



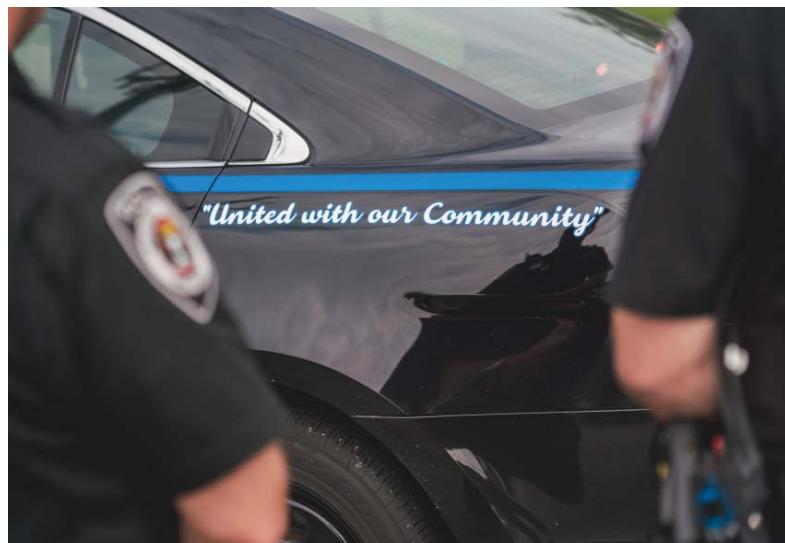
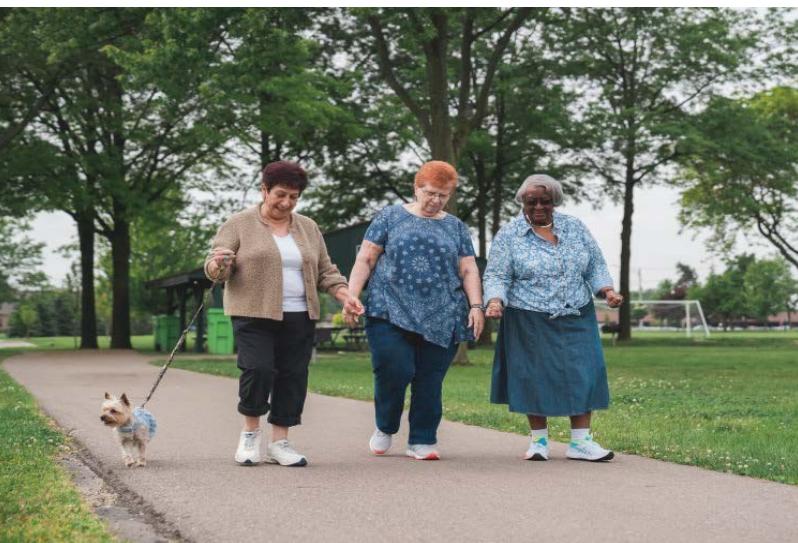
Madison Heights, MI

Adopted Budget FY 2020-2021  
Proposed Budget FY 2021-2022

Quality City. Quality Life.



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





# **City of Madison Heights Adopted Annual Budget Fiscal Year 2020-21 Fiscal Year 2021-22**

## **Mayor**

Brian C. Hartwell

## **City Council**

Mark A. Bliss

Kymm Clark

Robert J. Corbett

Roslyn E. Grafstein

Emily J. Rohrbach

David M. Soltis

## **City Manager**

Melissa R. Marsh

## **Deputy City Manager**

Corey K. Haines

## **Finance Director/Treasurer**

Linda A. Kunath



# Mayor and Council

Brian C. Hartwell  
Mayor



Mark A. Bliss  
Councilman



Kymm Clark  
Councilwoman



Robert J. Corbett  
Councilman



Roslyn E. Grafstein  
Mayor Pro Tem



Emily J. Rohrbach  
Councilor



David M. Soltis  
Councilman



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Madison Heights  
Michigan**

For the Fiscal Year Beginning

**July 1, 2019**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Madison Heights for its fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

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



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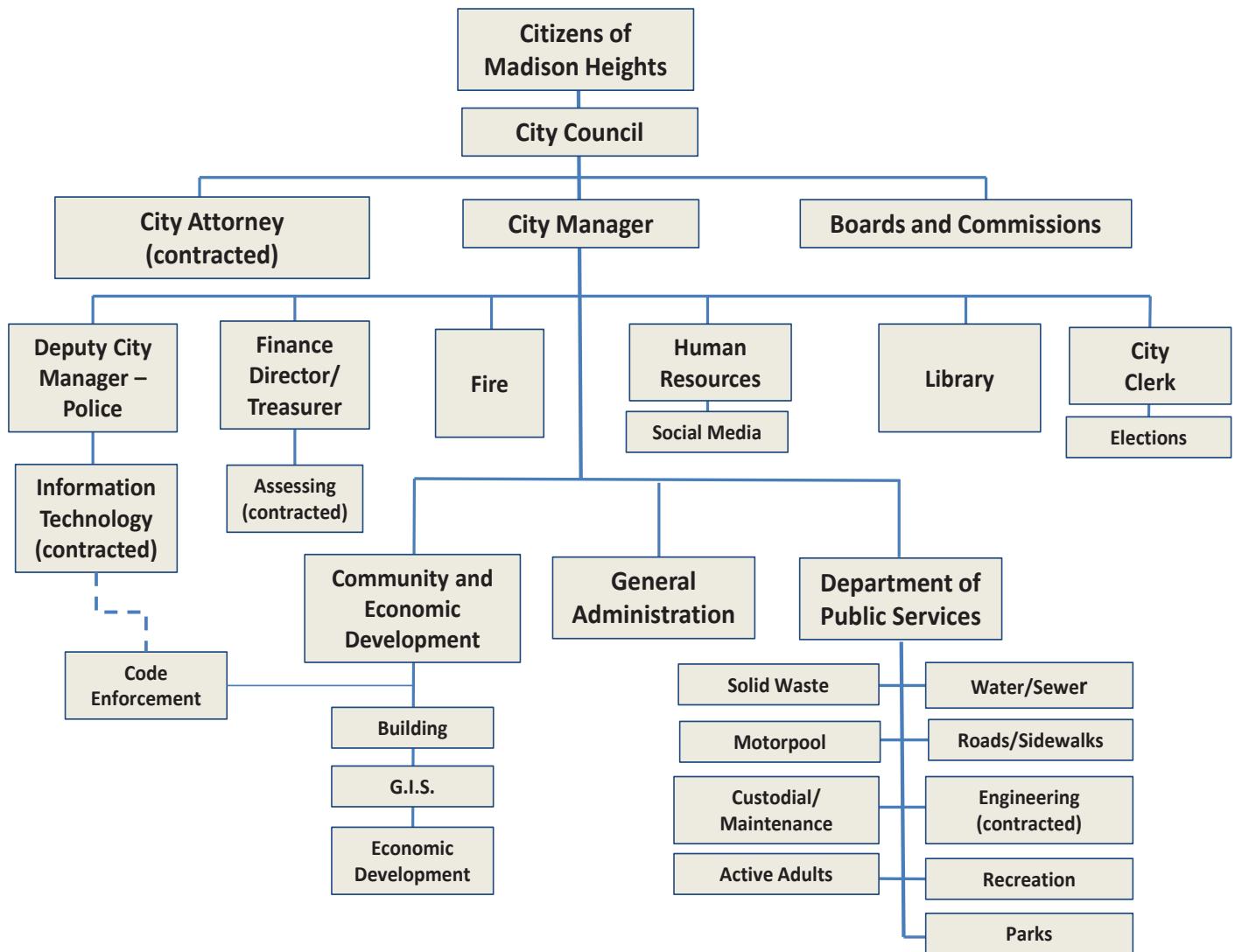
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# City of Madison Heights Organizational Chart





# City of Madison Heights

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

May 12, 2020

To: Honorable Mayor and Members of City Council  
Residents of the City of Madison Heights

On March 10th, the first coronavirus (COVID-19) case in Michigan was reported. Days later, on March 12th, the City of Madison Heights took action and closed City Hall, Library and Active Adult Center to the public. Within days, Governor Gretchen Whitmer had called for a State of Emergency and Michigan was on its way to a Stay at Home order that started on March 23rd and lasted until June 12th when the lower portion of Michigan gradually began to reopen. While this Stay at Home order was necessary to protect and health and wellbeing of Michiganders, it wreaked havoc on the State and Local economy.

As of March 10th, the FY 2021 and 2022 was nearing completion. However due to the unpredictable and fluid challenges presented as a result of COVID-19, we quickly returned to the drawing board and have taken a new approach with the originally Proposed Budgets. The budget sent to Council and approved at the Regular Council Meeting of May 11, reduced the originally proposed budget, without making drastic cuts to existing services. Throughout this current COVID-19 crisis, we have been operating on two tracks. First and foremost, keeping our residents and employees safe no matter the cost and second, making sure the City's financial situation is not reactive to the freefall that is taking place as a result of this crisis. We started planning ahead for the impending financial crisis as best we can. Therefore, we immediately froze all non-public safety positions and placed a hold on expenditures and projects. In addition, we furloughed, either partially or fully, over 62 part and full-time employees through the duration of the Stay at Home order. We also developed a Work Share program with the State Unemployment Office and implemented furloughs for all non-public safety employees of a minimum one day a week from June 1, 2020 through September 4, 2020. Initial estimated savings from the workshare program is \$210,000 in addition to the furloughs during the Stay at Home order.

We plan to keep the holds on vacant positions and nonessential purchases in place until we have a clearer financial picture, which is estimated to be September. At that time, we will prepare a budget amendment to bring the budget in line with fiscal expectations.

## **Blueprint for the Future**

Last year, City Council and Staff worked hard to develop plans that articulated a future vision for the community. These plans considered everyone who lives, works or visits Madison Heights and centered on growing the tax base to allow us to build a strong community and provide services at superior levels. This year the plan was updated to take into consideration the accomplishments of the prior year and the approved Charter millage increase. We are now in year two of the Blueprint for the Future and it continues to focus 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.

As described in the strategic plan under Financial Sustainability, this year was to be the City's first multiyear budget for the Fiscal Year 2020-2021 and Fiscal Year 2021-2022. This multiyear budget has many advantages and is the next logical step in our long-term financial planning to move the City forward toward the vision of the future.

Before this sharp change in direction, the multi-year budget was intended to align with the Strategic Plan, Five-Year Capital Improvement Plan, and Five-Year Financial Forecast, allowing the City to present a complete financial long-term plan of all City funds and activities. Providing residents with more certainty about the direction of local government services, finances, and tax levels keeps city administration focused on continuous improvement and implementation, instead of just maintaining status quo.

These documents come together to compile the financial data needed to support the City of Madison Heights's comprehensive decision-making and policy development process. This balanced budget does meet the critical needs in the core service areas; however it does not go far to address improvements in key areas for the quality of life in the City, including library and parks. This was planned on purpose to keep the millage increase low, as we anticipate many residents and businesses will be recovering from the financial ramifications of the COVID-19 crisis.

### **Millage**

On November 3, 2019, voters of the City of Madison Heights approved Proposal MH, a charter millage revision that rolled in several separate millages and increased the base charter millage to cover additional spending for public safety and quality of life services, such as parks and library. This increase was approved at an overall 3.3684 mills increase. The Fiscal Year 2021 budget was originally created utilizing only a portion of this millage at 2.5460 mills, in addition to an estimated small taxable value increase. However, given the current economic uncertainty with not only the City finances, but finances of residents and businesses, this reduced budget includes no increase to water and sewer rates, a pass through increase for storm water, and an increase of less than one mill in the tax rate as detailed below:

Millage	Current 2019-20	2020-21	<b>2020-21</b>
		Original Proposed Budget	<b>New</b>
			<b>Proposed Budget</b>
General	8.6566	8.5749	<b>8.5749</b>
MR/Proposal MH	1.1592	5.6297	<b>4.06</b>
Roads	1.9631	1.9446	<b>1.9446</b>
Vehicles	0.2453	-	-
ALS	0.2453	-	-
Solid Waste	2.5968	2.5723	<b>2.5723</b>
Seniors	0.4663	0.4619	<b>0.4619</b>
Police & Fire Retirement	7.3886	7.1155	<b>7.1155</b>
Fire Bond	0.4951	0.4933	<b>0.4933</b>
Library	0.9815	-	-
Chapter 20	1.0905	1.0421	<b>1.0421</b>
	25.2883	27.8343	<b>26.2646</b>
Increase from 2019- 20		<b>2.546</b>	<b>0.9763</b>

**This Adopted Budget includes some enhancements included in the Strategic Plan and continues the City's focus on Public Safety. These projects and changes are highlighted below:**

**1. Staff Enhancements** – The passing of Proposal MH promised an increase in staffing at the Fire Department of three (3) firefighters and the Police Department of two (2) patrol officers and one (1) police service aide. This budget includes a staffing increase in the Fire Department of three (3) firefighters and the Police Department of one (1) police service aide. The two (2) Police Officers positions are budgeted at a half of a year, to be reviewed and considered once we have a better financial picture. Also budgeted at a half of a year is the addition of one (1) full-time Outreach Librarian, hired to enhance the Library services programs and meet the resident's requests for more programming and services.

**2. Police Services** – The budget continues to include the addition of body cameras and replacement of Police in-car cameras, as discussed in the strategic plan. These purchases currently have significant grant funding available to off-set a large part of this cost.

**3. Recreation** – In March 2020, due to a reorganization of the Department of Public Services, we were able to reconfigure positions to create a full-time recreation coordinator position without adding a FTE. No other additions are being planned for recreation in FY 2020 or FY 2021.

**4. Parks** – The passing of Proposal MH included a focus on updating and supplementing our current park amenities. However, with the reduced proposed budget, most planned projects have been deferred, with only the replacement of the Edison Park play structure and improvements needed to the Civic Center Park pavilions included. Also included are necessary matching funds needed for the tree planting grants.

**5. Library** – Staff recognized that in times of high unemployment and low economic times, the library provides essential services, such as computer internet usage and programming. Although this reduced budget is scaled back, it still focuses towards building the library as an essential service in the community. This will be achieved with the proposed increase in material line-items, digital services, public computers (including the addition of laptops for patron use), portable projector, charging stations, the creation of a maker's space and a new line-item for programming. As detailed in staff enhancements above, the budget also includes an addition of a full-time position; however this position has been included at a half-year to permit staff time to assess if this is financially feasible.

**6. Infrastructure** – Last year the strategic plan highlighted the need to address several facilities, including needed improvements to the Active Adult Center, Library and City Hall. At that time, staff started project planning and awarded a contract for a feasibility study to get an idea of what this project will include, as well as estimating costs. We received a cost estimate of \$5.2 million for this project. We have now moved into the cost feasibility phase to determine if we can afford to fund this project with a 15 to 20 year bond, which will be paid from anticipated current revenues. Under the original proposed budget, this did appear to be a reasonable option, and as a result, staff issued a request for information from developers to get a clearer understanding of options and ideas for development. However, given the current economic state, this is temporarily on hold and will be reassessed as financial effects are better known.

Additional details regarding personnel, including pension, and capital improvements projects and purchases are included in the applicable sections of the budget document.

## BUDGET OVERVIEW

The total budget equates to \$55.0 million in FY 2021 and \$55.17 million in FY 2022. This multi-year budget includes proposals for 13 appropriated funds and represents a decrease of \$1,402,218 or 2.5% under FY 2020. As shown in the following table, the operating budget is projected to increase by \$1.3 million or 2.8%, and the capital budget decreases by \$2.7 million or 25.7%.

### Total Operating and Capital Budget

	FY 2020 Amended Budget	FY 2021 Proposed Budget	FY 2022 Proposed Budget
<b>Operating Budget</b>	\$ 45,973,553	\$ 47,258,585	\$ 48,267,889
Percent Change		2.80%	2.1%
<b>Capital Improvement Budget</b>	\$ 10,439,984	\$ 7,752,634	\$ 6,901,926
Percent Change		-25.7%	-10.97%
<b>Total Budget</b>	\$ 56,413,537	\$ 55,011,219	\$ 55,169,815
Percent Change		-2.49%	0.3%

## **Financial Challenges**

Even with the passing of Proposal MH, the City continues to face financial challenges that continue to hinder the ability to fully 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 the 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 2021, this multiplier is 1.9%, which caps the City’s overall taxable value growth of 4.15%. 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 the legacy cost for pensions and retiree health care. As of June 30, 2019, unfunded liabilities for pension and retiree health care stand at \$48 million and \$57.9 million, respectively, for a total unfunded liability of \$105.9 million. Although the general employee pension system, general employee’s retiree health care trust, and police and fire health care trust are all closed, the liability continues to grow as assumptions are adjusted to make actual market projections. The budget includes the actuarially required \$4.0 million in contributions for pensions in FY 2021 and \$4.5 million in FY 2022.

The significance of these legacy costs have been a subject of debate at the State Legislature during the past administration. In December 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 required local units to report the fiscal health of each plan offered, identify problems in the 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 the total governmental fund revenues. A city determined to be underfunded for OPEB if the plan total assets are less than 40% of the plan’s 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 changed the way it funds retiree health care. Until FY 2020 contributions were made to the two trusts (Police and Fire and General Employee’s plans) and monthly retiree premiums were paid from these trust. Last year, this practice ceased and monthly premiums were paid from current year revenues and the normal cost for employees was contributed to the trust. This practice is being continued into FY 2021 and FY 2022 with budgeted amounts at \$3.1 million and \$3.3 million, respectively, for current year premiums and \$710,420 and \$647,604 for current year retiree health care contributions.

The third major financial challenge is state funding of local municipalities. Michigan’s state revenue sharing began in the 1930s, through taxation of businesses with liquor licenses. Of that revenue, 85 percent went to fund municipalities. In 1946, the state constitution was amended to guarantee local government 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 formula 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. From fiscal years 2002 through 2019, Madison Heights has lost \$18,402,729 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 total, constitutional and statutory, of \$3.28 million; by comparison, in 2006 Madison Heights received \$4.0 million.

Regarding Other Funds, maintaining the City's infrastructure continues to be a challenge. In recent years, with the increase in vehicle registration fees and fuel tax increases, the State of Michigan Department of Transportation has slowly started to increase funding to municipalities for local and major road repair and maintenance. As a result, the Major Street fund is budgeted to receive an increase in revenue of \$228,949 in FY 2021 over the current year budget and an additional \$50,726 for FY 2022. We have planned for an aggressive sectional concrete replacement program in the upcoming two budget years, but have planned to start saving funds in FY 2022 for the future replacement of the City portion of John R road. It is anticipated that the John R. Road total project will be shared with Oakland County, Oakland County Road Commission and the City.

### **Operating Budget Highlights**

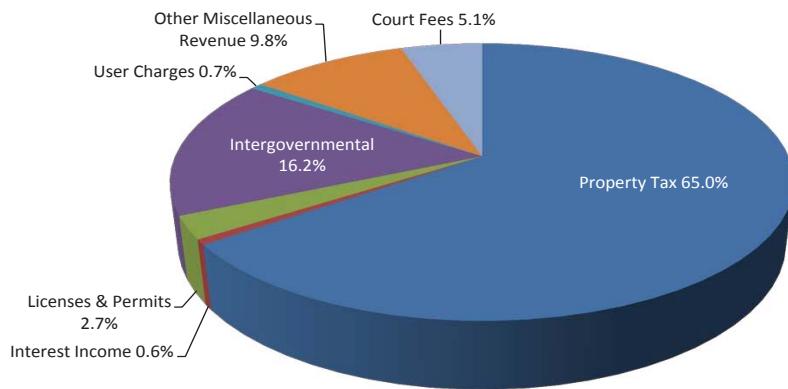
The FY 2021 budget was balanced through the utilization of \$1,249,647 of fund balance across all budgeted funds. The majority of this use of fund balance is from the Water and Sewer Fund and is for one-time capital outlay purchases and projects.

#### **Revenues**

General Fund Revenues are budgeted at \$31.4 million exclusive of the planned use of fund balance. This represents an increase of \$1.46 million or 4.9% from the FY 2020 Amended Budget Revenues. This significant increase in revenues is due to the implementation of Proposal MH, a charter revision passed in November 2019, coupled with taxable value increases of 4.1%.

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 sources representing 65.0% of the FY 2021 General Fund Revenue Budget. Other major revenue sources include user charges, intergovernmental revenues, court fees, and other miscellaneous revenues.

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



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

Starting in 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 surfaces have a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed for storm water is set 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 assessed it on the tax bills, under Michigan Drain Code Chapter 20 of Public Act of 1956. This final step also eliminated the \$3 per quarter meter charge, and the flat-rate service charge to commercial customers.

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 included 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. Water and Sewer rates are to stay the same for FY 2021 with no increase. However, stormwater rates are budget to increase by 9.23% to \$12.42 per quarter per ERU. The full water and sewer rate report can be viewed in the Appendices of this document.

### Expenditures

When compared to FY 2020 Amended Budget, all funds are estimated to be down \$1,402,318. This is a combination of decreases in other funds capital outlay and increases in general fund operational budget. The changes are in-line with the FY 2021 and FY 2022 Strategic Plan

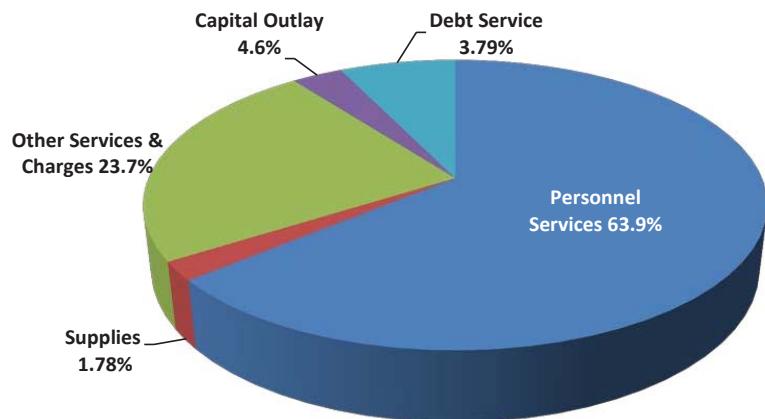
The following table presents a summary breakdown of the budget for all funds:

Fund Name	Actual 2018-19	Amended Budget 2019-20	Adopted Budget* 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Percent Change	Proposed Budget 2021-22
General Fund	\$ 28,786,304	\$ 30,955,116	\$ 31,940,071	\$ 984,955	3.2	\$ 33,648,590
Major Street	1,631,334	2,664,863	2,609,525	(55,338)	(2.1)	1,944,958
Local Street	2,958,576	3,072,028	2,651,549	(420,479)	(13.7)	2,446,604
Parks Maintenance and Improvement	32,086	39,900	38,592	(1,308)	(3.3)	39,276
Downtown Development Authority	34,412	136,435	91,239	(45,196)	(33.1)	111,303
Police Drug Forfeiture	166,506	135,114	92,100	(43,014)	(31.8)	51,000
Community Improvement	98,903	134,343	140,120	5,777	4.3	142,364
Special Assessment Revolving	334,124	305,520	305,520	-	0.0	5,610
Fire Station Bond Fund	430,697	438,245	450,550	12,305	2.8	447,500
Water & Sewer Fund	9,950,759	14,760,787	12,794,572	(1,966,215)	(13.3)	12,236,848
Motor & Equipment Pool	1,136,757	1,027,485	1,015,146	(12,339)	(1.2)	1,040,118
Department of Public Services	1,936,575	1,857,735	1,997,292	139,557	7.5	2,170,575
Chapter 20 Drain Debt	886,580	885,966	884,943	(1,023)	(0.1)	885,069
<b>Total Appropriations</b>	<b>\$ 48,383,613</b>	<b>\$ 56,413,537</b>	<b>\$ 55,011,219</b>	<b>\$ (1,402,318)</b>	<b>(2.5)</b>	<b>\$ 55,169,815</b>

\* Net Budget is \$51.7 million excluding duplicate interfund transfers and charges.

Specifically, for the General Fund, total expenditures are projected to be up 3.2% or \$984,955 as compared to the FY 2020 Amended Budget, as previously described. This increase is planned to address infrastructure and capital outlay needs as well as to selectively reestablish personnel in needed areas as we rebuild services in compliance with the Strategic Plan. The following pie chart depicts appropriations by expenditure type.

## Where the Money Goes by Line Item Category



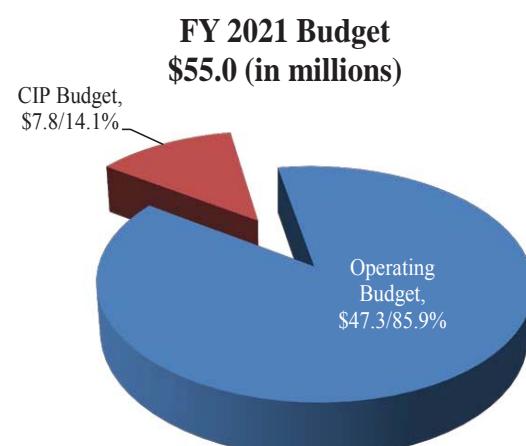
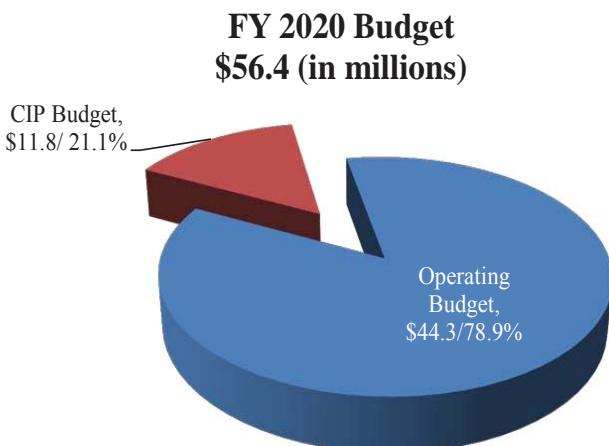
In FY 2020, a new long-term strategic planning process was implemented to replace an annual goal-setting process. This strategic plan is updated annually. This process is discussed in detail later in this chapter. It was extremely beneficial in aligning Department budgets and activities with Council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

### Capital Budget Highlights

Capital Outlay purchases for all funds total \$7.8 million in FY 2021 and are estimated at \$6.9 million for FY 2022, including \$2.1 million and \$2.6 million, respectively each year for the General Fund.

Other Funds include a capital outlay of \$5.7 in FY 2021 and \$4.3 in FY 2022. The majority of this amount, \$1.9 million is budgeted for road rehabilitation and reconstruction projects including R-3 dedicated millage projects, major roads sectional work, and the sidewalk repair and gap program. In the Water and Sewer Fund, \$1.7 million is budgeted for capital including \$794,000 for water main replacements.

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, Local 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 expenditures 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.

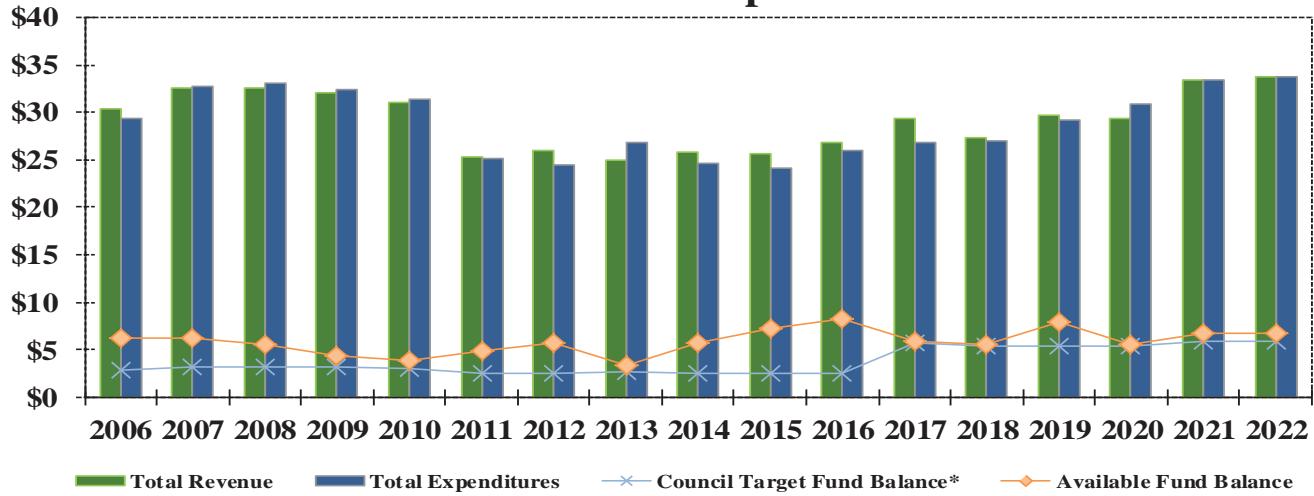
The fall 2019 Forecast, which is included in the Appendices Chapter, projected a \$1.8 million budget gap in the General Fund for FY 2021 as compared to the actual contribution to fund balance of \$7,364. This large difference is directly related to the implementation of Proposal MH. For the first time since FY 2009, the budget addresses the majority of capital outlay needs in-line with the Strategic Plan.

### 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 this reserve when needed to cover emergencies and one-time expenditures to balance the budget. As of June 30, 2019, the General Fund unreserved fund balance was \$7.9 million. Based on projections, this fund balance will be \$7.0 million at the end of FY 2020, or approximately \$1 million (15.16%) above the required 16%, plus one year of debt payments. This complies 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 well as potential litigation liability as we worked to establish the Citywide Strategic Plan and proposed this budget for Council 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. We plan to utilize fund balance over FY 2021 and 2022 to offset the revenue decreases from the Covid-19 shut down.

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



On June 30, 2021, the City's Major Street and Local Street Funds are estimated to have fund balances of \$1.46 and \$2.5 million, respectively. The City Water and Sewer Fund is projected to have \$2.7 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 Poor's ("S&P") of AA-/stable. They describe 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 proving 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 2021 and 2022.

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.

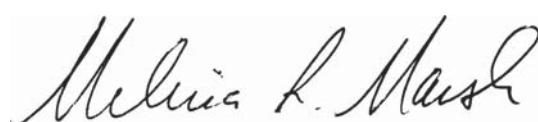
### **Conclusion**

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, Finance Director Linda Kunath, as well as all Department Heads and staff for their hard work and efforts in development and planning for this multi-year budget and their continued commitment to providing excellent services to our residents.

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 and the watching our planning and efforts bring success to our community.

Respectfully submitted,



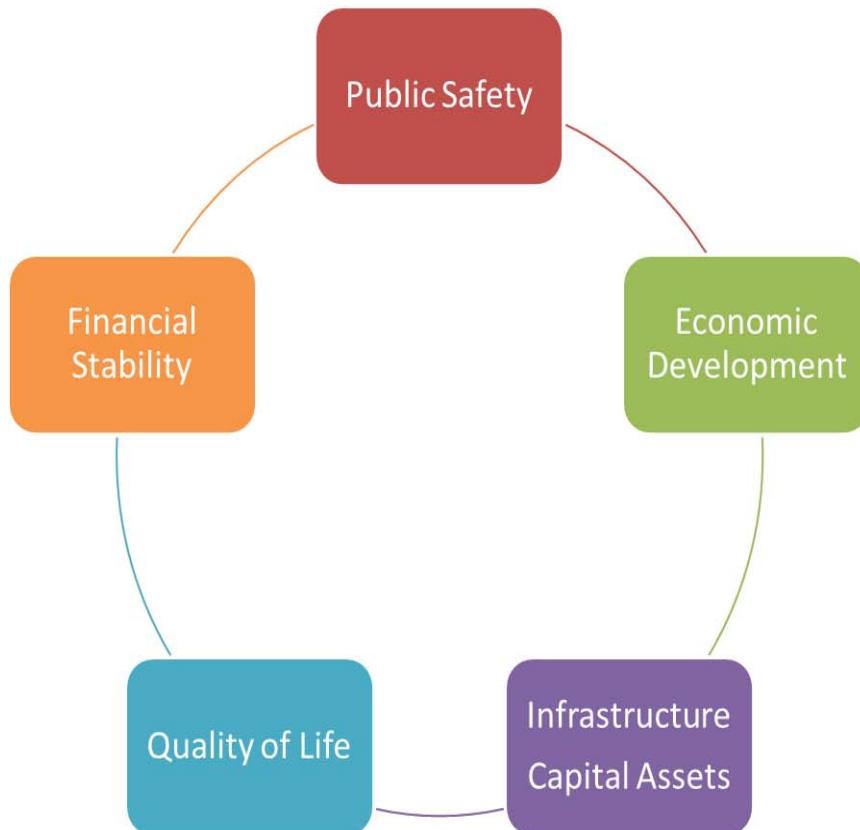
Melissa R. Marsh  
City Manager

# **City of Madison Heights Strategic Plan 2021-2025**

## **“Blueprint for the Future”**

Starting in FY 2020, 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 this FY 2021 and 2022 budget. The goals, objectives and action items contained within this document will be reflected and referenced in this and future budget proposals.

This updated Strategic Plan, with 15 goals and 45 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 2021-2025**

## **“Blueprint for the Future”**

### **1. Public Safety**

- 1.1 Encourage and continue to enforce compliance with city ordinances to prevent blight, address graffiti and deterioration in order to ensure a quality community and improved community appearance.
- 1.2 Improve safety and security of all municipal buildings.
- 1.3 Enhance Animal Control and shelter operations.
- 1.4 Leverage technology to drive efficient and responsive service delivery.

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

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

- 3.1 Provide accessible and quality library services with sufficient technology, materials, hours and staff to meet community needs.
- 3.2 Enhance Parks/Recreation to appeal to a community of all ages and abilities including expansion of greenspace, recreation programs and trail improvements.
- 3.3 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.
- 4.2 Research city options for property acquisitions of vacant or abandoned property.

### **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 Attract, hire, train and retain high performing diverse municipal workforce.

<b>1. Public Safety</b>		
<i>1.1 Encourage and continue to enforce compliance with city ordinances to prevent blight, address graffiti and deterioration in order to ensure a quality community and improved community appearance.</i>		
a. Implement training for Code Enforcement officers through utilizing the self-initiated activity of the Police Department to "reset" focus of Code Enforcement.	FY 2021	\$0 – no anticipated increase of cost
b. Schedule regular attendance at Michigan Association of Code Enforcement Officers events, targeted training with third party vendors and detailed training plan for code enforcement officers.	FY 2021	\$500
c. Hire a part-time code enforcement officer or contractor to assist with evening and weekend hours to assist with identifying non-compliant contractors and to address complaints that occur outside of regular business hours.	FY 2020 part-time CE is currently in the budget we will research the option of contracting	\$0 (GF) no additional cost
d. Create Community outreach initiatives (presentations, block parties, neighborhood meetings) to better inform the public about code enforcement and how they can help keep the City safe and clean.	FY 2021	\$28,000 (\$25,000 MSHDA Grant \$3,000 GF)
<i>1.2 Improve Safety and security of municipal buildings.</i>		
a. Security is a key element being included as part of the feasibility study for the Library, Active Adult Center and City Hall. Through this process, staff will identify deficiencies and needs related to building security at all municipal buildings.	2020-2022	\$ TBD (GF)
b. Identify options for increasing security with the addition of security cameras at specific locations.	FY 2022	\$ 13,300 (GF)
<i>1.3 Enhance Animal Control and Shelter Operations</i>		
a. Increase part-time hours for Animal Shelter Operations	FY 2023	\$0
b. Look at shared Animal Control services to increase shelter operations.	TBD	TBD
<i>1.4 Leverage technology to drive efficient and responsive service delivery.</i>		
a. Replace/Upgrade in-car video cameras for all police.	FY 2021	\$115,219 Total over 5 years * combined with 1.4.b, this is grant eligible. Total budgeted in GF FY 2021 \$105,667 FY 2022 \$62,578
b. Implement Body cams with the new in-car cameras.	FY 2021	\$185,876 Total over 5 years * see above
c. Convert part-time records clerk to full-time after the implementation of body cams to handle the detailed FOIA responses required.	FY 2021	\$59,090 (difference between PT and FT)

d. Cyber security - replace the current backup software with a new version while retaining the current backup server hardware.	FY 2021-2025	\$2,500 (GF)
e. Upgrade the current antivirus software to advanced threat protection and include all City owned cell phones.	FY 2021 – 2023	\$4,100 (GF)
<b>2. Infrastructure/Capital Assets</b>		
<i>2.1 Building asset management plan – evaluate each city building for use(s) restoration, preservation and maintenance needs. Discuss options for each location including repair, refurbishment, relocation, combination with other sites.</i>		
a. Develop a plan and cost study of renovating Library, City Hall and adding Active Adult Center to the Civic Center Complex.	On-going	\$0 (GF) *started setting aside funds to either complete this project or complete renovations. FY 2021 \$350,000 FY 2022 \$295,000
b. Secure the services of an architect to evaluate the condition of Fire Station #2 and make recommendations for refurbishments or building a new facility.	FY 2021	\$52,000 (GF)
c. Based on structural engineer report, bid and replace the City salt dome.	FY 2021	\$400,000 (WS) (+\$255,038 budgeted in FY 2020)
<i>2.2 Maintain a reliable vehicle fleet citywide with priority given to Public Safety vehicles and equipment.</i>		
a. Review options for financing/leasing for priority vehicles.	FY 2021	TBD
b. Develop and fund a multi-year capital improvement program.	FY 2021-2025	TBD
<i>2.3 Develop long-term solution for the SOCRRA site.</i>		
a. Identify redevelopment or options for resolution to address the on-going litigation for the SOCRRA site.	FY 2021	TBD
<b>3. Quality of Life</b>		
<i>3.1 Provide accessible and quality library services with sufficient technology, materials, hours and staff to meet community needs.</i>		
a. Increase technology accessible to the patrons of the library through the conversion of the majority of desktops to laptops and addition of charging stations throughout the building.	FY 2021-2025	\$7,100 per year (GF)
b. Enhance software on current computers by placing programs on machines that patrons may not purchase for individual use at home – example Adobe, Photoshop	FY 2021-2024	\$976 (GF)
c. Create a more functional meeting space with the addition of projector and wider range use Wi-Fi.	FY 2021-2022	\$4,500 (GF)
d. Reconfigure Children's area to create a small play space with enhanced aesthetics.	FY 2021	\$500 (GF)
e. Create an attractive outdoor seating space with access to Wi-Fi.	FY 2022	\$5,000 (GF)
f. Addition of one full-time children's librarian allowing for the addition of children and teen	FY 2021	\$93,261 (GF)

programming, card registration events.		
g. Permanent addition of Sunday hours during the school year with future review of all hours and possible year-round Sunday Hours over time.	FY 2021-2024	TBD – may require additional part-time staff.
h. Enhance the 13 Mile side of the building with “eye catching” art or signage.	FY 2022	TBD
i. Recreate the Friends of the Library group to encourage volunteerism and fundraising.	FY 2021	\$100 (GF)
j. Develop specific programs for volunteers to encourage interest.	FY 2021	\$0
k. Create a two student members on the Library Advisory Board to be filled by student from either or both schools districts.	FY 2021	\$0
<i>3.2 Enhance Parks/Recreation to appeal to a community of all ages and abilities including expansion of greenspace, recreation programs and trail improvements.</i>		
a. Address deferred maintenance and replacement of Park features including Park Equipment and ADA accessibility by pursuing privately funded and grants opportunities and developing a reasonable replacement schedule through the Parks and Recreation Master Plan.	FY 2021-2025	\$100,000 FY 2021 (GF) \$275,000 FY 2022 (GF)
b. Explore opportunities to engage with outside agencies, both private and public, to host joint events and increase efficiencies by recreating a recreation department.	FY 2021 - 2025	\$4,000 (GF) per year
<i>3.3 Support neighborhood vitality and livability.</i>		
a. Create a Tree Program for new trees and tree replacements in addition to road project tree replacements, including an inventory and tree replacement plan.	FY 2021	\$25,000 (WS) \$10,000 (GF)* \$10,000 (DDA)* * \$10,000 matching grant (\$5,000 per fund)
b. Strengthen Quality of Life Committee goals by formalizing the Call for Projects grant program focusing on city-wide activities, enhancement and community engagement.	FY 2020-2025	TBD - Continue the Call for Projects grant program
c. Evaluate key festivals for improvement/expansion; specifically Festival in the Park, Memorial Day Parade, and Tree Lighting Ceremony.	FY 2021	\$4,000 (GF) per year
<b>4. Economic Development</b>		
<i>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.</i>		
a. Work with partners at the MEDC to gain recognition as a Redevelopment Ready Community (RRC).	FY 2020-2025	TBD
b. Work with the DDA Board members on goal setting and development of strategies for tracking and reporting key statistics to meet Main Street Oakland requirements for on-going participation.	FY 2021-2025	\$0

**4.2 Research city options for property acquisitions of vacant or abandoned property.**

a. Evaluate vacant or abandoned property for needed purposes including expansion or greenspace or redevelopment.	FY 2021 -2025	\$35,000 per year (DDA) *+\$50,000 in FY 2020
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**5. Financial Sustainability and Efficient City Services**

**5.1 Maintain a stable, efficient and transparent financial environment encouraging community opinions.**

a. Promote community engagement aspect to strategic planning/budget process	FY 2021-2025	\$500 reoccurring
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b. Promote participation in the Census 2020 by explaining the importance to the City and meeting with City leaders.	FY 2021	\$0
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c. Work with ITAC and outside vendors to increase service accessibility to residents (online, mobile, off-sight services)	FY 2021-2025	\$3,000 (GF)
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**5.2 Provide a reliable financial plan that ensures stability in accordance with the strategic plan and promotes a proactive response to issues.**

a. Produce and adopt a budget that is in-line with the strategic plan	FY 2021	\$0
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b. Continue to evaluate assumptions and fund annual actuarially determined contributions for pension trusts with first priority meeting State guidelines.	FY 2021-2025	\$0
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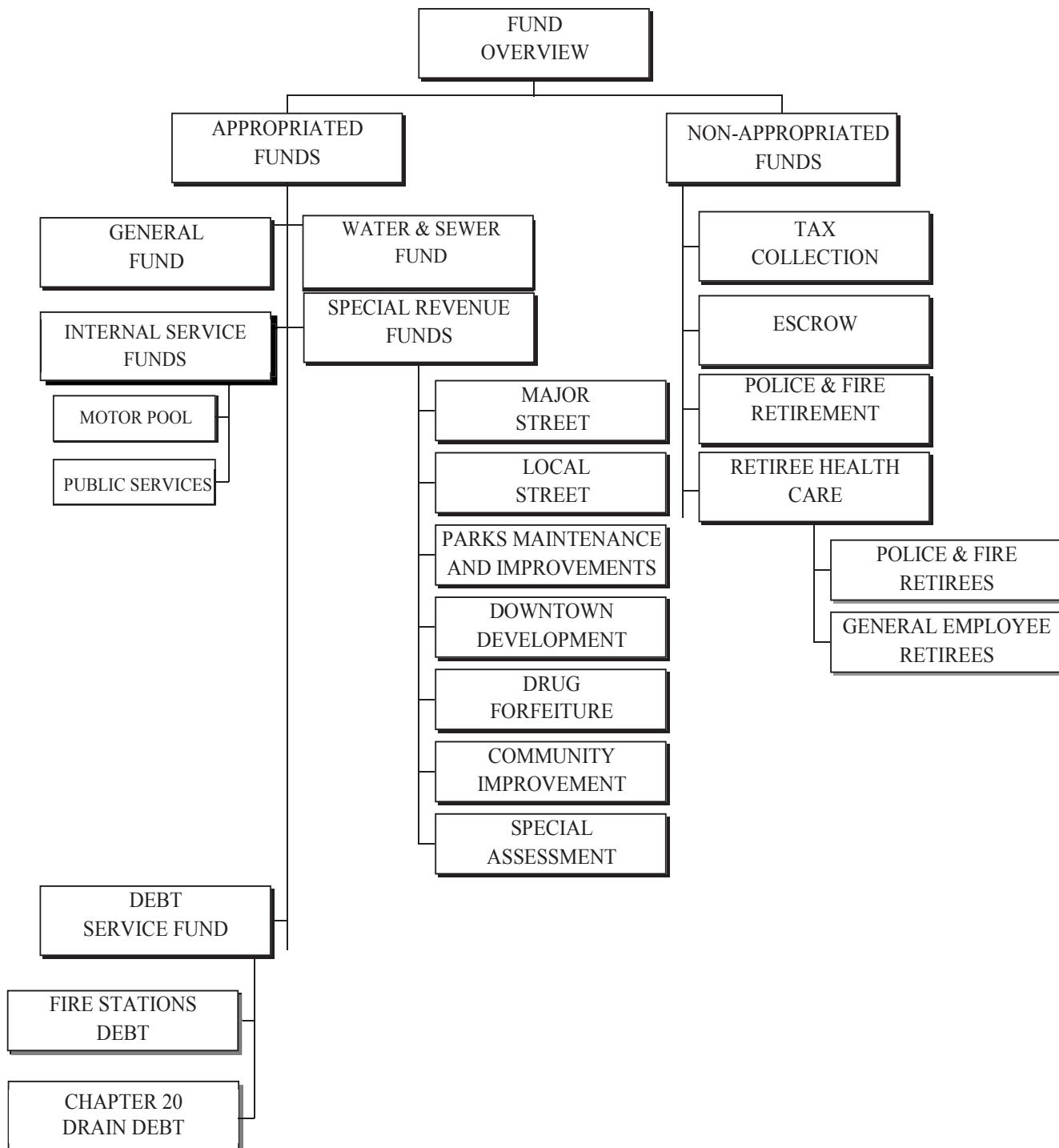
c. Complete a marketing study for Contractual Services without formal contracts evaluating possible future bidding or request for proposals.	FY 2021	\$0
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**5.3 Attract, hire, train and retain high performing diverse municipal workforce.**

a. Modernize advertising and recruitment efforts for all employees.	FY 2021	\$1,000
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b. Conduct Stay-Interviews; initially with new hired employees with expansion to all employees if successful.	FY 2021	\$0
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# 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 2020-21 and 2021-22**

	GENERAL FUND				SPECIAL REVENUE/DEBT SERVICE FUNDS *			
	Actual 2018-19	Amended 2019-20	Adopted 2020-21	Proposed 2021-22	Actual 2018-19	Amended 2019-20	Adopted 2020-21	Proposed 2021-22
<b>REVENUES</b>								
Property Taxes	\$ 18,243,905	\$ 18,502,666	\$ 20,010,499	\$ 21,775,942	\$ 2,030,443	\$ 2,035,789	\$ 2,111,028	\$ 2,146,220
Licenses and permits	1,128,554	775,375	789,375	874,375	0	0	0	0
Intergovernmental	5,307,119	5,376,998	5,424,670	5,687,021	3,758,983	3,698,761	3,991,218	4,061,296
Court fines and fees	1,642,993	1,663,250	1,663,250	1,663,250	0	0	0	0
Charges for services	305,012	175,150	236,919	236,919	0	0	0	0
Parks and Recreation	229,964	280,750	282,900	287,900	0	0	0	0
Interest and Misc. Revenue	3,175,152	2,111,950	1,995,500	1,975,500	119,193	60,350	69,900	64,900
Special assessments	0	0	0	0	74,249	35,725	33,026	30,467
Departmental Charges	822,607	941,980	891,480	891,480	0	0	0	0
Transfers from other funds	27,978	78,000	73,000	73,000	100,000	100,000	250,000	100,000
<b>TOTAL REVENUES</b>	<b>\$ 30,883,284</b>	<b>\$ 29,906,119</b>	<b>\$ 31,367,593</b>	<b>\$ 33,465,387</b>	<b>\$ 6,082,868</b>	<b>\$ 5,930,625</b>	<b>\$ 6,455,172</b>	<b>\$ 6,402,883</b>
<b>EXPENDITURES</b>								
General Government	\$ 5,257,764	\$ 5,983,917	\$ 5,840,399	\$ 6,724,152	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	16,382,051	16,981,864	17,996,843	18,480,014	166,506	135,114	92,100	51,000
Community Service	3,367,323	3,595,028	3,570,820	3,583,817	0	0	0	0
Culture and Recreation	1,732,448	2,268,599	2,188,952	2,508,594	32,087	39,900	38,592	39,276
Community Development	1,044,088	1,086,497	1,053,919	1,063,427	4,624,324	5,858,326	5,342,313	4,492,865
Community Improvement	0	0	0	0	435,528	437,363	443,140	145,474
Water Division	0	0	0	0	0	0	0	0
Sewer Division	0	0	0	0	0	0	0	0
W/S Support and Capital Outlay	0	0	0	0	0	0	0	0
Transfers out	0	0	0	0	2,500	17,500	12,500	12,500
Debt Service	1,032,305	1,039,211	1,289,138	1,288,586	430,696	438,245	450,550	447,500
<b>TOTAL EXPENDITURES</b>	<b>\$ 28,815,979</b>	<b>\$ 30,955,116</b>	<b>\$ 31,940,071</b>	<b>\$ 33,648,590</b>	<b>\$ 5,691,641</b>	<b>\$ 6,926,448</b>	<b>\$ 6,379,195</b>	<b>\$ 5,188,615</b>
<b>REVENUES OVER (UNDER)</b> <b>EXPENDITURES</b>	<b>\$ 2,067,305</b>	<b>\$ (1,048,997)</b>	<b>\$ (572,478)</b>	<b>\$ (183,203)</b>	<b>\$ 391,227</b>	<b>\$ (995,823)</b>	<b>\$ 75,977</b>	<b>\$ 1,214,268</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>\$ 7,877,755</b>	<b>\$ 9,945,060</b>	<b>\$ 8,896,063</b>	<b>\$ 8,323,585</b>	<b>\$ 4,702,756</b>	<b>\$ 5,093,983</b>	<b>\$ 4,098,160</b>	<b>\$ 4,174,137</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 9,945,060</b>	<b>\$ 8,896,063</b>	<b>\$ 8,323,585</b>	<b>\$ 8,140,382</b>	<b>\$ 5,093,983</b>	<b>\$ 4,098,160</b>	<b>\$ 4,174,137</b>	<b>\$ 5,388,405</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 2020-21 and 2021-22**

	WATER AND SEWER FUND				TOTALS Memorandum Only			
	Actual 2018-19	Amended 2019-20	Adopted 2021-21	Proposed 2021-22	Actual 2018-19	Amended 2019-20	Adopted 2020-21	Proposed 2021-22
<b>REVENUES</b>								
Property Taxes	\$ 883,490	\$ 869,374	\$ 884,943	\$ 899,987	\$ 21,157,838	\$ 21,407,829	\$ 23,006,470	\$ 24,822,149
Licenses and permits	0	0	0	0	1,128,554	775,375	789,375	874,375
Intergovernmental	222,998	223,951	219,537	226,123	9,289,100	9,299,710	9,635,425	9,974,440
Court fines and fees	0	0	0	0	1,642,993	1,663,250	1,663,250	1,663,250
Charges for services	11,038,411	11,136,218	11,267,133	11,321,288	11,343,423	11,311,368	11,504,052	11,558,207
Parks and Recreation	0	0	0	0	229,964	280,750	282,900	287,900
Interest and Misc. Revenue	144,588	130,000	265,800	265,800	3,438,933	2,302,300	2,331,200	2,306,200
Special assessments	0	0	0	0	74,249	35,725	33,026	30,467
Departmental Charges	104,261	58,255	119,700	119,700	926,868	1,000,235	1,011,180	1,011,180
Transfers from other funds	0	0	124,389	124,389	127,978	178,000	447,389	297,389
<b>TOTAL REVENUES</b>	<b>\$ 12,393,748</b>	<b>\$ 12,417,798</b>	<b>\$ 12,881,502</b>	<b>\$ 12,957,287</b>	<b>\$ 49,359,900</b>	<b>\$ 48,254,542</b>	<b>\$ 50,704,267</b>	<b>\$ 52,825,557</b>
<b>EXPENDITURES</b>								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,257,764	\$ 5,983,917	\$ 5,840,399	\$ 6,724,152
Public Safety	0	0	0	0	16,548,557	17,116,978	18,088,943	18,531,014
Community Service	0	0	0	0	3,367,323	3,595,028	3,570,820	3,583,817
Culture and Recreation	0	0	0	0	1,764,535	2,308,499	2,227,544	2,547,870
Community Development	0	0	0	0	5,668,412	6,944,823	6,396,232	5,556,292
Community Improvement	0	0	0	0	435,528	437,363	443,140	145,474
Water Division	2,969,846	3,134,117	3,216,259	3,322,282	2,969,846	3,134,117	3,216,259	3,322,282
Sewer Division	5,999,042	5,147,812	5,091,889	5,290,330	5,999,042	5,147,812	5,091,889	5,290,330
W/S Support & Capital Outlay	1,683,680	6,185,669	3,687,099	3,471,393	1,683,680	6,185,669	3,687,099	3,471,393
Transfers Out	0	0	0	0	2,500	17,500	12,500	12,500
Debt Service	184,771	1,179,155	1,684,268	1,037,912	1,647,772	2,656,611	3,423,956	2,773,998
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,837,339</b>	<b>\$ 15,646,753</b>	<b>\$ 13,679,515</b>	<b>\$ 13,121,917</b>	<b>\$ 45,344,959</b>	<b>\$ 53,528,317</b>	<b>\$ 51,998,781</b>	<b>\$ 51,959,122</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 1,556,409</b>	<b>\$ (3,228,955)</b>	<b>\$ (798,013)</b>	<b>\$ (164,630)</b>	<b>\$ 4,014,941</b>	<b>\$ (5,273,775)</b>	<b>\$ (1,294,514)</b>	<b>\$ 866,435</b>
<b>FUND BALANCES, ** BEGINNING OF YEAR</b>	<b>\$ 36,024,370</b>	<b>\$ 37,580,779</b>	<b>\$ 34,351,824</b>	<b>\$ 33,553,811</b>	<b>\$ 48,604,881</b>	<b>\$ 52,619,822</b>	<b>\$ 47,346,047</b>	<b>\$ 46,051,533</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 37,580,779</b>	<b>\$ 34,351,824</b>	<b>\$ 33,553,811</b>	<b>\$ 33,389,181</b>	<b>\$ 52,619,822</b>	<b>\$ 47,346,047</b>	<b>\$ 46,051,533</b>	<b>\$ 46,917,968</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.



### City of Madison Heights Performance Dashboard

Prior Year = FY 2018   Current Year = FY 2019

Fiscal Stability		Prior	Current	Trend	Progress
Annual General Fund expenditures per capita	\$918	\$958	4.4%	↓	
Fund Balance as % of annual General Fund expenditures	25.6%	25.7%	0.4%	↔	
Debt burden per capita	\$528	\$439	-16.8%	↑	
Economic Strength		Prior	Current	Trend	Progress
Population	30,039	30,088	0.2%	↑	
Taxable Value	\$795,092	\$828,775	4.2%	↑	
Public Safety		Prior	Current	Trend	Progress
Crimes against persons per thousand residents	8.5	11.6	36.5%	↓	
Crimes against property per thousand residents	33.2	29.4	-11.4%	↑	
Crimes against society per thousand residents	11.6	11.9	2.6%	↓	
Quality of Life		Prior	Current	Trend	Progress
Percentage of General Fund expenditures committed to arts, culture and recreation	2.9%	4.5%	1.6%	↑	
Percentage of General Fund expenditures committed to Library Services	2.4%	2.4%	0.0%	↔	

Performance Improving ↑

Performance Staying About the Same ↔

Performance Declining ↓



## **REVENUE CHAPTER**

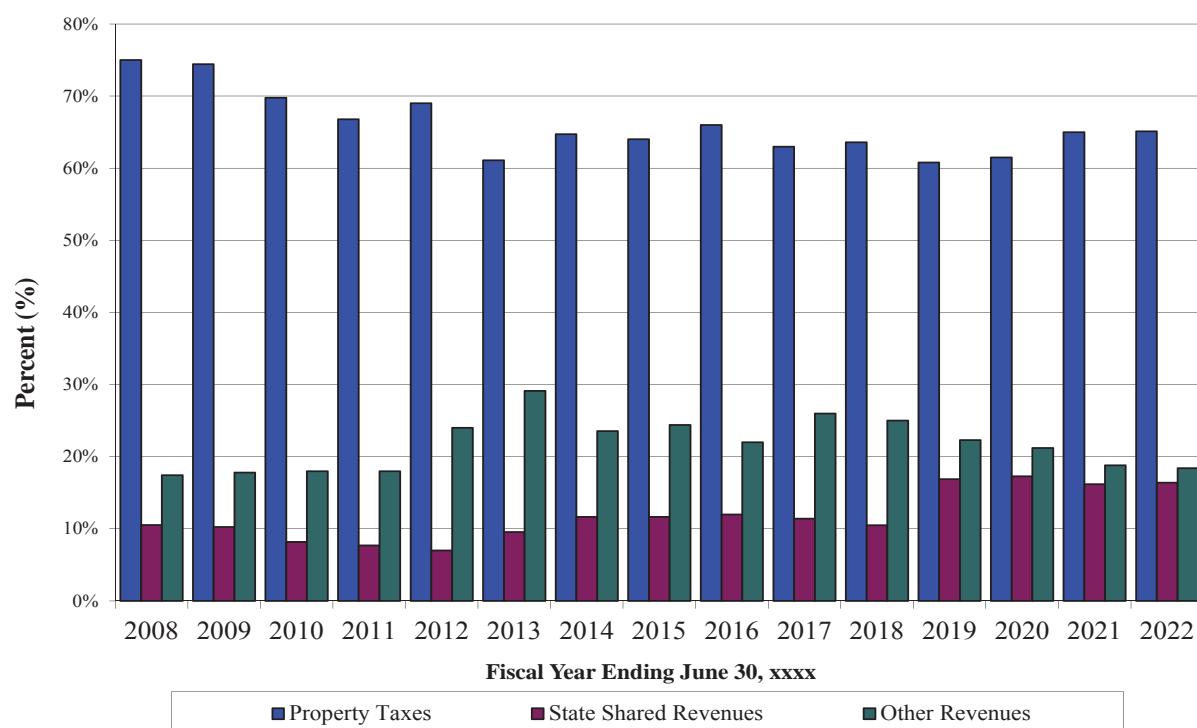
### **Revenue Overview**

General Fund Revenues are budgeted at \$31.4 million exclusive of the planned use of fund balance. This represents an increase of \$1.46 million, or 4.9% from FY 2020 Amended Budget revenues. This increase is due to two major revenue streams. The majority of revenues are budgeted to remain status quo with expectations that revenue such as interest earning and State shared revenues will be drastically reduced. This will be adjusted during a budget amendment once we have a better understanding of the financial impact.

### **Base Budget Revenue Changes**

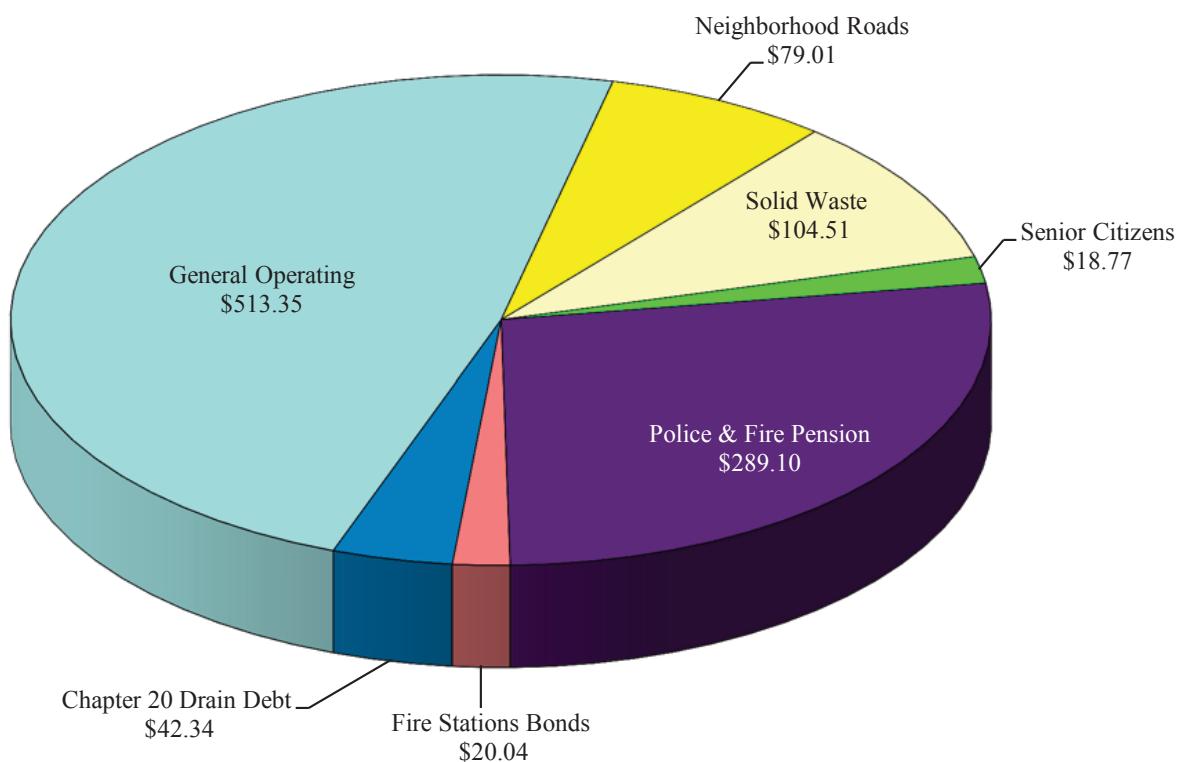
The composition of General Fund Revenues includes: Property Taxes at \$20.0 million or 63.8% of total General Fund Revenues; State Shared Revenues at \$5.3 million (16.7%); Court Related Revenues at \$1.7 million (5.3%); Charges to Other Funds of \$891,480 (2.8%); Construction Permits at \$543,000 (1.7%); Ambulance/Rescue Insurance Reimbursement of \$637,000 (2.0%); Cable Television Fees in the amount of \$510,000 (1.6%); Charges for Services of \$236,916 (0.8%); and Other Revenues of \$1.7 million (5.4%).

**Percentage of General Fund Revenues**



**Average City Taxes - FY 2020-21**  
**Based on Average Home Market Value of \$126,830**  
**(Taxable Value of \$40,630)**

**Total of \$1067.12**



Approximately 52% 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 2020-21 combined City tax rate of 26.2646 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>2019-20</u>	<u>Tax Rate</u> <u>2020-21</u>	<u>Tax Rate</u> <u>Limits **</u>	<u>Headlee Tax</u> <u>Limits **</u>	<u>Expires</u>
<u><b>Operating Millages:</b></u>					
General Operating	9.8158	12.6349	16.0000	14.5183	N/A
Neighborhood Road Improvements	1.9631	1.9446	2.0000	1.9446	2026
Vehicle Replacement	0.2453	0.0	0.0000	0.00	N/A
Advanced Life Support	0.2453	0.0	0.0000	0.00	N/A
Solid Waste	2.5968	2.5723	3.0000	2.5723	N/A
Senior Citizens	0.4663	0.4619	0.5000	0.4619	N/A
Police & Fire Retiree Benefits	7.3886	7.1155	as needed	as needed	N/A
Fire Stations Bond	0.4951	0.4933	as needed	as needed	2022
Library	0.9815	0.0	0.0000	0.00	N/A
Chapter 20 Drain Debt	<u>1.0905</u>	<u>1.0421</u>	as needed	as needed	2028
Total Millage	25.2883	26.2646			

\*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 2021 the rate of inflation has been calculated at 1.9%.

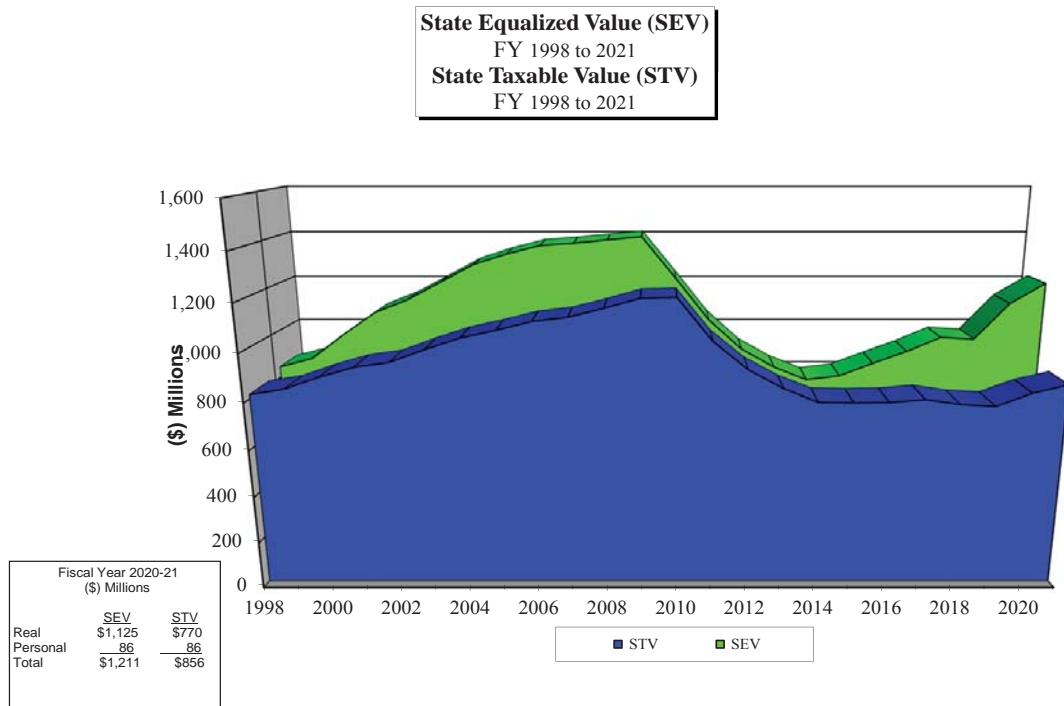
When taxable value increases more than the amount explained above, the millages are "rollback". For the third year in a row the city has experienced a rollback of millage rates. This can be seen in the decrease above. Three millages are not affected by the rollback. These millages are set to the rate 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 10,371 single-family homes and condominiums in Madison Heights. The average home market value is \$126,830 (State Equalized Value is \$63,415) with a taxable value of \$40,630 and an average tax bill of \$1,067 for City services for Fiscal Year 2020-21.

## 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 2021, the overall taxable value is estimated to grow 4.1% with equalized value increasing by 7.6%. 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 2020 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 -2.3%. PPT losses from this legislation are over 87.3% which has reduced property taxes by over \$2.7 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. In FY 2021, this revenue is estimated to be \$1.7 million.

However, this revenue stream remains questionable from year to year as we depend 100% on the state for the calculation and the reimbursement of funds. 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 \$5.3 million or 16.7% 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 2021, constitutional revenue sharing is budgeted at \$2,646,040 for the City or status quo with the amended budget for FY 2020. We anticipate this number being adjusted down as a result of Covid-19. The State revenue estimates currently projects constitution revenue sharing to be \$2,390,251 for FY 2020.

- Statutory - City, Village and Township Revenue Sharing

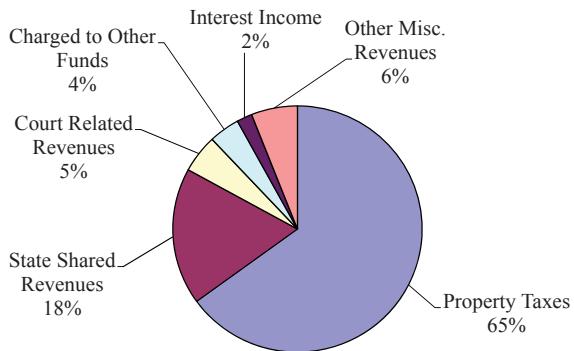
Beginning in FY 2014-15, the Legislature established the City, Village, and Township Revenue Sharing (CVTRS) program to simplify the Economic Vitality Incentive Program (EVIP). Each eligible local unit must meet all of the requirements of Accountability and Transparency in order to receive the full CVTRS 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 2021, this total for the City is budgeted to be \$557,792. State of Michigan Treasury has indicated they do not know what impact Covid-19 shud downs will have on statutory revenue sharing.

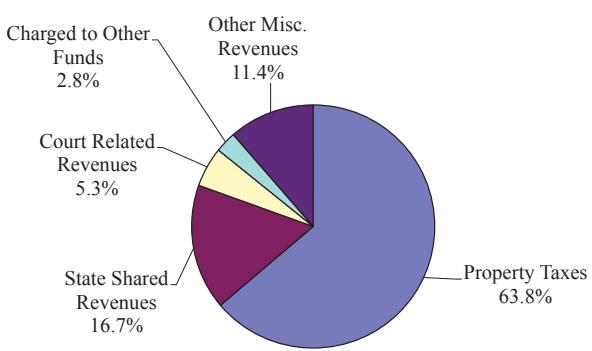
In order to receive this money, the City must make required documents available to the State Treasury office and have them available for public viewing in the City, or on a publicly accessible Internet site. These required documents include a certification of accountability and transparency, a citizen's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

**Major Revenues in FY 2000-01**



**Major Revenues in FY 2020-21**



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 2020-21 they are only 16.7% 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 \$18.4 million dollars in revenue sharing payments from the time period of FY 2002 – FY 2019. 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. Based on changes in the court system, we are not anticipating any increase in Court revenues. This is in-line with the FY 2020 Amended Budget..

The fourth significant revenue is departmental charges, which is budgeted at \$891,480. These revenues are based on charges to the Major Street Fund (\$100,000); Local Street Fund (\$125,000); and Water and Sewer Fund (\$666,480) for equipment, facilities and manpower costs incurred by the General Fund to support their operations.

A fifth group of revenue sources, other governmental revenues, includes items that provide between \$100,000 and \$560,000 in annual funding. This category is not as important to the overall budget as those already mentioned earlier, but represents a significant source of revenue. These revenues include business and non-business licenses, permits and fees, charges for service, recreation and Active Adult Center user fees, cable television franchise fees, and ambulance insurance reimbursement charges. Interest income is budgeted at \$200,000 for FY 2021.

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 \$2,720,360 and City, Village and Township Revenue Sharing (CVTRS) is budgeted to be \$564,972. 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 \$362,746 increase over FY 2020 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 \$1,240,900 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 2021. Oakland County has estimated an increase of 6.0% 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 for water or sewer rates. However, stormwater is a pass through charge to our customers and projected to increase 12% .
- 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 \$2.5 million is derived from Gas and Weight taxes collected by the State of Michigan. These taxes are distributed to local municipalities based on miles of roads and city population. Gas and Weight tax revenues comprise 95.4% 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 2021 also includes a use of fund balance of \$43,053. Note: Gas and Weight revenues for the first and second quarter of 2020 are estimated to be lower than normal due to Covid-19.

### 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 \$949,482, 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 2021 and an estimated \$20 million over the ten-year period, which will be used exclusively for the repair and reconstruction of residential streets and rights-of-way. Other revenues include interest income budgeted at \$25,000. The projected contribution to fund balance to complete scheduled projects for FY 2021 is projected at \$474,641.

#### 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 2021 is \$4,592.

#### 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 82.7% over the last seven years from \$243,100 in FY 2009-10 to \$40,900 for FY 2021.

#### Drug Forfeiture Fund

The Fund is used to account for revenues (FY 2021, \$64,000) 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 2021 Budget also includes a contribution of fund balance of \$9,300.

#### 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 \$142,364 for FY 2021. 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 (\$33,026). Other revenues include interest earned on fund balance (\$5,000) and a \$267,494 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 \$418,857 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 1.0421 mills will generate \$884,943 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 2021 this is being assessed at 1.0421 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 \$798,013 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 (\$919,580) and the Water and Sewer Fund (\$101,656). 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 the Department of Public Services personnel as tracked by the City's work order system. FY 2021 includes revenues from the General Fund (\$568,670), Major Street Fund (\$194,502), Local Street Fund (\$238,476) and Water and Sewer Fund (\$1,030,238).

## **FUND BALANCE**

In Madison Heights, the General Fund Fund Balance consists of designations of assigned fund balance for various purposes, totaling \$7.9 million. The following table reflects the audited Fund Balance for the years ended June 30, 2018 and 2019: :

FUND BALANCE	ACTUAL FY 2017-18	ACTUAL FY 2018-19	CHANGE FY 17-18 vs. 18-19
Unreserved:			
Assigned:			
Vested Employee Benefits	\$597,711	\$597,716	\$5
Retained Insurance Risks	1,357,410	2,320,280	962,870
Capital Improvements	1,757,017	1,041,223	(715,794)
Postemployment Benefits	1,020,435	1,413,416	392,981
Technology Improvements	150,000	150,000	0
Pension Bonds	820,000	835,000	15,000
Subsequent Year's Expenditures	<u>1,558,328</u>	<u>1,564,356</u>	<u>6,028</u>
Total Assigned	\$7,260,901	7,921,991	661,090
Unassigned	0	0	0
Total Unreserved Fund Balance	\$7,260,901	\$7,921,991	\$ 661,090

### 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 \$597,416 last year and makes up 7.5% 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 \$2,320,280 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, 2019, the assignment for future capital improvements was included at \$1,041,223 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, 2019, those carry-forward purchase designated funds of \$1,564,356 made up 19.75% of the Assigned Fund Balance.

In FY 2017, the City issued Pension Obligation Bonds. At June 30, 2019, one year of debt payments for principal were assigned at \$835,000.

#### 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, 2019, the City had restricted funds for future vehicles purchased through Proposal "V" in the amount of \$553,373. Restricted funds for Library use is restricted at \$276,890.

#### Changes in Fund Balance

The original budget proposal planned a contribution to Fund Balance in both FY 2021 and 2022. However, with budget adjustments needed as explained earlier in this Chapter, we have budget a use of fund balance of \$572,478 in FY 2021 and \$183,203 in FY 2022.

The City Council has adopted a financial policy to maintain a minimum of two months (16%) of regular operating expenditures plus one year of debt payments. This money has been set aside for financial emergency that we now find ourselves in. Therefore, a strategic use of fund balance will be included in the upcoming budget amendment.

**ALL FUNDS SUMMARY  
CHANGES IN PROJECTED  
FUND BALANCE/RETAINED EARNINGS  
FISCAL YEAR 2020-21**

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund <sup>(1)</sup>	\$ 6,872,994	\$ 31,367,593	\$ 31,940,071	\$ 6,300,516	(8.3)
Major Street <sup>(2)</sup>	918,786	2,566,472	2,609,525	875,733	(4.7)
Local Street - Non Proposal R <sup>(3)</sup>	978,594	1,434,482	595,549	1,817,527	85.7
Local Street - Proposal R	1,838,885	1,651,271	2,056,000	1,434,156	(22.0)
Parks Maintenance and Improvements	652,257	34,000	38,592	647,665	(0.7)
Downtown Development Authority	59,148	78,500	91,239	46,409	(21.5)
Police Drug Forfeiture	127,862	64,400	92,100	100,162	(21.7)
Community Improvement Program	4,982.0	142,364	140,120	7,226	45.0
Special Assessment Revolving	359,208	38,026	305,520	91,714	(74.5)
Fire Stations Construction and Bond Funds	(863)	445,657	450,550	(5,756)	567.0
Chapter 20 Drain Fund	0	884,943	884,943	0	0
Water and Sewer Fund <sup>(4)</sup>	2,335,189	11,996,559	12,794,572	1,537,176	(34.2)
Motor Pool and Equipment Fund	0	1,015,146	1,015,146	0	0
Department of Public Services	0	1,997,292	1,997,292	0	0
<b>Total</b>	<b>\$ 14,147,042</b>	<b>\$ 53,716,705</b>	<b>\$ 55,011,219</b>	<b>\$ 12,852,528</b>	<b>(9.2)</b>

- (1) The General Fund is budgeted to use \$572,478 in fund balance during Fiscal Year 2021. Considering this planned use of fund balance, the General Fund is projected to have a fund balance of \$6,300,516. This includes projected reserve amounts for dedicated millages of Solid Waste. The projected required reserve (16% plus one year of debt payments) is estimated to be \$875,733.
- (2) The Major Street Fund is budgeted to use \$43,053 to fund balance. At June 30, 2021, 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 \$838,933 in FY 2021. 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, 2021, the fund balance for Proposal R projects is projected to be \$1,434,156.
- (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, 2020, the cash portion of retained earnings are projected to be \$4,226,341 with unrestricted net assets estimated to be \$2,335,189.

## **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 values to the City is on the entire network and not the individual assets (e.g. computer systems and telephone systems).
2. **Valuation** - In accordance with generally accepted accounting principles, the City will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of

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

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

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

### **Debt Policies**

1. The City will consider use of debt financing only for 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 November	First Strategic Planning workshop with City Council and Staff to review overall City goals and set objectives
Early December	Second Strategic Planning Workshop with Citizen engagement
January - Late February	Department Heads and Staff develop action items to be considered for achieving each object
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 \$24.2 million or 43.2% of the Total Budget and approximately \$21.0 million or 63.8% of the General Fund Budget. Personnel Services across all funds are up \$1,123,698 when compared to the FY 2020 Amended Budget. Largely because of positions added with the voter approval of Proposal MH.

Overall, the Budget includes a net increase of 8.55 full-time equivalencies (FTE's with no additional FTE's projected for FY 2022). This increase is thanks in large part to the passing of Proposal MH. The City made a commitment to the residents to add three Firefighter/Paramedics, two Police Officers, one Police Service Assistant as a result of the funding from Proposal MH. The City has made a careful analysis of what positions can and should be added to the budget and still remain fiscally responsible. Other personnel changes include the elimination of a previously approved by never filled DPS Superintendent, and the addition of a full time Recreation Coordinator; the elimination of two part time year round Laborers and the addition of two full time Equipment Operators; the net elimination of two part time Office Assistants and the addition of one full time Office Assistant in the Department of Public Services. In an effort to continue Council's emphasis on Code Enforcement and improving conditions in the City, a part time Code Enforcement Officer has also been added.

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

As of July 1, 2020, 154 of 162 full-time City employees, or 95%, belong to one of eight bargaining units. All eight bargaining units have contracts that expire on June 30, 2021. 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 budgeted at \$1.9 million in FY 2021 and \$2.2 million in FY 2022 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 \$262,195 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 \$7,867 single, \$18,870 couple and \$23,480 family per year effective July 1, 2020.

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 \$3,073,940 for FY 2021 and \$3,304,490 for FY 2022 with normal cost for both plans \$710,420 and \$647,604 respectively.

- 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, 2019, the City has accumulated a market value of \$33.8 million in these trust funds. The unfunded portion is \$58.3 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 nine years (FY 2011-2019) was \$2,572,869 and the savings during this same time period is estimated to be \$1,409,782.

- 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 2021 and FY 2022.

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 162 active employees, 50 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 \$4.0 million in FY 2021 and \$4.5 million in FY 2022. 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 59.68% of total wages based on the City's 2019 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 2021

for POB principal and interest are \$1.19 million. With this contribution, the City's General Employees pension is considered 100% funded on an actuarial basis. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost on an annual basis.

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

In the non-personnel service areas of supplies, the department's budgets have decreased 0.8% overall across all funds when compared to the Amended Budget for FY 2020. This decrease is largely due to a FY 2019 budgeted amount for one-time purchases in computer supplies, fire and police tools and supplies, and road maintenance.

The area of Other Services and Charges decreased 1.6% overall across all funds when compared to the Amended Budget for FY 2020. The decrease is related to one-time expenditures included in FY 2020 such as scanning of permanent documents, and contracting for an updated Master Plan.

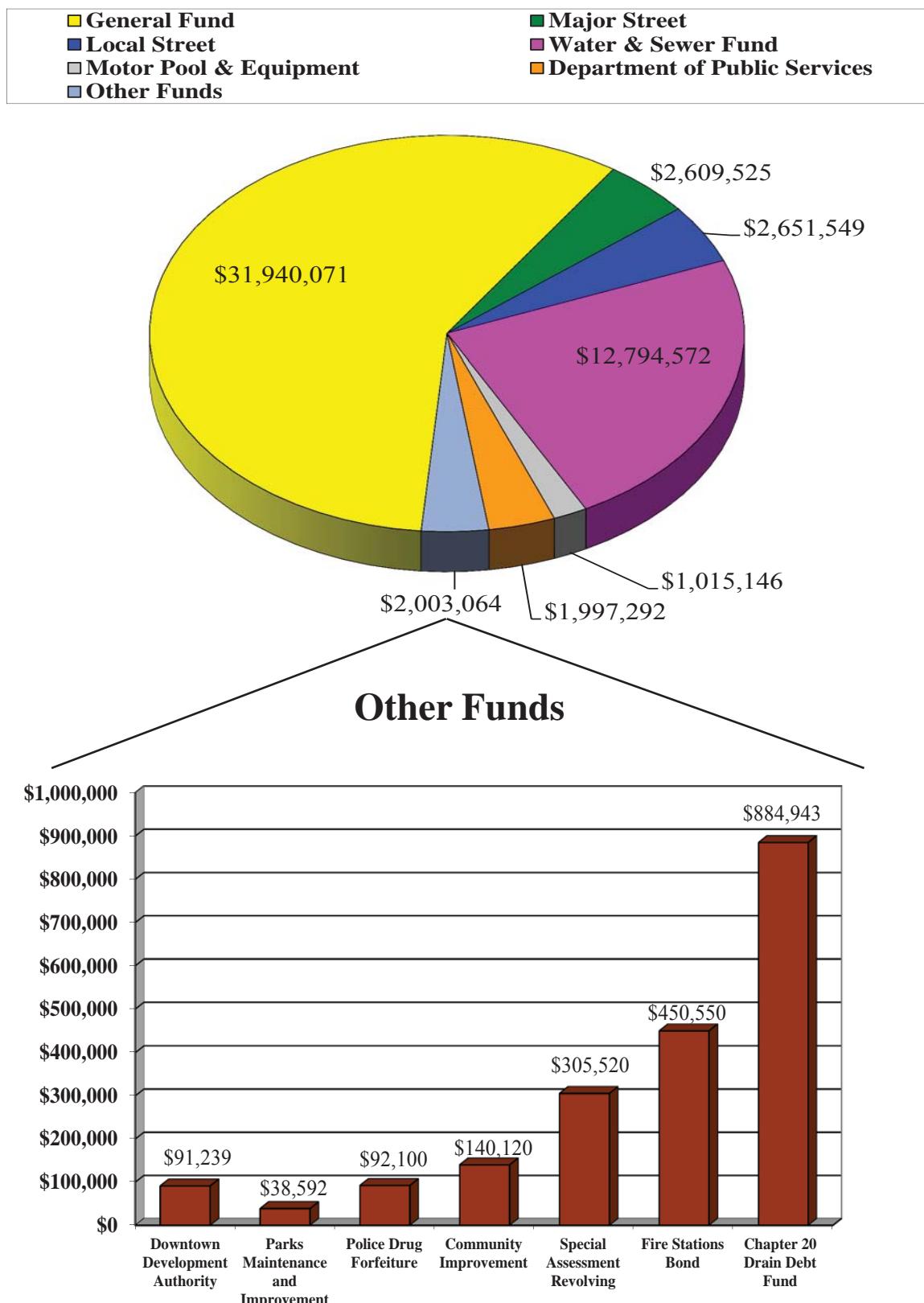
### **Capital Outlay**

Capital Outlay purchases for FY 2021 total \$7.8 million and \$6.8 million for FY 2022 for all funds including \$1.98 million for the General Fund.

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 2021



Almost 82% of the City's operations are supported through the General Fund (59.1%) and the Water and Sewer Fund (22.6%).

# ALL FUNDS SUMMARY

## FISCAL YEAR 2020-21

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture	Community Improvement
City Council	\$ 57,777	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,443,443	0	0	0	0	0	0
City Manager	247,177	0	0	0	0	0	0
Elections	92,306	0	0	0	0	0	0
City Assessor	216,189	0	0	0	0	0	0
Legal	322,770	0	0	0	0	0	0
City Clerk	263,598	0	0	0	0	0	0
Personnel	401,179	0	0	0	0	0	0
Board of Review	3,243	0	0	0	0	0	0
General Administration	974,143	0	0	0	0	0	0
Finance	717,566	0	0	0	0	0	0
Information Technology	237,300	0	0	0	0	0	0
Municipal Building	178,133	0	0	0	0	0	0
Custodial & Maintenance	199,025	0	0	0	0	0	0
Police	11,391,884	0	0	0	0	92,100	0
Fire	6,858,543	0	0	0	0	0	0
Community Development	1,053,919	0	0	0	91,239	0	140,120
Streets	1,084,932	2,609,525	2,651,549	0	0	0	0
Solid Waste	2,576,798	0	0	0	0	0	0
Recreation	285,311	0	0	0	0	0	0
Nature Center	83,957	0	0	0	0	0	0
Parks	503,891	0	0	38,592	0	0	0
Senior Citizens	505,968	0	0	0	0	0	0
Library	809,825	0	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0	0
Insurance/Bonds/Transfers	1,431,194	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>\$ 31,940,071</u>	<u>\$ 2,609,525</u>	<u>\$ 2,651,549</u>	<u>\$ 38,592</u>	<u>\$ 91,239</u>	<u>\$ 92,100</u>	<u>\$ 140,120</u>

## ALL FUNDS SUMMARY

### FISCAL YEAR 2020-21

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	\$ 57,777	City Council	
0	0	0	0	0	0	1,443,443	District Court
0	0	0	0	0	0	247,177	City Manager
0	0	0	0	0	0	92,306	Elections
0	0	0	0	0	0	216,189	City Assessor
0	0	0	0	0	0	322,770	City Attorney
0	0	0	0	0	0	263,598	City Clerk
0	0	0	0	0	0	401,179	Personnel
0	0	0	0	0	0	3,243	Board of Review
0	0	0	0	0	0	974,143	General Administration
0	0	0	0	0	0	717,566	Finance
0	0	0	0	0	0	237,300	Information Technology
0	0	0	0	0	0	178,133	Municipal Building
0	0	0	0	0	0	199,025	Custodial & Maintenance
0	0	0	0	0	0	11,483,984	Police Department
0	0	0	0	0	0	6,858,543	Fire
0	0	0	0	0	0	1,285,278	Community Development
303,020	0	0	0	0	0	6,649,026	Streets
0	0	0	0	0	0	2,576,798	Solid Waste
0	0	0	0	0	0	285,311	Recreation
0	0	0	0	0	0	83,957	Nature Center
0	0	0	0	0	0	542,483	Parks
0	0	0	0	0	0	505,968	Active Adult Center
0	0	0	0	0	0	809,825	Library
0	0	11,903,997	0	0	0	11,903,997	Water and Sewer
2,500	450,550	890,575	0	0	884,943	3,659,762	Insurance/Bonds/Transfers
0	0	0	1,015,146	0	0	1,015,146	Motor Pool
0	0	0	0	1,997,292	0	1,997,292	Department Public Services
<u>\$ 305,520</u>	<u>\$ 450,550</u>	<u>\$ 12,794,572</u>	<u>\$ 1,015,146</u>	<u>\$ 1,997,292</u>	<u>\$ 884,943</u>	<u>\$ 55,011,219</u>	Total Appropriations

**ALL FUNDS APPROPRIATIONS**  
**PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES**  
**FISCAL YEAR 2020-21**

Activity	Personnel Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 53,488	\$ 325	\$ 3,964	\$ 0	\$ 57,777
District Court	1,086,919	31,900	316,611	8,013	1,443,443
City Manager	239,441	400	7,336	0	247,177
Elections	52,351	12,900	10,420	16,635	92,306
City Assessor	0	0	216,189	0	216,189
Legal	0	0	322,770	0	322,770
City Clerk	235,566	4,000	24,032	0	263,598
Human Resources	213,616	325	187,238	0	401,179
Board of Review	2,373	0	870	0	3,243
General Administration	851,218	57,277	65,648	0	974,143
Finance	649,788	7,250	60,528	0	717,566
Information Technology	0	29,500	154,300	53,500	237,300
Municipal Building	0	0	58,133	120,000	178,133
Custodial & Maintenance	15,352	21,200	162,473	0	199,025
Police	10,177,243	150,892	571,793	459,667	11,359,595
Fire	5,689,122	115,847	653,829	399,745	6,858,543
Community Development	632,591	10,400	597,287	35,000	1,275,278
Streets	15,796	300,696	1,867,014	4,225,520	6,409,026
Solid Waste	73,183	17,727	2,485,888	0	2,576,798
Recreation	171,430	56,073	57,808	0	285,311
Nature Center	0	0	8,957	75,000	83,957
Parks	28,241	41,770	359,972	112,500	542,483
Active Adult	196,344	128,480	81,144	100,000	505,968
Library	564,693	20,790	130,698	93,644	809,825
Insurance and Transfers	0	0	772,529	0	772,529
Debt Service	0	0	3,170,372	0	3,170,372
Water and Sewer	740,348	2,420,242	7,126,657	1,708,000	11,995,247
Motorpool	354,137	177,600	483,409	0	1,015,146
Department of Public Services	1,993,308	0	3,984	0	1,997,292
<b>Total Appropriations</b>	<b>\$ 24,036,548</b>	<b>\$ 3,605,594</b>	<b>\$ 19,961,853</b>	<b>\$ 7,407,224</b>	<b>\$ 55,011,219</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.

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 \$ 1,459,423 (FY 2011-2019). 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 \$15.3 million. This amount includes \$2.1 million of vested employee benefits; and \$13.2 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, 2021, the City will be at 11.65% of the City's debt limit of \$107 million, which is based on 10% of assessed valuation. The City has general obligation bonds outstanding in the amount of \$1.3 million of an original \$5,925,000 Fire Station Bond issue, \$640,000 of the original \$1.5 million water and sewer bonds, and \$11,695,000 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 \$3.3 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, 2020:

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 \$1.3 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 \$3.28 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 \$640,000 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, 2021**

**Calculation of debt limit:**

	2017	2018	2019	2020	2021
State equalized valuation	\$ 970,477	\$ 966,049	\$ 1,031,921	\$ 1,135,111	\$ 1,211,277
10% of assessed value	<u>97,048</u>	<u>96,605</u>	<u>103,192</u>	<u>113,511</u>	<u>121,128</u>

**Calculation of debt subject to limit:**

Total debt	\$ 10,213	\$ 23,178	\$ 21,136	\$ 19,639	\$ 17,392
Less: debt not subject to limit:					
General obligation (2)	7,042	-	4,830	4,063	3,277
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt subject to limit	<u>\$ 3,171</u>	<u>\$ 23,178</u>	<u>\$ 16,306</u>	<u>\$ 15,576</u>	<u>\$ 14,116</u>
Legal debt margin available (1)	<u>\$ 93,877</u>	<u>\$ 73,427</u>	<u>\$ 86,886</u>	<u>\$ 97,935</u>	<u>\$ 107,012</u>
Net debt subject to limit as % of debt limit	3.27%	23.99%	15.80%	13.72%	11.65%

(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, 2021**

<u>Fiscal Year Ending June 30</u>	<u>Fire Stations Bond Obligations</u>	<u>Fixed Meter Network General Obligations</u>	<u>Pension Obligation</u>	<u>Kuhn Drain Obligations</u>	<u>Total</u>
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	\$ 1,355,065	\$ 719,400	\$ 14,270,852	\$ 3,499,492	\$ 19,844,809

## Fire Stations Bond

Date of issue - May 1, 2003

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$5,925,000

Refinanced - May 1, 2013

	Fiscal Year <u>Ending June 30</u>	Principal	Interest	Total <u>Requirements</u>
2021	425,000	24,795		449,795
2022	430,000	16,720		446,720
2023	450,000	8,550		458,550
	\$ 1,305,000	\$ 50,065		\$ 1,355,065

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

Date of issue - August 23, 2010

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$1,525,000

<u>Fiscal Year</u>			<u>Total</u>
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
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
	\$ 640,000	\$ 79,400	\$ 719,400

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

**Debt Name:**

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

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

<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	803,834	78,984	882,818
2022	823,332	59,612	882,944
2023	666,560	39,769	706,329
2024	676,560	23,576	700,136
2025	66,276	7,117	73,393
2026	68,025	5,633	73,658
2027	59,862	4,115	63,977
2028	60,931	2,713	63,644
2029	51,310	1,283	52,593
	<hr/>	<hr/>	<hr/>
	\$ 3,276,690	\$ 222,802	\$ 3,499,492

## Pension Obligation Bonds

Date of issue - September 29, 2016

Payment Date:

Principal, January 1

Interest, July 1, January 1

Amount of issue - \$15,250,000

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	845,000	342,738	1,187,738
2022	860,000	327,106	1,187,106
2023	880,000	308,874	1,188,874
2024	900,000	288,898	1,188,898
2025	925,000	266,038	1,191,038
2026	950,000	241,340	1,191,340
2027	975,000	215,120	1,190,120
2028	1,005,000	186,260	1,191,260
2029	1,035,000	154,703	1,189,703
2030	1,070,000	119,927	1,189,927
2031	1,105,000	82,370	1,187,370
2032	<u>1,145,000</u>	<u>42,480</u>	<u>1,187,480</u>
	<u>\$ 11,695,000</u>	<u>\$ 2,575,852</u>	<u>\$ 14,270,852</u>

## PERSONNEL AND POSITIONS

The City of Madison Heights employs 162 full-time positions yielding 6.2 full-time employees per 1,000 of City population based on the 2010 census count of 29,694. The City also employs 148 positions on a part-time or seasonal basis. Personnel services comprise approximately \$24.5 or 43.4% of the Total Budget and approximately \$21.3 million or 63.7% of the General Fund Budget.

Total personnel costs are up \$1,214,484 when compared to the FY 2020 Amended Budget, largely because of positions added with the voter approval of Proposal MH.

Pension and Retiree Health care “legacy costs” are the largest liability of the City. Police and Fire Pension contributions have been calculated at 59.68% of payroll; last year the City contributed 54.4%. This contribution is projected to continue to increase over the next five years. The method for budgeting retiree health care changed 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, 2019	48%	Yes
General Pension	December 30, 2019	103% *	No
General Retiree Health Care	June 30, 2018	42%	No
Police and Fire Retiree Health Care	June 30, 2018	31.8%	Yes

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

Under this Act, municipalities are required to report pension and retiree health care finances to the State for review. If a municipality is underfunded, it must also submit an approved corrective action plan if it has not received a waiver from the State. The new law does not include explicit enforcement mechanisms, but according to the Deputy State Treasurer and head of the Treasury’s State and Local Finance Group, this Act is just the first step as municipalities across the State continue to struggle to fund the promises that have resulted in these legacy costs. For the July 1, 2018 – June 30, 2021 Collective Bargaining Agreements , 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 also negotiated mirroring of retiree health care for all bargaining units for retirees eligible for retiree health care moving forward. This means that retirees eligible for retiree health care moving forward shall mirror those benefits provided to active employees, up until they reach Medicare age at which point all City obligations for health care shall cease as outlined above.

The City has also negotiated pension reforms with its sworn Police Officers Union, 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. The dates for these concessions vary by bargaining unit for sworn employees and will have a positive impact on the funding level of the Police and Fire Pension System.

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 will expire June 30, 2021. The City will work with Council to establish realistic goals for negotiations in order to maintain the City's service levels, ability to retain quality employees, and remain fiscally responsible.

### **Personnel Actions**

The FY 2020-21 Budget reflects a total net increase of 8.55 full-time equivalencies (FTEs) with no additional FTE's projected for FY 2022. This increase is thanks in large part to the passing of Proposal MH. The City made a commitment to the residents to add three Firefighter/Paramedics, two Police Officers, one Police Service Assistant as a result of the funding from Proposal MH. The City has made a careful analysis of what positions can and should be added to the budget and still remain fiscally responsible. Other personnel changes include the elimination of a previously approved by never filled DPS Superintendent, and the addition of a full time Recreation Coordinator; the elimination of two part time year round Laborers and the addition of two full time Equipment Operators; the net elimination of two part time Office Assistants and the addition of one full Time Office Assistant in the Department of Public Services. In an effort to continue Council's emphasis on Code Enforcement and improving conditions in the City, a part time Code Enforcement Officer has also been added.

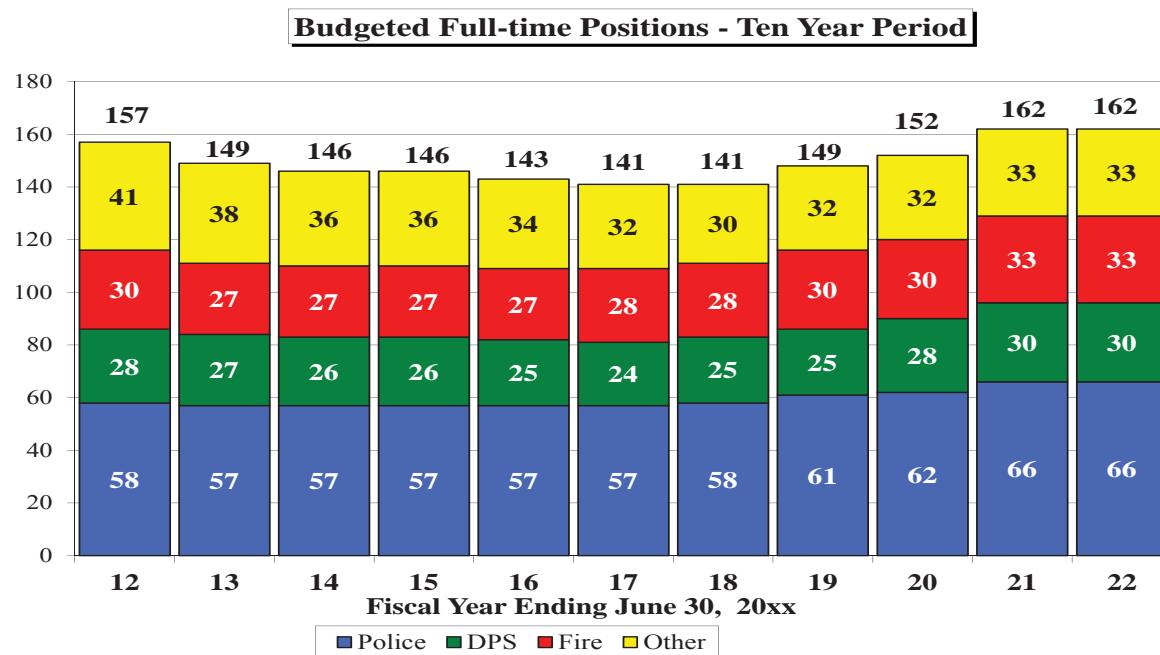
The City's current hiring review of all position vacancies continues in Fiscal Year 2020-21. Despite the fact that Proposal MH has passed, the City must remain vigilant not to over extend itself on additional personnel, whose wages and benefits compound each year. It is the City's goal that we remain fiscally strong in the coming years and avoid the potential of cutbacks should the economy take a downturn. Therefore, 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. With the slow recovery of the economy, and the passing of Proposal MH, the City has begun restoring a limited number of essential positions in order to increase services delivered to our residents. As mentioned above, the City

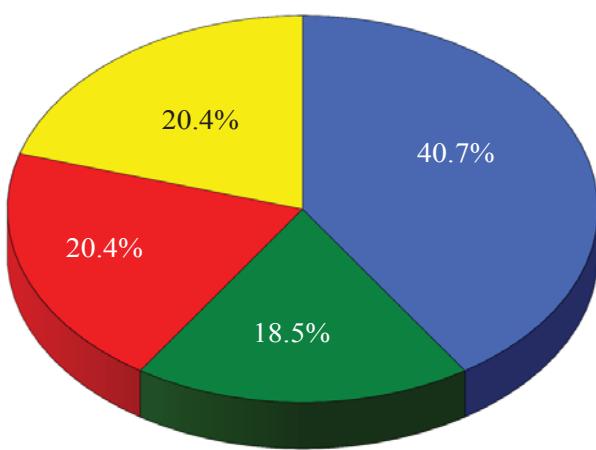
is approaching the restoration of positions with extreme caution and thorough analysis of the potential impact to the budget in current and future years.

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.

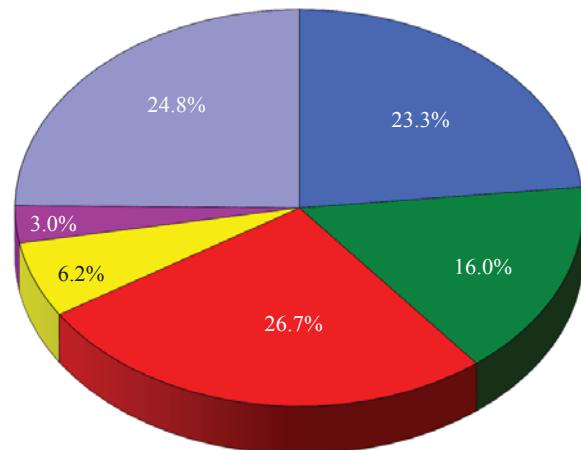


Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2020-21 and 2021-22. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.

**Full-Time Positions by Function**



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

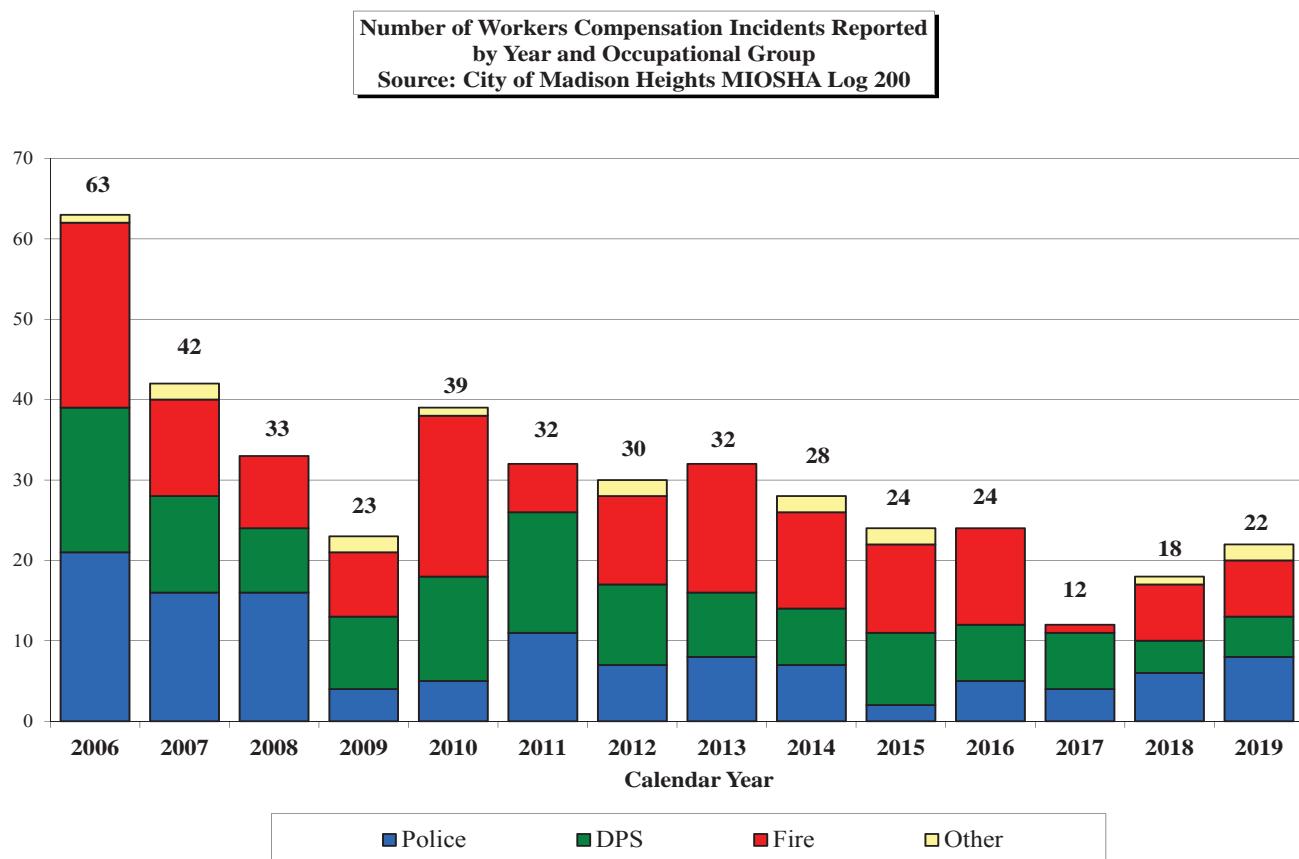


ALL FUNDS  
 FULL TIME AND PART TIME POSITIONS  
 INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)  
 FISCAL YEAR 2020-21 (FISCAL YEAR 2021-22 ESTIMATED)

	Budget 2018-19			'18 to '19			Budget 2019-20			'19 to '20			Budget 2020-21			'20 to '21			Estimated Budget 2021-22			Estd '21 to '22	
	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Full Time	Part Time	F.T.E.	Change	
General Fund																							
District Court	8	5	10.6930	0.0	9	3	10.3730	-0.3200	9	3	10.3730	0.0000	9	3	10.3730	0.0000	9	3	10.3730	0.0000	9	3	
City Manager	2	0	1.8000	0.0	2	0	1.8000	0.0000	2	0	1.8000	0.0000	2	0	1.8000	0.0000	2	0	1.8000	0.0000	2	0	
City Assessor	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	
City Clerk	2	73	3.3200	0.0	2	73	3.3200	0.0000	2	73	3.3200	0.0000	2	73	3.3200	0.0000	2	73	3.3200	0.0000	2	73	
Human Resources	2	0	1.5000	0.0	2	0	1.5000	0.0000	2	0	1.5000	0.0000	2	0	1.5000	0.0000	2	0	1.5000	0.0000	2	0	
General Administration	0	1	1.0700	0.5	0	1	1.2600	0.1900	0	1	1.2600	0.0000	0	1	1.2600	0.0000	0	1	1.2600	0.0000	0	1	
Finance	7	1	7.0800	0.1	7	1	7.7200	0.6400	7	1	7.7200	0.0000	7	1	7.7200	0.0000	7	1	7.7200	0.0000	7	1	
Information Technology	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	
Police	62	19	66.3350	4.0	63	19	66.3350	0.0000	66	18	69.3350	3.0000	66	18	69.3350	3.0000	66	18	69.3350	3.0000	66	18	
Fire	30	0	30.0000	2.0	30	0	30.0000	0.0000	33	0	33.0000	3.0000	33	0	33.0000	3.0000	33	0	33.0000	3.0000	33	0	
Community Development	6	1	6.7500	0.4	6	1	6.7500	0.0000	6	2	7.5000	0.7500	6	2	7.5000	0.7500	6	2	7.5000	0.7500	6	2	
Library	3	10	8.1500	0.0	3	11	8.5603	0.4103	4	11	9.5603	1.0000	4	11	9.5603	1.0000	4	11	9.5603	1.0000	4	11	
Department of Public Service (Prior to FY 2017-18)																							
Custodial & Maintenance	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.1000	0.1000	0	0	0.1000	0.1000	0	0	0.1000	0.1000	0	0	
Streets	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.1000	0.1000	0	0	0.1000	0.1000	0	0	0.1000	0.1000	0	0	
Solid Waste	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.3800	0.3800	0	0	0.3800	0.3800	0	0	0.3800	0.3800	0	0	
Recreation	0	26	2.2590	0.0	0	26	2.2590	0.0000	1	26	3.2590	1.0000	1	26	3.2590	1.0000	1	26	3.2590	1.0000	1	26	
Parks	0	2	0.5000	0.0	0	2	0.5000	0.0000	0	2	0.5000	0.0000	0	2	0.5000	0.0000	0	2	0.5000	0.0000	0	2	
Senior Center	1	7	3.8150	0.4	2	7	4.0650	0.2500	2	7	4.0650	0.0000	2	7	4.0650	0.0000	2	7	4.0650	0.0000	2	7	
Sub Total	1	35	6.5740	0.4	2	35	6.8240	0.2500	3	35	8.4040	1.5800	3	35	8.4040	1.5800	3	35	8.4040	1.5800	3	35	
Total	123	145	143.2720	7.4	126	144	144.4423	1.1703	134	144	153.7723	9.3300	134	144	153.7723	9.3300	134	144	153.7723	9.3300	134	144	
Major Street Fund	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	
Local Street Fund	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	
Community Improvement Fund																							
Comm. Dev. Block Grant	1	0	1.0000	0.0	1	0	1.0000	0.0000	1	0	1.0000	0.0000	1	0	1.0000	0.0000	1	0	1.0000	0.0000	1	0	
<b>MIDC Fund</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>1</b>	<b>1.2700</b>	<b>1.2700</b>	<b>1.2700</b>	<b>0</b>	<b>1</b>	<b>1.2700</b>	<b>1.2700</b>	<b>0</b>	<b>1</b>	<b>1.2700</b>	<b>1.2700</b>	<b>0</b>	<b>0.0000</b>
Total	1	0	1.0000	0.0	1	0	1.0000	0.0000	1	1	2.2700	1.2700	1	1	2.2700	1.2700	1	1	2.2700	1.2700	1	1	
Water & Sewer Fund																							
Water Division	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	
Sewer Division	0	0	0.0000	0.0	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	
Water & Sewer Admin.	2	0	1.5200	1.0	2	1	3.2400	1.7200	2	0	1.5200	-1.7200	2	0	1.5200	-1.7200	2	0	1.5200	-1.7200	2	0	
Total	2	0	1.5200	1.0	2	1	3.2400	1.7200	2	0	1.5200	-1.7200	2	0	1.5200	-1.7200	2	0	1.5200	-1.7200	2	0	
Motor Pool Fund	3	1	3.6750	0.0	3	2	3.9600	0.2850	3	2	3.9600	0.0000	3	2	3.9600	0.0000	3	2	3.9600	0.0000	3	2	
DPS Fund (Beginning FY 2017-18)	20	4	23.1650	0.9	21	4	23.0100	-0.1550	22	1	22.6750	-0.3350	22	1	22.6750	-0.3350	22	1	22.6750	-0.3350	22	1	
Total All Funds	149	150	172.6320	8.1	153	151	175.6523	3.0203	162	148	184.1973	8.5450	162	148	184.1973	8.5450	162	148	184.1973	8.5450	162	148	

## 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.

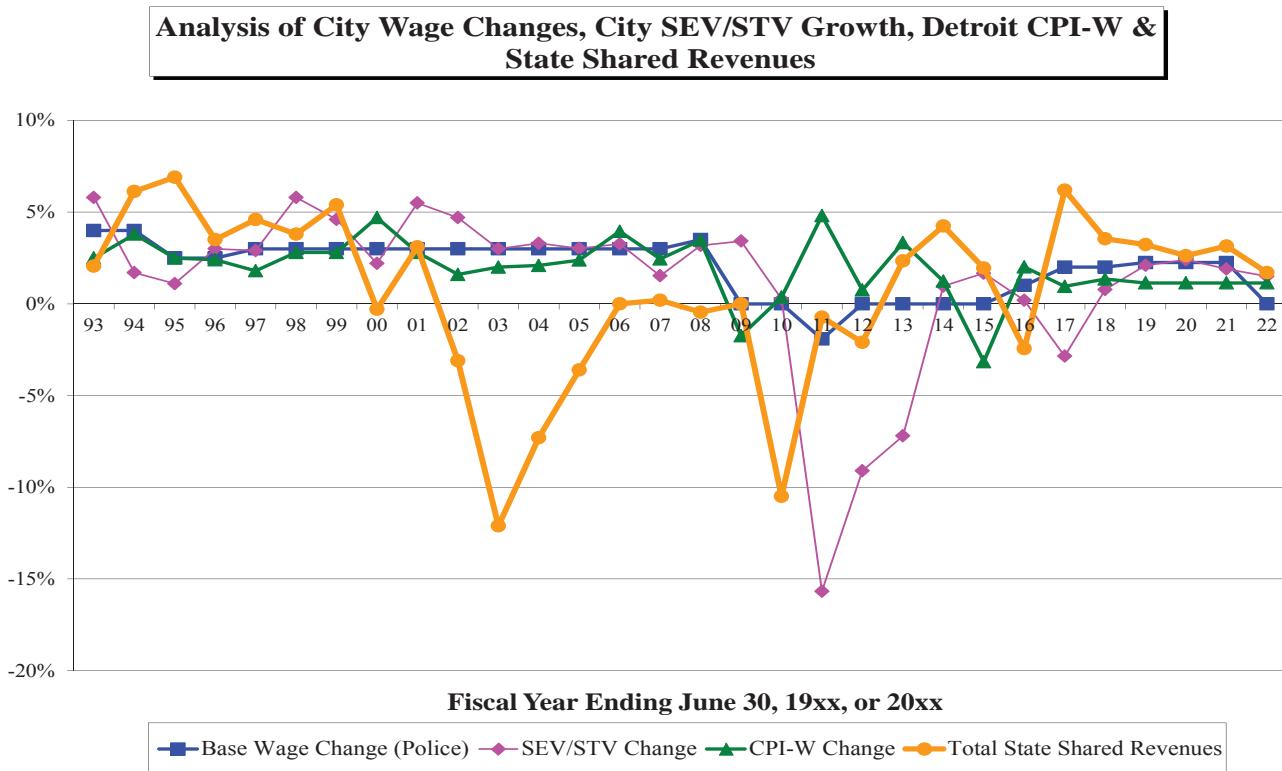


As part of the FY 2010-11 Budget, effective July 1, 2010, the City moved to a self-insurance plan where the City is contracting with a third party administrator (Citizens Management, York Risk Services, now Sedgwick) and converted to pay-as-you-go claims. During FY 2010, the City spent \$382,100 on workers' 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 22 from the 14 year high of 63. The cost to the City over the past nine years (FY 2011-2019) was \$2,572,869 and the savings during this same time period is estimated to be \$1,409,782.

## 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.

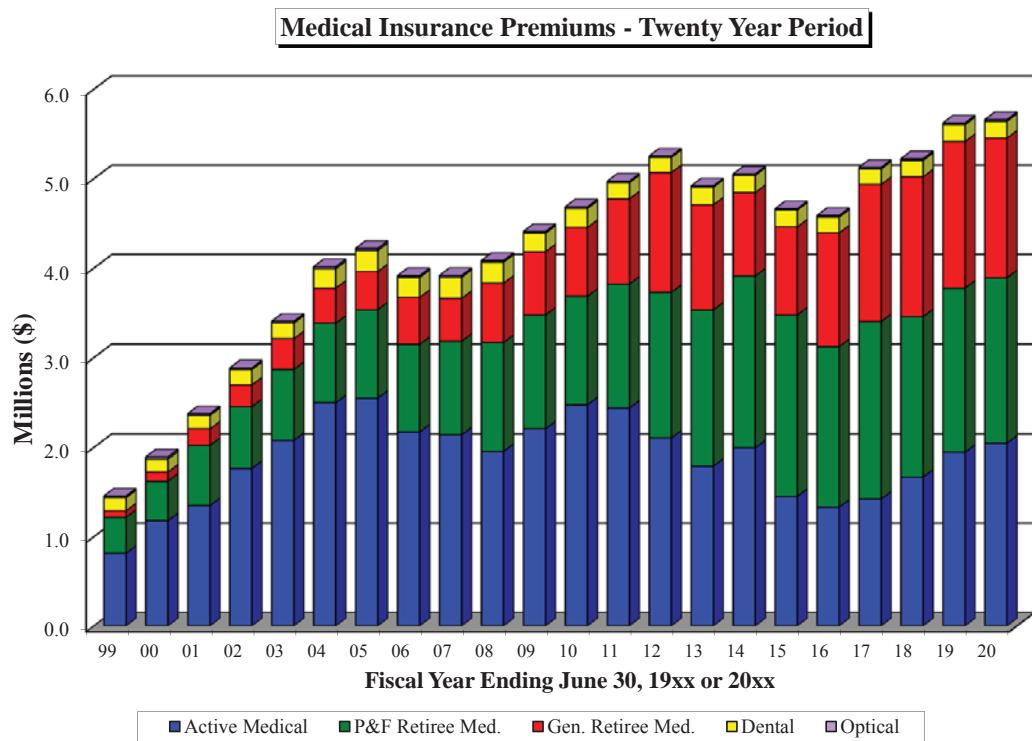


The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages and inflation start to converge while STV managed modest increases until 2001. Since FY 1994-95, wages and CPI-W increased less than 4% while STV fluctuated more due to new 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 0.65%.

## 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 a 5.1% 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 apprised of and in compliance with any changes to medical insurance requirements and reporting mandates.

One of the City's most innovative attempts to curb health care costs was the opening of the MiLife Health & Wellness Center, located in the lower level of City Hall in January 2015. By way of background, in August 2012, staff and the City's healthcare consultant Cornerstone (now Manquen Vance), 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.

January 2020 was our 5<sup>th</sup> year operating the MiLife Health and Wellness Center. During the first five years of operations we averaged utilization rate of 54.3%. We have saved \$150,507 in hard dollars over the cost of operations, which averages \$130,268 per year. In addition, each year, CareHere analysis number and types of health issues that were diagnosed in the center and estimate a potential long term savings has the diagnosed gone undetected, this “soft dollar” savings is \$1,572,978. In addition the employees have saved \$121,265 in co-pays, prescriptions and lab test.

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, 2019, the City has accumulated a market value of \$33.8 million in these trust funds, and the actuarial accrued liability is \$92.1 million resulting in these Trusts being approximately a combined 36.7 funded.

In FY 2021, 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 normal cost for both plans; \$505,021 for Police and Fire and \$205,399 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. In FY 2020, we returned to pay-as-you-go premiums while contributing the normal cost to both trust. The FY 2021 and 2022 budgets include contributions of normal cost with no expenses coming from the trust until they reach acceptable levels according to PA 202, above 40% funding.

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, the City has successfully negotiated the elimination of City-paid retiree Medicare supplemental insurance with all bargaining units. 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. This elimination of retiree health insurance at Medicare age will significantly reduce the City's liability in future years.

## **Pensions**

The second largest fringe benefit cost component is the employer's contribution to the pension plans. This expense is budgeted to be \$4.0 million in FY 2021 and \$4.46 million in FY 2022. 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 59.68% of total wages based on the City's 2019 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 budget for the employer contribution to MERS on behalf of the General Employee's Pension Fund is projected to increase \$94,047 or 29.7% to \$416,380 for FY 2021; Increasing to \$678,642 for FY 2022.

At the February 28, 2019 board meeting, the MERS Retirement Board adjusted key economic assumptions. These assumptions, in particular the investment return assumption, have a significant effect on a plan's required contribution and funding level. Historically low interest rates, along with high equity market valuations, have led to reductions in projected returns for most asset classes. This has resulted in a Board adopted reduction in the investment rate of return assumption to 7.35%, effective with the December 31, 2019 valuation first impacting 2021 contributions. The Board also changed the assumed rate of wage inflation from 3.75% to 3.00%, with the same effective date. As a result the City's contribution will increase 29.7% above FY 2020 to \$416,380 for FY 2021 and an additional increase of 62.9% to \$678,642.

The State 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 Employee's 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 2021 and FY 2022 for POB principal and interest are \$1.19 million each year. With this contribution, the City's General Employee's pension is considered 100% funded on market value as of December 2018. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost on an annual basis.

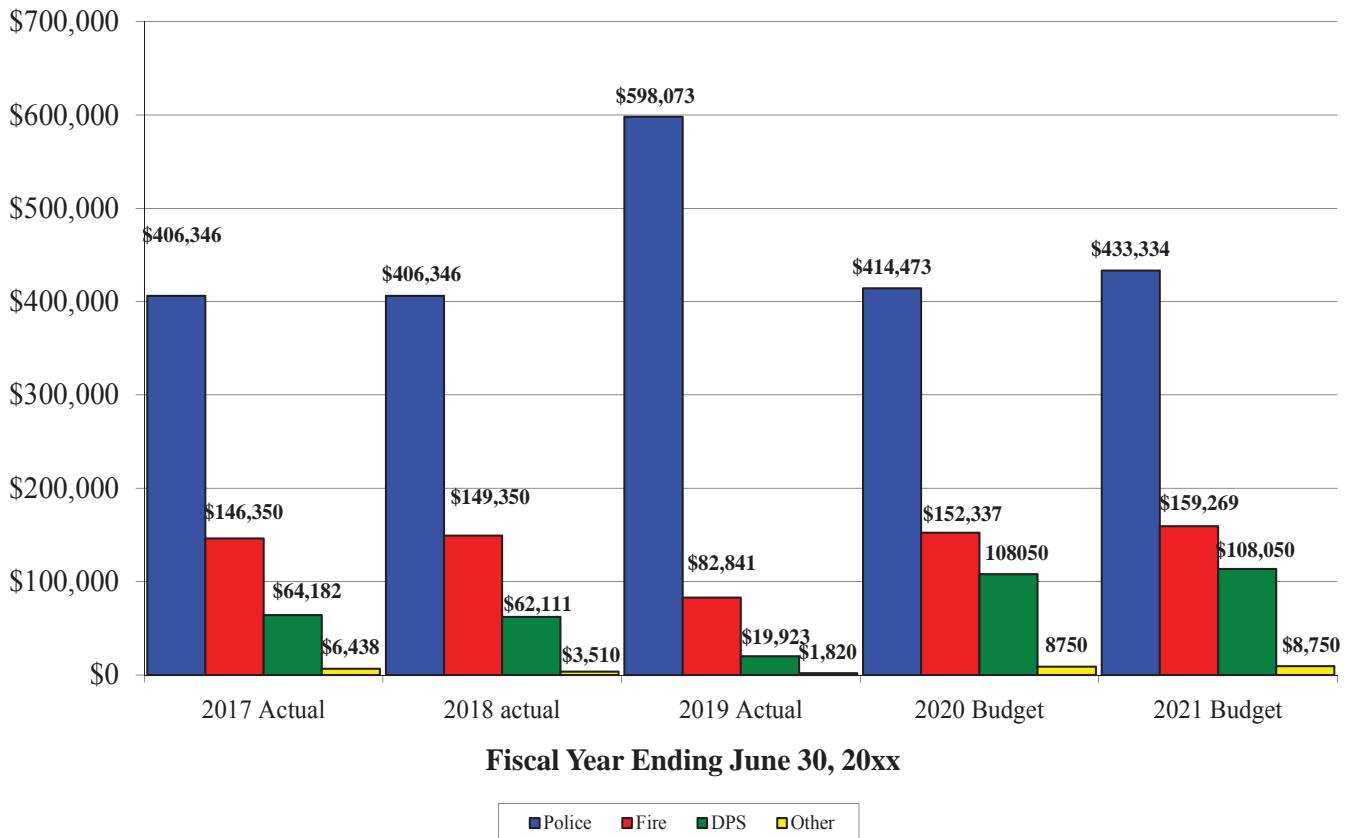
## **Overtime**

Overtime costs for all Funds in FY 2020-21 is budgeted at \$715,422. Overtime budgeted in the Police and Fire Departments amount to \$592,603, and DPS overtime equals \$113,419. 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 2020-21 and overtime costs over the past four years.

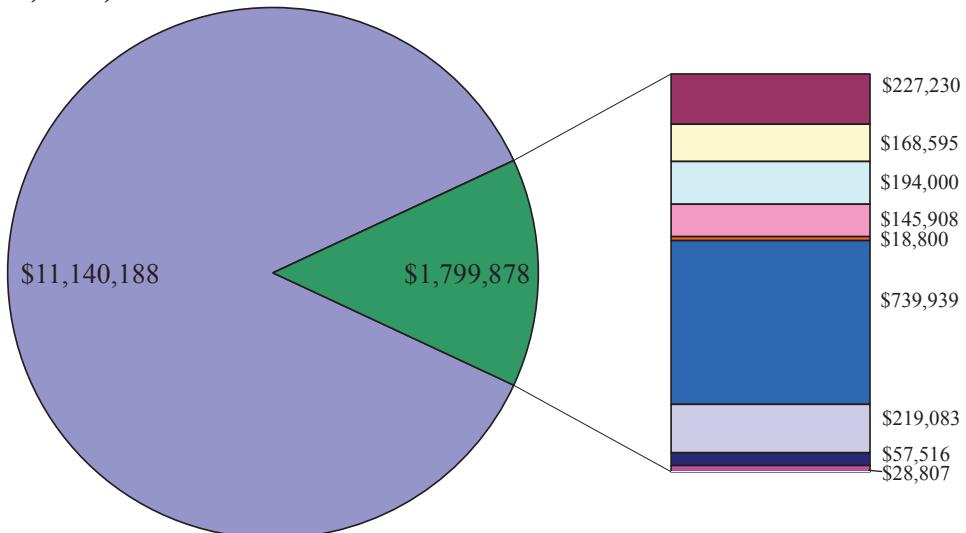
The charts below depicts the City's budgeted wage and fringe benefit costs for FY 2020-21 and overtime costs over the past four years.

### **All Funds Overtime Cost**



**2020-21**  
**Wage and Fringe Benefit Costs (\$24,565,079)**  
**Fiscal Year Budget**  
**All Funds**

**Wages \$12,940,067**

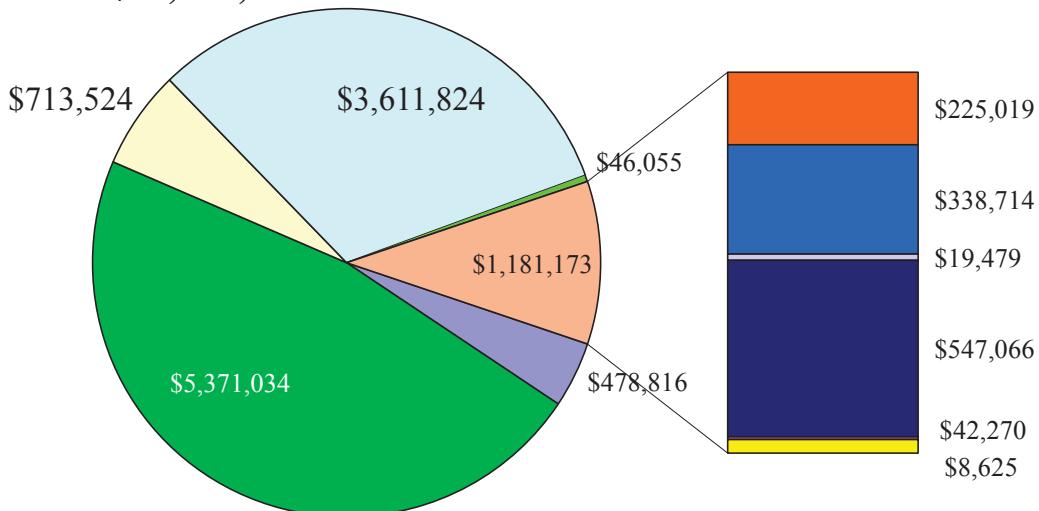


Wages  
 ALS/DB Premium Pay  
 Overtime Pay  
 Deferred Compensation

Longevity Pay  
 Medical Incentive & Sick Buy Back  
 Holiday Pay & Wellness Incentive

Food & Uniform  
 Education Incentive Pay  
 COLA

**Benefits \$11,402,426**



General Employees Pension  
 Police & Fire Pension  
 Workers Compensation  
 Flex Reimbursement

Hospitalization  
 Disability Insurance  
 Optical Insurance  
 Life Insurance

Retiree Health Contributions  
 Dental Insurance  
 FICA & Medicare

## Total Compensation Analysis

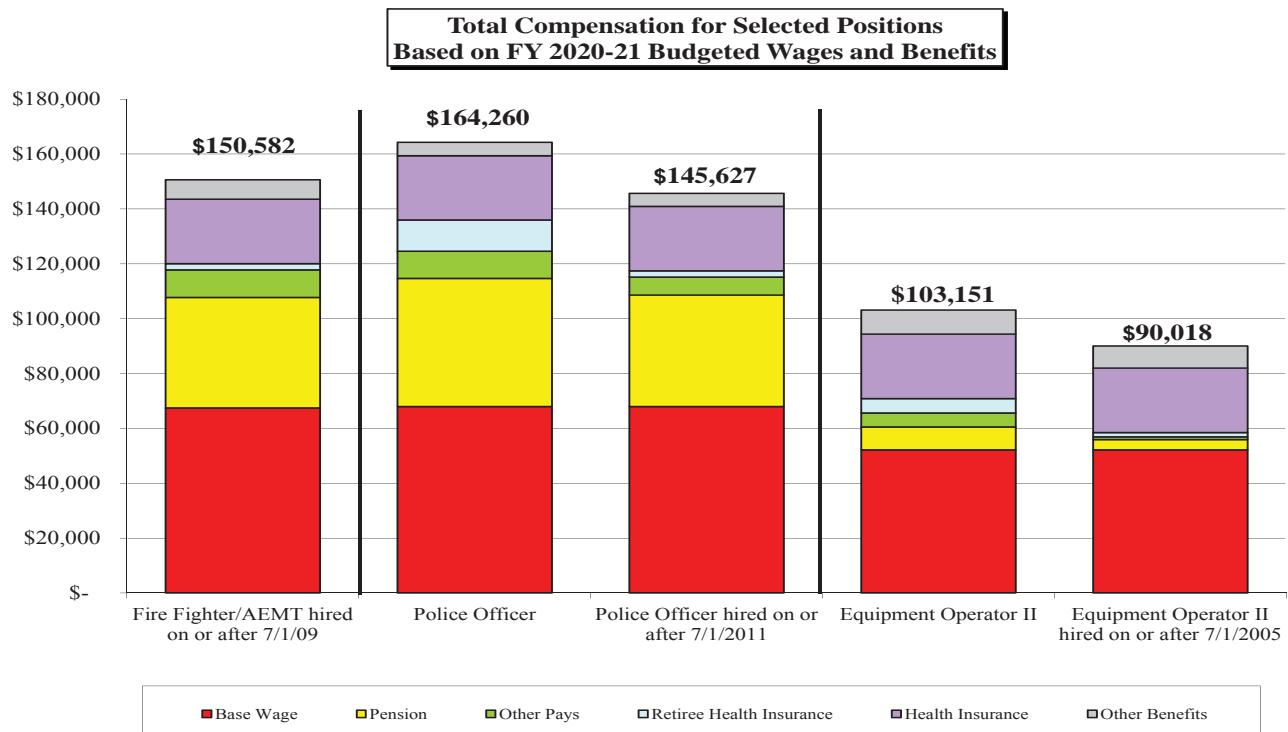
In order to determine what should be negotiated to control the City's expenses, we must look at the wages and benefits calculated together for total compensation currently provided to employees. The City has already made great strides in controlling costs for new hires by eliminating retiree health care 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 2020-21 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 \$164,260. The incumbent equipment operator receives annual total compensation in the amount of \$106,063. Fringe benefits average 1.2 times base wages for senior employees.

A newly hired Fire Fighter's total compensation is \$150,582. 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 \$145,627, a savings of \$18,633, and a newly hired Equipment Operator will save the City \$13,132 in annual overall compensation. These savings are significant. At this time, we have 25 Firefighters, 26 Police Officers, 11 Equipment Operators, and 31 other employees with the new hire benefits package, totaling 93 positions or more than 57% 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 2021. The position's compensation calculation assumes the maximum wage step and longevity.

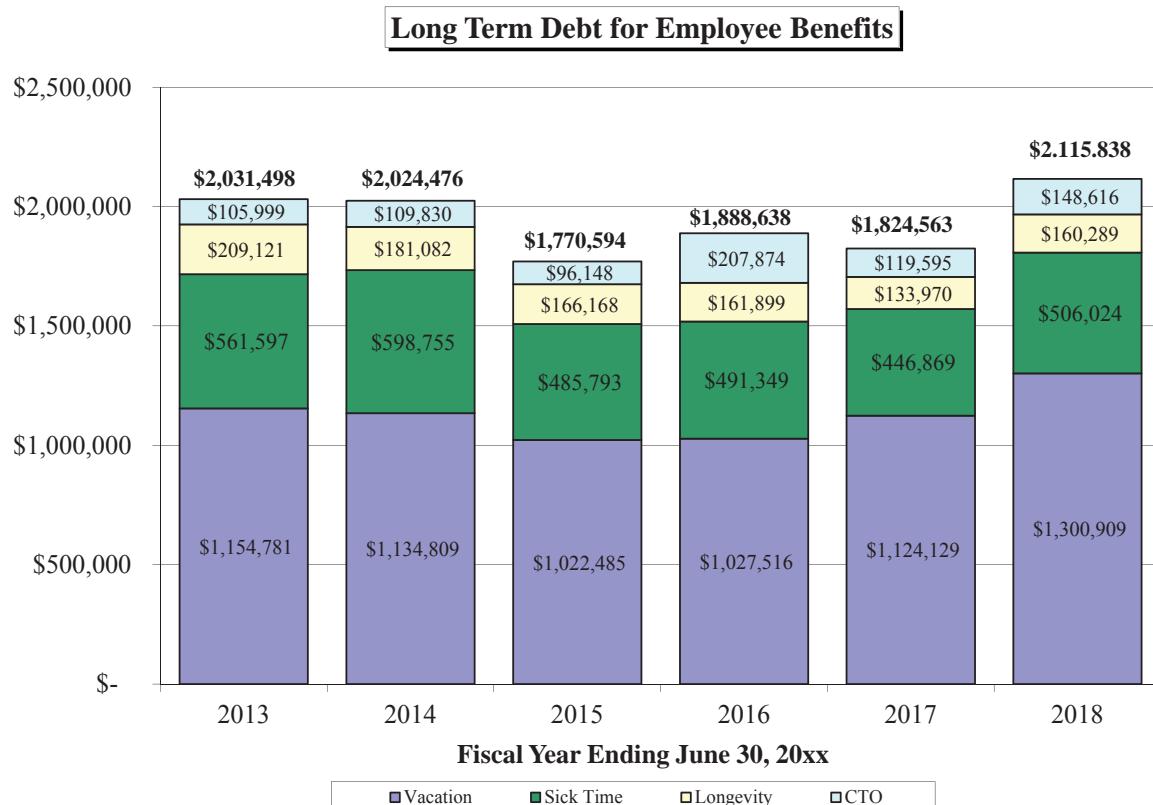
Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$16,160
Holidays	12	7,757
Admin. Leave Days	6	3,878
Sick leave (Max. of 12)	5	3,232
Personal Leave Days	2	1,293
<b>Total</b>	<b>50</b>	<b>\$32,320</b>

**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, 2019.



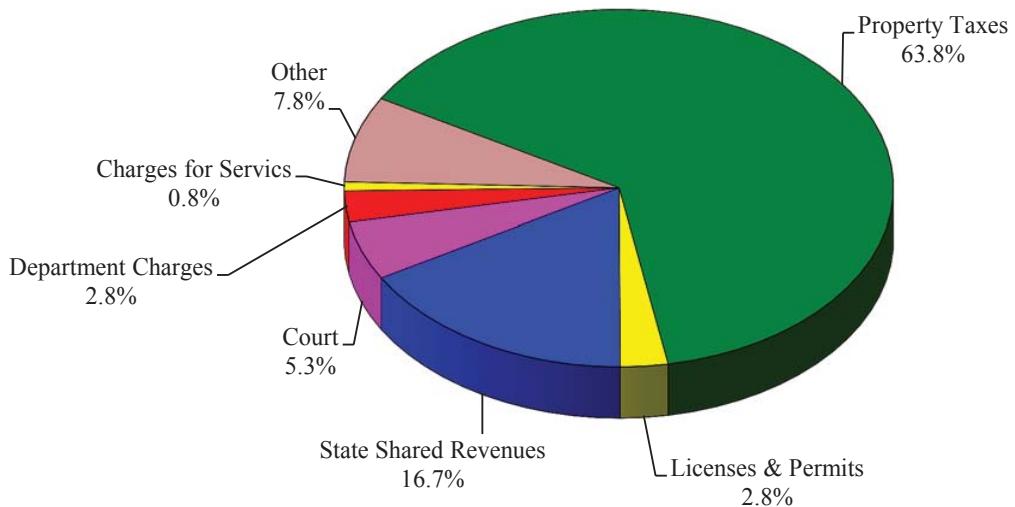


## **GENERAL FUND**

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.

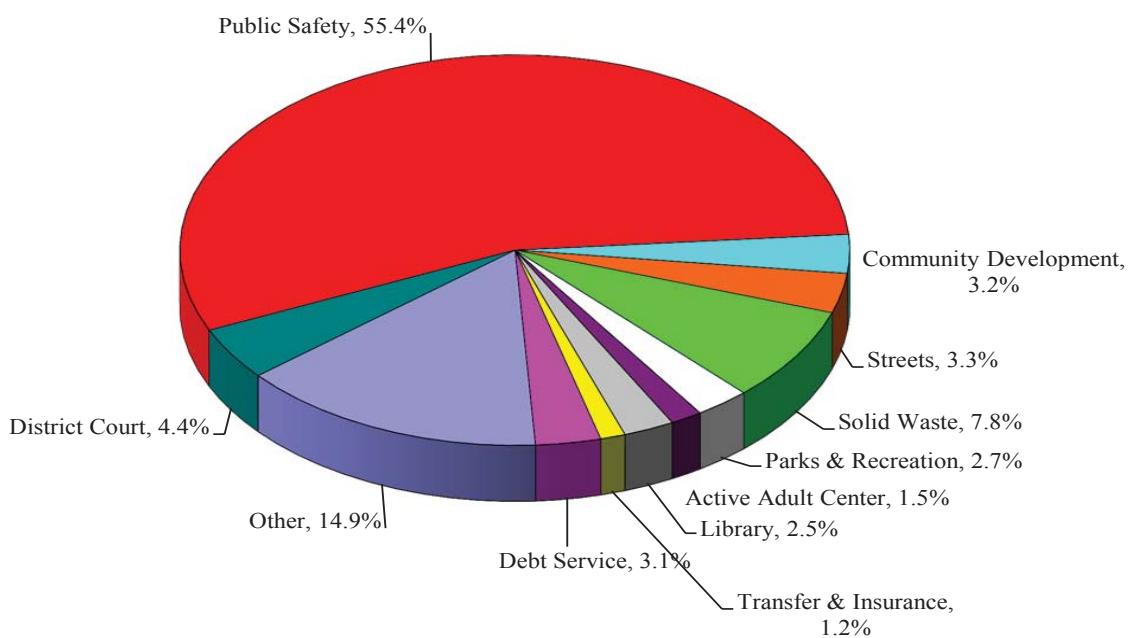
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# General Fund Revenues



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 about sixty percent of all General Fund Expenditures.

## GENERAL FUND REVENUES AND EXPENDITURES

### FY 2021 and FY 2022 BUDGET

Description	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
<b>Revenues by Source:</b>					
Property Taxes	\$ 18,243,905	\$ 18,502,666	\$ 20,010,499	\$ 1,507,833	\$ 21,775,942
Licenses & Permits	309,882	316,300	322,800	6,500	322,800
Non-Business Licenses & Permits	818,672	459,075	466,575	7,500	551,575
Federal Shared Revenues	37,810	-	-	-	-
State Shared Revenues	5,105,855	5,209,479	5,252,151	42,672	5,509,502
Payment in Lieu of Taxes	38,583	36,500	36,500	-	36,500
County Shared Revenues	69,294	61,000	66,000	5,000	71,000
SMART Revenues	55,577	70,019	70,019	-	70,019
Court Fines and Fees	1,642,993	1,663,250	1,663,250	-	1,663,250
Charges for Services	305,012	175,150	236,919	61,769	236,919
Sales-Miscellaneous	16,801	18,750	18,000	(750)	18,000
Parks & Recreation	229,964	280,750	282,900	2,150	287,900
Miscellaneous Revenues	2,572,211	2,083,200	1,937,500	(145,700)	1,937,500
Sale of Fixed Assets	586,140	10,000	40,000	30,000	20,000
Department Charges	822,607	941,980	891,480	(50,500)	891,480
Transfers In	52,977	78,000	73,000	(5,000)	73,000
Prior Years Fund Balance	-	1,048,997	572,478	(476,519)	183,203
<b>Total Revenues</b>	<b>\$ 30,908,283</b>	<b>\$ 30,955,116</b>	<b>\$ 31,940,071</b>	<b>984,955</b>	<b>\$ 33,648,590</b>

Description	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
<b>Expenditures by Activity:</b>					
City Council	\$ 53,938	\$ 56,341	\$ 57,777	\$ 1,436	\$ 59,745
District Court	1,288,615	1,461,596	1,443,443	(18,153)	1,553,535
City Manager	273,266	232,869	247,177	14,308	270,845
Elections	56,626	77,066	92,306	15,240	85,073
City Assessor	207,592	214,596	216,189	1,593	218,905
Legal	370,909	322,770	322,770	-	322,770
City Clerk	242,704	268,284	263,598	(4,686)	259,958
Human Resources	381,863	387,343	401,179	13,836	435,592
Board of Review	2,214	3,023	3,243	220	3,243
General Administration	867,259	1,312,775	974,143	(338,632)	1,389,148
Finance	677,352	737,508	717,566	(19,942)	744,556
Information Technology	184,778	196,562	237,300	40,738	249,800
Municipal Building	47,811	132,153	178,133	45,980	279,591
Custodial & Maintenance	197,349	193,725	199,025	5,300	200,963
Police	10,744,799	10,909,252	11,391,884	482,632	11,782,871
Fire	5,691,581	6,072,612	6,858,543	785,931	6,950,727
Community Development	1,044,087	1,086,497	1,053,919	(32,578)	1,063,427
Streets	986,223	1,146,339	1,084,932	(61,407)	1,004,034
Solid Waste	2,326,405	2,448,689	2,576,798	128,109	2,822,701
Recreation	203,995	211,392	285,311	73,919	294,785
Nature Center	13,045	81,435	83,957	2,522	59,100
Parks	460,561	691,446	503,891	(187,555)	737,120
Active Adult Center	379,411	492,119	505,968	13,849	507,861
Library	677,464	792,207	809,825	17,618	909,728
Insurance, Bonds and Transfers	1,406,457	1,426,517	1,431,194	4,677	1,442,512
<b>Total Expenditures</b>	<b>\$ 28,786,304</b>	<b>\$ 30,955,116</b>	<b>\$ 31,940,071</b>	<b>\$ 984,955</b>	<b>\$ 33,648,590</b>

## GENERAL FUND REVENUES

### FY 2021 and FY 2022 BUDGET

Description	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Property Taxes	\$ 18,243,905	\$ 18,502,666	\$ 20,010,499	\$ 1,507,833	\$ 21,775,942
Licenses & Permits	1,128,554	775,375	789,375	14,000	874,375
Federal Revenues	37,810	-	-	-	-
State Shared Revenues	5,105,855	5,209,479	5,252,151	42,672	5,509,502
Other Government	163,454	167,519	172,519	5,000	177,519
Court Fines and Fees	1,642,993	1,663,250	1,663,250	-	1,663,250
Service Fees	534,976	455,900	519,819	63,919	524,819
Sales - Miscellaneous	16,801	18,750	18,000	(750)	18,000
Miscellaneous	3,158,351	2,093,200	1,977,500	(115,700)	1,957,500
Department Charges	822,607	941,980	891,480	(50,500)	891,480
Transfers In	52,977	78,000	73,000	(5,000)	73,000
Prior Year's Fund Balance	-	1,048,997	572,478	(476,519)	183,203
<b>Total</b>	<b>\$ 30,908,283</b>	<b>\$ 30,955,116</b>	<b>\$ 31,940,071</b>	<b>\$ 984,955</b>	<b>\$ 33,648,590</b>

Description	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
General Government	\$ 6,258,733	\$ 7,023,128	\$ 6,785,043	\$ (238,085)	\$ 7,516,236
Public Safety	16,436,380	16,981,864	18,250,427	1,268,563	18,733,598
Community Service	3,312,628	3,595,028	3,661,730	66,702	3,826,735
Culture and Recreation	1,734,476	2,268,599	2,188,952	(79,647)	2,508,594
Community Development	1,044,087	1,086,497	1,053,919	(32,578)	1,063,427
<b>Total</b>	<b>\$ 28,786,304</b>	<b>\$ 30,955,116</b>	<b>\$ 31,940,071</b>	<b>\$ 984,955</b>	<b>\$ 33,648,590</b>

<b>Fund Balance - Unrestricted</b>	<b>\$ 7,921,991</b>	<b>\$ 6,872,994</b>	<b>\$ 6,300,516</b>	<b>\$ (572,478)</b>	<b>\$ 6,117,313</b>
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## GENERAL FUND EXPENDITURES

### FY 2021 and FY 2022 BUDGET

<b>GENERAL GOVERNMENT</b>					
Description	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Mayor and Council	\$ 53,938	\$ 56,341	\$ 57,777	\$ 1,436	\$ 59,745
District Court	1,288,615	1,461,596	1,443,443	(18,153)	1,553,535
City Manager	273,266	232,869	247,177	14,308	270,845
Legal	370,909	322,770	322,770	-	322,770
Assessor/Board of Review	209,806	217,619	219,432	1,813	222,148
City Clerk/Elections	299,330	345,350	355,904	10,554	345,031
Human Resources	381,863	387,343	401,179	13,836	435,592
General Administration	867,259	1,312,775	974,143	(338,632)	1,389,148
Finance	677,352	737,508	717,566	(19,942)	744,556
Information Technology	184,778	196,562	237,300	40,738	249,800
Custodial/Maintenance	245,160	325,878	377,158	51,280	480,554
Insurance/Bonds & Transfers	1,406,457	1,426,517	1,431,194	4,677	1,442,512
<b>Total</b>	<b>\$ 6,258,733</b>	<b>\$ 7,023,128</b>	<b>\$ 6,785,043</b>	<b>\$ (238,085)</b>	<b>\$ 7,516,236</b>
<b>PUBLIC SAFETY</b>					
Police	\$ 10,744,799	\$ 10,909,252	\$ 11,391,884	\$ 482,632	\$ 11,782,871
Fire	5,691,581	6,072,612	6,858,543	785,931	6,950,727
<b>Total</b>	<b>\$ 16,436,380</b>	<b>\$ 16,981,864</b>	<b>\$ 18,250,427</b>	<b>\$ 1,268,563</b>	<b>\$ 18,733,598</b>
<b>COMMUNITY SERVICE</b>					
Streets	\$ 986,223	\$ 1,146,339	\$ 1,084,932	\$ (61,407)	\$ 1,004,034
Solid Waste	2,326,405	2,448,689	2,576,798	128,109	2,822,701
<b>Total</b>	<b>\$ 3,312,628</b>	<b>\$ 3,595,028</b>	<b>\$ 3,661,730</b>	<b>\$ 66,702</b>	<b>\$ 3,826,735</b>
<b>CULTURE AND RECREATION</b>					
Recreation	\$ 203,995	\$ 211,392	\$ 285,311	\$ 73,919	\$ 294,785
Nature Center	13,045	81,435	83,957	2,522	59,100
Parks	460,561	691,446	503,891	(187,555)	737,120
Active Adult Center	379,411	492,119	505,968	13,849	507,861
Library	677,464	792,207	809,825	17,618	909,728
<b>Total</b>	<b>\$ 1,734,476</b>	<b>\$ 2,268,599</b>	<b>\$ 2,188,952</b>	<b>\$ (79,647)</b>	<b>\$ 2,508,594</b>
<b>COMMUNITY DEVELOPMENT</b>					
<b>Total</b>	<b>\$ 1,044,087</b>	<b>\$ 1,086,497</b>	<b>\$ 1,053,919</b>	<b>\$ (32,578)</b>	<b>\$ 1,063,427</b>
<b>TOTAL</b>					
<b>General Fund Total</b>	<b>\$ 28,786,304</b>	<b>\$ 30,955,116</b>	<b>\$ 31,940,071</b>	<b>\$ 984,955</b>	<b>\$ 33,648,590</b>

# **Mayor & Council**

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

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

## **Organizational Structure and Staff**

<b>Personnel Summary</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Mayor	1	1	1	1
Mayor Pro-Tem	1	1	1	1
Councilmembers	5	5	5	5
<b>Total Elected Officials</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

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

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	Regular City Council Meetings	23	23	23	23
	Agenda Items	184	156	175	175
	Public Hearings Held	9	15	10	10
Outcomes	Ordinances and Amendments Adopted	7	24	20	10
	Agenda Items Acted Upon	184	155	175	175
	Annual % Change in Millage Rate	2.0%	-1.7%	12.7%	0%
	Department Expenditures as a % of General Fund	0.2%	0.2%	0.2%	0.2%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 52,121	\$ 52,052	\$ 53,488	\$ 1,436	\$ 54,015
Supplies	98	325	325	\$ 0	325
Other Services and Charges	1,719	3,964	5,405	\$ 1,441	5,405
Capital Outlay					
Total	\$ 53,938	\$ 56,341	\$ 59,218	\$ 2,877	\$ 59,745
Resources:					
General Fund	\$ 53,938	\$ 56,341	\$ 59,218	\$ 2,877	\$ 59,745
Total	\$ 53,938	\$ 56,341	\$ 59,218	\$ 2,877	\$ 59,745

## Key Issues

- In November 2019, two new members of City Council were elected, as a result training is increased in FY 2022 to 36.3% or \$1,441.
- The budget for this department is supported at its current service level.

# District Court

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

## Organizational Structure and Staff

Personnel Summary	2018-19	2019-20	2020-21	2021-22
Court Administrator	1	1	1	1
Chief Deputy Court Clerk	2	2	2	2
Deputy Court Clerk	4	4	4	4
Court Officer	1	1	1	1
Probation Officer	0	1	1	1
Total Full-Time	8	9	9	9
Magistrate	1	1	1	1
Court Officer	2	2	2	2
MIDC Clerk	0	0	1	1
Probation Officer	2	0	0	0
Total Part-Time	5	3	4	4
Total Employees	13	12	13	13

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

<b>Requirements:</b>	Actual	Estimate	Budget	Increase (Decrease)	Budget 2021-22
	2018-19	2019-20	2020-21	FY 2019-20 to FY 2020-21	
Personnel Services	\$ 912,578	\$ 1,029,079	\$ 1,086,919	\$ 57,840	\$ 1,188,930
Supplies	44,419	39,050	31,900	(7,150)	32,900
Other Services and Charges	316,021	338,967	316,611	(22,356)	323,542
Capital Outlay	15,597	54,500	8,013	(46,487)	8,163
<b>Total</b>	<b>\$ 1,288,615</b>	<b>\$ 1,461,596</b>	<b>\$ 1,443,443</b>	<b>\$ (18,153)</b>	<b>\$ 1,553,535</b>
<b>Resources:</b>					
Court Salary Standard	\$ 45,724	\$ 47,219	\$ 47,219	\$ 0	\$ 47,219
Court Fines	950,731	878,000	878,000	0	878,000
Forfeits	13,505	25,000	25,000	0	25,000
Reimbursed Court Costs	471,999	487,250	502,250	15,000	502,250
Bond Fees	57,934	84,000	69,000	(15,000)	69,000
Probation Oversight	134,034	175,000	175,000	0	175,000
Violation Clearance	14,790	14,000	14,000	0	14,000
General Fund	(400,102)	(248,594)	(267,026)	(18,432)	(156,934)
<b>Total</b>	<b>\$ 1,288,615</b>	<b>\$ 1,461,875</b>	<b>\$ 1,443,443</b>	<b>\$ (18,432)</b>	<b>\$ 1,553,535</b>

## 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.
- The Michigan Indigent Defense Commission (MIDC) was created by legislation in 2013 after an advisory commission recommended improvements to the state's legal system. With the continuation of the Michigan Indigent Defense Commission standards and funding, the Court added one part-time position to handle the increased administration to be in compliance.

# **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**

<b>Personnel Summary</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
City Manager	1	1	1	1
Executive Assistant	1	1	1	1
Total Full-Time	2	2	2	2
Total Employees	2	2	2	2

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Output	Number of Staff Meetings held	22	22	23	23
	Number of Council-adopted goals managed	34	43	45	45
	Media inquiries/requests handled	56	85	75	75
Efficiency	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting	99%	99%	99%	99%
	Department Expenditures as a % of General Fund	0.9%	0.8%	0.7%	0.8%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 249,564	\$ 224,329	\$ 239,441	\$ 15,112	\$ 262,609
Supplies	124	400	400	0	400
Other Services and Charges	23,578	8,140	7,336	(804)	7,836
Capital Outlay	0	0	0	0	0
Total	\$ 273,266	\$ 232,869	\$ 247,177	\$ 14,308	\$ 270,845
Resources:					
General Fund	\$ 273,266	\$ 232,869	\$ 247,177	\$ 14,308	\$ 270,845
Total	\$ 273,266	\$ 232,869	\$ 247,177	\$ 14,308	\$ 270,845

## Key Issues

- Increase in personnel services is a result of changes in assumptions for MERS of Michigan causing an increase in both 2021 and 2022.
- 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	2018-19	2019-20	2020-21	2021-22
City Clerk	1	1	1	1
Deputy City Clerk	1	1	1	1
Total Full-Time	2	2	2	2
Election Workers-Chairpersons	24	25	27	27
Election Workers	55	54	60	60
Office Assistant	1	1	1	1
Total Part-Time	80	80	88	88
Total Employees	82	82	90	90

## Accomplishments

### **Resource Management:**

- Conducted the November 5, 2019 General Elections and the March 10, 2020 Presidential Primary; conducted training for all election inspectors, and recruited student election inspectors.
- Electronic storage of all City Council Ordinances and City Council Packets. (2020 Strategic Planning Item 5.4.a)
- Streamline the Boards and Commission appointment and record keeping process.
- Professional development of City Clerk and Deputy City Clerk.
- Implemented 2018 Election Law changes including same-day voter registration.
- Began increasing ballot processing capacity of absentee ballot counting board due to 2018 Election Law changes.

## Objectives

### **Resource Management:**

- Conduct August 4, 2020 Primary Election on November 3, 2020 Presidential Election.
- Increase ballot processing capacity of absentee ballot processing for a Presidential Election turnout.
- Implement Voter Information programming through social media.
- Hold Pop-up office hours prior to Elections for voters accessibility
- 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

	Performance Indicators	2019 Actual	2020 Estimate	2020-21 Budget	2022 Budget
Input	Hours attending City Council Meetings	71	35	35	35
	Number of Election Workers per election	80	80	88	88
	Average Number of Voters per FTE	8,427	8,467	8,800	8,800
Output	Number of Business and Animal Licenses Issued	1,116	1,400	1,400	1,400
	Number of New Registered Voters/Changes	4,465	3,600	5,000	5,000
	Number of Absentee Ballots Sent	4,679	4,672	10,200	10,200
Outcome	Average Days to Post Approved Board Minutes to website	30	30	30	30
	Number of Election Workers attending training (workers x trainings)	160	160	180	180
	Average Length of time to Process New Business Licenses (days)	50	50	50	50
Efficiency	% Voter Turnout per November State Election	55%	55%	65%	65%
	% of FOIA request responded to within 10 business days	100%	100%	100%	100%
	Department Expenditures as a % of General Fund	1.0%	1.1%	1.10%	1.0%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 226,990	\$ 223,359	\$ 235,566	\$ 12,207	\$ 240,648
Supplies	3,243	4,000	4,000	0	4,000
Other Services and Charges	12,471	40,925	24,032	(16,893)	15,310
Capital Outlay	0	0	0	0	0
Subtotal-Elections	\$ 56,626	\$ 77,066	\$ 92,806	15,740	85,073
<b>Total</b>	<b>\$ 299,330</b>	<b>\$ 345,350</b>	<b>\$ 356,404</b>	<b>\$ 11,054</b>	<b>345,031</b>
Resources:					
Business Licenses	\$ 127,986	\$ 93,500	\$ 100,000	\$ 6,500	100,000
Animal Licenses	8,960	8,500	8,500	0	8,500
Bicycle Licenses	77	75	75	0	75
Vital Health Statistics	13,260	22,500	17,000	(5,500)	17,000
Election Reimbursement	0	0	0	0	0
General Fund	149,047	220,775	230,829	10,054	219,456
<b>Total</b>	<b>\$ 299,330</b>	<b>\$ 345,350</b>	<b>\$ 356,404</b>	<b>\$ 11,054</b>	<b>\$ 345,031</b>

## Key Issues

- Budget includes purchase of additional election equipment.
- Budget includes additional part-time staffing for implementation of new Election Laws, including same day registration.
- Budget includes increase in Absentee Voting supplies due to No Reason Absentee rules being implemented.

# 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; and providing analysis of proposed Special Assessment District (SAD) projects.
- 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 11,551 real property descriptions and 1,641 personal property accounts in the City.

## **Accomplishments**

### **Resource Management:**

- Contracting assessing to Oakland County Equalization has saved approximately \$306,000 per year in General Fund operating expense.
- Reviewed 802 small business exemption and processed 521 personal property statements in accordance with the State Personal Property Tax (PPT) reform legislation.
- The personal property team studied 4%, 66 out of 1,658 parcels, in performance of the 2019 equalization study.
- Renewed contract with Oakland County Equalization for three additional years until June 30, 2022.

## **Objectives**

### **Resource Management:**

- Establish new market and taxable property values for tax year 2020.
- Conduct audits of personal property accounts for 4 % of all personal property accounts.

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
<i>Output</i>	Property Records Reviewed	411	200	200	200
	Personal Property Audits	6	15	15	15
	Michigan Tax Tribunal Cases	5	10	10	10
	Board of Review Appeals	305	200	200	200
<i>Efficiency</i>	% Assessment Changes Processed by the Deadline	100%	100%	100%	100%
	% of Parcels Added/Deleted by Deadline	100%	100%	100%	100%
	Department Expenditures as a % of General Fund	0.7%	0.7%	0.6%	0.6%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	0	0	0	0	0
Other Services and Charges	207,592	214,596	216,189	1,593	218,905
Capital Outlay	0	0	0	0	0
Subtotal-Board of Review	2,214	3,023	3,243	220	3,243
Total	\$ 209,806	\$ 217,619	\$ 219,432	\$ 1,813	\$ 222,148
Resources:					
Assessing Fees	\$ 1,718	\$ 0	\$ 0	\$ 0	\$ 0
General Fund	208,088	217,619	219,432	1,813	222,148
Total	\$ 209,806	\$ 217,619	\$ 219,432	\$ 1,813	\$ 222,148

## 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 approximately \$306,000 per year.
- The City is currently under contract with Oakland County Equalization to provide assessing services through June 30, 2022.

# Legal Department

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

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

## Performance Measures

Performance Measures:	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
<b>Workload Indicators</b>				
Legal Counsel (Hours)				
Tax Tribunal	101	80	150	150
Labor	1,148	895	895	895
General	2,161	1,787	1,787	1,787
Telecommunications	3	10	10	10
Department Expenditures as a % of the General Fund	1.30%	1.00%	1.00%	1.00%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	10,071	9,575	0	(9,575)	0
Other Services and Charges	360,838	313,195	322,770	9,575	322,770
Capital Outlay	0	0	0	0	0
Total	\$ 370,909	\$ 322,770	\$ 322,770	\$ 0	\$ 322,770
<b>Resources:</b>					
General Fund	\$ 370,909	\$ 322,770	\$ 322,770	\$ 0	\$ 322,770
Total	\$ 370,909	\$ 322,770	\$ 322,770	\$ 0	\$ 322,770

## Key Issues

- Legal expenses such as Court cost had been budgeted under supplies, for FY 2021 and 2022. This has been reclassified to a new account - Court Cost.
- The balance of this budget is supported at the current service level.

# 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	2018-19	2019-20	2020-21	2021-22
Human Resources Director	1	1	1	1
Purchasing and Personnel Coordinator/Assistant	1	1	1	1
Total Full-Time	2	2	2	2

### Accomplishments

#### **Resource Management:**

- Continued to assist retirees with enrolling in Medicare Advantage, and with Medicare Advantage health insurance billing questions and/or problems, as well as coordinate updates to Medicare Part B premium payments to eligible retirees.
- Assisted with 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 for required 1094-C and 1095-C forms including filing with the IRS.
- Successfully petitioned the Civil Service Commission to continue the waiver for Act 78 requirements for entry level Police Officer and Fire Fighter for an additional one-year period to reduce recruitment time without lowering minimum requirements, thereby assisting each department's ability to hire qualified employees in a timely manner.
- Assisted with the recruitment process for Economic Development Supervisor.
- Issued policy for part time leave banks in compliance with Michigan's Paid Medical Leave Act.
- Assisted in expanding the MiLife Center to include full access to year-round regular part time employees to maintain a positive work environment and promote wellness among all employees.
- Began use of external background investigation firm for Firefighter and Department Head/Supervisor level positions to help reduce overtime as well as time required to determine candidate suitability to hire.
- Launched secure employee portal to allow for secure online submittal of sensitive documents and direct online access to notices and policies.
- Coordinated inclusion training for Police and Fire to help maintain a supportive and positive workplace environment. (2020 Strategic Plan 5.4.c)

### Objectives

#### **Resource Management:**

Evaluate ongoing success of previous integration of wellness program into the MiLife Health and Wellness Center, and make adjustments as appropriate.

- Identify best practices in recruitment efforts including research on recruitment firms to assist with entry level positions, particularly Police and Fire. (Strategic Plan 5.3.a)
- Identify best practices in online training and launch a program for all employees to access appropriate training.
- Assist with the promotion of the MiLife Center in order to attract other municipalities and local businesses to join.
- Coordinate annual blood drive through the American Red Cross.
- Continue to transfer past and present personnel files to electronic format.
- Develop a stay-interview process; initially with new hired employees with expansion to all employees if successful. (2021 Strategic Plan 5.3.b)
- Implement training opportunities for Staff in order to have more efficient operations in departments and new current ideas (2020 Strategic Plan 5.4.b)

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	All full-time staff in jurisdiction: Average years of service	11	10	9	9
	All part-time staff in jurisdiction: Average years of service	7	6	6	6
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Sworn public safety	73	78	78	78
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Total	146	152	152	152
	Hours Paid: All Human Resources staff	3,900	3,900	3,900	3,900
	Hours paid: All jurisdiction staff	582,559	599,173	601,253	601,253
Output	HR: Number of full time positions filled	24	15	8	6
	Percentage of new full-time employees completing probationary period	75%	66%	80%	80%
	Turnover: Number of full-time, permanent employees who left: Total*	6	5	5	4
	Turnover: Number of full-time, regular employees who left: Sworn public safety*	5	3	3	2
	Turnover rate: All full-time employees*	4.1%	3.3%	3.3%	2.6%
Outcome	Department Expenditures as a % of General Fund	1.3%	1.3%	1.2%	1.3%

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

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 201,945	\$ 190,619	\$ 213,616	\$ 22,997	\$ 211,285
Supplies	0	340	325	(15)	325
Other Services and Charges	179,918	196,724	187,238	(9,486)	223,982
Capital Outlay	0	0	0	0	0
Total	\$ 381,863	\$ 387,683	\$ 401,179	\$ 13,496	\$ 435,592
Resources:					
General Fund	\$ 381,863	\$ 387,683	\$ 401,179	\$ 13,496	\$ 435,592
Total	\$ 381,863	\$ 387,683	\$ 401,179	\$ 13,496	\$ 435,592

## Key Issues

- Assessment center for four positions is included at an increase of \$19,400.
- Increase in personnel services are a result of changes in assumptions for MERS of Michigan, causing an increase of required contributions in both 2021 and 2022.
- The remainder of this budget is supported at the current service level.

# 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	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	Expenditures: General fund personnel and operations	\$ 27,795,185	\$ 29,242,186	\$30,793,902	\$31,225,126
	Expenditures: Special-revenue/restricted fund personnel and operations	\$ 15,508,365	\$ 16,686,367	\$17,337,892	\$16,860,425
	Square miles of land area served	7.2	7.2	7.2%	7.2%
	Revenues, General fund: Property Tax	\$ 18,243,905	\$ 18,502,666	\$21,842,006	\$22,108,021
	Revenues, General fund: State Revenue Sharing	\$ 3,103,429	\$ 3,184,960	\$3,285,332	\$3,341,183
Efficiency	Department Expenditures as a % of General Fund	30.0%	4.2%	4.2%	4.1%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 745,523	\$ 1,112,966	\$ 851,218	\$ (261,748)	\$ 901,770
Supplies	52,361	50,688	57,277	6,589	53,480
Other Services and Charges	69,375	149,121	65,648	(83,473)	138,898
Capital Outlay	0	0	0	0	295,000
Total	\$ 867,259	\$ 1,312,775	\$ 974,143	\$ (338,632)	\$ 1,389,148
Resources:					
General Fund	\$ 867,259	\$ 1,312,775	\$ 974,143	\$ (338,632)	\$ 1,389,148
Total	\$ 867,259	\$ 1,312,775	\$ 974,143	\$ (338,632)	\$ 1,389,148

## 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

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The Finance Department consists of a Finance Director/Treasurer, Deputy Finance Director, one Accountant, a fiscal assistant/payroll, 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 (GASB);
- 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	2018-19	2019-20	2020-21	2021-22
Finance Director/Treasurer	1	1	1	1
Deputy Treasurer/Finance Director	1	1	1	1
Accountant	1	1	1	1
Fiscal Assistant II	3	3	3	3
Fiscal Assistant II/Payroll	1	1	1	1
Total Full-Time	7	7	7	7
Part-time Office/Treasury Clerk	1	1	1	1
Total Part-Time	1	1	1	1
Total Employees	8	8	8	8

## Accomplishments

### **Resource Management:**

- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award for FY 2019-20.
- Completed annual audit and received a clean opinion. Timely filed State required reports.
- Revised property tax notices to provide additional information to tax payers at no additional cost. Implemented new credit card processing system called Invoice cloud, which expands customer payment options to online and alignes directly with city financial software.
- Streamlined department budget entry and expanded budget information to two (2) years.

## Objectives

### **Resource Management:**

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

# Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	Total Dollar amount of City Budget (all funds)	\$ 48,388,616	\$ 564,133,537	\$ 56,437,628	\$55,312,477
	Total Dollar amount of Budget Amendments (all funds)		\$ 2,023,368		
	City Taxable Value	\$ 795,908,230	\$ 822,150,390	\$ 856,310,210	
	Total Dollar value of Fiscal Year CIP - all funds		\$ 11,039,758		
Output	Accounts Payable Processed - Paper Check	3,405	3,100	3,000	3000
	Accounts Payable Processed - ACH	1,330	1,250	1,250	1300
	Accounts Payable Processed - Credit Card	1,931	2,300	2,300	2300
	# of water/sewer customers	11,171	11,171	11,171	11,171
	# of water/sewer customers signed up for ACH	1,271	1,350	1,400	1450
Outcome	% of Accounts Payable processed by ACH	39.1%	40.0%	40.0%	45
	% of water/sewer customers signed up for ACH	11.4%	12.0%	12.0%	12
	Amount of Credit Card Rebate	\$6,000	\$6,000	\$6,000	\$6,000
	% of Dollar amount of budget amendments	1.5%	>1.5%	>1.5%	>1.5%
	% of Budgeted GF revenues received	102.7%	95.0%	95.0%	95.0%
	% of Budgeted GF expenditures spent	95.6%	95.0%	95.0%	95.0%
	Taxes collected by March 1 as a % of Total	94.6%	95.0%	95.0%	95.0%
Efficiency	Date of Annual Auditor's Report	11/12/2019	10/15/2020	10/15/2021	10/15/2022
	% Funded for General Employees Pension Trust	94%	94%	94%	94.0%
	% Funded for Police and Fire Pension Trust	48.1%	50.0%	53.0%	56.0%
	% Funded for the General Employee Retiree Health Benefits Trust	42.8%	45.0%	48.0%	50.0%
	% Funded for the Police and Fire Employee Retiree Health Benefits Trust	33.4%	35.0%	37.0%	39.0%
	Department Expenditures as a % of General Fund	2.4%	2.4%	2.4%	2.4%

# Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 590,750	\$ 664,833	\$ 649,788	\$ (15,045)	\$ 675,215
Supplies	6,360	7,250	7,250	0	7,250
Other Services and Charges	80,242	65,425	60,528	(4,897)	62,091
Capital Outlay	0	0	0	0	0
Total	\$ 677,352	\$ 737,508	\$ 717,566	\$ (19,942)	\$ 744,556
Resources:					
Mobile Home Solid Waste	\$ 41,364	\$ 34,700	\$ 46,944	\$ 12,244	\$ 46,944
Property Tax Admin. Fees	480,127	479,641	519,896	40,255	538,638
Garbage Bag Sales	4,747	6,000	6,000	0	6,000
Interest Income on Deposits	368,591	250,000	200,000	(50,000)	200,000
General Fund	(217,477)	(32,833)	(55,274)	(22,441)	(47,026)
Total	\$ 677,352	\$ 737,508	\$ 717,566	\$ (19,942)	\$ 744,556

# Key Issues

- Reductions in personnel services are a result of a reduction in the pension normal cost for FY 2021 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	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
<i>Efficiency Output</i>	Number of helpdesk requests	1,884	1,700	1,500	1500
	Number of endpoints served	435	435	435	435
	Number of new computers installed	24	25	25	25
	Special IT projects handled	12	18	15	15
	% of helpdesk request handled in 8 hours or less	74%	90%	90%	90%
	Total number of helpdesk cases resolved	1,873	1,700	1,500	1500
<i>Efficiency Input</i>	Capital expenditures for IT	\$ -	\$ -	\$ 53,500	\$ 59,000
	Expenditures per each endpoint served	\$ 425	\$ 432	\$ 546	\$ 574
	Department Expenditures as a % of General Fund	0.6%	0.6%	0.7%	0.7%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	29,257	29,500	29,500	0	33,500.0
Other Services and Charges	155,521	158,812	154,300	(4,512)	157,300
Capital Outlay	0	8,250	53,500	45,250	59,000
Total	\$ 184,778	\$ 196,562	\$ 237,300	\$ 40,738	\$ 249,800
<b>Resources:</b>					
General Fund	\$ 184,778	\$ 196,562	\$ 237,300	\$ 40,738	\$ 249,800
Total	\$ 184,778	\$ 196,562	\$ 237,300	\$ 40,738	\$ 249,800

## 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.
- Replaced the failing roof at the Police Department. The new roof is expected to last thirty years.
- Replaced the carpeting at the Library, and addressed unexpected ground moisture issues, resulting in the elimination of trip hazards, improved air quality, and greatly improved aesthetics in this frequently used building.
- Consistently assigned a second employee to Building Maintenance, which has resulted in improved delivery of service of non-emergency items and projects (painting, repairs, light bulb changes, etc.)

## 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.

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
<i>Input</i>	Expenditures: Total jurisdiction facilities: Repairs	\$ 200,180	150,000	200,000	200,000
	Jurisdiction facilities, Total Electricity usage: kWh	1,523,779	1,661,693	1,550,000	1,550,000
<i>Efficiency</i>	Admin/office facilities, Custodial expenditure per square foot	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93
	Admin/office facilities, Repair expenditure per square foot	\$ 0.70	\$ 0.53	\$ 0.70	\$ 0.70
	Departmental Expenditures as a % of General Fund	0.9%	1.0%	1.1%	1.4%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 17,173	\$ 15,542	\$ 15,352	\$ (190)	\$ 15,634
Supplies	24,970	18,500	21,200	2,700	21,800
Other Services and Charges	155,206	159,683	162,473	2,790	163,529
Capital Outlay	0	0	0	0	0
Subtotal-Municipal Bldg.	47,811	132,153	178,133	45,980	279,591
Total	\$ 245,160	\$ 325,878	\$ 377,158	\$ 51,280	\$ 480,554
<b>Resources:</b>					
General Fund	\$ 245,160	\$ 325,878	\$ 377,158	\$ 51,280	\$ 480,554
Total	\$ 245,160	\$ 325,878	\$ 377,158	\$ 51,280	\$ 480,554

## 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	2018-19	2019-20	2020-21	2021-22
Police Chief	1	1	1	1
Deputy Police Chief	1	1	1	1
Lieutenants	4	4	4	4
Sergeants	8	8	8	8
Police Officers	35	35	35	35
Administrative Secretary	1	1	1	1
Information Systems Specialist	1	1	1	1
Office Assistant II	1	1	1	1
Police Service Assistants	9	9	9	9
Animal Control Officer	1	1	1	1
Total Full-Time	62	62	62	62
Crossing Guards	17	17	17	17
Animal Control Support	1	1	1	1
Records Clerk	1	1	1	1

## Accomplishments

### Public Safety:

- Hired and trained (1) Police Officer. (2020 Action Item 1.1.c)
- Hired and trained (3) Police Service Aides (PSA).
- Received grant funding from the Traffic Improvement Association of Michigan for Operating While Impaired patrols and Seatbelt Enforcement.
- Held the Annual Bicycle Rodeo and Police Department Open House, in conjunction with the Fire Department, to help foster the relationship between the Police Department and the Community.
- 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 events within the community.
- Continued weekly walk-throughs of the Elementary Schools located within the city to continue to foster our relationship with the school children and our schools.
- Assisted with the Citizen's Academy.
- Promoted one (1) dispatcher to Dispatch Coordinator to enhance the efficiency of the Emergency Dispatch Services. (Action Item 1.1.d)

## Objectives

### Public Safety:

- Hire one (1) additional Police Service Aide (PSA) to assist with effectively covering our dispatch. (2020 Action Item 1.1.d)
- Hire two (2) additional Police Officers to increase the efficiency of the Police Department. (2020 Action Item 1.1.e)
- Replace four (4) marked patrol vehicles.
- Enhance Animal Control and Animal Shelter Operations by increasing the hours of the part-time Animal Shelter Assistant. (2021 Action Item 1.3.a)
- Purchase new in-car video cameras and body cameras for all police officers. (2020 Action Item 1.4.a)
- Purchase new bicycles for the Bicycle Patrol Unit.
- Replace aging infrastructure such as heating/cooling, drain pipes, tile flooring and carpeting.

## Performance Measures

	<b>Performance Indicators</b>	<b>2019 Actual</b>	<b>2020 Estimate</b>	<b>2020-2021 Budget</b>	<b>2021-2022 Budget</b>
<i>Input</i>	Expenditures, police personnel and overtime (including support charged to department)	\$ 9,721,214	\$ 9,768,872	\$ 10,407,692	\$ 10,466,900
	Expenditures: Sworn police overtime	\$ 598,073	\$ 414,473	\$ 433,334	\$ 433,334
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$ 7,962,926	\$ 8,281,427	\$ 8,095,727	\$ 8,902,674
	Sworn Police FTEs (Budgeted)	49	50	52	52
	Sworn Police FTEs per 1,000 pop	1.7	1.7	1.7	1.7
<i>Output</i>	Dispatch calls/initiated actions: Total Police Responses	29,308	30,000	30,000	30,000
	Injury: producing traffic accidents	268	225	225	225
	Moving violation citations issued (excluding DUIs)	4,851	4,250	4,250	4,250
	Number of accidents involving fatalities	0	0	0	0
	DUI Arrests	125	125	125	125
<i>Outcome</i>	Complaints against sworn police personnel: Excessive force	0	0	0	0
	Complaints against sworn police personnel: Excessive force, sustained	0	0	0	0
	Complaints against sworn police personnel: Total	8	0	0	0
	Complaints sustained against sworn personnel: Total	1	0	0	0
<i>Efficiency</i>	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	29.3	1,000	1,000	1,000
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	598.1	612	612	612
	Dispatch calls/initiated actions: Total police department expenditures per total police response	\$367	\$364	\$391	\$395
	Department Expenditures as a % of General Fund	37.3%	35.3%	35.2%	35.1%

## Financial Summary

<b>Requirements:</b>	<b>Actual 2018-19</b>	<b>Estimate 2019-20</b>	<b>Budget 2020-21</b>	<b>Increase (Decrease) FY 2019-20 to FY 2020-21</b>	<b>Budget 2021-22</b>
Personnel Services	\$ 9,721,214	\$ 9,768,872	\$ 10,177,243	\$ 408,371	\$ 10,388,959
Supplies	134,451	154,340	117,892	(36,448)	121,492
Other Services and Charges	545,886	576,012	549,693	(26,319)	559,753
Capital Outlay	343,248	410,028	422,667	12,639	588,278
Transfer	0	0	124,389	124,389	124,389
<b>Total</b>	<b>\$ 10,744,799</b>	<b>\$ 10,909,252</b>	<b>\$ 11,391,884</b>	<b>\$ 482,632</b>	<b>\$ 11,782,871</b>
<b>Resources:</b>					
Animal Control and Pound	\$ 3,492	\$ 2,600	\$ 2,600	\$ 0	\$ 2,600
Liquor License Inspections	27,803	27,342	27,000	(342)	27,000
Police Fees and Grants	5,870	0	0	-	0
Police & Fire Pension Millage	3,813,835	3,787,695	3,746,779	(40,916)	2,085,504.0
Vehicle Proposal Millage	0	0	0	-	0.0
General Fund	6,893,799	7,091,615	7,615,505	523,890	9,667,767
<b>Total</b>	<b>\$ 10,744,799</b>	<b>\$ 10,909,252</b>	<b>\$ 11,391,884</b>	<b>\$ 482,632</b>	<b>\$ 11,782,871</b>

## Key Issues

- In accordance with the 2020-24 Strategic Plan, upon voters passing Proposal MH, three (3) full time positions were added to the Police Department - one dispatcher (1) and two (2) patrol officers.
- The 2021 and 2022 Budget includes the addition of Body cameras and replacement of in-car cameras. (\$105,667-2021 and \$75,278 - 2022)
- Personnel services also increased due to lowered interest rate assumptions in the Police and Fire pension system leading to higher contributions.

# 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	2018-19	2019-20	2020-21	2020-21
Fire Chief	1	1	1	1
Fire Marshal	1	1	1	1
Captains	3	3	3	3
Lieutenants	6	6	6	6
Firefighters	18	18	18	18
Fiscal Assistant II	1	1	1	1
Total Full-Time	30	30	30	30
Total Employees	30	30	30	30

## Accomplishments

### **Public Safety:**

- Placed into service a new fire engine housed at Fire Station 1.
- Implemented a Health Data Exchange (HDE) with Ascension Madison Heights to help track patient outcomes and identify public health risks.
- Entered in a stroke care study with the Oakland County Medical Control Authority (OCMCA) in an effort to improve the treatments and outcomes of stroke patients.
- Implemented the Fire Record Management System to enhance the Department's emergency run data collection and analysis.

### **Resource Management**

- Lieutenant Brozich successful completion of EMU's Fire Staff and Command Executive Leadership Program.
- Fire Marshal Biliti successful completion CFI & KIRK'S fire investigation program.
- Fire Chief Lelito sworn in as President of the Southeastern Michigan Association of Fire Chief.
- Hire two new Firefighter/Paramedics.
- Held the second annual neighborhood Open House at Fire Station 2.
- Three newly appointed Lieutenants successful completion of the Officer I & II certification program.
- Implemented a new firefighter wellness/cancer prevention program.

## Objectives

### **Public Safety:**

- Place into service a new fire engine housed at Fire Station 2.
- Implemented a new Mobile Data Computers dispatch (MDC) system of all emergency vehicles.
- Hold an open house at Fire Station 2 during fire prevention week.
- Complete a feasibly study to replace or update Fire Station 2. (2021 Action Item 2.1.b)
- Implement a revised inspection schedule for all high hazard businesses.
- Adoption of the 2018 International Fire Code.

### **Resource Management:**

- Lieutenant Shepherd attending Eastern Michigan University, Fire Staff and Command.
- Hire three new Firefighter/Paramedics. (2020 Action Item 1.1.a)
- Guide the newly hired firefighters through their probationary period.
- Send three officers to the Blue Card Command certification training program.
- Fire marshal Biliti attending the National Fire Academy's Fire Investigation and Arson course.
- Send two firefighters through the State of Michigan Fire Instructor I & II program.

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to department)	\$ 5,612,071	\$ 6,002,396	\$ 6,937,696	6896275
	Expenditures, Fire/EMS Personnel: Sworn	\$ 4,551,750	\$ 5,055,405	\$ 5,681,275	5630397
	Expenditures: Sworn Fire/EMS personnel, OT only	\$ 82,663	\$ 94,918	\$ 99,237	99237
Output	EMS: Number of ALS Responses	2,112	2,050	2,100	2,100
	EMS: Total BLS and ALS Responses	3,252	3,300	3,250	3,250
	Inspections: Commercial/Industrial Occupancies Inspected	400	480	425	425
	EMS: Total BLS and ALS Transports	2,527	2,600	2,550	2,550
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	92%	92%	93%	93%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	25%	30%	30%	30%
	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%	100%
	Emergency fire response time: Percentage 8 Min or under: Dispatch to arrival	100%	100%	98%	98%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%	100%	100%
	Total BLS and ALS responses per 1,000 of population	0.11	0.11	0.11	0.11
	Total Fire/EMS personnel and operations expenditures per capita	\$189	\$202	\$234	\$232
	Number of total Fire Department (Fire and EMS) responses per suppression FTE	\$191	\$191	\$173	\$173
	Department Expenditures as % of General Fund	19.8%	19.6%	21.0%	20.6%

## Financial Summary

	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
<b>Requirements:</b>					
Personnel Services	\$ 4,631,260	\$ 5,125,621	\$ 5,689,122	\$ 563,501	\$ 5,684,849
Supplies	105,935	92,915	115,847	22,932	94,780
Other Services and Charges	611,232	559,281	653,829	94,548	632,403
Capital Outlay	343,154	294,795	399,745	104,950	538,695
<b>Total</b>	<b>\$ 5,691,581</b>	<b>\$ 6,072,612</b>	<b>\$ 6,858,543</b>	<b>\$ 785,931</b>	<b>\$ 6,950,727</b>
<b>Resources:</b>					
Ambulance & CPR Revenues	\$ 615,866	\$ 687,000	\$ 637,000	\$ (50,000)	\$ 637,000
Police & Fire Pension Millage	1,788,941	2,067,860	2,085,504	17,644	2,141,972
Vehicle Proposal Millage	196,237	0	0	0	0
Advanced Life Support Millage	21,240	22,295	0	(22,295)	0
General Fund	3,069,297	3,295,457	4,136,039	840,582	4,171,755
<b>Total</b>	<b>\$ 5,691,581</b>	<b>\$ 6,072,612</b>	<b>\$ 6,858,543</b>	<b>\$ 785,931</b>	<b>\$ 6,950,727</b>

## Key Issues

- This budget includes the second and third of five installment payments for a pumper #722 and phase one (1) and two (2) funding for an ambulance rescue replacement.
- In accordance with the 2020-24 Strategic Plan, upon voters passing Proposal MH, hire three (3) Firefighters.

# 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	2018-19	2019-20	2020-21	2021-22
Community and Economic Development Director	1	1	1	1
Building Official (Contracted 2015-16)	0	0	0	0
Economic Development Supervisor	1	1	1	1
Administrative Secretary	1	1	1	1
GIS/CDD Technician	1	1	1	1
GIS/Multimedia Specialist	0	0	0	0
Inspector	0	0	0	0
Office/CDBG Assistant	1	1	1	1
Code Enforcement Officer (Non-CDBG)	1	2	2	2
Total Full-Time	6	6	6	6
Part-time Social Media Intern	0	0	0	0
Code Enforcement Officer	1	1	1	1
Total Part-Time	1	1	1	1
Total Employees	7	7	7	7

### Accomplishments

#### **Public Safety:**

- Accepted as the 25th Community to join Oakland County Main Street Program. (Strategic Plan 4.1.f)
- Applied to the MEDC Redevelopment Ready Community.
- Hired a part-time code enforcement officer to assist with evening and weekend hours. (Strategic Plan 2021 1.1.6)
- Negotiated and completed the City's first Brownfield development.
- Contracted for a the development of a public relations program including a marketing plan citywide including the DDA (Strategic Plan 4.1.a and 4.1.b)
- Contracted for a Master Plan Updated to be completed late summer 2020 (Strategic Plan 2020 4.1.d))
- Improve Seniors' ability to maintain homes and remain residents in the community by increasing CDBG allocation for Senior Home Chore Program. (Strategic Plan 2020 3.2.d)

### Objectives

- Implement training for Code Enforcement Officers through attendance at Michigan Association of Code Enforcement Officers. (Strategic Plan 2021 1.1.a)
- Create community outreach initiatives to better inform the public about Code Enforcement and how they can help keep the City safe and clean. (Strategic Plan 2021 1.1.c)
- Undertake an inventory review and audit of public land to determine the best possible uses and reuses.

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	Valuation of commercial/industrial construction: Regular	\$26,665,118	\$15,000,000	\$8,000,000	\$8,000,000
	Valuation of residential construction	\$5,648,404	\$5,000,000	\$3,000,000	\$3,000,000
	Expenditures: Code Enforcement personnel and operations *	\$187,851	\$168,479	\$173,683	
	Expenditures: Development inspection, personnel and operations **	\$1,044,088	\$1,086,497	\$1,057,658	\$1,067,344
Output	Code Enforcement: Total Cases Initiated ***	3,783	3000	3,000	3000
	# of Building Permits issued: Commercial	597	500	400	400
	# of Building Permits issued : Residential	1,380	1200	800	700
Outcome	Vacancy Rate: Industrial	3.0%	3.5	3.5%	4.5
	Vacancy Rate: Office	10.2%	10	10.0%	12
	Vacancy Rate: Retail	3.5%	3.5	3.5%	4.5
Efficiency	Amount recovered from property owners relating to jurisdiction abatement efforts	\$48,989	\$43,500	\$47,500	\$45,000
	% of cases resolved through forced compliance	< 1%	< 1%	< 1%	< 1%
	% of cases resolved through voluntary compliance	> 99%	> 99%	> 99%	> 99%
	Department Expenditures as a % of General Fund	3.6%	3.5%	3.2%	3.2%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 547,846	\$ 546,062	\$ 550,053	\$ 3,991	\$ 559,041
Supplies	22,806	11,550	7,800	(3,750)	7,800
Other Services and Charges	448,108	478,885	446,066	(32,819)	446,586
Capital Outlay	25,327	50,000	50,000	0	50,000
Total	\$ 1,044,087	\$ 1,086,497	\$ 1,053,919	\$ (32,578)	\$ 1,063,427
Resources:					
Occupational Licenses	\$ 179,022	\$ 220,000	\$ 220,000	\$ 0	\$ 220,000
Other Permits	73,495	58,000	58,000	0	58,000
Building Permits	127,986	93,500	100,000	6,500	100,000
Engineering Fees	128,910	70,000	70,375	375	70,375
Planning Fees	15,100	10,000	15,000	5,000	15,000
GIS Services	18,150	5,500	7,500	2,000	7,500
General Fund	501,424	629,497	583,044	(46,453)	592,552
Total	\$ 1,044,087	\$ 1,086,497	\$ 1,053,919	\$ (32,578)	\$ 1,063,427

## Key Issues

- The Budget in FY 2021 and 2022 is supported at the current level.

# Streets Division

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The services of the Streets 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 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.
- Oversight of major and local road reconstruction projects.
- Oversight of the City's sidewalk replacement program.

## Accomplishments

### **Public Safety:**

- Assisted in the 2019 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 R-1 and R-2 roads showing signs of joint deterioration with spray patch.
- The Streets Division began direct administration and oversight of the major and residential road projects, and sidewalk program with the restructuring of the Community Development Department.
- Bid and performed an asphalt rehabilitation on remaining sealcoat roads in failed Special Assessment Districts off 11 Mile, and short-streets between 10 Mile and Heights Drive.
- With the support of the Traffic Safety Committee, performed an inventory of all three-way T-intersections, and added stop signs where appropriate to properly direct traffic flow through neighborhoods.
- Completed upgrading signage to meet new federal traffic control standards.

## Objectives

### **Public Safety:**

- Maintain, replace, and repaint crosswalks, stop bars, legends, and lane markings.
- 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.
- Complete transition of road and sidewalk project oversight from the Community and Economic Development Department.
- Develop a tree program for new trees and tree replacements in addition to including a tree replacement plan. (2021 Action Item 3.3.a)

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	Expenditures on paved sidewalks (operations and capital)	\$ 333,679	\$ 267,497	\$ 300,000	\$ 300,000
	Annual Streetlighting Expense	\$ 440,775	\$ 530,000	\$ 530,000	\$ 530,000
Efficiency	Expenditures, paved road rehabilitation, per total paved lane miles	\$ 7,827	\$ 10,293	\$ 10,449	\$ 10,449
	Department Expenditures as a % of General Fund	3.4%	3.6%	3.3%	3.0%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 17,730	\$ 15,880	\$ 15,796	\$ (84)	\$ 16,078
Supplies	2,412	3,600	3,600	-	3,600
Other Services and Charges	942,961	880,359	835,536	(44,823)	864,356
Capital Outlay	23,120	246,500	230,000	(16,500)	120,000
Total	\$ 986,223	\$ 1,146,339	\$ 1,084,932	\$ (61,407)	\$ 1,004,034
Resources:					
Weed Mowing	\$ 41,989	\$ 30,000	\$ 40,000	\$ 10,000	\$ 40,000
Brush Chipping	7,000	6,000	6,000	0	6,000
Proposal V	0	0	0	0	0
General Fund	937,234	1,110,339	1,038,932	(71,407)	958,034
Total	\$ 986,223	\$ 1,146,339	\$ 1,084,932	\$ (61,407)	\$ 1,004,034

## Key Issues

- The Department continues to quantify the condition of the City's road network through PASER ratings, to determine a long-term plan for road replacement/rehabilitation.
- The I-75 Modernization Project will be affecting traffic on the City's road network for the next several years. Increased traffic volumes will be taken into account when considering major road rehabilitation projects.
- Capital Outlay is budgeted to increase due to the replacement of a tandem dump truck estimated at \$230,000 in FY 2021.

# Solid Waste Division

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The services of the Solid Waste 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:

- 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, website, and other forms of social and electronic media, 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 20 dead or diseased trees year-to-date, and proactively removed and replaced 18 trees from the R-3/water main projects. (2020 Action Item 3.2.a)
- Held successful DPS Spring Clean-Up Day and Brush Chipping Week to encourage clean-out of basements, yards, and garages.
- Completed multiple tree trimming/pruning requests along with annual winter trimming/pruning by Branch Tree Service in the area south of Gardenia, west of John R, and by DPS personnel citywide, focusing on low growth and sightline clearance.
- DPS has sold 71 recycling bins and 135 boxes of garbage bags to our residents year-to-date.
- Madison Heights residents have also purchased approximately 800 garbage carts and 750 recycling carts from GFL since the inception of the voluntary cart program.

## 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.
- With the Environmental Citizens Committee, continue developing a public outreach campaign to increase recycling and composting tonnage, while decreasing garbage volumes.
- Bid and implement a new contractor to provide the port-a-jon service in the City parks after current contractor unexpectedly parted ways with the City.

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
<i>Input</i>	Expenditures for Recycling	\$ 273,263	280095	\$ 287,097	\$ 287,097
<i>Output</i>	Residential recycling: Tons collected	1,162.90	1,250.00	1,300.00	1,300.00
	Yard Waste Tons Collected: Composted	2,616.80	2,600.00	2,500.00	2,500.00
<i>Efficiency</i>	Street sweeping expenditures per lane mile	66.04	66.05	66.53	66.53
	Department Expenditures as a % of the General Fund	8.1%	8.1%	8.4%	8.4%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 71,955	\$ 65,003	\$ 73,183	\$ 8,180	\$ 75,191
Supplies	17,588	17,727	17,727	0	17,727
Other Services and Charges	2,190,649	2,390,036	2,485,888	95,852	2,579,783
Capital Outlay	46,213	20,000	0	(20,000)	150,000
Total	\$ 2,326,405	\$ 2,492,766	\$ 2,576,798	\$ 84,032	\$ 2,822,701
Indirect Costs	365,000	365,000	365,000	0	365,000
Resources:					
Solid Waste Millage	\$ 2,073,435	\$ 2,103,778	\$ 2,184,311	\$ 74,673	\$ 2,203,961
General Fund	617,970	753,988	757,487	9,359	983,740
Total	\$ 2,691,405	\$ 2,857,766	\$ 2,941,798	\$ 84,032	\$ 3,187,701

## Key Issues

- Recycling markets nationwide continue their slow recovery from the effects of China's National Sword policy. DPS will continue to educate our residents on the proper methods of recycling, including what can and cannot be recycled, and the proper means of preparation, to do our part in creating marketable goods through our recycling program.

# Recreation Division

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The Recreation Division of the Department of Public Services consists of a part-time coordinator, 25 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 Memorial Day Parade.

Personnel Summary	2018-19	2019-20	2020-21	2021-22
Full time Recreation Coordinator	0	1	1	1
Total Full-Time	0	1	1	1
Part-time recreation assistant	1	1	1	1
Basketball Staff	13	8	8	8
Camp Staff	7	10	10	10
Lifeguard	1	1	1	1
Adult Program Supervisor	2	2	2	2
Youth Program Supervisor	1	2	2	2
Recreation Intern	1	1	1	1
Total Part-Time	26	25	25	25
Total Employees	26	26	26	26

## Accomplishments

### **Quality of Life:**

- The division continues to work with surrounding communities to develop/share in recreation programs. Those partner communities include Royal Oak, Troy, Hazel Park, Oak Park, Clawson, Ferndale and Berkley.
- 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 1,213 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.
- Continued building Day Camp program to offer full summer of opportunities to meet families' needs. Largest participation in history of Camps program averaged 60 children per day for 8 week program.
- Offer Red Oaks Water Park Voucher Program.
- 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.
- Created full-time position of Recreation Coordinator. (2020 Action Item 3.1.d)

## Objectives

### **Quality of Life:**

- 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.
- Address deferred maint
- Update Parks and Recreation Master Plan, to include Americans with Disabilities Act (ADA) improvements and a plan for the park system. Partner with both school districts to increase awareness of Recreation programming. (2020 Action Item 4.1.d)
- Address deferred maintenance and replacement of Park features including replacing park equipment and improvement/maintenance to structures. (2021 Action Item 3.2.a)
- Explore opportunities to engage with outside agencies, both private and public, to host joint events and increase efficiencies by recreating a recreation department. (2021 Action Item 3.2.6)

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	New Programs introduced	5	7	10	10
	Recreation revenues	\$ 115,508	\$ 130,000	\$ 135,000	\$ 135,000
Output	Recreation Registrations	2,331	2,400	2,500	2,500
	Pavilion Rentals	60	65	70	70
Efficiency	Department Expenditures as a % of the General Fund	0.7%	0.7%	0.9%	0.9%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 99,063	\$ 80,757	\$ 171,430	\$ 90,673	\$ 172,842
Supplies	51,400	47,183	56,073	8,890	58,519
Other Services and Charges	53,532	73,452	57,808	(15,644)	63,424
Capital Outlay	0	10,000	0	(10,000)	0
Total	\$ 203,995	\$ 211,392	\$ 285,311	\$ 73,919	\$ 294,785
Resources:					
Recreation Fees	\$ 107,447	\$ 135,000	\$ 135,000	\$ 0	\$ 140,000
Recreation-Miscellaneous	8,061	4,000	6,000	2,000	6,000
General Fund	88,487	72,392	144,311	71,919	148,785
Total	\$ 203,995	\$ 211,392	\$ 285,311	\$ 73,919	\$ 294,785

## Key Issues

- The budgeted increase in Personnel services is a result of the addition of a full-time Recreation Coordinator. This position was added during FY 2020 from budget saving resulting from an eliminated supervisor position.
- Program activities are budgeted to increase as more programs are added to the recreation offerings.

# 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.
- Successfully held the 2019 Nature Center Hometown Harvest.
- 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. Routine meetings between OCPR and City DPS staff to coordinate Capital Improvement planning and implementation schedules.
- Completed trail projects representing a complete re-paving of the entire trail network.
- Negotiated the removal of the Oakland County Park Pass requirement for residents parking at the Nature Center.

## 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.
- Replace the aged deck and hardscape around the Nature Center.
- Evaluate improvements to the Hales Street driveway and overflow parking areas.

## Financial Summary

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	4,675	0	0	-	0
Other Services and Charges	8,370	8,935	8,957	22	9,100
Capital Outlay	0	72,500	75,000	2,500	50,000
Total	\$ 13,045	\$ 81,435	\$ 83,957	\$ 2,522	\$ 59,100
<b>Resources:</b>					
Nature Center Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Fund	13,045	81,435	83,957	2,522	59,100
Total	\$ 13,045	\$ 81,435	\$ 83,957	\$ 2,522	\$ 59,100

## 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. The budget includes funding of \$75,000 in FY 2021 and \$50,000 in FY 2022 for these capital improvement projects.

# 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	2018-19	2019-20	2020-21	2021-22
Parks Maintenance III	0	0	0	0
Total Full-Time	0	0	0	0
Park Rangers	2	2	2	2
Total Part-Time	2	2	2	2
Total Employees	2	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.(2020 Action Item 3.2.a)
- 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
- Oversight of the R3 Construction and DDA Tree Replacement Programs.
- Replaced backstop and fence at Huffman Park.
- Continued the successful Red Oaks Waterpark discounted admission voucher program.
- With funding assistance through an MDNR Recreation Passport grant, replaced the aged, non-compliant play equipment at Wildwood Park. (2020 Action Item 3.1.6)
- Installed two ADA accessible wheelchair platform swings at Civic Center and Rosie's Park. (2020 Action Item 3.1.a)

## 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.
- Devise a formal strategy for park property acquisition that actively monitors the market and establishes a process for identifying target parcels for consideration.
- Complete the Parks and Recreation Master Plan update with the Parks and Recreation Advisory Board, including a methodical and achievable long-term Capital Improvement Plan. (2020 Action Item 4.1.d)
- Continue evaluating and improving ADA accessibility in the City's park system. (2021 Action Item 3.2.a)

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
Input	Expenditures: Parks personnel and operations: Total	\$ 367,522	\$ 375,000	\$ 375,000	\$ 375,000
	Park maintenance expenditures per acre	3,868.65	3,947.37	3,947.37	3,947.37
Efficiency	Department Expenditures as a % of General Fund	1.6%	2.3%	1.9%	2.2%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 29,493	\$ 27,723	\$ 28,241	\$ 518	\$ 28,523
Supplies	44,171	48,254	41,770	(6,484)	41,770
Other Services and Charges	282,396	285,969	321,380	35,411	331,827
Capital Outlay	104,501	329,500	112,500	(217,000)	335,000
Total	\$ 460,561	\$ 691,446	\$ 503,891	\$ (187,555)	\$ 737,120
Resources:					
General Fund	\$ 460,561	\$ 691,446	\$ 503,891	\$ (187,555)	\$ 737,120
Vehicle Millage	0	0	0	0	0
Total	\$ 460,561	\$ 691,446	\$ 503,891	\$ (187,555)	\$ 737,120

## Key Issues

- With the passing of Proposal MH, and its focus on Quality of Life, this budget increases funding for Parks equipment replacement and maintenance including pavillion improvements.

# 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	2018-19	2019-20	2020-21	2021-22
Active Adult Center Program Coordinator	1	1	1	1
Active Adult Center Program Assistant	0	1	1	1
Total Full-Time	1	2	2	2
Bus Driver/Chauffeur	5	5	5	5
Active Adult Center Program Assistant	1	0	0	0
Office Assistant	1	1	1	1
Total Part-Time	7	6	6	6
Total Employees	8	8	8	8

### Accomplishments

- Raised \$13,740.93 throughout the year through fundraising events and donations to help cover extraneous equipment and programs at the Center.
- Rented the Active Adult Center 32 times grossing \$6,425 in revenue.
- Provided 292 clients with free tax service through the help of AARP.
- Provided aid to 23 seniors with home repairs through the Senior Home Assistance and Repair Program (SHARP).
- Continued partnership with Area Agency on Aging 1-B to provide Medicare Assistance days, helping 30 beneficiaries.
- Aided 23 seniors in receiving Focus Hope commodity food each month.
- Continued partnership with TrynEx International, Oak Street Health, Ray Chammas, International Outdoor, Lamphere, Page and Madison Bands, Shambom Eye Specialist, American House Hazel Park, Madison Heights Fire Department, Hopcroft Funeral Home, and various other health care agencies.
- Started new partnerships with Pomeroy Living/Rehab, American House Troy, Remax/Vision, and Edward Jones to provide various consultations and services to patrons of the Center.
- Promote the Center volunteers handing out newsletters in parking lots, articles in the paper, as well as asking seniors to pass newsletters to other seniors and/or businesses and churches.
- 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.
- Enhance Active Adult Center by converting one part-time position to full-time. (2020 Action Items 3.1.e)

### Objectives

- Meet the service needs of older adults and their families to enhance dignity, independence and quality of life for seniors, including education classes, trips, events, and activities.
- Encourage a relaxed atmosphere of warmth, friendliness, cooperation and concern for others.
- 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.
- Provide information and referral for services available 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.

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
<i>Input</i>	Two-way trips	10,529	11,000	11,000	11,000
	Bus Miles Traveled	19,021	20,000	20,000	20,000
<i>Output</i>	Number of programs offered for seniors	1,530	1,550	1,550	1,550
	Day trips	40	40	40	40
	Newsletter subscriptions	400	400	400	400
	Department Expenditures as a % of the General Fund	1.3%	1.5%	1.5%	1.5%

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 167,249	\$ 207,238	\$ 196,344	\$ (10,894)	\$ 196,947
Supplies	117,662	128,608	128,480	(128)	128,480
Other Services and Charges	87,404	131,273	81,144	(50,129)	82,434
Capital Outlay	7,096	25,000	100,000	75,000	100,000
Total	\$ 379,411	\$ 492,119	\$ 505,968	\$ 13,849	\$ 507,861
Indirect Costs	155,500	157,000	157,000	0	157,000
<b>Resources:</b>					
Senior Non-Program	\$ 4,684	\$ 6,900	\$ 6,900	\$ 0	\$ 6,900
Senior Citizens Activities	104,772	130,000	130,000	0	130,000
Senior Center Millage	372,967	378,431	391,179	12,748	395,759
SMART	55,577	70,019	70,019	0	70,019
General Fund	(3,089)	63,769	64,870	1,101	62,183
Total	\$ 534,911	\$ 649,119	\$ 662,968	\$ 13,849	\$ 664,861

## Key Issues

- FY 2020 and FY 2021 include phase funding for a replacement 40 passenger bus at \$100,000 per year.

# Library

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

- Meeting the community's needs for information in a variety of formats, including educational, recreational and cultural materials;
- Providing information enhanced by membership in The Library Network (TLN), which allows for the electronic inter-loan of items from other TLN members;
- Offering home delivery of books to home bound patrons and a myriad of additional services to serve the City's significant and varied immigrant population;
- Public access to the Internet and personal computers for word processing;
- 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	2018-19	2019-20	2020-2021	2021-22
Library Director	1	1	1	1
Librarian	1	1	1	2
Library Technician	1	1	1	1
Total Full-Time	3	3	3	4
Adult Reference Librarian	1	1	1	1
Community Service Librarian	1	1	1	1
Youth Service Assistant	1	1	1	1
Circulation Assistant	1	1	1	1
Library Assistants	6	6	6	6
Substitute Librarians	4	4	4	4
Total Part-Time	14	14	14	14
Total Employees	17	17	17	18

## Accomplishments

### **Quality of Life:**

- Implemented Hoopla in response to resident requests for streaming digital services. Introduced Tutor.com for tutoring and career assistance as an additional online resource.
- Augmented the library's social media presence and rolled out Bookface Friday to promote page.
- Increased adult programming such as a Downtown Abbey Fashion Show, Instant Pot Cooking Demo, and Sustainable Gardens, with adult summer and winter reading programs.
- Addition on Sunday hours during the school year. (2021 Action Item 3.1.g)
- Replaced library carpet.
- Rolled out Get up & Go kits (sports equipment and fitness tools) for check-out. (Grant funded project).
- Developed a library wish list and highlighted donations for library materials and programs.

## Objectives

### **Quality of Life:**

- Increase staffing with one outreach librarian allowing more programming and events. (2021 Action Item 3.1.f)
- Continue offering new digital resources, including Pronunciator, a new language learning software and Newsbank.
- Continue to offer adult and youth programming on a regular basis, including STEM and coding for youth.
- Meet developing technology needs by replacing some of the library's desktop computers with laptops. Provide enhanced software on computers by placing programs on machines that patrons may not purchase for individual use at home, such as Adobe and Photoshop. Create a more functional meeting space with the addition of a projector and wider use Wi-Fi.
- Create a more welcoming Children's area with a play space and enhanced aesthetics. (2021 Action Item 3.1.c)
- Create an outdoor seating space with access to Wi-Fi. (2021 Action Item 3.1.e)

## Performance Measures

	Performance Indicators	2019 Actual	2020 Estimate	2020-2021 Budget	2021-2022 Budget
<i>Input</i>	Expenditures, Library: E-Materials acquisition	\$21,055	\$23,157	\$98,454	\$39,800
	Expenditures, Library: Hard-copy materials acquisition	\$54,671	\$56,850	\$48,000	\$50,000
	Hours Paid: Library Staff	15,893	16,693	18,643	19,423
<i>Output</i>	Electronic Circulation per Capita	0.46	0.5	0.53	0.55
	Number of library visitors	97,409	96,400	98,000	98,500
	Library: Total reference transactions	5,372	5,300	5,250	5,250
<i>Outcome</i>	Library community involvement	*CRT, LAB, Historical, MRAB			
	Library: Hours worked by volunteers	577	600	600	600
	Expenditures, Library: Online resources acquisition/subscription (OUD, Mango, RBT)	18980	20657	31854	33100
<i>Efficiency</i>	Libraries: Circulation per capita	3.43	3.46	3.5	3.53
	Library visitation rate per capita	3.28	3	3.5	3.55
	Department Expenditures as a % of the General Fund	2.4%	2.4%	2.6%	2.7%

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

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 464,890	\$ 494,920	\$ 564,693	\$ 69,773	\$ 663,528
Supplies	17,617	5,530	20,790	15,260	12,100
Other Services and Charges	112,094	130,900	130,698	(202)	132,110
Capital Outlay	82,863	160,857	93,644	(67,213)	101,990
Total	\$ 677,464	\$ 792,207	\$ 809,825	\$ 17,618	\$ 909,728
<b>Resources:</b>					
State Library Aid	\$ 23,801	\$ 21,000	\$ 21,000	\$ 0	21,000
County Penal Fines	63,424	61,000	61,000	0	61,000
Book Fines	8,903	10,500	9,000	(1,500)	9,000
Video Revenues					
Copy/Print Fees	8,926	9,000	9,000	0	9,000
TLN USF E-Rate Rebate	0	7,300	7,300	0	7,300
Proposal L Millage	778,635	790,025	0	(790,025)	0
General Fund	(206,225)	(106,618)	702,525	809,143	802,428
Total	\$ 677,464	\$ 792,207	\$ 809,825	\$ 17,618	\$ 909,728

## Key Issues

- In order to increase Quality of Life in the City, the overall budget for the Library department is increasing 2.2% or \$17,618. This additional funding includes a half of a year addition of one (1) full-time community outreach Librarian, increase of digital materials, programming funding, charging stations, laptops, and increase of technology.

# Insurance & Transfers

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Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	0	0	0	0	0
Other Services and Charges	374,152	387,306	395,640	8,334	407,510
Transfers	0	0	0	0	0
Total	\$ 374,152	\$ 387,306	\$ 395,640	\$ 8,334	\$ 407,510
Resources:					
General Fund	\$ 374,152	\$ 387,306	\$ 395,640	\$ 8,334	\$ 407,510
Total	\$ 374,152	\$ 387,306	\$ 395,640	\$ 8,334	\$ 407,510

## 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 2021 insurance rates has not been finalized; but the budget includes a modest increase of 3%, over FY 2020 actual.

# Pension Obligation Debt Service

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

## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	0	0	0	-	0
Other Services and Charges	1,320	440	440	-	440
Issuance of Debt	0	0	0	-	0
Debt Service	1,030,985	1,038,771	1,035,114	(3,657)	1,034,562
Transfers	0	0	0	-	0
Total	\$ 1,032,305	\$ 1,039,211	\$ 1,035,554	\$ (3,657)	\$ 1,035,002
Resources:					
General Fund	\$ 1,032,305	\$ 1,039,211	\$ 1,035,554	\$ (3,657)	\$ 1,035,002
Total	\$ 1,032,305	\$ 1,039,211	\$ 1,035,554	\$ (3,657)	\$ 1,035,002

## 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

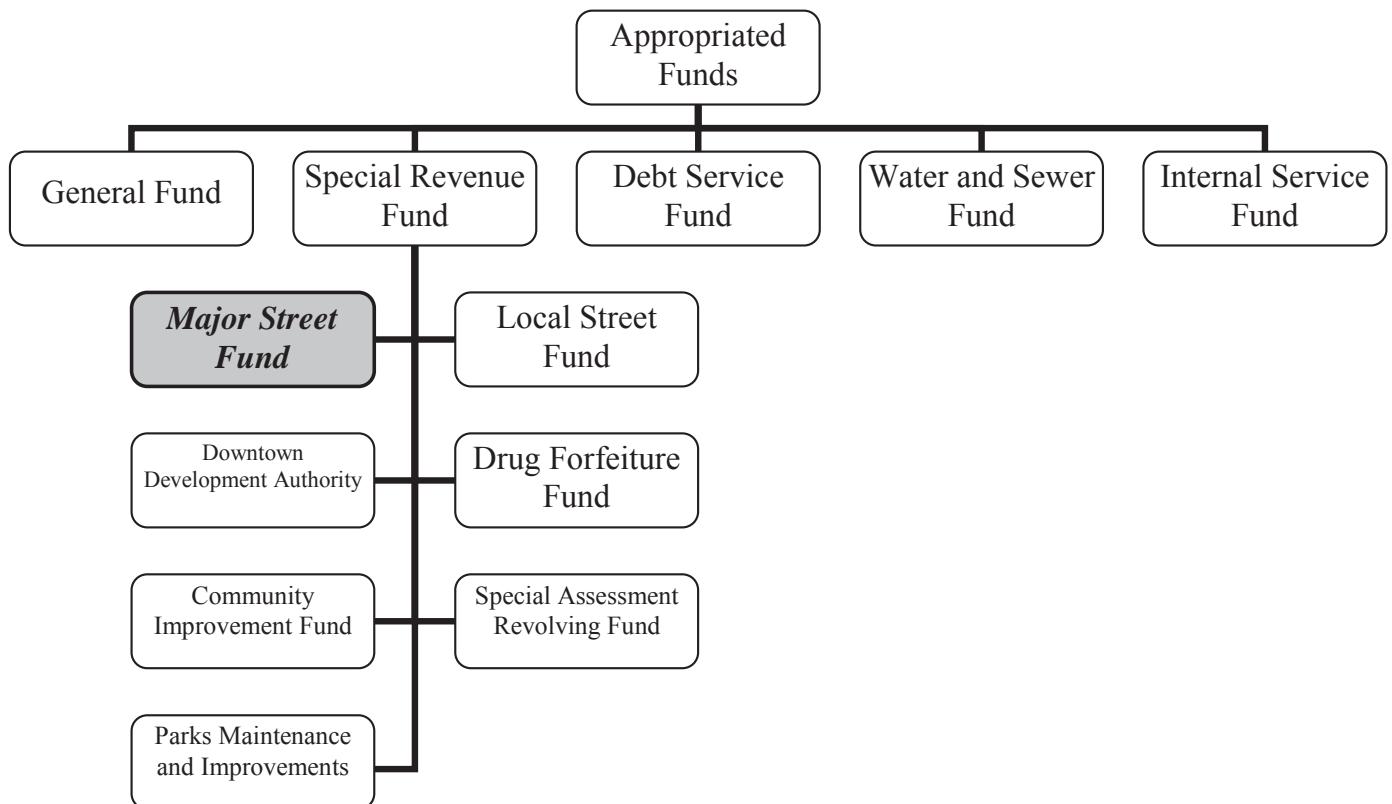
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## Statement of Services

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

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Construction	\$ 1,054,073	\$ 1,568,094	\$ 1,596,500	\$ 28,406	\$ 1,065,000
Maintenance	132,298	304,124	246,877	(57,247)	246,877
Traffic Services	150,145	263,835	206,095	(57,740)	210,945
Winter Maintenance	85,425	306,398	199,664	(106,734)	206,650
Administration	13,936	8,975	8,975	0	9,090
County Roads	95,457	113,437	101,414	(12,023)	106,396
Transfers	100,000	100,000	250,000	150,000	100,000
<b>Total</b>	<b>\$ 1,631,334</b>	<b>\$ 2,664,863</b>	<b>\$ 2,609,525</b>	<b>\$ (55,338)</b>	<b>\$ 1,944,958</b>
<b>Resources:</b>					
Federal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State	2,311,156	2,259,874	2,488,823	228,949	2,539,549
County	134,122	137,541	77,649	(59,892)	77,649
Miscellaneous Revenue	515	50,000	0	(50,000)	(672,240)
Transfers	0	217,448	43,053	(174,395)	0
Fund Balance	(814,459)	0	0	0	0
<b>Total</b>	<b>\$ 1,631,334</b>	<b>\$ 2,664,863</b>	<b>\$ 2,609,525</b>	<b>\$ (55,338)</b>	<b>\$ 1,944,958</b>
<b>Fund Balance</b>	<b>\$ 1,136,234</b>	<b>\$ 1,136,234</b>	<b>\$ 1,136,234</b>	<b>\$ 0</b>	<b>\$ 1,136,234</b>

## Key Issues

- State revenues are projected to increase by \$228,949. 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 budgeted at \$1,246,500 for sectional concrete replacement on the following streets: Edward Street (Mandoline to Whitcomb), Townley Street (14 Mile to Whitcomb), Whitcomb Avenue (Barrington to Dequindre), and Whitcomb Avenue (Campbell to Stephenson).

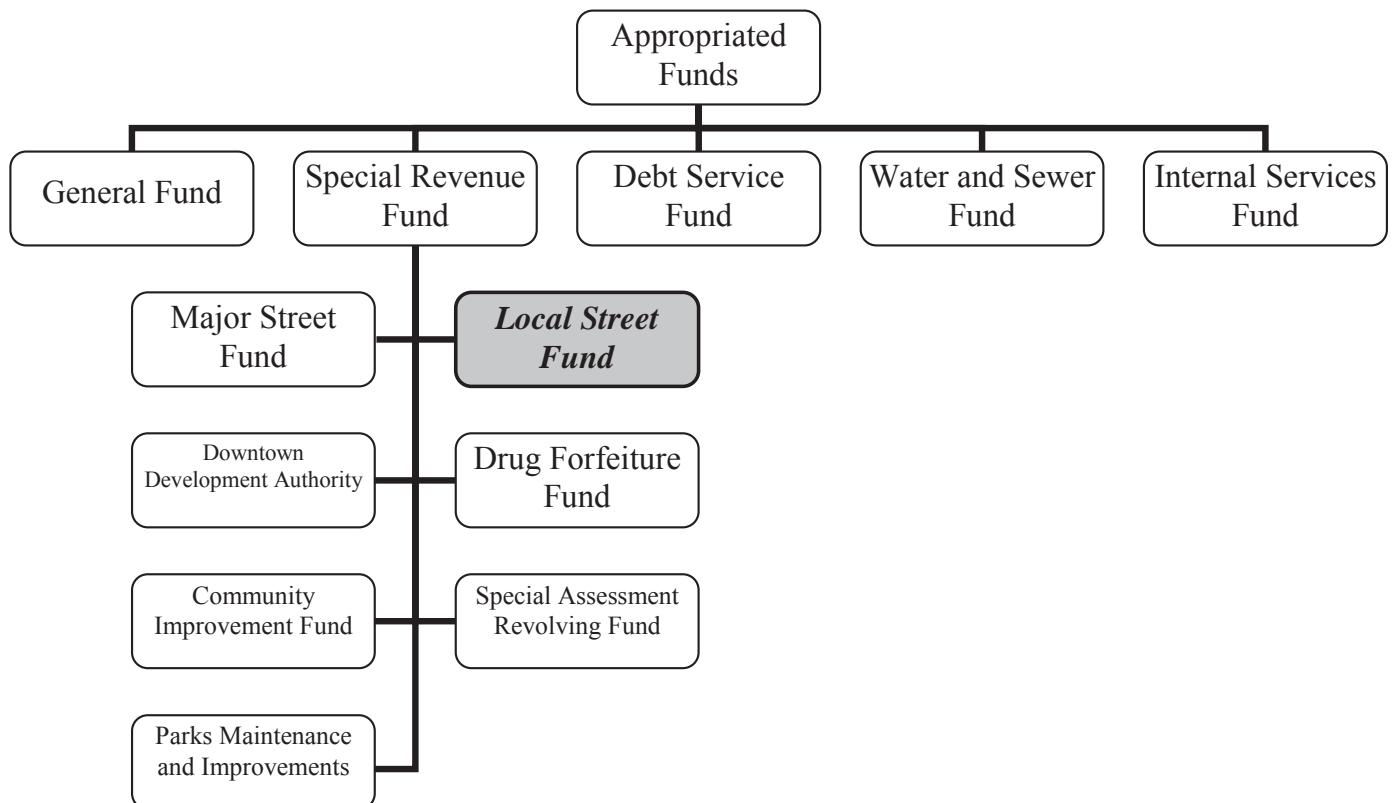
# Local Street Fund

## Statement of Services

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

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

## Organizational Fund Structure



## Financial Summary

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Construction	\$ 2,558,089	\$ 2,488,500	\$ 2,056,000	\$ (432,500)	\$ 1,846,000
Maintenance	221,096	288,691	305,451	16,760	305,451
Traffic Services	123,936	214,992	209,992	(5,000)	214,867
Winter Maintenance	48,888	71,905	72,166	261	72,166
Administration	6,567	7,940	7,940	0	8,120
Transfers	0	0	0	0	0
<b>Total</b>	<b>\$ 2,958,576</b>	<b>\$ 3,072,028</b>	<b>\$ 2,651,549</b>	<b>\$ (420,479)</b>	<b>\$ 2,446,604</b>
<b>Resources:</b>					
Property Taxes	\$ 1,570,458	\$ 1,595,788	\$ 1,646,841	\$ 51,053	\$ 1,666,127
Intergovernmental - State	1,044,362	1,025,685	1,159,482	133,797	1,178,834
Miscellaneous	67,553	20,500	25,000	4,500	25,000
Transfers	100,000	100,000	250,000	150,000	100,000
Fund Balance	176,203	330,055	(429,774)	(759,829)	(523,357)
<b>Total</b>	<b>\$ 2,958,576</b>	<b>\$ 3,072,028</b>	<b>\$ 2,651,549</b>	<b>\$ (420,479)</b>	<b>\$ 2,446,604</b>
Non-Proposal "R" Fund Balance	\$ 179,227	\$ (150,828)	\$ (195,695)	\$ (44,867)	\$ (127,465)
Proposal "R" Fund Balance	\$ 2,127,012	\$ 2,127,012	\$ 2,601,653	\$ 474,641	\$ 3,056,780

## Key Issues

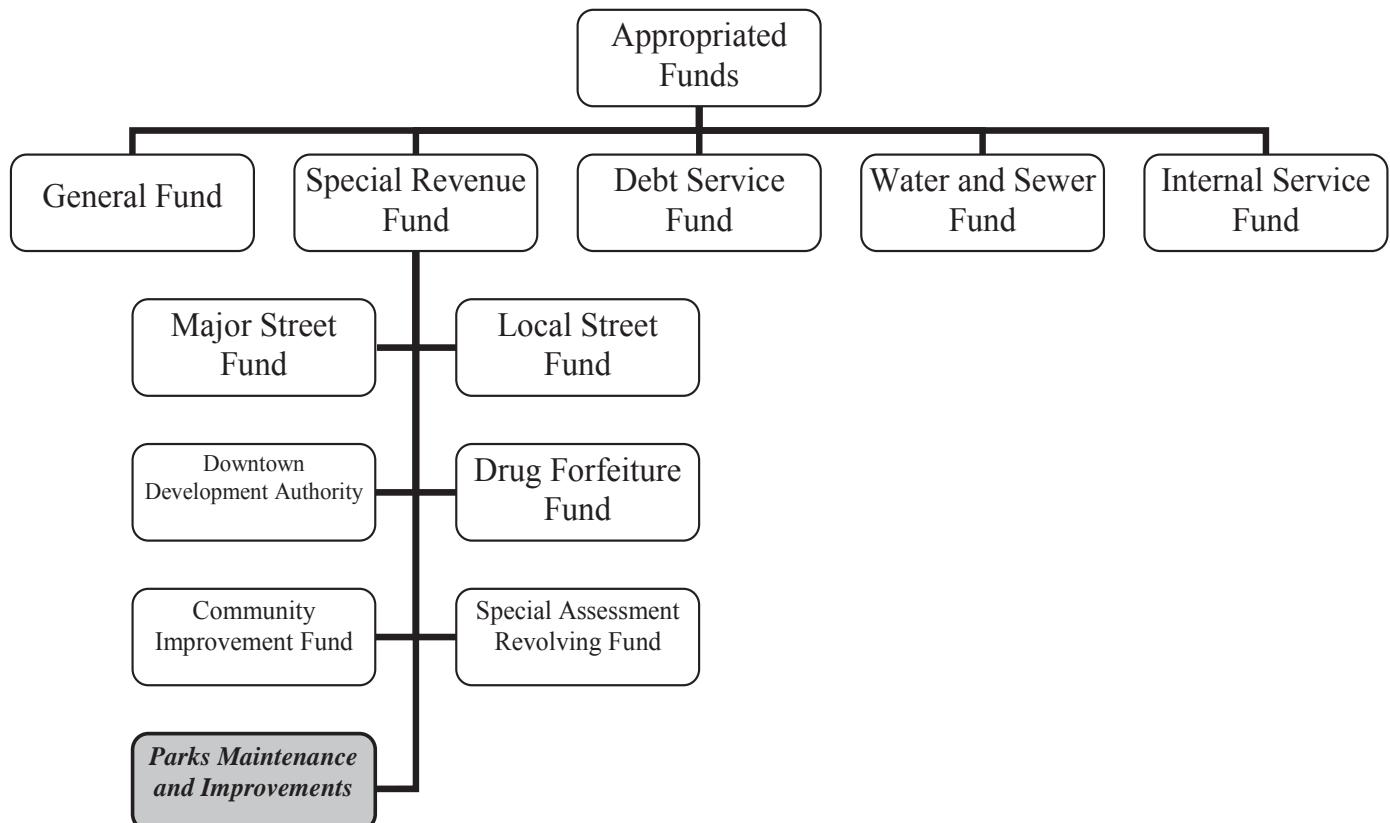
- Public Act 51 revenues are projected to increase by \$67,423 based on MDOT's projections of revenues from fuel tax and registration fee increases in the State Restricted Revenue package. For more details, see the Budget Overview.
- The Local Street Fund accounts for expenditures associated with the 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 2021 include portions of: Westmore Drive (30452 Westmore to Tanglewood) - (\$975,000), Milton Avenue (Moulin to Sheffield) - (\$167,000), Tanglewood Drive (Winthrop to Yorkshire) - (\$75,000), and Beverly Avenue (Connie to Dequindre) - (\$98,000).

# 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

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Maintenance	\$ 32,086	\$ 39,900	\$ 38,592	\$ (1,308)	\$ 39,276
Transfers	0	0	0	0	0
Total	\$ 32,086	\$ 39,900	\$ 38,592	\$ (1,308)	\$ 39,276
<b>Resources:</b>					
Interest/Miscellaneous	\$ 1,000	\$ 34,000	\$ 34,000	\$ 0	\$ 34,000
County Shared Revenues	32,176	0	0	0	0
Fund Balance	(1,090)	5,900	4,592	(1,308)	5,276
Total	\$ 32,086	\$ 39,900	\$ 38,592	\$ (1,308)	\$ 39,276
Fund Balance	\$ 658,157	\$ 652,257	\$ 647,665	\$ (4,592)	\$ 642,389

## Key Issues

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

# Downtown Development Authority

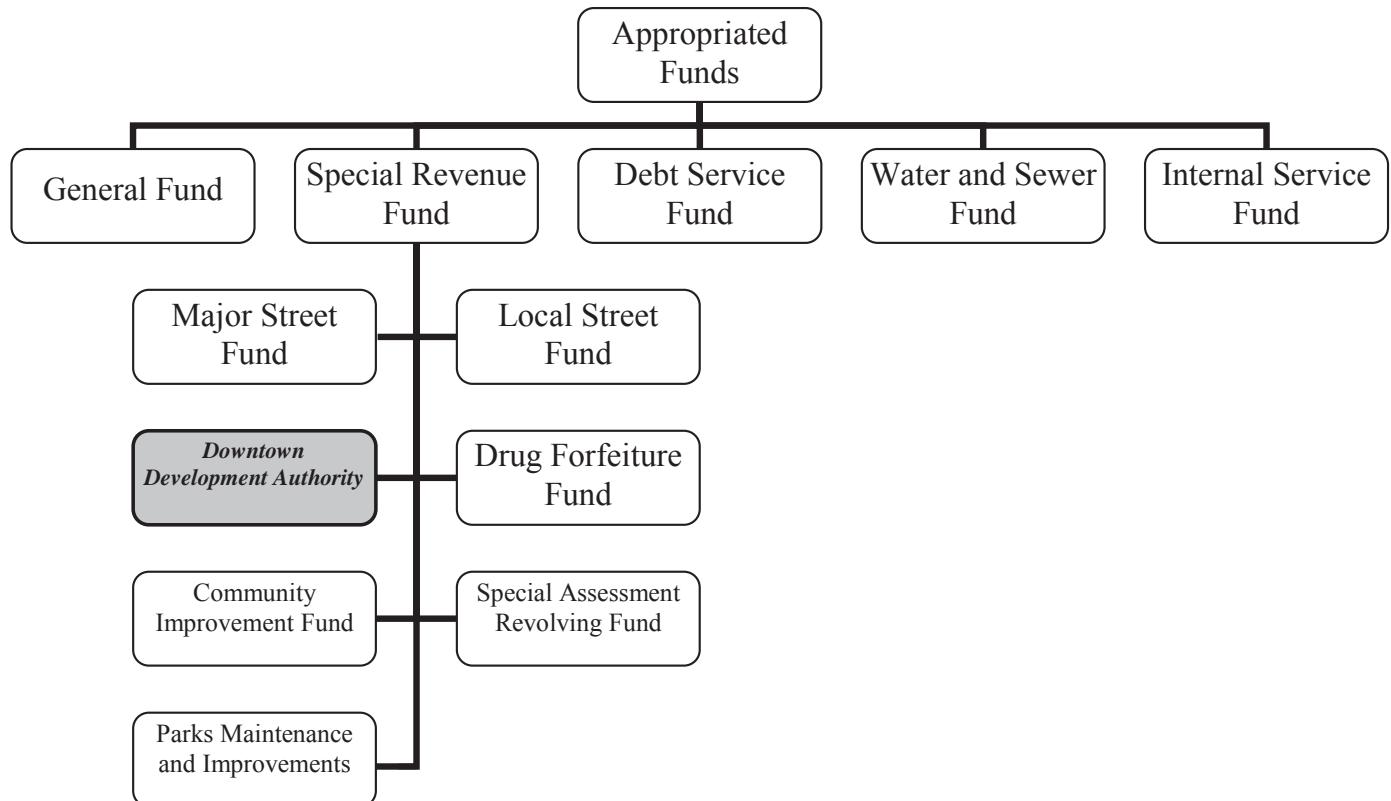
## Statement of Services

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

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

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

## Organizational Fund Structure



## Accomplishments

### **Resource Management:**

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

## Objectives

### **Resource Management:**

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

## Financial Summary

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Other Services and Charges	\$ 29,412	\$ 61,435	\$ 46,239	\$ (15,196)	\$ 66,303
Capital Outlay	0	60,000	35,000	(25,000)	35,000
Transfers	5,000	15,000	10,000	(5,000)	10,000
Total	\$ 34,412	\$ 136,435	\$ 91,239	\$ (45,196)	\$ 111,303
<b>Resources:</b>					
Property Taxes	\$ 59,882	\$ 37,785	\$ 40,900	\$ 3,115	\$ 40,900
State Shared Revenues	32,697	27,750	32,100	4,350	32,100
Interest/Miscellaneous	1,570	500	5,500	5,000	500
Fund Balance	(59,737)	70,400	12,739	(57,661)	37,803
Total	\$ 34,412	\$ 136,435	\$ 91,239	\$ (45,196)	\$ 111,303
Fund Balance	\$ 129,549	\$ 59,149	\$ 46,410	\$ (12,739)	\$ 8,607

## Key Issues

- The FY 2020-21 Budget includes the following major expenditures:

- \$35,000      Acquisition
- \$5,000      Sign Grant
- \$10,000     Tree Program (\$5,000 grant match)
- \$10,000     Facade Improvement
- \$10,000     DDA Right-of-way Landscaping
- \$3,500      DDA trash pick-up

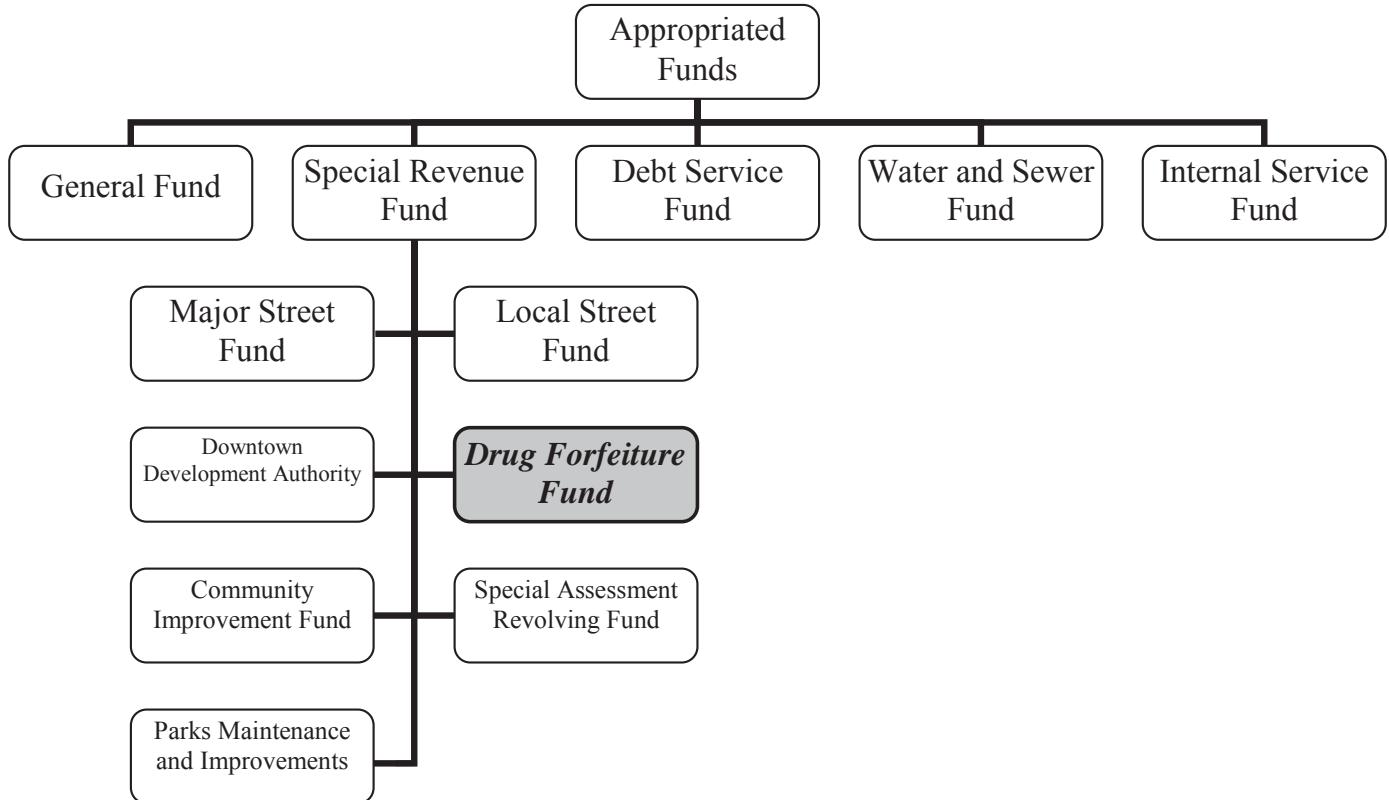
# Drug Forfeiture Fund

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## Statement of Services

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

## Organizational Fund Structure



## Financial Summary

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Supplies	\$ 26,649	\$ 2,700	\$ 33,000	\$ 30,300	\$ 50,000
Other Charges and Services	0	3,400	22,100	18,700	1,000
Capital Outlay	114,857	129,014	37,000	(92,014)	0
Transfers	25,000	0	0	0	0
<b>Total</b>	<b>\$ 166,506</b>	<b>\$ 135,114</b>	<b>\$ 92,100</b>	<b>\$ (43,014)</b>	<b>\$ 51,000</b>
<b>Resources:</b>					
Drug Forfeiture	\$ 110,866	\$ 32,000	\$ 64,000	\$ 32,000	\$ 64,000
Interest and Misc. Income	2,309	350	400	50	400
Fund Balance	53,331	102,764	27,700	(75,064)	(13,400)
<b>Total</b>	<b>\$ 166,506</b>	<b>\$ 135,114</b>	<b>\$ 92,100</b>	<b>\$ (43,014)</b>	<b>\$ 51,000</b>
Fund Balance	\$ 230,626	\$ 127,862	\$ 100,162	\$ (27,700)	\$ 113,562

## Key Issues

- The budget includes funding for replacement of department issued handguns (\$13,000), canine enforcement (\$20,000), celebrite date equipment and training (\$16,000) and on Police vehicles (\$37,000).

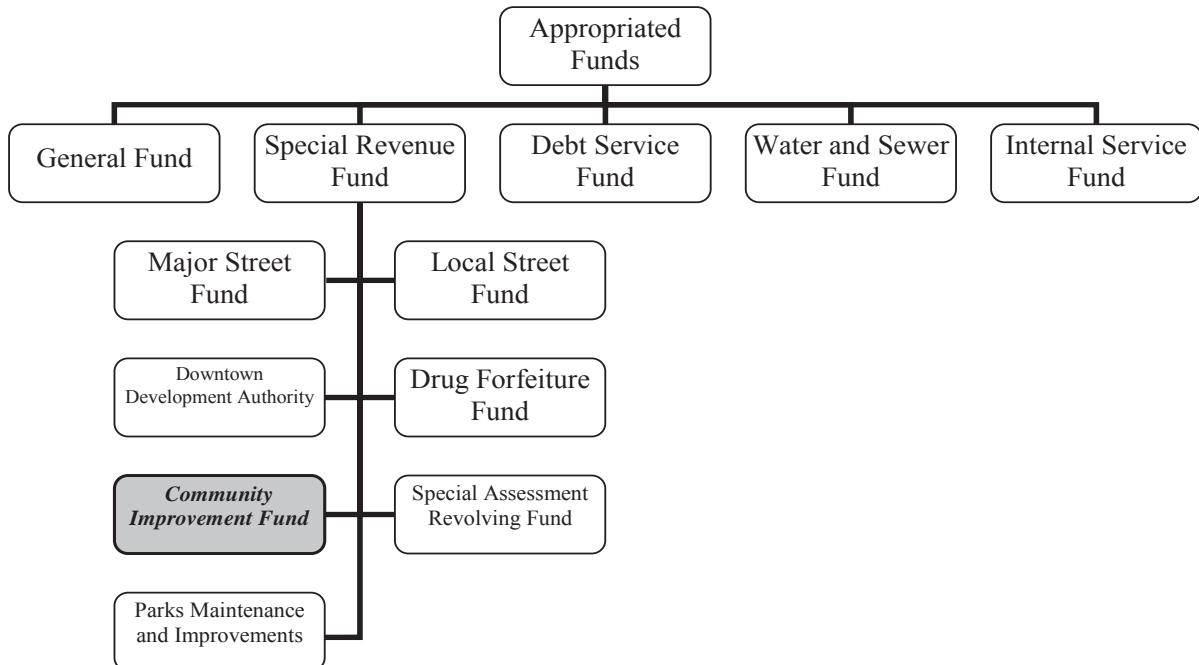
# Community Improvement Fund

## 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

<b>Performance Measures:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-2022
<b>Workload Indicators</b>					
Participant Application	71	75	75	4	75
Home Chore Assignments	1761	1760	1775	15	1775

## Financial Summary

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 73,643	\$ 77,343	\$ 82,538	\$ 5,195	\$ 92,367
Supplies	0	0	0	0	0
Other Services and Charges	25,257	57,000	57,582	582	49,997
Capital Outlay	0	0	0	0	0
Total	\$ 98,900	\$ 134,343	\$ 140,120	\$ 5,777	\$ 142,364
<b>Resources:</b>					
Community Develop. Grant	\$ 99,013	\$ 139,212	\$ 140,120	\$ 908	\$ 142,364
Fund Balance	(113)	(4,869)	0	4,869	0
Total	\$ 98,900	\$ 134,343	\$ 140,120	\$ 5,777	\$ 142,364

## Key Issues

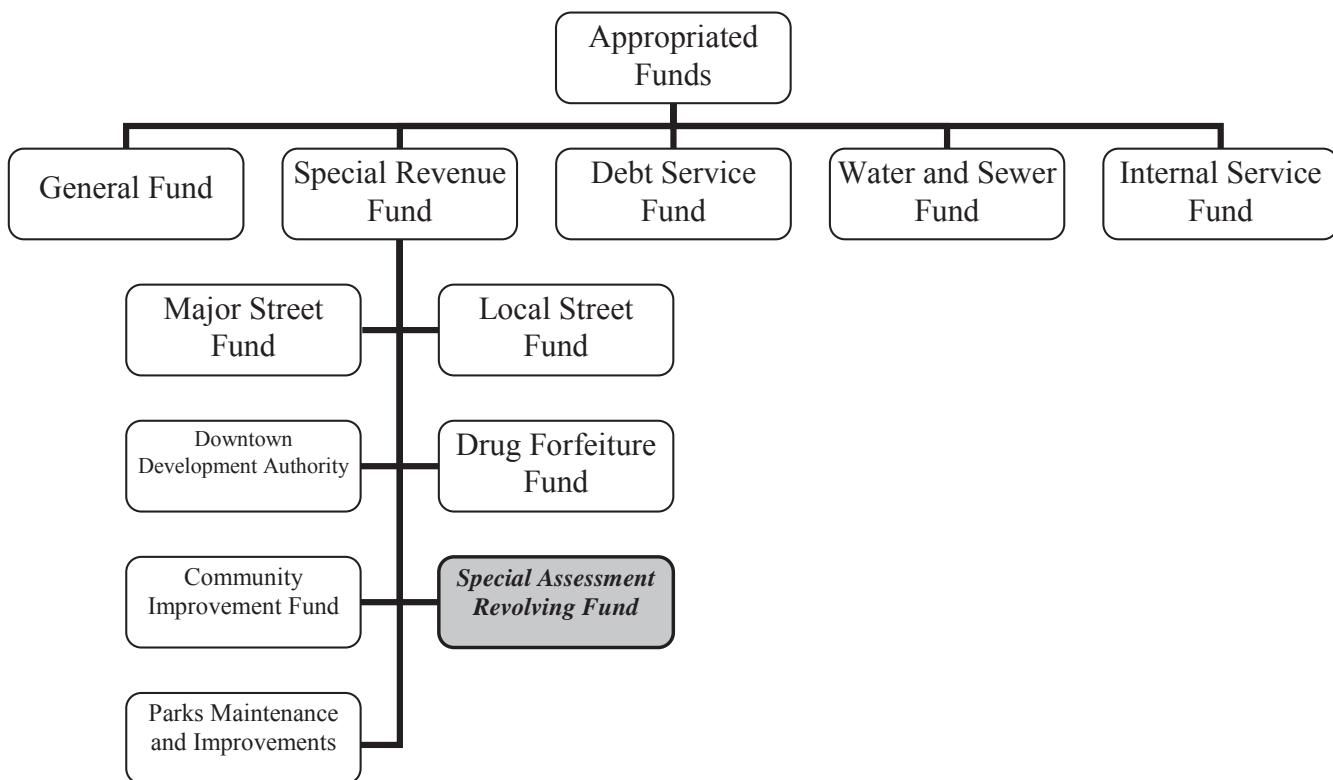
- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and a Home Chore Program, including mowing and limited fall clean up for seniors.
- Continuing to provide quality lawn mowing service in the face of tighter CDBG regulations and spending restrictions, 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 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
<b>Requirements:</b>					
Other Services and Charges	\$ 2,948	\$ 3,020	\$ 3,020	\$ 0	\$ 3,110
Capital Outlay	333,679	300,000	300,000	0	0
Transfers	2,500	2,500	2,500	0	2,500
Total	\$ 339,127	\$ 305,520	\$ 305,520	\$ 0	\$ 5,610
<b>Resources:</b>					
Interest and Misc. Income	\$ 14,945	\$ 269,795	\$ 5,000	\$ (264,795)	\$ 5,000
Special Assessment Revenue	74,249	35,725	33,026	(2,699)	30,467
Transfers	0	0	0	0	0
Fund Balance	249,933	0	267,494	267,494	(29,857)
Total	\$ 339,127	\$ 305,520	\$ 305,520	\$ 0	\$ 5,610

## 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 six of the third cycle) will cover the width of the City from 13 Mile south to approximately 12 ½ mile (roughly Girard, Ajax, and Moulin).
- 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.

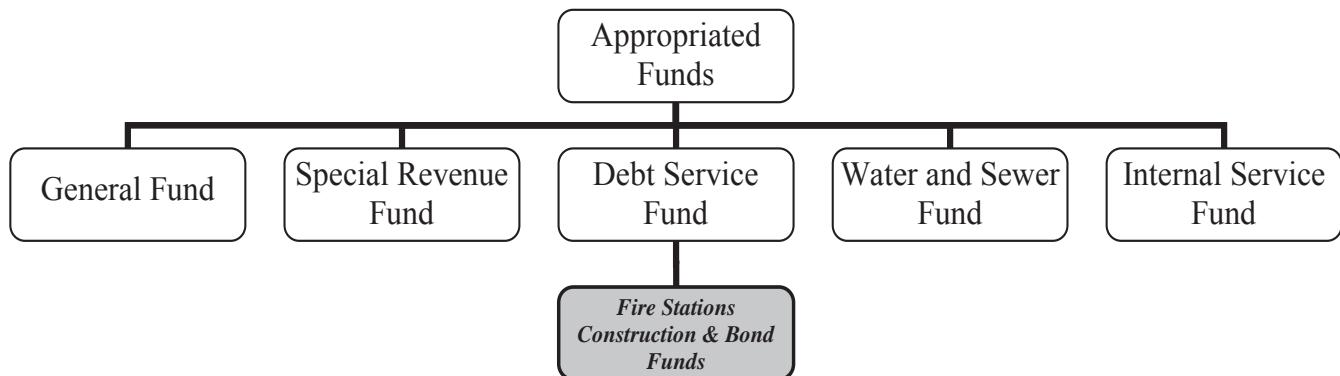
# Fire Stations Construction and Bond Funds

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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

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Other Services and Charges	\$ 737	\$ 755	\$ 755	\$ 0	\$ 780
Debt Service	429,960	437,490	449,795	12,305	446,720
Capital Outlay	0	0	0	0	0
Transfers	(4,701)	0	0	0	0
<b>Total</b>	<b>\$ 425,996</b>	<b>\$ 438,245</b>	<b>\$ 450,550</b>	<b>\$ 12,305</b>	<b>\$ 447,500</b>
<b>Resources:</b>					
Property Taxes	\$ 399,228	\$ 402,216	\$ 423,820	\$ 21,604	\$ 428,806
State Shared Revenues	26,768	26,700	26,800	100	26,800
Interest Earned	0	0	0	0	0
Fund Balance	0	9,329	(70)	(9,399)	(8,106)
<b>Total</b>	<b>\$ 425,996</b>	<b>\$ 438,245</b>	<b>\$ 450,550</b>	<b>\$ 12,305</b>	<b>\$ 447,500</b>
<b>Fund Balance</b>	<b>\$ 8,466</b>	<b>\$ (863)</b>	<b>\$ (793)</b>	<b>\$ 70</b>	<b>\$ 7,313</b>

## Key Issues

- On August 6, 2002, Madison Heights voters approved a proposal for the City to borrow \$5,926,000 and issue General Obligation Unlimited Tax Bonds, payable over the next 20 years for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, construction of a draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. Separate Construction and Debt Service Funds have been set up to record the actual project costs and the servicing of the bonds. The new Headquarters Fire Station opened in June 2004. The demolition of the old Fire Station and redevelopment of the Thirteen Mile Road frontage was completed in the Fall of 2004.
- In November of 2012, Council approved refinancing the Fire Station Bonds. This refinancing process allowed the City the ability to reduce the coupon interest rate, which was scheduled to increase from 3.0% to 4.0% over the next ten years, to a fixed 1.9%. This refinancing will save the taxpayers over \$321,000.
- The Fire Station Bond millage, like all voted debt issues, is not subject to the Headlee Amendment and Proposal A. The scheduled cost of the principal and interest payments is \$449,795. The budget also includes \$755 for audit services and paying agent fees. The millage will increase slightly from 0.4895 in FY 2019-20 to 0.4933 in FY 2020-21.

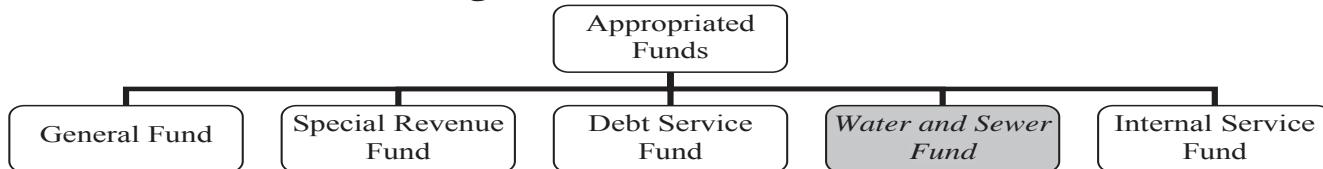
# Water and Sewer Division

## 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:

- Repaired or replaced 50 curb boxes.
- Repaired and/or assisted on 32 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 2,200 feet of water main on 2019 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.
- Completed City-wide sanitary and combined sewer cleaning, televising, and assessment program under the SAW grant.
- Through additional funding in the Budget process, continue 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.
- Substantial completion of citywide Commercial/Industrial water meter replacement.
- Began testing for the fourth Unregulated Contaminant Monitoring Rule (UCMR4).

### 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 2020 "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.
- Perform repairs and maintenance on the sanitary sewer system as identified through the SAW Grant.
- Continue separation of combined sanitary sewer areas through the road replacement program.

## Performance Measures

	<b>Performance Indicators</b>	<b>2019 Actual</b>	<b>2020 Estimate</b>	<b>2020-2021 Budget</b>	<b>2021-2022 Budget</b>
<i>Input</i>	Curb boxes replaced	73	50	50	50
	Main break repairs	32	25	25	25
<i>Output</i>	New water main installed (in feet)	1,365	2,200	1,250	1,250
<i>Efficiency</i>	New water main installed (per lineal foot cost)	\$213.43	\$239.19	\$213.43	\$213.43

## 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 2021 Budget includes a continuation of water main replacement associated with Proposal "R-3" road projects at \$527,000.
- The budget also includes Capital Outlay to replace standalone (i.e. Non R-3 project)water mains for \$267,000.

## Financial Summary

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Water Charges	\$ 2,154,349	\$ 2,271,512	\$ 2,267,398	\$ (4,114)	\$ 2,335,419
Water System Maintenance	(159,957)	636,374	714,654	78,280	748,586
Water Tapping & Installation	24,314	12,700	30,200	17,500	30,200
Water Depreciation	675,658	0	0	0	0
Sewage Disposal Charges	4,707,392	4,656,821	4,589,765	(67,056)	4,727,458
Sewer System Maintenance	522,333	490,991	502,124	11,133	562,872
Sewer Depreciation	769,317	0	0	0	0
General Service Building	275,482	213,531	204,007	(9,524)	208,077
General Administration	1,495,155	1,872,912	1,822,305	(50,607)	1,887,066
Capital Outlay	188,525	4,312,757	1,864,794	(2,447,963)	1,584,327
Debt Service	184,773	293,189	799,325	506,136	152,843
Total	\$ 10,837,341	\$ 14,760,787	\$ 12,794,572	\$ (1,966,215)	\$ 12,236,848
<b>Resources:</b>					
Sales: Water	\$ 4,829,366	\$ 4,831,505	\$ 4,829,349	\$ (2,156)	\$ 4,835,935
Property Taxes	883,490	0	0	0	0
Sales: Sewer	6,413,142	6,502,664	6,621,321	118,657	6,675,476
State Shared Revenues	0	0	0	0	0
Interest/Miscellaneous	163,489	130,000	265,800	135,800	265,800
Departmental Charges	104,261	84,255	155,700	71,445	155,700
Fund Balance	5,547,552	3,212,363	798,013	(2,414,350)	179,548
Transfers In	0	0	124,389	124,389	124,389
Retained Earnings * *	0	0	0	0	0
Total	\$ 17,941,300	\$ 14,760,787	\$ 12,794,572	\$ (1,966,215)	\$ 12,236,848
Unrestricted Net Assets	\$ 5,547,552	\$ 2,335,189	\$ 1,412,787	\$ (922,402)	\$ 1,108,850
Cash	\$ 7,478,704	\$ 4,266,341	\$ 3,343,939	\$ (922,402)	\$ 3,040,002

\* 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, unrestricted retained position was \$5,547,552 and the cash balance was \$7.5 million.

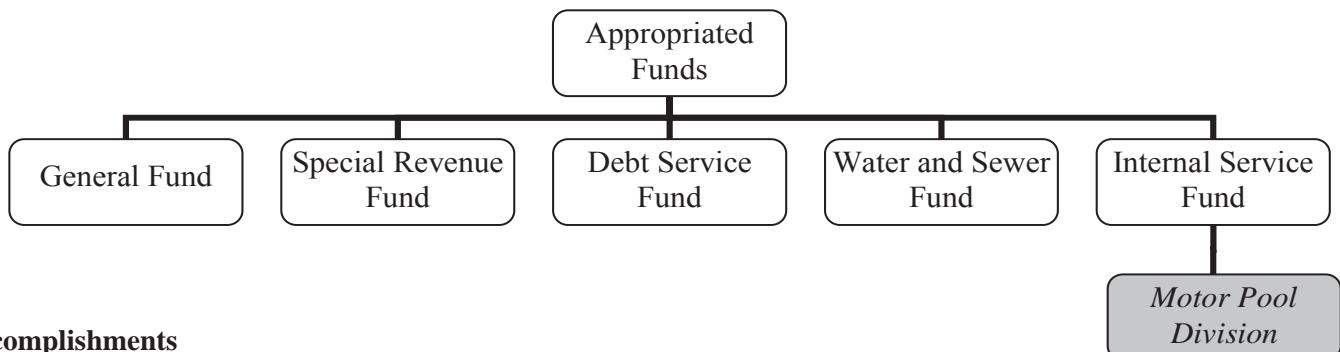
# Motor Pool Division

## 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:**

- Scheduled replacements of multiple vehicles and equipment for Police, Fire, Streets, Parks, Solid Waste, and Water/Sewer.
- Successfully researched and bid replacement of fueling site at DPS, including consolidation of the former Police fueling site. Installation is scheduled for the Spring of 2020.
- Based on increasing prices and lead time, implemented new vendor for annual maintenance and specialized repairs of backup generators.
- Assisted all other Departments with vehicle planning and purchasing.
- Performed a comprehensive analysis and right-sizing of the Motor Pool Parts and Supplies inventory, with a focus on repurposing obsolete equipment.

### 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

	<b>Performance Indicators</b>	<b>2019 Actual</b>	<b>2020 Estimate</b>	<b>2020-2021 Budget</b>	<b>2021-2022 Budget</b>
<i>Input</i>	Total gasoline purchased (gallons)	46,510	45,000	45,000	45,000
	Total diesel purchased (gallons)	27,114	30,000	30,000	30,000
<i>Efficiency</i>	Motorpool work orders	587	550	550	550
	Avg. cost - gallon of gasoline	\$1.79	\$2.00	\$2.02	\$2.02
	Avg. cost - gallon of diesel	\$1.96	\$2.20	\$2.55	\$2.55
	Department Expenditures as a percentage of the total budget	2.3%	1.8%	1.8%	1.9%

## Financial Summary

<b>Requirements:</b>	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 344,907	\$ 341,381	\$ 354,137	\$ 12,756	\$ 371,932
Supplies	171,062	179,600	177,600	(2,000)	187,600
Other Services and Charges	620,788	506,504	483,409	(23,095)	480,586
Capital Outlay	-	-	-	-	-
<b>Total</b>	<b>\$ 1,136,757</b>	<b>\$ 1,027,485</b>	<b>\$ 1,015,146</b>	<b>\$ (12,339)</b>	<b>\$ 1,040,118</b>
<b>Resources:</b>					
Department Transfers	\$ 1,131,184	\$ 1,027,485	\$ 1,015,146	\$ (12,339)	\$ 1,040,118
Transfers-General Fund	-	-	-	-	-
Transfers-Water and Sewer	-	-	-	-	-
Fund Balance	5,573	-	-	-	-
<b>Total</b>	<b>\$ 1,136,757</b>	<b>\$ 1,027,485</b>	<b>\$ 1,015,146</b>	<b>\$ (12,339)</b>	<b>\$ 1,040,118</b>

## 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	2018-19	2019-20	2020-21	2021-22
Supervisor	2	3	3	3
Leader	2	2	2	2
Equipment Operator III	3	3	3	3
Equipment Operator II	6	6	6	6
Equipment Operator I	6	5	7	7
Administrative Secretary	1	1	1	1
Total Full-Time	20	22	23	23
Seasonal Laborer	4	1	1	1
Office Assistant	0	1	0	0
Total Part-Time	4	1	1	1
Total Employees	24	24	24	24

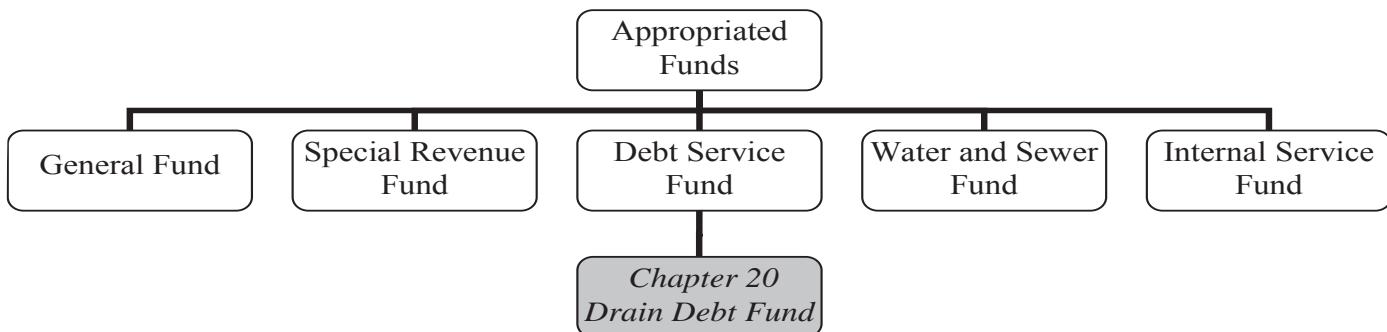
## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Personnel Services	\$ 1,924,694	\$ 1,851,769	\$ 1,993,308	\$ 141,539	\$ 2,166,531
Supplies	10,881	0	0	0	0
Other Services and Charges	1,000	5,966	3,984	(1,982)	4,044
Capital Outlay	0	0	0	0	0
Total	\$ 1,936,575	\$ 1,857,735	\$ 1,997,292	\$ 139,557	\$ 2,170,575
Resources:					
Transfers - General Fund	\$ 573,250	\$ 508,689	\$ 568,670	\$ 59,981	\$ 617,997
Transfers - Major Street	143,495	194,509	194,502	(7)	194,502
Transfers - Local Street	146,053	232,973	238,476	5,503	238,476
Transfers - Water and Sewer	1,024,663	921,564	1,030,238	108,674	1,119,600
Fund Balance	49,114	0	(34,594)	(34,594)	0
Total	\$ 1,936,575	\$ 1,857,735	\$ 1,997,292	\$ 139,557	\$ 2,170,575

# Chapter 20 Drain Debt Service

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

## Organizational Fund Structure



## Financial Summary

Requirements:	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-22
Debt Service	\$ 886,580	\$ 885,966	\$ 884,943	\$ (1,023)	\$ 885,069
Total	\$ 0	\$ 885,966	\$ 884,943	\$ (1,023)	\$ 885,069
<b>Resources:</b>					
Property Taxes	\$ 886,580	\$ 885,966	\$ 885,258	\$ (708)	\$ 895,674
Miscellaneous	0	0	0	0	-
Fund Balance	0	0	(315)	(315)	(10,605)
State Shared Revenue	0	0	0	0	-
Total	\$ 886,580	\$ 885,966	\$ 884,943	\$ (1,023)	\$ 885,069

## 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.

## **FY 2021-25 CAPITAL IMPROVEMENT PLAN**

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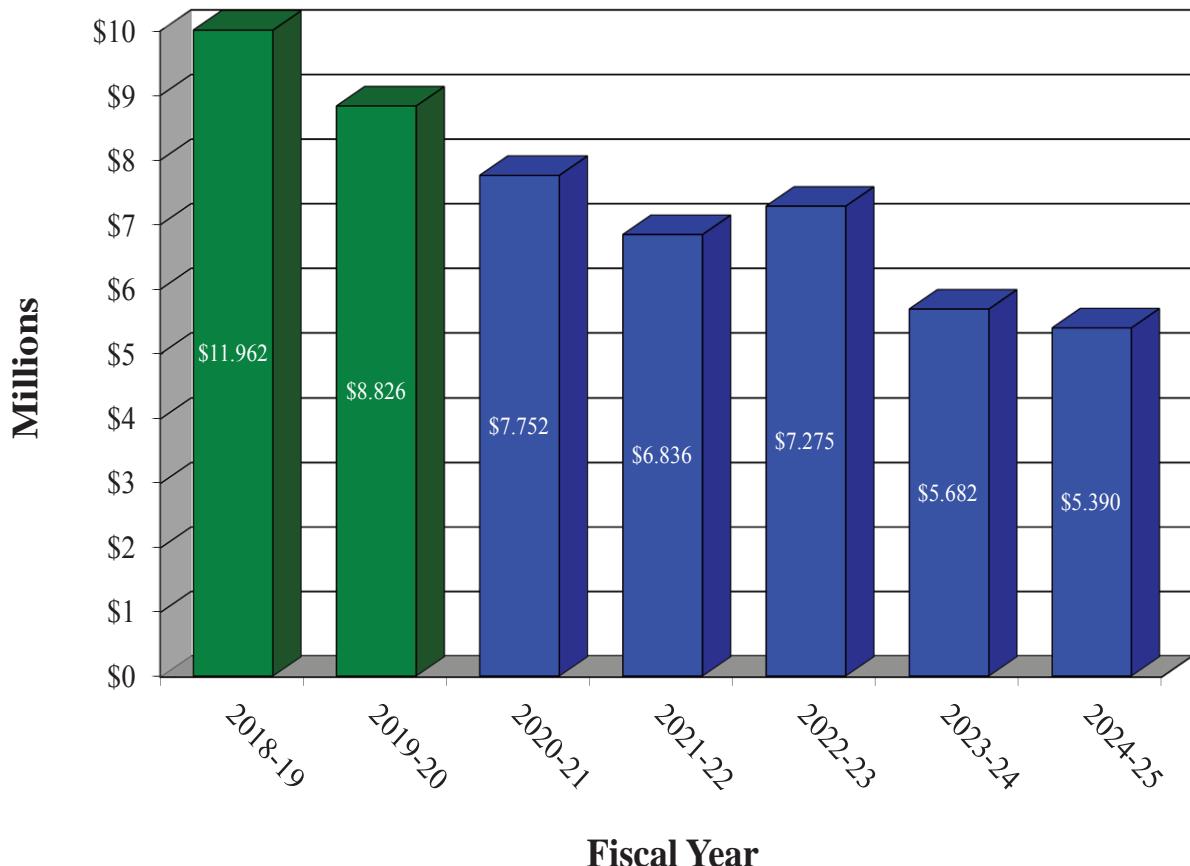
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## FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 2021-25

FY 2018-19 ACTUAL AND  
FY 2019-20 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 \$1.3 million to \$3.4 million over the five-year period. The plan also includes \$8.7 million in Proposal "R-3" Neighborhood Road Projects and \$6.1 million for Collection and Distribution Systems.

## **PLAN OVERVIEW**

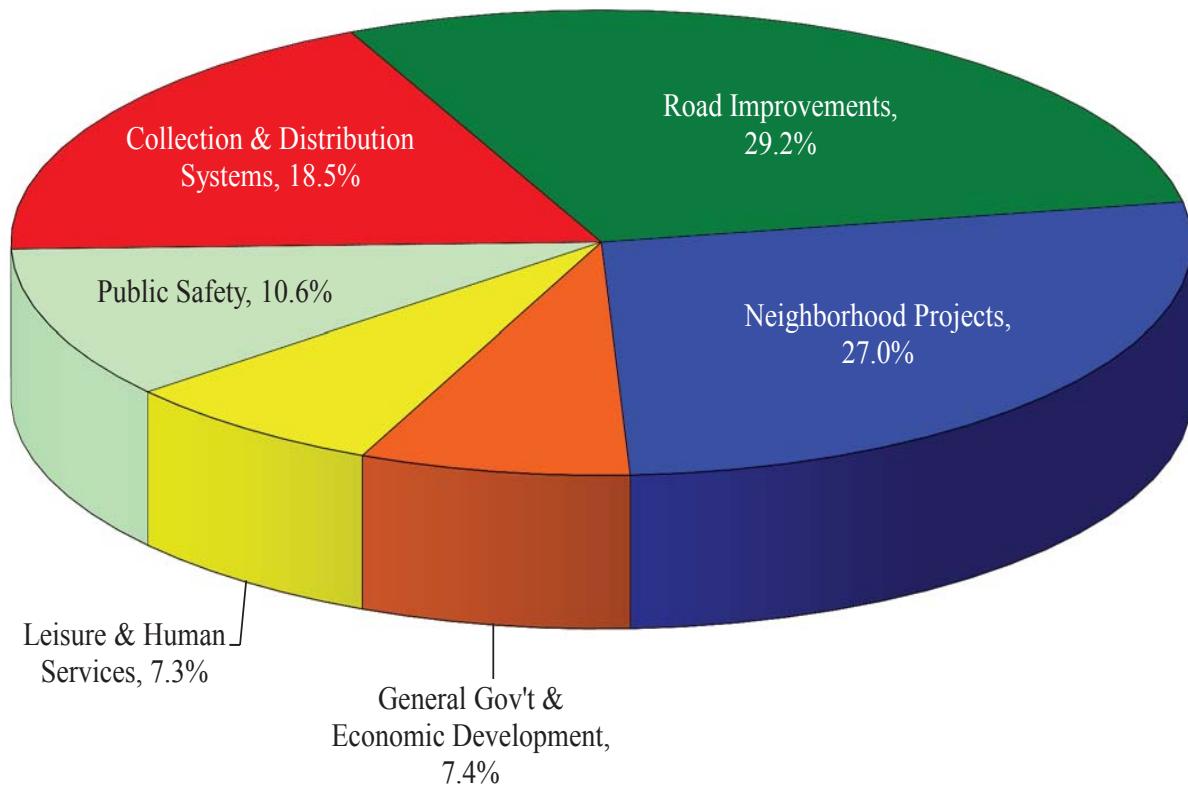
The FY 2021-25 Five Year Capital Improvement Plan totals \$32.9 million. The bar graph presented on the prior page shows the scheduled appropriations by year. The five year program, which is a consolidation of ongoing projects and projects planned over the next five years, represents future capital improvement 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 2021-25



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

**TABLE I**  
**FY 2021-25 FIVE-YEAR CAPITAL IMPROVEMENT PLAN**  
**FINANCIAL OVERVIEW**  
**USE OF FUNDS**  
**(IN THOUSANDS)**

### APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL APPROP.
Neighborhood Projects	III	\$ 3,164	\$ 2,475	\$ 1,917	\$ 1,371	\$ 2,144	\$ 1,653	\$ 1,795	\$ 8,880
Road Improvements	V	4,720	1,709	3,255	1,794	1,890	1,335	1,381	9,655
Collection & Distribution Sys.	VI	2,074	2,938	1,116	1,364	1,225	1,304	1,098	6,107
Public Safety	VIII	1,727	1,027	715	1,008	790	553	415	3,481
General Gov't & Economic Dev.	X	192	40	216	854	553	401	401	2,425
Leisure & Human Services	XI	85	637	533	445	673	436	300	2,387
<b>TOTAL</b>		<b>\$ 11,962</b>	<b>\$ 8,826</b>	<b>\$ 7,752</b>	<b>\$ 6,836</b>	<b>\$ 7,275</b>	<b>\$ 5,682</b>	<b>\$ 5,390</b>	<b>\$ 32,935</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.

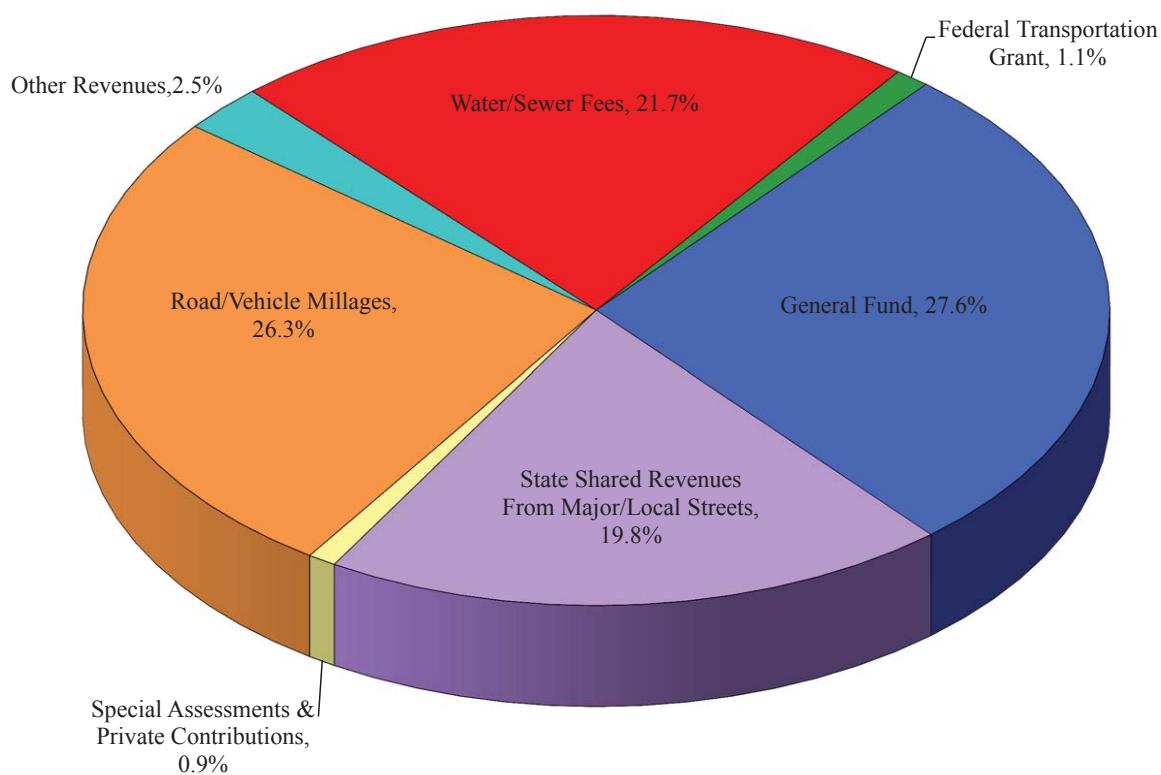
The five-year planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Road Improvements	29.2
Neighborhood Projects	27.0
Collection & Distribution Systems	18.5
Public Safety	10.6
Leisure & Human Services	7.3
General Government & Economic Development	<u>7.4</u>
	100.0

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

## SOURCE OF FUNDS

FY 2021-25



**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 2021-25 FIVE-YEAR CAPITAL IMPROVEMENT PLAN**  
**FINANCIAL OVERVIEW**  
**SOURCE OF FUNDS**  
**(IN THOUSANDS)**

**REVENUES:**

	TABLE III NEIGHBOR. PROJECTS	TABLE V ROAD IMPROV.	TABLE VI COLLECTION & DIST. SYSTEMS	TABLE VIII PUBLIC SAFETY	TABLE X GENERAL GOVT & ECON. DEV.	TABLE XI LEISURE & HUMAN SERVICES	TOTAL
Road/Vehicle/Solid Waste Millage	\$ 7,831	\$ 830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,661
Water/Sewer Fees	1,049	0	6,107	0	0	0	7,156
General Fund	0	1,246	0	3,428	2,425	1,996	9,095
State Shared Revenues from Major/Local Streets	0	6,529	0	0	0	0	6,529
Special Assessments & Private Contributions	0	300	0	0	0	0	300
State of Michigan Sanitary Sewer Grant	0	0	0	0	0	0	0
Federal Transportation Grant	0	350	0	0	0	0	350
Other Revenues							
Oakland County Parks & Recreation	0	0	0	0	0	291	291
Oakland County/State of Michigan (Other)	0	400	0	0	0	100	500
Drug Forfeiture Fund	0	0	0	53	0	0	53
<b>TOTAL</b>	<b>\$ 8,880</b>	<b>\$ 9,655</b>	<b>\$ 6,107</b>	<b>\$ 3,481</b>	<b>\$ 2,425</b>	<b>\$ 2,387</b>	<b>\$ 32,935</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 \$31.4 million or 95.6 percent of the plan. The majority of these funds will be needed for scheduled neighborhood road improvement projects and major road work. The FY 2021 Capital Improvement Plan totals \$8.4 million (Table I). A breakdown of revenues programmed in the FY 2021-25 Capital Improvement Plan is as follows:

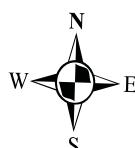
<u>Revenue Source</u>	<u>Percent of Plan</u>
Water and Sewer Fees	21.7
Road and Vehicle Millages	26.3
General Fund	27.6
State Shared Revenues from Major/Local Streets	19.8
Federal Transportation Grant	1.1
Special Assessment and Private Contributions	0.9
Other Revenues	<u>2.5</u>
	100.0

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.

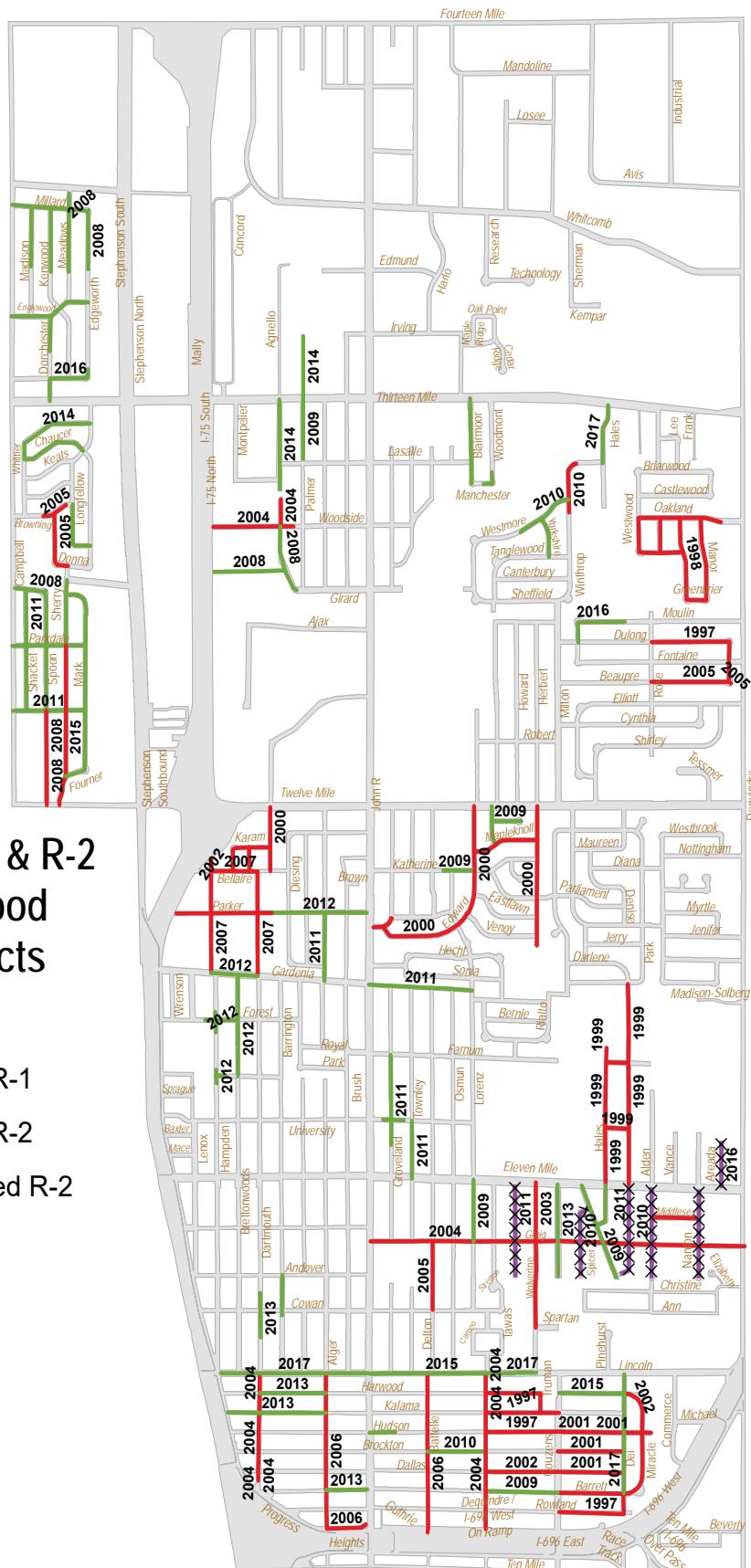


# Proposals R-1 & R-2 Neighborhood Road Projects

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



1 inch = 2,200 feet



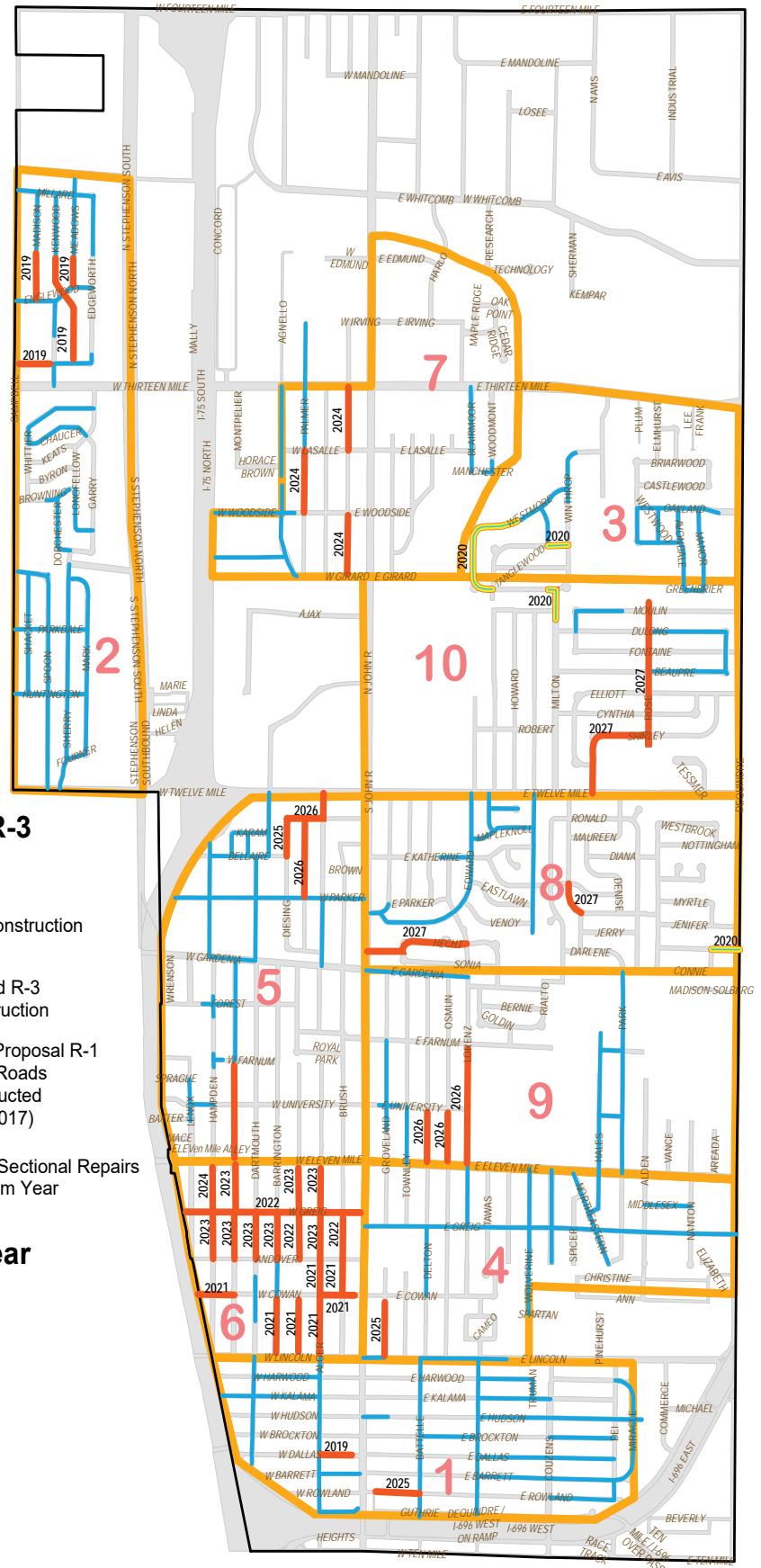


## Proposed R-3 Roads

- R-3 Reconstruction (2020)
- Proposed R-3 Reconstruction
- Original Proposal R-1 and R-2 Roads Reconstructed (1997 - 2017)
- Targeted Sectional Repairs by Program Year

## Program Year

- 1 - 2018
- 2 - 2019
- 3 - 2020
- 4 - 2021
- 5 - 2022
- 6 - 2023
- 7 - 2024
- 8 - 2025
- 9 - 2026
- 10 - 2027



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

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

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

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

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

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

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

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

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

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

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

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

As 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 V**  
**FY 2021 - 2022**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL APPROP.
<b>A. STATE/FEDERAL PROJECTS</b>								
13 Mile WB from Hales to Dequindre NHPP								
	720	0	700	0	0	0	0	700
NB Stephenson Hwy 12-14 Overlay (80/20)	1,226	0	0	0	0	0	0	0
SB Stephenson Hwy 14 - Girard (80/20)	850	0	0	0	0	0	0	0
<b>B. MAJOR ROAD IMPROVEMENTS</b>								
Joint & Crack Sealing - City Wide Major	75	0	0	0	0	0	0	0
Campbell 12-13 Mile Sectional	0	0	0	0	25	0	0	25
13 Mile Sectional - Campbell to Dequindre NON-NHPP	135	75	0	0	250	0	0	250
11 Mile Sectional - Dequindre to I-75	0	521	0	0	0	0	450	450
John R Overlay - 11 Miles to Dartmouth	0	0	0	0	0	600	0	600
Ajax - John R to 801 Ajax	0	0	0	0	250	0	0	250
Stephenson Hwy Turnarounds	250	0	0	0	0	0	250	250
Sectional - Edward - Mandoline to Whitcomb	0	0	54	0	0	0	0	54
Sectional - Townley - 14 Mile to Whitcomb	0	0	327	0	0	0	0	327
Sectional - Barrington - 14 Mile to Whitcomb	0	0	0	700	0	0	0	700
Sectional - E. Lincoln - Wolverine to Dequindre	0	289	0	0	0	0	0	0
Sectional - Whitcomb - Barrington to Dequindre	0	0	436	0	0	0	0	436
Sectional - West Whitcomb - Campbell to Stephenson	0	0	430	0	0	0	0	430
Sectional - Industrial - Fourteen to East Avis	0	0	0	115	0	0	0	115
Sectional - Girard - West of John R	0	127	0	0	0	0	0	0
Sectional - Stephenson Hwy - Girard to 12 Mile	400	0	0	0	0	0	200	200
<b>C. LOCAL ROAD IMPROVEMENTS</b>								
Joint Seal - City-Wide Local	0	0	0	75	0	0	75	150
Sectional - Research Park and Tech Row	509	0	0	0	0	0	0	0
Sectional - Montpelier	65	0	0	0	0	0	0	0
Sectional - Edmund - Harlo to John R	0	0	153	0	0	0	0	153
Sealcoat Road Rehabilitation	75	0	0	0	0	0	0	0
Sectional - Irving - Brush to Edward	0	0	250	0	0	0	0	250
Brush - 13 Mile to Irving	0	0	0	200	0	0	0	200
Losee - John R to Townley	0	0	97	0	0	0	0	97
Mandoline - Alger/Townley	0	0	0	0	300	0	0	300
Commerce - Michael to E. Progress	0	0	0	0	0	150	0	150
Brush - 14 Mile to Mandoline	0	0	0	0	100	0	0	100
Alger - South of 14 Mile	0	0	0	0	200	0	0	200
Non-R Residential Sectional	0	127	242	200	100	100	100	742
<b>D. TRAFFIC SIGNAL UPGRADES</b>								
Traffic Signal Improvements	0	90	30	30	30	30	30	150
<b>E. REHABILITATION PROGRAMS</b>								
Sidewalk Replacement, Sectional Repairs & Gap Installation	250	250	300	0	0	0	0	300
<b>F. EQUIPMENT REPLACEMENT</b>								
1999 Concrete Drop Hammer #261	0	0	0	0	30	0	0	30
2000 Solar Arrow board #318	0	0	6	0	0	0	0	6
2004 Trailer Air Compressor #330	0	0	0	0	0	0	26	26
1999 Leaf Loader Trailer #352	0	0	0	0	55	0	0	55
2001 Leaf Loader Trailer #354	0	0	0	0	0	55	0	55
2001 Leaf Loader Trailer #355	0	0	0	0	0	0	55	55
2008 Solar Arrow board #374	0	0	0	0	0	0	5	5
2006 Brush Bandit Chipper #406	0	0	0	50	0	0	0	50
2012 Street Sweeper #408	0	0	0	150	100	0	0	250
2003 CAT Loader 3 yd. #409	0	0	0	0	260	0	0	260
2002 Brush Bandit Chipper #410	90	0	0	0	0	0	0	0
2002 Stake Truck #415	0	0	0	0	0	150	0	150
2003 Tandem Dump Truck #419	0	230	0	0	0	0	0	0
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	230	0	0	0	0	230
2013 Van Building Maintenance #435	0	0	0	0	0	60	0	60
2004 Chevy 3/4 Ton Pickup #436	0	0	0	35	0	0	0	35
2006 Super Duty Dump Truck #481	0	0	0	64	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	175	0	0	0	175
Tool Cat (New)	75	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$ 4,720</b>	<b>\$ 1,709</b>	<b>\$ 3,255</b>	<b>\$ 1,794</b>	<b>\$ 1,890</b>	<b>\$ 1,335</b>	<b>\$ 1,381</b>	<b>\$ 9,655</b>
Total Projects	11	7	11	6	8	4	6	61
Total Equipment	2	1	1	7	5	4	4	19

**TABLE III**  
**FY 2021-25 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 3 ROADS (R-3) 2020</b>							
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	0	975	0	0	975
Milton Avenue (Moulin to Sheffield Drive)	0	0	0	167	0	0	167
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	0	75	0	0	75
Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	0	98	0	0	98
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	194	0	303
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	138	0	258
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	195	0	405
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	228	0	0	228
W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	0	160	0	0	160
W. Greig Avenue (Brush Street to John R Road)	0	0	0	167	0	0	167
Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	0	337	0	0	337
Brush Street (Andover Avenue to W. Greig Avenue)	0	0	0	190	0	0	190
W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	0	92	0	0	92
W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	0	92	0	0	92
W. Greig Avenue (Barrington Street to Palmer Street)	0	0	0	93	0	0	93
W. Greig Avenue (Palmer Street to Alger Street)	0	0	0	93	0	0	93
W. Greig Avenue (Alger to Brush Street)	0	0	0	95	0	0	95
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	194	0	0	194
Brettonwoods Street (Andover Ave to W Greig Ave)	0	0	0	195	133	0	328
Brettonwoods Street (W Greig Ave to Eleven Mile Road)	0	0	0	208	133	0	341
Dartmouth Street (Andover Ave to W Greig Ave)	0	0	0	196	0	0	196
Barrington Street (Andover Ave to W Greig Ave)	0	0	0	196	0	0	196
Palmer Street (W Greig Ave to Eleven Mile Road)	0	0	0	209	0	0	209
Alger Street (W Greig Ave to Eleven Mile Road)	0	0	0	209	138	0	347
Alger Street (Andover Ave to W Greig Ave)	0	0	0	196	118	0	314
Sectional	0	0	0	50	0	0	50
<b>YEAR 7 ROADS (R-3) 2024</b>							
Brush Street (W. LaSalle to 13 Mile)	0	0	0	479	0	0	479
Palmer Street (W. Woodside to W. LaSalle)	0	0	0	467	0	0	467
Brush Street (W. Girard to W. Woodside)	0	0	0	473	0	0	473
Hampden Street (W Grieg to 11 Mile)	0	0	0	376	0	0	376
<b>TOTALS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,831</b>	<b>\$ 1,049</b>	<b>\$ 0</b>	<b>\$ 8,880</b>

**TABLE IV-A**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-1 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

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

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

**TABLE IV-B**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

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

**TABLE IV-B**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**R-2 NEIGHBORHOOD PROJECTS**  
**(IN THOUSANDS)**

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

**TABLE IV-C**  
**FY 2021-25 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	194	303
	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	138	258
	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	195	405
	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 2021-25 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	\$ 5,914	\$ 22,140

\* 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:

Impact Category	Expected Impact
Traffic and Safety	Mainline I-75 Level of Service D or better (except 11 Mile Road to 14 Mile Road), compared to Level of Service F with No Build. Safety will improve.
Relocations	Twenty-six single family residences, one church, and two businesses.
Community Cohesion	Improved access across I-75 for pedestrians and bicyclists.

<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)	<p>Right-of-way \$ 16,000,000</p> <p>Design 93,000,000</p> <p>Construction <u>463,000,000</u></p> <p>\$572,000,000</p>

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. In November 2109, voters approved a Charter millage that absorbed the "V" millage.

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 2021 - 2022**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

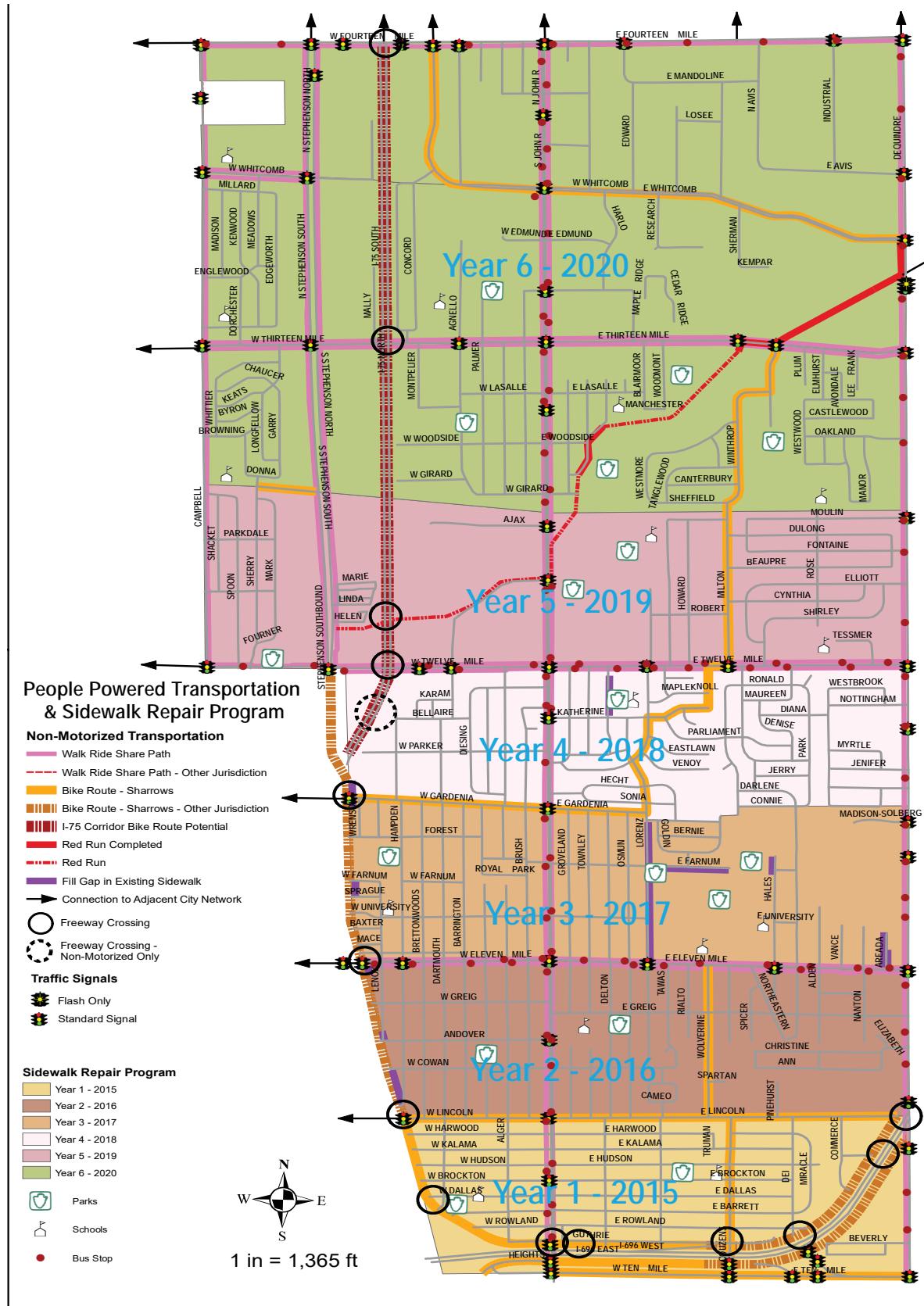
**APPROPRIATIONS:**

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL APPROP.
<b>A. STATE/FEDERAL PROJECTS</b>								
13 Mile WB from Hales to Dequindre NHPP								
13 Mile WB from Hales to Dequindre NHPP	720	0	700	0	0	0	0	700
NB Stephenson Hwy 12-14 Overlay (80/20)	1,226	0	0	0	0	0	0	0
SB Stephenson Hwy 14 - Girard (80/20)	850	0	0	0	0	0	0	0
<b>B. MAJOR ROAD IMPROVEMENTS</b>								
Joint & Crack Sealing - City Wide Major	75	0	0	0	0	0	0	0
Campbell 12-13 Mile Sectional	0	0	0	0	25	0	0	25
13 Mile Sectional - Campbell to Dequindre NON-NHPP	135	75	0	0	250	0	0	250
11 Mile Sectional - Dequindre to I-75	0	521	0	0	0	0	450	450
John R Overlay - 11 Mile to Dartmouth	0	0	0	0	0	600	0	600
Ajax - John R to 801 Ajax	0	0	0	0	250	0	0	250
Stephenson Hwy Turnarounds	250	0	0	0	0	0	250	250
Sectional - Edward - Mandoline to Whitcomb	0	0	54	0	0	0	0	54
Sectional - Townley - 14 Mile to Whitcomb	0	0	327	0	0	0	0	327
Sectional - Barrington - 14 Mile to Whitcomb	0	0	0	700	0	0	0	700
Sectional - E. Lincoln - Wolverine to Dequindre	0	289	0	0	0	0	0	0
Sectional - Whitecomb - Barrington to Dequindre	0	0	436	0	0	0	0	436
Sectional - West Whitcomb - Campbell to Stephenson	0	0	430	0	0	0	0	430
Sectional - Industrial - Fourteen to East Avis	0	0	0	115	0	0	0	115
Sectional - Girard - West of John R	0	127	0	0	0	0	0	0
Sectional - Stephenson Hwy - Girard to 12 Mile	400	0	0	0	0	0	200	200
<b>C. LOCAL ROAD IMPROVEMENTS</b>								
Joint Seal - City-Wide Local	0	0	0	75	0	0	75	150
Sectional - Research Park and Tech Row	509	0	0	0	0	0	0	0
Sectional - Montpelier	65	0	0	0	0	0	0	0
Sectional - Edmund - Harlo to John R	0	0	153	0	0	0	0	153
Sealcoat Road Rehabilitation	75	0	0	0	0	0	0	0
Sectional - Irving - Brush to Edward	0	0	250	0	0	0	0	250
Brush - 13 Mile to Irving	0	0	0	200	0	0	0	200
Losee - John R to Townley	0	0	97	0	0	0	0	97
Mandoline - Alger/Townley	0	0	0	0	300	0	0	300
Commerce - Michael to E. Progress	0	0	0	0	0	150	0	150
Brush - 14 Mile to Mandoline	0	0	0	0	100	0	0	100
Alger - South of 14 Mile	0	0	0	0	200	0	0	200
Non-R Residential Sectional	0	127	242	200	100	100	100	742
<b>D. TRAFFIC SIGNAL UPGRADES</b>								
Traffic Signal Improvements	0	90	30	30	30	30	30	150
<b>E. REHABILITATION PROGRAMS</b>								
Sidewalk Replacement, Sectional Repairs & Gap Installation	250	250	300	0	0	0	0	300
<b>F. EQUIPMENT REPLACEMENT</b>								
1999 Concrete Drop Hammer #261	0	0	0	0	30	0	0	30
2000 Solar Arrow board #318	0	0	6	0	0	0	0	6
2004 Trailer Air Compressor #330	0	0	0	0	0	0	26	26
1999 Leaf Loader Trailer #352	0	0	0	0	55	0	0	55
2001 Leaf Loader Trailer #354	0	0	0	0	0	55	0	55
2001 Leaf Loader Trailer #355	0	0	0	0	0	0	55	55
2008 Solar Arrow board #374	0	0	0	0	0	0	5	5
2006 Brush Bandit Chipper #406	0	0	0	50	0	0	0	50
2012 Street Sweeper #408	0	0	0	150	100	0	0	250
2003 CAT Loader 3 yd. #409	0	0	0	0	260	0	0	260
2002 Brush Bandit Chipper #410	90	0	0	0	0	0	0	0
2002 Stake Truck #415	0	0	0	0	0	150	0	150
2003 Tandem Dump Truck #419	0	230	0	0	0	0	0	0
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	230	0	0	0	0	230
2013 Van Building Maintenance #435	0	0	0	0	0	60	0	60
2004 Chevy 3/4 Ton Pickup #436	0	0	0	35	0	0	0	35
2006 Super Duty Dump Truck #481	0	0	0	64	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	175	0	0	0	175
Tool Cat (New)	75	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$ 4,720</b>	<b>\$ 1,709</b>	<b>\$ 3,255</b>	<b>\$ 1,794</b>	<b>\$ 1,890</b>	<b>\$ 1,335</b>	<b>\$ 1,381</b>	<b>\$ 9,655</b>
Total Projects	11	7	11	6	8	4	6	61
Total Equipment	2	1	1	7	5	4	4	19

**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**ROAD IMPROVEMENTS**  
**(IN THOUSANDS)**

**REVENUES:**

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	GENERAL FUND	LOCAL STREETS	MAJOR STREETS	SPECIAL ASSESS.	VEHICLE/ SOLID WASTE MILLAGE	OTHER REVENUES	FEDERAL TRANSPORT GRANT	OAKLAND CO. ROAD/ DRAIN	TOTAL REVENUES
<b>A. STATE/FEDERAL PROJECTS</b>									
13 Mile WB from Hales to Dequindre NHPP									
	\$0	\$0	\$350	\$0	\$0	\$0	\$350	\$0	\$700
<b>B. MAJOR ROAD IMPROVEMENTS</b>									
Campbell 12-13 Mile Sectional	0	0	25	0	0	0	0	0	25
13 Mile Sectional - Campbell to Dequindre NON-NHPP	0	0	250	0	0	0	0	0	250
11 Mile Sectional - Dequindre to I-75	0	0	450	0	0	0	0	0	450
John R Overlay - 11 Mile to Dartmouth	0	0	200	0	0	400	0	0	600
Ajax - John R to 801 Ajax	0	0	250	0	0	0	0	0	250
Stephenson Hwy Turnarounds	0	0	250	0	0	0	0	0	250
Sectional Edward - Mandoline to Whitcomb	0	0	54	0	0	0	0	0	54
Sectional Townley - 14 Mile to Whitcomb	0	0	327	0	0	0	0	0	327
Sectional - Barrington - 14 Mile to Whitcomb	0	0	700	0	0	0	0	0	700
Sectional - Whitcomb - Barrington to Dequindre	0	0	436	0	0	0	0	0	436
Sectional - West Whitcomb - Campbell to Stephenson	0	0	430	0	0	0	0	0	430
Sectional - Industrial - Fourteen to East Avis	0	0	115	0	0	0	0	0	115
Sectional - Stephenson Hwy - Girard to 12 Mile	0	0	200	0	0	0	0	0	200
<b>C. LOCAL ROAD IMPROVEMENTS</b>									
Joint Seal - City-Wide Local	0	150	0	0	0	0	0	0	150
Sectional - Edmund - Harlo to John R	0	153	0	0	0	0	0	0	153
Sectional - Irving - Brush to Edward	0	250	0	0	0	0	0	0	250
Brush - 13 Mile to Irving	0	200	0	0	0	0	0	0	200
Losee - John R to Townley	0	97	0	0	0	0	0	0	97
Mandoline - Alger/Townley	0	300	0	0	0	0	0	0	300
Commerce - Michael to E. Progress	0	150	0	0	0	0	0	0	150
Brush - 14 Mile to Mandoline	0	100	0	0	0	0	0	0	100
Alger - South of 14 Mile	0	200	0	0	0	0	0	0	200
Non-R Residential Sectional	0	742	0	0	0	0	0	0	742
<b>D. TRAFFIC SIGNAL UPGRADES</b>									
Traffic Signal Improvements	0	0	150	0	0	0	0	0	150
<b>E. REHABILITATION PROGRAMS</b>									
Sidewalk Replacement, Sectional Repairs & Gap Installation	0	0	0	300	0	0	0	0	300
<b>F. EQUIPMENT REPLACEMENT</b>									
1999 Concrete Drop Hammer #261	30	0	0	0	0	0	0	0	30
2000 Solar Arrow board #318	6	0	0	0	0	0	0	0	6
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 Bandit 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
2003 Tandem Dump Truck #419	150	0	0	0	0	0	0	0	150
2003 Single Axle Dump #424	190	0	0	0	0	0	0	0	190
2003 Single Axle Dump #425	0	0	0	0	190	0	0	0	190
2003 Single Axle Dump Truck #426	190	0	0	0	0	0	0	0	190
2003 Tandem Dump Truck #433	230	0	0	0	0	0	0	0	230
2013 Van Building Maintenance #435	60	0	0	0	0	0	0	0	60
2004 Chevy 3/4 Ton Pickup #436	35	0	0	0	0	0	0	0	35
2006 Super Duty Dump Truck #481	64	0	0	0	0	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	0	175	0	0	0	175
	\$ 1,246	\$ 2,342	\$ 4,187	\$ 300	\$ 830	\$ 400	\$ 350	\$ 0	\$ 9,655



## **COLLECTION & DISTRIBUTION SYSTEMS**

### **Local Water Improvements**

- Water Main Replacement Program

#### 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 staff, 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. This water main replacement program has been continued into the "R-3" Neighborhood Road Improvement Program.

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. Standalone 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 2022-25 CIP programs eleven standalone water main replacement projects over this five year period. FY 2021 includes one standalone water main on Connie from Beverly to Alden (\$267,000), while FY 2022 has three standalone water mains Longfellow from Garry to Browning (\$195,000), Garry from Longfellow to Sherry (\$458,000) and Park Court from 11 Mile to Northwestern. These 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

Seventeen pieces of water and sewer related equipment are scheduled for replacement over the five years of the CIP. FY 2021 includes the replacement of a 1997 forklift (\$40,000), a 2003  $\frac{3}{4}$  ton pick-up (\$38,000),

a 2007 3/4 Ton work body box truck (\$60,000), a portable light tower (\$25,000) and a large format scanner (\$7,000).

- Facilities Needs

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

These five years of the CIP include seven (7) facility improvements. FY 2021 includes the final phase of the replacement of the DPS salt storage dome (\$655,000) and epoxy floor coating in the building (\$24,000).

FY 2021 and 2022 includes the final two phases of the replacement of failing concrete pavement at the DPS, \$90,000 and \$70,000 respectively.

### **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 linear feet of existing 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 had three years to complete an Asset Management Plan. In late 2019, a financial review was completed in-house by the City Manager to determine the costs of improvements and what rates would be needed to support those improvements. Due to the limited number of repairs required it was determined that the current rate structure is adequate to support the required repairs for FY 2021. However, if needed in the future, 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 to determine in advance if the rate would need to be adjusted and if so implement a smoothing rate increase structure in order to prevent a +10% rate increase in any given year. 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. The SAW grant program yielded favorable results as the integrity of the wastewater collection system was found to be in very good condition for its age. Based upon the 500,854 lineal feet of sanitary sewer pipe inspected and rated, approximately 4,518 lineal feet of pipe needs some type of rehabilitation or repairs. This amount represents a modest repair scenario of approximately 0.902% of the overall sanitary sewer system.

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 (GKWD). The three major components of this construction project include Contract #1, construction of the 10-foot parallel storm sewers north and south of the existing RTF including the disconnect of the existing Madison Heights storm sewers and rerouting of two combined sewer interceptors; Contract #2, construction of a new Ten Mile Road interceptor in Hazel Park; and Contract #4, construction of a new inlet weir just east of Interstate Freeway 75 (I-75) and south of the City’s Department of Public Services Building. The project was constructed on property owned by the GKWD and the City. The GKWD held a permanent easement over the City property. Contracts #1 and #2 were initiated in the fall of 2000 and were completed in 2002.

The GKWD approved Contract #4 on August 14, 2001 at a cost of \$79.5 million or \$6.1 million under engineering estimates. Contract #4 includes the following additions:

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

9. Extending a rerouted combined sewer outlet line to the proposed dewatering pump station and storage facility.
10. Electrical and instrumentation rehabilitation of the existing dewatering pump station.
11. A chemical odor control system.

### **Operations and Maintenance Agreement**

In February 2005, the City had a major breakthrough in efforts to secure a favorable modification to the Operation and Maintenance (O & M) Apportionment for the GWK Drain. The settlement provided the City \$3.4 million over the next five years in reduced charges and cash and an additional \$449,000 in savings annually from that point forward. The City Manager headed up the effort to have the GWK Drain Board revise the existing O & M Apportionments to reflect the implementation of the new parallel storm sewers and the rerouting of the City's storm water directly to the Red Run Drain. Key provisions of the agreement include:

1. A new O & M Apportionment adopted by the Drain District Board, which will save the City \$449,000 per year effective July 1, 2005.
2. The Drain District will credit the communities as a whole \$1 million a year for the next five years and the credits will be spread in relationship to the current apportionments (calculating the credits based on the old apportionment which benefits Madison Heights since the old rate will be dropped from 10.286% to 6.5409% with the adoption of the new apportionment). In addition, the Water Resources Commissioner reserves the right to charge the communities up to \$500,000 per year for five years based on the new O & M Apportionments to fund a capital replacement and repair reserve. Water Resources Commissioner McCulloch indicated that it may not be necessary to impose this new charge if he determines the \$18 million reserve is adequate. The net impact of the new credit and the new charge will result in a net credit on Madison Heights' bill of an additional \$70,000 over five years or \$350,000.
3. The Drain District by agreement would agree to pay Madison Heights \$850,000 to maintain the new green open space being created west from John R to the new screen building. The new facility consolidates many of the Madison Heights' soccer fields in one complex at this location including 9 soccer fields, a 230 space parking lot, a support building (including concessions, restrooms, storage and a small meeting room/office), a playground and a picnic shelter. The Drain District has agreed to fund all improvements except the playground (funded by Oakland County Parks and Recreation).
4. The City would be responsible for any future treatment of storm water that it contributes to the new parallel storm sewers to the extent of what is currently required under federal and state law. Madison Heights would also be apportioned 94.5% of the estimated \$20,000 annual cost for the O & M Apportionment for the parallel storm sewers.

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

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

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

- **Contract No. 4 - RTF Improvements**

The project was bid July 17, 2001 and awarded to Walbridge Aldinger. The project consisted of RTF Improvements including construction of a 30.7 million gallon concrete basin expansion, a 9,140 square foot Treatment Facility, modifications to existing concrete control structures, and various electrical and mechanical systems control modifications.

The project was substantially complete on December 31, 2005. Following substantial completion, issues arose over continued failures in the disinfection system. A settlement was negotiated among contractor, subcontractor and design engineer. The contract final payment was approved by the Drainage Board in February 2009 in the amount of \$83.9 million.

- **Contract No. 5 - Regulator Reconstruction and Improvements**

The project was bid in July of 2005 and awarded to Weiss Construction Company. The goal of this project was to remove and/or abandon several combined sewage flow regulators that had deteriorated beyond repair and were no longer functioning, and replace them with new stainless steel regulators and slide gates, as well as new level sensors and programmable logic controllers to monitor and control sewage flows.

The project was substantially complete on December 29, 2006 and final payment was made to Weiss on November 18, 2008. After all adjustments and change order, the final contract amount is \$1.2 million. The newly installed regulators and level sensors will be monitored and adjusted on a continual basis in order to optimize their effectiveness in controlling flood risks.

- **Contract No. 6A - Structural Repairs and Access Gate Replacement**

The project was bid in July of 2007 and awarded to Western Waterproofing. The GWK retention treatment basin was constructed in the early 1970's and was beginning to show signs of deterioration. The goal of this project was to restore the concrete inside of the GWK retention and treatment basin including resealing all of the construction and expansion joints and the replacement of the vehicle access roller gate at Dequindre Road.

The dates of substantial completion for the Structural Concrete Repairs and the Access Roller Gate were July 31, 2008 and September 30, 2008 respectively. The final contract amount is \$1.4 million.

- **Contract No. 6B - Flushing System Rehabilitation**

The project was bid in July of 2008 and awarded to Six-S for the amount of \$6.4 million. The contract consists of the construction of approximately 11,000 feet of 20 inch diameter ductile iron pipe, 3,000 flushing nozzle piping connections and Screening Building Water Services modifications at the Retention Treatment Facility. The date of substantial completion for the Flushing System Rehabilitation was October 15, 2009.

- **Contract No. 7 - Confined Space Entry Training Facility**

The project was bid in August of 2006 and awarded to Sorensen Gross Construction. This project consists of the construction of a confined space entry training facility, the grading and construction

of nine youth soccer fields including the infrastructure and the construction of a building and pavilion to serve as a training/conference facility. The project was substantially complete on October 24, 2008. The final contract amount was \$1.9 million.

- Contract No. 8 - Chlorine System Rehabilitation Contract

The project was bid on February 26, 2008 and awarded to Process Piping and Equipment. The project consists of the replacement of approximately 66 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

<u>Project Name</u>	<u>Amount</u>
<u>Future Projects</u>	
• 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 was \$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 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COLLECTION & DISTRIBUTION SYSTEMS**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

COLLECTION & DISTRIBUTION SYSTEMS	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL APPROP.
<b>NON-"R" WATER MAINS</b>								
W. Brockton - John R. to Dartmouth								
W. Brockton - John R. to Dartmouth	312	0	0	0	0	0	0	0
W. Dallas - Alger to Dartmouth	205	0	0	0	0	0	0	0
W. Woodside to DPS Spill Pad/Loop Main West of I-75	0	364	0	0	0	0	0	0
Areada	0	285	0	0	0	0	0	0
Connie - Beverly to Alden	0	0	267	0	0	0	0	267
Longfellow - Garry to Browning	0	0	0	195	0	0	0	195
Garry - Longfellow to Sherry	0	0	0	458	0	0	0	458
Park Court - 11 Mile to Northwestern	0	0	0	309	0	0	0	309
Alger - Mandoline to Fourteen Mile	0	0	0	0	561	0	0	561
Fourteen Mile - John R to Palmer	0	0	0	0	229	0	0	229
John R - Whitcomb to Fourteen Mile	0	0	0	0	0	561	0	561
Ten Mile - Dequindre to John R	0	0	0	0	0	664	0	664
Edward - Twelve Mile to Page Middle School	0	0	0	0	0	0	298	298
Lenox - Eleven Mile to University	0	0	0	0	0	0	183	183
Hampden - Eleven Mile to University	0	0	0	0	0	0	183	183
<b>SEWER PROJECTS</b>								
Sanitary Sewer Projects that result from Inspection	0	888	150	150	0	0	0	300
<b>REPLACEMENTS</b>								
2003 Caterpillar 4-Yard Loader #404	252	0	0	0	0	0	0	0
2003 3 Yard Loader #405	0	225	0	0	0	0	0	0
2003 Tandem Axle Dump Truck with V-box #422	0	220	0	0	0	0	0	0
1997 Clark Forklift #320	0	0	40	0	0	0	0	40
2000 Chevy 3/4 Ton Pickup #430	0	0	38	0	0	0	0	38
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	90	0	0	0	90
2007 Ford F250 3/4 Ton Pick-up Work-Box Body #457	0	0	60	0	0	0	0	60
2010 Ford 3/4 Ton Pickup #460	0	0	0	33	0	0	0	33
2013 GMC Cargo Van #461	0	0	0	0	35	0	0	35
2003 Sterling Sewer Vactor #465	0	0	0	0	0	425	0	425
City-wide Water Meter Replacement Program	1,200	0	0	0	0	0	0	0
Meter Reading Equipment	0	8	0	0	0	0	0	0
Portable Light Tower	0	0	25	0	0	0	0	25
Large Format Scanner	0	0	7	0	0	0	0	7
Sewer Camera	0	13	0	0	0	0	0	0
Utility Locator	0	8	0	0	0	0	0	0
V4 Neptune Collector for AMR	0	0	0	9	9	9	9	36
<b>FACILITIES</b>								
DPS Salt Dome Containment Structure	0	255	400	0	0	0	0	400
Epoxy Floor Coating Ajax Building	0	0	24	0	0	0	0	24
Window Replacement of DPS Ajax Building	0	20	0	0	0	0	0	0
Replacement/Repairs to DPS Parking Lot	80	100	90	70	0	0	0	160
DPS Overhead Paging System Repair/Rehabilitate	0	15	0	0	0	0	0	0
2006 Backup Generator #52 (DPS Building)	0	0	0	70	0	0	0	70
Dossier Fleet Management Software	0	5	0	0	0	0	0	0
Air Compressor for DPS Ajax Building	0	0	15	0	0	0	0	15
Concrete Pad inside the DPS Pole Barn	0	0	0	70	0	0	0	70
Underground Gasoline and Diesel Fuel Storage	25	532	0	0	0	0	0	0
HVAC Ajax	0	0	0	300	0	0	0	300
<b>TOTALS</b>	<b>\$ 2,074</b>	<b>\$ 2,938</b>	<b>\$ 1,116</b>	<b>\$ 1,364</b>	<b>\$ 1,225</b>	<b>\$ 1,304</b>	<b>\$ 1,098</b>	<b>\$ 6,107</b>
Total Projects	5	7	4	6	3	2	3	18
Total Equipment	0	5	6	3	3	3	2	17

**REVENUES:**

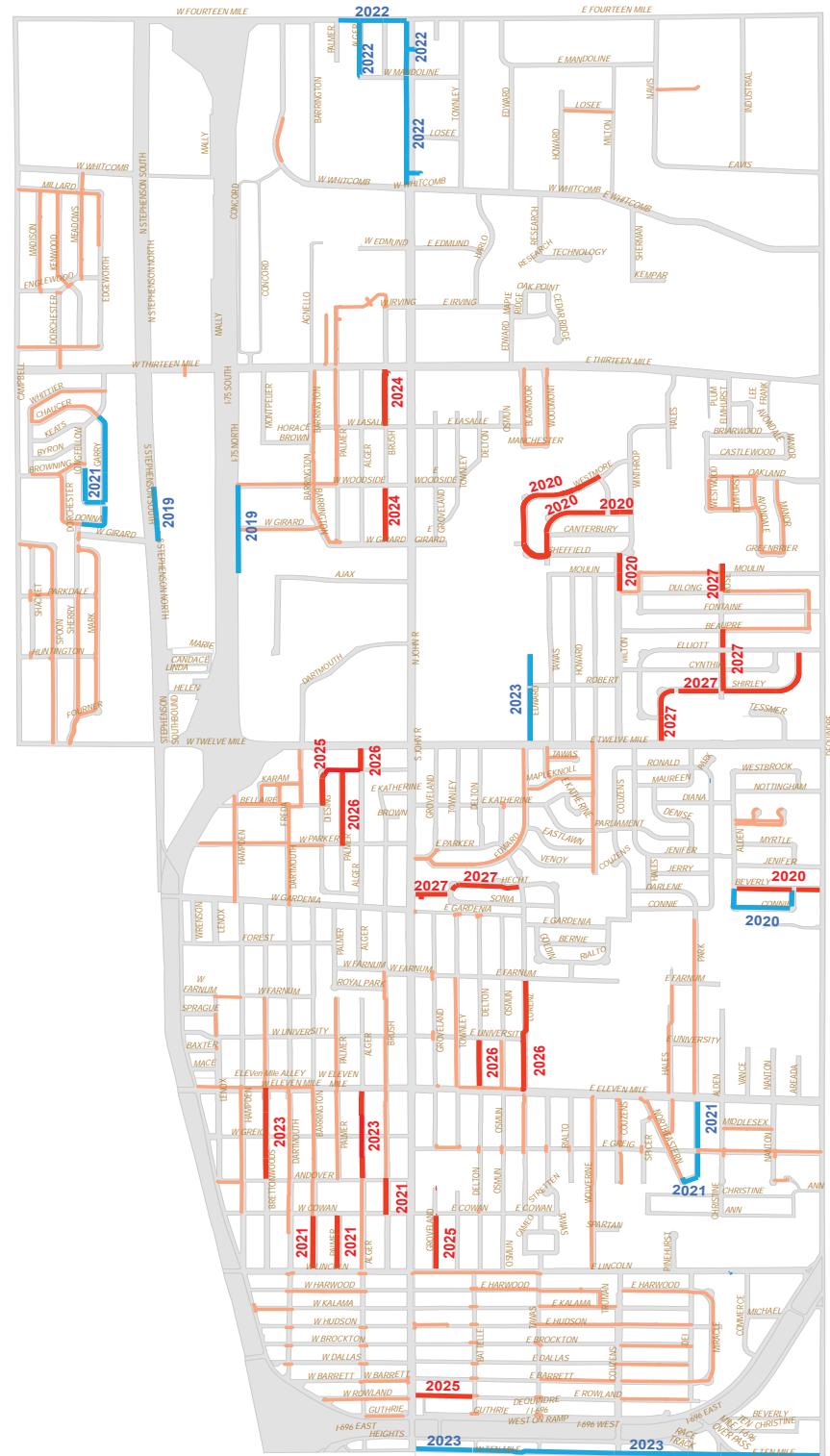
COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL/ MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
<b>WATER MAINS/METERS</b>								
Connie - Beverly to Alden								
Connie - Beverly to Alden	0	0	0	0	0	267	0	267
Longfellow - Garry to Browning	0	0	0	0	0	195	0	195
Garry - Longfellow to Sherry	0	0	0	0	0	458	0	458
Park Court - 11 Mile to Northwestern	0	0	0	0	0	309	0	309
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	561	0	561
Fourteen Mile - John R to Palmer	0	0	0	0	0	229	0	229
John R - Whitcomb to Fourteen Mile	0	0	0	0	0	561	0	561
Ten Mile - Dequindre to John R	0	0	0	0	0	664	0	664
Edward - Twelve Mile to Page Middle School	0	0	0	0	0	298	0	298
Lenox - Eleven Mile to University	0	0	0	0	0	183	0	183
Hampden - Eleven Mile to University	0	0	0	0	0	183	0	183
<b>SEWER PROJECTS</b>								
Sanitary Sewer Projects that result from Inspection	0	0	0	0	0	300	0	300
<b>REPLACEMENTS</b>								
1997 Clark Forklift #320	0	0	0	0	0	40	0	40
2000 Chevy 3/4 Ton Pickup #430	0	0	0	0	0	38	0	38
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 Work-Box Body #457	0	0	0	0	0	60	0	60
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
Portable Light Tower	0	0	0	0	0	25	0	25
Large Format Scanner	0	0	0	0	0	7	0	7
V4 Neptune Collector for AMR	0	0	0	0	0	36	0	36
<b>FACILITIES</b>								
DPS Salt Dome Containment Structure	0	0	0	0	0	400	0	400
Epoxy Floor Coating Ajax Building	0	0	0	0	0	24	0	24
Replacement/Repairs to DPS Parking Lot	0	0	0	0	0	160	0	160
2006 Backup Generator #52 (DPS Building)	0	0	0	0	0	70	0	70
Air Compressor for DPS Ajax Building	0	0	0	0	0	15	0	15
Concrete Pad inside the DPS Pole Barn	0	0	0	0	0	70	0	70
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>\$ 6,107</b>	<b>\$ 0</b>	<b>\$ 6,107</b>

TABLE VII

FY 2021-25 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	2020-21	Connie - Beverly to Alden	1,300	267,000
2	2021-22	Longfellow - Garry to Browning	850	194,650
3	2021-22	Garry - Longfellow to Sherry	2,000	458,000
4	2021-22	Park Ct. - 11 Mile to Northeastern	1,350	309,150
5	2022-23	Alger - Mandoline to Fourteen Mile	2,450	561,050
6	2022-23	Fourteen Mile - John R to Palmer	1,000	229,000
7	2023-24	John R - Whitcomb to Fourteen Mile	2,450	561,050
8	2023-24	Ten Mile - Dequindre to John R	2,900	664,100
9	2024-25	Edward - Twelve Mile to Page Middle School	1,300	297,700
10	2024-25	Lenox - Eleven Mile to University	800	183,200
11	2024-25	Hampden - Eleven Mile to University	800	183,200
12	2025-26	Lincoln - John R to Service Drive (2 mains)	4,600	1,053,400
13	2026-27	Park Ct. 12 Mile to Darlene	2,450	561,050
14	2026-27	Ronald - Hales to Park Ct.	750	171,750
15	2027-28	Milton - Twelve Mile to Cynthia	1,300	297,700
16	2027-28	Milton - Cynthia to Dulong	1,200	274,800
17	2027-28	Bernie Lane - Goldin to Rialto	950	217,550
18	2027-28	Beverly Drive - Dequindre to Heights Dr.	1,200	274,800
19	2028-29	Wrenson - Gardenia to Forest	650	148,850
20	2028-29	Diana - Park Ct. to Denise	750	171,750
		Totals	31,050	\$ 7,079,750

These costs assume a \$205-229 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.



<p><b>Water Distribution Network Capital Improvement Plan 2020</b></p> <p>City of Madison Heights, MI</p>	<p><b>PROJECT</b></p> <p>Planned R3 Projects with Water Main Improvements</p> <p>Planned Water Main Standalone Projects</p> <p>Prior Water Main Improvements (PVC Installed)</p>	
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## **PUBLIC SAFETY**

The 2021-25 CIP includes funding for twenty-one public safety facility improvement projects and forty pieces of equipment/vehicles. These improvements cover both Police and Fire for a total of \$3.5 million.

- Police Department - HVAC Upgrades

FY 2021 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 \$420,000.

- Police Department – Body Cams and In-Car Cameras

In-Car Cameras and Body Cameras are being budgeted in FY 2021 and 2022 to be purchased together for cost savings. The last upgrade of in-car video cameras was purchased in FY 2015 and out of warranty at the end of FY 2020. Over the last 5 years, we have had numerous problems with the vendor of our in-car camera system including having to replace the DVD burner accessory multiple times. At the same time as the in-car camera upgrade, body cameras will be implemented to be paired together for maximum effectiveness. FY 2021 includes \$105,667 with an additional \$75,278 budgeted in FY 2022. Numerous grants are available for the purchase of cameras of this nature. We will be exhausting all grant opportunities before expending general fund dollars on this purchase.

- Police Radio Equipment

CLEMIS is in the process of upgrading the entire police radio system. Phase I of the replacement will begin in FY 2021. CLEMIS will be using 911 surcharge funds to support the purchase of radios in the entire County. However, CLEMIS took a snapshot of each Oakland County Department approximately 1-year ago and will not pay for any additional radios above that snapshot. Each employee will have their own portable radio and each police car will have a mobile radio. Our Department will have added 3 patrol officers to our ranks by the time this system is purchased so our City will be required to pay for each of those radios at an estimated cost of \$7,000 each. Further, CLEMIS will not be providing portable radios or mobile radios for our Police Reserves. Our City will need to equip 8 Reserve Patrol Vehicles with mobile radios at an approximate cost of \$8,500 each and provide the Reserve Unit with 10 portable radios at approximately \$7,000 each. The PD will also need at least 5 portable radios to be used as spare radios. The PD will also need to purchase spare shoulder mics, antennas, and radio holders at an approximate cost of \$6,000. The total amount needed for just the radios will be approximately \$194,000. The total amount needed for spare equipment and radio battery bank chargers will be approximately \$15,000 bring the total amount necessary to approximately \$209,000.

- Police Interior Sanitary Drain Pipe Replacement

The existing suspended sanitary piping in the lower level of the Police Department is all cast iron and original to the buildings 1991 construction. Sections of this piping have been replaced and when plumbing issues occur in the Police Department sanitary sewage drips into the lower level, which houses a variety of Police activities, offices, and storage. The FY 2021 budget includes \$15,000 to replace all aged cast iron pipes in the building with PVC.

- Police Flooring in the Gun Range Armory and Property Room

The FY 2021 Budget originally included the replacement of vinyl composite tile in the gun range with an epoxy floor-coat system. The current tile is routinely breaking and popping up from the floor adhesive. Due to budget adjustments, this \$25,000 has been postponed until FY 2023.

- Police Reserve Station Refurbishment

The Police Reserve Station, housed at the Department of Public Services, is in need of multiple upgrades, including

flooring, lighting and personnel lockers which are above and beyond normal building maintenance. Due to budget adjustments, this \$19,000 has been postponed until 2023.

- Police Live-Scan Fingerprint Computer (CLEMIS)

Before December 31, 2021, all Police Departments in Oakland County are required to use the CLEMIS Live-Scan fingerprint machine to process prisoners. Therefore the FY 2021 budget includes \$22,000 for this purchase.

- Police Training Room Video Upgrades

The projector and the audio system in the training room have not been operational in approximately ten (10) years. The Police Department has been active in hosting training as well as the citizens' academy requiring the use of a portable projector and older laptop with no sounds. FY 2022 includes \$5,000 to remove and replace the projector and audio system.

- 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, except 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. The staff took advantage of this construction to install the first phase of the City Hall sprinkler system in the lower level of City Hall in FY 2015. \$125,000 has been programmed in FY 2023 to complete the upper level of City Hall with \$75,000 budgeted in FY 2024 to complete the 43<sup>rd</sup> District Court Building.

- Fire Station #1 HVAC Upgrades

A 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 3-5 years. The CIP includes two office units at \$17,500 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 2023. 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 2023 for the bunkhouse and day room units and \$35,000 in FY 2022 for the Locker Room Unit.

- Fire Radio Equipment

FY 2021 starts Phase I of II for the replacement of the Fire Department's emergency radio system. The department currently uses Oakland County's OakWIN Public Safety Radio System. The OakWIN system is at the end of its service life and requires replacement. Oakland County has selected a new system that is an APCO Project 25 (P25) standards-based platform, with continued high levels of coverage and capacity. Additionally, it will provide a "limited" partnership with the Michigan Public Safety Communications System (MPSCS) for enhanced interoperability in and immediately around Oakland County. The total projected cost for this project is \$110,000.

- Fire Lucas Chest Compression System

The chest compression system maximized our responses and improves our advanced cardiac life support delivery. The device frees firefighters to perform other critical tasks during a CPR. This system delivers high-quality chest compressions, allowing patients in cardiac arrest to improve blood flow. Studies have shown the effectiveness of manual chest compression can drop due to rescuer fatigue. The FY 2021 budget includes two Lucas Chest compression systems for Engine #71 and Engine #72 for \$32,000.

- Fire Station #1 and #2 Infrastructure Maintenance

The strategic plan includes securing the services of an architect to evaluate the condition of Fire Station #2 and make recommendations for refurbishments or building a new facility. Until this evaluation is complete we are holding off on major infrastructure modifications at Fire Station #2. Several minor items were originally budgeted in both Fire Station #1 and #2 including kitchen renovations at \$27,000 and carpet for \$30,000. These projects have been postponed until FY 2023. HVAC in Fire Station #2 has had multiple failures and increasingly expensive repairs. We have budgeted \$50,000 in FY 2022 for replacement. Phase funding has also been programmed for starting in FY 2022 for the scheduled replacement of Fire Station #1 HVAC unit. The budget includes \$35,000 in both FY 2022 and 2023 with \$30,000 in 2024.

### **Vehicle Replacement - Police**

The five-year CIP includes replacement of sixteen (16) marked patrol vehicles which now cost over \$37,000 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**

Nine (9) pieces of equipment or vehicles are scheduled to be replaced during the CIP period, FY 2021-25. 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 an ambulance rescue 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 a generator #550 replacement, for Fire Station #1.

As stated earlier, Proposal MH was developed around funding public safety and quality life events. This proposal replaced the Advanced Life Support millage and the V-3 millage which has been used to purchase vehicles for (Table IX).

The following tables show appropriations and revenues for Public Safety (Table VIII).

**TABLE VIII**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**PUBLIC SAFETY**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

PUBLIC SAFETY	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL APPROP.
<b>POLICE</b>								
Patrol Vehicles (24)	156	101	177	148	185	185	185	880
Patrol Motorcycle (2)	0	0	0	0	25	25	0	50
Police Padded Flooring Surface	0	22	0	0	0	0	0	0
Police Gun Range Refurbishment	224	0	0	0	0	0	0	0
Police Dispatch Cabling	19	0	0	0	0	0	0	0
Police Body Cams and In-Car Cameras	0	0	106	76	0	0	0	182
Police Radio Equipment (CLEMIS)	0	0	0	200	0	0	0	200
Police HVAC Upgrades - phased	0	0	140	140	140	0	0	420
Police Interior Sanitary Drain Pipe Replacement	0	0	15	0	0	0	0	15
Police Flooring in the Gun Range	0	0	0	0	25	0	0	25
Police Carpet Replacement - phased	0	0	0	0	25	25	30	80
Police Personnel Locker Replacement Reserves	0	0	0	0	9	0	0	9
Police Renovation of Reserve Station	0	0	0	0	10	0	0	10
Police Building Video Camera System	0	0	0	0	0	13	0	13
Police LIDAR with Handheld Unit	0	0	0	5	0	0	0	5
Police Live-Scan Fingerprint Computer (CLEMIS)	0	0	22	0	0	0	0	22
Police Waterproofing of the South Basement Wall	0	0	0	0	10	0	0	10
Police Communications Conduit Reroute	0	0	0	25	0	0	0	25
Police VCT Flooring Property Room/Gun Range	0	0	0	0	20	0	0	20
Police VCT Flooring Cell Block	0	0	0	0	30	0	0	30
Police Training Room video upgrades	0	0	0	5	0	0	0	5
Police Celebrate Software and Equipment	0	0	16	0	0	0	0	16
Police Roof Replacement	0	601	0	0	0	0	0	0
<b>FIRE</b>								
City Bldgs. Fire Detection & Suppression Systems	0	0	0	0	125	75	0	200
Resurfacing Fire Apparatus Room Floors	53	0	0	0	0	0	0	0
Fire HVAC Upgrades	0	0	0	35	35	30	0	100
Fire Radio Equipment	0	0	55	55	0	0	0	110
Fire Lucas Chest Compression System (2)	0	0	0	0	32	0	0	32
Fire Station #1 Thermostat Controls	0	15	0	0	0	0	0	0
Fire Station #2 HVAC Replacement	0	0	0	50	0	0	0	50
Fire Station #2 Flooring	0	0	0	32	0	0	0	32
Fire Station #1 and #2 Carpet Replacement	0	0	0	0	30	0	0	30
Fire Station #1 and #2 Kitchen	0	0	0	27	27	0	0	54
2003 Generator Fire Station #1 #550	0	0	0	70	0	0	0	70
2004 Generator Fire Station #2 #553	75	0	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	44	0	0	0	0	44
2002 Chevy Pickup 3500 #704	0	0	0	0	34	0	0	34
2011 Ambulance Rescue #710	0	0	140	140	0	0	0	280
2009 Ambulance Rescue #711	0	0	0	0	0	0	0	0
2004 Pierce Pumper #721	600	0	0	0	0	0	0	0
2002 Pierce Pumper #722	600	0	0	0	0	0	0	0
1997 Aerial Ladder Truck #730	0	0	0	0	0	200	200	400
<b>TOTALS</b>	<b>\$ 1,727</b>	<b>\$ 1,027</b>	<b>\$ 715</b>	<b>\$ 1,008</b>	<b>\$ 790</b>	<b>\$ 553</b>	<b>\$ 415</b>	<b>\$ 3,481</b>
Total Projects	3	3	9	4	5	1	2	21
Total Equipment	7	4	11	10	8	6	5	40

**REVENUES:**

PUBLIC SAFETY	GENERAL FUND	LOCAL/ MAJOR STREETS	OAKLAND COUNTY GRANTS	SPECIAL ASSESS	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
<b>POLICE</b>								
Patrol Vehicles (24)	843	0	0	0	0	37	0	880
Patrol Motorcycle (2)	50	0	0	0	0	0	0	50
Police Body Cams and In-Car Cameras	182	0	0	0	0	0	0	182
Police Radio Equipment (CLEMIS)	200	0	0	0	0	0	0	200
Police HVAC Upgrades - phased	420	0	0	0	0	0	0	420
Police Interior Sanitary Drain Pipe Replacement	15	0	0	0	0	0	0	15
Police Flooring in the Gun Range	25	0	0	0	0	0	0	25
Police Carpet Replacement - phased	80	0	0	0	0	0	0	80
Police Personnel Locker Replacement Reserves	9	0	0	0	0	0	0	9
Police Renovation of Reserve Station	10	0	0	0	0	0	0	10
Police Building Video Camera System	13	0	0	0	0	0	0	13
Police LIDAR with Handheld Unit	5	0	0	0	0	0	0	5
Police Live-Scan Fingerprint Computer (CLEMIS)	22	0	0	0	0	0	0	22
Police Waterproofing of the South Basement Wall	10	0	0	0	0	0	0	10
Police Communications Conduit Reroute	25	0	0	0	0	0	0	25
Police VCT Flooring Property Room/Gun Range	20	0	0	0	0	0	0	20
Police VCT Flooring Cell Block	30	0	0	0	0	0	0	30
Police Training Room video upgrades	5	0	0	0	0	0	0	5
Police Celebrate Software and Equipment	0	0	0	0	0	16	0	16
<b>FIRE</b>								
City Bldgs. Fire Detection & Suppression Systems	200	0	0	0	0	0	0	200
Fire HVAC Upgrades	100	0	0	0	0	0	0	100
Fire Radio Equipment	110	0	0	0	0	0	0	110
Fire Lucas Chest Compression System (2)	32	0	0	0	0	0	0	32
Fire Station #2 HVAC Replacement	50	0	0	0	0	0	0	50
Fire Station #2 Flooring	32	0	0	0	0	0	0	32
Fire Station #1 and #2 Carpet Replacement	30	0	0	0	0	0	0	30
Fire Station #1 and #2 Kitchen	54	0	0	0	0	0	0	54
2003 Generator Fire Station #1 #550	70	0	0	0	0	0	0	70
2014 GMS Sierra Truck #701	28	0	0	0	0	0	0	28
2007 Ford F350 Pickup #702	44	0	0	0	0	0	0	44
2002 Chevy Pickup 3500 #704	34	0	0	0	0	0	0	34
2011 Ambulance Rescue #710	280	0	0	0	0	0	0	280
1997 Aerial Ladder Truck #730	400	0	0	0	0	0	0	400
<b>TOTALS</b>	<b>\$ 3,428</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 53</b>	<b>\$ 0</b>	<b>\$ 3,481</b>

**TABLE IX - A**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**V-2 VEHICLE MILLAGE PURCHASES**  
**(IN THOUSANDS)**

YEAR	VEHICLE	VEHICLE NUMBER	LAST SCHEDULED REPLACE.	REPLACEMENT COST			MILLAGE FUNDS
				POLICE/FIRE	DPS	OTHER	
2007-08	Fire Chief Vehicle	700	2008	\$ 31	\$ 0	0	\$ 31
	3/4 Ton Pick-up	457	2008	0	29	0	29
	Code Enforcement Vehicle	492	2008	0	0	13	13
2008-09	Riding Mower	373	2008	0	11	0	11
	Parks Pick-up W/Plow	484	2009	0	19	0	19
2009-10	Police Patrol Vehicle	105	2010	21	0	0	21
	Police Patrol Vehicle	109	2010	21	0	0	21
	Police Patrol Vehicle	110	2010	21	0	0	21
	Park Riding Mower	325	2010	0	10	0	10
	Senior Van	469	2009	0	22	0	22
	Water and Sewer Pickup Truck	460	2009	0	24	0	24
	Ambulance Rescue Truck	711	2009	200	0	0	200
	Spray Equipment-Dump Truck Brine Tank	--	--	0	4	0	4
2010-11	Rescue Patient Transfer Equipment	--	--	26	0	0	26
	Ambulance Rescue Truck (\$72,000 and \$25,000 prefunded in FY 2008-09 and FY 2009-10)	710	2011	205	0	0	205
	Code Enforcement Pickup Truck	483	2011	0	0	14	14
	Code Enforcement Vehicle	496	2011	0	0	15	15
	Parks Riding Mower	367	2011	0	11	0	11
	Streets Utility Maintenance Vehicle	364	2011	0	6	0	6
	Spray System-Dump Truck Brine Tank	--	--	0	4	0	4
2011-12	Animal Control Van	119	2012	28	0	0	28
	Parks Ex-Mark Mower	363	2012	0	11	0	11
2012-13	Police Patrol Vehicle	103	2006	28	0	0	28
	Police Patrol Vehicle	104	2006	28	0	0	28
	Police Patrol Vehicle Changeovers	--	--	14	0	0	14
	One Ton Dump Truck	431	2004	0	52	0	52
2013-14	Police Patrol Vehicle	110	2011	28	0	0	28
	Police Patrol Vehicle	113	2010	28	0	0	28
	Police Patrol Vehicle	114	2003	28	0	0	28
	Police Detective Bureau Vehicle	121	2002	26	0	0	26
	CDD Inspection Vehicle	494	2001	0	0	23	23
	Streets Chevrolet 3/4 Ton Pick-up	432	2002	0	34	0	34
	Police Patrol Vehicle Changeovers	--	--	17	0	0	17
2014-15	Police Patrol Vehicle	106	2011	27	0	0	27
	Police Motor Carrier Van	117	2000	27	0	0	27
	3/4 Ton Pick-Up	432	2002	0	23	0	23
	Ford Pick-Up	474	2002	0	22	0	22
	Ambulance Rescue Truck (\$190,000 and \$77,000 prefunded in FY 2010-11 and FY 2011-12) 50% Deposit	713	2005	122	0	0	122
2015-16	Police Patrol Vehicle	102	2011	28	0	0	28
	Police Patrol Explorer	111	2009	28	0	0	28
	Police Patrol Vehicle Changeover	--	--	13	0	0	13
	Chevy Blazer	700	2007	28	0	0	28
	Ambulance Rescue Truck (\$190,000 and \$77,000 prefunded in FY 2010-11 and FY 2011-12) 50% Deposit	713	2005	122	0	0	122
	Chevy 3/4 Ton Pickup	473	2004	0	33	0	33
	Tandem Axle Dump Truck	417	2004	0	220	0	220
	Chevy 3/4 Ton Pickup	420	2004	0	33	0	33
	Platform Truck	429	2004	0	170	0	170
2016-17	Police Patrol Vehicle	112	2011	29	0	0	29
	Police Patrol Vehicle	138	2003	29	0	0	29
	Police Patrol Change Over Cost	--	--	13	0	0	13
	Tandem Axle Dump Truck with V-Box	418	2003	0	220	0	220
	<b>TOTALS</b>			\$ 1,216	\$ 958	\$ 65	\$ 2,239

**TABLE IX - B**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**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
	TOTALS			\$ 600	\$ 0	\$ 0	\$ 600

\* Proposal MH replaced Proposal V-3, which was being levied for 0.2454 mills generating about \$196,000 per year.

## **GENERAL GOVERNMENT AND ECONOMIC DEVELOPMENT**

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

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

#### **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 \$120,000 per year from FY 2021 through FY 2023.

- Active Adult Center, City Hall, and Library Renovation

The FY 2021 Budget does not include any capital expense at City Hall, Active Adult Center or Library buildings. The FY 2020 Strategic Plan, highlighted the need to address several facilities including the needed improvements to the Active Adult Center, Library and City Hall. At that time, staff started project planning and awarded a contract for a feasibility study to get an idea of what this project would include and an estimated cost. We have received the estimated cost of \$5.2 M for this project. We are now moving into the cost feasibility phase to determine if we can afford to fund this project with a 15-20 year bond from anticipated current revenues. This budget includes a designation for this project of \$444,000 in FY 2022 and \$300,000 for FY 2023-2025. If this project moves forward, these funds will be utilized to offset the total amount to be financed, if this project does not move forward these funds will be utilized for much-needed improvements that have been placed on hold during this project investigation period. Due to this pending project, we will not be spending money on major expenses.

- 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 2023, the City Hall HVAC is scheduled to be replaced at a cost of \$200,000, phase funded starting in FY 2022. The goal is to resolve temperature control issues, allow for remote control and diagnostics of the system, and yield energy savings.

- 43rd District Court

A total of \$32,000 was originally programmed in FY 2021 for carpet replacement, however due to budget adjustments, this replacement has been moved to FY 2023.

### **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 \$53,500. FY 2022 contained \$59,000 with 75,000 and each year thereafter for a total of three years to implement the changes that are being proposed by our new provider.

- 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 2021 and 2022, replacements for 28 computers are scheduled for a total of \$26,000, with \$26,000 planned each year thereafter for computer replacements.

## **Library**

As part of the FY 2021 strategic planning process, the Library conducted a resident survey and study session with the Library Advisory Board. Although the majority of capital projects to the Library have been deferred for FY 2021, the advisory board support the creation of an outdoor space in FY 2022 with tables and Wi-Fi access.

## **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 2021 and 2022 budgets continue the implementation of this plan. Specifically, we are budgeting to continue the popular facade improvement program (\$10,000) and sign grant program (\$5,000). Other budgeted plans include phase funding future property acquisition (\$35,000) per year, tree planting for \$10,000 in FY 2021 continued in \$5,000 in FY 2022 and traffic study(\$25,000).

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	2019-2025, 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>	

With the FY 2021 proposed budget, the Downtown Development Board has decided to focus on economic development and revitalization projects instead of funding events. These funds will be used on future traffic studies, business attraction and walkability.

**TABLE X**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL APPROP.
43RD DISTRICT COURT								
Courtroom Seating	\$ 22	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Carpet	6	0	0	0	32	0	0	32
Security Cameras	0	40	0	0	0	0	0	0
CIVIC CENTER / CITY WIDE								
HVAC Improvements	0	0	0	200	0	0	0	200
City Hall On-Site Generator	75	0	0	0	0	0	0	0
City Hall Gazebo	0	6	0	0	0	0	0	0
Civic Center Parking Lot	0	0	120	120	120	0	0	360
Active Adult, City Hall and Library Renovation	0	0	0	444	300	300	300	1,344
Election Tabulating Equipment	0	0	17	0	0	0	0	17
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	24	26	26	26	26	26	26	130
IT Strategic Projects	0	8	53	59	75	75	75	337
COMMUNITY DEVELOPMENT								
Vehicle #495	30	0	0	0	0	0	0	0
LIBRARY								
Creation of Outdoor Seating Space	0	0	0	5	0	0	0	5
Library Carpet Replacement	48	0	0	0	0	0	0	0
Lighting Upgrade - Fluorescent to LED	7	0	0	0	0	0	0	0
Breckenridge Room - Room Darkening Blinds/Window Treatments	8	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$ 192</b>	<b>\$ 40</b>	<b>\$ 216</b>	<b>\$ 854</b>	<b>\$ 553</b>	<b>\$ 401</b>	<b>\$ 401</b>	<b>\$ 2,425</b>
Total Projects	3	0	1	2	2	2	2	9
Total Equipment	19	36	32	31	25	24	24	102

**REVENUES:**

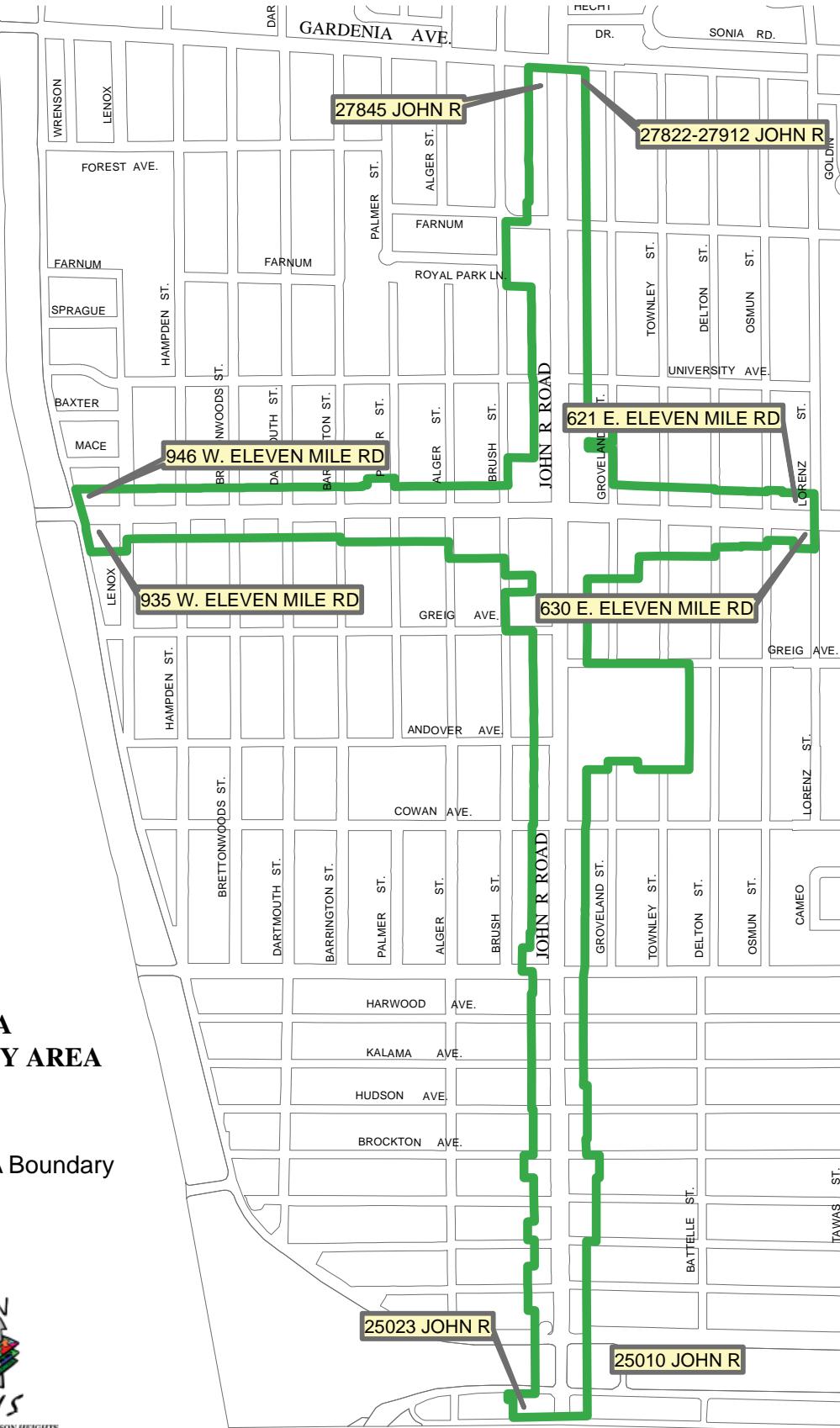
	GENERAL FUND	LOCAL/ MAJOR STREETS	CDBG	SPECIAL ASSESS.	WATER & SEWER	DOWNTOWN DEVELOP. AUTHORITY	OTHER REVENUES	TOTAL REVENUES
GENERAL GOVERNMENT & ECONOMIC DEV.								
43RD DISTRICT COURT								
Carpet	32	0	0	0	0	0	0	32
CIVIC CENTER / CITY WIDE								
HVAC Improvements	200	0	0	0	0	0	0	200
Civic Center Parking Lot	360	0	0	0	0	0	0	360
Active Adult, City Hall and Library Renovation	1,344	0	0	0	0	0	0	1,344
Election Tabulating Equipment	17	0	0	0	0	0	0	17
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	130	0	0	0	0	0	0	130
IT Strategic Projects	337	0	0	0	0	0	0	337
LIBRARY								
Creation of Outdoor Seating Space	5	0	0	0	0	0	0	5
<b>TOTALS</b>	<b>\$ 2,425</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,425</b>

**DDA  
BOUNDARY AREA**

 DDA Boundary



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COMMUNITY DEVELOPMENT DEPARTMENT  
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## **LEISURE AND HUMAN SERVICES**

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

In November 2019, residents passed Proposal MH which focused on public safety and quality of life within the City. A major portion of this millage is being utilized for Parks and Recreation improvements and major maintenance projects. 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 five 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 will potentially be scheduled over the next five years from FY 2021-25 include:

<u>Red Oaks Nature Center &amp; Trail Connections Capital Expenditures</u>	<u>Total</u>	
	<u>Project Cost</u>	<u>Fiscal Year(s)</u>
a. 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

We are in the process of updating the 2015-19 Recreation Master Plan; however it is not expected to be complete until after the adoption of this budget. Currently based on the existing plan, City Council, the Parks and Recreation Advisory Board, and City Staff have reviewed and identified other park project needs which include:

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 2020
d. Replace Backstop/Fencing at Huffman Park	35,000	Completed 2020
e. Huffman Park Shelter Building Furnace	8,000	Completed 2020
f. Edison Park – Playscape Replacement	225,000	2021
g. Civic Center Park – Pavilions A&B Improvements	13,000	2021
h. Ambassador Park – Tennis/Pickle Ball Court Rehabilitation	30,000	2022
i. Replace Backstops at Greenleaf Park	40,000	2022
j. Civic Center Park – Totscape/Swings	75,000	2022
k. Rosie's Park – Parking Lot	75,000	2022
l. Sherry Park – Fence Replacement	20,000	2022
m. Replace Backstops at Edison Park	25,000	2023
n. Resurface Gardenia Parking Lot at Rosie's Park	75,000	2023
o. Rosie's Park – Irrigation System for Soccer Field	10,000	2023
p. Rosie's Park Pavilion	75,000	2024
q. Replace Backstops at Rosie's Park	75,000	2024
r. Walk/Bike Path Construction	583,000	2023 and 2024
s. Huffman Park - Irrigation System for Football Field	9,000	2024
t. Skate Park Redevelopment at Civic Park	35,000	To Be Determined
u. Add Pavilion at Huffman Park	30,000	To Be Determined
v. Replace Swings/Soft Fall Surfacing at 12/Sherry Park	30,000	To Be Determined
w. Red Oaks Soccer Parking Lot Repaving	<u>150,000</u>	To Be Determined
	1,888,000	

- Walking and Bike Trails

High-priority recreational items in Madison Heights are the replacement and improvements of our current park features and amenities. Once our current facilities are brought up to an acceptable level we will be turning our focus on 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 2023 and 2024 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**

In the FY 2021 Strategic Plan and included in the prior year budget for the Active Adult Center was a feasibility study related to the relocation of the Active Adult Center to Civic Center Plaza. This project requires a comprehensive packaged plan to include the design and building of a new Active Adult Center, proposed to connect the existing city hall and library buildings. In addition the existing library and city hall would be renovated in conjunction with this new building and the existing Active Adult Center would be sold for development. This idea was embraced by the City Council and Active Adult Center advisory board and the feasibility study has been completed. We are currently in phase two which consists of request for information from potential developers that would be able to handle all aspects of the project.

Due to this outstanding possible project the majority of building and site improvements and costly maintenance to the facilities has been placed temporarily on hold. Therefore, this Capital Improvement Plan includes several delayed projects such as the request from the Department of Public Services to close the southern entrance to the Center to 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 SOCRAA driveway, to improve traffic flow in the area.

This delayed FY 2023 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 other facility improvements being postponed 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 2023 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 was originally scheduled in FY 2019 but has been postponed 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 2022 at \$20,000.

**TABLE XI**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**LEISURE & HUMAN SERVICES**  
**(IN THOUSANDS)**

**APPROPRIATIONS:**

LEISURE & HUMAN SERVICES	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	TOTAL APPROP.
<b>PARKS AND RECREATION</b>								
ADA Wheelchair Platform Swing Sets								
10	10	0	0	0	0	0	0	0
12-Sherry Park - Fence Replacement	0	0	0	20	0	0	0	20
Ambassador Park - Tennis and Pickle Ball Court	0	0	0	30	0	0	0	30
Athletic Fields - Lighting Analysis	0	25	0	0	0	0	0	0
Civic Center Park - Pavilions A&B Improvements	0	0	13	0	0	0	0	13
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	0	0	0	75	0	0	0	75
Edison Park - Backstop Fence	0	0	0	0	0	0	0	0
Edison Park - Playscape Replacements	0	125	100	0	0	0	0	100
Friendship Woods - HVAC System	50	0	0	0	0	0	0	0
Greenleaf Park - Backstop Fence	0	0	0	40	0	0	0	40
Huffman Park - Backstop Fence	35	0	0	0	0	0	0	0
Huffman Park - Irrigation system for Football Field	0	0	0	0	0	9	0	9
Huffman Park - Shelter Building Furnace	0	8	0	0	0	0	0	0
Nature Center - Share of Capital Projects	0	73	75	50	0	0	75	200
Rosie's North Playscape	0	0	0	200	0	0	0	200
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	0	0	75	0	75
Rosie's Park - Backstop Fence	0	0	0	0	0	75	0	75
Vehicle #475 - Ford F250 3/4 Ton Pick-Up Truck	0	28	0	0	0	0	0	0
Vehicle #484 - 2009 Chevy Colorado Pick-Up Truck	0	0	0	0	30	0	0	30
Vehicle #488 - 2009 Volvo Loader	0	0	0	0	0	0	225	225
Walk/Bike Path Construction	0	0	0	291	292	0	0	583
Wildwood Park - Parking Lot Rehabilitation	0	30	0	0	0	0	0	0
Wildwood Park - Playscape Replacement, Soft Fall Surfacing	0	218	0	0	0	0	0	0
<b>ACTIVE ADULT CENTER</b>								
Close South Driveway	0	0	0	0	100	0	0	100
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
Vehicle #443 - 2003 25 Passenger Bus	0	105	0	0	0	0	0	0
Vehicle #469 - 2010 Senior Van	0	0	0	0	32	0	0	32
Vehicle #471 - 2002 Blue Bird Bus	0	0	100	100	0	0	0	200
<b>TOTALS</b>	<b>\$ 85</b>	<b>\$ 637</b>	<b>\$ 288</b>	<b>\$ 515</b>	<b>\$ 673</b>	<b>\$ 586</b>	<b>\$ 300</b>	<b>\$ 2,362</b>
Total Projects	5	6	8	5	4	2	1	16
Total Equipment	0	1	1	2	1	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								
0	0	0	0	0	0	0	0	0
12-Sherry Park - Fence Replacement	20	0	0	0	0	0	0	20
Ambassador Park - Tennis and Pickle Ball Court	30	0	0	0	0	0	0	30
Athletic Fields - Lighting Analysis	0	0	0	0	0	0	0	0
Civic Center Park - Pavilions A&B Improvements	13	0	0	0	0	0	0	13
Civic Center Park - Totscape, New Swings & Soft Fall Surfacing	75	0	0	0	0	0	0	75
Edison Park - Backstop Fence	25	0	0	0	0	0	0	25
Edison Park - Playscape Replacements	100	0	0	0	0	0	0	100
Greenleaf Park - Backstop Fence	40	0	0	0	0	0	0	40
Huffman Park - Irrigation system for Football Field	9	0	0	0	0	0	0	9
Nature Center - Share of Capital Projects	200	0	0	0	0	0	0	200
Rosie's North Playscape	200	0	0	0	0	0	0	200
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	75	0	0	0	0	0	0	75
Rosie's Park - Backstop Fence	75	0	0	0	0	0	0	75
Vehicle #484 - 2009 Chevy Colorado Pick-Up Truck	30	0	0	0	0	0	0	30
Vehicle #488 - 2009 Volvo Loader	225	0	0	0	0	0	0	225
Walk/Bike Path Construction	292	0	0	0	0	0	291	583
<b>ACTIVE ADULT CENTER</b>								
Close South Driveway	100	0	0	0	0	0	0	100
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
Vehicle #469 - 2010 Senior Van	32	0	0	0	0	0	0	32
Vehicle #471 - 2002 Blue Bird Bus	100	0	0	0	0	0	100	200
<b>TOTALS</b>	<b>\$ 1,996</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 391</b>	<b>\$ 2,387</b>

**TABLE XII**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

Department/Division	Description	Year Purchased	Asset Tag	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Active Adult Center	1105	2001	1105		R			
Active Adult Center	1109	2012	1109		N			
Active Adult Center	1110	2012	1110	N				
Active Adult Center	1111	2012	1111	N				
Active Adult Center	1112	2012	1112		N			
Active Adult Center	1148 SENIORHEAD-DT	2017	1148		N			
Active Adult Center	SC-FRONT-DT	2001		R				R
Animal Control	1002 ANIMALCONTRL	2001	1002	R				R
CDD	1012 CDD-SCAN	2010	1012		R			
CDD	1013 ELECTRICALINSP	2010	1013					
CDD	1016 CDDSUPER-PC	2010	1016					
CDD	1016 SENIORCENTER-PC	2001	1016	N				N
CDD	1021 CDD-SCAN-DT	2014	1021					
CDD	1023 CDDCOUNTER-PC	2010	1023	N				N
CDD	CDD-DT	2018	1067		R			
CDD	1149 CDD-LWILLIAM-DT	2016	1149	N				N
CDD	1155 CDDDON-DT	2017	1155	N				N
CDD	CDD- LT	2015		N				N
CDD	CH-CDD-LT-BH	2019					N	
CDD	CH-CDD-TEST1	2019					N	
CDD	CH-CDD-TEST2	2019					N	
CDD	CH-CDD-TEST3	2019					N	
CDD	CH-CDD-TEST4	2019						N
CDD	CH-CDD-TEST5	2019					N	
CDD	CH-CDD-TEST6	2019					N	
CDD	DESKTOP-UQJNS1E	2017			N			
Clerk	1122 SPARE7-LT	2014	1122			R		
Clerk	CL-DIRECTOR-DT	2019				N		
Clerk	CL-ROMONA-DT	2015		N				N
Clerk	HR-DT	2018				N		
Code Enforcement	CDD-CODE-LT	2017				N		
Code Enforcement	CODEENFORCE	2016		N				N
Community Development	CDD-GIS-DT	2017		N				N
City Council	CC Laptop	2019					N	
City Council	CC Laptop	2019					N	
City Council	CC Laptop	2019					N	
City Council	CC Laptop	2019					N	
City Council	CC Laptop	2019					N	
City Council	CC Laptop	2019					N	
City Council	CC Laptop	2019					N	
Court	1220 COURT	2108	1220		N			
Court	1223 CT-DT	2018	1223		N			
Court	1224 CT-DT	2018	1224		N			
Court	1225 CT-DT	2018	1225		N			
Court	1245 CT-DT	2018	1245			N		
Court	1251 CT-DT	2018	1251			N		
Court	1253 CT-DT	2017	1253		N			
Court	1255 CT-DT	2018	1255				N	
Court	1256 CT-DT	2018	1256				N	
Court	1260 CT-DT	2018	1260			N		
Court	1269 CT-DT	2018	1269			N		
Court	CT-COUNTER-DT	2018			R			
DPS	1045 DPS-SIGN-LT	2014	1045					
DPS	1102 DPS-SIGN-DT	2014	1102	N				N
DPS	1104 MOTORPOOL2-PC	2012	1104		R			
DPS	1115 DPS-MOTOR-DT	2015	1115			R		
DPS	1153 WATER-DT	2016	1153	N				N
DPS	1156 WATERSUPERVISOR	2013	1156					
DPS	DESK-SIGN-PC	2016		N				N
DPS	DPS South - USH728L0VR	2017					N	
DPS	DPS-	2016		N				N
DPS	DPS-DIR-LT	2018				N		
DPS	DPS-PC-DT	2001		N				N
DPS	DPS-JVJR-LT	2015						
DPS	DPS-LT-01	2017		N				
DPS	DPS-LT	2015						
DPS	DPS-SEWER-DT	2018				N		
DPS	DPS-SEWER-LT	2017		N				
DPS	DPS-SUPER-LT	2015						
DPS	REC-PC	2001						

**TABLE XII**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

Finance	1257 FIN	2018	1257		N		
Finance	5GC8494RS8	2018			N		
Finance	FIN - New1	2019					N
Finance	FIN - NEW2	2019					N
Finance	FIN - NEW3	2019					N
Finance	FIN - NEW4	2019					N
Finance	FIN - NEW5	2019					N
Finance	FIN - NEW6	2019					N
Finance	FIN - NEW7	2019					N
Finance	FIN-COUNTER-DT1	2019				N	
Finance	FIN-DIRECTOR-LT	2018					
Finance	FIN-DIR-LT	2018			N		
Finance	FIN-DTDIR-LT	2018					N
Finance	SPARE6-LT	2013			N		
Fire	1095 FS1-CAD-LT	2011	1095	R			N
Fire	1114 FS1-WATCH-DT	2015	1114				
Fire	1191 FIREDEPT3	2001	1191				
Fire	1216 FS1-WATCH2-DT	2017	1216	N			N
Fire	1218 FS2-WATCH1-DT	2017	1218	N			N
Fire	1258 FS1-LTOFFICE-DT	2017	1258	N			N
Fire	2196 FS-WATCH1-DT	2017	2196	N			N
Fire	DESKTOP-BTEPNS9	2107		N			N
Fire	FIREDEPT	2013					
Fire	FIREDEPT3	2001	1191	R			N
Fire	FS1-CHIEF-LT-1	2001		R			
Fire	TRAININGROOM-PC	2001		R			
Human Resources	1154 HR-LT	2015	1154				
Library	2001 LIB-DT-01	2018	2001		N		
Library	2002 LIB-DT-02	2015	2002				
Library	2003 LIB-DT-03	2018	2003		N		
Library	LIB-CIRASST-DT	2018			N		
Manager	1145 FIN-BARB-DT	2015	1145	N			N
Manager	1226 GENERIC-DT-01	2016	1226	N			R
Manager	1227 HR-TDT	2015	1227	N			N
Manager	CM-SOLTIS-LT	2017		N			
Manager	VOTE2-SPARE	2016		N			N
Police	1050 PD-IDs-DT	2001	1050				
Police	1063 PD-AFFECTEAU-DT	2001	1063				
Police	1069 PDBACKGROUND	2001	1069				
Police	1072 PD-DT1-PC	2001	1072				
Police	1076 POLICELOCATER1	2001	1076	R			
Police	1087 FRONTDESK	2001	1087	R			R
Police	1154 PD-DB-DT-05	2016	1154	N			N
Police	1197 PD-ADMIN-DT-01	2018	1197			N	
Police	1206 PD-RPTWRT-2	2017	1206	N			
Police	1209 PD-RPTWRT-5	2017	1209	N			
Police	1212 PD-DEPUTYCHIEF-DT	2017	1212	N			
Police	1213 Pd-hirst-dt-01	2015	1213				N
Police	1240 PD-CHIEF-LT	2015	1240		N		
Police	1241 POLICERECORDS4	2014	1241	R		N	
Police	1249 GENERIC-DT-05	2016	1249	R			R
Police	1250 PD-SGTOFFICE1	2016	1250	N			N
Police	1259 PD-DB-DT4	2018	1259			N	
Police	1261 PD-SIU-DT1	2018	1261			N	
Police	1263 PD-SIU-DT2	2018	1263			N	
Police	2004 PD-REC-DT2	2016	2004	N			
Police	2005 PD-REC-DT-03	2015	2005	N			N
Police	2197 MADHTS-MI-POS47	2015	2197	N			
Police	2198 PD-RPTWRT-3	2017	2198	N			
Police	2199 PD-RPTWRT-4	2017	2199	N			
Police	2200 PD-SIU-DT3	2018	2200			N	
Police	2201 CT-CTADMIN-DT	2017	2201	N			
Police	DISPATCH-CENTER	2017		N			
Police	Equature Radio communication server						N
Police	PD-DAYLT-DT	2018			N		
Police	PD-DB-DT-03	2018			N		

**TABLE XII**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**COMPUTER REPLACEMENT PLAN**

Police	PD-HIRST-DT-01	2017		N		
Police	PD-LTDESK1-DT	2001		N		
Police	PD-PROPERTY-DT	2018			N	
Police	PDR-FRONT-DT	2017			N	
Police	PD-SILADKE-DT	2001			N	
Police	PD-TRAIN-DT1	2015	R			N
Police	POLICETRAINING1	2013		N		
Police	SR-EXTRAPC	2001				
Technology	2194 CH-IT-DT1	2015	2194			
Technology	2195 CH-IT-DT-06	2015	2195			
Technology	ITSUPPORT	2011				
Technology	MSYRUP	2012			N	
Technology	PD-ADMIN-DT-01	2016		N		N
Technology	1152 DT	2016	1152			N
Technology	2202 DB-DT	2017	2202	N		
Technology	DESKTOP-DRVF3GK	2017			N	-
Technology	PSPEC3458	2001				
Main Library	Adult Internet	2019			N	
Main Library	Adult Internet	2019		N		
Main Library	Adult Internet	2019			N	
Main Library	Adult Internet	2019		N		
Main Library	Adult Internet	2019			N	
Main Library	Adult Internet	2019		N		
Main Library	Adult Internet	2020			N	
Main Library	Adult Internet	2020			N	
Main Library	Adult Internet	2020			N	
Main Library	Staff-Counter Side	2020				N
Main Library	Staff-Backroom East	2020				R
Main Library	Print Release / Express	2020				N
Main Library	Child Room Internet	2019			N	
Main Library	Child Room Internet	2019			N	
Main Library	Child Room Internet	2019			N	
Main Library	Staff-Counter South	2019			N	
Main Library	Adult Internet	2019			N	
Main Library	Adult Internet	2019			N	
Main Library	Adult Internet	2019			N	
Main Library	Child Public	2018		N		N
Main Library	Staff-Librarian	2018		N		N
Main Library	Staff-Adult Librarian	2018			N	
Main Library	Staff-Adult Reference	2018			N	
Main Library	Staff-Adult Reference	2018			N	
Main Library	Staff-Counter North	2018			R	R
Main Library	Staff-Library Tech.	2018		N		N
Main Library	Staff-Youth Staff	2018		N		N
Main Library	Staff-Circulation Ass't	2018			N	
Main Library	Staff-Serials- Backroom	2018			R	R
Main Library	Adult Public	2016		N		N
Main Library	Adult Public Cat.	2016		N		R
Main Library	Child Catalog	2016			R	R
Main Library	New Laptop			N		N
Main Library	New Laptop				N	
Main Library	New Laptop					N
Rotated				6	12	3
New				34	36	33
					30	48

**TABLE XIII**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

DEPARTMENT	VEHICLE	#	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	NEXT REPLACED				
						20-	21-	22-	23-	24-
21	22	23	24	25						
PD-Detective	Ford Fusion	100	2013-14		10				GF	33-34
PD-Admin	GMC Terrain	101	2018-19		8					26-27
PD-Radar	Ford Interceptor Utility	102	2019-20	X	3			GF		25-26
PD-Radar	Ford Interceptor Utility	103	2019-20	X	3			GF		25-26
PD-Patrol	Ford Interceptor Utility	104	2018-19	X	3		GF		XX	27-28
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		GF	27-28
PD-Patrol	Ford Interceptor Utility	107	2018-19	X	3			GF		27-28
PD-Patrol	Ford Interceptor Utility	108	2019-20	X	3			GF		25-26
PD-Patrol	Ford Interceptor	109	2016-17	X	3	DF		GF		26-27
PD-Patrol	Ford Interceptor Utility	110	2019-20	X	3			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		GF	27-28
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		GF	27-28
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					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	2019-20		10					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		10	GF				31-32
Streets	Concrete Drop Hammer	261	1999-00		20	GF				40-41
Parks	Utility Maint. Cart / OCPR	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		10	GF				30-31
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	ALSM	Oakland County Parks	OCP
Drug Forfeiture Fund	DF	Park Improvement Fund	PIF
General Fund	GF	Road Millage	RM
Grant Funding	Grant	Senior Millage	SR
Local Street Fund	LSF	Solid Waste Millage	SW
Major Street Fund	MSF	Special Assessment District	SAD
Oakland County Road Commission	OCRC	Vehicle Millage	VM
		Water and Sewer Fund	WS

\* Replaced based on Annual Vehicle Condition Report Grading.

**TABLE XIII**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

DEPARTMENT	VEHICLE	#	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *						NEXT REPLACED
						20-	21-	22-	23-	24-	
Parks	Polaris ATV	364	2010-11		15						25-26
Streets	Asphalt Roller Vibrator	369	1999-00	X	25					GF	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						37-38
Solid Waste	Brush Bandit Chipper	406	2005-06	X	15			SW			35-36
Solid Waste	Street Sweeper Whirl Wind	408	2011-12	X	10		SW				31-32
Streets	CAT Loader 3 Yrd	409	2003-04	X	18		XX				39-40
Solid Waste	Morbark Chipper	410	2018-19	X	15						33-34
Streets	Stake Truck	415	2003-04	X	20				GF		33-34
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						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	12						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	Chevy Pickup	436	2003-04	X	12		GF				33-34
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	12						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 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**FIVE YEAR VEHICLE AND EQUIPMENT REPLACEMENT PLAN**

DEPARTMENT	VEHICLE	#	LAST YEAR PURCH	Over \$30K	TARGETED REPLACE CYCLE *	NEXT REPLACED						
						20- 21	21- 22	22- 23	23- 24	24- 25		
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	2019-20	X	12							31-32
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	12		GF					33-34
Active Adults	GMC Van	482	2012-13		12				SR			24-25
CDD Inspec.	Ford F-150 Pick-Up	483	2014-15		10				GF			24-25
Parks	Chevy Colorado Pickup	484	2008-09	X	12		XX					32-33
Parks	Chevy Pickup 4 x 4	485	2012-13	X	12				GF			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				GF			24-25
CDD Supervis.	Ford Explorer	493	2014-15		10				GF			24-25
Water	GMC Van	494	2014-15		10				GF			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				GF			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 (U71)	702	2007-08	X	15		GF		GF			37-38
Fire	Chevy Pickup 3500 4WD (U72)	704	2001-02	X	15			GF				35-36
Fire	Ambulance Rescue Truck (Backup R7X)	710	2011-12	X	9		GF					29-30
Fire	Ambulance Rescue Truck (R72)	711	2018-19	X	9							27-28
Fire	Ambulance Rescue Truck (R71)	713	2015-16	X	9			GF				32-33
Fire	Sutphen Pumper (E72)	721	2019-20	X	18							37-38
Fire	Sutphen Pumper (E71)	722	2018-19	X	18							36-37
Fire	Pumper Pierce (Backup E7X)	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>9</b>	<b>20</b>	<b>23</b>	<b>18</b>	<b>13</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 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

<b>Neighborhood Projects - Table III</b>		
<b>Project Description</b>	Westmore Drive (30452 Westmore Dr. to Tanglewood Dr.)	Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ - 975,000 <i>FY 2021</i>	
<b>Total Funding Amount</b>	<b>\$ 975,000</b>	
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
<b>Project Description</b>	Milton Avenue (Moulin to Sheffield Dr.)	Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ - 167,000 <i>FY 2021</i>	
<b>Total Funding Amount</b>	<b>\$ 167,000</b>	
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
<b>Project Description</b>	Tanglewood Drive (Winthrop Dr. to Yorkshire Dr.)	Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ - 75,000 <i>FY 2021</i>	
<b>Total Funding Amount</b>	<b>\$ 75,000</b>	
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
<b>Project Description</b>	Beverly Avenue (Connie Ave. to Dequindre Rd.)	Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ - 98,000 <i>FY 2021</i>	
<b>Total Funding Amount</b>	<b>\$ 98,000</b>	
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
<b>Project Description</b>	Alger Street	Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ - 469,000 <i>FY 2022</i>	
<b>Total Funding Amount</b>	<b>\$ 469,000</b>	
Type: Project Details	Replacement of current capital asset See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
<b>Project Description</b>	Barrington Street	Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ 194,000 <i>FY 2021</i> 257,000 <i>FY 2022</i>	
<b>Total Funding Amount</b>	<b>\$ 451,000</b>	
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
<b>Project Description</b>	Brush Street	Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ 138,000 <i>FY 2021</i> 120,000 <i>FY 2022</i>	
<b>Total Funding Amount</b>	<b>\$ 258,000</b>	
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	

**TABLE XIV**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

Project Description	West Cowan Avenue	Department : Department of Public Services					
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ - <i>FY 2021</i> 215,000 <i>FY 2022</i>						
<b>Total Funding Amount</b>	<b>\$ 215,000</b>						
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. 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	Palmer	Department : Department of Public Services					
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ 195,000 <i>FY 2021</i> 210,000 <i>FY 2022</i>						
<b>Total Funding Amount</b>	<b>\$ 405,000</b>						
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section						
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.						
<b>Road Improvements - Table V</b>							
Project Description	Sectional Road Work on Major Streets	Department : Department of Public Services					
Funding Type Major Street Act 51	\$ 1,165,000						
<b>Total Funding Amount</b>	<b>\$ 1,165,000</b>						
Type: Project Details	Reoccurring Maintenance Cost See the Road Improvement section						
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.						
Project Description	13 Mile Westbound from Hales to Dequindre NHPP	Department : Department of Public Services					
Funding Type Federal Transportation Grant Major Street Act 51	\$ 350,000 350,000						
<b>Total Funding Amount</b>	<b>\$ 700,000</b>						
Type: Project Details	New turn lane. This project will be dependant on property donated from businesses in the area. Without property this project will not go forward. 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	\$ 100,000						
<b>Total Funding Amount</b>	<b>\$ 100,000</b>						
Type: Project Details	Reoccurring Maintenance Cost See the Road Improvement section						
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.						
Project Description	Sidewalk Replacement Program	Department : Department of Public Services					
Funding Type Special Assessment Fund	\$ 300,000						
<b>Total Funding Amount</b>	<b>\$ 300,000</b>						
Type: Project Details	Replacement of current asset The final year of the Sidewalk program.						
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	\$ 30,000						
<b>Total Funding Amount</b>	<b>\$ 30,000</b>						
Type: Project Details	Replacement of current asset These funds are being budgeted for emergency 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	\$ 230,000						
<b>Total Funding Amount</b>	<b>\$ 230,000</b>						
Type: Project Details	Replacement of current asset 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. Maintenance cost have exceeded \$59,000 as of February 2019						
	2019-20	2020-21	2021-22	2022-23	2023-24		Total
Operational Cost	\$ (9,800)	\$ -	\$ -	\$ -	\$ -		\$ (9,800)

**TABLE XIV**  
**FY 2021-25 FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
**CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS**

<b>Collection and Distribution Systems - Table VI</b>			
<b>Project Description</b>	Connie Beverly to Alden	<b>Department:</b>	Department of Public Services
Funding Type Water and Sewer Funds	\$ 267,000		
<b>Total Funding Amount</b>	<b>\$ 267,000</b>		
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.		
<b>Project Description</b>	Sanitary Sewer Inspection/Rehabilitation Program	<b>Department:</b>	Department of Public Services
Funding Type Water and Sewer Funds	\$ 150,000		
<b>Total Funding Amount</b>	<b>\$ 150,000</b>		
Type: Project Details	New Project See Collection and Distribution section for details.		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
<b>Public Safety - Table VIII</b>			
<b>Project Description</b>	Police Patrol Vehicles and Special Investigation Unit	<b>Department:</b>	Police
Funding Type Drug Forfeiture	\$ 37,000		
General Fund	140,000		
<b>Total Funding Amount</b>	<b>\$ 177,000</b>		
Type: Project Details	The CIP includes the replacement of 4 patrol vehicles, one Special Investigation Vehicle #109,111,113,105 & 125 Two vehicles will be replaced from Drug Forfeiture and three from the General Fund.		
<b>Project Description</b>	<b>Police Roof STOPPED</b>	<b>Department:</b>	Department of Public Services
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: Project Details	Originally the roof was to be budgeted over two years, however the poor condition demands replacement in FY 2020. We currently pay for repairs during the spring and fall/winter. This will be eliminated in FY 2020 with replacement		
Operational Cost	2019-20      2020-21      2021-22      2022-23      2023-24      Total		
	\$ (12,000)      \$ -      \$ -      \$ -      \$ -      \$ (12,000)		
<b>General Government &amp; Economic Development - Table X</b>			
<b>Project Description</b>	Information Technology Computer Replacements	<b>Department:</b>	Information Technology
Funding Type General Fund	\$ 25,500 per year		
<b>Total Funding Amount</b>	<b>\$ 25,500</b>		
Type: Project Details	Replacement of current assets 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.		
<b>Project Description</b>	Security Cameras	<b>Department:</b>	Court
Funding Type General Fund	\$ 35,000		
<b>Total Funding Amount</b>	<b>\$ 35,000</b>		
Type: Project Details	New. 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.		
<b>Leisure and Human Services - Table XI</b>			
<b>Project Description</b>	Huffman Park - Shelter Building Furnace	<b>Department:</b>	Parks
Funding Type General Fund	\$ 8,000		
<b>Total Funding Amount</b>	<b>\$ 8,000</b>		
Type: Project Details	Replacement of current assets See Leisure and Human Services Section for more details		
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.		
<b>Project Description</b>	Nature Center - Trail and Capital Projects	<b>Department:</b>	Parks
Funding Type Oakland County Funding	\$ 55,000		
General Fund	50,000 per year		
<b>Total Funding Amount</b>	<b>\$ 105,000</b>		
Type: Project Details	Replacement of current assets Oakland County determined projected need and the City and County work together on project funding.		
<b>Project Description</b>	Wildwood Park - Parking Lot Rehabilitation	<b>Department:</b>	Parks
Funding Type General Fund	\$ 30,000		
<b>Total Funding Amount</b>	<b>\$ 30,000</b>		
Type: Project Details	Replacement of current assets See Leisure and Human Services Section for Details		

## **APPENDICES**

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## **PROPOSED FY 2020-21 Budget Resolution**

### **A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2020-21 TO APPROPRIATE FUNDS FOR SAID PURPOSES AND TO PROVIDE FOR A LEVY OF TAXES FOR SAID BUDGET APPROPRIATIONS**

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

**WHEREAS**, on May 11, 2020, 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 26.2646 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	12.6349
Neighborhood Road Improvements	1.9446
Solid Waste	2.5723
Senior Citizens	0.4619
Police & Fire Pension	7.1155
Fire Stations Debt Obligation	0.4933
Chapter 20 Drain Debt	<u>1.0421</u>
Total	<u>26.2646</u>

4. That the City of Madison Heights approves the imposition, by the City Treasurer, of a one percent (1%) property tax administration fee for all property taxes levied in Fiscal Year 2020-21 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 Finance Director 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 Exhibit "B", Stormwater Charges and Department 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 2020-21**

EXPENDITURES	REVENUES	
<b>GENERAL FUND</b>		
General Government	\$5,749,489	Property Taxes and Fees
Public Safety	18,250,427	Intergovernmental Revenues
Community Services	3,661,730	Other
Cultural and Recreation	2,188,952	Use of Fund Balance
Community Development	1,053,919	
Debt Service	1,035,554	
<b>TOTAL</b>	<b><u>\$31,940,071</u></b>	<b><u>\$31,940,071</u></b>
<b>MAJOR STREET FUND</b>		
Program Expenditures	\$2,609,525	Intergovernmental Revenues
		Other
	<u>\$2,609,525</u>	<u>43,053</u>
	<b><u>\$2,609,525</u></b>	<b><u>\$2,609,525</u></b>
<b>LOCAL STREET FUND</b>		
Program Expenditures	\$2,651,549	Property Taxes
		Intergovernmental Revenues
		Other
	Transfers In	25,000
	Use of Fund Balance	250,000
	<u>\$2,651,549</u>	<u>(434,204)</u>
	<b><u>\$2,651,549</u></b>	<b><u>\$2,651,549</u></b>
<b>PARKS MAINTENANCE &amp; IMPROVEMENT FUND</b>		
Program Expenditures	\$38,592	Other
	<u>\$38,592</u>	<u>34,000</u>
	<b><u>\$38,592</u></b>	<b><u>4,592</u></b>
	<b><u>\$38,592</u></b>	<b><u>\$38,592</u></b>
<b>DOWNTOWN DEVELOPMENT AUTHORITY</b>		
Program Expenditures	\$91,239	Property Taxes
		Intergovernmental Revenues
		Other
	Use of Fund Balance	12,739
	<u>\$91,239</u>	<u>5,500</u>
	<b><u>\$91,239</u></b>	<b><u>\$40,900</u></b>
	<b><u>\$91,239</u></b>	<b><u>32,100</u></b>
	<b><u>\$91,239</u></b>	<b><u>400</u></b>
<b>DRUG FORFEITURE FUND</b>		
Program Expenditures	\$92,100	Intergovernmental Revenues
		Other
	Use of Fund Balance	27,700
	<u>\$92,100</u>	<u>64,000</u>
	<b><u>\$92,100</u></b>	<b><u>400</u></b>
	<b><u>\$92,100</u></b>	<b><u>27,700</u></b>
	<b><u>\$92,100</u></b>	<b><u>\$92,100</u></b>

EXHIBIT "A"  
 CITY OF MADISON HEIGHTS  
 ADOPTED BUDGET RESOLUTION  
 FISCAL YEAR 2020-21

	COMMUNITY IMPROVEMENT FUND		
Program Expenditures	\$140,120	Intergovernmental Revenues	\$142,364
		Use of Fund Balance	(2,244)
	<u>\$140,120</u>		<u>\$140,120</u>
	SPECIAL ASSESSMENT REVOLVING		
Program Expenditures	\$305,520	Other	\$38,026
		Use of Fund Balance	267,494
	<u>\$305,520</u>		<u>\$305,520</u>
	FIRE STATIONS BONDS		
Program Expenditures	\$450,550	Property Taxes	\$445,657
		Use of Fund Balance	4,893
	<u>\$450,550</u>		<u>\$450,550</u>
	WATER AND SEWER FUND		
Program Expenditures	\$12,794,572	Sales to Customers	\$11,486,670
		Other	509,889
		Use of Retained Earnings	798,013
	<u>\$12,794,572</u>		<u>\$12,794,572</u>
	MOTOR AND EQUIPMENT POOL		
Program Expenditures	\$1,015,146	Other	\$1,015,146
	<u>\$1,015,146</u>		<u>\$1,015,146</u>
	DEPARTMENT OF PUBLIC SERVICES		
Program Expenditures	\$1,997,292	Other	\$1,997,292
	<u>\$1,997,292</u>		<u>\$1,997,292</u>
	CHAPTER 20 DRAIN DEBT SERVICE		
Program Expenditures	\$884,943	Property Taxes	\$884,943
	<u>\$884,943</u>		<u>\$884,943</u>

**EXHIBIT "B"**  
**CITY OF MADISON HEIGHTS**  
**STORMWATER CHARGES AND DEPARTMENT FEES**  
**FISCAL YEAR 2020-21**

<b>STORMWATER CHARGES</b>		
<b>Description</b>	<b>Old Rate</b>	<b>New Rate</b>
Single Family Residential (per ERU per quarter)	\$11.37	\$12.42
Commercial/Industrial (per ERU per month)	\$ 3.79	\$ 4.14
One ERU equals 2,600 square feet with runoff factor.		

EXHIBIT "B"  
CITY OF MADISON HEIGHTS  
STORMWATER CHARGES AND DEPARTMENT FEES  
FISCAL YEAR 2020-21

CITY OF MADISON HEIGHTS  
FEE SCHEDULE  
FY 2021

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**EXHIBIT "B"**  
**CITY OF MADISON HEIGHTS**  
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The FY 2021 City of Madison Heights Fee Schedule will be effective July 1, 2020 unless otherwise noted. The entire schedule will be adopted with the Budget Policy document. Revisions since the adoption of the schedule for FY 2021 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 fee for re-inspection of failed inspections.  
Revise demolition performance bonds.  
Add demolition – Multi-family, residential, commercial, and industrial.  
Revise moving performance bond.  
Update utility disconnect fees for demolition.  
Update contractor registration fee for concrete.  
Update zoning fees – ZBA (residential, commercial, and re-zonings).  
Revise landlord licensing fees.  
Revise GIS fee for miscellaneous maps.  
Add Vacant property fee.

**Section 2.      City Clerk Services**  
No changes.

**Section 3.      Water and Sewer**  
Revise stormwater - \$12.42 per ERU per quarter

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

**Section 5.      Library Services**  
Revise coffee concert fees.

**Section 6.      Fire Services**  
No changes

**Section 7.      Police Services:**  
Update quarantined animal bite fee.  
Update court ordered holds fee.  
Revise fee for release of impounded pets.

**Section 8.      Department of Public Services**  
Update fee for RV lot rental.

**Section 9.      Parks and Recreation**  
Revise fee for baseball/softball field dragging and chalking lines.

**Section 10.      Active Adult Center Services**  
No changes.

**Section 11.      General Government**  
No change

**EXHIBIT "B"**  
**CITY OF MADISON HEIGHTS**  
**STORMWATER CHARGES AND DEPARTMENT FEES**  
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**Section 1. COMMUNITY DEVELOPMENT DEPARTMENT SERVICES**

**SCHEDULE OF FEES FOR PERMITS AND SERVICES**

**BUILDING FEES AND INSPECTION SCHEDULE**

Notice for all permits: A permit remains valid as long as work is progressing and inspections are requested and conducted. A permit shall become invalid if the authorized work is not commenced within 180 days after issuance of the permit or if the authorized work is suspended or abandoned for a period of 180 days after the time of commencing the work. A permit will be closed when no inspections are requested and conducted within 180 days of the date of issuance or the date of a previous inspection. Closed permits cannot be refunded. The charge to re-open a closed permit is \$75.00. Permits may be renewed, *prior to their expiration*, for a period of 180 days.

**1.0 ELECTRICAL, MECHANICAL & PLUMBING PERMIT FEE SCHEDULE**

*Received to 101-017-4771-000*

- 1.1 All permits shall be assessed a non-refundable application fee of \$25.00.
- 1.2 The permit fees for any electrical, mechanical or plumbing permit shall be \$70.00 per inspection. A minimum of one inspection and the application fee are required on all permits. Permit renewals shall be \$35.00. Permit fees are non-refundable after work has started and non-transferable.
- 1.3 Contractor registration fee shall be \$15.00 for all categories of electrical, mechanical and plumbing contractors.
- 1.4 Permits shall be for the minimum number of inspections required in Section 3.
- 1.5 A fee of \$40.00 per inspection shall be charged for the re-inspection of all failed inspections.

**2.0 BUILDING, MOVING, DEMOLITION AND SIGN PERMIT FEE SCHEDULE**

*Received to 101-017-4771-000*

- 2.1 All permits shall be assessed a non-refundable application fee of \$25.00.
- 2.2 The permit fees for building permits shall be an application fee plus the applicable permit fee. One inspection and the application fee are required on all permits. Permit renewals shall be \$35.00. Permit fees are non-refundable after work has started and non-transferable.
- 2.3 Contractor registration fee shall be \$15.00 for building, moving, demolition and sign contractors.
- 2.4 A fee of \$40.00 per inspection shall be charged for the re-inspection of all failed inspections.

**EXHIBIT "B"**  
**CITY OF MADISON HEIGHTS**  
**STORMWATER CHARGES AND DEPARTMENT FEES**  
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**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
\$1,001.00 up	= \$70.00 + \$6.30 per thousand or fraction thereof, over \$1,000.00

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 Residential, Commercial, and Industrial Construction**

*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.

**EXHIBIT "B"**  
**CITY OF MADISON HEIGHTS**  
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**Certificate of Occupancy - Multiple-Family, Commercial, Industrial**

*Received to 101-017-4771-000*

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

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

Attached residential condominiums: \$25.00 per unit.

Replacement certificates: \$25.00

**Temporary Certificate of Occupancy**

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

Single-family residential - \$250.00 plus bond of \$500.00 per incomplete item or 100% of cost, whichever is greater. Bondable items are concrete, sod and final grade in the winter months only. Bond for an as-built plot plan shall be \$1,000.00.

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

All temporary certificates are 90 days maximum with one renewal.

**Signs**

*Received into 101-017-4770-000*

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

Permit Fees: Permit fees are non-transferable.

**Permanent signs**

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

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

Temporary signs: Effective 1/18/18, no permit or fee for temporary signs.

**Demolition – Single and Two-Family Residential**

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

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

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.)

Performance Bond: Up to \$30,000 as determined by the Building Inspector.

**EXHIBIT "B"**  
**CITY OF MADISON HEIGHTS**  
**STORMWATER CHARGES AND DEPARTMENT FEES**  
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**Demolition – Multi-Family Residential, Commercial, and Industrial**

Permit Fees: Demolition permits for Multi-Family Residential, Commercial, and Industrial are calculated the same as Multi-Family Residential, Commercial, and Industrial construction permits.

Performance Bond: As adopted in the Community & Economic Development Bond Policy.

**Moving**

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

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

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

Performance Bond \$30,000

**Utility Disconnect Fees for Demolition (established by Utility Department):**

*Received into 590-551-8180-000*

Sewer and/or water discontinuation fee:

$\frac{3}{4}$ " – 2"	\$700
Larger than 2"	\$1,000

**Code Inspections**

*Received into 101-017-4770-000*

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

**Overtime Inspections**

*Received into 101-017-4770-000*

\$105.00 per hour.

**Special Inspections**

*Received into 101-017-4770-000*

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

**Additional/Add-on Inspections, All Permits**

*Received into 101-017-4770-000*

\$70.00 per inspection.

**Appeal Boards**

*Received into 101-017-4770-000*

Construction Board of Appeals. \$250.00

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

3.1 Electrical: Single-Family Residential

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

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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.

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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)

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1.3 Contractor registration fee:

Registration	\$15.00
Performance Bond	Minimum \$5,000.00 for concrete. All other work requires performance bond as adopted in the Community & Economic Development Bond Policy (Required for R.O.W.).

**PRIVATE SEWER AND WATER SERVICE**

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

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

1.2 Permit Fees: Permit fees are non-refundable after work has started and non-transferable. Private sewer and water leads (from the building to the storm sewer, sanitary sewer or water main) including replacements:

Storm or sanitary sewer lead	\$70.00 each.
Water lead	\$70.00 each.
Gate wells or structures	\$70.00 each.

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

1.3 Contractor registration fee:

Registration	\$15.00
Performance Bond	\$5,000.00 (Required for r.o.w.)

**PLANNING FEES**

*Received into 101-030-6071-000*

Site Plan Review

Planning Commission	\$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**

*Received into 101-044-6701-000*

Z.B.A.

Residential	\$750.00
Commercial	\$1,000.00

Special Use Approvals \$1,000.00

Re-zonings \$1,500.00

**BROWNFIELD REDEVELOPMENT AUTHORITY FEES**

*Received into 101-044-6701-000*

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

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**ENGINEERING FEES - (NON-TELECOMMUNICATION)**

*Received into 101-030-6701-000*

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

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

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

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

*Received into 101-030-6701-000*

Application Fee:	\$200.00 (non-refundable)
Review fee	2% of the cost of the project. Minimum \$200.00
Inspection Fees:	4% of the cost of the project. If the inspection fees exceed 4% of the project cost, the permittee shall be charged 175% of the actual payroll costs (including but not limited to wages, fringe benefits and/or expenses) for all inspection fees exceeding the non-refundable 4% inspection fee.  \$100.00 for each road crossing/driveway compaction test
Bonds	Cash Bond \$5,000
GIS Fee	\$150.00.

**LANDLORD LICENSING**

*Received into 101-017-4771-000*

<u>Three-Year Registration Fees:</u>	New Registrations and Renewals <u>Through Renewal Date*</u>
Single-family	\$200.00
2 to 4 units	\$245.00
5 or more units	\$47.50 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.

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A fee of \$40.00 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

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**MEDICAL MARIHUANA FACILITY/MEDICAL MARIHUANA GROW OPERATION**

Application Fee	\$500 nonrefundable
Annual License Fee	\$5,000 per year

**GEOGRAPHIC INFORMATION SYSTEM FEES**

***Received into 101-030-6075-000***

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

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

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

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

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**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.**

*Received into 101-017-4800-000*

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

- Rabies Vaccination must be valid for:

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

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

- Animal Tag Replacement \$1.00 per tag

**2.0      Domestic Hens**

*Received into 101-017-4800-000*

\$20 per single-family residence.

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## Miscellaneous Fees

## 1.0 **Bicycle Licenses**

*Received into 101-017-4810-000*

All bicycles to be ridden in the City on a street or public path shall be licensed. Bicycle \$2.00 one-time fee per bicycle

## 2.0 Vital Health Statistics

***Received into 101-030-6078-000***

Birth Certificates – First Copy	\$15.00
Birth Certificates – Second and additional copies	\$ 5.00
Death Certificates – First Copy	\$15.00
Death Certificates – Second and additional copies	\$ 5.00

### 3.0 Video/Vending Machine

Received into 101-014-4570-000

Distributor Licenses	\$10.00
Amusement Devices (Pool Tables, Jukeboxes)	\$20.00
Vending Machines	\$20.00
Video/Electronic Amusement Devices	\$62.50

## 4.0 Voter Registration Records

Processing Fee	\$12.00 + Per Name 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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**FISCAL YEAR 2020-21**

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

**Utility Rates**

**1.0 Water and Sewer Rates**

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

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

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

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

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

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

Water	\$3.14 per unit
Sewer	\$3.55 per unit

**2.0 Stormwater**

*Received into 590-020-6118-000*

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

ERUs are a subunit of measurement that relate 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	\$12.42 per ERU per quarter
Commercial/Industrial	\$ 4.14 per ERU per month

**Service Fees**

**1.0 Service Tapping Fees**

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

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

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

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

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

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

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

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**2.0 Meter Fees**

*Receipted into 590-010-6111-000*

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

Description	5/8"	¾"	1"	1 ½"	2"	3"	4"	6"
Frozen Meter Charge w/service charge	\$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 ( <i>Per Head if Compound</i> )	\$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**

*Receipted into 590-010-6111-000*

Fire Suppression Private Water Line Charge	\$5 per month
Final Reading	\$20 per account processed
“No Show” Charge for service calls	\$25 per occurrence
Turn-Off/Turn-On	\$60
Reinstall Meter with Turn-On	\$60
Meter Bench Test (5/8 – 1 ½") – 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

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**Section 4. TREASURY AND ASSESSING SERVICE FEES**

**Property Affidavit Penalty**

*Received 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**

*Received 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**

*Received 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**

*Received 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**

*Received 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.

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**Section 5. LIBRARY SERVICE FEES**

**Rental and Late Fee**

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

*Received into 705-000-2918-000*

Coffee Concerts	\$10 per concert
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**Computer and Printer Fees**

*Printer Fees received into 101-033-6086-000  
Computer Use fees received into 101-030-6085-000*

Computer Use fees – A Madison Heights library card is needed to use the public computers including internet or MS Office programs. If the customer does not have a Library Network library card, or wish computer time beyond the three hours per day allowed with that card, a \$2 per hour visitor pass can be purchased.

All pages printed	\$0.15 per page (black and white) \$0.50 per page (color)
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**Miscellaneous**

*Printer Fees received into 101-030-6085-000*

Fax – Local Calls	\$1 per page
Fax – Long Distance Calls	\$2 first page and \$1.50 each additional page
Replacement Library Card	\$2 per card
Library Card non-resident	\$100

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**Section 6. FIRE SERVICE FEES**

**Ambulance and Emergency Response Fees**

**1.0 Advanced Life Support Services**

*Received into 101-044-6707-000*

ALS Emergency Transport	\$710
ALS Emergency Transport II	\$950
ALS Non-Emergency Transport	\$400
Treat No Transport	\$225

**2.0 Basic Life Support Services**

*Received into 101-044-6707-000*

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

**3.0 Miscellaneous Fees**

*Received into 101-044-6707-000*

Loaded Mile (scene to hospital fee per mile)	\$14.00 per mile
Oxygen	\$50
Extrication	\$500
Defibrillator	\$50
Cost Recovery for Structure Fires	\$500

**Miscellaneous Fees**

**1.0 Cardiopulmonary Resuscitation (CPR) Course Courses**

*Received into 101-044-6709-000*

Course fees include supplies and materials used.

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

**2.0 Inspections and Reporting**

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

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**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

**Animal Control**

**1.0 Quarantined animal bite and court ordered holds**

\$20 per day

**2.0 Release of impounded pet**

\$10 per day

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**Section 8. DEPARTMENT OF PUBLIC SERVICES**

**RV Lot Rental Fee**

*Received into 590-030-6285-000*

RV Lot Rental based on availability	\$15 per month
RV Lot Late Payment Fee	\$25 late fee after renewal due date of June 30 each year

**Brush Chipping Fee**

*Received into 101-030-6270-000*

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

*Received 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 Heights allows groups to use meeting rooms at the Library/Breckenridge Room and Fire Department Room.

*Received into 101-036-6511-000*

**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.

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**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.

**Received into 101-036-6511-000**

Pavilion Rental Fees	\$50 per pavilion + <b>\$50</b> 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.

**Received into 101-036-6530-000**

\$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.

**Received into 101-036-6511-000**

Baseball/Softball Diamonds	\$30 to have field dragged to create a smooth playing surface
	Additional \$20 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 non-resident fees are set for each trip/program based on cost by the Center Coordinator.

**Transportation**

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

Rides	\$1 each way, within Madison Heights
Doctor appointments	\$2.50 each way Monday & Friday, appointments must stay within a seven (7) mile radius of the Active Adult Center

**Lunch Program**

Lunch served daily at the Senior Center \$3.50 per person suggested donation

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**Miscellaneous**

Trip Cancellation Fee	\$5
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**Section 11. GENERAL GOVERNMENTAL SERVICE FEES**

**Message Board Greetings**

City Hall Message Board	Non-Roundtable members \$10 for one per day or \$20 for a week Roundtable members no charge
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Active Adult Center Message Board	\$10 for one day or \$20 for a week
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**Wedding Ceremony**

Administration fee	\$50 per wedding
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**Items for Sale**

Garbage Bags <a href="#">Receipted into 101-033-6421-000</a>	Box of 50 Heavy Duty bags \$18 per box
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Recycling Bin and Lid <a href="#">Receipted into 101-033-6422-000</a>	\$14.50
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**Section 12. FOIA FEES**

A fee will not be charged for the cost of search, examination, review and the deletion and separation of exempt from nonexempt information unless failure to charge a fee would result in unreasonably high costs to the City because of the nature of the request in the particular instance, and the City specifically identifies the nature of the unreasonably high costs.

The Michigan FOIA statute permits the City to assess and collect a fee for six designated processing components. The City may charge for the following costs associated with processing a request:

- Labor costs associated with searching for, locating and examining a requested public record.
- Labor costs associated with a review of a record to separate and delete information exempt from disclosure of information which is disclosed.
- The cost of computer discs, computer tapes or other digital or similar media when the requester asks for records in non-paper physical media.
- The cost of duplication or publication, not including labor, of paper copies of public records.
- Labor costs associated with duplication or publication, which includes making paper copies, making digital copies, or transferring digital public records to non-paper physical media or through the Internet.
- The cost to mail or send a public record to a requestor.

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**1.0 Labor Costs**

- All labor costs will be estimated and charged in 15-minute increments with all partial time increments rounded down.
- Labor costs will be charged at the hourly wage of the lowest-paid City employee capable of doing the work in the specific fee category, regardless of who actually performs work.
- Labor costs will also include a charge to cover or partially cover the cost of fringe benefits.

**2.0 Non-paper Physical Media**

- The cost for records provided on non-paper physical media, such as computer discs, computer tapes or other digital or similar media would be at the actual and most reasonably economical cost for the non-paper media.
- This cost will only be assessed if the City has the technological capability necessary to provide the public record in the requested non-paper physical media format.

**3.0 Paper Copies**

- Paper copies of public records made on standard letter (8 1/2 x 11) or legal (8 1/2 x 14) sized paper will be \$.10 per sheet of paper. Copies for non-standard sized sheets will paper will reflect the actual cost of reproduction.
- The City may provide records using double-sided printing, if cost saving and available.

**4.0 Mailing Costs**

- The cost to mail public records will use a reasonably economical and justified means.
- The City may charge for the least expensive form of postal delivery confirmation.
- No cost will be made for expedited shipping or insurance unless requested.

## **Water and Sewer Rate Analysis FY 2020 and FY 2021**

### **Background**

Starting in 2017, 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 storm water fees as a separate charge. In FY 2020 we took the final step in solidifying the City's Water and Sewer rate structure by presenting this report that was 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 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 this rate analysis tool and method for reviewing and adjusting rates annually. The rate study method has three major objectives:

1. operate openly and transparently with information available for review by customers and system users;
2. establish a method that produces adequate revenues over the period without causing significant gains or shortfalls in cash reserves; and
3. Utilize cash reserves for rate stabilization.

The basic principle guiding this rate study and any rate adjustments that result is that rates should be set to meet revenue requirements as defined by historical costs adjusted by known cost increases and decreases.

The annual rate analysis background material is assembled during the period from January through March of each year as part of the annual budget process. The base period financial information consists of the actual revenues and expenses of the fiscal year ended on the most recent June 30th, adjusted for any known increases for the upcoming year. Revenue requirements of the System are comprised of operating and maintenance expenses, costs of capital improvements excluding depreciation costs, and debt service costs that are the responsibility of the water and sewer system. Stormwater Fees and outside grants and projects are an offset to expenditures and revenues as pass-through costs. Rates are then calculated to generate revenues equal to the net expenditure requirement offset by a portion of the available cash reserves, which is being used as a rate stabilization fund.

New rates and charges are typically reported to the City Council on or about April 5th each year as part of the annual proposed budget. The most recent rate structure was adopted and approved by City Council on May 10, 2019, for users of the system. For the second year water and sewer rates will not experience an increase; however, stormwater, which is a direct pass-through from Oakland County, will increase. These rates are charged per equivalent residential unit (ERU) and have not been increased in the past two years. The FY 2021 budget will increase stormwater rates 9.2%; from \$11.37 per quarter to \$12.42 per quarter for residential and \$3.79 per month to \$4.14 per month for commercial/industrial. All other rates remain unchanged.

### **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 five years of history to reference. As of March 01, 2020, we have received a preliminary rate increase projections at 3.52% for FY 2021.
  - The Memorandum of Understanding (MOU), signed September 2014, that created GLWA, also established a fundamental goal to limit annual budget increases to no more than 4 percent for each of the first 10 years of the Authority's operation. This commitment was carried forward into the subsequent 40-year lease agreement between the City of Detroit and GLWA. For the fifth consecutive year, the FY 2021 water budget increase is less than this 4 percent commitment with a proposed increase of 1.1 percent from FY 2020. However, in FY 2021 GLWA is anticipating reduced investment earnings and a reduction in estimated sales volumes as compared to FY 2020, therefore the average wholesale water revenues requirement increase was proposed to be 3.5 percent applied uniformly to all member partners.
  - The 3.5 percent increase proposal for Madison Heights increases the commodity rate from \$6.34 per Mcf to \$6.85 per Mcf with a fixed monthly cost increase of \$700 from \$99,200 a month to \$99,900 per month.
    - 2019-20 – GLWA water charges for wholesale customers increased by 4.9% for the commodity charge and decreased by 3.1% for the flat rate charge.
    - 2018-19 – GLWA water charges for wholesale customers increased by 3.4% for the commodity charge and decreased by 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 by 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 preliminary and will not be final typically until June. We have received unofficial rate projections of a decrease for sewer treatment of 0.3% and an increase for Stormwater of 3.1%.
  - **The assumption used for this rate study for Stormwater is an increase of 3.1%.**
    - 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).

- Historical charges and rate changes from Oakland County WRC:

FY	Total Charge from WRC	Percent Change
FY 2021	1,805,181.12	3.14%
FY 2020	1,750,209.00	2.75%
FY 2019	1,703,435.04	2.01%
FY 2018	1,669,827.00	0.39%
FY 2017	1,663,376.04	-1.24%
FY 2016	1,684,184.00	2.91%
FY 2015	1,636,568.00	

- Assumption used for this rate study for Sewer Treatment is 4.2% decrease.

- Historical charges and rate changes from Oakland County WRC:

FY	Total Charge from WRC	Percent Change
FY 2021	2,784,583.08	-4.20%
FY 2020	2,906,612.04	-3.24%
FY 2019	3,003,948.00	-0.96%
FY 2018	3,033,026.04	5.40%
FY 2017	2,877,715.00	7.46%
FY 2016	2,678,038.92	4.11%
FY 2015	2,572,275.00	

Debt Service payments that are related to the 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).

May 2020 is the first opportunity to pay off the AMR bonds. We have evaluated payoff off the AMR Bonds early in order to save the interest costs. Therefore, the FY 2021 budget includes the advance payment of the Water and Sewer Automatic Water Reading System (AMR) bond. This early payoff during the callable period will save the City approximately \$79,400 in interest.

Current Debt Service (without early payoff) for the next five years is listed below:

Fiscal Year	Pension Bonds	AMR Bonds	Total
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

- Capital Improvement costs related to the operation of the entire System are allocated to users through this rate-setting 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 section Table VI (as abstracted from this plan and included as Appendix A).

Fiscal Year	Capital Improvement
2021	1,693,000
2022	1,389,800
2023	1,021,000
2024	1,811,000
2025	1,475,000

## 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 surfaces have a higher amount of ERUs and hence, a higher bill for stormwater. The total amount billed for stormwater covers all the city's stormwater expenses from the Oakland County Water Resources Commissioner.

### Study Recommendation:

Based on study results for FY 2021, the 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 reserves of \$799,040 in fiscal year 2021 and \$228,259 in fiscal year 2021 for capital improvements and rate stabilization. This will also leave an estimated \$3.4 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.

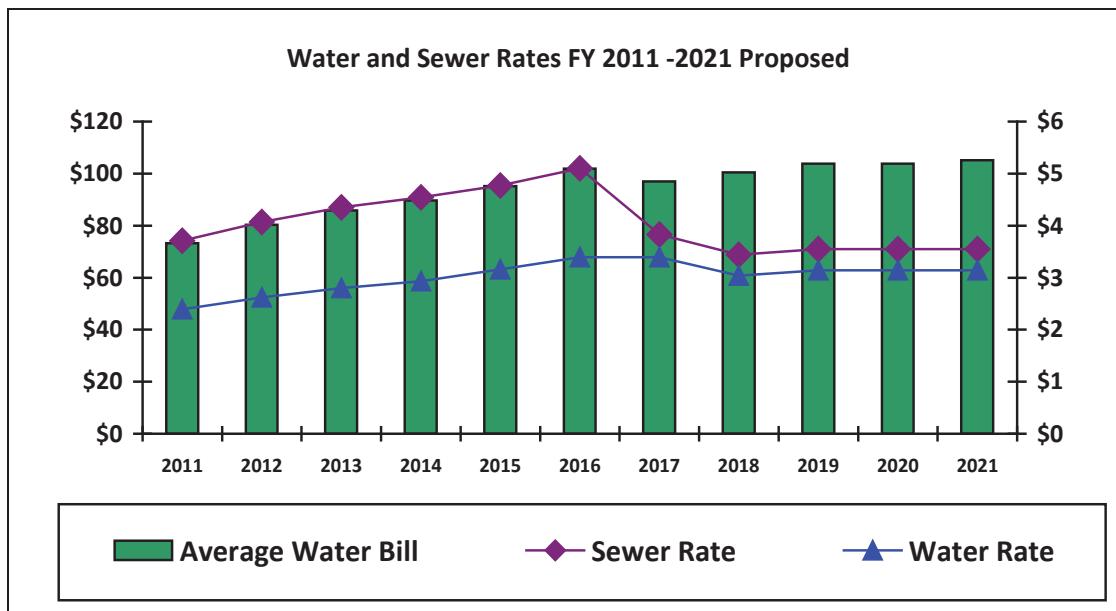
Using the current rate method of taking a short-term annual look at rates the Water and Sewer fund would necessitate of drastic increases by FY 2024 (Year Five of this plan).

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<i>Current Method - annually</i>	0.00%	2.00%	1.00%	12.50%	0.00%
Revenue Estimates -					
rates	9,121,517	9,303,948	9,396,987	10,571,611	10,571,611
Revenues Other	2,875,042	2,875,042	2,875,042	2,875,042	2,875,042
Expenditure Estimates	12,795,599	12,235,559	12,216,388	13,367,351	13,404,681
Net Revenues	(799,040)	(56,570)	55,641	79,301	41,971
Fund Balance	1,921,149	1,864,579	1,920,221	1,999,522	2,041,493
minimum req. reserve	1,910,076	1,862,473	1,918,511	1,976,112	2,035,977

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 2021	FY 2022	FY 2023	FY 2024	FY 2025
<i>RATE SMOOTHING</i>	0.00%	3.50%	3.75%	3.75%	3.75%
Revenue Estimates -					
rates	9,121,517	9,440,770	9,794,799	10,162,104	10,543,183
Revenue Other	2,875,042	2,875,042	2,875,042	2,875,042	2,875,042
Expenditure Estimates	12,795,599	12,235,559	12,216,388	13,367,351	13,404,681
Net Revenues	(799,040)	80,253	453,453	(330,205)	13,544
Fund Balance	1,921,149	2,001,402	2,454,855	2,124,651	2,138,195
minimum req. reserve	1,910,076	1,862,473	1,918,511	1,976,112	2,035,977

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.



# 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  
Melissa R. Marsh, City Manager

From: Linda A. Kunath, Finance Director/Treasurer

Date: December 4, 2019

RE: **Five Year Financial Forecast – Fiscal Years 2020-2024**

Attached please find the five year forecast for the City of Madison Heights for the Fiscal Years 2020-2024. 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 as the City proceeds through the Strategic Planning, Capital Improvement and Budget Planning processes.

From 2007 to 2014, the City 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 innovative 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 started to gradually address the problems created by the contraction of spending during the recession. In 2018, 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 process has continued into 2019 coupled with a new multi-year budget process to pull the financial planning parts together. The annual financial forecast is one part of this overall strategic plan review.

A notable result of the strategic plan was the development of Proposal MH, which proposed an increase in the City charter millage from 10 mills to 16 mills, additionally, the City committed to consolidating a total of 2.6313 mills from special millages for library, advanced life support (ALS), vehicles, and millage restoration. This offset resulted in an overall 3.3687 mills increase, rather than 6 mills. This proposal focused the majority of the millage (2.5 mills) increase towards police and fire activities. On November 5, 2019, City voters approved Proposal MH. The 2019 strategic planning, capital improvement and budget processes will determine what amount of Proposal MH levy will be proposed in FY 2021.

## 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

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

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.

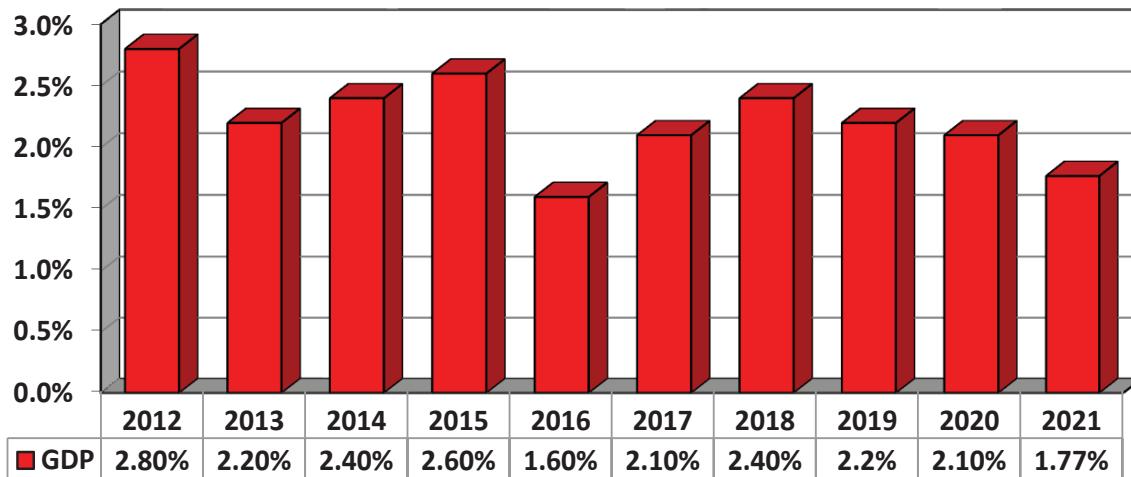
The Government Finance Officers Association (GFOA) recognizes the importance of combining the forecasting of revenues and expenditures into a single financial forecast. The GFOA recommends that a government should have a financial planning process that assesses long-term financial implications of current 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 April 2019 Oakland County Economic Outlook Forum, real GDP growth grew 2.9 percent in 2018. GDP fell in 2019 to 2.4 percent and is expected to decelerate the next couple years, to 1.8 percent in 2020, then to 1.5 percent in 2021. The GDP forecast assumes "a relatively rosy scenario for international trade relations, with no further tariff's imposed by the United States or retaliatory tariffs by other nations". If this does not occur, this outlook will be deemed too optimistic.

Oakland County's labor market recovered more vigorously from the great recession than Michigan overall and Oakland County is forecasted to create an additional 32,100 jobs through the end of 2021. The forecast for U.S. Light Vehicle sales is expected to slow as economic growth slows. During 2018, sales fell to 17.2. million units, from a high of 17.5 million in 2016 and is forecasted to decline to 16.5 million by 2021. An average of 2.2 percent per year growth is U.S. Light Vehicle output is forecasted from 2018 to 2021, compared to a 6.5 percent decline in automobiles. Detroit's Big Three share of the light vehicle market fell from 42 percent in 2017 to 41.7 percent in 2018, but the Detroit Three are projected to dip to 41.1 percent in 2019, than increase to 41.5 percent in 2020 and 2021. This assumes that the United States ratifies the United States-Mexico-Canada agreement, formerly called NAFTA, trade tensions with China do not result in new tariffs, and the Trump administration does not impose new tariffs on automotive imports from the European Union, which remains the baseline for the Oakland County optimistic forecast.

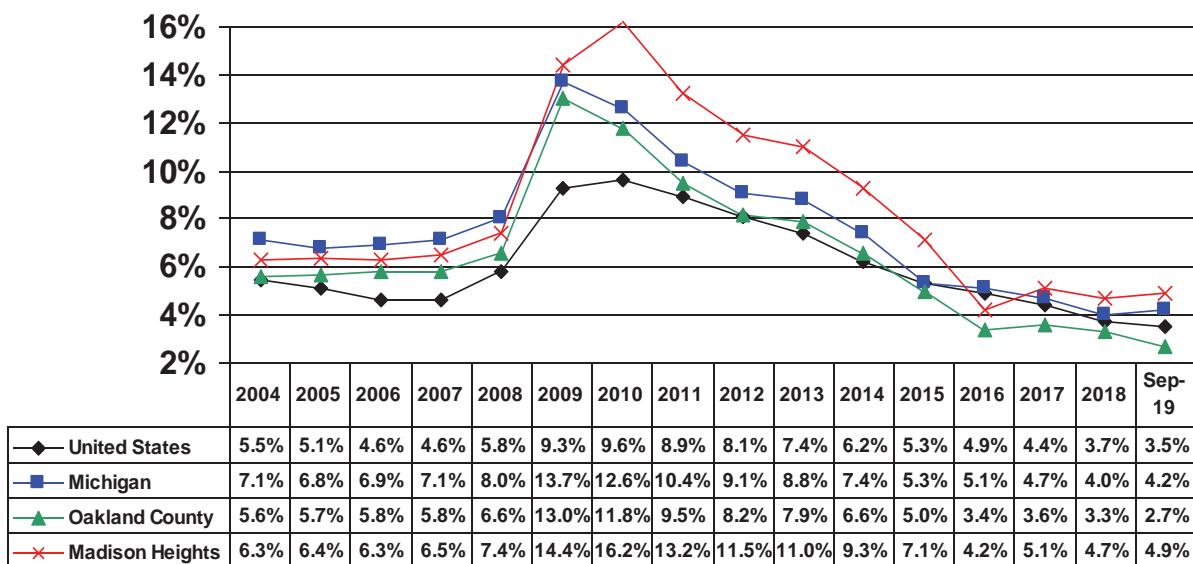
## Growth in U.S. Gross Domestic Product, 2011-2021



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 2.7% in 2019, from 3.3% in 2018.

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, 2004 through September 2019



(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 most of the previous 15 years.

## **Financial Forecast**

The forecast reflects actuals for Fiscal Year 2019, estimated expenditures for Fiscal Year 2020 and forecasted figures for Fiscal Years 2021-2024. 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 2018-19**

Fiscal Year 2019 General Fund reserves ended at \$9.9 million, up from \$7.9 million in fiscal year 2018. Of this amount, \$7.9 million is considered to be spendable and available to fund operations. This increase in fund balance was a direct result of carryforwards from FY 2019 into FY 2020 for \$1,584,356, increase in revenue sources and decreases in expenditures.

In FY 2019, licenses and permits were \$1.14 million for the General Fund as compared to the budget of \$783,350. This was \$358,464 more than budgeted. During FY 2019, investment income of \$368,591, allocated to the General Fund, exceeds the budget of \$150,000 by \$218,591. The City budgeted to purchase two fire vehicles, totaling \$1.3 million, with only one vehicle being received by the end of FY 2019. The second vehicle is accounted for as a carryover to FY 2020.

Overall the General Fund departments completed the year at 95.6% of the budget allocated.

### **Overview of the Current Fiscal Year 2019-2020**

The fiscal year 2020 General Fund budget of \$30 million, which include a budgeted use of fund balance of \$174,512, was adopted by Council in May 2019. Carryforwards and budget amendments were approved in June 2019, including an additional use of fund balance of \$874,485 for carry-over expenditures. This brings the planned use of fund balance to \$1.05 million in FY 2020. 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 \$20,000 have an actual of \$10,000; no more revenue is expected into this account for the year. Construction permits are trending higher than last year by \$60,000. Interest earnings are \$50,000 higher than last year at this time. State shared revenue is budgeted at \$2.64 million and expected to be \$2.6 million, about \$40 thousand less than budgeted. Local Community Stabilization Authority (LCSA) received was \$1.36 million, which is \$716 thousand less than budget. Estimated personal property tax reimbursement revenue is subject to change depending on the state excess funds reserve which is an unknown until the State balances the fund in April/May.

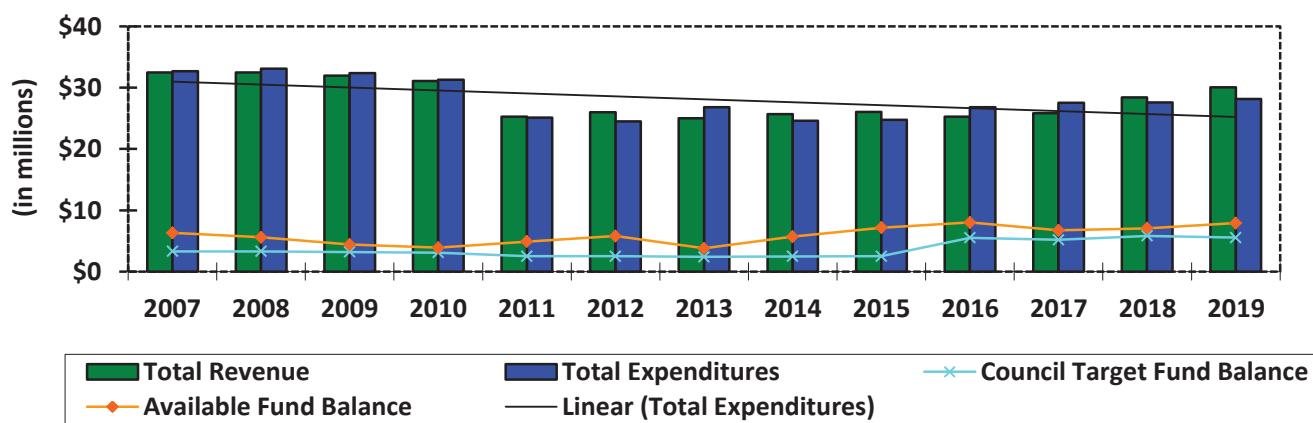
Expenditures during the first quarter are also in line with budgeted expenditures with the exception of Library improvements for carpet, which was approved by Council and funded through Library reserves. There may be emergencies or unknown expenses that can cause overages as of December 31, 2019. City Council will be asked to review and approve mid-year budget amendments if overages are likely to occur in January 2020.

## 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 2007, 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 2019 General Fund reserves ended at \$9.9 million, up from \$7.9 million in FY 2018. Of this amount, \$7.9 million is considered to be spendable and available to fund operations. **\$1.56 million of this fund balance is already planned to be spent in FY 2020.** Total FY 2020 operating expenditures (not including capital expenditures) are \$28.2 million with general obligation debt payments at \$1,038,771. The required fund balance reserve is \$5,544,184. Strong financial policies that are reviewed on a regular basis are part of the reason the City has maintained its AA- bond rating.

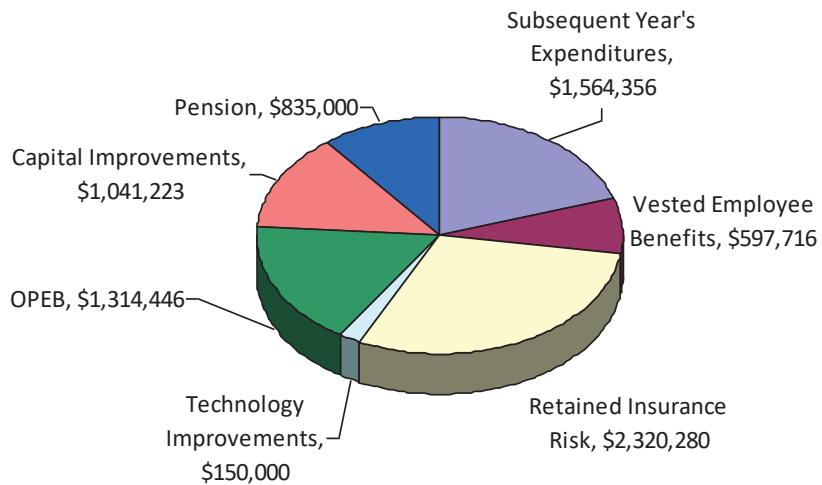
General Fund - Fund Balance Compared to Total Revenues and Expenditures



If revenues and expenditures are in-line with the current year's budget it is estimated that the City will have \$6.3 million in fund balance, which is slightly higher than the reserve policy.

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: 20% to fund subsequent year's expenditures, 7.6% for vested employee benefits (not including pension or retiree health care), 29.7% for retained insurance risk, 1.9% for technology improvements, 16.8% for other post-employment benefits (OPEB), 10.7% for pension obligation bond payments and 13.3% capital improvements (see the following pie chart).

### Assigned General Fund Reserves as of June 30, 2019



### Overview of Five Year Forecast - FY 2021-2024

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 1.27% overall as property taxes (our largest revenue source) are forecasted to increase over the next four years through a combination of real property and personal property by an average of 1.65% 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 ambulance revenue is expected to increase each year while court fees, state revenue sharing and personal property tax reimbursement from the state are projected to be stagnate.

Expenditures are projected to expand at an annual average rate of 1.77% during the succeeding four years, this includes the addition of police and fire personnel approved with Proposal MH, and takes 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 the eight City bargaining contracts which expire on June 30, 2021, but does not consider changes in future years. 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 2021-2024

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.

Pension is a major concern with employees and management, and we continue to discuss solutions. The Police and Fire Pension Fund is only 48.12% funded down from 51.84% in FY 2018. 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 2020 is 7.3886 mills or 29.2% of the current overall millage rate.

### Retiree Health Care

Ten years ago, the Council approved the establishment of two Retiree Health Care Trust (HCTP) and since that time we have funded over \$35.3 million; however, this pales in comparison to the amount needed which is actuarially calculated to be \$104.7 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. At June 30, 2019 the actuarially calculated net position of the General Employee HCTP was 42.77% and the Police and Fire HCTP was 33.40%. General Employee assumptions considered the most recent negotiated changes that future retirees move to Medicare with a monthly stipend removing them from the City's health care plan entirely. This was also negotiated in the Police and Fire Unions, however this occurred too late to be considered part of the most recent actuarial report. When this is incorporated into the study the City anticipates the funding level to exceed the 40% threshold set by the State of Michigan. In recent years, the City also amended the practice of paying premiums from the trust and instead is paying premiums from current year budget funds, allowing the trust to grow for future use.

The forecast includes level dollar funding of the contribution, as currently included in the FY 2020 budget.

## Forecast Summary/Conclusion

This long-term financial outlook continues to identify structural challenges to the City's General Fund, which necessitated increased revenues. The passing of Proposal MH will address many of these challenges, but it is vital for the City to continue to search for other funding sources and remain conservative with spending through proper financial planning, in order to keep the tax millage as low as possible. Many of the goals implemented in the past year focus on taxable value growth and seeking other funding sources (grants and government funds) to reduce the City's reliance on property tax revenue. This forecast was built without implementing Proposal MH funds in order to get a view of how much of this millage is projected to be needed, shown in the following chart. The forecast of major General Fund revenues reflects changes in revenue categories, and includes in the property tax category the levy of Proposal MH, to balance revenues with forecasted expenditures. Specific recommendations on the tax levy to achieve a balanced budget for Fiscal Year 2021 will be presented as part of the proposed budget.

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

	2018-19 Actual	2019-20 Projected	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Revenues	\$30.902	\$29.923	\$31.198	\$30.543	\$30.841	\$31.140
Expenditures	\$28.786	\$31.147	\$33.036	\$33.049	\$33.647	\$33.383
	\$2.506	(\$1.224)	(\$1.838)	(\$2.506)	(\$2.806)	(\$2.243)
General Fund Non-restricted Reserves	\$7.92	\$6.70	\$4.86	\$2.35	(\$.45)	(\$2.69)
% Reserves of Current Year Expenditures	<b>27.52%</b>	<b>21.51%</b>	<b>14.71%</b>	<b>7.11%</b>	<b>(1.34)%</b>	<b>(8.05)%</b>
Forecasted Proposal MH needed (utilizing fund balance to the minimum level)			<b>\$1.89</b>	<b>\$2.506</b>	<b>\$2.806</b>	<b>\$2.243</b>
Forecasted additional millage			<b>2.2</b>	<b>2.9</b>	<b>3.2</b>	<b>2.5</b>

Double check numbers above, utilizing fund balance to the minimum fund balance level. This will change the numbers above the General Funds pie chart on page 9. Development of a long-term financial plan is essential to sound fiscal management. The plan is not able to predict with certainty the City's fiscal future, but rather it will serve as a tool to highlight significant issues or problems that must be addressed during the upcoming budget cycle if the City's goal of maintaining fiscal health and sustainability over the long term is to be achieved.

It should be noted that this report has focused on the City's ability to continue current services and programs using existing sources of revenues. **Based on the five-year forecast report, funding for any new programs or goals, reversal of "gap" measures used to balance the budget, during the great recession or other major initiatives will require that a portion of Proposal MH be levied.**

## 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 increases of 2.4% for FY 2020 and 1.9% for FY 2021, 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. Real property taxable value estimates are based on assumptions received from Oakland County Equalization of a maximum of 4.0 to 4.25% for

the 2020 tax year and 4.0% for the 2021 and 2022 tax years, reduced for Proposal A and Headlee, and variations are due to Michigan Tax Tribunal reductions. Other major revenues such as State Revenue Sharing are assumed to see a modest increase of 1.9% or \$49,557 to the Constitutional portion and remain flat for the statutory portion, based on the State of Michigan's budget projections.

Without considering Proposal MH, 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 \$1.8 million more than revenues, the City cannot catch-up without utilizing the new millage as a revenues source in future budget years.

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

Revenue Category	2018-19 Actual	2019-20 Projected	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
Property Tax	6.75%*	2.40%*	11.09%**	4.24%**	2.24%**	-1.74%**
Business Licenses	-3.02%	2.07%	-1.11%	0.00%	0.00%	0.00%
Intergovernmental	0.90%	-5.30%	4.96%	1.82%	1.73%	1.74%
Court	4.90%	.65%	-1.1%	0.00%	0.00%	0.00%
Other	29.73%	1.32%	-7.51%	-19.0%***	0.48%	0.61%
Total	8.83%	.79%	6.06%	.04%	1.81%	-.78%

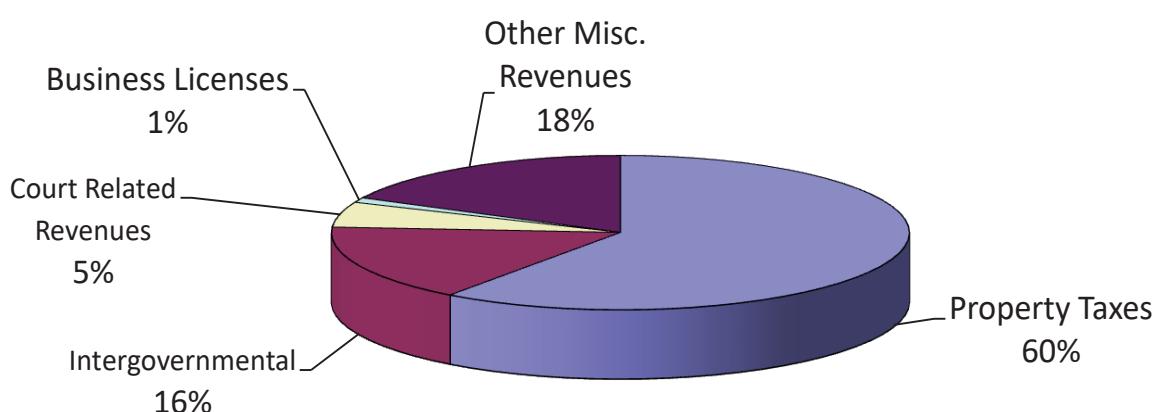
\*Increase in property taxes from FY 2018 to FY 2019 is a direct result of an increase in the millage rate for the Police and Fire Pension millage from 6.9 mills to 7.6 mills. This millage was slightly reduced from 7.69 mills to 7.4 mills in FY 2020.

\*\*Forecast Property Tax percentage changes include utilizing millage levy Proposal MH revenue to match projected expenditures and maintain minimum fund balance.

\*\*\*Forecast category of Other, changed in percentage from prior year due to no planned use of fund balance.

When factoring in the six new public safety positions and several known infrastructure needs, it is forecasted that 2.9545 mills of the new Proposal MH millage will be needed in FY 2021 and 2.8937 mills will be needed for FY 2022.

**General Fund Revenues**  
**Major Revenues Forecasted in FY 2019-20 by Category**



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

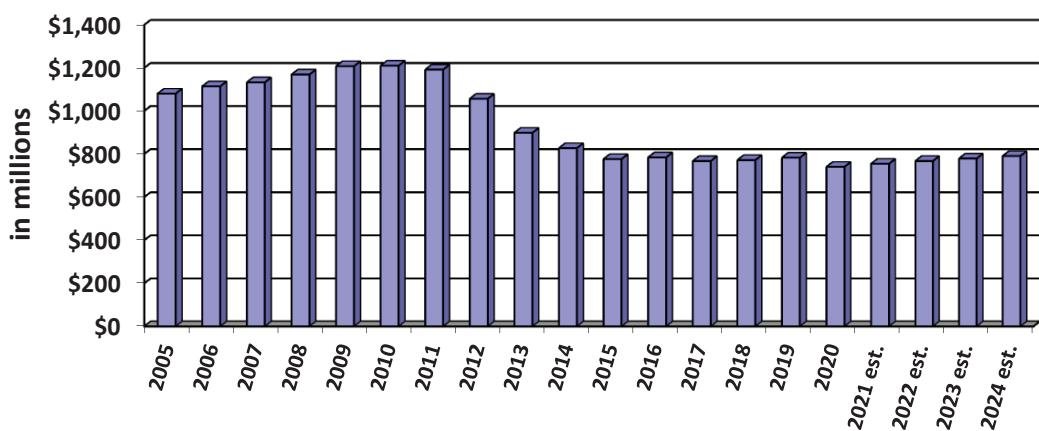
### General Fund Assumptions

#### Major Revenues

##### Property Tax

Real Property Tax revenues are projected to increase 2.4%, but reduced to the amount of inflation, which has been calculated at 1.9% for FY 2021, 1.7% for FY 2022, and 1.5% for remaining forecasted years. 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.

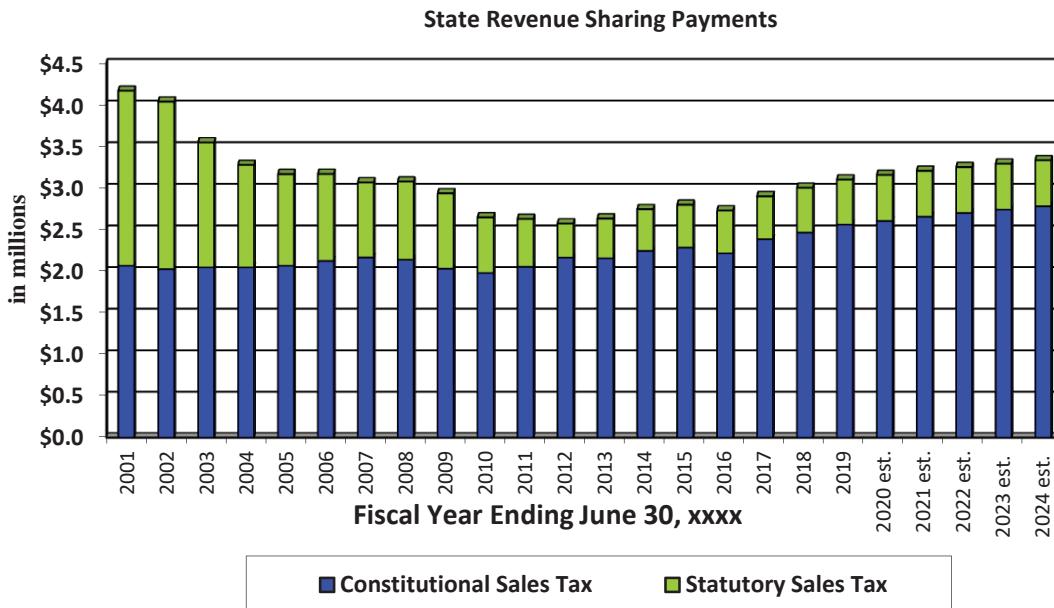
**Total Taxable Value**  
**Fiscal Year ending June 30, 20xx**



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 1.9% 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 slightly up 1.23% in FY 2020. The following four years are forecasted to be a 5-year average, which is slightly less than Fiscal Year 2020 levels. Court fee structure and amounts retained by the State change frequently. This revenue source is also determined by collection rates.

### Other Revenues

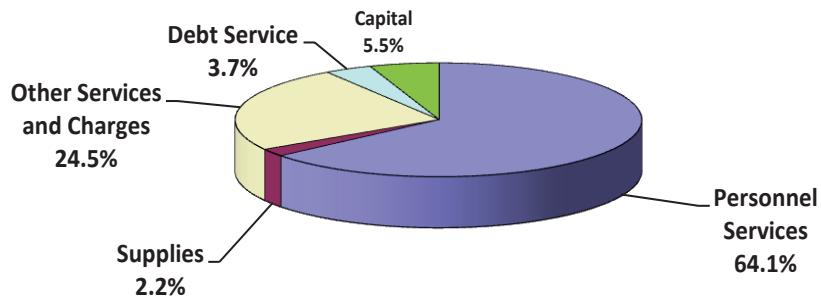
Miscellaneous Revenues are conservatively assumed to be slightly lower than FY 2020 estimated budget level during the forecasted years. Miscellaneous revenues include revenues such as cable television franchise fees and interest income as well as one-time items. The City forecast cable television franchise 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 in FY 2021, and then reduce over the next three 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. The City is still very cautious as we want to insure a sustainable budget. Expenditures in the forecast are estimated to be \$31.14 million for Fiscal Year 2020, \$33.01 million in Fiscal Year 2021, \$33.02 million in Fiscal Year 2022, \$33.62 million in Fiscal Year 2023, and \$33.36 in Fiscal Year 2024. These expenditures are made up of personnel services, supplies, other services, and capital outlay.

**General Fund Expenditures**  
**Major Expenditures Forecasted in FY 2019-20 by Category**

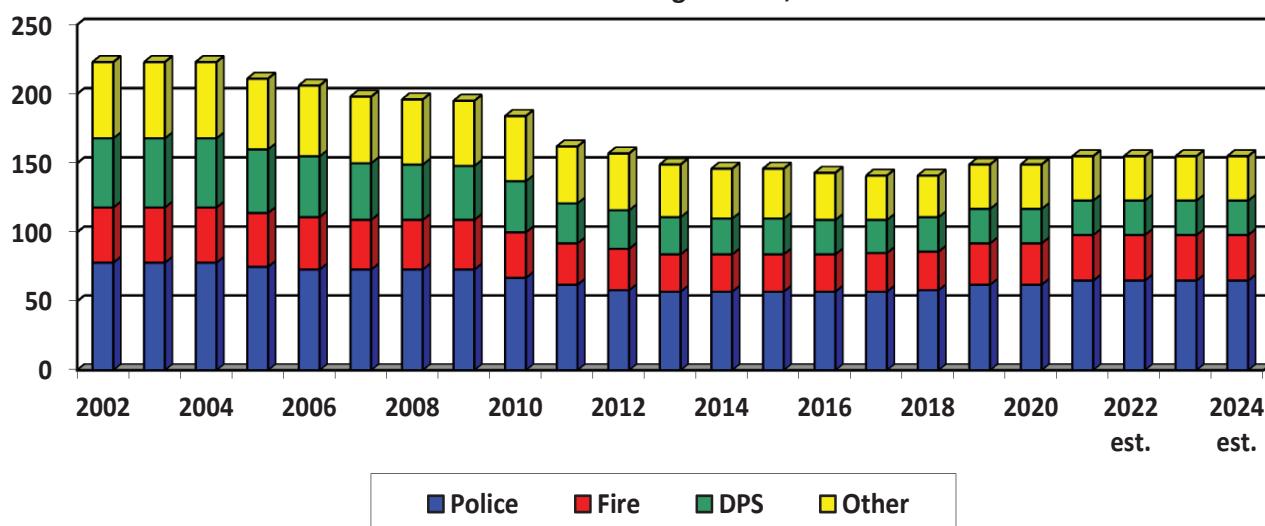


Personnel Categories

The personnel category, including health care premiums and retirement benefits, represents 64.1% of the General Fund budget.

Full-time staffing, which consists of 152 full-time employees, is assumed to increase by 6 positions for FY 2021 as planned in newly passed Proposal MH millage. The financial forecast includes the addition of 3 firefighters, 2 police officers, and 1 dispatcher starting with FY 2021 and forward. As the City experiences 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**

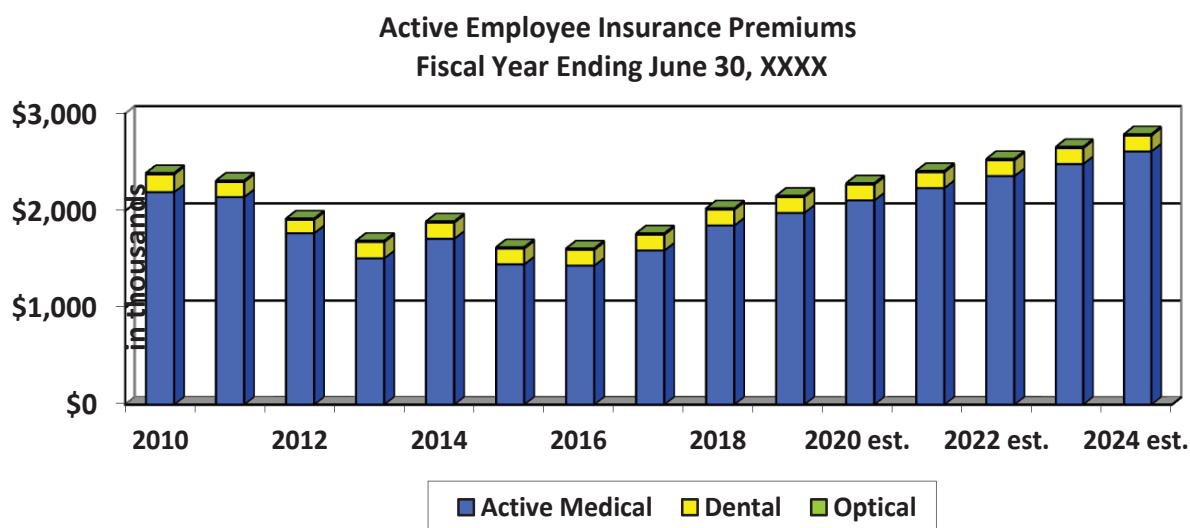


Expenditures related to negotiated salaries are included in the forecast through FY 2021, as all of the City's Union contracts expire on June 30, 2021. For estimating purposes, the forecast assumes status quo with both wages and

annual actuarial valuation. These projections are dependent on the market returns and actuarial assumptions, but are forecast to change each of the next four years as follows: 45.1% FY 2021, 12.6% FY 2022, 13.2% FY 2023, and 15.1% FY 2024.

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 and FY 2024. 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, since that time we have realized \$112,075 in savings not including projected savings in productivity. 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.



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 was effective FY 2019.

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.

The impacts of these liabilities are shown on the City's government-wide net position, reflected in this table:

	Reported at 6/30/17	With Unfunded Health Care at 6/30/18	With Unfunded Health Care at 6/30/19
<b>Net position:</b>			
Net investment in capital assets	\$86,465,940	\$90,214,663	\$92,123,323
Restricted	3,429,708	4,216,825	5,036,015
Unrestricted	(30,578,451)	(108,513,527)	(97,214,797)
<b>Total net position</b>	<b>\$59,317,197</b>	<b>\$(14,082,039)</b>	<b>\$(55,459)</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.

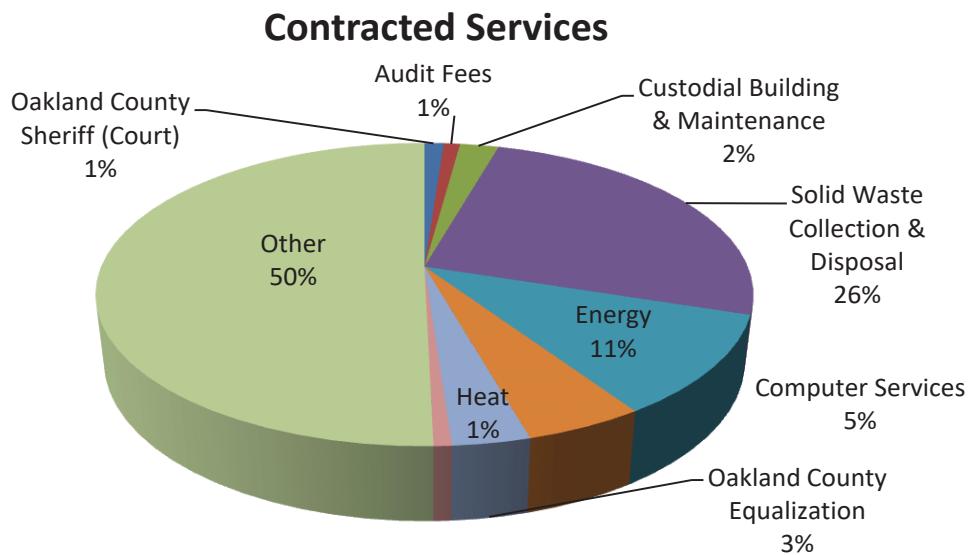
Other major expenditures included in the budget include contracted services. This category includes services for things such as legal, auditing, information technology, engineering, solid waste collection and disposal, and assessing services.

### Contracted Services

In April 2019, Council approved a fourth three-year contract with Oakland County for Equalization Services, which include a 1% increase in cost per parcel for each of the 3 years. We anticipate continuing this agreement with Oakland County and have forecasted this to continue with a 2% for the following two years.

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 another one-year term until December 2020 under the same terms and conditions, at the recommendation of the Informational Technology Advisory Committee.

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 and Proposal MH, the City is forecasted 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.

Last fiscal year the City revamped the Capital Outlay planning process eliminating the documents that is initially completed in the fall. This document was instead included as part of the comprehensive budget plan submitted to City Council in April. This fall DPS staff worked with all department heads to develop a detailed list of infrastructure and capital needs. This list was 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 saving this millage for three years to have enough funds to replace one fire department pumper truck. In 2019 voters approved Proposal MH, which increased the City's operating millage from 10 mills to 16 mills. This Proposal MH replaced Proposal "V" beginning in FY 2021. One of the purposes of this new millage is to better fund vehicles and equipment up to .75 mills annually, and if fully levied FY 2021, will generate approximately \$632,811 towards vehicles and equipment.

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 2019-2024						
Item	Budget	Forecast				
	2019-20	2020-21	2021-22	2022-23	2023-24	
<u>Computers and Upgrades:</u>						
IT	11,300	99,375	99,375	99,375	101,363	
General Admin	10,003	13,998	14,208	14,421	14,638	
Police	62,000	62,000	62,000	62,000	62,000	
Fire	7,897	7,897	7,897	7,897	7,897	
Total - Computers	91,200	183,270	183,480	183,693	185,898	
<u>Machinery and Equipment:</u>						
General Admin	-	-	-	-	-	
Police	-	-	-	-	-	
Fire	-	205,000	363,000	1,135,000	289,680	
Solid Waste	20,000	-	-	-	-	
Parks	10,000	25,000	25,000	25,000	10,824	
Streets	-	-	-	-	-	
Total - Machinery and Equipment	30,000	230,000	388,000	1,160,000	300,504	
<u>Vehicles Proposal "V"</u>						
Police	101,028	-	-	-	-	
Streets	-	-	-	-	-	
Fire	129,195	-	-	-	-	
Subtotal - Proposal "V"	230,223	-	-	-	-	
<u>Vehicles - Non-Proposal "V"</u>						
Police	-	160,000	135,000	135,000	379,356	
Fire	-	200,000	-	200,000	-	
Community Development	-		190,000		30,000	
Streets	230,000	445,000	560,000	200,000	460,000	
Solid Waste	-	-	-	-	-	
Seniors	-	32,000		-	-	
Subtotal - Non-Proposal "V"	230,000	837,000	885,000	535,000	869,356	
Total - All Vehicles	460,223	837,000	885,000	535,000	869,356	
<u>Improvements</u>						
General Admin	-	530,000	-	190,000	250,000	
Police	130,000	347,000	133,000	133,000	135,660	
Fire	15,000	155,000	96,000	36,000	75,500	
Parks	63,500	79,000	376,000	292,000	249,000	
Nature Center	50,000	55,000	55,000	55,000	55,000	
Senior Citizens	-	32,000	235,000	135,000	100,000	
Library	-	50,000	50,000	50,000	50,000	
Total - Improvements	258,500	1,248,000	945,000	891,000	915,160	
Total - All Items	839,923	2,498,270	2,401,480	2,769,693	2,270,918	

## 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 a restricted revenue package. The Michigan Department of Transportation has released projections for FY 2020 and 2021 detailing increases of 16.7% and 6.1%. Once the increase is received, the City will forecast additional amounts 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 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Traffic Signals	30,000	30,000	30,000	30,000	30,000
13 Mile Sectional Non-NHPP	0	0	250,000	250,000	0
John R to 12 Mile Turn Lane	300,000	0	0	0	0
Sectional Concrete Replacement - Major	865,000	790,000	815,000	225,000	675,000*
<b>Total</b>	<b>\$1,195,000</b>	<b>\$820,000</b>	<b>\$1,095,000</b>	<b>\$505,000</b>	<b>\$705,000</b>

\*Projects TBD in Forecast 2023-24

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 started Segment 2 in the spring of 2019 and will continue with South-bound lanes in spring of 2020. Segment 3 will overlap Segment 2 and will start in the spring of 2020.

## Local Street Fund Assumptions

### Major Revenues

The primary funding source for Local Streets is the dedicated Proposal Neighborhood Roads Millage. Funds collected under this road millage have the same assumption as General Fund property tax revenues of a combined (real and personal) 1.9% FY 2021, 1.7% FY 2022 and an average of 1.5% 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 9.1% and 6.1%. 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:

Local Road Project	Projected 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Meadows Ave (Englewood Ave to Meadows)	\$ 263,000	\$ 0	\$ 0	\$ 0	\$ 0
W. Dallas Ave (Alger St to John R Road)	260,000	0	0	0	0
Kenwood Ave (Windemere to Englewood)	232,000	0	0	0	0
Madison Ave (Englewood Ave to Madison)	181,000	0	0	0	0
Kenwood Ave (Englewood Ave to Kenwood)	174,000	0	0	0	0
Windemere (Campbell Rd to Dorchester)	133,000	0	0	0	0
Westmore (30452 Westmore to Tanglewood)	0	975,000	0	0	0
Milton Ave (Moulin to Sheffield Dr)	0	167,000	0	0	0
Tanglewood Dr (Winthrop Dr to Yorkshire Dr)	0	75,000	0	0	0
Beverly Ave (Connie Ave to Dequindre Road)	0	98,000	0	0	0
Alger St (W Cowan Ave to Andover Ave)	0	0	212,000	0	0
Barrington (Mid Block -Lincoln to Cowan)	0	0	109,000	0	0
Alger St (Mid Block Alger St - Lincoln to Cowan)	0	0	109,000	0	0
Barrington St (W Lincoln Ave to W. Cowan Ave)	0	0	148,000	0	0
Alger St (W Lincoln Ave to W Cowan Ave)	0	0	148,000	0	0
Brush St (W Cowan Ave to Andover Ave)	0	0	120,000	0	0
W Cowan Ave (Stephenson Highway to Brettonwoods St)	0	0	140,000	0	0
W Cowan Ave (Alger St to John R Road)	0	0	75,000	0	0
Palmer St (W Lincoln Ave to W Cowan Ave)	0	0	210,000	0	0
W. Greig Ave (three sections)	0	0	0	482,000	0
Palmer Street (Andover Ave to W. Greig Ave)	0	0	0	293,000	0
Brush Street (Andover Ave to W. Greig Ave)	0	0	0	165,000	0
W. Greig Ave (five sections)	0	0	0	403,000	0
Hampden St (Andover Ave to Greig Ave)					168,000
Brettonwoods St (two sections)					349,000
Dartmouth St (Andover Ave to W. Greig Ave)					170,000
Barrington St (Andover Ave to W. Greig Ave)					170,000
Palmer St (W. Greig Ave to Eleven Mile Rd)					181,000
Alger St (two sections)					351,000
Sectional Replacements (R)	648,000	75,000	100,000	75,000	50,000
Sectional Replacements (Non-R)	100,000	630,000	400,000	525,000	300,000
<b>Total</b>	<b>\$1,991,000</b>	<b>\$2,020,000</b>	<b>\$1,771,000</b>	<b>\$1,943,000</b>	<b>\$1,739,000</b>

At June 30, 2019, the fund balance for the Local Street Fund was \$2.30 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, a detailed Water and Sewer rate analysis was started. This analysis demonstrated a need to increase rates 3.25% in FY 2021, 3.25% in FY 2022 and 3.25% in FY 2023. Rates were evaluated during the budget process for FY 2020 and no increase was deemed necessary for the current year. These estimated increases were 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. Additional billing method changes are not anticipated in the next four years.

### Major Expenditures

Other than personnel expenditures which were calculated using the same assumptions as the general fund employees, the major expenditures in the Water and Sewer Fund are the purchase of commodities, water and sewer capital improvement projects and debt service.

#### Purchase of Commodities

As briefly mentioned under revenues, the City has not yet received the actual rate increase from the Great Lakes Water Authority (GLWA) or the Oakland Water Resources Commissioner. To develop assumptions for the forecast, staff looked at the past three years of history. This will reflect the change to the GLWA as well as all the billing method changes implemented by the Oakland County Drain Commissioner. Based on this review, the forecast assumes an increase of 2% per year for each of the forecast years for stormwater charges, 3.0% for sewage treatment and 3.1% 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 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:

	Projected 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Bond Principal Payments – Fixed Network System	110,000	640,000	0	0	0
Bond Principal Payments – Pension Obligation Bonds	107,298	108,583	110,510	113,080	115,650
Bond Interest Payments – Fixed Network System	25,600	46,600	0	0	0
Bond Interest Payments – Pension Obligation Bonds	45,866	44,042	42,033	39,690	37,123
<b>Total</b>	<b>\$288,764</b>	<b>\$839,225</b>	<b>\$152,543</b>	<b>\$151,487</b>	<b>\$152,773</b>

At June 30, 2019, the Water and Sewer Department has built up an unrestricted net position of \$5.5 million dollars. \$3.2 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 30,226 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, 2019 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

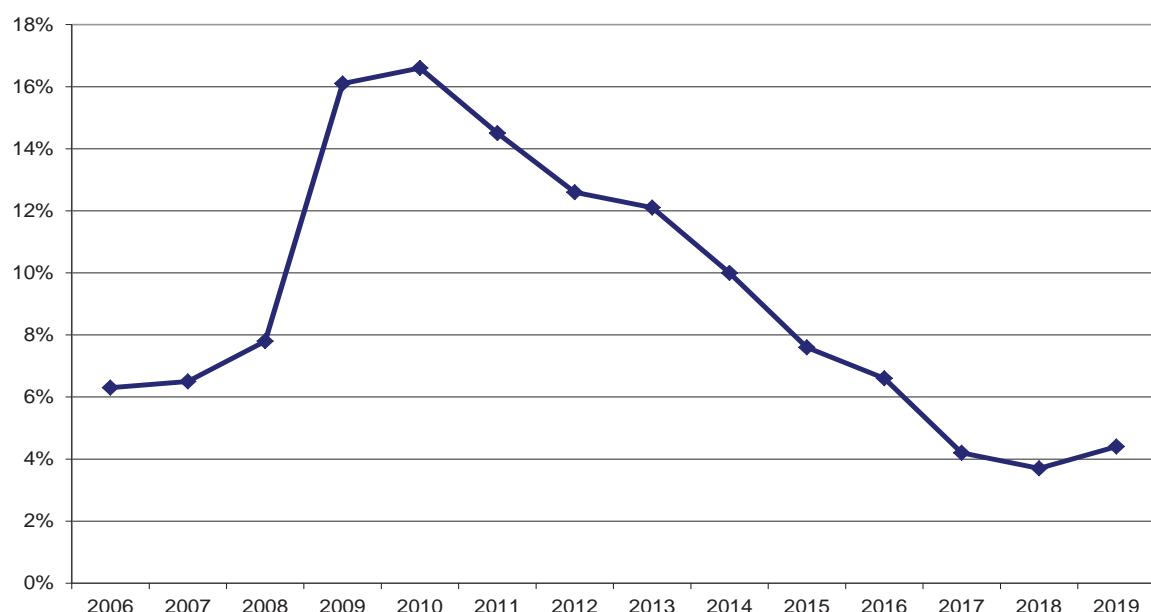
Fiscal Year Ended June 30	Estimated Population	Personal Income (1)	Per Capita Personal Income (1)	Annual Average Unemployment Rate (2)
2006	31,101	\$ 666,463,329	\$ 21,429	6.3%
2007	31,101	\$ 666,463,329	\$ 21,429	6.5%
2008	31,101	\$ 666,463,329	\$ 21,429	7.8%
2009	31,101	\$ 666,463,329	\$ 21,429	16.1%
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%
2019	30,088	\$ 722,142,088	\$ 24,001	4.4%

Sources:

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

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

City of Madison Heights  
Unemployment Rate



## **CHANGES IN FUND BALANCE**

(amounts expressed in thousands)

### **General Fund**

Fiscal Year ended June 30,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Restricted and Nonspendable:	\$ 189	\$ 366	\$ 1,140	\$ 1,611	\$ 777	\$ 1,088	\$ 1,611	\$ 844	\$ 797	\$ 359	\$ 343	\$ 617	\$ 2,024
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	\$ 598
Subsequent years' expenditures	145	543	393	56	915	392	785	386	786	1,364	537	1,558	1,564
Retained insurance risk	500	250	250	250	336	446	722	2,013	1,319	1,319	1,357	1,357	2,320
Vehicle replacement	1,136	1,136	1,136	853	0	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	1,041
Park improvements	500	450	0	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	0
Technology Improvements	200	89	0	0	75	75	18	100	150	150	150	150	150
Postemployment Benefits	0	0	0	0	0	1,337	0	440	1,648	1,566	745	1,020	1,413
Penion bonds	0	0	0	0	0	0	0	0	0	1,090	810	820	835
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	\$ 7,921
Unassigned	0	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	\$ 9,945

Sources: City's Audited Annual Financial Statements

## EXPENDITURE HISTORY BY ACTIVITY

### General Fund

Activity Name	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Amended Budget	2020-21 Budget
Mayor and City Council	\$ 50,462	\$ 51,592	\$ 52,332	\$ 54,221	\$ 53,938	\$ 56,341	\$ 57,777
City Manager	322,759	337,395	286,598	341,069	273,266	232,869	247,177
Elections	61,122	70,200	71,108	45,342	56,626	77,066	92,306
City Assessor	200,465	221,402	211,304	209,940	207,592	214,596	216,189
Legal	313,331	287,424	313,599	315,464	370,909	322,770	322,770
City Clerk	264,295	297,078	276,950	279,853	242,704	268,284	263,598
Human Resources	363,746	419,037	358,487	406,152	381,863	387,343	401,179
Board of Review	1,400	1,503	1,823	1,866	2,214	3,023	3,243
General Administration	349,146	599,967	1,234,737	235,892	867,259	1,312,775	974,143
Finance	850,007	887,681	765,320	771,672	677,352	737,508	717,566
Information Technology	355,369	259,293	389,475	188,247	184,778	196,562	237,300
<b>Total City Administration</b>	<b>\$ 3,132,102</b>	<b>\$ 3,432,572</b>	<b>\$ 3,961,733</b>	<b>\$ 2,849,718</b>	<b>\$ 3,318,501</b>	<b>\$ 3,809,137</b>	<b>\$ 3,533,248</b>
Municipal Building							
Custodial and Maintenance	\$ 138,954	\$ 61,503	\$ 86,173	\$ 45,753	\$ 47,811	\$ 132,153	\$ 178,133
	278,823	237,608	199,775	261,394	197,349	193,725	199,025
<b>Total General Municipal Maint.</b>	<b>\$ 417,777</b>	<b>\$ 299,111</b>	<b>\$ 285,948</b>	<b>\$ 307,147</b>	<b>\$ 245,160</b>	<b>\$ 325,878</b>	<b>\$ 377,158</b>
Police	\$ 8,381,018	\$ 8,852,867	\$ 9,956,038	\$ 9,884,446	\$ 10,744,799	\$ 10,909,252	\$ 11,391,884
Fire	4,475,687	5,063,252	5,462,113	5,578,791	5,691,581	6,072,612	6,858,543
District Court	1,398,389	1,645,305	1,391,767	1,466,502	1,288,615	1,461,596	1,443,443
<b>Total Public Safety</b>	<b>\$ 14,255,094</b>	<b>\$ 15,561,424</b>	<b>\$ 16,809,918</b>	<b>\$ 16,929,739</b>	<b>\$ 17,724,995</b>	<b>\$ 18,443,460</b>	<b>\$ 19,693,870</b>
Community Development							
Streets	\$ 937,877	\$ 1,089,676	\$ 1,010,826	\$ 1,055,928	\$ 1,044,087	\$ 1,086,497	\$ 1,053,919
	1,080,727	1,341,462	1,271,821	1,001,901	986,223	1,146,339	1,084,932
<b>Total Community Improvement</b>	<b>\$ 2,018,604</b>	<b>\$ 2,431,138</b>	<b>\$ 2,282,647</b>	<b>\$ 2,057,829</b>	<b>\$ 2,030,310</b>	<b>\$ 2,232,836</b>	<b>\$ 2,138,851</b>
Solid Waste	\$ 2,127,087	\$ 2,080,190	\$ 2,040,120	\$ 2,230,242	\$ 2,326,405	\$ 2,448,689	\$ 2,576,798
<b>Total Solid Waste</b>	<b>\$ 2,127,087</b>	<b>\$ 2,080,190</b>	<b>\$ 2,040,120</b>	<b>\$ 2,230,242</b>	<b>\$ 2,326,405</b>	<b>\$ 2,448,689</b>	<b>\$ 2,576,798</b>
Recreation	\$ 95,619	\$ 135,293	\$ 147,809	\$ 183,362	\$ 203,995	\$ 211,392	\$ 285,311
Nature Center	45,205	21,978	24,744	29,585	13,045	81,435	83,957
Parks	437,761	489,777	494,081	518,966	460,561	691,446	503,891
Senior Citizen Center	377,890	379,489	362,479	388,822	379,411	492,119	505,968
<b>Total Parks and Recreation</b>	<b>\$ 956,475</b>	<b>\$ 1,026,537</b>	<b>\$ 1,029,113</b>	<b>\$ 1,120,735</b>	<b>\$ 1,057,012</b>	<b>\$ 1,476,392</b>	<b>\$ 1,379,127</b>
Library	\$ 764,916	\$ 742,049	\$ 719,832	\$ 671,926	\$ 677,464	\$ 792,207	\$ 809,825
<b>Total Library</b>	<b>\$ 764,916</b>	<b>\$ 742,049</b>	<b>\$ 719,832</b>	<b>\$ 671,926</b>	<b>\$ 677,464</b>	<b>\$ 792,207</b>	<b>\$ 809,825</b>
Insurance	474,908	412,104	381,284	374,390	374,152	387,306	395,640
Pension Obligation Debt	-	17,500	1,367,734	1,031,700	1,032,305	1,039,211	1,035,554
<b>General Expenditures</b>	<b>\$ 474,908</b>	<b>\$ 429,604</b>	<b>\$ 1,749,018</b>	<b>\$ 1,406,090</b>	<b>\$ 1,406,457</b>	<b>\$ 1,426,517</b>	<b>\$ 1,431,194</b>
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>General Fund Expenditures</b>	<b>\$ 24,146,963</b>	<b>\$ 26,002,625</b>	<b>\$ 28,878,329</b>	<b>\$ 27,573,426</b>	<b>\$ 28,786,304</b>	<b>\$ 30,955,116</b>	<b>\$ 31,940,071</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%
2019	\$ 740,286,660	\$ 89,188,460	\$ 829,475,120	25.29	\$ 2,251,105,960	36.8%

Sources: City and County Assessing Records

## PROPERTY TAX RATES

### Direct and Overlapping Governments

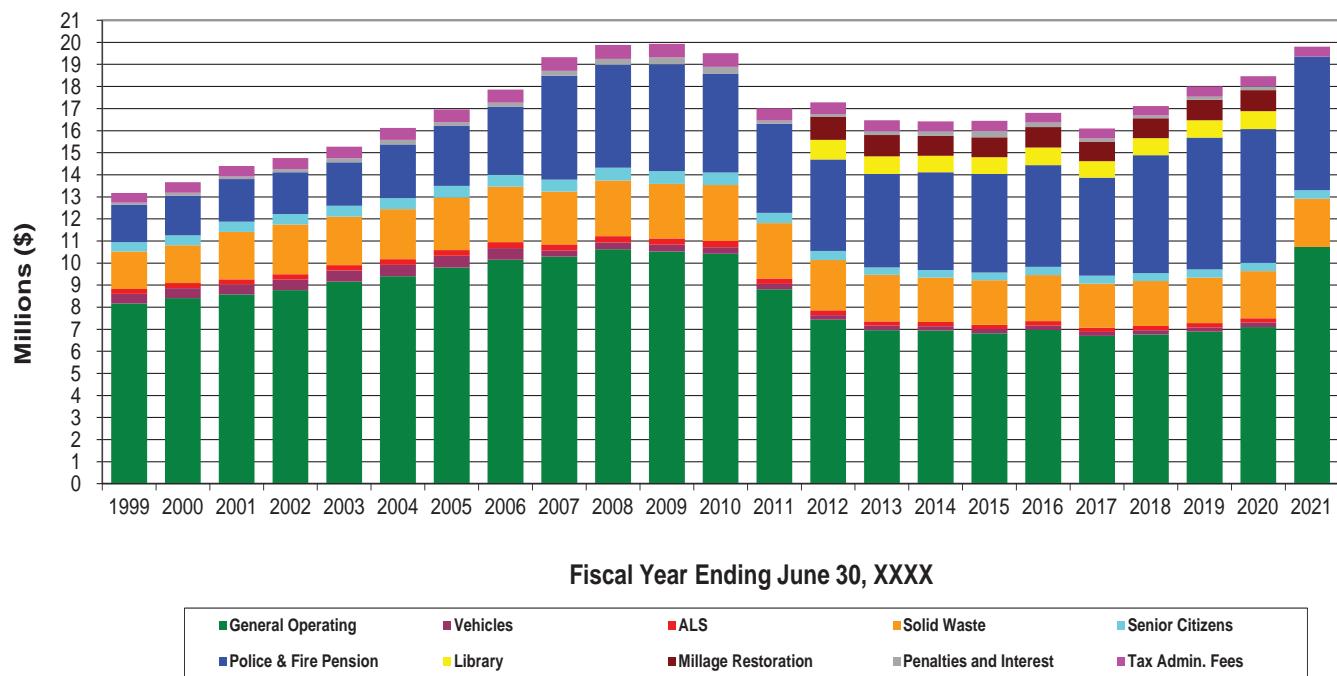
(Per \$1,000 of Taxable Valuation)

Fiscal Year Ending June 30,	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>City of Madison Heights</u></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	9.97	9.93	9.82	
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	1.99	1.99	1.96	
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	2.64	2.63	2.60	
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	0.47	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	7.39
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	0.50
Library	n.a.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.99	0.98									
County Drain	0.05	n.a.	1.16	1.13	1.09														
<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>25.29</b>
<b><u>Overlapping Taxes</u></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	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	1.53
Intermediate School District	3.42	3.40	3.40	3.38	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.34	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	13.76	14.22	13.76	14.25	14.26
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	31.76	32.40	32.40	32.43	32.33
Zoological Authority	n.a.	0.10	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.	0.20	0.20	0.20	0.20	0.20	0.20	0.19	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>50.59</b>	<b>50.11</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>68.77</b>	<b>68.19</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 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
20-21	Police	Add 2 Patrol Officers (+2.0) partial year, add 1 Police Service Assistant (+1.0)
20-21		Eliminate PT Records Clerk, Add FT Records Clerk (+0.87)
20-21	Fire	Add 3 Firefighter/Paramedics (+3.0)
20-21	CED	Add 1 PT Code Enforcement Officer (+0.75)
20-21	Library	Add 1 FT Community Outreach Librarian (+1.0) partial year
20-21	DPS - Custodial/Maintenance	Reallocate DPS Director (+0.10)
20-21	DPS - Streets	Reallocate DPS Director (+0.10)
20-21	DPS - Solid Waste	Reallocate DPS Director (+0.38)
20-21	DPS - Recreation	Add 1 FT Recreation Coordinator (+1.0)
20-21	DPS - Water/Sewer Admin	Eliminate DPS Superintendent (-1.0), Eliminate 2 PT Office Assistant (-1.44), Reallocate
20-21	DPS Fund	Add 1 FT Office Assistant (+1.0), Eliminate Deputy DPS Director (-1.0), Add 2
20-21	MIDC	Reallocate FT MIDC Officer (+0.60), add 1 PT MIDC Assistant (+0.67)
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 (.05)
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)

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
17-18	DPS - Streets	Reallocation DPS Employees (-1.7)
17-18	DPS- Solid Waste	Reallocation DPS Employees (-3.7)
17-18	DPS - Recreation	Increase 3 PT Camp Leaders (+0.12 each for total +0.36)
		Add PT Recreation Intern (+0.16)
17-18	DPS - Parks	Reallocation DPS Employees (-1.1)
17-18	DPS - Senior Center	Increase PT Chauffeur (+.09)
17-18	DPS - Major Street Fund	Reallocation DPS Employees (-2.3)
17-18	DPS - Local Street Fund	Reallocation DPS Employees (-2.7)
17-18	DPS - Water	Reallocation DPS Employees (-4.0)
17-18	DPS - Sewer	Reallocation DPS Employees (-5.4)
17-18	DPS - Water/Sewer Administration	Reallocation DPS Employees (-1.5)
17-18	DPS Division	DPS Reallocation (+22.8)
17-18		Increase PT Office Support Staff (+0.43)
16-17	City Clerk	Increase PT Office Support Staff (+0.3)
16-17	City Clerk - Elections	Decrease PT Office Support Staff elections portion (-0.13)
16-17	Community Development	Eliminate vacant Building Official Position (-1.0)
16-17	DPS - Streets	Reallocation of Admin Support due to Act 51 requirements (+0.10)
16-17	DPS - Solid Waste	Eliminate PT Office Support split (-0.13)
16-17		Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Recreation	Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Misc Funds	Transfer one DPS pooled position to Water (-1.0)
16-17	DPS - Parks	Transfer one fulltime Parks employee to vacant DPS pooled position (-1.0)
16-17	DPS - Major Street Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Local Streets Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Water	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (+1.0)
16-17		Transfer one DPS pooled position to Water (+1.0)
16-17	DPS - Water/Sewer Administration	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (-1.0)
16-17		Reallocation of Admin Support due to Act 51 requirements (+.20)
16-17		Add dedicated DPS PT Office Support (+0.35)
15-16	City Clerk	Reallocate PT Office Support Staff (-0.1)
15-16	General Administration	Eliminate Asst City Mgr Split between Departments (-0.2)
15-16	Finance	Transfer Fiscal Assistant II to Fire Department (-1.0)
15-16	Information Technology	Eliminate MIS Administrator (-1.0)
15-16	Information Technology	Eliminate Information Systems Specialist (-1.0)
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)

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
15-16	DPS - Custodial & Maintenance	Reallocate DPS Director (-0.1)
15-16	DPS - Solid Waste	Eliminate Asst City Mgr Split between Departments (-0.5)
15-16	DPS - Major Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Local Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Water	Eliminate Water Meter Reader (-1.0)
15-16	DPS - Sewer	Transfer PT Year Round Laborer (-0.7)
15-16	DPS - Water/Sewer Admininstration	Elimination of Asst City Mgr/Reallocation of DPS Director (+0.9)
15-16	DPS - Water/Sewer Admininstration	Eliminate Water & Sewer Coordinator (-1.0)
15-16	DPS - Water/Sewer Admininstration	Add DPS Analyst/Planner (+1.0)
15-16	DPS - Water/Sewer Admininstration	Add Equipment Operator I (+1.0)
15-16	DPS - Motor Pool	Add PT Year Round Laborer (+0.7)
14-15	n/a	No changes in FTE
13-14	Clerk/DPS	Reallocate funding for one PT Support Staff position (Clerk +0.36 FTE and Senior Center +0.045 FTE)
13-14	DPS - Recreation	Decrease PT Recreation Coordinator FTE to comply with PPACA (-0.045)
13-14	Community Improvement Fund	Eliminate Community Housing & Grants Supervisor (-1.0) and Housing Program Assistant (-1.0)
13-14	DPS - Water	Eliminate Equipment Operator I position (-1.0)
13-14	DPS - Sewer	Add two PT Year Round Laborer positions (+1.35)
13-14	Police	Eliminate Police Sergeant position (-1.0), add Police Officer position (+1.0)
12-13	Police	Eliminate vacant Office Assistant position (-1.0), add part time assistant position (+.47)
12-13	DPS - Recreation	Eliminate Recreation Supervisor position (-0.5) and increase part time Recreation Coordinator hours (+0.22)
12-13	DPS - Senior Center	Eliminate Recreation Supervisor position (-0.5)
12-13	DPS - Streets	Eliminate Equipment Operator II position (-1.0)
12-13	Fire	Eliminate three vacant unbudgeted Firefighter positions (-3.0)
12-13	Fire Manning Grant Fund	Reallocate two grant funded positions to General Fund (-2.0)
11-12	District Court	Eliminate vacant part time Probation Officer position (-1.0)
11-12	Police	Eliminate vacant Police position associated with Lieutenant retirement (-1.0)
11-12	Police	Eliminate vacant Police position associated with Sergeant retirement (-1.0)
11-12	Police	Eliminate two vacant Police Officer positions (-2.0)
11-12	Community Development	Eliminate vacant part time Code Enforcement Officer position (-0.8)
11-12	DPS - Parks	Eliminate vacant part time Seasonal Laborer position (-0.3)
11-12	DPS - Streets	Eliminate vacant Deputy DPS Director position (-0.5)
11-12	DPS - Solid Waste	Eliminate vacant Deputy DPS Director position (-0.5)
10-11	Assessing	Eliminate City Assessor position (-1.0)
10-11	Assessing	Eliminate Property Appraiser position (-1.0)
10-11	Assessing	Eliminate part-time Personal Property Auditor position (-0.4)

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
10-11	Court	Eliminate Court Officer position (-1.0)
10-11	Community Development	Eliminate part-time Clerical position (-0.52)
10-11	City Clerk	Eliminate vacant Office Assistant II position (-1.0)
10-11	Human Resources	Restructure Personnel & Purchasing Coordinator position. Full-time position split between Human Resources (0.5) and General Administration (0.5) moved to DPS - Streets. Transfer part-time Office Assistant (0.75) from DPS to Human Resources (+0.25)
10-11	General Administration	Restructuring the Personnel & Purchasing Coordinator position reduced General Administration by (-0.25) of a position
10-11	Finance	Eliminate Fiscal Assistant I position (-1.0)
10-11	Finance	Eliminate vacant Fiscal Assistant II position (-1.0)
10-11	Police	Eliminate two vacant Police Officer positions (-2.0)
10-11	Police	Eliminate three vacant Police Sergeant positions (-3.0)
10-11	Fire	Eliminate three vacant Firefighter positions (-3.0)
10-11	Community Development	Eliminate GIS Supervisor position (-1.0)
10-11	Library	Eliminate Librarian position (-1.0)
10-11	Library	Reduce ten part-time Librarian Assistant positions (-0.66)
10-11	DPS – Building Maintenance	Eliminate vacant Equipment Operator II position (-1.0). Full-time split between Streets (0.04) and Building Maintenance (0.96)
10-11	DPS - Streets	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Solid Waste	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Recreation	Reduce part-time Recreation Coordinator hours (-0.11)
10-11	DPS - Recreation	Eliminate sixteen vacant seasonal part-time recreation positions (-0.425)
10-11	DPS - Nature Center	Eliminate Nature Center Coordinator position (-1.0)
10-11	DPS - Nature Center	Eliminate part-time Naturalist position (-0.26)
10-11	DPS - Parks	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Parks	Eliminate three seasonal part-time Laborer positions (-0.75)
10-11	DPS - Parks	Reduce three part-time Park Ranger hours (-0.2)
10-11	DPS - Senior Center	Reduce part-time Bus Driver and Chauffer hours (-0.31)
10-11	DPS - Senior Center	Reduce part-time Senior Center Assistant hours (-0.1)
10-11	DPS - Major Street Fund	Reallocation of Administrative Support (-0.15)
10-11	DPS - Local Street Fund	Reallocation of Administrative Support position (-0.1)
10-11	DPS - Water	Eliminate two vacant Water Meter Reader positions (-1.0)
10-11	DPS - Sewer	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Motor Pool	Eliminate General Mechanic position (-1.0)
BA = mid-year Budget Amendment adopted as of December 14, 2009		
BA 09-10	Police	Eliminate two vacant Police Officer positions (-2.0)
BA 09-10	Police	Eliminate one vacant Public Service Aide position (-1.0)
BA 09-10	Fire	Eliminate two vacant Firefighter positions (-2.0)
BA 09-10	Library	Eliminate vacant part-time Library Assistant position (-0.21)
BA 09-10	DPS - Senior Center	Eliminate vacant part-time Senior Center Assistant (-0.25)
BA 09-10	DPS - Water and Sewer	Eliminate one vacant Equipment Operator I position (-1.0)
09-10	Police	Eliminate vacant Patrol positions (-3.0)

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

FY	DEPARTMENT	ACTION
09-10	Fire	Eliminate vacant Firefighter swing man position (-1.0)
09-10	DPS - Streets	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	DPS - Solid Waste	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	Major Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	Local Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	DPS - Youth Center	Reduce 6 part-time employees hours by closing the Youth Center during the summer (-0.4)
09-10	DPS - Recreation	Move full-time position split between Fire, Senior Center and Recreation to Finance, replacing a part-time position (-0.3)
09-10	DPS - Parks	Eliminate seasonal part-time employee due to reduction in mowing frequency (-0.3)
09-10	DPS - Senior Center	Eliminate vacant part-time aide positions, reduce hours of six part-time employees by closing the Senior Center between Christmas and New Year's and move full-time positions currently split between Fire, Senior Center, Recreation and Finance, replacing a part-time position (-1.1)
09-10	Finance	Move full-time positions currently split between Fire, Senior Center and Recreation to Finance, replacing a part-time position. (0.5)
09-10	Library	Reduction of hours for ten part-time positions due to reducing the Library hours of operation from 61.5 to 56 hours per week. (-0.5)
09-10	Community Development	Eliminate the part-time GIS part-time position (-0.5)
09-10	Water and Sewer	Eliminate two seasonal laborers; one in the Water Division and one in the Sewer Division (-0.7)
07-08	Finance	Reallocation one vacant Fiscal I position to Fire (-0.5)
07-08	Fire	Eliminate part-time office position (-0.3) reallocation of Fiscal I/Office Assistant (0.5)
07-08	DPS - Streets	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS - Solid Waste	Eliminate vacant DPS Supervisor split between divisions. (-0.1)
07-08	DPS - Parks	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS - Youth Center	Reduction of hours for part-time Youth Leaders (-0.2)
07-08	Assessing	Reduction of full-time Deputy Assessor position. (-1.0)
07-08	Assessing	Addition of part-time Property Appraiser. (0.4)
07-08	Housing	Eliminate part-time Housing Assistant (-0.4)
06-07	Finance	Eliminate vacant Fiscal I position (-1.0)
06-07	Police	Eliminate vacant Crime Prevention Officer (-1.0)
06-07	Fire	Eliminate vacant Fire Inspector positions (-1.0) and Vacant Officer Assistant I position (-1.0) and add a part time Office Positions (0.5)
06-07	Community Development	Eliminate vacant Information System position (-1.0), reduce GIS part-time position (-0.27), reallocate Code Enforcement from CDBG (0.80) and Housing (0.25)
06-07	DPS - Streets	Reduce two vacant Street Laborer positions (-2.0)
06-07	DPS - Sewer	Reduce vacant Laborer position (-1.0)
06-07	Library	Eliminate vacant part-time Library Assistant (-0.4); and reduce hours for Youth Service Assistant (-0.05)
06-07	DPS - Parks	Reduce vacant Park Laborer hours (-0.33)
06-07	DPS - Water	Eliminate vacant Water Clerical position (-0.8)
06-07	Housing	Reallocate Code Enforcement Officers hours to CDD (-0.25), reduce Housing Assistant hours (-0.1)

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
06-07	CDBG	Reallocate Code Enforcement Officer hours to CDD (-0.8)
05-06	District Court	Eliminate vacant part-time Probation Clerk (-0.8)
05-06	City Clerk	Elections - due to consolidated elections and precincts reduce number of Chairpersons from 16 to 12 (-0.4) and Workers from 68 to 55 (-1.5), and reallocate maintenance hours (+0.04)
05-06	Police	Eliminate vacant full-time Animal Control Officer (-1.0) Office Assistant II (-1.0); add part-time animal control support (+0.3)
05-06	Fire	Eliminate vacant Fire Fighter position (-1.0) and eliminate vacant Fire Fighter position following Lieutenant retirement and promotional process (-0.2)
05-06	Community Development	Reduce hours of part-time Community Development Assistant (-0.3)
05-06	DPS – Custodial & Maintenance	Reallocate maintenance hours to Elections (-0.04) and supervisor hours to Solid Waste for Tree Replacement Program coordination (-0.06)
05-06	DPS – Solid Waste	Add supervisor hours for Tree Replacement Program coordination (+0.06)
05-06	DPS – Recreation	Reduce and reclassify seasonal recreation positions (-1.2)
05-06	DPS – Youth Center	Reduce hours of part-time Youth Leader (-0.22)
05-06	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.04) and reallocate Recreation Supervisor hours (-0.05)
05-06	DPS – Parks	Eliminate vacant Parks Maintenance Laborer (-1.0) and add part-time laborer (+0.6)
05-06	DPS – Senior Citizens	Eliminate vacant Officer Assistant II (-1.0); add part-time assistant (+0.8); reallocate part-time receptionist hours (+0.5) and Recreation Supervisor hours (+0.05)
05-06	Community Improvement Fund	Reallocate Code enforcement Officer hours between Housing (-0.2) and Community Improvement (+0.2)
05-06	Motor Pool Fund	Eliminate vacant full-time Tool Crib Operator position (-0.6)
04-05	District Court	Add hours for part-time Deputy Court Clerk (+0.2)
04-05	Assessor	Eliminate vacant part-time Office Assistant (-0.4)
04-05	City Clerk	Eliminate vacant Deputy Clerk position (-1.0); add hours to part-time election workers for a third election (+0.9)
04-05	Human Resources	Reflect 50% funding of combined Purchasing & Personnel Coordinator position (0.5)
04-05	General Administration	Eliminate vacant Purchasing Officer position (-1.0); reflect 50% funding of combined Purchasing & Personnel Coordinator position (+0.5)
04-05	Finance	Eliminate vacant Accounting Supervisor position (-1.0); add Accountant position (+1.0); eliminate vacant Fiscal Assistant I position (-1.0)
04-05	Information Technology	Eliminate vacant part-time Information Systems Support position (-0.7)
04-05	Police	Eliminate vacant positions: Police Officer (-1.0); Police Service Assistant (-1.0); and Office Assistant II (-1.0); reflect Police Department transfer of Police Officer position from Auto Theft Prevention Fund to patrol (+1.0)
04-05	Fire	Eliminate vacant Fire Fighter position (-1.0)
04-05	Community Development	Eliminate vacant Office Assistant II position (-1.0); add hours to part-time CDD Aide position (+0.2)
04-05	Library	Eliminate hours for part-time Branch Library Circulation Chief (-0.4) and Branch Library Assistant (-0.4)
04-05	DPS – Streets	Eliminate vacant Equipment Operator III (-1.0) and Laborer (-1.0) positions; reallocate labor from other divisions (+0.3)
04-05	DPS – Solid Waste	Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
04-05	DPS – Recreation	Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)
04-05	DPS – Youth Center	Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)
04-05	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.4)
04-05	DPS – Parks	Eliminate two vacant part-time Park Laborer positions (-0.5)
04-05	DPS – Senior Citizen	Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)
04-05	Major Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.1)
04-05	Local Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.6)
04-05	Community Improvement Fund	Reallocate full-time Code Enforcement Officer FTE between Housing (-0.3) & Community Improvement (0.3)
04-05	Auto Theft Prevention Fund	Transfer of Police Officer position back into road patrol (-1.0)
04-05	Motor Pool Fund (DPS)	Eliminate vacant Tool Crib Operator position after retirement of incumbent (-0.4)
03-04	District Court	Add additional part-time Deputy Court Clerk position (+0.6); increase hours for part-time Probation Officer (+0.7)
03-04	DPS – Youth Center	Split part-time supervisor position for summer and school year programs into two part-time positions (0.0)
03-04	Community Imp.	Downgrade Code Enforcement Supervisor to Code Enf. Officer (0.0)
03-04	CIP - Housing	Reduce hours of part-time CIP Assistant (-0.3)
02-03	City Clerk	Increase part-time hours for election workers due to one additional election (+0.8 FTE)
02-03	Community Development	Add full-time Economic Development Coordinator position (+1.0 FTE)
02-03	DPS – Parks Division	Add two part-time Park Ranger positions (+ 0.5 FTE)
01-02	DPS – Custodial & Maintenance	Eliminate three vacant positions (-3.0 FTE), with one of the positions added to the Parks Division
01-02	Community Development	Increase hours (+0.3 FTE) for the part-time Geographic Information System (GIS) office assistant position
01-02	DPS – Nature Center	Upgrade part-time Naturalist position to full-time status (+0.4 FTE)
01-02	DPS – Parks	Add one position transferred from DPS - Custodial & Maintenance Division (+1.0 FTE)
01-02	Library	Increase part-time hours (+1.7 FTE)
00-01	District Court	Elimination of Court Recorder position following retirement (-1.0 FTE)
00-01	Police	Due to elimination of Federal Crime Suppression Grant, transfer one officer position from Crime Suppression Fund (1.0 FTE) to the Police Department's General Fund Activity (+1.0 FTE)
00-01	Community Development	Addition of one Information Systems Specialist Position-GIS in the Community Development Department (+1.0 FTE)
00-01	DPS – Youth Center	Addition of four part-time positions to staff new Youth Drop-In Center (+2.1 FTE)
99-00	District Court	Consolidation of Court Administrator and Legal Secretary positions (-1.0 FTE); elimination of vacant part-time Security Officer position (-0.7 FTE); reduce hours of part-time Magistrate (-0.3 FTE); increase hours for part-time Probation Officer (+0.3 FTE)
99-00	General Administration	Elimination of vacant Reproduction and Stores Assistant position

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

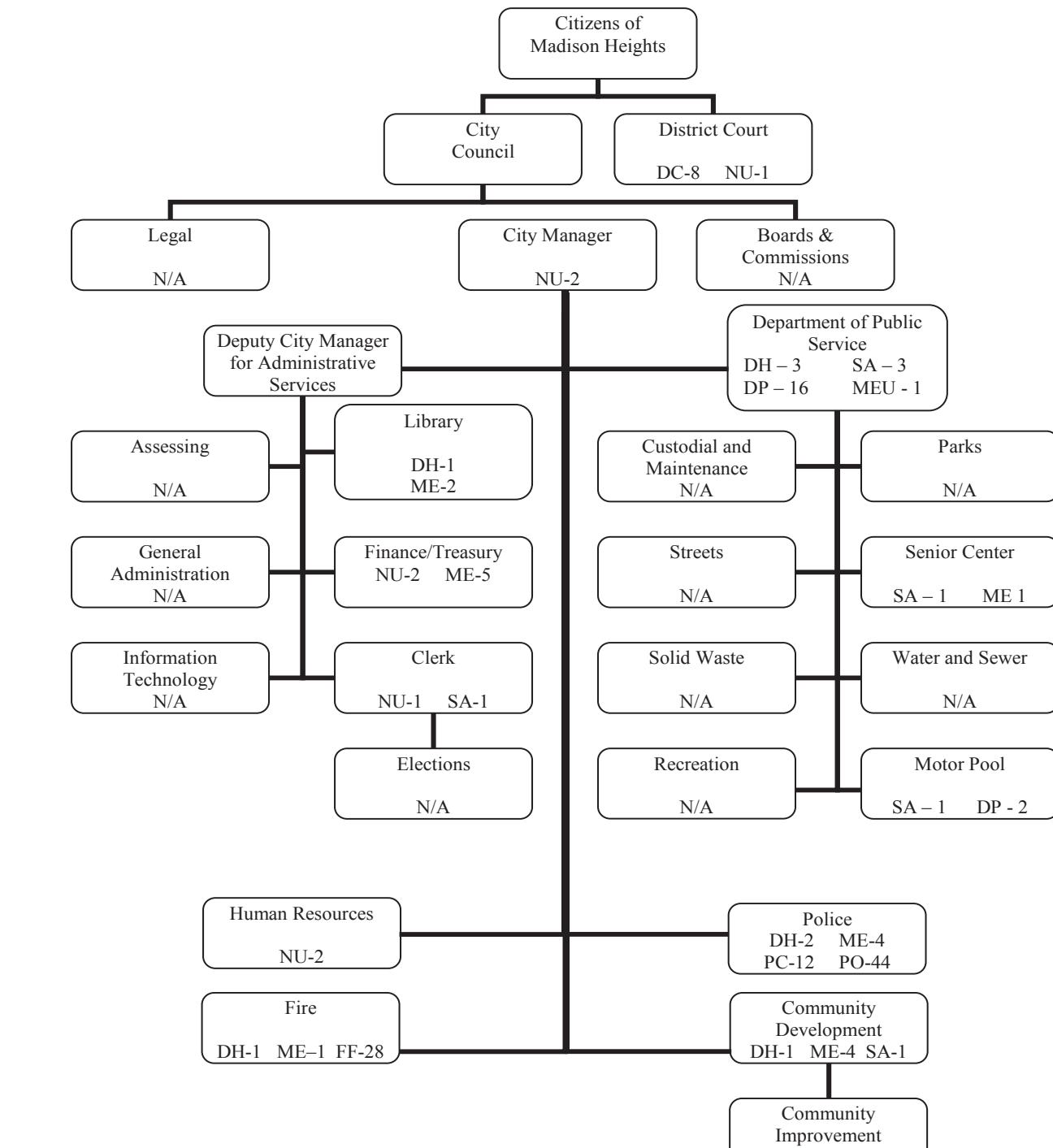
FY	DEPARTMENT	ACTION
		(-1.0 FTE)
99-00	Finance	Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE)
99-00	Data Processing (Gen. Fund)	Transfer of Activity (2 full-time; 1 part-time) from Water and Sewer Fund (+2.8 FTE)
99-00	Community Development	Addition of full-time GIS Supervisor position and a part-time GIS Assistant (+1.3 FTE)
99-00	Library	Additional part-time hours to increase coverage of the three existing part-time librarians by an additional 7 ½ hours per week (+0.6 FTE)
99-00	DPS- Custodial & Maintenance	Elimination of vacant Custodian position (-1.0 FTE)
99-00	Data Processing (Water & Sewer)	Transfer of Activity (2 full-time; 1 part-time) to General Fund (-2.8 FTE)
99-00	Water & Sewer Administration	Transfer of four administrative positions to General Fund (-4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE) (-4.8 FTE)
98-99	Nature Center	Increase from one to two part-time Naturalists (+0.8 FTE)
98-99	DPS – Motor Pool	Elimination of vacant Mechanics Helper position through attrition (-1.0 FTE)
97-98	District Court	Through collective bargaining the contractual Court Officer becomes full-time (+1.0 FTE)
97-98	DPS- Custodial & Maintenance	Elimination of vacant Laborer position through attrition due to outsourcing refuse collection (-1.0 FTE)
96-97	District Court	Move part-time position from Law Clerk to Probation Clerk; increase hours (+0.2 FTE)
96-97	Assessing	Addition of one part-time co-op student to assist with computer scanning and sketching project (+0.5 FTE)
96-97	Clerk	Eliminate vacant part-time clerical position (-0.8 FTE)
96-97	Police	Eliminate vacant Detective Sergeant position (-1.0 FTE)
96-97	DPS-Custodial & Maintenance	Reduction of full-time Supervisor position (-1.0 FTE) and transfer of four employees into full time laborer positions from Solid Waste Division outsourcing (+4.0 FTE)
96-97	Solid Waste	Outsource collection of household refuse and recycling; elimination of 12 F/T and 2 P/T laborer positions (-12.8 FTE)
96-97	DPS – Senior Citizen	Elimination of part-time building attendant position; adjustment of other part-time hours (no FTE change)
96-97	DPS – Parks	Elimination of two part-time seasonal laborer positions to reflect outsourcing of grass cutting (-0.8 FTE)
96-97	Police – Crime Suppression Fund	Add multi-jurisdictional unit officer with funding from “COPS” grant (+1.0 FTE)
96-97	Community Improvement Fund	Elimination of two part-time Home Chore Worker positions due to outsourcing of raking, lawn cutting, and snow shoveling services (-0.2 FTE)
96-97	Water & Sewer Fund – Data Processing	Replace vacant keypunch operator position (-1.0 FTE) with part-time PC Technical Support position (+0.8 FTE)
95-96	Library	Reduce part-time Circulation Chief, Technical Services Clerk, and Branch Library Aide (-0.2 FTE)
95-96	Fire	Eliminate three vacant full-time Fire Fighter positions as part of consolidated dispatch project (-3.0 FTE)
95-96	DPS – Custodial & Maintenance	Eliminate three full-time custodians as part of cost-savings move to contract out custodial services (-3.0 FTE)

**FY 2020-21 BUDGET**  
**HISTORICAL LISTING OF PERSONNEL ACTIONS**  
**REVERSE CHRONOLOGICAL ORDER**

<b>FY</b>	<b>DEPARTMENT</b>	<b>ACTION</b>
95-96	DPS – Recreation	Reduce part-time hours as Oakland County will conduct summer swim lessons; add part-time Naturalist position (+0.5 FTE)
95-96	Community Dev. Block Grant Fund	Elimination of six vacant part-time home chore workers due to contracting out of raking, lawn cutting, and snow shoveling services (-0.8 FTE)
94-95	Assessing	Elimination of a vacant full-time Residential Appraiser position (+1.0 FTE)
94-95	Community Development	Elimination of a vacant full-time Construction Inspector position
94-95	DPS – Parks	Eliminate a vacant Parks Maintenance position created by an employee who did not return from an extended Worker's Compensation leave
94-95	Finance	Lay off the Deputy Treasurer and eliminate the position (+1.0 FTE)
94-95	General Administration	Elimination of a vacant full-time Switchboard Operator / Receptionist position (-1.0 FTE)
94-95	Fire	Eliminate a vacant full-time "Swing Man" Fire Fighter position (-1.0 FTE)
94-95	Library	Lay off one part-time position and reduce the hours for five more part-time positions
94-95	Police	Eliminate a vacant full-time Special Investigations Unit Police Officer position (-1.0 FTE) and have the Chief transfer a position back into the Patrol Division from another section of the Dept.
93-94	General Administration	Change Purchasing Agent position from part-time to full-time (no FTE data available)
93-94	Community Development	Elimination of two part-time clerk typist positions and addition of one full-time clerk typist position (no FTE data available)

# City Of Madison Heights

## Organizational Chart – Full Time Employees By Bargaining Unit



Key	Full-Time Count
N/A = Not Applicable	--
NU=Non-Union or Other	8
DC= District Court, UAW 889	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	7
	152

**CITY OF MADISON HEIGHTS**  
**FY 2020-21 BUDGET (FY 2021-22 ESTIMATED)**  
**FULL TIME POSITIONS**  
**ALL FUNDS**

FY	FY	FY											
1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08		

**GENERAL FUND**

Court	11	12	12	11	10	10	9	9	9	9	9	9	9
Manager	2	2	2	2	2	2	2	2	2	2	2	2	2
Assessor	4	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	3
Human Resources	2	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	1
Finance	7	7	7	11	11	11	11	10	10	9	9	9	9
Information Technology	0	0	0	2	2	2	2	2	2	2	2	2	2
Police	76	76	76	76	77	77	77	75	73	73	73	73	73
Fire	40	40	40	40	40	40	40	39	38	36	36	36	36
Community Development	8	8	8	9	10	10	11	11	10	10	9	9	9
Library	4	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	1
Streets	18	18	18	18	18	18	18	16	15	13	13	13	13
Solid Waste	0	0	0	0	0	0	0	0	1	1	1	1	1
Recreation	2	2	2	2	2	2	2	1	1	1	1	1	1
Youth Center	0	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	1
Parks	5	5	5	5	6	6	6	6	5	5	5	4	4
Senior Citizen	3	3	3	3	3	3	3	2	2	2	2	2	2
Sub total	34	33	33	32	32	31	31	28	26	24	23		
Total	195	195	195	199	200	199	199	189	184	178	176		
Major Street Fund	1	1	1	1	1	1	1	1	1	1	1	1	1
Community Improvement Fund	4	4	4	4	4	4	4	4	4	3	3	3	3
Fire Manning Grant Fund	0	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	0
Auto Theft Prevention Grant Fund	1	1	1	1	1	1	1	0	0	0	0	0	0
Crime Suppression Grant Fund	1	1	1	1	0	0	0	0	0	0	0	0	0
Water & Sewer Fund													
Water Division	6	6	6	6	6	6	6	6	6	6	6	6	6
Sewer Division	6	6	6	6	6	6	6	6	6	5	5	5	5
Information Technology	2	2	2	0	0	0	0	0	0	0	0	0	0
Water & Sewer Administration	5	5	5	1	1	1	1	1	1	1	1	1	1
Total	19	19	19	13	13	13	13	13	13	12	12		
Motor Pool Fund	6	6	5	5	5	5	5	4	4	4	4	4	4
DPS Fund (Beginning FY 2017-18)													
Total All Funds	227	227	226	224	224	223	223	211	206	198	196		

**CITY OF MADISON HEIGHTS**  
**FY 2020-21 (FY 2021-22 ESTIMATED)**  
**FULL TIME POSITIONS**  
**ALL FUNDS**

FY	FY													
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	

**GENERAL FUND**

9	9	8	8	8	8	8	8	8	8	8	9	9	9	Court
2	2	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	0	0	Assessor
3	3	2	2	2	2	2	2	2	2	2	2	2	2	Clerk
2	2	2	1	2	2	2	2	2	2	2	2	2	2	Human Resources
1	1	1	1	0	0	0	0	0	0	0	0	0	0	General Administration
9	9	8	8	8	8	7	7	7	7	7	7	7	7	Finance
2	2	2	2	2	2	0	0	0	0	0	0	0	0	Information Technology
73	67	62	58	57	57	57	57	58	62	62	66	66	66	Police
36	33	30	30	27	27	27	28	28	30	30	33	33	33	Fire
9	9	8	8	8	8	7	6	6	6	6	6	6	6	Community Development
4	4	3	3	3	3	3	3	3	3	3	4	4	4	Library

Department of Public Services  
(Prior to FY 2017-18)

1	1	0	0	0	0	0	0	0	0	0	0	0	0	Custodial & Maintenance
13	12	11	10	9	9	9	9	9	0	0	0	0	0	Streets
1	1	1	2	2	2	2	1	1	0	0	0	0	0	Solid Waste
0	0	0	0	0	0	0	0	0	0	0	0	1	1	Recreation
0	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	0	Nature Center
4	4	2	2	2	2	2	2	1	0	0	0	0	0	Parks
2	2	2	2	1	1	1	1	1	1	2	2	2	2	Senior Citizen

22	21	16	16	14	14	14	13	12	1	1	2	3	3	Sub total
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175	165	144	139	133	133	133	129	127	117	123	125	134	134	Total
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1	1	1	1	1	1	1	1	1	0	0	0	0	0	Major Street Fund
3	3	3	3	3	1	1	1	1	1	1	1	1	1	Community Improvement Fund
0	0	2	2	0	0	0	0	0	0	0	0	0	0	Fire Manning Grant Fund
0	0	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	0	0	Auto Theft Prevention Grant Fund
0	0	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	0	Water Division
5	4	4	4	4	3	3	3	4	0	0	0	0	0	Sewer Division
0	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	2	2	Water & Sewer Administration

12	11	9	9	9	8	8	9	9	1	2	3	2	2	Total
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4	4	3	3	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	22	22	DPS Fund (Beginning FY 2017-18)
195	184	162	157	149	146	146	143	141	142	149	152	162	162	Total All Funds

## **COMMUNITY PROFILE**

### Regional Setting

The City of Madison Heights is located near the southeast corner of Oakland County, adjacent to the western boundary of Macomb County and approximately two miles north of the City of Detroit. Freeway access to the southeast Michigan region is provided by Interstate 75 (I-75) and Interstate 696 (I-696). In addition, regional access is available using the bus system of the Suburban Mobility Authority for Regional Rapid Transit (SMART) system.

Incorporated in 1955, Madison Heights has grown and prospered significantly over the past 60 years. According to the 2014 Land Use Survey, only 1.5 percent of the City's total acreage is vacant land.

Oakland County continues to experience steady growth. The proximity to the I-696 and I-75 Freeways continues to provide easy access to employment centers and residential communities throughout Oakland County and has made Madison Heights a strategic location for both employers and employees.

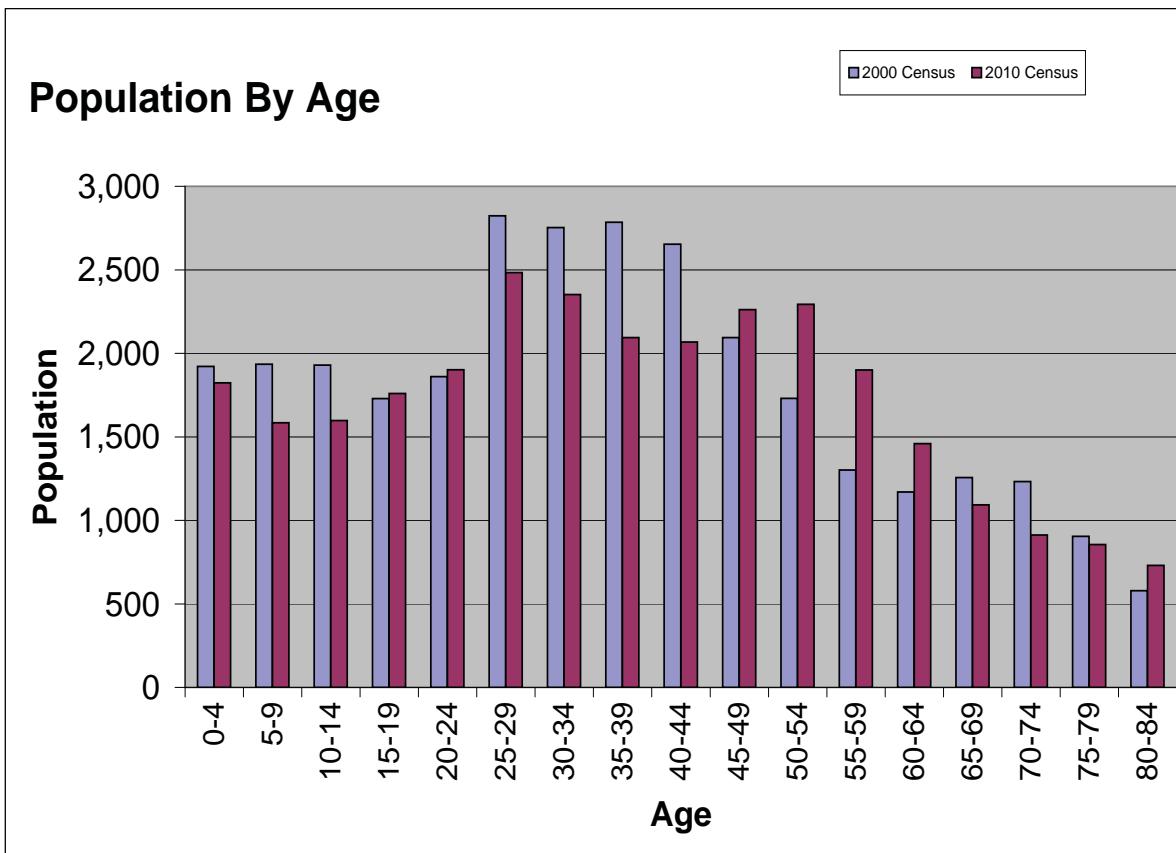
### Population

The population of a community, its composition and characteristics, is a basic ingredient in planning for the future. Historical and current population trends can be used in various ways to illustrate problem areas of development and provide indication of probable future needs. Proper planning of future community facilities must take the existing allocations of population and particularly future projections into consideration.

This section will examine three primary aspects of the City's population: past historical trends, current composition, and future projects based on current trends, correlated with the effects of certain future variables.

### Historical Trends

The following bar graph shows population change in Madison Heights from 1960 to 2010. Total population peaked in 1970. The City's 2019 population (30,226) 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 13,226 (2019) during a time of slight decline in total population. The end result is more housing units supporting a smaller population.



The Major Age Group Comparison shown above indicates some subtle changes occurring to the City's population. The City's residents continue to get older as a group, reflecting national demographic characteristics and increased life expectancy. The Retirement Age group of 65 and over continues to grow as a percent of total population while School-Age and Pre-School Age children continues to decline (population under 18 has decreased 11.8% from 2000 to 2010, which represents a decline of approximately 800 pre-school and school age children in the City).

This is an indication that Madison Heights remains an attractive community for very young families as well as retirees, but continues to reflect the natural trend of increased life expectancy and smaller family sizes.

#### Current Composition

Also important to City planning are characteristics of the population, such as race, ethnic origin, and distribution, as well as age characteristics. The following Tables summarize these characteristics of the City's population.

## Population and Housing Unit Change

■ Population  
□ Housing

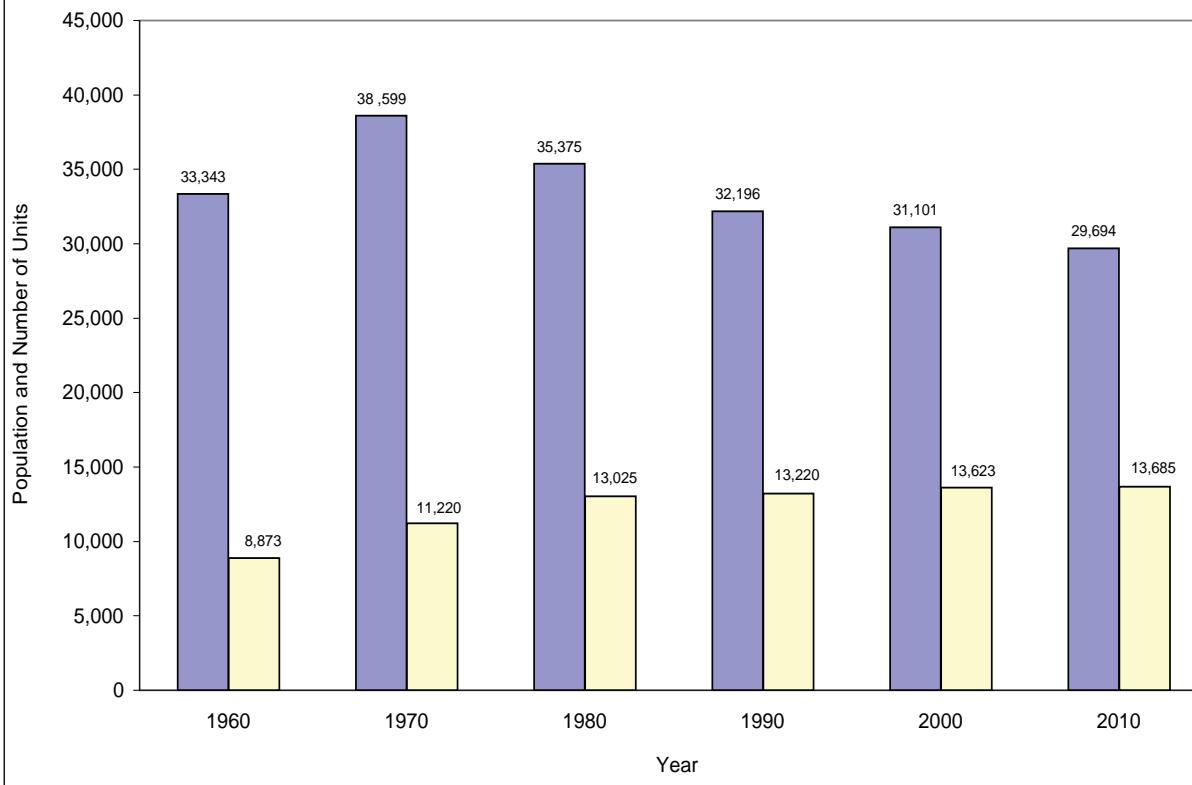


Table 1  
Selected Population Characteristics: 2000-2010  
City of Madison Heights

	<u>2000</u>	<u>2010</u>	<u>% change</u>	<u>% of Population</u> <u>2010</u>
Total Population	31,101	29,694	(4.5)	100.0
Male	15,216	14,570	(4.2)	49.0
Female	15,885	15,124	(4.8)	51.0
White	27,866	24,909	(10.6)	83.8
Black	567	1,897	234.6	6.5
American Indian, Eskimo & Aleut	138	136	(1.4)	0.5
Asian or Pacific Islander	1,563	1,744	11.6	5.8
Two or more Races	833	803	(3.6)	2.7
Other Race	142	205	44.4	0.7
Persons of Hispanic Origin	502	756	50.6	2.5

Source: U.S. Census of Population & Housing, 2000, 2010

The 2010 Census shows that Madison Heights' population is diversifying, with marked increases in Blacks, Asians and Hispanics.

### Future Projections

Only 1.0 percent of the land in Madison Heights is vacant, and approximately one-fourth of this vacant land is zoned for residential development. After declining consistently for decades, the average household size remained steady from 2000-2010 (2.33 persons per household in 2000, 2.32 in 2010) while the population declined 4.5% over the same period.

Preparing population projections for a community such as Madison Heights is much different than the process one would follow in a rapidly growing community with ample vacant land. Traditional methods such as constant proportion method (linked to the county population), growth rate method (based on past percentage changes), and increasing proportion method (based on an increasing share of County growth) are not appropriate. More appropriately, new housing and family size are the two most important variables that need to be examined.

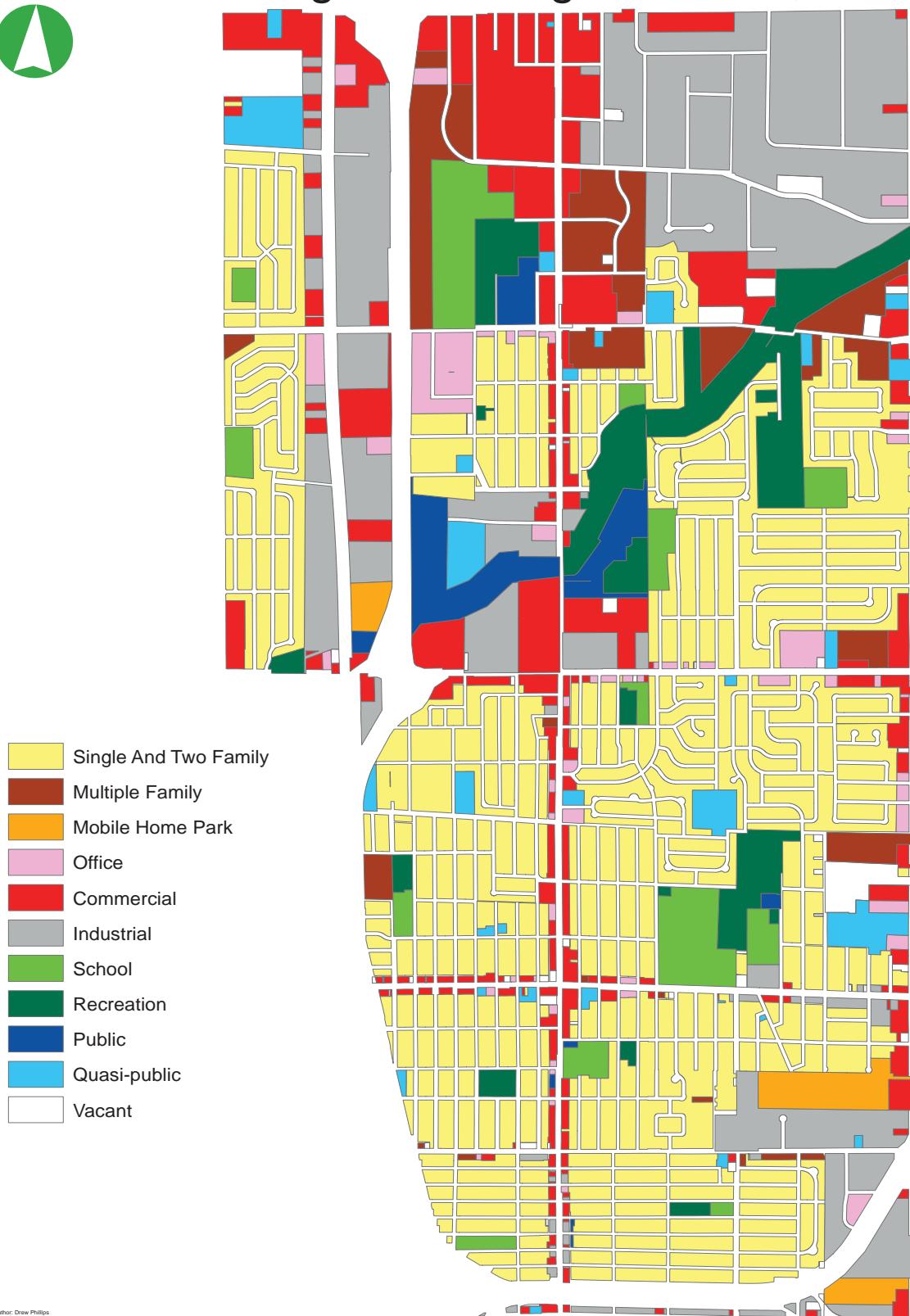
The national and local trends over the past 30 years indicate shrinking family sizes along with increases in the number of households. This trend is due, at least in part, to lower fertility rates and higher divorce rates. While the Census of Population shows these trends are present in the City, historically, the unprecedented economic crisis of 2007-2012 had a marked impact on housing and population. The foreclosure crisis and net out migration have resulted in a negative impact on population and total households, as outlined in Table 2 below:

Table 2  
Population & Household Estimate, 1990-2040  
City of Madison Heights

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2045</u>
Total Population	32,196	31,101	29,694	29,134	29,610
Total Households (occupied housing units)	12,850	13,299	12,712	12,836	13,434
Average Household Size	2.51	2.33	2.32	2.27	2.21

(1) 1990, 2000, 2010, 2019 Census data based on Persons Living in Households and Occupied Housing Units, and SEMCOG 2045 projections.

# Madison Heights Existing Land Use, 2014



Author: Drew Phillips  
Document Path: T:\Planning\maps\Existing\_Land\_Use.mxd  
Data Updated 2014

## Existing Land Use

The pattern of development established in a community is influenced by a number of factors including the community's regional setting, citizen demands and needs, political conditions, changes in technology and environmental characteristics and systems. As outlined in the Regional Setting, the growth and development of the City of Madison Heights has been influenced by its position in the Detroit Metropolitan Area. In addition, the City has become fixed in its land area due to the incorporation of the surrounding communities: cities of Hazel Park, Royal Oak, Troy and Warren.

In 2010, the City conducted a survey of the City recording all of the existing uses of land. The resulting pattern of existing development has been documented on the land use map available in the Community Development Department.

The following is a description of the various land use classifications used in the survey.

Single and Two Family - This classification is for those areas containing single-family and two-family dwelling units and accessory structures.

Mobile Home Park - This category identified mobile homes in a planned community or mobile home park setting.

Multiple Family - Included in this group are all apartments and multiplex type of units where more than two separate residential units occupy a single building. Included are apartments, townhouses, condominiums and senior apartments.

Commercial - Retail sales establishments, personal and business services are placed in the commercial category. Included are shopping centers, restaurants, gas stations, party stores, beauty parlors, while-you-wait printers, and the like.

Office - Uses include general business offices; professional services such as banking, real estate, engineering and architectural services; medical and dental offices; and similar uses.

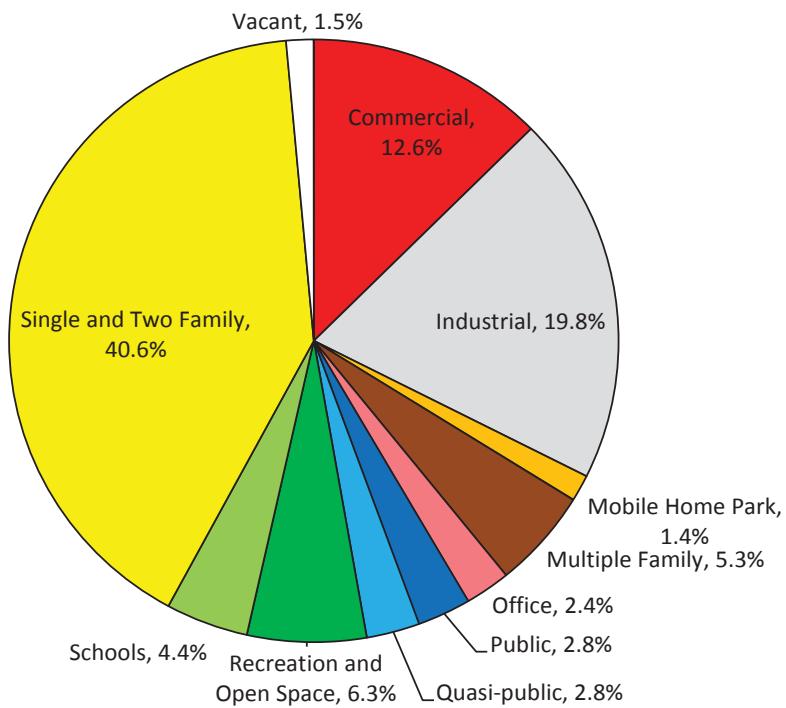
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

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

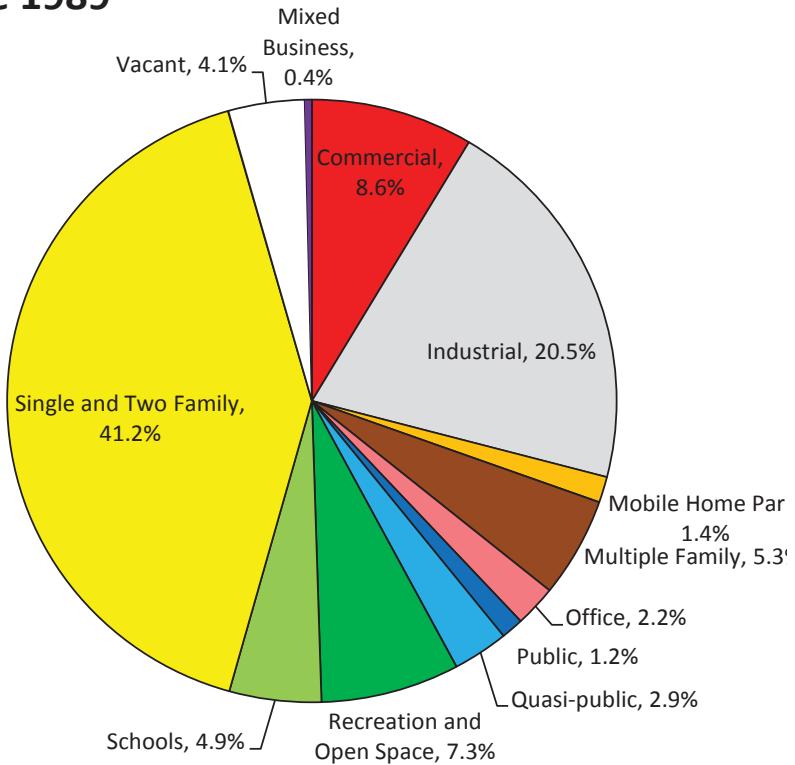
Quasi-Public - Included within this classification are such as churches, hospitals, private schools, lodge halls, private cemeteries, utility stations/sub-stations, etc.

Recreation and Open Space - This category has grown significantly since 1969, from 46 acres (1%) to 225 acres (6%). Major parks and recreation areas include the Red Oaks Golf Course; Red Oaks Water Park; Red Oaks Youth Soccer Complex; Suarez Friendship Woods and Nature Center (a Red Oaks facility beginning October 1, 2012); Rosie's Park/Madison Woods; and the Civic Center Park. In 2000, the City added 0.7 acres northeast of Rosie's Park and 1.5 acres at Suarez Friendship Woods. In 2009, the City added 0.42 acres at the southwest corner of Hales and Winthrop as a second expansion of Suarez Friendship Woods; and 1.0 acres at the southeast corner of Dartmouth and Dallas from the Madison Public Schools for Monroe Park. It should be noted that the entire Red Run right-of-way (137 acres) is included in this category.

## Existing Land Use 2014



## Existing Land Use 1989



\* 1989 Land Use shows Mixed Business and Commercial use types. In 2003, those use types were combined into Commercial.

School Sites - School sites in the City of Madison Heights now comprise 164 acres. Many of the City's school sites include significant recreation areas, provided by either the Madison or Lamphere School District.

Vacant - This category includes all remaining land that is presently vacant or unused. As of 2014, only 1.5 percent of the City remained as vacant land, although not all of the land is available for development.

In short, the City of Madison Heights welcomes residents, businesses and visitors alike to a vibrant and diverse Community! The City is ideally located in southeastern Michigan, within Oakland County's "Automation Alley". Madison Heights provides a full range of services to residents, visitors and the business community and is conveniently located for employers and employees alike at the intersection of I-75 and I-696. 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, 10 hotels, more than 860,000 square feet of office space, and seven industrial parks that include 10 million square feet.

The City of Madison Heights is committed to working with present and future residents and businesses to continue our excellent tradition as The City of Progress!

### Natural Features

By 2010, over 98 percent of the City's land area had been developed by urbanized uses and City parks. For this reason, very few properties remain in their original natural state. The two principal exceptions include properties that have been protected as parks. The two include: Suarez Friendship Woods and Madison Woods. In addition to these, several other City parks have maintained a sizeable number of mature hardwood trees.

### Topography, Soils and Drainage

The surface geology of Southeast Michigan is characterized by two broad zones, a lowland zone and a hilly upland zone. Madison Heights is situated within the flat, lowland zone lying between the Great Lakes shoreline and the hill zone. This lowland zone was formed by clay and sand deposits laid in the bottom of a large lake that existed about 10,000 years ago. The topography of Madison Heights is nearly flat due to this history as part of the glacial lake plain. The soils found throughout the City are poorly drained to moderately well drained in their natural state. The urbanization of the City has required the creation of an artificial storm drainage system to overcome the major limitation of the City's soil - wetness. The Red Run Drain, which cuts diagonally through Madison Heights, is the eventual outlet for most of the City's storm water. Over the years, many of the City's storm and sanitary sewer systems have been separated so that most of the storm water is now able to be discharged to the George W. Kuhn storm sewers and to the Red

Run Drain without treatment. The City of Madison Heights is wholly located within the Clinton River Watershed Basin.

### Woodlands and Wildlife

As mentioned earlier, Suarez Friendship Woods and Madison Woods are the only parcels of land that remain in their original, natural state. Suarez Woods includes areas maintained in mature hardwoods, brush, and grasslands. The site also includes a small vernal pond. This 36 acre nature preserve supports a surprising variety of wildlife for a mature urban city, including native birds, rodents and mammals. A Nature Center, now operated by Oakland County Parks and Recreation, is located in Suarez Friendship Woods. The Center has a variety of exhibits and programs related to natural history and the environment.

### Climate

The Southeast Michigan region, of which Madison Heights is part of and lies within the humid continental climatic zone of eastern North America. This zone is characterized by hot summers, cold winters, and a relatively constant year-round supply of moisture. Temperature characteristics of the immediate Southeast Michigan area include winter temperatures that average around freezing (32°F) with overnight lows between 15°F and 20°F. Summer temperatures average around 72°F with afternoon highs in July and August of 85°F. At the extremes, winter temperatures as low as 13°F below zero and summer temperatures over 100°F have been recorded.

The rhythm of the seasons in Southeast Michigan is regular, if somewhat syncopated. The winter and summer seasons tend to be long while fall and especially spring tend to be quite short. The area is characterized by prevailing westerly winds. Although the Great Lakes tend to moderate the weather somewhat due to their large capacity as a thermal reservoir, the region is located at the edge of an area that is affected by frequent incursions of cold arctic air.

Because Southeast Michigan lies on the dividing line of a much colder area to the north and a much warmer region to the south, its winters tend to be less cold and its summers less hot than the far extremes of the humid continental climatic zone. This particular characteristic has resulted in the dominance of broadleaf trees as opposed to the needleleaf forests found a little farther north.

## Recreation Facilities Inventory

Recreation facilities available to Madison Heights residents range from small tot lots to neighborhood parks to large community-wide playfields to major regional recreation developments. The City currently operates a system of 14 City parks including the new Red Oaks Youth Soccer Complex and Monroe Park. A Senior Citizens activities center provides special programs for seniors that include recreation, home chores such as yard maintenance, meals, transportation and many other outstanding programs. The City also operates indoor recreation programs for all ages in cooperation with Madison and Lamphere Public Schools and on a space-available basis at City Hall and the Main Library.

In addition to the City-owned parks, many of the public and parochial schools in Madison Heights include recreation opportunities. Specific facilities range from playground equipment and outdoor athletic fields to indoor gymnasiums and pools.

Beyond the City limits are a wide array of public, regional recreation areas and private recreation facilities. Oakland County operates a system of 11 county parks. One of these, the Red Oaks complex, is physically located within Madison Heights. There are at least 50 public golf courses in Oakland County alone. The Huron-Clinton Metropolitan Authority (HCMA) has developed a system of 13 regional parks, all of which are within a 60-minute drive of Madison Heights. Activities such as picnicking, swimming, fishing, boating, wildlife study and even horseback riding can be enjoyed at several of the HCMA parks. There are also 22 State parks or recreation areas within an approximate one-hour drive of Madison Heights. These State parks offer camping, hunting, cross-country skiing and even snowmobile trails among their many available activities.

## **GLOSSARY OF BUDGET AND FINANCE TERMS**

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary has been included in the document.

**Accounting System:** The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

**Activity:** A special unit of work or service performed.

**Accrual:** Basis of accounting where revenues are recognized when they are measurable and earned. Expenses are recorded when incurred.

**Advanced Life Support (ALS):** Advanced Life Support is a part of the Fire Department operation that provides paramedic-level emergency medical treatment and transportation service. The department's licensed advanced emergency medical technicians provide pre-hospital emergency care.

**Appropriation:** An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period.

**Assessed Value:** 50 percent of the estimated true cash value placed upon all taxable real and personal property by the local assessing jurisdiction's certified assessor.

**Assets:** Property owned by the City that has monetary value.

**Audit:** A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ascertain whether financial statements fairly present financial positions and results of operations
- test whether transactions have been legally performed
- identify areas for possible improvements in accounting practices and procedures
- ascertain whether transactions have been recorded accurately and consistently
- ascertain the stewardship of officials responsible for governmental resources

**Balanced Budget:** A budget in which estimated revenues are equal to or greater than estimated expenditures.

**Balance Sheet:** A statement purporting to present the financial position of an entity by disclosing the cost of its assets, liabilities, and equities as of a specified date.

**Benchmarking:** The process of comparing the business processes and performance metrics to industry bests.

**Bond (Debt Instrument):** A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

**Brownfield Redevelopment Authority:** Established by Public Act 145 of 2000 to encourage redevelopment of idle or under-utilized commercial and industrial properties, which may not otherwise be redeveloped due to real or perceived contamination of the property. The Authority works to assist developers with the options of reimbursing for cleanup costs and/or providing a single business tax credit (authorized through the State of Michigan).

**Budget Calendar:** The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

**Budget Message (City Manager's):** A general discussion of the budget document presented in writing as an overview of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

**Budget (Operating):** A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

**Capital Improvements:** Annual appropriations in the City's budget for capital purchases and construction projects costing more than \$30,000. This plan details funding sources and expenditure amounts for these large projects or purchases that will be required beyond the one year period of the annual budget.

**Capital Outlays:** Expenditures for the acquisition of capital assets over \$5,000. Includes the cost of land, buildings, permanent improvements, machinery, computers, large tools, rolling and stationary equipment.

**Cash Management:** The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

**Certificates of Deposit:** A negotiable or non-negotiable receipt for monies deposited in banks or financial institutions for a specified period and rate of interest.

**Chapter 20 Drain Debt** - Chapter 20 of the State of Michigan Drain Code, Public Act 40 of 1956, grants a municipality the right to levy taxes for the principal and interest of Drainage debt.

**Consumer Price Index - Workers (CPI-W):** An indicator of the consumer prices issued by the United States Department of Labor, Bureau of Labor Statistics, which is a widely used indicator of inflation (or deflation) and indicates the changing purchasing power of money. It is obtained by calculating the cost of a fixed "basket" of commodities purchased by a typical consumer. The basket contains products from various categories including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes.

**Contractual Services:** Items of expenditure for services that the City receives from an internal service fund or an outside company. Utilities, rent and custodial services are examples of contractual services.

**Current Taxes:** Taxes that are levied and due within one year.

**Debt Service:** The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

**Delinquent Taxes:** Taxes that remained unpaid on and after the date on which a penalty for non-payment is attached.

**Department:** A major organizational unit of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

**Department of Public Services (DPS):** The Department of Public Services provides numerous round-the-clock services to residents and business owners. The Department's operational divisions include: Water and Sewer; Streets; Parks; Recreation; Building Maintenance; Motor Pool; Nature Center and Senior Center.

**Depreciation:** (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

**Downtown Development Authority (DDA):** Created by the State of Michigan, under Public Act 197 of 1975, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

**Encumbrances:** Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

**Enterprise Fund:** A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer, parking facilities, transit systems, airports, solid waste management (when financed through user fees) and golf courses.

**Equivalent Residential Unit (ERU):** A standard engineering calculation designed to determine stormwater runoff based on pervious and impervious areas. Each ERU is based on a value of 2,600 square feet.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by Council.

**Fiscal Year:** The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

**Full Faith and Credit:** A pledge of the City's taxing power of a government to repay debt obligations (typically used in reference to General Obligation Bonds or tax-supported debt).

**Full Time Equivalent Position (FTE):** A measure of full-time position equivalents. A part-time position converted to a decimal equivalent of a full-time position based on 1,950 hours per year for clerical and library staff and 2,080 hours per year for Department of Public Service and recreation staff.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts, recorded cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

**Fund Balance:** The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit. See the Revenues Chapter for a discussion of the categories or types of fund balance.

**General Fund:** The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, user fees, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as police and fire protection, finance, parks and recreation, libraries, public works and general administration.

**General Obligation Bonds:** When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to the bonds that are to be repaid from taxes and other general revenues.

**Geographic Information System (GIS):** A system of software and hardware used to capture, store, manage, analyze and map geographic information.

**Government Finance Officers Association (GFOA):** The GFOA is the professional association of state and local finance officers in the United States and Canada and has served the public finance profession since 1906. GFOA members are dedicated to the sound management of government financial resources.

**Goal:** A statement of broad direction, purpose or intent based on the needs of the community. The City Council adopts an annual Goal Plan for the City focusing on the City's top priorities.

**Headlee Amendment:** The Headlee Amendment, approved by the voters of the State of Michigan as a Constitutional Amendment, places an upper limit on the total amount of property taxes a city can collect in the fiscal year. In effect, the City cannot collect operating millage on the Taxable Value (TV) increase derived from existing property, which is in excess of the Headlee inflation factor plus TV on new construction. This limit is accomplished by rolling back those operating millages, which are at their authorized maximum, by the same percentage as the TV is over the Headlee allowable maximum. The Headlee Amendment limitation may be waived only by a vote of the electorate.

**Infrastructure:** Capital assets that are stationary and normally have a useful life greater than most other capital assets. Examples include roads, sewer lines and water systems.

**Interfund Transfers:** Amounts transferred from one fund to another.

**Intergovernmental Grant:** A contribution of assets (usually cash) by one governmental unit or other orga-

nization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

**Intergovernmental Revenue:** Revenue received from another government.

**Internal Service Fund:** Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government on a cost reimbursement basis. The City has one internal service fund for Motor Pool vehicle and equipment repair and maintenance.

**Investment:** Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payment.

**George W. Kuhn Drain District:** Established under State statute to facilitate a construction project, started in March 1999, to improve the Retention Treatment Facility (RTF) that was constructed by the Twelve Towns Drain District. These improvements to the RTF were to reduce the volume and frequency of overflows and to provide adequate treatment of the overflows when they do occur.

**Liabilities:** Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

**Long Term Debt:** Debt with a maturity of more than one year after the date of issuance.

**Maturities:** The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

**Michigan Municipal Risk Management Authority (MMRMA):** The MMRMA is a public entity self-insurance pool that provides liability and property coverage to municipal governmental entities across Michigan.

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

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

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

**Michigan Public Act 345:** Michigan Public Act 345 was created for the City's Police and Fire Departments to establish and maintain the retirement pension and medical benefits for sworn personnel that could be supported through a dedicated property tax millage.

**Michigan Uniform Accounting and Budgeting Act:** Provides for the formulation and establishment of uniform charts of accounts and reports for local units of government; to define local units of government; to

provide for the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the State Treasurer and the Attorney General; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government.

**Millage Rate:** One mill equals \$1.00 of taxes for each \$1,000 of taxable value. The millage rate is the total number of mills assessed against the taxable value.

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

- a) Those revenues susceptible to accrual are property taxes, intergovernmental revenues, special assessments, licenses, interest revenues and charges for services. Fines and forfeits, permits and certain miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.
- b) Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- c) Interest income on special assessments receivable is not accrued until its due date.
- d) Principal on general long-term debt is recorded as a fund liability when due. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e) Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- f) Normally, expenditures are not divided between years by the recording of prepaid expenditures.
- g) The non-current portion of vested employee benefits is reflected in the General Long Term Debt Account Group.

**Motor Pool:** A Department of Public Service division that is responsible for the maintenance of all City vehicles and rolling or motorized equipment.

**Motor Vehicle Highway Fund Act:** The Motor Vehicle Highway Fund Act provides for the classification of all public roads, streets, and highways in this state, to provide for the deposits of specific State taxes on motor vehicles and motor vehicle fuels, and to provide for the allocation of funds for the use and administration of the funds for transportation purposes.

**Municipal Employees Retirement System (MERS):** The Municipal Employees Retirement System of Michigan is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits to the State's local government employees.

**Objective:** Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

**Object of Expenditure:** Expenditure classifications based upon the type or categories of goods and ser-

vices purchased. Typical objects of expenditure include:

- personal services (salaries, wages and fringe benefits, etc.)
- commodities (motor fuel, office and custodial supplies, etc.)
- contractual services (utilities, maintenance contracts, etc.)
- capital outlays (equipment, computer, vehicles, etc.)

**Operating Funds:** Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital improvement projects.

**Personal Services:** Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees, as well as the fringe benefit costs associated with City employment.

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

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

**Proposal R:** Approved in 1996 and 2006, this Proposal generates two mills (reduced by the State's property tax limitations) of revenue for a ten year duration used to fund infrastructure construction such as roads, storm sewer separation, landscaping and sidewalks.

**Proposal V:** Approved in 1996 and 2006, this Proposal generates one-half to one-quarter mill (reduced by the State's property tax limitations) for a ten year duration to fund for police, fire, street maintenance and other vehicle purchases.

**Rating:** The credit worthiness of a city as evaluated by independent agencies.

**Reconciliation:** A detailed summary of increases and decreases in departmental expenditures from one budget year to another.

**Reserve:** An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

**Resources:** Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balance.

**Retained Earnings:** Within an Enterprise Fund, the accumulation of assets over liabilities. The City's only Enterprise Fund is the Water and Sewer Fund.

**Special Assessment District (SAD):** Special Assessment District refers to one or more parcels of property that receive a capital improvement (paving, sewers, sidewalks) and then are assessed a debt (principal and interest) to be repaid over a specific number of years.

**State Equalized Value (SEV):** The assessed value of real and personal property multiplied by a factor as determined by the Michigan State Tax Commission to ensure an assessment level of 50 percent of market value.

**Taxable Value:** The value upon which the property tax is levied. It is determined by multiplying the prior years taxable value by the current year's cost-of-living index. When the property changes ownership, the SEV becomes the taxable value for that year. The taxable value can never exceed the SEV or assessed value

**Tax Rate:** The amount of tax levied for each \$1,000 of assessed valuation.

**Tax Rate Limits:** The maximum legal property tax rate at which a municipality may levy a tax. The limits may apply to taxes raised for a particular purpose or for general purposes.

**Trust and Agency Funds:** Known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. These funds are not specifically budgeted. The trust funds used by the City are Police and Fire Retirement, and Police and Fire Other Post-employment Benefits. Agency funds are custodial in nature and do not measure the results of operations. The City has two Agency Funds, the Tax Collection Fund and the Escrow Fund.

**Truth In Taxation:** The Truth in Taxation Act provides a mechanism to ensure public notice and awareness of the increase in property taxes that occurs as a result of an increase in the Taxable Value base on existing property. This act mandates a "tax freeze" with regard to existing property and prohibits revenue growth by requiring a tax rate reduction (rollback) on operating millages unless a specific public hearing is conducted. At the public hearing, the Council discusses and adopts by resolution the millage or tax rates necessary to fund the city services and programs identified in the budget document. Because Madison Heights complies with the MICHIGAN UNIFORM BUDGET ACT (PA 621), the required public hearing for Truth in Taxation is combined with the public hearing for budget adoption as permitted by statute.

**Unit Costs:** The cost required to produce a specific product or unit of service.

**User Charges (also known as User Fees):** The payment of a fee for direct receipt of a public service by the party benefiting from the service.

**Yield:** The rate earned on an investment based on the price paid for the investment.

## ACRONYMS

Acronym	Description
ACH	Automated Clearing House
ADA	American with Disabilities Act
AEMT	Advanced Emergency Medical Technician
ALS	Advanced Life Support
AMR	Automatic Meter Reading
BYOD	Bring Your Own Device (Policy)
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CDD	Community Development Department
CIP	Capital Improvement Plan
CPI-W	Consumer Price Index – Workers
CTO	Compensatory Time Off
CVTRS	City, Village and Township Revenue Sharing
D/FEIS	Draft/Final Environmental Impact Statement
DDA	Downtown Development Authority
DPS	Department of Public Service
DWSD	Detroit Water and Sewerage Department
EFTPS	Electronic Federal Tax Payment System
EPA	Environmental Protection Agency
ERU	Equivalent Residential Unit
ESL	English as a Second Language
EVIP	Economic Vitality Incentive Program
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FTE	Full-Time Equivalency
FSA	Flexible Spending Account
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GLWA	Great Lakes Water Authority
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain
HAVA	Help America to Vote Act
HCMA	Huron-Clinton Metropolitan Authority
HMO	Health Maintenance Organization
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IBNR	Incurred But Not Reported
ISP	Investment Service Program
ITS	Intelligent Transportation System
LHOH	Little House on Hales
MDNR	Michigan Department of Natural Resources
MCRC	Macomb County Road Commission

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



**City of Madison Heights  
Capital Outlay Summary Combined  
Fiscal Year 2020-21 and Fiscal Year 2021-22**

		<u>Description</u>	<u>Account</u>	2020-2021 Amount Proposed	2021-2022 Amount Proposed
<b><u>General Fund</u></b>					
Court					
<u>101-136</u>	<u>Books</u>		<b>9780000</b>		
	Books			\$ 8,013	\$ 8,163
		<i>Total Department</i>		<b>\$ 8,013</b>	<b>\$ 8,163</b>
Elections					
<u>101-191</u>	<u>Computer Equipment</u>		<b>9810-000</b>		
	Election Tabulator (3) - \$5,545 each			\$ 16,635	\$ -
		<i>Total Department</i>		<b>\$ 16,635</b>	<b>\$ -</b>
General Admin					
<u>101-248</u>	<u>Improvements</u>		<b>9870-000</b>		
	Relocation and Remodel Active Adult Center, Library, City Hall			\$ -	\$ 295,000
		<i>Total Department</i>		<b>\$ -</b>	<b>\$ 295,000</b>
<b>Information Technology</b>					
<u>101-258</u>	<u>Machinery and Equipment</u>		<b>9820000</b>		
	Quest Rapid Recovery Software			\$ 8,500	\$ -
	Data Backup - Server CH-DR-SR-01			12,000	-
	Data Backup - Server PD-DR-SR-01			12,000	-
	Cisco ASA5516 Firewall			12,000	-
	ISCI Switch EX2200			9,000	-
	Core Host Server (2)			-	24,000
	SAN - Storage Area Network			-	35,000
		<i>Total Department</i>		<b>\$ 53,500</b>	<b>\$ 59,000</b>
<b>Municipal Building</b>					
<u>101-265</u>	<u>Improvements</u>		<b>9870000</b>		
	Civic Center Parking Lot - (Phase funded 3 years \$360,000)			\$ 120,000	\$ 120,000
	HVAC Improvements (Phase funded 2 year total \$200,000)			-	100,000
		<i>Total Department</i>		<b>\$ 120,000</b>	<b>\$ 220,000</b>
Police					
<u>101-301</u>	<u>Vehicles</u>		<b>985000</b>		
	Detective Vehicle #125			\$ 29,000	\$ -
	Patrol Vehicle #111, #113, #105			111,000	-
	Patrol Vehicles # 104, #106, #107, #112			-	148,000
		<i>Total Department</i>		<b>\$ 29,000</b>	<b>\$ 148,000</b>
	<u>Computer Equipment</u>		<b>9810-000</b>		
	Body Cams and In-Car Cameras			105,667	75,278
	Radio Equipment Required by CLEMIS			-	200,000
	Live-Scan Fingerprint Computer (required by CLEMIS)			22,000	-
		<i>Total Department</i>		<b>\$ 105,667</b>	<b>\$ 75,278</b>
	<u>Improvements</u>		<b>9870000</b>		
	Communications Conduit Reroute			-	25,000
	Police Dept. HVAC (Phase Funded 3 Years Total \$420,000)			140,000	140,000
	Interior exposed Sanitary Drainpipe Replacement			15,000	-
		<i>Total Department</i>		<b>\$ 140,000</b>	<b>\$ 140,000</b>
		<b>\$ 422,667</b>		<b>\$ 588,278</b>	
Fire					
<u>101-336</u>	<u>Machinery and Equipment</u>		<b>9820000</b>		
	Radio Equipment (Two Phases)			\$ 55,000	\$ 55,000
	Lucas Chest Compression Systems for Engines 71 and 72			32,000	-
	Backup Generator			-	70,000
		<i>Total Department</i>		<b>\$ 55,000</b>	<b>\$ 70,000</b>
	<u>Vehicles</u>		<b>9850000</b>		
	Ambulance Rescue #710			140,000	140,000
	Utility Truck #702 with light bar and emergency outfitting			43,550	-
	Supthen Pumper #722 financing payment (payment 2&3 of 5)			129,195	129,195
		<i>Total Department</i>		<b>\$ 140,000</b>	<b>\$ 129,195</b>
	<u>Improvements</u>		<b>9870000</b>		
	Fire Station #2 Flooring			-	32,500
	Fire Station #1 HVAC (Phase I and II of III)			100,000	35,000
	Fire Station #2 HVAC Replacement			-	50,000
	Fire Station #2 Kitchen Remodel			-	27,000
		<i>Total Department</i>		<b>\$ 100,000</b>	<b>\$ 27,000</b>
		<b>\$ 399,745</b>		<b>\$ 538,695</b>	
Streets					
<u>101-446</u>	<u>Machinery and Equipment</u>		<b>9820000</b>		
	HP Latex Printer			\$ -	\$ 17,500
	Solar Arrowboard			-	5,500
		<i>Total Department</i>		<b>\$ -</b>	<b>\$ 17,500</b>
	<u>Vehicles</u>				
	Tandem Axle Dump Truck #433			230,000	-
	4x4 Pickup Truck #436			-	35,000
	Dump Truck 481			-	62,000
		<i>Total Department</i>		<b>\$ 230,000</b>	<b>\$ 120,000</b>

**City of Madison Heights**  
**Capital Outlay Summary Combined**  
**Fiscal Year 2020-21 and Fiscal Year 2021-22**

		<u>Description</u>	<u>Account</u>		<u>2020-2021</u>	<u>2021-2022</u>
					<u>Amount Proposed</u>	<u>Amount Proposed</u>
<b>General Fund</b>						
Solid Waste						
<b>101-521</b>	<b>Machinery and Equipment</b>		<b>9820000</b>			
Chipper 406				\$ 375,000	\$ 225,000	\$ 150,000
Chipper Truck 525					175,000	
Street Sweeper #408 (Phase 1 of 2)					-	150,000
				<i>Total Department</i>		
					\$ 225,000	\$ 150,000
Nature Center						
<b>101-756</b>	<b>Improvements</b>		<b>9870000</b>			
Nature Center Path and Parking Lot Improvements (per agreement)				\$ Total Department	\$ 75,000	\$ 50,000
					\$ 75,000	\$ 50,000
Parks						
<b>101-757</b>	<b>Improvements</b>		<b>9870000</b>			
Sherry Fence					-	20,000
Ambassador Park Tennis/Pickle ball Court					30,000	
Civic Center Park Pavilions A & B Improvements					12,500	
Civic Center Park Totscape					-	75,000
Rosie's Park Pavilion					75,000	
Rosie's North Playscape					-	200,000
Edison Park Playscape					100,000	
Edison Park Backstop					25,000	
Greenleaf Park (2) Backstop						40,000
				<i>Total Department</i>	\$ -	\$ 335,000
					\$ 242,500	\$ 335,000
Active Adult Center						
<b>101-758</b>	<b>Vehicles</b>		<b>9850000</b>			
40 Passenger Bus #471				\$ Total Department	\$ 100,000	\$ 100,000
					\$ 100,000	\$ 100,000
Library						
<b>101-790</b>	<b>Materials</b>		<b>97XX-XXX</b>			
DVD					6,600	6,700
Books					48,000	50,000
Digital Services					28,854	30,000
Audio Media					3,000	3,100
	<b>Computer Equipment</b>					
Computer Equipment (8 new computers)					7,190	7,190
	<b>Improvements</b>		<b>9870000</b>			
Creation of Outdoor Seating Space				\$ Total Department	5,000	5,000
					\$ 93,644	\$ 101,990
				<b>Total Fund</b>		<b>\$ 1,986,704 \$ 2,566,126</b>
<b>Major Street Fund</b>						
<b>202-451</b>	<b>Rehabilitation Programs</b>		<b>9880436</b>			
Edward Sectional - Mandoline to Whitcomb				\$	53,500	
Townley Sectional - 14 Mile to Whitcomb					327,000	
Whitcomb Sectional - Barrington to Dequindre					436,000	
W. Whitcomb Sectional - Stephenson Hwy to Campbell					430,000	
Barrington Sectional - 14 Mile to Whitcomb					700,000	
Industrial Sectional - 14 Mile to East Avis					115,000	1,246,500
						815,000
	<b>Repairs/Construction</b>		<b>9890-xxx</b>			
13 Mile Sectional NHPP					350,000	
13 Mile Sectional Non-NHPP						250,000
<b>202-474</b>	<b>Traffic Service</b>		<b>9770-000</b>			
Traffic Signal Improvements				\$	60,000	\$ 30,000
						\$ 30,000
				<b>Total Fund</b>		<b>\$ 1,626,500 \$ 1,095,000</b>
<b>Local Street Fund</b>						
<b>203-451</b>	<b>Sectional Concrete Replacement "Non-R"</b>		<b>9890-500</b>			
Park Court, Hales, Farmum, University, Edward				\$	150,000	
Losee Sectional - John R to Townley					96,500	
Edmund Sectional - John R to Harlo					152,800	
Irving Sectional - Brush to Edward					249,500	
Join Seal					75,000	
Non-R Sectional					400,000	648,800
						475,000
	<b>Sectional Concrete Replacement "R"</b>					
Winthrop, Moulin, 13 Mile Dequindre					92,000	100,000

**City of Madison Heights  
Capital Outlay Summary Combined  
Fiscal Year 2020-21 and Fiscal Year 2021-22**

			2020-2021 Amount <u>Proposed</u>	2021-2022 Amount <u>Proposed</u>
<b>General Fund</b>	<b>Description</b>	<b>Account</b>		
	<b>Rehabilitation Program - "R-3"</b>			
	Westmore Drive - 30452 Westmore to Tanglewood		975,200	
	Milton Avenue - Moulin to Sheffield Drive		167,000	
	Tanglewood - Winthrop to Yorkshire		75,000	
	Beverly - Connie to Dequine		98,000	
	Alger Street - W. Cowan Avenue to Andover Avenue		212,000	
	Barrington Street - Mid-Block Alger Street Lincoln to Cowan		109,000	
	Alger Street - Mid Block Alger Street - Lincoln to Cowan		109,000	
	Barrington Street - West Lincoln Ave to W. Cowan Avenue		148,000	
	Alger Street - West Lincoln Ave to W. Cowan Avenue		148,000	
	Brush Street - West Cowan Avenue to Andover Avenue		120,000	
	W. Cowan Avenue - Stephenson Highway to Brettonwoods Street		140,000	
	W. Cowan Avenue - Alger Street to John R Road		75,000	
	Palmer Street - W. Lincoln Avenue to W. Cowan Avenue		210,000	
			<u>1,315,200</u>	<u>1,271,000</u>
		<b>Total Fund</b>	<b>\$ 2,056,000</b>	<b>\$ 1,846,000</b>
<b>Downtown Development</b>				
<b>248-863</b>	<b>Land</b>	<b>9870002</b>		
	Property Acquisition (Phase II & III of V)		\$ 220,000	\$ 35,000 \$ 35,000
		<b>Total Fund</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>
<b>Drug Forfeiture</b>				
<b>264-301</b>	<b>Computer Equipment</b>	<b>9810-039</b>		
	Celebrite Software and Equipment		\$ 16,000	\$ -
	<b>Drug Forfeiture Fund</b>		\$ 37,000	
	Police Vehicle #109		<b>\$ 53,000</b>	<b>\$ -</b>
<b>Special Assessment</b>				
<b>297-401</b>	<b>Construction</b>	<b>9850000</b>		
	Sidewalk Program		\$ 300,000	\$ -
		<b>Total Fund</b>	<b>\$ 300,000</b>	<b>\$ -</b>
<b>Water &amp; Sewer Fund</b>				
<b>590-901</b>	<b>Machinery and Equipment</b>	<b>9820000</b>		
	Forklift #320		\$ 40,000	
	Air Compressor		15,000	
	Large Format Scanner		7,000	
	Portable/Towable Light Tower		25,000	
	Arrow Board		10,000	
	Backup Generator #552		70,000	\$ 97,000 \$ 70,000
	<b>Watermain Replacement - "R-3"</b>	<b>9731000</b>		
	Barrington (Lincoln to Cowan) 800 feet		194,000	194,000 \$ -
	Brush (Cowan to Andover) 550 feet		138,000	138,000 \$ -
	Palmer (Lincoln to Cowan) 850 feet		195,000	195,000 \$ -
	<b>Watermains Replacement - "Non-R-3"</b>	<b>9731000</b>		
	Connie (Beverly to Alden) 1,250 feet		\$ 267,000	267,000 \$ -
	Longfellow - Garry to Browning 800 feet		194,650	- 194,650
	Garry - Longfellow to Sherry 2,000 feet		458,000	- 458,000
	Park Ct - 11 Mile to Northeastern 1,350 feet		309,150	- 309,150
	<b>Sewer Projects</b>	<b>9732000</b>		
	Sewer Rehabilitation Projects		300,000	150,000 150,000
	<b>Vehicles</b>	<b>9850000</b>		
	Service Truck #430		38,000	38,000 \$ -
	Ford 3/4 Ton Pickup Workbox body #457		60,000	60,000 \$ -
	Ford 3/4 Ton Pickup #460		33,000	- 33,000
	<b>Improvements</b>	<b>9870000</b>		
	Motorpool Epoxy Floor Coating		24,000	24,000 \$ -
	Pavement Repairs at DPS		165,000	90,000 75,000
	Salt Dome		400,000	400,000 \$ -
	Concrete Pad Inside DPS Pole Barn		70,000	- 70,000
		<b>Total Fund</b>	<b>\$ 1,653,000</b>	<b>\$ 1,359,800</b>
		<b>Total Capital Outlay</b>	<b>\$ 7,710,204</b>	<b>\$ 6,901,926</b>

