



City of Madison Heights Digital Budget Book

City of Madison Heights
FY 2021-2022
FY 2022-2023
Proposed Budget



Proposed version

Last updated 07/27/21



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INTRODUCTION



Transmittal Letter

Melissa R. Marsh, City Manager

March 12, 2021

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

I am pleased to present to you the Fiscal Year (FY) 2022 and FY 2023 Budget. This budget reflects our continued commitment to community priorities included in the Blueprint for the Future strategic plan. This plan considers everyone who lives, works, or visits Madison Heights and is centered on growing the tax base to build a strong community and provide services at superior levels. This year, the plan was updated to consider the accomplishments of the prior two years and the approved Charter millage. We are now in year three of the Blueprint for the Future.

This planning process and our efforts have proven successful with the first two consecutive Budgets addressing staffing in public safety and equipment and capital investment to all departments allowing them to continue to provide excellent city services without draining our fund reserves, reducing positions, or budget-cutting. FY 2022 will be the third budget under this plan and starts addressing quality of life services and programs, including parks and recreation, library services, and active adult center. This proposed budget achieves these priorities while keeping the tax millage rate at the same level as FY 2021.

The budget provides the annual financial plan for the management of the city's affairs. The documents compile the financial data needed to support Madison Heights' comprehensive decision-making and policy development process. Based on the Six-Year Capital Improvement Plan, the City's Financial Policies, City Council input, and the City Manager's departmental review of operations, this balanced budget reflects a reasonable approach to meeting the needs in the core service areas and addresses the priorities determined in the strategic planning process while continuing to position the city for long-term financial stability.

The past year has been unusual not only in Madison Heights but around the world. This time last year, the world as we knew it stopped due to COVID-19. At that time, the FY 2021 budget was drastically reduced, with all optional purchases placed on hold and all but essential functions shut down. As I write this, a year later, we continue to monitor the health crisis daily and are starting to slowly return to normal as vaccines are becoming more readily available. We continue to spend cautiously as several major revenue streams are still affected, and we project continued decreased revenues into the Proposed Budget for FY 2022 with recovery planned in FY 2023.

I want to thank the Budget team of Linda Kunath, Mary Daley, Adam Owczarzak, Amy Mischak, and critical budget personnel across all City Departments for their dedication to this process.

Also, I would like to thank the Mayor and City Commission for your vision, direction, and support. Pursuant to Section 8.2 of the Madison Heights City Charter and the Michigan Uniform Budget Act, Public Act 621, the consolidated Budget for FY 2022 and FY 2023, and the updated Six-Year Capital Improvement Plan for FY 2021-2026 are presented for your consideration.

Melissa R. Marsh, ICMA-CM, City Manager

City Council



Roslyn E. Grafstein
Mayor

Mayor and Council



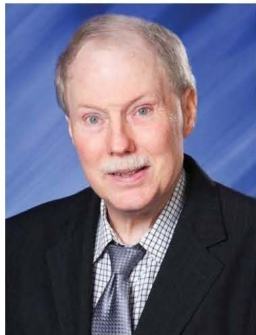
Mark A. Bliss
Councilman



Kymm Clark
Councilwoman



Robert J. Corbett
Councilman



Robert B. Gettings
Councilman



Emily J. Rohrbach
Councilor



David M. Soltis
Mayor Pro Tem

GFOA Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Madison Heights

Michigan

For the Fiscal Year Beginning

July 1, 2020

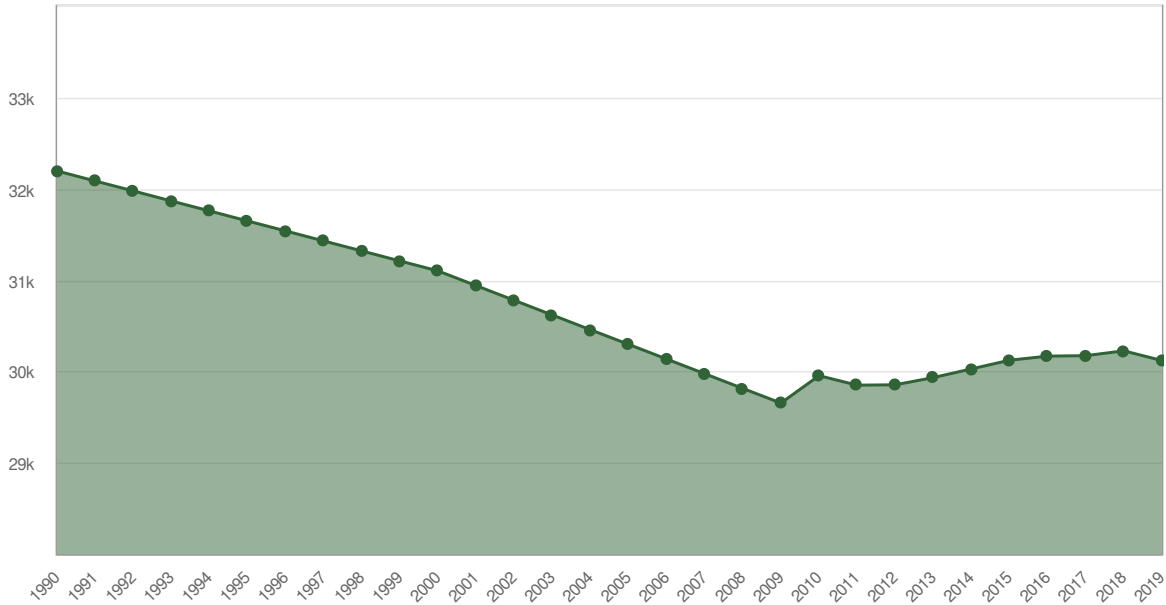
Christopher P. Morill

Executive Director

Population Overview

TOTAL POPULATION **30,120** → **- .4% vs. 2018**

Growth Rank
1073 OUT OF **1773**
Municipalities in Michigan



* Data Source: American Community Survey, 2010 Census, 2000 US Census and 1990 US Census

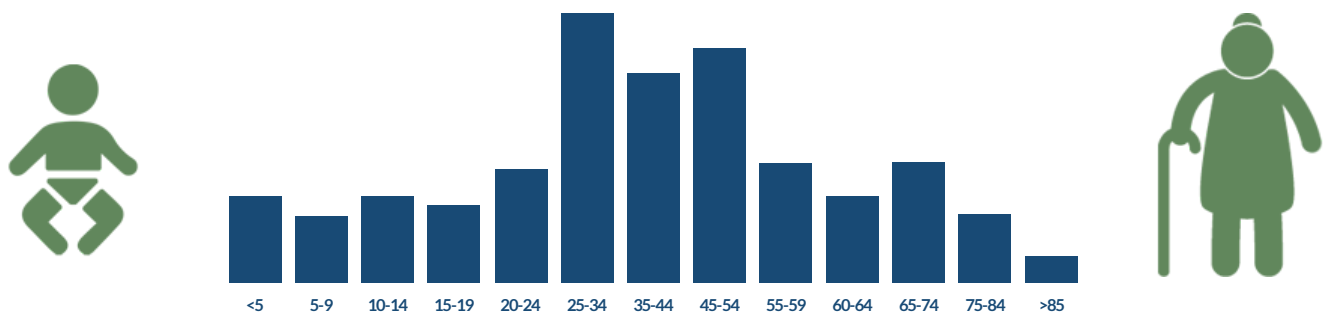


DAYTIME POPULATION

35,518

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

POPULATION BY AGE GROUP

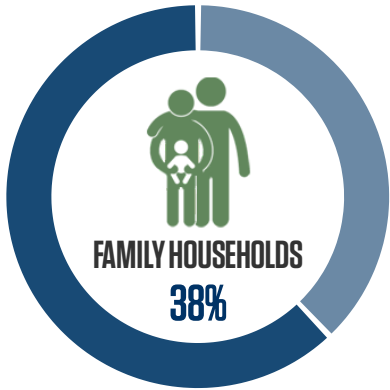


Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

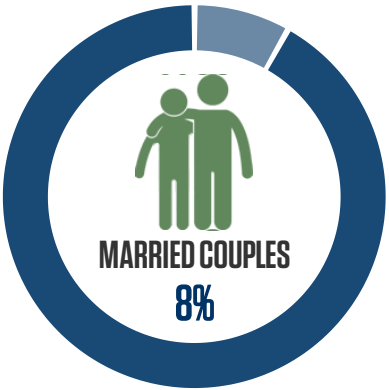
Household Analysis

TOTAL HOUSEHOLDS
13,186

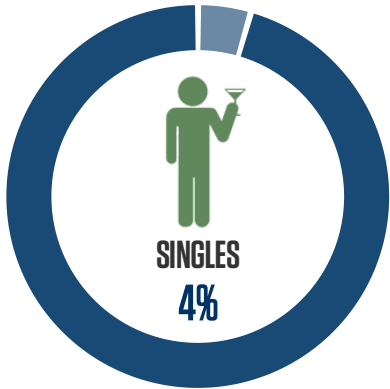
Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



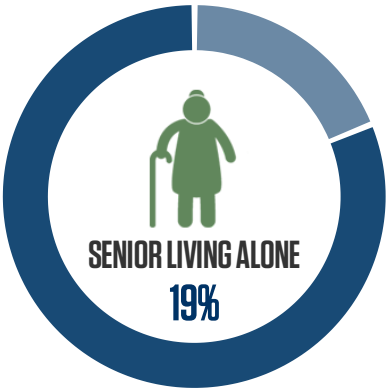
▼ **20%** LOWER THAN STATE AVERAGE



▼ **17%** LOWER THAN STATE AVERAGE



▼ **23%** LOWER THAN STATE AVERAGE

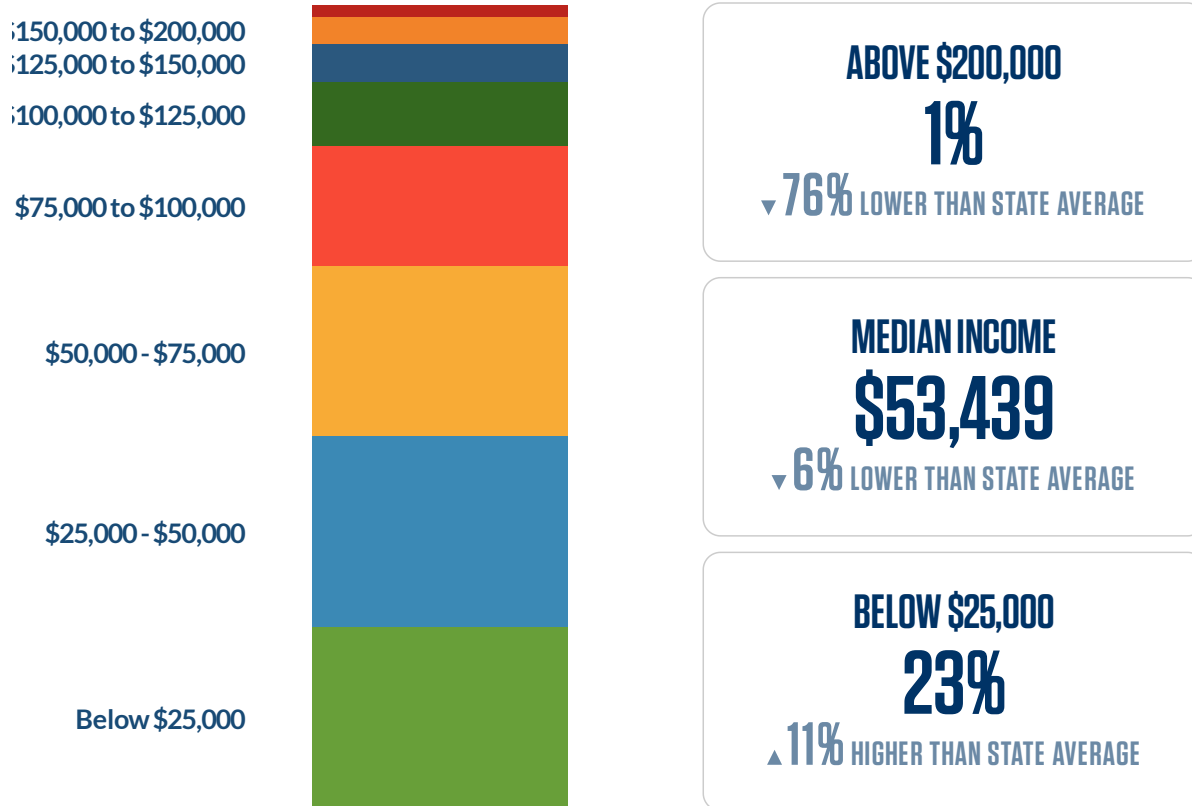


▲ **15%** HIGHER THAN STATE AVERAGE

Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.

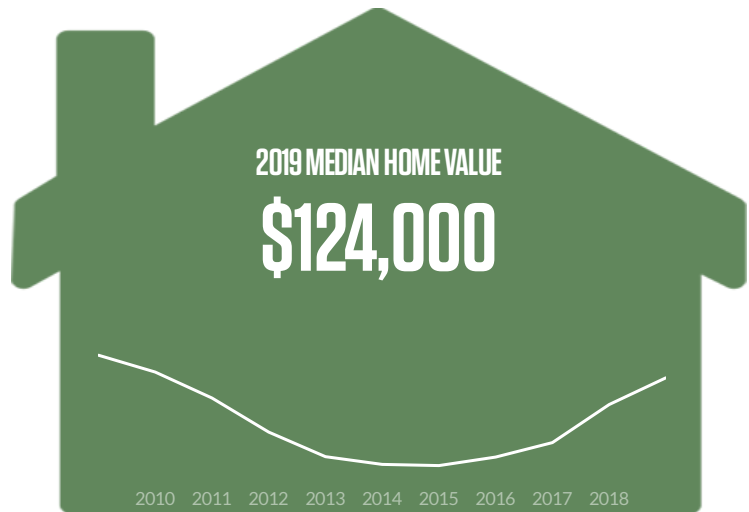
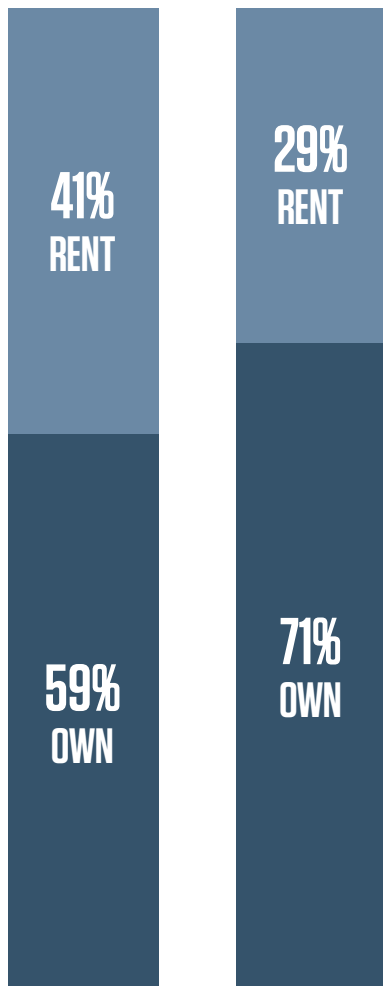
HOUSEHOLD INCOME



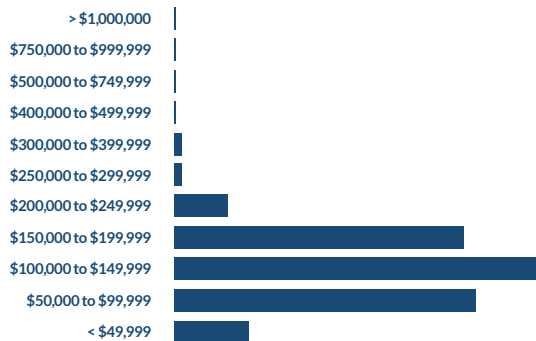
Housing Overview

HOME OWNERS VS RENTERS

Madison Heights State Avg.



HOME VALUE DISTRIBUTION



* Data Source: 2019 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

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 total population in the City of Madison Heights peaked in 1970. The City's 2019 population (30,120) is actually less than its population in 1960, due to decreases in household family size and the addition of smaller units of residential housing including apartments and condominiums. This is clear when one looks at the historical decline in the number of persons per household. On the other hand, the number of housing units has actually grown to 13,771 (2018) during a time of slight decline in total population. The end result is more housing units supporting a smaller population.

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

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

Current Composition

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

	2000	2010	Percent Change	Percent of Population 2010
Total Population	31,101	29,694	(4.5)	100
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 and 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 and Housing

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:

In short, the City of Madison Heights welcomes residents, businesses and visitors alike to a vibrant and diverse Community! The City is ideally located in southeastern Michigan, within Oakland County's "Automation Alley". Madison Heights provides a full range of services to residents, visitors and the business community and is conveniently located for employers and employees alike at the intersection of I-75 and I-696. In spite of the economic downturn of 2007-2012, Oakland County continues to rank high in per capita income, employment opportunities and overall quality of life. The City of Madison Heights exemplifies the very best in Oakland County through its excellent city services, road maintenance and snow removal, and opportunities for residents and the business community. It is a fiscally sound and stable community with many advantages because of its diverse tax base, housing mix, business climate and convenient access to other business and residential areas in southeastern Michigan.

There are more than 1,300 commercial and industrial businesses and services within the City's 7.1 square miles and the City is proud to have a majority of small businesses, as well as more than 100 major companies within its borders, such as: Best Buy, Coca Cola, Costco, CVS Pharmacy, Henkel Technologies, Home Depot, Lowes, Meijer, Microcenter, Navistar, Netlink, Sam's Club, Starbucks, Target, TrynEx, and United Parcel Service. It is a "City of Progress" with 23 shopping centers, 11 hotels, more than 860,000 square feet of office space, and seven industrial parks that include 10 million square feet.

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

Natural Features

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

Topography, Soils and Drainage

The surface geology of Southeast Michigan is characterized by two broad zones, a lowland zone and a hilly upland zone. Madison Heights is situated within the flat, lowland zone lying between the Great Lakes shoreline and the hill zone. This lowland zone was formed by clay and sand deposits laid in the bottom of a large lake that existed about 10,000 years ago. The topography of Madison Heights is nearly flat due to this history as part of the glacial lake plain. The soils found throughout the City are poorly drained to moderately well drained in their natural state. The urbanization of the City has required the creation of an artificial storm drainage system to overcome the major limitation of the City's soil - wetness. The Red Run Drain, which cuts diagonally through Madison Heights, is the eventual outlet for most of the City's storm water. Over the years, many of the City's storm and sanitary sewer systems have been separated so that most of the storm water is now able to be discharged to the George W. Kuhn storm sewers and to the Red Run Drain without treatment. The City of Madison Heights is wholly located within the Clinton River Watershed Basin.

Woodlands and Wildlife

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

Climate

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

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

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

Recreation Facilities Inventory

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

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

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

Land Use

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.

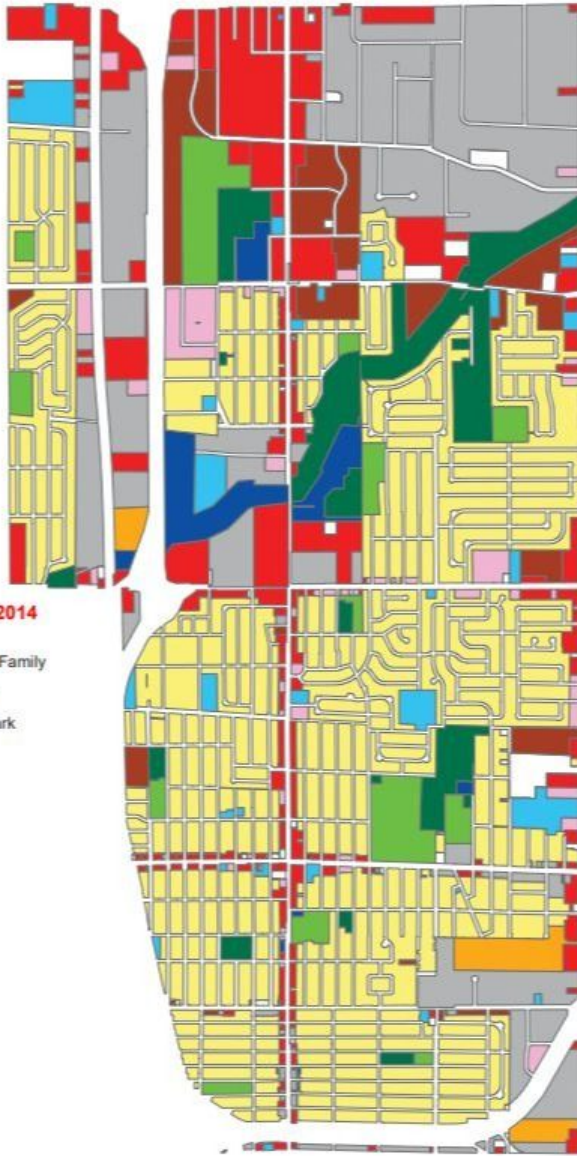
The following is a description of the various land use classifications used in the survey.

- 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.
- 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.



EXISTING LAND USE - 2014

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



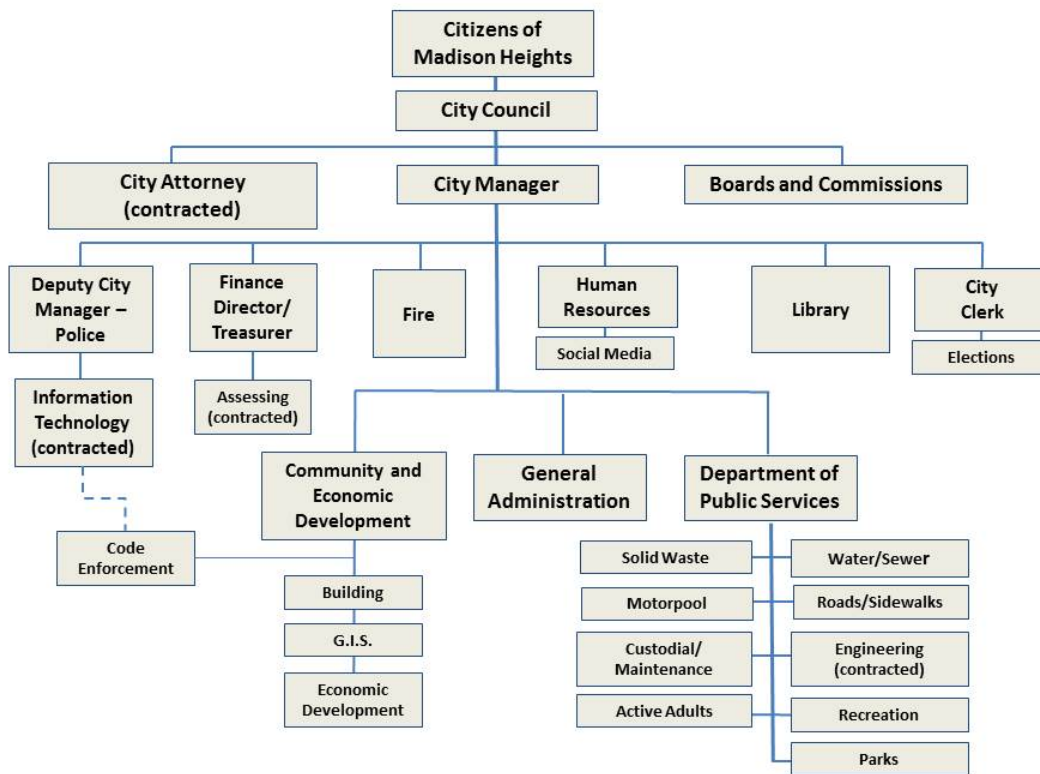
Source: City of Madison Heights
Information: Planning, Mapping, and GIS
Department

City History

On January 17, 1955, the residents of the east side of Royal Oak township voted for the incorporation of the City of Madison Heights and elected nine commissioners to draft a charter for the new city. The Charter Commission drafted its first charter within six months of incorporation. The draft charter was presented to the citizens at a June 6th election and was defeated. A Revised Charter was again presented to the citizens on December 6, 1955 and it was approved, becoming the tenth city government in South Oakland County. At that time, the 7 1/4 square mile City was the second largest in South Oakland County. Madison Heights ranked as fifth highest populated City in South Oakland County. The first City Hall was located at 26305 John R Road, the former township offices. On April 5, 1963, a new municipal building was constructed which is on the present location at 300 West Thirteen Mile Road. Currently, there are approximately 30,000 residents of Madison Heights. The City lies in the I-696 and I-75 corridor and is served by two primary school districts, Lamphere and Madison, as well as a full-service municipal government.



Organization Chart



Basis of Budgeting

BUDGET POLICIES AND PROCEDURES

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

- The City will establish a financial forecast to be updated annually, focusing on a five-year horizon combined with the current year for a Six-year outlook.
- 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.
- 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

- 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.
- 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.
- 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).
- The Water and Sewer Fund operations will be self-supporting.

Revenue Policies

- The City will seek to maintain a diversified and stable revenue system to shelter itself from shortrun fluctuations in any one revenue source.
- The City will attempt to obtain additional revenue sources as a way of ensuring a balanced budget.
- 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.
- 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.
- 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.
- The City will, to the extent possible, use one-time revenues to fund one-time expenditures instead of financing ongoing programs.
- The City will evaluate revenue sources to identify those sources that are unpredictable and use conservative estimates in preparing revenue projections.
- The City will consider financing options for equipment and infrastructure needs only when the cost exceeds \$200,000; useful life exceeds 10 years and phase funded savings not feasible.

Reserve Policies

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

Purpose

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

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

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

Definitions

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

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

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

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

Minimum Unrestricted Fund Balance – Major Funds

1. The City will maintain unrestricted fund balance of no less than two months (16%) of regular operating expenditures plus one year of debt payments if applicable.
2. The City will plan to meet all reoccurring expenditures with reoccurring revenues. Only one-time expenditures shall be funded through a use of fund balance.
3. The City will establish reserves to comply with the terms and conditions of the debt instruments used to finance capital improvement projects. Capital improvement projects are large purchases and construction projects costing \$30,000 or more.
4. The City shall set aside specific amounts of retained earnings in reserves for future development of capital improvement projects that it has determined to be in the best long-term interests of the City.
5. The City will review fund balance levels at the end of each year to insure compliance with this policy. If fund balance falls below the policy guidelines, the City should immediately take all steps necessary to control operating expenditures and use budget surplus to replenish the fund balance to target levels in the following year.

Committed Fund Balance

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

Assigned Fund Balance

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

Order of Expenditure of Funds (Spending Prioritization)

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

Capital Improvement Policies

1. The City will develop an inventory of capital needs annually. The capital needs are reviewed to determine what projects and/or assets should be funded. In the past, the cost for some capital improvements has been large enough to warrant a separate millage or bond proposal.
2. The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements in accordance with the plan.
3. The City's plan will include large capital purchases and construction projects costing more than \$30,000.
4. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital infrastructure and equipment from current revenues where possible.
5. The City will try to ensure that prime commercial and industrial acreage is provided with the necessary infrastructure to meet the market demand for this property.
6. The City will use the following criteria to evaluate the relative merit of each capital project
 - a. Projects that are related to a grant opportunity will receive priority consideration.
 - b. Projects that implement a shared service or interlocal agreement will receive priority consideration.
 - c. Projects specifically included in an approved replacement schedule will receive priority consideration.
 - d. Projects that reduce the cost of operations or energy consumption will receive priority consideration.
 - e. Projects that have been funded for at least one prior year as part of a multi-year phased funding approach will receive priority consideration.
 - f. Projects that duplicate other public and/or private services will not be considered.
 - g. Priority will be given to those projects that directly support development efforts in areas with a majority of low to moderate-income households.

Capital Asset Management Policy

Purpose

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

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

Policy

1. Capitalization Thresholds - Effective July 1, 2016, for assets that have an estimated useful life of at least two (2) years, the City will increase the capitalization threshold of individual assets other than Buildings, Building Improvements and Land Improvements and Infrastructure from \$2,000 to \$5,000. The capitalization threshold for Buildings and Building Improvements shall be \$50,000 and for Land Improvements the capitalization threshold shall be \$25,000. However, assets acquired with debt proceeds may be capitalized regardless of cost. In addition, assets acquired prior to July 1, 2016 and capitalized at a lower threshold, may continue to be depreciated on the basis of past practice. Effective July 1, 2016, infrastructure projects and improvements shall be capitalized so as to substantially account for the City's investment in infrastructure and consider related debt. Individual assets that cost less than \$5,000, but that operate as part of a networked system may be capitalized in the aggregate, using the group method, if the estimated average useful life of the individual asset is at least two years. A network is determined to be where individual components may be below \$5,000 but are interdependent and the overriding value to the City is on the entire network and not the individual assets (e.g. computer systems and telephone systems).
2. Valuation - In accordance with generally accepted accounting principles, the City will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the City, the asset will be valued based on the fair market value at the time the asset is donated.
3. Capital Assets Inventory Report - As part of the financial audit, the Finance Department shall submit a capital asset report to the City's independent auditor on an annual basis. This report will include the following information:
 - a. Type of asset (i.e. land, building, infrastructure)
 - b. Date of acquisition
 - c. Acquisition cost
 - d. Estimated useful life
 - e. Annual depreciation
 - f. Accumulated depreciation
4. Depreciation - The City will use the Straight-Line Method as its standard approach to depreciate capital assets.
5. Salvage Value - The City will set the salvage value on capital assets at 10 percent of acquisition cost.
6. Estimated Useful Lives - For assets purchased after July 1, 2016, the City will use the following ranges in setting useful lives for depreciating assets:
 - a. Buildings and land improvements - 50 years
 - b. Machinery and equipment - 5 years
 - c. Furniture and fixtures - 5 years
 - d. Office Equipment - 5 years
 - e. Vehicles - 5 years
 - f. Infrastructure assets
 - i. Streets and bridges - 25 years
 - ii. Sidewalks - 15 years
 - iii. Utility systems - 20-50 years
7. Capital vs. Repair and Maintenance Expense
 - a. With respect to improvements on non-infrastructure and infrastructure capital assets, cost should be capitalized if the useful life of the asset is substantially extended, or the cost results in a substantial increase in the capacity or efficiency of the assets.
 - i. Otherwise the cost should be expensed as repair and maintenance.
 - b. With respect to improvements on infrastructure capital assets under the Modified Accrual Approach, cost should be capitalized if expenditures substantially increase the capacity or efficiency of an infrastructure.
 - i. Otherwise this cost, including those that preserve the useful life of an infrastructure asset, is expensed.
8. Disposal and Transfer of City's Assets - Disposition of City's assets will be performed in accordance with applicable City policies and procedures.

Debt Policies

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

Investment Policy

1. The City will invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State statutes and local ordinances governing the investment of public funds.
2. This investment policy applies to all financial assets held by the City other than the Police and Fire Retirement Fund and the Parks Maintenance and Improvements Fund which are governed by Public Act 314 of 1965 as amended.
3. The City's investments shall be reasonably diversified by specific maturity dates, and/or individual financial institutions or a specific class of securities.
4. In managing its investment portfolio, the Finance Director/Treasurer (serving as the Investment Officer) or designee should avoid transactions that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of these affairs, not for speculation, but for investment, considering the probable safety of this capital as well as the probable income to be derived.
5. The City's officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair or create the appearance of an impairment on their ability to make impartial investment decisions.
6. The City is empowered by State statute (1943 P.A. 20 as amended by 1988 P.A. 285, and Section 1 (as amended by 1997 P.A. 44) to invest in the following types of securities:
 - a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
 - b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
 - c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after date of purchase.
 - d. Repurchase agreements consisting of instruments in subdivision (a).
 - e. Bankers' acceptances of United States banks.
 - f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
 - g. Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S. C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
 - i. the purchase of securities on a when-issued or delayed delivery basis;
 - ii. the ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned; and
 - iii. the limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
 - h. Obligations described in subdivision (a) through (g) if purchased through an inter-local agreement under the Urban Cooperation Act of 1967, 1967 (Extra Session) PA 7, MCL 124.501 to 124.51.
 - i. Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
 - j. Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
7. The Investment Officer is restricted to investments in any one single issue or obligation of \$3,000,000 or less, which meet the statutory restrictions above.
8. Except for cash in certain restricted and special accounts, the investment officer may pool cash of various funds to maximize investment earnings. Investment income shall be allocated to the various funds based upon their respective participation.
9. The City maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the City in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. Accounting treatment will include carrying investments at cost or amortized cost which approximates market and amortizes the premium or discount over the life of the investment.
10. The Investment Officer will submit a quarterly investment report that provides the principal and type of investment by fund, annualized yield, ratio of cash to investments, earnings year-to-date, and a summary report of cash and investments maintained in each financial institution. Material deviations from projected investment strategies will be reported immediately to the City Manager.

11. The Investment Officer shall establish a system of internal controls, which are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Finance/Treasurer Department. Required elements of the system of internal controls shall include 1) the timely reconciliation of all bank accounts (i.e., monthly reconciliation within 30 days of the end of the monthly cycle), and 2) details of delivery versus payment procedures and trust receipt documentation.

Electronic Transfers 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.
- b. 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.
- c. 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.
- d. Interest income on special assessment receivable is not accrued until its due date.
- e. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- f. Payments for inventory types of supplies are recorded as expenditures at the time of purchase.

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.

Water and Sewer Billing Policy

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.

Fund Structure

BUDGET FUND STRUCTURE

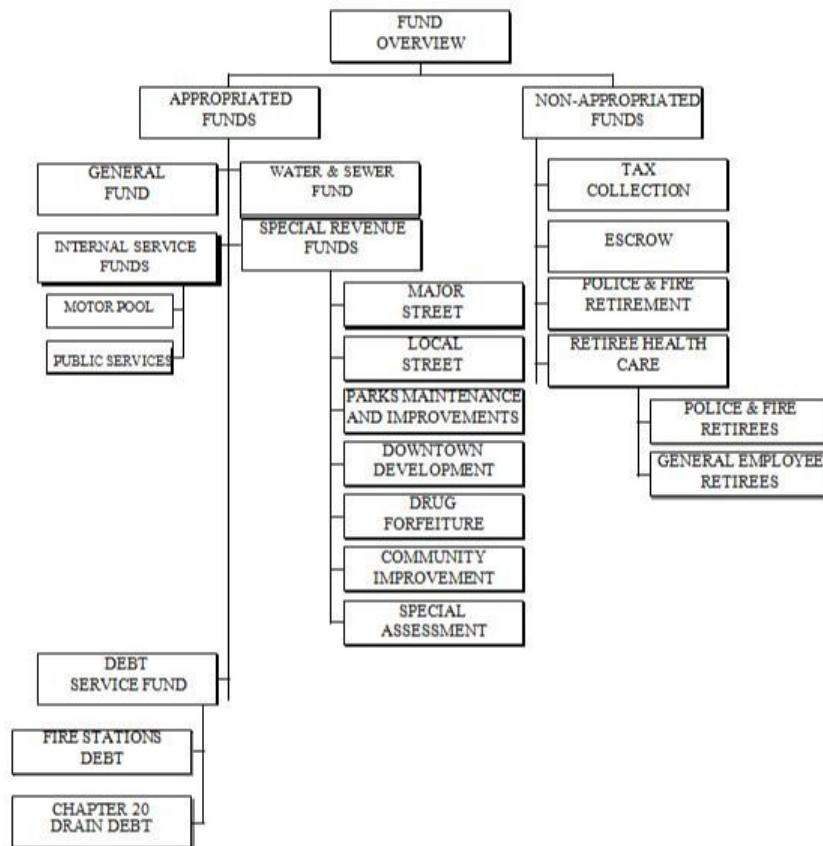
The budget is organized by funds, and funds are organized by departments, divisions, or functions. A description of each of the funds is listed below. The comprehensive budget document is comprised of both appropriated and planned operating funds (non-appropriated) as shown on the facing page.

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.

BUDGET FUND STRUCTURE



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

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). (Public Act 40 of 1956).

Budget Process

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

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

Departmental Budget Requests

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

Building the Proposed Budget

Under the direction of the City Manager, and with the assistance of Oakland County Equalization, Department Heads and the 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.

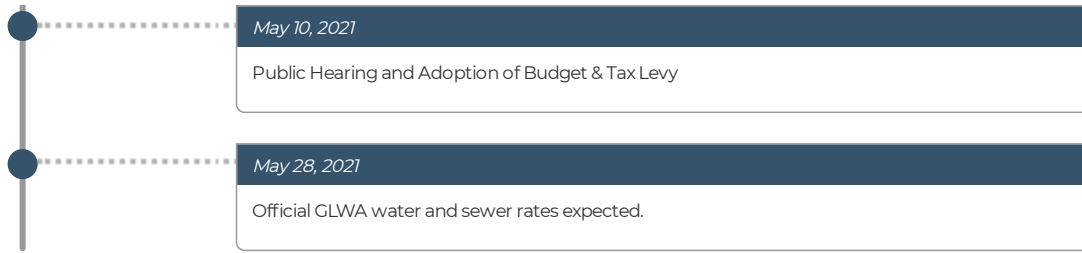
Budget Amendments

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 Timeline







Budget Timeline

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

In accordance with Chapter 8 of the City Charter, 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 the 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. The City does competitively bid this service, which has been awarded to Plante & Moran, Certified Public Accountants, for many years. As a result of COVID-19 and the increased federal grant activity for FY 2021, City Council extended the current five year agreement with Plante & Moran for one year. 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.

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
FSA	Flexible Spending Account
FTE	Full-Time Equivalency
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GLWA	Great Lakes Water Authority
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain

HAVA	Help America to Vote Act
HCMA	Huron-Clinton Metropolitan Authority
HMO	Health Maintenance Organization
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IBNR	Incurred But Not Reported
ISP	Investment Service Program
ITS	Intelligent Transportation System
LHOH	Little House on Hales
MCRC	Macomb County Road Commission
MDEQ	Michigan Department of Environmental Quality
MDNR	Michigan Department of Natural Resources
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
PASER	Pavement Surface Evaluation and Rating
POB	Pension Obligation Bonds
PPO	Preferred Provider Organization
PPT	Personal Property Tax
PPTP	People Powered Transportation Program
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 CommissionerV

Fee Schedule

FY 21-22 Budget Resolution

Water and Sewer Rate Study

Financial Forecast - Fiscal Years 2021-25

Miscellaneous Statistical Data

Street Service	
Paved Streets	106 Miles
Sidewalks	199.5 Miles
Street Lighting	1,830 Poles
Water and Sewer Operation	
Water mains	131 Miles
Consumers	
Residential	9,619
Commercial	1,315
Sanitary Sewers	111 Miles
Storm sewers	52 Miles
Fire Protection	
Stations	2
Employees	32
Hydrants	1,115
Police Protection	
Full and Part-Time Employees	82
Crossing Guards	15
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

Changes in Fund Balance

Fiscal Year ended June 30,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Restricted and Non-spendable:	\$189	\$366	\$1,140	\$1,611	\$777	\$1,088	\$1,611	\$844	\$797	\$359	\$343	\$617	\$2,024	\$649
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	\$2405
Subsequent years' expenditures	145	543	393	56	915	392	785	386	786	1364	537	1558	1564	960
Retained insurance risk	500	250	250	250	336	446	722	2013	1319	1364	1357	1357	2320	1465
Vehicle replacement	1136	1136	1136	853	0	0	0	0	0	1319	0	0	0	0
Capital Improvements	500	590	32	102	1218	1561	0	527	980	0	983	1757	1041	1727
Park improvements	500	450	0	0	0	0	0	0	0	1033	0	0	0	0
Retirees' health benefits	778	0	0	0	0	0	0	0	283	0	0	0	0	0
Technology Improvements	200	89	0	0	75	75	18	100	150	150	150	150	150	150
Post employment Benefits	0	0	0	0	0	1337	0	440	1648	1566	745	1020	1413	1413
Pension bonds	0	0	0	0	0	0	0	0	0	1090	810	820	835	845
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	\$8,965
Unassigned	0	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	\$9,614

Sources: City's Audited Annual Financial Statements

Assessed and Estimated Actual Valuation of Taxable Property

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	\$90,581,890	\$766,051,360	25.21	\$1,932,099,680	39.6%
2018	\$705,857,802	\$90,497,780	\$796,355,582	25.72	\$2,063,842,444	38.6%
2019	\$739,591,440	\$88,053,590	\$827,645,030	25.29	\$2,247,246,400	36.8%
2020	\$770,168,610	\$86,141,600	\$856,310,210	26.26	\$2,422,544,460	35.3%

Sources: City and County Assessing Records

Property Tax Rates

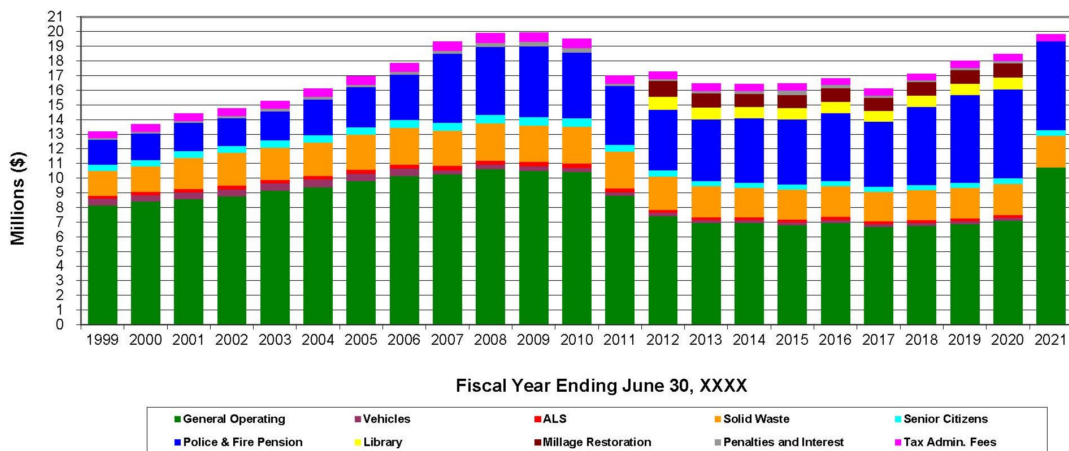
Fiscal Year Ending June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Madison Heights											
General Operating	8.82	10.00	10.00	10.00	10.00	10.00	10.00	9.97	9.93	9.82	12.64
Neighborhood Road Improvement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99	1.99	1.96	1.95
Vehicle Replacement	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0
Advance Life Support	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0
Solid Waste	2.54	2.65	2.65	2.65	2.65	2.65	2.65	2.64	2.63	2.60	2.57
Senior Center	0.48	0.47	0.44	0.45	0.48	0.48	0.48	0.47	0.47	0.47	0.46
Police and Fire Pension	4.10	4.80	5.30	5.82	5.83	5.86	5.86	6.96	7.59	7.39	7.11
Fire Station Bond	0.39	0.45	0.55	0.52	0.51	0.48	0.53	0.53	0.51	0.50	0.49
Library	n.a	1.00	1.00	1.00	1.00	1.00	1.00	1.0	0.99	0.98	0
County Drain	n.a	n.a	n.a	n.a	n.a	n.a	n.a	1.16	1.13	1.09	1.04
Total Direct City Taxes	18.82	21.87	22.43	22.94	22.96	22.97	23.02	25.21	25.72	25.29	26.26
Overlapping taxes											
County	5.24	5.24	5.24	5.24	5.65	5.55	5.49	5.48	5.49	5.49	5.46
Community College	1.58	1.58	1.58	1.58	1.58	1.58	1.57	1.56	1.54	1.53	1.52
Intermediate School District	3.37	3.37	3.37	3.37	3.37	3.37	3.34	3.31	3.28	3.25	3.23
School Homestead*	13.76	13.76	13.76	13.76	13.76	14.22	13.76	14.25	14.26	14.26	14.26
School Non- Homestead*	31.76	31.76	31.76	31.76	31.76	32.40	32.40	32.43	32.44	32.33	31.93
Zoological Authority	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Art Institute	n.a	n.a	0.20	0.20	0.20	0.20	0.20	0.20	0.19	0.19	0.19
Total Homestead	42.87	45.91	46.67	47.19	47.62	47.99	47.47	50.10	50.59	50.11	51.02
Total Non-Homestead	60.87	63.91	64.67	65.19	65.62	66.17	66.11	68.28	68.77	68.19	68.69

* Madison District Public School Rates

Sources: County Assessor's Warrant

General Fund Property Tax Revenue History by Millage

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



Historical Personnel Changes

FY	DEPARTMENT	ACTION
20-21	Human Resources	Eliminate PT Media Specialist , Add FT Media Specialist (+0.87)
20-21	Clerk	Add 1 FT Business Services Coordinator (+1.0)
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 DPS Director (-0.72)
20-21	DPS Fund	Add 1 FT Office Assistant (+1.0), Eliminate Deputy DPS Director (-1.0), Add 2 Equipment Operators (+2.0), Eliminate 2 PT DPS Laborers (-1.20), Eliminate 1 PT Office Assistant (-0.56)
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 (+0.5)
17-18	Community Development	Eliminate Inspector (-1.0)
17-18	Police	Add new Special Investigations Unit Officer (+1.0)

17-18	DPS - Custodial & Maintenance	Reallocation DPS Employees (-0.1)
17-18	DPS - Streets	Reallocation DPS Employees (-1.7)
17-18	DPS - Solid Waste	Reallocation DPS Employees (-3.7)
17-18	DPS - Recreation	Increase 3 PT Camp Leaders (+0.12 each for total +0.36)
		Add PT Recreation Intern (+0.16)
17-18	DPS - Parks	Reallocation DPS Employees (-1.1)
17-18	DPS - Senior Center	Increase PT Chauffeur (+.09)
17-18	DPS - Major Street Fund	Reallocation DPS Employees (-2.3)
17-18	DPS - Local Street Fund	Reallocation DPS Employees (-2.7)
17-18	DPS - Water	Reallocation DPS Employees (-4.0)
17-18	DPS - Sewer	Reallocation DPS Employees (-5.4)
17-18	DPS - Water/Sewer Administration	Reallocation DPS Employees (-1.5)
17-18	DPS Division	DPS Reallocation (+22.8)
17-18		Increase PT Office Support Staff (+0.43)
16-17	City Clerk	Increase PT Office Support Staff (+0.3)
16-17	City Clerk - Elections	Decrease PT Office Support Staff elections portion (-0.13)
16-17	Community Development	Eliminate vacant Building Official Position (-1.0)
16-17	DPS - Streets	Reallocation of Admin Support due to Act 51 requirements (+0.10)
16-17	DPS - Solid Waste	Eliminate PT Office Support split (-0.13)
16-17		Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Recreation	Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Misc Funds	Transfer one DPS pooled position to Water (-1.0)
16-17	DPS - Parks	Transfer one fulltime Parks employee to vacant DPS pooled position (-1.0)
16-17	DPS - Major Street Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Local Streets Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
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 (+2.0)
16-17		Add dedicated DPS PT Office Support (+0.35)
15-16	City Clerk	Reallocate PT Office Support Staff (-0.1)
15-16	General Administration	Eliminate Asst City Mgr Split between Departments (-0.2)
15-16	Finance	Transfer Fiscal Assistant II to Fire Department (-1.0)
15-16	Information Technology	Eliminate MIS Administrator (-1.0)
15-16	Information Technology	Eliminate Information Systems Specialist (-1.0)
15-16	Police	Reallocate Animal Control Officer (+0.3)
15-16	Fire	Eliminate PT Office Support Staff (-0.5)
15-16	Fire	Transfer Fiscal Assistant II to Fire Department (+1.0)
15-16	Community Development	Eliminate Building Inspector (-1.0)
15-16	Community Development	Eliminate GIS/CDD Technician (-1.0)
15-16	Community Development	Add GIS/Social Media Specialist (+1.0)
15-16	Community Development	Reallocate Animal Control Officer (-0.3)
15-16	Community Development	Add PT Code Enforcement Officer (+0.7)
15-16	DPS - Custodial & Maintenance	Reallocate DPS Director (-0.1)
15-16	DPS - Solid Waste	Eliminate Asst City Mgr Split between Departments (-0.5)

15-16	DPS - Major Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Local Street Fund	Elimination of one vacant PT Seasonal position split between Major & Local Streets (-0.4)
15-16	DPS - Water	Eliminate Water Meter Reader (-1.0)
15-16	DPS - Sewer	Transfer PT Year Round Laborer (-0.7)
15-16	DPS - Water/Sewer Administration	Elimination of Asst City Mgr/Reallocation of DPS Director (+0.9)
15-16	DPS - Water/Sewer Administration	Eliminate Water & Sewer Coordinator (-1.0)
15-16	DPS - Water/Sewer Administration	Add DPS Analyst/Planner (+1.0)
15-16	DPS - Water/Sewer Administration	Add Equipment Operator I (+1.0)
15-16	DPS - Motor Pool	Add PT Year Round Laborer (+0.7)
14-15	n/a	No changes in FTE
13-14	Clerk/DPS	Reallocate funding for one PT Support Staff position (Clerk +0.36 FTE and Senior Center +0.045 FTE)
13-14	DPS - Recreation	Decrease PT Recreation Coordinator FTE to comply with PPACA (-0.045)
13-14	Community Improvement Fund	Eliminate Community Housing & Grants Supervisor (-1.0) and Housing Program Assistant (-1.0)
13-14	DPS - Water	Eliminate Equipment Operator I position (-1.0)
13-14	DPS - Sewer	Add two PT Year Round Laborer positions (+1.35)
13-14	Police	Eliminate Police Sergeant position (-1.0), add Police Officer position (+1.0)
12-13	Police	Eliminate vacant Office Assistant position (-1.0), add part time assistant position (+.47)
12-13	DPS - Recreation	Eliminate Recreation Supervisor position (-0.5) and increase part time Recreation Coordinator hours (+0.22)
12-13	DPS - Senior Center	Eliminate Recreation Supervisor position (-0.5)
12-13	DPS - Streets	Eliminate Equipment Operator II position (-1.0)
12-13	Fire	Eliminate three vacant unbudgeted Firefighter positions (-3.0)
12-13	Fire Manning Grant Fund	Reallocate two grant funded positions to General Fund (-2.0)
11-12	District Court	Eliminate vacant part time Probation Officer position (-1.0)
11-12	Police	Eliminate vacant Police position associated with Lieutenant retirement (-1.0)
11-12	Police	Eliminate vacant Police position associated with Sergeant retirement (-1.0)
11-12	Police	Eliminate two vacant Police Officer positions (-2.0)
11-12	Community Development	Eliminate vacant part time Code Enforcement Officer position (-0.8)
11-12	DPS - Parks	Eliminate vacant part time Seasonal Laborer position (-0.3)
11-12	DPS - Streets	Eliminate vacant Deputy DPS Director position (-0.5)
11-12	DPS - Solid Waste	Eliminate vacant Deputy DPS Director position (-0.5)
10-11	Assessing	Eliminate City Assessor position (-1.0)
10-11	Assessing	Eliminate Property Appraiser position (-1.0)
10-11	Assessing	Eliminate part-time Personal Property Auditor position (-0.4)
10-11	Court	Eliminate Court Officer position (-1.0)
10-11	Community Development	Eliminate part-time Clerical position (-0.52)
10-11	City Clerk	Eliminate vacant Office Assistant II position (-1.0)
10-11	Human Resources	Restructure Personnel & Purchasing Coordinator position. Full-time position split between Human Resources (0.5) and General Administration (0.5) moved to DPS - Streets. Transfer part-time Office Assistant (0.75) from DPS to Human Resources (+0.25)

10-11	General Administration	Restructuring the Personnel & Purchasing Coordinator position reduced General Administration by (-0.25) of a position
10-11	Finance	Eliminate Fiscal Assistant I position (-1.0)
10-11	Finance	Eliminate vacant Fiscal Assistant II position (-1.0)
10-11	Police	Eliminate two vacant Police Officer positions (-2.0)
10-11	Police	Eliminate three vacant Police Sergeant positions (-3.0)
10-11	Fire	Eliminate three vacant Firefighter positions (-3.0)
10-11	Community Development	Eliminate GIS Supervisor position (-1.0)
10-11	Library	Eliminate Librarian position (-1.0)
10-11	Library	Reduce ten part-time Librarian Assistant positions (-0.66)
10-11	DPS – Building Maintenance	Eliminate vacant Equipment Operator II position (-1.0). Full-time split between Streets (0.04) and Building Maintenance (0.96)
10-11	DPS - Streets	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Solid Waste	Eliminate vacant seasonal part-time Laborer position (-0.35)
10-11	DPS - Recreation	Reduce part-time Recreation Coordinator hours (-0.11)
10-11	DPS - Recreation	Eliminate sixteen vacant seasonal part-time recreation positions (-0.425)
10-11	DPS - Nature Center	Eliminate Nature Center Coordinator position (-1.0)
10-11	DPS - Nature Center	Eliminate part-time Naturalist position (-0.26)
10-11	DPS - Parks	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Parks	Eliminate three seasonal part-time Laborer positions (-0.75)
10-11	DPS - Parks	Reduce three part-time Park Ranger hours (-0.2)
10-11	DPS - Senior Center	Reduce part-time Bus Driver and Chauffer hours (-0.31)
10-11	DPS - Senior Center	Reduce part-time Senior Center Assistant hours (-0.1)
10-11	DPS - Major Street Fund	Reallocation of Administrative Support (-0.15)
10-11	DPS - Local Street Fund	Reallocation of Administrative Support position (-0.1)
10-11	DPS - Water	Eliminate two vacant Water Meter Reader positions (-1.0)
10-11	DPS - Sewer	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Motor Pool	Eliminate General Mechanic position (-1.0)
BA = mid-year Budget Amendment adopted as of December 14, 2009		
BA 09-10	Police	Eliminate two vacant Police Officer positions (-2.0)
BA 09-10	Police	Eliminate one vacant Public Service Aide position (-1.0)
BA 09-10	Fire	Eliminate two vacant Firefighter positions (-2.0)
BA 09-10	Library	Eliminate vacant part-time Library Assistant position (-0.21)
BA 09-10	DPS - Senior Center	Eliminate vacant part-time Senior Center Assistant (-0.25)
BA 09-10	DPS - Water and Sewer	Eliminate one vacant Equipment Operator I position (-1.0)
09-10	Police	Eliminate vacant Patrol positions (-3.0)
09-10	Fire	Eliminate vacant Firefighter swing man position (-1.0)
09-10	DPS - Streets	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	DPS - Solid Waste	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	Major Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	Local Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	DPS - Youth Center	Reduce 6 part-time employees hours by closing the Youth Center during the summer (-0.4)
09-10	DPS - Recreation	Move full-time position split between Fire, Senior Center and Recreation to Finance, replacing a part-time position (-0.3)
09-10	DPS - Parks	Eliminate seasonal part-time employee due to reduction in mowing frequency (-0.3)

09-10	DPS - Senior Center	Eliminate vacant part-time aide positions, reduce hours of six part-time employees by closing the Senior Center between Christmas and New Year's and move full-time positions currently split between Fire, Senior Center, Recreation and Finance, replacing a part-time position (-1.1)
09-10	Finance	Move full-time positions currently split between Fire, Senior Center and Recreation to Finance, replacing a part-time position. (0.5)
09-10	Library	Reduction of hours for ten part-time positions due to reducing the Library hours of operation from 61.5 to 56 hours per week. (-0.5)
09-10	Community Development	Eliminate the part-time GIS part-time position (-0.5)
09-10	Water and Sewer	Eliminate two seasonal laborers; one in the Water Division and one in the Sewer Division (-0.7)
07-08	Finance	Reallocation one vacant Fiscal I position to Fire (-0.5)
07-08	Fire	Eliminate part-time office position (-0.3) reallocation of Fiscal I/Office Assistant (0.5)
07-08	DPS - Streets	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS - Solid Waste	Eliminate vacant DPS Supervisor split between divisions. (-0.1)
07-08	DPS - Parks	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS-Youth Center	Reduction of hours for part-time Youth Leaders (-0.2)
07-08	Assessing	Reduction of full-time Deputy Assessor position. (-1.0)
07-08	Assessing	Addition of part-time Property Appraiser. (0.4)
07-08	Housing	Eliminate part-time Housing Assistant (-0.4)
06-07	Finance	Eliminate vacant Fiscal I position (-1.0)
06-07	Police	Eliminate vacant Crime Prevention Officer (-1.0)
06-07	Fire	Eliminate vacant Fire Inspector positions (-1.0) and Vacant Officer Assistant I position (-1.0) and add a part time Office Positions (0.5)
06-07	Community Development	Eliminate vacant Information System position (-1.0), reduce GIS part-time position (-0.27), reallocate Code Enforcement from CDBG (0.80) and Housing (0.25)
06-07	DPS – Streets	Reduce two vacant Street Laborer positions (-2.0)
06-07	DPS – Sewer	Reduce vacant Laborer position (-1.0)
06-07	Library	Eliminate vacant part-time Library Assistant (-0.4); and reduce hours for Youth Service Assistant (-0.05)
06-07	DPS – Parks	Reduce vacant Park Laborer hours (-0.33)
06-07	DPS – Water	Eliminate vacant Water Clerical position (-0.8)
06-07	Housing	Reallocate Code Enforcement Officers hours to CDD (-0.25), reduce Housing Assistant hours (-0.1)
06-07	CDBG	Reallocate Code Enforcement Officer hours to CDD (-0.8)
05-06	District Court	Eliminate vacant part-time Probation Clerk (-0.8)
05-06	City Clerk	Elections - due to consolidated elections and precincts reduce number of Chairpersons from 16 to 12 (-0.4) and Workers from 68 to 55 (-1.5), and reallocate maintenance hours (+0.04)
05-06	Police	Eliminate vacant full-time Animal Control Officer (-1.0) Office Assistant II (-1.0); add part-time animal control support (+0.3)
05-06	Fire	Eliminate vacant Fire Fighter position (-1.0) and eliminate vacant Fire Fighter position following Lieutenant retirement and promotional process (-0.2)
05-06	Community Development	Reduce hours of part-time Community Development Assistant (-0.3)
05-06	DPS – Custodial & Maintenance	Reallocate maintenance hours to Elections (-0.04) and supervisor hours to Solid Waste for Tree Replacement Program coordination (-0.06)
05-06	DPS – Solid Waste	Add supervisor hours for Tree Replacement Program coordination (+0.06)
05-06	DPS – Recreation	Reduce and reclassify seasonal recreation positions (-1.2)

05-06	DPS – Youth Center	Reduce hours of part-time Youth Leader (-0.22)
05-06	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.04) and reallocate Recreation Supervisor hours (-0.05)
05-06	DPS – Parks	Eliminate vacant Parks Maintenance Laborer (-1.0) and add part-time laborer (+0.6)
05-06	DPS – Senior Citizens	Eliminate vacant Officer Assistant II (-1.0); add part-time assistant (+0.8); reallocate part-time receptionist hours (+0.5) and Recreation Supervisor hours (+0.05)
05-06	Community Improvement Fund	Reallocate Code enforcement Officer hours between Housing (-0.2) and Community Improvement (+0.2)
05-06	Motor Pool Fund	Eliminate vacant full-time Tool Crib Operator position (-0.6)
04-05	District Court	Add hours for part-time Deputy Court Clerk (+0.2)
04-05	Assessor	Eliminate vacant part-time Office Assistant (-0.4)
04-05	City Clerk	Eliminate vacant Deputy Clerk position (-1.0); add hours to part-time election workers for a third election (+0.9)
04-05	Human Resources	Reflect 50% funding of combined Purchasing & Personnel Coordinator position (-0.5)
04-05	General Administration	Eliminate vacant Purchasing Officer position (-1.0); reflect 50% funding of combined Purchasing & Personnel Coordinator position (+0.5)
04-05	Finance	Eliminate vacant Accounting Supervisor position (-1.0); add Accountant position (+1.0); eliminate vacant Fiscal Assistant I position (-1.0)
04-05	Information Technology	Eliminate vacant part-time Information Systems Support position (-0.7)
04-05	Police	Eliminate vacant positions: Police Officer (-1.0); Police Service Assistant (-1.0); and Office Assistant II (-1.0); reflect Police Department transfer of Police Officer position from Auto Theft Prevention Fund to patrol (+1.0)
04-05	Fire	Eliminate vacant Fire Fighter position (-1.0)
04-05	Community Development	Eliminate vacant Office Assistant II position (-1.0); add hours to part-time CDD Aide position (+0.2)
04-05	Library	Eliminate hours for part-time Branch Library Circulation Chief (-0.4) and Branch Library Assistant (-0.4)
04-05	DPS – Streets	Eliminate vacant Equipment Operator III (-1.0) and Laborer (-1.0) positions; reallocate labor from other divisions (+0.3)
04-05	DPS – Solid Waste	Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)
04-05	DPS – Recreation	Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)
04-05	DPS – Youth Center	Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)
04-05	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.4)
04-05	DPS – Parks	Eliminate two vacant part-time Park Laborer positions (-0.5)
04-05	DPS – Senior Citizen	Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)
04-05	Major Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.1)
04-05	Local Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.6)
04-05	Community Improvement Fund	Reallocate full-time Code Enforcement Officer FTE between Housing (-0.3) & Community Improvement (0.3)
04-05	Auto Theft Prevention Fund	Transfer of Police Officer position back into road patrol (-1.0)

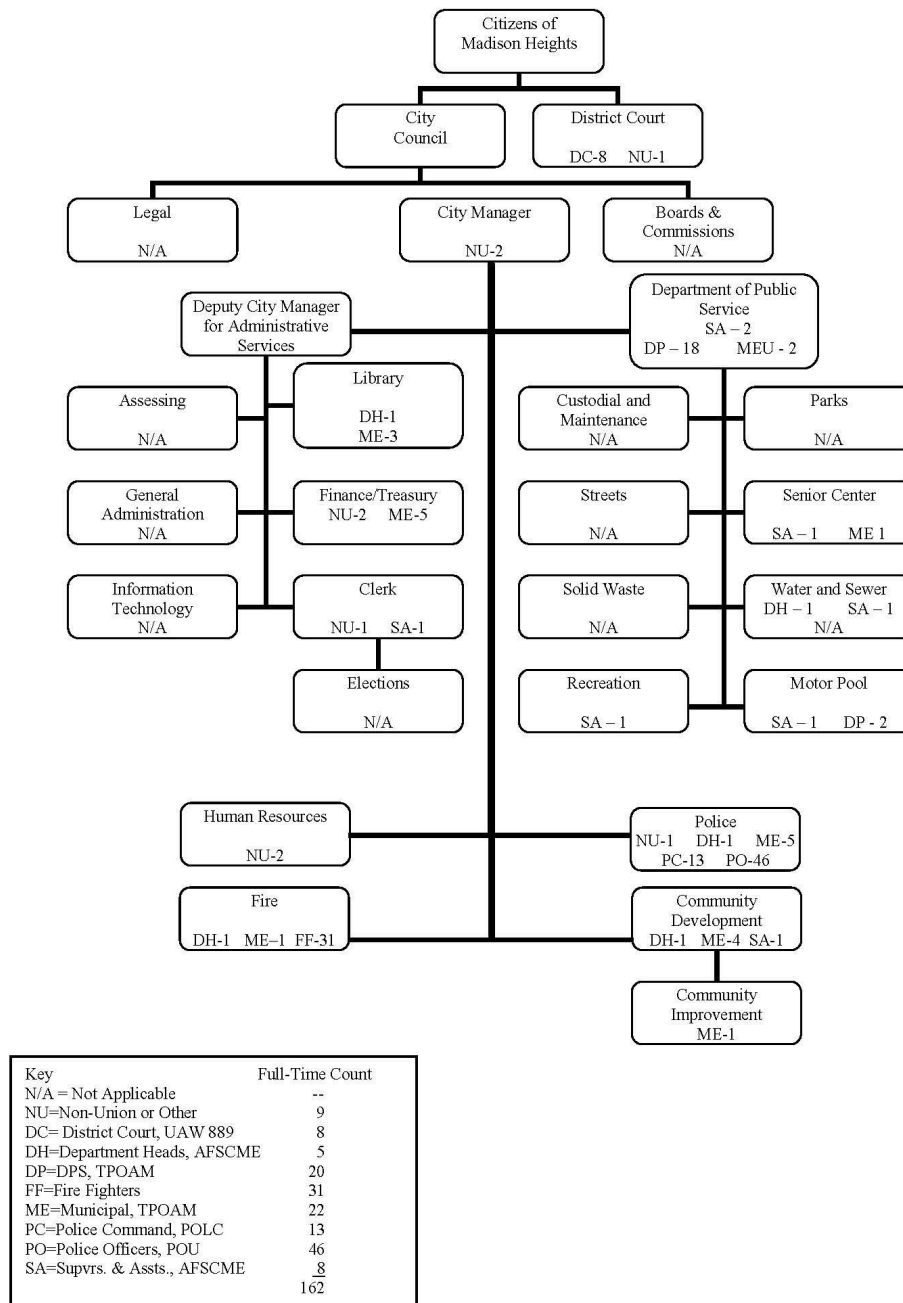
04-05	Motor Pool Fund (DPS)	Eliminate vacant Tool Crib Operator position after retirement of incumbent (-0.4)
03-04	District Court	Add additional part-time Deputy Court Clerk position (+0.6); increase hours for part-time Probation Officer (+0.7)
03-04	DPS – Youth Center	Split part-time supervisor position for summer and school year programs into two part-time positions (0.0)
03-04	Community Imp.	Downgrade Code Enforcement Supervisor to Code Enf. Officer (0.0)
03-04	CIP - Housing	Reduce hours of part-time CIP Assistant (-0.3)
02-03	City Clerk	Increase part-time hours for election workers due to one additional election (+0.8 FTE)
02-03	Community Development	Add full-time Economic Development Coordinator position (+1.0 FTE)
02-03	DPS – Parks Division	Add two part-time Park Ranger positions (+ 0.5 FTE)
01-02	DPS – Custodial & Maintenance	Eliminate three vacant positions (-3.0 FTE), with one of the positions added to the Parks Division
01-02	Community Development	Increase hours (+0.3 FTE) for the part-time Geographic Information System (GIS) office assistant position
01-02	DPS – Nature Center	Upgrade part-time Naturalist position to full-time status (+0.4 FTE)
01-02	DPS – Parks	Add one position transferred from DPS - Custodial & Maintenance Division (+1.0 FTE)
01-02		
01-02	Library	Increase part-time hours (+1.7 FTE)
00-01	District Court	Elimination of Court Recorder position following retirement (-1.0 FTE)
00-01	Police	Due to elimination of Federal Crime Suppression Grant, transfer one officer position from Crime Suppression Fund (1.0 FTE) to the Police Department's General Fund Activity (+1.0 FTE)
00-01	Community Development	Addition of one Information Systems Specialist Position-GIS in the Community Development Department (+1.0 FTE)
00-01	DPS – Youth Center	Addition of four part-time positions to staff new Youth Drop-In Center (+2.1 FTE)
99-00	District Court	Consolidation of Court Administrator and Legal Secretary positions (-1.0 FTE); elimination of vacant part-time Security Officer position (-0.7 FTE); reduce hours of part-time Magistrate (-0.3 FTE); increase hours for part-time Probation Officer (+0.3 FTE)
99-00	General Administration	Elimination of vacant Reproduction and Stores Assistant position (-1.0 FTE)
99-00	Finance	Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE)
99-00	Data Processing (Gen. Fund)	Transfer of Activity (2 full-time; 1 part-time) from Water and Sewer Fund (+2.8 FTE)
99-00	Community Development	Addition of full-time GIS Supervisor position and a part-time GIS Assistant (+1.3 FTE)
99-00	Library	Additional part-time hours to increase coverage of the three existing part-time librarians by an additional 7 ½ hours per week (+0.6 FTE)
99-00	DPS- Custodial & Maintenance	Elimination of vacant Custodian position (-1.0 FTE)
99-00	Data Processing (Water & Sewer)	Transfer of Activity (2 full-time; 1 part-time) to General Fund (-2.8 FTE)
99-00	Water & Sewer Administration	Transfer of four administrative positions to General Fund (-4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE) (-4.8 FTE)
98-99	Nature Center	Increase from one to two part-time Naturalists (+0.8 FTE)
98-99	DPS – Motor Pool	Elimination of vacant Mechanics Helper position through attrition (-1.0 FTE)

97-98	District Court	Through collective bargaining the contractual Court Officer becomes full-time (+1.0 FTE)
97-98	DPS- Custodial & Maintenance	Elimination of vacant Laborer position through attrition due to outsourcing refuse collection (-1.0 FTE)
96-97	District Court	Move part-time position from Law Clerk to Probation Clerk; increase hours (+0.2 FTE)
96-97	Assessing	Addition of one part-time co-op student to assist with computer scanning and sketching project (+0.5 FTE)
96-97	Clerk	Eliminate vacant part-time clerical position (-0.8 FTE)
96-97	Police	Eliminate vacant Detective Sergeant position (-1.0 FTE)
96-97	DPS-Custodial & Maintenance	Reduction of full-time Supervisor position (-1.0 FTE) and transfer of four employees into full time laborer positions from Solid Waste Division outsourcing (+4.0 FTE)
96-97	Solid Waste	Outsource collection of household refuse and recycling; elimination of 12 F/T and 2 P/T laborer positions (-12.8 FTE)
96-97	DPS – Senior Citizen	Elimination of part-time building attendant position; adjustment of other part-time hours (no FTE change)
96-97	DPS – Parks	Elimination of two part-time seasonal laborer positions to reflect outsourcing of grass cutting (-0.8 FTE)
96-97	Police – Crime Suppression Fund	Add multi-jurisdictional unit officer with funding from “COPS” grant (+1.0 FTE)
96-97	Community Improvement Fund	Elimination of two part-time Home Chore Worker positions due to outsourcing of raking, lawn cutting, and snow shoveling services (-0.2 FTE)
96-97	Water & Sewer Fund – Data Processing	Replace vacant keypunch operator position (-1.0 FTE) with part-time PC Technical Support position (+0.8 FTE)
95-96	Library	Reduce part-time Circulation Chief, Technical Services Clerk, and Branch Library Aide (-0.2 FTE)
95-96	Fire	Eliminate three vacant full-time Fire Fighter positions as part of consolidated dispatch project (-3.0 FTE)
95-96	DPS – Custodial & Maintenance	Eliminate three full-time custodians as part of cost-savings move to contract out custodial services (-3.0 FTE)
95-96	DPS – Recreation	Reduce part-time hours as Oakland County will conduct summer swim lessons; add part-time Naturalist position (+0.5 FTE)
95-96	Community Dev. Block Grant Fund	Elimination of six vacant part-time home chore workers due to contracting out of raking, lawn cutting, and snow shoveling services (-0.8 FTE)
94-95	Assessing	Elimination of a vacant full-time Residential Appraiser position (+1.0 FTE)
94-95	Community Development	Elimination of a vacant full-time Construction Inspector position
94-95	DPS – Parks	Eliminate a vacant Parks Maintenance position created by an employee who did not return from an extended Worker's Compensation leave
94-95	Finance	Lay off the Deputy Treasurer and eliminate the position (+1.0 FTE)
94-95	General Administration	Elimination of a vacant full-time Switchboard Operator / Receptionist position (-1.0 FTE)
94-95	Fire	Eliminate a vacant full-time “Swing Man” Fire Fighter position (-1.0 FTE)
94-95	Library	Lay off one part-time position and reduce the hours for five more part-time positions
94-95	Police	Eliminate a vacant full-time Special Investigations Unit Police Officer position (-1.0 FTE) and have the Chief transfer a position back into the Patrol Division from another section of the Dept.

93-94	General Administration	Change Purchasing Agent position from part-time to full-time (no FTE data available)
93-94	Community Development	Elimination of two part-time clerk typist positions and addition of one full-time clerk typist position (no FTE data available)

Organization Chart by Bargaining Unit

City Of Madison Heights Organizational Chart – Full Time Employees By Bargaining Unit



Full-Time Position Historical Trend

	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	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	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
General Fund																							
Court	11	12	12	11	10	10	9	9	9	9	9	9	9	9	8	8	8	8	8	8	8	8	
Manager	2	2	2	2	2	2	2	2	2	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	3	3	3	0	0	0	0	0	0	0	0	
Clerk	4	4	4	4	4	4	4	3	3	3	3	3	3	3	2	2	2	2	2	2	2	2	
Human Resources	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	1	2	2	2	2	2	2	
General Administration	3	3	3	2	2	2	2	2	1	1	1	1	1	1	1	1	0	0	0	0	0	0	
Finance	7	7	7	11	11	11	11	11	10	10	9	9	9	9	8	8	8	8	8	7	7	7	
Information Technology	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	0	0	
Police	76	76	76	76	77	77	77	77	75	73	73	73	73	67	62	58	57	57	57	57	57	58	
Fire	40	40	40	40	40	40	40	40	39	38	36	36	36	33	30	30	27	27	27	28	28	28	
Community Development	8	8	8	9	10	10	11	11	10	10	9	9	9	9	8	8	8	8	8	7	6	6	
Library	4	4	4	4	4	4	4	4	4	4	4	4	4	4	3	3	3	3	3	3	3	3	
Department of Public Services (Prior to FY 2017-18)																							
Custodial & Maintenance	6	5	5	4	4	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	
Streets	18	18	18	18	18	18	18	18	16	15	13	13	13	12	11	10	9	9	9	9	9	0	
Solid Waste	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	2	2	2	2	1	1	0	
Recreation	2	2	2	2	2	2	2	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	
Youth Center	0	0	0	0	0	0	0	0	0	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	1	0	0	0	0	0	0	0	0	
Parks	5	5	5	5	5	6	6	6	6	5	5	4	4	4	2	2	2	2	2	2	1	0	
Senior Citizen	0	3	3	3	3	3	3	3	3	2	2	2	2	2	2	2	1	1	1	1	1	1	
Subtotal	34	33	33	32	32	31	31	31	28	26	24	23	22	21	16	16	14	14	14	13	12	1	
Total	195	195	195	199	200	199	199	199	189	184	178	176	175	165	144	139	133	133	133	129	127	117	
Major Street Fund	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	
Community Improvement Fund	4	4	4	4	4	4	4	4	4	4	3	3	3	3	3	3	3	1	1	1	1	1	
Fire Manning Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	0	0	0	0	0	0	
Juvenile Grant Fund	0	0	0	0	0	0	0	0	0	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	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Crime Suppression Grant Fund	1	1	1	1	0	0	0	0	0	0	0	0	0	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	6	4	4	4	4	4	4	4	0
Sewer Division	6	6	6	6	6	6	6	6	6	6	5	5	5	4	4	4	4	43	3	3	4	0
Information Technology	2	2	2	0	0	0	0	0	0	0	0	0	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	1	1	1	1	1	1	2	1	1
Total	19	19	19	13	13	13	13	13	13	13	12	12	12	11	9	9	9	8	8	9	9	1
Motor Pool Fund	6	6	5	5	5	5	5	5	4	4	4	4	4	4	3	3	3	3	3	3	3	3
DPS Fund (Beginning FY 2017-18)																						
Total All Funds	227	227	226	224	224	223	223	223	211	206	198	196	195	184	162	157	149	146	146	143	141	142

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BUDGET OVERVIEW

Executive Overview

The total budget equates to \$54.6 million in FY 2022 and \$55.0 million in FY 2023. This multi-year budget includes proposals for 13 appropriated funds and represents a decrease of \$3,830,555 or 6.6% compared to the FY 2021 Amended Budget. As shown in the following table, the operating budget is projected to decrease by \$2,187,553 or 4.36%, and the capital budget decreases by \$1.64 million or 19.8%.

The decrease from FY 2021 is related to budget amendments and carry forwards from FY 2020 into FY 2021 for projects and activities that were not completed in the last quarter (April – June) of FY 2020 due to operations being shut-down due to COVID-19.

Total Operating and Capital Budget

	FY 2021 Amended Budget	FY 2022 Proposed Budget	FY 2023 Proposed Budget
Operating Budget	\$ 50,164,510	\$ 47,976,957	\$ 48,304,817
Percent Change		-4.36%	0.68%
Capital Improvement Budget	\$ 8,242,938	\$ 6,599,936	\$ 6,735,464
Percent Change		-19.9%	2.1%
Total Budget	\$58,407,448	\$ 54,576,893	\$55,040,281
Percent Change		-6.56%	0.8%

Millage

On November 3, 2019, voters of Madison Heights approved Proposal MH. This charter millage revision rolled in several millages and increased the base charter millage to cover additional spending for public safety and quality of life services, such as parks and the library. This increase was approved at an overall 3.3684 mills increase. The Fiscal Year 2021 budget only utilized 1.1592 mills of this authorization. FY 2022 continues using only a portion by keeping the tax rate at 26.2646, the same as FY 2021.

Financial Challenges

Even with the passing of Proposal MH, a charter millage increase, the City continues to face financial challenges that hinder the ability to restore services and expand department and program offerings fully.

Municipal Funding Model - The number one long-term challenge continues to be the broken funding model for municipalities across the state. Property taxes are a critical source of revenues for Madison Heights, representing over 63% of the General Fund budget. Over the last 27 years, the interaction of two constitutional amendments – the Headlee Amendment and Proposal A has proven detrimental for local government funding.

The Headlee Amendment was designed to limit the ability of local governments to levy new taxes and to limit the growth of property tax revenue by requiring that when growth on existing property is greater than 5% or the state rate of inflation, the local government must "rollback" its maximum authorized millage rate so that the increase in property tax revenue caused by growth on existing property does not exceed inflation.

In March 1994, another major constitutional amendment – Proposal A was passed, which created a new methodology to determine property values for tax purposes. This proposal changed the levy from state equalized value to taxable value. State equalized value represents the actual changes in the property's value and is not subject to an annual cap. Taxable Value growth is capped at the rate of inflation or 5%, whichever is less; however, there is no cap on the amount taxable value can decline.

In FY 2022, the state inflation multiplier is 1.4%, which caps the City's overall taxable value growth of 4.46%. Until the state makes reforms to the structure of capping municipal revenue growth, municipalities across the state will continue to struggle to keep up with actual cost inflation.

Pension and Retiree Health Care - The second major financial challenge is the legacy cost for pensions and retiree health care. As of June 30, 2020, unfunded liabilities for pension and retiree health care stand at \$49 million and \$46.6 million, respectively, for total unfunded liability of \$96.0 million. The budget includes contributions to all plans of \$5.5 million across funds.

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 total plan assets are less than 60% of the plan's total liabilities. 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's total assets are less than 40% of its total liabilities. The annual contribution is greater than 12% of the total governmental revenues. With the most current reporting requirement in 2020, only the City Police and Fire Pension plan were determined to be underfunded.

Although the staff was required to submit a compliance plan to be reviewed by the state to improve the Police and Fire Pension System's funding status, this plan's funding is very concerning. As of June 30, 2020, this system's funded ratio was 48.2%, with a retiree liability that is only 67.8% funded. The system's actuarial consultant also noted that they were concerned about the system's potential cash flow problems. This is complicated by the Annuity Withdrawal provisions causing large disbursements over short periods. The plan's assets are not sufficient to cover current retiree liabilities, and the ratio of assets (Market Value) to retiree benefit payroll is 7.69. This means that approximately seven years of retiree benefit payments can be paid from current assets; the ability to make such payments beyond that period is heavily dependent upon future contributions and future investment return. The City's annual contributions to the Police and Fire Retirement System for the fiscal year beginning July 1, 2021, have been computed to be 59.1% of active member payroll for pensions with an additional 6.47% for administrative and investment expenses or approximately \$4,075,090. To address this underfunding issue, the FY 2022 budget continues to plan for additional contributions, with FY 2022 proposed at \$4,346,188. Total FY 2022 budget funds across all funds for pensions and retiree health care contributions are \$5.5 million.

Infrastructure and Capital Assets - The third major challenge is infrastructure and capital assets. With the onset of the Great Recession and decline revenues, the City cut operational expenditures and entered a period of disinvestment in capital assets, including maintenance to City-owned buildings. The City was forced to look over much-needed repairs and defer regular maintenance. Over the last two years, the City focuses on capital assets in the Fire and Police Departments and building needs, such as replacing the Police building roof. Recently City Council received a feasibility study evaluating the Library, Active Adult Center, and City Hall buildings' capital needs. Total maintenance needs surpass \$11 million. In addition, the architectural firm looked into building a new Active Adult Center and completing a major renovation of the Library and City Hall, connecting all three buildings on the Civic Center Plaza. The estimated cost of this project is \$9.2 million. On March 11, 2021, City Council reviewed the comparison feasibility study and directed staff to move forward with renovation steps. In addition, we are undergoing a second feasibility study of Fire Station #2 to inform a similar approach to addressing the pasted deferred maintenance.

State Revenue Sharing - The fourth major financial challenge is state funding of local municipalities. Michigan's state revenue sharing began in the 1930s through the taxation of businesses with liquor licenses. Of that revenue, 85 percent went to fund cities. In 1946, the state constitution was amended to guarantee local government revenues based on 15 percent of sales tax revenues allocated per capita. 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 2020, Madison Heights has lost \$19,222,729 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 decrease in state revenue sharing of \$127,723 based on recent State projections for total, constitutional and statutory, of \$3.18 million; by comparison, in 2006, Madison Heights received \$4.0 million.

Operating Budget Highlights

The FY 2020 budget was balanced through the combined use of fund balance across all funds of \$352,259. The planned use of fund balance in the General Fund of \$995,934 and the Water and Sewer Fund of \$411,107 is for one-time capital outlay purchases and projects. These uses are offset by the contributions to fund balance for future road projects in Major Streets for 310,452 and Local Streets for \$728,870.

Revenues

General Fund Revenues are budgeted at \$32.1 million exclusive of the planned use of fund balance. This represents an increase of \$660,587 or 2.1% from the FY 2021 Amended Budget Revenues. This increase in revenues is reflective of the taxable value increases, including additions. Several significant revenue sources are estimated to underperform historical averages as we slowly return to normal from COVID-19 restrictions into FY 2021. Revenues from Court Services are budgeted to be down over \$345,000, programming from Recreation, Library, and Active Adult Center all budgeted to be significantly less than historical averages by more than \$50,000.

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 billing customers' method for water, sewer, and stormwater charges. This change's first step was to remove stormwater from the sewage rate and calculate a new stormwater charge based on the individual parcel's amount of pervious and impervious surface directly correlating 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 is set to cover a straight pass-through of the City's stormwater charge from the Oakland County Water Resources Commissioner.

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 the 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 is that rates should be set to meet revenue requirements as defined by historical costs adjusted by known cost increases and decreases. We have worked hard to limit increases to our end users with the most current rate structure for water and sewer adopted and approved by City Council on May 10, 2019, with stormwater adjusted annually to reflect the pass-through charge from Oakland County.

The FY 2022 Budget includes increases to stormwater rates of 1.4%, from \$12.42 per quarter to \$12.60 per quarter for residential and \$4.14 per month to \$4.20 per month for commercial/industrial. Water rates are increasing by 4.14%, from \$3.14 per unit to \$3.27 per unit, and sewer rates increase 3.9%, from \$3.55 per unit to \$3.69 per unit. The City does have a ten-unit minimum bill that represents the ready to serve charge of the system. The entire water and sewer rate report can be viewed in the Appendices of this document.

City of Madison Heights Performance Dashboard

Dashboard for Madison Heights

Fiscal Stability	2020	2021	Progress
Fiscal Wellness Indicator Score	0	0	↔
Annual General Fund expenditures per capita	\$1,017	\$1,103	↓
Fund balance as % of General Fund Revenues	29.6%	22.8%	↓
Debt burden per capita	\$397.9	\$355.6	↑
Operating Millage	25.29	26.26	↓
Economy & Financial Health	2020	2021	Progress
Population	30,088	30,088	↔
Taxable Value (100k)	\$828,015	\$864,051	↑
Public Safety	2018	2019	Progress
Crimes against persons per thousand residents	11.6	11.4	↑
Crimes against property per thousand residents	29.4	32.6	↓
Crimes against society per thousand residents	11.9	12.7	↓
Other crimes per thousand residents	5.7	4.8	↑
Traffic crashes property	1,333	1,189	↑
Traffic crashes injuries	329	307	↑
Traffic crashes fatalities	1	2	↓

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Fund Types - Three Year Comparison - FY 22 and 23

	General Fund					Special Revenue/Debt service funds *			
	Actual 2019-20	Amended 2020-21	Proposed 2021-22	Proposed 2022-23		Actual 2019-20	Amended 2020-21	Proposed 2021-22	Proposed 2022-23
Revenues									
Property Taxes	\$18,640,592	\$20,010,499	\$20,899,138	\$21,292,742		\$2,085,125	\$2,111,028	\$2,191,258	\$2,212,721
License and permits	1,082,889	789,375	1,051,325	1,051,325		0	0	0	0
Intergovernmental	5,499,413	5,446,514	5,358,286	5,422,100		3,563,144	3,991,218	4,009,053	4,031,222
Court fines and fees	1,291,455	1,663,250	1,295,000	1,495,500		0	0	0	0
Charges for services	291,376	236,919	312,044	276,044		0	0	0	0
Parks and Recreation	143,877	282,900	221,500	282,900		0	0	0	0
Interest and Misc. Revenue	2,463,477	2,002,065	1,942,763	1,992,763		127,014	69,900	53,900	53,900
Special Assessments	0	0	0	0		72,936	33,026	29,203	27,715
Departmental Charges	806,664	891,480	891,480	891,480		0	0	0	0
Transfers from other funds	19,496	73,000	85,053	85,175		0	250,000	300,000	300,000
Total Revenues	\$30,239,239	\$31,396,002	\$32,056,589	\$32,790,032		\$5,848,219	\$6,455,172	\$6,583,414	\$6,625,558
Expenditures									
General Government	\$5,226,428	\$5,176,774	\$5,693,093	\$6,051,022		\$0	\$0	\$0	\$0
Public Safety	16,436,380	17,876,912	18,618,609	18,739,213		209,065	92,100	51,000	71,000
Community Service	3,312,628	3,655,303	3,952,157	4,030,317		0	0	0	0
Culture and Recreation	1,734,476	1,850,774	2,676,418	2,499,216		24,054	38,592	38,215	38,689
Community Development	1,044,087	1,011,119	1,085,188	1,068,347		4,261,572	5,519,777	4,793,868	4,505,867
Community Improvement	0	0	0	0		242,749	443,140	173,067	171,579
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		10,000	12,500	24,553	24,678
Debt Service	1,032,305	1,033,525	1,085,188	1,027,839		438,122	450,550	447,929	459,343
Total Expenditures	\$28,786,304	\$30,604,407	\$33,052,523	\$33,415,954		\$5,185,562	\$6,556,659	\$5,528,632	\$5,271,156
Revenues over (Under) expenditures	\$1,452,935	\$791,595	\$995,934	\$625,922		\$662,657	\$101,487	\$1,054,782	\$1,354,402

Fund Balances Beginning of year	\$7,877,755	\$9,330,690	\$10,122,285	\$9,126,351		\$5,093,963	\$5,756,621	\$5,655,134	\$6,709,916
Fund Balances, End of year	\$9,330,690	\$10,122,285	\$9,126,351	\$8,500,429		\$5,756,621	\$5,655,134	\$6,709,916	\$8,064,318

* 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 - FY 22 and 23

	Water and Sewer Fund				Totals Memorandum Only			
	Actual 2019-20	Amended 2020-21	Proposed 2021-22	Proposed 2022-23	Actual 2019-20	Amended 2020-21	Proposed 2021-22	Proposed 2022-23
Revenues								
Property Taxes	\$892,009	\$0	\$0	\$0	\$21,617,726	\$22,121,527	\$23,090,369	\$23,505,463
License and permits	0	0	0	0	1,082,889	789,375	1,051,325	1,051,325
Intergovernmental	212,976	219,537	226,123	226,123	9,275,533	9,657,269	9,593,462	9,679,445
Court fines and fees	0	0	0	0	1,291,455	1,663,250	1,295,000	1,495,500
Charges for services	10,547,751	11,267,133	11,026,959	11,362,031	10,839,127	11,504,052	11,339,003	11,638,075
Parks and Recreation	0	0	0	0	143,877	282,900	221,500	282,900
Interest and Misc. Revenue	429,303	265,800	178,800	178,800	3,019,794	2,337,765	2,175,463	2,225,463
Special Assessments	0	0	0	0	72,936	33,026	29,203	27,715
Departmental Charges	136,389	119,700	119,700	119,700	943,053	1,011,180	1,011,180	1,011,180
Transfers from other funds	0	124,389	0	0	19,496	447,389	385,053	385,178
Total Revenues	\$12,218,428	\$11,996,559	\$11,551,582	\$11,886,654	\$48,305,886	\$49,847,733	\$50,191,585	\$51,302,244
Expenditures								
General Government	\$0	\$0	\$0	\$0	\$5,226,428	\$5,176,774	\$5,693,093	\$6,051,022
Public Safety	0	0	0	0	16,645,445	17,969,012	18,669,609	18,810,213
Community Service	0	0	0	0	3,312,628	3,655,303	3,952,157	4,030,317
Culture and Recreation	0	0	0	0	1,758,530	1,889,366	2,714,633	2,537,905
Community Development	0	0	0	0	5,305,659	6,530,896	5,879,056	5,574,214
Community Improvement	0	0	0	0	242,749	443,140	173,067	171,579
Water Division	4,649,322	3,012,252	3,137,219	3,212,846	4,649,322	3,012,252	3,137,219	3,212,846
Sewer Division	5,875,676	5,091,889	5,265,801	5,282,359	5,875,676	5,091,889	5,265,801	5,282,359
W/S Support and Capital Outlay	2,144,622	5,614,644	3,407,997	3,812,188	2,144,622	5,614,644	3,407,997	3,812,188
Transfers out	0	0	0	0	10,000	12,500	24,553	24,678
Debt Service	168,649	799,325	151,672	151,787	1,639,076	2,283,400	1,626,659	1,638,969
Total Expenditures	\$12,838,269	\$14,518,110	\$11,962,689	\$12,459,180	\$46,810,135	\$51,679,176	\$50,543,844	\$51,146,290
Revenues over (Under) expenditures	\$619,841	\$2,521,551	\$441,107	\$572,526	\$1,495,751	\$1,831,443	\$352,259	\$155,954
Fund Balances Beginning of year	\$37,273,197	\$36,653,356	\$34,131,805	\$33,720,698	\$50,244,915	\$51,740,667	\$49,909,224	\$49,556,965

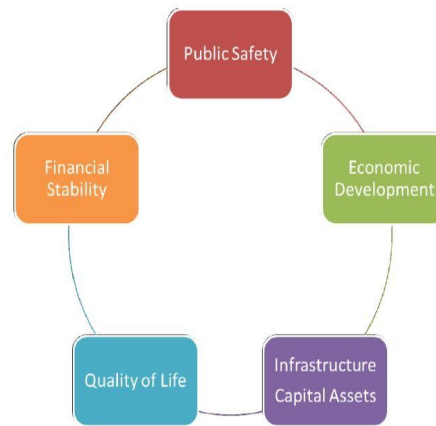
Fund Balances, End of year	\$36,653,356	\$34,131,805	\$33,720,698	\$33,148,172	\$51,740,667	\$49,909,224	\$49,556,965	\$49,712,919
** The Water and Sewer Fund Fund Balance is actually Net Position and is affected by assets and liabilities. This is not reflective of cash available in the fund.								

STRATEGIC PLAN BLUEPRINT FOR THE FUTURE

Strategic Plan 2021-2026

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 the Administration and staff in the development of these FY 2022 and 2023 budgets. 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 56 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.



Strategic Plan

1. Public Safety

1.1 Encourage and continue to enforce compliance with city ordinances to prevent blight, address graffiti and deterioration to ensure a quality community, and improve community appearance.

a. Schedule regular attendance at Michigan Association of Code Enforcement Officers events targeting training with third-party vendors and create a detailed training plan for code enforcement officers.	FY 2022-26	MACEO annual dues \$120 per year. Monthly meeting \$240.
b. Hire a part-time code enforcement officer or contractor to assist with evening and weekend hours to identify non-compliant contractors and 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
c. 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 2023-2026	FY 2022 \$3,000 FY 2023 \$3,000
d. Expand the business licenses program to include all city businesses for compliance, contact information for programs, and follow-up on state regulations and licensing requirements.	FY 2022	\$88,550 (GF) annual salary plus equipment and supplies. Revenue \$68,000 (GF)

1.2 Improve Safety and security of municipal buildings.

a. Security is a crucial element in 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.	2020-2026	\$ TBD (GF)
b. Identify options for increasing security with the addition of security cameras at specific locations.	FY 2022	\$ 13,300 (GF)

1.3 Enhance Animal Control and Shelter Operations

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

2. Infrastructure/Capital Assets

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.

a. Develop a plan and cost study of renovating Library, City Hall, and adding Active Adult Center to the Civic Center Complex.	FY 2021-2022	Total cost projection \$9.2 million FY 2022 \$149,000 FY 2023 \$465,000
b. Evaluate the feasibility study for Fire Station #2 and implement a plan for the included recommendations for refurbishments or building a new facility.	FY 2022	Total cost bBased on findings of the feasibility study FY 2022 \$53,000 FY 2023 \$80,000
c. Based on the structural engineer report, bid and replace the City salt dome.	FY 2021	\$400,000 (WS) (+\$255,038 budgeted in FY 2020)

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

a. Evaluate the first round of leased vehicles for program benefits to the city, developing a recommendation for future replacement, and modifications to the 5-year vehicle replacement plan as necessary.	FY 2023	TBD
b. Develop and fund a multi-year capital improvement program.	FY 2022-26	TBD

2.3 Develop a long-term solution for the SOCRRA site.

a. Continue to work with legal counsel or other options available to develop either redevelopment opportunities or state-of-the-art facility at the SOCRRA site.	FY 2021-26	TBD
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3. Quality of Life

3.1 Provide accessible and quality library services with sufficient technology, materials, hours, and staff to meet community needs.

a. Increase technology accessible to the library's patrons by converting most desktops to laptops and additional charging stations throughout the building.	FY 2022-26	\$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 – for example, Adobe, Photoshop	FY 2022-26	\$976 (GF)
c. Create a more functional staff work and meeting space with the addition of a projector and recording equipment for online programming and a wider range use Wi-Fi.	FY 2022-2026	\$7,500 (GF)
d. Reconfigure the Children's area to create a small play space with enhanced aesthetics.	FY 2022-2023	TBD
e. Create an attractive outdoor seating space with access to Wi-Fi.	FY 2021	\$5,000 (\$2,400 Kaboom! Grant and \$2,600 GF)
f. The permanent addition of Sunday hours during the school year with a future review of all hours and possible year-round Sunday Hours over time.	FY 2022-2026	TBD
g. Enhance the 13 Mile side of the building with "eye-catching" art or signage.	FY 2021	\$5,000 (Kaboom! Grant)
h. Create two student members on the Library Advisory Board to be filled by a student from either school district.	FY 2022	\$0
i. Incorporate in-training hours into the quarterly schedule for the training of full and part-time staff with an in-service day	FY 2022-23	\$1,000
j. Develop a marketing plan for library services and programs, including social media	FY 2022-2026	\$2,000
k. Expand options to patrons with outdoor lockers for pick up of equipment and/or materials	FY 2022	\$3,000

3.2 Enhance Parks/Recreation to appeal to a community of all ages and abilities, including expanding green space, recreation programs, and trail improvements.

a. Address deferred maintenance and replacement of Park features, including Park Equipment and ADA accessibility, by pursuing privately funded and grants opportunities with priority given to the replacement schedule established in the updated Parks and Recreation Master Plan.	FY 2022-2026	\$390,000 FY 2022 (GF) \$100,000 FY 2022 (Grant) \$260,000 FY 2023 (GF) \$ 84,000 FY 2024 (GF) \$ 75,000 FY 2025 (GF) \$365,000 FY 2026 (GF)
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3.3 Support neighborhood vitality and livability.

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 2021-2026	\$6,000 FY 2022 (GF) \$8,500 FY 2022 (Grant) \$2,500 FY 2022 (DDA) plus additional funding through grant programs.
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b. Strengthen Quality of Life Committee goals by formalizing the Call for Projects grant program focusing on citywide activities, enhancement, and community engagement.	FY 2022-26	TBD - Continue the Call for Projects grant program
c. Re-establish line-item budget funding for City-sponsored recreation events, using budgeted funds, fundraising to help defray the cost.	FY 2022	\$15,000 FY 2022 \$15,000 FY 2023
d. Establish a comprehensive sponsorship program for all City events	FY 2021	TBD (\$0 unless promotion or mailing cost are needed)

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.

a. Work with partners at the MEDC to gain recognition as a Redevelopment Ready Community (RRC).	FY 2020-2025	TBD
a. Conduct a Zoning Audit gauging the zoning ordinance's overall health with a focus on aligning with the Master Plan, land use, site standards, and consistency with MEDC's RRC best practices.	FY 2022	\$6,000
b. Work with the DDA Board members on goal setting and developing strategies for tracking and reporting key statistics to meet Main Street Oakland requirements for on-going participation.	FY 2021-2025	\$0
c. Update Zoning amendments.	FY 2021-2026	\$20,000
d. Implement annual training for the Zoning Board of Appeals and the Planning Commission.	FY 2021-2026	\$0
e. Creation of a formal Economic Development Plan	FY 2022	\$0
<i>4.2 Research city options for property acquisitions of vacant or abandoned property.</i>		
a. Evaluate vacant or abandoned property for needed purposes, including expansion or green space or redevelopment.	FY 2021-2025	\$35,000 per year (DDA) *+\$50,000 in FY 2020

5. Financial Sustainability and Efficient City Services

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

a. Promote community engagement aspect to strategic planning/budget process	FY 2021-2022	\$9,500 software, reduction or prep time and printing cost
a. Work with the Information Technology and Advisory Committee (ITAC) and outside vendors to increase service accessibility to residents (online, mobile, off-sight services)	FY 2021-2025	\$3,000 (GF)
b. Implement Agenda Management Software for transparency and ease of locating information.	FY 2023	\$16,200 (GF) annually w/one-time set-up fee of \$2,700 for the boards and commission portion

5.2 Provide a reliable financial plan that ensures stability per 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 2022-2026	\$0
b. Continue to evaluate assumptions and fund annual actuarially determined contributions for pension trusts with priority meeting State guidelines.	FY 2021-2025	\$0
c. Complete a marketing study for Contractual Services without formal contracts evaluating possible future bidding or request for proposals.	FY 2021-2025	\$0

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

a. Conduct Stay-Interviews, initially with newly hired employees with expansion to all employees if successful.	FY 2021-2026	\$0
b. Update the City Council policy manual.	FY 2021-2022	\$0
c. Working with Fire Union, develop a firefighter fitness and wellness program	FY 2022-2026	FY 22 \$75,000 with reoccurring cost of \$40,000 after first year. (GF)

5.4 Leverage technology to drive efficient and responsive service delivery.

a. Cybersecurity - replace the current backup software with a new version and replace the existing backup server hardware.	FY 2021-2022	\$35,500 (GF)
b. Upgrade the current antivirus software to advanced threat protection and include all City-owned cell phones.	FY 2021-2022	\$12,000 (GF)
d. Evaluate point to point connection systems for the Department of Public Services.	FY 2021	TBD
e. Develop cloud use strategies, including security, cost of operating in a hybrid environment.	FY 2021	TBD
f. Disaster recovery plan update.	FY 2021	TBD
g. Replacement of EOL Core network switch	FY 2021-2022	\$9,000 (GF)
h. City Hall and Police Fire Suppression of Server Communications Room	FY 2021	\$42,000 (GF)
i. Review alternatives while evaluating Office 365 Cloud Upgrade	FY 2023 - 2026	\$46,110 (GF) FY 2023 \$34,500 (GF) annually
j. SAN replacement or Cloud Alternative	FY 2022-2023	\$35,000 (GF)

k. Evaluate server replacements based on application usage and ability to operate a Cloud-based environment	FY 2022-2023	\$33,000 (GF)
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Short-term Factors

Short-term factors are issues that are anticipated to affect the City's budget in the next two years only without long-term changes. These factors include financial issues and operational items across all funds and are often one-time items. The most significant short-term factors are highlighted below:

Revenues

* Revenues in all funds are anticipated to continue to be affected by COVID-19 into FY 2022 before returning to normal in FY 2023. Water and Sewer usage has been significantly down due to COVID-19 closures and water usage differences in residential homes. Court Fines and Fees are budgeted to be lower than historical averages due to continued closures. Program fees are also budgeted to be down across all funds.

* American Rescue Plan Act includes \$1.9 trillion dollars worth of federal COVID-19 relief funds to various portions of our economy; Funds include \$350 billion for "Coronavirus State and Local Fiscal Recovery Funds." At roughly one-fifth of the bill's total cost, these funds will be deployed to state and local governments in two tranches (the first within 60 days and the second a year after that initial allotment) to mitigate the fiscal impact of the COVID-19 pandemic. Although details are still being developed, Madison Heights is currently projected to receive \$2.9 million as part of this Act. For Madison Heights, this \$2.9 million represents the most significant positive fiscal jolt to our budgets in decades. This money is not included in the FY 2022 budget, as details are just being developed. Staff currently anticipates utilizing the funding to offset losses in revenue and will be strategically planning the best use of funds as we move forward and out of COVID-19.

* The FY 2022 budget is being balanced with the one-time planned use of fund balance for \$995,934 due to the one-time reduction in revenues that are being budgeted as described above. Since this has not been determined to be a structural or long-term issue, city staff decided this was an appropriate use of our saved fund balance to continue moving forward with programs and projects without reducing services to residents for one year.

Expenditures

* All the City's eight bargaining units and non-union administrative staff have labor agreements were scheduled to expire June 30, 2021. Based upon Council direction, the City has reached agreements for contract extensions through June 30, 2022, including a 2% raise effective July 1, 2021, for the Firefighters Union, Municipal Employees Union, Supervisors & Assistants Union, and Department Heads Union. As of the printing of this document, the remaining Unions (DPS Union, Police Command Officers Union, Police Officers Union,) and Court Clerks Association have not agreed to the offered contract extension. In the event these groups do not agree to a contract extension through June 30, 2022, the City will work with Council to establish realistic goals for negotiations with these groups in order to maintain the City's service levels, ability to retain quality employees, and remain fiscally responsible.

* Pension and Retiree Health Care "legacy costs" funding continue to be a long-term issue facing the City. However, in the FY 2022 budget, the City included a one-time additional contribution to the Police and Fire Pension plans of \$437,422 in addition to the calculated contribution equal to 59.10% of applicable payroll.

* The majority of other one-time expenditures are related to capital assets and infrastructure programs as described in the Capital Outlay section.

Priorities & Issues

Through the City's strategic planning process, most of our priorities and issues are included in the five-year plan allowing the City to address items within the larger scope of the budget. This process has been instrumental in focusing the budget and planning process on specific areas to make significant improvements. The first two years of the strategic plan were focused on Public Safety, where we addressed personnel levels, capital assets, and building improvements. While we have a few items left to address, such as Fire Station #2, most public safety items have been addressed. Starting in FY 2022, the budget priorities are shifting to Quality of Life services, including updating and enhancing features in the Parks and focusing on the Active Adult Center and Library services.

To view the City's full strategic plan with action items, please visit the Strategic Plan informational page.

The City recently completed an updated Parks and Recreation Master Plan, and on March 18, 2021, we held a Budget Workshop focusing on our Parks assets with condition and estimate costs. The FY 2022 budget includes \$390,000 of General Fund expenditures and \$100,000 of grant funding, which is the most significant park investment since the Great Recession. Also, the City has worked with our two Medical and Adult-Use Marijuana Companies to establish a Community Advisory Board to oversee the investment of their annual donation of \$25,000 per year plus 1% of profits to invest in Parks and Quality of Life projects throughout the City. We anticipate seeing significant private dollars being invested in our Quality of Life programs and departments.

Starting with budget discussions in late 2018, staff began to look for creative ways to address many strategic planning action items and capital outlay needs involving the City's buildings, including City Hall, Library, and Active Adult Center. The Library facility and service levels have also been a subject of much public engagement over the past two years. The public has made it clear that this facility needs to be updated to handle current service and program demands. With the passing of Proposal MH and the 2023 expiration of the voted Fire Station Bonds, the City saw a financial opportunity to think outside the box. The most significant facility improvement project in the City's history is being developed starting in FY 2021 and 2022.

In preparation for the budget process, we set into motion a detailed study to provide a better understanding of whether the Madison Heights Active Adult Center (AAC) should be relocated to Civic Center Campus and connected to City Hall and Library, or if each department building should remain separate and be improved using the Capital Improvement Plan. In this CIP approach, each building would remain separate, and the next 10 years would be dedicated to fixing, retrofitting, and maintaining/preserving the existing facilities to meet the needs of the staff and public. City Hall has numerous mechanical issues that need to be addressed with much of the existing equipment beyond their life expectancies. Both the Library and City Hall have issues around the exterior, including; waterproofing around the foundation, exposed exterior insulation, and deterioration of brick mortar that need to be addressed sooner than later. Programmatically, both City Hall and the Library do not currently meet the departments' needs or the publics'. City Hall is oversized and operationally inefficient; the Library is too small for the services it wishes to provide and would need an addition to meet the needs. The Libraries atmosphere is lacking and not as inviting as it could be considering the current layout and tall stacks. If the AAC remains on John R, both the building and site would need significant repairs and major overhauls to meet the needs, provide safer and user-friendly, and appropriate program spaces.

Initially, a few upgrades could be sufficient for each building, as the spaces and current layout do not provide their services safely or efficiently. Overall, the total projected budget is for the CIP approach is approximately \$11,400,000 over a 10-year period, including an escalation factor second solution.

By comparison, a comprehensive project that would renovate the City Hall and Library and build an addition between the two buildings to incorporate the AAC onto the Civic Center Campus was also evaluated. In this solution, the majority of the maintenance items, programmatic items, and operational items identified in the CIP would be included in the base project budget, and the needs of each department would be met in significantly less time and more efficiently in terms of constructability and move management and therefore less costly. The excess square footage in the City Hall would be dedicated to the new AAC. The City Hall staff area would be rightsized and reconfigured to be more efficient and secure. The Library would gain the space it needs by sharing its gathering space with the AAC, and the AAC would have a space built specifically for its program. The anticipated budget for the base project budget is between \$7,600,000 - \$8,750,000.

Based on this evaluation, the Mayor and City Council directed staff to move forward with the comprehensive project to renovate City Hall and Library and to build an addition between the two buildings to incorporate the AAC into the Civic Center campus. It is currently anticipated that this project will be completed for final design in the Spring of FY 2022. Funding is currently planned with a \$6.5 General Obligation Bond, Projected \$1.3 million sale of the AAC current site, and the balance from use of fund balance which is possible due to the American Rescue Act funding that will offset our revenue losses since March 2020. This project will be the largest facilities project in the City's history and will address many operational and programming needs throughout the City.

Appropriations

The Appropriations page 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 and Benefits

Personnel services comprise approximately \$24.3 or 44.5% of the across all funds and approximately \$20.9 million or 63.2% of the General Fund Budget. The City of Madison Heights employs 163 full-time positions yielding 6.2 full-time employees per 1,000 of the City population based on the 2010 census count of 29,694. The City also employs 135 positions on a part-time or seasonal basis.

Total personnel costs are down \$24,604 when compared to the FY 2021 Amended Budget, largely because of savings with new hires in the Police and Fire Departments, and contracting out the planning function in the Community and Economic Development Department.

Overall, the FY 2022 Budget reflects a total net increase of 0.1279 full-time equivalencies (FTEs) with no additional FTE's projected for FY 2023. This slight increase is due to several changes in personnel, including the addition of a full-time Business Services Coordinator position, making the Part-Time Social Media Specialist a full-time position, creating a new full-time Deputy Library Director position, eliminating the vacant full-time Youth Services position, the elimination of the full-time Community and Economic Development Director position, and an increase in part-time FTEs in Recreation. The City has continued to conduct a careful analysis of what positions can and should be added to the budget and still remain fiscally responsible.

Status of Labor Negotiations

As of July 1, 2021, 155 of 163 full-time City employees, or 95%, belong to one of eight bargaining units. All eight bargaining had contracts that expire on June 30, 2021. Based upon Council direction, the City has reached agreements for contract extensions through June 30, 2022, including a 2% raise effective July 1, 2021, for the Firefighters Union, Municipal Employees Union, Supervisors & Assistants Union, and Department Heads Union. As of the printing of this document, the remaining Unions (DPS Union, Police Command Officers Union, Police Officers Union,) and Court Clerks Association have not agreed to the offered contract extension. For more details on labor negotiations, employee cost, and negotiated changes, please refer to the Personnel Section.

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 \$2.3 million in FY 2022 and \$2.5 million in FY 2023 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 the 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 \$7,860 single, \$18,863 couple and \$23,579 family per year effective July 1, 2021.

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 Section.

- 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 \$2,544,341 for FY 2022 and \$2,937,349 for FY 2023.

The City is also implementing retiree health insurance mirroring for retirees, meaning that these retirees will receive the same health insurance as provided to active employees, which is currently a Community Blue PPO with a \$5/\$40/\$80 drug card. Retirees who are not yet on Medicare will be enrolled in this plan effective July 1, 2021, and retirees on Medicare will be enrolled in the Medicare version of this plan effective January 1, 2022. Due to phased changes, this will result in significant savings of approximately \$438,092 in FY 2022 and approximately \$637,636 in FY 2023. This savings has been included in the budget.

- 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 post employment 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, two 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 supplementary 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.

Benefit Plan	Most Recent Actuarial Study	Funding Ratio	Underfunded
Police and Fire Pension	June 30, 2020	48.2%	Yes
General Pension	December 30, 2019	95.8% *	no
General Retiree Health Care	June 30, 2018**	45.6%	no
Police and Fire Retiree Health Care	June 30, 2018**	38.8%	Yes

* Due to issuance of Bonds authorized by Council in 2016.

** As of the date of this publication we are awaiting June 30, 2020 actuarial studies for Retiree Health Care.

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.

- 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 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 Michigan Municipal League (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, 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 15 from the 14 year high of 63. The cost to the City over the past ten years (FY 2011-2021) was \$2,437,840 and the savings during this same time period is estimated to be \$1,383,847.

- 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 a couple; and \$163 for a family, and remains constant for FY 2022 and FY 2023.

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 buyback 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 163 active employees, 49 employees still receive longevity in FY 2022.

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 2022 and \$4.2 million in FY 2023. 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 FY 2022 budget for the employer contribution to the Police and Fire Pension Fund is 59.10% of total wages based on the City's 2020 actuarially required contribution rates plus an additional contribution of \$437,422. 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.

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 contributions to MERS on behalf of the General Employee's Pension Fund are projected to increase \$169,313 or 37.3% to \$623,089 for FY 2022; increasing to \$747,669 for FY 2023.

The State authorized, through Public Act 329 of 2012, municipalities to bond to pay the cost for pension and post-employment benefits 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 the 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 2022 and FY 2023 for POB principal and interest are \$1.19 million each year. With this contribution, the City's General Employee's pension is considered 95.8% funded on market value as of December 2019. 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 3.6% overall across all funds when compared to the Amended Budget for FY 2021. This decrease is largely due to an FY 2021 budgeted amount for one-time carry forwards and purchases needed due to COVID-19.

The area of Other Services and Charges decreased 3.0% overall across all funds when compared to the Amended Budget for FY 2021. The decrease is related to one-time expenditures carry forwards included in FY 2021 for activities that were not completed in FY 2020 due to the shutdown for COVID-19.

Capital Outlay

Capital Outlay purchases for FY 2022 total \$6.6 million and \$6.7 million for FY 2023 for all funds including \$2.47 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.

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:

	Retention *	Limits of Reinsurance
General and auto liability	\$500,000 per occurrence	\$15,000,000 per occurrence
Auto physical damage (Non-Fire/EMS)	\$1,000 deductible and \$1,500,000 per occurrence \$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 \$1,383,847 (FY 2011-2021). 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 Section 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.

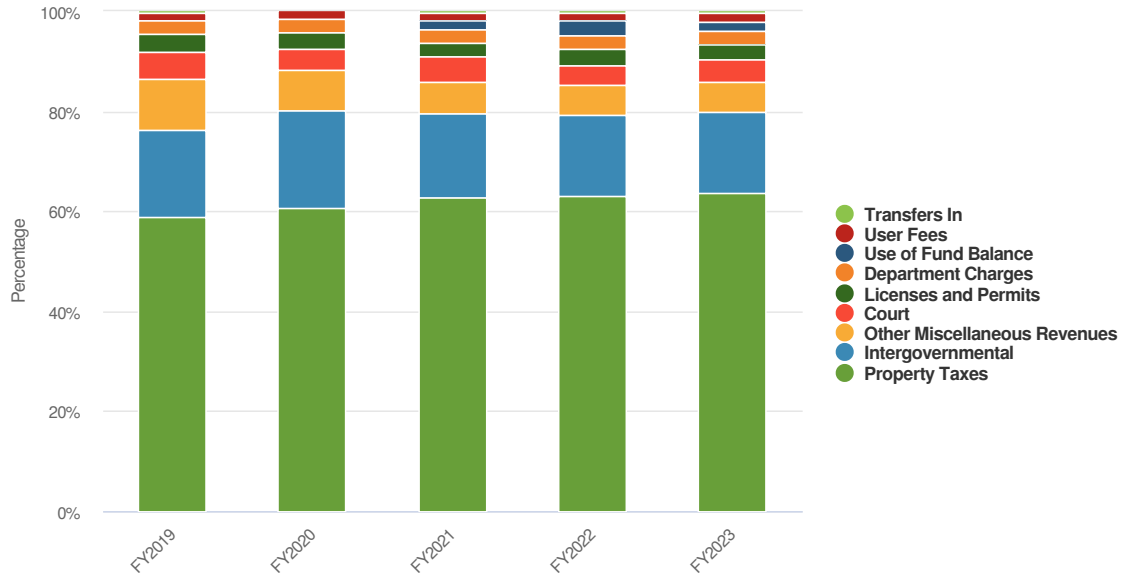
Effective July 2014, the State of Michigan approved Public Act 271 which revised laws relating to insurance. This triggered a policy update by staff and the City's liability insurance consultant. As a result, on March 14, 2016, the City Council approved an update of this Council Policy. The policy is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

FUND SUMMARIES



Revenues by Source

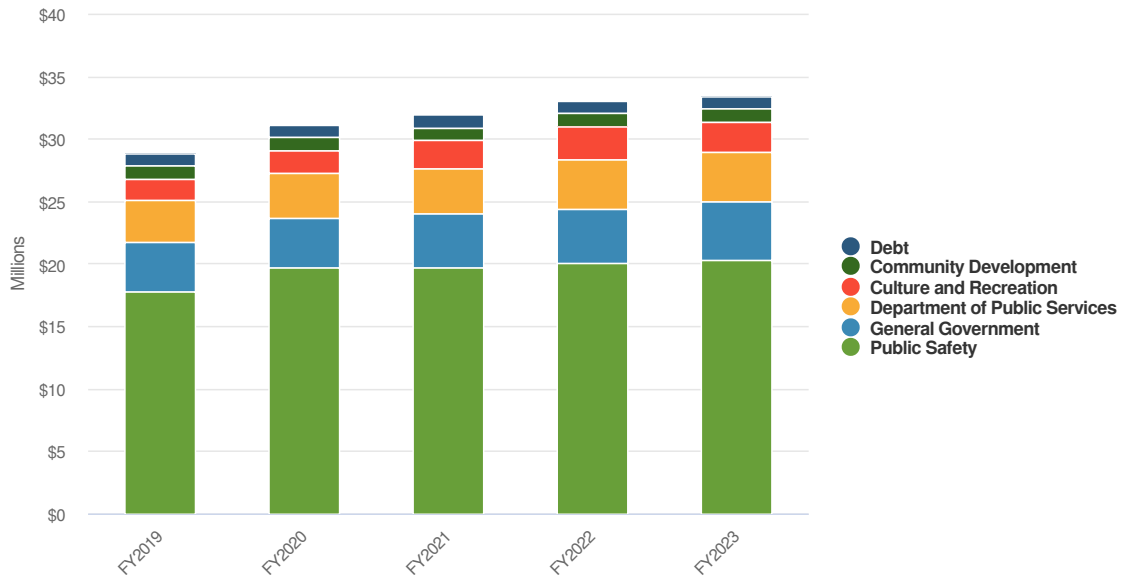
Budgeted and Historical 2022 Revenues by Source



Name	FY2020 Actual	FY2021 Budgeted	FY2022 Budgeted	FY2023 Budgeted	FY2020 Actual vs. FY2021 Budgeted (\$ Change)
Revenue Source					
Property Taxes	\$18,640,591.63	\$20,010,499.00	\$20,899,138.00	\$21,292,742.00	\$1,369,907.37
Court	\$1,291,454.45	\$1,663,250.00	\$1,295,000.00	\$1,495,500.00	\$371,795.55
Intergovernmental	\$6,011,813.69	\$5,424,670.00	\$5,358,286.00	\$5,422,100.00	-\$587,143.69
Licenses and Permits	\$1,082,888.75	\$789,375.00	\$1,051,325.00	\$1,051,325.00	-\$293,513.75
Other Miscellaneous Revenues	\$2,463,476.42	\$1,995,500.00	\$1,942,763.00	\$1,992,763.00	-\$467,976.42
User Fees	\$435,252.45	\$519,819.00	\$533,544.00	\$558,944.00	\$84,566.55
Department Charges	\$806,663.79	\$891,480.00	\$891,480.00	\$891,480.00	\$84,816.21
Transfers In	\$19,495.51	\$73,000.00	\$85,053.00	\$85,178.00	\$53,504.49
Use of Fund Balance	\$0.00	\$572,478.00	\$995,934.00	\$625,922.00	\$572,478.00
Total Revenue Source:	\$30,751,636.69	\$31,940,071.00	\$33,052,523.00	\$33,415,954.00	\$1,188,434.31

Expenditures by Function

Budgeted and Historical Expenditures by Function



Name	FY2020 Actual	FY2021 Budgeted	FY2022 Budgeted	FY2023 Budgeted	FY2020 Actual vs. FY2021 Budgeted (\$ Change)
Expenditures					
Community Development	\$1,011,118.33	\$1,053,919.00	\$1,085,188.00	\$1,068,347.00	\$42,800.67
General Government	\$3,899,659.47	\$4,306,044.56	\$4,302,934.00	\$4,689,778.00	\$406,385.09
Public Safety	\$19,705,576.63	\$19,693,871.00	\$20,037,768.00	\$20,245,457.00	-\$11,705.63
Culture and Recreation	\$1,850,769.39	\$2,188,952.36	\$2,647,418.00	\$2,354,216.00	\$338,182.97
Debt	\$1,033,524.13	\$1,035,554.00	\$1,027,058.00	\$1,027,839.00	\$2,029.87
Department of Public Services	\$3,655,306.16	\$3,661,730.00	\$3,952,157.00	\$4,030,317.00	\$6,423.84
Total Expenditures:	\$31,155,954.11	\$31,940,070.92	\$33,052,523.00	\$33,415,954.00	\$784,116.81

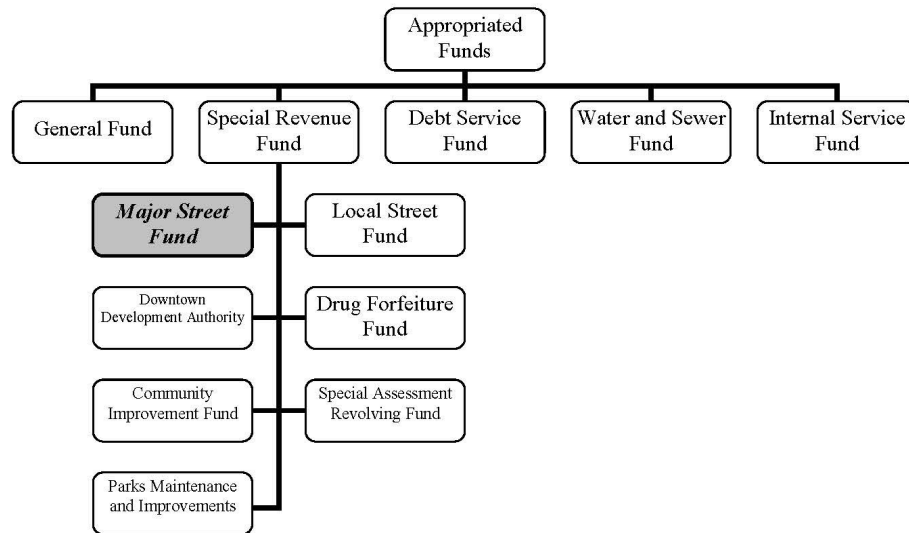
The Major Street Fund maintenance activity is supported by the Department of Public Services.



Major Streets

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

Organizational Fund Structure



Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
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
Total	\$ 1,631,334	\$ 2,664,863	\$ 2,609,525	\$ (55,338)	\$ 1,944,958
Resources:					
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
Total	\$ 1,631,334	\$ 2,664,863	\$ 2,609,525	\$ (55,338)	1,944,958
Fund Balance	\$ 1,136,234	\$ 1,136,234	\$ 1,136,234	\$ 0	\$ 1,136,234

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 \$815,000 for sectional concrete replacement on the following streets: Barrington (14 Mile to Whitcomb), Industrial (14 Mile to E. Avis)



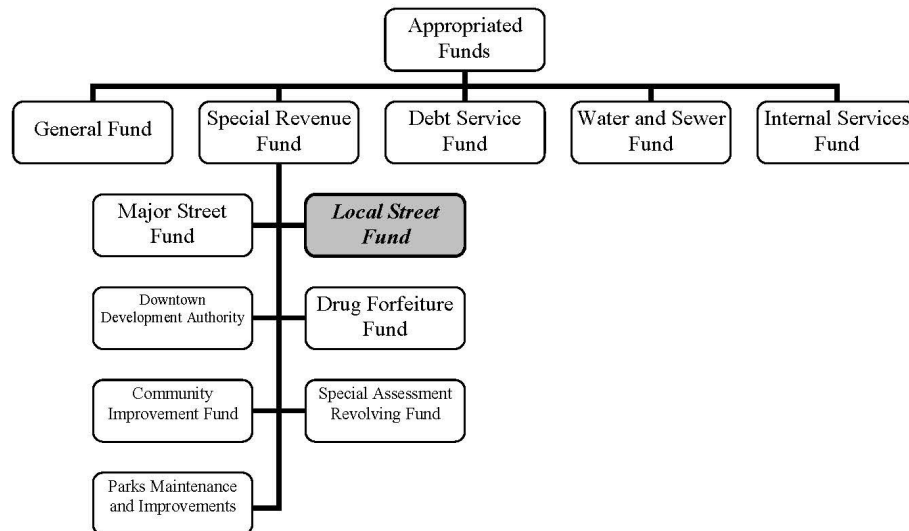


Local Streets

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

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

Organizational Fund Structure



Financial Summary

	Actual	Estimate	Budget	Increase Increase (Decrease) 2020-21 to FY 2021-22	Budget
Requirements:	2019-20	2020-21	2021-22		2022-23
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
Total	\$ 400,487	\$ 583,528	\$ 595,549	\$ 12,021	\$ 600,604
Resources:					
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	(2,381,886)	330,055	(429,774)	(759,829)	(523,357)
Total	\$ 400,487	\$ 3,072,028	\$ 2,651,549	\$ (420,479)	\$ 2,446,604
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 2022 includes portions of: Barrington (Lincoln to Cowan), Alger (Lincoln to Cowan), Brush (W. Cowan to Andover), W. Cowan (Alger to John R), and Palmer (Lincoln to W. Cowan), representing a total capital outlay of \$1.13 million
- Rehabilitation work on other local roads is budgeted at \$540,000, and includes W. Cowan (Stephenson to Brettonwoods), Brush (13 Mile to Irving), and Castlewood (Westwood to Manor)

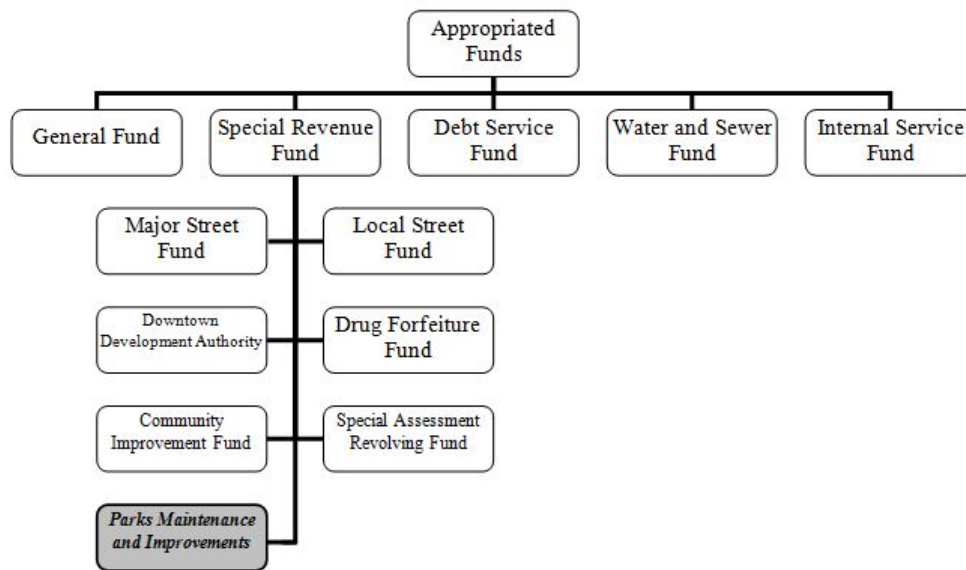


Parks Maintenance & Improvement Fund

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 Parks Maintenance & Improvement Fund

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
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
Resources:					
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 reopened 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.





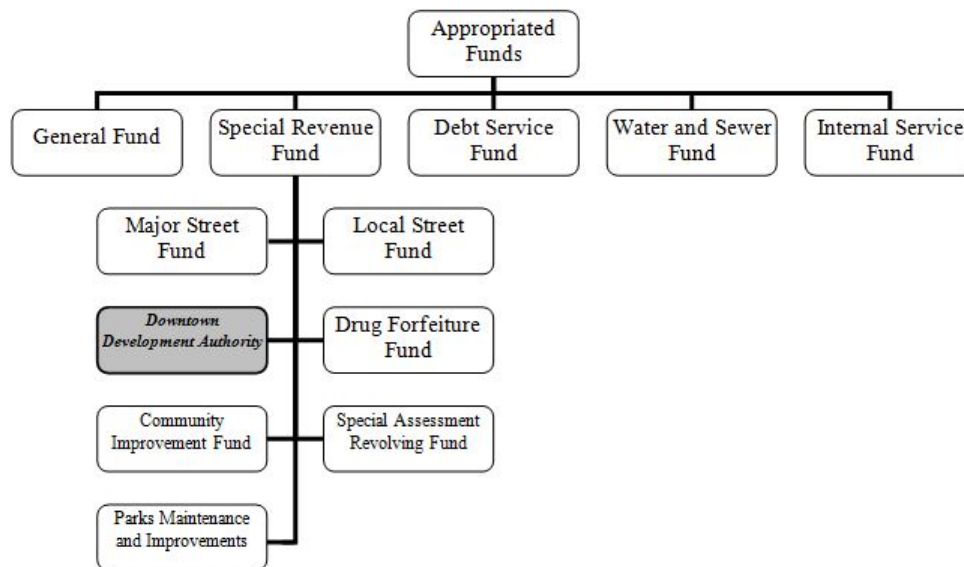
Downtown Development Authority

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

- Submitted Reporting to Michigan Treasury and conducted Informational Meeting in Compliance with PA 57.
- Adopted MHDDA Bylaws.
- ROW tree planting program planted 15 new trees.
- Created Design, Economic Vitality & Promotions subcommittees.
- Approved streetlight painting project expected to be completed in spring 2021.

Objectives

Resource Management:

• Continue the Right-of-Way (ROW) maintenance program (lawn care and trash pickup).

• Implement first-year TIF Plan activities including community events, proactive code enforcement, sign grants, and tree planting in the right-of-way.

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Other Services and Charges	\$ 20,622	\$ 46,239	\$ 41,468	\$ (4,771)	\$ 66,089
Capital Outlay	10,000	35,000	35,000	-	35,000
Transfers	10,000	10,000	22,053	12,053	22,178
Total	\$ 40,622	\$ 91,239	\$ 98,521	\$ 7,282	\$ 123,267
Resources:					
Property Taxes	\$ 53,915	\$ 40,900	\$ 42,700	\$ 1,800	\$ 42,700
State Shared Revenues	32,157	32,100	35,213	3,113	35,213
Interest/Miscellaneous	1,979	5,500	500	(5,000)	500
Fund Balance	-	12,739	20,108	7,369	44,854
Total	\$ 88,051	\$ 91,239	\$ 98,521	\$ 7,282	\$ 123,267
Fund Balance	\$ 176,978	\$ 164,239	\$ 144,131	\$ (20,108)	\$ 99,277

Key Issues

The FY 2021-22 Budget includes the following major expenditures:

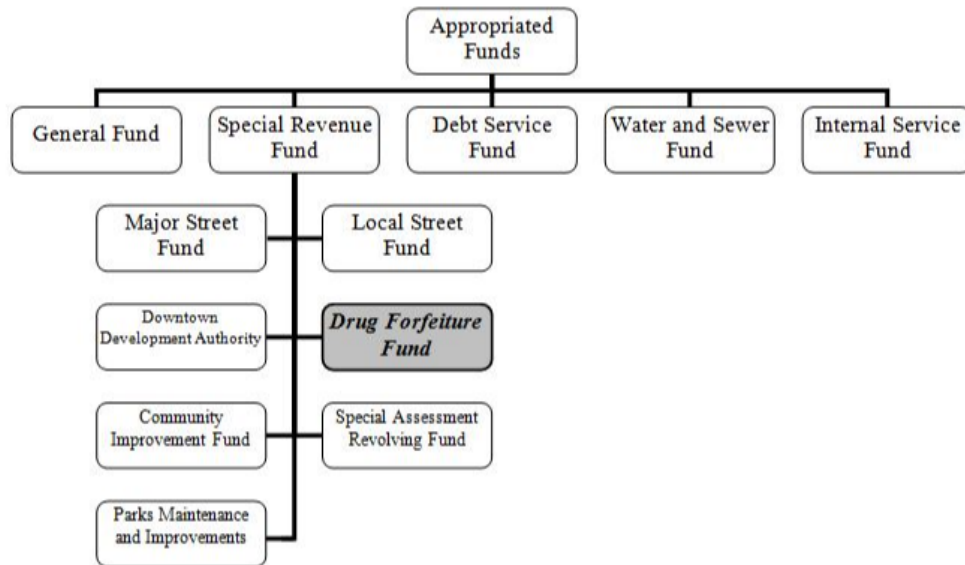
- \$35,000 Acquisition
- \$5,000 Sign Grant
- \$10,000 Tree Program (\$5,000 grant match)
- \$10,000 Facade Improvement
- \$10,000 DDA Right-of-way Landscaping
- \$3,500 DDA trash pick-up



Drug Forfeiture Fund

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

Organizational Fund Structure



Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Supplies	\$ 136,584	\$ 33,000	\$ 50,000	\$ 17,000	\$ 33,000
Other Charges and Services	7,476	6,100	1,000	(5,100)	1,000
Capital Outlay	65,005	53,000	-	(53,000)	37,000
Transfers	-	0	0	0	0
Total	\$ 209,065	\$ 92,100	\$ 51,000	\$ (41,100)	\$ 71,000
Resources:					
Drug Forfeiture	\$ 215,617	\$ 64,000	\$ 64,000	\$ -	\$ 64,000
Interest and Misc. Income	2,909	400	400	-	400
Fund Balance	-	27,700	(13,400)	(41,100)	6,600
Total	\$ 218,526	\$ 92,100	\$ 51,000	\$ (41,100)	\$ 71,000
Fund Balance	\$ 240,087	\$ 212,387	\$ 225,787	\$ 13,400	\$ 219,187

Key Issues

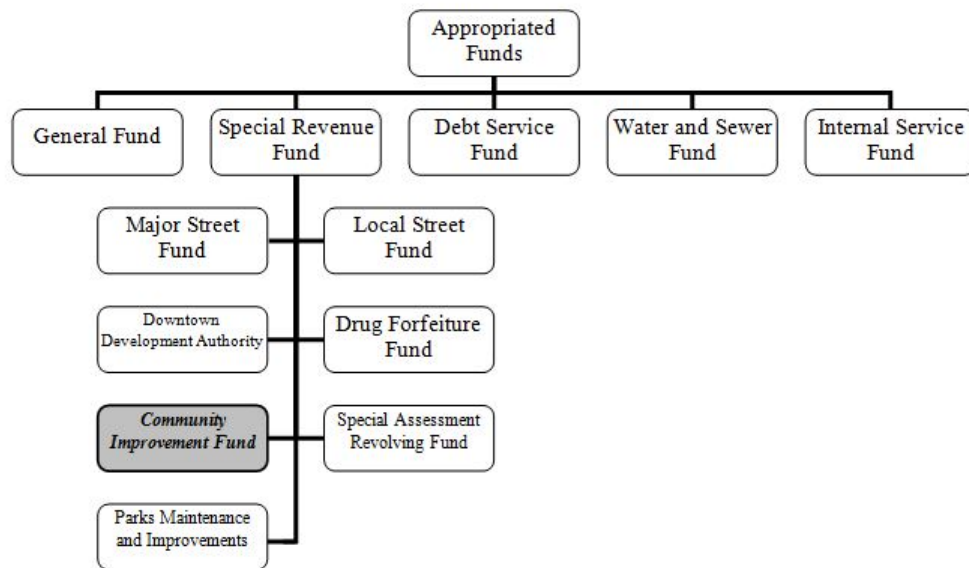
- The budget includes funding for replacement of bulletproof vest (\$50,000), canine enforcement (\$20,000), celebrité software maintenance (\$1,000) and one Police vehicle (\$37,000).



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) 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



Performance Measures

Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Workload Indicators				
Participant Application	67	70	75	75
Home Chore Assignments	1,742	1,820	1,950	1,950

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.

Financial Summary

	Actual	Estimate	Budget	Increase (Decrease)	
Requirements:	2019-20	2020-21	2021-22	2020-21 to FY 2021-22	Budget 2022-23
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
Resources:					
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.

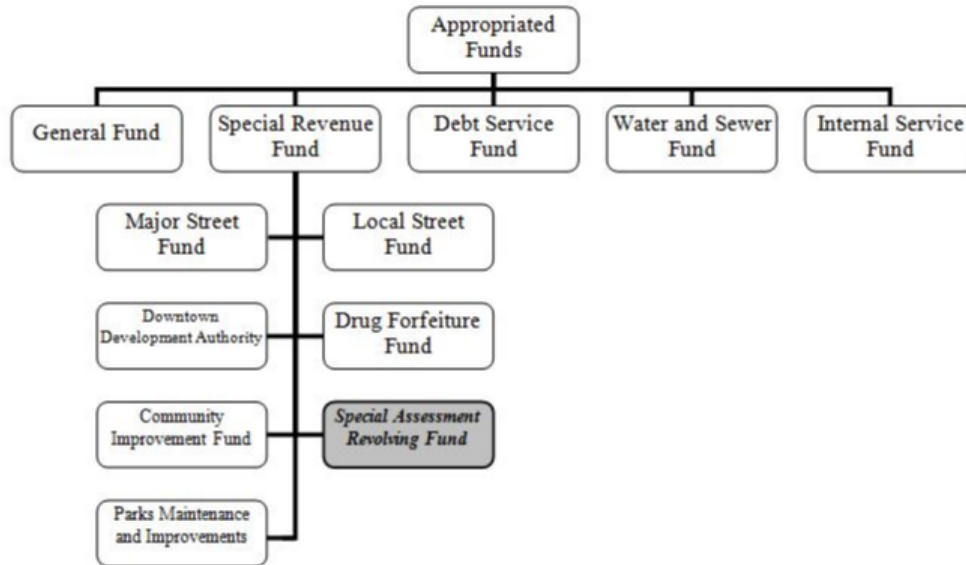
- Continuing to provide quality lawn mowing service in the face of tighter CDBG regulations and spending restrictions, while maintaining program participation at or near the current level, will remain a challenge for staff.
- FY 2021 services provided to allow more funds for lawn mowing and weed cutting and limited fall cleanup services for seniors.



Special Assessment Revolving

The Special Assessment Revolving Fund's related projects are supported by Department of Public Services. 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 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
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
Resources:					
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
Fund Balance	\$ 624,003	\$ 624,003	\$ 356,509	\$ (267,494)	\$ 386,366

Key Issues

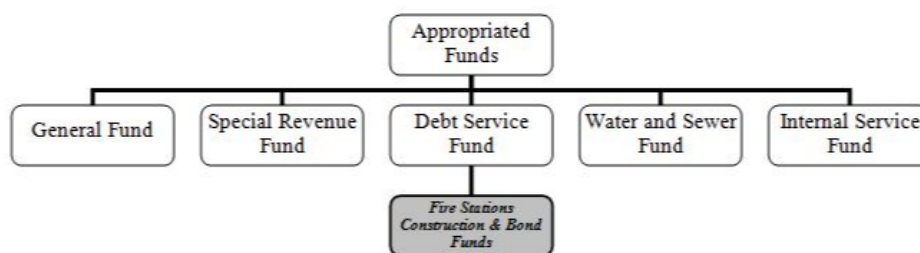
- FY 2020-21 saw the acceleration and completion of the final three years of the third phase of the City's sidewalk replacement program. With all identified gaps resolved, and the overall good condition of the sidewalk network, a fourth phase is not proposed at this time. Remaining monies in the Fund will be used for annual spot repairs/replacements as determined necessary.



Fire Stations Bond

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



Revenue by Fund

Name	FY2020 Actual	FY2021 Budgeted	FY2020 Actual vs. FY2021 Budgeted (\$ Change)
Fire Stations Bond			
Property Taxes	\$408,099.80	\$418,857.00	\$10,757.20
Intergovernmental	\$26,796.29	\$26,800.00	\$3.71
Use of Fund Balance	\$0.00	\$4,893.00	\$4,893.00
Total Fire Stations Bond:	\$434,896.09	\$450,550.00	\$15,653.91

Expenditures by Fund

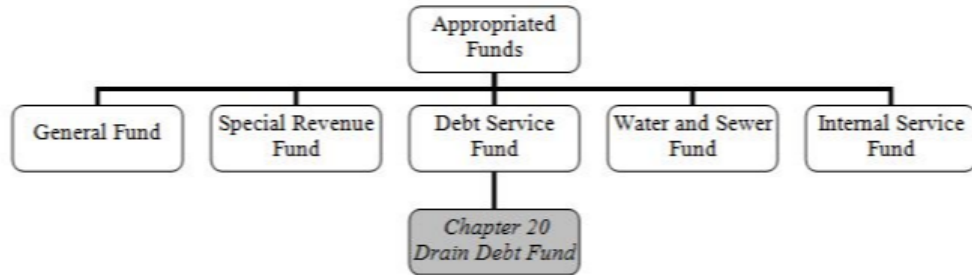
Name	FY2020 Actual	FY2021 Budgeted	FY2020 Actual vs. FY2021 Budgeted (\$ Change)
Fire Stations Bond			
Other Services & Charges	\$755.00	\$755.00	\$0.00
Transfers	\$437,366.50	\$449,795.00	\$12,428.50
Total Fire Stations Bond:	\$438,121.50	\$450,550.00	\$12,428.50



Drain Fund

The Chapter 20 Drain Debt Service Fund is a newly 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.

Organizational Fund Structure



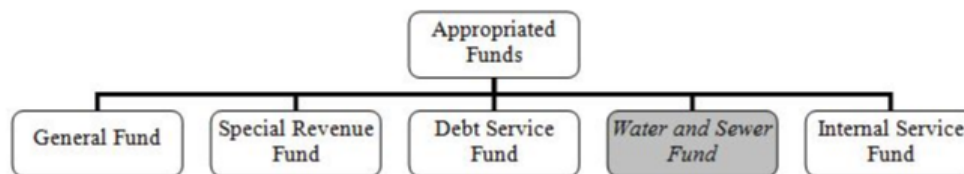


Water & Sewer

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;
- 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

- Repaired or replaced 60 curb boxes and installed over 20 new water services (new construction).
- Repaired and/or assisted on 35 water main breaks.
- Applied larvicide to over 2,000 residential catch basins to help fight West Nile Virus.
- Replaced 9 fire hydrants, and repaired 19 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 2,531 feet of water main on 2020 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.
- 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.
- Completed testing for the fourth Unregulated Contaminant Monitoring Rule (UCMR4).

Objectives

- 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.
- Implement a more robust hydrant flushing and gate valve exercising program.
- Continue catch basin cleaning on major and local roads.
- Install water main in conjunction with 2021 "R-3" projects and identified stand-alone projects.
- Larvicide all residential City catch basins for West Nile prevention.
- 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 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.

Financial Summary/ Expenditures

		Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
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
Resources:					
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

Financial Summary/ Revenue

Sales: Water	\$ 4,829,367	\$ 4,831,505	\$ 4,829,349	\$ (2,156)	\$ 4,835,935
Sales: Sewer	6,413,142	6,502,664	6,621,321	118,657	6,675,476
Property Taxes	883,490	0	0	0	0
Interest/Miscellaneous	144,588	130,000	265,800	135,800	265,800
Departmental Charges	123,161	84,255	155,700	71,445	155,700
Transfers In	0	0	124,389	124,389	124,389
Fund Balance	0	3,212,363	800,329	(2,412,034)	179,548
Retained Earnings	0	0	0	0	0
Total	\$ 12,393,748	\$ 14,760,787	\$ 12,796,888	\$ (1,963,899)	\$ 12,236,848

Unrestricted Net Assets	\$ 5,547,552	\$ 2,335,189	\$ 1,410,471	\$ (924,718)	\$ 1,106,534
Cash	\$ 7,478,704	\$ 4,266,341	\$ 3,341,623	\$ (924,718)	\$ 3,037,686

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021- 2022 Budget	2022- 2023 Budget
Input	Curb boxes replaced	60	100	125	125
	Main break repairs	35	45	45	45
Output	New water main installed (in feet)	4,045	5,483	4,500	4,500
Efficiency	New water main installed (per lineal foot cost)	\$ 214.00	\$ 214.00	\$ 213.73	\$ 213.73

Key Issues

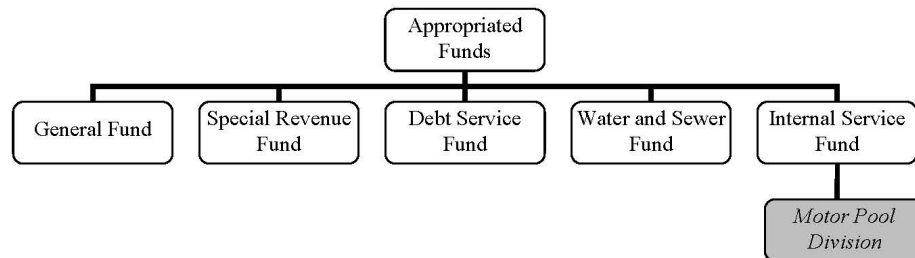
- For FY 2019, the City created a comprehensive rate study to be updated annually. This study, updated for 2020, is included in the appendices.
- Starting in FY 2017, the City began to adjust the method for billing customers for water, sewer and stormwater charges. The first step of this change was to 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 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 2022, 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 2022-23 Rate Study.
- The budget also includes Capital Outlay to replace standalone (i.e. Non R-3 project) water mains for \$961,800.



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

- Implemented a trial period for fleet leasing with Enterprise Fleet.
- Developed a new benchmark for vehicle replacement with a primary focus on overall condition criteria instead of vehicle age.
- 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.
- Scheduled replacements of multiple vehicles and equipment for Police, Fire, Streets, Parks, Solid Waste, and Water/Sewer.

Objectives

Resource Management:

- Continue vehicle replacement under the "V-3" millage with greater emphasis on fuel economy and alternative fuel.
- Continue to pursue cooperative purchasing methods with other communities to ensure best value in all our purchases.
- Continue to right-size the fleet to better match vehicles with our changing needs and to sell under-utilized equipment to generate revenue to partially offset the operations costs.
- Purchase and implement an updated asset management system for more effective and accurate work order entry and vehicle cost-tracking.
- Research alternative funding options for vehicle replacement and acquisition to supplement V3 funding, including potential lease or other financing.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Total gasoline purchased (gallons)	43,467	45,000	45,000	45,000
	Total diesel purchased (gallons)	26,182	30,000	30,000	30,000
Efficiency	Motorpool work orders	620	480	550	550
	Avg. cost - gallon of gasoline	\$ 1.35	\$ 1.64	\$ 2.02	\$ 2.02
	Avg. cost - gallon of diesel	\$ 1.74	\$ 2.13	\$ 2.55	\$ 2.55
	Department Expenditures as a percentage of the total budget				

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
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	-	-	-	-	-
Total	\$ 1,136,757	\$ 1,027,485	\$ 1,015,146	\$ (12,339)	\$ 1,040,118
Resources:					
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	-	-	-	-
Total	\$ 1,136,757	\$ 1,027,485	\$ 1,015,146	\$ (12,339)	\$ 1,040,118



Department Of Public Service

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

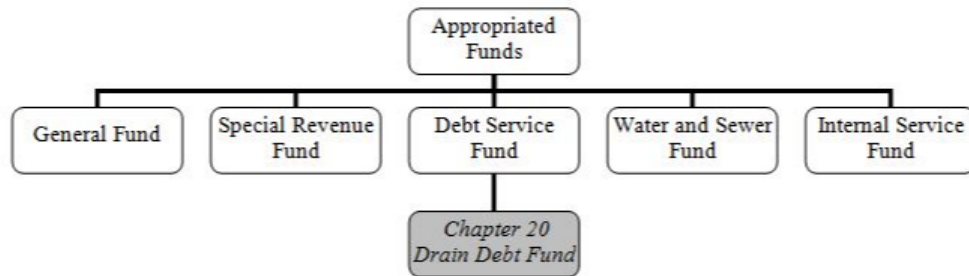
	Actual	Estimate	Budget	Increase (Decrease)	
Requirements:	2019-20	2020-21	2021-22	2020-21 to FY 2021-22	Budget 2022-23
Personnel Services	\$ 1,924,694	\$ 1,851,769	\$ 1,993,308	\$ 141,539	\$ 2,166,531
Supplies	10,881	0	0	0	0
Other Services and Charges	1,000	5,966	3,984	(1,982)	4,044
Capital Outlay	0	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 Fund

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

Organizational Fund Structure



Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Debt Service	\$ 886,580	\$ 885,966	\$ 884,943	\$ (1,023)	\$ 885,069
Total	\$ 886,580	\$ 885,966	\$ 884,943	\$ (1,023)	\$ 885,069
Resources:					
Property Taxes	\$ 886,580	\$ 885,966	\$ 884,943	\$ (1,023)	\$ 895,674
Miscellaneous	0	0	0	0	-
Fund Balance	0	0	0	0	(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.

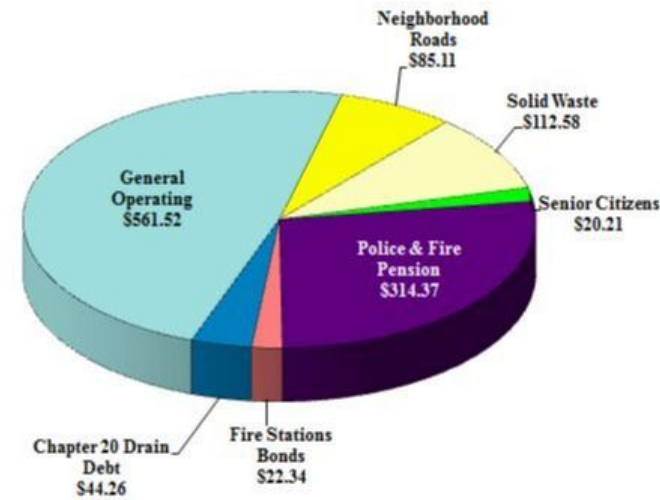
- In FY 2019, the City has implemented a rate analysis tool and method for reviewing and adjusting rates annually. This review includes a five year forecast of known capital outlay, and projected operational expenditures and revenues. The basic principle guiding this rate study and any rate adjustments 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.

FUNDING SOURCES

City Tax

Average City Taxes - FY 2021-22
Based on Average Home Market Value of \$140,824
(Taxable Value of \$44,181)

Total of \$1,160.39



Approximately 52% of the City's taxes are restricted for specific purposes.

Revenues Summary

Revenue Overview

General Fund Revenues are budgeted at \$32.1 million exclusive of the planned use of fund balance. This represents an increase of \$660,587, or 2.1% from FY 2021 Amended Budget revenues. The majority of revenues are budgeted to remain status quo or decrease as we continue to deal with COVID-19 this includes drastic reductions in Court Revenues, Recreation and Active Adult Center fees, and State Shared Revenues. These decreases are offset by the 4.4% or \$888,640 increase in tax revenues due to additional and taxable value increased during the past year.

As of April 2021, we anticipate receiving \$2.9 million in American Rescue Plan funding. We have planned to utilize this funding to align with our needs including filling in the gaps of revenue we have lost since March 2020 in order to continue to address capital issues, move our strategic plan forward and remain sustainable in case of an upcoming economic downturn. This funding is not included in FY 2022 or 2023 as we are waiting for guidance on funding and the exact dollar amount to be allocated to Madison Heights.

Base Budget Revenue Changes

The composition of General Fund Revenues includes: Property Taxes at \$20.9 million or 65.2% of total General Fund Revenues; State Shared Revenues at \$5.2 million (16.1%); Court Related Revenues at \$1.3 million (4.0%); Charges to Other Funds of \$891,480 (2.8%); Construction Permits at \$565,000 (1.8%); Ambulance/Rescue Insurance Reimbursement of \$637,000 (2.0%); Cable Television Fees in the amount of \$510,000 (1.6%); Charges for Services of \$312,044 (1.0%); and Other Revenues of \$1.8 million (5.5%).

Property Tax Revenues

The rates displayed below are within the Charter limitations and the Headlee rollback limits. Staff was focused on keeping the tax rate the same as FY 2021 due to the financial strain felt by many businesses and residents due to COVID-19. Therefore, the FY 2022 combined City tax rate of 26.2646 mills per thousand dollars of State taxable valuation is broken down as follows:

Dollars Per \$1,000 of Taxable Value *

Operating Millages:	Tax Rate 2020-21	Tax Rate 2021-22	Tax Rate Limits **	Headlee Tax Limits	Expires Fiscal Year
General Operating	12.6349	12.7096	16.0000	14.5183	n.a
Neighborhood Road Improvement	1.9446	1.9263	2.0000	1.9263	2027
Solid Waste	2.5723	2.5481	3.0000	2.5723	n.a
Senior Citizens	0.4619	0.4575	0.5000	0.4619	n.a
Police & Fire Retiree Benefits	7.1155	7.1155	as needed	as needed	n.a
Fire Station Bond	0.4933	0.5057	as needed	as needed	2023
Chapter 20 Drain Debt	1.0421	1.0019	as needed	as needed	2029
Total Millage	26.2646	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 2022 the rate of inflation has been calculated at 1.4%.

When taxable value increases more than the amount explained above, the millages are "rollback". For the fourth year in a row the city has experienced a rollback of millage rates. This can be seen in the decrease in certain millages 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 \$140,824 (State Equalized Value is \$70,412) with a taxable value of \$44,181 and an average tax bill of \$1,160 for City services for Fiscal Year 2022.

Property Tax Base

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%).

In FY 2022, 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. Fortunately, the tax reform law includes reimbursement of this loss in its entirety, in FY 2022 Personal Property is budgeted at the same level as FY 2021 at \$2.2 which reimbursement included at \$2.0. 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 \$5.2 million or 16.1% 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 the 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 2022, the State projects a

distribution of constitutional revenue sharing of \$2,613,894 for the City or a 1.3% (\$33,146) decrease compared to the amended budget for FY 2021.

- 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 2022, this total for the City is budgeted to be \$562,215. This is status quo with FY 2021.

In order to receive this money, the City must make required documents available to the State Treasury office and have them available for public viewing in the City, or on a publicly accessible Internet site. These required documents include a certification of accountability and transparency, a citizen's guide including unfunded liabilities, a performance dashboard, and a debt service report. As of the publication of this document, all the required documents can be found at www.madison-heights.org.

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

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 (\$1.3 million), which are used to partially offset the cost of operating our State-mandated District Court and Police Department. Due to Court closures in March 2020 due to COVID-19 as well as ongoing changes in the court system, we are anticipating a continued decrease in Court revenues. The FY 2022 budget includes Court Revenues at \$1.3 million, in line with the FY 2020 actuals. This is down from the historical average by over \$500,000 a year. We do anticipate revenues to pick up partial in FY 2023 to \$1.5 million.

The fourth significant revenue is departmental charges, which are 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.

The fifth group of revenue sources, other governmental revenues, includes items that provide between \$100,000 and \$560,000 in annual funding. This category is not as important to the overall budget as those already mentioned earlier but represents a significant source of revenue. These revenues include business and non-business licenses, permits and fees, charges for service, recreation and Active Adult Center user fees, cable television franchise fees, and ambulance insurance reimbursement charges. Interest income is budgeted at \$150,000 for FY 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 \$2,613,894 and City, Village and Township Revenue Sharing (CVTRS) is budgeted to be \$562,215. 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 2.0%.

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 small decrease when compared to the FY 2021 Amended Budget of \$51,577. The budget amount is based on projections of revenues from fuel tax increases and vehicle registration fees included in this State Restricted Revenue Package.

Water Sales and Sewage Disposal – The Great Lakes Water Authority has announced no rate increase to Madison Heights for water usage in FY 2021. Oakland County has estimated an increase of 6.0% for stormwater and sewage disposal. During FY 2017 and 2018, the City has undergone a rate restructuring which resulted in the completion of an annual rate review with a 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 2022 includes a contribution of to fund balance of \$310,452 which will be saved for future Major Street project.

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 \$935,085, 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 \$1.7 million in FY 2022 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 \$15,000. The budget also includes a one-time transfer from Major Street Act 51 funding of \$300,000. The projected contribution to fund balance to complete future scheduled projects for FY 2022 is projected at \$828,870.

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 \$34,000 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 \$4,215.

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 82.4% over the last seven years from \$243,100 in FY 2009-10 to \$42,700 for FY 2022.

Drug Forfeiture Fund

The Fund is used to account for tax revenues in (FY 2022, \$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 2022 Budget also includes a contribution of fund balance of \$13,400.

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 2022. 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 (\$29,203). Other revenues include interest earned on fund balance (\$4,000). 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 \$447,929 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 1.0019 mills will generate \$885,069 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 \$8.97 million. The following table reflects the audited Fund Balance for the years ended June 30, 2019, and 2020:

Fund Balance	ACTUAL FY2019	ACTUAL FY2020	CHANGE FY19 VS FY20
Unreserved:			
Assigned:			
Vested Employee Benefits	\$597,716	\$2,404,598	\$1,806,882
Retained Insurance Risks	\$2,320,280	\$1,464,669	\$855,611
Capital Improvements	\$1,041,223	\$1,727,449	\$686,226
Post employment Benefits	\$1,413,416	\$1,413,416	\$0
Technology Improvements	\$150,000	\$150,000	\$0
Pension Bonds	\$835,000	\$845,000	\$15,000
Subsequent Year's Expenditures	\$1,564,356	\$960,174	(\$604,182)
Total Assigned	\$7,921,991	\$8,965,306	\$1,043,315
Unassigned	\$0	\$0	\$0
Total Unreserved Fund Balance	\$7,921,991	\$8,965,306	\$1,043,315

Assigned Funds

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

The designation for vested employee benefits was established to provide a reserve for unused sick leave and vacation benefit liabilities not funded elsewhere. These funds would be required to meet the commitments, which change over time based on employee retirements, leave accrual, and utilization rates. This designation was set based on audited records at \$2,404,598 last year and makes up 26.8% of the Assigned Fund Balance. In FY 2019, there wasn't an adequate fund balance to reserve the total. Total vested employee benefits have decreased from FY 2019 to FY 2020 as more top-tier benefit employees retire.

In 1987, the City started setting aside a portion of its Fund Balance for possible contingencies related to self-insurance losses. Based on reporting of claims incurred but not reported, staff assigned \$1,464,669 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, 2020, the assignment for future capital improvements was included at \$1,727,449

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, 2020, those carry-forward purchase designated funds of \$960,174 made up 10.7% of the Assigned Fund Balance.

In FY 2017, the City issued Pension Obligation Bonds. At June 30, 2020, one year of debt payments for principal were assigned at \$845,000.

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, 2020, the City had restricted funds for future vehicles purchased through Proposal "V" in the amount of \$203,225. Restricted funds for Library use is restricted at \$366,640.

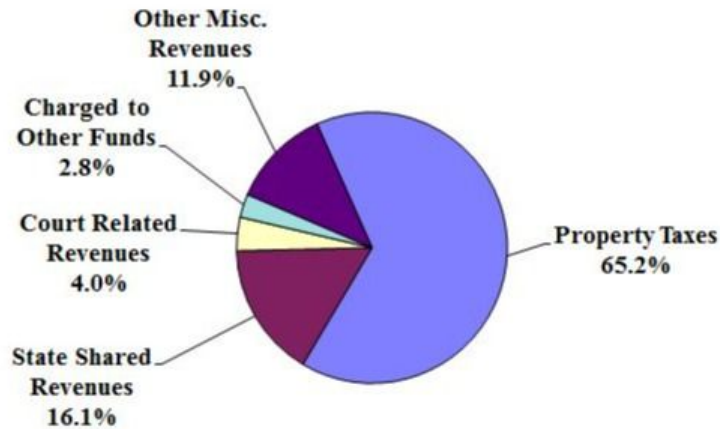
Changes in Fund Balance

The FY 2022 and FY 2023 budget includes a planned use of Fund Balance of \$995,934 and \$589,922 respectively. This budget document complies with the City Council financial policy to maintain a minimum two months (16%) of regular operating expenditures plus one year of debt payments. For more details, please see the Reserve Policy in the Appropriations Chapter.

Major Revenues

As you can see from the pie chart below, State Shared Revenues make up about 16.2% of the total revenues while yet in FY 2000-01, State Shared Revenues made up 18% of the General Fund Revenues. Statutory and Constitutional revenue sharing has been a target for the state resulting in long-term revenue loss imposed on the City. According to the Michigan Municipal League's website (www.SaveMiCity.org), the City has lost over \$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%.

Major Revenues in FY 2021-22



Changes in Fund Balance

All Funds Summary Changes in Projected Fund Balance/Retained Earnings Fiscal Year 2021-22

FUND	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change in Fund Balance
General Fund ⁽¹⁾	\$ 6,926,144	\$ 32,056,589	\$ 33,052,523	\$ 5,930,210	(14.4)
Major Street ⁽²⁾	1,276,334	2,594,842	2,284,390	1,586,786	24.3
Local Street - Non Proposal R ⁽³⁾	(61,353)	728,870	555,795	111,722	(282.1)
Local Street - Proposal R	3,117,351	2,433,010	1,877,215	3,673,146	17.8
Parks Maintenance and Improvements	647,104	34,000	38,215	642,889	(0.7)
Downtown Development Authority	164,240	78,413	98,521	144,132	(12.2)
Police Drug Forfeiture	212,388	64,400	51,000	225,788	6.3
Community Improvement Program	2,357	142,364	142,364	2,357	0
Special Assessment Revolving	296,364	33,203	33,203	296,364	0
Fire Stations Construction and Bond Funds	347	474,312	447,929	26,730	7,603.2
Chapter 20 Drain Fund	0	885,069	885,069	0	0
Water and Sewer Fund ⁽⁴⁾	1,266,938	11,551,582	11,962,689	855,831	(32.4)
Motor Pool and Equipment Fund	0	1,000,486	1,000,486	0	0
Department of Public Services	0	2,147,494	2,147,494	0	0
Total	\$ 13,848,214	\$ 54,224,634	\$ 54,576,893	\$ 13,495,955	(2.5)

PERSONNEL

Personnel Changes

PERSONNEL AND POSITIONS

The City of Madison Heights employs 163 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 135 positions on a part-time or seasonal basis. Personnel services comprise approximately \$24.3 or 44.5% of the Total Budget and approximately \$20.9 million or 63.2% of the General Fund Budget.

Total personnel costs are down \$24,604 when compared to the FY 2021 Amended Budget, largely because of savings with new hires in the Police and Fire Departments, and contracting out the planning function in the Community and Economic Development Department.

Pension and Retiree Health care “legacy costs” are the largest liability of the City. Police and Fire Pension contributions have been calculated at 59.10% of payroll; last year the City contributed 59.68%. In addition to this percentage of payroll the FY 2022 budget includes an additional contribution of \$437,422. The method for budgeting retiree health care changed in FY 2020. In the past, the City contributed 34% of our actuarially calculated recommended contribution. Starting in FY 2020 the 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 for the Police and Fire Pension and Police and Retiree Health Care as follows:

Benefit Plan	Most Recent Actuarial Study	Funding Ratio	Underfunded
Police and Fire Pension	June 30, 2020	48.2%	Yes
General Pension	December 30, 2019	95.8% *	no
General Retiree Health Care	June 30, 2018**	45.6%	no
Police and Fire Retiree Health Care	June 30, 2018**	38.8%	Yes

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

** As of the date of this publication we are awaiting the June 30, 2020, actuarial studies for Retiree Health Care.

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 for June 30, 2018, and will be included in the Police and Fire Retiree Health Care report as of June 30, 2020. 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 implemented retiree health insurance mirroring for retirees, meaning that these retirees will receive the same health insurance as provided to active employees, which is currently a Community Blue PPO with a \$5/\$40/\$80 drug card. Retirees who are not yet on Medicare will be enrolled in this plan effective July 1, 2021, and retirees on Medicare will be enrolled in the Medicare version of this plan effective January 1, 2022. Due to phased changes, this will result in significant savings of approximately \$438,092 in FY 2022 and approximately \$637,636 in FY 2023.

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 Union; 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 had labor agreements that will expire June 30, 2021. Based upon Council direction, the City has reached agreements for contract extensions through June 30, 2022 including a 2% raise effective July 1, 2021 for the Firefighters Union, Municipal Employees Union, Supervisors & Assistants Union, and Department Heads Union. As of the printing of this document, the remaining Unions (DPS Union, Police Command Officers Union, Police Officers Union,) and Court Clerks Association have not agreed to the offered contract extension. In the event these groups do not agree to a contract extension through June 30, 2022, the City will work with Council to establish realistic goals for negotiations with these groups in order to maintain the City's service levels, ability to retain quality employees, and remain fiscally responsible.

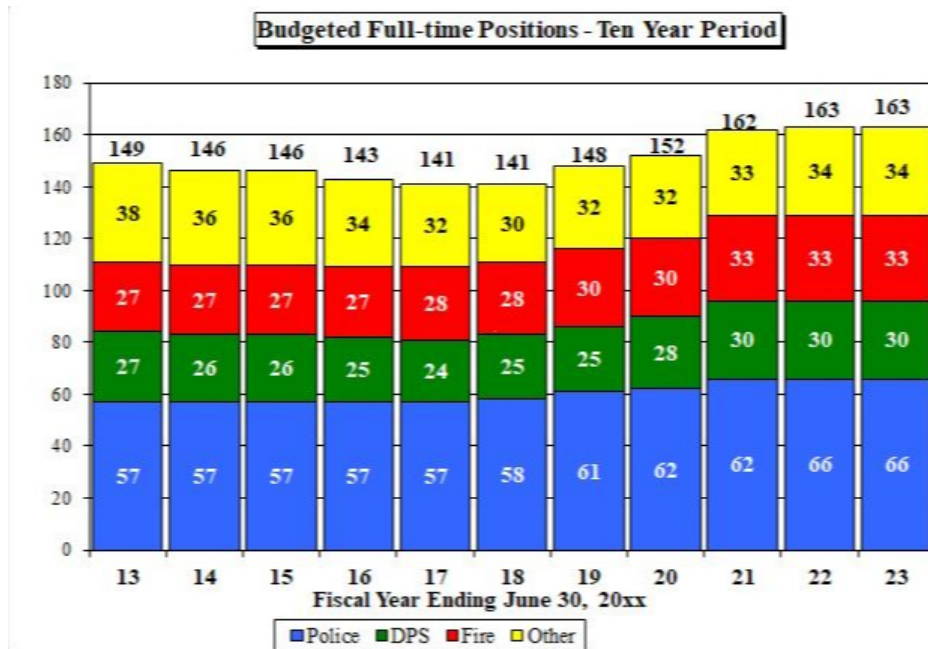
Personnel Actions

Personnel Actions

The FY 2022 Budget reflects a total net increase of 0.1279 full-time equivalencies (FTEs) with no additional FTE's projected for FY 2023. This slight increase is due to several changes in personnel, including the addition of a full-time Business Services Coordinator position, making the Part-Time Social Media Specialist a full-time position, creating a new full-time Deputy Library Director position, eliminating the vacant full-time Youth Services position, the elimination of the full-time Community and Economic Development Director position, and an increase in part-time FTEs in Recreation. The City has continued to conduct a careful analysis of what positions can and should be added to the budget and still remain fiscally responsible.

The City's current hiring review of all position vacancies continues in Fiscal Year 2022. Despite the fact that Proposal MH has passed, the City must remain vigilant not to overextend 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, which is very likely in the aftermath of the global pandemic. 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 Workforce At A Glance

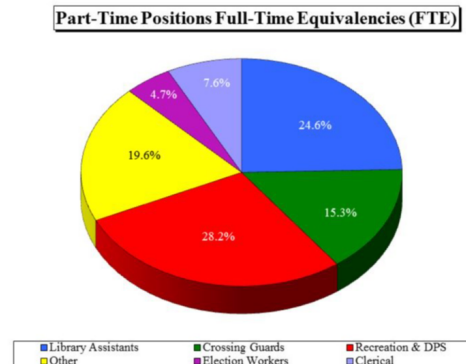
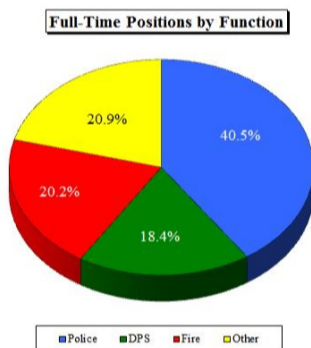


In Fiscal Year 1994, the City employed 251 full-time positions. Since that time, the City has been able to reduce the workforce without significantly compromising core services, resulting in a leaner, more efficient organization. With the slow recovery of the economy, and the passing of Proposal MH, 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 above 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.

City Workforce

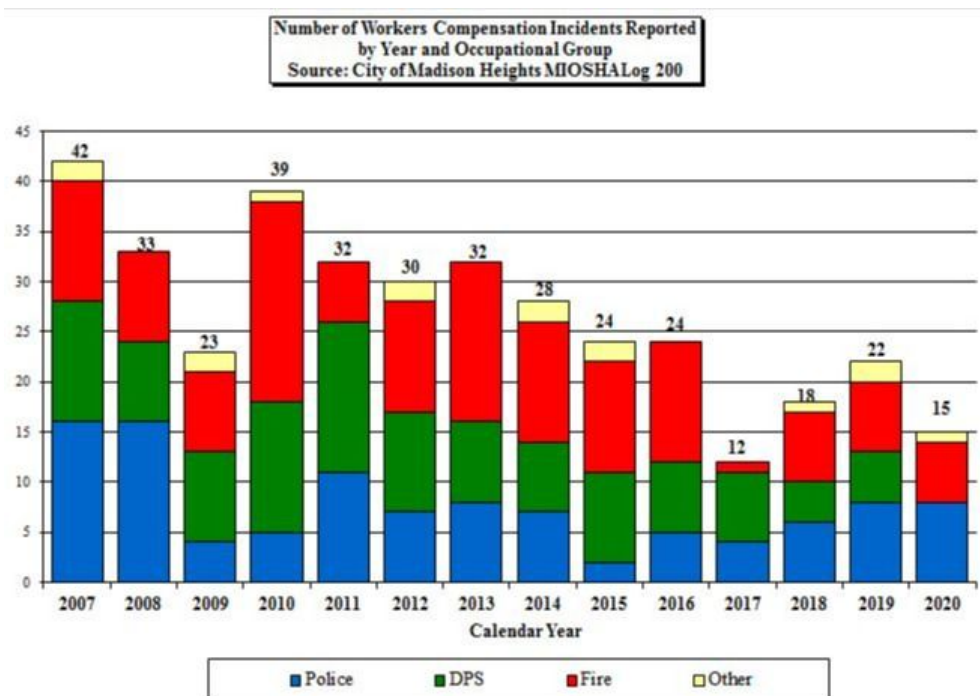
Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2022 and 2023. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.



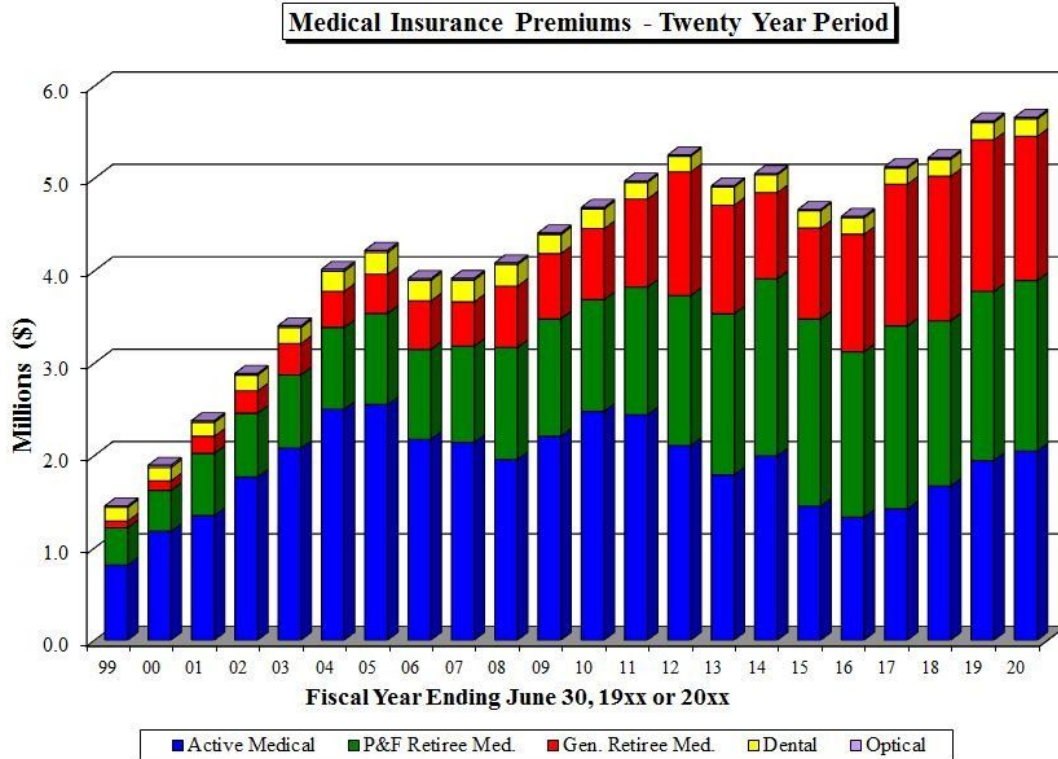
On-The-Job Injury Experience

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 bar graph below, 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. In 2020, there were just 15 reportable worker's compensation cases, the majority of which were Covid-19 cases in the Police and Fire Departments. It should be noted that non-sworn employees who contracted Covid-19 were not covered under the emergency worker's compensation regulations on presumed coverage for Covid-19.

As part of the FY 2011 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 15 from the 14 year high of 63. The cost to the City over the past ten years (FY 2011-2021) was \$2,437,840 and the savings during this same time period is estimated to be \$1,383,847.



Medical Insurance



Medical Insurance

One of the most important fringe benefits to monitor with an eye toward cost control is medical insurance. The FY 2022 budget includes a 6.55% decrease in medical insurance for active employees 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. The slight decrease shown in FY 2013 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.

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. The 10% premium sharing will continue through the current contract extensions to June 30, 2022, and into the next negotiated contract for all bargaining units. 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, faced repeal attempts under former President Donald J. Trump's administration. The Act was not repealed in its entirety; however, there were several changes to the Act including rendering the individual mandate virtually obsolete with the penalty for not having insurance reduced to zero dollars. Another change under the Trump administration was to make "skinny" health care plans or plans NOT meeting a minimum value available again. It is almost certain that the Biden administration will be taking steps to fortify the Affordable Care Act; however, the exact changes that will be made are not yet clear. 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 2021 was our 6th year operating the MiLife Health and Wellness Center. During the first five years of operations, we averaged a 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 the number and types of health issues that were diagnosed in the center and estimate a potential long-term savings has the diagnosis gone undetected, this "soft dollar" savings is \$1,572,978. In addition, the employees have saved \$121,265 in co-pays, prescriptions, and lab tests. During 2020, operations at the Center continued but were impacted by the Covid-19 pandemic.

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 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.

The FY 2022 budget includes a change to move all current retiree health insurance mirroring for retirees, meaning that these retirees will receive the same health insurance as provided to active employees, which is currently a Community Blue PPO with a \$5/\$40/\$80 drug card. Retirees who are not yet on Medicare will be enrolled in this plan effective July 1, 2021, and retirees on Medicare will be enrolled into the Medicare version of this plan effective January 1, 2022. Due to phased changes, this will result in significant savings of approximately \$438,092 in FY 2022 and approximately \$637,636 in FY 2023. The effects of this change on the City's liability is currently under review by the system's actuarial consultant but it thought to be significant and increase the funding percentage of both retiree health care plans.

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 2022 and \$4.2 million in FY 2023. 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 FY 2022 budget for the employer contribution to the Police and Fire Pension Fund is 59.10% of total wages based on the City's 2020 actuarially required contribution rates plus an additional contribution of \$437,422. 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 \$169,313 or 37.3% to \$623,089 for FY 2022; increasing to \$747,669 for FY 2023.

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 37.3% above FY 2021 to \$623,089 for FY 2022; increasing to \$747,669 for FY 2023.

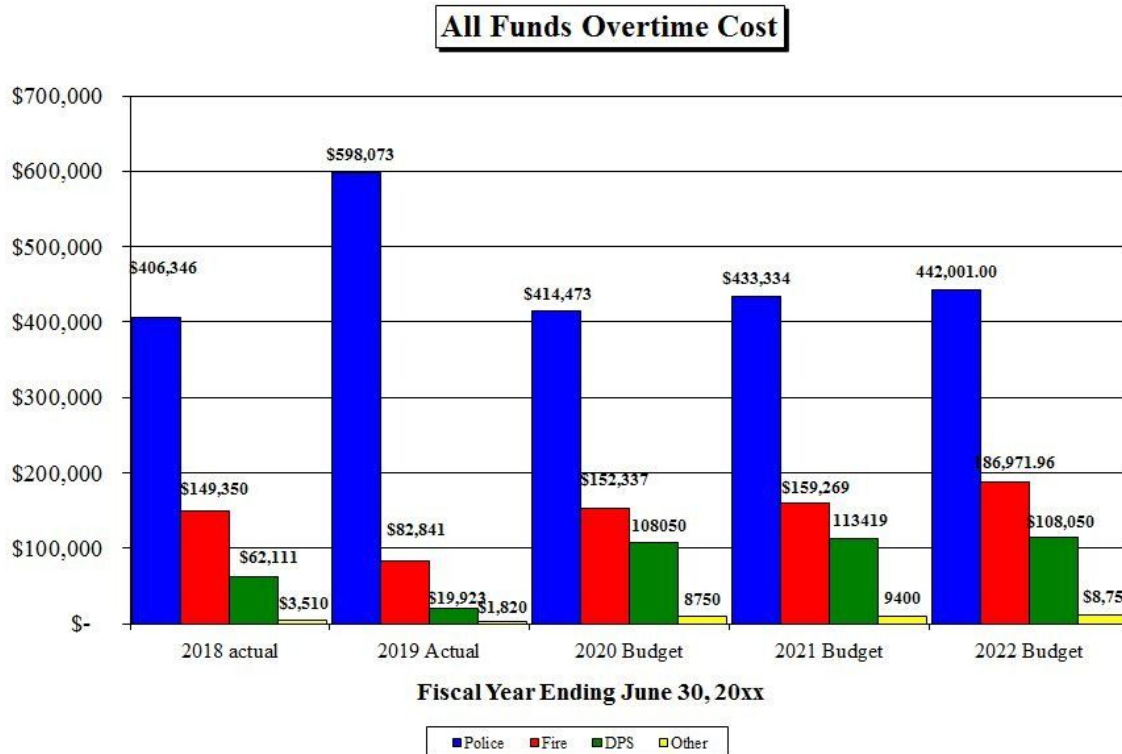
The State authorized, through Public Act 329 of 2012, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category or higher, plans 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 20220 for POB principal and interest are \$1.19 million each year. With this contribution, the City's General Employee's pension is considered 95.8% funded on market value as of December 2019. 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 2022 is budgeted at \$753,892. Overtime budgeted in the Police and Fire Departments amount to \$628,973, and DPS overtime equals \$113,519. 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

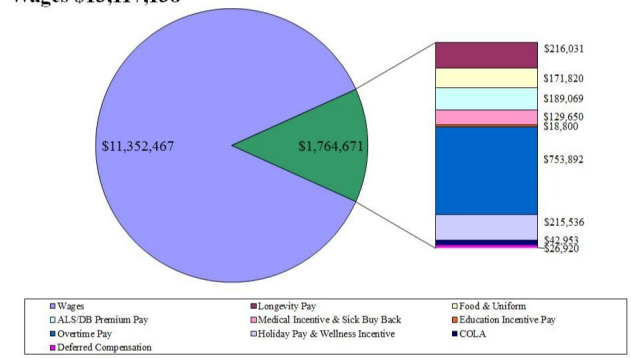
The charts below depicts the City's overtime costs over the past four years.



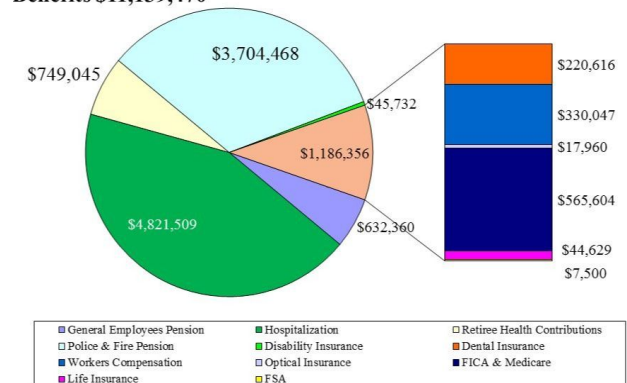
Wage and Fringe Benefit Costs

The charts below depicts the City's budgeted wage and fringe benefit costs for FY 2022.

Wages \$13,117,138



Benefits \$11,139,470



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 the 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 2022 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 \$172,962. The incumbent equipment operator receives annual total compensation in the amount of \$114,300. Fringe benefits average 1.2 times base wages for senior employees.

A newly hired Fire Fighter's total compensation is \$154,978. 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 \$148,802, a savings of \$24,160, and a newly hired Equipment Operator will save the City \$21,899 in annual overall compensation. These savings are significant. At this time, we have 25 Firefighters, 28 Police Officers, 13 Equipment Operators, and 31 other employees with the new hire benefits package, totaling 97 positions or more than 59.9% 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 2022. The position's compensation calculation assumes the maximum wage step and longevity.

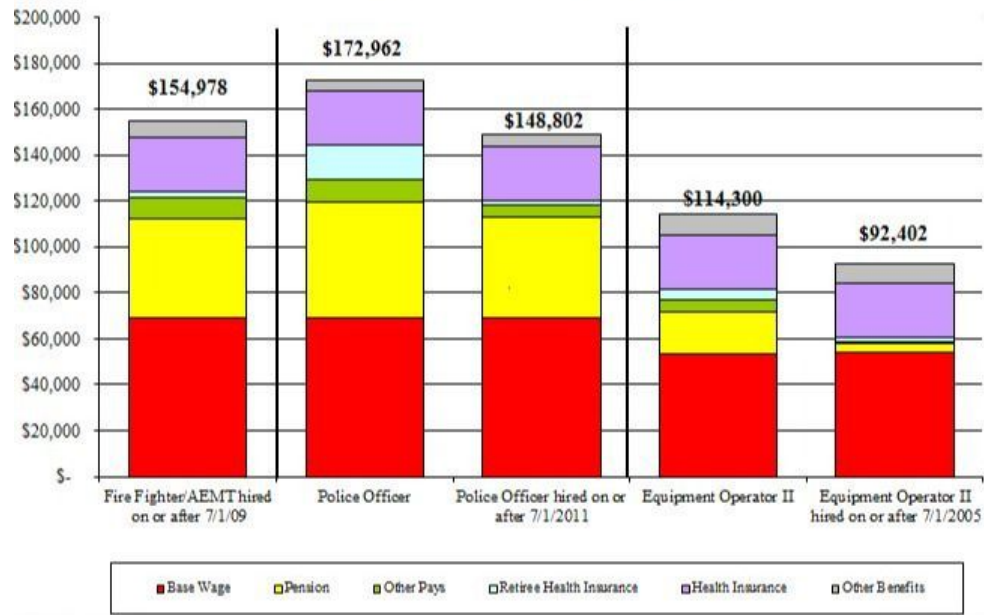
As shown in the chart below, this Police Officer could have almost one day off per week!

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).

Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$16,631
Holidays	12	7,983
Admin. Leave Days	6	3,991
Sick leave (Max. of 12)	5	3,326
Personal Leave Days	2	1,330
Total	50	\$33,262

**Total Compensation for Selected Positions
Based on FY 2021-22 Budgeted Wages and Benefits**



DEPARTMENTS

Mayor and Council

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

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

Organizational Structure and Staff

Personnel Summary	2019-20	2020-21	2021-22	2022-23
Mayor	1	1	1	1
Mayor Pro-Tem	1	1	1	1
Councilmembers	5	5	5	5
Total Elected Officials	7	7	7	7

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

- Arts Board
- Downtown Development Authority and Brownfield Redevelopment Authority
- Charter Amendment & Ordinance Revision Committee
- Civil Service Commission
- Community Development Block Grant Review Committee
- Construction Board of Appeals
- Crime Commission
- Elected Officials Compensation Commission
- Environmental Citizens Committee
- Historical Commission
- Human Relations and Equity Commission
- Information Technology Advisory Committee
- Library 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

		2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Regular City Council Meetings	23	23	23	23
	Agenda Items	132	133	175	175
	Public Hearings Held	9	10	10	10
Outcomes	Ordinances and Amendments Adopted	18	10	20	20
	Agenda Items Acted Upon	132	133	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

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 52,470	\$ 53,488	\$ 54,015	\$ 527	\$ 54,015
Supplies	208	325	325	0	325
Other Services and Charges	2,040	3,964	3,964	0	3,964
Capital Outlay	0	0	0	0	0
Total	\$ 54,718	\$ 57,777	\$ 58,304	\$ 527	\$ 58,304
Resources:					
General Fund	\$ 54,718	\$ 57,777	\$ 58,304	\$ 527	\$ 58,304
Total	\$ 54,718	\$ 57,777	\$ 58,304	\$ 527	\$ 58,304

Key Issues

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

43rd District Court

Honorable Keith Hunt

Judge

Organizational Chart

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

Personnel Summary	2019-20	2020-21	2021-22	2022-23
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

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 993,031	\$ 1,085,794	\$ 1,065,629	\$ (20,165)	\$ 1,117,551
Supplies	22,993	31,900	31,900	0	31,900
Other Services and Charges	270,663	316,611	313,617	(2,994)	317,100
Capital Outlay	48,670	8,013	8,013	0	39,693
Total	\$ 1,335,357	\$ 1,442,318	\$ 1,419,159	\$ (23,159)	\$ 1,506,244
Resources:					
Court Salary Standard	\$ 45,724	\$ 47,219	\$ 47,219	\$ 0	\$ 47,219
Court Fines	684,636	878,000	725,000	(153,000)	878,000
Forfeits	18,280	25,000	5,000	(20,000)	12,500
Reimbursed Court Costs	407,149	502,250	400,000	(102,250)	425,000
Bond Fees	48,696	69,000	31,000	(38,000)	31,000
Probation Oversight	118,909	175,000	120,000	(55,000)	135,000
Violation Clearance	13,875	14,000	14,000	0	14,000
General Fund	(1,912)	(268,151)	76,940	345,091	(36,475)
Total	\$ 1,335,357	\$ 1,442,318	\$ 1,419,159	\$ (23,159)	\$ 1,506,244

Key Issues

- Historically, the third-largest source of General Fund Revenue has been composed of Court fines, forfeits, and charges at roughly \$1.7 million, which are used to partially offset the cost of operating our State-mandated District Court and legal prosecution costs. However, with the onset of COVID-19 in March 2020 this revenue stream was drastically affected. This closure of the majority of the public continued throughout FY 2021 and is anticipated into part of FY 2022. The City has budgeted reduced revenues in Court fees and cost to the post that the City is supplementing the Court of operations from our General Fund.
- 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



Melissa R. Marsh
City Manager

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

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

Organizational Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
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	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
<i>Output</i>	Number of Staff Meetings held	22	22	23	23
	Number of Council-adopted goals managed	43	45	45	45
	Media inquiries/requests handled	70	75	85	85
<i>Efficiency</i>	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting	100%	100%	100%	100%
	Department Expenditures as a % of General Fund	0.8%	0.7%	0.8%	0.8%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 220,072	\$ 239,441	\$ 251,937	\$ 12,496	\$ 262,163
Supplies	\$ 13	\$ 400	\$ 400	\$ 0	\$ 400
Other Services and Charges	\$ 3,377	\$ 7,336	\$ 6,825	\$ (511)	\$ 6,880
Capital Outlay	0	0	0	0	0
Total	\$ 223,462	\$ 247,177	\$ 259,162	\$ 11,985	\$ 269,443
Resources:					
General Fund	\$ 223,462	\$ 247,177	\$ 259,162	\$ 11,985	\$ 269,443
Total	\$ 223,462	\$ 247,177	\$ 259,162	\$ 11,985	\$ 269,443

Key Issues

- Increase in personnel services is a result of changes in assumptions for MERS of Michigan causing an increase in both 2022 and 2023.
- The balance of this budget is supported at the current service level.

City Clerk and Elections



Cheryl Rottmann
City Clerk

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.

Organizational Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
City Clerk	1	1	1	1
Deputy City Clerk	1	1	1	1
Business Services Coordinator	0	0	1	1
TOTAL FULL TIME	2	2	3	3
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	12	91	91

Accomplishments

Resource Management:

- Conducted the August 4, 2020 Primary Election and the November 3, 2020 General Election; conducted training for all election inspectors, and recruited student election inspectors.
- Increased processing capacity for absentee applications and ballots for record Presidential Election turnout.
- Completed implementation of same-day voter registration legislation.
- Implemented new election equipment for absentee ballots and related training.
- Held pop-up office hours prior to Election for increased voter accessibility.
- Provided voter increased voter information through social media.
- Electronic storage of all City Council Ordinances. (2020 Strategic Planning Item 5.4.a)
- Professional development of City Clerk and Deputy City Clerk.

Objectives

Resource Management:

- Conduct November 2, 2021 City Election.
- Improve efficiency of Agenda processing (2021 Strategic Planning Item 5.1.c)
- Improve efficiency of boards and commissions administration. (2021 Strategic Planning Item 5.1.c)
- Implement expansion of business registration program. (2021 Strategic Planning Item 1.1.d)
- 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	2020 Actual	2021 Estimate	2021- 2022 Budget	2022-2023 Budget
Input	Hours attending City Council Meetings	54	40	40	40
	Number of Election Workers per election	69	83	80	80
	Average Number of Voters per FTE	5920	10777	3000	8600
Output	Number of Business and Animal Licenses Issued	1127	1200	1100	1200
	Number of New Registered Voters/Changes	7732	5000	5000	7800
	Number of Absentee Ballots Sent	6580	22078	4200	12000
Outcome	Average Days to Post Approved Board Minutes to website	30	30	30	30
	Number of Election Workers attending training (workers x trainings)	124	123	80	160
	Average Length of time to Process New Business Licenses (days)	41	50	50	50
Efficiency	% Voter Turnout per November State Election	24%	68%	24%	60%
	% of FOIA request responded to within 10 business days	100%	100%	100%	100%
	Department Expenditures as a % of General Fund	1.1%	1.1%	1.0%	1.0%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 238,667	\$ 235,566	\$ 321,648	\$ 86,082	\$ 325,068
Supplies	1,868	4,000	4,000	0	2,500
Other Services and Charges	17,543	19,881	26,343	6,462	39,895
Capital Outlay	0	0	0	0	0
Subtotal-Elections	\$ 65,542	\$ 113,394	\$ 74,531	(38,863)	89,760
Total	\$ 323,620	\$ 372,841	\$ 426,522	\$ 53,681	457,223
Resources:					
Business Licenses	\$ 88,366	\$ 100,000	\$ 195,000	\$ 95,000	\$ 195,000
Animal Licenses	6,899	8,500	8,500	0	8,500
Bicycle Licenses	77	75	25	(50)	25
Vital Health Statistics	16,880	17,000	17,000	0	17,000
Election Reimbursement	0	0	0	0	0
General Fund	211,398	247,266	205,997	(41,269)	236,698
Total	\$ 323,620	\$ 372,841	\$ 426,522	\$ 53,681	\$ 457,223

Key Issues

- This budget is supported at the current levels to conduct the conduct November 2, 2021 City Election.

Assessing and Board of Review

Accomplishments

Resource Management:

- Reviewed 911 small business exemption and processed 432 personal property statements in accordance with the State Personal Property Tax (PPT) reform legislation.
- The personal property team studied 5%, 87 out of 1,658 parcels, in performance of the 2020 equalization study.

Objectives

Resource Management:

- Establish new market and taxable property values for tax year 2021.
- Conduct audits of personal property accounts for 3% of all personal property accounts.

Performance Measures

		2020 Actual	2021 Estimate	2021-2022 Budget	2022- 2023 Budget
Output	Performance Indicators				
	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
Efficiency	% 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

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	0	0	0	0	0
Other Services and Charges	213,767	216,189	219,021	2,832	219,021
Capital Outlay	0	0	0	0	0
Subtotal-Board of Review	1,958	3,243	3,243	0	3,243
Total	\$ 215,725	\$ 219,432	\$ 222,264	\$ 2,832	\$ 222,264
Resources:					
General Fund	\$ 215,725	\$ 219,432	\$ 222,264	\$ 2,832	\$ 222,264
Total	\$ 215,725	\$ 219,432	\$ 222,264	\$ 2,832	\$ 222,264

Key Issues

- In the spring of 2010, the City replaced its in-house Assessing Office with a contract with the Oakland County Equalization Department at a savings of approximately \$313,000 per year.
- The City is currently under contract with Oakland County Equalization to provide assessing services through June 30, 2022.
- The budget includes services for 11,583 Real Property and 1,628 Personal Property parcels.

Legal Department

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

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

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	445	0	0	0	0
Other Services and Charges	344,004	322,770	335,695	12,925	335,695
Capital Outlay	0	0	0	0	0
Total	\$ 344,449	\$ 322,770	\$ 335,695	\$ 12,925	\$ 335,695
Resources:					
General Fund	\$ 344,449	\$ 322,770	\$ 335,695	\$ 12,925	\$ 335,695
Total	\$ 344,449	\$ 322,770	\$ 335,695	\$ 12,925	\$ 335,695

Key Issues

- The balance of this budget is supported at the current service level. In March 2021, a new Telecommunication Counsel was approved by the City Council after our long-term Telecommunication Counsel retired. These rates are higher than traditionally charged for these services.

Human Resources



Amy Mischak
Human Resources Director

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;
- 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 Chart

Personnel Summary	2019-20	2020-2021	2021-22	2022-23
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:

- Navigated the COVID-19 global pandemic, including consistent and ongoing communications, employee training, implementation of safety protocol, administering emergency leave policies, layoffs and workshare programs, as well as administering and coordinating COVID-19 worker's compensation for sworn Police and Fire employees. Served on the core COVID-19 emergency response team along with City Manager, Police Chief/Deputy City Manager and Fire Chief.
- Successfully negotiated a one-year contract extension with all bargaining units through June 30, 2022 in compliance with Council authority.
- 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.
- Identified and created business relationship with local language interpretation and translation services company for all City departments to utilize to replace prior out-of-state company.
- Implemented "Stay Interviews" process with new employees beginning January 2021 (2022 Strategic Plan 5.3.a)

Objectives

Resource Management:

- Evaluate ongoing success of previous integration of wellness program into the MiLife Health and Wellness Center, and make adjustments as appropriate.
- Evaluate retiree health care and Medicare programs for current and future retirees.
- Continue to evaluate best practices in recruitment efforts including research on recruitment firms to assist with entry level positions, particularly Police and Fire.
- 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.
- Continue to transfer past and present personnel files to electronic format.
- Expand “Stay Interviews” to all full time employees (2022 Strategic Plan 5.3.a)
- Working with the Fire Union and Fire Chief, develop a firefighter fitness and wellness program (2022 Strategic Plan 5.3.c)

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	All full-time staff in jurisdiction: Average years of service	11	10	9	8
	All part-time staff in jurisdiction: Average years of service	8	7	7	7
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Sworn public safety	78	83	85	83
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Total	154	162	163	163
	Hours Paid: All Human Resources staff	3,900	3,900	3,900	3,900
	Hours paid: All jurisdiction staff	509,281	599,173	601,253	601,253
Output	HR: Number of full time positions filled	15	14	15	10
	Percentage of new full-time employees completing probationary period	67%	71%	80%	80%
	Turnover: Number of full-time, permanent employees who left: Total*	5	4	3	2
	Turnover: Number of full-time, regular employees who left: Sworn public safety*	5	4	3	2
	Turnover rate: All full-time employees*	3.2%	2.5%	1.8%	1.2%
Outcome	Department Expenditures as a % of General Fund	1.2%	1.3%	1.4%	1.4%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 194,944	\$ 213,616	\$ 218,247	\$ 4,631	\$ 220,935
Supplies	515	325	325	0	0
Other Services and Charges	200,505	187,368	228,788	41,420	229,723
Capital Outlay	0	0	0	0	0
Total	\$ 395,964	\$ 401,309	\$ 447,360	\$ 46,051	\$ 450,658
Resources:					
General Fund	\$ 395,964	\$ 401,309	\$ 447,360	\$ 46,051	\$ 450,658
Total	\$ 395,964	\$ 401,309	\$ 447,360	\$ 46,051	\$ 450,658

Key Issues

- 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

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.

Organizational Structure and Staff

Personnel Summary	2019-20	2020-2021	2021-22	2022-23
Part time social media	1	1	0	0
Full time social media	0	0	1	1
TOTAL FULL TIME	1	1	1	1

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.

Objectives

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Expenditures: General fund personnel and operations	\$26,842,200	\$29,807,178	\$29,557,789	\$29,751,021
	Expenditures: Special-revenue/restricted fund personnel and operations	\$17,959,363	\$19,725,692	\$17,446,080	\$17,466,587
	Square miles of land area served	7.09	7.09	7.09	7.09
	Revenues, General fund: Property Tax	\$18,640,592	\$20,010,499	\$20,899,138	\$21,292,742
	Revenues, General fund: State Revenue Sharing	\$3,024,526	\$3,203,832	\$3,176,109	\$3,239,923
Efficiency	Department Expenditures as a % of General Fund	4.2%	4.2%	2.7%	2.8%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 739,057	\$ 851,217	\$ 747,124	\$ (104,093)	\$ 796,886
Supplies	53,751	57,277	53,480	(3,797)	53,480
Other Services and Charges	116,022	65,648	78,812	13,164	78,812
Capital Outlay	0	0	0	0	0
Total	\$ 908,830	\$ 974,142	\$ 879,416	\$ (94,726)	\$ 929,178
Resources:					
General Fund	\$ 908,830	\$ 974,142	\$ 879,416	\$ (94,726)	\$ 929,178
Total	\$ 908,830	\$ 974,142	\$ 879,416	\$ (94,726)	\$ 929,178

Key Issues

- The FY 2022 and 2023 budgeted include a reduction in payments for retiree health care due to proposed changes to benefit levels for retirees being taking to the City Council for consideration on April 12, 2021. This reduction is over \$130,000 in FY 2022.
- This budget continues the popular citizens' academy for \$1,250 and strategic planning items such as \$3,000 for neighborhood outreach through Community Engagement events, and \$14,400 for public relations.

Finance



Linda Kunath
Finance Director

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 Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
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 2020-21.
- Completed annual audit and received a clean opinion. Timely filed State required reports.
- Updated property tax notices to provide additional information to taxpayers.
- Due to COVID-19 pandemic, City Hall offices were closed to the public and the Finance Department successfully continued operations, including receivable, payable, payroll, and financial activities. Initiated campaign to encourage customers to utilize online payment options and facilitated the City absorbing processing fees charged by third party vendor through December for utility bill payments.

Objectives

Resource Management:

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

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Total Dollar amount of City Budget (all funds)	\$51,242,584	\$58,407,448	\$54,576,893	\$55,040,281
	Total Dollar amount of Budget Amendments (all funds)	\$1,006,608	\$3,396,229	\$1,091,538	\$1,100,806
	City Taxable Value	\$822,150,390	\$856,310,210	\$896,150,260	
	Total Dollar value of Fiscal Year CIP - all funds	\$4,323,991	\$8,242,938	\$6,599,936	\$6,735,464
Output	Accounts Payable Processed - Paper Check	3,450	3,450	3,450	3,450
	Accounts Payable Processed - ACH	1,330	1,330	1,330	1,330
	Accounts Payable Processed - Credit Card	1,450	1,450	1,450	1,450
	# of water/sewer customers	11,173	11,173	11,173	11,173
	# of water/sewer customers signed up for ACH	1,594	1,650	1,700	1,750
Outcome	% of Accounts Payable processed by ACH	40.0%	40.0%	40.0%	40%
	% of water/sewer customers signed up for ACH	14.3%	14.8%	15.2%	15.70%
	Amount of Credit Card Rebate	\$5,000	\$5,000	\$5,000	\$5,000
	% of Dollar amount of budget amendments	> 2%	> 6%	> 2.0%	> 2.0%
	% of Budgeted GF revenues received	100.2%	95%	95%	95%
	% of Budgeted GF expenditures spent	101.4%	95%	95%	95%
Efficiency	Taxes collected by March 1 as a % of Total	96.9%	97.6%	96%	96%
	Date of Annual Auditor's Report	11/13/2020	10/29/2021	10/20/2022	10/20/2023
	% Funded for General Employees Pension Trust	95%	95%	95%	95.0%
	% Funded for Police and Fire Pension Trust	46.7%	47.3%	48.0%	48.8%
	% Funded for the General Employee Retiree Health Benefits Trust	45.6%	45.8%	46.2%	46.7%
	% Funded for the Police and Fire Employee Retiree Health Benefits Trust	38.8%	39.0%	39.5%	40.0%
	Department Expenditures as a % of General Fund	2.4%	2.4%	2.3%	2.3%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 605,472	\$ 649,788	\$ 690,878	\$ 41,090	\$ 705,860
Supplies	4,280	7,250	7,250	0	7,250
Other Services and Charges	67,083	60,528	69,422	8,894	62,676
Capital Outlay	0	0	0	0	0
Total	\$ 676,835	\$ 717,566	\$ 767,550	\$ 49,984	\$ 775,786
Resources:					
Mobile Home Solid Waste	\$ 46,848	\$ 46,944	\$ 46,944	\$ 0	\$ 46,944
Property Tax Admin. Fees	496,170	456,244	503,000	46,756	503,000
Interest Income on Deposits	541,595	73,240	150,000	76,760	200,000
General Fund	(407,778)	141,138	67,606	(73,532)	25,842
Total	\$ 676,835	\$ 717,566	\$ 767,550	\$ 49,984	\$ 775,786

Key Issues

- Increases in personnel services are a result of increases in the pension normal cost for FY 2022 and contribution of normal cost to the retiree health care trust.

Information Technology

Accomplishments

Resource Management:

- Renewal of IT Contract.
- Reconfigured network environment to address increased remote connections due to Covid19.
- Significantly Increased laptop configurations to allow remote access.
- Increased security network monitoring to address increased threats in expanded remote connected network.
- Expanded wireless capability in Active Adult Center to accommodate virtual learning.
- Expanded wireless capability in North PD parking lot.
- Completed Win7 to Win10 upgrades.
- Expanded use and ability for remote video conferencing with applications such as ZOOM.
- Connected and supported configurations for new body cams at PD.
- Provided various reporting to help evaluate performance and trends in environment
- Provide technology support 24x7x365.
- Scheduled vulnerability tests for the network and computers.
- Participated in City Council, Department Head, Safety, and ITAC meetings.

Objectives

- Incorporate new IT contractual items
- Establish periodic Business IT Technology reviews with various City resources
- Establish Security Roadmap
- Refine the disaster recovery and return to operation process.
- Evaluate and analyze various "Cloud" options for costs and ability increase efficiency and capability
- Complete a City wide Cyber review and testing.
- Provide in-service security awareness training for all staff as necessary.
- Provide classroom and online application training.
- Implement a password management system.
- Optimize the SAN data partitions to reduce unused but allocated space.
- Replace 28 desktop computers on the five-year replacement schedule.
- Schedule vulnerability tests for the network and computers.
- Investigate shared resource for disaster preparedness with Royal Oak, Hazel Park, and/or Troy.
- Update the Capital Improvement Plan for long range planning and budget.
- Update expense costs 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	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Number of helpdesk requests	1435	1500	1500	1500
	Number of endpoints served	435	435	435	435
Output	Number of new computers installed	26	29	25	25
	Special IT projects handled	7	15	15	15
Outcome	% of helpdesk request handled in 8 hours or less	98.6%	90%	90%	90%
	Total number of helpdesk cases resolved	1436	1500	1500	1500
Efficiency	Capital expenditures for IT	0	53,500	68,000	46,100
	Expenditures per each endpoint served	0	123	156	106
	Department Expenditures as a % of General Fund	0.7%	0.7%	0.8%	0.7%

Key Issues

- FY 2022 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.

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	18,253	29,500	26,375	(3,125)	26,375
Other Services and Charges	172,430	156,401	159,712	3,311	158,883
Capital Outlay	0	61,750	68,000	6,250	46,100
Total	\$ 190,683	\$ 247,651	\$ 254,087	\$ 6,436	\$ 231,358
Resources:					
General Fund	\$ 190,683	\$ 247,651	\$ 254,087	\$ 6,436	\$ 231,358
Total	\$ 190,683	\$ 247,651	\$ 254,087	\$ 6,436	\$ 231,358

Custodial & Maintenance Division

Sean Ballantine

DPS Supervisor

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.
- 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.)
- Facilitated COVID-19 building logistics, including social distance markings, physical barriers, routine disinfection of facilities and vehicles, and stocking/distributing sanitizing and cleaning supplies.
- Replaced the failing tile and carpeting in the Police Department Cell Block with a polished concrete floor system, including floor drain replacements to eliminate trip hazards.
- Replaced all fluorescent lighting in the DPS garages with LED retrofit tubes, resulting in increased lighting quality and energy savings.

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	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Expenditures: Total jurisdiction facilities: Repairs	\$133,406	\$150,000	\$175,000	\$175,000
	Jurisdiction facilities, Total Electricity usage: kWh	1,520,400	1,200,000	1,550,000	1,550,000
Efficiency	Admin/office facilities, Custodial expenditure per square foot	\$0.93	\$0.93	\$0.93	\$0.93
	Admin/office facilities, Repair expenditure per square foot	\$0.47	\$0.53	\$0.61	\$0.61
	Departmental Expenditures as a % of General Fund	0.6%	0.6%	0.6%	0.6%

Financial Summary

	Actual	Estimate	Budget	Increase (Decrease)	
Requirements:	2019-20	2020-21	2021-22	FY 2020-21 to FY 2021-22	Budget 2022-23
Personnel Services	\$ 15,414	\$ 15,352	\$ 15,931	\$ 579	\$ 16,112
Supplies	19,286	21,200	21,200	0	21,200
Other Services and Charges	129,492	162,473	163,004	531	145,406
Capital Outlay	0	0	0	0	0
Subtotal-Municipal Bldg.	53,221	259,133	194,653	(64,480)	511,631
Total	\$ 217,413	\$ 458,158	\$ 394,788	\$ (63,370)	\$ 694,349
Resources:					
General Fund	\$ 217,413	\$ 458,158	\$ 394,788	\$ (63,370)	\$ 694,349
Total	\$ 217,413	\$ 458,158	\$ 394,788	\$ (63,370)	\$ 694,349

Key Issues

- At the March 11, 2021, Budget Workshop City Council gave staff direction to move forward with the relocation of the Active Adult Center to the Civic Center Plaza connecting the Library and City Hall. This will provide the opportunity to sell the Active Adult Center parcel changing the designation from tax-exempt to taxable to create additional reoccurring revenue. The total project cost is anticipated to be \$9.2 million. The budget starts this process the FY 2022 budget of \$149,000 and FY 2023 \$465,000.

Police



Corey Haines

Chief of Police/Deputy City Manager

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;
- 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 Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
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
TOTAL PART TIME	19	19	19	19
TOTAL EMPLOYEES	81	81	81	81

Accomplishments

Public Safety:

- Hired and trained (1) Police Officer.
- Hired and trained (3) Police Service Aides (PSA).
- 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.
- Purchased new in-car video cameras and body cameras for all police officers. (2020 Action Item 1.4.a)
- Police Department cell block floor area was repaired and the new surface is polished concrete.
- Purchased new police radio system to be implemented in late 2021.

Objectives

Public Safety:

- Continue hiring process as planned (2020 Action Item 1.1.d and 1.1.e)
- Purchase and replace five (5) police and administrative vehicles.
- Replace aging infrastructure such as heating/cooling, drain pipes, tile flooring and carpeting.
- Enhance Animal Control and Animal Shelter Operations by increasing the hours of the part-time Animal Shelter Assistants. (2021 Action Item 1.3.a)
- Replace Police Officer's Handguns.
- Purchase new Live-Scan fingerprint machine.
- Renovate Police Reserve Officer's office area and lockers.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022- 2023 Budget
Input	Expenditures, police personnel and overtime (including support charged to department)	\$9,817,299	\$10,177,244	\$10,467,247	\$10,502,229
	Expenditures: Sworn police overtime	\$611,682	\$433,334	\$442,001	\$442,001
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$8,132,645	\$8,485,238	\$8,742,894	\$8,758,755
	Sworn Police FTEs (Budgeted)	66.35	69.35	69.35	69.35
	Sworn Police FTEs per 1,000 pop	2.21	2.31	2.31	2.31
Output	Dispatch calls/initiated actions: Total Police Responses	26,732	26,000	30,000	30,000
	Injury: producing traffic accidents	178	180	225	225
	Moving violation citations issued (excluding DUIs)	3,366	3,400	4,250	4,250
	Number of accidents involving fatalities	1	1	0	0
	DUI Arrests	99	90	125	125
Outcome	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	7	7	0	0
	Complaints sustained against sworn personnel: Total	0	0	0	0
Efficiency	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	891	867	1,000	1,000
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	545.5	450	612	612
	Department Expenditures as a % of General Fund	35.3%	35.2%	35.2%	35.3%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 9,817,299	\$ 10,177,244	\$ 10,467,247	\$ 290,003	\$ 10,502,229
Supplies	76,067	179,842	121,892	(57,950)	121,892
Other Services and Charges	549,753	549,693	606,053	56,360	598,152
Capital Outlay	734,286	713,243	446,998	(266,245)	560,746
Transfer	0	124,389	0	(124,389)	0
Total	\$ 11,177,405	\$ 11,744,411	\$ 11,642,190	\$ (102,221)	\$ 11,783,019
Resources:					
Animal Control and Pound	\$ 1,850	\$ 2,600	\$ 2,600	\$ 0	\$ 2,600
Liquor License Inspections	27,342	27,000	27,000	-	27,000
Police & Fire Pension Millage	2,681,975	2,551,842	2,854,388	302,546	2,710,600
General Fund	8,466,238	9,162,969	8,758,202	(404,767)	9,042,819
Total	\$ 11,177,405	\$ 11,744,411	\$ 11,642,190	\$ (102,221)	\$ 11,783,019

Key Issues

- The FY 2021 budget started the implementation of the Body cameras and replacement of in-car cameras with \$105,667. The FY 2022 budget included \$75,278 and FY 2023 \$55,746 to continue this program.
- The FY 2022 budget also includes an additional contribution to the Police and Fire pension above the actuarially required contribution of \$218,710 in Police and Fire for a total additional contribution of \$437,420.

Fire



Greg Lelito
Fire Chief

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;
- Providing advanced life support emergency medical services.

Organizational Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
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

Resource Management

- Lieutenant Shepherd successful completion of EMU's Fire Staff and Command Executive Leadership Program.
- Hired five new Firefighter/Paramedics.
- Welcomed the Department's first female firefighter.
- Implemented new software to help streamline the Department's inspections of vehicles, tools, supplies, and inventory logs.
- Implemented new training software to assist with the fire and EMS training, State and Federal training compliance, and record management.
- Purchase each firefighter an additional set of structural firefighter gear and hybrid protective gear to continue the Department's cancer prevention program.

Public Safety

- Key department personnel assigned to the Oakland County Emergency Management Team to assist Oakland County COVID response and mitigation plan
- Increased the daily minimum staffing level by two firefighters per day.
- Placed into service a new fire engine housed at Fire Station 2.
- Completed the City's five-year Insurance Services Office (ISO) scoring analysis.
- Trained five firefighters to the level of Tunnel Rescue Technician in response to the I-75 modernization project.
- Implemented COVID-19 response plan for response.
- Instituted internal safety precautions and cleaning protocols to prevent the spread of the COVID-19 in the fire stations.
- Implement a revised inspection schedule for all high hazard businesses.
- Collaborated with the Environmental Protection Agency and Eagle in the mitigation efforts on 10 Mile.

Objectives

Public Safety

- Purchase a new ambulance housed at Fire Station 1.
- Complete a feasibility study to replace or renovate Fire Station 2.
- Adoption of the 2021 International Fire Code.
- Train all employees to the American Heart Association Pediatric Advanced Life Support (PALS) certification.

Resource Management

- Lieutenant Garvey is attending Eastern Michigan University, Fire Staff and Command.
- Hire two new Firefighter/Paramedics.
- Guide the newly hired firefighters through their probationary period.
- Develop a firefighter fitness and wellness program.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to department)	\$6,629,291	\$7,055,223	\$6,898,502	\$6,875,242
	Expenditures, Fire/EMS Personnel: Sworn	\$4,689,633	\$5,663,780	\$5,792,675	\$5,763,847
	Expenditures: Sworn Fire/EMS personnel, OT only	\$164,761	\$99,327	\$101,222	\$101,222
Output	EMS: Number of ALS Responses	1555	1976	2000	2000
	EMS: Total BLS and ALS Responses	3537	3256	3300	3300
	Inspections: Commercial/Industrial Occupancies Inspected	418	506	525	525
	EMS: Total BLS and ALS Transports	2395	2424	2500	2500
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	94%	95%	94%	94%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	31%	32%	35%	35%
	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%	100%	100%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%	100%	100%
	Total BLS and ALS responses per 1,000 of population	118	109	110	110
	Total Fire/EMS personnel and operations expenditures per capita	\$221	\$235	\$230	\$229
	Number of total Fire Department (Fire and EMS) responses per suppression FTE	162	160	153	153
	Department Expenditures as % of General Fund	19.6%	21.0%	21.1%	20.8%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 4,759,724	\$ 5,737,699	\$ 5,870,592	\$ 132,893	\$ 5,844,799
Supplies	108,998	135,404	89,745	(45,659)	82,200
Other Services and Charges	512,252	653,829	552,572	(101,257)	537,185
Capital Outlay	1,318,533	602,335	463,510	(138,825)	492,010
Total	\$ 6,699,507	\$ 7,129,267	\$ 6,976,419	\$ (152,848)	\$ 6,956,194
Resources:					
Ambulance & CPR Revenues	\$ 656,131	\$ 637,000	\$ 637,000	\$ (50,000)	\$ 637,000
Police & Fire Pension Millage	2,019,975	2,083,964	2,269,274	185,310	2,226,152
General Fund	4,023,401	4,408,303	4,070,145	(288,158)	4,093,042
Total	\$ 6,699,507	\$ 7,129,267	\$ 6,976,419	\$ (152,848)	\$ 6,956,194

Key Issues

- This budget includes the third and fourth of five installment payments for a pumper truck #722 and Phase 2 for Ambulance Rescue.
- The FY 2021 budget included funding for a feasibility study and analysis of Fire Station #2. In order to address the issues identified in this report, we have included Fire Station #2 improvements for \$82,000 in FY 2022 and \$80,000 in FY 2023.
- The FY 2022 budget also includes an additional contribution to the Police and Fire pension above the actuarially required contribution of \$218,710 in Fire Department for a total additional contribution of \$437,420.

Community and Economic Development



Giles Tucker
Community Development Director

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.

Organizational Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
Community and Economic Development Director	1	1	1	1
Building Official (Contracted 2015-16)	0	0	0	0
Economic Development Supervisor	1	1	0	0
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	7	6	6
Code Enforcement Officer	1	1	1	1
TOTAL PART TIME	1	1	1	1
Total Employees	7	8	7	7

Accomplishments

- Reviewed and issued 53 small businesses a combined total \$263,000 in grant funding to help support small businesses affected by COVID-19 through the Oakland County Stabilization Fund for Small Business Grant.
- Raised a total of \$30,750 and issued 12 grants to small businesses through a crowd funding and local grant program.
- Distributed over 200 Small Business Reopen Kits containing PPE and other products to help small businesses protect their employees and patrons from COVID-19.
- Negotiated and completed Pine Village Brownfield Plan.
- Created and filled CED Internship Position.
- Updated & revised building and planning review fees.

Objectives

- Identify and adopt zoning ordinance text amendments and updates.
- Improve Development Review Process
- Adopt city-wide Economic Development Plan.
- Adopt city-wide Marketing Plan.
- Become certified by the Michigan Economic Development Corporation's (MEDC) as a Redevelopment Ready Community.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Valuation of commercial/industrial construction: Regular	\$13,066,526	\$8,000,000	\$8,000,000	\$8,000,000
	Valuation of residential construction	6,605,922	5,000,000	3,000,000	3,000,000
	Expenditures: Development inspection, personnel and operations **	2,127	3,000	3,000	3,000
Output	Code Enforcement: Total Cases Initiated ***	437	400	400	400
	# of Building Permits issued: Commercial	1,462	500	400	400
	# of Building Permits issued : Residential	1,380	1,200	800	700
Efficiency	% 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	3.5%	3.2%	3.3%	3.2%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 455,878	\$ 550,053	\$ 441,362	\$ (108,691)	\$ 446,128
Supplies	5,545	7,800	7,800	0	7,800
Other Services and Charges	549,696	532,271	636,026	103,755	614,419
Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 1,011,119	\$ 1,090,124	\$ 1,085,188	\$ (4,936)	\$ 1,068,347
Resources:					
Occupational Licenses	\$ 224,866	\$ 220,000	\$ 220,000	\$ 0	\$ 220,000
Other Permits	74,456	58,000	60,000	2,000	60,000
Building Permits	685,436	400,000	565,000	165,000	565,000
Engineering Fees	118,634	70,375	70,375	0	70,375
Planning Fees	26,100	15,000	98,125	83,125	98,125
GIS Services	9,155	9,320	7,500	(1,820)	7,500
General Fund	15,000	317,429	64,188	(253,241)	47,347
Total	\$ 1,153,647	\$ 1,090,124	\$ 1,085,188	\$ (4,936)	\$ 1,068,347

Key issues

- In FY 2021, the City entered a contract with Giffels Webster for Planning services eliminating a full-time position in this department. As part of this contract we are also budgeted to move forward with several strategic planning items including a Zoning audit to update our ordinances.

Department of Public Services - Streets Division

Justin Kowalski

DPS Supervisor

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 2020 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.
- Direct administration and oversight of the major and residential road projects, and sidewalk program is a result of the restructuring of the Community Development Department.
- Planted 13 trees in the neighborhood south of Lincoln through an Arbor Day Alliance Grant.
- Replaced all remaining high pressure sodium (HPS) streetlights with LED technology, resulting in a significant ongoing energy savings, and increased quality of light on major thoroughfares, in neighborhoods, and on City facilities and grounds.

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.
- Manage the tree program for new trees and tree replacements in addition to including a tree replacement plan.
- Plan for a comprehensive rehabilitation of John R. Road in conjunction with the Road Commission for Oakland County, and taking into account the impact of the I-75 Modernization Project.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Expenditures on paved sidewalks (operations and capital)	\$147,687	\$330,000	\$50,000	\$50,000
	Annual Streetlighting Expense	\$511,189	\$876,290	\$346,060	\$346,060
Efficiency	Expenditures, paved road rehabilitation, per total paved lane miles	\$12,073	\$10,871	\$5,811	\$5,811
	Department Expenditures as a % of General Fund	3.6%	3.3%	2.7%	3.1%

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 includes a Latex Printer, and two replacement vehicles on for a 4x4 pick-up truck (\$35,000) and the second for a dump truck (\$62,000)

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 15,029	\$ 15,796	\$ 17,266	\$ 1,470	\$ 17,446
Supplies	3,233	3,600	3,600	-	3,600
Other Services and Charges	889,971	1,238,326	720,859	(517,467)	724,771
Capital Outlay	228,584	246,565	133,750	(112,815)	302,000
Total	\$ 1,136,817	\$ 1,504,287	\$ 875,475	\$ (628,812)	\$ 1,047,817
Resources:					
Weed Mowing	\$ 33,375	\$ 47,498	\$ 40,000	\$ (7,498)	\$ 40,000
Brush Chipping	6,400	6,000	6,500	500	6,500
General Fund	1,097,042	1,450,789	828,975	(621,814)	1,001,317
Total	\$ 1,136,817	\$ 1,504,287	\$ 875,475	\$ (628,812)	\$ 1,047,817

Department of Public Services - Solid Waste Division

Sean Ballantine

DPS Supervisor

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 25 dead or diseased trees year-to-date, and proactively removed and replaced 21 trees from the R-3/ water main projects. (2020 Action Item 3.2.a)
- Bid and implemented a new contractor to provide the port-a-jon service in the City parks after former contractor unexpectedly parted ways with the City.
- DPS has sold 45 recycling bins and 143 boxes of garbage bags to our residents year-to-date.
- Madison Heights residents have also purchased approximately 1460 garbage carts and 1250 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.
-

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Expenditures for Recycling	\$280,095	\$287,097	\$294,274	\$294,274
Output	Residential recycling: Tons collected	1,107	1,100	1,200	1,200
	Yard Waste Tons Collected: Composted	1,871	2,000	2,000	2,000
Efficiency	Street sweeping expenditures per lane mile	66.32	67.00	67.50	67.50
	Department Expenditures as a % of the General Fund	8.1%	8.4%	9.3%	8.9%

Financial Summary

	Actual	Estimate	Budget	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget
Requirements:	2019-20	2020-21	2021-22		2022-23
Personnel Services	\$ 70,091	\$ 73,183	\$ 76,237	\$ 3,054	\$ 79,631
Supplies	6,879	17,727	17,727	0	17,727
Other Services and Charges	2,441,516	2,485,888	2,532,718	46,830	2,585,142
Capital Outlay	0	20,000	450,000	430,000	300,000
Total	\$ 2,518,486	\$ 2,596,798	\$ 3,076,682	\$ 479,884	\$ 2,982,500
Indirect Costs	365,000	365,000	365,000	0	365,000
Resources:					
Solid Waste Millage	\$ 2,140,200	\$ 2,184,311	\$ 2,251,126	\$ 74,673	\$ 2,230,219
General Fund	743,286	777,487	1,190,556	405,211	1,117,281
Total	\$ 2,883,486	\$ 2,961,798	\$ 3,441,682	\$ 479,884	\$ 3,347,500

Key Issues

- The FY 2022 budget includes a planned increase of 2.4% for GFL waste and recycling hauler.
- The Budget also includes investment in capital assets with a Wandering Hose Leaf Vac (480,000) replacement of a Single Axle Dump Truck (\$220,000) and the first of two phases for funding a replacement Street Sweeper (\$150,000).

Department of Public Services - Recreation Division

Brooke Heisler

DPS Supervisor

The Recreation Division of the Department of Public Services consists of a full 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;
- 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.

Organizational Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
Full time Recreation Coordinator	1	1	1	1
TOTAL FULL TIME	1	1	1	1
Part-time recreation assistant	1	1	1	1
Basketball Staff	8	8	8	8
Camp Staff	10	10	10	10
Lifeguard	1	1	1	1
Adult Program Supervisor	2	2	2	2
Youth Program Supervisor	2	2	2	2
Recreation Intern	1	1	1	1
TOTAL PART TIME	25	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.
- Updated 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.
- Facilitated a highly successful employee day/learning camp to allow City employees to return to work while their children were engaged in virtual learning.
- 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 1,300 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.
- 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 virtual coding, babysitting class and all ages martial arts classes.
- Offered new sports camps.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	New Programs introduced	6	10	12	12
	Recreation revenues	\$60,544	\$50,000	\$135,000	\$135,000
Output	Recreation Registrations	1,169	500	1,200	1,200
	Pavilion Rentals	64	25	60	60
Efficiency	Department Expenditures as a % of the General Fund	0.7%	0.9%	0.9%	0.9%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 73,435	\$ 171,430	\$ 158,788	\$ (12,642)	\$ 159,482
Supplies	30,063	56,073	59,869	3,796	59,869
Other Services and Charges	48,543	66,817	72,790	5,973	72,774
Capital Outlay	0	10,000	0	(10,000)	0
Total	\$ 152,041	\$ 304,320	\$ 291,447	\$ (12,873)	\$ 292,125
Resources:					
Recreation Fees	\$ 57,530	\$ 135,000	\$ 135,000	\$ 0	\$ 135,000
Recreation-Miscellaneous	3,015	6,000	4,000	(2,000)	6,000
General Fund	91,496	163,320	152,447	(10,873)	151,125
Total	\$ 152,041	\$ 304,320	\$ 291,447	\$ (12,873)	\$ 292,125

Key Issues

- Program activities are budgeted to increase as more programs are added to the recreation offerings.
- Due to the COVID-19 pandemic, the majority of Recreation programming had to be cancelled in calendar year 2020. The Recreation division has spent the time analyzing space dimensions and virtual program offerings to adjust to the ongoing "new normal" that the pandemic has created

Nature Center Division

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

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

Accomplishments

Quality of Life:

- Aided in promotion of Red Oaks Nature Center and other Red Oaks Parks.
- Approved 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 Park, while addressing the difference in fiscal years between the two entities.
- In response to the COVID-19 pandemic, which resulted in the closure of the building and the cancellation of many programs, reimagined several classes and events to provide programming while maintaining necessary social distancing and other safety protocols.

Objectives

Quality of Life:

- Work with Oakland County to promote OCPR programming and activities at the Red Oaks Nature Center.
- Evaluate parking lot expansion plans with OCPR.
- Continue capital planning with OCPR.
- Replace the aged deck and hardscape around the Nature Center.
- Evaluate improvements to the Hales Street driveway and overflow parking areas.

Key Issues

- In light of the financial difficulties created by falling 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 current lease provides that the City will pay for one-half of the cost over \$5,000 for any agreed-upon capital improvements. A list of long-term capital improvements and deferred maintenance projects has been identified by the City and OCPR for Suarez Friendship Woods. In November 2020, OCPR received a millage increase from the voters of Oakland County allowing OCPR to invest in the Nature Center at a faster rate than can be accommodated in the City's budget. Therefore, staff worked with OCPR to negotiate a new agreement requiring a maximum of \$50,000 per year for capital improvements at this location.

Financial Summary

	Actual	Estimate	Budget	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget
Requirements:	2019-20	2020-21	2021-22		2022-23
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	0	0	0	-	0
Other Services and Charges	8,591	8,957	8,400	(557)	8,600
Capital Outlay	57,386	90,000	50,000	(40,000)	50,000
Total	\$ 65,977	\$ 98,957	\$ 58,400	\$ (40,557)	\$ 58,600
Resources:					
Nature Center Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Fund	65,977	98,957	58,400	(40,557)	58,600
Total	\$ 65,977	\$ 98,957	\$ 58,400	\$ (40,557)	\$ 58,600

Parks Division

Justin Kowalski

DPS Supervisor

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;
- Responding to tree service calls, removal of unsafe or dead trees, coordination of the tree planting program, and oversight of the mowing contractor.

Organizational Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
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.
- Successfully assisted in the set-up and teardown of the drive-through 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.
- Completed the Parks and Recreation Master Plan update with the Parks and Recreation Advisory Board, including a methodical and achievable long-term Capital Improvement Plan.
- Maintained the Parks system in a clean and sanitary state. The Parks saw significantly increased usage as a result of the COVID-19 pandemic, and subsequent closure of other recreational amenities.
- Replaced the play structure at Edison Park (installation scheduled for Spring of 2021).

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.
- Continue evaluating and improving ADA accessibility in the City's park system.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Expenditures: Parks personnel and operations: Total	\$ 372,523	\$ 375,000	\$ 380,000	\$ 380,000
	Park maintenance expenditures per acre	\$ 3,921.29	\$ 3,947.37	\$ 4,000.00	\$ 4,000.00
Efficiency	Department Expenditures as a % of General Fund	2.3%	1.9%	2.3%	1.9%

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 27,137	\$ 28,241	\$ 29,826	\$ 1,585	\$ 30,122
Supplies	34,004	41,770	41,770	-	41,770
Other Services and Charges	278,024	321,380	310,039	(11,341)	315,150
Capital Outlay	167,607	266,432	390,000	123,568	260,000
Total	\$ 506,772	\$ 657,823	\$ 771,635	\$ 113,812	\$ 647,042
Resources:					
General Fund	\$ 506,772	\$ 657,823	\$ 771,635	\$ 113,812	\$ 647,042
Total	\$ 506,772	\$ 657,823	\$ 771,635	\$ 113,812	\$ 647,042

Key Issues

- With the passing of Proposal MH, and its focus on Quality of Life, this budget increases funding for park equipment replacement and maintenance including pavilion improvements. The FY 2021 budget includes \$390,000 for various improvements in six different parks.

Active Adult Center

Jennifer Cowan

DPS Supervisor

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 Chart

Personnel Summary	2019-20	2020-21	2021-22	2022-23
Program Coordinator	1	1	1	1
Program Assistant	1	1	1	1
TOTAL FULL TIME	2	2	2	2
Bus Driver/Chauffeur	5	5	5	5
Program Assistant	0	0	0	0
Office Assistant	1	1	1	1
TOTAL PART TIME	6	6	6	6
TOTAL EMPLOYEES	8	8	8	8

Accomplishments

- Raised \$4,880 through fundraising events and donations to help cover extraneous equipment and programs at the Center.
- Rented the Active Adult Center 7 times grossing \$2,050 in revenue.
- Received use of a 28 passenger wheelchair lift-equipped bus from SMART, saving the City \$94,470 in would-be replacement cost.
- Received opportunity of SMART Cares Act grant monies of \$23,040 for Covid-19 upgrades to vehicles.
- Received one electrostatic sprayer and 12 cases of oxide valued at \$2,200, and two new laptops valued at \$4,130 through Oakland County Cares Act grant
- Provided 192 clients with free tax service through the help of AARP, saving the seniors approximately \$33,792 in expenses.
- Assisted 58 elderly, handicapped, and disabled residents through the Yard Services Program for lawn mowing (totaling 1,415 cuts) saving the seniors \$22,640 in expenses.
- Furnished assistance to 4 seniors, providing aid with home repairs through the Senior Home Assistance and Repair Program (SHARP), continued aiding 18 seniors in receiving Focus Hope commodity food each month, totaling 216 boxes of food, and rented out 42 pieces of medical equipment during the pandemic.
- Continued busing seniors to various essential places such as the grocery store, doctor appointments, the bank and other locations.
- Completed 1,485 reassurance calls with seniors to check on their well-being, referring any concerns to appropriate family members or other agencies. It is our hope that this intervention strategy will aid seniors to age in place.
- In response to the COVID-19 pandemic, converted our onsite classes and events to virtual and drive through events so we could keep connected with our seniors and alleviate some of the isolation, and revamped our monthly newsletter to be both a resource directory and an at home activity book to assist seniors with needs and combat isolation.
- Assisted the Madison Heights food pantry by donating food and offering refrigerator and freezer space.
- Received donations of goodie bag items from American House Hazel Park, American House Troy, Shanbom Eye Specialist, Mediguide, Optalis Health, Madison Heights Woman's Club, and Pomeroy Sterling Living for various Covid-friendly drive through events.

Objectives

- Pursue varying capital outlay replacements including the 40 passenger bus, dishwasher, pool room activity tables, and message board.
- Prioritize building improvements including Room D/E Divider, insulation improvements, lighting improvements, replacement of wallpaper, and installation of doors in the dining room.
- Meet the service needs of older adults and their families to enhance dignity, independence and quality of life for seniors, keeping the senior in their homes as long as possible.
- Provide positive events that foster interaction among older adults and between seniors and the community to build friendships making the community stronger, healthier and more supportive.
- 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.
- Enhance adults' knowledge about subjects with which they are familiar as well as offer information and education on interesting current topics to maintain mental acuity.
- Continue to develop a variety of activities to allow attendees to participate at many different levels whether it is listening, talking, playing or watching.
- Provide information and referral for services available to older adults in the community and offer assistance for those unable to negotiate the system with information alone.
- Provide volunteer opportunities for older adults whether it be service to the Center itself or to the community.
- Act as a non-partisan advocate for the rights of seniors, individually or as a group, helping adults advocate for themselves.
- Continue to provide many of our trips, events and activities free of charge or very low cost such as Great Lakes Crossing, Exotic Zoo, Detroit Zoo, DIA, Ikea, Open House, Brain Games, scrabble, dominoes, prize bingo, game day, knit & crochet, movie, book club, computer class and services such as blood pressure checks, annual health fair, monthly financial consultations, monthly real estate consultations, and informational talks.

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Two-way trips	3,018	5,000	11,000	11,000
	Bus Miles Traveled	10,937	10,000	20,000	20,000
Output	Number of programs offered for seniors	471	500	1,550	1,550
	Day trips	7	15	40	40
	Newsletter subscriptions	400	400	400	400
	Department Expenditures as a % of the General Fund	1.5%	1.5%	1.6%	1.7%

Financial Summary

	Actual	Estimate	Budget	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget
Requirements:	2019-20	2020-21	2021-22		2022-23
Personnel Services	\$ 164,436	\$ 196,344	\$ 202,279	\$ 5,935	\$ 202,959
Supplies	100,117	128,480	128,830	350	128,830
Other Services and Charges	104,666	109,644	68,797	(40,847)	68,675
Capital Outlay	-	125,000	100,000	(25,000)	32,000
Total	\$ 369,219	\$ 559,468	\$ 499,906	\$ (59,562)	\$ 432,464
Indirect Costs	155,500	157,000	157,000	-	157,000
Resources:					
Senior Non-Program	\$ 7,009	\$ 11,900	\$ 7,500	\$ (4,400)	\$ 8,000
Senior Citizens Activities	76,323	130,000	75,000	(55,000)	130,000
Senior Center Millage	384,970	392,231	404,180	11,949	408,217
SMART	81,545	70,019	70,019	-	70,019
General Fund	(25,128)	112,318	100,207	(12,111)	(26,772)
Total	\$ 524,719	\$ 716,468	\$ 656,906	\$ (59,562)	\$ 589,464

Key Issues

- The FY 2022 budget maintains service levels at the status quo.
- At the March 11, 2021, budget workshop with City Council, staff received direction to move forward with the relocation of the Active Adult Center to Civic Center Campus to be connected to the City Hall and Library. This project will include a renovation of the Library to include a dedicated teen space, a closed children's area, and a Friends of the Library space.

Library



Roslyn Yerman
Library Director

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	2019-20	2020-21	2021-22	2022-23
Library Director	1	1	1	1
Librarian Deputy Director	0	0	1	1
Librarian	1	1	0	0
Library Technician	1	1	1	1
Total Full-Time	3	3	3	3
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	17

Accomplishments

Accomplishments

- Staff adaptability to working from home, providing online programming, and reworking library operations within pandemic safety measures in order to continue offering library services, including curbside and carryout service.
- Updated online library services available on the website to include library card applications, homework help, and additional ways for patrons to connect with library staff such as email reference and text communication.
- Expanded digital library resources beyond ebooks and online tutoring to a wider variety of topics including language learning, newspapers, movie and television streaming, creative arts, and an online tutorial database which includes short videos on how to use many of these newly added resources.
- Began circulating wi-fi hotspots and Chromebook laptops with support of the Library of Michigan Digital Inclusion CARES Act Grant.
- Recruited a new crew of board members for the Friends of the Madison Heights Public Library in order to coordinate volunteer efforts and strengthen library fundraising.
- Rolled out Get up & Go Discovery kits (sports equipment and fitness tools) for check-out. (Grant funded project).
- Received a KABOOM! Grant for an outdoor Play Everywhere concept which will include an outdoor meeting space, enhanced wi-fi, storybook path, and art and music areas.

Objectives

Inform

- Evaluate print and digital collections in order to continue to be the trusted source of accurate up-to-date information in a wide range of formats and adjust appropriately based on patron use and community interest.
- Create Marketing and Social Media plans in order to continually and strategically inform the community of what library services are available, through social media, newspapers, flyers and use of the local cable channel with a focus on digital literacy.

Inspire

- Focus on materials, resources, and programs in a wide variety of topics and formats. that serve to inspire patrons to learn or discover something new, aid in self-improvement and life-long learning and promote creativity and a connection to community.
- Provide library staff with training and workshop opportunities in order to stay inspired themselves.
- Celebrate and champion diversity through the library collection, in programming, and in staff representation.
- Implement KABOOM! Play Everywhere grant plans in a way that inspires the community in a similar fashion.

Connect

- Increase the number of Madison Heights residents who have a library card.
- Install outdoor keypad lockers to encourage library use for patrons who cannot access the library during current service hours.
- Increase technology accessibility by converting desktop computers to laptops and adding enhanced software to existing computers with programs that patrons may not purchase for individual use at home.
- Investigate other ways for patrons to interact with library services for those who are not online.
- Connect with other community groups and local businesses to increase awareness of library services, and provide off-site and outdoor programming opportunities for patrons.
- Increase awareness of home delivery options
- Bookmobile

Serve

- Continue to evaluate and adapt services to meet community needs by engaging the public on how the library can best serve them now with a community-wide survey.
- Place evaluation cards/comment cards in each pick-up order, in the lobby, and online to have an ongoing way to capture public input

Performance Measures

	Performance Indicators	2020 Actual	2021 Estimate	2021-2022 Budget	2022-2023 Budget
Input	Expenditures, Library: E-Materials acquisition***	\$ 15,196	\$ 15,200	\$ 24,000	\$ 24,000
	Expenditures, Library: Hard-copy materials acquisition	\$47,520	\$ 49,707	\$ 50,000	\$ 50,000
	Hours Paid: Library Staff		14,924		
Output	Electronic Circulation per Capita	0.46	0.40	4.80	4.80
	Number of library visitors	97,409	96,400	98,000	98,000
	Library: Total reference transactions	5,372	5,300	5,250	5,250
Outcome	Library community involvement	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB	* CRT, LAB, Historical, MRAB
	Library: Hours worked by volunteers	577	600	600	600
	Expenditures, Library: Online resources acquisition/subscription (OVD, Mango, WorldBook e, RBDig)	\$ 13,640	\$ 13,489	* CRT, LAB, Historical, MRAB	
Efficiency	Libraries: Circulation per capita	3.43	3.00	3.00	3.00
	Library visitation rate per capita	3.28	3.00	3.50	3.00
	Department Expenditures as a % of the General Fund	2.4%	2.6%	3.1%	2.8%

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

Financial Summary

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 449,849	\$ 511,452	\$ 654,367	\$ 142,915	674,550
Supplies	5,499	20,790	17,700	(3,090)	13,700
Other Services and Charges	126,958	130,698	133,118	2,420	133,750
Capital Outlay	174,459	101,144	220,845	119,701	101,985
Total	\$ 756,765	\$ 764,084	\$ 1,026,030	\$ 261,946	\$ 923,985
Resources:					
State Library Aid	\$ 23,773	\$ 21,000	\$ 23,772	\$ 2,772	23,772
County Penal Fines	0	61,000	61,000	-	61,000
Book Fines	7,190	9,000	0	(9,000)	0
Copy/Print Fees	7,360	9,000	9,000	-	9,000
TLN USF E-Rate Rebate	4,394	7,300	4,363	(2,937)	4,363
General Fund	714,048	656,784	927,895	271,111	825,850
Total	\$ 756,765	\$ 764,084	\$ 1,026,030	\$ 261,946	\$ 923,985

Key Issues

- The overall budget for the library is increasing 25.5% or \$208,705 in FY 2022. This is due to the planned \$120,000 purchase of replacement furniture and the full-year funding of one full-time community outreach Librarian.
- At the March 11, 2021, budget workshop with City Council, staff received direction to move forward with the relocation of the Active Adult Center to Civic Center Campus to be connected to the City Hall and Library. This project will include a renovation of the Library to include a dedicated teen space, a closed children's area, and a Friends of the Library space.

Insurance and Transfers

For the last 29 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 these savings were deposited into the City's loss fund with the MMRMA. The budget for FY 2022 insurance rates were budgeted at 2.5% above actual for FY 2021 at \$678,400 across all funds.

Financial Summary

Requirements:	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	0	0	0	0	0
Other Services and Charges	289,718	395,640	257,786	(137,854)	265,520
Transfers	0	0	0	0	0
Total	\$ 289,718	\$ 395,640	\$ 257,786	\$ (137,854)	\$ 265,520
Resources:					
General Fund	\$ 289,718	\$ 395,640	\$ 257,786	\$ (137,854)	\$ 265,520
Total	\$ 289,718	\$ 395,640	\$ 257,786	\$ (137,854)	\$ 265,520

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 these 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

The Pension Obligation Debt Services Department is a newly 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.

Pension Obligation Debt Service

	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Increase (Decrease) FY 2020-21 to FY 2021-22	Budget 2022-23
Requirements:					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	0	0	0	-	0
Other Services and Charges	940	440	440	-	440
Issuance of Debt	0	0	0	-	0
Debt Service	1,032,585	1,035,114	1,026,618	(8,496)	1,027,399
Transfers	0	0	0	-	0
Total	\$ 1,033,525	\$ 1,035,554	\$ 1,027,058	\$ (8,496)	\$ 1,027,839
Resources:					
General Fund	\$ 1,033,525	\$ 1,035,554	\$ 1,027,058	\$ (8,496)	\$ 1,027,839
Total	\$ 1,033,525	\$ 1,035,554	\$ 1,027,058	\$ (8,496)	\$ 1,027,839

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 benefits 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 the 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 2022 for POB principal and interest are \$1.04 million. As of December 30, 2019, the City's General Employees pension is considered 95% funded on an actuarial value basis.

CAPITAL IMPROVEMENTS



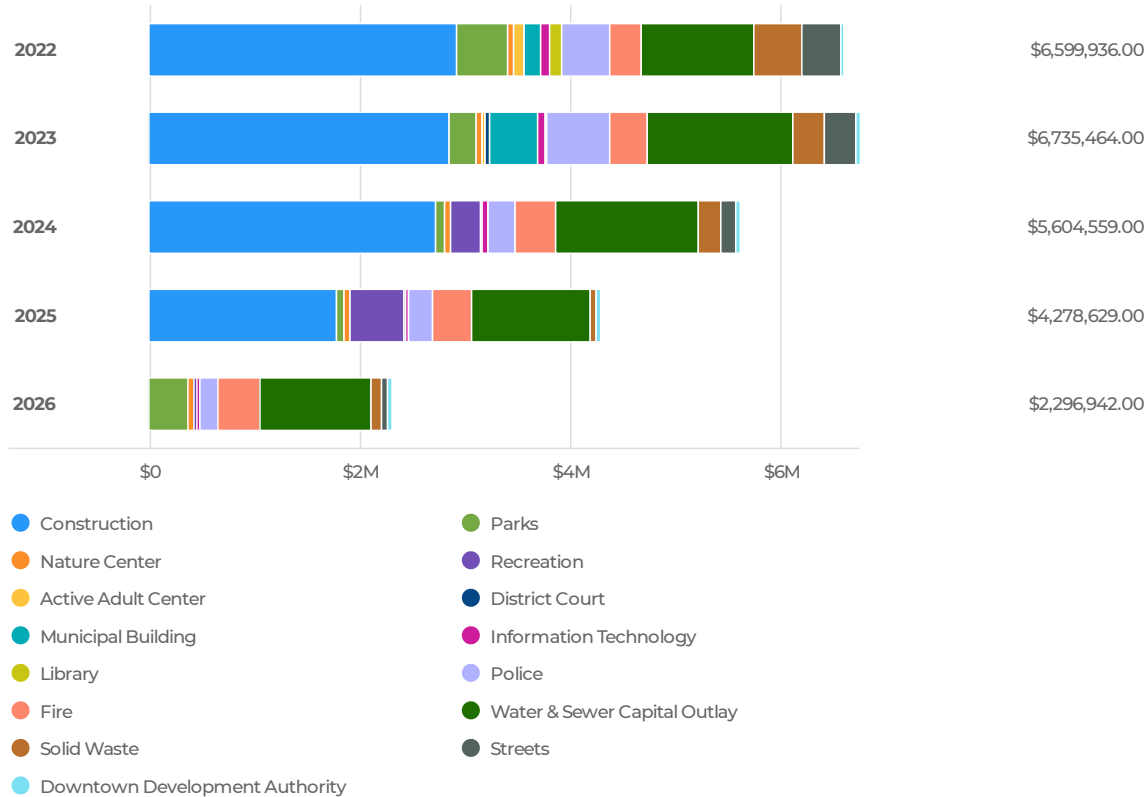
Capital Improvements: Multi-year Plan

Total Capital Requested

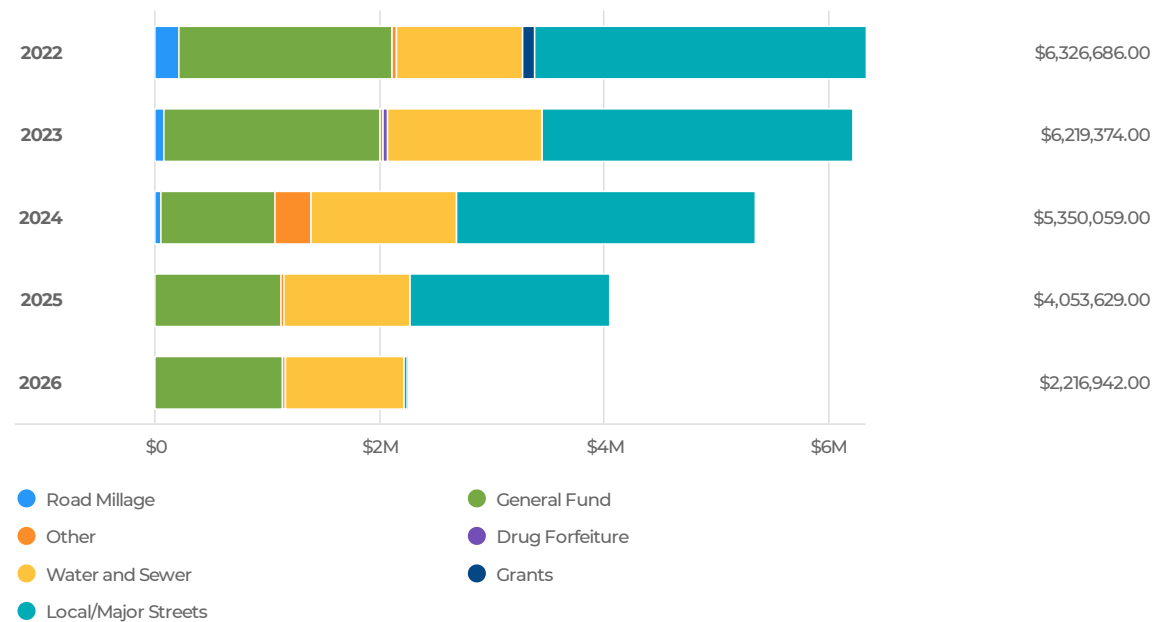
\$25,515,530

206 Capital Improvement Projects

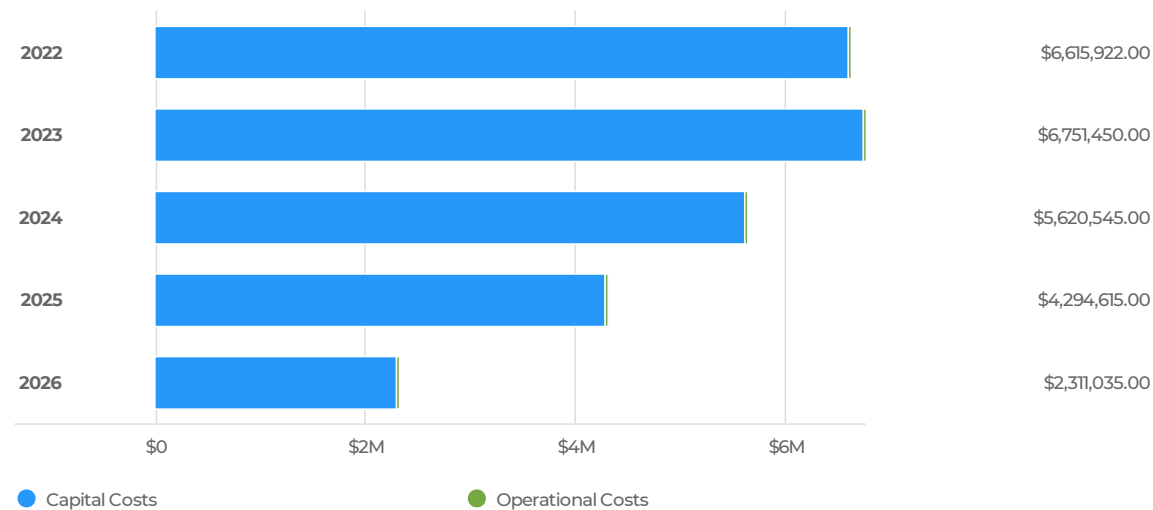
Total Funding Requested by Department



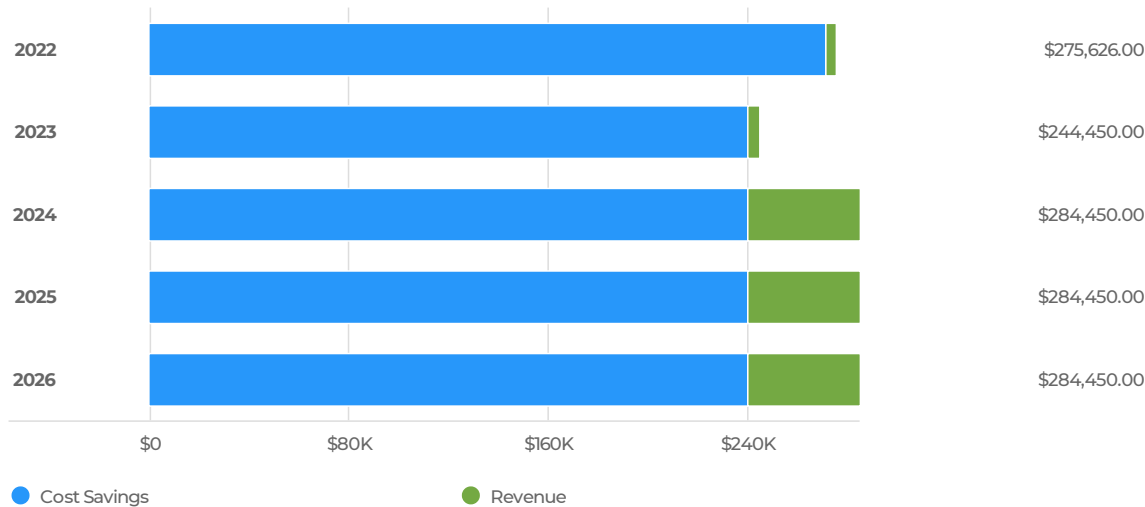
Total Funding Requested by Source



Capital Costs Breakdown



Cost Savings & Revenues



Plan Overview

The FY 2021-26 Six-Year Capital Improvement Plan totals \$33.7 million. The bar graph presented above shows the scheduled appropriations by year. The six-year program is a consolidation of ongoing and planned projects representing future capital improvement commitments consistent with the City's capital improvement policies.

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.

Municipal Building Requests

Itemized Requests for 2022-2028

Active Adult Center, Library and City Hall Project

\$614,000

In preparing for the FY 2019 budget, the City began a detailed strategic planning process. This process resulted in the detailed Strategic Plan "Blueprint for the Future" and focused on five key areas of focus 1) Public Safety 2)...

Total: \$614,000

Information Technology Requests

Itemized Requests for 2022-2028

City Wide Microcomputer Replacements

\$123,750

Replacement of end of life computers is approximately 25% of the total devices in the environment. This coincides with the overall plan to have a four-year lifecycle of computer replacements.

Storage Area Network VNXE 3200

\$35,000

The City maintains the majority of its data on a Storage Area Network (SAN) located at City Hall. This system was installed in 2016 and is in good working order. As this equipment approaches its expected end of life, it is best to plan for its...

Office 365 Transition

\$80,600

The current exchange server will be the end of life and upgrade to the most current version of MS Office. Cost for cloud-based Office 365 to migrate from on-prem Exchange and Office 365. Note that this will be an ongoing cost and...

Power Edge R540 With Microsoft Data Center (2)

\$24,000

Power Edge R540 with Microsoft Data Center - two

MS Datacenter Licensing Due to VMVWARE Servers

\$9,000

Servers

Total: \$272,350

District Court Requests

Itemized Requests for 2022-2028

Carpet**\$31,680**

The Carpeting at the court facility needs to be replaced. It has several areas that have been duct-taped to prevent tripping and many areas that are frayed or stained. The last replacement dates were done in 2002 (Front lobby) and 2005 (Staff...

Books**\$40,515**

Westlaw - Contracted Annual Subscription ICLE - Jury Instructions, Collections, Procedure LEXIS-NEXIS - Evidence

Total: \$72,195

Fire Requests

Itemized Requests for 2022-2028

Fire HVAC Upgrades	\$100,000
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Replacement of Fire Station 1 HVAC unit. Although they receive regular maintenance, components are beginning to fail, and as they are already 15 years old, they warrant replacement in the years upcoming.

Fire Station #2 Improvements	\$162,000
-------------------------------------	------------------

We are currently conducting a feasibility study of Fire Station #2. This funding is a combination of the planned improvements. Combined to allow funding when the feasibility study is complete.

Fire Station #1 Carpet Replacement	\$20,000
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Fire Station #1 carpet is in need of replacement in the living areas and office. The carpeting is in poor condition and is worn, torn, and lifting in multiple areas. More information is needed

#701 - 2014 GMC Sierra Truck	\$28,000
-------------------------------------	-----------------

This vehicle is currently 7 years old, and is in good condition. It will be evaluated for replacement based on its overall condition analysis.

#704 - 2002 Chevy Pickup 3500	\$36,000
--------------------------------------	-----------------

Due to operational needs, the Fire Department is requesting to replace this heavy-duty pick-up with a standard 4x4 pickup. This vehicle has a 34 vehicle score that indicated poor condition. The total maintenance cost of this vehicle is \$7,186. The...

#710 - 2011 Ambulance Rescue	\$140,000
-------------------------------------	------------------

This high use vehicle has been in service since 2011 and is currently serving as a backup rescue unit. It qualifies for replacement due to the fact of its poor score on the vehicle assessment sheet. This vehicle's maintenance costs are 30.6% of...

#730 - 1997 Aerial Ladder Truck	\$900,000
--	------------------

At 23 years of age, and a poor condition analysis score of 40, this piece of front-line fire equipment warrants priority replacement. Madison Heights is home to many large-span commercial buildings, as well as high-rise senior apartments. The...

City Bldgs. Fire Detection & Suppression Systems	\$200,000
---	------------------

As a result of the catastrophic 2003 DPS fire, City staff set a goal to install sprinkler systems in any City buildings which did not have them in place. Regular upgrades to the alarm and detection systems also act as a first line of defense in...

#553 - Fire Station 2 Backup Generator	\$70,000
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Backup generator for Fire Station #2 is 17 years. It is still in fair condition, but has had several mechanical breakdowns.

Self Contained Breathing Apparatus (SCBA)	\$150,000
--	------------------

In 2023 the current SCBA purchased through an AFG grant will be behind three NFPA standards. The NFPA standard for SCBA sets the guidelines manufacturers must design and build SCBA to the highest safety and functional standards.

Hydrant Gate	\$4,000
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hydrant gate

Fire Hose	\$5,000
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fire hose

Technical Rescue Equipment	\$5,500
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Technical Rescue Equipment

Total: \$1,820,500



Police Requests

Itemized Requests for 2022-2028

Patrol Vehicles (24)	\$810,999
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Police Vehicle Replacements: FY 2021 = #125 (\$29,000) and Patrol #111, #113, #105, #109 (\$148,000) FY 2022 =

Police Motorcycle (2)	\$70,000
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The current motorcycles operated by the PD were placed into service in 2007.

Police Body Cams and In-Car Cameras	\$242,236
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Last upgrade of system was in FY 2014-2015. Warranty of products is set to expire FY 2021-2022.

Police HVAC Upgrades - Phased	\$310,000
--------------------------------------	------------------

This proposal is for a complete analysis and design/build of a new HVAC system for the Police Department.

Police Carpet Replacement	\$49,000
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Much of the carpeting in the building is original to the 1991 construction, and is in extremely poor condition with multiple holes and runs throughout. This proposal is for a multi-year phased approach to replace the carpeting in the...

Police Personnel Locker Replacement Reserves	\$9,000
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The existing lockers are past their useful lifespan and need replacing. Many are broken, and no longer usable. This proposal is to reduce the overall number of lockers and replace them with larger units. DPS replaced lockers within the past couple...

Police Renovation of Reserve Station	\$10,000
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The Police Reserve Station, housed at the DPS, is in need of multiple upgrades, including flooring, lighting, paint, and furniture, which are above and beyond normal building maintenance. There is a renewed focus on promoting the Police Reserves,...

Police LIDAR with Handheld Unit	\$5,000
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the Police Department currently has two (2) LIDAR units that are used by the road patrol and the motorcycle officers to detect speeding motorists. Both LIDAR units are several dollars to repair. The PS needs to replace both LIDAR units in order to...

Police Live-Scan Fingerprint Computer (CLEMIS)	\$22,000
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Purchase of machine is necessary to ensure compliance with Oakland County Police Standards. This machine runs the fingerprints of all arrestees and positively identifies them through the national fingerprint database. CLEMIS will be ending support...

Police Waterproofing of the South Basement Wall	\$10,000
--	-----------------

The south wall of the basement is experiencing water and sand infiltration, believed to be the result of a failed caulking seal directly under the main entryway to the lobby. This proposal is to investigate and repair this failed building system,...

Police Communications Conduit Reroute	\$25,000
--	-----------------

the communication tower at the Police Department has four conduits that enter the basement below grade, and have a great many obsolete cables running through them. The conduit has rusted and allows water to enter the basement. This condition...

Police VCT Flooring Property Room/Gun Range	\$25,000
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The existing tile flooring is routinely popping up, breaking, and is generally past its lifespan. This proposal is to replace the flooring in these areas with an epoxy floor-cost system.

Police VCT Flooring Property Room/Armory	\$25,000
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The would replace the tile floor with the epoxy floor-cost system.

Police Training Room video upgrades	\$5,000
--	----------------

the projector and the audio system in the Police Department training room have not been operational in more than ten years. The PD is now in the process of hosting outside agencies at our Police Department for training purposes, as well as the...

#551 - Generator	\$70,000
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This generator is 15 years old and has a current condition of fair.

Wiring for Radio System Required by Clemis	\$6,000
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Wiring is needed for the radio system required by CLEMIS

Copy Machines for Dispatch	\$5,000
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Copy machine for the dispatch area

Total: \$1,699,235

Construction Requests

Itemized Requests for 2022-2028

Section Replacements - R-3

\$225,000

R-3 Sectionals

Barrington Street (Mid Block Barrington Street to Lincoln to Cowan)

\$109,000

R-3 Neighborhood Road Construction with Watermain.

Ajax - John R to 801 Ajax

\$250,000

This section of Ajax Drive was last repaved in 1999, and is the sole industrial access road for several commercial businesses on Ajax, the city's Department of Public Services, and the Oakland County Drain Commission facility. The road is in...

Alger Street (Andover Ave to W. Grieg Ave)

\$196,000

R-3 Planned Street Construction

Alger Street (W. Grieg Ave to Eleven Mile Road)

\$209,000

R-3 Planned Street Construction

Barrington Street (Andover Ave to W. Grieg Ave)

\$196,000

R-3 Planned Street Construction

Bretton woods Street (Andover Ave to W Grieg Ave)

\$195,000

R-3 Planned Street Construction

Bretton woods Street (W. Grieg Ave to Eleven Mile Road)

\$208,000

R-3 Planned Street Construction

R-3 Brush Street (Andover Avenue to W. Grieg Avenue)

\$165,000

R-3 Planned Street Construction

Brush Street (W. Girard to W. Woodside)

\$473,000

R-3 Planned Street Construction

Brush Street (W. LaSalle to 13 Mile)

\$479,000

R-3 Planned Street Construction

Dartmouth Street (Andover Ave to W. Grieg Ave)

\$196,000

R-3 Planned Street Construction

Hampden Street (Andover Ave to W Grieg Ave)

\$194,000

R-3 Planned Street Construction

John R Overlay - 11 Mile to Dartmouth

\$600,000

John R. Road received an asphalt overlay from 11 Mile to Dartmouth in 2013. The road has exceeded its lifespan, and is showing fatigue and spalling at the joints, which is affecting the ride quality. This project has been scheduled to avoid...

R-3 Palmer Street (Andover Avenue to W. Grieg Avenue)

\$293,000

R-3 Planned Street Construction



Palmer Street (W. Grieg Ave to Eleven Mile Road)	\$209,000
R-3 Planned Street Construction	
Palmer Street (W. Woodside to W. LaSalle)	\$467,000
R-3 Planned Street Construction	
R-3 Alger Street (Mid Alger-Lincoln-Cowan)	\$109,000
R-3	
R-3 Alger Street (W. Lincoln - W. Cowan)	\$148,000
R-3	
R-3 Barrington Street (W Lincoln - W. Cowan)	\$148,000
R-3	
R-3 Brush Street (W. Cowan - Andover)	\$120,000
R-3	
R-3 W. Cowan Ave (Alger to John R)	\$75,000
R-3	
R-3 W. Cowan Ave (Stephenson-Brettonwoods)	\$140,000
R-3	
Sectional	\$75,000
R-3 Planned Street Construction	
Sectional - 14 Mile to East Avis	\$115,000
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...	
Sectional - 14 Mile to Whitcomb	\$700,000
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...	
Sectional - Brush - 14 Mile to Mandoline	\$100,000
In addition to millage Proposal "R" Ten Year Residential Road Improvement program, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support...	
Sectional - Commerce - Michael to East Progress	\$150,000
In addition to millage Proposal "R" Ten Year Residential Road Improvement program, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support...	
Sectional - Mandoline - Alger Townley	\$224,000
In addition to millage Proposal "R" Ten Year Residential Road Improvement program, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support...	
Sectional - Non-R Brush - 13 Mile to Irving	\$200,000
In addition to millage Proposal "R" Ten Year Residential Road Improvement program, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support...	

Sectional - Non-R Castlewood - Westwood to Manor	\$200,000
In addition to millage Proposal "R" Ten Year Residential Road Improvement program, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support...	
Hampden Street (W Grieg to 11 Mile)	\$376,000
R-3 Planned Street Construction	
Sectional - Stephenson Hwy - Girard to 12 Mile	\$200,000
As in years past, available funds for road construction are insufficient to repair every portion of the road in need. This area of Stephenson Highway has been the focus of a sectional concrete replacement program which identifies and replaces the...	
Sectional Alger - South of 14 Mile	\$200,000
In addition to millage Proposal "R" Ten Year Residential Road Improvement program, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. There is only enough Local Street Fund revenue to support...	
Stephenson Hwy Turnarounds	\$250,000
While the mainline of Stephenson Highway received a full asphalt overlay, this does not address the concrete turnarounds in the median. Many of these turnaround have been repaved, but the remaining ones continue to deteriorate due to limited road...	
R-3 W. Grieg Avenue (Alger to Brush Street)	\$82,000
R-3 Planned Street Construction	
R-3 W. Grieg Avenue (Barrington Street to Palmer Street)	\$81,000
R-3 Planned Street Construction	
R-3 W. Grieg Avenue (Brettonwood Street to Dartmouth Street)	\$139,000
R-3 Planned Street Construction	
W. Grieg Avenue (Brush Street to John R Road)	\$145,000
R-3 Planned Street Construction	
W. Grieg Avenue (Dartmouth Street to Barrington Street)	\$80,000
R-3 Planned Street Construction	
W. Grieg Avenue (Hampden Street to Brettonwoods Street)	\$79,000
R-3 Planned Street Construction	
R-3 Palmer Street (W Lincoln to W. Cowan)	\$210,000
R-3	
W. Grieg Avenue (Palmer Street to Alger Street)	\$81,000
R-3 Planned Street Construction	
R-3 W. Grieg Avenue (W. Terminus to Hampden Street)	\$198,000
R-3 Planned Street Construction	
R-3 Alger Street (W. Cowan to Andover)	\$212,000
R-3	
John R Overlay 11 to 12 1/2	\$500,000
John R Overlay 11 to 12 1/2	

Section Major Street**\$250,000**

Major Street Sectional

Total: \$10,251,000

Recreation Requests

Itemized Requests for 2022-2028

#484 - 2009 Chevy Colorado Pick-Up Truck**\$30,000**

Vehicle 484 is used year-round to drag and prepare baseball fields during athletic season, and to plow sidewalks and walking paths in the winter. At 12 years of age, it is in fair condition, and qualifies for scheduled replacement as the budget...

#488 - 2009 Volvo Loader**\$225,000**

Loader 488 is a multi-purpose tool, and is utilized heavily year-round. As one of the smaller front-end loaders, it sees use on landscaping projects, splashblock and path cleanups, snow removal, and handling materials around City facilities. At 12...

Walk/Bike Path Construction**\$587,000**

Oakland County has made monies available for the construction of connector segments to the regional walk/bike path. Although this project was "on hold" during the post-recession economy, it has seen a renewed interest in recent years....

Total: \$842,000

Nature Center Requests

Itemized Requests for 2022-2028

Nature Center - Various Capital Projects

\$250,000

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 (OCPR) Commission regarding a potential partnership...

Total: \$250,000

Parks Requests

Itemized Requests for 2022-2028

12 Mile and Sherry Park Fence Replacement \$20,000

The 12 Mile and Sherry Fence is in poor condition. The CIP called for its replacement in the 2021 fiscal year. The Sherry Street fence has already been removed; this proposal calls for the removal and replacement of the 12-Mile fence, to provide...

Ambassador Park - Tennis and Pickle Ball Court \$30,000

The Ambassador Park tennis court is in poor condition, requiring crack-sealing, resurfacing, and repainting in order to extend its life and playability. With the updating of this surface, we will be offering tennis as a recreation program offering...

Civic Center Park - Totscape \$75,000

The play scape between the two pavilions was removed several years ago due to its age and poor condition and has not been replaced. The Parks and Recreation Master Plan calls for its replacement. This proposal is to replace the small playscape...

Greenleaf Park - Backstop Fence \$40,000

The backstops at the Greenleaf Park north and south ball fields have both exceeded their lifespan, are in poor shape, and warrant replacement. The structure of the fence is failing, and is beyond any type of patchwork repair.

Huffman Park - Irrigation system for Football Field \$9,000

The nature of football practice in the late fall is extremely damaging to the turf, warranting repair and overseeding throughout the spring to prepare it for the late-summer season. Because the field is not irrigated, this new grass is entirely...

Rosie's - North Playscape \$200,000

Rosie's North Playscape phase one of two.

Rosie's Park - Gardenia Parking Lot \$75,000

Included in Master Plan.

Rosie's Park - Irrigation system for Soccer Field \$10,000

The soccer field at Rosie's Park is heavily utilized in the spring and autumn months. During the summer, it becomes parched; this is the time of year where turf repairs need to be made for the fall soccer season, but it is virtually...

Rosie's Park - Pavilion \$75,000

The CIP (Capital improvement plan) calls for the addition of a pavilion structure to Rosie's Park. A study was performed some years back, to determine the best location and need for such a structure. Additionally, the pavilion would...

Rosie's Park - Backstop Fence \$75,000

The baseball backstops at Rosie's Park were last replaced in 1996, and are approaching their anticipated 30-year lifespan. Backstop areas see significantly more damage than normal fencing due to missed pitches, pop-flies, and foul balls...

Huffman Park - Fitness Court or Basketball Court Rehabilitation \$150,000

The City has written a grant for a Fitness Court with Priority Health and National Fitness Commission (NFC). The total Fitness Court project is \$150,000. If awarded the grant we will be receiving \$50,000 from Priority Health and will work with NFC...

Lighting Analysis and Upgrades - Rosie's and Huffman Parks \$75,000

The ball field lighting system at Rosie's and Huffman Park are in generally poor condition. Besides the lighting technology being obsolete and inefficient, the lights themselves are in poor physical condition, with broken hinges, shrouds, and...

Parks Master Plan Projects TBD \$440,000

In January 2021 City Council adopted a new 5-year Parks and Recreation Master Plan. This funding will be used for projected still to be determined.

Total: \$1,274,000

Active Adult Center Requests

Itemized Requests for 2022-2028

#469 - 2010 Senior Van**\$32,000**

This van is currently 11 years old, and is one of the primary transportation vehicles for the Active Adult Center. It has a current condition score of 19, and is coming due for its scheduled replacement.

#471 - 2002 Blue Bird Bus**\$100,000**

This bus was placed in service in 2001. Total maintenance cost is \$13,518 with an estimated resale of the current vehicle at approximately \$5,000. This purchase has been phase funded 1/2 in FY 2021 and the second 1/2 in FY 2022. Staff is...

Total: \$132,000

Library Requests

Itemized Requests for 2022-2028

Mechanical Room Raised Platform

\$10,000

The mechanical room of the library was originally designed around a very large 7-zone Trane Climate Changer Air handling unit, which took up the majority of the room's footprint. The renovation of the Library's HVAC system resulted in the...

Library Furniture

\$120,000

Replacement furniture for the library and Breckenridge Room

Total: \$130,000

Water & Sewer Capital Outlay Requests

Itemized Requests for 2022-2028

Watermain Replacement - Longfellow - Garry to Browning

\$194,650

The replacement of standalone water mains is undertaken when sufficient water and sewer funding is available. Longfellow to Garry to Browning is 850 feet in length.

Watermain Replacement - Garry - Longfellow to Sherry

\$458,000

The replacement of standalone water mains is undertaken when sufficient water and sewer funding is available. Garry - Longfellow to Sherry 2,000 feet in length.

Watermain Replacement - Park Court - 11 Mile to Northeastern

\$309,150

The replacement of standalone water mains is undertaken when sufficient water and sewer funding is available. Park Court - 11 Mile to Northeastern is 1,350 feet in length.

Watermain Replacement - Alger - Mandoline to Fourteen Mile

\$561,050

The replacement of standalone water mains are undertaken when sufficient water and sewer funding is available. Alger - Mandoline to Fourteen Mile is 2,450 feet in length.

Watermain Replacement - Fourteen Mile - John R to Palmer

\$229,000

The replacement of standalone water mains is undertaken when sufficient water and sewer funding is available. Fourteen Mile - John R to Palmer is 1,000 feet in length.

Watermain Replacement - John R - Whitcomb to Fourteen Mile

\$561,050

The replacement of standalone water mains is undertaken when sufficient water and sewer funding is available. John R - Whitcomb to Fourteen Mile is 2,450 feet in length.

Watermain Replacement - Ten Mile - Dequindre to John R

\$664,100

The replacement of standalone water mains are undertaken when sufficient water and sewer funding is available. Ten Mile - Dequindre to John R is 1,350 feet in length.

Watermain Replacement - Edward - Twelve Mile to Page Middle School

\$297,700

The replacement of standalone water mains are undertaken when sufficient water and sewer funding is available. Edward - Twelve Mile to Page Middle School is 1,300 feet in length.

Watermain Replacement - Lenox - Eleven Mile to University

\$183,200

The replacement of standalone water mains are undertaken when sufficient water and sewer funding is available. Lenox - Eleven Mile to University is 800 feet in length. ;More information is needed

Watermain Replacement - Hampden - Eleven Mile to University

\$183,200

The replacement of standalone water mains is undertaken when sufficient water and sewer funding is available.

#434 - 2007 Chevy 3/4 Ton Pickup

\$36,000

Vehicle 434 is 15 years old, and has a condition analysis score of 27, placing it in fair condition, and warranting replacement if the budget allows. This vehicle is utilized as a general support vehicle for the Motor Pool.

#453 - 2013 GMC Cargo Van

\$35,000

Vehicle 453 is the primary Water Service van, and is heavily utilized throughout the year. This vehicle will be coming up on its scheduled replacement, at which time its condition will be assessed, and a recommendation made.

#461 - 2013 GMC Cargo Van

\$35,000

Vehicle 461 is the primary Sewer Service van, and is heavily utilized throughout the year. This vehicle will be coming up on its scheduled replacement, at which time its condition will be assessed, and a recommendation made.



#465 - 2003 Sterling Sewer Vactor	\$425,000
Vehicle 465 is currently partially inoperable, requiring repairs which are a significant percentage of replacement cost. It is in emergency backup status. This is one of two vehicles utilized in the City's storm and sanitary sewer cleaning...	
#552 - Water and Sewer Generator	\$70,000
Backup generator for DPS - Water Sewer is 15 years. It is still in fair condition, but has had several mechanical breakdowns.	
#460 3/4 Ton Pickup	\$33,000
Vehicle #460 is utilized on a daily basis by the Water and Sewer personnel. The current vehicle has a condition score of 26 (fair). Given DPS staffing levels water and sewer personnel are frequently required to switch from water to sewer and...	
Water and Sewer Lot improvements	\$75,000
Last phase of lot improvements. The pavement at DPS continues to deteriorate due to its age and the heavy truck and equipment traffic which it is subjected to. A 6-year phased approach has been planned to repair the pavement by addressing the...	
Watermain Replacement - Lincoln - John R to Service Drive (2 mains)	\$1,053,400
The replacement of standalone water mains are undertaken when sufficient water and sewer funding is available.	
Alger Street (Andover to W. Grieg Ave)	\$118,000
Water mains in coordination with R-3 Roads	
Bretton woods Streets (W Grieg Ave to Eleven Mile Road)	\$133,000
Water mains in coordination with R-3 Roads	
Concrete Pad - Pole Barn	\$70,000
Because of the seasonal nature of items stored in the DPS pole barn, staff has an increasingly difficult time attempting to maneuver equipment and materials in and out. With the exception of the summer months, the area surrounding and inside the...	
Alger Street (W Grieg to Eleven Mile Road)	\$138,000
Water mains in coordination with R-3 Roads	
Bretton woods Street (Andover Ave to W Grieg Ave)	\$133,000
Water mains in coordination with R-3 Roads	
Total: \$5,995,500	

Solid Waste Requests

Itemized Requests for 2022-2028

#406 Solid Waste Chipper	\$50,000
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This is one of two chippers that DPS uses for routine chipper service, tree trimming, and emergency storm-related tree cleanup. At 14 years of age, and an extremely poor condition score of 33, this chipper warrants...

#424 - Single Axle Dump Truck	\$220,000
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Vehicle #424 is heavily utilized year-round for general hauling and front-line snow removal

#352 Leaf Loader Trailer	\$55,000
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Solid Waste - Per the vehicle ranking and replacement schedule

#354 Leaf Loader Trailer	\$55,000
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Solid Waste - Per the vehicle ranking and replacement schedule

#355 Leaf Loader Trailer	\$55,000
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Solid Waste - Per the vehicle ranking and replacement schedule

#408 Street Sweeper	\$300,000
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Replacement Street Sweeper

Wandering Leaf Vac	\$80,000
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Wandering Hose Leaf Vac

#525 Brush Chipper Truck	\$300,000
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The current Brush Chipper Truck was purchased in FY 2004 and in poor condition.

	Total: \$1,115,000
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Streets Requests

Itemized Requests for 2022-2028

HP Latex Vinyl Printer for the Sign Shop

\$19,250

The plotter equipment in the sign shop has been in place for 16 years, during which time, significant advances have been made in the field of sign and graphics technology. In an effort to save time and funds while improving sign making efficiency,...

#318 - Streets Solar Arrow board

\$5,500

This device is primarily used for traffic control on rolling patch crews, and has a current condition score of poor (32), warranting priority replacement. Due to its age, it suffers from routine breakdowns, and the lighting on the arrow is...

#436 - 4X4 Pickup Truck with Plow

\$35,000

Vehicle 436, a street's 4x4 pickup truck with plow, was one of the two trucks removed from the replacement schedule with the purchase of the Toolcat Utility Vehicle. The vehicle remains in the fleet until the end of its useful life, which is...

#481 - One-ton Dump Truck

\$62,000

Vehicle #481 is utilized heavily year-round for general hauling of mulch and aggregate materials, pavement patching, and snow removal operations. Its replacement has been deferred several times and with a condition score of 31, it is...

#261 - Concrete Drop Hammer

\$60,000

Per the vehicle ranking and replacement schedule

#330 Trailer Air Compressor

\$26,000

Per the vehicle ranking and replacement schedule

#374 Solar Arrow Board

\$5,000

Per the vehicle ranking and replacement schedule

#409 Loader 3 yd.

\$260,000

Per the vehicle ranking and replacement schedule

#415 Stake Truck

\$150,000

Per the vehicle ranking and replacement schedule

11 Mile Sectional Non-NHPP

\$250,000

11 Mile Section Non-NHPP

Total: \$872,750

Downtown Development Authority Requests

Itemized Requests for 2022-2028

Downtown Development Authority - Property Acquisition

\$175,000

Budgeted to save for future property acquisition

Total: \$175,000

FY 2021-25 Five Year Capital Improvment Plan Neighborhood Projects (In Thousands)

REVENUES:

NEIGHBORHOOD PROJECTS	GENERAL FUND	MAJOR LOCAL FUND	SPECIAL ASSESS	ROAD MILLAGE	WATER & SEWER FUND	OTHER REVENUES	TOTAL REVENUE
YEAR 3 ROADS (R-3) 2020							
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
YEAR 4 ROADS (R-3) 2021							
Alger Street (W Cowan Avenue to Andover Avenue)	0	0	0	212	0	0	212
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	0	109	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
YEAR 5 ROADS (R-3) 2022							
W. Greig Avenue (W. Terminusto 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
YEAR 6 ROADS (R-3) 2023							
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	195	0	0	195
Barrington Street (Andover Ave to W Greig Ave)	0	0	0	195	0	0	195
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	195	118	0	314
Sectional	0	0	0	50	0	0	50
YEAR 7 ROADS (R-3) 2024							
Brush Street (W. LaSalle to 13 Mile)	0	0	0	475	0	0	475
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	375	0	0	375
TOTALS	\$ 0	\$ 0	\$ 0	\$ 7,831	\$ 1,043	\$ 0	\$ 8,880

Downtown Development Authority

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:

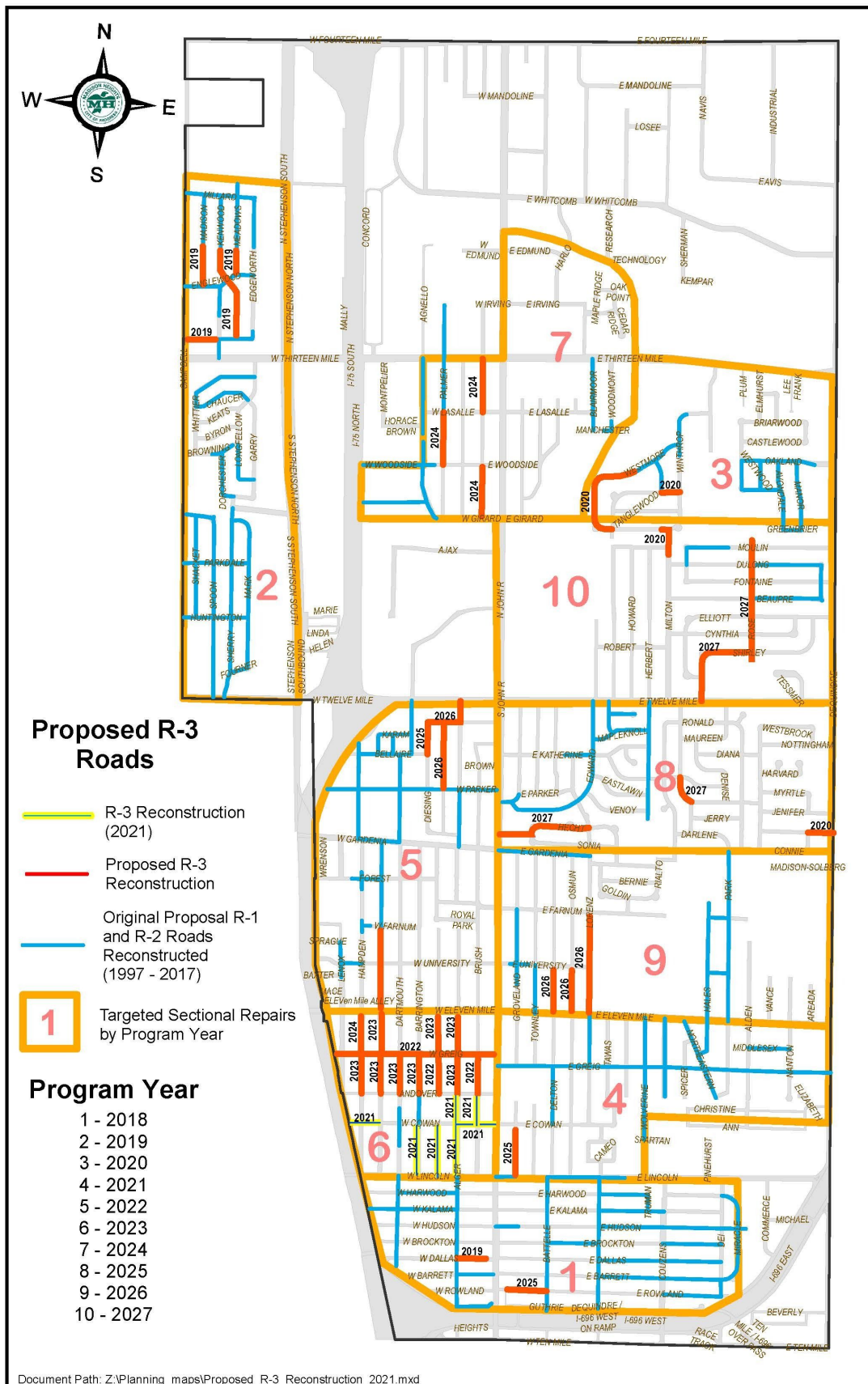
**FY 2021-25 FIVE YEAR CAPITAL IMPROVMENT PLAN R-3
NEIGHBORHOOD PROJECTD (IN THOUSANDS)**

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	145	377
DONE	2019	Brush Street (W. University Avenue to Eleven Mile Road)	0	0	228	145	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. Termin 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	75	0	75
	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	165	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
		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
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. Terminust 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	75	0	75
	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
		YEAR 8 ROADS					
	2026	Diesing Drive (Belair 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 Elliott Avenue)	0	0	207	196	403
	2028	Rose Street (Elliott Avenue to North Terminus)	0	0	360	196	556
	2028	Hales Street (Jennifer 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
	2028	Rose Street (South Terminus to Elliott Avenue)	0	0	207	196	403
	2028	Rose Street (Elliott Avenue to North Terminus)	0	0	360	196	556
	2028	Hales Street (Jennifer 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

Proposed R-3 Roads



FY 2021-2022 ROAD IMPROVEMENTS (IN THOUSANDS)

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.
A. STATE/FEDERAL PROJECTS								
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)	350	0	0	0	0	0	0	0
B. MAJOR ROAD IMPROVEMENTS								
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 - 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
C. LOCAL ROAD IMPROVEMENTS								
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	37	0	0	0	0	37
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
D. TRAFFIC SIGNAL UPGRADES								
Traffic Signal Improvements	0	30	30	30	30	30	30	150
E. REHABILITATION PROGRAMS								
Sidewalk Replacement, Sectional Repairs & Cap Installation	250	250	300	0	0	0	0	300
F. EQUIPMENT REPLACEMENT								
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 3yd. #409	0	0	0	0	260	0	0	260
2002 Brush Bandit Chipper #410	30	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
TOTALS	\$ 4,720	\$ 1,709	\$ 3,255	\$ 1,794	\$ 1,890	\$ 1,335	\$ 1,381	\$ 9,655
Total Projects	11	7	11	6	8	4	6	61
Total Equipment	2	1	1	7	5	4	4	19
	FY	FY	FY	FY	FY	FY	FY	TOTAL
ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	APPROP.
A. STATE/FEDERAL PROJECTS								
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. MAJOR ROAD IMPROVEMENTS								
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 - 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
C. LOCAL ROAD IMPROVEMENTS								
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
D. TRAFFIC SIGNAL UPGRADES								
Traffic Signal Improvements	0	90	30	30	30	30	30	150

E. REHABILITATION PROGRAMS								
Sidewalk Replacement, Sectional Repairs & Gap Installation	250	250	300	0	0	0	0	300
F. EQUIPMENT REPLACEMENT								
1999 Concrete Drop Hammer #261	0	0	0	0	30	0	0	30
2000 Solar Arrow board #318	0	0	5	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 3yd. #409	0	0	0	0	260	0	0	260
2002 Brush Bandit Chipper #410	30	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
TOTALS	\$ 4,720	\$ 1,709	\$ 3,255	\$ 1,794	\$ 1,890	\$ 1,335	\$ 1,381	\$ 9,655
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:

	GENERAL	LOCAL	MAJOR	SPECIAL	VEHICLE	OTHER	FEDERAL	OAKLAND	TOTAL
ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FUND	STREETS	STREETS	ASSESS	MILLAGE	REVENUES	GRANT	CO. ROAD DRAIN	REVENUES
A. STATE/FEDERAL PROJECTS									
13 Mile WB from Hale to Dequindre NHPP	\$0	\$0	\$350	\$0	\$0	\$0	\$350	\$0	\$700
B. MAJOR ROAD IMPROVEMENTS									
Campbell 12-13 Mile Sectional	0	0	25	0	0	0	0	0	25
13 Mile Sectional - Campbell to Dequindre NON-NHPP	0	0	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 Ave	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
C. LOCAL ROAD IMPROVEMENTS									
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
D. TRAFFIC SIGNAL UPGRADES									
Traffic Signal Improvements	0	0	150	0	0	0	0	0	150
E. REHABILITATION PROGRAMS									
Sidewalk Replacement, Sectional Repairs & Gap Installation	0	0	0	300	0	0	0	0	300
F. EQUIPMENT REPLACEMENT									
1999 Concrete Drop Hammer #26	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	0	260
2003 Tandem Dump Truck #418	150	0	0	0	0	0	0	0	0	150
2003 Single Axle Dump #424	190	0	0	0	0	0	0	0	0	190
2003 Single Axle Dump # 425	0	0	0	0	190	0	0	0	0	190
2003 Single Axle Dump Truck #426	190	0	0	0	0	0	0	0	0	190
2003 Tandem Dump Truck #433	230	0	0	0	0	0	0	0	0	230
2013 Van Building Maintenance #435	60	0	0	0	0	0	0	0	0	60
2004 Chevy 3/4 Ton Pickup #436	35	0	0	0	0	0	0	0	0	35
2006 Super Duty Dump Truck #481	64	0	0	0	0	0	0	0	0	64
2004 Brush Chipper Truck #525	0	0	0	0	175	0	0	0	0	175
	\$1,246	\$ 2,342	\$ 4,187	\$ 300	\$ 830	\$ 400	\$ 350	\$ 0	\$ 9,655	

People Powered Transportation & Sidewalk Repair Program

Vehicle Utilization and Condition Analysis

FY 2021-25 FIVE YEAR CAPITAL IMPROVMENT PLAN PRIORITY NON-R WATER MAIN PROJECTS (BASED ON CURRENT COSTS)

Location Number	Projected Fiscal Year	Watermain Location	Length (Feet)	Estimated Cost (in 2019)
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	3,1050	7,079,750

These costs assume a \$205-229 per linear foot cost for water main installation including pipe, hydrants, valves, taps, hauling sand, contractual labor cost, City labor costs, and also includes landscape, ROW tree replacement, sidewalk and drive approach restoration relating to the water main installation. In addition, 20% has been included for preliminary engineering, construction inspection and contingency.

Water Distribution Network Capital Improvement Plan



Economic Development/DDA

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 \$350,000 in FY 2021 and \$295,000 in FY 2022. 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.

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).

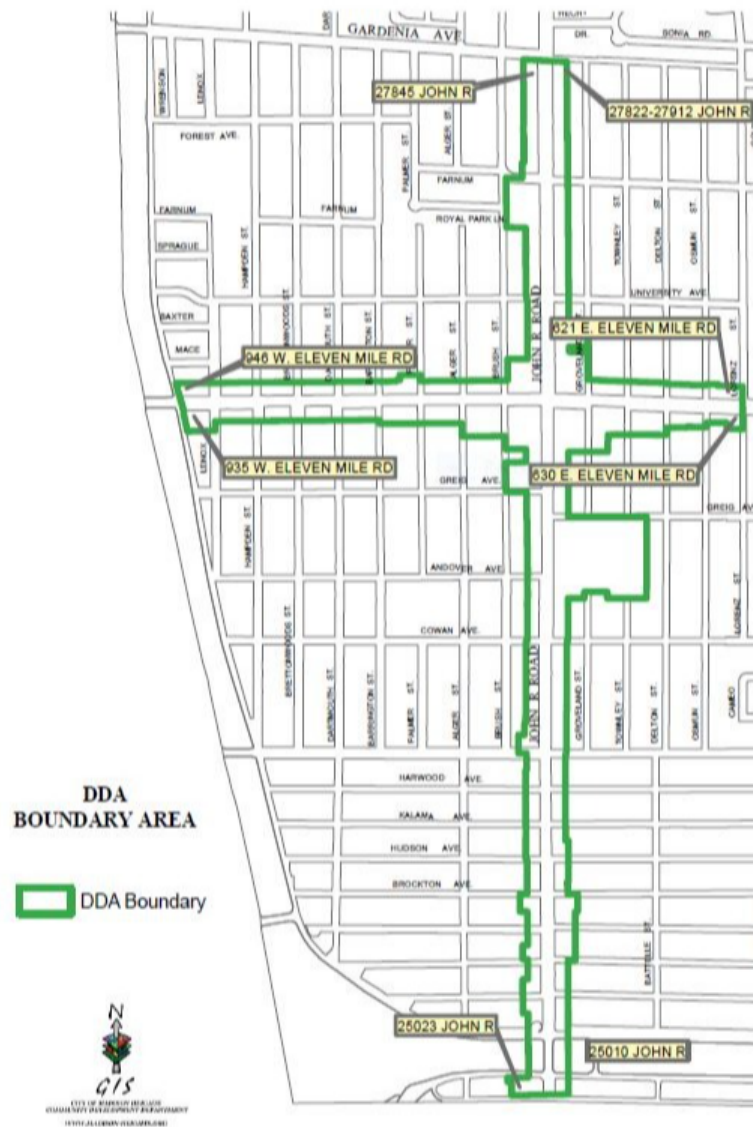
The 20 year Tax Increment Finance (TIF) Plan included the planned DDA programs and associated expenditures. These program areas will form the basis for annual appropriation requests by the DDA through the Annual CIP and budget process and include the projects listed below:

Downtown Development Planned Expenditures

Description	Total Project Cost	Fiscal Year(s)
<u>Marketing/Branding</u>		
Streetscape Improvements & Permanent ID Elements	\$59,100	2018-2038, 20 yrs
11 Mile and John R Center	\$10,000	2018-2020, 3 yrs.
Dedicated Website/Social Media Site for DDA Businesses	\$3,000	2018, 1 yr.
Bike Rack Program	\$1,500	2018, 1 yr.
	\$73,600	
<u>Beautification</u>		
Façade Improvement Program	\$100,000	2018-2038, 20 yrs.
Plant Trees in the ROW	\$60,000	2018-2038, 20 yrs.
Proactive Code Enforcement	\$119,000	2018-2038, 20 yrs.
Acquisition/demolition of DDA Parcels	\$138,500	2021-2038, 18 yrs.
Sign Grant Program	\$50,000	2018-2038, 20 yrs.
	\$467,500	
<u>Maintenance</u>		
Right of Way Grass Cutting	\$189,000	2018-2038, 20 yrs.
Clock Tower at 11 Mile and John R	\$35,000	2019-2025, 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	
	\$486,000	

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.

DDA Boundaries



DEBT

Debt Administration

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 \$905,270 of an original \$5,925,000 Fire Station Bond issue, and \$10,850,000 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 \$2.5 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, 2021:

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 \$905,270 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. Debt tax levy, with \$2.47 million principal remaining.

III. 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%. At June 30, 2020, there is \$10,850,000 remaining.

APPENDIX

Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on the application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

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

Accrued Interest: The amount of interest accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest).

Advanced Life Support (ALS): Advanced Life Support is 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.

Amortization: The gradual repayment of an obligation over time and following a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher-yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

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

Audit: A systematic examination of a community's financial systems, procedures, and data by a certified public accountant (an independent auditor), and a report on the fairness of financial statements and local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to the application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter that contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, capital expenditures, or other one-time costs.

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

Balance Sheet: A statement that discloses the assets, liabilities, reserves, and equities of a fund or governmental unit at a specified date.

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

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value, or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note).

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes but must be rescinded by the community's legislative body to be removed from the community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

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 reimbursing for cleanup costs and/or providing a single business tax credit (authorized through the State of Michigan).

Budget: A plan for allocating resources to support particular services, purposes, and functions over a specified period of time. (See Performance Budget, Program Budget).

Capital Assets (Improvements): All real and tangible property used in government operation not easily converted into cash and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements, infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery, and equipment. Communities typically define capital assets in terms of minimum useful life and a minimum of \$5,000. (See Fixed Assets).

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets).

Cash: Currency, coin, checks, postal, and express money orders and bankers' drafts on hand or deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and facilitate decisions on the need for short-term borrowing and idle cash investment.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors must classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue. What percentage of the tax burden is to be borne by each class of real property and by personal property owners.

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.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours, and working conditions.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Contractual Services: Items of expenditure for services that the City received from an internal service fund or an outside company. Utilities, rent, and custodial services are examples.

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer is usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Delinquent Taxes: Taxes that remained unpaid on or 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.

Depreciation: (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, the action of the physical elements, inadequacy, or obsolescence (2) That portion of the capital cost 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.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy. With an enterprise fund, all service delivery costs—direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the enterprise's operation rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of all property's full and fair cash value in the community that is subject to local taxation.

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 Receipts: A term typically refers to anticipated local revenues often based on the previous year's receipts and represents funding sources necessary to support a community's annual budget. (See Local Receipts).

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular property categories or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fiscal Year: The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Fixed Assets: Long-lived assets such as buildings, equipment, and land obtained or controlled due to past transactions or circumstances.

Fixed Costs: Costs legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs, or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Full-Time Equivalent Positions (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 Services and recreation staff.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives following specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently following specific regulations, restrictions, or limitations. Examples of funds include the general fund and enterprise funds. According to the Uniform Municipal Accounting System (UMAS), communities whose accounting records are organized using multiple funds.

Fund Balance: the excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, roads, sewers, etc. It also requires the presentation of a narrative statement of the government's financial performance, trends, and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity accounts for and report other post-employment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Geographic Information Systems (GIS): A system of software and hardware used to capture, store, manage, analyze, and map geographic information.

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) constructed by the Twelve Towns Drain District. These improvements to the RTF were to reduce the volume and frequency of overflow and to provide adequate treatment of the overflows when they do occur.

Governmental Fund: Used to account for activities primarily supported by taxes, grants, and similar revenue sources.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Government Finance Officers Association (GFOA): The professional association of state and local finance officers in the United States and Canada has served the public finance profession since 1906.

Headlee Amendment: Approved by the State of Michigan voters as a Constitutional Amendment, it 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 an 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.

Indirect Cost: Costs of a service not reflected in the entity's operating budget providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Infrastructure: Capital assets that are stationary and normally have a useful life greater than most other capital assets. Examples are roads, sewer lines, and water systems.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Interfund Transfers: Amounts transferred from one fund to another.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, instead of a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Major Fund: A major fund is defined as those funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Michigan Municipal Risk Management Authority (MMRMA): A public entity self-insurance pool that provides liability and property coverage to municipal governmental entities across Michigan.

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 governments; 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 uniform budgeting system for local units, and to prohibit deficit spending by a local unit of government.

MI-Deal: The state of Michigan extended purchasing program that allows Michigan cities, townships, villages, counties, universities, school districts, colleges, and non-profit hospitals to buy goods and services from state contracts.

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.

MITN: Michigan intergovernmental trade network. A E-Procurement system that notifies companies of bid opportunities.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

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 vehicles 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): 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.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that are used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

PASER: Pavement Surface Evaluation and Rating (PACER). The PASER scale is a 1-10 rating system for the road pavement condition developed by the University of Wisconsin Madison Transportation information center. PASER uses visual inspection to evaluate pavement surface conditions.

Personal Services: Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees, as well as fringe benefit costs associated with City employment.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proprietary Fund: A proprietary fund is used in governmental accounting to account for activities that involve business-like interactions, either within the government or outside of it.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Special Assessments: Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special payments may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full, or the property owner may request that the assessors apportion the betterment over a fixed number of years plus interest.

State Equalized Value (SEV): The assessed value of the 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.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Rate: The amount of tax levied for each \$1,000 of assessed valuation.

Trust and Agency Fund: In general, a fund for money is donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds, or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that is neither encumbered nor reserved. Therefore, they are available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. However, it is not available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash).

User Charges: 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.