

City of Madison Heights, Michigan Annual Budget Adopted FY 2022-23 Proposed FY 2023-24



300 W. 13 Mile Rd
Madison Heights, MI 48071
www.madison-heights.org



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City of Madison Heights

Annual Budget

Adopted Fiscal Year 2022-23

Proposed Fiscal Year 2023-24

Mayor

Roslyn E. Grafstein

City Council

Mayor Pro Tem, Mark A. Bliss

Toya D. Aaron

Sean Fleming

Emily J. Rohrbach

David M. Soltis

Quinn J. Wright

In Remembrance of Robert J. Corbett

In Remembrance of Robert Gettings

City Manager

Melissa R. Marsh

Deputy City Manager/ Police Chief

Corey K. Haines

Department Heads

Finance Director/Treasurer - Linda A. Kunath

City Clerk - Cheryl Rottmann

Human Resources Director/ Purchasing Coordinator - Amy Mischak

Department of Public Services - Corey Almas

Fire Chief - Greg Lelito

Community and Economic Development Director - Giles Tucker

Library Director - Vanessa Verdun-Morris

43rd District Court Judge - Keith Hunt

Special Thank you

Assistant to the City Manager - Adam Owczarzak

Department of Public Services Supervisor - Sean Ballantine

Retired Library Director - Roslyn Yerman

43rd Court Administrator - Sharon Arseneault



Roslyn E. Grafstein
Mayor

Mayor and Council



Mark A. Bliss
Mayor Pro Tem



Toya D. Aaron
Councilwoman



Sean Fleming
Councilman



Emily J. Rohrbach
Councilor



David M. Soltis
Councilman



Quinn J. Wright
Councilor



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Madison Heights
Michigan**

For the Fiscal Year Beginning

July 01, 2021

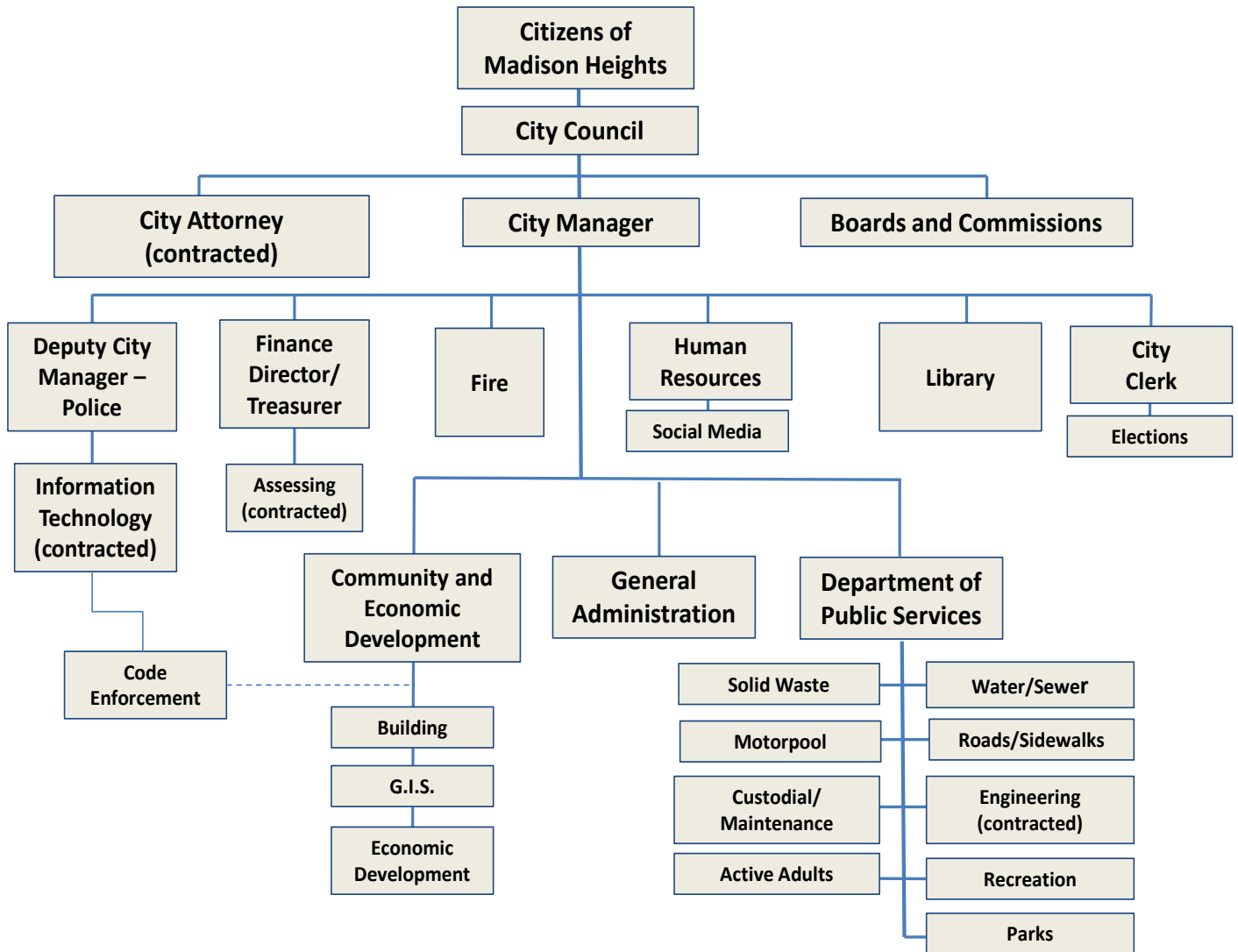
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Madison Heights for its fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets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

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



City of Madison Heights

Organizational Chart





City of Madison Heights

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

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

Fire Department
31313 Brush Street
Madison Heights, MI 48071

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

April 7, 2022

Budget Transmittal Letter
Fiscal Year 2023 and 2024

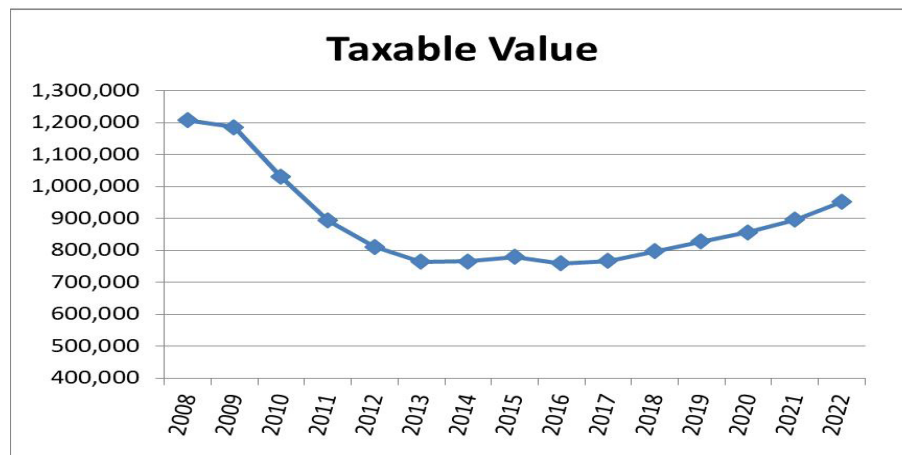
Honorable Mayor and Members of City Council
Residents of the City of Madison Heights,

I am pleased to present the Fiscal Year (FY) 2023 and 2024 Proposed Budgets. This Budget reflects our continued commitment to community priorities as determined by City Council in the city-wide strategic plan. The budget process began in December 2021, when the City Council held a strategic planning workshop ahead of staff completing the Capital Improvement Plan. The strategic plan is the foundation for this balanced consolidated Budget that includes a multi-year Operational Budget, Capital Improvement Plan, and Five-Year Financial Forecast allowing the City to present a complete financial long-term plan of all City funds and activities.

The multi-year Budget provides residents with more certainty about the direction of local government services, finances, and tax levels and keeps city administration focused on continuous improvement and implementation instead of just planning. These documents come together to compile the financial data needed to support the City of Madison Heights's comprehensive decision-making and policy development process. The FY 2023 budget does more than just meet the critical needs in the core service areas; it continues to address improvements in critical areas for the quality of life in the City, including public safety, library, and parks, to keep moving the City forward toward a future benefiting our residents and businesses.

FY 2023 is projected to bring revenue growth across all funds due to a State Tax Commission Inflation Rate Multiplier of 3.3% and a slight increase in state revenues sharing. However, even with this higher than average state inflation rate, the City's taxable value for FY 2023 is only 78.8% of what it was in FY 2008. Unfortunately, we are experiencing expenditure pressure from inflationary increases and demands from residents expecting services to be restored to pre-recession levels.

Due to this upward pressure on expenditures and our continued need to address deferred maintenance from the recessionary period from 2009 to 2015, we remain very cautious about adding new programs or restoring positions, creating reoccurring expenses. The overall Budget focuses on following the strategic plan for moving the City forward by implementing projects that address these long-term maintenance issues and are in line with the long-term visions of the City Council.



PRIORITIES AND ISSUES

Starting in the fall of 2018, City Council and Staff worked to develop plans that articulated a future vision for the community. These plans considered everyone who lives, works, or visits Madison Heights and centered on developing a solid tax base to allow us to build a strong community and provide services at superior levels. We are now in year four of the original Plan that was expanded to include a 6th focus area this year. These priority areas are: 1) Public Safety 2) Infrastructure and Capital Assets 3) Quality of Life 4) Economic Development 5) Financial Sustainability and 6) Sustainability.

Using this strategic planning as a foundation, this Proposed Budget includes many priorities and addresses issues summarized below:

1. Public Safety

- At the request of two school districts located within City limits, this Budget includes adding two patrol officers in the Police Department to be placed in the schools. These positions are funded at 60% by each district and 40% by the City.
- Starting in FY 2023, staff will create focused neighborhood improvement areas described in the City's updated Master Plan. The City will identify a neighborhood area wrapped with City programming opportunities to promote significant and sustainable improvements such as home repairs, code enforcement education, and public amenities. This program is funded through various means, including a budget allocation of \$3,000 from the General Fund, \$26,000 in Community Development Block Grant, \$25,000 Michigan State Housing Development Authority (MSHDA) grant, and private contributions of \$27,000.

2. Infrastructure

- The City eliminated expenditures related to most capital investment and maintenance issues during the recession unless they reached an emergency level. This resulted in City buildings including City Hall, Library, Active Adult Center, and Fire Station #2 with over \$15.5 million of needed repairs. Faced with this significant expense, staff began investigating other options. This Budget includes \$2.0 million for Fire Station #2 renovation and \$10.7 million for Civic Center Plaza (City Hall, Library, and Active Adult Center). For more details, please view the Capital Improvement Section.

3. Quality of Life

- In March 2021, the City finalized the Parks and Recreation Master Plan. In FY 2022, the General Fund budget included \$609,625 in Park improvements from this plan. This funding was maximized by utilizing grant money when possible resulting in over \$890,000 of improvements to our Park system. The FY 2023 continues to address Park issues with an additional \$645,000 of investment, including \$50,000 for a special project allocation. This special project funding can be carried forward into future budget years to "save" for a major park enhancement or utilized to match grant opportunities for new features.

4. Economic Development

- In FY 2021, the Community and Economic Development Department started working with the Michigan Economic Development Corporation (MEDC) to gain recognition as a Redevelopment Ready Community (RRC). This program provides funding to implement best practices for economic development across the State. Three major areas the City is budgeting to address are an update to our Zoning Ordinance, making it user-friendly and updating many standards, training for Zoning Board of Appeals and Planning Commission, and creating a formal Economic Development and Marketing Plan. Much of this will be handled in-house at no additional budgeted cost, except for the Zoning Ordinance update (\$55,000 offset by a \$30,000 grant from MEDC).

5. Financial Sustainability

- The City has had a long-standing reputation of having strong financial policies and practices. These have been enhanced with our strategic planning process and multi-year budgeting. Since 2007, this budget process has highlighted the City's major financial challenges as the legacy cost of pensions and retiree health care.

In 2021 calendar year administration made significant changes to retiree health care bringing it in line with health insurance offered to active employees. This reduced the City's liability over \$57 million from \$101,737,627 to \$44,641,623. The FY 2023 budget reflects this change by moving the funding for retiree's health care premiums to the retiree health care trust instead of being paid from current General Fund resources.

The FY 2023 budget also improves the City's funding of the Police and Fire Pension, which is currently only 51.5% funded, by including an additional contribution of \$1.8 million above the actuarially required contribution required this year.

6. Sustainability

- As a new focus area this year, sustainability projects are initially included in the Budget at \$47,000 to continue repopulating the tree canopy in the City. The City is also working with the local electricity provider DTE on an electrical vehicle assessment. The FY 2023 budget does not include funding for any (EV) projects, however, we anticipate studying this issue and implementing budgeted programs such as charging stations and fleet conversions starting in FY 2024.
- FY 2023 will also see the completion of a stormwater study that will address how the City passes through the charges from Oakland County to customers of the system.

BUDGET OVERVIEW

The total Budget equates to \$68.7 million in FY 2023 and \$56.9 million in FY 2024 exclusive of interfund transfers. This multi-year Budget includes proposals for 14 appropriated funds and represents an increase of \$11.8 million or 20.7% over FY 2022. The majority of this increase is due to funding for the Civic Center Plaza and Fire Station #2 renovation projects. This is detailed in the following table, the operating budget is projected to increase by \$1.3 million or 2.73%, and the capital budget increases by \$10.5 million.

Total Operating and Capital Budget				
	FY 2022 Amended	FY 2023 Proposed	FY 2024 Proposed	
	Budget	Budget	Budget	
Operating Budget	\$ 47,666,054	\$ 48,967,562	\$ 49,239,473	
Percent Change		2.73%	0.6%	
Capital Improvement Budget	\$ 9,207,723	\$ 19,703,088	\$ 12,550,416	
Percent Change		114%	-61.12%	
Total Budget	\$ 56,873,777	\$ 68,670,650	\$ 56,900,889	
Percent Change		20.74%	-17.1%	

Financial Challenges

The City's General Fund faces financial challenges that continue to hinder the ability to fully restore services, fund pension legacy costs, and expand offerings to meet the demands of residents. The number one long-term challenge is the broken funding model for municipalities across the State. Although the State and the regional economy continues to grow steadily, the cumulative effect of the interaction between Headlee Amendment and Proposal "A" cap the amount of increase in taxable value a municipality can have to the lesser of 5% or the State approved Inflation Rate Multiplier with no cap on the decreases. In FY 2023, this multiplier is 3.3%, which caps the City's overall taxable value growth. Until the State reforms the structure of restricting municipal revenue growth, the City will continue to struggle to keep up with the actual cost of inflation while being pressured to restore services. As stated earlier, even with historical increases in market values of homes in the area, the City taxable value is only at 78.8% of the taxable value in 2008.

The second major financial challenge is the legacy cost for pensions. As of June 30, 2021, the unfunded liabilities for Pension were \$44.4 million for the Police and Fire Pension system and \$2.9 for the General Employees system. Although the General Employee pension system is closed, the liability grows as assumptions are adjusted to make actual market projections, and experience is factored into the annual calculation. The Budget includes the actuarially required contributions for the police and fire system of pensions in FY 2023 of \$3.8 million, 63.2% of payroll with an additional contribution planned for \$1.8 million. As of March 2, 2022, the Michigan State House of Representatives passed HB 5054 that would provide \$1.15 billion in state general fund resources to provide direct assistance to municipalities to help pay down municipal pension debt. There will be two parts to the grant program, \$900 million will be utilized to get all pensions that are less than 60% funded up to that level, and \$250 million will be provided to pensions that are 60% funded or greater. If passed by the Senate, this bill coupled with the additional budget funding should place the Police and Fire Pension system on solid financing for the first time since the recession.

The third major financial challenge is state funding of local municipalities. Michigan's state revenue sharing began in the 1930s by taxing businesses with liquor licenses. Of that revenue, 85 % went to fund municipalities. In 1946, the state constitution was amended to guarantee local government revenues based on 15 percent of sales tax revenues, allocated 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 2021, Madison Heights has lost \$20.3 million 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 includes increasing state revenue sharing based on recent State projections for a total budget of \$3.45 million for, constitutional and statutory revenue sharing, by comparison, in 2006, Madison Heights received \$4.0 million.

Regarding Other Funds, maintaining the City's infrastructure continues to be a challenge. In recent years, with the increase in vehicle registration fees and fuel tax increases, the State of Michigan Department of Transportation started to increase funding to municipalities for local and major road repair and maintenance. However, the FY 2023 budget includes a slight decrease from FY 2022 levels for the Major Street fund of \$25,969 before an increase of \$40,000 in FY 2024. We continue to plan for an aggressive sectional concrete replacement program in the upcoming two budget years and continue to save funds for the future replacement of the City portion of John R road, including the \$607,305 budgeted in FY 2024 for the City portion of the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant for John R from 11 Mile to 14 Mile. The total cost of this project is \$25,963,751. See the Capital Improvement Road Improvements section for more details.

Operating Budget Highlights

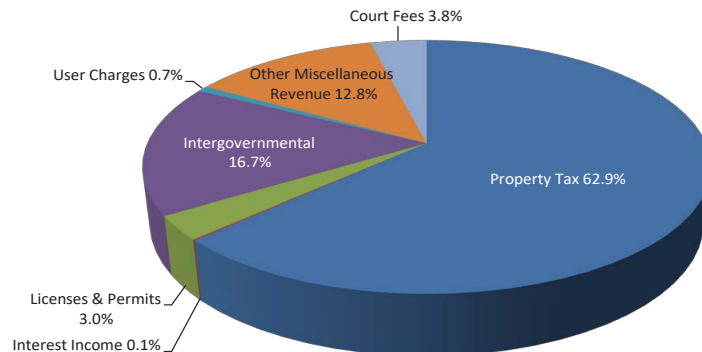
The FY 2023 budget was balanced by utilizing \$4.4 million of fund balance across all budgeted funds. The majority of this use of fund balance is from the General Fund, which is Budgeted to \$412,077 in fund balance for one-time capital outlay purchases and a planned \$4.7 million use for the Civic Center and Fire Station projects. In addition, Major and Local Street funds are budgeted to add to fund balance \$548,884 and \$312,796, respectively. In addition, the FY 2023 budget includes a Water and Sewer use of fund balance of \$123,581.

Revenues

General Fund Revenues are budgeted at \$35.9 million exclusive of the planned use of fund balance. This represents an increase of \$3.9 million or 12.1% from the FY 2022 Amended Budget Revenues. This increase is directly related to American Rescue Act funding of \$1.5 million in FY 2023 and the increase in taxable value, which is 3.3% plus value additions.

The following pie chart represents the City's General Fund income. Revenues are grouped by major category. Property taxes continue to be the largest City revenue source representing 62.9% of the FY 2023 General Fund Revenue Budget. Other major revenue sources include user charges, intergovernmental revenues, court fees, and other miscellaneous revenues.

Where the Money Comes from by Sources of Funds



Regarding the Water and Sewer Fund, effective January 2016, the Detroit Water and Sewerage Department (DWSD) operations were taken over by the Great Lakes Water Authority (GLWA). The GLWA operating agreement caps the wholesale revenue requirements for suburban customers like Madison Heights to 4% annually. This 4% is a revenue projection, not a wholesale rate increase cap. For FY 2023, we have received a rate increase notice of 3.4% for water and 2.4% for sewer. However, the FY 2023 budget does not include a rate increase to our customers.

Starting in 2017, the City began to adjust the method for billing customers for water, sewer, and stormwater charges. The first step of this change was removing stormwater from the sewage rate and calculating 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 more 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 all of the City's stormwater expenses from the Oakland County Water Resources Commissioner,

but as a consequence of the rate restructuring, the sewer rate decreased by 25%. In FY 2018, the water and sewer rates were again reduced by an additional 9%.

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

In FY 2019, the City implemented a rate analysis tool and method for reviewing and adjusting rates annually. This procedure for reviewing water and sewer rates included a five-year forecast of known capital outlay and projected operational expenditures and revenues. The basic principle guiding this rate study and any rate adjustments is that rates should be set to meet revenue requirements as defined by historical costs adjusted by known cost increases and decreases. Even though this rate was established to pass through stormwater cost from Oakland County and be more transparent following the rate methodology used by other municipalities' case settlements as a guide, in 2019, this was challenged in a class-action suit. This case was settled, and the City is now working with OHM Advisors and Oakland County to establish a new rate structure. We anticipate holding public education meetings regarding any changes in rates with the public in the winter of 2022/2023. As a result, no changes to the rates are included in the FY 2023 budget at this time. To achieve this, we have reduced the number of standalone water main replacements and system improvements planned in FY 2023.

Expenditures

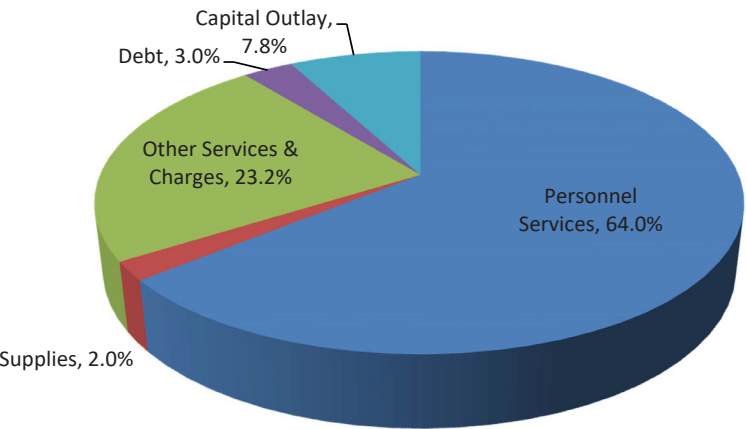
Compared to FY 2022 Amended Budget, all funds are estimated to be up \$11.8 million or 20.74% for FY 2023. As discussed, this is in direct relation to the Civic Center Plaza and Fire Station #2 projects budgeted at \$12.7 million combined with reductions in the Water and Sewer of \$1.2 million.

The following table presents a summary breakdown of the Budget for all funds inclusive of interfund transfers.

Fund Name	Actual 2020-21	Amended Budget 2021-22	Proposed Budget 2022-23	Increase (Decrease) FY 2021-22 to FY 2022-23	Percent Change	Proposed Budget 2023-24
General Fund	\$ 30,655,874	\$ 34,572,048	\$ 41,050,700	\$ 6,478,652	18.7	\$ 35,164,988
Major Street	2,702,151	2,474,390	1,955,259	(519,131)	(21.0)	1,928,631
Local Street	3,324,545	2,433,010	2,859,097	426,087	17.5	2,742,763
Parks Maintenance and Improvement	40,455	38,215	43,246	5,031	13.2	44,220
Downtown Development Authority	38,248	106,021	129,259	23,238	21.9	149,440
Police Drug Forfeiture	100,100	51,000	64,250	13,250	26.0	51,000
Community Improvement	81,484	142,364	145,607	3,243	2.3	145,607
Fire Station Bond	450,598	447,929	459,714	11,785	2.6	0
Municipal Building Bond	0	0	275,000	275,000	0.0	431,500
Fire Station Building	0	0	2,044,671	2,044,671	100.0	0
Municipal Building Bond	0	0	10,727,524	10,727,524	100.0	0
Water & Sewer Fund	10,477,593	12,897,804	11,647,463	(1,250,341)	(9.7)	12,749,260
Motor & Equipment Pool	936,772	1,000,486	994,211	(6,275)	(0.6)	1,053,506
Department of Public Services	1,808,571	2,147,494	2,244,259	96,765	4.5	2,300,262
Chapter 20 Drain Debt	-	885,069	899,454	14,385	1.6	893,262
Total Appropriations	\$ 50,616,391	\$ 57,195,830	\$ 75,539,714	\$ 18,343,884	32.1	\$ 57,654,439

Specifically, for the General Fund, total expenditures are projected to be up only \$78,441 when compared to the FY 2022 Amended Budget before considering the interlocal transfers to partially fund the Civic Center Plaza Construction project fund and the Fire Station 2 Construction fund. The following pie chart depicts appropriations by expenditure type.

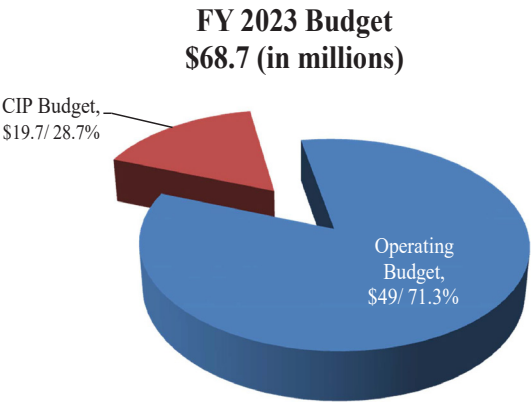
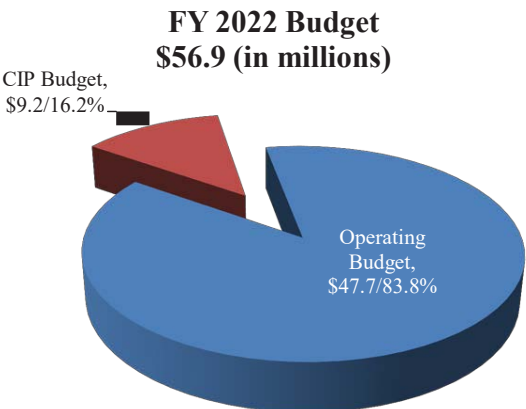
Where the Money Goes by Line Item Category



Capital Budget Highlights

Capital Outlay purchases for all funds total \$19.7 million in FY 2023. In FY 2023, most of this amount, \$12.7 million, is budgeted for the Civic Center Plaza and Fire Station #2 Renovations projects. More details regarding these projects are included in the Capital Improvement Section. In FY 2024, investment in capital outlay remains higher than historical averages due to road rehabilitation and reconstruction projects, including R-3 dedicated millage projects, major roads sectional work, and the sidewalk repair and gap program. In the Water and Sewer Fund, \$1.1 million is budgeted for capital, including \$705,000 for water main replacements.

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



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

Long-Range Financial Plan

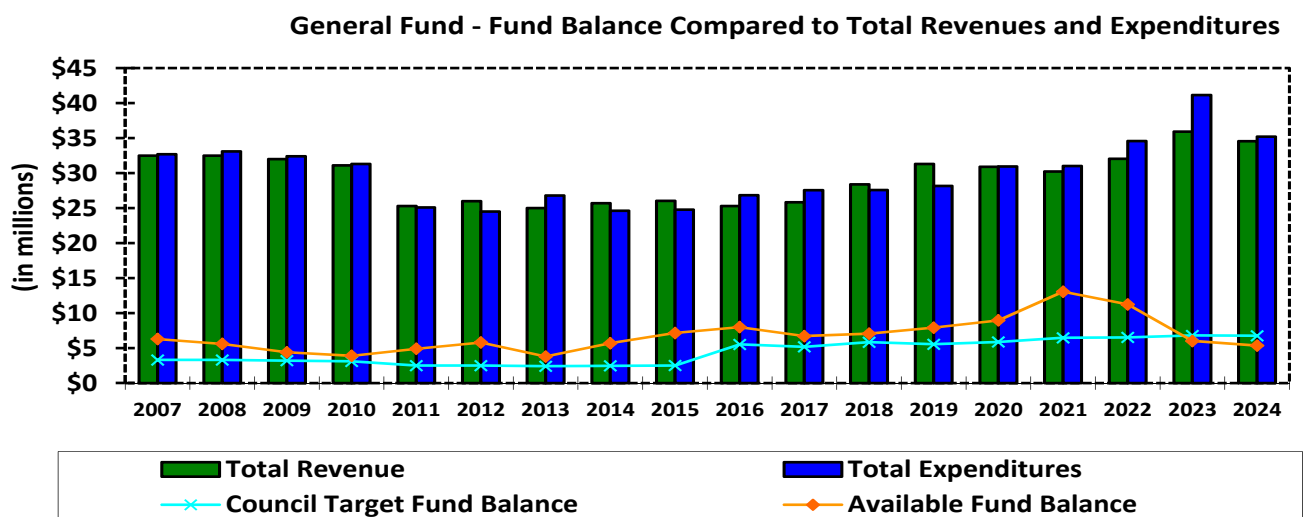
To provide the framework for gauging the financial sustainability of resources allocated decisions, financial forecasts are generated annually in the fall for the City's major funds, including General, Major, Local, and Water and Sewer Funds. Each forecast is produced from a baseline perspective that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

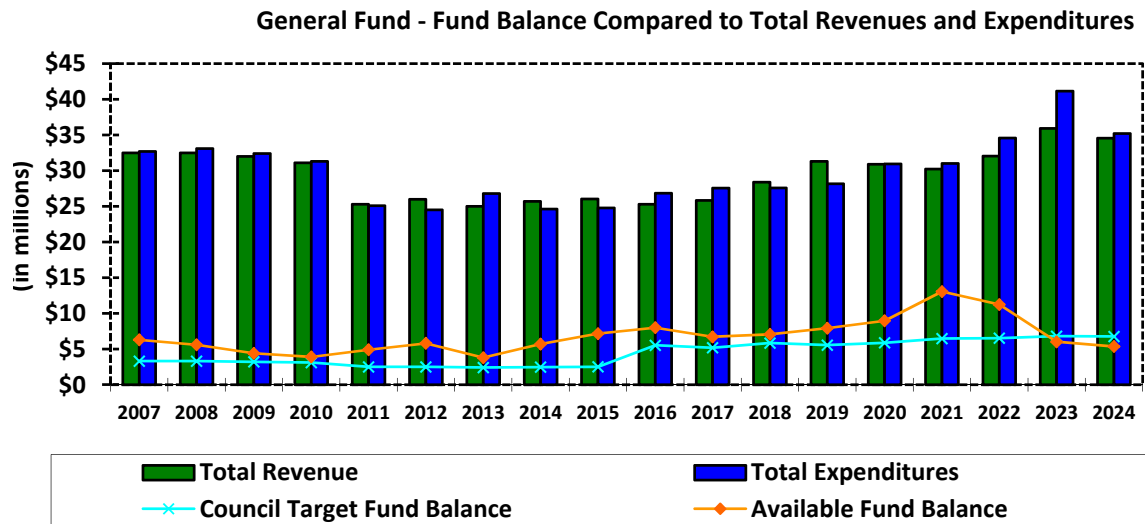
The fall 2021 Forecast, included in the Appendices Chapter, projected a \$600,000 million budget gap in the General Fund for FY 2023 exclusive of interfund transfers for the Civic Center Plaza and Fire Station #2 projects. This is compared to the actual use of fund balance of \$412,077.

Fund Balances

Due to strong financial management, our City survived the worst economic decline in our history and has emerged with strong financial reserves across major funds, allowing us the ability to use this reserve to make much-needed investments in our community. As of June 30, 2021, the General Fund unreserved, but assigned fund balance was \$13 million. This fund balance is intentionally higher than average as we saved funding for the construction and renovation projects reference throughout. Based on projections, this fund balance will be reduced to \$7 million at the end of FY 2023, or 3.7% above the required 16%, plus one year of debt payments. This complies with the financial policies approved by the City Council, directing staff to keep a fund balance equal to or above 16% of regular operating expenditures plus one year of debt payments. Staff was mindful of the policy as we established the Citywide Strategic Plan and proposed this Budget for Council consideration.

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





On June 30, 2022, the City’s Major Street and Local Street Funds are estimated to have fund balances of \$2.2 and \$2.1 million, respectively. In addition, the City Water and Sewer Fund is projected to have \$2.7 million in unrestricted net position.

Bond Ratings

In June 2016, the City had the bond rating reassigned as part of the bond issuance process for the Limited Tax General Obligations for POBs. During this process, the City secured a rating from Standard and Poor’s (“S&P”) of AA-/stable. They describe the City’s strong management with “good” financial policies and practices under the financial management assessment methodology; adequate budgetary performance, which closed with operating surpluses in the general fund and at the total governmental fund level proving very strong budgetary flexibility and liquidity. The rating agency also noted that the City has a strong institutional framework. The City’s bond rating will be reassessed in anticipation of the upcoming bond issuance of \$6.5 million for the Civic Center Plaza and Fire Station #2 construction projects.

Major Policy Considerations

To provide a strategic framework to assist City Council with its appropriation decisions, staff has developed the following set of internal priorities to guide the departmental budget preparation process for FY 2023.

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

Conclusion

The City prides itself on sound financial management, appropriate allocation of our limited resources, and a focus on and commitment to long-range planning. As conditions change, the City will continue to adapt to provide a strong foundation for the future. I want to acknowledge the outstanding efforts of the Assistant to the City Manager Adam Owczarzak, Finance Director Linda Kunath, as well as all Department Heads and staff for their hard work and efforts in development and planning for this multi-year Budget and their continued commitment to providing excellent services to our residents.

I'd also like to thank the Mayor and City Council for their leadership and support in planning the City's financial operations responsibly and progressively and watching our planning and efforts bring success to our community.

Respectfully submitted,

A handwritten signature in cursive script, reading "Melissa R. Marsh".

Melissa R. Marsh

City Manager

CITY OF MADISON HEIGHTS STRATEGIC PLAN - 2023-2027

STRATEGIC GOALS



1. Public Safety



2. Infrastructure/Capital Assets



3. Quality of Life



4. Economic Development



5. Financial Stability



6. Sustainability

1. Public Safety		
<i>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.</i>		
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. MACEO – Home (Maceo.org)	FY 2023-27	GF \$ 580 Membership Dues \$60 Monthly meeting fees \$120 Annual Training \$400 101-400-8640 thru 8660-000
b. Create focused neighborhood improvement areas allowing City Department to wrap services around the community for real and sustainable improvement. Focused neighborhood engagement – home repairs, code enforcement education, public amenities	FY 2023	MSHDA Grant \$25,000 CDBG \$26,000 GF \$3,000 CAB Funding \$17,000 Private Grant \$10,000
<i>1.2 Improve Safety and security of municipal buildings.</i>		
a. Evaluate security as a key element in the renovation/rebuild of the Civic Center Project and Fire Station #2 Renovation.	FY 2022-2023	\$2,044,671 Fire Station #2 Renovation 468-336-9870-000
b. Increase Security for elections by installing security cameras at ballot drop boxes (indoor and outdoor).	FY 2024	TBD – will be evaluated and incorporated into the cost of the CC Project.
c. Evaluate Dispatch area for possible needed upgrades.	FY 2023	GF Flooring \$30,000 101-301-9870-000
<i>1.3 Improve Public Safety Services and Emergency Response</i>		
a. Determine appropriate staffing levels for effective emergency response capability and developing a plan to address understaffing including a process to scale emergency response to call type and need	FY 2024-2027	TBD
b. Work with local schools districts for PD Youth Officer and protocols for school emergency situations.	FY 2023-2026	GF \$108,038 (two officers at 60/40 cost sharing with schools) 101-301-7060-000 101-024-5910 & 5920-000
<i>1.4 Strength Emergency Preparedness: Improving residents’ capacity to prepare and response to a major emergency</i>		
a. Holding annual safety drills for various emergency situations (fire, flood, and active shooter) for staff.	FY 2023-27	\$0
b. Raise awareness of local hazards and emergency situations through online communication and newsletter information.	FY 2023-27	\$150 promotion material for residents 101-248-8800-000

2. Infrastructure/Capital Assets		
<i>2.1 Building asset management plan – evaluate each city building for use(s) restoration, preservation, and maintenance needs. Discuss options for each location, including repair, refurbishment, relocation, combination with other sites.</i>		
a. Implement the plan staying within budget for renovating Library, City Hall, and adding Active Adult Center to the Civic Center Complex.	FY 2021-2024	Total cost projection \$10.7 million 470-265-9870-000
b. Develop a plan to include Fire Station #2 renovations with the Civic Center project.	FY 2021-2024	\$2,044,671 Fire Station #2 Renovation 468-336-9870-000
<i>2.2 Maintain a reliable vehicle fleet citywide with priority given to Public Safety vehicles and equipment.</i>		
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 2024	TBD
b. Develop and fund a multi-year capital improvement program.	FY 2022-27	On-Going
<i>2.3 Develop a long-term solution for the SOCRRA site.</i>		
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	GF \$35,000 101-521-8260-000
3. Quality of Life		
<i>3.1 Provide accessible and quality library services with sufficient technology, materials, hours, and staff to meet community needs.</i>		
a. Increase technology accessible to the library's patrons by converting most desktops to laptops and additional charging stations throughout the building.	FY 2023-27	GF \$5,150 per year 101-790-9810-000
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 2022-27	GF \$976 101-790-8183-000
c. Enhance welcome atmosphere in the library by reconfigure the children's area and creation of a teen space through a renovation includes as part of the Civic Center Project.	FY 2022-2024	TBD-Included as part of the CC Project.
d. Create two youth members on the Library Advisory Board to be filled by a students that live in the City and utilize the library.	FY 2023-2027	\$0
e. Develop marketing for library services and programs, including social media	FY 2023-2027	GF \$500 annually 101-790-8500-000

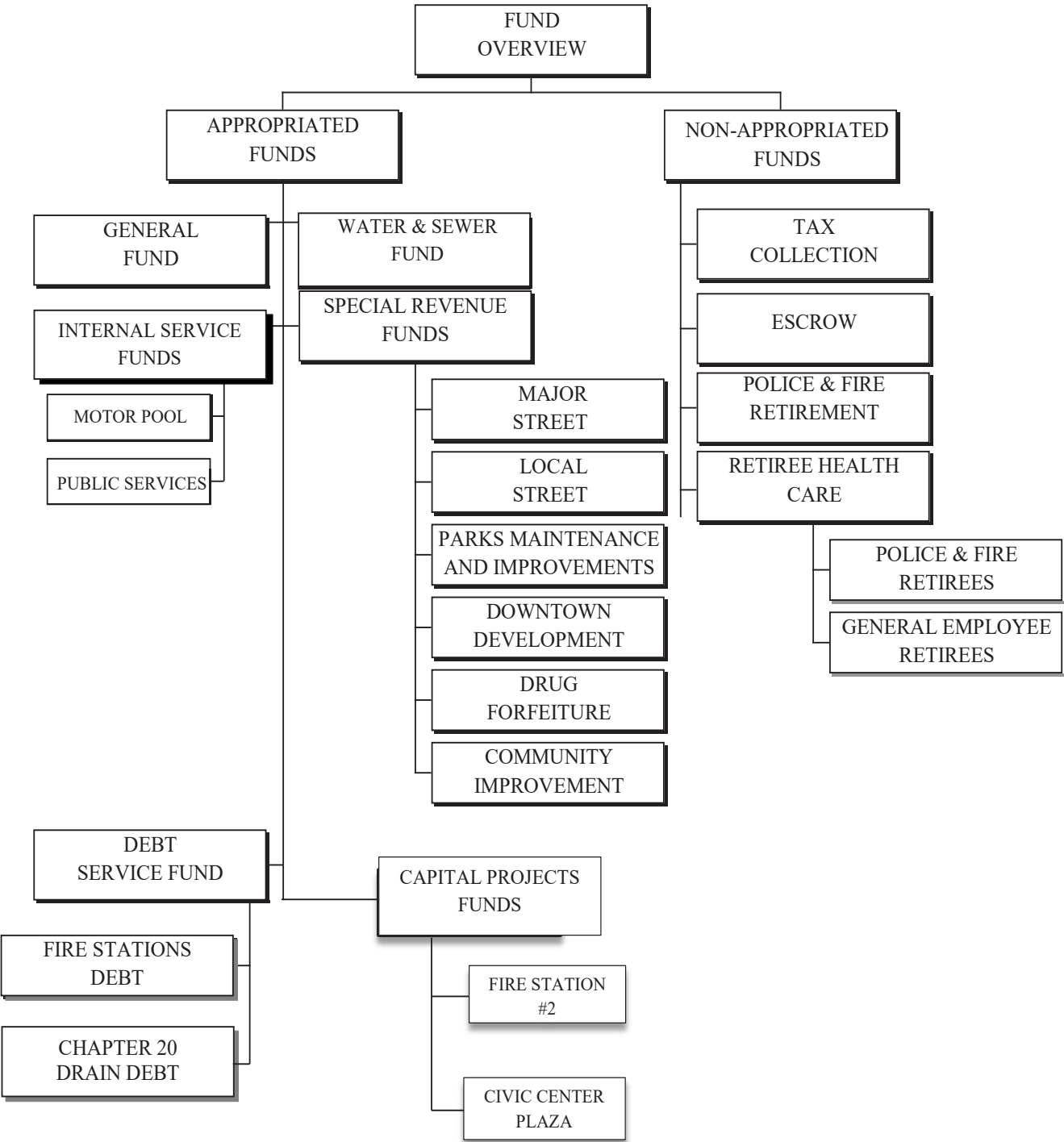
3.2 Enhance Parks/Recreation to appeal to a community of all ages and abilities, including expanding green space, recreation programs, and trail improvements.		
a. Develop a parks asset management program for all park assets, including condition assessment, lifecycle determinations, and preventative maintenance program to extend their lifecycle.	FY 2023-2027	FY 2023 \$595,000 FY 2024 \$859,000 FY 2025 \$737,000 FY 2026 \$606,000 FY 2027 \$350,000
b. Create strategic reserve funds (e.g. parks assets, special projects, business attraction, etc.) to achieve organizational objectives.	FY 2023-2027	\$30,000 - \$50,000 per year 101-757-9870-000
3.3 Support neighborhood vitality and livability.		
a. Strengthen Quality of Life Committee goals by continuing the Call for Projects grant program focusing on citywide activities, enhancement, and community engagement add accountability features such as reporting, expenditure tracking.	FY 2022-26	\$9,000 - \$10,000 annually
b. Develop evaluation and process that encourages large events held by outside groups, and ensures these events meet the needs and interests of a diverse mix of ages and community interest.	FY 2023	\$0
c. Establish an organized comprehensive sponsorship program for all City events	FY 2023	\$0
d. Design and install new welcoming entrance signage at major gateways to the city.	FY 2024-2027	GF \$55,000 (2024) GF \$55,000 (2025) 101-400-8180-000
e. Enhance quality of recreation programs provided by the City to support lifelong learning and skills development.	FY 2023-2027	GF \$174,000 101-751-7620-000 101-758-7620-000
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 2020-2027	GF \$55,000 101-400-8180-000
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 2023-2027	\$0
c. Implement annual training for the Zoning Board of Appeals and the Planning Commission.	FY 2022-2027	GF \$300 101-400-9580-000
d. Creation of a formal Economic Development and Marketing Plan	FY 2023	\$0

e. Establish a formal process to promote local business as part of the City's on-going communication and outreach efforts.	FY 2023-2027	\$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 2021-2027	DDA \$35,000 per year 248-863-9870-002
5. Financial Sustainability and Efficient City Services		
<i>5.1 Maintain a stable, efficient, and transparent financial environment encouraging community involvement.</i>		
a. Promote community engagement aspect to strategic planning/budget process by finding ways to simplify the budget information, enhancing opportunities for resident participation.	FY 2021-2027	\$0
b. Work with the Information Technology and Advisory Committee (ITAC) and outside vendors to increase service accessibility to residents (online, mobile, off-sight services)	FY 2021-2027	\$0
c. Establish a process to track total grant funding received on an annual basis	FY 2022-2027	\$0
d. Fully revise the Strategic Plan every six years making sure multiple stakeholders are included in the planning process (Staff, Council, Civic Organizations)	FY 2025 (fall 2024)	\$500
<i>5.2 Provide a reliable financial plan that ensures stability per the strategic plan and promotes a proactive response to issues.</i>		
a. Utilizing the Strategic Plan as guide for financial decisions and produce and adopt a budget that is in-line with the strategic plan.	FY 2023-2027	\$0
b. Continue to proactively manage City's pension liability cost by annually reviewing the assumptions being used in valuations and contributing above the actuarial requirement when possible, applying for grants is made available and contributing extra funding.	FY 2023-2027	GF \$1,145,828 (2023) 101-301-7100-009 GF \$732,258 (2023) 101-331-7100-009
c. Review and update City fees schedule setting intentional cost recovery goals for City Services and evaluating overall programs.	FY 2023-2027	\$0
d. Increase percentage of services and projects funded through external sources by proactively pursuing grants, partnerships and other funding opportunities.	FY 2023-2027	\$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. Complete 360 degree performance reviews for Department Head staff (rotating five year cycle).	FY 2023	GF \$800 101-226-8180-000
c. Review and revamp the City-wide Wellness Program.	FY 2023-2026	\$2,500 plus incentives included in wages
d. Review department and City-wide personnel policies to improve readability and embrace forward-thinking employment policies.	FY 2022-2025	GF \$7,286 WS \$2,429 101-226-8183-000 590-590-8183-000
e. Develop a program to recognize innovations and efficiency gains created by employees.	FY 2024	TBD
5.4 Leverage technology to drive efficient and responsive service delivery.		
a. Evaluate point-to-point connection systems for the Department of Public Services.	FY 2023	TBD-being evaluated as part of the CC project.
b. Conduct security awareness training (KNowBE4) among all staff that utilizes technology on the City network.	FY 2024	GF \$1,680 101-258-9660-000
c. Implement a new host server for City technology needs.	FY 2023	GF \$24,000 101-258-9820-000
d. SAN replacement or Cloud Alternative	FY 2023	GF \$35,000 101-258-9820-000
6. Sustainability		
6.1 Maximize the environmental and social benefits of our city services and resident programs.		
a. Monitor funding opportunities, as well as other opportunities to add EV charging infrastructure in the City.	FY 2022-2027	TBD
b. Evaluate feasibility of moving City fleet vehicles to electric when the vehicle is scheduled for replacement.	FY 2022-2027	TBD
c. Participate in the Michigan Green Communities Network.	FY 2023	\$0
d. Continue a Tree Program for new trees and tree replacements in addition to road project tree replacements, including an inventory, tree replacement plan, residential tree program, and actively pursuing grants for tree replacements.	FY 2023-2027	GF \$5,000 101-757-8180-000 Parks Maint. \$2,000 208-463-8180-000 DDA \$5,000 248-863-8180-000 W/S \$35,000 590-901-7720-000

e. Revised pass through charges to users for stormwater charges from Oakland County and begin reviewing the possibility of mitigating flood and storm water through adoption of a storm water ordinance to property manager storm water runoff, providing education for property owners to decrease impervious surfaces, and implementation of municipal green infrastructure as part of larger projects.	FY 2023-2027	WS \$80,000 590-590-8180-000
f. Create a Green Business Recognition Program considering Water and Sewer, Community Development, green infrastructure	FY 2023-2027	GF \$250 (2024)
g. Adopt ordinance language that support renewable energy, stormwater improvements, and green infrastructure projects for developments, balancing cost effectiveness.	FY 2023-2027	TBD
h. Adopt and enforce an anti-idling policy for the municipal vehicle fleet.	FY 2023	\$0
i. Working with the ECC, provide information and resources on how to compost at home and/or businesses.	FY 2023	\$0

BUDGET FUND STRUCTURE



BUDGET FUND STRUCTURE

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

Fund Descriptions

The City maintains accounts for 19 separate funds. The Budget includes the 14 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, and Water and Sewer Fund are considered to be major funds. Major funds are funds whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds.

Appropriated Funds

1. General Fund

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

2. Enterprise Fund - Water and Sewer Fund

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

3. Special Revenue Funds

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

Major Street Fund

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

Local Street Fund

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

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

Parks Maintenance and Improvement Fund

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

Downtown Development Authority Fund

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

Drug Forfeiture Fund

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

Community Improvement Fund

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

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

Special Assessment Revolving Fund

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

4. Internal Service Funds

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

Public Services Fund

The Public Services Fund is a new fund to the City as of FY 2017. Prior to FY 2017 Public Service employees were allocated based on a fixed percentage, where the department would estimate where they would spend their time. Now all public service employees are charged to this internal service fund and we use actual hours worked and equipment used to charge to the other activities through out the city on a monthly basis using the City's Work order program. The Public Services Division is responsible for the maintenance of all city property, including City buildings and grounds, parks, roadways and water and sewer lines. This division also handles special events and activities.

Motor Pool Service Fund

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

5. Debt Service Fund

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).

6. Capital Projects Fund

The Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the construction of capital facilities and other capital assets. The City utilizes this fund structure to account for less routine capital projects, which are reported instead by function. Rather, this capital projects fund structure will be used primarily for major projects and acquisitions (construction of a new building) ; this is also useful for multi-year projects

Fire Station Construction Fund

The Fire Station Construction Fund accounts for the revenue and expenditures for the renovation of Fire Station #2. Current plans are to demolish and redevelop the equipment bay area and a complete renovation of the living space.

Civic Center Plaza Project Fund

The Civic Center Plaza Project accounts for the revenue and expenditures of the renovation of the City Hall and Library buildings and the redevelopment of the Active Adult Center, which is being relocated from John R to the Civic Center Complex.

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**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Fund Types
Fiscal Year Comparison
Fiscal Years 2021-2024**

	GENERAL FUND				SPECIAL REVENUE/DEBT SERVICE FUNDS *			
	Actual 2020-21	Amended 2021-22	Adopted 2022-23	Proposed 2023-24	Actual 2020-21	Amended 2021-22	Adopted 2022-23	Proposed 2023-24
REVENUES								
Property Taxes	\$ 20,225,701	\$ 20,899,138	\$ 22,591,420	\$ 22,742,016	\$ 2,129,779	\$ 3,076,327	\$ 3,088,760	\$ 2,697,768
Licenses and permits	1,503,292	1,051,325	1,086,325	1,086,325	-	-	-	-
Intergovernmental	6,096,441	5,358,286	7,687,129	6,127,583	3,943,071	4,009,053	3,912,195	3,978,515
Court fines and fees	1,175,006	1,295,000	1,374,000	1,374,000	-	-	-	-
Charges for services	276,178	312,044	262,730	262,730	-	-	-	-
Parks and Recreation	104,715	221,500	234,000	264,000	-	-	-	-
Interest and Misc. Revenue	1,946,832	1,942,763	1,718,537	1,721,537	166,108	49,900	6,548,746	49,720
Debt Issuance	-	-	-	-	-	-	-	-
Departmental Charges	865,313	891,480	891,480	891,480	-	-	-	-
Transfers from other funds	22,509	85,053	84,869	85,050	250,000	300,000	6,847,195	731,500
TOTAL REVENUES	\$ 32,215,987	\$ 32,056,589	\$ 35,930,490	\$ 34,554,721	\$ 6,488,958	\$ 7,435,280	\$ 20,396,896	\$ 7,457,503
EXPENDITURES								
General Government	\$ 5,276,570	\$ 5,929,939	\$ 5,232,257	\$ 5,237,298	\$ -	\$ -	\$ 12,772,195	\$ -
Public Safety	18,102,206	19,214,312	20,123,193	20,038,343	100,100	51,000	64,250	51,000
Community Service	3,756,203	4,230,176	4,105,144	4,267,147	-	-	-	-
Culture and Recreation	1,437,877	3,078,475	2,876,181	3,001,186	40,455	38,215	43,246	44,220
Community Development	1,053,836	1,092,088	1,138,451	1,162,471	5,804,944	4,691,368	4,621,746	4,498,784
Community Improvement	-	-	-	-	81,484	142,364	145,607	145,607
Water Division	-	-	-	-	-	-	-	-
Sewer Division	-	-	-	-	-	-	-	-
W/S Support and Capital Outlay	-	-	-	-	-	-	-	-
Transfers out	-	-	6,547,195	431,500	260,000	322,053	321,869	322,050
Debt Service	1,029,182	1,027,058	1,028,279	1,027,043	450,598	1,332,998	1,634,168	1,324,762
TOTAL EXPENDITURES	\$ 30,655,874	\$ 34,572,048	\$ 41,050,700	\$ 35,164,988	\$ 6,737,581	\$ 6,577,998	\$ 19,603,081	\$ 6,386,423
REVENUES OVER (UNDER) EXPENDITURES	\$ 1,560,113	\$ (2,515,459)	\$ (5,120,210)	\$ (610,267)	\$ (248,623)	\$ 857,282	\$ 793,815	\$ 1,071,080
FUND BALANCES, BEGINNING OF YEAR	\$ 11,495,321	\$ 13,055,434	\$ 10,539,975	\$ 5,419,765	\$ 5,192,788	\$ 4,944,166	\$ 5,801,448	\$ 6,595,263
FUND BALANCES, END OF YEAR	\$ 13,055,434	\$ 10,539,975	\$ 5,419,765	\$ 4,809,498	\$ 4,944,166	\$ 5,801,448	\$ 6,595,263	\$ 7,666,343

* 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, Park Improvements Fund, Police Drug Forfeiture, Community Development Block Grant;
Capital Project Funds, include construction funds for Fire Station #2 and Civic Center Plaza.

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

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Fund Types
Fiscal Year Comparison
Fiscal Years 2021-2024**

	WATER AND SEWER FUND				TOTALS Memorandum Only			
	Actual 2020-21	Amended 2021-22	Adopted 2022-23	Proposed 2023-24	Actual 2020-21	Amended 2021-22	Adopted 2022-23	Proposed 2023-24
REVENUES								
Property Taxes	\$ 886,898	\$ -	\$ -	\$ -	\$ 23,242,378	\$ 23,975,465	\$ 25,680,180	\$ 25,439,784
Licenses and permits	-	-	-	-	1,503,292	1,051,325	1,086,325	1,086,325
Intergovernmental	-	-	-	-	10,039,512	9,367,339	11,599,324	10,106,098
Court fines and fees	-	-	-	-	1,175,006	1,295,000	1,374,000	1,374,000
Charges for services	9,813,511	11,253,082	11,253,082	11,253,082	10,089,689	11,565,126	11,515,812	11,515,812
Parks and Recreation	-	-	-	-	104,715	221,500	234,000	264,000
Interest and Misc. Revenue	63,032	178,800	155,800	163,800	2,175,972	2,171,463	8,423,083	1,935,057
Special assessments	-	-	-	-	-	-	-	-
Departmental Charges	109,720	119,700	115,000	115,000	975,033	1,011,180	1,006,480	1,006,480
Transfers from other funds	-	-	-	-	272,509	385,053	6,932,064	816,550
TOTAL REVENUES	\$ 10,873,161	\$ 11,551,582	\$ 11,523,882	\$ 11,531,882	\$ 49,578,106	\$ 51,043,451	\$ 67,851,268	\$ 53,544,106
EXPENDITURES								
General Government	\$ -	\$ -	\$ -	\$ -	\$ 5,276,570	\$ 5,929,939	\$ 18,004,452	\$ 5,237,298
Public Safety	-	-	-	-	18,202,306	19,265,312	20,187,443	20,089,343
Community Service	-	-	-	-	3,756,203	4,230,176	4,105,144	4,267,147
Culture and Recreation	-	-	-	-	1,478,332	3,116,690	2,919,427	3,045,406
Community Development	-	-	-	-	6,858,780	5,783,456	5,760,197	5,661,255
Community Improvement	-	-	-	-	81,484	142,364	145,607	145,607
Water Division	1,041,374	3,137,219	3,301,224	3,381,775	1,041,374	3,137,219	3,301,224	3,381,775
Sewer Division	5,757,132	5,265,801	5,410,555	5,513,410	5,757,132	5,265,801	5,410,555	5,513,410
W/S Support & Capital Outlay	3,544,419	4,343,112	2,783,897	3,702,470	3,544,419	4,343,112	2,783,897	3,702,470
Transfers Out	-	-	-	-	260,000	322,053	6,869,064	753,550
Debt Service	134,668	151,672	151,787	151,605	1,614,448	2,511,728	2,814,234	2,503,410
TOTAL EXPENDITURES	\$ 10,477,593	\$ 12,897,804	\$ 11,647,463	\$ 12,749,260	\$ 47,871,048	\$ 54,047,850	\$ 72,301,244	\$ 54,300,671
REVENUES OVER (UNDER) EXPENDITURES	\$ 395,568	\$ (1,346,222)	\$ (123,581)	\$ (1,217,378)	\$ 1,707,058	\$ (3,004,399)	\$ (4,449,976)	\$ (756,565)
FUND BALANCES, ** BEGINNING OF YEAR	\$ 36,653,360	\$ 37,048,928	\$ 35,702,706	\$ 35,579,125	\$ 53,341,469	\$ 55,048,528	\$ 52,044,129	\$ 47,594,153
FUND BALANCES, END OF YEAR	\$ 37,048,928	\$ 35,702,706	\$ 35,579,125	\$ 34,361,747	\$ 55,048,528	\$ 52,044,129	\$ 47,594,153	\$ 46,837,588

** 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.

Dashboard for Madison Heights

Fiscal Stability	2020	2021	Progress
Fiscal Wellness Indicator Score	1	1	↔
Annual General Fund expenditures per capita	\$1,075	\$1,090	↓
Fund balance as % of General Fund Revenues	29.6%	37.7%	↑
Other Post Employment Benefits % Funded	41.3%	102.5%	↑
Pension % Funded	62.1%	69.8%	↑
Debt burden per capita	\$420.6	\$330.4	↑
Operating Millage	25.29	26.26	↓
Economy & Financial Health	2020	2021	Progress
Population	28,468	28,468	↔
Taxable Value (100k)	\$828,015	\$862,090	↑
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	↑



REVENUE CHAPTER

Revenue Overview

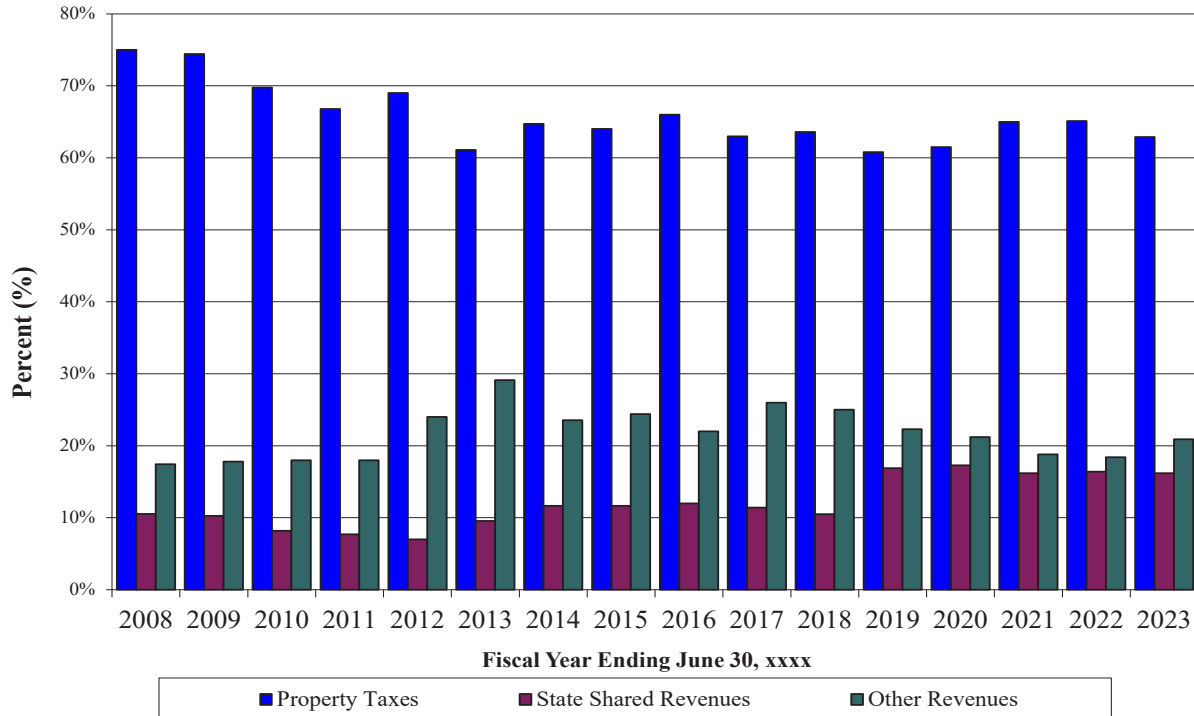
General Fund Revenues are budgeted at \$35.9 million exclusive of the planned use of fund balance. This represents an increase of \$3.9 million or 3.9% from the FY 2022 Amended Budget Revenues. This increase is directly related to American Rescue Act funding of \$1.5 million and the increase in taxable value, which is 3.3% plus value additions.

Base Budget Revenue Changes

The composition of General Fund Revenues includes: Property Taxes at \$22.6 million or 62.9% of total General Fund Revenues; State Shared Revenues at \$5.8 million (16.2%); Federal Shared Revenues \$ 1.6 million (4.5%); Court Related Revenues at \$1.4 million (3.8%); Charges to Other Funds of \$891,480 (2.5%); Construction Permits at \$660,000 (1.8%); Ambulance/Rescue Insurance Reimbursement of \$650,000 (1.8%); Cable Television Fees in the amount of \$510,000 (1.4%); Charges for Services of \$262,730,916 (0.7%); and Other Revenues of \$1.6 million (4.4%). Other uses of \$1.6 (4.5%)

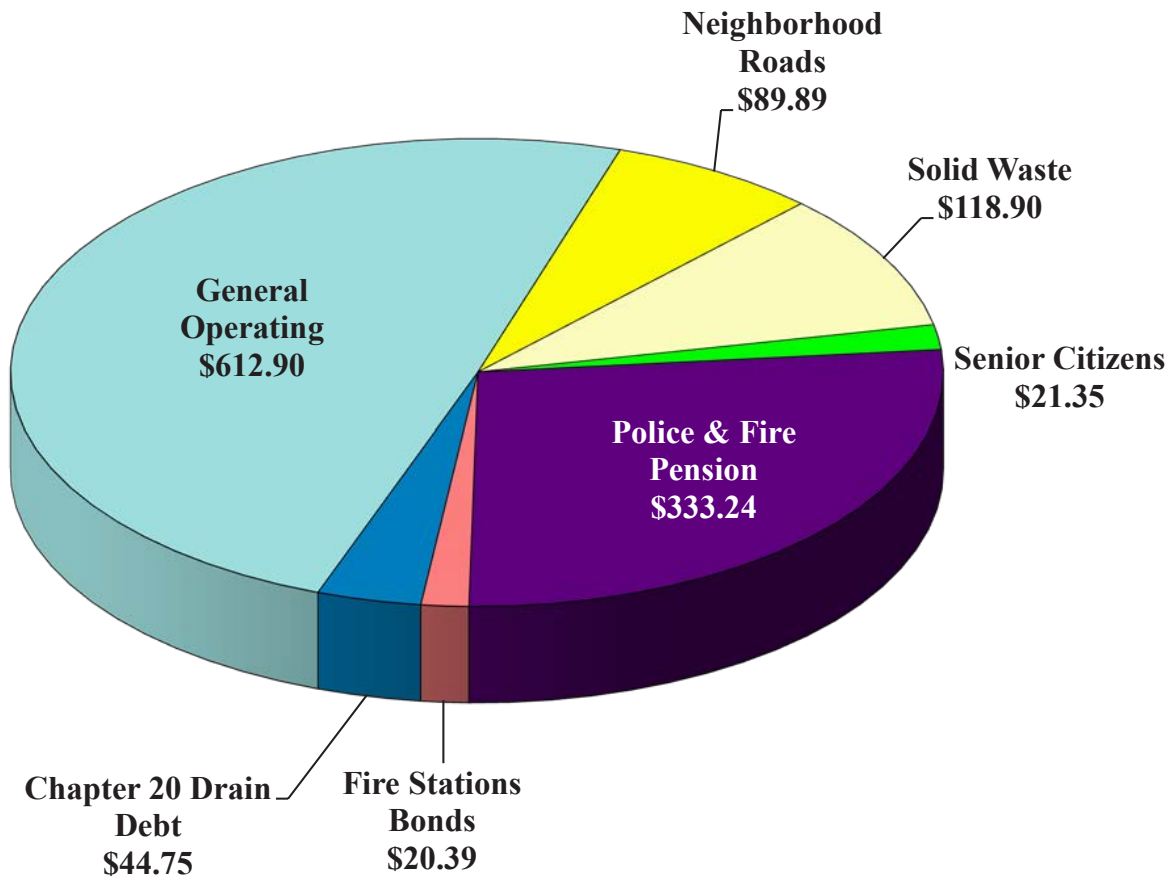
In addition, the FY 2023 Budget includes uses of fund balance for a total of \$5.1 million; of this, \$412,077 is being utilized for one-time capital assets critical for the operations of the City to provide day-to-day services. The additional \$4.7 million is a planned use of fund balance being transferred to the Capital Projects Funds.

Percentage of General Fund Revenues



Average City Taxes - FY 2022-23
Based on Average Home Market Value of \$154,909
(Taxable Value of \$47,605)

Total of \$1,241.40



Approximately 55% of the City's taxes are restricted for specific purposes.

Property Tax Revenues

The rates displayed below are within the Charter limitations and the Headlee rollback limits. The FY 2023 combined City tax rate of 26.0771 mills per thousand dollars of State taxable valuation is broken down as follows:

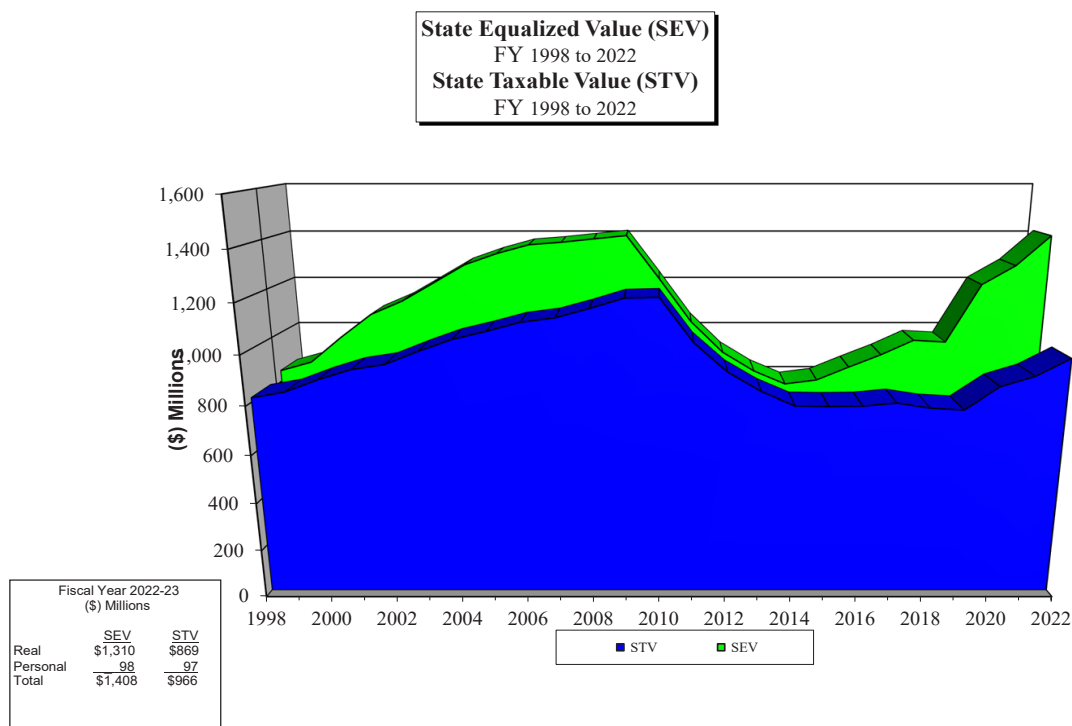
<u>DOLLARS PER \$1,000 of TAXABLE VALUE *</u>				
Operating Millages	Tax Rate 2021-22	Tax Rate 2022-23	Tax Rate Limits **	Headlee Tax Limits **
General Operating	12.7260	12.8746	16.0000	14.0978
Neighborhood Road Improvements	1.9199	1.8882	2.0000	1.8882
Solid Waste	2.5396	2.4976	3.0000	2.4976
Senior Citizens	0.4560	0.4484	0.5000	0.4484
Police and Fire Retiree Benefits	7.1155	7.0000	as needed	n/a
Fire Station Bonds	0.5057	0.4283	as needed	n/a
Chapter 20 Drain Debt	<u>1.0019</u>	<u>0.9400</u>	as needed	n/a
Total Millage	26.2646	26.0771		

*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 per Proposal A of 1994, limiting future assessment increases to 5 percent or the rate of inflation whichever is lower, for each property. For FY 2023, the inflation rate has been calculated at 3.3%.

When the taxable value increases more than the amount explained above, the millages are "rollback". Due to the increase in market value compared to the state rate of inflation, the City calculated a rollback for FY 2023 of .9835. This can be seen in the decrease of millages at their maximum levy in the table 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 due to 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.

In Madison Heights, there are 10,371 single-family homes and condominiums, 891 commercial parcels, and 292 industrial parcels. The average home market value is \$154,909 (State Equalized Value is \$68,435) with a taxable value of \$47,605 and an average tax bill of \$1,241 for City services for the Fiscal Year 2023.



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

Property Tax Base

The chart above illustrates the State Equalized Value (SEV) change over the last twenty years based on the type of property. The property tax base for the General Fund is quite diversified. The major components of the General Fund Property Tax Revenue are single-unit residential/condominiums (53%), commercial (30%), industrial (9%), and personal property (8%). This chart also illustrates the gap between equalized and taxable value. In FY 2021, the overall taxable value is estimated to grow 4.1%, with equalized value increasing by 7.6%. It is anticipated that for the year, the equalized value will continue to increase while the taxable value will struggle to grow 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 collecting 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 began in 2014 for the small parcels, and a 10-year phase-in started 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 \$10.7 million over the 10-year period (by 2023), inclusive of a \$369,600 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) 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. In FY 2023, this revenue is estimated to be \$2.3 million. However, this revenue stream remains questionable from year to year as we depend 100% on the State for calculating and reimbursing funds. This has made it very difficult to estimate for budget and planning purposes. In late 2021, the State continued its long-standing practice of using local government funding to pay for other priorities with the passage of HB 5351 to amend the General Property Tax Act again to increase the value of the eligible manufacturing personal property exemption to \$180,000. This legislation more than doubles the personal property tax exemption for small taxpayers. While a one-year revenue replacement was included, the ongoing erosion of funding that supports local services will be permanent unless the Legislature and the Governor fulfill their commitment to finding revenue replacements.

State Shared Revenues

The City's second-largest source of General Fund Revenue is State Shared Revenues budgeted at \$5.8 million or 16.2% of revenues. This revenue source has increased from 10% of revenues since FY 2017 due to the reimbursement discussed above. The State mandates that PPT reimbursement be accounted for as State Shared revenues.

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

- **Constitutional**

Article IX, Section 10, of the Michigan Constitution requires that "Fifteen percent of all taxes imposed on retailers on taxable sales at retail of tangible personal property at a rate of not more than 4% shall be used exclusively for assistance to townships, cities, and villages, on a population basis as provided by law." For FY 2023, the State projects a distribution of constitutional revenue sharing of \$2,886,163 for the City or a 10.4% (\$272,269) increase over the projected allocation for FY 2022. This increase includes a one-time 5% base increase plus an additional 5% proposed increase from the state.

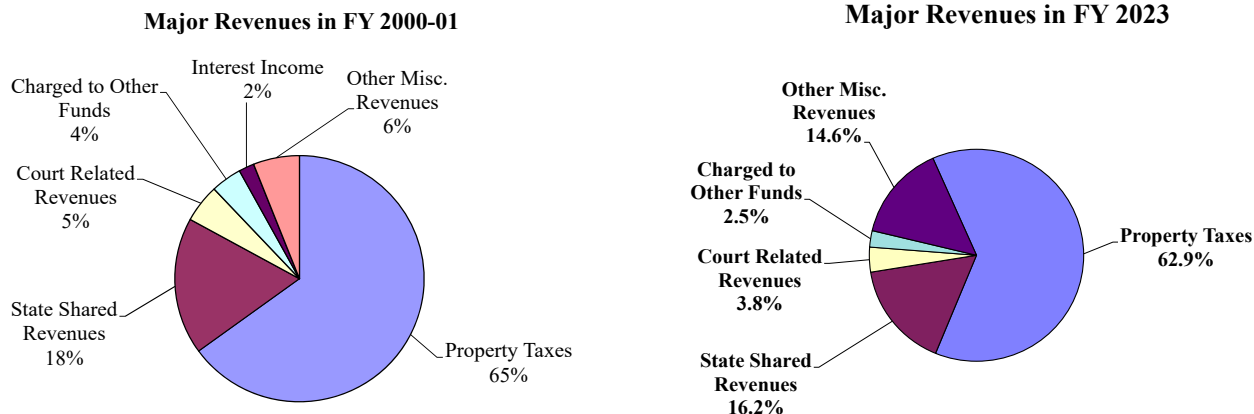
- Statutory - City, Village and Township Revenue Sharing

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 Accountability and Transparency requirements 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 2023, this total for the City is budgeted to be \$618,438. This is a 10.0 % increase over FY 2022 or (\$56,222) status quo with past years.

To continue 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.

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



As you can see from the pie charts shown above, in FY 2000-01, State Shared Revenues made up 18% of the General Fund Revenues; in FY 2022-23, they are only 16.2% of the total. Statutory and Constitutional revenue sharing has been a target for the State resulting in long-term revenue loss imposed on the City. Over the past eighteen twenty years, local governments have lost millions of dollars due to these changes in state revenues sharing from the State. From fiscal years 2002 through 2021, Madison Heights has lost \$20.3 million 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 includes increasing state revenue sharing based on recent State projections for total, constitutional and statutory, of \$3.45 million; by comparison, in 2006, Madison Heights received \$4.0 million.

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

For FY 2023, the third-largest revenue source is federal grants, as we are scheduled to receive our second payment of the American Rescue Plan (ARP) funding of \$1.5 million. In total, Madison Heights received \$3.1 million in ARP funding which has been set aside for funding the renovations of City Hall, Library, Fire Station #2, and a rebuilding of the Active Adult Center. These projects will enhance services and offerings to our residents while assisting the City in getting caught up on our deferred maintenance issues at these facilities.

The fourth-largest source of the General Fund revenue is composed of Court fines, forfeits, and charges. This revenue source has historically been one of the City's largest revenues sources funding the court operations and a small portion of the Police for enforcement; however, the revenues, budgeted at only \$1.37 million continue to decline to a point that they do not cover the day to day operational cost of the court at \$1.46 million.

The fifth 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 sixth group of revenue sources, other governmental revenues, includes items that provide between \$100,000 and \$600,000 in annual funding. This category is not as crucial 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.

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 fees asset sales. Interest income is budgeted at \$50,000 for FY 2023.

Revenue Assumptions

- State Shared Revenues - Based on Michigan Department of Treasury Projections, Constitutional State Shared Revenues (SSR) are budgeted to be \$2,886,163 and City, Village, and Township Revenue Sharing (CVTRS) is budgeted to be \$618,438. 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 – Charges for Internal Service Funds include consultant's cost allocation plan (Water and Sewer); time analysis, and costs for parts and labor, outside work, fuel, personnel, and insurance (Motor Pool); and time and equipment rental for Department of Public Services.
- Interest Income – Less than 1.0% is being budgeted as interest on cash reserves for general investments due to the current economic environment. 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 5.7%.

- Gas & Weight Tax – Revenue from Michigan’s gasoline and diesel taxes and its vehicle registration fees make up the bulk of the revenue that goes into the Michigan Transportation Fund. Money from the fund is then disbursed to the Michigan Department of Transportation (MDOT), county road commissions and cities and villages. MDOT recently released projections for Act 51 revenues. The budget includes \$3.3 million of Act 51 revenues to be used on the City’s Major and Local Roads.
- Water Sales and Sewage Disposal – The Great Lakes Water Authority has announced a 3.4% increase for Madison Heights for water usage in FY 2023. In addition, Oakland County has estimated an increase of 2.4% - 3.0% for stormwater and sewage disposal. The FY 2023 Budget does not include an increase to Madison Heights end-users as we are in the process of completing a comprehensive rate restructuring in light of a recent class-action suit regarding our pass-through Stormwater fees.

OTHER MAJOR FUNDS

Major Street Fund

The largest source of Major Street revenues at \$2.4 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 95.2% 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.

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 \$928,232, 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 2023 and an estimated \$20 million over the ten-year period, which is used exclusively to repair and reconstruct residential streets and rights-of-way. Other revenues include interest income budgeted at \$5,000 and local stabilization revenue sharing for \$210,000.

Parks Maintenance and Improvement Fund

The Parks Maintenance and Improvement Fund was established with a November 2007 one-time payment of \$850,000 from the George W. 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 \$43,246 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.

Downtown Development Authority Fund

Funding for the Downtown Development Authority (DDA) 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 decreased drastically during the recession. In FY 2010 the DDA collected \$243,100 in tax revenue FY 2023 is budgeted to collect \$60,624 in tax revenue.

Drug Forfeiture Fund

The Fund is used to account for revenues (FY 2023, \$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.

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 \$145,607 for FY 2023. 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.

Fire Stations 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 \$409,886 this year to make principal and interest payments.

Fire Station #2 and Civic Center Plaza Construction Funds

These funds account for the construction activities related to the \$10.7 million Civic Center Plaza renovation/rebuild and the \$2.04 million Fire Station #2 renovation. Revenues are coming from various sources, including \$6.5 million General Obligation Bond issuances, \$3.1 American Rescue Plan funding, \$1.7 sell of the current Active Adult Center, and General Fund Fund Balance of \$1.4 million.

Chapter 20 Drain Debt Fund

This fund accounts for Drain debt activity for the drains located in Madison Heights. The tax is levied pursuant to Michigan Drain Code Chapter 20 of Public Act 40 of 1956. A dedicated millage of 0.94 mills will generate \$899,454 to make these payments as assessed by Oakland County.

Water and Sewer Fund

Water and Sewer Fund revenues are generated through user charges to residential and commercial customers. Rates are being held steady while we work with OHM consulting to complete a rate assessment. Once completed, we anticipate having a completely new rate structure that will need to be communicated to the end users before assessing any new or combined rates. We expect these rate changes for the FY 2024 budget cycle.

This budget includes the use of net restricted assets in the amount of \$123,581 for day-to-day operations and limited water main replacements. We have intentionally reduced the amount of capital investment in FY 2023 to keep rates at the same level as FY 2022. 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 (\$890,023) and the Water and Sewer Fund (\$104,188). 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 2023 includes revenues from the General Fund (\$681,392), Major Street Fund (\$137,762), Local Street Fund (\$190,658) and Water and Sewer Fund (\$1,234,447).

FUND BALANCE

In Madison Heights, the General Fund Fund Balance consists of designations of assigned fund balance for various purposes, totaling \$13.3 million. This amount is higher than the City's average fund balance as we strategically have been saving for the upcoming capital projects included in the FY 2023 budget. The following table reflects the audited Fund Balance for the years ended June 30, 2020, and 2021:

FUND BALANCE	ACTUAL FY 2019-2020	ACTUAL FY 2020-21	CHANGE FY 2020 vs 2021
Unreserved:			
Assigned:			
Vested Employee Benefits	\$2,404,598	\$2,732,929	\$328,331
Retained Insurance Risks	1,464,669	2,131,740	\$667,071
Capital Improvements	1,727,449	3,676,976	\$1,949,527
Postemployment Benefits	1,413,550	1,490,535	\$76,985
Technology Improvements	150,000	150,000	\$0
Pension Bonds	845,000	884,082	\$39,082
Subsequent Year's Expenditures	<u>960,174</u>	<u>1,989,172</u>	<u>\$1,028,998</u>
Total Assigned	\$8,965,440	\$13,055,434	\$4,089,994
Non Spendable and Restricted	<u>648,561</u>	<u>275,392</u>	<u>(\$373,169)</u>
Total Unreserved Fund Balance	\$9,614,001	\$13,330,826	\$ 3,716,825

Assigned Funds

Assigned Fund Balance falls into four categories: funds designated for vested employee benefits; retained insurance risks; technology improvements, capital projects, subsequent year's expenditures, and debt, including liability for other post-employment benefits.

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. On June 30, 2021, this designation was set based on audited records at \$2,732,929 of the Assigned Fund Balance. In 1987, the City started setting aside a portion of its Fund Balance for possible contingencies related to self-insurance losses. Based on reporting of claims incurred but not reported, staff assigned \$2,131,740 for insurance risk on June 30, 2021.

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, 2021, the assignment for future capital improvements was included at \$3,676,976, 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 before the end of a fiscal year. This financial tool is used to pull together all those significant outstanding items but not acted upon by the end of a budget year. On June 30, 2021, those carry-forward purchase designated funds of \$1,989,172.

In FY 2017, the City issued Pension Obligation Bonds. On June 30, 2021, one year of debt payments for the principal was assigned at \$884,082, and \$1,490,535 was assigned for city contributions for other post-employment benefits.

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 constrained to specific purposes by an external characteristic. In the City's case, these monies are restricted for dedicated millages and donations for specific items. As of June 30, 2021, the City had restricted funds for future vehicles purchased through Proposal "V" in the amount of \$55,308 and donations of \$144,025.

Changes in Fund Balance

This budget document complies with the City Council financial policy to maintain a minimum of two months (16%) of regular operating expenditures plus one year of debt payments. For more details, please see the Reserve Policy in the Appropriations Chapter.

ALL FUNDS SUMMARY
CHANGES IN PROJECTED
FUND BALANCE/RETAINED EARNINGS
FISCAL YEAR 2022-23

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund (1)	\$ 10,539,975	\$ 35,930,490	\$41,229,700	\$5,240,765	(48.6)
Major Street (2)	1,432,847	2,504,143	1,955,259	1,981,731	38.3
Local Street - Non Proposal R (3)	667,855	1,228,232	1,238,097	657,990	(1.5)
Local Street - Proposal R	2,450,449	1,933,796	1,621,000	2,763,245	12.8
Parks Maintenance and Improvements	758,349	43,246	43,246	758,349	0
Downtown Development Authority	193,700	96,087	129,259	160,528	(17.1)
Police Drug Forfeiture	268,295	64,250	64,250	268,295	0
Community Improvement Program	113	145,607	145,607	113	0
Fire Stations Bond Funds	29,840	434,886	459,714	5,012	(83.2)
Municipal Building Bond Fund	0	275,000	275,000	-	0
Fire Stations Building Funds	0	2,044,671	2,044,671	-	0
Municipal Building Fund	0	10,727,524	10,727,524	-	0
Chapter 20 Drain Fund	0	899,454	899,454	-	0
Water and Sewer Fund (4)	1,052,058	11,523,882	11,647,463	928,477	(11.7)
Motor Pool and Equipment Fund	0	994,211	994,211	-	0
Department of Public Services	0	2,244,259	2,244,259	-	0
Total	\$ 17,393,481	\$ 71,089,738	\$75,718,714	\$12,764,505	(25.6)

The water and sewer fund's retained earnings is not representative of cash in the business type fund and includes accounts receivable, depreciation, and inventory. At June 30, 2022, the cash portion of retained earnings are projected to be \$4,800,084 with unrestricted net assets estimated to be \$928,477

The General Fund budget proposes a use of Fund Balance in both FY 2023 and 2024. The Budget use of fund balance is \$5,120,210 in FY 2023 and \$610,267 in FY 2024

The City Council has adopted a financial policy for General Fund fund balance to maintain a minimum of two months (16%) of regular operating expenditures plus one year of General Obligation debt payments, which is estimated to be \$1.3 million.

The major street fund is budgeted to contribute \$548,884 to fund balance. At June 30, 2023, The fund balance is projected to be \$1,981,731.

The local street fund has two components of fund balance. The first includes non-proposal R revenues, which are projected to contribute \$173,075 to fund balance in FY 2023. The second is Proposal R portion a dedicated Roads millage is levied, which is budgeted to contribute \$555,795 to fund balance in FY 2023.



BUDGET POLICIES AND PROCEDURES CHAPTER

Role of the Budget

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

Budget Strategy

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

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

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

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

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

Revenues will be estimated at realistic levels;

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

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

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

FINANCIAL POLICIES

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

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

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

Operating Budget Policies

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

Budget and Expenditure Policies

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

Revenue Policies

1. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source.
2. The City will attempt to obtain additional revenue sources as a way of ensuring a balanced budget.
3. The City will establish all user charges and fees at a level related to the full cost (operating, direct, indirect and capital) of providing the service.
4. The City will review fees and charges annually, and will design or modify revenue systems to automatically allow charges to grow at a rate that keeps pace with the cost of providing the service, which includes, but is not limited to, pass-through charges from other jurisdictions and wholesale providers of service to the City.
5. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
6. The City will, to the extent possible, use one-time revenues to fund one-time expenditures instead of financing ongoing programs.
7. The City will evaluate revenue sources to identify those sources that are unpredictable and use conservative estimates in preparing revenue projections.
8. The City will consider financing options for equipment and infrastructure needs only when the cost exceeds \$200,000; useful life exceeds 10 years and phase funded savings not feasible.
9. The City will consider leasing vehicles on a trial basis to take advantage of higher resale values and ability to turnover lower mileage vehicles when vehicles do not require customized upfitting of equipment.

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 Finance Director/Treasurer as the official authorized designee to assign fund balance to a specific purpose as approved by this fund balance policy.

Order of Expenditure of Funds (Spending Prioritization)

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

Capital Improvement Policies

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

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

Capital Asset Management Policy

Purpose

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

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

Policy

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

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

- b. With respect to improvements on infrastructure capital assets under the Modified Accrual Approach, cost should be capitalized if expenditures substantially increase the capacity or efficiency of an infrastructure.
 - i. Otherwise this cost, including those that preserve the useful life of an infrastructure asset, is expensed.
8. Disposal and Transfer of City's Assets - Disposition of City's assets will be performed in accordance with applicable City policies and procedures.

Debt Policies

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

Investment Policy

1. The City will invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State statutes and local ordinances governing the investment of public funds.
2. This investment policy applies to all financial assets held by the City other than the Police and Fire Retirement Fund and the Parks Maintenance and Improvements Fund which are governed by Public Act 314 of 1965 as amended.
3. The City's investments shall be reasonably diversified by specific maturity dates, and/or individual financial institutions or a specific class of securities.
4. In managing its investment portfolio, the Finance Director/Treasurer (serving as the Investment Officer) or designee should avoid transactions that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of these affairs, not for speculation, but for investment, considering the probable safety of this capital as well as the probable income to be derived.

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

7. The Investment Officer is restricted to investments in any one single issue or obligation of \$3,000,000 or less, which meet the statutory restrictions above.
8. Except for cash in certain restricted and special accounts, the investment officer may pool cash of various funds to maximize investment earnings. Investment income shall be allocated to the various funds based upon their respective participation.
9. The City maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the City in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. Accounting treatment will include carrying investments at cost or amortized cost which approximates market and amortizes the premium or discount over the life of the investment.
10. The Investment Officer will submit a quarterly investment report that provides the principal and type of investment by fund, annualized yield, ratio of cash to investments, earnings year-to-date, and a summary report of cash and investments maintained in each financial institution. Material deviations from projected investment strategies will be reported immediately to the City Manager.
11. The Investment Officer shall establish a system of internal controls, which are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Finance/Treasurer Department. Required elements of the system of internal controls shall include 1) the timely reconciliation of all bank accounts (i.e., monthly reconciliation within 30 days of the end of the monthly cycle), and 2) details of delivery versus payment procedures and trust receipt documentation.

Electronic Transactions of Public Funds Policy

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

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

2. Responsibility for ACH.

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

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

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

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

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

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

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

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

Auditing and Financial Reporting Policies

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

Credit Card Policy

1. The Finance Director/Treasurer is responsible for the City of Madison Heights credit card accounting, monitoring, and generally for overseeing compliance with this credit card policy. The Human Resources Director and/or Finance Director is responsible for credit card issuance and retrieval.
2. A credit card may be used only by an officer or employee of the City of Madison Heights for the purchase of goods or services for the official business of the City of Madison Heights. In addition, any administrative policy that may be implemented by the City Manager may limit the specific official business for which credit cards may be used.
3. An officer or employee using credit cards issued by the City of Madison Heights shall submit to the Finance Department documentation detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which purchased.
4. An officer or employee issued a credit card is responsible for its protection and custody and shall immediately notify the Finance Director if the credit card is lost or stolen.

5. An officer or employee issued a credit card shall return the credit card upon the termination of his or her employment or service in office with the City of Madison Heights.
6. The Finance Director shall establish a system of internal accounting controls to monitor the use of credit cards issued by the City of Madison Heights.
7. The approval of credit card invoices by the utilizing department shall be completed before payment.
8. The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within 30 days of the initial statement date or before the stated due date. The City of Madison Heights shall comply with this provision.
9. Disciplinary measures shall be consistent with law for the unauthorized use of a credit card by an officer or employee of the City of Madison Heights.

Accounting Policies

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

1. Basis of Accounting

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

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

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

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

- b. Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.

- c. Interest income on special assessment receivable is not accrued until its due date.
- d. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e. Payments for inventory types of supplies are recorded as expenditures at the time of purchase.
- f. The non-current portion of vested employee benefits is reflected in the General Long-Term Debt Group of Accounts.

2. Budgeting

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

3. Fund Accounting

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

A. Governmental Funds

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

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

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

Capital Project Funds: Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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

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

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

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

BUDGETING CONTROLS

Internal Controls

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

Independent Audit

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

BUDGET PROCESS OVERVIEW

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

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

Departmental Budget Requests

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

Building the Proposed Budget

Under the direction of the City Manager, and with the assistance of Oakland County Equalization, Department Heads and the Finance Director/Treasurer prepare an initial projection of revenues for the next fiscal year. This projection is based on reasonable assumptions of revenue generated by estimated property values and current user fees, and the most current information from the State. Next, the City Manager establishes budget allocations for existing funding priorities and the

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

Budget Review and Analysis

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

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

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

City Manager Review

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

City Council Adoption

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

Budget Amendments

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

Budget Calendar

Economic Outlook Process

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

Strategic Planning Process

Early December	First Strategic Planning workshop with City Council and Staff to review overall City goals and set objectives
Early January	Second Strategic Planning Workshop with Citizen engagement
January - Late February	Department Heads and Staff develop action items to be considered for achieving each object
Early March	Based on available revenues, City Council holds a final Strategic Planning Workshop to discuss and finalize plans for the upcoming fiscal year
April	City Council formally adopts Strategic Plan
Late May to June	Department Heads and City Manager develop strategic work plans and provide copies to Council

Capital Improvement Plan

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

Operating Budget

Early January to Late February	Preparation of Personnel Schedules by Finance Department; Internal Service Funds (Motor Pool and Department of Public Services) submitted and reviewed by City Manager
Mid January to Mid February	Department Heads submit changes in user fees
Late January/Early February	Staff proposes and Council reviews and approves amendments, if needed (no special notices or public hearing required)
Early February	Deadline for submission of department budgets to City Manager
Late February	City Manager's review of budget request with Department Heads
March	Staff compiles draft line item budget and policy document
Late March	City Manager and staff resolve remaining budget concerns and other questions

Early April	Staff produces Proposed Budget for submission to City Council
Mid April	Council Budget Workshop Session(s)
Late April	Finance Director/Treasurer and City Clerk publish notice of public hearing on millage rates and budget adoption
By the Third Monday in April	Charter Requirement - City Manager presents budget to Council
Second Monday in May	Public Hearing on the Budget. City Council adopts Annual Operating Budget and Tax Levy
May/June	Staff produces and electronically posts the Adopted Budget document and distributes to City Council, Department Heads and Public
Late June	Staff proposes and Council reviews and approves year-end budget amendments and carryforwards, if needed (no special notices or public hearing required)

APPROPRIATIONS CHAPTER

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

Changes to the Base Budget

Personnel Services

Wages & Benefits

Personnel services comprise approximately \$25.1 million or 36.6% of the Total Budget and approximately \$22.1 million or 63.9% of the General Fund Budget. Personnel Services across all funds are up \$255,661 when compared to the FY 2022 Amended Budget.

Overall, the Budget includes a net increase of 2.6 full-time equivalencies (FTE's) with no additional FTE's projected for FY 2024. This increase is due to several changes in personnel, including the addition of two full-time Police Officers to serve as school liaisons, the addition of a full-time City Planner, and the elimination of a part-time Code Enforcement Officer. The City has continued to carefully analyze what positions can and should be added to the budget and remain fiscally responsible.

Except for 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). All of the City's eight bargaining units and non-union administrative staff have labor agreement extensions that will expire June 30,2022 except Police Officers Union, whose contract expires June 30,2024. At the time of publication, the command officers union is considering a contract settlement through June 30,2025 Wage changes are only budgeted for approval contracts all other wages are held at current rates for proposed budgets.

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 \$3.0 million in FY 2023 and \$3.3 million in FY 2024 for health care coverage. For the purpose of negotiated benefits, employees are divided into two groups: active (currently employed) and retired. All active employees that opt-in to City health insurance are in a self-insured Blue Cross - Blue Shield Community Blue 4 Plan. The plan has a deductible of \$500 for single, \$1,000 for couple/family and a 20% co-pay for expenses over the deductible up to a maximum of \$1,500 for single and \$3,000 for couple/family per year. This plan also requires per visit fees of \$30 for doctor office visits, \$30 for urgent care clinic and \$150 for emergency room. Prescriptions for all active employees are a \$5 generic, \$40 preferred brand and \$80 non-preferred brand prescription copay program. On July 1, 2017, the City reduced the employee 20% medical premium sharing to 10% for all groups in accordance with PA 152. The 2023 budget includes a 25.9% increase to medical insurance for active employees based on projections from the City's health care consultant.

The City's projected medical insurance premiums for active employees are budgeted at 90% of the premium or \$9,939 single, \$23,853 couple and \$29,816 family per year effective July 1, 2022.

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.

The City, collaborating with the Cities of Ferndale, Royal Oak, Hazel Park and Oak Park operate a municipal employer-sponsored employee health and wellness center. The participating Cities, which are self-insured, realize savings by reducing the number of visits through traditional insurance plans and eliminating the mark-up for traditional office overhead, diagnostic tests, and prescriptions. For more details on the MiLife Center, please refer to the Personnel Chapter.

- Health Care Coverage - Retirees

During Calendar year 2021, the City moved all current retiree health insurance to mirror for retirees. These retirees will receive the same health insurance as active employees, which is currently the plan 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.

The changes described above have reduced the City's combined liability by over \$48 million for retiree health care from \$86.1 million to \$44.6 million. As of June 30, 2021 the City has accumulated a market value for both health care trusts of 45.7 million, resulting in 95.18% funding for Police and Fire and 115.69% funding for the General Employee Trust. This is a significant achievement that will assist in keeping the City on solid financial footing for years to come.

Due to the increased funding percent of these trusts, retiree health care premiums were moved from the current year operations budget to be paid from these trusts. This resulted in an FY 2023 budget for retiree health care of \$1.1 million as compared to FY 2023 of \$3.3 million. Overall this also resulted in the ability to decrease the Police and Fire Retiree Benefit millage from 7.1155 to 7.0000 while making additional contributions to the pension system. We anticipate this millage to continue to be reduced in future years.

- 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 is projected to increase 5% in FY 2023 at 481 for single coverage, \$1,153.40 for couple and \$1,441 for family at an overall average \$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 Union, the Supervisors and Assistants Union, and Court Clerks have a \$35,000 policy. Many retirees receive \$10,000 in coverage. The annual premiums for these coverages for active employees are \$264 for the \$50,000 policy and \$185 for the \$35,000 policy. Effective July 1, 2011 as part of the new labor agreements, retiree life insurance is no longer provided for new hires.

- Worker's Compensation

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

The City has provided training for Department Heads and Supervisors by Sedgwick to provide education regarding workers compensation and how the City can manage costs better now that we are self-funded. The City has seen success with self-funding our workers' compensation program given that the number of incidents has dropped to 13 from the 14 year high of 63. The cost to the City over the past eleven years (FY 2011-2022) was \$2,768,093 and the savings during this same time period is estimated to be \$1,435,007

- 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: that is budgeted to increase 5% in FY 2023 \$61.24 for single coverage; \$110.25 for couple; and \$171.49 for family. Short-term and long-term disability insurance premiums have remained constant at \$48,000.

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

- Employee Wellness Program

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

- Longevity Pay

Historically, the City has provided employees with longevity pay based on achieving their anniversary dates at 5, 10, 15 and 20 years, with awards of longevity pay based on their salary of 2%, 4%, 6% and 8% of wages, respectively. In regard to the Police Officers Union, employees hired after 1994 receive 1%, 3%, 5% and 6% as they hit the four anniversary dates. Police Command Officers have the same adjusted longevity pay as the Police Officers Union for employees hired after 1997. Starting in 1994, the City has been attempting to eliminate longevity pay for employees hired after this date. All non-sworn groups agreed to eliminate longevity pay for new hires with effective dates from July 1, 1997 to August 1, 1999. Effective July 1, 2009, longevity pay has been eliminated for all new Police and Fire employees. Of the 162 active employees, 50 employees still receive longevity.

Pensions

The second largest fringe benefit cost component is the employer's contribution to the pensions systems. This expense is budgeted to be \$6.4 million in both FY 2023 and 2024. 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. This remainder of the full-time employee workforce is covered by the Municipal Employee's Retirement System (MERS)

The budget for the employer contribution to the Police and Fire Pension Fund is 63.2% of total wages based on the City's June 30, 2021 actuarially required contribution rates plus an additional contribution in FY 2023 of \$1.8 million.

In regard to the General Employees plan administered through MERS, 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 be \$371,925 in 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 the analysis was completed on issuing POBs, it was determined that the City would experience savings of approximately \$4 million over 16 years 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 2023 and FY 2024 for POB principal and interest are \$1.19 million each year. With this contribution, the City's General Employee's pension is considered 93% funded on market value as of December 2020. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost annually.

Supplies and Other Services and Charges

In the non-personnel service areas of supplies, the department's budgets have increased 6.6% or 43,840 overall across all funds when compared to the Amended Budget for FY 2022. This increase is largely due to the FY 2023 budgeted amount for one-time purchases in computer supplies, fire and police tools and supplies, and road maintenance.

The area of Other Services and Charges increased 5.7% overall across all funds when compared to the Amended Budget for FY 2022. The increase is related to budgeted increases for liability insurance, electricity contracting for rubbish and recycling services, and police computer services for emergency call integration

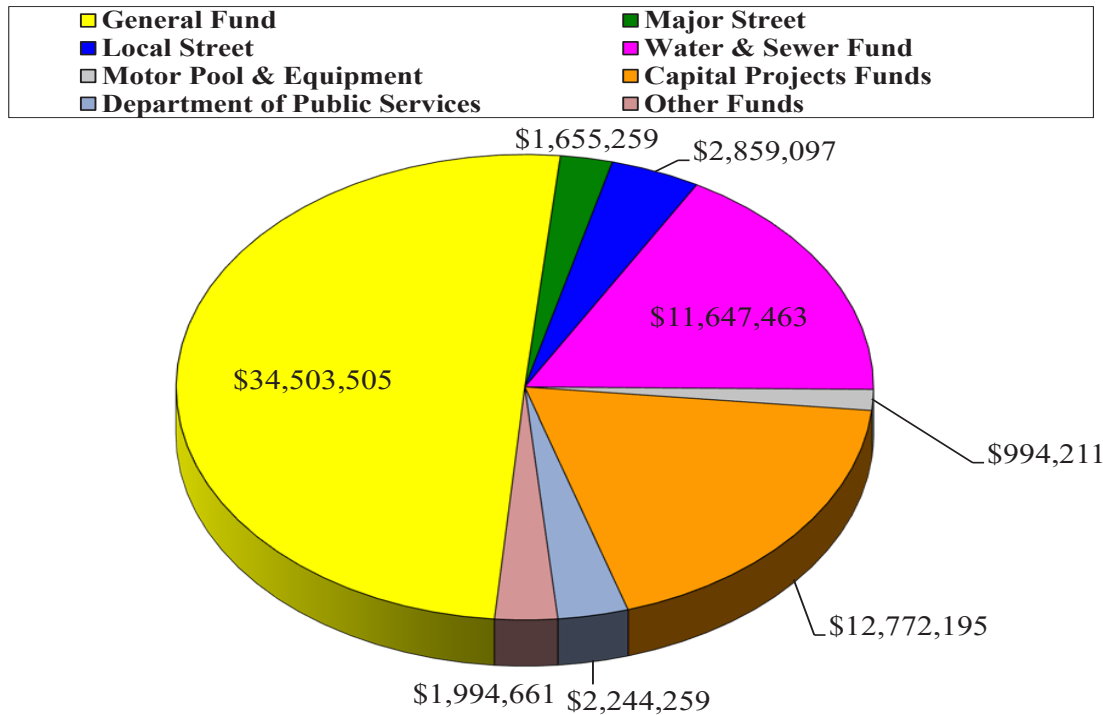
Capital Outlay

Capital Outlay purchases for FY 2023 total \$10.4 million and \$8.0 million for FY 2024 for all funds.

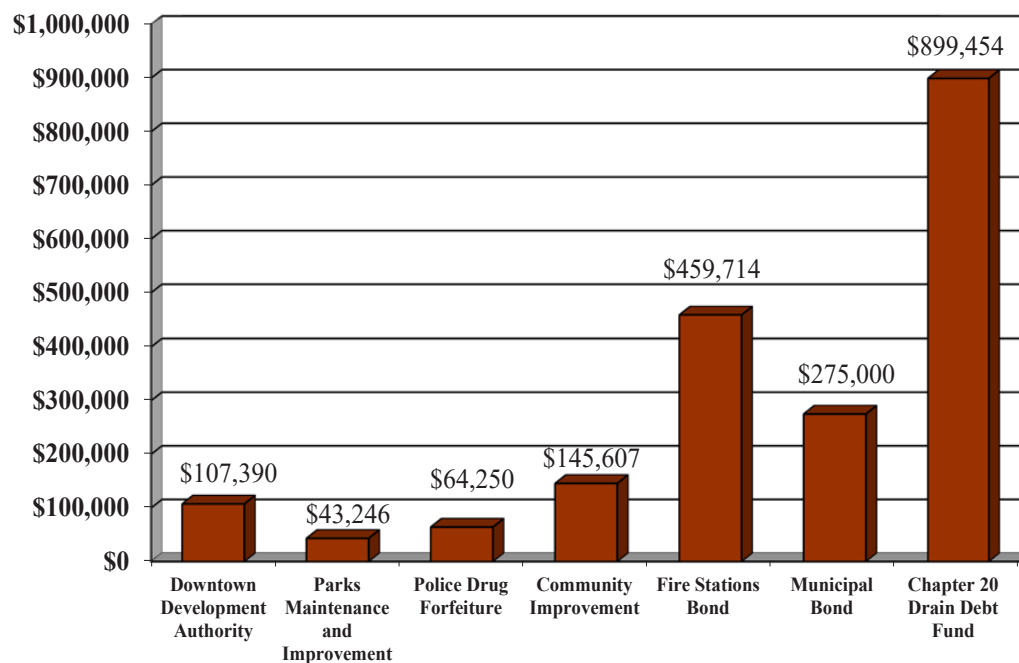
More details on these purchases including the budgeted dollar amounts can be found in the Department Chapters, Capital Improvement Plan and the Capital Outlay section of the policy documents.

ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2023



Other Funds



Almost 82% of the City's operations are supported through the General Fund (59.1%) and the Water and Sewer Fund (22.6%) amounts shown do not include transfers to other funds

ALL FUNDS APPROPRIATIONS
PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES
FISCAL YEAR 2022-23

Activity	Personnel Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 54,017	\$ 325	\$ 3,964	\$ -	\$ 58,306
District Court	1,041,535	31,900	318,938	66,756	1,459,129
City Manager	249,948	400	12,035	-	262,383
Elections	47,501	14,500	21,637	-	83,638
City Assessor	-	-	219,021	-	219,021
Legal	-	-	335,695	-	335,695
City Clerk	354,713	5,500	37,860	-	398,073
Human Resources	240,767	325	231,909	-	473,001
Board of Review	2,373	-	670	-	3,043
General Administration	217,067	57,021	64,531	-	338,619
Finance	715,993	7,250	69,959	-	793,202
Information Technology	-	33,700	199,617	59,000	292,317
Municipal Building	-	-	58,588	12,772,195	12,830,783
Custodial & Maintenance	16,829	21,200	152,413	-	190,442
Police	11,337,086	126,600	710,027	492,741	12,666,454
Fire	6,192,188	113,305	575,799	639,697	7,520,989
Community Development	602,266	8,300	725,882	55,000	1,391,448
Streets	18,161	294,255	1,716,271	3,591,000	5,619,687
Solid Waste	75,239	18,924	2,605,650	300,000	2,999,813
Recreation	173,532	58,394	72,802	-	304,728
Nature Center	-	-	9,600	50,000	59,600
Parks	32,335	41,775	362,827	706,000	1,142,937
Active Adult	215,782	129,567	121,429	32,000	498,778
Library	636,483	21,818	142,985	112,098	913,384
Insurance and Transfers	-	-	7,135,864	-	7,135,864
Debt Service	-	-	2,814,234	-	2,814,234
Water and Sewer	257,368	2,594,699	7,649,810	993,799	11,495,676
Motorpool	339,176	238,800	416,235	-	994,211
Department of Public Services	2,240,215	-	4,044	-	2,244,259
Total Appropriations	\$ 25,060,574	\$ 3,818,558	\$ 26,790,296	\$ 19,803,530	\$ 75,539,714
Less: Transfers Out	-	-	6,869,064	-	6,869,064
Net Total Expenditures	\$ 25,060,574	\$ 3,818,558	\$ 19,921,232	\$ 19,803,530	\$ 68,670,650

ALL FUNDS SUMMARY

FISCAL YEAR 2022-23

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture	Community Improvement
City Council	\$ 58,306	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,459,129	0	0	0	0	0	0
City Manager	262,383	0	0	0	0	0	0
Elections	83,638	0	0	0	0	0	0
City Assessor	219,021	0	0	0	0	0	0
Legal	335,695	0	0	0	0	0	0
City Clerk	398,073	0	0	0	0	0	0
Personnel	473,001	0	0	0	0	0	0
Board of Review	3,043	0	0	0	0	0	0
General Administration	338,619	0	0	0	0	0	0
Finance	793,202	0	0	0	0	0	0
Information Technology	292,317	0	0	0	0	0	0
Municipal Building	58,588	0	0	0	0	0	0
Custodial & Maintenance	190,442	0	0	0	0	0	0
Police	12,602,204	0	0	0	0	64,250	0
Fire	7,520,989	0	0	0	0	0	0
Community Development	1,138,451	0	0	0	107,390	0	145,607
Streets	1,105,331	1,655,259	2,859,097	0	0	0	0
Solid Waste	2,999,813	0	0	0	0	0	0
Recreation	304,728	0	0	0	0	0	0
Nature Center	59,600	0	0	0	0	0	0
Parks	1,099,691	0	0	43,246	0	0	0
Senior Citizens	498,778	0	0	0	0	0	0
Library	913,384	0	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0	0
Insurance/Bonds/Transfers	7,842,274	300,000	0	0	21,869	0	0
Motor Pool	0	0	0	0	0	0	0
Department of Public Services	0	0	0	0	0	0	0
Total Appropriations	\$ 41,050,700	\$ 1,955,259	\$ 2,859,097	\$ 43,246	\$ 129,259	\$ 64,250	\$ 145,607
Less: Transfers Out	6,547,195	300,000	-	-	21,869	-	-
Net Total Appropriations	<u>\$ 34,503,505</u>	<u>\$ 1,655,259</u>	<u>\$ 2,859,097</u>	<u>\$ 43,246</u>	<u>\$ 107,390</u>	<u>\$ 64,250</u>	<u>\$ 145,607</u>

ALL FUNDS SUMMARY

FISCAL YEAR 2022-23

Construction Capital Funds	Fire Station Debt Fund	Water and Sewer Fund	Motor Pool and Equipment Fund	Department of Public Services	Chapter 20 Drain Debt Fund	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,306	City Council
-	-	-	-	-	-	1,459,129	District Court
-	-	-	-	-	-	262,383	City Manager
-	-	-	-	-	-	83,638	Elections
-	-	-	-	-	-	219,021	City Assessor
-	-	-	-	-	-	335,695	City Attorney
-	-	-	-	-	-	398,073	City Clerk
-	-	-	-	-	-	473,001	Personnel
-	-	-	-	-	-	3,043	Board of Review
-	-	-	-	-	-	338,619	General Administration
-	-	-	-	-	-	793,202	Finance
-	-	-	-	-	-	292,317	Information Technology
12,772,195	-	-	-	-	-	12,830,783	Municipal Building
-	-	-	-	-	-	190,442	Custodial & Maintenance
-	-	-	-	-	-	12,666,454	Police Department
-	-	-	-	-	-	7,520,989	Fire
-	-	-	-	-	-	1,391,448	Community Development
-	-	-	-	-	-	5,619,687	Streets
-	-	-	-	-	-	2,999,813	Solid Waste
-	-	-	-	-	-	304,728	Recreation
-	-	-	-	-	-	-	Youth Center
-	-	-	-	-	-	59,600	Nature Center
-	-	-	-	-	-	1,142,937	Parks
-	-	-	-	-	-	498,778	Active Adult Center
-	-	-	-	-	-	913,384	Library
-	-	11,495,676	-	-	-	11,495,676	Water and Sewer
275,000	459,714	151,787	-	-	899,454	9,950,098	Insurance/Bonds/Transfers
-	-	-	994,211	-	-	994,211	Motor Pool
-	-	-	-	2,244,259	-	2,244,259	Department Public Services
<u>\$13,047,195</u>	<u>\$ 459,714</u>	<u>\$ 11,647,463</u>	<u>\$ 994,211</u>	<u>\$ 2,244,259</u>	<u>\$ 899,454</u>	<u>\$ 75,539,714</u>	Total Appropriations
-	-	-	-	-	-	6,869,064	Less: Transfers Out
<u>\$13,047,195</u>	<u>\$ 459,714</u>	<u>\$ 11,647,463</u>	<u>\$ 994,211</u>	<u>\$ 2,244,259</u>	<u>\$ 899,454</u>	<u>\$ 68,670,650</u>	Net Total Appropriations

RISK MANAGEMENT

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

Liability and Property Insurance

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

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

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

In addition to the losses retained, the City may be responsible for certain defense costs. The City has elected to participate in the Authority's Stop Loss Program, which limits paid losses from the City to no more than \$925,000 per fiscal year.

On June 13, 2016, Council approved increasing the retention from \$250,000 to \$500,000, Premiums are budgeted at 915,210 across all funds for FY 2023, and 933,510 for FY 2024 This is a 34.5% increase over FY 2022.

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 \$ 1,435,007 (FY 2011-2022). The administrative costs are allocated to individual budget activities of the City, based on payroll exposure. The actual workers compensation payments of claims will be allocated to the

department where the worker's compensation claims are generated. Please refer to the Personnel and Positions Chapter for a discussion of overall savings since switching to self-insurance for workers' compensation.

Special Events Insurance Requirements

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

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

DEBT ADMINISTRATION

The City's current Governmental Activities General Obligation long-term debt outstanding is \$13.4 million. This amount includes \$2.7 million of vested employee benefits; and \$11.5 million in general obligation bonds. The vested employee benefits will be paid on various future dates with general revenues from Governmental Funds.

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

As of June 30, 2023, the City will be at 12.15% of the City's debt limit of \$139 million, which is based on 10% of assessed valuation. The City has general obligation bonds outstanding in the amount of \$6.5 million of a new issue for Civic Center Project Bond, \$450,000 of an original \$5,925,000 Fire Station Bond issue, and \$9,990,000 of a \$15,250,000 issue for general employee pension. The City is also responsible for our share of seven bonds (not counted toward the debt limit) related to the George W. Kuhn Drain project for a total of \$1.6 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, 2023:

I. Civic Center Project Bond in the amount of \$6.5 million is expected to be issued June 9, 2022, payable over 20 years, for the cost of constructing and Active Adult Center on the Civic Center complex and renovating the existing City Hall and Library, to include energy efficiencies such as HVAC, lighting, and windows.

II. Fire Stations' General Obligation Unlimited Tax Bonds in the amount of \$5.9 million issued on May 1, 2003, payable over 20 years, for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, park and site improvements, 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 \$450,000 remains in principal payments.

III. 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 remaining debt issued is \$102.9 million with Madison Heights's share being \$10.8 million. The bond and interest payments are being paid from a Chapter 20 Drain Debt tax levy, with \$1.6 million principal remaining.

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

Bonding for post-retirement benefits can be 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 502% of the life of the bond and the City can sell bonds at a true interest cost of 4.2%.

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

Legal Debt Margin
(amounts expressed in thousands)
June 30,2023

Calculation of debt limit:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
State equalized valuation	\$ 1,031,025	\$ 1,135,111	\$ 1,211,277	\$ 1,287,299	\$ 1,394,386
10% of assessed value	<u>103,102</u>	<u>113,511</u>	<u>121,128</u>	<u>128,730</u>	<u>139,439</u>
 Calculation of debt subject to limit:					
Total debt	\$ 21,136	\$ 19,053	\$ 17,392	\$ 14,565	\$ 18,835
Less: debt not subject to limit:					
General obligation (2)	4,830	4,063	3,277	2,836	1,895
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net debt subject to limit	<u>\$ 16,306</u>	<u>\$ 14,990</u>	<u>\$ 14,115</u>	<u>\$ 11,729</u>	<u>\$ 16,940</u>
 Legal debt margin available (1)	<u>\$ 86,796</u>	<u>\$ 98,521</u>	<u>\$ 107,013</u>	<u>\$ 117,001</u>	<u>\$ 122,498</u>
 Net debt subject to limit as % of debt limit	15.82%	13.21%	11.65%	9.11%	12.15%

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

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

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

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

**SUMMARY OF DEBT SERVICE REQUIREMENTS
TO MATURITY
ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2023**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>**Civic Center Project</u> <u>General Obligations</u>	<u>Fire Stations</u> <u>Bond Obligations</u>	<u>Kuhn Drain</u> <u>Obligations</u>	<u>Pension</u> <u>Obligation</u>	<u>Total</u>
2023	\$ 207,415	\$ 458,550	\$ 706,329	\$ 1,178,886	\$ 2,551,180
2024	472,415	-	700,136	1,177,468	2,350,019
2025	471,585	-	73,393	1,178,689	1,723,667
2026	470,375	-	73,658	1,178,230	1,722,263
2027	468,775	-	63,977	1,175,690	1,708,442
2028	471,775	-	63,644	1,175,482	1,710,901
2029	469,235	-	52,593	1,172,315	1,694,143
2030	471,270	-	-	1,171,149	1,642,419
2031	472,730	-	-	1,167,425	1,640,155
2032	473,595			1,166,239	1,639,834
2033	468,845				468,845
2034	473,615				473,615
2035	472,575				472,575
2036	470,860				470,860
2037	473,450				473,450
2038	470,150				470,150
2039	471,110				471,110
2040	471,125				471,125
2041	470,165				470,165

Fire Stations Bond

Date of issue - May 1, 2003

Payment Date:

Principal, May 1

Interest, May 1, November 1

Amount of issue - \$5,925,000

Refinanced - May 1, 2013

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2023	\$ 450,000	\$ 8,550	\$ 458,550
	\$ 450,000	\$ 8,550	\$ 458,550

Civic Center Project General Obligation Bonds

**Date of issue - June 9, 2022

Payment Date:

Principal, May 1

Interest, May 1

Amount of issue - \$6,500,000

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2023	\$ -	\$ 207,415	\$ 207,415
2024	265,000	207,415	472,415
2025	270,000	201,585	471,585
2026	275,000	195,375	470,375
2027	280,000	188,775	468,775
2028	290,000	181,775	471,775
2029	295,000	174,235	469,235
2030	305,000	166,270	471,270
2031	315,000	157,730	472,730
2032	325,000	148,595	473,595
2033	330,000	138,845	468,845
2034	345,000	128,615	473,615
2035	355,000	117,575	472,575
2036	365,000	105,860	470,860
2037	380,000	93,450	473,450
2038	390,000	80,150	470,150
2039	405,000	66,110	471,110
2040	420,000	51,125	471,125
2041	435,000	35,165	470,165
2042	455,000	18,200	473,200
	<u>\$ 6,500,000</u>	<u>\$ 2,664,265</u>	<u>\$ 9,164,265</u>

**Civic Center Project General Obligations bonds are estimated. Issuance anticipated in June 9, 2022.

George W. Kuhn Drain Water & Sewer Obligations - Amount of Issue - \$102,896,891

Debt Name:

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

Series D Dec. 20, 2001 (Total \$2,277,676 Madison Heights Share \$239,675)

Series 2005F Sept. 22, 2005 (Total \$1,519,146 Madison Heights Share \$162,391)

Series 2007G Sept. 2007 (Total \$1,765,000 Madison Heights Share \$188,672)

Series 2008H Sept. 2008 (Total \$7,685,000 Madison Heights Share \$821,499)

* Series 2016 Refinancing B & E March 2016 (Total \$7,449,998.63 Madison Heights Share \$783,949)

Combined Issue Total \$102,896,821 Madison Heights Share \$10,845,934

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2023	\$ 666,560	\$ 39,769	\$ 706,329
2024	676,560	23,576	700,136
2025	66,276	7,117	73,393
2026	68,025	5,633	73,658
2027	59,862	4,115	63,977
2028	60,931	2,713	63,644
2029	51,310	1,283	52,593
	<u>\$ 1,649,524</u>	<u>\$ 84,206</u>	<u>\$ 1,733,730</u>

Pension Obligation Bonds

Date of issue - September 29, 2016

Payment Date:

Principal, January 1

Interest, July 1, January 1

Amount of issue - \$15,250,000

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2023	\$ 880,000	\$ 298,886	\$ 1,178,886
2024	900,000	277,468	1,177,468
2025	925,000	253,689	1,178,689
2026	950,000	228,230	1,178,230
2027	975,000	200,690	1,175,690
2028	1,005,000	170,482	1,175,482
2029	1,035,000	137,315	1,172,315
2030	1,070,000	101,149	1,171,149
2031	1,105,000	62,425	1,167,425
2032	1,145,000	21,239	1,166,239
	<u>\$ 9,990,000</u>	<u>\$ 1,751,573</u>	<u>\$ 11,741,573</u>



PERSONNEL AND POSITIONS

The City of Madison Heights employs 166 full-time positions yielding 5.8 full-time employees per 1,000 of City population based on the 2020 census count of 28,468. The City also employs 134 positions on a part-time or seasonal basis. Personnel services comprise approximately \$25.1 million or 36.6% of the Total Budget and approximately \$22.1 million or 63.9% of the General Fund Budget.

Total personnel costs have increased \$255,661 compared to the FY 2022 Amended Budget, largely due to the addition of two Police Officer School Liaison positions, which will ultimately share funding with the school districts, and the creation of a full-time City Planner position.

Pension and Retiree Health care “legacy costs” are the most significant liabilities of the City at \$135.5 million and \$44.6 million, respectively. The FY 2023 budget includes Police and Fire Pension contributions calculated at 63.2% of payroll; last year, the City contributed 61.12%. In addition to this percentage of payroll, the FY 2023 budget includes an additional contribution of \$1.8 million. The method for budgeting retiree health care changed in FY 2023 due to a significant decrease in liability. FY 2023 is the first budget that includes the change to pay the retiree premiums from the retiree health care trust instead of the operating budget due to the increase in funding level. As a result, the FY 2023 budget includes retiree health care costs and contributions budgeted at \$1.1 million compared to FY 2022 at \$3.3 million. Details of the plans and the changes are included in this chapter’s Retiree Health Care and Pension sections.

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.

Under this Act, municipalities are required to report pension and retiree health care finances to the State for review. If a municipality is underfunded, it must also submit an approved corrective action plan if it has not received a waiver from the State. The new law does not include explicit enforcement mechanisms, but according to the Deputy State Treasurer and head of the Treasury’s State and Local Finance Group, this Act is just the first step as municipalities across the State continue to struggle to fund the promises that have resulted in these legacy costs. For the July 1, 2018 – June 30, 2021 Collective Bargaining Agreements, the City was successful in negotiating a significant reduction in retiree health care obligations by eliminating City-paid Medicare supplemental insurance and paying those retirees otherwise eligible for retiree health care a stipend of \$300 per month per employee and eligible spouse, at which point all obligations for City-paid retiree health care cease and the employee and eligible spouse would be responsible for buying supplemental insurance on the market. This reduction in liability is reflected in the funding numbers for retiree health care for General Retiree Health Care only. The City also negotiated mirroring of retiree health care for all bargaining units for retirees eligible for retiree health care moving forward. This means that retirees eligible for retiree health care moving forward shall mirror those benefits provided to active employees, up until they reach Medicare age at which point all City obligations for health care shall cease as outlined above.

The City has also negotiated pension reforms with its sworn Police Officers Union, Police Command Union and Fire Union in order to remain in compliance with its action plan filed with the State. Some of these reforms include elimination of overtime from Final Average Compensation calculations, freezing annuity funds for senior employees, eliminating interest on annuity, and eliminating annuity withdrawal for new hires. The dates for these concessions vary by bargaining unit for sworn employees and will have a positive impact on the funding level of the Police and Fire Pension System.

Except for 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 provided to public safety sworn employees by the State under Public Act 312. The sworn unions include the 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 Office workers Association of Michigan (TPOAM) Department of Public Services Union; and TPOAM Municipal Employees Union, which represents clerical and technical workers.

All of the City's eight bargaining units and non-union administrative staff have labor agreement extensions that will expire June 30, 2022, except Police Officers Union, whose contract expires June 30, 2024. The City will work with Council to establish realistic goals for negotiations with the groups that have contracts expiring June 30, 2022, to maintain the City's service levels, ability to retain quality employees, and fiscally responsible.

Personnel Actions

The FY 2022-23 Budget reflects a total net increase of 2.6 full-time equivalencies (FTEs) with no additional FTE's projected for FY 2024. This increase is due to several changes in personnel, including the addition of two full-time Police Officers to serve as school liaisons, the addition of a full-time City Planner, and the elimination of a part-time Code Enforcement Officer. The City has continued to carefully analyze what positions can and should be added to the budget and remain fiscally responsible.

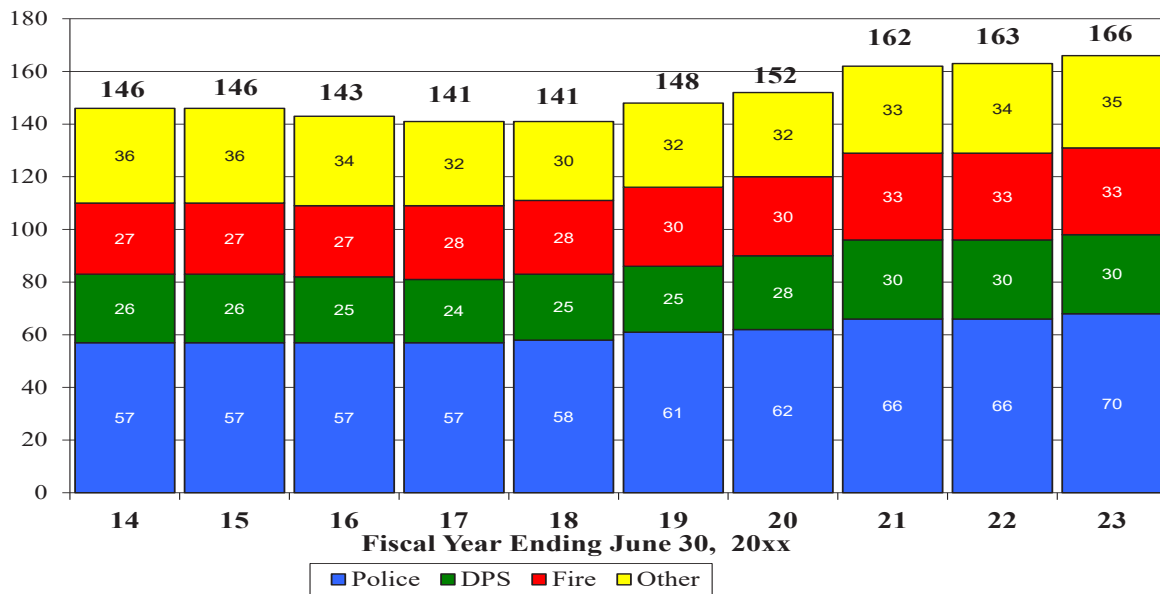
The City's current hiring review of all position vacancies continues in the Fiscal Year 2023. Even though Proposal MH has passed, the City must remain vigilant not to over-extend itself on additional personnel whose wages and benefits compound each year. The City's goal is to remain fiscally strong in the coming years and avoid the potential of cutbacks should the economy take a downturn, which is very likely in the aftermath and ongoing repercussions of the global pandemic. Therefore, whether full or part-time, each vacated position must be evaluated and approved by the City Manager before the hiring process may begin. In addition, the City continues to research options for position consolidation and reorganization where possible and prudent so that the City will remain fiscally sound without sacrificing core services.

The Work Force at a Glance

In Fiscal Year 1993-94, the City employed 251 full-time positions. Since that time, the City has reduced 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 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 on the budget in current and future years.

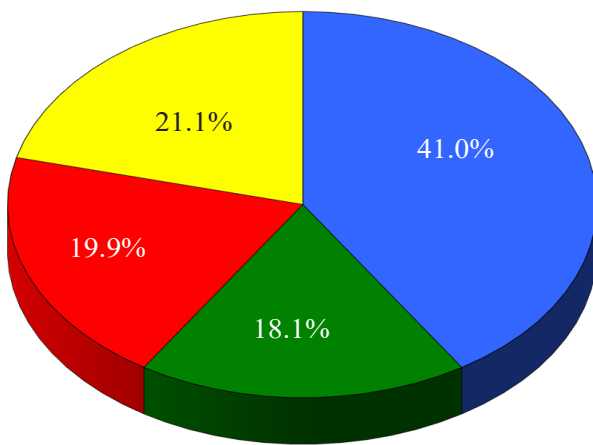
A bar graph of budgeted full-time positions over the last ten years is presented below. The Appendix contains a table showing positions by fund and activity over a twenty-five-year period.

Budgeted Full-time Positions - Ten Year Period

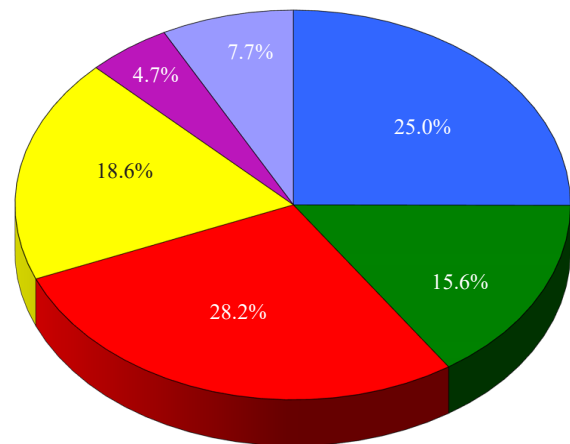


Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2022 and 2023. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.

Full-Time Positions by Function



Part-Time Positions Full-Time Equivalencies (FTE)



ALL FUNDS
FULL TIME AND PART TIME POSITIONS
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)
FISCAL YEAR 2021-22 (FISCAL YEAR 2022-23 ESTIMATED)

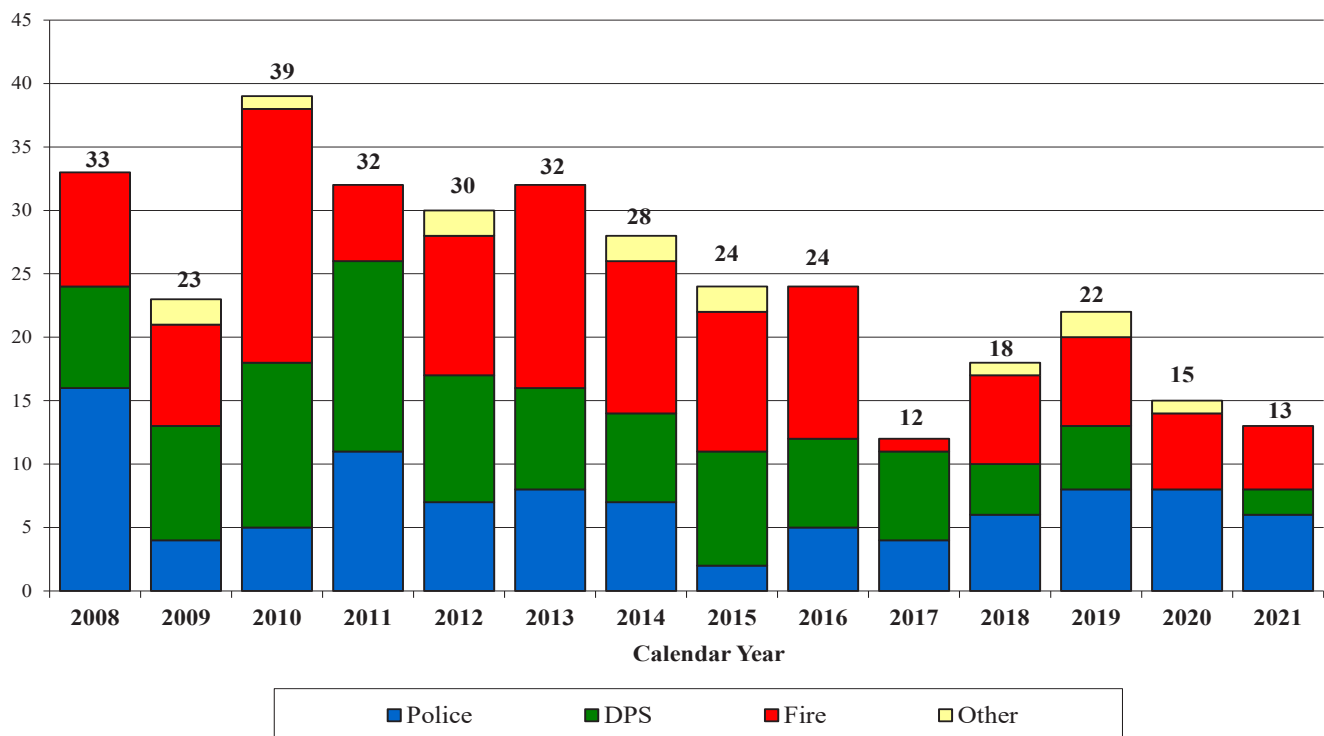
	<u>Budget 2020-21</u>			<u>'20 to '21</u>	<u>Budget 2021-22</u>			<u>Estd '21 to '22</u>	<u>Estimated Budget 2022-23</u>			<u>Estd '22 to '23</u>
	Full Time	Part Time	F.T.E.	F.T.E. Change	Full Time	Part Time	F.T.E.	F.T.E. Change	Full Time	Part Time	F.T.E.	F.T.E. Change
General Fund												
District Court	9	3	10.3730	0.0000	9	3	10.3730	0.0000	9	3	10.3730	0.0000
City Manager	2	0	1.8000	0.0000	2	0	1.8000	0.0000	2	0	1.8000	0.0000
City Assessor	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000
City Clerk	2	73	3.3200	0.0000	3	73	4.3200	1.0000	3	73	4.3200	0.0000
Human Resources	2	0	1.5000	0.0000	2	0	1.5000	0.0000	2	0	1.5000	0.0000
General Administration	0	1	1.2600	0.0000	1	0	1.5000	0.2400	1	0	1.5000	0.0000
Finance	7	1	7.7200	0.0000	7	1	7.7200	0.0000	7	1	7.7200	0.0000
Information Technology	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000
Police	66	18	69.3350	3.0000	66	18	69.2050	-0.1300	68	19	71.5550	2.3500
Fire	33	0	33.0000	3.0000	33	0	33.0000	0.0000	33	0	33.0000	0.0000
Community Development	6	2	7.5000	0.7500	5	2	6.5000	-1.0000	6	1	6.7500	0.2500
Library	4	11	9.5603	1.0000	4	11	9.5603	0.0000	4	11	9.5603	0.0000
Department of Public Service (Prior to FY 2017-18)												
Custodial & Maintenance	0	0	0.1000	0.1000	0	0	0.1000	0.0000	0	0	0.1000	0.0000
Streets	0	0	0.1000	0.1000	0	0	0.1000	0.0000	0	0	0.1000	0.0000
Solid Waste	0	0	0.3800	0.3800	0	0	0.3800	0.0000	0	0	0.3800	0.0000
Recreation	1	26	3.2590	1.0000	1	14	3.2769	0.0179	1	14	3.2769	0.0000
Parks	0	2	0.5000	0.0000	0	2	0.5000	0.0000	0	2	0.5000	0.0000
Senior Center	2	7	4.0650	0.0000	2	7	4.0650	0.0000	2	7	4.0650	0.0000
Sub Total	3	35	8.4040	1.5800	3	23	8.4219	0.0179	3	23	8.4219	0.0000
Total	134	144	153.7723	9.3300	135	131	153.9001	0.1279	138	131	156.5001	2.6000
Major Street Fund	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000
Local Street Fund	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000
Community Improvement Fund												
Comm. Dev. Block Grant	1	0	1.0000	0.0000	1	0	1.0000	0.0000	1	0	1.0000	0.0000
MIDC Fund	0	1	1.2700	1.2700	0	1	1.2700	0.0000	0	0	1.2700	0.0000
Total	1	1	2.2700	1.2700	1	1	2.2700	0.0000	1	0	2.2700	0.0000
Water & Sewer Fund												
Water Division	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000
Sewer Division	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000
Water & Sewer Admin.	2	0	1.5200	-1.7200	2	0	1.5200	0.0000	2	0	1.5200	0.0000
Total	2	0	1.5200	-1.7200	2	0	1.5200	0.0000	2	0	1.5200	0.0000
Motor Pool Fund	3	2	3.9600	0.0000	3	2	3.9600	0.0000	3	2	3.9600	0.0000
DPS Fund (Beginning FY 2017-18)	22	1	22.6750	-0.3350	22	1	22.6750	0.0000	22	1	22.6750	0.0000
Total All Funds	162	148	184.1973	8.5450	163	135	184.3251	0.1279	166	134	186.9251	2.6000

On-The-Job Injury Experience

In August of 1998, the Human Resources Department implemented a return-to-work program wherein employees on long-term periods of workers' compensation leave are returned to work in temporary "bridge" assignments. These jobs vary according to medical restrictions and the type of work needed. As shown in the following bar graph, the program has had some early success, but several severe long-term injuries in Public Services, Police, and Fire yielded an increase in the number of workers' compensation incidents in 2004 and 2006. Nevertheless, the number of reported workers' compensation incidents has declined overall since 2006, with a low of 12 incidents in 2017. In the calendar year 2021, there were just 13 reportable worker's compensation cases.

As part of the FY 2010-22 Budget, effective July 1, 2016, the City moved to a self-insurance plan. The City is contracting with a third-party administrator (Citizen Management, York Risk Services, now Sedgwick. and converted to pay-as-you-go claims. As a result, during FY 2010, the City spent \$382,100 on workers' compensation premiums.

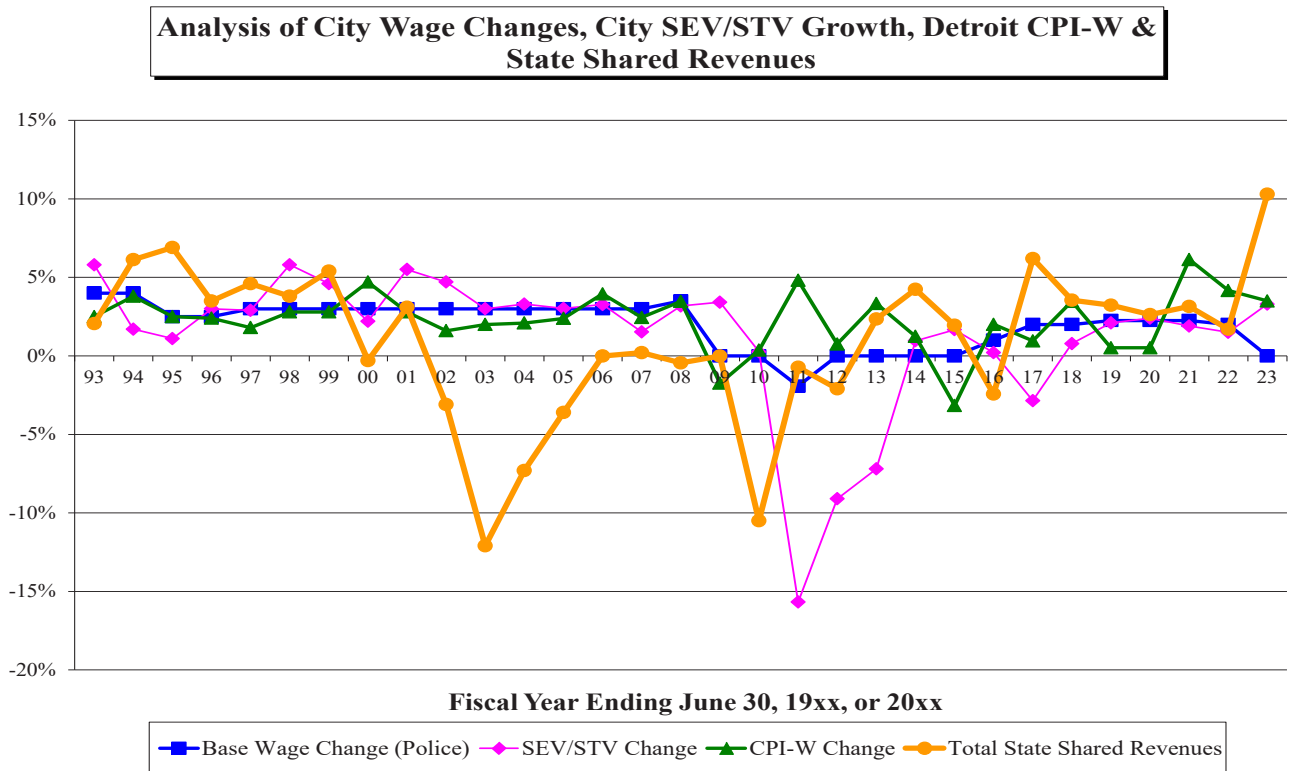
**Number of Workers Compensation Incidents Reported
by Year and Occupational Group**
Source: City of Madison Heights MIOSHA Log 200



The City, through Sedgwick, has trained Department Heads and Supervisors regarding workers' compensation and how the City can manage costs better now that we are self-funded. As a result, the City has succeeded in self-funding our workers' compensation program as the number of incidents has dropped to 13 from the 14 year high of 39. The cost to the City over the past eleven years (FY 2011-2022) was \$2,768,093, and the savings during this same period is estimated to be \$1,435,007.

A Look at Wages and Fringe Benefits

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

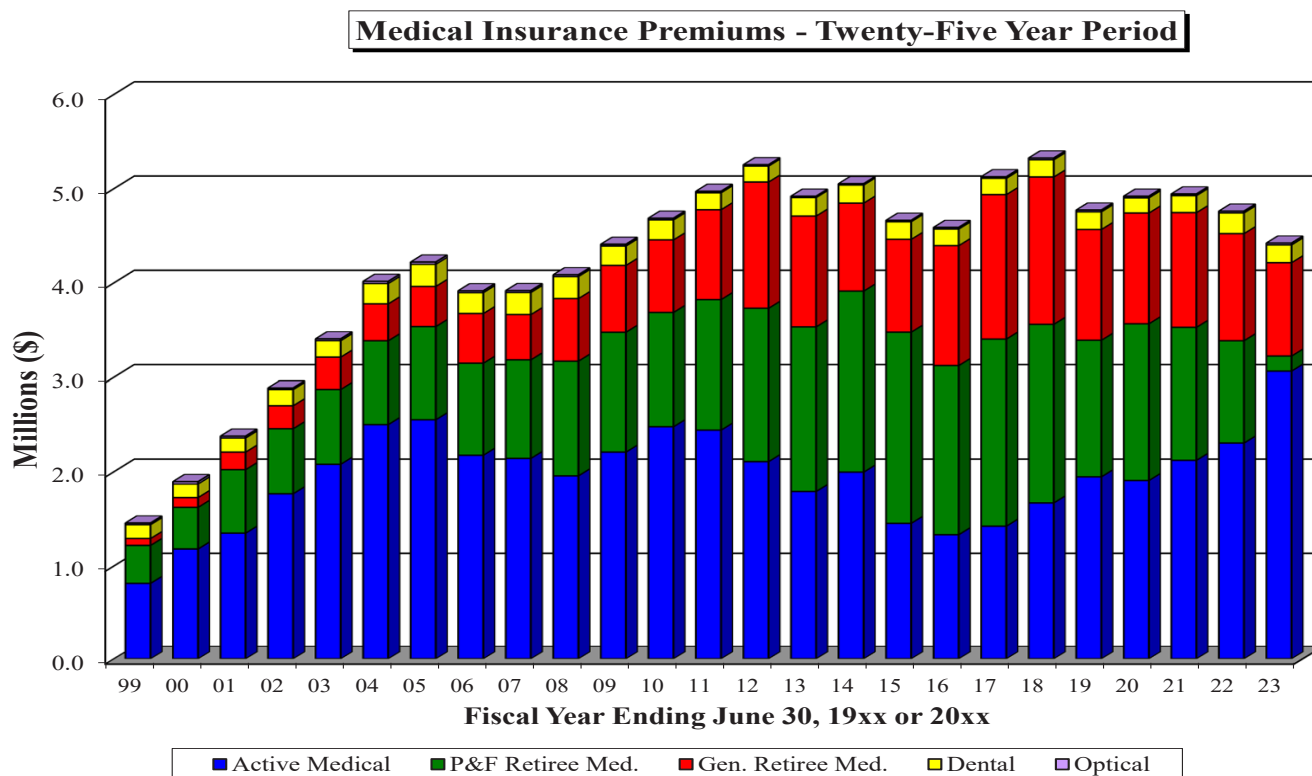


The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages and inflation start to converge while STV managed modest increases until 2001. Since FY 1994-95, wages and CPI-W average less than 4% while STV fluctuated more due to new construction and the State's changes in the property tax valuation rules. Beginning in 2002, the early effects of the Great Recession were manifested in sharp declines in State Revenue Sharing, reflecting less disposable income and fewer sales. The "second wave" of the recession is shown beginning in FY 2008-09 and continuing through FY 2012-13, as the change in STV represents the largest downturn in STV that the City has ever experienced. This downturn directly affected the taxes collected by the City and resulted in decreasing the City's ability to pay, based on the decline in the principal source of property tax revenue, being lower than CPI and wages. Since FY 2013-14, the CPI-W increased an average of only 1.76%,

Medical Insurance

Medical insurance is one of the most important fringe benefits to monitor, with an eye toward cost control. The FY 2023 budget includes a 25.9% increase to medical insurance for active employees based on projections from the City's health care consultant. The following chart compares the City's medical insurance premiums over the past twenty years. The slight decrease shown in FY 2012-13 for medical is due to the City's move to Community Blue PPO 4 ("CB4"), which for the first time included deductibles and co-insurance for all active employees. In addition, the City moved to a self-insured medical insurance program in July 2012. The premiums shown for FY 2022 are estimated.

Pursuant to Public Act 152, City Council passed a Resolution in December 2012, and each following year, authorizing the City to impose a 20% health insurance premium sharing on all employees who receive City paid health insurance starting after the June 2013 expiration of the Collective Bargaining Agreements. In FY 2018, this premium sharing was adjusted to 10%, as reflected in each Collective Bargaining Agreement. 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. The Biden administration has not made significant changes to the Affordable Care Act as it exists; however, 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 opening 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. As a result, 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 collaboration.

Employees benefit from 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 consider 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 2022 was our 7th year operating the MiLife Health and Wellness Center. During these seven years of operations, we averaged a utilization rate of 68.2%. We have saved \$241,698 in hard dollars over this period and have averaged savings of \$34,529 per year. In addition, each year, CareHere analyzes the number and types of health issues diagnosed in the center and estimates a potential long-term savings has the diagnosed gone undetected; this "soft dollar" savings is \$1,752,849. In addition, the employees have saved \$165,385 in co-pays, prescriptions, and lab tests. During 2021, operations at the Center continued but were still slightly 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 Health Care and Pension

As mentioned earlier, Pension and Retiree Health care “legacy costs” are the largest liability of the City at \$135.5 million and \$44.6 million, respectively. This is common among municipalities with histories of defined benefit plans. To address this liability and give municipalities leverage for either funding or making benefit changes, 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 would be 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. 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.

Initially, the City was underfunded for both Retiree Health Care Trust as well as the Police and Fire Pension plan; however, on June 30, 2021, our funding had drastically improved for the Retiree Health Care Trust as follows:

Benefit Plan	Most Recent Actuarial Study	Funding Ratio	Underfunded
Police and Fire Pension	June 30, 2021	51.5%	Yes
General Pension	December 31,2020	93%	No
General Retiree Health Care	June 30, 2021	115.7%	No
Police and Fire Retiree Health Care	June 30,2021	95.1%	No

Retiree Health Care

In April of 2004, the Government Accounting Standards Board (GASB) issued regulations to improve 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 calculated at \$54 million for Police and Fire and \$31.5 million for General Employees; for a total actuarial accrued liability for these benefits of \$86.1 million. 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 steps were to allocate the money in the budget and study strategies to reduce the overall liability responsibly. Due to the significant calculated contribution cost to fund these plans, the City was historically unable to fund the total annual recommended contribution, averaging 101.76% of Police and Fire payroll or \$3,575,366 and 70.55% payroll for General employees or \$1,638,899. Instead, past budgets included funding the normal cost for both plans; approximately \$500,000 a year for Police and Fire and \$206,000 for General employees. Both plans receive actuarial evaluations every two years with funding levels below 40%. In addition to establishing these trusts for accumulation of funding, the City also began to address the unsustainable liability by negotiating 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 this labor negotiation strategy is fiscally sound in the long run, 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, with the requirement of PA 202, the City has successfully negotiated the elimination of City-paid retiree Medicare supplemental insurance with all bargaining units. As a result, 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 has significantly reduced the City's liability in future years; however, the City was still struggling to fund the actuarial calculated liability.

Therefore in the calendar year 2021, the City moved all current retiree health insurance to mirror for the health insurance plan for active employees. 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 were 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.

The changes described above have reduced the City's combined liability by over \$48 for Retiree Health Care from \$86.1 million to \$44.6 million. As of June 30, 2021, the City has accumulated a market value for both trusts of \$45.7 million, resulting in 95.18% funding for Police and Fire and 115.69% funding for the General Employees Trust. This is a significant achievement that will assist in keeping the City on a solid financial footing for years to come.

Due to the increased funding percentage of these trusts, retiree health care premiums were moved from the current year operations budget to be paid from these trusts. This resulted in an FY 2023 budget for retiree health care of \$1.1 million as compared to FY 2022 of \$3.3 million. Overall this also resulted in the ability to decrease the Police and Fire Retiree Benefit millage from 7.1155 to 7.0000 while making additional contributions to the pension system. We anticipate this millage to continue to be reduced in future years.

Pensions

The second component to the legacy cost fringe benefit is the employer's contribution to the pension plans. This expense is budgeted to be \$6.4 million in both FY 2023 and 2024. The City's full-time workforce is divided into two pension groups. All Police and Fire sworn employees are members of the Police and Fire Pension Fund established pursuant to Michigan Public Act 345. The remainder of the full-time employee workforce is covered by the Municipal Employees' Retirement System (MERS).

The budget for the employer contribution to the Police and Fire Pension Fund is 63.2% of total wages based on the City's June 30, 2021, actuarially required contribution rates plus an additional contribution in FY 2023 of \$1.8 million. 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%.

As shown earlier, the Police and Fire Pension plan is only 51.5% funded and therefore considered underfunded by the State of Michigan's Protecting Local Government Retirement and Benefits Act (PA 202). As of March 2, 2022, the Michigan State House of Representatives passed HB 5054 to provide \$1.15 billion in state general fund resources to direct municipalities to help pay down municipal pension debt. There will be two parts to the grant program, \$900 million will be utilized to get all pensions that are less than 60% funded up to 60% funded, and \$250 million will be provided to pensions that are 60% funded or greater. If passed by the Senate, this bill coupled with the additional budgeted funding should place the Police and Fire Pension system on solid financing for the first time since the recession.

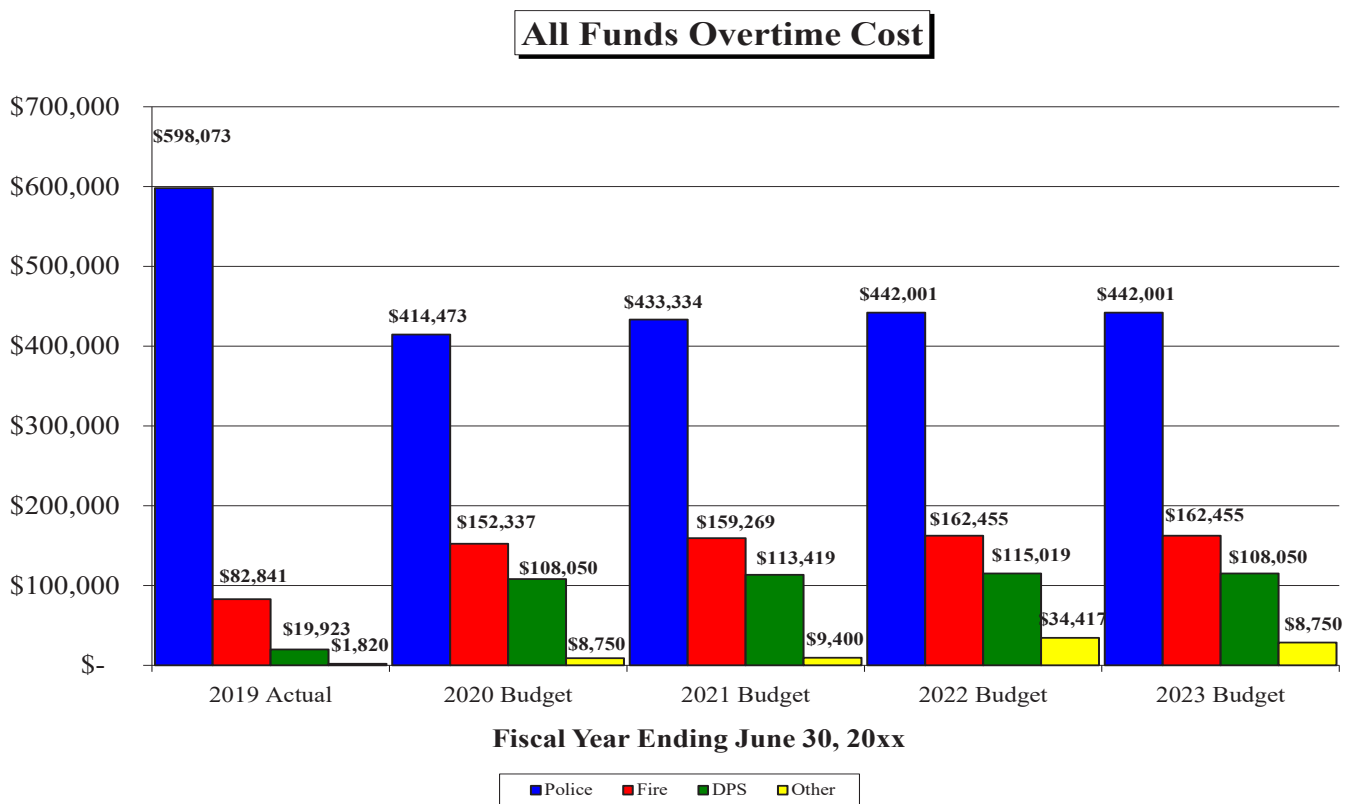
In regard to the MERS plan, all general employee groups, including non-union, have agreed to close the pension plans changing pension benefits for new hires from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. These DC plans are funded at 7.0% by the City with variable employee contributions 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 be \$371,925 in 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 the analysis was completed on issuing POBs, it was determined that the City would experience savings of approximately \$4 million over 16 years 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 2023 and FY 2024 for POB principal and interest are \$1.19 million each year. With this contribution, the City's General Employee's pension is considered 93% funded on market value as of December 2020. This reduced the budgeted actuarially required contributions because the City is now only required to fund the normal cost annually.

Overtime

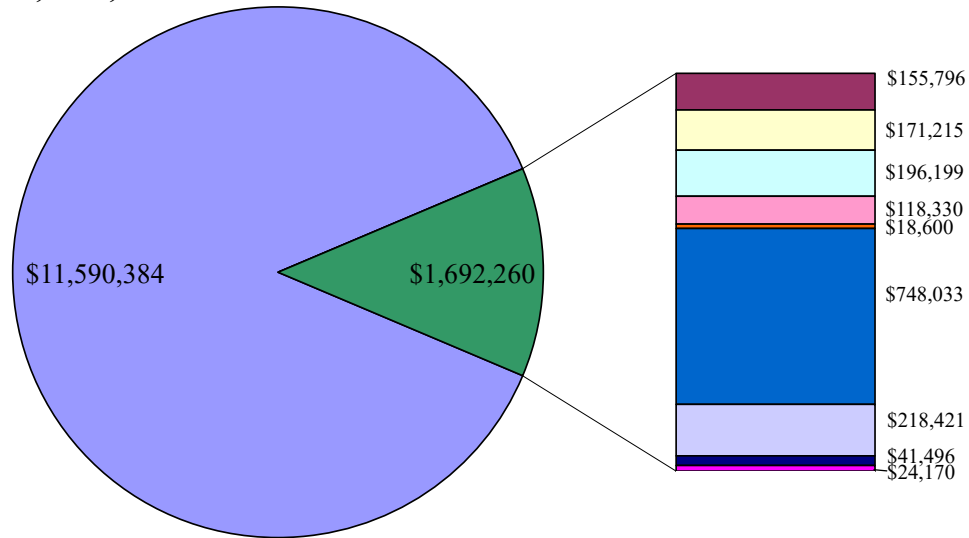
Overtime costs for all Funds in FY 2022-23 are budgeted at \$745,533. Overtime budgeted in the Police and Fire Departments amounts to \$604,456, and DPS overtime equals \$115,019. These overtime costs have been budgeted with consideration toward adjusting overtime to actual trending costs. The following 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 depict the City's budgeted wage and fringe benefit costs for FY 2022-23 and overtime costs over the past four years.



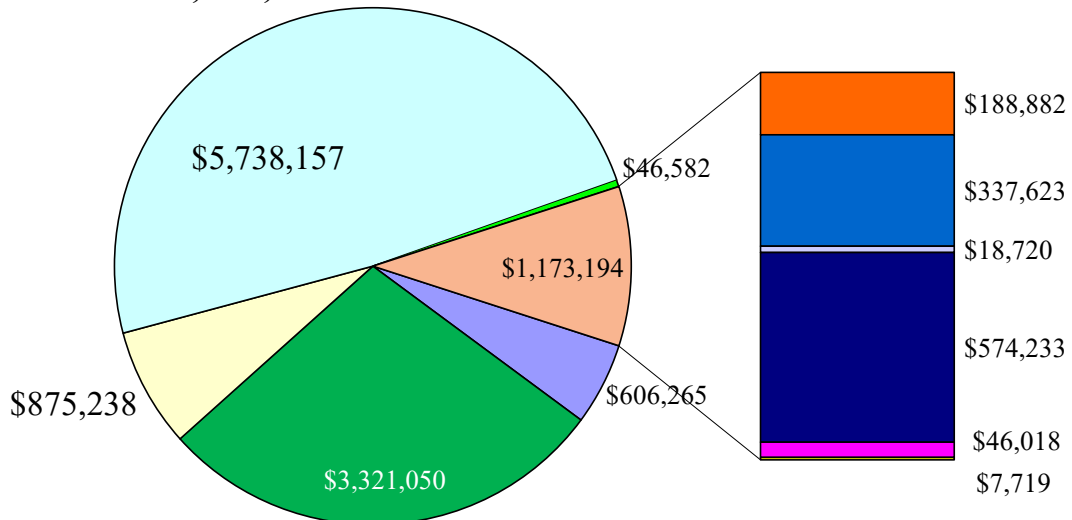
2022-23
Wage and Fringe Benefit Costs (\$25,043,130)
Fiscal Year Budget
All Funds

Wages \$13,282,644



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

Benefits \$11,760,486



- | | | |
|-----------------------------|------------------------|--------------------------------|
| ■ General Employees Pension | ■ Hospitalization | ■ Retiree Health Contributions |
| ■ Police & Fire Pension | ■ Disability Insurance | ■ Dental Insurance |
| ■ Workers Compensation | ■ Optical Insurance | ■ FICA & Medicare |
| ■ Life Insurance | ■ FSA | |

Total Compensation Analysis

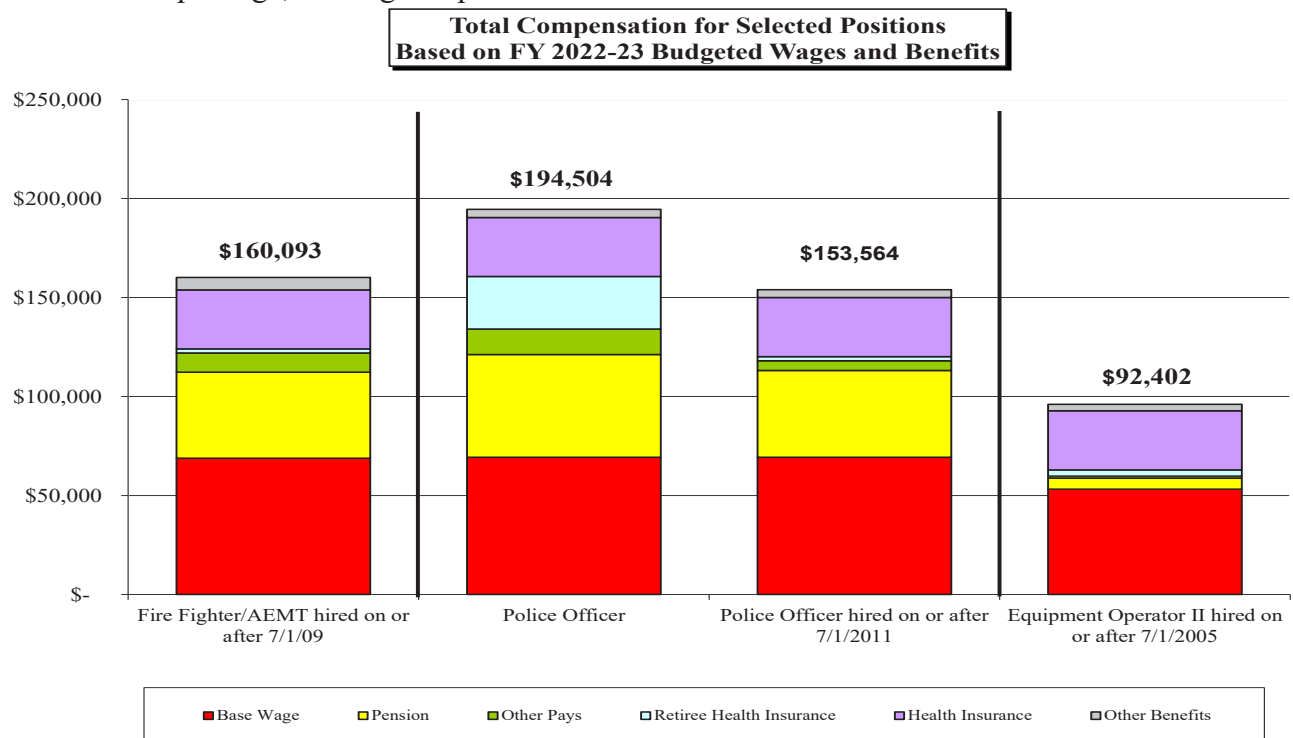
In order to determine what should be negotiated to control the City's expenses, we must look at the wages and benefits calculated together for total compensation currently provided to employees. The City has already made great strides in controlling costs for new hires by eliminating retiree health care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

For comparative purposes, the bar chart below shows the total FY 2022-23 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 \$194,504. Fringe benefits average 1.2 times base wages for senior employees. A newly hired Fire Fighter's total compensation is \$160,093. 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 Equipment Operator II's total compensation is \$92,402. We no longer have any Equipment Operator II's under Tier 1 benefits; all are under the Defined Contribution Pension Plan and Health Care Savings Program for retiree health.

A newly hired Police Officer's total compensation is \$153,564, a savings of \$40,940 in overall annual compensation. The savings achieved under the new tier of benefits across all Unions are significant. At this time, we have 25 Firefighters, 32 Police Officers, 14 Equipment Operators, and 40 other employees with the new hire benefits package, totaling 111 positions or more than 66.87% 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 2023. The position's compensation calculation assumes the maximum wage step and longevity.

Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$15,950
Holidays	12	7,656
Admin. Leave Days	6	3,828
Sick leave (Max. of 12)	5	3,190
Personal Leave Days	2	1,276
Total	50	\$31,900

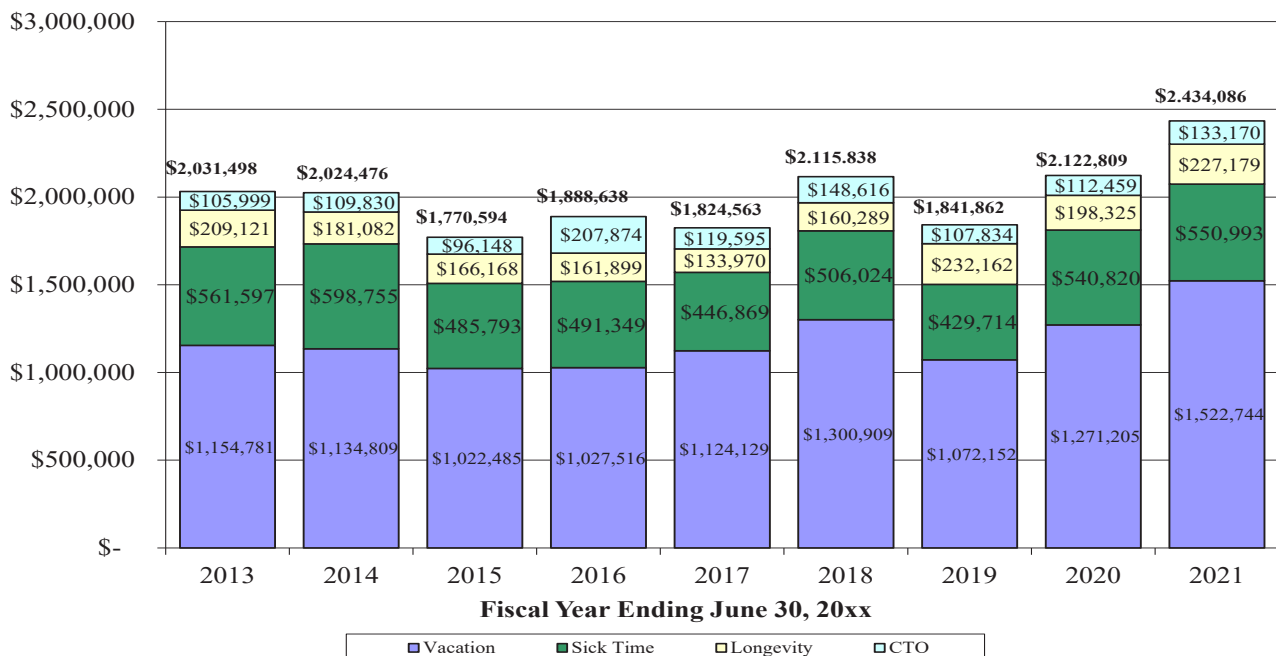
As shown on the chart above, this Police Officer could have almost one day off per week!

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

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

This chart is illustrative of the liability for these benefits as of the last audited fiscal year, June 30, 2021.

Long Term Debt for Employee Benefits



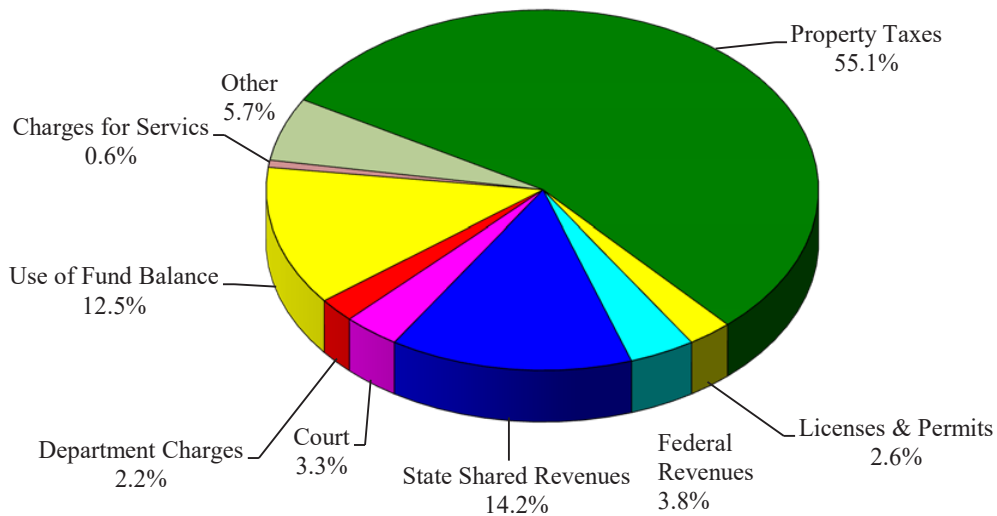


GENERAL FUND

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

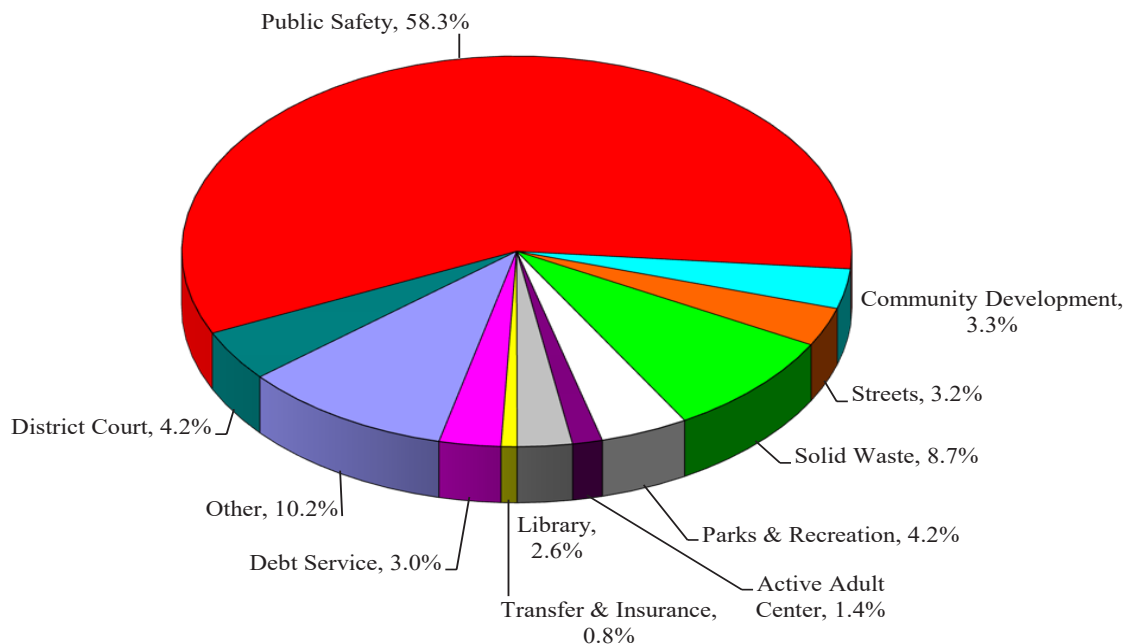
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General Fund Revenues



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

General Fund Expenditures



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

**GENERAL FUND REVENUES AND EXPENDITURES
FY 2023 ADOPTED AND FY 2024 PROPOSED BUDGETS**

Description	Actual 2020-21	Estimate 2021-22	Proposed Budget 2022-23	Increase (Decrease) FY 2021-22 to FY 2022-23	Proposed Budget 2023-24
Revenues by Source:					
Property Taxes	\$ 20,225,701	\$ 20,899,138	\$ 22,591,420	\$ 1,692,282	\$ 22,742,016
Licenses & Permits	364,396	417,800	417,800	-	417,800
Non-Business Licenses & Permits	1,138,896	633,525	668,525	35,000	668,525
Federal Shared Revenues	30,265	7,000	1,571,062	1,564,062	7,000
State Shared Revenues	5,857,737	5,181,767	5,819,092	637,325	5,819,092
Other Governmental Revenues	38,879	38,500	165,956	127,456	170,472
County Shared Revenues	69,748	61,000	61,000	-	61,000
SMART Revenues	99,812	70,019	70,019	-	70,019
Court Fines and Fees	1,175,006	1,295,000	1,374,000	79,000	1,374,000
Charges for Services	276,178	312,044	262,730	(49,314)	262,730
Sales-Miscellaneous	5,638	15,200	16,874	1,674	19,874
Parks & Recreation	104,715	221,500	234,000	12,500	264,000
Miscellaneous Revenues	1,877,927	1,884,563	1,651,663	(232,900)	1,651,663
Sale of Fixed Assets	63,267	43,000	50,000	7,000	50,000
Department Charges	865,313	891,480	891,480	-	891,480
Transfers In	22,509	85,053	84,869	(184)	85,050
Prior Years Fund Balance	-	2,515,459	5,120,210	2,604,751	610,267
Total Revenues	\$ 32,215,987	\$ 34,572,048	\$ 41,050,700	\$ 6,478,652	\$ 35,164,988
Less: Transfers In	22,509	85,053	84,869	(184)	85,050
Net Total Revenues	\$ 32,193,478	\$ 34,486,995	\$ 40,965,831	\$ 6,478,836	\$ 35,079,938

Description	Actual 2020-21	Estimate 2021-22	Proposed Budget 2022-23	Increase (Decrease) FY 2021-22 to FY 2022-23	Proposed Budget 2023-24
Expenditures by Activity:					
City Council	\$ 54,846	\$ 58,304	\$ 58,306	\$ 2	\$ 58,306
District Court	1,303,571	1,419,159	1,459,129	39,970	1,494,103
City Manager	222,300	259,162	262,383	3,221	277,010
Elections	100,247	74,531	83,638	9,107	83,960
City Assessor	206,854	219,021	219,021	-	219,021
Legal	312,078	335,695	335,695	-	335,695
City Clerk	296,881	356,791	398,073	41,282	397,306
Human Resources	394,070	447,360	473,001	25,641	467,993
Board of Review	2,030	3,243	3,043	(200)	3,043
General Administration	935,538	879,416	338,619	(540,797)	302,143
Finance	696,146	767,550	793,202	25,652	811,501
Information Technology	216,467	307,133	292,317	(14,816)	255,737
Municipal Building	56,989	344,653	58,588	(286,065)	61,413
Custodial & Maintenance	184,927	200,135	190,442	(9,693)	191,257
Police	11,435,385	11,890,682	12,602,204	711,522	12,527,427
Fire	6,666,821	7,323,630	7,520,989	197,359	7,510,916
Community Development	1,053,836	1,092,088	1,138,451	46,363	1,162,471
Streets	1,285,482	1,133,494	1,105,331	(28,163)	1,199,386
Solid Waste	2,470,721	3,096,682	2,999,813	(96,869)	3,067,761
Recreation	115,337	291,447	304,728	13,281	306,564
Nature Center	10,425	63,400	59,600	(3,800)	59,672
Parks	398,658	1,090,192	1,099,691	9,499	1,293,223
Active Adult Center	280,898	599,906	498,778	(101,128)	410,622
Library	632,559	1,033,530	913,384	(120,146)	931,105
Insurance, Bonds and Transfers	1,322,808	1,284,844	7,842,274	6,557,430	1,737,353
Total Expenditures	\$ 30,655,874	\$ 34,572,048	\$ 41,050,700	\$ 6,478,652	\$ 35,164,988
Less: Transfers Out	-	-	6,547,195	6,547,195	431,500
Net Total Expenditures	\$ 30,655,874	\$ 34,572,048	\$ 34,503,505	\$ (68,543)	\$ 34,733,488

GENERAL FUND REVENUES
FY 2023 ADOPTED AND FY 2024 PROPOSED BUDGETS

Description	Actual 2020-21	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Property Taxes	\$ 20,225,701	\$ 20,899,138	\$ 22,591,420	\$ 1,692,282	\$ 22,742,016
Licenses & Permits	1,503,292	1,051,325	1,086,325	35,000	1,086,325
Federal Revenues	30,265	7,000	1,571,062	1,564,062	7,000
State Shared Revenues	5,857,737	5,181,767	5,819,092	637,325	5,819,092
Other Government	208,439	169,519	296,975	127,456	301,491
Court Fines and Fees	1,175,006	1,295,000	1,374,000	79,000	1,374,000
Service Fees	380,893	533,544	496,730	(36,814)	526,730
Sales - Miscellaneous	5,638	15,200	16,874	1,674	19,874
Miscellaneous	1,941,194	1,927,563	1,701,663	(225,900)	1,701,663
Department Charges	865,313	891,480	891,480	-	891,480
Transfers In	22,509	85,053	84,869	(184)	85,050
Prior Year's Fund Balance	-	2,515,459	5,120,210	2,604,751	610,267
Total	\$ 32,215,987	\$ 34,572,048	\$ 41,050,700	\$ 6,478,652	\$ 35,164,988
Less: Transfers In	22,509	85,053	84,869	(184)	85,050
Net Total Revenues	\$ 32,193,478	\$ 34,486,995	\$ 40,965,831	\$ 6,478,836	\$ 35,079,938

Description	Actual 2020-21	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
General Government	\$ 6,305,752	\$ 6,956,997	\$ 6,260,536	\$ (696,461)	\$ 6,264,341
Public Safety	18,102,206	19,214,312	20,123,193	908,881	20,038,343
Community Service	3,756,203	4,230,176	4,105,144	(125,032)	4,267,147
Culture and Recreation	1,437,877	3,078,475	2,876,181	(202,294)	3,001,186
Community Development	1,053,836	1,092,088	1,138,451	46,363	1,162,471
Transfers Out	-	-	6,547,195	6,547,195	431,500
Total	\$ 30,655,874	\$ 34,572,048	\$ 41,050,700	\$ (68,543)	\$ 35,164,988
Less: Transfers Out	-	-	6,547,195	6,547,195	431,500
Net Total Expenditures	\$ 30,655,874	\$ 34,572,048	\$ 34,503,505	\$ (6,615,738)	\$ 34,733,488

Assigned Fund Balance - Unrestricted	\$ 13,055,434	\$ 10,539,975	\$ 5,419,765	\$ (5,120,210)	\$ 4,809,498
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GENERAL FUND EXPENDITURES

FY 2023 and FY 2024 PROPOSED BUDGET

GENERAL GOVERNMENT					
Description	Actual 2020-21	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Mayor and Council	\$ 54,846	\$ 58,304	\$ 58,306	\$ 2	\$ 58,306
District Court	1,303,571	1,419,159	1,459,129	39,970	1,494,103
City Manager	222,300	259,162	262,383	3,221	277,010
Legal	312,078	335,695	335,695	-	335,695
Assessor/Board of Review	208,884	222,264	222,064	(200)	222,064
City Clerk/Elections	397,128	431,322	481,711	50,389	481,266
Human Resources	394,070	447,360	473,001	25,641	467,993
General Administration	935,538	879,416	338,619	(540,797)	302,143
Finance	696,146	767,550	793,202	25,652	811,501
Information Technology	216,467	307,133	292,317	(14,816)	255,737
Custodial/Maintenance	241,916	544,788	249,030	(295,758)	252,670
Insurance & Bonds	1,322,808	1,284,844	1,295,079	10,235	1,305,853
Total	\$ 6,305,752	\$ 6,956,997	\$ 6,260,536	\$ (696,461)	\$ 6,264,341
PUBLIC SAFETY					
Police	\$ 11,435,385	\$ 11,890,682	12,602,204	\$ 711,522	\$ 12,527,427
Fire	6,666,821	7,323,630	7,520,989	197,359	7,510,916
Total	\$ 18,102,206	\$ 19,214,312	\$ 20,123,193	\$ 908,881	\$ 20,038,343
COMMUNITY SERVICE					
Streets	\$ 1,285,482	\$ 1,133,494	\$ 1,105,331	\$ (28,163)	\$ 1,199,386
Solid Waste	2,470,721	3,096,682	2,999,813	(96,869)	3,067,761
Total	\$ 3,756,203	\$ 4,230,176	\$ 4,105,144	\$ (125,032)	\$ 4,267,147
CULTURE AND RECREATION					
Recreation	\$ 115,337	\$ 291,447	304,728	\$ 13,281	\$ 306,564
Nature Center	10,425	63,400	59,600	(3,800)	59,672
Parks	398,658	1,090,192	1,099,691	9,499	1,293,223
Active Adult Center	280,898	599,906	498,778	(101,128)	410,622
Library	632,559	1,033,530	913,384	(120,146)	931,105
Total	\$ 1,437,877	\$ 3,078,475	\$ 2,876,181	\$ (202,294)	\$ 3,001,186
COMMUNITY DEVELOPMENT					
Total	\$ 1,053,836	\$ 1,092,088	\$ 1,138,451	\$ 46,363	\$ 1,162,471
TOTAL					
General Fund Total	\$ 30,655,874	\$ 34,572,048	\$ 34,503,505	\$ (68,543)	\$ 34,733,488

* General Fund Total does not include Transfer Out to other Funds. In FY 2023 Transfers Out are \$6,547,195.

Mayor & Council

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

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
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
- 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
- Human Relations and Equity Commission
- 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

		2021 Actual	2022 Estimate	2021-2022 Budget	2022-2023 Budget
<i>Input</i>	Regular City Council Meetings	23	23	23	23
	Agenda Items	145	150	175	175
	Public Hearings Held	7	10	10	10
<i>Outcomes</i>	Ordinances and Amendments Adopted	9	10	20	20
	Agenda Items Acted Upon	145	150	175	175
	Annual % Change in Millage Rate	3.90%	0%	-0.70%	0.0%
	Department Expenditures as a % of General Fund	0.2%	0.2%	0.1%	0.2%

Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 52,521	\$ 54,015	\$ 54,017	\$ 2	\$ 54,017
Supplies	295	325	325	-	325
Other Services and Charges	2,030	3,964	3,964	-	3,964
Capital Outlay	-	-	-	-	-
Total	\$ 54,846	\$ 58,304	\$ 58,306	\$ 2	\$ 58,306
Resources:					
General Fund	\$ 54,846	\$ 58,304	\$ 58,306	\$ 2	\$ 58,306
Total	\$ 54,846	\$ 58,304	\$ 58,306	\$ 2	\$ 58,306

Key Issues

In October 2021, December 2021 and April 2022 new members of City Council were appointed; as a result, training has remained at an increased level typically budgeted in election years.

All other items for this department are supported at its current level.

District Court

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
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	1	1	1	1
Total Full-Time	9	9	9	9
Magistrate	1	1	1	1
Court Officer	2	2	2	2
MIDC Clerk	1	1	1	1
Probation Officer	0	0	0	0
Total Part-Time	4	4	4	4
Total Employees	13	13	13	13

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

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

Financial Summary

	Actual 2020-21	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 1,017,444	\$ 1,065,629	\$ 1,041,535	\$ 1,092,023	\$ 1,092,023
Supplies	24,112	31,900	31,900	-	31,900
Other Services and Charges	254,734	313,617	318,938	5,321	327,100
Capital Outlay	7,281	8,013	66,756	58,743	43,080
Total	\$ 1,303,571	\$ 1,419,159	\$ 1,459,129	\$ 1,156,087	\$ 1,494,103
Resources:					
Court Salary Standard	\$ 45,724	\$ 47,219	\$ 47,219	\$ -	\$ 47,219
Court Fines	643,466	725,000	800,000	75,000	800,000
Forfeits	7,110	5,000	18,000	13,000	18,000
Reimbursed Court Costs	374,048	400,000	400,000	400,000	400,000
Bond Fees	28,977	31,000	31,000	-	31,000
Probation Oversight	105,625	120,000	110,000	(10,000)	110,000
Violation Clearance	15,780	14,000	15,000	1,000	15,000
General Fund	82,841	76,940	37,910	677,087	72,884
Total	\$ 1,303,571	\$ 1,419,159	\$ 1,459,129	\$ 1,156,087	\$ 1,494,103

Key Issues

- The fourth largest source of General Fund Revenue is composed of Court fines, forfeits and charges (\$1.4 million), which are used to partially offset the cost of operating our State-mandated District Court and legal prosecution costs.
- The Michigan Indigent Defense Commission (MIDC) was created by legislation in 2013 after an advisory commission recommended improvements to the state's legal system. One part time position was added to handle the increased administration to be in compliance, however this position has been eliminated with administrative task handled by finance personnel and the contracted MIDC administration.

City Manager

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

The City Manager is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
City Manager	1	1	1	1
Executive Assistant	1	0	0	0
Assistant to the City Manager	0	1	1	1
Total Full-Time	2	2	2	2

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2021-2022 Budget	2022-2023 Budget
<i>Output</i>	Number of Staff Meetings held	24	24	24	24
	Number of Council-adopted goals managed	35	44	58	50
	Media inquiries/requests handled	13	10	12	12
<i>Efficiency</i>	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting	99%	99%	99%	99%
	Department Expenditures as a % of General Fund	0.7%	0.7%	0.6%	0.8%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 217,850	\$ 251,937	\$ 249,948	\$ (1,989)	\$ 264,519
Supplies	\$ 154	\$ 400	\$ 400	-	\$ 400
Other Services and Charges	\$ 4,296	\$ 6,825	\$ 12,035	\$ 5,210	\$ 12,091
Capital Outlay	-	-	-	-	-
Total	\$ 222,300	\$ 259,162	\$ 262,383	\$ 3,221	\$ 277,010
Resources:					
General Fund	\$ 222,300	\$ 259,162	\$ 262,383	\$ 3,221	\$ 277,010
Total	\$ 222,300	\$ 259,162	\$ 262,383	\$ 3,221	\$ 277,010

Key Issues

- Training has increased to accomodate Assistant to the City Manager position. This position evolved from the combination of an Executive Assistant and Graduate Fellowship, and focuses on a broader role related to City Management.
- The balance of this budget is supported at the current service level.

City Clerk & Elections

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

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
City Clerk	1	1	1	1
Deputy City Clerk	1	1	1	1
Business Services Coordinator	0	1	1	1
Total Full-Time	2	3	3	3
Election Chairpersons/Co Chairperson	24	18	24	12
Election Inspectors	123	68	112	45
Office Assistant	1	1	1	1
Total Part-Time	80	80	88	88

Accomplishments

Resource Management:

- Conducted the November 2, 2021 City General Election
- Conducted training for all election inspectors, and recruited student election inspectors
- Electronic storage of all City Council Ordinances and City Council Packets
- Professional development of City Clerk and Deputy City Clerk
- Implemented new record retention program and conversion of existing records
- Improved efficiency of Agenda processing (2021 Strategic Planning Item 5.1c)
- Improved efficiency of boards and commissions administration (2021 Strategic Planning Item 5.1c)
- Implemented expansion of business license registration program (2021 Strategic Planning Item)

Objectives

Resource Management:

- Conduct August 2, 2022 Primary Election on November 8, 2022 General Election.
- Hold Pop-Up office hours prior to Elections for voters accessibility
- Continue electronic storage, retention and indexing of all contracts, titles, resolutions and agreement records.
- Continue professional development for City Clerk and staff.
- Improve security of election materials and ballot drop boxes (2023 Strategic Planning Item 1.2b)

Performance Measures

Input	City Goal	Performance Indicators	2020-21 Actual	2021-22 Estimate	2022-2023 Budget	2023-2024 Budget
		Hours attending City Council Meetings	51	40	40	40
		Number of Elections Workers per election	144	60	60	60
		Average Number of Voters per FTE	10786	1750	5700	3800
Output		Number of Business and Animal Licenses Issued	1292	1800	1800	1800
		Number of New Registered Voters/Changes	3293	5000	7800	5000
		Number of Absentee Ballots Sent	15124	4617	12000	6000
outcome		Average Length of Time to Post Approved Board Minutes to website	30	30	30	30
		Number of Election Workers Trained	117	80	120	120
Efficiency		% Voter Turnout per November Election	67%	19%	60%	20%
		% of FOIA responded to within 10 business days	100%	100%	100%	100%
		Department Expenditures as a % of the General Fund	1.0	1.1	1.10	1.0

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 256,947	\$ 321,648	\$ 354,713	\$ 33,065	\$ 360,365
Supplies	3,395	4,000	5,500	1,500	4,000
Other Services and Charges	36,539	31,143	37,860	6,717	32,941
Capital Outlay	-	-	-	-	-
Subtotal-Elections	\$ 100,247	\$ 74,531	\$ 83,638	9,107	83,960
Total	\$ 397,128	\$ 431,322	\$ 481,711	\$ 50,389	481,266
Resources:					
Business Licenses	\$ 111,817	\$ 195,000	\$ 195,000	\$ -	\$ 195,000
Animal Licenses	8,273	8,500	8,500	-	8,500
Bicycle Licenses	67	25	25	-	25
Vital Health Statistics	16,415	17,000	17,000	-	17,000
Election Reimbursement	-	-	-	-	-
General Fund	260,556	210,797	261,186	50,389	260,741
Total	\$ 397,128	\$ 431,322	\$ 481,711	\$ 50,389	\$ 481,266

Key Issues

- Part time positions wages were increased across all departments resulting in increase in personnel services.
- This budget is supported at the current service level.

Assessing

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

- Operating under the provisions of the General Property Tax Act of 1893, as amended, and applicable local charter provisions;
- Monitoring and maintaining the “principal residence” status of all property throughout the City as well as tracking property transfers;
- Developing special assessment district rolls used to fund infrastructure improvements; and providing analysis of proposed Special Assessment District (SAD) projects.
- Defending all assessments before the Michigan Tax Tribunal and supporting economic development efforts; and
- Handling the appraisal of all real estate and personal property for property tax purposes on an annual basis. There are 11,551 real property descriptions and 1,646 personal property accounts in the City.

Accomplishments

Resource Management:

- Contracting assessing to Oakland County Equalization has saved approximately \$306,000 per year in General Fund operating expense.
- Reviewed 128 eligible manufacturing personal property statements, 911 small business exemptions, and 432 personal property statements in accordance with State Personal Property tax (PPT) reform legislation.
- The personal property team studied 5.5%, 92 out of 1,665 parcels, in performance of the 2022 equalization study.
- Renewed contract with Oakland County Equalization for three additional years until June 30, 2022.

Objectives

Resource Management:

- Establish new market and taxable property values for tax year 2022 (FY 2023).
- Conduct audits for a minimum 5% of all personal property accounts.

Performance Measures

<i>Output</i>	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
	Property Records Reviewed	411	200	200	200
	Personal Property Audits	6	15	15	15
	Michigan Tax Tribunal Cases	5	10	10	10
	Board of Review Appeals	305	200	200	200
<i>Efficiency</i>	% Assessment Changes Processed by the Deadline	100%	100%	100%	100%
	% of Parcels Added/Deleted by Deadline	100%	100%	100%	100%
	Department Expenditures as a % of General Fund	0.7%	0.6%	0.5%	0.6%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Other Services and Charges	206,854	219,021	219,201	180	219,021
Capital Outlay	-	-	-	-	-
Subtotal-Board of Review	2,030	3,243	3,043	(200)	3,043
Total	\$ 208,884	\$ 222,264	\$ 222,244	\$ (20)	\$ 222,064
Resources:					
General Fund	\$ 208,884	\$ 222,264	\$ 222,244	\$ (20)	\$ 222,064
Total	\$ 208,884	\$ 222,264	\$ 222,244	\$ (20)	\$ 222,064

Key Issues

- In the spring of 2010, the City replaced its in-house Assessing Office with a contract with Oakland County Equalization Department at a savings of approximately \$306,000 per year.
- The City is currently under contract with Oakland County Equalization to provide assessing services through June 30, 2022.

Legal Department

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

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

Performance Measures

Performance Measures:	2021 Actual	2022 Estimate	Proposed 2023	Proposed 2024
<u>Workload Indicators</u>				
Legal Counsel (Hours)				
Tax Tribunal	5	15	15	15
Labor	425	85	85	85
General	2,182	1,787	1,787	1,787
Telecommunications	37	75	75	75
Department Expenditures as a % of the General Fund	1.0%	1.0%	0.8%	1.0%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplies	389	0	0	0	0
Other Services and Charges	311,689	335,695	335,695	0	335,695
Capital Outlay	0	0	0	0	0
Total	\$ 312,078	\$ 335,695	\$ 335,695	\$ 0	\$ 335,695
Resources:					
General Fund	\$ 312,078	\$ 335,695	\$ 335,695	\$ 0	\$ 335,695
Total	\$ 312,078	\$ 335,695	\$ 335,695	\$ 0	\$ 335,695

Key Issues

- The balance of this budget is supported at the current service level.

Human Resources Department

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

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
Human Resources Director	1	1	1	1
Purchasing and Personnel Coordinator/Assistant	1	1	1	1
Total Full-Time	2	2	2	2

Accomplishments

Resource Management:

- Continued to navigate the COVID-19 global pandemic including ongoing communications with employees regarding quarantine and isolation recommendations, implementation and maintenance of safety protocol and monitoring CDC and State of Michigan updates. Served on the core COVID-19 emergency response team along with City Manager, Police Chief/Deputy City Manager, and Fire Chief as needed.
- Negotiated a three year contract with Police Officers Union and Police Command Officers Union through June 30, 2024
- Coordinated the transition of retirees to a Medicare Advantage health insurance plan that closely mirrors the active employee health insurance plan, including implementation of a \$250 deductible, 20% co-insurance and a \$5/\$40/\$80 drug card.
- 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 PPAC year-end reporting for required 1094-C and 1095-C forms including filing with the IRS.
- Successfully petitioned the Civic 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.
- Arranged for online training for employees involved in the City social media platforms to help protect the City from issues resulting from social media posts and interactions; issued a comprehensive social media policy.
- Expanded "Stay Interviews" process to include both new and tenured employees beginning January 2022 (2022 Strategic Plan 5.3 a)
- Assisted the Fire Department in the development of a firefighter fitness and wellness program (2022 Strategic Plan 5.3 c)

Objectives

Resource Management:

- Expand use of and promotion of the City's online employee portal to maximize investment.
- Establish 360 review program for Department Heads and select supervisory positions. (2023 Strategic Plan 5.3b)
- Evaluate ongoing success of previous integration of wellness program into the MiLife Health and Wellness Center, and make adjustments as appropriate (2023 Strategic Plan 5.3C)
- 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.

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 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	1.3%	1.3%	1.2%	1.3%

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

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 207,117	\$ 218,247	\$ 240,767	\$ 22,520	\$ 235,674
Supplies	-	325	325	-	325
Other Services and Charges	186,953	228,788	231,909	3,121	231,994
Capital Outlay	-	-	-	-	-
Total	\$ 394,070	\$ 447,360	\$ 473,001	\$ 25,641	\$ 467,993
Resources:					
General Fund	\$ 394,070	\$ 447,360	\$ 473,001	\$ 25,641	\$ 467,993
Total	\$ 394,070	\$ 447,360	\$ 473,001	\$ 25,641	\$ 467,993

Key Issues

- 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.

Accomplishments

- Successfully auctioned surplus vehicles and miscellaneous City surplus items on govdeals.com and the City's cooperative purchasing website netting over \$21,000 in revenue.
- Completed purchase of miscellaneous fleet vehicles including Police Department Interceptor Utility vehicles. Other vehicles and significant equipment purchased include a DPS dump truck with plow, DPS GMC 3500, DPS Chevy Silverado, Fire utility truck, Fire ambulance, DPS solar arrowboard.
- Award contract for printing and mailing of City Newsletter.
- Develop programs to encourage and increase citizen engagement in budgeting and strategic planning with focus on understanding their interest.

Goals/Objectives

- Continue to utilize the MITN cooperative purchasing website and govdeals.com to attain optimal revenue when selling surplus items.
- Continue to take advantage of cooperative purchasing including but not limited to MITN, the State of Michigan (MiDEAL), Oakland County and Macomb County to increase purchasing power while reducing staff time spent on creating, issuing, and administering bids.
- Host a Citizens Academy to educate residents and develop a civic leader talent pool for potential future Boards and Commissions members.
- Completed purchase of miscellaneous fleet vehicles including Police Department interceptor Utility vehicles. Other vehicles and significant equipment purchased including DPS dump truck with plow, DPS leaf vacuum, DPS single axle dump truck, Fire Dept Chevy Silverado utility vehicle, new latex printer for DPS sign shop, and DPS solar arrowboard.

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
<i>Input</i>	Expenditures: General fund personnel and operations	\$ 28,816,284	\$ 29,582,464	\$30,836,064	\$31,153,208
	Expenditures: Special-revenue/restricted fund personnel and operations	\$ 14,001,698	\$ 15,545,653	\$15,398,110	\$15,844,735
	Square miles of land area served	7.2	7.2	7.2	7.2
	Revenues, General fund: Property Tax	\$ 20,225,701	\$ 20,899,138	\$22,591,420	\$22,742,016
	Revenues, General fund: State Revenue Sharing	\$ 5,857,737	\$ 5,181,767	\$5,819,092	\$5,819,092
<i>Efficiency</i>	Department Expenditures as a % of General Fund	3.1%	2.5%	0.8%	0.9%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 791,045	\$ 747,124	\$ 217,067	\$ (530,057)	\$ 206,961
Supplies	47,771	53,480	57,021	3,541	14,300
Other Services and Charges	96,722	78,812	64,531	(14,281)	80,882
Capital Outlay	-	-	-	-	-
Total	\$ 935,538	\$ 879,416	\$ 338,619	\$ (540,797)	\$ 302,143
Resources:					
General Fund	\$ 935,538	\$ 879,416	\$ 338,619	\$ (540,797)	\$ 302,143
Total	\$ 935,538	\$ 879,416	\$ 338,619	\$ (540,797)	\$ 302,143

Key Issues

- The budget continues the popular citizens academy for \$1,250 and community engagement meetings and events budget at \$3,000.
- The most significant change in this budget is \$530,057 decrease in personnel service due to changes made in retiree health care. This change resulted in the General Employee retiree health care trust being 115% funded. The FY 2023 budget reflects the move of the premiums for retiree health care from the General Fund to the retiree health care trust.

Finance Department

The Finance Department consists of a Finance Director/Treasurer, Deputy Finance Director, one Accountant, a fiscal assistant/payroll, and three full-time Fiscal Assistants. The Finance Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
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 2021-22
- Completed annual audit and received a clean opinion. Timely filed State required reports.
- Revised property tax notices to provide additional information to tax payers at no additional cost. Promote credit card processing system, which expands customer payment options to online and over the phone and aligns directly with city financial software. Permits contactless payment option during pandemic.
- Implemented new credit card processing system called Invoice Cloud, which expands customer payment options to online and aligns directly with city financial software.
- Streamlined department budget entry and expanded budget information to two (2) years.

Objectives

Resource Management:

- Complete single audit within four months of fiscal year end.
- Complete annual audit and have Annual Financial Report finalized within four 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	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
Input	Total Dollar amount of City Budget (all funds)	\$ 50,356,391	\$ 56,873,777	\$ 68,670,650	\$56,900,889
	Total Dollar amount of Budget Amendments (all funds)	\$ 2,399,163			
	City Taxable Value	\$ 856,310,210	\$ 902,258,410	\$ 959,422,800	\$ 988,205,484
	Total Dollar value of Fiscal Year CIP - all funds	\$ 5,796,754	\$ 9,321,479	\$ 19,815,286	\$ 7,591,416
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
Outcome	# of water/sewer customers signed up for ACH	1,594	1,650	1,700	1,750
	% 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
Efficiency	% of Dollar amount of budget amendments	4.8%	>1.5%	>1.5%	>1.5%
	% of Budgeted GF revenues received	110.1%	95.0%	95.0%	95.0%
	% of Budgeted GF expenditures spent	96.4%	95.0%	95.0%	95.0%
	Taxes collected by March 1 as a % of Total	97.0%	97.7%	97.0%	97.0%
Efficiency	Date of Annual Auditor's Report	11/13/2020	10/29/2021	10/20/2022	10/20/2023
	% Funded for General Employees Pension Trust	95.0%	95.0%	95.0%	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%
Efficiency	% 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	2.3%	2.2%	1.9%	2.3%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 625,914	\$ 690,878	\$ 715,993	\$ 25,115	\$ 731,650
Supplies	2,437	7,250	7,250	-	7,250
Other Services and Charges	67,795	69,422	69,959	537	72,601
Capital Outlay	-	-	-	-	-
Total	\$ 696,146	\$ 767,550	\$ 793,202	\$ 25,652	\$ 811,501
Resources:					
Mobile Home Solid Waste	\$ 46,944	\$ 46,944	\$ 58,680	\$ 11,736	\$ 58,680
Property Tax Admin. Fees	528,359	503,000	530,000	27,000	530,000
Interest Income on Deposits	67,744	150,000	50,000	(100,000)	50,000
General Fund	53,099	67,606	154,522	86,916	172,821
Total	\$ 696,146	\$ 767,550	\$ 793,202	\$ 25,652	\$ 811,501

Key Issues

- This budget is supported at the current service level.
- Finance is budgeted to have a position vacated due to retirements. Replacement employees are budgeted with family insurance coverage.

Information Technology

Outsourced to BPI Information Systems in 2015, the Information Technology Department is responsible for providing 24/7 computer support services for the City including on site staffing during business hours and on call support covering after hours. In addition to the normal system maintenance and helpdesk services, BPI also provided all special information technology tasks.

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

Accomplishments

Resource Management:

- Replaced the copper PRI phone lines with redundant SIP (Session Initiation Protocol) services. SIP services improve the voice reliability and have redundant failover.
- To improve network security, a “security Operation Center” was configured to monitor the firewall logs and core host equipment.
- Upgraded the internet connect to one gigabyte symmetrical with a second service for redundant failover. Outdoor access points were added for secure public wireless internet access.
- Installed additional security cameras in the police department. Completed cleanup of old camera system and integrated with new security cameras.
- Setup docking stations via a new switch in the police equipment office. Worked with Axon and CLEMIS to setup exports to CLEMIS every eight hours. This allows for videos to be tagged in the Oakland County software based upon the nature of the crime.
- Upgraded Exchange server from CU 16 to CU 18 for zero-day patch, then again from CU 18 to CU 21 for another zero-day patch.
- Installed new video conferencing equipment and sound system.
- Replaced computers in Police Department, Library and City Hall.
- Upgraded holding cell telephone System Setup to secure VoIP phone system for detainees.
- Assisted the Police Department and Court with provided all documentation to the state for successful completion of the LEIN audits.

Objectives

Resource Management:

- Replace the local email host exchange server 2016 with Microsoft Office 365, reducing our security risk and giving users the latest version of email and office applications. (2022 Strategic Plan 5.4.a).
- Update the document imaging application Xtender data transfer to Laserfiche.
- Add a copy of the cloud disaster recovery process to the current backup system.
- Replace the host servers running Microsoft Data Center and VMware; right sizing these to accommodate applications hosted locally while moving others to the cloud. (2023 Strategic Plan 5.4.c and 5.4.d)
- Replace the core firewall at City Hall
- Continue to provide helpdesk and desk side help for their computer needs plus after hours support for the departments running 24/7
- Conduct security awareness training for all staff that utilize technology on the city network. (2023 Strategic Plan 5.4.b.)

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
Input	Number of helpdesk requests	1,475	1,700	1,500	1,500
	Number of endpoints served	470	470	435	435
Output	Number of new computers installed	28	25	25	25
	Special IT projects handled	10	18	15	15
Outcome	% of helpdesk request handled in 8 hours or less	90%	90%	90%	90%
	Total number of helpdesk cases resolved	1,475	1,700	1,500	1,500
Efficiency	Capital expenditures for IT	\$35,402	\$121,046	\$59,00	\$26,100
	Expenditures per each endpoint served	\$540	\$770	\$730	\$640
	Department Expenditures as a % of General Fund	0.7%	0.9%	0.7%	0.7%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	24,061	26,375	33,700	7,325	33,700
Other Services and Charges	157,004	159,712	199,617	39,905	195,937
Capital Outlay	35,402	121,046	59,000	(62,046)	26,100
Total	\$ 216,467	\$ 307,133	\$ 292,317	\$ (14,816)	\$ 255,737
Resources:					
General Fund	\$ 216,467	\$ 307,133	\$ 292,317	\$ (14,816)	\$ 255,737
Total	\$ 216,467	\$ 307,133	\$ 292,317	\$ (14,816)	\$ 255,737

Key Issues

- FY 2023 includes continuation of contracted current services levels.
- The FY 2023 budget includes the transition to microsoft 365 subscription service.
- Capital Outlay includes host servers and storage area network.

Custodial & Maintenance Division

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

- Maintaining City buildings, which includes: preventative maintenance and repairs; planned improvements; and
- Custodial services through outside contractors at the Library, District Court, Police Station, 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, or local programmable thermostats, resulting in energy savings and increased building comfort.
- 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
- Performed routine roof inspections in order to maintain warranties and proactively maintain the roofing system at all buildings in good condition.
- Installed fixed dehumidifier in the living quarters in Fire Station 1 to improve building comfort.
- Continued providing building system and logistic support addressing environmental concerns of the COVID-19 pandemic.

Objectives

Resource Management:

- Plan necessary repairs and maintenance around the planned renovation/repurposing of space at City Hall, the Library, and the Active Adult Center.
- Budget for HVAC replacement and upgrades at the Police Department.
- Budget for roof replacement at Fire Station 1.
- Continue to explore energy saving opportunities and improved lighting quality through LED lighting conversions and replacements.
- Continue to monitor performance of custodial contractors at City buildings.
- Restore window cleaning through the line-item Budget process to improve aesthetics and appearance of City buildings.

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
<i>Input</i>	Expenditures: Total jurisdiction facilities: Repairs	\$ 158,258	160,000	150,000	145,000
	Jurisdiction facilities, Total Electricity usage: kWh	1,207,565	1,250,000	1,100,000	1,000,000
<i>Efficiency</i>	Admin/office facilities, Custodial expenditure per square foot	\$0.93	\$ 0.93	\$ 0.93	\$ 0.93
	Admin/office facilities, Repair expenditure per square foot	\$0.55	\$ 0.56	\$ 0.53	\$ 0.51
	Departmental Expenditures as a % of General Fund	0.8%	1.6%	0.6%	0.7%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 15,586	\$ 15,931	\$ 16,829	\$ 898	\$ 17,101
Supplies	22,512	21,200	21,200	-	21,200
Other Services and Charges	146,829	163,004	152,413	(10,591)	152,956
Capital Outlay	-	-	-	-	-
Subtotal-Municipal Bldg.	56,989	344,653	58,588	(286,065)	61,413
Total	\$ 241,916	\$ 544,788	\$ 249,030	\$ (295,758)	\$ 252,670
Resources:					
General Fund	\$ 241,916	\$ 544,788	\$ 249,030	\$ (295,758)	\$ 252,670
Total	\$ 241,916	\$ 544,788	\$ 249,030	\$ (295,758)	\$ 252,670

Key Issues

- The budget is supported at the current service level.

Police Department

- The Police Department is the largest department with 68 full-time positions, including one Animal Control Officer, 17 part-time Crossing Guards, part-time Animal Control Support Worker and one part-time Record Clerk. The Department is responsible for:
- Establishing a safe environment for residents and businesses through community policing, crime suppression, maintaining order and responding to emergencies and calls for assistance;
- Solving crimes by successful investigation and prosecution; and
- Helping citizens who wish to become more involved and aware of methods of crime prevention in their community. Current volunteer groups include Police Reserves, Crisis Response Team, and Police Explorers, who are young people interested in law enforcement careers.

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
Police Chief	1	1	1	1
Deputy Police Chief	1	1	1	1
Lieutenants	4	4	4	4
Sergeants	9	9	9	9
Police Officers	36	36	38	37
School Liason Officer	0	0	0	2
Administrative Secretary	1	1	1	1
Information Systems Specialist	1	1	1	1
Office Assistant II	2	2	2	2
Police Service Assistants	10	10	10	10
Animal Control Officer	1	1	1	1
Total Full-Time	66	66	68	68
Crossing Guards	17	17	17	17
Animal Control Support	1	1	2	2
Records Clerk	1	1	1	1

Accomplishments

Public Safety:

- Purchased and replaced five (5) new police vehicles.
- Increased the hours of the part-time Animal Shelter Assistants.
- Replaced the police officers handguns and provided additional training to all officers.
- All other objectives are still in process and have not been completed. COVID-19 has slowed us down with everything including hiring.

Objectives

Public Safety:

- Continue hiring process as planned adding two (2) new School Resource Officers (2023 Strategic Plan 1.3.b)
- Purchase and replace five(5) police and administrative vehicles.
- Replacing aging infrastructure such as heating/cooling, drain pipes, tile flooring and carpeting. Includes dispatch area (2023 strategic plan 1.2.c).
- Replace in-car radar devices.

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
Input	Expenditures, police personnel and overtime (including support charged to department)	\$ 9,060,816	\$ 9,184,021	\$ 9,994,659	\$ 10,015,735
	Expenditures: Sworn police overtime	\$ 725,046	\$ 442,001	\$ 442,001	\$ 442,001
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$ 8,335,770	\$ 8,742,020	\$ 9,552,658	\$ 9,573,734
	Sworn Police FTEs (Budgeted)	52	52	52	52
	Sworn Police FTEs per 1,000 pop	1.8	1.8	1.8	1.8
Output	Dispatch calls/initiated actions: Total Police Responses	30,000	30,000	32,545	33,000
	Injury: producing traffic accidents	225	225	275	275
	Moving violation citations issued (excluding DUIs)	4,250	4,250	4,198	4,200
	Number of accidents involving fatalities	0	0	0	0
	DUI Arrests	125	125	116	120
Outcome	Complaints against sworn police personnel: Excessive force	0	0	1	0
	Complaints against sworn police personnel: Excessive force, sustained	0	0	0	0
	Complaints against sworn police personnel: Total	0	0	4	0
	Complaints sustained against sworn personnel: Total	0	0	1	0
Efficiency	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	1,000.0	1,000	1,085	1,100
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	612	612	612	612
	Dispatch calls/initiated actions: Total police department expenditures per total police response	\$364	\$364	\$364	\$364
	Department Expenditures as a % of General Fund	37.3%	34.4%	30.7%	35.6%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 10,235,005	\$ 10,467,247	\$ 11,337,086	\$ 869,839	\$ 11,380,094
Supplies	265,114	123,092	126,600	3,508	127,200
Other Services and Charges	562,575	612,053	709,027	96,974	672,142
Capital Outlay	372,691	688,290	429,491	(258,799)	347,991
Total	\$ 11,435,385	\$ 11,890,682	\$ 12,602,204	\$ 711,522	\$ 12,527,427
Resources:					
Animal Control and Pound	\$ 8,273	\$ 8,500	\$ 8,500	\$ -	\$ 8,500
Liquor License Inspections	28,794	34,030	27,000	(7,030)	27,000
Law Enforcement Grants	30,265	7,000	7,000	-	7,000
Police Miscellaneous	166,742	126,000	126,000	-	126,000
Police & Fire Pension Millage	2,551,842	2,854,388	4,056,992	1,202,604	3,836,610
General Fund	8,649,469	8,860,764	8,376,712	(484,052)	8,522,317
Total	\$ 11,435,385	\$ 11,890,682	\$ 12,602,204	\$ 711,522	\$ 12,527,427

Key Issues

- Personnel services increased due to the addition of two school liaison officers and an additional contribution to the pension system of \$1.1 million. This contribution is offset by the reduction of retiree health care and expense that resulted from moving retiree health care premiums to the retiree health care trust.

Fire Department

The Fire Department consists of 30 licensed paramedics of whom 21 are Firefighters, 6 are Sergeants, and 3 are Lieutenants. In addition, staff also includes 2 employees in fire prevention/administration, plus one full time clerical position. The Department is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
Fire Chief	1	1	1	1
Fire Marshal	1	1	1	1
Captains	3	3	3	3
Lieutenants	6	6	6	6
Firefighters	21	21	21	21
Fiscal Assistant II	1	1	1	1
Total Full-Time	33	33	33	33
Total Employees	33	33	33	33

Accomplishments

Public Safety:

- Reponded to 5,024 emergency calls for service; an increase of 11% over the previous year.
- Transported 2,666 patients to local hospitals; an increase of 14% over the previous year.
- Purchased a new ambulance to be housed at Fire Station 1.
- Completed a feasibility study to replace or renovate Fire Station #2.

Resource Management

- Support one Lieutenant's successful completion of EMU's Fire Staff and Command Executive Leadership Program.
- Hired four new Firefighter/Paramedics.
- Awarded a \$108,000 Federal Emergency Management Agency, Assistance to Firefighter Grant for the implementation of a firefighter health and wellness program.
- Implemented an EMS customer service survey to improve and benchmark our delivery of EMS service.

Objectives

Public Safety:

- Adoption of the 2021 International Fire Code.
- Train all employees to the American Heart Association Pediatric Advanced Life Support (PALS) certification.
- Submitted a \$1.3 million dollar Federal Emergency Management Agency, Assistance to Firefighter grant for the purchase of a new ladder truck.
- Evaluate manufacturers of Self Contained Breathing Apparatus (SCBA) to determine the preferred SCBA for purchase.
- Place into service a new public safety emergency communication radio system.
- Oversee the building renovation and construction project at Fire Station 2 (2023 Strategic Plan Item 2.1.b)
- Coordinate annual safety drills for various emergency situations at public buildings (2023 Strategic Plan Item 1.4.a)

Resource Management:

- Support one Lieutenant attending Eastern Michigan University, Fire Staff and Command.
- Hire five new Firefighter/Paramedics.
- Guide the newly hired firefighters through their probationary period.
- Certify three firefighters as Peer Fitness Trainers.
- Explore the opportunity to advance the department recruitment of future firefighter/Paramedics
- Train two Lieutenants to the State of Michigan Fire Officer II certification.
- Raise awareness of local hazards and emergency situations through online communication and newsletter info (2023 Strategic Plan 1.4.b).
- Develop plan to include Fire Station #2 renovations with the Civic Center project (2023 Strategic Plan 2.1.b).

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to department)	\$ 5,638,943	\$ 5,870,592	\$ 6,192,188	\$ 6,322,411
	Expenditures, Fire/EMS Personnel: Sworn	\$ 5,565,024	\$ 5,792,800	\$ 6,113,578	\$ 6,241,667
	Expenditures: Sworn Fire/EMS personnel, OT only	\$ 334,647	\$ 162,455	\$ 162,455	\$ 162,455
Output	EMS: Number of ALS Responses	1,964	2,240	2,300	2,350
	EMS: Total BLS and ALS Responses	3,127	3,400	3,475	3,550
	Inspections: Commercial/Industrial Occupancies Inspected	478	500	475	475
	EMS: Total BLS and ALS Transports	2,454	2,840	2,900	2,950
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	94%	92%	95%	95%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	38%	40%	45%	45%
	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	97%	97%	95%	95%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%	100%	100%
	Total BLS and ALS responses per 1,000 of population	1.08	1.13	1.15	1.2
	Total Fire/EMS personnel and operations expenditures per capita	\$6,399,377	\$6,512,909	\$6,881,292	\$7,036,719
	Number of total Fire Department (Fire and EMS) responses per suppression FTE	\$191	\$173	\$173	\$173
	Department Expenditures as % of General Fund	21.7%	21.2%	18.3%	21.4%

Financial Summary

				Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023		
Personnel Services	\$ 5,638,943	\$ 5,870,592	\$ 6,192,188	\$ 321,596	\$ 6,322,411
Supplies	178,116	89,745	113,305	23,560	115,005
Other Services and Charges	582,318	552,572	575,799	23,227	599,303
Capital Outlay	267,444	810,721	639,697	(171,024)	474,197
Total	\$ 6,666,821	\$ 7,323,630	\$ 7,520,989	\$ 197,359	\$ 7,510,916
Resources:					
Ambulance & CPR Revenues	\$ 743,604	\$ 637,000	\$ 650,000	\$ (50,000)	\$ 650,000
Police & Fire Pension Millage	2,083,964	2,269,274	2,378,611	185,310	2,254,664
General Fund	3,839,253	4,417,356	4,492,378	62,049	4,606,252
Total	\$ 6,666,821	\$ 7,323,630	\$ 7,520,989	\$ 197,359	\$ 7,510,916

Key Issues

- This budget includes the third and fourth of five installment payments for a pumper #722 and phase one (1) and two (2) funding for an ambulance rescue replacement.
- Personnel services increased due to additional pension contributions of \$732,000. This contribution is offset by reduction of retiree health care expenses that resulted from moving retiree health care premiums to the retiree health care trust.

Community and Economic Development

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

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
Community and Economic Development Director	1	1	1	1
Building Official (Contracted 2015-16)	0	0	0	0
Economic Development Supervisor	0	0	0	0
Administrative Secretary	1	1	1	1
GIS/CDD Technician	1	1	1	1
GIS/Multimedia Specialist	0	0	0	0
Planner	0	1	1	1
Office/CDBG Assistant	1	1	1	1
Code Enforcement Officer (Non-CDBG)	1	2	2	2
Total Full-Time	6	5	6	6
Code Enforcement Officer	1	1	1	1
Total Part-Time	1	1	1	1
Total Employees	7	7	7	7

Accomplishments

Public Safety:

- Staff applied for and provided a total of \$80,064 to local businesses through the Restaurant Relief Program offered by Oakland County. The program provided funding for heaters, enclosures and other products to help restaurants provide outdoor dining during COVID restrictions that was coupled with City Council adopting temporary outdoor seating provisions to support this activity.
- Issued an RFP and started the process of a comprehensive zoning ordinance rewrite to incorporate MEDC best practices that will bring us closer to becoming a Redevelopment Ready Communities (RRC) certified community (2022 Strategic Planning 4.1b).
- Submitted the CDBG Annual Application to Oakland County adding Minor Home Repair and Mobile Home Minor Home Repair programs (2022 Strategic Planning Item 1.1b)
- CED Staff, Planning Commission & City Council adopted 7 text amendments to our zoning ordinance to better accommodate new business uses and improving the ease of use for developers. Some of these changes of our ordinance meet best practices that will bring us closer to becoming a Redevelopment Ready Communities (RRC) certified community (Strategic Planning Item 4.1b)

Objectives

- Use CDBG funded Minor Home Repair and Mobile Home Minor Home Repair programs through to support focused neighborhood improvements (Public Safety 1.1b).
- Implement training for Code Enforcement Officers through attendance at Michigan Association of Code Enforcement Officers (Strategic Planning Item 4.1c).
- Creation of a formal Economic Development and Marketing Plan (Strategic Planning Item 4.1d).
- Establish a formal process to promote local business as part of the City's ongoing communication and outreach efforts (Strategic Planning Item 4.1e).
- Continue Code Enforcement improvements with regular training through Michigan Association of Code Enforcement Officers (2023 Strategic Plan 1.1.a).

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
Input	Valuation of commercial/industrial construction: Regular	\$16,504,018	\$10,000,000	\$8,000,000	\$8,000,000
	Valuation of residential construction	\$7,238,310	\$5,000,000	\$5,000,000	\$5,000,000
	Expenditures: Code Enforcement personnel and operations *	\$81,484	\$142,364	\$145,607	\$145,607
	Expenditures: Development inspection, personnel and operations **	\$1,053,836	\$1,092,088	\$1,138,451	\$1,162,471
Output	Code Enforcement: Total Cases Initiated ***	3,411	894	3,500	3,500
	# of Building Permits issued: Commercial	129	250	400	400
	# of Building Permits issued : Residential	704	102	700	700
Outcome	Vacancy Rate: Industrial	3.2%	2.5%	3.0%	3%
	Vacancy Rate: Office	7.7%	8.0%	7.0%	7%
	Vacancy Rate: Retail	1.5%	2.0%	3.0%	3%
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	3.4%	3.2%	2.8%	3.3%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 426,417	\$ 441,362	\$ 535,644	\$ 94,282	\$ 541,343
Supplies	20,812	7,800	7,800	-	7,800
Other Services and Charges	576,933	592,926	545,007	(47,919)	563,328
Capital Outlay	\$ 29,674	\$ 50,000	\$ 50,000	-	\$ 50,000
Total	\$ 1,053,836	\$ 1,092,088	\$ 1,138,451	\$ 46,363	\$ 1,162,471
Resources:					
Occupational Licenses	\$ 249,638	\$ 220,000	\$ 220,000	\$ -	\$ 220,000
Other Permits	94,682	60,000	60,000	-	60,000
Building Permits	1,035,874	565,000	600,000	35,000	600,000
Engineering Fees	79,217	153,500	76,000	(77,500)	76,000
Planning Fees	33,150	15,000	21,250	6,250	21,250
GIS Services	10,710	7,500	7,500	-	7,500
General Fund	15,000	71,088	153,701	82,613	177,721
Total	\$ 1,518,271	\$ 1,092,088	\$ 1,138,451	\$ 46,363	\$ 1,162,471

Key Issues

- The changes in Personnel Services and other services and charges are due to the addition of a full-time in house planner replacing the contracted planning services.

Streets Division

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 2021 neighborhood and major road repair and reconstruction programs by creating and providing signs, barricades, storage facilities, debris removal, etc.
- Continued as regional leader in snow removal, reducing costs and improving efficiency by using brine, underbody scrapers, wing plows, and v-body inserts as part of the snow fighting arsenal.
- Repainted all traffic pavement markings throughout the entire city.
- Planted 156 trees as a result of construction projects, the Neighborhood Street Tree Replacement Program, and an OakSTEM grant (2021 Strategic Planning Item 3.3a)
- 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:

- 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.
- Continue to review and update web pages and City media information, to eliminate outdated information and keep the content fresh and engaging.
- 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.
- Manage the tree program for new trees and tree replacements (2023 Strategic Planning Item 6.1.d)
- Monitor performance of the cold rubber road repair contractor (Simiron) and product.

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
<i>Input</i>	Expenditures on paved sidewalks (operations and capital)	\$ 320,281	\$ 24,931	\$ 30,000	\$ 30,000
	Annual Streetlighting Expense	\$ 929,136	\$ 444,000	\$ 466,200	\$ 489,510
<i>Efficiency</i>	Expenditures, paved road rehabilitation, per total paved lane miles	\$ 15,048	\$ 9,408	\$ 9,959	\$ 9,377
	Department Expenditures as a % of General Fund	4.2%	3.3%	2.7%	3.4%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 16,053	\$ 17,266	\$ 18,161	\$ 895	\$ 18,434
Supplies	6,125	3,600	3,450	(150)	3,500
Other Services and Charges	1,263,304	720,859	823,720	102,861	857,452
Capital Outlay	-	391,769	260,000	(131,769)	320,000
Total	\$ 1,285,482	\$ 1,133,494	\$ 1,105,331	\$ (28,163)	\$ 1,199,386
Resources:					
Weed Mowing	\$ 36,416	\$ 40,000	\$ 50,000	\$ 10,000	\$ 50,000
Brush Chipping	5,950	6,500	7,500	1,000	7,500
General Fund	1,243,116	1,086,994	1,047,831	(39,163)	1,141,886
Total	\$ 1,285,482	\$ 1,133,494	\$ 1,105,331	\$ (28,163)	\$ 1,199,386

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.

Solid Waste Division

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 multiple tree trimming/pruning requests along with annual sectional winter trimming/pruning by Branch Tree Service and DPS personnel
- Completed removal of 28 dead trees or diseased trees year-to-date, and proactively removed and replaced 63 trees from City construction projects.
- DPS has sold 36 recycling bins and 116 boxes of garbage bags year-to-date.
- The GFL cart program continues to be successful, with steady interest from residents.

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. (2023 Strategic Plan 6.1.i)
- Continue to hold the DPS Spring Clean-Up Day and Free Brush Chipping Week to reduce rat harborages in the City, reducing calls to Code Enforcement for rodent issues.

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
<i>Input</i>	Expenditures for Recycling	\$ 287,097	\$294,274	\$ 301,631	\$ 309,172
<i>Output</i>	Residential recycling: Tons collected	1,003.00	1,100.00	1,200.00	1,200.00
	Yard Waste Tons Collected: Composted	1,433.00	1,800.00	2,000.00	2,000.00
<i>Efficiency</i>	Street sweeping expenditures per lane mile	532.62	466.95	550	560
	Department Expenditures as a % of the General Fund	8.1%	9.0%	7.3%	8.7%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 72,774	\$ 76,237	\$ 75,239	\$ (998)	\$ 76,575
Supplies	24,303	17,727	18,924	1,197	19,600
Other Services and Charges	2,373,644	2,532,718	2,605,650	72,932	2,671,586
Capital Outlay	-	470,000	300,000	(170,000)	300,000
Total	\$ 2,470,721	\$ 3,096,682	\$ 2,999,813	\$ (96,869)	\$ 3,067,761
Indirect Costs	365,000	365,000	365,000	-	365,000
Resources:					
Solid Waste Millage	\$ 2,197,810	\$ 2,251,126	\$ 2,387,398	\$ 74,673	\$ 2,440,068
General Fund	637,911	1,210,556	977,415	(171,542)	992,693
Total	\$ 2,835,721	\$ 3,461,682	\$ 3,364,813	\$ (96,869)	\$ 3,432,761

Key Issues

- The Budget is supported at the current service level.

Recreation Division

The Recreation Division of the Department of Public Services consists of a part-time coordinator, 25 seasonal part-time positions and many contracted recreation specialists. The Recreation Division is responsible for:

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

Personnel Summary	2020-21	2021-22	2022-23	2023-24
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	13	8	8	8
Camp Staff	7	10	10	10
Lifeguard	1	1	1	1
Adult Program Supervisor	2	2	2	2
Youth Program Supervisor	1	2	2	2
Recreation Intern	1	1	1	1
Total Part-Time	26	25	25	25
Total Employees	27	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. (2021 Strategic Planning Item 3.2.6).
- Updated Parks and Recreation Master Plan, to include Americans with Disabilities Act (ADA) improvements and a plan for the park system. Installed three new ADA accessible structures in our parks.(2020 Action Item 4.1d).
- Increased Social Media presence by regular use of Facebook page for 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 1,500 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 covered over a majority of event costs.
- Continued building Day Camp program to offer full summer of opportunities to meet families needs.
- Offered more programs with lower minimum participation requirements, leading to more successful programs and fewer cancellations.
- Offered new low-cost programs and events to reach more families such as family game nights, a pumpkin carving event, and letters to Santa.
- Offered a new virtual programming to help our families that were uncomfortable meeting in person during a pandemic.
- Expanded our existing programs and events to make them bigger and better. An example is the sold out Glow Golf Event.

Objectives

Quality of Life:

- The goal of Madison Heights Recreation is to provide its residents with a range of fun active and passive programs to further improve their quality of life. Promoting social, mental, and physical well-being to the citizens of Madison Heights through a variety of active and passive recreational programming.
- Analyzing program offerings for relevance, participation, cost effectiveness, and accessibility.
- Establish an organized comprehensive sponsorship program for all City Events (2022 Strategic plan item 3.3.c)
- Enhance quality of recreation programs provided by the City to support lifelong learning and skills development (2022 strategic plan item 3.3.e).

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
<i>Input</i>	New Programs introduced	13	21	12	12
	Recreation revenues	\$ 59,289	\$ 90,000	\$ 135,000	\$ 135,000
<i>Output</i>	Recreation Registrations	152	1,000	1,200	1,200
	Pavilion Rentals	79	85	90	100
<i>Efficiency</i>	Department Expenditures as a % of the General Fund	0.4%	0.8%	0.7%	0.9%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 90,382	\$ 158,788	\$ 173,532	\$ 14,744	\$ 175,096
Supplies	9,597	59,869	58,694	(1,175)	58,644
Other Services and Charges	15,358	72,790	72,802	12	72,824
Capital Outlay	-	-	-	-	-
Total	\$ 115,337	\$ 291,447	\$ 304,728	\$ 13,581	\$ 306,564
Resources:					
Recreation Fees	\$ 54,373	\$ 135,000	\$ 135,000	-	\$ 150,000
Recreation-Miscellaneous	29,391	4,000	5,000	1,000	5,000
General Fund	31,573	152,447	164,728	12,281	151,564
Total	\$ 115,337	\$ 291,447	\$ 304,728	\$ 13,281	\$ 306,564

Key Issues

- The budget is supported at current service levels.

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. On November 22, 2021 City Council approved a contract amendment including extension of the lease through December 31, 2046. 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:

- 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
- Aided in the promotion of the Red Oaks Nature Center, and other Red Oaks Parks within the City limits.
- Drafted a new 25 year lease agreement between the City and Oakland County Parks and Recreation, streamlining the capital improvement funding process, addressing the issue of differing fiscal years, and cleaning up obsolete language.

Objectives

Quality of Life:

- Continue promotion of OCPR programming and activities at the Red Oaks Nature Center and other Red Oaks parks.
- Continue collaboration on capital planning and improvements of the Red Oaks Nature Center facility.

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Other Services and Charges	10,425.00	8,400.00	9,600.00	1,200.00	9,672.00
Capital Outlay	-	55,000.00	50,000.00	(5,000.00)	50,000.00
Total	\$ 10,425	\$ 63,400	\$ 59,600	\$ (3,800)	\$ 59,672
Resources:					
General Fund	\$ 10,425	\$ 63,400	\$ 59,600	\$ (3,800)	\$ 59,672
Total	\$ 10,425	\$ 63,400	\$ 59,600	\$ (3,800)	\$ 59,672

Key Issues

- In light of the financial difficulties created by failing property tax revenues, the City was forced to lay off paid staff at the Nature Center on June 30, 2010. During FY 2013, a 25-year lease agreement was achieved with Oakland County Parks and Recreation (OCPR) Office, which became effective October 1, 2012, allowing them to assume operations of the Nature Center and Suarez Friendship Woods.
- The arrangement between the City and OCPR has proven and continued to be advantageous to both parties. In FY 2022, a new 25 year lease agreement was signed, simplifying the capital improvement process between the City and OCPR to both parties mutual benefit by capping the City's capital outlay contribution at \$50,000 per year.

Parks Division

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

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
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:

- Maintained the Parks system in a clean and sanitary state. The Parks continue to see significantly increased useage as a result of the COVID-19 pandemic, and subsequent closure of other recreational amenities.
- A variety of Capital projects were undertaken, including the replacement of the play structure at Edison Park and the Totscape at Civic Center Park, the addition of a play feature at Exchange Park, replacement of ballfield backstops at Greenleaf and Edison Parks, and replacement of fence at 12-Sherry Park. (Strategic Plan Item 3.2.a)
- With the City Manager's office, pursued multiple grant opportunities resulting in increased funding for park amenity replacement, approximately \$204,500.
- Successfully completed the KaBoom Play everywhere project, creating a pocket park/outdoor playscape at the Library (2021 Strategic Plan 3.1.c and 3.1.h).
- Excavated and planted the grant-funded Civic Center Rain Gardens.
- Continued involvement with a variety of City Recreation and private events through setup and event logistics and support, including the City's first Juneteenth event and Trail Tunes.
- Continued West Nile prevention measures.
- Ongoing inspections and repairs of playgrounds and playground equipment.

Objectives

Quality of Life:

- Continue West Nile Virus prevention measures, as funding allows.
- Continue planting trees at various parks, including a retooling of the Memorial Tree program to address several long-term maintenance concerns.
- Continue the addition and replacement of featured at various parks (benches, barbecues, drinking fountains, etc.) as funding allows.
- Continue to assist with ballfield/soccer maintenance through various seasons.
- Continue replacement of aged play structured 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 througuh 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.
- Develop a park assets management program for all park assets including condition assessment, lifecycle determinations, and preventative maintenance (2022 Strategic Planning 3.2.a).

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022-2023 Budget	2023-2024 Budget
	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
(> -	Department Expenditures as a % of General Fund	1.3%	3.2%	2.7%	3.7%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 27,995	\$ 29,826	\$ 32,335	\$ 2,509	\$ 32,722
Supplies	46,421	41,770	41,775	5	41,800
Other Services and Charges	294,342	310,039	319,581	9,542	324,701
Capital Outlay	29,900	708,557	706,000	(2,557)	894,000
Total	\$ 398,658	\$ 1,090,192	\$ 1,099,691	\$ 9,499	\$ 1,293,223
Resources:					
General Fund	\$ 398,658	\$ 1,090,192	\$ 1,099,691	\$ 9,499	\$ 1,293,223
Total	\$ 398,658	\$ 1,090,192	\$ 1,099,691	\$ 9,499	\$ 1,293,223

Key Issues

- This budget is supported at current service levels.

Through the strategic planning process the City has been able to focus budget efforts on improvements to the park system. Utilizing over \$200,000 in grants, we increased capital outlay expense from 29,900 in FY 2021 to \$708,558 with plans to sustain this funding level during FY 2023-2024.

Active Adult Division

The Active Adult Division of the Department of Public Services is staffed with one full-time Active Adult Center Coordinator, One fulltime Office Assistant, as well as part-time staff consisting of two Bus Drivers, three Chauffeur Drivers, one Program Assistant, and an Office Assistant. The Division is responsible for:

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
Active Adult Center Program Coordinator	1	1	1	1
Active Adult Center Program Assistant	1	1	1	1
Total Full-Time	2	2	2	2
Bus Driver/Chauffeur	5	5	5	5
Active Adult Center Program Assistant	1	1	1	1
Office Assistant	1	1	1	1
Total Part-Time	7	7	7	7
Total Employees	9	9	9	9

Accomplishments

- Raised \$3,740.20 throughout the year through fundraising events and donations to help cover extraneous equipment and programs at the Center.
- Rented the Active Adult Center 14 times grossing \$1,968.75 in revenue.
- Received SMART Cares Act grant and turned monies into free transportation for seniors through 2023 (or until \$23,040 runs out). An additional SMART Cares grant of \$4,800.00 purchased a three year lease of recreation software equipment use.
- Worked to offer our exercise equipment, computer use and pool table use free in 2022, by using donations in our escrow account to cover any expenses.
- Assisted 54 elderly, handicapped, and disabled residents through the Yard Services Program for lawn mowing (totaling 1458 cuts) saving seniors \$27,702 in expenses.
- Continued aiding 20 seniors in receiving Focus Hope commodity food each month, totaling 240 boxes of food.
- Continued busing seniors to various essential places such as the grocery store, doctor appointments, the bank and other locations.
- Completed 2,080 reassurance calls with seniors to check on their well-being, referring any concerns to appropriate family members or other agencies, hoping this intervention strategy will aid seniors to age in place.
- Converted our virtual and drive through classes and events to back in person.
- Revamped our monthly newsletter once again to be a resource directory, an at home activity book as well as an advertisement of in person events at the Center.
- Worked with sponsors to have all of our in person events free of charge to the seniors (sponsored by various agencies)
- Received donations of gift baskets, prizes for events and goodie bag items from various agencies to use for events and online Facebook trivia games.
- Assisted the Madison Heights food pantry by donating food and offering refrigerator and freezer space.

Objectives

- Encouraging our patrons to take care of the most important person in their life - themselves! Our classes and events this year will focus on supporting them in this effort- physically, emotionally, mentally, and spiritually.
- 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.
- Assist in planning for the Active Adult Ceter rebuild and move to the new location

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
<i>Input</i>	Two-way trips	3,018	5,000	11,000	11,000
	Bus Miles Traveled	10,937	10,000	20,000	20,000
<i>Output</i>	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	0.9%	1.7%	1.2%	1.2%

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 149,901	\$ 202,279	\$ 215,782	\$ 13,503	\$ 216,492
Supplies	24,874	128,830	129,567	737	129,592
Other Services and Charges	106,123	68,797	121,429	52,632	64,538
Capital Outlay	-	200,000	32,000	(168,000)	-
Total	\$ 280,898	\$ 599,906	\$ 498,778	\$ (101,128)	\$ 410,622
Indirect Costs	157,000	158,550	158,550	-	158,550
Resources:					
Senior Non-Program	\$ 5,794	\$ 3,000	\$ 4,500	\$ 1,500	\$ 4,500
Active Adult Center Rental	2,891	4,500	4,500	-	4,500
Senior Citizens Activities	12,266	75,000	85,000	10,000	100,000
Senior Center Millage	395,315	404,180	428,598	24,418	438,128
SMART	99,812	70,019	70,019	-	70,019
General Fund	(78,180)	201,757	64,711	(137,046)	(47,975)
Total	\$ 437,898	\$ 758,456	\$ 657,328	\$ (101,128)	\$ 569,172

Key Issues

- Capital outlay for FY 2023 includes \$32,000 for replacement of the senior van.
- FY 2022 included funding for replacement 40 passenger bus at \$200,000

Library

The Library is staffed by four full-time positions, a Library Director, a Library Coordinator, 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, 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	2020-21	2021-22	2022-23	2023-24
Library Director	1	1	1	1
Librarian	1	1	1	1
Library Coordinator	0	0	1	1
Library Technician	1	1	1	1
Total Full-Time	3	3	4	4
Adult Reference Librarian	1	1	1	1
Community Service Librarian	1	1	1	1
Youth Service Assistant	1	1	1	1
Circulation Assistant	1	1	1	1
Library Assistants	7	7	7	7
Total Part-Time	11	11	11	11
Total Employees	14	14	15	15

Accomplishments

Quality of Life:

- Continued to respond to COVID 19 Challenges with new procedures and adaptations of existing procedures.
- Made changes and updates to circulation staff procedures and trained staff in the same to help improve accuracy and efficiency
- Began billing patron accounts for fees under \$5.00 to allow them to accomplish tasks in one visit rather than them having to leave to get cash and return. Fees over \$5.00 can still be paid with a debit card through the TLN website.
- Reviewed and reevaluated magazines/periodicals to streamline the subscriptions offered in print vs electronic form.
- Began circulating Kindles with additional Wi-Fi hotspots.
- Hosted a successful summer movie in the park with Friends of the Library providing concessions, and offered several private theatre screenings with library card admission.
- Offered traditional Toddler Time sessions and held extra space a Fairy Tale Program on National Tell a Fairy Tale Day. Offered a Very Merry Bake Sale while hosting Ye Merry Carolers as a holiday offering on the Library's new patio, and successful series of virtual Tuesday night trivia.
- Worked with the Library Advisory Board on Books & Beats as part of the Art's Board's Trail Tunes event.
- Created additional independent study spaces with access to wall outlets when the library reopened
- Continued to expand digital titles and online resources with the addition of Freegal, the music streaming service and Beanstack for enhanced online reading challenge, Summer reading, etc.
- Purchased Adobe Creative Cloud software to increase technology accessibility by adding enhanced software to existing computers with programs that patrons may not purchase for individual use at home (Strategic Planning item 3.1.b)
- Worked with City Staff in implementing the features of the KaBoom! Grant, including a new library patio, interactive musical instruments, and an enhanced facade and library entrance which makes the library easily (and creatively) identifiable.

Objectives

Quality of Life:

- Create a welcoming atmosphere by working on the implementation of the civic center project which will include a comprehensive renovation of the Library to facilitate both building and operational use (Strategic Planning item (3.1.c)

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
Input	Expenditures, Library: E-Materials acquisition	\$28,854	\$34,485	\$43,485	\$43,485
	Expenditures, Library: Hard-copy materials acquisition	\$37,463	\$50,000	\$51,500	\$53,045
	Hours Paid: Library Staff	14,128	18,330	20,280	20,280
Output	Electronic Circulation per Capita	0.6	0.66	0.7	0.75
	Number of library visitors	5,289	31,700	40,000	45,500
	Library: Total reference transactions	4,046	6,500	7,000	7,000
Outcome	Library community involvement	*CRT, LAB, Historical, HREC, FOMHPL	*CRT, LAB, Historical, HREC, FOMHPL	*CRT, LAB, Historical,HREC, FOMHPL	*CRT, LAB, Historical, HREC, FOMHPL
	Library: Hours worked by volunteers	140	360	460	460
	Expenditures, Library: Online resources acquisition/subscription (OUD, Mango, RBT)	37815	34485	31854	33100
Efficiency	Libraries: Circulation per capita	2.07	2.9	3.1	3.1
	Library visitation rate per capita	0.18	1.11	1.41	1.6
	Department Expenditures as a % of the General Fund	2.1%	3.0%	2.2%	2.6%

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

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 424,660	\$ 654,367	\$ 636,483	\$ (17,884)	\$ 654,297
Supplies	11,900	17,700	21,818	4,118	16,850
Other Services and Charges	112,156	133,118	142,985	9,867	146,209
Capital Outlay	83,843	228,345	112,098	(116,247)	113,749
Total	\$ 632,559	\$ 1,033,530	\$ 913,384	\$ (120,146)	\$ 931,105
Resources:					
State Library Aid	\$ 25,754	\$ 23,772	\$ 25,772	\$ 2,000	\$ 23,772
County Penal Fines	51,139	61,000	61,000	-	61,000
Book Fines	2,208	-	-	-	-
Copy/Print Fees	-	9,000	2,500	(6,500)	5,000
TLN USF E-Rate Rebate	4,363	4,363	4,363	-	4,363
General Fund	549,095	935,395	819,749	(115,646)	836,970
Total	\$ 632,559	\$ 1,033,530	\$ 913,384	\$ (120,146)	\$ 931,105

Key Issues

- FY 2023 a new Library Director was hired following the retirement of the former Director. This position is budgeted with new tier benefits.
- This budget is supported at current budget levels.

Insurance & Transfers

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Other Services and Charges	293,626	257,786	266,800	9,014	278,810
Transfers	-	-	6,547,195	-	431,500
Total	\$ 293,626	\$ 257,786	\$ 6,813,995	\$ 9,014	\$ 710,310
Resources:					
General Fund	\$ 293,626	\$ 257,786	\$ 6,813,995	\$ 9,014	\$ 710,310
Total	\$ 293,626	\$ 257,786	\$ 6,813,995	\$ 9,014	\$ 710,310

Key Issues

- For the last 30 years, the City has been a member of the Michigan Municipal Risk Management Authority's (MMRMA) Liability and Casualty Insurance Pool. Given the absence of the need to generate a profit and the efforts of members to reduce risk, the Authority provides the City with coverage at reduced rates over the private sector and coverage in some areas that are not available through private insurance. MMRMA buys re-insurance from international firms for higher claims and self-insurance for lower ones. Based on the City's solid history the decision was made to increase the Stop Loss from \$400,000 to \$900,000 at the beginning of FY 2017 resulting in annual premiums being \$366,382 under budget for FY 2017. \$250,000 of this savings was required to be deposited into the City's loss fund with the MMRMA. The budget for FY 2023 insurance rates has not been finalized; but the budget includes a modest increase of 4%, over FY 2022 actual.
- Transfers in FY 2023 included \$6.2 million for the Civic Center Plaza and Fire Station #2 Projects.

Pension Obligation Debt Service

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

Financial Summary

	Actual 2020-2021	Estimate 2021-2022	Budget 2022-2023	Increase (Decrease) FY 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Other Services and Charges	880	440	880	440	880
Issuance of Debt	-	-	-	-	-
Debt Service	1,028,302	1,026,618	1,027,399	781	1,026,163
Transfers	-	-	-	-	-
Total	\$ 1,029,182	\$ 1,027,058	\$ 1,028,279	\$ 1,221	\$ 1,027,043
Resources:					
General Fund	\$ 1,029,182	\$ 1,027,058	\$ 1,028,279	\$ 1,221	\$ 1,027,043
Total	\$ 1,029,182	\$ 1,027,058	\$ 1,028,279	\$ 1,221	\$ 1,027,043

Key Issues

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

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

In FY 2017, the City successfully issued Pension Obligation Bonds (POBs) for the General Employees pension pursuant to Public Act 34 of 2001 and a resolution adopted by City Council on March 28, 2016. When analysis was completed on issuing POBs it was determined that the City would experience savings of approximately \$4 million over a 16 year period if the bonds sold with a true interest cost of 4.2% and investment earnings average 5.2%. These bonds sold in September 2016 with a true interest cost of 3.12% well below the City's expectations of 4.2%, this will lead to greater savings than expected over the long-term. Debt payments budgeted in FY 2023 for POB principal and interest are \$1.18 million. With this contribution the City's General Employees pension is considered 93% funded on an actuarial value basis.



OTHER FUNDS

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

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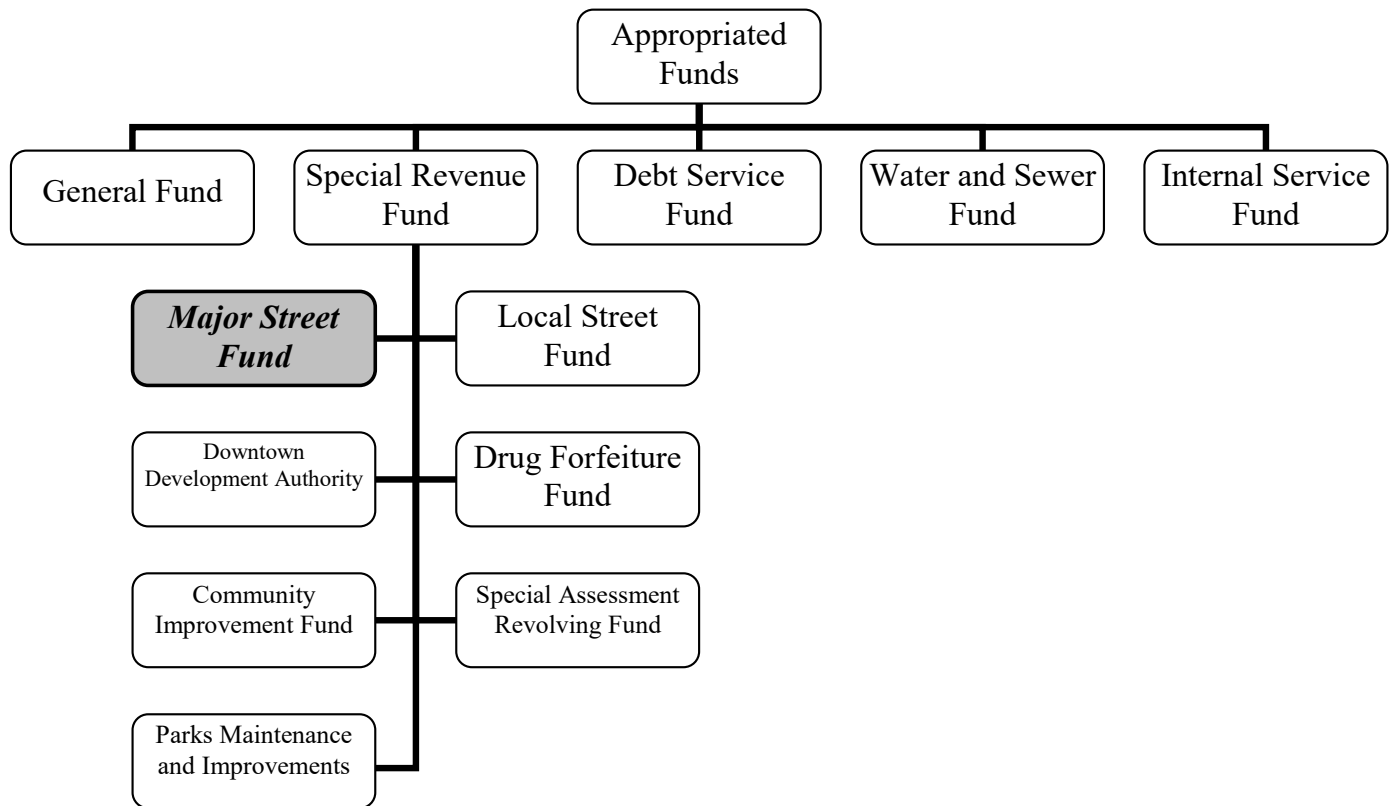
Major Street Fund

Statement of Services

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

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

Organizational Fund Structure



Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Construction	\$ 2,097,851	\$ 1,351,000	\$ 1,025,000	\$ (326,000)	\$ 950,000
Maintenance	61,424	219,490	163,332	(56,158)	214,953
Traffic Services	113,509	155,994	158,769	2,775	154,308
Winter Maintenance	77,347	369,809	199,468	(170,341)	199,978
Administration	9,217	10,080	10,484	-	10,647
County Roads	92,803	104,017	98,206	(5,811)	98,745
Transfers	250,000	300,000	300,000	-	300,000
Total	\$ 2,702,151	\$ 2,510,390	\$ 1,955,259	\$ (555,535)	\$ 1,928,631
Resources:					
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
State	2,300,602	2,451,193	2,425,224	(25,969)	2,491,266
County	217,092	143,649	78,919	(64,730)	78,919
Transfers	-	-	-	-	-
Fund Balance	184,457	(120,452)	(548,884)	(428,432)	(641,554)
Total	\$ 2,702,151	\$ 2,474,390	\$ 1,955,259	\$ (519,131)	1,928,631
Fund Balance	\$ 1,312,395	\$ 1,468,847	\$ 2,017,731	\$ 548,884	\$ 2,659,285

Key Issues

- State revenues are projected to decrease by \$25,969. This is based on MDOT's projections of revenues from fuel tax increases and vehicle registration fees in the State Restricted Revenue package. For more details, see the Budget Overview Chapter.
- Rehabilitation work is budgeted at \$1,025,000 for sectional concrete replacement on the following streets:
- Phase funding for John R overlay, 11 Mile to 12 1/2 Mile, and Park Court - 11 mile to Connie

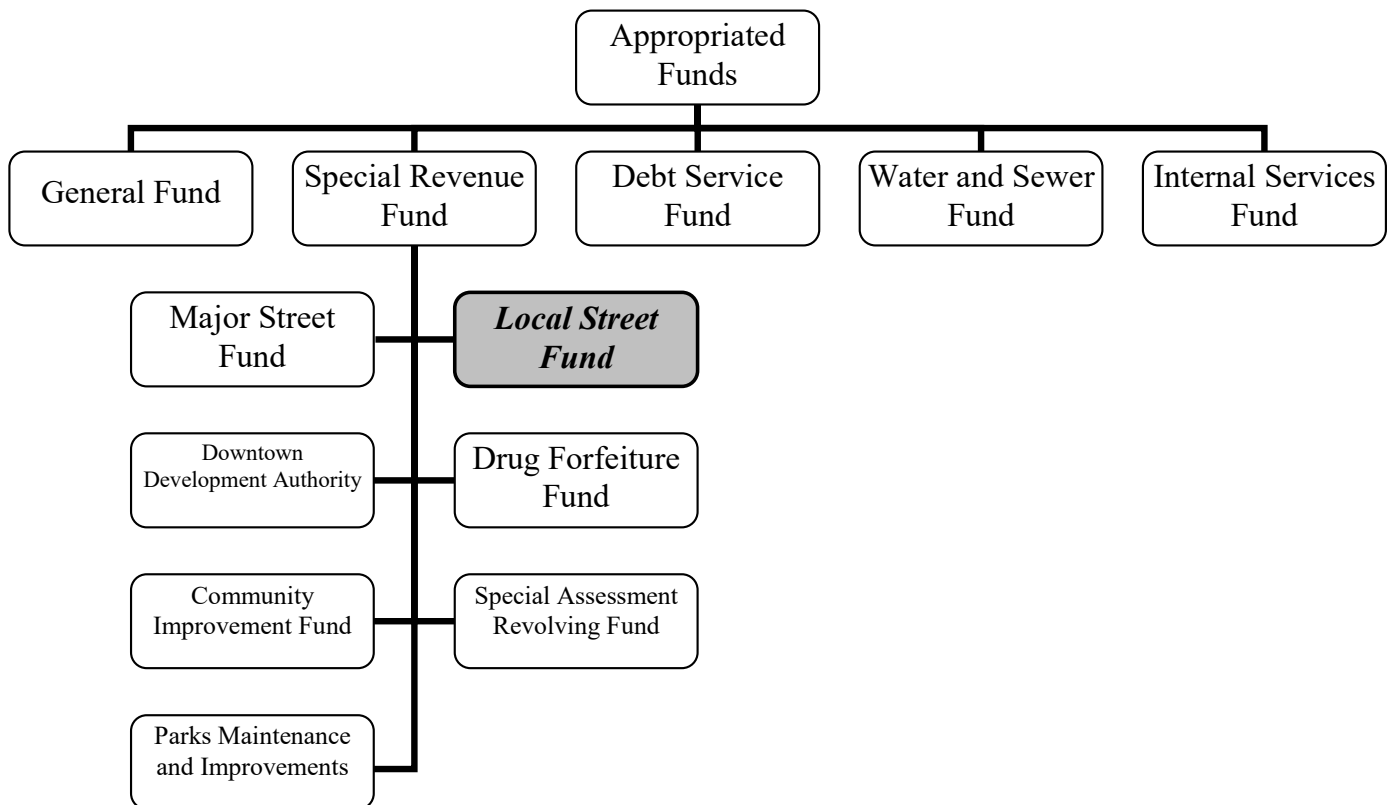
Local Street Fund

Statement of Services

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

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

Organizational Fund Structure



Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Construction	\$ 2,958,155	\$ 1,846,000	\$ 2,321,000	\$ -	\$ 2,200,500
Maintenance	200,322	317,620	306,921	(10,699)	308,352
Traffic Services	88,285	188,996	155,775	(33,221)	157,585
Winter Maintenance	71,866	70,543	66,413	(4,130)	66,984
Administration	5,917	9,851	8,988	-	9,342
Transfers	-	-	-	-	-
Total	\$ 3,324,545	\$ 2,433,010	\$ 2,859,097	\$ (48,050)	\$ 2,742,763
Resources:					
Property Taxes	\$ 1,664,492	\$ 1,701,795	\$ 1,718,796	\$ 17,001	\$ 1,742,148
Intergovernmental - State	1,166,617	1,145,085	1,138,232	(6,853)	1,163,510
Miscellaneous	11,054	15,000	5,000	(10,000)	5,000
Transfers	250,000	300,000	300,000	-	300,000
Fund Balance	232,382	(728,870)	(302,931)	425,939	(467,895)
Total	\$ 3,324,545	\$ 2,433,010	\$ 2,859,097	\$ 426,087	\$ 2,742,763
Non-Proposal "R" Fund Balance	\$ (16,486)	\$ 494,780	\$ 667,855	\$ 657,990	\$ 844,237
Proposal "R" Fund Balance	\$ 2,638,280	\$ 1,894,654	\$ 2,450,449	\$ 2,763,245	\$ 3,044,893

Key Issues

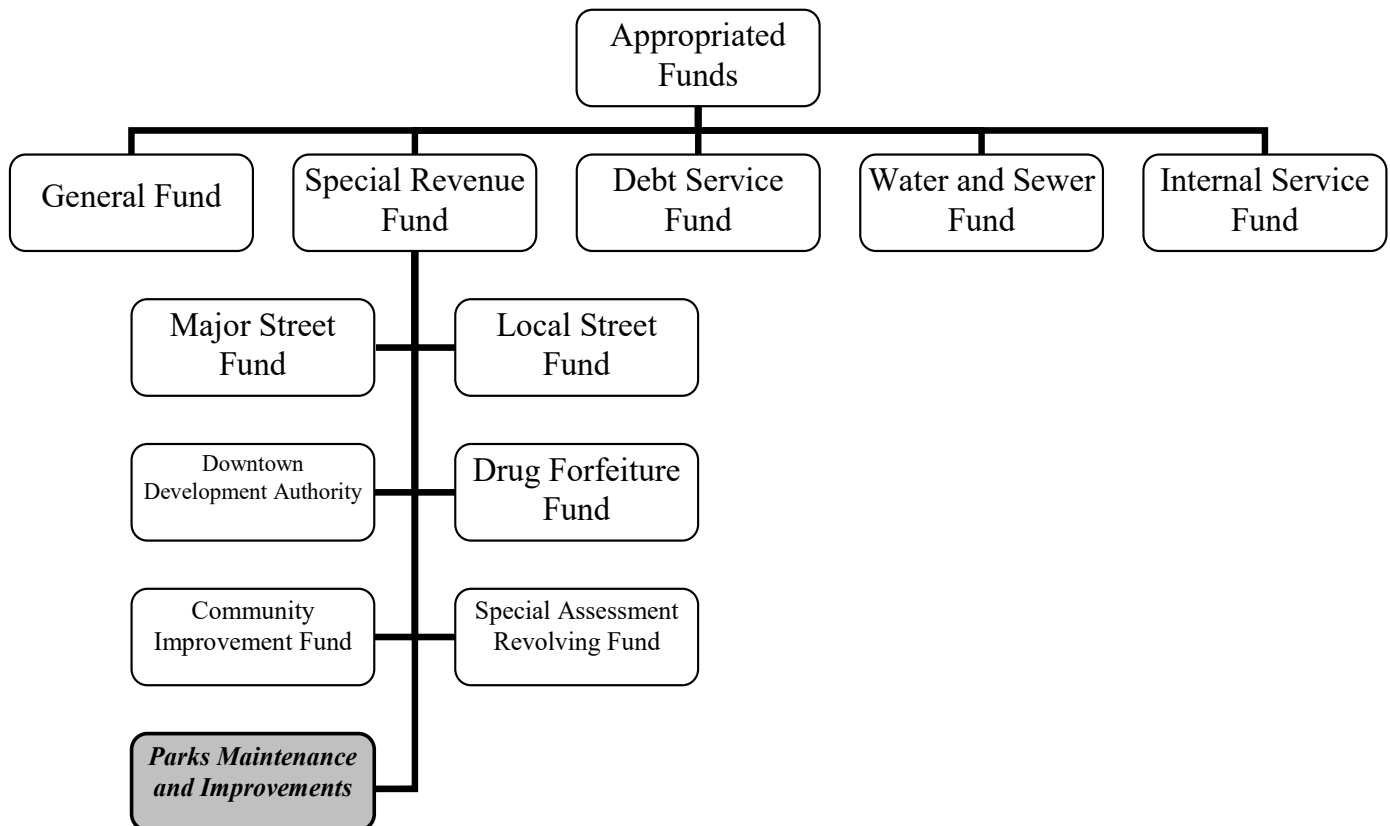
- Public Act 51 revenues are projected to decrease by \$6,853 based on MDOT's projections of revenues from fuel tax and registration fee increases in the State Restricted Revenue package. For more details, see the Budget Overview.
- The Local Street Fund accounts for expenditures associated with the 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 2023 include portions of: Greig, Palmer Street, and Brush Street.

Parks Maintenance and Improvements

Statement of Services

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

Organizational Fund Structure



Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Maintenance	\$ 40,455	\$ 38,215	\$ 43,246	\$ 5,031	\$ 44,220
Transfers	-	-	-	-	-
Total	\$ 40,455	\$ 38,215	\$ 43,246	\$ 5,031	\$ 44,220
Resources:					
Interest/Miscellaneous	\$ 151,322	\$ 34,000	\$ 43,246	\$ 9,246	\$ 44,220
County Shared Revenues	-	-	-	-	-
Fund Balance	-	4,215	-	(4,215)	-
Total	\$ 151,322	\$ 38,215	\$ 43,246	\$ 5,031	\$ 44,220

Key Issues

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

Downtown Development Authority

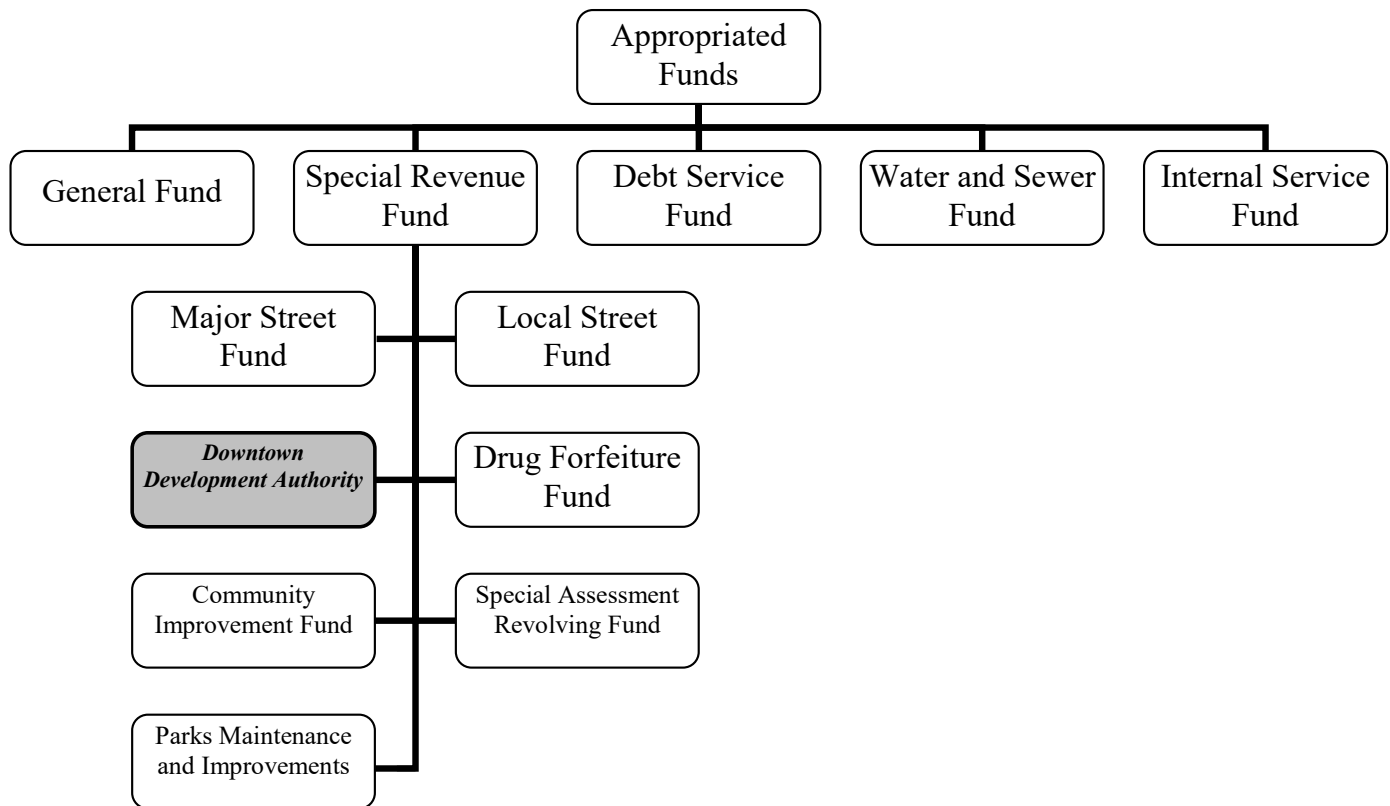
Statement of Services

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

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

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

Organizational Fund Structure



Accomplishments

Resource Management:

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

Objectives

Resource Management:

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

Financial Summary

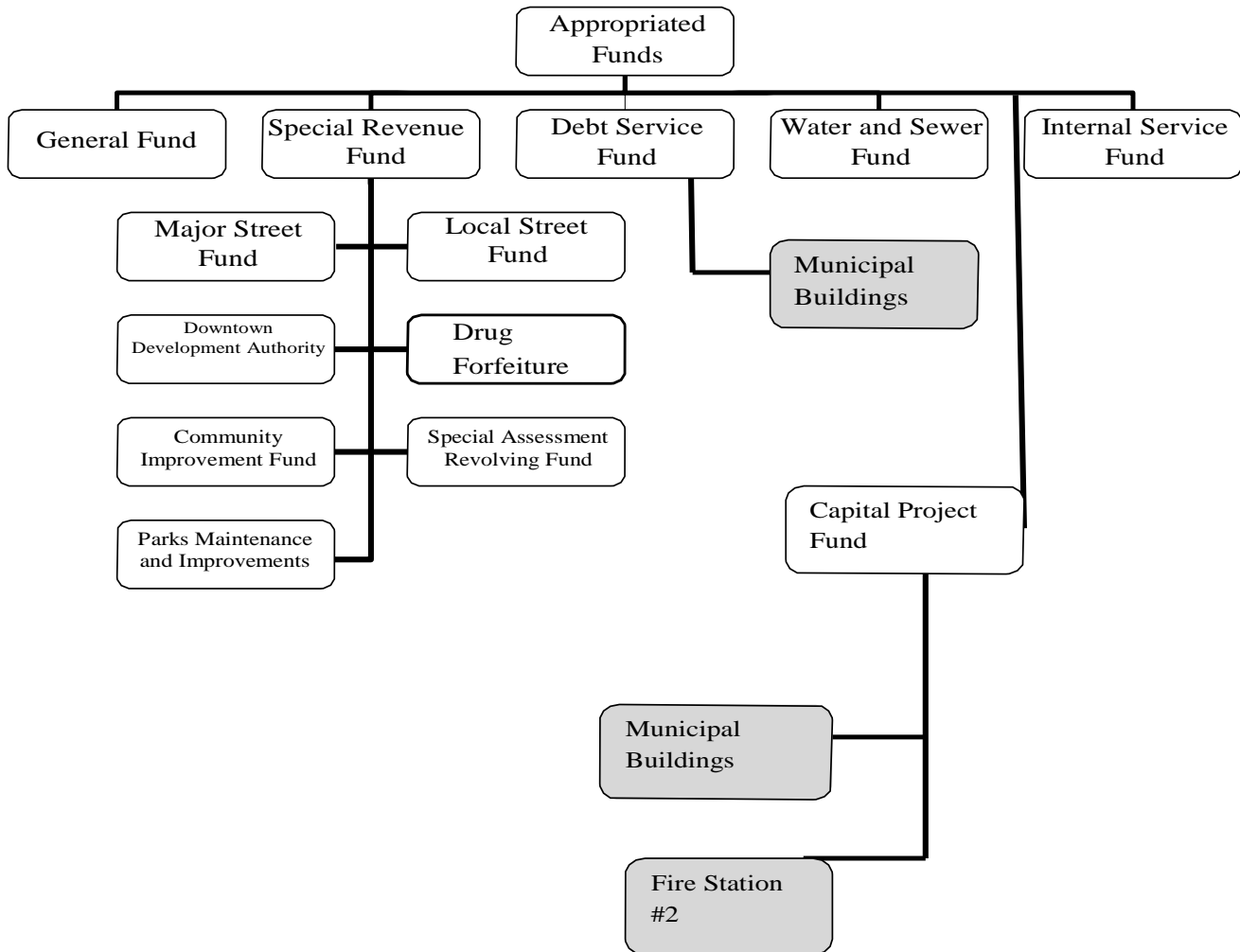
	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Other Services and Charges	\$ 28,248	\$ 48,968	\$ 52,390	\$ 3,422	\$ 72,390
Capital Outlay	0	35,000	55,000	20,000	55,000
Transfers	10,000	22,053	21,869	(184)	22,050
Total	\$ 38,248	\$ 106,021	\$ 129,259	\$ 23,238	\$ 149,440
Resources:					
Property Taxes	\$ 44,022	\$ 42,700	\$ 60,624	\$ 17,924	\$ 62,358
State Shared Revenues	35,213	35,213	35,213	-	35,213
Interest/Miscellaneous	3,341	500	250	(250)	250
Fund Balance	-	27,608	33,172	5,564	51,619
Total	\$ 82,576	\$ 106,021	\$ 129,259	\$ 23,238	\$ 149,440
Fund Balance	\$ 176,979	\$ 149,371	\$ 116,199	\$ (33,172)	\$ 64,580

Key Issues

- The FY 2022-23 Budget includes the following major expenditures:
 - \$35,000 Acquisition
 - \$5,000 Sign Grant
 - \$5,000 Tree Program (\$5,000 grant match)
 - \$10,000 Facade Improvement
 - \$20,000 Area improvements (Banners, Gateway Signage)

Municipal Buildings Construction and Bond Fund

Organizational Fund Structure



- The Municipal Bond and Capital Improvement funds are new funds this 2022-2023 fiscal year. Municipal Bonds were issues in May 2022 for the construction project at the Civic Center Complex. The Active Adult Center will be sold and relocated to the municipal civic center with a new building located between City Hall and the Library. Renovations will also occur in City Hall and the Library buildings. The Fire Station Fund will account for much needed renovations at Fire Station #2.

Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Other Services and Charges	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	275,000	275,000	431,500
Capital Outlay	-	-	12,772,195	-	-
Transfers	-	-	-	-	-
Total	\$ -	\$ -	\$ 13,047,195	\$ 275,000	\$ 431,500
Resources:					
Bond Proceeds	\$ -	\$ -	\$ 6,500,000	\$ 6,500,000	\$ -
Transfer In (General Fund)	-	-	6,547,195	6,547,195	431,500
Interest Earned	-	-	-	-	-
Fund Balance	-	-	-	-	-
Total	\$ -	\$ -	\$ 13,047,195	\$ 13,047,195	\$ 431,500

Key Issues

- The budget includes funding for the Civic Center Plaza and Fire Station #2 Project

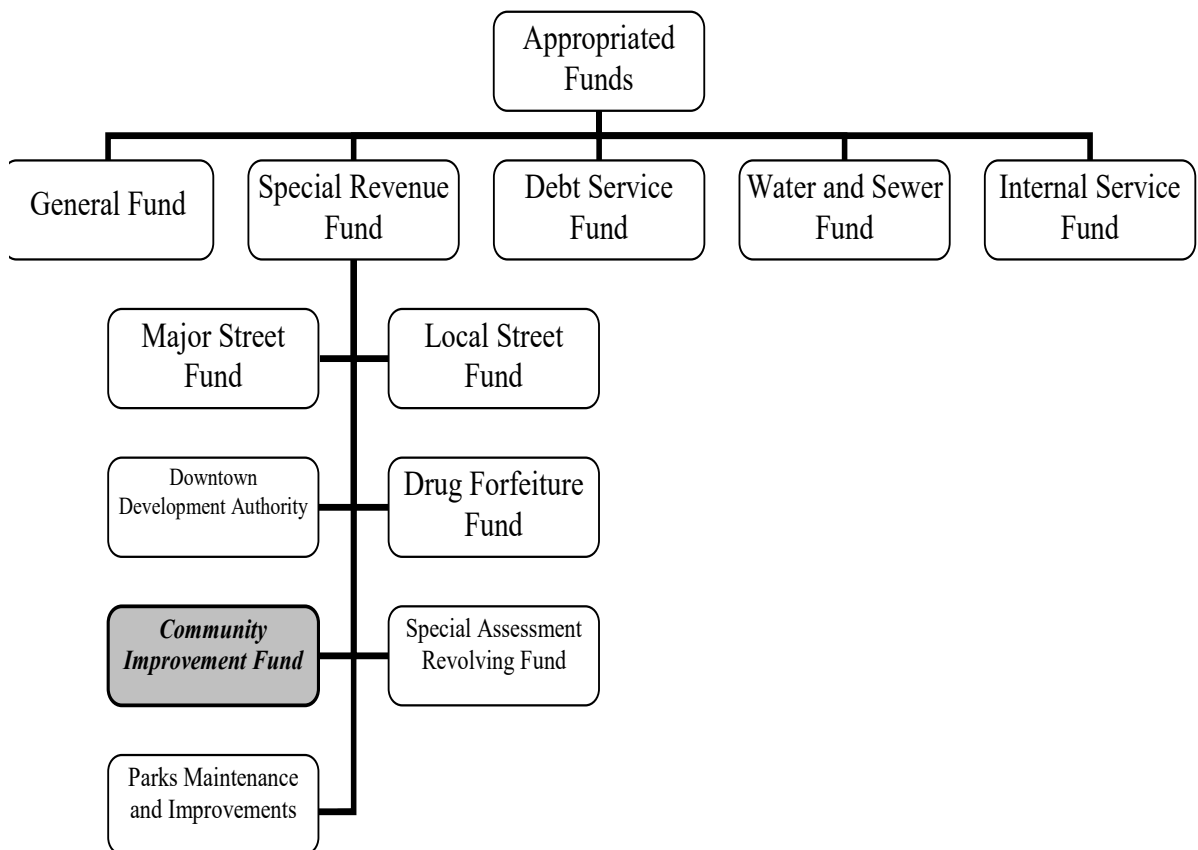
Community Improvement Fund

Statement of Services

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

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

Organizational Fund Structure



Accomplishments

Quality of Life:

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

Objectives

Quality of Life:

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

Performance Measures

	Actual 2018-19	Estimate 2019-20	Budget 2020-21	Increase (Decrease) FY 2019-20 to FY 2020-21	Budget 2021-2022
Performance Measures:					
<u>Workload Indicators</u>					
Participant Application	54	75	75	4	0%
Home Chore Assignments	1,108	1,100	1,000	(100)	(9.1)

Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 57,132	\$ 103,275	\$ 66,622	\$ (36,653)	\$ 71,368
Supplies	-	-	-	-	-
Other Services and Charges	24,352	39,089	78,985	39,896	74,239
Capital Outlay	-	-	-	-	-
Total	\$ 81,484	\$ 142,364	\$ 145,607	\$ 3,243	\$ 145,607
Resources:					
Community Develop. Grant	\$ 81,484	\$ 142,364	\$ 145,607	\$ 3,243	\$ 145,607
Fund Balance	-	-	-	-	-
Total	\$ 81,484	\$ 142,364	\$ 145,607	\$ 3,243	\$ 145,607

Key Issues

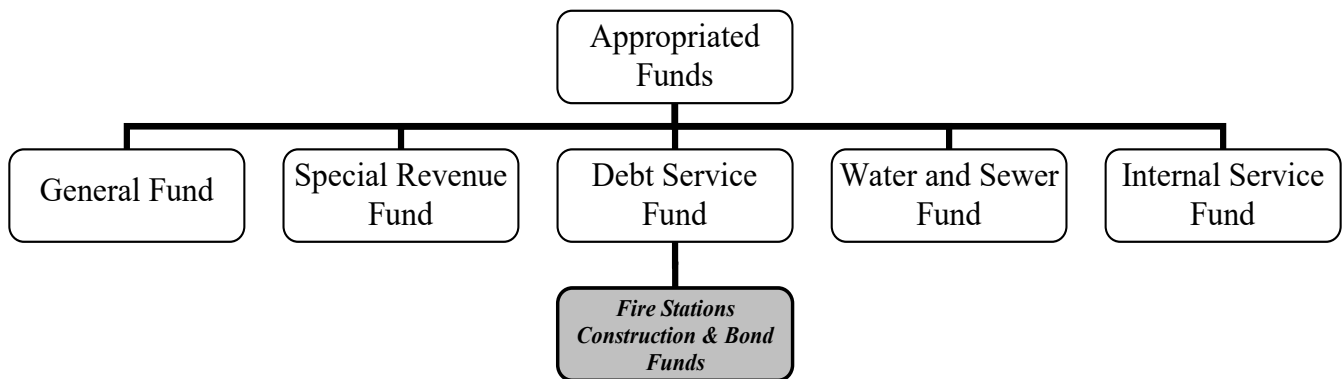
- The CDBG operation includes the following major expenditures: funding for one Code Enforcement Officer and a Home Chore Program, including mowing and limited fall clean up for seniors.
- FY 2023 services provided include lawn mowing and weed cutting and limited fall cleanup services, home and mobile home improvements.

Fire Stations Construction and Bond Funds

Statement of Services

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

Organizational Fund Structure



Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Other Services and Charges	\$ 803	\$ 1,209	\$ 1,164	\$ (45)	\$ -
Debt Service	449,795	446,720	458,550	11,830	-
Capital Outlay	-	-	-	-	-
Transfers	-	-	-	-	-
Total	\$ 450,598	\$ 447,929	\$ 459,714	\$ 11,785	\$ -
Resources:					
Property Taxes	\$ 421,265	\$ 446,763	\$ 409,886	\$ (36,877)	\$ -
State Shared Revenues	27,549	27,549	25,000	(2,549)	-
Interest Earned	-	-	-	-	-
Fund Balance	1,784	(26,383)	24,828	51,211	-
Total	\$ 450,598	\$ 447,929	\$ 459,714	\$ 11,785	\$ -

Key Issues

- On August 6, 2002, Madison Heights voters approved a proposal for the City to borrow \$5,926,000 and issue General Obligation Unlimited Tax Bonds, payable over the next 20 years for the cost of acquiring, constructing, furnishing and equipping a new fire station and related training tower, construction of a draft pit, demolition of the old Fire Station Headquarters, redevelopment of the Thirteen Mile frontage and rehabilitation of Station #2. Separate Construction and Debt Service Funds have been set up to record the actual project costs and the servicing of the bonds. The new Headquarters Fire Station opened in June 2004. The demolition of the old Fire Station and redevelopment of the Thirteen Mile Road frontage was completed in the Fall of 2004.
- In November of 2012, Council approved refinancing the Fire Station Bonds. This refinancing process allowed the City the ability to reduce the coupon interest rate, which was scheduled to increase from 3.0% to 4.0% over the next ten years, to a fixed 1.9%. This refinancing will save the taxpayers over \$321,000.
- The Fire Station Bond millage, like all voted debt issues, is not subject to the Headlee Amendment and Proposal A. The scheduled cost of the principal and interest payments is \$459,714 The budget also includes \$1,164 for audit services and paying agent fees.

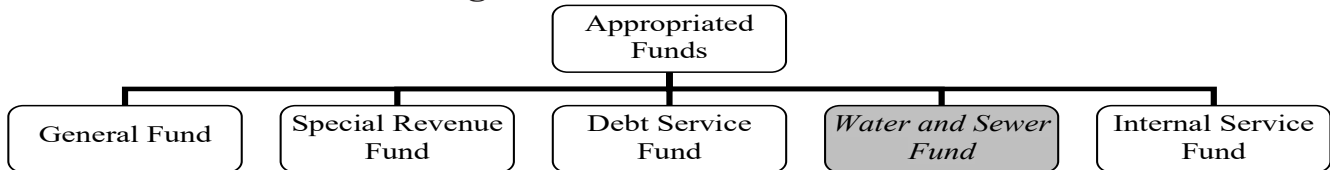
Water and Sewer Division

Statement of Services

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

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

Organizational Fund Structure



Accomplishments

Public Health:

- Repaired or replaced 50 curb boxes.
- Repaired and/or assisted on 32 water main breaks.
- Applied larvicide to over 2,000 residential catch basins to help fight West Nile Virus.
- Replaced 16 fire hydrants, and repaired 11 fire hydrants.
- Continued federally-mandated Disinfectant and Disinfection By-Product testing.
- Continued to monitor high volume commercial water accounts for meter repair or replacement based on consumption.
- Continued Lead Service replacement program at no cost to residents or business owners.
- Replaced 2,200 feet of water main on 2019 stand-alone projects.
- Cleaned catch basins on all major roads, and all catch basins on Year 4 thru Year 1 sanded only roads and prior water main project roads.
- Completed City-wide sanitary and combined sewer cleaning, televising, and assessment program under the SAW grant.
- Through additional funding in the Budget process, continue a more rigorous commercial cross connection monitoring program.
- Performed maintenance on and painted over 100 fire hydrants through a combined effort of volunteers and City forces.
- Substantial completion of citywide Commercial/Industrial water meter replacement.
- Began testing for the fourth Unregulated Contaminant Monitoring Rule (UCMR4).

Objectives

Public Health:

- Continue to cross-train employees on all job-related issues.
- Repeat City-wide leak detection study on all water mains to help eliminate water loss.
- Continue to monitor and test large commercial meters for accuracy.
- Continue with a fire hydrant painting and maintenance program.
- Continue the hydrant flushing and gate valve exercising program.
- Continue catch basin cleaning on major and local roads.
- Install water main in conjunction with 2020 "R-3" projects and identified stand-alone projects.
- Larvicide all residential City catch basins for West Nile prevention.
- Complete District 9 (commercial) meter replacement program.
- Complete replacement of all identified lead water service lines in the City.
- Implement a resident/business owner Utility Bill Portal.
- Continue working with GLWA to address the "hydraulic transient" issue. The resulting pressure spikes are responsible for multiple simultaneous water main breaks in our distribution system.
- Replace aged infrastructure at the Department of Public Services facility, including the Salt Dome, underground diesel and gasoline storage tanks, and identified concrete pavement.
- Perform repairs and maintenance on the sanitary sewer system as identified through the SAW Grant.
- Continue separation of combined sanitary sewer areas through the road replacement program.

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 Budget
<i>Input</i>	Curb boxes replaced	60	100	125	125
	Main break repairs	35	45	45	45
<i>Output</i>	New water main installed (in feet)	4,045	5,483	4,500	4,500
<i>Efficiency</i>	New water main installed (per lineal foot cost)	\$ 214.00	\$ 214.00	\$ 213.73	\$ 213.73

Key Issues

- The City is currently working with OHM Advisors on a rate study. Therefore rates are remaining unchanged for this proposed budget.

The FY 2023 Budget includes a continuation of water main replacement associated with the Proposal “R-3” road projects at 522,000 and non-R3 at 183,000

Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Water Charges	\$ 2,118,231	\$ 2,342,837	\$ 2,421,155	\$ 78,318	\$ 2,487,006
Water System Maintenance	(1,809,767)	750,882	836,569	85,687	851,269
Water Tapping & Installation	47,189	43,500	43,500	-	43,500
Water Depreciation	685,721	-	-	-	-
Sewage Disposal Charges	4,568,315	4,727,458	4,813,502	86,044	4,902,127
Sewer System Maintenance	471,675	538,343	597,053	58,710	611,283
Sewer Depreciation	717,142	-	-	-	-
General Service Building	203,193	189,275	194,992	5,717	199,653
General Administration	3,109,685	1,773,328	1,405,325	(368,003)	1,421,699
Capital Outlay	231,451	2,380,509	1,183,580	(1,196,929)	2,081,118
Debt Service	134,668	151,672	151,787	115	151,605
Total	\$ 10,477,503	\$ 12,897,804	\$ 11,647,463	\$ (1,250,341)	\$ 12,749,260
Resources:					
Sales: Water	\$ 4,765,543	\$ 4,655,870	\$ 4,655,870	\$ -	\$ 4,655,870
Property Taxes	886,898	-	-	-	-
Sales: Sewer	5,017,813	6,547,212	6,547,212	-	6,547,212
State Shared Revenues	-	-	-	-	-
Interest/Miscellaneous	93,187	228,800	205,800	(23,000)	213,800
Departmental Charges	109,720	119,700	115,000	(4,700)	115,000
Fund Balance	(395,658)	1,346,222	123,581	(1,222,641)	1,217,378
Transfers In	-	-	-	-	-
Retained Earnings *	-	-	-	-	-
Total	\$ 10,477,503	\$ 12,897,804	\$ 11,647,463	\$ (1,250,341)	\$ 12,749,260
Unrestricted Net Assets	\$ 2,398,280	\$ 1,052,058	\$ 928,477	\$ (123,581)	\$ (288,901)
Cash	\$ 6,146,306	\$ 4,800,084	\$ 4,676,503	\$ (123,581)	\$ 3,459,125

* The Water and Sewer Fund's retained earnings is not representative of cash in this business-type fund and includes accounts receivable, depreciation and inventory. At June 30, 2019, unrestricted retained position was \$5,547,552 and the cash balance was \$7.5 million.

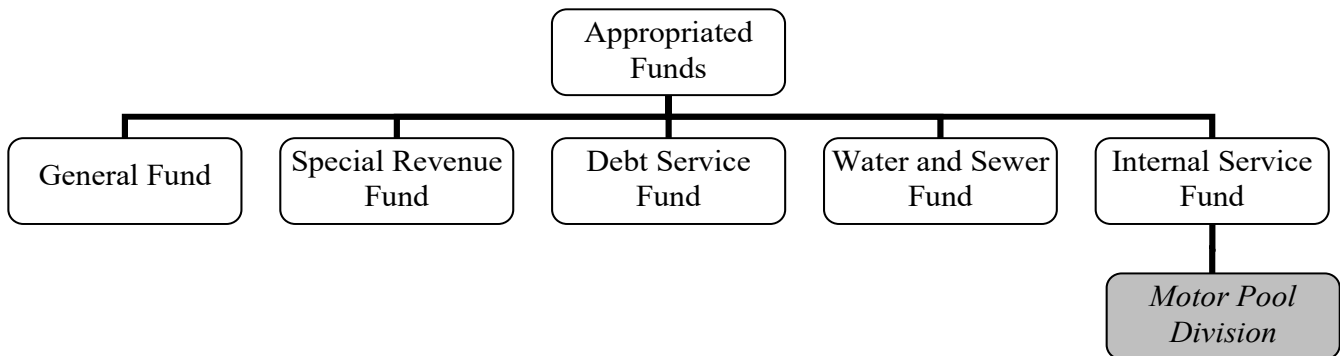
Motor Pool Division

Statement of Services

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

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

Organizational Fund Structure



Accomplishments

Resource Management:

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

Objectives

Resource Management:

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

Performance Measures

	Performance Indicators	2021 Actual	2022 Estimate	2022 -2023 Budget	2023-2024 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	1.7%	1.7%	1.3%	1.8%

Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 335,526	\$ 418,950	\$ 339,176	\$ (79,774)	\$ 361,561
Supplies	131,220	177,600	238,800	61,200	247,600
Other Services and Charges	470,026	403,936	416,235	12,299	444,345
Capital Outlay	-	-	-	-	-
Total	\$ 936,772	\$ 1,000,486	\$ 994,211	\$ (6,275)	\$ 1,053,506
Resources:					
Department Transfers	\$ 913,650	\$ 1,000,486	\$ 994,211	\$ (6,275)	\$ 1,053,506
Transfers-General Fund	-	-	-	-	-
Transfers-Water and Sewer	-	-	-	-	-
Fund Balance	23,122	-	-	-	-
Total	\$ 936,772	\$ 1,000,486	\$ 994,211	\$ (6,275)	\$ 1,053,506

Key Issues

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

Department of Public Services

Statement of Services

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

Organizational Structure and Staff

Personnel Summary	2020-21	2021-22	2022-23	2023-24
Supervisor	3	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	7	7	7	7
Administrative Secretary	1	1	1	1
Total Full-Time	22	22	22	22
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

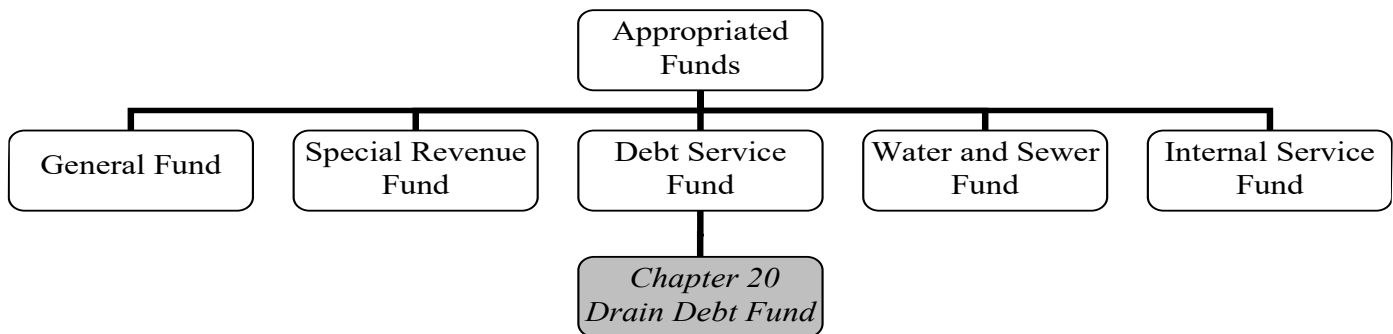
Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Personnel Services	\$ 1,794,377	\$ 2,143,450	\$ 2,240,215	\$ 96,765	\$ 2,296,218
Supplies	11,314	-	-	-	-
Other Services and Charges	2,880	4,044	4,044	-	4,044
Capital Outlay	-	-	-	-	-
Total	\$ 1,808,571	\$ 2,147,494	\$ 2,244,259	\$ 96,765	\$ 2,300,262
Resources:					
Transfers - General Fund	\$ 567,455	\$ 615,737	\$ 681,392	\$ 65,655	\$ 698,974
Transfers - Major Street	50,201	185,366	137,762	(47,604)	140,517
Transfers - Local Street	103,791	230,883	190,658	(40,225)	194,471
Transfers - Water and Sewer	1,028,037	1,115,508	1,234,447	118,939	1,266,300
Fund Balance	59,087	-	-	-	-
Total	\$ 1,808,571	\$ 2,147,494	\$ 2,244,259	\$ 96,765	\$ 2,300,262

Chapter 20 Drain Debt Service

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

Organizational Fund Structure



Financial Summary

	Actual 2020-21	Estimate 2021-22	Budget 2022-23	Increase (Decrease) 2021-22 to FY 2022-23	Budget 2023-24
Requirements:					
Debt Service	\$ -	\$ 882,944	\$ 899,454	\$ 16,460	\$ 893,262
Total	\$ -	\$ 882,944	\$ 899,454	\$ 16,460	\$ 893,262
Resources:					
Property Taxes	\$ -	\$ 885,069	\$ 899,454	\$ 16,460	\$ 893,262
Miscellaneous	-	-	-	-	-
Fund Balance	-	-	-	-	-
State Shared Revenue	-	-	-	-	-
Total	\$ -	\$ 885,069	\$ 899,454	\$ 16,460	\$ 893,262

Key Issues

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



FY 2022-27 CAPITAL IMPROVEMENT PLAN

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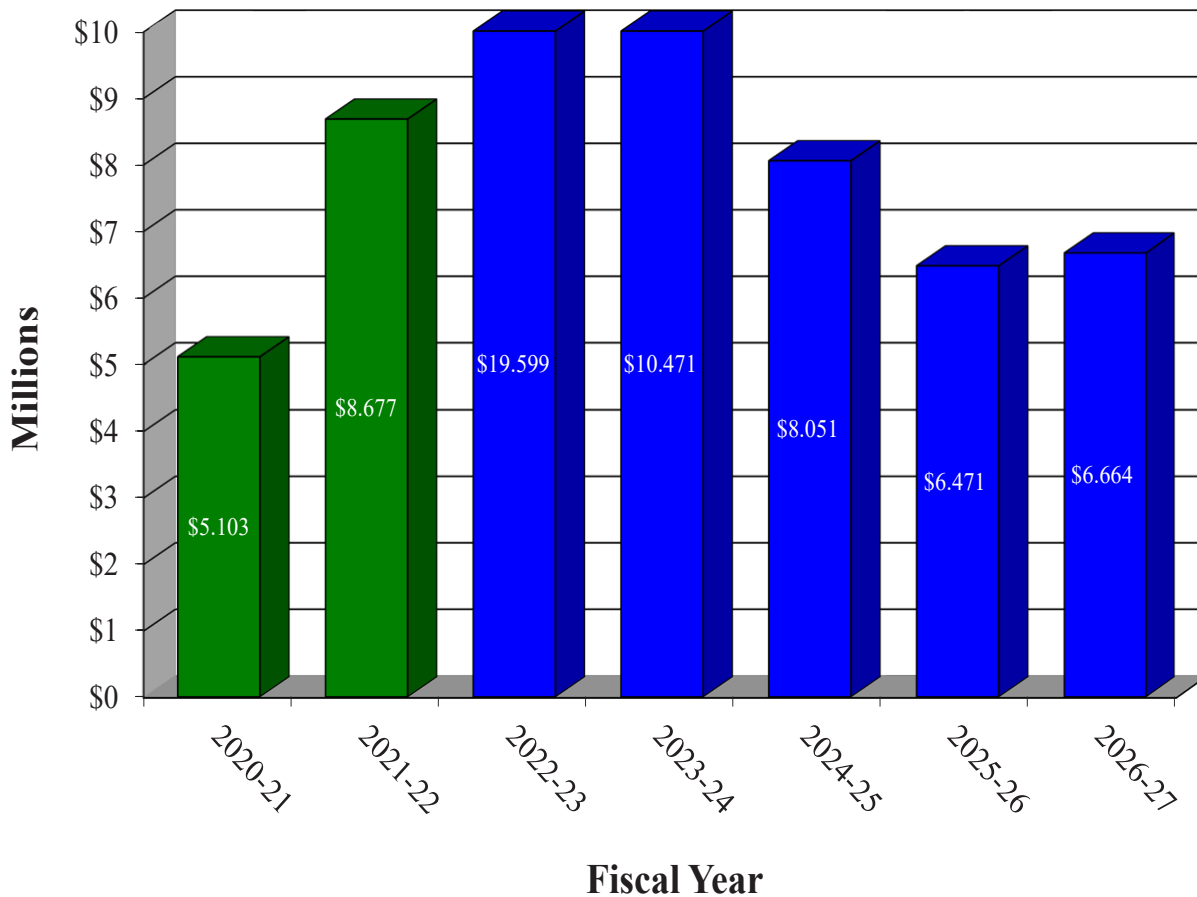
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CAPITAL IMPROVEMENT PLAN FY 2022-27

FY 2021-22 ESTIMATED



The largest category programmed during the Capital Improvement Plan is Road Improvements including non-R-3 road projects and equipment. This category has annual programmed expenditures from \$1.4 million to \$4.8 million over the current and next five year period. The plan also includes \$10.6 million in Proposal "R-3" Neighborhood Road Projects and \$6.3 million for Collection and Distribution Systems, and \$11.113 for General Government including the renovation/ rebuilding of the Civic Center Plaza (City Hall, Library, Active Adult Center).

PLAN OVERVIEW

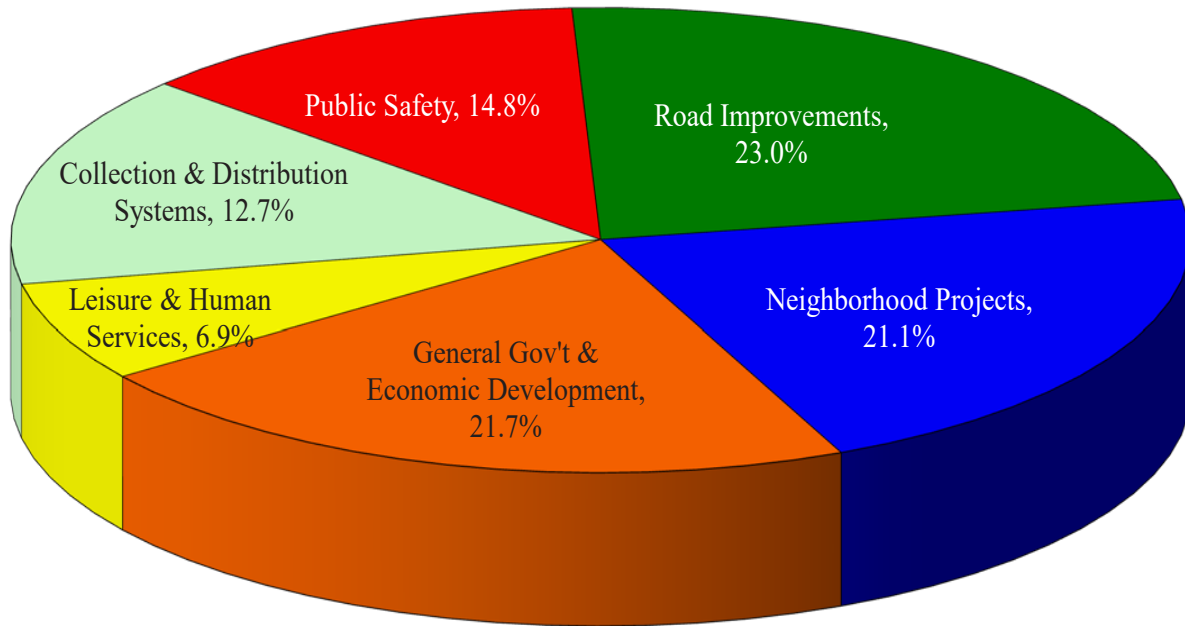
The FY 2022-27 Capital Improvement Plan totals \$51.3 million. The previous page's bar graph shows the scheduled appropriations by year. The Capital Improvement Plan, which is a consolidation of current-year and projects planned over the next five years, represents future capital improvement commitments consistent with the City's capital improvement policies. (See Table I - Financial Overview.)

The (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 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 strategic 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, or CDBG or MSHDA designated areas.

USE OF FUNDS

FY 2022-2027



Over forty-three percent of the Capital Improvement Plan is programmed for Road Improvements and Neighborhood Projects

TABLE I
FY 2022-27 CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
USE OF FUNDS
(IN THOUSANDS)

APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL APPROP.
Neighborhood Projects	III	\$ 1,652	\$ 1,483	\$ 2,144	\$ 1,653	\$ 2,414	\$ 2,108	\$ 2,491	\$ 10,810
Road Improvements	V	1,989	2,624	2,300	5,197	1,420	1,385	1,480	11,782
Collection & Distribution Sys.	VI	685	1,939	403	1,748	2,071	1,127	1,060	6,409
Public Safety	VIII	540	1,283	3,147	873	1,279	1,103	1,183	7,585
General Gov't & Economic Dev.	IX	87	380	10,817	56	80	80	80	11,113
Leisure & Human Services	X	150	968	788	944	787	668	370	3,557
TOTAL		\$ 5,103	\$ 8,677	\$ 19,599	\$ 10,471	\$ 8,051	\$ 6,471	\$ 6,664	\$ 51,256

Summary of Appropriations by Program

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

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

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

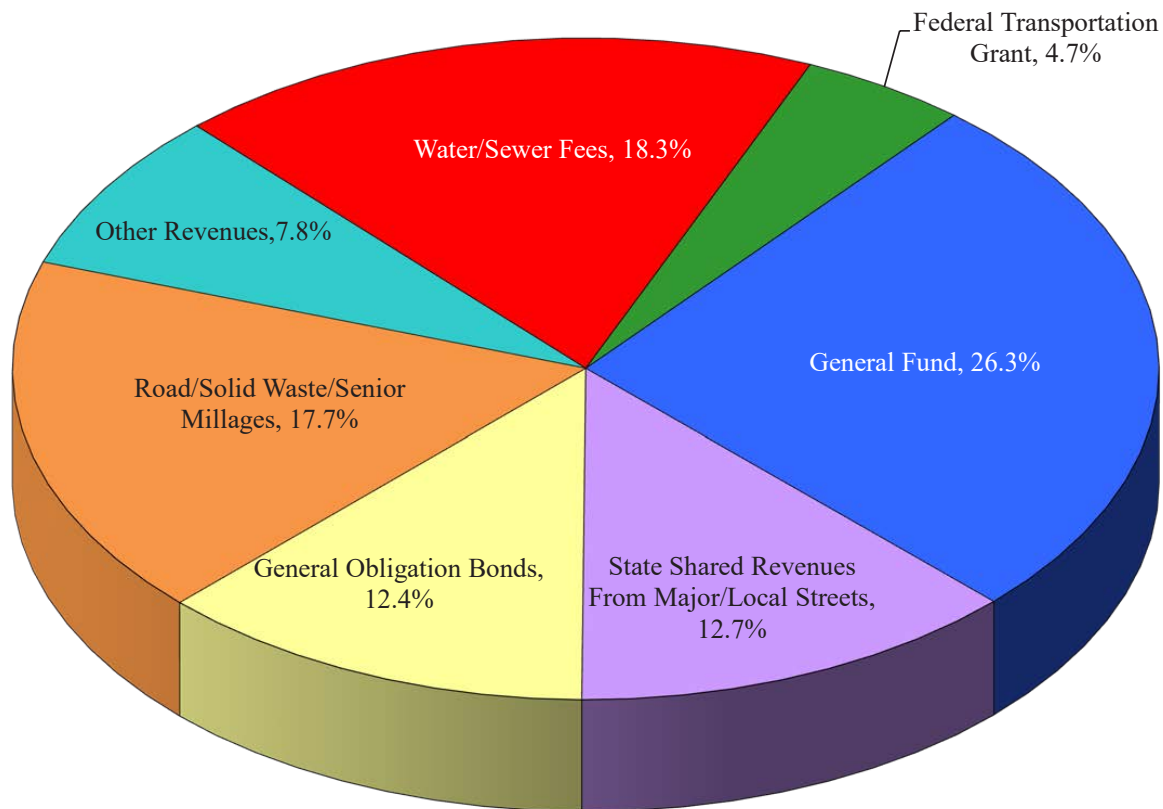
The planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Road Improvements	23
Neighborhood Projects	21.1
Collection & Distribution Systems	12.5
Public Safety	14.8
Leisure & Human Services	6.9
General Government & Economic Development	<u>21.7</u>
	100.0

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

SOURCE OF FUNDS

FY 2022-27



The Road, Solid Waste, and Senior millages, and Water and Sewer fees provide over thirty-five percent of the funding for the Capital Improvement Plan.

TABLE II
FY 2022-27 CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
SOURCE OF FUNDS
(IN THOUSANDS)

REVENUES:

	TABLE III NEIGHBOR. PROJECTS	TABLE V ROAD IMPROV.	TABLE VI COLLECTION & DIST. SYSTEMS	TABLE VIII PUBLIC SAFETY	TABLE IX GENERAL GOV'T & ECON. DEV.	TABLE X LEISURE & HUMAN SERVICES	TOTAL
Road/Solid Waste/Senior Millage	\$ 7,947	\$ 1,050	\$ 0	\$ 0	\$ 0	\$ 64	\$ 9,061
Water/Sewer Fees	2,863	0	6,409	0	96	0	9,368
General Fund	0	1,370	0	5,311	3,617	3,199	13,497
State Shared Revenues from Major/Local Streets	0	6,533	0	0	0	0	6,533
General Obligation Bonds	0	0	0	2,044	4,300	0	6,344
Federal Transportation Grant	0	2,429	0	0	0	0	2,429
Other Revenues							
Oakland County Parks & Recreation	0	0	0	0	0	294	294
Grants/Federal/State of Michigan	0	400	0	14	3,100	0	3,514
Drug Forfeiture Fund	0	0	0	216	0	0	216
TOTAL	\$ 10,810	\$ 11,782	\$ 6,409	\$ 7,585	\$ 11,113	\$ 3,557	\$ 51,256

Summary of Revenues by Source

The Capital Improvement Program is financed through a combination of tax and fee supported funds, State and Federal grants, pay-as-you-go projects, and long-term borrowing. The program's most significant revenue local sources are Roads, Solid Waste, and Senior Property Tax Millages, Water and Sewer Fees, the General Fund, and State Shared Revenues from Major and Local Streets, totaling \$38.2 million or 74.8 percent of the plan. Most of these funds will be needed for scheduled neighborhood road improvement projects and major road work. This is down significantly when compared to the past plan due to an increase of Grants (5.9 Million or 11.7 percent of the overall CIP) and the addition of General Obligation Bond funding (\$6.5 million or 12.7 percent of the overall CIP) being planned for the Civic Center Plaza and Fire Station #2 renovation projects. The FY 2023 Capital Improvement Plan totals \$11.6 million (Table I). A breakdown of revenues programmed in the FY 2022-27 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Water and Sewer Fees	18.3
Road/Solid Waste/ Senior Millage	17.7
General Fund	26.3
General Obligation Bond	12.4
State Shared Revenues from Major/Local Streets	12.7
Federal Transportation Grant	4.7
Other Revenues	<u>7.9</u>
	100.0

Revenue estimates are based on history or known estimates from other agencies such as Federal and State participation. Grants and other revenues from Federal, State and County governments include the City's allocation of American Rescue Funding for non-entitlement communities at 3.5 million. (The use of this funding is being planned for the Civic Center Plaza and Fire Station #2 renovation projects (see the General Government section of this CIP for more details regarding this project) Major and Local Streets State Shared Revenues serve as the source for the City's contribution to road construction and support road maintenance projects such as Industrial/Commercial road overlays, annual joint/crack sealing and sectional concrete replacement projects.

NEIGHBORHOOD PROJECTS

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

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

First Roads Millage Program Proposal R-1(1997-2006)

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

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

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

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

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

In allocating funds, the Neighborhood Road Improvement Millage has been dedicated to the street improvement and integrated storm sewer portion of the neighborhood projects. Water and Sewer Fund Revenues are used for the water main portion of the projects. Special Assessment Funds and Community Development Block Grant Funds were used both for roadway and storm water drain improvements. Finally, Chapter 20 Drain Refund Revenues were used exclusively for the neighborhood projects' storm water drain improvement portions. In January 1997, the staff proposed and the City Council adopted a Residential Road Improvement Policy to provide guidelines on how the Neighborhood Road Program would be administered. This Policy specifies the order in which road projects would be undertaken, the percent of Proposal "R-1" contributions that would be made to each project, specifics on how the project would address a special assessment district project, what would happen if a proposed special assessment project should be turned down, and the process to be followed if all the scheduled projects were completed and additional funds became available.

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

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

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

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

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

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

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

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

Proposal “R-2” generated \$21.8 million in revenue to support the ten year program presented in the Capital Improvement Plan. Due to the economic recession causing declining property values, this program’s funding is down \$5.8 million or 20.9% from the original April 2006 estimate. To close this funding gap, \$4.3 million in savings from the “R-1” was used to supplement the “R-2” program, and \$800,000 in sidewalk and sectional concrete replacements were dropped. In June 2006, the elements of this millage program were outlined to the residents as part of the public information campaign through the City newsletter.

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

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

Property owners on a sealcoat road have not paid an assessment in the past, and prior to the “R-1” program, they were responsible for 100 percent of the project cost. Under the original “R-1” program, they were only responsible for 50 percent of the project cost. The City reduced the "R-2" special assessment by one-half to twenty-five percent to make the projects more affordable for the average property owner. The special assessment program was eliminated with the passing of Proposal "R-3" millage proposal. The "R-2" road millage expired in FY 2017.

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

In August 2016, Madison Heights voters approved a new 2-mill R-3 Road Millage for ten years, beginning in 2018. The new millage program was included in the City's Adopted 2016-17 Goal Plan to evaluate, identify, prioritize, and create a new long-range, millage-based comprehensive "Proposal R-3" infrastructure replacement plan including roads, sewers, and sidewalks to take before the voters in 2016. Road projects scheduled under the new "R-3" Program began with the 2018 construction season and will run through the 2027 construction season (fiscal year 2028).

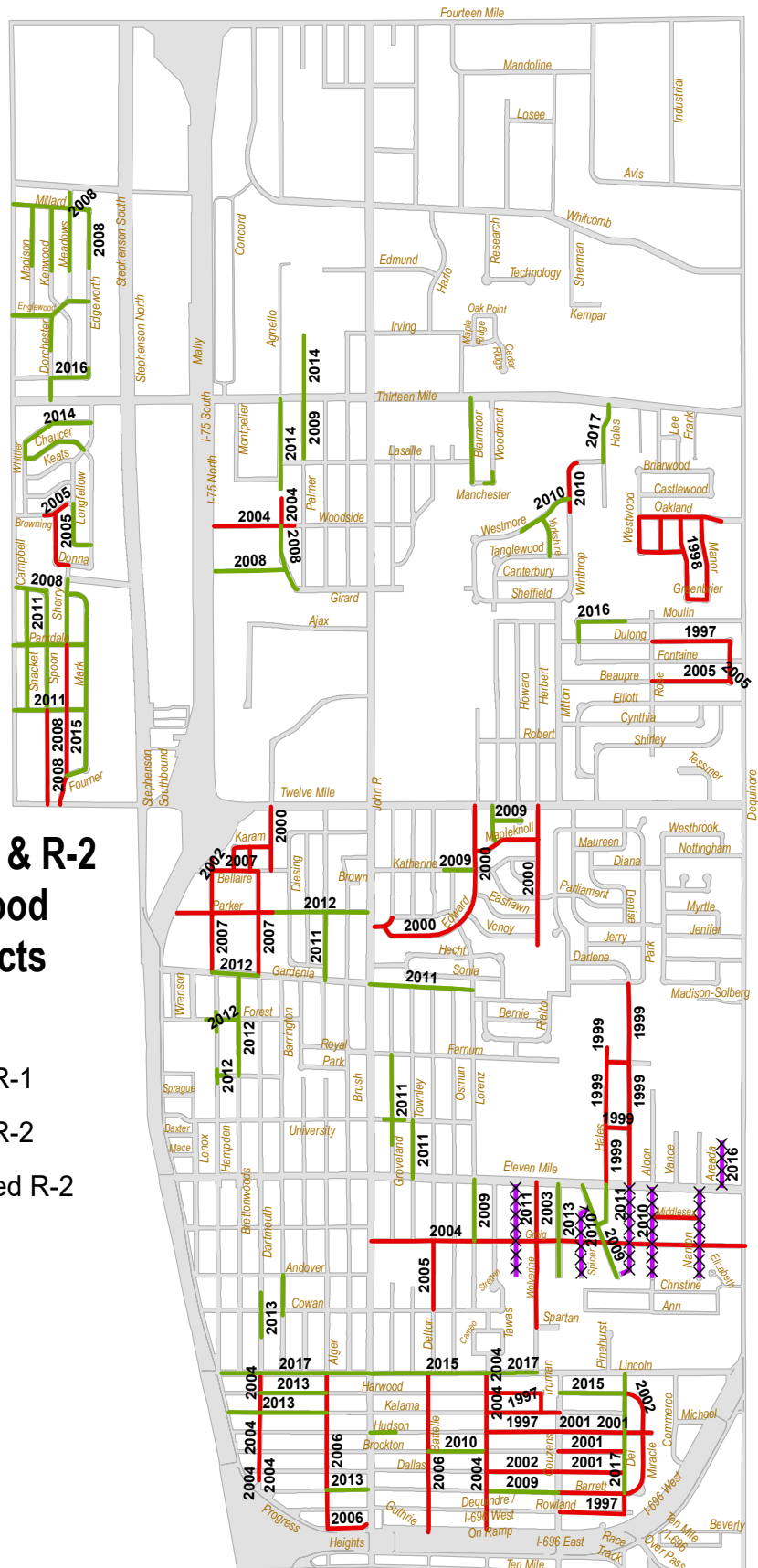
This CIP section contains appropriations and revenues for the recent and scheduled neighborhood road projects (Table III), a map depicting "R-1", "R-2", and "R-3" neighborhood road programs, and a detailed history of "R-1", "R-2" and "R-3" projects projects (Table IV-A, IV-B, IV-C).

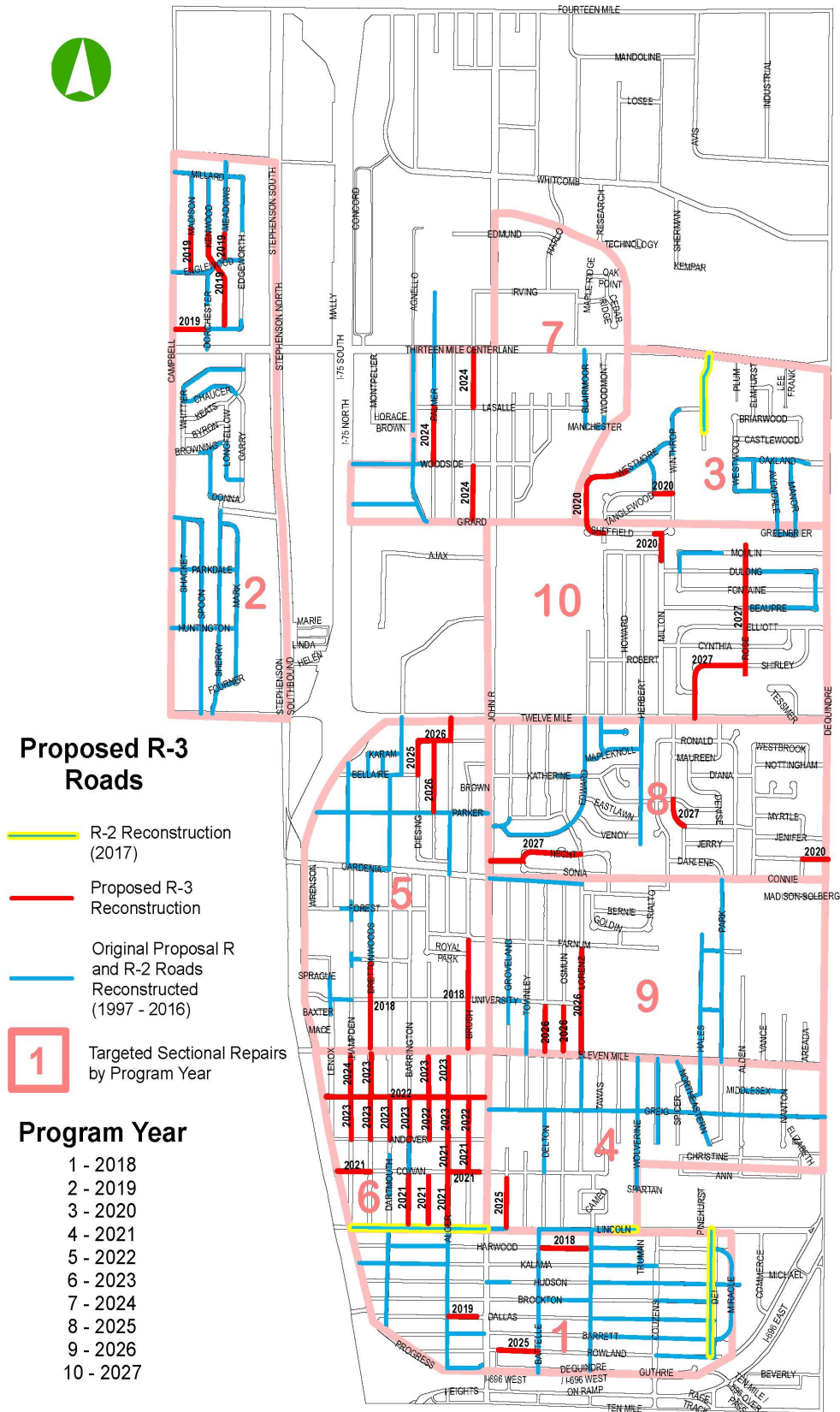
Proposals R-1 & R-2 Neighborhood Road Projects

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



1 inch = 2,200 feet





Document Path: T:\Planning_maps\Proposed_R-3_Reconstruction_2.mxd

TABLE III
FY 2022-27 CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

APPROPRIATIONS:

NEIGHBORHOOD PROJECTS	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL APPROP.
YEAR 3 ROADS (R-3) 2020								
Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	771	3	0	0	0	0	0	0
Milton Avenue (Moulin to Sheffield Drive)	251	1	0	0	0	0	0	0
Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	24	1	0	0	0	0	0	0
Beverly Avenue (Connie Avenue to Dequindre Road)	18	1	0	0	0	0	0	0
Sectional	61	106	0	0	0	0	0	0
YEAR 4 ROADS (R-3) 2021								
Alger Street (W Cowan Avenue to Andover Avenue)	0	212	0	0	0	0	0	0
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	194	109	0	0	0	0	0	0
Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	109	0	0	0	0	0	0
Barrington Street (W Lincoln Avenue to W. Cowan Avenue)	0	148	0	0	0	0	0	0
Alger Street (W. Lincoln Avenue to W Cowan Avenue)	0	148	0	0	0	0	0	0
Brush Street (W Cowan Avenue to Andover Avenue)	138	120	0	0	0	0	0	0
W Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	140	0	0	0	0	0	0
W Cowan Avenue (Alger Street to John R Road)	0	75	0	0	0	0	0	0
Palmer Street (W Lincoln Avenue to W Cowan Avenue)	195	210	0	0	0	0	0	0
Sectional	0	100	0	0	0	0	0	0
YEAR 5 ROADS (R-3) 2022								
W. Greig Avenue (W. Terminus to Hampden Street)	0	0	228	0	0	0	0	228
W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	160	0	0	0	0	160
W. Greig Avenue (Brush Street to John R Road)	0	0	167	0	0	0	0	167
Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	337	0	0	0	0	337
Brush Street (Andover Avenue to W. Greig Avenue)	0	0	190	0	0	0	0	190
W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	92	0	0	0	0	92
W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	92	0	0	0	0	92
W. Greig Avenue (Barrington Street to Palmer Street)	0	0	93	0	0	0	0	93
W. Greig Avenue (Palmer Street to Alger Street)	0	0	93	0	0	0	0	93
W. Greig Avenue (Alger to Brush Street)	0	0	95	0	0	0	0	95
Sectional	0	0	75	0	0	0	0	75
YEAR 6 ROADS (R-3) 2023								
Hampden Street (Andover Ave to W Greig Ave)	0	0	0	194	0	0	0	194
Brettonwoods Street (Andover Ave to W Greig Ave)	0	0	133	195	0	0	0	328
Brettonwoods Street (W. Greig Ave to Eleven Mile Road)	0	0	133	208	0	0	0	341
Dartmouth Street (Andover Ave to W. Greig Ave)	0	0	0	196	0	0	0	196
Barrington Street (Andover Ave to W. Greig Ave)	0	0	0	196	0	0	0	196
Palmer Street (W. Greig Ave to Eleven Mile Road)	0	0	0	209	0	0	0	209
Alger Street (W. Greig Ave to Eleven Mile Road)	0	0	138	209	0	0	0	347
Alger Street (Andover Ave to W. Greig Ave)	0	0	118	196	0	0	0	314
Sectional	0	0	0	50	0	0	0	50
YEAR 7 ROADS (R-3) 2024								
Brush Street (W. LaSalle to 13 Mile)	0	0	0	0	479	0	0	479
Palmer Street (W. Woodside to W. LaSalle)	0	0	0	0	467	0	0	467
Brush Street (W. Girard to W. Woodside)	0	0	0	0	473	0	0	473
Hampden Street (W Grieg to 11 Mile)	0	0	0	0	376	0	0	376
YEAR 8 ROADS (R-3) 2025								
Diesing Drive (Bellaire Avenue to Alger Street)	0	0	0	0	226	557	0	783
Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	0	0	236	415	0	651
E. Rowland Aveue (John R Road to Battelle Avenue)	0	0	0	0	157	413	0	570
Sectional	0	0	0	0	0	75	0	75
YEAR 9 ROADS (R-3) 2026								
Palmer Street (W. Palmer Street to Diesing Drive)	0	0	0	0	0	216	305	521
Alger Street (Diesing Drive to Twelve Mile Road)	0	0	0	0	0	98	101	199
Delton Street (Eleven Mile to E. University Avenue)	0	0	0	0	0	0	219	219
Osmun Street (Eleven Mile to E. University Avenue)	0	0	0	0	0	0	220	220
Lorenz Street (Eleven Mile to E. University Avenue)	0	0	0	0	0	157	220	377
Lorenz Street (Eleven Mile to E. University Avenue)	0	0	0	0	0	177	252	429
Sectional	0	0	0	0	0	0	100	100
YEAR 10 (R-3) 2027								
Shirley Avenue (Twelve Mile Road to Rose Street)	0	0	0	0	0	0	304	304
Rose Street (South Terminus to Elliot Avenue)	0	0	0	0	0	0	196	196
Rose Street (Elliot Avenue to North Terminus)	0	0	0	0	0	0	196	196
Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	0	0	0	0	74	74
Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	0	0	0	0	98	98
Hecht Drive (Sonia/Lorenz Street)	0	0	0	0	0	0	206	206
TOTALS	\$ 1,652	\$ 1,483	\$ 2,144	\$ 1,653	\$ 2,414	\$ 2,108	\$ 2,491	10,810
Total Projects	7	9	14	8	7	8	13	50
Total Equipment	0	0	0	0	0	0	0	0

TABLE III
FY 2022-27 CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

REVENUES:

NEIGHBORHOOD PROJECTS	GENERAL FUND	MAJOR/ LOCAL FUND	SPECIAL ASSESS.	ROAD MILLAGE	WATER & SEWER FUND	OTHER REVENUES	TOTAL REVENUE
YEAR 5 ROADS (R-3) 2022							
W. Greig Avenue (W. Terminus to Hampden Street)	0	0	0	228	0	0	228
W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	0	160	0	0	160
W. Greig Avenue (Brush Street to John R Road)	0	0	0	167	0	0	167
Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	0	337	0	0	337
Brush Street (Andover Avenue to W. Greig Avenue)	0	0	0	190	0	0	190
W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	0	92	0	0	92
W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	0	92	0	0	92
W. Greig Avenue (Barrington Street to Palmer Street)	0	0	0	93	0	0	93
W. Greig Avenue (Palmer Street to Alger Street)	0	0	0	93	0	0	93
W. Greig Avenue (Alger to Brush Street)	0	0	0	95	0	0	95
Sectional	0	0	0	75	0	0	75
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	196	0	0	196
Barrington Street (Andover Ave to W Greig Ave)	0	0	0	196	0	0	196
Palmer Street (W Greig Ave to Eleven Mile Road)	0	0	0	209	0	0	209
Alger Street (W Greig Ave to Eleven Mile Road)	0	0	0	209	138	0	347
Alger Street (Andover Ave to W Greig Ave)	0	0	0	196	118	0	314
Sectional	0	0	0	50	0	0	50
YEAR 7 ROADS (R-3) 2024							
Brush Street (W. LaSalle to 13 Mile)	0	0	0	479	0	0	479
Palmer Street (W. Woodside to W. LaSalle)	0	0	0	467	0	0	467
Brush Street (W. Girard to W. Woodside)	0	0	0	473	0	0	473
Hampden Street (W Grieg to 11 Mile)	0	0	0	376	0	0	376
YEAR 8 ROADS (R-3) 2025							
Diesing Drive (Bellaire Avenue to Alger Street)	0	0	0	557	226	0	783
Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	0	415	236	0	651
E. Rowland Avenue (John R Road to Battelle Avenue)	0	0	0	413	157	0	570
Sectional	0	0	0	75	0	0	75
YEAR 9 ROADS (R-3) 2024							
Palmer Street (W. Palmer Street to Diesing Drive)	0	0	0	305	216	0	521
Alger Street (Diesing Drive to Twelve Mile Road)	0	0	0	101	98	0	199
Delton Street (Eleven Mile to E. University Avenue)	0	0	0	219	0	0	219
Osmun Street (Eleven Mile to E. University Avenue)	0	0	0	220	0	0	220
Lorenz Street (Eleven Mile to E. University Avenue)	0	0	0	220	157	0	377
Lorenz Street (Eleven Mile to E. University Avenue)	0	0	0	252	177	0	429
Sectional	0	0	0	100	0	0	100
YEAR 10 (R-3) 2027							
Shirley Avenue (Tweleve Mile Road to Rose Street)	0	0	0	0	304	0	304
Rose Street (South Terminus to Elliot Avenue)	0	0	0	0	196	0	196
Rose Street (Elliot Avenue to North Terminus)	0	0	0	0	196	0	196
Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	0	0	74	0	74
Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	0	0	98	0	98
Hecht Drive (Sonia/Lorenz Street)	0	0	0	0	206	0	206
Total	\$ 0	\$ 0	\$ 0	\$ 7,947	\$ 2,863	\$ 0	\$ 10,810

TABLE IV-A
FY 2022-27 CAPITAL IMPROVEMENT PLAN
R-1 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

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

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

TABLE IV-B
FY 2022-27 CAPITAL IMPROVEMENT PLAN
R-2 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM DRAIN	SANITARY SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
		YEAR 1 ROADS					
DONE	2009	Spoon - Huntington North to Campbell	\$ 55	\$ 15	\$ 712	\$ 177	\$ 959
DONE	2009	Parkdale - Campbell to Mark	15	10	353	81	459
DONE	2009	Millard - Campbell to Edgeworth South to 31601 Millard	11	0	612	149	772
DONE	2009	Barrington/Northeastern - Woodside to Girard	27	5	540	88	660
DONE	2009	Girard - I-75 to Palmer	85	0	429	94	608
DONE	2009	Sidewalk Replacement	0	0	20	0	20
		YEAR 2 ROADS					
DONE	2010	Palmer - 13 Mile to LaSalle	42	0	342	83	467
DONE	2010	Tawas - 12 Mile Road to Mapleknoll and Tawas Court	95	10	333	98	536
DONE	2010	E. Barrett - Tawas to Couzens	40	15	534	99	688
DONE	2010	Lorenz - 11 Mile to Greig	0	0	291	77	368
DONE	2010	Hales - 11 Mile to Northeastern	25	0	211	58	294
DONE	2010	Northeastern - 11 Mile to South End	40	5	451	123	619
DONE	2010	Katherine - Lorenz to Edward	30	0	128	0	158
		YEAR 3 ROADS					
DONE	2011	Brockton - Battelle to Tawas	0	0	272	0	272
DONE	2011	Dorchester - Englewood to 31272 Dorchester	19	0	137	0	156
DONE	2011	Yorkshire - Westmore to Tanglewood	55	5	92	0	152
DONE	2011	Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	263	0	263
DONE	2011	Englewood - Campbell to Edgeworth	5	0	389	0	394
DONE	2011	Sidewalk Replacement	0	0	20	0	20
DONE	2011	Winthrop Sectional Concrete Repair Phase II	0	0	101	0	101
		YEAR 4 ROADS					
DONE	2012	Gardenia - John R to Lorenz	2	0	523	25	550
DONE	2012	Alger - Parker South to Gardenia	82	16	325	0	423
DONE	2012	Townley - 11 Mile to University	0	0	280	0	280
DONE	2012	Winthrop Sectional Concrete Repair Phase III	0	0	203	0	203
DONE	2012	Sidewalk Replacement	0	0	20	0	20
DONE	2012	Shacket - Huntington to Spoon	60	15	354	8	437
DONE	2012	Huntington - Campbell to Mark	5	0	250	0	255
DONE	2012	Sherry - Girard to S. of Parkdale	28	5	307	8	348
DONE	2012	Longfellow - Garry to 30290 Longfellow	2	0	260	0	262
DONE	2012	Groveland and University Intersection - (Watermain to 11 Mile) and 21700 Groveland to Farnum	0	0	391	8	399
		YEAR 5 ROADS					
DONE	2013	Lenox - Baxter to Sprague	2	0	228	0	230
DONE	2013	Hampden - Farnum Intersection	10	5	112	0	127
DONE	2013	University - Lenox to Hampden	0	0	127	0	127
DONE	2013	Brettonwoods - Gardenia to Farnum	0	0	565	0	565
DONE	2013	Forest - Hampden to Brettonwoods & Hampden Intersection	25	0	227	0	252
DONE	2013	Gardenia - Hampden to Dartmouth	0	0	207	0	207
DONE	2013	Parker - E of Sealcoat to John R - (Watermain Cross-Over)	150	0	459	0	609
DONE	2013	Concrete Replacement	0	0	100	0	100
DONE	2013	Sidewalk Replacement	0	0	20	0	20
		YEAR 6 ROADS					
DONE	2014	Dartmouth - N. of Cowan (26333) S. to 26113 Dartmouth	0	0	231	82	313
DONE	2014	Barrington - Cowan to Andover	0	0	212	93	305
DONE	2014	W. Barrett - Alger to John R	0	0	217	0	217
DONE	2014	E. Hudson - John R to 71 E. Hudson	0	0	158	90	248
DONE	2014	Kalama - Stephenson Highway to Alger	60	17	460	0	537
DONE	2014	Couzens - S. of 11 Mile Road (SAD)	5	0	526	213	744
DONE	2014	Harwood - Dartmouth to 368 Harwood - (Watermain to Alger)	0	0	268	140	408
DONE	2014	Concrete Replacement	0	0	100	0	100
DONE	2014	Sidewalk Replacement	0	0	20	0	20

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

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

TABLE IV-C
FY 2022-27 CAPITAL IMPROVEMENT PLAN
R-3 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM * DRAIN	SANITARY * SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
		YEAR 1 ROADS					
DONE	2019	Brettonwoods Street (Eleven Mile to W. Farnum Avenue)	\$ 0	\$ 0	\$ 556	\$ 247	\$ 803
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 & Eleven Mile)	0	0	454	298	752
DONE	2019	Sectional	0	0	951	0	951
		YEAR 2 ROADS					
DONE	2020	Meadows Avenue (Englewood Ave to Meadows)	0	0	172	0	172
DONE	2020	W. Dallas Avenue (Alger Street to John R. Road)	0	0	211	0	211
DONE	2020	Kenwood Avenue (Windemere Avenue to Englewood Avenue & Kenwood)	0	0	346	215	561
DONE	2020	Madison Avenue (Englewood Avenue to Madison)	0	0	163	0	163
DONE	2020	Windemere Avenue (Campbell Road to Dorchester Avenue)	0	0	135	0	135
DONE	2020	Sectional	0	0	61	0	61
		YEAR 3 ROADS					
DONE	2021	Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	773	421	1,194
DONE	2021	Milton Avenue (Moulin to Sheffield Drive)	0	0	252	142	394
DONE	2021	Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	100	332	432
DONE	2021	Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	117	364	481
DONE	2021	Sectional	0	0	100	0	100
		YEAR 4 ROADS					
DONE	2022	Alger Street (W. Cowan Avenue to Andover Avenue)	0	0	245	0	245
DONE	2022	Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	130	194	324
DONE	2022	Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	139	0	139
DONE	2022	Barrington Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	178	0	178
DONE	2022	Alger Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	231	0	231
DONE	2022	Brush Street (W. Cowan Avenue to Andover Avenue)	0	0	155	138	293
DONE	2022	W. Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	118	0	118
DONE	2022	W. Cowan Avenue (Alger Street to John R Road)	0	0	117	0	117
DONE	2022	Palmer Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	272	195	467
DONE	2022	Sectional	0	0	106	0	106
		YEAR 5 ROADS					
	2023	W. Greig Avenue (W. Terminus to Hampden Street)	0	0	228	0	228
	2023	W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	160	0	160
	2023	W. Greig Avenue (Brush Street to John R Road)	0	0	167	0	167
	2023	Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	337	0	337
	2023	Brush Street (Andover Avenue to W. Greig Avenue)	0	0	190	0	190
	2023	W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	92	0	92
	2023	W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	92	0	92
	2023	W. Greig Avenue (Barrington Street to Palmer Street)	0	0	93	0	93
	2023	W. Greig Avenue (Palmer Street to Alger Street)	0	0	93	0	93
	2023	W. Greig Avenue (Alger to Brush Street)	0	0	95	0	95
	2023	Sectional	0	0	75	0	75
		YEAR 6 ROADS					
	2024	Hampden Street (Andover Avenue to Greig Avenue)	0	0	168	0	168
	2024	Brettonwoods Street (Andover Avenue to W. Greig Avenue)	0	0	169	133	302
	2024	Brettonwoods Street (W. Greig Avenue to Eleven Mile Road)	0	0	180	133	313
	2024	Dartmouth Street (Andover Avenue to W. Greig Avenue)	0	0	170	0	170
	2024	Barrington Street (Andover Avenue to W. Greig Avenue)	0	0	170	0	170
	2024	Palmer Street (W. Greig Avenue to Eleven Mile Road)	0	0	181	0	181
	2024	Alger Street (W. Greig Avenue to Eleven Mile Road)	0	0	181	138	319
	2024	Alger Street (Andover Avenue to W. Greig Avenue)	0	0	170	118	288
	2024	Sectional	0	0	50	0	50
		YEAR 7 ROADS					
	2025	Brush Street (W. LaSalle Avenue to Thirteen Mile Road)	0	0	416	167	583
	2025	Palmer Street (W. Woodward to W. LaSalle Avenue)	0	0	406	0	406
	2025	Brush Street (W. Girard Avenue to W. Woodside Avenue)	0	0	412	177	589
	2025	Hampden Street (W. Greig Avenue to Eleven Mile Road)	0	0	327	0	327
	2025	Sectional	0	0	100	0	100

TABLE IV-C
FY 2022-27 CAPITAL IMPROVEMENT PLAN
R-3 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM * DRAIN	SANITARY * SEWER	STREET PAVING	WATER MAIN	ESTIMATED COST
		YEAR 8 ROADS					
	2026	Diesing Drive (Bellaire Avenue to Alger Street)	0	0	557	226	783
	2026	Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	415	236	651
	2026	E Rowland Avenue (John R. Road to Battelle Avenue)	0	0	413	157	570
	2026	Sectional	0	0	75	0	75
		YEAR 9 ROADS					
	2027	Palmer Street (W. Parker Street to Diesing Drive)	0	0	305	216	521
	2027	Alger Street (Diesing Drive to Twelve Mile Road)	0	0	101	98	199
	2027	Delton Street (Eleven Mile Road to E. University Avenue)	0	0	219	0	219
	2027	Osmun Street (Eleven Mile Road to E. University Avenue)	0	0	220	0	220
	2027	Lorenz Street (Eleven Mile Road to E. University Avenue)	0	0	220	157	377
	2027	Lorenz Street (E University Avenue to E. Farnum Avenue)	0	0	252	177	429
	2027	Sectional	0	0	100	0	100
		YEAR 10 ROADS					
	2028	Shirley Avenue (Twelve Mile Road to Rose Street)	0	0	330	304	634
	2028	Rose Street (South Terminus to Elliot Avenue)	0	0	207	196	403
	2028	Rose Street (Elliott Avenue to North Terminus)	0	0	360	196	556
	2028	Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	126	74	200
	2028	Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	151	98	249
	2028	Hecht Drive (Sonia Avenue to Sonia/Lorenz Street)	0	0	297	206	503
	2028	Sectional	0	0	100	0	100
		TOTALS	\$ 0	\$ 0	\$ 15,607	\$ 5,915	\$ 21,522

* Included in Street Paving cost estimate.

ROAD IMPROVEMENTS

Road Improvement Funding

- Historical State Funding Model

Act 51 of the Michigan Public Acts of 1951, as amended, outlines the tri-level responsibility for road jurisdiction in our State. It provides a continuous classification of all roads and streets into three separate categories/systems – state, county and municipal, and into sub-classifications within each system. In each municipality's jurisdiction, the State has assigned roads to either Major or Local Street categories. As a result, in Madison Heights we have 21.5 miles of City Major Streets with an additional 7.83 miles of adjusted state truckline and 74.1 miles of City Local Streets. The Act also established the Michigan Transportation Fund (MTF).

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

Year	Major Street	Local Street	Supplemental	Total
2016	\$1,361,751	\$519,789	0	\$1,881,540
2017	1,565,978	597,839	0	2,163,817
2018	1,876,457	716,396	189,495	2,782,347
2019	2,001,779	763,867	0	2,765,646
2020	2,091,160	797,772	0	2,888,932
2021	2,300,602	877,634	0	3,178,236
* 2022	2,347,272	895,438	0	3,242,710
* 2023	2,411,144	919,804	0	3,330,949

Historically, the MTF was supported through collection of the nineteen cents-a-gallon gas tax, fifteen cents-a-gallon diesel tax, vehicle registration fees, and other taxes and license fees, not indexed or adjusted for inflation. However, on November 10, 2015, Governor Snyder signed nine bills into law which completely overhauled this funding mechanism and was projected to raise \$1.2 billion for the new transportation revenue package, major points of these new laws were the 2017 increase in gasoline and diesel taxes to 26.3 center per gallon with indexing to inflation beginning in 2022. Vehicle registration fees were also increased by an average of 20 percent in 2017 and are based on a vehicles age and estimated base price. The state also assesses a six percent sale tax on fuel purchases. In January 2019, Governor Whitmer was sworn into office with a plan to fix the roads presented within weeks. However, the plan, with an increase of \$0.45 to the gas tax, was not successful in being implemented.

A. State and Federal Highway Projects

- John R (11 Mile to 14 Mile) RAISE Grant (80/20)

With support of Madison Heights, the Road Commission of Oakland County (RCOC) has submitted a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants for John R road from 11 Mile to 14 Mile. The total cost of this project is \$25,963,751. The RCOC, City of Madison Heights and SMART are all committed to providing a 20% match on each agency's piece of this application as listed below:

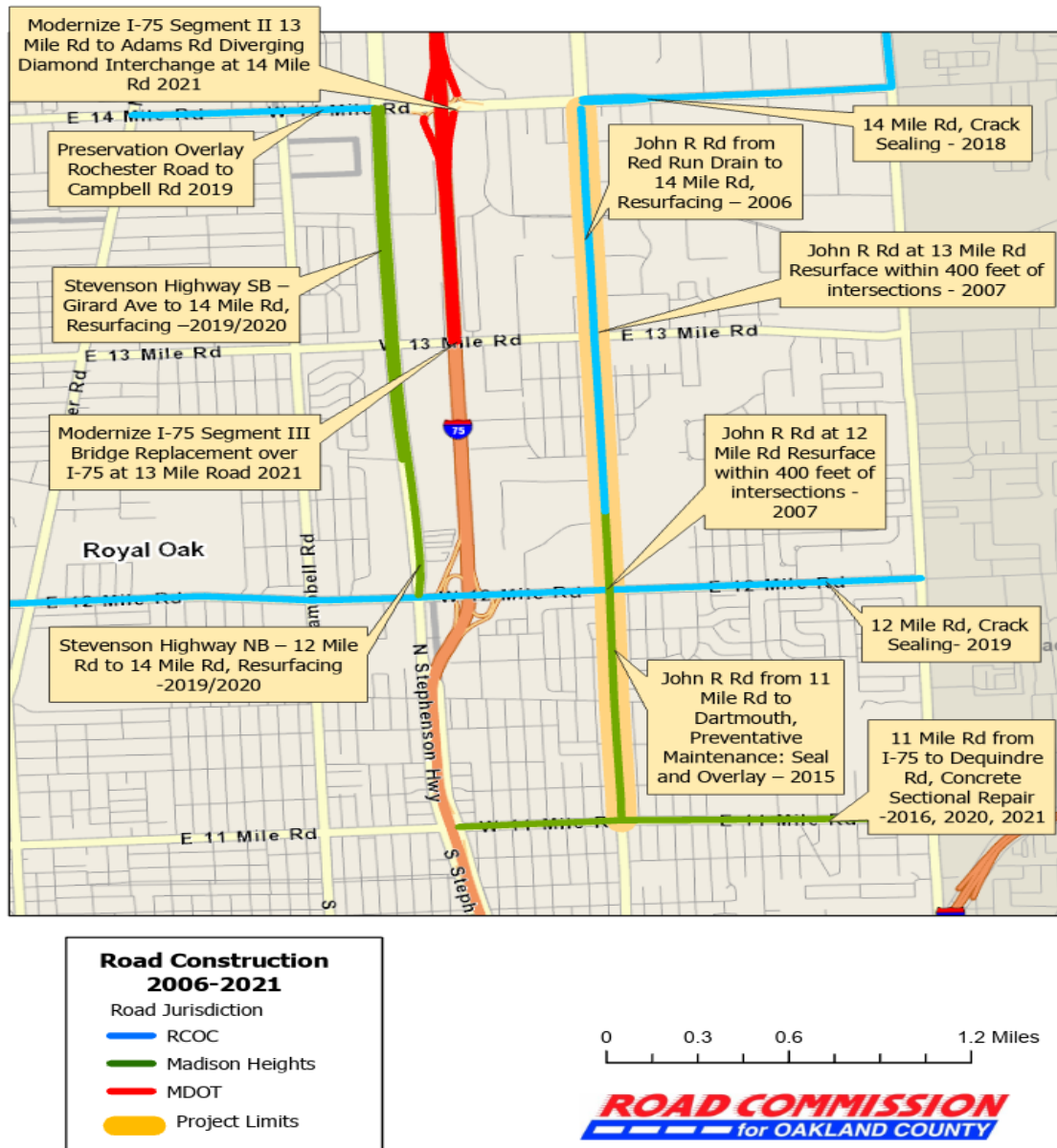
<u>Agency</u>	<u>Total Cost of Improvements</u>	<u>RAISE Request</u>	<u>Local Match</u>
RCOC	\$22,525,323	\$18,020,259	\$ 4,505,064
Madison Heights	3,036,528	2,429,223	607,305
SMART	401,900	321,520	80,380

This three-mile-long project extends from 11 Mile to 14 Mile Road and jurisdiction of the road is shared by RCOC and the City of Madison Heights. RCOC jurisdiction includes the segment of John R Road from Dartmouth Street (just north of 12 Mile Road) to 14 Mile Road, which the City of Madison Heights jurisdiction extends from 11 Mile to North of Dartmouth Street. The scope of work for RCOC's segment includes reconstruction of the road, improvements to curbs and gutters, traffic signal upgrades, and improved pedestrian-crossing signals that are compliant with the Americans with Disabilities Act (ADA). The scope of work for the Madison Heights segment includes resurfacing, replacement of curbs, and pedestrian-crosswalk upgrades that will be ADA compliant.

This is a heavily used transit corridor - one of SMART's top five busiest routes, with approximately 660 passengers boarding buses daily along the proposed corridor. SMART is seeking to upgrade bus stops along the corridor by building enhanced shelters, adding trash receptacles, improving ADA accessibility, and installing electronic bus schedule screens to provide passengers with proper amenities and to promote ridership. John R Road is a minor arterial with daily traffic volumes of around 30,000 and serves as an alternative route to the I-75 freeway. The corridor provides access to a variety of commercial and retail buildings, social service agencies, recreational facilities, and a variety of housing ranging from large apartment complexes to single-family homes.

John R Road was reconstructed in 2006 and the condition of the pavement is poor. RCOC also proposes a number of safety enhancements to the road as part of the proposed project. In addition to serving as the main business corridor for the City of Madison Heights, the road is also a main north/south corridor for the region. It is currently experiencing higher-than-normal traffic as many motorists are using it as an alternative to the parallel I-75 freeway, which is being reconstructed (the project will last for the next several years). The condition and level of service along John R Road must be improved to meet the demands of the community and the region. This project submittal is the first application from RCOC that includes the partnership of three agencies coordinating improvements to one corridor. All three agencies identify the need to improve safety and the condition of the pavement along the corridor, as it will improve mobility and accessibility as well as provide comfort for all users. The improvement would have a positive economic impact on the community by enhancing the commercial district in Madison Heights. Improvements to the John R Road corridor will also help to improve quality of life for the residents of Madison Heights and to attract visitors from the region.

Past Investment



At budget time our original RAISE Grant submittal was not successful however with additional federal infrastructure funding we are working with RCOC and SMART to resubmit this application addressing many of the later comments.

B. Major Road Improvements

Ajax - John R Road to 801 Ajax

This section of Ajax Drive was last repaved in 1999, and is the sole industrial access road for several commercial businesses this city Department of Public Services facilities and the Oakland County Drain Commission facility. This road is in poor condition and is being estimated for FY 2024

- Concrete/Joint Repairs - Sectional

Budgetary constraints limit the City's ability to completely repair designated commercial and industrial roads. The City's plan is to continue to address needed repairs through multi-year sectional work on commercial and industrial roads throughout the City. Table V highlights these projects yearly through 2027.

C. Local Road Improvements

In addition to the Proposal "R-1," "R-2," and "R-3" Ten Year Residential Road Improvement Programs outlined in the Neighborhood Roads Chapter, there have historically been additional local road improvements scheduled in the Capital Improvement Plan. The MFT Local Street Fund revenue supports operation and maintenance costs and; limited sectional repairs for local commercial and industrial roads. Table V highlights these local road projects through 2027.

D. Traffic Signal Upgrades

The City has undertaken a considerable effort to upgrade the existing traffic signals on major City thoroughfares to improve traffic safety and reduce congestion during peak travel times. At the request of the Road Commission for Oakland County (RCOC) and with considerable financial incentive to the City, the City Council authorized the installation of the SCATS system at a number of locations. This system is part of the RCOC's FAST-TRAC Intelligent Transportation System,

SCATS stands for the Sydney Coordinated Adaptive Traffic System and was first deployed in Sydney, Australia. SCATS is an area-wide traffic controlled strategy designed to reduce overall system delay. Some drivers might experience slightly more delay, but most drivers will benefit. SCATS maximizes the use of available road capacity, thereby improving the efficiency of the overall system.

SCATS uses telephone lines to communicate between a regional computer and the traffic signal controller at each SCATS intersection. Each intersection has vehicle detector cameras that let SCATS know when vehicles are present. The detectors allow SCATS to count vehicles and SCATS uses this information to decide how much green-time each approach to a signalized intersection should have. This is recomputed every cycle to determine what timing changes need to be made in order to move traffic most effectively. SCATS also coordinates timing at adjacent intersections to provide for the best possible traffic flow.

The SCATS system is but one tool to be used to optimize traffic flow on existing roads. SCATS is not intended to replace road widening where extra capacity is required, but it has certainly proven to be the next best thing.

Since 1998, SCATS projects have been completed at John R and I-696, Twelve Mile from Stephenson to Milton, Eleven Mile and John R, Fourteen Mile from Stephenson to Industrial, John R and Dartmouth, Thirteen Mile from Stephenson to Hales, John R and Ajax, John R and Irving,

Eleven Mile from I-75 to Hales and John R from Brockton to Madison Place.

In Fiscal Year 2023, RCOC will be rebuilding the traffic signal at 13 Mile and John R. The cost will be approximately \$300,000. City of Madison Heights owns 50% of the intersection therefore the City share will be 50% or \$150,000. RCOC will design and bid out this work for a contractor to install. It is expected that the project will be bid out in mid- 2022, with construction to start late 2022. The City of Madison Heights will be billed in mid to late FY 2023 therefore this cost is included in FY 2024.

An allocation of \$30,000 for the following four years has been included in the Capital Improvement Plan to provide funding for unanticipated signal upgrades.

E. Road and Sidewalk Rehabilitation Programs

In FY 2020 the City completed the sidewalk program throughout the City. We now budget \$30,000 a year for general replacement throughout the City sidewalk network.

F. Street Maintenance and Solid Waste Equipment Replacements

Various Street Maintenance and Solid Waste vehicles are programmed for purchase to correspond with the CIP Equipment Replacement Plan. Street Maintenance vehicles totaling \$950,000 will be programmed through the General Fund with an additional \$1 million programmed to be funded through the Solid Waste Millage.

TABLE V
FY 2022-27 CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

REVENUES:

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	GENERAL FUND	LOCAL STREETS	MAJOR STREETS	SPECIAL ASSESS.	SOLID WASTE MILLAGE	OTHER REVENUES	FEDERAL TRANSPORT GRANT	OAKLAND CO. ROAD/ DRAIN	TOTAL REVENUES
A. STATE/FEDERAL PROJECTS									
John R (11 Mile to 14 Mile - MH portion) RAISE Grant (80/20)	\$0	\$0	\$608	\$0	\$0	\$0	\$2,429	\$0	\$3,037
B. MAJOR ROAD IMPROVEMENTS									
Ajax - John R to 801 Ajax	0	0	250	0	0	0	0	0	250
Overlay Campbell (13 Mile to 14 Mile)	0	0	0	0	0	400	0	0	400
Overlay Edward/Mandoline (E. 14 Mile to North Avis)	0	0	350	0	0	0	0	0	350
Overlay John R - 11 Mile to 12 1/2	0	0	750	0	0	0	0	0	750
Overlay North Avis/East Avis (E. 14 Mile to Dequindre)	0	0	450	0	0	0	0	0	450
Park Court (11 Mile to Connie)	0	0	775	0	0	0	0	0	775
Sectional - 11 Mile Road (I-75 to Dequindre)	0	0	750	0	0	0	0	0	750
Sectional - Campbell (12 Mile to 13 Mile)	0	0	50	0	0	0	0	0	50
Sectional - John R (10 Mile to 11 Mile)	0	0	250	0	0	0	0	0	250
Sectional - Stephenson Hwy - Girard to 12 Mile	0	0	200	0	0	0	0	0	200
Stephenson Hwy Turnarounds	0	0	500	0	0	0	0	0	500
C. LOCAL ROAD IMPROVEMENTS									
Joint Seal - City-Wide Local	0	150	0	0	0	0	0	0	150
Sectional - Mandoline - Alger/Townley	0	300	0	0	0	0	0	0	300
Sectional - Commerce - Michael to E. Progress	0	150	0	0	0	0	0	0	150
Sectional - Brush - 14 Mile to Mandoline	0	100	0	0	0	0	0	0	100
Sectional - Alger - South of 14 Mile	0	200	0	0	0	0	0	0	200
Sectional - Dartmouth (12 Mile to Bellaire	0	200	0	0	0	0	0	0	200
Non-R Residential Sectional	0	500	0	0	0	0	0	0	500
D. TRAFFIC SIGNAL UPGRADES									
13 Mile and John R	270	0	0	0	0	0	0	0	270
E. REHABILITATION PROGRAMS									
Sidewalk Replacement, Sectional Repairs & Gap Installation	150	0	0	0	0	0	0	0	150
F. EQUIPMENT REPLACEMENT									
Street Sweeper #402	0	0	0	0	300	0	0	0	300
2006 Brush Bandit Chipper #406	0	0	0	0	50	0	0	0	50
2012 Street Sweeper #408	0	0	0	0	150	0	0	0	150
2003 CAT Loader 3 yd. with claw attachment#409	245	0	0	0	0	0	0	0	245
2002 Stake Truck #415	175	0	0	0	0	0	0	0	175
2003 Single Axle Dump # 425	245	0	0	0	0	0	0	0	245
2003 Single Axle Dump Truck #426	0	0	0	0	250	0	0	0	250
One-Ton Dump Truck #431	70	0	0	0	0	0	0	0	70
2013 Van Building Maintenance #435	35	0	0	0	0	0	0	0	35
2004 Brush Chipper Truck #525	0	0	0	0	300	0	0	0	300
Tool Cat (NEW)	80	0	0	0	0	0	0	0	80
Replacement Brine Making System	100	0	0	0	0	0	0	0	100
TOTALS	\$ 1,370	\$ 1,600	\$ 4,933	\$ 0	\$ 1,050	\$ 400	\$ 2,429	\$ 0	\$ 11,782

TABLE V
FY 2022-27 CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

APPROPRIATIONS:






ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL APPROP.
A. STATE/FEDERAL PROJECTS								
John R (11 Mile to 14 Mile) RAISE Grant (80/20)	0	0	0	3,037	0	0	0	3,037
B. MAJOR ROAD IMPROVEMENTS								
Joint & Crack Sealing - City Wide Major	0	0	0	0	0	0	0	0
11 Mile Sectional NON-NHPP	0	250	0	0	0	0	0	0
Ajax - John R to 801 Ajax	0	0	0	250	0	0	0	250
Overlay Campbell (13 Mile to 14 Mile)	0	0	0	0	0	0	400	400
Overlay Edward/Mandoline (E. 14 Mile to North Avis)	0	0	0	0	0	0	350	350
Overlay John R - 11 Mile to 12 1/2	0	250	250	250	250	0	0	750
Overlay North Avis/East Avis (E. 14 Mile to Dequindre)	0	0	0	0	0	0	450	450
Park Court (11 Mile to Connie)	0	0	775	0	0	0	0	775
Sectional - 11 Mile Road (I-75 to Dequindre)	0	0	0	250	250	250	0	750
Sectional - Barrington - 14 Mile to Whitcomb	0	700	0	0	0	0	0	0
Sectional - Campbell (12 Mile to 13 Mile)	0	0	0	0	0	0	50	50
Sectional - Edward - Mandoline to Whitcomb	54	0	0	0	0	0	0	0
Sectional - Industrial - Fourteen to East Avis	0	115	0	0	0	0	0	0
Sectional - John R (10 Mile to 11 Mile)	0	0	0	0	0	250	0	250
Sectional - Stephenson Hwy - Girard to 12 Mile	0	0	0	200	0	0	0	200
Sectional - Townley - 14 Mile to Whitcomb	327	0	0	0	0	0	0	0
Sectional - West Whitcomb - Campbell to Stephenson	430	0	0	0	0	0	0	0
Sectional - Whitcomb - Barrington to Dequindre	436	0	0	0	0	0	0	0
Stephenson Hwy Turnarounds	0	0	0	0	250	250	0	500
C. LOCAL ROAD IMPROVEMENTS								
Joint Seal - City-Wide Local	0	75	0	75	0	75	0	150
Sectional - Edmund - Harlo to John R	153	0	0	0	0	0	0	0
Sectional - Irving - Brush to Edward	250	0	0	0	0	0	0	0
Sectional - Brush (13 Mile to Irving)	0	200	0	0	0	0	0	0
Sectional - Losee - John R to Townley	97	0	0	0	0	0	0	0
Sectional - Hales (University to Rosies Park)	242	0	0	0	0	0	0	0
Sectional - Castlewood (Weston to Manor)	0	200	0	0	0	0	0	0
Sectional - Mandoline - Alger/Townley	0	0	300	0	0	0	0	300
Sectional - Commerce - Michael to E. Progress	0	0	0	150	0	0	0	150
Sectional - Brush - 14 Mile to Mandoline	0	0	100	0	0	0	0	100
Sectional - Alger - South of 14 Mile	0	0	200	0	0	0	0	200
Sectional - Dartmouth (12 Mile to Bellaire	0	0	0	200	0	0	0	200
Non-R Residential Sectional	0	0	100	100	100	100	100	500
D. TRAFFIC SIGNAL UPGRADES								
13 Mile and John R	0	0	0	180	30	30	30	270
E. REHABILITATION PROGRAMS								
Sidewalk Replacement, Sectional Repairs & Gap Installation	0	0	30	30	30	30	30	150
F. EQUIPMENT REPLACEMENT								
2000 Solar Arrow board #318	0	6	0	0	0	0	0	0
Loader Attachment	0	18	0	0	0	0	0	0
Leaf Vacuum	0	66	0	0	0	0	0	0
Street Sweeper #402	0	0	150	150	0	0	0	300
2006 Brush Bandit Chipper #406	0	0	0	0	0	50	0	50
2012 Street Sweeper #408	0	150	150	0	0	0	0	150
2003 CAT Loader 3 yd. with claw attachment#409	0	0	245	0	0	0	0	245
2002 Stake Truck #415	0	0	0	175	0	0	0	175
2003 Single Axle Dump #424	0	238	0	0	0	0	0	0
2003 Single Axle Dump # 425	0	0	0	0	245	0	0	245
2003 Single Axle Dump Truck #426	0	0	0	0	0	250	0	250
One-Ton Dump Truck #431	0	0	0	0	0	0	70	70
2003 Tandem Dump Truck #433	0	239	0	0	0	0	0	0
2013 Van Building Maintenance #435	0	0	0	0	35	0	0	35
2004 Chevy 3/4 Ton Pickup #436	0	35	0	0	0	0	0	0
2006 Super Duty Dump Truck #481	0	67	0	0	0	0	0	0
2004 Brush Chipper Truck #525	0	0	0	150	150	0	0	300
Tool Cat (NEW)	0	0	0	0	80	0	0	80
Replacement Brine Making System	0	0	0	0	0	100	0	100
HP Latex Vinyl Printer	0	15	0	0	0	0	0	0
TOTALS	\$ 1,989	\$ 2,624	\$ 2,300	\$ 5,197	\$ 1,420	\$ 1,385	\$ 1,480	\$ 11,782
Total Projects	8	7	7	11	6	7	7	61
Total Equipment	0	9	3	3	4	3	1	12

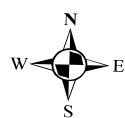
People Powered Transportation & Sidewalk Inspection and Repair

Non-Motorized Transportation

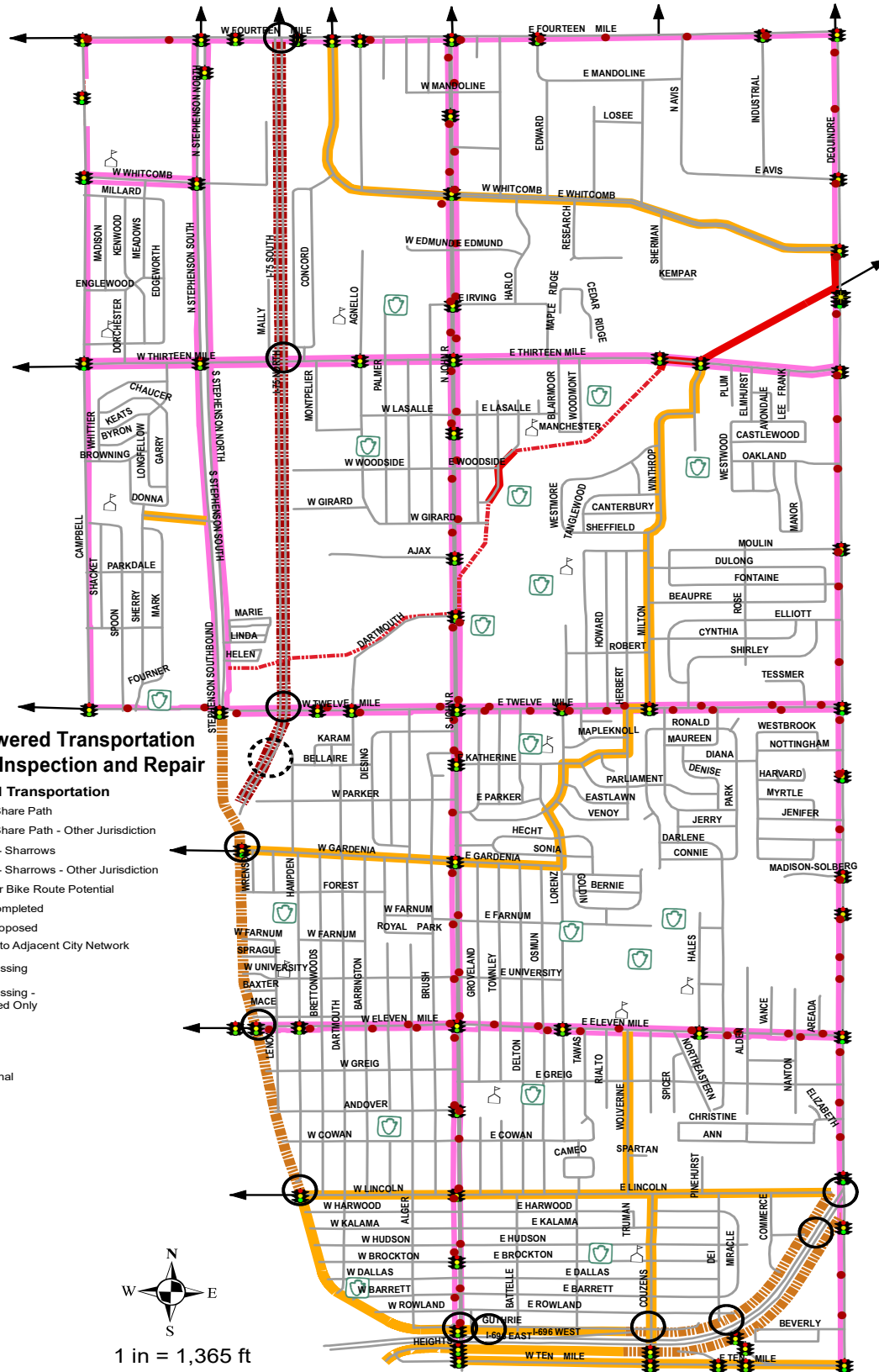
- Walk Ride Share Path
- Walk Ride Share Path - Other Jurisdiction
- Bike Route - Sharrows
- Bike Route - Sharrows - Other Jurisdiction
- I-75 Corridor Bike Route Potential
- Red Run Completed
- Red Run Proposed
- Connection to Adjacent City Network
- Freeway Crossing
- Freeway Crossing - Non-Motorized Only

Traffic Signals

-  Flash Only
-  Standard Signal
-  Parks
-  Schools
-  Bus Stop



1 in = 1,365 ft



COLLECTION & DISTRIBUTION SYSTEMS

Local Water Improvements

- Water Main Replacement Program

Water Main Replacement Program

Since 2001-02 Goal Plan, the City Council has has the aproved goal: Develop plans, schedule funding and implement a multi-year systematic water main replacement program aimed at reducing maintenance costs and water loss due to main breaks.

The Department of Public Services (DPS) annually reviews and identifies those areas needing extensive water main replacement and those requiring additional water mains to improve both water volume and pressure to customers. As a general strategy, the City is replacing six-inch cast iron water mains installed starting in the early 1940s with new eight-inch plastic pipe. Staff estimates that approximately 30% of the City's water main network is now comprised of plastic pipe. Through the extension of existing water main lines, the City loops existing service areas by connecting parallel lines, improving supply and distribution in various neighborhoods. By implementing the water main replacement program, our future operating budget for expensive emergency repairs will be reduced by decreasing the occurrence of water main breaks.

As recommended by staff, starting in 1997, the water mains in the Proposal “R-1” Neighborhood Road Improvement Program - Year Two were replaced with plastic pipe in order to avoid the future possibility of having to tear up newer roadway to repair broken mains. Beginning in FY 2011, City Council amended this program under “R-2” to fund replacement of only “crossover” mains or those areas where the water main typically runs under the roadway (e.g. intersections). This was due to the financial condition of the Water & Sewer Fund. Given the improved financial position of the Water and Sewer Fund, staff recommended, and City Council concurred, to reinstitute “R-2” related water main replacements, as detailed in the Neighborhood Projects chapter. Due to reduced cost, durability, easier handling and the success of the program, the City uses plastic pipe for all water main projects. This water main replacement program has been continued into the “R-3” Neighborhood Road Improvement Program.

The replacement of “non-R” or standalone water mains is undertaken when sufficient water and sewer funding is available. In FY 2015, the City deferred replacement of standalone water mains due to the potential for future additional wholesale rate increases charged to the City as a consequence of the restructuring of the Detroit Water and Sewerage Department (DWSD) and the outcome of the City of Detroit bankruptcy proceedings. Standalone water main replacement continued starting FY 2016. Before being deferred again in FY 2022 when the water and sewer fund was required to utilize available required to utilize available resources to settle a stormwater rate complaint (See stormwater later in this chapter for more details.)

The agreement between Wayne, Oakland, and Macomb Counties and the City of Detroit to form the new Great Lakes Water Authority includes a four percent (4%) annual wholesale revenue requirement over the next ten years, effective for the City’s FY 2017 rates. In light of this positive development and because of a strong fund balance in the Water and Sewer Fund, FY 2023-27 CIP programs eleven standalone water main replacement projects over this five year period. FY 2023 includes two standalone water mains on Alger from Mandoline to Fourteen Mile (\$183,200) and Fourteen Mile - John R to Palmer (\$229,000), while FY 2024 includes two standalong water mains John R - Whitcomb to Fourteen Mile (\$561,050), Ten Mile from Dequindre to John R Road (\$664,100) These high-priority “non-R” watermain projects have been identified in the Capital Improvement Plan. See Table VII for a complete listing of all programmed projects.

- **Equipment Replacement**

Nine pieces of water and sewer related equipment are scheduled for replacement over the upcoming five years of the CIP. FY 2024 includes the replacement of a 2003 Sewer Vactor (\$425,000) with the replacement of a quick view camera (\$20,000) and Portable Vehicle Hoist (\$60,000)

- **Facilities Needs**

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

This CIP include seven (3) facility improvements. FY 2023 includes the addition of a concrete pad inside the water/sewer storage pole barn (\$70,000)

Local Sewer Improvements

Many of our sewer lines in the City are over 50 years old and as a sewer system ages, the risk of deterioration, blockages and collapses become a major concern. Because sewers are not readily visible like roads and other public facilities, they are often not considered for repair or rehabilitation. As a result, sewer repairs are generally done in response to a major blockage or collapse that has caused basement backups or pavement failures. These are expensive repairs that may have been avoided by undertaking a routine cleaning and TV inspection program. The benefits of cleaning and TV inspecting public sewers include:

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

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

Utilizing MDEQ's Stormwater, Asset Management and Wastewater (SAW grant program) .

the city was able to complete the cleaning and televising portion of the sewer system in 2019 the SAW grant program yielded favorable results as the integrity of the wastewater collection system was found to be in very good condition for its age. Based upon the 500,854 lineal feet of sanitary sewer pipe inspected and rated, approximately 4,518 lineal feet of pipe needs some type of rehabilitation or repairs. This amount represents a modest repair scenario of approximately 0.902% of the overall sanitary sewer system. The budget included \$ 236,000 in Fiscal year 2022 with an additional \$150,000 a year budgeted for year 2023 and 2024.

The following pages in this CIP section include appropriations and revenues (Table VI), priority non-R water main projects (Table VII), and a map depicting "Non-R" watermain projects by priority.

Regional Sewer System

Brief History

The Southeastern Oakland County Sewage Disposal Authority (also referred to as the Twelve Towns Drain District) was established in 1942 to address flooding problems in this region. The Twelve Towns Drain District includes the cities of Berkley, Birmingham, Clawson, Ferndale, Hazel Park, Huntington Woods, Madison Heights, Oak Park, Pleasant Ridge, Royal Oak, Southfield, Troy, Royal Oak Township and the Village of Beverly Hills.

In 1972, the Twelve Towns Drain District completed construction of a Retention Treatment Facility (RTF), a 20 foot high by 65 foot wide structure in the bed of the former Red Run Drain. This RTF runs 2.2 miles from Twelve Mile and Stephenson Highway in a northeastern direction to Dequindre Road south of Whitcomb where it empties into the Red Run Drain.

During rain events, the RTF receives a combination of storm and sanitary flows from the 14 communities that make up the District. The RTF captures this storm water and sanitary sewage and drains gradually into the Dequindre Sewer Interceptor where flows travel south to the Detroit Water and Sewage Board Treatment Plant. In heavy storms, after retaining 35 million gallons of combined sewage, the basin overflows into the Red Run Drain, in Warren, after receiving primary treatment including skimming and chlorination.

As part of an Agreement with the Michigan Department of Environmental Quality (MDEQ), the Twelve Towns Communities were required to plan and construct \$144 million (original estimate) in improvements to the RTF aimed at reducing the volume and the frequency of the overflows, and providing adequate treatment of these overflows when they do occur.

Twelve Towns Contested Case Settlement

On October 22, 1998, the Director of MDEQ issued the new National Pollutant Discharge Elimination System (NPDES) Operating Permit that allows the South Oakland County Sewerage Disposal System (SOCSDS) to discharge Combined Sewer Overflow (CSO) into the Red Run Drain until October 1, 2003. This Permit has been renewed several times since then.

In June 2005, the communities agreed to the change and renaming the permit to "George W. Kuhn Drainage Board on behalf of the George W. Kuhn Drainage District".

- Permit Key Features

The NPDES Permit includes the following key features:

1. Limits and reporting standards for the treated combined sewer overflow to the Red Run Drain including procedures for monitoring this overflow;
 2. In-stream testing for *Escherichia coli* (E-coli) per State statute;
 3. Requirements for the development of new procedures and assessment of the operation of the RTF;
 4. Discharge notification requirements;
 5. The Combined Sewer Overflow control program including:
 - a. North Arm Relief project with 4.8 million-gallon increase in storage;
 - b. RTF storage capacity increase of 30 million gallons to a total of 64 million gallons;
 - c. Construction of a new inlet weir and related headworks including improved treatment features;
 - d. Elimination of the Madison Heights separated storm sewer inputs from the RTF by the construction of two new parallel storm sewers;
 - e. Elimination of the two Madison Heights combined sewer overflow interceptors to the RTF by rerouting of them upstream of the new inlet weir structure;
 - f. Elimination of the Hazel Park sanitary sewer discharge to the RTF by the construction of a new Ten Mile Road interceptor;
 - g. Construction of a new de-watering pump station to facilitate the removal of flows in the early stages of a storm event by increasing discharge to the Twelve Mile Road interceptor;
 - h. Downspout Disconnection Program; and
 - i. Storm Water Input Restriction Program.
 6. A December 31, 2005 deadline for the construction (started in October 2000) of the proposed improvements;
 7. Commitment by the MDEQ that the proposed CSO improvements would constitute “adequate treatment” capable of meeting water quality standards which means no additional improvements of the system will be required unless a problem is uncovered and can be traced solely to the RTF or unless evidence is found as a result of the Total Maximum Daily Load (TMDL) review of the Red Run Drain and the Lower Clinton River Watershed; and
 8. A provision that would allow this permit to be reopened by the MDEQ or the Twelve Towns communities based on technical and/or financial problems that may arise in the future.
- George W. Kuhn Drain

In March 1999, the Drain Board accepted petitions from the Twelve Towns Communities and established a new drain district for this construction project named the George W. Kuhn Drain District (GWKDD). The three major components of this construction project include Contract #1, construction of the 10-foot parallel storm sewers north and south of the existing RTF including the disconnect of the existing Madison Heights storm sewers and rerouting of two combined sewer interceptors; Contract #2,

construction of a new Ten Mile Road interceptor in Hazel Park; and Contract #4, construction of a new inlet weir just east of Interstate Freeway 75 (I-75) and south of the City's Department of Public Services Building. The project was constructed on property owned by the GWKDD and the City. The GWKDD held a permanent easement over the City property. Contracts #1 and #2 were initiated in the fall of 2000 and were completed in 2002.

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

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

Operations and Maintenance Agreement

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

1. A new O & M Apportionment adopted by the Drain District Board, which saved the City \$449,000 per year effective July 1, 2005.
2. The Drain District credited the communities as a whole \$1 million a year for five years and the credits were be spread in relationship to the apportionments (calculating the credits based on the old apportionment which benefits Madison Heights since the old rate will be dropped from 10.286% to 6.5409% with the adoption of the new apportionment). In addition, the Water Resources Commissioner reserves the right to charge the communities up to \$500,000 per year for five years based on the new O & M Apportionments to fund a capital replacement and repair reserve. Water Resources Commissioner indicated that it would not be necessary to impose this new charge if it is determined the \$18 million reserve is adequate. The net impact of the new credit and the new charge resulted in a net credit on Madison Heights' bill of an additional \$70,000 over five years or \$350,000.

3. The Drain District by agreement agreed to pay Madison Heights \$850,000 to maintain the new green open space being created west from John R to the new screen building. The new facility consolidates many of the Madison Heights' soccer fields in one complex at this location including 9 soccer fields, a 230 space parking lot, a support building (including concessions, restrooms, storage and a small meeting room/office), a playground and a picnic shelter. The Drain District has agreed to fund all improvements except the playground (funded by Oakland County Parks and Recreation).
4. The City would be responsible for any future treatment of storm water that it contributes to the new parallel storm sewers to the extent of what is currently required under federal and state law. Madison Heights would also be apportioned 94.5% of the estimated \$20,000 annual cost for the O & M Apportionment for the parallel storm sewers.

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

George W. Kuhn (GWK) Improvement Project

Listed below is the status report of each of the major project elements undertaken as part of the GWK improvement project: mContract No. 4 - RTF Improvements

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

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

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

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

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

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

The project was bid in July of 2007 and awarded to Western Waterproofing. The GWK retention

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

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

- Contract No. 6B - Flushing System Rehabilitation

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

- Contract No. 7 - Confined Space Entry Training Facility

The project was bid in August of 2006 and awarded to Sorensen Gross Construction. This project consists of the construction of a confined space entry training facility, the grading and construction of nine youth soccer fields including the infrastructure and the construction of a building and pavilion to serve as a training/conference facility. The project was substantially complete on October 24, 2008. The final contract amount was \$1.9 million.

- Contract No. 8 - Chlorine System Rehabilitation Contract

The project was bid on February 26, 2008 and awarded to Process Piping and Equipment. The project consists of the replacement of approximately 66 1-inch valves and miscellaneous appurtenances in the disinfection system that were constructed in the Retention Treatment Facility by Walbridge Aldinger in Contract 4. The project was substantially completed on January 1, 2009. The final contract amount was \$508,000.

- U.S. Army Corps of Engineers Projects

- Project #1. Red Run Drain Improvements and Cross Connection Repair

This project consists of repairing the drain outfalls and selected slope stabilization along the banks of the Red Run Inter-county Drain, as well as the removal of a 48 inch storm and 60 inch combined sewer cross connection located within the GWK drainage system beneath John R Road near 12 Mile.

The project was awarded to Site Development on September 21, 2010 for an amount of \$2.2 million and completed in summer 2011.

- Project #2. Southfield No. 2 Drain CIPP Rehab and 66 inch SOCSDS Cleaning

This project consists of cleaning the Southeast Oakland County Sewage Disposal System 66 inch interceptor in order to increase the maximum flows to the DWSD system, as well as rehabilitate the 90 year old combined drains located in the Southfield No. 2 drainage system. This project was awarded to Blaze Contracting on October 15, 2010 for an amount of \$1.3 million and completed in 2011.

GWK Maintenance Fund

The George W. Kuhn Drain Project Segments 1 - 4 and Contract 8 - Establish Maintenance Fund and Transfer Construction Surplus

On June 15, 2010, the GWK Drain Board, pursuant to Chapter 20, Act 40 of the Public Acts of 1956, determined the George W. Kuhn Drain Project was complete with net construction surplus of \$10.8 million. The Water Resources Commission's staff requested that \$7.0 million of the surplus reserve funds of the George W. Kuhn Drain Project be transferred to cover construction costs for other George W. Kuhn Drain Projects as listed:

<u>Project Name</u>	<u>Amount</u>
• GWK Segment 4	\$ 386,000
• GWK Contract 8	167,000
• GWK Contract 6A	218,000
• GWK Contract 6B with Golf Access	476,000
• SOCSDS Heavy Cleaning (ACOE Project)	147,000
• Southfield No. 2 Drain Rehabilitation (ACOE Project)	259,000
• Red Run E-Coli Reduction within GWKDD (ACOE Project)	307,000
• GWK RTB Entrance Weir Baffle Wall	500,000
• Remove/Replace Roof - Dequindre Booster Station	50,000
• Install additional GWK Regulator - early flow to SOCSDS	500,000
• Replace Generator - Stephenson Control Building	100,000
• Remove/Replace Driveway - Stephenson Control Building	25,000
• Install Rollup Doors and Interior Repairs - Stephenson Garage	150,000
• Southfield No. 6 Drain Rehabilitation Project	<u>963,000</u>
Total	\$7,048,000

Further, the Board determined there is a need to have funds in a maintenance fund for the inspection, repair and maintenance of the drain; and the amount needed is \$1.2 million. Finally, the Board determined, having provided sufficient funds to maintain the drain and to cover other drain projects, the remaining surplus of \$3.1, plus any additional interest earnings, be credited to the contributors (municipalities and State). Madison Heights' share of this credit was \$115,700.

- Illicit Sewer Connection at 12 Mile and John R Road

As part of storm drain monitoring done in June/July 2009, the Oakland County Water Resources Commissioner's (OCWRC) office found a cross connection of a 48-inch storm drain and a 60-inch combined sewer in the vicinity of the 12 Mile and John R intersection. The illicit connection impacted the South GWK storm drain which ultimately discharges to the Red Run Drain and Clinton River. Correction of the illicit discharge was required pursuant to the Federal NPDES Phase II Storm Water Permit.

Following further investigation and the completion of a consultant's report in October 2009, the OCWRC was able to successfully include this sewer separation as part of a US Army Corps of Engineers \$2.2 million project which also included repairs to the Red Run Drain in Macomb

County. In addition to eliminating the illicit cross connection, the contractor also constructed 415 feet of new line ranging from 48 to 60 inches in diameter. This project, which was funded by the Federal American Recovery and Reinvestment Act, did not require a City contribution. Work was completed in early 2011.

Stormwater Management

Stormwater management is important in Madison Heights and across the Southeast Oakland County region. The City has implemented methods to control the amount of stormwater entering the City's sewer system to prevent basement back-ups caused by overloading of the sewers. In addition, the City has installed restricted catch basin covers to temporarily pond water on roadways and has recently started implementing green infrastructure projects throughout the City.

The City of Madison Heights bills property owners for costs paid to Oakland County Water Resources Commissioner and the Great Lakes Water Authority. These costs were included in water and sewer rates. In 2017, after learning of several lawsuits for other municipalities in the area for not charging stormwater and was similar to water, sewer, or electric fee. Property owners are charged this fee to collect, transport, and treat stormwater that runs off their property entering the storm drains as charged by the Oakland County Water Resources Commissioner (OCWRC) and the Great Lakes Water Authority (GLWA)

In 2020, the City was sued in an Oakland County Circuit Court titled Griffin V. the City of Madison Heights; the plaintiff challenged the mandatory stormwater service charge the City imposes upon owners of real property to recover certain costs assessed upon the City by Oakland County. In this case, the plaintiffs claimed that: (a) the Stormwater Charge is not a proper user fee but a tax wrongfully imposed by the City to raise revenue in violation of the Headless Amendment to the Michigan constitution of 1963; (b) the Stormwater Charge violates the Prohibited Taxes By Cities and Villages Act, MCL 141.91 because the Stormwater Charge is not an ad valorem tax, but is a tax imposed, levied, or collected after January 1, 1964; (c) that Plaintiffs and those similarly situated have been harmed by the City's collection and retention of Stormwater Charges.

The Plaintiffs sought a judgment from the Court against the City that would order and direct the City to refund all Stormwater Charges to which Plaintiffs and the class are entitled and any other appropriate relief. The City maintains that the City's imposition of the Stormwater Charge is proper and lawful. Thus, the City denies Plaintiffs' claims in their entirety. The City explicitly denies that the Stormwater Charge is a tax, denies that it retains the Stormwater Charge. The City denies that the Plaintiffs or any other property owners in the City. The City is in the process of again developing a methodology of charging water, sewer, and stormwater as this is a direct cost charged to the City from Oakland County

TABLE VI
FY 2022-27 CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

REVENUES:

COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL/ MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
WATER MAINS/METERS								
Alger - Mandoline to Fourteen Mile	0	0	0	0	0	183	0	183
Garry - Longfellow to Sherry	0	0	0	0	0	458	0	458
John R - Whitcomb to Fourteen Mile	0	0	0	0	0	565	0	565
Ten Mile - Dequindre to John R	0	0	0	0	0	665	0	665
Edward - Twelve Mile to Page Middle School	0	0	0	0	0	300	0	300
Lenox - Eleven Mile to University	0	0	0	0	0	185	0	185
Hampden - Eleven Mile to University	0	0	0	0	0	185	0	185
Lincoln (John R to Service Drive (2 mains))	0	0	0	0	0	1,055	0	1,055
Park Court (11 Mile to Northeastern)	0	0	0	0	0	310	0	310
Park Court (E. 12 Mile to Darlene Avenue)	0	0	0	0	0	565	0	565
Ronald Avenue (Hales Street to Park Court)	0	0	0	0	0	175	0	175
SEWER PROJECTS								
Sanitary Sewer Projects that result from Inspection	0	0	0	0	0	300	0	300
REPLACEMENTS								
2007 Chevy 3/4 Ton Pickup #434	0	0	0	0	0	36	0	36
2013 GMC Cargo Van #453	0	0	0	0	0	36	0	36
2006 John Deere Backhoe #455	0	0	0	0	0	90	0	90
2013 GMC Cargo Van #461	0	0	0	0	0	36	0	36
2012 GMC 1-Ton Dump Truck	0	0	0	0	0	65	0	65
2014 Freightliner Tandem Axle Dump Truck #464	0	0	0	0	0	230	0	230
2003 Sterling Sewer Vector #465	0	0	0	0	0	425	0	425
Envirosight Quick-View Camera	0	0	0	0	0	20	0	20
Portable Vehicle Hoist System	0	0	0	0	0	60	0	60
FACILITIES	0	0	0	0	0	0	0	0
2006 Backup Generator #552 (DPS Building)	0	0	0	0	0	70	0	70
Concrete Pad inside the DPS Pole Barn	0	0	0	0	0	70	0	70
DPS Office Renovations	0	0	0	0	0	25	0	25
HVAC Ajax	0	0	0	0	0	300	0	300
TOTALS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,409	\$ 0	\$ 6,409

TABLE VI
FY 2022-27 CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

APPROPRIATIONS:

COLLECTION & DISTRIBUTION SYSTEMS	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL APPROP.
NON-"R" WATER MAINS								
Connie - Beverly to Alden	267	0	0	0	0	0	0	0
DPS Main (Girard to DPS Spill Pad)	0	124	0	0	0	0	0	0
Hampton (Lincoln to Cowan)	0	215	0	0	0	0	0	0
Longfellow - Garry to Browning	0	195	0	0	0	0	0	0
Garry - Longfellow to Sherry	0	0	0	458	0	0	0	458
Alger - Mandoline to Fourteen Mile	0	0	183	0	0	0	0	183
Fourteen Mile - John R to Palmer	0	229	0	0	0	0	0	0
John R - Whitcomb to Fourteen Mile	0	0	0	565	0	0	0	565
Ten Mile - Dequindre to John R	0	0	0	0	665	0	0	665
Edward - Twelve Mile to Page Middle School	0	0	0	0	300	0	0	300
Lenox - Eleven Mile to University	0	0	0	0	185	0	0	185
Hampden - Eleven Mile to University	0	0	0	0	185	0	0	185
Lincoln (John R to Service Drive (2 mains))	0	0	0	0	0	1,055	0	1,055
Park Court (11 Mile to Northeastern)	0	0	0	0	310	0	0	310
Park Court (E. 12 Mile to Darlene Avenue)	0	0	0	0	0	0	565	565
Ronald Avenue (Hales Street to Park Court)	0	0	0	0	0	0	175	175
SEWER PROJECTS								
Sanitary Sewer Projects that result from Inspection	0	236	150	150	0	0	0	300
REPLACEMENTS								
2003 3 Yard Loader #405	0	225	0	0	0	0	0	0
1997 Clark Forklift #320	0	37	0	0	0	0	0	0
2000 Chevy 3/4 Ton Pickup #430	0	38	0	0	0	0	0	0
2007 Chevy 3/4 Ton Pickup #434	0	0	0	0	36	0	0	36
2013 GMC Cargo Van #453	0	0	0	0	0	36	0	36
2006 John Deere Backhoe #455	0	0	0	0	90	0	0	90
2007 Ford F250 3/4 Ton Pick-up Work-Box Body #457	0	33	0	0	0	0	0	0
2010 Ford 3/4 Ton Pickup #460	0	60	0	0	0	0	0	0
2013 GMC Cargo Van #461	0	0	0	0	0	36	0	36
2012 GMC 1-Ton Dump Truck	0	0	0	0	0	0	65	65
2014 Freightliner Tandem Axle Dump Truck #464	0	0	0	0	0	0	230	230
2003 Sterling Sewer Vactor #465	0	0	0	425	0	0	0	425
Arrow Board	10	0	0	0	0	0	0	0
Envirosight Quick-View Camera	0	0	0	20	0	0	0	20
Portable Light Tower	25	0	0	0	0	0	0	0
Large Format Scanner	7	0	0	0	0	0	0	0
Portable Vehicle Hoist System	0	0	0	60	0	0	0	60
FACILITIES								
DPS Salt Dome Containment Structure	247	407	0	0	0	0	0	0
Epoxy Floor Coating Ajax Building	0	24	0	0	0	0	0	0
Window Replacement of DPS Ajax Building	0	20	0	0	0	0	0	0
Replacement/Repairs to DPS Parking Lot	101	75	0	0	0	0	0	0
2006 Backup Generator #552 (DPS Building)	0	0	0	70	0	0	0	70
Dossier Fleet Management Software	0	6	0	0	0	0	0	0
Air Compressor for DPS Ajax Building	0	15	0	0	0	0	0	0
Concrete Pad inside the DPS Pole Barn	0	0	70	0	0	0	0	70
Underground Gasoline and Diesel Fuel Storage	295	0	0	0	0	0	0	0
DPS Office Renovations	0	0	0	0	0	0	25	25
HVAC Ajax	0	0	0	0	300	0	0	300
TOTALS	\$ 685	\$ 1,939	\$ 403	\$ 1,748	\$ 2,071	\$ 1,127	\$ 1,060	\$ 6,409
Total Projects	5	7	4	6	3	2	3	18
Total Equipment	0	5	6	3	3	3	2	17

TABLE VII

FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
PRIORITY NON-R WATER MAIN PROJECTS
(BASED ON CURRENT COSTS)

<u>Location Number</u>	<u>Projected Fiscal Year</u>	<u>Watermain Location</u>	<u>Length (Feet)</u>	<u>Estimated Cost (in 2021)</u>
1	2021-22	Fourteen Mile - John R to Palmer	1,000	229,000
2	2021-22(Deferred)	Longfellow - Garry to Browning	850	194,650
3	2021-22(Deferred)	DPS - W. Girard to DPS Wash Pad	700	125,000
4	2022-23	Alger - Mandoline to Fourteen Mile	800	183,200
5	2023-24	Garry - Longfellow to Sherry	2,000	458,000
6	2023-24	John R - Whitcomb to Fourteen Mile	2,450	561,050
7	2023-24	Ten Mile - Dequindre to John R	2,900	664,100
8	2024-25	Park Ct. - 11 Mile to Northeastern	1,350	309,150
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			28,800	\$ 6,559,900

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

PUBLIC SAFETY

The 2022-27 CIP includes funding for fifteen public safety facility improvement projects and thirty-one pieces of equipment/vehicles. These improvements cover Police, Court, and Fire for a total of \$6.5 million.

- **Police Department - HVAC Upgrades**

FY 2023 budget includes the final Phase for upgrades of the HVAC system at the Police Station for the amount of \$155,000. The project includes a complete analysis and design/build of a new HVAC system, focusing on the elimination of the expansion of the extensive electric reheat system in favor of a hot water reheat/rooftop unit system. This building has very high energy costs due to the near-constant operation of the system's electric heating components. The existing rooftop units are at the end of their useful life and need to be replaced. The total projected cost for this project is \$450,000 (\$295,000 will be carried forward from prior budget years for Phase I and II).

- **Police Department – Body Cams and In-Car Cameras**

Public Safety remains a top priority identified as part of the strategic plan. This years efforts focused on long-term transparent and capital outlay improvments, including the implementation of body cameras and replacment of in-car cameras. In August 2020, City Council approved a five year contract with Axon, formerly TASER international, to purchase new equipment and software for \$342,234.40. This contract included new officer worn cameras, replacement in car cameras, and cloud based digital evidence storage and maintance system. The cost was split over the five years with the first year at \$100,000, year 2 \$74,998 and the remaining 5 years \$ 55,745.50. This has been described as more of a subscription than an actual contract. Over the five year agreement the body cameras will be replaced twice and in car cameras replaced once. This CIP includes \$56,000 for the next three years.

- **Police Flooring in the Gun Range Armory and Property Room**

The FY 2021 Budget originally included the replacement of vinyl composite tile in the gun range with an epoxy floor-coat system. The current tile is routinely breaking and popping up from the floor adhesive. Due to budget adjustments, this \$25,000 has been postponed until FY 2024.

- **Police Department Carpet and Flooring Replacment**

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 plan includes a multi-year phased approach to replace the carpeting in the building over three years starting in FY 2023 for \$30,000 for the Dispatch area, FY 2024 \$15,000 and FY 2025 \$17,000

- **Police Reserve Station Refurbishment**

The Police Reserve Station, housed at the Department of Public Services, is in need of multiple upgrades, including flooring, lighting and personnel lockers which are above and beyond normal building maintenance. Due to budget adjustments, this \$19,000 has been postponed until 2024.

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- **Police Department Waterproofing Basement Wall**

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. The plan included \$10,000, in FY 2023 to investigate and repair this failed building system.

- Replacement of Police Vehicle Printers

The warranties on the Police Department in-car traffic citation printers has been for three years. The FY 2024 budget includes \$19,000 for replacement for the printers. This includes three handheld citation printers for Code Enforcement and the Police Motorcycle unit.

- Court Recording Equipment

The Court is mandated to record all courtroom proceedings. The courtroom recording equipment in both courtrooms are antiquated and over 20 years old (purchased in 2000, upgrades done in 2010 & 2014). The components are unrepairable as parts are no longer available. The replacement is budgeted at \$62,000 in FY 2023 to replace the equipment.

- Fire Station #1 HVAC Upgrades

A recent evaluation of the Fire Station #1 heating and cooling system has revealed the current rooftop unit on the east side of the building is in good condition but will need to be replaced in 3-5 years. The CIP includes two office units at \$17,500 each in FY 2024. The radio room unit is currently running well but does get significant run time with an estimated replacement of 2 years. This has also been included in the CIP for \$12,000 in FY 2025. The rooftop units in the living quarters are in fair condition due to frequent use and failures and are suggested to be replaced in the next 3-4 years. These units are included in the CIP at \$18,000 in FY 2025 for the bunkhouse and day room units and \$35,000 in FY 2026 for the Locker Room Unit.

- Fire Station #1 and #2 Infrastructure Maintenance

During FY 2022 we completed a facilities assessment by an architect to evaluate the condition of Fire Station #2 and make recommendations for refurbishments or building a new facility. This evaluation determined that the Fire Station #2 needed major refurbishing and renovation. In order to take advantage of economies of scale this renovation is being included in the overall Civic Center Plaza Renovation and is planned to begin as part of the overall project in year FY 2023 currently budgeted at \$2.0 million. Several minor items are also budgeted for Fire Station #1 including kitchen renovations at \$60,000 and roof replacement for \$250,000 FY 2024 and \$200,000 for FY 2025.

Vehicle Replacement - Police

The CIP includes replacement of twenty-one (21) marked patrol vehicles which now cost over \$37,000 inclusive of costs for changeover lights, radio, computer, and other equipment. The plan also includes five (5) other vehicles and two (2) motorcycles used throughout the department. Detailed vehicle information may be found in Table XI, the Vehicle and Equipment Replacement Plan.

Vehicle Replacement - Fire

Three (3) pieces of equipment or vehicles are scheduled to be replaced during the CIP period, FY 2023-27. These vehicles are utilized by the Fire Department and phase funding for one (1) ambulance rescue budget at \$140,000 a year in FY 2023 and FY 2024; phase funding for a pumper truck for a total of \$1 million budgeted in phases from FY 2025-2027; and include phased funding for an aerial ladder truck current estimated at \$1 Million. We have applied for Federal grant funds to assist with the purchase of the aerial

ladder truck however we have been not been selected yet. We will continue to apply for this grant in upcoming years until the purchase is made. The CIP also includes a generator #553 replacement, for Fire Station #1. at \$70,000 in FY 2023

As stated earlier, Proposal MH was developed around funding public safety and quality life events. This millage has been instrumental in not only increasing staffing but maintaining equipment maintenance,

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

REVENUES:								
PUBLIC SAFETY	GENERAL FUND	LOCAL/ MAJOR STREETS	GRANTS	SPECIAL ASSESS	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
POLICE								
Patrol and DB Vehicles (22)	597	0	0	0	0	190	0	787
Vehicle Upfitting (22)	321	0	0	0	0	0	0	321
Patrol Motorcycle (2)	70	0	0	0	0	0	0	70
Patrol Alternative Vehicle #112	38	0	0	0	0	0	0	38
Animal Control Van #119	35	0	0	0	0	0	0	35
Body Cams and In-Car Cameras	353	0	0	0	0	0	0	353
Building Video Camera System	22	0	7	0	0	0	0	29
Carpet Replacement - phased	62	0	0	0	0	0	0	62
HVAC Upgrades - phased	155	0	0	0	0	0	0	155
In-Vehicle Radar Units	26	0	0	0	0	0	0	26
In-Vehicle Printers	19	0	0	0	0	0	0	19
In-Vehicle Modems	21	0	0	0	0	0	0	21
In-Vehicle Computers	70	0	0	0	0	0	0	70
Renovation of Reserve Station	10	0	0	0	0	0	0	10
Renovation of Reserve Station Lockers	9	0	0	0	0	0	0	9
Taser Replacement	11	0	7	0	0	0	0	18
VCT Flooring Property Room/Gun Range	25	0	0	0	0	0	0	25
Waterproofing of the South Basement Wall	10	0	0	0	0	0	0	10
Lockup Facility Video Camera Equipment	0	0	0	0	0	26	0	26
DISTRICT COURT								
Carpet Replacement - phased	32	0	0	0	0	0	0	32
Court Recording Equipment	62	0	0	0	0	0	0	62
Lunchroom/Library Updates	7	0	0	0	0	0	0	7
Court Building General Updates	6	0	0	0	0	0	0	6
FIRE								
Fire Station #1 HVAC Replacement	105	0	0	0	0	0	0	105
Fire Station #1 Roof Replacement	450	0	0	0	0	0	0	450
Fire Station #2 General Renovation	0	0	0	0	0	0	2,044	2,044
Fire Station #1 Carpet Replacement	20	0	0	0	0	0	0	20
Fire Hose	25	0	0	0	0	0	0	25
Self Contained Breathing Apparatus (SCBA)	220	0	0	0	0	0	0	220
2004 Generator Fire Station #2 #553	70	0	0	0	0	0	0	70
2015 Ambulance Rescue Truck (R71) #713	280	0	0	0	0	0	0	280
2007 Pumper Pierce (ETX) #723	1,020	0	0	0	0	0	0	1,020
1997 Aerial Ladder Truck #730	1,100	0	0	0	0	0	0	1,100
TOTALS	\$ 5,311	0	\$ 14	\$ 0	\$ 0	\$ 216	\$ 2,044	\$ 7,585

TABLE VIII
FY 2022-27 CAPITAL IMPROVEMENT PLAN
PUBLIC SAFETY
(IN THOUSANDS)

APPROPRIATIONS:

PUBLIC SAFETY	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL APPROP.
POLICE								
Patrol and DB Vehicles (21)	76	213	117	149	149	186	186	787
Vehicle Upfitting (25)	22	78	53	67	67	67	67	321
Patrol Motorcycle (2)	0	0	0	35	35	0	0	70
Patrol Alternative Vehicle #112	0	0	38	0	0	0	0	38
Animal Control Van #119	0	0	35	0	0	0	0	35
Body Cams and In-Car Cameras	106	75	56	56	56	0	185	353
Building Video Camera System	0	0	0	0	29	0	0	29
Carpet Replacement - phased	0	0	30	15	17	0	0	62
Communications Conduit Reroute	0	25	0	0	0	0	0	0
Copy Machine in Dispatch Area	0	5	0	0	0	0	0	0
Dispatch Cabling	19	0	0	0	0	0	0	0
HVAC Upgrades - phased	0	295	155	0	0	0	0	155
Interior Sanitary Drain Pipe Replacement	0	15	0	0	0	0	0	0
LIDAR with Handheld Unit	0	5	0	0	0	0	0	0
Live-Scan Fingerprint Computer (CLEMIS)	0	22	0	0	0	0	0	0
Parking Lot	135	0	0	0	0	0	0	0
Radio Equipment (CLEMIS)	0	6	0	0	0	0	0	0
In-Vehicle Radar Units	0	0	26	0	0	0	0	26
In-Vehicle Printers	0	0	0	19	0	0	0	19
In-Vehicle Modems	0	0	0	0	21	0	0	21
In-Vehicle Computers	0	0	0	0	0	70	0	70
Renovation of Reserve Station	0	0	0	10	0	0	0	10
Renovation of Reserve Station Lockers	0	0	0	9	0	0	0	9
Taser Replacement	0	0	0	0	18	0	0	18
Training Room video upgrades	0	5	0	0	0	0	0	0
VCT Flooring Property Room/Gun Range	0	0	0	25	0	0	0	25
Waterproofing of the South Basement Wall	0	0	10	0	0	0	0	10
Lockup Facility Video Camera Equipment	0	0	26	0	0	0	0	26
DISTRICT COURT								
Carpet Replacement - phased	0	6	0	32	0	0	0	32
Court Recording Equipment - phase	0	0	62	0	0	0	0	62
Lunchroom/Library Updates	0	0	0	0	7	0	0	7
Court Building General Updates	0	0	0	6	0	0	0	6
FIRE								
Resurfacing Fire Apparatus Room Floors	37	16	0	0	0	0	0	0
Fire Radio Equipment	69	14	0	0	0	0	0	0
Fire Lucas Chest Compression System (2)	32	0	0	0	0	0	0	0
Fire Station #1 Thermostat Controls	0	15	0	0	0	0	0	0
Fire Station #1 HVAC Dehumidifier	0	11	0	0	0	0	0	0
Fire Station #1 HVAC Replacement	0	0	0	35	35	35	0	105
Fire Station #1 Roof Replacement	0	0	0	250	200	0	0	450
Fire Station #2 General Renovations	0	75	2,044	0	0	0	0	2,044
Fire Station #1 Carpet Replacement	0	0	0	20	0	0	0	20
Fire Station #1 Kitchen Renovation	0	0	60	0	0	0	0	60
Fire Hose	0	5	5	5	5	5	5	25
Technical Rescue Equipment	0	6	0	0	0	0	0	0
Self Contained Breathing Apparatus (SCBA)	0	0	220	0	0	0	0	220
2003 Generator Fire Station #1 #550	0	75	0	0	0	0	0	0
2004 Generator Fire Station #2 #553	0	0	70	0	0	0	0	70
2001 Chevrolet 3500 #704	0	36	0	0	0	0	0	0
2007 Ford F350 Pickup #702	44	0	0	0	0	0	0	0
2011 Ambulance Rescue #710	0	280	0	0	0	0	0	0
2015 Ambulance Rescue Truck (R71) #713	0	0	140	140	0	0	0	280
2007 Pumper Pierce (E7X) #723	0	0	0	0	340	340	340	1,020
1997 Aerial Ladder Truck #730	0	0	0	0	300	400	400	1,100
TOTALS	\$ 540	1,283	\$ 3,147	\$ 873	\$ 1,279	\$ 1,103	\$ 1,183	\$ 7,585
Total Projects	2	8	6	6	2	1	0	15
Total Equipment	6	15	7	7	6	5	6	31

GENERAL GOVERNMENT AND ECONOMIC DEVELOPMENT

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

Civic Center/Citywide Projects

Civic Center Plaza Project

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.

.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 \$15,500,000 over a 10-year period, including an escalation factor

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 budget for the project budget is \$10,728,000

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 budgeted by utilizing this project will be completed for final design in the Spring of FY 2022. Funding is budgeted by utilization a \$6.5 General Obligation Bond, Projected \$1.8 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.

Information Technology (IT)

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

- **IT Strategic Plan Upgrades**

Staff is recommending a budget of \$59,000, for FY 2023, and \$26,000 for FY 2024 with \$50,000 each year there after for needed strategic information technology projects.

City-Wide Microcomputer Replacements

In recent years, the financial crisis has compelled the City to suspend cycled replacements of our microcomputers. As part of this year's Capital Improvement Plan, we are recommending the continued updating of computers on a five-year rotating schedule as outlined in the Table XII (Computer Replacement Plan). In FY 2023-2027, replacements for 28 computers are scheduled for a total of \$30,000, with \$26,000 planned each year thereafter for computer replacements.

Library

The Library renovation is a major part of the Civic Center Plaza project as described on the previous page. As part of this plan the Library will be completely renovated with the addition of a teen space. There will also be shared space with the Active Adult Center for areas such as the existing Breckenridge Room meeting space.

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.

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.
Acquisition/demolition of DDA Parcels	\$222,500	2021-2038, 18 yrs.
Sign Grant Program	\$50,000	2018-2038, 20 yrs.
	\$432,500	
<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	\$35,000	2022-2026, 4 yrs.
	\$521,000	

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

TABLE IX
FY 2022-27 CAPITAL IMPROVEMENT PLAN
GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT
(IN THOUSANDS)

APPROPRIATIONS:

GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL APPROP.
CIVIC CENTER / CITY WIDE								
Active Adult, City Hall and Library Renovation	0	198	10,728	0	0	0	0	10,728
Election High-Speed Tabulating Equipment	32	0	0	0	0	0	0	0
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	20	23	30	30	30	30	30	150
Agenda Management Software	0	20	0	0	0	0	0	0
IT Strategic Projects	35	88	59	26	50	50	50	235
LIBRARY								
Creation of Outdoor Seating Space	0	5	0	0	0	0	0	0
TOTALS	\$ 87	\$ 334	\$ 10,817	\$ 56	\$ 80	\$ 80	\$ 80	\$ 11,113
Total Projects	3	4	4	3	0	0	0	7
Total Equipment	25	25	25	25	25	25	25	102

REVENUES:

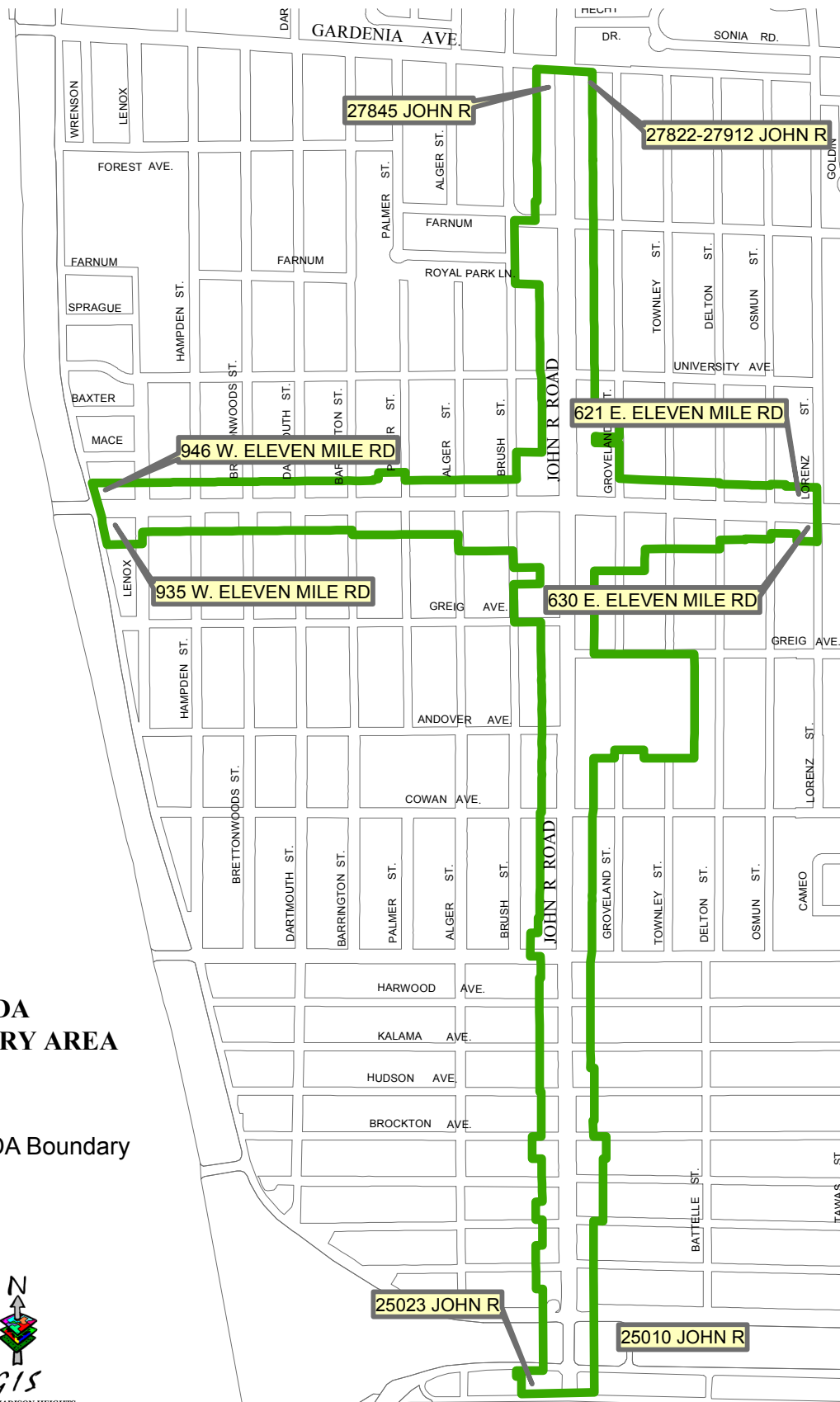
	GENERAL FUND	LOCAL/ MAJOR STREETS	GRANTS	SPECIAL ASSESS	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
CIVIC CENTER / CITY WIDE								
Active Adult, City Hall and Library Renovation	3,328	0	3,100	0	0	0	4,300	10,728
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	113	0	0	0	38	0	0	150
Agenda Management Software	0	0	0	0	0	0	0	0
IT Strategic Projects	176	0	0	0	59	0	0	235
Creation of Outdoor Seating Space	0	0	0	0	0	0	0	0
TOTALS	\$ 3,617	\$ 0	\$ 3,100	\$ 0	\$ 97	\$ 0	\$ 4,300	\$ 11,113

DDA BOUNDARY AREA

 DDA Boundary



CITY OF MADISON HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
WWW.MADISON-HEIGHTS.ORG



LEISURE AND HUMAN SERVICES

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

In November 2019, residents passed Proposal MH which focused on public safety and quality of life within the City. A major portion of this millage is being utilized for Parks and Recreation improvements and major maintenance projects. Prior to the passage of Proposal MH the City has had to defer both planned improvements and major maintenance projects for our parks system. For planning purposes, the staff has identified four categories of park projects:

1. Red Oaks Nature Center Projects
2. Other Park Projects
3. Property Acquisitions
4. Walking and Bike Trails

Red Oaks Nature Center Projects

Based on the fall 2009 Financial Forecast, and on the heels of the first round of Budget Gap Reduction Measures, the City initiated a dialog with the Oakland County Parks and Recreation Commission (OCPR) regarding a potential partnership arrangement at Friendship Woods. These discussions resulted in a 25 year lease agreement for the Red Oaks Nature Center at Friendship Woods which was approved August 23, 2012 by the Oakland County Board of Commissioners.

In exchange for the use of our property for the next 25 years, the City will receive the following: \$1 annual rent, plus; year-round programming services including personnel, contractors and supplies; majority of maintenance expense; majority of capital improvement expenditures; and annual utility costs above the current City budget, plus a small inflation factor. OCPR is obligated, was planning to fund the first \$5,000 of all capital and maintenance project expenses plus 50 percent of the amounts above the first \$5,000 in major maintenance and capital improvement projects. In 2020 OCPR asked the voters in Oakland County to approve an increase in the Oakland County Parks and Recreation Millage. With the passing of this millage OCPR is planning to invest in the upgrade and maintenance of all OCPR facilities. This included the following projects planned for the

<u>Project</u>	<u>Total Project Cost</u>
HVAC Replacement	\$348,000
Office Space Remodeling	165,000
Site Landscaping	40,000
Parking Lot	300,000
 Total Cost	 <u>\$853,000</u>

This project plan list required the City of Madison Heights to contribute \$416,500. Based on this large contribution requirement staff met with OCPR to discuss a change in the current lease agreement. This resulted in an amendment to the existing agreement resetting the twenty five year duration and capping the City's contribution at \$50,000 a year. This \$50,000 is being budgeted each year of the Capital Improvement Plan.

- Other Parks Projects

The City's Parks and Recreation Master Plan is in place for FY 2021-2025 with the first year of implementation being FY 2022. This plan used the resident feedback, surveys, and analysis of nearby facilities to create a "master" plan for parks and recreation projects for the next five years. This masterplan is then relied upon to create the budget request and to support grant applications. Fiscal Year 2023 implements year two of this plan. Many of these projects were completed in the FY 2022 with a combination of budgeted funds and grants with others budget during the period of this plan. The Master Plan items are included below:

Park	Proposed Improvement	Year	Cost/Est. Cost
Civic Center	Rehabilitation Park Pavilions A&B	Budgeted 2022	\$7,500
Rosie's	Upgrade Lighting	Budgeted 2022	\$75,000
Edison	Replace Playscape and softfall surfacing	5/9/2021	\$186,500
Huffman	Add Pavilion		\$30,000
System-wide	Landscaping and tree planting	Annually	\$10,000
Civic Center	Develop skate park re-use plan only not construction	FY 2027	\$100,000
Greenleaf	Replace Baseball Backstops	8/9/2021	\$25,558
Edison	Rehabilitate Parking Lot	FY 2024	\$25,000
Ambassador	Add small pavilion with Restroom	FY 2027	\$100,000
Ambassador	Resurface tennis courts	Budgeted 2022	\$30,000
Rosie's	Add covered awning over concession stand services area		\$50,000
Twelve/Sherry	Replace 12 Mile fence around Magic Square	8/9/2021	\$16,886
Civic Center	Add Totscap and soft fall surface	8/9/2021	\$73,500
System-wide	Upgrade Lighting	FY 23, 24, 25	\$200,000
System-wide	Bike trail system (see complete streets plan)		\$100,000
System-wide	Various park property purchases		\$100,000
George W. Suarez Friendship Woods	Tree Cutting – 15 year cycle	FY 23-27	\$25,000
George W. Suarez Friendship Woods	Nature Center parking lot resurfacing	FY 23-27	\$30,000
Rosie's	Purchase and install new pavilion	FY 2023	\$75,000
Rosie's	Add 9-hole disc golf course	Planned 2022	\$10,000 *
Projects Completed in Addition to the Master Plan with Grant Funding			
Exchange	Small Playscape (MSHDA Grant)	8/9/2021	\$12,500 *
Edison	Replace Baseball Backstop (Progress Forward Grant)	8/9/2021	\$15,000 *
Huffman	Fitness Court (NFC and Priority Health Grant)	4/21/2021	\$150,000*
Rosie's	Large Playscape w/swings (GameTime Grant)	10/25/2021	\$221,967
			Total
			\$1,481,911

- Parks Improvement Budget Process

During this Master Planning process specific questions were asked about how the City should spend available funding. The residents ranked the following amenities as most important : Community Center 24% New Playgrounds 21% Adult Outdoor Fitness Equipment 15% Programming 12% Park Maintenance 12% Splashpad 10% Active Adult Center 7% and Nature Center 4%

In addition to the projects outlined in the Master Plan details above, the plan includes Playstructure at 12-sherry (\$175,000) Ambassador Park (\$150,000) Civic Center (\$225,000) and Gravel (\$125,000) Other projects are refurbishment of Basketball Court (\$20,000), Baseball (\$20,000) and parking Lot (\$150,000) at Civic Center park, Irrigation at Huffman Park (\$20,000) and Rosie's Parking Lot (\$75,000), Irrigation (\$20,000), Backstop Fence (\$75,000), and Magic Square (\$75,000). These specific park projects are budgeted along with the new events trailer for \$25,000.

- Walking and Bike Trails

High-priority recreational items in Madison Heights are the replacement and improvements of our current park features and amenities. Once our current facilities are brought up to an acceptable level we will be turning our focus on the development of a bike trail system. In the future, the proposed trails will connect with trails developed by Oakland County and Macomb County. Trail budgeted replacments are \$294,000 in FY 2024 and \$292,000 in FY 2025.

Active Adult Center Improvements

The Active Adult Center is planned to be rebuilt on the Civic Center Plaza as part of the overall project briefly described above in the General Government section. The current Active Adult Center has extensive maintenance issues required to the current facilities nessitating that this building be rebuilt. This rebuilding has been designed around the needed of the Active Aults with seperate dedicated space for programing and classes.

- Vehicle Replacements

One vehicle is included in the CIP for replacement for Active Adult Center activities. in FY 2023 a replaement van is being budgeted

The following pages include appropriations and revenues for Leisure and Human Services, the computer replacement plan, and 5-Year vehicle replacement plan.

TABLE X
FY 2022-27 CAPITAL IMPROVEMENT PLAN
LEISURE & HUMAN SERVICES
(IN THOUSANDS)

APPROPRIATIONS:

LEISURE & HUMAN SERVICES	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL APPROP.
PARKS AND RECREATION								
12-Sherry Park - Fence Replacement	0	17	0	0	0	0	0	0
12-Sherry Park - Playscape Replacement	0	0	0	0	175	0	0	175
12-Sherry Park - Magic Square Replacement	0	0	0	0	40	0	0	40
Ambassador Park - Tennis and Pickle Ball Court	0	30	0	0	0	0	0	0
Ambassador Park - Playscape Replacement	0	0	0	150	0	0	0	150
Ambassador Park - Pavilion/Restroom Facilities	0	0	0	0	0	0	100	100
Athletic Fields - Lighting Analysis and Replacement	0	25	200	200	200	0	0	600
Civic Center Park - Pavilions A&B Improvements	0	8	0	0	0	0	0	0
Civic Center Park - Totscap, New Swings & Soft Fall Surfacing	0	74	0	0	0	0	0	0
Civic Center Park - Develop Reuse of former Skate Park Site	0	0	0	0	0	0	150	150
Civic Center Park - Playscape Replacement	0	0	225	0	0	0	0	225
Civic Center Park - Basketball Court Rehabilitation	0	0	0	20	0	0	0	20
Civic Center Park - Baseball Field Rehabilitation	0	0	0	0	0	0	20	20
Civic Center Park - Parking Lot Rehabilitation	0	0	0	0	0	150	0	150
Edison Park - Backstop Fence	0	15	0	0	0	0	0	0
Edison Park - Playscape Replacements	0	187	0	0	0	0	0	0
Edison Park - Paving Parking Lot	0	0	0	25	0	0	0	25
Exchange - Small Playscape	0	13	0	0	0	0	0	0
Gravel Park - Playscape Installation	0	0	0	0	0	125	0	125
Greenleaf Park - Backstop Fence	0	26	0	0	0	0	0	0
Huffman Park - Irrigation system for Football Field	0	0	0	20	0	0	0	20
Huffman Park - Shelter Building Furnace	0	8	0	0	0	0	0	0
Huffman Park - Fitness Court	150	0	0	0	0	0	0	0
Nature Center - Share of Capital Projects	0	50	50	50	50	50	50	250
General - Special Project Funding	0	0	50	35	30	50	50	215
Rosie's North Playscape	0	223	0	0	0	0	0	0
Rosie's 9-Hole Disk Golf Course	0	10	0	0	0	0	0	0
Rosie's Park - Gardenia Parking Lot	0	0	75	0	0	0	0	75
Rosie's Park - Irrigation system for Soccer Field	0	0	20	0	0	0	0	20
Rosie's Park - Pavilion	0	0	75	0	0	0	0	75
Rosie's Park - Backstop Fence	0	0	0	75	0	0	0	75
Rosie's Park - Upgrade Lighting	0	75	0	0	0	0	0	0
Rosie's Park - Magic Square Refurbishment	0	0	0	75	0	0	0	75
Events Trailer	0	0	25	0	0	0	0	25
Vehicle #484 - 2009 Chevy Colorado Pick-Up Truck	0	0	36	0	0	0	0	36
Vehicle #485 - 4x4 Quad-Cab Pickup Truck with Plow	0	0	0	0	0	36	0	36
Vehicle #488 - 2009 Volvo Loader	0	0	0	0	0	225	0	225
Walk/Bike Path Construction	0	0	0	294	292	0	0	586
Wildwood Park - Parking Lot Rehabilitation	0	24	0	0	0	0	0	0
ACTIVE ADULT CENTER								
Vehicle #482 - Senior Van	0	0	0	0	0	32	0	32
Vehicle #469 - 2010 Senior Van	0	0	32	0	0	0	0	32
Vehicle #471 - 2002 Blue Bird Bus	0	200	0	0	0	0	0	0
TOTALS	\$ 150	\$ 968	\$ 788	\$ 944	\$ 787	\$ 668	\$ 370	\$ 3,557
Total Projects	5	6	8	5	4	2	1	16
Total Equipment	0	1	1	2	1	0	1	3

REVENUES:

LEISURE & HUMAN SERVICES	GENERAL FUND	LOCAL/ MAJOR STREETS	SENIOR MILLAGE	SPECIAL ASSESS.	WATER & SEWER	OAKLAND COUNTY PARKS	OTHER REVENUES	TOTAL REVENUES
PARKS AND RECREATION								
12-Sherry Park - Playscape Replacement	175	0	0	0	0	0	0	175
12-Sherry Park - Magic Square Replacement	40	0	0	0	0	0	0	40
Ambassador Park - Playscape Replacement	150	0	0	0	0	0	0	150
Ambassador Park - Pavilion/Restroom Facilities	100	0	0	0	0	0	0	100
Athletic Fields - Lighting Analysis and Replacement	600	0	0	0	0	0	0	600
Civic Center Park - Develop Reuse of former Skate Park Site	150	0	0	0	0	0	0	150
Civic Center Park - Playscape Replacement	225	0	0	0	0	0	0	225
Civic Center Park - Basketball Court Rehabilitation	20	0	0	0	0	0	0	20
Civic Center Park - Baseball Field Rehabilitation	20	0	0	0	0	0	0	20
Civic Center Park - Parking Lot Rehabilitation	150	0	0	0	0	0	0	150
Edison Park - Paving Parking Lot	25	0	0	0	0	0	0	25
Gravel Park - Playscape Installation	125	0	0	0	0	0	0	125
Huffman Park - Irrigation system for Football Field	20	0	0	0	0	0	0	20
Nature Center - Share of Capital Projects	250	0	0	0	0	0	0	250
General - Special Project Funding	215	0	0	0	0	0	0	215
Rosie's Park - Gardenia Parking Lot	75	0	0	0	0	0	0	75
Rosie's Park - Irrigation system for Soccer Field	20	0	0	0	0	0	0	20
Rosie's Park - Pavilion	75	0	0	0	0	0	0	75
Rosie's Park - Backstop Fence	75	0	0	0	0	0	0	75
Rosie's Park - Magic Square Refurbishment	75	0	0	0	0	0	0	75
Events Trailer	25	0	0	0	0	0	0	25
Vehicle #484 - 2009 Chevy Colorado Pick-Up Truck	36	0	0	0	0	0	0	36
Vehicle #485 - 4x4 Quad-Cab Pickup Truck with Plow	36	0	0	0	0	0	0	36
Vehicle #488 - 2009 Volvo Loader	225	0	0	0	0	0	0	225
Walk/Bike Path Construction	292	0	0	0	0	294	0	586
ACTIVE ADULT CENTER								
Vehicle #482 - Senior Van	0	0	32	0	0	0	0	32
Vehicle #469 - 2010 Senior Van	0	0	32	0	0	0	0	32
TOTALS	\$ 3,199	\$ 0	\$ 64	\$ 0	\$ 0	\$ 294	\$ 0	\$ 3,557

TABLE XI
FY 2023-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Utilization Legend:									Condition
= Miles/Hours 67% or More of Group Average									Excellent (0 -17)
= Miles/Hours Between 33% and 67% of Group Average									Good (18 - 22)
= Miles/Hours Less than 33% of Group Average									Fair (23 - 27)
									Poor (28+)
Vehicle	Department / Division	Make / Model	Model Year	Vehicle Group	Oct. 2021 Miles/Hrs.	Miles/Hrs. as % of Group Avg.	Years of Service	Avg. Miles/Hrs. per Year	As of 10/1/2021
100	PD-Detective	Ford Fusion	2014	Sedan	64,631	206%	8.2	7,835	19
101	PD-Admin	GMC Terrain	2018	Sedan	29,819	95%	3.3	9,069	11
102	PD-Radar	Ford Interceptor Utility	2019	Patrol Car	38,763	105%	2.4	16,406	19
103	PD-Radar	Dodge Durango Pursuit	2021	Patrol Car	8,933	24%	0.7	13,156	11
104	PD-Patrol	Ford Interceptor Utility	2018	Patrol Car	60,074	163%	3.3	18,270	24
105	PD-Patrol	Dodge Durango Pursuit	2021	Patrol Car	4,679	13%	0.6	8,256	17
106	PD-Patrol	Dodge Durango Pursuit	2021	Patrol Car	12,645	34%	0.7	19,406	16
107	PD-Patrol	Ford Interceptor Utility	2018	Patrol Car	63,124	171%	3.3	19,197	27
108	PD-Patrol	Ford Interceptor Utility	2020	Patrol Car	24,426	66%	1.4	17,223	15
109	PD-Patrol	Ford Interceptor	2016	Patrol Car	76,447	207%	5.0	15,183	30
110	PD-Patrol	Ford Interceptor Utility	2020	Patrol Car	27,483	75%	1.5	18,385	15
111	PD-Patrol	Ford Interceptor Utility	2017	Patrol Car	5,459	15%	5.0	1,098	10
112	PD-A.I.T.	Ford SSV Pickup Truck	2016	Patrol Car	83,103	225%	5.3	15,719	33
113	PD-A.I.T.	Dodge Durango Pursuit	2021	Patrol Car	9,893	27%	0.8	13,045	12
114	PD-Patrol Sup.	Ford Interceptor Utility	2019	Patrol Car	65,477	178%	3.3	19,913	26
116	PD-Canine Unit	Ford Interceptor Utility	2017	Patrol Car	52,756	143%	4.5	11,843	25
117	PD-Mtr. Carrier	Ford Interceptor Utility	2020	Patrol Car	19,739	54%	1.6	12,367	14
119	PD-Animal CTL	Chevy G20 Van	2012	Unique or Non-Metered	55,494	N/A	10.0	5,529	29
121	PD-Admin	Ford Interceptor Utility	2015	Sedan	76,142	242%	7.1	10,692	25
122	PD-Admin	Chrysler 200	2016	Sedan	13,478	43%	6.1	2,202	16
123	PD-Detective	Dodge Journey	2015	Sedan	46,093	147%	7.1	6,473	21
125	PD-Detective	Ford Escape	2021	Sedan	440	1%	0.6	755	9
126	PD-Detective	Dodge Durango	2019	Sedan	43,511	138%	3.3	13,233	16
133	PD-Detective	Ford Edge	2020	Sedan	4,500	14%	1.7	2,668	10
138	PD-SIU	Undercover	2016	Sedan	42,439	135%	5.3	8,007	19
140	PD-Reserves Sgt.	Ford Interceptor Utility	2018	Reserves Patrol Car	100,000	98%	18.9	5,302	24
141	PD-Reserves	Ford Interceptor	2013	Reserves Patrol Car	82,839	81%	9.1	9,083	27
142	PD-Reserves	Ford Crown Victoria	2010	Reserves Patrol Car	127,134	125%	12.1	10,489	36
143	PD-Reserves	Ford Interceptor Utility	2014	Reserves Patrol Car	112,770	111%	18.7	6,047	31
144	PD-Reserves	Ford Crown Victoria	2008	Reserves Patrol Car	105,373	103%	13.7	7,682	34
145	PD-Reserves	Ford Crown Victoria	2011	Reserves Patrol Car	100,000	98%	11.1	8,992	32
146	PD-Reserves	Dodge Diplomat (Historical)	1989	Reserves Patrol Car	82,263	81%	33.1	2,482	49
147	PD-Reserves	Ford Interceptor Utility	2015	Reserves Patrol Car	105,373	103%	15.6	6,751	29
160	PD-Patrol	Harley Davidson	2007	Motorcycle	3,102	53%	14.7	211	24
161	PD-Patrol	Harley Davidson	2007	Motorcycle	8,622	147%	14.7	586	26
170	PD-Patrol	Peace Keeper A.P.C.	1983	Unique or Non-Metered	26,581	N/A	21.4	1,244	35
261	Streets	Concrete Drop Hammer	1999	Unique or Non-Metered	662	N/A	22.3	30	29
300	Sewer	Doosan Trailer Air Compressor	2017	Unique or Non-Metered	40	N/A	4.5	9	8
320	Motorpool	Clark Fork Lift	1997	Unique or Non-Metered	3,332	N/A	24.4	137	45
330	Streets	175 CFM Compressor	2004	Unique or Non-Metered	939	N/A	18.0	52	27
339	Streets	Cement Saw Dimas	2006	Unique or Non-Metered	134	N/A	15.7	9	21
351	Solid Waste	Leaf Loader Trailer	2007	Leaf Loader	2,294	119%	14.5	159	28
352	Solid Waste	Leaf Loader Trailer	1999	Leaf Loader	2,035	105%	22.3	91	36
353	Solid Waste	Leaf Loader Trailer	2021	Leaf Loader	4	0%	0.3	15	4
354	Solid Waste	Leaf Loader Trailer	2001	Leaf Loader	3,108	161%	20.4	153	36
355	Solid Waste	Leaf Loader Trailer	2001	Leaf Loader	2,296	119%	20.5	112	34
357	Solid Waste	Leaf Loader Trailer	2007	Leaf Loader	1,859	96%	14.5	128	26
364	Parks	Polaris ATV	2011	Unique or Non-Metered	193	N/A	11.1	17	17
369	Streets	Asphalt Roller Vibrator	1999	Unique or Non-Metered	252	N/A	22.4	11	27
377	Water	Doosan Light Tower/Generator	2021	Unique or Non-Metered	6	N/A	0.8	8	5
402	Solid Waste	Street Sweeper Crosswind	2017	Sweeper	2,831	84%	4.2	666	24
404	Water	4 YD. Volvo Loader	2019	Wheel Loader / Hours	2,133	99%	3.3	649	20
405	Water	3 YD. Volvo Loader	2021	Wheel Loader / Hours	10	0%	0.4	23	8
406	Solid Waste	Brush Bandit Chipper	2006	Chipper	2,000	140%	15.8	127	36
407	Streets	CAT Backhoe	2003	Backhoe / Hours	3,125	151%	18.4	169	41
408	Solid Waste	Street Sweeper Whirlwind	2012	Sweeper	3,935	116%	9.6	411	37
409	Streets	CAT Loader 3 Yrd	2003	Wheel Loader / Hours	3,819	176%	18.5	207	44
410	Solid Waste	Morbark Brush Chipper	2019	Chipper	852	60%	2.8	309	14
415	Streets	GMC Stake Truck	2002	Single Axle Dump	27,349	100%	18.2	1,499	32
416	Motor Pool	Chevy Impala	2015	Sedan	35,228	112%	7.1	4,947	15
417	Streets	Tandem Dump Truck	2016	Tandem Axle Dump	14,734	74%	5.7	2,582	18
418	Streets	Tandem Dump Truck	2017	Tandem Axle Dump	14,333	72%	4.7	3,026	17
419	Streets	Tandem Dump Truck	2021	Tandem Axle Dump	3,174	16%	1.7	1,861	11
420	Streets	GMC 3/4 Ton Pickup	2016	4wd Pick-Up	18,511	59%	6.2	3,002	15
422	Water	Tandem Dump Truck	2019	Tandem Axle Dump	5,276	27%	2.5	2,141	12
423	Water	Chevy 3/4 Ton Pickup	2017	4wd Pick-Up	26,839	85%	5.0	5,422	17

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= Miles/Hours 67% or More of Group Average									Excellent (0 -17)
= Miles/Hours Between 33% and 67% of Group Average									Good (18 - 22)
= Miles/Hours Less than 33% of Group Average									Fair (23 - 27)
									Poor (28+)
Vehicle	Department / Division	Make / Model	Model Year	Vehicle Group	Oct. 2021 Miles/Hrs.	Miles/Hrs. as % of Group Avg.	Years of Service	Avg. Miles/Hrs. per Year	As of 10/1/2021
424	Solid Waste	Single Axle Dump	2003	Single Axle Dump	31,549	116%	18.1	1,747	34
425	Streets	Single Axle Dump	2003	Single Axle Dump	27,268	100%	18.0	1,518	34
426	Streets	Single Axle Dump	2003	Single Axle Dump	16,435	60%	17.9	919	31
429	Streets	Platform Truck	2016	Unique or Non-Metered	6,276	N/A	5.6	1,125	14
430	Motorpool	Chevy 3/4 Ton Pickup	2021	4wd Pick-Up	10	0%	0.5	19	6
431	Streets	GMC One Ton Dump Truck	2013	1 Ton Dump	27,082	99%	8.9	3,038	23
432	Streets	Ford 3/4 Ton Pickup/Plow	2015	4wd Pick-Up	24,780	79%	7.5	3,321	17
433	Streets	Tandem Dump Truck	2003	Tandem Axle Dump	52,003	261%	18.2	2,859	40
434	Motorpool	Chevy Pickup	2007	2wd Pick-Up	64,004	160%	14.7	4,366	27
435	Streets	Van Building Mnt.	2013	Van	64,007	175%	8.6	7,424	21
436	Streets	Chevy 3/4 Ton Pickup/Plow	2004	4wd Pick-Up	84,016	211%	18.3	4,588	39
438	Streets	2017 Toolcat Utility Vehicle	2017	Unique or Non-Metered	519	N/A	4.3	121	13
443	Senior Citizn.	25 Passenger Bus Ford	2020	Bus	1,095	4%	1.4	803	5
444	Recreation	GMC Van	2015	Van	7,532	21%	7.1	1,058	12
453	Water	GMC Cargo Van	2013	Van	40,094	109%	9.1	4,423	18
455	Water	John Deere Backhoe	2006	Backhoe / Hours	1,013	49%	16.0	63	29
457	Water	Chevy 3/4 Ton Pickup/Plow	2021	4wd Pick-Up	592	2%	0.5	1,098	7
458	Water	Ram ProMaster	2018	Cube Van	4,173	100%	3.3	1,269	10
460	Sewer	Ford F250 3/4 Ton Pickup	2010	4wd Pick-Up	54,179	172%	12.4	4,383	27
461	Sewer	GMC Cargo Van	2013	Van	39,731	108%	9.1	4,383	17
462	Sewer	GMC One Ton Dump Truck	2012	1 Ton Dump	18,535	67%	9.8	1,888	22
463	Sewer	Ford 3/4 Ton Pickup/Plow	2015	4wd Pick-Up	44,940	113%	7.5	6,024	20
464	Water	Tandem Axle Dump	2014	Tandem Axle Dump	29,929	150%	7.3	4,107	22
465	Sewer	Sterling Vactor	2003	Sewer Vactor	39,910	176%	18.3	2,177	40
468	Sewer	Western Star GapVax	2017	Sewer Vactor	5,564	24%	4.8	1,171	14
469	Senior Citizn.	Ford Van	2010	Bus	42,700	146%	12.3	3,464	21
471	Senior Citizn.	Blue Bird Bus	2002	Bus	31,935	109%	20.5	1,561	35
473	Parks	GMC 3/4 Ton Pickup/Plow	2016	4wd Pick-Up	25,097	80%	6.2	4,070	17
474	Parks	Ford 3/4 Ton Pickup/Plow	2015	4wd Pick-Up	39,255	125%	7.1	5,544	20
475	Parks	Ford 3/4 Ton Pickup/Plow	2019	4wd Pick-Up	9,365	30%	2.3	4,092	11
477	Parks	GMC 3/4 Ton Pickup	2014	2wd Pick-Up	48,919	155%	7.8	6,309	21
479	Solid Waste	Single Axle Dump	2014	Single Axle Dump	14,331	52%	7.2	1,977	19
480	Senior Citizn.	Smart Bus	2017	Bus	24,105	83%	5.3	4,559	15
481	Streets	Chevy 1 Ton Dump Truck	2006	1 Ton Dump	36,820	134%	15.8	2,330	33
482	Senior Citizn.	GMC Van	2013	Bus	51,550	176%	9.1	5,651	20
483	Code Enforce	Ford F-150	2015	2wd Pick-Up	35,817	90%	7.1	5,030	15
484	Parks	Chevy Colorado Pickup	2009	4wd Pick-Up	18,977	60%	12.7	1,500	22
485	Parks	GMC Pickup	2013	4wd Pick-Up	27,607	88%	9.1	3,030	19
488	Parks	Volvo Loader	2003	Wheel Loader / Hours	2,693	124%	18.2	148	39
489	Parks	Tractor Mower	1969	Unique or Non-Metered	4,950	N/A	53.0	93	80
492	CDD Inspec.	Ford F-150	2015	2wd Pick-Up	30,607	77%	7.1	4,298	16
493	DPS Director	Ford Explorer	2015	Sedan	13,700	44%	7.1	1,924	12
494	Water	GMC Cargo Van	2015	Van	31,746	87%	7.1	4,458	14
495	CED	Ford F-150	2019	2wd Pick-Up	1,801	5%	3.3	548	9
496	CDD Inspec.	Ford F-150	2015	2wd Pick-Up	58,209	146%	7.1	8,174	17
500	CDD ED/Sup.	Ford Focus	2015	Sedan	10,401	33%	7.0	1,478	12
513	Solid Waste	Ford 3/4 Ton Pickup/Plow	2007	4wd Pick-Up	66,289	166%	13.9	4,774	29
525	Solid Waste	Chipper Truck	2004	Single Axle Dump	46,882	160%	17.9	2,623	38
530	Senior Citizn.	Smart Bus	2017	Bus	23,892	82%	5.3	4,512	15
551	Motor Pool	Em. Gen. Police	2004	Unique or Non-Metered		N/A	17.4	-	-
552	Motor Pool	Em. Gen. DPS	2006	Unique or Non-Metered		N/A	15.6	-	-
553	Motor Pool	Em. Gen. Fire Sta. 2	2004	Unique or Non-Metered		N/A	15.6	-	-
554	Motor Pool	Em. Gen. Portable-1 / 1986 Trailer	1975	Unique or Non-Metered		N/A	47.0	-	-
555	Motor Pool	Em. Gen. Portable-2	2004	Unique or Non-Metered		N/A	16.9	-	-
700	Fire	Chevy Trail Blazer	2008	Sedan		0%	14.1	-	-
550	Motor Pool	Generator - Fire Station 1	2004	Generator	1,048	179%	6.0	174	32
551	Motor Pool	Generator - Police	2006	Generator	193	33%	7.8	25	26
552	Motor Pool	Generator - DPS	2006	Generator	995	170%	14.5	69	29
553	Motor Pool	Generator - Fire Station 2	2004	Generator	236	40%	20.5	12	30
554	Motor Pool	Generator - Portable 1	1975	Generator	834	143%	14.5	57	59
555	Motor Pool	Generator - Portable 2	2005	Generator	199	34%	20.5	10	27
700	Fire	Ford Interceptor Utility	2016	Sedan	85,406	272%	6.0	14,147	21
701	Fire	GMC 3/4 Ton Pickup	2015	Sedan	30,788	98%	7.8	3,972	18
702	Fire	Chevy Silverado 2500 Pickup	2021	Sedan	1,233	3%	0.7	1,787	9
704	Fire	Chevy Pickup 3500	2001	Sedan	36,368	116%	20.5	1,775	35
710	Fire	Ambulance Rescue Truck (R7X)	2011	Rescue	100,795	129%	10.2	9,878	42

TABLE XI
FY 2023-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Utilization Legend:									Condition
									Excellent (0 - 17)
									Good (18 - 22)
									Fair (23 - 27)
									Poor (28+)
<u>Vehicle</u>	<u>Department / Division</u>	<u>Make / Model</u>	<u>Model Year</u>	<u>Vehicle Group</u>	<u>Oct. 2021 Miles/Hrs.</u>	<u>Miles/Hrs. as % of Group Avg.</u>	<u>Years of Service</u>	<u>Avg. Miles/Hrs. per Year</u>	<u>As of 10/1/2021</u>
711	Fire	Ambulance Rescue Truck (R72)	2019	Rescue	42,780	55%	3.0	14,441	22
713	Fire	Ambulance Rescue Truck (R71)	2015	Rescue	90,207	116%	6.1	14,735	33
721	Fire	Sutphen Pumper (E72)	2020	Fire Engine	18,979	46%	1.8	10,567	14
722	Fire	Sutphen Pumper (E71)	2019	Fire Engine	19,386	47%	2.4	8,195	15
723	Fire	Pumper Pierce (E7X)	2007	Fire Engine	86,580	208%	14.7	5,908	45
730	Fire	Aerial Ladder E-One (T71)	1998	Unique or Non-Metered	24,660	N/A	24.0	1,026	39

TABLE XII
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COMPUTER REPLACEMENT PLAN

Department/Division	Description	Year Purchased	Asset Tag	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Active Adult Center	1105	2001	1105	R					
Active Adult Center	1109	2012	1109	N					
Active Adult Center	1110	2012	1110						N
Active Adult Center	1111	2012	1111						N
Active Adult Center	1112	2012	1112	N					
Active Adult Center	1148 SENIORHEAD-DT	2017	1148	N					
Active Adult Center	SC-FRONT-DT	2001					R		R
Animal Control	1002 ANIMALCONTRL	2001	1002				R		R
CDD	1012 CDD-SCAN	2010	1012	R					
CDD	1013 ELECTRICALINSP	2010	1013						
CDD	1016 CDDSUPER-PC	2010	1016						
CDD	1016 SENIORCENTER-PC	2001	1016				N		N
CDD	1021 CDD-SCAN-DT	2014	1021						
CDD	1023 CDDCOUNTER-PC	2010	1023				N		N
CDD	CDD-DT	2018	1067	R					
CDD	1149 CDD-LWILLIAM-DT	2016	1149				N		N
CDD	1155 CDDDON-DT	2017	1155				N		N
CDD	CDD- LT	2015					N		N
CDD	CH-CDD-LT-BH	2019				N			
CDD	CH-CDD-TEST1	2019				N			
CDD	CH-CDD-TEST2	2019				N			
CDD	CH-CDD-TEST3	2019				N			
CDD	CH-CDD-TEST4	2019					N		
CDD	CH-CDD-TEST5	2019				N			
CDD	CH-CDD-TEST6	2019				N			
CDD	CH-CDD-FRD2	2021						N	
CDD	DESKTOP-UQJNS1E	2017		N					
Clerk	CH-CLK-MGMT-LT	2021	2056					N	
Clerk	CH-CLK-LT-01	2021	2054					N	
Clerk	CH-CLK-DT-01	2021	2055					N	
Clerk	1122 SPARE7-LT	2014	1122		R				
Clerk	CL-DIRECTOR-DT	2019			N				
Clerk	CL-ROMONA-DT	2015					N		N
Clerk	HR-DT	2018			N				
Code Enforcement	CDD-CODE-LT	2017			N				
Code Enforcement	CODEENFORCE	2016					N		N
Community Development	CDD-GIS-DT	2017					N		N
City Council	CC Laptop	2019		N				N	
City Council	CC Laptop	2019		N				N	
City Council	CC Laptop	2019		N				N	
City Council	CC Laptop	2019				N			
City Council	CC Laptop	2019				N			
City Council	CC Laptop	2019				N			
City Council	CH-SPARE-LT-04	2021							
City Council	CH-SPARE-LT-03	2021							
City Council	CC Laptop	2019				N			
Court	1220 COURT	2108	1220	N					
Court	1223 CT-DT	2018	1223	N					
Court	1224 CT-DT	2018	1224	N					
Court	1225 CT-DT	2018	1225	N					
Court	1245 CT-DT	2018	1245		N				
Court	1251 CT-DT	2018	1251		N				
Court	1253 CT-DT	2017	1253	N					
Court	1255 CT-DT	2018	1255			N			
Court	1256 CT-DT	2018	1256			N			
Court	1260 CT-DT	2018	1260		N				
Court	1269 CT-DT	2018	1269		N				
Court	CT-COUNTER-DT	2018			R				
DPS	1045 DPS-SIGN-LT	2014	1045						
DPS	1102 DPS-SIGN-DT	2014	1102				N		N
DPS	1104 MOTORPOOL2-PC	2012	1104	R					
DPS	DPS-TBD-LT-02	2021	2059					N	
DPS	DPS-TBD-LT-01	2021	2057					N	
DPS	DPS-TBD-LT-04	2021	2060					N	
DPS	DPS-TBD-LT-03	2021	2058					N	
DPS	DPS-TBD-LT-05	2021	2061					N	
DPS	DPS-TBD-LT-06	2021	2062					N	
DPS	DPS-TBD-LT-07	2021	2063					N	
DPS	DPS-TBD-LT-08	2021	2067					N	
DPS	1115 DPS-MOTOR-DT	2015	1115		R				
DPS	1153 WATER-DT	2016	1153				N		N
DPS	1156 WATERSUPERVISOR	2013	1156						
DPS	DESK-SIGN-PC	2016					N		N
DPS	DPS South - USH728L0VR	2017				N			
DPS	DPS-	2016					N		N

TABLE XII
FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

Department/Division	Description	Year Purchased	Asset Tag	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
DPS	DPS-DIR-LT	2018			N				
DPS	DPS-PC-DT	2001					N		N
DPS	DPS-IVIR-LT	2015							
DPS	DPS-LT-01	2017							N
DPS	DPS-LT	2015							
DPS	DPS-SEWER-DT	2018			N				
DPS	DPS-SEWER-LT	2017							N
DPS	DPS-SUPER-LT	2015							
DPS	REC-PC	2001							
Finance	1257 FIN	2018	1257		N				
Finance	5GC8494RS8	2018			N				
Finance	FIN - New1	2019					N		
Finance	FIN - NEW2	2019					N		
Finance	FIN - NEW3	2019					N		
Finance	FIN - NEW4	2019					N		
Finance	FIN - NEW5	2019					N		
Finance	FIN - NEW6	2019					N		
Finance	FIN - NEW7	2019					N		
Finance	FIN-COUNTER-DT1	2019				N			
Finance	FIN-DIRECTOR-LT	2018							
Finance	FIN-DIR-LT	2018			N				
Finance	FIN-DTDIR-LT	2018					N		
Finance	SPARE6-LT	2013			N				
Fire	1095 FS1-CAD-LT	2011	1095	R			N		
Fire	1114 FS1-WATCH-DT	2015	1114						
Fire	1191 FIREDEPT3	2001	1191						
Fire	1216 FS1-WATCH2-DT	2017	1216	N			N		
Fire	1218 FS2-WATCH1-DT	2017	1218	N			N		
Fire	1258 FS1-LTOFFICE-DT	2017	1258	N			N		
Fire	2196 FS-WATCH1-DT	2017	2196	N			N		
Fire	DESKTOP-BTEPNS9	2107		N			N		
Fire	FIREDEPT	2013							
Fire	FIREDEPT3	2001	1191				N		R
Fire	FS1-CHIEF-LT-1	2001		R					
Fire	TRAININGROOM-PC	2001		R					
Human Resources	1154 HR-LT	2015	1154						
Library	2001 LIB-DT-01	2018	2001		N				
Library	2002 LIB-DT-02	2015	2002						
Library	2003 LIB-DT-03	2018	2003		N				
Library	LIB-CIRASST-DT	2018			N				
Manager	1145 FIN-BARB-DT	2015	1145				N		N
Manager	1226 GENERIC-DT-01	2016	1226				R		N
Manager	1227 HR-TDT	2015	1227				N		N
Manager	CM-SOLTIS-LT	2017		N					
Manager	VOTE2-SPARE	2016					N		N
Police	1050 PD-IDs-DT	2001	1050						
Police	1063 PD-AFECTEAU-DT	2001	1063						
Police	1069 PDBACKGROUND	2001	1069						
Police	1072 PD-DT1-PC	2001	1072						
Police	1076 POLICELOCATER1	2001	1076	R					
Police	1087 FRONTDESK	2001	1087				R		R
Police	1154 PD-DB-DT-05	2016	1154				N		N
Police	1197 PD-ADMIN-DT-01	2018	1197		N				
Police	1206 PD-RPTWRT-2	2017	1206	N					
Police	1209 PD-RPTWRT-5	2017	1209	N					
Police	1212 PD-DEPUTYCHIEF-DT	2017	1212	N					
Police	1213 Pd-hirst-dt-01	2015	1213			N			
Police	1240 PD-CHIEF-LT	2015	1240		N				
Police	1241 POLICERECORDS4	2014	1241	R		N			
Police	1249 GENERIC-DT-05	2016	1249				R		R
Police	1250 PD-SGTOFFICE1	2016	1250				N		N
Police	1259 PD-DB-DT4	2018	1259		N				
Police	1261 PD-SIU-DT1	2018	1261		N				
Police	1263 PD-SIU-DT2	2018	1263		N				
Police	2004 PD-REC-DT2	2016	2004						N
Police	2005 PD-REC-DT-03	2015	2005				N		N
Police	2197 MADHTS-MI-POS47	2015	2197	N					
Police	2198 PD-RPTWRT-3	2017	2198	N					
Police	2199 PD-RPTWRT-4	2017	2199	N					
Police	2200 PD-SIU-DT3	2018	2200		N				
Police	2201 CT-CTADMIN-DT	2017	2201	N					
Police	DISPATCH-CENTER	2017		N					
Police	Equature Radio communication server						N		
Police	PD-DAYLT-DT	2018			N				
Police	PD-DB-DT-03	2018			N				

TABLE XII
FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
COMPUTER REPLACEMENT PLAN

Department/Division	Description	Year Purchased	Asset Tag	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Police	PD-HIRST-DT-01	2017		N					
Police	PD-LTDESK1-DT	2001		N					
Police	PD-PROPERTY-DT	2018			N				
Police	PDR-FRONT-DT	2017			N				
Police	PD-SILADKE-DT	2001		N					
Police	PD-TRAIN-DT1	2015					N		R
Police	POLICETRAINING1	2013		N					
Police	PD-ChiefH-LT-01	2021						N	
Police	PD-SGT-DT-01	2021	2043					N	
Police	PD-TBC2-DT	2021	2045					N	
Police	PD-DB-DT-06	2021	2046					N	
Police	PD-RECORD2-DT	2021	2047					N	
Police	PD-ES-DT-01	2021	2048					N	
Police	PD-SGTSCO-DT-01	2021	2044					N	
Police	PD-LTBAR-DT-01	2021	2042					N	
Police	PD-YB-PC-01	2021	2041					N	
Police	SR-EXTRAPC	2001							
Technology	2194 CH-IT-DT1	2015	2194						
Technology	2195 CH-IT-DT-06	2015	2195						
Technology	ITSUPPORT	2011							
Technology	MSYRUP	2012			N				
Technology	PD-ADMIN-DT-01	2016					N		N
Technology	1152 DT	2016	1152			N	N		
Technology	2202 DB-DT	2017	2202	N					
Technology	DESKTOP-DRVF3GK	2017			N	-			
Technology	PSPEC3458	2001							
Main Library	Adult Internet	2019			N				
Main Library	Adult Internet	2019		N					
Main Library	Adult Internet	2019			N				
Main Library	Adult Internet	2019		N					
Main Library	Adult Internet	2019							
Main Library	Adult Internet	2020				N			
Main Library	Adult Internet	2020				N			
Main Library	Adult Internet	2020				N			
Main Library	Staff-Counter Side	2020					N		
Main Library	Staff-Backroom East	2020					R		
Main Library	Print Release / Express	2020					N		
Main Library	Child Room Internet	2019				N			
Main Library	Child Room Internet	2019				N			
Main Library	Child Room Internet	2019				N			
Main Library	Child Room Internet	2019				N			
Main Library	Staff-Counter South	2019			N				
Main Library	Adult Internet	2019				N			
Main Library	Adult Internet	2019				N			
Main Library	Adult Internet	2019			N	N			
Main Library	Child Public	2018					N		N
Main Library	Staff-Librarian	2018					N		N
Main Library	Staff-Adult Librarian	2018		N					
Main Library	Staff-Adult Reference	2018		N					
Main Library	Staff-Adult Reference	2018		N					
Main Library	Staff-Counter North	2018		R			R		
Main Library	Staff-Library Tech.	2018					N		N
Main Library	Staff-Youth Staff	2018					N		N
Main Library	Staff-Circulation Ass't	2018		N					
Main Library	Staff-Serials- Backroom	2018		R			R		
Main Library	Adult Public	2016					N		N
Main Library	Adult Public Cat.	2016					R		N
Main Library	Child Catalog	2016		R			R		
Main Library	New Laptop						N		N
Main Library	New Laptop			N					
Main Library	New Laptop						N		N
Rotated				12	3	0	10		6
New				39	33	27	48		34

IMPACT OF CAPITAL IMPROVEMENT PLAN ON THE OPERATING BUDGET

The Capital Improvement Plan impacts the operating budget of the City in many different ways depending on the nature of the capital improvement item. A capital improvement can be a new asset to the City that would increase the need for such things as maintenance, utilities and insurance. A capital improvement can also be expanding or replacing a current asset and may result in savings.

Capital Improvement Projects must include impacts on the general operating budget when the project is submitted. Assumptions used in determining the estimated impact are noted for each project. These impacts are reviewed by Administration before projects are recommended to Council as part of the five year Capital Improvement Plan.

Much of the capital maintenance program is coordinated by the Department of Public Services (DPS), which oversees or provides routine maintenance for streets, buildings, equipment and public property. The City uses a combination of contract and City workforces to perform basic routine maintenance such as motor pool, mowing and weed control. Staff uses historical costs of similar items to estimate labor and service contract costs to determine the estimated operating expenditures for the projects being proposed in the upcoming year.

The pages that follow present the operating budget considerations that were reviewed when deciding to include each project in the Capital Improvement Plan. Calculations are included for projects being proposed in FY 2023. Projects included in the plan in years beyond FY 2024 are concepts only and impacts on operating budgets are subject to change.

TABLE XIV
FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Neighborhood Projects - Table III		
Project Description	West Greig Avenue (Various Sections)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	1,020,000	<i>FY 2023</i>
Total Funding Amount	\$ 1,020,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
Project Description	Palmer Street (Andover to W. Greig Avenue)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	337,000	<i>FY 2023</i>
Total Funding Amount	\$ 337,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
Project Description	Brush Street (Andover to W. Greig Avenue)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	190,000	<i>FY 2023</i>
Total Funding Amount	\$ 190,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
Project Description	Hampden Street (Andover Ave. to W. Greig Avenue)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	194,000	<i>FY 2024</i>
Total Funding Amount	\$ 194,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
Project Description	Brettonwoods Street (Andover Ave to W. Greif Avenue)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ 133,000	<i>FY 2023</i>
Proposal R-3 Millage	195,000	<i>FY 2024</i>
Total Funding Amount	\$ 328,000	
Type:	Replacement of current capital asset	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
Project Description	Brettonwoods Street (W. Grief Ave. to Eleven Mile Road)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ 133,000	<i>FY 2023</i>
Proposal R-3 Millage	208,000	<i>FY 2024</i>
Total Funding Amount	\$ 341,000	
Type:	Replacement of current capital asset.	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
Project Description	Dartmouth Street (Andover Ave. to Greig Ave)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	196,000	<i>FY 2024</i>
Total Funding Amount	\$ 196,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	

TABLE XIV
FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Project Description	Barrington Street (Andover Ave. W. Greig Ave)		Department : Department of Public Services
Funding Type			
Water and Sewer Fund	\$ -		
Proposal R-3 Millage	196,000	FY 2024	
Total Funding Amount	\$ 196,000		
Type:	Replacement of current capital asset. Road only no watermain work is included.		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	Palmer Street (W. Greig Ave to 11 Mile Road)		Department : Department of Public Services
Funding Type			
Water and Sewer Fund	\$ -		
Proposal R-3 Millage	209,000	FY 2024	
Total Funding Amount	\$ 209,000		
Type:	Replacement of current capital asset. Road only no watermain work is included.		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	AlgerStreet (W. Greig Ave to 11 Mile Road)		Department : Department of Public Services
Funding Type			
Water and Sewer Fund	\$ 138,000	FY 2023	
Proposal R-3 Millage	209,000	FY 2024	
Total Funding Amount	\$ 347,000		
Type:	Replacement of current capital asset.		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	alger Street (Andover Ave to W. Greig Ave)		Department : Department of Public Services
Funding Type			
Water and Sewer Fund	\$ 118,000	FY 2023	
Proposal R-3 Millage	196,000	FY 2024	
Total Funding Amount	\$ 314,000		
Type:	Replacement of current capital asset.		
Project Details	See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Road Improvements - Table V			
Project Description	John R (11 Mile to 14 Mile)		Department : Department of Public Services
Funding Type			
Federal Funding	\$ 2,429,223		
Major Street Act 51	607,305		
Total Funding Amount	\$ 3,036,528		
Type:	Complete reconstruction of the road with enhanced pedestrian features.		
Project Details	See the Road Improvement section The City is also budgeting an additionl \$250,000 a year for FY 2022-2026 in cse this grant is not approved. If it is approved this funding is not needed.		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	Ajax - John R to 801 Ajax		Department : Department of Public Services
Funding Type			
Federal Transportation Grant	\$ -		
Major Street Act 51	250,000	FY 2024	
Total Funding Amount	\$ 250,000		
Type:	Replacement of current capital assets.		
Project Details	See the Road Improvement section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	Park Court (11 Mile to Connie)		Department : Department of Public Services
Funding Type			
Local Street Act 51	\$ 775,000	FY 2023	
Total Funding Amount	\$ 775,000		
Type:	Reoccurring Maintenance Cost		
Project Details	See the Road Improvement section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		

TABLE XIV
FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Project Description	Sectional Replacements - Major							Department : Department of Public Services
Funding Type								
Special Assessment Fund	\$ 450,000 FY 2024							
Total Funding Amount	\$ 450,000							
Type:	Replacement of current asset							
Project Details	The final year of the Sidewalk program.							
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.							
Project Description	Traffic Signal Replacement							Department : Department of Public Services
Funding Type								
Local Street	\$ 180,000 FY 2024							
Total Funding Amount	\$ 180,000							
Type:	Replacement of current asset							
Project Details	These funds are being budgeted for emergency replacement of traffic signals. No actual project is specified in this item.							
Project Description	Street Sweeper #402							Department : Department of Public Services
Funding Type								
Revenues - Resale of #402	\$ (20,000)							
General Fund	300,000							
Total Funding Amount	\$ 280,000							
Type:	Replacement of current asset							
Project Details	This street sweeper is a 2017 with over 2,800 hours of operation. Currently ranked in fair condition with replacement scheduled in 2024 when the condition is predicted to be poor. Annual maintenance cost is \$21,568							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total	
Operational Cost	\$ -	\$ -	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 16,500	
Operational Cost	-	150,000	150,000	-	-	-	\$ 300,000	
Project Description	Street Sweeper #408							Department : Department of Public Services
Funding Type								
Revenues - Resale of #402	\$ (20,000)							
General Fund	300,000							
Total Funding Amount	\$ 280,000							
Type:	Replacement of current asset							
Project Details	This street sweeper is a 2012 in very poor condition. It has over 3,900 actual hours with maintenance cost of \$127,149.							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total	
Operational Cost	\$ -	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 22,000	
Operational Cost	150,000	150,000		-	-	-	\$ 300,000	
Project Description	CAT Loader 3 yard with claw attachment #409							Department : Department of Public Services
Funding Type								
Revenues - Resale of #402	\$ -							
General Fund	245,000							
Total Funding Amount	\$ 245,000							
Type:	Replacement of current asset							
Project Details	This replacement is a 2003 CAT Loader 3 yard. This piece of equipment had over 3,800 hours. This vehicle is in very poor condition with maintenance cost of \$48,715.							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total	
Operational Cost	\$ -	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 9,000	
Operational Cost		245,000		-	-	-	\$ 245,000	
Collection and Distribution Systems - Table VI								
Project Description	Alger - Mandoline to Fourteen Mile							Department: Department of Public Services
Funding Type								
Water and Sewer Funds	\$ 183,000 FY 2023							
Total Funding Amount	\$ 183,000							
Type:	Replacement of current asset							
Project Details	See Collection and Distribution section for details.							
Project Description	Concrete Pad inside the DPS Pole Barn							Department: Department of Public Services
Funding Type								
Water and Sewer Funds	\$ 70,000							
Total Funding Amount	\$ 70,000							
Type:	New Project							
Project Details	See Collection and Distribution section for details.							
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.							
Project Description	Sanitary Sewer Inspection/Rehabilitation Program							Department: Department of Public Services
Funding Type								
Water and Sewer Funds	\$ 150,000							
Total Funding Amount	\$ 150,000							

TABLE XIV
FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Type:	New Project
Project Details	See Collection and Distribution section for details.
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.

Public Safety - Table VIII

Project Description	Police Patrol Vehicles and Special Investigation Unit	Department:	Police
Funding Type			
Drug Forfeiture	\$ 37,250		
General Fund	117,000		
Total Funding Amount	\$ 154,250		
Type:	The CIP includes the replacement of 2 patrol vehicles, one Special Investigation Vehicle #112,119,125		
Project Details	One vehicles will be replaced from Drug Forfeiture and four from the General Fund.		
New Operation Cost	There are no new operation cost as these replace current vehicles. Vehicel upfitting cost are \$53,000 - \$67,000 per year.		

Project Description	HVAC Upgrades							Department:	Department of Public Services	
Funding Type										
General Fund	\$ 450,000									
Total Funding Amount	\$ 450,000									
Type:	Maintenance									
Project Details	See Public Safety Chpater in the CIP.									
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total			
Operational Cost	\$ -	\$ 295,000	\$ 155,000	\$ -	\$ -	\$ -	\$ 450,000			

Project Description	Fire Station #2 General Renovations	Department:	Police
Funding Type			
GO Bond	\$ 2,044,000		
General Fund	-		
Total Funding Amount	\$ 2,044,000		
Type:	Renovation of the Fire Station #2 Buidlings.		
Project Details	See CIP for details.		
New Operation Cost	Maintenance cost for the Fire Station #2 in it's current condition exceed \$3 million		

Project Description	Generator Fire Station #2	Department:	Police
Funding Type			
GO Bond	\$ -		
General Fund	70,000		
Total Funding Amount	\$ 70,000		
Type:	Equipment Replacement		
Project Details	This generator replaces a generator from 2004 with over 200 hours of use and rating of poor. Mainteannce cost has exceeded \$14,000		

Project Description	Ambulance Rescue Truck #713						Department:	Police
Funding Type								
GO Bond	\$ -							
General Fund	280,000							
Total Funding Amount	\$ 280,000							
Type:	Vehicle Replacement							
Project Details	Vehicles 713 is currently a 2015 Ambulance Rescue with 74,000 miles. Maintenance Cost are currently \$6,640							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total	
Operational Cost	\$ -	\$ 140,000	\$ 140,000	\$ -	\$ -	\$ -	\$ 280,000	

General Government & Economic Development - Table IX

Project Description	Civic Center Plaza Project	Department:	Information Technology
Funding Type			
GO Bonds	\$ 4,456,000 <i>FY 2023</i>		
General Fund	\$ 6,272,000 <i>FY 2023</i>		
Total Funding Amount	\$ 10,728,000		
Type:	RenovationCity Hall and Library Rebuilding Active Adult Center		
Project Details	Maintenance cost for the City Hall, Library, and Active Adult Center exceed \$15 million.		
New Operational Cost	This proeject should reduce the City's operationsal cost and HVAC and electrical equipment is being updated to energy efficienceity.		

TABLE XIV
FY 2022-27 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Leisure and Human Services - Table X			
Project Description	Athletic Field Lighting	Department:	Parks
Funding Type			
General Fund	\$ 600,000		
Total Funding Amount	\$ 600,000		
Type:	Replacement of current assets		
Project Details	See Leisure and Human Services Section for more details		
New Operational Cost	This project does not result in any significant increase in operating cost over the next five years.		
Project Description	Civic Center Park - Playscape Replacement	Department:	Parks
Funding Type			
Oakland County Funding			
General Fund	225,000 <i>FY 2023</i>		
Total Funding Amount	\$ 225,000		
Type:	Replacement of current assets		
Project Details	See Leisure and Human Services Section for Details		
Project Description	Nature Center	Department:	Parks
Funding Type			
General Fund	\$ 50,000		
Total Funding Amount	\$ 50,000		
Type:	Replacement of current assets		
Project Details	See Leisure and Human Services Section for Details		
Project Description	General - Special Project Funding	Department:	Parks
Funding Type			
General Fund	\$ 50,000		
Total Funding Amount	\$ 50,000		
Type:	Replacement of current assets		
Project Details	See Leisure and Human Services Section for Details		
Project Description	Rosie's Gardenia Parking Lot	Department:	Parks
Funding Type			
General Fund	\$ 75,000		
Total Funding Amount	\$ 75,000		
Type:	Replacement of current assets		
Project Details	See Leisure and Human Services Section for Details		
Project Description	Rosie's Pavilion	Department:	Parks
Funding Type			
General Fund	\$ 75,000		
Total Funding Amount	\$ 75,000		
Type:	Replacement of current assets		
Project Details	See Leisure and Human Services Section for Details		



APPENDICES

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PROPOSED FY 2022-23 Budget Resolution

A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2022-23 TO APPROPRIATE FUNDS FOR SAID PURPOSES AND TO PROVIDE FOR A LEVY OF TAXES FOR SAID BUDGET APPROPRIATIONS

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

WHEREAS, on May 9, 2022, a public hearing was held in accordance with Section 8.3 of the Charter of the City of Madison Heights, and the statutes of the State of Michigan for the fiscal year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Budget hereto as Exhibit "A" is hereby adopted.
2. That the amounts set forth in said Budget are hereby appropriated for the purposes stated therein.
3. That 26.0771 mills per \$1,000 State Taxable Valuation on the real and personal property in the City of Madison Heights be levied to provide funds for said Budget for municipal purposes:

General Operating	12.8746
Neighborhood Road Improvements	1.8882
Solid Waste	2.4976
Senior Citizens	0.4484
Police & Fire Pension	7.0000
Fire Stations Debt Obligation	0.4283
Chapter 20 Drain Debt	0.9400
Total	<u>26.0771</u>

4. That the City of Madison Heights approves the imposition, by the City Treasurer, of a one percent (1%) property tax administration fee for all property taxes levied in Fiscal Year 2022-23 and for the imposition of a late penalty charged, when applicable, in accordance with Public Act 1982, specifically Michigan Compiled Laws, Section 211.44(7).
5. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for the operation of the Police and Fire Pension System.
6. That the City of Madison Heights assigns the authority to the City Manager and/or Finance Director to assign amounts for fund balance to be used for specific purposes.
7. That the City of Madison Heights approves and establishes Water, Sewer and Stormwater Charges set forth in Exhibit "B", Stormwater Charges and Department Fee schedule.
8. That the City of Madison Heights approves the levying of taxes to cover the necessary expenses for principal and interest for the Chapter 20 Drain Debt Obligations.

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to make budgetary transfers within the appropriation centers established throughout the Budget, and all transfers between appropriations may be made only by further action of the Council, pursuant to the provisions of the Michigan Uniform Accounting and Budget Act.

EXHIBIT "A"
CITY OF MADISON HEIGHTS
ADOPTED BUDGET RESOLUTION
FISCAL YEAR 2022-23

EXPENDITURES		REVENUES	
GENERAL FUND			
General Government	\$11,779,452	Property Taxes and Fees	\$23,677,745
Public Safety	20,123,193	Intergovernmental Revenues	7,687,129
Community Services	4,105,144	Other	4,565,616
Cultural and Recreation	2,876,181	Use of Fund Balance	5,120,210
Community Development	1,138,451		
Debt Service	1,028,279		
TOTAL	<u>\$41,050,700</u>		<u>\$41,050,700</u>
MAJOR STREET FUND			
Program Expenditures	\$1,955,259	Intergovernmental Revenues	\$2,504,143
		Other	0
		Use of Fund Balance	(548,884)
	<u>\$1,955,259</u>		<u>\$1,955,259</u>
LOCAL STREET FUND			
Program Expenditures	\$2,859,097	Property Taxes	\$1,718,796
		Intergovernmental Revenues	1,138,232
		Other	5,000
		Transfers In	300,000
		Use of Fund Balance	(302,931)
	<u>\$2,859,097</u>		<u>\$2,859,097</u>
PARKS MAINTENANCE & IMPROVEMENT FUND			
Program Expenditures	\$43,246	Other	\$43,246
		Use of Fund Balance	0
	<u>\$43,246</u>		<u>\$43,246</u>
DOWNTOWN DEVELOPMENT AUTHORITY			
Program Expenditures	\$129,259	Property Taxes	\$60,624
		Intergovernmental Revenues	35,213
		Other	250
		Use of Fund Balance	33,172
	<u>\$129,259</u>		<u>\$129,259</u>
DRUG FORFEITURE FUND			
Program Expenditures	\$64,250	Intergovernmental Revenues	\$64,000
		Other	250
		Use of Fund Balance	0
	<u>\$64,250</u>		<u>\$64,250</u>

EXHIBIT "A"
CITY OF MADISON HEIGHTS
ADOPTED BUDGET RESOLUTION
FISCAL YEAR 2022-23

EXPENDITURES		REVENUES	
	COMMUNITY IMPROVEMENT FUND		
Program Expenditures	\$145,607	Intergovernmental Revenues	\$145,607
		Use of Fund Balance	0
	<u>\$145,607</u>		<u>\$145,607</u>
	FIRE STATIONS BONDS		
Program Expenditures	\$459,714	Property Taxes	\$409,886
		Intergovernmental Revenues	25,000
		Use of Fund Balance	4,893
	<u>\$459,714</u>		<u>\$439,779</u>
	MUNICIPAL BUILDING BOND		
Program Expenditures	\$275,000	Transfers In	\$275,000
	<u>\$275,000</u>		<u>\$275,000</u>
	FIRE STATIONS BUILDING		
Program Expenditures	\$2,044,671	Transfers In	\$2,044,671
	<u>\$2,044,671</u>		<u>\$2,044,671</u>
	MUNICIPAL BUILDING		
Program Expenditures	\$10,727,524	Other	\$6,500,000
		Transfers In	4,227,524
	<u>\$10,727,524</u>		<u>\$10,727,524</u>
	WATER AND SEWER FUND		
Program Expenditures	\$11,647,463	Sales to Customers	\$11,203,082
		Other	320,800
		Use of Retained Earnings	123,581
	<u>\$11,647,463</u>		<u>\$11,647,463</u>
	MOTOR AND EQUIPMENT POOL		
Program Expenditures	\$994,211	Other	\$994,211
	<u>\$994,211</u>		<u>\$994,211</u>
	DEPARTMENT OF PUBLIC SERVICES		
Program Expenditures	\$2,244,259	Other	\$2,244,259
	<u>\$2,244,259</u>		<u>\$2,244,259</u>
	CHAPTER 20 DRAIN DEBT SERVICE		
Program Expenditures	\$899,454	Property Taxes	\$899,454
	<u>\$899,454</u>		<u>\$899,454</u>

**CITY OF MADISON HEIGHTS
FEE SCHEDULE
FY 2023**

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The FY 2022 City of Madison Heights Fee Schedule will be effective July 1, 2022 unless otherwise noted. Revisions approved are listed below:

SUMMARY OF REVISIONS:

Section 1. Community Development Department Services

- Landlord License: Three Year Registration Fees Increased:
- Single Family: \$195 increased to \$200,
- 2 to 4 Units: Increased from \$240 to \$245
- 5 or more Units: Increased from \$46.50 Per Unit to \$47.50 Per Unit

- Locked-out inspections and the second re-inspection of all failed inspections increased from \$40 per inspection to \$70 per inspection.

- Site Plan Review: Residential (Multi-family) removed additional fee of \$15.00 per unit & Non Residential removed additional fee of \$100 per acre fraction thereof.

- Zoning Fee Special Use Approval: removed the site plan fee of \$750.00 Plus site plan fee
- Engineering Plan Review: fee increased from \$200.00 to \$400.00

Section 2. City Clerk Services

No Changes.

Section 3. Water and Sewer

No Changes.

Section 4. Treasury and Assessing Services

- Stop Payment Fee Decreased from \$32 to \$25

Section 5. Library Services

- Library Material Check out period changed from 90 days to 21 days
- Addition of Kindle replacement fee of \$212 if not returned or damaged.

Section 6. Fire Services

- ALS Emergency Transport increase from \$710 to \$900
- ALS Emergency Transport II decrease from \$950 to \$550
- ALS Non-Emergency Transport increase from \$400 to \$1,200
- Treat No Transport Increase \$225 to \$400
- BLS Emergency Transports Increased from \$550 to \$750
- BLS Non-Emergency Transport Increased from \$400 to \$500
- Loaded Mile (scene to hospital fee per mile) Increase \$14.00 to \$18.00

Section 7. Police Services:

- Under FOIA, the \$0.20 fee has been removed for In-Car Video Recordings, Audio Tapes & Photographs sections.

- Accident Report Fee increased from \$13.00 to \$ 15.00

Section 8. Department of Public Services

- Increased Mobile Home Refuse Collection increase from \$8.00 to \$10.00

Section 9. Parks and Recreation

- The addition of park rental fee: \$25/hour (Resident) \$30/hour (non-resident) with a minimum of 2 hours up to 6 hours. Rentals exceeding 6 hours will incur an additional \$20/hour (Resident) \$25/hour (non-resident) up to a maximum of 14 hours + minimum \$100 refundable damage deposit, subject to change based on the nature of the event.

- Baseball/Softball Diamonds Prep fee increased \$20 to \$40 (Resident) \$60 (Non-Resident)

- Soccer/Football Field Prep fee changed to \$25/hour of use (Residents) \$45/hour(Non-Resident)

Section 10. Active Adult Center Services

No change

Section 11. General Government

No Changes.

Section 1. COMMUNITY DEVELOPMENT DEPARTMENT SERVICES

SCHEDULE OF FEES FOR PERMITS AND SERVICES

BUILDING FEES AND INSPECTION SCHEDULE

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

1.0 ELECTRICAL, MECHANICAL & PLUMBING PERMIT FEE SCHEDULE

Receipted to 101-017-4771-000

- 1.1 All permits shall be assessed a non-refundable application fee of \$30.00.
- 1.2 The permit fees for any electrical, mechanical or plumbing permit shall be \$70.00 per inspection. A minimum of one inspection and the application fee are required on all permits. Permit renewals shall be \$35.00. Permit fees are non-refundable after work has started and non-transferable.
- 1.3 Contractor registration fee shall be \$15.00 for all categories of electrical, mechanical and plumbing contractors.
- 1.4 Permits shall be for the minimum number of inspections required in Section 3.
- 1.5 A fee of \$70.00 per inspection shall be charged for the re-inspection of all failed inspections.

2.0 BUILDING, MOVING, DEMOLITION AND SIGN PERMIT FEE SCHEDULE

Receipted to 101-017-4771-000

- 2.1 All permits shall be assessed a non-refundable application fee of \$30.00.
- 2.2 The permit fees for building permits shall be an application fee plus the applicable permit fee. One inspection and the application fee are required on all permits. Permit renewals shall be \$35.00. Permit fees are non-refundable after work has started and non-transferable.
- 2.3 Contractor registration fee shall be \$15.00 for building, moving, demolition and sign contractors.
- 2.4 A fee of \$70.00 per inspection shall be charged for the re-inspection of all failed inspections.
- 2.5 FEE SCHEDULE

Building Permit Fees Residential Alterations, Additions and Accessory Structures

Receipted to 101-017-4771-000

Accessory structures, remodels, repairs, alterations, and other small jobs based on improvement cost as follows:

\$30.00 non-refundable application fee plus permit fees as follows:

<u>Improvement Cost</u>		<u>Fee</u>
\$0.00 to \$1,000.00	=	\$70.00
\$1001.00 up	=	\$70.00 + \$6.30 per thousand or fraction thereof, over \$1000.00

Plan review fee when required = \$55.00

Certificate of Occupancy including replacement certificates = \$100.00

New One and Two Family Residential Construction

Receipted to 101-017-4771-000

\$30.00 non-refundable application fee plus permit fees as follows:

\$850.00 plus \$1.15 per square foot over 1,000 square feet. For fee purposes all finished areas are included including habitable basement spaces and all attached garages.

Plan review fee when required = \$80.00

Certificate of Occupancy including replacement certificates = \$25.00

Exception: Permit and inspection fees for the construction of barrier free ramps serving one and two family dwelling units shall be waived.

Multiple Family, Commercial, and Industrial

Receipted to 101-017-4771-000

\$30.00 non-refundable application fee plus permit fees as follows:

<u>Improvement Cost</u>		<u>Fee</u>
\$0.00 to \$6000.00	=	\$78.00
\$6,001.00 and above	=	\$0.013 x construction cost

Plan review fee = .005 x cost, minimum \$200.00, maximum \$5,000.00 In the event that the Department requires review by outside consultants as part of the plan review, all costs for required outside architectural or engineering reviews shall be paid by the applicant in addition to the standard plan review fees.

Certificate of Occupancy - Multiple-Family, Commercial, Industrial

Receipted to 101-017-4771-000

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

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

Attached residential condominiums: \$25.00 per unit.

Replacement certificates: \$25.00

Temporary Certificate of Occupancy

Receipted into 101-017-4770-000 with bonds in 705-000-2830-000

Single-family residential - \$250.00 plus bond of \$500.00 per incomplete item or 100% of cost, whichever is greater. Bondable items are concrete, sod and final grade in the winter months only. Bond for an as-built plot plan shall be \$1000.00.

All other construction - \$325.00 plus bond for 100% of incomplete work.

All temporary certificates are 90 days maximum with one renewal.

Signs

Receipted into 101-017-4770-000

All permits shall be assessed a non-refundable application fee of \$30.00.

Permit Fees: Permit fees are non-transferable.

Permanent signs

Ground signs: Up to 60 square feet \$200.00

Wall signs: Up to 100 square feet \$200.00
Over 100 square feet \$280.00

Re-Facing Permanent signs

Ground signs: Up to 60 square feet \$185

Wall signs: Up to 100 square feet \$185
Over 100 square feet \$265

Demolition

Receipted into 101-017-4770-000 with bonds in 705-000-2830-000

All permits shall be assessed a non-refundable application fee of \$30.00.

Residential \$210.00 (Includes pre-demolition, open hole and final site inspections. Additional inspections \$70.00 each. The inspector shall estimate the number of visits required.)

Permit Fees:

Commercial and Industrial

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

Over 30,000 cubic square feet \$210 plus \$5 per 1,000 cubic square feet (Includes pre-demolition, open hole and final site inspections. Additional inspections \$70.00 each. The inspector shall estimate the number of visits required.)

Performance Bond \$5,000.00 (Note: Bond required for all demolition permits including homeowner permits. Bond may be reduced to \$1,000.00 for qualified homeowners at the Department's discretion.)

Moving

Receipted into 101-017-4770-000 with bonds in 705-000-2830-000

All permits shall be assessed a non-refundable application fee of \$30.00.

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

Performance Bond \$5,000.00

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

Receipted into 590-551-8180-000

See page 15, Miscellaneous Service Fees

Code Inspections

Received into 101-017-4770-000

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

Overtime Inspections

Received into 101-017-4770-000

\$105.00 per hour.

Additional/Add-on Inspections, All Permits

Received into 101-017-4770-000

\$70.00 per inspection.

Appeal Boards

Received into 101-017-4770-000

Construction Board of Appeals. \$250.00

3.0 INSPECTIONS: MINIMUM NUMBER AND WHEN REQUIRED

3.1 Electrical: Single-Family Residential

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

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

3.2 Electrical: Multiple-Family, Commercial, and Industrial

For a multiple-family structure or multi-tenant commercial or industrial building, a minimum of two inspections, a rough and a final, shall be required for each living or work unit in such a structure. An inspection shall also be required for the service.

For all other buildings of this class, inspections shall be required for each visit required from the electrical inspector. The inspector shall estimate the number of visits required.

A separate inspection shall be required for temporary service.

3.3 Mechanical: Single-Family Residential

1. For new construction a minimum of three inspections, a rough, final, and gas line inspection shall be required for each heating system. A separate inspection shall be required for each cooling system. A heating or cooling unit without a distribution system shall require one inspection.

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

2. Pre-fab fireplaces shall require a minimum of one inspection per dwelling unit. Multiple fireplaces in the same dwelling unit and inspected on the same visit shall require one inspection. Units may also require a gas line pressure test and inspection.

3.4 Mechanical: Multiple-Family, Commercial, Industrial

Each heating and/or cooling unit shall require one inspection. Each multi-family dwelling unit shall require a rough and final. Installation or modification of any distribution system not involving the associated heating/cooling unit shall require

one inspection. Where an underground inspection(s) is required, an additional inspection shall be charged per visit. Gas lines require an additional pressure test and inspection per system.

Refrigeration units of one horsepower or greater shall require one inspection per unit.

Concealed piping shall require an additional inspection per system.

3.5 Plumbing: Single-Family Residential

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

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

3.6 Plumbing: Multiple-Family, Commercial, Industrial

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

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

3.7 Building: All Construction

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

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

CONCRETE PERMITS INCLUDING NON-TELECOMMUNICATION WORK IN R.O.W.*Received into 101-017-4770-000 with bonds in 705-000-2830-000*

- 1.1 All permits shall be assessed a non-refundable application fee of \$30.00.
- 1.2 Permit Fees: Permit fees are non-refundable after work has started and non-transferable.
- Cutting, repair, sawing, removal, replacement or modification of street surface,
aprons or curb and gutter:
\$70.00 per required inspection
(Two inspections required minimum unless work is covered by a site plan and bond.)
\$5,000 bond (\$1,000 for qualified homeowner permits at the Departments discretion) required for r.o.w.
work. Waived for registered contractors with annual bond posted and projects with site plan
guarantee bonds posted.
- Concrete flatwork \$70.00 per inspection (fees waived for five (5) squares or less of public sidewalk)
- 1.3 Contractor registration fee:
- | | |
|------------------|--|
| Registration | \$15.00 |
| Performance Bond | Minimum \$5,000.00 (Required for r.o.w.) |

PRIVATE SEWER AND WATER SERVICE*Received into 101-017-4770-000 with bonds in 705-000-2830-000*

- 1.1 All permits shall be assessed a non-refundable application fee of \$30.00.
- 1.2 Permit Fees: Permit fees are non-refundable after work has started and non-transferable.
Private sewer and water leads (from the building to the storm sewer, sanitary sewer or water main) including
replacements:
- | | |
|------------------------------|---------------|
| Storm or sanitary sewer lead | \$70.00 each. |
| Water lead | \$70.00 each. |
| Gate wells or structures | \$70.00 each. |
- Public sewer and water mains: See non-telecommunication engineering fees below
- 1.3 Contractor registration fee:
- | | |
|------------------|----------------------------------|
| Registration | \$15.00 |
| Performance Bond | \$5,000.00 (Required for r.o.w.) |

PLANNING FEES*Received into 101-030-6071-000*

- Site Plan Review
- | | |
|----------------------------|----------|
| Residential (multi-family) | \$700.00 |
| Non-Residential | \$850.00 |
- Revised Site Plans (changes of 30% or more) 75% of original fee
- Plats and Site Condominiums \$1,000.00 + \$15 per unit for residential and \$75 per acres for nonresidential
- Easements:
- | | |
|---------------|----------|
| Vacations | \$500.00 |
| Encroachments | \$ 50.00 |
- Land Divisions \$500.00 plus \$50 per resulting lot
- Land Divisions with road \$750 plus \$50 per resulting lot
- Landscape Plan Review \$500.00

Variance Review (Single Family)	\$300.00
Variance Review (Dimensional)	\$400.00 plus \$300 per variance
Use Variance Review	\$1,000.00

Parking or Traffic Study Review \$500 minimum with actual cost due upon completion

ZONING FEES

Received into 101-044-6701-000

Z.B.A.

Variance Review (Single Family)	\$300.00
Variance Review (Dimensional)	\$400.00 plus \$300 per variance
Use Variance Review	\$1,000.00

Special Use Approvals	\$750.00
Re-zonings	\$1,500.00

BROWNFIELD REDEVELOPMENT AUTHORITY FEES

Received into 101-044-6701-000

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

ENGINEERING FEES - (NON-TELECOMMUNICATION)

Received into 101-030-6701-000

Engineering Plan Review	Application fee (Non-refundable)	\$400.00 for all projects
	Public projects - Review fee	2% of site construction cost
	Inspection fee	4% of site construction cost (see r.o.w. inspection below.)
	Private projects - Review fee	2% of site construction cost (\$200.00 Minimum)
	Residential site/plot plan review	\$75.00

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

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

RIGHT-OF WAY PERMITS – (NON-TELECOMMUNICATION)

Received into 101-030-6701-000

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

LANDLORD LICENSING

Receipted into 101-017-4771-000

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

*Code enforcement action will commence if the application and fee are not received before the current expiration date; if the renewal is not completed within thirty (30) days after the renewal date; or if a new application is not completed within thirty (30) days of the initial application date.

A fee of \$70.00 per inspection shall be charged for all locked-out inspections and the second re-inspection of all failed inspections.

Note: All renewal licenses are for thirty-six (36) months. New and pro-rated licenses may be for less than thirty-six (36) months. All licenses for the same landlord will expire on the same date.

CODE ENFORCEMENT PROPERTY MAINTENANCE FEES

Service:	Cost: (Note: Mowing, labor and disposal costs are based on the current contract.)
Mowing	First Offense \$100.00 Administrative Fee + Actual Contractor Charges Second Offense (same growing season) \$200 + Actual Contractor Charges Third or more Offenses (same growing season) \$300 + Actual Contractor Charges

Receipted into 101-030-6260-000

Clean-up/Debris Removal (ROW)	\$150.00 Administrative Fee + Actual Labor and Disposal Charges Repeat Offenders \$250.00 Administrative Fee + Actual Labor and Disposal Charges
Clean-up/Debris Removal (PVT)	\$250.00 Administrative Fee + Actual Labor and Disposal Charges * Repeat Offenders \$500 Administrative Fee + Actual Labor and Disposal Charges * *Warrant required prior to contractor authorization

Receipted into 101-030-6270-000

Snow Removal (Public Walks)	First Offense \$100.00 Administrative Fee + Actual Contractor Charges Second Offense (same growing season) \$200 + Actual Contractor Charges Third or more Offenses (same growing season) \$300 + Actual Contractor Charges
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Receipted into 101-030-6250-000

HOTEL INSPECTIONS

Annual Building and Fire Inspections	\$15 per unit / per year
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MEDICAL MARIHUANA FACILITY/MEDICAL MARIHUANA GROW OPERATION

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

GEOGRAPHIC INFORMATION SYSTEM FEES

Received into 101-030-6075-000

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

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

Electronic File Format Prices (when available)

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

Section 2. CLERK DEPARTMENT SERVICES

Business License/Permits

Business Licenses:

Receipted into 101-014-4570-000

Business Licenses: \$100.00 per year

Marihuana - Medical/Adult-Use Business License: \$5,000.00 per year

Marihuana – Caregiver Business License: \$300.00 per year + any applicable re-inspection fees

Massage Business License: \$300 per year + \$150 per licensed massage therapist

Late Fee is double the fee listed above.

Temporary/Seasonal Business Licenses \$100.00

Home Solicitation Licenses \$100.00

Medical or Adult-Use Marihuana Facility/Medical or Adult Use Marihuana Grow Operation Business License Application fee
\$500.00 non-refundable

Animal License/Permits

1.0 Dogs and Cats.

Receipted into 101-017-4800-000

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

- Rabies Vaccination must be valid for:

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

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

- Animal Tag Replacement \$1.00 per tag

2.0 Domestic Hens

Receipted into 101-017-4800-000

Single-family residence shall be allowed to keep up to six (6) domesticated hens. Roosters or male chickens are prohibited. An annual license valid from January 1 – December 31 of each calendar year, is required. Each hen licensed shall at all times have attached to the hen a City-issued leg band corresponding to the City issued license.

\$20 per single-family residence.

Miscellaneous Fees

1.0 Bicycle Licenses

Receipted into 101-017-4810-000

All bicycles to be ridden in the City on a street or public path shall be licensed.

Bicycle \$2.00 one-time fee per bicycle

2.0 **Vital Health Statistics**
 Receipted into 101-030-6078-000

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

3.0 **Video/Vending Machine**
 Receipted into 101-014-4570-000

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

4.0 **Voter Registration Records**

Processing Fee and Excel spreadsheet	\$12.00
Electronic Media Storage and Excel spreadsheet	\$12.00 + actual price of storage device

5.0 **Notary Fees**

Notarizing Documents	Residents	– first documents no-charge additional documents \$10
	Non-resident	– each documents \$10

6.0 **Copy Fees**

Copies	\$0.10 per page
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Section 3. WATER AND SEWER OPERATION SERVICE FEES

Utility Rates

1.0 Water and Sewer Rates

Residential water receipted into 590-010-6430-000

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

Sewer receipted into 590-020-6115-000

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

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

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

Water	\$3.27 per unit
Sewer	\$3.69 per unit

2.0 Stormwater

Receipted into 590-020-6118-000

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

ERUs are a subunit of measurement that related the volume of storm water discharge from the parcel based on the amount of total and impervious lot area. One ERU equaling 2,600 square feet with runoff factor.

Single Family Residential \$12.60 per ERU per quarter

Commercial/Industrial \$ 4.20 per ERU per month

Service Fees

1.0 Service Tapping Fees

Meter & Materials receipted into 590-000-2735-000

Service Connection receipted into 590-000-2736-000

Transmission receipted into 590-000-6113-000

Paving receipted into 590-010-6111-000

Sewer Privilege Fee receipted into 590-020-6117

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

Supply/ Meter Size						
Description	1"	1 ½"	2"	3"	4"	6"
Meter & Materials	\$1,080	\$1,460	\$1,980	\$3,190	\$4,070	\$6,050
Service Connection	\$825	\$1,045	\$1,238	-	-	-
Transmission	\$72	\$72	\$72	-	-	-
Paving	\$275	\$275	\$275	-	-	-
Sewer Privilege Fee	\$622	\$897	\$1,183	\$2,310	\$3,493	\$3,575
Total	\$2,874	\$3,749	\$4,748	\$5,550	\$7,563	\$9,625

2.0 **Meter Fees**

Receipted into 590-010-6111-000

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

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

3.0 **Miscellaneous Service Fees**

Receipted into 590-010-6111-000

Fire Suppression Private Water Line Charge	\$5 per month
Final Reading	\$20 per account processed
"No Show" Charge for service calls	\$25 per occurrence
Turn-Off/Turn-On	\$60
Reinstall Meter with Turn-On	\$60
Meter Bench Test (5/8 – 1 1/2") – Reading within AWWA range	\$60
Meter Bench Test (2" and above)– Reading outside AWWA range	\$350
Fire Suppression System – Turn-Off/Turn-On	\$60
Construction Water Use	\$125
Hydrant Meter Deposit	\$2,000
Disconnect Water Service from Main (3/4"-2")	\$700
Disconnect Water Service from Main (3"-6")	\$1,000
Service Call Overtime Charge (Mon- Sat)	\$150
Service Call Overtime Charge (Sun & Holidays)	\$300
Hydrant Flow Test	\$100
Hydrant Flow Test with Salt Needed	\$175
Hydrant and Meter Rental	\$5 per day + water consumption
Hydrant Inspection	\$5 per inspection

Tampering with meter or water service:

Residential	50-unit penalty plus the City may prosecute
Commercial/Industrial	100-unit penalty plus the City may prosecute
Bypass violations	100 unit penalty plus the City may prosecute

Section 4. TREASURY AND ASSESSING SERVICE FEES**Property Affidavit Penalty**

Receipted into 101-011-4040-000

A Property Affidavit must be filed within 45 days of the property transfer. Filing is mandatory and required Form 2766 from the Michigan Department of Treasury.

Penalty for failure to complete and submit all required paperwork to the City:

- Industrial and Commercial property:

If the sale is \$100,000,000 or less - \$20 per day for each separate failure beginning after the 45 days have elapsed up to a maximum of \$1,000

If the sale is \$100,000,000 or more - \$20,000 after the 45 days have elapsed

- Real property other than industrial and commercial:

\$5 per day for each separate failure beginning after the 45 days has elapsed, up to a maximum of \$200.

Tax Administration Fee

Receipted into 101-011-4470-000

The City of Madison Heights bills and collects taxes on behalf of all taxing jurisdictions in the City. A 1% fee of all taxes billed is added to cover this service as allowed in the State of Michigan General Property Tax Act 211.4 (3).

Duplicate Bill Fee

Receipted into 101-044-6701-000

If a duplicate bill must be printed for payment or customer records the City charged a duplicate bill fee. This fee is set by the Department Head Based on an estimate of time and materials.

\$3 per bill requested

Stop Payment Fee

Receipted into 101-044-6701-000

If the City must stop payment of a check issued a \$25 stop payment fee may be charged to the payee of the check. This fee is set by the Department Head based on the fee the City is charged from our banking institution.

Returned Check/ACH Fee

Receipted into 101-044-6705-000

If a customer has a payment returned for any reason including (non-sufficient funds, closed account, wrong account information) a \$25 returned check/ach fee will be charged to the customer. This fee is set by the Department Head based on the fee the City is charged from our banking institution.

Section 5. LIBRARY SERVICE FEES

Rental and Late Fee

Library materials that are not returned within 21 days or are returned damaged are charged the full replacement cost of item at the time of purchase

Kindles	\$212 full replacement cost if not returned or damaged
Hotspot	\$112 full replacement cost if not returned or damaged
Laptop (Chromebook)	\$300 full replacement cost if not returned or damaged

Program Fees

Receipted into 705-000-2918-000

Coffee Concerts	\$5 per concert
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Computer and Printer Fees

Printer Fees receipted into 101-033-6086-000

Computer Use fees receipted into 101-030-6085-000

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

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

Printer Fees receipted into 101-030-6085-000

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

Section 6. FIRE SERVICE FEES

Ambulance and Emergency Response Fees

1.0 Advanced Life Support Services

Receipted into 101-044-6707-000

ALS Emergency Transport	\$900
ALS Emergency Transport II	\$550
ALS Non-Emergency Transport	\$1,200
Treat No Transport	\$400

2.0 Basic Life Support Services

Receipted into 101-044-6707-000

BLS Emergency Transports	\$750
BLS Non-Emergency Transport	\$500

3.0 Miscellaneous Fees

Receipted into 101-044-6707-000

Loaded Mile (scene to hospital fee per mile)	\$18.00 per mile
Oxygen	\$50
Extrication	\$500
Defibrillator	\$50
Cost Recovery for Structure Fires	\$500

Miscellaneous Fees

1.0 Cardiopulmonary Resuscitation (CPR) Course Courses

Receipted into 101-044-6709-000

Course fees include supplies and materials used.

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

2.0 Inspections and Reporting

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

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

Section 7. POLICE SERVICES FEES

False Alarm Fees

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

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

Police FOIA and Miscellaneous Fees

1.0 FOIA

In-Car Video Recordings	actual wages to prepare
Audio Tapes	actual wages to prepare
Photographs	actual wages to prepare
File size requiring an external drive	\$7.50 in addition to actual wages to prepare

2.0 Reports

Accident Reports	\$15 per report set by contract with Oakland County
Police Report Photographs (excluding accident report)	\$0.10 per page of photographs

Section 8. DEPARTMENT OF PUBLIC SERVICES

RV Lot Rental Fee

Receipted into 101-030-6285-000

RV Lot Rental based on availability	\$250 annually with renewals on July 1, 2021
RV Lot Late Payment Fee	\$50 late fee after renewal due date of June 30 each year

Brush Chipping Fee

Receipted into 101-030-6270-000

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

Receipted into 101-030-6240-000

Solid Waste Collection	\$10.00 per unit
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This fee is invoiced twice per year based on per unit count as verified by a representative of the Department of Public Services.

Section 9. PARKS AND RECREATION SERVICE FEES

The City of Madison Heights offers numerous classes and programs through our recreation department. The resident and non-resident fees are set each class cycle based on cost for instructors, program expenses and staff. These fees are published by class/program in the recreation brochure.

Meeting Room Rentals

The City of Madison Heights allows groups to use meeting rooms at the Library/Breckenridge Room and Fire Department Room.

1.0 Groups for which No fee is charged:

Programs sponsored by the City
Meeting of Madison Heights non-profit (501 C3) political, educational organizations
Organizations where all members reside in Madison Heights (i.e. sports leagues, condo associations, etc.)
Service clubs that reside in Madison Heights
County, state and federal offices requesting usage for business use

2.0 Groups for which a \$20 an hour/minimum of 2 hours will be charged:

Any non-profit groups (must provide a copy of 501-C3 documentation) that do not reside in Madison Heights (this would include organizations such as Toy Dog Club, Trout Unlimited, etc.)

Any adult* group/club providing an activity to make money for the club/group

Any adult* group desiring to have instructional or social activity for their own benefit where a fee is assessed to participants

3.0 Groups for which a \$30 an hour/minimum of 2 hours will be charged:

Any group originating from a business establishment such as union meetings, company staff meetings
Groups other than civic, cultural, educational, political groups, deriving personal or financial gain
(such as sales meetings, investment clubs, training sessions, etc.)
Any group not comprised of 75% Madison Heights residents.

Park, Park Pavilion and Park Building Rentals

The City of Madison Heights allows the rental of Pavilions A, B and C at Civic Center Park and the Monroe Park Pavilion. Residents have first choice of reservations through March 31st each year. On or after April 1st each year rental is available to residents and non-residents on a first come first served basis.

Park Rental Fees \$25/hour with a minimum of 2 hours up to 6 hours. Rentals exceeding 6 hours will incur an additional \$20/hour up to a maximum of 14 hours + minimum \$100 refundable damage deposit, subject to change based on the nature of the event.

Non-Resident Park Rental Fees \$30/hour with a minimum of 2 hours up to 6 hours. Rentals exceeding 6 hours will incur an additional \$25/hour up to a maximum of 14 hours + minimum \$100 refundable damage deposit, subject to change based on the nature of the event.

Pavilion Rental Fees	\$50 per pavilion + \$50 refundable damage/cleaning deposit
Non-Resident Rental Fee	\$100 per pavilion + \$50 refundable damage/cleaning deposit
Cancellation Fee	\$10 with one week (7 days) notice
	No refund will be given if cancelled in less than one week (7 days) of the rental date
Park Building Rental Fee	\$50/2 hour block of time, rounded to each 2 hour period per building + \$100 refundable damage/cleaning deposit
Non-Resident Park Building Rental Fee	\$100/2 hour block of time, rounded to each 2 hour period per building + \$100 refundable damage/cleaning deposit
Park Building Lost Key Fee	\$25 if key is not returned

Nonprofits and volunteer groups in the City Nonprofit and volunteer groups that regularly volunteer in the City shall rent the Library (Breckenridge Room), Fire Station (Training Room), Park Buildings, and City Hall (Basement, when not occupied by gymnastics) at no cost if the rental does not require staffing. If staffing is required fees shall cover staffing cost. A refundable deposit of \$100 would be required.

Active Adult Center Rentals

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

Receipted into 101-030-6530-000

\$50 per hour	3 hour minimum for Madison Heights residents and businesses.
\$25 per hour	3 hour minimum for civic groups, schools and scout troops
\$200	Refundable damage deposit.

Sports Field Preparation

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

Receipted into 101-030-6530-000

Baseball/Softball Diamonds	\$40 (Residents) \$60 (Non-Residents) to have field dragged and lined
Soccer/Football Fields	\$25/hour (Residents) \$45/hour (Non-Residents)

Section 10. ACTIVE ADULT CENTER SERVICE FEES

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

Transportation

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

Rides \$1 each way, within Madison Heights

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

Lunch Program

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

Miscellaneous

Trip Cancellation Fee \$5

Section 11. GENERAL GOVERNMENTAL SERVICE FEES

Message Board Greetings

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

Wedding Ceremony

Administration fee	\$50 per wedding
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Items for Sale

Garbage Bags Receipted into 101-033-6421-000	Box of 100 Heavy Duty bags \$20 per box
Recycling Bin and Lid Receipted into 101-033-6422-000	\$20

Section 12. FOIA FEES

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

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

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

1.0 Labor Costs

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

2.0 Non-paper Physical Media

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

3.0 Paper Copies

- Paper copies of public records made on standard letter (8 ½ x 11) or legal (8 ½ x 14) sized paper will be \$.10 per sheet of paper. Copies for non-standard sized sheets will reflect the actual cost of reproduction.
- The City may provide records using double-sided printing, if cost saving and available.

4.0 Mailing Costs

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



City of Madison Heights

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

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

Fire Department
31313 Brush Street
Madison Heights, MI 48071

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

www.madison-heights.org

To: Honorable Mayor and City Council

From: Melissa R. Marsh, City Manager
Linda Kunath, Finance Director

Date: April 7, 2022

RE: Five Year Financial Forecast – Fiscal Years 2022-2026

Attached please find the five-year forecast for the City of Madison Heights for the Fiscal Years 2022-2026. This forecast should be evaluated as a financial estimate, created from the best available information at this point.

Executive Summary

The goal of the Five-Year Financial Forecast is to provide Staff, Council, and the public with a detailed estimate of the revenues and expenditures for the current and future four years, to serve as the first step in the upcoming budget process. This detailed look at the financial estimates serves as a tool to identify financial trends, shortfalls, and issues so the City can proactively address them. The forecast, therefore, is essential for planning the future financial sustainability of the City as we move into the Goal Setting, Capital Improvement, and Budget Planning processes.

The City has been operating during a historic pandemic for nearly two-years. At the onset of this health crisis in 2020, we restricted spending by placing a hold on most budgeted capital outlay items, deferring maintenance and building projects, and freezing all hiring. This continued through mid-fiscal year 2020-2021, then economic stimulus from the federal government helped stabilized our financial projections for that fiscal year and current fiscal year. The City then proceeded with previously budgeted plans to improve park amenities, address deferred building maintenance, repair roads and sidewalks, and to budget current fiscal year 2021-2022 for improvements in line with the strategic & capital improvement plans.

This forecast is again challenging due to the continued presence of the pandemic (COVID-19 virus and variants), predicted rising inflation and a difficult labor market. These issues upended the country and stalled our local market's return to normal. Additionally, the State of Michigan's property tax restrictions imposed through Proposal "A" and the Headlee Amendment, continue to limit the City's growth. On a positive note, the changes made to retiree healthcare benefits significantly improved the funding levels of these obligations, but pension legacy costs remain a burden.

Area Code (248)

Assessing 858-0776
City Clerk 583-0826
City Manager 583-0829
Community Development 583-0831
Department of Public Services 589-2294
Finance 583-0846

Fire Department 583-3605
43rd District Court 583-1800
Housing Commission 583-0843
Human Resources 583-0828
Library 588-7763
Mayor & City Council 583-0829

Nature Center 585-0100
Police Department 585-2100
Purchasing 837-2602
Recreation 589-2294
Senior Citizen Center 545-3464
Water & Treasurer 583-0845

It is important to stress that this forecast is not a budget. It doesn't make expenditure decisions but does assess the need to continue to prioritize the allocation of City resources. The purpose of the forecast is to provide an overview of the City's fiscal health, based on various assumptions, over the current and next four years, and to provide the City Council, management, and the citizens of Madison Heights with a "heads up" on the financial outlook beyond the annual budget cycle. The five-year forecast is intended to serve as a planning tool to bring a long-term perspective to the budget process.

The Government Finance Officers Association (GFOA) recognizes the importance of combining the forecasting of revenues and expenditures into a single financial forecast. The GFOA recommends that a government should have a financial planning process that assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve its goals.

Regional Economic Outlook

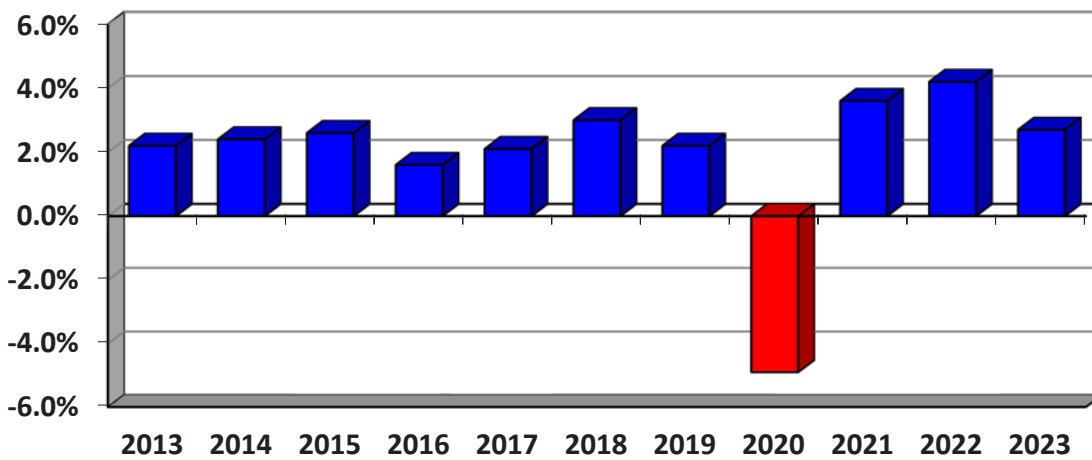
The economy has been severely disrupted by the COVID-19 pandemic, continued rebound and growth depends on vaccination efforts for the opportunity to get on the other side of the pandemic. There is modest labor market disruption likely due to OSHA vaccine/testing regulation. The Delta and Omicron variants of COVID-19 have impacted consumer behavior, softening demand for services such as air travel, restaurant dining, and hotel reservations. Despite lingering inflation concerns and rising price of gasoline, the labor market remains pivotal to the outlook for monetary policy. The Federal framework for raising interest rates is anticipated to be slow incremental rate hikes, starting mid-2022. This is important because the economy cannot make a complete recovery until the public health situation allows consumers and workers to go about their daily routines safely.

As reported by representatives of the University of Michigan's Institute for Research on Labor, Employment, and the Economy at the Oakland County Economic Outlook 2021-2023 report and November 23, 2021 U.S. and Michigan Economic Outlook 2022-2023, there are expectations that pandemic waves of decreasing severity and economic impact will occur. Oakland County's economic future is closely tied to the overall health of the national economy. The federal Infrastructure bill was signed into law early November and will spend around \$550 billion on the country's roads, bridges, and broadband initiatives. Another stimulus bill of \$1.7 trillion over 10-years is being debated that will address social policy spending on education, health care, climate, and other programs.

In the past the best single measure of the U.S. economy has been inflation-adjusted, or real, Gross Domestic Product (GDP), which comprises all of the goods, services, and structures produced in the economy. Real GDP grew at 6.4 percent annualized pace in the first quarter of 2021, led by strong growth of consumption spending and with help from residential and business fixed investment. The real GDP growth is forecasted to top 7 percent, annualized quarterly growth pace to remain above 3.0 percent for first half of 2022, but then taper off to 2.2 percent by the end of 2023. The level of real GDP is projected to exceed its pre-pandemic peak during the second quarter of 2021, completing a V-shaped recovery. Recovery pace is expected to slow in 2022 and 2023. Annual real GDP growth is forecast to register 4.2 percent in 2022 and 2.7 percent in 2023.

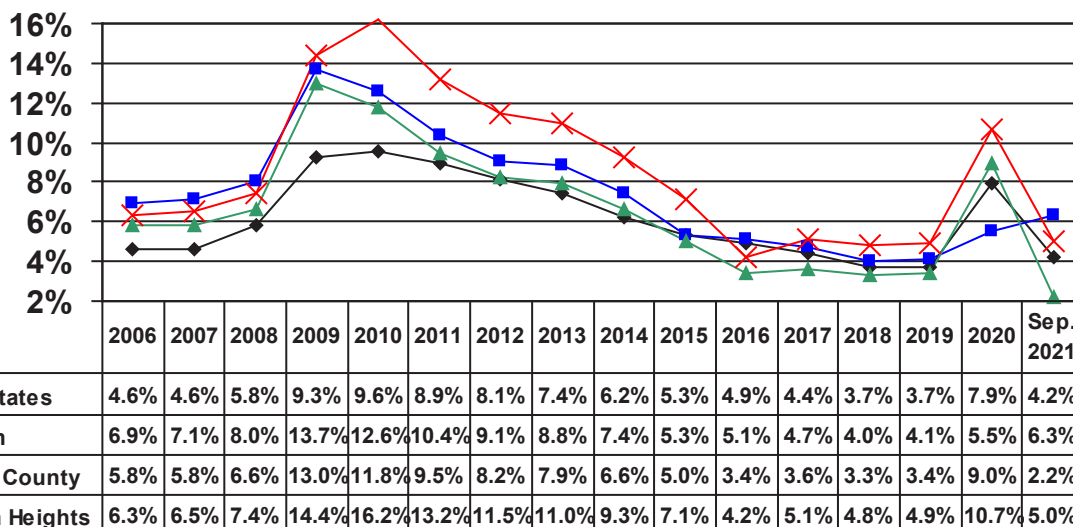
It is further expected that the Federal Reserve will continue to provide substantial monetary support for the recovery. Short-term interest rates are projected to hike incrementally starting June 2022 and be raised two-to-three 25 basis points every 12 months after. The federal funds rate averages prediction of 1.1 percent in 2023 fourth quarter.

Growth in U.S. Gross Domestic Product, 2013-2023



Of the key economic factors, job growth and unemployment are two of the most important financial indicators of recovery. This is because a loss of jobs cuts across all sectors of Michigan's economy, impacting the housing market, and funding for state and local government services, which rely on income, property and sales taxes. Michigan's lost decade culminating in the Great Recession, Oakland County lost jobs at a faster rate than the state as a whole, but rebounded and subsequently grew faster than the state as a whole. Despite the strong recovery in jobs over the next decade, neither Oakland County nor the state of Michigan regained their 2000 employment levels by 2019. The jobs shortfall in Oakland (2.8 percent) was smaller than in the state as a whole (5.0 percent). The recession that was triggered by the COVID-19 pandemic dramatically effected employment. The state of Michigan declined by 846,700 jobs (19.1 percent) and Oakland County was estimated to have lost 145,851 jobs (19.6 percent). Fortunately in late-2020, the country, state and county had a strong rebound and by the first quarter of 2021 Michigan recovered 60.3 percent of its initial pandemic job loss and Oakland County is estimated to have recovered 59.5 percent. The County is forecasted to continue a return to low unemployment rates.

Annual Unemployment Rates, 2006 through September 2021



(Source: Bureau of Labor Statistics)

As indicated above, unemployment rates have returned to pre-Great Recession levels, with Madison Heights remaining slightly higher than Oakland County unemployment indicators.

Financial Forecast

The forecast reflects actuals for Fiscal Year 2021, estimated expenditures for Fiscal Year 2022 and forecasted figures for Fiscal Years 2023-2026. The forecast focuses on the City's major appropriated funds which include the General, Major Street, Local Street, and Water and Sewer Funds.

The General Fund is the primary focus of the forecast report because this fund is the City's operating fund, which pays for services such as police, fire, library, parks, recreation, solid waste collection/disposal, and administration.

Overview of Fiscal Year 2020-21

Fiscal Year 2021 General Fund reserves ended at \$13.3 million, up from \$9.5 million in the fiscal year 2020. Of this amount, \$13.1 million is considered to be spendable and available to fund operations. This increase in fund balance was a direct result of federal CARES Act funding received in the fiscal year, which related to expenditures in the prior fiscal year and for increased state funding. Use of fund balance was planned in FY 2021 in the amount of \$889,451 but not utilized since revenues exceeded expenditures by \$3,572,800. FY 2021 was again an unusual year due to the COVID-19 pandemic. Due to this health crisis, the City offices were closed to the public on March 12, 2020, followed by a State "Stay Home, Stay Safe" order, and continued the closure through June 12, 2020. The City froze all non-public safety position hiring and placed a hold on expenditures and projects and furloughed, either partially and fully, over 62 part-time and full-time employees through the duration of the Stay at Home order. The City developed a Work Share program with the State Unemployment Office and implemented furloughs for all non-public safety employees of a minimum of one day a week from June 1 through September 4, 2020. Overall, the General Fund departments completed the year at 96 percent of the budget allocated. This necessitated a carryforward of \$1,399,380 to FY 2022 for projects that could not be completed during the FY 2021 fiscal year.

Overview of the Current Fiscal Year 2021-2022

The fiscal year 2022 General Fund budget of \$33.1 million, which included a budgeted use of fund balance of \$995,934, was adopted by Council in May 2021. This budget is reflective of the City's plan to return to pre-pandemic activities that are in-line with the Strategic and Capital Improvement Plans. Since original adoption, year-end carryforwards and several miscellaneous budget amendments were approved, including additional use of fund balance of \$1.5 million.

During the first quarter of the fiscal year, revenues are mostly in line with expectations, with the exception of the 43rd District Court, which is just now resuming normal operation activities and are slightly under planned budget. The federal American Rescue Plan Act (ARPA) stimulus money was allocated to cities, townships, and villages, through the State, to assist with post-pandemic recovery and growth. To date, the City has received \$1.56 million, half, of the full ARPA funding allocation. These funds are being earmarked for the Civic Center Project. As this is report date, a new COVID-19 variant has emerged and in the State of Michigan, based on the last 7 days of data, the Center for Disease Control and Prevention (CDC) has deemed the level of community transmission cases as high, with 47,843 new cases and 478 new deaths. 61.8% of Michigan residents have received one dose of the coronavirus vaccine, 72.69% of Oakland County residents have received one dose.

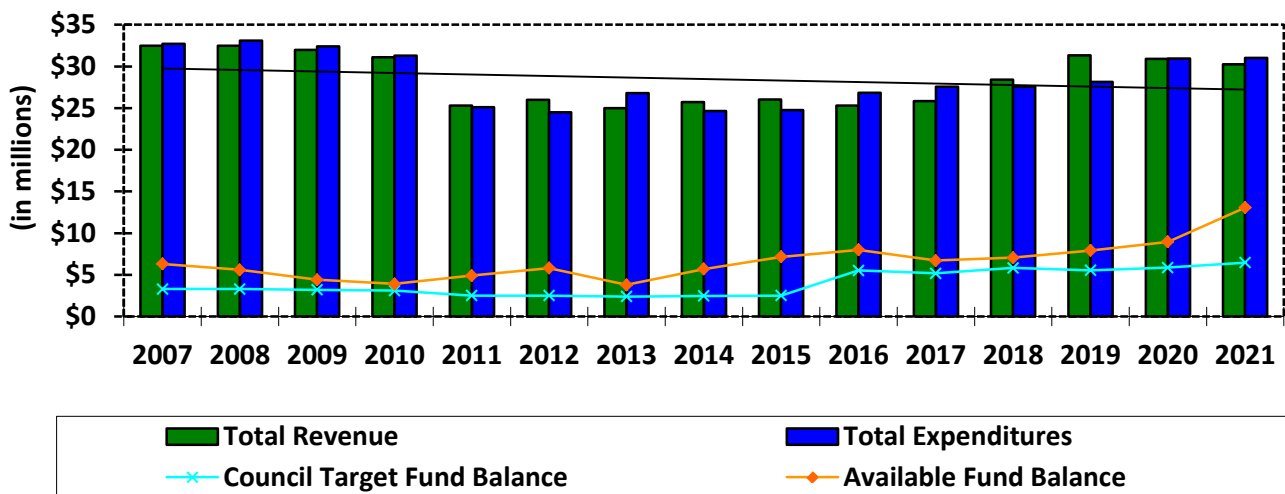
Overall, we anticipate ending the year near the existing budget amounts.

General Fund Reserves

In December 2015, City Council approved the goal to modify the City's Financial Reserve Policy to comply with the Michigan Government Financial Officers Association Best Practices of adhering to an operating reserve policy setting the minimum reserve level at no less than two months or 16% of regular operating expenditures plus one year of debt payments, using fund balance reserves only for one-time expenditures. This policy was established to prudently protect the fiscal solvency of the City and is evaluated annually. Reserves are important to mitigate the negative impact on revenues from economic fluctuations, State budget adjustments, unfunded mandates, and unforeseen expenditure requirements. The following bar/line graph depicts the target and available General Fund Balances since 2006, as shown against total revenues and expenditures. In all years, the City has been able to maintain a fund balance at or slightly above the minimum target fund balance.

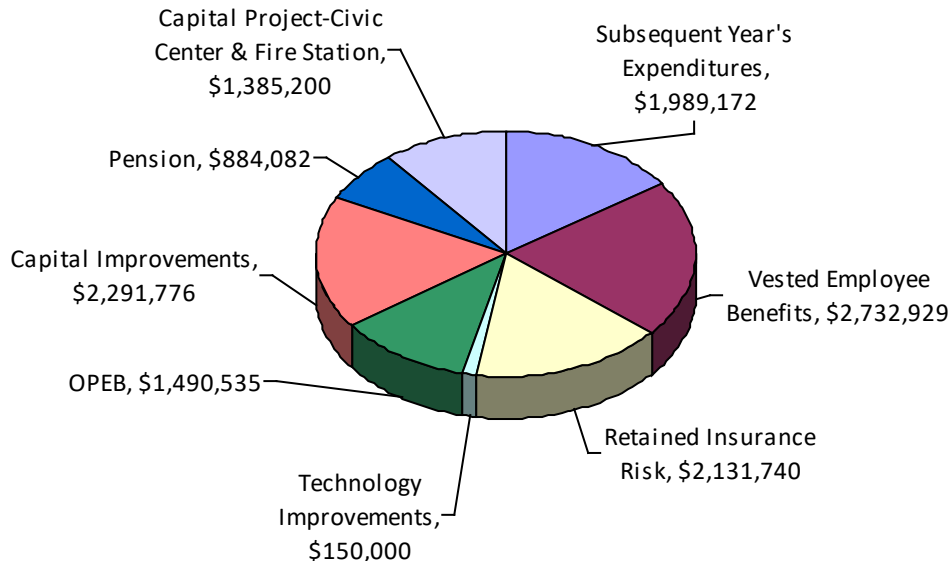
As stated previously, Fiscal Year 2021 General Fund reserves ended at \$13.3 million, up from \$9.6 million in the fiscal year 2020. Of this amount, \$13.1 million is considered to be spendable and available to fund operations. Total FY 2021 operating expenditures are \$31.1 million with general obligation debt payments at \$1,296,425. The required fund balance reserve is \$6,467,329. At FY 2022 end we are anticipated to have \$10.7 million in reserves, which includes Civic Center Project funding. Strong financial policies, such as this, are part of the reason the City has maintained an AA- bond rating.

General Fund - Fund Balance Compared to Total Revenues and Expenditures



In addition, staff reviews the reserve levels at the end of each fiscal year and assigns reserves to meet unfunded liabilities. Currently, reserves are assigned as follows: 15.2% to fund subsequent year's expenditures, 20.9% for vested employee benefits (not including pension or retiree health care), 16.3% for retained insurance risk, 1.1% for technology improvements, 11.4% for other post-employment benefits (OPEB), 6.8% for pension obligation bond payments, 17.6% capital improvements, and 10.6% for civic center project and fire station 2 improvements (see the following pie chart).

Assigned General Fund Reserves as of June 30, 2021



Overview of Five Year Forecast - FY 2022-2026

The Five Year Financial Forecast includes a baseline projection of revenues and expenditures used to evaluate the City's future financial condition and capacity to fund existing services and infrastructure needs. The growth assumptions in the baseline projections are based on the most recent economic data provided by various sources and existing City contractual obligations such as service contracts, labor agreements, and debt service.

General Fund revenues are projected to remain at the same total millage rate and to increase lower than the State approved rate of inflation of 3.3%. However, revenues are projected to adequately cover expenditures, along with some use of fund balance. Proposal MH, the charter millage revision that was passed in November 2019 by the voters of Madison Heights, rolled in several separate millages and increased the base charter millage to cover additional spending for public safety and quality of life services, such as parks and library. This increase was approved at an overall 3.3684 mills, but has not been fully levied. Even with the passing of Proposal MH, the City continues to face financial challenges that continue to hinder the ability to fully restore services, fund legacy costs, and expand offerings to meet the demands of residents. This financial challenge is obvious in the five-year forecast as the cost to address deferred infrastructure and buildings that can no longer be deferred without interfering with services. With planned fund balance savings, yearly budgeting, ARPA funding, and bond sales, the City is moving forward with the Civic Center Project to sell and build a new facility for Active Adult Center activities at the Civic Center complex and to renovate the aging infrastructures City Hall and Library buildings. Additionally, needed repairs at Fire Station 2 will be addressed.

Over 65% of the City's General Fund revenues are generated from property taxes, which are restricted to growth of 5% of the rate of inflation, whichever is less. For FY 2022 the State Tax Commission approved the inflation rate multiplier at 1.4% and for FY 2023 the approved multiplier rate is 3.3%. Using these ratios and the Oakland County economic outlook, the City forecasted property tax to increase slowly between 1.4% and 3.5% over the next four years. Overall, future years are forecasted to see other revenues grow slightly, after being reduced in 2020 and 2021, as the economy gets back to "normal". For instance, recreation services had been closed or offered virtually, eliminating the revenue typically generated to cover not only program fees but staff cost. Overall General Fund revenues are forecasted to increase around 2.6% year over year from 2022-2026.

Expenditures are projected to grow at an annual average rate of 3.0% during the succeeding four years, taking into account the City's infrastructure needs and assumption of full implementation of the City's current Capital Improvement Plan. **This forecast does not take into consideration changes in negotiated benefits or wage increases, as all of the City's eight bargaining contracts expire on June 30, 2022.**

Forecasted Challenges – FY 2022-2026

Past the challenges discussed due to COVID-19, two major financial challenges will continue to face the City over the next decade, are legacy costs and infrastructure needs. Legacy costs are the cost of pension and retiree health care for employees after they leave the service of the City. Each benefit has a unique set of issues which are discussed separately below:

Pension

As part of the FY 2017 goal process, Council approved a goal to develop and implement a plan and policy to fully address the City's unfunded liabilities for pension and other post-employment benefits. As part of accomplishing this goal, staff researched and Council approved the issuance of Pension Obligation Bonds (POBs) for \$15,250,000 for 16 years to fund the accrued liability for the General (non-sworn) employees in the Michigan Municipal Employee Retirement System (MERS). These bonds were issued on September 29, 2016, and funds were transferred to MERS bringing the general employees' pension system to 106.6% funded. The current funding level of the MERS plan is 93%. The current budget and the following four-year forecast include the bond payment plus the normal cost for the pension system on an annual basis. The normal cost is required to be paid even when funds are over 100% funded because the normal cost is not included in the accrued liability. It is the amount attributable to the current year of service.

Pension is a major concern with employees and management, and we continue to discuss solutions. The Police and Fire Pension Fund is only 56.08% funded as of June 30, 2021, up from 46.67% in FY 2020, due to favorable market returns. This funding issue has not been addressed beyond making the additional annual actuarially required contributions and minor benefit changes for new hires. This pension plan remains open to new hires, although their benefits have been reduced through a tiered system. The funding of this liability is paid annually through the Public Act 345 millage, which is currently 7.1155 mills or 27.1% of the current overall millage rate. Increasing this funding rate to ensure the ability to make promised payments will be a focus on future budget submittals. This includes shifting the focus from retiree healthcare funding, due to recent benefit and assumption changes which relieved these legacy cost burdens, to focusing on police and fire pension unfunded liabilities above the 60% minimum mandated by the state of Michigan. Barring a major change in market returns, we believe with increased contributions this funding goal is possible to achieve in the next five years.

Retiree Health Care

Ten years ago, the Council approved the establishment of two Retiree Health Care Trust (HCTP) and since that time the City has funded and the plan has earned cumulatively over \$45.7 million. Both plans' assumptions considered negotiated changes that future retirees move to Medicare, with a monthly stipend, thus removing them from the City's health care plan entirely. Additionally, the City amended the practice of paying premiums from the trust and instead is paying premiums from current year budget funds, allowing the trust to grow for future use. This past year, the City implemented further changes to both retiree health care plans that changed benefit terms and changed actuarial assumptions, which significantly improved the funding levels of these plans. As of June 30, 2021, the General Retiree

Healthcare Plan is now 115.69% funded and the Police & Fire Retiree Healthcare Plan is 95.18% funded. The City budgets and contributes the normal cost for employees and will begin to utilize these plans for related healthcare costs, that were previously paid directly by the City. The current funding level exceeds the new recommended State funding level of 40% for retiree healthcare plans and the City is no longer considered underfunded for these healthcare legacy plans.

This forecast includes reduced dollar funding in employer contributions, from the FY 2021 budget.

Forecast Summary/Conclusion

This long-term financial outlook continues to identify structural challenges to the City's General Fund. Specific recommendations to achieve a balanced budget for Fiscal Year 2022-23 will be presented as part of the proposed budget and will address legacy costs to the City.

General Fund Forecast Summary
(in millions)

	2020-21 Actual	2021-22 Projected	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Revenues	\$34.6	\$32.0	\$32.8	\$33.6	\$34.4	\$34.9
Expenditures	\$31.0	\$ 34.4	\$33.4	\$35.4	\$34.4	\$34.9
	\$3.6	(\$2.4)	(\$0.6)	(\$1.8)	\$0.0	\$0.0
General Fund Non-restricted Reserves	\$13.1	\$10.7	\$10.1	\$8.3	\$8.3	\$8.3
% Reserves of Current Year Expenditures	42.9%	31.1 %	30.2 %	23.4%	24.1 %	23.7%

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

It should be noted that this report has focused on the City's ability to continue current services and programs using existing sources of revenues. **Based on the five-year forecast report, funding for capital projects, including the Civic Center Project to fund much needed renovations and upgrades in City Hall, Active Adult Center and Library.**

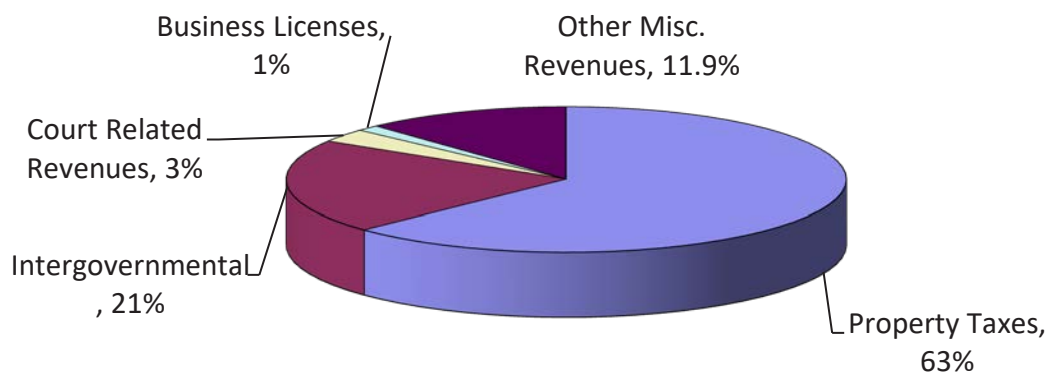
General Fund Revenue & Expenditure Assumptions

Total revenues are estimated to have modest growth over the forecast period. These projections in revenue are in-line with the annual forecasted increase in expenditures.

Forecast of Major General Fund Revenues
% Change from Prior Year

Revenue Category	2020-21 Actual	2021-22 Projected	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Property Tax	10.6%	3.3%	3.3 %	3.5%	3.0%	2.0%
Business Licenses	2.0%	15.3%	14.6%	0.0%	0.0%	0.0%
Intergovernmental	10.9%	16.0%	(23.0%)	0.6%	.6%	0.2%
Court	(9.1%)	(17.0%)	31.0%	2.0%	2.0%	2.0%
Other	(2.6%)	(6.2%)	(6.7%)	.7%	0%	0%
Total	9.2%	3.3%	(2.0%)	2.8%	2.5%	1.6%

General Fund Revenues
Major Revenues Forecasted in FY 2021-22 by Category



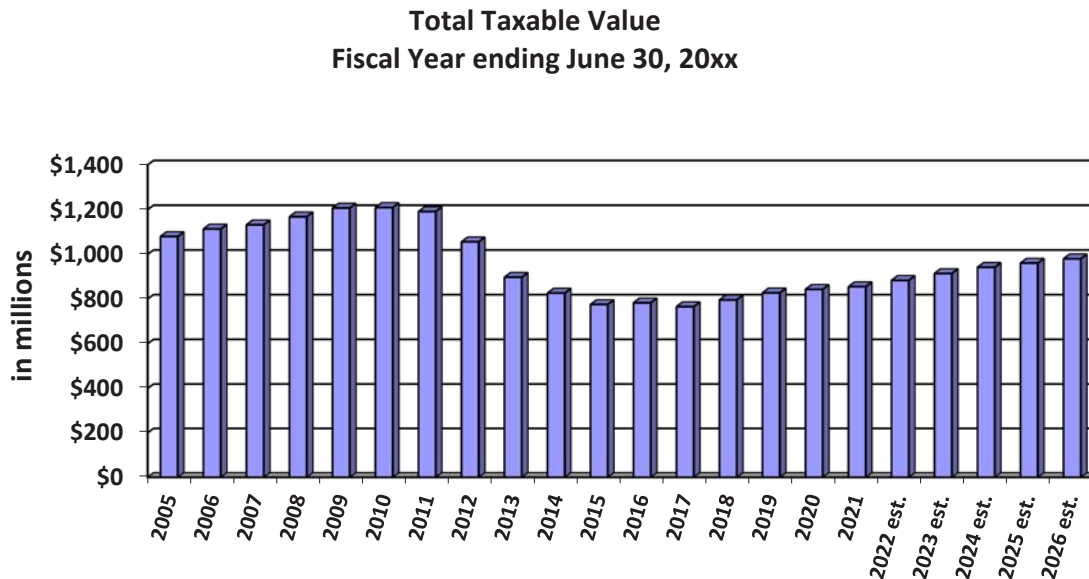
The following pages detail several key assumptions applied in the preparation of the financial forecast, as reflected in the table above.

General Fund Assumptions

Major Revenues

Property Tax

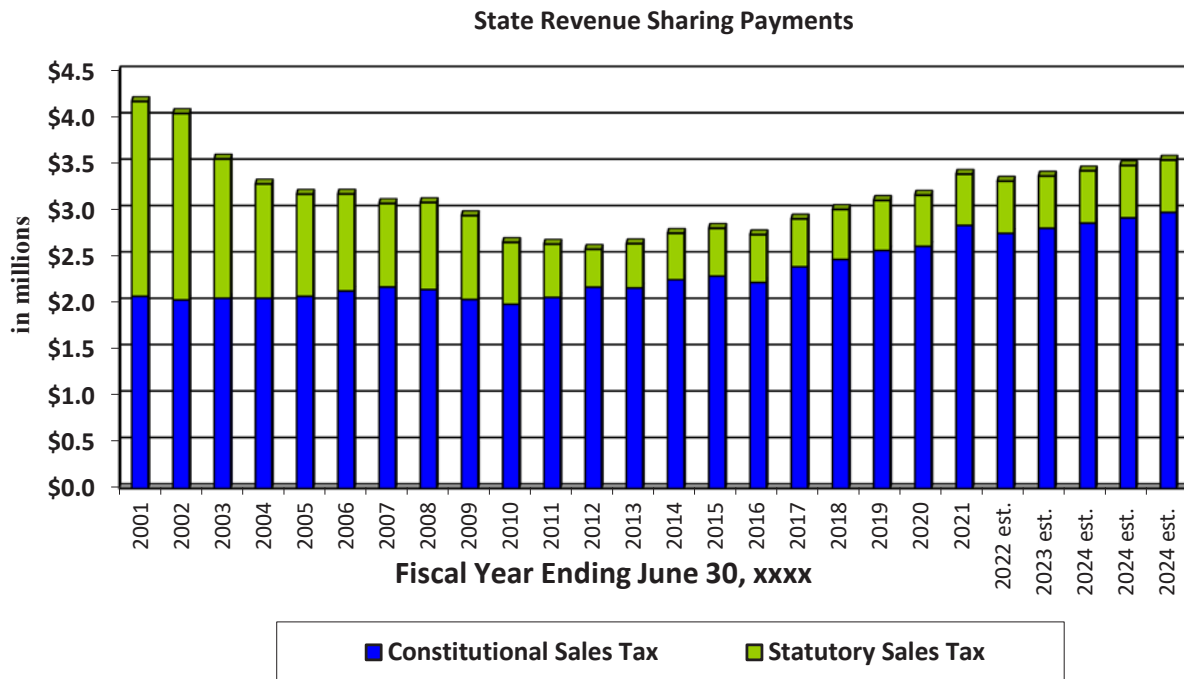
Real Property Tax revenues are projected to increase higher than inflation rate (CPI), which will result in a reduction of the millage capacity; inflation and growth has been forecasted at 3.3%. This information is based on the approved rate from the State Tax Commission. Personal property is estimated to continue to decrease as further property tax exemptions take effect. This information is based on estimates from Oakland County Equalization.



It is important to note that in Michigan, taxable value is approximately 50 percent of the property's fair market value in the year following the date of transfer, as adjusted for inflation in accordance with Proposal A of 1994, which limits future increases to five percent or the rate of inflation, whichever is lower, for each property.

Intergovernmental – including State Shared Revenues

The State Revenue Sharing Program distributes sales tax collected by the State to local governments as unrestricted revenues. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971. Shared Revenues are comprised of two parts: Constitutional and Statutory, which includes the city, village, and township revenue sharing (CVTRS) program. In addition, the Act authorizes the appropriation and distribution of State General Fund-General Purpose revenues when local governments qualify for certain supplemental payments. The forecast includes a decrease for FY 2022 and a 1.2% increase in the following forecasted years. The forecast assumes that the City continues to meet all the requirements to achieve 100% of the CVTRS funds. These requirements include a citizen's guide, performance dashboard, debt service, and projected budget report. These reports have been submitted and were received ahead of the December 1 deadline for the upcoming fiscal year.



Court Revenues

Court revenues are down about 25 percent and anticipated to remain low in the current fiscal year. The continued closure of the Court that started in March 2020, due to COVID-19, have hampered the recovery anticipated this fiscal year. Court Revenues are forecasted to increase slowly by an average of 1.2% over the forecast period until they reach pre-COVID-19 levels. Court fee structure and amounts retained by the State change frequently. This revenue source is also determined by collection rates.

Other Revenues

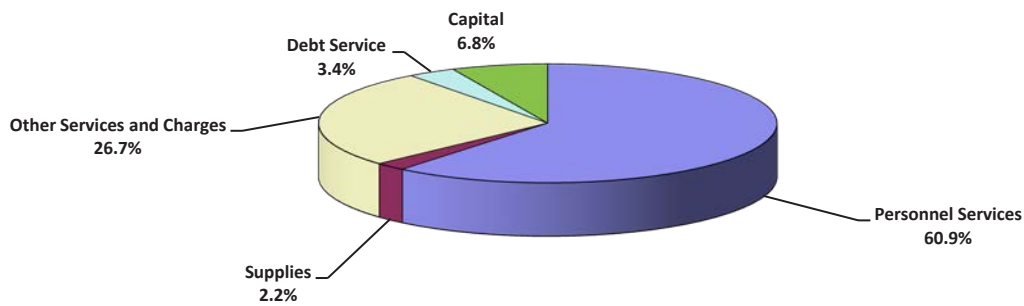
Parks and recreation revenues declined drastically during FY 2021, with the recreation and senior center closure and cancelation of programs due to COVID-19. We anticipate a steady increase in current year revenues and a return to pre-COVID-19 levels in FY 2022. Miscellaneous revenues are also forecast to be lower than historical averages. Miscellaneous revenues include revenues such as cable television franchise fees and interest income as well as one-time items.

Business license revenues are anticipated to meet budget expectations. Currently, business license renewals are increasing and expected to reach budget.

Major Expenditures

From 2009 until 2016, the City enacted a number of measures to keep operational expenditures in line with its declining revenues. FY 2017 and 2018 saw a gradual increase in expenditures. The City is still very cautious to insure a sustainable budget. Expenditures in the forecast are estimated to be \$34.4 million for Fiscal Year 2022, \$33.4 million in Fiscal Year 2023, \$35.4 million in Fiscal Year 2024, \$34.4 million in Fiscal Year 2025, and \$34.9 in Fiscal Year 2026. These expenditures are made up of personnel services, supplies, other services, and capital outlay.

General Fund Expenditures
Major Expenditures Forecasted in FY 2021-22 by Category

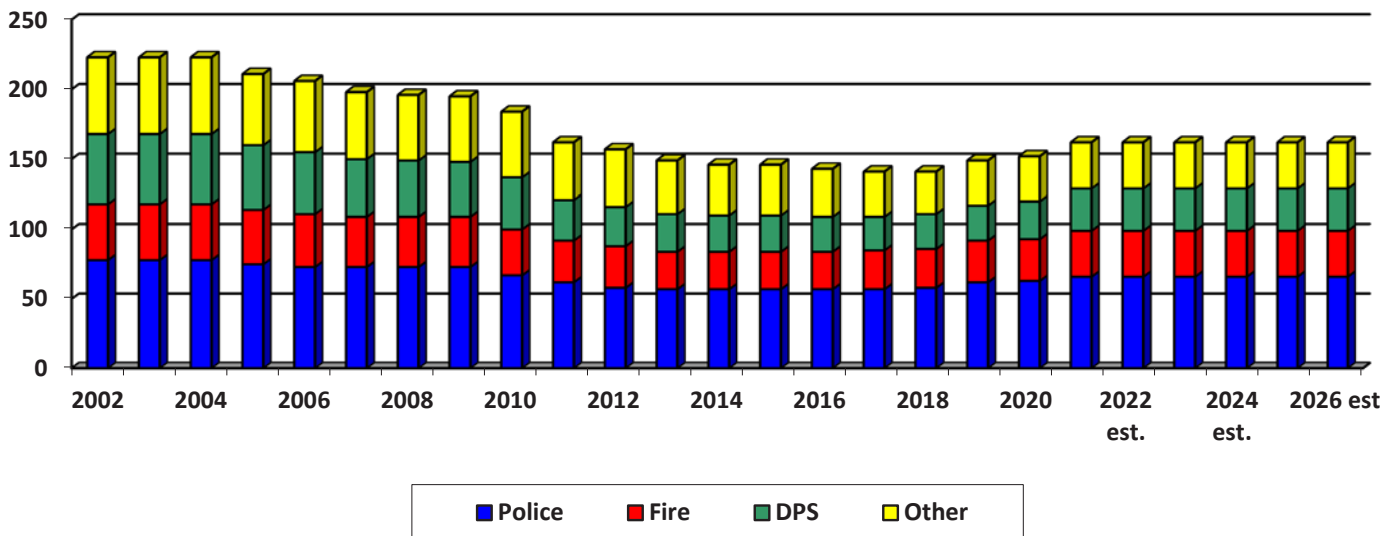


Personnel Categories

The personnel category, including health care premiums and retirement benefits, represents 71% of the General Fund budget.

Full-time staffing, which consists of 166 full-time employees, is assumed to remain at or near the same level for the period covered by the financial forecast. As the City is experiencing a number of retirements in the key service areas (e.g. police, fire, public services), staff are working hard to provide for timely replacement hires in order to maintain authorized strength.

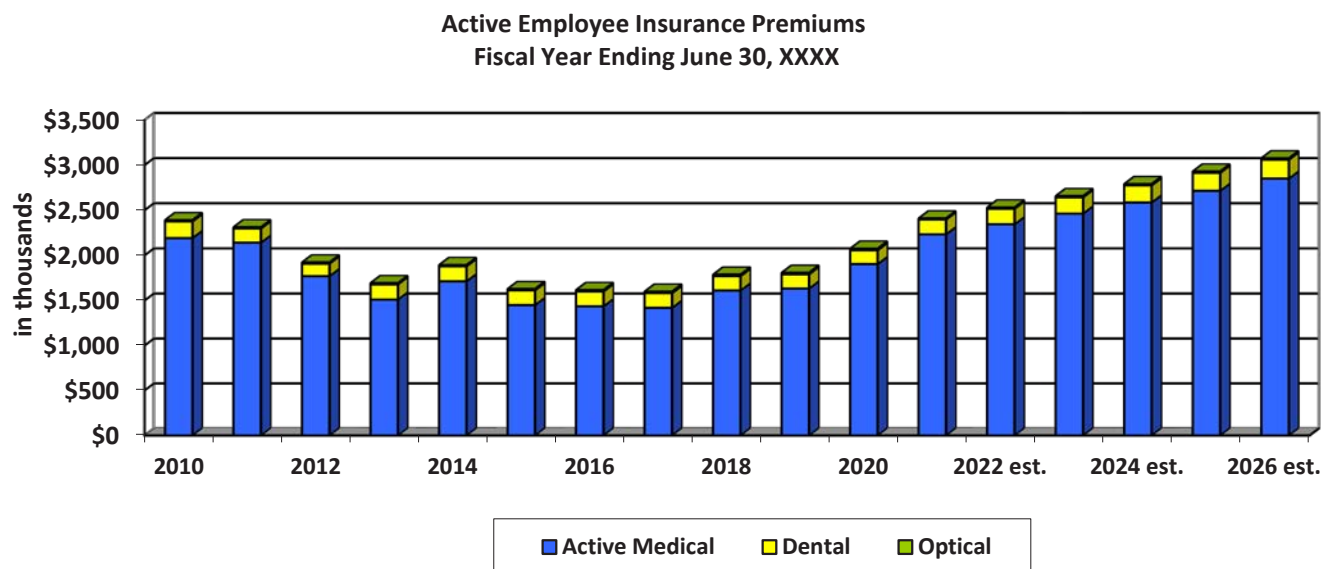
Budgeted Full-Time Positions
Fiscal Year Ending June 30, XXXX



Expenditures related to negotiated salaries are included in the forecast through the current year, as the majority of the City's Union contracts expire on June 30, 2022. For estimating purposes, the forecast assumes status quo with both wages and benefit levels for these groups. Changes in pension contributions are based on estimates by the Municipal Employees Retirement System normal cost projections, which include newly adopted economic assumptions to begin with the 2019 annual actuarial valuation (FY 2021). These projections are dependent on the market returns and actuarial assumptions, but are forecast to change each of the next four years as follows: 45.1% FY 2022, 12.6% FY 2023, 13.2% FY 2024, and 15.1% FY 2025.

Because of the volatility of health care costs, this forecast assumes rate increases in excess of inflation. Based on estimates from the City's health care consultant and national and state trends, health insurance is forecasted to increase an average of 5% per year during the forecast period. The City is hopeful that the continued positive results from the implementation of the MiLife Employee Health and Wellness Center continue into future years with a positive influence on our rates. January 2021 was our 6th year operating the MiLife Health and Wellness Center. The most recent analysis of operations show patient satisfaction for services is 97%, average utilization rate is 65.5%, employee participation is 88%. We have saved \$204,693 in hard dollars over the cost of operations, and averaged \$178.10 copay/patient for the year. Also, each year, Premise Health analyzes the number and types of health issues that were diagnosed in the center and estimate a potential long term savings had the diagnoses gone undetected. This past year found 20 such incidents with a potential costs avoidance of \$92,395. This "soft dollar" savings is \$1,665,373 over the six years. We have also seen a direct impact on our weekly health insurance cost. The MiLife Wellness Center delivers primary health care to employees in a center dedicated to them, offering zero co-pays and deductibles as a supplemental and voluntary alternative to using their traditional insurance benefits. The City has partnered with two other self-insured municipalities, Ferndale and Royal Oak, in this groundbreaking and innovative endeavor, and in FY 2018 we welcomed two more municipal partners: Hazel Park and Oak Park.

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



As mentioned previously in this report, the most significant expenditure issue included in the forecast relates to unfunded accrued liabilities. Unfunded accrued liabilities refer to employee pensions and other post-employment benefits.

In June 2015, the Governmental Accounting Standards Board (GASB) issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB, which refers to retiree healthcare). GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, was effective last year and addresses reporting by OPEB plans, whereas GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees and was effective FY 2019.

Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statement more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the City must now recognize on the face of the financial statements its net OPEB liability.

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

	Reported at 6/30/17	With Unfunded Health Care at 6/30/18	With Unfunded Health Care at 6/30/19	With Unfunded Health Care at 6/30/20	Reported at 6/30/21
Net position:					
Net investment	\$86,465,940	\$90,214,663	\$92,123,323	\$95,631,955	\$99,531,624
in capital assets					
Restricted	3,429,708	4,216,825	5,036,015	5,788,892	43,415,987
Unrestricted	(30,578,451)	(108,513,527)	(97,214,797)	(92,104,774)	(5,611,637)
Total net position	\$59,317,197	\$(14,082,039)	\$(55,459)	\$9,316,073	\$48,338,178

This change from negative total net position is a result of recent changes in OPEB benefits and a combination of all city activities. The Governmental Activities are still in negative position and indicate that legacy costs earned to date have not been funded; but this is largely offset by the capital assets that have been funded in advance of their use and cannot be used to fund retiree health care. Governmental Activities total net position exclusive of water and sewer activities are \$11,289,250 at June 30, 2021.

Supplies

The majority of supply account line items have been held at status quo for the current year and four forecasted years.

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

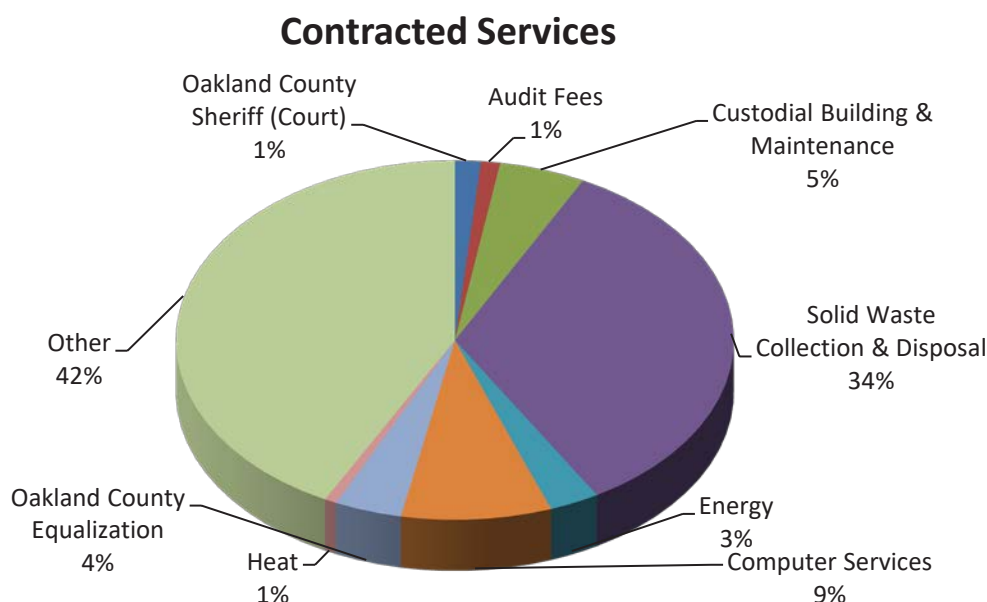
Contracted Services

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

In 2014, following the completion of an Information Technology Assessment and Strategic Plan, Information Technology was contracted to BPI. These IT services are being recommended to continue with BPI for 18 months, through 6/30/23, and will be presented to City Council.

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

In September 2020, City Council approved an agreement with Giffels Webster to contract planning services, resulting in a position elimination and reorganization of the Community Development Department. This contract is estimated to save the city approximately \$27,000, including extra projects with Giffels Webster such as the Zoning Text Amendment.



Capital Outlay Summary

As a result of dedicated funding sources, the City continues to make some progress with the preservation of two major asset classes including, watermain and sanitary sewers in the Water and Sewer Fund, and street-related rehabilitation projects in the Local Street Fund. Other dedicated millages such as Library and Proposal “V” for vehicles were rolled into Proposal MH, due to the rolled back amount of Proposal V not supporting our needs.

Assets included in the forecasted Capital Outlay include computer technology, building improvements, other vehicles, streets, and machinery and Equipment in the General Fund.

Last fiscal year, the City revamped the budget process to implement a bi-annual budget. This required departments to not only plan the five-year capital improvement plan (CIP) but budget the capital expenses in FY 2021 and FY 2022. This CIP and FY 2022 budget were used in the development of the five-year forecast, which includes all of the capital outlay items projected over the next five-years. Capital Outlay items recommended in the budget will depend on Council priorities and available funding.

Following is a brief summary of the General Fund capital items included in the forecast separated by year, category and funding source:

General Fund CIP Items in Financial Forecast - FY 2022-26					
Item	Budget	Forecast			
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Computers and Upgrades:					
IT	91,000	140,110	60,500	26,000	26,000
General Admin	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Total - Computers	91,000	140,110	60,500	26,000	26,000
Machinery and Equipment:					
General Admin	-	200,000	-	-	-
Police	171,998	55,746	55,746	55,746	-
Fire	35,000	150,000	-	-	-
Solid Waste					
Parks					
Streets	25,000	30,000	-	-	31,000
Total - Machinery and Equipment	231,998	435,746	55,746	55,746	31,000
Vehicles:					
Police	185,000	220,000	220,000	185,000	185,000
Fire	176,000	28,000	250,000	250,000	400,000
Streets	38,000	260,000	150,000	-	-
Solid Waste	370,000	55,000	55,000	55,000	50,000
Recreation	-	30,000	-	225,000	-
Seniors	100,000	32,000	-	-	-
Total - All Vehicles	869,000	625,000	675,000	715,000	635,000
Improvements:					
General Admin	128,163	159,843	8,163	8,163	8,163
Police	202,000	249,000	17,000	-	-
Fire	214,000	187,000	125,000	-	-
Recreation	-	-	-	-	-
Parks	665,000	85,000	376,000	370,000	365,000
Nature Center	50,000	35,000	35,000	75,000	50,000
Senior Citizens	20,000	235,000	135,000	-	-
Library	10,000	-	-	-	-
Total - Improvements	1,289,163	950,843	696,163	453,163	423,163
Total - All Items	2,481,161	2,151,699	1,487,409	1,249,909	1,115,163

Major Street Fund Assumptions

Major Revenues

The primary revenue source of the Major Street Fund is Act 51 road funding from the State. The Michigan Department of Transportation has released projections for the remainder of FY 2021 and FY 2022 detailing a decrease of 3% before an increase of 1.2%.

Major Expenditures

Other than a percentage of Department of Public Services personnel and maintenance costs, the majority of expenditures allocated in the Major Street Fund involve road construction projects. Road construction projects included in the forecast are as follows:

Major Road Project	Projection 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26
Traffic Signals	30,000	150,000	30,000	30,000	30,000
John R Overlay 11 Mile to Dartmouth	250,000	250,000	250,000	250,000	0
11 Mile Sectional Non-NHPP	250,000	0	250,000	250,000	250,000
Ajax-John R to 801 Ajax	0	0	250,000	0	0
Sectional Concrete Replacement - Major	815,000	775,000	0	450,000	720,000
Total	\$1,345,000	\$1,175,000	\$780,000	\$980,000	\$1,000,000

The forecast does not include a transfer between Major Street and Local Street Fund in any of the years forecasted. During the budget process, staff will make recommendations if and when transfers are needed.

Local Street Fund Assumptions

Major Revenues

The primary funding source for Local Streets is the dedicated Proposal Neighborhood Roads Millage. Funds collected under this road millage have the same assumption as General Fund property tax revenues of a combined (real and personal) 1.4% in FY 2022, 3.3% in FY 2023, 3.5% in FY 2024 and an average of 2.5% each year thereafter.

Local Streets also receives funds through the Act 51 road program from the State. The Michigan Department of Transportation has released projections for the remainder of FY 2022 and 2023, which detail an increase of 3% before a larger increase of 10.2%.

Major Expenditures

Other than a percentage of Department of Public Services personnel and maintenance costs, the majority of expenditures allocated in the Local Street Fund are for road construction projects. Road construction projects included in the forecast are as follows:

At June 30, 2021, the fund balance for the Local Street Fund was \$2.39 million. Of this amount, \$1.89 million is reserved for Neighborhood Road projects and will be expended on R-3 projects in the upcoming year.

Local Road Project	Projected 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26
Alger St (W Cowan Ave to Andover Ave)	\$ 212,000	0	0	0	0
Barrington (Mid Block -Lincoln to Cowan)	109,000	0	0	0	0
Alger St (Mid Block Alger St - Lincoln to Cowan)	109,000	0	0	0	0
Barrington St (W Lincoln Ave to W. Cowan Ave)	148,000	0	0	0	0
Alger St (W Lincoln Ave to W Cowan Ave)	148,000	0	0	0	0
Brush St (W Cowan Ave to Andover Ave)	120,000	0	0	0	0
W Cowan Ave (Stephenson Highway to Brettonwoods St)	140,000	0	0	0	0
W Cowan Ave (Alger St to John R Road)	75,000	0	0	0	0
Palmer St (W Lincoln Ave to W Cowan Ave)	210,000	0	0	0	0
W. Greig Ave (three sections)	0	482,000	0	0	0
Palmer Street (Andover Ave to W. Greig Ave)	0	293,000	0	0	0
Brush Street (Andover Ave to W. Greig Ave)	0	165,462	0	0	0
W. Greig Ave (five sections)	0	403,282	0	0	0
Hampden St (Andover Ave to Greig Ave)	0	0	168,480	0	0
Brettonwoods St (two sections)	0	0	349,440	0	0
Dartmouth St (Andover Ave to W. Greig Ave)	0	0	170,040	0	0
Barrington St (Andover Ave to W. Greig Ave)	0	0	170,040	0	0
Palmer St (W. Greig Ave to Eleven Mile Rd)	0	0	181,480	0	0
Alger St (two sections)	0	0	351,520	0	0
Brush St (two sections)	0	0	0	827,888	0
Palmer St (W Woodside to W LaSalle Ave)	0	0	0	405,920	0
Hampden St (W Greig Ave to Eleven Mile Rd)	0	0	0	326,624	0
Diesing Drive (Bellaire Ave to Alger Street)	0	0	0	0	556,600
Groveland Street (E Lincoln Ave to E Cowan Ave)	0	0	0	0	415,272
E Rowland Avenue (John R Road to Battelle Ave)	0	0	0	0	413,336
Sectional Replacements (R)	100,000	75,000	75,000	50,000	50,000
Sectional Replacements (Non-R)	400,000	673,899	525,000	300,000	300,000
Joint Seal	75,000	0	0	0	0
Total	\$1,846,000	\$2,091,899	\$1,991,000	\$1,910,432	\$1,735,208

Water and Sewer Fund

Major Revenues

Water/Sewer Rates

The major revenue sources in the Water and Sewer Fund are from charges for water and sewage. Although future proposed budgets will most likely reflect the need to increase water/sewage rates to the end users. The rates are not included in the forecast because the forecast is only the first step in the budget process, and we do not know the exact amount of future increases from the Oakland Water Resources Commissioner for sewage disposal and treatment and stormwater rates. As part of the FY 2018 budget process, a detailed Water and Sewer rate analysis was started. This

analysis demonstrated a need to increase rates 3.25% in FY 2021, 3.25% in FY 2022 and 3.25% in FY 2023. These estimated increases were used in the financial forecast. However, this rate analysis will be updated once these major water and sewer expenditures and required use of fund balance are identified.

Effective with billings as or after July 1, 2016, the City began operating under a new sewer rate structure that splits out the stormwater charge, based on the individual parcel's stormwater runoff as calculated by the amount of pervious and impervious surface and shown through Equivalent Residential Units (ERUs). This charge did not affect the total amount charged for stormwater, but will more accurately reflect the differential between sanitary and stormwater usage. Effective with billings as or after July 1, 2017, the City separated the George W. Kuhn Drain debt payments from the water and sewer rate and included this amount on the summer tax bill. This change completed the implementation of the rate structure model. Additional billing method changes are not anticipated in the next four years.

Major Expenditures

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

Purchase of Commodities

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

Infrastructure

The Water and Sewer Fund structure has ensured that adequate funding is available to proactively address watermain replacements in the upcoming four years in coordination with the road improvement projects, and in accordance with the continuation of the residential road millage. (Watermain replacement is completed in the fiscal year prior to road construction. In addition, the forecast includes watermain replacement in areas outside the R-3 construction project areas where the older watermain is in critical need of replacement.

Debt Service

In FY 2018, the Chapter 20 Drain Debt Service Fund was established for the debt repayment for the George W. Kuhn Drain. Previously the bonds were repaid from the Water and Sewer Fund. The Water and Sewer Fund still includes debt payments for 12.85 percent of the General Employee Pension Obligation bonds. The remaining amounts used in the forecast are the actual amounts to be paid over the next four year period from the bond repayment schedules. The amounts included are as follows:

	Projected 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26
Bond Principal Payments – Pension Obligation Bonds	110,510	113,080	115,650	118,863	122,075
Bond Interest Payments – Pension Obligation Bonds	41,162	38,707	35,955	32,899	29,528
Total	\$151,672	\$151,787	\$151,605	\$151,762	\$151,603

At June 30, 2021, the Water and Sewer Department has built up an unrestricted net position of \$2.4 million dollars. \$.4 million of this is budgeted in the current fiscal year to cover planned capital expenditures such as vehicles, concrete pad and pavement repairs at the water and sewer buildings. This forecast coupled with the Water and Sewer Rate Analysis forecasts planned a smoothed use of fund balance over the past few years, which spent down and then maintain fund balance at the minimum required reserve by FY 2022.

MISCELLANEOUS STATISTICAL DATA

The City of Madison Heights was incorporated January 17, 1955, under Home Rule Act 279 P.A. 1909, as amended, and is administered by a City Manager, and governed by Mayor and Council. It is located in Southeast Oakland County and is approximately seven square miles in area.

The estimated 30,226 residents of the City of Madison Heights are provided various services by the 166 full-time equivalent employees.

Statistical data related to City services at June 30, 2021 is as follows:

Street service:

Paved streets	106 miles
Sidewalks	199.5 miles
Street lighting	1,830 poles

Water and sewer operation:

Watermains	131 miles
Consumers:	
Residential	9,619
Commercial	1,315
Sanitary sewers	111 miles
Storm sewers	52 miles

Fire protection:

Stations	2
Employees	33
Hydrants	1,115

Police protection:

Full and Part-Time Employees	87
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

EXPENDITURE HISTORY BY ACTIVITY

General Fund

Activity Name	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Amended Budget	2022-23 Budget	2023-24 Budget
Mayor and City Council	\$ 53,938	\$ 54,718	\$ 54,846	\$ 58,304	\$ 58,306	\$ 58,306
City Manager	273,266	223,462	222,300	259,162	262,383	277,010
Elections	56,626	65,542	100,247	74,531	83,638	83,960
City Assessor	207,592	213,767	206,854	219,021	219,021	219,021
Legal	370,909	344,449	312,078	335,695	335,695	335,695
City Clerk	242,704	258,078	296,881	356,791	398,073	397,306
Human Resources	381,863	395,964	394,070	447,360	473,001	467,993
Board of Review	2,214	1,958	2,030	3,243	3,043	3,043
General Administration	867,259	908,830	935,538	879,416	338,619	302,143
Finance	677,352	676,835	696,146	767,550	793,202	811,501
Information Technology	184,778	190,683	216,467	307,133	292,317	255,737
Total City Administration	\$ 3,318,501	\$ 3,334,286	\$ 3,437,457	\$ 3,708,206	\$ 3,257,298	\$ 3,211,715
Municipal Building	\$ 47,811	\$ 53,221	\$ 56,989	\$ 344,653	\$ 58,588	\$ 61,413
Custodial and Maintenance	197,349	164,192	184,927	200,135	190,442	191,257
Total General Municipal Maint.	\$ 245,160	\$ 217,413	\$ 241,916	\$ 544,788	\$ 249,030	\$ 252,670
Police	\$ 10,744,799	\$ 11,177,405	\$ 11,435,385	\$ 11,890,682	\$ 12,602,204	\$ 12,527,427
Fire	5,691,581	6,699,507	6,666,821	7,323,630	7,520,989	7,510,916
District Court	1,288,615	1,335,357	1,303,571	1,419,159	1,459,129	1,494,103
Total Public Safety	\$ 17,724,995	\$ 19,212,269	\$ 19,405,777	\$ 20,633,471	\$ 21,582,322	\$ 21,532,446
Community Development	\$ 1,044,087	\$ 1,011,119	\$ 1,053,836	\$ 1,092,088	\$ 1,138,451	\$ 1,162,471
Streets	986,223	1,136,817	1,285,482	1,133,494	1,105,331	1,199,386
Total Community Improvement	\$ 2,030,310	\$ 2,147,936	\$ 2,339,318	\$ 2,225,582	\$ 2,243,782	\$ 2,361,857
Solid Waste	\$ 2,326,405	\$ 2,518,486	\$ 2,470,721	\$ 3,096,682	\$ 2,999,813	\$ 3,067,761
Total Solid Waste	\$ 2,326,405	\$ 2,518,486	\$ 2,470,721	\$ 3,096,682	\$ 2,999,813	\$ 3,067,761
Recreation	\$ 203,995	\$ 152,041	\$ 115,337	\$ 291,447	\$ 304,728	\$ 306,564
Nature Center	13,045	65,977	10,425	63,400	59,600	59,672
Parks	460,561	506,772	398,658	1,090,192	1,099,691	1,293,223
Senior Citizen Center	379,411	369,219	280,898	599,906	498,778	410,622
Total Parks and Recreation	\$ 1,057,012	\$ 1,094,009	\$ 805,318	\$ 2,044,945	\$ 1,962,797	\$ 2,070,081
Library	\$ 677,464	\$ 756,765	\$ 632,559	\$ 1,033,530	\$ 913,384	\$ 931,105
Total Library	\$ 677,464	\$ 756,765	\$ 632,559	\$ 1,033,530	\$ 913,384	\$ 931,105
Insurance	374,152	289,718	293,626	257,786	266,800	278,810
Pension Obligation Debt	1,032,305	1,033,525	1,029,182	1,027,058	1,028,279	1,027,043
General Expenditures	\$ 1,406,457	\$ 1,323,243	\$ 1,322,808	\$ 1,284,844	\$ 1,295,079	\$ 1,305,853
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,547,195	\$ 431,500
General Fund Expenditures	\$ 28,786,304	\$ 30,604,407	\$ 30,655,874	\$ 34,572,048	\$ 41,050,700	\$ 35,164,988

Source: Finance Expenditure Records

ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY

Last Ten Fiscal Years

Tax Year	Real Property	Personal Property	Total Taxable Value	Tax Rate (mills)	Total Actual Value	Taxable Value as a % of Actual
2013	\$ 627,655,010	\$ 136,932,850	\$ 764,587,860	22.94	\$ 1,537,782,700	49.7%
2014	\$ 632,645,995	\$ 132,517,980	\$ 765,163,975	22.96	\$ 1,575,947,800	48.6%
2015	\$ 644,812,010	\$ 134,378,270	\$ 779,190,280	22.97	\$ 1,709,535,340	45.6%
2016	\$ 658,924,906	\$ 100,656,660	\$ 759,581,566	23.02	\$ 1,808,034,840	42.0%
2017	\$ 675,469,470	\$ 88,771,390	\$ 764,240,860	25.21	\$ 1,928,478,680	39.6%
2018	\$ 705,857,802	\$ 90,497,780	\$ 796,355,582	25.72	\$ 2,063,842,444	38.6%
2019	\$ 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%
2021	\$ 811,096,360	\$ 91,162,050	\$ 902,258,410	26.26	\$ 2,573,840,080	35.1%
2022	\$ 868,087,330	\$ 91,355,470	\$ 959,442,800	26.07	\$ 2,788,771,180	34.4%

Sources: City and County Assessing Records

PROPERTY TAX RATES

Direct and Overlapping Governments

(Per \$1,000 of Taxable Valuation)

Fiscal Year Ending June 30,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>City of Madison Heights</u>															
General Operating	8.82	8.82	8.82	8.82	10.00	10.00	10.00	10.00	10.00	10.00	9.97	9.93	12.63	12.63	12.73
Neighborhood Road Improvements	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99	1.99	1.94	1.94	1.92
Vehicle Replacement	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-
Advanced Life Support	0.24	0.24	0.24	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-
Solid Waste	2.08	2.04	2.13	2.54	2.65	2.65	2.65	2.65	2.65	2.65	2.64	2.63	2.57	2.57	2.54
Senior Center	0.47	0.47	0.47	0.48	0.47	0.44	0.45	0.48	0.48	0.48	0.47	0.47	0.46	0.46	0.46
Police and Fire Pension	3.85	4.01	3.75	4.10	4.80	5.30	5.82	5.83	5.86	5.86	6.96	7.59	7.12	7.12	7.12
Fire Station Bond	0.33	0.33	0.34	0.39	0.45	0.55	0.52	0.51	0.48	0.53	0.53	0.51	0.49	0.49	0.51
Library	n.a.	n.a.	n.a.	n.a.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.99	-	-	-
County Drain	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.16	1.13	1.04	1.04	1.00
Total Direct City Taxes	18.04	18.16	18.00	18.82	21.87	22.43	22.94	22.96	22.97	23.02	25.21	25.72	26.26	26.26	26.26
<u>Overlapping Taxes</u>															
County	5.24	5.09	5.24	5.24	5.24	5.24	5.24	5.65	5.55	5.49	5.48	5.49	5.57	5.55	5.55
Community College	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.57	1.56	1.54	1.52	1.51	1.51
Intermediate School District	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.34	3.31	3.28	3.23	3.20	3.20
School Homestead *	16.71	16.56	12.04	13.76	13.76	13.76	13.76	13.76	14.22	13.76	14.25	14.26	14.27	10.33	10.33
School Non-Homestead *	29.04	28.83	30.12	31.76	31.76	31.76	31.76	31.76	32.40	32.40	32.43	32.44	31.93	27.62	27.62
Zoological Authority	n.a.	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Art Institute	n.a.	n.a.	n.a.	n.a.	n.a.	0.20	0.20	0.20	0.20	0.20	0.20	0.19	0.19	0.19	0.19
Total Homestead	44.94	44.86	40.33	42.87	45.91	46.67	47.19	47.62	47.99	47.47	50.10	50.59	51.13	47.13	47.13
Total Non-Homestead	57.27	57.13	58.41	60.87	63.91	64.67	65.19	65.62	66.17	66.11	68.28	68.77	68.79	64.42	64.42

* Madison District Public School Rates

Sources: County Assessor's Warrant

CHANGES IN FUND BALANCE
(amounts expressed in thousands)

General Fund

Fiscal Year ended June 30,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Restricted and Nonspendable:	\$ 1,140	\$ 1,611	\$ 777	\$ 1,088	\$ 1,611	\$ 844	\$ 797	\$ 359	\$ 343	\$ 617	\$ 2,024	\$ 649	\$ 275
Assigned:													
Vested employee benefits	\$2,587	\$2,656	\$2,353	\$2,023	\$2,287	\$2,235	\$1,991	\$1,841	\$2,131	\$ 598	\$ 598	\$2,405	\$ 2,733
Subsequent years' expenditures	393	56	915	392	785	386	786	1,364	537	1,558	1,564	960	1,989
Retained insurance risk	250	250	336	446	722	2,013	1,319	1,319	1,357	1,357	2,320	1,465	2,132
Vehicle replacement	1,136	853	0	0	0	0	0	0	0	0	0	0	0
Capital improvements	32	102	1,218	1,561	0	527	980	1,033	983	1,757	1,041	1,727	3,677
Park improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Retirees' health benefits	0	0	0	0	0	0	283	0	0	0	0	0	0
Technology Improvements	0	0	75	75	18	100	150	150	150	150	150	150	150
Postemployment Benefits	0	0	0	1,337	0	440	1,648	1,566	745	1,020	1,413	1,414	1,491
Penion bonds	0	0	0	0	0	0	0	1,090	810	820	835	845	884
Total Assigned:	\$ 4,398	\$ 3,917	\$ 4,897	\$ 5,834	\$ 3,812	\$ 5,701	\$ 7,157	\$ 8,363	\$ 6,713	\$ 7,260	\$ 7,921	\$ 8,965	\$ 13,055
Unassigned	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	\$ 5,538	\$ 5,528	\$ 5,675	\$ 6,922	\$ 5,423	\$ 6,545	\$ 7,954	\$ 8,722	\$ 7,056	\$ 7,877	\$ 9,945	\$ 9,614	\$ 13,331

Sources: City's Audited Annual Financial Statements

FY 2022-23 BUDGET

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOLOGICAL ORDER

FY	DEPARTMENT	ACTION
22-23	Police	Add 2 FT School Liaison Police Officers (+2.0), Add 1 PT Animal Shelter Assistant (+0.35), and eliminate 1 PT Code Enforcement Officer (-0.75)
22-23	CED	Add 1 FT City Planner (+1.0)
21-22	City Clerk	Add 1 FT Business Services Coordinator (+1.0)
21-22	General Administration	Eliminate PT Social Media Specialist, Add FT Social Media Specialist (+0.24)
21-22	Police	Eliminate PT Records Clerk (-0.13)
21-22	CED	Eliminate FT Economic Development Director (-1.0)
21-22	DPS - Recreation	Increase FTE Misc. PT Positions (+0.02)
20-21	Police	Add 2 Patrol Officers (+2.0) partial year, add 1 Police Service Assistant (+1.0)
20-21		Eliminate PT Records Clerk, Add FT Records Clerk (+0.87)
20-21	Fire	Add 3 Firefighter/Paramedics (+3.0)
20-21	CED	Add 1 PT Code Enforcement Officer (+0.75)
20-21	Library	Add 1 FT Community Outreach Librarian (+1.0) partial year
20-21	DPS - Custodial/Maintenance	Reallocate DPS Director (+0.10)
20-21	DPS - Streets	Reallocate DPS Director (+0.10)
20-21	DPS - Solid Waste	Reallocate DPS Director (+0.38)
20-21	DPS - Recreation	Add 1 FT Recreation Coordinator (+1.0)
20-21	DPS - Water/Sewer Admin	Eliminate DPS Superintendent (-1.0), Eliminate 2 PT Office Assistant (-1.44), Reallocate
20-21	DPS Fund	Add 1 FT Office Assistant (+1.0), Eliminate Deputy DPS Director (-1.0), Add 2
20-21	MIDC	Reallocate FT MIDC Officer (+0.60), add 1 PT MIDC Assistant (+0.67)
19-20	Court	Eliminate 2 PT Court Officers and Add One FT Probation Officer (-0.32)
19-20	General Administration	Increase PT Media Specialist Hours (+0.19)
19-20	Finance	Increase PT Treasury Assistant Hours (+0.64)
19-20	Library	Increase PT Hours for Additional Sunday Hours (+0.41)
19-20	DPS - Active Adult Center	Eliminate PT Office Assistant, Add FT Office Assistant (+0.25)
19-20	DPS - Water & Sewer	Transfer FT Deputy DPS Director FTE (+1.0)
		Add PT Office Assistant (+0.72)
19-20	DPS - Motor Pool	Increase PT Laborer FTE (+.285)
19-20	DPS - DPS Fund	Transfer FT Deputy DPS Director FTE (-1.0)
		Add FT Utilities Supervisor (+1.0)
		Reallocation of Split Position FTE s(-0.155)
18-19	General Administration	Transfer PT Social Media Intern from CDD (+0.5)
18-19	Police	Add Two Police Officers (+2.0)
		Add One Police Service Assistant (+1.0)
		Add One MIDC Police Officer (+1.0)
18-19	Fire	Add Two Firefighter/Paramedics (+2.0)
18-19	Community Development	Transfer PT Social Media Intern to General Administration (-0.50)
		Add Full Time Code Enforcement Officer (+1.0)
18-19	DPS - Water & Sewer Admin	Add Full Time Utilities Supervisor (+1.0)
18-19	DPS - Main Division	Add PT Year Round Laborer (+.68)

FY 2022-23 BUDGET

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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 (+.20)
16-17		Add dedicated DPS PT Office Support (+0.35)
15-16	City Clerk	Reallocate PT Office Support Staff (-0.1)
15-16	General Administration	Eliminate Asst City Mgr Split between Departments (-0.2)
15-16	Finance	Transfer Fiscal Assistant II to Fire Department (-1.0)
15-16	Information Technology	Eliminate MIS Administrator (-1.0)
15-16	Information Technology	Eliminate Information Systems Specialist (-1.0)
15-16	Police	Reallocate Animal Control Officer (+0.3)
15-16	Fire	Eliminate PT Office Support Staff (-0.5)
15-16	Fire	Transfer Fiscal Assistant II to Fire Department (+1.0)
15-16	Community Development	Eliminate Building Inspector (-1.0)
15-16	Community Development	Eliminate GIS/CDD Technician (-1.0)
15-16	Community Development	Add GIS/Social Media Specialist (+1.0)
15-16	Community Development	Reallocate Animal Control Officer (-0.3)
15-16	Community Development	Add PT Code Enforcement Officer (+0.7)
15-16		Reallocate DPS Director (-0.1)
15-16	DPS - Custodial & Maintenance	
15-16	DPS - Solid Waste	Eliminate Asst City Mgr Split between Departments (-0.5)

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

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

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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)

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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)

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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)

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

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

FY 2022-23 BUDGET

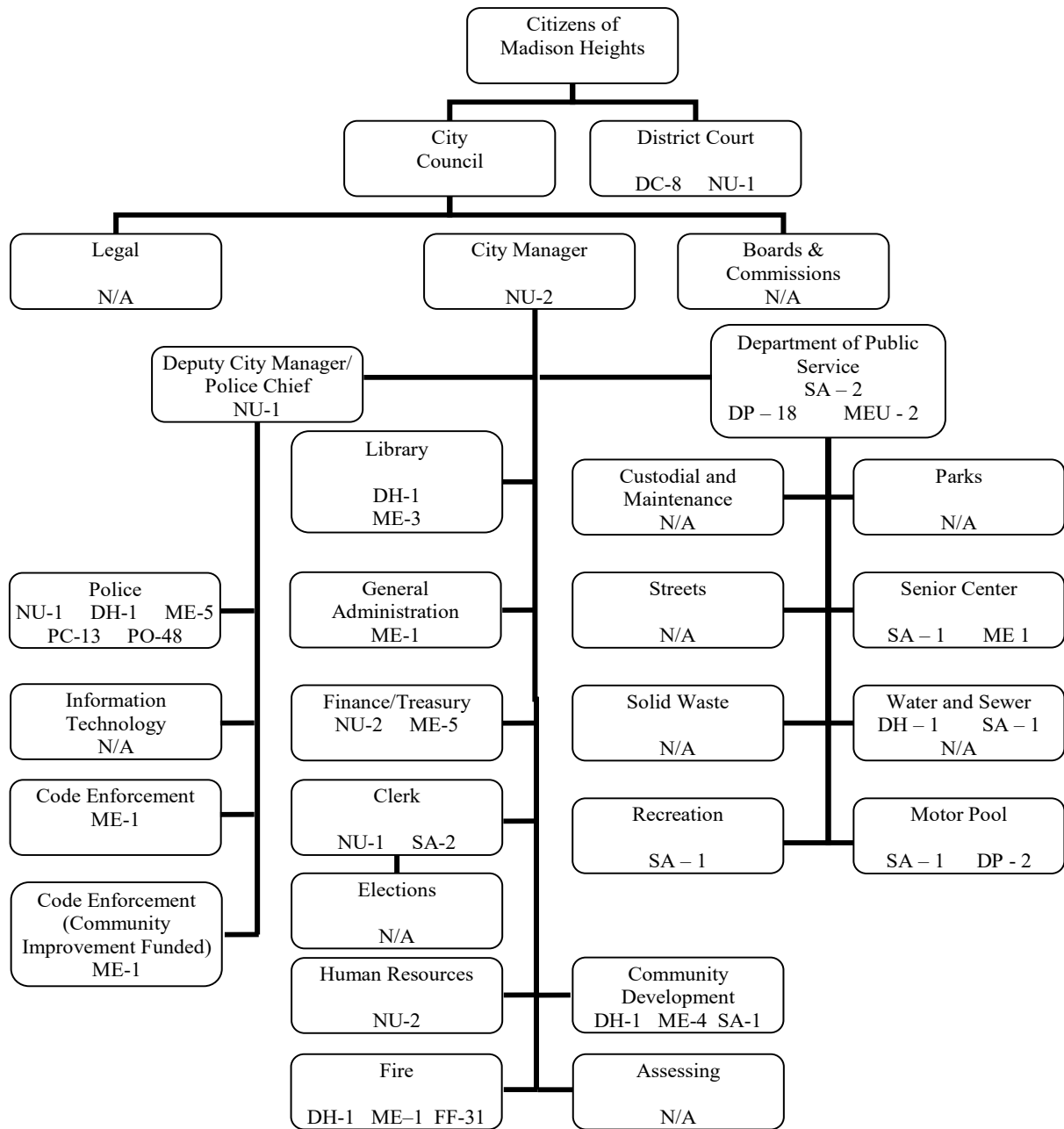
HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

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

City Of Madison Heights

Organizational Chart – Full Time Employees By Bargaining Unit



Key	Full-Time Count
N/A = Not Applicable	--
NU=Non-Union or Other	9
DC= District Court, UAW 889	8
DH=Department Heads, AFSCME	5
DP=DPS, TPOAM	20
FF=Fire Fighters	31
ME=Municipal, TPOAM	22
PC=Police Command, POLC	13
PO=Police Officers, POU	48
SA=Supvrs. & Assts., AFSCME	<u>8</u>
	164

CITY OF MADISON HEIGHTS
FY 2021-22 BUDGET (FY 2022-23 ESTIMATED)
FULL TIME POSITIONS
ALL FUNDS

	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

GENERAL FUND

Court	11	12	12	11	10	10	9	9	9	9	9	9
Manager	2	2	2	2	2	2	2	2	2	2	2	2
Assessor	4	4	4	4	4	4	4	4	4	4	4	3
Clerk	4	4	4	4	4	4	4	4	3	3	3	3
Human Resources	2	2	2	2	2	2	2	2	2	2	2	2
General Administration	3	3	3	2	2	2	2	2	1	1	1	1
Finance	7	7	7	11	11	11	11	11	10	10	9	9
Information Technology	0	0	0	2	2	2	2	2	2	2	2	2
Police	76	76	76	76	77	77	77	77	75	73	73	73
Fire	40	40	40	40	40	40	40	40	39	38	36	36
Community Development	8	8	8	9	10	10	11	11	10	10	9	9
Library	4	4	4	4	4	4	4	4	4	4	4	4

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

Custodial & Maintenance	6	5	5	4	4	1	1	1	1	1	1	1
Streets	18	18	18	18	18	18	18	18	16	15	13	13
Solid Waste	0	0	0	0	0	0	0	0	0	1	1	1
Recreation	2	2	2	2	2	2	2	2	1	1	1	1
Youth Center	0	0	0	0	0	0	0	0	0	0	0	0
Nature Center	0	0	0	0	0	1	1	1	1	1	1	1
Parks	5	5	5	5	5	6	6	6	6	5	5	4
Senior Citizen	3	3	3	3	3	3	3	3	3	2	2	2

Sub total	34	33	33	32	32	31	31	31	28	26	24	23
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Total	195	195	195	199	200	199	199	199	189	184	178	176
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Major Street Fund	1	1	1	1	1	1	1	1	1	1	1	1
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Community Improvement Fund	4	4	4	4	4	4	4	4	4	4	3	3
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Fire Manning Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0
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Juvenile Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0
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Auto Theft Prevention Grant Fund	1	1	1	1	1	1	1	1	0	0	0	0
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Crime Suppression Grant Fund	1	1	1	1	0	0	0	0	0	0	0	0
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Water & Sewer Fund

Water Division	6	6	6	6	6	6	6	6	6	6	6	6
Sewer Division	6	6	6	6	6	6	6	6	6	6	5	5
Information Technology	2	2	2	0	0	0	0	0	0	0	0	0
Water & Sewer Administration	5	5	5	1	1	1	1	1	1	1	1	1

Total	19	19	19	13	13	13	13	13	13	13	12	12
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Motor Pool Fund	6	6	5	5	5	5	5	5	4	4	4	4
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DPS Fund (Beginning FY 2017-18)

Total All Funds	227	227	226	224	224	223	223	223	211	206	198	196
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FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

GENERAL FUND

9	9	8	8	8	8	8	8	8	8	8	9	9	9	9	Court
2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	Manager
3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	Assessor
3	3	2	2	2	2	2	2	2	2	2	2	2	3	3	Clerk
2	2	2	1	2	2	2	2	2	2	2	2	2	2	2	Human Resources
1	1	1	1	0	0	0	0	0	0	0	0	0	1	1	General Administration
9	9	8	8	8	8	8	7	7	7	7	7	7	7	7	Finance
2	2	2	2	2	2	2	0	0	0	0	0	0	0	0	Information Technology
73	67	62	58	57	57	57	57	57	58	62	62	66	66	68	Police
36	33	30	30	27	27	27	28	28	28	30	30	33	33	33	Fire
9	9	8	8	8	8	8	7	6	6	6	6	6	5	6	Community Development
4	4	3	3	3	3	3	3	3	3	3	3	4	4	4	Library

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

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

22	21	16	16	14	14	14	13	12	1	1	2	3	3	3	Sub total
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175	165	144	139	133	133	133	129	127	117	123	125	134	135	138	Total
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1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	Major Street Fund
3	3	3	3	3	1	1	1	1	1	1	1	1	1	1	Community Improvement Fund
0	0	2	2	0	0	0	0	0	0	0	0	0	0	0	Fire Manning Grant Fund
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Juvenile Grant Fund
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Auto Theft Prevention Grant Fur
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Crime Suppression Grant Fund

Water & Sewer Fund

6	6	4	4	4	4	4	4	4	0	0	0	0	0	0	Water Division
5	4	4	4	4	3	3	3	4	0	0	0	0	0	0	Sewer Division
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Information Technology
1	1	1	1	1	1	1	2	1	1	2	3	2	2	2	Water & Sewer Administration

12	11	9	9	9	8	8	9	9	1	2	3	2	2	2	Total
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4	4	3	3	3	3	3	3	3	3	3	3	3	3	3	Motor Pool Fund
0	0	0	0	0	0	0	0	0	20	20	20	22	22	22	DPS Fund (Beginning FY 2017-

195	184	162	157	149	146	146	143	141	142	149	152	162	163	166	Total All Funds
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COMMUNITY PROFILE

Regional Setting

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

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

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

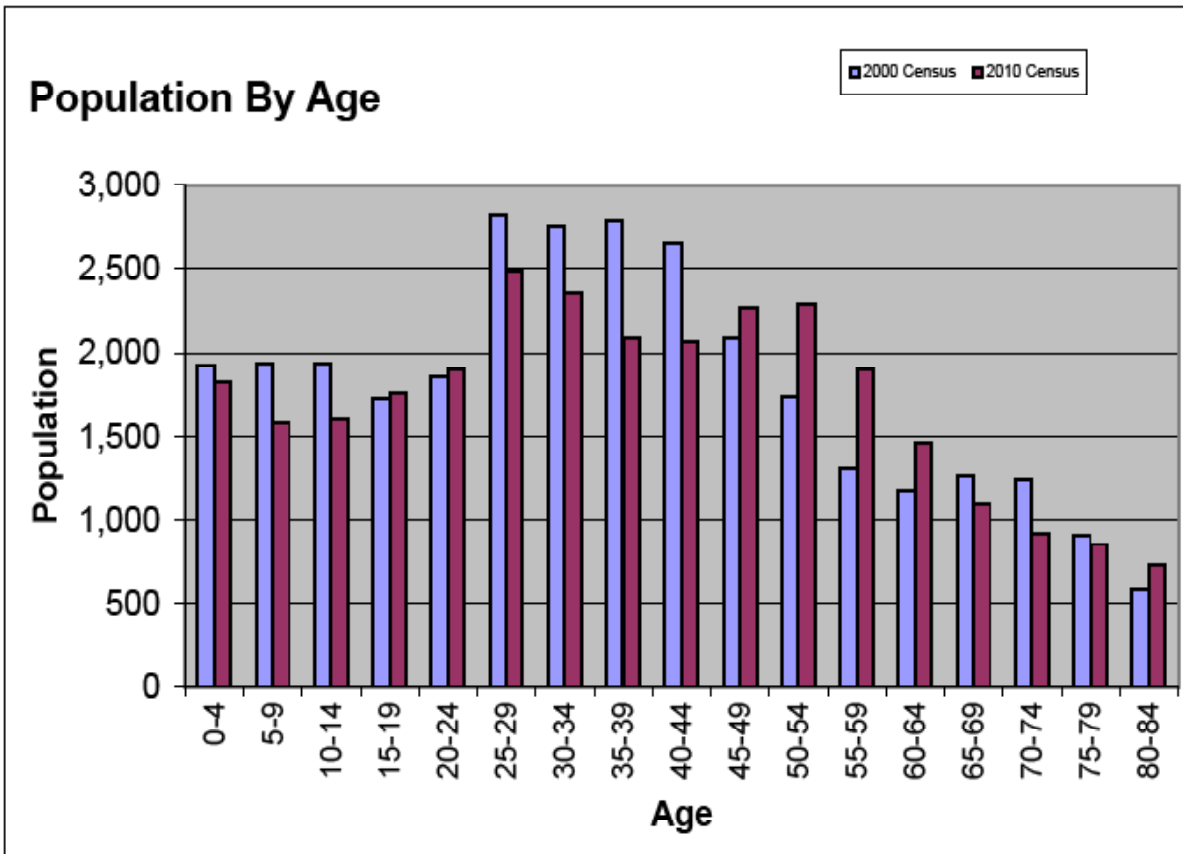
Population

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

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

Historical Trends

The following bar graph shows population change in Madison Heights from 1960 to 2010. Total population peaked in 1970. The City's 2019 population (30,226) is actually less than its population in 1960, due to decreases in household family size and the addition of smaller units of residential housing including apartments and condominiums. This is clear when one looks at the historical decline in the number of persons per household. On the other hand, the number of housing units has actually grown to 13,226 (2019) during a time of slight decline in total population. The end result is more housing units supporting a smaller population.



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

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

Current Composition

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

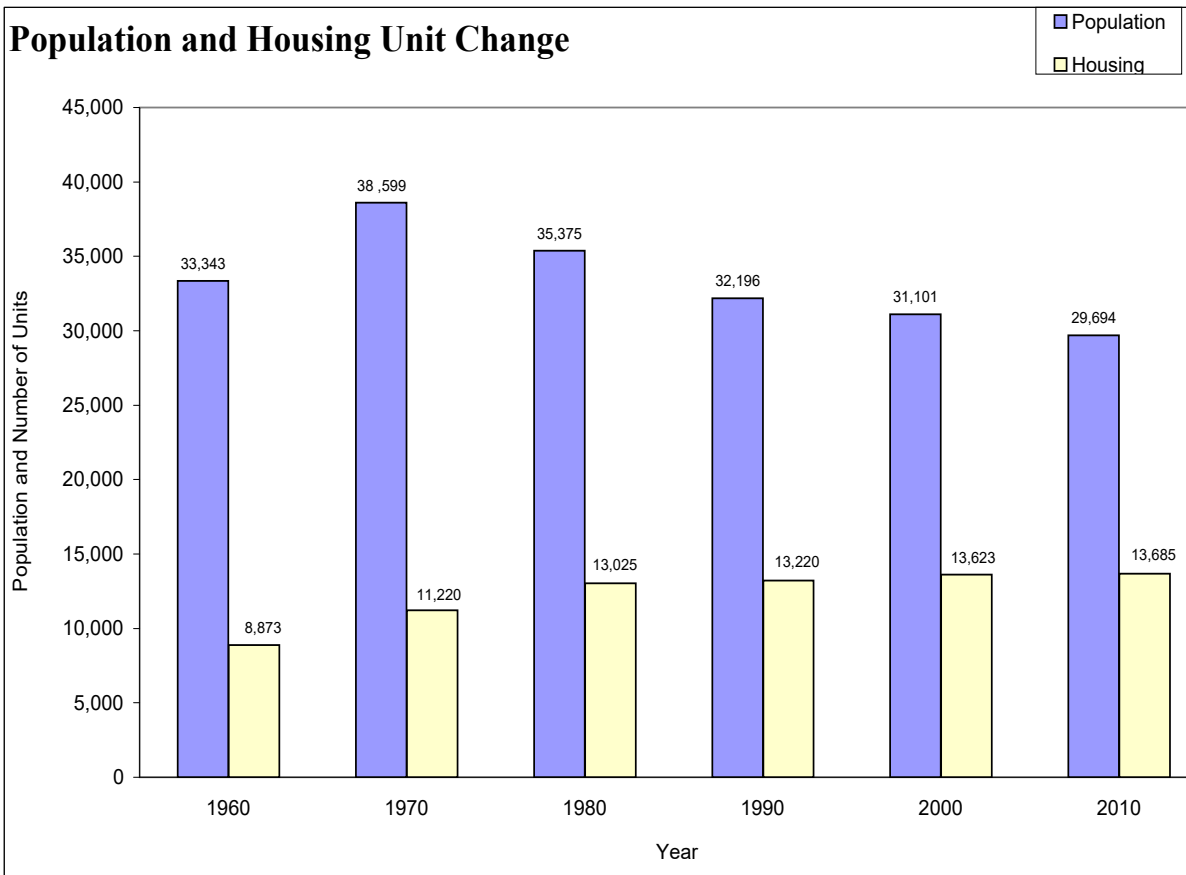


Table 1
Selected Population Characteristics: 2000-2010
City of Madison Heights

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

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

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

Future Projections

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

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

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

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

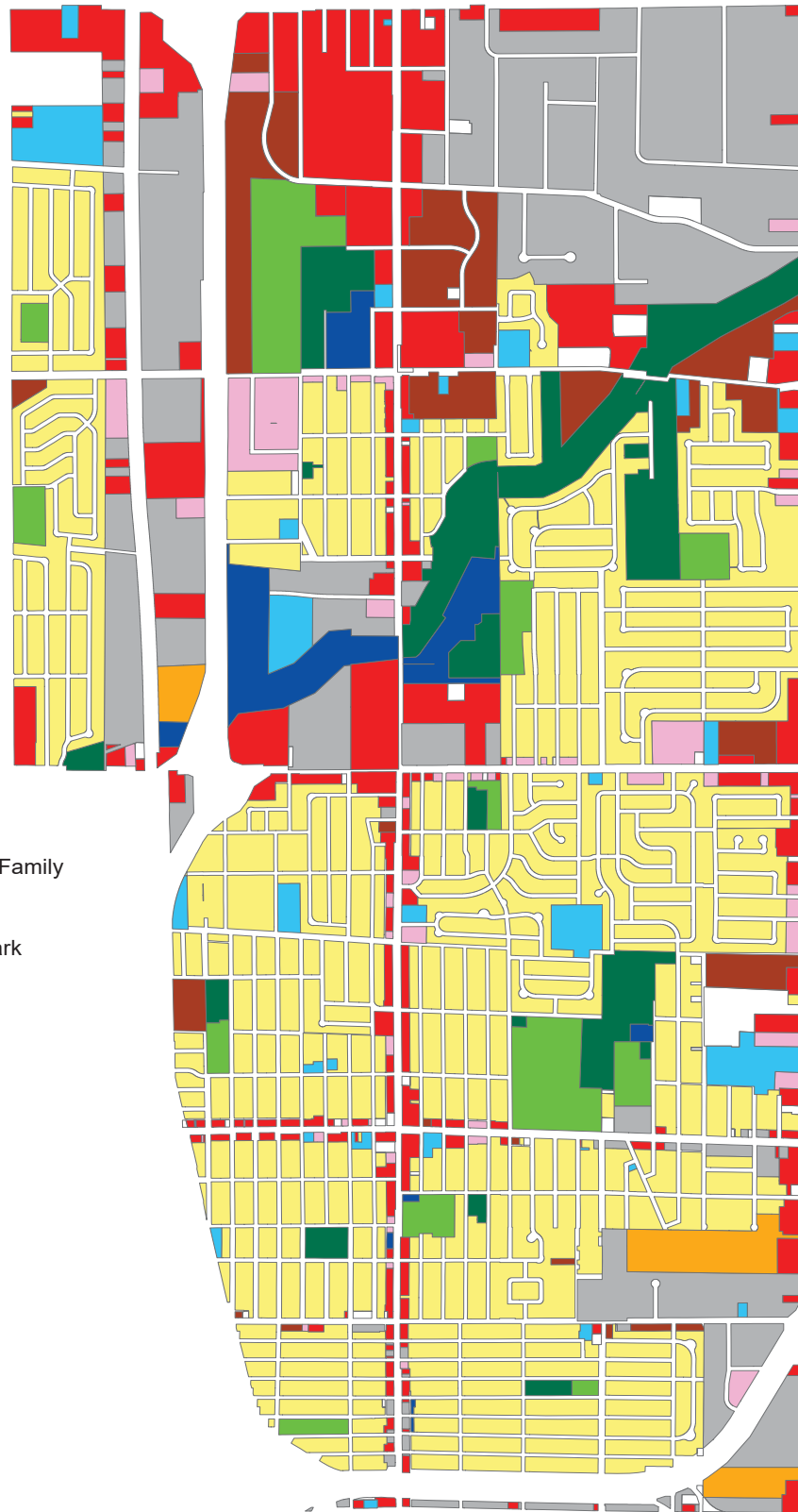
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2045</u>
Total Population	32,196	31,101	29,694	29,134	29,610
Total Households (occupied housing units)	12,850	13,299	12,712	12,836	13,434
Average Household Size	2.51	2.33	2.32	2.27	2.21

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

Madison Heights Existing Land Use, 2014



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



Author: Drew Phillips
 Document Path: F:\Planning_maps\Existing_Land_Use.mxd
 Date Updated: 2014

Existing Land Use

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

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

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

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

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

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

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

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

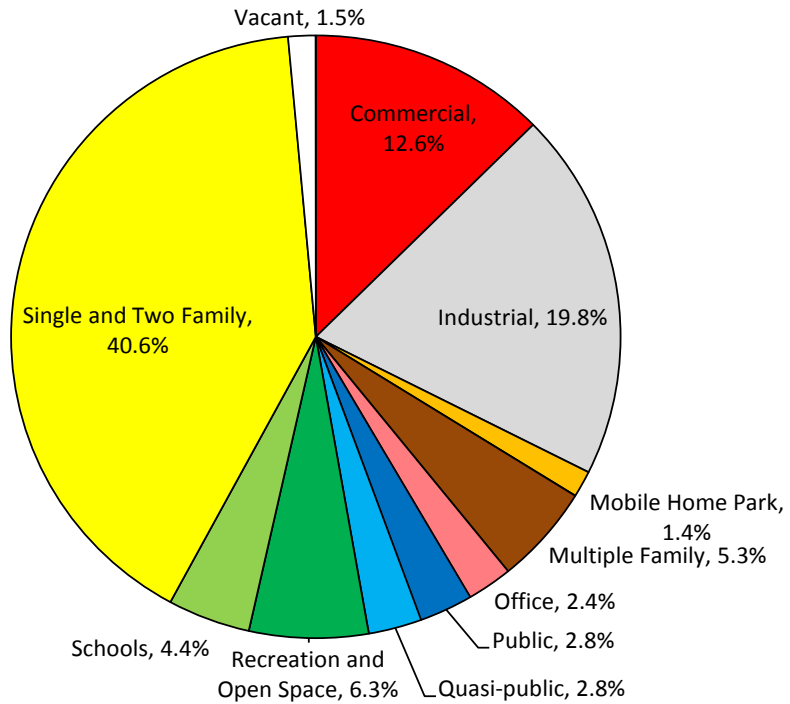
Industrial - This category includes uses with or without buildings where materials are processed, fabricated, assembled, or manufactured, or where equipment, materials or wastes are stored out-of-doors. It also includes warehousing, office/warehouse combinations, and wholesale operations.

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

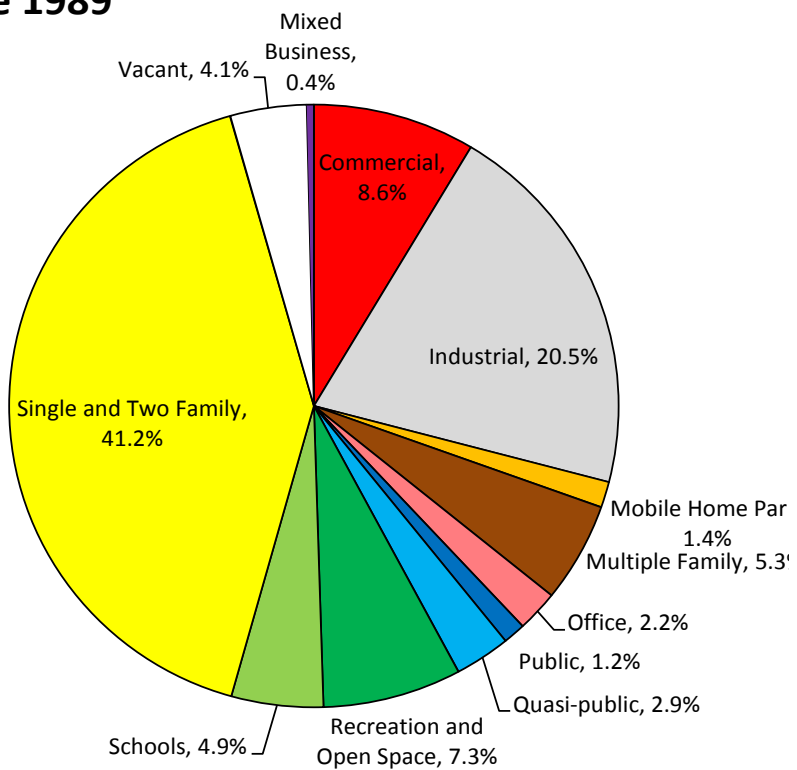
Quasi-Public - Included within this classification are such as churches, hospitals, private schools, lodge halls, private cemeteries, utility stations/sub-stations, etc.

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

Existing Land Use 2014



Existing Land Use 1989



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

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

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

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

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

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

Natural Features

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

Topography, Soils and Drainage

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

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

Woodlands and Wildlife

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

Climate

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

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

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

Recreation Facilities Inventory

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

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

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

GLOSSARY OF BUDGET AND FINANCE TERMS

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

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

Activity: A special unit of work or service performed.

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

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

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

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

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

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

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

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

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

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

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

Brownfield Redevelopment Authority: Established by Public Act 145 of 2000 to encourage redevelopment of idle or under-utilized commercial and industrial properties, which may not otherwise be redeveloped due to real or perceived contamination of the property. The Authority works to assist developers with the options of reimbursing for cleanup costs and/or providing a single business tax credit (authorized through the State of Michigan).

Budget Calendar: The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

Budget Message (City Manager's): A general discussion of the budget document presented in writing as an overview of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget (Operating): A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

Capital Improvements: Annual appropriations in the City's budget for capital purchases and construction projects costing more than \$30,000. This plan details funding sources and expenditure amounts for these large projects or purchases that will be required beyond the one year period of the annual budget.

Capital Outlays: Expenditures for the acquisition of capital assets over \$5,000. Includes the cost of land, buildings, permanent improvements, machinery, computers, large tools, rolling and stationary equipment.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

Certificates of Deposit: A negotiable or non-negotiable receipt for monies deposited in banks or financial institutions for a specified period and rate of interest.

Chapter 20 Drain Debt - Chapter 20 of the State of Michigan Drain Code, Public Act 40 of 1956, grants a municipality the right to levy taxes for the principal and interest of Drainage debt.

Consumer Price Index - Workers (CPI-W): An indicator of the consumer prices issued by the United States Department of Labor, Bureau of Labor Statistics, which is a widely used indicator of inflation (or deflation) and indicates the changing purchasing power of money. It is obtained by calculating the cost of a fixed "basket" of commodities purchased by a typical consumer. The basket contains products from various categories including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes.

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

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes: Taxes that remained unpaid on and after the date on which a penalty for non-payment is attached.

Department: A major organizational unit of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Department of Public Services (DPS): The Department of Public Services provides numerous round-the-clock services to residents and business owners. The Department's operational divisions include: Water and Sewer; Streets; Parks; Recreation; Building Maintenance; Motor Pool; Nature Center and Senior Center.

Depreciation: (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

Downtown Development Authority (DDA): Created by the State of Michigan, under Public Act 197 of 1975, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

Encumbrances: Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer, parking facilities, transit systems, airports, solid waste management (when financed through user fees) and golf courses.

Equivalent Residential Unit (ERU): A standard engineering calculation designed to determine stormwater runoff based on pervious and impervious areas. Each ERU is based on a value of 2,600 square feet.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by Council.

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

Full Faith and Credit: A pledge of the City's taxing power of a government to repay debt obligations (typically used in reference to General Obligation Bonds or tax-supported debt).

Full Time Equivalent Position (FTE): A measure of full-time position equivalents. A part-time position converted to a decimal equivalent of a full-time position based on 1,950 hours per year for clerical and library staff and 2,080 hours per year for Department of Public Service and recreation staff.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, recorded cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit. See the Revenues Chapter for a discussion of the categories or types of fund balance.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, user fees, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as police and fire protection, finance, parks and recreation, libraries, public works and general administration.

General Obligation Bonds: When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to the bonds that are to be repaid from taxes and other general revenues.

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

Government Finance Officers Association (GFOA): The GFOA is the professional association of state and local finance officers in the United States and Canada and has served the public finance profession since 1906. GFOA members are dedicated to the sound management of government financial resources.

Goal: A statement of broad direction, purpose or intent based on the needs of the community. The City Council adopts an annual Goal Plan for the City focusing on the City's top priorities.

Headlee Amendment: The Headlee Amendment, approved by the voters of the State of Michigan as a Constitutional Amendment, places an upper limit on the total amount of property taxes a city can collect in the fiscal year. In effect, the City cannot collect operating millage on the Taxable Value (TV) increase derived from existing property, which is in excess of the Headlee inflation factor plus TV on new construction. This limit is accomplished by rolling back those operating millages, which are at their authorized maximum, by the same percentage as the TV is over the Headlee allowable maximum. The Headlee Amendment limitation may be waived only by a vote of the electorate.

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

Interfund Transfers: Amounts transferred from one fund to another.

Intergovernmental Grant: A contribution of assets (usually cash) by one governmental unit or other orga-

nization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

Intergovernmental Revenue: Revenue received from another government.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government on a cost reimbursement basis. The City has one internal service fund for Motor Pool vehicle and equipment repair and maintenance.

Investment: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payment.

George W. Kuhn Drain District: Established under State statute to facilitate a construction project, started in March 1999, to improve the Retention Treatment Facility (RTF) that was constructed by the Twelve Towns Drain District. These improvements to the RTF were to reduce the volume and frequency of overflows and to provide adequate treatment of the overflows when they do occur.

Liabilities: Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

Maturities: The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

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

Michigan Public Act 54: Michigan Public Act 54 requires public employers to cap unionized employee wages and benefits at the levels in effect at the time when a collective bargaining agreement expires until a successor agreement is reached.

Michigan Public Act 152: Michigan Public Act 152 limits the amount that public employers pay toward medical benefit plans, beginning January 1, 2012.

Michigan Public Act 312: Michigan Public Act 312 provides for compulsory binding arbitration for sworn police and fire unions following impasse during collective bargaining. Traditional labor actions such as strikes, walk-outs, and lockouts are not permitted as a result of P.A. 312.

Michigan Public Act 345: Michigan Public Act 345 was created for the City's Police and Fire Departments to establish and maintain the retirement pension and medical benefits for sworn personnel that could be supported through a dedicated property tax millage.

Michigan Uniform Accounting and Budgeting Act: Provides for the formulation and establishment of uniform charts of accounts and reports for local units of government; to define local units of government; to

provide for the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the State Treasurer and the Attorney General; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government.

Millage Rate: One mill equals \$1.00 of taxes for each \$1,000 of taxable value. The millage rate is the total number of mills assessed against the taxable value.

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

- a) Those revenues susceptible to accrual are property taxes, intergovernmental revenues, special assessments, licenses, interest revenues and charges for services. Fines and forfeits, permits and certain miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.
- b) Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- c) Interest income on special assessments receivable is not accrued until its due date.
- d) Principal on general long-term debt is recorded as a fund liability when due. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e) Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- f) Normally, expenditures are not divided between years by the recording of prepaid expenditures.
- g) The non-current portion of vested employee benefits is reflected in the General Long Term Debt Account Group.

Motor Pool: A Department of Public Service division that is responsible for the maintenance of all City vehicles and rolling or motorized equipment.

Motor Vehicle Highway Fund Act: The Motor Vehicle Highway Fund Act provides for the classification of all public roads, streets, and highways in this state, to provide for the deposits of specific State taxes on motor vehicles and motor vehicle fuels, and to provide for the allocation of funds for the use and administration of the funds for transportation purposes.

Municipal Employees Retirement System (MERS): The Municipal Employees Retirement System of Michigan is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits to the State's local government employees.

Objective: Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

Object of Expenditure: Expenditure classifications based upon the type or categories of goods and ser-

vices purchased. Typical objects of expenditure include:

- personal services (salaries, wages and fringe benefits, etc.)
- commodities (motor fuel, office and custodial supplies, etc.)
- contractual services (utilities, maintenance contracts, etc.)
- capital outlays (equipment, computer, vehicles, etc.)

Operating Funds: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital improvement projects.

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

Proposal L: Approved in May 2011, this Proposal generates 1 mill (to be reduced by the State's property tax limitations) of revenue for a ten year duration used to support and maintain the Library.

Proposal MR: Approved in May 2011, this Proposal generates 1.181 mill (to be reduced by the State's property tax limitations) of revenue for a ten year duration, 2011 through 2020, for general operating purposes.

Proposal R: Approved in 1996 and 2006, this Proposal generates two mills (reduced by the State's property tax limitations) of revenue for a ten year duration used to fund infrastructure construction such as roads, storm sewer separation, landscaping and sidewalks.

Proposal V: Approved in 1996 and 2006, this Proposal generates one-half to one-quarter mill (reduced by the State's property tax limitations) for a ten year duration to fund for police, fire, street maintenance and other vehicle purchases.

Rating: The credit worthiness of a city as evaluated by independent agencies.

Reconciliation: A detailed summary of increases and decreases in departmental expenditures from one budget year to another.

Reserve: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resources: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balance.

Retained Earnings: Within an Enterprise Fund, the accumulation of assets over liabilities. The City's only Enterprise Fund is the Water and Sewer Fund.

Special Assessment District (SAD): Special Assessment District refers to one or more parcels of property that receive a capital improvement (paving, sewers, sidewalks) and then are assessed a debt (principal and interest) to be repaid over a specific number of years.

State Equalized Value (SEV): The assessed value of real and personal property multiplied by a factor as determined by the Michigan State Tax Commission to ensure an assessment level of 50 percent of market value.

Taxable Value: The value upon which the property tax is levied. It is determined by multiplying the prior years taxable value by the current year's cost-of-living index. When the property changes ownership, the SEV becomes the taxable value for that year. The taxable value can never exceed the SEV or assessed value

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

Tax Rate Limits: The maximum legal property tax rate at which a municipality may levy a tax. The limits may apply to taxes raised for a particular purpose or for general purposes.

Trust and Agency Funds: Known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. These funds are not specifically budgeted. The trust funds used by the City are Police and Fire Retirement, and Police and Fire Other Post-employment Benefits. Agency funds are custodial in nature and do not measure the results of operations. The City has two Agency Funds, the Tax Collection Fund and the Escrow Fund.

Truth In Taxation: The Truth in Taxation Act provides a mechanism to ensure public notice and awareness of the increase in property taxes that occurs as a result of an increase in the Taxable Value base on existing property. This act mandates a “tax freeze” with regard to existing property and prohibits revenue growth by requiring a tax rate reduction (rollback) on operating millages unless a specific public hearing is conducted. At the public hearing, the Council discusses and adopts by resolution the millage or tax rates necessary to fund the city services and programs identified in the budget document. Because Madison Heights complies with the MICHIGAN UNIFORM BUDGET ACT (PA 621), the required public hearing for Truth in Taxation is combined with the public hearing for budget adoption as permitted by statute.

Unit Costs: The cost required to produce a specific product or unit of service.

User Charges (also known as User Fees): The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Yield: The rate earned on an investment based on the price paid for the investment.

ACRONYMS

Acronym	Description
ACH	Automated Clearing House
ADA	American with Disabilities Act
AEMT	Advanced Emergency Medical Technician
ALS	Advanced Life Support
AMR	Automatic Meter Reading
ARP	American Rescue Plan Funding
BYOD	Bring Your Own Device (Policy)
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CDD	Community Development Department
CIP	Capital Improvement Plan
CPI-W	Consumer Price Index – Workers
CTO	Compensatory Time Off
CVTRS	City, Village and Township Revenue Sharing
D/FEIS	Draft/Final Environmental Impact Statement
DDA	Downtown Development Authority
DPS	Department of Public Service
DWSD	Detroit Water and Sewerage Department
EFTPS	Electronic Federal Tax Payment System
EPA	Environmental Protection Agency
ERU	Equivalent Residential Unit
ESL	English as a Second Language
EVIP	Economic Vitality Incentive Program
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FTE	Full-Time Equivalency
FSA	Flexible Spending Account
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GLWA	Great Lakes Water Authority
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain
HAVA	Help America to Vote Act
HCMA	Huron-Clinton Metropolitan Authority
HMO	Health Maintenance Organization
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IBNR	Incurred But Not Reported
ISP	Investment Service Program
ITS	Intelligent Transportation System
LHOH	Little House on Hales
MDNR	Michigan Department of Natural Resources

MDEQ	Michigan Department of Environmental Quality
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MEDA	Michigan Economic Development Association
MEDC	Michigan Economic Developers Corporation
MERS	Municipal Employees Retirement System
MLGBC	Michigan Local Government Benchmarking Consortium
MML	Michigan Municipal League
MMRMA	Michigan Municipal Risk Management Authority
MNRTF	Michigan Natural Resource Trust Fund
MPSC	Michigan Public Service Commission
MUTCD	Manual of Uniform Traffic Control Devices
NPDES	National Pollutant Discharge Elimination System
OCP&RC	Oakland County Parks and Recreation Commission
OPEB	Other Post-Employment Benefits
POB	Pension Obligation Bonds
PPO	Preferred Provider Organization
PPTP	People Powered Transportation Program
PPT	Personal Property Tax
RAP	Risk Avoidance Program
RCOC	Road Commission for Oakland County
ROW	Right-of-Way
RTF	Retention Treatment Facility
SAD	Special Assessment District
SAFER	Staffing for Fire Emergency Response
SAW	Stormwater Asset Management and Wastewater Program
SCATS	Sydney Coordinated Adaptive Traffic System
SCBA	Self-Contained Breathing Apparatus
SEMCOG	Southeast Michigan Council of Governments
SEMREO	Southeast Michigan Regional Energy Office
SEV	State Equalized Value
SOCSDS	South Oakland County Sewerage Disposal System
SSR	State Shared Revenues
STV	State Taxable Value
TIF	Tax Increment Financing
TLN	The Library Network
TV	Taxable Value
UPS	Uninterruptible Power Source
WRC	Water Resources Commissioner



**City of Madison Heights
Capital Outlay Summary Combined
Fiscal Year 2023 and Fiscal Year 2024**

Description		Proposed FY 2022-23 Budget	Proposed FY 2023-24 Budget
Fund 101 - General Fund			
Court - 101-136			
9780-000	<u>BOOKS</u>		
	WESTLAW	\$ 4,300	\$ 4,450
	ICLE - JURY INSTRUCTIONS, COLLECTIONS AND PROCEDURES	600	600
	LEXISNEXIS-Evidence	350	350
		<u>5,250</u>	<u>5,400</u>
9820-000	<u>MACHINERY AND EQUIPMENT</u>		
	COURT RECORDING EQUIPMENT	61,506	-
		<u>61,506</u>	<u>-</u>
9870-000	<u>IMPROVEMENTS</u>		
	CARPET	0	31,680
	BUILDING UPGRADES	0	6,000
		<u>0</u>	<u>37,680</u>
Total Department 101-136		\$ 66,756	\$ 43,080
Information Technology - 101-258			
9820-000	<u>COMPUTER EQUIPMENT</u>		
	HOST SERVERS	\$ 24,000	\$ -
	STORAGE AREA NETEOWRKS	35,000	-
	WIRELESS NETWORK UPGRADE	-	26,100
Total Department 101-258		\$ 59,000	\$ 26,100
Police - 101-301			
9810-000	<u>COMPUTER EQUIPMENT</u>		
	BODY CAMS AND IN-CAR CAMERAS	\$ 55,746	\$ 55,746
		<u>55,746</u>	<u>55,746</u>
9820-000	<u>MACHINERY AND EQUIPMENT</u>		
	IN-VEHICLE RADAR UNITS	26,000	0
	IN-VEHICLE PRINTERES	0	19,000
		<u>26,000</u>	<u>19,000</u>
9850-000	<u>VEHICLES</u>		
	PATROL VEHICLES (\$37,250 X 2)	74,500	0
	VEHICLE #112 2017 FORD SSV PICK-UP TRUCK	38,000	0
	VEHICLE #119 ANIMAL CONTROL VAN	35,000	0
	VEHICLE #125 LEASE (\$437.10/MO)	5,245	5,245
	MOTORCYCLE	0	35,000
	PATROL VEHICLES (\$37,250 X 4)	0	149,000
		<u>152,745</u>	<u>189,245</u>
9870-000	<u>IMPROVEMENTS</u>		
	POLICE HVAC UPGRADES - PHASED	155,000	0
	POLICE WATERPROOFING SOUTH BASEMENT WALL	10,000	0
	POLICE CARPET REPLACEMENT	30,000	15,000
	POLICE PERSONNEL LOCKER REPLACEMENT RESERVES	0	9,000
	POLICE VCT FLOORING PROPERTY RM/ARMORY	0	25,000
	POLICE VCT FLOORING PROPERTY RM/GUN RANGE	0	25,000
	POLICE RENOVATION RESERVE STATION	0	10,000
		<u>195,000</u>	<u>84,000</u>
Total Department 101-301		\$ 429,491	\$ 347,991
Fire - 101-336			
9815-000	<u>FURNITURE</u>		
	RECLINER REPLACEMENT	4,500	0
		<u>4,500</u>	<u>0</u>
9820-000	<u>MACHINERY AND EQUIPMENT</u>		
	SELF CONTAINED BREATHING APPARATUS (SCBA)	220,000	0
	GENERATOR #553	70,000	0
	FIRE HOSE	5,000	5,000
		<u>295,000</u>	<u>5,000</u>
9825-000	<u>ALS EQUIPMENT</u>		
	TACTICAL MEDIC GEAR REPLACEMENT	4,000	0
		<u>4,000</u>	<u>0</u>

**City of Madison Heights
Capital Outlay Summary Combined
Fiscal Year 2023 and Fiscal Year 2024**

9850-000	<u>VEHICLES</u>			
	2002 SUTPHEN PUMPER #722 (FINANCE PAYMENT 4 & 5 OF 5)	129,010		0
	2015 AMBULANCE RESCUE TRUCK (R71) #713 - PHASE I OF II	140,000		140,000
	VEHICLE #705 LEASE (\$598.94/MO)	7,187		7,187
	#701 - 2014 GM SIERRA TRUCK	0		28,000
	2002 SUTPHEN PUMPER #722 (FINANCE PAYMENT 4 & 5 OF 5)	0		129,010
		<u>276,197</u>		<u>304,197</u>
9870-000	<u>IMPROVEMENTS</u>			
	FIRE STATION 1 KITCHEN RENOVATION	60,000		0
	FIRE HVAC UPGRADES	0		35,000
	FIRE STATION #1 ROOF REPLACEMENT	0		250,000
	FIRE STATION #1 CARPET	0		20,000
		<u>60,000</u>		<u>305,000</u>
	Total Department 101-336	\$ 639,697	\$	614,197
Streets - 101- 446				
9820-000	<u>MACHINERY AND EQUIPMENT</u>			
	VEHICLE #409 2003 CAT LOADER WITH CLAW ATTACHMENT	\$ 245,000	\$	-
	VEHICLE #415	0		175,000
	TOOL CAT (NEW)	0		80,000
		<u>245,000</u>		<u>255,000</u>
9870-000	<u>IMPROVEMENTS</u>			
	CITY GATEWAY (14 MILE & JOHN R)	0		50,000
		<u>0</u>		<u>50,000</u>
	Total Department 101-446	\$ 245,000	\$	305,000
Solid Waste -101-521				
9850-000	<u>VEHICLES</u>			
	STREET SWEEPER #408 (PHASE FUNDED II OF II)	\$ 150,000	\$	-
	STREET SWEEPER #402 (PHASE I OF II)	150,000		0
	STREET SWEEPER #402 (PHASE FUNDED II OF II)	0		150,000
	#525 FORESTRY TRUCK (PHASE I OF II)	0		150,000
		<u>0</u>		<u>150,000</u>
	Total Department 101-521	\$ 300,000	\$	300,000
Nature Center - 101-756				
9870-000	<u>IMPROVEMENTS</u>			
	COST SHARING OF CAPITAL PROJECTS PER AGREEMENT	50,000		50,000
		<u>50,000</u>		<u>50,000</u>
	Total Department 101-756	\$ 50,000	\$	50,000
Parks 101-757				
9820-000	<u>MACHINERY AND EQUIPMENT</u>			
	EVENTS TRAILER	\$ 25,000	\$	-
		<u>25,000</u>		<u>-</u>
9850-000	<u>VEHICLES</u>			
	VEHICLE #484 - 2009 CHEVY COLORADO PICKUP TRUCK	36,000		-
		<u>36,000</u>		<u>-</u>
9870-000	<u>IMPROVEMENTS</u>			
	ROSIE'S PARK-GARDENIA PARKING LOT	75,000		0
	ROSIE'S PARK-IRRIGATION SYSTM SOCCER FIELD	20,000		0
	ROSIE'S PARK-PAVILION	75,000		0
	ATHLETIC FIELDS (GENERAL) - LIGHTING ANALYSIS AND REPLACEMENT	200,000		200,000
	CIVIC CENTER - PLAYScape REPLACEMENT	225,000		0
	GENERAL SPECIAL PROJECT FUNDING ALLOCATION	50,000		35,000
	ROSIE'S PARK - BACKSTOP FENCE	0		75,000
	ROSIE'S PARK - MAGIC SQUARE REFURBISHMENT	0		75,000
	WALKING/BIKE PATH CONSTRUCTION	0		294,000
	AMBASSADOR PARK - PLAYScape REPLACEMENT	0		150,000
	CIVIC CENTER PARK - BASKETBALL COURT REHABILITATION	0		20,000
	EDISON PARK - PAVING PARKING LOT	0		25,000
	HUFFMAN PARK - IRRIGATION SYSTEM FOR FOOTBALL FIELD	0		20,000
		<u>645,000</u>		<u>894,000</u>
	Total Department 101-757	\$ 706,000	\$	894,000
Active Adult Center - 101-758				
9850-000	<u>VEHICLES</u>			
	#469 SENIOR VAN	32,000		0
		<u>32,000</u>		<u>0</u>
	Total Department 101-758	\$ 32,000	\$	113,749
Total General Fund (101)		\$ 2,527,944	\$	2,694,117

Fund 202 - MAJOR STREETS

**City of Madison Heights
Capital Outlay Summary Combined
Fiscal Year 2023 and Fiscal Year 2024**

Construction - 202-451

9880-xxx	John R Overlay 11 Mile to 12 1/2	\$	250,000	\$	250,000
	11 Mile Sectional Non-NHPP		-		250,000
	Ajax - John R to 801 Ajax		-		250,000
	Park Court - 11 Mile to Connie		775,000		-
	Stephenson Sectional - Girard to 12 Mile		-		200,000
			<u>1,025,000</u>		<u>950,000</u>
Total Department 202-451		\$	1,025,000	\$	950,000

Total Major Streets (202)	\$	1,025,000	\$	950,000
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Fund 203 - LOCAL STREETS

Construction 203-451

9890-500	<u>SECTIONAL CONCRETE REPLACEMENT NON-R</u>				
	MANDOLIN - ALGER TO TOWNLEY	\$	300,000	\$	-
	BRUSH - 14 MILE TO MANDOLINE		100,000		-
	ALGER - 14 MILE TO MANDOLINE		200,000		-
	SECTIONAL CONCRETE REPLACEMENT NON-R		100,000		100,000
	COMMERCE - MICHAEL TO E. PROGRESS (CONCRETE)		-		150,000
	DARTMOUTH - 12 MILE TO BELLAIRE		-		200,000
			<u>700,000</u>		<u>450,000</u>
9890-501	<u>SECTIONAL CONCRETE REPLACEMENT "R"</u>		75,000		50,000
			<u>75,000</u>		<u>50,000</u>
9890-502	<u>JOINT SEAL</u>		-		75,000
			-		<u>75,000</u>
9890-xxx	<u>R-3 CONSTRUCTION</u>				
	W. Greig Ave (W. Terminus - Hampden)		228,000		
	W. Greig Ave (Brettonwood-Dartmouth)		160,000		
	W. Greig Ave (Brush-John R)		167,000		
	Palmer St (Andover Ave - W. Greig Ave)		337,000		
	Brush St. (Andover Ave -- W. Greig Ave)		190,000		
	W. Greig Ave (Hampden - Brettonwood)		91,500		
	Greig Ave (Dartmouth - Barrington)		92,000		
	Greig Ave (Barrington - Palmer)		93,000		
	Greig Ave (Palmer-Alger)		93,000		
	Greig Ave (Alger-Brush)		94,500		
	Hampden St (Andover Ave to W. Greig)				194,000
	Brettonwoods Street (Andover to W. Greig)				194,500
	Brettonwoods (W. Greig to 11 Mile)				207,500
	Dartmouth Street (Andover to W. Greig Ave)				195,500
	Barrington Street (Andover to W. Greig Ave)				195,500
	Palmer St (W. Greig to 11 Mile Road)				209,000
	Alger Street (W. Greig to 11 Mile Road)				209,000
	Alger Street (Andover to W. Greig Ave)				195,500
			<u>1,546,000</u>		<u>1,600,500</u>
Total Department 202-451		\$	2,321,000	\$	2,200,500

Total Local Streets (203)	\$	2,321,000	\$	2,200,500
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Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY

9870-xxx	<u>IMPROVEMENTS</u>				
	BANNERS, 11 MILE OUTLETS, GATEWAY OR OTHER PROJECTS	\$	20,000	\$	20,000
	Property Acquisitions set aside		35,000		35,000
			<u>55,000</u>		<u>55,000</u>
Total Department 248-863		\$	55,000	\$	55,000

Total Downtown Development Authority (248)	\$	55,000	\$	55,000
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Fund 264 - DRUG FORFEITURE FUND

9810-039	<u>COMPUTER EQUIPMENT - STATE</u>				
	LOCKUP FACILITY VIDEO CAMERA EQUIPMENT	\$	26,000	\$	-
			<u>26,000</u>		-
9850-039	<u>VEHICLES - STATE</u>				
	DB VEHICLE #121		37,250		0

**City of Madison Heights
Capital Outlay Summary Combined
Fiscal Year 2023 and Fiscal Year 2024**

		37,250	0
Total Drug Forfeiture Fund (264)		<u>\$ 63,250</u>	<u>\$ -</u>
Fund 468 - FIRE STATION BUILDING			
9870-000	<u>Improvements</u>		
	Fire Station #2 Rebuild/Renovations	<u>\$ 2,044,671</u>	<u>\$ -</u>
		<u>2,044,671</u>	<u>0</u>
Total Fire Station Building (468)		<u>\$ 2,044,671</u>	<u>\$ -</u>
Fund 470 - MUNICIPAL BUILDING			
9870-000	<u>Improvements</u>		
	Civic Center Plaza (City Hall, Active Adult Center, Library)	<u>\$ 10,727,524</u>	<u>\$ -</u>
		<u>10,727,524</u>	<u>-</u>
Total Municipal Building (470)		<u>\$ 10,727,524</u>	<u>\$ -</u>
Fund 590 - WATER & SEWER			
9731-000	<u>WATERMAIN REPLACEMENT</u>		
	ALGER - MANDOLINE TO FOURTEEN MILE	<u>\$ 183,000</u>	<u>\$ -</u>
	R-3 BRETTONWOODS STREET (ANDOVER TO W GREIG)	133,000	0
	R-3 BRETTONWOODS STREET (W GREIG TO ELEVEN MILE)	133,000	0
	R-3 ALGER STREET (W GREIG TO ELEVEN MILE)	138,000	0
	R-3 ALGER STREET (ANDOVER TO W GRIEG)	118,000	0
	JOHN R (14 MILE TO WHITCOMB)	0	565,000
	GARRY (LONGFELLOW TO SHERRY)	0	458,000
		<u>705,000</u>	<u>1,023,000</u>
9820-000	<u>MACHINERY AND EQUIPMENT</u>		
	ENVIRO-SIGHT QUICK VIEW CAMERA	0	20,000
	PORTABLE VEHICLE HOIST SYSTEM	0	60,000
	2006 BACKUP GENERATOR #552	0	70,000
	VEHICLE #465 - 2003 STERLING SEWER VACTOR	0	425,000
		<u>0</u>	<u>575,000</u>
9850-000	<u>VEHICLES</u>		
	SERVICE TRUCK #430 LEASE (573.59/MO)	6,883	6,883
	FORD TRUCK #457 LEASE (576.31/MO)	6,916	6,916
		<u>13,799</u>	<u>13,799</u>
9870-000	<u>IMPROVEMENTS</u>		
	CONCRETE PAD	70,000	0
9732-000	SEWER REHABILITATION/REPLACEMENT	<u>150,000</u>	<u>150,000</u>
		<u>220,000</u>	<u>150,000</u>
Total Water and Sewer Fund (590)		<u>\$ 938,799</u>	<u>\$ 1,761,799</u>
Total Capital Outlay \$ 19,703,188 \$ 7,661,416			

