

**Blueprint for the Future.  
Purpose by design.**



**City of Madison Heights, Michigan**

**2019-2020**

**Adopted Annual Budget**



# **City of Madison Heights Adopted Annual Budget Fiscal Year 2019-20**

## **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**

Melissa R. Marsh

## **Deputy City Manager**

Corey K. Haines

## **Finance Director/Treasurer**

Linda A. Kunath



Brian C. Hartwell  
Mayor

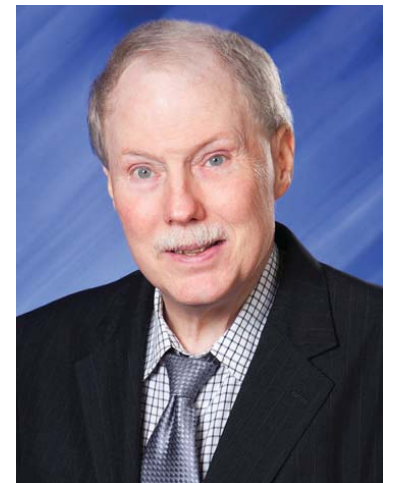
# Mayor and Council



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  
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**City of Madison Heights  
Michigan**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morrell*

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, 2018. 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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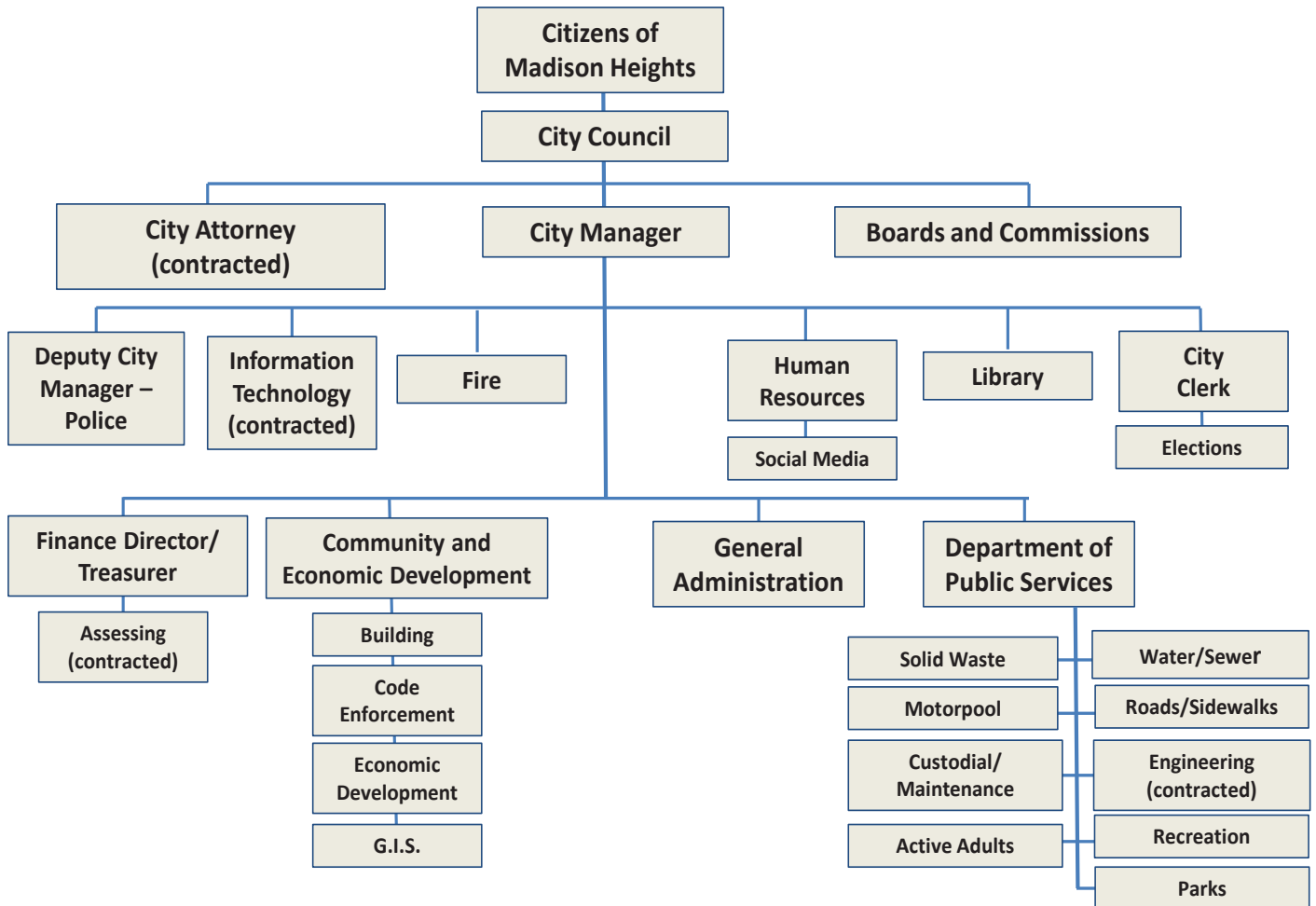


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# City of Madison Heights Organizational Chart





# City of Madison Heights

City Hall Municipal Offices  
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

May 13, 2019

Budget Transmittal Letter  
Fiscal Year 2019-20 Budget

Honorable Mayor and City Council,

Pursuant to Section 8.2 of the Madison Heights City Charter and the Michigan Uniform Budget Act, Public Act 621, transmitted herewith is the Consolidated Budget for the fiscal year beginning July 1, 2019. The Budget provides a complete financial plan of all City funds and activities including the Five-Year Capital Improvement Plan and Strategic Plan. The Budget provides the annual financial plan for management of City 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, Strategic Plan and workshops, City Council input and the City Manager's departmental review of operations, this balanced Budget reflects a reasonable approach to meeting our critical needs in the core service areas while positioning the City to move forward to follow our blueprint for the future. The Fiscal Year 2020 Budget maintains the City's ongoing commitment to responsible financial planning and discipline.

FY 2020 is projected to bring revenue growth across all funds due to a projected increase in state revenue sharing and a small increase in taxable value related to the State Inflation Rate Multiplier for taxes at 2.4%. The small increases in taxable value over the past three years only bring current taxable value to 66% of what it was in FY 2008. Unfortunately, we are experiencing expenditure pressure greater than inflation as residents expect services to be restored to pre-recession levels, general increases due to recent union negotiations and general inflation increases in contracted services and commodities.

Due to continued constraints on revenues, this budget is very cautious with adding new or restoring programs and positions and decrease expenditures in capital outlay. The overall budget focuses on following a blueprint for moving the City forward by implementing projects that are in-line with the long-term visions and strategic plan of City Council – a Blueprint for the Future.

## **Blueprint for the Future**

This year, City Council and Staff worked hard to develop plans that articulate a future vision for the community. These plans consider everyone who lives, works or visits Madison Heights and centers around developing a strong tax base to allow us to build a strong community and provide services at superior levels. The plan focuses on five areas: 1) Public Safety 2) Infrastructure and Capital Assets 3) Quality of Life 4) Economic Development 5) Financial Sustainability and Efficient City Services.

This Adopted Budget includes many one-time projects and plans to bring this blueprint to reality:

1. **Adoption of the FY 2020 City Council Strategic Plan** – this replaces the annual goal setting process and focused on what Madison Heights is to become and how we are going to get there.
2. **Master Plan Update** – The current Master Plan has been reviewed every five years; however, this is the first overall update since 1994.



**Parks and Recreation Master Plan Update** – The current plan was updated in 2015 to meet the standards for approval by the Michigan Department of Natural Resources (MDNR). An approved plan makes a community eligible to apply for funding through the Grants Section of the DNR to assist in the acquisition and/or development of property for parks and recreation purposes. Approved plans are developed to cover a period of 5 years.

**Citywide Marketing Plan** – This plan will focus on citywide image, rebranding and marketing of citywide services and programs. In addition, we will also contract for an economic development-marketing plan for the City and Downtown Development areas.

**Millage Ballot Proposal** – In November 2019, the City plans to ask the voters to increase the Charter millage limit from 10 mills. The Charter millage change will allow the City to dedicate funding to enhance Public Safety (2.5 mills), address deferred infrastructure and capital assets. The City will roll-in and cease assessing separate millages for Vehicle Replacements, Advanced Life Support, Library Services and Millage Restoration which total 2.68 mills.

## **BUDGET OVERVIEW**

The total budget equates to \$52.7 million and includes funding of operations and capital purposes for 13 appropriated funds. This amount represents a \$3.31 million or 5.9% decrease from the FY 2019 amended budget. As shown in the table below, the operating budget is projected to increase by \$1,309,252 or 2.9%, and the capital budget decreases by \$4.6 million or 39.2%.

<b>Total Operating and Capital Budget</b>			
	FY 2019 Amended Budget		FY 2020 Budget
<b>Operating Budget</b>	\$	44,266,292	\$ 45,575,544
Percent Change			2.9%
<b>Capital Improvement Budget</b>	\$	11,781,758	\$ 7,160,000
Percent Change			-39.2%
<b>Total Budget</b>	\$	56,048,050	\$ 52,735,544
Percent Change			-5.9%

## **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 the lesser of 5% or the State approved Inflation Rate Multiplier. In FY 2020, this multiplier is 2.4%, which caps the City’s overall taxable value growth 4.3%. 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, 2018, unfunded liabilities for pension and retiree health care stand at \$41 million and \$57.9 million, respectively, for a total unfunded liability of \$98.9 million. The budget includes the actuarially required \$3.7 million contribution for pensions in FY 2020.

The significance of these legacy costs have been a subject of debate at the State Legislature for the past three 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 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. With the first reporting requirement in 2018 the City Police and Fire Pension plan and both OPEB plans (Police and Fire and General Employees' plans) were determined to be underfunded. Staff submitted compliance plans that were approved by the State for implementation in the Budget. Since that time, Union negotiations have provided changes to retiree health care that has allowed the City to meet funding of 41% for the General Employees retiree health care trust 9 years early.

As part of the State approved compliance plan, the City has changed the way it funds retiree health care. For the past six years, contributions have been made to the two trusts (Police and Fire and General Employee's plans) and monthly retiree premiums were paid from these trust. The adopted budget includes a shift in this funding: monthly premiums are paid from current year revenues and the normal cost for employees is contributed to the trusts. These amounts are included in the Budget at \$3.7 million for current year premiums and \$835,293 for contributions into the OPEB trusts.

The third major financial challenge is state funding of local municipalities. Michigan's state revenue sharing began in the 1930s, with tax on businesses with liquor licenses. Of that revenue, 85 percent went to fund municipalities. In 1946, the state constitution was amended to guarantee local governments revenues based on 15 percent of sales tax revenues, allocated on a per capita basis. In 1998, state law was amended to provide statutory payments based on a percentage of sales taxes. This revenue is not guaranteed, and it has gone through numerous formal changes and has not been fully funded since 2001. Over the past fifteen years, local governments have lost millions of dollars due to these changes in state revenues sharing from the State. Madison Heights has lost \$16,625,234 during this period of disinvestment. Michigan has cut support for cities more than any other state since 2002, forcing municipalities to reduce services, staff and look for new ways to fund the status quo. The Budget does include a small increase in state revenue sharing based on recent State projections for a total, constitutional and statutory, of \$3.18 million; by comparison, in 2003 Madison Heights received \$3.6 million.

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 \$158,357 or 7.5%, 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**

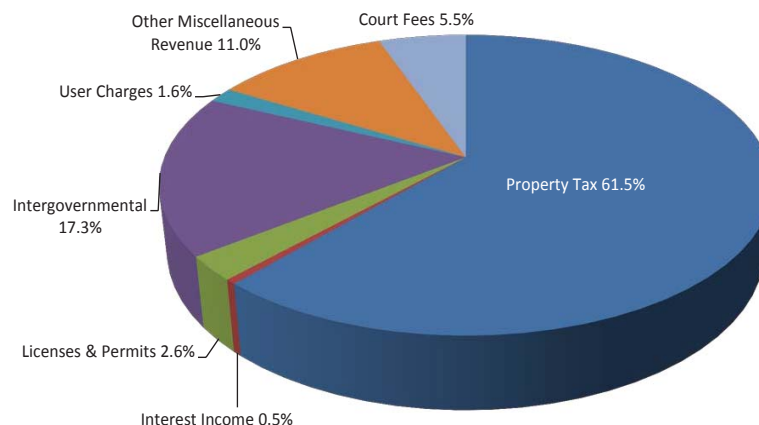
The FY 2020 budget was balanced through the utilization of \$1,579,189 of fund balance across all budgeted funds. Over 80% of this use of fund balance or \$1,249,011 is from the Water and Sewer Fund, 10% or \$174,512 is from the General Fund, and the remaining portion is from other funds. The majority of this use is to fund one-time capital outlay purchases and projects.

### **Revenues**

General Fund Revenues are budgeted at \$29.9 million exclusive of the planned use of fund balance. This represents an increase of \$619,038, or 2.1% from FY 2019 Amended Budget Revenues. This significant increase in revenue is due to three major revenue streams. First, property tax, the City's largest revenue, is increasing \$442,891. This increase is due to a taxable value increase due to state inflation rate and additions. As discussed earlier, taxable value actually increased over 4% 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 61.5% of the FY 2020 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 \$2.1 million in FY 2020. This is an increase of \$41,508. 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 storm water charges. The first step of this change was to remove storm water from the sewage rate and to calculate a new storm water charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the storm water 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 storm water. The total amount billed for storm water continues to cover all of the City's storm water 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 storm water 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 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. No new rates are in this study for FY 2020. The full water and sewer rate report can be viewed in the Appendices of this document.

#### Expenditures

When compared to the FY 2019 Amended Budget, all funds expenditures are down by \$3,145,657. This decrease is due to reductions in capital outlay expense. Operational expenditures across all other line-items being held at status quo with some planned fluctuation for items related to the FY 2020 Strategic Plan. The Adopted FY 2020 Strategic Plan adds to the FY 2020 Budget, of which \$303,388 or 77% is in the General Fund.

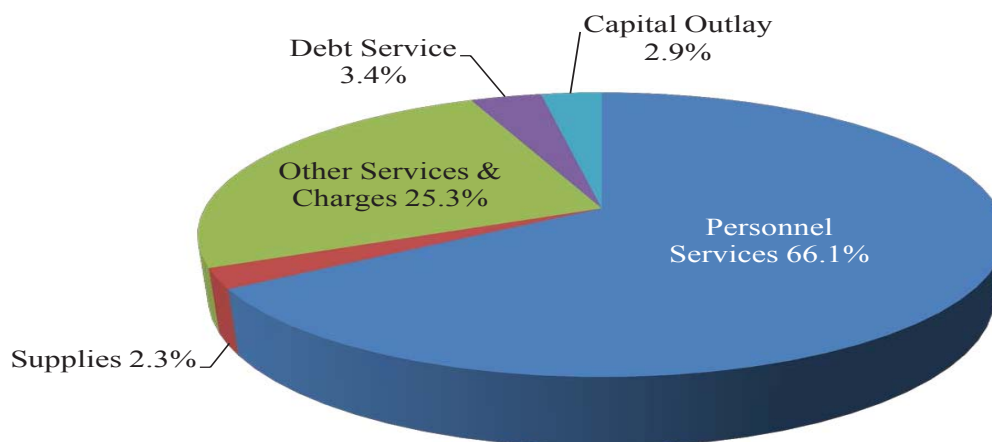
The following table presents a summary breakdown of the operating budget for all funds:

Fund Name	Actual 2017-18	Amended Budget 2018-19	Adopted Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
General Fund	\$ 27,573,439	\$ 30,953,317	\$ 30,080,631	\$ (872,686)	(0.028)
Major Street	1,981,341	2,522,490	2,030,107	(492,383)	(0.195)
Local Street	2,543,759	3,104,084	2,877,028	(227,056)	(0.073)
Parks Maintenance and Improvement	29,837	39,906	39,900	(6)	0.000
Downtown Development Authority	31,475	58,054	126,035	67,981	1.171
Police Drug Forfeiture	56,621	181,820	135,114	(46,706)	(0.257)
Community Improvement	141,840	106,279	134,343	28,064	0.264
Special Assessment Revolving	286,467	255,448	305,520	50,072	0.196
Fire Station Bond Fund	428,165	430,637	438,245	7,608	0.018
Water & Sewer Fund	12,282,821	14,733,701	12,797,435	(1,936,266)	(0.131)
Motor & Equipment Pool	1,057,595	987,881	1,027,485	39,604	0.040
Department of Public Services	2,272,290	1,787,853	1,857,735	69,882	0.039
Chapter 20 Drain Debt Service Fund	(1)	886,580	885,966	(614)	(0.001)
<b>Total Appropriations</b>	<b>\$ 48,685,649</b>	<b>\$ 56,048,050</b>	<b>\$ 52,735,544</b>	<b>\$ (3,312,506)</b>	<b>(0.059)</b>



Total expenditures in the General Fund are projected to be down 2.8% or \$863,552 as compared to the FY 2019 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 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 re-established the goal setting process to determine priorities and special initiatives for the coming budget year.

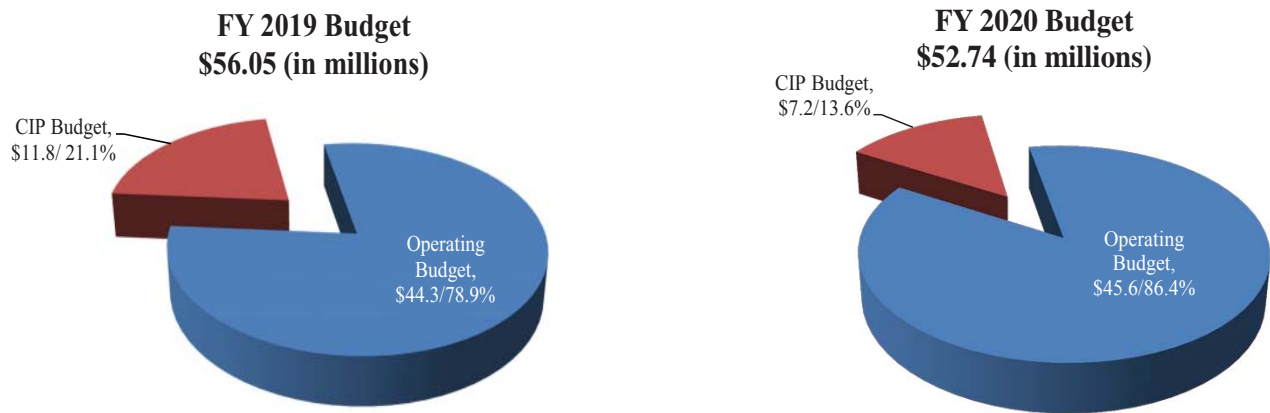
For FY 2020, a new long-term strategic planning process was implemented to replace this annual goal setting process. This process is discussed in detail later in this chapter. It was extremely beneficial in aligning Department budgets and activities with Council priorities.

### **Capital Budget Highlights**

Capital Outlay purchases for FY 2020 total \$7.5 million for all funds including \$918,730 for the General Fund. Of the General Fund purchased only 12.2% or \$111,807 are funded through dedicated millages (Proposal Vehicles, Solid Waste, Library and Senior Millage). The General Fund purchases that are not funded through dedicated millages include security cameras at the court building, two new patrol vehicles and one vehicle for the special investigations unit, air condition controls for fire station #1, one new tandem dump truck, additional wheelchair swing ramps in city parks, nature center improvements and a new parking lot at Wildwood park.

Other Funds include a capital outlay of \$6.1 million. The majority of this amount, \$3.8 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, \$2.1 million is budgeted for capital including \$1.5 million for water main replacement. A total of \$150,000 is budgeted for repairs to the Ajax Department of Public Services property and \$225,000 for a new loader. Drug Forfeiture Fund capital outlay includes two police vehicles and in-car laptops.

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.

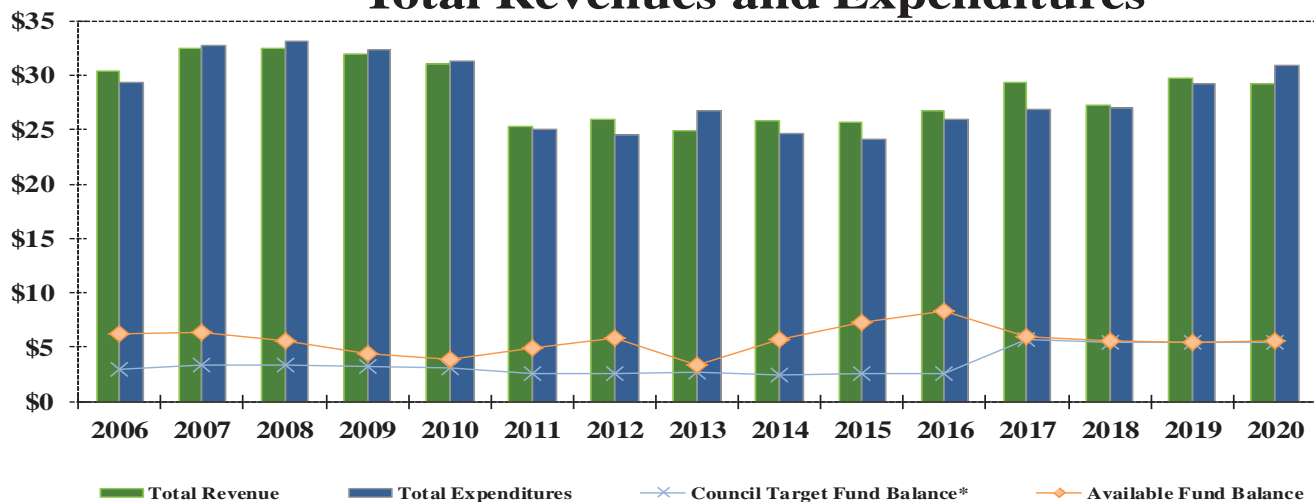
The Fall 2018 Forecast, which is included in the Appendices Chapter, projected a \$1.2 million budget gap for FY 2019-20 as compared to the actual, \$174,512. This difference is due to reduction of capital outlay. **Although capital outlay expenditures are warranted greater than budgeted, in order to stay above the Council policy of minimum fund balance and to move forward with Strategic Planning items to enhance our future tax base, these capital outlay requests were deferred.** 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.

### 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, 2018, the General Fund unreserved fund balance was \$7.26 million. Based on the budgeted use of fund balance, the City projects this fund balance will be \$5.6 million at the end of FY 2019, or 4% above the required 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 the Citywide Strategic Plan and propose this 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



At June 30, 2020, the City’s Major Street and Local Street Funds are estimated to have fund balances of \$389,097 and \$2,376,149, respectively. The City’s Water and Sewer Fund is projected to have \$1.2 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 2020.

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 would like to acknowledge the outstanding efforts of the Executive Assistant Mary Daley, as well as Department Heads for their hard work and efforts during this year's Budget process and their continued commitment to service excellence.

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

Respectfully submitted,

A handwritten signature in black ink, reading "Melissa R. Marsh". The signature is written in a cursive, flowing style.

Melissa R. Marsh  
City Manager

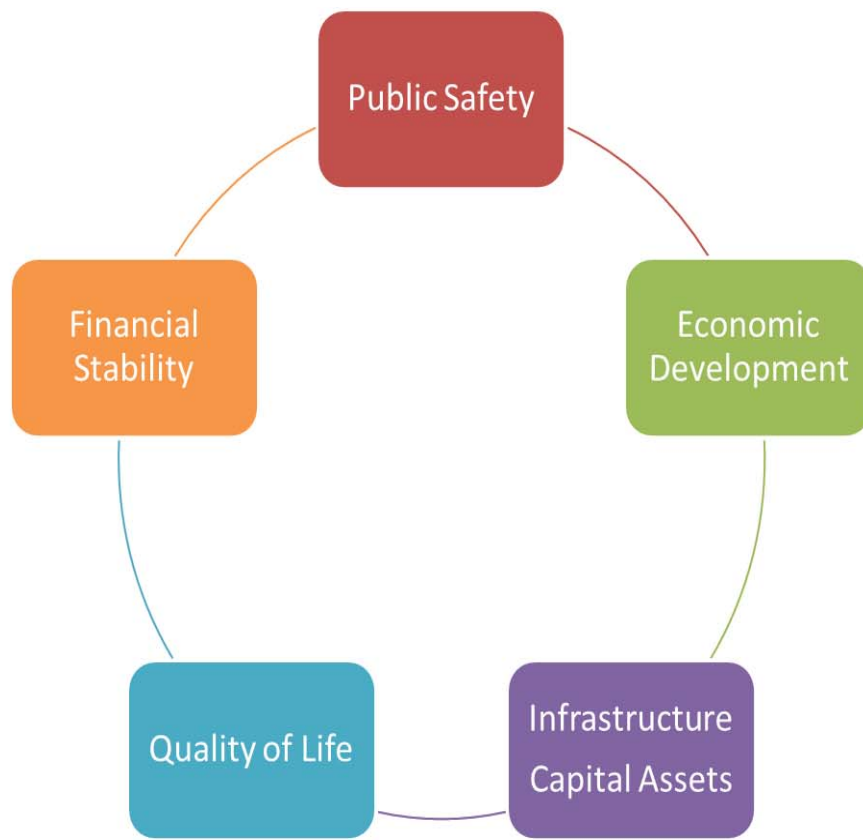


## City of Madison Heights Strategic Plan 2020

### “Blueprint for the Future”

For the first time the Mayor and City Council, City Manager and staff developed a detailed multi-year Strategic Plan. Strategic planning sets forth the City’s vision, goals, objectives and the strategic decisions needed to guide the operations and resource needs of the City. This process provides policy direction to Administration and staff in the development of the FY 2020 budget. The goals, objectives and action items contained within this document will be reflected and referenced in this and future budget proposals.

This Strategic Plan, with 15 goals and 43 action items, has been developed to reflect the policy decisions and directions as set by the Mayor and City Council. Within the document, there are specific action items and timelines for completion for identified projects and processes. However, this overarching document sets the policy direction and should not be interpreted to be a project work list. The work, projects and processes undertaken by the City of Madison Heights can be referenced to these overarching policies.



# **City of Madison Heights Strategic Plan 2020**

## **“Blueprint for the Future”**

### **1. Public Safety**

- 1.1 Provide high quality Police, Fire and Emergency Medical Services.
- 1.2 Improve safety and security of all municipal buildings.
- 1.3 Enhance Animal Control and shelter operations.

### **2. Infrastructure/Capital Assets**

- 2.1 Develop a building asset management plan, evaluating each city building for use(s) restoration, preservation and maintenance needs; including repair, refurbishment, relocation, combination with other sites.
- 2.2 Maintain a reliable vehicle fleet citywide with priority given to Public Safety vehicle and equipment.
- 2.3 Provide quality water and sewage service to all users.
- 2.4 Provide maintenance and updating to the furniture/interiors of public buildings with heavy public use.
- 2.5 Develop long-term solution for the SOCRRA site.

### **3. Quality of Life**

- 3.1 Enhance Parks/Recreation and Library Services to appeal to a community of all ages and abilities.
- 3.2 Support neighborhoods vitality and livability.

### **4. Economic Development**

- 4.1 Implement a comprehensive Economic Development strategy to attract new business and ensure a vibrant business climate that is welcoming to all residents and visitors.

### **5. Financial Sustainability and Efficient City Services**

- 5.1 Maintain a stable, efficient and transparent financial environment.
- 5.2 Provide a reliable financial plan that ensures stability in accordance with the strategic plan and promotes a proactive response to issues.
- 5.3 Maintain a structurally balanced budget with appropriate reserve levels.
- 5.4 Develop and support highly qualified workforce

## Public Safety

### 1.1 Provide high quality Police, Fire and Emergency Medical Services.

Action Item	Description	Department	Timeline
1.1.a	Increase staffing levels of the Fire Department by three full-time positions in order to increase average daily staffing.	Fire	FY 2021
1.1.b	Reinstate the Special Investigations Unit in the Police Department.	Police	FY 2019-20
1.1.c	Increase staffing of the Emergency Dispatch Services by one full-time position.	Police	FY 2021
1.1.d	Create a Dispatcher Supervisory promotion from current staff.	Police	FY 2020
1.1.e	Increase staffing levels in the Police Department by two full-time in order to decrease over-time and increase overall efficiency of the department.	Police	FY 2021

### 1.2 Improve Safety and Security of municipal buildings.

Action Item	Description	Department	Timeline
1.2.a	Analyze and identify deficiencies and needs related to building security at all municipal buildings.	All	FY 2020

### 1.3 Enhance Animal Control and Shelter Operations.

Action Item	Description	Department	Timeline
1.3.a	Increase part-time hours for Animal Control	Police	FY 2022

## Infrastructure/Capital Assets

2.1 Develop a building and asset management plan, evaluating each city building for use(s) restoration, preservation and maintenance needs; including repair, refurbishment, relocation, combination with other sites.

Action Item	Description	Department	Timeline
2.1.a	Secure services of an architect to conduct a feasibility study to include the possibility of relocating the Active Adult Center to Civic Center Plaza, building a new Center and renovating/expanding the Library and main floor of City Hall.	Various	FY 2020

### 2.2 Maintain a reliable vehicle fleet citywide with priority given to Public Safety vehicles and equipment.

Action Item	Description	Department	Timeline
2.2.a	Review options for financing and leasing for priority vehicles/equipment and infrastructure projects (Specifically Fire Engine and Roof replacement).	City Manager, Finance, DPS	FY 2020
2.2.b	Hire a fleet consulting company to review operations of the Motor pool department for future operations.	DPS	FY 2020

### 2.3 Provide quality water and sewage service to all users.

Action Item	Description	Department	Timeline
2.3.a	Coordinate with both school districts in order to inspect their facilities for lead service lines and assist the schools in developing a plan to have these lines replaced, if present.	DPS	FY 2020
2.3.b	Continue replacement program for Water mains citywide in coordination with the road maintenance program.	DPS	FY 2020
2.3.c	Upon completion of the SAW grant inspection program, develop a priority list for sewage line replacement/repairs, based on identified need.	DPS	FY 2020

### 2.4 Provide maintenance and updating to the furniture/interiors of public building with heavy public use.

Action Item	Description	Department	Timeline
2.4.a	Assess furniture and interior needs of the library and develop a plan for upkeep and replacement utilizing library reserves.	Library, DPS	Ongoing

### 2.5 Develop long-term solution for the SOCRRA site.

Action Item	Description	Department	Timeline
2.5.a	Identify options for resolution to address the ongoing litigation for the SOCRRA site.	Legal	Ongoing

## Quality of Life

### 3.1 Enhance Parks, Recreation, and Library Services to appeal to a community of all ages and abilities.

Action Item	Description	Department	Timeline
3.1.a	Address deferred maintenance and replacement of Park features including Park Equipment and ADA accessibility by pursuing privately funded and grant opportunities.	DPS	Ongoing
3.1.b	Contract with a grant consultant to seek grant opportunities and public/private partnerships for fundraising to purchase park equipment.	Various	FY 2020
3.1.c	Utilize a marketing firm to help market activities for residents including recreation events, library programs, and special events.	Various	FY 2020
3.1.d	Increase staffing of the recreation department to allow for more joint programming with outside agencies, both private and public.	DPS	Ongoing no sooner than FY 2021
3.1.e	Enhance Active Adult Center by converting one part-time position to full-time to supplement volunteers.	DPS	FY 2020
3.1.f	Increase the hours of the library by adding Sunday hours during the school year on a trial basis September – December. If successful, continue for the full school year.	Library	FY 2020

### 3.2 Support neighborhood vitality and livability.

Action Item	Description	Department	Timeline
3.2.a	Tree Replacements throughout the City and develop an inventory and five-year tree replacement plan.	DPS	Ongoing
3.2.b	Strengthen Neighborhood Groups by reconnecting the individual to the community with community engagement meetings and targeted neighborhood mini-grant projects.	Various	FY 2020
3.2.c	Encourage ADA housing options w/new builds and existing homeowners by offering free seminar on barrier free design for single family and condominium housing.	CED	FY 2020
3.2.d	Improve Seniors ability to maintain homes and remain residents of the community by increasing CDBG allocation to Senior Home Chore Program to include fall/leaf clean up with existing yard services programs.	CED	FY 2020
3.2.e	Sponsor DDA special events: such as block parties, artisan market and food truck rally.	DPS CED	FY 2020
3.2.f	Implement a Right-of-Way Tree Planting Program focused on the DDA.	CED	FY 2020

## Economic Development

### 4.1 Implement a comprehensive Economic Development strategy to attract new business and ensure a vibrant business climate that is welcoming to all residents and visitors.

Action Item	Description	Department	Timeline
4.1.a	Contract for the development a public relations program including Marketing and Branding plan citywide including the DDA.	CED	FY 2020
4.1.b	On-going contract for general marketing services citywide targeting both businesses and residents depending on the topic. Items would include relocation, redevelopment or city program participation.	Various	FY 2020
4.1.c	Contract for business specific economic development marketing plan.	CED	FY 2020
4.1.d	Update the Master Plan.	CED	FY 2020
4.1.e	Collaborate with school districts and businesses to promote education and job training for students.	CED	FY 2020
4.1.f	Apply for Affiliate Membership in Main Street Oakland (MSOC)	CED	FY 2020

## Financial Sustainability and Efficient City Services

### 5.1 Maintain a stable, efficient and transparent financial environment.

Action Item	Description	Department	Timeline
5.1.a	Develop Community engagement aspect to strategic planning/budget process.	Various	FY 2021
5.1.b	Plan migration to a multi-year budget process.	Various	FY 2021

5.2 Provide a reliable financial plan that ensures stability in accordance with the strategic plan and promotes a proactive response to issues.

Action Item	Description	Department	Timeline
5.2.a	Produce and adopt a budget that is in-line with the strategic plan.	Various	FY 2020
5.2.b	Evaluate financing options including Capital Improvement Bonds LTGO. Starting with Fire Equipment and the Police Roof in FY 2020.	Various	FY 2020
5.2.c	Develop a ballot proposal for voter consideration to increase the charter millage of the City from 10 mills to 15 mills, rolling in current special millages and allocating a portion (2.5 mills) for Public Safety.	Various	Nov. 2020
5.2.d	Develop an annual giving campaign for Active Adult Center, Library, Parks and Recreation reaching out to residents, businesses and community groups.	Various	FY 2020

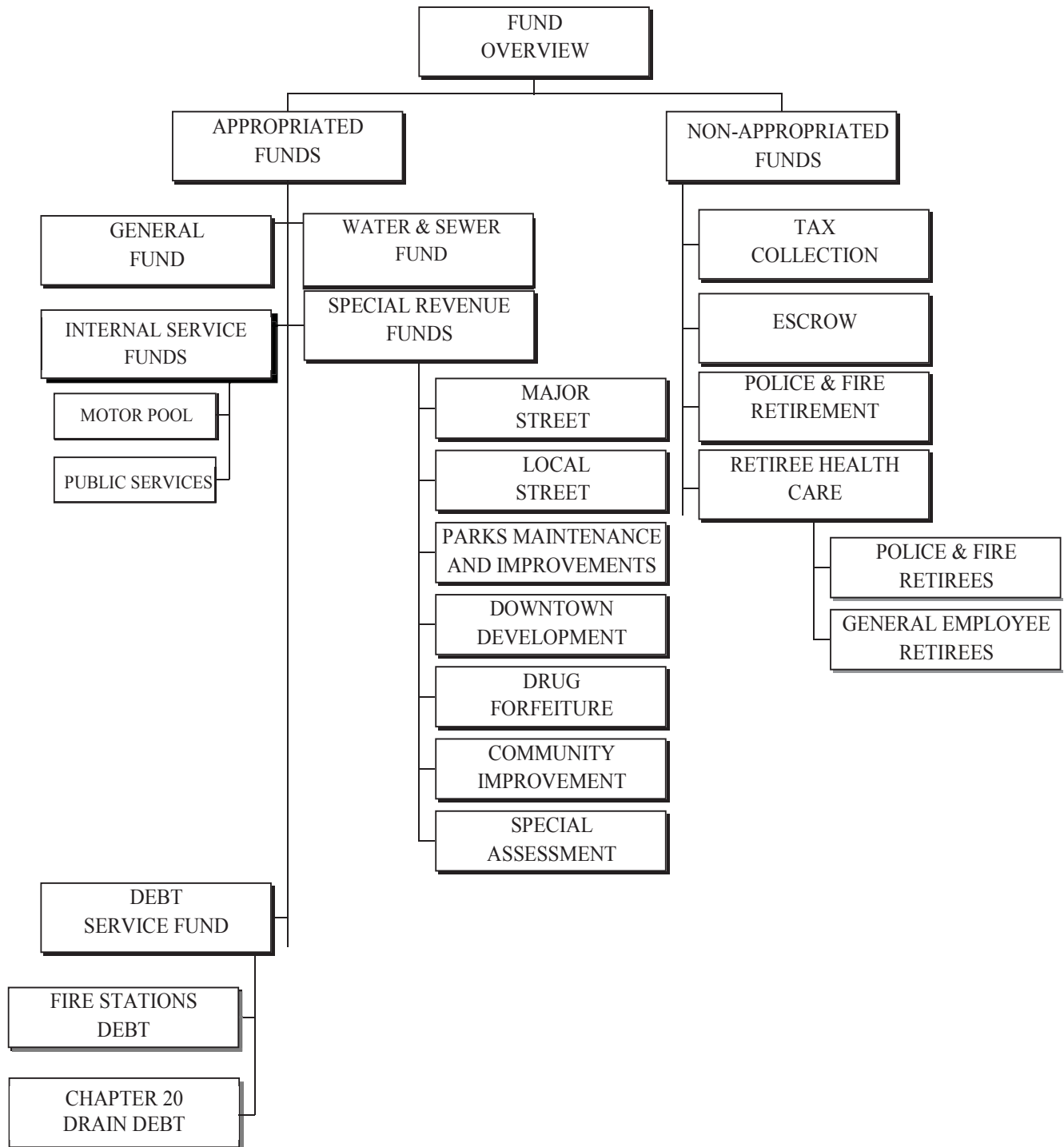
5.3 Maintain a structurally balanced budget with appropriate reserve levels.

Action Item	Description	Department	Timeline
5.3.a	Expand and review the reserve policy to cover all-funds to improve fiscal health of the City	Various	Ongoing

5.4 Develop and support highly qualified workforce.

Action Item	Description	Department	Timeline
5.4.a	Enhance permanent record retention of permanent records.	City Clerk	FY 2020
5.4.b	Encourage training opportunities for staff in order to have more efficient operations in departments and new current ideas.	Various	FY 2020
5.4.c	Create training opportunities citywide quarterly related to topics such as customer services and diversity.	Various	FY 2020

# 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 2019-20**

	GENERAL FUND			SPECIAL REVENUE/DEBT SERVICE FUNDS *		
	Actual 2017-18	Amended 2018-19	Adopted 2019-20	Actual 2017-18	Amended 2018-19	Adopted 2019-20
<b>REVENUES</b>						
Property Taxes	\$ 17,090,700	\$ 18,059,775	\$ 18,502,666	\$ 1,964,367	\$ 2,008,272	\$ 2,035,789
Licenses and permits	753,953	760,850	775,375	0	0	0
Intergovernmental	5,254,165	5,284,770	5,376,998	3,585,215	3,397,084	3,648,762
Court fines and fees	1,566,281	1,616,000	1,663,250	0	0	0
Charges for services	233,116	177,150	175,150	0	0	0
Parks and Recreation	278,315	271,631	280,750	0	0	0
Interest and Misc. Revenue	2,189,021	2,097,925	2,111,950	109,889	144,678	110,350
Special assessments	0	0	0	112,641	80,343	35,725
Departmental Charges	970,356	916,480	941,980	0	0	0
Transfers from other funds	60,564	102,500	78,000	0	100,000	100,000
<b>TOTAL REVENUES</b>	<b>\$ 28,396,471</b>	<b>\$ 29,287,081</b>	<b>\$ 29,906,119</b>	<b>\$ 5,772,112</b>	<b>\$ 5,730,377</b>	<b>\$ 5,930,626</b>
<b>EXPENDITURES</b>						
General Government	\$ 4,997,761	\$ 5,421,921	\$ 5,859,132	\$ 0	\$ 0	\$ 0
Public Safety	15,463,242	17,733,391	16,652,264	56,621	181,820	135,114
Community Service	3,233,061	3,442,244	3,578,528	0	0	0
Culture and Recreation	1,792,662	2,081,676	1,868,549	29,838	39,906	39,900
Community Development	1,055,928	1,242,659	1,082,947	1,672,389	1,861,527	1,817,198
Community Improvement	0	0	0	3,309,993	4,077,328	3,538,335
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	2,500	107,500	117,500
Debt Service	1,031,700	1,031,425	1,039,211	428,165	430,637	438,245
<b>TOTAL EXPENDITURES</b>	<b>\$ 27,574,354</b>	<b>\$ 30,953,316</b>	<b>\$ 30,080,631</b>	<b>\$ 5,499,506</b>	<b>\$ 6,698,718</b>	<b>\$ 6,086,292</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 822,117</b>	<b>\$ (1,666,235)</b>	<b>\$ (174,512)</b>	<b>\$ 272,606</b>	<b>\$ (968,341)</b>	<b>\$ (155,666)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>\$ 7,055,638</b>	<b>\$ 7,877,755</b>	<b>\$ 6,211,520</b>	<b>\$ 4,367,155</b>	<b>\$ 4,639,761</b>	<b>\$ 3,671,420</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 7,877,755</b>	<b>\$ 6,211,520</b>	<b>\$ 6,037,008</b>	<b>\$ 4,639,761</b>	<b>\$ 3,671,420</b>	<b>\$ 3,515,754</b>

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

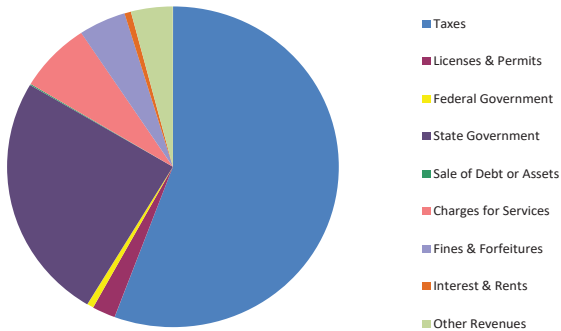
Debt Service includes the Fire Stations Bond Fund and Chapter 20 Drain Debt Fund.

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance  
All Fund Types  
Three Year Comparison  
Fiscal Year 2019-20**

	WATER AND SEWER FUND			TOTALS Memorandum Only		
	Actual 2017-18	Amended 2018-19	Adopted 2019-20	Actual 2017-18	Amended 2018-19	Adopted 2019-20
<b>REVENUES</b>						
Property Taxes	\$ 876,726	\$ 886,580	\$ 885,966	\$ 19,931,793	\$ 20,954,627	\$ 21,424,421
Licenses and permits	0	0	0	753,953	760,850	775,375
Intergovernmental	817,436	497,000	0	9,656,816	9,178,854	9,025,760
Court fines and fees	0	0	0	1,566,281	1,616,000	1,663,250
Charges for services	11,465,701	11,333,476	11,360,169	11,698,817	11,510,626	11,535,319
Parks and Recreation	0	0	0	278,315	271,631	280,750
Interest and Misc. Revenue	(196,040)	105,000	130,000	2,102,870	2,347,603	2,352,300
Special assessments	0	0	0	112,641	80,343	35,725
Departmental Charges	58,241	39,700	58,255	1,028,597	956,180	1,000,235
Transfers from other funds	0	0	0	60,564	202,500	178,000
<b>TOTAL REVENUES</b>	<b>\$ 13,022,064</b>	<b>\$ 12,861,756</b>	<b>\$ 12,434,390</b>	<b>\$ 47,190,647</b>	<b>\$ 47,879,214</b>	<b>\$ 48,271,135</b>
<b>EXPENDITURES</b>						
General Government	\$ 0	\$ 0	\$ 0	\$ 4,997,761	\$ 5,421,921	\$ 5,859,132
Public Safety	0	0	0	15,519,863	17,915,211	16,652,264
Community Service	0	0	0	3,233,061	3,442,244	3,578,528
Culture and Recreation	0	0	0	1,822,500	2,121,582	1,908,449
Community Development	0	0	0	2,728,317	3,104,186	2,900,145
Community Improvement	0	0	0	3,309,993	4,077,328	3,538,335
Water Division	4,002,524	3,354,200	3,134,117	4,002,524	3,354,200	3,134,117
Sewer Division	5,774,229	5,344,365	5,147,812	5,774,229	5,344,365	5,147,812
W/S Support & Capital Outlay	2,187,701	5,744,900	4,222,317	2,187,701	5,744,900	4,222,317
Transfers Out	0	0	0	2,500	107,500	117,500
Debt Service	318,367	1,176,816	1,179,155	1,778,232	2,638,878	2,656,611
<b>TOTAL EXPENDITURES</b>	<b>\$ 12,282,821</b>	<b>\$ 15,620,281</b>	<b>\$ 13,683,401</b>	<b>\$ 45,356,681</b>	<b>\$ 53,272,315</b>	<b>\$ 49,850,324</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 739,243</b>	<b>\$ (2,758,525)</b>	<b>\$ (1,249,011)</b>	<b>\$ 1,833,966</b>	<b>\$ (5,393,101)</b>	<b>\$ (1,579,189)</b>
<b>FUND BALANCES, ** BEGINNING OF YEAR</b>	<b>\$ 34,059,388</b>	<b>\$ 34,798,631</b>	<b>\$ 32,040,106</b>	<b>\$ 45,482,181</b>	<b>\$ 47,316,147</b>	<b>\$ 41,923,046</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 34,798,631</b>	<b>\$ 32,040,106</b>	<b>\$ 30,791,095</b>	<b>\$ 47,316,147</b>	<b>\$ 41,923,046</b>	<b>\$ 40,343,857</b>

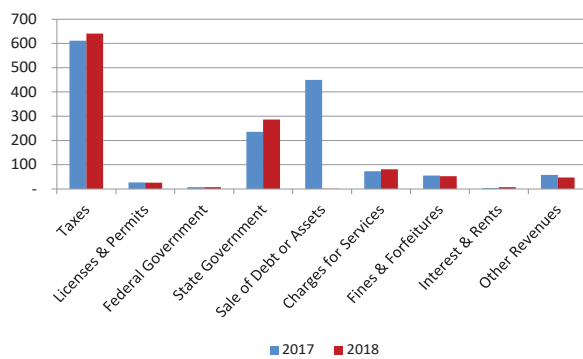
\*\* The Water and Sewer Fund Fund Balance is actually Net Position and is affected by assets and liabilities. This is not reflective of cash available in the fund.

## Citizens Guide to Local Unit Finances - Revenues

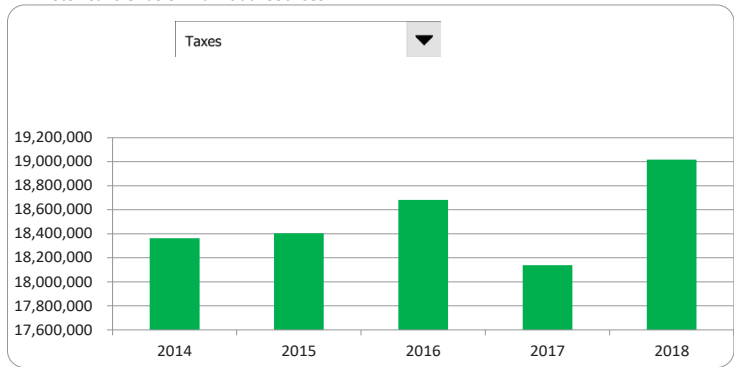


	2017	2018	% change
Taxes	\$ 18,138,243	\$ 19,017,936	4.85%
Licenses & Permits	788,229	771,533	-2.12%
Federal Government	223,492	216,796	-3.00%
State Government	7,005,558	8,498,261	21.31%
Sale of Debt or Assets	13,340,879	37,168	-99.72%
Charges for Services	2,169,451	2,411,735	11.17%
Fines & Forfeitures	1,638,103	1,566,281	-4.38%
Interest & Rents	102,569	216,901	111.47%
Other Revenues	1,723,360	1,393,681	-19.13%
<b>Total Revenues</b>	<b>\$ 45,129,884</b>	<b>\$ 34,130,292</b>	<b>-24.37%</b>

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



4. Historical trends of individual sources



Commentary: Taxes experienced an increase in FY 2018 due to a 2.2482 increase in the tax millage rate. This was increased as follows: 1.1562 NEW millage Ch. 20 Drain debt and 1.0974 increase in the Police and Fire Pension millage.

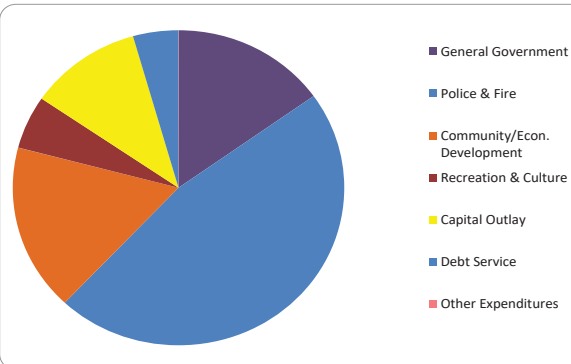
For more information on our unit's finances, contact Melissa Marsh at 248-837-2639.

## Citizens Guide to Local Unit Finances - Expenditures

### CITIZEN'S GUIDE TO LOCAL UNIT FINANCES - ()

### EXPENDITURES

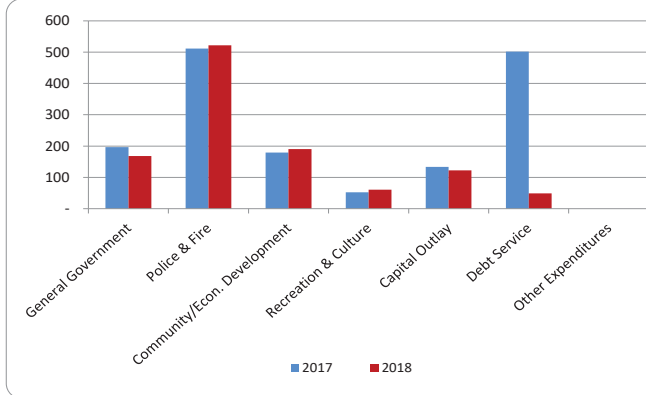
#### 1. Where we spend our money (all governmental funds)



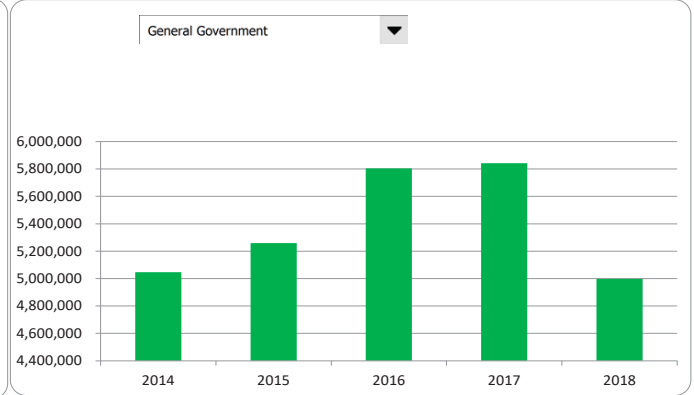
#### 2. Compared to the prior year

	2017	2018	% change
General Government	\$ 5,842,106	\$ 4,997,763	-14.45%
Police & Fire	15,193,446	15,491,867	1.96%
Community/Econ. Development	5,328,605	5,648,435	6.00%
Recreation & Culture	1,554,692	1,801,927	15.90%
Capital Outlay	3,964,617	3,642,527	-8.12%
Debt Service	14,895,735	1,459,866	-90.20%
Other Expenditures	-	-	N/A
<b>Total Expenditures</b>	<b>\$ 46,779,201</b>	<b>\$ 33,042,385</b>	<b>-29.37%</b>

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



#### 4. Historical trends of individual departments:



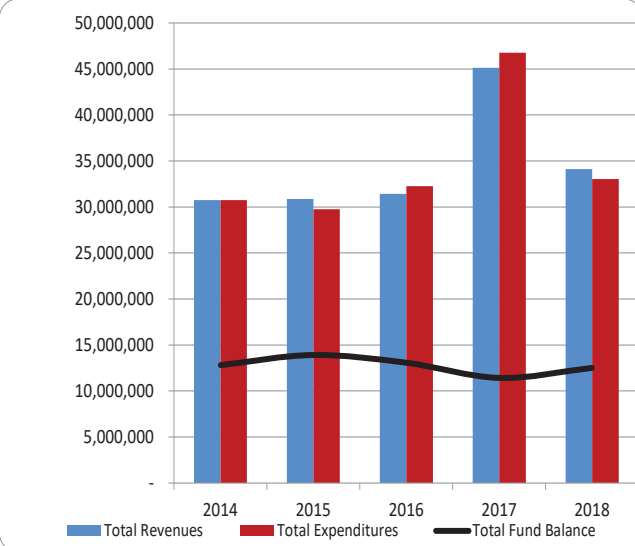
Commentary: Overall departments completed the year expenditures at 99.3% of the budget allocated. This is exclusive of the budget carryforwards of \$665,380 from FY 2018 into FY 2019.

For more information on our unit's finances, contact Melissa Marsh at 248-837-2639.

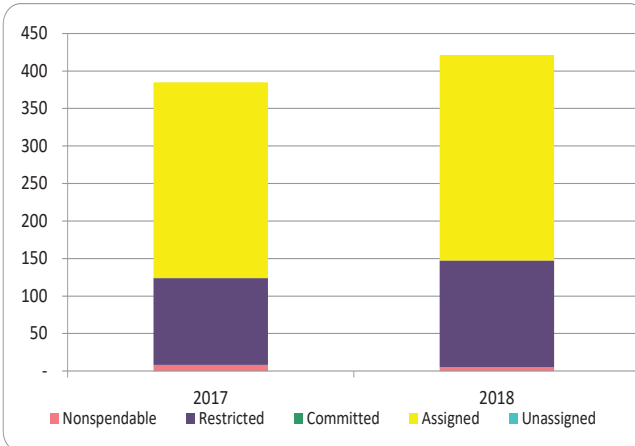
## Citizens Guide to Local Unit Finances - Financial Position

### CITIZEN'S GUIDE TO LOCAL UNIT FINANCES - (I)

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



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

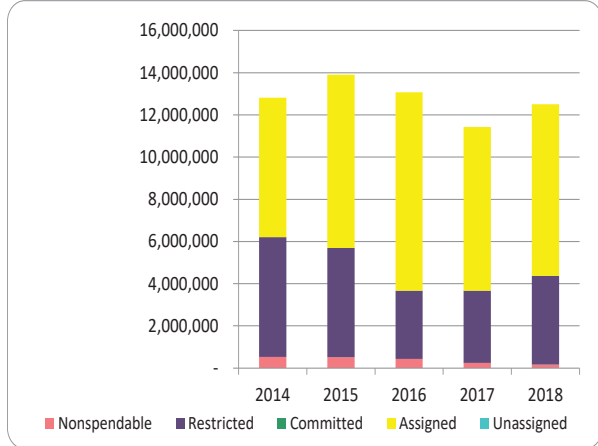


### FINANCIAL POSITION

#### 2. Compared to the prior year

	2017	2018	% change
Revenue	45,129,884	34,130,292	-24.37%
Expenditures	46,779,201	33,042,385	-29.37%
Surplus (shortfall)	(1,649,317)	1,087,907	-165.96%
Fund balance, by component:			
Nonspendable	245,266	159,634	-34.91%
Restricted	3,429,111	4,216,228	22.95%
Committed	-	-	N/A
Assigned	7,748,416	8,134,838	4.99%
Unassigned	-	-	N/A
total fund balance	11,422,793	12,510,700	9.52%

#### 4. Historical trends of individual components



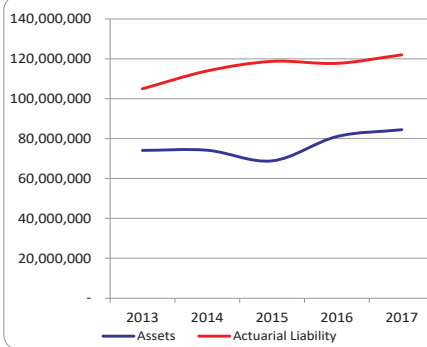
Commentary: City Council adopted a policy that unrestricted fund balance of no less than two months (16%) of regular operating expenditures plus one year of debt payments if applicable.

For more information on our unit's finances, contact Melissa Marsh at 248-837-2639.

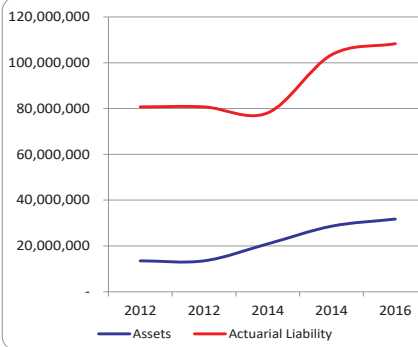
## Citizens Guide to Local Unit Finances - Other Long Term Obligations

### CITIZEN'S GUIDE TO LOCAL UNIT FINANCES - ()

#### 1. Pension funding status

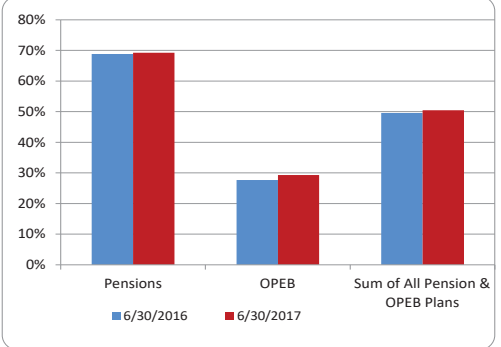


#### 2. Retiree Health care funding status

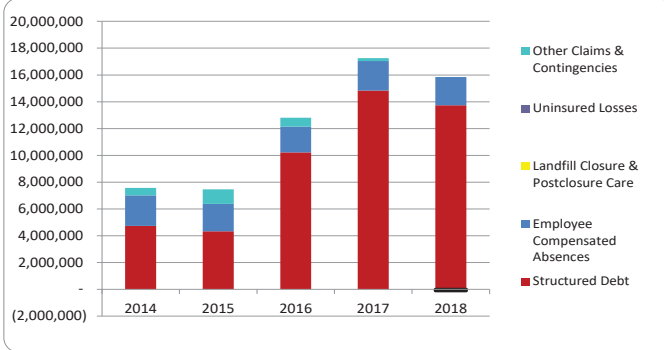


### OTHER LONG TERM OBLIGATIONS

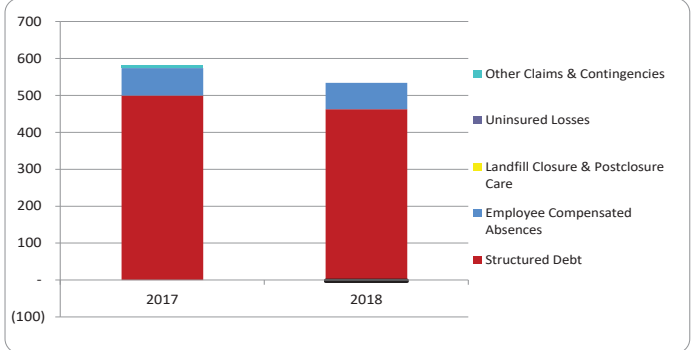
#### 3. Percent funded - compared to the prior year



#### 4. Long Term Debt obligations:



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



Commentary: Pension and Retiree Health Care "legacy costs" are the largest liabilities of the City. Police and Fire Pension contributions have been calculated at 54.5% of payroll, up from 48.26% last year.

For more information on our unit's finances, contact Melissa Marsh at 248-837-2639.





## City of Madison Heights Performance Dashboard

Prior Year = FY 2017      Current Year = FY 2018

Fiscal Stability	Prior	Current	Trend	Progress
Annual General Fund expenditures per capita	\$1,395	\$916	-34.3%	↑
Unrestricted Fund Balance as % of annual General Fund expenditures	16.0%	26.3%	64.7%	↑
Unfunded pension & OPEB liability, as a % of annual General Fund revenue	411%	401%	-2.3%	↑
Debt burden per capita	\$493	\$456	-7.4%	↑
Percentage of road funding provided by the General Fund	24.1%	18.1%	-24.9%	↔
Ratio of pensioners to employees	0.90	0.93	3.1%	↓
Number of services delivered via cooperative venture	2	2	0.0%	↔

Public Safety	Prior	Current	Trend	Progress
Violent crimes per thousand	61	65	6.6%	↓
Property crimes per thousand	594	493	-17.0%	↑
Traffic injuries or fatalities	252	266	5.6%	↓

Economic Strength	Prior	Current	Trend	Progress
% of community with access to high speed broadband	100%	100%	0.0%	↔
% of community age 25+ with Bachelor's degree or higher	21%	21%	0.0%	↔
Average age of critical infrastructure (years)	10.6	11.1	4.4%	↓

Quality of Life	Prior	Current	Trend	Progress
Miles of sidewalks and non-motorized paths/trails as a factor of total miles of local/major roads & streets	1.77	1.77	0.0%	↔
Percent of General Fund expenditures committed to arts, culture and recreation	2.9%	4.5%	54.0%	↔
Acres of parks per thousand residents	7.5	7.5	0.0%	↔
Percent of community being provided with curbside recycling	100%	100%	0.0%	↔

Performance Improving ↑     
 Performance Staying About the Same ↔     
 Performance Declining ↓



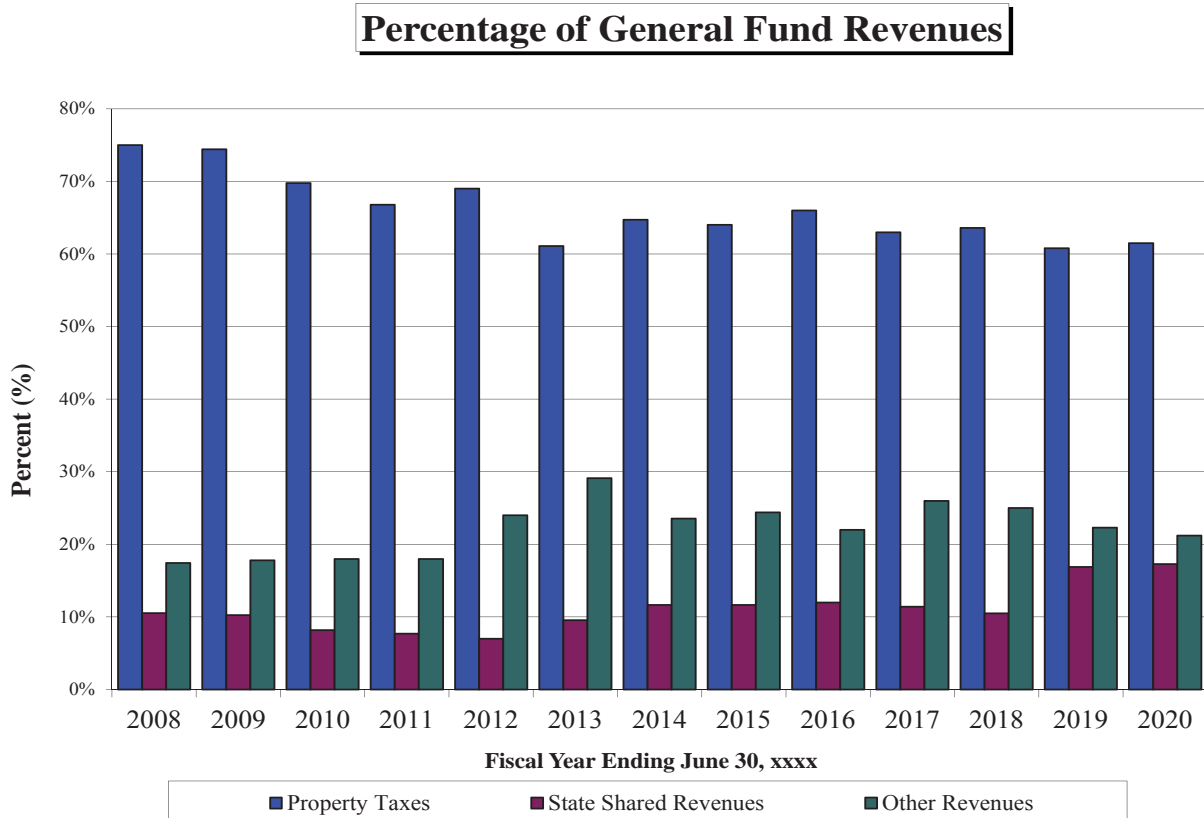
## **REVENUE CHAPTER**

### **Revenue Overview**

General Fund Revenues are budgeted at \$29.9 million exclusive of the planned use of fund balance. This represents an increase of \$619,000, or 2.1% from FY 2019 Amended Budget revenues. This significant increase is due to three major revenue streams. First, property tax, the City's largest revenue, is increasing \$443,000, or 2.4%. The City's second largest source of General Fund revenue, State Revenue Sharing, is budgeted to increase over 6% or \$160,000 from the FY 2019 Amended budget. State Revenues also account for the third largest change, local community stabilization funds which are projected to also increase by \$99,670.

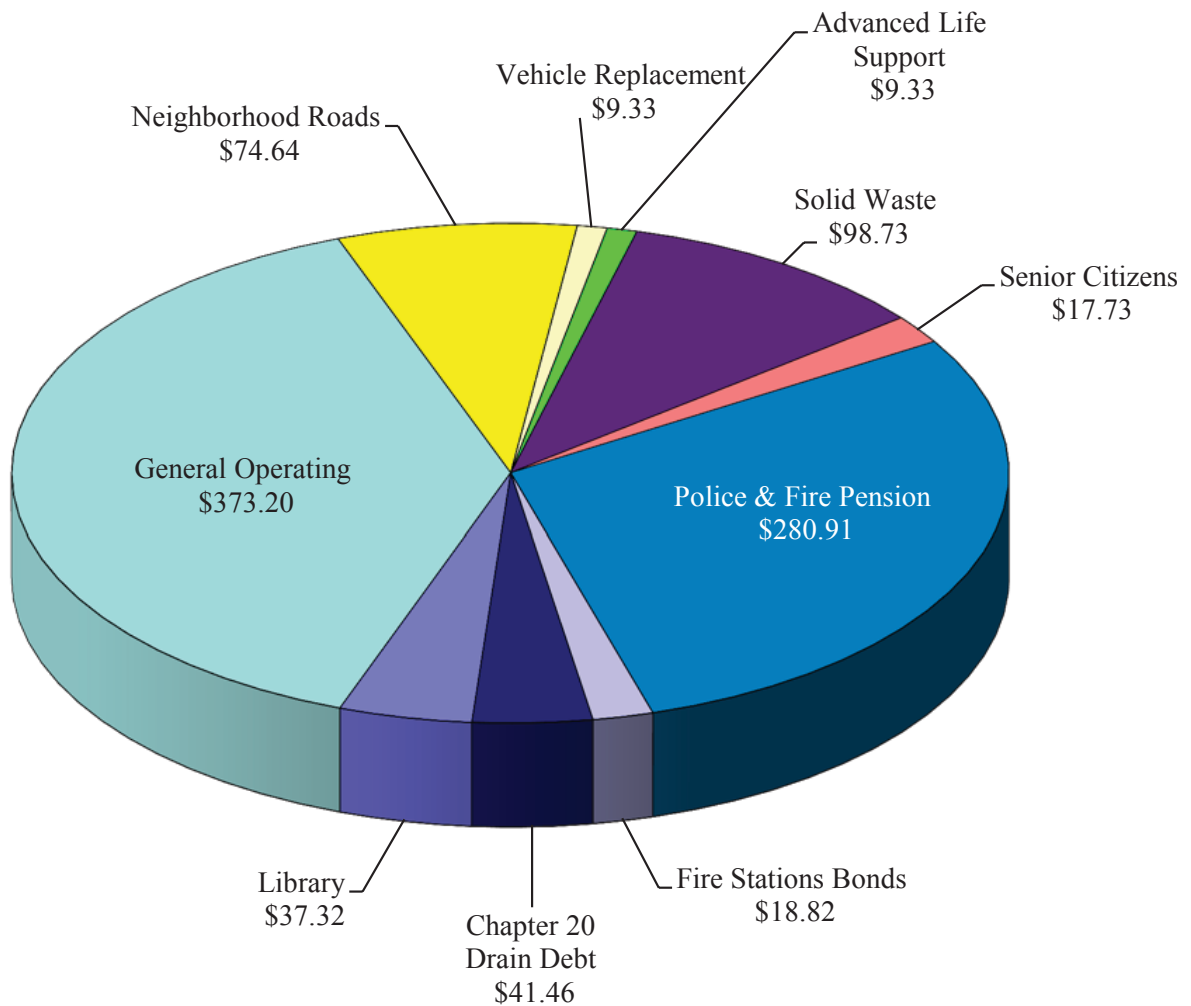
### **Base Budget Revenue Changes**

The composition of General Fund Revenues includes: Property Taxes at \$18.5 million or 61.5% of total General Fund Revenues; State Shared Revenues at \$5.2 million (17.3%); Court Related Revenues at \$1.7 million (5.6%); Charges to Other Funds of \$941,980 (3.1%); Construction Permits at \$400,000 (1.3%); Ambulance/Rescue Insurance Reimbursement of \$687,000 (2.3%); Cable Television Fees in the amount of \$510,000 (1.7%); Charges for Services of \$175,150 (0.6%); Other Revenues of \$1.8 million (6.0%) and Use of Fund Balance \$174,512 (0.6%).



**Average City Taxes - FY 2019-20**  
**Based on Average Home Market Value of \$115,820**  
**(Taxable Value of \$38,020)**

**Total of \$961.47**



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 2019-20 combined City tax rate of 25.2887 mills per thousand dollars of State taxable valuation is broken down as follows:

<u>DOLLARS PER \$1,000 OF TAXABLE VALUE *</u>					
	<u>Tax Rate</u> <u>2018-19</u>	<u>Tax Rate</u> <u>2019-20</u>	<u>Tax Rate</u> <u>Limits **</u>	<u>Headlee Tax</u> <u>Limits **</u>	<u>Expires</u>
<u>Operating Millages:</u>					
General Operating	9.9250	9.8158	10.0000	9.8009	N/A
Neighborhood Road Improvements	1.9850	1.9632	2.0000	1.9602	2026
Vehicle Replacement	0.2481	0.2454	0.2500	0.245	2026
Advanced Life Support	0.2481	0.2454	0.2500	0.245	2024
Solid Waste	2.6257	2.5968	3.0000	2.3929	N/A
Senior Citizens	0.4715	0.4663	0.5000	0.4656	N/A
Police & Fire Retiree Benefits	7.5927	7.3886	as needed	as needed	N/A
Fire Stations Bond	0.5061	0.4951	as needed	as needed	2022
Library	0.9925	0.9816	1.0000	0.9801	2020
Chapter 20 Drain Debt	<u>1.1266</u>	<u>1.0905</u>	as needed	as needed	2028
Total Millage	25.7213	25.2887			

\*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 2020 the rate of inflation has been calculated at 2.4%.

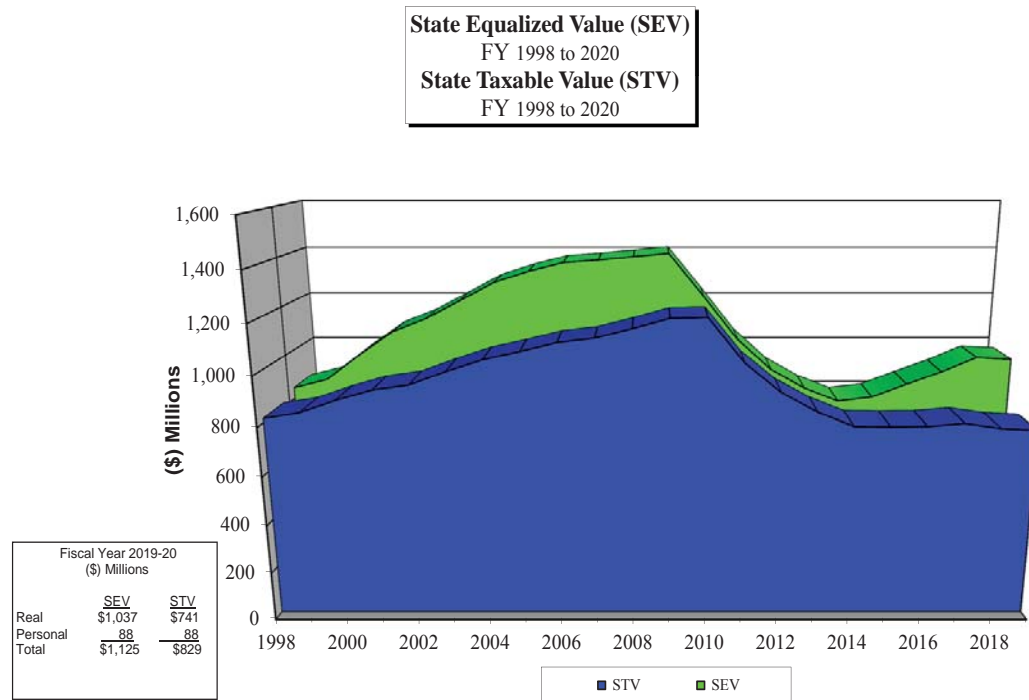
When taxable value increases more than the amount explained above the millages are "rollback". For the third year in a row the city has experienced a rollback of millage rates. This can be seen in the decrease above. Three millages are not affected by the rollback. These millages are set to the rate 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 \$115,820 (State Equalized Value is \$57,910) with a taxable value of \$38,020 and an average tax bill of \$961 for City services for Fiscal Year 2019-20.

## **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 (53%), commercial (30%), industrial (9%) and personal property (8%).



Taxable property consists of 89.4% real (land and building) and 10.6% personal (equipment and fixtures).

This chart also illustrates the gap between equalized and taxable value. In FY 2020, the overall taxable value is estimated to grow with equalized value increasing by 16.12%. 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 \$5.2 million or 17.3% 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 2020, the State projects a distribution of constitutional revenue sharing of \$2,646,040 for the City or a 6.0% (\$160,931) increase over the amended budget for FY 2019.

- 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.

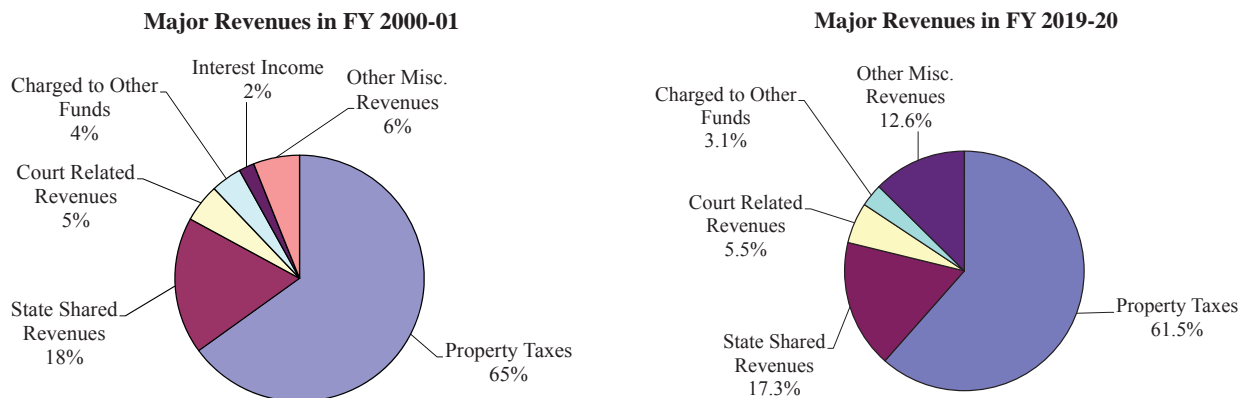
Under this new legislation, cities like Madison Heights that had a FY 2010 statutory payment greater than \$4,500 and a population greater than 7,500 will receive the greater of the "Percent Payment" or "Population Payment". In FY 2020, this total for the City is budgeted to be \$538,920. This is status quo with past years.

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



These required documents include a certification of accountability and transparency, a citizen’s guide including unfunded liabilities, a performance dashboard, and a debt service report. As of the publication of this document, all the required documents can be found at [www.madison-heights.org](http://www.madison-heights.org).

For budget purposes, the City assumed it will meet all CVTRS requirements and planned for 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 2019-20 they are only 17.3% 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](http://www.SaveMiCity.org)), the City has lost over \$16.6 million dollars in revenue sharing payments from the time period of FY 2012 – FY 2017. During this same period, the State’s revenues have increased almost 29%.

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

### **Other Revenues**

The third largest source of General Fund Revenue is composed of Court fines, forfeits, and charges (\$1.7 million), which are used to partially offset the cost of operating our State-mandated District Court and Police Department. This is an increase from the FY 2019 Amended Budget of 2.8%.

The fourth significant revenue is departmental charges, which is budgeted at \$916,480. These revenues are based on charges to the Major Street Fund (\$125,000); Local Street Fund (\$150,500); 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 Active Adult Center user fees, cable television franchise fees, and ambulance insurance reimbursement charges. Interest income is budgeted at \$150,000 for FY 2020.

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 \$2,646,040 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 \$192,203 increase over FY 2019 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 \$878,165 since implementation of this legislation.
- Water Sales and Sewage Disposal – The Great Lakes Water Authority has announced no rate increase to Madison Heights for water usage in FY 2020. Oakland County has estimated an increase of 0.1% for storm water 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. This updated report can be reviewed as part of the Appendices. For bills on or after July 1, 2019, no rate increase is being proposed.
- 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 \$2.3 million is derived from Gas and Weight taxes collected by the State of Michigan. These taxes are distributed to local municipalities based on miles of roads and city population. Gas and Weight tax revenues comprise 92.3% 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 2020 also includes a contribution of fund balance of \$417,308.

### **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 \$815,685, 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 2020 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 \$20,500. The projected use of fund balance to complete scheduled projects for FY 2019 is projected at \$135,055.

#### 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 \$33,000 in interest income from the investment of the original payment. The revenues and accumulated funds can be used for any Madison Heights park system improvement. The projected use of fund balance for FY 2020 is \$5,900.

#### 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 84.5% over the last seven years from \$243,100 in FY 2009-10 to \$37,785 for FY 2020.

#### Drug Forfeiture Fund

The Fund is used to account for revenues (FY 2020, \$32,000) 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 2020 Budget also includes a use of fund balance of \$102,764.

#### 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 \$139,213 for FY 2020. 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 (\$35,725). Other revenues include interest earned on fund balance (\$5,000) and a \$264,795 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 \$402,216 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 1.0703 mills will generate \$885,966 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 were restructured during fiscal year 2017 and 2018. Significant changes in the rate structure resulted in an initial reduction of commodity rates. The significant changes were the removal of storm water from the sewage rate with a new storm water charge based on the individual parcel's amount of pervious and impervious surface which directly correlates to the storm water 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 storm water. The total amount billed for storm water continues to cover all of the city's storm water expenses charged by the Oakland County Water Resources Commissioner, but as a consequence of the rate restructuring, the sewer rate decreased by 25%. Rates were evaluated as part of this budget, for FY 2020 rates for water, sewer, and storm water will remain unchanged.

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 2020 this is being assessed at 1.0703 mills.

The rate analysis tool implemented and method for reviewing and adjusting rates developed in FY 2019 has been updated FY 2020. 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 \$1,406,725 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 Fund

Revenues of the Motor Pool Fund are provided exclusively through contributions from departments of the General Fund (\$928,537) and the Water and Sewer Fund (\$98,948). 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 2020 includes revenues from the General Fund (\$508,689), Major Street Fund (\$194,509), Local Street Fund (\$232,973) and Water and Sewer Fund (\$921,564).

## **FUND BALANCE**

In Madison Heights, the General Fund Fund Balance consists of designations of assigned fund balance for various purposes, totalling \$7.3 million. The following table reflects the audited Fund Balance for the years ended June 30, 2017 and 2018:

FUND BALANCE	ACTUAL FY 2016-17	ACTUAL FY 2017-18	CHANGE FY 16-17 vs. 17-18
Unreserved:			
Assigned:			
Vested Employee Benefits	\$2,130,599	\$597,711	\$1,532,888
Retained Insurance Risks	1,357,410	1,357,410	0
Capital Improvements	983,000	1,757,017	(774,017)
Postemployment Benefits	745,415	1,020,435	(275,020)
Technology Improvements	150,000	150,000	0
Pension Bonds	810,000	820,000	(10,000)
Subsequent Year's Expenditures	<u>536,460</u>	<u>1,558,328</u>	<u>(1,201,868)</u>
Total Assigned	\$6,712,884	7,260,901	(548,017)
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total Unreserved Fund Balance	\$6,712,884	\$7,260,901	\$ (548,017)

### **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 \$597,711 last year and makes up 8.2% 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 \$1,558,328 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, 2018, the assignment for future capital improvements was included at \$1,757,017 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, 2018, those carry-forward purchase designated funds of \$1,558,328 made up 21.5% of the Assigned Fund Balance.

In FY 2017, the City issued Pension Obligation Bonds. At June 30, 2018, one year of debt payments for principal were assigned at \$820,000.

### 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, 2018, the City had restricted funds for future vehicles purchased through Proposal "V" in the amount of \$323,603. Restricted funds for Library use is restricted at \$134,214.

### Changes in Fund Balance

The FY 2020 budget proposes a use of Fund Balance of \$174,512. 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. For more details, please see the Reserve Policy in the Appropriations Chapter.



**ALL FUNDS SUMMARY  
CHANGES IN PROJECTED  
FUND BALANCE/RETAINED EARNINGS  
FISCAL YEAR 2019-20**

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund <sup>(1)</sup>	\$ 6,319,427	\$ 29,906,119	\$ 30,080,631	\$ 6,144,915	(2.8)
Major Street <sup>(2)</sup>	(28,211)	2,447,415	2,030,107	389,097	(1,479.2)
Local Street - Non Proposal R <sup>(3)</sup>	(28,505)	1,146,185	919,028	198,652	(796.9)
Local Street - Proposal R	2,540,209	1,595,788	1,958,000	2,177,997	(14.3)
Parks Maintenance and Improvements	672,162	34,000	39,900	666,262	(0.9)
Downtown Development Authority	84,045	66,035	126,035	24,045	0
Police Drug Forfeiture	233,487	32,350	135,114	130,723	(44.0)
Community Improvement Program	0	134,343	134,343	-	0
Special Assessment Revolving	765,415	40,725	305,520	500,620	(34.6)
Fire Stations Construction and Bond Funds	10,454	428,916	438,245	1,125	(89.2)
Chapter 20 Drain Fund	0	885,966	885,966	0	0
Water and Sewer Fund <sup>(4)</sup>	2,621,320	11,548,424	12,797,435	1,372,309	(47.6)
Motor Pool and Equipment Fund	0	1,027,485	1,027,485	0	0
Department of Public Services	0	1,857,735	1,857,735	0	0
Total	\$ 13,189,803	\$ 51,151,486	\$ 52,735,544	\$ 11,605,745	(12.0)

- (1) The General Fund is budgeted to use \$174,512 in fund balance during Fiscal Year 2020. Considering this planned use of fund balance, the General Fund is projected to have a fund balance of \$6,144,915. This includes projected reserve amounts for dedicated millages of Solid Waste and Proposal “V”. The projected unreserved fund balance will be \$5,518,930. The projected required reserve (16% plus one year of debt payments) is estimated to be \$5,420,568.
- (2) The Major Street Fund is budgeted to contribute \$417,308 to fund balance. At June 30, 2020, the fund balance is projected to be \$389,097.
- (3) The Local Street Fund has two components of fund balance. The first includes non-Proposal R revenues which are coming in more than expenditures by \$227,157 in FY 2020. 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, 2020, the fund balance for Proposal R projects is projected to be \$2,177,497.
- (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 \$2,621,320 with unrestricted net assets estimated to be \$1,214,595.



## **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, Strategic Planning document and workshop discussions, and City Manager and Departmental review of operations.

### **Budget Strategy**

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

Maintain basic services at current levels with adequate funding and enhancement of services where feasible;

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

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

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

Revenues will be estimated at realistic levels;

Reserves will be programmed at appropriate levels (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.

Reserves will only be utilized for one-time expenditures not ongoing expense.

## **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 establish all user charges and fees at a level related to the full cost (operating, direct, indirect and capital) of providing the service.
4. 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.
5. 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.
6. The City will, to the extent possible, use one-time revenues to fund one-time expenditures instead of financing ongoing programs.
7. The City will evaluate revenue sources to identify those sources that are unpredictable and use conservative estimates in preparing revenue projections.
8. The City will consider financing options for equipment and infrastructure needs only when the cost exceeds \$200,000; useful life exceeds 10 years and phase funded savings not feasible.

## **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 non-spendable. Under GASB 54, these are broken up into five categories:

1. Non-spendable 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 value 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 equipment and 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 asset or project.
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 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 Finance Director/Treasurer (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 Finance Director/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 Finance Director/Treasurer 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 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](http://www.madison-heights.org).

### Water and Sewer Billing Policy

Minimum Bill Fee - During each year's budget process, the user rates for water, sewer and storm water 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 storm water 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 1<sup>st</sup> and ending June 30<sup>th</sup>.

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

### **Departmental Budget Requests**

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

### **Building the Proposed Budget**

Under the direction of the City Manager, and with the assistance of Oakland County Equalization, Department Heads and the Finance Director/Treasurer 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 Finance Director/Treasurer 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 Strategic Plan 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 Finance Director/Treasurer 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	Financial team develops five year financial forecast and future funding presentation
November	Staff and Council review forecast results and presentation

### **Strategic Planning Process**

Early August to Early September	First Strategic Planning workshop with City Council and Staff to review overall City goals and set objectives
Late September to Mid October	Second Strategic Planning Workshop with Citizen engagement
Mid to Late October	Department Heads and Staff develop action items to be considered for achieving each object
November	Third Strategic Planning Workshop with City Council and Staff to review submitted action items
Early March	Based on available revenues, City Council holds a final Strategic Planning Workshop to discuss and finalize plans for the upcoming fiscal year
April	City Council formally adopts Strategic Plan
Late May to June	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; Internal Service Funds (Motor Pool and Department of Public Services) submitted and reviewed by City Manager
Mid January to Mid February	Department Heads submit changes in user fees
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 to City Manager
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	Finance Director/Treasurer 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 and carryforwards, 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 \$22.8 million or 43.2% of the Total Budget and approximately \$19.8 million or 65.8% of the General Fund Budget. Personnel Services across all funds are up \$353,531 when compared to the FY 2019 Amended Budget. Over 43% of this increase is due to a change in funding for retiree health care to insure we comply with Public Act 202 of 2017 Protecting Local Government Retirement and Benefits Act. Other significant factors in this increase include the addition of three full-time positions and increases in part-time hours for FY 2020 for \$232,077 or 35.5% increase. The remaining difference in wage increases include in negotiated union contracts for 2.25% for FY 2020.

Overall, the Budget includes a net increase of 3.02 full-time equivalencies (FTE's).

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

As of July 1, 2019, 144 of 152 full-time City employees, or 95%, belong to one of eight bargaining units. All eight bargaining units have contracts that expired 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 \$2.04 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 \$6,845 single, \$16,428 couple and \$20,535 family per year effective July 1, 2019.

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

In past years, the budget for retiree health care coverage premiums was offset by a shift in expenses to the two Retire Health Care Trusts. However, with the passing of Public Act 202 of 2017, the "Protecting Local Government Retirement and Benefits Act" (PA 202), the City submitted a compliance plan which funds the normal cost into each retiree health care trust and pays current year retiree health premiums from the current budget without taking any disbursements from the trusts. Retiree health care premiums are budgeted at \$3,378,998 for FY 2020 with normal cost for both plans \$628,827.

- Pre-Funding Retiree Health Care

PA 202 was passed in late 2017 and established requirements for all local units of government that sponsor pension plans or other postemployment benefits (OPEB) plans. Under this public act beginning July 1, 2018, local units must pay at least the normal costs for employees first hired after June 30, 2018 plus any retiree premiums that are due for retirees in the System. Further, if a plan is deemed underfunded the local unit must submit a corrective action plan details plans to meet funding criteria in a reasonable time.

Of Madison Heights two pension plans and two OPEB plans, three were deemed underfunded. Staff submitted compliance plans to the State of Michigan that were approved in November 2018. Under these approved plans Madison Heights negotiated changes in benefits to eliminate retiree health care when current employees retire and reach Medicare age. At that time the retiree will receive a stipend of \$300 a month for the retiree and eligible spouse to purchase supplement insurance as the retiree chooses. This change brought the General Employees OPEB plan into compliance within one year. Changes are still be negotiated for Police and Fire OPEB plans.

Plan	Percent Funded June 30, 2017	Percent Funded December 31, 2018	State Required Funding
General Employees' Pension – MERS	105%	105%	60%
General Employees - OPEB	30.99%	42%	40%
Police and Fire Pension	54.5%	51.2%	60%
Police and Fire OPEB	25.59%	31.8%	40%

As of June 30, 2018, the City has accumulated a market value of \$31.7 million in these trust funds. The unfunded portion is \$57.9 million.

- 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 eight years (FY 2011-2018) was \$1,732,633 and the savings during this same time period is estimated to be \$1,324,166.

- 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 2020.

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 152 active employees, 54 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 2019-20. 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 2018 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 2020 for POB principal and interest are \$1.19 million. With this contribution, the City's General Employees pension is considered 105% 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 2019. This decrease 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 and increasing expense for ambulance medical supplies in the Fire Department. These FY 2019 one-time expenses are offset with FY 2020 purchases of taser replacement and in-car printers in Police.

The area of Other Services and Charges decrease which is related to the decrease of \$200,000 for emergency property demolition, reduction of expenses related to street lights, reduced charges for Department of Public Services related to change in retiree health care. These decreases were offset slightly by new expenses related to the Strategic Plan including scanning of permanent documents, contracting for an updated Master Plan and branding, marketing, and public relations services.

### **Capital Outlay**

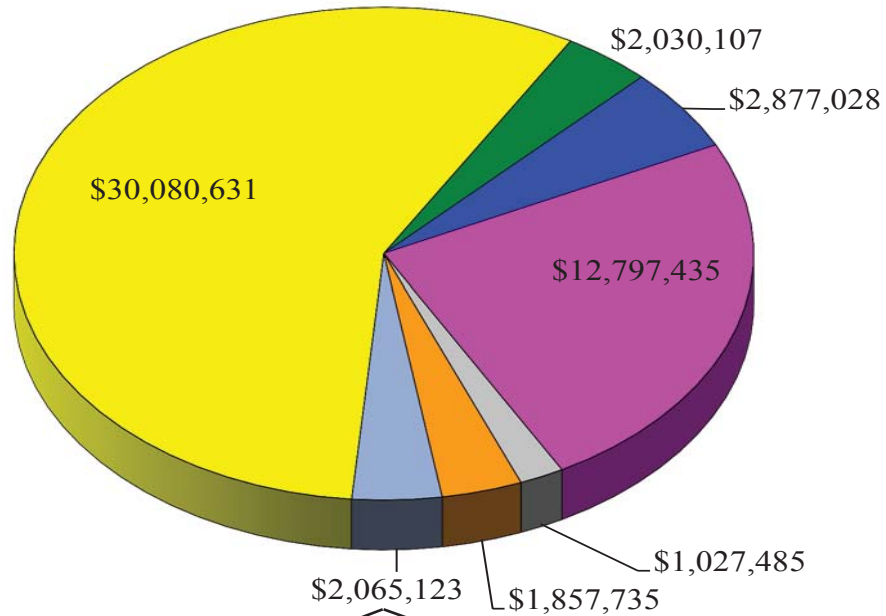
Capital Outlay purchases for FY 2020 total \$7.0 million for all funds including \$918,730 for the General Fund. Of the General Fund purchased only 12.2% or \$111,807 are funded through dedicated millages (Proposal Vehicles, Solid Waste, Library and Senior Millage). The General Fund purchases that are not funded through dedicated millages include security cameras at the court building, two new patrol vehicles and one vehicle for the special investigations unit, air condition controls for fire station #1, one new tandem dump truck, additional wheelchair swing ramps in city parks, nature center improvements and a new parking lot at Wildwood park.

Other Funds include a capital outlay of \$6.1 million. The majority of this amount, \$3.8 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, \$2.1 million is budgeted for capital including \$1.5 million for water main replacement. A total of \$150,000 is budgeted for repairs to the Ajax Department of Public Services property and \$225,000 for a new loader. Drug Forfeiture Fund capital outlay includes two police patrol vehicles and in-car laptops.

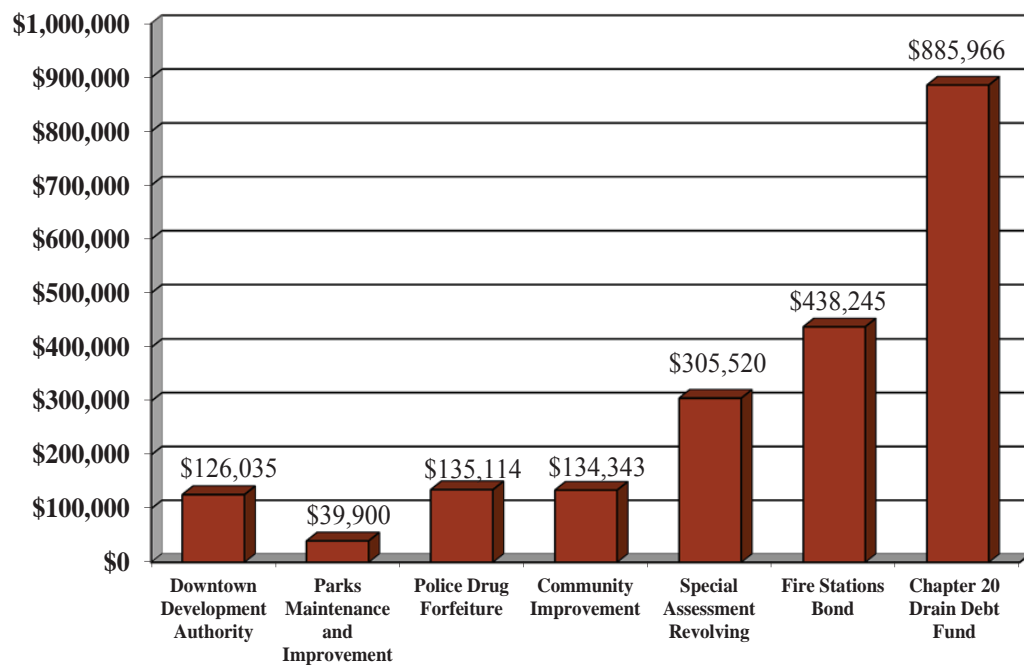
More details on these purchases including the budgeted dollar amounts can be found in the Department Chapters, Capital Improvement Plan and the Capital Outlay section of the policy documents.

## ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2019-2020



### Other Funds



Almost 82% of the City's operations are supported through the General Fund (57.7%) and the Water and Sewer Fund (24.5%).

# ALL FUNDS SUMMARY

## FISCAL YEAR 2019-20

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture	Community Improvement
City Council	\$ 56,341	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,442,356	0	0	0	0	0	0
City Manager	232,869	0	0	0	0	0	0
Elections	71,771	0	0	0	0	0	0
City Assessor	214,596	0	0	0	0	0	0
Legal	322,770	0	0	0	0	0	0
City Clerk	264,284	0	0	0	0	0	0
Personnel	387,343	0	0	0	0	0	0
Board of Review	3,023	0	0	0	0	0	0
General Administration	1,305,775	0	0	0	0	0	0
Finance	737,508	0	0	0	0	0	0
Information Technology	188,312	0	0	0	0	0	0
Municipal Building	51,153	0	0	0	0	0	0
Custodial & Maintenance	193,725	0	0	0	0	0	0
Police	10,730,252	0	0	0	0	135,114	0
Fire	5,922,012	0	0	0	0	0	0
Community Development	1,082,947	0	0	0	126,035	0	134,343
Streets	1,129,839	2,030,107	2,877,028	0	0	0	0
Solid Waste	2,448,689	0	0	0	0	0	0
Recreation	193,892	0	0	0	0	0	0
Nature Center	58,935	0	0	0	0	0	0
Parks	425,446	0	0	39,900	0	0	0
Senior Citizens	467,119	0	0	0	0	0	0
Library	723,157	0	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0	0
Insurance/Bonds/Transfers	1,426,517	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	<u>\$ 30,080,631</u>	<u>\$ 2,030,107</u>	<u>\$ 2,877,028</u>	<u>\$ 39,900</u>	<u>\$ 126,035</u>	<u>\$ 135,114</u>	<u>\$ 134,343</u>

# ALL FUNDS SUMMARY

## FISCAL YEAR 2019-20

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	\$ 0	\$ 56,341
0	0	0	0	0	0	1,442,356
0	0	0	0	0	0	232,869
0	0	0	0	0	0	71,771
0	0	0	0	0	0	214,596
0	0	0	0	0	0	322,770
0	0	0	0	0	0	264,284
0	0	0	0	0	0	387,343
0	0	0	0	0	0	3,023
0	0	0	0	0	0	1,305,775
0	0	0	0	0	0	737,508
0	0	0	0	0	0	188,312
0	0	0	0	0	0	51,153
0	0	0	0	0	0	193,725
0	0	0	0	0	0	10,865,366
0	0	0	0	0	0	5,922,012
0	0	0	0	0	0	1,343,325
303,020	0	0	0	0	0	6,339,994
0	0	0	0	0	0	2,448,689
0	0	0	0	0	0	193,892
0	0	0	0	0	0	58,935
0	0	0	0	0	0	465,346
0	0	0	0	0	0	467,119
0	0	0	0	0	0	723,157
0	0	12,414,924	0	0	0	12,414,924
2,500	438,245	382,511	0	0	885,966	3,135,739
0	0	0	1,027,485	0	0	1,027,485
0	0	0	0	1,857,735	0	1,857,735
<u>\$ 305,520</u>	<u>\$ 438,245</u>	<u>\$ 12,797,435</u>	<u>\$ 1,027,485</u>	<u>\$ 1,857,735</u>	<u>\$ 885,966</u>	<u>\$ 52,735,544</u>

**ALL FUNDS APPROPRIATIONS**  
**PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES**  
**FISCAL YEAR 2019-20**

Activity	Personnel Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 52,052	\$ 325	\$ 3,964	\$ 0	\$ 56,341
District Court	1,023,339	32,800	343,717	42,500	1,442,356
City Manager	224,329	400	8,140	0	232,869
Elections	52,078	11,573	8,120	0	71,771
City Assessor	0	0	214,596	0	214,596
Legal	0	9,575	313,195	0	322,770
City Clerk	223,359	4,000	36,925	0	264,284
Human Resources	190,619	0	196,724	0	387,343
Board of Review	2,378	0	645	0	3,023
General Administration	1,112,966	50,688	142,121	0	1,305,775
Finance	664,833	7,250	65,425	0	737,508
Information Technology	0	29,500	158,812	0	188,312
Municipal Building	0	0	51,153	0	51,153
Custodial & Maintenance	15,542	18,500	159,683	0	193,725
Police	9,768,872	121,340	579,412	395,742	10,865,366
Fire	5,125,621	92,915	559,281	144,195	5,922,012
Community Development	619,855	11,550	587,920	110,000	1,329,325
Streets	15,880	279,761	1,925,272	4,018,335	6,239,248
Solid Waste	65,003	17,727	2,345,959	20,000	2,448,689
Recreation	80,757	47,183	55,952	10,000	193,892
Nature Center	0	0	8,935	50,000	58,935
Parks	27,723	48,000	325,869	63,500	465,092
Active Adult	207,238	128,608	131,273	0	467,119
Library	494,920	5,530	130,900	91,807	723,157
Insurance and Transfers	0	0	504,806	0	504,806
Debt Service	0	0	2,656,611	0	2,656,611
Water and Sewer	809,052	2,399,166	6,944,217	2,351,811	12,504,246
Motorpool	341,381	179,600	506,504	0	1,027,485
Department of Public Services	1,851,769	0	5,966	0	1,857,735
<b>Total Appropriations</b>	<b>\$ 22,969,566</b>	<b>\$ 3,495,991</b>	<b>\$ 18,972,097</b>	<b>\$ 7,297,890</b>	<b>\$ 52,735,544</b>

## **RISK MANAGEMENT**

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

### **Liability and Property Insurance**

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

	<u>RETENTION *</u>	<u>LIMITS OF REINSURANCE</u>
General and auto liability	\$500,000 per occurrence	\$15,000,000 per occurrence
Auto physical damage (Non-Fire/EMS)	\$1,000 deductible and \$15,000 each vehicle; \$30,000 per occurrence	\$1,500,000 per occurrence
Fire/EMS Vehicle Replacement Cost	\$1,000 deductible per occurrence	
Property	\$1,000 deductible	\$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, 2018, the City had member reserves of \$673,625 with the Authority. It is estimated that \$183,016 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 \$1,324,167 (FY 2011-2018). 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 \$16.7 million. This amount includes \$1.7 million of vested employee benefits; and \$15.0 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, 2019, the City will be at 13.2% 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, 2019:

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 \$750,000 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, 2020**

<b>Calculation of debt limit:</b>	2016	2017	2018	2019	2020
State equalized valuation	\$ 907,622	\$ 970,477	\$ 966,049	\$ 1,031,921	\$ 1,135,111
10% of assessed value	<u>90,762</u>	<u>97,048</u>	<u>96,605</u>	<u>103,192</u>	<u>113,511</u>
<b>Calculation of debt subject to limit:</b>					
Total debt	\$ 11,367	\$ 10,213	\$ 23,178	\$ 21,136	\$ 19,053
Less: debt not subject to limit:					
General obligation (2)	7,733	7,042	-	4,830	4,063
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt subject to limit	<u>\$ 3,634</u>	<u>\$ 3,171</u>	<u>\$ 23,178</u>	<u>\$ 16,306</u>	<u>\$ 14,990</u>
Legal debt margin available (1)	<u>\$ 87,128</u>	<u>\$ 93,877</u>	<u>\$ 73,427</u>	<u>\$ 86,886</u>	<u>\$ 98,521</u>
Net debt subject to limit as % of debt limit	4.00%	3.27%	23.99%	15.80%	13.21%

(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, 2019**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Fire Stations</u> <u>Bond Obligations</u>	<u>Fixed Meter Network</u> <u>General Obligations</u>	<u>Pension</u> <u>Obligation</u>	<u>Kuhn Drain</u> <u>Obligations</u>	<u>Total</u>
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	\$ 1,792,555	\$ 859,125	\$ 15,462,785	\$ 4,383,333	\$ 22,497,798

## Fire Stations Bond

Date of issue - May 1, 2003

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$5,925,000

Refinanced - May 1, 2013

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
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>
	\$ 1,710,000	\$ 82,555	\$ 1,792,555

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

Date of issue - August 23, 2010

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$1,525,000

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2020	110,000	29,725	139,725
2021	115,000	25,600	140,600
2022	120,000	21,000	141,000
2023	130,000	16,200	146,200
2024	135,000	11,000	146,000
2025	140,000	5,600	145,600
	<u>\$ 750,000</u>	<u>\$ 109,125</u>	<u>\$ 859,125</u>

**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>Fiscal Year</u>			<u>Total</u>
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
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
	<u>\$ 4,062,610</u>	<u>\$ 320,723</u>	<u>\$ 4,383,333</u>

## Pension Obligation Bonds

Date of issue - September 29, 2016

Payment Date:

Principal, January 1

Interest, July 1, January 1

Amount of issue - \$15,250,000

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
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	1,145,000	42,480	1,187,480
	<u>\$ 12,530,000</u>	<u>\$ 2,932,785</u>	<u>\$ 15,462,785</u>



## **PERSONNEL AND POSITIONS**

The City of Madison Heights employs 152 full-time positions yielding 5.1 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 43.2% of the Total Budget and approximately \$19.2 million or 65.8% of the General Fund Budget.

Total personnel costs are up \$653,531 when compared to the FY 2019 Amended Budget.

Pension and Retiree Health care “legacy costs” are the largest liability of the City. Police and Fire Pension contributions have been calculated at 54.4% of payroll; last year the City contributed 54.5%. This contribution is projected to continue to increase over the next five years. The method for budgeting retiree health care is changing in FY 2020. In the past, the City contributed 34% of our actuarially calculated recommended contribution. This budget includes funding of the normal cost with current year premiums being paid from current year revenues instead of from the trust.

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, 2019	103% *	No
General Retiree Health Care	June 30, 2018	42.0%	Yes
Police and Fire Retiree Health Care	June 30, 2018	31.8%	Yes

\*due to issuance of Bonds authorized by Council in 2016

\*\* When P.A. 202 reports were submitted, funding was only 26.1%. Changes in negotiated benefits have increased funding to above the required 40%.

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.

At the date of publication of this Policy Document, the City was successful in negotiating a significant reduction in retiree health care obligations by eliminating City-paid Medicare supplemental insurance and paying those retirees otherwise eligible for retiree health care a stipend of \$300 per month per employee and eligible spouse, at which point all obligations for City-paid retiree health care cease and the employee and eligible spouse would be responsible for buying supplemental insurance on the market. This reduction in liability is reflected in the funding numbers for retiree health care for General Retiree Health Care only. The City intends to negotiate the same elimination of Medicare supplemental insurance with the remaining bargaining units.

The City has also negotiated pension reforms with its sworn Police Officers Union, and intends to negotiate pension reform with its Police Command Union and Fire Union in order to remain in compliance with its action plan

filed with the State. Some of these reforms include elimination of overtime from Final Average Compensation calculations, freezing annuity funds for senior employees, eliminating interest on annuity, and eliminating annuity withdrawal for new hires.

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 that expired June 30, 2018. At the time of the publication of this document, the City's negotiation team has successfully negotiated contract settlements within Council's bargaining authority through June 30, 2021 with the Police Officers Union, Supervisors & Assistants Union, and both TPOAM Unions (Department of Public Services Union and Municipal Employees Union).

### **Personnel Actions**

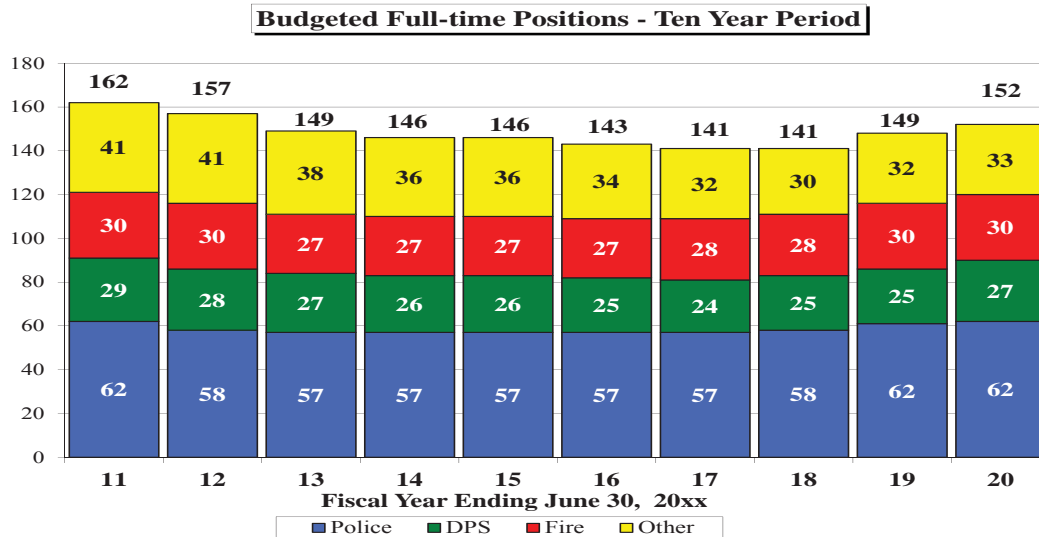
The FY 2019-20 Budget reflects a total net increase of 3.02 full-time equivalencies (FTEs). This increase is due to the addition of a full-time DPS Superintendent, eliminating two part-time Probation Officers and creating instead a full-time Probation Officer, and changing the part-time Office Assistant at the Active Adult Center to full-time. There were also slight increases to several part-time positions including Media Specialist and Treasury Assistant.

The City's current hiring review of all position vacancies continues in Fiscal Year 2019-20. Each vacated position, whether full or part-time, must be evaluated and approved by the City Manager before the hiring process may begin. The City continues to research options for position consolidation and reorganization where possible and prudent so that the City will remain fiscally sound without sacrificing core services.

## The Work Force at a Glance

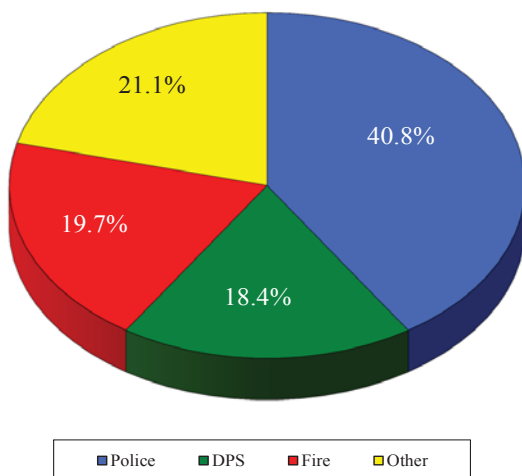
In Fiscal Year 1993-94, the City employed 251 full-time positions. Since that time, the City has been able to reduce the workforce without significantly compromising core services, resulting in a leaner, more efficient organization. One hundred three full-time positions, or forty-one percent of the workforce,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

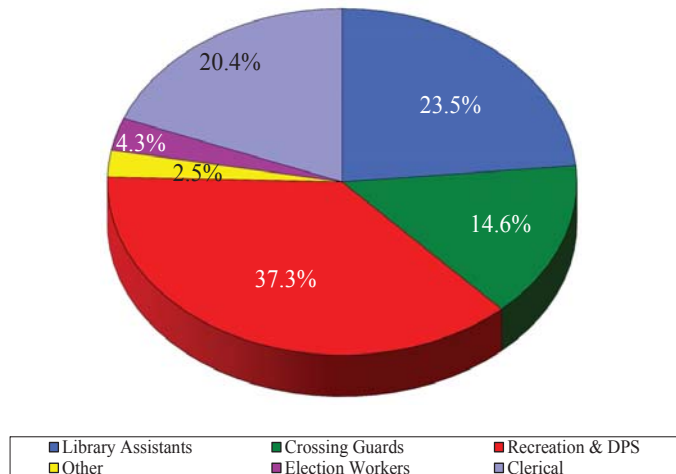


Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2019-20. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.

**Full-Time Positions by Function**



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



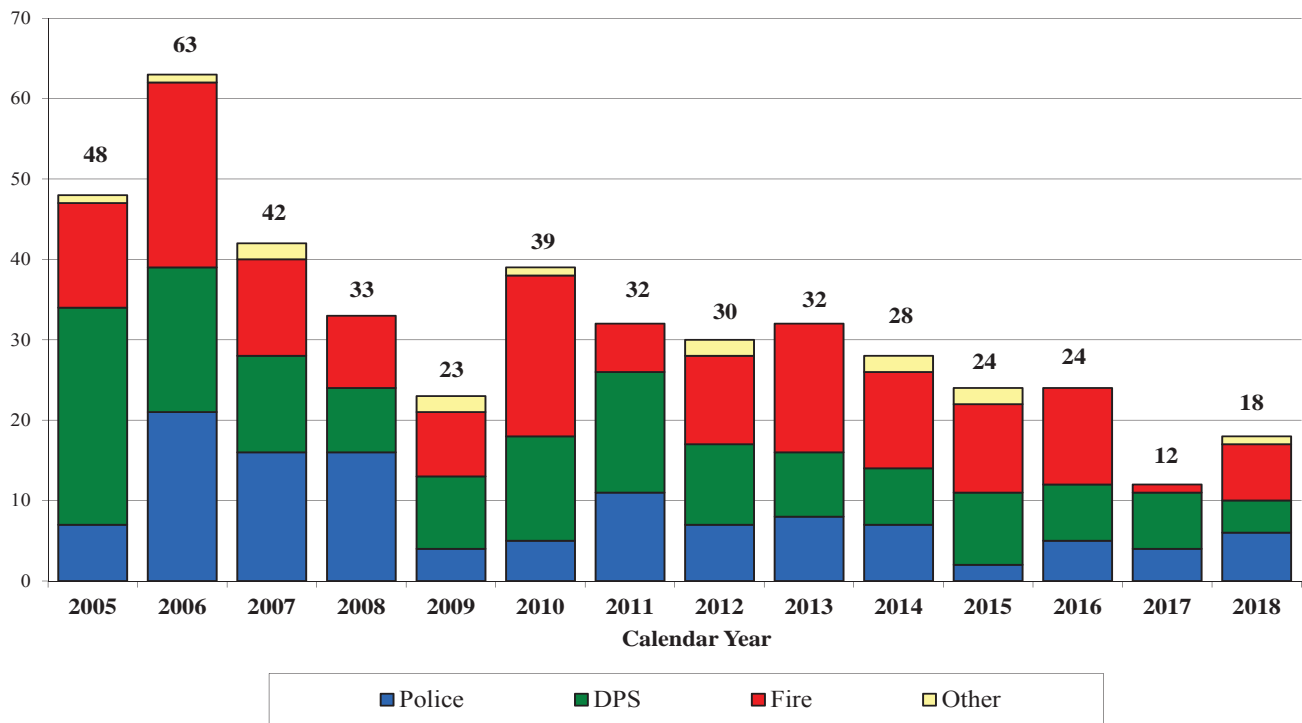
ALL FUNDS  
FULL TIME AND PART TIME POSITIONS  
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)  
FISCAL YEAR 2019-20

	<u>Budget 2017-18</u>				<u>Budget 2018-19</u>				<u>Budget 2019-20</u>			
	Full Time	Part Time	F.T.E.	'17 to '18 F.T.E. Change	Full Time	Part Time	F.T.E.	'18 to '19 F.T.E. Change	Full Time	Part Time	F.T.E.	'19 to '20 F.T.E. Change
General Fund												
District Court	8	5	10.7	0.3	8	5	10.6930	0.0	9	3	10.3730	-0.3200
City Manager	2	0	1.8	0.0	2	0	1.8000	0.0	2	0	1.8000	0.0000
City Assessor	0	0	0.0	0.0	0	0	0.0000	0.0	0	0	0.0000	0.0000
City Clerk	2	73	3.3	0.1	2	73	3.3200	0.0	2	73	3.3200	0.0000
Human Resources	2	0	1.5	0.0	2	0	1.5000	0.0	2	0	1.5000	0.0000
General Administration	0	0	0.5	0.0	0	1	1.0700	0.5	0	1	1.2600	0.1900
Finance	7	0	7.0	0.0	7	1	7.0800	0.1	7	1	7.7200	0.6400
Information Technology	0	0	0.0	0.0	0	0	0.0000	0.0	0	0	0.0000	0.0000
Police	58	19	62.3	1.0	62	19	66.3350	4.0	62	19	66.3350	0.0000
Fire	28	0	28.0	0.0	30	0	30.0000	2.0	30	0	30.0000	0.0000
Community Development	5	2	6.4	(0.3)	6	1	6.7500	0.4	6	1	6.7500	0.0000
Library	3	10	8.2	0.0	3	10	8.1500	0.0	3	11	8.5603	0.4103
Department of Public Service (Prior to FY 2017-18)												
Custodial & Maintenance	0	0	0.0	(0.1)	0	0	0.0000	0.0	0	0	0.0000	0.0000
Streets	0	0	0.0	(1.7)	0	0	0.0000	0.0	0	0	0.0000	0.0000
Solid Waste	0	0	0.0	(3.7)	0	0	0.0000	0.0	0	0	0.0000	0.0000
Recreation	0	26	2.3	0.5	0	26	2.2590	0.0	0	26	2.2590	0.0000
Parks	0	2	0.5	(1.0)	0	2	0.5000	0.0	0	2	0.5000	0.0000
Senior Center	1	6	3.4	0.0	1	7	3.8150	0.4	2	7	4.0650	0.2500
Sub Total	1	34	6.2	(5.9)	1	35	6.5740	0.4	2	35	6.8240	0.2500
Total	116	143	135.8	(4.8)	123	145	143.2720	7.4	125	144	144.4423	1.1703
Major Street Fund	0	0	0.0	(2.3)	0	0	0.0000	0.0	0	0	0.0000	0.0000
Local Street Fund	0	0	0.0	(2.7)	0	0	0.0000	0.0	0	0	0.0000	0.0000
Community Improvement Fund Comm. Dev. Block Grant	1	0	1.0	0.0	1	0	1.0000	0.0	1	0	1.0000	0.0000
Total	1	0	1.0	0.0	1	0	1.0000	0.0	1	0	1.0000	0.0000
Water & Sewer Fund												
Water Division	0	0	0.0	(4.0)	0	0	0.0000	0.0	0	0	0.0000	0.0000
Sewer Division	0	0	0.0	(5.4)	0	0	0.0000	0.0	0	0	0.0000	0.0000
Water & Sewer Admin.	1	0	0.5	(1.2)	2	0	1.5200	1.0	2	1	3.2400	1.7200
Total	1	0	0.5	(10.6)	2	0	1.5200	1.0	2	1	3.2400	1.7200
				0.0				0.0				0.0000
Motor Pool Fund	3	1	3.7	0.0	3	1	3.6750	0.0	3	2	3.9600	0.2850
DPS Fund (Beginning FY 2017-18)	20	3	22.3	22.3	20	4	23.1650	0.9	21	4	23.0100	-0.1550
Total All Funds	141	147	163.3	1.9	149	150	172.6320	8.1	152	151	175.6523	3.0203

## 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 2004 and 2006. Nevertheless, the number of reported workers' compensation incidents has declined overall since 2006, with a low of 12 incidents in 2017.

**Number of Workers Compensation Incidents Reported  
by Year and Occupational Group**  
Source: City of Madison Heights MIOSHA Log 200

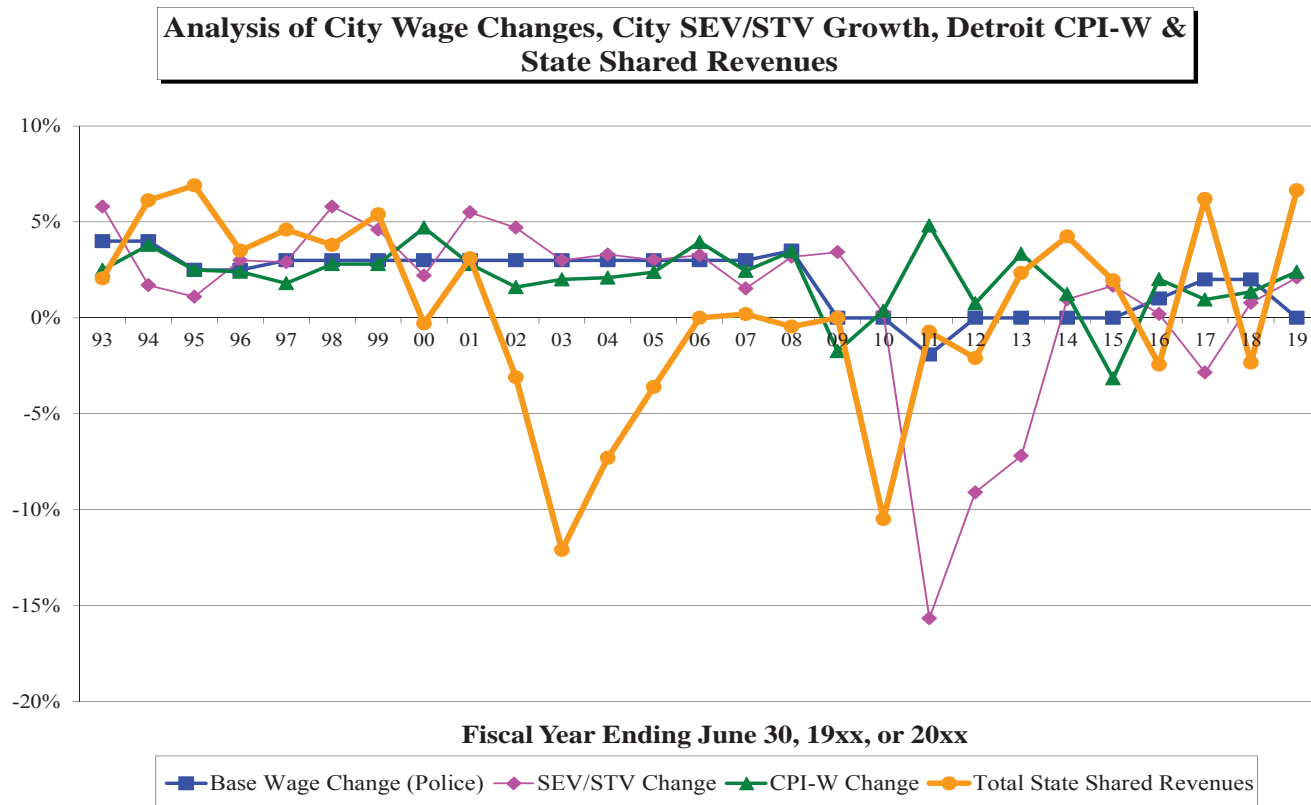


As part of the FY 2010-11 Budget, effective July 1, 2010, the City moved to a self insurance plan where the City is contracting with a third party administrator (Citizens Management, now York Risk Services (York)) and converted to pay-as-you-go claims. During FY 2010, the City spent \$382,100 on workers'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

## 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.

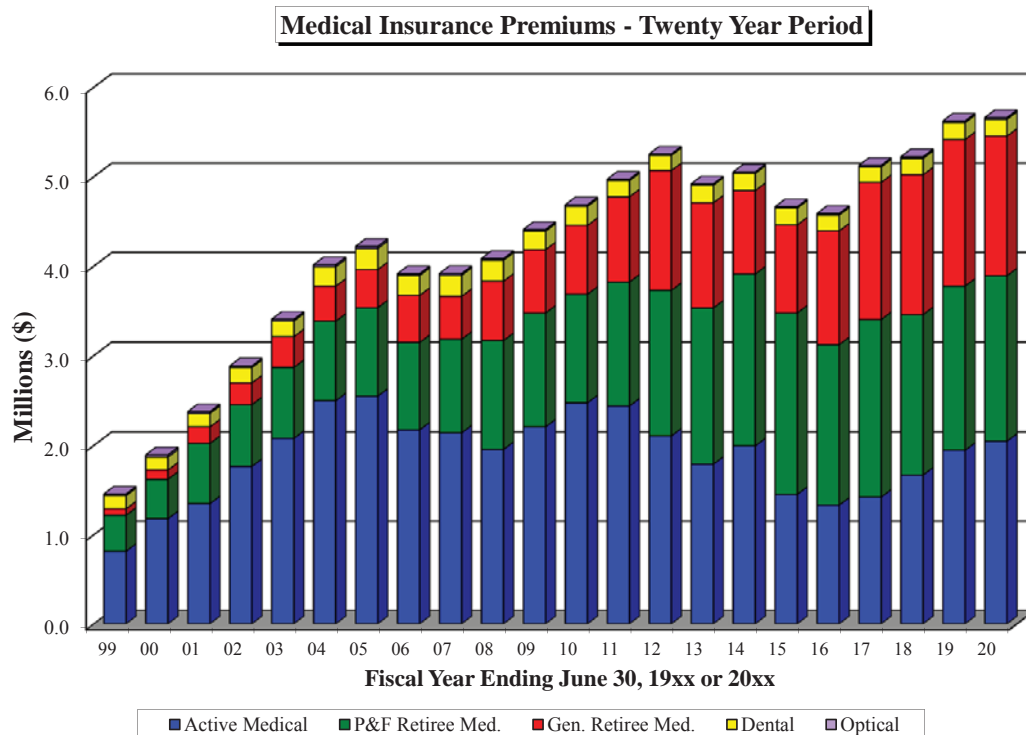


The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages and inflation start to converge while STV managed modest increases until 2001. Since FY 1994-95, wages and CPI-W increased less than 4% while STV fluctuated more due to new 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 2020 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 2020 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 appraised 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. In the spring of 2019, the City completed steps 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 2020, the City is again unable to fund the total annual recommended contribution, which is 101.76% of Police and Fire payroll or \$3,575,366 and 70.55% of payroll for General employees or \$1,638,899. 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 most recent study was 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.

As mentioned earlier in this chapter when discussing PA 202, at the time of publication of this document, the City has successfully negotiated the elimination of City-paid retiree Medicare supplemental insurance with the Police Officers Union, Supervisors & Assistants Union, both TPOAM Union groups (Municipal Employees Union and the Department of Public Services Union). Members of these groups who are eligible to receive retiree health care will instead receive a \$300 monthly stipend per retiree and eligible spouse upon reaching Medicare age, at which point all City obligations shall cease. The City intends to negotiate the same elimination of Medicare supplemental insurance with the remaining bargaining units, which will reduce the City's liability.

### **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 2019-20. 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.

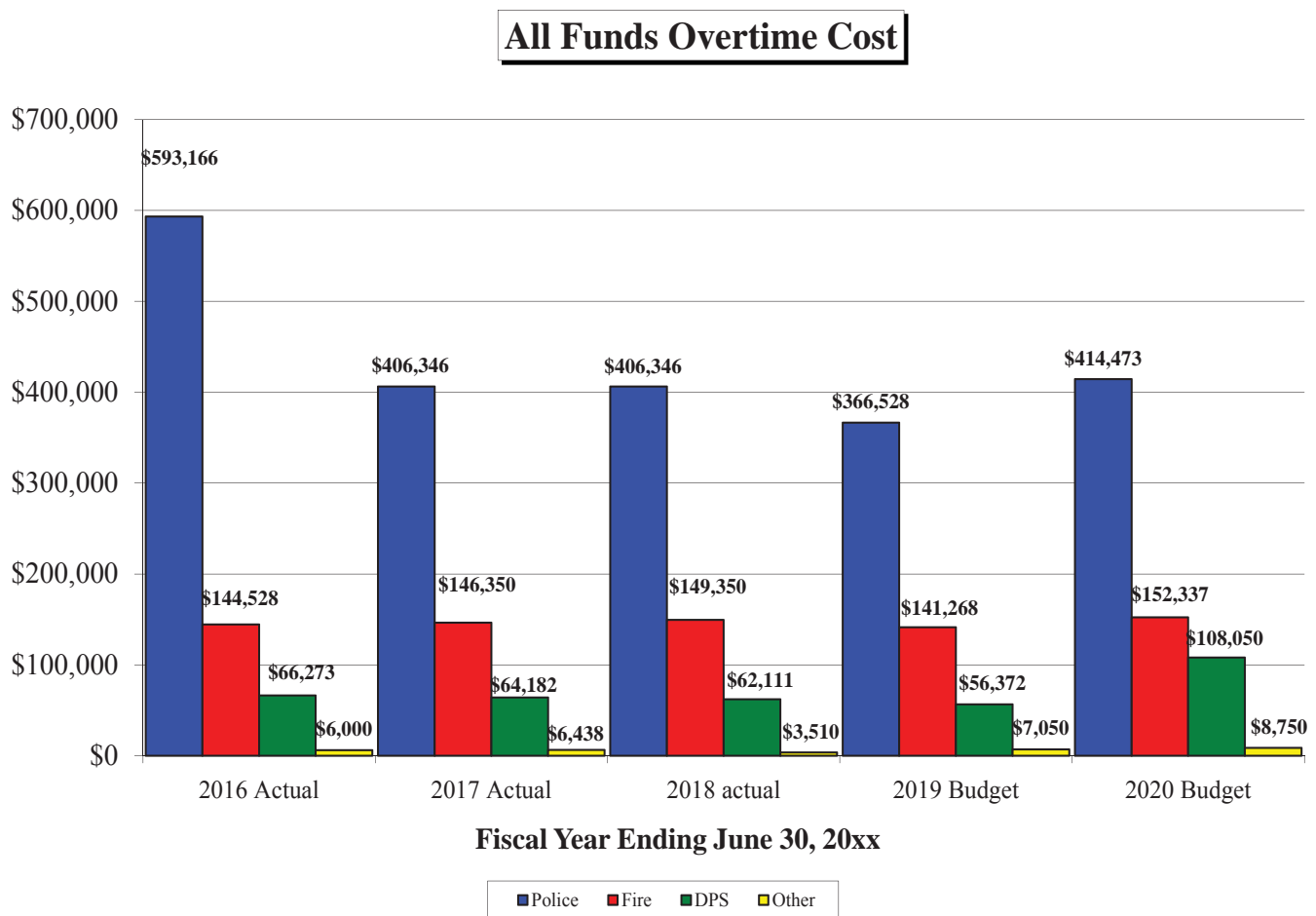
The State has authorized, through Public Act 329 of 2012, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category or higher, plans 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

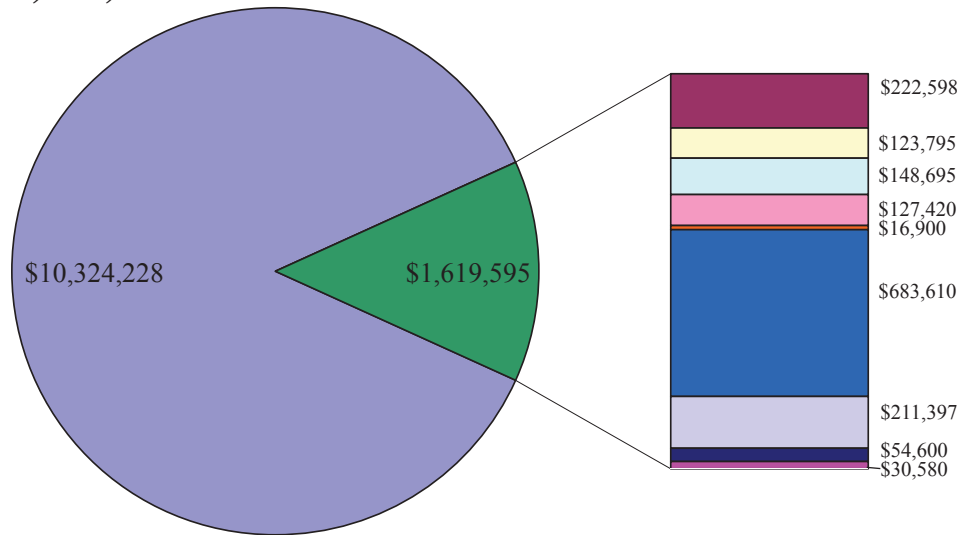
Overtime costs for all Funds in FY 2019-20 is budgeted at \$683,610. Overtime budgeted in the Police and Fire Departments amount to \$566,810, and DPS overtime equals \$108,050. These overtime costs have been budgeted with consideration toward adjusting overtime to actual trending costs. The following 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; however, it has become increasingly difficult to find qualified recruits for Police and Fire and Madison Heights is experiencing the same recruitment struggles as other municipalities nationwide

The charts below depicts the City's budgeted wage and fringe benefit costs for FY 2019-20 and overtime costs over the past four years.



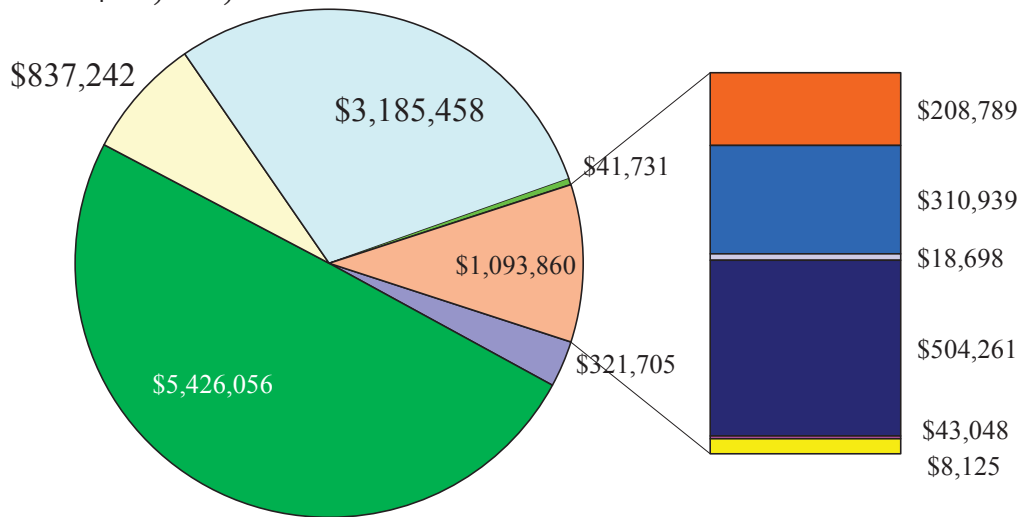
**2019-20**  
**Wage and Fringe Benefit Costs (\$21,916,567)**  
**Fiscal Year Budget**  
**All Funds**

**Wages \$11,943,823**



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

**Benefits \$10,906,052**



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

## Total Compensation Analysis

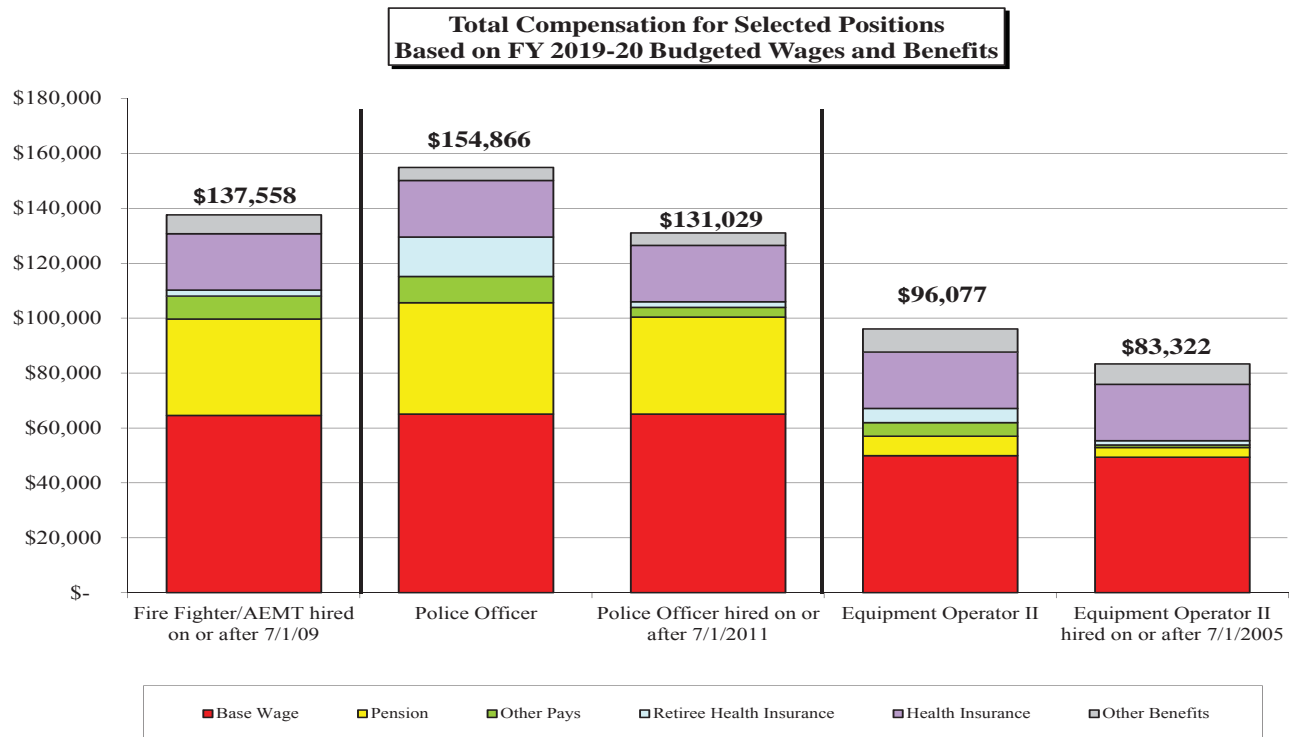
In order to determine what should be negotiated to control the City's expenses, we must look at the wages and benefits calculated together for total compensation currently provided to employees. The City has already made great strides in controlling costs for new hires by eliminating retiree health care 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 2019-20 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 \$154,866. The incumbent equipment operator receives annual total compensation in the amount of \$96,077. Fringe benefits average 1.2 times base wages for senior employees.

A newly hired Fire Fighter's total compensation is \$137,558. 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 \$131,029, a savings of \$23,837, and a newly hired Equipment Operator will save the City \$12,755 in annual overall compensation. These savings are significant. At this time, we have 18 Firefighters, 23 Police Officers, 12 Equipment Operators, and 27 other employees with the new hire benefits package, totaling 80 positions or almost 53% 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 2020. The position's compensation calculation assumes the maximum wage step and longevity.

Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$14,877
Holidays	12	7,141
Admin. Leave Days	6	3,570
Sick leave (Max. of 12)	5	2,975
Personal Leave Days	2	1,190
<b>Total</b>	<b>50</b>	<b>\$29,754</b>

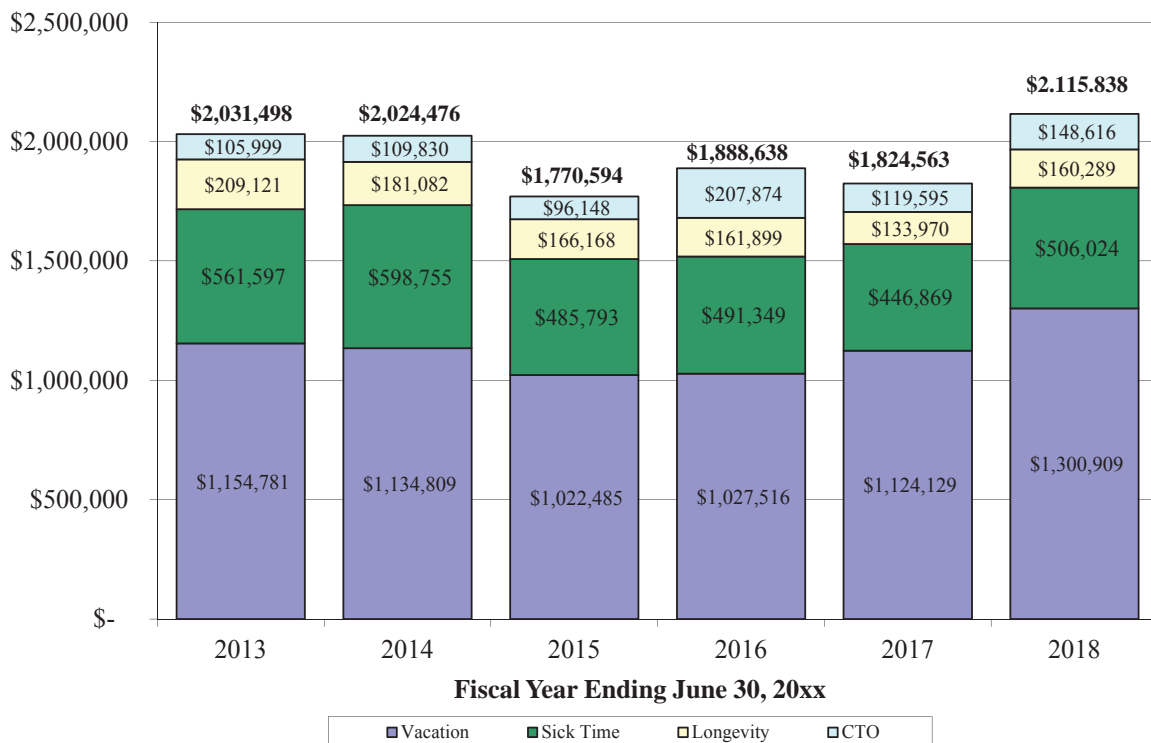
**As shown on the previous chart, this Police Officer could have almost one day off per week!**

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

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

This chart is illustrative of the liability for these benefits as of the last audited fiscal year, June 30, 2018.

#### **Long Term Debt for Employee Benefits**



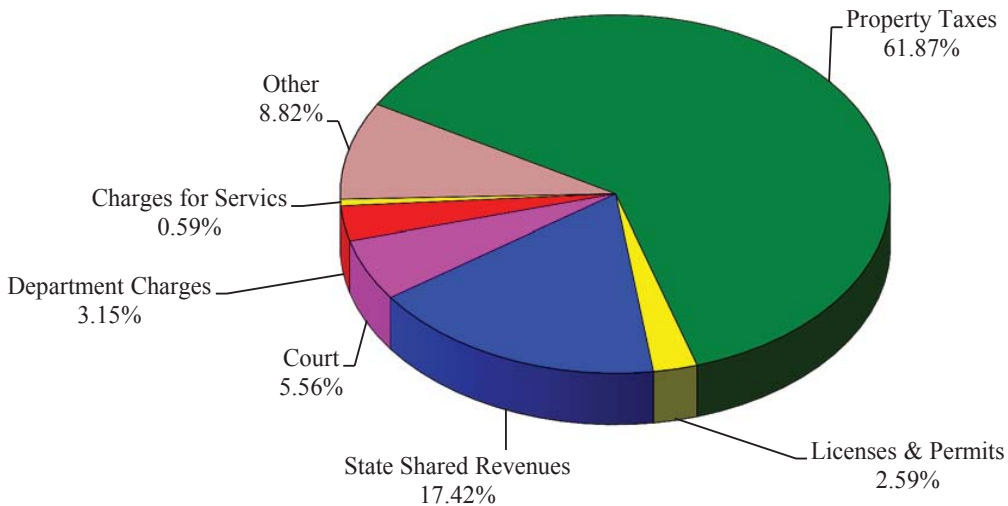


## **GENERAL FUND**

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.

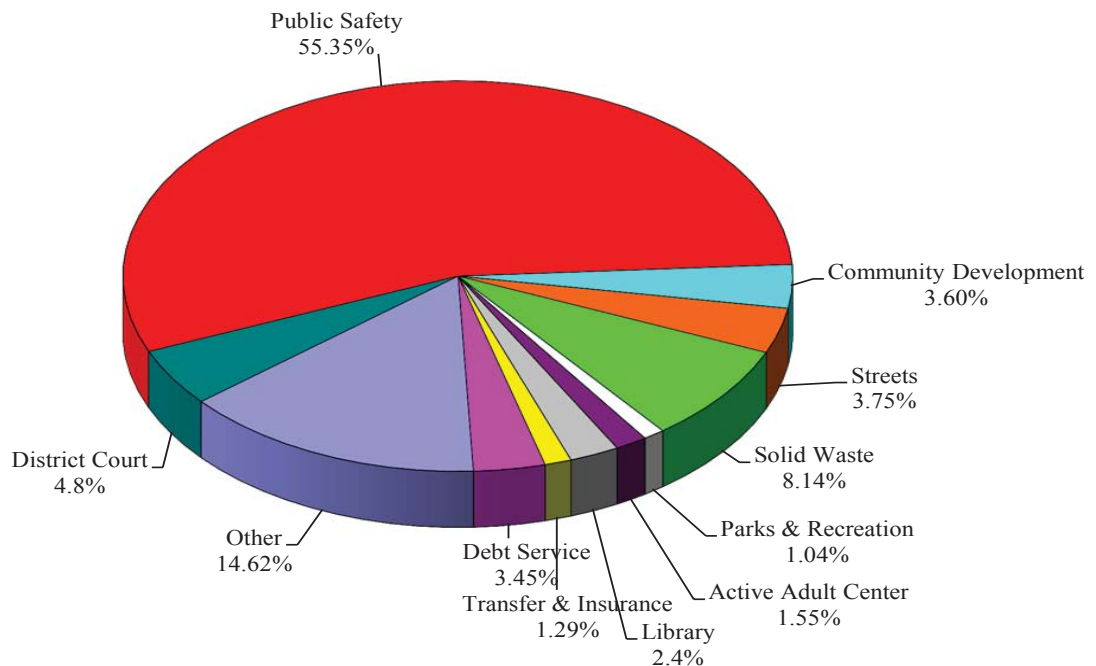
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# General Fund Revenues



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 2019-20 BUDGET

Description	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Revenues by Source:</b>					
Property Taxes	\$ 17,090,700	\$ 18,059,775	\$ 18,502,666	\$ 442,891	2.5
Licenses & Permits	319,521	292,750	316,300	23,550	8.0
Non-Business Licenses & Permits	434,433	468,100	459,075	(9,025)	(1.9)
Federal Shared Revenues	74,953	19,300	-	(19,300)	(100.0)
State Shared Revenues	5,009,702	5,097,951	5,209,479	111,528	2.2
Payment in Lieu of Taxes	37,398	36,500	36,500	0	0.0
County Shared Revenues	62,094	61,000	61,000	0	0.0
SMART Revenues	70,019	70,019	70,019	0	0.0
Court Fines and Fees	1,566,281	1,616,000	1,663,250	47,250	2.9
Charges for Services	233,166	177,150	175,150	(2,000)	(1.1)
Sales-Miscellaneous	18,154	20,050	18,750	(1,300)	(6.5)
Parks & Recreation	278,315	271,631	280,750	9,119	3.4
Miscellaneous Revenues	2,135,359	2,005,375	2,083,200	77,825	3.9
Sale of Fixed Assets	35,509	72,500	10,000	(62,500)	(86.2)
Department Charges	970,355	916,480	941,980	25,500	2.8
Transfers In	60,564	102,500	78,000	(24,500)	0.0
Prior Years Fund Balance	0	1,666,235	174,512	(1,491,723)	(89.5)
<b>Total Revenues</b>	<b>\$ 28,396,523</b>	<b>\$ 30,953,316</b>	<b>\$ 30,080,631</b>	<b>\$ (872,685)</b>	<b>(2.8)</b>

Description	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Expenditures by Activity:</b>					
City Council	\$ 54,221	\$ 56,310	\$ 56,341	\$ 31	0.1
District Court	1,466,502	1,463,786	1,442,356	(21,430)	(1.5)
City Manager	341,070	267,019	232,869	(34,150)	(12.8)
Elections	45,342	66,599	71,771	5,172	7.8
City Assessor	209,940	212,630	214,596	1,966	0.9
Legal	315,465	342,945	322,770	(20,175)	(5.9)
City Clerk	279,853	241,088	264,284	23,196	9.6
Human Resources	406,152	383,108	387,343	4,235	1.1
Board of Review	1,866	2,963	3,023	60	2.0
General Administration	235,892	770,833	1,305,775	534,942	69.4
Finance	771,673	720,992	737,508	16,516	2.3
Information Technology	188,248	188,115	188,312	197	0.1
Municipal Building	45,753	129,840	51,153	(78,687)	(60.6)
Custodial & Maintenance	361,394	189,532	193,725	4,193	2.2
Police	9,884,446	10,774,221	10,730,252	(43,969)	(0.4)
Fire	5,578,791	6,959,169	5,922,012	(1,037,157)	(14.9)
Community Development	1,055,928	1,242,659	1,082,947	(159,712)	(12.9)
Streets	1,001,901	1,072,892	1,129,839	56,947	5.3
Solid Waste	2,230,242	2,369,352	2,448,689	79,337	3.3
Recreation	183,362	202,436	193,892	(8,544)	(4.2)
Nature Center	29,585	63,531	58,935	(4,596)	(35.7)
Parks	518,967	661,146	425,446	(235,700)	13.5
Active Adult Center	388,822	411,422	467,119	55,697	(2.7)
Library	671,926	743,141	723,157	(19,984)	0.6
Insurance, Bonds and Transfers	1,406,089	1,417,587	1,426,517	8,930	0.6
<b>Total Expenditures</b>	<b>\$ 27,673,430</b>	<b>\$ 30,953,316</b>	<b>\$ 30,080,631</b>	<b>\$ (872,685)</b>	<b>(2.8)</b>

# GENERAL FUND REVENUES

## FY 2019-20 BUDGET

Description	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
Property Taxes	\$ 17,090,700	\$ 18,059,775	\$ 18,502,666	\$ 442,891	2.5
Licenses & Permits	753,954	760,850	775,375	14,525	1.9
Federal Revenues	74,953	19,300	0	(19,300)	(100.0)
State Shared Revenues	5,009,702	5,097,951	5,209,479	111,528	2.2
Other Government	169,511	167,519	167,519	0	0.0
Court Fines and Fees	1,566,281	1,616,000	1,663,250	47,250	2.9
Service Fees	511,481	448,781	455,900	7,119	1.6
Sales - Miscellaneous	53,663	92,550	28,750	(63,800)	(68.9)
Miscellaneous	2,135,359	2,005,375	2,083,200	77,825	3.9
Department Charges	970,355	916,480	941,980	25,500	2.8
Transfers In	60,564	102,500	78,000	(24,500)	(23.9)
Prior Year's Fund Balance	0	1,666,235	174,512	(1,491,723)	(89.5)
<b>Total</b>	<b>\$ 28,396,523</b>	<b>\$ 30,953,316</b>	<b>\$ 30,080,631</b>	<b>\$ (872,685)</b>	<b>(2.8)</b>

Description	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
General Government	\$ 6,029,460	\$ 6,453,347	\$ 6,898,343	\$ 444,996	6.9
Public Safety	15,463,237	17,733,390	16,652,264	(1,081,126)	(6.1)
Community Service	3,232,143	3,442,244	3,578,528	136,284	4.0
Culture and Recreation	1,792,662	2,081,676	1,868,549	(213,127)	(10.2)
Community Development	1,055,928	1,242,659	1,082,947	(159,712)	(12.9)
<b>Total</b>	<b>\$ 27,573,430</b>	<b>\$ 30,953,316</b>	<b>\$ 30,080,631</b>	<b>\$ (872,685)</b>	<b>(2.8)</b>

<b>Fund Balance - Unrestricted</b>	<b>\$ 7,260,901</b>	<b>\$ 5,594,666</b>	<b>\$ 5,420,154</b>	<b>\$ (174,512)</b>	<b>(3.1)</b>
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# GENERAL FUND EXPENDITURES

## FY 2019-20 BUDGET

GENERAL GOVERNMENT					
Description	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
Mayor and Council	\$ 54,221	\$ 56,310	\$ 56,341	\$ 31	0.1
District Court	1,466,502	1,463,786	1,442,356	(21,430)	(1.5)
City Manager	341,070	267,019	232,869	(34,150)	(12.8)
Legal	315,465	342,945	322,770	(20,175)	(5.9)
Assessor/Board of Review	211,807	215,593	217,619	2,026	0.9
City Clerk/Elections	325,194	307,687	336,055	28,368	9.2
Human Resources	406,152	383,108	387,343	4,235	1.1
General Administration	235,892	770,833	1,305,775	534,942	69.4
Finance	771,673	720,992	737,508	16,516	2.3
Information Technology	188,248	188,115	188,312	197	0.1
Custodial/Maintenance	307,147	319,372	244,878	(74,494)	(23.3)
Insurance/Bonds & Transfers	1,406,089	1,417,587	1,426,517	8,930	0.6
Total	\$ 6,029,460	\$ 6,453,347	\$ 6,898,343	\$ 444,996	6.9
PUBLIC SAFETY					
Police	\$ 9,884,446	\$ 10,774,221	\$ 10,730,252	\$ (43,969)	(0.4)
Fire	5,578,791	6,959,169	5,922,012	(1,037,157)	(14.9)
Total	\$ 15,463,237	\$ 17,733,390	\$ 16,652,264	\$ (1,081,126)	(6.1)
COMMUNITY SERVICE					
Streets	\$ 1,001,901	\$ 1,072,892	\$ 1,129,839	\$ 56,947	5.3
Solid Waste	2,230,242	2,369,352	2,448,689	79,337	3.3
Total	\$ 3,232,143	\$ 3,442,244	\$ 3,578,528	\$ 136,284	4.0
CULTURE AND RECREATION					
Recreation	\$ 183,362	\$ 202,436	\$ 193,892	\$ (8,544)	(4.2)
Nature Center	29,585	63,531	58,935	(4,596)	(7.2)
Parks	518,967	661,146	425,446	(235,700)	(35.7)
Active Adult Center	388,822	411,422	467,119	55,697	13.5
Library	671,926	743,141	723,157	(19,984)	(2.7)
Total	\$ 1,792,662	\$ 2,081,676	\$ 1,868,549	\$ (213,127)	(10.2)
COMMUNITY DEVELOPMENT					
Total	\$ 1,055,928	\$ 1,242,659	\$ 1,082,947	\$ (159,712)	(12.9)
TOTAL					
General Fund Total	\$ 27,573,430	\$ 30,953,316	\$ 30,080,631	\$ (872,685)	(2.8)

# Mayor & Council

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

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

## Organizational Structure and Staff

Personnel Summary	2017-18	2018-19	2019-20
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 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
- Active Adult Center Advisory Board
- Tax Review Board
- Zoning Board of Appeals

## Performance Measures

	<b>Performance Indicators</b>	<b>2018 Actual</b>	<b>2019 Estimate</b>	<b>2019-2020 Budget</b>
<i>Input</i>	Regular City Council Meetings	23	23	23
	Agenda Items	115	300	300
	Public Hearings Held	9	10	10
<i>Outcomes</i>	Ordinances and Amendments Adopted	4	5	5
	Agenda Items Acted Upon	99	250	250
	Annual % Change in Millage Rate	9.5%	2.0%	-1.9%
	Department Expenditures as a % of General Fund	0.2%	0.2%	0.2%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 51,609	\$ 52,024	\$ 52,052	\$ 28	0.1
Supplies	815	322	325	3	0.9
Other Services and Charges	1,797	3,964	3,964	0	0.0
Capital Outlay	0	0	0	0	0.0
Total	\$ 54,221	\$ 56,310	\$ 56,341	\$ 31	0.1
<b>Resources:</b>					
General Fund	\$ 54,221	\$ 56,310	\$ 56,341	\$ 31	0.1
Total	\$ 54,221	\$ 56,310	\$ 56,341	\$ 31	0.1

## Key Issues

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

# District Court

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

## Organizational Structure and Staff

Personnel Summary	2017-18	2018-19	2019-20
Court Administrator	1	1	1
Chief Deputy Court Clerk	2	2	2
Deputy Court Clerk	4	4	4
Court Officer	1	1	1
Probation Officer	0	0	1
Total Full-Time	8	8	9
Magistrate	1	1	1
Court Officer	2	2	2
Probation Officer	2	2	0
Total Part-Time	5	5	3
Total Employees	13	13	12

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

- The Criminal Division handles all felony and misdemeanor complaints filed by law enforcement.
- The Civil Cases Division handles the jurisdiction of all civil litigation up to \$25,000.
- The Small Claims Division hears civil cases filed below \$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

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 1,118,240	\$ 1,044,166	\$ 1,023,339	\$ (20,827)	(2.0)
Supplies	27,712	54,791	32,800	(21,991)	(40.1)
Other Services and Charges	313,210	351,764	343,717	(8,047)	(2.3)
Capital Outlay	7,341	13,065	42,500	29,435	225.3
Total	\$ 1,466,503	\$ 1,463,786	\$ 1,442,356	\$ (21,430)	(1.5)
<b>Resources:</b>					
Court Salary Standard	\$ 45,724	\$ 47,219	\$ 47,219	\$ 0	-
Court Fines	807,501	850,000	878,000	28,000	3.3
Forfeits	24,901	23,000	25,000	2,000	8.7
Reimbursed Court Costs	479,423	475,000	487,250	12,250	2.6
Bond Fees	77,198	80,000	84,000	4,000	5.0
Probation Oversight	164,238	175,000	175,000	0	0.0
Violation Clearance	13,020	13,000	14,000	1,000	7.7
General Fund	(145,502)	(199,433)	(268,113)	(68,680)	34.4
Total	\$ 1,466,503	\$ 1,463,786	\$ 1,442,356	\$ (21,430)	(1.5)

## Key Issues

- The third largest source of General Fund Revenue is composed of Court fines, forfeits and charges (\$1.7 million), which are used to partially offset the cost of operating our State-mandated District Court and legal prosecution costs.
- With the upcoming retirement of one part-time probation officer, this budget includes the elimination of that position and an upgrade of the second part-time probation officer to full-time for an increased cost of \$4,052. This increase is offset by reductions in the pension normal cost for FY 2020 and contribution of normal cost to the retiree health care trust.
- This budget includes the installation of security cameras for \$35,000.
- The Michigan Indigent Defense Commission (MIDC) was created by legislation in 2013 after an advisory commission recommended improvements to the state's legal system. After five years, this commission has developed guidelines for indigent defense representation and has approved the first year of grant payments to pay for changes. This resulted in a reduction of legal fees that were previously paid from this department and the creation of a MIDC grant fund with first year implementation plan cost expected to be \$468,000.

# City Manager

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

The City Manager is responsible for:

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

## Organizational Structure and Staff

Personnel Summary	2017-18	2018-19	2019-20
City Manager	1	1	1
Executive Assistant	1	1	1
Total Full-Time	2	2	2
Total Employees	2	2	2



## Performance Measures

	<b>Performance Indicators</b>	<b>2018 Actual</b>	<b>2019 Estimate</b>	<b>2019-2020 Budget</b>
<i>Output</i>	Number of Staff Meetings held	22	23	23
	Number of Council-adopted goals managed	34	25	25
	Media inquiries/requests handled	8	10	15
<i>Efficiency</i>	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting	99%	99%	99%
	Department Expenditures as a % of General Fund	1.2%	0.9%	0.8%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 336,681	\$ 244,632	\$ 224,329	\$ (20,303)	(8.3)
Supplies	88	300	400	100	33.3
Other Services and Charges	4,300	22,087	8,140	(13,947)	(63.1)
Capital Outlay	0	0	0	0	0.0
Total	\$ 341,069	\$ 267,019	\$ 232,869	\$ (34,150)	(12.8)
<b>Resources:</b>					
General Fund	\$ 341,069	\$ 267,019	\$ 232,869	\$ (34,150)	(12.8)
Total	\$ 341,069	\$ 267,019	\$ 232,869	\$ (34,150)	(12.8)

## Key Issues

- In November 2018, a new City Manager was hired. This position negotiated a reduced benefit package compared to the prior year budgets resulting in a decrease in personnel services.
- Other changes in personnel services are a result of a reduction in the pension normal cost for FY 2020 and contribution of normal cost to the retiree health care trust.
- The balance of this budget 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 Deputy City Clerk. During elections, there are approximately 72 Election Workers who participate in running the election precincts. The number of elections and the anticipated voter turnout determine the number of election workers. The Clerk's Office is responsible for:

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

Personnel Summary	2017-18	2018-19	2019-20
City Clerk	1	1	1
Deputy City Clerk	1	1	1
Total Full-Time	2	2	2
Election Workers-Chairpersons	24	24	24
Election Workers	48	48	48
Office Assistant	1	1	1
Total Part-Time	73	73	73
Total Employees	75	75	75

## Accomplishments

### **Resource Management:**

- Conducted the August 7, 2018 State Primary and November 6, 2018 State General Elections; conducted training for all election inspectors, and recruited student election inspectors.
- Electronic storage of all City Council and Zoning Board of Appeals minutes
- Streamline the Boards and Commission appointment and record keeping process.
- Professional development of City Clerk and Deputy City Clerk.
- Implemented Precinct location change for improved accessibility for voters.

## Objectives

### **Resource Management:**

- Conduct City General Election on November 5, 2019 and the Presidential Primary in March 2020.
- Electronic storage of all City Ordinances and City Council Packets.
- Continue electronic storage, retention and indexing of all contracts, titles, resolutions and agreement records.
- Continue professional development for City Clerk and Election Coordinator.

## Performance Measures

	<b>Performance Indicators</b>	<b>2018 Actual</b>	<b>2019 Estimate</b>	<b>2019-20 Budget</b>
<i>Input</i>	Hours attending City Council Meetings	46	35	35
	Number of Election Workers per election	77	80	80
	Average Number of Voters per FTE	1,983	8,467	5,500
<i>Output</i>	Number of Business and Animal Licenses Issued	1,460	1,400	1,400
	Number of New Registered Voters/Changes	3,629	3,600	3,600
	Number of Absentee Ballots Sent	1,772	4,672	5,000
<i>Outcome</i>	Average Days to Post Approved Board Minutes to website	30	30	30
	Number of Election Workers attending training (workers x trainings)	76	160	160
	Average Length of time to Process New Business Licenses (days)	45	50	50
<i>Efficiency</i>	% Voter Turnout per November State Election	20%	55%	20%
	% of FOIA request responded to within 10 business days	100%	100%	100%
	Department Expenditures as a % of General Fund	1.2%	1.0%	1.10%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 261,166	\$ 220,660	\$ 223,359	\$ 2,699	1.2
Supplies	3,156	4,080	4,000	(80)	(2.0)
Other Services and Charges	15,531	16,348	36,925	20,577	125.9
Capital Outlay	0	0	0	0	0.0
Subtotal-Elections	45,342	66,599	71,771	5,172	7.8
Total	\$ 325,195	\$ 307,687	\$ 336,055	\$ 28,368	9.2
<b>Resources:</b>					
Business Licenses	\$ 96,743	\$ 90,000	\$ 93,500	\$ 3,500	3.9
Animal Licenses	9,287	8,000	8,500	500	6.3
Bicycle Licenses	70	100	75	(25)	(25.0)
Vital Health Statistics	17,580	22,500	22,500	0	0.0
Election Reimbursement	0	0	0	0	0.0
General Fund	201,515	187,087	211,480	24,393	13.0
Total	\$ 325,195	\$ 307,687	\$ 336,055	\$ 28,368	9.2

## Key Issues

- Reductions in personnel services are a result of a reduction in the pension normal cost for FY 2020 and contribution of normal cost to the retiree health care trust.
- Other Services and Charges are budgeted to include implementation of a strategic planning item to scan permanent documents at a cost of \$22,000.

# Assessing

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

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

## **Accomplishments**

### **Resource Management:**

- Contracting assessing to Oakland County Equalization has saved approximately \$306,000 per year in General Fund operating expense.
- Reviewed 803 small business exemption and processed 518 personal property statements in accordance with the State Personal Property Tax (PPT) reform legislation.
- Settled 7 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 2019.
- Conduct audits of personal property accounts for % of all personal property accounts.
- Negotiate a renewal contract with Oakland County Equalization for FY 2020.

## Performance Measures

<i>Output</i>	Performance Indicators	2018 Actual	2019 Estimate	2019-2020 Budget
	Property Records Reviewed	397	200	200
	Personal Property Audits	20	15	15
	Michigan Tax Tribunal Cases	7	10	10
	Board of Review Appeals	251	200	200
<i>Efficiency</i>	% Assessment Changes Processed by the Deadline	100%	100%	100%
	% of Parcels Added/Deleted by Deadline	100%	100%	100%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	209,941	212,630	214,596	1,966	0.9
Capital Outlay	0	0	0	0	0.0
Subtotal-Board of Review	1,866	2,963	3,023	60	2.0
Total	\$ 211,807	\$ 215,593	\$ 217,619	\$ 2,026	0.9
<b>Resources:</b>					
Assessing Fees	\$ 27,668	\$ 20,420	\$ 27,500	\$ 7,080	100.0
General Fund	184,139	195,173	190,119	(5,054)	(2.6)
Total	\$ 211,807	\$ 215,593	\$ 217,619	\$ 2,026	0.9

## 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. It is staff's intention to negotiate a renewal of assessing services with Oakland County prior to the end of the fiscal year.

# Legal Department

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

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

## Performance Measures

	Actual 2017-18	Estimate 2018-19	Budget 2019-20
<b>Performance Measures:</b>			
<b><u>Workload Indicators</u></b>			
Legal Counsel (Hours)			
Tax Tribunal	130	150	150
Labor	832	895	895
General	1,958	1,787	1,700
Telecommunications	3.0	10.0	10.0
Department Expenditures as a % of the General Fund	1.15%	1.16%	1.16%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	10,950	7,500	9,575	2,075	0.0
Other Services and Charges	304,514	335,445	313,195	(22,250)	(6.6)
Capital Outlay	0	0	0	0	0.0
Total	\$ 315,464	\$ 342,945	\$ 322,770	\$ (20,175)	(5.9)
<b>Resources:</b>					
General Fund	\$ 315,464	\$ 342,945	\$ 322,770	\$ (20,175)	(5.9)
Total	\$ 315,464	\$ 342,945	\$ 322,770	\$ (20,175)	(5.9)

## Key Issues

- Expenses for legal fees are expected to decrease slightly in FY 2020 due to the expectation that all union contracts will be settled. Prior to FY 2020, we will be retaining the services of a new Cable attorney as the current attorney is retiring. We have budgeted a slight increase in this legal line item in expectation of service provider change.

# 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	2017-18	2018-19	2019-20
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.
- 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.
- Transitioned to new Flexible Spending Account vendor and switched from calendar year to fiscal year to coincide with medical plan year, providing employees with greater ability to plan for medical expenses based on premium increases.
- Assisted Council with coordination of City Manager recruitment and hire.
- Successfully hired Finance Director following City Manager promotion.
- Successfully petitioned the Civil Service Commission to waive Act 78 requirements for entry level Police Officer and Fire Fighter for a one-year trial period to reduce recruitment time without lowering minimum requirements, thereby assisting each department's ability to hire qualified employees in a timely manner.
- Researched alternative psychological vendors and made transition to new vendor to provide Police and Fire with quality pre-employment evaluations and quick turnaround to assist in the recruitment process.
- Evaluated electronic document/online document vendors to identify best alternative for transmitting sensitive documents from the secure employee portal.
- Purchased new scanner and continued to convert files to electronic format.
- Successfully negotiated all contracts within the bargaining authority received from Council for three year contracts through June 30, 2021, achieving some legacy cost reduction in accordance with Public Act 202.

## 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.
- Provide City-wide training (including diversity and inclusion training) to all employees through the Employee Assistance Program provider HelpNet.
- Coordinate annual blood drive through the American Red Cross.
- Continue to transfer past and present personnel files to electronic format.



## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2019-2020 Budget
Input	All full-time staff in jurisdiction: Average years of service	12	11	10
	All part-time staff in jurisdiction: Average years of service	7	6	6
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Sworn public safety	69	73	73
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Total	143	145	147
	Hours Paid: All Human Resources staff	3,900	3,900	3,900
	Hours paid: All jurisdiction staff	579,898	595,163	609,723
Output	HR: Number of full time positions filled	17	20	5
	Percentage of new full-time employees completing probationary period	89%	85%	90%
	Turnover: Number of full-time, permanent employees who left: Total*	8	6	4
	Turnover: Number of full-time, regular employees who left: Sworn public safety*	4	2	2
	Turnover rate: All full-time employees*	5.6%	4.1%	1.4%
Outcome	Department Expenditures as a % of General Fund	1.5%	1.2%	1.3%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 204,939	\$ 186,329	\$ 190,619	\$ 4,290	2.3
Supplies	88	0	0	0	0.0
Other Services and Charges	201,125	196,779	196,724	(55)	(0.0)
Capital Outlay	0	0	0	0	0.0
Total	\$ 406,152	\$ 383,108	\$ 387,343	\$ 4,235	1.1
<b>Resources:</b>					
General Fund	\$ 406,152	\$ 383,108	\$ 387,343	\$ 4,235	1.1
Total	\$ 406,152	\$ 383,108	\$ 387,343	\$ 4,235	1.1

## Key Issues

- Reductions in personnel services are a result of a reduction in the pension normal cost for FY 2020 and contribution of normal cost to the retiree health care trust.
- This budget does include contracted background investigations. This eliminates the need for Police overtime to conduct these pre-employment investigations and expedites the process. Total budget for this service is \$12,000.

# General Administration

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

## **Accomplishments**

- Successfully auctioned surplus vehicles and miscellaneous City surplus items on govdeals.com and the City's cooperative 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.
- Develop programs to encourage and increase citizen engagement in budgeting and strategic planning with focus on understanding their interest.
- Issue a Request for Qualifications for marketing services and work with community and economic development or marketing, rebranding and promotion of the City.

## **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.
- Developed a Citizens Academy to educate residents and develop a civic leader talent pool for potential future Boards and Commissions members.
- 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	2018 Actual	2019 Estimate	2019-2020 Budget
Input	Expenditures: General fund personnel and operations	\$ 26,746,038	\$ 28,383,207	\$29,206,735
	Expenditures: Special-revenue/restricted fund personnel and operations	\$ 17,448,954	\$ 16,625,085	\$16,704,778
	Square miles of land area served	7.2	7.2	7.2%
	Revenues, General fund: Property Tax	\$ 17,090,700	\$ 18,059,775	\$18,502,666
	Revenues, General fund: State Revenue Sharing	\$ 3,006,275	\$ 3,024,029	\$3,184,960
Efficiency	Department Expenditures as a % of General Fund	0.9%	2.5%	4.3%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 125,618	\$ 659,852	\$ 1,112,966	\$ 453,114	68.7
Supplies	45,852	45,472	50,688	5,216	11.5
Other Services and Charges	64,423	65,509	142,121	76,612	116.9
Capital Outlay	0	0	0	0	0.0
Total	\$ 235,893	\$ 770,833	\$ 1,305,775	\$ 534,942	69.4
<b>Resources:</b>					
General Fund	\$ 235,893	\$ 770,833	\$ 1,305,775	\$ 534,942	69.4
Total	\$ 235,893	\$ 770,833	\$ 1,305,775	\$ 534,942	69.4

## Key Issues

- During the past year, the City has started to engage the community with short one-minute videos. In order to enhance this production \$5,388 of recording and video equipment is being budgeted.
- This budget includes the implementation of several strategic planning items including contracting grant writing \$10,000, contracted services for public relations including branding, general city-wide marketing, development of an economic development marketing plan and on-going as needed services for \$75,000, annual giving campaign materials for \$3,000.
- The budget also continues the popular citizens academy for \$1,250 and the start of community engagement meetings and events budget at \$3,000.

# Finance Department

The Finance Department consists of a Finance Director/Treasurer, 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	2017-18	2018-19	2019-20
Finance Director/Treasurer	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
Part-time Office/Treasury Clerk	0	1	1
Total Part-Time	0	1	1
Total Employees	7	8	8

## Accomplishments

### Resource Management:

- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award for FY 2018-19.
- Completed annual audit within 3 months, with a clean opinion.
- Completed an analysis of water, sewer, and stormwater rates needed to support the system with infrastructure projects over the next ten (10) years.
- Revised the Capital Improvement planning process (2019 Goal FF).

## 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.
- Implement online payment option platform for customers and residents.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2019-2020 Budget
<i>Input</i>	Total Dollar amount of City Budget (all funds)	\$ 31,228,164	\$ 56,048,050	\$ 52,902,392
	Total Dollar amount of Budget Amendments (all funds)	\$ 1,654,127	\$ 2,023,368	\$ 1,587,070
	City Taxable Value		\$ 797,364,150	
	Total Dollar value of Fiscal Year CIP - all funds	\$ 17,033,172	\$ 11,039,758	\$ 6,990,879
<i>Output</i>	Accounts Payable Processed - Paper Check	3,411	3,052	3,100
	Accounts Payable Processed - ACH	1,120	1,100	1,250
	Accounts Payable Processed - Credit Card	2,244	1,825	\$2,300
	# of water/sewer customers	11,804	11,804	11,804
	# of water/sewer customers signed up for ACH	1,306	1,350	1,400
<i>Outcome</i>	% of Accounts Payable processed by ACH	16.5%	20.3%	20.0%
	% of water/sewer customers signed up for ACH	11.1%	12.0%	12.0%
	Amount of Credit Card Rebate	\$9,684	\$7,500	\$7,600
	% of Dollar amount of budget amendments	270.0%	>5%	>3%
	% of Budgeted GF revenues received	102.0%	95.0%	95.0%
	% of Budgeted GF expenditures spent	99.9%	95.0%	95.0%
<i>Efficiency</i>	Taxes collected by March 1 as a % of Total	94.7%	95.0%	95.0%
	Date of Annual Auditor's Report	10/19/2018	10/15/2019	10/15/2020
	% Funded for General Employees Pension Trust	106%	105%	105%
	% Funded for Police and Fire Pension Trust	51.2%	53.0%	53.0%
	% Funded for the General Employee Retiree Health Benefits Trust	42.0%	45.0%	45.0%
	% Funded for the Police and Fire Employee Retiree Health Benefits Trust	31.8%	38.0%	40.0%
	Department Expenditures as a % of General Fund	2.8%	2.3%	2.5%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 708,941	\$ 655,622	\$ 664,833	\$ 9,211	1.4
Supplies	7,192	6,520	7,250	730	11.2
Other Services and Charges	55,540	58,850	65,425	6,575	11.2
Capital Outlay	0	0	0	0	0.0
Total	\$ 771,673	\$ 720,992	\$ 737,508	\$ 16,516	2.3
<b>Resources:</b>					
Mobile Home Solid Waste	\$ 35,280	\$ 24,700	\$ 24,700	\$ 0	0.0
Property Tax Admin. Fees	464,381	458,470	460,681	2,211	0.5
Garbage Bag Sales	4,666	6,000	6,000	0	0.0
Interest Income on Deposits	112,243	150,000	150,000	0	0.0
General Fund	155,103	81,822	96,127	14,305	(17.5)
Total	\$ 771,673	\$ 720,992	\$ 737,508	\$ 16,516	2.3

## Key Issues

- Reductions in personnel services are a result of a reduction in the pension normal cost for FY 2020 and contribution of normal cost to the retiree health care trust.

# Information Technology

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

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

## **Accomplishments**

### **Resource Management:**

- 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

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	36,916	28,500	29,500	1,000	3.5
Other Services and Charges	151,332	151,365	158,812	7,447	0.0
Capital Outlay	0	8,250	0	(8,250)	0.0
Total	\$ 188,248	\$ 188,115	\$ 188,312	\$ 197	0.1
<b>Resources:</b>					
General Fund	\$ 188,248	\$ 188,115	\$ 188,312	\$ 197	0.1
Total	\$ 188,248	\$ 188,115	\$ 188,312	\$ 197	0.1

## Key Issues

- FY 2020 includes continuation of current services levels.
- Increase and improve Online services for all departments in the City. 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

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

- Maintaining City buildings, which includes: preventative maintenance and repairs; planned improvements; and
- Custodial services through outside contractors at the Library, District Court, Police Station, Active Adult 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 and increased building comfort.
- Provided monthly building energy utilization report to City management.
- Several existing zones at the Police Department added to i-Vu building control system for added energy savings and increased building comfort.
- Performed repairs to the window treatments in the Breckenridge Room to restore their functionality.
- Replaced the aged and damaged windscreens in front of City Hall, and the canopy at the rear of the Police Department.
- Replaced damaged stair runners and tile in the City Hall west entrance to eliminate trip hazards.
- Relocated an underutilized air conditioning “mini-split” unit from another area to provide proper cooling for the City Hall Cable Room.
- Reinstated 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).

## **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.



## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2019-2020 Budget
<i>Input</i>	Expenditures: Total jurisdiction facilities: Repairs	\$ 213,478	198,774	200,000
	Jurisdiction facilities, Total Electricity usage: kWh	1,524,114	1,547,526	1,530,000
<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	\$ 0.75	\$ 0.70	\$ 0.70
	Departmental Expenditures as a % of General Fund	1.1%	1.0%	0.8%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 19,433	\$ 14,344	\$ 15,542	\$ 1,198	8.4
Supplies	20,444	18,500	18,500	0	0.0
Other Services and Charges	221,516	156,688	159,683	2,995	1.9
Capital Outlay	0	0	0	0	0.0
Subtotal-Municipal Bldg.	45,753	129,840	51,153	(78,687)	(60.6)
Total	\$ 307,146	\$ 319,372	\$ 244,878	\$ (74,494)	(23.3)
<b>Resources:</b>					
General Fund	\$ 307,146	\$ 319,372	\$ 244,878	\$ (74,494)	(23.3)
Total	\$ 307,146	\$ 319,372	\$ 244,878	\$ (74,494)	(23.3)

## Key Issues

- The Capital Outlay funding is required to address deferred maintenance, replacement, and upgrades of building systems.

# 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	2017-18	2018-19	2019-20
Police Chief	1	1	1
Deputy Police Chief	1	1	1
Lieutenants	4	4	4
Sergeants	8	8	8
Police Officers	32	35	35
Administrative Secretary	1	1	1
Information Systems Specialist	1	1	1
Office Assistant II	1	1	1
Police Service Assistants	8	9	9
Animal Control Officer	1	1	1
Total Full-Time	58	62	62
Crossing Guards	17	17	17
Animal Control Support	1	1	1
Records Clerk	1	1	1
Total Part-Time	19	19	19
Total Employees	77	80	81

## Accomplishments

### Public Safety:

- Hired and trained (4) Police Officers. (FY 2019 Goals F and G)
- Hired and trained (2) Police Service Aide (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, in conjunction with the Fire Department, to help foster the relationship between the Police Department and the Community.
- Completed the replacement of overhead lighting on fully marked Police Department Patrol Vehicles by replacing the lighting on three (3) patrol vehicles.
- Replaced four (4) police patrol vehicles and replaced two (2) investigative vehicles.
- Engaged residents to foster a positive image of the Police Department by attending several community events within the community.
- Began weekly walk-throughs of the Elementary Schools located within the city to continue to foster our relationship with the school children and our schools.
- Purchased five (5) bullet resistant vests for SWAT Team Members, the officer assigned to the FBI Taskforce, the officer assigned to Oakland County NET, and the officer assigned to the Troy Special Investigations Unit.
- Refurbished the Police Department Gun Range to allow for the continued training of our police officers. (FY 2019 Goal I)
- Promoted Block Party Permitting via Facebook and updated our Block Party Permit Application. (FY 2019 Goal CC)
- Assisted with the Citizen's Academy. (FY 2019 Goal GG)
- Actively promoted Police Reserves having two potential Police Reserves now in the hiring process. (FY 2019 Goal M)
- Reinstated the Special Investigations Unit to focus enforcement on area criminal activity such as prostitution and human trafficking.
- Replaced Department issued patrol shotguns and rifles.

## Objectives

### Public Safety:

- Hire one (1) additional Police Service Aide (PSA) to assist with effectively covering our dispatch. (Action Item 1.1.c)
- Promote one (1) dispatcher to Dispatch Supervisor to enhance the efficiency of the Emergency Dispatch Services. (Action Item 1.1.d)
- Increase Police Officer staffing by hiring two (2) new police officers to increase the efficiency of the Police Department. (Action Item 1.1.e)
-

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2019-2020 Budget
<i>Input</i>	Expenditures, police personnel and overtime (including support charged to department)	\$ 9,272,077	\$ 9,525,652	\$ 9,768,872
	Expenditures: Sworn police overtime	\$ 667,097	\$ 530,000	\$ 414,473
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$ 7,718,119	\$ 8,119,943	\$ 8,254,124
	Sworn Police FTEs (Budgeted)	46	49	49
	Sworn Police FTEs per 1,000 pop	2	2	2
<i>Output</i>	Dispatch calls/initiated actions: Total Police Responses	29,133	30,000	30,000
	Injury: producing traffic accidents	272	225	225
	Moving violation citations issued (excluding DUIs)	4,685	4,250	4,250
	Number of accidents involving fatalities	1	0	0
	DUI Arrests	145	125	125
<i>Outcome</i>	Complaints against sworn police personnel: Excessive force	0	0	0
	Complaints against sworn police personnel: Excessive force, sustained	0	0	0
	Complaints against sworn police personnel: Total	6	0	0
	Complaints sustained against sworn personnel: Total	0	0	0
<i>Efficiency</i>	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	971	1,000	1,000
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	633	612	612
	Dispatch calls/initiated actions: Total police department expenditures per total police response	\$318	\$317	\$326
	Department Expenditures as a % of General Fund	35.8%	34.8%	35.6%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 9,272,077	\$ 9,525,652	\$ 9,768,872	\$ 243,220	2.6
Supplies	66,868	88,780	117,790	29,010	32.7
Other Services and Charges	541,701	510,525	576,862	66,337	13.0
Capital Outlay	3,799	649,264	266,728	(382,536)	(58.9)
Total	\$ 9,884,445	\$ 10,774,221	\$ 10,730,252	\$ (43,969)	(0.4)
<b>Resources:</b>					
Animal Control and Pound	\$ 2,901	\$ 2,600	\$ 2,600	\$ 0	0.0
Liquor License Inspections	26,246	26,000	26,000	0	0.0
Police Fees and Grants	110,049	140,900	140,900	0	0.0
Police & Fire Pension Millage	1,837,372	2,148,766	2,067,860	(80,906)	(3.8)
Vehicle Proposal Millage	57,000	0	0	0	100.0
General Fund	7,850,877	8,455,955	8,492,892	36,937	0.4
Total	\$ 9,884,445	\$ 10,774,221	\$ 10,730,252	\$ (43,969)	(0.4)

## Key Issues

- Three changes contributed to the increase in personnel services. After the FY 2019 budget was implemented one additional Police Officer was hired through the MIDC grant. This position serves as a court officer when needed to handle prisoner/attorney interviews in accordance with the MIDC compliance plan. Although this position was technically added in October 2018, the Amended budget was not increased due to vacant position savings. This coupled with union negotiated pay increase of 2.25% for the patrol union have resulted in the increase in personnel services. Increase of one dispatch position to a dispatch supervisor.
- Supplies are increase due to budgeted Taser replacement for \$26,250 and 17 – in-car printer replacements budgeted to be \$11,700.
- Other services increase includes an increase from the internal service fund for motor pool services. This allocation is based on last year's actual services.
- While we are completing the same amount of capital outlay in FY 2020: two patrol vehicles and one special investigations unit vehicle we are financing the roof replacement, estimated to be \$600,000. The financing is currently projected to be for five years at \$130,000 payment a year. We are looking into all financing options as this project nears.

# 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	2017-18	2018-19	2019-20
Fire Chief	1	1	1
Fire Marshal	1	1	1
Captains	3	3	3
Lieutenants	3	6	6
Firefighters	19	18	18
Fiscal Assistant II	1	1	1
Total Full-Time	28	30	30
Total Employees	28	30	30

## Accomplishments

### Public Safety:

- Held a joint open house with the Madison Heights Police Department.
- Held the first annual Fire Department Open House at Fire Station 2 during fire prevention week.
- Design and wrote the build specifications for the purchase of a new rescue/ambulance.
- Design and wrote the build specifications for the purchase of a new fire engine.
- Awarded a \$370,000 Staffing for Adequate Fire and Emergency Response Grant from the Department of Homeland Security.
- Submitted a 1.2 million dollar Assistance to Firefighter Grant to purchase a new ladder truck.

### Resource Management

- Sergeant's successful completion of EMU's Fire Staff and Command Executive Leadership Program.
- Promoted three Firefighter/Paramedics to the rank of Sergeant.
- Firefighter/Paramedic Roberts successful completion of the EMS Instructor Coordinator program.
- One probationary Firefighter/Paramedic successful completion of their one-year probation.
- Hired four new Firefighter/Paramedics.
- Placed into service a new ambulance housed at Fire Station 2.
- Fire Marshal obtained his NFPA 1033 Fire Investigator Certification.
- Expanded the Firefighter/Paramedic application criteria.

## Objectives

### Public Safety:

- Place into service the new fire engine to be housed at Fire Station 1.
- Explore resource sharing opportunities with neighboring communities.
- Explore alternatives Emergency Medical Service delivery models.
- Evaluate upgrades and renovations to Fire Station 2.
- Develop the Madison Heights Cardiac Arrest Enhancement Program.

### Resource Management:

- Lieutenant attending Eastern Michigan University, Fire Staff and Command.
- Guide the newly hired firefighters through their probationary period.
- Three newly appointed Sergeant Completion of the Michigan Fire Officer I & II.
- Send five officers to the Blue Card Command certification training program.
- Evaluate alternative daily staffing methods.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2019-2020 Budget
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to department)		\$ 6,255,447	
	Expenditures, Fire/EMS Personnel: Sworn	\$ 4,786,945	\$ 5,092,230	\$ 5,045,150
	Expenditures: Sworn Fire/EMS personnel, OT only	\$ 19,303	\$ 152,337	
Output	EMS: Number of ALS Responses	1,910	1,950	1,975
	EMS: Total BLS and ALS Responses	3,027	3,200	3,375
	Inspections: Commercial/Industrial Occupancies Inspected	345	350	360
	EMS: Total BLS and ALS Transports	2,428	2,400	2,475
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	94%	94%	92%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	55%	60%	65%
	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	94%	95%	95%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%	100%
	Total BLS and ALS responses per 1,000 of population	0	0	0.11
	Total Fire/EMS personnel and operations expenditures per	127		
	Number of total Fire Department (Fire and EMS) responses per suppression FTE	\$ 171	\$ 175	181
	Department Expenditures as % of General Fund	20.2%	22.5%	19.7%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 4,511,963	\$ 5,219,775	\$ 5,125,621	\$ (94,154)	(1.8)
Supplies	89,378	76,750	92,915	16,165	21.1
Other Services and Charges	609,368	559,381	559,281	(100)	(0.0)
Capital Outlay	368,082	1,103,264	144,195	(959,069)	(86.9)
Total	\$ 5,578,791	\$ 6,959,170	\$ 5,922,012	\$ (1,037,158)	(14.9)
<b>Resources:</b>					
Ambulance & CPR Revenues	\$ 682,198	\$ 610,000	\$ 687,000	\$ 77,000	12.6
Police & Fire Pension Millage	1,837,372	2,148,766	2,067,860	(80,906)	(3.8)
Vehicle Proposal Millage	0	600,000	0	(600,000)	n/a
Advanced Life Support Millage	190,465	172,698	192,104	19,406	11.2
General Fund	2,868,756	3,427,706	2,975,048	(452,658)	(13.2)
Total	\$ 5,578,791	\$ 6,959,170	\$ 5,922,012	\$ (1,037,158)	(14.9)

## Key Issues

- Capital Outlay expenses are down significantly in FY 2020 due to Fire engine replacement. After saving for two years we advanced purchase one fire engine in FY 19 that was original schedule for replacement in FY 2020. After having the vehicles evaluated, we also financed the purchase of a second Fire engine in FY 2019 that would typically be saved for over the next three years. In FY 2020 only the first year, financing payment is budgeted at \$129,195.
- Personnel costs are down due to a change in our contribution method to the retiree health care trust. In the past we were budgeting approximately 34% of the annually calculated contribution and paying current year premiums from the trust, however FY 2020 we are budgeting to pay the normal cost to the retiree health care trust and paying premiums from current year revenues.

# Community and Economic Development

The Community and Economic Development Department consists of these functions: Building, Planning/Zoning, 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,

## Organizational Structure and Staff

Personnel Summary	2017-18	2018-19	2019-20
Community and Economic Development Director	1	1	1
Building Official (Contracted 2015-16)	0	0	0
Economic Development Supervisor	1	1	1
Administrative Secretary	1	1	1
GIS/CDD Technician	0	1	1
GIS/Multimedia Specialist	1	0	0
Inspector	0	0	0
Office/CDBG Assistant	1	1	1
Code Enforcement Officer (Non-CDBG)	0	1	2
Total Full-Time	5	6	6
Part-time Social Media Intern	1	0	0
Code Enforcement Officer	1	1	1
Total Part-Time	2	1	1
Total Employees	7	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.
- Implemented updated Code Enforcement procedure.
- Completed over 3,700 inspections of building, electrical, mechanical, plumbing, sign and concrete permits conducted to ensure safe construction.
- Offered collaborative manufacturing meetings with Chamber and MMA. (2018 Goal O)
- Held “How To” seminar for residents on “How to Remodel Basements” (2019 Goal D).
- Implemented a Tax Foreclosure Purchase/Sale/Redevelopment Program (2019 Goal U).
- Created a new afternoon/evening/weekend code enforcement program including a change in policy to penalize frequent offenders. (2019 Goal A).
- Created a “Pick The Heights Clean” Litter Program (2019 Goal E).

### Objectives

- Provide staff with personal safety training and construction safety training session.
- Organize and hold the DDA’s Annual Art Challenge prior to December 2019.
- Undertake an inventory review and audit of public land to determine the best possible uses and reuses.
- Apply to become a redevelopment ready community through the Michigan Economic Development Corporation.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
<i>Input</i>	Valuation of commercial/industrial construction: Regular	\$ 6,091,338	\$ 8,000,000	\$ 8,000,000
	Valuation of residential construction	\$ 4,460,299	\$ 158,318	\$ 5,000,000
	Expenditures: Code Enforcement personnel and operations	\$ 116,594	\$ 1,115,659	\$ 168,479
	Expenditures: Development inspection, personnel and operations	\$ 1,055,928	\$ 1,011,253	\$ 1,083,447
<i>Output</i>	Code Enforcement: Total Cases Initiated	2,352	2,300	2,300
	# of Building Permits issued: Commercial	539	350	350
	# of Building Permits issued : Residential	411	500	500
<i>Outcome</i>	Vacancy Rate: Industrial	4.7%	3.5%	3.5%
	Vacancy Rate: Office	18.2%	10.0%	10.0%
	Vacancy Rate: Retail	8.4%	4.0%	4.0%
<i>Efficiency</i>	Amount recovered from property owners relating to jurisdiction abatement efforts	\$ -	\$ 35,000	\$ 30,000
	% 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	3.8%	4.0%	3.6%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 620,026	\$ 590,324	\$ 542,512	\$ (47,812)	(8.1)
Supplies	3,100	11,050	11,550	500	4.5
Other Services and Charges	432,802	611,285	528,885	(82,400)	(13.5)
Capital Outlay	11,245	30,000	0	(30,000)	0.0
Total	\$ 1,067,173	\$ 1,242,659	\$ 1,082,947	\$ (159,712)	(12.9)
<b>Resources:</b>					
Occupational Licenses	\$ 219,965	\$ 200,000	\$ 220,000	\$ 20,000	10.0
Other Permits	48,996	60,000	50,500	(9,500)	(15.8)
Building Permits	376,079	400,000	400,000	0	0.0
Engineering Fees	88,531	25,000	25,000	0	0.0
Planning Fees	10,050	10,000	10,000	0	0.0
GIS Services	12,300	5,000	5,500	500	10.0
General Fund	311,252	542,659	371,947	(170,712)	(31.5)
Total	\$ 1,067,173	\$ 1,242,659	\$ 1,082,947	\$ (159,712)	(12.9)

## Key Issues

- The Budget includes an estimated expenditure of \$50,000 to continue to provide for upfront, reimburseable cost for cleanup of contaminated properties.
- Other services and charges are budgeted to increase in FY 2020 due to the recommendation of the Planning Commission to update the Master Plan. This has been estimated to cost \$75,000.



# Streets Division

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

- Maintaining the 106 miles of streets under the City's jurisdiction, and through maintenance agreements with Oakland and Macomb counties;
- 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.

## **Accomplishments**

### **Public Safety:**

- Assisted in the 2018 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.
- Promoted in-house to fill the Streets/Facilities Coordinator position, overseeing Streets, Parks, and parts of Solid Waste.

## **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 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.
- Increase the Division's use of the City's social and other media outlets to disseminate information to our residents in a timely manner.



## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
<i>Input</i>	Expenditures on paved sidewalks (operations and capital)	\$ 202,194	\$ 187,571	\$ 128,625
	Annual Streetlighting Expense	\$ 506,024	\$ 535,000	\$ 476,000
<i>Efficiency</i>	Expenditures, paved road rehabilitation, per total paved lane miles	\$ 10,439	\$ 9,684	\$ 6,640
	Department Expenditures as a % of General Fund	3.6%	3.5%	3.8%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 19,312	\$ 14,790	\$ 15,880	\$ 1,090	7.4
Supplies	2,654	3,462	3,600	138	4.0
Other Services and Charges	904,812	1,015,020	880,359	(134,661)	(13.3)
Capital Outlay	75,123	39,620	230,000	190,380	0.0
Total	\$ 1,001,901	\$ 1,072,892	\$ 1,129,839	\$ 56,947	5.3
<b>Resources:</b>					
Weed Mowing	\$ 14,533	\$ 30,000	\$ 30,000	\$ 0	0.0
Brush Chipping	8,450	6,000	6,000	0	0.0
Proposal V	0	0	0	0	0.0
General Fund	978,918	1,036,892	1,093,839	56,947	5.5
Total	\$ 1,001,901	\$ 1,072,892	\$ 1,129,839	\$ 56,947	5.3

## Key Issues

- Personnel services resulted in a slight increase due to the combination of a union negotiated wage increase of 2.25% reduced by a change in contribution method to the retiree health care trust. In the past we were budgeting approximately 34% of the annually calculated contribution and paying current year premiums from the trust, however FY 2020 we are budgeting to pay the normal cost to the retiree health care trust and paying premiums from current year revenues.
- Other Services and Charges are down because of decrease in internal services charge from both Motor Pool and Department of Public Services. Expenses for streetlights are budgeted to decrease as the city's vendor, DTE, starts to pass on Federal tax rebates to customers reducing our monthly charges.
- Capital Outlay is budgeted to increase due to the replacement of a tandem dump truck estimated at \$230,000.

# Solid Waste Division

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

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

## **Accomplishments**

### **Public Health:**

- Completed removal of 54 dead or diseased trees, and proactively removed and replaced 8 trees from the R-3/water main projects.
- Held successful DPS Spring Clean-Up Day and Brush Chipping Week to encourage clean-out of basements, yards, and garages. (2017 Goal A)
- Completed multiple tree trimming/pruning requests along with annual winter trimming/pruning by Branch Tree Service in the area north of 11 Mile, east of John R, and at the Civic Center campus and Active Adult Center grounds by DPS personnel.
- Promoted in-house to fill the Streets/Facilities Coordinator position, overseeing Streets, Parks, and parts of Solid Waste.
- DPS sold 289 recycling bins, and 276 boxes of garbage bags to our residents. 350 new 64 gallon recycling totes, and 380 new 96 gallon garbage totes were sold to our residents by GFL.
- Evaluated and pursued a contract extension with GFL Environmental that would include options for both 95 gallon trash and 64 gallon recycling totes.
- Provided staff support to first year of newly reestablished Environmental Citizens Committee (ECC).
- Expanded 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).

## **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.
- Replace vehicle (chipper) #410, a 2002 Brush Bandit.

### **Public Safety:**

- With the Environmental Citizens Committee, continue developing a public outreach campaign to increase recycling and composting tonnage, while decreasing garbage volumes.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
<i>Input</i>	Expenditures for Recycling	\$ 222,303	\$ 273,263	\$ 280,095
<i>Output</i>	Residential recycling: Tons collected	1,211.40	1,250.00	1,300.00
	Yard Waste Tons Collected: Composted	1,951.30	1,931.49	1,900.00
<i>Efficiency</i>	Street sweeping expenditures per lane mile	65.58	66.05	66.53
	Department Expenditures as a % of the General Fund	8.1%	7.7%	8.1%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 76,302	\$ 60,584	\$ 65,003	\$ 4,419	7.3
Supplies	14,138	17,601	17,727	126	0.7
Other Services and Charges	1,913,137	2,201,167	2,345,959	144,792	6.6
Capital Outlay	226,665	90,000	20,000	(70,000)	0.0
Total	\$ 2,230,242	\$ 2,369,352	\$ 2,448,689	79,337	0.0
Indirect Costs	365,215	365,000	365,000	0	0.0
<b>Resources:</b>					
Solid Waste Millage	\$ 2,383,321	\$ 2,421,027	\$ 2,484,683	\$ 63,656	2.6
General Fund	212,136	313,325	329,006	15,681	5.0
Total	\$ 2,595,457	\$ 2,734,352	\$ 2,813,689	\$ 79,337	98.1

## Key Issues

- In FY 2020 Other Services and Charges is budgeted to increase due to a recent bid for hauling of various construction and restoration material to and from eh DPS yard. These materials include, but are not limited to, delivery of sand, topsoil, and various aggregates, and the hauling and disposal of broken concrete, clay and construction spoils, leaves, woodchips, and sweeper/vactor debris. In FY 2018, we bid this service due to nonperformance issues. As a result, this expenditure has increased \$102,707 in the upcoming budget year.
- Capital Outlay is budget at \$20,000 for an attachment to a loader.

# Recreation Division

The Recreation Division of the Department of Public Services consists of a part-time coordinator, 23 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, Hometown Harvest (former 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	2017-18	2018-19	2019-20
Recreation Coordinator	1	1	1
Basketball Staff	13	13	8
Camp Staff	7	7	10
Lifeguard	1	1	1
Adult Program Supervisor	2	2	2
Youth Program Supervisor	1	1	2
Recreation Intern	1	1	1
Total Part-Time	26	26	25
Total Employees	26	26	25

### 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.
- Continue to use a Facebook page for the Recreation Department to promote all special events, one-day programs and post reminders of deadlines. The information can easily be shared with the click of a mouse to hundreds of people with less cost and time. The Recreation Department has reached over 990 followers.
- Continued sponsorship initiatives to increase revenues for events and programs and reduce staff time and postage cost spent on solicitation. Gained "Naming Sponsors" for events with donations that cover a majority of event cost.
- Gymnastics program has been very successful with registrations, participation and the development of a competitive team.
- Continued building Day Camp program to offer full summer of opportunities to meet families' needs. Largest participation in history of Camps program averaged 58 children per day for 8 week program.
- Reinstated 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.
- Offered new programs and events to reach more families such as parent/child dance, babysitting class and all ages martial arts classes.

### Objectives

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

- Develop and promote new 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). Partner with more organizations/associations to offer more diverse experience for youths in sports. Include more cities/teams for greater experiences.
- 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 events and activities.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
Input	New Programs introduced	8	8	6
	Recreation revenues	\$ 127,856	\$ 129,029	\$ 143,619
Output	Recreation Registrations	2,268	2,427	2,342
	Pavilion Rentals	70	73	80
Efficiency	Department Expenditures as a % of the General Fund	0.7%	0.7%	0.6%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 89,455	\$ 79,070	\$ 80,757	\$ 1,687	2.1
Supplies	32,422	46,995	47,183	188	0.4
Other Services and Charges	61,482	76,371	55,952	(20,419)	(26.7)
Capital Outlay	0	0	10,000	10,000	0.0
Total	\$ 183,359	\$ 202,436	\$ 193,892	\$ (8,544)	(4.2)
<b>Resources:</b>					
Recreation Fees	\$ 127,856	\$ 135,000	\$ 135,000	\$ 0	0.0
Recreation-Miscellaneous	6,082	3,000	4,000	1,000	0.0
General Fund	49,421	64,436	54,892	(9,544)	(14.8)
Total	\$ 183,359	\$ 202,436	\$ 193,892	\$ (8,544)	(4.2)

## Key Issues

- Capital Outlay include \$10,000 for the continuation of ADA accessible swing ramps.
- Other Services and Supplies are also budgeted to decrease due to recreation contractor payments. The FY 2020 budget is in-line with past year and projected FY 2019 payments.

# Nature Center Division

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

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

## **Accomplishments**

### **Quality of Life:**

- Aided in promotion of Red Oaks Nature Center.
- Met with OCPR Staff to coordinate Capital Improvement planning and implementation schedules with City Staff.
- Successfully held the 2018 Nature Center Hometown Harvest.
- Replaced the deteriorated wooden bridge in the north loop of the Habitat Trail with a culvert and paved trail to increase ADA accessibility of the trail network.
- Created connector trail between the Sensory and Forest Trails to enhance pedestrian safety by keeping pedestrian traffic out of the main driveway near the building.

## **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.
- Determine a funding model through the Budget and Capital Improvement process which will honor the cost-share provision of the agreement between the City and Oakland County Parks, while addressing the difference in fiscal years between the two entities.
- Through reprogrammed funding from the HVAC project, replace doors and insulation throughout the building for increased comfort, and energy savings.
- Perform a series of exhibit and A/V system upgrades to enhance the visitor experience.

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	9,017	8,531	8,935	404	4.7
Capital Outlay	20,567	55,000	50,000	(5,000)	0.0
Total	\$ 29,584	\$ 63,531	\$ 58,935	\$ (4,596)	(7.2)
<b>Resources:</b>					
Nature Center Contributions	\$ 0	\$ 0	\$ 0	\$ 0	0.0
General Fund	29,584	63,531	58,935	(4,596)	(7.2)
Total	\$ 29,584	\$ 63,531	\$ 58,935	\$ (4,596)	(7.2)

## 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 2020, the Nature Center parking lot is scheduled to be replaced from North Trail and Hales Street connector. FY 2020 includes City funding of \$50,000.

# Parks Division

The Parks Division of the Department of Public Services consists of two part-time seasonal Park Rangers, and DPS personnel on an assignment basis. This division is responsible for:

- Maintaining all City parks and the exterior landscaping of all City facilities;
- Preparing athletic fields, and performing winter sidewalk, trail, and parking lot maintenance for all City facilities; and
- Responding to tree service calls, removal of unsafe or dead trees, coordination of the tree planting program, and oversight of the mowing contractor.

## Organizational Structure and Staff

Personnel Summary	2017-18	2018-19	2019-20
Parks Maintenance III	0	0	0
Total Full-Time	0	0	0
Park Rangers	2	2	2
Total Part-Time	2	2	2
Total Employees	2	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
- For the second year, offered a discounted voucher program allowing qualified residents to receive Red Oaks water park tickets at no-cost, or at a reduced rate based on household income. (2019 City Goal P)
- Promoted in-house to fill the Streets/Facilities Coordinator position, overseeing Streets, Parks, and parts of Solid Waste.
- Replaced the aged fencing along Greenleaf Park in conjunction with the installation of the Delton Street sidewalk gap.
- Oversight of the R3 Construction and DDA Tree Replacement Programs.
- Completed an extensive analysis and replacement program of all memorial tree plaques with in-house resources.
- Secured grant funding through the MDNR (Recreation Passport Grant) to replace playground at Wildwood Park.
- Replaced parking lot at Ambassador Park.
- Replaced various swing sets throughout the City.

## 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.
- 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.
- 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.



## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
<i>Input</i>	Expenditures: Parks personnel and operations: Total	\$ 475,755	\$ 488,604	\$ 480,000
	Park maintenance expenditures per acre	\$ 5,008	\$ 5,143	\$ 5,053
<i>Efficiency</i>	Department Expenditures as a % of General Fund	1.9%	2.1%	1.4%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 32,082	\$ 26,651	\$ 27,723	\$ 1,072	4.0
Supplies	25,766	33,238	48,254	15,016	45.2
Other Services and Charges	399,845	265,157	285,969	20,812	7.8
Capital Outlay	61,273	336,100	63,500	(272,600)	0.0
Total	\$ 518,966	\$ 661,146	\$ 425,446	\$ (235,700)	(35.7)
<b>Resources:</b>					
General Fund	\$ 518,966	\$ 661,146	\$ 425,446	\$ (235,700)	(35.7)
Vehicle Millage	-	-	-	-	100
Total	\$ 518,966	\$ 661,146	\$ 425,446	\$ (235,700)	(35.7)

## Key Issues

- Supplies are budgeted to increase due to the need to replace holiday decorations for our Civic Center complex. Last year, when decorations were to be installed it was discovered that much of the nativity scene and several other historical holiday decorations were beyond repair. Give the cost to replace the items the purchase has been included as a budgeted item at \$15,000 for outdoor commercial grade decorations.
- Capital Outlay in the Parks department is budgeted to include a furnace at the Huffman Building (\$8,500), Lighting analysis and repairs (\$25,000) and the Wildwood parking lot replacement (\$25,000).

# Active Adult Division

The Active Adult Division of the Department of Public Services is staffed with one full-time Active Adult Center 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	2017-18	2018-19	2019-20
Active Adult Center Program Coordinator	1	1	1
Active Adult Center Program Assistant	0	0	1
Total Full-Time	1	1	2
Bus Driver/Chauffeur	5	5	5
Active Adult Center Program Assistant	1	1	0
Office Assistant	0	1	1
Total Part-Time	6	7	6
Total Employees	7	8	8

### Accomplishments

- Changed the facility name from “Madison Heights Senior Center” to “The Madison Heights Active Adult Center” to alleviate stigma regarding aging (2019 Goal Z).
- Raised \$12,125.64 throughout the year through fundraising events and donations to help cover extraneous equipment and programs at the Center.
- Rented the Active Adult Center 31 times grossing \$6,800 in revenue.
- Provided 233 clients with free tax service through the help of AARP.
- Furnished assistance to 28 seniors, providing aid with home repairs through the Senior Home Assistance and Repair Program (SHARP).
- Provided 25 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 25 beneficiaries.
- Aided 24 seniors in receiving Focus Hope commodity food each month.
- Added one front desk position with 15 hours per week.
- Continued partnerships with the following agencies: International Outdoor, TrynEx International, Mobility Works, Ray Chammas, American House Troy, Lamphere and Page Bands, Shanbom Eye Specialist, American House Hazel Park, Madison Heights Fire Department, Hopcroft Funeral Home, Creative Employment, and various other health care agencies.
- Regularly updated the Facebook page to reach more seniors and advertise activities at the Center as well as post pictures of past events and trips.

### Objectives

- Purchase new 25 & 40 passenger buses to replace aging current vehicles – see SMART grant below for 25 passenger vehicle.
- Restore Program Assistant position to full time.
- Change one Chauffeur position to front desk/dispatcher position with 27 hours per week.
- Purchase insulation for the Active Adult Center to save on heating and cooling costs and to enable temperature regulation that will make it more comfortable for the seniors.
- Purchase new room divider for Rooms D & E.
- Apply for SMART grant to replace aging 25 passenger bus with new 28 passenger bus.
- Replace aging dishwasher in kitchen.
- Replace aging electronic sign.
- Close off the front office window for privacy and security.
- Install doors in dining room to promote heat/air conditioning retention and save on heating/cooling costs.
- Replace aging furniture in front room.
- Meet the service needs of older adults and their families to enhance dignity, independence and quality of life for seniors, keeping the senior in their homes as long as possible.
- Provide positive events that foster interaction among older adults and between seniors and the community to build friendships making the community stronger, healthier and more supportive.

- Continue to implement activities that are pleasurable and improve health and well-being- physically, emotionally and mentally - making sure seniors are recognized as a valuable asset.
- Enhance adults' knowledge about subjects with which they are familiar as well as offer information and education on interesting current topics to maintain mental acuity.
- Provide information and referral for services available to older adults in the community and offer assistance for those unable to negotiate the system with information alone.
- 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.
- Add free monthly financial consultations.
- Continue to provide many of our trips, events and activities free of charge or very low cost such as Great Lakes Crossing, Exotic Zoo, Detroit Zoo, DIA, Ikea, 80 & Better Birthday Party, Brain Games, exercise class, scrabble, dominoes, prize bingo, game day, knit & crochet, movie, book club, computer class and services such as blood pressure checks, annual health fair, monthly lawyer consultations, and informational talks.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
Input	Two-way trips	11,413	14,432	15,000
	Bus Miles Traveled	22,003	24,215	25,000
Output	Number of programs offered for seniors	1,530	1,530	1,530
	Day trips	47	50	50
	Newsletter subscriptions	400	400	400
	Department Expenditures as a % of the General Fund	1.4%	1.3%	1.6%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 177,128	\$ 180,418	\$ 207,238	\$ 26,820	14.9
Supplies	135,228	127,113	128,608	1,495	1.2
Other Services and Charges	76,465	78,891	131,273	52,382	66.4
Capital Outlay	0	25,000	0	(25,000)	(100.0)
Total	\$ 388,821	\$ 411,422	\$ 467,119	\$ 55,697	13.5
Indirect Costs	156,960	155,500	157,000	1,500	1.0
<b>Resources:</b>					
Senior Non-Program	\$ 11,256	\$ 9,959	\$ 10,900	\$ 941	9.4
Senior Citizens Activities	133,121	121,822	130,000	8,178	6.7
Senior Center Millage	362,148	371,048	382,430	11,382	3.1
SMART	70,019	70,019	70,019	0	0.0
General Fund	(30,763)	(5,926)	30,770	36,696	(619.2)
Total	\$ 545,781	\$ 566,922	\$ 624,119	\$ 57,197	10.1

## Key Issues

- Personnel Services are increased due to two factors; first negotiated union wage increases of 2.25% and the upgrade of 1 part-time position to a full-time position. One full-time employee, two part-time employees and volunteers, currently operate the Active Adult Center. The addition of one full-time employee will allow at least one employee on site during the majority of hours the center is open.
- Other Services and Charges are increasing in FY 2020. We are in the process of conducting a feasibility study to determine if the Active Adult Center could be relocated into a new facility on the Civic Center Plaza, which would be built as part of renovation of the library and main floor of City Hall. The goals of this project are to update the Active Adult Center space, move the Center to a location that is more identifiable and increase the City's taxable value by redeveloping the current location. \$50,000 has been budgeted for architect fees as a beginning to this project plan.

# 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	2017-18	2018-19	2019-20
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:

- Implemented 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 V).
- Established 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 (2019 Goal U).
- Reinvented an adult evening book club and continued to work on promotion and involvement of this library run book club, as well as to promote the library's ability to facilitate resident run opportunities.

### Objectives

#### Quality of Life:

- Continue to offer community programming opportunities such as the February 2019 Evening for Autism event with the Oakland University Center for Autism (OUCARES) and through the TLN partnership with Community Engagement Specialist Dale Jaslove. The latter has already seen two years of Imagine Theatre discount tickets, reduced pricing on Red Wing tickets and the opportunity for Little Caesars Arena tours, and an Alzheimer's Association presentation.
- Explore the possibility of online book clubs.
- Continue to work on young adult programming, using the Volunteers as sounding boards and as ambassadors to fellow students through their schools.
- Explore the implementation of streaming digital services to meet resident requests.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
Input	Expenditures, Library: E-Materials acquisition	\$ 14,200	\$ 15,200	\$ 18,157
	Expenditures, Library: Hard-copy materials acquisition	\$ 45,731	\$ 49,707	\$ 52,192
	Hours Paid: Library Staff	14,924	14,924	14,924
Output	Electronic Circulation per Capita	0.37	0.40	0.43
	Number of library visitors	86,182	96,400	96,400
	Library: Total reference transactions	6,570	5,300	5,300
Outcome	Library community involvement	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB
	Library: Hours worked by volunteers	571	600	600
	Expenditures, Library: Online resources acquisition/subscription (OUD, Mango, RBT)	\$ 13,075	\$ 13,489	\$ 13,853
Efficiency	Libraries: Circulation per capita	3.16	3.00	3.00
	Library visitation rate per capita	2.90	3.00	3.00
	Department Expenditures as a % of the General Fund	2.4%	2.4%	2.4%

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

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 470,918	\$ 471,342	\$ 494,920	\$ 23,578	5.0
Supplies	4,323	6,091	5,530	(561)	(9.2)
Other Services and Charges	132,145	126,161	130,900	4,739	3.8
Capital Outlay	64,540	139,547	91,807	(47,740)	(34.2)
Total	\$ 671,926	\$ 743,141	\$ 723,157	\$ (19,984)	(2.7)
Indirect Costs	\$ 109,452	\$ 111,532	\$ 114,209	\$ 2,677	2.4
<b>Resources:</b>					
State Library Aid	\$ 21,775	\$ 19,500	\$ 21,000	\$ 1,500	7.7
County Penal Fines	62,094	61,000	61,000	0	0.0
Book Fines	9,846	10,500	10,500	0	0.0
Video Revenues	628	1,200	0	(1,200)	(100.0)
Copy/Print Fees	8,857	9,000	9,000	0	0.0
TLN USF E-Rate Rebate	7,293	4,375	7,300	2,925	66.9
Proposal L Millage	755,756	780,970	805,008	876,602	100.0
General Fund	(77,578)	(27,497)	(69,142)	(41,645)	151.5
Total	\$ 788,671	\$ 859,048	\$ 844,666	\$ 838,182	97.6

## Key Issues

- The budget includes a 12%, or \$8,800, increase in the materials line-items for books, e-books, and audio media.
- Personnel services resulted in a slight increase due to the combination of a union negotiated wage increase of 2.25% reduced by a change in contribution method to the retiree health care trust. In the past we were budgeting approximately 34% of the annually calculated contribution and paying current year premiums from the trust, however FY 2020 we are budgeting to pay the normal cost to the retiree health care trust and paying premiums from current year revenues. Personnel services also include an increase in part-time hours to cover the addition of Sunday hours (4) four hours, during the school year.
- Capital Outlay includes the computer upgrades budgeted at \$11,800.

# Insurance & Transfers

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	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	374,390	386,162	387,306	1,144	0.3
Transfers	0	0	0	0	0.0
Total	\$ 374,390	\$ 386,162	\$ 387,306	\$ 1,144	0.3
<b>Resources:</b>					
General Fund	\$ 374,390	\$ 386,162	\$ 387,306	\$ 1,144	0.3
Total	\$ 374,390	\$ 386,162	\$ 387,306	\$ 1,144	0.3

## 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 2020 insurance rates has not been finalized for FY 2020; but the budget includes a modest increase of 3%, over FY 2019 actual.

# 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

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	0.0
Supplies	0	0	0	0	0.0
Other Services and Charges	440	440	440	0	0.0
Issuance of Debt	0	0	0	0	0.0
Debt Service	1,201,845	1,030,985	1,038,771	7,786	0.0
Transfers	0	0	0	0	0.0
Total	\$ 1,202,285	\$ 1,031,425	\$ 1,039,211	\$ 7,786	0.8
<b>Resources:</b>					
General Fund	\$ 1,202,285	\$ 1,031,425	\$ 1,039,211	\$ 7,786	0.8
Total	\$ 1,202,285	\$ 1,031,425	\$ 1,039,211	\$ 7,786	0.8

## 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 2020 for POB principal and interest are \$1.19 million. With this contribution the City's General Employees pension is considered 100% funded on an actuarial value basis.





## **OTHER FUNDS**

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

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# Major Street Fund

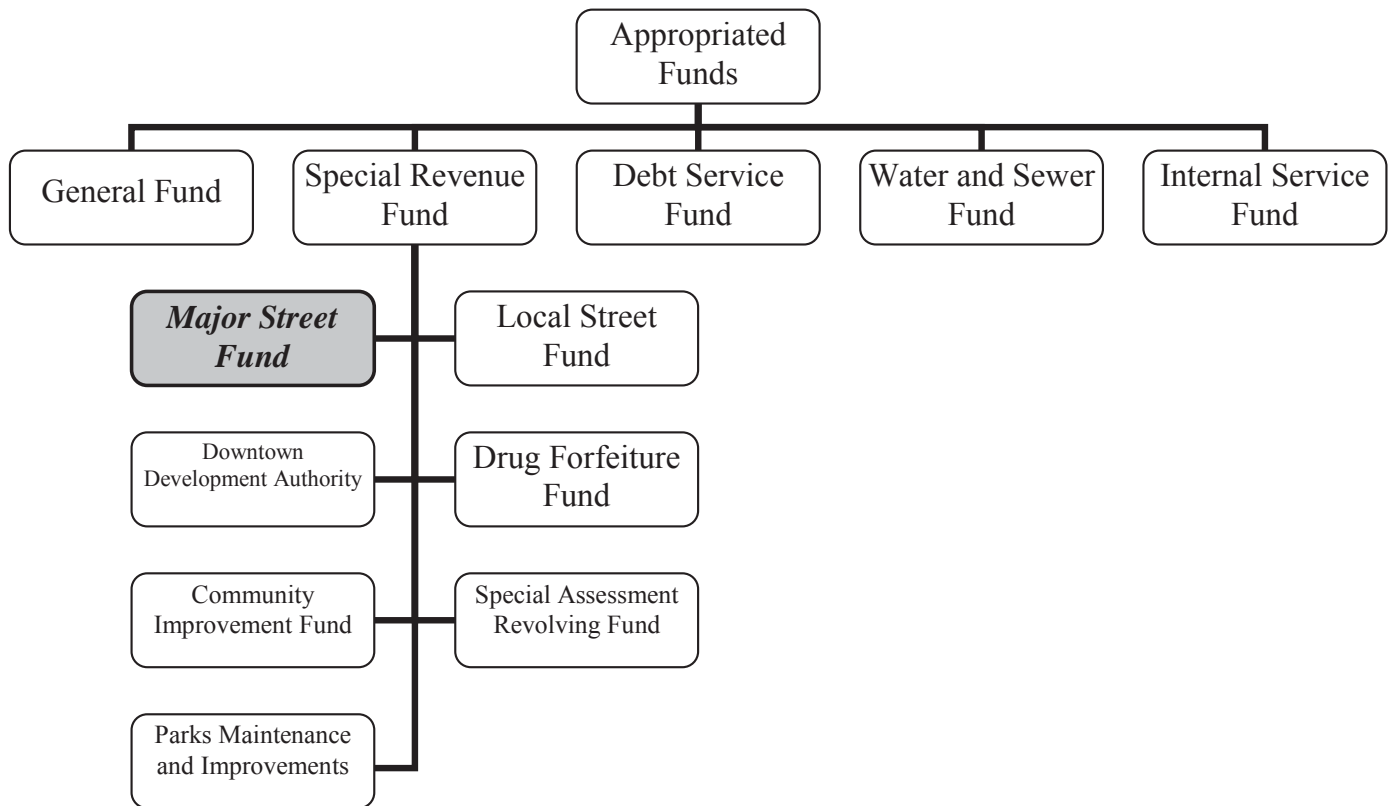
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## Statement of Services

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

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

## Organizational Fund Structure



## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Construction	\$ 1,353,453	\$ 1,625,000	\$ 1,164,835	\$ (460,165)	(28.3)
Maintenance	236,962	277,720	230,627	(47,093)	(17.0)
Traffic Services	130,019	235,566	203,835	(31,731)	(13.5)
Winter Maintenance	132,640	183,477	208,398	24,921	13.6
Administration	8,775	8,885	8,975	90	1.0
County Roads	119,491	91,842	113,437	21,595	23.5
Transfers	0	100,000	100,000	0	0.0
Total	\$ 1,981,340	\$ 2,522,490	\$ 2,030,107	\$ (492,383)	(19.5)
<b>Resources:</b>					
Federal	\$ 0	\$ 0	\$ 0	\$ 0	100.0
State	1,876,457	2,101,517	2,259,874	158,357	7.5
County	100,512	70,984	137,541	66,557	93.8
Miscellaneous Revenue	(1,473)	0	50,000	50,000	0.0
Transfers	0	0	0	0	0.0
Fund Balance	0	349,989	(417,308)	(767,297)	(219.2)
Total	\$ 1,975,496	\$ 2,522,490	\$ 2,030,107	(492,383)	(19.5)
Fund Balance	\$ 321,778	\$ (28,211)	\$ 389,097	\$ 417,308	(1,479.2)

## Key Issues

- State revenues are projected to increase by \$158,357. 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.
- Rehabilitation work is being budgeted in FY 2019-20 for a total of \$1.2 million. This includes sectional concrete replacement on major streets (\$865,000); and 12Mile road improvements (\$299,835).

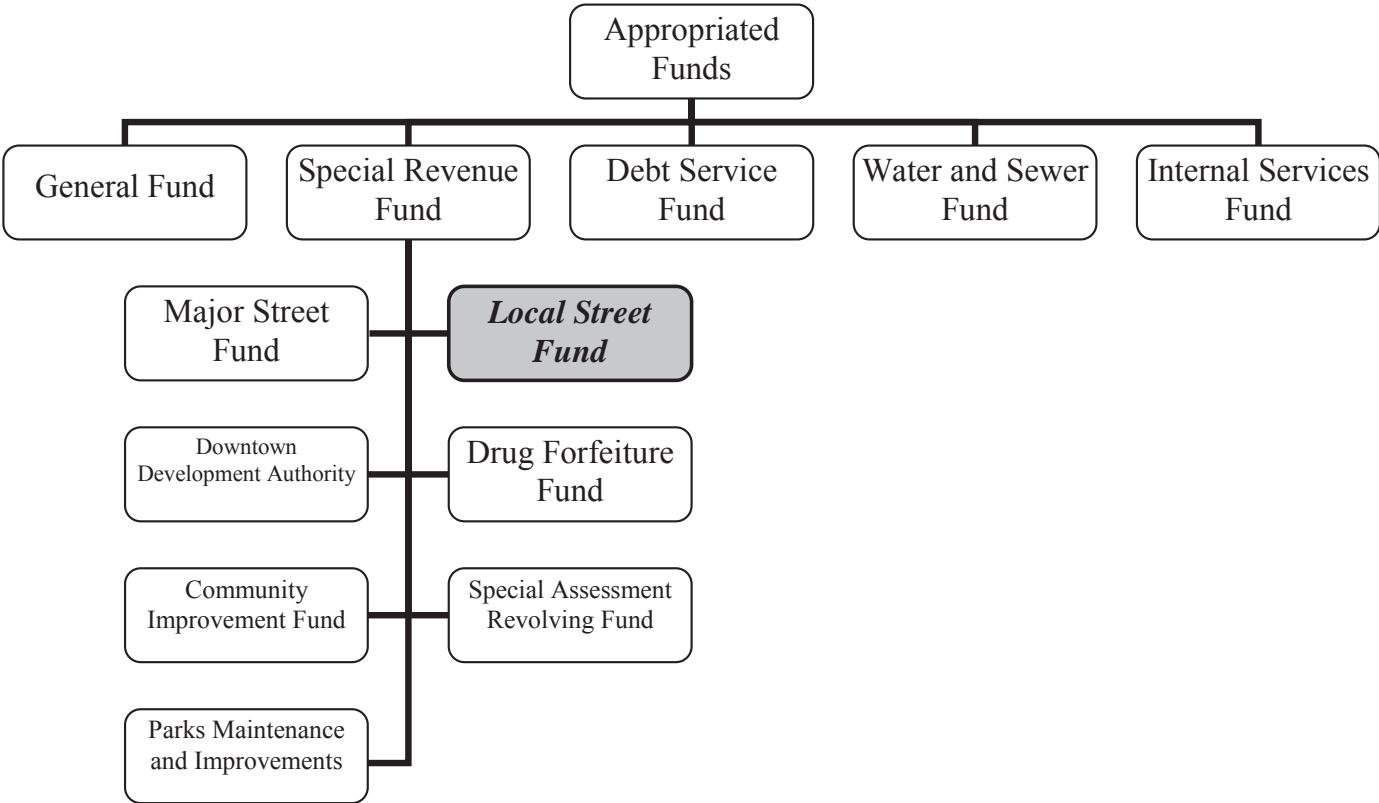
# Local Street Fund

## 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

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Construction	\$ 1,956,540	\$ 2,051,602	\$ 2,293,500	\$ 241,898	11.8
Maintenance	318,465	421,935	288,691	(133,244)	(31.6)
Traffic Services	183,902	212,950	214,992	2,042	1.0
Winter Maintenance	77,079	69,075	71,905	2,830	4.1
Administration	7,772	7,796	7,940	144	1.8
Transfers	0	0	0	0	100.0
Total	\$ 2,543,758	\$ 2,763,358	\$ 2,877,028	\$ 113,670	4.1
<b>Resources:</b>					
Property Taxes	\$ 1,525,928	\$ 1,860,031	\$ 1,595,788	\$ (264,243)	(14.2)
Intergovernmental - State	1,185,776	748,262	1,025,685	277,423	37.1
Miscellaneous	61,435	84,328	20,500	(63,828)	(75.7)
Transfers	0	100,000	100,000	0	0.0
Fund Balance	0	(29,262)	135,055	164,317	(561.5)
Total	\$ 2,773,139	\$ 2,763,359	\$ 2,877,028	\$ 113,669	4.1
Non-Proposal "R" Fund Balance	\$ 94,404	\$ (28,505)	\$ 198,652	\$ 227,157	(796.9)
Proposal "R" Fund Balance	\$ 2,388,038	\$ 2,540,209	\$ 2,177,497	\$ (362,712)	(14.3)

## Key Issues

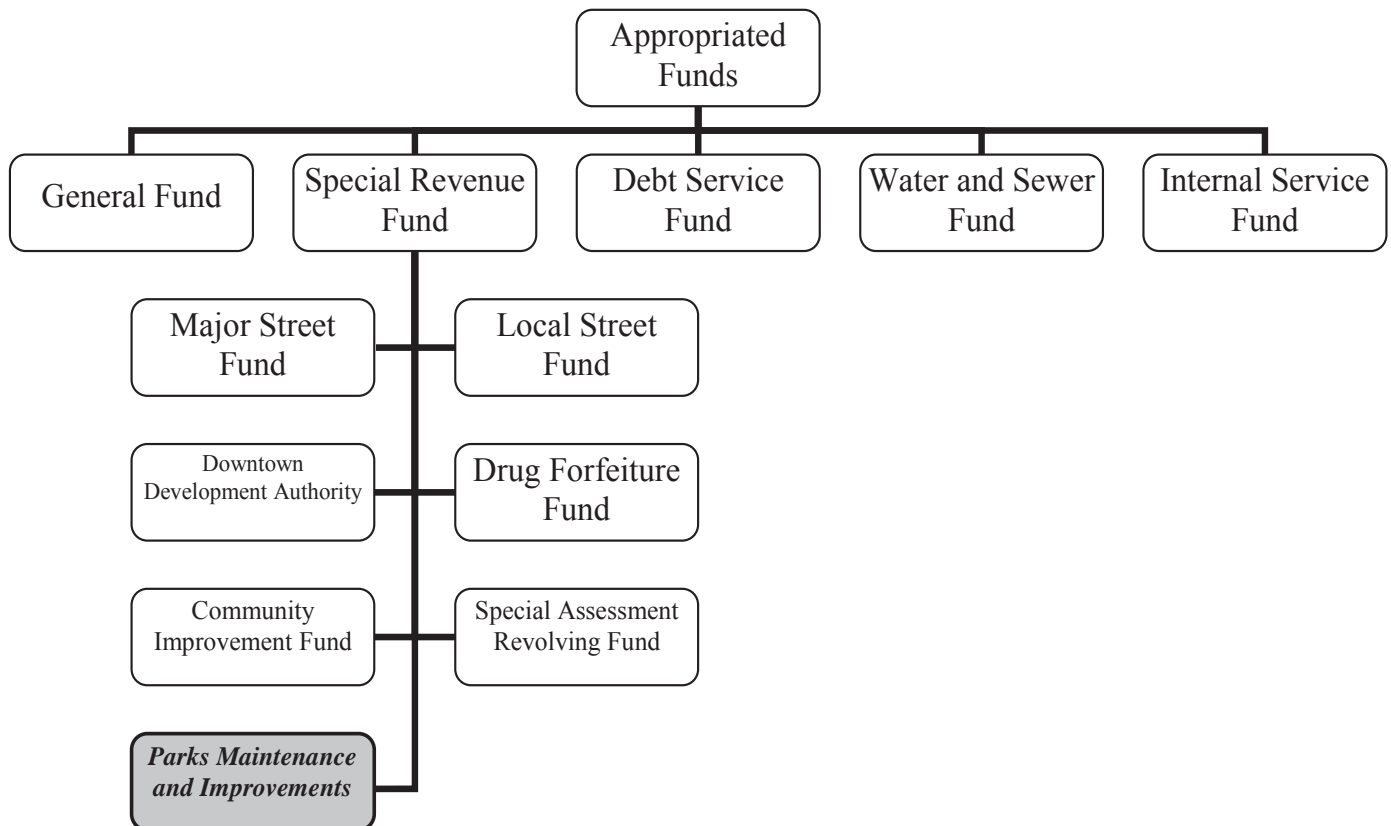
- Public Act 51 revenues are projected to increase by \$67,423 based on MDOT's projections of revenues from fuel tax and registration fee increases in the State Restricted Revenue package. For more details, see the Budget Overview.
- The Local Street Fund accounts for expenditures associated with the 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 2020 include: Meadows Ave. (\$263,000); West Dallas Ave. (\$260,000); Kenwood Ave. (\$232,000); Madison Ave. (\$181,000); Kenwood Ave. (Englewood to Kenwood) (\$174,000); Windemere Ave. (Campbell to Dorchester) (\$133,000).

# Parks Maintenance and Improvements

## Statement of Services

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

## Organizational Fund Structure



## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Maintenance	\$ 29,838	\$ 39,906	\$ 39,900	\$ (6)	(0.0)
Transfers	0	0	0	0	0.0
Total	\$ 29,838	\$ 39,906	\$ 39,900	\$ (6)	(0.0)
<b>Resources:</b>					
Interest/Miscellaneous	\$ 35,496	\$ 55,000	\$ 34,000	\$ (21,000)	(38.2)
County Shared Revenues	0	0	0	0	0.0
Fund Balance	0	(15,094)	5,900	20,994	(139.1)
Total	\$ 35,496	\$ 39,906	\$ 39,900	\$ (6)	(0.0)
 Fund Balance	 \$ 657,068	 \$ 672,162	 \$ 666,262	 \$ (5,900)	 (0.9)

## 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 (OCPD), 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

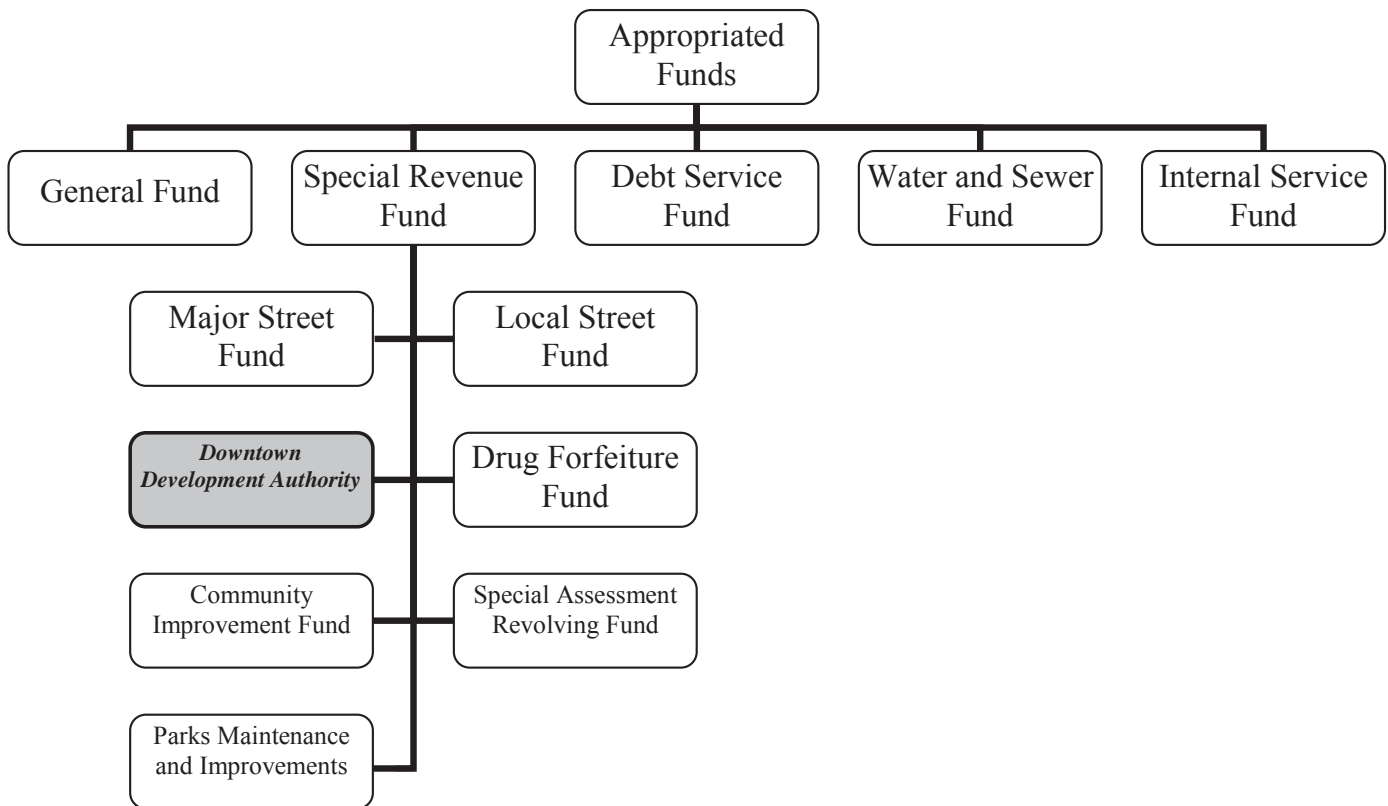
## Statement of Services

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

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Other Services and Charges	\$ 31,475	\$ 51,554	\$ 51,035	\$ (519)	(1.0)
Capital Outlay	0	1,500	60,000	58,500	0.0
Transfers	0	5,000	15,000	10,000	0.0
Total	\$ 31,475	\$ 58,054	\$ 126,035	\$ 67,981	117.1
<b>Resources:</b>					
Property Taxes	\$ 37,133	\$ 71,133	\$ 65,535	\$ (5,598)	(7.9)
Interest/Miscellaneous	0	1,156	500	(656)	0.0
Fund Balance	0	(14,235)	60,000	74,235	100.0
Total	\$ 37,133	\$ 58,054	\$ 126,035	\$ 67,981	117.1
Fund Balance	\$ 69,811	\$ 84,045	\$ 24,045	\$ (60,000)	(71.4)

## Key Issues

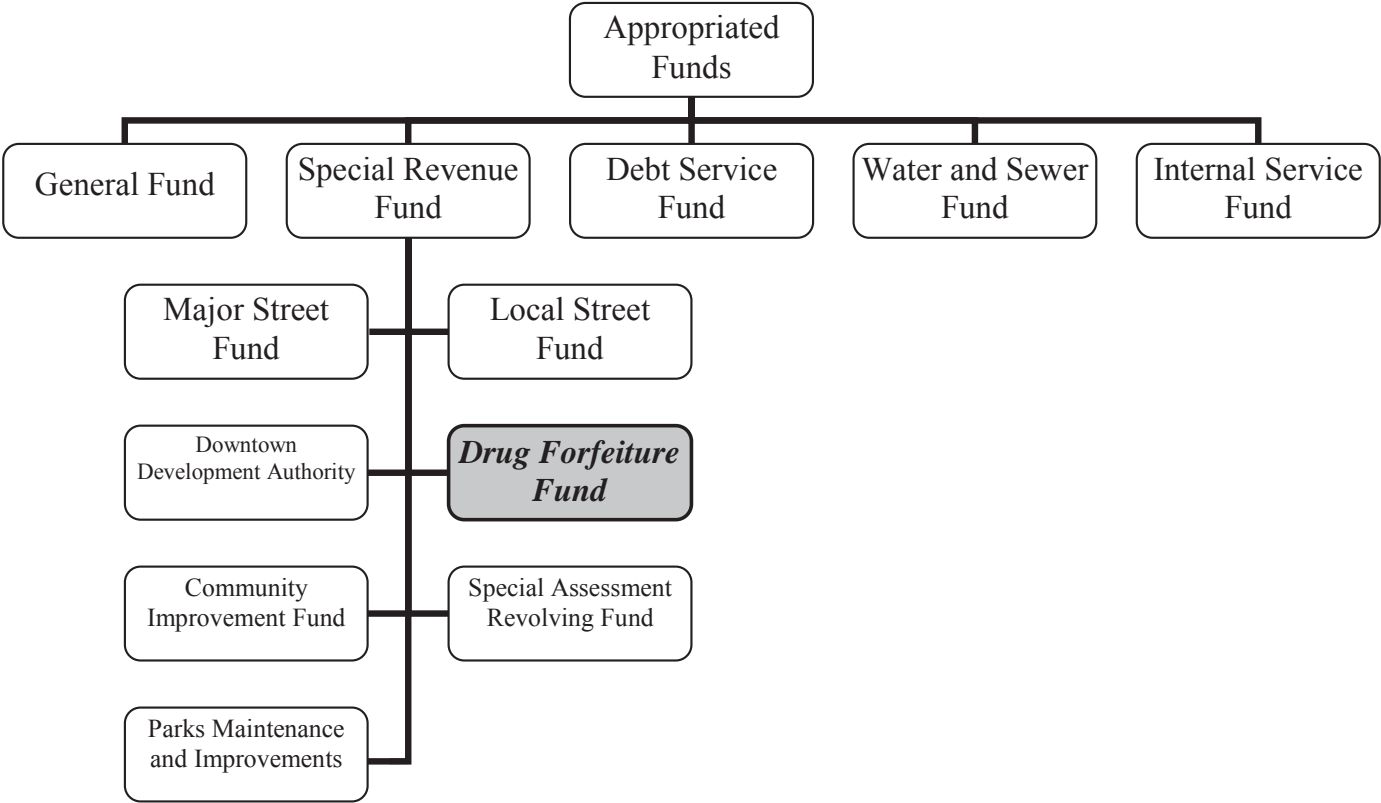
- Given the decline in property values and that DDA funding is derived exclusively from incremental growth in real and personal property tax above the 1997 base year, tax revenues have declined 80% over the last six years from \$243,100 in FY 2009-10 to \$65,535 for FY 2019-20.
- The FY 2019-20 Budget includes the following major expenditures:
  - \$50,000 Acquisition
  - \$8,000 Sign Grant
  - \$3,000 Tree Program
  - \$10,000 Facade Improvement
  - \$10,000 DDA Business Grant Program
  - \$1,500 DDA Website
- 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, \$32,697 in FY 2019, and is projected to be \$27,750 in FY 2020.

# Drug Forfeiture Fund

## Statement of Services

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

## Organizational Fund Structure



## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Supplies	\$ 26,121	\$ 9,000	\$ 2,700	\$ (6,300)	0.0
Other Charges and Services	2,500	2,500	3,400	900	36.0
Capital Outlay	28,000	145,320	129,014	(16,306)	(11.2)
Transfers	0	25,000	0		
Total	\$ 56,621	\$ 181,820	\$ 135,114	\$ (21,706)	(11.9)
<b>Resources:</b>					
Drug Forfeiture	\$ 256,677	\$ 44,000	\$ 32,000	\$ (12,000)	(27.3)
Interest and Misc. Income	619	350	350	0	100.0
Fund Balance	0	50,470	102,764	52,294	103.6
Total	\$ 257,296	\$ 94,820	\$ 135,114	\$ 40,294	42.5
Fund Balance	\$ 283,957	\$ 233,487	\$ 130,723	\$ (102,764)	(44.0)

## Key Issues

- The Capital Outlay budget includes funding for one patrol vehicle (\$36,014) and one caravan for detective bureau (\$29,000). The budget also includes the replacement of seventeen in-car computers (\$64,000).

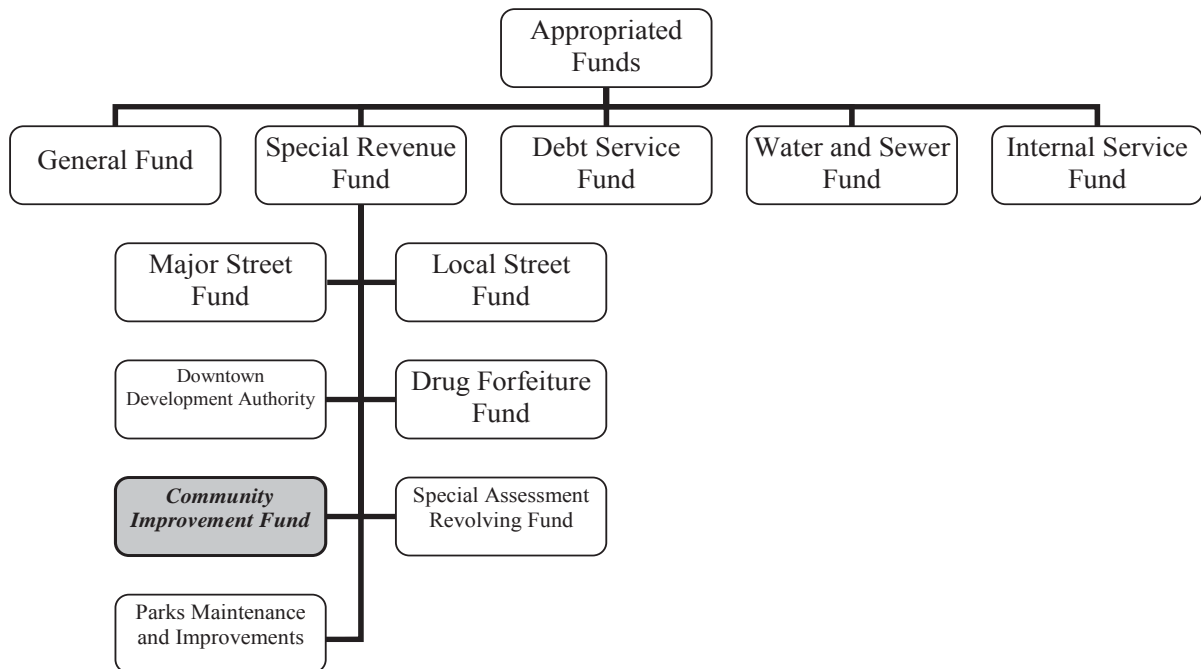
# Community Improvement Fund

## 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

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Performance Measures:</b>					
<b><u>Workload Indicators</u></b>					
Home Chore Assignments	1272	1950	1950	0	0%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 75,344	\$ 83,497	\$ 77,344	\$ (6,153)	-7.4%
Supplies	0	0	0	0	0.0%
Other Services and Charges	16,296	22,782	57,000	34,218	150.2%
Capital Outlay	0	0	0	0	0.0%
Total	\$ 91,640	\$ 106,279	\$ 134,344	\$ 28,065	26.4%
<b>Resources:</b>					
Community Develop. Grant	\$ 141,843	\$ 110,282	\$ 139,212	\$ 28,930	26.2%
Fund Balance	0	(4,003)	(4,868)	(865)	21.6%
Total	\$ 141,843	\$ 106,279	\$ 134,344	\$ 28,065	26.4%

## Key Issues

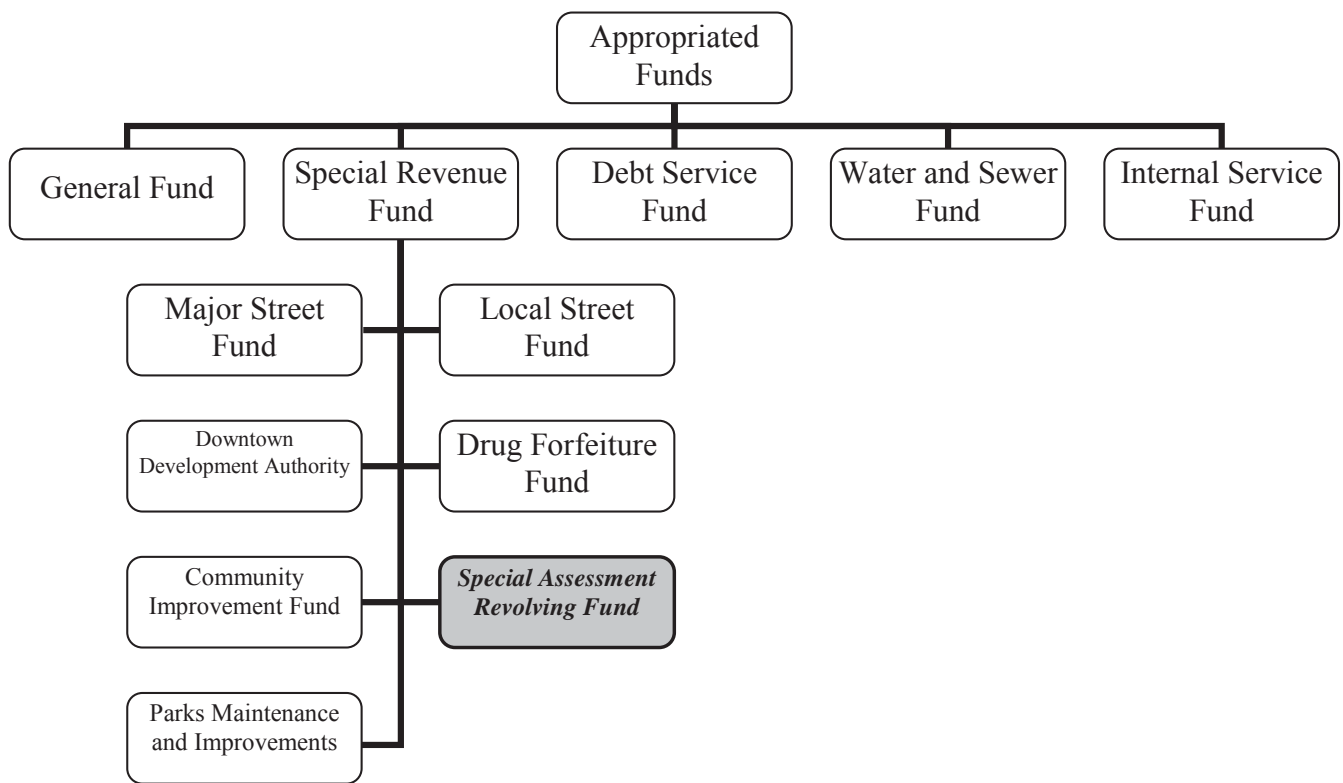
- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and a Home Chore Program, including mowing and limited fall clean up for seniors.
- Continuing to provide quality lawn mowing service in the face of tighter CDBG regulations and spending restrictions, while maintaining program participation at or near the current level, will remain a challenge for staff.
- FY 2020 services provided to allow more funds for lawn mowing and weed cutting and limited fall cleanup services for seniors.

# 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 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Other Services and Charges	\$ 3,293	\$ 2,948	\$ 3,020	\$ 72	2.4
Capital Outlay	280,674	250,000	300,000	50,000	20.0
Transfers	2,500	2,500	2,500	0	0.0
Total	\$ 286,467	\$ 255,448	\$ 305,520	\$ 50,072	19.6
<b>Resources:</b>					
Interest and Misc. Income	\$ 12,231	\$ 5,000	\$ 5,000	\$ 0	0.0
Special Assessment Revenue	112,641	80,343	35,725	(44,618)	(55.5)
Transfers	0	0	0	0	0.0
Fund Balance	0	170,105	264,795	94,690	55.7
Total	\$ 124,872	\$ 255,448	\$ 305,520	\$ 50,072	19.6

## Key Issues

- A total of \$300,000 has been budgeted for the continuation of the very successful sidewalk repair and installation program. This year's program (Year 5 of the third cycle) will cover the area from 12 Mile and Gardenia to Stephenson and Dequindre.
- 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.

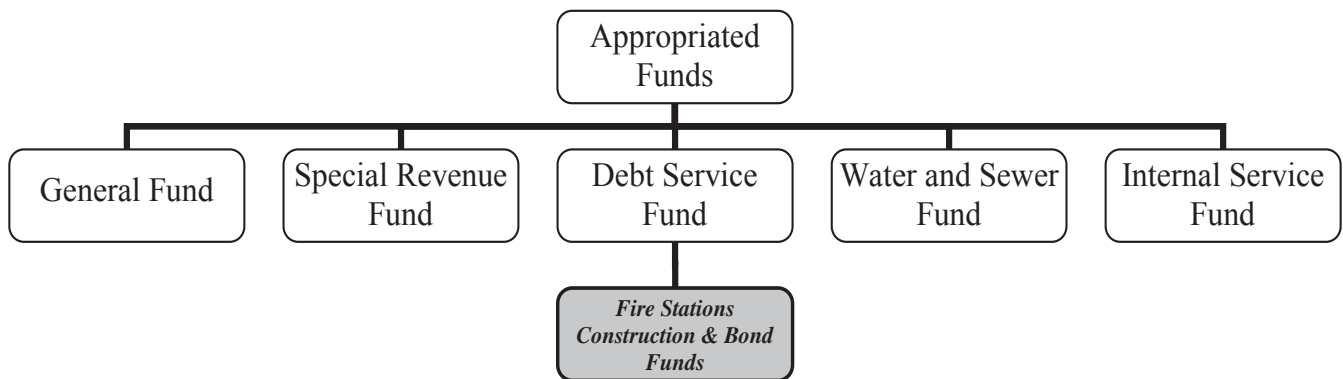
# Fire Stations Construction and Bond Funds

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## Statement of Services

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

## Organizational Fund Structure





## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Other Services and Charges	\$ 1,084	\$ 737	\$ 755	\$ 18	2.4
Debt Service	427,081	429,900	437,490	7,590	1.8
Capital Outlay	0	0	0	0	100.0
Transfers	0	0	0	0	0.0
Total	\$ 428,165	\$ 430,637	\$ 438,245	\$ 7,608	1.8
<b>Resources:</b>					
Property Taxes	\$ 401,306	\$ 401,157	\$ 402,216	\$ 1,059	0.3
State Shared Revenues	\$ 23,950	\$ 26,768	\$ 26,700		
Interest Earned	425	0	0	0	0.0
Fund Balance	-	2,712	9,329	6,617	0.0
Total	\$ 425,681	\$ 430,637	\$ 438,245	\$ 7,608	1.8
Fund Balance	\$ 13,166	\$ 10,454	\$ 1,125	\$ (9,329)	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 \$437,490. The budget also includes \$755 for audit services and paying agent fees. The millage will decrease slightly from 0.5061 in FY 2018-19 to 0.4859 in FY 2019-20.

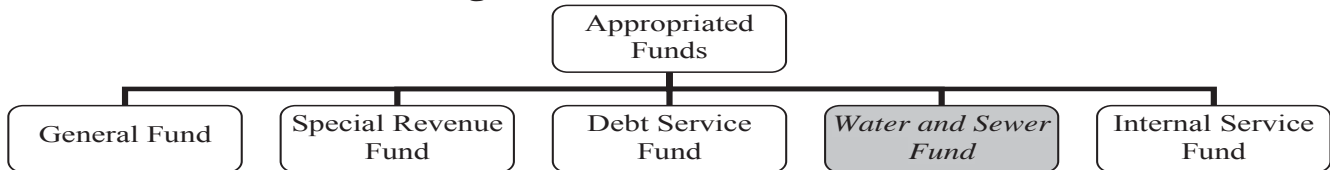
# Water and Sewer Division

## 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 Oakland County Water Resources Commission for the treatment of sewage that enters its facilities; and
- Handling all installation, repair and reading of all water meters; all repair work on water and sewer mains; gatewells; maintenance of catch basin structures; all cleaning of sewer mains, catch basins, gatewells and culverts; repair work including pavement and landscape repairs arising from water main breaks and/or sewer trench settlement; maintenance of municipal sprinklers; and providing and reporting on storm water management under Federal permits.

## Organizational Fund Structure



### Accomplishments

Public Health:

- Replaced 9,761 residential water meters and associated reading equipment.
- Began replacing all commercial water meters (District 9).
- Implemented upgraded meter reading software.
- Repaired or replaced 345 curb boxes.
- Repaired and/or assisted on over 50 water main breaks.
- Applied larvicide to over 2,000 residential catch basins to help fight West Nile Virus.
- Replaced 16 fire hydrants, and repaired 11 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.
- Continued Lead Service replacement program at no cost to residents or business owners.
- Replaced 3,300 feet of water main on 2018 Residential "R-3" road projects, and 2,840 feet of water main on 2018 stand-alone projects.
- Cleaned catch basins on all major roads, and all catch basins on Year 4 thru Year 1 sanded only roads and prior water main project roads.
- Continued City-wide sanitary and combined sewer cleaning, televising, and assessment program under the SAW grant.
- Through additional funding in the Budget process, implemented a more rigorous commercial cross connection monitoring program.
- Performed maintenance on and painted over 100 fire hydrants through a combined effort of volunteers and City forces.
- Promoted in-house to fill the Utilities Supervisor position, overseeing Water and Sewer.
- Completed the triennial Lead and Copper Monitoring as required by the MDEQ.

### 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 the hydrant flushing and gate valve exercising program.
- Continue catch basin cleaning on major and local roads.
- Install water main in conjunction with 2019 "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.
- Complete replacement of all identified lead water service lines in the City.
- Implement a resident/business owner Utility Bill Portal.
- Continue working with GLWA to address the "hydraulic transient" issue. The resulting pressure spikes are responsible for multiple simultaneous water main breaks in our distribution system.
- Replace aged infrastructure at the Department of Public Services facility, including the Salt Dome, underground diesel and gasoline storage tanks, and identified concrete pavement.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
Input	Curb boxes replaced	345	100	125
	Main break repairs	50	48	46
Output	New water main installed (in feet)	3,330	2,840	10,180
Efficiency	New water main installed (per lineal foot cost)	\$387.33	\$164.63	\$211.00

## Key Issues

- For FY 2019, the City created a comprehensive rate study to be updated annually. This study, updated for 2020, 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 2020, the water and sewer rates will remain the same and the stormwater rate remains status quo at \$11.37 per quarter. See the Appendix for the FY 2020 Rate Study.
- The FY 2020 Budget includes a continuation of water main replacement associated with Proposal "R-3" road projects at \$1.15 million. Other capital purchases that are included in the Budget are a loader (\$225,000), sewer camera (\$13,000), meter reading equipment (\$7,500) and a utility locator (\$8,000). Other infrastructure capital items included for maintenance building include the replacement of the parking lot (\$100,000), window replacement (\$20,000) and an intercom system (\$15,000).
- The budget also includes Capital Outlay to replace standalone (i.e. Non R-3 project) water mains for \$364,000.

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Water Charges	\$ 2,268,542	\$ 2,412,639	\$ 2,271,512	\$ (141,127)	(5.8)
Water System Maintenance	925,499	754,285	636,374	(117,911)	(15.6)
Water Tapping & Installation	9,111	8,100	12,700	4,600	56.8
Water Depreciation	547,232	0	0	0	0.0
Sewage Disposal Charges	4,702,853	4,810,542	4,656,821	(153,721)	(3.2)
Sewer System Maintenance	408,968	533,853	490,991	(42,862)	(8.0)
Sewer Depreciation	662,407	0	0	0	0.0
General Service Building	252,140	179,176	213,531	34,355	19.2
General Administration	1,121,702	1,545,850	1,870,506	324,656	21.0
Capital Outlay	179,445	4,199,050	2,351,811	(1,847,239)	(44.0)
Debt Service	318,368	290,236	293,189	2,953	1.0
Total	\$ 11,396,267	\$ 14,733,731	\$ 12,797,435	\$ (1,936,296)	(13.1)
<b>Resources:</b>					
Sales: Water	\$ 4,879,735	\$ 4,856,991	\$ 4,831,505	\$ (25,486)	(0.5)
Sales: Sewer	6,559,807	6,454,485	6,502,664	48,179	0.7
State Shared Revenues	0	497,000	0	(497,000)	(100.0)
Interest/Miscellaneous	(169,879)	127,000	156,000	29,000	22.8
Departmental Charges	58,241	39,700	58,255	18,555	46.7
Retained Earnings *	0	2,758,525	1,249,011	(1,509,514)	(54.7)
Total	\$ 11,327,904	\$ 14,733,701	\$ 12,797,435	\$ (1,936,266)	(13.1)
Unrestricted Net Assets	\$ 5,379,845	\$ 2,621,320	\$ 1,372,309	\$ (1,249,011)	(47.6)
Cash	\$ 8,490,174	\$ 5,010,292	\$ 3,761,281	\$ (1,249,011)	(24.9)

\* 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, 2018, unrestricted retained earnings were \$5,379,845 and the cash balance was \$8.5 million.

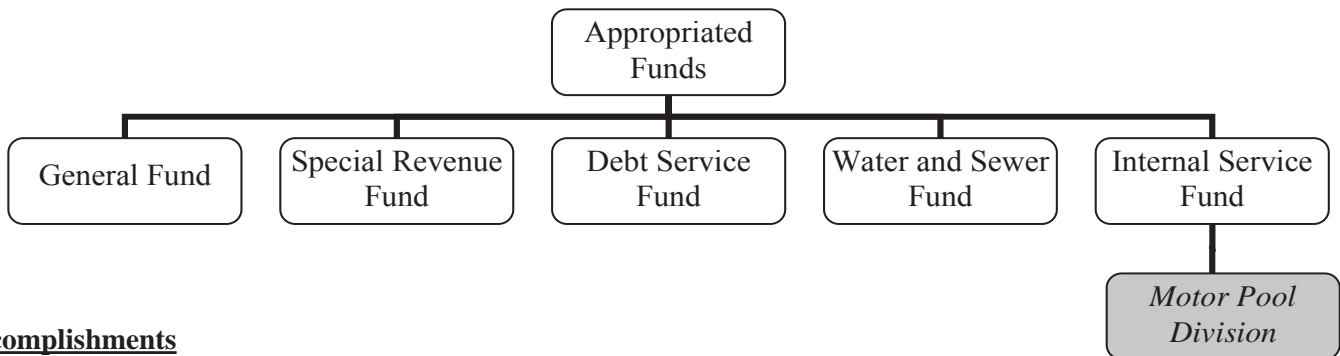
# Motor Pool Division

## Statement of Services

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

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

## Organizational Fund Structure



### Accomplishments

#### **Resource Management:**

- Purchased and took delivery of four new police patrol vehicles through Macomb County cooperative bid.
- Purchased and took delivery of two police administrative vehicles for the Chief and Deputy Chief through Macomb County cooperative bid.
- Ordered new pickup truck for Community Development/Code Enforcement (2019 Goal A)
- Purchased and took delivery of a new front-end loader for the Water and Sewer Division through the Sourcewell Cooperative Bid.
- Purchased and took delivery of a new hot-box patch trailer for the Streets Division through the MiDEAL Cooperative Bid.
- Assisted the Fire Department with developing and implementing an outsourced maintenance agreement for all large fire apparatus, to increase the level of service.
- Assisted all other Departments with vehicle planning and purchasing.

### Objectives

#### **Resource Management:**

- Continue vehicle replacement under the "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.
- Research alternative funding options for vehicle replacement and acquisition to supplement V3 funding, including potential lease or other financing.

## Performance Measures

	Performance Indicators	2018 Actual	2019 Estimate	2020 Budget
Input	Total gasoline purchased (gallons)	43,214	42,542	42,000
	Total diesel purchased (gallons)	32,682	32,747	32,000
Efficiency	Motorpool work orders	508	425	425
	Avg. cost - gallon of gasoline	\$1.59	\$2.00	\$2.55
	Avg. cost - gallon of diesel	\$1.72	\$2.20	\$1.67
	Department Expenditures as a percentage of the total budget	1.6%	1.7%	1.9%

## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 396,861	\$ 396,125	\$ 341,381	\$ (54,744)	(13.8)
Supplies	163,819	170,600	179,600	9,000	5.3
Other Services and Charges	496,911	421,156	506,504	85,348	20.3
Capital Outlay	0	0	0	0	0.0
Total	\$ 1,057,591	\$ 987,881	\$ 1,027,485	\$ 39,604	4.0
<b>Resources:</b>					
Transfers-General Fund	\$ 981,731	\$ 850,813	\$ 928,537	\$ 77,724	9.1
Transfers-Water and Sewer	75,860	137,068	98,948	(38,120)	(27.8)
Fund Balance	0	0	0	0	0.0
Total	\$ 1,057,591	\$ 987,881	\$ 1,027,485	\$ 39,604	4.0

## 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	2017-18	2018-19	2019-20
Supervisor	2	2	3
Leader	2	2	2
Equipment Operator III	3	3	3
Equipment Operator II	6	6	6
Equipment Operator I	6	6	5
Administrative Secretary	1	1	1
Total Full-Time	20	20	20
Seasonal Laborer	3	4	3
Office Assistant	0	0	1
Total Part-Time	3	4	4
Total Employees	23	24	24

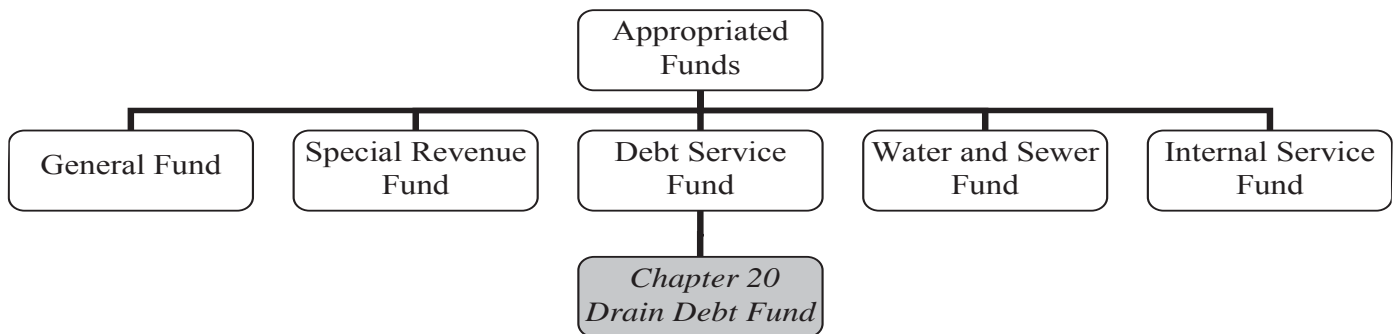
## Financial Summary

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Personnel Services	\$ 2,258,317	\$ 1,781,935	\$ 1,851,769	\$ 69,834	3.9%
Supplies	11,486	0	0	0	0.0%
Other Services and Charges	2,485	5,918	5,966	48	0.0%
Capital Outlay	0	0	0	0	0.0%
Total	\$ 2,272,288	\$ 1,787,853	\$ 1,857,735	\$ 69,882	3.9%
<b>Resources:</b>					
Transfers - General Fund	\$ 774,706	\$ 480,470	\$ 508,689	\$ 28,219	5.9%
Transfers - Major Street	250,175	204,366	194,509	(9,857)	-4.8%
Transfers - Local Street	228,703	276,670	232,973	(43,697)	-15.8%
Transfers - Water and Sewer	1,018,705	826,347	921,564	95,217	11.5%
Fund Balance	0	0	0	0	0.0%
Total	\$ 2,272,289	\$ 1,787,853	\$ 1,857,735	\$ 69,882	3.9%

# 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

	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Increase (Decrease) FY 2018-19 to FY 2019-20	Percent Change
<b>Requirements:</b>					
Debt Service	\$ 876,726	\$ 886,580	\$ 885,966	\$ (614)	-0.1%
Total	\$ 876,726	\$ 886,580	\$ 885,966	\$ (614)	-0.1%
<b>Resources:</b>					
Property Taxes	\$ 876,726	\$ 886,580	\$ 885,966	\$ (614)	-0.1%
Miscellaneous	0	0	0	0	0.0%
Total	\$ 876,726	\$ 886,580	\$ 885,966	\$ (614)	-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. No change to rates is being proposed this year.



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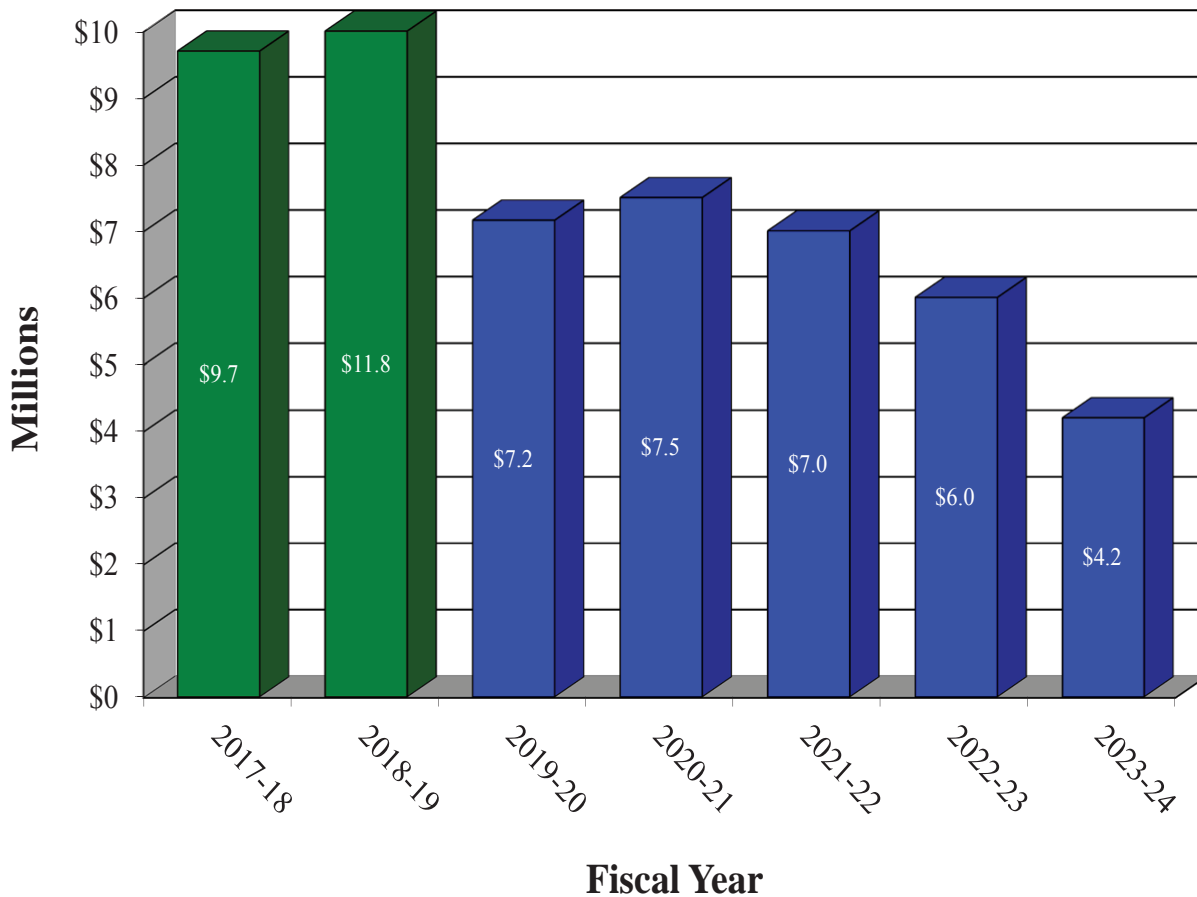
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## FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 2020-24

FY 2017-18 ACTUAL AND  
FY 2018-19 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**

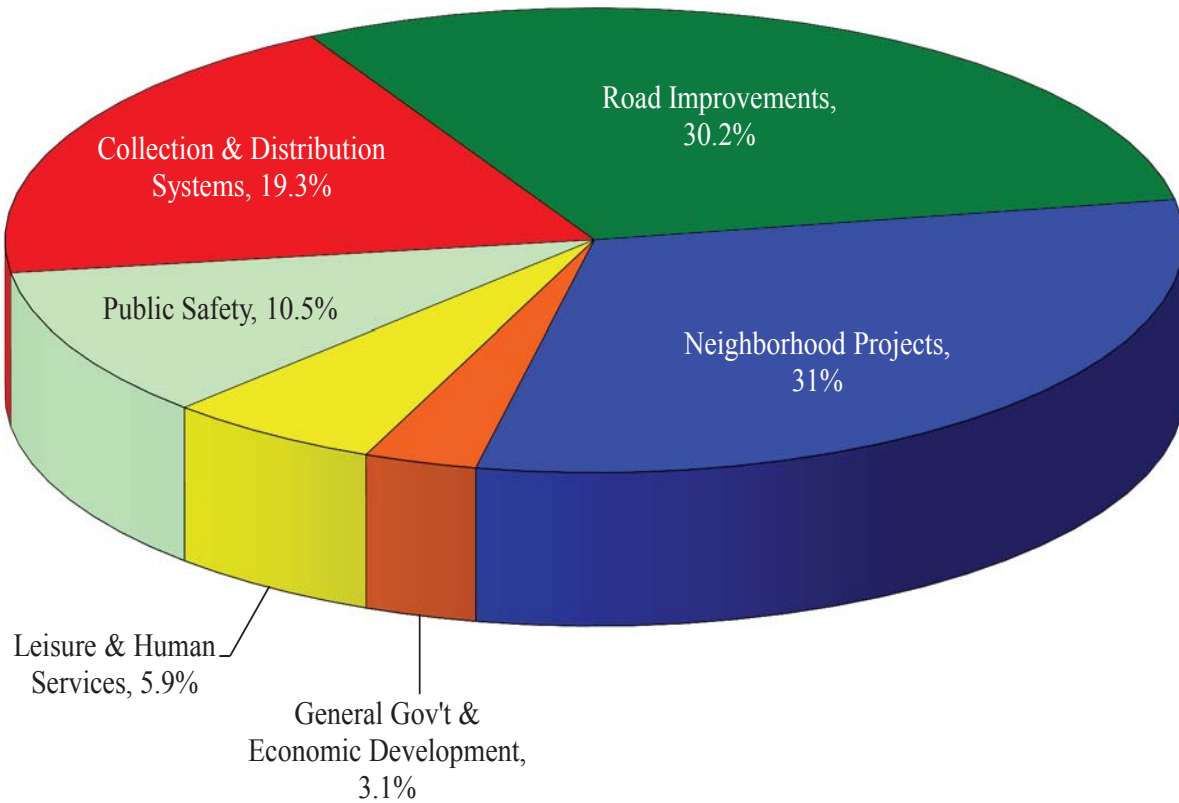
The FY 2020-24 Five Year Capital Improvement Plan totals \$31.9 million. The bar graph presented on the prior page shows the scheduled appropriations by year. The five year program, which is a consolidation of ongoing projects and projects planned over the next five years, represents future capital improvement commitments consistent with the City's capital improvement policies. (See Table I - Financial Overview.)

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

1. The City will develop a multi-year plan for capital improvements, update it annually, and make all capital improvements in accordance with the plan.
2. The City's plan will include large capital purchases and construction projects costing more than \$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 2020-24



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

**TABLE I**  
**FY 2020-24 FIVE-YEAR CAPITAL IMPROVEMENT PLAN**  
**FINANCIAL OVERVIEW**  
**USE OF FUNDS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

PROJECT DESCRIPTION	TABLE	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	TOTAL APPROP.
Neighborhood Projects	III	\$ 2,792	\$ 2,545	\$ 3,322	\$ 1,802	\$ 1,371	\$ 1,940	\$ 1,439	\$ 9,874
Road Improvements	V	1,835	4,475	1,825	3,424	2,365	1,385	626	9,625
Collection & Distribution Sys.	VI	4,280	3,305	978	951	1,349	1,438	1,437	6,153
Public Safety	VIII	399	1,027	781	945	680	557	390	3,353
General Gov't & Economic Dev.	X	140	194	61	209	409	209	99	987
Leisure & Human Services	XI	204	235	193	204	843	427	225	1,892
<b>TOTAL</b>		<b>\$ 9,650</b>	<b>\$ 11,781</b>	<b>\$ 7,160</b>	<b>\$ 7,535</b>	<b>\$ 7,017</b>	<b>\$ 5,956</b>	<b>\$ 4,216</b>	<b>\$ 31,884</b>

### **Summary of Appropriations by Program**

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

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

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

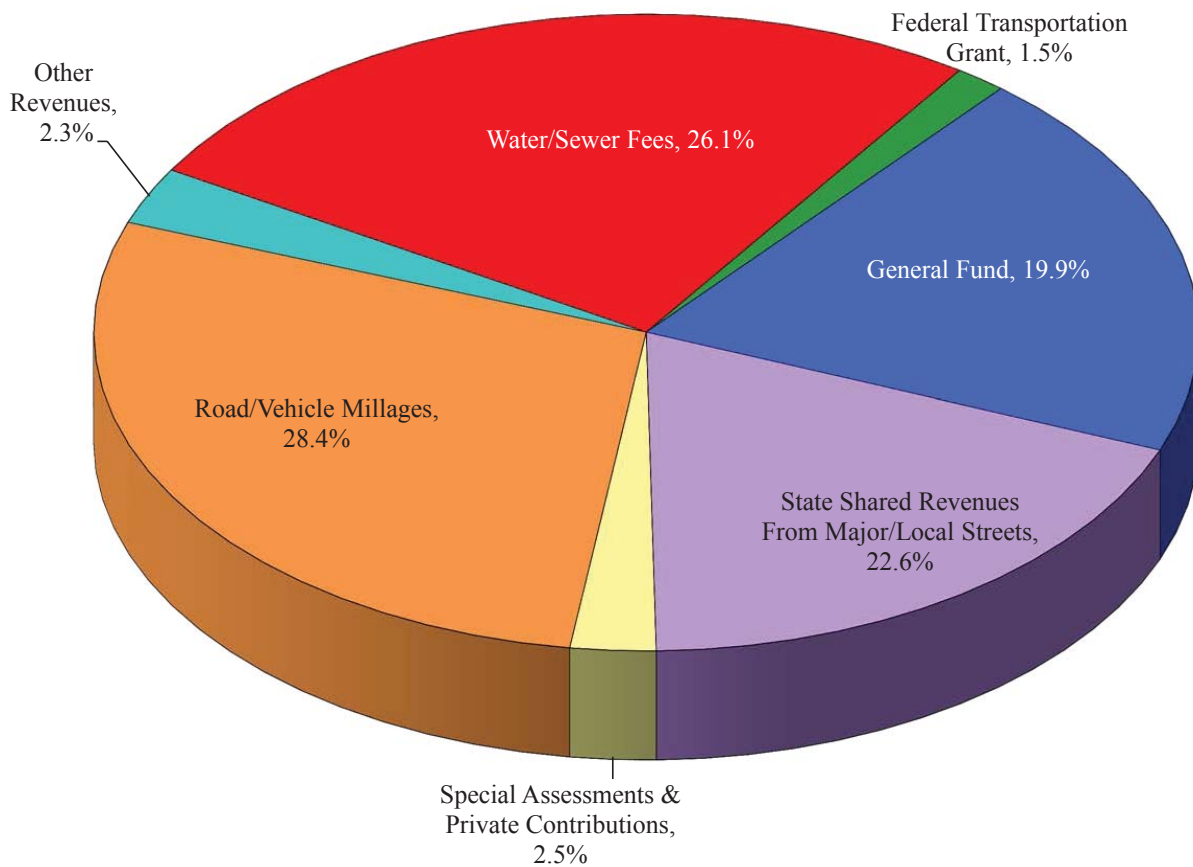
The five-year planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Road Improvements	30.2
Neighborhood Projects	31
Collection & Distribution Systems	19.3
Public Safety	10.5
Leisure & Human Services	5.9
General Government & Economic Development	<u>3.1</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 2020-24



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

**TABLE II**  
**FY 2020-24 FIVE-YEAR CAPITAL IMPROVEMENT PLAN**  
**FINANCIAL OVERVIEW**  
**SOURCE OF FUNDS**  
**(IN THOUSANDS)**

**REVENUES:**

	TABLE III NEIGHBOR. PROJECTS	TABLE V ROAD IMPROV.	TABLE VI COLLECTION & DIST. SYSTEMS	TABLE VIII PUBLIC SAFETY	TABLE X GENERAL GOV'T & ECON. DEV.	TABLE XI LEISURE & HUMAN SERVICES	TOTAL
Road/Vehicle/Solid Waste Millage	7,787	\$ 855	\$ 0	\$ 400	\$ 0	\$ 0	\$ 9,042
Water/Sewer Fees	2,087	0	6,153	0	91	0	8,331
General Fund	0	1,450	0	2,708	881	1,296	6,335
State Shared Revenues from Major/Local Streets	0	5,963	0	0	0	0	5,963
Special Assessments & Private Contributions	0	810	0	0	0	0	810
State of Michigan Sanitary Sewer Grant	0	0	0	0	0	0	0
Federal Transportation Grant	0	480	0	0	0	0	480
Other Revenues							
Oakland County Parks & Recreation	0	0	0	0	0	291	291
Library Millage	0	0	0	0	15	0	15
Oakland County/State of Michigan (Other)	0	67	0	0	0	305	372
Drug Forfeiture Fund	0	0	0	245	0	0	245
<b>TOTAL</b>	<b>\$ 9,874</b>	<b>\$ 9,625</b>	<b>\$ 6,153</b>	<b>\$ 3,353</b>	<b>\$ 987</b>	<b>\$ 1,892</b>	<b>\$ 31,884</b>

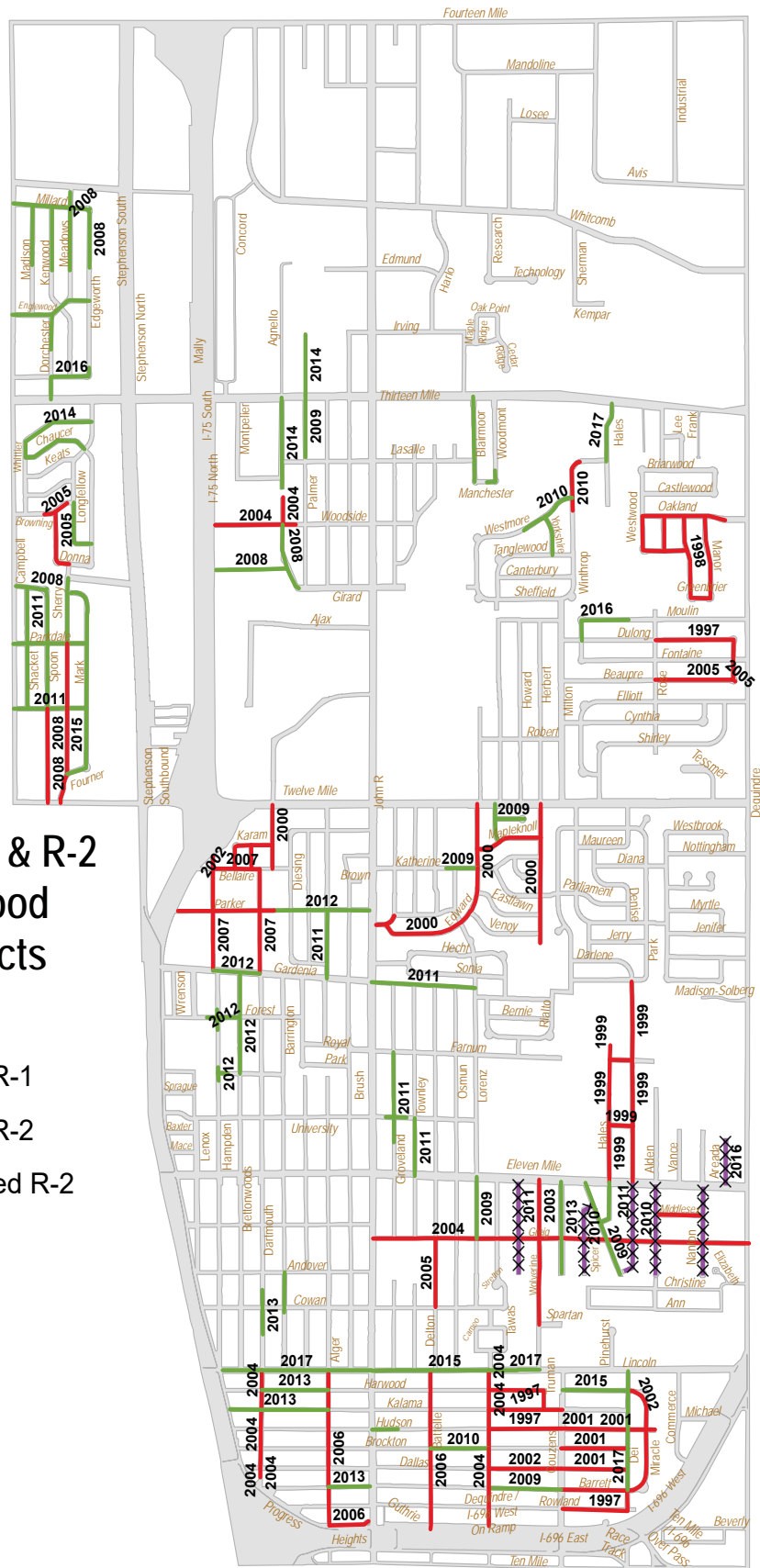


### **Summary of Revenues by Source**

The Capital Improvement Program is financed through a combination of tax and fee supported funds, State and Federal grants, pay-as-you-go projects and long-term borrowing. The program's largest revenue local sources are Road and Vehicle Property Tax Millages, Water and Sewer Fees, the General Fund, and State Shared Revenues from Major and Local Streets, totaling \$30.1 million or 93.1 percent of the plan. The majority of these funds will be needed for scheduled neighborhood road improvement projects and major road work. The FY 2020 Capital Improvement Plan totals \$7.2 million (Table I). A breakdown of revenues programmed in the FY 2020-24 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Water and Sewer Fees	26.1
Road and Vehicle Millages	28.4
General Fund	19.9
State Shared Revenues from Major/Local Streets	18.7
Federal Transportation Grant	1.5
Special Assessment and Private Contributions	2.5
Other Revenues	<u>2.9</u>
	100.0

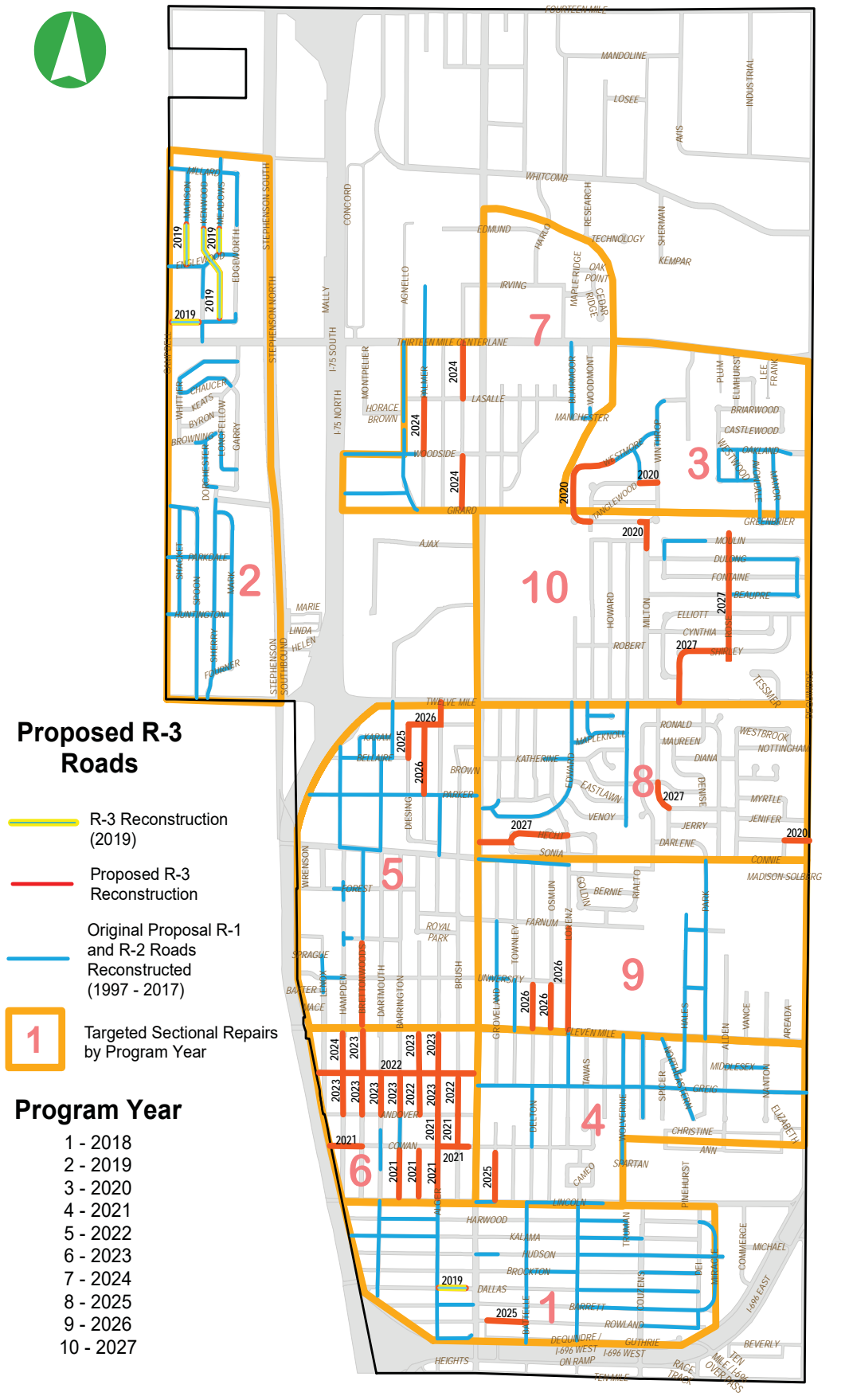
Revenue estimates are realistic and assume low growth and full Federal and State participation. Grants and other revenues from Federal, State and County governments now account for 6.9 percent of the Capital Improvement Plan. Major and Local Streets State Shared Revenues serve as the source for the City's contribution to road construction and support road maintenance projects such as Industrial/Commercial road overlays, annual joint/crack sealing and sectional concrete replacement projects.



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



178



## **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.

### **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 Fournier (2008 - sectional), and sectional concrete repair (\$945,000) of any “R-1” programmed street exhibiting signs of deterioration.

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

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

Third Roads Millage Program - 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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

NEIGHBORHOOD PROJECTS	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	TOTAL APPROP.
<b>YEAR 10 ROADS (R-2) 2017 (Additional R-2 projects)</b>								
Dei - Lincoln to Southend	1,030	0	0	0	0	0	0	0
Hales - 13 Mile to Winthrop	501	0	0	0	0	0	0	0
Lincoln Sectional	314	0	0	0	0	0	0	0
<b>YEAR 1 ROADS (R-3) 2018</b>								
Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	247	557	0	0	0	0	0	0
Harwood Avenue (Battelle Ave to Tawas Street)	162	353	0	0	0	0	0	0
Brush Street (W. University Avenue to W. Farnum Avenue)	149	228	0	0	0	0	0	0
Brush Street (W. University Avenue to Eleven Mile Road)	149	228	0	0	0	0	0	0
Sectional	240	964	0	0	0	0	0	0
<b>YEAR 2 ROADS (R-3) 2019</b>								
Meadows Avenue (Englewood Ave to Meadows)	0	0	263	0	0	0	0	263
W. Dallas Avenue (Alger Street to John R Road)	0	0	260	0	0	0	0	260
Kenwood Avenue (Windemere Avenue to Englewood Avenue)	0	215	232	0	0	0	0	232
Madison Avenue (Englewood Avenue to Madison)	0	0	181	0	0	0	0	181
Kenwood Avenue (Englewood Avenue to Kenwood)	0	0	174	0	0	0	0	174
Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	133	0	0	0	0	133
Sealcoat Road Rehabilitation R-2 and R-3	0	0	278	0	0	0	0	278
Sectional	0	0	648	0	0	0	0	648
<b>YEAR 3 ROADS (R-3) 2020</b>								
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	421	975	0	0	0	1,396
Milton Avenue (Moulin to Sheffield Drive)	0	0	142	167	0	0	0	309
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	332	75	0	0	0	407
Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	258	98	0	0	0	356
Sectional	0	0	0	75	0	0	0	75
<b>YEAR 4 ROADS (R-3) 2021</b>								
Alger Street (W Cowan Avenue to Andover Avenue)	0	0	0	0	212	0	0	212
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	0	157	109	0	0	266
Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	0	0	109	0	0	109
Barrington Street (W Lincoln Avenue to W. Cowan Avenue)	0	0	0	0	148	0	0	148
Alger Street (W. Lincoln Avenue to W Cowan Avenue)	0	0	0	0	148	0	0	148
Brush Street (W Cowan Avenue to Andover Avenue)	0	0	0	89	120	0	0	209
W Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	0	0	140	0	0	140
W Cowan Avenue (Alger Street to John R Road)	0	0	0	0	75	0	0	75
Palmer Street (W Lincoln Avenue to W Cowan Avenue)	0	0	0	166	210	0	0	376
Sectional	0	0	0	0	100	0	0	100
<b>YEAR 5 ROADS (R-3) 2022</b>								
W. Greig Avenue (W. Terminus to Hampden Street)	0	0	0	0	0	198	0	198
W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	0	0	0	139	0	139
W. Greig Avenue (Brush Street to John R Road)	0	0	0	0	0	145	0	145
Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	0	0	0	293	0	293
Brush Street (Andover Avenue to W. Greig Avenue)	0	0	0	0	0	165	0	165
W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	0	0	0	79	0	79
W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	0	0	0	80	0	80
W. Greig Avenue (Barrington Street to Palmer Street)	0	0	0	0	0	81	0	81
W. Greig Avenue (Palmer Street to Alger Street)	0	0	0	0	0	81	0	81
W. Greig Avenue (Alger to Brush Street)	0	0	0	0	0	82	0	82
Sectional	0	0	0	0	0	75	0	75
<b>YEAR 6 ROADS (R-3) 2023</b>								
Hampden Street (Andover Ave to W Greig Ave)	0	0	0	0	0	0	168	168
Brettonwoods Street (Andover Ave to W Greig Ave)	0	0	0	0	0	133	169	302
Brettonwoods Street (W Greig Ave to Eleven Mile Road)	0	0	0	0	0	133	180	313
Dartmouth Street (Andover Ave to W Greig Ave)	0	0	0	0	0	0	170	170
Barrington Street (Andover Ave to W Greig Ave)	0	0	0	0	0	0	170	170
Palmer Street (W Greig Ave to Eleven Mile Road)	0	0	0	0	0	0	181	181
Alger Street (W Greig Ave to Eleven Mile Road)	0	0	0	0	0	138	181	319
Alger Street (Andover Ave to W Greig Ave)	0	0	0	0	0	118	170	288
Sectional	0	0	0	0	0	0	50	50
<b>TOTALS</b>	\$ 2,792	\$ 2,545	\$ 3,322	\$ 1,802	\$ 1,371	\$ 1,940	\$ 1,439	9,874
Total Projects	8	6	12	8	10	11	9	50
Total Equipment	0	0	0	0	0	0	0	0



**TABLE III**  
**FY 2020-24 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
<b>YEAR 2 ROADS (R-3) 2019</b>							
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	0	0	232
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
Sealcoat Road Rehabilitation R-2 and R-3	0	0	0	278	0	0	278
Sectional	0	0	0	648	0	0	648
<b>YEAR 3 ROADS (R-3) 2020</b>							
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	0	975	421	0	1,396
Milton Avenue (Moulin to Sheffield Drive)	0	0	0	167	142	0	309
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	0	75	332	0	407
Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	0	98	258	0	356
Sectional	0	0	0	75	0	0	75
<b>YEAR 4 ROADS (R-3) 2021</b>							
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
<b>YEAR 5 ROADS (R-3) 2022</b>							
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
<b>YEAR 6 ROADS (R-3) 2023</b>							
Hampden Street (Andover Ave to W Greig Ave)	0	0	0	168	0	0	168
Brettonwoods Street (Andover Ave to W Greig Ave)	0	0	0	169	133	0	302
Brettonwoods Street (W Greig Ave to Eleven Mile Road)	0	0	0	180	133	0	313
Dartmouth Street (Andover Ave to W Greig Ave)	0	0	0	170	0	0	170
Barrington Street (Andover Ave to W Greig Ave)	0	0	0	170	0	0	170
Palmer Street (W Greig Ave to Eleven Mile Road)	0	0	0	181	0	0	181
Alger Street (W Greig Ave to Eleven Mile Road)	0	0	0	181	138	0	319
Alger Street (Andover Ave to W Greig Ave)	0	0	0	170	118	0	288
Sectional	0	0	0	50	0	0	50
<b>TOTALS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,787</b>	<b>\$ 2,087</b>	<b>\$ 0</b>	<b>\$ 9,874</b>

**TABLE IV-A**  
**FY 2020-24 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	Mapleknoll - 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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

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

**TABLE IV-B**  
**FY 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

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

TABLE IV-C  
FY 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
R-3 NEIGHBORHOOD PROJECTS  
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM * DRAIN	SANITARY * SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
		YEAR 1 ROADS					
DONE	2019	Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	\$ 0	\$ 0	\$ 557	\$ 247	\$ 804
DONE	2019	Harwood Avenue (Battelle Ave to Tawas Street)	0	0	353	162	515
DONE	2019	Brush Street (W. University Avenue to W. Farnum Avenue)	0	0	228	149	377
DONE	2019	Brush Street (W. University Avenue to Eleven Mile Road)	0	0	228	149	377
DONE	2019	Sectional	0	0	964	0	964
		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	Sealcoat Road Rehabilitation	0	0	278	0	278
	2020	Sectional	0	0	648	0	648
		YEAR 3 ROADS					
	2021	Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	975	421	1,396
	2021	Milton Avenue (Moulin to Sheffield Drive)	0	0	167	142	309
	2021	Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	75	332	407
	2021	Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	98	364	462
	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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN  
R-3 NEIGHBORHOOD PROJECTS  
(IN THOUSANDS)

STATUS	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	\$ 16,226	\$ 5,799	\$ 22,025

\* 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. The Act also established the Michigan Transportation Fund (MTF).

The actual and estimated increases received per mile are detailed in the chart below.

<b>Year</b>	<b>Major Street</b>	<b>Local Street</b>	<b>Supplemental</b>	<b>Total</b>
2017	\$ 72,836	\$ 8,056	-	\$ 2,163,817
2018	87,277	9,654	189,495	2,782,347
2019	98,567	10,170	-	2,873,935
2020	105,109	10,991	-	3,075,559
2021	117,260	12,101	-	3,419,157

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.

- In January 2019, Governor Whitmer was sworn into office. Within weeks of assuming this role, she released her budget to fix the State's road system. The plan, increasing the gas tax by \$0.45 by October 2020, will generate \$2.5 billion.

These funds will allow funding of the most heavily traveled roads and stop the "shell game" of utilizing General fund transfers for road funding.

We expect this proposal to be changed before it's expected approval in early Fall. This budget and current future projections do not take this additional funding proposal into consideration.

#### **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.

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

<u>Impact Category</u>	<u>Expected Impact</u>
Indirect and Cumulative	Project responds to growth, consistent with local planning. Together with other regional projects, there will be future impacts to resources from development, subject to local, state, and federal laws and regulations.
Energy	Energy used during construction. Fuel savings upon opening.
Project Costs (2005 dollars)	Right-of-way \$ 16,000,000 Design 93,000,000 Construction <u>463,000,000</u> \$572,000,000

On July 25, 2005, the City took the following position on the FEIS:

#### **General**

- The City of Madison Heights supports the proposed I-75 improvements as a component of the measures needed to address the congestion issues within the I-75 Corridor.
- The City continues to support consideration of mass transit alternatives, in addition to the proposed I-75 improvements, as appropriate and supplemental methods of addressing current and future congestion within the I-75 corridor.
- **The City is not committing to enforcement of any High Occupancy Vehicle (HOV) lane alternative.** Should the proposed project ultimately include HOV lanes, enforcement should be the responsibility of the State Police. The response to the City's DEIS comment in this regard referenced "...*additional funding sources will be explored....*" Madison Heights welcomes the opportunity to receive additional information on these sources and their level of compensation for any eventual local enforcement resources.

#### **Project Design/Improvements**

- The City supports MDOT's efforts to provide separated storm water management through this project.
- There is a concern, however, with the method of conveyance for the separated storm flow from I-75 to the Red Run Drain East of Dequindre. The FEIS does not specifically address this issue; however, the consultant involved in the drainage study indicates that the intent is to construct a new storm system along the existing George W. Kuhn (GWK) Drain right of way. **This concept must be reevaluated and discussed in detail with the Oakland County Water Resources Commissioner's office and all communities that are part of the GWK Drainage District.** The exact location of the proposed storm pipe, to be established during the design phase, must take into account the surface and subsurface facilities that occupy the intended route. There is approximately 1 mile of I-75 right of way, north and south of 12 Mile Road including the interchange

which has its run-off already accounted for within the GWK separated system being conveyed directly to Red Run east of Dequindre.

- The City recommends including extension of a westbound right turn lane on 12 Mile Road, immediately west of existing Home Depot driveway, within the project scope. The response to our DEIS comment indicates potential conflicts with FHWA policy. The widening project will have substantial impact on this area and should be within the scope of the project. In light of the intersection design modifications called for later in the FEIS, the City continues to recommend that a dedicated I-75 access lane be accommodated in this location, designed in accordance with applicable federal and state design criteria.
- The City plans to install a sidewalk (completed summer 2006) on the south side of 14 Mile from Concord to Stephenson Highway. The City requests that this expense, within the I-75 project area, be credited toward any local contribution that may be required relative to the I-75 project.
- The City plans to provide maintenance overlays (completed summer 2006) for portions of the service drive at the I-75/I-696 intersection. The City requests this expense, within the I-75 project area, be credited toward any local contribution that may be required relative to the I-75 project.

### **Non-Motorized Access**

- The City continues to recommend providing designated pedestrian and bicycle access across all proposed bridges and underpasses, as well as at the Red Run Drain crossing, within the scope of this project.
- The Project includes new sidewalk adjacent to service drive on the east side. The City supports this concept and recommends continuing this non-motorized path throughout the project area (north to 14 Mile) with a design to accommodate bicycle traffic. This recommendation is not predicated on the referenced countywide non-motorized plan.
- The project includes removal of the I-75/Red Run Bridge. This will eliminate or minimize the potential for any future GWK and pedestrian/bicycle access across I-75 under the existing bridge system. Alternatives must be provided to ensure future access in this regard. This recommendation is not predicated on the referenced countywide non-motorized plan.

### **Local Road Impacts**

- The FEIS generally references the extensive impact the proposed improvements will have on the adjacent road network (56 miles +), but does not address specific adjacent street improvement costs and impacts within Madison Heights or the funding mechanisms necessary to mitigate those impacts. This project will have extensive and long-term impacts on our local roads, both during construction as well as operationally after construction. These must be identified along with an identified cost sharing structure. The FEIS response that these costs will be "... determined through the long-range planning process by the responsible agency" is not responsive and does not address the true costs of these impacts.
- The FEIS generally references the extensive impact on adjacent streets and communities during actual construction, but does not address costs attributable to local units to mitigate those impacts.

## Neighborhood Impacts

- The FEIS identifies the possible taking of twenty-three single-family homes (three additional single-family properties are impacted), one church and portions of other parcels in Madison Heights. These are identified as “preliminary estimates” that are “subject to change during the design phase”. The City supports efforts to reduce these impacts further during the design phase.
- The City recommends additional evaluation of the existing and proposed sound walls in the area from I-696 to 11 Mile. **The City continues to oppose transferring responsibility for maintenance and reconstruction of the sound walls from MDOT to the City.**
- Local access and diverted through-traffic during construction will be maintained via service drives. The FEIS references a future “...maintenance of traffic program...” during the design phase to address safeguards to protect adjacent neighborhoods from this impact. This process must include analysis of closing/restricting access to side streets during construction as well as on a permanent basis.

## Interchange Impacts

- The City continues to support use of land area freed up by new interchanges for private economic development, where appropriate based on adjacent land uses and parcel configurations. The proceeds from the sale of property should be credited toward any local contribution that may be required relative to the I-75 project and as partial compensation for lost local revenues due to possible takings elsewhere in the project area.

On October 28, 2005, the City received a copy of the I-75 at Lincoln Avenue Local Road Scenario Report. It was prepared in response to a resolution passed by the Royal Oak Commission on August 1, 2005.

The analysis shows the necessity to preserve the Lincoln Avenue Bridge based on many reasons including traffic operations, safety, emergency access issues, non-motorized concerns and others. The recommendation of the report is to retain the Lincoln Avenue Bridge as a part of the Preferred Alternative for I-75 improvements, as recommended in the FEIS, April 2005. The FHWA also concurred with the analysis and its findings, including retaining the Lincoln Avenue Bridge as a part of the Preferred Alternative for the I-75 improvements.

This project is listed as a study in MDOT’s approved *2004-2009 Five-Year Transportation Program*, which outlines roadway expenditures over the next five years. It is on SEMCOG’s *2030 Regional Transportation Plan (RTP)*, with construction scheduled for the 2011-2015 time period. With its inclusion on the plan, it is shown to be in conformity with the Clean Air Act.

Due to modifications that are recommended at the I-696 interchange and 12 Mile Road, an Interstate Break-in-Access Justification Report (IAJR) 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 July 2018, MDOT had completed with the property takings process including one City-owned parcel. MDOT has also advised that the project schedule was accelerated to 2018 and will utilize a design-build-finance-maintain construction methodology.

Segment 2 of this I-75 project started in February 2019 and is located north of Coolidge Road to north of 13 Mile Road in the cities of Troy and Madison Heights. This segment is approximately 8.5 miles north in length and is expected to cause detours through Madison Heights and increase traffic throughout the City.

Segment 3 of this I-75 project is expected to start in the Summer 2020. This segment located north of 13 Mile road to 8 Mile Road in Madison Heights, Royal Oak, and Hazel Park. This segment will have a major impact on Madison Heights.



## **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. Table V highlights these projects yearly through 2023.

## **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 included \$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, \$300,000 in FY 2020 and \$250,000 per year for each of the next two years has been programmed for this program.

In the summer of 2014, the City completed the final year, Year 12, of the prior 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, 2017, and 2019 saw the successful completion of Years 1 – 5 (area between 10 Mile and 12 Mile). Year 6 (2020) will include the area from Ajax to 13 Mile.

#### **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 \$855,000 programmed to be funded through the Solid Waste Millage.

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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

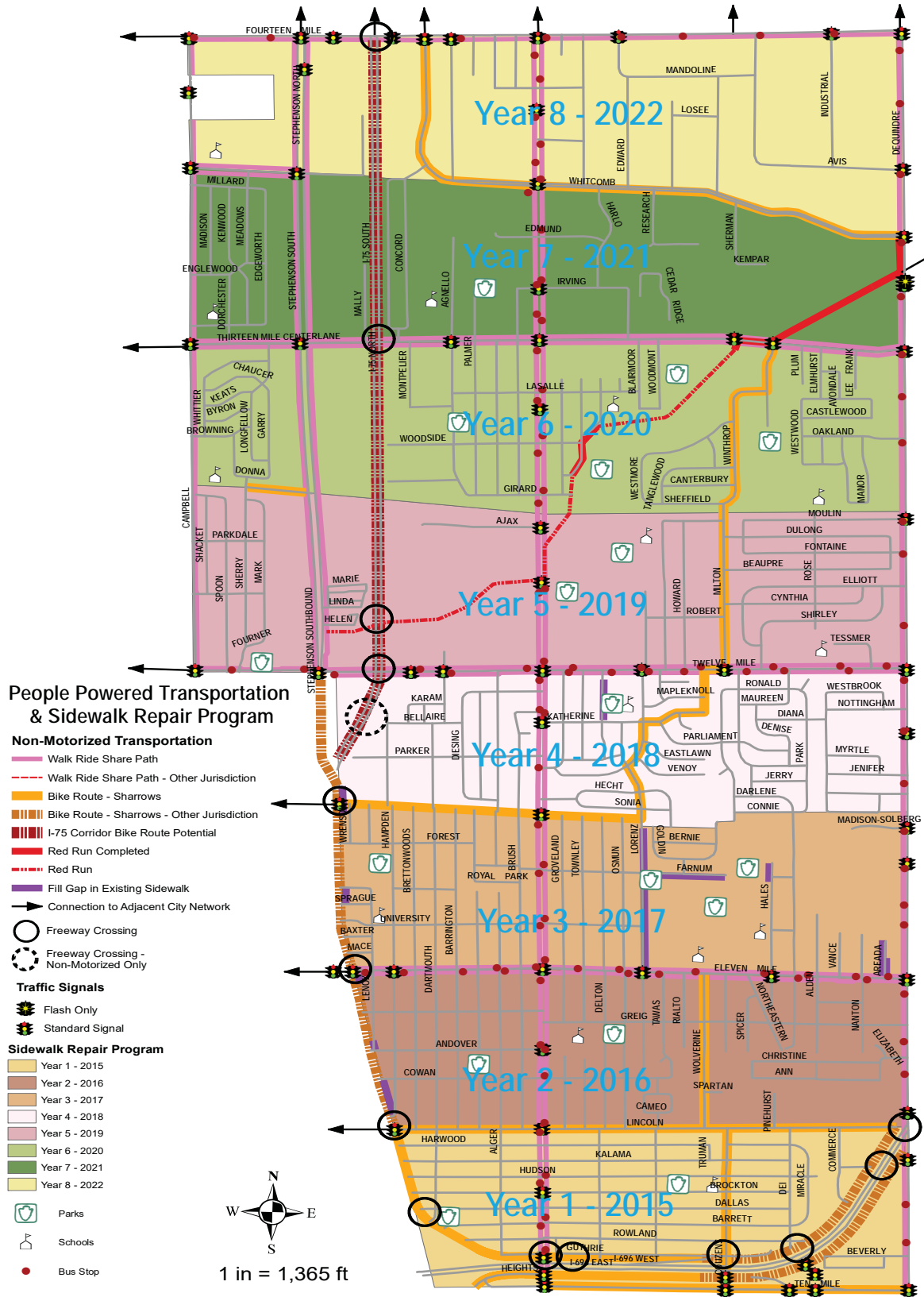
**APPROPRIATIONS:**

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	TOTAL APPROP.
<b>A. STATE/FEDERAL PROJECTS</b>								
13 Mile WB from Hales to Dequindre NHPP	0	720	0	720	0	0	0	720
NB Stephenson Hwy 12-14 Overlay (80/20)	0	1,226	0	0	0	0	0	0
SB Stephenson Hwy 14 - Girard (80/20)	0	850	0	0	0	0	0	0
<b>B. MAJOR ROAD IMPROVEMENTS</b>								
Joint & Crack Sealing - City Wide Major	75	75	0	0	0	0	0	0
Campbell 12-13 Mile Sectional	0	0	0	0	0	25	0	25
13 Mile Sectional - Campbell to Dequindre NON-NHPP	0	0	0	0	250	250	0	500
11 Mile Sectional - Dequindre to I-75	235	0	500	0	0	0	0	500
John R to 12 Mile Turn Lane	0	0	300	0	0	0	0	300
Stephenson Hwy Turnarounds	100	250	0	0	0	0	0	0
Sectional Edward - Mandoline to Whitcomb	164	0	0	175	0	0	0	175
Sectional Townley - 14 Mile to Whitcomb	0	0	0	115	0	0	0	115
Sectional - Girard West of John R	0	0	115	0	0	0	0	115
Sectional - Barrington - 14 Mile to Whitcomb	0	0	0	0	700	0	0	700
Sectional - E Lincoln - Wolverine to Dequindre	320	0	250	0	0	0	0	250
Sectional - Whitcomb - Barrington to Dequindre	206	0	0	300	0	0	0	300
Sectional - Industrial - Fourteen to East Avis	0	0	0	0	115	0	0	115
Sectional - Stephenson Hwy - Girard to 12 Mile	165	400	0	0	0	200	0	200
Sectional - Whitcomb - West of Stephenson Highway	0	0	0	200	0	0	0	200
<b>C. LOCAL ROAD IMPROVEMENTS</b>								
Sectional - Sherman	150	0	0	0	0	0	0	0
Sectional - Research Park and Tech Row	0	509	0	0	0	0	0	0
Sectional - Montpelier	65	0	0	0	0	0	0	0
Sectional - Edmund - Harlo to John R	0	0	0	115	0	0	0	115
Sealcoat Road Rehabilitation	0	75	0	0	75	75	75	225
Sectional - Irving - Brush to Edward	0	0	0	115	250	0	0	365
Brush - 13 Mile to Irving	0	0	0	0	0	0	0	0
Losee - John R to Townley	0	0	0	250	0	0	0	250
Mandoline - Alger/Townley	0	0	0	0	0	125	0	125
Ajax	0	0	0	0	0	150	0	150
Palmer - South of 14 Mile	0	0	0	0	0	25	0	25
Alger - South of 14 Mile	0	0	0	0	0	50	0	50
Non-R Residential Sectional	0	0	100	150	150	150	300	850
Girard - West of John R	0	0	0	0	0	0	0	0
<b>D. TRAFFIC SIGNAL UPGRADES</b>								
Traffic Signal Improvements	30	30	30	30	30	30	30	150
<b>E. REHABILITATION PROGRAMS</b>								
Sidewalk Replacement, Sectional Repairs & Gap Installation	250	250	300	250	250	0	0	800
<b>F. EQUIPMENT REPLACEMENT</b>								
1999 Concrete Drop Hammer #261	0	0	0	30	0	0	0	30
2000 Solar Arrow board #318	0	0	0	5	0	0	0	5
2004 Trailer Air Compressor #330	0	0	0	0	0	0	26	26
1999 Leaf Loader Trailer #352	0	0	0	55	0	0	0	55
2001 Leaf Loader Trailer #354	0	0	0	0	55	0	0	55
2001 Leaf Loader Trailer #355	0	0	0	0	0	55	0	55
2008 Solar Arrow board #374	0	0	0	0	0	0	5	5
2006 Brush Bandit Chipper #406	0	0	0	0	50	0	0	50
2012 Street Sweeper #408	0	0	0	0	250	0	0	250
2003 CAT Loader 3 yd. #409	0	0	0	260	0	0	0	260
2002 Brush Bandit Chipper #410	0	90	0	0	0	0	0	0
2002 Stake Truck #415	0	0	0	150	0	0	0	150
2003 Tandem Dump Truck #419	0	0	230	0	0	0	0	230
2003 Single Axle Dump #424	0	0	0	0	190	0	0	190
2003 Single Axle Dump # 425	0	0	0	0	0	190	0	190
2003 Single Axle Dump Truck #426	0	0	0	0	0	0	190	190
2003 Tandem Dump Truck #433	0	0	0	240	0	0	0	240
2013 Van Building Maintenance #435	0	0	0	0	0	60	0	60
2006 Super Duty Dump Truck #481	0	0	0	64	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	200	0	0	0	200
Tool Cat (New)	75	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$ 1,835</b>	<b>\$ 4,475</b>	<b>\$ 1,825</b>	<b>\$ 3,424</b>	<b>\$ 2,365</b>	<b>\$ 1,385</b>	<b>\$ 626</b>	<b>\$ 9,625</b>
Total Projects	11	10	7	11	8	10	3	61
Total Equipment	1	1	1	8	4	3	3	19

TABLE V  
FY 2020-24 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
B. MAJOR ROAD IMPROVEMENTS									
Campbell 12-13 Mile 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- Dequindre to I-75	0	0	500	0	0	0	0	0	500
John R to 12 Mile Turn Lane	0	0	183	0	0	117	0	0	300
Sectional Edward - Mandoline to Whitcomb	0	0	175	0	0	0	0	0	175
Sectional Townley - 14 Mile to Whitcomb	0	0	115	0	0	0	0	0	115
Sectional - Girard West of Stephenson Highway	0	0	115	0	0	0	0	0	115
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	300	0	0	0	0	0	300
Sectional - Industrial - 14 Mile to Avis	0	0	115	0	0	0	0	0	115
Stephenson Hwy Sectional - Girard to 12 Mile	0	0	200	0	0	0	0	0	200
Sectional - Whitcomb - West to Stephenson Highway	0	0	200	0	0	0	0	0	200
C. LOCAL ROAD IMPROVEMENTS									
Sectional - Edmund - Harlo to John R	0	115	0	0	0	0	0	0	115
Sealcoat Road Rehabilitation	0	225	0	0	0	0	0	0	225
Sectional - Irving - Brush to Edward	0	365	0	0	0	0	0	0	365
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
Non-R Residential Sectional	0	850	0	0	0	0	0	0	850
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	760	0	0	0	0	800
F. EQUIPMENT REPLACEMENT									
1999 Concrete Drop Hammer #261	30	0	0	0	0	0	0	0	30
2000 Solar Arrow board #318	5	0	0	0	0	0	0	0	5
2004 Trailer Air Compressor #330	26	0	0	0	0	0	0	0	26
1999 Leaf Loader Trailer #352	0	0	0	0	55	0	0	0	55
2001 Leaf Loader Trailer #354	0	0	0	0	55	0	0	0	55
2001 Leaf Loader Trailer #355	0	0	0	0	55	0	0	0	55
2008 Solar Arrow board #374	5	0	0	0	0	0	0	0	5
2006 Brush Bandir Chipper #406	0	0	0	0	50	0	0	0	50
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 Stake Truck #415	150	0	0	0	0	0	0	0	150
2003 Tandem Dump Truck #419	230	0	0	0	0	0	0	0	230
2003 Single Axle Dump #424	0	0	0	0	190	0	0	0	190
2003 Single Axle Dump # 425	190	0	0	0	0	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
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	\$ 1,450	\$ 2,195	\$ 3,768	\$ 760	\$ 855	\$ 117	\$ 480	\$ 0	\$ 9,625



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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 estimates 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, FY 2020-24 CIP programs one standalone water main replacement project in FY 2020: West Woodside to DPS Spill Pad “loop” main. Additionally, this project will loop the existing mains on the west side of I-75, and eliminate two aged water mains which run under the freeway. A number of 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**

Nine pieces of water and sewer related equipment are scheduled for replacement over the five years of the CIP. FY 2020 includes the replacement of a 2003 three-yard Caterpillar Front-end Loader (Vehicle #405). This particular piece of equipment is used heavily during water main construction season. Additional vehicle and equipment replacements include a

2007 Ford pick-up programmed at \$34,000 in FY 2021, and another pick-up in FY 2022, two cargo vans at \$33,000, and a Vactor at \$400,000 in FY 2023. Both Motor Pool service/field repair trucks are also scheduled for replacement, funded out of Water and Sewer, in FY 2021 and 2022 respectively.

- **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.

FY 2019 included the final phases of funding for replacement of the DPS salt storage dome, and underground storage tanks and fueling site. Both of these projects have been competitively bid, and are anticipated to be completed by the fall of 2019.

FY 2020 includes \$100,000 for replacement of failing concrete pavement at the DPS, \$20,000 for replacement of the original 1968 windows to increase building comfort and energy savings, and \$15,000 to analyze and repair the building's overhead paging system, which has suffered multiple component failures, and is no longer functional. Future site improvements include continued pavement replacement, replacement of the central air compressor, and complete replacement and upgrades of the DPS HVAC system, budgeted at \$300,000.

- **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 phased project starting in FY 2017. The residential water meter program wrapped up in May, 2018 with a 99% completion rate. The remaining unchanged meters in the City consist of vacant properties, which are changed by Water and Sewer Division staff as soon as they can gain entry to the house. All three residential districts were completed for a total cost of 2.9 million. The commercial meter replacement program was substantially complete with the contractor's departure in February, with a 93% completion rate. DPS Staff expect the remainder of the accessible commercial meters to be changed out by July, 2019.

### **Local Sewer Improvements**

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

As a sewer system ages, the risk of deterioration, blockages and collapses become a major concern. Because sewers are not readily visible like roads and other public facilities, they are often not considered for repair or rehabilitation. As a result, sewer repairs are generally done in response to a major blockage or collapse that has caused basement backups or pavement failures. These are expensive repairs that may have been avoided by undertaking a routine cleaning and TV inspection program. The benefits of cleaning and TV inspecting public sewers include:

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

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

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

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

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

In August 2016, the City received confirmation from the MDEQ that our grant application was funded in Round 4. The City has three years to complete an Asset Management Plan. A Financial review has been 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%. In FY 2019, the City began a comprehensive rate analysis updated annually as part of the overall budget. This report can be found in the Appendix section of this budget.

FY 2019 saw the substantial completion of the cleaning and televising portion of the SAW grant. Staff is currently performing an in-depth analysis of the pipe condition to prioritize future repairs and maintenance.

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 1-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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COLLECTION & DISTRIBUTION SYSTEMS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

COLLECTION & DISTRIBUTION SYSTEMS	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	TOTAL APPROP.
<b>NON-"R" WATER MAINS</b>								
Tawas - Moulin to Robert	319	0	0	0	0	0	0	0
Fontaine - Rose to Dequindre	274	0	0	0	0	0	0	0
W. Brockton - John R. to Dartmouth	0	319	0	0	0	0	0	0
W. Dallas - Alger to Dartmouth	0	210	0	0	0	0	0	0
W. Woodside to DPS Spill Pad/Loop Main West of I-75	0	0	364	0	0	0	0	364
Connie - Beverly to Alden	0	0	0	273	0	0	0	273
Longfellow - Garry to Browning	0	0	0	0	174	0	0	174
Garry - Longfellow to Sherry	0	0	0	0	410	0	0	410
Park Court - 11 Mile to Northwestern	0	0	0	0	277	0	0	277
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	502	0	502
Fourteen Mile - John R to Palmer	0	0	0	0	0	205	0	205
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	0	595	595
Edward - Twelve Mile to Page Middle School	0	0	0	0	0	0	267	267
<b>SEWER PROJECTS</b>								
Sanitary Sewer Inspection/Rehabilitation Program	1,032	663	0	0	0	0	0	0
Sanitary Sewer Projects that result from Inspection	0	0	225	150	150	150	150	825
<b>REPLACEMENTS</b>								
2003 Caterpillar 4-Yard Loader #404	0	350	0	0	0	0	0	0
2003 3 Yard Loader #405	0	0	225	0	0	0	0	225
2003 Tandem Axle Dump Truck with V-box #422	0	220	0	0	0	0	0	0
2000 Chevy 3/4 Ton Pickup #430	0	0	0	34	0	0	0	34
2007 Chevy 3/4 Ton Pickup #434	0	0	0	0	36	0	0	36
2013 GMC Cargo Van #453	0	0	0	0	0	35	0	35
2006 John Deere Backhoe #455	0	0	0	0	90	0	0	90
2007 Ford F250 3/4 Ton Pick-up #457	0	0	0	34	0	0	0	34
2010 Ford 3/4 Ton Pickup #460	0	0	0	0	33	0	0	33
2013 GMC Cargo Van #461	0	0	0	0	0	35	0	35
2003 Sterling Sewer Vactor #465	0	0	0	0	0	0	425	425
2009 Sewer Camera Trailer #466	65	0	0	0	0	0	0	0
City-wide Water Meter Replacement Program	2,325	1,200	0	0	0	0	0	0
Dossier Fleet Management Software	0	27	0	0	0	0	0	0
Meter Reading Equipment	0	0	8	0	0	0	0	8
Sewer Camera	0	0	13	0	0	0	0	13
Utility Locator	0	0	8	0	0	0	0	8
V4 Neptune Collector for AMR	0	9	0	9	9	9	0	27
<b>FACILITIES</b>								
DPS Salt Dome Containment Structure	90	0	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	20	0	0	0	0	20
Replacement/Repairs to DPS Parking Lot	75	80	100	90	100	0	0	290
DPS Overhead Paging System Repair/Rehabilitate	0	0	15	0	0	0	0	15
2006 Backup Generator #552 (DPS Building)	0	0	0	25	0	0	0	25
Dossier Fleet Management Software	0	27	0	0	0	0	0	0
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	70	0	0	70
Underground Gasoline and Diesel Fuel Storage	100	200	0	0	0	0	0	0
HVAC Ajax	0	0	0	300	0	0	0	300
<b>TOTALS</b>	<b>\$ 4,280</b>	<b>\$ 3,305</b>	<b>\$ 978</b>	<b>\$ 951</b>	<b>\$ 1,349</b>	<b>\$ 1,438</b>	<b>\$ 1,437</b>	<b>\$ 6,153</b>
Total Projects	4	7	2	3	6	4	3	18
Total Equipment	2	3	7	6	4	3	1	21

**REVENUES:**

COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL / MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
<b>WATER MAINS/METERS</b>								
W. Woodside to DPS Spill Pad/Loop Main West of I-75	0	0	0	0	0	364	0	364
Connie - Beverly to Alden	0	0	0	0	0	273	0	273
Longfellow - Garry to Browning	0	0	0	0	0	174	0	174
Garry - Longfellow to Sherry	0	0	0	0	0	410	0	410
Park Court - 11 Mile to Northwestern	0	0	0	0	0	277	0	277
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	502	0	502
Fourteen Mile - John R to Palmer	0	0	0	0	0	205	0	205
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
Edward - Twelve Mile to Page Middle School	0	0	0	0	0	267	0	267
<b>SEWER PROJECTS</b>								
Sanitary Sewer Inspection/Rehabilitation Program	0	0	0	0	0	0	0	0
Sanitary Sewer Projects that result from Inspection	0	0	0	0	0	825	0	825
<b>REPLACEMENTS</b>								
2003 3 Yard Loader #405	0	0	0	0	0	225	0	225
2000 Chevy 3/4 Ton Pickup #430	0	0	0	0	0	34	0	34
2007 Chevy 3/4 Ton Pickup #434	0	0	0	0	0	36	0	36
2013 GMC Cargo Van #453	0	0	0	0	0	35	0	35
2006 John Deere 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
2010 Ford 3/4 Ton Pickup #460	0	0	0	0	0	33	0	33
2013 GMC Cargo Van #461	0	0	0	0	0	35	0	35
2003 Sterling Sewer Vactor #465	0	0	0	0	0	425	0	425
Meter Reading Equipment	0	0	0	0	0	8	0	8
Sewer Camera	0	0	0	0	0	13	0	13
Utility Locator	0	0	0	0	0	8	0	8
V4 Neptune Collector for AMR	0	0	0	0	0	27	0	27
<b>FACILITIES</b>								
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	20	0	20
Replacement/Repairs to DPS Parking Lot	0	0	0	0	0	290	0	290
DPS Overhead Paging System Repair/Rehabilitate	0	0	0	0	0	15	0	15
2006 Backup Generator #552 (DPS Building)	0	0	0	0	0	25	0	25
Dossier Fleet Management Software	0	0	0	0	0	0	0	0
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
Underground Gasoline and Diesel Fuel Storage	0	0	0	0	0	0	0	0
HVAC Ajax	0	0	0	0	0	300	0	300
<b>TOTALS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,153</b>	<b>\$ 0</b>	<b>\$ 6,153</b>

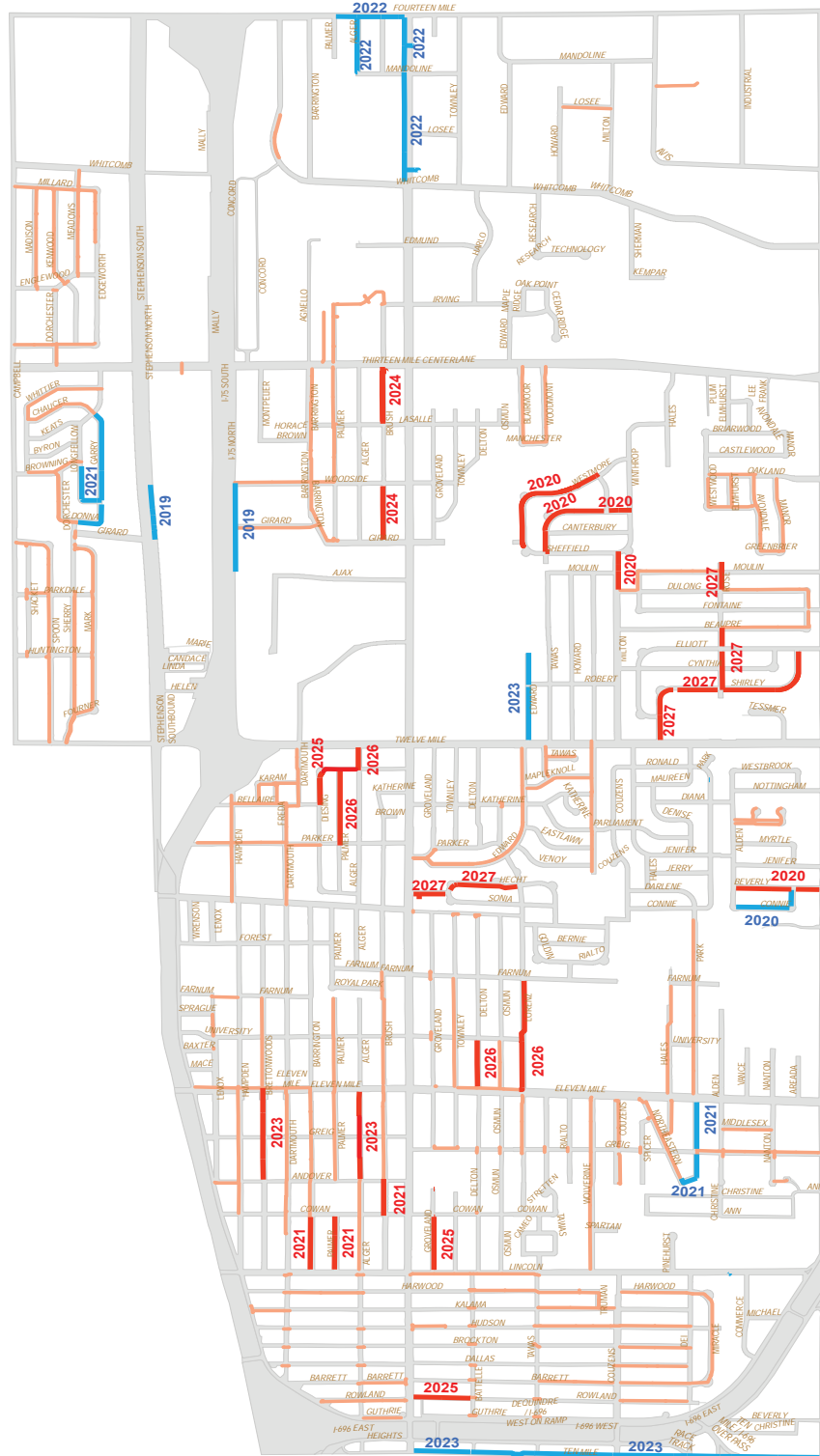
TABLE VII

FY 2020-24 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 2019)</u>
1	2019-20	W. Woodside to DPS Spill Pad / Loop Main West of I-75	2,000	364,000
2	2020-21	Connie - Beverly to Alden	1,300	273,000
3	2021-22	Longfellow - Garry to Browning	850	174,250
4	2021-22	Garry - Longfellow to Sherry	2,000	410,000
5	2021-22	Park Ct. - 11 Mile to Northeastern	1,350	276,750
6	2022-23	Alger - Mandoline to Fourteen Mile	2,450	502,250
7	2022-23	Fourteen Mile - John R to Palmer	1,000	205,000
8	2023-24	John R - Whitcomb to Fourteen Mile	2,450	502,250
9	2023-24	Ten Mile - Dequindre to John R	2,900	594,500
10	2024-25	Edward - Twelve Mile to Page Middle School	1,300	266,500
11	2024-25	Lenox - Eleven Mile to University	800	164,000
12	2024-25	Hampden - Eleven Mile to University	800	164,000
13	2025-26	Lincoln - John R to Service Drive (2 mains)	4,600	943,000
14	2026-27	Park Ct. 12 Mile to Darlene	2,450	502,250
15	2026-27	Ronald - Hales to Park Ct.	750	153,750
16	2027-28	Milton - Twelve Mile to Cynthia	1,300	266,500
17	2027-28	Milton - Cynthia to Dulong	1,200	246,000
18	2027-28	Bernie Lane - Goldin to Rialto	950	194,750
19	2027-28	Beverly Drive - Dequindre to Heights Dr.	1,200	246,000
20	2028-29	Wrenson - Gardenia to Forest	650	133,250
21	2028-29	Diana - Park Ct. to Denise	750	153,750
Totals			33,050	\$ 6,735,750

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.





## PROJECT

- DISCLAIMER :**
- Subsequent efforts have been and continue to be 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 disclaim any and all warranties, representations, or guarantees, either express or implied, including any implied warranties of merchantability or fitness for a particular purpose pertaining to said data. Neither the City nor the County shall have any liability to anyone for incidental, consequential or special damages, losses or liabilities, or for any other type of damage (collectively the "damages"), whether direct or indirect, including but not limited to:

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## **PUBLIC SAFETY**

The 2020-24 CIP includes funding for thirteen public safety facility improvements and thirty-two pieces of equipment/vehicles. These improvements cover both Police and Fire for a total of \$3.9 million.

- Fire Station #1 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.

- 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 2 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 - Roof Replacement

A complete roof replacement for the Police Building is included in the CIP for FY 2020 for a total of \$600,000. This project was originally to be budgeted in two phases starting in FY 2020 but the poor condition is allowing leaking causing significant building issues. The full replacement will occur in FY 2020. Only 130,000 has been budgeted for this project. It is Staff's intention to research financing options for this replacement and repay this financing over approximately 5 years.

- 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, Active Adult 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 sprinkling 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 43<sup>rd</sup> District Court Building.

### **Vehicle Replacement - Police**

The five-year CIP includes replacement of twelve (12) marked patrol vehicles which now cost in excess of \$36,000 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**

Five (5) pieces of equipment or vehicles are scheduled to be replaced during the CIP period, FY 2020-24. These vehicles are utilized by the Fire Department and include three pick-up trucks at approximately \$30,000 each, one ambulance rescue (\$270,000), partial funding for a second pumper, and an aerial ladder truck current estimated at \$900,000. We have applied for Federal grant funds to assist with the purchase of the aerial ladder truck. If we are awarded this grant, the City portion will be approximately \$100,000 of the \$900,000 estimated cost.

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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**PUBLIC SAFETY**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	TOTAL APPROP.
<b>PUBLIC SAFETY</b>								
<b>POLICE</b>								
Patrol Vehicles (24)	28	135	166	160	160	162	160	808
Patrol Motorcycle (2)	0	0	0	24	25	0	0	49
Police Underground Gasoline and Diesel Underground Storage - phased	50	80	0	90	0	0	0	90
Police Padded Flooring Surface	0	14	0	0	0	0	0	0
Police Gun Range Refurbishment	0	223	0	0	0	0	0	0
Police HVAC Upgrades - phased	0	0	0	133	133	134	0	400
Police Interior Sanitary Drain Pipe Replacement	0	0	0	15	0	0	0	15
Police Carpet Replacement - phased	0	0	0	0	25	25	30	80
Police Building Video Camera System	0	0	0	25	0	0	0	25
Police Waterproofing of the South Basement Wall	0	0	0	0	10	0	0	10
Police VCT Flooring Property Room/Gun Range	0	0	0	20	0	0	0	20
Police VCT Flooring Cell Block	0	0	0	30	0	0	0	30
Police Training Room video upgrades	0	0	0	0	9	0	0	9
Police Roof Replacement	0	0	600	0	0	0	0	600
<b>FIRE</b>								
City Bldgs. Fire Detection & Suppression Systems	0	0	0	125	75	0	0	200
Resurfacing Fire Apparatus Room Floors	16	66	0	0	0	0	0	0
Fire HVAC Upgrades	0	0	0	30	21	36	0	87
Lucas Chest Compression System (2)	35	0	0	0	0	0	0	0
Upgrade Fire Engines - Basic to Advanced Life Support	80	0	0	0	0	0	0	0
Fire Station #1 - Thermostat Controls	0	0	15	0	0	0	0	15
Fire Station #2 Parking Lot Improvements	55	0	0	0	0	0	0	0
Fire Station #2 Flooring	0	0	0	32	0	0	0	32
Fire Station #1 and #2 Carpet Replacement	0	0	0	0	25	0	0	25
Fire Station #1 and #2 Kitchen	0	0	0	20	0	0	0	20
2003 Generator Fire Station #1 #550	0	0	0	70	0	0	0	70
2004 Generator Fire Station #2 #553	0	75	0	0	0	0	0	0
2014 GMS Sierra Truck #701	0	0	0	0	28	0	0	28
2007 Ford F350 Pickup #702	0	0	0	36	0	0	0	36
2002 Chevy Pickup 3500 #704	0	0	0	0	34	0	0	34
2011 Ambulance Rescue #710	0	0	0	135	135	0	0	270
2009 Ambulance Rescue #711	135	125	0	0	0	0	0	0
2004 Pierce Pumper #721	0	600	0	0	0	0	0	0
2002 Pierce Pumper #722	0	600	0	0	0	0	0	0
1997 Aerial Ladder Truck #730	0	0	0	0	0	200	200	400
<b>TOTALS</b>	\$ 399	\$ 1,027	\$ 781	\$ 945	\$ 680	\$ 557	\$ 390	\$ 3,353
Total Projects	2	5	2	9	5	2	1	13
Total Equipment	5	7	5	7	9	5	6	32

**REVENUES:**

	GENERAL FUND	LOCAL/ MAJOR STREETS	OAKLAND COUNTY GRANTS	SPECIAL ASSESS	ALS/ VEHICLE MILLAGE	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
<b>PUBLIC SAFETY</b>									
<b>POLICE</b>									
Patrol Vehicles (20)	563	0	0	0	0	0	245	0	808
Patrol Motorcycle	49	0	0	0	0	0	0	0	49
Police Underground Gasoline and Diesel Underground Storage	90	0	0	0	0	0	0	0	90
Police HVAC Upgrades - phased	400	0	0	0	0	0	0	0	400
Police Interior Sanitary Drain Pipe Replacement	15	0	0	0	0	0	0	0	15
Police Carpet Replacement - phased	80	0	0	0	0	0	0	0	80
Police Building Video Camera System	25	0	0	0	0	0	0	0	25
Police Waterproofing of the South Basement Wall	10	0	0	0	0	0	0	0	10
Police VCT Flooring Property Room/Gun Range	20	0	0	0	0	0	0	0	20
Police VCT Flooring Cell Block	30	0	0	0	0	0	0	0	30
Police Training Room video upgrades	9	0	0	0	0	0	0	0	9
Police Roof Replacement	600	0	0	0	0	0	0	0	600
<b>FIRE</b>									
City Bldgs. Fire Detection & Suppression Systems	200	0	0	0	0	0	0	0	200
Resurfacing Fire Apparatus Room Floors	0	0	0	0	0	0	0	0	0
Fire HVAC Upgrades	87	0	0	0	0	0	0	0	87
Fire Station #1 - Thermostat Controls	15	0	0	0	0	0	0	0	15
Fire Station #2 Flooring	32	0	0	0	0	0	0	0	32
Fire Station #1 and #2 Carpet Replacement	25	0	0	0	0	0	0	0	25
Fire Station #1 and #2 Kitchen	20	0	0	0	0	0	0	0	20
2003 Generator Fire Station #1 #550	70	0	0	0	0	0	0	0	70
2014 GMS Sierra Truck #701	28	0	0	0	0	0	0	0	28
2007 Ford F350 Pickup #702	36	0	0	0	0	0	0	0	36
2002 Chevy Pickup 3500 #704	34	0	0	0	0	0	0	0	34
2011 Ambulance Rescue #710	270	0	0	0	0	0	0	0	270
1997 Aerial Ladder Truck #730	0	0	0	0	400	0	0	0	400
<b>TOTALS</b>	\$ 2,708	\$ 0	\$ 0	\$ 0	\$ 400	\$ 0	\$ 245	\$ 0	\$ 3,353

**TABLE IX - A**  
**FY 2020-24 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 2020-24 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 and III)	722	2004	400	0	0	400
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) (Phase I of V)	730	1997	204	0	0	204
2023-24	Aerial Ladder Truck (Partial Funding of \$900 truck) (Phase II of V)	730	1997	207	0	0	207
2024-25	Aerial Ladder Truck (Partial Funding of \$900 truck) (Phase III of V)	730	1997	209	0	0	209
2025-26	Aerial Ladder Truck (Partial Funding of \$900 truck) (Phase IV of V)	730	1997	213	0	0	213
2026-27	Aerial Ladder Truck (Partial Funding of \$900 truck) (Phase V of V)	730	1997	215	0	0	215
	TOTALS			\$ 2,052	\$ 0	0	\$ 2,052

## **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.

The FY 2020 Budget does not include any capital expense at City Hall, Active Adult Center or Library buildings. As part of the FY 2020 Strategic Plan, City Council approved a feasibility study to determine if it is possible to build a new Active Adult Center on the Civic Center plaza and also remodel/expand the Library and update the main floor of City Hall. If it is determined this project is feasible, we will be moving forward with design services and construction over approximately two years. Due to this pending project, we will not be spending money on major expenses.

### **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.

- 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 2021 through FY 2023.

- 43rd District Court

A total of \$35,000 has been programmed in FY 2020 to install security cameras.

- Energy Efficiency Community Block Grant

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

As stated in their Business Plan, the most important function of the Energy Office is to assist local governments in evaluating their energy use, auditing their facilities and taking action on recommended projects. The Energy Office recognizes the opportunity presented by the \$3.2 billion allocated to the Federal Energy Efficiency and Conservation Block Grant program through stimulus funding in the American Recovery and Reinvestment Act of 2009. Currently, non-entitlement communities such as Madison Heights, which are designated as communities with less than 35,000 in population and counties with less than 200,000 in population, are not eligible to receive funding directly from the federal government, but rather have to compete nationally for up to \$900 million in grants from the states and smaller competitive Department of Energy grants to fund energy efficiency and renewable energy efforts. The Energy Office assists the City with securing funds

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

As a non-profit corporation operating under the Michigan Suburbs Alliance, the Energy Office is governed by a Board of Directors comprised of representatives of the member governmental units, an Executive Committee of governmental and non-profit representatives, and Technical Advisory Committees made up of professionals and experts from the energy industry. To join the consortium, larger, direct-entitlement communities are required to contribute the lesser of 10% of the block grant allocation or \$250,000. Non-entitlement communities such as Madison Heights are asked to refund the value of any grants secured for them through the Energy Office to support the Office, based on an annual “simple payback” of 80% of the energy cost savings realized that year. After the grant amount is repaid, ongoing energy savings associated during the life of the project would be realized solely by the City. The Energy Office requires only an 80% payback so that the municipality can realize a portion of the savings (20%) immediately.

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

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

\*An additional project, the City Hall west entry door replacement, was eliminated to allow funding of the other projects.

The first project, lighting replacements at Rosie’s & Huffman Park ballfields, was completed in the spring of 2010 after soliciting and receiving quotes from vendors. The second project, the air conditioning unit for the Information Technology server room, was approved by Council at the Regular Meeting of September 18, 2010 and is completed. The third project, City Hall façade improvement, was approved by Council at the Regular Meeting of November 22, 2010, and work is completed.

- Michigan Public Service Commission (MPSC) Grant

On March 1, 2011, the Southeast Michigan Regional Energy Office awarded the City a grant to continue a second phase of energy-related improvement projects. The City assessed and analyzed additional energy efficiency opportunities in major City-owned buildings that had not been previously identified prior to application submittal. By doing this, the City proved the return of investment was high and



projects were “shovel ready” which scored high on two heavily weighted categories. In fact, the Energy Office set up a 100 point scoring criteria against which the City received the highest score of 82 points of all 17 applicants. Energy Sciences provided energy assessment services and also assisted the City in preparing the grant application.

The City is focusing on energy efficiency measures that provide the maximum energy savings and best return on investment. The funding will be used to implement lighting efficiency upgrades, HVAC optimization and technical energy analysis. The projects were completed in a 120 day timeframe with a payback to the City of about 3 years.

Lighting efficiency upgrades included interior and exterior lighting retrofits, replacements and occupancy sensors that will provide energy savings and standardize lighting throughout all City buildings minimizing the number of lighting replacement components. The lighting upgrades were implemented in City Hall, 43rd District Court, Library, Fire Stations, DPS, Nature Center and the RV & Impound lots.

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

Having finished the EECBG grant projects, which were our “Phase One” of building energy improvements, the MPSC grant was perfectly timed to allow us to begin the next phase of work. The City is very pleased that this Grant award has allowed the City to get one step closer to meeting its 25% energy reduction goal by 2015. Staff projects energy reductions of over 200,000 kWh and 660 MCF of natural gas as a result of this project.

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

The project cost breakdown and grant allocation are as follows:

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



HVAC Upgrades - Court	475	(50)	(425)	0
HVAC Upgrades - Senior Center	<u>2,131</u>	<u>0</u>	<u>(2,131)</u>	<u>0</u>
Totals	\$126,199	\$(19,239)	\$(83,348)	\$23,612

\*Fire Stations Bond

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

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

In FY 2015, the City continued its energy efficiency program with the planned conversion of all mercury vapor streetlights (376) to LED technology. The project required a one-time investment of \$118,000 in FY 2014-15, and following a two-year payback period the City expects to save approximately \$40,000 annually in energy costs.

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

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

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

In June 2014, the City and consultant Plante Moran completed the IT Assessment & Strategic Plan, which resulted in the outsourcing of the IT function, as of January 2015. As part of this plan, the contractor has assessed the City's IT systems with the most critical needs included in this capital plan and detailed below:

- IT Strategic Plan Upgrades

In FY 2021, 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 2020, 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 28 computers are scheduled for a total of \$26,000, with \$24,000 planned each year thereafter for computer replacements.

### **Economic Development**

- Downtown Development Authority

In June 1997, the Madison Heights City Council adopted Ordinance 948 that created the Madison Heights Downtown Development Authority (DDA), pursuant to Act 197 of Public Acts of 1975 of the State of Michigan. A thirteen member DDA Board was appointed to represent the City's south commercial district business interests. The City Council also designated the boundaries (see map) of the downtown district within which the Authority may legally operate. This DDA District boundary was amended in the spring of 1998 to include seven additional lots at the northwest and southeast corners of John R and Eleven Mile Roads.

Since its formation, the DDA has scheduled and conducted regular public meetings to establish the procedures under which it operates, to discuss Business District issues, priorities and objectives to be addressed, to consider initial program strategies and approaches to downtown development, and to review ongoing and planned public and private development projects within the Business District.

The DDA concentrates its efforts to correct and prevent stagnation and/or deterioration within the existing business district, to eliminate blighting influences, and to undertake projects which will encourage businesses to remain or locate, and people to shop in the District. The DDA focuses on the identification and implementation of public improvements to enhance the areas that are needed to strengthen the quality of the District. Attention to maintenance, property upkeep, code enforcement and regular reinvestment in public features is essential. In addition, the DDA develops programs to solicit commitment and investment from business owners to make improvements on private property that serve the public purpose of enhancing the District.

In March 1998, the Tax Increment Financing and Development Plan was adopted by City Council to establish the legal basis and procedure for the capture and expenditure of tax increment revenues in accordance with Public Act 197 of 1975 as amended, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

The Downtown Development Authority's Tax Increment Financing and Development Plan, was reviewed and updated. This plan serves as a guide for the continued development of the downtown development district." 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 FY 2020 continues the implementation of this plan. Specifically, we are budgeting to continue the popular facade improvement program (\$10,000) and sign grant program (\$8,000). Other budgeted plans include phase funding future property acquisition (\$50,000) and business grant program (\$10,000).

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)
<b><u>Marketing/Branding</u></b>		
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.
	<b>\$73,600</b>	
<b><u>Beautification</u></b>		
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.
	<b>\$467,500</b>	
<b><u>Maintenance</u></b>		
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	
	<b>\$486,000</b>	
<b><u>Events</u></b>		
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.
	<b>\$103,000</b>	

**TABLE X**  
**FY 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

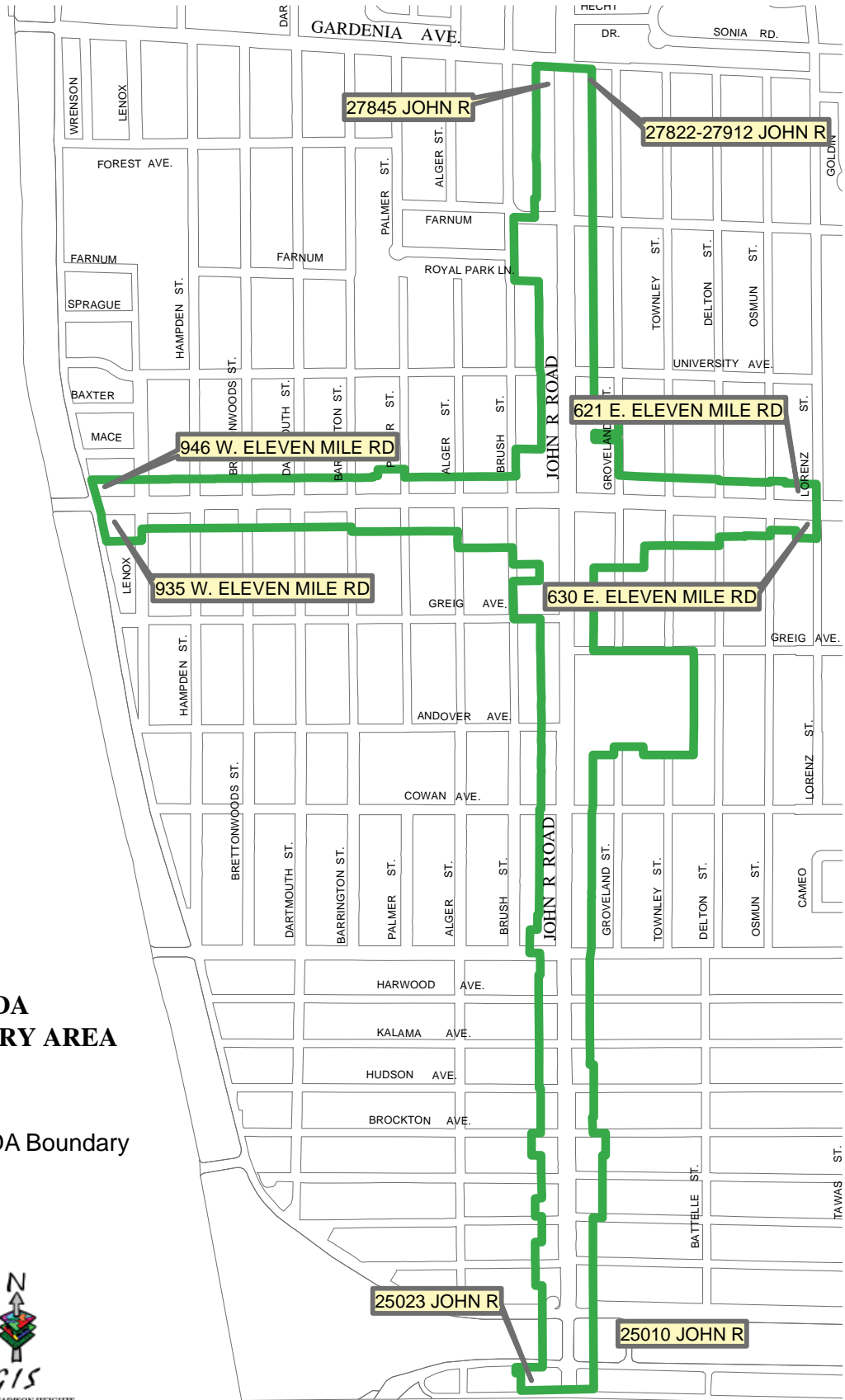
GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	TOTAL APPROP.
43RD DISTRICT COURT								
Courtroom Seating	\$ 0	\$ 22	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Carpet	0	6	0	0	0	0	0	0
Security Cameras	0	0	35	0	0	0	0	35
CIVIC CENTER/ CITY WIDE								
HVAC Improvements	0	0	0	0	200	0	0	200
City Hall On-Site Generator	0	75	0	0	0	0	0	0
City Hall Gazebo	0	6	0	0	0	0	0	0
Civic Center Parking Lot	0	0	0	110	110	110	0	330
Election Tabulating Equipment	120	0	0	0	0	0	0	0
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	20	20	26	24	24	24	24	122
IT Strategic Projects	0	0	0	75	75	75	75	300
COMMUNITY DEVELOPMENT								
Vehicle #495	0	30	0	0	0	0	0	0
LIBRARY								
Library Carpet Replacement	0	48	0	0	0	0	0	0
Lighting Upgrade - Fluorescent to LED	0	7	0	0	0	0	0	0
Breckenridge Room - Room Darkening Blinds/Window Treatments	0	8	0	0	0	0	0	0
TOTALS	\$ 140	\$ 194	\$ 61	\$ 209	\$ 409	\$ 209	\$ 99	\$ 987
Total Projects	3	0	1	1	2	2	2	8
Total Equipment	19	36	28	24	25	24	24	102

**REVENUES:**

GENERAL GOVERNMENT & ECONOMIC DEV.	GENERAL FUND	LOCAL/ MAJOR STREETS	CDBG	SPECIAL ASSESS.	LIBRARY	WATER & SEWER	DOWNTOWN DEVELOP. AUTHORITY	OTHER REVENUES	TOTAL REVENUES
43RD DISTRICT COURT									
Security Cameras	\$ 35	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35
CIVIC CENTER/ CITY WIDE									
HVAC Improvements	200	0	0	0	0	0	0	0	200
Civic Center Parking Lot	330	0	0	0	0	0	0	0	330
City Wide Microcomputer Replacements	91	0	0	0	15	16	0	0	122
IT Strategic Projects	225	0	0	0	0	75	0	0	300
TOTALS	\$ 881	\$ 0	\$ 0	\$ 0	\$ 15	\$ 91	\$ 0	\$ 0	\$ 987

# DDA BOUNDARY AREA

 DDA Boundary



## **LEISURE AND HUMAN SERVICES**

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

### **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 2020-24 include:

<u>Red Oaks Nature Center &amp; Trail Connections Capital Expenditures</u>	<u>Total Project Cost</u>	<u>Fiscal Year(s)</u>
a. Redesign driveway, parking lot, vehicle entry, and walking trails		
i. North Trail and Hales Connector	\$24,000	2019
ii. Parking/Circular Drive Area	\$295,177	TBD
iii. Entrance Road/Parking Area	\$207,418	TBD
iv. Alternate - Overflow Lawn Parking Area	\$123,827	TBD
b. Update HVAC System	\$75,000	2022
e. LED park entrance sign - 13 Mile	<u>\$30,000</u>	TBD
Subtotal	\$755,422	

- 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	Completed 2018
c. Wildwood Park Playground Replacement	125,000	Completed
d. Edison Park – Playscape Replacement	125,000	2019
e. Ambassador Park – Tennis Court Rehabilitation	25,000	2021
f. Civic Center Park – Totscap/Swings	50,000	2021
g. Resurface Gardenia Parking Lot at Rosie’s Park	75,000	2022
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.



## **Active Adult Center Improvements**

The most recent Capital Improvement Plan project completed was the creation of the new access from the rear parking lot of the Active Adult 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 Active Adult Center and John R/Dartmouth intersection calls for the closure of the south Active Adult 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 Active Adult 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 Active Adult 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 Active Adult 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 Active Adult Center Pavilion

The Active Adult 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 Active Adult 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 Active Adult Center Activity Rooms D and E

The existing wall partition dividing Rooms D and E of the Active Adult Center is aged and extremely difficult to operate. With a greater number of programs being offered at the Active Adult 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 Active Adult Center activities. In FY 2020, the Capital Improvement Plan includes the replacement of a 25-passenger bus (\$105,000); FY 2022 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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**LEISURE & HUMAN SERVICES**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

LEISURE & HUMAN SERVICES	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	TOTAL APPROP.
<b>PARKS AND RECREATION</b>								
ADA Wheelchair Platform Swing Sets	0	10	10	0	0	0	0	10
Athletic Fields - Lighting Analysis	0	0	25	0	0	0	0	25
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	75	0	0	0	0	0	0	0
Civic Center Park - Totscap, New Swings & Soft Fall Surfacing	0	0	0	50	0	0	0	50
Ambassador Park Asphalt Pavement & Parking Lot	75	0	0	0	0	0	0	0
Ambassador Park - Tennis Court Rehabilitation	0	0	0	25	0	0	0	25
Friendship Woods - Nature Center Roof	54	0	0	0	0	0	0	0
Walk/Bike Path Construction	0	0	0	0	291	292	0	583
Edison Park - Playscape Replacements	0	125	0	0	0	0	0	0
Huffman Park - Backstop Fence	0	35	0	0	0	0	0	0
Huffman Park - Shelter Building Furnace	0	0	8	0	0	0	0	8
Huffman Park - Irrigation system for Football Field	0	0	0	9	0	0	0	9
Nature Center - Share of Capital Projects	0	0	50	0	0	0	0	50
Rosie's Park - Gardenia Parking Lot	0	0	0	0	75	0	0	75
Rosie's Park - Irrigation system for Soccer Field	0	0	0	0	10	0	0	10
Rosie's Park - Pavilion	0	0	0	50	0	0	0	50
12-Sherry Park - Fence Replacement	0	0	0	20	0	0	0	20
Wildwood Park - Parking Lot Rehabilitation	0	0	30	0	0	0	0	30
Friendship Woods - HVAC System	0	50	0	0	0	0	0	0
Vehicle #484 - 2009 Chevy Colorado Pick-Up Truck	0	0	0	30	0	0	0	30
Vehicle #488 - 2009 Volvo Loader	0	0	0	0	0	0	225	225
<b>ACTIVE ADULT CENTER</b>								
Vehicle #443 - 2003 25 Passenger Bus	0	0	105	0	0	0	0	105
Vehicle #469 - 2010 Senior Van	0	0	0	0	32	0	0	32
Vehicle #471 - 2002 Blue Bird Bus	0	0	0	0	200	0	0	200
Pavilion Rehabilitation	0	25	0	0	0	0	0	0
Rehabilitation of Activity Rooms D and E	0	0	0	20	0	0	0	20
Repaving of Parking lot, Driveway and Walking Path	0	0	0	0	135	135	0	270
Close South Driveway	0	0	0	0	100	0	0	100
<b>TOTALS</b>	\$ 204	\$ 235	\$ 193	\$ 204	\$ 843	\$ 427	\$ 225	\$ 1,892
Total Projects	3	3	4	5	5	2	0	16
Total Equipment	0	0	2	1	2	0	1	3

**REVENUES:**

LEISURE & HUMAN SERVICES	GENERAL FUND	LOCAL/ MAJOR STREETS	VEHICLE MILLAGE	SPECIAL ASSESS.	WATER & SEWER	OAKLAND COUNTY PARKS	OTHER REVENUES	TOTAL REVENUES
<b>PARKS AND RECREATION</b>								
ADA Wheelchair Platform Swing Sets	10	0	0	0	0	0	0	10
Athletic Fields - Lighting Analysis	25	0	0	0	0	0	0	25
Civic Center Park - Totscap, New Swings & Soft Fall Surfacing	50	0	0	0	0	0	0	50
Ambassador Park - Tennis Court Rehabilitation	25	0	0	0	0	0	0	25
Walk/Bike Path Construction	292	0	0	0	0	0	291	583
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
Nature Center - Share of Capital Projects	50	0	0	0	0	0	0	50
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
12-Sherry Park - Fence Replacement	20	0	0	0	0	0	0	20
Wildwood Park - Parking Lot Rehabilitation	30	0	0	0	0	0	0	30
Vehicle #484 - 2009 Chevy Colorado Pick-Up Truck	30	0	0	0	0	0	0	30
Vehicle #488 - 2003 Volvo Loader	225	0	0	0	0	0	0	225
<b>ACTIVE ADULT CENTER</b>								
Vehicle #443 - 2003 25 Passenger Bus (Funded through SMART)	0	0	0	0	0	0	105	105
Vehicle #469 - 2010 Senior Van	32	0	0	0	0	0	0	32
Vehicle #471 - 2002 Blue Bird Bus	0	0	0	0	0	0	200	200
Rehabilitation of Activity Rooms D and E	20	0	0	0	0	0	0	20
Repaving of 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
<b>TOTALS</b>	\$ 1,296	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 596	\$ 1,892

**TABLE XII**  
**FY 2019-2023 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

DEPARTMENT / DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
City Council	Council	B5021051	Duo Core	2018			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 Manager	Exec Assistant		i5	2019					N
City Manager	City Manager	1051	i7	2013	N		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	BAMY	i5	2018					N
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	Finance Director	1245	i5	2019					
Finance	Deputy Finance Director/Treasurer	1146	i5	2015	N				
Finance	Accountant		i5	2018					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	2019					
Finance	Fiscal Assistant II	1144	i5	2015	N				
Information Tech	Laptop City Spare #2	1199	i5	2015					
Information Tech	Laptop - Spare	1188	i7	2013					

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 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Information Tech	Financial Server/AMR								
Information Tech	File Server - Active Directory								
Information Tech	Imaging File Server								
Information Tech	File Server - Active Directory								
CDD	GIS Server			2016					
Police	Training Officer	ESET	i5	2018					N
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	KREGER	i5	2018					N
Police	DB Officer	STRONG	i5	2018					N
Police	DB Officer	1073	i5	2012	N				
Police	Info. System Specialist	1152	i5	2016		NHD			
Police	DB Officer	SHRAM	i5	2018					N
Police	Records Office Ass't II	1241	i5	2014			N		
Police	1ST Shift Lieutenant	KENYEN	i5	2018					N
Police	2ND Shift Lieutenant		i5	2018					N
Police	3RD Shift Lieutenant		i5	2013					N
Police	Laptop/Training	SURFACE	i5	2018					N
Police	Dispatch Front Desk	1087	i5	2014					
Police	Deputy Chief		i5	2018					N
Police	Youth Bureau	1076	i5	2014		NHD			
Police	Records	HDDFAIL	i5	2018		NHD			N
Police	Conference Room		Pentium	2018					
Police	Admin. Secretary	1233	i5	2016		N			
Police	Chief	1240	i5	2016		N			
Police	Gun Registration	1061	i5	2013				N	
Police	Dispatch NWS		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	2018					N
Police	Animal Control Desktop		i5	2018				N	
Fire	Fire Marshal		i5	2018					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		i5	2018					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		

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**TABLE XII**  
**FY 2019-2023 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

DEPARTMENT / DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
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	2018			R		
CDD	Counter	1023	i5	2018			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	2018					N
CDD	Elec. Insp. Laptop	1186	i5	2016			N		
CDD	Building Official	1016	i5	2013				N	
CDD	Mechanical Inspector Desktop	1012	i5	2018					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	2018					N
DPS-Streets	Admin. Secretary - laptop	1159	i5	2015				N	
DPS-Assistant	Assistant	1160	i5	2018					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	2018			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	2018	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	Adult - Internet	UNTAGGED	i5-3470	2018					N
Main Library	Adult - Internet	UNTAGGED	i5-3470	2018					N

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**TABLE XII**  
**FY 2019-2023 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

DEPARTMENT / DIVISION	LOCATION	SERIAL #	CLASS	YEAR PURCHASED	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
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	2018					N
Main Library	Staff-Adult Reference	UNTAGGED	i5-3470	2018					N
Main Library	Staff-Adult Reference	UNTAGGED	i5-3470	2018					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	2018					N
Main Library	Staff-Youth Staff	UNTAGGED	i5-3470	2018					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	2018					N
43 Court	Inter Office	1054	i3-2120	2018					N
43 Court	Inter Office	1055	i5-3450	2018					N
43 Court	Inter Office	1056	i3-2120	2018					N
43 Court	Inter Office	1058	i5-3450	2018					N
43 Court	Inter Office	1057	i5-3450	2018					N
43 Court	Inter Office	1052	i5-3450	2018					N
43 Court	Court Room 1	1122	i5-3470	2012			N		
43 Court	Court Room 2	1121	i5-3450	2012			N		
TOTAL				NEW	26	32	23	24	34
				ROTATE	3	0	4	2	0
				NEW HARD DRIVE	0	6	6	0	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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

		VEH	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	19-	20-	21-	22-	23-	NEXT REPLACED
DEPARTMENT	VEHICLE	#			LENGTH	20	21	22	23	24	
PD-Detective	Ford Fusion	100	2013-14		10					GF	33-34
PD-Admin	GMC Terrain	101	2017-18		8						25-26
PD-Radar	Ford Interceptor Utility	102	2019-20	X	3				GF		25-26
PD-Radar	Ford Interceptor Utility	103	2014-15	X	3	DF			GF		25-26
PD-Patrol	Ford Interceptor Utility	104	2018-19	X	3			GF			24-25
PD-Patrol	Ford Interceptor Utility	105	2014-15	X	3		GF			GF	26-27
PD-Patrol	Ford Interceptor Utility	106	2018-19	X	3			GF			24-25
PD-Patrol	Ford Interceptor Utility	107	2018-19	X	3			GF			24-25
PD-Patrol	Ford Interceptor Utility	108	2014-15	X	3	GF			GF		25-26
PD-Patrol	Ford Interceptor	109	2016-17	X	3		GF			GF	26-27
PD-Patrol	Ford Interceptor Utility	110	2014-15	X	3	GF			GF		25-26
PD-Patrol	Ford Interceptor Utility	111	2016-17	X	3		GF			GF	26-27
PD-A.I.T.	Ford SSV Pickup Truck	112	2016-17	X	5			GF			26-27
PD-A.I.T.	Ford Interceptor	113	2013-14	X	3		GF			GF	26-27
PD-Patrol Sup.	Ford Interceptor Utility	114	2018-19	X	3			GF			24-25
PD-Canine Unit	Ford Interceptor Utility	116	2017-18	X	5				GF		27-28
PD-Mtr. Carrier	Ford Interceptor Utility	117	2018-19	X	3			GF			24-25
PD-Animal CTL	Chevy G20 Van	119	2011-12	X	12					GF	35-36
PD-Admin	Ford Interceptor Utility	121	2014-15	X	8				GF		30-31
PD-Admin	Chrysler 200 Sedan	122	2015-16		8					GF	31-32
PD-Detective	Dodge Journey	123	2014-15		10						24-25
PD-Admin	Sedan	124	2019-20		8	GF					27-28
PD-Detective	Chevrolet Malibu	125	2006-07		10		GF				30-31
PD-Detective	Dodge Durango	126	2018-19		10						28-29
PD-Detective	Dodge Caravan	133	2006-07		10	DF					29-30
PD-Undercover	Undercover	138	2016-17		12						28-29
PD-Reserves Sgt	Ford Explorer	140	2002-03		Rotation						Rotation
PD-Reserves	Ford Interceptor	141	2012-13		Rotation						Rotation
PD-Reserves	Ford Crown Vic	142	2009-10		Rotation						Rotation
PD-Reserves	Ford Interceptor Utility	143	2013-14		Rotation						Rotation
PD-Reserves	Ford Crown Vic	144	2007-08		Rotation						Rotation
PD-Reserves	Ford Crown Vic	145	2010-11		Rotation						Rotation
PD-Reserves	Dodge Diplomat (Historical)	146	1988-89		N/A						N/A
PD-Reserves	Ford Interceptor Utility	147	2014-15		Rotation						Rotation
PD-Patrol	Harley Davidson	160	2006-07		15		GF				35-36
PD-Patrol	Harley Davidson	161	2006-07		15			GF			36-37
PD-Patrol	Peace Keeper A.P.C.	170	2000-01		N/A						N/A
Streets	Wanco Solar Arrow	257	2011-12		15						26-27
Streets	Concrete Drop Hammer	261	1999-00		20		GF				40-41
Parks	Utility Maint. Cart / OCP	281	1993-94		30					GF	53-54
Parks	Senior/Handicap Transportation Cart	282	1993-94		30					GF	53-54
Sewer	Doosan Trailer Air Compressor	300	2016-17		20						36-37
Streets	Wanco Solar Arrow	318	2000-01		15		GF				35-36
Motorpool	Clark Fork Lift	320	1997-98	X	20		WS				40-41
Streets	Smith Trailer Air Compressor	330	2003-04		20					GF	43-44
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		42-43
Solid Waste	Leaf Loader Trailer	357	2007-08	X	20						27-28

Legend:

Advanced Life Support Millage

Drug Forfeiture Fund

General Fund

Grant Funding

Local Street Fund

Major Street Fund

Oakland County Road Commission

ALSM

DF

GF

Grant

LSF

MSF

OCRC

Oakland County Parks

Park Improvement Fund

Road Millage

Senior Millage

Solid Waste Millage

Special Assessment District

Vehicle Millage

Water and Sewer Fund

OCP

PIF

RM

SR

SW

SAD

VM

WS

\* Replaced based on Annual Vehicle Condition Report Grading.

**TABLE XIII**  
**FY 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

		VEH	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	19-	20-	21-	22-	23-	NEXT REPLACED
DEPARTMENT	VEHICLE	#			LENGTH	20	21	22	23	24	
Parks	Polaris ATV	364	2010-11		15						25-26
Streets	Asphalt Roller Vibrator	369	1999-00	X	25						24-25
Streets	Wanco Solar Arrow	374	2008-09		15					GF	38-39
Solid Waste	Street Sweeper Cross Wind	402	2017-18	X	10						27-28
Water	4 YD. Loader Volvo	404	2018-19	X	18						36-37
Water	3 YD. Loader CAT	405	2003-04	X	18	WS					37-38
Solid Waste	Brush Bandit Chipper	406	2005-06	X	15		SW				35-36
Streets	CAT Backhoe	407	2003-04	X	N/A						
Solid Waste	Street Sweeper Whirl Wind	408	2011-12	X	10			SW			31-32
Streets	CAT Loader 3 Yrd	409	2003-04	X	18			GF			39-40
Solid Waste	Morbark Chipper	410	2018-19	X	15						33-34
Streets	Stake Truck Ford	415	2003-04	X	20					GF	37-38
Motor Pool/Shared	Chevy Impala	416	2014-15		15						29-30
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	2018-19	X	12						32-33
Water	Chevy 3/4 Ton Pickup	423	2016-17	X	12						28-29
Solid Waste	Single Axle Dump	424	2003-04	X	16			SW			37-38
Streets	Single Axle Dump	425	2003-04	X	16				GF		38-39
Streets	Single Axle Dump	426	2003-04	X	16					GF	39-40
Streets	Platform Truck	429	2015-16	X	12						27-28
Motorpool	3/4 Ton Pickup	430	1999-00	X	20		WS				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			WS			36-37
Streets	Van Building Mnt.	435	2012-13	X	10				GF		32-33
Streets	Toolcat Utility Vehicle	438	2017-18	X	15						32-33
Active Adults	25 Passenger Bus Ford	443	2003-04	X	14						
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	20						25-26
Water	Ford F250 3/4 Ton Pickup	457	2007-08	X	12		WS				32-33
Water	GMC W 4500 Van	458	2018-19	X	12						30-31
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	X	12						25-26
Water	Tandem Axle Dump	464	2013-14	X	12						25-26
Sewer	Sterling Vactor (Reconditioned in 2015)	465	2003-04	X	20					WS	43-44
Sewer	Sewer T.V. Trailer	466	2008-09	X	20						28-29
Sewer	GapVax	468	2016-17	X	15						33-34

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 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

		VEH	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	19- 20	20- 21	21- 22	22- 23	23- 24	NEXT REPLACED
DEPARTMENT	VEHICLE	#			LENGTH						
Active Adults	Ford Van	469	2009-10		12			SR			33-34
Active Adults	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
Parks	Ford F250 3/4 Ton Pickup	475	2007-08	X	12						
Parks	Chevy Silverado	477	2013-14		12						25-26
Solid Waste	Single Axle Dump Truck	479	2013-14	X	16						29-30
Active Adults	GMC Rally Van (SMART)	480	2016-17		N/A						N/A
Streets	Super Duty Dump Truck	481	2005-06	X	13		GF				33-34
Active Adults	GMC Van	482	2012-13		12						24-25
CDD Inspec.	Ford F-150 Pick-Up	483	2014-15		10						24-25
Parks	Chevy Colorado Pickup	484	2008-09	X	12		GF				32-33
Parks	Chevy Pickup 4 x 4	485	2012-13	X	12						24-25
Parks	Volvo Loader	488	2003-04	X	20					GF	43-44
Parks	Tractor Mower	489	1968-69		N/A						N/A
CDD Inspec.	Ford F150 Pick-up	492	2014-15		10						24-25
CDD Supervis.	Ford Explorer	493	2014-15		10						24-25
Water	GMC Van	494	2014-15		10						24-25
CDD - Code	Ford F-150 Pick-Up	495	2018-19	X	10						28-29
CDD Inspec.	Ford F150 Pick-Up	496	2014-15		10						24-25
CDD ED./Sup.	Ford Focus	500	2014-15		15						29-30
Solid Waste	GMC Pickup	513	1996-97		Rotation						Rotation
Solid Waste	Brush Chipper Truck	525	2003-04	X	15		SW				35-36
Active Adults	Smart Bus	530	2016-17	X	N/A						N/A
Motor Pool	Em. Gen. Fire Station #1	550	2005-06	X	15		GF				35-36
Motor Pool	Em. Gen. Police	551	2005-06	X	15			GF			36-37
Motor Pool	Em.Gen. DPS	552	2005-06	X	15		WS				35-36
Motor Pool	Em. Gen. Fire Station #2	553	2003-04	X	15						33-34
Motor Pool	Em. Gen. Portable-1 / 1986 Trailer	554	1974-75	X	N/A						N/A
Motor Pool	Em. Gen. Portable-2	555	2004-05	X	N/A						N/A
Fire	Ford Interceptor	700	2015-16		8					GF	31-32
Fire	GMC Sierra	701	2013-14		8			GF			28-29
Fire	Ford F350 Pickup 2WD	702	2007-08	X	15				GF		37-38
Fire	Chevy Pickup 3500 4WD	704	2001-02	X	15		GF				35-36
Fire	Ambulance Rescue Truck (Backup)	710	2011-12	X	9		GF				29-30
Fire	Ambulance Rescue Truck	711	2018-19	X	9						27-28
Fire	Ambulance Rescue Truck	713	2015-16	X	9					GF	32-33
Fire	Pumper Pierce	721	2018-19	X	18						36-37
Fire	Pumper Pierce	722	2018-19	X	18						36-37
Fire	Pumper Pierce (Backup)	723	2006-07	X	18						24-25
Fire	Aerial Ladder E-One	730	1997-98	X	25				GF		47-48
Fire	Hazmat Trailer	740	2015-16	X	15						30-31
Fire	Technical Rescue Trailer	741	2001-02	X	25						26-27
<b>GRAND TOTAL</b>						<b>7</b>	<b>21</b>	<b>17</b>	<b>13</b>	<b>17</b>	

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



## **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 2020. Projects included in the plan in years beyond FY 2020 are concepts only and impacts on operating budgets are subject to change.

**TABLE XIV**  
**FY 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

Neighborhood Projects - Table III		
Project Description	Meadows Avenue (Englewood Ave to Meadows)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	263,000	FY 2020
Total Funding Amount	\$ 263,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
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	West Dallas Avenue (Alger Street to John R Road)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	260,000	FY 2020
Total Funding Amount	\$ 260,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
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	Madison Avenue (Englewood Avenue to Madison)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	181,000	FY 2020
Total Funding Amount	\$ 181,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
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 Avenues (Englewood Avenue to Englewood)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	174,000	FY 2020
Total Funding Amount	\$ 174,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
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 : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ 215,000	FY 2019
Proposal R-3 Millage	232,000	FY 2020
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.	
Project Description	Windemere Avenue (Campbell Road to Dorchester Avenue)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	133,000	FY 2020
Total Funding Amount	\$ 133,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
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	Sectional Road Work on Major Streets	Department : Department of Public Services
Funding Type		
Major Street Act 51	\$ 865,000	
Total Funding Amount	\$ 865,000	
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.	

TABLE XIV							
FY 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN							
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS							
Project Description		John R to 12 Mile Turn Lane			Department : Department of Public Services		
Funding Type							
Private Partnership							
Tir-Party RCOC, Oakland Co.							
Major Street Act 51							
Total Funding Amount		\$ 300,000					
Type:		New turn lane. This project will be dependant on property donated from businesses in the area. Without property this project will not go forward.					
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		Sealcoat Rehabilitation - Local Roads			Department : Department of Public Services		
Funding Type							
Local Street Act 51							
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		Non-R Sectional Road Projects			Department : Department of Public Services		
Funding Type							
Local Street Act 51							
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		Sidewalk Replacement Program			Department : Department of Public Services		
Funding Type							
Special Assessment Fund							
Total Funding Amount							
Type:		Replacement of current asset					
Project Details		Year 6 in an 8 year sidewalk replacement program. Year 7 and 8 are projected to be funded at \$250,000 each from the Special Assessment Fund.					
New Operation Costs		This project will not result in any significant increase in operating cost over the next five years.					
Project Description		Traffic Signal Replacement			Department : Department of Public Services		
Funding Type							
Local Street							
Total Funding Amount							
Type:		Replacement of current asset					
Project Details		These funds are being budgeted for emergecny replacement of traffic signals. No actual project is specified in this item.					
Project Description		2003 Tandem Dump Truck #419			Department : Department of Public Services		
Funding Type							
General Fund							
Total Funding Amount							
Type:		Replacement of current asset					
Project Details		Current vehicle to be replaced has approximately 52,225 miles operation and was purchased in 2003 (15 service years old). This vehicle has been in for service three times in the past month and 5 times in the last 3 months. Maintenace cost have exceeded \$59,000 as of February 2019					
Operational Cost		\$ (9,800)	\$ -	\$ -	\$ -	\$ -	\$ (9,800)
Collection and Distribution Systems - Table VI							
Project Description		W. Woodside to DPS Spill Pad/Loop Main West of I-75			Department: Department of Public Services		
Funding Type							
Water and Sewer Funds							
Total Funding Amount							
Type:		Replacement of current asset					
Project Details		See Collection and Distribution section for details.					
Project Description		R-3 Watermain Projects			Department: Department of Public Services		
Funding Type							
Water and Sewer Funds							
Total Funding Amount							
Type:		Replacement of 4 current watermain - Westmore Drive, Milton Avenue, Tanglewood Drive, Beverly Avenue					
Project Details		See Collection and Distribution section for details					

TABLE XIV FY 2020-24 FIVE YEAR CAPITAL IMPROVEMENT PLAN CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS						
<b>Project Description</b>	<b>Sanitary Sewer Inspection/Rehabilitation Program</b>				<b>Department:</b>	<b>Department of Public Services</b>
Funding Type						
Water and Sewer Funds	\$ 225,000					
<b>Total Funding Amount</b>	<b>\$ 225,000</b>					
Type:	New Project					
Project Details	See Collection and Distribution section for details.					
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.					
<b>Project Description</b>	<b>2003 Caterpillar 4-Yard Loader #405</b>				<b>Department:</b>	<b>Department of Public Services</b>
Funding Type						
Trade-In or Sale	\$ 10,000					
Water and Sewer Funds	225,000					
<b>Total Funding Amount</b>	<b>225,000</b>					
Type:	Replacement of current asset					
Project Details	While current asset only has 5,583 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.					
	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Operational Cost	\$ (15,000)	\$ -	\$ -	\$ -	\$ -	\$ (15,000)
<b>Project Description</b>	<b>Window Replacement of DPS Office Building (Ajax Drive)</b>				<b>Department:</b>	<b>Department of Public Services</b>
Funding Type						
Water and Sewer Funds	\$ 20,000					
<b>Total Funding Amount</b>	<b>\$ 20,000</b>					
Type:	Replacement of current asset					
Project Details	Windows are currently in very poor condition it is estimated new windows throughout will result in energy savings exceeding the cost to replace.					
	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Operational Cost	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (15,000)
<b>Project Description</b>	<b>Replacement of DPS Parking Lot</b>				<b>Department:</b>	<b>Department of Public Services</b>
Funding Type						
Various	\$ 100,000 * This project is being completed in phases over five years					
<b>Total Funding Amount</b>	<b>\$ 100,000</b>					
Type:	Replacement of current asset					
Project Details	See Collection and Distribution section for details.					
	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Project Costs	\$ 100,000	\$ 85,000	\$ 90,000	\$ -	\$ -	\$ 275,000
<b>Public Safety - Table VIII</b>						
<b>Project Description</b>	<b>Underground Storage Tank</b>				<b>Department:</b>	<b>Police</b>
Funding Type						
General Fund	\$ 270,000 * Funded over five years starting in FY 2015 to be completed in FY 2021.					
<b>Total Funding Amount</b>	<b>\$ 270,000</b>					
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.					
<b>Project Description</b>	<b>Police Patrol Vehicles and Special Investigation Unit</b>				<b>Department:</b>	<b>Police</b>
Funding Type						
Drug Forfeiture	\$ 65,014					
General Fund	101,028					
<b>Total Funding Amount</b>	<b>\$ 166,042</b>					
Type:	The CIP includes the replacement of 3 patrol vehicles, one Caravan and on Special Investigation Vehicle #108,110,103,133 & 124.					
Project Details	Two vehicles will be replaced from Drug Forfeiture and three from the General Fund.					
<b>Project Description</b>	<b>Police Roof</b>				<b>Department:</b>	<b>Department of Public Services</b>
Funding Type						
General Fund	\$ 600,000 * Financed and budgeted at 1/5 of anticipated principal and financing cost \$130,000					
<b>Total Funding Amount</b>	<b>\$ 600,000</b>					
Type:	Originally the roof was to be budgeted over two years, however the poor condition demands replacement in FY 2020.					
Project Details	We currently pay for repairs during the spring and fall/winter. This will be eliminated in FY 2020 with replacement					
	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Operational Cost	\$ (12,000)	\$ -	\$ -	\$ -	\$ -	\$ (12,000)

**TABLE XIV**  
**FY 2020-24 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	\$ 25,500 per year		
<b>Total Funding Amount</b>	<b>\$ 25,500</b>		
Type:	Replacement of current assets		
Project Details	The Capital Improvement Plan includes a detailed computer replacement, see Table XII. Each year we try to replace between 22-28 computers depending on replacement cost.		
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.		
Project Description	Security Cameras	Department:	Court
Funding Type			
General Fund	\$ 35,000		
<b>Total Funding Amount</b>	<b>\$ 35,000</b>		
Type:	New.		
Project Details	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.		
Leisure and Human Services - Table XI			
Project Description	ADA Wheelchair Platform Swing Sets	Department:	Parks
Funding Type			
General Fund	\$ 10,000		
<b>Total Funding Amount</b>	<b>\$ 10,000</b>		
Type:	Replacement of current assets		
Project Details	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 - Shelter Building Furnance	Department:	Parks
Funding Type			
General Fund	\$ 8,000		
<b>Total Funding Amount</b>	<b>\$ 8,000</b>		
Type:	Replacement of current assets		
Project Details	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	Nature Center - Trail and Capital Projects	Department:	Parks
Funding Type			
Oakland County Funding	\$ 55,000		
General Fund	50,000 per year		
<b>Total Funding Amount</b>	<b>\$ 105,000</b>		
Type:	Replacement of current assets		
Project Details	Oakland County determined projected need and the City and County work together on project funding.		
Project Description	Wildwood Park - Parking Lot Rehabilitation	Department:	Parks
Funding Type			
General Fund	\$ 30,000		
<b>Total Funding Amount</b>	<b>\$ 30,000</b>		
Type:	Replacement of current assets		
Project Details	See Leisure and Human Services Section for Details		



## **APPENDICES**

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## PROPOSED FY 2019-20 Budget Resolution

### **A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2019-20 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 13, 2019, 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 25.2887 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	9.8158
Neighborhood Road Improvements	1.9632
Vehicle Replacement	0.2454
Advanced Life Support	0.2454
Solid Waste	2.5968
Senior Citizens	0.4663
Police & Fire Pension	7.3886
Fire Stations Debt Obligation	0.4951
Library	0.9816
Chapter 20 Drain Debt	1.0905
Total	<hr/> 25.2887

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 2019-20 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 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 2019-20

EXPENDITURES		REVENUES	
GENERAL FUND			
General Government	\$5,859,132	Property Taxes and Fees	\$18,502,666
Public Safety	16,652,264	Intergovernmental Revenues	5,376,998
Community Services	3,578,528	Other	6,026,455
Cultural and Recreation	1,868,549	Use of Fund Balance	174,512
Community Development	1,082,947		
Debt Service	1,039,211		
TOTAL	<u>\$30,080,631</u>		<u>\$30,080,631</u>
MAJOR STREET FUND			
Program Expenditures	\$2,030,107	Intergovernmental Revenues	\$2,397,415
		Other	50,000
		Use of Fund Balance	(417,308)
	<u>\$2,030,107</u>		<u>\$2,030,107</u>
LOCAL STREET FUND			
Program Expenditures	\$2,877,028	Property Taxes	\$1,595,788
		Intergovernmental Revenues	1,025,685
		Other	20,500
		Transfers In	100,000
		Use of Fund Balance	135,055
	<u>\$2,877,028</u>		<u>\$2,877,028</u>
PARKS MAINTENANCE & IMPROVEMENT FUND			
Program Expenditures	\$39,900	Other	\$34,000
		Use of Fund Balance	5,900
	<u>\$39,900</u>		<u>\$39,900</u>
DOWNTOWN DEVELOPMENT AUTHORITY			
Program Expenditures	\$126,035	Property Taxes	\$37,785
		Intergovernmental Revenues	27,750
		Other	500
		Use of Fund Balance	60,000
	<u>\$126,035</u>		<u>\$126,035</u>
DRUG FORFEITURE FUND			
Program Expenditures	\$135,114	Intergovernmental Revenues	\$32,000
		Other	350
		Use of Fund Balance	102,764
	<u>\$135,114</u>		<u>\$135,114</u>

EXHIBIT "A"  
CITY OF MADISON HEIGHTS  
ADOPTED BUDGET RESOLUTION  
FISCAL YEAR 2019-20

EXPENDITURES		REVENUES	
	COMMUNITY IMPROVEMENT FUND		
Program Expenditures	\$134,343	Intergovernmental Revenues	\$139,212
		Use of Fund Balance	(4,869)
	<u>\$134,343</u>		<u>\$134,343</u>
	SPECIAL ASSESSMENT REVOLVING		
Program Expenditures	\$305,520	Other	\$40,725
		Use of Fund Balance	264,795
	<u>\$305,520</u>		<u>\$305,520</u>
	FIRE STATIONS BONDS		
Program Expenditures	\$438,245	Property Taxes	\$428,916
		Use of Fund Balance	9,329
	<u>\$438,245</u>		<u>\$438,245</u>
	WATER AND SEWER FUND		
Program Expenditures	\$12,797,435	Sales to Customers	\$11,360,169
		Other	188,255
		Use of Retained Earnings	1,249,011
	<u>\$12,797,435</u>		<u>\$12,797,435</u>
	MOTOR AND EQUIPMENT POOL		
Program Expenditures	\$1,027,485	Other	\$1,027,485
	<u>\$1,027,485</u>		<u>\$1,027,485</u>
	DEPARTMENT OF PUBLIC SERVICES		
Program Expenditures	\$1,857,735	Other	\$1,857,735
	<u>\$1,857,735</u>		<u>\$1,857,735</u>
	CHAPTER 20 DRAIN DEBT SERVICE		
Program Expenditures	\$885,966	Property Taxes	\$885,966
	<u>\$885,966</u>		<u>\$885,966</u>

The FY 2020 City of Madison Heights Fee Schedule will be effective July 1, 2019 unless otherwise noted. The entire schedule will be adopted with the Budget Policy document. Revisions since the adoption of the schedule for FY 2020 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**

Revise Code Enforcement fees for repeat offenders.  
Demolition permits Include a building size and a cash bond.  
Add annual Hotel Inspections  
Add annual Medical Marihuana Facility and Grow Operations fee

**Section 2. City Clerk Services**

Add Application fee for Medical Marihuana Facility and Grow Operations

**Section 3. Water and Sewer**

Proposed revisions for bills and services on or after July 1, 2019.  
Eliminate fire detector meter fee.  
Updated Damaged Register Head fee based on the cost of equipment.  
Updated Hydrant Meter deposit based on cost of equipment.  
Added large meter bench test contractual fee.  
Updated overtime charges based on actual cost recovery

**Section 4. Treasury and Assessing Services**

No changes.

**Section 5. Library Services**

Eliminate additional card replacement fee after one.

**Section 6. Fire Services**

No changes

**Section 7. Police Services:**

No changes

**Section 8. Department of Public Services**

Add Late fee for RV lot rental renewal.

**Section 9. Parks and Recreation**

Add non-resident pavilion rental fee.  
Add athletic field preparation fee

**Section 10. Active Adult Center Services**

Add fee for Equipment Usage.

**Section 11. General Government**

No change

## 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

*Receipted 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

*Receipted 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

*Receipted 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**

*Receipted 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**

*Receipted 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**

*Receipted 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**

*Receipted 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**

*Receipted 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**

*Receipted 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.

Residential \$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.)

Permit Fees:

### **Commercial and Industrial**

Permit Fees: Up to 30,000 cubic square feet \$210 (Includes pre-demolition, open hole and final site inspections. Additional inspections \$70.00 each. The inspector shall estimate the number of visits required.)

Over 30,000 cubic square fee \$210 plus \$5 per 1,000 cubic square feet (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**

*Receipted 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):**

*Receipted into 590-551-8180-000*

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

## **Code Inspections**

*Receipted 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, and 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 horsepower or greater shall require one inspection per unit.

Concealed piping shall require an additional inspection per system.

### 3.5 Plumbing: Single-Family Residential

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

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

### 3.6 Plumbing: Multiple-Family, Commercial, Industrial

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

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

### 3.7 Building: All Construction

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

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

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

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

- 1.1 All permits shall be assessed a non-refundable application fee of \$25.00.
- 1.2 Permit Fees: Permit fees are non-refundable after work has started and non-transferable.  
Cutting, repair, sawing, removal, replacement or modification of street surface,



aprons or curb and gutter:  
 \$70.00 per required inspection  
 (Two inspections required minimum unless work is covered by a site plan and bond.)  
 \$5,000 bond (\$1,000 for qualified homeowner permits at the Departments discretion) required for r.o.w.  
 work. Waived for registered contractors with annual bond posted and projects with site plan  
 guarantee bonds posted.

Concrete flatwork                \$70.00 per inspection                (fees waived for five (5) squares or less of public sidewalk)

- 1.3 Contractor registration fee:
- |                  |  |
|------------------|--|
| Registration     | \$15.00                                  |
| Performance Bond | Minimum \$5,000.00 (Required for r.o.w.) |

#### PRIVATE SEWER AND WATER SERVICE

*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.  
 Private sewer and water leads (from the building to the storm sewer, sanitary sewer or water main) including  
 replacements:
- |                              |               |
|------------------------------|---------------|
| Storm or sanitary sewer lead | \$70.00 each. |
| Water lead                   | \$70.00 each. |
| Gate wells or structures     | \$70.00 each. |

Public sewer and water mains: See non-telecommunication engineering fees below

- 1.3 Contractor registration fee:
- |                  |                                  |
|------------------|----------------------------------|
| Registration     | \$15.00                          |
| Performance Bond | \$5,000.00 (Required for r.o.w.) |

#### PLANNING FEES

*Receipted into 101-030-6071-000*

Site Plan Review	
Planning Commission	\$1,000.00
Administrative	\$500.00
Plats and Site Condominiums	\$1,000.00
Easements:	
Vacations	\$500.00
Encroachments	\$ 50.00
Land Divisions	\$200.00

#### ZONING FEES

*Receipted into 101-044-6701-000*

Z.B.A.	
Residential	\$200.00
Commercial	\$550.00
Special Use Approvals	\$1,000.00
Re-zonings	\$1,000.00

#### BROWNFIELD REDEVELOPMENT AUTHORITY FEES

*Receipted into 101-044-6701-000*

Application fee: \$1,500.00 plus \$2,500.00 engineering escrow.

**ENGINEERING FEES - (NON-TELECOMMUNICATION)***Receipted 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)***Receipted 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
Bonds	Cash Bond \$5,000
GIS Fee	\$150.00.

**LANDLORD LICENSING***Receipted into 101-017-4771-000*

<u>Three-Year Registration Fees:</u>	<u>New Registrations and Renewals Through Renewal Date*</u>
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  
 First Offense \$100.00 Administrative Fee + Actual Contractor Charges  
 Second Offense (same growing season) \$200 + Actual Contractor Charges  
 Third or more Offenses (same growing season) \$300 + Actual Contractor Charges

*Receipted into 101-030-6260-000*

Clean-up/Debris Removal (ROW) \$150.00 Administrative Fee + Actual Labor and Disposal Charges  
 Repeat Offenders \$250.00 Administrative Fee + Actual Labor and Disposal Charges

Clean-up/Debris Removal (PVT) \$250.00 Administrative Fee + Actual Labor and Disposal Charges \*  
 Repeat Offenders \$500 Administrative Fee + Actual Labor and Disposal Charges \*  
 \*Warrant required prior to contractor authorization

*Receipted into 101-030-6270-000*

Snow Removal (Public Walks) First Offense \$100.00 Administrative Fee + Actual Contractor Charges  
 Second Offense (same growing season) \$200 + Actual Contractor Charges  
 Third or more Offenses (same growing season) \$300 + Actual Contractor Charges

*Receipted into 101-030-6250-000*

## HOTEL INSPECTIONS

Annual Building and Fire Inspections \$15 per unit / per year

## MEDICAL MARIHUANA FACILITY/MEDICAL MARIHUANA GROW OPERATION

Application Fee \$500 nonrefundable

Annual License Fee \$5,000 per year

## 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.

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

### Electronic File Format Prices (when available)

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

Medical Marihuana Facility/Medical Marihuana Grow Operation      Business License Application fee \$5,000 non-refundable

### Animal License/Permits

#### 1.0 Dogs and Cats.

*Receipted 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

*Receipted 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

*Receipted 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

*Receipted 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 ½ 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 receipted into 590-010-6430-000*

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

*Sewer receipted 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

*Receipted 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 are 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 receipted into 590-000-2735-000*

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

*Transmission receipted into 590-000-6113-000*

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

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

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

Supply/ Meter Size						
Description	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

*Received into 590-010-6111-000*

*GLWA pass through charges received into 590-010-6490-000*

Description	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"
Frozen Meter Charge w/service charge	\$180	\$180	\$275	\$505	\$620	\$2,300	\$3,100	\$4,600
Damaged/Missing Transmitter (R900)	\$105	\$105	\$105	\$105	\$105	\$105	\$105	\$105
Damaged Register Head (Per Head if Compound)	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95
GLWA (Pass Through)	\$3.38	\$5.07	\$8.45	\$18.59	\$27.04	\$49.01	\$67.60	\$101.40

## 3.0 Miscellaneous Service Fees

*Received into 590-010-6111-000*

Fire Suppression Private Water Line Charge	\$5 per month
Final Reading	\$20 per account processed
"No Show" Charge for service calls	\$25 per occurrence
Turn-Off/Turn-On	\$60
Reinstall Meter with Turn-On	\$60
Meter Bench Test (5/8 – 1 1/2") – Reading within AWWA range	\$60
Meter Bench Test (2" and above)– Reading outside AWWA range	\$350
Fire Suppression System – Turn-Off/Turn-On	\$60
Construction Water Use	\$125
Hydrant Meter Deposit	\$2,000
Disconnected Water Service from Main (3/4"-2")	\$700
Disconnect Water Service from Main (3"-6")	\$1,000
Service Call Overtime Charge (Mon- Sat)	\$150
Service Call Overtime Charge (Sun & Holidays)	\$300
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****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.

**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).

**Duplicate Bill Fee**

*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

**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.

**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****Rental and Late Fee**

*Late Fees receipted into 101-030-6085-000*  
*DVD Fees receipted into 101-030-6085-000*

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 rental	\$1.00 per day

**Program Fees**

*Receipted into 705-000-2918-000*

Coffee Concerts	\$5 per concert
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**Computer and Printer Fees**

*Printer Fees receipted into 101-033-6086-000*  
*Computer Use fees receipted 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)

**Miscellaneous**

*Printer Fees receipted 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 per card
Library Card non-resident	\$100

**Section 6. FIRE SERVICE FEES****Ambulance and Emergency Response Fees****1.0 Advanced Life Support Services***Receipted 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***Receipted into 101-044-6707-000*

BLS Emergency Transports	\$550
BLS Non-Emergency Transport	\$400

**3.0 Miscellaneous Fees***Receipted 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***Receipted into 101-044-6709-000*

Course fees include supplies and materials used.

Basic CPR	\$50 per participant
CPR and Automatic Defibrillation	\$50 per participant
CPR/First Aid	\$50 per participant
CPR for Professional Health Care Providers	\$50 per participant
On-line CPR Practical Skill Verification	\$25 per participant

**2.0 Inspections and Reporting**

Fire incident reports	See Section 12 – FOIA Fees
EMS reports	See Section 12 – FOIA Fees
Environmental Inspection Assessment	\$25 per assessment
Fire Re-Inspection	no charge 1 <sup>st</sup> and 2 <sup>nd</sup> inspection
	3 <sup>rd</sup> inspection \$100 each
	4 <sup>th</sup> inspection \$200 each
	5 <sup>th</sup> or more inspection \$300 each

*False alarms – see fee schedule in the Police Department in Section 7.*

## Section 7. POLICE SERVICES FEES

### False Alarm Fees

Number of alarms is determined on a rolling calendar year from the date of the first false alarm.

1st False Alarm	No Charge
2nd False Alarm	No Charge
3rd False Alarm	\$100
4th False Alarm	\$200
5th False Alarm	\$300
6th False Alarm	\$400
7th and all subsequent violations	\$500

### Police FOIA and Miscellaneous Fees

#### 1.0 FOIA

In-Car Video 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**

**RV Lot Rental Fee**

*Receipted into 101-030-6285-000*

RV Lot Rental based on availability	\$10 per month
RV Lot Late Payment Fee	\$25 late fee after renewal due date of June 30 each year

**Brush Chipping Fee**

*Receipted into 101-030-6270-000*

Curbside brush chipping service	\$25 per every 15 minutes
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**Mobile Home Solid Waste Collection Fee**

*Receipted into 101-030-6240-000*

Solid Waste Collection	\$8.00 per unit
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This fee is invoiced twice per year based on per unit count as verified by a representative of the Department of Public Services.

## 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 the rental of Pavilions A, B and C at Civic Center Park. Residents have first choice of reservations through March 31<sup>st</sup> each year. On or after April 1<sup>st</sup> each year rental is available to residents and non-residents on a first come first served basis.

Pavilion Rental Fees	\$50 per pavilion + \$50 refundable damage/cleaning deposit
Non-Resident Rental Fee	\$100 per pavilion + \$50 refundable damage/cleaning deposit
Cancellation 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

### Active Adult Center Rentals

The City of Madison Heights allows residents and groups to rent the Active Adult 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.

### Sports Field Preparation

The City of Madison Heights will prepare any of its available sports fields to include dragging, lining, and/or striping. Groups wishing to have a field prepared must have a field permit and follow all guidelines to obtain such.

**Receipted into 101-030-6530-000**

Baseball/Softball Diamonds

\$20 to have field dragged to create a smooth playing surface

Additional \$15 to have foul lines and batters boxes chalked

Soccer/Football Fields

\$20 to have boundary lines painted

Additional \$20 to have internal field-of-play lines painted

**Section 10. ACTIVE ADULT CENTER SERVICE FEES**

The City of Madison Heights offers numerous trips, classes and programs through our Senior citizens Center. The resident and resident fees are set for each trip/program based on cost by the Center Coordinator.

<b>Transportation</b>
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The City of Madison Heights transports residents who are age 50 and older and/or disabled Monday through Friday to beauty shops, grocery stores, Active Adult Center and social service appointments.

Rides	\$1 each way, within Madison Heights
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Doctor appointments	\$2.50 each way Monday & Friday, appointments must stay within a seven (7) mile radius of the Active Adult Center
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<b>Lunch Program</b>
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Lunch served daily at the Senior Center \$3.50 per person suggested donation

<b>Miscellaneous</b>
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Trip Cancellation Fee	\$5
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**Section 11. GENERAL GOVERNMENTAL SERVICE FEES**

<b>Message Board Greetings</b>
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City Hall Message Board	Non-Roundtable members \$10 for one per day or \$20 for a week Roundtable members no charge
Active Adult Center Message Board	\$10 for one day or \$20 for a week

<b>Wedding Ceremony</b>
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Administration fee	\$50 per wedding
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<b>Items for Sale</b>
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Garbage Bags <a href="#">Receipted into 101-033-6421-000</a>	Box of 50 Heavy Duty bags \$18 per box
Recycling Bin and Lid <a href="#">Receipted into 101-033-6422-000</a>	\$14.50

## **Water and Sewer Rate Analysis FY 2020 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 that 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 30<sup>th</sup>, 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 typically reported to the City Council on or about April 5<sup>th</sup> each year as part of the annual proposed budget. The most recent rate structure was adopted and approved by City Council on May 14, 2018 for users of the system. No new rates are proposed in this study for bills on or after July 1, 2019.

## 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 third 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 four years of history to reference. As of March 20, 2019, we have only received preliminary wholesale water service charges of 0.25% for FY 2020.
  - **Assumption used for this rate study as Proposed by GLWA – 4.9% increase in Commodity Rate and 3.1% Decrease in Flat Rate for a combined increase of .038% or \$771 per year.**
    - 2018-19 – GLWA water charges for wholesale customers increased 3.4% for the commodity charge and decreased 0.29% for the flat rate charge.
    - 2017-18 - GLWA water charges for wholesale customers increased by an average of 2%, while rates to Madison Heights increased 3.6%.
    - 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, 2018. I have received unofficial rate projections of 0.25%.
  - **Assumption used for this rate study for Stormwater is a decrease of 0.2%.**
    - 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 2018-19 rates increased 3.21%. 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 3% increase.**
    - FY 2018-19 rates decreased 1%. 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:

<b>Fiscal Year</b>	<b>Pension Bonds</b>	<b>AMR Bonds</b>	<b>Total</b>
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
2024	151,305	146,000	297,305

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 during this fiscal year.

- 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 9<sup>th</sup> or Table VI (as abstracted from this plan and included as Appendix A).

<b>Fiscal Year</b>	<b>Capital Improvement</b>
2020	2,351,811
2021	2,528,000
2022	1,114,000
2023	1,021,000
2024	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 2020, staff is not proposing any change in the current rates for the users of the Madison Heights System. Current rates are as follows:

Water: current rates \$3.14 per unit with 10 unit base charge

Sewer: current rates \$3.55 per unit with 10 unit base charge

Our calculations utilize \$1.4 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 2024 (Year Five of this plan).

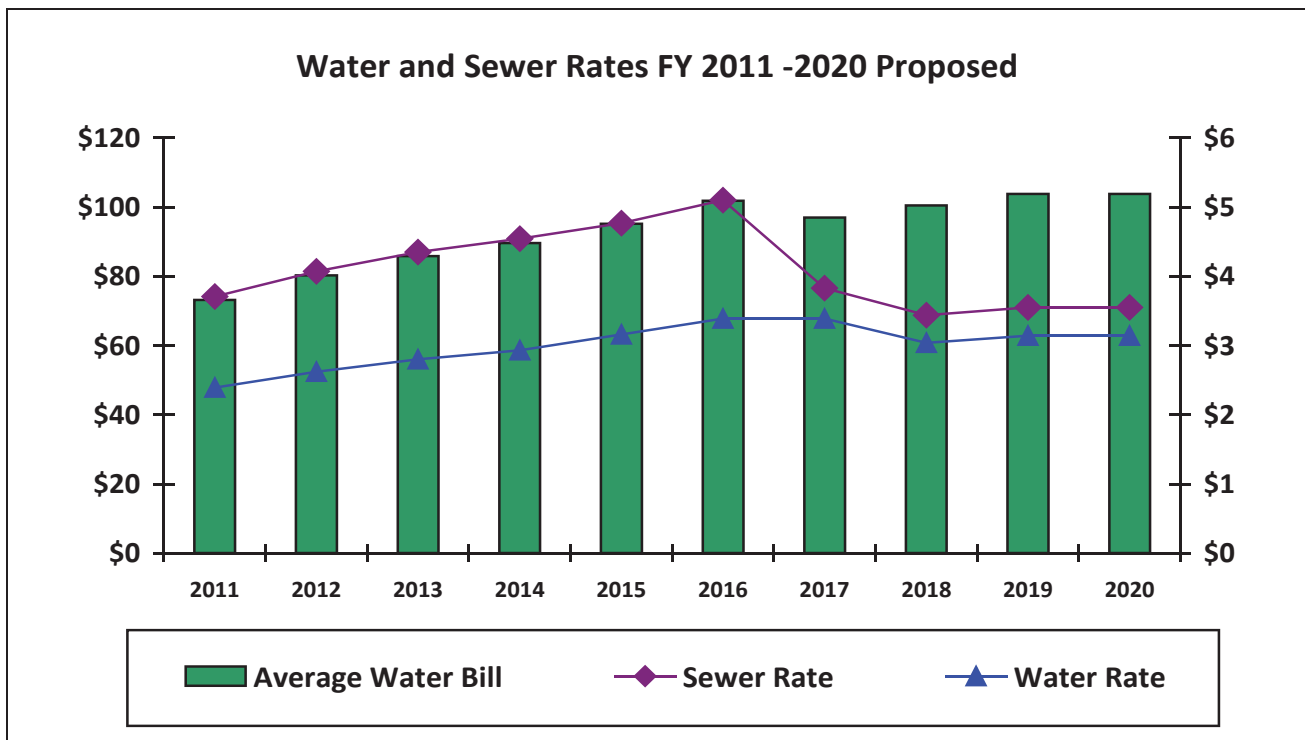
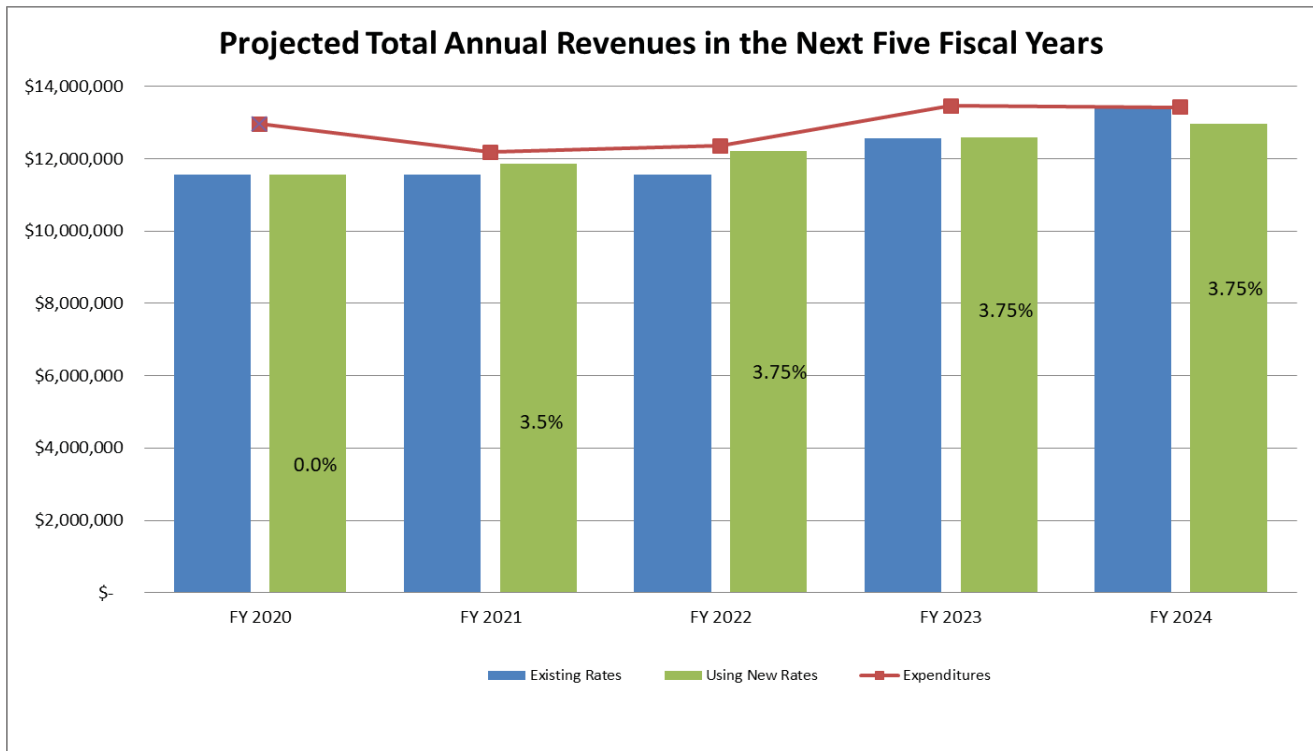
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<i>Current Method - annually</i>	0.00%	0.00%	0.00%	11.00%	8.75%
Revenue Estimates - rates	9,126,093	9,126,093	9,126,093	10,129,963	11,016,335
Revenues Other	2,422,331	2,422,331	2,422,331	2,422,331	2,422,331
Expenditure Estimates	12,955,149	12,180,501	12,357,279	13,455,840	13,418,015
Net Revenues	(1,406,725)	(632,077)	(808,855)	(903,545)	20,651
Fund Balance above minimum req. reserve	2,350,701	1,718,624	909,769	6,223	26,874

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 2020	FY 2021	FY 2022	FY 2023	FY 2024
<i>RATE SMOOTHING</i>	0.00%	3.50%	3.75%	3.75%	3.75%
Revenue Estimates - rates	9,126,093	9,445,506	9,799,713	10,167,202	10,548,472
Revenue Other	2,422,331	2,422,331	2,422,331	2,422,331	2,422,331
Expenditure Estimates	12,955,149	12,180,501	12,357,279	13,455,840	13,418,015
Net Revenues	(1,406,725)	(312,664)	(135,236)	(866,307)	(447,212)
Fund Balance above minimum req. reserve	2,350,701	2,038,037	1,902,802	1,036,495	589,283

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.
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# City of Madison Heights

City Hall Municipal Offices  
300 W. Thirteen Mile Road  
Madison Heights, MI 48071

Department of Public Services  
801 Ajax Drive  
Madison Heights, MI 48071

Fire Department  
31313 Brush Street  
Madison Heights, MI 48071

Police Department  
280 W. Thirteen Mile Road  
Madison Heights, MI 48071

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

To: Honorable Mayor and City Council

From: Melissa R. Marsh, City Manager

Date: November 14, 2018

RE: **Five Year Financial Forecast – Fiscal Years 2019-2023**

Attached please find the five year forecast for the City of Madison Heights for the Fiscal Years 2019-2023. 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 Strategic Planning, Capital Improvement and Budget Planning processes.

From 2007 to 2014, 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. During this period the City stayed fiscally sound by deferring infrastructure replacements and repairs, eliminating staff and postponing new innovated projects. Starting in FY 2014, the economic climate began to improve as noted by the majority of national, State, regional and local economic indicators. As a result the City has started to gradually address the problems created by the contraction of spending during the recession. This fall, the City embarked on its first strategic planning process in order to address the overwhelming infrastructure, capital asset, personnel and programing needs throughout the City. This forecast is one part of this overall strategic plan.

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 and Local Street Funds due primarily to the restrictions of Proposal "A" and the Headlee Amendment 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

## 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

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.

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.

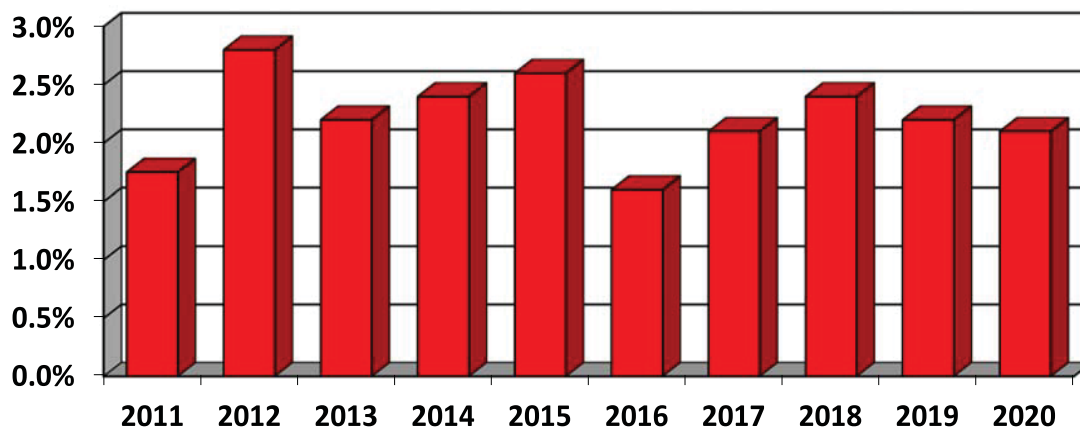
### Regional Economic Outlook

The future course of the Oakland County and Madison Heights economy depends in part on the overall health of the national economy. The best single measure of the U.S. economy is inflation-adjusted, or real, Gross Domestic Product, which is comprised of 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 2018 Oakland County Economic Outlook Forum, real GDP growth picked up from its disappointing pace of 1.5% in 2016 to a more respectable 2.3% rate in 2017. The year ended on a relatively strong note, with domestic final demand registering a healthy 4.4% annualized growth rate in the fourth quarter. The major factor in GDP over the next few years is federal fiscal stimulus, which will likely end up being quite substantial, adding approximately eight-tenths of a percentage point to the real GDP grown over the next three years.

This scale of fiscal stimulus in an economy near full employment is very unusual: one has to go back to the Johnson administration in the mid-1960s, with its Great Society programs and Vietnam ground war funding, to find similar historical episode. The economist also notes, this is completely unsustainable, as they project federal debt-to-GDP ratio to rise 9.2% from the end of 2017 to the end of 2020.

As forecasted, U.S. Light Vehicle Sales grew every year from the recession low point to 10.4 million units in 2009 through 2016, when they set an all-time record of 17.5 million units. Detroit's Big Three share of the light vehicle market fell from 42.7% in 2016 to 42% in 2017, as total Detroit Three sales fell by roughly 250,000 units. The Detroit Three are projected to hold steady at 42% in 2018 and inching up to 42.3% in 2020. This assumes that the United States does not withdraw from NAFTA, which remains the baseline for the Oakland County forecast.

### Growth in U.S. Gross Domestic Product, 2011-2020

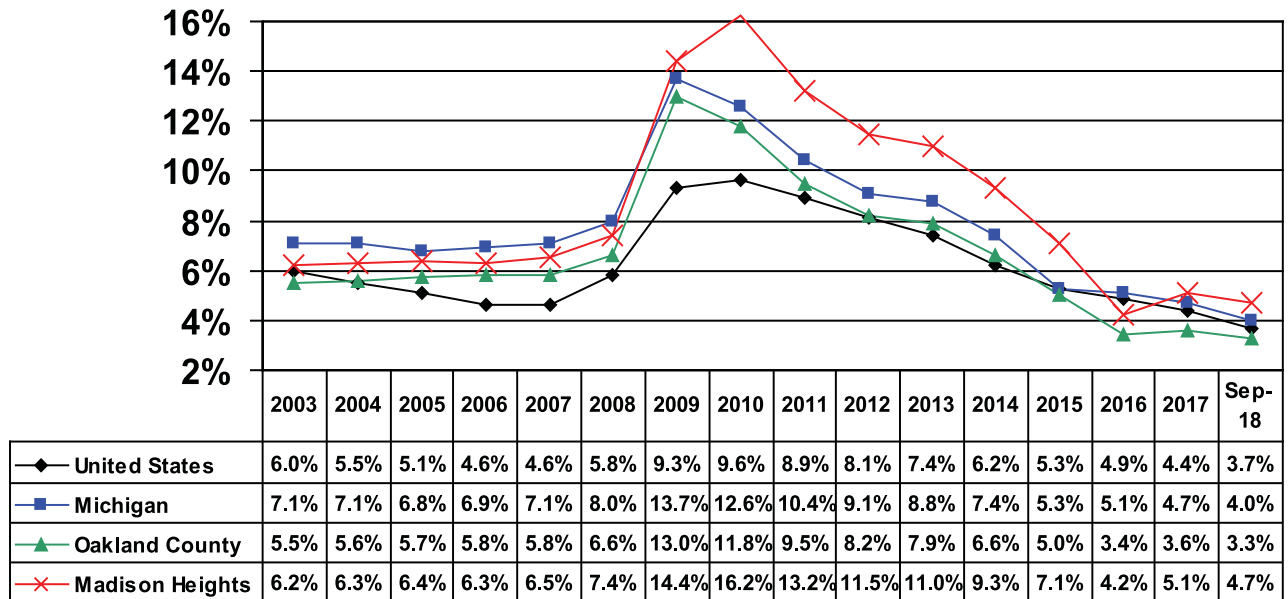




Of the key economic factors, job growth and unemployment are two of the most important financial indicators of recovery because a loss of jobs cuts across all sectors of Michigan's economy, impacting the housing market, and funding for state and local government services which rely on income, property and sales taxes. The University of Michigan economists forecast that job growth will continue to be slower than forecasted last year. The unemployment rate for Oakland County fell to an average of just 3.5% in 2017, from 4.2% in 2016.

In summary, the financial forecast is reasonably healthy growth over the next few years, but at the potential cost of stirring up trouble down the road.

### Annual Unemployment Rates, 2003 through September 2018



(Source: Bureau of Labor Statistics)

As indicated above, unemployment rates dropped reaching the pre-recession point. Madison Heights remains slightly higher than the other unemployment indicators, but is better than any point in the last 15 years.

### Financial Forecast

The forecast reflects actuals for Fiscal Year 2018, estimated expenditures for Fiscal Year 2019 and forecasted figures for Fiscal Years 2020-2023. 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 2017-18

Fiscal Year 2018 General Fund reserves ended at \$7.9 million, up from \$7.1 million in fiscal year 2017. Of this amount, \$7.26 million is considered to be spendable and available to fund operations. This increase in fund balance was a direct result of carryforwards from FY 2018 into FY 2019 for \$590,380 and increases in three main revenues sources.

In FY 2018, Local Community Stabilization Authority (LCSA) reimbursed \$2.1 million across all funds with \$1.8 million for the General Fund as compared to the budget of \$1.3 million. This was \$556,330 more than budgeted. Miscellaneous revenues source are insurance distortions allocated from rebated and investment earnings. During FY 2018, the City received insurance distributions of \$627,859 of which \$520,554 was allocated to the General Fund. This exceeded the budget by \$170,554. Ambulance revenue came in higher than budgeted in FY 2018 by \$121,733. A few revenues did underperform the budget for the year including court revenues that were received at \$176,720 less than budgeted.

Overall the General Fund departments completed the year at 99.3% of the budget allocated.

### **Overview of the Current Fiscal Year 2018-2019**

The fiscal year 2019 General Fund budget of \$29.7 million, which include a budgeted use of fund balance of \$520,884, was adopted by Council in May 2018. Carryforwards and budget amendments were approved in June 2018 including an additional use of fund balance of \$590,380 for carry-over expenditures. Since that time, Council has approved additional budget amendments of \$447,104 to cover capital asset purchases and contractual services for refuse hauling, a City Manager search firm, and phase three funding for a pumper truck. This brings the planned use of fund balance to \$1.4 million in FY 2019. The majority of revenues are holding steady with a few exceptions as reported in the first quarter Council and departmental revenue and expenditure reports.

Tax foreclosure administrative fees which were budgeted at \$0 have an actual of \$66,500, no more revenue is expected into this account for the year. State shared revenue budgeted at \$2.49 million and expected at \$2.52 or \$32,000 over budget. Local Community Stabilization Authority (LCSA) estimates that the personal property tax reimbursement revenue will be approximately \$50,000 lower than the budget; however this is subject to change depending on the state excess funds reserve. Court revenues are currently trending lower than budget by approximately \$10,000.

Expenditures during the first quarter are also in line with amended budgeted expenditures with the exception of Police overtime and City Manager wages. The City had a few unplanned retirements that may result in budget amendments later in the year if vacancy savings do not cover these additional charges. There may also be emergencies or unknown expenses that can cause overages as of December 31, 2018. City Council will be asked to review and approve mid-year budget amendments if overages are likely to occur in January 2019.

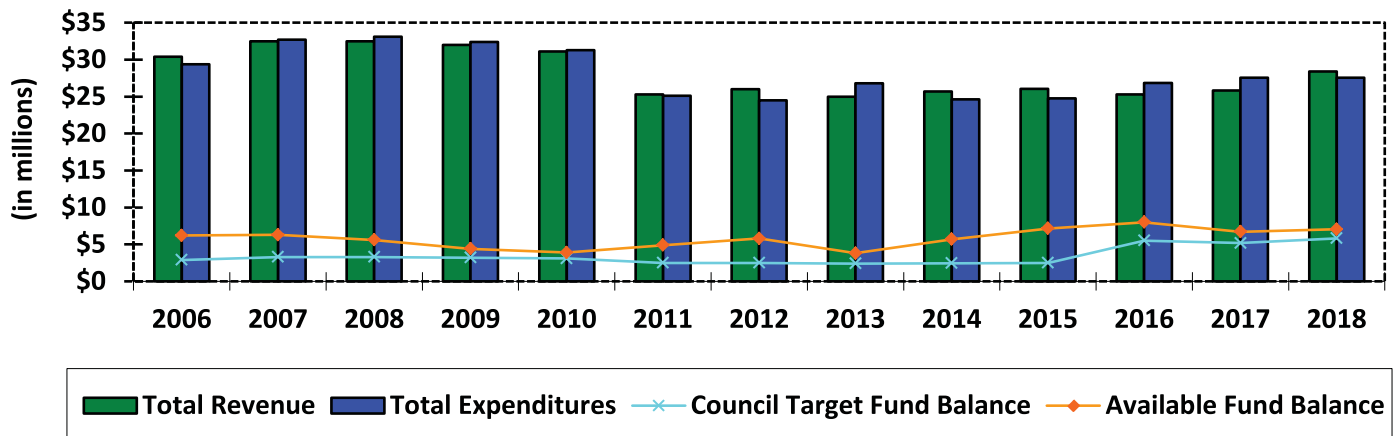
### **General Fund Reserves**

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, as well as 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 2018 General Fund reserves ended at \$7.9 million, up from \$7.1 million in FY 2017. Of this amount, \$7.26 million is considered to be spendable and available to fund operations. \$1.6 million of this fund balance is already planned to be spent in FY 2019. Total FY 2019 operating expenditures (not including capital

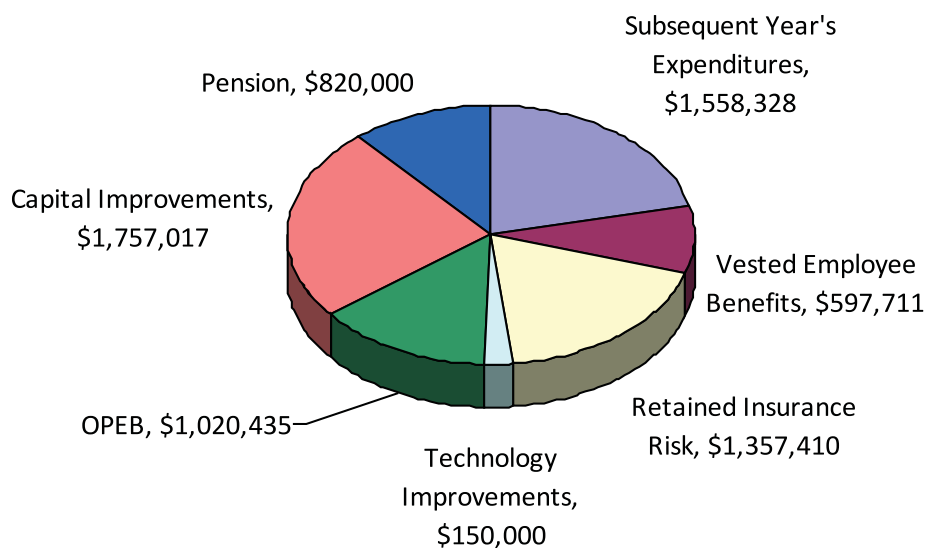
expenditures) are \$27.3 million with general obligation debt payments at \$1,460,885. The required fund balance reserve is \$5,834,727. Strong financial policies that are reviewed on a regular basis are part of the reason the City has maintained its AA- bond rating.

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



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: 21.5% to fund subsequent year's expenditures, 8.2% for vested employee benefits (not including pension or retiree health care), 18.7% for retained insurance risk, 2.1% for technology improvements, 14.1% for other post-employment benefits (OPEB), 11.3% for pension obligation bond payments and 24.1% capital improvements (see the following pie chart).

**Assigned General Fund Reserves as of June 30, 2018**



## Overview of Five Year Forecast - FY 2019-2023

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 growth estimated to be at or slightly below the rate of inflation in the current year and next four years. This continues to be a result of the drastic loss of taxable value city-wide during the recession with recovery restricted by Proposal A and the Headlee Amendment with limited relief from real estate additions such as redevelopments. Major discretionary revenues are projected to increase an average of 1.24% 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 2.1% 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. Some significant revenues such as cable television revenues and court fees are projected to decrease while state revenue sharing and personal property tax reimbursement from the state are projected to be stagnate. Expenditures are projected to expand only slightly at an annual average rate of 0.47% 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 changes in negotiated benefits or wage increases for seven the City's eight bargaining contracts which expired on June 30, 2018. The Department of Public Services contract has been settled and is included. (For reference, a 1% wage increase, with roll-up benefits, costs approximately \$139,690 for the General Fund.) This forecast also does not take into consideration of any changes resulting from the City's strategic plan to change and/or enhance some service offerings.

## Forecasted Challenges – FY 2019-2023

The three major financial challenges facing the City over the next decade continue to be legacy costs, infrastructure and capital outlay 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% 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 earned service.

The Police and Fire Pension Fund is only 54.5% funded down from 58.6% in FY 2017. This funding issue has not been addressed beyond making more than 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 for FY 2019 is 7.5927 mills or 29.5% of the current overall millage rate. Pension is a major concern with employees and management and solutions are being discussed during the on-going union negotiations.

#### Retiree Health Care

Ten years ago, the Council approved the establishment of two Retiree Health Care Trust and since that time we have funded over \$31.7 million; however, this pales in comparison to the amount needed which is actuarially calculated to be \$108.3 million. In FY 2017 City Council prudently approved a budget amendment to make an additional contribution exceeding the recommended contribution for the fiscal year by \$279,284. However for FY 2018, the City returned to the base percentage of contributions which is less than the actuarially determined contribution by \$3.7 million. While this is still better than many municipalities statewide, the current funding level does not meet the new recommended State funding level of 40%. Therefore, reducing this liability while also increasing this funding will be a major focus of future budget proposals. The combined Trust funding is 29.2% of the actuarially calculated liability. The City is working on compliance plans to meet the State's threshold of 40% funding however this is only possible in a reasonable timeframe if benefits are also reduced.

The forecast includes level funding the contribution as currently included in the FY 2019 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 2019-20 will be presented as part of the proposed budget and will continue to attempt to address legacy costs to the City.

**General Fund Forecast Summary**  
(in millions)

	2017-18 Actual	2018-19 Projected	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast
Revenues	\$28.396	\$29.419	\$29.732	\$30.128	\$30.564	\$30.865
Expenditures	\$27.573	\$30.843	\$30.959	\$31.694	\$31.597	\$31.699
	\$0.823	(\$1.424)	(\$1.227)	(\$1.566)	(\$1.033)	(\$0.834)
General Fund Non-restricted Reserves	\$7.261	\$5.84	\$4.61	\$3.04	\$2.01	\$1.18
% Reserves of Current Year Expenditures	<b>26.33%</b>	<b>18.92%</b>	<b>14.89%</b>	<b>9.6%</b>	<b>6.36%</b>	<b>3.71%</b>

Development of a long-term financial plan is essential to sound fiscal management. The plan is not able to predict with certainty the City's fiscal future, but rather it will serve as a tool to highlight significant issues or problems that must be addressed during the upcoming budget cycle if the City's goal of maintaining fiscal health and sustainability over the long term is to be achieved.

It should be noted that this report has focused on the City's ability to continue current services and programs using existing sources of revenues. **Based on the five-year forecast report, funding for any new programs or goals, reversal of "gap" measures used to balance the budget, 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 strong signs of recovery. Revenue estimates contained in this forecast are based on assumptions that the overall property tax will be stable with a increase of 2.6% based on the inflation rate multiplier adopted by the State Tax Commission, additions to the tax roll at year-end and roll-backs required under state law. 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 2.4% for 2018 (Tax Year 2019). Real property taxable value estimates are based on assumptions received from Oakland County Equalization of a maximum of 3.0-3.5% reduced for Proposal A and Headlee, and variations are due to Michigan Tax Tribunal reductions to 2.6%. Other major revenues such as State Revenue Sharing are assumed to see a modest increase of 2.2% or \$64,775 to Constitutional portion and remaining flat for the statutory portion based on the State of Michigan's budget projections.

**Overall total revenues are estimated to remain essentially flat without much growth over the forecast period. The projection in growth for revenues is slightly higher than the annual forecasted increase in expenditures. However, as expenditures are projected at \$1.5 million more than revenues we cannot catch-up without increased revenues source or decreased revenues over the forecast period.**

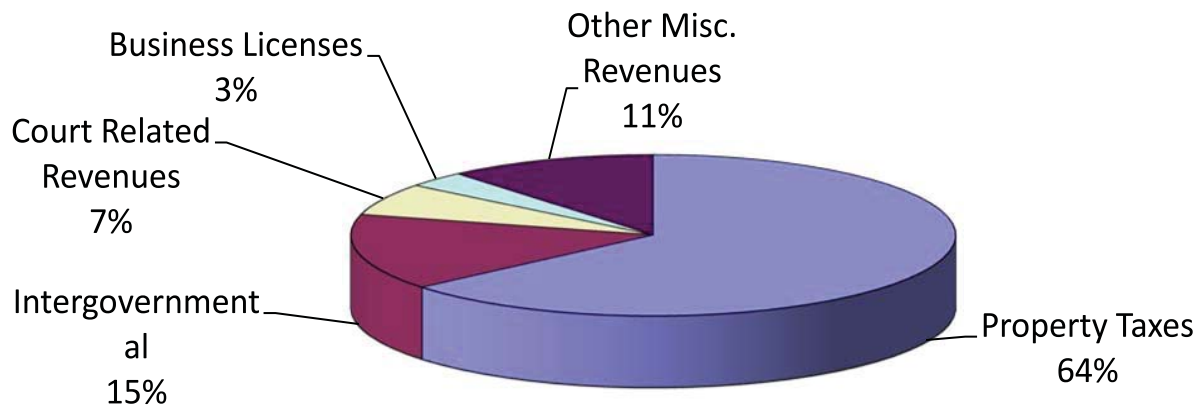
**Forecast of Major General Fund Revenues  
% Change from Prior Year**

Revenue Category	2017-18 Actual	2018-19 Projected	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast
Property Tax	5.38%	6.78%*	2.14%	1.77%	1.53%	1.63%
Business Licenses	-9.89%	0.31%	0.16%	0.23%	2.72%	0.91%
Intergovernmental	7.80%	-0.34%	-1.97%	1.71%	0.96%	0.97%
Court	-4.40%	2.27%	0.53%	0.37%	0.00%	0.00%
Other	8.32%	-3.34%	-0.22%	-1.14%	0.55%	-0.90%
Total	5.17%	3.13%	1.48%	1.23%	1.18%	1.05%

- Increase in property taxes from FY 2018 to FY 2019 is a direct result of an increase in the millage rate for the Police and Fire Pension millage from 6.9 mills to 7.6 mills.



**General Fund Revenues**  
**Major Revenues Forecasted in FY 2018-19 by Category**



The following pages detail several key assumptions applied in the preparation of the financial forecast, as reflected in the table above.

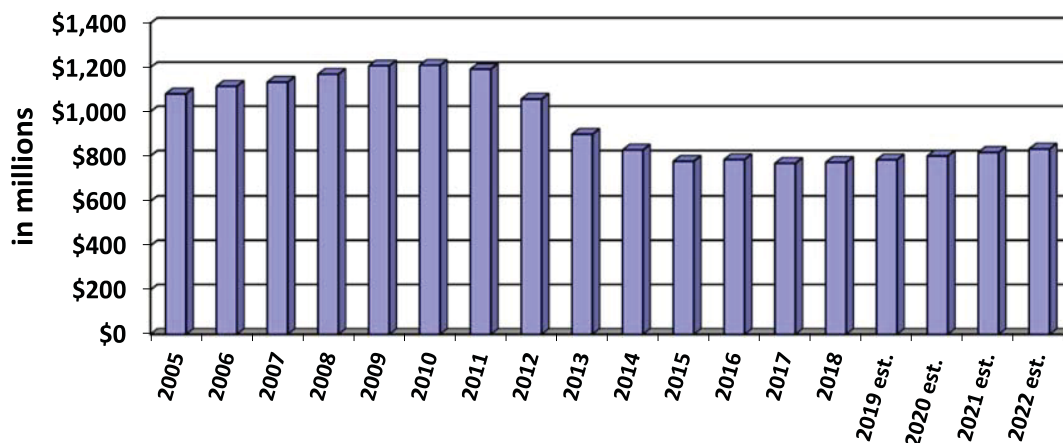
### **General Fund Assumptions**

#### **Major Revenues**

##### **Property Tax**

Real Property Tax revenues are projected to increase 2.6%, but reduced to the amount of inflation, which has been calculated at 2.4%. Personal property is estimated to continue to decrease as more business operators take advantage of property tax exemptions available. This information is based on estimates from Oakland County Equalization.

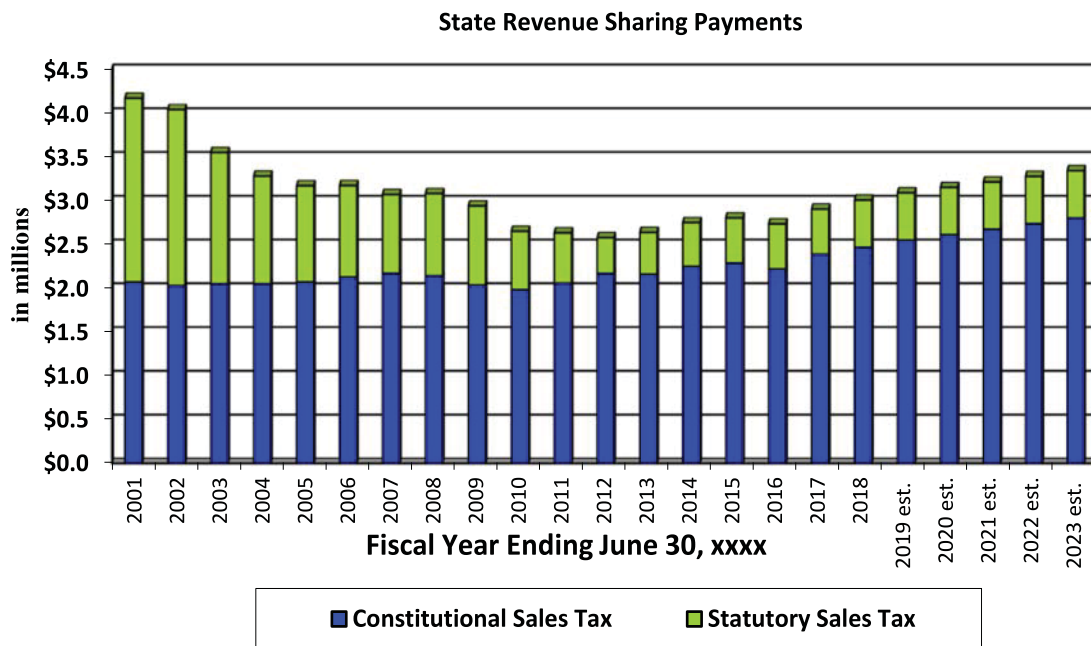
**Total Taxable Value**  
**Fiscal Year ending June 30, 20xx**



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 2.4% increase in the Constitutional part of this payment, status quo for the statutory part. 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<sup>st</sup> 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 was 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 up in the current year as actual revenues in FY 2018 were significantly low. The following four years are anticipated to remain steady at the Fiscal Year 2019 levels. Court fee structure and amounts retained by the State change frequently. This revenue source is also determined by collection rates.



### Other Revenues

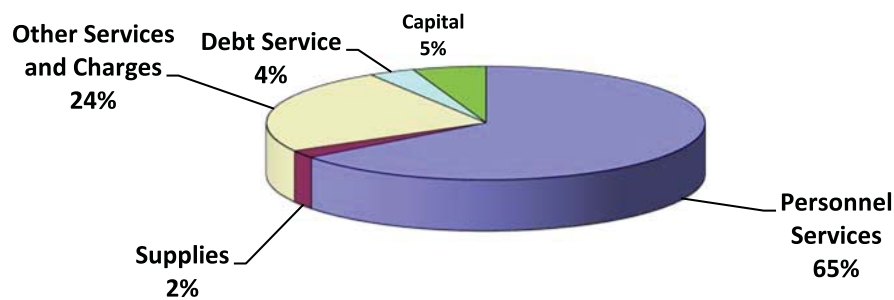
Miscellaneous Revenues are conservatively assumed to be slightly lower than FY 2019 budget level during the forecasted years. Miscellaneous revenues include revenues such as cable television franchise fees and interest income as well as one-time items. We forecast cable television franchise fees to be reduced slightly as more people opt to stream entertainment instead of rely on traditional cable. Interest rates are forecasted to increase slightly over the four year period.

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. FY 2017 and 2018 saw a gradual increase in expenditures. We are still very cautious as we want to insure we have a budget that is sustainable. Expenditures in the forecast are estimated to be \$31.1 million for Fiscal Year 2019, \$30.9 million in Fiscal Year 2020, \$31.7 million in Fiscal Year 2021, \$31.6 million in Fiscal Year 2022, and \$31.7 in Fiscal Year 2023. Until 2021, expenditures are still forecasted to be 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 2018-19 by Category**

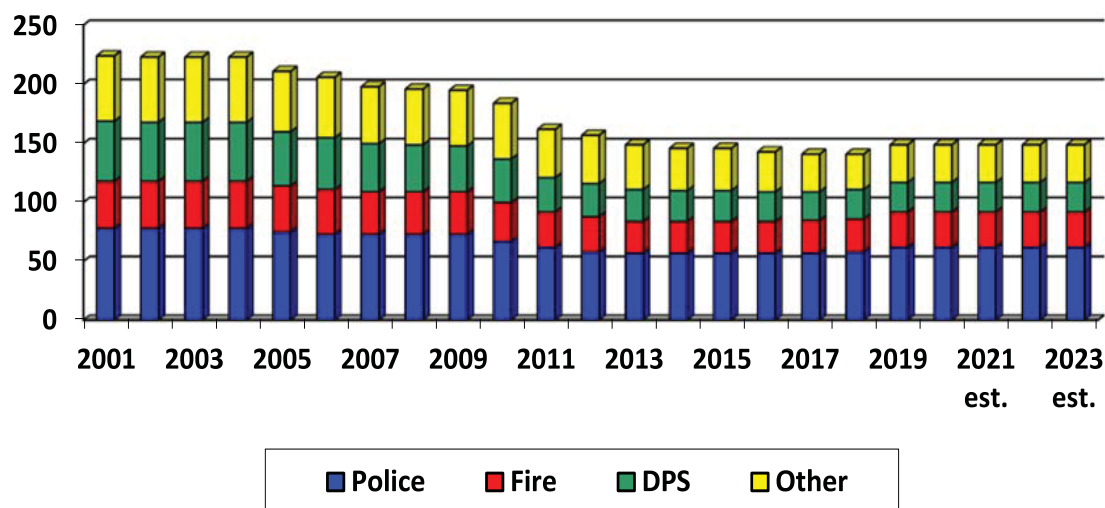


### Personnel Categories

The personnel category, including health care premiums and retirement benefits, represents 64.6% of the General Fund budget.

Full-time staffing, which consists of 149 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**

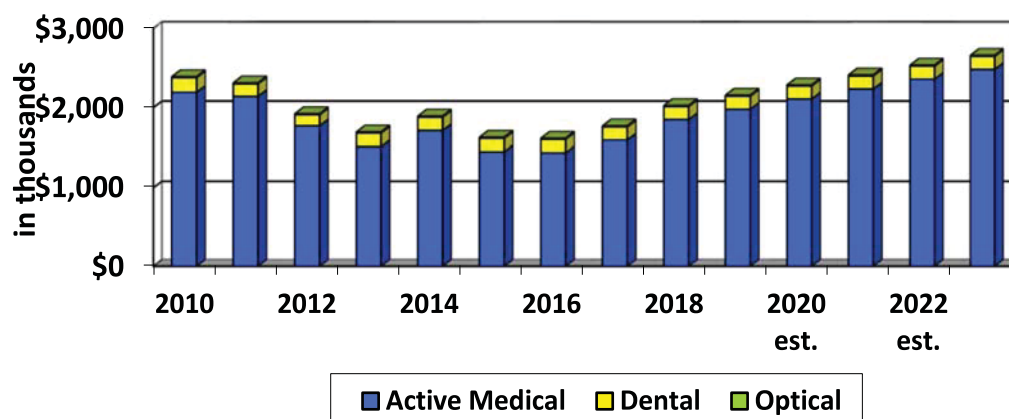


Expenditures related to negotiated salaries are not included in the forecast because all of the City's Union contracts expired on June 30, 2018, except for the Department of Public Services (DPS). The DPS has settled their agreement for three years and the provisions in their agreement are included in this forecast. For estimating purposes, the forecast assumes status quo with both wages and benefit levels for all other groups. 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 to decrease each for the next four years as follows: -4.8%, -11.8%, -8.9%, and -9.8%.

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: 7.50% in FY 2020, 6.75% in FY 2021, 6.0% in FY 2022 and 5.25% in FY 2023. The City is hopeful that the continued positive results from the implementation of the MiLife Employee Health and Wellness Center continue into future years with a positive influence on our rates. This center opened in January 2015 and first and second year results show a savings of almost \$30,000 per year with \$46,873 savings in year three. We have also seen a direct impact on our weekly health insurance cost. The MiLife Wellness Center delivers 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 welcomed two more municipal partners: Hazel Park and Oak Park.

The following chart shows the historical and forecasted medical premiums for active employees.

**Active Employee Insurance Premiums**  
**Fiscal Year Ending June 30, XXXX**



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 last 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 this 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 must now recognize on the face of the financial statements its net OPEB liability.

This two liabilities impact on the City's government-wide net position is shown below:

	Reported at 6/30/17	With Unfunded Health Care at 6/30/18
<b>Net position:</b>		
Net investment in capital assets	\$86,465,940	\$90,214,663
Restricted	3,429,708	4,216,825
Unrestricted	(30,578,451)	(108,513,527)
<b>Total net position</b>	<b>\$59,317,197</b>	<b>\$(14,082,039)</b>

This negative total net position 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.

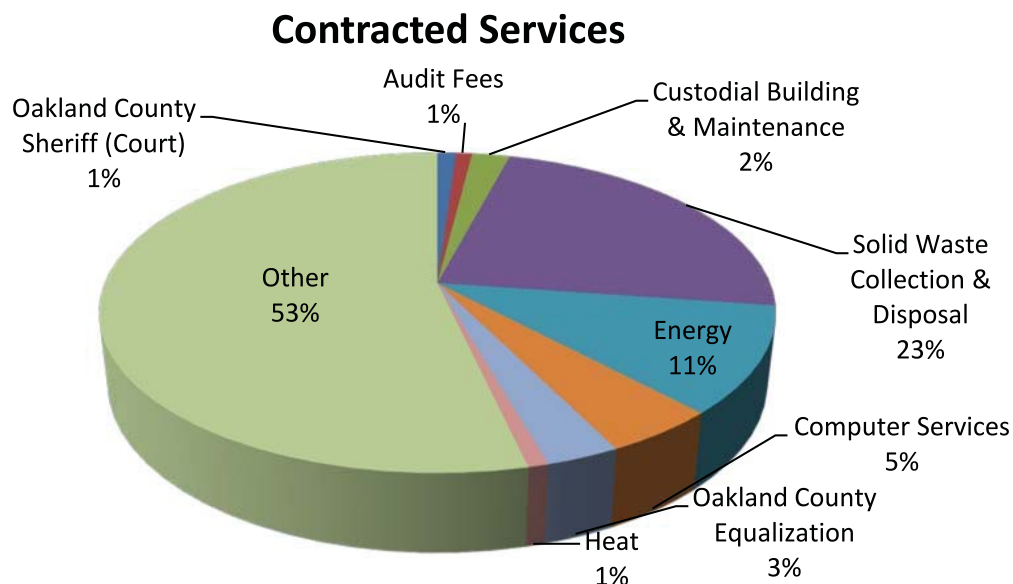
Other major expenditures included in the budget include contracted services. This category includes services for things such as legal, auditing, information technology, engineering, solid waste collection and disposal, and assessing services.

### Contracted Services

In April 2016, Council approved a third three-year contract with Oakland County for Equalization Services, which include a 3% increase in cost per parcel. This amount remain fixed through FY 2019. We anticipate continuing this agreement with Oakland County and have forecasted this to continue with a 2% for the following three years increase annually.

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 two one-year terms until December 2019 under the same terms and conditions.

In June 2018, the City extended an agreement with our Solid Waste Contractor, GFL Services, who was operating under a ten-year contract scheduled to expire in 2020. This extension was approved in order to lock in our rate and provide the options for larger totters for trash and recycling. Rate increases follow this extension at 2.5% annual increase until FY 2025.



### **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 Active Adult Center and Library, watermain and sanitary sewers in the Water and Sewer Fund, and street-related rehabilitation projects in the Local Street Fund. However, the revenue generated from these millages only cover a small fraction of the infrastructure and capital needs. 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.

This fiscal year the City has revamped the Capital Outlay planning process eliminating the documents that is initially completed in the fall. This document will instead be included as part of the comprehensive budget plan submitted to City Council in April. This fall DPS staff has been working with all department heads to develop a detailed list of infrastructure and capital needs. This list is used in the development of the five-year forecast which includes all of the capital outlay items projected over the next five years. Capital Outlay items recommended in the budget will depend on Council priorities and available funding.

**A 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 2019-2023					
Item	Budget 2018-19	Forecast			
		2019-20	2020-21	2021-22	2022-23
<u>Computers and Upgrades:</u>					
IT	8,500	99,375	99,375	99,375	99,375
General Admin	20,875	-	-	-	-
Police	20,000	-	-	-	-
Fire	16,500	-	-	-	-
Total - Computers	65,875	99,375	99,375	99,375	99,375
<u>Machinery and Equipment:</u>					
General Admin	30,000	-	-	-	-
Police	58,800	-	-	-	-
Fire	137,100	234,000	205,000	363,000	1,135,000
Solid Waste	-	-	-	-	-
Parks	301,100	25,000	25,000	25,000	25,000
Streets	-	-	-	-	-
Total - Machinery and Equipment	497,000	259,000	230,000	388,000	1,160,000
<u>Vehicles Proposal "V"</u>					
Police	-	-	-	-	-
Streets	-	-	-	200,000	-
Fire	400,000	-	200,000	-	200,000
Subtotal - Proposal "V"	400,000	-	200,000	200,000	200,000
<u>Vehicles - Non-Proposal "V"</u>					
Police	94,376	160,000	160,000	135,000	135,000
Fire	407,321	34,000	-	363,000	935,000
Communit Development	30,000	64,000		190,000	
Streets	-	-	445,000	360,000	-
Solid Waste	-	-	-	-	-
Seniors	-	70,000	32,000	200,000	-
Subtotal - Non-Proposal "V"	531,697	328,000	637,000	1,248,000	1,070,000
Total - All Vehicles	931,697	328,000	837,000	1,448,000	1,270,000
<u>Improvements</u>					
General Admin	97,000	-	530,000	-	-
Police	342,000	500,000	347,000	133,000	-
Fire	118,000	15,000	155,000	96,000	36,000
Parks	160,000	83,000	79,000	376,000	292,000
Nature Center	55,000	50,000	55,000	55,000	55,000
Senior Citizens	25,000	20,000	32,000	235,000	135,000
Library	64,000	50,000	50,000	50,000	50,000
Total - Improvements	861,000	718,000	1,248,000	945,000	568,000
Total - All Items	2,355,572	1,404,375	2,414,375	2,880,375	3,097,375

## 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. The Michigan Department of Transportation has released projections for FY 2020 and 2021 detailing increases of 8.1% and 10%. Once we receive this increase we are forecasting an additional 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 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
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 Non-NHPP	0	250,000	0	0	250,000
Stephenson Hwy Turnarounds	175,000	0	0	0	0
Sectional Concrete Replacement - Major	475,000	1.225,000	630,000	925,000	600,000
<b>Total</b>	<b>\$755,000</b>	<b>\$1,580,000</b>	<b>\$735,000</b>	<b>\$1,030,000</b>	<b>\$955,000</b>

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. This project will be starting Phase II in spring of 2019.

## 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) 2.6% and an average of 2.1% each year thereafter.

Local Streets also receives funds through the Act 51 road program from the State. The Michigan Department of Transportation has projected for FY 2020 and 2021 detailing increases of 8.1% and 10%. Once we receive this increase we are forecasting an additional 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 Local Street Fund are for road construction projects. Road construction projects included in the forecast are as follows:

<b>Local Road Project</b>	<b>Projected 2018-19</b>	<b>Forecast 2019-20</b>	<b>Forecast 2020-21</b>	<b>Forecast 2021-22</b>	<b>Forecast 2022-23</b>
Brettonwoods St (11 Mile to W Farnum Ave.)	554,000	0	0	0	0
Harwood Ave (Battelle Ave to Tawas)	339,000	0	0	0	0
Brush St (W University Ave to 11 Mile)	172,000	0	0	0	0
Brush St (W University Ave to W Farnum)	207,000	0	0	0	0
Meadows Ave (Englewood Ave to Meadows)	0	263,000	0	0	0
W. Dallas Ave (Alger St to John R Road)	0	260,000	0	0	0
Kenwood Ave (Windemere to Englewood)	0	232,000	0	0	0
Madison Ave (Englewood Ave to Madison)	0	181,000	0	0	0
Kenwood Ave (Englewood Ave to Kenwood)	0	174,000	0	0	0
Windemere (Campbell Rd to Dorchester)	0	133,000	0	0	0
Westmore (30452 Westmore to Tanglewood)	0	0	975,000	0	0
Milton Ave (Moulin to Sheffield Dr)	0	0	167,000	0	0
Tanglewood Dr (Winthrop Dr to Yorkshire Dr)	0	0	72,000	0	0
Beverly Ave (Connie Ave to Dequindre Road)	0	0	98,000	0	0
Alger St (W Cowan Ave to Andover Ave)	0	0	0	212,000	0
Barrington (Mid Block -Lincoln to Cowan)	0	0	0	109,000	0
Alger St (Mid Block Alger St - Lincoln to Cowan)	0	0	0	109,000	0
Barrington St (W Lincoln Ave to W. Cowan Ave)	0	0	0	148,000	0
Alger St (W Lincoln Ave to W Cowan Ave)	0	0	0	148,000	0
Brush St (W Cowan Ave to Andover Ave)	0	0	0	120,000	0
W Cowan Ave (Stephenson Highway to Brettonwoods St)	0	0	0	140,000	0
W Cowan Ave (Alger St to John R Road)	0	0	0	75,000	0
Palmer St (W Lincoln Ave to W Cowan Ave)	0	0	0	210,000	0
W. Greig Ave (three sections)	0	0	0	0	482,000
Palmer Street (Andover Ave to W. Greig Ave)	0	0	0	0	293,000
Brush Street (Andover Ave to W. Greig Ave)	0	0	0	0	165,000
W. Greig Ave (five sections)	0	0	0	0	403,000
Sectional Replacements (R)	525,000	100,000	75,000	100,000	75,000
Sectional Replacements (Non-R)	984,000	815,000	805,000	375,000	525,000
<b>Total</b>	<b>\$2,781,000</b>	<b>\$2,158,000</b>	<b>\$2,192,000</b>	<b>\$1,746,000</b>	<b>\$1,943,000</b>

At June 30, 2018, the fund balance for the Local Street Fund was \$2.48 million, all of which is restricted for Neighborhood Road projects and will be expended on R-3 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. As part of the FY 2018 budget process we started a detailed Water and Sewer rate analysis. This analysis demonstrated a need to increase rates 3.0% in FY 2020, 3.25% in 2021, 3.25 in FY 2022 and 3.25% in FY 2023. These increases are used in the financial forecast. However, this rate analysis will be updated once these major water and sewer expenditures and required use of fund balance are identified.

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 additional 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 1% per year for each of the forecast years for stormwater charges, 4.0% for sewage treatment and 3.9% 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.

#### **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 forecast includes a redemption of the Automatic Meter Reading bonds in May of 2020. This should save the system approximately \$60,000 in interest over the remaining life of the bonds. The remaining 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:

	<b>Projected 2018-19</b>	<b>Forecast 2019-20</b>	<b>Forecast 2020-21</b>	<b>Forecast 2021-22</b>	<b>Forecast 2022-23</b>
Bond Principal Payments – Fixed Network System	105,000	110,000	640,000	0	0
Bond Principal Payments – Pension Obligation Bonds	105,370	107,298	108,583	110,510	113,080
Bond Interest Payments – Fixed Network System	29,726	25,600	46,600	0	0
Bond Interest Payments – Pension Obligation Bonds	47,425	45,866	44,042	42,033	38,407
<b>Total</b>	<b>\$287,521</b>	<b>\$288,764</b>	<b>\$839,225</b>	<b>\$152,543</b>	<b>\$151,487</b>

At June 30, 2018, the Water and Sewer Department has built up an unrestricted net position of \$5.3 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. This forecast coupled with the Water and Sewer Rate Analysis forecasts a planned smoothed use of fund balance over the forecast period to spend down and then maintain fund balance at the minimum required reserve by FY 2023.

## **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, 2018 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

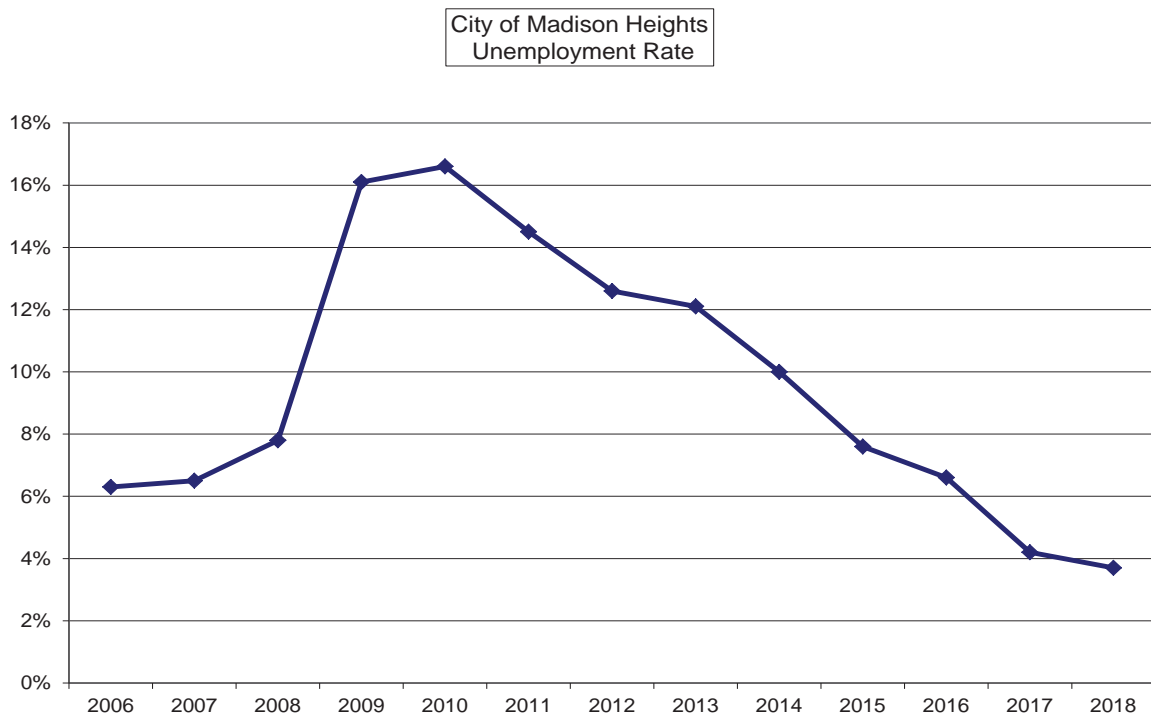
### Last Ten Fiscal Years

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%
2018	30,088	\$ 722,142,088	\$ 24,001	3.7%

Sources:

(1) United States Census Bureau [www.census.gov](http://www.census.gov)

(2) Bureau of Labor Statistics - Not seasonally adjusted; Annual Average



## **CHANGES IN FUND BALANCE**

(amounts expressed in thousands)

### **General Fund**

Fiscal Year ended June 30,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Restricted and Nonspendable:	\$ 189	\$ 366	\$ 1,140	\$ 1,611	\$ 777	\$ 1,088	\$ 1,611	\$ 844	\$ 797	\$ 359	\$ 343	\$ 617
Assigned:												
Vested employee benefits	\$ 2,557	\$ 2,496	\$ 2,587	\$ 2,656	\$ 2,353	\$ 2,023	\$ 2,287	\$ 2,235	\$ 1,991	\$ 1,841	\$ 2,131	\$ 598
Subsequent years' expenditures	145	543	393	56	915	392	785	386	786	1,364	537	1,558
Retained insurance risk	500	250	250	250	336	446	722	2,013	1,319	1,319	1,357	1,357
Vehicle replacement	1,136	1,136	1,136	853	0	0	0	0	0	0	0	0
Capital improvements	500	590	32	102	1,218	1,561	0	527	980	1,033	983	1,757
Park improvements	500	450	0	0	0	0	0	0	0	0	0	0
Retirees' health benefits	778	0	0	0	0	0	0	0	283	0	0	0
Technology Improvements	200	89	0	0	75	75	18	100	150	150	150	150
Postemployment Benefits	0	0	0	0	0	1,337	0	440	1,648	1,566	745	1,020
Penion bonds	0	0	0	0	0	0	0	0	0	1,090	810	820
Total Assigned:	\$ 6,316	\$ 5,554	\$ 4,398	\$ 3,917	\$ 4,897	\$ 5,834	\$ 3,812	\$ 5,701	\$ 7,157	\$ 8,363	\$ 6,713	\$ 7,260
Unassigned	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	\$ 6,505	\$ 5,920	\$ 5,538	\$ 5,528	\$ 5,675	\$ 6,922	\$ 5,423	\$ 6,545	\$ 7,954	\$ 8,722	\$ 7,056	\$ 7,877

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 Actual	2018-19 Amended Budget	2019-20 Budget
Mayor and City Council	\$ 50,897	\$ 50,462	\$ 51,592	\$ 52,332	\$ 54,221	\$ 56,310	\$ 56,341
City Manager	332,431	322,759	337,395	286,598	341,069	267,019	232,869
Elections	31,402	61,122	70,200	71,108	45,342	66,599	71,771
City Assessor	221,902	200,465	221,402	211,304	209,940	212,630	214,596
Legal	296,996	313,331	287,424	313,599	315,464	342,945	322,770
City Clerk	285,562	264,295	297,078	276,950	279,853	241,088	264,284
Human Resources	280,824	363,746	419,037	358,487	406,152	383,108	387,343
Board of Review	1,768	1,400	1,503	1,823	1,866	2,963	3,023
General Administration	312,230	349,146	599,967	1,234,737	235,892	770,833	1,305,775
Finance	891,131	850,007	887,681	765,320	771,672	720,992	737,508
Information Technology	326,036	355,369	259,293	389,475	188,247	188,115	188,312
<b>Total City Administration</b>	<b>\$ 3,031,179</b>	<b>\$ 3,132,102</b>	<b>\$ 3,432,572</b>	<b>\$ 3,961,733</b>	<b>\$ 2,849,718</b>	<b>\$ 3,252,602</b>	<b>\$ 3,784,592</b>
Municipal Building	\$ 54,613	\$ 138,954	\$ 61,503	\$ 86,173	\$ 45,753	\$ 129,840	\$ 51,153
Custodial and Maintenance	226,376	278,823	237,608	199,775	261,394	189,532	193,725
<b>Total General Municipal Maint.</b>	<b>\$ 280,989</b>	<b>\$ 417,777</b>	<b>\$ 299,111</b>	<b>\$ 285,948</b>	<b>\$ 307,147</b>	<b>\$ 319,372</b>	<b>\$ 244,878</b>
Police	\$ 8,664,017	\$ 8,381,018	\$ 8,852,867	\$ 9,956,038	\$ 9,884,446	\$ 10,774,221	\$ 10,730,252
Fire	4,966,206	4,475,687	5,063,252	5,462,113	5,578,791	6,959,170	5,922,012
District Court	1,391,303	1,398,389	1,645,305	1,391,767	1,466,502	1,463,786	1,442,356
<b>Total Public Safety</b>	<b>\$ 15,021,526</b>	<b>\$ 14,255,094</b>	<b>\$ 15,561,424</b>	<b>\$ 16,809,918</b>	<b>\$ 16,929,739</b>	<b>\$ 19,197,177</b>	<b>\$ 18,094,620</b>
Community Development	\$ 1,089,483	\$ 937,877	\$ 1,089,676	\$ 1,010,826	\$ 1,055,928	\$ 1,242,659	\$ 1,082,947
Streets	1,181,642	1,080,727	1,341,462	1,271,821	1,001,901	1,072,892	1,129,839
<b>Total Community Improvement</b>	<b>\$ 2,271,125</b>	<b>\$ 2,018,604</b>	<b>\$ 2,431,138</b>	<b>\$ 2,282,647</b>	<b>\$ 2,057,829</b>	<b>\$ 2,315,551</b>	<b>\$ 2,212,786</b>
Solid Waste	\$ 2,063,506	\$ 2,127,087	\$ 2,080,190	\$ 2,040,120	\$ 2,230,242	\$ 2,369,352	\$ 2,448,689
<b>Total Solid Waste</b>	<b>\$ 2,063,506</b>	<b>\$ 2,127,087</b>	<b>\$ 2,080,190</b>	<b>\$ 2,040,120</b>	<b>\$ 2,230,242</b>	<b>\$ 2,369,352</b>	<b>\$ 2,448,689</b>
Recreation	\$ 100,803	\$ 95,619	\$ 135,293	\$ 147,809	\$ 183,362	\$ 202,436	\$ 193,892
Nature Center	1,370	45,205	21,978	24,744	29,585	63,531	58,935
Parks	457,140	437,761	489,777	494,081	518,966	661,146	425,446
Senior Citizen Center	289,629	377,890	379,489	362,479	388,822	411,422	467,119
<b>Total Parks and Recreation</b>	<b>\$ 848,942</b>	<b>\$ 956,475</b>	<b>\$ 1,026,537</b>	<b>\$ 1,029,113</b>	<b>\$ 1,120,735</b>	<b>\$ 1,338,535</b>	<b>\$ 1,145,392</b>
Library	\$ 773,942	\$ 764,916	\$ 742,049	\$ 719,832	\$ 671,926	\$ 743,141	\$ 723,157
<b>Total Library</b>	<b>\$ 773,942</b>	<b>\$ 764,916</b>	<b>\$ 742,049</b>	<b>\$ 719,832</b>	<b>\$ 671,926</b>	<b>\$ 743,141</b>	<b>\$ 723,157</b>
Insurance	343,209	474,908	412,104	381,284	374,390	386,162	387,306
Pension Obligation Debt	-	-	17,500	1,367,734	1,031,700	1,031,425	1,039,211
<b>General Expenditures</b>	<b>\$ 343,209</b>	<b>\$ 474,908</b>	<b>\$ 429,604</b>	<b>\$ 1,749,018</b>	<b>\$ 1,406,090</b>	<b>\$ 1,417,587</b>	<b>\$ 1,426,517</b>
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>General Fund Expenditures</b>	<b>\$ 24,634,418</b>	<b>\$ 24,146,963</b>	<b>\$ 26,002,625</b>	<b>\$ 28,878,329</b>	<b>\$ 27,573,426</b>	<b>\$ 30,953,317</b>	<b>\$ 30,080,631</b>

Source: Finance Expenditure Records

**ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY****Last Ten Fiscal Years**

Tax Year	Real Property	Personal Property	Total Taxable Value	Tax Rate (mills)	Total Actual Value	Taxable Value as a % of Actual
2006	\$ 1,024,003,600	\$ 145,832,530	\$ 1,169,836,130	17.90	\$ 2,793,234,220	41.9%
2007	\$ 1,061,848,230	\$ 144,722,660	\$ 1,206,570,890	18.04	\$ 2,815,042,300	42.9%
2008	\$ 1,067,483,240	\$ 139,335,800	\$ 1,206,819,040	18.16	\$ 2,708,582,520	44.6%
2009	\$ 1,042,167,794	\$ 142,946,620	\$ 1,185,114,414	18.00	\$ 2,527,574,328	46.9%
2010	\$ 895,671,000	\$ 133,489,810	\$ 1,029,160,810	18.82	\$ 2,096,746,980	49.1%
2011	\$ 765,392,476	\$ 127,871,810	\$ 893,264,286	21.87	\$ 1,802,587,332	49.6%
2012	\$ 679,418,770	\$ 131,280,190	\$ 810,698,960	22.43	\$ 1,628,748,550	49.8%
2013	\$ 627,655,010	\$ 136,932,850	\$ 764,587,860	22.94	\$ 1,537,782,700	49.7%
2014	\$ 632,645,995	\$ 132,517,980	\$ 765,163,975	22.96	\$ 1,575,947,800	48.6%
2015	\$ 644,812,010	\$ 134,378,270	\$ 779,190,280	22.97	\$ 1,709,535,340	45.6%
2016	\$ 658,924,906	\$ 100,656,660	\$ 759,581,566	23.02	\$ 1,808,034,840	42.0%
2017	\$ 675,469,470	\$ 88,771,390	\$ 764,240,860	25.21	\$ 1,928,478,680	39.6%
2018	\$ 705,857,802	\$ 90,497,780	\$ 796,355,582	25.72	\$ 2,063,842,444	38.6%

Sources: City and County Assessing Records

## PROPERTY TAX RATES

### Direct and Overlapping Governments

(Per \$1,000 of Taxable Valuation)

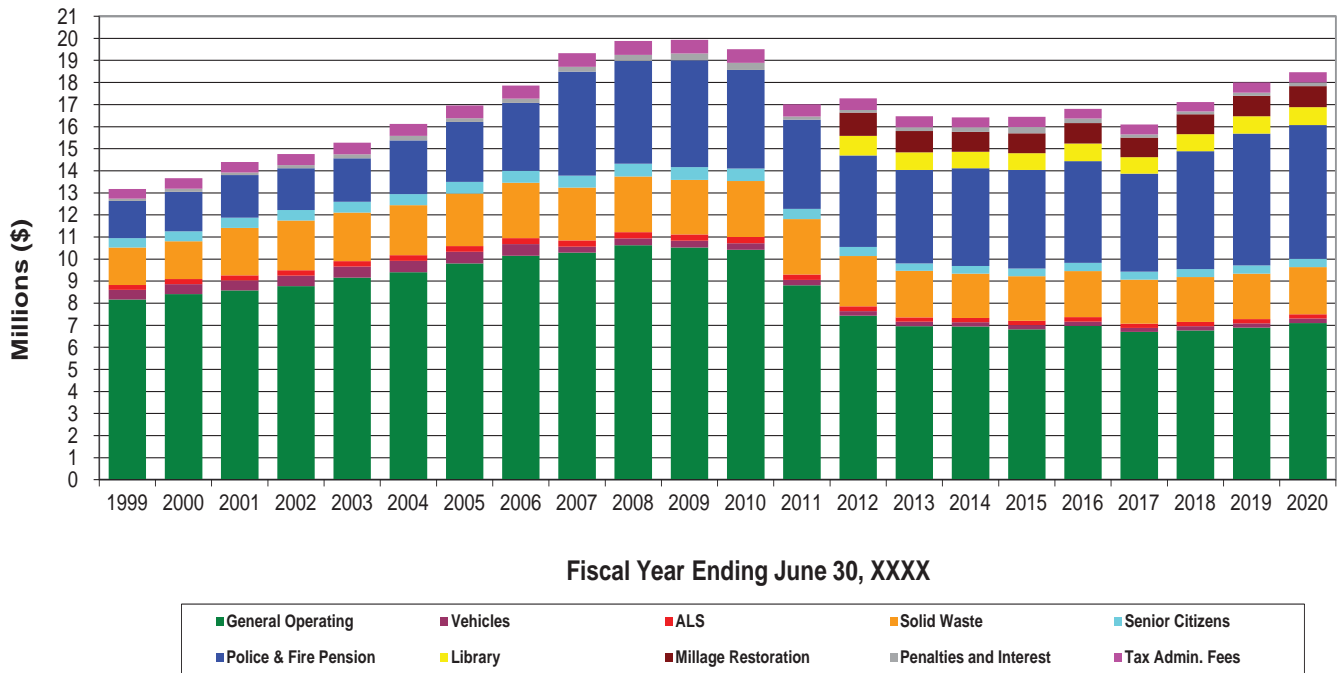
Fiscal Year Ending June 30,	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>City of Madison Heights</b>																		
General Operating	8.89	8.80	8.82	8.82	8.82	8.82	8.82	8.82	8.82	8.82	10.00	10.00	10.00	10.00	10.00	10.00	9.97	9.93
Neighborhood Road Improvements	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	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	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	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	2.63
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	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	7.59
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	0.51
Library	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.99
County Drain	0.05	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.16	1.13
<b>Total Direct City Taxes</b>	<b>16.22</b>	<b>15.89</b>	<b>16.71</b>	<b>17.00</b>	<b>17.30</b>	<b>17.90</b>	<b>18.04</b>	<b>18.16</b>	<b>18.00</b>	<b>18.82</b>	<b>21.87</b>	<b>22.43</b>	<b>22.94</b>	<b>22.96</b>	<b>22.97</b>	<b>23.02</b>	<b>25.21</b>	<b>25.72</b>
<b>Overlapping Taxes</b>																		
County	4.98	5.28	5.24	5.24	5.25	5.24	5.24	5.09	5.24	5.24	5.24	5.24	5.24	5.65	5.55	5.49	5.48	5.49
Community College	1.61	1.60	1.60	1.59	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.57	1.56	1.54
Intermediate School District	3.42	3.40	3.40	3.38	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.34	3.31	3.28
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	13.76
School Non-Homestead *	28.58	28.50	27.44	28.33	27.94	28.40	29.04	28.83	30.12	31.76	31.76	31.76	31.76	31.76	32.40	32.40	32.43	31.76
Zoological Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Art Institute	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.20	0.20	0.20	0.20	0.20	0.20	0.19
<b>Total Homestead</b>	<b>43.44</b>	<b>43.15</b>	<b>42.75</b>	<b>43.81</b>	<b>43.50</b>	<b>44.32</b>	<b>44.94</b>	<b>44.86</b>	<b>40.33</b>	<b>42.87</b>	<b>45.91</b>	<b>46.67</b>	<b>47.19</b>	<b>47.62</b>	<b>47.99</b>	<b>47.47</b>	<b>50.10</b>	<b>50.09</b>
<b>Total Non-Homestead</b>	<b>54.81</b>	<b>54.67</b>	<b>54.39</b>	<b>55.54</b>	<b>55.44</b>	<b>56.49</b>	<b>57.27</b>	<b>57.13</b>	<b>58.41</b>	<b>60.87</b>	<b>63.91</b>	<b>64.67</b>	<b>65.19</b>	<b>65.62</b>	<b>66.17</b>	<b>66.11</b>	<b>68.28</b>	<b>68.09</b>

\* Madison District Public School Rates

Sources: County Assessor's Warrant



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



Source: Finance Department

**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
19-20	Court	Eliminate 2 PT Court Officers and Add One FT Probation Officer (-0.32)
19-20	General Administration	Increase PT Media Specialist Hours (+0.19)
19-20	Finance	Increase PT Treasury Assistant Hours (+0.64)
19-20	Library	Increase PT Hours for Additional Sunday Hours (+0.41)
19-20	DPS - Active Adult Center	Eliminate PT Office Assistant, Add FT Office Assistant (+0.25)
19-20	DPS - Water & Sewer	Transfer FT Deputy DPS Director FTE (+1.0)
		Add PT Office Assistant (+0.72)
19-20	DPS - Motor Pool	Increase PT Laborer FTE (+.285)
19-20	DPS - DPS Fund	Transfer FT Deputy DPS Director FTE (-1.0)
		Add FT Utilities Supervisor (+1.0)
		Reallocation of Split Position FTE s(-0.155)
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)
		Add One MIDC Police Officer (+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	Reallocation DPS Employees (-1.5)
17-18	DPS Division	DPS Reallocation (+22.8)
17-18		Increase PT Office Support Staff (+0.43)

**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
16-17	City Clerk	Increase PT Office Support Staff (+0.3)
16-17	City Clerk - Elections	Decrease PT Office Support Staff elections portion (-0.13)
16-17	Community Development	Eliminate vacant Building Official Position (-1.0)
16-17	DPS - Streets	Reallocation of Admin Support due to Act 51 requirements (+0.10)
16-17	DPS - Solid Waste	Eliminate PT Office Support split (-0.13)
16-17		Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Recreation	Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Misc Funds	Transfer one DPS pooled position to Water (-1.0)
16-17	DPS - Parks	Transfer one fulltime Parks employee to vacant DPS pooled position (-1.0)
16-17	DPS - Major Street Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Local Streets Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Water	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (+1.0)
16-17		Transfer one DPS pooled position to Water (+1.0)
16-17	DPS - Water/Sewer Administration	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (-1.0)
16-17		Reallocation of Admin Support due to Act 51 requirements (+.20)
16-17		Add dedicated DPS PT Office Support (+0.35)
15-16	City Clerk	Reallocate PT Office Support Staff (-0.1)
15-16	General Administration	Eliminate Asst City Mgr Split between Departments (-0.2)
15-16	Finance	Transfer Fiscal Assistant II to Fire Department (-1.0)
15-16	Information Technology	Eliminate MIS Administrator (-1.0)
15-16	Information Technology	Eliminate Information Systems Specialist (-1.0)
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 Administration	Elimination of Asst City Mgr/Reallocation of DPS Director (+0.9)
15-16	DPS - Water/Sewer Administration	Eliminate Water & Sewer Coordinator (-1.0)

**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
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)
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 - Streeets	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)

**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
10-11	Library	Reduce ten part-time Librarian Assistant positions (-0.66)
10-11	DPS – Building Maintenance	Eliminate vacant Equipment Operator II position (-1.0). Full-time split between Streets (0.04) and Building Maintenance (0.96)
10-11	DPS - Streets	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Solid Waste	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Recreation	Reduce part-time Recreation Coordinator hours (-0.11)
10-11	DPS - Recreation	Eliminate sixteen vacant seasonal part-time recreation positions (-0.425)
10-11	DPS - Nature Center	Eliminate Nature Center Coordinator position (-1.0)
10-11	DPS - Nature Center	Eliminate part-time Naturalist position (-0.26)
10-11	DPS - Parks	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Parks	Eliminate three seasonal part-time Laborer positions (-0.75)
10-11	DPS - Parks	Reduce three part-time Park Ranger hours (-0.2)
10-11	DPS - Senior Center	Reduce part-time Bus Driver and Chauffer hours (-0.31)
10-11	DPS - Senior Center	Reduce part-time Senior Center Assistant hours (-0.1)
10-11	DPS - Major Street Fund	Reallocation of Administrative Support (-0.15)
10-11	DPS - Local Street Fund	Reallocation of Administrative Support position (-0.1)
10-11	DPS - Water	Eliminate two vacant Water Meter Reader positions (-1.0)
10-11	DPS - Sewer	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Motor Pool	Eliminate General Mechanic position (-1.0)
BA = mid-year Budget Amendment adopted as of December 14, 2009		
BA 09-10	Police	Eliminate two vacant Police Officer positions (-2.0)
BA 09-10	Police	Eliminate one vacant Public Service Aide position (-1.0)
BA 09-10	Fire	Eliminate two vacant Firefighter positions (-2.0)
BA 09-10	Library	Eliminate vacant part-time Library Assistant position (-0.21)
BA 09-10	DPS - Senior Center	Eliminate vacant part-time Senior Center Assistant (-0.25)
BA 09-10	DPS - Water and Sewer	Eliminate one vacant Equipment Operator I position (-1.0)
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)

**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
09-10	Finance	Move full-time positions currently split between Fire, Senior Center and Recreation to Finance, replacing a part-time position. (0.5)
09-10	Library	Reduction of hours for ten part-time positions due to reducing the Library hours of operation from 61.5 to 56 hours per week. (-0.5)
09-10	Community Development	Eliminate the part-time GIS part-time position (-0.5)
09-10	Water and Sewer	Eliminate two seasonal laborers; one in the Water Division and one in the Sewer Division (-0.7)
07-08	Finance	Reallocation one vacant Fiscal I position to Fire (-0.5)
07-08	Fire	Eliminate part-time office position (-0.3) reallocation of Fiscal I/Office Assistant (0.5)
07-08	DPS - Streets	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS - Solid Waste	Eliminate vacant DPS Supervisor split between divisions. (-0.1)
07-08	DPS - Parks	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS-Youth Center	Reduction of hours for part-time Youth Leaders (-0.2)
07-08	Assessing	Reduction of full-time Deputy Assessor position. (-1.0)
07-08	Assessing	Addition of part-time Property Appraiser. (0.4)
07-08	Housing	Eliminate part-time Housing Assistant (-0.4)
06-07	Finance	Eliminate vacant Fiscal I position (-1.0)
06-07	Police	Eliminate vacant Crime Prevention Officer (-1.0)
06-07	Fire	Eliminate vacant Fire Inspector positions (-1.0) and Vacant Officer Assistant I position (-1.0) and add a part time Office Positions (0.5)
06-07	Community Development	Eliminate vacant Information System position (-1.0), reduce GIS part-time position (-0.27), reallocate Code Enforcement from CDBG (0.80) and Housing (0.25)
06-07	DPS – Streets	Reduce two vacant Street Laborer positions (-2.0)
06-07	DPS – Sewer	Reduce vacant Laborer position (-1.0)
06-07	Library	Eliminate vacant part-time Library Assistant (-0.4); and reduce hours for Youth Service Assistant (-0.05)
06-07	DPS – Parks	Reduce vacant Park Laborer hours (-0.33)
06-07	DPS – Water	Eliminate vacant Water Clerical position (-0.8)
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)



**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
05-06	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.04) and reallocate Recreation Supervisor hours (-0.05)
05-06	DPS – Parks	Eliminate vacant Parks Maintenance Laborer (-1.0) and add part-time laborer (+0.6)
05-06	DPS – Senior Citizens	Eliminate vacant Officer Assistant II (-1.0); add part-time assistant (+0.8); reallocate part-time receptionist hours (+0.5) and Recreation Supervisor hours (+0.05)
05-06	Community Improvement Fund	Reallocate Code enforcement Officer hours between Housing (-0.2) and Community Improvement (+0.2)
05-06	Motor Pool Fund	Eliminate vacant full-time Tool Crib Operator position (-0.6)
04-05	District Court	Add hours for part-time Deputy Court Clerk (+0.2)
04-05	Assessor	Eliminate vacant part-time Office Assistant (-0.4)
04-05	City Clerk	Eliminate vacant Deputy Clerk position (-1.0); add hours to part-time election workers for a third election (+0.9)
04-05	Human Resources	Reflect 50% funding of combined Purchasing & Personnel Coordinator position (0.5)
04-05	General Administration	Eliminate vacant Purchasing Officer position (-1.0); reflect 50% funding of combined Purchasing & Personnel Coordinator position (+0.5)
04-05	Finance	Eliminate vacant Accounting Supervisor position (-1.0); add Accountant position (+1.0); eliminate vacant Fiscal Assistant I position (-1.0)
04-05	Information Technology	Eliminate vacant part-time Information Systems Support position (-0.7)
04-05	Police	Eliminate vacant positions: Police Officer (-1.0); Police Service Assistant (-1.0); and Office Assistant II (-1.0); reflect Police Department transfer of Police Officer position from Auto Theft Prevention Fund to patrol (+1.0)
04-05	Fire	Eliminate vacant Fire Fighter position (-1.0)
04-05	Community Development	Eliminate vacant Office Assistant II position (-1.0); add hours to part-time CDD Aide position (+0.2)
04-05	Library	Eliminate hours for part-time Branch Library Circulation Chief (-0.4) and Branch Library Assistant (-0.4)
04-05	DPS – Streets	Eliminate vacant Equipment Operator III (-1.0) and Laborer (-1.0) positions; reallocate labor from other divisions (+0.3)
04-05	DPS – Solid Waste	Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)
04-05	DPS – Recreation	Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)
04-05	DPS – Youth Center	Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)
04-05	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.4)
04-05	DPS – Parks	Eliminate two vacant part-time Park Laborer positions (-0.5)
04-05	DPS – Senior Citizen	Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)
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)

**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
04-05	Motor Pool Fund (DPS)	Eliminate vacant Tool Crib Operator position after retirement of incumbent (-0.4)
03-04	District Court	Add additional part-time Deputy Court Clerk position (+0.6); increase hours for part-time Probation Officer (+0.7)
03-04	DPS – Youth Center	Split part-time supervisor position for summer and school year programs into two part-time positions (0.0)
03-04	Community Imp.	Downgrade Code Enforcement Supervisor to Code Enf. Officer (0.0)
03-04	CIP - Housing	Reduce hours of part-time CIP Assistant (-0.3)
02-03	City Clerk	Increase part-time hours for election workers due to one additional election (+0.8 FTE)
02-03	Community Development	Add full-time Economic Development Coordinator position (+1.0 FTE)
02-03	DPS – Parks Division	Add two part-time Park Ranger positions (+ 0.5 FTE)
01-02	DPS – Custodial & Maintenance	Eliminate three vacant positions (-3.0 FTE), with one of the positions added to the Parks Division
01-02	Community Development	Increase hours (+0.3 FTE) for the part-time Geographic Information System (GIS) office assistant position
01-02	DPS – Nature Center	Upgrade part-time Naturalist position to full-time status (+0.4 FTE)
01-02	DPS – Parks	Add one position transferred from DPS - Custodial & Maintenance Division (+1.0 FTE)
01-02	Library	Increase part-time hours (+1.7 FTE)
00-01	District Court	Elimination of Court Recorder position following retirement (-1.0 FTE)
00-01	Police	Due to elimination of Federal Crime Suppression Grant, transfer one officer position from Crime Suppression Fund (1.0 FTE) to the Police Department's General Fund Activity (+1.0 FTE)
00-01	Community Development	Addition of one Information Systems Specialist Position-GIS in the Community Development Department (+1.0 FTE)
00-01	DPS – Youth Center	Addition of four part-time positions to staff new Youth Drop-In Center (+2.1 FTE)
99-00	District Court	Consolidation of Court Administrator and Legal Secretary positions (-1.0 FTE); elimination of vacant part-time Security Officer position (-0.7 FTE); reduce hours of part-time Magistrate (-0.3 FTE); increase hours for part-time Probation Officer (+0.3 FTE)
99-00	General Administration	Elimination of vacant Reproduction and Stores Assistant position (-1.0 FTE)
99-00	Finance	Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE)
99-00	Data Processing (Gen. Fund)	Transfer of Activity (2 full-time; 1 part-time) from Water and Sewer Fund (+2.8 FTE)
99-00	Community Development	Addition of full-time GIS Supervisor position and a part-time GIS Assistant (+1.3 FTE)
99-00	Library	Additional part-time hours to increase coverage of the three existing part-time librarians by an additional 7 ½ hours per week (+0.6 FTE)
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)



**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

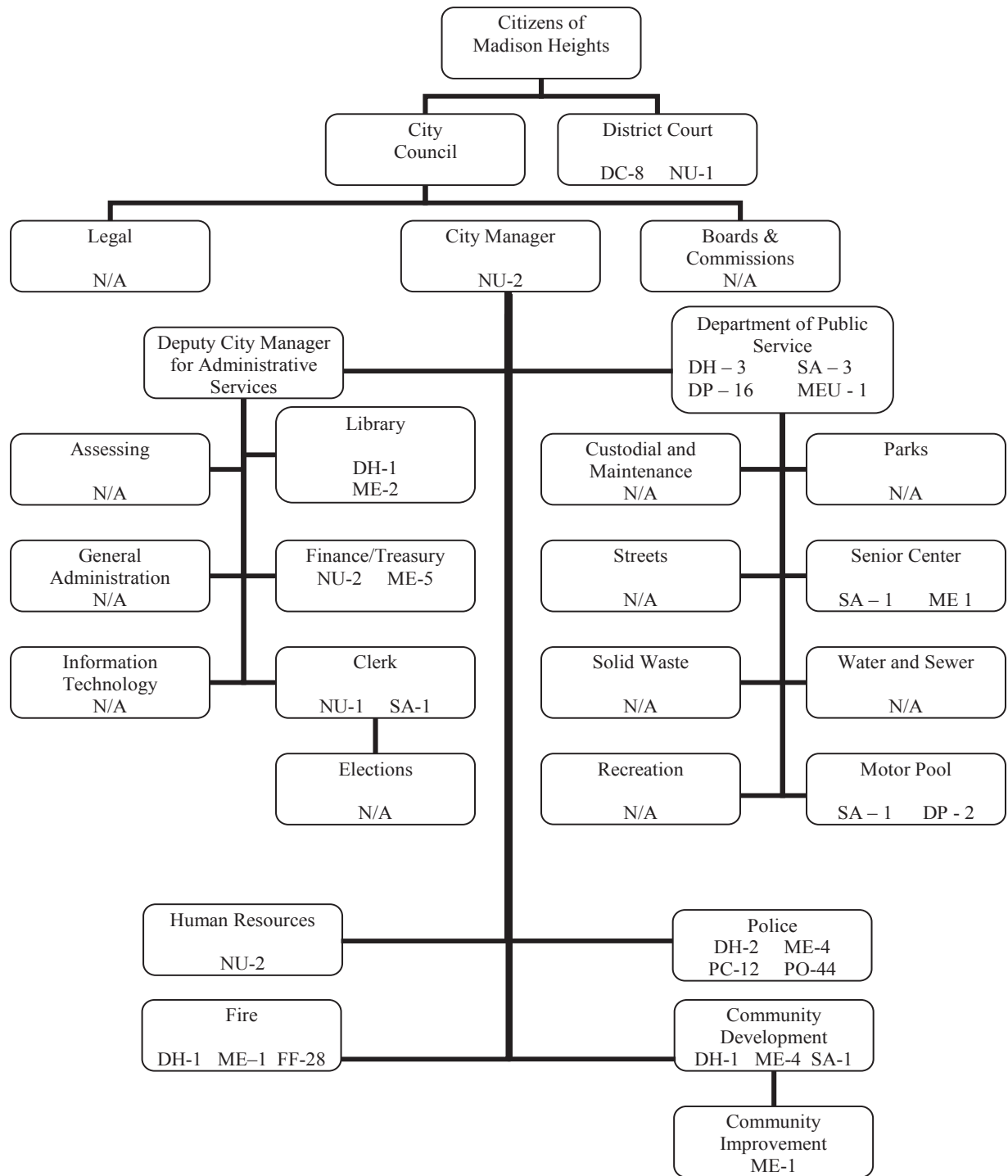
<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
97-98	District Court	Through collective bargaining the contractual Court Officer becomes full-time (+1.0 FTE)
97-98	DPS- Custodial & Maintenance	Elimination of vacant Laborer position through attrition due to outsourcing refuse collection (-1.0 FTE)
96-97	District Court	Move part-time position from Law Clerk to Probation Clerk; increase hours (+0.2 FTE)
96-97	Assessing	Addition of one part-time co-op student to assist with computer scanning and sketching project (+0.5 FTE)
96-97	Clerk	Eliminate vacant part-time clerical position (-0.8 FTE)
96-97	Police	Eliminate vacant Detective Sergeant position (-1.0 FTE)
96-97	DPS-Custodial & Maintenance	Reduction of full-time Supervisor position (-1.0 FTE) and transfer of four employees into full time laborer positions from Solid Waste Division outsourcing (+4.0 FTE)
96-97	Solid Waste	Outsource collection of household refuse and recycling; elimination of 12 F/T and 2 P/T laborer positions (-12.8 FTE)
96-97	DPS – Senior Citizen	Elimination of part-time building attendant position; adjustment of other part-time hours (no FTE change)
96-97	DPS – Parks	Elimination of two part-time seasonal laborer positions to reflect outsourcing of grass cutting (-0.8 FTE)
96-97	Police – Crime Suppression Fund	Add multi-jurisdictional unit officer with funding from “COPS” grant (+1.0 FTE)
96-97	Community Improvement Fund	Elimination of two part-time Home Chore Worker positions due to outsourcing of raking, lawn cutting, and snow shoveling services (-0.2 FTE)
96-97	Water & Sewer Fund – Data Processing	Replace vacant keypunch operator position (-1.0 FTE) with part-time PC Technical Support position (+0.8 FTE)
95-96	Library	Reduce part-time Circulation Chief, Technical Services Clerk, and Branch Library Aide (-0.2 FTE)
95-96	Fire	Eliminate three vacant full-time Fire Fighter positions as part of consolidated dispatch project (-3.0 FTE)
95-96	DPS – Custodial & Maintenance	Eliminate three full-time custodians as part of cost-savings move to contract out custodial services (-3.0 FTE)
95-96	DPS – Recreation	Reduce part-time hours as Oakland County will conduct summer swim lessons; add part-time Naturalist position (+0.5 FTE)
95-96	Community Dev. Block Grant Fund	Elimination of six vacant part-time home chore workers due to contracting out of raking, lawn cutting, and snow shoveling services (-0.8 FTE)
94-95	Assessing	Elimination of a vacant full-time Residential Appraiser position (+1.0 FTE)
94-95	Community Development	Elimination of a vacant full-time Construction Inspector position
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

**FY 2019-20 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
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	8
DH=Department Heads, AFSCME	8
DP=DPS, TPOAM	18
FF=Fire Fighters	28
ME=Municipal, TPOAM	19
PC=Police Command, POLC	12
PO=Police Officers, POU	44
SA=Supvrs. & Assts., AFSCME	<u>7</u>
	152

**CITY OF MADISON HEIGHTS  
FY 2019-20 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	4	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	2	1	1	1	1
Finance	7	7	7	11	11	11	11	11	10	10	9	9
Information Technology	0	0	0	2	2	2	2	2	2	2	2	2
Police	76	76	76	76	77	77	77	77	75	73	73	73
Fire	40	40	40	40	40	40	40	40	39	38	36	36
Community Development	8	8	8	9	10	10	11	11	10	10	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	18	16	15	13	13
Solid Waste	0	0	0	0	0	0	0	0	0	1	1	1
Recreation	2	2	2	2	2	2	2	2	1	1	1	1
Youth Center	0	0	0	0	0	0	0	0	0	0	0	0
Nature Center	0	0	0	0	0	1	1	1	1	1	1	1
Parks	5	5	5	5	5	6	6	6	6	5	5	4
Senior Citizen	3	3	3	3	3	3	3	3	3	2	2	2

Sub total	34	33	33	32	32	31	31	31	28	26	24	23
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Total	195	195	195	199	200	199	199	199	189	184	178	176
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Major Street Fund	1	1	1	1	1	1	1	1	1	1	1	1
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Community Improvement Fund	4	4	4	4	4	4	4	4	4	4	3	3
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Fire Manning Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0
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Juvenile Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0
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Auto Theft Prevention Grant Fund	1	1	1	1	1	1	1	1	0	0	0	0
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Crime Suppression Grant Fund	1	1	1	1	0	0	0	0	0	0	0	0
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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	6	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	13	12	12
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Motor Pool Fund	6	6	5	5	5	5	5	5	4	4	4	4
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DPS Fund (Beginning FY 2017-18)

Total All Funds	227	227	226	224	224	223	223	223	211	206	198	196
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**CITY OF MADISON HEIGHTS**  
**FY 2019-20**  
**FULL TIME POSITIONS**  
**ALL FUNDS**

FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20

**GENERAL FUND**

9	9	8	8	8	8	8	8	8	8	8	9	Court
2	2	2	2	2	2	2	2	2	2	2	2	Manager
3	3	0	0	0	0	0	0	0	0	0	0	Assessor
3	3	2	2	2	2	2	2	2	2	2	2	Clerk
2	2	2	1	2	2	2	2	2	2	2	2	Human Resources
1	1	1	1	0	0	0	0	0	0	0	0	General Administration
9	9	8	8	8	8	8	7	7	7	7	7	Finance
2	2	2	2	2	2	2	0	0	0	0	0	Information Technology
73	67	62	58	57	57	57	57	57	58	62	62	Police
36	33	30	30	27	27	27	28	28	28	30	30	Fire
9	9	8	8	8	8	8	7	6	6	6	6	Community Development
4	4	3	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	0	0 Custodial & Maintenance
13	12	11	10	9	9	9	9	9	9	0	0	0 Streets
1	1	1	2	2	2	2	1	1	0	0	0	0 Solid Waste
0	0	0	0	0	0	0	0	0	0	0	0	0 Recreation
0	0	0	0	0	0	0	0	0	0	0	0	0 Youth Center
1	1	0	0	0	0	0	0	0	0	0	0	0 Nature Center
4	4	2	2	2	2	2	2	1	0	0	0	0 Parks
2	2	2	2	1	1	1	1	1	1	1	1	2 Senior Citizen

22	21	16	16	14	14	14	13	12	1	1	2	Sub total
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175	165	144	139	133	133	133	129	127	117	123	125	Total
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1	1	1	1	1	1	1	1	1	0	0	0	Major Street Fund
3	3	3	3	3	1	1	1	1	1	1	1	Community Improvement Fund
0	0	2	2	0	0	0	0	0	0	0	0	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
0	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	0	0 Water Division
5	4	4	4	4	3	3	3	4	0	0	0	0 Sewer Division
0	0	0	0	0	0	0	0	0	0	0	0	0 Information Technology
1	1	1	1	1	1	1	2	1	1	2	3	Water & Sewer Administration

12	11	9	9	9	8	8	9	9	1	2	3	Total
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4	4	3	3	3	3	3	3	3	3	3	3	Motor Pool Fund
0	0	0	0	0	0	0	0	0	20	20	20	DPS Fund (Beginning FY 2017-18)

195	184	162	157	149	146	146	143	141	142	149	152	Total All Funds
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## **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.

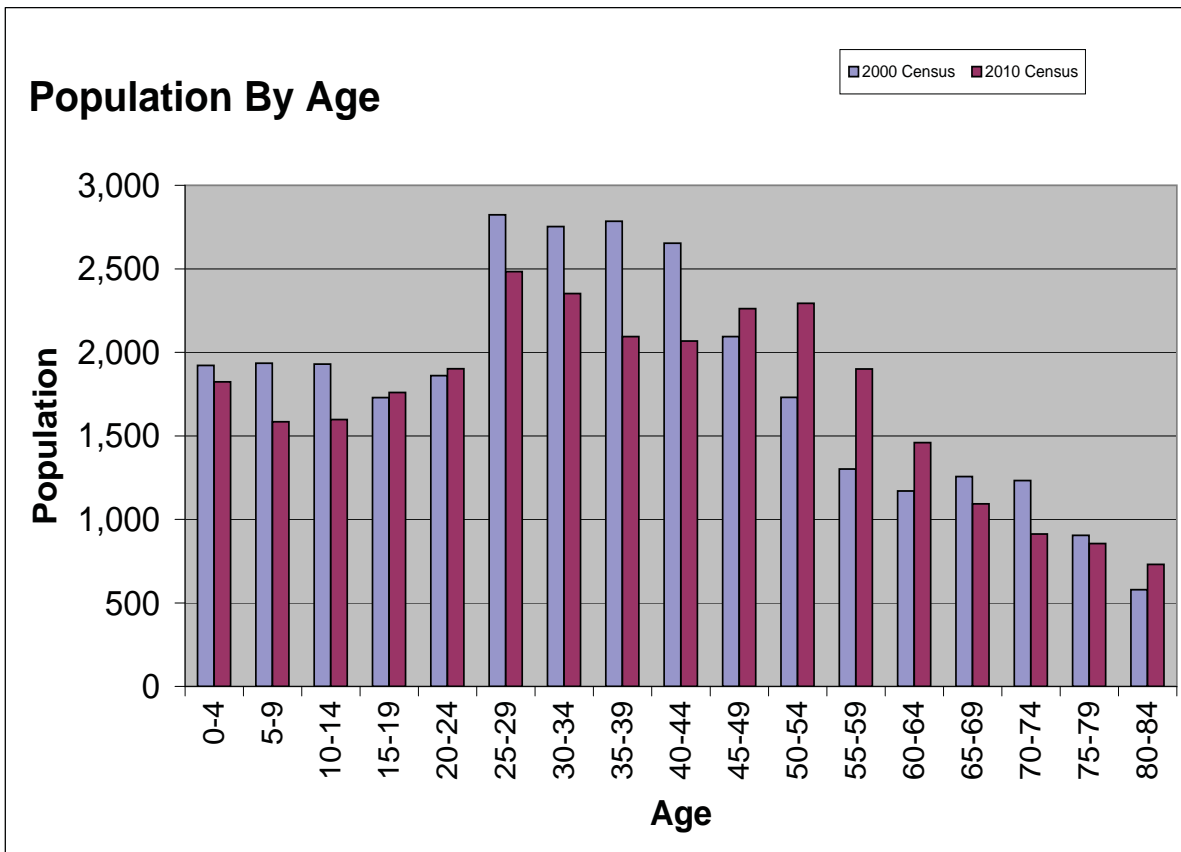
### **Population**

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 2018 population (30,096) 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 13,771 (2018) 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

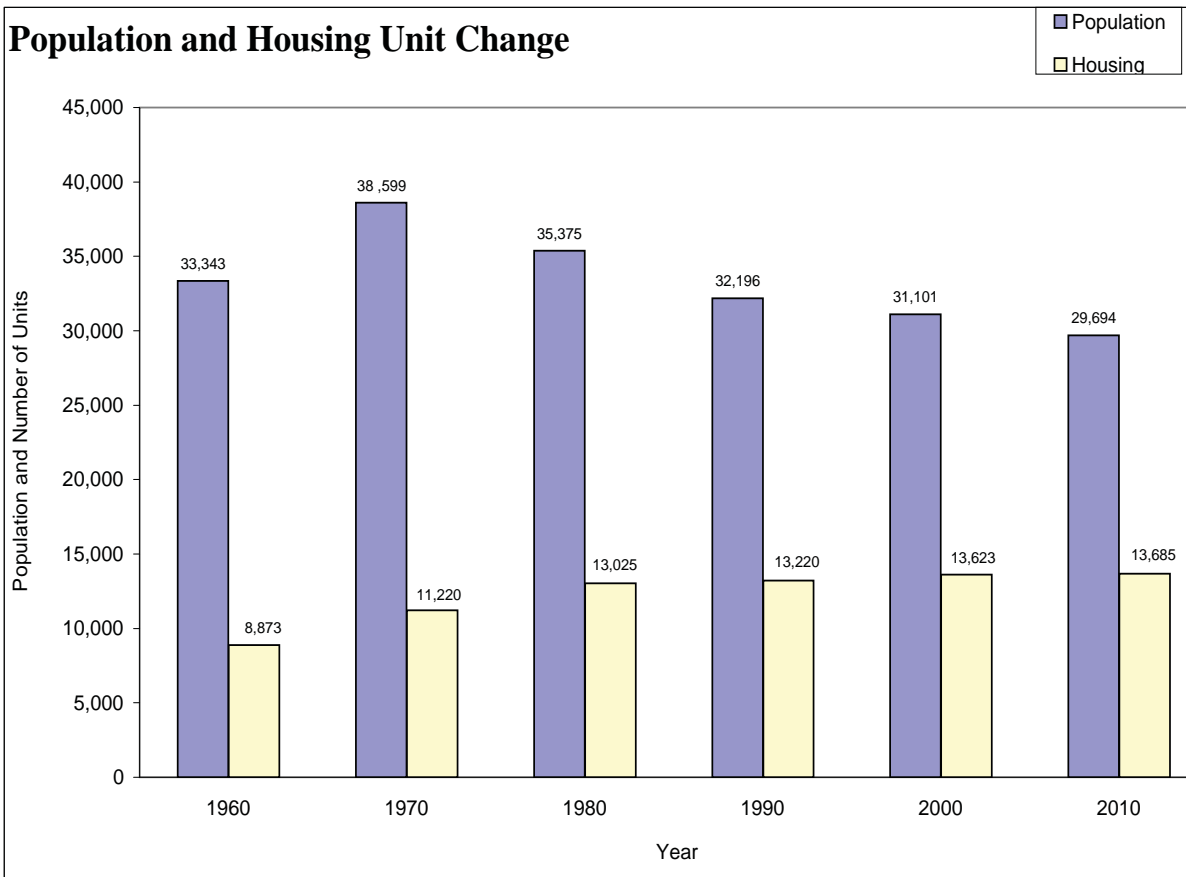


Table 1  
Selected Population Characteristics: 2000-2010  
City of Madison Heights

	<u>2000</u>	<u>2010</u>	<u>% change</u>	<u>% of Population 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

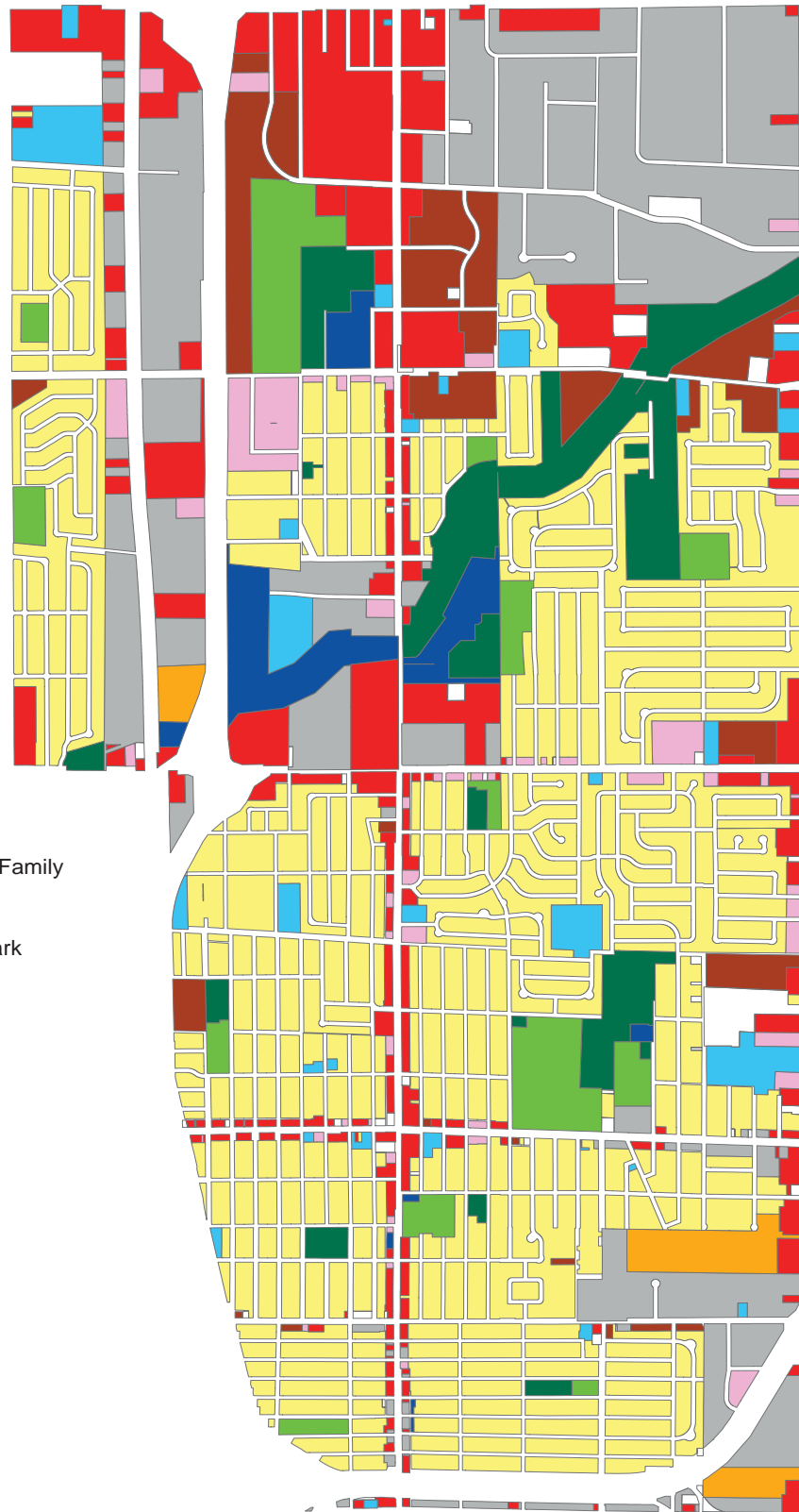
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2045</u>
Total Population	32,196	31,101	29,694	29,757
Total Households (occupied housing units)	12,850	13,299	12,712	13,508
Average Household Size	2.51	2.33	2.32	2.19

(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



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



Author: Drew Phillips  
 Document Path: F:\Planning\_maps\Existing\_Land\_Use.mxd  
 Date 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.

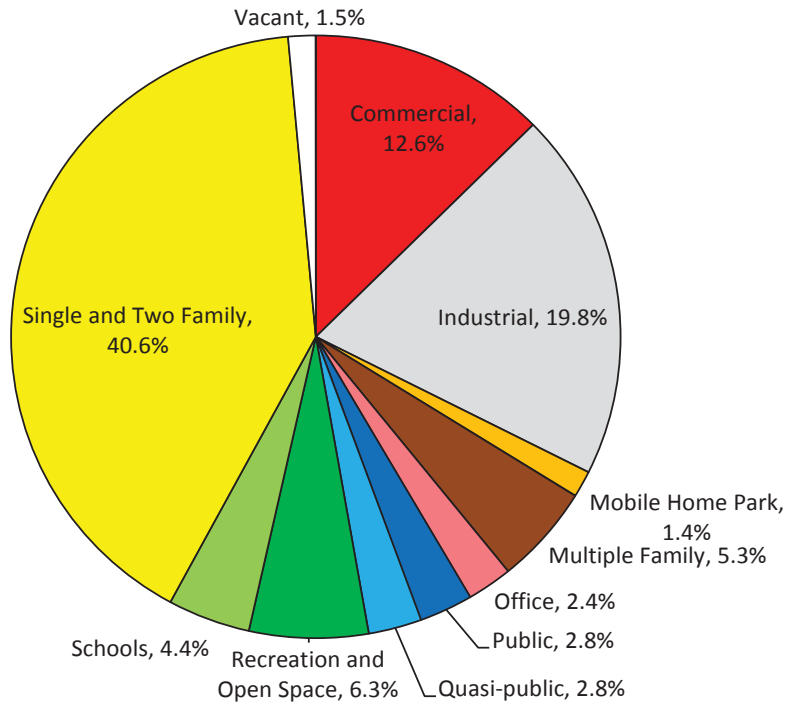
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

Public - Land area and facilities such as public schools, libraries, public works buildings, and government buildings are considered public uses.

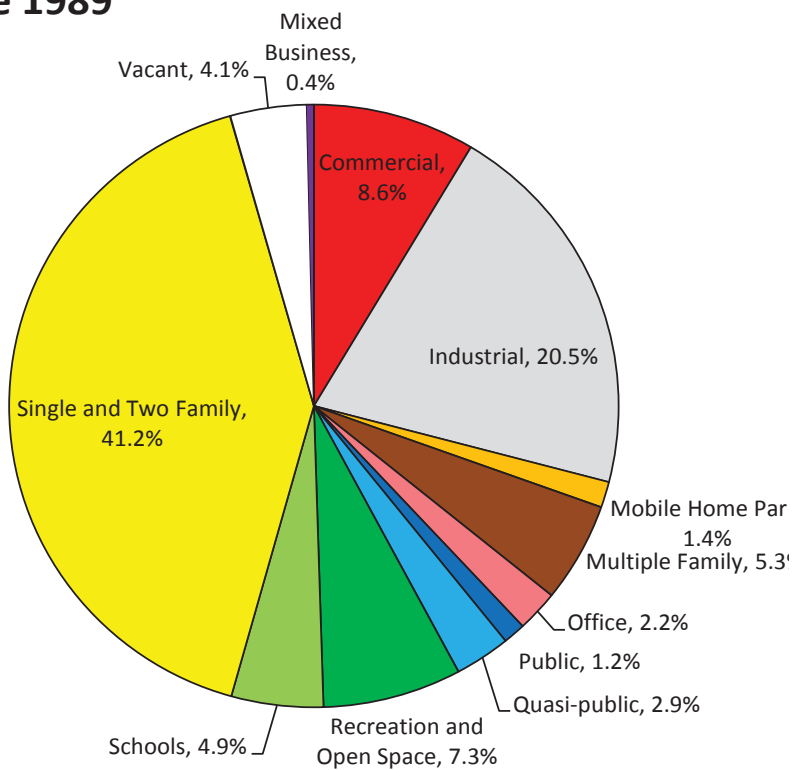
Quasi-Public - Included within this classification are such as churches, hospitals, private schools, lodge halls, private cemeteries, utility stations/sub-stations, etc.

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 Principals
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 2019-20**

				2019-20 Amount Adopted
<u>General Fund</u>	<u>Description</u>	<u>Account</u>		
<u>Court</u>				
<u>101-136</u>	<u>Books</u>	<u>9780000</u>		
	Books		\$	7,500
	<u>Electronic Equipment</u>	<u>9860-000</u>		
	Security Cameras			35,000
	<i>Total Department</i>		\$	<u>42,500</u>
<u>Police</u>	<u>Vehicles Non-V</u>	<u>9850000</u>		
<u>101-301</u>	Patrol Vehicles #108 and #110		\$	72,028
	Special Investigation Vehicles # 124		29,000	\$ 101,028
	<u>Improvements</u>	<u>9870000</u>		
	Roof ( Installment Payments 1 of 5) total cost \$600,000		\$	130,000
	<i>Total Department</i>		\$	<u>231,028</u>
<u>Fire</u>	<u>Vehicles</u>	<u>9850000</u>		
<u>101-336</u>	Suptehn Pumper (Installment Payments 1 of 5) total cost \$608,000		\$	129,195
	<u>Improvements</u>	<u>9870000</u>		
	HVAC Controls Fire Station #1		\$	15,000
	<i>Total Department</i>		\$	<u>144,195</u>
<u>Streets</u>	<u>Vehicles</u>	<u>9850000</u>		
<u>101-446</u>	Tandem Dump Truck			230,000
	<i>Total Department</i>		\$	<u>230,000</u>
<u>Solid Waste</u>	<u>Machinery and Equipment</u>	<u>9820000</u>		
<u>101-521</u>	Attachement for Loaders #405		\$	20,000
	<i>Total Department</i>		\$	<u>20,000</u>
<u>Recreation</u>	<u>Machinery and Equipment</u>			
<u>101-751</u>	ADA Swing Sets for Parks (2)		\$	10,000
	<i>Total Department</i>		\$	<u>10,000</u>
<u>Nature Center</u>	<u>Improvements</u>			
<u>101-756</u>	Friendship Woods - Nature Center Trail and Capital Improvements (half of total less \$5,000)		\$	50,000
	<i>Total Department</i>		\$	<u>50,000</u>
<u>Parks</u>	<u>Improvements</u>	<u>9870000</u>		
<u>101-757</u>	Furnance Huffman Building		\$	8,500
	Lighting Analysis		25,000	
	Wildwood Parking Lot		30,000	63,500
	<i>Total Department</i>		\$	<u>63,500</u>
	<b>Total Fund</b>		<b>\$</b>	<b><u>781,223</u></b>

**CITY OF MADISON HEIGHTS  
CAPITAL OUTLAY SUMMARY  
COMBINED  
FISCAL YEAR 2019-20**

				<b>2019-20 Amount Adopted</b>
<b><u>Major Street Fund</u></b>	<b><u>Description</u></b>	<b><u>Account</u></b>		
<b><u>202-451</u></b>	<b><u>Repairs/Construction</u></b>	<b><u>9880405</u></b>		
	John R to 12 Mile Turn-Lane			\$ 299,835
	<b><u>Rehabilitation Programs</u></b>	<b><u>9880436</u></b>		
	Girard West of John R		\$ 115,000	
	11 Mile Dequindre to I-75		500,000	
	E. Lincoln - Wolverine to Dequindre		250,000	\$ 865,000
		<i>Total Department</i>		<u>\$ 1,164,835</u>
<b><u>202-474</u></b>	<b><u>Traffic Service</u></b>			
	Traffic Signal Improvements			\$ 30,000
		<i>Total Department</i>		<u>\$ 30,000</u>
		<b>Total Fund</b>		<u><u>\$ 1,194,835</u></u>
<b><u>Local Street Fund</u></b>				
<b><u>203-451</u></b>	<b><u>Proposal R-3 Construction</u></b>	<b><u>9890XXX</u></b>		
	R-3 Sectional Maintenance and Repair		\$ 148,000	
	R-2 Sectional Maintenance and Repair		500,000	
	Sealcoat Road Rehabilitation		277,500	
	Meadows Avenue		263,000	
	West Dallas Avenue		260,000	
	Kenwood Avenue		232,000	
	Madison Avenue		181,000	
	Kenwood Avenue (Englewood to Kenwood)		174,000	
	Windemere Ave (Campbell to Dorchester)		133,000	\$ 2,168,500
	<b><u>Rehabilitation Program - Non "R-3"</u></b>			
	Sectional - Commerce - Lincoln to the Service Drive			100,000
		<b>Total Fund</b>		<u><u>\$ 2,268,500</u></u>
<b><u>Downtown Development</u></b>				
<b><u>248-863</u></b>	<b><u>Land</u></b>	<b><u>9870002</u></b>		
	Property Acquisition (Phase I of V)			\$ 50,000
		<b>Total Fund</b>		<u><u>\$ 50,000</u></u>
<b><u>Drug Forfeiture</u></b>				
<b><u>264-301</u></b>	<b><u>Vehicles</u></b>	<b><u>9870002</u></b>		
	Patrol Vehicle #103		\$ 36,014	
	Caravan #133		29,000	\$ 65,014
		<b>Total Fund</b>		<u><u>\$ 65,014</u></u>
<b><u>Special Assessment</u></b>				
<b><u>297-401</u></b>	<b><u>Construction</u></b>	<b><u>9850000</u></b>		
	Sidewalk Program			\$ 300,000
		<b>Total Fund</b>		<u><u>\$ 300,000</u></u>

**CITY OF MADISON HEIGHTS  
CAPITAL OUTLAY SUMMARY  
COMBINED  
FISCAL YEAR 2019-20**

				2019-20 Amount Adopted
<u>Water &amp; Sewer Fund</u>	<u>Description</u>	<u>Account</u>		
<u>590-901</u>	<u>Watermain Replacement "R-3"</u>	<u>9731000</u>		
	Westmore (Yorkshire to Tanglewood)		\$ 421,000	
	Tanglewood (Sheffield to Winthrop)		332,000	
	Milton (Sheffield to Dulong)		142,000	
	Beverly (Alden to Dequindre)		<u>258,000</u>	\$ 1,153,000
	<u>Watermains Replacement - "Non-R-3"</u>	<u>9731000</u>		
	West Woodside (I-75 Crossover to DPS)			\$ 364,000
	<u>Sewer Repairs/Replacement</u>			
	Sanitary sewer projects resulting from inspection (TBD)	<u>9732000</u>		\$ 225,000
	<u>Machinery and Equipment</u>	<u>9860000</u>		
	Loader #405		225,000	
	Sewer Camera		13,000	
	Meter Reading Equipment		7,500	
	Utility Locator		<u>8,000</u>	253,500
	<u>Improvement</u>	<u>9731000</u>		
	Public Announcement System in the DPS Building		\$ 15,000	
	Window Replacement		20,000	
	Replacement Repairs to the DPS Parking Lot		<u>100,000</u>	135,000
		<i>Total Department</i>		<u>\$ 2,130,500</u>
		<b>Total Fund</b>		<b>\$ 2,130,500</b>
		<b>All Funds</b>		<b>\$ 6,790,072</b>

