

FY 2024-2025

ADOPTED BUDGET BOOK

CITY OF
MADISON HEIGHTS,
MICHIGAN





City of Madison Heights Annual Budget Adopted Fiscal Year 2024-25

Mayor

Roslyn E. Grafstein

City Council

Mayor Pro Tem, Mark A. Bliss

Sean Fleming

William J. Mier

Emily J. Rohrbach

David M. Soltis

Quinn J. Wright

City Manager

Melissa R. Marsh

Deputy City Manager/ City Clerk

Cheryl E. Rottmann

Department Heads

Finance Director/Treasurer - Linda A. Kunath

Police Chief - Brent LeMerise

Human Resources Director/ Purchasing Coordinator - Amy Mischak

Department of Public Services - Sean Ballantine

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

43rd Court Administrator - Sharon Arseneault



Roslyn E. Grafstein
Mayor

Mayor and Council



Mark A. Bliss
Mayor Pro Tem



Sean Fleming
Councilman



William J. Mier
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, 2023

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Madison Heights for its fiscal year beginning July 1, 2023. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

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



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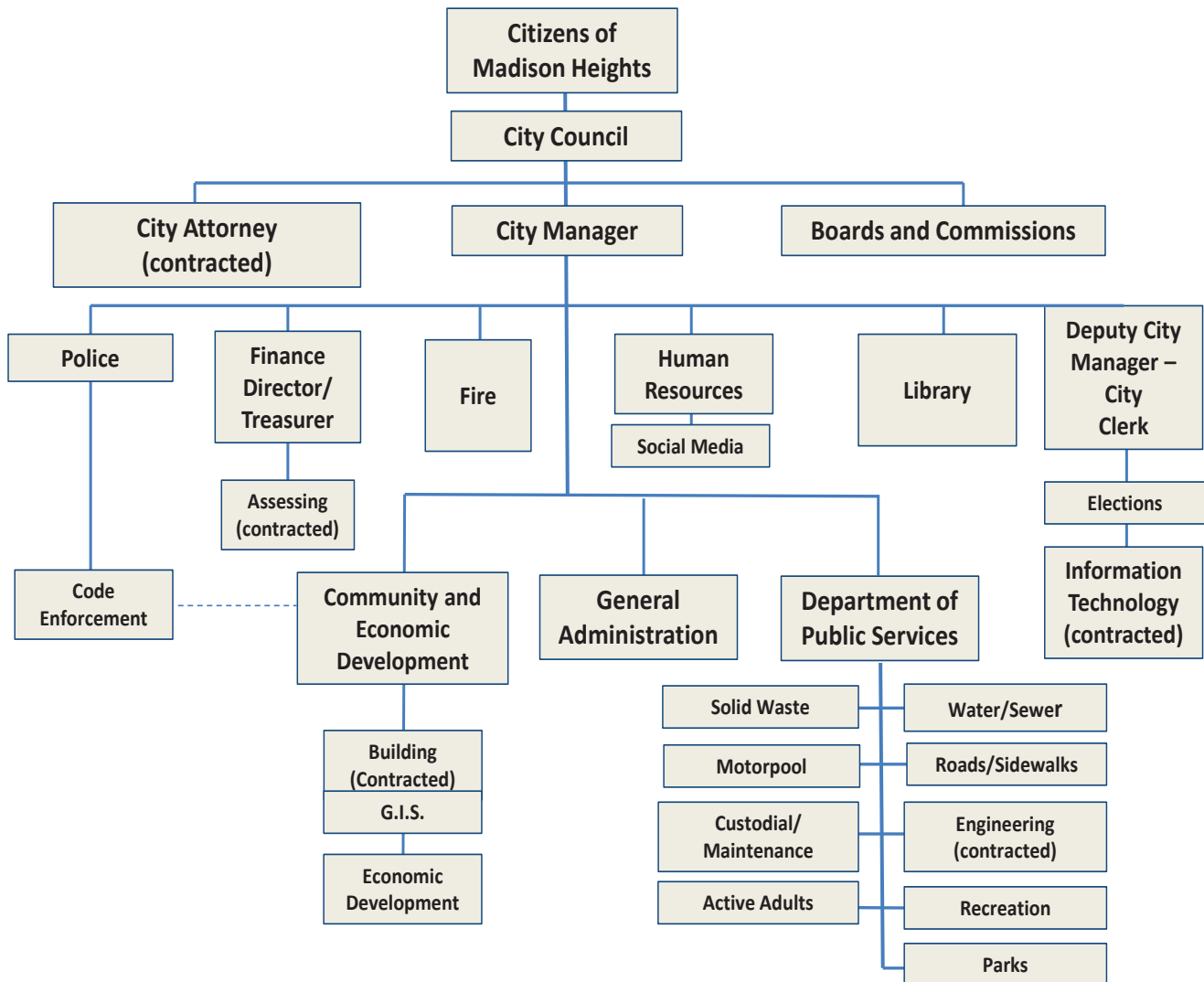
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City of Madison Heights

Organizational Chart





City of Madison Heights

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

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

Fire Department
31313 Brush Street
Madison Heights, MI 48071

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

March 2024

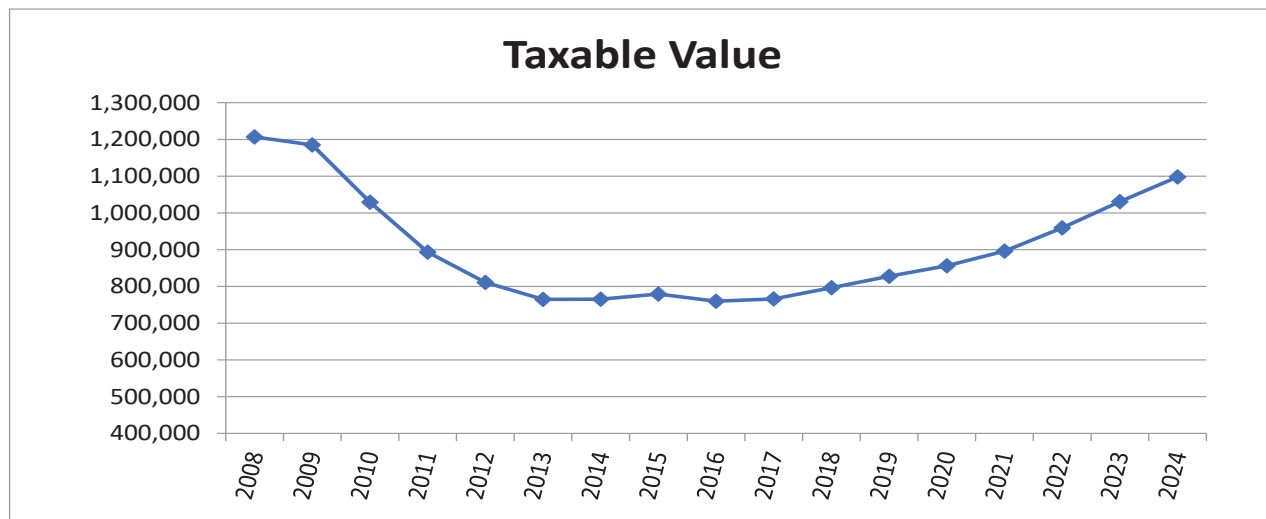
Budget Transmittal Letter
Fiscal Years 2025

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

I am pleased to present the Fiscal Year (FY) 2025 Adopted Budget. This Budget reflects our continued commitment to community priorities as determined by the City Council in the city-wide strategic plan. The strategic plan is the foundation for this balanced consolidated budget that includes the operational budget, capital improvement plan, five-year strategic plan, and financial forecast allowing the city to present a complete long-term financial plan for all city funds and activities.

This budget provides residents and users of these documents with the direction of local government services, finances, and tax levels. It keeps city administration focused on continuous improvement and implementation instead of just planning. These documents combine to compile the financial data needed to support the City of Madison Heights's comprehensive decision-making and policy development process. The FY 2025 budget continues to do more than meet the critical needs in the core service areas; it addresses improvements in priority areas for the quality of life in the city, including public safety, library, and parks, to keep moving the City forward and follow the plan for the future for our residents and businesses.

This budget is supported by a tax rate of 25.4572 for FY 2025, although the City has the ability to levy 25.9381. The proposed tax rate is a reduction from FY 2024 and FY 2023, when the city rate was levied at 25.5288 and 26.0771, respectively. The FY 2025 overall budget is proposed at \$66.2 million and is projected to bring revenue growth across all funds due to a State Tax Commission Inflation Rate Multiplier of 5% and increased state revenue sharing. With this higher than the average state inflation rate, the City's taxable value for FY 2025 is still only 90.9% of what it was in FY 2008.



Although the State Tax Commission rate of increase was set at 5%, this is lower than the calculated inflation rate for the same period of 5.1%, which tracks the City's continued expenditure pressure from inflationary increases. While many expenditure areas have returned to traditional increases of 2%-3%, we have had pressure to increase wages to remain competitive in the region. This is reflected in the budget based on the wage reopeners and extensions for all Union contracts. While this budget adds five new positions, we continue to be very conservative with reoccurring expenditures to ensure there are reoccurring revenues to support these position increases. These positions are described in detail in the personnel chapter and include a Grant/Special Projects Administrator, three Emergency Medical Technician (EMT) positions, and a Motorpool Mechanic. These position additions and the program details below align with the strategic plan and continue to move the City forward by implementing projects that address long-term maintenance issues and align with the City Council's long-term visions.

PRIORITIES AND ISSUES

Starting in the fall of 2018, the City Council and Staff worked to develop plans that articulate a future vision for the community. These plans considered everyone who lives, works, or visits Madison Heights and centered on creating a solid tax base to allow us to build a strong community and provide services at sustainable superior levels. These priority areas continue to be: 1) Public Safety, 2) Infrastructure and Capital Assets, 3) Quality of Life, 4) Economic Development, 5) Financial stability and efficient City Services, and 6) Sustainability.

Using this strategic planning as a foundation, this Budget addresses all the priorities and issues summarized below:

1. Public Safety

- Traffic safety improvements are being funded at \$50,000 from private donations from the marijuana industry and are included in the General Fund.
- Staffing levels in the Fire Department are being increased to help meet the increased demand for calls. The FY 2025 budget includes the addition of three Emergency Medical Technician (EMTs), in a new program to meet hiring demand and train the next generation of employees. These EMTs will be available for services on a forty-hour week schedule during our traditional peak call time Monday – Friday. Funding for this increased staffing is being covered by increased revenues from Ambulance Services of \$200,000 and the General Fund operating millage.
- Court building security replacement is included at \$42,000. This security equipment was originally purchased in 2002 to screen all parties entering the courthouse to ensure the safety of the public and court staff.
- Phase II of an Information Technology Network upgrade and mobile device management is funded at \$145,000 to keep our networking secure with equipment upgrades and training.

2. Infrastructure

- Police Department Building HVAC boiler replacement is budgeted at \$200,000 in FY 2025 to be combined with the \$650,000 funded over the past two years.
- Phase 1 of the Fire Station #1 Roof Replacement project is included in this year's budget with an initial \$200,000 allocation of a total of \$900,000 needed for the entire roof replacement endeavor.

- Major and Local Streets, including Neighborhood Roads, are budgeted for \$1,668,000 with an additional \$858,000 in watermain on neighborhood projects.
- We are also investing an additional \$401,700 for the water main on Edward Twelve Mile to Page Middle School and \$150,000 on various sanitary sewer projects. As of the end of FY 2024, it is estimated that over 2/3 of the City's water mains have been replaced with lifespans estimated to be 50-75 years.

3. Quality of Life

- In March 2021, the City finalized the 5-year Parks and Recreation Master Plan. Since then, the City has invested over \$2.7 million in our parks system and completed most projects included in the Master Plan document. Considering that the five years is also up at the end of this calendar year, the FY 2025 budget includes \$25,000 funding for a new Parks and Recreation Master Plan.
- FY 2024 included over \$1.4 million of park improvements, which will take most of FY 2025 to complete. This is in addition to an aggressive renovation of Ambassador Park, where Oakland County Parks and Recreation will work with the City to create a premier multigenerational recreation space. Due to the time needed to complete these projects, additional capital projects in the parks are not being budgeted in FY 2025.
- Library budget includes ongoing maker space funding at \$15,000 in FY 2025.

4. Economic Development

- The Downtown Development Authority budget includes \$400,000 as implementation funding, hopefully as a grant match, for the 11 Mile Streetscaping Project. In addition, increased funding is also being made available for façade grants to businesses.

5. Financial Stability and Efficient City Services

- The FY 2025 budget continues to address the City's funding of the Police and Fire Pension. As of the June 30, 2023, actuarial report, this fund was only 55% funded; however, the City received a Protecting MI Pension Grant for \$3.6 million and has budgeted additional contributions of \$3 million for both FY 2024 and FY 2025. With this additional funding we anticipate funding to be 65%-70% by June 30, 2025.
- The City also reviews and adjusts fees as needed. The most significant fee increases included in the budget are court costs, which have not been adjusted in several years, resulting in the court fees not covering their operational costs. The State has clear calculations for these fees, which are to be evaluated and implemented, if needed, annually to the point that Court operation costs are covered without a General Fund supplement. The second major fee change is Water and Sewer fees, which are being increased by 4.02% due to the commodity increase charges from our water and sewer treatment suppliers passed on to the city.

6. Sustainability

- Throughout FY 2024, the City staff has worked with a consultant through a grant provided by the State of Michigan EGLE to create an environmental sustainability plan. Projects from this plan are not included in the budget beyond increasing our tree canopy for \$30,000, as we plan to leverage grants and private funding for implementation.
- The City-wide Recycling and Trash Bin program is included in the FY 2025 Budget for \$1,046,800. This program is partially grant-funded with \$508,800 from the Recycling Partnership and EGLE and \$538,000 from the General Fund Budget.

BUDGET OVERVIEW

The total budget is \$66.2 million in FY 2025. This budget includes a proposal for 13 appropriated funds and represents an increase of \$732,785 or 1.1% compared to FY 2024. The majority of this increase is due to personnel costs, including the addition of five new positions midyear and annual wage adjustments, city-wide pension contribution and insurance. These are all recurring costs and will contribute to higher operational costs from now on.

Total Operating and Capital Budget

	FY 2024 Amended Budget	FY 2025 Adopted Budget
Operating Budget	\$ 52,840,949	\$ 55,963,955
Percent Change		5.9%
Capital Improvement Budget	\$ 12,615,202	\$ 10,224,981
Percent Change		-18.9%
Total Budget	\$ 65,456,151	\$ 66,188,936
Percent Change		1.12%

Financial Challenges

The City's General Fund faces three major financial challenges that continue to hinder the ability to fully restore services to pre-recession: Proposal A, Headlee Amendment, and legacy cost of pensions.

Proposal A and the Headlee Amendment are two significant pieces of legislation in Michigan that have profoundly affected municipalities, particularly in terms of property taxes and local government funding.

1. Proposal A: This ballot initiative, passed in 1994, brought about several changes to the Property tax system in Michigan. Its main effects include:
 - a. Caps on Property Tax Increases: Proposal A capped property tax increases at the rate of inflation or 5%, whichever is lower, for properties with no changes in ownership or improvements. This effectively limited how much property tax revenue municipalities could collect annually from existing properties.
 - b. State Education Funding Shift: Proposal A also shifted a significant portion of education funding from property taxes to the state sales tax and the Michigan Lottery. This relieved the burden on local property taxes for funding schools and reduced local government revenue.
 - c. Property Tax Assessments: Under Proposal A, property taxes are based on the assessed value of a property, which is determined at the time of sale and then increases annually by the rate of inflation or 5%, whichever is lower. This has implications for property owners, as their tax assessments may not accurately reflect the current market value of their property.

2. **Headlee Amendment:** This amendment to the Michigan Constitution, passed in 1978, aims to limit government revenue by requiring voter approval for certain tax increases and limiting the growth of government revenue to the rate of inflation.
 - a. **Tax Limitation:** The Headlee Amendment requires that if government revenue grows faster than the rate of inflation, the excess revenue must be returned to taxpayers or approved by voters. This places constraints on municipalities' ability to raise revenue through taxes.
 - b. **Voter Approval:** Most new taxes or tax increases must be approved by voters, ensuring that residents have a say in how their tax dollars are spent.

The combined effect of Proposal A and the Headlee Amendment has been to limit the growth of property tax revenue for Michigan municipalities, particularly regarding funding for schools and local government services. While Proposal A has provided some relief for property owners by capping tax increases, it has also constrained local government budgets. The Headlee Amendment adds an additional layer of restriction by requiring voter approval for tax increases, further limiting the ability of municipalities to raise revenue independently. As a result, Madison Heights' taxable value for 2025 is only 90.1% of the taxable value from 2008, making it challenging to increase services to meet new demands.

3. **Legacy cost for pensions** is the city's third most significant challenge. As of June 30, 2023, the General Employee's retirement system was estimated to be only 83.22% funded, despite the fact that the city issued pension bonds in 2017 and only two years ago the fund was 99% funded. The Police and Fire Pension was only 55% funded, or \$50 million of a \$91.1 million liability. However, the City received a Protecting MI Pension Grant for \$3.6 million for the Police and Fire Pension and budgeted additional contributions of \$3 million in both FY 2024 and FY 2025. Due to these efforts we anticipate funding to be approximately 65% - 70% by June 30, 2025.

Regarding Other Funds, maintaining the City's infrastructure remains a priority and a challenge in both the Road funds and Water and Sewer. Water and Sewer fund has a significant investment in infrastructure planned over the next three years, with \$1.3 million included in the FY 2025 budget and \$5.3 million for the following two years. This large capital investment is necessary to continue to replace water mains while road construction is being completed in the neighborhoods and a major project on 11 Mile for Watermain replacement of \$1.6 million. Currently, the Water and Sewer fund cannot support two years of capital outlay to this extent. Therefore, the staff is research other funding options, such Michigans's Drinking Water State Revolving Fund.

Operating Budget Highlights

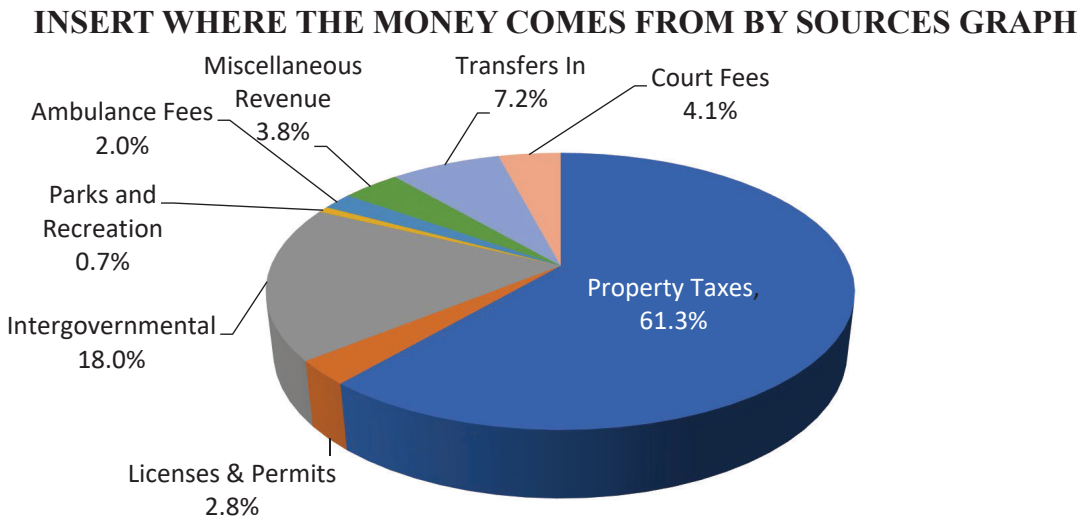
The FY 2025 budget was balanced with contributions of \$694,564 to the fund balance when all budgeted funds were considered. The General Fund was balanced without a projected use of fund balance. Major and Local Street contribute to fund balance as we save for future planned road projects that cross fiscal years.

Revenues

General Fund Revenues are budgeted at \$42.7 million, representing an increase of \$1.1 million or 2.7% over the FY 2024 Amended Budget Revenues. This is a direct result of one-time grant revenues at \$724,182 and an increase in the taxable value of 5%.

Property taxes remain the largest City revenue source, representing 61.3% of the FY 2025 General Fund Revenue Budget. Property Taxes are anticipated to increase to \$1.68 million, or 6.9%. Although the millage rate is budgeted to decrease in FY 2025, taxable value increases are budgeted due to inflation of 5% and additions of new and redeveloped property.

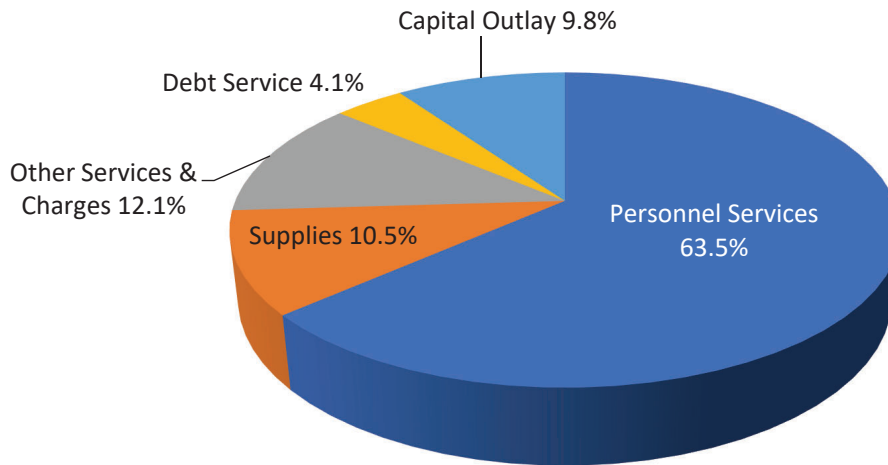
The following pie chart represents the City’s General Fund income. Revenues are grouped by major category. Other primary revenue sources include user charges, intergovernmental revenues, court fees, and other miscellaneous revenues.



Expenditures

Compared to the FY 2024 Amended Budget, the General Fund is estimated to be up \$1.1 million or 2.7% for FY 2025. As mentioned above in the discussion for all funds, this increase is due to personnel. This budget includes adding five new positions: Grant and Special Project Administrator, three Emergency Medical Technicians, and a motor pool mechanic. Other increases include pension contributions, health insurance, and midyear and annual wage adjustments. These are all recurring costs and will contribute to higher operational costs from now on.

WHERE THE MONEY GOES BY LINE ITEM



The following table presents a summary breakdown of the budget for all funds, inclusive of inter-fund transfers:

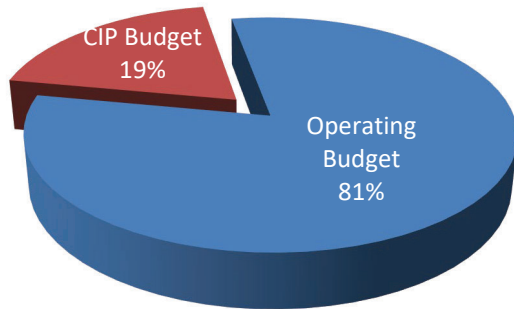
Fund Name	Actual 2022-23	Amended Budget 2023-24	Adopted Budget 2024-25	Increase (Decrease) FY 2023-24 to FY 2024-25	Percent Change
General Fund	\$ 41,578,151	\$ 41,541,199	\$ 42,651,696	\$ 1,110,497	2.7
Major Street	1,506,728	3,261,287	2,091,009	(1,170,278)	(35.9)
Local Street	3,362,714	3,258,787	2,486,270	(772,517)	(23.7)
Parks Maintenance and Improvement	39,129	52,977	45,544	(7,433)	(14.0)
Downtown Development Authority	77,425	196,605	570,974	374,369	190.4
Police Drug Forfeiture	75,536	47,000	39,750	(7,250)	(15.4)
Community Improvement	102,353	145,805	178,924	33,119	22.7
Fire Station Bond	460,037	0	0	-	-
Municipal Building Bond	0	257,100	482,500	225,400	87.7
Fire Station Building	2,246,493	0	0	-	-
Municipal Building	9,078,345	0	0	-	-
Water & Sewer Fund	11,343,592	12,482,160	13,690,254	1,208,094	9.7
Motor & Equipment Pool	1,126,249	1,034,194	1,220,442	186,248	18.0
Department of Public Services	2,084,385	2,328,850	2,508,133	179,283	7.7
Chapter 20 Drain Debt	-	850,187	223,440	(626,747)	(73.7)
Total Appropriations	\$ 73,081,137	\$ 65,456,151	\$ 66,188,936	\$ 732,785	1.1

* Not Included in the line-item budget. State funded with separately adopted budget and fiscal year.

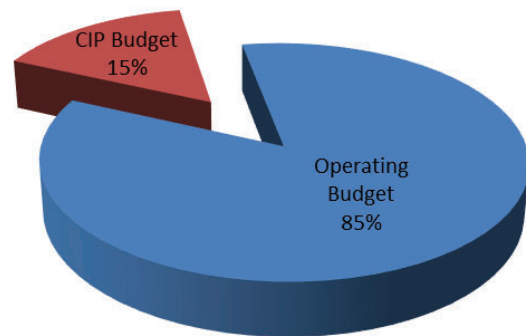
Capital Highlights

Capital Outlay purchases for all funds total \$10.2 million in FY 2025. We continue to invest in the City's infrastructure to help ensure a stable financial future. This investment includes road rehabilitation and reconstruction projects, including R-3 dedicated millage projects, major road sectional work, sidewalk

**FY 2024 Budget
\$65.5 (in millions)**



**FY 2025 Budget
\$66.2 (in millions)**



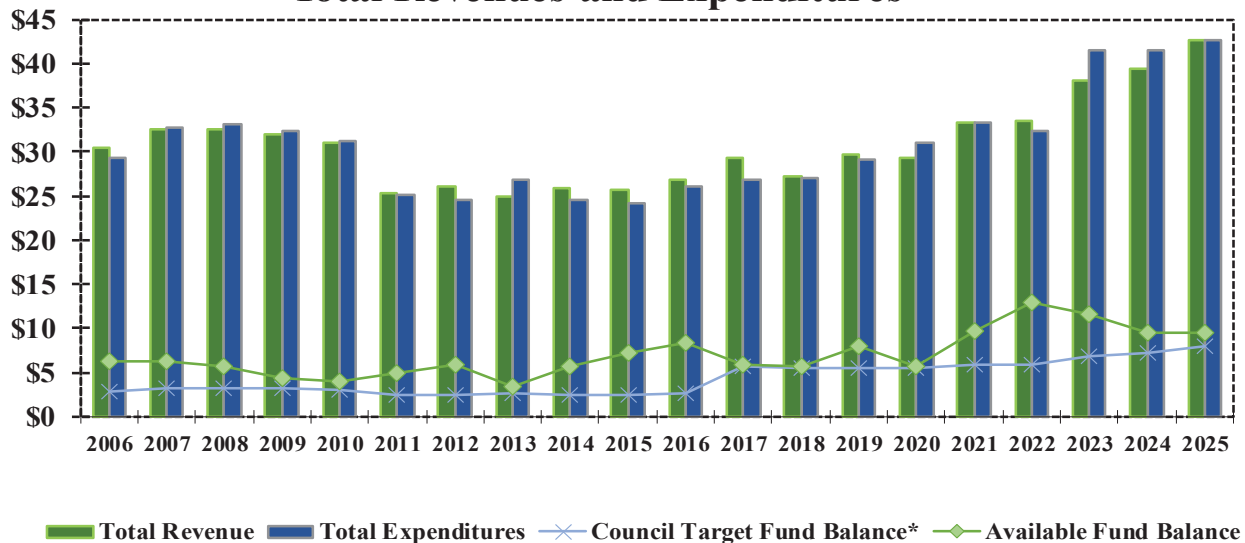
FINANCIAL ASSESSMENT

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

Fund Balances

Due to strong financial management, our city survived the worst economic decline in our history and has emerged with solid financial reserves across significant funds, allowing us to use this reserve to make much-needed investments in our community. As of June 30, 2023, the General Fund's unreserved but assigned fund balance was \$11.5 million, with a planned use of fund balance in FY 2024 of \$2.0 million and no use projected to balance the FY 2025 budget. The City has a fund balance policy requiring a minimum fund balance of 16% of operating expenses plus one year of debt payments. For FY 2025, the minimum fund balance would be approximately \$8 million. This budget meets that reserve policy by maintaining a fund balance estimated at the end of FY 2025 to be \$9.5 million.

General Fund - Fund Balance Compared to Total Revenues and Expenditures



On June 30, 2024, the City’s Major Street and Local Street Funds are estimated to have fund balances of \$3.0 and \$3.9 million, respectively. In addition, the City Water and Sewer Fund is projected to have \$ 4.3 million in unrestricted net position. As explained earlier, we are closely watching the Water and Sewer fund reserve balances due to future major capitol needs. This fund is supported by user fees that we try to keep affordable by limiting increases.

Bond Ratings

In April 2022, the City had its bond rating reassigned as part of the bond issuance process for the \$6.5 series 2022 limited-tax general obligation (LTGO) capital improvement bonds. During this process, the City secured a rating from Standard and Poor (“S&P”) of AA stable. S&P Global Ratings raised its rating on Madison Heights general obligation (GO) debt one notch to ‘AA’ from ‘AA-’. At the same time, S&P Global Ratings assigned its “AA” long-term to Madison Heights’ \$6.5 million series 2022 LTGO capital improvement bonds. The upgrade reflects marked improvements in the city's underlying economic metrics-notably, the market value per capita-that we expect will at least remain stable on the back of continued development. The rating action also captures our view of officials’ progress made in significantly reducing the size of the city’s other post-employment benefits (OPEB) liabilities.

Major Policy Considerations

To provide a strategic framework to assist the City Council with its appropriation decisions, staff has developed the following internal priorities to guide the department budget preparation process for FY 2025.

1. Maintain fiscal responsibility to provide Madison Heights with a stable future.
2. Advance technology in our daily operations to improve communication between the City

3. Invest in people to attract and retain talented employees and ensure 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 sustainability 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.

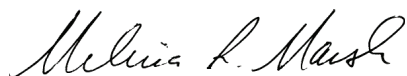
Conclusion

The City takes pride in its sound financial management, prudent allocation of limited resources, and steadfast commitment to long-term planning. As conditions evolve, the City remains adaptable to ensure a resilient foundation for the future.

I sincerely appreciate Assistant to the City Manager Adam Owczarzak, Finance Director Linda Kunath, and all Department Heads and staff for their exceptional dedication and hard work in crafting this budget and their ongoing commitment to delivering outstanding services to our residents.

Furthermore, I express my gratitude to the Mayor and City Council for their leadership and support in responsibly planning the City's financial operations. Together, we are witnessing the fruition of our collective efforts, bringing success to our community.

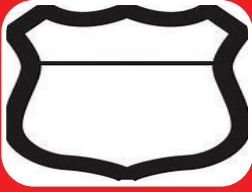
Respectfully Submitted,

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

Melissa R. Marsh
City Manager

CITY OF MADISON HEIGHTS STRATEGIC PLAN – 2025-2029

STRATEGIC GOALS



1. Public Safety



2. Infrastructure/Capital Assets



3. Quality of Life



4. Economic Development



5. Financial Stability



6. Sustainability

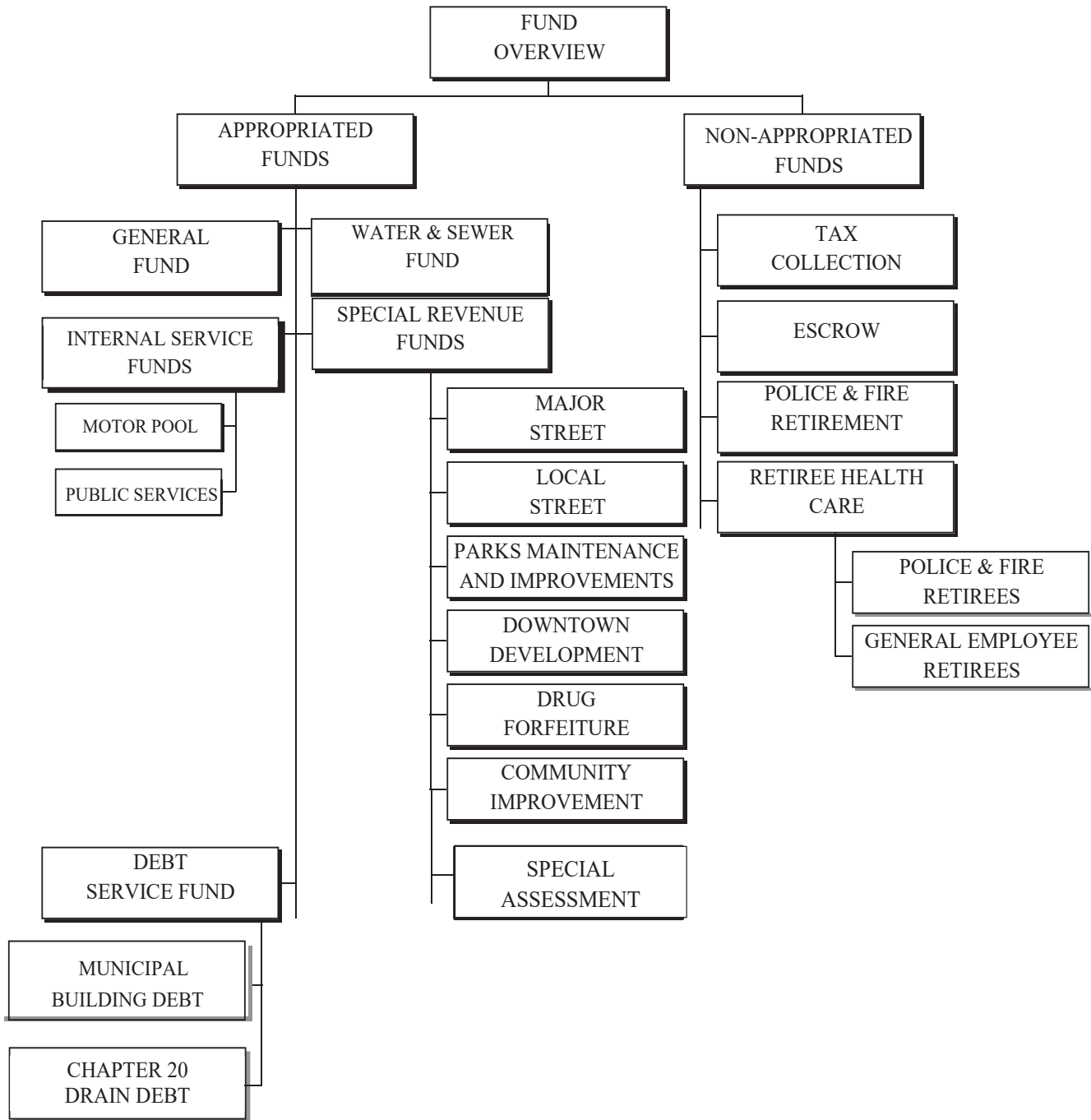
1. Public Safety		
<i>1.1 Encourage and continue to enforce compliance with city ordinances to prevent blight, address graffiti and deterioration to ensure a quality community, and improve community appearance.</i>		
a. Create focused neighborhood improvement areas, allowing the City Department to wrap services around the community for real and sustainable improvement. Focused neighborhood engagement – home repairs, code enforcement education, public amenities	FY 2024 - 2030	MSHDA Grant \$75,000 CPF Grant \$850,000
b. Recycling and Trash Bin program	FY 2025	\$403,200 EGLE Grant \$105,600 Recycling Grant \$538,000 GF 101-528-766-0000
<i>1.2 Improve Safety and security of municipal buildings.</i>		
a. Expand the key fob access controls to the DPS building and additional doors in municipal buildings	FY 2025	\$20,000 592-901-987-0000
b. Update technology to keep the network secure with equipment upgrades and training	On-going FY 2025-2029	\$145,000 \$98,000 101-228-982-0000 \$33,000 592-901-982-0000
c. Evaluate updating Court security equipment	FY 2025	\$42,000 101-286-982-0000
<i>1.3 Improve Public Safety Services and Emergency Response</i>		
a. Determine appropriate staffing levels for effective emergency response capability and develop a plan to address understaffing, including a process to scale emergency response to call type and need	FY 2024-2029	\$276,000 101-336-various
b. Research Traffic Safety Improvements across the City, including school zone enhancements, speed hump, pedestrian crossing enhancements	FY 2025-2029	\$50,000 \$25,000 – Marijuana Settlements \$25,000 – (101-446)
c. Implement and monitor co-responder (CoRe) program with Oakland Community Health Network (OCHN).	FY 2024-2029	\$64,000 (1 st yr grant funded)
<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 2025-27	\$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, and combination with other sites.</i>		
a. Police Station Upgrades, including HVAC upgrades and expansion of Women's Locker Room Space	FY 2024-2029	\$600,000 101-336-987-0000
b. Fire Station #1 Roof Replacement	FY 2025-2026	\$900,000 101-336-987-0000
c. Analysis of energy efficiency upgrades needed at the Department of Public Services building, including HVAC and facility evaluation	FY 2025-2029	\$325,000 592-901-987-0000
<i>2.2 Maintain a reliable vehicle fleet citywide with priority given to Public Safety vehicles and equipment.</i>		
a. Continue to develop and fund a multi-year capital improvement program.	FY 2022-29	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 2021-29	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. Continue to enhance the makerspace with software and equipment requested by patrons	FY 2024-2029	GF \$15,000 per year 101-790-9810-000
b. Enhance patron's use of the library outside normal hours with items such as storywalk installations and pickup lockers	FY 2026-2029	\$64,000 101-790-9810-000
<i>3.2 Enhance Parks/Recreation to appeal to a community of all ages and abilities, including expanding green space, recreation programs, and trail improvements.</i>		
a. Develop a park asset management program for all park assets, including condition assessment, lifecycle determinations, and preventative maintenance programs to extend their lifecycle.	On-going Continued in FY 2025-2029	FY 2025 \$289,000 FY 2026 \$457,000 FY 2027 \$195,000 FY 2028 \$50,000 FY 2029 \$50,000
b. Create strategic reserve funds (e.g., park assets, special projects, business attractions, etc.) to achieve organizational objectives.	On-going Continued in FY 2025-2029	\$50,000 per year 101-757-9870-000
c. Support Oakland County Parks and Recreation in the re-imagination of Ambassador Park	FY 2025-2026	\$100 101-757-8180-000

3.3 Support neighborhood vitality and livability.		
a. Seek partnerships with outside groups that bring organized activities or large events to the community with limited City/staff involvement to help us meet the needs and interests of a diverse mix of ages and community interests.	FY 2025-2029	\$0
b. Implement the new welcoming entrance signage at major gateways to the city.	FY 2024-2027	\$179,000 <i>Private grant funding</i>
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 2020-2029	GF \$55,000 <i>101-400-8180-000</i>
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 ongoing participation.	FY 2023-2029	\$0
c. Creation of a formal Economic Development and Marketing Plan	FY 2024-2025	\$0
d. Implement 11 Mile Streetscaping Plan from Lorenz to John R intersection.	FY 2024-2029	\$1.2 million \$700,000 grant \$400,000 DDA
4.2 Research city options for property acquisitions of vacant or abandoned property.		
a. Evaluate vacant or abandoned property for needed purposes, including expansion or green space or redevelopment.	FY 2021-2029	DDA \$35,000 per year <i>248-863-9870-002</i>
5. Financial Stability and Efficient City Services		
5.1 Maintain a stable, efficient, and transparent financial environment that encourages community involvement.		
a. Establish a grant administration/special projects position to administer grants, and develop policies to track total grant funding received on an annual basis	FY 2025-2029	\$85,000 <i>(\$25,000 GF and est. \$60,000 Grant Admin. Fees)</i>
5.2 Provide a reliable financial plan that ensures stability per the strategic plan and promotes a proactive response to issues.		
a. Continue to update financial policies as part of the overall budget process, including financial forecast, strategic planning, capital improvement plan development, policy, and line item budgets reviewed by the GFOA.	On-going	\$1,500
a. Continue proactively managing the City's pension liability cost by annually reviewing	FY 2023-2029	GF est \$2,000,000 <i>101-301-7100-009 101-331-7100-009</i>

the assumptions used in valuations and contributing above the actuarial requirement when possible, applying for grants made available, and contributing extra funding.		
b. Review and update City fees schedule, setting intentional cost recovery goals for City Services and evaluating overall programs.	FY 2023-2029	\$0
6. Sustainability		
<i>6.1 Maximize the environmental and social benefits of our city services and resident programs.</i>		
a. Complete and adopt the Sustainability Plan for the next three years	FY 2025-2027	\$0
b. Monitor funding opportunities to implement sustainability projects following the Sustainability Plan	FY 2025-2029	\$0
c. Participate in the Michigan Green Communities Network – Goal Silver status 2024	FY 2023-2029	\$0
d. Continue a Tree Program for new trees and tree replacements in addition to road project tree replacements and actively pursue grants for tree replacements	On-going FY 2025-2029	\$2,000 208-463-818-0000 DDA \$5,000 248-863-818-0000 WS \$25,000 592-901-772-0000

BUDGET FUND STRUCTURE



BUDGET FUND STRUCTURE

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

Fund Descriptions

The City maintains accounts for 18 separate funds. The Budget includes the 13 funds that are appropriated by the City Council. The appropriated funds can be divided into five groups of funds based on the type of financial activities. The groups include the General Fund, Special Revenue Funds, Debt Service Funds, Internal Service Funds and Enterprise (Water and Sewer) Fund.

The General Fund, Major Street Fund, Local Street Fund, 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.

Municipal Building Debt Service Fund

The Municipal Building Debt Service Fund accounts for principle and interest payments made on limited-tax general obligation (LTGO) capital improvement bonds to renovate the City Hall, Library, and Fire Station #2 as well as building the new Active Adult Center.

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).

**Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Fund Types
Fiscal Year Comparison
Fiscal Years 2022-2025**

	GENERAL FUND			SPECIAL REVENUE/DEBT SERVICE FUNDS *		
	Actual 2022-23	Amended 2023-24	Adopted 2024-25	Actual 2022-23	Amended 2023-24	Adopted 2024-25
REVENUES						
Property Taxes	\$ 22,550,318	\$ 24,439,961	\$ 26,125,670	\$ 2,373,141	\$ 2,141,566	\$ 2,267,985
Licenses and permits	1,168,247	1,190,106	1,215,923	-	-	-
Intergovernmental	6,558,651	6,422,717	7,705,247	3,986,261	3,998,577	4,074,750
Court fines and fees	1,221,196	1,519,000	1,743,000	-	-	-
Charges for services	226,074	271,030	266,880	-	-	-
Parks and Recreation	268,452	264,000	289,000	-	-	-
Interest and Misc. Revenue	2,101,301	2,364,163	2,209,101	249,688	58,477	51,044
Debt Issuance	-	-	-	-	-	-
Departmental Charges	815,611	821,480	821,480	-	-	-
Transfers from other funds	3,166,650	2,204,406	2,275,395	7,233,518	557,100	482,500
TOTAL REVENUES	\$ 38,076,500	\$ 39,496,863	\$ 42,651,696	\$ 13,842,608	\$ 6,755,720	\$ 6,876,279
EXPENDITURES						
General Government	\$ 3,822,586	\$ 4,286,150	\$ 4,943,921	\$ 9,538,382	\$ -	\$ -
Public Safety	22,155,213	26,215,327	26,363,690	2,322,029	47,000	39,750
Community Service	4,407,811	4,664,454	5,717,453	-	-	-
Culture and Recreation	2,159,650	3,742,137	2,856,118	39,129	52,977	45,544
Community Development	1,071,094	1,348,988	1,259,906	4,624,998	6,393,002	5,120,525
Community Improvement	-	-	-	135,492	145,805	178,924
Water Division	-	-	-	-	-	-
Sewer Division	-	-	-	-	-	-
W/S Support and Capital Outlay	-	-	-	-	-	-
Transfers out	6,933,518	257,100	482,500	321,869	323,677	27,728
Debt Service	1,028,279	1,027,043	1,028,108	228,620	257,100	482,500
TOTAL EXPENDITURES	\$ 41,578,151	\$ 41,541,199	\$ 42,651,696	\$ 17,210,519	\$ 7,219,561	\$ 5,894,971
REVENUES OVER (UNDER) EXPENDITURES	\$ (3,501,651)	\$ (2,044,336)	-	\$ (3,367,911)	\$ (463,841)	\$ 981,308
FUND BALANCES, BEGINNING OF YEAR	\$ 17,207,484	\$ 13,705,833	\$ 11,661,497	\$ 7,976,629	\$ 9,099,668	\$ 8,635,827
FUND BALANCES, END OF YEAR	\$ 13,705,833	\$ 11,661,497	\$ 11,661,497	\$ 9,146,048	\$ 8,635,827	\$ 9,617,135

* 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 2022-2025**

	WATER AND SEWER FUND			TOTALS Memorandum Only		
	Actual 2022-23	Amended 2023-24	Adopted 2024-25	Actual 2022-23	Amended 2023-24	Adopted 2024-25
REVENUES						
Property Taxes	\$ 890,147	\$ 850,187	\$ 223,440	\$ 25,813,606	\$ 27,431,714	\$ 28,617,095
Licenses and permits	-	-	-	1,168,247	1,190,106	1,215,923
Intergovernmental	-	-	-	10,544,912	10,421,294	11,779,997
Court fines and fees	-	-	-	1,221,196	1,519,000	1,743,000
Charges for services	11,292,628	12,667,832	13,144,710	11,518,702	12,938,862	13,411,590
Parks and Recreation	-	-	-	268,452	264,000	289,000
Interest and Misc. Revenue	178,984	143,800	143,800	2,529,973	2,566,440	2,403,945
Special assessments	-	-	-	-	-	-
Departmental Charges	101,326	115,000	115,000	916,937	936,480	936,480
Transfers from other funds	-	-	-	10,400,168	2,761,506	2,757,895
TOTAL REVENUES	\$ 12,463,085	\$ 13,776,819	\$ 13,626,950	\$ 64,382,193	\$ 60,029,402	\$ 63,154,925
EXPENDITURES						
General Government	\$ -	\$ -	\$ -	\$ 13,360,968	\$ 4,286,150	\$ 4,943,921
Public Safety	-	-	-	24,477,242	26,262,327	26,403,440
Community Service	-	-	-	4,407,811	4,664,454	5,717,453
Culture and Recreation	-	-	-	2,198,779	3,795,114	2,901,662
Community Development	-	-	-	5,696,092	7,741,990	6,380,431
Community Improvement	-	-	-	135,492	145,805	178,924
Water Division	3,069,423	3,606,377	4,072,456	3,069,423	3,606,377	4,072,456
Sewer Division	5,061,601	5,576,035	5,434,801	5,061,601	5,576,035	5,434,801
W/S Support & Capital Outlay	3,144,566	3,148,143	4,031,275	3,144,566	3,148,143	4,031,275
Transfers Out	-	-	-	7,255,387	580,777	510,228
Debt Service	68,002	1,001,792	375,162	1,324,901	2,285,935	1,885,770
TOTAL EXPENDITURES	\$ 11,343,592	\$ 13,332,347	\$ 13,913,694	\$ 70,132,262	\$ 62,093,107	\$ 62,460,361
REVENUES OVER (UNDER) EXPENDITURES	\$ 1,119,493	\$ 444,472	\$ (286,744)	(5,750,069)	(2,063,705)	694,564
FUND BALANCES, ** BEGINNING OF YEAR	\$ 3,896,446	\$ 5,015,939	\$ 5,460,411	29,080,559	27,821,440	25,757,735
FUND BALANCES, END OF YEAR	\$ 5,015,939	\$ 5,460,411	\$ 5,173,667	27,867,820	25,757,735	26,452,299

** 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	2022	2023	Progress
Fiscal Wellness Indicator Score	1	1	↔
Annual General Fund expenditures per capita	\$1,147	\$1,645	↓
Fund balance as % of General Fund Revenues	34.5%	29.6%	↓
Other Post Employment Benefits % Funded	89.9%	116.4%	↑
Pension % Funded	65.1%	59.8%	↓
Debt burden per capita	\$555.1	\$508.1	↔
Operating Millage	26.26	26.08	↔
Economy & Financial Health	2022	2023	Progress
Population	28,468	28,468	↔
Taxable Value (100k)	\$902,775	\$959,443	↑
Public Safety	2021	2022	Progress
Crimes against persons per thousand residents	0.4	0.2	↑
Crimes against property per thousand residents	21.3	20.9	↑



REVENUE CHAPTER

Revenue Overview

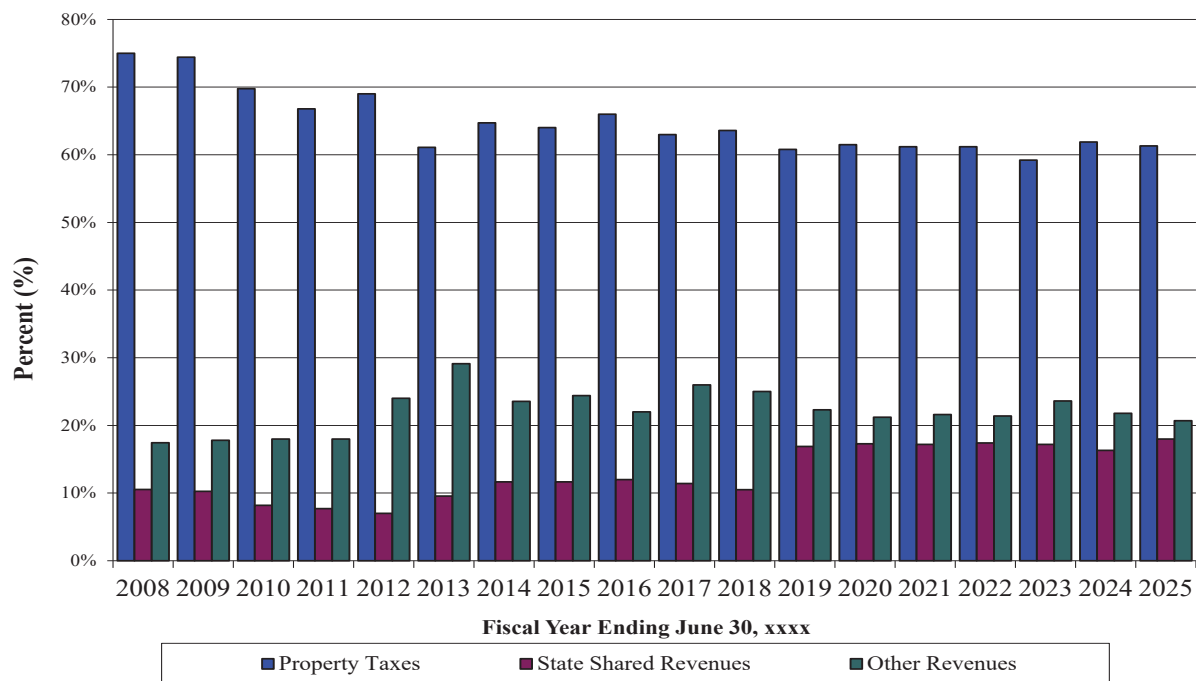
General Fund Revenues are budgeted at \$42.7 million, representing an increase of \$1.1 million or 2.7% from the FY 2024 Amended Budget Revenues exclusive of use of fund balance. This increase is directly related to the inclusion of one-time grant revenues at \$724,182 and an increase in taxable value at 5%.

Base Budget Revenue Changes

The composition of General Fund Revenues includes: Property Taxes at \$26.1 million or 61.3% of total General Fund Revenues; Intergovernmental Revenues at \$7.7 million (18.0%); Court Related Revenues at \$1.7 million (4.1%); Business Licenses/Permits \$1.2 (2.8%); Ambulance/Rescue Insurance Reimbursement of \$850,000 (2.0%); Parks and Recreation \$289,000 (0.7%); Charges for Services of \$266,880 (0.6%); and Other Revenues of \$1.4 million (3.2%); and Transfers In from Other Funds \$3.1 million (7.2%).

In addition, the FY 2025 Budget was balanced without a uses of fund balance.

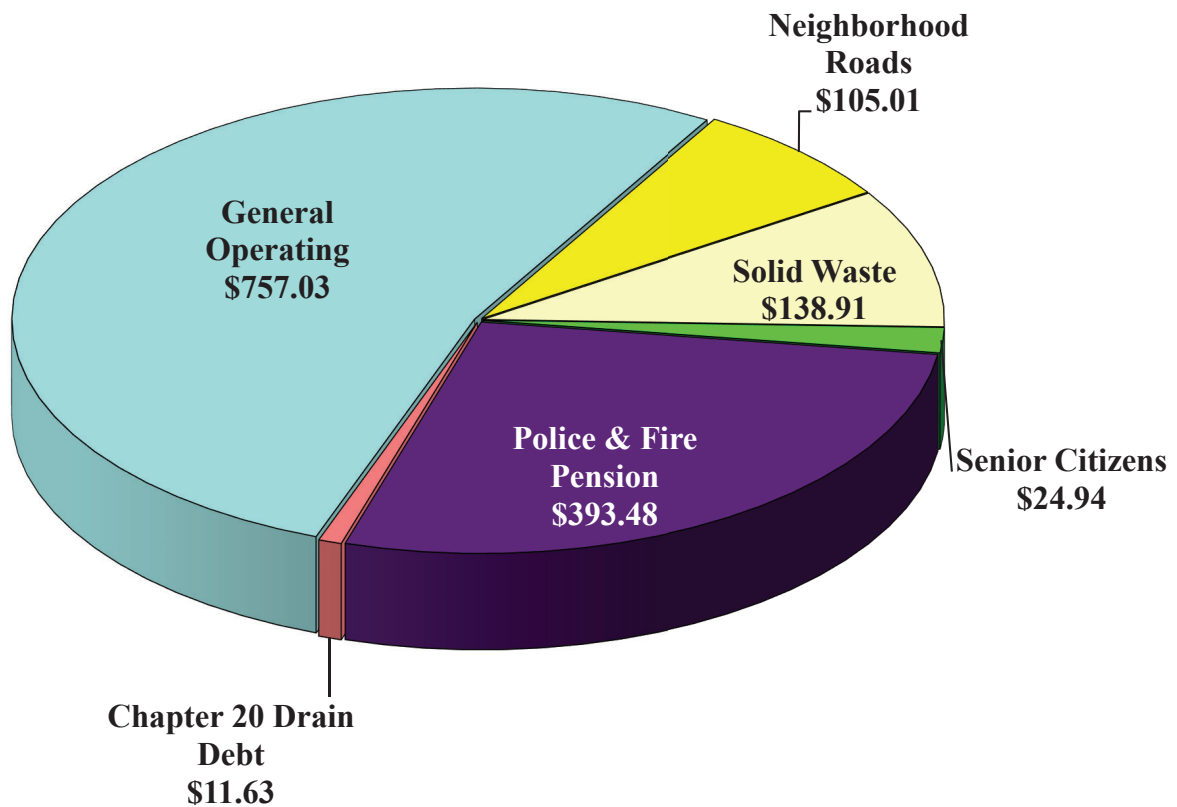
Percentage of General Fund Revenues



The chart above illustrates the City's success in relying on other revenue sources for funding as we take advantage of state and other grant opportunities.

Average City Taxes - FY 2024-2025
Based on Average Home Market Value of \$202,433
(Taxable Value of \$56,212)

Total of \$1,431.00



Approximately 47% 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 2025 combined City tax rate of 25.4572 mills per thousand dollars of State taxable valuation is broken down as follows:

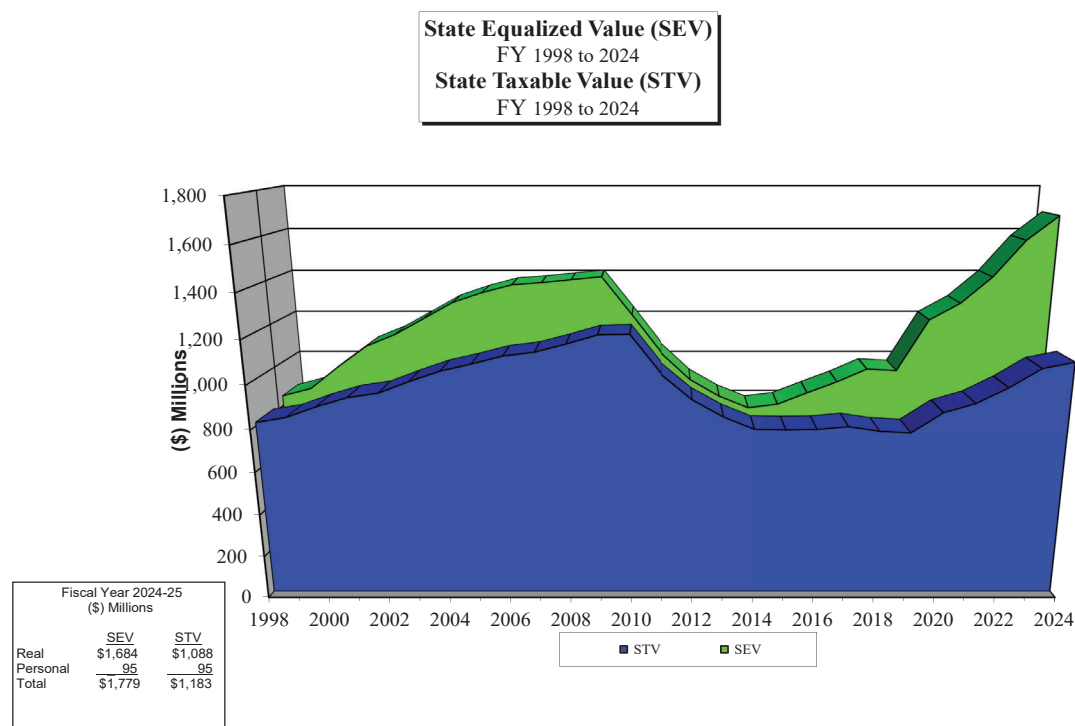
	<u>DOLLARS PER \$1,000 of TAXABLE VALUE *</u>			
<u>Operating Millages</u>	<u>Tax Rate 2023-24</u>	<u>Tax Rate 2024-25</u>	<u>Tax Rate Limits **</u>	<u>Headlee Tax Limits **</u>
General Operating	12.8746	13.4674	16.0000	13.9483
Neighborhood Road Improvements	1.8882	1.8681	2.0000	1.8681
Solid Waste	2.4976	2.4711	3.0000	2.4711
Senior Citizens	0.4484	0.4436	0.5000	0.4436
Police and Fire Retiree Benefits	7.0000	7.0000	as needed	n/a
Chapter 20 Drain Debt	<u>0.8200</u>	<u>0.2070</u>	as needed	n/a
Total Millage	25.5288	25.4572		

*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 2025, the inflation rate has been calculated at 5.0%.

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 2025 of 0.9894. Two 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), 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 10,359 single-family homes and condominiums, 890 commercial parcels, 288 industrial parcels. and 1,721 personal property parcels. The average home market value is \$202,433 (State Equalized Value is \$82,568) with a taxable value of \$56,212 and an average tax bill of \$1,431 for City services for the Fiscal Year 2025.



Taxable property consists of 94.6% real (land and building) and 5.35% 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 property type. 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 2025, the overall taxable value is estimated to grow 10.4%, with equalized value increasing by 17.7%. It is anticipated that for the year, the equalized value will continue to increase while the taxable value is 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; with an inflation rates higher than 5% for FY 2025 this is capped.

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 2025, this revenue is estimated to be \$2.4 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 \$7.2 million or 16.8% 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 2025, the State projects a distribution of constitutional revenue sharing of \$3,773,688 for the City or a 21% (\$655,961) increase over the projected allocation for FY 2024.

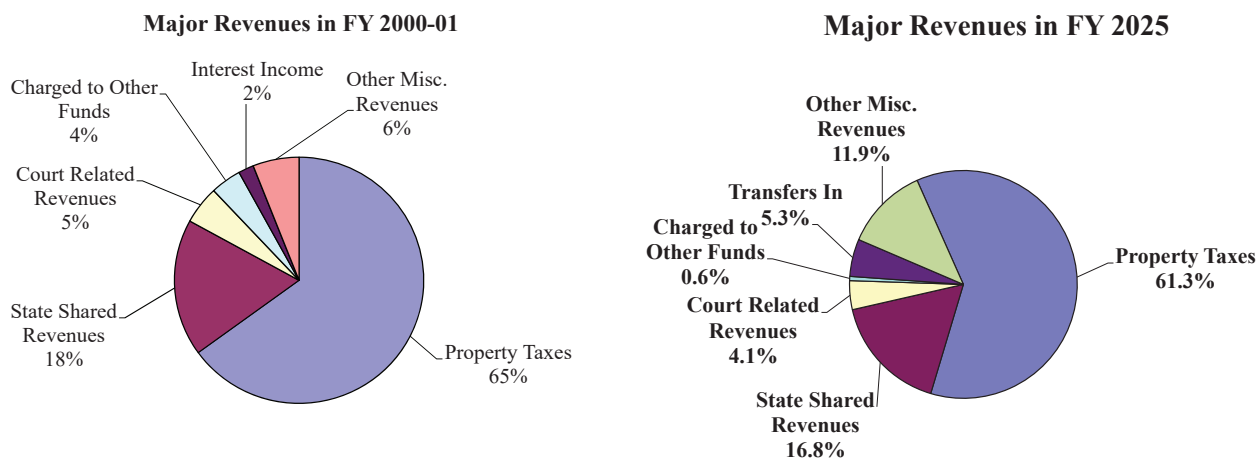
- Statutory - City, Village and Township Revenue Sharing

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 2025, this total for the City is budgeted to be \$690,683. This is being held at status quo from FY 2024.

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 2024-25, they are only 16.8% 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 twenty- three years, local governments have lost millions of dollars due to these changes in state revenues sharing from the State. From fiscal years 2002 through 2025, Madison Heights has lost \$21.6 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 \$4.5 million; by comparison, in 2002, 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 2025, the third-largest revenue source, is Transfer In from other funds. This is due to a transfer from the retiree benefits trust for \$2.2 million, representing a planned utilization of trust assets forecasted by the system's actuary for payment of retiree health care premiums.

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, unlike during the past three fiscal years where the court struggled to operate with COVID restrictions requiring the General Fund to supplement their revenue, this budget does fund the operational cost of the court at \$1.74 million.

The fifth significant revenue is Business License and Permits, which are budgeted at \$1.2 million. These revenues are based on fees charged for license for businesses, landlords and contractors as well as inspection charged for construction permits.

The sixth group of revenue sources, other governmental revenues, includes items that provide between \$100,000 and \$850,000 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 charges to other funds, 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 2025.

Revenue Assumptions

- State Shared Revenues - Based on Michigan Department of Treasury Projections, Constitutional State Shared Revenues (SSR) are budgeted to be \$3,773,688 and City, Village, and Township Revenue Sharing (CVTRS) is budgeted to be \$690,683. 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 10%.

- 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 \$3.6 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 3.06% increase for Madison Heights for water usage in FY 2025. In addition, Oakland County has estimated an increase of 3.0% - 4.0 % for stormwater and sewage disposal. The FY 2025 Budget includes an increase to Madison Heights end-users of 4.02%. This rate increase is necessary to cover the commodity rate increases being charged to the City and planned capital improvements.

OTHER MAJOR FUNDS

Major Street Fund

The largest source of Major Street revenues at \$2.6 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 90.4% of Major Street revenues. Other revenues include reimbursements from the Road Commissions of Oakland and Macomb Counties for winter and summer maintenance by the City on County roads and berm areas and interest income.

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 \$977,507, 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 \$2.03 million in FY 2025 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 a 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 \$44,544 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, while revenues are recovering we are still lagging behind pre recession levels. In FY 2010 the DDA collected \$243,100 in tax revenue FY 2023 is budgeted to collected \$239,521 in tax revenue.

Drug Forfeiture Fund

The Fund is used to account for revenues 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 \$148,924 for FY 2025. 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.

Municipal Building Bond Funds

This fund accounts for the debt repayment associated with the Civic Center Plaza and Fire Station #2 building projects. These capital improvement bonds were issued in April 2022 for the \$6.5 million series 2022 limited-tax general obligation (LTGO); FY 2025, with the budget at \$482,500.

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 0.2070 mills will generate \$819,631 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 and are budgeted to change as follows: Water rate per unit will increase from \$4.26 to \$4.43; Sewer will increase from \$6.30 to \$6.55 per unit;

This budget includes a use of net assets in the amount of \$286,744 for FY 2025 for one-time expenses such as capital assets and infrastructure improvements such as water main replacements.

Motor Pool Fund

Revenues of the Motor Pool Fund are provided exclusively through contributions from departments of the General Fund (\$1,092,546) and the Water and Sewer Fund (\$127,896). 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 2025 includes revenues from the General Fund (\$791,856), Major Street Fund (\$108,389), Local Street Fund (\$173,312) and Water and Sewer Fund (\$1,434,576).

FUND BALANCE

In Madison Heights, the General Fund Fund Balance consists of designations of assigned fund balance for various purposes, totaling \$11.5 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 2024 budget. The following table reflects the audited Fund Balance for the years ended June 30, 2022, and 2023:

	ACTUAL	ACTUAL	CHANGE
FUND BALANCE	FY 2021-22	FY 2022-23	FY 2022 vs. 2023
Unreserved:			
Assigned:			
Vested Employee Benefits	\$2,554,009	\$2,519,768	(\$34,241)
Retained Insurance Risks	1,092,722	1,046,654	(\$46,068)
Capital Improvements	1,906,658	3,149,365	\$1,242,707
Postemployment Benefits	778,283	390,009	(\$388,274)
Technology Improvements	0	0	\$0
Pension Bonds	892,807	900,276	\$7,469
Capital projects-Civic Center and Fire	<u>5,159,868</u>	<u>1,308,543</u>	(\$3,851,325)
Subsequent Year's Expenditures	<u>1,705,053</u>	<u>2,211,835</u>	<u>\$506,782</u>
Total Assigned	\$14,089,400	\$11,526,450	(\$2,562,950)
Legally Resctricted and Nonspendable	<u>7,460,252</u>	<u>2,179,383</u>	(\$5,280,869)
Total Fund Balance	\$21,549,652	\$13,705,833	(\$7,843,819)

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, 2023, this designation was set based on audited records at \$2,519,768 of the Assigned Fund Balance. In 1987, the City started setting aside a portion of

its Fund Balance for possible contingencies related to self-insurance losses. Based on reporting of claims incurred but not reported, staff assigned \$1,046,654 for insurance risk on June 30, 2023.

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, 2023, the assignment for future capital improvements was included at \$3,149,365, with an additional \$1,308,543 for capital projects - renovation of the Civic Center Plaza and Fire Station #2. 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, 2023, those carry-forward purchase designated funds totaled \$2,211,835.

In FY 2017, the City issued Pension Obligation Bonds. On June 30, 2023, one year of debt payments for the principal was assigned at \$900,276, and \$390,009 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 non-spendable, 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, 2023, the City had restricted funds for Capital Project bonds \$1,923,539, and donations of \$137,410.

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 2024-25

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund (1)	\$ 9,482,114	\$ 42,651,696	\$ 42,651,696	\$ 9,482,114	-
Major Street (2)	3,077,886	2,681,857	2,091,009	3,668,734	0.19
Local Street - Non Proposal R (3)	1,137,553	998,720	818,270	1,318,003	0.16
Local Street - Proposal R	2,844,624	2,238,464	1,668,000	3,415,088	0.20
Parks Maintenance and Improvements	582,189	45,544	45,544	582,189	0
Downtown Development Authority	348,766	280,020	570,974	57,812	(0.83)
Police Drug Forfeiture	89,611	250	39,750	50,111	(0.44)
Community Improvement Program	2,951	148,924	148,924	2,951	0
Special Assessments	274,394	0	30,000	244,394	0
Fire Stations Bond Funds	455	0	0	455	0
Municipal Building Bond Fund	46,380	482,500	482,500	46,380	0
Fire Stations Building Funds	0	0	0	0	0
Municipal Building Fund	0	0	0	0	0
Chapter 20 Drain Fund	0	223,440	223,440	0	0
Water and Sewer Fund (4)	4,340,918	13,403,510	13,690,254	4,054,174	(0.07)
Motor Pool and Equipment Fund	0	1,220,442	1,220,442	0	0
Department of Public Services	0	2,508,133	2,508,133	0	0
Total	\$22,227,841	\$ 66,883,500	\$66,188,936	\$22,922,405	0.03

- 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, 2024, the cash portion of retained earnings are projected to be \$4,340,918 with unrestricted net assets estimated to be \$3,896,446.
- The General Fund budget was balanced without a use of fund balance in FY 2025.
- 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 \$1.66 million.
- The Major Street fund is budgeted to contribute \$590,848 to fund balance. At June 30, 2025, the fund balance is projected to be \$3,668,734.
- The Local Street Fund has two components of fund balance. The first includes non-proposal R revenues, which are projected to contribute \$575,464 to fund balance in FY 2025. The second is Proposal R portion a dedicated Roads millage is levied, which is budgeted to contribute \$175,450 to fund balance in FY 2025.

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 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 only when higher resale values and ability to turnover lower mileage vehicles when vehicles exist. We will not consider leasing vehicles that require customized up fitting 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 \$5,000.
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 inter local 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.

LONG-RANGE FINANCIAL FORECAST

November 13	Audit Presented to City Council at Regular City Council Meeting.
December 4	Financial Forecast Presentation at Special Meeting – Strategic Planning

STRATEGIC PLANNING

October 18	City Manager discussed with Department Heads the development of long-term Department needs.
November 10	Deadline for Department Heads to submit their long-term needs for strategic planning. This would include any future challenges you anticipate for the Department.
December 4	First Strategic Planning meeting in AAC (if acoustics are complete) 6:00 – 9:00 pm Financial Overview with an update of current projects and Department activities discussions
December 4-January 9	Department Heads develop action strategies for achieving each primary objective based on Strategic Planning discussion.
January 9-17	City Manager reviews action strategies, and cost and compiles a report and plan for Council review.
January 17	City Manager and Department Heads discuss the strategic plan at Staff Meeting
TBD	Second Strategic Planning meeting in Fire Station 1 6:00-9:00 pm purpose – Primary Objectives/Action Items
January 25	City Manager generates a comprehensive list of overall goals with primary objectives and action plans and sends it to City Council in Weekly Packet
March 6	Line Items to be finalized for the last Strategic Planning Session
March 18 at 6:00 pm	Based on available revenues, City Council discusses and finalized FY 2025 Strategic Plan at Special Workshop Meeting.

CAPITAL IMPROVEMENT PLAN

October 4 th	City Manager Meets with Department Heads and Budget Staff to discuss the upcoming budget year and go over key dates
October 24	Final Deadline for CIP requests to City Manager
October 30-31	City Manager Meets with Department Heads and goes over CIP requests
October 31 to November 17	Staff prepares maps and graphs for CIP document
November 10 to November 20	Staff compiles requests, prepares tables and narrative
November 20 to December 4	Staff produces CIP document
December 4 to December 8	Department Heads review Manager's Draft CIP
December 14	City Council forwarded Five-Year CIP (Council has requested to have document at least two weeks before the meeting)
January 8	City Council receives and files the report

OPERATING BUDGET

October 8	First quarter financial report distributed.
November 1 – December 19	Department heads submit accomplishments, objectives, goals to Adam Owczarzak.
November 1- January 5	Review of contractor agreements/rates, if applicable.
December 5	Human Resources surveys departments on projected retirements.
December 25 to December 26	Christmas Holidays
January 1 to January 2	New Year Holidays
January 8	City Council Adopts Capital Improvement Plan
January 5	Second Quarter financial report distributed/second quarter revenue estimates and expenditure review complete.
January 22	City Council considers an adoption of FY 2024 Budget Amendments.

December 19 – January 5	City Manager reviews departmental accomplishments, and goals and objectives.
January 8	Department Heads estimate department revenues and review/update the Fee schedule (included in the budget) and propose any changes to City Manager for consideration.
January 5	Preparation of Personnel Schedules by Finance Department submits to the City Manager for review; Motor Pool budget submitted to City Manager for review.
January 10	Finance Department prepares account tables (i.e. insurance, motor pool, transfers, utilities, communication, etc.).
January 15	Martin Luther King, Jr. Holiday
January 19	Budget information is submitted to the Departments for completion of the department submittals
February 6 (projected)	Governor's State of State Address with Proposed Budget Revenue Sharing amounts to follow in two to four weeks.
February 8	Deadline for submission of department budget requests/justification.
February 14 to February 16	City Manager's review of budget requests with Department Heads.
February 19	Presidents' Day Holiday
February 16	Finance Department prepares all revenue estimates/County Assessor prepares initial tax revenue estimates.
February 21	Water rate study updated
March 6 to April 1	Staff produces copies of documents and Web version.
April 5	Third Quarter financial report distributed; meetings with departments regarding estimates and expenditure review.
April 5	Budget delivered to Council - Policy & Summary Budget

- Detailed Line Item Budget

March 29

Good Friday

April 15

Tentative Council Budget Workshop – Monday at 6:00 pm

May 13

Public Hearing and Adoption of Budget & Tax Levy.

May 27 (Projected)

Official GLWA water and sewer rates expected.

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 \$30.2 million or 45.6% of the Total Budget and approximately \$28.6 million or 62.8% of the General Fund Budget. Personnel Services across all funds are up \$2.7 million when compared to the FY 2024 Amended Budget. This large increase is due to the several factors, including wage increases, pension contributions, and additional positions. Based upon market analysis, in an effort to bring Madison Heights employees in line with surrounding and comparable communities, the City offered, and the City Unions accepted a wage reopener with an increase in January 2024 as approved by City Council. The City is also contributing \$1.0 million more than in FY 2024 to the two pension systems to address the underfunding. Last are the changes to budgeted positions, including the full-time additions of a Special Projects/Grant Administrator, three Emergency Medical Technicians, a Motor Pool Mechanic, part -time additions of an Animal Shelter Assistant, and Election Workers hours. We are also eliminating a part-time year round laborer in the Department of Public Services.

Except for nine 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, 2026. These contracts include wage increases \$1 or \$2 per hour in January 2024, 2.25% in FY 2025 and 3% in FY 2026.

Medical Costs

Health care coverage is one of the largest fringe benefit cost component for the City, The FY 2025 budget includes a 4.98 increase to medical insurance for active employees based on projections from the City's health care consultant.

- **Health Care Coverage - Current Employees**

The largest fringe benefit cost is budgeted at \$3.2 million in FY 2025 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.

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 that were not yet on Medicare at that time were enrolled in this plan effective July 1, 2021, and retirees that were on Medicare were 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, 2023, the City has accumulated a net position for both health care trusts of \$42.2 million, and a reduced liability of \$36.3 resulting in 106.56% funding for Police and Fire and 134.91% 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 percentage of these trusts, retiree health care premiums that were once paid from the operations budget to be paid from these trusts. For illustration purposes these retiree line items were budgeted at over \$3.3 million in FY 2023; in FY 2025 these line items total \$311,525

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 increase the funding level of the pension system.

- 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 remain status quo in FY 2025 budget across all funds at \$219,437.

- 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 comprehensive risk services (CRS) 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 CRS 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 twelve years (FY 2011-2024) was \$3,290,910 and the savings during this same time period is estimated to be \$2,649,199

- 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 remain at status quo for FY 2025 budget at \$58.32 for single coverage; \$105.00 for couple; and \$163.32 for family. Optical Insurance is budgeted at \$18,105. 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 172 active employees, only 22 employees still receive longevity. Longevity is budgeted at \$111,386 in FY 2025.

Pensions

The largest fringe benefit cost component is the employer's contribution to the pension systems. This expense is budgeted to be \$9.0 million in FY 2025 as compared to \$7.9 in FY 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). At June 30, 2023 the Police and Fire Pension was only 55% or \$50.1 million of a \$91.1 million liability. FY 2025 budget continues to address this system funding by budgeting a pension contribution of \$3.5 million for Fire and \$4.4 for Police. In addition, the City received a Protecting MI Pension Grant for \$3.6 million to the Madison Heights Police and Fire Pension System. This grant, coupled with the additional budget funding that started in FY 2023, should increase the funding level of this system to over 65-70% by June 30, 2025.

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 8.0% 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 \$1.1 in FY 2025 as compared to \$464,444 in FY 2024 .

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 2025 for POB principal and interest are \$1.18 million. the budgeted actuarially required contributions because the City is now only required to fund the normal cost annually. with this contribution, the City's General Employees pension was considered 100% funded until calendar year 2021 when MERS assumption and actuareal calculations started showing a decline. At December 31,2022 (The most recent acturial report) we are estimated to be 94% funded.

Supplies and Other Services and Charges

In the non-personnel service areas of supplies, the department's budgets have decreased 0.2% or \$3,639 overall across all funds when compared to the Amended Budget for FY 2024.

The area of Other Services and Charges increased 3.1% or \$642,599 overall across all funds when compared to the Amended Budget for FY 2024. The increase is primarily related to budgeted increases for the purchase of water and sewage treatment.

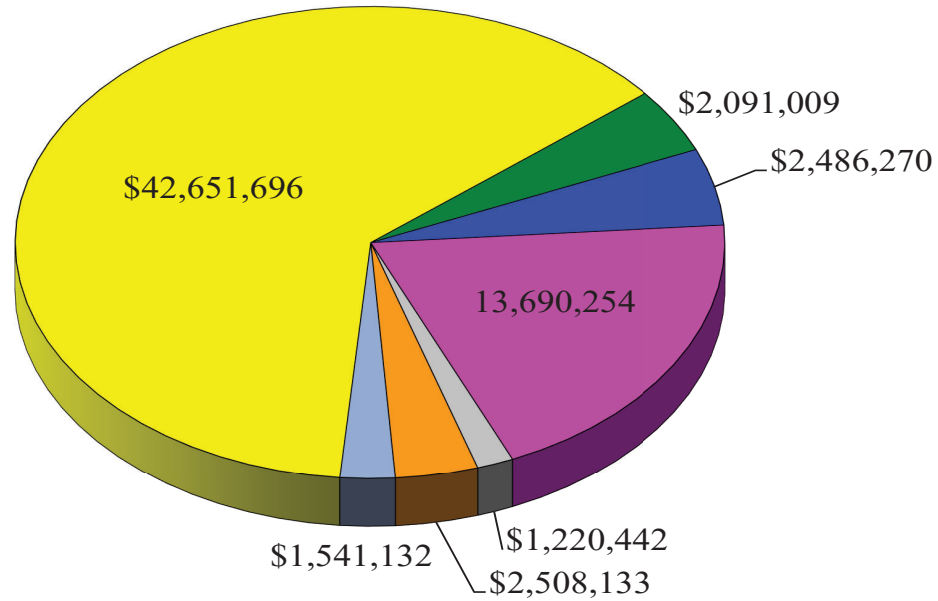
Capital Outlay

Capital Outlay purchases for FY 2025 total \$4.2 million for the General Fund and \$6.0 million for all other funds.

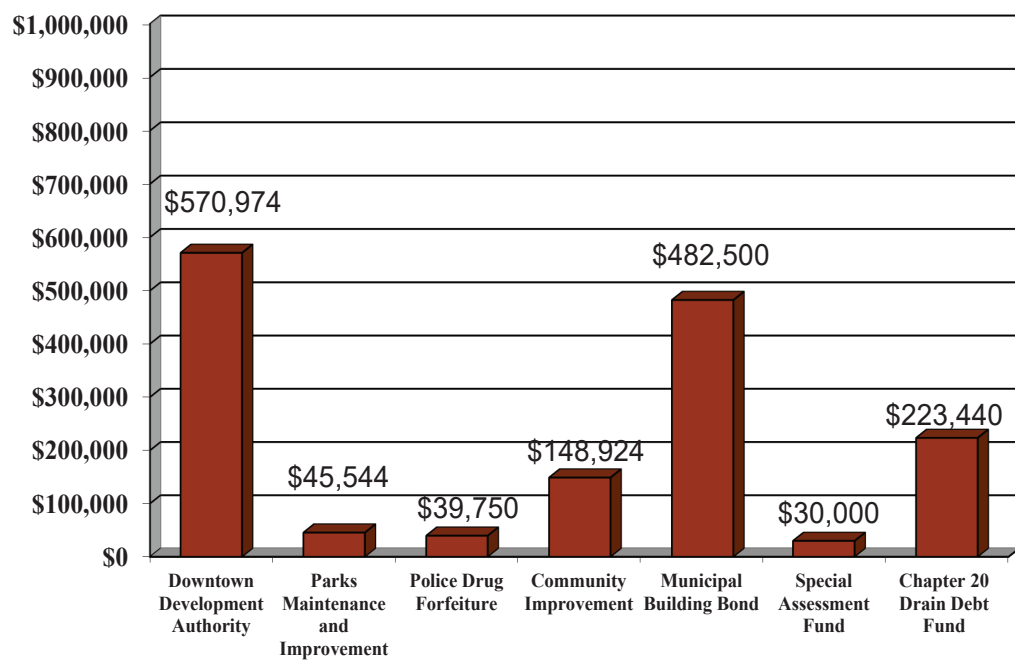
More details on these purchases including the budgeted dollar amounts can be found in the Department Chapters, Capital Improvement Plan and the Capital Outlay section of the policy documents.

ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2025



Other Funds



Almost 50% of the City's operations are supported through the General Fund and 20% the Water and Sewer Fund

ALL FUNDS SUMMARY

FISCAL YEAR 2024-25

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture	Community Improvement
City Council	\$ 61,875	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District Court	1,741,108	0	0	0	0	0	0
City Manager	413,338	0	0	0	0	0	0
Elections	139,284	0	0	0	0	0	0
City Assessor	245,242	0	0	0	0	0	0
Legal	375,000	0	0	0	0	0	0
City Clerk	448,646	0	0	0	0	0	0
Human Resources	533,225	0	0	0	0	0	0
Board of Review	3,043	0	0	0	0	0	0
General Administration	605,116	0	0	0	0	0	0
Finance	916,912	0	0	0	0	0	0
Information Technology	539,590	0	0	0	0	0	0
Municipal Building	186,662	0	0	0	0	0	0
Custodial & Maintenance	194,488	0	0	0	0	0	0
Police	14,416,351	0	0	0	0	39,750	0
Fire	10,206,231	0	0	0	0	0	0
Community Development	1,259,906	0	0	0	543,246	0	148,924
Streets	1,348,722	2,091,009	2,486,270	0	0	0	0
Solid Waste	4,368,731	0	0	0	0	0	0
Recreation	396,436	0	0	0	0	0	0
Nature Center	0	0	0	0	0	0	0
Parks	986,164	0	0	45,544	0	0	0
Active Adult Center	476,226	0	0	0	0	0	0
Library	997,292	0	0	0	0	0	0
Water and Sewer	0	0	0	0	0	0	0
Insurance/Bonds/Transfers	1,792,108	0	0	0	27,728	0	0
Motor Pool	0	0	0	0	0	0	0
Department of Public Services	0	0	0	0	0	0	0
Total Appropriations	\$ 42,651,696	\$ 2,091,009	\$ 2,486,270	\$ 45,544	\$ 570,974	\$ 39,750	\$ 148,924

ALL FUNDS SUMMARY

FISCAL YEAR 2024-25

Municipal Building Debt Fund	Water and Sewer Fund	Motor Pool and Equipment Fund	Department of Public Services	Chapter 20 Drain Debt Fund	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,875	City Council
-	-	-	-	-	1,741,108	District Court
-	-	-	-	-	413,338	City Manager
-	-	-	-	-	139,284	Elections
-	-	-	-	-	245,242	City Assessor
-	-	-	-	-	375,000	City Attorney
-	-	-	-	-	448,646	City Clerk
-	-	-	-	-	533,225	Personnel
-	-	-	-	-	3,043	Board of Review
-	-	-	-	-	605,116	General Administration
-	-	-	-	-	916,912	Finance
-	-	-	-	-	539,590	Information Technology
-	-	-	-	-	186,662	Municipal Building
-	-	-	-	-	194,488	Custodial & Maintenance
-	-	-	-	-	14,456,101	Police Department
-	-	-	-	-	10,206,231	Fire
-	-	-	-	-	1,952,076	Community Development
-	-	-	-	-	5,956,001	Streets
-	-	-	-	-	4,368,731	Solid Waste
-	-	-	-	-	396,436	Recreation
-	-	-	-	-	-	Nature Center
-	-	-	-	-	1,031,708	Parks
-	-	-	-	-	476,226	Active Adult Center
-	-	-	-	-	997,292	Library
-	13,538,492	-	-	-	13,538,492	Water and Sewer
482,500	151,762	-	-	223,440	2,677,538	Insurance/Bonds/Transfers
-	-	1,220,442	-	-	1,220,442	Motor Pool
-	-	-	2,508,133	-	2,508,133	Department Public Services
<hr/> \$ 482,500	<hr/> \$ 13,690,254	<hr/> \$ 1,220,442	<hr/> \$ 2,508,133	<hr/> \$ 223,440	<hr/> \$ 66,188,936	Total Appropriations

ALL FUNDS APPROPRIATIONS

PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES

FISCAL YEAR 2024-25

Activity	Personnel Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 56,735	\$ 325	\$ 4,815	\$ -	\$ 61,875
District Court	1,204,718	31,900	416,990	87,500	1,741,108
City Manager	401,972	400	10,966	-	413,338
Elections	95,878	16,700	26,706	-	139,284
City Assessor	-	-	245,242	-	245,242
Legal	-	-	375,000	-	375,000
City Clerk	406,640	5,500	36,506	-	448,646
Human Resources	274,919	350	257,956	-	533,225
Board of Review	2,373	-	670	-	3,043
General Administration	441,139	59,182	74,795	30,000	605,116
Finance	816,700	7,250	92,962	-	916,912
Information Technology	-	51,000	292,840	195,750	539,590
Municipal Building	-	-	66,662	120,000	186,662
Custodial & Maintenance	16,874	21,700	155,914	-	194,488
Police	12,948,680	136,000	788,876	582,545	14,456,101
Fire	8,486,558	127,400	680,086	912,187	10,206,231
Community Development	705,915	8,300	782,861	455,000	1,952,076
Streets	17,318	330,033	1,891,922	3,716,728	5,956,001
Solid Waste	71,984	12,340	2,812,607	1,471,800	4,368,731
Recreation	255,815	72,418	68,203	-	396,436
Nature Center	-	-	-	-	-
Parks	31,952	41,850	440,906	517,000	1,031,708
Active Adult	260,460	130,992	84,774	-	476,226
Library	654,179	32,000	151,113	160,000	997,292
Insurance and Transfers	-	-	764,000	-	764,000
Debt Service	-	-	1,885,810	-	1,885,810
Water and Sewer	389,653	3,082,426	7,854,142	2,239,999	13,566,220
Motorpool	451,662	265,700	503,080	-	1,220,442
Department of Public Services	2,497,777	-	10,356	-	2,508,133
Total Appropriations	\$ 30,489,901	\$ 4,433,766	\$ 20,776,760	\$ 10,401,009	\$ 66,188,936

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 \$744,890 across all funds for FY 2025.

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 \$ 2,649,199 (FY 2011-2024). The administrative costs are allocated to individual budget activities of the City, based on payroll exposure. The actual workers compensation payments of claims will be allocated to the department where the worker's compensation claims are generated. Please refer to the Personnel

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

Special Events Insurance Requirements

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

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

DEBT ADMINISTRATION

The City's current Governmental Activities General Obligation long-term debt outstanding is \$17.0 million. This amount includes \$2.5 million of vested employee benefits; and \$14.5 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 April 2022 when the City secured an upgraded 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 oversight with "good" financial policies and practices under the financial management assessment methodology; low debt burden relative to tax base; strong institutional framework, including operating surpluses in the general fund and at the total governmental fund level; very strong reserves and liquidity.

As of June 30, 2025, the City will be at 10.31% of the City's debt limit of \$167 million, which is based on 10% of assessed valuation. The City has general obligation bonds outstanding in the amount of \$6.4 million of a new issue for Civic Center Project Bond, and \$8,210,000 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 \$306,404.

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, 2025:

I. Civic Center Project Bond in the amount of \$6.4 million was 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. 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 \$10.9 million with Madison Heights's share being \$1.1 million. The bond and interest payments are being paid from a Chapter 20 Drain Debt tax levy, with \$306,404 principal remaining.

III. The State has authorized, through Public Act 329 of 2013, municipalities to bond to pay the cost for pension and post-employment benefit liability, upon the satisfaction of certain conditions including issuance on or before December 31, 2018, a municipal credit rating in the AA category

or higher, plans being closed to new hires, the preparation of a comprehensive financial plan, and approval from the Michigan Department of Treasury.

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

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

Legal Debt Margin
(Amounts expressed in thousands)
June 30, 2024

Calculation of debt limit:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
State equalized valuation	\$ 1,135,111	\$ 1,211,277	\$ 1,287,299	\$ 1,394,386	\$ 1,541,632	\$ 1,677,989
10% of assessed value	<u>113,511</u>	<u>121,128</u>	<u>128,730</u>	<u>139,439</u>	<u>154,163</u>	<u>167,799</u>
Calculation of debt subject to limit:						
Total debt	\$ 19,053	\$ 17,392	\$ 14,565	\$ 18,835	\$ 20,764	\$ 18,832
Less: debt not subject to limit:						
General obligation (2)	4,063	3,277	2,836	1,895	1,378	1,533
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt subject to limit	<u>\$ 14,990</u>	<u>\$ 14,115</u>	<u>\$ 11,729</u>	<u>\$ 16,940</u>	<u>\$ 19,386</u>	<u>\$ 17,299</u>
Legal debt margin available (1)	<u>\$ 98,521</u>	<u>\$ 107,013</u>	<u>\$ 117,001</u>	<u>\$ 122,498</u>	<u>\$ 134,777</u>	<u>\$ 150,500</u>
Net debt subject to limit as % of debt limit	13.21%	11.65%	9.11%	12.15%	12.58%	10.31%

(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, 2025**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>**Civic Center Project</u> <u>General Obligations</u>	<u>Kuhn Drain</u> <u>Obligations</u>	<u>Pension</u> <u>Obligation</u>	<u>Total</u>
2025	\$ 481,000	\$ 73,393	\$ 1,178,689	\$ 1,733,082
2026	481,600	73,658	1,178,230	1,733,488
2027	481,800	63,977	1,175,690	1,721,467
2028	481,600	63,644	1,175,482	1,720,726
2029	481,000	52,593	1,172,315	1,705,908
2030	480,000		1,171,149	1,651,149
2031	478,600		1,167,425	1,646,025
2032	476,800		1,166,239	1,643,039
2033	479,500			479,500
2034	481,600			481,600
2035	478,200			478,200
2036	479,300			479,300
2037	479,800			479,800
2038	484,600			484,600
2039	478,800			478,800
2040	477,500			477,500
2041	480,500			480,500
2042	477,800			477,800
2043	479,400			479,400
Totals	\$ 9,119,400	\$ 327,265	\$ 9,385,219	\$ 18,831,884

Civic Center Project General Obligation Bonds

Date of issue - June 9, 2022

Payment Date:

Principal, November 1

Interest, November 1 and May 1

Amount of issue - \$6,390,000

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2025	\$ 230,000	\$ 251,000	\$ 481,000
2026	240,000	241,600	481,600
2027	250,000	231,800	481,800
2028	260,000	221,600	481,600
2029	270,000	211,000	481,000
2030	280,000	200,000	480,000
2031	290,000	188,600	478,600
2032	300,000	176,800	476,800
2033	315,000	164,500	479,500
2034	330,000	151,600	481,600
2035	340,000	138,200	478,200
2036	355,000	124,300	479,300
2037	370,000	109,800	479,800
2038	390,000	94,600	484,600
2039	400,000	78,800	478,800
2040	415,000	62,500	477,500
2041	435,000	45,500	480,500
2042	450,000	27,800	477,800
2043	470,000	9,400	479,400
	<u>\$ 6,390,000</u>	<u>\$ 2,729,400</u>	<u>\$ 9,119,400</u>

George W. Kuhn Drain Water & Sewer Obligations - Amount of Issue - \$115,356,820

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 2007 Refinancing B & E Aug. 2007 (Total \$12,460,000 Madison Heights Share \$1,311,143)

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

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

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

Combined Issue Total \$115,356,820 Madison Heights Share \$12,157,077

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

Fiscal Year	Total		
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
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>\$ 306,404</u>	<u>\$ 20,861</u>	<u>\$ 327,265</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>
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	<u>1,145,000</u>	<u>21,239</u>	<u>1,166,239</u>
	\$ 8,210,000	\$ 1,175,219	\$ 9,385,219

PERSONNEL AND POSITIONS

The City of Madison Heights employs 172 full-time positions yielding 6.0 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 \$30.2 million or 45.6% of the Total Budget and approximately \$26.8 million or 62.8% of the General Fund Budget.

Total personnel costs have increased \$2.7 million compared to the FY 2024 Amended Budget. Several factors contribute to this increase including wage increases, pension contributions and the addition of positions. Based upon market analysis, in an effort to bring Madison Heights employees in line with surrounding and comparable communities, the City offered, and the City Unions accepted a wage reopener with an increase in January 2024 as approved by Council. The City is also contributing \$1.0 million more than FY 2024 into the two pension systems to address the under funding (see Pension for more details) Changes to budgeted positions include full time additions of a Special Projects/ Grant Administrator, three Emergency Medical Technicians (EMTs) , a MotorPool Mechanic, part time Animal Shelter Assistant, and part time Election Worker hours, and elimination of a part time Year Round Laborer in the Department of Public Services.

Except for nine 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, Fraternal Order of Police. 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 agreements that will expire June 30, 2026, with the wage reopener/contract extension mentioned above. These contracts include wage increases of \$1 or \$2/ hour in January 2024, 2.25% in FY 2025, and 3.0% in FY 2026.

Personnel Actions

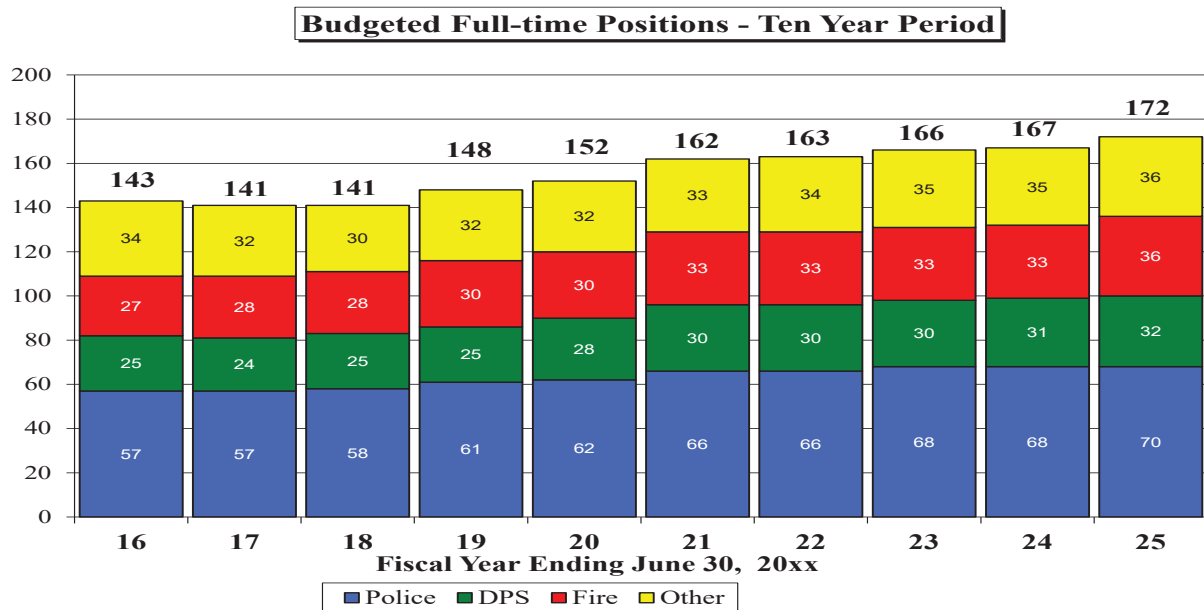
The FY 2024-25 Budget reflects a total net increase of 5.27 full-time equivalencies (FTEs). The increase to budgeted positions results from additions of a full time Special Projects/Grant Administrator, three Emergency Medical Technicians (EMT's) Motorpool Mechanic, part time Animal Shelter Assistant, increase in Election Worker hours. The City also eliminated a part time Year Round Laborer budgeted in Motor Pool to partially offset the new full time Mechanic. 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 FY 2025. Even though Proposal MH passed, the City must remain vigilant not to over-extend itself on additional personnel whose wages and benefits compound each year. While we have added several positions this year, it is anticipated that the salaries for the Special Project/Grant Administrator as well as the EMT's will be offset by grant administrative fees and use fees to the city. 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, 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.

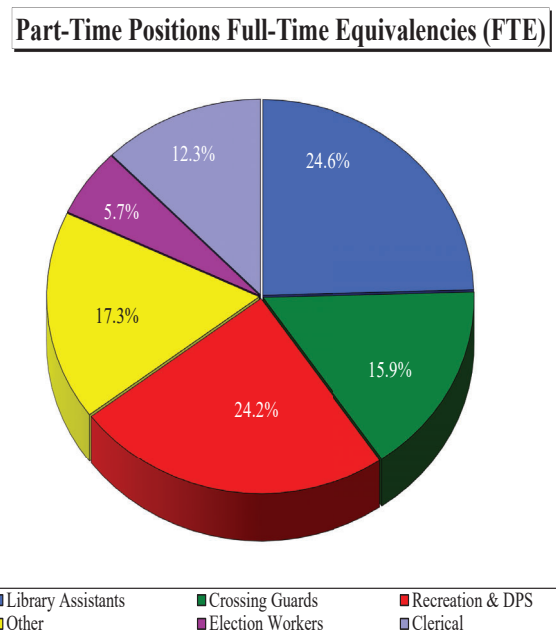
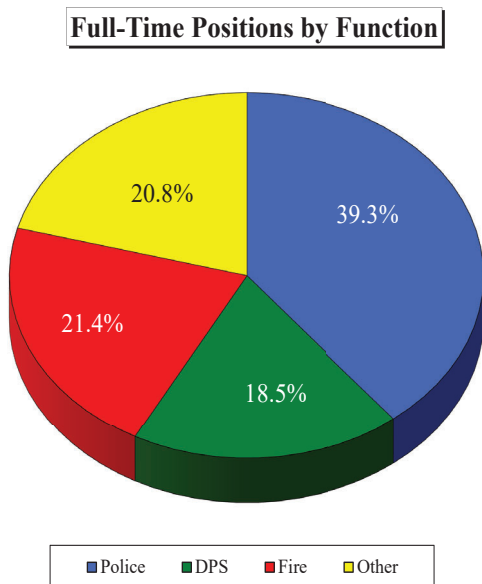
The Work Force at a Glance

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.



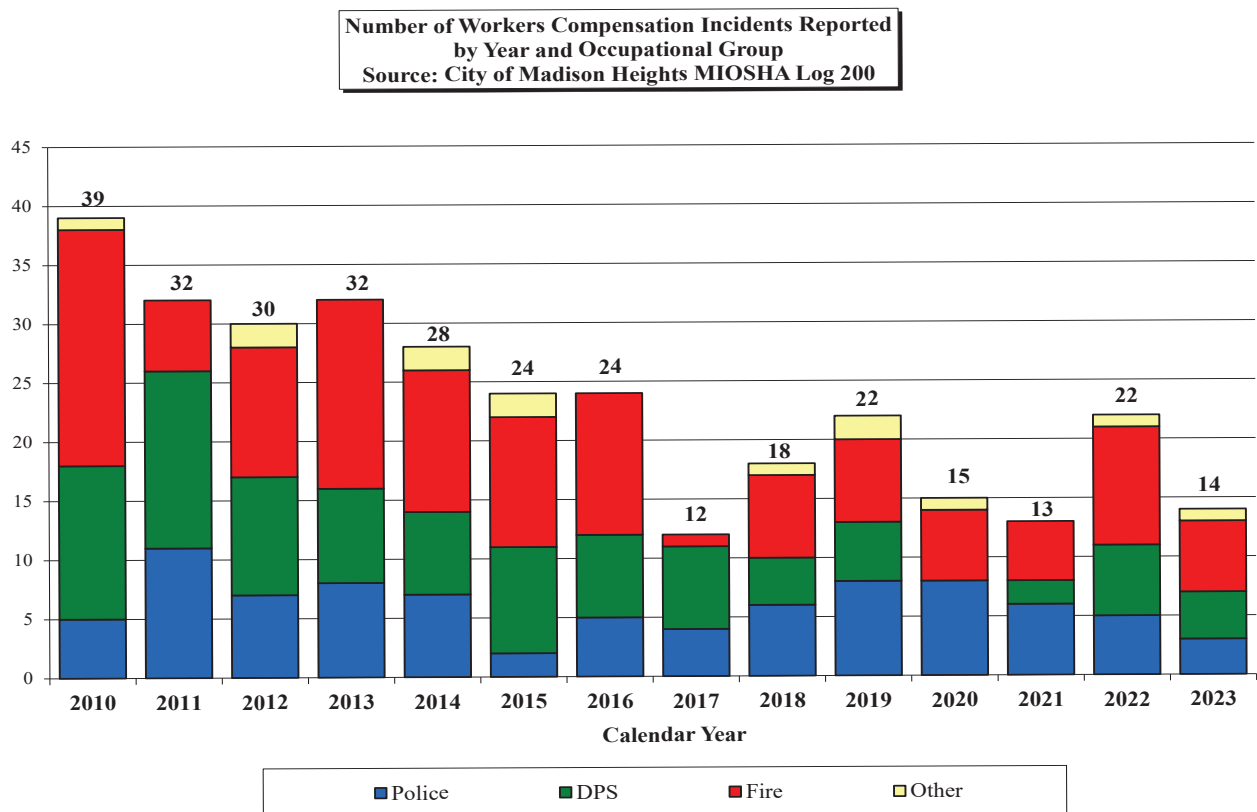
Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2025. An Organizational Chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.



On-The-Job Injury Experience

In August of 1998, the Human Resources Department implemented a return-to-work program wherein employees 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; however, the reportable cases jumped to 22 in 2022, which is in line with numbers just before the pandemic.

As part of the FY 2010-11 Budget, the City moved to a self-insurance plan. The City initially contracted with a third-party administrator (Citizen Management, York Risk Services, now Sedgwick) and converted to pay-as-you-go claims.



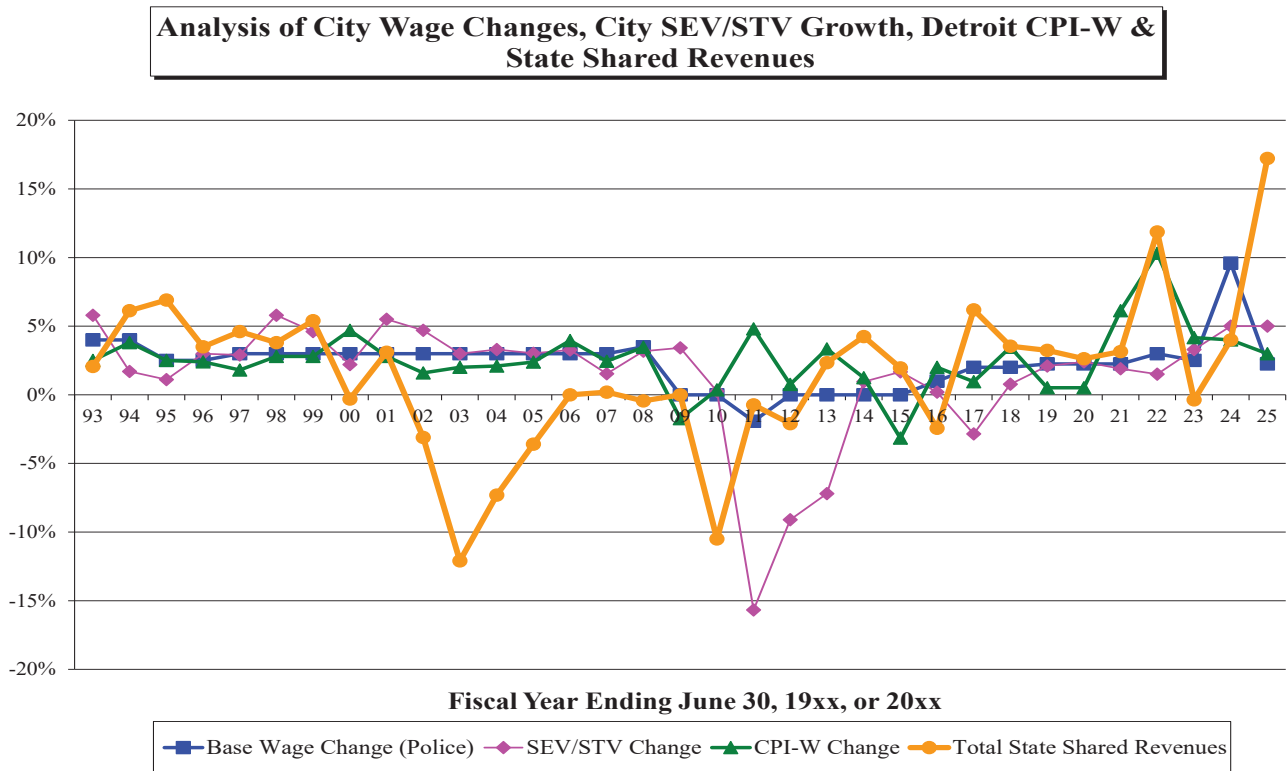
The City, through Sedgwick, trained Department Heads and Supervisors regarding workers' compensation and how the City can manage costs better now that we are self-funded. As a result, the City has succeeded in self-funding our workers' compensation program as the number of incidents has dropped to 13 from the 14 year high of 39. The cost to the City over the past thirteen years (FY 2011-2024) was \$3,290,910, and the savings during this same period is estimated to be \$2,649,199. Due to some reoccurring service issues with Sedgwick in 2022, the City received quotes from third party administrators and recommended that Council approved a contract with Comprehensive Risk Services (CRS). The Contract was approved and began on July 1, 2023, after the final turnover of data from Sedgwick, CRS has taken over all existing and new claims with higher levels of communication and support.

ALL FUNDS
FULL TIME AND PART TIME POSITIONS
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)

	<u>Budget 2022-23</u>			<u>'22 to '23</u>	<u>Estimated Budget 2023-24</u>			<u>Estd '23 to '24</u>	<u>Estimated Budget 2024-25</u>			<u>Estd '24 to '25</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	3	0	2.8000	1.0000
City Assessor	0	0	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0.0000	0.0000
City Clerk	3	73	4.3200	0.0000	3	73	4.3200	0.0000	3	73	4.4672	0.1472
Human Resources	2	0	1.5000	0.0000	2	0	1.5000	0.0000	2	0	1.6250	0.1250
General Administration	1	0	1.5000	0.0000	1	1	2.0333	0.5333	1	1	2.1583	0.1250
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	68	19	72.1550	2.9500	68	19	72.1550	0.0000	68	19	72.5050	0.3500
Fire	33	0	33.0000	0.0000	33	0	33.0000	0.0000	36	0	36.0000	3.0000
Community Development	6	1	6.7500	0.2500	6	2	7.0666	0.3166	6	2	7.0666	0.0000
Library	4	11	9.5603	0.0000	4	11	9.3333	-0.2270	4	11	9.3333	0.0000
Department of Public Service (Prior to FY 2017-18)												
Custodial & Maintenance	0	0	0.1000	0.0000	0	0	0.1000	0.0000	0	0	0.1000	0.0000
Streets	0	0	0.1000	0.0000	0	0	0.1000	0.0000	0	0	0.1000	0.0000
Solid Waste	0	0	0.3800	0.0000	0	0	0.3800	0.0000	0	0	0.3800	0.0000
Recreation	1	14	3.2769	0.0000	2	13	3.6469	0.3700	2	13	3.6469	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	23	8.4219	0.0000	4	22	8.7919	0.3700	4	22	8.7919	0.0000
Total	138	131	157.1001	3.2000	139	132	158.0931	0.9929	143	132	162.8403	4.7473
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
Total	1	0	1.0000	0.0000	1	0	1.0000	0.0000	1	0	1.0000	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	0.0000	2	0	1.5200	0.0000	2	0	1.5200	0.0000
Total	2	0	1.5200	0.0000	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	4	0	4.0000	0.0400
DPS Fund (Beginning FY 2017-18)	22	1	22.6750	0.0000	22	1	22.6750	0.0000	22	2	23.1550	0.4800
Total All Funds	166	134	186.2551	3.2000	167	135	187.2481	0.9929	172	134	192.5153	5.2673

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.

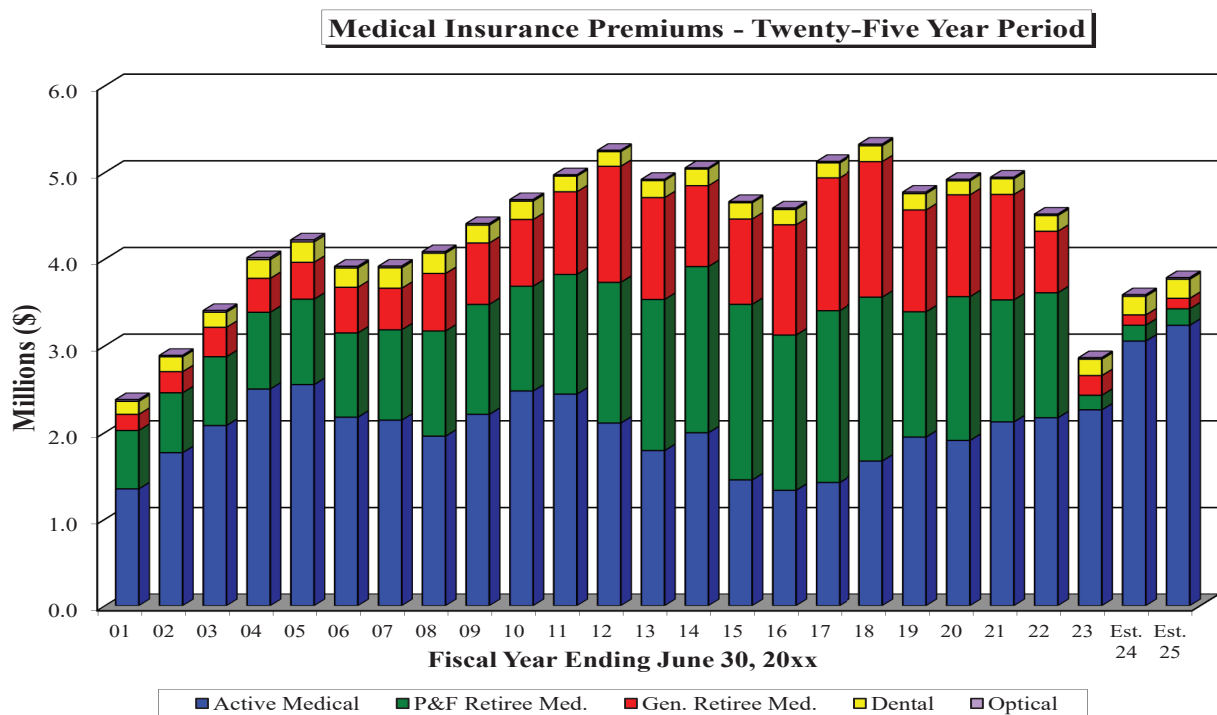


The mild recession of the early nineties is reflected in the downward trend in STV for those years. Beginning in FY 1993-94, wages and inflation start to converge while STV managed modest increases until 2001. Since FY 1994-95, wages and CPI-W average less than 4% while STV fluctuated more due to new 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. From FY 2014- FY 2021, the CPI-W increased an average of only 1.76%, the same was true for SEV/STV changes inflation rate through FY 2022, which lags the economy by approximately a year. However, starting in FY 2022 inflation was 6.4%-8.1% while SEV/STV inflation is capped by state law at the rate of inflation or 5% whichever is less. This equates to FY 2023 SEV/STV inflation being set at 3.3%, FY 2024 set at 5%, and FY 2025 set at 5%. This makes it difficult for municipalities in Michigan to keep up with inflationary increase to wage and benefits.

Medical Insurance

Medical insurance is one of the most important fringe benefits to monitor, with an eye toward cost control. The FY 2025 budget includes a 4.98% 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 2013 for medical is due to the City's move to Community Blue PPO 4 ("CB4"), which for the first time included deductible 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 2024 and FY 2025 are estimated.

Pursuant to Public Act 152, City Council passed a Resolution in December 2012, and each following year, through 2018, 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 at least through the current settled contracts to June 30, 2025, 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 deductible 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, which may once again change after the 2024 election.

One of the City's most innovative attempts to curb healthcare 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 were estimated to be over \$750,000 for the first year.

January 2024 was our 8th year operating the MiLife Health and Wellness Center. During these eight years of operations, we averaged a utilization rate of 67.6%. We have saved \$286,642 in hard dollars over this period and have averaged savings of \$35,831 per year. In addition, each year, CareHere/Premise Health analyzes the number and types of health issues diagnosed in the center and estimates a potential long-term savings has the diagnosis gone undetected; this "soft dollar" savings is \$97,793. In addition, the employees have saved \$44,944 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 2022, a flood in the basement due to the construction at City Hall also impacted operations.

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 continues to make 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 Study	Funding Ratio	Underfunded
Police and Fire Pension	June 30, 2023	55.0%	Yes
General Pension	December 31, 2022	94%	No
General Retiree Health Care	June 30, 2023	134.91%	No
Police and Fire Retiree Health Care	June 30, 2023	106.56%	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 the health insurance plan for active employees. These retirees will now receive the same health insurance as provided to active employees, which is currently a Community Blue PPO with a \$5/\$40/\$80 drug card. All retirees were enrolled in this plan 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, 2023, the City has accumulated a plan fiduciary net position in both trusts of \$42.2 million, resulting in 106.56% funding for Police and Fire and 134.9% 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 2025 budget for retiree health care of \$311,525 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.

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 \$9.0 million in FY 2025. 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). As of June 30, 2023 the Police and Fire Pension was only 55% funded or \$50.1 million of a \$91.1 million liability. The City's FY 2025 budget continues to address this system funding by budgeting a pension contribution of \$3.5 million for Fire and \$4.4 for Police. In addition, the Michigan Department of Treasury recently launched the Protecting MI Pension Grant Program. Under this program, the state treasury appropriated \$750 million for qualified pension systems with a funded ratio below 60%. Under the grant guidance, the City received an additional \$3.6 million awarded to the Madison Heights Police and Fire Pension System. This Grant, coupled with the additional budget funding that started in FY 2023, should increase the funding level of this system to 65% - 70% by June 30, 2025.

This plan remains open to all new hires in the Police and Fire Departments; however, starting in 2009, new hires can only count base wage into their final average compensation, and the pension multiplier was adjusted from 2.8% to 2.5%.

In regard to the MERS plan, all general employee groups, including non-union, have agreed to close the pension plans changing pension benefits for new hires from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. These DC plans are funded at 7.0% by the City with variable employee contributions by union. When a plan changes from DB to DC, the plan becomes closed, and the remaining unfunded liability is revised to be paid at a flat dollar amount for the number of employees.

The budget for the employer contribution to MERS on behalf of the General Employee's Pension Fund is projected be \$1.1 million in FY 2025. 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 2025 for POB principal and interest are \$1.18 million. With this contribution, the City's General Employee pension was considered 100% funded until the calendar year 2021 when MERS assumptions and actuarial calculations started showing a decline. At December 31, 2022 (the most recent actuarial report) we are estimated to be 94% funded.

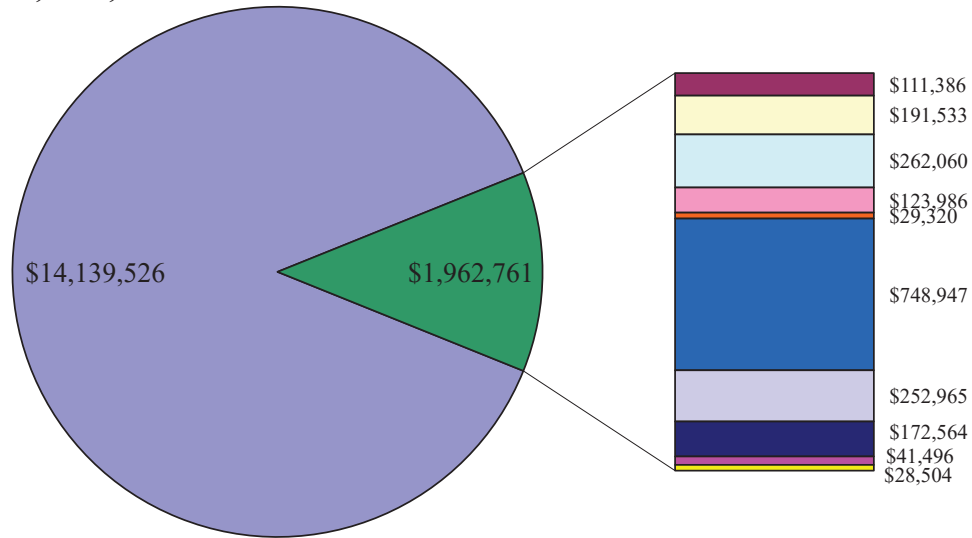
Overtime

Overtime costs for all Funds in FY 2024-25 are budgeted at \$748,947. Overtime budgeted in the Police and Fire Departments amounts to \$601,222 and DPS overtime equals \$123,019. 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 2024-25 and overtime costs over the past four years.

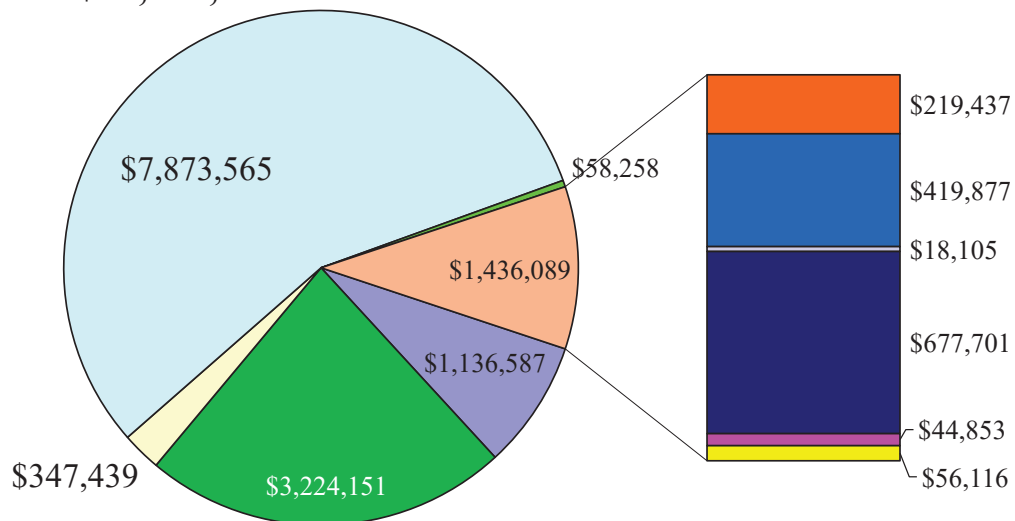
2024-25
Wage and Fringe Benefit Costs (\$30,178,376)
Fiscal Year Budget
All Funds

Wages \$16,102,287



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

Benefits \$14,076,089



- | | | | |
|-----------------------------|--------------------|--------------------------------|-------------------------|
| ■ 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

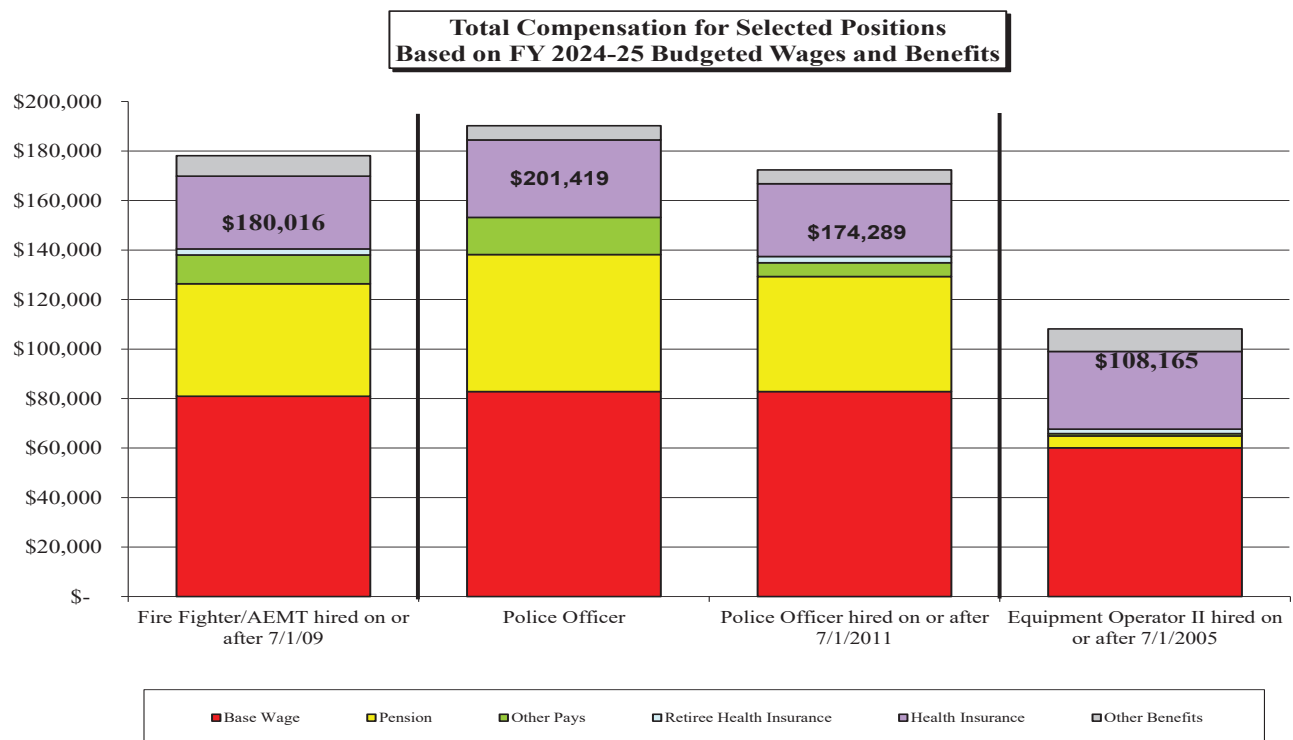
In order to determine what should be negotiated to control the City's expenses, we must look at the wages and benefits calculated together for total compensation currently provided to employees. The City has already made great strides in controlling costs for new hires by eliminating retiree health care 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 2025 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.

With benefits, the incumbent senior Police Officer receives annual total compensation of \$190,251. Fringe benefits average 1.2 times base wages for senior employees. A newly hired Fire Fighter's total compensation is \$180,016. 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 \$108,165. 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 \$174,289, a savings of \$15,962 in overall annual compensation. The savings achieved under the new tier of benefits across all Unions are significant. At this time, we have 27 Firefighters, 35 Police Officers, 16 Equipment Operators, and 51 other employees with the new hire benefits package, totaling 129 positions or more than 74% 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 2025. The position's compensation calculation assumes the maximum wage step and longevity.

Leave Benefit	Days Off Per Year	Value of Leave Benefit
Vacation	25	\$15,501
Holidays	12	7,441
Admin. Leave Days	6	3,720
Sick leave (Max. of 12)	5	3,100
Personal Leave Days	2	1,240
Total	50	\$31,002

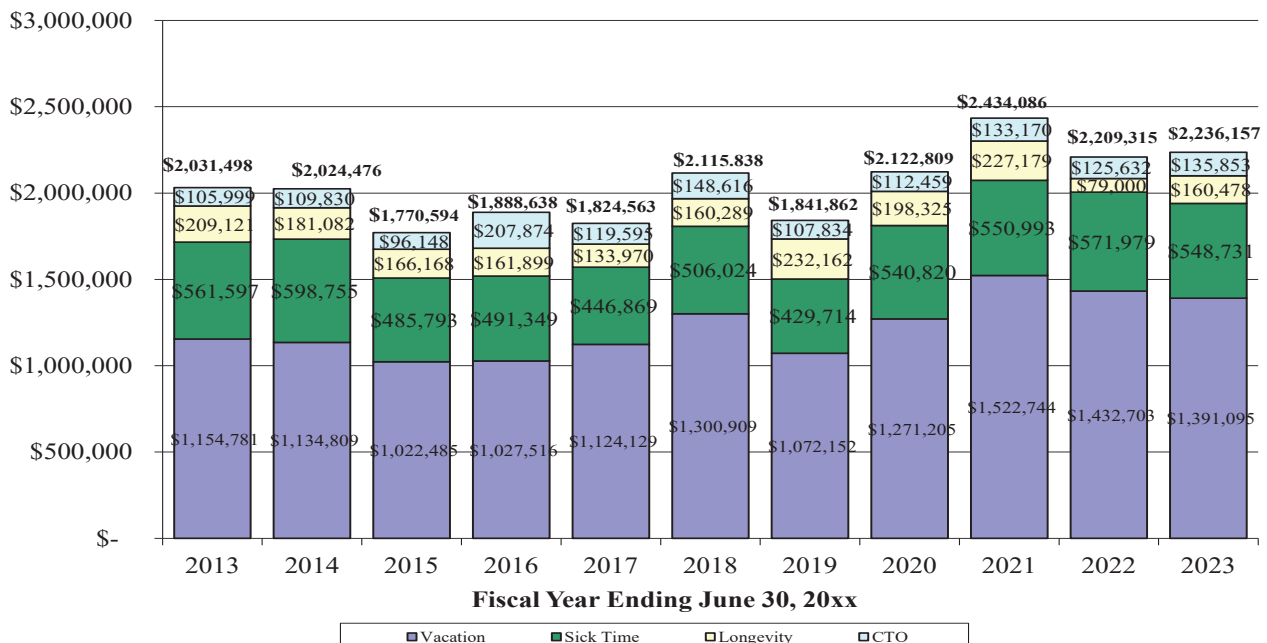
As shown on the chart above, this Police Officer could have almost one day off per week!

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, 2023.

Long Term Debt for Employee Benefits



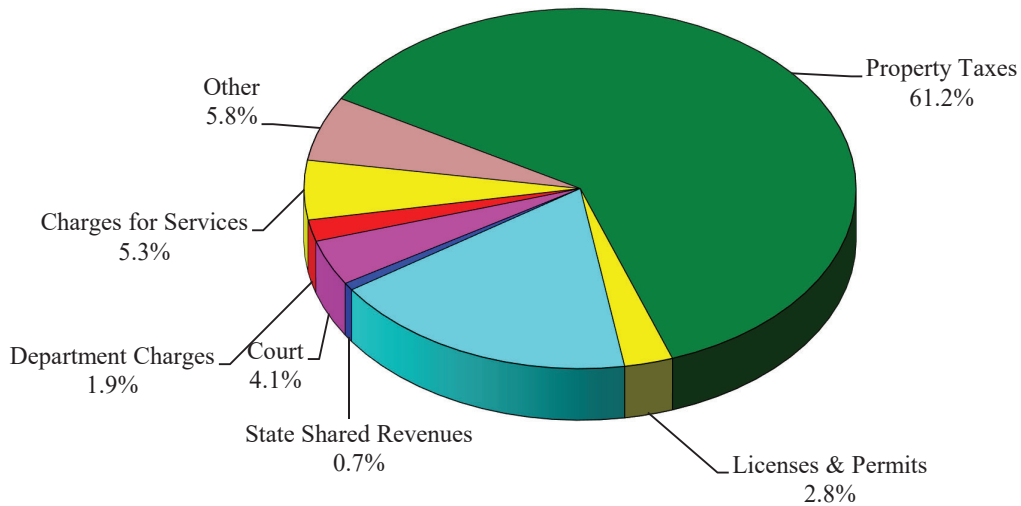


GENERAL FUND

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.

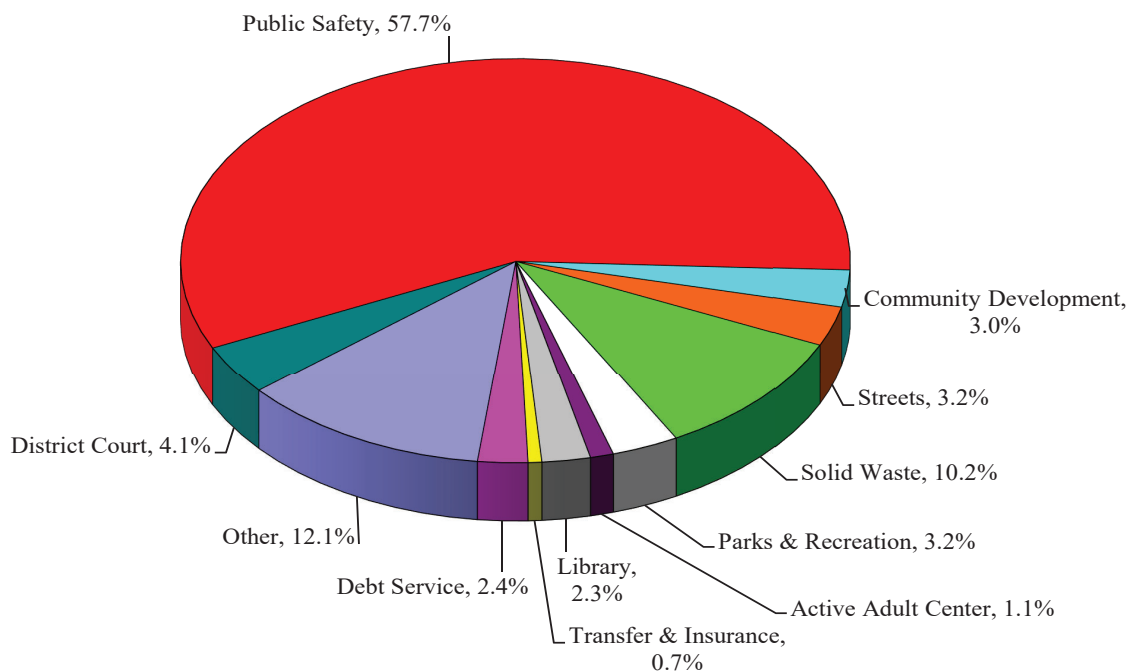
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General Fund Revenues



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 2024 ADOPTED AND FY 2025 PROPOSED BUDGETS**

Description	Actual 2022-23	Estimate 2023-24	Adopted Budget 2024-25	Increase (Decrease) FY 2023-24 to FY 2024-25
Revenues by Source:				
Property Taxes	\$ 22,550,318	\$ 24,439,961	\$ 26,125,670	\$ 1,685,709
Licenses & Permits	540,368	521,581	553,423	31,842
Non-Business Licenses & Permits	627,879	668,525	662,500	(6,025)
Federal Shared Revenues	240,184	10,000	125,382	115,382
State Shared Revenues	6,134,717	6,115,901	7,176,824	1,060,923
Other Governmental Revenues	44,115	175,658	294,836	119,178
County Shared Revenues	65,370	51,139	38,186	(12,953)
SMART Revenues	74,265	70,019	70,019	-
Court Fines and Fees	1,221,196	1,519,000	1,743,000	224,000
Charges for Services	220,285	261,530	260,430	(1,100)
Sales-Miscellaneous	5,788	9,500	6,450	(3,050)
Parks & Recreation	268,452	264,000	289,000	25,000
Miscellaneous Revenues	1,981,425	2,257,491	2,112,101	(145,390)
Sale of Fixed Assets	119,876	97,000	97,000	-
Department Charges	815,611	821,480	821,480	-
Transfers In	3,166,650	2,204,406	2,275,395	70,989
Prior Years Fund Balance	-	2,044,336	-	(2,044,336)
Total Revenues	\$ 38,076,499	\$ 41,531,527	\$ 42,651,696	\$ 1,120,169
Less: Transfers In	21,869	23,677	30,228	21,869
Net Total Revenues	\$ 38,054,630	\$ 41,507,850	\$ 42,621,468	\$ 1,098,300

Description	Actual 2022-23	Estimate 2023-24	Adopted Budget 2024-25	Increase (Decrease) FY 2023-24 to FY 2024-25
Expenditures by Activity:				
City Council	\$ 57,560	\$ 59,607	\$ 61,875	\$ 2,268
City Manager	264,432	275,307	413,338	138,031
Finance	761,622	804,517	916,912	112,395
City Clerk	404,199	415,564	448,646	33,082
Information Technology	281,017	564,979	539,590	(25,389)
Board of Review	1,361	3,043	3,043	-
General Administration	459,638	396,117	605,116	208,999
City Assessor	218,004	236,779	245,242	8,463
Elections	64,174	102,785	139,284	36,499
Municipal Building	138,513	60,878	186,662	125,784
Legal	358,477	432,000	375,000	(57,000)
Custodial & Maintenance	166,688	198,517	194,488	(4,029)
Human Resources	383,966	468,467	533,225	64,758
District Court	1,342,443	1,639,175	1,741,108	101,933
Police	12,429,435	14,443,093	14,416,351	(26,742)
Fire	8,383,335	10,133,059	10,206,231	73,172
Streets	1,210,620	1,383,313	1,348,722	(34,591)
Solid Waste	3,197,191	3,281,141	4,368,731	1,087,590
Community Development	1,071,094	1,348,988	1,259,906	(89,082)
Recreation	290,761	398,466	396,436	(2,030)
Parks	598,192	1,825,803	986,164	(839,639)
Active Adult Center	450,194	566,506	476,226	(90,280)
Library	808,646	941,690	997,292	55,602
Insurance, Bonds and Transfers	8,224,732	1,552,733	1,792,108	239,375
Total Expenditures	\$ 41,566,294	\$ 41,532,527	\$ 42,651,696	\$ 1,119,169
Less: Transfers Out	6,933,518	257,100	482,500	6,547,195
Net Total Expenditures	\$ 34,632,776	\$ 41,275,427	\$ 42,169,196	\$ (5,428,026)

GENERAL FUND REVENUES

FY 2024-25 Budget

Description	Actual 2022-23	Estimate 2023-24	Adopted Budget 2024-25	Increase (Decrease) FY 2023-24 to FY 2024-25
Property Taxes	\$ 22,550,318	\$ 24,439,961	\$ 26,125,670	\$ 1,685,709
Licenses & Permits	1,168,247	1,190,106	1,215,923	25,817
Intergovernmental Revenues	6,558,651	6,422,717	7,705,247	1,282,530
Court Fines and Fees	1,221,196	1,519,000	1,743,000	224,000
Service Fees	220,285	261,530	260,430	(1,100)
Sales - Miscellaneous	125,664	106,500	103,450	(3,050)
Parks & Recreation	268,452	264,000	289,000	25,000
Miscellaneous	1,981,425	2,257,491	2,112,101	(145,390)
Department Charges	815,611	821,480	821,480	-
Transfers In	3,166,650	2,204,406	2,275,395	70,989
Prior Year's Fund Balance	-	2,044,336	-	(2,044,336)
Total	\$ 38,076,499	\$ 41,531,527	\$ 42,651,696	\$ 1,120,169

Description	Actual 2022-23	Estimate 2023-24	Adopted Budget 2024-25	Increase (Decrease) FY 2023-24 to FY 2024-25
General Government	\$ 4,850,865	\$ 5,314,193	\$ 5,972,029	\$ 657,836
Public Safety	22,155,213	26,215,327	26,363,690	148,363
Community Service	4,407,811	4,664,454	5,717,453	1,052,999
Culture and Recreation	2,147,793	3,732,465	2,856,118	(876,347)
Community Development	1,071,094	1,348,988	1,259,906	(89,082)
Transfers Out	6,933,518	257,100	482,500	225,400
Total	\$ 41,566,294	\$ 41,532,527	\$ 42,651,696	\$ 893,769

Assigned Fund Balance - Unrestricted	\$ 11,526,450	\$ 9,481,114	\$ 9,481,114	\$ 0
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GENERAL FUND EXPENDITURES

FY 2024-25 Budget

GENERAL GOVERNMENT				
Description	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 to FY 2024-25
Mayor and Council	\$ 57,560	\$ 59,607	\$ 61,875	\$ 2,268
City Manager	264,432	275,307	413,338	138,031
Legal	358,477	432,000	375,000	(57,000)
Assessor/Board of Review	219,365	239,822	248,285	8,463
City Clerk/Elections	468,373	518,349	587,930	69,581
Human Resources	383,966	468,467	533,225	64,758
General Administration	459,638	396,117	605,116	208,999
Finance	761,622	804,517	916,912	112,395
Information Technology	281,017	564,979	539,590	(25,389)
Custodial/Maintenance	305,201	259,395	381,150	121,755
Insurance & Bonds	1,291,214	1,294,633	1,309,608	14,975
Total	\$ 4,850,865	\$ 5,313,193	\$ 5,972,029	\$ 658,836
PUBLIC SAFETY				
Police	\$ 12,429,435	\$ 14,443,093	\$ 14,416,351	\$ (26,742)
Fire	8,383,335	10,133,059	10,206,231	73,172
District Court	1,342,443	1,639,175	1,741,108	101,933
Total	\$ 22,155,213	\$ 26,215,327	\$ 26,363,690	\$ 148,363
COMMUNITY SERVICE				
Streets	\$ 1,210,620	\$ 1,383,313	\$ 1,348,722	\$ (34,591)
Solid Waste	3,197,191	3,281,141	4,368,731	1,087,590
Total	\$ 4,407,811	\$ 4,664,454	\$ 5,717,453	\$ 1,052,999
CULTURE AND RECREATION				
Recreation	\$ 290,761	\$ 398,466	\$ 396,436	\$ (2,030)
Parks	598,192	1,825,803	986,164	(839,639)
Active Adult Center	450,194	566,506	476,226	(90,280)
Library	808,646	941,690	997,292	55,602
Total	\$ 2,147,793	\$ 3,732,465	\$ 2,856,118	\$ (876,347)
COMMUNITY DEVELOPMENT				
Total	\$ 1,071,094	\$ 1,348,988	\$ 1,259,906	\$ (89,082)
TOTAL				
General Fund Total	\$ 34,632,776	\$ 41,274,427	\$ 42,169,196	\$ 894,769
Transfers Out	6,933,518	257,100	482,500	225,400
Total	\$ 41,566,294	\$ 41,531,527	\$ 42,651,696	\$ 1,120,169

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	2022-23	2023-24	2024-25	2025-26
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

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
<i>Input</i>	Regular City Council Meetings	23	23	23
	Agenda Items	184	175	175
	Public Hearings Held	9	15	10
<i>Outcomes</i>	Ordinances and Amendments Adopted	7	24	20
	Agenda Items Acted Upon	184	155	175
	Annual % Change in Millage Rate	2.0%	-1.7%	12.7%
	Department Expenditures as a % of General Fund	0.2%	0.2%	0.2%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 54,093	\$ 55,018	\$ 56,735	\$ 1,717
Supplies	75	325	325	-
Other Services and Charges	3,392	4,264	4,815	551
Capital Outlay	-	-	-	-
Total	\$ 57,560	\$ 59,607	\$ 61,875	\$ 2,268
Resources:				
General Fund	\$ 54,846	\$ 58,304	\$ 61,875	\$ 2,819
Total	\$ 54,846	\$ 58,304	\$ 61,875	\$ 2,819

Key Issues

- Training is being retained at higher than historical levels due to interest in attending Michigan Municipal League events and other training.
- Wages For elected officials will increase 2% on January 1, 2025 as approved by the resident led Elected Officials Compensation Commission.
- All other items for this department are supported at its currently 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	2022-23	2023-24	2024-25	2025-26
Court Administrator	1	1	1	1
Chief Deputy Court Clerk	2	2	2	2
Deputy Court Clerk	4	4	4	4
Court Officer	0	0	0	0
Probation Officer	2	2	2	2
Total Full-Time	9	9	9	9
Magistrate	1	1	1	1
Court Officer	2	2	2	2
MIDC Clerk	0	0	0	0
Probation Officer	0	0	0	0
Total Part-Time	3	3	3	3
Total Employees	12	12	12	12

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

- The Criminal Division handles all felony and misdemeanor complaints filed by law enforcement.
- The Civil Cases Division handles the jurisdiction of all civil litigation up to \$25,000.
- The Small Claims Division hears civil cases filed below \$7,000 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 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 988,624	\$ 1,066,505	\$ 1,204,718	\$ 138,213
Supplies	23,358	31,900	31,900	-
Other Services and Charges	325,795	351,184	416,990	65,806
Capital Outlay	4,666	189,586	87,500	(102,086)
Total	\$ 1,342,443	\$ 1,639,175	\$ 1,741,108	\$ 101,933
Resources:				
Court Salary Standard	\$ 49,345	\$ 49,719	\$ 49,719	\$ -
Court Fines	715,956	955,000	890,000	(65,000)
Forfeits	15,545	18,000	18,000	-
Reimbursed Court Costs	375,123	400,000	700,000	300,000
Bond Fees	13,344	31,000	20,000	(11,000)
Probation Oversight	97,673	110,000	110,000	-
Violation Clearance	3,555	5,000	5,000	-
General Fund	71,902	70,456	(51,611)	(122,067)
Total	\$ 1,342,443	\$ 1,639,175	\$ 1,741,108	\$ 101,933

Key Issues

- The fourth largest source of General Fund Revenue is composed of Court fines, forfeits and charges (\$1.7 million), which are used to partially offset the cost of operating our State-mandated District Court and legal prosecution costs.
- The Michigan Indigent Defense Commission (MIDC) was created by legislation in 2013 after an advisory commission recommended improvements to the state's legal system. One part time position was added to handle the increased administration to be in compliance, however this position has been eliminated with administrative tasks handled by finance personnel and the contracted MIDC administration.
- Revenues are budgeted to increase of court cost fees to cover the majority of operation cost. Therefore court fines are budgeted at \$890,000. These increases went into effect March 1, 2024 and are in compliance with Public Act 175 of 1927 .

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
- Oversees special projects and grant administration
- 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	2022-23	2023-24	2024-25
City Manager	1	1	1
Executive Assistant	1	0	1
Assistant to the City Manager	0	1	0
Special Project/ Grant Administrator	0	0	1
Total Full-Time	2	2	3
Total Employees	2	2	3

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
<i>Output</i>	Number of Staff Meetings held	22	22	23
	Number of Council-adopted goals managed	34	45	45
	Media inquiries/requests handled	56	85	85
<i>Efficiency</i>	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting	99%	99%	99%
	Department Expenditures as a % of General Fund	0.9%	0.8%	0.7%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 255,645	\$ 263,682	\$ 401,972	\$ 138,290
Supplies	501	400	400	-
Other Services and Charges	8,286	11,225	10,966	(259)
Capital Outlay	-	-	-	-
Total	\$ 264,432	\$ 275,307	\$ 413,338	\$ 138,031
Resources:				
General Fund	\$ 264,432	\$ 275,307	\$ 413,338	\$ 138,031
Total	\$ 264,432	\$ 275,307	\$ 413,338	\$ 138,031

Key Issues

- Personnel services are budgeted to increase due to the addition of the Special Projects and Grant Administrator position. This position is funded from the General Fund, through grant administration fees.
- 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, a Deputy City Clerk, a Business Services Coordinator, and part-time office assistant. During elections, there are an average of 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	2022-23	2023-24	2024-25
City Clerk	1	1	1
Deputy City Clerk	1	1	1
Business Services Coordinator	1	1	1
Total Full-Time	3	3	3
Election Chairpersons/Co Chairperson	24	18	24
Election Inspectors	123	68	112
Office Assistant	1	1	1
Total Part-Time	148	87	137
Total Employees	151	90	140

Accomplishments

Resource Management:

- Conducted the November 7, 2023 City General Election and February 27, 2024 Presidential Primary Election.
- Conducted training for all election inspectors and recruited student election inspectors.
- Electronic storage of all City records through use of record retention system.
- Professional development of City Clerk and Deputy City Clerk.
- Installed security measure on City Hall drop box, election equipment (2023 Strategic Planning Item 1.2b).
- Participated in a 9 day County-wide pilot of early voting site in partnership with the City of Royal Oak.
- Completed expansion of the business registration program.
- Moved to online Centralized Birth Certification System in agreement with the Michigan Health and Human Services.

Objectives

Resource Management

- Conduct August 6, 2024 Primary Election and November 5, 2024 General Election.
- Hold Pop-up office hours prior to 2024 General Election to improve voter accessibility.
- Continue electronic storage, retention and indexing of all contracts, titles, resolutions and agreement records.
- Continue professional development for City Clerk and staff.
- Full implementation of Proposal 22-2 including 9 days of Early In-Person Voting, preparing and maintaining the List of Voters Requesting Permanent Ballot Issuance, providing State Pre-Paid Postage to absentee voters, and early tabulation of absentee ballots.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Hours attending City Council Meetings	40	40	40
	Number of Election Workers per election	60	70	90
	Average Number of Voters per FTE	5,672	3,000	7,200
Output	Number of Business and Animal Licenses Issued	1,647	1,500	1,500
	Number of New Registered Voters/Changes	7,657	8,000	8,000
	Number of Absentee Ballots Sent	9,041	7,000	13,000
Outcome	Average Days to Post Approved Board Minutes to website	30	30	30
	Number of Election Workers attending training (workers x trainings)	113	140	180
	Average Length of time to Process New Business Licenses (days)	29	29	29
Efficiency	% Voter Turnout per November State Election	51%	16%	70%
	% of FOIA request responded to within 10 business days	100%	100%	100%
	Department Expenditures as a % of General Fund	1.0%	1.1%	1.10%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 365,285	\$ 371,936	\$ 406,640	\$ 34,704
Supplies	4,011	5,500	5,500	0
Other Services and Charges	34,903	38,128	36,506	(1,622)
Capital Outlay	-	-	-	-
Subtotal-Elections	64,174	102,785	139,284	36,499
Total	\$ 468,373	\$ 518,349	\$ 587,930	\$ 69,581
Resources:				
Business Licenses	\$ 164,586	\$ 195,000	\$ 195,000	\$ -
Animal Licenses	8,026	8,500	8,500	-
Bicycle Licenses	18	25	25	-
Vital Health Statistics	15,125	17,000	17,000	-
Election Reimbursement	-	-	-	-
General Fund	280,618	297,824	367,405	69,581
Total	\$ 468,373	\$ 518,349	\$ 587,930	\$ 69,581

Key Issues

New election laws were implemented in FY24 increasing staffing and overtime costs of conducting elections as the days and hours prior to election to vote in-person and the tabulation of absentee ballots were expanded.

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 11,553 real property descriptions and 1,746 personal property accounts in the City.

Accomplishments

Resource Management:

- The personal property team studied 5.5%, 90 out of 1,731 parcels, in performance of the 2023 equalization study.
- Renewed contract with Oakland County Equalization for one additional year until June 30, 2025.
- Contracting assessing to Oakland County Equalization has saved approximately \$306,000 per year in General Fund operating expense.
- Reviewed 99 eligible manufacturing personal property statements, 1018 small business exemptions, and 431 personal property statements in accordance with State Personal Property tax (PPT) reform legislation.
- Oakland County Equalization reviewed 646 property records. 157 appeals went to the Board of Review and 5 appeals were heard at the Michigan Tax Tribunal
- The Tentative average assessed value was \$88,744 and average taxable value was \$51,379 for taxable parcels in 2023.

• Objectives

Resource Management:

- Establish new market and taxable property values for tax year 2024 (FY 2025).
- Conduct audits for a minimum 5% of all personal property accounts.

Performance Measures

<i>Output</i>	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
	Property Records Reviewed	411	400	400
	Personal Property Audits	6	15	15
	Michigan Tax Tribunal Cases	5	10	10
	Board of Review Appeals	305	200	200
<i>Efficiency</i>	% Assessment Changes Processed by the Deadline	100%	100%	100%
	% of Parcels Added/Deleted by Deadline	100%	100%	100%
	Department Expenditures as a % of General Fund	0.7%	0.7%	0.6%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	218,004	236,779	245,242	8,463
Capital Outlay	-	-	-	-
Subtotal-Board of Review	1,361	3,043	3,043	-
Total	\$ 219,365	\$ 239,822	\$ 248,285	\$ 8,463
Resources:				
General Fund	\$ 219,365	\$ 239,822	\$ 248,285	\$ 8,463
Total	\$ 219,365	\$ 239,822	\$ 248,285	\$ 8,463

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, 2025.

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:	2023 Actual	2024 Estimate	2025 Budget
<u>Workload Indicators</u>			
Legal Counsel (Hours)			
Tax Tribunal	101	80	150
Labor	1,148	895	895
General	2,161	1,787	1,787
Telecommunications	3	10	10
Department Expenditures as a % of the General Fund	1.30%	1.00%	1.00%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	358,477	432,000	375,000	(57,000)
Capital Outlay	-	-	-	-
Total	\$ 358,477	\$ 432,000	\$ 375,000	\$ (57,000)
Resources:				
General Fund	\$ 358,477	\$ 432,000	\$ 375,000	\$ (57,000)
Total	\$ 358,477	\$ 432,000	\$ 375,000	\$ (57,000)

Key Issues

- 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	2022-23	2023-24	2024-25
Human Resources Director	1	1	1
Purchasing and Personnel Coordinator/Assistant	1	1	1
Total Full-Time	2	2	2

Accomplishments

Resource Management:

- Successfully settled contract extensions through June 30, 2026 with all City Unions to include a mid-contract raise January 1, 2024, 2.25% increase July 1, 2024 and 3% increase July 1, 2025.
- Continued to assist retirees with enrolling in Medicare Advantage, and with Medicare Advantage health insurance billing questions and/or problems, as well as coordinate updates to Medicare Part B premium payments to eligible retirees.
- Assisted with administration of the Community Blue 4 health insurance and Flexible Spending Account programs, arranging for open enrollment and coordination with Payroll to ensure accurate and timely processing of any changes.
- Monitored the Patient Protection and Affordable Care Act (PPACA) to ensure continued compliance.
- Completed PPACA year-end reporting for required 1094-C and 1095-C forms including filing with the IRS.
- Successfully petitioned the Civil Service Commission to continue the waiver for Act 78 requirements for entry level Police Officer and Fire Fighter for an additional one-year period to reduce recruitment time without lowering minimum requirements, thereby assisting each department's ability to hire qualified employees in a timely manner.
- Conducted "Stay Interviews" process to include both new employees and tenured employees beginning January 2022 (2022 Strategic Plan 5.3.a)
- Reinstated Exit Interviews for select willing employees.
- Assisted with recruitment interviews in various departments including Firefighter entry level.
- Coordinated promotional testing for Police Lieutenant/Sergeant and Police Detective Bureau Assignment
- Coordinated Assessment Centers for Fire Captain and Lieutenant; participated in oral boards for Fire Captain using newly approved criteria.
- Hired new HR/Purchasing Assistant to provide two-month training period prior to incumbent's retirement in October 2023.
- Supported the launch of the employee portal through the Civic Plus web hosting platform.

Objectives

Resource Management:

- Expand use of and promotion of the City's online employee portal to maximize employee engagement.
- Continue Stay Interviews and Exit Interviews, and work with Department Heads to implement employee suggestions where possible, while maintaining confidentiality.
- Evaluate ongoing success of previous integration of wellness program into the MiLife Health and Wellness Center, and make adjustments as appropriate.
- Continue to evaluate best practices in recruitment efforts to assist with entry level positions, particularly Police and Fire.
- Implement and navigate transition from CivicHR onboarding platform to its replacement software Criterion. (Civic Plus website platform not affected).
- Identify best practices in online training and launch a program for all employees to access appropriate training. Continue with in-person training where possible.
- 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 and organize.
 - Establish and execute succession plan for HR Director/Purchasing Coordinator and HR/Purchasing Assistant to maximize training opportunities prior to HR Director/Purchasing Coordinator's anticipated retirement in October 2024.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	All full-time staff in jurisdiction: Average years of service	10	9	8
	All part-time staff in jurisdiction: Average years of service	7	7	7
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Sworn public safety	77	80	83
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Total	156	164	164
	Hours Paid: All Human Resources staff	3,900	3,900	3,900
	Hours paid: All jurisdiction staff	599,173	601,253	601,253
Output	HR: Number of full time positions filled	28	20	10
	Percentage of new full-time employees completing probationary period	57%	75%	80%
	Turnover: Number of full-time, permanent employees who left: Total*	10	10	5
	Turnover: Number of full-time, regular employees who left: Sworn public safety*	4	1	1
	Turnover rate: All full-time employees*	4.1%	3.3%	3.3%
Outcome	Department Expenditures as a % of General Fund	1.3%	1.3%	1.2%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 218,124	\$ 218,990	\$ 274,919	\$ 55,929
Supplies	337	350	350	-
Other Services and Charges	165,505	249,127	257,956	8,829
Capital Outlay	-	-	-	-
Total	\$ 383,966	\$ 468,467	\$ 533,225	\$ 64,758
Resources:				
General Fund	\$ 383,966	\$ 468,467	\$ 533,225	\$ 64,758
Total	\$ 383,966	\$ 468,467	\$ 533,225	\$ 64,758

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 \$45,500 in revenue.
- Completed purchase of miscellaneous fleet vehicles including Police Department Dodge Durango. Other vehicles and significant equipment purchased including DPS dump truck with plow, DPS Swap Loader, DPS Bucher Sweeper, DPS single axle dump truck, Fire Dept Chevy Silverado utility vehicle, new latex printer for DPS sign shop, and DPS solar arrowboard.
- Coordinate purchase of new Fire Department hose.
- Hosted a Citizens Academy to educate residents and develop a civic leader talent pool for potential future Boards and Commissions members.
- Develop programs to encourage and increase citizen engagement in budgeting and strategic planning with focus on understanding their interest.

Goals/Objectives

- Continue to utilize biddergy.com and other online auction services as appropriate to attain optimal revenue when selling surplus items
- Continue to take advantage of cooperative purchasing contracts 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 an Employee Academy to educate employees on other Departments' functions and challenges to foster understanding, teamwork, and interdepartmental communication.
- Complete purchase of miscellaneous fleet vehicles including Police Department Ford Fusion, Two Police Department Interceptor Utility Vehicles, Police Department Dodge Durango, Fire Interceptor Utility Vehicle, Fire Pumper Truck. Other vehicles and significant equipment to purchase include Solid Waste Single Axel Dump Truck, Parks Volvo Loader, a Building Maintenance Van, Motorpool Chevy Pickup, and Parks GMC Pickup.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Expenditures: General fund personnel and operations	\$ 27,795,185	\$ 29,242,186	\$30,793,902
	Expenditures: Special-revenue/restricted fund personnel and operations	\$ 15,508,365	\$ 16,686,367	\$17,337,892
	Square miles of land area served	7.2	7.2	7.2%
	Revenues, General fund: Property Tax	\$ 18,243,905	\$ 18,502,666	\$21,842,006
	Revenues, General fund: State Revenue Sharing	\$ 3,103,429	\$ 3,184,960	\$3,285,332
Efficiency	Department Expenditures as a % of General Fund	30.0%	4.2%	4.2%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 327,168	\$ 245,398	\$ 441,139	\$ 195,741
Supplies	55,629	58,025	59,182	1,157
Other Services and Charges	76,841	76,014	74,795	(1,219)
Capital Outlay	-	16,680	30,000	13,320
Total	\$ 459,638	\$ 396,117	\$ 605,116	\$ 208,999
Resources:				
General Fund	\$ 459,638	\$ 396,117	\$ 605,116	\$ 208,999
Total	\$ 459,638	\$ 396,117	\$ 605,116	\$ 208,999

Key Issues

- The increase in Personnel Services is due to increased actuarially required contributions to the General Employee Pension Plan of \$165,387
- The remainder of this budget is supported at the current service level

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	2022-23	2023-24	2024-25
Finance Director/Treasurer	1	1	1
Deputy Treasurer/Finance Director	1	1	1
Accountant	1	1	1
Fiscal Assistant II	3	3	3
Fiscal Assistant II/Payroll	1	1	1
Total Full-Time	7	7	7
Part-time Office/Treasury Clerk	1	1	1
Total Part-Time	1	1	1
Total Employees	8	8	8

Accomplishments

Resource Management:

- Received the Government Finance Officers Association's (GFOA) Distinguished Budget Award for FY 2024.
- Completed annual audit and single audit, with both receiving unqualified opinions. Timely filed State required reports.
- Revised property tax notices to provide additional information to taxpayers, at no additional cost. Promote online payment/credit card processing system, which expands customer payment options to online and over the phone and aligns directly with city financial software.
- Facilitated numerous grant awards to maintain compliance with applicable guidelines.

Objectives

Resource Management:

- Complete annual audit and have Annual Financial Report finalized within four months of fiscal year end.
- Complete single audit 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.
- Monitor, report, and assist with the numerous grant awards.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Total Dollar amount of City Budget (all funds)	\$ 60,345,280	\$ 65,446,479	\$ 66,188,936
	Total Dollar amount of Budget Amendments (all funds)	\$ 3,952,577	\$ 3,490,523	
	City Taxable Value	\$ 963,293,970	\$ 1,030,644,090	\$ 1,103,579,680
	Total Dollar value of Fiscal Year CIP - all funds		\$ 11,039,758	
Output	Accounts Payable Processed - Paper Check	3,334	3,250	3,000
	Accounts Payable Processed - ACH	1,838	1,588	1,250
	Accounts Payable Processed - Credit Card	2,009	2,009	2,300
	# of water/sewer customers	11,208	11,208	11,171
	# of water/sewer customers signed up for ACH	1,964	1,984	1,400
	% of Accounts Payable processed by ACH	25.6%	25.0%	25.0%
Outcome	% of water/sewer customers signed up for ACH	17.5%	17.7%	17.9%
	Amount of Credit Card Rebate	\$6,000	\$6,000	\$6,000
	% of Dollar amount of budget amendments	6.5%	>1.5%	>1.5%
	% of Budgeted GF revenues received	102.7%	95.0%	95.0%
	% of Budgeted GF expenditures spent	95.6%	95.0%	95.0%
	Taxes collected by March 1 as a % of Total	95.6%	96.0%	96.0%
Efficiency	Date of Annual Auditor's Report	11/10/2023	11/1/2024	11/1/2025
	% Funded for General Employees Pension Trust	94%	95%	95%
	% Funded for Police and Fire Pension Trust	55.0%	58.0%	59.0%
	% Funded for the General Employee Retiree Health Benefits Trust	128.6%	100.0%	100.0%
	% Funded for the Police and Fire Employee Retiree Health Benefits Trust	102.5%	100.0%	100.0%
	Department Expenditures as a % of General Fund	2.0%	1.9%	2.1%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 668,995	\$ 714,911	\$ 816,700	\$ 101,789
Supplies	6,692	7,250	7,250	-
Other Services and Charges	85,935	82,356	92,962	10,606
Capital Outlay	-	-	-	-
Total	\$ 761,622	\$ 804,517	\$ 916,912	\$ 112,395
Resources:				
Mobile Home Solid Waste	\$ 57,960	\$ 58,680	\$ 58,680	\$ -
Property Tax Admin. Fees	578,038	530,000	600,000	70,000
Interest Income on Deposits	194,852	50,000	50,000	-
General Fund	(69,228)	165,837	208,232	42,395
Total	\$ 761,622	\$ 804,517	\$ 916,912	\$ 112,395

Key Issues

- The increase in Personnel Services is due to negotiated wage increases and actuarially required contributions to the General Employee Pension plan of \$68,913.

Information Technology

Outsourced to BPI Information Systems, now known as Skynet 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

- A secondary fiber connection was installed during building renovations to maintain connectivity
- Replaced Core Firewall at City Hall (Cisco ASA Firewall with Watchguard Firebox M390)
- During renovations installed and configured Watchguard Firebox M390 at the Library with Site-to-Site VPN to City Hall. and Moved and configured all switching for AAC/City Hall/Library/ Fire Station #2
- While Fire Station 2 was being renovated setup and configured Switch and Access Points
- Replaced Antivirus ESET with Webroot
- Security Awareness Training (Knowbe4) implemented. Training and phishing test conducted on a regular basis
- Data migrated from application Xtender to Laserfiche
- Implemented Remote Management Tool Datto for more efficient operating system patching and software installations and updates.
- Implemented Veeam backup and Wasabi Cloud Archive.
- Configured Verkada Key fobs and Integrated the Verkada Door systems with Active Directory Organizational Units for access control
- Migration from On-Premises Exchange Server to Office 365 via hybrid setup from Azure AD.
- Meraki Camera and Wifi implementation for Library,Active Adult Center/City Hall
- 20 Virtual Machines upgraded from End-of-Life Operating System (Server 2012r2) to Server 2019 and 2022
- Implemented vulnerability scanning tool Network Detective and Vulscan for monthly reports
-

Objectives

Resource Management:

- Replace the host servers running Microsoft Data Center and VMware; right sizing these to accommodate applications hosted locally while moving others to the cloud. (2025 Strategic Plan 1.2.b).
- Upgrade Wireless Networking equipment, migrating to a single cloud hosted platform, improving wireless capabilities across the city.
- Upgrade Networking equipment to replace end of life switches to stay in Compliance and maintain network security.
- Coordinate DPS Fiber Cabling installation to improve connection between City Hall and the DPS Building.
- Replace the ageing Cisco phone system with a Modern Cloud PBX system
- Addition of per user Azure active Directory Premium P1 Licenses to remain in compliance with Microsoft Licensing for feature use (e.g. MFA, Conditional Access, Mail encryption)
- Ensuring adherence to updated CJIS guidelines.
- Continued annual replacement of End of Life Computer as budgeted.
- Continued Vulnerability Scanning and remediation of detected vulnerabilities.
- Continue to provide helpdesk and desk side help for their computer needs plus after hours support for the departments running 24/7.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Number of helpdesk requests	1,884	1,700	1,500
	Number of endpoints served	435	435	435
Output	Number of new computers installed	24	25	25
	Special IT projects handled	12	18	15
Outcome	% of helpdesk request handled in 8 hours or less	74%	90%	90%
	Total number of helpdesk cases resolved	1,873	1,700	1,500
Efficiency	Capital expenditures for IT	\$ -	\$ -	\$ 53,500
	Expenditures per each endpoint served	\$ 425	\$ 432	\$ 546
	Department Expenditures as a % of General Fund	0.6%	0.6%	0.7%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	33,544	36,000	51,000	15,000
Other Services and Charges	221,852	249,307	292,840	43,533
Capital Outlay	25,621	279,672	195,750	(83,922)
Total	\$ 281,017	\$ 564,979	\$ 539,590	\$ (25,389)
Resources:				
General Fund	\$ 281,017	\$ 564,979	\$ 539,590	\$ (25,389)
Total	\$ 281,017	\$ 564,979	\$ 539,590	\$ (25,389)

Key Issues

- 24/25 Capital Outlay includes and Phase 1 of funding for Phone system Upgrade (\$125,000), Phase 1 DPS Fiber (\$50,000), Phase II Networking Equipment (\$122,872) and DUO Fobs (\$8,500)
- This budget continues to contract this service as the most cost effective and efficient delivery method

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 scheduled 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 systems at all buildings in good condition.
- Successful completion of the Civic Center Campus and Fire Station 2 renovation projects. Custodial and Maintenance provided extensive support in moving and onboarding staff in the new facilities.
- Successful onboarding of new custodial contractor.

Objectives

Resource Management:

- Budget for roof replacement at Fire Station 1.
- Continue to explore energy savings opportunities and improved lighting quality through LED lighting conversions and replacements.
- Monitor performance of new custodial contractor at City buildings.
- Continue analysis of necessary life-cycle and condition replacements of building systems, and program into the CIP.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
<i>Input</i>	Expenditures: Total jurisdiction facilities: Repairs	\$ 200,180	150,000	200,000
	Jurisdiction facilities, Total Electricity usage: kWh	1,523,779	1,661,693	1,550,000
<i>Efficiency</i>	Admin/office facilities, Custodial expenditure per square foot	\$ 0.93	\$ 0.93	\$ 0.93
	Admin/office facilities, Repair expenditure per square foot	\$ 0.70	\$ 0.53	\$ 0.70
	Departmental Expenditures as a % of General Fund	0.9%	1.0%	1.1%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 18,969	\$ 17,608	\$ 16,874	\$ (734)
Supplies	28,643	21,200	21,700	500
Other Services and Charges	119,076	159,709	155,914	(3,795)
Capital Outlay	-	-	-	-
Subtotal-Municipal Bldg.	138,513	60,878	186,662	125,784
Total	\$ 305,201	\$ 259,395	\$ 381,150	\$ 121,755
Resources:				
General Fund	\$ 305,201	\$ 259,395	\$ 381,150	\$ 121,755
Total	\$ 305,201	\$ 259,395	\$ 381,150	\$ 121,755

Key Issues

- The budget is supported at the current service level.
- The funding in this division is used for the routine upkeep and maintenance of all City buildings and facilities, and is directly affected by capital outlay funding which replaces aging building systems and reduces maintenance/repair costs.

Police Department

- The Police Department is the largest department with 68 full-time positions. The Police Department staffing includes the following part-time positions: Seventeen (17) Crossing Guards, two (2) Animal Control Shelter Assistants, and one (1) Property Officer. 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 such as oversight of volunteer groups like the Police Reserves and by hosting the Citizens Academy.

Personnel Summary	2022-23	2023-24	2024-25
Police Chief	1	1	1
Deputy Police Chief	1	1	1
Lieutenants	4	4	4
Sergeants	9	9	9
Police Officers	36	36	38
School Liason Officer	0	0	0
Administrative Secretary	1	1	1
Information Systems Specialist	1	1	1
Office Assistant II	2	2	2
Police Service Assistants	10	10	10
Animal Control Officer	1	1	1
Total Full-Time	66	66	68
Crossing Guards	17	17	17
Animal Control Support	1	1	2
Records Clerk	0	0	1
Total	84	84	85

Accomplishments

Public Safety:

- Purchased and replaced four (4) new police vehicles, including the K9 vehicle
- Started the Co-Responder Program with Oakland County Community Health Network (Strategic Plan 1.3.c)
- Replaced outdated Tasers with newest Taser model
- Completed Gas Mask replacement project
- Hired five (5) new police officers to fill vacancies cause by retirements.
- Assigned one (1) Lamphere School Resource Officer
- Hired five (5) new PSAs to fill vacancies caused by retirements

Objectives

Public Safety:

- Continue hiring process as planned, assign one (1) Madison School Resource Officer (SRO) (Strategic Plan 1.3.a)
- Purchase and replace six (6) police vehicles, including an SRO vehicle and an admin vehicle
- Ballistic shield and riot helmet replacement
- Women's locker room and briefing renovation project
- Continue HVAC upgrades
- Gain Reaccreditation through MLEAC

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Expenditures, police personnel and overtime (including support charged to department)	\$ 9,721,214	\$ 9,768,872	\$ 10,407,692
	Expenditures: Sworn police overtime	\$ 598,073	\$ 414,473	\$ 433,334
	Expenditures: Sworn police salaries and benefits (excluding overtime)	\$ 7,962,926	\$ 8,281,427	\$ 8,095,727
	Sworn Police FTEs (Budgeted)	53	53	53
	Sworn Police FTEs per 1,000 pop	1.8	1.8	1.8
Output	Dispatch calls/initiated actions: Total Police Responses	36,444	34,024	34,000
	Injury: producing traffic accidents	126	96	100
	Moving violation citations issued (excluding DUIs)	3,628	3,545	3,600
	Number of accidents involving fatalities	1	2	0
	DUI Arrests	167	164	170
Outcome	Complaints against sworn police personnel: Excessive force	2	1	0
	Complaints against sworn police personnel: Excessive force, sustained	0	0	0
	Complaints against sworn police personnel: Total	10	4	0
	Complaints sustained against sworn personnel: Total	2	0	0
Efficiency	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	1,301.0	1,215	1,300
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	714.0	667	700
	Dispatch calls/initiated actions: Total police department expenditures per total police response	\$367	\$364	\$391
	Department Expenditures as a % of General Fund	37.3%	35.3%	35.2%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 11,277,260	\$ 12,232,422	\$ 12,948,680	\$ 716,258
Supplies	109,426	198,600	131,000	(67,600)
Other Services and Charges	675,834	810,391	787,876	(22,515)
Capital Outlay	366,915	1,201,680	548,795	(652,885)
Total	\$ 12,429,435	\$ 14,443,093	\$ 14,416,351	\$ (26,742)
Resources:				
Animal Control and Pound	\$ 1,215	\$ 2,600	\$ 1,500	\$ (1,100.00)
Liquor License Inspections	34,992	27,000	27,000	-
Law Enforcement Grants	20,395	10,000	10,000	-
Other Governmental Revenues	6,067	37,342	0	
Police Miscellaneous	106,392	126,000	126,000	-
Police & Fire Pension Millage	4,263,005	4,182,849	4,403,651	220,802
General Fund	7,997,369	10,057,302	9,848,200	(209,102)
Total	\$ 12,429,435	\$ 14,443,093	\$ 14,416,351	\$ 10,600

Key Issues

- Personnel services increased due to the union contract extension with wage increases and planned additional funding to the Police and Fire Pension. (See personnel Chapter for more details)

Fire Department

The Fire Department consists of 33 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	2022-23	2023-24	2024-25
Fire Chief	1	1	1
Fire Marshal	1	1	1
Captains	3	3	3
Lieutenants	6	6	6
Firefighters	21	21	21
Fiscal Assistant II	1	1	1
Emergency Medical Technicians	-	-	3
Total Full-Time	33	33	36
Total Employees	33	33	36

Accomplishments

Public Safety

- Add a fourth ambulance to the vehicle fleet.
- Implemented the new State of Michigan P25 radio system.
- Designed and ordered a new 75' Ariel ladder to be housed at Fire Station 2.
- Responded to 5,244 emergency calls for service, an increase of 2.9% over the previous year.
- Transported 2,782 patients to local hospitals, an increase of 3.1% over the previous year.
- Completed 475 business fire inspections.
- Completed the building renovation and construction project at Fire Station 2.
- Complete Fire Station 1's kitchen renovation project.
-

Resource Management

- Lieutenant completed EMU's Fire Staff and Command Executive Leadership Program.
- Hired one new Firefighter/Paramedic.
- Administered a Captain and Lieutenant Promotional exam.

Objectives

Public Safety:

- Upgrade the Department SCBA fill station.
- Purchase replacement tactical medics gear for all on-duty personnel.
- Develop and implement an alternative EMS staffing program. (1.3.a Strategic Plan)
- Train new HazMat team members to the HazMat technician certification level.
- Continue recruitment and outreach programs to increase the number of firefighter/paramedic candidates.

Resource Management:

- Develop a succession plan for the Fire Chief position.
- Hire three new Firefighter/Paramedic.
- Promotion of a Lieutenant and Captain.
- Guide the newly hired firefighters through their probationary period.
- Administer Fire Marshal promotional exams.
- Training firefighters on the eligibility list to meet the job requirements of the officer position.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to department)	\$ 5,612,071	\$ 6,002,396	\$ 6,937,696
	Expenditures, Fire/EMS Personnel: Sworn	\$ 4,551,750	\$ 5,055,405	\$ 5,681,275
	Expenditures: Sworn Fire/EMS personnel, OT only	\$ 82,663	\$ 94,918	\$ 99,237
Output	EMS: Number of ALS Responses	2,112	2,050	2,100
	EMS: Total BLS and ALS Responses	3,252	3,300	3,250
	Inspections: Commercial/Industrial Occupancies Inspected	400	480	425
	EMS: Total BLS and ALS Transports	2,527	2,600	2,550
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	92%	92%	93%
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	25%	30%	30%
	Percentage of responses within 8 minutes (conclusion of dispatch to arrival on scene of effective response force) for 1-2 family residential structure fire incidents.	100%	100%	100%
	Emergency fire response time: Percentage 8 Min or under: Dispatch to arrival	100%	100%	98%
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100%	100%	100%
	Total BLS and ALS responses per 1,000 of population	0.11	0.11	0.11
	Total Fire/EMS personnel and operations expenditures per capita	\$189	\$202	\$234
	Number of total Fire Department (Fire and EMS) responses per suppression FTE	\$191	\$191	\$173
	Department Expenditures as % of General Fund	19.8%	19.6%	21.0%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 6,866,151	\$ 7,639,138	\$ 8,486,558	\$ 847,420
Supplies	115,534	122,550	127,400	4,850
Other Services and Charges	656,979	623,795	680,086	56,291
Capital Outlay	615,661	1,747,578	912,187	(835,391)
Total	\$ 8,254,325	\$ 10,133,061	\$ 10,206,231	\$ 73,170
Resources:				
Ambulance & CPR Revenues	\$ 883,950	\$ 652,500	\$ 652,500	\$ (50,000)
Police & Fire Pension Millage	2,269,274	2,644,343	3,221,511	185,310
General Fund	5,101,101	6,836,218	6,332,220	(62,140)
Total	\$ 8,254,325	\$ 10,133,061	\$ 10,206,231	\$ 73,170

Key Issues

- Personnel services increased due to additional pension contributions, the addition of three Emergency Medical Technicians, and negotiated wage increases. (See personnel chapter for more details).

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 inspections of new buildings, inspections of commercial buildings for business licenses and inspections for landlord licenses, providing recommendations on matters coming before the Planning Commission and Zoning Board of Appeals;

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	2022-23	2023-24	2024-25
Community and Economic Development Director	1	1	1
Building Official (Contracted 2015-16)	0	0	0
Economic Development Supervisor	0	0	0
Administrative Secretary	1	1	1
GIS/CDD Technician	1	1	1
GIS/Multimedia Specialist	0	0	0
Planner	0	1	1
Office/CDBG Assistant	1	1	1
Code Enforcement Officer (Non-CDBG)	1	1	1
Total Full-Time	6	5	6
Code Enforcement Officer	1	1	1
Total Part-Time	1	1	1
Total Employees	7	7	7

Accomplishments

Public Safety:

- A complete, new zoning ordinance is scheduled to be reviewed by the Planning Commission in February 2023 and is anticipated for adoption by the City Council in March 2023.
- Reprogrammed \$50,000 of CDBG funds from Code Enforcement to Minor Home Repair to fund residential projects.
- Awarded \$136,602 in CDBG PY 23 funds used for Improvements to Edison Park, Yard Services for seniors, and for minor home repair projects.
- Completed sixteen (16) minor home repair projects spending \$74,946.93 in grant fund in Round 8 of MSHDA's Neighborhood Enhancement Program (NEP). Awarded \$75,000 for Round 9 of the NEP program.
- Submitted application for \$137,359 in CDBG PY 24 funds used for Code Enforcement, Yard Services for seniors, and Sidewalk Improvements and amenities along 11 Mile Rd.
- Updated landlord licensing program & fee schedule to ensure compliance with Mobile Home Commission Act and to better manage billable hours within our building services agreement.
- Grant Opening of 133-unit senior living facility "The Reserve at Red Run"

Objectives

- Creation of formal Economic Development & Marketing Plan. (Strategic Plan 4.1.d)
- Complete upload historical building plans onto Laserfiche database.
- Adopt new zoning ordinance.
- Complete Downtown Streetscape Plan & apply for grant funding (2024 Strategic Plan 4.1.c).
- Continue training for Zoning Board of Appeals and Planning Commission (2023 Strategic plan 4.1.c)

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Valuation of commercial/industrial construction: Regular	\$26,665,118	\$15,000,000	\$8,000,000
	Valuation of residential construction	\$5,648,404	\$5,000,000	\$3,000,000
	Expenditures: Code Enforcement personnel and operations *	\$187,851	\$168,479	\$173,683
	Expenditures: Development inspection, personnel and operations **	\$1,044,088	\$1,086,497	\$1,057,658
Output	Code Enforcement: Total Cases Initiated ***	3,783	3000	3,000
	# of Building Permits issued: Commercial	597	500	400
	# of Building Permits issued : Residential	1,380	1200	800
Outcome	Vacancy Rate: Industrial	3.0%	3.5	3.5%
	Vacancy Rate: Office	10.2%	10	10.0%
	Vacancy Rate: Retail	3.5%	3.5	3.5%
Efficiency	Amount recovered from property owners relating to jurisdiction abatement efforts	\$48,989	\$43,500	\$47,500
	% of cases resolved through forced compliance	< 1%	< 1%	< 1%
	% of cases resolved through voluntary compliance	> 99%	> 99%	> 99%
	Department Expenditures as a % of General Fund	3.6%	3.5%	3.2%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 517,792	\$ 616,791	\$ 624,169	\$ 7,378
Supplies	2,578	7,800	7,800	-
Other Services and Charges	550,724	724,397	627,937	(96,460)
Total	\$ 1,071,094	\$ 1,348,988	\$ 1,259,906	\$ (89,082)
Resources:				
Occupational Licenses	\$ 227,892	\$ 220,000	\$ 200,000	\$ -
Other Permits	81,336	60,000	60,000	-
Building Permits	543,049	600,000	600,000	0
Engineering Fees	49,233	76,000	76,000	0
Planning Fees	12,861	21,250	21,250	0
GIS Services	7,130	7,500	7,500	-
General Fund	149,593	364,238	295,156	(69,082)
Total	\$ 1,071,094	\$ 1,348,988	\$ 1,259,906	\$ (69,082)

Key Issues

- The budget adds back a part-time Code Enforcement Officer for FY 2024

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 FY 2023 neighborhood and major road repair and reconstruction programs by creating and providing signs, barricades, storage facilities, debris removal, etc.
- Continued as a 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.
- Continued pursuing grants to supplement the ROW Tree Replacement Program.

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.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Expenditures on paved sidewalks (operations and capital)	\$ 333,679	\$ 267,497	\$ 300,000
	Annual Streetlighting Expense	\$ 440,775	\$ 530,000	\$ 530,000
Efficiency	Expenditures, paved road rehabilitation, per total paved lane miles	\$ 7,827	\$ 10,293	\$ 10,449
	Department Expenditures as a % of General Fund	3.4%	3.6%	3.3%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 19,749	\$ 18,051	\$ 17,318	\$ (733)
Supplies	25,465	18,500	18,870	370
Other Services and Charges	911,089	896,762	1,021,534	124,772
Capital Outlay	254,317	450,000	291,000	(159,000)
Total	\$ 1,210,620	\$ 1,383,313	\$ 1,348,722	\$ (34,591)
Resources:				
Weed Mowing	\$ 36,416	\$ 40,000	\$ 50,000	\$ 10,000
Brush Chipping	5,950	6,500	7,500	1,000
General Fund	1,168,254	1,336,813	1,291,222	(45,591)
Total	\$ 1,210,620	\$ 1,383,313	\$ 1,348,722	\$ (34,591)

Key Issues

- The Department continues to quantify the condition of the City's road network through biennial PASER ratings, to determine a long-term plan and prioritization for road replacement/rehabilitation.

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 Limb Walkers Tree Service and DPS personnel.
- Completed removal of 70 dead or diseased trees, or proactively removed from City construction projects in FY 2023-24.
- DPS has sold 45 recycling bins and 167 boxes of garbage bags year-to-date.
- Received a grant and support from Council to implement a garbage and recycling cart program, to be implemented in FY 2024-25

Objectives

- Continue bi-weekly sweeping of residential areas.
- Continue to monitor solid waste and disposal contractor (GFL Environmental).
- Continue to monitor the health of City trees and remove or trim as necessary.
- Continue to monitor performance and response of tree contractor (Limb Walkers).
- 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.
- With the Environmental Citizens Committee, continue developing a public outreach campaign to increase recycling and composting tonnage, while decreasing garbage volumes.
- Complete and adopt the Sustainability Plan (Strategic Planm 6.1.a).

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
<i>Input</i>	Expenditures for Recycling	\$ 273,263	280095	\$ 287,097
<i>Output</i>	Residential recycling: Tons collected	1,162.90	1,250.00	1,300.00
	Yard Waste Tons Collected: Composted	2,616.80	2,600.00	2,500.00
<i>Efficiency</i>	Street sweeping expenditures per lane mile	66.04	66.05	66.53
	Department Expenditures as a % of the General Fund	8.1%	8.1%	8.4%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 80,129	\$ 74,849	\$ 71,984	\$ (2,865)
Supplies	11,919	19,600	12,340	(7,260)
Other Services and Charges	2,588,457	2,686,692	2,812,607	125,915
Capital Outlay	516,686	500,000	1,471,800	971,800
Total	\$ 3,197,191	\$ 3,281,141	\$ 4,368,731	\$ 1,087,590
Indirect Costs	839,003	746,600	1,689,165	942,565
Resources:				
Solid Waste Millage	\$ 2,358,188	\$ 2,534,541	\$ 2,679,566	\$ 74,673
General Fund	1,678,006	1,493,200	3,378,330	1,955,482
Total	\$ 4,036,194	\$ 4,027,741	\$ 6,057,896	\$ 2,030,155

Key Issues

- Recycling markets continue to be in a state of flux due to multiple external factors. DPS will continue outreach efforts to educate our residents on the proper methods of recycling, including what can and cannot be recycled, and the proper means of preparation. This will help the City do its part in creating marketable goods through our recycling program, while helping the environment.
- The implementation of the cart program will present its own unique challenges, being the first major change to the City's solid waste collection program in decades.
- The long-term contract with our current waste collection contractor is expiring at the end of FY 2024-25.

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.

Organizational Structure and Staff

Personnel Summary	2022-23	2023-24	2024-25
Full Time Recreation Coordinator	0	1	1
Full Time Recreation Specialist	1	0	1
Total Full-Time	1	1	2
Part-time recreation assistant	1	1	1
Basketball Staff	13	8	8
Camp Staff	7	10	10
Lifeguard	1	1	1
Adult Program Supervisor	2	2	2
Youth Program Supervisor	1	2	2
Recreation Intern	1	1	1
Total Part-Time	26	25	25
Total Employees	26	26	27

Accomplishments

- The division continues to work with surrounding communities to develop/share in recreation programs. Those partner communities include Royal Oak, Troy, Clawson, and Berkley. The division also has partnered with other city departments and boards to collaborate on events.
- Continued increasing social media presence by regular use of a Facebook page for the Recreation Department to promote all special events, one-day programs and post reminders of deadlines. The information can easily be shared with the click of a mouse to hundreds of people with less cost and time than traditional avenues. The Recreation Department now has over 2,200 followers.
- Continued sponsorship initiatives to increase revenues for events and programs and reduce staff time and postage cost spent on solicitation. Gained “Naming Sponsors” for events with donations that cover a majority of event cost.
- Continued building the successful Day Camp program to offer full summer of opportunities to meet families’ needs. We had an 8 week summer camp program that was sold out with over 80 kids every week.
- 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, kids painting, and family bowling.
- Offered new virtual programming to help our families that were uncomfortable meeting in person.
- Analyzed and expanded our successful existing programs and events to make them bigger and better.
- Continued the new Counselors in Training Program for teens in the summer. These teens grew in community and leadership by helping our staff run activities for our Summer Camp.

Objectives

- 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.
- Continue to explore the need for additional staff through analysis of the workload, program enrollment, and costs/revenue.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	New Programs introduced	5	7	10
	Recreation revenues	\$ 115,508	\$ 130,000	\$ 135,000
Output	Recreation Registrations	2,331	2,400	2,500
	Pavilion Rentals	60	65	70
Efficiency	Department Expenditures as a % of the General Fund	0.7%	0.7%	0.9%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 175,866	\$ 254,576	\$ 255,815	\$ 1,239
Supplies	74,327	69,837	72,418	2,581
Other Services and Charges	40,568	74,053	68,203	(5,850)
Capital Outlay	-	-	-	-
Total	\$ 290,761	\$ 398,466	\$ 396,436	\$ (2,030)
Resources:				
Recreation Fees	\$ 142,861	\$ 150,000	\$ 150,000	-
Recreation-Miscellaneous	14,344	5,000	10,000	5,000
General Fund	133,556	243,466	236,436	(7,030)

Key Issues

- As programming continues to grow, the Recreation Division continues to spend time analyzing all available space dimensions and trying to figure out the best way to host a multitude of classes with very limited space. Gym access is a necessity, and is proving to be a challenge.
- The Recreation Division continues to rebuild and improve from the low point of the recession; program funding is expected to increase in future years as the Division creates and offers an increased amount of new programming.

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	2022-23	2023-24	2024-25
Parks Maintenance III	0	0	0
Total Full-Time	0	0	0
Park Rangers	2	2	2
Total Part-Time	2	2	2
Total Employees	2	2	2

Accomplishments

- Maintained the Parks system in a clean and sanitary state. The Parks continue to see ongoing increased usage as amenities are replaced and updated.
- A variety of capital projects were undertaken, including the completion of the north play structure replacement at Rosie's Park, replacement of the large play structure at Civic Center Park, and improvements of parking lots.
- With the City Manager's office, pursued multiple grant opportunities resulting in increased funding for park amenity replacements.
- Continued involvement with a variety of City Recreation and private events through setup and event logistics and support.
- Continued West Nile prevention measures.
- Ongoing inspections and repairs of playgrounds and playground equipment.
- Maintenance of all park trails, including crack sealing, sectional replacements, and overall assessment of life expectancy.

Objectives

- Continue West Nile Virus prevention measures.
- Continue planting trees at various parks.
- Continue the addition and replacement of features at various parks (e.g. benches, barbecues, drinking fountains, etc.) as funding allows
- Continue to assist with ballfield/soccer maintenance through various seasons.
- Continue replacement of aged play structures and swing sets as funding allows.
- Monitor park shelters and pavilions for needed maintenance items.
- Continue to explore energy savings opportunities at the park shelter buildings and facilities through lighting, HVAC, and insulation upgrades.
- Devise a formal strategy for park property acquisition that actively monitors the market and establishes a process for identifying target parcels for consideration.
- Continue evaluating and improving ADA accessibility in the City's park system.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Expenditures: Parks personnel and operations: Total	\$ 367,522	\$ 375,000	\$ 375,000
	Park maintenance expenditures per acre	3,868.65	3,947.37	3,947.37
Efficiency	Department Expenditures as a % of General Fund	1.6%	2.3%	1.9%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 26,662	\$ 32,455	\$ 31,952	\$ (503)
Supplies	56,101	41,800	41,850	50
Other Services and Charges	272,150	349,248	395,362	46,114
Capital Outlay	243,279	1,402,300	517,000	(885,300)
Total	\$ 598,192	\$ 1,825,803	\$ 986,164	\$ (839,639)
Resources:				
General Fund	\$ 598,192	\$ 1,825,803	\$ 986,164	\$ (839,639)
Total	\$ 598,192	\$ 1,825,803	\$ 986,164	\$ (839,639)

Key Issues

- The FY 2024 budget includes \$1.4 million of park improvements that will take the majority of FY 2025 to implement; therefore the FY 2025 budget does not include any new Capital park projects..

Active Adult Division

The Active Adult Division of the Department of Public Services is staffed with one full-time Active Adult Center Coordinator, One full-time 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	2022-23	2023-24	2024-25
Active Adult Center Program Coordinator	1	1	1
Active Adult Center Program Specialist	1	1	1
Total Full-Time	2	2	2
Bus Driver/Chauffeur	5	5	5
Active Adult Center Program Assistant	1	1	1
Office Assistant	1	1	1
Total Part-Time	7	7	7
Total Employees	9	9	9

Accomplishments

- Assisted 51 elderly, handicapped, and disabled residents through the Yard Services Program for lawn mowing (totaling 816 cuts) saving the seniors \$34,272.00 in expenses.
- Continued aiding 30 seniors in receiving Focus Hope commodity food each month, totaling 360 boxes of food.
- Assisted 100 seniors with tax assistance through the help of AARP.
- Continued busing seniors to various essential places such as the grocery store, doctor appointments, the bank and other locations for free through a Cares Act grant.
- Started our SHARP (Senior Home Assistance and Repair Program) back up on a limited basis to help seniors who are residents with minor home repairs.
- Started our Medical Loan Closet back up to loan out free medical equipment (such as walkers, wheelchairs, shower chairs and canes) to anyone.
- Continued to temporarily revamp our monthly newsletter to be an at home activity book as well as an advertisement of in person events at the Center.
- Continued to work 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

Objectives

Our focus for 2024 will continue from last year, encouraging our patrons to take care of the most important person in their life-themselves! Our classes and events this

upcoming year will focus on supporting them in this effort- physically, emotionally, mentally and spiritually.

- Continue to combat senior isolation by connecting them in innovative ways.
- Meet the service needs of older adults and their families to enhance dignity, independence and quality of life for seniors, keeping the senior in their homes as long as possible.
- Provide positive events that foster interaction among older adults and between seniors and the community to build friendships making the community stronger, healthier and more supportive.
- Encourage a relaxed atmosphere of warmth, friendliness, cooperation and concern for others.
- Continue to implement activities that are pleasurable and improve health and well-being- physically, emotionally and mentally-making sure seniors are recognized as a valuable asset.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2024-20251 Budget
<i>Input</i>	Two-way trips	10,529	11,000	11,000
	Bus Miles Traveled	19,021	20,000	20,000
<i>Output</i>	Number of programs offered for seniors	1,530	1,550	1,550
	Day trips	40	40	40
	Newsletter subscriptions	400	400	400
	Department Expenditures as a % of the General Fund	1.3%	1.5%	1.5%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 267,786	\$ 237,754	\$ 260,460	\$ 22,706
Supplies	105,664	130,592	130,992	400
Other Services and Charges	76,744	86,160	84,774	(1,386)
Capital Outlay	-	112,000	-	(112,000)
Total	\$ 450,194	\$ 566,506	\$ 476,226	\$ (90,280)
Indirect Costs	164,840	181,324	190,390	9,066
Resources:				
Senior Non-Program	\$ 4,185	\$ 4,500	\$ 4,500	\$ -
Active Adult Center Rental	1,175	4,500	4,500	-
Senior Citizens Activities	105,887	100,000	120,000	20,000
Senior Center Millage	425,632	467,117	480,970	13,853
SMART	74,265	70,019	70,019	-
General Fund	3,890	101,694	(13,373)	(115,067)
Total	\$ 615,034	\$ 747,830	\$ 666,616	\$ (81,214)

Key Issues

- AAC Staff and patrons are continuing to familiarize themselves with the new building; programming is being adjusted as needed.
- While the budget is supported at current levels, it will require ongoing analysis to determine the effect of the increased interest in the new facility.
-

Library

The library is staffed by four full-time positions, a Library Director, a Library Coordinator, Community Engagement Librarian, and a Library Technician. The operation is also supported by part-time positions, including Librarians, Assistants, and Pages.

The Department is responsible for:

- Meeting community needs for information in a variety of formats, including educational, recreational and cultural materials;
- Borrowing materials from other libraries via agreements with The Library Network (TLN) and MiLibraryCard;
- Offering delivery of books to homebound patrons;
- Public internet access and printing;
- Supporting the operations of the Heritage Rooms; and
- Providing staff support for the Historical Commission, Library Advisory Board, Human Relations & Equity Commission, and Friends of the Madison Heights Public Library.

Organizational Structure and Staff

Personnel Summary	2022-23	2023-24	2024-25
Library Director	1	1	1
Librarian Coordinator	1	1	1
Librarian	1	1	1
Technician	1	1	1
Total Full-Time	4	4	4
Librarians (including Substitutes)	6	6	7
Assistants (including Substitutes)	11	10	9
Pages (Shelvers)	2	2	2
Total Part Time	19	18	18
Total Employees	23	22	22
Average Weekly Hours	286	400	400
Total Full-Time Equivalent	7.15	10	10

Accomplishments

- Re-opened the library post-renovation with the dedication of the Robert J. Corbett Youth Room.
- Introduced new Creative Techspace, Exhibit Area, and a Flex Space area that can be used for events or studying, as well as a larger Breckenridge meeting room, which is shared with the Active Adult Center.
- Brought back in-person library programming after being closed for renovation.
- Provided 4,744 computer sessions and 5,189 wireless sessions.
- Total collection use of 58,153.
- Reorganized staff to allow the hiring and training of pages, which created a job opportunity available to people under 18.
- Page positions primarily return items to shelves.
- Having staff dedicated to shelving makes a positive difference with the collection staying organized.
- Relabeled Youth and Teen Collections to make collections more intuitive and consistent.
- Updated cataloging and processing procedures to reduce the time between item delivery and availability on shelf.
- Troubleshooting and making changes to improve workflows after the renovation reopening.
- Facilitated GFWC Madison Heights Women's Club donation of books to elementary schools in honor of MLK, Jr. Day.
- Continued partnership with Lamphere Center Work-Site Based Learning program.

Objectives

- Reinstate the music garden near the library patio.
- Continued development of educational programs and events.
- Continued development of Creative Techspace makerspace.
- Obtain and install storybook trails.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
Input	Expenditures, Library: E-Materials acquisition	\$21,055	\$23,157	\$98,454
	Expenditures, Library: Hard-copy materials acquisition	\$54,671	\$56,850	\$48,000
	Hours Paid: Library Staff	15,893	16,693	18,643
Output	Electronic Circulation per Capita	0.46	0.5	0.53
	Number of library visitors	97,409	96,400	98,000
	Library: Total reference transactions	5,372	5,300	5,250
Outcome	Library community involvement	*CRT, LAB, Historical, MRAB	*CRT, LAB, Historical, MRAB	*CRT, LAB, Historical, MRAB
	Library: Hours worked by volunteers	577	600	600
	Expenditures, Library: Online resources acquisition/subscription (OUD, Mango, RBT)	18980	20657	31854
Efficiency	Libraries: Circulation per capita	3.43	3.46	3.5
	Library visitation rate per capita	3.28	3	3.5
	Department Expenditures as a % of the General Fund	2.4%	2.4%	2.6%

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

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ 561,586	\$ 630,852	\$ 654,179	\$ 23,327
Supplies	25,714	23,300	32,000	8,700
Other Services and Charges	108,306	157,939	151,113	(6,826)
Capital Outlay	113,040	129,599	160,000	30,401
Total	\$ 808,646	\$ 941,690	\$ 997,292	\$ 55,602
Resources:				
State Library Aid	\$ 26,869	\$ 25,772	\$ 27,534	\$ 1,762
County Penal Fines	42,539	51,139	38,186	(12,953)
Book Fines	1,763	1,572	-	(1,572)
Copy/Print Fees	1,728	2,500	1,950	(550)
TLN USF E-Rate Rebate	4,419	4,363	4,356	(7)
General Fund	731,328	856,344	925,266	68,922
Total	\$ 808,646	\$ 941,690	\$ 997,292	\$ 55,602

Key Issues

- Public use of the library continues to increase following renovation. Additional staff time may be required to provide a consistent level of service should usage continue to increase.

Insurance & Transfers

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	262,935	267,590	281,500	13,910
Transfers	6,933,518	257,100	482,500	225,400
Total	\$ 7,196,453	\$ 524,690	\$ 764,000	\$ 239,310
Resources:				
General Fund	\$ 7,196,453	\$ 524,690	\$ 764,000	\$ 239,310
Total	\$ 7,196,453	\$ 524,690	\$ 764,000	\$ 239,310

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 2024 insurance rates has not been finalized; but the budget includes a modest increase of 3%, over FY 2023 actual.
- Transfers in FY 2024 included \$ 257,100 for municipal debt of the Civic Center Plaza 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 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) FY 2023-24 FY 2024-25
Requirements:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	880	880	880	-
Issuance of Debt	-	-	-	-
Debt Service	1,027,399	1,026,163	1,027,228	1,065
Transfers	-	-	-	-
Total	\$ 1,028,279	\$ 1,027,043	\$ 1,028,108	\$ 1,065
Resources:				
General Fund	\$ 1,028,279	\$ 1,027,043	\$ 1,028,108	\$ 1,065
Total	\$ 1,028,279	\$ 1,027,043	\$ 1,028,108	\$ 1,065

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). Retiree Health care liabilities are now fully funded.

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 2024 for POB principal and interest are \$1.18 million. With this contribution the City's General Employees pension is considered 102% 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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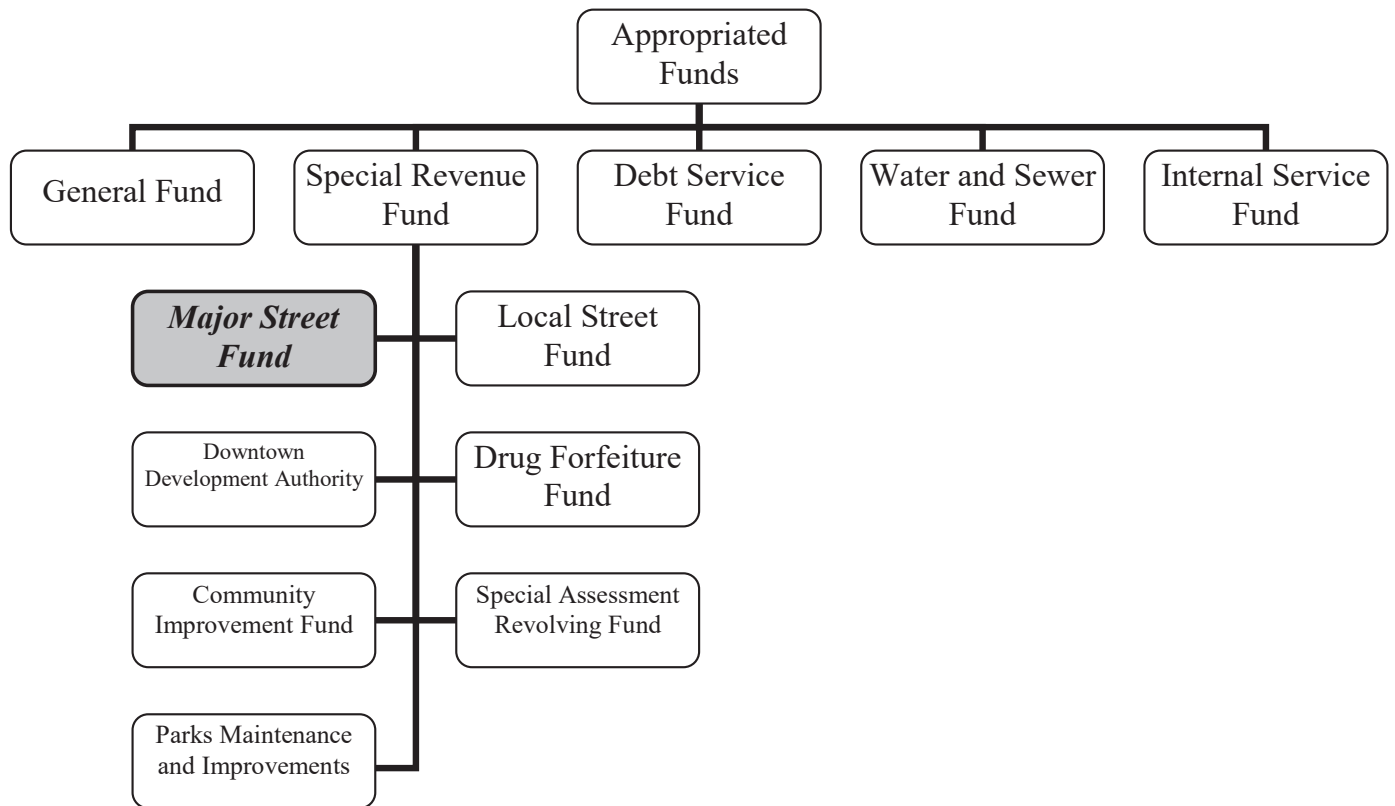
Major Street Fund

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 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Construction	\$ 672,058	\$ 1,917,508	\$ 1,425,000	\$ (492,508)
Maintenance	86,606	202,116	149,954	(52,162)
Traffic Services	161,557	535,322	201,521	(333,801)
Winter Maintenance	206,416	200,837	204,945	4,108
Administration	11,778	11,333	11,910	577
County Roads	68,313	94,171	97,679	3,508
Transfers	300,000	300,000	0	(300,000)
Total	\$ 1,506,728	\$ 3,261,287	\$ 2,091,009	\$ (1,170,278)
Resources:				
Federal	\$ 0	\$ 0	\$ 0	\$ 0
State	2,446,471	2,491,266	2,596,466	105,200
County	84,099	78,919	85,391	6,472
Transfers	0	0	0	-
Fund Balance	(1,023,842)	691,102	(590,848)	(1,281,950)
Total	\$ 1,506,728	\$ 3,261,287	\$ 2,091,009	\$ (1,170,278)
Fund Balance	\$ 3,768,988	\$ 3,077,886	\$ 3,668,734	\$ 590,848

Key Issues

- Major Rehabilitation work is budgeted at \$1,425,000 for FY 2025 which includes phase funding for John R overlay from 11 mile to 12 1/2.
- Phase Funding for Ajax Drive and Stephenson Highway turnarounds.

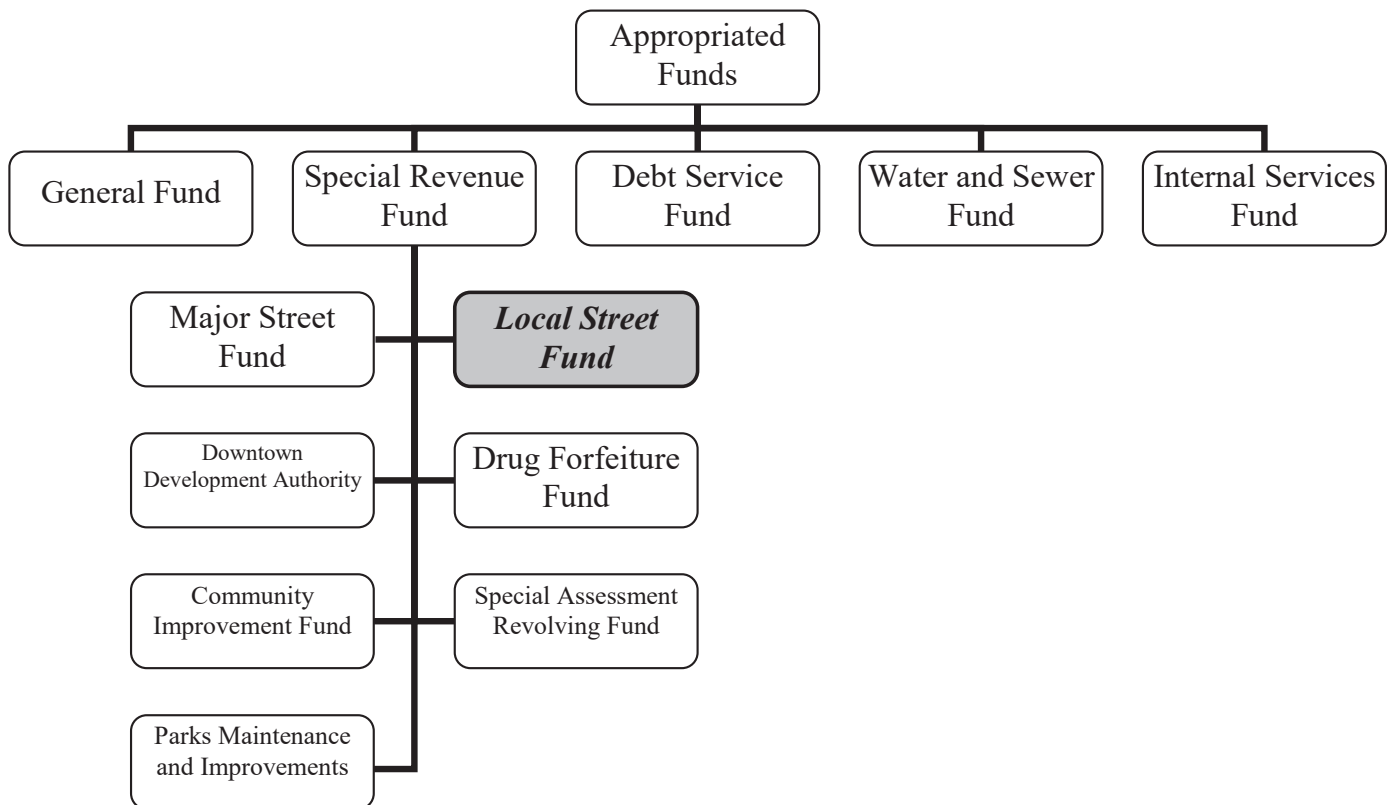
Local Street Fund

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 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Construction	2,952,164	2,724,000	1,938,000	403,000
Maintenance	250,059	313,760	319,268	5,508
Traffic Services	132,043	147,555	157,821	10,266
Winter Maintenance	17,162	63,209	60,020	(3,189)
Administration	11,286	10,263	11,161	1,275
Transfers	0	0	0	0
Total	\$ 3,362,714	\$ 3,258,787	\$ 2,486,270	\$ 416,860
Resources:				
Property Taxes	\$ 1,787,178	\$ 1,967,018	\$ 2,028,454	\$ 61,436
Intergovernmental	1,235,782	1,243,510	1,203,720	(39,790)
Miscellaneous	37,017	5,000	5,000	-
Transfers	300,000	300,000	0	(300,000)
Fund Balance	(2,737)	(256,741)	(750,914)	(494,173)
Total	\$ 3,357,240	\$ 3,258,787	\$ 2,486,260	\$ (772,527)
Non-Proposal "R" Fund Balance	\$ 788,830	\$ 1,327,553	\$ 1,718,003	390,450
Proposal "R" Fund Balance	\$ 2,936,606	\$ 2,654,624	\$ 3,015,078	360,454

Key Issues

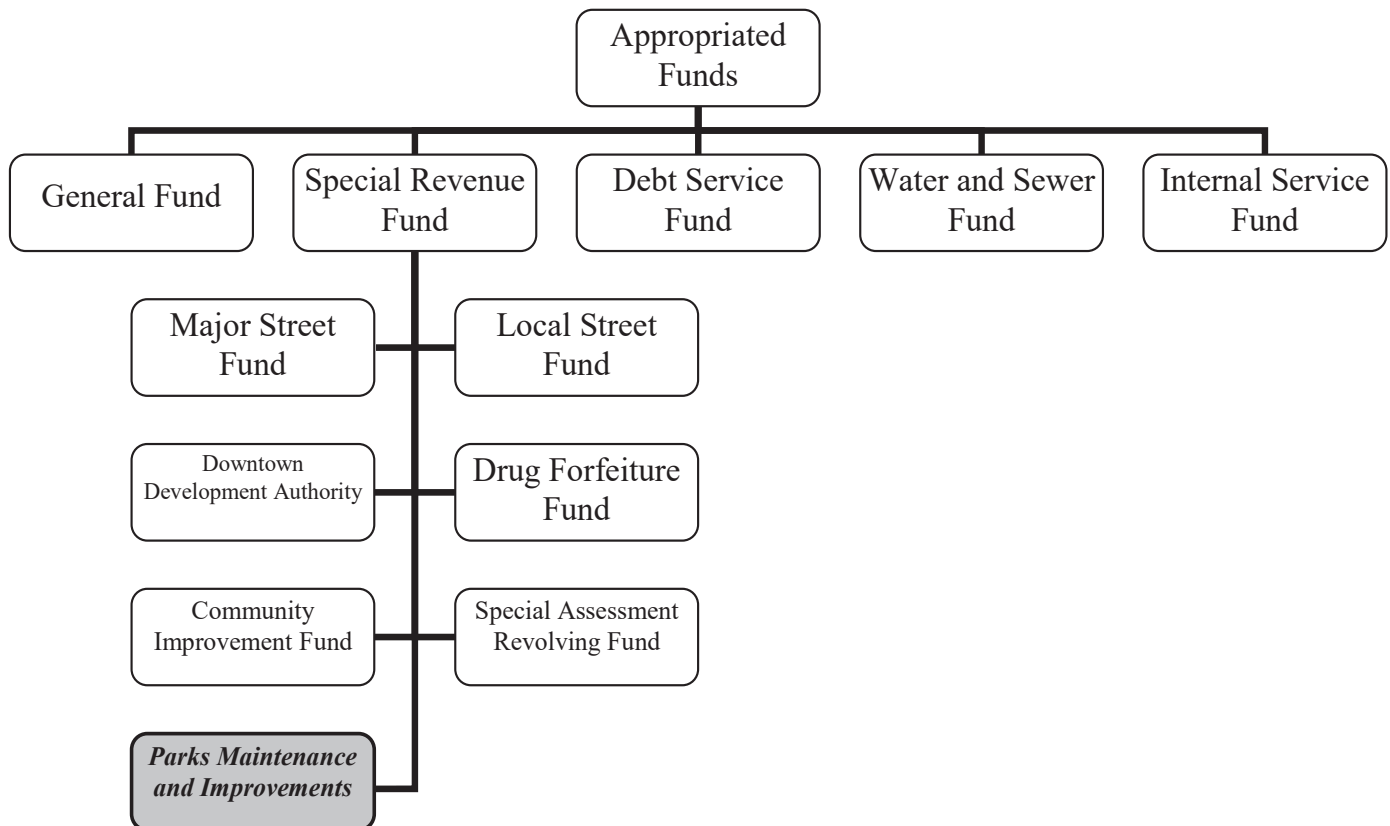
- The Local Street Fund accounts for expenditures associated with the construction and maintenance needs of our local street network, and can be divided into the Proposal R-3 road construction projects, and all other local “non-R” expenditures
- The Proposal R-3 road construction scheduled for FY 2025 includes portions of: Brush (LaSalle to 13 Mile and Girard to Woodside), Palmer (Woodside to LaSalle), and Hampden (Greig to 11 Mile) representing a total capital outlay of \$1.94 million.

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 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Maintenance	\$ 39,129	\$ 52,977	\$ 45,544	\$ (7,433)
Transfers	-	-	-	-
Total	\$ 39,129	\$ 52,977	\$ 45,544	\$ (7,433)
Resources:				
Interest/Miscellaneous	\$ 43,432	\$ 52,977	\$ 45,544	\$ (7,433)
County Shared Revenues	-	-	-	-
Fund Balance	-	-	-	-
Total	\$ 43,432	\$ 52,977	\$ 45,544	\$ (7,433)

Key Issues

- As part of the Red Oaks acquisition of Ambassador Park, the full responsibility for operations at the Soccer Complex has been turned over to the City. The Red Oaks Soccer Complex is being renamed to reflect this change, and will be known as the Madison Heights Youth Soccer Complex.
- The available balance in the Fund will continue to support operations at the Soccer Complex and major park projects for the foreseeable future.

Downtown Development Authority

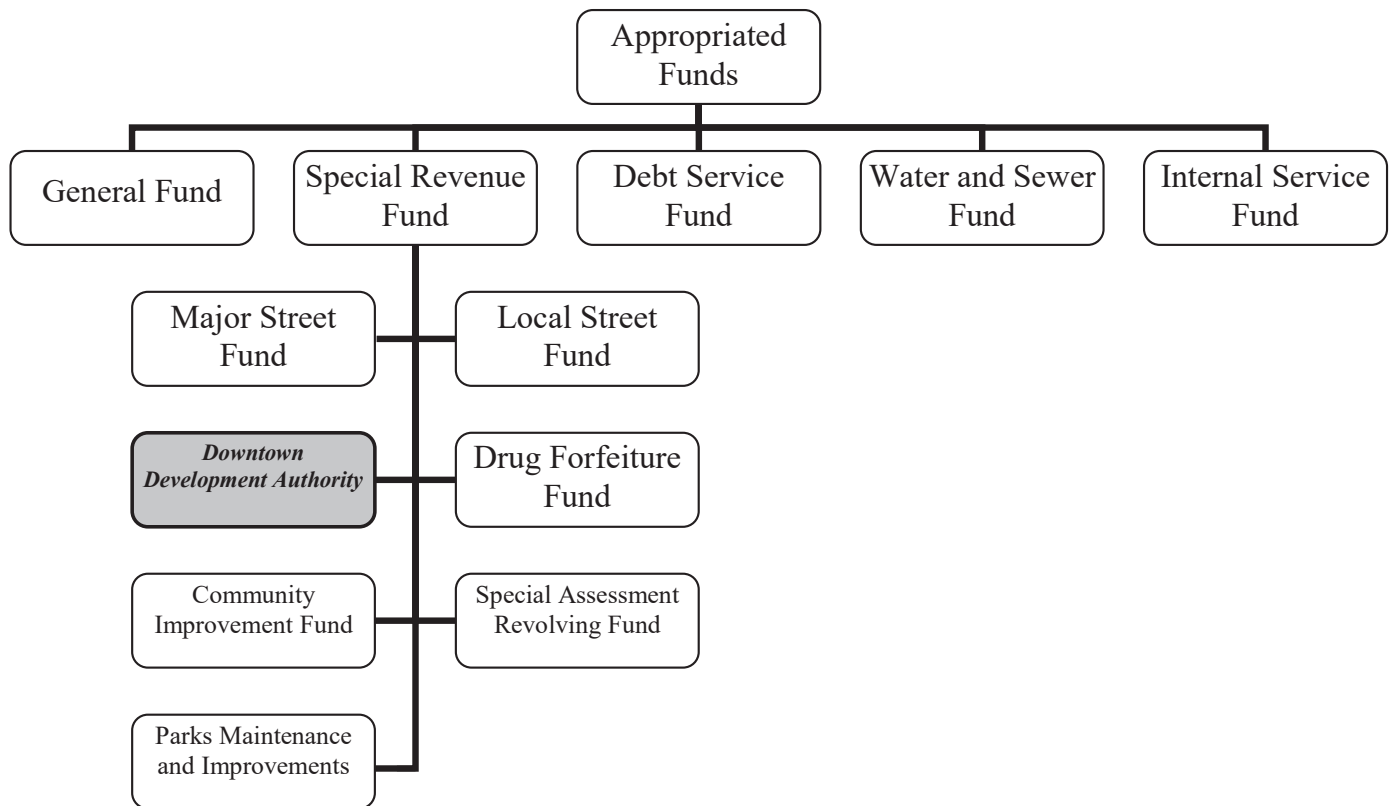
Statement of Services

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.
- Completed Banner & Holiday Decorations Project
- Issued (1) Facade Grant and (1) Sign Grant to downtown business
- Selected contractor for development of 11 Mile Streetscape Plan

Objectives

Resource Management:

- Continue the Right-of-Way (ROW) maintenance program (lawn care and trash pickup).
- Complete a streetscape and design for selected areas of the DDA and begin implementation

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Other Services and Charges	\$ 40,444	\$ 117,323	\$ 88,246	\$ (29,077)
Capital Outlay	15,112	55,605	455,000	399,395
Transfers	21,869	23,677	27,728	4,051
Total	\$ 77,425	\$ 196,605	\$ 570,974	\$ 374,369
Resources:				
Property Taxes	\$ 187,777	\$ 174,548	\$ 239,521	\$ 64,973
State Shared Revenues	37,216	39,077	40,249	1,172
Interest/Miscellaneous	1,604	250	250	-
Fund Balance	-	(17,270)	290,954	308,224
Total	\$ 226,597	\$ 196,605	\$ 570,974	\$ 374,369
Fund Balance	\$ 331,496	\$ 348,766	\$ 57,812	\$ (290,954)

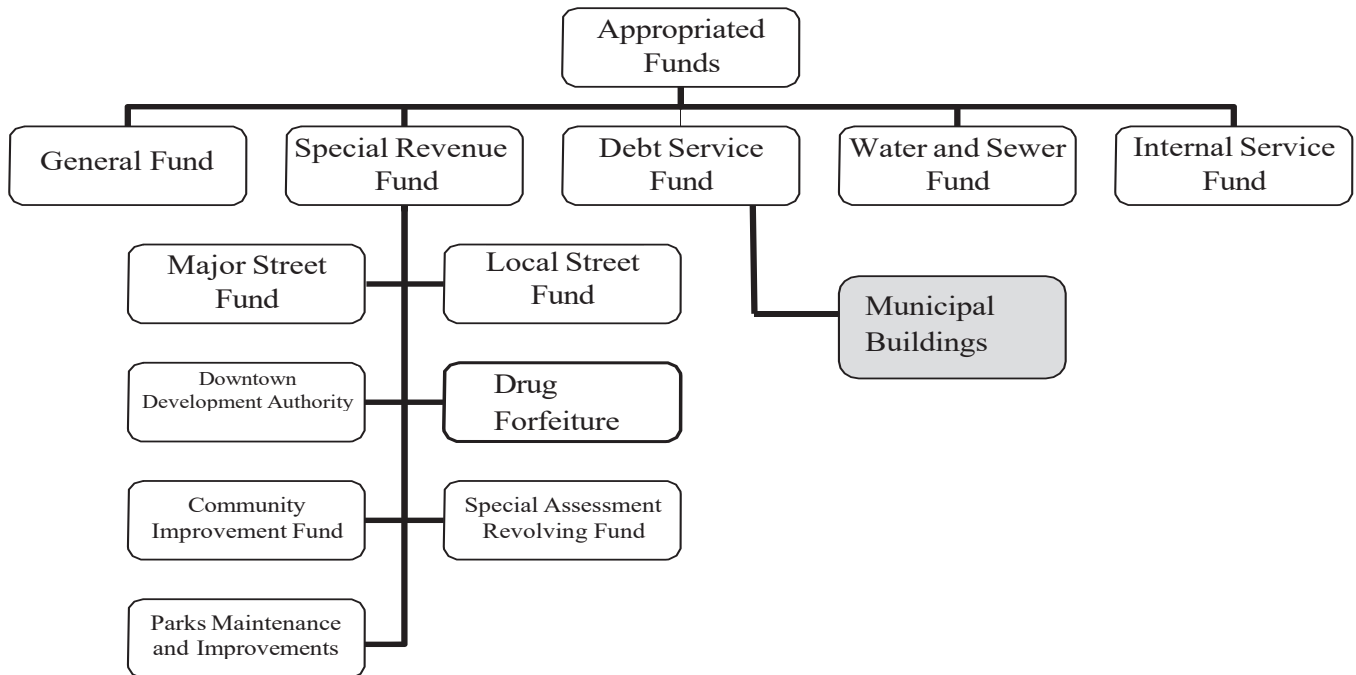
Key Issues

The FY 2025 Budget Includes the following major expenditures:

\$5,000 Tree Planting Program
 \$10,000 MHHP Chamber Services Agreement
 \$30,000 Facade Improvements
 \$20,000 Area Improvements (Banners, Gateway Signage)
 \$450,000 Streetscape Projects (Grant Match)

Municipal Buildings Construction and Bond Fund

Organizational Fund Structure



- The Municipal Bond and Capital Improvement funds were new funds in FY 2023. Municipal Bonds were issued in April 2022 for the construction project at the Civic Center Complex and Fire Station #2.

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Other Services and Charges	\$ -	\$ -	\$ -	\$ -
Debt Service	228,620	257,100	482,500	225,400
Capital Outlay	-	-	-	-
Transfers	-	-	-	-
Total	\$ 228,620	\$ 257,100	\$ 482,500	\$ 225,400
Resources:				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Transfer In (General Fund)	-	-	-	-
Interest Earned	-	-	-	-
Fund Balance	275,000	257,100	482,500	225,400
Total	\$ 275,000	\$ 257,100	\$ 482,500	\$ 225,400

Key Issues

- The budget funds the Civic Center Plaza and Fire Station #2 Project debt repayment.

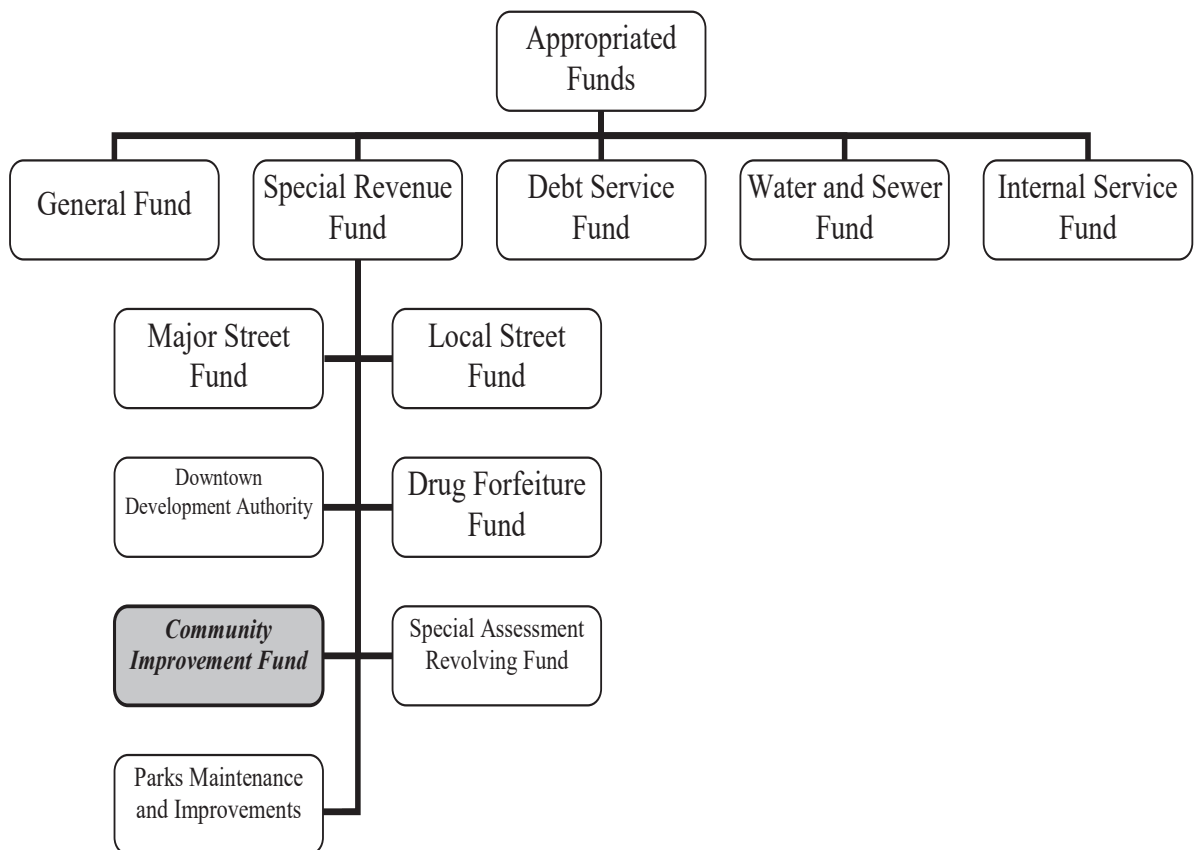
Community Improvement Fund

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:

- Provided Lawn cutting to 59 income qualified seniors
- Paid for a Full Time Code Enforcement Officer
- Approved for \$25,000 Minor Home Repair Program

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 2022-23	Estimate 2023-2024	Budget 2024-25	Increase (Decrease) FY 2023-24 to FY 2024-25
Performance Measures:				
<u>Workload Indicators</u>				
Participant Application	54	75	75	4
Home Chore Assignments	1,108	1,100	1,000	1,000

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Personnel Services	\$ 72,302	\$ 71,566	\$ 81,746	\$ 10,180
Supplies	-	-	-	-
Other Services and Charges	30,051	74,239	67,178	(7,061)
Capital Outlay	-	-	-	-
Total	\$ 102,353	\$ 145,805	\$ 148,924	\$ 3,119
Resources:				
Community Develop. Grant	\$ 105,192	\$ 145,805	\$ 148,924	\$ 3,119
Fund Balance	(2,839)	-	-	-
Total	\$ 102,353	\$ 145,805	\$ 148,924	\$ 3,119

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.
- Program Year 2024 (FY 2025) services provided include lawn mowing and weed cutting and limited fall cleanup services, home and mobile home improvements.

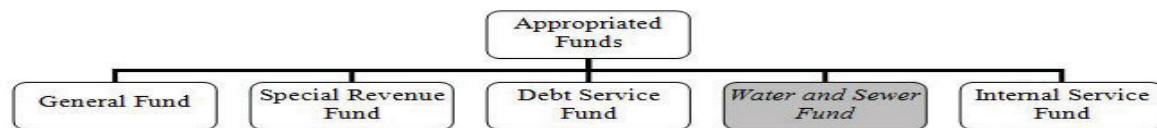
Water and Sewer Division

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

- Repaired or replaced 38 curb boxes, installed 7 new water services (new construction) and Repaired and/or assisted on 31 water main breaks.
- Applied larvicide to over 2,000 residential catch basins to help fight West Nile Virus.
- Replaced 9 fire hydrants and repaired 13 fire hydrants.
- Continued federally mandated Disinfectant and Disinfection By-Product testing (Quarterly).
- Continued to monitor high-volume commercial water accounts for meter repair or replacement based on consumption.
- Continued Lead Service replacement program at no cost to residents or business owners.
- Replaced 3,220 feet of water main on R-3 and stand-alone projects.
- Cleaned catch basins on major roads and all catch basins on sand only roads and prior water main project roads.
- Continued a rigorous commercial cross-connection monitoring program.

Objectives

- Continue to cross-train employees on all job-related issues.
- Continue ongoing City-wide leak detection study on all water mains to help eliminate water loss.
- Continue to monitor and test large commercial meters for accuracy.
- Continue with a fire hydrant painting and maintenance program.
- Implement a more robust hydrant flushing and gate valve exercising program.
- Continue catch basin cleaning on major and local roads.
- Install water main in conjunction with 2024-25 "R-3" projects and identified stand-alone projects.
- Larvicide all residential City catch basins for West Nile prevention.
- Complete replacement of all identified lead water service lines in the City.
- Research and 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.
- Continue prioritization and replacement of aging infrastructure at the Department of Public Services facility.
- 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.
- Implement an asset management software to plan and prioritize maintenance and replacement of aging infrastructure.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2024-2025 Budget
Input	Curb boxes replaced	73	50	50
	Main break repairs	32	25	25
Output	New water main installed (in feet)	1,365	2,200	1,250
Efficiency	New water main installed (per lineal foot cost)	\$213.43	\$239.19	\$213.43

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Water Charges	\$ 2,525,750	\$ 2,490,593	\$ 2,887,346	\$ 396,753
Water System Maintenance	268,434	863,136	933,311	70,175
Water Tapping & Installation	24,684	43,500	50,000	6,500
Water Depreciation	732,714	-	-	-
Sewage Disposal Charges	4,358,964	4,952,294	4,758,894	(193,400)
Sewer System Maintenance	702,637	623,741	675,907	52,166
Sewer Depreciation	634,628	-	-	-
General Service Building	250,555	209,148	201,799	(7,349)
General Administration	1,540,536	1,426,984	1,586,830	159,846
Capital Outlay	236,688	1,721,159	2,444,405	723,246
Debt Service	68,002	151,605	151,762	151,762
Total	\$ 11,343,592	\$ 12,482,160	\$ 13,690,254	\$ 1,359,699
Resources:				
Sales: Water	\$ 4,712,076	\$ 5,395,832	\$ 5,569,911	\$ 174,079
Property Taxes	890,147	-	-	-
Sales: Sewer	6,536,679	7,215,000	7,517,799	302,799
State Shared Revenues	-	-	-	-
Interest/Miscellaneous	222,857	200,800	200,800	-
Departmental Charges	101,326	115,000	115,000	-
Fund Balance	1,119,493	(444,472)	286,744	731,216
Transfers In	-	-	-	-
Total	\$ 13,582,578	\$ 12,482,160	\$ 13,690,254	\$ 1,208,094
Unrestricted Net Assets	\$ 3,896,446	\$ 4,340,918	\$ 4,054,174	\$ (286,744)
Cash	\$ 3,154,321	\$ 3,598,793	\$ 3,312,049	\$ (286,744)

Key Issues

- 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, 2023, unrestricted retained position was \$3.9 and the cash balance was \$3.2 million
- Significant changes to the Lead & Copper Rule have been proposed at the state and federal level.
- Considerable increases have been seen in the price of materials required to maintain the water distribution system.

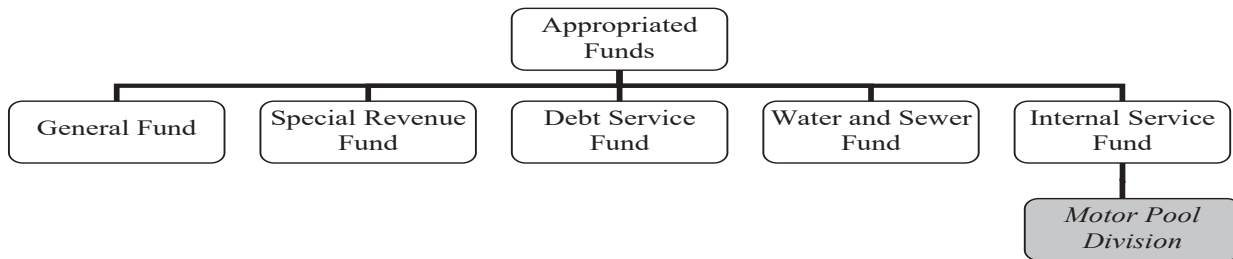
Motor Pool Division

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:

- Worked to bring as many repairs as possible back in house for both service and cost savings.
- Trained and certified a current employee in Emergency Vehicle Technician testing and maintenance for Fire Apparatus and Ambulance repairs. (EVT F1 and E0)
- Sourced and ordered a new piece of equipment that allows the use of many boxes or fixtures on a single truck chassis. This will allow a single truck to serve as many as five roles based on demand.
- Replacement of lighting in motorpool shop has been performed, using improved-efficiency fixtures. Office updates are started...
- Continuing to expand on the usage of Fleetio software to document outside repairs and data, then combining this with our in-house work orders.
- Continuing to work with Biddergy, an online auction house, to remarket our end of use equipment and supplies. Biddergy has helped us realize a much broader audience for our sales, and increased profits.
- Performed upfitting of the last 5 equipment purchases in house with strobes and lighting - or required equipment. This keeps costs down, and helps with serviceability, as we now will know how it was constructed.

Objectives

Resource Management:

- Continue to review and purge items from our parts room inventory that no longer have a purpose to our department.
- Organize and condense the parts inventory we maintain to increase repair efficiency.
- Create a more searchable tab system to help with finding applicable filters and parts.
- Continue with technician training to help with efficiency and accuracy of in-house repairs.
- Continue to upfit lighting and small build items in-house.

Performance Measures

	Performance Indicators	2023 Actual	2024 Estimate	2025 Budget
<i>Input</i>	Total gasoline purchased (gallons)	46,510	45,000	45,000
	Total diesel purchased (gallons)	27,114	30,000	30,000
<i>Efficiency</i>	Motorpool work orders	587	550	550
	Avg. cost - gallon of gasoline	\$1.79	\$2.00	\$2.02
	Avg. cost - gallon of diesel	\$1.96	\$2.20	\$2.55
	Department Expenditures as a percentage of the total budget	2.3%	1.8%	1.8%

Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Personnel Services	\$ 333,356	\$ 346,364	\$ 451,662	\$ 105,298
Supplies	270,999	250,700	265,700	15,000
Other Services and Charges	521,894	437,130	503,080	65,950
Capital Outlay	-	-	-	-
Total	\$ 1,126,249	\$ 1,034,194	\$ 1,220,442	\$ 186,248
Resources:				
Department Transfers	\$ -	\$ -	\$ -	\$ -
Transfers-General Fund	1,006,852	925,816	1,092,546	166,730
Transfers-Water and Sewer	119,398	108,378	127,896	19,518
Fund Balance	-	-	-	-
Total	\$ 1,126,250	\$ 1,034,194	\$ 1,220,442	\$ 186,248

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	2022-23	2023-24	2024-25
Supervisor	3	3	3
Leader	2	2	2
Equipment Operator III	3	3	3
Equipment Operator II	6	6	6
Equipment Operator I	7	7	7
Administrative Secretary	1	1	1
Total Full-Time	22	22	22
Seasonal Laborer	1	1	1
Office Assistant	1	0	0
Total Part-Time	1	1	1
Total Employees	24	24	24

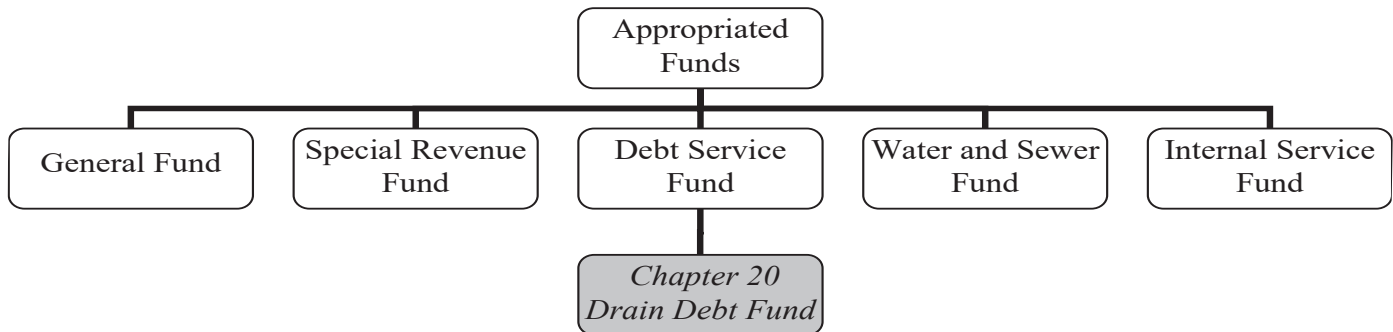
Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Personnel Services	\$ 2,067,715	\$ 2,319,620	\$ 2,497,777	\$ 178,157
Supplies	12,400	-	-	-
Other Services and Charges	4,270	9,230	10,356	1,126
Capital Outlay	-	-	-	-
Total	\$ 2,084,385	\$ 2,328,850	\$ 2,508,133	\$ 179,283
Resources:				
Transfers - General Fund	\$ 658,576	\$ 723,149	\$ 791,856	\$ 68,707
Transfers - Major Street	59,605	119,731	108,389	(11,342)
Transfers - Local Street	173,088	175,872	173,312	(2,560)
Transfers - Water and Sewer	1,193,115	1,310,098	1,434,576	124,478
Fund Balance	-	-	-	-

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 2025, Council is being requested to approve a levy of 0.2070 mills.

Organizational Fund Structure



Financial Summary

	Actual 2022-23	Estimate 2023-24	Budget 2024-25	Increase (Decrease) 2023-24 to FY 2024-25
Requirements:				
Debt Service	\$ -	\$ 700,187	\$ 73,440	\$ 16,460
Contractual Services	-	150,000	150,000	16,460
Total	\$ -	\$ 850,187	\$ 223,440	\$ 16,460
Resources:				
Property Taxes	\$ -	\$ 850,187	\$ 223,440	\$ 16,460
Miscellaneous	-	-	-	-
Fund Balance	-	-	-	-
State Shared Revenue	-	-	-	-
Total	\$ -	\$ 850,187	\$ 223,440	\$ 16,460

Key Issues

- This Budget is utilized to account for the collection of tax levy through Chapter 20 drain debt service and the expenses related to that debt insurance. Each year this fund is closed out into water and sewer for accounting purposes.

FY 2024-29 CAPITAL IMPROVEMENT PLAN

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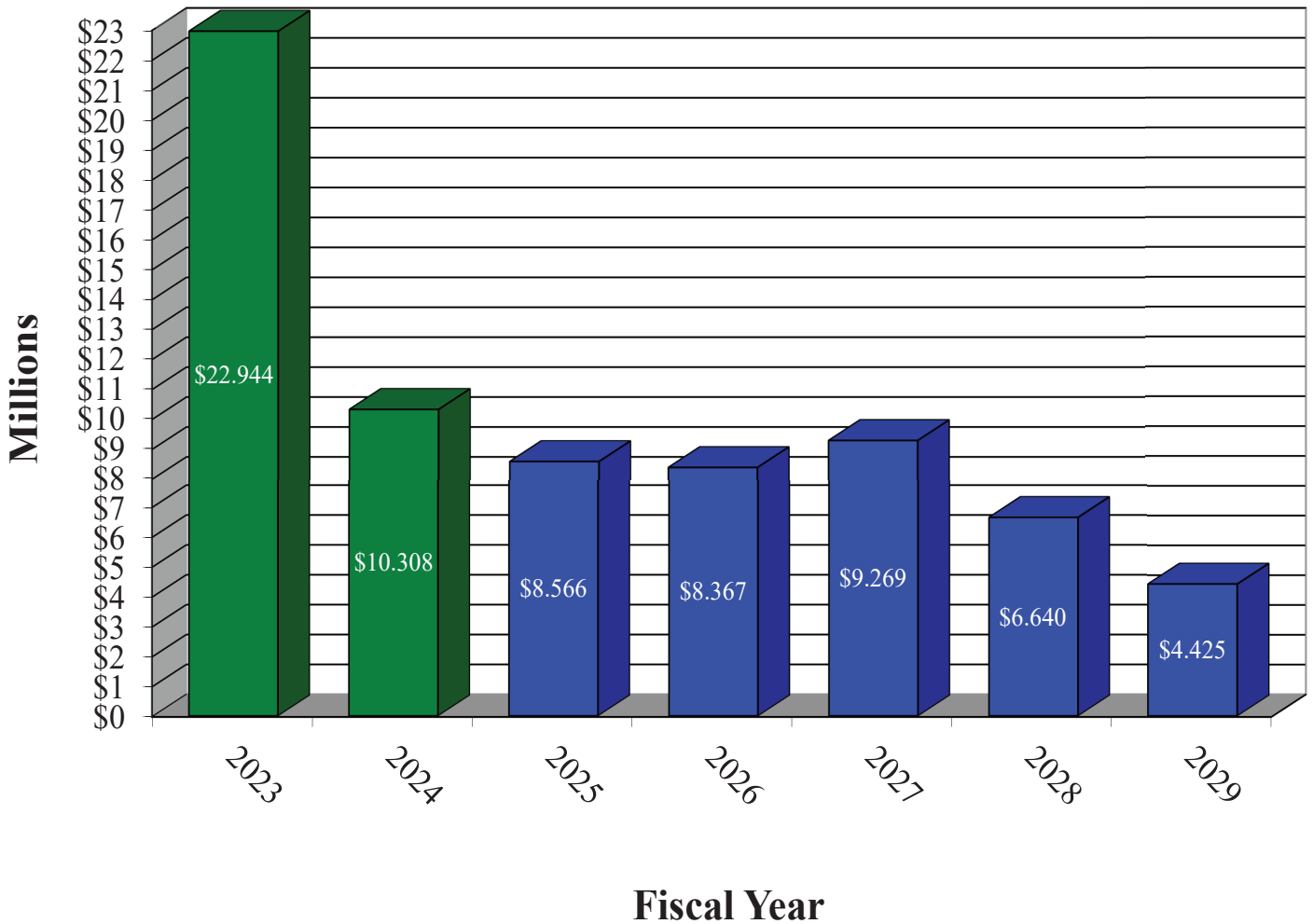
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CAPITAL IMPROVEMENT PLAN FY 2024-29

FY 2023-24 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 \$2.5 million to \$3.9 million over the current and next five year period. The plan includes \$8.3 million in Proposal "R-3" Neighborhood Road Projects and \$3.6 million for Collection and Distribution Systems. FY 2023 included the City's largest capital investment of \$14.2 million for the rehabilitation of City Hall, Library, Active Adult Center, and Fire Station #2.

The Capital Improvement Plan differs from the budget asset purchases due to capital leases, city-wide recycling/trashbins, books, and digital collection additions. These purchases equal \$1.7 million and are not included in the CIP as they do not equal the capital asset threshold for each individual item.

PLAN OVERVIEW

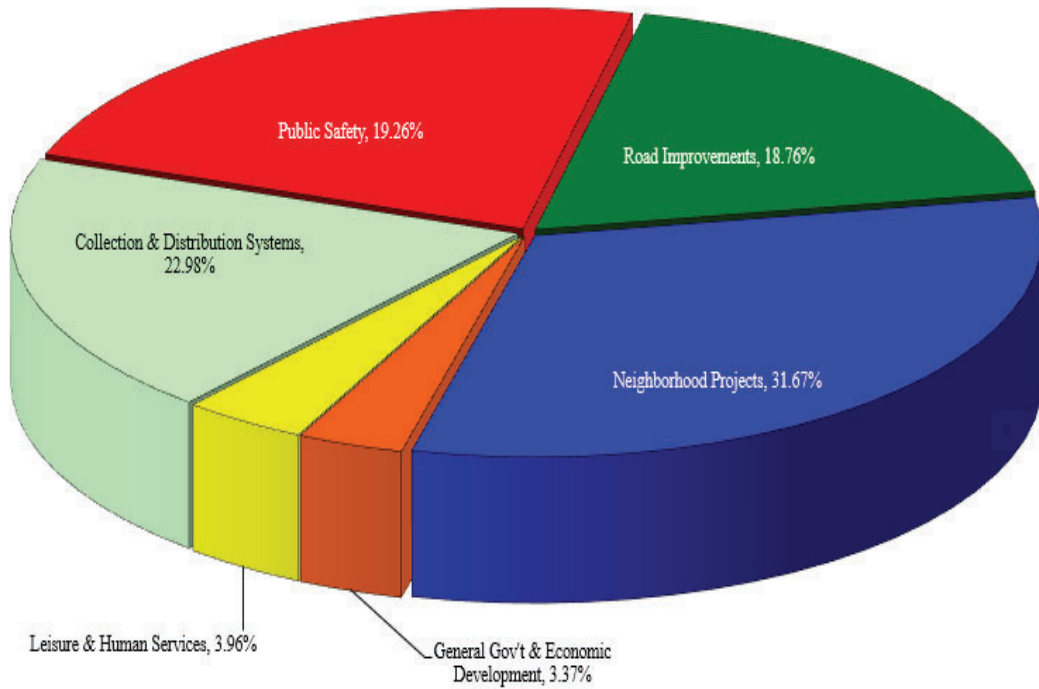
The FY 2024-29 Capital Improvement Plan (CIP) totals \$36.4 million. The previous page's bar graph shows the scheduled appropriations by year. The Capital Improvement Plan, which is a consolidation of current-year and projects planned over the current and next five years, represents future capital improvement 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 1993 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 2024-29



Over fifty percent of the Capital Improvement Plan is programmed for Road Improvements and Neighborhood Projects

TABLE I
FY 2024-29 CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
USE OF FUNDS
(IN THOUSANDS)

APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
Neighborhood Projects	III	2,374	\$ 2,564	\$ 2,526	\$ 2,701	\$ 3,886	\$ 2,720	\$ -	\$ 11,833
Road Improvements	V	2,924	3,955	2,266	1,185	1,670	1,209	680	7,010
Collection & Distribution Sys.	VI	837	831	1,248	1,198	2,494	1,209	2,437	8,586
Public Safety	VIII	3,657	1,695	1,558	2,358	872	1,178	1,231	7,197
General Govt & Economic Dev.	IX	12,104	268	451	480	55	190	85	1,261
Leisure & Human Services	X	1,048	995	517	445	292	134	92	1,480
TOTAL		\$ 22,944	\$ 10,308	\$ 8,566	\$ 8,367	\$ 9,269	\$ 6,640	\$ 4,525	\$ 37,367

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 take into consideration higher than normal inflation rates for the past two years, with future year increases projected to be 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.

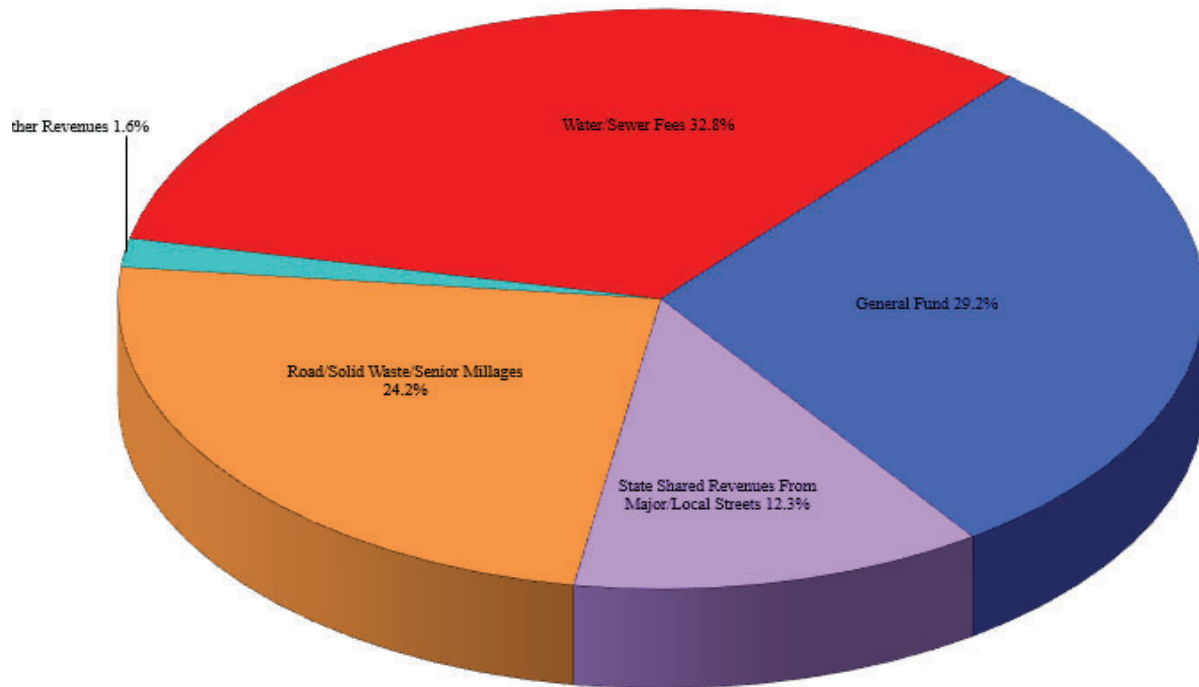
The planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Neighborhood Projects	31.67
Road Improvements	18.76
Collection & Distribution Systems	22.98
Public Safety	19.26
Leisure & Human Services	3.37
General Government & Economic Development	<u>3.96</u>
	100.0

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

SOURCE OF FUNDS

FY 2024-29



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

TABLE II
FY 2024-29 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	\$ 8,272	\$ 760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,032
Water/Sewer Fees	3,561	0	8,586	0	96	0	12,243
General Fund	0	1,500	0	7,004	1,165	1,235	10,904
State Shared Revenues from Major/Local Streets	0	4,600	0	0	0	0	4,600
General Obligation Bonds	0	0	0	0	0	0	0
Federal Transportation Grant	0	0	0	0	0	0	0
Other Revenues							
Oakland County Grants/Funding	0	0	0	0	0	0	0
Grants/Federal/State of Michigan	0	0	0	0	0	245	245
Special Assessment	0	150	0	0	0	0	150
Drug Forfeiture Fund	0	0	0	193	0	0	193
TOTAL	\$ 11,833	\$ 7,010	\$ 8,586	\$ 7,197	\$ 1,261	\$ 1,480	\$ 37,367

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, and State Shared Revenues from Major and Local Streets, totaling \$27.4 million or 94.9 percent of the plan. Most of these funds will be needed for scheduled neighborhood road improvement projects and major road work. The FY 2025 Capital Improvement Plan totals \$8.6 million (Table I). A breakdown of revenues programmed in the FY 2024-29 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Water/Sewer Fees	32.8
General Fund	29.2
Road/Solid Waste/ Senior Millage	24.2
State Shared Revenues from Major/Local Streets	12.3
Other Revenues	<u>1.6</u>
	100.0

Revenue estimates are based on history or known estimates from other agencies such as Federal and State participation.

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" a 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 Proposal "R-2" 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 water main lines at the same time as the neighborhood road improvements, we do so. This allows the City to avoid 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 was 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 seal coat roads, which 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 seal coat 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 seal coat 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 the summer of 2017 construction season (fiscal year 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 a map depicting "R-3" neighborhood road programs, appropriations and revenues for the recent and scheduled neighborhood road projects (Table III), a detailed history of "R-1", "R-2" and "R-3" projects (Table IV-A, IV-B, IV-C) , and a map depicting the historical projects of "R-1" and "R-2".

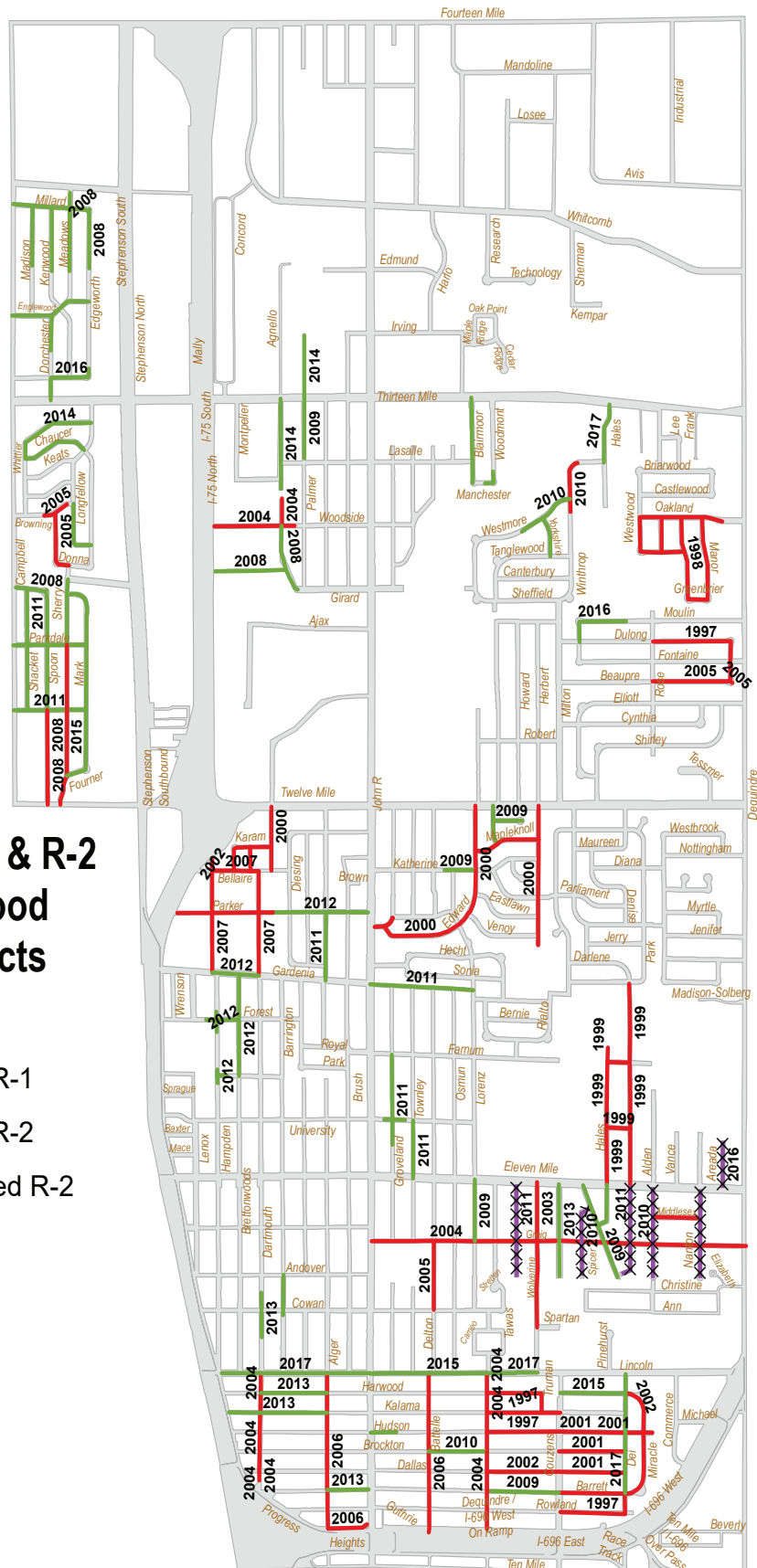


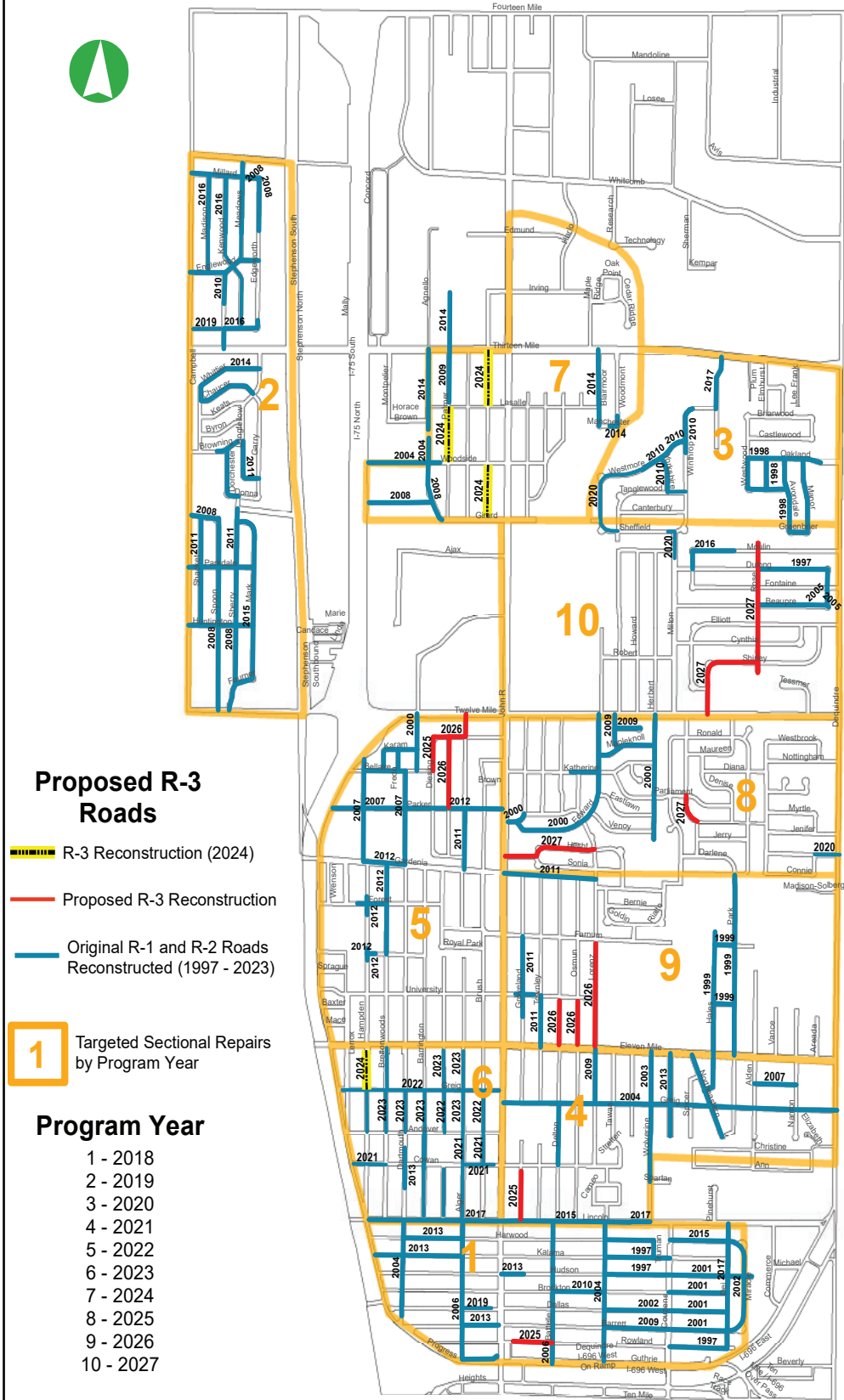
Proposals R-1 & R-2 Neighborhood Road Projects

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



1 inch = 2,200 feet





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TABLE III
FY 2024-29 CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

APPROPRIATIONS:

NEIGHBORHOOD PROJECTS	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
YEAR 4 ROADS (R-3) 2021								
Alger Street (W Cowan Avenue to Andover Avenue)	0	0	0	0	0	0	0	0
Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	0	0	0	0	0	0
Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	0	0	0	0	0	0
Barrington Street (W Lincoln Avenue to W. Cowan Avenue)	0	0	0	0	0	0	0	0
Alger Street (W. Lincoln Avenue to W Cowan Avenue)	0	0	0	0	0	0	0	0
Brush Street (W Cowan Avenue to Andover Avenue)	0	0	0	0	0	0	0	0
W Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	0	0	0	0	0	0
W Cowan Avenue (Alger Street to John R Road)	0	0	0	0	0	0	0	0
Palmer Street (W Lincoln Avenue to W Cowan Avenue)	0	0	0	0	0	0	0	0
Sectional	0	0	0	0	0	0	0	0
YEAR 5 ROADS (R-3) 2022								
W. Greig Avenue (W. Terminus to Hampden Street)	228	0	0	0	0	0	0	0
W. Greig Avenue (Brettonwood Street to Dartmouth Street)	206	0	0	0	0	0	0	0
W. Greig Avenue (Brush Street to John R Road)	167	0	0	0	0	0	0	0
Palmer Street (Andover Avenue to W. Greig Avenue)	337	0	0	0	0	0	0	0
Brush Street (Andover Avenue to W. Greig Avenue)	190	0	0	0	0	0	0	0
W. Greig Avenue (Hampden Street to Brettonwoods Street)	140	0	0	0	0	0	0	0
W. Greig Avenue (Dartmouth Street to Barrington Street)	155	0	0	0	0	0	0	0
W. Greig Avenue (Barrington Street to Palmer Street)	117	0	0	0	0	0	0	0
W. Greig Avenue (Palmer Street to Alger Street)	117	0	0	0	0	0	0	0
W. Greig Avenue (Alger to Brush Street)	117	0	0	0	0	0	0	0
Sectional	78	0	0	0	0	0	0	0
YEAR 6 ROADS (R-3) 2023								
Hampden Street (Andover Ave to W Greig Ave)	0	273	0	0	0	0	0	0
Brettonwoods Street (Andover Ave to W Greig Ave)	133	273	0	0	0	0	0	0
Brettonwoods Street (W. Greig Ave to Eleven Mile Road)	133	292	0	0	0	0	0	0
Dartmouth Street (Andover Ave to W. Greig Ave)	0	275	0	0	0	0	0	0
Barrington Street (Andover Ave to W. Greig Ave)	0	275	0	0	0	0	0	0
Palmer Street (W. Greig Ave to Eleven Mile Road)	0	293	0	0	0	0	0	0
Alger Street (W. Greig Ave to Eleven Mile Road)	138	293	0	0	0	0	0	0
Alger Street (Andover Ave to W. Greig Ave)	118	275	0	0	0	0	0	0
YEAR 7 ROADS (R-3) 2024								
Brush Street (W. LaSalle to 13 Mile)	0	153	445	0	0	0	0	445
Palmer Street (W. Woodside to W. LaSalle)	0	0	434	0	0	0	0	434
Brush Street (W. Girard to W. Woodside)	0	162	440	0	0	0	0	440
Hampden Street (W Grieg to 11 Mile)	0	0	349	0	0	0	0	349
YEAR 8 ROADS (R-3) 2025								
Diesing Drive (Bellaire Avenue to Alger Street)	0	0	345	615	0	0	0	960
Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	257	459	0	0	0	716
E. Rowland Avenue (John R Road to Battelle Avenue)	0	0	256	457	0	0	0	713
YEAR 9 ROADS (R-3) 2026								
Palmer Street (W. Parker Street to Diesing Drive)	0	0	0	326	546	0	0	872
Alger Street (Diesing Drive to W. Twelve Mile Road)	0	0	0	107	180	0	0	287
Delton Street (E. Eleven Mile to E. University Avenue)	0	0	0	233	390	0	0	623
Osmun Street (E. Eleven Mile to E. University Avenue)	0	0	0	0	393	0	0	393
Lorenz Street (E. Eleven Mile to E. University Avenue)	0	0	0	235	393	0	0	628
Lorenz Street (E. Unviserity Avenue to E. Farnum Avenue)	0	0	0	269	451	0	0	720
YEAR 10 (R-3) 2027								
Shirley Avenue (Twelve Mile Road to Rose Street)	0	0	0	0	343	610	0	953
Rose Street (South Terminus to Elliot Avenue)	0	0	0	0	216	383	0	599
Rose Street (Elliott Avenue to North Terminus)	0	0	0	0	375	665	0	1,040
Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	0	0	131	233	0	364
Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	0	0	158	280	0	438
Hecht Drive (Sonia/Lorenz Street)	0	0	0	0	310	549	0	859
TOTALS	\$ 2,374	\$ 2,564	\$ 2,526	\$ 2,701	\$ 3,886	\$ 2,720	\$ 0	\$ 11,833
Total Projects	15	10	7	8	12	6	0	33
Total Equipment	0	0	0	0	0	0	0	0

TABLE III
FY 2024-29 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 7 ROADS (R-3) 2024							
Brush Street (W. LaSalle to 13 Mile)	0	0	0	445	0	0	445
Palmer Street (W. Woodside to W. LaSalle)	0	0	0	434	0	0	434
Brush Street (W. Girard to W. Woodside)	0	0	0	440	0	0	440
Hampden Street (W. Grieg to 11 Mile)	0	0	0	349	0	0	349
YEAR 8 ROADS (R-3) 2025							
Diesing Drive (Bellaire Avenue to Alger Street)	0	0	0	615	345	0	960
Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	0	459	257	0	716
E. Rowland Avenue (John R Road to Battelle Avenue)	0	0	0	457	256	0	713
YEAR 9 ROADS (R-3) 2026							
Palmer Street (W. Parker Street to Diesing Drive)	0	0	0	546	326	0	872
Alger Street (Diesing Drive to W. Twelve Mile Road)	0	0	0	180	107	0	287
Delton Street (E. Eleven Mile to E. University Avenue)	0	0	0	390	233	0	623
Osmun Street (E. Eleven Mile to E. University Avenue)	0	0	0	393	0	0	393
Lorenz Street (E. Eleven Mile to E. University Avenue)	0	0	0	393	235	0	628
Lorenz Street (E. Unviserity Avenue to E. Farnum Avenue)	0	0	0	451	269	0	720
YEAR 10 (R-3) 2027							
Shirley Avenue (Twelve Mile Road to Rose Street)	0	0	0	610	343	0	953
Rose Street (South Terminus to Elliot Avenue)	0	0	0	383	216	0	599
Rose Street (Elliott Avenue to North Terminus)	0	0	0	665	375	0	1,040
Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	0	233	131	0	364
Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	0	280	158	0	438
Hecht Drive (Sonia/Lorenz Street)	0	0	0	549	310	0	859
Total	\$ 0	\$ 0	\$ 0	\$ 8,272	\$ 3,561	\$ 0	\$ 11,833

TABLE IV-A
FY 2024-29 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 2024-29 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 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 2024-29 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 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					
DONE	2019	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 2024-29 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	\$ 529	\$ 247	\$ 776
DONE	2019	Harwood Avenue (Battelle Ave to Tawas Street)	0	0	345	162	507
DONE	2019	Brush Street (W. University Avenue to W. Farnum Avenue & Eleven Mile)	0	0	453	298	751
DONE	2019	Sectional	0	0	965	0	965
		YEAR 2 ROADS					
DONE	2020	Meadows Avenue (Englewood Ave to Meadows)	0	0	171	0	171
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	136	0	136
DONE	2020	Sectional	0	0	951	0	951
		YEAR 3 ROADS					
DONE	2021	Westmore Drive (30452 Westmore Drive to Tanglewood Drive)	0	0	829	421	1,250
DONE	2021	Milton Avenue (Moulin to Sheffield Drive)	0	0	277	142	419
DONE	2021	Tanglewood Drive (Winthrop Drive to Yorkshire Drive)	0	0	108	332	440
DONE	2021	Beverly Avenue (Connie Avenue to Dequindre Road)	0	0	125	364	489
DONE	2021	Sectional	0	0	61	0	61
		YEAR 4 ROADS					
DONE	2022	Alger Street (W. Cowan Avenue to Andover Avenue)	0	0	247	0	247
DONE	2022	Barrington Street (Mid Block Barrington St-Lincoln to Cowan)	0	0	132	194	326
DONE	2022	Alger Street (Mid Block Alger Street - Lincoln to Cowan)	0	0	142	0	142
DONE	2022	Barrington Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	181	0	181
DONE	2022	Alger Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	234	0	234
DONE	2022	Brush Street (W. Cowan Avenue to Andover Avenue)	0	0	157	138	295
DONE	2022	W. Cowan Avenue (Stephenson Highway to Brettonwoods Street)	0	0	120	0	120
DONE	2022	W. Cowan Avenue (Alger Street to John R Road)	0	0	119	0	119
DONE	2022	Palmer Street (W. Lincoln Avenue to W. Cowan Avenue)	0	0	274	195	469
DONE	2022	Sectional	0	0	106	0	106
		YEAR 5 ROADS					
DONE	2023	W. Greig Avenue (W. Terminus to Hampden Street)	0	0	228	0	228
DONE	2023	W. Greig Avenue (Brettonwood Street to Dartmouth Street)	0	0	206	0	206
DONE	2023	W. Greig Avenue (Brush Street to John R Road)	0	0	167	0	167
DONE	2023	Palmer Street (Andover Avenue to W. Greig Avenue)	0	0	337	0	337
DONE	2023	Brush Street (Andover Avenue to W. Greig Avenue)	0	0	190	0	190
DONE	2023	W. Greig Avenue (Hampden Street to Brettonwoods Street)	0	0	140	0	140
DONE	2023	W. Greig Avenue (Dartmouth Street to Barrington Street)	0	0	155	0	155
DONE	2023	W. Greig Avenue (Barrington Street to Palmer Street)	0	0	117	0	117
DONE	2023	W. Greig Avenue (Palmer Street to Alger Street)	0	0	117	0	117
DONE	2023	W. Greig Avenue (Alger to Brush Street)	0	0	117	0	117
		YEAR 6 ROADS					
	2024	Hampden Street (Andover Avenue to Greig Avenue)	0	0	273	0	273
	2024	Brettonwoods Street (Andover Avenue to W. Greig Avenue)	0	0	273	133	406
	2024	Brettonwoods Street (W. Greig Avenue to Eleven Mile Road)	0	0	292	133	425
	2024	Dartmouth Street (Andover Avenue to W. Greig Avenue)	0	0	275	0	275
	2024	Barrington Street (Andover Avenue to W. Greig Avenue)	0	0	275	0	275
	2024	Palmer Street (W. Greig Avenue to Eleven Mile Road)	0	0	293	0	293
	2024	Alger Street (W. Greig Avenue to Eleven Mile Road)	0	0	293	138	431
	2024	Alger Street (Andover Avenue to W. Greig Avenue)	0	0	275	118	393

TABLE IV-C
FY 2024-29 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 7 ROADS					
	2025	Brush Street (W. LaSalle Avenue to Thirteen Mile Road)	0	0	445	153	598
	2025	Palmer Street (W. Woodward to W. LaSalle Avenue)	0	0	434	0	434
	2025	Brush Street (W. Girard Avenue to W. Woodside Avenue)	0	0	440	162	602
	2025	Hampden Street (W. Greig Avenue to Eleven Mile Road)	0	0	349	0	349
		YEAR 8 ROADS					
	2026	Diesing Drive (Bellair Avenue to Alger Street)	0	0	615	345	960
	2026	Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	459	257	716
	2026	E Rowland Avenue (John R. Road to Battelle Avenue)	0	0	457	256	713
		YEAR 9 ROADS					
	2027	Palmer Street (W. Parker Street to Diesing Drive)	0	0	546	326	872
	2027	Alger Street (Diesing Drive to Twelve Mile Road)	0	0	180	107	287
	2027	Delton Street (Eleven Mile Road to E. University Avenue)	0	0	390	233	623
	2027	Osmun Street (Eleven Mile Road to E. University Avenue)	0	0	393	0	393
	2027	Lorenz Street (Eleven Mile Road to E. University Avenue)	0	0	393	235	628
	2027	Lorenz Street (E University Avenue to E. Farnum Avenue)	0	0	451	269	720
		YEAR 10 ROADS					
	2028	Shirley Avenue (Twelve Mile Road to Rose Street)	0	0	610	343	953
	2028	Rose Street (South Terminus to Elliot Avenue)	0	0	383	216	599
	2028	Rose Street (Elliott Avenue to North Terminus)	0	0	665	375	1,040
	2028	Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	233	131	364
	2028	Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	280	158	438
	2028	Hecht Drive (Sonia Avenue to Sonia/Lorenz Street)	0	0	549	310	859
		TOTALS	\$ 0	\$ 0	\$ 19,677	\$ 7,106	\$ 26,783

* 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 Michigan. 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. The State has assigned roads to either Major or Local Street categories in each municipality's jurisdiction. 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. Act 51 also established the Michigan Transportation Fund (MTF).

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

<u>Year</u>	<u>Major Street</u>	<u>Local Street</u>	<u>Supplemental</u>	<u>Total</u>
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	2,380,988	910,503	0	3,291,492
2023	2,446,470	936,487	0	3,382,958
*2024	2,496,846	955,155	0	3,452,001
*2025	2,553,996	977,017	0	3,531,013

Historically, the MTF was supported through the 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 that completely overhauled this funding mechanism and were 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 cents 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 vehicle's age and estimated base price. The state also assesses a six percent sale tax on fuel purchases.

ROAD IMPROVEMENTS

Beginning in FY 2021, the MTF has also received revenue from an earmark of the excise tax on recreational marijuana sales under the Michigan Regulation and Taxation of Marihuana Act. Revenue credited to the MTF from that earmark totaled \$49.3 million in FY 2021 and \$69.4 million in FY 2022, as of December 2023, estimated \$59.0 million for FY 2023 with estimated for FY 2024 to be released in February 2024. 2 Section 10 of Act 51 establishes the MTF and directs the appropriation of MTF revenue. MTF revenue is first allocated for administrative, statewide planning, collection costs, and for various statutory categorical programs. Section 10 also allocates MTF revenue to the Comprehensive Transportation Fund (CTF) for public transportation

programs, including capital and operating assistance to 78 local public transit agencies. The MTF balance, after these various allocations and distributions, plus revenue from the income tax earmark and the recreational marijuana excise tax, is distributed for state and local road agency road programs as follows:

- 39.1% to the State Trunkline Fund (STF), for construction and preservation of the state trunkline system and administration of the Michigan Department of Transportation (MDOT).
- 39.1% to 83 county road commissions for construction and preservation of county roads.
- 21.8% to 531 cities and villages for construction and preservation of city/village streets.

The MTF distribution is spread among the 83 county road commissions and 531 eligible cities and villages. The MTF revenue distribution to county road commissions and to cities and villages represents the largest funding source for road funding in the state.

A. County, State and Federal Highway Projects

- John R - 14 Mile to Dartmouth (RCOC) FAC Funding

During the past two budget cycles, the City has worked with both the Road Commission of Oakland County (RCOC) and Suburban Mobility Authority for Regional Transportation (SMART) to submit John R (11 Mile to 14 Mile) for funding through the Federal Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. Unfortunately, this grant application has failed on both attempts leaving the County and City to look for other funding sources for this project This three-mile-long project extends from 11 Mile to 14 Mile Road. The 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, with the City of Madison Heights jurisdiction extending from Dartmouth Street to 11 Mile Road.

RCOC is currently planning to utilize Local Road Improvement Program (LRIP) funding in 2024 to complete an overlay project on their section of John R from Dartmouth. While final cost estimates have not been received, we estimate the cost to be approximately \$1 million, as shown in the attached table. Therefore, to complete the John R Road Overlay, the City of Madison Heights has saved \$1 million budgeting to save \$500,000 in FY 2024 and 2025 in Act 51 Major Road funding for the City section to be completed during FY 2025

John R is the main business corridor of the City of Madison Heights and also serves as a main north/south corridor for the region. This stretch of roadway was reconstructed in 2006 and the condition of the pavement is poor. John R is also 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. 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 Oakland County.

B. Major Road Improvements

The MFT Major Street Fund revenue supports operation and maintenance costs and limited section repairs for major streets throughout the City. Table V highlights these major road projects through 2029.

- Ajax - John R to 801 Ajax

This section of Ajax Drive was last repaved in 1999, and is the sole industrial access road for several commercial businesses, the city Department of Public Services facilities and the Oakland County Drain Commission facility. This road is in poor condition and is being estimated for construction season 2024 (fiscal year 2025).

- Concrete/Joint Repairs - Sectional

Budgetary constraints limit the City's ability to repair designated commercial and industrial roads completely. 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 annually through 2028.

- Dequindre Residential Corridor Streetlights

During the 2021 Strategic Planning process, an initiative was created to investigate the cost and feasibility of installing street lighting along the main residential corridor of Dequindre Road. There have been multiple pedestrian-vehicle accidents in this area and is it one of the only stretches of road in the City that is not illuminated at night. Therefore, this plan includes the most cost-effective option to contract with the DTE Community Lighting department to place 53 LED streetlights along this stretch of road for \$220,000. Following the installation of the lights there would be an ongoing expense of approximately \$50,000 in annual energy and maintenance costs.

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 2028.

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. In addition, 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 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 planned to rebuild the traffic signal at 13 Mile and John R, sharing the cost of \$300,000 with the City of Madison Heights. This project will be carried forward until complete. Madison Heights owns 50% of the intersection therefore the City share will be 50% or \$150,000.

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

E. 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. Equipment Replacement

Various Street Maintenance and Solid Waste vehicles are programmed for purchase to correspond with the CIP Equipment Replacement Plan. Street Maintenance vehicles totaling \$1.5 million will be programmed through the General Fund with an additional \$760,000 million programmed to be funded through the Solid Waste Millage.

*Note: The lettered sections of this Road improvement Chapter corresponds with the following table sections on the next page.

TABLE V
FY 2024-29 CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

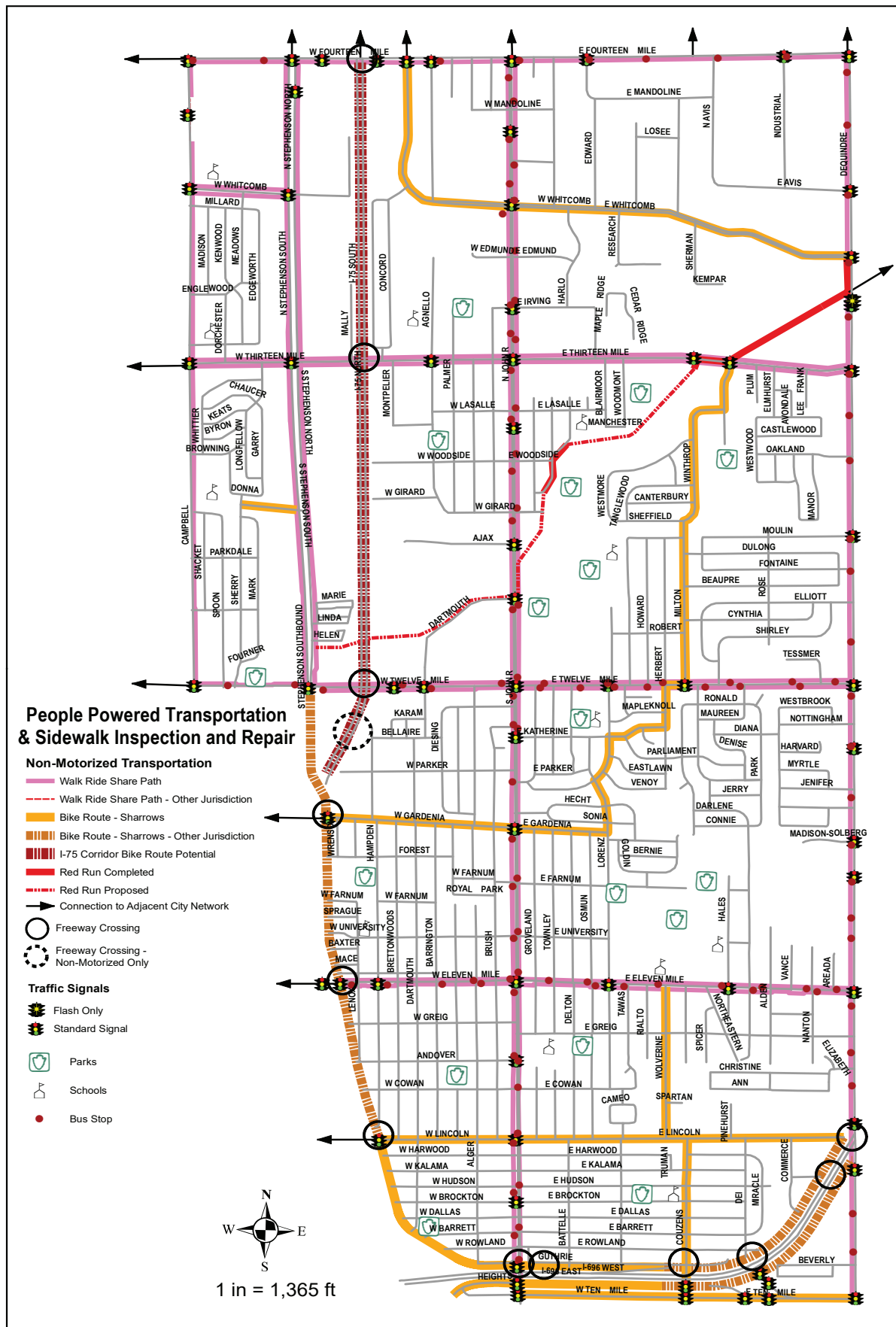
APPROPRIATIONS:

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)								
A. COUNTY/STATE/FEDERAL PROJECTS								
John R - 14 Mile to Dartmouth (RCOC) FAC Funding	0	1,000	0	0	0	0	0	0
B. MAJOR ROAD IMPROVEMENTS								
Joint & Crack Sealing - City Wide Major	0	75	75	75	75	75	75	375
Ajax - John R to 801 Ajax	0	0	250	0	0	0	0	250
Overlay Campbell (13 Mile to 14 Mile)	0	0	0	0	400	0	0	400
Overlay Edward/Mandoline (E. 14 Mile to North Avis)	0	0	0	0	350	0	0	350
Overlay John R - Dartmouth to 11 Mile (Funding 5 Phases)	497	500	500	0	0	0	0	500
Overlay North Avis/East Avis (E. 14 Mile to Dequindre)	0	0	0	0	450	0	0	450
Park Court (11 Mile to Connie)	775	0	0	0	0	0	0	0
Sectional - 11 Mile Road (I-75 to Dequindre) NON-NHPP	0	250	250	250	0	0	0	500
Sectional - Campbell (12 Mile to 13 Mile)	0	0	0	0	50	0	0	50
Sectional - John R (10 Mile to 11 Mile)	0	0	0	250	0	0	0	250
Sectional - Stephenson Hwy - Girard to 12 Mile	0	350	0	0	0	0	0	0
Stephenson Hwy Turnarounds	0	250	250	0	0	0	0	250
Dequindre Road Streetlights - Residential Corridor west side	0	220	0	0	0	0	0	0
C. LOCAL ROAD IMPROVEMENTS								
Joint Seal - City-Wide Local	0	25	25	25	25	25	25	125
Sectional - Mandoline - Alger/Townley	216	0	0	0	0	0	0	0
Sectional - Commerce - Michael to E. Progress	0	150	0	0	0	0	0	0
Sectional - Brush - 14 Mile to Mandoline	80	0	0	0	0	0	0	0
Sectional - Alger - South of 14 Mile	168	0	0	0	0	0	0	0
Sectional - Dartmouth (12 Mile to Bellaire)	0	200	0	0	0	0	0	0
Non-R Residential Sectional	100	100	100	100	100	100	100	500
Alleyway Improvements	0	0	90	90	90	90	90	450
D. TRAFFIC SIGNAL UPGRADES								
Traffic Signal Upgrades	150	30	30	30	30	30	30	150
E. REHABILITATION PROGRAMS								
Sidewalk Replacement, Sectional Repairs & Gap Installation	30	30	30	30	30	30	30	150
F. EQUIPMENT REPLACEMENT								
Gateway City Entrance Design and Signs	0	250	0	0	0	0	0	0
Equipment #368 - Pavement Patching Hot Box	0	0	0	0	0	0	30	30
Street Sweeper #402	150	200	0	0	0	0	0	0
2006 Brush Bandit Chipper #406	0	0	0	60	0	0	0	60
2012 Street Sweeper #408	258	0	0	0	0	0	0	0
2003 CAT Loader 3 yd. with claw attachment#409	245	0	0	0	0	0	0	0
2003 Single Axle Dump Truck #425	255	0	0	0	0	0	0	0
2002 Stake Truck #415	0	175	0	0	0	0	0	0
2016 Tandem Dump Truck #417	0	0	0	0	0	300	0	300
2017 Tandem Dump Truck #418	0	0	0	0	0	0	300	300
2016 GMC 3/4 Ton Pickup #420	0	0	0	0	0	42	0	42
2003 Single Axle Dump #424	0	0	275	0	0	0	0	275
2016 Platform Truck #429	0	0	0	0	0	200	0	200
2003 Single Axle Dump Truck #426	0	0	0	275	0	0	0	275
One-Ton Dump Truck #431	0	0	0	0	70	0	0	70
2015 Ford 3/4 Ton Pickup/Plow #432	0	0	0	0	0	42	0	42
2013 Van Building Maintenance #435	0	0	35	0	0	0	0	35
2014 Single Axle Dump Truck #479	0	0	0	0	0	275	0	275
2004 Brush Chipper Truck #525	0	150	150	0	0	0	0	150
Utility Vehicle - Tool Cat	0	0	80	0	0	0	0	80
Replacement Brine Making System	0	0	101	0	0	0	0	101
Portable Construction Message Board	0	0	25	0	0	0	0	25
TOTALS	\$ 2,924	\$ 3,955	\$ 2,266	\$ 1,185	\$ 1,670	\$ 1,209	\$ 680	\$ 7,010
Total Projects	8	13	10	8	10	6	6	61
Total Equipment	4	4	6	2	1	5	2	15

TABLE V
FY 2024-29 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. COUNTY/STATE/FEDERAL PROJECTS									
John R - 14 Mile to Dartmouth (ROCC) FAC Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. MAJOR ROAD IMPROVEMENTS									
Joint & Crack Sealing - City Wide Major	0	0	375	0	0	0	0	0	375
Ajax - John R to 801 Ajax	0	0	250	0	0	0	0	0	250
Overlay Campbell (13 Mile to 14 Mile)	0	0	400	0	0	0	0	0	400
Overlay Edward/Mandoline (E. 14 Mile to North Avis)	0	0	350	0	0	0	0	0	350
Overlay John R - Dartmouth to 11 Mile (Funding 5 Phases)	0	0	500	0	0	0	0	0	500
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	0	0	0	0	0	0	0
Sectional - 11 Mile Road (I-75 to Dequindre) NON-NHPP	0	0	500	0	0	0	0	0	500
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	0	0	0	0	0	0	0
Stephenson Hwy Turnarounds	0	0	250	0	0	0	0	0	250
Dequindre Road Streetlights - Residential Corridor west side	0	0	0	0	0	0	0	0	0
C. LOCAL ROAD IMPROVEMENTS									
Joint Seal - City-Wide Local	0	125	0	0	0	0	0	0	125
Sectional - Mandoline - Alger/Townley	0	0	0	0	0	0	0	0	0
Sectional - Commerce - Michael to E. Progress	0	0	0	0	0	0	0	0	0
Sectional - Brush - 14 Mile to Mandoline	0	0	0	0	0	0	0	0	0
Sectional - Alger - South of 14 Mile	0	0	0	0	0	0	0	0	0
Sectional - Dartmouth (12 Mile to Bellaire)	0	0	0	0	0	0	0	0	0
Non-R Residential Sectional	0	500	0	0	0	0	0	0	500
Alleyway Improvements	0	450	0	0	0	0	0	0	450
D. TRAFFIC SIGNAL UPGRADES									
Traffic Signal Upgrades	0	0	150	0	0	0	0	0	150
E. REHABILITATION PROGRAMS									
Sidewalk Replacement, Sectional Repairs & Gap Installation	0	0	0	150	0	0	0	0	150
F. EQUIPMENT REPLACEMENT									
Gateway City Entrance Design and Signs	0	0	0	0	0	0	0	0	0
Equipment #368 - Pavement Patching Hot Box	30	0	0	0	0	0	0	0	30
Street Sweeper #402	0	0	0	0	0	0	0	0	0
2006 Brush Bandit Chipper #406	0	0	0	0	60	0	0	0	60
2012 Street Sweeper #408	0	0	0	0	0	0	0	0	0
2003 CAT Loader 3 yd. with claw attachment#409	0	0	0	0	0	0	0	0	0
2003 Single Axle Dump Truck #425	0	0	0	0	0	0	0	0	0
2002 Stake Truck #415	0	0	0	0	0	0	0	0	0
2016 Tandem Dump Truck #417	300	0	0	0	0	0	0	0	300
2017 Tandem Dump Truck #418	300	0	0	0	0	0	0	0	300
2016 GMC 3/4 Ton Pickup #420	42	0	0	0	0	0	0	0	42
2003 Single Axle Dump #424	0	0	0	0	275	0	0	0	275
2016 Platform Truck #429	200	0	0	0	0	0	0	0	200
2003 Single Axle Dump Truck #426	275	0	0	0	0	0	0	0	275
One-Ton Dump Truck #431	70	0	0	0	0	0	0	0	70
2015 Ford 3/4 Ton Pickup/Plow #432	42	0	0	0	0	0	0	0	42
2013 Van Building Maintenance #435	35	0	0	0	0	0	0	0	35
2014 Single Axle Dump Truck #479	0	0	0	0	275	0	0	0	275
2006 Super Duty Dump Truck #481	0	0	0	0	0	0	0	0	0
2004 Brush Chipper Truck #525	0	0	0	0	150	0	0	0	150
Tool Cat (NEW)	80	0	0	0	0	0	0	0	80
Replacement Brine Making System	101	0	0	0	0	0	0	0	101
Portable Construction Message Board	25	0	0	0	0	0	0	0	25
TOTALS	\$ 1,500	\$ 1,075	\$ 3,525	\$ 150	\$ 760	\$ 0	\$ 0	\$ 0	\$ 7,010



COLLECTION & DISTRIBUTION SYSTEMS

Local Water Improvements

- Water Main Replacement Program

Since the 2001-02 Goal Plan, the City Council has had the approved 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 resources to settle a storm water rate complaint (see storm water later in this chapter for more details.) As shown in this CIP, stand-alone water mains were continued in FY 2023 and programmed through 2029. A detailed listing of stand-alone water mains with liner feet is included in Table VII.

Madison Heights, like most communities in the region, purchases water from the Great Lakes Water Authority (GLWA) in 2016, the counties of Wayne, Oakland, and Macomb Counties and the City of Detroit entered into an agreement to form the new GLWA, 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 2024-29 CIP programs eleven standalone water main replacement projects. These high-priority “non-R” water main projects have been identified in the Capital Improvement Plan. See Table VII for a complete listing of all programmed projects.

- **Equipment Replacement**

Twelve pieces of water and sewer related equipment are scheduled for replacement over the CIP period. FY 2025 includes the replacement of one pick up truck (\$36,000), tire equipment (\$20,000) and an Envirosight quick view camera (\$20,000) This camera is utilized for line inspections.

- **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 includes six (6) facility improvements, including phased funded repairs to the DPS water/sewer parking lot, backup generator (\$50,000) building security improvements (\$50,000), HVAC (\$300,000) and a replacement generator (\$50,000).

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 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 the 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 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, rest rooms, 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:

- Contract No. 4 - RTF Improvements

The project was bid July 17, 2001 and awarded to Walbridge Aldinger. The project consisted of RTF Improvements including the 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 controls modifications.

The project was substantially completed 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 contracts 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 orders, 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 out falls 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 (SOCSDS) 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.

Storm water Management

Storm water management is important in Madison Heights and across the Southeast Oakland County region. The City has implemented methods to control the amount of storm water 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. After learning of several lawsuits from other municipalities in the area the city created a separate stormwater charge similar to water, sewer, or electric fee. Property owners were charged this fee to collect, transport, and treat storm water 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 case titled Griffin V. the City of Madison Heights; the plaintiff challenged the mandatory storm water 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 Storm water Charge is not a proper user fee but a tax wrongfully imposed by the City to raise revenue in violation of the Headlee Amendment to the Michigan constitution of 1963; (b) the Storm water Charge violates the Prohibited Taxes By Cities and Villages Act, MCL 141.91 because the Storm water 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 Storm water Charges.

The Plaintiffs sought a judgment from the Court against the City that would order and direct the City to refund all Storm water Charges to which Plaintiffs and the class are entitled and any other appropriate relief. The City maintains that the City's imposition of the Storm water Charge is proper and lawful. Thus, the City denies Plaintiffs' claims in their entirety. The City explicitly denies that the Storm water Charge is a tax, and denies that it retains the Storm water Charge.

TABLE VI
FY 2024-29 CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

APPROPRIATIONS:

COLLECTION & DISTRIBUTION SYSTEMS	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
NON-"R" WATER MAINS								
Garry - Longfellow to Sherry	0	521	0	0	0	0	0	0
Alger - Mandoline to Fourteen Mile	183	0	0	0	0	0	0	0
Edward - Twelve Mile to Page Middle School	0	0	402	0	0	0	0	402
Lenox - Eleven Mile to University	0	0	0	0	262	0	0	262
Hampden - Eleven Mile to University	0	0	0	0	270	0	0	270
Lincoln (John R to Service Drive (2 mains))	0	0	0	0	1,600	0	0	1,600
Park Court (11 Mile to Northeastern)	0	0	0	430	0	0	0	430
Park Court (E. 12 Mile to Darlene Avenue)	0	0	0	0	0	878	0	878
Ronald Avenue (Hales Street to Park Court)	0	0	0	0	0	277	0	277
Milton - Twelve Mile to Cynthia	0	0	0	0	0	0	494	494
Milton - Cynthia to Dulong	0	0	0	0	0	0	470	470
Bernie Lane - Goldin to Rialto	0	0	0	0	0	0	383	383
Beverly Drive - Dequindre to Heights Drive	0	0	0	0	0	0	498	498
SEWER PROJECTS								
Sanitary Sewer Projects	150	150	250	0	0	0	0	250
FACILITIES								
Window Replacement of DPS Ajax Building	20	0	0	0	0	0	0	0
Replacement/Repairs to DPS Lot	75	100	100	100	0	0	0	200
2006 Backup Generator #552 (DPS Building)	0	0	50	0	0	0	0	50
Concrete Pad inside the DPS Pole Barn	75	0	0	0	0	0	0	0
DPS Security Improvements	0	0	20	0	0	0	0	20
DPS Fiber Cabeling	0	0	50	80	0	0	0	130
DPS Office Renovations	0	0	0	0	0	25	0	25
HVAC Ajax	0	0	300	0	0	0	0	300
REPLACEMENTS								
1997 Clark Forklift #320	49	0	0	0	0	0	0	0
2003 3 Yard Loader #405	225	0	0	0	0	0	0	0
2015 Chevy Impala #416	0	0	0	0	0	29	0	29
2017 Chevy 3/4 Ton Pickup #423	0	0	0	0	0	0	42	42
2007 Chevy 3/4 Ton Pickup #434	0	0	36	0	0	0	0	36
2013 GMC Cargo Van #453	0	0	0	36	0	0	0	36
2006 John Deere Backhoe #455	0	0	0	90	0	0	0	90
2010 Ford 3/4 Ton Pickup #460	60	0	0	0	0	0	0	0
2013 GMC Cargo Van #461	0	0	0	36	0	0	0	36
2012 GMC 1-Ton Dump Truck #462	0	0	0	0	70	0	0	70
2015 Ford 3/4 Ton Pickup Dump Truck #463	0	0	0	0	42	0	0	42
2014 Freightliner Tandem Axle Dump Truck #464	0	0	0	0	250	0	0	250
2017 GapVax Sewer Cleaning Truck	0	0	0	0	0	0	550	550
2003 Sterling Sewer Vactor # 465	0	0	0	426	0	0	0	426
Tire Equipment	0	0	20	0	0	0	0	20
Envirosight Quick-View Camera	0	0	20	0	0	0	0	20
Portable Vehicle Hoist System	0	60	0	0	0	0	0	0
TOTALS	\$ 837	\$ 831	\$ 1,248	\$ 1,198	\$ 2,494	\$ 1,209	\$ 2,437	\$ 8,586
Total Projects	5	3	7	3	3	3	4	20
Total Equipment	2	1	3	4	3	1	2	13

TABLE VI
FY 2024-29 CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

REVENUES:

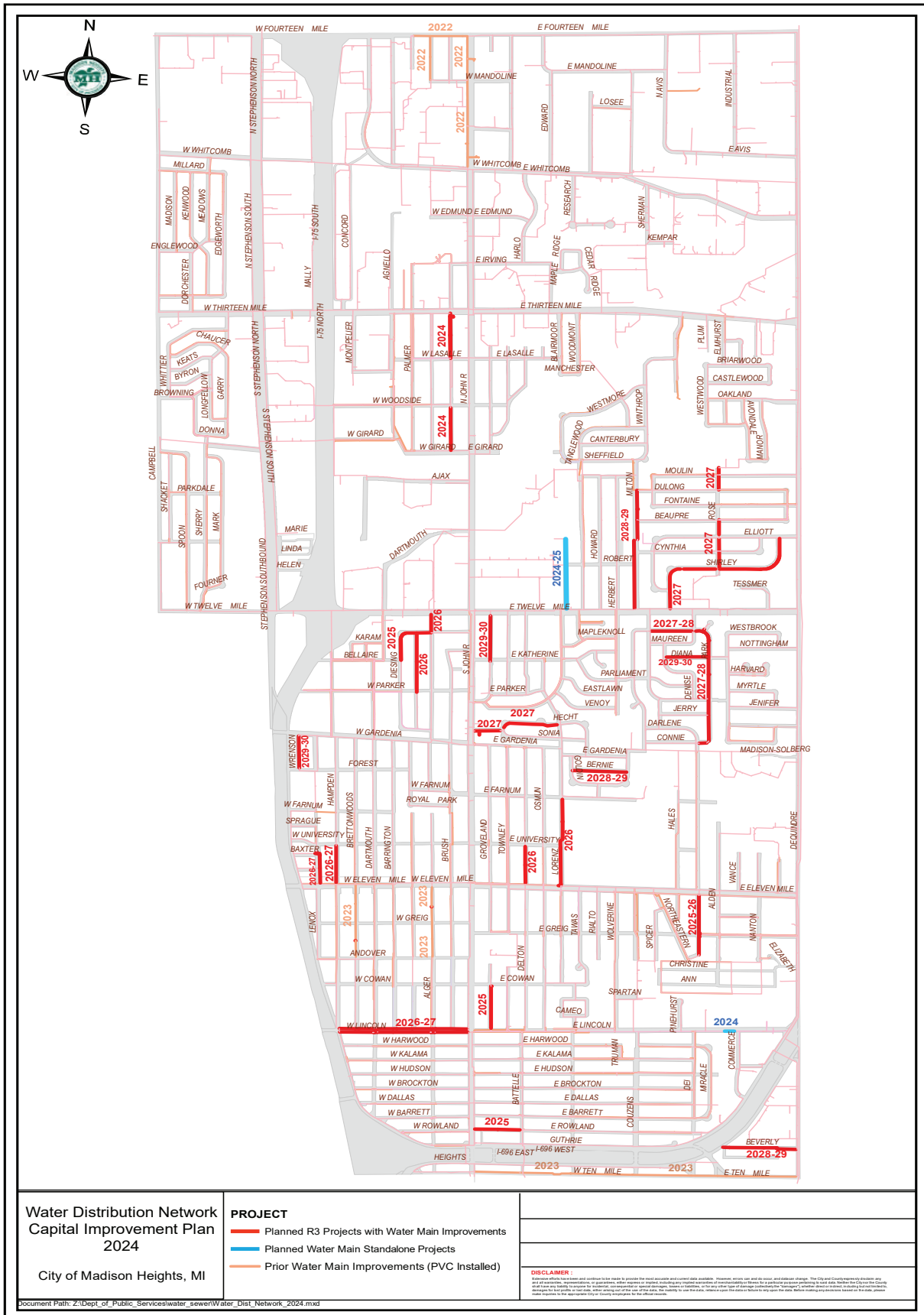
COLLECTION & DISTRIBUTION SYSTEMS	GENERAL FUND	LOCAL/ MAJOR STREETS	C.D.B.G.	SPECIAL ASSESS.	ROAD IMPROV. ACCOUNT	WATER & SEWER	OTHER REVENUES	TOTAL REVENUES
WATER MAINS/METERS								
Edward - Twelve Mile to Page Middle School	0	0	0	0	0	402	0	402
Lenox - Eleven Mile to University	0	0	0	0	0	262	0	262
Hampden - Eleven Mile to University	0	0	0	0	0	270	0	270
Lincoln (John R to Service Drive (2 mains))	0	0	0	0	0	1,600	0	1,600
Park Court (11 Mile to Northeastern)	0	0	0	0	0	430	0	430
Park Court (E. 12 Mile to Darlene Avenue)	0	0	0	0	0	878	0	878
Ronald Avenue (Hales Street to Park Court)	0	0	0	0	0	277	0	277
Milton - Twelve Mile to Cynthia	0	0	0	0	0	494	0	494
Milton - Cynthia to Dulong	0	0	0	0	0	470	0	470
Bernie Lane - Goldin to Rialto	0	0	0	0	0	383	0	383
Beverly Drive - Dequindre to Heights Drive	0	0	0	0	0	498	0	498
SEWER PROJECTS								
Sanitary Sewer Projects	0	0	0	0	0	250	0	250
FACILITIES								
Replacement/Repairs to DPS Lot	0	0	0	0	0	200	0	200
2006 Backup Generator #552 (DPS Building)	0	0	0	0	0	50	0	50
DPS Security Improvements	0	0	0	0	0	20	0	20
DPS Fiber Cabling	0	0	0	0	0	130	0	130
DPS Office Renovations	0	0	0	0	0	25	0	25
HVAC Ajax	0	0	0	0	0	300	0	300
REPLACEMENTS								
2015 Chevy Impala #416	0	0	0	0	0	29	0	29
2017 Chevy 3/4 Ton Pickup #423	0	0	0	0	0	42	0	42
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 #462	0	0	0	0	0	70	0	70
2015 Ford 3/4 Ton Pickup Dump Truck #463	0	0	0	0	0	42	0	42
2014 Freightliner Tandem Axle Dump Truck #464	0	0	0	0	0	250	0	250
2003 Sterling Sewer Vactor # 465	0	0	0	0	0	426	0	426
2017 GapVax Sewer Cleaning Truck #468	0	0	0	0	0	550	0	550
Tire Equipment	0	0	0	0	0	20	0	20
Envirosight Quick-View Camera	0	0	0	0	0	20	0	20
2003 Sterling Sewer Vactor # 465	0	0	0	0	0	426	0	426
TOTALS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,012	\$ 0	\$ 8,586

TABLE VII

FY 2024-30 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 2023)</u>
1	2024-25	Edward - Twelve Mile to Page Middle School	1,300	401,700
2	2025-26	Park Ct. - 11 Mile to Northeastern	1,350	429,665
3	2026-27	Lenox - Eleven Mile to University	800	262,254
4	2026-27	Hampden - Eleven Mile to University	800	270,122
5	2026-27	Lincoln - John R to Service Drive (2 mains)	4,600	1,599,798
6	2027-28	Park Ct. 12 Mile to Darlene	2,450	877,628
7	2027-28	Ronald - Hales to Park Ct.	750	276,722
8	2028-29	Milton - Twelve Mile to Cynthia	1,300	494,040
9	2028-29	Milton - Cynthia to Dulong	1,200	469,718
10	2028-29	Bernie Lane - Goldin to Rialto	950	383,016
11	2028-29	Beverly Drive - Dequindre to Heights Dr.	1,200	498,324
12	2029-30	Wrenson - Gardenia to Forest	650	278,023
13	2029-30	Diana - Park Ct. to Denise	750	330,420
14	2029-30	Groveland - 12 Mile to Katherine	875	385,490
Totals			18,975	\$ 6,956,922

These costs assumes an estimated unit price of \$300 per linear foot cost for water main installation (plus 3% rate of inflation each year) 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. A 20% contingency is also included in the unit price for preliminary engineering and construction inspection.



PUBLIC SAFETY

The 2024-29 CIP includes funding for twenty-five public safety projects and forty pieces of equipment/vehicles. These improvements cover Police, Court, and Fire for a total of \$7.2 million.

Police

- Police Vehicle Replacement

The CIP includes replacement of twenty(20) marked patrol vehicles which are estimated to cost \$33,750 - \$39,750 exclusive of costs for changeover lights, radio, computer, and other equipment which cost approximately \$15,000 each vehicle detailed. The plan also includes seven (7) other vehicles used throughout the department. Vehicle information may be found in Table XI, the Vehicle and Equipment Replacement Plan.

- Police Department – Body Cams and In-Car Cameras

Public Safety remains a top priority identified as part of the strategic plan. In August 2020, City Council approved the implementation of body cameras and replacement of in-car cameras with a five year contract with Axon, formerly TASER international, to purchase the new equipment and software for \$342,234. This contract included new officer worn cameras, replacement in car cameras, and cloud based digital evidence storage and maintenance system. The cost was split over the five years with the first year at \$100,000, year 2 at \$74,998 and the remaining 5 years \$ 65,106. 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 \$65,105 for final year in FY 2025 with an upgrade budgeted in fiscal year 2027 for \$185,000.

- Police Building HVAC upgrades

Starting in FY 2023, the City started phase funding the complete analysis and design/build of a new HVAC system for the Police Department, focusing on the elimination of the highly expensive electric reheat system in favor of a hot water reheat/rooftop unit system. The Police Department rooftop units are at the end of their useful life and need to be replaced. The current system is not sufficient to handle the building's heat load, resulting in a very high energy cost due to the near-constant operation of the system's electrical heating components to compensate. Phased funding has been proposed due to total cost estimates of over \$1 million. The CIP includes the final two phases of funding at \$200,000 a year in FY 2025 and 2026.

- Replacement of In-Vehicle Modems

The in-car modems are a necessary item required to connect the mobile data computers to the internet for LEIN/ SOS and CLEMIS applications. The modems were last purchased in 2018 and have exceeded their warranties and support. The CIP includes replacements for fifteen (15) patrol cars that have modems for a total of approximately \$21,000, including installation.

- Replacement of Ballistic Shields and Riot Helmet

The Department's current Ballistic Shields and Riot Helmets are over 25 years old and need replacement. The cost to replace 30 sets of riot helmets at \$600 each is being included at \$30,000 in FY 2025. In addition, ballistic shield replacement is approximately \$3,500 each and included in the capital improvement plan at \$50,000.

Court

- Replacement - Court Office Furniture

Court office furniture was purchased in 1992 and has exceeded its useful life. The Department of Public Services staff has a recurring request to repair this furniture, which no longer has replacement parts available—total replacement if included in the budget at \$20,274 including a 5-year warranty.

- Replacement - Court Lobby Seating

Lobby seating was installed in 1992 and used daily by the public. Replacement is included in FY 2025 at \$20,000

- Replacement - Court Security System

Originally purchased in 2002, the court currently has security equipment consisting of a walk-thru magnetometer and x-ray machine are located at the entrance of the court facility. This equipment is used to screen all parties entering the courthouse to ensure the safety of the public and court staff. Equipment will not be replaced until needed. However, staff estimated that replacement becomes necessary during the span of this CIP period; therefore, funding is being included in FY 2025 for \$42,000.

Fire

- Replacement - Fire Station #1 Roof

This Capital Improvement Plan starts the planning for the roof replacement at Fire Station #1. This roof is a single membrane Durolast, which was originally built in 2004. This type of roofing system's life expectancy is 15-20 years. The roof is approaching the end of its expected lifespan and has been experiencing increased amounts of spotty leaks throughout the building, which are damaging ceiling tiles and requiring ongoing maintenance to locate and patch. Therefore, this replacement is being budgeted over two years, starting in FY 2025, with replacement anticipated in FY 2026. The total project cost is \$400,000, budgeted at \$200,000 a year.

- 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 included 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 \$17,000 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 Vehicle Replacement

Four (4) pieces of equipment and/or vehicles are scheduled to be replaced during the CIP period, FY 2024-29: Phase funding for a pumper truck for a total of \$1.4 million starting in fiscal year 2024; replacement of an ambulance stretcher life device (\$39,000), Truck (\$45,000) power load cot (\$75,000) and power chest compression (\$50,000)

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

- Equipment

This budget includes regular fire hose replacement, at \$7,000 a year. Other equipment included in this plan is \$19,000 for multi-gas detector devices and active shooter response PPE for \$20,000.

TABLE VIII
FY 2024-29 CAPITAL IMPROVEMENT PLAN
PUBLIC SAFETY
(IN THOUSANDS)

APPROPRIATIONS:

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
PUBLIC SAFETY								
POLICE								
Patrol and DB Vehicles (20)	190	123	135	144	152	159	159	749
Vehicle Upfitting (20)	78	45	39	39	45	45	45	213
2015 Police Administrative Vehicle #121	0	0	35	0	0	0	0	35
2014 Police Detective Vehicle #100	0	0	0	37	0	0	0	37
2015 Police Detective #123	0	0	0	0	37	0	0	37
2018 Police Administrative #101	0	0	0	0	0	35	0	35
2016 Police Administrative #122	0	0	0	0	0	0	35	35
2016 Police Undercover Vehicle #138	0	0	0	0	0	40	0	40
2019 Police Detective #126	0	0	0	0	0	0	35	35
2017 Police Canine Unit #116	0	41	0	0	0	0	0	0
Patrol Alternative Vehicle #112	39	0	0	0	0	0	0	0
Animal Control Van #119	35	0	0	0	0	0	0	0
Body Cams and In-Car Cameras	65	65	65	0	185	0	0	250
Building Video Camera System	0	0	0	29	0	0	0	29
Equipment #551 Police Building Generator	0	0	0	0	0	50	0	50
Carpet Replacement - phased	0	65	0	0	0	0	0	0
Communications Conduit Reroute	25	0	0	0	0	0	0	0
Copy Machine in Dispatch Area	0	0	0	0	0	0	0	0
Police Personnel Locker Replacement	0	0	0	47	0	0	0	47
HVAC Upgrades - phased	450	200	200	200	0	0	0	400
Interior Sanitary Drain Pipe Replacement	15	0	0	0	0	0	0	0
In-Vehicle Radar Units	26	0	0	0	0	0	0	0
In-Vehicle Printers	0	19	0	0	0	0	0	0
In-Vehicle Modems	0	0	21	0	0	0	0	21
In-Vehicle Computers	0	0	0	70	0	0	0	70
Renovation of Reserve Station	0	10	0	0	0	0	0	0
Renovation of Reserve Station Lockers	0	9	0	0	0	0	0	0
Taser Replacement	0	18	0	0	0	0	0	0
VCT Flooring Property Room/Gun Range	0	25	0	0	0	0	0	0
Waterproofing of the South Basement Wall	10	0	0	0	0	0	0	0
Lockup Facility Video Camera Equipment	26	0	0	0	0	0	0	0
Dispatch Furniture	0	0	0	65	0	0	0	65
Property Room Shelving	0	0	0	20	0	0	0	20
Ballistic Shields and Riot Helmet Replacements	0	0	80	0	0	0	0	80
Gas Mask Replacements	0	20	0	0	0	0	0	0
DISTRICT COURT								
Carpet Replacement	6	32	0	0	0	0	0	0
Court Recording Equipment	62	78	0	0	0	0	0	0
Court Office Furniture	0	0	20	0	0	0	0	20
Court Lobby Seating	0	0	20	0	0	0	0	20
Lunchroom/Library Updates	0	7	0	0	0	0	0	0
Court Building General Updates	0	6	0	0	0	0	0	0
Court Security Equipment	0	0	42	0	0	0	0	42
FIRE								
Fire Station #1 HVAC Replacement	50	35	35	35	0	0	0	70
Fire Station #1 Roof Replacement	0	0	200	250	0	0	0	450
Fire Station #2 General Renovations	2,044	0	0	0	0	0	0	0
Fire Station #1 Carpet Replacement	0	20	0	0	0	0	0	0
Fire Station #1 Park Lot Replacement	0	0	0	220	0	0	0	220
Fire Station #1 Kitchen Renovation	60	0	0	0	0	0	0	0
Fire Hose	5	5	7	7	7	7	7	35
Technical Rescue Equipment	6	0	0	0	0	0	0	0
Self Contained Breathing Apparatus (SCBA)	220	78	0	0	0	0	0	0
2004 Generator Fire Station #2 #553	70	0	0	0	0	0	0	0
Equipment #550 - Fire Station 1 Generator	0	0	0	0	0	50	0	50
2011 Ambulance Rescue #710	0	0	0	355	0	0	0	355
2015 Ambulance Rescue Truck (R71) #713	140	155	0	0	0	0	0	0
2007 Pumper Pierce (E7X) #723	0	600	450	450	0	0	0	900
1997 Aerial Ladder Truck #730	0	0	0	0	300	300	300	900
2016 Ford Interceptor Utility #700	0	0	45	0	0	0	0	45
2019 Sutpehn Pumper #722	0	0	0	0	0	0	650	650
Ambulance Stretcher Lift Device	35	0	0	0	0	0	0	0
Active Shooter Response PPE	0	20	0	0	0	0	0	0
Mutli-Gas Detectors	0	19	0	0	0	0	0	0
Stryker Power Load Cot Lifting Device	0	0	39	43	47	0	0	129
Stryker Power Load Cot	0	0	75	0	75	0	0	150
Stryker Heart Monitors	0	0	0	300	0	0	0	300
Stryker Stair Chair	0	0	0	22	24	27	0	73
Stryker Lucas Chest Compression Device	0	0	50	0	0	60	0	110
Fire/Police Drone	0	0	0	25	0	0	0	25
2011 GMC 3/4 Ton Pick-Up #701	0	0	0	0	0	50	0	50
2019 Ambulance #711	0	0	0	0	0	355	0	355
TOTALS	3,657	\$ 1,695	\$ 1,558	\$ 2,358	\$ 872	\$ 1,178	\$ 1,231	\$ 7,197
Total Projects	13	16	8	11	2	3	1	40
Total Equipment	9	8	9	8	6	10	7	41

TABLE VIII
FY 2024-29 CAPITAL IMPROVEMENT PLAN
PUBLIC SAFETY
(IN THOUSANDS)

REVENUES:

PUBLIC SAFETY	GENERAL FUND	LOCAL/ MAJOR STREETS	GRANTS	SPECIAL ASSESS	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
POLICE								
Patrol and DB Vehicles (20)	599	0	0	0	0	150	0	749
Vehicle Upfitting (20)	170	0	0	0	0	43	0	213
2015 Police Administrative Vehicle #121	35	0	0	0	0	0	0	35
2014 Police Detective Vehicle #100	37	0	0	0	0	0	0	37
2015 Police Detective #123	37	0	0	0	0	0	0	37
2018 Police Administrative #101	35	0	0	0	0	0	0	35
2016 Police Administrative #122	35	0	0	0	0	0	0	35
2016 Police Undercover Vehicle	40	0	0	0	0	0	0	40
2019 Police Detective #126	35	0	0	0	0	0	0	35
Body Cams and In-Car Cameras	250	0	0	0	0	0	0	250
Building Video Camera System	29	0	0	0	0	0	0	29
Equipment #551 Police Building Generator	50	0	0	0	0	0	0	50
Police Personnel Locker Replacements	47	0	0	0	0	0	0	47
HVAC Upgrades - phased	400	0	0	0	0	0	0	400
In-Vehicle Modems	21	0	0	0	0	0	0	21
In-Vehicle Computers	70	0	0	0	0	0	0	70
Dispatch Furniture	65	0	0	65	0	0	0	65
Property Room Shelving	20	0	0	20	0	0	0	20
Ballistic Shields and Riot Helmet Replacements	80	0	80	0	0	0	0	80
DISTRICT COURT								
Court Furniture	20	0	0	0	0	0	0	20
Court Lobby Seating	20	0	0	0	0	0	0	20
Court Security Equipment	42	0	0	0	0	0	0	42
FIRE								
Fire Station #1 HVAC Replacement	70	0	0	0	0	0	0	70
Fire Station #1 Roof Replacement	450	0	0	0	0	0	0	450
Fire Station #1 Parking Lot Replacement	220	0	0	0	0	0	0	220
Fire Hose	35	0	0	0	0	0	0	35
Equipment #550 - Fire Station 1 Generator	50	0	0	0	0	0	0	50
2011 Ambulance Rescue #710	355	0	0	0	0	0	0	355
2015 Ambulance Rescue Truck (R71) #713	0	0	0	0	0	0	0	0
2007 Pumper Pierce (E7X) #723	900	0	0	0	0	0	0	900
2019 Sutphen Pumper #722	650	0	0	0	0	0	0	650
1997 Aerial Ladder Truck #730	900	0	0	0	0	0	0	900
2016 Ford Interceptor Utility #700	45	0	0	0	0	0	0	45
Stryker Power Load Cot Lifting Device	129	0	0	0	0	0	0	129
Stryker Power Load Cot	150	0	0	0	0	0	0	150
Stryker Heart Monitors	300	0	0	0	0	0	0	300
Stryker Stair Chair	73	0	0	0	0	0	0	73
Stryker Lucas Chest Compression Device	110	0	0	0	0	0	0	110
Fire/Police Drone	25	0	0	0	0	0	0	25
2011 GMC 3/4 Ton Pick-Up #701	50	0	0	0	0	0	0	50
2019 Ambulance #711	355	0	0	0	0	0	0	355
TOTALS	\$ 7,004	0	\$ 80	\$ 85	\$ 0	\$ 193	\$ 0	\$ 7,197

GENERAL GOVERNMENT AND ECONOMIC DEVELOPMENT

The projects planned under this chapter are broken down into four categories: Civic Center/Citywide, Information Technology, Library, and Economic Development.

Civic Center/Citywide Projects

Starting with budget discussions in late 2018, staff began to look for creative ways to address many strategic planning action items and capital improvement 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 Bond, the City saw a financial opportunity to think outside the box and resolve many of these issues with a comprehensive Civic Center Plaza Project.

In preparation for the budget process, the city 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' or the public's needs. City Hall is oversized and operationally inefficient; the library is too small for the services it wishes to provide and would require an additional space to meet the needs. The library's atmosphere is lacking and not as inviting as it could be considering the current layout and tall stacks. If the AAC remained 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 services safely or efficiently. Overall, this renovation of current facilities approach was estimated to cost approximately \$15,500,000.

By comparison, a comprehensive project was evaluated to renovate the City Hall and Library and build an addition between the two buildings to incorporate a larger AAC onto the Civic Center Campus. In this solution, the majority of the maintenance, programmatic, 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 contractibility, therefore being less costly. The excess square footage in the City Hall would be dedicated to the new AAC. The City Hall staff area would be right sized 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 programming. The budget for the project budget is \$12.1 million.

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. Funding was budgeted by utilizing a \$6.5 General Obligation Bond, \$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 of approximately \$3 million that offset our revenue losses in 2020. This project is the largest facilities project in the City's history and will address many operational and programming needs throughout the City.

Project construction is substantially complete with the City Hall renovations completed by January 2023, library completion April 2023, and the Active Adult Center completion in September 2023. This project is not only providing updated and more efficient work spaces but has offered the opportunity to completely update the mechanical systems of the buildings, to bring energy savings that were not anticipated in the budgeting of the overall project.

As a result of this project completion, the majority of the General Government Capital Improvement needs were addressed. Only two items remain:

Security Updates

Upgrades to the security of the Civic Center Complex buildings have given us the ability to control egress and ingress with access fobs. When first designing the buildings we were unsure all the locations that could benefit from this technology. The CIP includes \$20,000 in FY 2025 to add access controls in areas where it would be practical.

Parking Lot Replacements

During the construction project, the majority of the parking lot was replaced with the exception areas in front of the Police Department and Fire Department. This is included in the CIP over the next two years budgeted at FY 2025 (\$100,000) and FY 2025 (\$150,000).

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 assesses the City's IT systems annually with the most critical needs included in the capital plan and detailed below:

- City-Wide Microcomputer Replacements

Technology is critical for the operation of most City Departments. Therefore, as part of the annual Capital Improvement Plan, we recommend the continued updating of computers on a five-year rotating schedule as outlined in the Table XII (Computer Replacement Plan). In FY 2024-2029, replacements for 32 computers are scheduled for a total of \$47,000, with \$45,000 planned each year thereafter for computer replacements.

- Wireless Network Upgrade

Included in the CIP for \$123,000 in FY 2024, and \$130,000 in FY 2025 this upgrade will allow for the migration to one singular platform hosted by the cloud and improve wireless capability across the city.

- Mobile Device Management and Policy

Data and device security are extremely important in the business world and even more so in matters regarding government and law enforcement. Mobile devices are susceptible to a number of threats, therefore, the Information Technology Advisory Committee recommended that mobile device security be installed for the protection of the City technology systems. FY 2024 included \$10,000 and \$15,000 in FY 2025 implementation of mobile device management. IT staff will be following Criminal Justice Information Security (CJIS) policy guidelines for compliance as well as developing a written policy for support of the management of mobile devices.

- Phone System Upgrade (City-Wide)

The CIP includes the replacement of the phone system infrastructure that is nearing the end of its life. The software is outdated and in need of updating to today's current stable version. Security feature updates, and phone handset compatibility is also included in the most recent version. This is budgeted at \$125,000 a year for FY 2025 and FY 2026. This cost is split between the General Fund (75%) and Water and Sewer (25%).

Library

The Library renovation was a major part of the Civic Center Plaza project. including a complete renovation with the addition of a teen and makerspace. There will also be shared space with the Active Adult Center for areas such as the Breckenridge Room meeting space.

- Makerspace, Maintenance and Expansion

A makerspace is a collaborative workspace being planned as part of the renovation project. This space contains tools, components, and resources that the library will promote as hands-on collaborative learning. This focus on creative items includes activities such as electronics, sewing, laser cutting, and program woodworking. Tools will range from LEGO'S to power tools, 3-D printers to laser cutters. A grant of \$15,000 from the Community Advisory Board was being utilized in FY 2023 to initially to set up this space. However, to stay relevant in today's environment this space will require regular upgrading, expansion, or revision of offerings. Therefore, in addition to this initial investment, the CIP includes an ongoing annual expense of \$10,000 annually before dropping to \$5,000 for two years in FY 2028. needs and demands of this space will be reviewed. .

- Storywalk

In order to promote and improve early literacy staff has proposed the installation of Story Walks in neighborhood parks. Library staff would annually change stories. The CIP currently includes funding in FY 2025 for (\$15,000); This expenditure was moved from FY 2025 to FY 2026 to give staff time to seek outside funding or sponsorship for this expenditure .

- Self-Check Out

The self check out system is past its useful life. Originally purchased in 2007 this system is in need of replacement. This is included in the Capital Improvement Plan FY 2025 at \$14,000.

- Remote Pickup Lockers

These lockers are designed to extend the coverage and accessibility of the Library. Remote pickup lockers offer convenient self-service for holds pick-up, and returns. The modular system is customizable for any library or community space, including outdoors and has been identified as a great solution to better service our patrons after hours. An exact location is yet to be determined; however this purchase is being planned for FY 2026 at \$50,000.

TABLE IX
FY 2024-29 CAPITAL IMPROVEMENT PLAN
GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT
(IN THOUSANDS)

APPROPRIATIONS:

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
GENERAL GOVERNMENT & ECONOMIC DEV.								
CIVIC CENTER / CITY WIDE								
Civic Center Plaza (City Hall, AAC, Library Renovation)	12,000	0	0	0	0	0	0	0
Workstations Replacements (Finance/HR/City Manager Office)	0	0	0	85	0	0	0	85
Security Upgrades (additional cameras and access control)	0	0	20	0	0	0	0	20
Parking Lot Replacement (remaining asphalt areas)	0	0	100	150	0	0	0	250
Vehicle #483 - Code Enforcement						35	0	35
Vehicle #492 - CED Inspection Vehicle	0	0	0	0	0	35	0	35
Vehicles #493 - CED Director/Office Vehicle	0	0	0	0	0	35	0	35
Vehicle #496 CED Inspection Vehicle	0	0	0	0	0	35	0	35
Vehicle#500 - CED Inspection Vehicle	0	0	0	0	0	0	35	35
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	30	33	47	45	45	45	45	227
Storage Area Networks	35	81	0	0	0	0	0	0
Wireless Network Equipment Upgrade	0	123	130	0	0	0	0	130
Mobile Device Management	0	10	5	0	0	0	0	5
Phone System Upgrade City-wide	0	0	125	125	0	0	0	250
Host Servers	24	0	0	0	0	0	0	0
LIBRARY								
Makerspace Maintenance and Expansion	15	11	10	10	10	5	5	40
Acoustic Art	0	10	0	0	0	0	0	0
Storywalk Installation	0	0	0	15	0	0	0	15
Self-Check Out	0	0	14	0	0	0	0	14
Pickup Lockers	0	0	0	50	0	0	0	50
TOTALS	\$ 12,104	\$ 268	\$ 451	\$ 480	\$ 55	\$ 190	\$ 85	\$ 1,261
Total Projects	1	0	2	1	0	0	0	3
Total Equipment	4	7	41	40	38	38	38	167

REVENUES:

	GENERAL FUND	LOCAL/ MAJOR STREETS	GRANTS	SPECIAL ASSESS	WATER & SEWER	DRUG FORFEITURE	OTHER	TOTAL REVENUES
CIVIC CENTER / CITY WIDE								
Workstations Replacements (Finance/HR/City Manager Office)	85	0	0	0	0	0	0	85
Security Upgrades (additional cameras and access control)	20	0	0	0	0	0	0	20
Parking Lot Replacement (remaining asphalt areas)	250	0	0	0	0	0	0	250
Vehicle #483 - Code Enforcement	35	0	0	0	0	0	0	35
Vehicle #492 - CED Inspection Vehicle	35	0	0	0	0	0	0	35
Vehicles #493 - CED Director/Office Vehicle	35	0	0	0	0	0	0	35
Vehicle #496 CED Inspection Vehicle	35	0	0	0	0	0	0	35
Vehicle#500 - GIS/Planner	35	0	0	0	0	0	0	35
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	227	0	0	0	0	0	0	227
Wireless Network Equipment Upgrade	98	0	0	0	33	0	0	130
Mobile Device Management	4	0	0	0	1	0	0	5
Phone System Upgrade City-wide	188	0	0	0	63	0	0	250
LIBRARY								
Makerspace Maintenance and Expansion	40	0	0	0	0	0	0	40
Acoustic Art	0	0	0	0	0	0	0	0
Storywalk Installation	15	0	0	0	0	0	0	15
Self-Check Out	14	0	0	0	0	0	0	14
Remote Pickup Lockers	50	0	0	0	0	0	0	50
TOTALS	\$ 1,165	\$ 0	\$ 0	\$ 0	\$ 96	\$ 0	\$ 0	\$ 1,261

Economic Development

- Downtown Development Authority

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

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

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

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

The Downtown Development Authority's Tax Increment Financing and Development Plan was reviewed and updated. This plan serves as a guide for the continued development of the downtown development district. In September 2016, the DDA Board and City Council held a joint Town Hall meeting to solicit input from stakeholders and the public. Following the Town Hall meeting, the DDA completed an online public survey for additional feedback. On September 12, 2017, the DDA Board approved the TIF as amended by the Downtown Development Authority, with City Council approval following on November 13, 2017. This plan covers the period of December 1, 2017-December 1, 2038

City Council adopted it on November 27, 2017.

The FY 2023 and 2024 budgets continue the implementation of this plan. Specifically, we are budgeting to continue the popular facade improvement program (\$10,000) and sign grant program (\$5,000). Other budgeted plans include phase funding future property acquisition (\$35,000) per year, tree planting (\$10,000) each year and a traffic study(\$25,000), in FY 2025 after the completion of I-75 that currently effects traffic in the area.

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

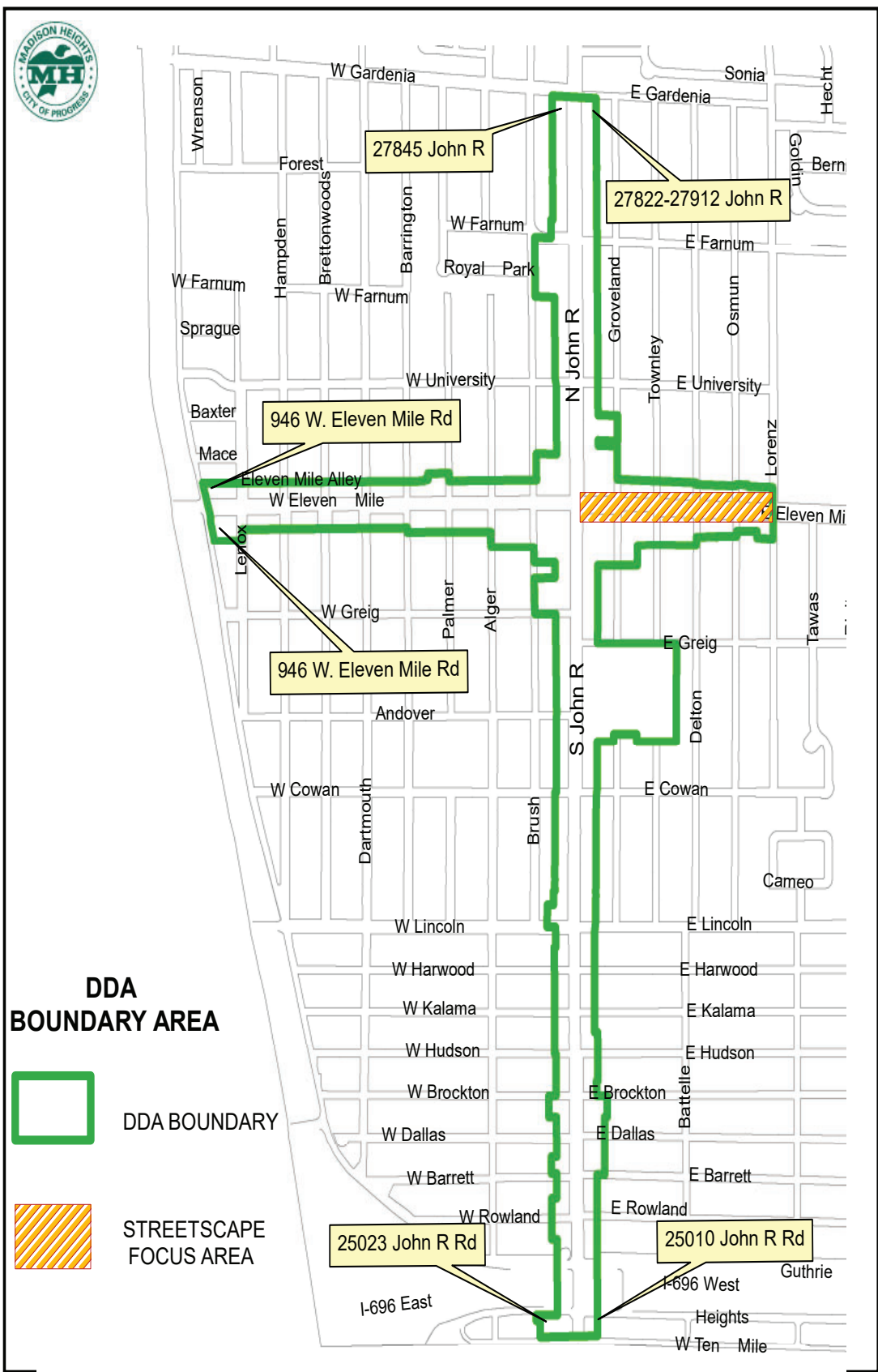
In addition to including the expenditures listed in the following table, starting with the FY 2021 budget, the DDA focused expenditures on economic development and revitalization projects instead of events. As a result, in FY 2023, the DDA approved \$100,000 for an 11-Mile streetscape design and engineering plan. This plan includes detailed design and engineering from Lorenz to the intersection of John R, with conceptual design from John R intersection to I-75.

This plan is anticipated to be completed by the end of the calendar year 2023, with review and adoption occurring early in the new year of 2025. Implementation of this plan is contingent upon funding; therefore, staff is planning to submit a Traffic Alternative Program grant to the Southeast Michigan Council of Governments (SEMCOG) for \$700,000, with matching funding being provided by the DDA for \$400,000. This grant cycle, if we are approved, would provide funding for a FY 2026 construction start.

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	
<u>Planning</u>		
Streetscape Planning	\$50,000	2024-2026, 2 yrs
Streetscape Project Implementation Phase I	\$1,135,722	2024-2030, 7 yrs
Streetscape Project Implementation Phase II-III	TBD	2025-2030, 6 yrs
	\$1,185,722	

Starting with the FY 2021 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.



LEISURE AND HUMAN SERVICES

The improvements programmed in this chapter can be divided into two categories: Parks and Recreation, and Active Adults.

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 now 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 as well as much-needed improvements to the Active Adult Center. The new Active Adult Center opened in September 2023 as part of the Civic Center Plaza renovation. This Active Adult Center is approximately 3,011 square larger than the former center located on John R and includes dedicated programming space for exercise equipment, classes, computer classes, cooking events, and more. This center also includes modern mechanical systems and should reduce maintenance and operational costs for years to come. As a result, there are no capital projects or equipment planned for the Active Adult Center in the next five-year period.

Red Oaks Nature Center and Ambassador Park

In 2012, Madison Heights and the Oakland County Parks and Recreation Commission executed a 25-year lease agreement for Madison Heights' George W. Suarez Friendship Woods Park, located at 30300 Hales Street. The lease brought this property into the Red Oaks County Park complex as the Red Oaks Nature Center at the Suarez Friendship Woods Park (Madison Heights and Oakland County 9/12/2012). The lease was renewed in 2022 for an additional 25 years (Madison Heights and Oakland County 2/3/2022).

Following this agreement, on January 26, 2023, Oakland County adopted a 5-year Parks and Recreation Master Plan that established that certain parks within the park system would be identified as nature preserves. The Parks Commission approved the policy for establishing and managing nature preserves and identified the Red Oaks Nature Center at Suarez Friendship Woods as a nature preserve within the Oakland County Parks system on June 7, 2023.

Oakland County Parks and Madison Heights have entered a new phase of this long-standing partnership to renovate and maintain the Red Oaks Nature Preserve and create new intergenerational features at Ambassador Park. Under the terms of this agreement, Oakland County will invest more than \$1.5 million to improve park facilities and assume long-term responsibility for park management and maintenance.

This park plan is being built on input from the public, park users, and local officials and stakeholders. To date, planning engagement prior to creating a vision and goals for the preliminary plan has been conducted. Design engagement will be conducted before the work begins. This will include sharing multiple design scenarios with the public and getting information on their preferences and potential uses. The designs consultant will lead this with support from Oakland County Planning and Design staff. Exact design of the park is yet to be determined.

While this renovation of the Ambassador Park will make a significant positive impact on the City of Madison Heights residents and park users, nothing is being included in the Capital Improvement Plan because the City doesn't have a financial obligation under the lease agreement. This frees up City funding for other park projects throughout the City.

Individual Parks Projects

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% , Splash pad 10%, Active Adult Center 7%, and Nature Center 4% . 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 master plan is then relied upon to create the budget request and to support grant applications. Fiscal Year 2024 implements year three of this plan.

With the exception of ongoing projects such as tree planting and maintenance, the City has accomplished all the designated projects from the 2021 Parks and Recreation Master Plan. The City also has many additional capital park projects in process that will be constructed through FY 2024 and FY 2025;

The projects that are currently in process include:

Ambassador Park renovation in partnership with Oakland County Parks and Recreation (See details above Red Oaks Nature Center and Ambassador Park).

Construction of an Amphitheater in Civic Center Park

In November 2023, the City was awarded a Prosperity Grant from the Consumers Energy Foundation for \$250,000 to construct an amphitheater in Civic Center Park. This project will begin in the spring of 2024 and be completed in FY 2025.

Ballfield Light Replacements

Ballfield Lights Replacement have been phased funding since FY 2023 for a total of \$600,000. The final phase of this project is included in FY 2025, funded from the General Fund. Staff has submitted a Federal Community Project Funding Grant for this phase of the project, and although we have progressed to the

Recommended approval stage of the grant process, we have not received any grant award notification as of the printing of this document

Ambassador Park OCPR Improvement Plan

Madison Heights / Ambassador Park
 7 acres

ARPA Proposal





A



B1



B2



C



D

Red Oaks County Park and Ambassador Park

- ◆ Proposed donation of property to OCPR; value as match for ARPA funded improvements to park
- A** Tennis courts – convert to pickle ball; operational model to be determined
- B** Play structure and swing set – evaluate condition; plan for future replacement with destination play structure
- C** Soccer practice fields – develop agreement to continue present use for a time, with Madison Heights managing irrigation, striping, and scheduling. Plan to relocate teams in the future for a second phase of park development – potentially a pavilion/event/farmers market structure
- D** Open space – develop concepts for active use of this area
- E** Paved trail loop – maintain trails and connect with converted golf course trails



Oakland County Parks and Recreation site evaluation and preliminary concepts

TABLE X
FY 2024-29 CAPITAL IMPROVEMENT PLAN
LEISURE & HUMAN SERVICES
(IN THOUSANDS)

APPROPRIATIONS:

LEISURE & HUMAN SERVICES	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
PARKS AND RECREATION								
McGillivray - Playscape Replacement	0	0	0	175	0	0	0	175
McGillivray - Magic Square Replacement	0	0	0	70	0	0	0	70
Civic Center Park - Amphitheater	0	250	0	0	0	0	0	0
Civic Center Park - Playscape Replacement	246	0	0	0	0	0	0	0
Civic Center Park - Basketball Court Rehabilitation	0	88	0	0	0	0	0	0
Civic Center Park - Baseball Field Rehabilitation	0	0	0	0	20	0	0	20
Civic Center Park - Parking Lot Rehabilitation	0	0	0	150	0	0	0	150
Civic Center Park - Bandshell	0	250	0	0	0	0	0	0
Edison Park - Paving Parking Lot	0	67	0	0	0	0	0	0
Gravel Park - Playscape Installation	0	0	0	0	125	0	0	125
Huffman Park - Irrigation system for Football Field	0	20	0	0	0	0	0	0
Huffman Park - Shelter Building Furnace	0	9	0	0	0	0	0	0
Rosie's Park - North Playscape	223	0	0	0	0	0	0	0
Rosie's Park - 9-Hole Disk Golf Course	10	0	0	0	0	0	0	0
Rosie's Park - Gardenia Parking Lot	0	125	0	0	0	0	0	0
Rosie's Park - Irrigation system for Soccer Field	0	20	0	0	0	0	0	0
Rosie's Park - Pavilion	0	75	0	0	0	0	0	0
Rosie's Park - Backstop Fence	0	75	0	0	0	0	0	0
Rosie's Park - Field Rehabilitation	0	30	0	0	0	0	0	0
Rosie's Park - Magic Square Refurbishment	0	75	0	0	0	0	0	0
Park Shelter Building Roofs - Multiple Parks	0	20	0	0	0	0	0	0
Athletic Fields - Lighting Analysis and Replacement	0	498	200	0	0	0	0	200
Nature Center - Share of Capital Projects	50	0	0	0	0	0	0	0
General - Special Project Funding	50	50	50	50	50	50	50	250
Events Trailer	25	0	0	0	0	0	0	0
Vehicle #444 - 15 Passenger Van	0	0	0	0	35	0	0	35
Vehicle #473 - GMC 3/4 /Ton Pickup/Plow	0	0	0	0	0	0	42	42
Vehicle #474 - 2015 Ford 3/4 Ton Pick-Up with Plow	0	0	0	0	0	42	0	42
Vehicle #477 - GMC 3/4 Ton Pick-Up with Plow	0	0	0	0	0	42	0	42
Vehicle #484 - 2009 Chevy Colorado Pick-Up Truck	33	0	0	0	0	0	0	0
Vehicle #485 - 4x4 Quad-Cab Pickup Truck with Plow	0	0	42	0	0	0	0	42
Vehicle #488 - 2009 Volvo Loader	0	0	225	0	0	0	0	225
ACTIVE ADULT CENTER								
Vehicle #480 - SMART Bus	0	75	0	0	0	0	0	0
Vehicle #469 - 2010 Senior Van	32	0	0	0	0	0	0	0
Vehicle #482 - 2013 GMC Van	0	0	0	0	62	0	0	62
TOTALS	\$ 669	\$ 1,727	\$ 517	\$ 445	\$ 292	\$ 134	\$ 92	\$ 1,480
Total Projects	5	15	4	5	3	1	1	14
Total Equipment	2	1	2	0	1	2	1	6

TABLE X
FY 2024-29 CAPITAL IMPROVEMENT PLAN
LEISURE & HUMAN SERVICES
(IN THOUSANDS)

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								
McGillivray - Playscape Replacement	0	0	0	0	0	0	175	175
McGillivray - Magic Square Replacement	0	0	0	0	0	0	70	70
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
Gravel Park - Playscape Installation	125	0	0	0	0	0	0	125
Athletic Fields - Lighting Analysis and Replacement	0	0	0	0	0	0	0	200
General - Special Project Funding	250	0	0	0	0	0	0	250
Vehicle #444 - 15 Passanger Van	35	0	0	0	0	0	0	35
Vehicle #473 - GMC 3/4 Ton Pickup/Plow	42	0	0	0	0	0	0	42
Vehicle #474 - 2015 Ford 3/4 Ton Pick-Up with Plow	42	0	0	0	0	0	0	42
Vehicle #477 - GMC 3/4 Ton Pick-Up with Plow	42	0	0	0	0	0	0	42
Vehicle #485 - 4x4 Quad-Cab Pickup Truck with Plow	42	0	0	0	0	0	0	42
Vehicle #488 - 2009 Volvo Loader	225	0	0	0	0	0	0	225
ACTIVE ADULT CENTER								
Vehicle #482 - 2013 GMC Van	0	0	62	0	0	0	0	62
Totals	\$ 973	\$ 0	\$ 62	\$ 0	\$ 0	\$ 0	\$ 245	\$ 1,480

TABLE XI FY 2024-29 CAPITAL IMPROVEMENT PLAN Vehicle Utilization and Condition Schedule												
Utilization Legend:												
= Miles/Hours 67% or More of Group Average												Condition
= Miles/Hours Between 33% and 67% of Group Average												Excellent (0 - 17)
= Miles/Hours Less than 33% of Group Average												Good (18 - 22)
												Fair (23 - 27)
												Poor (28+)
Vehicle	Department / Division	Make / Model	Model Year	Proposed Replacement Fiscal Year	In-Service Date	Vehicle Type*	Vehicle Group	Oct. 2023 Miles/Hrs.	Miles/Hrs. as % of Group Avg.	Years of Service	Avg. Miles/Hrs. per Year	As of 10/15/2023
100	PD-Detective	Ford Fusion	2014	2024-25	10/15/2013	A	Sedan	72,483	187%	10.3	7,013	22
101	PD-Admin	GMC Terrain	2018	2027-28	10/1/2018	A	Sedan	51,835	134%	5.4	9,645	15
102	PD-Radar	Ford Interceptor Utility	2022	2026-27	7/10/2023	B	Patrol Car	10,400	31%	0.6	17,266	11
103	PD-Radar	Dodge Durango Pursuit	2021	On Order	5/11/2021	B	Patrol Car	59,401	178%	2.8	21,481	24
104	PD-Patrol	Dodge Durango Pursuit	2021	2027-28	7/22/2022	B	Patrol Car	28,398	85%	1.6	18,102	16
105	PD-Patrol	Dodge Durango Pursuit	2021	On Order	6/21/2021	B	Patrol Car	50,185	150%	2.7	18,916	28
106	PD-Patrol	Dodge Durango Pursuit	2023	2026-27	5/25/2023	B	Patrol Car	3,323	10%	0.7	4,563	11
107	PD-Patrol	Dodge Durango Pursuit	2021	2027-28	7/22/2022	B	Patrol Car	34,328	103%	1.6	21,882	17
108	PD-Patrol	Ford Interceptor Utility	2020	2024-25	8/14/2020	B	Patrol Car	52,772	158%	3.5	15,059	23
109	PD-Patrol	Dodge Durango Pursuit	2021	2026-27	7/1/2022	B	Patrol Car	20,687	62%	1.6	12,720	14
110	PD-Patrol	Ford Interceptor Utility	2020	On Order	7/17/2020	B	Patrol Car	61,900	185%	3.6	17,285	24
111	PD-Patrol	Dodge Durango Pursuit	2021	2026-27	5/21/2021	B	Patrol Car	45,832	137%	2.7	16,740	21
112	PD-A.I.T.	Dodge Ram 1500 Pickup Truck	2022	2026-27	11/17/2022	B	Patrol Car	-	0%	1.2	-	10
113	PD-A.I.T.	Dodge Durango Pursuit	2021	2024-25	4/12/2021	B	Patrol Car	56,272	169%	2.8	19,782	23
114	PD-Patrol Sup.	Dodge Durango Pursuit	2021	2027-28	7/10/2022	B	Patrol Car	24,826	74%	1.6	15,500	16
116	PD-Canine Unit	Dodge Durango Pursuit	2022	2027-28	7/10/2023	B	Patrol Car	12	0%	0.6	20	9
117	PD-Mtr. Carrier	Ford Interceptor Utility	2020	2024-25	6/10/2020	B	Patrol Car	52,475	157%	3.7	14,250	22
119	PD-Animal CTL	Chevy G20 Van	2012	On Order	1/1/2012	A	Unique or Non-Metered	68,944	N/A	12.1	5,687	33
121	PD-Admin	Ford Interceptor Utility	2015	2025-26	12/1/2014	A	Sedan	86,734	224%	9.2	9,420	30
122	PD-Admin	Chrysler 200	2016	2027-28	12/1/2015	A	Sedan	23,082	60%	8.2	2,812	19
123	PD-Detective	Dodge Journey	2015	2026-27	12/1/2014	A	Sedan	50,737	131%	9.2	5,510	23
124	PD-Detective	Chevrolet Equinox	2020	Future	3/20/2020	A	Sedan	6,845	18%	3.9	1,752	14
125	PD-Detective	Ford Escape	2021	Future	6/15/2021	A	Sedan	7,479	19%	2.7	2,802	12
126	PD-Detective	Dodge Durango	2019	2028-29	10/1/2018	A	Sedan	74,359	192%	5.4	13,836	22
133	PD-Detective	Ford Edge	2020	Future	5/8/2020	A	Sedan	11,624	30%	3.8	3,081	13
138	PD-SIU	Undercover	2016	2027-28	9/26/2016	A	Sedan	55,223	143%	7.4	7,476	23
140	PD-Reserves Sgt.	Ford Interceptor Utility	2018	Rotation	3/6/2003	A	Reserves Patrol Car	102,815	113%	20.9	4,908	25
141	PD-Reserves	Ford Interceptor Utility	2018	Rotation	10/4/2018	A	Reserves Patrol Car	69,829	77%	5.4	13,013	22
142	PD-Reserves	Ford Interceptor Utility	2019	Rotation	12/1/2009	A	Reserves Patrol Car	69,250	76%	14.2	4,874	22
143	PD-Reserves	Ford Interceptor Utility	2014	Rotation	5/22/2003	A	Reserves Patrol Car	113,555	125%	20.7	5,476	33
144	PD-Reserves	Ford Interceptor Utility	2018	Rotation	7/1/2018	A	Reserves Patrol Car	72,924	80%	5.6	12,961	23
145	PD-Reserves	Ford Interceptor Utility	2017	Rotation	1/24/2017	A	Reserves Patrol Car	108,731	120%	7.1	15,405	29
146	PD-Reserves	Dodge Diplomat (Historical)	1989	Rotation	11/23/1988	A	Reserves Patrol Car	82,373	91%	35.2	2,338	51
147	PD-Reserves	Ford Interceptor Utility	2015	Rotation	6/6/2006	A	Reserves Patrol Car	105,807	117%	17.7	5,980	31
160	PD-Patrol	Harley Davidson	2007	Future	5/1/2007	A	Motorcycle	3,307	54%	16.8	197	26
161	PD-Patrol	Harley Davidson	2007	Future	5/1/2007	A	Motorcycle	8,831	146%	16.8	526	29
261	Streets	Concrete Drop Hammer	1999	Future	9/24/1999	C	Unique or Non-Metered	676	N/A	24.4	28	31
300	Sewer	Doosan Trailer Air Compressor	2017	Future	7/5/2017	C	Unique or Non-Metered	55	N/A	6.6	8	10
320	Motorpool	Toyota Fork Lift	2023	Future	2/6/2023	C	Unique or Non-Metered	70	N/A	1.0	68	6
330	Streets	175 CFM Compressor	2004	Future	1/28/2004	C	Unique or Non-Metered	939	N/A	20.0	47	29
339	Streets	Cement Saw Dimas	2006	Future	5/3/2006	C	Unique or Non-Metered	162	N/A	17.8	9	22
351	Solid Waste	Leaf Loader Trailer	2007	Future	7/27/2007	C	Leaf Loader	2,490	118%	16.6	150	31
352	Solid Waste	Leaf Loader Trailer	1999	Future	10/1/1999	C	Leaf Loader	2,528	120%	24.4	104	40
353	Solid Waste	Leaf Loader Trailer	2021	Future	10/1/2021	C	Leaf Loader	133	6%	2.4	56	7
354	Solid Waste	Leaf Loader Trailer	2001	Future	9/5/2001	C	Leaf Loader	3,108	147%	22.4	138	39
355	Solid Waste	Leaf Loader Trailer	2001	Future	7/1/2001	C	Leaf Loader	2,382	113%	22.6	105	37
357	Solid Waste	Leaf Loader Trailer	2007	Future	7/27/2007	C	Leaf Loader	2,003	95%	16.6	121	29
364	Parks	Polaris ATV	2011	Future	12/2/2010	C	Unique or Non-Metered	203	N/A	13.2	15	19
369	Streets	Asphalt Roller Vibrator	1999	Future	8/25/1999	C	Unique or Non-Metered	252	N/A	24.5	10	29
377	Water	Doosan Light Tower/Generator	2021	Future	3/31/2021	C	Unique or Non-Metered	6	N/A	2.9	2	7
402	Solid Waste	Street Sweeper Crosswind	2017	On Order	10/15/2017	C	Sweeper	7,794	185%	6.3	1,230	47
404	Water	4 YD. Volvo Loader	2019	Future	10/1/2018	C	Wheel Loader / Hours	3,791	198%	5.4	705	28
405	Water	3 YD. Volvo Loader	2021	Future	8/9/2021	C	Wheel Loader / Hours	793	41%	2.5	315	13
406	Solid Waste	Brush Bandit Chipper	2006	2025-26	4/7/2006	C	Chipper	6,666	165%	17.9	373	58
407	Streets	CAT Backhoe	2003	Future	8/7/2003	C	Backhoe / Hours	3,246	151%	20.5	158	43
408	Solid Waste	Bucher CityCat 5006	2022	Future	12/19/2022	C	Sweeper	627	15%	1.2	541	15
409	Streets	3 YD. Volvo Loader	2023	Future	1/30/2023	C	Wheel Loader / Hours	148	8%	1.0	142	12
410	Solid Waste	Morbark Brush Chipper	2019	Future	4/12/2019	C	Chipper	1,433	35%	4.8	296	19
415	Streets	GMC Stake Truck	2002	On Order	10/16/2003	B	Single Axle Dump	28,968	116%	20.3	1,425	37
416	Motor Pool	Chevy Impala	2015	2027-28	12/1/2014	A	Sedan	36,800	95%	9.2	3,997	17
417	Streets	Tandem Dump Truck	2016	2027-28	5/1/2016	B	Tandem Axle Dump	19,628	118%	7.8	2,519	21
418	Streets	Tandem Dump Truck	2017	2028-29	4/20/2017	B	Tandem Axle Dump	18,991	114%	6.8	2,783	20
419	Streets	Tandem Dump Truck	2021	Future	5/1/2020	B	Tandem Axle Dump	7,462	45%	3.8	1,968	13
420	Streets	GMC 3/4 Ton Pickup	2016	2027-28	11/15/2015	A	4wd Pick-Up	26,192	98%	8.3	3,174	19
422	Water	Tandem Dump Truck	2019	Future	7/29/2019	B	Tandem Axle Dump	9,594	57%	4.6	2,108	15
423	Water	Chevy 3/4 Ton Pickup	2017	2028-29	2/1/2017	A	4wd Pick-Up	35,017	131%	7.0	4,977	21
424	Solid Waste	Single Axle Dump	2003	2024-25	12/23/2003	B	Single Axle Dump	33,056	133%	20.1	1,641	37
425	Streets	Single Axle Dump	2023	Future	3/29/2023	B	Single Axle Dump	163	1%	0.9	184	10
426	Streets	Single Axle Dump	2003	2025-26	2/26/2004	B	Single Axle Dump	17,608	71%	20.0	882	34
429	Streets	Platform Truck	2016	2027-28	6/16/2016	B	Unique or Non-Metered	7,289	N/A	7.7	951	16
430	Motorpool	Chevy 3/4 Ton Pickup	2021	Future	7/1/2021	A	4wd Pick-Up	4,940	18%	2.6	1,881	8
431	Streets	GMC One Ton Dump Truck	2013	2026-27	2/14/2013	B	1 Ton Dump	34,218	164%	11.0	3,111	27
432	Streets	Ford 3/4 Ton Pickup/Plow	2015	2027-28	7/30/2014	A	4wd Pick-Up	29,553	110%	9.5	3,096	21
433	Streets	Tandem Dump Truck	2022	Future	1/11/2022	B	Tandem Axle Dump	4,833	29%	2.1	2,308	11
434	Motorpool	Chevy Pickup	2007	2024-25	5/18/2007	A	2wd Pick-Up	77,418	143%	16.7	4,623	31
435	Streets	Van Building Mnt.	2013	2024-25	6/1/2013	B	Van	77,189	178%	10.7	7,209	25
436	Streets	Chevy 3/4 Ton Pickup/Plow	2022	Future	6/15/2022	A	4wd Pick-Up	5,454	10%	1.7	3,266	10
438	Streets	2017 Toolcat Utility Vehicle	2017	Future	10/1/2017	C	Unique or Non-Metered	730	N/A	6.4	115	17

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	Replacement Year	In-Service Date	Vehicle Type*	Vehicle Group	Oct. 2023 Miles/Hrs.	Miles/Hrs. as % of Group Ave.	Years of Service	Avg. Miles/Hrs. per Year	As of 10/15/2023
443	Senior Citizn.	25 Passenger Bus Ford	2020	Future	9/3/2020	B	Bus	2,839	7%	3.4	823	8
444	Recreation	GMC Van	2015	2026-27	12/1/2014	A	Van	9,440	22%	9.2	1,025	14
453	Water	GMC Cargo Van	2013	2025-26	12/21/2012	A	Van	42,405	98%	11.2	3,803	20
455	Water	John Deere Backhoe	2006	Future	1/31/2006	C	Backhoe / Hours	1,058	49%	18.0	59	31
457	Water	Chevy 3/4 Ton Pickup/Plow	2021	Future	7/1/2021	A	4wd Pick-Up	11,019	41%	2.6	4,197	10
458	Water	Ram ProMaster	2018	Future	10/1/2018	B	Cube Van	4,782	100%	5.4	890	12
460	Sewer	Chevy 3/4 Ton Utility Pickup	2023	Future	10/23/2023	A	4wd Pick-Up	-	0%	0.3	-	8
461	Sewer	GMC Cargo Van	2013	2025-26	12/21/2012	A	Van	41,400	95%	11.2	3,713	19
462	Sewer	GMC One Ton Dump Truck	2012	2026-27	3/22/2012	B	1 Ton Dump	23,065	110%	11.9	1,938	25
463	Sewer	Ford 3/4 Ton Pickup/Plow	2015	2026-27	7/30/2014	A	4wd Pick-Up	55,572	103%	9.5	5,821	25
464	Water	Tandem Axle Dump	2014	2026-27	10/1/2014	B	Tandem Axle Dump	39,716	238%	9.4	4,237	26
465	Sewer	Sterling Vactor	2003	2022-23	9/15/2003	B	Sewer Vactor	39,910	170%	20.4	1,955	40
468	Sewer	Western Star GapVax	2017	2028-29	4/15/2017	B	Sewer Vactor	7,013	30%	6.8	1,026	16
469	Senior Citizn.	Ford Van	2010	On Order	9/17/2009	A	Bus	44,075	107%	14.4	3,058	23
471	Senior Citizn.	Freightliner Bus	2016	Future	3/25/2022	B	Bus	53,729	130%	1.9	28,359	20
473	Parks	GMC 3/4 Ton Pickup/Plow	2016	2028-29	11/15/2015	A	4wd Pick-Up	35,385	132%	8.3	4,288	20
474	Parks	Ford 3/4 Ton Pickup/Plow	2015	2027-28	12/16/2014	A	4wd Pick-Up	45,843	171%	9.2	5,001	23
475	Parks	Ford 3/4 Ton Pickup/Plow	2019	Future	10/1/2019	A	4wd Pick-Up	17,725	66%	4.4	4,051	14
477	Parks	GMC 3/4 Ton Pickup	2014	2027-28	4/14/2014	A	2wd Pick-Up	65,397	244%	9.8	6,646	26
479	Solid Waste	Single Axle Dump	2014	2027-28	10/15/2014	B	Single Axle Dump	18,621	75%	9.3	1,995	22
480	Senior Citizn.	Smart Bus	2017	Future	10/1/2016	A	Bus	48,867	119%	7.4	6,628	22
481	Streets	Chevy 1 Ton Dump Truck	2022	Future	2/14/2022	B	1 Ton Dump	5,496	26%	2.0	2,746	11
482	Senior Citizn.	GMC Van	2013	2025-26	11/30/2012	A	Bus	53,864	131%	11.2	4,806	22
483	Code Enforce	Ford F-150	2015	2027-28	12/1/2014	A	2wd Pick-Up	49,467	91%	9.2	5,373	18
484	Parks	Chevy 3/4 Ton Pickup/Plow	2023	Future	1/18/2023	A	4wd Pick-Up	3,758	14%	1.1	3,493	10
485	Parks	GMC Pickup	2013	2024-25	12/4/2012	A	4wd Pick-Up	32,938	123%	11.2	2,941	23
488	Parks	Volvo Loader	2003	2024-25	11/19/2003	C	Wheel Loader / Hours	2,944	153%	20.2	145	42
489	Parks	Tractor Mower	1969	Future	1/1/1969	C	Unique or Non-Metered	4,950	N/A	55.1	90	82
492	CDD Inspec.	Ford F-150	2015	2027-28	12/1/2014	A	2wd Pick-Up	60,400	112%	9.2	6,560	22
493	CED Director	Ford Explorer	2015	2027-28	12/1/2014	A	Sedan	18,674	48%	9.2	2,028	15
494	Water	GMC Cargo Van	2015	2027-28	12/1/2014	A	Van	46,321	107%	9.2	5,031	19
495	CED	Ford F-150	2019	Future	10/1/2018	A	2wd Pick-Up	8,322	15%	5.4	1,548	12
496	CDD Inspec.	Ford F-150	2015	2027-28	12/1/2014	A	2wd Pick-Up	63,719	118%	9.2	6,920	20
500	CDD ED./Sup.	Ford Focus	2015	2028-29	1/1/2015	A	Sedan	12,173	31%	9.1	1,334	14
513	Solid Waste	Ford 3/4 Ton Pickup/Plow	2007	Rotation	2/25/2008	A	4wd Pick-Up	71,404	132%	16.0	4,470	30
525	Solid Waste	Chipper Truck	2004	2023-24	3/1/2004	B	Single Axle Dump	50,888	123%	20.0	2,550	41
530	Senior Citizn.	Smart Bus	2017	Future	9/28/2016	B	Bus	44,046	107%	7.4	5,967	21
550	Motor Pool	Generator - Fire Station 1	2004	2027-28	1/1/2016	A	Generator	1,143	199%	8.1	141	34
551	Motor Pool	Generator - Police	2006	2027-28	4/15/2014	A	Generator	194	34%	9.8	20	27
552	Motor Pool	Generator - DPS	2006	2023-24	7/9/2007	A	Generator	1,065	186%	16.6	64	31
553	Motor Pool	Generator - Fire Station 2	2004	On Order	7/18/2001	A	Generator	1	0%	22.6	0	8
554	Motor Pool	Generator - Portable 1	1975	Future	7/9/2007	A	Generator	835	146%	16.6	50	61
555	Motor Pool	Generator - Portable 2	2005	Future	7/18/2001	A	Generator	200	35%	22.6	9	29
700	Fire	Ford Interceptor Utility	2016	2024-25	1/1/2016	A	Sedan	109,660	284%	8.1	13,500	26
701	Fire	GMC 3/4 Ton Pickup	2015	2027-28	4/15/2014	A	Sedan	39,447	102%	9.8	4,010	21
702	Fire	Chevy Silverado 2500 Pickup	2021	Future	5/7/2021	A	Sedan	18,268	34%	2.8	6,580	12
703	Fire	Ford F150	2022	Future	4/26/2022	A	Sedan	22,167	83%	1.8	12,267	9
704	Fire	Chevy Pickup 3500	2001	Rotation	7/18/2001	A	Sedan	37,227	139%	22.6	1,649	37
710	Fire	Ambulance Rescue Truck (R7X)	2011	On Order	11/1/2011	B	Rescue	113,495	167%	12.3	9,235	48
711	Fire	Ambulance Rescue Truck (R72)	2019	2025-26	1/28/2019	B	Rescue	77,941	115%	5.0	15,438	31
715	Fire	Ambulance Rescue Truck (R71)	2022	On Order	12/1/2015	B	Rescue	12,598	19%	8.2	1,535	#REF!
721	Fire	Sutphen Pumper (E72)	2020	Future	3/29/2020	B	Fire Engine	39,778	71%	3.9	10,246	20
722	Fire	Sutphen Pumper (E71)	2019	2028-29	9/3/2019	B	Fire Engine	36,522	65%	4.5	8,204	20
723	Fire	Pumper Pierce (E7X)	2007	2024-25	5/20/2007	B	Fire Engine	92,842	165%	16.7	5,545	48
730	Fire	Aerial Ladder E-One (T71)	1998	2027-28	1/1/1998	B	Unique or Non-Metered	27,269	N/A	26.1	1,044	41

Table XII
Capital Improvement Plan
Computer Replacement Plan

Device Name	Department	Year Purchased	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
AAC22DT1	AAC	2022					N
AAC-DT-5	AAC	2017	N				
AAC-LT-02	AAC	2021				N	
AV19DT2	AV	2019		N			
AVCOUNMEDIA23	AV	2023					N
CC23LT1	COUCIL	2023					N
CC23LT2	COUNCIL	2023					N
CD23LT3	CDD	2023					N
CDD13DT6	CDD	2016	N				
CDD17DT8	COURT	2017	N				
CDD19DT16	CDD	2019		N			
CDD19DT19	CDD	2019		N			
CDD19DT20	CDD	2019		N			
CDD19LT11	CDD	2019		N			
CDD20LT21	CDD	2020			N		
CDD22DT1	CDD	2022				N	
CDD22DT3	CDD	2022				N	
CDD-GIS-DT	CDD	2019		N			
CH-CL-FRONT	CLERKS	2021					
CH-CLK-MGMT-LT	CLERKS	2020			N		
CH-COU-DS-LT	COUNCIL	2021				N	
CH-COUN-LT-05	COUNCIL	2020			N		
CH-FIN-ACC-DT1	FIN	2021				N	
CLK18DT5	CLERKS	2018	N				
CLK21DT2	CLERKS	2021				N	
CLK21LT3	CLERKS	2021				N	
CLK23LTELE1	CLERKS	2023					N
CM23LT02	CM	2023					N
CM23LT1	CM	2023					N
COU17DT2	COURT	2017	N				
COU17DT4	COURT	2017	N				
COU17DT8	COURT	2017	N				
COU18DT11	COURT	2018	N				
COU18DT12	COURT	2018	N				
COU18DT3	COURT	2018	N				
COU18DT5	COURT	2018	N				
COU18DT6	COURT	2018	N				
COU18DT9	COURT	2018	N				
CT-KRISSY-DT	COURT	2018	N				
DESKTOP-VVG7ITC	CDD	2023					N
DPS16DT21	DPS	2016	N				
DPS17LT11	DPS	2017	N				
DPS19DT10	DPS	2019		N			

Table XII Capital Improvement Plan Computer Replacement Plan							
Device Name	Department	Year Purchased	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
DPS20DT3	DPS	2020			N		
DPS20LT13	DPS	2020			N		
DPS21LT1	DPS	2021				N	
DPS21LT12	DPS	2021				N	
DPS21LT14	DPS	2021				N	
DPS21LT18	DPS	2021				N	
DPS21LT2	DPS	2021				N	
DPS22DT2	DPS	2022				N	
DPS22LT1	DPS	2022				N	
DPS22LT9	DPS	2022				N	
DPS23DT1	DPS	2023					N
DPS23LT1	DPS	2023					N
DPS-Sewer-LT	DPS	2020			N		
DPS-SIGN21-DT	DPS	2021				N	
FIN15DT5	FIN	2015	N				
FIN19DT11	FIN	2019		N			
FIN19DT12	FIN	2019		N			
FIN19DT13	FIN	2019		N			
FIN19DT14	FIN	2019		N			
FIN19DT3	FIN	2019		N			
FIN19DT8	FIN	2019		N			
FIN21LT6	FIN	2021				N	
FIN22LT5	FIN	2022				N	
FIN23LT8	FIN	2023					N
FIRE17DT1	FS1	2017	N				
FIRE18DT8	FS1	2018	N				
FIRE19DT9	FS1	2019	N				
FS118DT29	FS1	2018	N				
FS123DT1	FS1	2023					N
FS123DT2	FS1	2023					N
FS19DT30	FS1	2019		N			
FS1-LT-CAPT2	FS1	2020			N		
FS1-LT-CAPT3	FS1	2020			N		
FS224DT1	FS2	2022				N	
Gettings-LT	COUNCIL	2018	N				
HR15LT3	HR	2015	didn't want new device				
HR23LT1	HR	2023					N
IT20DT5	SPARE	2020			N		
LIB21LT3	LIB	2021				N	
LIB23LT1	LIB	2023					N
LIB-TBC2-LT	LIB	2022				N	
PD13DT1	PD	2013	N				
PD14DT32	PD	2014	N				

<p>Table XII</p> <p>Capital Improvement Plan</p> <p>Computer Replacement Plan</p>							
Device Name	Department	Year Purchased	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
PD16DT8	PD	2016	N				
PD17DT14	PD	2017	N				
PD17DT22	PD	2017	N				
PD18DT18	PD	2018		N			
PD18DT25	PD	2018		N			
PD18DT8	PD	2018		N			
PD19DT6	PD	2019		N			
PD20DT27	PD	2020			N		
PD21DT16	PD	2021				N	
PD21DT19	PD	2021				N	
PD21DT23	PD	2021				N	
PD21DT29	PD	2021				N	
PD21LT4	PD	2021				N	
PD21LT99	PD	2021				N	
PD22DT1	PD	2022				N	
PD22DT13	PD	2022				N	
PD22LT1	PD	2022				N	
PD22LT2	PD	2022					N
PD23DT2	PD	2023					N
PD23LT1	PD	2023					N
PD23LT2	PD	2023					N
PD-DB-DT-06	PD	2023					N
PD-LTBAR-DT-01	PD	2023					N
PDR-LT-22-1	PDR	2022				N	
PD-RPTWRT-2	PD	2021				N	
PD-RPTWRT-4	PD	2021				N	
PD-SGT-DT-01	PD	2020			N		
SPR22DT1	CM	2022					N
		Total	28	18	11	33	23

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 work forces 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 2024. Projects included in the plan in years beyond FY 2025 are concepts only and impacts on operating budgets are subject to change.

TABLE XIV
FY 2024-29 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Neighborhood Projects - Table III		
Project Description	Brush Street (W. LaSalle to 13 Mile)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ 153,000	FY 2024
Proposal R-3 Millage	445,000	FY 2025
Total Funding Amount	\$ 598,000	
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	Palmer Street (W. Woodside to W.LaSalle)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	434,000	FY 2025
Total Funding Amount	\$ 434,000	
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 (W. Girard to W. Woodside)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ 162,000	FY 2024
Proposal R-3 Millage	440,000	FY 2025
Total Funding Amount	\$ 602,000	
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	Hampden Street (W. Grieg to 11 Mile)	Department : Department of Public Services
Funding Type		
Water and Sewer Fund	\$ -	
Proposal R-3 Millage	349,000	FY 2025
Total Funding Amount	\$ 349,000	
Type:	Replacement of current capital asset. Road only no watermain work is included.	
Project Details	See the Neighborhood Roads section	
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.	
Road Improvements - Table V		
Project Description	Ajax - John R to 801 Ajax	Department : Department of Public Services
Funding Type		
Federal Funding	\$ -	
Major Street Act 51	250,000	
Total Funding Amount	\$ 250,000	
Type:	Overlay	
Project Details	See the Road Improvement section	
New Operation Costs	This project will not result in any significant increase operating cost over the next few years.	
Project Description	Sectional Replacements - Major	Department : Department of Public Services
Funding Type		
Special Assessment Fund	\$ 500,000	FY 2025
Total Funding Amount	\$ 500,000	
Type:	Replacement of current asset	
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	Traffic Signal Replacement	Department : Department of Public Services
Funding Type		
Local Street	\$ 30,000	FY 2025
Total Funding Amount	\$ 30,000	
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	Single Axle Dump Truck #424	Department : Department of Public Services
Funding Type		
Revenues - Trade-In Value	\$ 12,000	
Solid Waste	263,000	
Total Funding Amount	\$ 275,000	
Type:	Replacement of current asset	
Project Details	This dump truck is currently in poor condition with 33,056 miles a lifetime maintenance cost of \$39,443	

TABLE XIV
FY 2024-29 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Operational Cost	\$ -	\$ -	\$ (5,500)	\$ (7,500)	\$ -	\$ -	\$ (13,000)
Project Description	Building Maintenance Van Department : Department of Public Services						
Funding Type	\$ - 35,000 \$ 35,000						
Revenues - Resale of #402							
General Fund							
Total Funding Amount							
Type:	Replacement of current asset						
Project Details	This van has 77,189 miles and maintenance cost of \$4,000						
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Operational Cost	\$ -	\$ 750	\$ 1,500	\$ 2,000	\$ -	\$ -	\$ 4,250
Project Description	Brush Chipper Truck Department : Department of Public Services						
Funding Type	\$ 5,000 345,000 FY 2024 and 2025 \$ 350,000						
Revenues - Resale of #525							
General Fund (SW)							
Total Funding Amount							
Type:	Replacement of current asset						
Project Details	This replaces a 2004 brush chipper truck. This piece of equipment had 48,429 miles and is over 19 years old. This vehicle is in very poor condition with maintenance cost of \$43,648						
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Operational Cost	\$ -	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 9,000
Capital Cost		150,000	200,000	-	-	-	\$ 350,000
Collection and Distribution Systems - Table VI							
Project Description	Edward - Twelve Mile to Page Middle School Department: Department of Public Services						
Funding Type	\$ 402,000 FY 2025 \$ 402,000						
Water and Sewer Funds							
Total Funding Amount							
Type:	Replacement of current asset						
Project Details	See Collection and Distribution section for details.						
Project Description	Sanitary Sewer Inspection/Rehabilitation Program Department: Department of Public Services						
Funding Type	\$ 150,000 \$ 150,000						
Water and Sewer Funds							
Total Funding Amount							
Type:	See Collection and Distribution section for details.						
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	3/4 Ton Pickup Truck #434 Department: Department of Public Services						
Funding Type	\$ 36,000 \$ 36,000						
Water and Sewer Funds							
Total Funding Amount							
Type:	See Collection and Distribution section for details.						
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	\$ 150,000 599,000 \$ 749,000						
Drug Forfeiture							
General Fund							
Total Funding Amount							
Type:	The CIP includes the replacement of 24 patrol vehicles, over the five (5) year period.						
Project Details	One vehicle will be replaced from Drug Forfeiture and three from the General Fund.						
New Operation Cost	There are no new operation cost as these replace current vehicles. Vehicle upfitting cost are approximately \$15,000 per year.						
Project Description	Body Cam and In-Car Cameras Department: Department of Public Services						
Funding Type	\$ 65,000 \$ 65,000						
General Fund							
Total Funding Amount							
Type:	Maintenance						
Project Details	See Public Safety Chapter in the CIP.						
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Operational Cost	\$ -	\$ 65,000	\$ 65,000	\$ -	\$ 185,000	\$ -	\$ 315,000
Project Description	2016 Ford Interceptor Utility #700 Department: Police						

TABLE XIV
FY 2024-29 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Funding Type	\$ -						
Revneue - Trade-In Value	\$ 4,500						
General Fund	40,500						
Total Funding Amount	\$ 45,000						
Type:	Vehicle #713 is in poor condition in need of replacement						
Project Details	See CIP for details.						
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Operational Cost	\$ -	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 9,000
Capital Cost			45,000	-	-	-	\$ 45,000
Project Description	Pumper Pierce (E7X) #723			Department:		Police	
Renueve - Trade-in	\$ 20,000						
General Fund	1,498,000						
Total Funding Amount	\$ 1,518,000						
Type:	Replace #723 with a quint.						
Project Details	This current vehicle has 92,842 and mainteance cost of \$260,480						
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Operational Cost	\$ -	\$ -	\$ -	\$ 5,500	\$ 5,500	\$ 5,500	\$ 11,000
Capital Cost	-	600,000	450,000	450,000	-	-	\$ 1,500,000
Project Description				Department:		Police	
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 will result in electrical expense to operate the new lights. However the cost should be less than we currently pay due to savings in energy.						
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Operational Cost	\$ -		\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (7,500)
Capital Cost	200,000	200,000	200,000	-	-	-	\$ 600,000
Project Description	General - Special Project Funding			Department:		Parks	
Funding Type							
General Fund	\$ 50,000 Annually						
Total Funding Amount	\$ 50,000						
Type:	Replacement of current assets						
Project Details	See Leisure and Human Services Section for Details						
Project Description	2009 Volvo Loader			Department:		Parks	
Revenue - Trade In	\$ 10,000						
General Fund	215,000						
Total Funding Amount	\$ 225,000						
Type:	Replacement of current assets						
New Operational Cost	This purchase will replace a vehicle with 2,944 hours. Maintenance costs have been \$17,463.74.						
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Operational Cost	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -

APPENDICES

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PROPOSED FY 2024-25 Budget Resolution

A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2024-25 TO APPROPRIATE FUNDS FOR SAID PURPOSES AND TO PROVIDE FOR A LEVY OF TAXES FOR SAID BUDGET APPROPRIATIONS

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

WHEREAS, on May 13 2024, a public hearing was held in accordance with Section 8.3 of the Charter of the City of Madison Heights, and the statutes of the State of Michigan for the fiscal year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Budget hereto as Exhibit “A” is hereby adopted.
2. That the amounts set forth in said Budget are hereby appropriated for the purposes stated therein.
3. That 25.4572 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	13.4674
Solid Waste	2.4711
Police & Fire Retiree Benefits	7.0000
Neighborhood Road Improvements	1.8681
Senior Citizens	0.4436
Chapter 20 Drain Debt	0.2070
<hr/>	
Total	25.4572

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 2024-25 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 2024-25

EXPENDITURES		REVENUES	
GENERAL FUND			
General Government	\$7,167,529	Property Taxes and Fees	\$27,341,593
Public Safety	24,622,582	Intergovernmental Revenues	7,705,247
Community Services	5,717,453	Other	7,604,856
Cultural and Recreation	2,856,118	Use of Fund Balance	0
Community Development	1,259,906		
Debt Service	1,028,108		
TOTAL	<u>\$42,651,696</u>		<u>\$42,651,696</u>
MAJOR STREET FUND			
Program Expenditures	\$2,091,009	Intergovernmental Revenues	\$2,681,857
		Use of Fund Balance	(590,848)
	<u>\$2,091,009</u>		<u>\$2,091,009</u>
LOCAL STREET FUND			
Program Expenditures	\$2,486,270	Property Taxes	\$2,028,464
		Intergovernmental Revenues	1,203,720
		Other	5,000
		Use of Fund Balance	(750,914)
	<u>\$2,486,270</u>		<u>\$2,486,270</u>
PARKS MAINTENANCE & IMPROVEMENT FUND			
Program Expenditures	\$45,544	Other	\$45,544
	<u>\$45,544</u>		<u>\$45,544</u>
DOWNTOWN DEVELOPMENT AUTHORITY			
Program Expenditures	\$570,974	Property Taxes	\$239,521
		Intergovernmental Revenues	40,249
		Other	250
		Use of Fund Balance	290,954
	<u>\$570,974</u>		<u>\$570,974</u>

EXHIBIT "A"
CITY OF MADISON HEIGHTS
ADOPTED BUDGET RESOLUTION
FISCAL YEAR 2024-25

EXPENDITURES	REVENUES		
	DRUG FORFEITURE FUND		
Program Expenditures	\$39,750	Other	\$250
		Use of Fund Balance	39,500
	<u>\$39,750</u>		<u>\$39,750</u>
	COMMUNITY IMPROVEMENT FUND		
Program Expenditures	\$148,924	Intergovernmental Revenues	\$148,924
	<u>\$148,924</u>		<u>\$148,924</u>
	SPECIAL ASSESSMENT REVOLVING		
Program Expenditures	\$30,000	Use of Fund Balance	\$30,000
	<u>\$30,000</u>		<u>\$30,000</u>
	MUNICIPAL BUILDING BOND		
Program Expenditures	\$482,500	Transfers In	\$482,500
	<u>\$482,500</u>		<u>\$482,500</u>
	WATER AND SEWER FUND		
Program Expenditures	\$13,690,254	Sales to Customers	\$13,087,710
		Other	315,800
		Use of Retained Earnings	286,744
	<u>\$13,690,254</u>		<u>\$13,690,254</u>
	DEPARTMENT OF PUBLIC SERVICES		
Program Expenditures	\$2,508,133	Other	\$2,508,133
	<u>\$2,508,133</u>		<u>\$2,508,133</u>
	MOTOR AND EQUIPMENT POOL		
Program Expenditures	\$1,220,442	Other	\$1,220,442
	<u>\$1,220,442</u>		<u>\$1,220,442</u>
	CHAPTER 20 DRAIN DEBT SERVICE		
Program Expenditures	\$223,440	Property Taxes	\$223,440
	<u>\$223,440</u>		<u>\$223,440</u>

**CITY OF MADISON HEIGHTS
FEE SCHEDULE
FY 2025**

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SUMMARY OF REVISIONS:

Section 1. Community Development Department Services

- Added "Pre-Construction" meeting fees \$210 to cover costs of trade inspectors.

Section 2. City Clerk Service

- Remove Domestic Hen Fee (No Longer License)
- Add: Hotel Business License Fee \$300
- Increase Care Givers business license from \$300 to \$1,000
- Remove 6 Month Spray/Neutered Fee \$7.00
- Add 1 Year Spray/Neutered Fee \$15.00
- Add 1 Year male/female (Not Spayed) Fee \$25.00
- Add 1 Year 1 year spayed/neutered Senior Citizen Discount \$14
- Add 1 year male/female Senior Citizen Discount \$23
- Eliminate 2-year license fee.
- Increased 3-year spray/neutered cost from \$15.00 to \$40
- Add 3 year male/female (Not Spayed) Fee \$70
- Add 3 year spayed/neutered Senior Citizen Discount Fee \$37
- Add 3 year male/female Senior Citizen Discount Fee \$64

Section 3. Water and Sewer

- Water Rate Increase from \$4.26 to \$4.44 per unit
- Sewer Rate Increase from \$6.30 to \$6.56 per unit

Section 4. Treasury and Assessing Services

- No Change

Section 5. Library Services

- Remove Fax Charge
- Decrease additional black and white page fee from \$0.15 to \$0.10 per page.
- Decrease additional color page fee from \$0.50 to \$.25 per page

Section 6. Fire Services

- No Change

Section 7. Police Services:

- Remove Police Report Photograph \$0.10 per photo charges

Section 8. Department of Public Services

- No Change

Section 9. Parks and Recreation

- No Change

Section 10. Active Adult Center Services

- Lunch Program No Longer offered.
- Rides: \$1.00 each way within Madison Heights. \$2.00 each way outside Madison Heights, up to a 7 mile radius of the Active Adult Center.

Section 11. General Government

- No Change

Section 1. COMMUNITY DEVELOPMENT DEPARTMENT SERVICES

SCHEDULE OF FEES FOR PERMITS AND SERVICES

BUILDING FEES AND INSPECTION SCHEDULE

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

Developers/Contractors: For those interested in discussing a project in anticipation of submitting for plan review, Building Services offers a pre-construction meeting upon request for a fee of \$210 (limit two meetings)

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

Receipted to 101-017-476-4771

- 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 101-017-476-4771

- 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 101-017-476-4771

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

New One and Two Family Residential Construction

Receipted to 101-017-476-4771

\$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 101-017-476-4771

\$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 101-017-476-4771

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 101-017-476-4770 with bonds in 705-000-265-2830

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

Received into 101-017-476-4770

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

Received into 101-017-476-4770 with bonds in 705-000-265-2830

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

Received into 101-017-476-4770 with bonds in 705-000-265-2830

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 592-551-818-0000

See page 15, Miscellaneous Service Fees

Code Inspections

Receipted into 101-017-476-4770

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

Overtime Inspections

Receipted into 101-017-476-4770

\$105.00 per hour.

Additional/Add-on Inspections. All Permits

Receipted into 101-017-476-4770

\$70.00 per inspection.

Appeal Boards

Receipted into 101-017-476-4770

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 101-017-476-4770 with bonds in 705-000-265-2830*

- 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 101-017-476-4770-000 with bonds in 705-000-265-2830*

- 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 101-030-628-6071*

- 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 101-044-680-6701

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 101-044-680-6701

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

ENGINEERING FEES - (NON-TELECOMMUNICATION)

Received into 101-030-628-6701

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 101-030-628-6701

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

LANDLORD LICENSING

Receipted into 101-017-476-4771

<u>Four-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 101-030-626-6260

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 101-030-626-6270

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 101-030-626-6250

HOTEL INSPECTIONS

Annual Building and Fire Inspections	\$15 per unit / per year
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MEDICAL & ADULT USE MARIHUANA FACILITY/MEDICAL& ADULT USE MARIHUANA GROW OPERATION

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

GEOGRAPHIC INFORMATION SYSTEM FEES

Received into 101-030-628-6075

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)

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

Section 2. CLERK DEPARTMENT SERVICES

Business License/Permits

Business Licenses:

[Receipted into 101-014-476-4570](#)

Business Licenses: \$100.00 per year

Marihuana - Medical/Adult-Use Business License: \$5,000.00 per year

Marihuana – Caregiver Business License: \$1,000 per year + any applicable re-inspection fees

Massage Business License: \$300 per year + \$150 per licensed massage therapist.

Hotel Business License: \$300

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 101-017-490-4800](#)

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. Senior Defined as (65+) in age.

Tags can be purchased from December 1st to June 1st *Tags purchased after June 1st are subject to Oakland County Late Fees.

1 Year Spayed/Neutered \$15

1 Year male/female \$25

1 year spayed/neutered Senior Discount \$14

1 Year male/female Senior Discount \$23

3 Year Spayed/Neutered \$40

3 Year male/female \$70

3 year spayed/neutered senior discount \$37

3 Year male/female senior discount \$64

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

Miscellaneous Fees

1.0 Bicycle Licenses

[Receipted into 101-017-490-4810](#)

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 101-030-628-6078

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 101-014-476-4570

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 590-010-642-6430

Commercial/industrial water receipted into 590-010-642-6440

Wastewater receipted into 590-020-630-6115

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 are 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 Wastewater are billed in units. 1 unit = 100 cubic feet = approximate 748 gallons.

Water	\$4.44per unit
Wastewater	\$6.56 per unit

2.0 Stormwater

Stormwater fees shall be eliminated.

Service Fees

1.0 Service Tapping Fees

Meter & Materials receipted into 592-000-273-5000

Service Connection receipted into 592-000-273-6000

Transmission receipted into 592-010-629-6113

Paving receipted into 592-010-626-6111

Sewer Privilege Fee receipted into 592-020-630-6117

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

Description	Supply/ Meter Size					
	1"	1 ½"	2"	3"	4"	6"
Meter & Materials	\$1,250	\$1,700	\$2,300	\$3,900	\$4,900	\$7,950
Service Connection	\$900	\$1,250	\$1,500	-	-	-
Transmission	\$72	\$72	\$72	-	-	-
Paving	\$300	\$300	\$300	-	-	-
Sewer Privilege Fee	\$622	\$897	\$1,183	\$2,310	\$3,493	\$3,575
Total	\$3,144	\$4,219	\$5,355	\$6,210	\$8,393	\$11,525

2.0 Meter Fees

Receipted into 592-010-626-6111

GLWA pass through charges receipted into 592-010-642-6490

Description	5/8"	¾"	1"	1 ½"	2"	3"	4"	6"
Frozen Meter Charge w/service charge	\$180	\$180	\$350	\$725	\$925	\$3,000	\$3,950	\$6,500
Damaged/Missing Transmitter (R900)	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Damaged Register Head (Per Head if Compound)	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115
GLWA (Pass Through)	\$3.64	\$5.46	\$9.10	\$20.02	\$29.12	\$52.78	\$72.80	\$109.20

3.0 Miscellaneous Service Fees
Received into 592-010-626-6111

Fire Suppression Private Water Line Charge	\$5 per month
Final Reading	\$20 per account processed
“No Show” Charge for service calls	\$30 per occurrence
Turn-Off/Turn-On	\$60
Reinstall Meter with Turn-On	\$60
Meter Bench Test (5/8 – 1 ½”) – Reading within AWWA range	\$60
Meter Bench Test (2” and above)– Reading within 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)	\$100
Service Call Overtime Charge (Sun & Holidays)	\$200
Hydrant Flow Test	\$100
Hydrant Flow Test with Salt Needed	\$175
Hydrant and Meter Rental	\$5 per day + water consumption

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 101-011-445-0000

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 101-011-447-0000

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 101-044-680-6701

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 101-044-680-6701

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 101-044-628-6705

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

Receipted into 101-030-628-6085

Library materials that are not returned within 21 days of date due or are returned damaged are charged the full replacement cost of item at the time of purchase. Damaged items needing repair instead of replacement will be charge the repair cost instead of replacement.

Program Fees

Receipted into 705-000-299-2000

Coffee Concerts	\$5 per concert for children under 12 and senior citizens
	\$10 per concert for adults
	\$25 family rate per concert (two adults and up to six children)

Technology Material Fees

Receipted into 101-033-628-6086

Self-service copier pages (<i>Page: one side of paper</i>)	\$0.10 per page, black and white
	\$0.25 per page, color
Paper pages (<i>Page: one side of paper</i>)	First five pages are free-of-charge daily.
	\$0.10 per additional page, black and white
	\$0.25 per additional page, color
3D printing	\$0.10 per gram
Buttons	\$0.25 small button
	\$0.30 medium button
	\$0.50 large button
Sublimation paper	\$1.00 per 8.5 x 11 sheet
Sublimation mug	\$5.00 each
Laminating pouches	\$0.25 per pouch (8.5 x 11)
Embroidery stabilizer	\$1.00 per foot (12 in sq)
Cricut material (vinyl, transfer tape, etc.)	\$2.00 per foot
SD card 32 GB	\$10.00 each
USB drive	\$5.00 each
Headphones or earbuds	\$1.25 each

Miscellaneous

Arcadia Book Fees receipted into Historical Commission Escrow 705-000-291-9000
All other receipted into 101-030-628-6085

Library Card non-resident	\$100 annual
Arcadia Book: <i>Images of America, Madison Heights</i>	\$22

Section 6. FIRE SERVICE FEES

Ambulance and Emergency Response Fees

1.0 Advanced Life Support Services

Receipted into 101-044-638-6707

ALS Emergency Transport	\$850
ALS Emergency Transport II	\$1,200
ALS Non-Emergency Transport	\$550
Treat No Transport	\$400

2.0 Basic Life Support Services

Receipted into 101-044-638-6707

BLS Emergency Transports	\$700
BLS Non-Emergency Transport	\$450

3.0 Miscellaneous Fees

Receipted into 101-044-638-6707

Loaded Mile (scene to hospital fee per mile)	\$17.50 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 101-044-637-6709

Course fees include supplies and materials used.

BLS for Healthcare Providers	\$40 per participant
Heartsaver First Aid/CPR/AED	\$60 per participant
Heartsaver CPR/AED	\$50 per participant
Online CPR Practical Skills Verification	\$30 per participant
Off-site Location Fee	\$50 per class

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
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Section 8. DEPARTMENT OF PUBLIC SERVICES

RV Lot Rental Fee

Receipted into 101-030-651-6285

RV Lot Rental based on availability	\$250 annually with renewals on July 1
RV Lot Late Payment Fee	\$50 late fee after renewal due date of June 30 each year

Brush Chipping Fee

Receipted into 101-030-626-6270

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

Receipted into 101-030-626-6240

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 the Breckenridge Room, City Hall, Lower Level Rooms and Fire Department Room. Pavilion and room rentals (except AAC) receipted into 101-036-633-3511

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
Park Building Rental Fee	No refund will be given if cancelled in less than one week (7 days) of the rental date \$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
Special Event Fee (Resident)	\$500 per day + \$500 refundable security deposit
Special Event Fee (Non-Resident)	\$750 per day + \$500 refundable security deposit.

Nonprofit and volunteer groups that regularly volunteer in the City shall rent the (Breckenridge Room), Fire Station (Training Room), Park Buildings, and City Hall (Lower Level Rooms) at no cost if the rental does not require staffing. If staffing is required fees shall cover staffing cost. A refundable damage deposit of \$100 is required.

Active Adult Center Rentals

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

Receipted into 101-036-667-6530

\$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 101-036-633-6511

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: Rides: \$1.00 each way within Madison Heights. \$2.00 each way outside Madison Heights, up to a 7-mile radius of the Active Adult Center.

Receipted into 101-036-628-6532

Miscellaneous

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

Message Board Greetings

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

Administration fee	\$75 per wedding Plus \$50 Payable to Mayor
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Items for Sale

Garbage Bags <i>Receipted into 101-033-642-6421</i>	Box of 100 Heavy Duty bags \$20 per box
Recycling Bin and Lid <i>Receipted into 101-033-642-6422</i>	\$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.

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 28,719 residents of the City of Madison Heights are provided various services by the 172 full-time equivalent employees.

Statistical data related to City services at June 30, 2023 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	36
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	2017-18 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Amended Budget	2024-25 Budget
Mayor and City Council	\$ 54,221	\$ 54,718	\$ 54,846	\$ 56,615	\$ 57,560	\$ 59,607	\$ 61,875
City Manager	341,069	223,462	222,300	240,803	264,432	275,307	413,338
Elections	45,342	65,542	100,247	63,425	64,174	102,785	139,284
City Assessor	209,940	213,767	206,854	211,902	218,004	236,779	245,242
Legal	315,464	344,449	312,078	376,106	358,477	432,000	375,000
City Clerk	279,853	258,078	296,881	371,642	404,199	415,564	448,646
Human Resources	406,152	395,964	394,070	384,641	383,966	468,467	533,225
Board of Review	1,866	1,958	2,030	1,415	1,361	3,043	3,043
General Administration	235,892	908,830	935,538	735,343	459,638	396,117	605,116
Finance	771,672	676,835	696,146	737,969	761,622	804,517	916,912
Information Technology	188,247	190,683	216,467	242,550	281,017	564,979	539,590
Total City Administration	\$ 2,849,718	\$ 3,334,286	\$ 3,437,457	\$ 3,422,411	\$ 3,254,450	\$ 3,759,165	\$ 4,281,271
Municipal Building	\$ 45,753	\$ 53,221	\$ 56,989	\$ 823,323	\$ 138,513	\$ 60,878	\$ 186,662
Custodial and Maintenance	261,394	164,192	184,927	194,579	166,688	198,517	194,488
Total General Municipal Maint.	\$ 307,147	\$ 217,413	\$ 241,916	\$ 1,017,902	\$ 305,201	\$ 259,395	\$ 381,150
Police	\$ 9,884,446	\$ 11,177,405	\$ 11,435,385	\$ 11,006,925	\$ 12,429,435	\$ 14,443,093	\$ 14,416,351
Fire	5,578,791	6,699,507	6,666,821	6,806,532	8,383,335	10,133,059	10,206,231
District Court	1,466,502	1,335,357	1,303,571	1,336,807	1,342,443	1,639,175	1,741,108
Total Public Safety	\$ 16,929,739	\$ 19,212,269	\$ 19,405,777	\$ 19,150,264	\$ 22,155,213	\$ 26,215,327	\$ 26,363,690
Community Development	\$ 1,055,928	\$ 1,011,119	\$ 1,053,836	\$ 1,009,615	\$ 1,071,094	\$ 1,348,988	\$ 1,259,906
Streets	1,001,901	1,136,817	1,285,482	1,275,123	1,210,620	1,383,313	1,348,722
Total Community Improvement	\$ 2,057,829	\$ 2,147,936	\$ 2,339,318	\$ 2,284,738	\$ 2,281,714	\$ 2,732,301	\$ 2,608,628
Solid Waste	\$ 2,230,242	\$ 2,518,486	\$ 2,470,721	\$ 2,730,978	\$ 3,197,191	\$ 3,281,141	\$ 4,368,731
Total Solid Waste	\$ 2,230,242	\$ 2,518,486	\$ 2,470,721	\$ 2,730,978	\$ 3,197,191	\$ 3,281,141	\$ 4,368,731
Recreation	\$ 183,362	\$ 152,041	\$ 115,337	\$ 188,359	\$ 290,761	\$ 398,466	\$ 396,436
Nature Center	29,585	65,977	10,425	5,874	59,600	-	-
Parks	518,966	506,772	398,658	906,324	598,192	1,825,803	986,164
Active Adult Center	388,822	369,219	280,898	471,332	450,194	566,506	476,226
Total Parks and Recreation	\$ 1,120,735	\$ 1,094,009	\$ 805,318	\$ 1,571,889	\$ 1,398,747	\$ 2,790,775	\$ 1,858,826
Library	\$ 671,926	\$ 756,765	\$ 632,559	\$ 827,046	\$ 808,646	\$ 941,690	\$ 997,292
Total Library	\$ 671,926	\$ 756,765	\$ 632,559	\$ 827,046	\$ 808,646	\$ 941,690	\$ 997,292
Insurance	374,390	289,718	293,626	\$ 262,627	\$ 262,935	\$ 267,590	\$ 281,500
Pension Obligation Debt	1,031,700	1,033,525	1,029,182	1,027,808	1,028,279	1,027,043	1,028,108
General Expenditures	\$ 1,406,090	\$ 1,323,243	\$ 1,322,808	\$ 1,290,435	\$ 1,291,214	\$ 1,294,633	\$ 1,309,608
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,933,518	\$ 257,100	\$ 482,500
General Fund Expenditures	\$ 27,573,426	\$ 30,604,407	\$ 30,655,874	\$ 32,295,663	\$ 41,625,894	\$ 41,531,527	\$ 42,651,696

Source: Finance Expenditure Records

**ASSESSED AND ESTIMATED ACTUAL VALUATION OF
TAXABLE PROPERTY LAST TEN FISCAL YEARS**

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	\$ 872,376,430	\$ 90,917,540	\$ 963,293,970	26.08	\$ 2,797,757,300	34.4%
2023	\$ 941,892,860	\$ 88,751,230	\$ 1,030,644,090	25.53	\$ 3,083,263,680	33.4%
2024	\$ 1,014,346,100	\$ 89,233,580	\$ 1,103,579,680	25.46	\$ 3,355,977,800	32.9%

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	2023	2024
<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	12.87	12.87
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	1.89	1.89
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	2.50	2.50
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	0.45	0.45
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	7.00	7.00
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	0.43	-
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	0.94	0.82
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	26.08	25.53
<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	5.48	5.57	5.55	5.47	5.26
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	1.53	1.52	1.51	1.49	1.49
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	3.25	3.23	3.20	3.17	3.17
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	13.28	14.27	10.33	10.32	10.53
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	31.36	31.93	27.62	27.76	27.85
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	0.09	0.09
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	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	50.10	51.13	47.13	46.81	46.26
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	68.17	68.79	64.42	64.25	63.59

* Madison District Public School Rates

** Amounts not yet known, set by other entities

Sources: County Assessor's Warrant

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CHANGES IN FUND BALANCE
(amounts expressed in thousands)

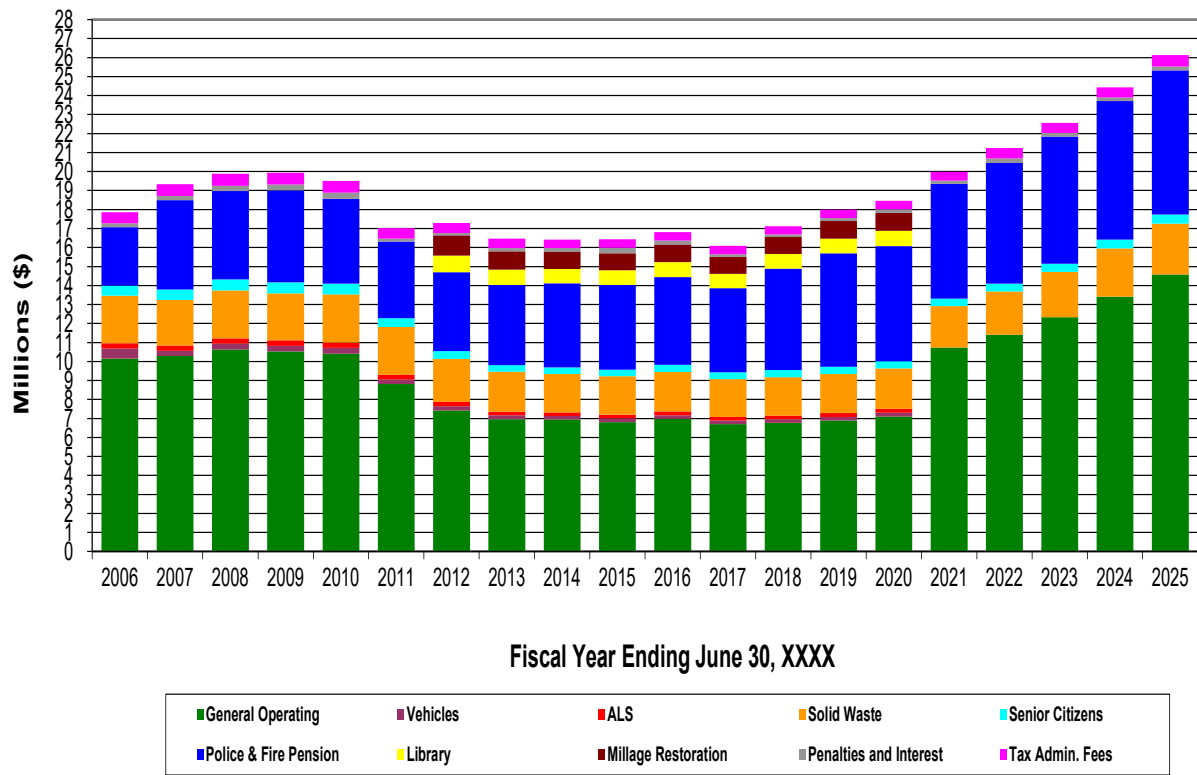
General Fund

Fiscal Year ended June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Restricted and Nonspendable:	\$ 777	\$ 1,088	\$ 1,611	\$ 844	\$ 797	\$ 359	\$ 343	\$ 617	\$ 2,024	\$ 649	\$ 275	\$ 7,460	\$ 2,179
Assigned:													
Vested employee benefits	\$2,353	\$2,023	\$2,287	\$2,235	\$1,991	\$1,841	\$2,131	\$ 598	\$ 598	\$2,405	\$ 2,733	\$ 2,554	\$ 2,520
Subsequent years' expenditures	915	392	785	386	786	1,364	537	1,558	1,564	960	1,989	1,705	2,212
Retained insurance risk	336	446	722	2,013	1,319	1,319	1,357	1,357	2,320	1,465	2,132	1,093	1,047
Capital improvements	1,218	1,561	0	527	980	1,033	983	1,757	1,041	1,727	3,677	1,907	3,149
Technology Improvements	75	75	18	100	150	150	150	150	150	150	150	-	-
Postemployment Benefits	-	1,337	0	440	1,931	1,566	745	1,020	1,413	1,414	1,491	778	390
Capital Projects - Civic Center Plaza and Fire Station #2	-	-	0	0	0	0	0	0	0	0	0	5,159	1,309
Penion bonds	0	0	0	0	0	1,090	810	820	835	845	884	893	900
Total Assigned:	\$4,897	\$5,834	\$3,812	\$5,701	\$7,157	\$8,363	\$6,713	\$7,260	\$7,921	\$8,965	\$13,055	\$14,089	\$11,527
Unassigned	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	\$5,675	\$6,922	\$5,423	\$6,545	\$7,954	\$8,722	\$7,056	\$7,877	\$9,945	\$9,614	\$13,331	\$21,549	\$13,706

Sources: City's Audited Annual Financial Statements

General Fund Property Tax Revenue History By Millage

(Real and Personal; Excludes Neighborhood Roads and Fire Station Bond Millages)



FY 2024-25 BUDGET

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
24-25	City Manager	Add FT Special Projects/ Grant Administrator (+1.0)
24-25	City Clerk/Elections	Add PT Election Worker Hours (+0.1472)
24-25	Human Resources	Pre-Hire HR Assistant (+0.25)
24-25	Police	Add PT Animal Shelter Assistant (0.35)
24-25	Fire	Add FT Deputy Fire Chief (+1.0), Add 3 FT Basic EMT (+3.0)
24-25	DPS - Streets	Transfer PT Year Round Laborer (+0.48)
24-25	DPS - Motor Pool	Add FT Mechanic (+1.0), Transfer PT Year Round Laborer (-0.48), Eliminate PT Year Round Laborer (-0.48)
23-24	General Administration	Add PT Media Specialist (+53)
23-24	CED	Add PT Code Enforcement Officer (+0.53)
23-24		Reduce PT Office Assistant Hours (-0.03)
23-24	Library	Reallocationj of PT Hours (-0.10)
23-24	Recreation	Add FT Recreation Specialist (+1.0)
23-24		Eliminate PT Recreation Assistant (_ 63)
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)
22-23	Library	Reclassify Librarian to Library Coordinator (no change FTE)
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	Inceast 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)

FY 2024-25 BUDGET

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
18-19	Community Development	Transfer PT Social Media Intern to General Administration (-0.50)
		Add Full Time Code Enforcement Officer (+1.0)
18-19	DPS - Water & Sewer Admin	Add Full Time Utilities Supervisor (+1.0)
18-19	DPS - Main Division	Add PT Year Round Laborer (+.68)
17-18	Court	Add new PT Probation Officer (+0.60),
17-18		Decrease two current PT Probation Officers (-0.28)
17-18	City Clerk	Increase PT Office Support Staff (+0.12)
17-18	City Clerk - Elections	Reallocation DPS Employees (-0.3)
17-18	General Administration	Add new PT Social Media Intern (+.04)
17-18	Community Development	Add new PT Social Media Intern (+0.5)
17-18	Community Development	Eliminate Inspector (-1.0)
17-18	Police	Add new Special Investigations Unit Officer (+1.0)
17-18	DPS - Custodial & Maintenance	Reallocation DPS Employees (-0.1)
17-18	DPS - Streets	Reallocation DPS Employees (-1.7)
17-18	DPS- Solid Waste	Reallocation DPS Employees (-3.7)
17-18	DPS - Recreation	Increase 3 PT Camp Leaders (+0.12 each for total +0.36)
		Add PT Recreation Intern (+0.16)
17-18	DPS - Parks	Reallocation DPS Employees (-1.1)
17-18	DPS - Senior Center	Increase PT Chauffeur (+.09)
17-18	DPS - Major Street Fund	Reallocation DPS Employees (-2.3)
17-18	DPS - Local Street Fund	Reallocation DPS Employees (-2.7)
17-18	DPS - Water	Reallocation DPS Employees (-4.0)
17-18	DPS - Sewer	Reallocation DPS Employees (-5.4)
17-18	DPS - Water/Sewer Administration	Reallocation DPS Employees (-1.5)
17-18	DPS Division	DPS Reallocation (+22.8)
17-18		Increase PT Office Support Staff (+0.43)
16-17	City Clerk	Increase PT Office Support Staff (+0.3)
16-17	City Clerk - Elections	Decrease PT Office Support Staff elections portion (-0.13)
16-17	Community Development	Eliminate vacant Building Official Position (-1.0)
16-17	DPS - Streets	Reallocation of Admin Support due to Act 51 requirements (+0.10)
16-17	DPS - Solid Waste	Eliminate PT Office Support split (-0.13)
16-17		Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Recreation	Add dedicated DPS PT Office Support (+0.15)
16-17	DPS - Misc Funds	Transfer one DPS pooled position to Water (-1.0)
16-17	DPS - Parks	Transfer one fulltime Parks employee to vacant DPS pooled position (-1.0)
16-17	DPS - Major Street Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Local Streets Fund	Reallocation of Admin Support due to Act 51 requirements (-0.15)
16-17	DPS - Water	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (+1.0)
16-17		Transfer one DPS pooled position to Water (+1.0)
16-17	DPS - Water/Sewer Administration	Transfer one fulltime DPS employee from Water Admin to Sewer Maintenance (-1.0)
16-17		Reallocation of Admin Support due to Act 51 requirements (+.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)

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

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

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
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 Chauffeur hours (-0.31)
10-11	DPS - Senior Center	Reduce part-time Senior Center Assistant hours (-0.1)
10-11	DPS - Major Street Fund	Reallocation of Administrative Support (-0.15)
10-11	DPS - Local Street Fund	Reallocation of Administrative Support position (-0.1)
10-11	DPS - Water	Eliminate two vacant Water Meter Reader positions (-1.0)
10-11	DPS - Sewer	Eliminate Equipment Operator I position (-1.0)
10-11	DPS - Motor Pool	Eliminate General Mechanic position (-1.0)
BA = mid-year Budget Amendment adopted as of December 14, 2009		
BA 09-10	Police	Eliminate two vacant Police Officer positions (-2.0)
BA 09-10	Police	Eliminate one vacant Public Service Aide position (-1.0)
BA 09-10	Fire	Eliminate two vacant Firefighter positions (-2.0)
BA 09-10	Library	Eliminate vacant part-time Library Assistant position (-0.21)
BA 09-10	DPS - Senior Center	Eliminate vacant part-time Senior Center Assistant (-0.25)
BA 09-10	DPS - Water and Sewer	Eliminate one vacant Equipment Operator I position (-1.0)
09-10	Police	Eliminate vacant Patrol positions (-3.0)
09-10	Fire	Eliminate vacant Firefighter swing man position (-1.0)
09-10	DPS - Streets	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	DPS - Solid Waste	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	Major Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.2)
09-10	Local Streets Fund	Eliminate vacant DPS field employee split between divisions (-0.3)
09-10	DPS - Youth Center	Reduce 6 part-time employees hours by closing the Youth Center during the summer (-0.4)
09-10	DPS - Recreation	Move full-time position split between Fire, Senior Center and Recreation to Finance, replacing a part-time position (-0.3)
09-10	DPS - Parks	Eliminate seasonal part-time employee due to reduction in mowing frequency (-0.3)
09-10	DPS - Senior Center	Eliminate vacant part-time aide positions, reduce hours of six part-time employees by closing the Senior Center between Christmas and New Year's and move full-time positions currently split between Fire, Senior Center, Recreation and Finance, replacing a part-time position (-1.1)
09-10	Finance	Move full-time positions currently split between Fire, Senior Center and Recreation to Finance, replacing a part-time position. (0.5)
09-10	Library	Reduction of hours for ten part-time positions due to reducing the Library hours of operation from 61.5 to 56 hours per week. (-0.5)
09-10	Community Development	Eliminate the part-time GIS part-time position (-0.5)
09-10	Water and Sewer	Eliminate two seasonal laborers; one in the Water Division and one in the Sewer Division (-0.7)
07-08	Finance	Reallocation one vacant Fiscal I position to Fire (-0.5)
07-08	Fire	Eliminate part-time office position (-0.3) reallocation of Fiscal I/Office Assistant (0.5)
07-08	DPS - Streets	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS - Solid Waste	Eliminate vacant DPS Supervisor split between divisions. (-0.1)

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
07-08	DPS - Parks	Eliminate vacant DPS Supervisor split between divisions. (-0.5)
07-08	DPS-Youth Center	Reduction of hours for part-time Youth Leaders (-0.2)
07-08	Assessing	Reduction of full-time Deputy Assessor position. (-1.0)
07-08	Assessing	Addition of part-time Property Appraiser. (0.4)
07-08	Housing	Eliminate part-time Housing Assistant (-0.4)
06-07	Finance	Eliminate vacant Fiscal I position (-1.0)
06-07	Police	Eliminate vacant Crime Prevention Officer (-1.0)
06-07	Fire	Eliminate vacant Fire Inspector positions (-1.0) and Vacant Officer Assistant I position (-1.0) and add a part time Office Positions (0.5)
06-07	Community Development	Eliminate vacant Information System position (-1.0), reduce GIS part-time position (-0.27), reallocate Code Enforcement from CDBG (0.80) and Housing (0.25)
06-07	DPS – Streets	Reduce two vacant Street Laborer positions (-2.0)
06-07	DPS – Sewer	Reduce vacant Laborer position (-1.0)
06-07	Library	Eliminate vacant part-time Library Assistant (-0.4); and reduce hours for Youth Service Assistant (-0.05)
06-07	DPS – Parks	Reduce vacant Park Laborer hours (-0.33)
06-07	DPS – Water	Eliminate vacant Water Clerical position (-0.8)
06-07	Housing	Reallocate Code Enforcement Officers hours to CDD (-0.25), reduce Housing Assistant hours (-0.1)
06-07	CDBG	Reallocate Code Enforcement Officer hours to CDD (-0.8)
05-06	District Court	Eliminate vacant part-time Probation Clerk (-0.8)
05-06	City Clerk	Elections - due to consolidated elections and precincts reduce number of Chairpersons from 16 to 12 (-0.4) and Workers from 68 to 55 (-1.5), and reallocate maintenance hours (+0.04)
05-06	Police	Eliminate vacant full-time Animal Control Officer (-1.0) Office Assistant II (-1.0); add part-time animal control support (+0.3)
05-06	Fire	Eliminate vacant Fire Fighter position (-1.0) and eliminate vacant Fire Fighter position following Lieutenant retirement and promotional process (-0.2)
05-06	Community Development	Reduce hours of part-time Community Development Assistant (-0.3)
05-06	DPS – Custodial & Maintenance	Reallocate maintenance hours to Elections (-0.04) and supervisor hours to Solid Waste for Tree Replacement Program coordination (-0.06)
05-06	DPS – Solid Waste	Add supervisor hours for Tree Replacement Program coordination (+0.06)
05-06	DPS – Recreation	Reduce and reclassify seasonal recreation positions (-1.2)
05-06	DPS – Youth Center	Reduce hours of part-time Youth Leader (-0.22)
05-06	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.04) and reallocate Recreation Supervisor hours (-0.05)
05-06	DPS – Parks	Eliminate vacant Parks Maintenance Laborer (-1.0) and add part-time laborer (+0.6)
05-06	DPS – Senior Citizens	Eliminate vacant Officer Assistant II (-1.0); add part-time assistant (+0.8); reallocate part-time receptionist hours (+0.5) and Recreation Supervisor hours (+0.05)
05-06	Community Improvement Fund	Reallocate Code enforcement Officer hours between Housing (-0.2) and Community Improvement (+0.2)
05-06	Motor Pool Fund	Eliminate vacant full-time Tool Crib Operator position (-0.6)
04-05	District Court	Add hours for part-time Deputy Court Clerk (+0.2)
04-05	Assessor	Eliminate vacant part-time Office Assistant (-0.4)
04-05	City Clerk	Eliminate vacant Deputy Clerk position (-1.0); add hours to part-time election workers for a third election (+0.9)
04-05	Human Resources	Reflect 50% funding of combined Purchasing & Personnel Coordinator position (-0.5)
04-05	General Administration	Eliminate vacant Purchasing Officer position (-1.0); reflect 50% funding of combined Purchasing & Personnel Coordinator position (+0.5)
04-05	Finance	Eliminate vacant Accounting Supervisor position (-1.0); add Accountant position (+1.0); eliminate vacant Fiscal Assistant I position (-1.0)
04-05	Information Technology	Eliminate vacant part-time Information Systems Support position (-0.7)
04-05	Police	Eliminate vacant positions: Police Officer (-1.0); Police Service Assistant (-1.0); and Office Assistant II (-1.0); reflect Police Department transfer of Police Officer position from Auto Theft Prevention Fund to patrol (+1.0)
04-05	Fire	Eliminate vacant Fire Fighter position (-1.0)
04-05	Community Development	Eliminate vacant Office Assistant II position (-1.0); add hours to part-time CDD Aide position (+0.2)
04-05	Library	Eliminate hours for part-time Branch Library Circulation Chief (-0.4) and Branch Library Assistant (-0.4)

HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
04-05	DPS – Streets	Eliminate vacant Equipment Operator III (-1.0) and Laborer (-1.0) positions; reallocate labor from other divisions (+0.3)
04-05	DPS – Solid Waste	Reallocate labor cost from other divisions to reflect more accurate time utilization (+2.6)
04-05	DPS – Recreation	Eliminate vacant full-time Recreation Coordinator (-0.67); add part-time coordinator (+0.75)
04-05	DPS – Youth Center	Eliminate vacant full-time Recreation Coordinator (-0.3); reallocate hours for part-time Youth Coordinator (+0.1); reallocate driver (+0.1)
04-05	DPS – Nature Center	Reduce hours of part-time Naturalist (-0.4)
04-05	DPS – Parks	Eliminate two vacant part-time Park Laborer positions (-0.5)
04-05	DPS – Senior Citizen	Reallocate labor cost to other divisions (-0.2); assign bus driver time to Youth Center (-0.1)
04-05	Major Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.1)
04-05	Local Streets Fund	Reallocate labor cost from other divisions to reflect more accurate time utilization (-1.6)
04-05	Community Improvement Fund	Reallocate full-time Code Enforcement Officer FTE between Housing (-0.3) & Community Improvement (0.3)
04-05	Auto Theft Prevention Fund	Transfer of Police Officer position back into road patrol (-1.0)
04-05	Motor Pool Fund (DPS)	Eliminate vacant Tool Crib Operator position after retirement of incumbent (-0.4)
03-04	District Court	Add additional part-time Deputy Court Clerk position (+0.6); increase hours for part-time Probation Officer (+0.7)
03-04	DPS – Youth Center	Split part-time supervisor position for summer and school year programs into two part-time positions (0.0)
03-04	Community Imp.	Downgrade Code Enforcement Supervisor to Code Enf. Officer (0.0)
03-04	CIP - Housing	Reduce hours of part-time CIP Assistant (-0.3)
02-03	City Clerk	Increase part-time hours for election workers due to one additional election (+0.8 FTE)
02-03	Community Development	Add full-time Economic Development Coordinator position (+1.0 FTE)
02-03	DPS – Parks Division	Add two part-time Park Ranger positions (+ 0.5 FTE)
01-02	DPS – Custodial & Maintenance	Eliminate three vacant positions (-3.0 FTE), with one of the positions added to the Parks Division
01-02	Community Development	Increase hours (+0.3 FTE) for the part-time Geographic Information System (GIS) office assistant position
01-02	DPS – Nature Center	Upgrade part-time Naturalist position to full-time status (+0.4 FTE)
01-02	DPS – Parks	Add one position transferred from DPS - Custodial & Maintenance Division (+1.0 FTE)
01-02		
01-02	Library	Increase part-time hours (+1.7 FTE)
00-01	District Court	Elimination of Court Recorder position following retirement (-1.0 FTE)
00-01	Police	Due to elimination of Federal Crime Suppression Grant, transfer one officer position from Crime Suppression Fund (1.0 FTE) to the Police Department's General Fund Activity (+1.0 FTE)
00-01	Community Development	Addition of one Information Systems Specialist Position-GIS in the Community Development Department (+1.0 FTE)
00-01	DPS – Youth Center	Addition of four part-time positions to staff new Youth Drop-In Center (+2.1 FTE)
99-00	District Court	Consolidation of Court Administrator and Legal Secretary positions (-1.0 FTE); elimination of vacant part-time Security Officer position (-0.7 FTE); reduce hours of part-time Magistrate (-0.3 FTE); increase hours for part-time Probation Officer (+0.3 FTE)
99-00	General Administration	Elimination of vacant Reproduction and Stores Assistant position (-1.0 FTE)
99-00	Finance	Transfer of four administrative positions from Water and Sewer Fund (+4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE)
99-00	Data Processing (Gen. Fund)	Transfer of Activity (2 full-time; 1 part-time) from Water and Sewer Fund (+2.8 FTE)
99-00	Community Development	Addition of full-time GIS Supervisor position and a part-time GIS Assistant (+1.3 FTE)
99-00	Library	Additional part-time hours to increase coverage of the three existing part-time librarians by an additional 7 ½ hours per week (+0.6 FTE)
99-00	DPS- Custodial & Maintenance	Elimination of vacant Custodian position (-1.0 FTE)

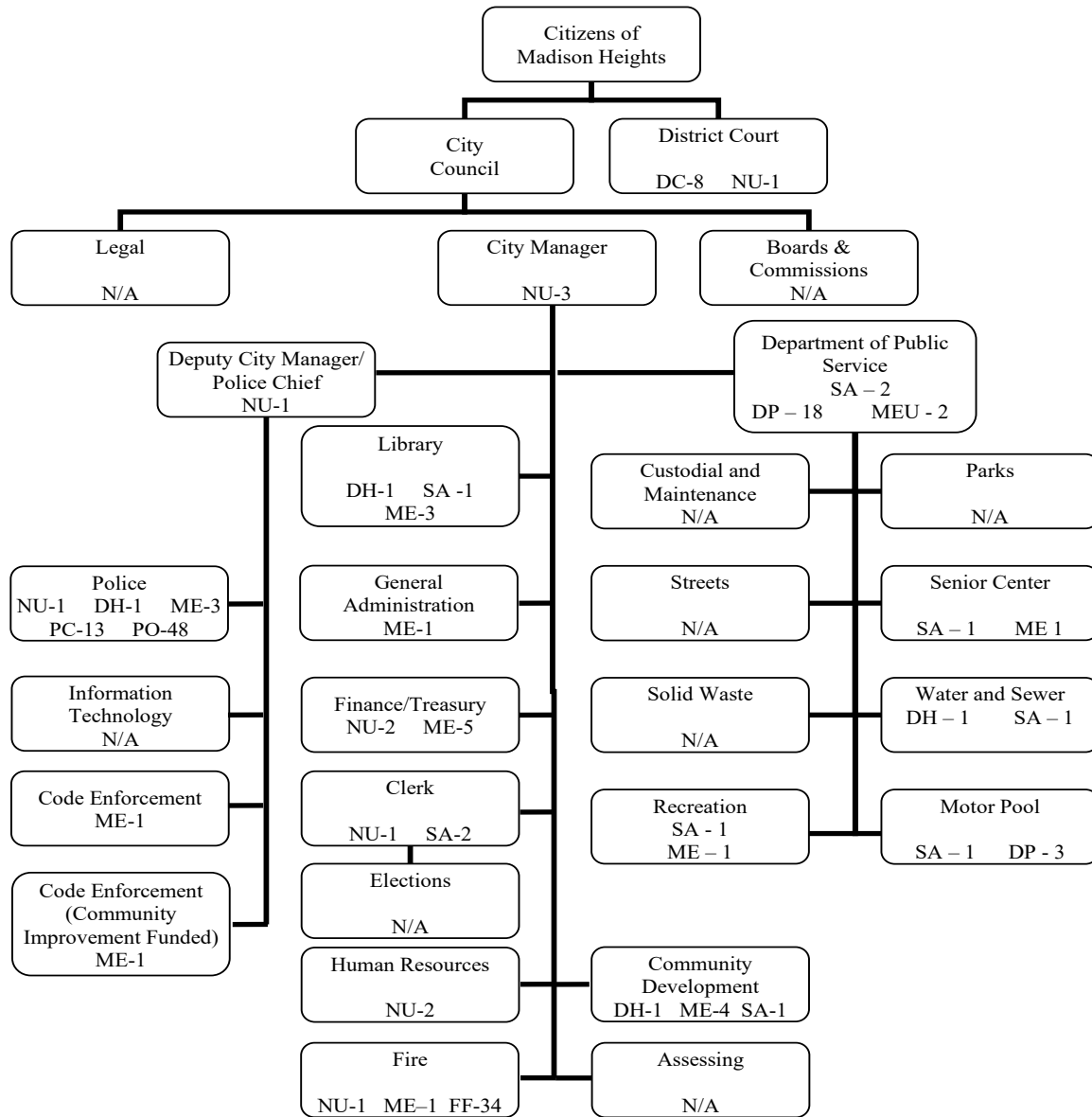
HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOCOLOGICAL ORDER

FY	DEPARTMENT	ACTION
99-00	Data Processing (Water & Sewer)	Transfer of Activity (2 full-time; 1 part-time) to General Fund (-2.8 FTE)
99-00	Water & Sewer Administration	Transfer of four administrative positions to General Fund (-4.0 FTE) and elimination of vacant part-time Office Assistant position (-0.8 FTE) (-4.8 FTE)
98-99	Nature Center	Increase from one to two part-time Naturalists (+0.8 FTE)
98-99	DPS – Motor Pool	Elimination of vacant Mechanics Helper position through attrition (-1.0 FTE)
97-98	District Court	Through collective bargaining the contractual Court Officer becomes full-time (+1.0 FTE)
97-98	DPS- Custodial & Maintenance	Elimination of vacant Laborer position through attrition due to outsourcing refuse collection (-1.0 FTE)
96-97	District Court	Move part-time position from Law Clerk to Probation Clerk; increase hours (+0.2 FTE)
96-97	Assessing	Addition of one part-time co-op student to assist with computer scanning and sketching project (+0.5 FTE)
96-97	Clerk	Eliminate vacant part-time clerical position (-0.8 FTE)
96-97	Police	Eliminate vacant Detective Sergeant position (-1.0 FTE)
96-97	DPS-Custodial & Maintenance	Reduction of full-time Supervisor position (-1.0 FTE) and transfer of four employees into full time laborer positions from Solid Waste Division outsourcing (+4.0 FTE)
96-97	Solid Waste	Outsource collection of household refuse and recycling; elimination of 12 F/T and 2 P/T laborer positions (-12.8 FTE)
96-97	DPS – Senior Citizen	Elimination of part-time building attendant position; adjustment of other part-time hours (no FTE change)
96-97	DPS – Parks	Elimination of two part-time seasonal laborer positions to reflect outsourcing of grass cutting (-0.8 FTE)
96-97	Police – Crime Suppression Fund	Add multi-jurisdictional unit officer with funding from “COPS” grant (+1.0 FTE)
96-97	Community Improvement Fund	Elimination of two part-time Home Chore Worker positions due to outsourcing of raking, lawn cutting, and snow shoveling services (-0.2 FTE)
96-97	Water & Sewer Fund – Data Processing	Replace vacant keypunch operator position (-1.0 FTE) with part-time PC Technical Support position (+0.8 FTE)
95-96	Library	Reduce part-time Circulation Chief, Technical Services Clerk, and Branch Library Aide (-0.2 FTE)
95-96	Fire	Eliminate three vacant full-time Fire Fighter positions as part of consolidated dispatch project (-3.0 FTE)
95-96	DPS – Custodial & Maintenance	Eliminate three full-time custodians as part of cost-savings move to contract out custodial services (-3.0 FTE)
95-96	DPS – Recreation	Reduce part-time hours as Oakland County will conduct summer swim lessons; add part-time Natatorium position (+0.5 FTE)
95-96	Community Dev. Block Grant Fund	Elimination of six vacant part-time home chore workers due to contracting out of raking, lawn cutting, and snow shoveling services (-0.8 FTE)
94-95	Assessing	Elimination of a vacant full-time Residential Appraiser position (+1.0 FTE)
94-95	Community Development	Elimination of a vacant full-time Construction Inspector position
94-95	DPS – Parks	Eliminate a vacant Parks Maintenance position created by an employee who did not return from an extended Worker’s Compensation leave
94-95	Finance	Lay off the Deputy Treasurer and eliminate the position (+1.0 FTE)
94-95	General Administration	Elimination of a vacant full-time Switchboard Operator / Receptionist position (-1.0 FTE)
94-95	Fire	Eliminate a vacant full-time “Swing Man” Fire Fighter position (-1.0 FTE)
94-95	Library	Lay off one part-time position and reduce the hours for five more part-time positions
94-95	Police	Eliminate a vacant full-time Special Investigations Unit Police Officer position (-1.0 FTE) and have the Chief transfer a position back into the Patrol Division from
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	11
DC= District Court, UAW 889	8
DH=Department Heads, AFSCME	4
DP=DPS, TPOAM	21
FF=Fire Fighters	34
ME=Municipal, TPOAM	23
PC=Police Command, POLC	13
PO=Police Officers, POU	48
SA=Supvrs. & Assts., AFSCME	<u>10</u>
	172

CITY OF MADISON HEIGHTS

FY 2024-25

FULL TIME POSITIONS

ALL FUNDS

	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
GENERAL FUND														
Court	12	12	11	10	10	9	9	9	9	9	9	9	9	8
Manager	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Assessor	4	4	4	4	4	4	4	4	4	4	3	3	3	0
Clerk	4	4	4	4	4	4	4	3	3	3	3	3	3	2
Human Resources	2	2	2	2	2	2	2	2	2	2	2	2	2	2
General Administration	3	3	2	2	2	2	2	1	1	1	1	1	1	1
Finance	7	7	11	11	11	11	11	10	10	9	9	9	9	8
Information Technology	0	0	2	2	2	2	2	2	2	2	2	2	2	2
Police	76	76	76	77	77	77	77	75	73	73	73	73	67	62
Fire	40	40	40	40	40	40	40	39	38	36	36	36	33	30
Community Development	8	8	9	10	10	11	11	10	10	9	9	9	9	8
Library	4	4	4	4	4	4	4	4	4	4	4	4	4	3
Department of Public Services (Prior to FY 2017-18)														
Custodial & Maintenance	5	5	4	4	1	1	1	1	1	1	1	1	1	0
Streets	18	18	18	18	18	18	18	16	15	13	13	13	12	11
Solid Waste	0	0	0	0	0	0	0	0	1	1	1	1	1	1
Recreation	2	2	2	2	2	2	2	1	1	1	1	0	0	0
Youth Center	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nature Center	0	0	0	0	1	1	1	1	1	1	1	1	1	0
Parks	5	5	5	5	6	6	6	6	5	5	4	4	4	2
Senior Citizen	3	3	3	3	3	3	3	3	2	2	2	2	2	2
Sub total	33	33	32	32	31	31	31	28	26	24	23	22	21	16
Total	195	195	199	200	199	199	199	189	184	178	176	175	165	144
Major Street Fund	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Community Improvement Fund	4	4	4	4	4	4	4	4	4	3	3	3	3	3
Fire Manning Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Juvenile Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Auto Theft Prevention Grant Fund	1	1	1	1	1	1	1	0	0	0	0	0	0	0
Crime Suppression Grant Fund	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Water & Sewer Fund														
Water Division	6	6	6	6	6	6	6	6	6	6	6	6	6	4
Sewer Division	6	6	6	6	6	6	6	6	6	5	5	5	4	4
Information Technology	2	2	0	0	0	0	0	0	0	0	0	0	0	0
Water & Sewer Administration	5	5	1	1	1	1	1	1	1	1	1	1	1	1
Total	19	19	13	13	13	13	13	13	13	12	12	12	11	9
Motor Pool Fund	6	5	5	5	5	5	5	4	4	4	4	4	4	3
DPS Fund (Beginning FY 2017-18)												0	0	0
Total All Funds	227	226	224	224	223	223	223	211	206	198	196	195	184	162
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	
GENERAL FUND														
8	8	8	8	8	8	8	8	9	9	9	9	9	9	9 Court
2	2	2	2	2	2	2	2	2	2	2	2	2	2	3 Manager
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 Assessor
2	2	2	2	2	2	2	2	2	2	3	3	3	3	3 Clerk
1	2	2	2	2	2	2	2	2	2	2	2	2	2	2 Human Resources
1	0	0	0	0	0	0	0	0	0	1	1	1	1	1 General Administration
8	8	8	8	7	7	7	7	7	7	7	7	7	7	7 Finance
2	2	2	2	0	0	0	0	0	0	0	0	0	0	0 Information Technology
58	57	57	57	57	57	58	62	62	66	66	68	68	68	68 Police
30	27	27	27	28	28	28	30	30	33	33	33	33	33	36 Fire
8	8	8	8	7	6	6	6	6	6	5	6	6	6	6 Community Development
3	3	3	3	3	3	3	3	3	4	4	4	4	4	4 Library
Department of Public Services (Prior to FY 2017-18)														
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 Custodial & Maintenance
10	9	9	9	9	9	0	0	0	0	0	0	0	0	0 Streets
2	2	2	2	1	1	0	0	0	0	0	0	0	0	0 Solid Waste
0	0	0	0	0	0	0	0	0	1	1	1	2	2	2 Recreation
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 Youth Center
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 Nature Center
2	2	2	2	2	1	0	0	0	0	0	0	0	0	0 Parks
2	1	1	1	1	1	1	1	2	2	2	2	2	2	2 Senior Citizen
16	14	14	14	13	12	1	1	2	3	3	3	4	4	4 Sub total
139	133	133	133	129	127	117	123	125	134	135	138	139	143	Total
1	1	1	1	1	1	0	0	0	0	0	0	0	0	Major Street Fund
3	3	1	1	1	1	1	1	1	1	1	1	1	1	Community Improvement Fund
2	0	0	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	Juvenile Grant Fund
0	0	0	0	0	0	0	0	0	0	0	0	0	0	Auto Theft Prevention Grant Fund
0	0	0	0	0	0	0	0	0	0	0	0	0	0	Crime Suppression Grant Fund
Water & Sewer Fund														
4	4	4	4	4	4	0	0	0	0	0	0	0	0	0 Water Division
4	4	3	3	3	4	0	0	0	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	2	1	1	2	3	2	2	2	2	2	2 Water & Sewer Administration
9	9	8	8	9	9	1	2	3	2	2	2	2	2	Total
3	3	3	3	3	3	3	3	3	3	3	3	3	4	Motor Pool Fund
0	0	0	0	0	0	20	20	20	22	22	22	22	22	DPS Fund (Beginning FY 2017-18)
157	149	146	146	143	141	142	149	152	162	163	163	167	172	Total All Funds
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	

COMMUNITY PROFILE

Regional Setting

The City of Madison Heights is located in the southeast corner of Oakland County, just west of the western boundary of Macomb County Border and approximately two miles north of the City of Detroit. Freeway access to the south-east 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 2021 Land Use Survey, only 1.6 percent of the City's total acreage is vacant land.

Oakland County is the second most populated county in the state and 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.

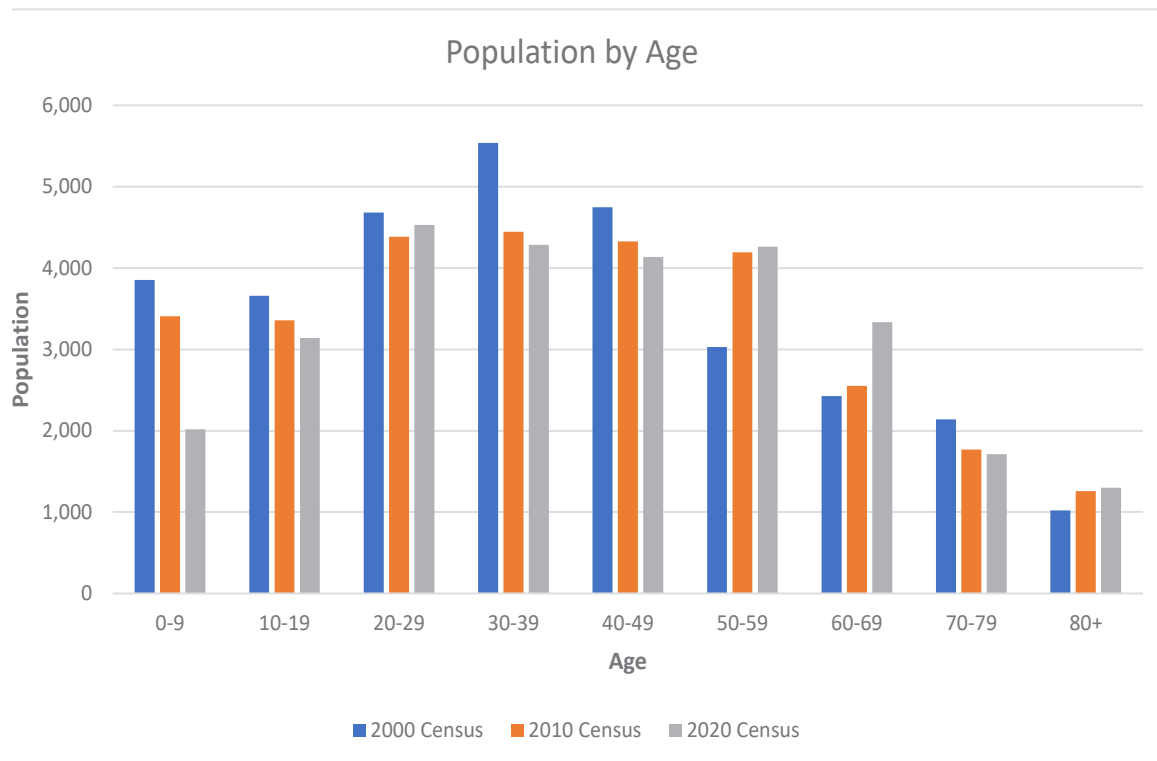
Population

The population of a community, its composition, and its 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 indicate of probable future needs. Proper planning of future community facilities must consider 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

Madison Heights boomed during the 1950s and 1960s, reaching a peak population of 38,000 in 1970. The City is mostly built out, and since that time population has settled slightly lower as nearly all available for new housing was developed and average household size decreased. The following bar graph shows population change in Madison Heights from 1960 to 2020. 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 14,279 (2018) during a time of slight decline in total population. The end result is more housing units supporting a smaller population.

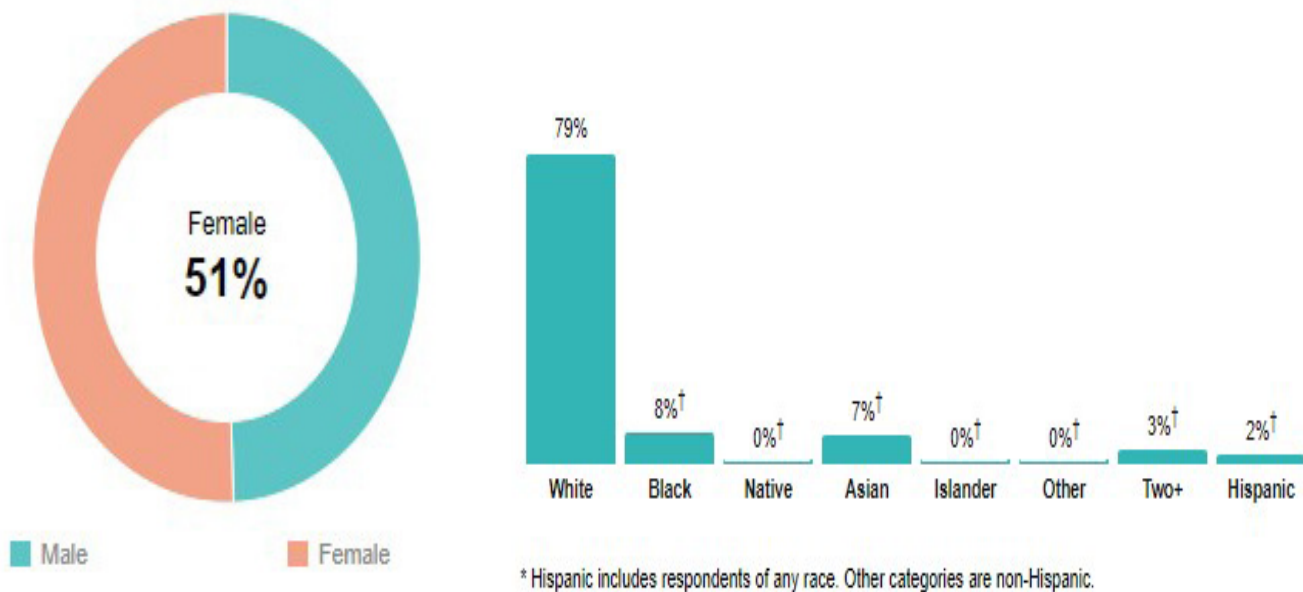


The Major Age Group Comparison shown above indicates some subtle changes occurring to the City's population. The City's residents continue to get older as a group, reflecting national demographic characteristics and increased life expectancy. The Retirement Age group of 60 + continues to grow as a percent of the total population while School-Age and Pre-School Age children continues to decline. Median Age in Madison Heights is 41, a little higher than Michigan as a whole which is reporting at 39.8.

This is an indication that Madison Heights remains an attractive community for very young families as well as retirees, but it 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 graphics summarize these characteristics of the City's population.



	2000	2010	2020	% Change from 2010 to 2020	% of Population 2020
Total Population	31,101	29,694	28,468	-4.13%	
Male	15,216	14,570	14,035	-3.67%	49%
Female	15,885	15,124	14,433	-4.57%	51%
White	27,886	24,909	23,031	-7.54%	81%
Black	567	1,897	2,078	9.54%	7%
American Indian, Eskimo & Aleut	138	136	85	-37.50%	0%
Asian or Pacific Islander	1,563	1,744	1,822	4.47%	6%
Persons of Hispanic Origin	502	756	512	-32.28%	2%
Two or more Races	833	803	883	9.96%	3%
Other Race	142	205	56	-72.68%	0%

The 2020 Census shows that Madison Heights' population is declining like the State of Michigan as a whole, however we are also becoming more diverse.

Future Projections

SEMCOG forecasts the population to age through 2045, with a decrease in residents under 25 and an increase in residents over 65. The projected increases would mean that about 27% of Madison Heights residents will be over 65, compared to the same age group comprising about 14% of the city’s population. The aging of city residents will have implications on housing, transportation and community health.

Economics

At the beginning of 2024,the median household income in Madison Heights was estimated at \$63,224, compared to \$68,505 for the State of Michigan households. Madison Heights had an estimated poverty rate of 12.1%. This is approximately 90% of the rate in the Detroit -Warren-Dearborn area at 13.3%

\$37,113

Per capita income

about 90 percent of the amount in the Detroit-Warren-Dearborn, MI Metro Area: \$40,536

about the same as the amount in Michigan: \$37,929

\$63,224

Median household income

about 90 percent of the amount in the Detroit-Warren-Dearborn, MI Metro Area: \$72,456

about 90 percent of the amount in Michigan: \$68,505

Household income

38%†

Under \$50K

36%†

\$50K - \$100K

23%†

\$100K - \$200K

3%†

Over \$200K

Hide data / Embed

Household income (Table B19001) View table

Column	Madison Heights				Detroit-Warren-Dearborn, MI Metro Area				Michigan			
Under \$50K	37.6%†	±4.6%	5,063	±657.6	35.6%	±0.4%	619,660	±6,354.7	36.9%	±0.2%	1,480,805	±9,352.1
\$50K - \$100K	36.5%†	±4.3%	4,907	±617.1	28.7%	±0.3%	500,571	±4,763.2	30.6%	±0.2%	1,228,167	±7,496.9
\$100K - \$200K	22.9%†	±3.3%	3,080	±462.8	25.6%	±0.3%	446,650	±4,556.7	24.3%	±0.2%	973,357	±6,863.7
Over \$200K	3%†	±1%	409	±139	10.1%	±0.2%	175,662	±2,794	8.2%	±0.1%	326,924	±3,921

Hide data

Poverty

12%

Persons below poverty line

about 90 percent of the rate in the Detroit-Warren-Dearborn, MI Metro Area: 13.3%

about 90 percent of the rate in Michigan: 13.1%

Children (Under 18)

Poverty

16%†

Show data / Embed

Seniors (65 and over)

Poverty

17%†

Hide data / Embed

Seniors (65 and over) (Table B17001) View table

Column	Madison Heights				Detroit-Warren-Dearborn, MI Metro Area				Michigan			
Poverty	17.2%†	±4.8%	821	±246.7	9.9%	±0.3%	71,895	±2,054.3	9%	±0.2%	156,622	±2,699
Non-poverty	82.8%	±4%	3,944	±498.7	90.1%	±0.5%	654,788	±2,137	91%	±0.3%	1,590,801	±2,870.6

Hide data

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 have 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.

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

Residential land uses represent the largest land use group in the city, covering 36.4% of the city and accounting for 87.5% of all parcels, Types of residential land uses are:

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 and Office - Retail sales establishments, personal and business services are placed in the commercial category. General business offices: professional services such as banking, real estate, engineering, and architectural services; medical and dental offices; and similar uses account for 14.2% of all parcels. Included are shopping centers, restaurants, gas stations, party stores, beauty parlors, while-you-wait printers, and the like.

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. Industrial uses cover 16.4% of all land in the city.

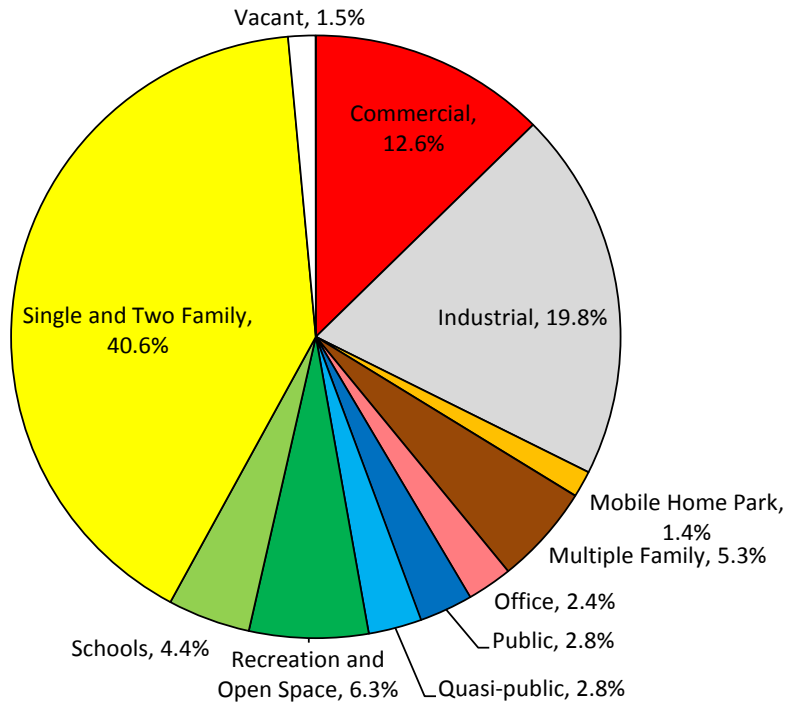
Public - Land areas and facilities such as public schools, libraries, public works buildings, and government buildings are considered public uses. These account for 6.2% of the city and are spread throughout the city.

Recreation and Open Space - This category has grown significantly since 1969, from 46 acres (1%) to 225 acres (6.2%). 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.

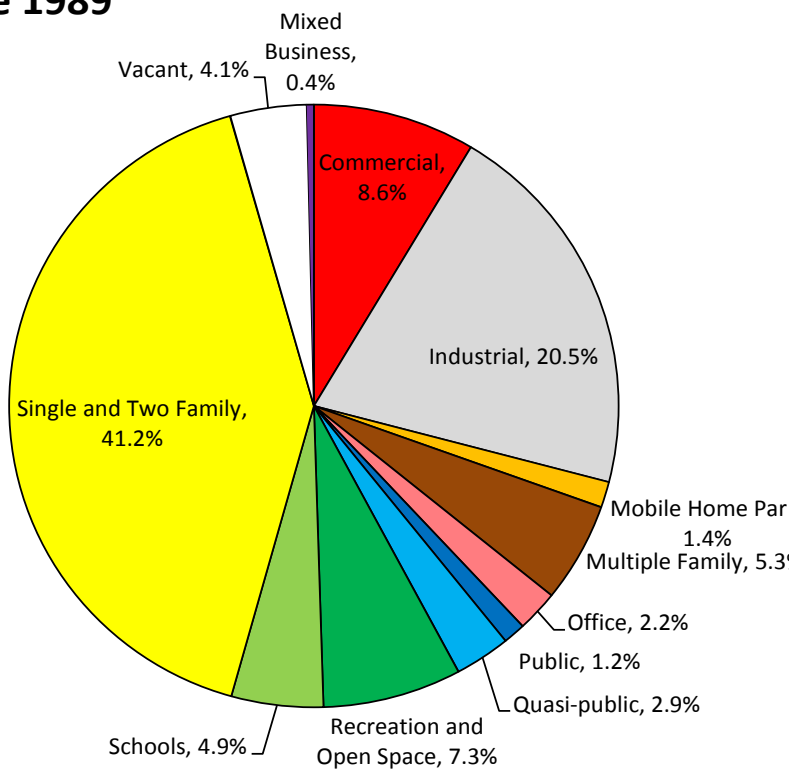
Road Right-of-way accounts for 22.5% of all land area in Madison Heights.

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

Existing Land Use 2014



Existing Land Use 1989



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. 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.

Natural Features

By 2021, 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 its 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 stormwater. Over the years, many of the City's storm and sanitary sewer systems have been separated so that most of the stormwater 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. An Active Adult Center 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:

- As certain 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 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.

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
EMT	Emergency Medical Technician
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

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

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: December 4, 2023

RE: Five-Year Financial Forecast – Fiscal Years 2024-2028

Please find attached the five-year forecast for the City of Madison Heights for the fiscal years 2024-2028. 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.

It is important to stress that this forecast is not a budget. It doesn't make expenditure decisions but assesses the need to continue prioritizing the allocation of City resources as we enter the upcoming FY 2025 budget cycle. 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

As reported by representatives of the University of Michigan's Institute for Research on Labor, Employment, and the Economy at the September 2020 Oakland County Economic Outlook Forum the economy's course over the past year has.

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

Analysts from across the country, including Southeast Michigan, were perplexed. There was talk that the economy might be slipping into recession as the real Gross Domestic Product shrank and consumer inflation was limited to nearly 9 percent per year. However, other economic indicators, such as strong payroll employment growth and historically low unemployment, indicate the opposite.

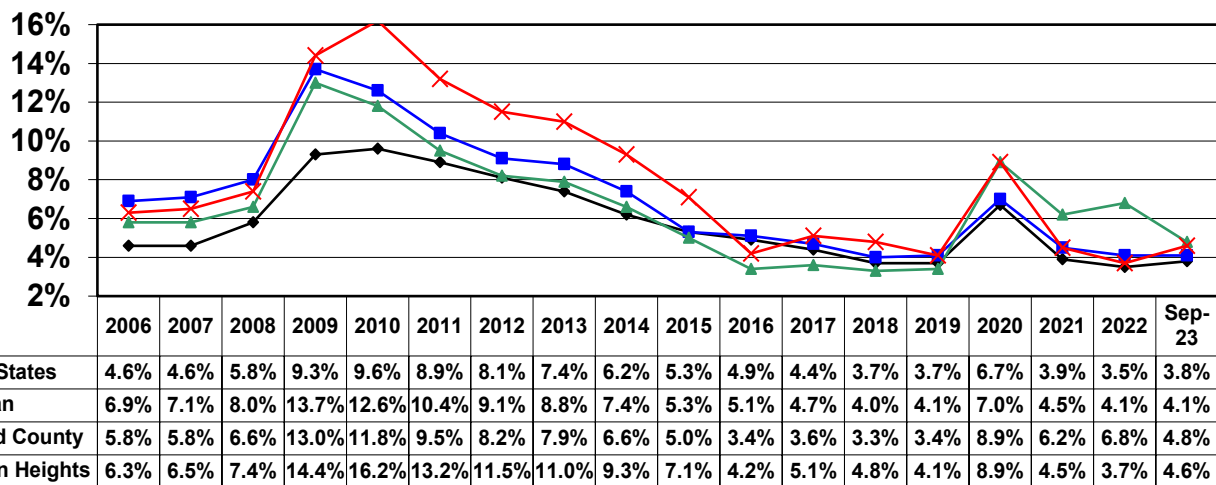
Throughout Oakland County, including Madison Heights, unemployment remains low and although population numbers are decreasing across the state, the economic outlook was optimistic due to the County's persistent strength on a set of key social indicators that are tracked nationwide, including low child poverty, a high share of residents employed in professional and marginal occupations and high median income. While Madison Heights benefits from the resources and strong economic environment of being located in Oakland County, this economic prosperity continues to spread unevenly within the county. Madison Heights is optimistic about the local economy for the next few years, but in the long term, our landscape differs from the socioeconomics of the County as a whole. The chart below compares Madison Heights to the County as a whole:

Social Vulnerability				
	City of Madison Heights		Oakland County	
Population	28,521		1,272,264	
Families in poverty	480	7.5%	15,651	4.8%
No high school degree	2,497	11.6%	47,663	5.3%
People with disabilities	4,568	16.1%	144,565	11.4%
People without health insurance	2,024	7.1%	51,462	4.1%
Households with no car	1,221	9.1%	28,610	5.5%
Housing units that are rentals	5,051	37.5%	147,398	28.1%
People of color	5,439	19.1%	383,043	30.1%
People who don't speak English well	1,141	4.2%	20,770	1.7%
Number of manufactured homes	476	35.0%	14,512	2.8%
Children under 5 years	1,035	3.6%	66,132	5.2%
People over 65 years	4,863	17.1%	222,540	17.5%

Climate Exposure		
	City of Madison Heights	Oakland County
Properties with flood risk	12.0%	5.5%
Area in 500-year floodplain	0.0%	69.4%
Area of impervious surface	67.2%	20.5%
Area lacking tree canopy	93.7%	7.4%

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. The forecast for job growth in the county and region will slow to a pace of 1.3 percent in 2024 before inching up to 1.6 percent in 2025. A vast amount of job gains is forecast to occur in the private sector. The long-term estimate is that the unemployment rate will average 3.0 percent in 2024. This is based on the assumption that local labor shortages will be an ongoing fact of life for the foreseeable future in Southeast Michigan.

Annual Unemployment Rates, 2006 through September 2023



(Source: Bureau of Labor Statistics)

As indicated above, unemployment rates have returned to pre-recession levels, with Madison Heights remaining slightly lower than the other unemployment indicators.

Financial Forecast

The forecast reflects actuals for Fiscal Year 2023, estimated expenditures for Fiscal Year 2024, and forecasted figures for Fiscal Years 2025-2028. 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 it 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 2023

Over the past two years, the city has taken advantage of economic stimulus funding and the recovered economy to make the largest capital improvements investments in our history. This investment was based on the solid foundation of maintaining our current assets and infrastructure before expending money on programming or recurring expenditures. These investments will place the City on solid financial footing for years to come. These large investments are obvious throughout the financial assumptions presented below.

Fiscal Year 2023 General Fund reserves ended at \$13.7 million, down from \$21.5 million in the fiscal year 2022. Of this amount, \$11.5 million is considered to be spendable and available to fund operations. This decrease in fund balance of \$7,843,819 was a direct result of the planned use of fund balance for the Civic Center Complex and Fire Station 2 projects.

The Civic Center Project was a major focus throughout FY 2023. This project constructed a new Active Adult Center in the Civic Center complex and renovated City Hall and the City Library. Additionally, Fire Station #2 was renovated to address building needs and operational improvements. Funding for these projects was derived from planned budget savings, the American Rescue Plan Act funding, and bond issuance. Additional grant funding was also applied towards the cost of library and Active Adult Center improvements.

Overview of the Current Fiscal Year 2024

In addition to the completion of the Civic Center Project, the FY 2024 budget reflects the City's continued commitment to community priorities identified in the strategic plan and addresses improvements for the quality of life in the city, including public safety, library, and parks. The following capital projects and investments in maintaining and replacing existing assets across the City include focused neighborhood improvement with \$1.1 million of grant funding, \$50,000 streetscape plan in the Downtown Development Authority (DDA), \$250,000 for gateway entrance signs, \$165,000 for the purchase of four police vehicles, phase funding \$755,000 for an ambulance and quint, \$486,000 for police building HVAC, and \$185,000 for Fire Station 1 improvements. The General Fund budget for park improvements included \$550,772, with an additional \$1.2 in FY 2023. FY 2024 addresses Parks issues with an additional \$200,000 phase funded for light replacements, \$230,000 for improvements at Rosies Park, \$88,000 for basketball court refurbishment at Civic Center Park, and \$50,000 for a particular project allocation. The library budget includes \$11,000 for ongoing maker space funding. Infrastructure improvements of \$4.1 for Major and Local Streets include Neighborhood Roads for \$2.2 million, \$220,000 to install streetlights on the west side of Dequindre, and \$1.4 million for Water and Sewer Capital Outlay and service line replacements.

The City's number one financial challenge, which hinders full restoration of services to pre-recession levels, is Proposal A and Headlee. These both cap the amount of increase in taxable value a municipality can have to the lesser of 5 percent or the state-approved rate of inflation, with no cap on the decreases. In FY 2024, this multiplier is 5 percent (FY 2023 was 3.3 percent), which caps the City's overall taxable value growth. Unless 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, which is currently around 8 percent, while being pressured to restore services. Even with historical increases in market value of homes in the area, the City's taxable value is only 87.3 percent of the taxable value it was in 2008.

The second significant financial challenge is the legacy cost of pensions, mainly for police and fire pensions, as this system remains open with reduced benefits as a recruiting tool for the City. As of June 30, 2023, the general employees' retirement system was 83.2 percent funded, while the police and fire retirement system were only 51.7 percent funded, or \$44.6 million of a \$92.3 million liability. This proposed budget continues to address this system funding by budgeting pension contributions of \$3.3 million for Fire and \$4.2 million for Police. In addition, \$3.6 million from the Michigan Department of Treasury Protecting MI Pension Grant program will be added to this pension plan. This grant, coupled with additional budget funding like FY 2023, is projected to increase the funding level of this system to over 70 percent by June 30, 2025. The city implemented significant changes to benefits in Other Post Employment Benefits (OPEB) plans in FY 2021, which are closed to new hires. The liability was significantly reduced by eliminating health care for active employees, changing benefits to provide insurance until Medicare age and then providing a stipend, and changing retiree benefits levels to match the benefits offered to active employees. As of FY 2023, these plans are 106.5 percent funded for Police and Fire OPEB and 134.9 percent funded for the General Employees' OPEB plan.

The third significant financial challenge is state funding of local municipalities. While the State of Michigan and Oakland County have allocated some of their American Rescue Plan funding to cities, the State's long-term structure to fund municipal services remains a serious issue. Michigan's state revenue sharing began in the 1930s by taxing businesses with liquor licenses. Of that revenue, 85 percent went to fund municipalities. This revenue is not guaranteed, and it has gone through numerous formula changes and has not been fully funded since 2001. Over the past 15 years, local governments have lost millions of dollars due to these changes. 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 service staff and look for new ways to fund the status quo. The FY 2024 budget does include an increase in state revenue sharing based on recent state projections for a total budget of \$3.8 million; by comparison, in 2002 (22 years ago), Madison Heights received \$3.8 million in funding.

Projections for June 30, 2024, are for the city to be at 11.68 percent of the City's debt limit of \$157 million, which is based on 10 percent of assessed valuation. The City has general obligation bonds outstanding in the amount of \$6.4 million of a new issue for Civic Center Project Bond and \$9,110,000 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 \$983,000.

Improving the City's infrastructure continues to be a strategic plan focus for other funds. The State of Michigan, Department of Transportation, increased vehicle registration fees and fuel tax increases to slowly start increasing funding to municipalities for local and major road repair and maintenance. The Major Streets Fund is budgeted to receive an increase of \$66,042 going into FY 2024. We have planned for an aggressive sectional concrete replacement program in the upcoming budget years and save for future replacement of the City's portion of John R Road. This major road will be a shared project cost between Oakland County, Oakland County Road Commission, and the city.

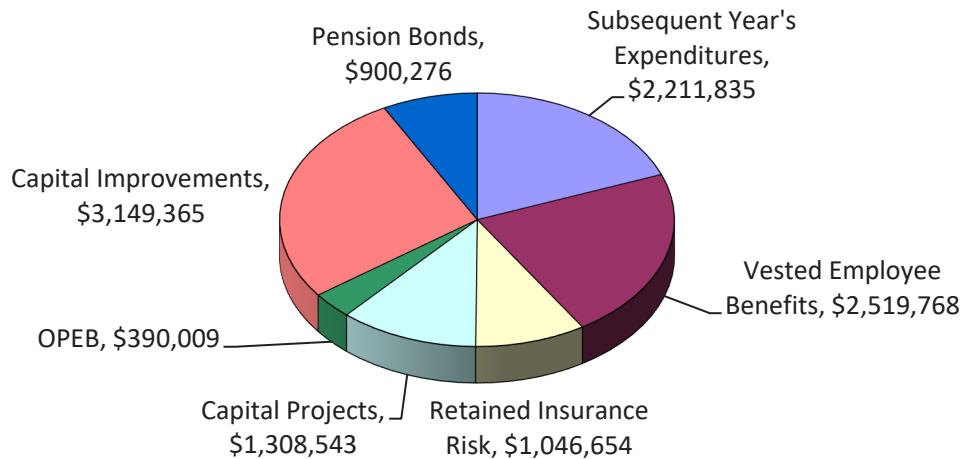
General Fund Reserves

In December 2015, the City Council approved the goal to modify the City's Financial Reserve Policy to comply with the Michigan Government Financial Officers Association's 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 protect the fiscal solvency of the City prudently 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, in fiscal year 2023, General Fund reserves ended at \$13.7 million. Of this amount, \$11.5 million is considered to be spendable and available to fund operations. Total FY 2024 operating expenditures are estimated at \$34.2 million, with general obligation debt payments at \$1,027,043. The required fund balance reserve is \$6.5 million. On June 30, 2024, we are anticipated to have \$9.48 million in reserves. Strong financial policies such as this are part of the reason the City's bond rating was upgraded in April 2022 to an underlying rating of AA/stable with strong management oversight with "good" financial policies and practices under the financial management assessment methodology; low debt burden relative to tax base; strong institutional framework, including operating surpluses in the general fund and at the total governmental fund level; very strong reserves and liquidity.

In addition, staff review the reserve levels at the end of each fiscal year and assigns reserves to meet unfunded liabilities. Currently, reserves are assigned as follows: 19% to fund subsequent year's expenditures, 22% for vested employee benefits (not including pension or retiree health care), 9% for retained insurance risk, 11% for completion of the civic center project, 3% for other post-employment benefits (OPEB), 8% for pension obligation bond payments and 27% capital improvements (see the following pie chart).

Assigned General Fund Reserves as of June 30, 2023



Overview of Five-Year Forecast - FY 2025-2028

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 for FY 2025 are projected to be in-line with State approved rate of inflation, 5.0% with years 2026-2028 being assumed to increase 3.0%. It is also important to note that the forecast does not anticipate the full levy of Proposal MH until FY 2028. In November 2019, the voters of Madison Heights passed a charter millage revision that rolled in several separate millages and increased the base charter millage to cover additional spending for public safety and quality-of-life services, such as parks and library services. This increase was approved at an overall 3.3684 mills. For FY 2025 the maximum Operating Charter millage is 13.9483 of which the City will only levy's 13.4674 leaving 0.4809 of a mill capacity for growth. According to forecast assumptions as shown in the following charts we are estimated to be at the maximum Operating Charter millage by FY 2028. Therefore, even with the passing of Proposal MH, the City will continue 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.

Over 62% 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 2025 the State Tax Commission has approved the inflation rate multiplier at 5.0%.

Expenditures are projected to grow at an annual average rate of 2.5-4.0% during the succeeding four years, considering the City's assumption of full implementation of the City's current Capital Improvement Plan. This forecast reflects the current negotiated union contracts. The City's eight bargaining units and non-union administrative staff have labor agreements that expire on June 30, 2026, with wage increases of 2.25% in FY 2025 and 3.0% in FY 2026. This forecast does not assume any changes in benefits or wages beyond the settlement dates.

Forecasted Challenges – FY 2025-28

Financial Challenges

The City's General Fund faces three major financial challenges that continue to hinder the ability to fully restore services to pre-recession: Proposal A, Headlee Amendment, and legacy cost of pensions.

Proposal A and the Headlee Amendment are two significant pieces of legislation in Michigan that have profoundly affected municipalities, particularly in terms of property taxes and local government funding.

1. Proposal A: This ballot initiative, passed in 1994, brought about several changes to the Property tax system in Michigan. Its main effects include:
 - a. Caps on Property Tax Increases: Proposal A capped property tax increases at the rate of inflation or 5%, whichever is lower, for properties with no changes in ownership or improvements. This effectively limited how much property tax revenue municipalities could collect annually from existing properties.
 - b. State Education Funding Shift: Proposal A also shifted a significant portion of education funding from property taxes to the state sales tax and the Michigan Lottery. This relieved the burden on local property taxes for funding schools and reduced local government revenue.
 - c. Property Tax Assessments: Under Proposal A, property taxes are based on the assessed value of a property, which is determined at the time of sale and then increases annually by the rate of inflation or 5%, whichever is lower. This has implications for property owners, as their tax assessments may not accurately reflect the current market value of their property.
2. Headlee Amendment: This amendment to the Michigan Constitution, passed in 1978, aims to limit government revenue by requiring voter approval for certain tax increases and limiting the growth of government revenue to the rate of inflation.
 - a. Tax Limitation: The Headlee Amendment requires that if government revenue grows faster than the rate of inflation, the excess revenue must be returned to taxpayers or approved by voters. This places constraints on municipalities' ability to raise revenue through taxes.
 - b. Voter Approval: Most new taxes or tax increases must be approved by voters, ensuring that residents have a say in how their tax dollars are spent.

The combined effect of Proposal A and the Headlee Amendment has been to limit the growth of property tax revenue for Michigan municipalities, particularly regarding funding for schools and local government services. While Proposal A has provided some relief for property owners by capping tax increases, it has also constrained local government budgets. The Headlee Amendment adds an additional layer of restriction by requiring voter approval for tax increases, further limiting the ability of municipalities to raise revenue independently. As a result, Madison Heights' taxable value for 2025 is only 90.1% of the taxable value from 2008, making it challenging to increase services to meet new demands.

3. Legacy cost for pensions is the city's third most significant challenge. As of June 30, 2023, the General Employee's retirement system was estimated to be only 83.22% funded, even though the city issued pension bonds in 2017 and only two years ago the fund was 99% funded. While the Police and Fire Pension was only 55% funded, or \$50 million of a \$91.1 million liability. However, the City received a Protecting MI Pension

Grant for \$3.6 million for the Police and Fire Pension and plan for additional contributions of \$3 million for FY 2024 and FY 2025. Due to these efforts, we anticipate funding to be approximately 65% - 70% by June 30, 2025.

Regarding other funds, maintaining the city's infrastructure remains a priority and a challenge in terms of both road funds and water and sewers. As evidenced from this Forecast, the Water and Sewer fund has a significant investment in infrastructure planned over the next three years, with \$1.3 million forecasted in FY 2025 and \$5.3 million for the following two years. This large capital investment is necessary to continue to replace water mains while road construction is being completed in the neighborhoods and a major project on 11 Mile for Watermain replacement of \$1.6 million. According to tour forecast, the Water and Sewer fund cannot support a capital outlay of two years to this extent. Therefore, the staff is researching other funding options, such as Michigan's Drinking Water State Revolving Fund.

Forecast Summary/Conclusion

This long-term financial outlook continues to identify structural challenges long-term to the City's General Fund that can only be resolved at the State level; otherwise the City will need to consider future Headlee override millages.

General Fund Forecast Summary
(in millions)

	2023 Actual	2024 Projected	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Revenues	\$38.1	\$41.2	\$42.6	\$43.4	\$44.3	\$46.1
Expenditures	\$47.6	\$41.5	\$42.6	\$43.7	\$45.0	\$46.9
	(\$3.5)	(\$0.3)	\$0.0	(\$0.3)	(\$0.7)	\$0.8
General Fund Non-Restricted Reserves	\$11.5	\$11.2	\$11.2	\$10.9	\$10.2	\$9.4
Required General Fund Reserves (16% Operating Expenditures plus 1-yr debt)	\$8.1	\$7.0	\$7.2	\$7.4	\$7.6	\$7.9

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

It should be noted that this report has focused on the City's ability to continue current services and programs using existing sources of revenues. **Based on the five-year forecast report, it is estimated that the city will need to fully levy Proposal MH starting in FY 2027.**

General Fund Revenue & Expenditure Assumptions

After 2025, overall revenues are estimated to remain essentially flat without much growth over the forecast period, with the exception of one new anticipated revenue stream—Ground Emergency Medical Transport (GEMT). Since February 2024, Madison Heights has advocated for the State of Michigan Department of Health and Human Services to opt into the GEMT federal cost recovery program. Today, the amount that Medicaid reimburses the city is less than our cost to deliver emergency transport services. This program would identify the gap between the true cost of services and the amount currently reimbursed through Medicaid payments and provide funding to the city. We currently estimate this cost

recovery to equate to approximately \$600,000. Recently, we have had several successes at the State level and anticipate legislation to be passed this calendar year with immediate effect. Even with the passing of legislation in 2024, with implementation, we do not anticipate receiving GEMT funding until FY 2027. This forecast anticipates this revenue starting in FY 2027 and beyond; we have also forecasted to use this funding to increase emergency transport staff in the expenditures starting FY 2027.

Forecast of Major General Fund Revenues
% Change from Prior Year

Revenue Category	2023 Actual	2024 Projected	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Property Tax	6.1%	8.4 %	6.9 %	3.0 %	3.6%	3.6%
Business Licenses	7.7%	(1.9%)	(2.2%)	0.3%	0.0%	0.0%
Intergovernmental	5.41%	(2.0%)	20.0%	1.44%	1.44%	1.44%
Court	(0.4%)	24.4%	14.8%	3.0%	3.0%	3.0%
Other	84.5%	16.0%	(23.1%)	(2.1%)	0.0%	10.5%
Total	13.5%	8.2%	3.5%	1.8%	2.2%	3.8%

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

General Fund Assumptions - Major Revenues

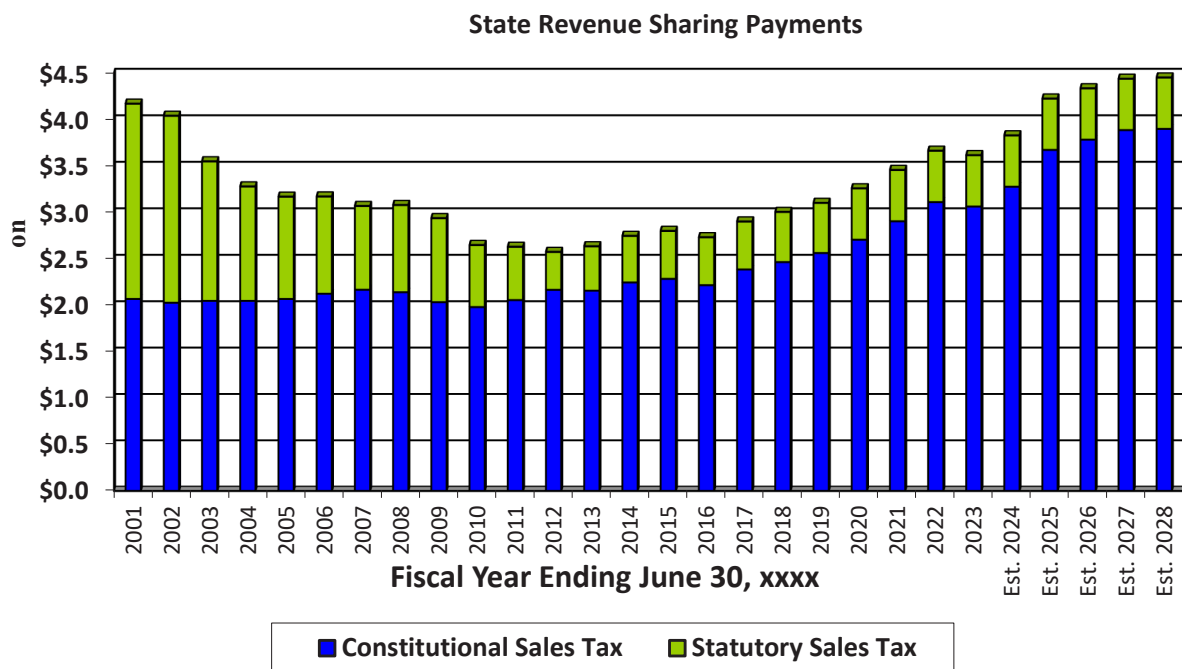
Property Tax

- Real Property Tax revenues are projected to increase higher than inflation, which will reduce the millage capacity for FY 2024 and again in FY 2025. The State Tax Commission has set the inflation factor at 5.0%. Therefore, taxes are forecast to increase slightly higher due to the uncapping of taxable values caused by home sales and commercial redevelopment. For FY 2026, taxes are estimated to increase by 3.0%, with 2.5% for 2026-2028.
- The forecast also assumes that the millage will be increased incrementally each year starting in FY 2026 until we reach the millage maximum levy in FY 2028.
- It is important to note that in Michigan, the 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 include 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 no increase

for FY 2025 of 2% and 1.4% thereafter. We hope the State supports establishing a Revenues Sharing Trust fund to protect this revenue source. If this happens, it could change the forecast for future years, making these funding sources more stable.



Court Revenues

Starting in 2020, mostly with the onset of COVID-19, the court's operating expenditures exceeded their revenues, requiring the General Fund to cover this deficit. At the time, I thought it was out of their control due to service changes, closures, and other situations. This occurred again in FY 2021 as things slowly returned to normal. However, over the past two years, this has been a trend that is continuing with no sign of resolution despite several meetings each budget year.

This year, as we entered the budget process in early January, the court projected expenditures were planned to exceed revenues over \$500,000, an amount our City General Fund can't sustain. Working with the Judge and Court staff, the Court Recovery fee was recalculated, resulting in a significant increase in court cost fees to cover operations as allowed by the State.

Other Revenues

- Parks and Recreation and Active Adult Center revenues increased in the years following COVID-19 as residents returned to normal socialization practices and sought ways to be active. Due to this growth in 2022-2024, this revenue stream is forecasted to remain status quo.
- Sale of Fixed Assets for FY 2024 included the sale of the Active Adult Center; after this large sale, this revenue stream is forecasted to return to historical levels.

Major Expenditures

Personnel Costs

The personnel category, including health care premiums and retirement benefits, represents approximately 71% of the general fund budget and 40% of the overall budget expenditures.

The City's entire full-time workforce, except for nine executive and administrative employees, belongs to one of eight bargaining units. These units have labor agreements that expire on June 30, 2026. These agreements include wage increases of 2.25% on July 1, 2024, and 3.0% on July 1, 2025. Beyond these wage agreements, no wage increases have been included in the personnel expenditures forecast.

Full-time staffing, which currently consists of 167 full-time employees in FY 2024, is forecasted to increase by 5 in FY 2025 and then remain at or near the same level until we receive GEMT funding from the State. At that time, we will be evaluating using Ground Emergency Medical Transport funding from the Federal Government (if Michigan opts in) revenues to possibly increase the staffing forecast to 3 FTE.

Pension contributions are forecast to increase for general employees as our plan is closed to new hires and the end of the amortization period for liabilities approaches. According to the forecast, this is estimated to increase by over 60% in FY 2025, with additional increases of 15% each year. This estimate is based on the actuarial report received as of December 30, 2022.

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

The City has several ongoing contracted services agreements, including:

- Oakland County for Equalization Services, which is forecast to include a 3% increase in cost per parcel for each of the years of the forecast period.
- In 2014, following the completion of an Information Technology Assessment and Strategic Plan, Information Technology was contracted to BPI (aka Skynet). These IT services were recently rebid and are included in the forecast at the base cost of \$199,968
- 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 totters for trash and recycling. Rate increases follow this extension at 2.5% annually until FY 2025. We have included this in the forecast at the continued 2.5% rate increase.

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.

Assets included in the forecasted Capital Outlay include computer technology, building improvements, other vehicles, streets, and machinery and Equipment in the General Fund and follow the Capital Improvement Plan. The forecast for capital asset needs are forecast at FY 2025 \$8.5 million, FY 2026 \$7.8 million, FY 2027 \$9.1 million and FY 2028 \$6.6 million.

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. However, future proposed budgets will most likely reflect the need to increase water/sewage rates for 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. Rates are forecast to increase 4.0% for FY 2025 based on projections of pass-through increases from our suppliers for Water and Sewer/Stormwater Treatment.

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 in revenues, the City has not yet received the actual rate increase from the Great Lakes Water Authority (GLWA) or the Oakland Water Resources Commissioner for the forecasted years. 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 3% 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.

Based on the analysis below it is anticipated that the rates will need to be adjusted at larger percentages in FY 2026 and FY 2027 in order to afford the capital infrastructure expenditures needed throughout the system. Long term the city has been aggressive in replacing watermains for the past ten years with plastic pipe that has an estimated useful life of 50-75 years.

Capital Outlay specifically related to Water and Sewer is forecast in line with the proposed Capital improvement Plan at FY 2025, \$1.9 million, FY 2026, \$2.0 million, FY 2027, \$4.1 million, and FY 2028, \$1.2.

At June 30, 2023 the Water and Sewer fund has cash and investments on hand of \$3.1 million.



**City of Madison Heights
Capital Outlay Summary
Fiscal Year 2025**

		Proposed FY 2024-25 BUDGET
	Description	
Fund 101 - GENERAL FUND		
INFORMATION TECHNOLOGY 101-228 982-0000	COMPUTER EQUIPMENT	
	PHONE SYSTEM UPGRADE (PHASE 1 OF 2)	\$ 93,750
	NETWORKING EQUIPMENT UPDATE (PHASES 1 & 2 OF 2)	98,000
	MOBILE DEVICE MANAGEMENT	4,000
	Totals for dept 101-228	\$ 195,750
GENERAL ADMINISTRATION 101-248 981-5000	FURNITURE	
	FURNITURE (FINANCE AND CMGR OFFICES)	\$ 30,000
	Totals for dept 101-248	\$ 30,000
MUNICIPAL BUILDING 101-265	IMPROVEMENTS	
	SECURITY ADDITIONS	\$ 20,000
	PARKING LOT REPLACEMENT	100,000
	Totals for dept 101-265	\$ 120,000
DISTRICT COURT 101-286 978-0000	BOOKS	
	WESTLAW	\$ 5,500
		5,500
982-0000	MACHINERY AND EQUIPMENT	
	COURT LOBBY SEATING	20,000
	COURT OFFICE FURNITURE	20,000
	COURT SECURITY EQUIPMENT	42,000
		82,000
	Totals for dept 101-286	\$ 87,500
POLICE 101-301 981-0000	COMPUTER EQUIPMENT	
	BODY CAMS AND IN-CAR CAMERAS AND AXON CLOUD STORAGE	\$ 80,500
		80,500
982-0000	MACHINERY AND EQUIPMENT	
	BALLISTIC SHIELDS AND RIOT HELMETS	80,000
	HVAC BOILER SYSTEM (PHASE 1 & 2 OF 3)	200,000
	PROPERTY ROOM SHELVE	20,000
	IN-VEHICLE MODEMS	21,000
		321,000
985-0000	VEHICLES	
	VEHICLE #125 LEASE (\$437.10/MO)	5,245
	VEHICLE #121 POLICE ADMINISTRATIVE VEHICLE	35,000
	PATROL VEHICLES (3) FY24; (4) FY25	101,250
		141,495
	Totals for dept 101-301	\$ 542,995

**City of Madison Heights
Capital Outlay Summary
Fiscal Year 2025**

	Description	Proposed FY 2024-25 BUDGET
FIRE 101-336		
982-0000	<u>MACHINERY AND EQUIPMENT</u>	
	CHEST COMPRESSION DEVICE	\$ 50,000
	POWER LOAD COT AND LIFTING DEVICE	114,000
	HOSE	7,000
		<u>171,000</u>
985-0000	<u>VEHICLES</u>	
	VEHICLE #705 LEASE (\$598.94/MO)	7,187
	2007 PUMPER PIERCE (E7X) #723 (PURCHASE QUINT)	450,000
	2016 FORD INTERCEPTER UTILITY #700	45,000
		<u>502,187</u>
987-0000	<u>IMPROVEMENTS</u>	
	FIRE HVAC UPGRADES	35,000
	FIRE STATION #1 ROOF REPLACEMENT (PHASE 1 OF 3)	200,000
		<u>235,000</u>
	Totals for dept 101-336	\$ 908,187
STREETS 101-446		
982-0000	<u>MACHINERY AND EQUIPMENT</u>	
	TOOL CAT (NEW)	\$ 80,000
	BRINE MAKING SYSTEM	101,000
	CONSTRUCTION MESSAGE BOARD	25,000
		<u>206,000</u>
985-0000	<u>VEHICLES</u>	
	BUILDING MAINTENANCE VAN #435	35,000
		<u>35,000</u>
	<u>IMPROVEMENTS</u>	
	CITY-WIDE TRAFFIC SAFETY ENHANCEMENTS	50,000
		<u>50,000</u>
	Totals for dept 101-446	\$ 291,000
SOLID WASTE 101-528		
982-0000	<u>MACHINERY AND EQUIPMENT</u>	
	BRUSH CHIPPER TRUCK #525	\$ 150,000
	SINGLE AXLE DUMP TRUCK #424	275,000
		<u>425,000</u>
	<u>IMPROVEMENTS</u>	
	RECYCLING AND TRASH BINS CITY-WIDE	\$ 1,046,800
		<u>1,046,800</u>
	Totals for dept 101-528	\$ 1,471,800
PARKS 101-752		
987-0000	<u>IMPROVEMENTS</u>	
	ATHLETIC FIELDS LIGHTING ANALYSIS AND REPLACEMENT PHASE 2 OF 3	\$ 200,000
	SPECIAL PROJECT FUNDING	50,000
		<u>250,000</u>
985-0000	<u>VEHICLES</u>	
	LOADER #488	225,000
	4X4 QUAD-CAB PICKUP TRUCK WITH PLOW	42,000
		<u>\$ 267,000</u>
	Totals for dept 101-752	517,000
LIBRARY 101-790		
981-0000	<u>COMPUTER EQUIPMENT</u>	
	MAKERSPACE MAINTENANCE AND EQUIPMENT	\$ 10,000
	SELF-CHECK OUT	14,000
	Totals for dept 101-790	\$ 24,000
	Total General Fund (101)	\$ 4,188,232

**City of Madison Heights
Capital Outlay Summary
Fiscal Year 2025**

	Description	Proposed FY 2024-25 BUDGET
Fund 202 - MAJOR STREETS		
988-0443	<u>CONSTRUCTION</u>	
	JOINT & CRACK SEALING	\$ 75,000
	SECTIONAL CONCRETE REPLACEMENT	100,000
	AJAX - JOHN R TO 801 AJAX	250,000
	SECTIONAL - 11 MILE ROAD (I-75 TO DEQUINDRE) PHASE 2 OF 3	250,000
	STEPHENSON HWY TURNAROUNDS	250,000
	OVERLAY JOHN R - DARTMOUTH TO 11 MILE (FUNDING 5 PHASES)	<u>500,000</u>
	Totals for fund Major Streets (202)	\$ 1,425,000
Fund 203 - LOCAL STREETS		
989-0500	<u>CONSTRUCTION NON R-3</u>	
	JOINT SEAL - CITY-WIDE	\$ 25,000
	NON-R RESIDENTIAL SECTIONAL	100,000
EMULISON	EMULSION POTHOLE/JOINT-ROT REPAIR	55,000
	ALLEYWAY IMPROVEMENTS	<u>90,000</u>
		270,000
	<u>CONSTRUCTION R-3</u>	
	BRUSH STREET (W. LASALLE TO 13 MILE)	\$ 445,000
	PALMER STREET (W. WOODSIDE TO W. LASALLE)	434,000
	BRUSH STREET (W. GIRARD TO W. WOODSIDE)	440,000
	HAMPDEN STREET (W. GRIEG TO 11 MILE)	<u>349,000</u>
		1,668,000
	Totals for fund Local Streets (203)	\$ 1,938,000
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY		
987-0000	<u>IMPROVEMENTS</u>	
	BANNERS, GATEWAY OR OTHER PROJECTS	\$ 20,000
	PROPERTY ACQUISITIONS	35,000
	11 MILE STREETScape IMPROVEMENTS	<u>400,000</u>
		455,000
	Totals for fund Downtown Development Authority (248)	\$ 455,000
Fund 265 - DRUG FORFEITURE FUND		
985-0039	<u>VEHICLES - STATE</u>	
	PATROL VEHICLES	\$ 33,750
		<u>33,750</u>
	Totals for fund Drug Forfeiture (265)	\$ 33,750

**City of Madison Heights
Capital Outlay Summary
Fiscal Year 2025**

		Proposed FY 2024-25 BUDGET
	Description	
Fund 592 - WATER AND SEWER FUND		
973-1000	<u>WATERMAIN REPLACEMENT</u>	
	DIESING DRIVE (BELLAIRE AVENUE & ALGER STREET) R-3	\$ 345,000
	GROVELAND STREET (E. LINCOLN AVENUE TO COWAN AVENUE) R-3	257,000
	E. ROWLAND AVENUE (JOHN R ROAD TO BATTELLE AVENUE) R-3	256,000
	EDWARD - 12 MILE TO PAGE MIDDLE SCHOOL	401,700
		<u>1,259,700</u>
973-2000	<u>SEWER LINE REPLACEMENTS</u>	
	VARIOUS REHABILITATIONS	<u>250,000</u>
		250,000
982-0000	<u>MACHINERY AND EQUIPMENT</u>	
	ENVIROSIGHT QUICK VIEW CAMERA	20,000
	MOBILE DEVICE MANAGEMENT	1,000
	NETWORKING EQUIPMENT UPDATE	33,000
	2006 BACKUP GENERATOR #552	50,000
	TIRE EQUIPMENT	20,000
		<u>124,000</u>
985-0000	<u>VEHICLES</u>	
	SERVICE TRUCK #430 LEASE (573.59/MO)	6,883
	FORD TRUCK #457 LEASE (576.31/MO)	6,916
	2007 CHEVY 3/4 TON PICKUP #434	36,000
		<u>49,799</u>
987-0000	<u>IMPROVEMENTS</u>	
	REPLACEMENT REPAIRS TO THE DPS PARKING LOT	100,000
	PHONE SYSTEM UPGRADE (PHASE 1 OF 2)	31,500
	DPS SECURITY IMPROVEMENTS	20,000
	FIBER CABLING (PHASE 1 OF 2)	50,000
	HVAC	300,000
		<u>501,500</u>
Totals for fund Water and Sewer (592)		<u>\$ 2,184,999</u>
Total Capital Outlay		<u>\$ 10,224,981</u>

