-inch plastic pipe. Staff estimated that approximately 30% of the City's water main network is now comprised of plastic pipe. Through the extension of existing water main lines, the City loops existing service areas by connecting parallel lines, improving supply and distribution in various neighborhoods. By implementing the water main replacement program, our future operating budget for expensive emergency repairs will be reduced by decreasing the occurrence of water main breaks.

As recommended by the Utilities Supervisor, Deputy City Manager, Community Development Director and City Engineer, starting in 1997, the water mains in the Proposal "R-1" Neighborhood Road Improvement Program - Year Two were replaced with plastic pipe in order to avoid the future possibility of having to tear up newer roadway to repair broken mains. Beginning in FY 2011, City Council amended this program under "R-2" to fund replacement of only "crossover" mains or those areas where the water main typically runs under the roadway (e.g. intersections). This was due to the financial condition of the Water & Sewer Fund. Given the improved financial position of the Water and Sewer Fund, staff recommended, and City Council concurred, to reinstitute "R-2" related water main replacements, as detailed in the Neighborhood Projects chapter. Due to reduced cost, durability, easier handling and the success of the program, the City uses plastic pipe for all water main projects.

The replacement of "non-R" or standalone water mains is undertaken when sufficient water and sewer funding is available. In FY 2015, the City deferred replacement of standalone water mains due to the potential for future additional wholesale rate increases charged to the City as a consequence of the restructuring of the Detroit Water and Sewerage Department (DWSD) and the outcome of the City of Detroit bankruptcy proceedings. Stand alone water main replacement continued starting FY 2016.

The agreement between Wayne, Oakland, and Macomb Counties and the City of Detroit to form the new Great Lakes Water Authority includes a four percent (4%) annual wholesale revenue requirement over the next ten years, effective for the City's FY 2017 rates. In light of this positive development and because of a strong fund balance in the Water and Sewer Fund, the FY 2019-23 CIP programs two standalone water main replacement projects in FY 2019: W. Brockton from John R to Dartmouth and W. Dallas from Alger to Dartmouth. Eighteen additional high-priority "non-R" watermain projects have been identified in the Capital Improvement Plan. See Table VII for a complete listing of all programmed projects.

- Equipment Replacement

Eleven pieces of water and sewer related equipment are scheduled for replacement over the five years of the CIP. FY 2019 includes the replacement of a 2003 four-yard Caterpillar front-end loader and a 2003 tandem axle dump truck #422, fleet management software, and an air compressor. This equipment is used extensively throughout the year on Water & Sewer related projects. FY 2021 includes the replacement of a 2007 Ford pick-up at \$34,000 with FY 2022 including the replacement

of a three-yard loader estimated to be \$300,000, a backhoe at \$90,000, and a Ford $\frac{3}{4}$ ton pick-up. FY 2023 includes the replacement of one GMC Cargo Van estimated at \$33,000.

- Facilities Needs

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

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

FY 2019 includes \$80,000 for replacement of and repairs to the failing concrete at the Ajax location, fleet management software for \$28,000, an air compressor for the DPS facility for \$13,000, window replacement for \$18,000, and an epoxy floor coating in the Motorpool area for \$23,000. Other future Ajax improvements include storage barn pavement work for a cost of \$70,000.

In 2015, the underground storage tank (UST) at the Police Station required a minor repair. As a result of this effort, the storage tanks located at the Ajax location and the Police Station were evaluated. This evaluation proved that the UST at the Police Station required decommissioning. At this point, City staff identified the Police Station as being best suited as the future unleaded fuel site and the Ajax Department of Public Services site as the diesel fueling site. The Funding for these projects is included in the Capital Improvement Plan in phases with the General Fund funding the police site and Water and Sewer Fund funding the Ajax site. FY2019 includes \$200,000 in supplemental funding for the Ajax site to complete this project.

FY 2020 includes \$300,000 for HVAC upgrades to the entire DPS facility, including both garages.

- City-wide Water Meter Change-Out Program

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

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

Staff analyzed the performance of our water meters through the Automated Meter Reading (AMR) system and proposed to implement a 4-year phased project starting in FY 2017, focusing on one district annually, starting with District 1 (10-11 Mile Road). District 1 was identified as the starting point because it has the oldest meters in the City; it was the first district to be changed out, and has a number of meters dating back to 1993-1995. The total cost for this citywide meter change-out program is projected to be \$4.125 million over three years. In August 2017, the DPS implemented this program and based on the overwhelming success and efficiency of the program, requested a budget amendment to fund District 3. The DPS plans on having all three Water Districts completed in FY 2018 with \$1.2 million in funding requested in FY 2019 to complete District 9 (Commercial/Industrial), bringing the entire project to a close.

Local Sewer Improvements

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

As a sewer system ages, the risk of deterioration, blockages and collapses become a major concern. Because sewers are not readily visible like roads and other public facilities, they are often not considered for repair or rehabilitation. As a result, sewer repairs are generally done in response to a major blockage or collapse that has caused basement backups or pavement failures. These are expensive repairs that may have been avoided by undertaking a routine cleaning and TV inspection program. The benefits of cleaning and TV inspecting public sewers include:

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

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

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

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

<u>Project Component</u>	<u>City</u>	<u>Grant</u>	<u>Total</u>
Cleaning and Televising	\$410,574	\$1,898,388	\$2,308,962
Update of GIS	9,245	27,737	36,982
Work Order System	3,875	11,625	15,500

Project Component	City	Grant	Total
Computer/Notebooks and or Tablets	2,000	6,000	8,000
Evaluation of Data	18,750	56,250	75,000
Total	\$444,444	\$2,000,000	\$2,444,444

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

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

The State of Michigan has budgeted a total of \$450 million for these grants with \$97 million budgeted for 2014. To allocate the FY 2014 funding, the State conducted a “lottery” draw of the 671 applications, totaling \$540 million. Unfortunately, the City’s application was not one of the 94 selected in 2014, but remained in the pool as the State conducts future lotteries until the \$450 million has been awarded. This project has been programmed each year from FY 2017 through FY 2020.

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

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

Regional Sewer System

Brief History

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

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

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

As part of an Agreement with the Michigan Department of Environmental Quality (MDEQ), the Twelve Towns Communities were required to plan and construct \$144 million (original estimate) in improvements to the RTF aimed at reducing the volume and the frequency of the overflows, and providing adequate treatment of these overflows when they do occur.

Twelve Towns Contested Case Settlement

On October 22, 1998, the Director of MDEQ issued the new National Pollutant Discharge Elimination System (NPDES) Operating Permit that allows the South Oakland County Sewerage Disposal System (SOCSDS) to discharge Combined Sewer Overflow (CSO) into the Red Run Drain until October 1, 2003. This Permit has been renewed several times since then.

In June 2005, the communities agreed to the change and renaming the permit to “George W. Kuhn Drainage Board on behalf of the George W. Kuhn Drainage District”.

- **Permit Key Features**

The NPDES Permit includes the following key features:

1. Limits and reporting standards for the treated combined sewer overflow to the Red Run Drain including procedures for monitoring this overflow;
2. In-stream testing for Escherichia coli (E-coli) per State statute;
3. Requirements for the development of new procedures and assessment of the operation of the RTF;
4. Discharge notification requirements;
5. The Combined Sewer Overflow control program including:
 - a. North Arm Relief project with 4.8 million-gallon increase in storage;
 - b. RTF storage capacity increase of 30 million gallons to a total of 64 million gallons;
 - c. Construction of a new inlet weir and related headworks including improved treatment features;
 - d. Elimination of the Madison Heights separated storm sewer inputs from the RTF by the construction of two new parallel storm sewers;
 - e. Elimination of the two Madison Heights combined sewer overflow interceptors to the RTF by rerouting of them upstream of the new inlet weir structure;
 - f. Elimination of the Hazel Park sanitary sewer discharge to the RTF by the construction of a new Ten Mile Road interceptor;
 - g. Construction of a new de-watering pump station to facilitate the removal of flows in the early stages of a storm event by increasing discharge to the Twelve Mile Road interceptor;
 - h. Downspout Disconnection Program; and
 - i. Storm Water Input Restriction Program.
6. A December 31, 2005 deadline for the construction (started in October 2000) of the proposed improvements;
7. Commitment by the MDEQ that the proposed CSO improvements would constitute “adequate treatment” capable of meeting water quality standards which means no additional improvements of the system will be required unless a problem is uncovered and can be traced solely to the RTF or unless evidence is found as a result of the Total

- Maximum Daily Load (TMDL) review of the Red Run Drain and the Lower Clinton River Watershed; and
8. A provision that would allow this permit to be reopened by the MDEQ or the Twelve Towns communities based on technical and/or financial problems that may arise in the future.
 - George W. Kuhn Drain

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

The GWKDD approved Contract #4 on August 14, 2001 at a cost of \$79.5 million or \$6.1 million under engineering estimates. Contract #4 includes the following additions:

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

Operations and Maintenance Agreement

In February 2005, the City had a major breakthrough in efforts to secure a favorable modification to the Operation and Maintenance (O & M) Apportionment for the GWK Drain. The settlement provided the City \$3.4 million over the next five years in reduced charges and cash and an additional \$449,000 in savings annually from that point forward. The City Manager headed up the effort to have the GWK Drain Board revise the existing O & M Apportionments to reflect the implementation of the new parallel storm sewers and the rerouting of the City's storm water directly to the Red Run Drain. Key provisions of the agreement include:

1. A new O & M Apportionment adopted by the Drain District Board, which will save the City \$449,000 per year effective July 1, 2005.
2. The Drain District will credit the communities as a whole \$1 million a year for the next five years and the credits will be spread in relationship to the current apportionments (calculating the credits based on the old apportionment which benefits Madison Heights since the old rate will be dropped from 10.286% to 6.5409% with the adoption of the new apportionment). In addition, the Water Resources Commissioner reserves the right to charge the communities up to \$500,000 per year for five years based on the new O & M Apportionments to fund a capital replacement and repair reserve. Water Resources Commissioner McCulloch indicated that it may not be necessary to impose this new charge if he determines the \$18 million reserve is adequate. The net impact of the new credit and the new charge will result in a net credit on Madison Heights' bill of an additional \$70,000 over five years or \$350,000.
3. The Drain District by agreement would agree to pay Madison Heights \$850,000 to maintain the new green open space being created west from John R to the new screen building. The new facility consolidates many of the Madison Heights' soccer fields in one complex at this location including 9 soccer fields, a 230 space parking lot, a support building (including concessions, restrooms, storage and a small meeting room/office), a playground and a picnic shelter. The Drain District has agreed to fund all improvements except the playground (funded by Oakland County Parks and Recreation).
4. The City would be responsible for any future treatment of storm water that it contributes to the new parallel storm sewers to the extent of what is currently required under federal and state law. Madison Heights would also be apportioned 94.5% of the estimated \$20,000 annual cost for the O & M Apportionment for the parallel storm sewers.

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

George W. Kuhn (GWK) Improvement Project

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

- Contract No. 4 - RTF Improvements

The project was bid July 17, 2001 and awarded to Walbridge Aldinger. The project consisted of RTF Improvements including construction of a 30.7 million gallon concrete basin expansion, a 9,140 square foot Treatment Facility, modifications to existing concrete control structures, and various electrical and mechanical systems control modifications.

The project was substantially complete on December 31, 2005. Following substantial completion, issues arose over continued failures in the disinfection system. A settlement was negotiated among contractor, subcontractor and design engineer. The contract final payment was approved by the Drainage Board in February 2009 in the amount of \$83.9 million.

- Contract No. 5 - Regulator Reconstruction and Improvements

The project was bid in July of 2005 and awarded to Weiss Construction Company. The goal of this project was to remove and/or abandon several combined sewage flow regulators that had deteriorated beyond repair and were no longer functioning, and replace them with new stainless steel regulators and slide gates, as well as new level sensors and programmable logic controllers to monitor and control sewage flows.

The project was substantially complete on December 29, 2006 and final payment was made to Weiss on November 18, 2008. After all adjustments and change order, the final contract amount is \$1.2 million. The newly installed regulators and level sensors will be monitored and adjusted on a continual basis in order to optimize their effectiveness in controlling flood risks.

- Contract No. 6A - Structural Repairs and Access Gate Replacement

The project was bid in July of 2007 and awarded to Western Waterproofing. The GWK retention treatment basin was constructed in the early 1970's and was beginning to show signs of deterioration. The goal of this project was to restore the concrete inside of the GWK retention and treatment basin including resealing all of the construction and expansion joints and the replacement of the vehicle access roller gate at Dequindre Road.

The dates of substantial completion for the Structural Concrete Repairs and the Access Roller Gate were July 31, 2008 and September 30, 2008 respectively. The final contract amount is \$1.4 million.

- Contract No. 6B - Flushing System Rehabilitation

The project was bid in July of 2008 and awarded to Six-S for the amount of \$6.4 million. The contract consists of the construction of approximately 11,000 feet of 20 inch diameter ductile iron pipe, 3,000 flushing nozzle piping connections and Screening Building Water Services modifications at the Retention Treatment Facility. The date of substantial completion for the Flushing System Rehabilitation was October 15, 2009.

- Contract No. 7 - Confined Space Entry Training Facility

The project was bid in August of 2006 and awarded to Sorensen Gross Construction. This project consists of the construction of a confined space entry training facility, the grading and construction of nine youth soccer fields including the infrastructure and the construction of a building and pavilion to serve as a training/conference facility. The project was substantially complete on October 24, 2008. The final contract amount was \$1.9 million.

- Contract No. 8 - Chlorine System Rehabilitation Contract

The project was bid on February 26, 2008 and awarded to Process Piping and Equipment. The project consists of the replacement of approximately 66 inch valves and miscellaneous appurtenances in the disinfection system that were constructed in the Retention Treatment Facility by Walbridge Aldinger in Contract 4. The project was substantially completed on January 1, 2009. The final contract amount was \$508,000.

- U.S. Army Corps of Engineers Projects

- Project #1. Red Run Drain Improvements and Cross Connection Repair

This project consists of repairing the drain outfalls and selected slope stabilization along the banks of the Red Run Inter-county Drain, as well as the removal of a 48 inch storm and 60 inch combined sewer cross connection located within the GWK drainage system beneath John R Road near 12 Mile.

The project was awarded to Site Development on September 21, 2010 for an amount of \$2.2 million and completed in summer 2011.

- Project #2. Southfield No. 2 Drain CIPP Rehab and 66 inch SOCSDS Cleaning

This project consists of cleaning the Southeast Oakland County Sewage Disposal System 66 inch interceptor in order to increase the maximum flows to the DWSD system, as well as rehabilitate the 90 year old combined drains located in the Southfield No. 2 drainage system. This project was awarded to Blaze Contracting on October 15, 2010 for an amount of \$1.3 million and completed in 2011.

GWK Maintenance Fund

- The George W. Kuhn Drain Project Segments 1 - 4 and Contract 8 - Establish Maintenance Fund and Transfer Construction Surplus

On June 15, 2010, the GWK Drain Board, pursuant to Chapter 20, Act 40 of the Public Acts of 1956, determined the George W. Kuhn Drain Project was complete with net construction surplus of \$10.8 million. The Water Resources Commission's staff requested that \$7.0 million of the surplus reserve funds of the George W. Kuhn Drain Project be transferred to cover construction costs for other George W. Kuhn Drain Projects as listed:

<u>Project Name</u>	<u>Amount</u>
• GWK Segment 4	\$ 386,000
• GWK Contract 8	167,000
• GWK Contract 6A	218,000
• GWK Contract 6B with Golf Access	476,000
• SOCSDS Heavy Cleaning (ACOE Project)	147,000

Future Projects

• Southfield No. 2 Drain Rehabilitation (ACOE Project)	259,000
• Red Run E-Coli Reduction within GWKDD (ACOE Project)	307,000
• GWK RTB Entrance Weir Baffle Wall	500,000
• Remove/Replace Roof - Dequindre Booster Station	50,000
• Install additional GWK Regulator - early flow to SOCSDS	500,000
• Replace Generator - Stephenson Control Building	100,000
• Remove/Replace Driveway - Stephenson Control Building	25,000
• Install Rollup Doors and Interior Repairs - Stephenson Garage	150,000
• Southfield No. 6 Drain Rehabilitation Project	<u>963,000</u>
Total	\$7,048,000

Further, the Board determined there is a need to have funds in a maintenance fund for the inspection, repair and maintenance of the drain; and the amount needed is \$1.2 million. Finally, the Board determined, having provided sufficient funds to maintain the drain and to cover other drain projects, the remaining surplus of \$3.1, plus any additional interest earnings, be credited to the contributors (municipalities and State). Madison Heights' share of this credit will be \$115,700.

- Illicit Sewer Connection at 12 Mile and John R Road

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

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

TABLE VI
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

APPROPRIATIONS:

COLLECTION & DISTRIBUTION SYSTEMS	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL APPROP.
NON-"R" WATER MAINS								
Hampden - Andover to Service Drive	\$ 219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Alger - Andover to W. Lincoln	207	0	0	0	0	0	0	0
Tawas - Moulin to Robert	0	319	0	0	0	0	0	0
Fontaine - Rose to Dequindre	0	274	0	0	0	0	0	0
W. Brockton - John R. to Dartmouth	0	0	319	0	0	0	0	319
W. Dallas - Alger to Dartmouth	0	0	210	0	0	0	0	210
W. Woodside to DPS Spill Pad/Loop Main West of I-75	0	0	0	369	0	0	0	369
Longfellow - Garry to Browning	0	0	0	174	0	0	0	174
Garry - Longfellow to Sherry	0	0	0	394	0	0	0	394
Connie - Beverly to Alden	0	0	0	0	277	0	0	277
W. Harwood - John R to Alger	0	0	0	0	133	0	0	133
Fourteen Mile - John R to Palmer	0	0	0	0	0	205	0	205
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	164	0	164
John R - Whitcomb to Fourteen Mile	0	0	0	0	0	0	502	502
Ten Mile - Dequindre to John R	0	0	0	0	0	0	595	595
SEWER PROJECTS								
Sanitary Sewer Inspection/Rehabilitation Program	747	1,032	663	0	0	0	0	663
Sanitary Sewer Projects that result from Inspection	0	0	0	150	150	150	150	600
REPLACEMENTS								
2003 Caterpillar 4-Yard Loader #404	0	0	350	0	0	0	0	350
2003 3 Yard Loader #405	0	0	0	0	0	300	0	300
2003 Tandem Axle Dump Truck with V-box #422	0	0	220	0	0	0	0	220
2004 Chevy 3/4 Ton Pickup 4 x 4 #423	34	0	0	0	0	0	0	0
GMC Cargo Van #453	0	0	0	0	0	0	33	33
Backhoe #455	0	0	0	0	0	90	0	90
2007 Ford F250 3/4 Ton Pick-up #457	0	0	0	0	34	0	0	34
2003 GMC 4500 Van #458	30	0	0	0	0	0	0	0
Ford 3/4 Ton Pickup #460	0	0	0	0	0	33	0	33
Sewer Vactor #465	410	0	0	0	0	0	0	0
Sewer Camera Trailer #466	75	65	0	0	0	0	0	0
Dossier Fleet Management Software	0	0	27	0	0	0	0	27
Air Compressor for DPS Ajax Building	0	0	0	13	0	0	0	13
Concrete Pad inside the DPS Pole Barn	0	0	0	0	0	70	0	70
V3-4 Neptune Collector for AMR	0	0	9	9	9	9	9	45
City-wide Water Meter Replacement Program	600	2,325	1,200	0	0	0	0	1,200
FACILITIES								
DPS Salt Dome Containment Structure	90	90	0	0	0	0	0	0
Epoxy Floor Coating Ajax Building	0	0	0	23	0	0	0	23
Window Replacement of DPS Ajax Building	0	0	0	18	0	0	0	18
Replacement/Repairs to DPS Parking Lot	50	75	80	85	90	0	0	255
Underground Gasoline and Diesel Fuel Storage	17	100	200	0	0	0	0	200
HVAC Ajax	0	0	0	300	0	0	0	300
TOTALS	\$ 2,479	\$ 4,280	\$ 3,278	\$ 1,535	\$ 693	\$ 1,021	\$ 1,289	\$ 7,816
Total Projects	3	4	7	8	4	4	3	26
Total Equipment	3	2	3	2	2	4	2	13

REVENUES:

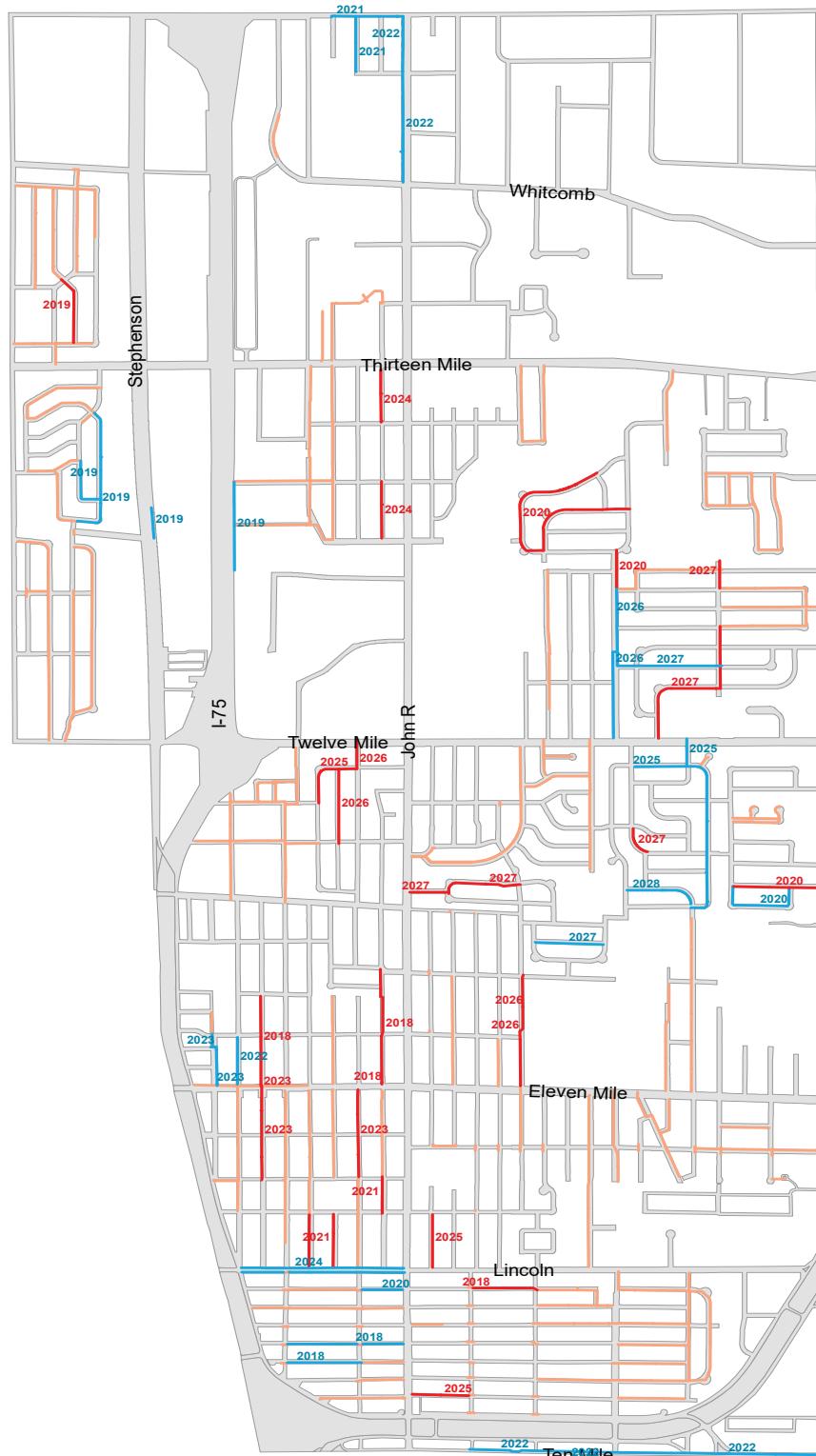
COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL / MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
WATER MAINS/METERS								
W. Brockton - John R. to Dartmouth	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	319	\$ 0	\$ 319
W. Dallas - Alger to Dartmouth	0	0	0	0	0	210	0	210
W. Woodside to DPS Spill Pad/Loop Main West of I-75	0	0	0	0	0	369	0	369
Longfellow - Garry to Browning	0	0	0	0	0	174	0	174
Garry - Longfellow to Sherry	0	0	0	0	0	394	0	394
Connie - Beverly to Alden	0	0	0	0	0	277	0	277
W. Harwood - John R to Alger	0	0	0	0	0	133	0	133
Fourteen Mile - John R to Palmer	0	0	0	0	0	205	0	205
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	164	0	164
John R - Whitcomb to Fourteen Mile	0	0	0	0	0	502	0	502
Ten Mile - Dequindre to John R	0	0	0	0	0	595	0	595
SEWER PROJECTS								
Sanitary Sewer Inspection/Rehabilitation Program	0	0	0	0	0	166	497	663
Sanitary Sewer Projects that result from Inspection	0	0	0	0	0	600	0	600
REPLACEMENTS								
2003 Caterpillar 4-Yard Loader #404	0	0	0	0	0	350	0	350
2003 3 Yard Loader #405	0	0	0	0	0	300	0	300
2003 Tandem Axle Dump Truck with V-box #422	0	0	0	0	0	220	0	220
GMC Cargo Van #453	0	0	0	0	0	33	0	33
Backhoe #455	0	0	0	0	0	90	0	90
2007 Ford F250 3/4 Ton Pick-up #457	0	0	0	0	0	34	0	34
Ford 3/4 Ton Pickup #460	0	0	0	0	0	33	0	33
Dossier Fleet Management Software	21	0	0	0	0	6	0	27
Air Compressor for DPS Ajax Building	0	0	0	0	0	13	0	13
Concrete Pad inside the DPS Pole Barn	0	0	0	0	0	70	0	70
V3-4 Neptune Collector for AMR	0	0	0	0	0	45	0	45
City-wide Water Meter Replacement Program	0	0	0	0	0	1,200	0	1,200
FACILITIES								
DPS Salt Dome Containment Structure	0	0	0	0	0	0	0	0
Epoxy Floor Coating Ajax Building	0	0	0	0	0	23	0	23
Window Replacement of DPS Ajax Building	0	0	0	0	0	18	0	18
Replacement/Repairs to DPS Parking Lot	0	0	0	0	0	255	0	255
Underground Gasoline and Diesel Fuel Storage	0	0	0	0	0	200	0	200
HVAC Ajax	0	0	0	0	0	300	0	300
TOTALS	\$ 21	\$ 0	\$ 0	\$ 0	\$ 0	7,298	\$ 497	\$ 7,816

TABLE VII

FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
 PRIORITY NON-R WATER MAIN PROJECTS
 (BASED ON CURRENT COSTS)

<u>Location Number</u>	<u>Projected Fiscal Year</u>	<u>Watermain Location</u>	<u>Length (Feet)</u>	<u>Estimated Cost (in 2017)</u>
1	2018-19	W. Brockton - John R. to Dartmouth	1,600	319,000
2	2018-19	W. Dallas - Alger to Dartmouth	1,000	210,000
3	2019-20	W. Woodside to DPS Spill Pad / Loop Main West of I-75	1,800	369,000
4	2019-20	Longfellow - Garry to Browning	850	174,250
5	2019-20	Garry - Longfellow to Sherry	1,920	393,600
6	2020-21	Connie - Beverly to Alden	1,350	276,750
7	2020-21	W. Harwood - John R to Alger	650	133,250
8	2021-22	Fourteen Mile - John R to Palmer	1,000	205,000
9	2021-22	Alger - Mandoline to Fourteen Mile	800	164,000
10	2022-23	John R - Whitcomb to Fourteen Mile	2,450	502,250
11	2022-23	Ten Mile - Dequindre to John R	2,900	594,500
12	2023-24	Hampden - 11 Mile to University	800	164,000
13	2023-24	Lenox - 11 Mile to University	800	164,000
14	2024-25	Lincoln - John R to Service Drive (2 mains)	4,600	943,000
15	2025-26	Park Ct. - 12 Mile to Darlene	2,450	502,250
16	2025-26	Ronald - Hales to Park Court	750	153,750
17	2026-27	Milton - 12 Mile to Moulin	2,500	512,500
18	2027-28	Cynthia - Rose to Milton	1,300	266,500
19	2027-28	Bernie Lane - Goldin to Rialto	950	194,750
20	2028-29	Darlene - Couzens to Park Court	1,050	215,250
		Totals	31,520	\$ 6,457,600

These costs assume a \$200-205 per linear foot cost for watermain installation including pipe, hydrants, valves, taps, hauling sand, contractual labor cost, City labor costs, and also includes landscape, ROW tree replacement, sidewalk and drive approach restoration relating to the water main installation. In addition, 20% has been included for preliminary engineering, construction inspection and contingency.



Water Distribution Network
Capital Improvement Plan
2017

City of Madison Heights, MI

- Planned R3 Projects with Water Main Improvements
- Planned Water Main Standalone Projects
- Prior Water Main Improvements (PVC Installed)

DISCLAIMER:

Estimated efforts have been made to provide the most accurate and current data available. However, errors can and do occur, and data can change. The City and County expressly disclaims any and all liability for damages resulting from the use of the data. The City and County are not responsible for any damages resulting from the use of the data. The City and County are not responsible for any damages for lost profits or lost data, other than out of the use of the data. The liability to use the data, releases the City or County from any and all responsibility for the data. Before making any decisions based on the data, please contact the appropriate City or County government for the official records.

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PUBLIC SAFETY

The 2019-23 CIP includes funding for thirteen public safety facility improvements and thirty-three pieces of equipment/vehicles. These improvements cover both Police and Fire for a total of \$1.7 million.

- Fire Station #1 and #2 Floors

The apparatus room concrete floor coating at Fire Stations #1 and #2 was installed in 2004 and has started to fail. At this time, it appears this installation was completed incorrectly. Given that it is outside the warranty period, the CIP included a replacement at both stations starting in FY 2018 with a budget of \$16,000 for Fire Station #2 and FY 2019 with \$66,000 for Fire Station #1.

- Fire Station #2 – Replacement of Overhead Doors

The overhead doors at Fire Station #2 are the original doors installed in the 1970s. The doors are in need of replacement as the current doors are rusting and require ongoing maintenance. The replacement doors will be fully glassed allowing natural light into the apparatus bay. The replacement is included in the CIP at \$52,000 in FY 2019.

- Fire Station #1 Dehumidifier and Temperature Control

Humidity issues continue to be an ongoing problem in Fire Station #1. In order to control these issues, the CIP includes in FY 2020 zone-by-zone control space temperature controls for Fire Station #1 for \$15,000 and a dedicated dehumidifier budgeted for FY 2019 at \$7,600.

- Fire Station #1 HVAC Upgrades

Recent evaluation of the Fire Station #1 heating and cooling system has revealed the current rooftop unit on the east side of the building is in good condition but will need to be replaced in 5-8 years. The CIP includes two office units at \$18,000 each in FY 2023. The radio room unit is currently running well but does get significant run time with an estimated replacement of 3 years. This has also been included in the CIP for \$12,000 in FY 2021. The rooftop units in the living quarters are in fair condition due to frequent use and failures and are suggested to be replaced in the next 3-4 years. These units are included in the CIP at \$18,000 in FY 2021 for the bunkhouse and day room units and \$21,000 in FY 2022 for the Locker Room Unit.

- Police Department - Gun Range Refurbishment

New to the CIP in FY 2019, the Gun Range refurbishment was proposed as a City Goal in FY 2018. The gun range was originally installed in 1991 and is now over 25 years old. During these 25 years there have been no range upgrades and the backstop, the ceiling baffles have deteriorated, and the computer system is unable to be updated. In addition, the carpet is contaminated by lead and only three of the five lanes are operable. Refurbishment of the gun range at the Police Department is included in the CIP in FY 2019 at \$248,000 and will allow us to train and qualify officers with their weapons as time allows on shift.

- Police Department - Padded Flooring Surface

The padded floor surfaces in the two prisoner holding areas are original to the 1991 construction and are in need of replacement. This replacement is included in the CIP at \$14,000 in FY 2019.

- Police Department - Roof Replacement

A complete roof replacement for the Police Building is included in the CIP in two phases starting in FY 2020 for a total of \$500,000.

- Underground Storage Tank Replacement

In 2015, the underground storage tanks at the Police Station required a minor repair. As a result of this effort,

the storage tanks located at the Ajax location and the Police Station were evaluated. As a result of the decommissioning of the Police Department tank, it has been determined that the Police site is best suited for the unleaded gasoline and the underground storage tanks at the Ajax location would be exclusively used for diesel fuel. The Police Station changes will be funded through the General Fund with the Ajax location being funded from the Water and Sewer Fund. The five year CIP includes phased funding of an additional \$160,000 for the Police location with \$100,000 funded through FY 2018 and an additional \$160,000 (\$80,000 per year in FY 2019 and 2020).

- Police Department - HVAC Upgrades

FY 2020 starts Phase I of III for upgrades of the HVAC system at the Police Station. The project includes a complete analysis and design/build of a new HVAC system, focusing on the elimination of the expansion of the extensive electric reheat system in favor of a hot water reheat/rooftop unit system. This building has very high energy costs due to the near constant operation of the system's electric heating components. The existing rooftop units are at the end of their useful life and need to be replaced. The total projected cost for this project is \$400,000.

- City Building and Emergency Response

After a devastating fire at the Department of Public Services building in the Spring of 2003, it became apparent that the City should consider upgrading the fire alarm systems in the City's principal buildings. At that time, all City principal buildings, with the exception of the two fire stations, had fire alarm systems; however, the systems at City Hall, Police Department, and District Court were out of service. New systems were installed and upgraded in all City buildings during the Summer of 2005.

In addition to a functioning alarm system, it would be wise to consider fire sprinkler systems. A sprinkler system can hold in, check, or extinguish a fire in its early stages, avoiding a loss as experienced at the Department of Public Services. Currently, the Police Department, the Department of Public Services, Headquarters Fire Station, Senior Center, and the Library are the buildings with a fire sprinkler system.

On August 11, 2014 the Southeast Michigan area experienced severe flooding which caused significant damage to the City Hall and Court lower levels. Both of these areas have undergone complete renovations/reconstruction. Staff took advantage of this construction to install the first phase of the City Hall sprinkler system in the lower level of City Hall in FY 2015. \$125,000 has been programmed in FY 2021 to complete the upper level of City Hall with \$75,000 budgeted in FY 2022 to complete the 43rd District Court Building.

Vehicle Replacement - Police

The five-year CIP includes replacement of twelve (12) marked patrol vehicles which now cost in excess of \$30,000 inclusive of costs for changeover lights, radio, computer, and other equipment. The plan also includes eight (8) other vehicles and two (2) motorcycles used throughout the department. Detailed vehicle information may be found in Table XIII, the Five-Year Vehicle and Equipment Replacement Plan.

Vehicle Replacement - Fire

Eight (8) pieces of equipment or vehicles are scheduled to be replaced during the CIP period, FY 2019-23. These vehicles are utilized by the Fire Department and include three pick-up trucks at approximately \$30,000 each, two ambulance rescues (\$270,000 each), full funding for one pumper truck currently budgeted at \$600,000, partial funding for a second pumper, and an aerial ladder truck current estimated at \$900,000.

The CIP also includes two generator replacements, one for each fire station.

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

TABLE VIII
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PUBLIC SAFETY
(IN THOUSANDS)

APPROPRIATIONS:

PUBLIC SAFETY	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL APPROP.
POLICE								
Next Generation 911 Telephone Answering System	139	0	0	0	0	0	0	0
Patrol Vehicles (20)	114	28	135	135	135	135	135	673
Patrol Motorcycle (2)	0	0	25	25	0	0	0	49
Police Underground Gasoline and Diesel Underground Storage	50	50	80	80	0	0	0	160
Police Padded Flooring Surface	0	0	14	0	0	0	0	14
Police Gun Range Refurbishment	0	0	248	0	0	0	0	248
Police HVAC Upgrades	0	0	0	134	133	133		400
Police Roof Replacement	0	0	0	250	250	0	0	500
FIRE								
City Bldgs. Fire Detection & Suppression Systems	0	0	0	0	125	75	0	200
Resurfacing Fire Apparatus Room Floors	0	16	66	0	0	0	0	66
Fire HVAC Upgrades	0	0	0	0	30	21	36	87
Lucas Chest Compression System (2)	0	35	0	0	0	0	0	0
Hurst E-Draulic Extrication Tools (Jaws of Life)	32	0	0	0	0	0	0	0
Upgrade Fire Engines - Basic to Advanced Life Support	0	80	0	0	0	0	0	0
Fire Station #1 - Dehumidifier	0	0	8	0	0	0	0	8
Fire Station #1 - Thermostat Controls	0	0	0	15	0	0	0	15
Fire Station #2 - Overhead Doors	0	0	52	0	0	0	0	52
Fire Station #2 Parking Lot Improvements	85	55	0	0	0	0	0	0
2003 Generator Fire Station #1 #550	0	0	0	0	70	0	0	70
2004 Generator Fire Station #2 #553	0	0	75	0	0	0	0	75
2014 GMS Sierra Truck #701	0	0	0	0	0	28	0	28
2007 Ford F350 Pickup #702	0	0	0	0	0	0	35	35
2002 Chevy Pickup 3500 #704	0	0	0	34	0	0	0	34
2011 Ambulance Rescue #710	0	0	0	0	135	135	0	270
2009 Ambulance Rescue #711	0	135	125	0	0	0	0	125
2004 Pierce Pumper #721	0	0	0	0	0	200	200	400
2002 Pierce Pumper #722	0	200	200	200	0	0	0	400
1997 Aerial Ladder Truck #730	0	0	0	0	0	0	900	900
TOTALS	\$ 420	\$ 599	\$ 1,027	\$ 872	\$ 878	\$ 727	\$ 1,306	\$ 4,809
Total Projects	1	2	5	1	3	3	1	13
Total Equipment	6	5	7	8	5	6	6	32

REVENUES:

PUBLIC SAFETY	GENERAL FUND	LOCAL/ MAJOR STREETS	OAKLAND COUNTY GRANTS	SPECIAL ASSESS	ALS/ VEHICLE MILLAGE	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
POLICE									
Patrol Vehicles (20)	438	0	0	0	101	0	135	0	673
Patrol Motorcycle	49	0	0	0	0	0	0	0	49
Police Underground Gasoline and Diesel Underground Storage	160	0	0	0	0	0	0	0	160
Police Padded Flooring Surface	14	0	0	0	0	0	0	0	14
Police Gun Range Refurbishment	248	0	0	0	0	0	0	0	248
Police HVAC Upgrades	400	0	0	0	0	0	0	0	400
Police Roof Replacement	500	0	0	0	0	0	0	0	500
FIRE									
City Bldgs. Fire Detection & Suppression Systems	200	0	0	0	0	0	0	0	200
Resurfacing Fire Apparatus Room Floors	66	0	0	0	0	0	0	0	66
Fire HVAC Upgrades	87	0	0	0	0	0	0	0	87
Fire Station #1 - Dehumidifier	8	0	0	0	0	0	0	0	8
Fire Station #1 - Thermostat Controls	15	0	0	0	0	0	0	0	15
Fires Station #2 - Overhead Doors	52	0	0	0	0	0	0	0	52
2003 Generator Fire Station #1 #550	70	0	0	0	0	0	0	0	70
2004 Generator Fire Station #2 #553	75	0	0	0	0	0	0	0	75
2014 GMS Sierra Truck #701	28	0	0	0	0	0	0	0	28
2007 Ford F350 Pickup #702	35	0	0	0	0	0	0	0	35
2002 Chevy Pickup 3500 #704	34	0	0	0	0	0	0	0	34
2011 Ambulance Rescue #710	0	0	0	0	270	0	0	0	270
2009 Ambulance Rescue #711	125	0	0	0	0	0	0	0	125
2004 Pierce Pumper #721	400	0	0	0	0	0	0	0	400
2002 Pierce Pumper #722	0	0	0	0	400	0	0	0	400
1997 Aerial Ladder Truck #730	700	0	0	0	200	0	0	0	900
TOTALS	\$ 3,704	\$ 0	\$ 0	\$ 0	\$ 971	\$ 0	\$ 135	\$ 0	\$ 4,809

TABLE IX - A
FY 2018-22 FIVE YEAR CAPITAL IMPROVEMENT PLAN
TEN YEAR V-2 VEHICLE MILLAGE PURCHASES
(IN THOUSANDS)

YEAR	VEHICLE	VEHICLE NUMBER	LAST SCHEDULED REPLACE.	REPLACEMENT COST			MILLAGE FUNDS
				POLICE/FIRE	DPS	OTHER	
2007-08	Fire Chief Vehicle	700	2008	\$ 31	\$ 0	0	\$ 31
	3/4 Ton Pick-up	457	2008	0	29	0	29
	Code Enforcement Vehicle	492	2008	0	0	13	13
2008-09	Riding Mower	373	2008	0	11	0	11
	Parks Pick-up W/Plow	484	2009	0	19	0	19
2009-10	Police Patrol Vehicle	105	2010	21	0	0	21
	Police Patrol Vehicle	109	2010	21	0	0	21
	Police Patrol Vehicle	110	2010	21	0	0	21
	Park Riding Mower	325	2010	0	10	0	10
	Senior Van	469	2009	0	22	0	22
	Water and Sewer Pickup Truck	460	2009	0	24	0	24
	Ambulance Rescue Truck	711	2009	200	0	0	200
	Spray Equipment-Dump Truck Brine Tank	--	--	0	4	0	4
2010-11	Rescue Patient Transfer Equipment	--	--	26	0	0	26
	Ambulance Rescue Truck (\$72,000 and \$25,000 prefunded in FY 2008-09 and FY 2009-10)	710	2011	205	0	0	205
	Code Enforcement Pickup Truck	483	2011	0	0	14	14
	Code Enforcement Vehicle	496	2011	0	0	15	15
	Parks Riding Mower	367	2011	0	11	0	11
	Streets Utility Maintenance Vehicle	364	2011	0	6	0	6
	Spray System-Dump Truck Brine Tank	--	--	0	4	0	4
2011-12	Animal Control Van	119	2012	28	0	0	28
	Parks Ex-Mark Mower	363	2012	0	11	0	11
2012-13	Police Patrol Vehicle	103	2006	28	0	0	28
	Police Patrol Vehicle	104	2006	28	0	0	28
	Police Patrol Vehicle Changeovers	--	--	14	0	0	14
	One Ton Dump Truck	431	2004	0	52	0	52
2013-14	Police Patrol Vehicle	110	2011	28	0	0	28
	Police Patrol Vehicle	113	2010	28	0	0	28
	Police Patrol Vehicle	114	2003	28	0	0	28
	Police Detective Bureau Vehicle	121	2002	26	0	0	26
	CDD Inspection Vehicle	494	2001	0	0	23	23
	Streets Chevrolet 3/4 Ton Pick-up	432	2002	0	34	0	34
	Police Patrol Vehicle Changeovers	--	--	17	0	0	17
2014-15	Police Patrol Vehicle	106	2011	27	0	0	27
	Police Motor Carrier Van	117	2000	27	0	0	27
	3/4 Ton Pick-Up	432	2002	0	23	0	23
	Ford Pick-Up	474	2002	0	22	0	22
	Ambulance Rescue Truck (\$190,000 and \$77,000 prefunded in FY 2010-11 and FY 2011-12) 50% Deposit	713	2005	122	0	0	122
2015-16	Police Patrol Vehicle	102	2011	28	0	0	28
	Police Patrol Explorer	111	2009	28	0	0	28
	Police Patrol Vehicle Changeover	--	--	13	0	0	13
	Chevy Blazer	700	2007	28	0	0	28
	Ambulance Rescue Truck (\$190,000 and \$77,000 prefunded in FY 2010-11 and FY 2011-12) 50% Deposit	713	2005	122	0	0	122
	Chevy 3/4 Ton Pickup	473	2004	0	33	0	33
	Tandem Axle Dump Truck	417	2004	0	220	0	220
	Chevy 3/4 Ton Pickup	420	2004	0	33	0	33
	Platform Truck	429	2004	0	170	0	170
2016-17	Police Patrol Vehicle	112	2011	29	0	0	29
	Police Patrol Vehicle	138	2003	29	0	0	29
	Police Patrol Change Over Cost	--	--	13	0	0	13
	Tandem Axle Dump Truck with V-Box	418	2003	0	220	0	220
	TOTALS			\$ 1,216	\$ 958	\$ 65	\$ 2,239

TABLE IX - B
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
TEN YEAR V-3 VEHICLE MILLAGE PURCHASES
(IN THOUSANDS)

YEAR	VEHICLE	VEHICLE NUMBER	LAST SCHEDULED REPLACE.	REPLACEMENT COST			MILLAGE FUNDS
				POLICE/FIRE	DPS	OTHER	
2017-18	2004 Pierce Pumper (Phase I of III)	722	2004	\$ 200	\$ 0	0	\$ 200
2018-19	2004 Pierce Pumper (Phase II of III)	722	2004	200	0	0	200
2019-20	2004 Pierce Pumper (Phase III of III)	722	2004	200	0	0	200
2020-21	Police Patrol Vehicle	113	2013	34	0	0	34
	Police Patrol Vehicle Changeovers	--	--	11	0	0	11
	Ambulance Rescue (Phase I of II)	710	2011	135	0	0	135
2021-22	Police Patrol Vehicle	109	2015	34	0	0	34
	Police Patrol Vehicle	110	2015	34	0	0	34
	Police Patrol Vehicle Changeovers	--	--	22	0	0	22
	Ambulance Rescue (Phase II of II)	710	2011	135	0	0	135
2022-23	Aerial Ladder Truck (Partial Funding of \$900 truck)	730	1997	200	0	0	207
2023-24	TBD			0	0	0	209
2024-25	TBD			0	0	0	211
2025-26	TBD			0	0	0	213
2026-27	TBD			0	0	0	215
	TOTALS			\$ 1,204	\$ 0	\$ 0	\$ 2,059

GENERAL GOVERNMENT AND ECONOMIC DEVELOPMENT

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

Civic Center/Citywide Projects

- HVAC Improvements

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

- Installation of City Hall Generator

During FY 2019, \$70,000 is planned to install a 150 kW natural gas generator with automatic transfer switch, sound enclosure, new gas line, electrical work, and masonry enclosure at City Hall to address power failures and emergency situations. Currently, one portable 130 kW diesel-powered generator services both City Hall and the Senior Center. This improvement will minimize downtime at City Hall in the event of a power outage and will allow the portable generator to be used at the Senior Center, which houses one of the City's backup computer systems, and which is configured for a permanent connection.

- Civic Center Plaza Parking Lot

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

- 43rd District Court

A total of \$28,000 has been programmed in FY 2019 to replace worn out courtroom seating and carpet.

- Vehicles

The Fiscal Year 2019 Goal plan, adopted by City Council March 12, 2018 includes an additional full-time Code Enforcement Officer. This will require the purchase of a field vehicle. Therefore, the budget includes \$30,000 for a field truck.

- Energy Efficiency Community Block Grant

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

technical assistance, joint purchasing, and loans for energy projects.

As stated in their Business Plan, the most important function of the Energy Office is to assist local governments in evaluating their energy use, auditing their facilities and taking action on recommended projects. The Energy Office recognizes the opportunity presented by the \$3.2 billion allocated to the Federal Energy Efficiency and Conservation Block Grant program through stimulus funding in the American Recovery and Reinvestment Act of 2009. Currently, non-entitlement communities such as Madison Heights, which are designated as communities with less than 35,000 in population and counties with less than 200,000 in population, are not eligible to receive funding directly from the federal government, but rather have to compete nationally for up to \$900 million in grants from the states and smaller competitive Department of Energy grants to fund energy efficiency and renewable energy efforts. The Energy Office assists the City with securing funds for energy efficiency and renewable energy projects by ensuring the timely and complete filing of grant applications for energy projects on behalf of the City and providing direct technical assistance to the City in identifying and designing competitive proposals. Thereafter, the Energy Office will ensure that the reporting, accountability and transparency requirements are met for the grant, so that City staff are not overburdened.

As a non-profit corporation operating under the Michigan Suburbs Alliance, the Energy Office is governed by a Board of Directors comprised of representatives of the member governmental units, an Executive Committee of governmental and non-profit representatives, and Technical Advisory Committees made up of professionals and experts from the energy industry. To join the consortium, larger, direct-entitlement communities are required to contribute the lesser of 10% of the block grant allocation or \$250,000. Non-entitlement communities such as Madison Heights are asked to refund the value of any grants secured for them through the Energy Office to support the Office, based on an annual “simple payback” of 80% of the energy cost savings realized that year. After the grant amount is repaid, ongoing energy savings associated during the life of the project would be realized solely by the City. The Energy Office requires only an 80% payback so that the municipality can realize a portion of the savings (20%) immediately.

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

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

*An additional project, the City Hall west entry door replacement, was eliminated to allow funding of the other projects.

The first project, lighting replacements at Rosie's & Huffman Park ballfields, was completed in the spring of 2010 after soliciting and receiving quotes from vendors. The second project, the air conditioning unit for the Information Technology server room, was approved by Council at the Regular Meeting of September 18, 2010 and is completed. The third project, City Hall façade improvement, was approved by Council at the Regular Meeting of November 22, 2010, and work is completed.

- Michigan Public Service Commission (MPSC) Grant

On March 1, 2011, the Southeast Michigan Regional Energy Office awarded the City a grant to continue a second phase of energy-related improvement projects. The City assessed and analyzed additional energy efficiency opportunities in major City-owned buildings that had not been previously identified prior to application submittal. By doing this, the City proved the return of investment was high and projects were "shovel ready" which scored high on two heavily weighted categories. In fact, the Energy Office set up a 100 point scoring criteria against which the City received the highest score of 82 points of all 17 applicants. Energy Sciences provided energy assessment services and also assisted the City in preparing the grant application.

The City is focusing on energy efficiency measures that provide the maximum energy savings and best return on investment. The funding will be used to implement lighting efficiency upgrades, HVAC optimization and technical energy analysis. The projects were completed in a 120 day timeframe with a payback to the City of about 3 years.

Lighting efficiency upgrades included interior and exterior lighting retrofits, replacements and occupancy sensors that will provide energy savings and standardize lighting throughout all City buildings minimizing the number of lighting replacement components. The lighting upgrades were implemented in City Hall, 43rd District Court, Library, Fire Stations, DPS, Nature Center and the RV & Impound lots.

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

Having finished the EECBG grant projects, which were our "Phase One" of building energy improvements, the MPSC grant was perfectly timed to allow us to begin the next phase of work. The City is very pleased that this Grant award has allowed the City to get one step closer to meeting its 25% energy reduction goal by 2015. Staff projects energy reductions of over 200,000 kWh and 660 MCF of natural gas as a result of this project.

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

The project cost breakdown and grant allocation are as follows:

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

*Fire Stations Bond

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

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

In FY 2015, the City continued its energy efficiency program with the planned conversion of all mercury vapor streetlights (376) to LED technology. The project required a one-time investment of \$118,000 in FY 2014-15, and following a two-year payback period the City expects to save approximately \$40,000 annually in energy costs.

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

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

2010 including \$474,000 in outside funding.

Information Technology (IT)

In June 2014, the City and consultant Plante Moran completed the IT Assessment & Strategic Plan, which resulted in the outsourcing of the IT function, as of January 2015. As part of this plan, the contractor has assessed the City's IT systems with the most critical needs included in this capital plan and detailed below:

- IT Strategic Plan Upgrades

In FY 2020, staff is recommending a budget of \$75,000 and each year thereafter for a total of four years to implement the changes that are being proposed by our new provider. In FY 2019, the IT changes do not reach the threshold for inclusion in the capital plan.

- City-Wide Microcomputer Replacements

In recent years, the financial crisis has compelled the City to suspend cycled replacements of our microcomputers. As part of this year's Capital Improvement Plan, we are recommending the continued updating of computers on a five-year rotating schedule as outlined in the Table XII (Computer Replacement Plan). In FY 2018, replacements for 20 computers are scheduled for a total of \$20,000, with \$20,000 planned each year thereafter for computer replacements.

Library

- Library Carpet Replacement

The existing library carpeting was installed in 2007 as part of the library improvement project, making it over ten years old. Its age is clearly showing, and cleaning has done little to improve its appearance, reflecting negatively on the appearance of the building. New quality carpet is needed to withstand the high traffic the building sees, and to improve building aesthetics. A total of \$47,500 is included in FY 2019 for an estimated 9,500 square feet at \$5.00 per square foot, which includes base molding.

- Lighting Replacement – Fluorescent to LED

The City plans to continue its energy efficiency program as detailed in the Civic Center/CIP section. Given the nature of activity, library lights in the general areas of the building when on, are on all of the time. Unlike most City buildings, the Library does not have motion sensors in these parts of the building. Funding of \$6,500 is included to convert the existing fluorescent lighting fixtures throughout the building to direct-wire LED tubes and recognize significant energy savings.

- Breckenridge Room - Room Darkening Blinds/Window Treatments

Room darkening blinds were installed in the Breckenridge Room with the introduction of movie programs, especially those screened during the summer months. Maintenance has become necessary on a routine basis, and it is time to replace the existing blinds with something of a better quality. Many of the fabric strips which serve as the existing regular window treatments often need to be rehung. Funding of \$7,500 has been included to address these concerns.

Economic Development

- Downtown Development Authority

In June 1997, the Madison Heights City Council adopted Ordinance 948 that created the Madison Heights Downtown Development Authority (DDA), pursuant to Act 197 of Public Acts of 1975 of the State of

Michigan. A thirteen member DDA Board was appointed to represent the City's south commercial district business interests. The City Council also designated the boundaries (see map) of the downtown district within which the Authority may legally operate. This DDA District boundary was amended in the spring of 1998 to include seven additional lots at the northwest and southeast corners of John R and Eleven Mile Roads.

Since its formation, the DDA has scheduled and conducted regular public meetings to establish the procedures under which it operates, to discuss Business District issues, priorities and objectives to be addressed, to consider initial program strategies and approaches to downtown development, and to review ongoing and planned public and private development projects within the Business District.

The DDA concentrates its efforts to correct and prevent stagnation and/or deterioration within the existing business district, to eliminate blighting influences, and to undertake projects which will encourage businesses to remain or locate, and people to shop in the District. The DDA focuses on the identification and implementation of public improvements to enhance the areas that are needed to strengthen the quality of the District. Attention to maintenance, property upkeep, code enforcement and regular reinvestment in public features is essential. In addition, the DDA develops programs to solicit commitment and investment from business owners to make improvements on private property that serve the public purpose of enhancing the District.

In March 1998, the Tax Increment Financing and Development Plan was adopted by City Council to establish the legal basis and procedure for the capture and expenditure of tax increment revenues in accordance with Public Act 197 of 1975 as amended, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

The Adopted FY 2017 City Goal Plan includes Goal "L" to "review and update the Downtown Development Authority's Tax Increment Financing and Development Plan, which expires in December 2017, to guide the continued development of the downtown development district." This project will be completed utilizing in-house resources and personnel. In September of 2016, the DDA Board and City Council held a Joint Town Hall meeting to solicit input from stakeholders and the public. Following the Town Hall meeting, the DDA completed an online public survey for additional feedback. The DDA Board approved the TIF plan and City Council adopted it on November 27, 2017.

The 20 year Tax Increment Finance (TIF) Plan included the planned DDA programs and associated expenditures. These program areas will form the basis for annual appropriation requests by the DDA through the Annual CIP and budget process and include the projects listed below:

Downtown Development Planned Expenditures

Description	Total Project Cost	Fiscal Year(s)
<u>Marketing/Branding</u>		
Streetscape Improvements & Permanent ID Elements	\$59,100	2018-2038, 20 yrs
11 Mile and John R Center	\$10,000	2018-2020, 3 yrs.
Dedicated Website/Social Media Site for DDA Businesses	\$3,000	2018, 1 yr.
Bike Rack Program	\$1,500	2018, 1 yr.
	\$73,600	
<u>Beautification</u>		
Façade Improvement Program	\$100,000	2018-2038, 20 yrs.
Plant Trees in the ROW	\$60,000	2018-2038, 20 yrs.
Proactive Code Enforcement	\$119,000	2018-2038, 20 yrs.
Acquisition/demolition of DDA Parcels	\$138,500	2021-2038, 18 yrs.
Sign Grant Program	\$50,000	2018-2038, 20 yrs.
	\$467,500	
<u>Maintenance</u>		
Right of Way Grass Cutting	\$189,000	2018-2038, 20 yrs.
Clock Tower at 11 Mile and John R	\$35,000	2019, 7 yrs.
Right of Way Weed Application/trash pick-up in greenbelt	\$49,000	2018-2038, 20 yrs.
Trash Receptacles	\$89,000	2018-2038, 20 yrs.
Other Right of Way Improvements	\$124,000	2018-2038, 20 yrs.
Traffic Calming Study	\$0	
	\$486,000	
<u>Events</u>		
Farmer's Market	\$53,000	2018-2038, 20 yrs.
Art Challenge/Taste Festival	\$26,000	2018-2038, 20 yrs.
Block Parties	\$10,000	2018-2038, 20 yrs.
Food Truck Rally	\$5,000	2018-2038, 20 yrs.
Fire Station # 2 Open House	\$5,000	2018-2038, 20 yrs.
Joint Homecoming Event	\$2,000	2018-2038, 20 yrs.
DDA Scavenger Hunt	\$2,000	2018-2019, 2 yrs.
	\$103,000	

TABLE X
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT
(IN THOUSANDS)

APPROPRIATIONS:

GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL APPROP.
43RD DISTRICT COURT								
Courtroom Seating	\$ 0	\$ 0	\$ 22	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22
Carpet	0	0	6	0	0	0	0	6
CIVIC CENTER / CITY WIDE								
HVAC Improvements	0	0	0	0	200	0	0	200
City Hall On-Site Generator	0	0	75	0	0	0	0	75
City Hall Gazebo	0	0	6	0	0	0	0	6
Civic Center Parking Lot	0	0	0	110	110	110	0	330
Election Tabulating Equipment	0	120	0	0	0	0	0	0
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	19	20	20	20	20	20	20	100
Phone System Upgrades	130	0	0	0	0	0	0	0
Phone Switches	60	0	0	0	0	0	0	0
IT Strategic Projects	0	0	0	75	75	75	75	300
COMMUNITY DEVELOPMENT								
Vehicle #495	0	0	30	0	0	0	0	30
LIBRARY								
Library Carpet Replacement	0	0	48	0	0	0	0	48
Lighting Upgrade - Fluorescent to LED	0	0	7	0	0	0	0	7
Breckenridge Room - Room Darkening Blinds/Window Treatments	0	0	8	0	0	0	0	8
TOTALS	\$ 209	\$ 140	\$ 222	\$ 205	\$ 405	\$ 205	\$ 95	\$ 1,132
Total Projects	3	0	6	1	2	2	1	12
Total Equipment	19	36	22	20	20	20	20	102

REVENUES:

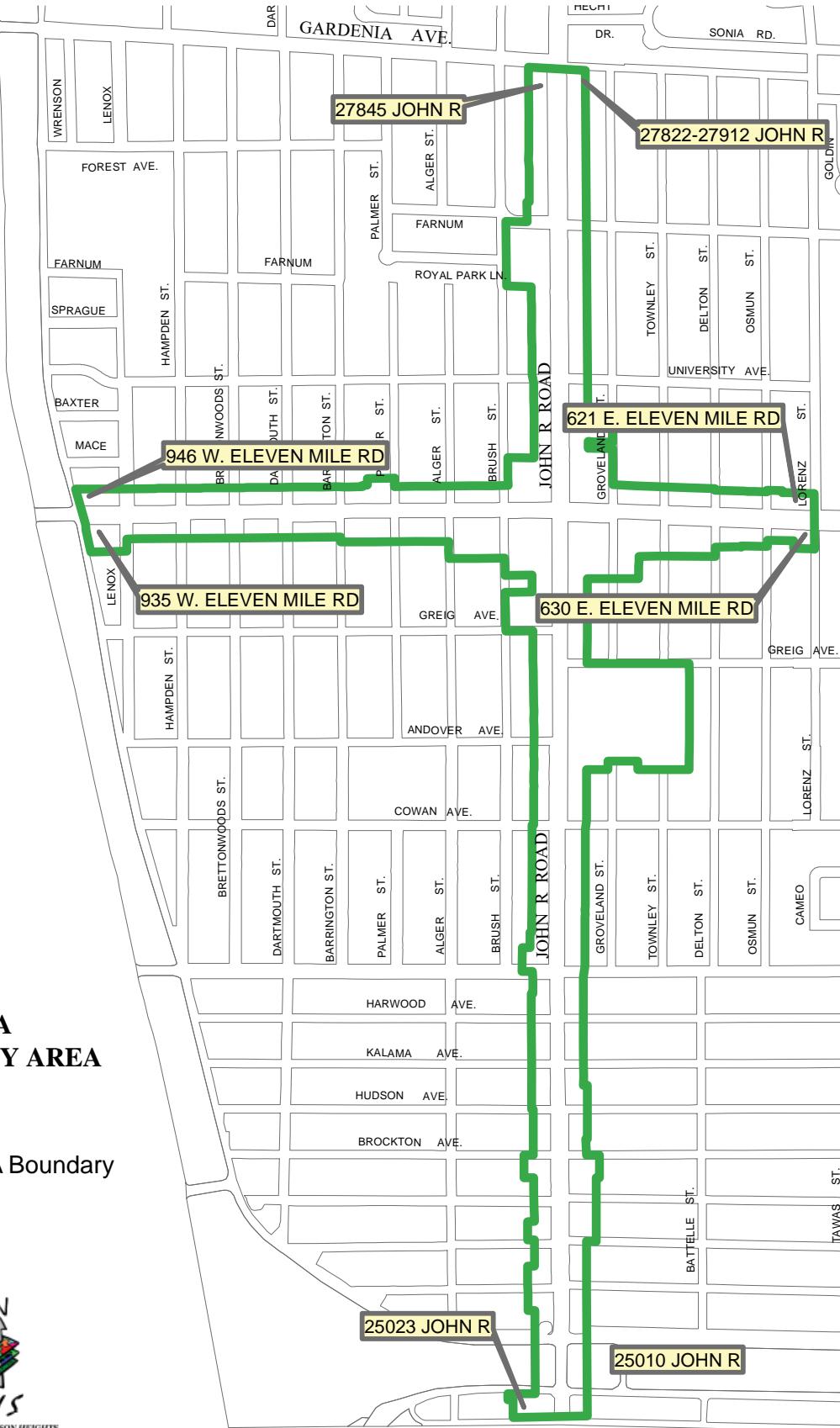
GENERAL GOVERNMENT & ECONOMIC DEV.	GENERAL FUND	LOCAL/ MAJOR STREETS	CDBG	SPECIAL ASSESS.	LIBRARY	WATER & SEWER	DOWNTOWN DEVELO. AUTHORITY	OTHER REVENUES	TOTAL REVENUES
43RD DISTRICT COURT									
Courtroom Seating	\$ 22	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22
Carpet	6	0	0	0	0	0	0	0	6
CIVIC CENTER / CITY WIDE									
HVAC Improvements	200	0	0	0	0	0	0	0	200
City Hall On-Site Generator	75	0	0	0	0	0	0	0	75
City Hall Gazebo	6	0	0	0	0	0	0	0	6
Civic Center Parking Lot	330	0	0	0	0	0	0	0	330
INFORMATION TECHNOLOGY									
City Wide Microcomputer Replacements	89	0	0	0	6	5	0	0	100
IT Strategic Projects	225	0	0	0	0	75	0	0	300
COMMUNITY DEVELOPMENT									
Vehicle #495	30	0	0	0	0	0	0	0	30
LIBRARY									
Library Carpet Repalcement	48	0	0	0	0	0	0	0	48
Lighting Upgrade - Fluorescent to LED	7	0	0	0	0	0	0	0	7
Breckenridge Room - Room Darkening Blinds/Window Treatments	8	0	0	0	0	0	0	0	8
TOTALS	\$ 1,046	\$ 0	\$ 0	\$ 0	\$ 6	\$ 80	\$ 0	\$ 0	\$ 1,132

**DDA
BOUNDARY AREA**

 DDA Boundary



CITY OF MADISON HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
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LEISURE AND HUMAN SERVICES

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

Parks and Recreation Improvements

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

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

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

In exchange for the use of our property for the next 25 years, the City will receive the following: \$1 annual rent, plus; year-round programming services including personnel, contractors and supplies; majority of maintenance expense; majority of capital improvement expenditures; and annual utility costs above the current City budget, plus a small inflation factor. OCPR is obligated, and is currently planning to fund the first \$5,000 of all capital and maintenance project expenses plus 50 percent of the amounts above the first \$5,000 in major maintenance and capital improvement projects. The City has identified several items that are projected to be scheduled over the next six years. City and OCPR Staff have discussed and are working together to project a list of long-term capital improvements and major maintenance projects. Items that have been discussed and will potentially be scheduled over the next five years from FY 2019-23 include:

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

- Other Parks Projects

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

<u>Other Park Projects</u>	<u>Total Project Cost</u>	<u>Fiscal Year(s)</u>
a. Civic and Ambassador Park Trail Overlay	70,000	Completed 2017
b. Resurfacing of Parking Lot at Ambassador Park	75,000	To be completed 2018
c. Wildwood Park Playground Replacement	125,000	To be completed 2018
d. Edison Park – Playscape Replacement	125,000	2019
e. Ambassador Park – Tennis Court Rehabilitation	25,000	2020
f. Civic Center Park – Totscape/Swings	50,000	2020
g. Resurface Gardenia Parking Lot at Rosie's Park	75,000	2021
h. Walk/Bike Path Construction	583,000	2022 and 2023
i. Replace Backstop/Fencing at Huffman Park	35,000	2019
j. Huffman Park Shelter Building Furnace	8,000	2019
k. Huffman Park - Irrigation System for Football Field	9,000	2021
l. Rosie's Park – Parking Lot	75,000	2022
m. Rosie's Park – Irrigation System for Soccer Field	10,000	2022
n. Rosie's Park Pavilion	50,000	2021
o. Sherry Park – Fence Replacement	20,000	2021
p. Skate Park Redevelopment at Civic Park	35,000	To Be Determined
q. Replace Backstops at Greenleaf Park	30,000	To Be Determined
r. Add Pavilion at Huffman Park	30,000	To Be Determined
s. Replace Swings/Soft Fall Surfacing at 12/Sherry Park	30,000	To Be Determined
t. Red Oaks Soccer Parking Lot Repaving	<u>150,000</u>	To Be Determined
	Subtotal	\$1,610,000

- Walking and Bike Trails

A high-priority recreational item in Madison Heights is the development of a bike trail system. In the future, the proposed trails will connect with trails developed by Oakland County and Macomb County. The bike path is proposed to run along the George W. Kuhn Drain and the east side of I-75, as part of the I-75 widening project. A sidewalk section in the road right-of-way between Woodside and Hiller Elementary on Delton was constructed in 2008 at a cost of \$35,000 as part of the City's Sidewalk Program and Gap Repair Plan. In December 2010, the Oakland County Parks and Recreation was awarded a \$308,000 development grant for natural area accessibility improvements by the Michigan Natural Resources Trust Fund Board of Trustees. The grant will fund construction of boardwalks, wildlife viewing platforms and floating fishing piers at Highland Oaks, Lyon Oaks, Red Oaks and Rose Oaks county parks.

At Red Oaks County Park, a new boardwalk path will help overcome challenges of a narrow park site while preserving and enhancing the value of Red Oaks as an urban natural area connecting Dequindre to 13 Mile on the south side of the dog park and water park, and to the nature center as well. The project was reviewed during the development of the City's 2015-19 Recreation Master Plan and was completed in May 2015. The CIP includes additional funding in FY 2022 and 2023 based on the \$583,000 budget split between the Michigan Natural Resource Trust Fund (\$100,000) and Oakland County Parks and Recreation (\$79,000) to construct additional Walking/Bike Path Improvements in Madison Heights.

Senior Center Improvements

The most recent Capital Improvement Plan project completed was the creation of the new access from the rear parking lot of the Senior Center through the SOCRRA drive to a safe signalized intersection on John R. The Department of Public Services has requested the southern entrance to the Center be closed to further enhance public safety. The future traffic plan for the Senior Center and John R/Dartmouth intersection calls for the closure of the south Senior Center Driveway - now restricted to right turn in/right turn out - and the re-routing of all traffic to and from the Center to the shared SOCRRA driveway, to improve traffic flow in the area.

This FY 2022 project would include removal of the signage and “pork chop” island, removal of the asphalt from John R to the circular Senior Center entryway, curbing along John R, extension of the sprinkler lines and heads, sod, and new asphalt and asphalt curb to close off and complete the circular drive at the front entrance of the Center. This is programmed at \$100,000. Three facility improvements are also included in the CIP for FY 2019-2022. These include:

- Repaving of Senior Center Parking Lot, Driveway and Walking Path

Staff has proposed to perform parking lot and trail improvements in conjunction with the aforementioned project as a means to perform all construction in one year. Although the Senior Center parking lot and walking path have been maintained over the years, they are currently in fair to poor condition. Due to established positive drainage, this pavement is a candidate for pulverization and repaving, as opposed to a complete removal, which would cost significantly more. Due to the cost involved, this project is being budgeted in two phases starting in FY 2022 for \$135,000 per year for a total cost of \$270,000.

- Replacement of the Senior Center Pavilion

The Senior Center pavilion is suffering from advanced wood rot in the stained paneling which makes up its roof and fascia. While the wood is damaged beyond a simple repair, and requires a complete replacement, the laminated arched beams and metal support posts of the pavilion are still structurally sound, warranting a refurbishment/rehabilitation, as opposed to a total replacement of the structure. This pavilion is used throughout the year by Senior Center patrons for class-related activities, residents of the City, and other members of the public from surrounding schools and businesses. This area has often been used and enjoyed as a mini-park in many instances. This replacement is scheduled in FY 2019 at a cost of \$25,000.

- Rehabilitation of the Senior Center Activity Rooms D and E

The existing wall partition dividing Rooms D and E of the Senior Center is aged and extremely difficult to operate. With a greater number of programs being offered at the Senior Center, the ability to separate rooms on a routine basis has become necessary. Therefore the removal of the existing system, installation of a new wall system and replacement of the drop ceiling and general drywall repair and painting is being included in the CIP for FY 2020 at \$20,000.

- Vehicle Replacements

Three vehicles are included in the CIP for replacement for Senior Center activities. In FY 2020, the Capital Improvement Plan includes the replacement of a 25-passenger bus (\$70,000); FY 2021 includes the replacement of a senior transportation van (\$32,000), and FY 2022 includes one larger 40 passenger bus for out-of-town trips (\$200,000).

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

TABLE XI
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
LEISURE & HUMAN SERVICES
(IN THOUSANDS)

APPROPRIATIONS:

LEISURE & HUMAN SERVICES	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	TOTAL APPROP.
PARK PROJECTS								
Civic and Ambassador Park Trail Overlay	\$ 70	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	50	75	0	0	0	0	0	0
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	0	50	0	0	0	50
Ambassador Park Asphalt Pavement & Parking Lot	0	75	0	0	0	0	0	0
Ambassador Park - Tennis Court Rehabilitation	0	0	0	25	0	0	0	25
Friendship Woods - Nature Center Roof	0	54	0	0	0	0	0	0
Walk/Bike Path Construction	0	0	0	0	0	291	292	583
Edison Park - Playscape Replacements	0	0	125	0	0	0	0	125
Huffman Park - Backstop Fence	0	0	35	0	0	0	0	35
Huffman Park - Shelter Building Furnace	0	0	0	8	0	0	0	8
Huffman Park - Irrigation system for Football Field	0	0	0	0	9	0	0	9
Rosie's Park - Gardenia Parking Lot	0	0	0	0	0	75	0	75
Rosie's Park - Irrigation system for Soccer Field	0	0	0	0	0	10	0	10
Rosie's Park - Pavilion	0	0	0	0	50	0	0	50
Sherry Park - Fence Replacement	0	0	0	0	20	0	0	20
Friendship Woods - HVAC System	0	0	50	100	0	0	0	150
SENIORS/SENIOR CENTER								
2003 25 Passenger Bus #443	0	0	0	70	0	0	0	70
2002 Blue Bird Bus #471	0	0	0	0	0	200	0	200
2010 Senior Van #469	0	0	0	0	32	0	0	32
Pavilion Rehabilitation	0	0	25	0	0	0	0	25
Rehabilitation of Senior Center Activity Rooms D and E	0	0	0	20	0	0	0	20
Repaving of Senior Center Parking lot, Driveway and Walking Path	0	0	0	0	0	135	135	270
Close South Senior Center Driveway	0	0	0	0	0	100	0	100
TOTALS	\$ 120	\$ 204	\$ 235	\$ 273	\$ 111	\$ 811	\$ 427	\$ 1,857
Total Projects	1	3	3	5	3	3	2	16
Total Equipment	0	0	0	1	1	1	0	3

REVENUES:

LEISURE & HUMAN SERVICES	GENERAL FUND	LOCAL / MAJOR STREETS	VEHICLE MILLAGE	SPECIAL ASSESS.	WATER & SEWER	OAKLAND COUNTY PARKS	OTHER REVENUES	TOTAL REVENUES
PARK PROJECTS								
Civic and Ambassador Park Trail Overlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	0	0	0	0	0	0	0	0
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	0	0	0	0	50	50
Ambassador Park Asphalt Pavement & Parking Lot	0	0	0	0	0	0	0	0
Ambassador Park - Tennis Court Rehabilitation	25	0	0	0	0	0	0	25
Friendship Woods - Nature Center Roof	0	0	0	0	0	0	0	0
Walk/Bike Path Construction	292	0	0	0	0	0	291	583
Edison Park - Playscape Replacements	50	0	0	0	0	75	0	125
Huffman Park - Backstop Fence	35	0	0	0	0	0	0	35
Huffman Park - Shelter Building Furnace	8	0	0	0	0	0	0	8
Huffman Park - Irrigation system for Football Field	9	0	0	0	0	0	0	9
Rosie's Park - Gardenia Parking Lot	75	0	0	0	0	0	0	75
Rosie's Park - Irrigation system for Soccer Field	10	0	0	0	0	0	0	10
Rosie's Park - Pavilion	50	0	0	0	0	0	0	50
Sherry Park - Fence Replacement	20	0	0	0	0	0	0	20
Friendship Woods - HVAC system	73	0	0	0	0	78	0	150
SENIORS / SENIOR CENTER								
2003 25 Passenger Bus #443	70	0	0	0	0	0	0	70
2010 Senior Van #469	32	0	0	0	0	0	0	32
2002 Blue Bird Bus #471	0	0	0	0	0	0	200	200
Rehabilitation of Senior Center Activity Rooms D and E	20	0	0	0	0	0	0	20
Repaving of Senior Center Parking lot, Driveway and Walking Path	270	0	0	0	0	0	0	270
Close South Senior Center Driveway	100	0	0	0	0	0	0	100
Pavilion Rehabilitation	25	0	0	0	0	0	0	25
TOTALS	\$ 1,163	\$ 0	\$ 0	\$ 0	\$ 0	\$ 153	\$ 541	\$ 1,857

TABLE XII
FY 2019-2023 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
City Council	Council	B5021051	Duo Core	2008	R				
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Council	Home-Laptop	UNTAGGED	i5	2018					
City Manager	Exec Assistant	1227	i5	2015			N		
City Manager	City Manager	1051	i7	2013				N	
HR	HR Manager	1184	i5	2015			N		
HR	HR Assistant	1226	i5	2016			N		
HR	Social Media	1195	i5	2016				N	
City Clerk	Director	1183	i5	2015		N			
City Clerk	Election/Communicaton Coord.	1161	i5	2015			N		
City Clerk	Part Time	1029	i5	2013		R			
City Clerk	Counter	5656558	Pentium	2006					
City Clerk	Election Laptop	1165	i3	2013					
City Clerk	Election Laptop	1166	i3	2013					
City Clerk	Election Laptop	1167	i3	2013					
City Clerk	Election Laptop	1168	i3	2013					
City Clerk	Election Laptop	1169	i3	2013					
City Clerk	Election Laptop	1170	i3	2013					
City Clerk	Election Laptop	1171	i3	2013					
City Clerk	Election Laptop	1172	i3	2013					
City Clerk	Election Laptop	1174	i3	2013					
City Clerk	Election Laptop	1177	i3	2013					
City Clerk	Election Laptop	1179	i3	2013					
City Clerk	Election Laptop	UNTAGGED	i5	2017			N		
City Clerk	Election Laptop	1232	i5	2017			N		
City Clerk	Election Laptop	1231	i5	2017			N		
City Clerk	Election Laptop	1230	i5	2017			N		
City Clerk	Election Laptop	1229	i5	2017			N		
City Clerk	Election Laptop	1228	i3	2017			N		
City Clerk	Election Laptop	1173	i5	2016			N		
City Clerk	Election Laptop	1175	i5	2016			N		
City Clerk	Election Laptop	1176	i5	2016			N		
City Clerk	Election Laptop	1178	i5	2016			N		
City Clerk	Election Laptop	1180	i5	2016			N		
City Clerk	Election Laptop	1181	i5	2016			N		
City Clerk	Election Tablet	1162		2016			N		
City Clerk	Election Tablet	1163		2016			N		
City Clerk	Election Tablet	1164		2016			N		
Purchasing	Cable	1185	i5	2016			N		
Finance	Counter/Register	1036	Core2	2011			N		
Finance	Deputy City Manager	1245	i5	2015			N		
Finance	Deputy Finance Director/Treasurer	1146	i5	2015			N		
Finance	Accountant	1145	i5	2015			N		
Finance	Administrative Secretary	1192	i5	2015			N		
Finance	Fiscal Assistant II	1141	i5	2015			N		
Finance	Fiscal Assistant II	1143	i5	2015			N		
Finance	Temp	1081	i5	2012					
Finance	Fiscal Assistant II	1144	i5	2015			N		
Information Tech	Laptop City Spare #2	1199	i5	2015					
Information Tech	Laptop - Spare	1188	i7	2013					
Information Tech	Financial Server/AMR								
Information Tech	File Server - Active Directory								
Information Tech	Imaging File Server								

N=NEW

R=ROTATED

NHD - New Hard Drive

TABLE XII
FY 2019-2023 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Information Tech	File Server - Active Directory								
CDD	GIS Server			2016					
Police	Training Officer	1154	i5	2016			NHD		
Police	Special Investigations	1080 (1155)	i5	2016			NHD		
Police	Special Investigations	1079	Pentium	2013				NHD	N
Police	Station Officer	1213	i5	2017			NHD		
Police	DB Office Ass't II	1198	i5	2016			NHD		
Police	DB Lieutenant	1239	i5	2017					N
Police	K9	1209	i5	2017			NHD		
Police	DB Open	1069	i5	2014					
Police	DB Sergeant	1234	i5	2017		N			
Police	DB Officer	1071	i5	2012		N			
Police	DB Officer	1072	i5	2012		N			
Police	DB Officer	1073	i5	2012		N			
Police	Info. System Specialist	1152	i5	2016			NHD		
Police	DB Officer	1249	i5	2016			N		
Police	Records Office Ass't II	1241	i5	2014			N		
Police	1ST Shift Lieutenant	1085	i5	2013			N		
Police	2ND Shift Lieutenant	1063	i5	2013			N		
Police	3RD Shift Lieutenant	1062	i5	2013			N		
Police	Laptop/Training	UNTAGGED	i5	2013			N		
Police	Dispatch Front Desk	1087	i5	2014					
Police	Deputy Chief	1212	i5	2017				N	
Police	Youth Bureau	1076	i5	2014			NHD		
Police	Records	1197	i5	2016			NHD		
Police	Conference Room	DISPO	Pentium	2005	NHD				
Police	Admin. Secretary	1233	i5	2016			N		
Police	Chief	1240	i5	2016			N		
Police	Gun Registration	1061	i5	2013					N
Police	Dispatch NWS	DISPO	Pentium	2005		R			
Police	Reserves	1205	i5	2017				R	
Police	Reserves SGT's Office	1079	i5	2013		R			
Police	Reserves	DISPO	Pentium	1997		R			
Police	Vehicles (14 Computers)	UNTAGGED	i5	2013	N				
Police	Animal Control Desktop	1002	i5	2013					N
Fire	Fire Marshal	1090	i5	2013	N				
Fire	Station #1 Watch Desk 1	1215	i5	2017					N
Fire	Station #1 Watch Desk 2	1216	i5	2017					
Fire	Station #2 Watch Desk	1120	i5	2012					N
Fire	Station #2 Watch Desk 2	1218	i5	2017					
Fire	Secretary	1114	i5	2015			N		
Fire	Lietenant's Office	1094	i5	2014			N		
Fire	Training Room	1048	i5	2013					
Fire	Sergeant's Office	1191	i5	2013			N		
Fire	Chief	1217	i5	2017			NHD	N	
Fire	CAD display	1095	i5	2013					
Fire	Fire Tablet	UNTAGGED	i5	2012		N			
Fire	Fire Tablet	UNTAGGED	i5	2012		N			
Fire	Fire Tablet	UNTAGGED	i5	2012		N			
Fire	Fire Tablet	UNTAGGED	i5	2012				NHD	
Fire	Fire Tablet	UNTAGGED	i5	2017				NHD	
Fire	Fire Tablet	UNTAGGED	i5	2017				NHD	

N=NEW

R=ROTATED

NHD - New Hard Drive

TABLE XII
FY 2019-2023 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
CDD	Director – Laptop	1151	i5	2015					
CDD	Office Ass't II	1214	i5	2017				N	
CDD	Admin. Secretary	1211	i5	2017				N	
CDD	Counter	1067	i5	2013	R				
CDD	Counter	1023	i5	2013	R				
CDD	Microfiche	1019	Duo Core	2008					
CDD	Imaging	1036	Core2	2008		N			
CDD	GIS Technician Desktop	1242	i7	2017					N
CDD	Elec. Insp Desktop	1013	i5	2013	N				
CDD	Elec. Insp. Laptop	1186	i5	2016				N	
CDD	Building Offical	1016	i5	2013					N
CDD	Mechanical Inspector Desktop	1012	i5	2013	N				
CDD	Contract Inspector Laptop	1155	i5	2016			N		
CDD	Code Enforce Laptop	1246	i5	2016			N		
CDD	C. E. Field Laptop	1157	i5	2016			N		
CDD	Econ. Dev. Coord.	1149	i5	2015			N		
CDD	Econ. Dev. Coord. Ipad	UNTAGGED	iPad	2015					
DPS-Bldg. Maint.	Analyst	1140	i5	2015		N			
DPS	DPW Supervisor	1121	i5	2015	N				
DPS-Streets	Admin. Secretary - laptop	1159	i5	2015					N
DPS-Assistant	Assistant	1160	i5	2013	N				
DPS-Recreation	Recreation Coord.	1044	i5	2013				N	
DPS-Streets	Streets Supervisor	1219	i5	2017					N
DPS-Streets	Streets Leader	1187	i5	2015		N			
W/S Administration	Water Service Laptop 1	UNTAGGED	i5	2015			N		
W/S Administration	Water Service Laptop 2	1243	i5	2017					
W/S Administration	Water Service Laptop 3	1100	i5	2013			N		
W/S Administration	Water Service Desk	1153	i5	2017					
W/S Administration	Water Leader	1156	i5	2013			N		
W/S Administration	Utility Trailer	1243	i7	2017					
DPS-Sign Shop	Sign Shop	1102	i5	2014			N		
DPS-Sign Shop	Sign Shop	1045	i5	2014					N
Motor Pool	Laptop	1189	i5	2016					
Motor Pool	Supervisor	1104	i5	2013		N			R
Motor Pool	Parts	1115	i5	2015					N
DPS - Water	SAW Grant	1203	iPad	2017					
DPS - Water	SAW Grant	1204	iPad	2017					
Seniors	Part Time	1105	i5	2013	R				
Seniors	Office Ass't I	1106	i5	2013		N			
Seniors	Coordinator	1148	i5	2016			N		
Seniors	Front Lobby	1108	i3						
Seniors	Front Lobby	1109	i3						
Seniors	Front Lobby	1110	i3						
Seniors	Front Lobby	1111	i3						
Seniors	Front Lobby	1112	i3						
Main Library	Staff-Backroom East	UNTAGGED	i5-6500	2017				R	
Main Library	Adult - Internet	UNTAGGED	i3-550E	2011					N
Main Library	Adult - Internet	UNTAGGED	i3-550E	2011				N	
Main Library	Adult - Internet	UNTAGGED	i3-550E	2011					N
Main Library	Adult Public	UNTAGGED	i3-550E	2011		N			
Main Library	Adult Public	UNTAGGED	i3-550E	2011	R	N			
Main Library	Child Public	UNTAGGED	i3-550E	2011		N			
Main Library	Child Room Internet	UNTAGGED	i3-550E	2011				N	
Main Library	Child Room Internet	UNTAGGED	i3-550E	2011				N	
Main Library	Child Room Internet	UNTAGGED	i3-550E	2011				N	
Main Library	Child Room Internet	UNTAGGED	i3-550E	2011				N	
Main Library	Adult - Internet	UNTAGGED	i5-3470	2012	N				
Main Library	Adult - Internet	UNTAGGED	i5-3470	2012	N				

N=NEW

R=ROTATED

NHD - New Hard Drive

TABLE XII
FY 2019-2023 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

DEPARTMENT/ DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Main Library	Adult - Internet	UNTAGGED	i5-3470	2012					N
Main Library	Adult - Internet	UNTAGGED	i5-3470	2012					N
Main Library	Adult - Internet	UNTAGGED	i5-3470	2012					N
Main Library	Adult - Internet	UNTAGGED	i5-3470	2012					N
Main Library	Staff-Librarian	UNTAGGED	i5-3470	2012					N
Main Library	Adult Public Cat.	UNTAGGED	i5-3470	2013					N
Main Library	Child Catalog	UNTAGGED	i5-3470	2013					N
Main Library	Staff-Adult Librarian	UNTAGGED	i5-3470	2013	N				
Main Library	Staff-Adult Reference	UNTAGGED	i5-3470	2013	N				
Main Library	Staff-Adult Reference	UNTAGGED	i5-3470	2013	N				
Main Library	Staff-Counter North	UNTAGGED	i5-3470	2013		N			
Main Library	Staff-Counter South	UNTAGGED	i5-3470	2013		N			
Main Library	Staff-Library Tech.	UNTAGGED	i5-3470	2013	N				
Main Library	Staff-Youth Staff	UNTAGGED	i5-3470	2013	N				
Main Library	Adult - Internet	UNTAGGED	i5-3470	2016				N	
Main Library	Adult - Internet	UNTAGGED	i5-3470	2016				N	
Main Library	Adult - Internet	UNTAGGED	i5-3470	2016				N	
Main Library	Adult - Internet	UNTAGGED	i5-3470	2016				N	
Main Library	Staff-Circulation Ass't	UNTAGGED	i5-3470	2016				N	
Main Library	Staff-Counter Side	UNTAGGED	i5-3470	2016				N	
Main Library	Staff-Serials- Backroom	UNTAGGED	i5-3470	2016				N	
43 Court	Director	1060	i5	2017					N
43 Court	Judge	1202	MAC			N			
43 Court	Magistrate	No PC							
43 Court	Point of Sale - We do not replace	1053	i5-3450	2012				N	
43 Court	Probation 1	1201	i5	2017					N
43 Court	Probation 2	1200	i5	2017					N
43 Court	Probation 3	1034	i5	2017					N
43 Court	Inter Office	1059	i5-3450	2012	N				
43 Court	Inter Office	1054	i3-2120	2012	N				
43 Court	Inter Office	1055	i5-3450	2012	N				
43 Court	Inter Office	1056	i3-2120	2012	N				
43 Court	Inter Office	1058	i5-3450	2012	N				
43 Court	Inter Office	1057	i5-3450	2012	N				
43 Court	Inter Office	1052	i5-3450	2012	N				
43 Court	Court Room 1	1122	i5-3470	2012				N	
43 Court	Court Room 2	1121	i5-3450	2012				N	
TOTAL				NEW	21	28	34	28	25
				ROTATE	5	3	0	1	2
				NEW HARD DRIVE	1	0	7	6	0

GIS/A.M. TECHNOLOGICAL PERIPHERALS

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

N=NEW

R=ROTATED

NHD - New Hard Drive

TABLE XIII
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

DEPARTMENT	VEHICLE	#	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	NEXT REPLACED					
						18-	19-	20-	21-	22-	23
PD-Detective	Ford Fusion	100	2013-14		10						23-24
PD-Radar	Ford Interceptor Utility	102	2015-16	X	4		DF				NF
PD-Radar	Ford Interceptor	103	2014-15	X	4		DF				NF
PD-Patrol	Ford Interceptor	104	2012-13	X	4	DF			DF	DF	NF
PD-Patrol	Ford Interceptor Utility	105	2014-15	X	4		GF				NF
PD-Patrol	Ford Interceptor Utility	106	2014-15	X	4	DF			DF	DF	NF
PD-Patrol	Ford Interceptor	107	2016-17	X	4			DF			NF
PD-Patrol	Ford Interceptor Utility	108	2014-15	X	4		DF				NF
PD-Patrol	Ford Interceptor	109	2016-17	X	4			DF			NF
PD-Patrol	Ford Interceptor Utility	110	2014-15	X	4		DF				NF
PD-Patrol	Ford Interceptor Utility	111	2016-17	X	4		GF				NF
PD-A.I.T.	Ford SSV Pickup Truck	112	2016-17	X	4						NF
PD-A.I.T.	Ford Interceptor	113	2013-14	X	4		GF				NF
PD-Patrol Sup.	Ford Interceptor Utility	114	2013-14	X	4	GF			GF	GF	NF
PD-Canine Unit	Ford Interceptor Utility	116	2017-18	X	4						NF
PD-Mtr. Carrier	Ford Interceptor Utility	117	2014-15	X	4	GF			GF	GF	NF
PD-Animal CTL	Chevy G20 Van	119	2011-12	X	12						23-24
PD-Admin	Ford Interceptor Utility	121	2014-15		10						24-25
PD-Detective	Dodge Journey	123	2014-15		10						24-25
PD-Admin	Chrysler 200 Sedan	124	2015-16		10						25-26
PD-Detective	Chevrolet Malibu	125	2006-07		12		GF				32-33
PD-Detective	Dodge Stratus	126	2003-04		14		GF				32-33
PD-Detective	Dodge Caravan	133	2006-07		13		GF				34-35
PD-Undercover	Undercover	138	2016-17		14						30-31
PD-Reserves Sgt	Ford Explorer	140	1999-00		Rotation						Rotation
PD-Reserves	Ford Crown Vic	141	2000-01		Rotation						Rotation
PD-Reserves	Ford Crown Vic	142	2001-02		Rotation						Rotation
PD-Reserves	Ford Crown Vic	143	2002-03		Rotation						Rotation
PD-Reserves	Ford Crown Vic	144	1998-99		Rotation						Rotation
PD-Reserves	Ford Crown Vic	145	1999-00		Rotation						Rotation
PD-Reserves	Dodge Diplomat (Historical)	146	1988-89		N/A						N/A
PD-Reserves	Chevy Impala	147	2005-06		Rotation						Rotation
PD-Patrol	Harley Davidson	160	2006-07		20		GF				39-40
PD-Patrol	Harley Davidson	161	2006-07		20	GF					38-39
PD-Patrol	Peace Keeper A.P.C.	170	2000-01		N/A						N/A
Streets	Wanco Solar Arrow	257	2011-12		20						31-32
Streets	Concrete Drop Hammer	261	1999-00		20			GF			40-41
Parks	Utility Maint. Cart / OCPR	281	1993-94		30						23-24
Parks	Senior/Handicap Transportation Cart	282	1993-94		30						23-24
Sewer	Doosan Trailer Air Compressor	300	2016-17		20						36-37
Streets	Wanco Solar Arrow	318	2000-01		20			GF			41-42
Motorpool	Clark Fork Lift	320	1997-98	X	25				GF		47-48
Streets	Smith Trailer Air Compressor	330	2003-04		20						23-24
Streets	Cement Saw Dimas	339	2005-06		20						25-26
Solid Waste	Leaf Loader Trailer	351	2007-08	X	20						27-28
Solid Waste	Leaf Loader Trailer	352	1999-00	X	20		SW				40-41
Solid Waste	Leaf Loader Trailer	354	2001-02	X	20			SW			41-42
Solid Waste	Leaf Loader Trailer	355	2001-02	X	20			SW			41-42
Solid Waste	Leaf Loader Trailer	357	2007-08	X	20						27-28

Legend:

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

* Replaced based on Annual Vehicle Condition Report Grading.

TABLE XIII
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

DEPARTMENT	VEHICLE	VEH #	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	NEXT REPLACED					
						18-	19-	20-	21-	22-	23-
Parks	Polaris ATV	364	2010-11		10				GF		31-32
Streets	Asphalt Roller Vibrator	369	1999-00	X	25						24-25
Streets	Wanco Solar Arrow	374	2008-09		20						28-29
Solid Waste	Street Sweeper Cross Wind	402	2017-18	X	10						27-28
Water	4 YD. Loader CAT	404	2003-04	X	18	WS					39-40
Water	3 YD. Loader CAT	405	2003-04	X	18			WS			39-40
Solid Waste	Brush Bandit Chipper	406	2005-06	X	18						23-24
Streets	CAT Backhoe	407	2003-04	X	15	X					Remove
Solid Waste	Street Sweeper Whirl Wind	408	2011-12	X	10			SW			31-32
Streets	CAT Loader 3 Yrd	409	2003-04	X	15			GF			33-34
Solid Waste	Brush Bandit Chipper	410	2001-02	X	16	SW					33-34
Streets	Stake Truck Ford	415	2003-04	X	16		GF				35-36
Motor Pool	Chevy Impala	416	2014-15		10						24-25
Streets	Tandem Dump Truck	417	2015-16	X	12						27-28
Streets	Tandem Dump Truck	418	2016-17	X	12						28-29
Streets	Tandem Dump Truck	419	2003-04	X	12		GF				31-32
Streets	Chevy 3/4 Ton Pickup	420	2015-16	X	12						27-28
Water	Tandem Dump Truck	422	2003-04	X	12	WS					30-31
Water	Chevy 3/4 Ton Pickup	423	2016-17	X	13						29-30
Solid Waste	Single Axle Dump	424	2003-04	X	16		SW				36-37
Streets	Single Axle Dump	425	2003-04	X	16			GF			37-38
Streets	Single Axle Dump	426	2003-04	X	16				GF		38-39
Streets	Platform Truck	429	2015-16	X	12						27-28
Motorpool	3/4 Ton Pickup	430	1999-00	X	20			GF			40-41
Streets	One Ton Dump Truck	431	2012-13	X	13						25-26
Streets	Ford 3/4 Ton Pickup	432	2013-14	X	12						25-26
Streets	Tandem Dump Truck	433	2003-04	X	12			GF			32-33
Motorpool	Chevy Pickup	434	2006-07	X	15				GF		36-37
Streets	Van Building Mnt.	435	2012-13	X	10				GF		32-33
Streets	Toolcat Utility Vehicle	438	2017-18	X	20						37-38
Senior Citzn.	25 Passenger Bus Ford	443	2003-04	X	14						32-33
Recreation	GMC Savanna	444	2014-15		12						26-27
Water	GMC Cargo Van	453	2012-13		10				WS		32-33
Water	John Deere Backhoe	455	2005-06	X	16			WS			37-38
Water	Ford F250 3/4 Ton Pickup	457	2007-08	X	12		WS				32-33
Water	GMC W 4500 Van	458	2017-18	X	14						31-32
Sewer	Ford 3/4 Ton Pickup	460	2009-10	X	12			WS			33-34
Sewer	GMC Cargo Van	461	2012-13		10				WS		32-33
Sewer	One Ton Dump Truck	462	2011-12	X	13						24-25
Sewer	GMC Pickup	463	2013-14		12						25-26
Water	Tandem Axle Dump	464	2013-14	X	13						26-27
Sewer	Sterling Vactor (Reconditioned)	465	2016-17	X	20						23-24
Sewer	Sewer T.V. Trailer	466	2017-18	X	8						25-26
Sewer	GapVax	468	2016-17	X	14						30-31

Legend:

Advanced Life Support Millage	ALSM	Oakland County Parks	OCP
Drug Forfeiture Fund	DF	Park Improvement Fund	PIF
General Fund	GF	Road Millage	RM
Grant Funding	Grant	Senior Millage	SR
Local Street Fund	LSF	Solid Waste Millage	SW
Major Street Fund	MSF	Special Assessment District	SAD
Oakland County Road Commission	OCRC	Vehicle Millage	VM
* Replaced based on Annual Vehicle Condition Report Grading.		Water and Sewer Fund	WS

TABLE XIII
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN

DEPARTMENT	VEHICLE	#	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	NEXT REPLACED						
						18-	19-	20-	21-	22-	23	
Senior Citizn.	Ford Van	469	2009-10		10			SR				30-31
Senior Citizn.	Blue Bird Bus	471	2001-02	X	20				SR			41-42
Parks	GMC 4X4 Pickup	473	2015-16	X	12							27-28
Parks	Ford Pick-Up	474	2014-15	X	12							26-27
Water	Ford F250 3/4 Ton Pickup	475	2007-08	X	12		WS					31-32
Parks	Chevy Silverado	477	2013-14		12							25-26
Solid Waste	Single Axle Dump Truck	479	2013-14	X	14							27-28
Senior Citizn.	GMC Rally Van (SMART)	480	2015-16		N/A							N/A
Streets	Super Duty Dump Truck	481	2005-06	X	14		GF					33-34
Senior Citizn.	GMC Van	482	2012-13		10				SR			32-33
CDD Inspec.	Ford F-150 Pick-Up	483	2014-15		7			GF				28-29
Parks	Chevy Colorado Pickup	484	2008-09		13			GF				34-35
Parks	Chevy Pickup 4 x 4	485	2012-13		12							24-25
Parks	Volvo Loader	488	2003-04	X	20							23-24
Parks	Tractor Mower	489	1968-69		N/A							N/A
CDD Inspec.	Ford F150 Pick-up	492	2014-15		7			GF				28-29
CDD Supervis.	Ford Explorer	493	2014-15		10							24-25
Water	GMC	494	2014-15		7			GF				28-29
CDD - Code	Ford F-150 Pick-Up	495	2018-19	X	7	GF						25-26
CDD Inspec.	Ford F150 Pick-Up	496	2014-15		7			GF				28-29
CDD ED./Sup.	Ford Focus	500	2014-15		10							24-25
Solid Waste	GMC Pickup	513	1996-97		Rotation							Rotation
Solid Waste	Brush Chipper Truck	525	2003-04	X	17			SW				37-38
Senior Citizn.	Smart Bus	530	2015-16	X	N/A							N/A
Motor Pool	Em. Gen. Fire Station #1	550	2005-06	X	15			GF				36-37
Motor Pool	Em. Gen. Police	551	2005-06	X	15			GF				36-37
Motor Pool	Em. Gen. DPS	552	2005-06	X	15			GF				36-37
Motor Pool	Em. Gen. Fire Station #2	553	2003-04	X	15	GF						33-34
Motor Pool	Em. Gen. Portable-1 / 1986 Trailer	554	1974-75		N/A							N/A
Motor Pool	Em. Gen. Portable-2	555	2004-05	X	15		GF					35-36
Fire	Ford Interceptor	700	2015-16		8							23-24
Fire	GMC Sierra	701	2014-15		7			GF				28-29
Fire	Ford F350 Pickup	702	2007-08	X	15				GF			37-38
Fire	Chevy Pickup 3500	704	2001-02	X	15		GF					33-34
Fire	Ambulance Rescue Truck	710	2011-12	X	9			VM				30-31
Fire	Ambulance Rescue Truck (Backup)	711	2009-10	X	9	VM						27-28
Fire	Ambulance Rescue Truck	713	2014-15	X	9							23-24
Fire	Pumper Pierce	721	2003-04	X	18			GF				39-40
Fire	Pumper Pierce	722	2002-03	X	18		VM					37-38
Fire	Pumper Pierce	723	2006-07	X	20							26-27
Fire	Aerial Ladder E-One	730	1997-98	X	25				VM			47-48
Fire	Hazmat Trailer	740	2015-16	X	15							30-31
Fire	Technical Rescue Trailer	741	2001-02	X	25							26-27
GRAND TOTAL								11	12	10	22	12

Legend:

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

* Replaced based on Annual Vehicle Condition Report Grading.

IMPACT OF CAPITAL IMPROVEMENT PLAN ON THE OPERATING BUDGET

The Capital Improvement Plan impacts the operating budget of the City in many different ways depending on the nature of the capital improvement item. A capital improvement can be a new asset to the City that would increase the need for such things as maintenance, utilities and insurance. A capital improvement can also be expanding or replacing a current asset and may result in savings.

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

Much of the capital maintenance program is coordinated by the Department of Public Services (DPS), which oversees or provides routine maintenance for streets, buildings, equipment and public property. The City uses a combination of contract and City workforces to perform basic routine maintenance such as motor pool, mowing and weed control. Staff uses historical costs of similar items to estimate labor and service contract costs to determine the estimated operating expenditures for the projects being proposed in the upcoming year.

The pages that follow present the operating budget considerations that were reviewed when deciding to include each project in the Capital Improvement Plan. Calculations are included for projects being proposed in FY 2019. Projects included in the plan in years beyond FY 2019 are concepts only and impacts on operating budgets are subject to change.

TABLE XIV
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Neighborhood Projects - Table III						
Project Description	Brettonwoods Street (Eleven Mile to W. Farnum Avenue)				Department : Community Development/Dept. of Public Srv.	
Funding Type						
Water and Sewer Fund	\$ 247,000	<i>FY 2018</i>				
Proposal R-3 Millage	\$ 554,000	<i>FY 2019</i>				
Total Funding Amount	\$ 801,000					
Type:	Replacement of current capital asset					
Project Details	See the Neighborhood Roads section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Harwood Avenue (Battelle Ave to Tawas Street)				Department : Community Development/Dept. of Public Srv.	
Funding Type						
Water and Sewer Fund	\$ 162,000	<i>FY 2018</i>				
Proposal R-3 Millage	\$ 339,000	<i>FY 2019</i>				
Total Funding Amount	\$ 501,000					
Type:	Replacement of current capital asset					
Project Details	See the Neighborhood Roads section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Brush Street (W. University to W. Farnum Avenue)				Department : Community Development/Dept. of Public Srv.	
Funding Type						
Water and Sewer Fund	\$ 149,000	<i>FY 2018</i>				
Proposal R-3 Millage	\$ 207,000	<i>FY 2019</i>				
Total Funding Amount	\$ 356,000					
Type:	Replacement of current capital asset					
Project Details	See the Neighborhood Roads section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Brush Street (W. University Avenue to Eleven Mile Road)				Department : Community Development/Dept. of Public Srv.	
Funding Type						
Water and Sewer Fund	\$ 149,000	<i>FY 2018</i>				
Proposal R-3 Millage	\$ 172,000	<i>FY 2019</i>				
Total Funding Amount	\$ 321,000					
Type:	Replacement of current capital asset					
Project Details	See the Neighborhood Roads section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Project Description	Kenwood Avenue (Windemere Ave to Englewood Ave)				Department : Community Development/Dept. of Public Srv.	
Funding Type						
Water and Sewer Fund	\$ 215,000	<i>FY 2019</i>				
Proposal R-3 Millage	\$ 232,000	<i>Fy 2020</i>				
Total Funding Amount	\$ 447,000					
Type:	Replacement of current capital asset					
Project Details	See the Neighborhood Roads section					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
Road Improvements - Table V						
Project Description	Joint and Crack Sealing				Department: Department of Public Services	
Funding Type						
Major Street Act 51	\$ 75,000	per year				
Total Funding Amount	\$ 75,000					
Type:	Reoccurring Maintenance Cost					
Project Details	The Capital Improvement Plan includes \$75,000 per year for regular maintenance to Major streets for joint and crack sealing work. Locations vary throughout the City depending on road conditions. This program extends the life of the current road system.					
	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Reoccurring Personnel Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reoccurring Operational Cost	75,000	75,000	75,000	75,000	75,000	375,000

TABLE XIV
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Project Description	Sealcoat Road Rehabilitation					Department:	Department of Public Services
Funding Type	\$ 75,000 per year						
Major Street Act 51	\$ 75,000						
Total Funding Amount							
Type:	Reoccurring Maintenance Cost						
Project Details	The Capital Improvement Plan includes \$75,000 per year for regular maintenance to Major streets for Sealcoat Road Rehabilitation. Locations vary throughout the City depending on road conditions. This program extends the life of the current road system.						
	2018-19	2019-20	2020-21	2021-22	2022-23		Total
Reoccurring Personnel Cost	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Reoccurring Operational Cost	75,000	75,000	75,000	75,000	75,000		375,000
Project Description	Sectional Road Work on Major Streets					Department:	Community Development
Funding Type	\$ 1,100,000						
Major Street Act 51	\$ 1,100,000						
Total Funding Amount							
Type:	Reoccurring Maintenance Cost						
Project Details	See the Road Improvement section						
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.						
Project Description	13 Mile Westbound from Hales to Dequindre NHPP					Department:	Community Development
Funding Type	\$ 480,000						
Federal NHPP Funds	\$ 240,000						
Major Street Act 51	\$ 720,000						
Total Funding Amount							
Type:	Reoccurring Maintenance Cost						
Project Details	See the Road Improvement section						
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.						
	This project is being completed with Highway Performance Program (NHPP) Funds at a 80/20 split with the City.						
Project Description	NB Stephenson Hwy 12-14 Mile Overlay					Department:	Community Development
Funding Type	\$ 981,000						
Federal NHPP Funds	\$ 245,000						
Major Street Act 51	\$ 1,226,000						
Total Funding Amount							
Type:	Reoccurring Maintenance Cost						
Project Details	See the Road Improvement section						
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.						
	This project is being completed with Federal Resurfacing, Restoration and Rehabilitation (RRR) Funds at a 80/20 split with the City.						
Project Description	SB Stephenson Hwy 14 - Girard					Department:	Community Development
Funding Type	\$ 680,000						
Federal NHPP Funds	\$ 170,000						
Major Street Act 51	\$ 850,000						
Total Funding Amount							
Type:	Reoccurring Maintenance Cost						
Project Details	See the Road Improvement section						
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.						
	This project is being completed with Federal Resurfacing, Restoration and Rehabilitation (RRR) Funds at a 80/20 split with the City.						
Project Description	2002 Brush Bandit Chipper #410					Department:	Department of Public Services
Funding Type	\$ 90.00						
Solid Waste	\$ 90.00						
Total Funding Amount							
Type:	Replacement of current asset						
Project Details	Current vehicle to be replaced has 2,664 hours of operation and was purchased in 2002. Total maintenance cost over the life of the vehicle is \$12,816. This vehicle is rated in very poor condition by the Vehicle Replacement & Evaluation Worksheet. This vehicle has been in for repairs 1 times in the last month and 2 times in the last three months.						
	2018-19	2019-20	2020-21	2021-22	2022-23		Total
Operational Cost	\$ (12,000)	\$ -	\$ -	\$ -	\$ -		\$ (12,000)
Collection and Distribution Systems - Table VI							
Project Description	W. Dallas Alger to Dartmouth					Department:	Department of Public Services
Funding Type	\$ 210,000						
Water and Sewer Funds	\$ 210,000						
Total Funding Amount							
Type:	Replacement of current asset						
Project Details	See Collection and Distribution section for details.						
	2018-19	2019-20	2020-21	2021-22	2022-23		Total
Operational Cost	\$ (4,000)	\$ -	\$ -	\$ -	\$ -		\$ (4,000)
Project Description	Sanitary Sewer Inspection/Rehabilitation Program					Department:	Department of Public Services
Funding Type	\$ 497,000 * This project spans fiscal years for a total project cost of \$2,444,000.						
State of Michigan Grant	166,000 State of Michigan Grant pays \$2,000,000 with City contribution of \$444,000.						
Total Funding Amount							
	\$ 663,000						

TABLE XIV
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Type: Project Details	New Project See Collection and Distribution section for details.										
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.										
Project Description	2003 Caterpillar 4-Yard Loader #404										
Funding Type	Department: Department of Public Services										
Trade-In or Sale	\$ 25,000										
Water and Sewer Funds	350,000										
Total Funding Amount	350,000										
Type: Project Details	Replacement of current asset While current asset only has 8,550 hours of utilization and is rated in poor condition. This vehicle has been in for repairs 1 times in the last month and 2 times in the last three months.										
Operational Cost	2018-19	2019-20	2020-21	2021-22	2022-23	Total					
\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,000					
Project Description	2003 Tandem Axle Dump Truck with V-Box #422										
Funding Type	Department: Department of Public Services										
Water and Sewer Funds	\$ 220,000										
Total Funding Amount	\$ 220,000										
Type: Project Details	Replacement of current asset Current vehicle to be replaced has 47,160 miles and was purchased in 2003. Total maintenance cost over the life of the vehicle is \$63,000. This vehicle is rated in very poor condition by the Vehicle Replacement & Evaluation Worksheet. This vehicle has been in for repairs 1 times in the last month and 2 times in the last three months.										
Operational Cost	2018-19	2019-20	2020-21	2021-22	2022-23	Total					
\$ (5,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,000)					
Project Description	Dossier Fleet Management Software										
Funding Type	Department: Department of Public Services										
Various	\$ 28,000	* Software is split between General Fund and Water and Sewer at 25/75.									
Total Funding Amount	\$ 28,000										
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.										
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.										
Project Description	Replacement of DPS Parking Lot										
Funding Type	Department: Department of Public Services										
Various	\$ 80,000	* This project is being completed in phases over five years									
Total Funding Amount	\$ 80,000										
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.										
Project Costs	2018-19	2019-20	2020-21	2021-22	2022-23	Total					
\$ 50,000	\$ 75,000	\$ 80,000	\$ 85,000	\$ 90,000		\$ 380,000					
Project Description	City-Wide Water Meter Replacement Program										
Funding Type	Department: Department of Public Services										
Water and Sewer Funds	\$ 1,200,000	* Funded over three years with funding starting in FY 2017 and FY 2018 District 1,2, and 3. FY 2019 District 9.									
Total Funding Amount	\$ 1,200,000										
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.										
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.										
Project Description	Epoxy Floor Coating Ajax Building										
Funding Type	Department: Department of Public Services										
Water and Sewer Funds	\$ 23,000	* Funded over two years starting in FY 2016 to be purchased in FY 2017.									
Total Funding Amount	\$ 23,000										
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.										
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.										
Project Description	Underground Storage Tank and Diesel Fuel Storage										
Funding Type	Department: Department of Public Services										
Water and Sewer Funds	\$ 200,000										
Total Funding Amount	\$ 200,000										
Type: Project Details	New Project See Collection and Distribution section for details.										
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.										

TABLE XIV
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Public Safety - Table VIII								
Project Description	Underground Storage Tank			Department:	Police			
Funding Type								
General Fund	\$ 260,000			* Funded over five years starting in FY 2015 to be completed in FY 2020.				
Total Funding Amount	\$ 260,000							
Type:	New Project							
Project Details	See Public Safety section.							
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.							
Project Description	Police Padding Flooring			Department:	Police			
Funding Type								
General Fund	\$ 14,000							
Total Funding Amount	\$ 14,000							
Type:	Replacement of current asset							
Project Details	See Public Safety section.							
New Operational Cost	None							
Project Description	Resurfacing Apparatus Room Floors			Department:	Fire			
Funding Type								
General Fund	\$ 82,000			*Funded over two years starting in FY 2018 to be completed in FY 2019				
Total Funding Amount	\$ 82,000							
Type:	Replacement of current asset							
Project Details	See Public Safety section.							
New Operational Cost	None							
Project Description	Police Gun Range Refurbishment			Department:	Police			
Funding Type								
General Fund	\$ 248,000							
Total Funding Amount	\$ 248,000							
Type:	This will refurbish the current gun range which is beyond repair. This was discussed as a Goal proposal in Fy 2018.							
Project Details								
Operational Cost	2018-19	2019-20	2020-21	2021-22	2022-23	Total		
	\$ (5,000)	\$ -	\$ -	\$ -	\$ -	\$ (5,000)		
Project Description	Police Patrol Vehicles			Department:	Police			
Funding Type								
Drug Forfeiture	\$ 66,000							
General Fund	\$ 69,000							
Total Funding Amount	\$ 135,000							
Type:	The CIP includes the replacement of 4 patrol vehicles #104,106,114,117.							
Project Details	Two vehicles will be replaced from Drug Forfeiture and two from the General Fund.							
Project Description	2009 Ambulance Rescue #711			Department:	Department of Public Services			
Funding Type								
General Fund	\$ 270,000			* Funded over two years starting in FY 2018 to be purchased in FY 2019				
Total Funding Amount	\$ 270,000							
Type:	This Rescue was purchased in 2009 and has 77,104 miles. Repair costs have been \$20,307 through October 1, 2016.							
Project Details	This vehicle is rated at the low end of fair condition by the Vehicle condition report.							
Operational Cost	2018-19	2019-20	2020-21	2021-22	2022-23	Total		
	\$ (1,250)	\$ -	\$ -	\$ -	\$ -	\$ (1,250)		
Project Description	2002 Pierce Pumper #722			Department:	Department of Public Services			
Funding Type								
"V" millage funded	\$ 600,000			* Funded over three years starting in FY 2018 to be purchased in FY 2020.				
Total Funding Amount	\$ 600,000							
Type:	The pumper being replaced was purchased in 2002 and has 64,712 miles.							
Project Details	Maintenance costs are \$42,364 as of October 1, 2016.							
Operational Cost	2018-19	2019-20	2020-21	2021-22	2022-23	Total		
	\$ (2,500)	\$ -	\$ -	\$ -	\$ -	\$ (2,500)		

TABLE XIV
FY 2019-23 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

General Government & Economic Development - Table X			
Project Description	Information Technology Computer Replacements	Department:	Information Technology
Funding Type General Fund	\$ 20,000 per year		
Total Funding Amount	\$ 20,000		
Type: Project Details	Replacement of current assets The Capital Improvement Plan includes a detailed computer replacement chart starting on page 219. Each year we try to replace approximately 18 computers.		
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.		
Project Description	Courtroom Seating	Department:	Court
Funding Type General Fund	\$ 22,000 per year		
Total Funding Amount	\$ 22,000		
Type: Project Details	Replacement of current assets See General Government Section for Details.		
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.		
Project Description	City Hall Generator	Department:	General Government
Funding Type General Fund	\$ 75,000 per year		
Total Funding Amount	\$ 75,000		
Type: Project Details	Replacement of current assets See General Government Section for Details		
Project Description	Library Carpet Replacement	Department:	Library
Funding Type General Fund	\$ 48,000 per year		
Total Funding Amount	\$ 48,000		
Type: Project Details	Replacement of current assets See General Government Section for Details		
New Operational Cost	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	Vehicle #495	Department:	CDD
Funding Type General Fund	\$ 30,000		
Total Funding Amount	\$ 30,000		
Type 1:	New vehicle to be added to the fleet.		
Leisure and Human Services - Table XI			
Project Description	Edison Park Playscape Replacement	Department:	Parks
Funding Type Grant Funding	\$ 75,000		
General Fund	50,000 per year		
Total Funding Amount	\$ 125,000		
Type: Project Details	Replacement of current assets See Leisure and Human Services Section for more details		
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.		
Project Description	Huffman Park Backstop Fence	Department:	Parks
Funding Type General Fund	\$ 35,000 per year		
Total Funding Amount	\$ 35,000		
Type: Project Details	Replacement of current assets See Leisure and Human Services Section for more details		
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.		
Project Description	Friendship Woods - HVAC System	Department:	Parks
Funding Type Grant Funding	\$ 77,500		
General Fund	72,500 per year		
Total Funding Amount	\$ 150,000		
Type: Project Details	Replacement of current assets		
Project Description	Pavilion Rehabilitation	Department:	Seniors
Funding Type General Fund	\$ 32,000 per year		
Total Funding Amount	\$ 32,000		
Type: Project Details	Replacement of current assets See Leisure and Human Services Section for Details		



APPENDICES

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PROPOSED FY 2018-19 Budget Resolution

A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2018-19 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 14, 2018, a public hearing was held in accordance with Section 8.3 of the Charter of the City of Madison Heights, and the statutes of the State of Michigan for the fiscal year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Budget hereto as Exhibit "A" is hereby adopted.
2. That the amounts set forth in said Budget are hereby appropriated for the purposes stated therein.
3. That 25.7213 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	9.9250
Neighborhood Road Improvements	1.9850
Vehicle Replacement	0.2481
Advanced Life Support	0.2481
Solid Waste	2.6257
Senior Citizens	0.4715
Police & Fire Pension	7.5927
Fire Stations Debt Obligation	0.5061
Library	0.9925
Chapter 20 Drain Debt	<u>1.1266</u>
Total	<u>25.7213</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 2018-19 and for the imposition of a late penalty charged, when applicable, in accordance with Public Act 1982, specifically Michigan Compiled Laws, Section 211.44(7).
5. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for the operation of the Police and Fire Pension System.
6. That the City of Madison Heights assigns the authority to the City Manager and/or Deputy City Manager for Administrative Services to assign amounts for fund balance to be used for a specific purposes.
7. That the City of Madison Heights approves and establishes Water, Sewer and Stormwater Charges set forth in the attached fee schedule.
8. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for principal and interest for the Chapter 20 Drain Debt Obligations.

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

EXHIBIT "A"
CITY OF MADISON HEIGHTS
ADOPTED BUDGET RESOLUTION
FISCAL YEAR 2018-19

EXPENDITURES		REVENUES		
GENERAL FUND				
General Government	\$ 4,349,798		Property Taxes and Fees	\$ 18,059,775
Public Safety	18,589,778		Intergovernmental Revenues	5,209,770
Community Services	3,256,267		Other	5,940,714
Culture and Recreation	1,160,342		Use of Fund Balance	520,844
Community Development	1,343,493			
Debt Service	1,031,425			
TOTAL	\$ 29,731,103			\$ 29,731,103
MAJOR STREET FUND				
Program Expenditures	\$ 2,301,585		Intergovernmental Revenues	\$ 2,172,504
			Other	-
			Use of Fund Balance	129,081
	\$ 2,301,585			\$ 2,301,585
LOCAL STREET FUND				
Program Expenditures	\$ 3,045,584		Property Taxes	\$ 1,561,942
			Intergovernmental Revenues	1,046,351
			Other	84,328
			Trasnfers In	100,000
			Use of Fund Balance	252,963
	\$ 3,045,584			\$ 3,045,584
PARKS MAINTENANCE & IMPROVEMENT FUND				
Program Expenditures	\$ 39,906		Other	\$ 55,000
			Use of Fund Balance	(15,094)
	\$ 39,906			\$ 39,906
DOWNTOWN DEVELOPMENT AUTHORITY				
Program Expenditures	\$ 48,054		Property Taxes	\$ 48,054
			Use of Fund Balance	-
	\$ 48,054			\$ 48,054
DRUG FORFEITURE FUND				
Program Expenditures	\$ 94,820		Intergovernmental Revenues	\$ 44,000
			Other	350
			Use of Fund Balance	50,470
	\$ 94,820			\$ 94,820

EXHIBIT "A"
CITY OF MADISON HEIGHTS
ADOPTED BUDGET RESOLUTION
FISCAL YEAR 2018-19

COMMUNITY IMPROVEMENT FUND			
Program Expenditures	\$ 106,279	Intergovernmental Revenues	\$ 110,282
		Use of Fund Balance	(4,003)
	<u>\$ 106,279</u>		<u>\$ 106,279</u>
SPECIAL ASSESSMENT REVOLVING			
Program Expenditures	\$ 255,448	Other	\$ 80,343
		Use of Fund Balance	170,105
	<u>\$ 255,448</u>		<u>\$ 250,448</u>
FIRE STATIONS BONDS			
Program Expenditures	\$ 430,637	Property Taxes	\$ 422,226
		Use of Fund Balance	8,411
	<u>\$ 430,637</u>		<u>\$ 430,637</u>
WATER AND SEWER FUND			
Program Expenditures	\$ 13,972,201	Sales to Customers	\$ 11,311,476
		Other	663,700
		Use of Retained Earnings	1,997,025
	<u>\$ 13,972,201</u>		<u>\$ 13,972,201</u>
MOTOR AND EQUIPMENT POOL			
Program Expenditures	\$ 987,881	Other	\$ 987,881
	<u>\$ 987,881</u>		<u>\$ 987,881</u>
DEPARTMENT OF PUBLIC SERVICES			
Program Expenditures	\$ 2,124,553	Other	\$ 2,124,553
	<u>\$ 2,124,553</u>		<u>\$ 2,124,553</u>
CHAPTER 20 DRAIN DEBT SERVICE			
Program Expenditures	\$ 886,580	Property Taxes	\$ 886,580
	<u>\$ 886,580</u>		<u>\$ 886,580</u>

FY 2019 FEE SCHEDULE

The FY 2019 City of Madison Heights Fee Schedule will be effective July 1, 2018 unless otherwise noted. The entire schedule will be adopted with the Budget Policy document. Revisions since the adoption of the schedule for FY 2019 are listed below and can occur throughout the year on various dates which will be listed below:

SUMMARY OF REVISIONS:

Section 1. Community Development Department Services

Eliminate fees for temporary signs. Eliminated temporary sign permit requirement in Zoning Ordinance effective 01-18-18.

Section 2 City Clerk Services

No changes

Section 3 Water and Sewer

- Proposed revisions for May 7, 2018. Effective for bill son or after July 1, 2018.
- Increase water rate from \$3.04 per unit to \$3.14 per unit.
- Increase sewer rate from \$3.44 per unit to \$3.55 per unit.
- Updated frozen meter fees to reflect accurate numbers based on cost of meter
- Increased fire detector meter fee to reflect cost of materials
- Eliminated Reconnect Fee (extremely rare circumstances under which this would be allowed, the majority of disconnects are for demolition in which the service is destroyed)
- Raised and separated Disconnect fee (3/4"-2", 3"-6") to accurately reflect contractual labor
- Eliminated "Hydrant and Meter Deposit", redundant to "Hydrant Meter Deposit"
- Added Fire Suppression turn off/on charge

Section 4 Treasury and Assessing Services

No changes

Section 5 Library Services

No changes

Section 6 Fire Services

No changes

Section 7. Police Services:

No changes

Section 8. Department of Public Services

Brush Chipping Fee \$25 per 15 minutes.

Section 9. Parks and Recreation

No Changes

Section 10. Senior Citizens Services

No changes

Section 11. General Government

Recycling Bin and lid increase from \$13.50 per bin to \$14.50 per bin based on cost. Change effective March 5, 2018.

Section 1. COMMUNITY DEVELOPMENT DEPARTMENT SERVICES
SCHEDULE OF FEES FOR PERMITS AND SERVICES

BUILDING FEES AND INSPECTION SCHEDULE

Notice for all permits: A permit remains valid as long as work is progressing and inspections are requested and conducted. A permit shall become invalid if the authorized work is not commenced within 180 days after issuance of the permit or if the authorized work is suspended or abandoned for a period of 180 days after the time of commencing the work. A permit will be closed when no inspections are requested and conducted within 180 days of the date of issuance or the date of a previous inspection. Closed permits cannot be refunded. The charge to re-open a closed permit is \$75.00. Permits may be renewed, *prior to their expiration*, for a period of 180 days.

1.0 ELECTRICAL, MECHANICAL & PLUMBING PERMIT FEE SCHEDULE

Received to 101-017-4771-000

- 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 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

Received to 101-017-4771-000

- 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

Received to 101-017-4771-000

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

Received to 101-017-4771-000

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

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

Plan review fee when required = \$80.00

Certificate of Occupancy including replacement certificates = \$25.00

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

Multiple Family, Commercial, and Industrial

Received to 101-017-4771-000

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

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

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

Certificate of Occupancy - Multiple-Family, Commercial, Industrial

Received to 101-017-4771-000

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

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

Attached residential condominiums: \$25.00 per unit.

Replacement certificates: \$25.00

Temporary Certificate of Occupancy

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

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

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

All temporary certificates are 90 days maximum with one renewal.

Signs

Received into 101-017-4770-000

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

Permit Fees: Permit fees are non-transferable.

Permanent signs

Ground signs:	Up to 60 square feet	\$185.00
	Over 60 square feet	\$265.00
Wall signs:	Up to 100 square feet	\$185.00
	Over 100 square feet	\$265.00

Demolition

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

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

Permit Fees: \$210.00 (Includes pre-demolition, open hole and final site inspections. Additional inspections \$70.00 each. The inspector shall estimate the number of visits required.)
Performance Bond \$5,000.00 (Note: Bond required for all demolition permits including homeowner permits. Bond may be reduced to \$1,000.00 for qualified homeowners at the Department's discretion.)

Moving

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

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

Permit Fees: \$140.00 (Includes pre and post move inspection. Additional inspections \$70.00 each. The inspector shall estimate the number of visits required)
Performance Bond \$5,000.00

Utility Disconnect Fees for Demolition (established by Utility Department):

Received into 590-551-8180-000

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

Code Inspections

Received into 101-017-4770-000

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

Overtime Inspections

Received into 101-017-4770-000

\$105.00 per hour.

Special Inspections

Received into 101-017-4770-000

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

Additional/Add-on Inspections, All Permits

Received into 101-017-4770-000

\$70.00 per inspection.

Appeal Boards

Received into 101-017-4770-000

Construction Board of Appeals. \$250.00

3.0

INSPECTIONS: MINIMUM NUMBER AND WHEN REQUIRED

3.1 Electrical: Single-Family Residential

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

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

3.2 Electrical: Multiple-Family, Commercial, Industrial

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

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

A separate inspection shall be required for temporary service.

3.3 Mechanical: Single-Family Residential

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

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

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

3.4 Mechanical: Multiple-Family, Commercial, Industrial

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

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

Concealed piping shall require an additional inspection per system.

3.5 Plumbing: Single-Family Residential

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

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

3.6 Plumbing: Multiple-Family, Commercial, Industrial

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

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

3.7 Building: All Construction

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

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

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

Receipted into 101-017-4770-000 with bonds in 705-000-2830-000

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

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

Cutting, repair, sawing, removal, replacement or modification of street surface,
aprons or curb and gutter:

\$70.00 per required inspection

(Two inspections required minimum unless work is covered by a site plan and bond.)

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

Concrete flatwork \$70.00 per inspection (fees waived for five (5) squares or less of public sidewalk)

- 1.3 Contractor registration fee:

Registration	\$15.00
Performance Bond	Minimum \$5,000.00 (Required for r.o.w.)

PRIVATE SEWER AND WATER SERVICE

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

- 1.1 All permits shall be assessed a non-refundable application fee of \$25.00.
 - 1.2 Permit Fees: Permit fees are non-refundable after work has started and non-transferable.
Private sewer and water leads (from the building to the storm sewer, sanitary sewer or water main) including replacements:

Storm or sanitary sewer lead	\$70.00 each.
Water lead	\$70.00 each.
Gate wells or structures	\$70.00 each.
 - 1.3 Public sewer and water mains: See non-telecommunication engineering fees below
- Contractor registration fee:
- | | |
|------------------|----------------------------------|
| Registration | \$15.00 |
| Performance Bond | \$5,000.00 (Required for r.o.w.) |

PLANNING FEES

Received into 101-030-6071-000

Site Plan Review	
Planning Commission	\$1,000.00
Administrative	\$500.00
Plats and Site Condominiums	
Easements:	\$1,000.00
Vacations	\$500.00
Encroachments	\$ 50.00
Land Divisions	\$200.00

ZONING FEES

Received into 101-044-6701-000

Z.B.A.	
Residential	\$200.00
Commercial	\$550.00
Special Use Approvals	
Re-zonings	\$1,000.00
Re-zonings	\$1,000.00

BROWNFIELD REDEVELOPMENT AUTHORITY FEES

Received into 101-044-6701-000

Application fee: \$1,500.00 plus \$2,500.00 engineering escrow.

ENGINEERING FEES - (NON-TELECOMMUNICATION)

Received into 101-030-6701-000

Engineering Plan Review Application fee (Non-refundable) \$200.00 for all projects

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

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

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

RIGHT-OF WAY PERMITS – (NON-TELECOMMUNICATION)

Received into 101-030-6701-000

Application Fee: \$200.00 (non-refundable)

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

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

\$100.00 for each road crossing/driveway compaction test

GIS Fee \$150.00.

LANDLORD LICENSING

Received into 101-017-4771-000

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

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

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

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

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

CODE ENFORCEMENT PROPERTY MAINTENANCE FEES

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

Mowing \$100.00 Administrative Fee + Actual Mowing Charges
Receipted into 101-030-6260-000

Clean-up/Debris Removal (ROW) \$150.00 Administrative Fee + Actual Labor and Disposal Charges
 Clean-up/Debris Removal (PVT) \$250.00 Administrative Fee + Actual Labor and Disposal Charges

Receipted into 101-030-6270-000

Snow Removal (Public Walks) \$100.00 Administrative Fee + Actual Labor Charges
Receipted into 101-030-6250-000

GEOGRAPHIC INFORMATION SYSTEM FEES

Receipted into 101-030-6075-000

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

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
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

Section 2. CLERK DEPARTMENT SERVICES

Business License/Permits

Business Licenses fees are based on square footage:

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

Late Fee is double the fee listed above.

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

Animal License/Permits

1.0 Dogs and Cats.

Received into 101-017-4800-000

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

- Rabies Vaccination must be valid for:

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

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

- Animal Tag Replacement \$1.00 per tag

2.0 Domestic Hens

Received into 101-017-4800-000

Single-family residence shall be allowed to keep up to three (3) domesticated hens. Roosters or male chickens are prohibited. An annual license valid from January 1 – December 31 of each calendar year, is required. Each hen licensed shall at all times have attached to the hen a City-issued leg band corresponding to the City issued license.

\$20 per single-family residence.

Miscellaneous Fees

1.0 Bicycle Licenses

Received into 101-017-4810-000

All bicycles to be ridden in the City on a street or public path shall be licensed.

Bicycle \$2.00 one-time fee per bicycle

2.0 Vital Health Statistics

Received into 101-030-6078-000

Birth Certificates – First Copy	\$15.00
Birth Certificates – Second and additional copies	\$ 5.00
Death Certificates – First Copy	\$15.00
Death Certificates – Second and additional copies	\$ 5.00

3.0 **Video/Vending Machine**
Receipted into 101-014-4570-000

Distributor Licenses	\$10.00
Amusement Devices (Pool Tables, Jukeboxes)	\$20.00
Vending Machines	\$20.00
Video/Electronic Amusement Devices	\$62.50

4.0 **Voter Registration Records**

Processing Fee	\$12.00 + Per Name $\frac{1}{2}$ cent per name
Labels	\$12.00 + .015 per label
Electronic Media Storage	\$12.00 + actual price of storage device

5.0 **Notary Fees**

Notarizing Documents	Residents – first documents no-charge additional documents \$10
	Non-resident – each documents \$10

6.0 **Copy Fees**

Copies	\$0.10 per page
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Section 3. WATER AND SEWER OPERATION SERVICE FEES

Utility Rates

1.0 **Water and Sewer Rates**

Residential water received into 590-010-6430-000

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

Sewer received into 590-020-6115-000

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

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

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

Water	\$3.14 per unit
Sewer	\$3.55 per unit

2.0 **Stormwater**

Received into 590-020-6118-000

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

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

Single Family Residential \$11.37 per ERU per quarter

Commercial/Industrial \$ 3.79 per ERU per month

Service Fees

1.0 **Service Tapping Fees**

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

Service Connection received into 590-000-2736-000

Transmission received into 590-000-6113-000

Paving received into 590-010-6111-000

Sewer Privilege Fee received into 590-020-6117

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

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

2.0 Meter Fees*Receipted into 590-010-6111-000**GLWA pass through charges receipted into 590-010-6490-000*

Description	5/8"	¾"	1"	1 ½"	2"	3"	4"	6"
Frozen Meter Charge w/service charge	\$170	\$210	\$275	\$505	\$620	\$2,170	\$2,835	\$4,720
Damaged/Missing Transmitter (R900)	\$105	\$105	\$105	\$105	\$105	\$105	\$105	\$105
Damaged Register Head (Per Head if Compound)	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80
GLWA (Pass Through)	\$5.65	\$8.48	\$14.13	\$31.08	\$45.20	\$81.93	\$113.00	\$169.50

3.0 Miscellaneous Service Fees*Receipted into 590-010-6111-000*

Fire Suppression Private Water Line Charge	\$5 per month
Final Reading	\$20 per account processed
“No Show” Charge for service calls	\$25 per occurrence
Turn-Off/Turn-On	\$60
Reinstall Meter with Turn-On	\$60
Meter Bench Test – Reading within AWWA range	\$60
Meter Bench Test – Reading outside AWWA range	Waived
Fire Suppression System – Turn-Off/Turn-On	\$60
Fire Detector Meter (5/8 x x3/4 with register)	\$200
Construction Water Use	\$125
Hydrant Meter Deposit	\$1,000
Disconnected Water Service from Main (3/4"-2")	\$700
Disconnect Water Service from Main (3"-6")	\$1,000
Service Call Overtime Charge (Mon- Sat)	\$120
Service Call Overtime Charge (Sun & Holidays)	\$200
Hydrant Flow Test	\$100
Hydrant Flow Test with Salt Needed	\$175
Hydrant and Meter Rental	\$5 per day + water consumption
Hydrant Inspection	\$5 per inspection

Tampering with meter or water service:

Residential	50 unit penalty plus the City may prosecute
Commercial/Industrial	100 unit penalty plus the City may prosecute
Bypass violations	100 unit penalty plus the City may prosecute

Section 4. TREASURY AND ASSESSING SERVICE FEES

1.0 Property Affidavit Penalty

Receipted into 101-011-4040-000

A Property Affidavit must be filed within 45 days of the property transfer. Filing is mandatory and required Form 2766 from the Michigan Department of Treasury.

Penalty for failure to complete and submit all required paperwork to the City:

- Industrial and Commercial property:

If the sale is \$100,000,000 or less - \$20 per day for each separate failure beginning after the 45 days have elapsed up to a maximum of \$1,000

If the sale is \$100,000,000 or more - \$20,000 after the 45 days have elapsed

- Real property other than industrial and commercial:

\$5 per day for each separate failure beginning after the 45 days has elapsed, up to a maximum of \$200.

2.0 Tax Administration Fee

Receipted into 101-011-4470-000

The City of Madison Heights bills and collects taxes on behalf of all taxing jurisdictions in the City. A 1% fee of all taxes billed is added to cover this service as allowed in the State of Michigan General Property Tax Act 211.4 (3).

3.0 Duplicate Bill Fees

Receipted into 101-044-6701-000

If a duplicate bill must be printed for payment or customer records the City charged a duplicate bill fee. This fee is set by the Department Head Based on an estimate of time and materials.

\$3 per bill requested

4.0 Stop Payment Fee

Receipted into 101-044-6701-000

If the City must stop payment of a check issued a \$32 stop payment fee may be charged to the payee of the check. This fee is set by the Department Head based on the fee the City is charged from our banking institution.

5.0 Returned Check/ACH fee

Receipted into 101-044-6705-000

If a customer has a payment returned for any reason including (non-sufficient funds, closed account, wrong account information) a \$25 returned check/ach fee will be charged to the customer. This fee is set by the Department Head based on the fee the City is charged from our banking institution.

Section 5. LIBRARY SERVICE FEES

1.0 **Rental and Late Fees**

Late Fees received into 101-030-6085-000

DVD Fees received into 101-033-6085-000

DVD rental for feature films	\$1 for three (3) days with \$1 per day late fee
DVD rental for donated items	No charge for 7 days with \$1 per day late fee
Late Fees:	
Books and audio material	\$0.25 per day
DVD	\$1.00 per day

2.0 **Program Fees**

Received into 101-030-6085-000

Special Craft Program	\$2 per program residents/ \$3 per program non-residents
Coffee Concerts	\$5 per concert

3.0 **Computer and Printer Fees**

Printer Fees received into 101-030-6085-000

Computer Use fees received into 101-030-6085-000

Computer Use fees – A Madison Heights library card is needed to use the public computers including internet or MS Office programs. If the customer does not have a Library Network library card, or wish computer time beyond the three hours per day allowed with that card, a \$2 per hour visitor pass can be purchased.

All pages printed	\$0.15 per page (black and white)
	\$0.50 per page (color)

4.0 **Miscellaneous**

Printer Fees received into 101-030-6085-000

Fax – Local Calls	\$1 per page
Fax – Long Distance Calls	\$2 first page and \$1.50 each additional page
Replacement Library Card	\$2 first instance; additional cards \$5 each
Library Card non-resident	\$100

Section 6. FIRE SERVICE FEES

Ambulance and Emergency Response Fees

1.0 Advanced Life Support Services

Received into 101-044-6707-000

ALS Emergency Transport	\$710
ALS Emergency Transport II	\$950
ALS Non-Emergency Transport	\$400
Treat No Transport	\$225

2.0 Basic Life Support Services

Received into 101-044-6707-000

BLS Emergency Transports	\$550
BLS Non-Emergency Transport	\$400

3.0 Miscellaneous Fees

Received into 101-044-6707-000

Loaded Mile (scene to hospital fee per mile)	\$14.00 per mile
Oxygen	\$50
Extrication	\$500
Defibrillator	\$50
Cost Recovery for Structure Fires	\$500

Miscellaneous Fees

1.0 Cardiopulmonary Resuscitation (CPR) Course Courses

Received into 101-044-6709-000

Course fees include supplies and materials used.

Basic CPR	\$50 per participant
CPR and Automatic Defibrillation	\$50 per participant
CPR/First Aid	\$50 per participant
CPR for Professional Health Care Providers	\$50 per participant
On-line CPR Practical Skill Verification	\$25 per participant

2.0 Inspections and Reporting

Fire incident reports	See Section 12 – FOIA Fees
EMS reports	See Section 12 – FOIA Fees
Environmental Inspection Assessment	\$25 per assessment
Fire Re-Inspection	no charge 1 st and 2 nd inspection 3 rd inspection \$100 each 4 th inspection \$200 each 5 th or more inspection \$300 each

False alarms – see fee schedule in the Police Department in Section 7.

Section 7. POLICE SERVICES FEES

False Alarm Fees

Number of alarms is determined on a rolling calendar year from the date of the first false alarm.

1st False Alarm	No Charge
2nd False Alarm	No Charge
3rd False Alarm	\$100
4th False Alarm	\$200
5th False Alarm	\$300
6th False Alarm	\$400
7th and all subsequent violations	\$500

Police FOIA and Miscellaneous Fees

1.0 FOIA

In-Car Video Recordings	\$0.20 + actual wages to prepare
Audio Tapes	\$0.20 + actual wages to prepare
Photographs	\$0.20 per disc + actual wages to prepare

2.0 Reports

Accident Reports	\$13 per report set by contract with Oakland County
Police Report Photographs (excluding accident report)	\$0.10 per page of photographs

Section 8. DEPARTMENT OF PUBLIC SERVICES

1.0 **RV Lot Rental Fee**

Receipted into 101-030-6285-000

RV Lot Rental based on availability \$10 per month

2.0 **Brush Chipping Fee**

Receipted into 101-030-6270-000

Curbside brush chipping service \$25 per every 15 minutes

Section 9. PARKS AND RECREATION SERVICE FEES

The City of Madison Heights offers numerous classes and programs through our recreation department. The resident and non-resident fees are set each class cycle based on cost for instructors, program expenses and staff. These fees are published by class/program in the recreation brochure.

Meeting Room Rentals

The City of Madison Height allows groups to use meeting rooms at the Library/Breckenridge Room and Fire Department Room.

1.0 Groups for which No fee is charged:

Programs sponsored by the City
Meeting of Madison Heights non-profit (501 C3) political, educational organizations
Organizations where all members reside in Madison Heights (i.e. sports leagues, condo associations, etc.)
Service clubs that reside in Madison Heights
County, state and federal offices requesting usage for business use

2.0 Groups for which a \$20 an hour/minimum of 2 hours will be charged:

Any non-profit groups (must provide a copy of 501-C3 documentation) that do not reside in Madison Heights (this would include organizations such as Toy Dog Club, Trout Unlimited, etc.)
Any adult* group/club providing an activity to make money for the club/group
Any adult* group desiring to have instructional or social activity for their own benefit where a fee is assessed to participants

3.0 Groups for which a \$30 an hour/minimum of 2 hours will be charged:

Any group originating from a business establishment such as union meetings, company staff meetings
Groups other than civic, cultural, educational, political groups, deriving personal or financial gain
(such as sales meetings, investment clubs, training sessions, etc.)
Any group not comprised of 75% Madison Heights residents.

Park Pavilion Rentals

The City of Madison Heights allows residents and groups to rent the City pavilions. Pavilion A, B and C are available on a first come first served basis.

Pavilion Rental Fees	\$50 per pavilion + %50 refundable damage/cleaning deposit
Cancelation Fee	\$10 with one week (7 days) notice
	No refund will be given if cancelled in less than one week (7 days) of the rental date

Senior Center Rentals

The City of Madison Heights allows residents and groups to rent the Senior Center Building.
Receipted into 101-030-6530-000

\$50 per hour	3 hour minimum for Madison Heights residents and businesses.
\$25 per hour	3 hour minimum for civic groups, schools and scout troops
\$200	refundable damage deposit.

Section 10. SENIOR CITIZEN CENTER SERVICE FEES

The City of Madison Heights offers numerous trips, classes and programs through our Senior citizens Center. The resident and non-resident fees set for each trip/program based on cost by the Center Coordinator.

1.0 Transportation

The City of Madison Heights transports residents who are age 50 and older and/or disabled Monday through Friday to banks, beauty shops, grocery stores, senior center and social service appointments.

Rides	\$1 each way, within Madison Heights, \$2.50 each way within a seven (7) mile radius of the Senior Center
Doctor appointments	\$2.50 each way Monday – Friday, appointments must stay within a seven (7) mile radius of the Senior Center

2.0 **Lunch Program**

Lunch served daily at the Senior Center \$3.50 per person.

3.0 **Miscellaneous**

Trip Cancellation Fee \$5

Section 11. GENERAL GOVERNMENTAL SERVICE FEES

1.0 Message Board Greetings

City Hall Message Board	Non-Roundtable members \$10 for one per day or \$20 for a week Roundtable members no charge
Senior Citizen Center Message Board	\$10 for one day or \$20 for a week

2.0 Wedding Ceremony

Administration fee	\$50 per wedding
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3.0 Items for Sale

Garbage Bags Receipted into 101-033-6421-000	Box of 50 Heavy Duty bags \$18 per box
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Recycling Bin and Lid Receipted into 101-033-6422-000	\$14.50
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Section 12. FOIA FEES

A fee will not be charged for the cost of search, examination, review and the deletion and separation of exempt from nonexempt information unless failure to charge a fee would result in unreasonably high costs to the City because of the nature of the request in the particular instance, and the City specifically identifies the nature of the unreasonably high costs.

The Michigan FOIA statute permits the City to assess and collect a fee for six designated processing components. The City may charge for the following costs associated with processing a request:

- Labor costs associated with searching for, locating and examining a requested public record.
- Labor costs associated with a review of a record to separate and delete information exempt from disclosure of information which is disclosed.
- The cost of computer discs, computer tapes or other digital or similar media when the requestor asks for records in non-paper physical media.
- The cost of duplication or publication, not including labor, of paper copies of public records.
- Labor costs associated with duplication or publication, which includes making paper copies, making digital copies, or transferring digital public records to non-paper physical media or through the Internet.
- The cost to mail or send a public record to a requestor.

1.0 Labor Costs

- All labor costs will be estimated and charged in 15 minute increments with all partial time increments rounded down.
- Labor costs will be charged at the hourly wage of the lowest-paid City employee capable of doing the work in the specific fee category, regardless of who actually performs work.
- Labor costs will also include a charge to cover or partially cover the cost of fringe benefits.

2.0 Non-paper Physical Media

- The cost for records provided on non-paper physical media, such as computer discs, computer tapes or other digital or similar media will be at the actual and most reasonably economical cost for the non-paper media.
- This cost will only be assessed if the City has the technological capability necessary to provide the public record in the requested non-paper physical media format.

3.0 Paper Copies

- Paper copies of public records made on standard letter (8 1/2 x 11) or legal (8 1/2 x 14) sized paper will be \$.10 per sheet of paper. Copies for non-standard sized sheets will be charged at the actual cost of reproduction.
- The City may provide records using double-sided printing, if cost-saving and available.

4.0 Mailing Costs

- The cost to mail public records will use a reasonably economical and justified means.
- The City may charge for the least expensive form of postal delivery confirmation.
- No cost will be made for expedited shipping or insurance unless requested.

Water and Sewer Rate Analysis FY 2019 Review

Background

Over the past two years the City of Madison Heights undertook a comprehensive rate restructuring program that included eliminating several fees charged, reducing the per unit cost for water and sewer, eliminating debt service from the rates and adding stormwater fees as a separate charge. We are now taking the final step in solidifying the City's Water and Sewer rate structure by presenting this report which is designed to be updated and published annually. Before the City started the comprehensive Water and Sewer rate restructuring, the City had annually adjusted rates for City users based on short-term projections of cash flow requirements and projected annual capital expenses. The rates that resulted from such adjustments did not adequately reflect the long term needs of the system and did not adequately reflect the variations in capital cost from one year to the next or the need to maintain an adequate fund reserve.

To remedy this and to establish a procedure for implementing annual rate adjustments, the City has adopted a rate analysis tool and method for reviewing and adjusting rates annually. The rate study method has three major objectives:

1. operate in an open and transparent manner with information available for review by customers and system users;
2. establish a method that produces adequate revenues over the period without causing significant gains or shortfalls in cash reserves; and
3. utilize cash reserves for rate stabilization.

The basic principle guiding this rate study and any rate adjustments that result is that rates should be set to meet revenue requirements as defined by historical costs adjusted by known cost increases and decreases.

The annual rate analysis background material is assembled during the period from January through March of each year as part of the annual budget process. The base period financial information consists of the actual revenues and expenses of the fiscal year ended on the most recent June 30th, adjusted for any known increases for the upcoming year. Revenue requirements of the System are comprised of operating and maintenance expenses, costs of capital improvements excluding depreciation costs, and debt service costs that are the responsibility of the water and sewer system. Stormwater Fees and outside grants and projects are an offset to expenditures and revenues as pass-through costs. Rates are then calculated to generate revenues equal to the net expenditure requirement offset by a portion of the available cash reserves, which is being used as a rate stabilization fund.

New rates and charges are reported to the City Council on or about April 5th each year as part of the annual proposed budget. The most recent rate structure was adopted and approved by City Council on May 9, 2017 for users of the system. New rates, proposed in this study, if approved by City Council, would come into effect beginning for bills on or after July 1, 2018.

Assumptions:

As of today, several factors are still unknown. This requires the use of several assumptions in the formulation of this rate analysis.

- The City purchases all of its water from a 3rd party wholesaler, Great Lakes Water Authority (GLWA). GLWA rates have also undergone a significant rate restructuring since separating from Detroit Water and Sewer and we only have three years of history to reference. As of February 1, 2018, we have received proposed wholesale water service charges based on two different scenarios used by GLWA to implement a recent service study recommendations. Scenario 1 implements the recommendations in two years; scenario 2 implemented the recommendations in one year. We have assumed the one year implementation period (Scenario 2).
 - **Assumption used for this rate study - 6.26% Commodity Rate and 2.3% Flat Rate for a combined increase of 3.87%**
 - 2017-18 - GLWA water charges for wholesale customers increased by an average of 2%, while rates to Madison Heights increased 3.6%. Proposed for FY 2018-19 is a combined 3.87%.
 - 2016-17 – GLWA water charges increased for Madison Heights by 3.7%.
 - GLWA has pledged to control the budget with a 4 percent ‘Promise’ contained in the Lease Agreements that established GLWA. Mitigating increases in future charges continues to be a top priority for GLWA.
- The City purchases Sewer treatment and Stormwater from Oakland County Water Resources Commissioner (WRC). Following the pattern set by GLWA, rate changes from the WRC are no longer received in time for inclusion in our rate development. Last year, these rates increases were published on June 27, 2017.
 - **Assumption used for this rate study for Stormwater is 1.0%.**
 - Stormwater is a pass-through charge only. The City bills the users of the system the same dollar amount we are billed from WRC. This is allocated to users of the system based on Equivalent Residential Units (ERU) as calculated by the City engineering firm. (See discussion specific to Stormwater later in this report).
 - FY 2017-18 rates increased from FY 2016-17 by 0.4%. From \$1,663,376 to \$1,669,827 per year.
 - **Assumption used for this rate study for Sewer Treatment is 4.0%.**
 - FY 2017-18 rates increased from FY 2016-17 by 5.4%. From \$2,877,714 to \$3,033,026.

Debt Service payments that are related to operating cost of the system are included in this rate study. This includes the pension bonds that were issued in September 2016 for Water and Sewer employees to reduce the actuarially calculated annual contribution and the bond for Water and Sewer Automatic Water Reading (AMR) system which reduced overall operation costs. Debt service for the Drain Commission (WRC) is not included in the rates, but instead is charged to the residents as a property tax millage (Chapter 20 Drain Debt).

Debt Service included for the next five years is listed below:

Fiscal Year	Pension Bonds	AMR Bonds	Total
2019	\$152,015	\$138,400	\$290,415
2020	152,251	139,725	291,976
2021	151,620	140,600	292,220
2022	151,372	141,000	292,372
2023	151,487	146,200	297,687

FY 2020 is the first opportunity to pay off the AMR bonds. Staff will evaluate payoff off the AMR Bonds early in order to save the interest costs, if funds are available.

- Capital Improvement costs related to the operation of the enter System are allocated to users through this rate method. Each year, the City goes through a detailed capital improvement planning process prior to beginning the budget process. As revenues have a direct impact on cash flow, the rates do not include the depreciation expenses of the fixed assets of the system.

Capital Improvement costs are included for the next five years. For a detailed listed of the specific Capital Improvement projects included, please see the Capital Improvement Plan adopted by City Council January 9th or Table VI (as abstracted from this plan and included as Appendix A).

Fiscal Year	Capital Improvement
2019	\$2,974,500
2020	2,528,000
2021	1,114,000
2022	1,021,000
2023	1,811,000

Stormwater

Starting on July 1, 2016, the City began to adjust the method for billing customers for stormwater charges. The first step was to remove stormwater from the sewage rate and to calculate a new stormwater charge based on the individual parcel's amounts of pervious and impervious surface which directly correlates to the stormwater runoff. The City Engineer calculated the Equivalent Residential Unit (ERU) equal to 2,600 square feet. Parcels containing a higher amount of impervious surface have a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed from stormwater continues to cover all the city's stormwater expenses from the Oakland County Water Resources Commissioner.

Study Recommendation:

Based on study results for FY 2019, staff proposes increasing rates 3.25% for all users of the Madison Heights System as follows:

Water: current rates \$3.04 per unit with 10 unit base charge

Proposed rate \$3.14 per unit with 10 unit base charge

Sewer: current rate \$3.44 per unit with 10 unit base charge

Proposed rate \$3.55 per unit with 10 unit base charge

Our calculations utilize \$2 million of reserves for capital improvements and rate stabilization. This will also leave an estimated \$4.1 million in fund balance for a minimum reserve balance and future rate stabilization and capital improvements.

The minimum reserve balance for the Water and Sewer Fund mirrors the General Government policy: Reserves will be programmed at appropriate levels (two months' worth of operating expenditures or 16% plus one year of debt payments).

Using the current rate method of taking a short-term annual look at rates the Water and Sewer fund would necessitate of drastic increases by FY 2023 (Year Five of this plan).

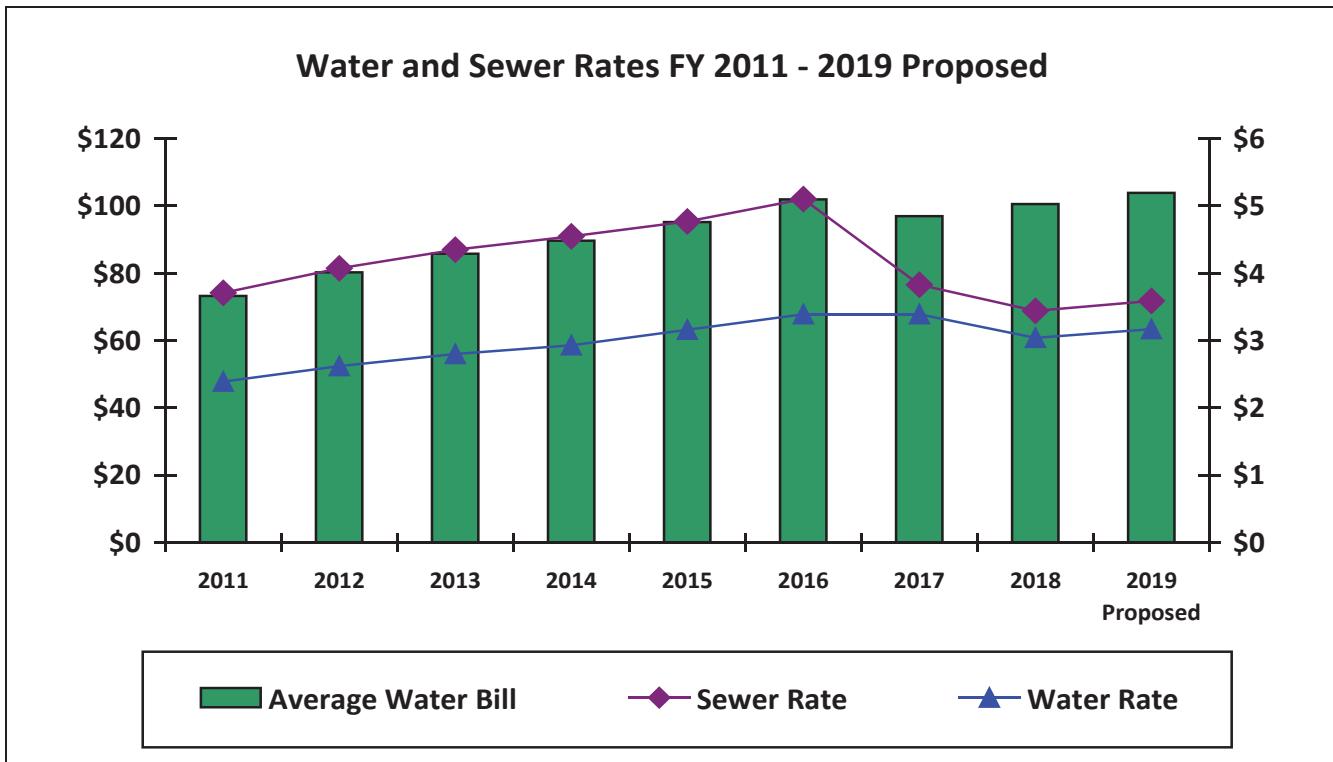
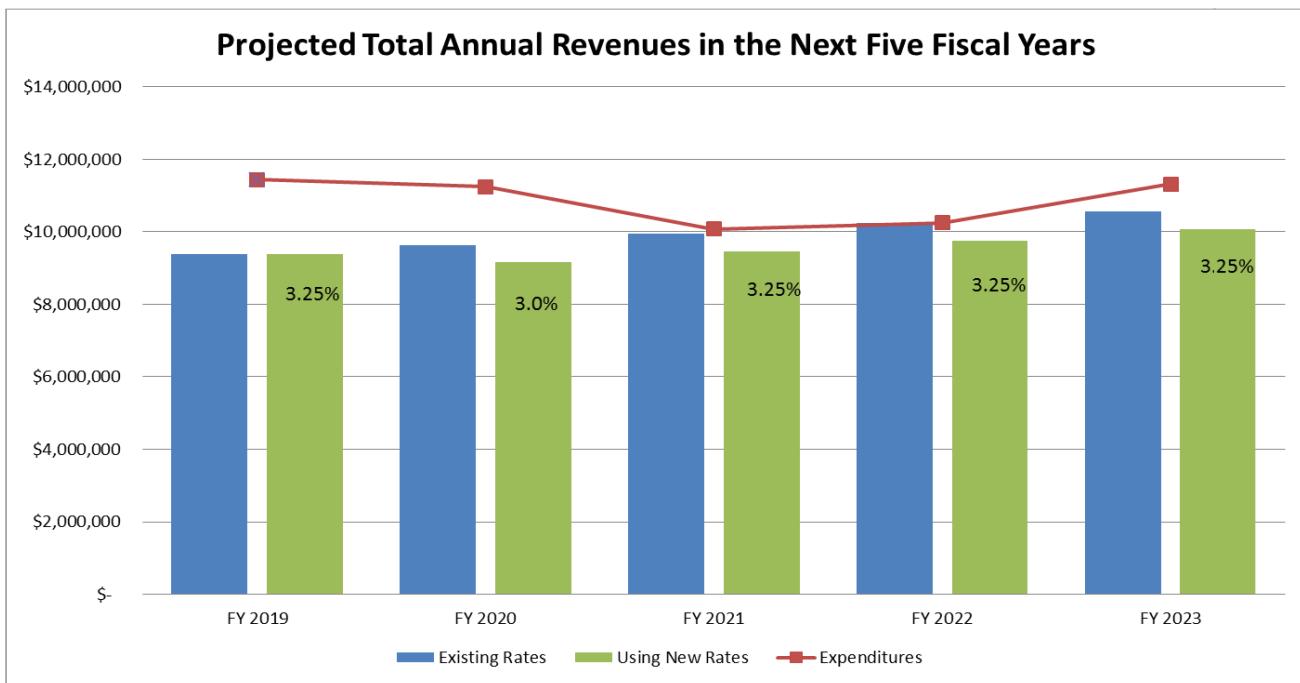
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<i>Current Method - annually</i>	0.00%	0.00%	11.00%	2.00%	11.00%
Revenue Estimates - rates	8,605,608	8,605,608	9,552,225	9,743,270	10,815,030
Revenues Other	485,000	485,000	485,000	485,000	485,000
Expenditure Estimates	11,431,908	11,233,347	10,074,013	10,243,909	11,310,581
Net Revenues	(2,341,300)	(2,142,739)	(36,787)	(15,639)	(10,552)
Fund Balance Est.	2,231,869	89,130	52,343	36,704	26,152

By implementing this rate study, we can better predict future cash flow and revenues needs and therefore use fund balance to smooth rate changes for customers of our system.

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<i>RATE SMOOTHING</i>	3.25%	3.00%	3.25%	3.25%	3.25%
Revenue Estimates - rates	8,885,291	9,151,849	9,449,285	9,756,386	10,073,469
Revenue Other	485,000	485,000	485,000	485,000	485,000
Expenditure Estimates	11,431,908	11,233,347	10,074,013	10,243,909	11,310,581
Net Revenues	(2,061,617)	(1,596,498)	(139,728)	(2,523)	(752,113)
Fund Balance above minimum req. reserve	2,511,551	915,054	775,326	772,803	20,690

This plan will be updated annually for the five year forecast period with a five year rate prediction included.

- Average Water Bill is calculated historically as 12 units and 2 ERU's for stormwater.
- In FY 2017, the Stormwater Rate was removed from the Sewer Rate.
- In FY 2018, the GWK Drain Debt was removed from the Sewer Rate and billed as a separate tax millage.



- Average Water Bill is calculated historically as 12 units and 2 ERU's for stormwater.
- In FY 2017, the Stormwater Rate was removed from the Sewer Rate.
- In FY 2018, the GWK Drain Debt was removed from the Sewer Rate and billed as a separate tax millage.



City of Madison Heights

City Hall Municipal Offices
300 W. Thirteen Mile Road
Madison Heights, MI 48071

Department of Public Services
801 Ajax Drive
Madison Heights, MI 48071

Fire Department
31313 Brush Street
Madison Heights, MI 48071

Police Department
280 W. Thirteen Mile Road
Madison Heights, MI 48071

www.madison-heights.org

To: Honorable Mayor and City Council

From: Benjamin I. Myers, City Manager
Melissa R. Marsh, Deputy City Manager

Date: November 13, 2017

RE: Five Year Financial Forecast – Fiscal Years 2018-2022

Attached please find the five year forecast for the City of Madison Heights for the Fiscal Years 2018-2022. This forecast should be evaluated as a financial estimate, created from the best available information at this point in time.

Executive Summary

The goal of the Five-Year Financial Forecast is to provide Staff, Council, and the public with a detailed estimate of the revenues and expenditures for the current and future four years, to serve as the first step in the upcoming year budget process. This detailed look at the financial estimates serves as a tool to identify financial trends, shortfalls and issues so the City can proactively address them. The forecast, therefore, is essential for planning the future financial sustainability of the City as we proceed through the Goal Setting, Capital Improvement and Budget Planning processes.

Since December 2007, the City has had to deal with many financial obstacles including declining revenues, increased home foreclosures, skyrocketing health insurance increases and increasing legacy cost including pension and retiree health care benefit costs. Starting in FY 2014, the economic climate began to improve as noted by the majority of national, State, regional and local economic indicators. This forecast assumes continued gradual growth of the national economy with positive impacts to the local economy, which is reflective in staff's estimates of economically sensitive revenue estimates. Despite the steadily improving economic climate, the long-term financial outlook continues to identify structural challenges to the City's General, Major Street, Local Street and Water and Sewer Funds due primarily to the restrictions of Proposal "A" and the Headlee Amendment, changes by the State to property taxes and burden of legacy costs such as pension and retiree health care benefits.

It is important to stress that this forecast is not a budget. It doesn't make expenditure decisions but does assess the need to continue to prioritize the allocation of City resources. The purpose of the forecast is to provide an overview of the City's fiscal health based on various assumptions over the current and next four years and to provide the City Council, management, and the citizens of Madison Heights with a "heads up" on the financial outlook beyond the annual budget cycle. The five-year forecast is intended to serve as a planning tool to bring a long-term perspective to the budget process.

Area Code (248)

Assessing	858-0776	Fire Department	583-3605	Nature Center	585-0100
City Clerk.....	583-0826	43rd District Court	583-1800	Police Department	585-2100
City Manager.....	583-0829	Housing Commission	583-0843	Purchasing	837-2602
Community Development	583-0831	Human Resources	583-0828	Recreation.....	589-2294
Department of Public Services	589-2294	Library	588-7763	Senior Citizen Center.....	545-3464
Finance.....	583-0846	Mayor & City Council	583-0829	Water & Treasurer	583-0845

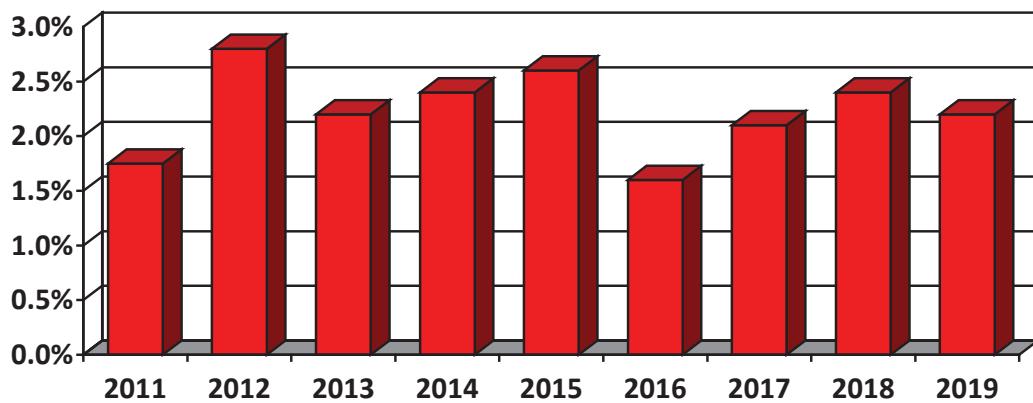
The Government Finance Officers Association (GFOA) recognizes the importance of combining the forecasting of revenues and expenditures into a single financial forecast. The GFOA recommends that a government should have a financial planning process that assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve its goals.

Regional Economic Outlook

Reflecting the country as a whole, Oakland County and the Southeast Michigan region continue the lackluster improvement during 2017. The best single measure of the U.S. economy is inflation-adjusted, or real, Gross Domestic Product, which comprises all of the goods, services, and structures produced in the economy. As reported by representatives of the University of Michigan's Institute for Research on Labor, Employment, and the Economy at the June 2017 Oakland County Economic Outlook Forum, real or inflation-adjusted U.S. Gross Domestic Product (GDP) downshifted from a 2.6% average rate in 2015 to 1.6% in 2016, held down by weak inventory investment and not exports, both of which can be quite volatile. Overall, the forecast is for real GDP growth accelerating to 2.1% in 2017 and 2.4% the next year, before moderating slightly to 2.2% in 2019.

As forecasted, U.S. Light Vehicle Sales set a new all-time record of 17.4 million units in 2015, which was surpassed the next year with sales of 17.5 million units. The forecast is that sales have reached a cyclical peak, and will retreat a bit from here, to 17.4 million units in 2017 and 17.3 million in each of the following two years. Detroit's Big Three shares of these sales continue to fall from 43.6% in 2015 to 42.7% in 2016. The forecast increases to 43.4 percent in 2017, and climbing slowly from there, to 43.7% in 2018 and 43.9% in 2019. This flattening out of Detroit Big Three sales follows a period of vigorous growth from 2009 to 2015, and is consistent with a maturing economic expansion.

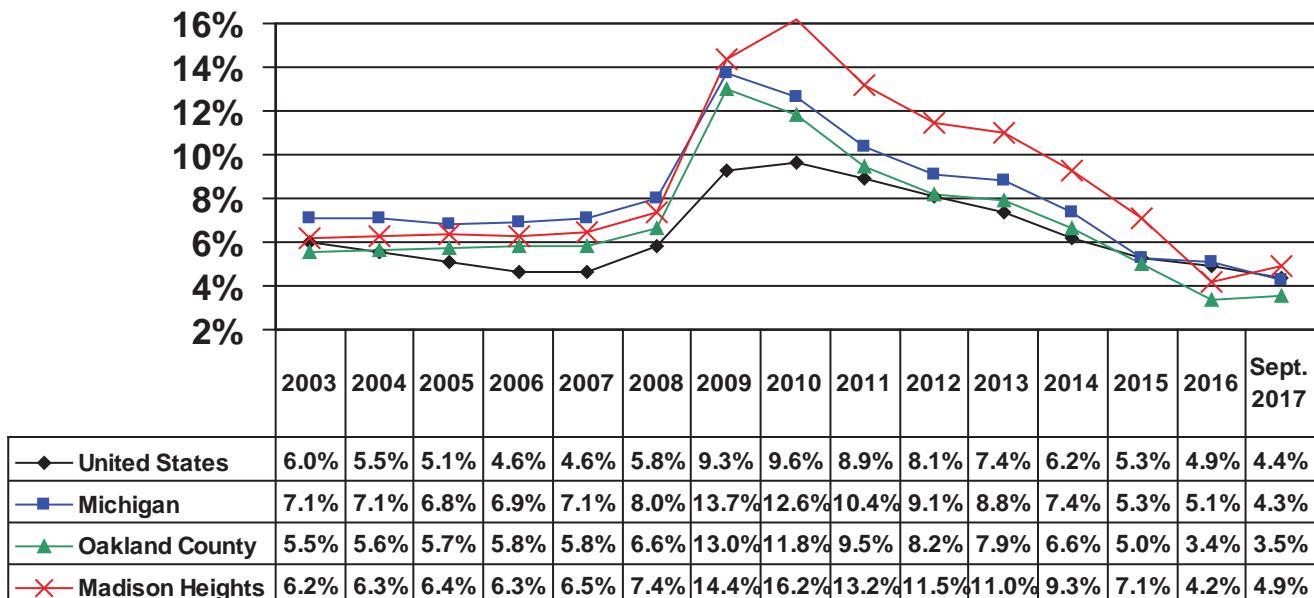
Growth in U.S. Gross Domestic Product, 2011-2019



Of the key economic factors, job growth and unemployment are two of the most important financial indicators of recovery because a loss of jobs cuts across all sectors of Michigan's economy, impacting the housing market, and funding for state and local government services which rely on income, property and sales taxes. The University of Michigan economists forecast that job growth will slow down over the next three years, to 2.1% in 2017, 1.9% in 2018, and 2.0% in 2019. The growth we foresee moving forward translates into gains of only 14,993 jobs in 2017, 14,012 in 2018, and 15,326 in 2019. Over the period from 2009 to 2016, the county's job growth of 18.0% has greatly outpaced

both the nation's 9.9% and Michigan's 11.8% gains. The economists note that if the forecast proves correct, the span of Oakland's current recovery will extend to at least ten years. The county's upward trajectory continues to be supported by its strong economic fundamentals.

Annual Unemployment Rates, 2003 through September 2017



(Source: Bureau of Labor Statistics)

As indicated above, unemployment rates have returned to pre-recession levels, although Madison Heights remains slightly higher than the other unemployment indicators.

Financial Forecast

The forecast reflects actuals for Fiscal Year 2017, estimated expenditures for Fiscal Year 2018 and forecasted figures for Fiscal Years 2019-2022. The forecast focuses on the City's major appropriated funds which include the General, Major Street, Local Street and Water and Sewer Funds.

The General Fund is the primary focus of the forecast report because this fund is the City's operating fund which pays for services such as police, fire, library, parks, recreation, solid waste collection/disposal, and administration.

Overview of Fiscal Year 2016-17

Fiscal Year 2017 General Fund reserves ended at \$7.05 million, down from \$8.7 million in fiscal year 2016. Of this amount, \$6.7 million is considered to be spendable and available to fund operations. This decrease in fund balance was a direct result of a planned use of fund balance in FY 2017 of \$2.2 million, of which only \$1.7 was utilized. This lower than anticipated use was due to a few items. First, the City's miscellaneous revenue is a source of income that is not typically reoccurring and is from unpredictable sources. The largest miscellaneous revenues are insurance distributions allocated from rebates and investment earnings. During 2017, the City received insurance distributions of \$612,785 of which \$514,955 was allocated to the General Fund. This exceeded the amount budgeted by \$334,615. Second, Ambulance revenue came in higher than the budgeted \$92,087. Third, several General Fund departments also completed the year under budget. Most notable were Human Resources at \$68,942 under budget due to lower than

anticipated consultant fee testing, the Finance Department at \$31,207 under budget due to reduction in audit fees and changes in employee elections for health insurance, and the Community Development at \$51,719 under budget with savings from a vacant position, computer equipment for Geographic Information System (GIS) and contractual site plan review needs.

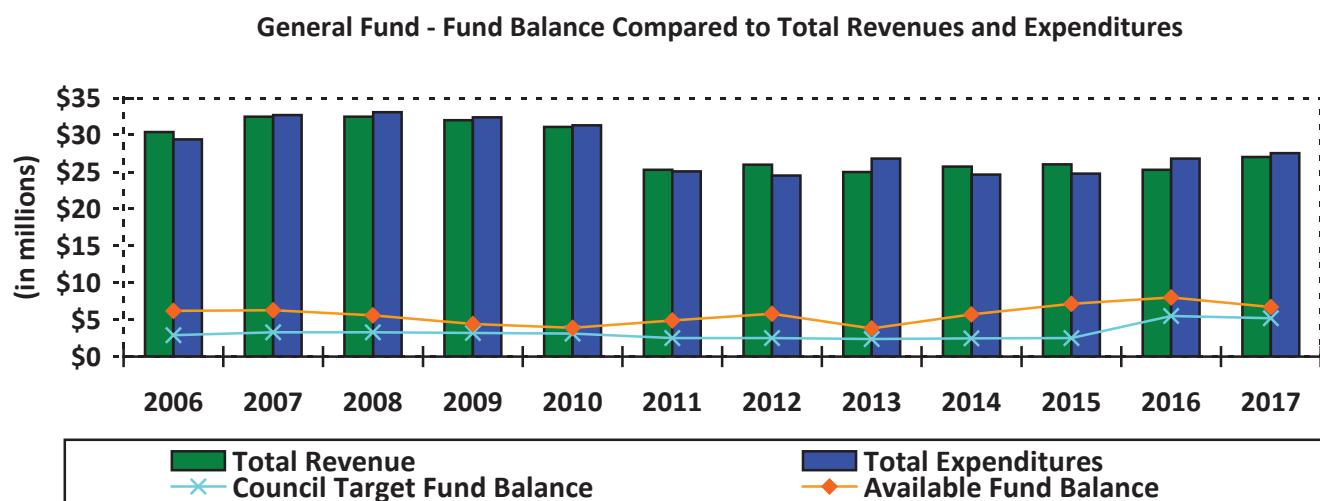
Overview of the Current Fiscal Year 2017-2018

The fiscal year 2018 General Fund budget of \$27.6 million, which includes a budgeted use of fund balance of \$326,585, was adopted by Council in May 2017. Budget amendments were approved in June 2017 including an additional use of fund balance of \$212,375 for carry-over expenditures. Since that time, the majority of revenues have held steady as reported in the first quarter Council and departmental revenue and expenditure reports. Earlier in the year, we were informed by the State of Michigan that Constitutional Revenue Sharing would be higher than projected and a supplemental allocation for revenues sharing would be distributed in FY 2018. This amount is \$108,758. We will not know for certain, until the State approves the FY 2019 budget if this supplemental allocation will continue next year or be a one-time allocation. This increase will be used to offset necessary personnel changes in the Department of Public Services and possible decreases in other revenues such as RV Lot fees which have been moved to an Enterprise Fund to match the RV lot expenses. Expenditures during the first quarter are also in line with budgeted expenditures with the exception of Police overtime, and Community Development contractual services which cover unexpected emergency demolition of properties and clean-up. There may also be emergencies or unknown expenses that can cause overages as of December 31, 2017. City Council will be asked to review and approve mid-year budget amendments if overages are likely to occur in January 2018.

General Fund Reserves

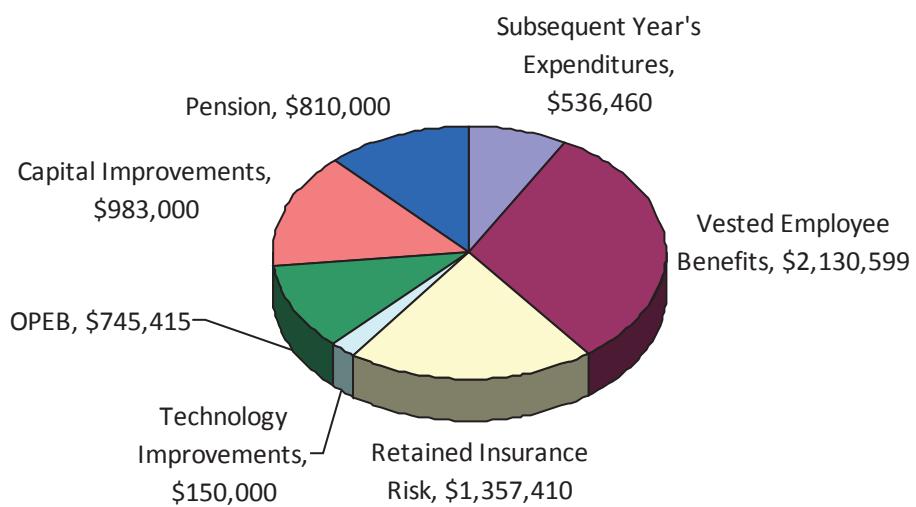
In December 2015, the City Council approved the goal to modify the City's Financial Reserve Policy to comply with the Michigan Government Financial Officers Association Best Practices of adhering to an operating reserve policy setting the minimum reserve level at no less than two months or 16% of regular operating expenditures plus one year of debt payments, using fund balance reserves only for one-time expenditures. This policy was established to prudently protect the fiscal solvency of the City. Reserves are important in order to mitigate the negative impact on revenues from economic fluctuations, State budget adjustments and unfunded mandates, and unforeseen expenditure requirements. The following bar/line graph depicts the target and available General Fund Balances since 2006, as shown against total revenues and expenditures. In all years, the City has been able to maintain a fund balance at or slightly above the minimum target fund balance.

As stated previously, in Fiscal Year 2017 General Fund reserves ended at \$7.05 million, down from \$8.7 million in FY 2016. Of this amount, \$6.7 million is considered to be spendable and available to fund operations. Total FY 2018 operating expenditures are \$25.9 million with general obligation debt payments at \$1,036,274. The required fund balance reserve is \$5,179,000. Strong financial policies that are reviewed on a regular basis are part of the reason the City has maintained its AA- bond rating.



In addition, staff reviews the reserve levels at the end of each fiscal year and assigns reserves to meet unfunded liabilities. Currently, reserves are assigned as follows: 8.0% to fund subsequent year's expenditures, 31.7% for vested employee benefits (not including pension or retiree health care), 20.2% for retained insurance risk, 2.2% for technology improvements, 11.1% for other post-employment benefits (OPEB), 12.1% for pension obligation bond payments and 14.7% capital improvements (see the following pie chart).

Assigned General Fund Reserves as of June 30, 2017



Overview of Five Year Forecast - FY 2018-2022

The Five Year Financial Forecast includes a baseline projection of revenues and expenditures used to evaluate the City's future financial condition and capacity to fund existing services and infrastructure needs. The growth assumptions in the

baseline projections are based on the most recent economic data provided by various sources and existing City contractual obligations such as service contracts, labor agreements and debt service.

General Fund revenues are projected to continue to be stable with slow growth estimated to be at or slightly below the rate of inflation in the current year and next four years. This is mainly due to the reductions in personal property tax phase-in through the State of Michigan, the loss of taxable value in the Michigan Department of Transportation property takings, Proposal A and the Headlee Amendment. Major discretionary revenues are projected to increase less than 1% overall as property taxes (our largest revenue source) are forecasted to increase over the next four years through a combination of real property and personal property by an average of 1.6% per year. This compares to an historical average decrease of total revenues of 2.9% from 2010 to 2015, which included declines in property tax revenues, court revenues and state revenue sharing. Expenditures are projected to grow at an annual average rate of 1.15% during the succeeding four years, taking into account the City's infrastructure needs and assumption of full implementation of the City's current Capital Improvement Plan. This forecast does not take into consideration any changes in negotiated benefits or wage increases as all the City's eight bargaining contracts expire on June 30, 2018. (For reference, a 1% wage increase, with roll-up benefits, costs approximately \$137,700 for the General Fund.)

Forecasted Challenges – FY 2018-2022

The two major financial challenges facing the City over the next decade are legacy costs and infrastructure needs. Legacy costs are the cost of pension and retiree health care for employees after they leave the service of the City. Each benefit has a unique set of issues which are discussed separately below:

Pension

As part of the FY 2017 goal process, Council approved a goal to: Develop and implement a plan and policy to fully address the City's unfunded liabilities for pension and other post-employment benefits. As part of accomplishing this goal, staff researched and Council approved the issuance of Pension Obligation Bonds (POBs) in the amount of \$15,250,000 for 16 years in order to fund the accrued liability for the General (non-sworn) employees in the Michigan Municipal Employee Retirement System (MERS). These bonds were issued on September 29, 2016 and funds were transferred to MERS bringing the general employees' pension system to 106.6% funded. The current budget and the following four year forecast include the bond payment plus the normal cost for the pension system on an annual basis. Normal cost is required to be paid even when funds are over 100% funded because the normal cost is not included in the accrued liability. It is the amount attributable to the current year of service.

The Police and Fire Pension Fund is only 58.6% funded and not been addressed beyond making the annual actuarially required contribution. This pension plan remains open to new hires, although their benefits have been reduced through a tiered system. The funding of this liability is paid annually through the Public Act 345 millage which is currently 6.9586 mills or 27% of the current overall millage rate.

Retiree Health Care

Ten years ago, the Council approved the establishment of a Retiree Health Care Trust and since that time we have funded over \$28.6 million into two trusts for retiree health care; however, this pales in comparison to the amount needed which is actuarially calculated to be \$98.6 million. In FY 2015 and 2016, the City was not able to the recommended annually calculated contribution for retiree health care benefits. In 2017, the City budgeted to contribute

a flat dollar amount equal to the 2016 contribution; however, City Council prudently approved a budget amendment to make an additional contribution exceeding the recommended contribution for the fiscal year by \$279,284. While this is still better than many municipalities statewide, the current funding level is not considered acceptable to City management and does not meet the new recommended State funding level of 40%. Therefore, increasing this funding will be a major focus of future budget proposals. The combined Trust funding is 29% of the actuarially calculated liability.

Staff continues to work toward funding these liabilities and in FY 2018-19 a Goal proposal will address this OPEB funding shortfall by presenting Council with a recommended OPEB funding policy. Once the details of this policy have been created, and if approved by Council, this could impact the budget by allocating a larger portion of fund toward the OPEB benefits that have been promised but not paid.

The forecast includes level funding of 56.1% of the annually calculated contribution as currently included in the FY 2018 budget.

Forecast Summary/Conclusion

This long-term financial outlook continues to identify structural challenges to the City's General Fund. Specific recommendations to achieve a balanced budget for Fiscal Year 2018-19 will be presented as part of the proposed budget and will address legacy costs to the City.

General Fund Forecast Summary
(in millions)

	2016-17 Actual	2017-18 Projected	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Revenues	\$40.320	\$27.044	\$27.376	\$27.667	\$27.983	\$28.307
Expenditures	\$41.986	\$27.326	\$27.897	\$28.610	\$29.107	\$28.227
	(\$1.66)	(\$0.282)	(\$0.521)	(\$0.943)	(\$1.124)	\$0.080
General Fund Non-restricted Reserves	\$6.713	\$6.431	\$5.910	\$4.967	\$3.843	\$3.923
% Reserves of Current Year Expenditures	15.98%	23.53%	21.19%	17.36%	13.2%	13.9%

Development of a long-term financial plan is essential to sound fiscal management. The plan is not able to predict with certainty the City's fiscal future, but rather it will serve as a tool to highlight significant issues or problems that must be addressed during the upcoming budget cycle if the City's goal of maintaining fiscal health and sustainability over the long term is to be achieved.

It should be noted that this report has focused on the City's ability to continue current services and programs using existing sources of revenues. **Based on the five-year forecast report, funding for any new programs or goals, reversal of "gap" measures used to balance the budget, during the great recession or other major initiatives will require tradeoffs during the planning and budgeting processes.**

General Fund Revenue & Expenditure Assumptions

As mentioned earlier, current economic reports indicate that the state and county are showing signs of recovery. Revenue estimates contained in this forecast are based on assumptions that the overall property tax will be stable but stagnate with combined increase in tax revenue of 1.6% per year. Although the housing sector continues to expand, the

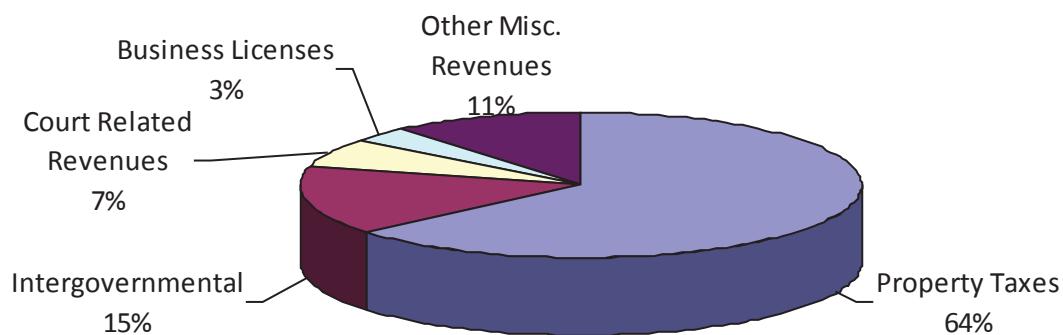
Michigan tax structure limits growth to CPI or 5%, whichever is less. The State Tax Commission calculation of the Inflation Rate Multiplier has been calculated to be 2.1% for 2017 (Tax Year 2018). Real property taxable value estimates are based on assumptions received from Oakland County Equalization of a maximum of 3% reduced for Proposal A and Headlee, and variations are due to Michigan Tax Tribunal reductions. Other major revenues such as State Revenue Sharing are assumed to see a modest increase of 2.1% to Constitutional portion and remaining flat for the Statutory portion based on the State of Michigan's budget projections.

After 2017-18, overall total revenues are estimated to remain essentially flat without much growth over the forecast period. These projections in revenue are less than the annual forecasted increase in expenditures.

Forecast of Major General Fund Revenues
% Change from Prior Year

Revenue Category	2016-17 Actual	2017-18 Projected	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Property Tax	(3.09%)	0.46%	1.45%	1.63%	1.65%	1.67%
Business Licenses	(4.75%)	(5.04%)	1.19%	0.00%	0.00%	0.00%
Intergovernmental	44.59%	(14.92%)	1.55%	0.12%	0.54%	0.54%
Court	(9.88%)	0.04%	0.44%	0.00%	0.00%	0.00%
Other	(12.76%)	(6.8%)	(0.07%)	0.00%	0.00%	0.00%
Total	0.94%	(0.05%)	1.23%	1.06%	1.14%	1.16%

General Fund Revenues
Major Revenues Forecasted in FY 2018-19 by Category



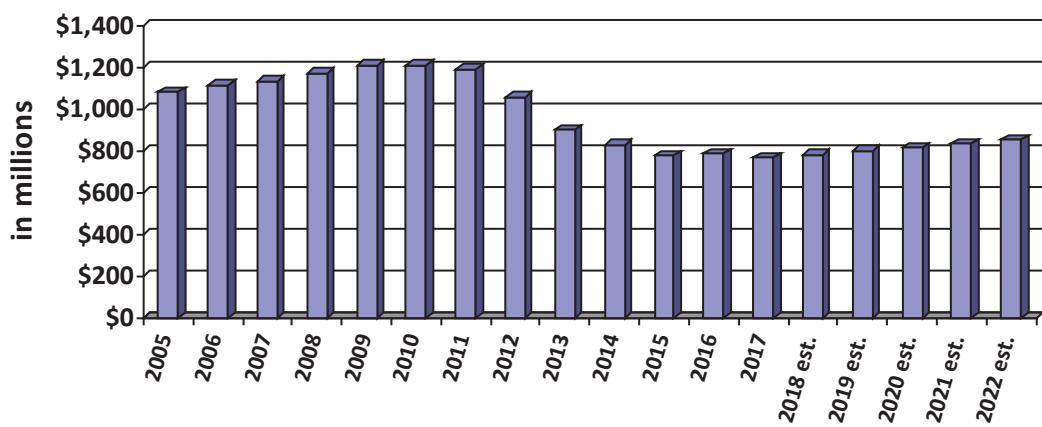
General Fund Assumptions

Major Revenues

Property Tax

Real Property Tax revenues are projected to increase 3.0% - 3.5%, but reduced to the amount of inflation, which has been calculated at 2.1%. Personal property is estimated to continue to decrease as further property tax exemptions take effect and business operators learn more about the exemptions available. This information is based on estimates from Oakland County Equalization.

Total Taxable Value
Fiscal Year ending June 30, 20xx

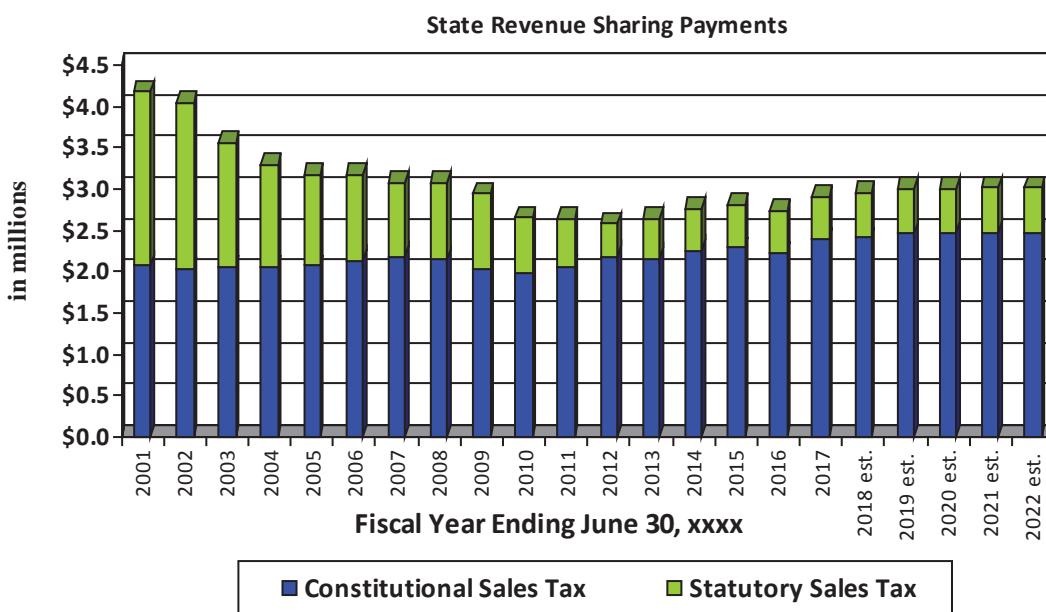


It is important to note that in Michigan, taxable value is approximately 50 percent of the property's fair market value in the year following the date of transfer, as adjusted for inflation in accordance with Proposal A of 1994, which limits future increases to five percent or the rate of inflation, whichever is lower, for each individual property.

Intergovernmental – including State Shared Revenues

The State Revenue Sharing Program distributes sales tax collected by the State to local governments as unrestricted revenues. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971. Shared Revenues are comprised of two parts: Constitutional and Statutory which includes the city, village, and township revenue sharing (CVTRS) program. In addition, the act authorizes the appropriation and distribution of state General Fund-General Purpose revenues when local governments qualify for certain supplemental payments. The forecast includes a 2.1% increase in the Constitutional part of this payment, status quo for the statutory part, and a 2.1% increase in the new supplemental payment for FY 2019 and the following three years. We are unsure if we will be receiving this supplemental payment of an additional \$24,111 in future years. The forecast assumes that the City continues to meet all the requirements to achieve 100% of the CVTRS funds. These requirements now include a citizen's guide, performance dashboard, debt service and projected budget report. These reports have been submitted and received ahead of the December 1 deadline for the upcoming fiscal year.

Federal revenues are forecasted to decrease during the forecast years. The current federal revenue is Law Enforcement Grant revenue and Medicare Part D subsidy the Medicare Part D subsidy will be eliminated in FY 2019 as the city switched to a Medicare Employer Group Waiver Plan (EGWP) for retiree prescription payments.



Court Revenues

Court Revenues are forecasted to be down in the current year as actual revenues recorded to date are not tracking with budget estimates. The following four years are anticipated to remain steady at the Fiscal Year 2018 levels.

Other Revenues

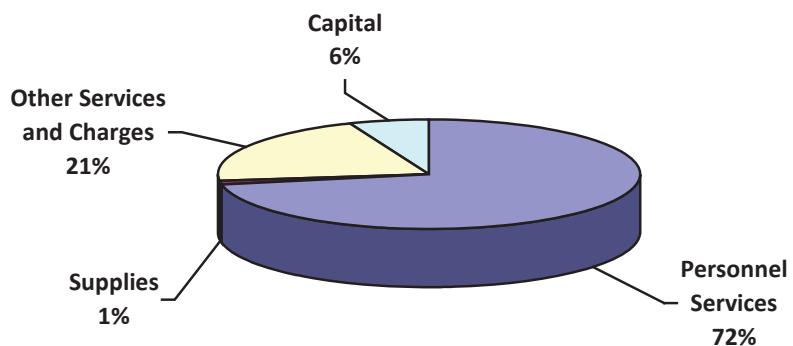
Miscellaneous Revenues are conservatively assumed to be stagnant at the FY 2018 budget level during the forecasted years. Miscellaneous revenues include revenues such as cable television franchise fees and interest income as well as one-time items.

Business license revenues are anticipated to increase based on historical collections for occupational licenses and continued high collection and enforcement of business licenses.

Major Expenditures

From 2009 until 2016, the City enacted a number of measures to keep operational expenditures in line with its declining revenues. Expenditures in the forecast are estimated to be \$27.3 million for Fiscal Year 2018, \$27.9 million in Fiscal Year 2019, \$28.6 million in Fiscal Year 2020, \$29.1 million in Fiscal Year 2021, and \$28.2 in Fiscal Year 2022. This is still lower than 2008 when the city ended the year with actual expenditures of \$31.4 million. These expenditures are made up of personnel services, supplies, other services, and capital outlay.

General Fund Expenditures
Major Expenditures Forecasted in FY 2017-18 by Category

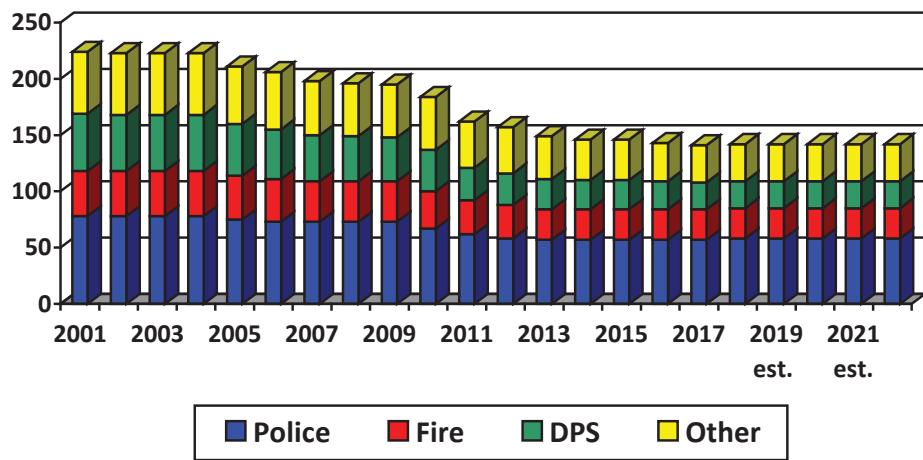


Personnel Categories

The personnel category, including health care premiums and retirement benefits, represents 71% of the General Fund budget.

Full-time staffing, which consists of 142 full-time employees, is assumed to remain at or near the same level for the period covered by the financial forecast. As the City is experiencing a number of retirements in the key service areas (e.g. police, fire, public services), staff are working hard to provide for timely replacement hires in order to maintain authorized strength.

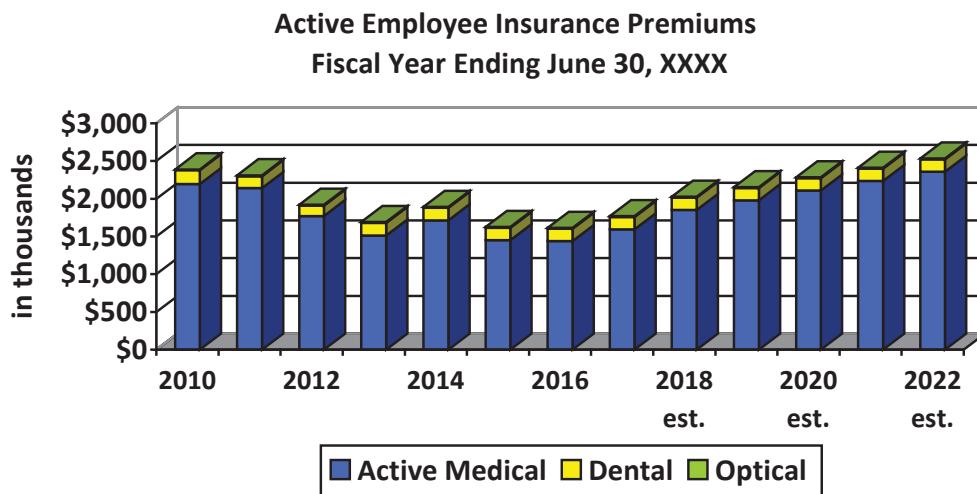
Budgeted Full-Time Positions
Fiscal Year Ending June 30, XXXX



Expenditures related to negotiated salaries are not included in the forecast because all of the City's Union contracts expire on June 30, 2018. For estimating purposes, the forecast assumes status quo with both wages and benefit levels. Changes in pension contributions are based on estimates by the Municipal Employees Retirement System normal cost projections. These projections are dependent on the market returns and actuarial assumptions, but are forecast for the next four years as follows: -9.9%, 11.3%, 59.4%, -1.7%, and -1.8%.

Because of the volatility of health care costs, this forecast assumes rate increases in excess of inflation. Based on estimates from the City's health care consultant and national and state trends, health insurance is forecasted to increase as follows: 7.0% in FY 2019, 6.5% in FY 2020, 6.0% in FY 2021, and 5.5% in FY 2022. The City is hopeful that the positive results from the implementation of the MiLife Employee Health and Wellness Center continue into future years. This center opened in January 2015 and first and second year results show a savings of almost \$30,000 per year. We have also seen a direct impact on our weekly health insurance cost. The MiLife Wellness Center is a relatively new concept of delivering primary health care to employees in a center dedicated to them, offering zero co-pays and deductibles as a supplemental and voluntary alternative to using their traditional insurance benefits. The City has partnered with two other self-insured municipalities, Ferndale and Royal Oak, in this groundbreaking and innovative endeavor and in FY 2018 we will be welcoming two more municipal partners: Hazel Park and Oak Park.

The following chart shows the historical and forecasted medical premiums for active employees.



As mentioned previously in this report, the most significant expenditure issue included in the forecast relates to unfunded accrued liabilities. Unfunded accrued liabilities refer to employee pensions and other post-employment benefits.

In June 2015, the Governmental Accounting Standards Board (GASB) issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB, which refers to retiree healthcare). GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, was effective this year and addresses reporting by OPEB plans, whereas GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees and is effective next year.

Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statement more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the City will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability.

A pro forma of how the reporting of these two liabilities is expected to impact the City's government-wide net position is shown below:

	As Currently Reported at 6/30/17	With Unfunded Health Care at 6/30/17
Net position:		
Net investment in capital assets	\$86,465,940	\$86,465,940
Restricted	3,429,708	3,429,708
Unrestricted	(30,578,451)	(102,756,370)
Total net position	\$59,317,197	\$(12,860,722)

This pro forma indicates that City will likely still have a negative total net position upon implementation. This generally means that the City has not fully funded the total cost of government services provided to date. The fact that the unrestricted portion is negative indicates that legacy costs earned to date have not been funded; but this is largely offset by the capital assets that have been funded in advance of their use and cannot be used to fund retiree health care.

Supplies

The majority of supply account line items have been held at status quo for the current year and four forecasted years.

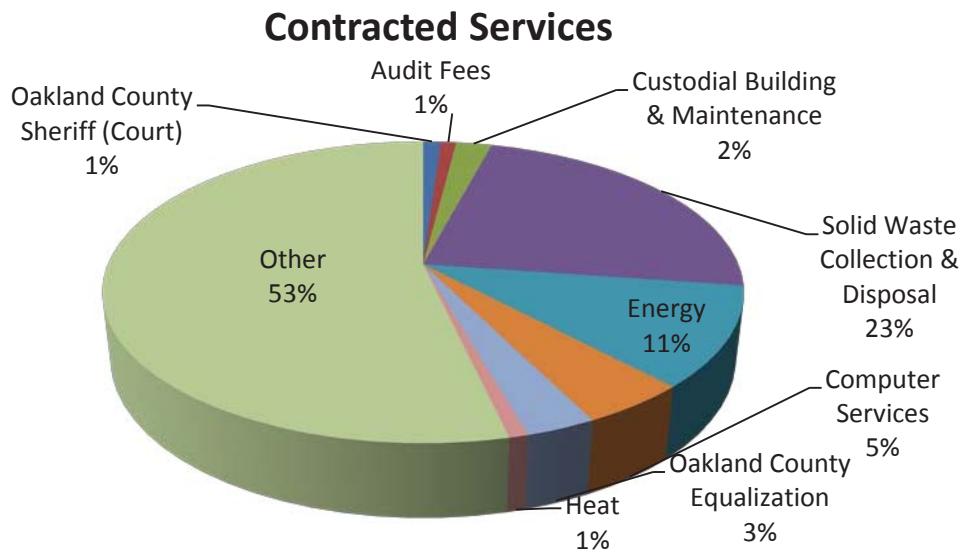
Other major expenditures included in the budget include contracted services. This category includes services for things such as auditing, solid waste collection and disposal, and assessing.

Contracted Services

In April 2016, Council approved a third three-year contract with Oakland County for Equalization Services, which will include a 3% increase in cost per parcel. This amount will then remain fixed through FY 2019.

Following, the completion of an Information Technology Assessment and Strategic Plan, City Council approved, in November of 2014 a three-year contract to BPI Information Systems which assumed responsibility for information technology support services City-wide at a base cost of \$196,000 per year. As provided for under the Agreement, the contract has been extended for one-year until December 2018.

The City's Solid Waste Contractor, GFL Services, is currently operating under a ten-year contract originally negotiated with Rizzo Services, which began on July 1, 2010. In accordance with the contract, Fiscal year 2016 had a 6.8% increase, but no contractual increase in Fiscal Year 2017 and a budgeted increase of 1.4% in Fiscal Year 2018. The remainder of the forecast includes 1.48% in 2019 and 1.579% in 2020, and status quo for 2021 based on contractual pricing. In relation to an approved FY 2018 City goal, staff has started informal discussions with GFL on the possibility of extending this contract to include 96 – gallon trash carts and optional 64-gallon recycling carts; however, the forecast does not include any changes or extensions.



Capital Outlay Summary

As a result of dedicated millages, the City continues to make some progress with the preservation of four major asset classes including Vehicles in the General Fund, Improvements to the Senior Center and Library, watermain and sanitary sewers in the Water and Sewer Fund, and street-related rehabilitation projects in the Local Street Fund. Other assets included in the forecasted Capital Outlay that are not covered by special millages include computer technology, building improvements, other vehicles, and machinery and Equipment in the General Fund.

The five-year forecast includes all of the capital outlay items contained in the Capital Improvement Plan (CIP) and included in the FY 2018 budget. Capital Outlay items recommended in the budget will depend on current year needs and available funding. A detailed listing will be presented when Council receives and files the CIP in early January.

A major source of funding for police, fire and maintenance vehicle replacements, Proposal "V", was renewed by Madison Heights voters at the current level for a 10-year period beginning in FY 2018. Unfortunately this millage only generates approximately \$200,000 per year which requires us to save this millage for three years to have enough funds to replace one pumper.

Following is a brief summary of the General Fund capital items included in the forecast separated by year, category and funding source:

General Fund CIP Items in Financial Forecast - FY 2018-2022						
Item	Budget	Forecast				
		2017-18	2018-19	2019-20	2020-21	2021-22
<u>Computers and Upgrades:</u>						
IT	15,000	20,000	95,000	95,000	95,000	
General Admin	10,000	-	-	-	-	
Police	5,000	3,500	-	-	-	
Fire	16,500	-	-	-	-	
Total - Computers	46,500	23,500	95,000	95,000	95,000	
<u>Machinery and Equipment:</u>						
General Admin	6,371	70,000	-	-	-	
Police	12,700	-	-	-	-	
Fire	80,000	-	-	70,000	-	
Solid Waste	250,000	-	-	-	-	
Parks	147,875	-	-	-	-	
Streets	-	-	15,000	15,000	-	
Total - Machinery and Equipment	490,575	70,000	15,000	85,000	-	
<u>Vehicles Proposal "V"</u>						
Police	-	-	-	-	-	
Streets	-	-	-	200,000	-	
Fire	200,000	200,000	200,000	-	200,000	
Subtotal - Proposal "V"	200,000	200,000	200,000	200,000	200,000	
<u>Vehicles - Non-Proposal "V"</u>						
Police	-	57,000	115,000	115,000	115,000	
Fire	135,000	135,000	-	135,000	135,000	
Streets	75,000	838,000	214,000	125,000	175,000	
Solid Waste	-	230,000	320,000	355,000	-	
Seniors	-	62,000	-	132,000	200,000	
Subtotal - Non-Proposal "V"	210,000	1,322,000	649,000	862,000	625,000	
Total - All Vehicles	410,000	1,522,000	849,000	1,062,000	825,000	
<u>Improvements</u>						
General Admin	5,853	7,500	117,500	317,500	117,500	
Police	100,000	275,000	422,000	371,000	133,000	
Fire	191,000	-	125,000	75,000	-	
Parks	75,000	50,000	229,000	366,000	292,000	
Nature Center	29,500	-	75,000	-	-	
Senior Citizens	11,500	-	-	-	-	

Major Street Fund Assumptions

Major Revenues

The primary revenue source of the Major Street Fund is Act 51 road funding from the State. For the five years of this forecast, it is anticipated that funding will increase based on projection from the state to include the new State restricted revenue package. In FY 2019 of the forecast, this increase is 9.6% and 2% each year thereafter.

Major Expenditures

Other than a percentage of Department of Public Services personnel and maintenance costs, the majority of expenditures allocated in the Major Street Fund involve road construction projects. Road construction projects included in the forecast are as follows:

Major Road Project	Projection 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22
Joint & Crack Sealing – City Wide	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Traffic Signals	30,000	30,000	30,000	30,000	30,000
13 Mile Sectional NHPP	135,476	240,000	0	0	0
13 Mile Sectional Non-NHPP	0	0	0	400,000	0
Stephenson Hwy Turnarounds	0	50,000	50,000	50,000	50,000
Sectional Concrete Replacement - Major	1,187,000	715,000	515,000	200,000	0
Total	\$1,427,476	\$1,110,000	\$670,000	\$755,000	\$155,000

The forecast does not include a transfer between Major Street and Local Street Fund in any of the years forecasted. During the budget process, staff will make recommendations if and when transfers are needed.

Due to the enactment of Public Act 459 of 2017, the City will no longer be responsible for the \$4.2 million local match to support the Michigan Department of Transportation's I-75 widening and Modernization Project.

Local Street Fund Assumptions

Major Revenues

The primary funding source for Local Streets is the dedicated Proposal Neighborhood Roads Millage. Funds collected under this road millage have the same assumption as General Fund property tax revenues of a combined (real and personal) 1.91% and 2% each year thereafter.

Local Streets also receives funds through the Act 51 road program from the State. For the five years of this forecast, it is anticipated that funding will increase based on projection from the state to include the new State restricted revenue package. In FY 2019, the increase is forecast to be 5.7%.

Major Expenditures

Other than a percentage of Department of Public Services personnel and maintenance costs, the majority of expenditures allocated in the Local Street Fund are for road construction projects. Road construction projects included in the forecast are as follows:

Local Road Project	Projected 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22
Dei – Lincoln to Southend	\$1,030,000	\$0	\$0	\$0	\$0
Hales – 13 Mile to Winthrop	501,000	0	0	0	0
Brettonwoods St (11 Mile to W Farnum Ave.)	0	554,000	0	0	0
Harwood Ave (Battelle Ave to Tawas)	0	339,000	0	0	0
Brush St (W University Ave to 11 Mile)	0	172,000	0	0	0
Brush St (W University Ave to W Farnum)	0	207,000	0	0	0
Meadows Ave (Englewood Ave to Meadows)	0	0	263,000	0	0
W. Dallas Ave (Alger St to John R Road)	0	0	260,000	0	0
Kenwood Ave (Windemere to Englewood)	0	0	232,000	0	0
Madison Ave (Englewood Ave to Madison)	0	0	181,000	0	0
Kenwood Ave (Englewood Ave to Kenwood)	0	0	174,000	0	0
Windemere (Campbell Rd to Dorchester)	0	0	133,000	0	0
Westmore (30452 Westmore to Tanglewood)	0	0	0	975,000	0
Milton Ave (Moulin to Sheffield Dr)	0	0	0	167,000	0
Tanglewood Dr (Winthrop Dr to Yorkshire Dr)	0	0	0	72,000	0
Beverly Ave (Connie Ave to Dequindre Road)	0	0	0	98,000	0
Alger St (W Cowan Ave to Andover Ave)	0	0	0	0	212,000
Barrington (Mid Block -Lincoln to Cowan)	0	0	0	0	109,000
Alger St (Mid Block Alger St - Lincoln to Cowan)	0	0	0	0	109,000
Barrington St (W Lincoln Ave to W. Cowan Ave)	0	0	0	0	148,000
Alger St (W Lincoln Ave to W Cowan Ave)	0	0	0	0	148,000
Brush St (W Cowan Ave to Andover Ave)	0	0	0	0	120,000
W Cowan Ave (Stephenson Highway to Brettonwoods St)	0	0	0	0	140,000
W Cowan Ave (Alger St to John R Road)	0	0	0	0	75,000
Palmer St (W Lincoln Ave to W Cowan Ave)	0	0	0	0	210,000
Sectional Replacements (R)	314,000	75,000	100,000	75,000	100,000
Sectional Replacements (Non-R)	215,000	393,000	680,000	0	0
Additional Proposal R-2	0	350,000	0	0	0
Total	\$2,060,000	\$2,090,000	\$1,730,000	\$1,582,103	\$1,613,920

At June 30, 2017, the fund balance for the Local Street Fund was \$2.25 million. Of this amount, \$2.23 million is reserved for Neighborhood Road projects and will be expended on R-2 projects in the upcoming year.

Water and Sewer Fund

Major Revenues

Water/Sewer Rates

The major revenue sources in the Water and Sewer Fund are from charges for water and sewage. Although future proposed budgets will most likely reflect the need to increase water/sewage rates to the end users, the rates are not included in the forecast because the forecast is only the first step in the budget process, and we do not know the exact amount of future increases from the Oakland Water Resources Commissioner for sewage disposal and treatment and stormwater rates. Once these major expenditures are identified, we will begin the process of recommending a water/sewer rate for FY 2019 which will be incorporated in the budget process and budget recommendation presented to Council.

Effective with billings as or after July 1, 2016, the City began operating under a new sewer rate structure that splits out the stormwater charge based on the individual parcel's stormwater runoff as calculated by the amount of pervious and impervious surface and shown through Equivalent Residential Units (ERUs). This charge did not affect the total amount charged for stormwater, but will more accurately reflect the differential between sanitary and stormwater usage. Effective with billings as or after July 1, 2017, the City separated the George W. Kuhn Drain debt payments from the water and sewer rate and included this amount on the summer tax bill. This change completed the implementation of the rate structure model. We do not anticipate any significant billing method changes in the next four years.

Major Expenditures

Other than personnel expenditures which were calculated using the same assumptions as the general fund employees, the major expenditures in the Water and Sewer Fund are the purchase of commodities, water and sewer capital improvement projects and debt service.

Purchase of Commodities

As briefly mentioned under revenues, the City has not yet received the actual rate increase from the Great Lakes Water Authority (GLWA) or the Oakland Water Resources Commissioner. To develop assumptions for the forecast, staff looked at the past three years of history. This will reflect the change to the GLWA as well as all the billing method changes implemented by the Oakland County Drain Commissioner. Based on this review, the forecast assumes an increase of 2% per year for each of the forecast years for stormwater charges, 5% for sewage treatment and 6.6% for water.

Infrastructure

The Water and Sewer Fund structure has ensured that adequate funding is available to proactively address watermain replacements in the upcoming four years in coordination with the road improvement projects, and in accordance with the continuation of the residential road millage. (Watermain replacement is completed in the fiscal year prior to road construction. In addition, the forecast includes watermain replacement in areas outside the R-3 construction project areas where the older main is in critical need of replacement.

Future infrastructure needs continue to include evaluation and replacement of the City's residential water meters which were purchased in 1995 and are nearing the end of their service life. The replacement of these meters is in the forecast as this project started in the current fiscal year with District 1 and 2. On November 13, Council approved the acceleration of District 3 (12 mile to 13 mile) from FY 2019 into FY 2018, the forecast shows this expense for District 3 (10 mile to 12 mile) in FY 2018 and District 9 (commercial accounts) in FY 2019.

Debt Service

In FY 2018, the Chapter 20 Drain Debt Service Fund was established for the debt repayment for the George W. Kuhn Drain. Previously the bonds were repaid from the Water and Sewer Fund. The Water and Sewer Fund still includes debt payments for Automatic Meter Reading System and 12.85 percent of the General Employee Pension Obligation bonds. The amounts used in the forecast are the actual amounts to be paid over the next four year period from the bond repayment schedules. The amounts included are as follows:

	Projected 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22
Bond Principal Payments – Fixed Network System	100,000	105,000	110,000	115,000	120,000
Bond Principal Payments – Pension Obligation Bonds	104,085	105,370	107,298	108,583	110,510
Bond Interest Payments – Fixed Network System	33,400	29,726	25,600	21,000	16,200
Bond Interest Payments – Pension Obligation Bonds	48,706	47,425	45,866	44,042	42,033
Total	\$286,191	\$287,521	\$288,763	\$288,624	\$288,743

At June 30, 2017, the Water and Sewer Department has built up an unrestricted net position of \$8.7 million dollars. \$2.3 million of this is budgeted in the current fiscal year to cover planned capital expenditures such as the meter replacement program for which the City has saved funds for over ten years. Without any changes to revenues and expenses, the cash position will be \$760,000 at the end of the forecast period.

MISCELLANEOUS STATISTICAL DATA

The City of Madison Heights was incorporated January 17, 1955, under Home Rule Act 279 P.A. 1909, as amended, and is administered by a City Manager, and governed by Mayor and Council. It is located in Southeast Oakland County and is approximately seven square miles in area.

The estimated 30,088 residents of the City of Madison Heights are provided various services by the 148 full-time equivalent employees.

Statistical data related to City services at June 30, 2017 is as follows:

Street service:

Paved streets	106 miles
Sidewalks	199.5 miles
Street lighting	1,830 poles

Water and sewer operation:

Watermains	131 miles
Consumers:	
Residential	9,619
Commercial	1,315
Sanitary sewers	111 miles
Storm sewers	52 miles

Fire protection:

Stations	2
Employees	30
Hydrants	1,115

Police protection:

Full and Part-Time Employees	80
Crossing Guards	19
Patrol vehicles	17
Police Reserve members	22

Culture, education and recreation:

Libraries	1
Schools by type:	
Elementary	6
Middle	2
Senior	3
Parks	13
Area of parks	135.8 acres

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

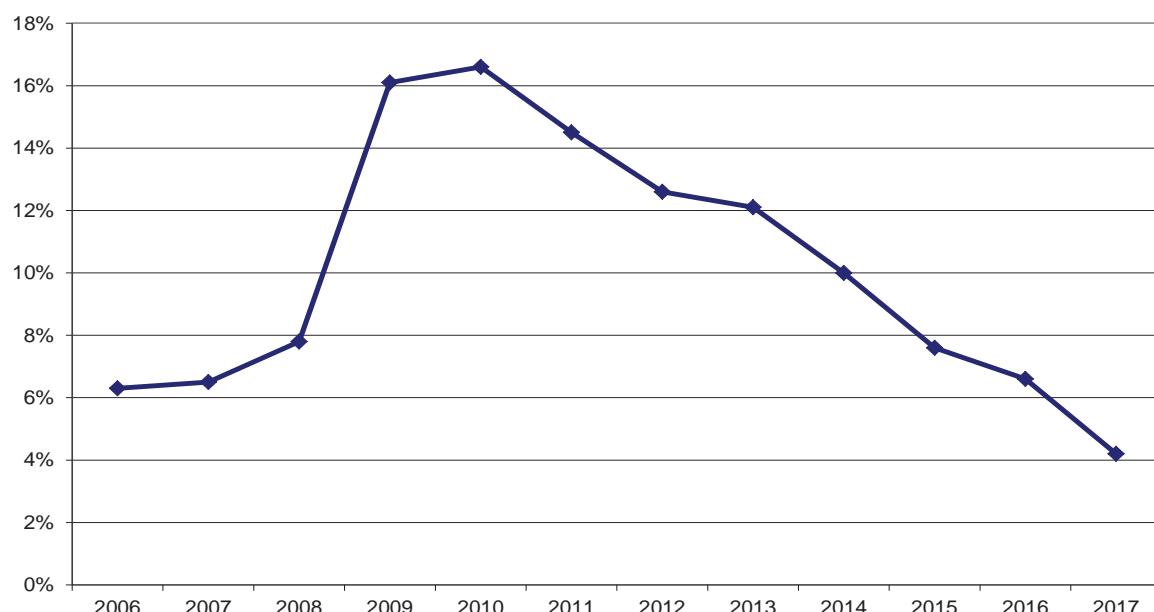
Fiscal Year Ended June 30	Estimated Population	Personal Income (1)	Per Capita Personal Income (1)	Annual Average Unemployment Rate (2)
2006	31,101	\$ 666,463,329	\$ 21,429	6.3%
2007	31,101	\$ 666,463,329	\$ 21,429	6.5%
2008	31,101	\$ 666,463,329	\$ 21,429	7.8%
2009	31,101	\$ 666,463,329	\$ 21,429	16.1%
2010	29,694	\$ 716,813,160	\$ 24,140	16.6%
2011	29,694	\$ 716,813,160	\$ 24,140	14.5%
2012	29,694	\$ 716,813,160	\$ 24,140	12.6%
2013	29,694	\$ 716,813,160	\$ 24,140	12.1%
2014	29,694	\$ 716,813,160	\$ 24,140	10.0%
2015	29,694	\$ 716,813,160	\$ 24,140	7.6%
2016	30,088	\$ 722,142,088	\$ 24,001	6.6%
2017	30,088	\$ 722,142,088	\$ 24,001	4.2%

Sources:

(1) United States Census Bureau www.census.gov

(2) Bureau of Labor Statistics - Not seasonally adjusted; Annual Average

City of Madison Heights
Unemployment Rate



CHANGES IN FUND BALANCE

(amounts expressed in thousands)

General Fund

Fiscal Year ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Restricted and Nonspendable:	\$ 435	\$ 189	\$ 366	\$ 1,140	\$ 1,611	\$ 777	\$ 1,088	\$ 1,611	\$ 844	\$ 797	\$ 359	\$ 343
Assigned:												
Vested employee benefits	\$2,333	\$2,557	\$2,496	\$2,587	\$2,656	\$2,353	\$2,023	\$2,287	\$ 2,235	\$ 1,991	\$ 1,841	\$ 2,131
Subsequent years' expenditures	438	145	543	393	56	915	392	785	386	786	1,364	537
Retained insurance risk	663	500	250	250	250	336	446	722	2,013	1,319	1,319	1,357
Vehicle replacement	1,136	1,136	1,136	1,136	853	0	0	0	0	0	0	0
Capital improvements	600	500	590	32	102	1,218	1,561	0	527	980	1,033	983
Park improvements	300	500	450	0	0	0	0	0	0	0	0	0
Retirees' health benefits	578	778	0	0	0	0	0	0	0	283	0	0
Technology Improvements	200	200	89	0	0	75	75	18	100	150	150	150
Postemployment Benefits	0	0	0	0	0	0	1,337	0	440	1,648	1,566	745
Penion bonds	0	0	0	0	0	0	0	0	0	0	1,090	810
Total Assigned:	\$6,248	\$6,316	\$5,554	\$4,398	\$3,917	\$4,897	\$5,834	\$3,812	\$ 5,701	\$ 7,157	\$ 8,363	\$ 6,713
Unassigned	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	\$6,683	\$6,505	\$5,920	\$5,538	\$5,528	\$5,675	\$6,922	\$5,423	\$ 6,545	\$ 7,954	\$ 8,722	\$ 7,056

Sources: City's Audited Annual Financial Statements

EXPENDITURE HISTORY BY ACTIVITY

General Fund

Activity Name	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Amended Budget	2018-19 Budget
Mayor and City Council	\$ 50,897	\$ 50,462	\$ 51,592	\$ 52,332	\$ 55,296	\$ 56,310
City Manager	332,431	322,759	337,395	286,598	298,790	292,019
Elections	31,402	61,122	70,200	71,108	80,018	66,599
City Assessor	221,902	200,465	221,402	211,304	209,577	212,630
Legal	296,996	313,331	287,424	313,599	332,695	342,945
City Clerk	285,562	264,295	297,078	276,950	272,466	280,718
Human Resources	280,824	363,746	419,037	358,487	395,350	401,476
Board of Review	1,768	1,400	1,503	1,823	2,493	2,963
General Administration	312,230	349,146	599,967	1,234,737	217,054	234,027
Finance	891,131	850,007	887,681	765,320	774,479	807,992
Information Technology	326,036	355,369	259,293	389,475	187,693	188,115
Total City Administration	\$ 3,031,179	\$ 3,132,102	\$ 3,432,572	\$ 3,961,733	\$ 2,825,911	\$ 2,885,794
Municipal Building Custodial and Maintenance	\$ 54,613 226,376	\$ 138,954 278,823	\$ 61,503 237,608	\$ 86,173 199,775	\$ 54,121 184,186	\$ 129,840 194,261
Total General Municipal Maint.	\$ 280,989	\$ 417,777	\$ 299,111	\$ 285,948	\$ 238,307	\$ 324,101
Police	\$ 8,664,017	\$ 8,381,018	\$ 8,852,867	\$ 9,956,038	\$ 9,657,291	\$ 10,639,933
Fire	4,966,206	4,475,687	5,063,252	5,462,113	5,826,696	6,379,036
District Court	1,391,303	1,398,389	1,645,305	1,391,767	1,492,662	1,568,339
Total Public Safety	\$ 15,021,526	\$ 14,255,094	\$ 15,561,424	\$ 16,809,918	\$ 16,976,649	\$ 18,587,308
Community Development Streets	\$ 1,089,483 1,181,642	\$ 937,877 1,080,727	\$ 1,089,676 1,341,462	\$ 1,010,826 1,271,821	\$ 1,062,896 969,521	\$ 1,343,493 1,072,001
Total Community Improvement	\$ 2,271,125	\$ 2,018,604	\$ 2,431,138	\$ 2,282,647	\$ 2,032,417	\$ 2,415,494
Solid Waste	\$ 2,063,506	\$ 2,127,087	\$ 2,080,190	\$ 2,040,120	\$ 2,306,371	\$ 2,184,266
Total Solid Waste	\$ 2,063,506	\$ 2,127,087	\$ 2,080,190	\$ 2,040,120	\$ 2,306,371	\$ 2,184,266
Recreation Nature Center	\$ 100,803 1,370	\$ 95,619 45,205	\$ 135,293 21,978	\$ 147,809 24,744	\$ 174,927 37,675	\$ 202,436 58,531
Parks	457,140	437,761	489,777	494,081	555,390	489,775
Senior Citizen Center	289,629	377,890	379,489	362,479	344,868	409,600
Total Parks and Recreation	\$ 848,942	\$ 956,475	\$ 1,026,537	\$ 1,029,113	\$ 1,112,860	\$ 1,160,342
Library	\$ 773,942	\$ 764,916	\$ 742,049	\$ 719,832	\$ 722,874	\$ 753,741
Total Library	\$ 773,942	\$ 764,916	\$ 742,049	\$ 719,832	\$ 722,874	\$ 753,741
Insurance Pension Obligation Debt	343,209 -	474,908 -	412,104 17,500	381,284 1,367,734	372,510 1,036,241	386,162 1,031,425
General Expenditures	\$ 343,209	\$ 474,908	\$ 429,604	\$ 1,749,018	\$ 1,408,751	\$ 1,417,587
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Fund Expenditures	\$ 24,634,418	\$ 24,146,963	\$ 26,002,625	\$ 28,878,329	\$ 27,624,140	\$ 29,728,633

Source: Finance Expenditure Records

ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY

Last Ten Fiscal Years

Tax Year	Real Property	Personal Property	Total Taxable Value	Tax Rate (mills)	Total Actual Value	Taxable Value as a % of Actual
2006	\$ 1,024,514,300	\$ 143,881,280	\$ 1,168,395,580	17.90	\$ 2,851,814,820	41.0%
2007	\$ 1,063,312,930	\$ 143,905,590	\$ 1,207,218,520	18.04	\$ 2,837,974,300	42.5%
2008	\$ 1,065,017,700	\$ 144,657,570	\$ 1,209,675,270	18.16	\$ 2,753,445,080	50.0%
2009	\$ 1,048,995,740	\$ 142,457,590	\$ 1,191,453,330	18.00	\$ 2,576,560,268	50.0%
2010	\$ 909,910,710	\$ 146,211,130	\$ 1,056,121,840	18.82	\$ 2,137,585,600	49.4%
2011	\$ 772,654,640	\$ 125,065,880	\$ 897,720,520	21.87	\$ 1,834,902,132	50.0%
2012	\$ 686,135,720	\$ 140,622,550	\$ 826,758,270	22.43	\$ 1,660,329,910	49.8%
2013	\$ 633,607,230	\$ 145,976,860	\$ 779,584,090	22.94	\$ 1,566,754,360	49.8%
2014	\$ 640,650,860	\$ 143,475,250	\$ 784,126,110	22.96	\$ 1,611,070,960	48.7%
2015	\$ 652,228,800	\$ 144,416,420	\$ 796,645,220	22.97	\$ 1,617,069,810	49.3%
2016	\$ 662,682,700	\$ 106,973,970	\$ 769,656,670	23.02	\$ 1,617,069,810	47.6%
2017	\$ 677,382,760	\$ 92,522,670	\$ 769,905,430	25.21	\$ 1,940,365,420	39.7%

Sources: City and County Assessing Records

PROPERTY TAX RATES

Direct and Overlapping Governments

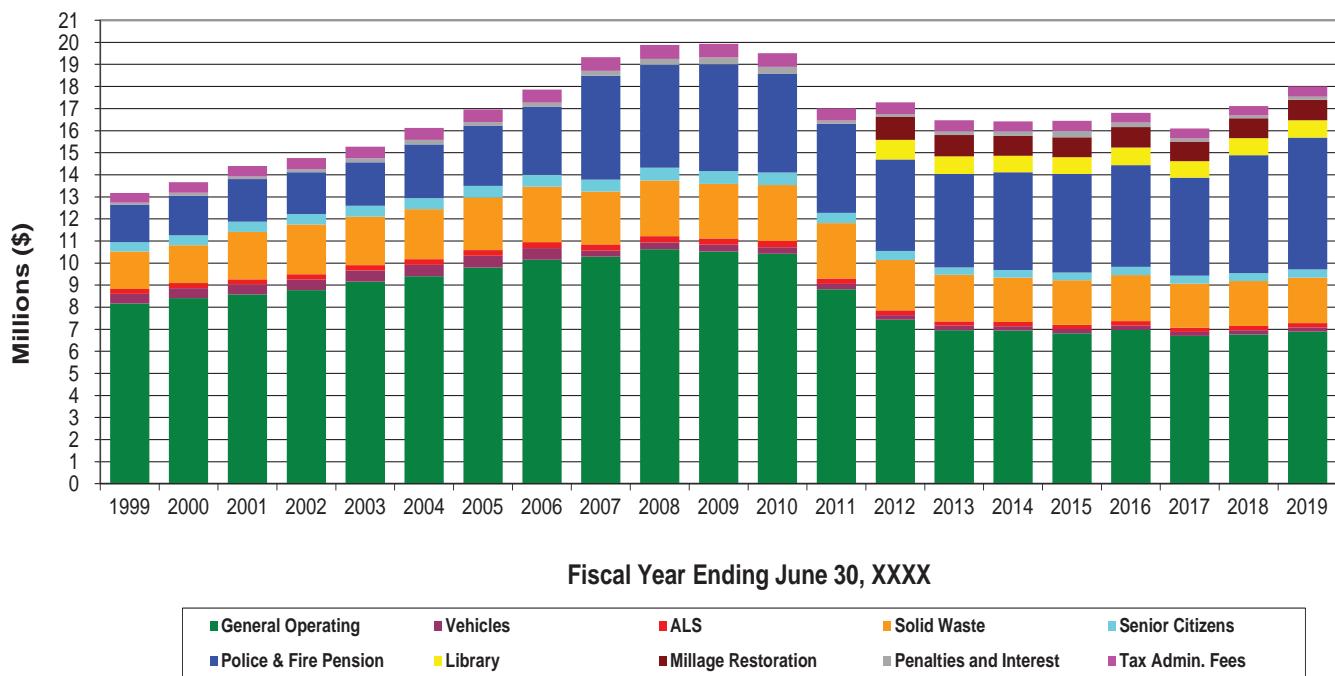
(Per \$1,000 of Taxable Valuation)

Fiscal Year Ending June 30,	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Madison Heights																	
General Operating	8.89	8.80	8.82	8.82	8.82	8.82	8.82	8.82	8.82	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.97
Neighborhood Road Improvements	1.95	1.93	1.93	1.93	1.93	1.93	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
Vehicle Replacement	0.48	0.48	0.48	0.47	0.47	0.23	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Advanced Life Support	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Solid Waste	2.25	2.09	2.10	2.18	2.23	2.07	2.08	2.04	2.13	2.54	2.65	2.65	2.65	2.65	2.65	2.65	2.64
Senior Center	0.48	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.48	0.47	0.44	0.45	0.48	0.48	0.48	0.47
Police and Fire Pension	1.88	1.88	2.26	2.48	2.73	4.05	3.85	4.01	3.75	4.10	4.80	5.30	5.82	5.83	5.86	5.86	6.96
Fire Station Bond	n.a.	n.a.	0.41	0.41	0.41	0.09	0.33	0.33	0.34	0.39	0.45	0.55	0.52	0.51	0.48	0.53	0.53
Library	n.a.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00								
County Drain	0.05	n.a.	1.16														
Total Direct City Taxes	16.22	15.89	16.71	17.00	17.30	17.90	18.04	18.16	18.00	18.82	21.87	22.43	22.94	22.96	22.97	23.02	25.21
Overlapping Taxes																	
County	4.98	5.28	5.24	5.24	5.25	5.24	5.24	5.09	5.24	5.24	5.24	5.24	5.24	5.65	5.55	5.49	5.48
Community College	1.61	1.60	1.60	1.59	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.57	1.56
Intermediate School District	3.42	3.40	3.40	3.38	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.31
School Homestead *	17.21	16.98	15.80	16.60	16.00	16.23	16.71	16.56	12.04	13.76	13.76	13.76	13.76	13.76	14.22	13.76	14.25
School Non-Homestead *	28.58	28.50	27.44	28.33	27.94	28.40	29.04	28.83	30.12	31.76	31.76	31.76	31.76	31.76	32.40	32.40	32.43
Zoological Authority	n.a.	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10							
Art Institute	n.a.	0.20	0.20	0.20	0.20												
Total Homestead	43.44	43.15	42.75	43.81	43.50	44.32	44.94	44.86	40.33	42.87	45.91	46.67	47.19	47.62	47.99	47.47	50.10
Total Non-Homestead	54.81	54.67	54.39	55.54	55.44	56.49	57.27	57.13	58.41	60.87	63.91	64.67	65.19	65.62	66.17	66.11	68.28

* Madison District Public School Rates

Sources: County Assessor's Warrant

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



Source: Finance Department

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
18-19	General Administration	Transfer PT Social Media Intern from CDD (+0.5)
18-19	Police	Add Two Police Officers (+2.0)
		Add One Police Service Assistant (+1.0)
18-19	Fire	Add Two Firefighter/Paramedics (+2.0)
18-19	Community Development	Transfer PT Social Media Intern to General Administration (-0.50)
		Add Full Time Code Enforcement Officer (+1.0)
18-19	DPS - Water & Sewer Admin	Add Full Time Utilities Supervisor (+1.0)
18-19	DPS - Main Division	Add PT Year Round Laborer (+.68)
17-18	Court	Add new PT Probation Officer (+0.60),
17-18		Decrease two current PT Probation Officers (-0.28)
17-18	City Clerk	Increase PT Office Support Staff (+0.12)
17-18	City Clerk - Elections	Reallocation DPS Employees (-0.3)
17-18	General Administration	Add new PT Social Media Intern (+.04)
17-18	Community Development	Add new PT Social Media Intern (+0.5)
17-18	Community Development	Eliminate Inspector (-1.0)
17-18	Police	Add new Special Investigations Unit Officer (+1.0)
17-18	DPS - Custodial & Maintenance	Reallocation DPS Employees (-0.1)
17-18	DPS - Streets	Reallocation DPS Employees (-1.7)
17-18	DPS- Solid Waste	Reallocation DPS Employees (-3.7)
17-18	DPS - Recreation	Increase 3 PT Camp Leaders (+0.12 each for total +0.36)
		Add PT Recreation Intern (+0.16)
17-18	DPS - Parks	Reallocation DPS Employees (-1.1)
17-18	DPS - Senior Center	Increase PT Chauffeur (+.09)
17-18	DPS - Major Street Fund	Reallocation DPS Employees (-2.3)
17-18	DPS - Local Street Fund	Reallocation DPS Employees (-2.7)
17-18	DPS - Water	Reallocation DPS Employees (-4.0)
17-18	DPS - Sewer	Reallocation DPS Employees (-5.4)
17-18	DPS - Water/Sewer Administration	Reallocation DPS Employees (-1.5)
17-18	DPS Division	DPS Reallocation (+22.8)
17-18		Increase PT Office Support Staff (+0.43)
16-17	City Clerk	Increase PT Office Support Staff(+0.3)
16-17	City Clerk - Elections	Decrease PT Office Support Staff elections portion (-0.13)
16-17	Community Development	Eliminate vacant Building Official Position (-1.0)
16-17	DPS - Streets	Reallocation of Admin Support due to Act 51 requirements (+0.10)
16-17	DPS - Solid Waste	Eliminate PT Office Support split (-0.13)
16-17		Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Recreation	Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Misc Funds	Transfer one DPS pooled position to Water (-1.0)
16-17	DPS - Parks	Transfer one fulltime Parks employee to vacant DPS pooled position (-1.0)
16-17	DPS - Major Street Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Local Streets Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
16-17	DPS - Water	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (+1.0)
16-17		Transfer one DPS pooled position to Water (+1.0)
16-17	DPS - Water/Sewer Administration	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (-1.0)
16-17		Reallocation of Admin Support due to Act 51 requirements (.20)
16-17		Add dedicated DPS PT Office Support (+0.35)
15-16	City Clerk	Reallocate PT Office Support Staff (-0.1)
15-16	General Administration	Eliminate Asst City Mgr Split between Departments (-0.2)
15-16	Finance	Transfer Fiscal Assistant II to Fire Department (-1.0)
15-16	Information Technology	Eliminate MIS Administrator (-1.0)
15-16	Information Technology	Eliminate Information Systems Specialist (-1.0)
15-16	Police	Reallocate Animal Control Officer (+0.3)
15-16	Fire	Eliminate PT Office Support Staff (-0.5)
15-16	Fire	Transfer Fiscal Assistant II to Fire Department (+1.0)
15-16	Community Development	Eliminate Building Inspector (-1.0)
15-16	Community Development	Eliminate GIS/CDD Technician (-1.0)
15-16	Community Development	Add GIS/Social Media Specialist (+1.0)
15-16	Community Development	Reallocate Animal Control Officer (-0.3)
15-16	Community Development	Add PT Code Enforcement Officer (+0.7)
15-16		Reallocate DPS Director (-0.1)
15-16	DPS - Custodial & Maintenance	
15-16	DPS - Solid Waste	Eliminate Asst City Mgr Split between Departments (-0.5)
15-16	DPS - Major Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Local Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Water	Eliminate Water Meter Reader (-1.0)
15-16	DPS - Sewer	Transfer PT Year Round Laborer (-0.7)
15-16	DPS - Water/Sewer Admininstration	Elimination of Asst City Mgr/Reallocation of DPS Director (+0.9)
15-16	DPS - Water/Sewer Admininstration	Eliminate Water & Sewer Coordinator (-1.0)
15-16	DPS - Water/Sewer Admininstration	Add DPS Analyst/Planner (+1.0)
15-16	DPS - Water/Sewer Admininstration	Add Equipment Operator I (+1.0)
15-16	DPS - Motor Pool	Add PT Year Round Laborer (+0.7)
14-15	n/a	No changes in FTE
13-14	Clerk/DPS	Reallocate funding for one PT Support Staff position (Clerk +0.36 FTE and Senior Center +0.045 FTE)
13-14	DPS - Recreation	Decrease PT Recreation Coordinator FTE to comply with PPACA (-0.045)
13-14	Community Improvement Fund	Eliminate Community Housing & Grants Supervisor (-1.0) and Housing Program Assistant (-1.0)
13-14	DPS - Water	Eliminate Equipment Operator I position (-1.0)
13-14	DPS - Sewer	Add two PT Year Round Laborer positions (+1.35)

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
13-14	Police	Eliminate Police Sergeant position (-1.0), add Police Officer position (+1.0)
12-13	Police	Eliminate vacant Office Assistant position (-1.0), add part time assistant position (+.47)
12-13	DPS - Recreation	Eliminate Recreation Supervisor position (-0.5) and increase part time Recreation Coordinator hours (+0.22)
12-13	DPS - Senior Center	Eliminate Recreation Supervisor position (-0.5)
12-13	DPS - Streets	Eliminate Equipment Operator II position (-1.0)
12-13	Fire	Eliminate three vacant unbudgeted Firefighter positions (-3.0)
12-13	Fire Manning Grant Fund	Reallocate two grant funded positions to General Fund (-2.0)
11-12	District Court	Eliminate vacant part time Probation Officer position (-1.0)
11-12	Police	Eliminate vacant Police position associated with Lieutenant retirement (-1.0)
11-12	Police	Eliminate vacant Police position associated with Sergeant retirement (-1.0)
11-12	Police	Eliminate two vacant Police Officer positions (-2.0)
11-12	Community Development	Eliminate vacant part time Code Enforcement Officer position (-0.8)
11-12	DPS - Parks	Eliminate vacant part time Seasonal Laborer position (-0.3)
11-12	DPS - Streets	Eliminate vacant Deputy DPS Director position (-0.5)
11-12	DPS - Solid Waste	Eliminate vacant Deputy DPS Director position (-0.5)
10-11	Assessing	Eliminate City Assessor position (-1.0)
10-11	Assessing	Eliminate Property Appraiser position (-1.0)
10-11	Assessing	Eliminate part-time Personal Property Auditor position (-0.4)
10-11	Court	Eliminate Court Officer position (-1.0)
10-11	Community Development	Eliminate part-time Clerical position (-0.52)
10-11	City Clerk	Eliminate vacant Office Assistant II position (-1.0)
10-11	Human Resources	Restructure Personnel & Purchasing Coordinator position. Full-time position split between Human Resources (0.5) and General Administration (0.5) moved to DPS - Streets. Transfer part-time Office Assistant (0.75) from DPS to Human Resources (+0.25)
10-11	General Administration	Restructuring the Personnel & Purchasing Coordinator position reduced General Administration by (-0.25) of a position
10-11	Finance	Eliminate Fiscal Assistant I position (-1.0)
10-11	Finance	Eliminate vacant Fiscal Assistant II position (-1.0)
10-11	Police	Eliminate two vacant Police Officer positions (-2.0)
10-11	Police	Eliminate three vacant Police Sergeant positions (-3.0)
10-11	Fire	Eliminate three vacant Firefighter positions (-3.0)
10-11	Community Development	Eliminate GIS Supervisor position (-1.0)
10-11	Library	Eliminate Librarian position (-1.0)
10-11	Library	Reduce ten part-time Librarian Assistant positions (-0.66)
10-11	DPS – Building Maintenance	Eliminate vacant Equipment Operator II position (-1.0). Full-time split between Streets (0.04) and Building Maintenance (0.96)
10-11	DPS - Streets	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Solid Waste	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Recreation	Reduce part-time Recreation Coordinator hours (-0.11)
10-11	DPS - Recreation	Eliminate sixteen vacant seasonal part-time recreation positions (-0.425)
10-11	DPS - Nature Center	Eliminate Nature Center Coordinator position (-1.0)
10-11	DPS - Nature Center	Eliminate part-time Naturalist position (-0.26)
10-11	DPS - Parks	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Parks	Eliminate three seasonal part-time Laborer positions (-0.75)
10-11	DPS - Parks	Reduce three part-time Park Ranger hours (-0.2)
10-11	DPS - Senior Center	Reduce part-time Bus Driver and Chauffer hours (-0.31)

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
10-11	DPS - Senior Center	Reduce part-time Senior Center Assistant hours (-0.1)
10-11	DPS - Major Street Fund	Reallocation of Administrative Support (-0.15)
10-11	DPS - Local Street Fund	Reallocation of Administrative Support position (-0.1)
10-11	DPS - Water	Eliminate two vacant Water Meter Reader positions (-1.0)
10-11	DPS - Sewer	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Motor Pool	Eliminate General Mechanic position (-1.0)
BA = mid-year Budget Amendment adopted as of December 14, 2009		
BA 09-10	Police	Eliminate two vacant Police Officer positions (-2.0)
BA 09-10	Police	Eliminate one vacant Public Service Aide position (-1.0)
BA 09-10	Fire	Eliminate two vacant Firefighter positions (-2.0)
BA 09-10	Library	Eliminate vacant part-time Library Assistant position (-0.21)
BA 09-10	DPS - Senior Center	Eliminate vacant part-time Senior Center Assistant (-0.25)
BA 09-10	DPS - Water and Sewer	Eliminate one vacant Equipment Operator I position (-1.0)
09-10	Police	Eliminate vacant Patrol positions (-3.0)
09-10	Fire	Eliminate vacant Firefighter swing man position (-1.0)
09-10	DPS - Streets	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	DPS - Solid Waste	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	Major Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	Local Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	DPS - Youth Center	Reduce 6 part-time employees hours by closing the Youth Center during the summer (-0.4)
09-10	DPS - Recreation	Move full-time position split between Fire, Senior Center and Recreation to Finance, replacing a part-time position (-0.3)
09-10	DPS - Parks	Eliminate seasonal part-time employee due to reduction in mowing frequency (-0.3)
09-10	DPS - Senior Center	Eliminate vacant part-time aide positions, reduce hours of six part-time employees by closing the Senior Center between Christmas and New Year's and move full-time positions currently split between Fire, Senior Center, Recreation and Finance, replacing a part-time position (-1.1)
09-10	Finance	Move full-time positions currently split between Fire, Senior Center and Recreation to Finance, replacing a part-time position. (0.5)
09-10	Library	Reduction of hours for ten part-time positions due to reducing the Library hours of operation from 61.5 to 56 hours per week. (-0.5)
09-10	Community Development	Eliminate the part-time GIS part-time position (-0.5)
09-10	Water and Sewer	Eliminate two seasonal laborers; one in the Water Division and one in the Sewer Division (-0.7)
07-08	Finance	Reallocation one vacant Fiscal I position to Fire (-0.5)
07-08	Fire	Eliminate part-time office position (-0.3) reallocation of Fiscal I/Office Assistant (0.5)
07-08	DPS - Streets	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS - Solid Waste	Eliminate vacant DPS Supervisor split between divisions. (-0.1)
07-08	DPS - Parks	Eliminate vacant DPS Supervisor split between divisions. (-0.5)

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
07-08	DPS-Youth Center	Reduction of hours for part-time Youth Leaders (-0.2)
07-08	Assessing	Reduction of full-time Deputy Assessor position. (-1.0)
07-08	Assessing	Addition of part-time Property Appraiser. (0.4)
07-08	Housing	Eliminate part-time Housing Assistant (-0.4)
06-07	Finance	Eliminate vacant Fiscal I position (-1.0)
06-07	Police	Eliminate vacant Crime Prevention Officer (-1.0)
06-07	Fire	Eliminate vacant Fire Inspector positions (-1.0) and Vacant Officer Assistant I position (-1.0) and add a part time Office Positions (0.5)
06-07	Community Development	Eliminate vacant Information System position (-1.0), reduce GIS part-time position (-0.27), reallocate Code Enforcement from CDBG (0.80) and Housing (0.25)
06-07	DPS – Streets	Reduce two vacant Street Laborer positions (-2.0)
06-07	DPS – Sewer	Reduce vacant Laborer position (-1.0)
06-07	Library	Eliminate vacant part-time Library Assistant (-0.4); and reduce hours for Youth Service Assistant (-0.05)
06-07	DPS – Parks	Reduce vacant Park Laborer hours (-0.33)
06-07	DPS – Water	Eliminate vacant Water Clerical position (-0.8)
06-07	Housing	Reallocate Code Enforcement Officers hours to CDD (-0.25), reduce Housing Assistant hours (-0.1)
06-07	CDBG	Reallocate Code Enforcement Officer hours to CDD (-0.8)
05-06	District Court	Eliminate vacant part-time Probation Clerk (-0.8)
05-06	City Clerk	Elections - due to consolidated elections and precincts reduce number of Chairpersons from 16 to 12 (-0.4) and Workers from 68 to 55 (-1.5), and reallocate maintenance hours (+0.04)
05-06	Police	Eliminate vacant full-time Animal Control Officer (-1.0) Office Assistant II (-1.0); add part-time animal control support (+0.3)
05-06	Fire	Eliminate vacant Fire Fighter position (-1.0) and eliminate vacant Fire Fighter position following Lieutenant retirement and promotional process (-0.2)
05-06	Community Development	Reduce hours of part-time Community Development Assistant (-0.3)
05-06	DPS – Custodial & Maintenance	Reallocate maintenance hours to Elections (-0.04) and supervisor hours to Solid Waste for Tree Replacement Program coordination (-0.06)
05-06	DPS – Solid Waste	Add supervisor hours for Tree Replacement Program coordination (+0.06)
05-06	DPS – Recreation	Reduce and reclassify seasonal recreation positions (-1.2)
05-06	DPS – Youth Center	Reduce hours of part-time Youth Leader (-0.22)
05-06	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.04) and reallocate Recreation Supervisor hours (-0.05)
05-06	DPS – Parks	Eliminate vacant Parks Maintenance Laborer (-1.0) and add part-time laborer (+0.6)
05-06	DPS – Senior Citizens	Eliminate vacant Officer Assistant II (-1.0); add part-time assistant (+0.8); reallocate part-time receptionist hours (+0.5) and Recreation Supervisor hours (+0.05)
05-06	Community Improvement Fund	Reallocate Code enforcement Officer hours between Housing (-0.2) and Community Improvement (+0.2)
05-06	Motor Pool Fund	Eliminate vacant full-time Tool Crib Operator position (-0.6)
04-05	District Court	Add hours for part-time Deputy Court Clerk (+0.2)
04-05	Assessor	Eliminate vacant part-time Office Assistant (-0.4)

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
04-05	City Clerk	Eliminate vacant Deputy Clerk position (-1.0); add hours to part-time election workers for a third election (+0.9)
04-05	Human Resources	Reflect 50% funding of combined Purchasing & Personnel Coordinator position (-0.5)
04-05	General Administration	Eliminate vacant Purchasing Officer position (-1.0); reflect 50% funding of combined Purchasing & Personnel Coordinator position (+0.5)
04-05	Finance	Eliminate vacant Accounting Supervisor position (-1.0); add Accountant position (+1.0); eliminate vacant Fiscal Assistant I position (-1.0)
04-05	Information Technology	Eliminate vacant part-time Information Systems Support position (-0.7)
04-05	Police	Eliminate vacant positions: Police Officer (-1.0); Police Service Assistant (-1.0); and Office Assistant II (-1.0); reflect Police Department transfer of Police Officer position from Auto Theft Prevention Fund to patrol (+1.0)
04-05	Fire	Eliminate vacant Fire Fighter position (-1.0)
04-05	Community Development	Eliminate vacant Office Assistant II position (-1.0); add hours to part-time CDD Aide position (+0.2)
04-05	Library	Eliminate hours for part-time Branch Library Circulation Chief (-0.4) and Branch Library Assistant (-0.4)
04-05	DPS – Streets	Eliminate vacant Equipment Operator III (-1.0) and Laborer (-1.0) positions; reallocate labor from other divisions (+0.3)
04-05	DPS – Solid Waste	Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)
04-05	DPS – Recreation	Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)
04-05	DPS – Youth Center	Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)
04-05	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.4)
04-05	DPS – Parks	Eliminate two vacant part-time Park Laborer positions (-0.5)
04-05	DPS – Senior Citizen	Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)
04-05	Major Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.1)
04-05	Local Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.6)
04-05	Community Improvement Fund	Reallocate full-time Code Enforcement Officer FTE between Housing (-0.3) & Community Improvement (0.3)
04-05	Auto Theft Prevention Fund	Transfer of Police Officer position back into road patrol (-1.0)
04-05	Motor Pool Fund (DPS)	Eliminate vacant Tool Crib Operator position after retirement of incumbent (-0.4)
03-04	District Court	Add additional part-time Deputy Court Clerk position (+0.6); increase hours for part-time Probation Officer (+0.7)
03-04	DPS – Youth Center	Split part-time supervisor position for summer and school year programs into two part-time positions (0.0)
03-04	Community Imp.	Downgrade Code Enforcement Supervisor to Code Enf. Officer (0.0)
03-04	CIP - Housing	Reduce hours of part-time CIP Assistant (-0.3)
02-03	City Clerk	Increase part-time hours for election workers due to one additional election (+0.8 FTE)
02-03	Community Development	Add full-time Economic Development Coordinator position (+1.0 FTE)
02-03	DPS – Parks Division	Add two part-time Park Ranger positions (+ 0.5 FTE)

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

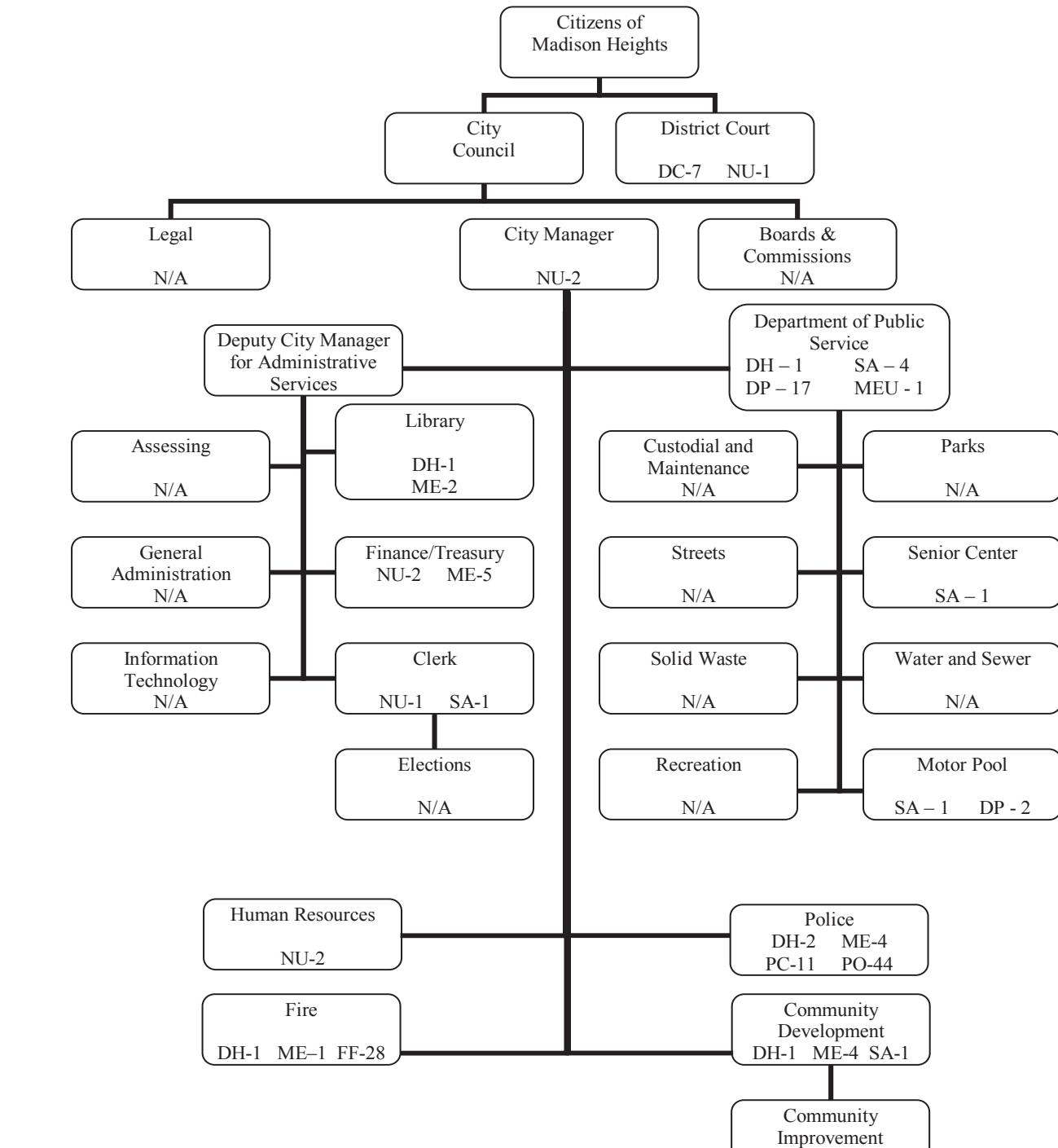
FY	DEPARTMENT	ACTION
01-02	DPS – Custodial & Maintenance	Eliminate three vacant positions (-3.0 FTE), with one of the positions added to the Parks Division
01-02	Community Development	Increase hours (+0.3 FTE) for the part-time Geographic Information System (GIS) office assistant position
01-02	DPS – Nature Center	Upgrade part-time Naturalist position to full-time status (+0.4 FTE)
01-02	DPS – Parks	Add one position transferred from DPS - Custodial & Maintenance Division (+1.0 FTE)
01-02	Library	Increase part-time hours (+1.7 FTE)
00-01	District Court	Elimination of Court Recorder position following retirement (-1.0 FTE)
00-01	Police	Due to elimination of Federal Crime Suppression Grant, transfer one officer position from Crime Suppression Fund (1.0 FTE) to the Police Department's General Fund Activity (+1.0 FTE)
00-01	Community Development	Addition of one Information Systems Specialist Position-GIS in the Community Development Department (+1.0 FTE)
00-01	DPS – Youth Center	Addition of four part-time positions to staff new Youth Drop-In Center (+2.1 FTE)
99-00	District Court	Consolidation of Court Administrator and Legal Secretary positions (-1.0 FTE); elimination of vacant part-time Security Officer position (-0.7 FTE); reduce hours of part-time Magistrate (-0.3 FTE); increase hours for part-time Probation Officer (+0.3 FTE)
99-00	General Administration	Elimination of vacant Reproduction and Stores Assistant position (-1.0 FTE)
99-00	Finance	Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE)
99-00	Data Processing (Gen. Fund)	Transfer of Activity (2 full-time; 1 part-time) from Water and Sewer Fund (+2.8 FTE)
99-00	Community Development	Addition of full-time GIS Supervisor position and a part-time GIS Assistant (+1.3 FTE)
99-00	Library	Additional part-time hours to increase coverage of the three existing part-time librarians by an additional 7 ½ hours per week (+0.6 FTE)
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)

FY 2018-19 BUDGET
HISTORICAL LISTING OF PERSONNEL ACTIONS
REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
96-97	DPS-Custodial & Maintenance	Reduction of full-time Supervisor position (-1.0 FTE) and transfer of four employees into full time laborer positions from Solid Waste Division outsourcing (+4.0 FTE)
96-97	Solid Waste	Outsource collection of household refuse and recycling; elimination of 12 F/T and 2 P/T laborer positions (-12.8 FTE)
96-97	DPS – Senior Citizen	Elimination of part-time building attendant position; adjustment of other part-time hours (no FTE change)
96-97	DPS – Parks	Elimination of two part-time seasonal laborer positions to reflect outsourcing of grass cutting (-0.8 FTE)
96-97	Police – Crime Suppression Fund	Add multi-jurisdictional unit officer with funding from “COPS” grant (+1.0 FTE)
96-97	Community Improvement Fund	Elimination of two part-time Home Chore Worker positions due to outsourcing of raking, lawn cutting, and snow shoveling services (-0.2 FTE)
96-97	Water & Sewer Fund – Data Processing	Replace vacant keypunch operator position (-1.0 FTE) with part-time PC Technical Support position (+0.8 FTE)
95-96	Library	Reduce part-time Circulation Chief, Technical Services Clerk, and Branch Library Aide (-0.2 FTE)
95-96	Fire	Eliminate three vacant full-time Fire Fighter positions as part of consolidated dispatch project (-3.0 FTE)
95-96	DPS – Custodial & Maintenance	Eliminate three full-time custodians as part of cost-savings move to contract out custodial services (-3.0 FTE)
95-96	DPS – Recreation	Reduce part-time hours as Oakland County will conduct summer swim lessons; add part-time Naturalist position (+0.5 FTE)
95-96	Community Dev. Block Grant Fund	Elimination of six vacant part-time home chore workers due to contracting out of raking, lawn cutting, and snow shoveling services (-0.8 FTE)
94-95	Assessing	Elimination of a vacant full-time Residential Appraiser position (+1.0 FTE)
94-95	Community Development	Elimination of a vacant full-time Construction Inspector position
94-95	DPS – Parks	Eliminate a vacant Parks Maintenance position created by an employee who did not return from an extended Worker’s Compensation leave
94-95	Finance	Lay off the Deputy Treasurer and eliminate the position (+1.0 FTE)
94-95	General Administration	Elimination of a vacant full-time Switchboard Operator / Receptionist position (-1.0 FTE)
94-95	Fire	Eliminate a vacant full-time “Swing Man” Fire Fighter position (-1.0 FTE)
94-95	Library	Lay off one part-time position and reduce the hours for five more part-time positions
94-95	Police	Eliminate a vacant full-time Special Investigations Unit Police Officer position (-1.0 FTE) and have the Chief transfer a position back into the Patrol Division from another section of the Dept.
93-94	General Administration	Change Purchasing Agent position from part-time to full-time (no FTE data available)
93-94	Community Development	Elimination of two part-time clerk typist positions and addition of one full-time clerk typist position (no FTE data available)

City Of Madison Heights

Organizational Chart – Full Time Employees By Bargaining Unit



Key	Full-Time Count
N/A = Not Applicable	--
NU=Non-Union or Other	8
DC= District Court, UAW 889	7
DH=Department Heads, AFSCME	6
DP=DPS, TPOAM	19
FF=Fire Fighters	28
ME=Municipal, TPOAM	18
PC=Police Command, POLC	11
PO=Police Officers, POU	44
SA=Supvrs. & Assts., AFSCME	7
	148

CITY OF MADISON HEIGHTS
FY 2018-19 BUDGET
FULL TIME POSITIONS
ALL FUNDS

FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
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GENERAL FUND

Court	11	12	12	11	10	10	9	9	9	9	9	9
Manager	2	2	2	2	2	2	2	2	2	2	2	2
Assessor	4	4	4	4	4	4	4	4	4	4	4	3
Clerk	4	4	4	4	4	4	4	3	3	3	3	3
Human Resources	2	2	2	2	2	2	2	2	2	2	2	2
General Administration	3	3	3	2	2	2	2	1	1	1	1	1
Finance	7	7	7	11	11	11	11	10	10	9	9	9
Information Technology	0	0	0	2	2	2	2	2	2	2	2	2
Police	76	76	76	76	77	77	77	75	73	73	73	73
Fire	40	40	40	40	40	40	40	39	38	36	36	36
Community Development	8	8	8	9	10	10	11	10	10	9	9	9
Library	4	4	4	4	4	4	4	4	4	4	4	4
Department of Public Services (Prior to FY 2017-18)												
Custodial & Maintenance	6	5	5	4	4	1	1	1	1	1	1	1
Streets	18	18	18	18	18	18	18	16	15	13	13	13
Solid Waste	0	0	0	0	0	0	0	0	1	1	1	1
Recreation	2	2	2	2	2	2	2	1	1	1	1	1
Youth Center	0	0	0	0	0	0	0	0	0	0	0	0
Nature Center	0	0	0	0	1	1	1	1	1	1	1	1
Parks	5	5	5	5	6	6	6	6	5	5	5	4
Senior Citizen	3	3	3	3	3	3	3	2	2	2	2	2
Sub total	34	33	33	32	32	31	31	28	26	24	23	
Total	195	195	195	199	200	199	199	189	184	178	176	
Major Street Fund	1	1	1	1	1	1	1	1	1	1	1	1
Community Improvement Fund	4	4	4	4	4	4	4	4	4	3	3	3
Fire Manning Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0
Juvenile Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0
Auto Theft Prevention Grant Fund	1	1	1	1	1	1	1	0	0	0	0	0
Crime Suppression Grant Fund	1	1	1	1	0	0	0	0	0	0	0	0
Water & Sewer Fund												
Water Division	6	6	6	6	6	6	6	6	6	6	6	6
Sewer Division	6	6	6	6	6	6	6	6	6	5	5	5
Information Technology	2	2	2	0	0	0	0	0	0	0	0	0
Water & Sewer Administration	5	5	5	1	1	1	1	1	1	1	1	1
Total	19	19	19	13	13	13	13	13	13	12	12	12
Motor Pool Fund	6	6	5	5	5	5	5	4	4	4	4	4
DPS Fund (Beginning FY 2017-18)												
Total All Funds	227	227	226	224	224	223	223	211	206	198	196	

CITY OF MADISON HEIGHTS
FY 2018-19
FULL TIME POSITIONS
ALL FUNDS

FY FY
2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2017-18

GENERAL FUND

9	9	8	8	8	8	8	8	8	8	8	Court
2	2	2	2	2	2	2	2	2	2	2	Manager
3	3	0	0	0	0	0	0	0	0	0	Assessor
3	3	2	2	2	2	2	2	2	2	2	Clerk
2	2	2	1	2	2	2	2	2	2	2	Human Resources
1	1	1	1	0	0	0	0	0	0	0	General Administration
9	9	8	8	8	8	8	7	7	7	7	Finance
2	2	2	2	2	2	2	0	0	0	0	Information Technology
73	67	62	58	57	57	57	57	57	58	61	Police
36	33	30	30	27	27	27	28	28	28	30	Fire
9	9	8	8	8	8	8	7	6	6	6	Community Development
4	4	3	3	3	3	3	3	3	3	3	Library

Department of Public Services
(Prior to FY 2017-18)

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

22 21 16 16 14 14 14 13 12 1 1 Sub total

175 165 144 139 133 133 133 129 127 117 122 Total

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

Water & Sewer Fund

6	6	4	4	4	4	4	4	4	0	0	Water Division
5	4	4	4	4	3	3	3	4	0	0	Sewer Division
0	0	0	0	0	0	0	0	0	0	0	Information Technology
1	1	1	1	1	1	1	2	1	1	2	Water & Sewer Administration

12 11 9 9 9 8 8 9 9 1 2 Total

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

0 0 0 0 0 0 0 0 0 20 20 DPS Fund (Beginning FY 2017-18)

195 184 162 157 149 146 146 143 141 142 148 Total All Funds

COMMUNITY PROFILE

Regional Setting

The City of Madison Heights is located near the southeast corner of Oakland County, adjacent to the western boundary of Macomb County and approximately two miles north of the City of Detroit. Freeway access to the southeast Michigan region is provided by Interstate 75 (I-75) and Interstate 696 (I-696). In addition, regional access is available using the bus system of the Suburban Mobility Authority for Regional Rapid Transit (SMART) system.

Incorporated in 1955, Madison Heights has grown and prospered significantly over the past 60 years. According to the 2014 Land Use Survey, only 1.5 percent of the City's total acreage is vacant land.

Oakland County continues to experience steady growth. The proximity to the I-696 and I-75 Freeways continues to provide easy access to employment centers and residential communities throughout Oakland County and has made Madison Heights a strategic location for both employers and employees.

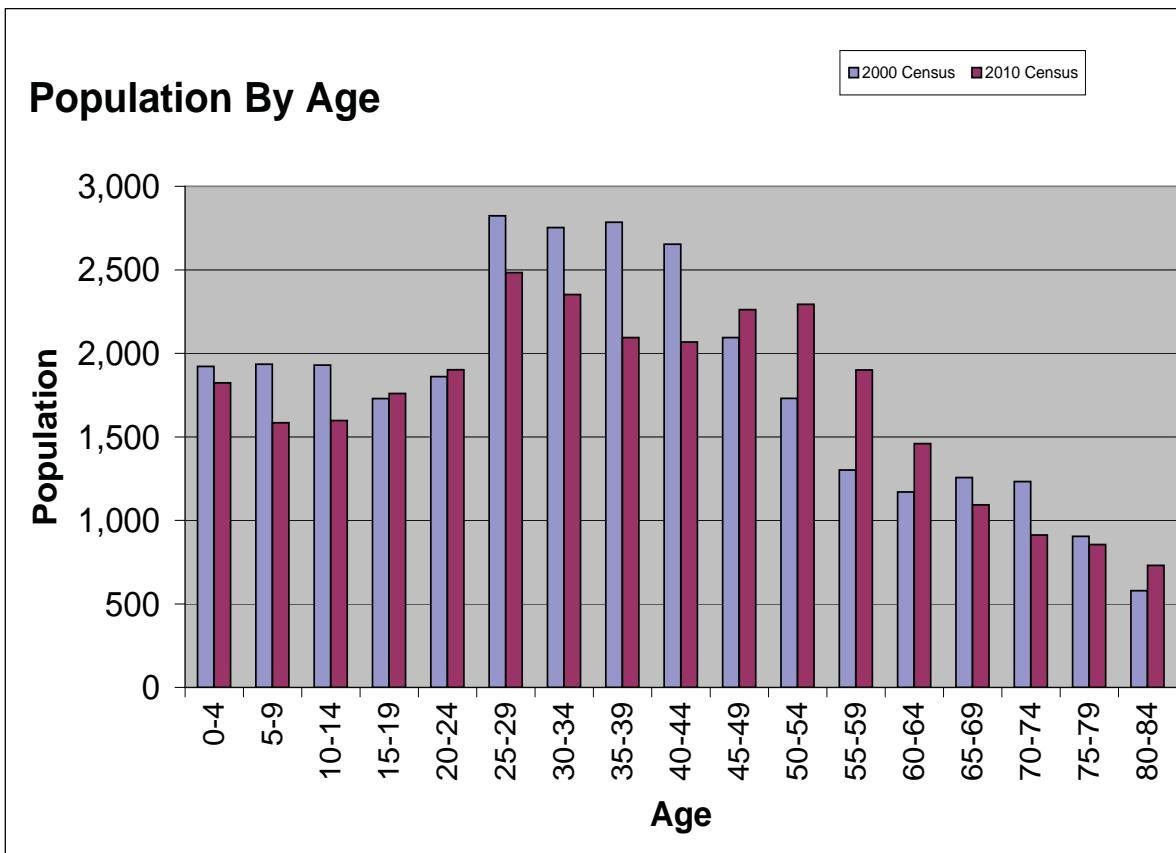
Population

The population of a community, its composition and characteristics, is a basic ingredient in planning for the future. Historical and current population trends can be used in various ways to illustrate problem areas of development and provide indication of probable future needs. Proper planning of future community facilities must take the existing allocations of population and particularly future projections into consideration.

This section will examine three primary aspects of the City's population: past historical trends, current composition, and future projects based on current trends, correlated with the effects of certain future variables.

Historical Trends

The following bar graph shows population change in Madison Heights from 1960 to 2010. Total population peaked in 1970. The City's 2017 population (30,948) is actually less than its population in 1960, due to decreases in household family size and the addition of smaller units of residential housing including apartments and condominiums. This is clear when one looks at the historical decline in the number of persons per household. On the other hand, the number of housing units has actually grown to 13,819 (2017) during a time of slight decline in total population. The end result is more housing units supporting a smaller population.



The Major Age Group Comparison shown above indicates some subtle changes occurring to the City's population. The City's residents continue to get older as a group, reflecting national demographic characteristics and increased life expectancy. The Retirement Age group of 65 and over continues to grow as a percent of total population while School-Age and Pre-School Age children continues to decline (population under 18 has decreased 11.8% from 2000 to 2010, which represents a decline of approximately 800 pre-school and school age children in the City).

This is an indication that Madison Heights remains an attractive community for very young families as well as retirees, but continues to reflect the natural trend of increased life expectancy and smaller family sizes.

Current Composition

Also important to City planning are characteristics of the population, such as race, ethnic origin, and distribution, as well as age characteristics. The following Tables summarize these characteristics of the City's population.

Population and Housing Unit Change

■ Population
□ Housing

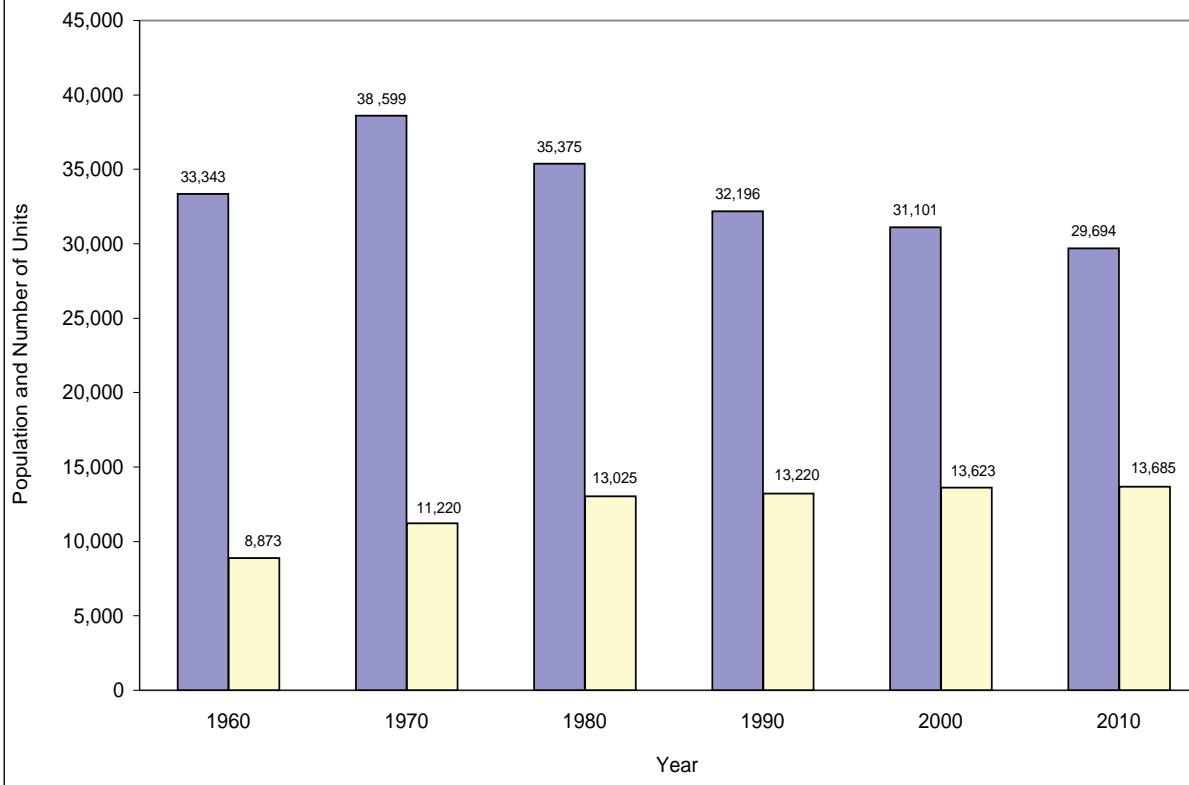


Table 1
Selected Population Characteristics: 2000-2010
City of Madison Heights

	<u>2000</u>	<u>2010</u>	<u>% change</u>	<u>% of Population</u> <u>2010</u>
Total Population	31,101	29,694	(4.5)	100.0
Male	15,216	14,570	(4.2)	49.0
Female	15,885	15,124	(4.8)	51.0
White	27,866	24,909	(10.6)	83.8
Black	567	1,897	234.6	6.5
American Indian, Eskimo & Aleut	138	136	(1.4)	0.5
Asian or Pacific Islander	1,563	1,744	11.6	5.8
Two or more Races	833	803	(3.6)	2.7
Other Race	142	205	44.4	0.7
Persons of Hispanic Origin	502	756	50.6	2.5

Source: U.S. Census of Population & Housing, 2000, 2010

The 2010 Census shows that Madison Heights' population is diversifying, with marked increases in Blacks, Asians and Hispanics.

Future Projections

Only 1.0 percent of the land in Madison Heights is vacant, and approximately one-fourth of this vacant land is zoned for residential development. After declining consistently for decades, the average household size remained steady from 2000-2010 (2.33 persons per household in 2000, 2.32 in 2010) while the population declined 4.5% over the same period.

Preparing population projections for a community such as Madison Heights is much different than the process one would follow in a rapidly growing community with ample vacant land. Traditional methods such as constant proportion method (linked to the county population), growth rate method (based on past percentage changes), and increasing proportion method (based on an increasing share of County growth) are not appropriate. More appropriately, new housing and family size are the two most important variables that need to be examined.

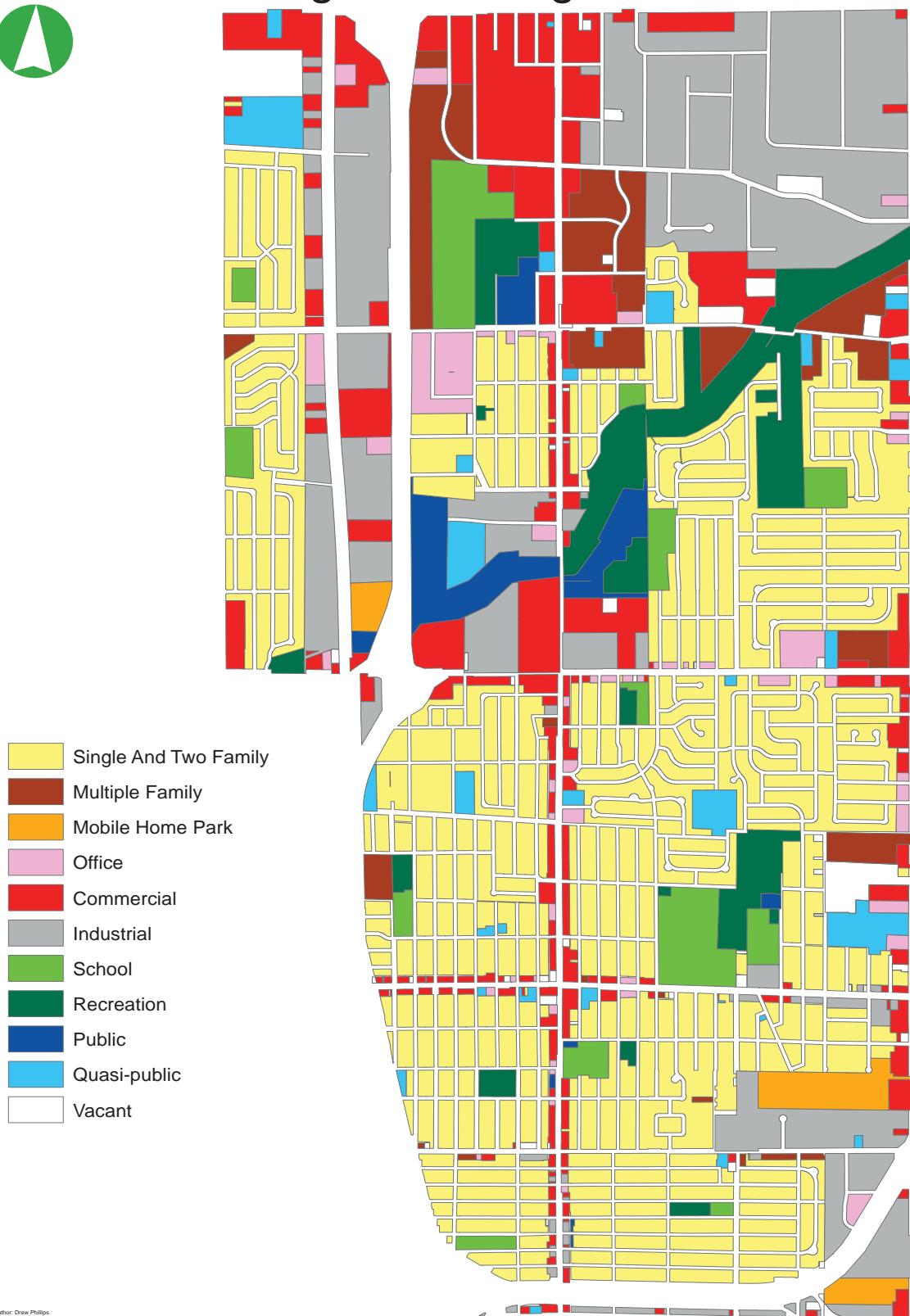
The national and local trends over the past 30 years indicate shrinking family sizes along with increases in the number of households. This trend is due, at least in part, to lower fertility rates and higher divorce rates. While the Census of Population shows these trends are present in the City, historically, the unprecedented economic crisis of 2007-2012 had a marked impact on housing and population. The foreclosure crisis and net out migration have resulted in a negative impact on population and total households, as outlined in Table 2 below:

Table 2
Population & Household Estimate, 1990-2040
City of Madison Heights

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2045</u>
Total Population	32,196	31,101	29,694	29,757
Total Households (occupied housing units)	12,850	13,299	12,712	13,508
Average Household Size	2.51	2.33	2.32	2.19

(1) 1990, 2000, 2010 Census data based on Persons Living in Households and Occupied Housing Units, and SEMCOG 2045 projections.

Madison Heights Existing Land Use, 2014



Author: Drew Phillips
Document Path: T:\Planning\maps\Existing_Land_Use.mxd
Data Updated 2014

Existing Land Use

The pattern of development established in a community is influenced by a number of factors including the community's regional setting, citizen demands and needs, political conditions, changes in technology and environmental characteristics and systems. As outlined in the Regional Setting, the growth and development of the City of Madison Heights has been influenced by its position in the Detroit Metropolitan Area. In addition, the City has become fixed in its land area due to the incorporation of the surrounding communities: cities of Hazel Park, Royal Oak, Troy and Warren.

In 2010, the City conducted a survey of the City recording all of the existing uses of land. The resulting pattern of existing development has been documented on the land use map available in the Community Development Department.

The following is a description of the various land use classifications used in the survey.

Single and Two Family - This classification is for those areas containing single-family and two-family dwelling units and accessory structures.

Mobile Home Park - This category identified mobile homes in a planned community or mobile home park setting.

Multiple Family - Included in this group are all apartments and multiplex type of units where more than two separate residential units occupy a single building. Included are apartments, townhouses, condominiums and senior apartments.

Commercial - Retail sales establishments, personal and business services are placed in the commercial category. Included are shopping centers, restaurants, gas stations, party stores, beauty parlors, while-you-wait printers, and the like.

Office - Uses include general business offices; professional services such as banking, real estate, engineering and architectural services; medical and dental offices; and similar uses.

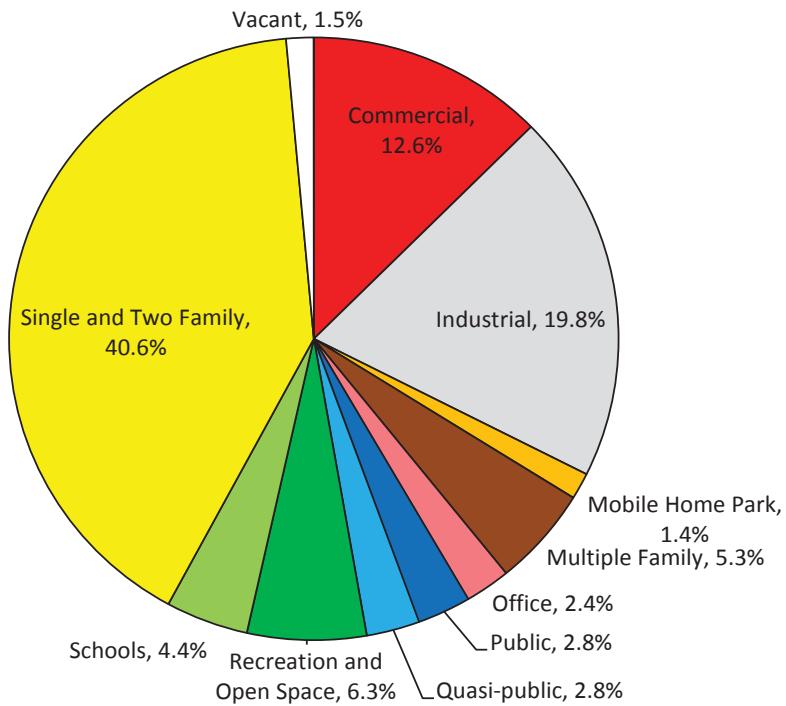
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

Public - Land area and facilities such as public schools, libraries, public works buildings, and government buildings are considered public uses.

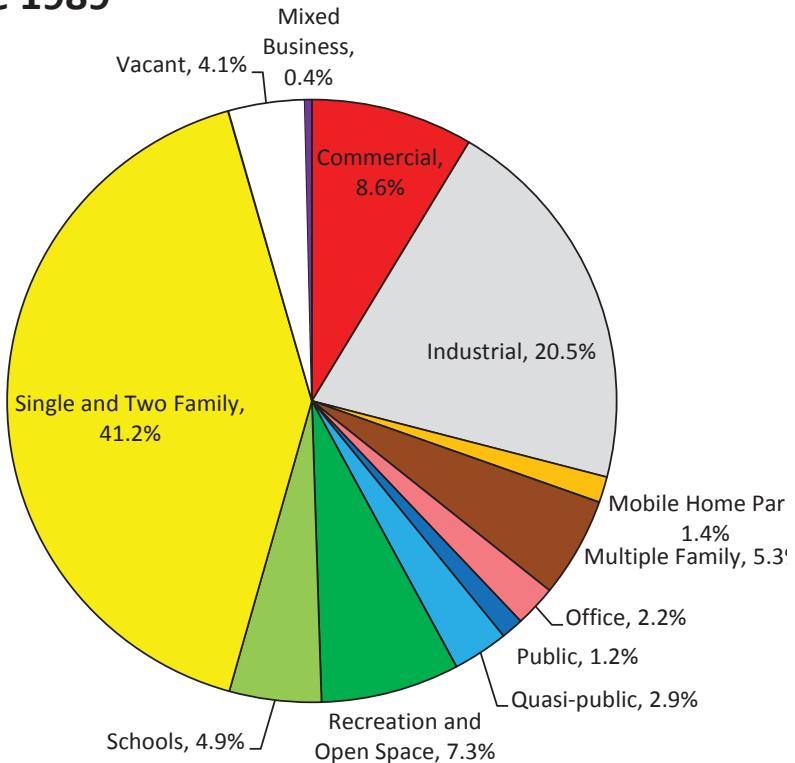
Quasi-Public - Included within this classification are such as churches, hospitals, private schools, lodge halls, private cemeteries, utility stations/sub-stations, etc.

Recreation and Open Space - This category has grown significantly since 1969, from 46 acres (1%) to 225 acres (6%). Major parks and recreation areas include the Red Oaks Golf Course; Red Oaks Water Park; Red Oaks Youth Soccer Complex; Suarez Friendship Woods and Nature Center (a Red Oaks facility beginning October 1, 2012); Rosie's Park/Madison Woods; and the Civic Center Park. In 2000, the City added 0.7 acres northeast of Rosie's Park and 1.5 acres at Suarez Friendship Woods. In 2009, the City added 0.42 acres at the southwest corner of Hales and Winthrop as a second expansion of Suarez Friendship Woods; and 1.0 acres at the southeast corner of Dartmouth and Dallas from the Madison Public Schools for Monroe Park. It should be noted that the entire Red Run right-of-way (137 acres) is included in this category.

Existing Land Use 2014



Existing Land Use 1989



* 1989 Land Use shows Mixed Business and Commercial use types. In 2003, those use types were combined into Commercial.

School Sites - School sites in the City of Madison Heights now comprise 164 acres. Many of the City's school sites include significant recreation areas, provided by either the Madison or Lamphere School District.

Vacant - This category includes all remaining land that is presently vacant or unused. As of 2014, only 1.5 percent of the City remained as vacant land, although not all of the land is available for development.

In short, the City of Madison Heights welcomes residents, businesses and visitors alike to a vibrant and diverse Community! The City is ideally located in southeastern Michigan, within Oakland County's "Automation Alley". Madison Heights provides a full range of services to residents, visitors and the business community and is conveniently located for employers and employees alike at the intersection of I-75 and I-696. In spite of the economic downturn of 2007-2012, Oakland County continues to rank high in per capita income, employment opportunities and overall quality of life. The City of Madison Heights exemplifies the very best in Oakland County through its excellent city services, road maintenance and snow removal, and opportunities for residents and the business community. It is a fiscally sound and stable community with many advantages because of its diverse tax base, housing mix, business climate and convenient access to other business and residential areas in southeastern Michigan.

There are more than 1,300 commercial and industrial businesses and services within the City's 7.1 square miles and the City is proud to have a majority of small businesses, as well as more than 100 major companies within its borders, such as: Best Buy, Coca Cola, Costco, CVS Pharmacy, Henkel Technologies, Home Depot, Lowes, Meijer, Microcenter, Navistar, Netlink, Sam's Club, Starbucks, Target, TrynEx, and United Parcel Service. It is a "City of Progress" with 23 shopping centers, 11 hotels, more than 860,000 square feet of office space, and seven industrial parks that include 10 million square feet.

The City of Madison Heights is committed to working with present and future residents and businesses to continue our excellent tradition as The City of Progress!

Natural Features

By 2010, over 98 percent of the City's land area had been developed by urbanized uses and City parks. For this reason, very few properties remain in their original natural state. The two principal exceptions include properties that have been protected as parks. The two include: Suarez Friendship Woods and Madison Woods. In addition to these, several other City parks have maintained a sizeable number of mature hardwood trees.

Topography, Soils and Drainage

The surface geology of Southeast Michigan is characterized by two broad zones, a lowland zone and a hilly upland zone. Madison Heights is situated within the flat, lowland zone lying between the Great Lakes shoreline and the hill zone. This lowland zone was formed by clay and sand deposits laid in the bottom of a large lake that existed about 10,000 years ago. The topography of Madison Heights is nearly flat due to this history as part of the glacial lake plain. The soils found throughout the City are poorly drained to moderately well drained in their natural state. The urbanization of the City has required the creation of an artificial storm drainage system to overcome the major limitation of the City's soil - wetness. The Red Run Drain, which cuts diagonally through Madison Heights, is the eventual outlet for most of the City's storm water. Over the years, many of the City's storm and sanitary sewer systems have been separated so that most of the storm water is now able to be discharged to the George W. Kuhn storm sewers and to the Red

Run Drain without treatment. The City of Madison Heights is wholly located within the Clinton River Watershed Basin.

Woodlands and Wildlife

As mentioned earlier, Suarez Friendship Woods and Madison Woods are the only parcels of land that remain in their original, natural state. Suarez Woods includes areas maintained in mature hardwoods, brush, and grasslands. The site also includes a small vernal pond. This 36 acre nature preserve supports a surprising variety of wildlife for a mature urban city, including native birds, rodents and mammals. A Nature Center, now operated by Oakland County Parks and Recreation, is located in Suarez Friendship Woods. The Center has a variety of exhibits and programs related to natural history and the environment.

Climate

The Southeast Michigan region, of which Madison Heights is part of and lies within the humid continental climatic zone of eastern North America. This zone is characterized by hot summers, cold winters, and a relatively constant year-round supply of moisture. Temperature characteristics of the immediate Southeast Michigan area include winter temperatures that average around freezing (32°F) with overnight lows between 15°F and 20°F. Summer temperatures average around 72°F with afternoon highs in July and August of 85°F. At the extremes, winter temperatures as low as 13°F below zero and summer temperatures over 100°F have been recorded.

The rhythm of the seasons in Southeast Michigan is regular, if somewhat syncopated. The winter and summer seasons tend to be long while fall and especially spring tend to be quite short. The area is characterized by prevailing westerly winds. Although the Great Lakes tend to moderate the weather somewhat due to their large capacity as a thermal reservoir, the region is located at the edge of an area that is affected by frequent incursions of cold arctic air.

Because Southeast Michigan lies on the dividing line of a much colder area to the north and a much warmer region to the south, its winters tend to be less cold and its summers less hot than the far extremes of the humid continental climatic zone. This particular characteristic has resulted in the dominance of broadleaf trees as opposed to the needleleaf forests found a little farther north.

Recreation Facilities Inventory

Recreation facilities available to Madison Heights residents range from small tot lots to neighborhood parks to large community-wide playfields to major regional recreation developments. The City currently operates a system of 14 City parks including the new Red Oaks Youth Soccer Complex and Monroe Park. A Senior Citizens activities center provides special programs for seniors that include recreation, home chores such as yard maintenance, meals, transportation and many other outstanding programs. The City also operates indoor recreation programs for all ages in cooperation with Madison and Lamphere Public Schools and on a space-available basis at City Hall and the Main Library.

In addition to the City-owned parks, many of the public and parochial schools in Madison Heights include recreation opportunities. Specific facilities range from playground equipment and outdoor athletic fields to indoor gymnasiums and pools.

Beyond the City limits are a wide array of public, regional recreation areas and private recreation facilities. Oakland County operates a system of 11 county parks. One of these, the Red Oaks complex, is physically located within Madison Heights. There are at least 50 public golf courses in Oakland County alone. The Huron-Clinton Metropolitan Authority (HCMA) has developed a system of 13 regional parks, all of which are within a 60-minute drive of Madison Heights. Activities such as picnicking, swimming, fishing, boating, wildlife study and even horseback riding can be enjoyed at several of the HCMA parks. There are also 22 State parks or recreation areas within an approximate one-hour drive of Madison Heights. These State parks offer camping, hunting, cross-country skiing and even snowmobile trails among their many available activities.

GLOSSARY OF BUDGET AND FINANCE TERMS

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary has been included in the document.

Accounting System: The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

Activity: A special unit of work or service performed.

Accrual: Basis of accounting where revenues are recognized when they are measurable and earned. Expenses are recorded when incurred.

Advanced Life Support (ALS): Advanced Life Support is a part of the Fire Department operation that provides paramedic-level emergency medical treatment and transportation service. The department's licensed advanced emergency medical technicians provide pre-hospital emergency care.

Appropriation: An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period.

Assessed Value: 50 percent of the estimated true cash value placed upon all taxable real and personal property by the local assessing jurisdiction's certified assessor.

Assets: Property owned by the City that has monetary value.

Audit: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ascertain whether financial statements fairly present financial positions and results of operations
- test whether transactions have been legally performed
- identify areas for possible improvements in accounting practices and procedures
- ascertain whether transactions have been recorded accurately and consistently
- ascertain the stewardship of officials responsible for governmental resources

Balanced Budget: A budget in which estimated revenues are equal to or greater than estimated expenditures.

Balance Sheet: A statement purporting to present the financial position of an entity by disclosing the cost of its assets, liabilities, and equities as of a specified date.

Benchmarking: The process of comparing the business processes and performance metrics to industry bests.

Bond (Debt Instrument): A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

Brownfield Redevelopment Authority: Established by Public Act 145 of 2000 to encourage redevelopment of idle or under-utilized commercial and industrial properties, which may not otherwise be redeveloped due to real or perceived contamination of the property. The Authority works to assist developers with the options of reimbursing for cleanup costs and/or providing a single business tax credit (authorized through the State of Michigan).

Budget Calendar: The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

Budget Message (City Manager's): A general discussion of the budget document presented in writing as an overview of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget (Operating): A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

Capital Improvements: Annual appropriations in the City's budget for capital purchases and construction projects costing more than \$30,000. This plan details funding sources and expenditure amounts for these large projects or purchases that will be required beyond the one year period of the annual budget.

Capital Outlays: Expenditures for the acquisition of capital assets over \$5,000. Includes the cost of land, buildings, permanent improvements, machinery, computers, large tools, rolling and stationary equipment.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

Certificates of Deposit: A negotiable or non-negotiable receipt for monies deposited in banks or financial institutions for a specified period and rate of interest.

Chapter 20 Drain Debt - Chapter 20 of the State of Michigan Drain Code, Public Act 40 of 1956, grants a municipality the right to levy taxes for the principal and interest of Drainage debt.

Consumer Price Index - Workers (CPI-W): An indicator of the consumer prices issued by the United States Department of Labor, Bureau of Labor Statistics, which is a widely used indicator of inflation (or deflation) and indicates the changing purchasing power of money. It is obtained by calculating the cost of a fixed "basket" of commodities purchased by a typical consumer. The basket contains products from various categories including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes.

Contractual Services: Items of expenditure for services that the City receives from an internal service fund or an outside company. Utilities, rent and custodial services are examples of contractual services.

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes: Taxes that remained unpaid on and after the date on which a penalty for non-payment is attached.

Department: A major organizational unit of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Department of Public Services (DPS): The Department of Public Services provides numerous round-the-clock services to residents and business owners. The Department's operational divisions include: Water and Sewer; Streets; Parks; Recreation; Building Maintenance; Motor Pool; Nature Center and Senior Center.

Depreciation: (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

Downtown Development Authority (DDA): Created by the State of Michigan, under Public Act 197 of 1975, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

Encumbrances: Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer, parking facilities, transit systems, airports, solid waste management (when financed through user fees) and golf courses.

Equivalent Residential Unit (ERU): A standard engineering calculation designed to determine stormwater runoff based on pervious and impervious areas. Each ERU is based on a value of 2,600 square feet.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by Council.

Fiscal Year: The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Full Faith and Credit: A pledge of the City's taxing power of a government to repay debt obligations (typically used in reference to General Obligation Bonds or tax-supported debt).

Full Time Equivalent Position (FTE): A measure of full-time position equivalents. A part-time position converted to a decimal equivalent of a full-time position based on 1,950 hours per year for clerical and library staff and 2,080 hours per year for Department of Public Service and recreation staff.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, recorded cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit. See the Revenues Chapter for a discussion of the categories or types of fund balance.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, user fees, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as police and fire protection, finance, parks and recreation, libraries, public works and general administration.

General Obligation Bonds: When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to the bonds that are to be repaid from taxes and other general revenues.

Geographic Information System (GIS): A system of software and hardware used to capture, store, manage, analyze and map geographic information.

Government Finance Officers Association (GFOA): The GFOA is the professional association of state and local finance officers in the United States and Canada and has served the public finance profession since 1906. GFOA members are dedicated to the sound management of government financial resources.

Goal: A statement of broad direction, purpose or intent based on the needs of the community. The City Council adopts an annual Goal Plan for the City focusing on the City's top priorities.

Headlee Amendment: The Headlee Amendment, approved by the voters of the State of Michigan as a Constitutional Amendment, places an upper limit on the total amount of property taxes a city can collect in the fiscal year. In effect, the City cannot collect operating millage on the Taxable Value (TV) increase derived from existing property, which is in excess of the Headlee inflation factor plus TV on new construction. This limit is accomplished by rolling back those operating millages, which are at their authorized maximum, by the same percentage as the TV is over the Headlee allowable maximum. The Headlee Amendment limitation may be waived only by a vote of the electorate.

Infrastructure: Capital assets that are stationary and normally have a useful life greater than most other capital assets. Examples include roads, sewer lines and water systems.

Interfund Transfers: Amounts transferred from one fund to another.

Intergovernmental Grant: A contribution of assets (usually cash) by one governmental unit or other orga-

nization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

Intergovernmental Revenue: Revenue received from another government.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government on a cost reimbursement basis. The City has one internal service fund for Motor Pool vehicle and equipment repair and maintenance.

Investment: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payment.

George W. Kuhn Drain District: Established under State statute to facilitate a construction project, started in March 1999, to improve the Retention Treatment Facility (RTF) that was constructed by the Twelve Towns Drain District. These improvements to the RTF were to reduce the volume and frequency of overflows and to provide adequate treatment of the overflows when they do occur.

Liabilities: Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

Maturities: The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

Michigan Municipal Risk Management Authority (MMRMA): The MMRMA is a public entity self-insurance pool that provides liability and property coverage to municipal governmental entities across Michigan.

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

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

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

Michigan Public Act 345: Michigan Public Act 345 was created for the City's Police and Fire Departments to establish and maintain the retirement pension and medical benefits for sworn personnel that could be supported through a dedicated property tax millage.

Michigan Uniform Accounting and Budgeting Act: Provides for the formulation and establishment of uniform charts of accounts and reports for local units of government; to define local units of government; to

provide for the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the State Treasurer and the Attorney General; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government.

Millage Rate: One mill equals \$1.00 of taxes for each \$1,000 of taxable value. The millage rate is the total number of mills assessed against the taxable value.

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

- a) Those revenues susceptible to accrual are property taxes, intergovernmental revenues, special assessments, licenses, interest revenues and charges for services. Fines and forfeits, permits and certain miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.
- b) Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- c) Interest income on special assessments receivable is not accrued until its due date.
- d) Principal on general long-term debt is recorded as a fund liability when due. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e) Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- f) Normally, expenditures are not divided between years by the recording of prepaid expenditures.
- g) The non-current portion of vested employee benefits is reflected in the General Long Term Debt Account Group.

Motor Pool: A Department of Public Service division that is responsible for the maintenance of all City vehicles and rolling or motorized equipment.

Motor Vehicle Highway Fund Act: The Motor Vehicle Highway Fund Act provides for the classification of all public roads, streets, and highways in this state, to provide for the deposits of specific State taxes on motor vehicles and motor vehicle fuels, and to provide for the allocation of funds for the use and administration of the funds for transportation purposes.

Municipal Employees Retirement System (MERS): The Municipal Employees Retirement System of Michigan is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits to the State's local government employees.

Objective: Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

Object of Expenditure: Expenditure classifications based upon the type or categories of goods and ser-

vices purchased. Typical objects of expenditure include:

- personal services (salaries, wages and fringe benefits, etc.)
- commodities (motor fuel, office and custodial supplies, etc.)
- contractual services (utilities, maintenance contracts, etc.)
- capital outlays (equipment, computer, vehicles, etc.)

Operating Funds: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital improvement projects.

Personal Services: Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees, as well as the fringe benefit costs associated with City employment.

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

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

Proposal R: Approved in 1996 and 2006, this Proposal generates two mills (reduced by the State's property tax limitations) of revenue for a ten year duration used to fund infrastructure construction such as roads, storm sewer separation, landscaping and sidewalks.

Proposal V: Approved in 1996 and 2006, this Proposal generates one-half to one-quarter mill (reduced by the State's property tax limitations) for a ten year duration to fund for police, fire, street maintenance and other vehicle purchases.

Rating: The credit worthiness of a city as evaluated by independent agencies.

Reconciliation: A detailed summary of increases and decreases in departmental expenditures from one budget year to another.

Reserve: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resources: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balance.

Retained Earnings: Within an Enterprise Fund, the accumulation of assets over liabilities. The City's only Enterprise Fund is the Water and Sewer Fund.

Special Assessment District (SAD): Special Assessment District refers to one or more parcels of property that receive a capital improvement (paving, sewers, sidewalks) and then are assessed a debt (principal and interest) to be repaid over a specific number of years.

State Equalized Value (SEV): The assessed value of real and personal property multiplied by a factor as determined by the Michigan State Tax Commission to ensure an assessment level of 50 percent of market value.

Taxable Value: The value upon which the property tax is levied. It is determined by multiplying the prior years taxable value by the current year's cost-of-living index. When the property changes ownership, the SEV becomes the taxable value for that year. The taxable value can never exceed the SEV or assessed value

Tax Rate: The amount of tax levied for each \$1,000 of assessed valuation.

Tax Rate Limits: The maximum legal property tax rate at which a municipality may levy a tax. The limits may apply to taxes raised for a particular purpose or for general purposes.

Trust and Agency Funds: Known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. These funds are not specifically budgeted. The trust funds used by the City are Police and Fire Retirement, and Police and Fire Other Post-employment Benefits. Agency funds are custodial in nature and do not measure the results of operations. The City has two Agency Funds, the Tax Collection Fund and the Escrow Fund.

Truth In Taxation: The Truth in Taxation Act provides a mechanism to ensure public notice and awareness of the increase in property taxes that occurs as a result of an increase in the Taxable Value base on existing property. This act mandates a "tax freeze" with regard to existing property and prohibits revenue growth by requiring a tax rate reduction (rollback) on operating millages unless a specific public hearing is conducted. At the public hearing, the Council discusses and adopts by resolution the millage or tax rates necessary to fund the city services and programs identified in the budget document. Because Madison Heights complies with the MICHIGAN UNIFORM BUDGET ACT (PA 621), the required public hearing for Truth in Taxation is combined with the public hearing for budget adoption as permitted by statute.

Unit Costs: The cost required to produce a specific product or unit of service.

User Charges (also known as User Fees): The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Yield: The rate earned on an investment based on the price paid for the investment.

ACRONYMS

Acronym	Description
ACH	Automated Clearing House
ADA	American with Disabilities Act
AEMT	Advanced Emergency Medical Technician
ALS	Advanced Life Support
AMR	Automatic Meter Reading
BYOD	Bring Your Own Device (Policy)
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CDD	Community Development Department
CIP	Capital Improvement Plan
CPI-W	Consumer Price Index – Workers
CTO	Compensatory Time Off
CVTRS	City, Village and Township Revenue Sharing
D/FEIS	Draft/Final Environmental Impact Statement
DDA	Downtown Development Authority
DPS	Department of Public Service
DWSD	Detroit Water and Sewerage Department
EFTPS	Electronic Federal Tax Payment System
EPA	Environmental Protection Agency
ERU	Equivalent Residential Unit
ESL	English as a Second Language
EVIP	Economic Vitality Incentive Program
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FTE	Full-Time Equivalency
FSA	Flexible Spending Account
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GLWA	Great Lakes Water Authority
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain
HAVA	Help America to Vote Act
HCMA	Huron-Clinton Metropolitan Authority
HMO	Health Maintenance Organization
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IBNR	Incurred But Not Reported
ISP	Investment Service Program
ITS	Intelligent Transportation System
LHOH	Little House on Hales
MDNR	Michigan Department of Natural Resources
MCRC	Macomb County Road Commission

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



**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
COMBINED
FISCAL YEAR 2018-19**

		<u>Description</u>	<u>Account</u>	<u>2018-19 Amount Proposed</u>
<u>General Fund</u>				
Court				
101-136	Books	<u>9780000</u>		\$ 7,500
	Books			
	Improvements	<u>9870000</u>		5,565
	Carpet		<i>Total Department</i>	\$ 13,065
<u>Information Technology</u>				
101-258	Improvements	<u>9820000</u>		
	Fire Suppression System - City Hall Server Room		<i>Total Department</i>	\$ 8,250
			<i>Total Department</i>	\$ 8,250
<u>Municipal Building</u>				
101-265	Machinery and Equipment	<u>9820000</u>		
	City Hall On-Site Generator			\$ 75,000
	Improvements			
	City Hall Gazebo Refurbishing			6,000
		<i>Total Department</i>		\$ 81,000
Police				
101-301	Computer Equipment	<u>9810000</u>		
	Copy Machines (2)		\$ 11,000	
	Mobile Data Computer Modems for Patrol Vehicles (15)		20,000	\$ 31,000
	Vehicles Non-V	<u>9850000</u>		
	Equipment for New Vehicles #104, 106, 114, 117			47,600
	Vehicles Non-V	<u>9850000</u>		
	Patrol Vehicles #114 and #117		\$ 67,320	
	Patrol Motorcycle (\$32,056 less Trade-in \$5,000)		27,056	94,376
	Improvements	<u>9870000</u>		
	Underground Storage Tank (Phase III of IV)		\$ 80,000	
	Padded Flooring Surface		14,000	
	Gun Range		248,000	342,000
		<i>Total Department</i>		\$ 514,976
Fire				
101-336	Machinery and Equipment	<u>9820000</u>		
	Generator for Fire Station #2 (#553)			\$ 75,000
	Vehicles	<u>9850000</u>		
	2002 Pierce Pumper #722 ("V" Funded Phase II or III)		\$ 200,000	
	2009 Ambulance Rescue #711 (Non-V Phase II of II)		125,000	325,000
	Improvements	<u>9870000</u>		
	Resurfacing Apparatus Room Floor Fire Station 1		\$ 66,000	
	Dehumidifier		7,600	
	Overhead Doors		52,000	125,600
		<i>Total Department</i>		\$ 525,600
<u>Community Development</u>				
101-400	Vehicle	<u>9820000</u>		
	2018 Pick-up for Code Enforcement #495		\$ 30,000	
		<i>Total Department</i>		\$ 30,000
Streets				
101-446	Computer Equipment	<u>9810000</u>		
	Fleet Management Software			\$ 16,500
	Machinery and Equipment	<u>9820000</u>		
	Pavement Patching Hotbox			17,500
		<i>Total Department</i>		\$ 34,000
Solid Waste				
101-521	Machinery and Equipment	<u>9820000</u>		
	2002 Brush Bandit Chipper #410		\$ 90,000	
		<i>Total Department</i>		\$ 90,000
Nature Center				
101-756	Improvements			
	Friendship Woods - Nature Center HVAC System (half of total less \$5,000) (Phase I of II)		\$ 50,000	
		<i>Total Department</i>		\$ 50,000

**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
COMBINED
FISCAL YEAR 2018-19**

			2018-19 Amount Proposed
Parks			
<u>101-757</u>	<u>Machinery and Equipment</u> Edison Park - Playscape Replacement	<u>9820000</u>	\$ 125,000
	<u>Improvements</u> Huffman Park - Backstop and Fence	<u>9870000</u>	35,000
		<i>Total Department</i>	<u><u>\$ 160,000</u></u>
Senior Center			
<u>101-758</u>	<u>Improvements</u> Pavilion Rehabilitation	<u>9870000</u>	\$ 25,000
		<i>Total Department</i>	<u><u>\$ 25,000</u></u>
Library			
<u>101-790</u>	<u>Materials</u> DVD Books E-Books Audio Media	<u>97xx-xxx</u>	\$ 1,890 52,192 15,200 1,890 \$ 71,172
	<u>Improvements</u> Carpet Lighting Update - Fluorescent to LED	<u>9870000</u>	\$ 47,500 6,500 \$ 54,000
		<i>Total Department</i>	<u><u>\$ 125,172</u></u>
		<i>Total Fund</i>	<u><u>\$ 1,627,063</u></u>
Major Street Fund			
<u>202-451</u>	<u>Repairs/Construction</u> Joint and Crack Sealing	<u>9880425</u>	\$ 75,000
	<u>Rehabilitation Programs</u> Stephenson Highway - Girard to 12 Mile Stephenson Highway Turnarounds Stephenson Highway - 14 Mile to Girard (80/20) 13 Mile Sectional NHPP Stephenson Highway - 12-14 Northbound (80/20) 13 Mile Sectional Non-NHPP	<u>9880436</u>	\$ 400,000 250,000 170,000 240,000 245,000 75,000 \$ 1,380,000
		<i>Total Department</i>	<u><u>\$ 1,455,000</u></u>
<u>202-474</u>	<u>Traffic Service</u> Traffic Signal Improvements		\$ 30,000 \$ 30,000 <u><u>\$ 1,485,000</u></u>
Local Street Fund			
<u>203-451</u>	<u>Proposal R-3 Construction</u> R-3 Sectional Maintenance and Repair R-2 Sectional Maintenance and Repair Sealcoat Road Rehabilitation Brettonwoods Harwood Brush	<u>9890XXX</u>	\$ 75,000 450,000 75,000 554,000 339,000 379,000 \$ 1,872,000
	<u>Rehabilitation Program - Non "R-3"</u> Sectional - Research Park and Tech Row	<i>Total Fund</i>	<u><u>509,328</u></u> <u><u>\$ 2,381,328</u></u>
Drug Forfeiture Fund			
<u>264-301</u>	<u>Vehicles - State</u> Patrol Vehicles #104 and #106	<u>9850039</u>	\$ 67,320
		<i>Total Fund</i>	<u><u>\$ 67,320</u></u>
Special Assessment			
<u>297-401</u>	<u>Construction</u> Sidewalk Program	<u>9850000</u>	\$ 250,000
		<i>Total Fund</i>	<u><u>\$ 250,000</u></u>
Water & Sewer Fund			
<u>590-551</u>	<u>Machinery and Equipment</u> V4 Neptune Collector for AMR Systems	<u>9820000</u>	\$ 9,000
		<i>Total Department</i>	<u><u>\$ 9,000</u></u>

**CITY OF MADISON HEIGHTS
CAPITAL OUTLAY SUMMARY
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			2018-19 Amount Proposed
<u>590-901</u>	<u>Description</u>	<u>Account</u>	
	<u>Watermain Replacement "R-3"</u>	<u>9820000</u>	
	Kenwood Avenue (Windemere Ave to Englewood Ave)		\$ 215,000
	<u>Watermains Replacement - "Non-R-3"</u>	<u>9731000</u>	
	W. Brockton - John R to Dartmouth		\$ 319,000
	W. Dallas - Alger to Dartmouth		<u>210,000</u>
			529,000
	<u>Machinery and Equipment</u>	<u>9860000</u>	
	2003 Caterpillar 4-Yard Loader #404		350,000
	2003 Tandem Axle Dump Truck with V-Box #422		<u>220,000</u>
			570,000
	<u>Office Equipment</u>	<u>9731000</u>	
	Dossier Fleet Management Software (75% GF, 25% WS)		5,500
	<u>Electronic Equipment</u>	<u>9731000</u>	
	City-wide Water Meter Replacement Program (District 9)		1,200,000
	<u>Improvement</u>	<u>9731000</u>	
	Underground Storage Tank Replacement (Phase II or II)		\$ 200,000
	Sanitary Sewer Inspection Rehabilitation Program		663,000
	Replacement Repairs to the DPS Parking Lot		<u>80,000</u>
			943,000
	<i>Total Department</i>		<u><u>\$ 3,462,500</u></u>
	Total Fund	<u>\$ 952,000</u>	
	All Funds	<u>\$ 9,282,211</u>	

