



ADOPTED BUDGET BOOK

CITY OF
MADISON HEIGHTS

FY 2025-2026





City of Madison Heights Annual Budget Proposed Fiscal Year 2025-2026

Mayor
Roslyn E. Grafstein

City Council

- **Mayor Pro Tem:** Mark A. Bliss
- Sean Fleming
- Bill J. Mier
- Emily J. Rohrbach
- David M. Soltis
- Quinn J. Wright

City Manager
Melissa R. Marsh

Deputy City Manager/City Clerk
Cheryl Rottmann

Department Heads

- 43rd District Court Judge: Keith Hunt
- Community and Economic Development Director: Giles Tucker
- Department of Public Services: Sean Ballantine
- Finance Director/Treasurer: Linda Kunath
- Fire Chief: Greg Lelito
- Human Resources Director/Purchasing Coordinator: Tracee Miller
- Library Director: Vanessa Verdun-Morris
- Police Chief: Brent LeMerise

Special Thank You

- Assistant to the City Manager: Harley Mordarski
- 43rd Court Administrator: Sharon Arseneault



Roslyn E. Grafstein

Mayor

Meet the Mayor & City Council

For more information, including contact details, meeting schedules, and council biographies, please visit
www.madison-heights.org/408/City-Council



Mark A. Bliss

Mayor Pro Tem



Sean Fleming

Councilman



William J. Mier

Councilman



Emily J. Rohrbach

Councilor



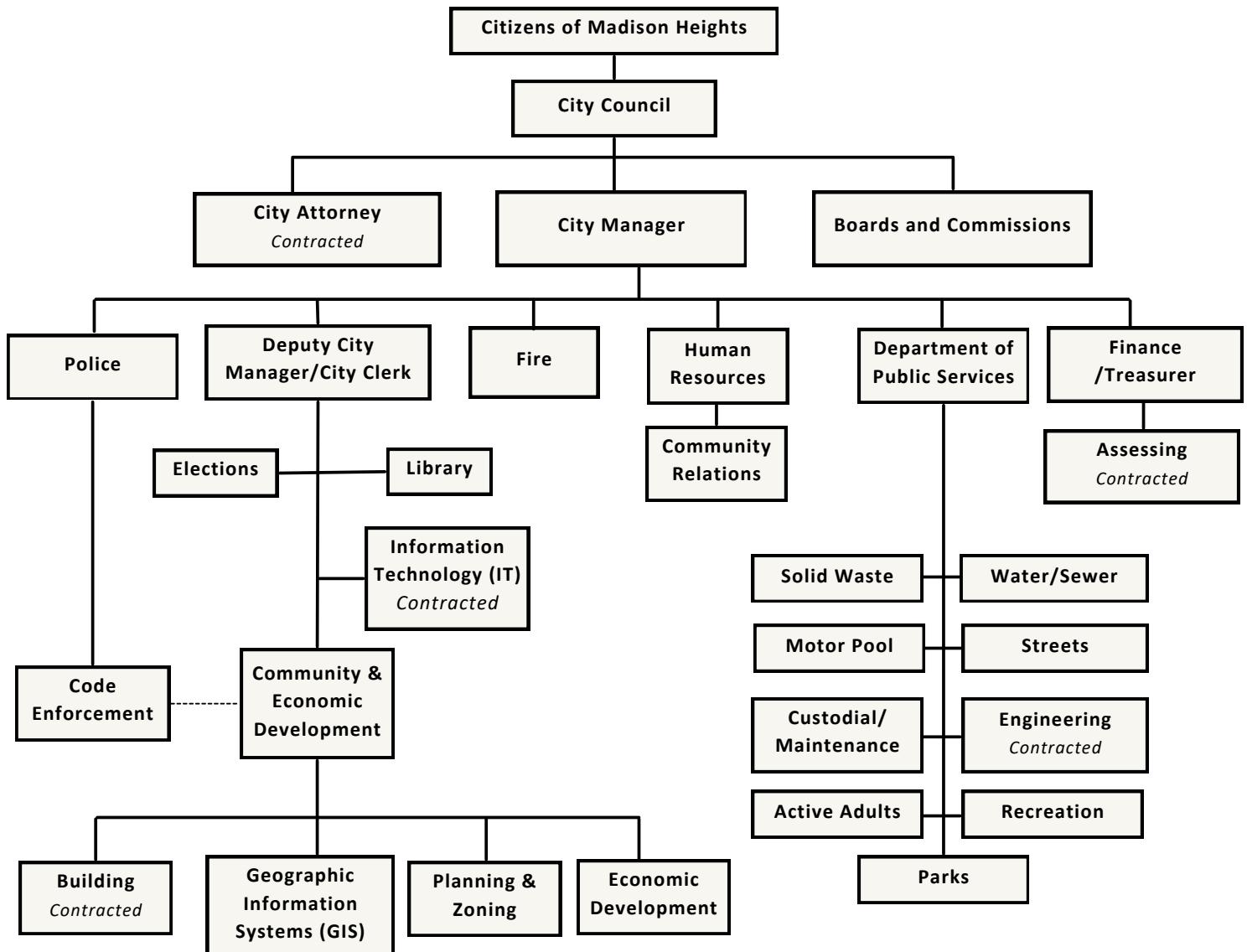
David M. Soltis

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, 2024

Christopher P. Morill

Executive Director

Table of Contents

Budget Overview

City of Madison Heights Organizational Chart.....	IV
Budget Message & Executive Summary.....	1
Adopted 2024-2025 Strategic Plan.....	9
Budget Fund Structure.....	25
Fund Descriptions.....	26

Revenues

Revenue Overview.....	31
Property Tax Dollar Distribution.....	32
Property Tax Revenues.....	33
Changes in Fund Balance.....	39

Expenditures

Budget Policies and Procedures.....	42
Financial Policies.....	43
Budget Controls.....	57
Budget Process Overview.....	57
Budget Calendar.....	59
Appropriations Chapter.....	62
All Funds Total Appropriations Schedule.....	66
All Funds Department Summaries.....	67
All Funds Appropriations by Category Class.....	69
Risk Management.....	70
Debt Administration.....	72

Personnel and Positions

Full-Time and Part-Time Positions.....	82
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General Fund Summary and Department Summaries

Other Fund Summaries.....	92
---------------------------	----

Capital Improvement Plan.....	139
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Appendices.....	159
-----------------	-----

Capital Outlay Summary.....	212
-----------------------------	-----

FY 2023-28 Capital Improvement Plan

Plan Overview

Plan Overview.....	162
Summary of Appropriations by Program.....	165
Summary of Revenues by Source.....	167

Functional Areas

Neighborhood Projects.....	167
Road Improvements.....	171
Collection and Distribution Systems.....	186
Public Safety.....	192
General Government and Economic Development.....	196
Leisure and Human Services.....	201
Replacement Plans.....	205
Five Year Vehicle and Equipment Replacement Plan.....	205
Computer Replacement Plan.....	207
Impact of Capital Improvement on Operating Expenditures.....	209

Table of Tables

Financial Overview – Use of Funds.....	164
Financial Overview- Sources of Funds.....	166
R-1 Neighborhood Projects.....	171
R-2 Neighborhood Projects.....	172
R-3 Neighborhood Projects.....	174
Neighborhood Projects – Appropriations and Revenues.....	170
Road Improvements – Appropriations and Revenues.....	180
Collection and Distribution Systems – Appropriations and Revenues.....	188
Priority Non-R Water Main Projects.....	190
Public Safety – Appropriations and Revenues.....	194
General Government and Economic Development Appropriations and Revenues.....	198
Leisure and Human Services – Appropriations and Revenues.....	203
Five Year Vehicle and Equipment Replacement Plan.....	205
Computer Replacement Plan.....	207
Capital improvement Impacts on Operation Expenditures.....	210

Table of Maps/ Diagrams

Neighborhood Road Projects.....	168
People Powered Transportation & Sidewalk Repair Program.....	185
Non-R Water Main Replacement Projects by Priority.....	191
Downtown Development Authority Boundary Area.....	200





City of Madison Heights

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

Department of Public Services
801 Ajax Dr.
Madison Heights, MI 48071

Fire Department
31313 Brush St.
Madison Heights, MI 48071

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

www.madison-heights.org

March 2025

Budget Transmittal Letter

Fiscal Year 2026

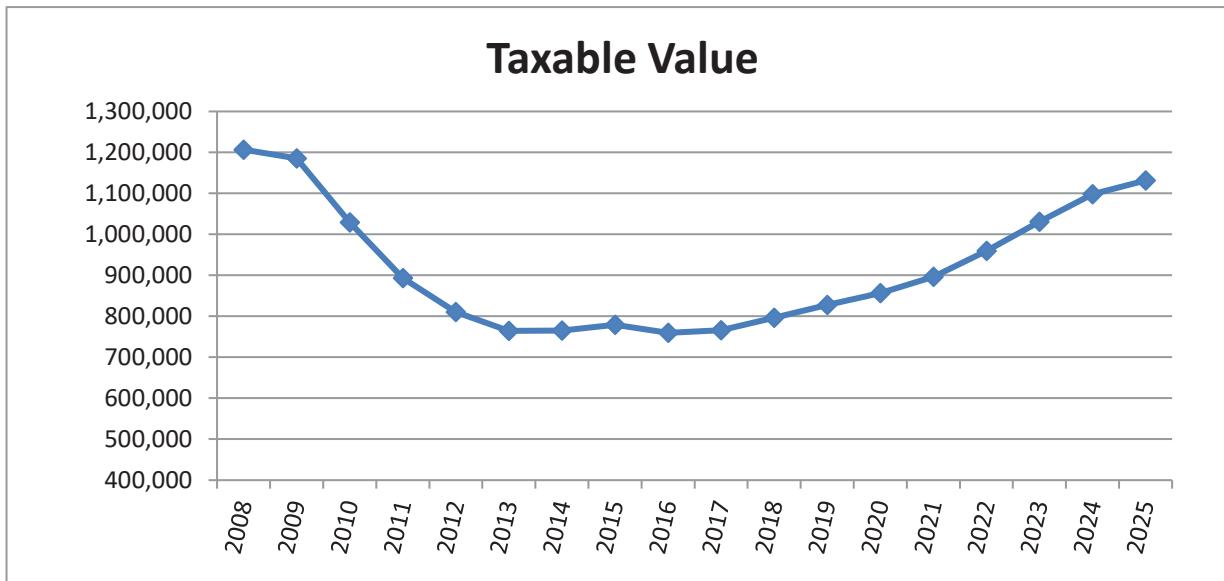
Honorable Mayor and Members of City Council

Residents of the City of Madison Heights

I am pleased to present the Fiscal Year (FY) 2026 Adopted Budget. This Budget reflects our continued commitment to community priorities as determined by the City Council in the city-wide strategic plan and Capital Improvement Plan, adopted by the City Council on January 13, 2025. The budget process began in December 2024, when the City Council held a strategic planning workshop ahead of staff completing the Capital Improvement Plan and discussing our expected upcoming financial challenges and city priorities. The strategic plan has become the foundation for this balanced consolidated Budget.

The FY 2026 budget continues to address critical needs in core service areas. However, we are nearing our maximum tax levy authorization with only 0.166 capacity and must prepare for budget constraints. These constraints are driven by the property tax roll-back (Proposal A and Headlee), reduced or expired federal funding, slowing sales tax collections, and inflationary pressures that exceed the state's tax inflation rate. To balance the FY 2026 budget, we have eliminated some capital improvement requests that were previously discussed with departments and the City Council. Moving forward, we must prioritize critical needs, consider a hiring review/freeze, and be cautious in our investments in the City.

This budget is supported by a tax rate of 25.4572 mills, the same as FY 2025. The proposed budget also includes a 6.366% increase in water and sewer rates.



The overall FY 2026 budget is proposed at \$66.1 million, with projected limited revenue growth of \$431,847 across all funds. This growth is driven by a State Tax Commission Inflation Rate Multiplier of 3.1%, offset by a millage roll-back of approximately 1.73%, and reductions in federal and state revenues, court revenues, and miscellaneous revenues. **The City's taxable value for FY 2026 is now 96.1% of what it was in FY 2008.** We continue to face significant expenditure pressures, as inflationary increases across all service areas far exceed the 3.1% inflation rate multiplier. Therefore, the overall Budget focuses on following the strategic plan for moving the City forward by implementing projects that address long-term maintenance issues and align with the City Council's long-term visions.

The FY 2026 proposed budget continues a historically high investment in maintaining and replacing existing City assets. However, for the first time since the passage of Proposal MH, nearly \$1 million in capital maintenance projects must be deferred due to revenue limitations. Additionally, we have eliminated four vacant positions and denied department requests for additional staff, opting to increase part-time hours to support the full-time staff's activities. These actions have limited our planned use of fund balance to \$436,521.

PRIORITIES AND ISSUES

Starting in the fall of 2018, the City Council and staff worked collaboratively to develop plans that envisioned the future of our community. These plans took into account the needs of everyone who lives, works, or visits Madison Heights, with a focus on building a solid tax base to support a strong community and superior services. Now, in year seven of this process, we continue to follow this path. The key priority areas guiding our work are: 1) Public Safety, 2) Infrastructure and Capital Assets, 3) Quality of Life, 4) Economic Development, and 5) Financial Sustainability.

Building on this strategic planning framework, the proposed budget addresses these priority areas and the key issues outlined below:

Public Safety

- Our current refuse collection contract expires in June, and staff is in the process of soliciting bids for this service. The proposed budget allocates \$1.8 million for refuse collection, maintaining the current cost level as we evaluate different service options. Once the preferred delivery method is selected, a budget amendment may be necessary. Additionally, we will be rolling out the cart program in this budget year, with expenses covered in FY 2025 and carried forward at year-end. Quotes will be requested for both our current service level and a cart-only service model, which may be more feasible in future years.
- The proposed budget includes IT improvements, including a firewall update (\$100,000) and Phase 2 of a telephone system upgrade (\$94,000).
- An additional School Resource Officer (SRO), requested by Lamphere Schools, is included in the budget for the 2025-26 school year. This position will be funded 70% by the school district and 30% by the city, with a total cost of \$182,000, including benefits.
- The CoResponder program, currently grant-funded, will continue in the FY 2026 budget for a partial year, with full funding expected in FY 2027. No expansion of the program is planned in this budget.
- Traffic safety improvements, including pavement striping and pedestrian walk upgrades on John R, are included as part of the John R Overlay project.

Infrastructure

- Fire Station #1: Phase two of funding for roof replacement has been deferred and removed from the FY 2026 budget - a \$220,000 reduction.
- Street improvements: The budget includes \$1.9 million for major and local streets, with \$150,000 allocated for the city's portion of the John R Overlay project (from 12 ½ Mile to 14 Mile) and \$800,000 for the John R Overlay project from 11 Mile to 12 ½ Mile.
- Water and sewer capital outlay and service line replacements are budgeted at \$2.5 million.

Quality of Life

- The City is beginning the process of updating the Parks and Recreation Master Plan, which will guide future capital investments in parks and recreation programming. In the interim, the budget continues funding for Rosie's Park upgrades, including a new pavilion, field rehabilitation, and the refurbishment of the Gardina parking lot.
- The Recreation budget includes \$15,000 for community engagement, to enhance public events and expand facility use for programming, such as shared spaces with school districts or partnerships with private organizations to offer programs like swim lessons and gym facilities.
- The Library budget includes ongoing funding for the makerspace and Library of Things programs (\$15,000), as well as a \$10,000 allocation for a new citywide biannual four-page newsletter, which will focus on city updates, news, and department services. This cost will be offset by a reduction in the number of pages in the recreation brochure, which will now focus primarily on recreation and events. Requests for a stand-alone postcard mailer (\$5,000) and pick-up lockers (\$50,000) have been eliminated from the proposal.
- Tree plantings are proposed at \$27,000, in addition, we have applied for a tree inventory and planting grant for 150 trees, which will not be added to the budget until awarded and does not require city funding.
- The food composting drop-off program has been successfully implemented and is included in the budget at \$3,000.

Financial Sustainability

- The City has long maintained a strong reputation for sound financial policies, which have been further enhanced through strategic planning and multi-year budgeting. Since 2007, the budget process has highlighted the City's significant financial challenges, particularly the legacy costs of pensions and retiree health care.
- The FY 2026 budget continues to improve funding for the Police and Fire Pension, which is currently 60% funded. This budget includes additional contributions, above the required annual amount, with the total amount proposed at \$7.7 million—supported by the Police and Fire Pension millage. This includes \$4.0 million above the actuarially required contribution, which will help raise the funding level above 60% by June 30, 2026. The FY 2026 budget allocates \$3.4 million for the Fire Department pension and \$4.3 million for the Police Department pension to further address this funding gap.

BUDGET OVERVIEW

The total proposed budget for FY 2026 is \$66.1 million, with the General Fund allocation set at \$42.3 million. This represents a decrease of \$392,383 compared to the adopted FY 2025 budget (excluding carryforwards or budget amendments). The primary factors contributing to this reduction are the elimination of four full-time positions and a decrease in planned capital expenditures.

Total Operating and Capital Budget

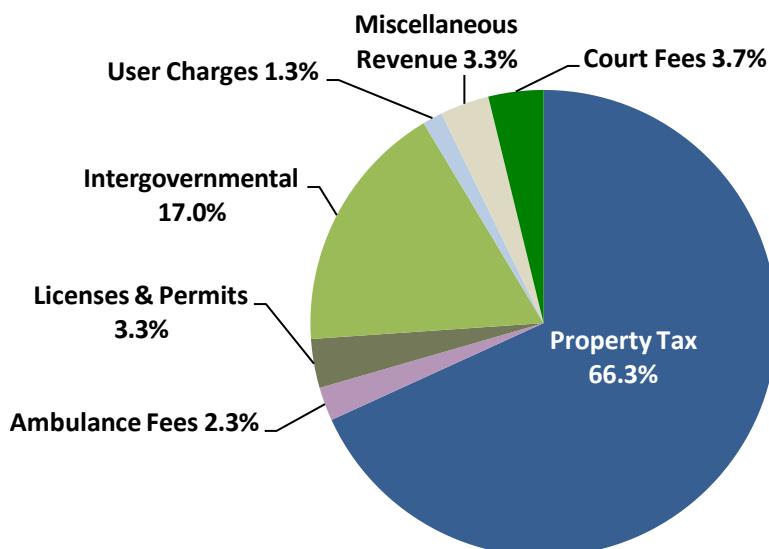
	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2026 Proposed Budget
Operating Budget	\$55,963,955	\$ 55,783,629	\$ 57,302,641
Percent Change		-0.3%	2.7%
Capital Improvement Budget	\$10,224,981	\$ 15,869,769	\$ 8,841,325
Percent Change		55.2%	-44.3%
Total Budget	\$66,188,936	\$ 71,653,398	\$ 66,143,966
Percent Change		8.3%	-7.7%

General Fund Operating Budget Highlights

The FY 2026 budget is balanced using \$436,521 of the fund balance, which is estimated to be \$11.4 million at the beginning of the fiscal year.

Revenues

General Fund revenues are projected at \$41.8 million, reflecting a decrease of \$281,625, or 0.7%, compared to the FY 2025 Amended Budget. This decrease is primarily due to reductions in personal property taxes, federal and state grant revenues, private donations, and court funding. The pie chart below illustrates the breakdown of the City's General Fund income by major category. Property taxes

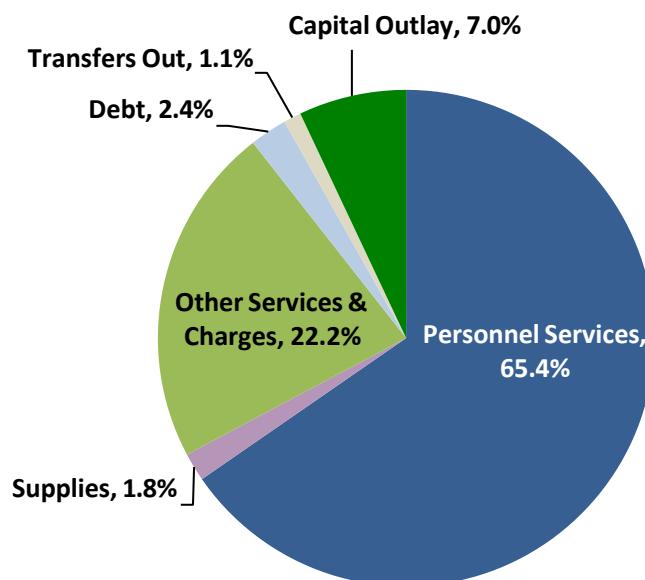


remain the largest source of revenue, accounting for 66.3% of the FY 2026 General Fund revenue budget. Other significant revenue sources include user charges, intergovernmental revenues, court fees, and various miscellaneous revenues.

Regarding the Water and Sewer Fund, total expenditures and revenues are projected at approximately \$14.2 million, with a planned use of the fund balance amounting to \$148,434 for FY 2026. As mentioned earlier, the budget includes a proposed 6.366% increase in both water and sewer rates. This increase is necessary to offset rate hikes from our water and sewer treatment providers, who are raising their rates by 7.38% for water and 6.9% for sewer treatments.

Expenditures

The proposed general fund expenditures for FY 2026 are \$4.3 million, or 9.2%, lower than the amended FY 2025 budget. The majority of this decrease stems from reductions in capital improvement and asset replacement allocations, reflecting a strategic shift in prioritizing more immediate operational needs over long-term infrastructure projects. Additionally, several key adjustments contribute to the overall reduction. Notably, the elimination of four vacant full-time positions will further reduce staffing-related costs. Another significant change is the conclusion of one-time special grant projects, including the Energy Futures Sustainability Project, which was allocated \$500,000 in the FY 2025 budget. With these adjustments, the total proposed general fund expenditures for FY 2026 amount to \$42,259,313, compared to \$46,539,099 in the amended FY 2025 budget. This reduction represents a targeted effort to streamline operations and allocate resources more efficiently in response to the evolving fiscal landscape.



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

Fund Name	2023-24	Actual	Amended	Adopted	Increase (Decrease)	Percent Change
		Budget	Budget	FY 2024-25 to FY 2025-26		
General Fund	\$ 39,113,231	\$ 46,539,099	\$ 42,259,313	\$ (4,279,786)		(9.2)
Major Street	1,849,897	3,083,517	2,175,142	(908,375)		(29.5)
Local Street	2,386,536	2,486,270	2,481,295	(4,975)		(0.2)
Parks Maintenance and Improvement	32,676	45,544	98,972	53,428		117.3
Downtown Development and Brownfield Authority	489,123	1,355,928	172,165	(1,183,763)		(87.3)
Police Drug Forfeiture	16,542	81,629	55,500	(26,129)		(32.0)
Community Improvement	139,370	148,924	137,359	(11,565)		(7.8)
Special Assessment District	18,956	30,000	32,500	2,500		8.3
Municipal Building Debt	255,600	482,500	483,100	600		0.1
Fire Station Building	413,974	0	0	0.0		0.0
Municipal Building	2,973,130	0	0	0.0		0.0
Water & Sewer Fund	11,595,669	13,847,972	14,358,476	510,504		3.7
Motor & Equipment Pool	1,221,793	1,220,442	1,261,050	40,608		3.3
Department of Public Services	2,296,016	2,508,133	2,405,386	(102,747)		(4.1)
Chapter 20 Drain Debt	-	223,440	223,708	268		0.1
Total Appropriations	\$ 62,802,513	\$ 72,053,398	\$ 66,143,966	\$ (5,909,432)		(8.2)

Capital Budget Highlights

Total capital outlay purchases across all funds for FY 2026 amount to \$8.8 million. Investment in capital outlay remains above historical averages due to significant road rehabilitation and reconstruction projects. This includes R-3 dedicated millage projects, major road sectional work, sidewalk repairs, the gap program, and water and sewer line replacements.

FINANCIAL ASSESSMENT

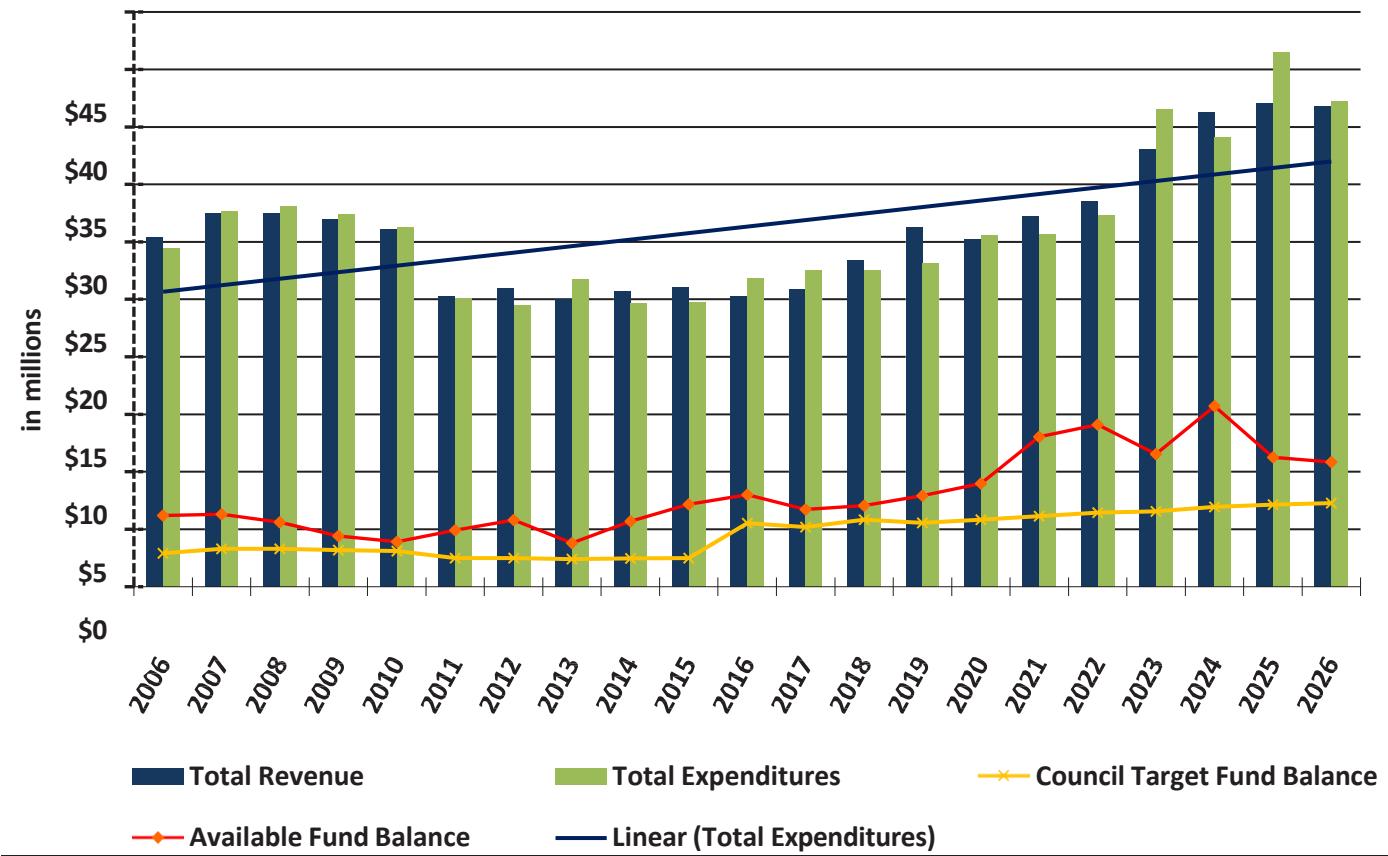
Madison Heights has established and maintained a strong financial position through conservative financial management, thorough financial analysis, and sound policies.

Fund Balances

As of June 30, 2024, the unreserved but assigned fund balance for the General Fund stood at \$15.9 million. After accounting for budget carryforwards for capital assets and maintenance projects across the city, this balance is expected to decrease to \$11.4 million by the end of FY 2025, with a planned use of \$436,521 in FY 2026. In FY 2026, we will levy almost all the allowable millage through Proposal MH and anticipate using this fund balance to support future years' budget stabilization. This approach aligns with the financial policies approved by the City Council, which direct staff to maintain a fund balance of at least

16% of regular operating expenditures, plus one year of debt payments. Staff carefully adhered to this policy while developing the Citywide Strategic Plan and proposing this budget for Council's consideration.

General Fund - Fund Balance Compared to Total Revenues and Expenditures



Future Budget Considerations

As we develop this budget, several uncertainties could impact our financial outlook. In recent years, federal grants and new state funding mechanisms have helped turn many of these uncertainties into positive outcomes. However, this year is significantly different, and we want to highlight several issues for your consideration as we proceed through the budget process:

- **Franchise Fees from Cable Companies:** In the past, franchise fees from cable companies accounted for more than \$500,000 in our General Fund budget. With the rise of streaming services and the absence of legislation that requires public access to these platforms, this revenue stream has declined to its current level of \$350,000. We are concerned that this revenue may be eliminated as traditional cable companies transition to streaming platforms, such as YouTube.
- **Court Revenues:** Court revenues, traditionally \$1.8 million, are now budgeted at \$1.55 million due to recent legislative actions and restrictions on probation, payment, and collections. We continue to advocate for the State Court Administrator's office to assume oversight and funding responsibilities for courts, but a comprehensive plan for this seems unlikely in the near future.
- **Millage Rate and Funding Issues:** As mentioned earlier, we will levy 99.4% of our maximum allowable millage in FY 2026. Unless the state addresses the interaction between Proposal A and Headlee (which has been under discussion since 2015), the city will face significant challenges

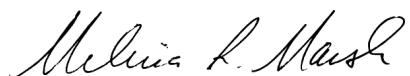
in funding services at the current levels without alternative revenue streams, such as special millages.

Conclusion

The City takes great pride in its sound financial management, careful allocation of limited resources, and commitment to long-term planning. As conditions evolve, the City will continue to adapt, ensuring a solid foundation for the future.

I would also like to express my gratitude to the Mayor and City Council for their leadership and support in responsibly managing the City's financial operations. Their ongoing efforts help drive the success and growth of our community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Melissa R. Marsh".

Melissa R. Marsh
City Manager

CITY OF MADISON HEIGHTS STRATEGIC PLAN – 2026-2030

Executive Summary

Strategic Planning is the starting point for our budgeting process and plays a critical role in both shaping the roadmap that will guide our city's progress over the next five years and in developing the budget and financial resources to support this journey.

The plan is shaped by community feedback gathered through a variety of channels, including input from our 21 Boards and Commissions, special topic community conversations, public hearings, extensive departmental input, and guidance from the City Council.

Since 2018, this process has expanded our perspective on priorities while reaffirming our commitment to what matters most to our community. These focus areas listed below, reflect our shared vision for the future and ensure that we continue to make meaningful progress. By consolidating sustainability within these key priorities, we strengthen our commitment to creating lasting, positive impact across all aspects of our work.



Public Safety



Infrastructure/Capital Assets



Quality of Life



Economic Development



Financial Stability and Efficient City Services

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. Code Enforcement review for possible target enforcement areas, education for residents regarding frequently violated code issues, part-time code enforcement	FY 2026-2030	TBD
c. Recycling and Trash Bin program	FY 2026	\$403,200 EGLE Grant \$105,600 Recycling Grant \$504,000 GF

101-528-766-0000		
d. Develop an RFP for rubbish removal and recycling services for residents including various service delivery options including community engagement opportunities	FY 2025-2026	TBD
1.2 Improve the Safety and security of municipal buildings.		
a. Update technology to keep the network secure with equipment upgrades and training.	On-going FY 2025-2030	FY 26 \$142,900 FY 27 \$200,000 101-228-982-0000 (592) 101-228-987-000 (592)
1.3 Improve Public Safety Services and Emergency Response		
a. Research Traffic Safety Improvements across the City, road line painting roads, crosswalks, stop bars, and pedestrian crossing enhancements.	FY 2025-2030	\$73,000 101, 202, 203
b. Monitor co-responder (CoRe) program with Oakland Community Health Network (OCHN) looking for options to expand the program.	FY 2025-2030	FY 26 \$64,000 (partially grant funded) FY 27-30 \$130,000
1.4 Strength Emergency Preparedness: Improving residents' capacity to prepare and response to a major emergency		
a. Holding annual safety drills for various emergency situations (fire, flood, and active shooter) for staff.	FY 2023-2030	\$0
b. Raise awareness of local hazards and emergency situations through online communication and newsletter information.	FY 2025-2030	\$10,000 101-xxx-8800-000
2. Infrastructure/Capital Assets		
2.1 Infrastructure asset management plan – evaluate infrastructure including items such as city building and roads for use(s) and restoration, preservation, and maintenance needs. Discuss options for each location, including repair, refurbishment, relocation, and combination with other sites.		
a. Fire Station #1 Roof Replacement, HVAC	FY 2025-2029	\$535,000 101-336-987-0000
b. DPS Facility Upgrades, including maintenance such as painting, roof, and HVAC replacement	FY 2026-2030	\$905,000 592-901-987-0000
c. Evaluate neighborhood road conditions and develop a plan for a R-4 millage renewal proposal with community engagement on streets to be included	FY 2026	TBD
2.2 Maintain a reliable vehicle fleet citywide with priority given to Public Safety vehicles and equipment.		
a. Continue to develop and fund a multi-year capital improvement program.	FY 2026-2030	On-Going
b. Evaluate options for a special millage for public safety vehicles to be considered by City Council for an August 2026 election.	FY 2026	TBD

2.3 Develop a long-term solution for the SOCRRA site.		
a. Continue to work with legal counsel or other options available to develop either redevelopment opportunities or state-of-the-art facilities at the SOCRRA site.	FY 2021-30	GF \$35,000 101-528-8260-000
3. Quality of Life		
3.1 Provide accessible and quality library services with sufficient technology, materials, hours, and staff to meet community needs.		
a. Continue to enhance the Makerspace with software and equipment requested by patrons	FY 2026-2030	FY 26 \$15,000 \$5,000 yrs. thereafter 101-790-971-0000
b. Enhance patron's use of the library outside normal hours with items such as story walk installations and pickup lockers	FY 2025-2030	\$50,000 101-790-9810-000
c. Increase library utilization with community outreach activities	FY 2026-2030	\$10,000 101-xxx-880-0000 spread across various dept.
d. Increase library of things offerings with emergency needs such as mini generators, battery packs	FY 2026-2030	TBD
3.2 Enhance Parks/Recreation to appeal to a community of all ages and abilities, including expanding green space, recreation programs, and trail improvements.		
a. Implement 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 2025-2030	FY 2026 \$ 965,000 FY 2027 \$ 410,000 FY 2028 \$ 550,000 FY 2029 \$ 800,000 FY 2030 \$ 700,000
b. Create strategic reserve funds (e.g., park assets, special projects, business attractions, etc.) to achieve organizational objectives.	On-going Continued in FY 2026-2030	\$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	\$0
d. Research partnerships for expansion of recreation facilities for residents including workout facilities, pools, tennis courts, gyms	FY 2025-2026	\$10,000 101-751-880-0000
e. Complete Parks and Recreation Master Plan update focusing on comfort enhancements such as bathrooms, benches, shade	FY 2026-2030	TBD
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 2025-2030	\$0

b. Continue to implement the new welcoming entrance signage at major gateways to the city.	FY 2024-2027	\$179,000 <i>Private grant funding</i>
c. Participate in the Michigan Green Communities Network – Goal Silver status by 2028	FY 2023-2030	\$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 2026-2030	GF \$20,000 101-446-772-000 \$2,000 208-463-818-0000 DDA \$5,000 248-863-818-0000
e. Consider options for expansion of food composting program in view of a larger rubbish contract plan	FY 2026	\$3,000
f. Consider small additions to existing festivals and partnering board and commission events with city events for more impactful offerings to the residents (focus quality over quantity)	FY 2026-2030	\$5,000 101-751-880-0000

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 2020-2030	TBD
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 2023-2030	\$0
c. Creation of a formal Economic Development and Marketing Plan	FY 2025 ED Complete FY 2026	\$0
d. Implement 11 Mile Streetscaping Plan from Lorenz to John R intersection.	FY 2026	\$960,000 \$313,000 grant \$440,000 DDA \$250,000 Major Street
e. Research the feasibility of creating a new tax Increment Financing (TIF) District such as a Business Improvement District around the areas of Gardenia to 12 Mile	FY 2027-2030	TBD
f. Work with DDA and Boards and Commissions to use creativity to attract business and visitors to areas of the community	FY 2026-2030	TBD

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 2021-2030	DDA \$35,000 per year 248-863-9870-002
5. Financial Stability and Efficient City Services		
<i>5.1 Maintain a stable, efficient, and transparent financial environment that encourages community involvement.</i>		
a. Create a community conversation series to facilitate budget transparency and understanding for future millage needs, including a road millage renewal and a possible public safety vehicle and equipment millage	FY 2026-2030	\$0
b. Research Implementation of Public Act 359 of 1925 (MCL 123.881), to levy \$50,000 to continue to public and advertise for industrial, commercial, or recreational activities in the city.	FY 2026-2030	TBD
<i>5.2 Provide a reliable financial plan that ensures stability per the strategic plan and promotes a proactive response to issues.</i>		
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	\$0
b. Continue proactively managing the City's pension liability cost by annually reviewing the assumptions used in valuations and contributing above the actuarial requirement when possible, applying for grants made available, and contributing extra funding.	FY 2023-2030	GF \$7,736,355 101-301-710-0009 101-331-710-0009
c. Review and update City fees schedule, setting intentional cost recovery goals for City Services and evaluating overall programs.	Annually	\$0

Long-Range Financial Plan

Fiscal Years 2025-2030

The City's long-range financial forecast is a vital tool in our annual budget planning process, providing a comprehensive outlook on projected revenues, expenditures, and economic conditions. Updated at the outset of budget preparation, this forecast reflects adjustments to project timelines, evolving city needs, and changing financial realities. It also undergoes revisions throughout the year, including during the proposed budget presentation and year-end financial review.

The following forecast, presented in December 2024, outlines financial projections for the current fiscal year and the next five fiscal years (2025-2030). This plan, shared with the City Council, department heads, and the public, represents an estimate based on the best available data at the time of its preparation.

It is important to note that this forecast is not a budget. It does not make expenditure decisions; rather, it assesses the need to continue prioritizing resource allocation as we prepare for the Fiscal Year 2026 budget cycle. The forecast provides an overview of the City's fiscal health based on current assumptions, offering both the City Council and the citizens of Madison Heights an early outlook on our financial situation beyond the immediate budget cycle. It is designed as a planning tool to bring a long-term perspective to the budget process, enabling us to address potential financial issues before they arise.

The Government Finance Officers Association (GFOA) emphasizes the importance of integrating the forecasting of both revenues and expenditures into a unified financial forecast. The GFOA recommends that governments establish a financial planning process that evaluates the long-term financial implications of current and proposed policies, programs, and assumptions, and develops appropriate strategies to achieve their goals.

Key Financial Insights:

1. **Strategic Investments:** Recent economic recovery has enabled substantial capital investments, particularly in infrastructure. Over \$14.3 million in General Fund infrastructure projects are planned over the next five years, though fiscal constraints may require adjustments.
2. **Revenue Projections:** Property tax growth is limited by Proposal A and the Headlee Amendment, capping increases at inflation rates. The FY 2026 State Tax Commission inflation rate for taxable value increases is set at 3.1%, potentially triggering millage rollbacks.
3. **Major Challenges:**
 - **Legacy Costs:** Addressing unfunded pension liabilities, particularly in police and fire departments, remains a challenge. While contributions have exceeded the required amount in recent years, sustaining this practice will be difficult.
 - **State Funding Volatility:** Reliance on fluctuating state revenue-sharing allocations poses financial uncertainty. Legislative delays in funding initiatives such as GEMT and court funding reform exacerbate this issue.
 - **General Fund Reserves:** Fund balance reserves are projected to be \$11.4 million by June 30, 2025, adhering to best fiscal management practices. However, limited reserves constrain one-time expenditures over the next five years.

The forecast underscores the need for disciplined financial management and potential revenue measures to sustain services. Of particular importance is the renewal of the road millage set to expire after the July 2026 levy and the identification of a dedicated funding source for public safety equipment and vehicles.

Regional Economic Outlook

Michigan's economy has slowed since early 2024 and remains uncertain post-election. A slight job decline is expected through late 2024, with moderate growth projected in 2025-2026, particularly in healthcare. Manufacturing is anticipated to see only modest gains.

Inflation is forecast to stabilize at 3.0% by the end of 2024, down from 5.4% in 2023 and 8.2% in 2022. It is expected to further decline to 2.1% by late 2025 before rising slightly to 2.3% in 2026. Inflation directly impacts the City's tax base growth, as taxable value increases are capped at 5% or the inflation rate, whichever is lower.

Financial Forecast

The forecast includes actual figures for Fiscal Year 2024, estimated expenditures for Fiscal Year 2025, and projected figures for Fiscal Years 2026-2030. It primarily focuses on the City's General Fund, which serves as the main operating fund and supports essential services such as police, fire, library, parks, recreation, solid waste collection and disposal, and general administration.

Current Financial Status (Fiscal Year 2025)

Over the past four years, the City has taken advantage of economic stimulus funding, grants, 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 large investments are obvious throughout the financial assumptions presented below and are a testament to our financial responsibility and fulfilling the promises we made to the residents when we asked them to support an increase in our charter millage with Proposal MH.

Fiscal Year 2024 General Fund reserves ended at \$15.88 million. Of this amount, \$4.4 million is planned and assigned for carryforward capital projects that were either phase-funded or crossed fiscal years for completion into FY 2025, leaving the estimated available fund balance on June 30, 2025, at \$11.4 million.

The FY 2025 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. As detailed above, several capital projects crossed fiscal years and were "carried-forward" into FY 2025. Otherwise, the FY 2025 budget is on track, with expenses estimated to be slightly less than budgeted, given four positions that will not be filled this fiscal year. These positions are three basic EMT positions and one school resources officer budgeted for Madison Schools but not implemented by the school board.

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, on June 30, 2025, we are anticipated to have \$11.4 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.

Overview of Five-Year Forecast - FY 2026-2030

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.

Overall, General Fund revenues for FY 2026 are projected to be down slightly from the past two fiscal years due to a forecasted decline in state and federal grant funding. Taxable Value, our largest revenue source, is forecasted to increase by 3.1% for real property before dropping to 2.3% for future years; personal property taxable value is forecasted to increase by 2%. However, both of these increases are reduced by the required millage rollback of 1.73%. As explained in past years, we anticipated the full levy of Proposal MH in FY 2028. Based on this forecast, it appears we will fully levy this millage in FY 2027 at the latest due to expenditure inflation exceeding our revenue inflation which was capped at 5% for the past two fiscal years.

By way of background, 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 and has been rolled back, as anticipated, since that time. For FY 2026, the maximum Operating Charter millage will be 13.7069, of which the City is

forecasting to levy 13.5578, leaving 0.1491 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 no later than FY 2027. 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. **In order to fund services, we will need to be proactive in starting to think about future millage options, including timing and purpose, before FY 2028.**

Over 62% of the City's General Fund revenues are generated from property taxes, which are restricted by the state as described above. For FY 2026 the State Tax Commission has approved the inflation rate multiplier at 3.1%.

Expenditures are projected to grow at an annual average rate of 2.5-4.0% during the succeeding five years, not 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 3.0% in FY 2026. This forecast does not assume any changes in benefits or wages beyond the settlement dates.

Forecasted Challenges FY 2026-30

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 2026 is only 96.1% of the taxable value from 2008, making it challenging to increase services to meet new demands.

3. **Capital Improvement/Infrastructure:** Maintaining the city's infrastructure remains a priority and is challenging across all funds. The Capital Improvement Plan for FY 2026-2030 includes over \$14 million of capital improvements, including parks, public safety equipment, vehicles, roads, and water mains. As you will see below, this amount of continued investment isn't sustainable and will need to be scaled back before the proposed budget is presented to the City Council in order to reduce our use of fund balance and extend our millage capacity. Neighborhood Roads have been funded for the past 28 years by dedicated millages "R- 1", "R-2," and "R-3". **The final levy of "R-3" will be billed in July 2026, requiring a millage election in August 2026 if this road funding is to continue.**

Forecast Summary

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

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 Forecast Summary

(in millions)

	FY 2025 Projected	FY 2026 Projected	FY 2027 Forecast	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast
Revenues	\$41.6	\$ 40.7	\$40.9	\$42.0	\$42.6	\$43.3
Expenditures	\$46.1	\$43.2	\$43.7	\$44.7	\$45.7	\$46.4
	(\$4.5)	(\$2.5)	(\$2.8)	(\$2.7)	(\$3.1)	(\$3.1)
General Fund Non-Restricted Reserves	\$11.4	\$8.9	\$6.1	\$3.4	\$0.3	(\$2.8)
Required General Fund Reserves (16% Operating Expenditures plus 1-yr debt)	\$7.7	\$7.3	\$7.4	\$7.5	\$7.7	\$7.8

General Fund Revenue & Expenditure Assumptions

After 2025, overall revenues are estimated to decline slightly due to grant funding not being included in the forecast. Otherwise, General Fund revenues 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. Historically, the amount that Medicaid reimburses the City was less than its cost to deliver emergency transport services. This program identifies the gap between the true cost of services and the amount currently reimbursed through Medicaid payments and provides funding to the City. This bill was signed into law in January 2025. We currently estimate this cost recovery to equate to approximately \$400,000 under the new reimbursement model adopted by the State. This forecast anticipates this revenue starting in FY 2028 and beyond; we forecast using this funding to offset the cost of emergency transport equipment and staff in the expenditures starting in FY 2028.

General Fund Assumptions - Major Revenues

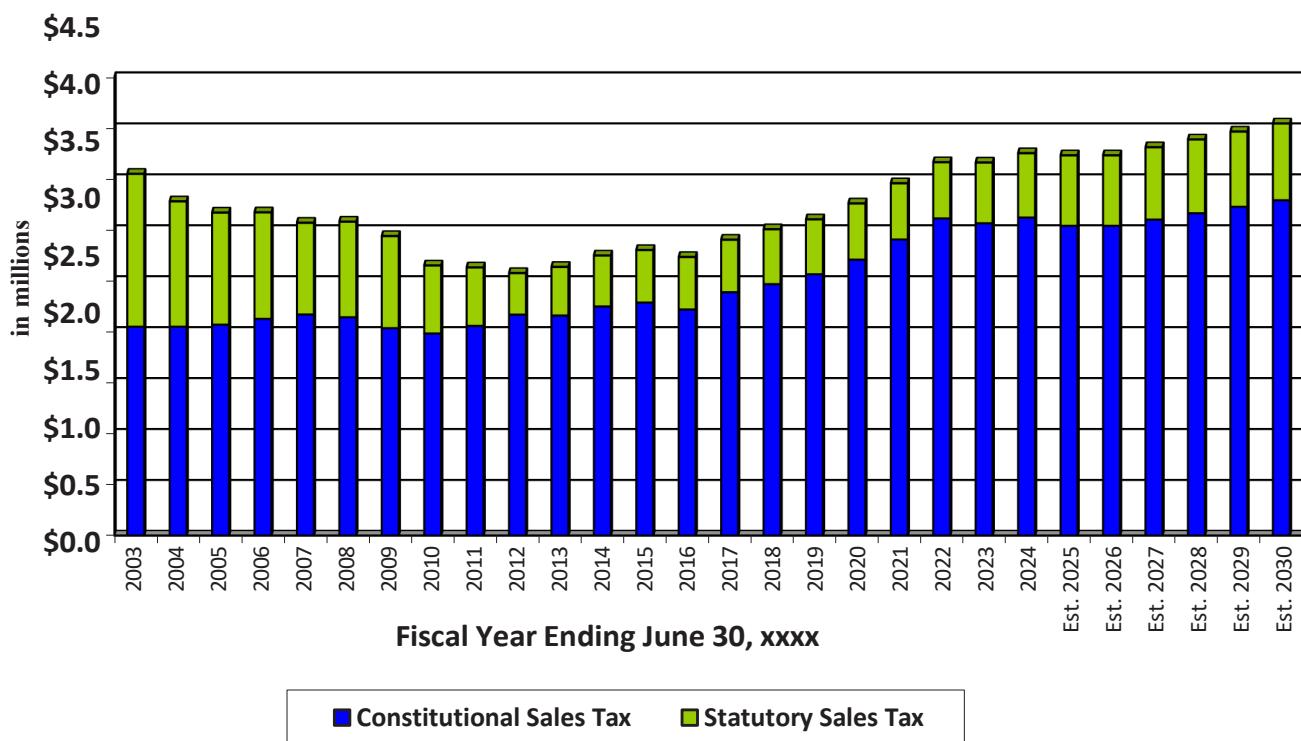
Property Tax

Real Property Tax revenues are projected to increase higher than inflation, which will reduce the millage capacity again in FY 2026. The State Tax Commission has set the inflation factor at 3.1%. 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 3.1% for real property but only 2.0% for personal as personal taxes continue to be subject to new exemption rules. The last four years of the forecast taxes are assumed to increase by 2.3% per year. The forecast also assumes that the millage will be increased incrementally in FY 2026 until we reach the millage maximum levy in FY 2027. As stated before, the forecast shows a need for a new tax revenue stream if we continue to make critical capital investments in public safety.

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 only a slight increase for FY 2026 of 2% and 1.4% thereafter. We are still waiting for the State to approve 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.

State Revenue Sharing Payments



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. Last 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 couldn'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. This is a revenue stream we now monitor monthly, and while it is not anticipated to increase, we are forecasting it to cover the court's operational expenses. The 43rd District Court is also participating with the State Administrators office on a pilot program for court funding starting with jury trials. While this is anticipated to be a long process, it is a small first step in the State assuming fiscal responsibility for the court system they control.

Other Revenues

Active Adult Center revenues have increased slightly following COVID-19 and with the new Active Adult Center building and programming spaces. Due to this growth in 2022-2024, this revenue stream is forecasted to remain status quo for 2027-2030. Without an increase in staffing, this revenue stream and programming is still limited; however, increased revenues from additional programming aren't anticipated to cover the recurring cost of increased full-time staff. In the future, we are looking at the addition of part-time staffing; however, this isn't being considered in the forecast.

Investment Income: It is currently anticipated that rates will stay around 4%- 5% in FY 2026. Therefore, this revenue stream is budgeted at status quo, although the new administration has implied, they will force a reduction of interest rates. Typically, the Federal Reserve has been allowed to operate independently from political decisions.

Major Expenditures

Personnel Costs

The personnel category, including health care premiums and retirement benefits, is forecasted to be 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 a wage of 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 172 full-time employees in FY 2025, is forecasted to decrease by three full-time and increase by three part-time in FY 2026 and then remain at or near the same level until we receive GEMT funding from the State and possibly identify and approve a new millage revenue stream. At that time, we will be evaluating the use of Ground Emergency Medical Transport funding from the federal government to focus on EMT needs, including both equipment and staffing.

Pension contributions for general employees are expected to rise as our plan is closed to new hires and the amortization period for liabilities nears its conclusion. As reflected in the forecast, we plan to continue increasing pension contributions for Police and Fire Pensions, with amounts set to exceed the required contribution each year throughout the forecast period. This estimate is based on the

Supplies

Most supply account line items have been held at status quo for the current year and five forecasted years. Other significant expenditures in the forecast include contracted services, which cover areas such as auditing, solid waste collection and disposal, and assessing services.

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 Skynet. These IT services were recently rebid and are included in the forecast at the base cost of \$250,908 split between the General Fund at \$188,181 and Water and Sewer at \$62,727.
- 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. This contract expires in June 2025, and staff plans to issue a request for bids in early 2025. We do anticipate this service cost to increase and have included a minimum increase of 3%. We do anticipate this new bid may come in higher than the forecasted amount as the cost is driven by the type of service we agree to have, meaning fully automated or an “anything” goes method we currently operate under.

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 water main and sanitary sewers in the Water and Sewer Fund and street-related rehabilitation projects in the Local Street Fund. This forecast and the Capital Improvement Plan being finalized assume a renewal of the Road millage “R-4.” A timeline of the millage is attached for your review. This is critical if we are to continue to make our neighborhood road investments. The City of Madison Heights has had a road millage for the past 28 years.

Assets included in the forecasted capital outlay include computer technology, building improvements, other vehicles, streets, machinery, and equipment in the general fund, and they follow the capital improvement plan. The forecast for capital asset needs in the general fund is included in this forecast for FY 2026, \$3.4 million; FY 2027, \$3.2 million; FY 2028, \$2.5 million; FY 2029, \$2.8 and FY 2030, \$2.7 million. We are anticipating the need to defer over \$1 million of these capital needs for FY 2026, including postponing the Fire Station 1 parking lot and roof replacement, McGillivray Park Playscape and enhancements, Civic Center Park Parking lot, city-wide phone replacement, dispatch furniture replacement, and adding an additional portable events message sign.

Water and Sewer Fund: Major Revenues

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 by 4.0% for FY 2026 based on projections of pass-through increases from our suppliers for Water and Sewer/Stormwater Treatment.

Water and Sewer Rates: 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 assumed 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. However, the actual increase has exceeded 7% for FY 2026.

Infrastructure

The Water and Sewer Fund structure has ensured that adequate funding is available to proactively address water main 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 water main replacement in areas outside the R-3 construction project areas where the older water main is in critical need of replacement.

Based on the analysis below, it is anticipated that the rates will need to be adjusted at approximately 3%- 4% in FY 2026 and FY 2027 in order to afford the capital infrastructure expenditures needed throughout the system. In the long term, the city has been aggressive in replacing water mains for the past ten years with plastic pipes that have an estimated useful life of 50-75 years.

The Capital Expenditure specifically related to Water and Sewer is forecast in line with the proposed Capital Improvement Plan at \$1.5 million for FY 2026, \$1.1 million for FY 2027, \$1.3 million for FY 2028, \$2.3 million for FY 2029, and \$1.5 for FY 2030.

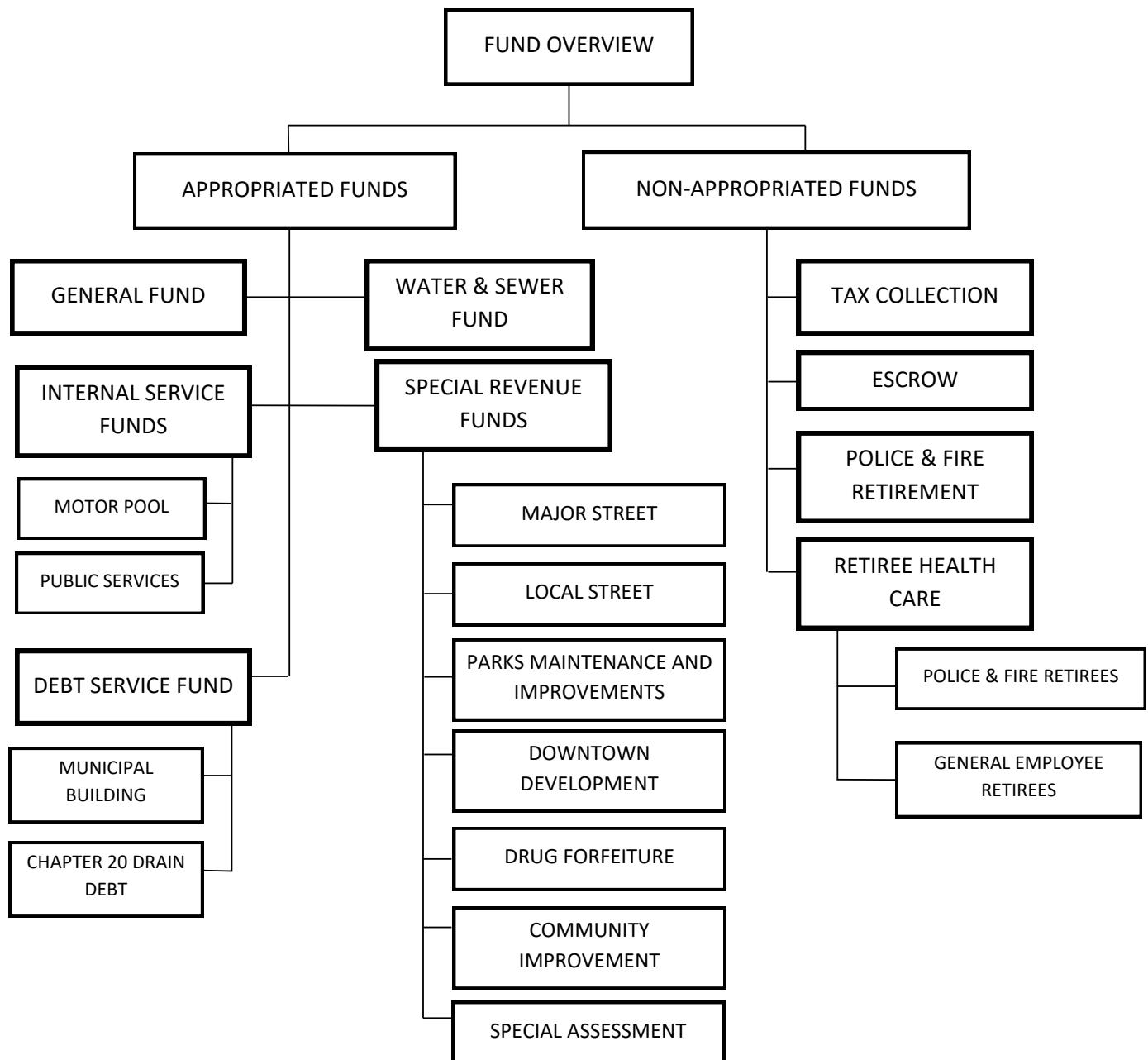
The Water and Sewer fund is anticipated to have \$4.0 million in cash and investments on hand as of June 30, 2025.

Conclusion

Based on the tax structure in the State of Michigan and the capital improvements we would like to continue to do throughout our city, we need to look at the following proactively:

1. Renewal of the Neighborhood Road Millage in 2026 (timeline attached)
2. Brainstorm millage options for funding FY 2028 and beyond, realizing that no millage option will permanently fix the financial situation until the State reforms Proposal A and Headlee.
 - a. Suggestions for a millage to be considered by the voters in August 2026 include a Public Safety— Equipment and Vehicle Millage currently estimated to be needed at 3.5 mills. This is justified by the increased cost of public safety vehicles of over 35% over the past five years and the millage roll-back.

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).

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 throughout the city on a monthly basis using the City's Work order program. The Public Services Divi-

sion 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 2024-2026

	GENERAL FUND			SPECIAL REVENUE/DEBT SERVICE FUNDS *		
	Actual 2023-24	Amended 2024-25	Adopted 2025-26	Actual 2023-24	Amended 2024-25	Adopted 2025-26
REVENUES						
Property Taxes	\$ 24,114,124	\$ 26,125,670	\$ 27,737,742	\$ 2,140,414	\$ 2,267,985	\$ 2,359,599
Licenses and permits	1,412,783	767,842	1,381,220	-	-	-
Intergovernmental	7,586,008	6,422,717	7,705,247	4,067,691	4,388,732	4,216,651
Court fines and fees	1,311,162	1,743,000	1,552,000	-	-	-
Charges for services	298,913	260,430	272,180	-	-	-
Parks and Recreation	350,925	289,000	284,500	-	-	-
Interest and Misc. Revenue	5,200,697	5,017,006	1,745,563	442,726	51,044	99,722
Debt Issuance	-	-	-	-	-	-
Departmental Charges	985,987	821,480	849,441	-	-	-
Transfers from other funds	35,024	657,272	291,899	3,289,543	482,500	483,100
TOTAL REVENUES	\$ 41,295,623	\$ 42,104,417	\$ 41,819,792	\$ 9,940,374	\$ 7,190,261	\$ 7,159,072
EXPENDITURES						
General Government	\$ 4,275,938	\$ 11,789,949	\$ 5,682,155	\$ 2,973,130	\$ -	\$ -
Public Safety	22,578,034	27,188,294	26,171,995	16,542	81,629	55,500
Community Service	4,038,544	669,149	4,189,952	-	-	-
Culture and Recreation	2,426,649	4,005,418	3,438,232	32,676	45,544	98,972
Community Development	1,225,006	1,375,681	1,266,172	4,098,437	6,427,015	4,799,203
Community Improvement	-	-	-	157,751	178,924	169,859
Water Division	-	-	-	-	-	-
Sewer Division	-	-	-	-	-	-
W/S Support and Capital Outlay	-	-	-	-	-	-
Transfers out	3,413,008	482,500	483,100	323,677	27,728	29,399
Debt Service	1,156,052	1,028,108	1,027,707	256,055	482,500	483,100
TOTAL EXPENDITURES	\$ 39,113,231	\$ 46,539,099	\$ 42,259,313	\$ 7,858,268	\$ 7,243,340	\$ 5,636,033
REVENUES OVER (UNDER) EXPENDITURES	\$ 2,182,392	\$ (4,434,682)	(439,521)	\$ 2,082,107	\$ (53,079)	\$ 1,523,039
FUND BALANCES, BEGINNING OF YEAR	\$ 13,705,833	\$ 15,888,225	\$ 11,453,543	\$ 9,063,006	\$ 11,176,382	\$ 11,123,303
FUND BALANCES, END OF YEAR	\$ 15,888,225	\$ 11,453,543	\$ 11,014,022	\$ 11,176,382	\$ 11,123,303	\$ 12,646,342

* 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 2024-2026

	WATER AND SEWER FUND			TOTALS Memorandum Only		
	Actual 2023-24	Amended 2024-25	Adopted 2025-26	Actual 2023-24	Amended 2024-25	Adopted 2025-26
REVENUES						
Property Taxes	\$ 839,348	\$ 223,440	\$ 223,708	\$ 27,093,886	\$ 28,617,095	\$ 30,321,049
Licenses and permits	-	-	-	1,412,783	767,842	1,381,220
Intergovernmental	-	-	-	11,653,699	10,811,449	11,921,898
Court fines and fees	-	-	-	1,311,162	1,743,000	1,552,000
Charges for services	14,282,580	13,132,710	13,874,242	14,581,493	13,393,140	14,146,422
Parks and Recreation	-	-	-	350,925	289,000	284,500
Interest and Misc. Revenue	195,514	155,800	175,800	5,838,937	5,223,850	2,021,085
Special assessments	-	-	-	-	-	-
Departmental Charges	124,286	115,000	115,000	1,110,273	936,480	964,441
Transfers from other funds	-	-	-	3,324,567	1,139,772	774,999
TOTAL REVENUES	\$ 15,441,728	\$ 13,626,950	\$ 14,388,750	\$ 66,677,725	\$ 62,921,628	\$ 63,367,614
EXPENDITURES						
General Government	\$ -	\$ -	\$ -	\$ 7,249,068	\$ 11,789,949	\$ 5,682,155
Public Safety	-	-	-	22,594,576	27,269,923	26,227,495
Community Service	-	-	-	4,038,544	669,149	4,189,952
Culture and Recreation	-	-	-	2,459,325	4,050,962	3,537,204
Community Development	-	-	-	5,323,443	7,802,696	6,065,375
Community Improvement	-	-	-	157,751	178,924	169,859
Water Division	4,017,157	4,865,871	5,144,422	4,017,157	4,865,871	5,144,422
Sewer Division	5,973,078	6,228,216	6,530,531	5,973,078	6,228,216	6,530,531
W/S Support & Capital Outlay	1,551,393	2,602,123	2,531,610	1,551,393	2,602,123	2,531,610
Transfers Out	-	-	-	3,736,685	510,228	512,499
Debt Service	54,041	375,202	375,621	1,466,148	1,885,810	1,886,428
TOTAL EXPENDITURES	\$ 11,595,669	\$ 14,071,412	\$ 14,582,184	\$ 58,567,168	\$ 67,853,851	\$ 62,477,530
REVENUES OVER (UNDER) EXPENDITURES	\$ 3,846,059	\$ (444,462)	\$ (193,434)	8,110,558	(4,932,223)	890,084
FUND BALANCES, ** BEGINNING OF YEAR	\$ 39,415,235	\$ 43,261,294	\$ 42,816,832	62,184,074	70,325,901	65,393,678
FUND BALANCES, END OF YEAR	\$ 43,261,294	\$ 42,816,832	\$ 42,623,398	70,325,901	65,393,678	66,283,762

** 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.

REVENUE CHAPTER



Revenue Overview

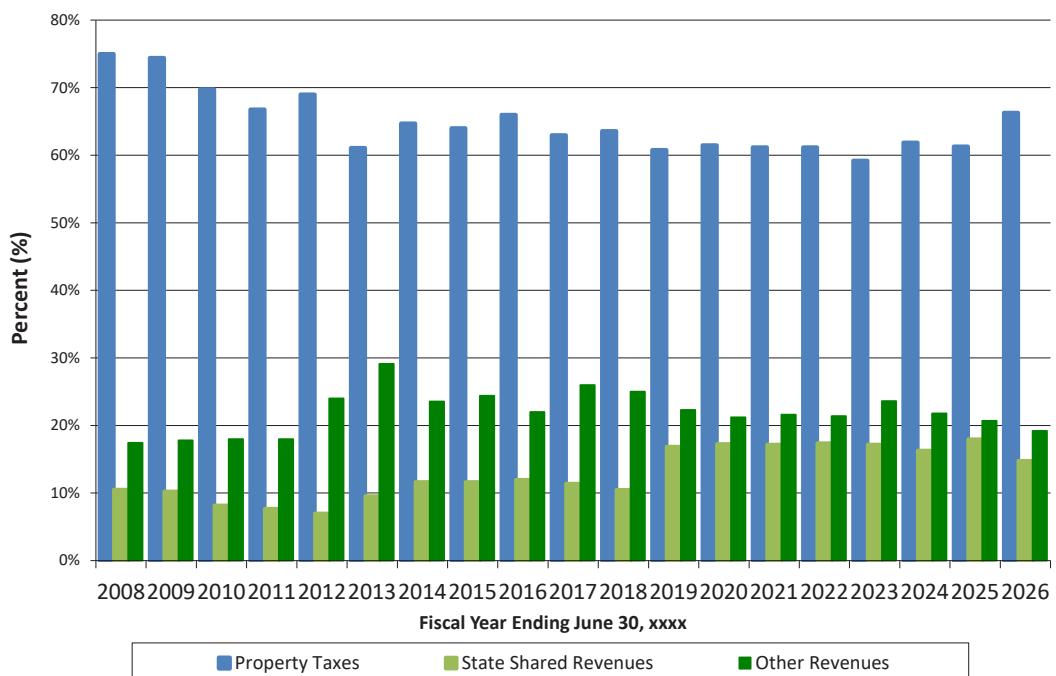
The General Fund Revenues are projected at \$41.8 million, reflecting a decrease of \$284,625 or 0.68% compared to the FY 2025 Amended Budget Revenues, excluding the use of fund balance. This decline results from a combination of factors, including a 3.1% increase in tax revenue driven by the State of Michigan's inflation rate, offset by reductions in federal and state grants, court fines and fees, and other miscellaneous revenue sources.

Base Budget Revenue Changes

The General Fund Revenues for FY 2026 are composed as follows: Property Taxes contribute \$27.7 million, making up 66.3% of total revenues. Intergovernmental Revenues account for \$7.1 million (17.0%), while Court-Related Revenues total \$1.6 million (3.7%). Business Licenses and Permits generate \$1.4 million (3.3%), and Ambulance/Rescue Insurance Reimbursements add \$950,000 (2.3%). Parks and Recreation revenues stand at \$284,000 (0.7%), with Charges for Services contributing \$272,180 (0.7%). Other Revenues amount to \$2.2 million (5.4%), and Transfers In from Other Funds provide \$291,900 (0.7%).

Additionally, the FY 2026 Budget was balanced by utilizing \$436,521 from fund balance reserves.

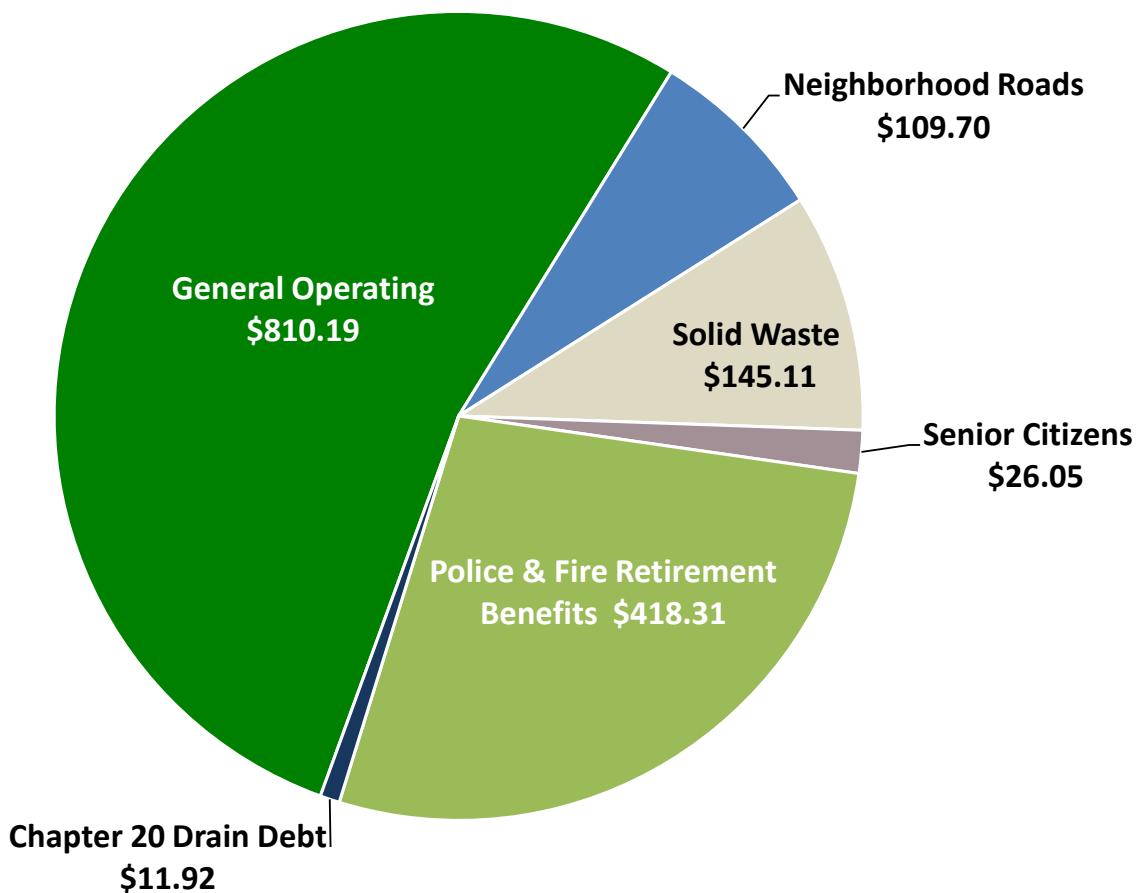
Percentage of General Fund Revenues



The chart above illustrates the City's reliance on various revenue sources for funding.

Average City Taxes - FY 2025-26
Based on Average Home Market Value of \$225,757
(Taxable Value of \$59,758)

Total of \$1,521.27



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 2026 combined City tax rate of 25.4572 mills per thousand dollars of State taxable valuation is broken down as follows:

Operating Millages	<u>DOLLARS PER \$1,000 of TAXABLE VALUE *</u>			
	Tax Rate 2024-25	Tax Rate 2025-26	Tax Rate Limits **	Headlee Tax Limits **
General Operating	13.4674	13.5578	16.0000	13.7195
Neighborhood Road Improvements	1.8681	1.8357	2.0000	1.8357
Solid Waste	2.4711	2.4283	3.0000	2.4283
Senior Citizens	0.4436	0.4359	0.5000	0.4359
Police and Fire Retiree Benefits	7.0000	7.0000	as needed	n/a
Chapter 20 Drain Debt	<u>0.2070</u>	<u>0.1995</u>	as needed	n/a
Total Millage	25.4572	25.4572		

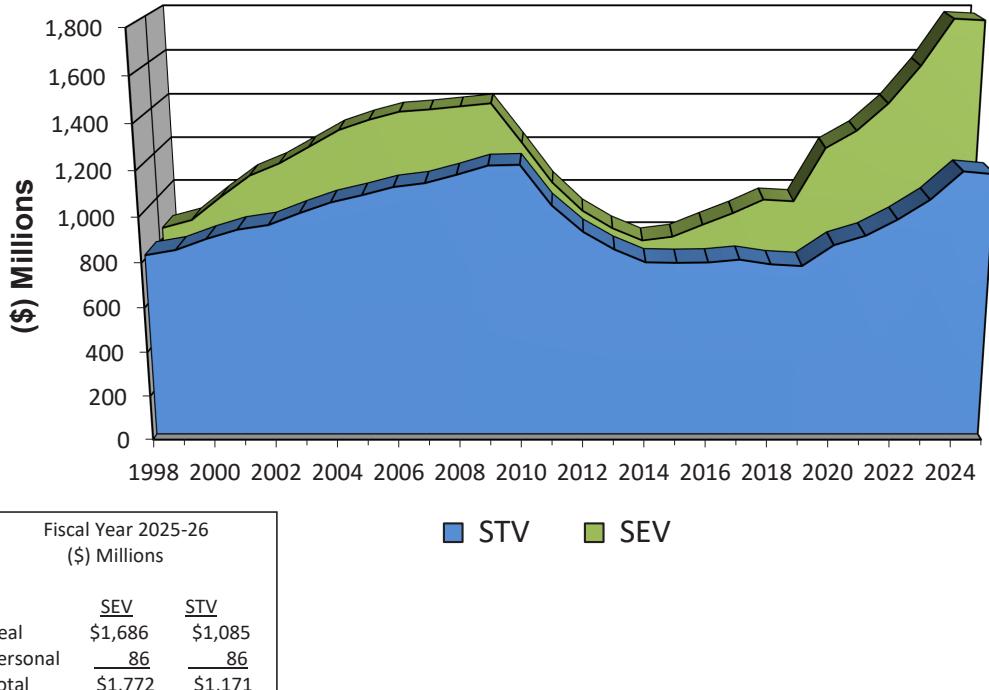
*Michigan taxable value begins at 50 percent of the property's fair market value in the year following the date of transfer as adjusted for inflation per Proposal A of 1994, limiting future assessment increases to 5 percent or the rate of inflation whichever is lower, for each property. For FY 2026, the inflation rate has been calculated at 3.1%.

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 2026 of 0.9827 or 1.73%. 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 10,356 single-family homes and condominiums, 900 commercial parcels, 281 industrial parcels. and 1,667 personal property parcels. The average home market value is \$225,737 (State Equalized Value is \$92,247) with a taxable value of \$59,758 and an average tax bill of \$1,521 for City services for the Fiscal Year 2026.

State Equalized Value (SEV)
 FY 1998 to 2025
State Taxable Value (STV)
 FY 1998 to 2025



Taxable property consists of 92.6% real (land and building) and 7.37% personal (equipment and fixtures).

Property Tax Base

The chart above illustrates the State Equalized Value (SEV) change over the last twenty-seven 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 (54%), commercial (31%), industrial (9%), and personal property (6%). This chart also illustrates the gap between equalized and taxable value. In FY 2026, it is anticipated that 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 inflation rates set by the State Tax Commission at 3.1% for the year, leading to a 1.73% roll-back in Madison Heights.

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 statewide 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 2026, this revenue is estimated to be \$2.3 million. However, this revenue stream remains questionable from year to year as we depend 100% on the State for calculating and reimbursing funds. This has made it very difficult to estimate for budget and planning purposes. In late 2021, the State continued its long-standing practice of using local government funding to pay for other priorities with the passage of HB 5351 to amend the General Property Tax Act again to increase the value of the eligible manufacturing personal property exemption to \$180,000. This legislation more than doubles the personal property tax exemption for small taxpayers. While a one-year revenue replacement was included, the ongoing erosion of funding that supports local services will be permanent unless the Legislature and the Governor fulfill their commitment to finding revenue replacements.

State Shared Revenues

The City's second-largest source of General Fund Revenue is State Revenue Sharing budgeted at \$3.8 million or 9.2% of revenues. This revenue source is generated from sales tax collected by the State government and then transferred back to local units of government. Michigan currently has two forms of revenue sharing payments: constitutional and statutory.

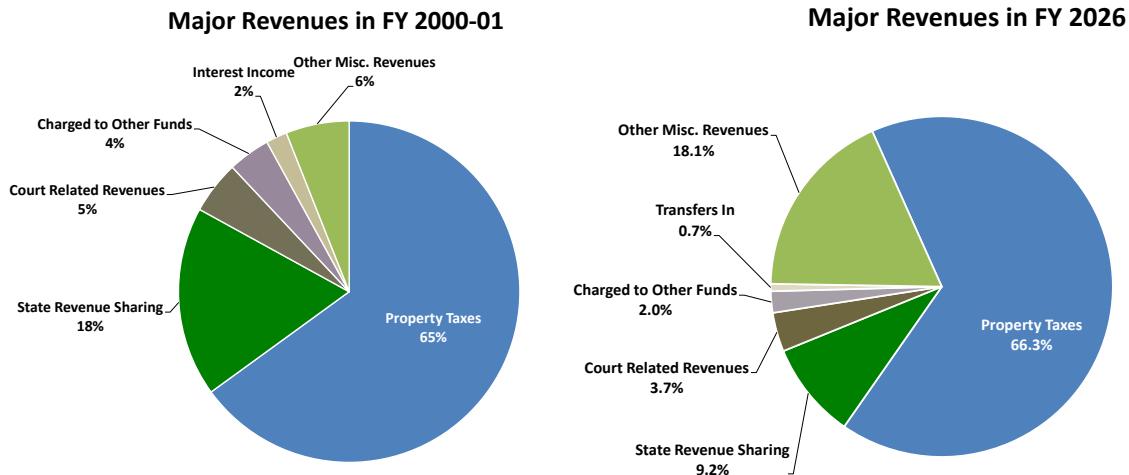
- **Constitutional**

Article IX, Section 10, of the Michigan Constitution requires that "Fifteen percent of all taxes imposed on retailers on taxable sales at retail of tangible personal property at a rate of not more than 4% shall be used exclusively for assistance to townships, cities, and villages, on a population basis as provided by law." For FY 2026, the State projects a distribution of constitutional revenue sharing of \$3,113,539 for the City or a 2.2% (\$67,769) increase over the projected allocation for FY 2025.

- **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 legislation, cities like Madison Heights that had a FY 2010 statutory payment greater than \$4,500 and a population greater than 7,500 receive the greater of the "Percent Payment" or "Population Payment." In FY 2026, this total for the City is budgeted to be \$720,978. This is a 4.4% increase from FY 2025.



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 2026, they are only 9.2% of the total. Statutory and Constitutional revenue sharing has been a target for the State resulting in long-term revenue loss imposed on the City. Over the past twenty- five years, local governments have lost millions of dollars due to these changes in state revenues sharing from the State. From fiscal years 2002 through 2026, Madison Heights has lost \$22.1 million during this period of disinvestment. Michigan has cut support for cities more than any other state since 2002, forcing municipalities to reduce services staff and look for new ways to fund the status quo. The Budget includes increasing state revenue sharing based on recent State projections for total, constitutional and statutory, of \$3.8 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

The third-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 funds the operational cost of the court at \$1.55 million.

The fourth significant revenue is Business License and Permits, which are budgeted at \$1.4 million. These revenues are based on fees charged for license for businesses, landlords and contractors as well as inspection charged for construction permits.

The fifth group of revenue sources, other governmental revenues, includes items that provide between \$100,000 and \$950,000 in annual funding. These revenues include charges to other funds, charges for service, recreation and Active Adult Center user fees, cable television franchise fees, interest income, 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.

Revenue Assumptions

State Shared Revenues (SSR) - Based on Michigan Department of Treasury Projections, Constitutional State Shared Revenues (SSR) are budgeted to be \$3,113,539 and City, Village, and Township Revenue Sharing (CVTRS) is budgeted to be \$720,978. 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 – Represents the estimated amount of earned 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.

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 \$3.8 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 7.38% increase for Madison Heights for water usage in FY 2026. In addition, Oakland County has estimated an increase of 5% for stormwater and sewage disposal. The FY 2026 Budget includes an increase to Madison Heights end-users of 6.33%. 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 \$2.7 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 97% 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 \$1.1 million, 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 \$2.1 million in FY 2026. This millage was for ten-years and is used exclusively to repair and reconstruct residential streets and rights-of-way. Other revenues include interest income budgeted at \$50,000, 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 \$48,972 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, but have recovered with \$254,909 budgeted for FY 2026.

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 \$137,359 for FY 2026. This program is administered by Oakland County and provides reimbursement for expenditures that aid low- to 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 2026, with the budget at \$483,100.

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 0.1995 mills will generate \$223,708 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 \$4.43 to \$4.74; Sewer will increase from \$6.56 to \$6.96 per unit. This is a combined 6.366% increase.

This budget includes a use of net assets in the amount of \$148,434 for FY 2026 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 (\$1,164,580) and the Water and Sewer Fund (\$96,470). 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 (\$786,922), Major Street Fund (\$63,676), Local Street Fund (\$129,151) and Water and Sewer Fund (\$1,425,637).

Fund Balance

The FY 2026 budget is balanced with use of \$436,521 of fund balance.

In Madison Heights, the General Fund Fund Balance consists of designations of assigned fund balance for various purposes, totaling \$15.7 million at June 30, 2024 with a planned use of fund balance in FY 2025 of \$4.4 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 2025 and FY 2026 budget. The following table reflects the audited Fund Balance for the years ended June 30, 2023, and 2024:

FUND BALANCE	ACTUAL	ACTUAL	CHANGE
	FY 2022-23	FY 2023-24	FY 2023 vs. 2024
Unreserved:			
Assigned:			
Vested Employee Benefits	\$2,519,768	\$2,785,173	\$265,405
Retained Insurance Risks	1,046,654	1,050,000	\$3,346
Capital Improvements	3,149,365	4,191,212	\$1,041,847
Debt/Postemployment Benefits	390,009	2,610,970	\$2,220,961
Pension Bonds	900,276	911,302	\$11,026
Capital projects-Civic Center/Fire	1,308,543	0	(\$1,308,543)
Subsequent Year's Expenditures	<u>2,211,835</u>	<u>4,155,991</u>	<u>\$1,944,156</u>
Total Assigned	\$11,526,450	\$15,704,648	\$4,178,198
Legally Restricted and Nonspendable	<u>2,179,383</u>	<u>174,432</u>	<u>(\$2,004,951)</u>
Total Fund Balance	\$13,705,833	\$15,879,080	\$2,173,247

Assigned Funds

Assigned Fund Balance falls into six categories: funds designated for vested employee benefits; retained insurance risks; capital improvement projects, pension bonds, 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, 2024, this designation was set based on audited records at \$2,785,173 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 \$1,050,000 for insurance risk on June 30, 2024.

With the downward pressure on General Fund revenues 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, 2024, the assignment for future capital improvements was included at \$4,191,212. 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, 2024, those carry-forward purchase designated funds totaled \$4,155,991.

In FY 2017, the City issued Pension Obligation Bonds. On June 30, 2024, one year of debt payments for the principal was assigned at \$911,302 and \$2,610,970 was assigned for city contributions for other post-employment benefits and other debt payments.

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, 2024, the City had restricted funds of \$174,432 for prepayments.

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 2025-26

Fund	Estimated Beginning Balance	Revenues	Expenditures	Ending Balance	Percent Change In Fund Balance
General Fund (1)	\$ 11,269,966	\$ 41,822,792	\$ 42,259,313	\$ 10,833,445	-4%
Major Street (2)	4,111,938	2,801,411	2,175,142	4,738,207	15%
Local Street - Non Proposal R (3)	1,053,711	1,250,336	1,160,295	1,143,752	9%
Local Street - Proposal R	4,631,038	2,154,690	1,321,000	5,464,728	18%
Parks Maintenance and Improvements	648,319	48,972	98,972	598,319	-8%
Downtown Development Authority	118,742	282,954	172,165	229,531	93%
Police Drug Forfeiture	110,410	250	55,500	55,160	-50%
Community Improvement Program	47,734	137,359	137,359	47,734	0%
Special Assessments	219,257	0	32,500	186,757	-15%
Municipal Building Bond Fund	47,880	483,100	483,100	47,880	0%
Chapter 20 Drain Fund	0	223,708	223,708	0	0%
Water and Sewer Fund (4)	3,885,982	14,210,042	14,358,476	3,737,548	-4%
Motor Pool and Equipment Fund	0	1,261,050	1,261,050	0	0%
Department of Public Services	0	2,405,386	2,405,386	0	0%
Total	\$26,144,977	\$ 67,082,050	\$66,143,966	\$27,083,061	4%

- The General Fund budget was balanced with a use of \$436,521 use of fund balance in FY 2026. 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 \$7 million for FY 2026.
- The Major Street fund is budgeted to contribute \$626,269 to fund balance. At June 30,2025, the fund balance is projected to be \$4,111,938.
- The Local Street Fund has two components of fund balance. The first includes non-proposal R revenues, which are projected to contribute \$90,041 to fund balance in FY 2026. The second is Proposal R portion a dedicated Roads millage is levied, which is budgeted to contribute \$833,690 to fund balance in FY 2026.
- 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, 2025, the cash portion of retained earnings are projected to be \$3,885,982.

EXPENDITURES CHAPTER



BUDGET POLICIES PROCEDURES

Role of the Budget

The Budget provides the annual financial plan for the management of the City's affairs. The document compiles the financial data needed to support the City of Madison Heights's comprehensive decision-making and policy development process. This Budget is based on the 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** – 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 values to the City is on the entire network and not the individual assets (e.g. computer systems and telephone systems).
2. **Valuation** - In accordance with generally accepted accounting principles, the City will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time

of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the City, the asset will be valued based on the fair market value at the time the asset is donated.

3. Capital Assets Inventory Report - As part of the financial audit, the Finance Department shall submit a capital asset report to the City's independent auditor on an annual basis. This report will include the following information:

- a. Type of asset (i.e. land, building, infrastructure)
- b. Date of acquisition
- c. Acquisition cost
- d. Estimated useful life
- e. Annual depreciation
- f. Accumulated depreciation

4. Depreciation - The City will use the Straight-Line Method as its standard approach to depreciate capital assets.
5. Salvage Value - The City will set the salvage value on capital assets at 10 percent of acquisition cost.
6. Estimated Useful Lives - For assets purchased after July 1, 2016, the City will use the following ranges in setting useful lives for depreciating assets:
 - a. Buildings and land improvements - 50 years
 - b. Machinery and equipment - 5 years
 - c. Furniture and fixtures - 5 years
 - d. Office Equipment - 5 years
 - e. Vehicles - 5 years
 - f. Infrastructure assets
 - i. Streets and bridges - 25 years
 - ii. Sidewalks - 15 years
 - iii. Utility systems - 20-50 years

7. Capital vs. Repair and Maintenance Expense -

- a. With respect to improvements on non-infrastructure and infrastructure capital assets, cost should be capitalized if the useful life of the asset is substantially extended, or the cost results in a substantial increase in the capacity or efficiency of the assets.
 - i. Otherwise the cost should be expensed as repair and maintenance.
- b. With respect to improvements on infrastructure capital assets under the Modified Accrual Approach, cost should be capitalized if expenditures substantially increase

the capacity or efficiency of an infrastructure.

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

Debt Policies

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

Investment Policy

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

could impair or create the appearance of an impairment on their ability to make impartial investment decisions.

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

\$3,000,000 or less, which meet the statutory restrictions above.

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

Electronic Transactions of Public Funds Policy

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

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

2. Responsibility for ACH.

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

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

The Treasurer shall be responsible for the establishment of ACH agreements. The Treasurer shall

make arrangements for those accounts to be paid by ACH or electronic transfers.

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

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

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

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

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

Auditing and Financial Reporting Policies

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

Credit Card Policy

1. The Finance Director/Treasurer is responsible for the City of Madison Heights credit card accounting, monitoring, and generally for overseeing compliance with this credit card policy. The Human Resources Director 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 The Rehmann Group, Certified Public Accountants. 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 25 Audit Presented to City Council at Regular City Council Meeting.

December 2 Financial Forecast Presentation at Special Meeting – Strategic Planning

STRATEGIC PLANNING

October 9 City Manager discussed with Department Heads the development of long-term Department needs.

November 6 Deadline for Department Heads to submit their long-term, needs for strategic planning. This would include any future challenges anticipated for the Department.

December 2 Strategic Planning: Financial Overview with an update of current projects and Department activities discussions.

December 2-January 7 Department Heads develop action strategies for achieving each primary objective based on Strategic Planning discussion.

January 7-17 City Manager reviews action strategies and cost, and compiles a report and plan for Council review.

January 22 City Manager and Department Heads discuss the strategic plan at Staff Meeting.

January 23 The 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 finalized

CAPITAL IMPROVEMENT PLAN (CIP)

October 9	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 28-31	City Manager Meets with Department Heads and goes over CIP requests
October 31 –November 17	Staff prepares maps and graphs for CIP document
October 31 – November 17	Staff compiles requests, prepares tables and narrative
November 20 – December 6	Staff produces CIP document
December 4 – December 11	Department Heads review Manager's Draft CIP
December 19	City Council forwarded Five-Year CIP (Council has requested to have document at least two weeks before the meeting).
January 13	City Council receives and files the report
March 6	CIP is revised based on Proposed Budget

OPERATING BUDGET

October 8	First quarter financial report distributed.
November 1 – December 19	Department Heads submit accomplishments, objectives, and goals to the Assistant to the City Manager
November 1- January 6	Review of contractor agreements/rates, if applicable.
December 5	Human Resources surveys departments on projected retirements.
January 13	City Council Adopts Capital Improvement Plan
January 7	Second Quarter financial report distributed/second quarter revenue estimates and expenditure review complete.

OPERATING BUDGET

December 19 – January 6	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 8	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 21	Budget information is submitted to the Departments for completion of the department submittals.
February 6	Deadline for submission of department budget requests/justification.
February 19 – February 21	City Manager's review of budget requests with Department Heads.
February 16	Finance Department prepares all revenue estimates/County Assessor prepares initial tax revenue estimates.
February 21	Water rate study updated.
February 26	Governor's State of State Address with Proposed Budget Revenue Sharing amounts to follow in two to four weeks
March 6 – April 1	Staff produces proposed budget for submissions to City Council.
April 15	Council Budget Workshop
May 12	Public Hearing and Adoption of Budget & Tax Levy.
May – June	Staff produces and electronically posts the Adopted Budget document and distributes to City Council, Department Heads, and the Public.
Late June	Staff prepares year-end budget amendments as needed, and Council reviews them for approval

FY 2026 APPROPRIATION DETAIL

The FY 2026 Appropriation Detail section provides a comprehensive breakdown of the amounts allocated within the City's line-item budget, offering essential backup and support information for each designated expenditure. This section also highlights any necessary adjustments to the base budget to ensure that the City can effectively meet its ongoing obligations in the upcoming fiscal year. These adjustments reflect changes in funding needs across various departments, programs, and services, ensuring that the City continues to deliver vital services and fulfill its commitments to residents, business, and other stakeholders.

Personnel Services

Wages & Benefits

Personnel services account for approximately \$31.1 million, or 46.98% of the Total Budget, and about \$27.6 million, or 65.4% of the General Fund Budget. Compared to the FY 2025 Amended Budget, personnel services across all funds have increased by \$479,000. This increase is attributed to several factors, including wage, pension contribution, and is offset by the elimination of four full-time positions.

With the exception of eight executive and administrative employees, the City's entire full-time workforce is represented by one of eight bargaining units (seven City unions and one 43rd District Court union). The labor agreements for all eight bargaining units, as well as non-union administrative staff, are set to expire on June 30, 2026. These agreements include a 3% wage increase for FY 2026. The City continues to allocate additional pension contributions to the Police and Fire Pension Fund to address its underfunding. Additionally, there have been changes to the budgeted positions, including the elimination of four full-time roles, such as the Special Projects/Grant Administrator and three Emergency Medical Technicians. However, part-time hours have been added at the Active Adult Center, and two part-time, year-round positions have been introduced in the Department of Public Services.

Pensions

The largest component of fringe benefit costs is the employer's contribution to the pension systems. For FY 2026, this expense is budgeted at \$9.2 million, compared to \$8.4 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, which was established under Michigan Public Act 345. The remaining full-time employees are covered by the Municipal Employees' Retirement System (MERS). As of June 30, 2024, the Police and Fire Pension Fund had a liability of \$93.7 million, with 60% (\$56.2 million) funded. The FY 2026 budget includes pension contributions of \$3.4 million for Fire and \$4.3 million for Police to continue addressing this funding shortfall.

For the General Employees plan, which is administered through MERS, all employee groups, including non-union staff, have agreed to close the pension plan for new hires. Since 2005, pension benefits for new hires have shifted from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. This transition began with the Department of Public Services contract and was fully adopted by all groups over the following four years. The City funds the DC plans at 8.0%, with employee contributions varying by union. Prior to FY 2026, when a plan switches from DB to DC,

it becomes closed, and the remaining unfunded liability for the DB plan was paid as a flat dollar amount per employee. However, because the number of active DB employees has not significantly decreased, we continue funding the DB contribution via lump sums in the General Fund and Water and Sewer Fund, based on the percentage of active employees and retirees in each fund. The employer contribution for the General Employees' Pension Fund through MERS is projected to be \$1.4 million in FY 2026, up from \$1.1 million in FY 2025.

Under Public Act 329 of 2012, the State authorized municipalities to issue bonds to cover pension and post-employment benefit liabilities, subject to certain conditions. These included achieving a municipal credit rating of AA or higher, closing pension plans to new hires, preparing a comprehensive financial plan, and obtaining approval from the Michigan Department of Treasury. In FY 2017, the City issued Pension Obligation Bonds (POBs) for the General Employees' Pension Fund, in accordance with Public Act 34 of 2001 and a resolution passed by City Council on March 28, 2016. The analysis of issuing POBs showed that the City would save approximately \$4 million over 16 years if the bonds sold with a true interest cost of 4.2% and investment earnings averaged 5.2%. The bonds were sold in September 2016 with a true interest cost of 3.12%, which was lower than expected, leading to even greater long-term savings. Debt payments for POB principal and interest in FY 2026 are budgeted at \$1.18 million. Since the City now only needs to fund the normal cost annually, the General Employees' pension was considered 100% funded until calendar year 2021. However, MERS assumptions and actuarial calculations have shown a decline, and as of December 31, 2023, the pension is estimated to be 91% funded, according to the most recent actuarial report.

Medical Costs

- **Health Care Coverage - Active Employees**

Health care coverage for active employees represents the second-largest fringe benefit cost for the City.

The FY 2026 budget reflects a decrease of \$146,927 in medical insurance costs for active employees. This reduction is based on projections from the City's health care consultant, which anticipate a 2% increase, combined with savings from the elimination of four full-time positions. All active employees who opt into the City's health insurance plan are enrolled in the self-insured Blue Cross Blue Shield Community Blue 4 Plan. The plan includes the following features:

- A deductible of \$500 for single coverage, \$1,000 for couple/family coverage
- A 20% co-pay for expenses exceeding the deductible, with a maximum out-of-pocket cost of \$1,500 for single coverage and \$3,000 for couple/family coverage per year
- Per visit fees: \$30 for doctor's office visits, \$30 for urgent care, and \$150 for emergency room visits
- Prescription copays: \$5 for generic, \$40 for preferred brand, and \$80 for non-preferred brand prescriptions.

On July 1, 2017, the City reduced the employee contribution toward medical premiums from 20% to 10% for all groups, in accordance with PA 152.

To help offset the higher prescription drug card deductible, the City contributes \$125 annually into a Flexible Spending Account (FSA) for each employee, which can be used for eligible medical expenses for themselves and their dependents. Employees in the Police and Fire bargaining units opted to have this \$125 contribution applied to their taxable uniform allowance.

Additionally, the City partners with the cities of Ferndale, Royal Oak, Hazel Park, and Oak Park to operate a municipal employer-sponsored health and wellness center. Participating cities, which are self-insured, save on traditional insurance by reducing visits to traditional insurance providers and eliminating mark-ups for office overhead, diagnostic tests, and prescriptions. For more information about the MiLife Center, please refer to the Personnel Chapter.

- **Health Care Coverage - Retirees**

In 2021, the City transitioned all current retiree health insurance plans to mirror the benefits provided to active employees. Retirees now receive the same health insurance plan as active employees, which is the Community Blue PPO with a \$5/\$40/\$80 drug card. Retirees not yet on Medicare were enrolled in this plan starting July 1, 2021, while retirees on Medicare were enrolled in the Medicare version of the same plan beginning January 1, 2022.

These changes have resulted in a reduction of the City's liability for retiree health care by over \$48 million, from \$86.1 million to \$44.6 million. As of June 30, 2023, the City has accumulated a net position of \$42.2 million in both health care trusts, with a reduced liability of \$36.3 million. This has resulted in 106.56% funding for the Police and Fire trust and 134.91% funding for the General Employee Trust—an important milestone that will help keep the City on stable financial ground for years to come.

Thanks to the increased funding percentage, retiree health care premiums that were previously paid from the operations budget will now be covered by these health care trusts. For example, retiree health care costs that were budgeted at over \$3.3 million in FY 2023 are now projected to total \$370,232 in FY 2026. This shift also allowed the City to reduce the Police and Fire Retiree Benefit millage from 7.1155 to 7.0000 while increasing contributions to the pension system.

- **Dental Coverage**

All employees receive Delta Premier PPO dental coverage, with an annual benefit of \$1,500 for specified dental procedures. In addition, the City provides a lifetime orthodontic benefit of up to \$1,000. While the dental and orthodontic coverage rates are expected to remain the same, the overall budget for dental coverage will decrease by approximately \$2,500 due to a reduction in the number of covered employees. The budget for dental coverage is now set at \$216,910.

- **Life Insurance Coverage**

The Fire Fighters, Police Command Officers, Police Officers, and Department Heads bargaining groups receive a \$50,000 life insurance policy for active employees. The Municipal Employees Union, DPS Employee - Field Workers Union, Supervisors and Assistants Union, and Court Clerks have a \$35,000 policy. Many retirees are covered by a \$10,000 life insurance policy. The annual premiums for these coverages are \$264 for the \$50,000 policy and \$185 for the \$35,000 policy. Effective July 1, 2011, as part of new labor agreements, retiree life insurance is no longer provided for new hires. The total budget for life insurance is \$43,739.

- **Worker's Compensation**

Until 2010, the City was fully insured for workers' compensation through the MML municipal pool, with Meadowbrook serving as the third-party administrator. As part of the FY 2010-11 Budget, effective July 1, 2010, the City transitioned to a self-insurance plan, contracting with Comprehensive Risk Services (CRS) as a third-party administrator and converting to a pay-as-you-go claims model. In FY 2010, the City spent \$382,100 on workers' compensation premiums.

Training has been provided to Department Heads and Supervisors regarding workers' compensation

management, allowing the City to better control costs now that we are self-funded. Over the past 14 years (FY 2011-2025), this self-insured, pay-as-you-go approach has saved an estimated \$2,658,300 compared to fully insured premiums.

- **Other Benefits**

The budget for vision insurance remains unchanged for the FY 2026 budget, with premiums set at \$58.32 for single coverage, \$105.00 for couple coverage, and \$163.32 for family coverage. Optical insurance is budgeted at \$17,124.

Premiums for short-term and long-term disability insurance have increased by 3.2%, with the total now at \$60,109.

The employer 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 remain unchanged. The only change in the budget for these items is a result of staffing changes, impacting the application of these rates 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 will remain at current levels.

- **Longevity Pay**

The City began phasing out longevity pay for employees hired after 1994. All non-sworn groups agreed to eliminate longevity pay for new hires effective between July 1, 1997, and August 1, 1999. Additionally, longevity pay has been eliminated for all new Police and Fire employees effective July 1, 2009. Of the 169 active employees, only 17 still receive longevity pay. The budget for longevity pay in FY 2026 is \$83,383.

Supplies and Other Services and Charges

In the non-personnel service areas of supplies, the department's budgets have increased 3.7% or \$165,855 overall across all funds when compared to the Amended Budget for FY 2025. While there were some small fluctuations in General Fund accounts, such as an increase of \$5,000 for trees, recreation program activity increasing \$17,000 and a decrease of \$20,000 in Police tools and supplies for vehicle upfitting, the majority of this increase is from commodity rate increases for water and sewer. Water purchased by the City for distribution to our residents and businesses is increased by 7.58% or \$195,277, offset by reductions of \$25,000 for trees in the water and sewer fund.

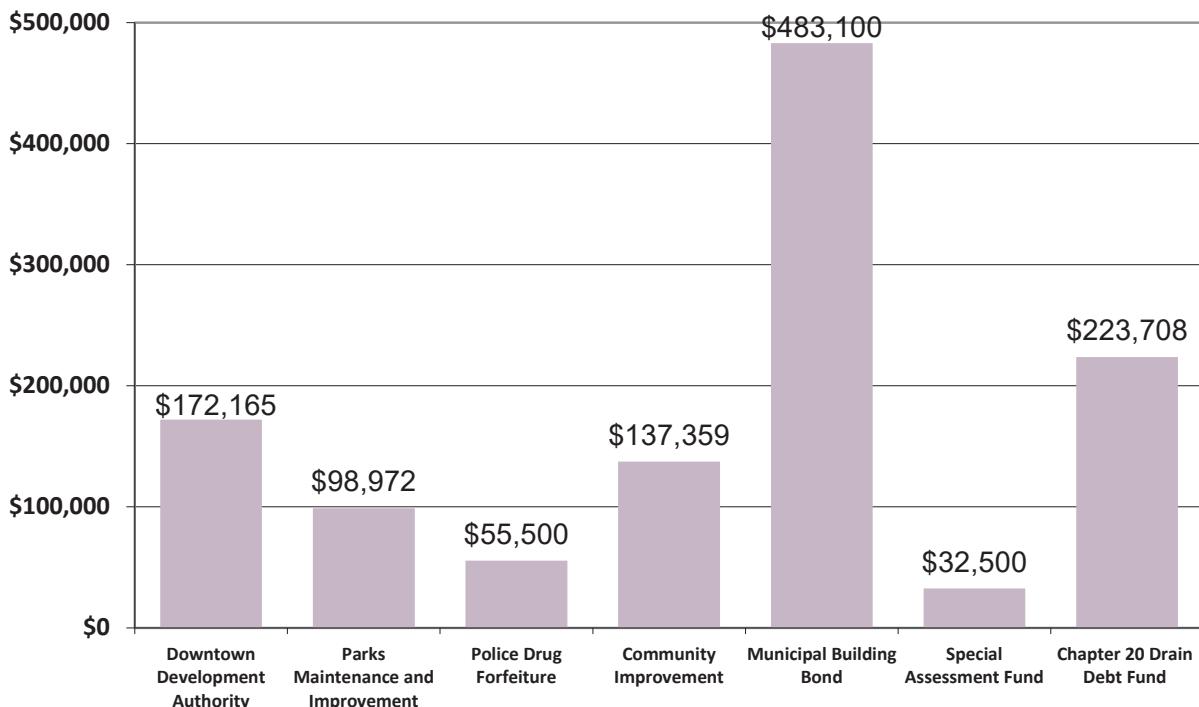
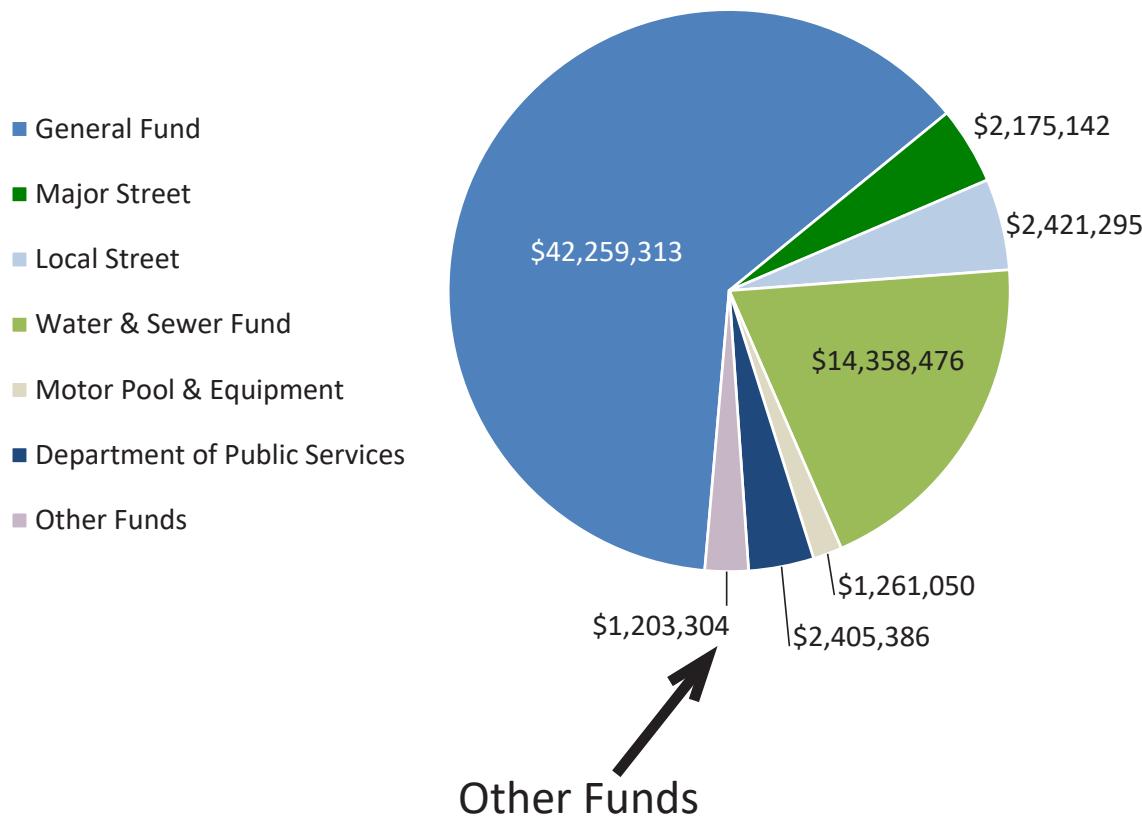
The area of Other Services and Charges increased 1.3% or \$63,328 overall across all funds when compared to the Amended Budget for FY 2025. The increase is primarily related to budgeted increases for the purchase of sewage/storm treatment of \$253,000, offset by a decrease in financial audit fees of \$10,000, increase in computer services for security increase \$90,000, decrease on contracted services – federal for the energy future grant, and an increase of \$107,000 in legal services.

Capital Outlay

Total capital outlay purchases across all funds for FY 2026 amount to \$8.8 million. Investment in capital outlay remains above historical averages due to significant road rehabilitation and reconstruction projects. This includes R-3 dedicated millage projects, major road sectional work, sidewalk repairs, the gap program, and water and sewer line replacements. More details on these purchases including the budgeted dollar amounts can be found in the Department Chapters, Capital Improvement Plan and the Capital Outlay section of the policy documents.

ALL FUNDS APPROPRIATIONS

FISCAL YEAR 2025-26



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 2025-26

Activity	General Fund	Major Street	Local Street	Parks Maintenance & Improvement	Downtown Development Authority	Police Drug Forfeiture	Community Improvement
City Council	\$ 64,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District Court	1,595,229	-	-	-	-	-	-
City Manager	295,902	-	-	-	-	-	-
Elections	144,538	-	-	-	-	-	-
City Assessor	247,787	-	-	-	-	-	-
Legal	481,960	-	-	-	-	-	-
City Clerk	467,141	-	-	-	-	-	-
Human Resources	475,684	-	-	-	-	-	-
Board of Review	2,373	-	-	-	-	-	-
General Administration	1,314,624	-	-	-	-	-	-
Finance	929,617	-	-	-	-	-	-
Information Technology	617,637	-	-	-	-	-	-
Municipal Building	67,384	-	-	-	-	-	-
Custodial & Maintenance	200,817	-	-	-	-	-	-
Police	14,457,705	-	-	-	-	55,500	-
Fire	10,119,061	-	-	-	-	-	-
Community Development	1,266,172	-	-	-	172,165	-	137,359
Streets	1,155,660	2,175,142	2,481,295	-	-	-	-
Solid Waste	3,034,292	-	-	-	-	-	-
Recreation	376,269	-	-	-	-	-	-
Parks	1,466,171	-	-	98,972	-	-	-
Active Adult Center	574,835	-	-	-	-	-	-
Library	1,020,957	-	-	-	-	-	-
Water and Sewer	-	-	-	-	-	-	-
Insurance/Bonds/Transfers	1,883,297	-	-	-	-	-	-
Motor Pool	-	-	-	-	-	-	-
Department of Public Service	-	-	-	-	-	-	-
Total Appropriations	\$ 42,259,313	\$ 2,175,142	\$ 2,481,295	\$ 98,972	\$ 172,165	\$ 55,500	\$ 137,359

ALL FUNDS SUMMARY

FISCAL YEAR 2025-26

Municipal Building Debt Fund	Water and Sewer Fund	Motor Pool and Equipment Fund	Department of Public Services	Chapter 20 Drain Debt Fund	Total	
\$ -	\$ -	\$ -	\$ -	\$ 64,201	City Council	
-	-	-	-	1,595,229	District Court	
-	-	-	-	295,902	City Manager	
-	-	-	-	144,538	Elections	
-	-	-	-	247,787	City Assessor	
-	-	-	-	481,960	Legal	
-	-	-	-	467,141	City Clerk	
-	-	-	-	475,684	Human Resources	
-	-	-	-	2,373	Board of Review	
-	-	-	-	1,314,624	General Administration	
-	-	-	-	929,617	Finance	
-	-	-	-	617,637	Information Technology	
-	-	-	-	67,384	Municipal Building	
-	-	-	-	200,817	Custodial & Maintenance	
-	-	-	-	14,513,205	Police	
-	-	-	-	10,119,061	Fire	
-	-	-	-	1,575,696	Community Development	
-	-	-	-	5,844,597	Streets	
-	-	-	-	3,034,292	Solid Waste	
-	-	-	-	376,269	Recreation	
-	-	-	-	1,565,143	Parks	
-	-	-	-	574,835	Active Adult Center	
-	-	-	-	1,020,957	Library	
-	14,206,563	-	-	14,206,563	Water and Sewer	
483,100	151,913	-	-	223,708	2,742,018	Insurance/Bonds/Transfers
-	-	1,261,050	-	-	1,261,050	Motor Pool
-	-	-	2,405,386	-	2,405,386	Department of Public Service
\$ 483,100	\$ 14,358,476	\$ 1,261,050	\$ 2,405,386	\$ 223,708	\$ 66,143,966	Total Appropriations

ALL FUNDS APPROPRIATIONS
PER STATE OF MICHIGAN DETAILED CATEGORY CLASSES
FISCAL YEAR 2025-26

Activity	Personnel Services	Supplies	Other Services & Charges	Capital Outlay	Total
City Council	\$ 57,296	\$ 325	\$ 6,580	\$ -	\$ 64,201
District Court	1,102,848	31,900	454,956	5,525	1,595,229
City Manager	286,217	1,600	8,085	-	295,902
Elections	92,967	24,800	26,771	-	144,538
City Assessor	-	-	247,787	-	247,787
Legal	-	-	481,960	-	481,960
City Clerk	424,473	5,600	37,068	-	467,141
Human Resources	214,239	350	261,095	-	475,684
Board of Review	2,373	-	-	-	2,373
General Administration	1,175,296	56,525	79,553	3,250	1,314,624
Finance	840,618	7,250	81,749	-	929,617
Information Technology	-	52,500	471,387	93,750	617,637
Municipal Building	-	-	67,384	-	67,384
Custodial & Maintenance	18,110	21,700	161,007	-	200,817
Police	13,124,108	112,500	746,797	529,800	14,513,205
Fire	8,241,381	130,050	606,880	1,140,750	10,119,061
Community Development	734,491	8,000	697,806	106,000	1,546,297
Streets	18,552	306,899	1,943,746	3,572,900	5,842,097
Solid Waste	76,971	13,100	2,859,221	85,000	3,034,292
Recreation	252,425	70,718	53,126	-	376,269
Nature Center	-	-	-	-	-
Parks	85,444	43,000	421,699	1,015,000	1,565,143
Active Adult	301,602	152,500	100,733	20,000	574,835
Library	676,553	30,000	156,404	158,000	1,020,957
Insurance and Transfers	-	-	1,037,489	-	1,037,489
Debt Service	-	-	1,736,428	-	1,736,428
Water and Sewer	413,868	3,287,236	8,180,209	2,325,250	14,206,563
Motorpool	438,730	256,400	565,920	-	1,261,050
Department of Public Services	2,379,957	14,000	11,429	-	2,405,386
Total Appropriations	\$ 30,958,519	\$ 4,626,953	\$ 21,503,269	\$ 9,049,700	\$ 66,143,966

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 \$986,610 across all funds for FY 2026.

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 \$2,658,300 (FY 2011-2025) compared to fully insured premiums. The administrative costs are allocated to individual budget activities of the City, based on payroll exposure. The actual workers compensation payments of claims will be allocated to the department where the worker's compensation claims are generated. Please refer to the Personnel and Positions Chapter for a discussion of overall savings since switching to self-insurance for workers' compensation.

Special Events Insurance Requirements

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

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

DEBT ADMINISTRATION

The City's current Governmental Activities General Obligation long-term debt outstanding is \$16.3 million. This amount includes \$2.7 million of vested employee benefits; and \$13.5 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, 2026, the City will be at 9.75% of the City's debt limit of \$177 million, which is based on 10% of assessed valuation. The City has general obligation bonds outstanding in the amount of \$6.1 million of a new issue for Civic Center Project Bond, and \$7,285,000 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 \$240,128.

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, 2026:

- 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. The remaining principal balance is \$6.1 million.
- 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 of \$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 \$240,128 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.

On March 28, 2016, staff 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%. As of June 30, 2023 there are seven years remaining on this bond.

LEGAL DEBT MARGIN
 (amounts expressed in thousands)
 June 30, 2026

Calculation of debt limit:	2020	2021	2022	2023	2024	2025	2026
State equalized valuation	\$ 1,135,111	\$ 1,211,277	\$ 1,287,299	\$ 1,394,386	\$ 1,541,632	\$ 1,677,989	\$ 1,772,145
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>	<u>177,214</u>
Calculation of debt subject to limit:							
Total debt	\$ 19,053	\$ 17,392	\$ 14,565	\$ 18,835	\$ 20,764	\$ 18,832	\$ 18,832
Less: debt not subject to limit:							
General obligation (2)	4,063	3,277	2,836	1,895	1,378	1,327	1,562
Special revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net debt subject to limit	\$ 14,990	\$ 14,115	\$ 11,729	\$ 16,940	\$ 19,386	\$ 17,505	\$ 17,270
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>\$ 150,294</u>	<u>\$ 159,945</u>
Net debt subject to limit as % of debt limit	13.21%	11.65%	9.11%	12.15%	12.58%	10.43%	9.75%

(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

<u>Fiscal Year Ending June 30</u>	<u>**Civic Center Project General Obligations</u>	<u>Kuhn Drain Obligations</u>	<u>Pension Obligation</u>	<u>Total</u>
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	\$ 8,638,400	\$ 253,872	\$ 8,206,530	\$ 17,098,802

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 Ending June 30</u>				<u>Total Requirements</u>
	<u>Principal</u>	<u>Interest</u>		
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>\$ 6,160,000</u>	<u>\$ 2,478,400</u>	<u>\$ 8,638,400</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>	
2026	\$ 68,025	\$ 5,633	\$ 73,658	
2027	59,862	4,115	63,977	
2028	60,931	2,713	63,644	
2029	51,310	1,283	52,593	
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 240,128	\$ 13,744	\$ 253,872	

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

	Fiscal Year			Total
	<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
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>	
	<u>\$ 7,285,000</u>	<u>\$ 921,530</u>	<u>\$ 8,206,530</u>	

PERSONNEL AND POSITIONS



The City of Madison Heights employs 169 full-time positions yielding 5.9 full-time employees per 1,000 of the City population based on the 2024 population estimate of 28,238. The City also employs 136 positions on a part-time or seasonal basis. Personnel services comprise approximately \$31.1 million or 46.98% of the total budget and approximately \$27.6 million or 65.4% of the General Fund Budget.

Personnel costs have increased by approximately \$479,000 compared to the FY 2025 budget. This increase is primarily due to a \$400,000 rise in overall wages, driven by a 3.0% wage increase for all bargaining groups and non-union employees. Other factors contributing to change include the reduction of four full-time positions, offset by the addition of two part-time positions. Additional changes include a \$151,465 increase in pension contributions and a \$22,792 rise in retiree health care contributions. There is a decrease in budgeted retiree benefits, as these costs are now covered by the retiree health care trust. The reduction from FY 2025 to FY 2026 includes: medical benefits (\$126,497), dental (\$2,529), optical (\$980), and life insurance (\$1,117), which is offset by increases in disability insurance (\$1,858) and workers' compensation insurance (\$9,307).

Except for eight executive and administrative employees, the City's entire full-time workforce belongs to one of eight bargaining units (seven City unions and one 43rd District Court union). The unions can be divided into two groups based on binding arbitration rights provided to public safety sworn employees by the State under Public Act 312. The sworn unions include the Police Command Officers Union, Police Officers Union, 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 seven bargaining units and non-union administrative staff have labor agreements that will expire June 30, 2026.

Personnel Actions

The FY 2026 Budget shows a net decrease of 1.0132 full-time equivalents (FTEs). This reduction is primarily due to the elimination of the full-time Special Projects/Grant Administrator position, driven by the expected decline in federal grant funding. Additionally, three Emergency Medical Technician positions were eliminated after unsuccessful negotiations with the Fire Union. Staff additions include the addition of a Deputy Fire Chief position that was approved and partially funded (1/3) in FY 2025, and reflects the creation of two part-time, year-round Park Employee positions, as well as an increase in part-time hours for the Active Adult Center bus drivers.

The City is dedicated to evaluating staffing needs while upholding fiscal responsibility, which is why it has reinstated a hiring freeze. All open positions must undergo review to assess potential consolidation or elimination before they can be filled. Although Proposal MH passed in 2019, the impacts of Proposal A and the Headlee Amendment (as outlined in the revenue section) prevent

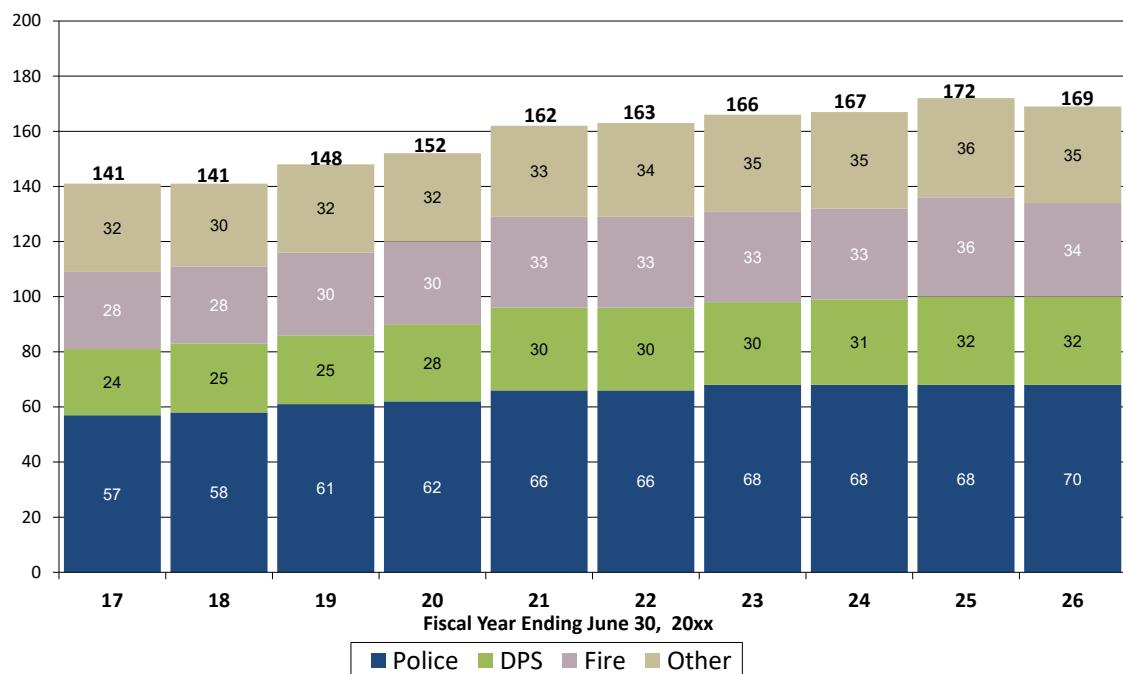
the City from fully meeting fiscal needs while combating expenditure inflation. As a result, the City must stay vigilant with its largest expenditure—personnel costs—whose wages and benefits increase each year. The City's objective is to remain financially strong and avoid potential cutbacks in the event of an economic downturn. Additionally, the City is actively exploring opportunities for position consolidation and reorganization, where feasible, to ensure fiscal stability without compromising essential 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 began restoring a limited number of essential positions to increase services delivered to our residents however, starting with FY 2026 we are again starting a hiring freeze/position review as the City's ability to levy tax millage cannot keep up with expense inflation.

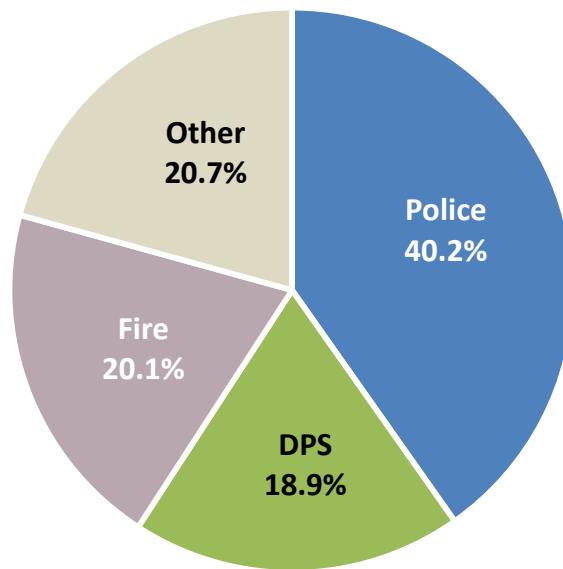
A bar graph of budgeted full-time positions over the last ten years is presented below. The Appendix contains a table showing positions by fund and activity over a nine year period.

Budgeted Full-time Positions - Ten Year Period

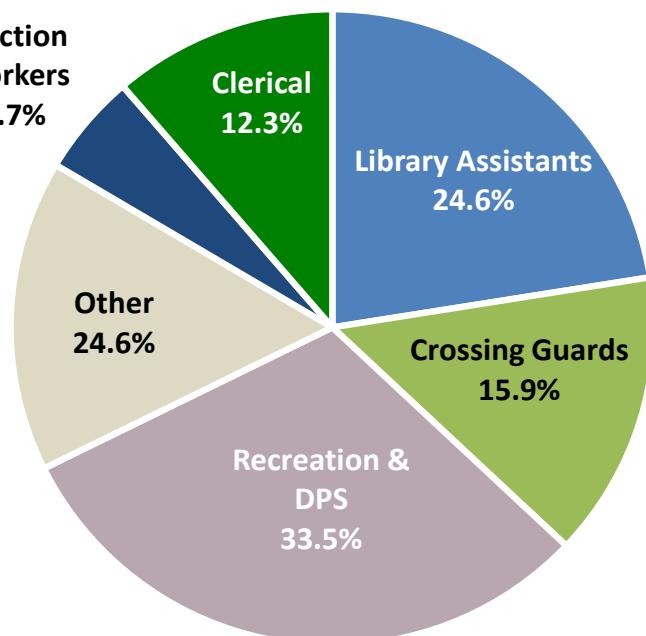


Continuing the analysis of the City's workforce, the following graphs illustrate the percentage breakdown of full and part-time employees for FY 2026. The table on the following page details the number of positions by department. Additionally, an organizational chart showing full-time employees by bargaining unit or non-union classification is presented in the Appendix.

Full-Time Positions by Function



Part-Time Positions By Function



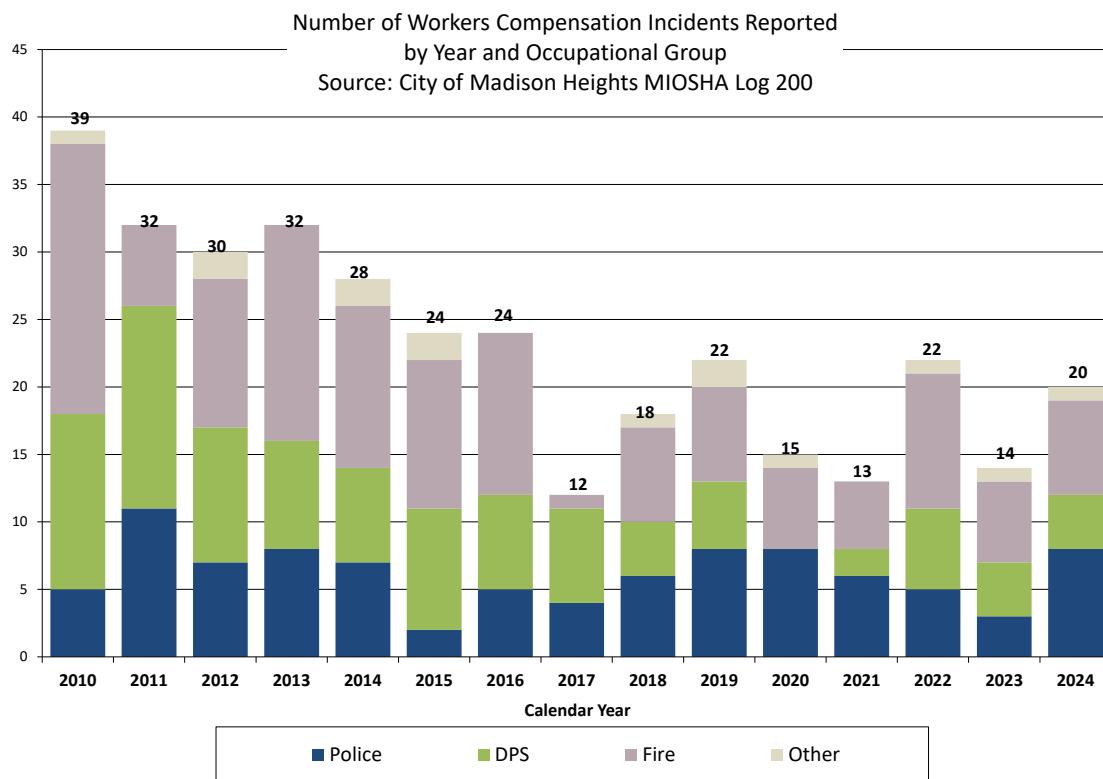
ALL FUNDS
FULL TIME AND PART TIME POSITIONS
INCLUDING FULL TIME EQUIVALENCY CALCULATION (F.T.E.)

	Budget 2023-24			'23 to '24		Estimated Budget 2024-25			Estd '24 to '25		Estimated Budget 2025-26			Estd '25 to '26	
	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	3	0	2.8000		1.0000	2	0	1.8000		-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	4.4672		0.1472	3	73	4.4672		0.0000
Human Resources	2	0	1.5000		0.0000	2	0	1.6250		0.1250	2	0	1.6250		0.0000
General Administration	1	1	2.0333		0.5333	1	1	2.1583		0.1250	1	1	2.1583		0.0000
Finance	7	1	7.7200		0.0000	7	1	7.7200		0.0000	7	1	7.7200		0.0000
Information Technology	0	0	0.0000		0.0000	0	0	0.0000		0.0000	0	0	0.0000		0.0000
Police	68	19	72.1550		0.0000	68	19	72.5050		0.3500	68	19	72.5050		0.0000
Fire	33	0	33.0000		0.0000	36	0	36.3332		3.3332	34	0	34.0000		-2.3332
Community Development	6	2	7.0666		0.3166	6	2	7.0666		0.0000	6	2	7.0666		0.0000
Library	4	11	9.3333		-0.2270	4	11	9.3333		0.0000	4	11	9.3333		0.0000
Department of Public Service															
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	2	13	3.6469		0.3700	2	13	3.6469		0.0000	2	13	3.6469		0.0000
Parks	0	2	0.5000		0.0000	0	2	0.5000		0.0000	0	4	1.9000		1.4000
Senior Center	2	7	4.0650		0.0000	2	7	4.0650		0.0000	2	7	4.9850		0.9200
Sub Total	4	22	8.7919		0.3700	4	22	8.7919		0.0000	4	24	11.1119		2.3200
Total	139	132	158.0931		0.9929	143	132	163.1735		4.7473	140	134	162.1603		-1.0132
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	4	0	4.0000		0.0400	4	0	4.0000		0.0000
Department Public Services	22	1	22.6750		0.0000	22	2	23.1550		0.4800	22	2	23.1550		0.0000
Total All Funds	167	135	187.2481		0.9929	172	134	192.8485		5.2673	169	136	191.8353		-1.0132
	=====	=====	=====		=====	=====	=====	=====		=====	=====	=====	=====	=====	=====

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 success, but several severe long-term injuries in Public Services, Police, and Fire yielded an increase in the number of workers' compensation incidents in recent years.

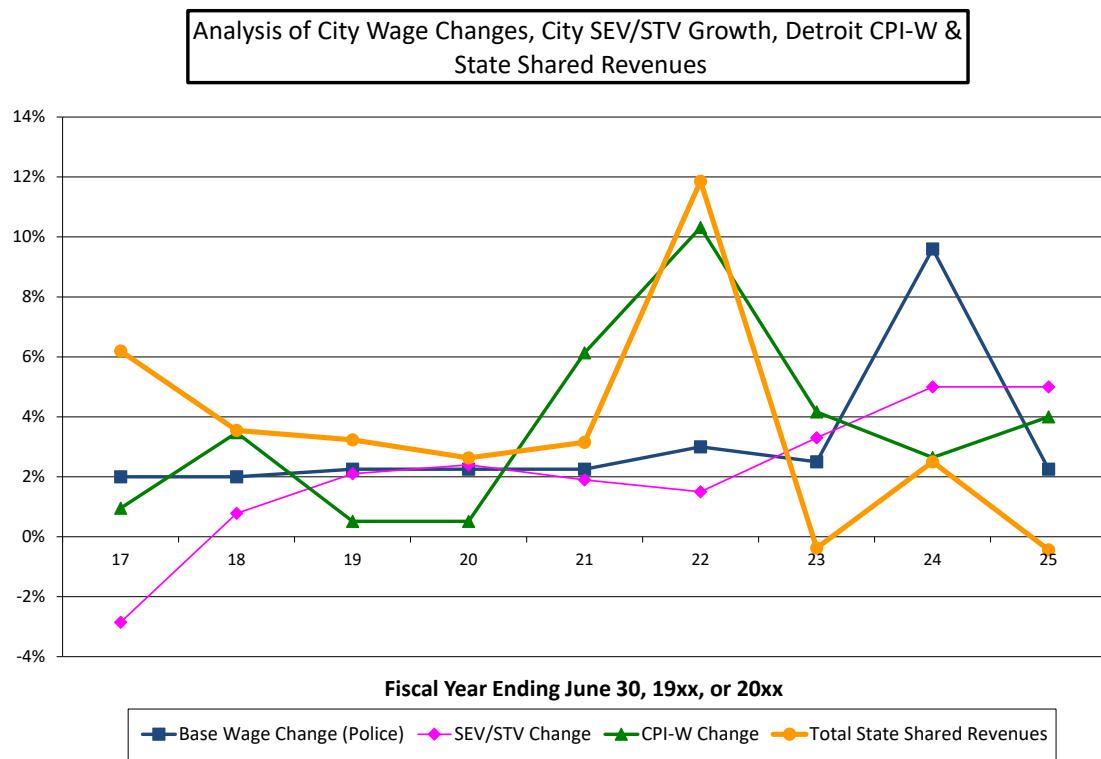
As part of the FY 2010-11 Budget, the City moved to a self-insurance plan. The City contracted with a third-party administrator and converted to pay-as-you-go claims.



The City, through our third-party administrator, 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, and over the past 14 years (FY 2011-2025) we have saved an estimated \$2,658,300 using this pay-as-you-go method over fully insured premiums.

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 Revenue.



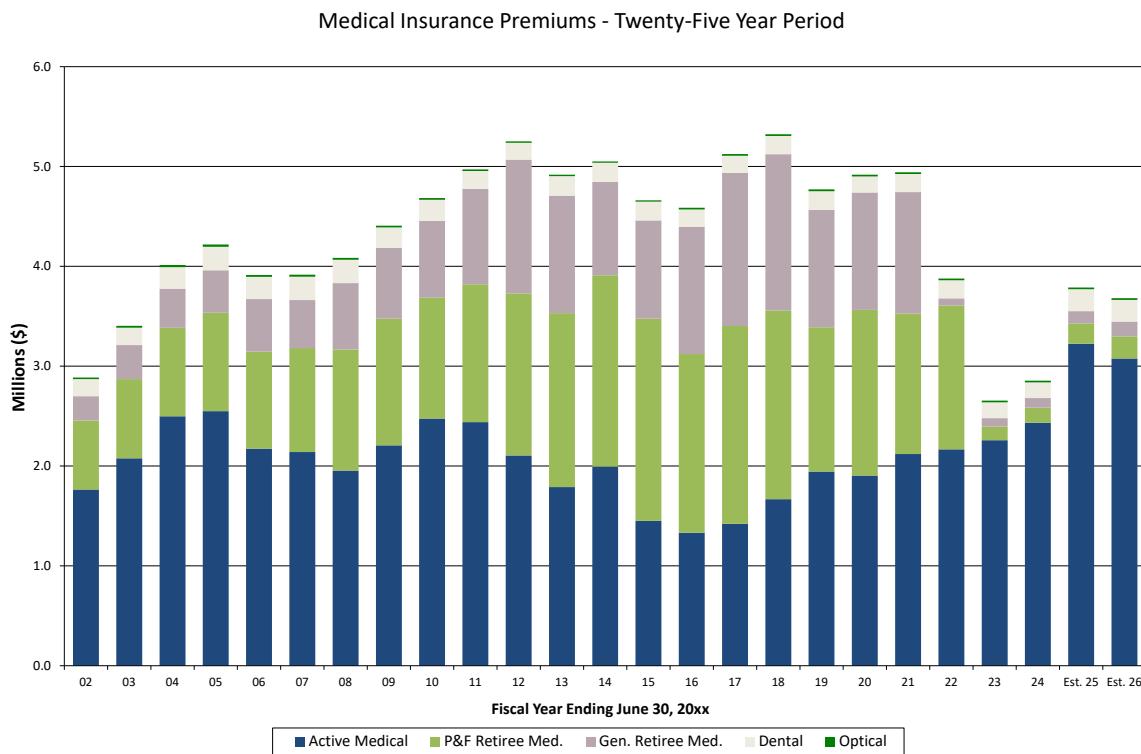
Over the years, economic factors have caused various fluctuations in the line chart above, including changes in the State's property tax rules, the Great Recession, and sharp declines in state revenue sharing. Beginning in FY 2022, the City faced a new challenge - one not experienced in years; inflation. With inflation rates averaging between 6.13% and 10.32%, the City's expenses rose significantly. However, state law caps the growth of State Taxable Value (STV) and State Equalized Value (SEV) at the rate of inflation, or 5%, whichever is lower. This limitation makes it increasingly difficult for municipalities in Michigan to keep pace with inflationary increases in wages, benefits, and overall expenditure cost.

Medical Insurance

Medical insurance is one of the most important fringe benefits to monitor, with an eye toward cost control. The FY 2026 budget includes a 2.0% 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 2025 are estimated.

Pursuant to Public Act 152, the 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, 2026. 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.



One of the City's most innovative efforts to curb healthcare costs was the opening of the MiLife Health & Wellness Center in January 2015, located on the lower level of City Hall. This employer-sponsored center became a reality when it officially opened to eligible employees and dependents. The 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. As of March 2025, participating cities include: Madison Heights, Royal Oak, Ferndale, Hazel Park, and Oak Park. 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 2025 will be our 10th year operating the MiLife Health and Wellness Center. During these ten years of operations, we averaged a utilization rate of 66.9% and have saved \$325,495 in hard dollars over this period. In addition, each year, Premise Health analyzes the number and types of health issues diagnosed in the center and estimates potential long-term savings had the diagnosis gone undetected; this “soft dollar” savings was \$61,688 for the prior year. In addition, the employees have saved an average of \$15,890 per year in co-pays, prescriptions, and lab tests.

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 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 by both Retiree Health Care Trusts as well as the Police and Fire Pension plan; however, since 2021 the focus has been on improving the position of these Trusts to provide long-term financial stability to the City. As of the most recent actuarial valuations, the city has no underfunded plans.

Benefit Plan	Most Recent Study	Funding Ratio	Underfunded
Police and Fire Pension	June 30, 2024	60.0%	No
General Pension	December 31, 2022	91%	No
General Retiree Health Care	June 30, 2024	144.16%	No
Police and Fire Retiree Health Care	June 30, 2024	113.57%	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 \$41.5 million for Retiree Health Care from \$86.1 million to \$44.6 million. As of June 30, 2024, the City has accumulated a plan fiduciary net position in both trusts resulting in 113.57% funding for Police and Fire and 144.16% 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 operations budget in FY 2025 to be paid from these trusts. 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 of the legacy cost fringe benefit is the employer's contribution to pension plans, which is budgeted to total \$9.17 million in FY 2026. The City's full-time workforce is divided into two pension groups: all Police and Fire sworn employees participate in the Police and Fire Pension Fund, established under Michigan Public Act 345, while the remaining full-time employees are covered by the Municipal Employees' Retirement System (MERS).

As of December 31, 2023, the General Employees' retirement system was 91% funded. However, as of June 30, 2024, the Police and Fire Pension Fund was only 60% funded, covering \$56.2 million of a \$93.7 million liability. The FY 2026 budget addresses this funding gap by allocating \$3.4 million for the Fire Department pension and \$4.3 million for the Police Department pension. This plan remains open to all new hires in the Police and Fire Departments, though since 2009, new hires can only count base wages toward their final average compensation, and the pension multiplier has been reduced from 2.8% to 2.5%.

Regarding the MERS plan, all general employee groups, including non-union employees, have agreed to close the pension plans to new hires, transitioning from a Defined Benefit (DB) plan to a Defined Contribution (DC) plan. The City funds these DC plans at a rate of 7.0%, with employee contributions varying by union. As the DB plans are closed and new hires join the DC plan, the remaining liabilities are distributed among the existing DB-eligible employees. However, for FY 2026, this liability is shown as a lump sum in General Administration, as much of the funding is directed toward covering current retiree benefits rather than active employees.

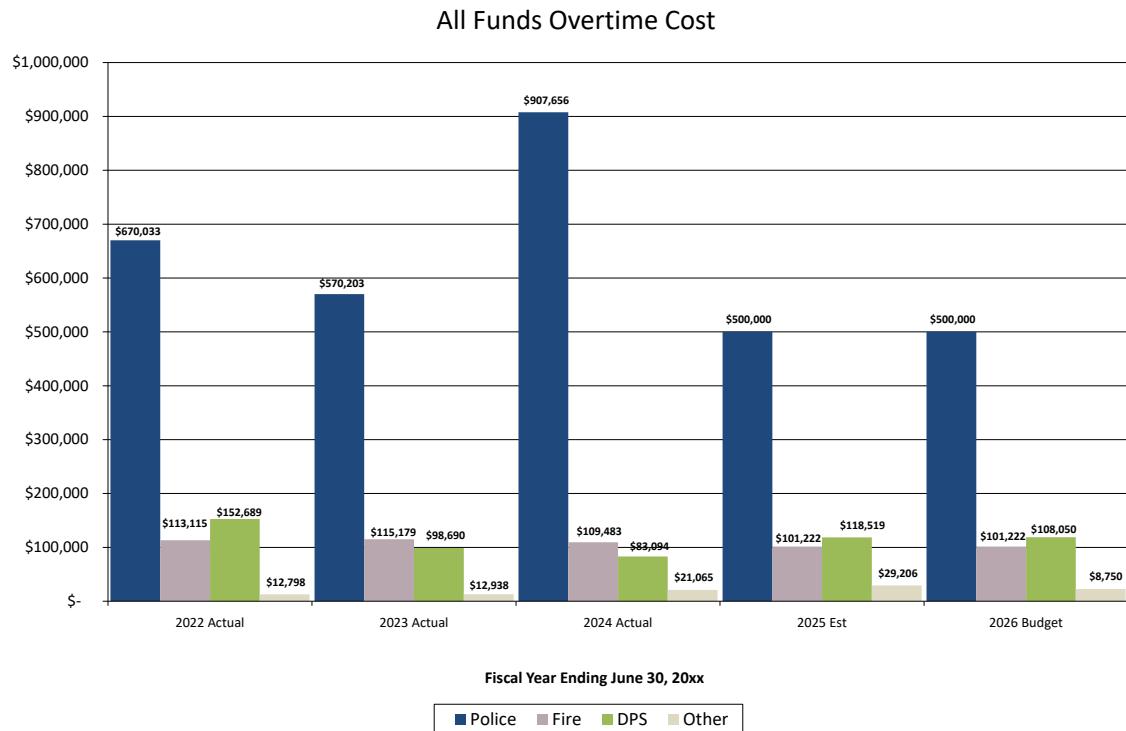
The employer contribution to MERS for the General Employees' Pension Fund is projected to be \$1.4 million in FY 2026. Under Public Act 329 of 2012, municipalities were authorized to issue bonds to cover pension and post-employment benefit liabilities, provided certain conditions were met. In FY 2017, the City issued Pension Obligation Bonds (POBs) for the General Employees' pension, following a resolution adopted by the City Council in March 2016. The bond issuance analysis estimated the City would save approximately \$4 million over 16 years, assuming a true interest cost of 4.2% and an average investment return of 5.2%. The bonds were sold in September 2016 at a true interest cost of 3.12%, lower than expected, resulting in greater long-term savings. Debt payments for POB principal and interest are budgeted at \$1.18 million in FY 2026.

Overtime

Overtime costs for all Funds in FY 2026 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

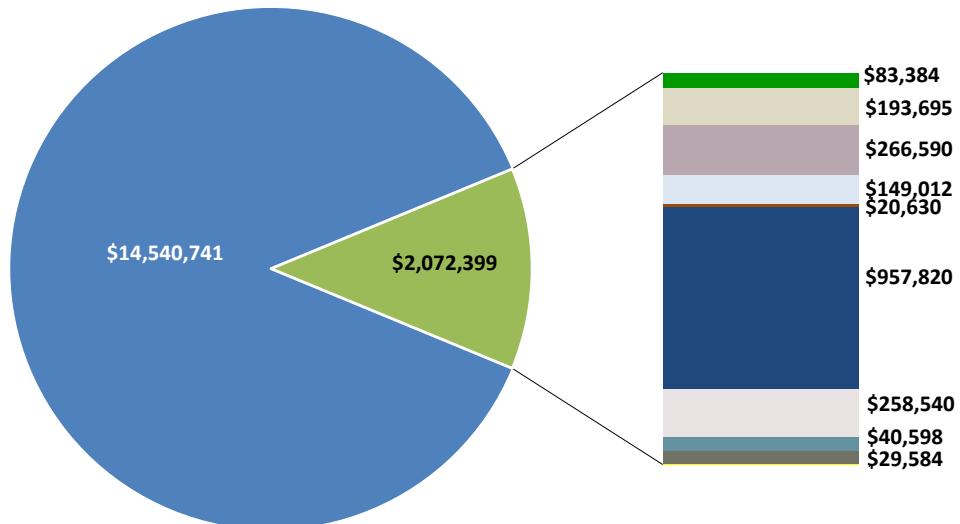
attempted to reduce this by starting the recruitment process prior to the occurrence of the vacancy; however, it has become increasingly difficult to find qualified recruits for Police and Fire, and Madison Heights is experiencing the same recruitment struggles as other municipalities nationwide

The charts below depict the City's budgeted wage and fringe benefit costs for FY 2025-26 and overtime costs over the prior years.

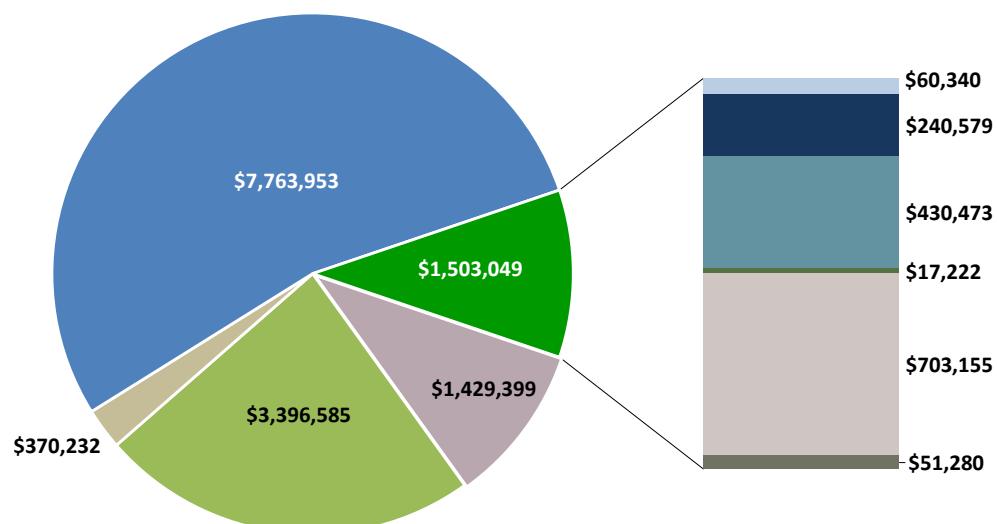


2025-26
Wage and Fringe Benefit Costs (\$31,076,358)
Fiscal Year Budget
All Funds

Wages \$16,613,140



Benefits: \$14,463,218



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

Total Compensation Analysis

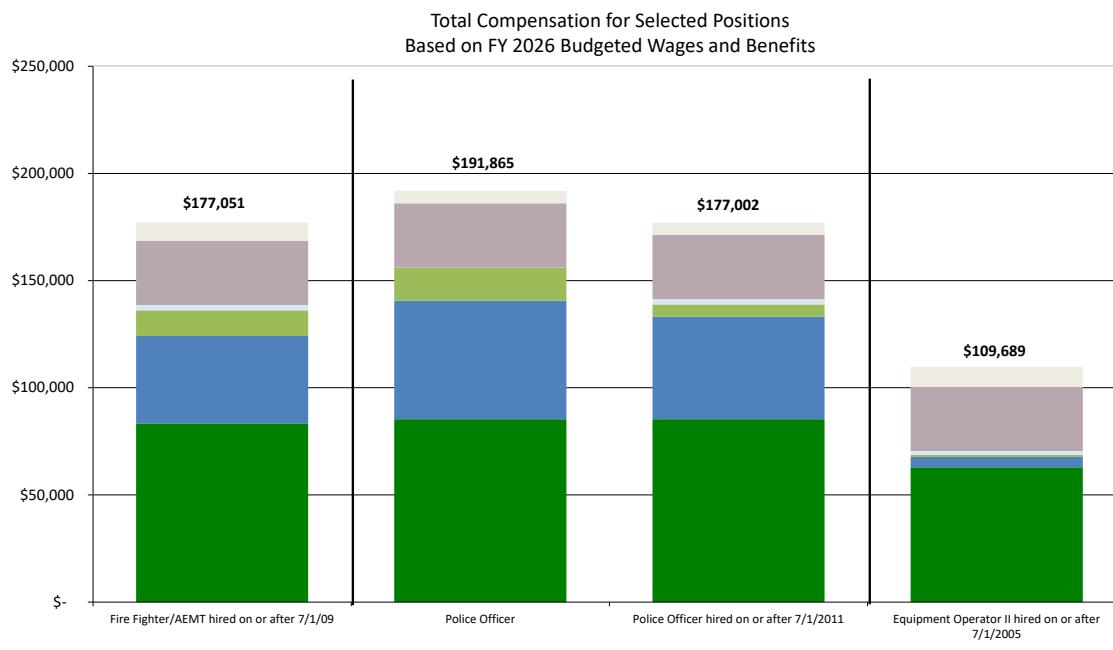
To evaluate potential areas for negotiating the City's expenses, it is essential to assess the combined wages and benefits that make up the total compensation currently provided to employees. The City has already taken significant steps to manage costs for new hires, such as eliminating retiree health care and introducing a Health Care Savings Program. Additionally, new non-Police and Fire employees now participate in a Defined Contribution Pension plan, rather than a Defined Benefit program. For Police and Fire new hires, the pension multiplier has been reduced to 2.5%, down from the previous 2.8%.

To provide context, the bar chart below compares the total compensation for fiscal year 2026, including both wages and benefits, for senior employees in the positions of Police Officer, Firefighter/Paramedic, and Equipment Operator II. This analysis assumes senior employee wages, longevity, and average overtime costs. We have also included a breakdown of compensation for new hires in these positions.

For senior employees, the total annual compensation for a Police Officer with benefits is \$191,865. Fringe benefits for senior employees average 1.2 times their base wages. A newly hired Firefighter's total compensation is \$177,051. It's worth noting that the last senior Firefighter/Paramedic under the previous benefits tier retired in March 2018.

A newly hired Equipment Operator II has a total compensation package of \$109,689. Currently, all Equipment Operators are enrolled in the Defined Contribution Pension Plan and Health Care Savings Program, with no remaining employees under the older Tier 1 benefits structure.

A newly hired Police Officer's total compensation is \$177,002, which results in an overall savings of \$16,143 in annual compensation compared to senior employees. The savings from the new benefits package across all unions are substantial. At present, the City employs 26 Firefighters, 50 Police Officers, 18 Equipment Operators, and 50 other employees under the new hire benefits plan, totaling 144 positions—representing over 85% of the full-time workforce.





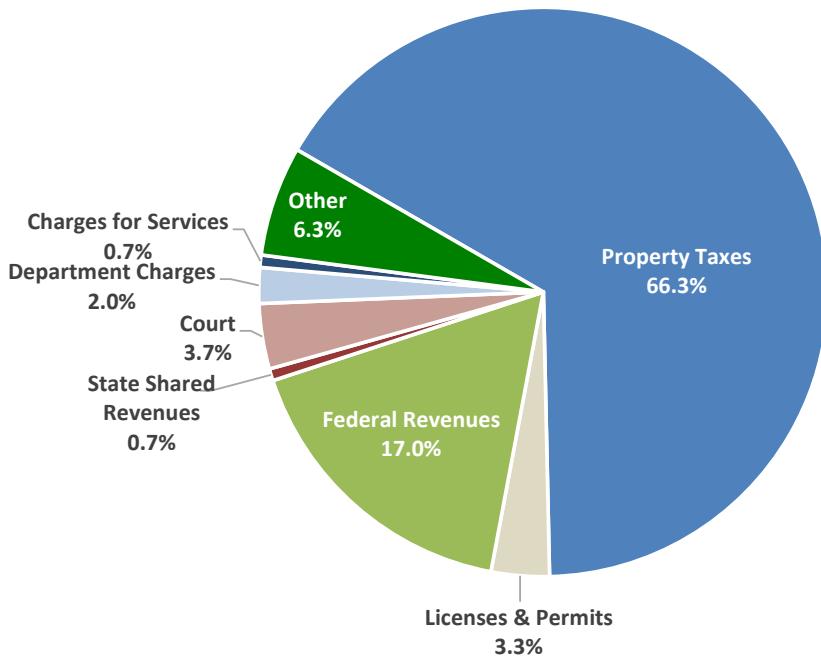
GENERAL FUND

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.

	<u>Page</u>
General Fund Summary.....	93
Mayor & Council	97
District Court.....	99
City Manager	101
City Clerk	103
Elections	103
Assessing	105
Legal	107
Human Resources	108
General Administration.....	110
Finance	112
Information Technology	114
Department of Public Services - Custodial and Maintenance Division.....	116
Police	118
Fire	120
Community Development - Inspection and Planning Division.....	123
Department of Public Services - Streets Division	125
Department of Public Services - Solid Waste Division	127
Department of Public Services - Recreation Division.....	129
Department of Public Services - Parks Division	131
Department of Public Services - Active Adult Division	133
Library	135
Insurance and Transfers.....	137
Pension Obligation Debt Service.....	138

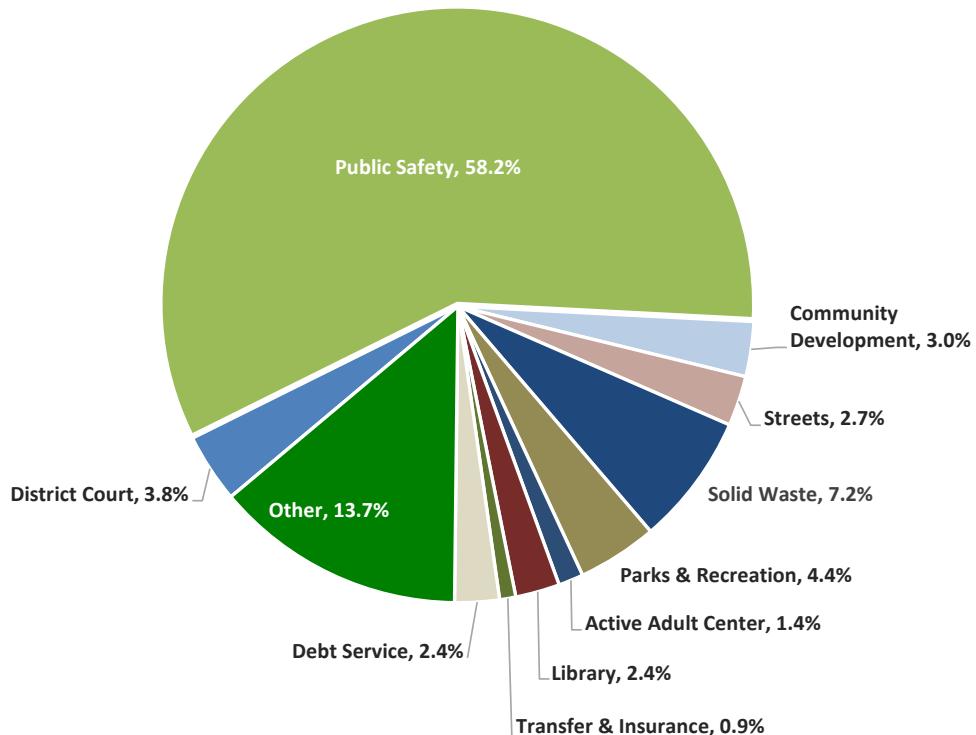
General Fund Revenue

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



General Fund Expenditures

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



GENERAL FUND REVENUES AND EXPENDITURES
FY 2025 AMENDED AND FY 2026 PROPOSED BUDGETS

Description	Actual 2023-24	Estimate 2024-25	Proposed 2025-26	Increase (Decrease) FY 2024-25 to FY 2025-26
Revenues by Source:				
Property Taxes	\$ 24,114,124	\$ 26,125,670	\$ 27,737,742	\$ 1,612,072
Licenses & Permits	544,248	553,423	589,486	36,063
Non-Business Licenses & Permits	868,535	712,500	791,734	79,234
Federal Shared Revenues	862,107	750,382	555,000	(195,382)
State Shared Revenues	6,187,856	6,948,906	6,188,770	(760,136)
Other Governmental Revenues	185,298	294,836	260,610	(34,226)
County Shared Revenues	269,992	60,686	39,105	(21,581)
SMART Revenues	80,755	70,019	70,019	-
Court Fines and Fees	1,311,162	1,743,000	1,552,000	(191,000)
Charges for Services	298,913	260,430	272,180	11,750
Sales-Miscellaneous	7,274	6,450	5,950	(500)
Parks & Recreation	350,925	289,000	284,500	(4,500)
Miscellaneous Revenues	3,373,871	2,713,363	2,237,356	(476,007)
Sale of Fixed Assets	1,819,552	97,000	97,000	-
Department Charges	985,987	821,480	849,441	27,961
Transfers In	35,024	657,272	291,899	(365,373)
Prior Years Fund Balance	-	4,434,682	436,521	(3,998,161)
Total Revenues	\$ 41,295,623	\$ 46,539,099	\$ 42,259,313	\$ (4,279,786)

Description	Actual 2023-24	Estimate 2024-25	Proposed 2025-26	Increase (Decrease) FY 2024-25 to FY 2025-26
Expenditures by Activity:				
City Council	\$ 64,270	\$ 61,875	\$ 64,201	\$ 2,326
City Manager	289,854	413,338	295,902	(117,436)
Finance	785,331	916,912	929,617	12,705
City Clerk	426,864	448,646	467,141	18,495
Information Technology	468,237	699,437	617,637	(81,800)
Board of Review	2,243	3,043	2,373	(670)
General Administration	441,450	740,967	1,314,624	573,657
City Assessor	232,870	245,242	247,787	2,545
Elections	86,294	167,284	144,538	(22,746)
Municipal Building	78,361	686,662	67,384	(619,278)
Legal	348,714	375,000	481,960	106,960
Custodial & Maintenance	195,325	194,488	200,817	6,329
Human Resources	507,936	533,225	475,684	(57,541)
District Court	1,446,798	1,785,788	1,595,229	(190,559)
Police	12,793,066	14,997,471	14,457,705	(539,766)
Fire	8,338,170	10,405,035	10,119,061	(285,974)
Streets	1,221,449	1,636,731	1,155,660	(481,071)
Solid Waste	2,818,095	5,054,748	3,034,292	(2,020,456)
Community Development	1,225,006	1,375,681	1,266,172	(109,509)
Recreation	384,920	396,436	376,269	(20,167)
Parks	561,904	2,050,464	1,466,171	(584,293)
Active Adult Center	556,247	526,226	574,835	48,609
Library	931,627	1,032,292	1,020,957	(11,335)
Insurance, Bonds and Transfers	4,908,200	1,792,108	1,883,297	91,189
Total Expenditures	\$ 39,113,231	\$ 46,539,099	\$ 42,259,313	\$ (4,279,786)

GENERAL FUND REVENUES
FY 2025-2026

Description	Actual 2023-24	Estimate 2024-25	Adopted Budget 2025-26	Increase (Decrease) FY 2024-25 to FY 2025-26
Property Taxes	\$ 24,114,124	\$ 26,125,670	\$ 27,737,742	\$ 1,612,072
Licenses & Permits	1,412,783	1,265,923	1,381,220	115,297
Intergovernmental Revenues	7,586,008	8,124,829	7,113,504	(1,011,325)
Court Fines and Fees	1,311,162	1,743,000	1,552,000	(191,000)
Service Fees	298,913	260,430	272,180	11,750
Sales - Miscellaneous	7,274	6,450	5,950	(500)
Parks & Recreation	350,925	289,000	284,500	(4,500)
Miscellaneous	5,193,423	2,810,363	2,334,356	(476,007)
Department Charges	985,987	821,480	849,441	27,961
Transfers In	35,024	657,272	291,899	(365,373)
Prior Year's Fund Balance	-	4,434,682	436,521	(3,998,161)
Total	\$ 41,295,623	\$ 46,539,099	\$ 42,259,313	\$ (4,279,786)

Description	Actual 2023-24	Estimate 2024-25	Adopted Budget 2025-26	Increase (Decrease) FY 2024-25 to FY 2025-26
General Government	\$ 5,422,941	\$ 6,795,727	\$ 6,709,862	\$ (85,865)
Public Safety	22,578,034	27,188,294	26,171,995	(1,016,299)
Community Service	4,039,544	6,691,479	4,189,952	(2,501,527)
Culture and Recreation	2,434,698	4,005,418	3,438,232	(567,186)
Community Development	1,225,006	1,375,681	1,266,172	(109,509)
Transfers Out	3,413,008	482,500	483,100	600
Total	\$ 39,113,231	\$ 46,539,099	\$ 42,259,313	\$ (4,279,786)

Assigned Fund Balance - Unrestricted	\$ 15,704,648	\$ 11,269,966	\$ 10,833,445	\$ (436,521)
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GENERAL FUND EXPENDITURES
FY 2025-2026

GENERAL GOVERNMENT				
Description	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 to FY 2025-26
Mayor and Council	\$ 64,270	\$ 61,875	\$ 64,201	\$ 2,326
City Manager	289,854	413,338	295,902	(117,436)
Legal	348,714	375,000	481,960	106,960
Assessor/Board of Review	235,113	248,285	250,160	1,875
City Clerk/Elections	513,158	615,930	611,679	(4,251)
Human Resources	507,936	533,225	475,684	(57,541)
General Administration	441,450	740,967	1,314,624	573,657
Finance	785,331	916,912	929,617	12,705
Information Technology	468,237	699,437	617,637	(81,800)
Custodial/Maintenance	273,686	881,150	268,201	(612,949)
Insurance & Bonds	1,495,192	1,309,608	1,400,197	90,589
Total	\$ 5,422,941	\$ 6,795,727	\$ 6,709,862	\$ (85,865)
PUBLIC SAFETY				
Police	\$ 12,793,066	\$ 14,997,471	\$ 14,457,705	\$ (539,766)
Fire	8,338,170	10,405,035	10,119,061	(285,974)
District Court	1,446,798	1,785,788	1,595,229	(190,559)
Total	\$ 22,578,034	\$ 27,188,294	\$ 26,171,995	\$ (1,016,299)
COMMUNITY SERVICE				
Streets	\$ 1,221,449	\$ 1,636,731	\$ 1,155,660	\$ (481,071)
Solid Waste	2,818,095	5,054,748	3,034,292	(2,020,456)
Total	\$ 4,039,544	\$ 6,691,479	\$ 4,189,952	\$ (2,501,527)
CULTURE AND RECREATION				
Recreation	\$ 384,920	\$ 396,436	\$ 376,269	\$ (20,167)
Parks	561,904	2,050,464	1,466,171	(584,293)
Active Adult Center	556,247	526,226	574,835	48,609
Library	931,627	1,032,292	1,020,957	(11,335)
Total	\$ 2,434,698	\$ 4,005,418	\$ 3,438,232	\$ (567,186)
COMMUNITY DEVELOPMENT				
Total	\$ 1,225,006	\$ 1,375,681	\$ 1,266,172	\$ (109,509)
TOTAL				
General Fund Total	\$ 35,700,223	\$ 46,056,599	\$ 41,776,213	\$ (4,280,386)
Transfers Out	3,413,008	482,500	483,100	600
Total	\$ 39,113,231	\$ 46,539,099	\$ 42,259,313	\$ (4,279,786)

Mayor and Council

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

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

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	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Regular City Council Meetings	36	30	30
	Agenda Items	216	200	200
	Public Hearings Held	10	10	10
Outcomes	Ordinances and Amendments Adopted	3	5	5
	Agenda Items Acted Upon	273	273	275
	Annual % Change in Millage Rate	-2.1%	-0.3%	0.0%
	Department Expenditures as a % of General Fund	0.16%	0.13%	0.15%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 55,392	\$ 56,735	\$ 57,296	\$ 561
Supplies	46	325	325	-
Other Services and Charges	8,822	4,815	6,580	1,765
Capital Outlay	-	-	-	-
Total	\$ 64,260	\$ 61,875	\$ 64,201	\$ 2,326
Resources:				
General Fund	\$ 64,260	\$ 61,875	\$ 64,201	\$ 2,326
Total	\$ 64,260	\$ 61,875	\$ 64,201	\$ 2,326

Key Issues

- Training is budgeted to increase approximately 40% above the FY 2025 budget due to increased interest in attending Michigan Municipal League events and other training.
- All other items for this department are supported at its current level.

District Court

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

The District Court Judge, 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 analyses to the judge to assist with sentencing decisions.
- The Traffic Bureau Division handles complaints filed by law enforcement agencies regarding traffic and City ordinances.

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 929,002	\$ 1,204,718	\$ 1,102,848	\$ (101,870)
Supplies	26,082	31,900	31,900	-
Other Services and Charges	346,062	416,990	454,956	37,966
Capital Outlay	145,641	132,180	5,525	(126,655)
Total	\$ 1,446,787	\$ 1,785,788	\$ 1,595,229	\$ (190,559)
Resources:				
Court Salary Standard	\$ 48,277	\$ 49,719	\$ 49,719	\$ -
Court Fines	751,364	890,000	800,000	(90,000)
Forfeits	19,630	18,000	20,000	2,000
Reimbursed Court Costs	436,818	700,000	600,000	(100,000)
Bond Fees	11,859	20,000	15,000	(5,000)
Probation Oversight	85,641	110,000	110,000	-
Violation Clearance	5,850	5,000	7,000	2,000
General Fund	87,348	(6,931)	(6,490)	441
Total	\$ 1,446,787	\$ 1,785,788	\$ 1,595,229	\$ (190,559)

Key Issues

- The fourth largest source of General Fund Revenue is composed of Court fines, forfeits and charges (\$1.6 million).
- Revenues for court cost fees are set to cover the majority of court operation cost, 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.
- 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.

Accomplishments

The accomplishments of the City Manager's office reflect the efforts of the entire municipal organization. Each department works to fulfill the goals set by City Council for the community. The City Manager's office supports these goals, takes on specific projects, and provides leadership to achieve desired outcomes. Major accomplishments are documented across all departments and initiatives.

Objectives

- To assess, develop, and implement strategies that deliver municipal services in a cost-effective and efficient manner.
- To provide leadership, engage governance, and responsible customer service to ensure transparency, efficiency, and accountability with public funds.
- To oversee and execute the City Council's goals as outlined during the annual strategic planning workshop (*Strategic Plan 6.1.a*)
- To identify and manage grant opportunities that advance the City's objectives within the allocated budget or strategic plan (*Strategic Plan 6.1.b*)
- To evaluate and monitor legislative issues and advocate for the City's best interest

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Output	Number of Staff Meetings held	23	22	23
	Number of Council-adopted goals managed	70	35	42
	Media inquiries/requests handled	77	60	60
Efficiency	% of Council Agenda Items Reviewed Prior to Bi-Weekly Staff Meeting	100%	100%	100%
	Department Expenditures as a % of General Fund	0.7%	0.9%	0.7%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 279,487	\$ 401,972	\$ 286,217	\$ (115,755)
Supplies	2,677	400	1,600	1,200
Other Services and Charges	7,690	10,966	8,085	(2,881)
Capital Outlay	-	-	-	-
Total	\$ 289,854	\$ 413,338	\$ 295,902	\$ (117,436)
Resources:				
General Fund	\$ 289,854	\$ 413,338	\$ 295,902	\$ (117,436)
Total	\$ 289,854	\$ 413,338	\$ 295,902	\$ (117,436)

Key Issues

- Personnel services are budgeted to decrease with the elimination of the Special Projects and Grants Administrator position.
- The balance of the 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 a part-time office assistant. During elections, there are an average of 110 Election Workers who participate in running the election precincts, absentee counting board, and early voting sites. 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, maintaining and issuing vital records, and coordinated 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)
- Maintaining public meeting information.
- Managing Boards and Commissions.

Accomplishments

- Conducted the August 6, 2024 Primary Election and November 5, 2024 Presidential General Election.
- Administered nine days of early voting in partnership with the City of Royal Oak for all elections.
- Implemented a satellite office for voter registration.
- Managed the administration of new election legislation, including expansion of military and overseas voter ballot counting, signature curing, creation of permanent absentee ballot list and distribution, satellite absentee ballot drop boxes, video monitoring of City Hall drop box, and the early processing of absentee ballots.
- Implemented ballot tracking on absentee ballots.
- Held extra office hours for the November election to improve voter accessibility.
- Trained and successfully used new election inspector software.
- Electronic storage of all City records through use of record retention system.

Objectives

- Conduct November 2025 City General Election.
- Continue implementation of new election legislation enacted by State legislature.
- Continue electronic storage, retention and indexing of all contracts, titles, resolutions, and agreement records.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Hours attending City Council Meetings	42	40	40
	Number of Election Workers per election	60	80	70
	Average Number of Voters per FTE	1884	6577	1500
Output	Number of Business and Animal Licenses Issued	1467	1500	1500
	Number of New Registered Voters/Changes	8160	8000	8000
	Number of Absentee Ballots Sent	7647	6466	5000
Outcome	Average Days to Post Approved Board Minutes to website	30	30	30
	Number of Election Workers attending training (workers x trainings)	126	150	125
	Average Length of time to Process New Business Licenses (days)	29	29	29
Efficiency	% Voter Turnout per November State Election	16%	66%	20%
	% of FOIA request responded to within 10 business days	100%	100%	100%
	Department Expenditures as a % of General Fund	1.3%	1.3%	1.4%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 393,315	\$ 406,640	\$ 424,473	\$ 17,833
Supplies	2,668	5,500	5,600	100
Other Services and Charges	30,881	36,506	37,068	562
Capital Outlay	-	-	-	-
Subtotal-Elections	86,294	167,284	144,538	(22,746)
Total	\$ 513,158	\$ 615,930	\$ 611,679	\$ (4,251)
Resources:				
Business Licenses	\$ 227,012	\$ 195,000	\$ 205,000	\$ 10,000
Animal Licenses	897	2,500	1,000	(1,500.00)
Vital Health Statistics	8,055	14,000	10,000	(4,000.00)
Election Reimbursement	35,439.00	-	-	-
General Fund	241,755	404,430	395,679	(8,751)
Total	\$ 513,158	\$ 615,930	\$ 611,679	\$ (4,251)

Key Issues

- Budget includes allocation for one election in November 2025
- The balance of this budget is supported at the current service level.

Assessing

The Assessing function is contained within the Finance Department, with contractual services provided by the 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

- The personal property team studied 5.5% or approximately 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.
- 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

- Establish new market and taxable property values for tax year 2024 (FY 2025).
- Conduct audits for a minimum 5% (or 90 parcels) of all personal property accounts.
- Due to significant price increases from Oakland County from \$229,793 to \$408,586 in FY 2026, \$425,136 in FY 2027, and \$447,115 in FY 228 (under smoothing, this increase would be \$294,590 in FY 2026, \$425,136 in FY 2027 and \$361,111 in FY 2028); the City interviewed service providers and will be utilizing Assessment Administration Services LLC.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Output	Property Records Reviewed	90	90	90
	Personal Property Audits	8	15	15
	Michigan Tax Tribunal Cases	5	5	5
	Board of Review Appeals	157	150	150
Efficiency	% 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	0.06%	0.05%	0.06%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	232,870	245,242	247,787	2,545
Capital Outlay	-	-	-	-
Subtotal-Board of Review	2,243	3,043	2,373	(670)
Total	\$ 235,113	\$ 248,285	\$ 250,160	\$ 1,875
Resources:				
General Fund	\$ 235,113	\$ 248,285	\$ 250,160	\$ 1,875
Total	\$ 235,113	\$ 248,285	\$ 250,160	\$ 1,875

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 Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Workload Indicators			
Legal Counsel (Hours)			
Tax Tribunal	27	80	80
Labor	287	230	500
General	2,581	2,780	2,780
Telecommunications	17	40	40
Department Expenditures as a % of the General Fund	0.09%	0.08%	1.10%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	348,714	375,000	481,960	106,960
Capital Outlay	-	-	-	-
Total	\$ 348,714	\$ 375,000	\$ 481,960	\$ 106,960
Resources:				
General Fund	\$ 348,714	\$ 375,000	\$ 481,960	\$ 106,960
Total	\$ 348,714	\$ 375,000	\$ 481,960	\$ 106,960

Key Issues

- For the first time since 1995, the contracted City Attorney, that handles general municipal legal counsel as well as prosecutions, has increased their hourly rate to \$120 an hour. Based on market research, this is still approximately 30% less than average municipal rates.

Human Resources

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

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

Accomplishments

- 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 employee benefits including open enrollments, and any employee changes.
- Monitored the Patient Protection and Affordable Care Act (PPACA) to ensure continued compliance.
- Promoted the Healthy Heights employee wellness program and created new monitoring system.
- Completed PPACA year-end reporting for required 1094-C and 1095-C forms including filing with the IRS.
- Conducted “Stay Interviews” with both new employees and tenured employees beginning January 2024 (*2022 Strategic Plan 5.3.a*)
- Reinstated Exit Interviews for select willing employees.
- Assisted with recruitment interviews in various departments including firefighter entry level as well as Police Officer interviews.
- Hired new HR/Purchasing Assistant.

Objectives

- Expand use of and promotion of the City’s online employee portal to maximize employee engagement.
- Conduct 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.
- Evaluate best practices in recruitment efforts to assist with entry level positions, particularly Police and Fire.
- Identify best practices in online training and launch a program for all employees to access appropriate training. Continue with in-person training where possible.
- HR Director/Purchasing Coordinator and HR/Purchasing Assistant to maximize training opportunities.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
<i>Input</i>	All full-time staff in jurisdiction: Average years of service	9	8	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	83	86	83
	Avg Number of full-time, regular employees on payroll jurisdiction-wide: Total	167	172	169
	Hours Paid: All Human Resources staff	3,900	3,900	3,900
	Hours paid: All jurisdiction staff	601,253	611,003	603,203
<i>Output</i>	HR: Number of full time positions filled	20	10	10
	Percentage of new full-time employees completing probationary period	75%	80%	100%
	Turnover: Number of full-time, permanent employees who left: Total*	10	5	5
	Turnover: Number of full-time, regular employees who left: Sworn public safety*	1	1	1
	Turnover rate: All full-time employees*	6.7%	3.5%	3.6%
<i>Outcome</i>	Department Expenditures as a % of General Fund	1.3%	1.1%	1.1%

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

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 275,543	\$ 274,919	\$ 214,239	\$ (60,680)
Supplies	499	250	350	100
Other Services and Charges	231,894	257,956	261,095	3,139
Capital Outlay	-	-	-	-
Total	\$ 507,936	\$ 533,125	\$ 475,684	\$ (57,441)
Resources:				
General Fund	\$ 507,936	\$ 533,125	\$ 475,684	\$ (57,441)
Total	\$ 507,936	\$ 533,125	\$ 475,684	\$ (57,441)

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

- Hosted virtual “Community Conversations” to increase community engagement.
- Hosted an Employee Academy to educate employees on other department functions and challenges, to foster understanding, teamwork, and interdepartmental communications.
- Successfully auctioned surplus vehicles and miscellaneous City surplus items on govdeals.com and the City’s cooperative purchasing website, netting over \$89,000 in revenue.
- Completed the purchases of miscellaneous fleet vehicles, including DPS Volvo Loader, DPS Jeep Gladiator, DPS Chevy Colorado, DPS Kubota Utility Vehicle, Police (2) Dodge Durango’s, Police Ford Maverick.
- Assisted in the purchase of Fire Department’s new Krakenexo Fire Hose.
- Assisted in the purchase of Fire Department’s Armor Gear which includes carrier, tags and helmet.
- Developed The New Resident Resources Webpage that will familiarize citizens with city services such as rubbish collection, property taxes etc.

Objectives

- Utilize biddergy.com and other online auction services to appropriate to attain optimal revenue when selling surplus items.
- Continue to utilize online services to dispose of surplus items.
- Work to engage with department heads about cooperative purchasing opportunities to ensure the city is getting the best price and efficiency using city services.
- Host a Citizens Academy to educate the public on the complex functions of municipal government and services in their community.
- Continue to take advantage of cooperative purchasing contracts including but not limited to MITN, Sourcewell, the State of Michigan (MiDeal), Oakland County and Macomb County to increase purchasing power while reducing staff time spent on creating, issuing and bid openings.
- Complete the purchase of the existing Animal Control van (pending sale).
- Assist Community Relations as staff increases areas of contact in ways to engage the community.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Social Media: Facebook Reach	140.6k	200k	225k
	Website: Referral Sessions from Social Media	FB: 9,417 IG: 116	FB: 10,000 IG: 120	FB: 11,000 IG: 124
	Purchasing: Number of Request for Proposals (RFP)	8	1	3
	Purchasing: Number of Invitations to Bid (ITB) Issued	3	8	6
Output	Social Media: Percentage of Facebook followers residing in Madison Heights	31%	38%	42%
	Website: New Users	157k	160k	175k
	Website: Views Total	518k	525k	530k
Efficiency	Department Expenditures as a % of General Fund	1.1%	1.6%	3.1%

FB=Facebook

IG=Instagram

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 278,161	\$ 550,290	\$ 1,175,296	\$ 625,006
Supplies	58,908	59,182	56,525	(2,657)
Other Services and Charges	94,627	74,795	79,553	4,758
Capital Outlay	9,754	56,700	3,250	(53,450)
Total	\$ 441,450	\$ 740,967	\$ 1,314,624	\$ 573,657
Resources:				
General Fund	\$ 441,450	\$ 740,967	\$ 1,314,624	\$ 573,657
Total	\$ 441,450	\$ 740,967	\$ 1,314,624	\$ 573,657

Key Issues

- As the DB plans are closed and new hires join the DC plan, the remaining liabilities are distributed among the existing DB-eligible employees. However, for FY 2026, this contribution is shown as a lump sum in General Administration, as much of the funding is directed toward covering current retiree benefits rather than active employees.
- The balance of the budget is supported at the current service level.

Finance

The Finance Department consists of a Finance Director/Treasurer, Deputy Finance Director, one Accountant and four full-time Fiscal Assistants that cover Accounts Payable, Payroll, and Utility Billing. 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;
- Providing 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.

Accomplishments

- Received the Government Finance Officers Association (GFOA) Distinguished Budget Award for FY 2025.
- Onboarded a new audit team and successfully completed the year-end closing and financial audit and single audit, with both receiving unqualified opinions.
- Facilitated numerous grant awards to maintain compliance with applicable guidelines. *(Strategic Plan 5.1.a)*
- Manage the City's pension and OPEB trusts exceeding state requirements of 60%. *(Strategic Plan 5.2.a)*

Objectives

- Complete the annual audit and have an annual financial report within four months of the fiscal year end.
- Settle and balance all property taxes, special assessments, utility bills to Oakland County by the end of March.
- Assist departments in the financial management of their departments by assisting during their budget processes and sending monthly revenue expenditure reports.
- Annually review and update City fee schedule, setting intentional cost recovery goals for City Services. *(Strategic Plan 5.2.b)*

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Total Dollar amount of City Budget (all funds)	\$67,253,216	\$65,446,479	\$66,188,936
	Total Dollar amount of Budget Amendments (all funds)	\$5,949,304	\$5,839,462	\$0
	City Taxable Value	\$1,030,644,090	\$1,103,579,680	\$1,159,862,880
	Total Dollar value of Fiscal Year CIP - all funds	\$8,524,474	\$15,869,769	\$8,952,325
Output	Accounts Payable Processed - Paper Check	3,252	3,250	2,000
	Accounts Payable Processed - ACH	1,792	1,810	3,000
	Accounts Payable Processed - Credit Card	2,008	2,008	2,008
	# of water/sewer customers	11,208	11,208	11,208
	# of water/sewer customers signed up for ACH	2,738	2,765	2,793
Outcome	% of Accounts Payable processed by ACH	25.4%	25.9%	42.8%
	% of water/sewer customers signed up for ACH	24.4%	24.7%	24.9%
	Amount of Credit Card Rebate	\$6,000	\$6,000	\$6,000
	% of Dollar amount of budget amendments	8.8%	>1.5%	>1.5%
	% of Budgeted GF revenues received	102.2%	95.0%	95.0%
	% of Budgeted GF expenditures spent	Financial Summary 1.6%	95.0%	95.0%

	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Requirements:				
Personnel Services	\$ 690,664	\$ 816,700	\$ 840,618	\$ 23,918
Supplies	3,044	7,250	7,250	-
Other Services and Charges	91,623	92,962	81,749	(11,213)
Capital Outlay	-	-	-	-
Total	\$ 785,331	\$ 916,912	\$ 929,617	\$ 12,705
Resources:				
Mobile Home Solid Waste	\$ 57,780	\$ 58,680	\$ 58,680	\$ -
Property Tax Admin. Fees	614,942	600,000	655,180	55,180
Interest Income on Deposits	766,930	450,000	300,000	(150,000)
General Fund	(654,321)	(191,768)	(84,243)	107,525
Total	\$ 785,331	\$ 916,912	\$ 929,617	\$ 12,705

Key Issues

- The budget is supported at the current service level.

Information Technology

Outsourced to Skynet Innovations (Formerly BPI Information Systems) in 2015, the Information Technology Department is responsible for providing 24/7 computer support services for the City including on site staffing during business hours and on-call support covering after hours. In addition to the normal system maintenance and helpdesk services, Skynet also provided all special information technology tasks including but not limited to:

- 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

- Upgraded Wireless Networking equipment and migrated to a single cloud-hosted platform, improving wireless capabilities across the city.
- Upgraded Networking equipment to replace end-of-life switches to stay in Compliance and maintain network security (Phase 1, 9 devices).
- Updated Training and Phishing tests to increase staff's security awareness
- Implemented DUO across the City and configured and deployed security tokens and fobs to the necessary users.
- Implemented Blackpoint Cyber, a managed Detection and response platform that offers essentially a 24/7 security operations center (SOC) service to detect and neutralize cyber threats in real-time.
- Supporting documentation provided during LEIN audit, Madison Heights Police Department received a passing assessment.

Objectives

- Replace the host servers running Microsoft Data Center and VMware; right sizing these to accommodate applications hosted locally. (*Strategic Plan 5.4.c and 5.4.d*)
- Replace the current Anti-Virus service to allow direct integration and reporting to detect and neutralize cyber threats in real-time.
- Upgrade networking equipment to stay in compliance and maintain network security (Phase 2, 7 devices).
- Coordinate DPS Fiber Cabling installation to improve connection between City Hall and the DPS Building.
- Replace the ageing Cisco phone system.
- Replace existing Firewalls and Core routers to upgrade the granular security and eliminate multiple points of failure.
- Ensure adherence to updated Criminal Justice Information Services guidelines.
- Conduct Vulnerability Scanning and remediation of detected vulnerabilities.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Number of helpdesk requests	1,660	1,750	1,900
	Number of endpoints served	435	435	435
Output	Number of new computers installed	25	30	30
	Special IT projects handled	12	15	15
Outcome	% of helpdesk request handled in 8 hours or less	83%	86%	90%
	Total number of helpdesk cases resolved	1,660	1,750	1,900
Efficiency	Capital expenditures for IT	\$ 183,622	\$ 390,000	\$ 145,000
	Department Expenditures as a % of General Fund	1.2%	1.5%	1.5%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	29,364	51,000	52,500	1,500
Other Services and Charges	301,156	356,687	471,387	114,700
Capital Outlay	137,717	291,750	93,750	(198,000)
Total	\$ 468,237	\$ 699,437	\$ 617,637	\$ (81,800)
Resources:				
General Fund	\$ 468,237	\$ 699,437	\$ 617,637	\$ (81,800)
Total	\$ 468,237	\$ 699,437	\$ 617,637	\$ (81,800)

Custodial & Maintenance

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

- Monitored and adjusted HVAC schedules and setpoints through the web interface or programmable thermostats, resulting in energy savings.
- Assigned a second employee to Building Maintenance, which has resulted in improved delivery of service for non-emergency items and projects.
- Performed routine roof inspections in order to maintain warranties and proactively maintain the roofing systems at all buildings in good condition.
- Installed freeze monitoring devices to prevent damage at the park shelter buildings in the event of HVAC failure.
- Completed the Police Department HVAC replacement and upgrade project.

Objectives

- Budget for phase funding of the roof and HVAC replacement at Fire Station 1 (*Strategic Plan 2.1.a*)
- Continue to explore energy savings opportunities and improvements.
- Monitor performance of custodial contractors at City buildings.
- Implement a ticketing system to streamline building maintenance requests and labor reporting.
- Enhance curb appeal and general aesthetics at all City buildings.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Expenditures: Total jurisdiction facilities: Repairs	\$ 196,573	\$ 170,000	\$ 178,500
	Jurisdiction facilities, Total Electricity usage: kWh	1,359,803	1,300,000	1,200,000
Efficiency	Admin/office facilities, Custodial expenditure per square foot	\$0.67	\$0.81	\$0.81
	Admin/office facilities, Repair expenditure per square foot	\$0.68	\$0.59	\$0.62
	Departmental Expenditures as a % of General Fund	0.1%	1.9%	0.6%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 15,980	\$ 16,874	\$ 18,110	\$ 1,236
Supplies	20,399	21,700	21,700	-
Other Services and Charges	158,946	155,914	161,007	5,093
Capital Outlay	-	-	-	-
Subtotal-Municipal Bldg.	78,361	686,662	67,384	(619,278)
Total	\$ 273,686	\$ 881,150	\$ 268,201	\$ (612,949)
Resources:				
General Fund	\$ 273,686	\$ 881,150	\$ 268,201	\$ (612,949)
Total	\$ 273,686	\$ 881,150	\$ 268,201	\$ (612,949)

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.
- Hosting events that build trust and connect with the community such as the Bike Rodeo/Open House and the K9 demo.

Accomplishments

- Purchased and replaced four (4) new police vehicles, including an admin vehicle.
- Renovated Women's Locker Room and Briefing Room.
- Hired eight (8) police officers, with four (4) in background.
- Hired four (4) new PSAs.
- Completed Ballistic shield and Riot Helmet replacement projects.
- Gained Reaccreditation through MLEAC.

Objectives

- Continue hiring process to complete full staffing of police officers and Police Service Aids.
- Purchase and replace three (3) police vehicles.
- Purchase and replace Property Room shelving.
- Continue HVAC upgrades.
- Monitor the co-responder program (CoRe) for future expansion. (*Strategic Plan 1.3.b*)
- Evaluate the need for special millage such as public safety or equipment millage. (*Strategic Plan 5.1.a*)

Key Issues

- FY 2026 includes new funding for a subscription service model for body and in-car cameras with cloud storage at \$146,000 per year.
- The service levels are maintained with this budget allocation, with six positions added since the passage of proposal MH in 2019.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Expenditures, police personnel and overtime (including support charged to department)	11,231,750	12,623,894	13,124,108
	Expenditures: Sworn police overtime	\$ 907,656	\$715,000	\$500,000
	Expenditures: Sworn police salaries and benefits (excluding	\$10,334,094	\$11,908,894	\$12,624,108
	Sworn Police FTEs (Budgeted)	51	52	52
	Sworn Police FTEs per 1,000 pop	2	2	2
Output	Dispatch calls/initiated actions: Total Police Responses	34,462	38,282	36,372
	Injury: producing traffic accidents	82	45	64
	Moving violation citations issued (excluding DUIs)	3,678	3,574	3,626
	Number of accidents involving fatalities	3	0	2
	DUI Arrests	147	122	135
Outcome	Complaints against sworn police personnel: Excessive force	1	1	1
	Complaints against sworn police personnel: Excessive force, sustained	0	0	0
	Complaints against sworn police personnel: Total	8	5	7
	Complaints sustained against sworn personnel: Total	1	0	1
Efficiency	Dispatch calls/initiated actions: Number of total police responses per 1,000 population	1,211	1,345	1,278
	Dispatch calls/initiated actions: Number of total police responses per sworn FTE	663	735	699
	Dispatch calls/initiated actions: Total police department expenditures per total police response	371.22	391.76	397.50
	Department Expenditures as a % of General Fund	33%	32%	34%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 11,231,750	\$ 12,623,894	\$ 13,124,108	\$ 500,214
Supplies	151,406	131,000	107,500	(23,500)
Other Services and Charges	657,086	787,876	744,297	(43,579)
Capital Outlay	752,824	1,454,701	481,800	(972,901)
Total	\$ 12,793,066	\$ 14,997,471	\$ 14,457,705	\$ (539,766)
Resources:				
Animal Control and Pound	\$ 1,047	\$ 1,500	\$ 1,500	\$ -
Liquor License Inspections	58,905	27,000	27,000	-
Law Enforcement Grants	12,810	10,000	5,000	(5,000)
Other Governmental Revenues	45,079	0	25,000	25,000
Police Miscellaneous	175,366	141,461	126,000	(15,461)
Police & Fire Pension Millage	3,753,652	4,078,865	4,327,285	248,420
General Fund	8,746,207	10,738,645	9,945,920	(792,725)
Total	\$ 12,793,066	\$ 14,997,471	\$ 14,457,705	\$ (539,766)

Fire Department

The Fire Department consists of 32 licensed paramedics of whom 21 are Firefighters, 6 are Lieutenants, and 3 are Captains. In addition, staff also includes 3 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.

Accomplishments

Public Safety

- Upgraded the Department Self-Contained Breathing Apparatus (SCBA) fill station.
- Purchased replacement tactical medics gear for all on-duty personnel.
- Responded to 5,197 emergency calls for service.
- Transported 2,761 patients to local hospitals.
- Completed 480 business fire inspections.
- Led the state legislative initiative to participate in the Federal Ground Emergency Medical Transportation (GEMT) Program, bringing an estimated \$600,000 in revenues to the City.
- Upgraded all the department's Stryker equipment and secured a long-term savings plan for future Stryker purchases.
- Secured an \$84,000 grant to purchase additional sets of turn-out gear.

Resource Management

- Hired two new Firefighter/Paramedics.
- Three firefighters attended the International Fire Department Instructors Conference (FDIC) for training.
- Promoted 1 Deputy Fire Chief, 2 Captains, and 2 Lieutenants

Objectives

Public Safety

- Place into service the new 75' Ariel ladder housed at Fire Station 2.
- Design the new rescue ambulance that will be housed at Fire Station 2
- Support staff's attendance to Eastern Michigan University's Fire Staff and Command Executive Leadership Program.
- Explore opportunities to improve the department's Insurance Services Office Public Protection Class rating.
- Place into service the new 75' Ariel ladder housed at Fire Station 2.
- Design the new rescue ambulance that will be housed at Fire Station 2
- Select officer to attend EMU's Fire Staff and Command Executive Leadership Program.

Resource Management

- Train the new Fire Marshal.
- Hire two new Firefighter/Paramedic.
- Train firefighters on the eligibility list to meet all job requirements for the officer position.

Key Issues

- Personnel services increased due to additional pension contributions and negotiated wage increases (see personnel chapter for more details).
- FY 2026 supports status quo service levels.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Expenditure: Total Fire/EMS personnel and operations (including support charged to	7,160,314	7,977,993	8,241,381
	Expenditures, Fire/EMS Personnel: Sworn			
	Expenditures: Sworn Fire/EMS personnel, OT only	682,330	301,222	301,222
Output	EMS: Number of ALS Responses	2,355	2,375	2,400
	EMS: Total BLS and ALS Responses	4,050	4,400	4,450
	Inspections: Commercial/Industrial Occupancies Inspected	500	480	450
	EMS: Total BLS and ALS Transports	2,744	2,800	2,850
Outcome	Emergency EMS response time: Percentage 8 Min or under: Dispatch to arrival	98	100	100
	Emergency fire response time: Percentage 4 Min or under: Dispatch to arrival	52	50	50
	Percentage of responses within 8 minutes (conclusion of dispatch to arrival on scene of effective response force) for 1-2 family residential	100	100	100
	Emergency fire response time: Percentage 8 Min or under: Dispatch to arrival	95	97	95
Efficiency	Fire Incidents: Arson: Percentage of Cases Cleared	100	100	100
	Total BLS and ALS responses per 1,000 of population	135	146	148
	Total Fire/EMS personnel and operations expenditures per capita	\$277.95	\$312.07	\$318.33
	Number of total Fire Department (Fire and EMS) responses per suppression FTE	176	173	177
	Department Expenditures as % of General Fund	21%	22%	24%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease)
				FY 2024-25 FY 2025-26
Personnel Services	\$ 7,160,314	\$ 7,977,993	\$ 8,241,381	\$ 263,388
Supplies	108,924	138,300	130,050	(8,250)
Other Services and Charges	565,372	680,086	606,880	(73,206)
Capital Outlay	503,560	1,608,656	1,140,750	(467,906)
Total	\$ 8,338,170	\$ 10,405,035	\$ 10,119,061	\$ (285,974)
Resources:				
Ambulance & CPR Revenues	\$ 988,001	\$ 850,000	\$ 950,000	\$ (50,000)
Police & Fire Pension Millage	2,722,928	3,213,995	3,409,070	185,310
General Fund	4,627,241	6,341,040	5,759,991	(421,284)
Total	\$ 8,338,170	\$ 10,405,035	\$ 10,119,061	\$ (285,974)

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.

Accomplishments

- Adopted new zoning ordinance on May 13, 2024
- Approved Brownfield Plan for the 29448 John R Rd Redevelopment Project
- Completed Economic Development Plan
- Adopted Vizion Zero as a comprehensive approach to achieve a goal of zero traffic deaths and serious injuries on Madison Heights roadways.
- Permitted over \$23M in new non-residential and \$8M in residential construction value.
- Administered the MSHDA and CPF neighborhood programs (*Strategic Plan 1.1.a*)

Objectives

- Replace PT Code Enforcement position (*Strategic Plan 1.1.b*)
- Attain formal recognition from MEDC as a Redevelopment Ready Certified Communities. (*Strategic Plan 4.1.a*)
- Complete Comprehensive Marketing Plan. (*Strategic Plan 4.1.c*)
- Implement 11 Mile Streetscaping Plan from Lorenz to John R intersection. (*Strategic Plan 4.1.d*)
- Create strategy and marketing materials for key redevelopment sites.
- Adopt a comprehensive Safe Streets for All transportation plan.
- Review and revise the City's Master Plan as required by State statute.
- Pursue "safe streets" transportation implementation grant if available.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
<i>Input</i>	Valuation of commercial/industrial construction: Regular	\$23,214,543	\$30,000,000	\$8,000,000
	Valuation of residential construction	\$7,938,257	\$5,000,000	\$5,000,000
	Expenditures: Code Enforcement personnel and operations	\$213,155	\$218,598	\$223,061
	Expenditures: Development inspection, personnel and operations	\$1,105,017	\$1,253,192	\$1,141,181
<i>Output</i>	Code Enforcement: Total Cases Initiated	3,288	3,500	3,500
	# of Building Permits issued: Commercial	107	110	100
	# of Building Permits issued : Residential	610	632	600
<i>Outcome</i>	Vacancy Rate: Industrial	2.3%	3.0%	3.0%
	Vacancy Rate: Office	9.2%	10.0%	10.0%
	Vacancy Rate: Retail	3.7%	5.0%	5.0%
<i>Efficiency</i>	Amount recovered from property owners relating to jurisdiction abatement efforts	\$53,255	\$45,000	\$45,000
	% of cases resolved through forced compliance	6.9%	7.0%	7.0%
	% of cases resolved through voluntary compliance	93.1%	93.0%	93.0%
	Department Expenditures as a % of General Fund	3.13%	2.96%	3.00%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 560,993	\$ 624,169	\$ 636,421	\$ 12,252
Supplies	4,855	7,800	7,500	(300.00)
Other Services and Charges	659,158	743,712	622,251	(121,461)
Total	\$ 1,225,006	\$ 1,375,681	\$ 1,266,172	\$ (109,509)
Resources:				
Occupational Licenses	\$ 194,535	\$ 200,000	\$ 207,000	\$ 7,000
Other Permits	84,214	60,000	92,000	32,000
Building Permits	867,638	710,000	790,734	80,734
Engineering Fees	117,475	76,000	92,500	16,500
Planning Fees	19,350	21,250	20,000	(1,250)
GIS Services	7,705	7,500	8,000	500
General Fund	(65,911)	300,934	55,938	(244,996)
Total	\$ 1,225,006	\$ 1,375,684	\$ 1,266,172	\$ (109,512)

Key Issues

- CDBG program funds have been allocated to meet new percentage levels from Oakland County.

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

- Assisted in the FY 2024 neighborhood and major road repair and reconstruction programs by creating and providing signs, barricades, storage facilities and debris removal.
- 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.
- Awarded tree grants to supplement the ROW Tree Replacement Program. (*Strategic Plan 6.1.d*)
- Began replacement and upgrades to the City's gateway welcoming signage. (*Strategic Plan 3.3.b*)
- Improved safety in the Dequindre corridor between 11 and 13 Mile Roads through the installation of 53 new LED streetlights.
- Completed biennial PASER on all major and local roads.
- Participated in Michigan Green Community Network (MGC) - Bronze Status (*Strategic Plan 6.1.d*)

Objectives

- 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.
- Manage the tree program for new trees and tree replacements. Apply for MDNR Community Forestry Grant for tree inventory and 150 tree planting. (*Strategic Plan 3.3.d*)
- Utilize the PASER data, analyze needs and prepare an R-4 millage renewal proposal. (*Strategic Plan 2.1.c*)
- Analyze traffic safety needs, and implement improvements where necessary. (*Strategic Plan 1.3.a*)
- Continue participation in MGC network for Gold Status by 2028 (*Strategic Plan 6.1.d*)

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Expenditures on paved sidewalks (operations and capital)	\$16,456	\$17,000	\$17,500
	Annual Streetlighting Expense	\$537,498	\$564,373	\$592,592
Efficiency	Expenditures, paved road rehabilitation, per total paved lane miles	\$13,784	\$10,009	\$9,914
	Department Expenditures as a % of General Fund	3.0%	3.5%	2.7%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 18,595	\$ 17,318	\$ 18,552	\$ 1,234
Supplies	3,026	18,870	24,250	5,380
Other Services and Charges	987,234	1,032,534	1,102,858	70,324
Capital Outlay	212,594	568,009	10,000	(558,009)
Total	\$ 1,221,449	\$ 1,636,731	\$ 1,155,660	\$ (481,071)
Resources:				
Weed Mowing	\$ 42,630	\$ 50,000	\$ 50,000	\$ -
Brush Chipping	7,475	7,500	7,500	-
General Fund	1,171,344	1,579,231	1,098,160	(481,071)
Total	\$ 1,221,449	\$ 1,636,731	\$ 1,155,660	\$ (481,071)

Key Issues

- Significant inflationary increases in the costs of labor and materials have spread available road funding budgets thinner than in past years. Staff continues to address the highest priority repairs and rehabilitations needed as funding allows.

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;
- Informing citizens of refuse and recycling rules and schedules that instruct residents on the City's mandatory recycling program through website, newsletter, and other forms of social and electronic media.

Accomplishments

- Completed multiple tree trimming/pruning requests along with annual sectional winter trimming/pruning by Limb Walkers Tree Service and DPS personnel.
- Completed removal of 41 dead or diseased trees, or proactively removed from City construction projects.
- Sold 38 recycling bins and 68 boxes of garbage bags year-to-date.
- Supported a pilot program for food scrap composting with a single drop-off location at the DPS, increasing to two locations and four total bins.
- Prepared and issued an RFP for solid waste collection and disposal, including options for curbside food scrap composting. (*Strategic Plan 1.1.d and 3.3.e*)

Objectives

- Continue bi-weekly sweeping of residential areas.
- Monitor performance of the solid waste and disposal contractor.
- Monitor the health of City trees and remove or trim as necessary.
- Monitor performance and response of tree contractor (Limb Walkers).
- 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.
- Develop a public outreach campaign to increase recycling and composting tonnage, while decreasing garbage volumes with the help of the Environmental Citizens Committee.
- Implement the partially grant-funded universal cart rollout for trash and recycling carts. (*Strategic Plan 1.1.c*)

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
<i>Input</i>	Expenditures for Recycling	\$309,172	\$316,901	\$348,591
<i>Output</i>	Residential recycling: Tons collected	814	850	900
	Yard Waste Tons Collected: Composted	2,075	2,000	2,050
<i>Efficiency</i>	Street sweeping expenditures per lane mile	771	794	834
	Department Expenditures as a % of the General Fund	6.8%	10.9%	7.2%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 68,688	\$ 71,984	\$ 76,971	\$ 4,987
Supplies	3,585	12,340	13,100	760
Other Services and Charges	2,745,822	2,812,607	2,859,221	46,614
Capital Outlay	-	2,157,817	85,000	(2,072,817)
Total	\$ 2,818,095	\$ 5,054,748	\$ 3,034,292	\$ (2,020,456)
Indirect Costs	334,090	342,062	354,260	12,198
Resources:				
Solid Waste Millage	\$ 2,525,155	\$ 2,679,566	\$ 2,780,040	\$ 74,673
General Fund	627,030	2,717,244	608,512	(2,082,931)
Total	\$ 3,152,185	\$ 5,396,810	\$ 3,388,552	\$ (2,008,258)

Key Issues

- 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. Education and communication will continue to be crucial.

Recreation Division

The Recreation Division of the Department of Public Services consists of a full-time Supervisor, a full-time Specialist, and 25 seasonal part-time positions. The Recreation Division is responsible for:

- Conducting the City's leisure and recreational programs including instructional programs such as dance, golf, fitness, yoga, painting, and team sports such as basketball, softball, T-Ball, 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 Pre-4th of July Festival in the Park, Run for the Health of It 5K, City Golf Outing, Holiday Tree Lighting Ceremony, Coffee Concert series, and providing support to many other community events.

Accomplishments

- Worked with surrounding communities to develop/share in recreation programs. Those partner communities include Royal Oak, Troy, Clawson, Oak Park, Ferndale, and Berkley. The division has also partnered with other city departments and boards to collaborate on events. (*Strategic Plan 3.3.a*)
- Increased 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 Recreation Department now has over 2,700 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.
- Improved the successful Summer Day Camp program. The 8-week program was sold out with over 60 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.
- 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.
- Onboarded a new Recreation registration and management software (CivicRec).
- Licensed the summer camp program through the State of Michigan (MiLEAP).
- Analyzed and expanded existing programs and events (*Strategic Plan 3.3.f*)

Objectives

- Promote social, mental, and physical well-being to the citizens of Madison Heights through a variety of active and passive recreational programming.
- Analyze program offerings for relevance, participation, cost-effectiveness, and accessibility.
- Explore the need for additional staff through analysis of the workload, program enrollment, and costs/revenue.

- Create operating budgets for all in-house programs and events, to aid in cost/benefit analysis.
- Work to prepare the new Recreation Master Plan in partnership with the Parks and Recreation Advisory Board. (*Strategic Plan 3.2.e*)
- Partner with surrounding public and private agencies to increase available active and passive Recreation offerings to our residents. (*Strategic Plan 3.2.d*)

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	New Programs introduced	5	5	7
	Recreation revenues	\$ 152,759	\$ 150,000	\$ 155,000
Output	Recreation Registrations	2,055	2,000	2,500
	Pavilion Rentals	83	85	90
Efficiency	Department Expenditures as a % of the General Fund	1.0%	0.9%	0.9%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 247,233	\$ 255,815	\$ 252,425	\$ (3,390)
Supplies	63,157	72,418	70,718	(1,700)
Other Services and Charges	74,530	68,203	53,126	(15,077)
Capital Outlay	-	-	-	-
Total	\$ 384,920	\$ 396,436	\$ 376,269	\$ (20,167)
Resources:				
Recreation Fees	\$ 142,059	\$ 150,000	\$ 150,000	-
Recreation-Miscellaneous	24,461	10,000	10,000	-
General Fund	218,400	236,436	216,269	(20,167)
Total	\$ 384,920	\$ 396,436	\$ 376,269	\$ (20,167)

Key Issues

- Recreation continues to analyze all available spaces to figure out the best way to host a multitude of classes and programs with very limited space. Gym access is a necessity and continues to be a challenge. This budget includes expansion of collaborations with both school districts for space and programming.

Parks Division

The Parks Division of the Department of Public Services consists of two part-time seasonal Park Rangers, two year-round employees, 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.

Accomplishments

- Maintained the Parks system in a clean and sanitary state. The Parks continue to see increased usage as amenities are replaced and updated.
- Undertook a variety of capital projects were undertaken, including the completion of the Pickleball Courts at Rosie's Park, the Edison Park parking lot, and the Civic Center Park basketball courts.
- Pursued multiple grant opportunities resulting in increased funding for park amenity replacements.
- Continued involvement with a variety of City recreation, board, and private events through setup and event logistics and support.
- Inspected and repairerd playgrounds and playground equipment.
- Developed a comprehensive park-wide asset inventory with expected life-cycle analysis (*Strategic Plan 3.2.a*)

Objectives

- Plant trees at various parks.
- Continue the addition and replacement of features at various parks (e.g. benches, barbecues, drinking fountains, etc.)
- Assist with field layout and maintenance through various seasons.
- Support the Oakland County Parks and Recreation in the re-imagination of Ambassador Park (Red Oaks Park) (*Strategic Plan 3.2.c*)
- 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.
- Evaluate and improve ADA accessibility in the City's park system.
- Fund a strategic reserve through the Budget process to enhance ability to engage quick turn-around grants and other funding opportunities. (*Strategic Plan 3.2.b*)

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Expenditures: Parks personnel and operations: Total	\$ 432,866	\$ 479,364	\$ 480,000
	Park maintenance expenditures per acre	\$ 4,556	\$ 5,046	\$ 5,053
Efficiency	Department Expenditures as a % of General Fund	1.4%	4.4%	3.5%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 23,866	\$ 31,952	\$ 85,444	\$ 53,492
Supplies	48,817	41,850	43,000	1,150
Other Services and Charges	311,397	395,362	372,727	(22,635)
Capital Outlay	169,775	1,581,300	965,000	(616,300)
Total	\$ 553,855	\$ 2,050,464	\$ 1,466,171	\$ (584,293)
Resources:				
General Fund	\$ 553,855	\$ 2,050,464	\$ 1,466,171	\$ (584,293)
Total	\$ 553,855	\$ 2,050,464	\$ 1,466,171	\$ (584,293)

Key Issues

- Significant increases in the price of materials and labor spreads available capital funding much thinner than in previous years. Staff will continue to aggressively pursue alternate funding options, and ensure the City is receiving the best value for its money as improvements are undertaken.

Active Adult Division

The Active Adult Division of the Department of Public Services is staffed with one full-time Active Adult Center Supervisor, 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.

Accomplishments

- Partnered with Western Oakland Meals on Wheels (WOMOW) to start offering a Thursday congregate low cost meal to the seniors.
- Assisted 54 elderly, handicapped, and disabled residents through the Yard Services Program for lawn mowing (totaling 1,404 cuts) saving the seniors \$32,292 in expenses. (*Strategic Plan 1.1.a*)
- Aided 30 seniors in receiving Focus Hope commodity food each month, totaling 360 boxes of food.
- Assisted 182 seniors with tax assistance through the help of AARP.
- Bussed seniors to various essential places such as the grocery store, doctor appointments, the bank and other locations.

Objectives

- Empower older adults and their families by delivering services to enhance dignity, independence and quality of life for seniors, keeping the senior in their homes as long as possible.
- Provide meaningful opportunities for connection through engaging events that foster friendships, bridge generations, and strengthen the community.
- Implement activities that are pleasurable and improve health and well-being (physically, emotionally and mentally) while celebrating seniors as a vital and valued part of the community.
- Ensure accessibility and affordability by offering a variety of trips, events, and activities at no cost or very low cost, so every senior has the opportunity to participate.
- Develop activities to allow attendees to participate at many different levels whether it is listening, talking, playing or watching.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Two-way trips	4,218	4,300	4,500
	Bus Miles Traveled	22,975	24,000	25,000
Output	Number of programs offered for Seniors	1,154	1,160	1,200
	Day trips	42	40	40
	Newsletter subscriptions	174	175	175
Efficiency	Department expenditures as a % of the General fund	1.40%	1.10%	1.40%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 294,759	\$ 260,460	\$ 301,602	\$ 41,142
Supplies	194,563	130,992	152,500	21,508
Other Services and Charges	66,952	84,774	100,733	15,959
Capital Outlay	-	50,000	-	(50,000)
Total	\$ 556,274	\$ 526,226	\$ 554,835	\$ 28,609
Indirect Costs	181,324	185,672	191,891	6,219
Resources:				
Senior Non-Program	\$ 2,315	\$ 4,500	\$ 4,500	\$ -
Active Adult Center Rental	2,125	4,500	-	(4,500)
Senior Citizens Activities	179,965	120,000	120,000	-
Senior Center Millage	453,298	480,970	499,040	18,070
SMART	80,755	70,019	70,019	-
General Fund	19,140	31,909	53,167	21,258
Total	\$ 737,598	\$ 711,898	\$ 746,726	\$ 34,828

Key Issues

- AAC Staff and patrons continue to familiarize themselves with the new building; programming is being adjusted as needed.
- Due to the growing interest in and use of the new Center, additional staff hours are needed to support its operations. This budget includes an increase in part-time staff hours to address this demand.

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.

Accomplishments

- Improved Makerspace by adding software and equipment requested by patrons. (*Strategic Plan 3.1.a*)
 - Added laser cutter & engraver
 - Transitioned from using a standalone online calendar to using a shared registration system with Recreation and Active Adult Center. The software also allows booking of equipment available in the Creative Techspace makerspace.
- Enhanced patrons' use of the library outside normal hours with introduction of two new grant-funded StoryWalks in Rosie's Park and Civic Center Park. (*Strategic Plan 3.1.b*)
- Provided 1,171 computer sessions and 7,673 wireless sessions.
- Increased number of events by 123%.
- Increased collection use by 28.9%.

Objectives

- Introduce large format printer and laminator to Creative Techspace after StoryWalk grant is completed. (*Strategic Plan 3.1.a*)
- Evaluate and implement replacement for MyLibro App. (*Strategic Plan 3.1.a*)
- Evaluate usage of StoryWalk installed in FY 2025. (*Strategic Plan 3.1.b*)
- Increase utilization with community outreach, increasing events attended, and launch a new city wide newsletter. (*Strategic Plan 3.1.c*)
- Increase Library of Things offerings for emergency preparedness. (*Strategic Plan 3.1.d*)

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
<i>Input</i>	Expenditures: E-Materials acquisition	\$40,814	\$45,000	\$50,000
	Expenditures: Printed materials	\$66,468	\$70,000	\$75,000
	Expenditures: Other materials	\$7,906	\$9,000	\$10,000
	Number of Events	219	220	225
	Volunteer Hours Worked	602	610	620
<i>Output</i>	Electronic Circulation	34,591	35,000	36,000
	Physical Circulation	47,271	48,000	49,000
	Paid database uses	6,677	6,700	6,800
	Active Registered Borrowers	4,886	5,000	5,100
	Event Participants	4,593	4,800	5,000
	Number of library visits	78,495	80,000	82,000
<i>Efficiency</i>	Answered questions for information	4,654	4,700	4,700
	Libraries: Circulation per capita	2.87	2.91	2.98
	Library visitation rate per capita	2.75	2.8	2.87
	Department Expenditures as a % of the General Fund	0%	0%	0%

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ 634,083	\$ 654,179	\$ 676,553	\$ 22,374
Supplies	51,014	32,000	30,000	(2,000)
Other Services and Charges	132,143	168,765	156,404	(12,361)
Capital Outlay	114,387	177,348	158,000	(19,348)
Total	\$ 931,627	\$ 1,032,292	\$ 1,020,957	\$ (11,335)
Resources:				
State Library Aid	\$ 29,053	\$ 27,534	\$ 27,534	\$ -
County Penal Fines	38,186	38,186	39,105	919
Book Fines	2,182	-	-	-
Copy/Print Fees	3,173	1,950	1,950	-
TLN USF E-Rate Rebate	4,356	4,356	4,356	-
General Fund	854,677	960,266	948,012	(12,254)
Total	\$ 931,627	\$ 1,032,292	\$ 1,020,957	\$ (11,335)

Key Issues

- Public use of the library continues to increase following renovation. This budget includes continued investment in technology and Creative Techspace programming.

Insurance & Transfers

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	339,140	281,500	372,490	90,990
Transfers	3,413,008	482,500	483,100	600
Total	\$ 3,752,148	\$ 764,000	\$ 855,590	\$ 91,590
Resources:				
General Fund	\$ 3,752,148	\$ 764,000	\$ 855,590	\$ 91,590
Total	\$ 3,752,148	\$ 764,000	\$ 855,590	\$ 91,590

Key Issues

The City is a member of the Michigan Municipal Risk Management Authority (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. Based on the City's solid loss history, we carry Stop Loss insurance of \$900,000. The FY 2026 budget for insurance is estimated to be \$986,610 across all funds with \$501,060.

Pension Obligation Debt Service

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) FY 2024-25 FY 2025-26
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Other Services and Charges	880	880	880	-
Issuance of Debt	-	-	-	-
Debt Service	1,155,172	1,027,228	1,026,827	(401)
Transfers	-	-	-	-
Total	\$ 1,156,052	\$ 1,028,108	\$ 1,027,707	\$ (401)
Resources:				
General Fund	\$ 1,156,052	\$ 1,028,108	\$ 1,027,707	\$ (401)
Total	\$ 1,156,052	\$ 1,028,108	\$ 1,027,707	\$ (401)

Key Issues

This fund was established in FY 2018 following the City Council's adoption of a goal related to resources, aiming to develop and implement a plan and policy to address the City's unfunded liabilities for pensions and other post-employment benefits, such as retiree healthcare. Retiree health care liabilities are now fully funded.

After the state approved PA 327 of 2012, municipalities were authorized to issue bonds to cover pension liabilities, subject to specific conditions. These include issuance before December 31, 2018, maintaining municipal credit rating of AA or higher, closing pension plans to new hires, preparing a comprehensive financial plan, and obtaining approval from the Michigan Department of treasury.

In 2017, the City successfully issued pension obligation bonds (POBs) for the general employees pension under public act 34 of 2001, following a resolution adopted by the City Council on March 28, 2016. When the analysis for issuing POBs was conducted, it was projected that the City would save approximately 4 million over a 16 year period if the bonds were sold with a true interest cost of 4.2% and investment earnings averaged 5.2%. The bonds were sold in September 2016 at a true interest cost of 3.12%, which is significantly lower than anticipated, resulting in greater long-term savings. Debt payments for POB principle and interest are budgeted at \$1.18 million in FY 2026.

FY 2026 marks the eighth year of the 15 year pension obligated bond period. The debt payment schedule is outlined in the expenditure chapter.



OTHER FUNDS

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

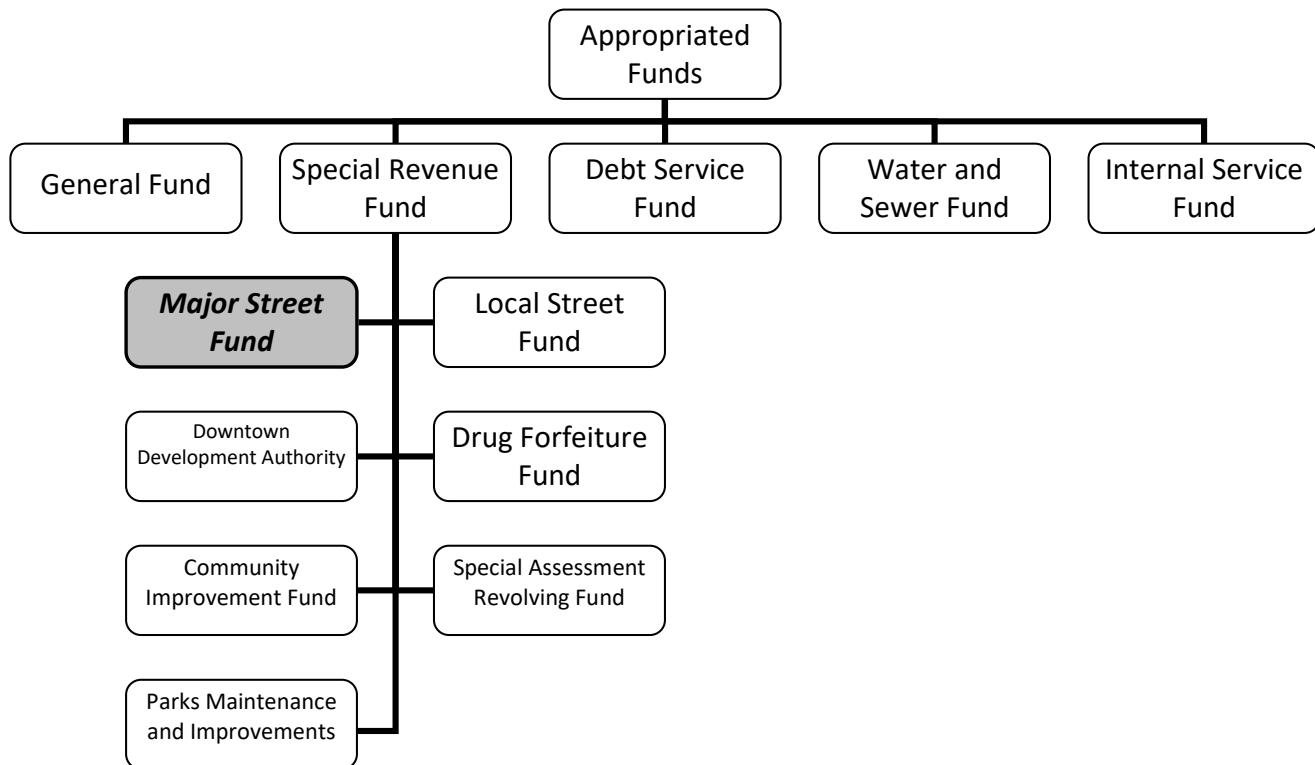
	<u>Page</u>
Major Street	140
Local Street.....	142
Parks Maintenance and Improvement	144
Downtown Development Authority	146
Municipal Buildings Construction and Bond Fund	148
Community Improvement.....	150
Water and Sewer	152
Motor Pool and Equipment.....	155
Department of Public Services.....	157
Chapter 20 Drain Debt.....	158

Major Street Fund

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

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Construction	\$ 1,007,921	\$ 2,417,508	\$ 1,525,000	\$ (892,508)
Maintenance	66,360	149,954	166,978	17,024
Traffic Services	330,641	201,521	191,094	(10,427)
Winter Maintenance	71,518	204,945	192,408	(12,537)
Administration	11,333	11,910	10,873	(1,037)
County Roads	62,124	97,679	88,789	(8,890)
Transfers	300,000	0	0	-
Total	\$ 1,849,897	\$ 3,083,517	\$ 2,175,142	\$ (908,375)
Resources:				
Federal	\$ 0	\$ 0	\$ 0	\$ 0
State	2,507,159	2,596,466	2,715,325	118,859
County	87,347	85,391	86,086	695
Transfers	0	0	0	-
Fund Balance	(744,609)	401,660	(626,269)	(1,027,929)
Total	\$ 1,849,897	\$ 3,083,517	\$ 2,175,142	\$ (908,375)
Fund Balance	\$ 4,513,598	\$ 4,111,938	\$ 4,738,207	\$ 626,269

Key Issues

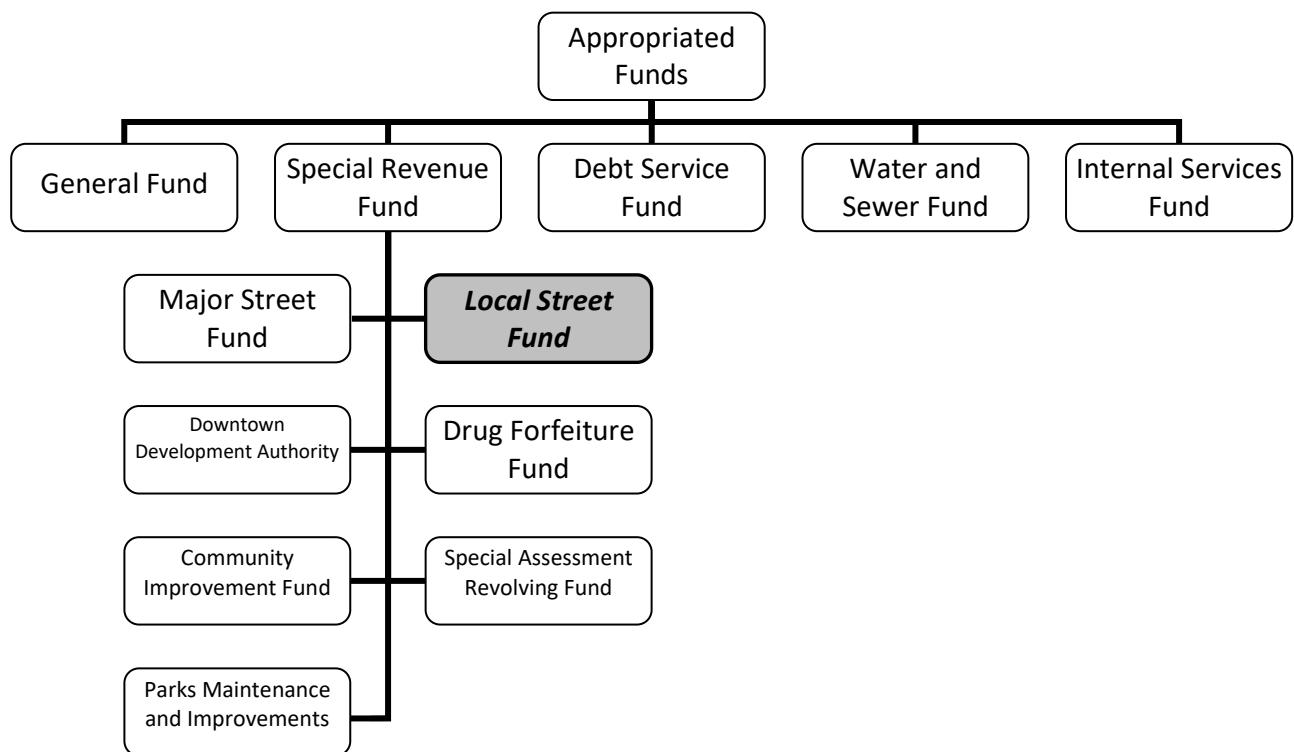
- Major Rehabilitation work was budgeted at \$1,425,000 for FY 2025 and \$800,000 in FY 2026 for phase two of John R overlay from 11 mile to 12 1/2 mile.
- Funding is also included for John R Overlay at \$150,000, through Oakland County's Tri-Party Program. The Road Commission of Oakland County (RCOC) has jurisdiction over 2,700+ miles of roads within Oakland cities, villages, and townships. As a result, each year the Oakland County Board of Commissioners set money aside to partner with 1/3 with RCOC and 1/3 with CVTs for road projects. This funding will be used as a local share of federal funding for the rehabilitation of John R from 14 mile to 12 1/2 mile.

Local Street Fund

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 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Requirements:				
Construction	1,855,961	1,938,000	1,956,000	18,000
Maintenance	354,963	319,268	309,127	(10,141)
Traffic Services	150,365	157,821	136,147	(21,674)
Winter Maintenance	14,986	60,020	50,740	(9,280)
Administration	10,261	11,161	29,281	18,120
Transfers	0	0	0	-
Total	\$ 2,386,536	\$ 2,486,270	\$ 2,481,295	\$ (4,975)
Resources:				
Property Taxes	\$ 1,914,379	\$ 2,028,464	\$ 2,104,690	76,226
Intergovernmental	1,258,072	1,203,720	1,250,336	46,616
Miscellaneous	122,484	5,000	50,000	45,000
Transfers	300,000	0	0	-
Fund Balance	(1,208,399)	(750,914)	(923,731)	(172,817)
Total	\$ 2,386,536	\$ 2,486,270	\$ 2,481,295	\$ (4,975)
Non-Proposal "R" Fund Balance	\$ 878,261	\$ 1,063,711	\$ 1,568,752	505,041
Proposal "R" Fund Balance	\$ 4,055,574	\$ 4,621,038	\$ 5,039,728	418,690

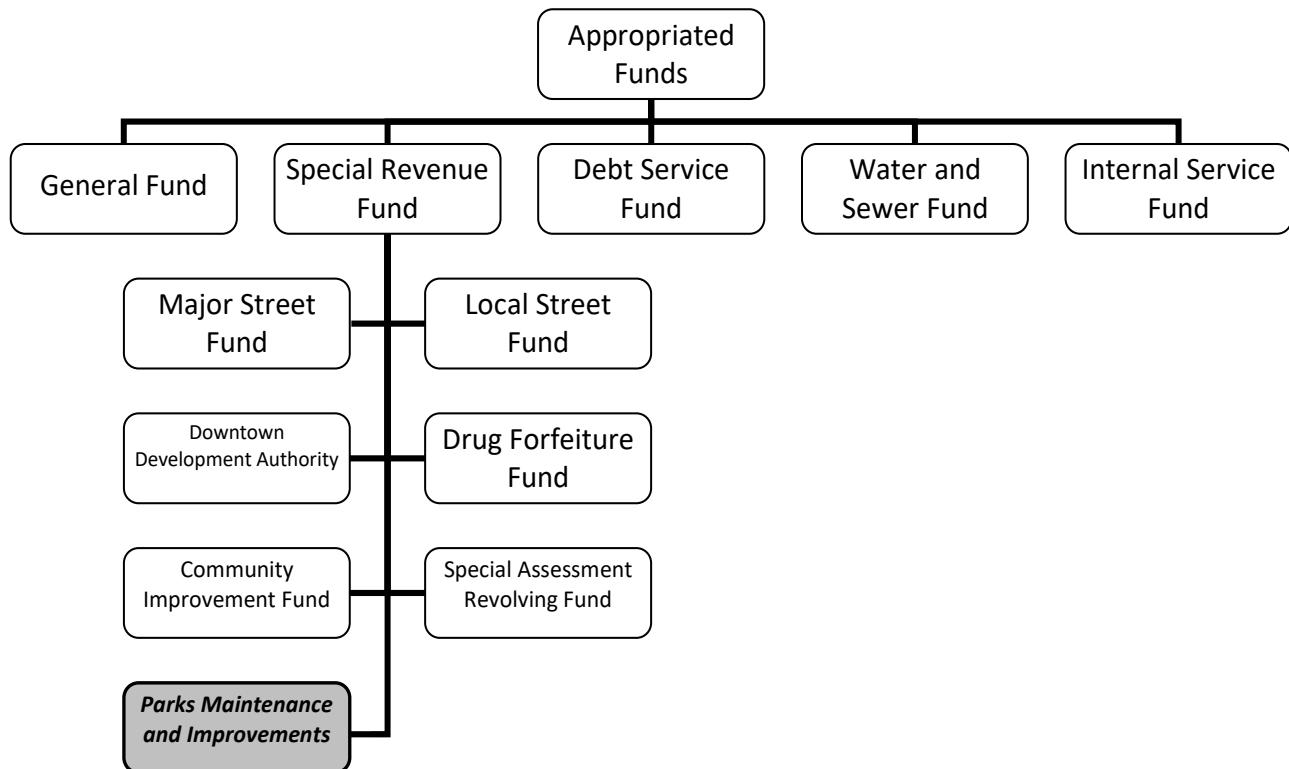
Key Issues

- 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 2026 includes portions of: Diesing Drive (Bellaire Avenue to Alger Street), Groveland Street (E. Lincoln to E. Cowan), and Rowland Avenue (John R to Battelle).

Parks Maintenance and Improvements

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 Maintenance and other Madison Heights park system improvements.

Organizational Fund Structure



Financial Summary

	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Requirements:				
Maintenance	\$ 32,676	\$ 45,544	\$ 98,972	\$ 53,428
Transfers	-	-	-	-
Total	\$ 32,676	\$ 45,544	\$ 98,972	\$ 53,428
Resources:				
Interest/Miscellaneous	\$ 98,808	\$ 45,544	\$ 48,972	\$ 3,428
County Shared Revenues	-	-	-	-
Fund Balance	(66,132)	-	50,000	50,000
Total	\$ 32,676	\$ 45,544	\$ 98,972	\$ 53,428
Fund Balance	\$ 648,344	\$ 648,344	\$ 598,344	\$ (50,000)

Key Issues

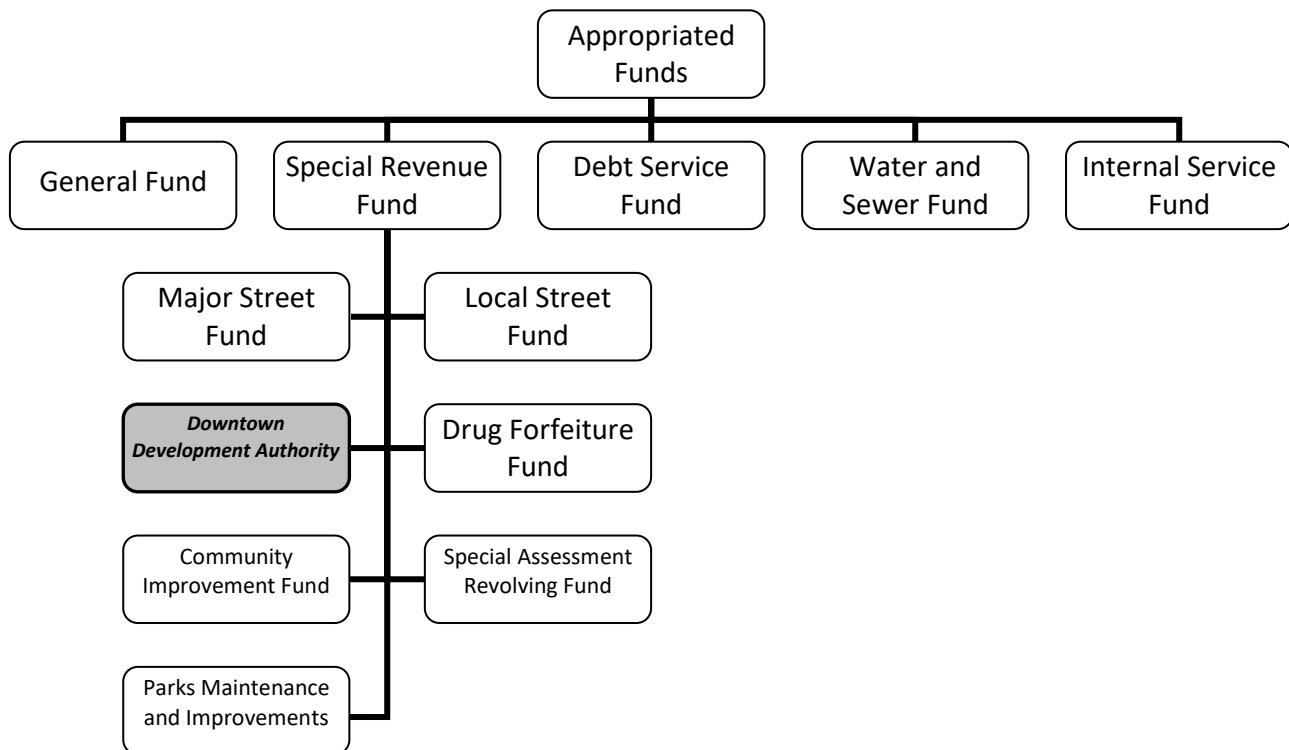
- As part of the Red Oaks acquisition of Ambassador Park, the full responsibility for operations at the Soccer Complex has been turned over to the City. The Red Oaks Soccer Complex is being renamed to reflect this change, and will be known as the Ed Swanson Madison Heights Youth Soccer Complex.
- The available balance in the Fund will continue to support operations at the Soccer Complex and major park projects for the foreseeable future.
- FY 2026 includes \$50,000 for repairs to the building and playstructure.

Downtown Development Authority

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

- Completed 11 Mile Streetscape Plan.
- Awarded Main Street Placemaking Grant of \$314,000 toward phase I of the 11 Mile Streetscape Project.
- Developed pilot digital marketing program that help offer promotional video content for downtown businesses.

Objectives

- Continue the Right-of-Way (ROW) maintenance program.
- Complete Phase I of the Downtown Streetscape Project (*Strategic Plan 4.1.d*).
- Develop strategy for obtaining “Partnership Level” membership level with Main Street Oakland County (*Strategic Plan 4.1.b*)

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Supplies	\$ -	\$ 500	\$ 500	\$ -
Other Services and Charges	160,023	558,718	87,266	(471,452)
Capital Outlay	1,982	368,982	55,000	(313,982)
Transfers	23,677	27,728	29,399	1,671
Total	\$ 185,682	\$ 955,928	\$ 172,165	\$ (783,763)
Resources:				
Property Taxes	\$ 226,035	\$ 239,521	\$ 254,909	\$ 15,388
State Shared Revenues	19,867	40,249	27,545	(12,704)
County Shared Revenues	-	313,982	-	(313,982)
Interest/Miscellaneous	1,888	250	500	250
Fund Balance	(62,108)	361,926	(110,789)	(472,715)
Total	\$ 185,682	\$ 955,928	\$ 172,165	\$ (783,763)
Fund Balance	\$ 542,778	\$ 180,852	\$ 291,641	\$ 110,789

Key Issues

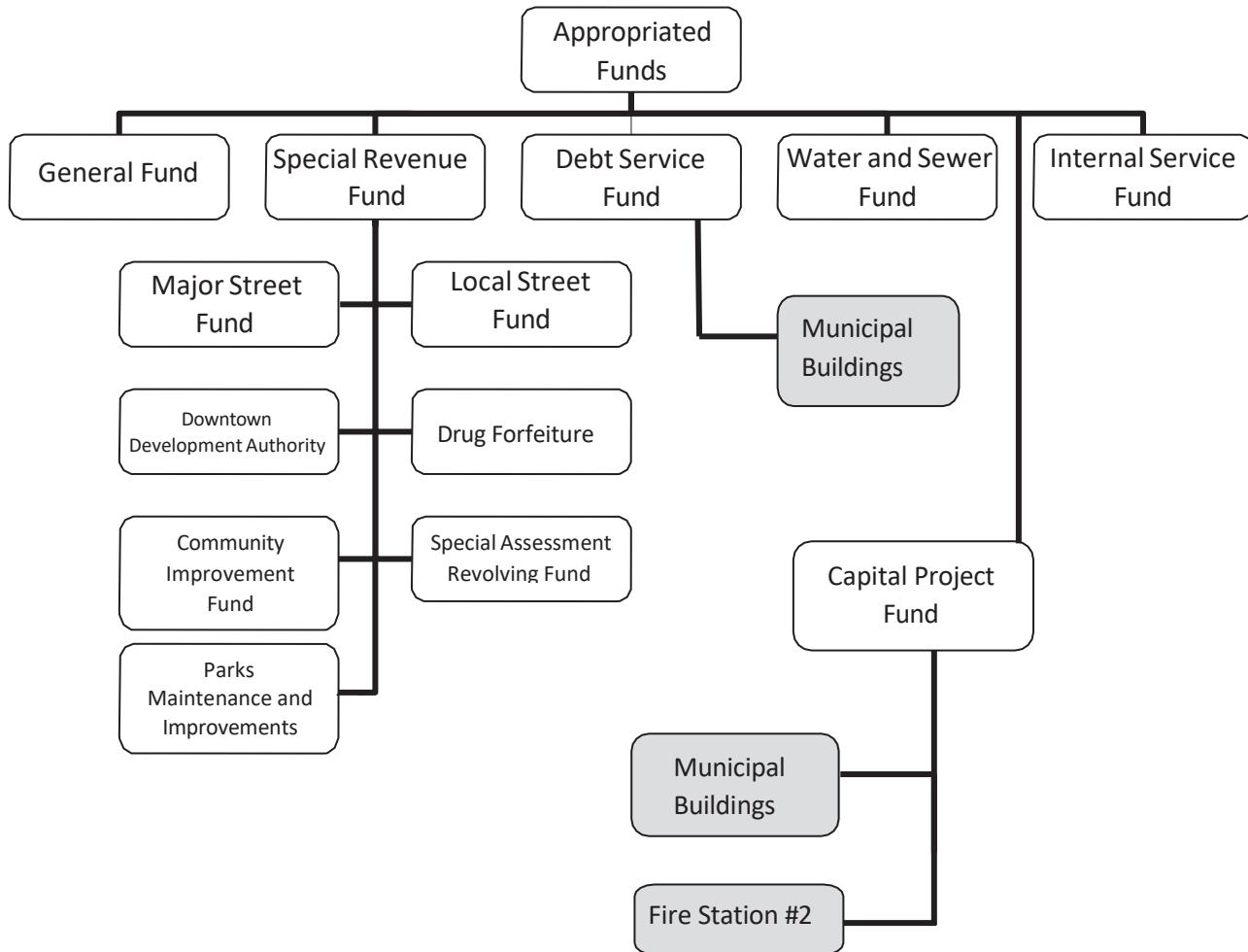
The FY 2026 budget includes the following major expenditures:

- \$5,000 Clocktower Maintenance
- \$5,000 Tree Planting Program
- \$10,000 MHHP Chamber Services Agreement
- \$30,000 Facade Improvements
- \$20,000 Area Improvements (11 mile Streetscape design/features)
- \$20,000 Facade for 11 mile Streetscape area businesses
- \$10,000 Facade DDA-Wide

Municipal Buildings Construction and Bond Fund

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.

Organizational Fund Structure



Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Other Services and Charges	\$ -	\$ -	\$ -	\$ -
Debt Service	255,600	482,500	483,100	600
Capital Outlay	-	-	-	-
Transfers	-	-	-	-
Total	\$ 255,600	\$ 482,500	\$ 483,100	\$ 600
Resources:				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Transfer In (General Fund)	257,100	482,500	483,100	600
Interest Earned	-	-	-	-
Fund Balance	-	-	-	-
Total	\$ 257,100	\$ 482,500	\$ 483,100	\$ 600

Key Issues

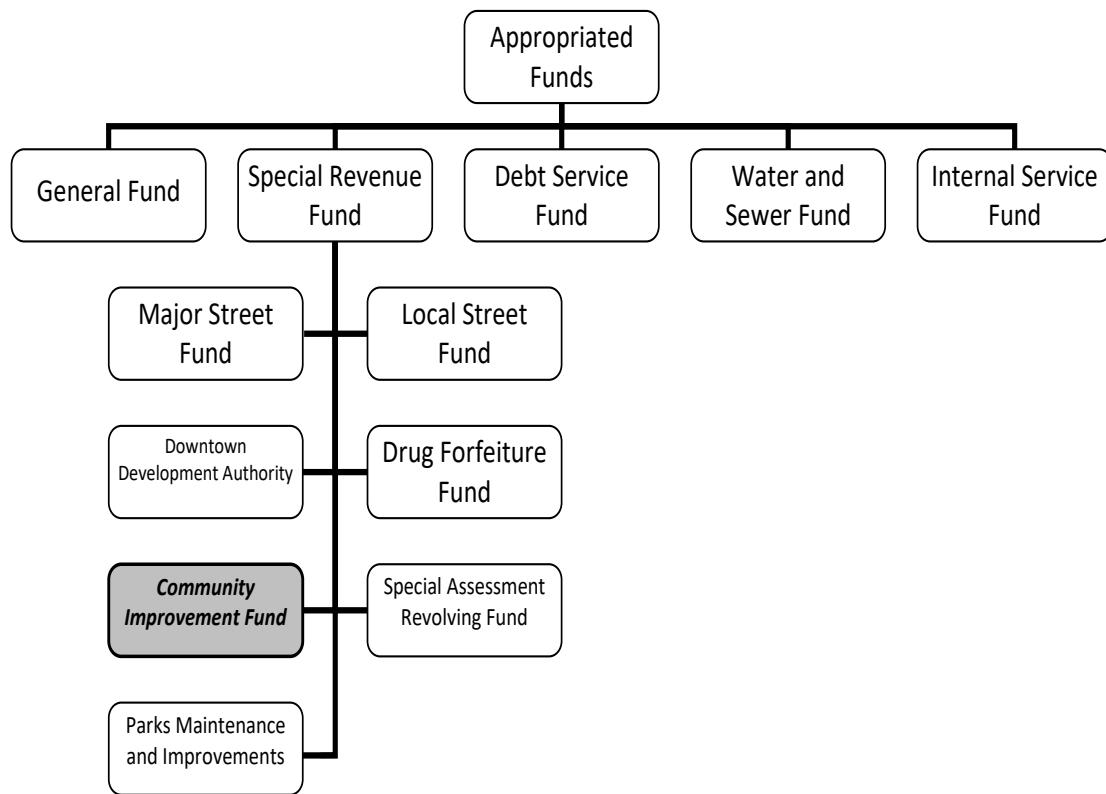
- FY 2026 Includes budget of bond principal \$240,000 and interest \$241,600.
- This bond was issued for \$6,390,000 in 2022 with installments of \$230,000 to \$470,000 through November 1, 2043 at a 4.0% interest rate.

Community Improvement Program

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 56 income qualified seniors

Paid for a Full Time Code Enforcement Officer

Completed (6) Minor Home Repair Projects & provided grant support for six (6) Oakland County Home Improvement Program grant projects for Madison Heights residents.

Completed Edison Park parking lot project supported by \$70,000 in CDBG project funds.

Expanded CDBG Yard Service activities to include snow removal services for seniors.

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

Performance Measures	Actual 2023-24	Estimate 2024-2025	Budget 2025-26	Increase (Decrease) FY 2024-2025 to FY 2025-26
Workload Indicators				
Participant Application	59	56	42	(14)
Home Chore Assignment	1704	1540	1155	(385)

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Personnel Services	\$ 85,358	\$ 81,746	\$ 98,070	\$ 16,324
Supplies	-	-	-	-
Other Services and Charges	53,437	67,178	39,289	(27,889)
Capital Outlay	-	-	-	-
Total	\$ 138,795	\$ 148,924	\$ 137,359	\$ (11,565)
Resources:				
Community Develop. Grant	\$ 145,735	\$ 148,924	\$ 137,359	\$ (11,565)
Fund Balance	(6,940)	-	-	-
Total	\$ 138,795	\$ 148,924	\$ 137,359	\$ (11,565)

Key Issues

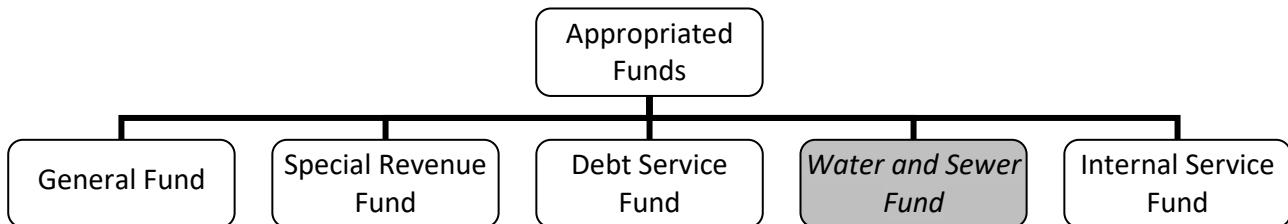
- HUD has limited Yard Service activity to no more than 15% of the total program year application. This means that around half as much funding will be available to support future Yard Service activities such as lawn cutting and snow removal. This will result in reducing the number of residents on our list for service or finding other funding sources.

Water and Sewer Division

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

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

Organizational Fund Structure



Accomplishments

Public Health:

- Repaired or replaced 30 curb boxes and installed 2 new water services (new construction).
- Repaired and/or assisted on 7 water main breaks.
- Applied larvicide to over 2,000 residential catch basins to help fight West Nile Virus.
- Replaced 4 fire hydrants, and repaired 5 fire hydrants.
- Continued federally-mandated Disinfectant and Disinfection By-Product testing.
- Continued to monitor high volume commercial water accounts for meter repair or replacement based on consumption.
- Continued Lead Service replacement program at no cost to residents or business owners.
- Replaced 3850 feet of water main on R-3 and stand-alone projects.
- Cleaned catch basins on all major roads, and all catch basins on sand only roads (185) and prior water main project roads.
- Continued a more rigorous commercial cross connection monitoring program.
- Discontinued 2 residential services and 2 commercial services for redevelopment
- Installed edge drain installed around Civic basketball court to improve drainage
- Verified over 20 locations for the revised Lead and Copper Rule Complete Distribution System Materials Inventory (CDSMI).

Objectives

- Cross-train employees on all job-related issues.
- Continue ongoing City-wide leak detection study on all water mains to help eliminate water loss.
- 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.
- Clean catch basins on major and local roads.
- Install water main in conjunction with 2025-26 “R-3” projects and identified stand-alone projects.
- Larvicide all residential City catch basins for West Nile prevention.
- Replace identified lead water service lines in the City.
- Work 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 (*Strategic Plan 2.1.b*).
- Perform repairs and maintenance on the sanitary sewer system as identified through the SAW Grant.
- Coordinate future infrastructure improvements with the upcoming R-4 millage, focusing on water main replacement, combined sewer separation, and stormwater upgrades.

Performance Measures

	Performance Indicators	Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
<i>Input</i>	Curb boxes replaced	30	60	50
	Main break repairs	33	30	25
<i>Output</i>	New water main installed (in feet)	5,590	3,850	3,850
<i>Efficiency</i>	New water main installed (per lineal foot cost)	\$ 295	\$ 300	\$ 309

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Water Charges	\$ 2,629,566	\$ 2,887,346	\$ 3,085,036	\$ 197,690
Water System Maintenance	423,094	933,311	913,120	(20,191)
Water Tapping & Installation	30,484	50,000	50,000	-
Water Depreciation	729,645	-	-	-
Sewage Disposal Charges	4,619,933	4,758,894	5,013,019	254,125
Sewer System Maintenance	704,245	675,907	658,198	(17,709)
Sewer Depreciation	606,629	-	-	-
General Service Building	285,113	201,799	236,952	35,153
General Administration	1,297,800	1,586,830	1,718,628	131,798
Capital Outlay	215,119	2,602,123	2,531,610	(70,513)
Debt Service	54,041	151,762	151,913	151
Total	\$ 11,595,669	\$ 13,847,972	\$ 14,358,476	\$ 510,504
Resources:				
Sales: Water	\$ 6,327,445	\$ 5,569,911	\$ 5,938,781	\$ 368,870
Property Taxes	839,348	-	-	-
Sales: Sewer	7,907,928	7,517,799	7,935,461	417,662
Interest/Miscellaneous	242,721	200,800	220,800	20,000
Departmental Charges	124,286	115,000	115,000	-
Fund Balance	(3,846,059)	444,462	148,434	(296,028)
Transfers In	-	-	-	-
Total	\$ 11,595,669	\$ 13,847,972	\$ 14,358,476	\$ 510,504
Unrestricted Net Assets	\$ 5,050,963	\$ 4,606,501	\$ 4,458,067	\$ (148,434)
Cash	\$ 4,330,444	\$ 3,885,982	\$ 3,737,548	\$ (148,434)

Key Issues

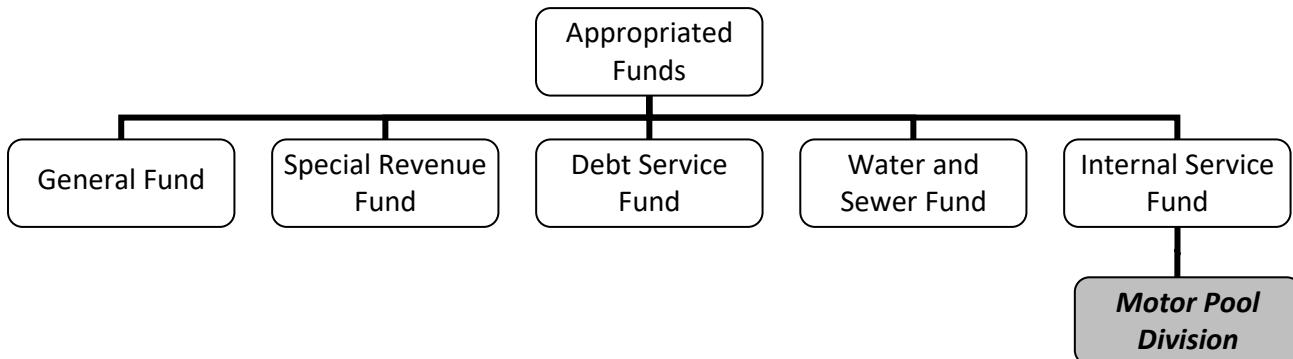
- The Water and Sewer Fund's retained earnings is not representative of cash in this business-type fund, and includes accounts receivable, depreciation, and inventory. At June 30, 2024, unrestricted retained position was \$5 million and the cash balance was \$4.3 million
- State and federal authorities have proposed changes to the Lead & Copper Rule, and officials are currently implementing those changes.
- The price of materials required to maintain the water distribution system have increased exponentially.
- FY 2026 is the first year that GLWA's proposed budget and charges exceed a 4% increase; in Madison Heights, the increase is 7.38%.

Motor Pool Division

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 tank 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

- Worked to bring as many repairs as possible back to “in-house” status.
- Worked to further “right-size” vehicles to their applications and duties performed. A midsized pickup was purchased to fill a role previously served by a full size pickup, and a full size van is being replaced by a compact truck.
- Replaced two aging fleet units by combining their roles to be served by a single forestry truck that now will be both our aerial platform and woodchipping vehicle.
- Expanded on the usage of Fleetio software to document outside repairs and data, then combining this with our in-house work orders. We are also continuing to build our electronic service part inventory to aid in procurement and reconciliation.
- Repurposed a near-replacement van to build an updated animal control unit – we were also able to transfer all of the needed fixtures in house.
- Worked with Biddergy, an online auction house, to sell off our retired equipment. Biddergy offers online marketing of our listings that helps us reach a much broader audience than ever before.
- Hired a third mechanic with a background in vehicle building and outfitting. This will aid us in reaching our goals to minimize build costs when bringing new equipment into daily use.

Objectives

- 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.
- Train technician to help with efficiency and accuracy of in-house repairs.
- Upfit lighting and task specific equipment in-house.

Performance Measures

Performance Indicators		Actual 2023-2024	Estimate 2024-2025	Budget 2025-2026
Input	Total gasoline purchased (gallons)	61,489	60,000	62,000
	Total diesel purchased (gallons)	24,157	25,000	27,500
Efficiency	Motorpool work orders	130	150	175
	Avg. cost - gallon of gasoline	\$ 2.40	\$ 2.50	\$ 2.75
	Avg. cost - gallon of diesel	\$ 2.74	\$ 3.00	\$ 3.25

Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Personnel Services	\$ 363,311	\$ 451,662	\$ 438,730	\$ (12,932)
Supplies	227,443	265,700	256,400	(9,300)
Other Services and Charges	631,039	503,080	565,920	62,840
Capital Outlay	-	-	-	-
Total	\$ 1,221,793	\$ 1,220,442	\$ 1,261,050	\$ 40,608
Resources:				
Department Transfers	\$ -	\$ -	\$ -	\$ -
Transfers-General Fund	1,093,755	1,092,546	1,164,580	72,034
Transfers-Water and Sewer	128,038	127,896	96,470	(31,426)
Fund Balance	-	-	-	-
Total	\$ 1,221,793	\$ 1,220,442	\$ 1,261,050	\$ 40,608

Key Issues

- The budget for this division is supported at its current service level.
- A pending retirement will necessitate hiring staff to replace a long-term member of the motorpool division.

Department of Public Services

The Department of Public Services Fund is an Internal Services Fund. This fund accounts for personnel and supplies needed to ensure a safe and well-maintained environment through maintenance of the local and major road network, sidewalks, parks, and water and sewer systems. Services provided are tracked through a work order system and charged back to other funds.

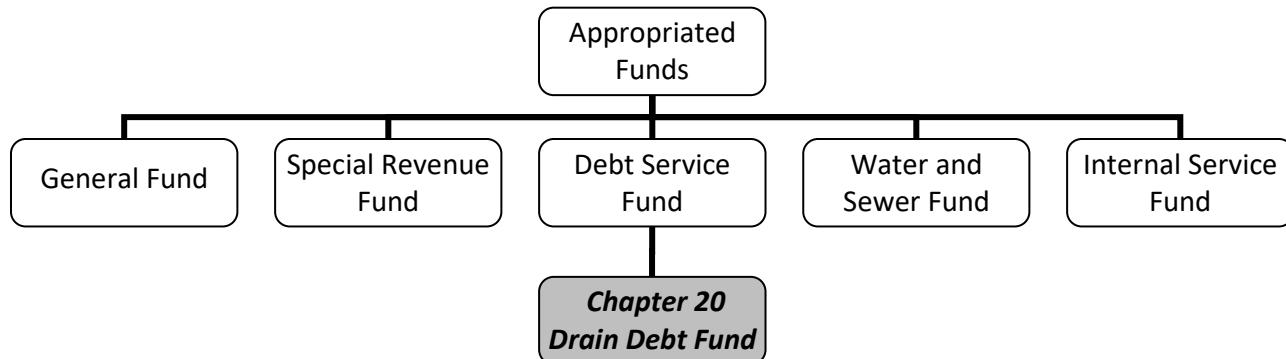
Financial Summary

Requirements:	Actual 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Personnel Services	\$ 2,279,382	\$ 2,497,777	\$ 2,379,957	\$ (117,820)
Supplies	13,312	-	14,000	-
Other Services and Charges	3,322	10,356	11,429	1,073
Capital Outlay	-	-	-	-
Total	\$ 2,296,016	\$ 2,508,133	\$ 2,405,386	\$ (116,747)
Resources:				
Transfers - General Fund	\$ 750,532	\$ 791,856	\$ 786,922	\$ (4,934)
Transfers - Major Street	36,873	108,389	63,676	(44,713)
Transfers - Local Street	148,902	173,312	129,151	(44,161)
Transfers - Water and Sewer	1,359,709	1,434,576	1,425,637	(8,939)
Fund Balance	-	-	-	-
Total	\$ 2,296,016	\$ 2,508,133	\$ 2,405,386	\$ (102,747)

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

Requirements:	Actuals 2023-24	Estimate 2024-25	Budget 2025-26	Increase (Decrease) 2024-25 to FY 2025-26
Debt Service	\$ -	\$ 73,440	\$ 73,708	\$ 268
Contractual Services	-	150,000	150,000	-
Total	\$ -	\$ 223,440	\$ 223,708	\$ 268
Resources:				
Property Taxes	\$ -	\$ 223,440	\$ 223,708	\$ 268
Miscellaneous	-	-	-	-
Fund Balance	-	-	-	-
State Shared Revenue	-	-	-	-
Total	\$ -	\$ 223,440	\$ 223,708	\$ 268

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.

CAPITAL IMPROVEMENT PLAN



FY 2025-30 CAPITAL IMPROVEMENT PLAN

<u>Plan Overview</u>	<u>Page</u>
Plan Overview.....	162
Summary of Appropriations by Program.....	165
Summary of Revenues by Source.....	167
Functional Areas	
Neighborhood Projects.....	167
Road Improvements.....	176
Collection and Distribution Systems.....	186
Public Safety.....	192
General Government and Economic Development.....	196
Leisure and Human Services.....	201
Replacement Plans	
Five Year Vehicle and Equipment Replacement Plan.....	205
Five Year Computer Replacement Plan.....	207
Impact of Capital Improvement on Operating Expenditures.....	209

Table of Tables

<u>Table</u>	<u>Page</u>
I. Financial Overview - Use of Funds.....	164
II. Financial Overview - Sources of Funds.....	166
III. R-1 Neighborhood Projects.....	171
IV-A. R-2 Neighborhood Projects.....	172
IV-B. R-3 Neighborhood Projects.....	174
IV-C Neighborhood Projects - Appropriations and Revenues.....	170
V. Road Improvements - Appropriations and Revenues.....	180
VI. Collection and Distribution Systems - Appropriations and Revenues.....	188
VII. Priority Non-R Water Main Projects.....	190
VIII. Public Safety - Appropriations and Revenues.....	194
IX. General Government and Economic Development - Appropriations and Revenues.....	198
XI. Leisure and Human Services - Appropriations and Revenues.....	203
XII. Five Year Vehicle and Equipment Replacement Plan.....	205
XIII. Five Year Computer Replacement Plan.....	210
XIV. Capital Improvement Impacts on Operating Expenditures.....	210

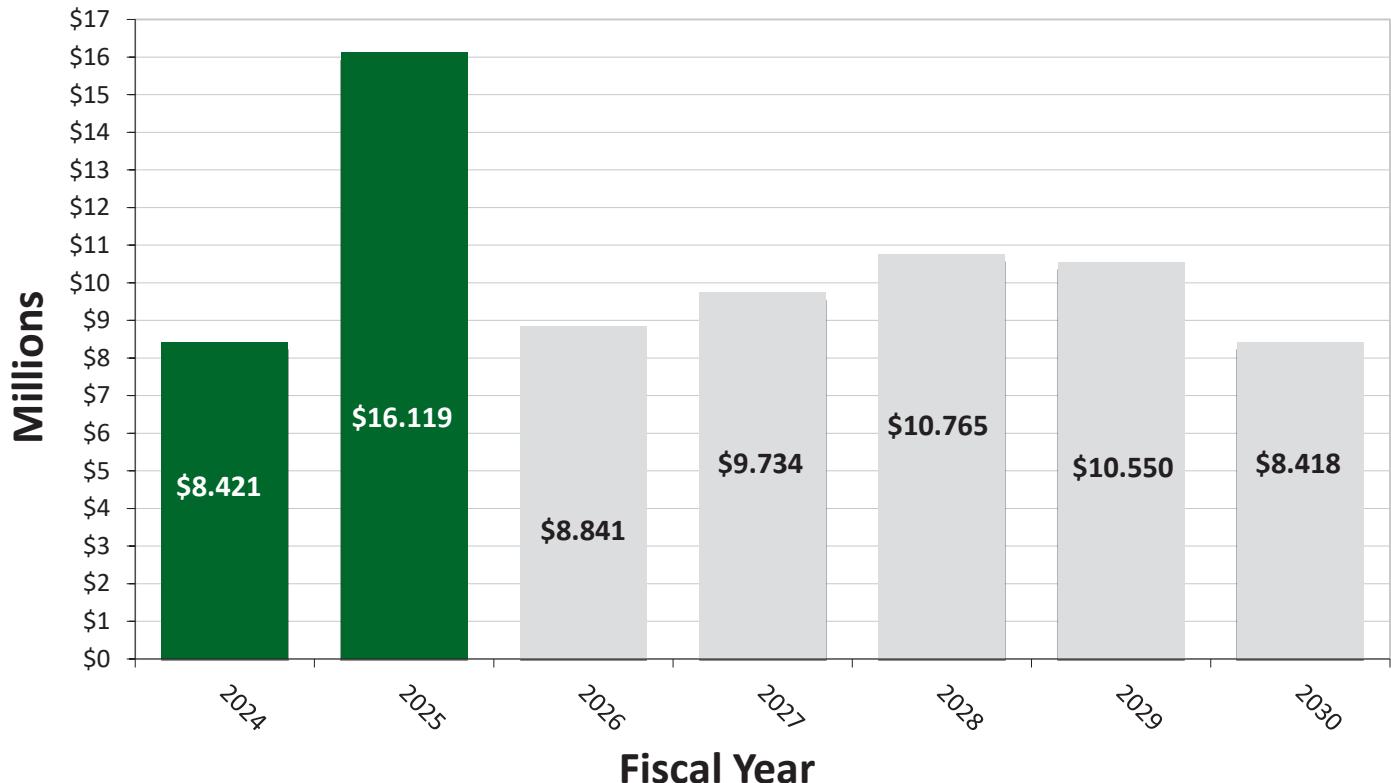
Table of Maps/Diagrams

<u>Map/Diagram</u>	<u>Page</u>
Neighborhood Road Projects.....	168
Paser Rating	182
People Powered Transportation & Sidewalk Repair Program.....	185
Non-R Water Main Replacement Projects by Priority.....	191
Downtown Development Authority Boundary Area.....	200

CAPITAL IMPROVEMENT PLAN

FY 2025-30

FY 2024-25 ESTIMATED



The largest category in the Capital Improvement Plan is Road Improvements, which includes both non-“R-3” road projects and related equipment. Annual expenditures for this category range from \$2.7 million to \$4.0 million over the current and next five-year period. The plan also includes \$6.7 million allocated for Proposal “R-3” Neighborhood Road Projects, \$5.5 million earmarked for potential Proposal “R-4” Neighborhood Road Projects, and \$7.7 million for Collection and Distribution Systems. Additionally, FY 2025 includes a federally funded project through the Road Commission of Oakland County to resurface John R from Dartmouth (12.5 Mile) to 14 Mile, which is included in the Capital Improvement Plan at a cost of \$5.5 million.

PLAN OVERVIEW

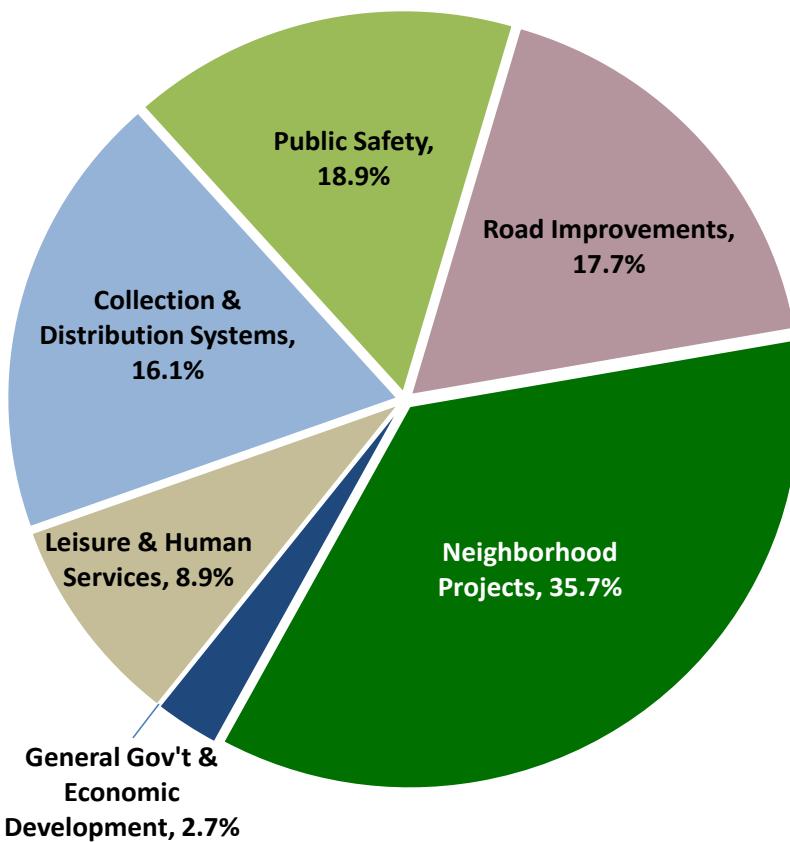
The FY 2025-30 Capital Improvement Plan (CIP) totals \$48.3 million. The previous page's bar graph shows the scheduled appropriations by year. The Capital Improvement Plan, which is a consolidation of current-year and projects planned over the current and next five years, represents future capital improvement commitments consistent with the City's capital improvement policies. (See Table I - Financial Overview.)

The CIP is 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 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 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 2025-30



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

TABLE I
FY 2025-30 CAPITAL IMPROVEMENT PLAN
FINANCIAL OVERVIEW
USE OF FUNDS
(IN THOUSANDS)

APPROPRIATIONS:

PROJECT DESCRIPTION	TABLE	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL APPROP.
Neighborhood Projects	III	2,564	\$ 2,526	\$ 2,701	\$ 3,886	\$ 3,920	\$ 3,956	\$ 2,802	\$ 17,265
Road Improvements	V	2,955	7,466	2,105	1,690	1,939	1,370	1,445	8,549
Collection & Distribution Sys.	VI	831	1,212	1,069	1,580	1,269	2,318	1,536	7,772
Public Safety	VIII	1,756	2,295	1,690	1,472	2,341	1,859	1,755	9,117
General Govt & Economic Dev.	IX	177	738	291	355	396	145	130	1,317
Leisure & Human Services	X	138	1,882	985	751	900	902	750	4,288
TOTAL		\$ 8,421	\$ 16,119	\$ 8,841	\$ 9,734	\$ 10,765	\$ 10,550	\$ 8,418	\$ 48,308

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.

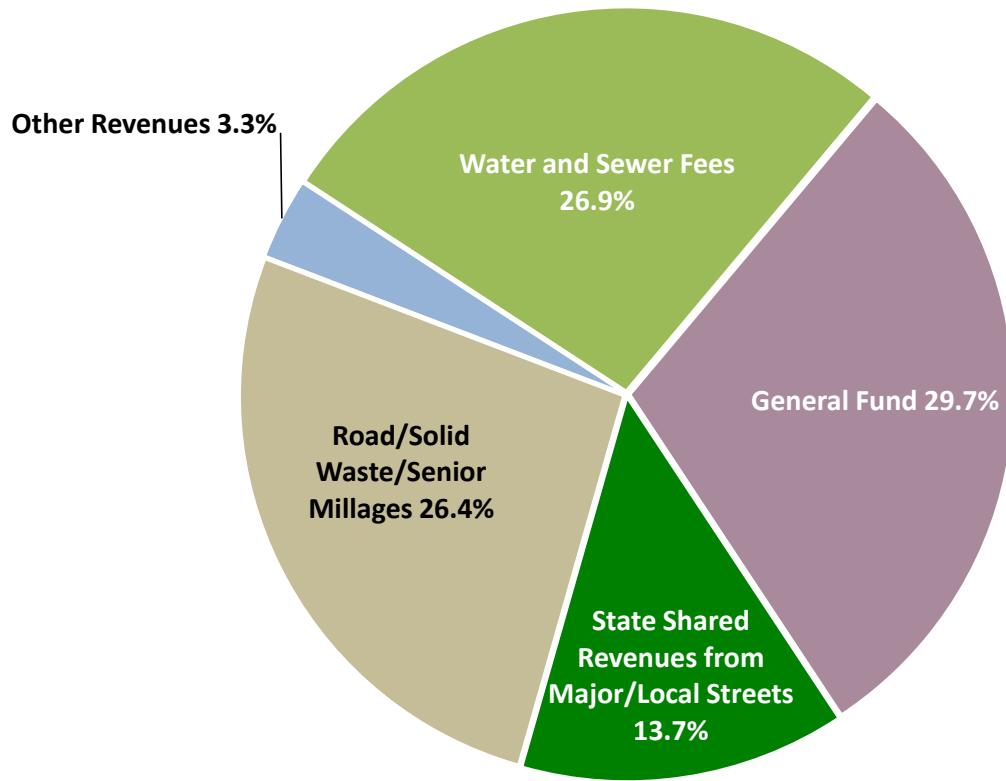
The planned Capital Improvement Plan expenditures for the six functional areas are expressed as a share of the total planned expenditures below:

<u>Expenditure Program</u>	<u>Percent of Plan</u>
Neighborhood Projects	35.7
Road Improvements	17.7
Collection & Distribution Systems	16.1
Public Safety	18.9
Leisure & Human Services	2.7
General Government & Economic Development	<u>8.9</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 2025-2030



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

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	\$ 12,126	\$ 535	\$ 0	\$ 0	\$ 0	\$ 86	\$ 12,747
Water/Sewer Fees	5,139	0	7,772	0	82	0	12,993
General Fund	0	1,264	0	8,858	1,235	2,977	14,334
State Shared Revenues from Major/Local Streets	0	6,600	0	0	0	0	6,600
General Obligation Bonds	0	0	0	0	0	0	0
Federal Transportation Grant	0	0	0	0	0	0	0
Other Revenues							
Parks Fund	0	0	0	259	0	0	259
Grants/Federal/State of Michigan	0	0	0	0	0	525	525
Special Assessment	0	150	0	0	0	0	150
Drug Forfeiture Fund	0	0	0	0	0	700	700
TOTAL	\$ 17,265	\$ 8,549	\$ 7,772	\$ 9,117	\$ 1,317	\$ 4,288	\$ 48,308

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 \$32.4 million or 67 percent of the plan. Most of these funds will be needed for scheduled neighborhood road improvement projects and major road work. The FY 2026 Capital Improvement Plan totals \$10.4 million (Table I). A breakdown of revenues programmed in the FY 2025-30 Capital Improvement Plan is as follows:

<u>Revenue Source</u>	<u>Percent of Plan</u>
Water/Sewer Fees	26.9
General Fund	29.7
Road/Solid Waste/ Senior Millage	26.4
State Shared Revenues from Major/Local Streets	13.7
Other Revenues	<u>3.3</u>
	100.0

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

FUNCTIONAL AREAS

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.

After 20 years of funding through the road millage proposals R-1 and R-2, Madison Heights voters approved a renewal of the 2-mill funding in August 2016 with the R-3 Neighborhood Road Millage proposal. These ongoing construction projects are aligned with the plans shared with residents during public information sessions about the millage renewal. Construction began in the summer of 2017 (fiscal year 2018) and is scheduled to continue through the 2027 construction season (fiscal year 2028). The road improvements include the construction of new concrete streets, repairs and installations of sidewalks, and enhancements to the stormwater drainage system.

This section of the CIP includes a map of the R-3 Neighborhood Road programs, as well as appropriations and revenues for recent and upcoming neighborhood road projects (Table III). Additionally, it provides a detailed history of the R-1, R-2, and R-3 projects (Tables IV-A, IV-B, IV-C) and a map showing historical projects from the R-1 and R-2 programs.

In anticipation of a future Proposal R-4 Neighborhood Road Millage, we have included \$5.5 million in road funding in this plan at \$2.7 million in FY 2029 and \$2.8 million in FY 2030.



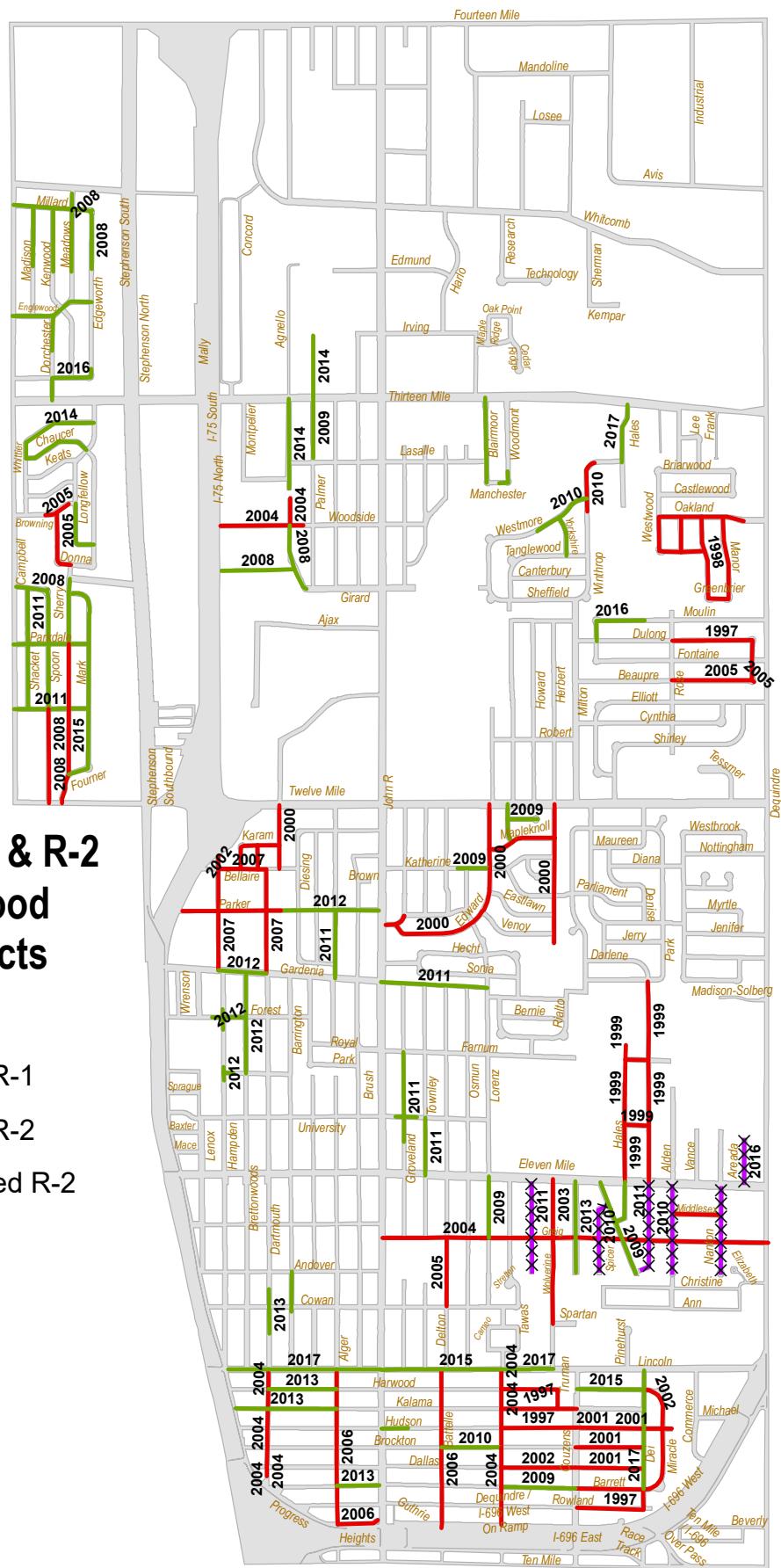
Proposals R-1 & R-2

Neighborhood Road Projects

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



1 inch = 2,200 feet





Proposed R-3 Roads

- R-3 Reconstruction (2024)
- Proposed R-3 Reconstruction
- Original R-1 and R-2 Roads Reconstructed (1997 - 2023)

1 Targeted Sectional Repairs by Program Year

Program Year

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

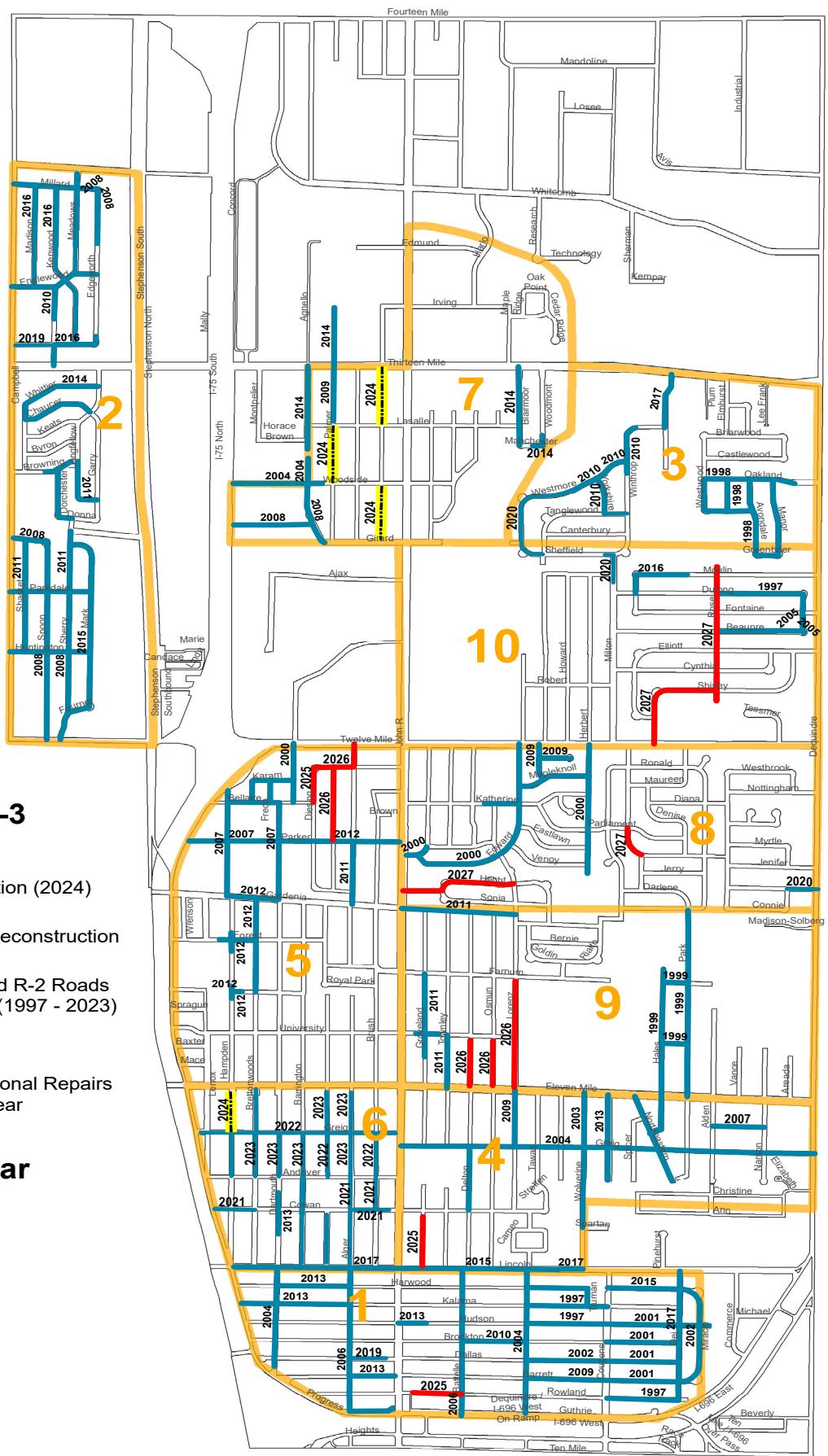


TABLE III
FY 2025-30 CAPITAL IMPROVEMENT PLAN
NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

APPROPRIATIONS:

NEIGHBORHOOD PROJECTS	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL APPROP.
YEAR 6 ROADS (R-3) 2023								
Hampden Street (Andover Ave to W Greig Ave)	273	0	0	0	0	0	0	0
Brettonwoods Street (Andover Ave to W Greig Ave)	273	0	0	0	0	0	0	0
Brettonwoods Street (W. Greig Ave to Eleven Mile Road)	292	0	0	0	0	0	0	0
Dartmouth Street (Andover Ave to W. Greig Ave)	275	0	0	0	0	0	0	0
Barrington Street (Andover Ave to W. Greig Ave)	275	0	0	0	0	0	0	0
Palmer Street (W. Greig Ave to Eleven Mile Road)	293	0	0	0	0	0	0	0
Alger Street (W. Greig Ave to Eleven Mile Road)	293	0	0	0	0	0	0	0
Alger Street (Andover Ave to W. Greig Ave)	275	0	0	0	0	0	0	0
YEAR 7 ROADS (R-3) 2024								
Brush Street (W. LaSalle to 13 Mile)	153	445	0	0	0	0	0	0
Palmer Street (W. Woodside to W. LaSalle)	0	434	0	0	0	0	0	0
Brush Street (W. Girard to W. Woodside)	162	440	0	0	0	0	0	0
Hampden Street (W. Grieg to 11 Mile)	0	349	0	0	0	0	0	0
YEAR 8 ROADS (R-3) 2025								
Diesing Drive (Bellaire Avenue to Alger Street)	0	345	615	0	0	0	0	615
Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	257	459	0	0	0	0	459
E. Rowland Avenue (John R Road to Battelle Avenue)	0	256	457	0	0	0	0	457
YEAR 9 ROADS (R-3) 2026								
Palmer Street (W. Parker Street to Diesing Drive)	0	0	326	546	0	0	0	872
Alger Street (Diesing Drive to W. Twelve Mile Road)	0	0	107	180	0	0	0	287
Delton Street (E. Eleven Mile to E. University Avenue)	0	0	233	390	0	0	0	623
Osmun Street (E. Eleven Mile to E. University Avenue)	0	0	0	393	0	0	0	393
Lorenz Street (E. Eleven Mile to E. University Avenue)	0	0	235	393	0	0	0	628
Lorenz Street (E. Unviserity Avenue to E. Farnum Avenue)	0	0	269	451	0	0	0	720
YEAR 10 (R-3) 2027								
Shirley Avenue (Tweleve Mile Road to Rose Street)	0	0	0	343	610	0	0	953
Rose Street (South Terminus to Elliot Avenue)	0	0	0	216	383	0	0	599
Rose Street (Elliott Avenue to North Terminus)	0	0	0	375	665	0	0	1,040
Hales Street (Jenifer Avenue to Parliament Avenue)	0	0	0	131	233	0	0	364
Hecht Drive (John R Road to Sonia/Hecht Avenue)	0	0	0	158	280	0	0	438
Hecht Drive (Sonia/Lorenz Street)	0	0	0	310	549	0	0	859
Year 1 (R-4) 2028								
To Be Determined	0	0	0	0	1,200	2,720	0	3,920
Year 2 (R-4) 2029								
To Be Determined	0	0	0	0	0	1,236	2,802	4,038
TOTALS	\$ 2,564	\$ 2,526	\$ 2,701	\$ 3,886	\$ 3,920	\$ 3,956	\$ 2,802	\$ 17,265
Total Projects	10	7	8	12	6	6	6	38
Total Equipment	0	0	0	0	0	0	0	0

REVENUES:

NEIGHBORHOOD PROJECTS	GENERAL FUND	MAJOR/ LOCAL FUND	SPECIAL ASSESS.	ROAD MILLAGE	WATER & SEWER FUND	OTHER REVENUES	TOTAL REVENUE
YEAR 8 ROADS (R-3) 2025							
Diesing Drive (Bellaire Avenue to Alger Street)	0	0	0	615	0	0	615
Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)	0	0	0	459	0	0	459
E. Rowland Avenue (John R Road to Battelle Avenue)	0	0	0	457	0	0	457
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
Year 1 (R-4) 2028							
To Be Determined	0	0	0	2,720	1,200	0	3,920
Year 2 (R-4) 2029							
To Be Determined	0	0	0	2,802	1,236	0	4,038
Total	\$ 0	\$ 0	\$ 0	\$ 12,126	\$ 5,139	\$ 0	\$ 17,265

TABLE IV-A
FY 2025-30 CAPITAL IMPROVEMENT PLAN
R-1 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

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

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

TABLE IV-B
FY 2025-30 CAPITAL IMPROVEMENT PLAN
R-2 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM	SANITARY	STREET	WATER	ESTIMATED
			DRAIN	SEWER	PAVING	MAIN	COST
YEAR 1 ROADS							
DONE	2009	Spoon - Huntington North to Campbell	\$ 55	\$ 15	\$ 712	\$ 177	\$ 959
DONE	2009	Parkdale - Campbell to Mark	15	10	353	81	459
DONE	2009	Millard - Campbell to Edgeworth South to 31601 Millard	11	0	612	149	772
DONE	2009	Barrington/Northeastern - Woodside to Girard	27	5	540	88	660
DONE	2009	Girard - I-75 to Palmer	85	0	429	94	608
DONE	2009	Sidewalk Replacement	0	0	20	0	20
YEAR 2 ROADS							
DONE	2010	Palmer - 13 Mile to LaSalle	42	0	342	83	467
DONE	2010	Tawas - 12 Mile Road to Mapleknoll and Tawas Court	95	10	333	98	536
DONE	2010	E. Barrett - Tawas to Couzens	40	15	534	99	688
DONE	2010	Lorenz - 11 Mile to Greig	0	0	291	77	368
DONE	2010	Hales - 11 Mile to Northeastern	25	0	211	58	294
DONE	2010	Northeastern - 11 Mile to South End	40	5	451	123	619
DONE	2010	Katherine - Lorenz to Edward	30	0	128	0	158
YEAR 3 ROADS							
DONE	2011	Brockton - Battelle to Tawas	0	0	272	0	272
DONE	2011	Dorchester - Englewood to 31272 Dorchester	19	0	137	0	156
DONE	2011	Yorkshire - Westmore to Tanglewood	55	5	92	0	152
DONE	2011	Westmore - Winthrop to W. of Yorkshire Inc. 30459 Westmore	0	0	263	0	263
DONE	2011	Englewood - Campbell to Edgeworth	5	0	389	0	394
DONE	2011	Sidewalk Replacement	0	0	20	0	20
DONE	2011	Winthrop Sectional Concrete Repair Phase II	0	0	101	0	101
YEAR 4 ROADS							
DONE	2012	Gardenia - John R to Lorenz	2	0	523	25	550
DONE	2012	Alger - Parker South to Gardenia	82	16	325	0	423
DONE	2012	Townley - 11 Mile to University	0	0	280	0	280
DONE	2012	Winthrop Sectional Concrete Repair Phase III	0	0	203	0	203
DONE	2012	Sidewalk Replacement	0	0	20	0	20
DONE	2012	Shacket - Huntington to Spoon	60	15	354	8	437
DONE	2012	Huntington - Campbell to Mark	5	0	250	0	255
DONE	2012	Sherry - Girard to S. of Parkdale	28	5	307	8	348
DONE	2012	Longfellow - Garry to 30290 Longfellow	2	0	260	0	262
DONE	2012	Groveland and University Intersection - (Watermain to 11 Mile)	0	0	391	8	399
and 21700 Groveland to Farnum							
YEAR 5 ROADS							
DONE	2013	Lenox - Baxter to Sprague	2	0	228	0	230
DONE	2013	Hampden - Farnum Intersection	10	5	112	0	127
DONE	2013	University - Lenox to Hampden	0	0	127	0	127
DONE	2013	Brettonwoods - Gardenia to Farnum	0	0	565	0	565
DONE	2013	Forest - Hampden to Brettonwoods & Hampden Intersection	25	0	227	0	252
DONE	2013	Gardenia - Hampden to Dartmouth	0	0	207	0	207
DONE	2013	Parker - E of Sealcoat to John R - (Watermain Cross-Over)	150	0	459	0	609
DONE	2013	Concrete Replacement	0	0	100	0	100
DONE	2013	Sidewalk Replacement	0	0	20	0	20
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 2025-30 CAPITAL IMPROVEMENT PLAN
R-2 NEIGHBORHOOD PROJECTS
(IN THOUSANDS)

STATUS	FISCAL YEAR	NEIGHBORHOOD PROJECTS	STORM	SANITARY	STREET	WATER	ESTIMATED
			DRAIN	SEWER	PAVING	MAIN	COST
YEAR 7 ROADS							
DONE	2015	Whittier - Longfellow to Chaucer (Sectional)	25	0	240	215	480
DONE	2015	Chaucer - Whittier to Longfellow (Sectional)	11	0	149	74	234
DONE	2015	Barrington - S. of Horace Brown to 13 Mile NB	0	0	518	223	741
DONE	2015	Barrington - S. of Horace Brown to 13 Mile SB	0	0	465	182	647
DONE	2015	Blairmoor - Manchester to Thirteen Mile Road	50	15	478	182	725
DONE	2015	Manchester & Woodmont Intersection	0	0	102	17	119
DONE	2015	Concrete Replacement	0	0	200	0	200
DONE	2015	Sidewalk Replacement	0	0	20	0	20
DONE	2015	Palmer - 13 Mile N. to end	0	0	366	128	494
YEAR 8 ROADS							
DONE	2016	Fournier - Sherry to Mark and Mark - Fournier to Sherry	140	30	1,185	393	1,748
DONE	2016	E. Harwood - Couzens to Dei	46	15	353	168	582
DONE	2016	Lincoln - John R to 104 E. Lincoln - (Watermain to Osmun)	0	0	165	272	437
DONE	2016	Lincoln - 504 E. Lincoln to 583 E. Lincoln	0	0	457	0	457
DONE	2016	Sidewalk Replacement	0	0	20	0	20
YEAR 9 ROADS							
DONE	2017	Madison - Millard to 31605 Madison - (Watermain Whole Street)	0	0	316	230	546
DONE	2017	Meadows - Whitcomb to 31608 Meadows - (Full Watermain)	24	5	282	199	510
DONE	2017	Dorchester - 13 Mile to Windemere	0	0	87	61	148
DONE	2017	Windemere - Dorchester to Edgeworth	0	0	283	115	398
DONE	2017	Kenwood - Millard to 31601 Kenwood - (Watermain to Englewood)	0	0	278	230	508
DONE	2017	Moulin - Dulong to 1353 Moulin - (Watermain to Rose)	34	14	398	308	754
DONE	2017	Sidewalk Replacement	0	0	20	0	20
DONE	2017	Areada - N. of 11 Mile Road (SAD) Failed	0	0	0	0	0
YEAR 10 ROADS							
DONE	2018	Dei - Lincoln to South end (Full Watermain)	190	0	840	258	1,288
DONE	2018	Hales - 13 Mile to Winthrop (Full Watermain)	0	0	501	157	658
DONE	2018	Lincoln Sectional	0	0	314	0	314
FUTURE YEARS							
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 2025-30 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					
DONE	2024	Hampden Street (Andover Avenue to Greig Avenue)	0	0	273	0	273
DONE	2024	Brettonwoods Street (Andover Avenue to W. Greig Avenue)	0	0	273	133	406
DONE	2024	Brettonwoods Street (W. Greig Avenue to Eleven Mile Road)	0	0	292	133	425
DONE	2024	Dartmouth Street (Andover Avenue to W. Greig Avenue)	0	0	275	0	275
DONE	2024	Barrington Street (Andover Avenue to W. Greig Avenue)	0	0	275	0	275
DONE	2024	Palmer Street (W. Greig Avenue to Eleven Mile Road)	0	0	293	0	293
DONE	2024	Alger Street (W. Greig Avenue to Eleven Mile Road)	0	0	293	138	431
DONE	2024	Alger Street (Andover Avenue to W. Greig Avenue)	0	0	275	118	393

TABLE IV-C
FY 2025-30 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							
DONE	2025	Brush Street (W. LaSalle Avenue to Thirteen Mile Road)	0	0	445	153	598
DONE	2025	Palmer Street (W. Woodward to W. LaSalle Avenue)	0	0	434	0	434
DONE	2025	Brush Street (W. Girard Avenue to W. Woodside Avenue)	0	0	440	162	602
DONE	2025	Hampden Street (W. Greig Avenue to Eleven Mile Road)	0	0	349	0	349
YEAR 8 ROADS							
	2026	Diesing Drive (Bellaire 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).

Michigan's transportation funding primarily comes from two "road taxes"—motor fuel taxes and vehicle registration taxes—both of which are constitutionally restricted for transportation use.

The motor fuel tax rate has been adjusted several times, with the current rate set by PA 176 of 2015 at 26.3 cents per gallon for both gasoline and diesel, effective January 1, 2017. Starting in 2022, the tax rate is indexed annually based on inflation, with a cap of 5%. The rate for 2024 is 30 cents per gallon, generating about \$43 million per penny of tax. In addition to state taxes, the federal government imposes a separate fuel tax (18.4 cents per gallon for gasoline and 24.4 cents for diesel). Michigan also applies a 6% sales tax on motor fuel purchases.

The MTF balance, after these various allocations, plus revenue from the income tax earmark, vehicle registration taxes, and the 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 revenue distribution to county road commissions and to cities and villages represents the largest funding source for road funding in the state. The chart below details Madison Heights MTF allocations separated by Major and Local streets.

Beginning in FY 2021, the MTF received a portion from an earmark of the excise tax on marijuana sales. In FY 2025, this earmark equated to \$118 million. In FY 2026, the estimate is \$123.2 million, and in FY 2027 the estimate is \$127.1 milion. This funding will be distributed to Cities, Villages, and Townships as described above.

<u>Year</u>	<u>Major Street</u>	<u>Local Street</u>	<u>Supplemental</u>	<u>Total</u>
2023	2,446,471	936,488	0	3,382,959
2024	2,507,159	960,689	0	3,467,848
2025	2,596,466	993,720	0	3,590,186
2026	2,715,325	1,040,336	0	3,755,661
2027	2,769,631	1,063,640	0	3,833,271

A. County, State and Federal Highway Projects

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

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. 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.

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 10 Mile Road.

RCOC is currently planning to utilize Local Road Improvement Program (LRIP) funding in 2025 to complete an overlay project on their section of John R. Cost estimates are \$5.2 million, as shown in the Table V. The City's share of the tri-party funding is \$150,000, payable in FY 2026.

In addition to the RCOC Project from Dartmouth to 14 Mile Road, the City has received federal funding for approximately \$1 million to resurface Dartmouth south to 11 mile. This project is estimated at \$2.8 million and is planned for FY 2026.

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 2030.

Joint Repairs/Crack Sealing - 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 2030.

Sectional Replacements

Sectional replacements are projects that replace the worst "sections" of a roadway instead of complete replacement or resurfacing. The FY 2026 projected sectional replacements are continued work on 11 Mile in the area of the Downtown Development Authority streetscape between John R and Lorenz as well as John R from 10 Mile to 11 Mile.

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 MTF 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 2030. In addition to these road projects, the City plans to address city-wide pothole joint-rot repairs and improve alleyways.

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.

An annual 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. The City now budgets \$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 Equipment Replacement Plan. Street Maintenance vehicles totaling \$1.8 million will be programmed through the General Fund with an additional \$535,000 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 2025-30 CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

APPROPRIATIONS:

ROAD IMPROVEMENTS (EXCLUDING R-1/R-2/R-3)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL APPROP.
A. COUNTY/STATE/FEDERAL PROJECTS								
John R - 14 Mile to Dartmouth (RCOC) FAC Funding/Tri Party	0	5,200	150	0	0	0	0	150
B. MAJOR ROAD IMPROVEMENTS								
Joint & Crack Sealing - City Wide Major	75	75	75	75	75	75	75	375
Ajax - John R to 801 Ajax	0	250	0	0	0	0	0	0
Overlay Campbell (13 Mile to 14 Mile)	0	0	0	0	600	0	0	600
Overlay Edward/Mandoline (E. 14 Mile to North Avis)	0	0	0	350	0	0	0	350
Overlay John R - Dartmouth to 11 Mile (Funding 5 Phases)	500	500	800	0	0	0	0	800
Overlay North Avis/East Avis (E. 14 Mile to Dequindre)	0	0	0	450	0	0	0	450
Overlay - Progress and Heights - John R to Couzens	0	0	0	0	0	500	500	1,000
Sectional - 11 Mile Road (I-75 to Dequindre) NON-NHPP	250	250	250	0	0	0	0	250
Sectional - Campbell (12 Mile to 13 Mile)	0	0	0	0	100	0	0	100
Sectional - John R (10 Mile to 11 Mile)	0	0	250	0	0	0	0	250
Sectional - Stephenson Hwy - Girard to 12 Mile	350	0	0	0	0	0	0	0
Stephenson Hwy Turnarounds	250	250	0	0	0	0	0	0
Dequindre Road Streetlights - Residential Corridor west side	220	0	0	0	0	0	0	0
C. LOCAL ROAD IMPROVEMENTS								
Joint Seal - City-Wide Local	25	25	25	25	25	25	25	125
Sectional - Mandoline - Alger/Townley	0	0	0	0	0	0	0	0
Sectional - Commerce - Michael to E. Progress	150	0	0	0	0	0	0	0
Sectional - Dartmouth (12 Mile to Bellaire)	200	0	0	0	0	0	0	0
Non-R Residential Sectional	100	100	250	250	250	250	250	1,250
Emulsion and Pothole Joint-Rot Repair	0	0	60	60	60	60	60	300
Alleyway Improvements	0	90	90	90	90	90	90	450
D. TRAFFIC SIGNAL UPGRADES								
Traffic Signal Upgrades	30	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	250	0	0	0	0	0	0	0
2001 Leaf Loader Trailer #354	0	0	0	0	0	80	0	80
Equipment #368 - Pavement Patching Hot Box	0	0	0	0	0	30	0	30
Street Sweeper #402	200	0	0	0	0	0	0	0
2006 Brush Bandit Chipper #406	0	0	85	0	0	0	0	85
2019 Brush Chipper #410	0	0	0	0	0	0	85	85
2002 Stake Truck #415	175	0	0	0	0	0	0	0
2016 Tandem Dump Truck #417	0	0	0	0	300	0	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	52	0	0	52
2003 Single Axle Dump #424	0	275	0	0	0	0	0	0
2003 Single Axle Dump Truck #426	0	0	0	250	0	0	0	250
2016 Platform Truck #429	0	0	0	0	0	200	0	200
One-Ton Dump Truck #431	0	0	0	70	0	0	0	70
2015 Ford 3/4 Ton Pickup/Plow #432	0	0	0	0	52	0	0	52
2013 Van Building Maintenance #435	0	35	0	0	0	0	0	0
2014 Single Axle Dump Truck #479	0	0	0	0	275	0	0	275
2004 Brush Chipper Truck #525	150	150	0	0	0	0	0	0
Utility Vehicle - Tool Cat	0	80	0	0	0	0	0	0
Replacement Brine Making System	0	101	0	0	0	0	0	0
Portable Construction Message Board	0	25	0	0	0	0	0	0
Shipping Containers	0	0	10	0	0	0	0	10
Stump Grinder Attachment	0	0	0	10	0	0	0	10
TOTALS	\$ 2,955	\$ 7,466	\$ 2,105	\$ 1,690	\$ 1,939	\$ 1,370	\$ 1,445	\$ 8,549
Total Projects	12	11	11	9	9	8	8	45
Total Equipment	4	6	2	3	4	3	2	14

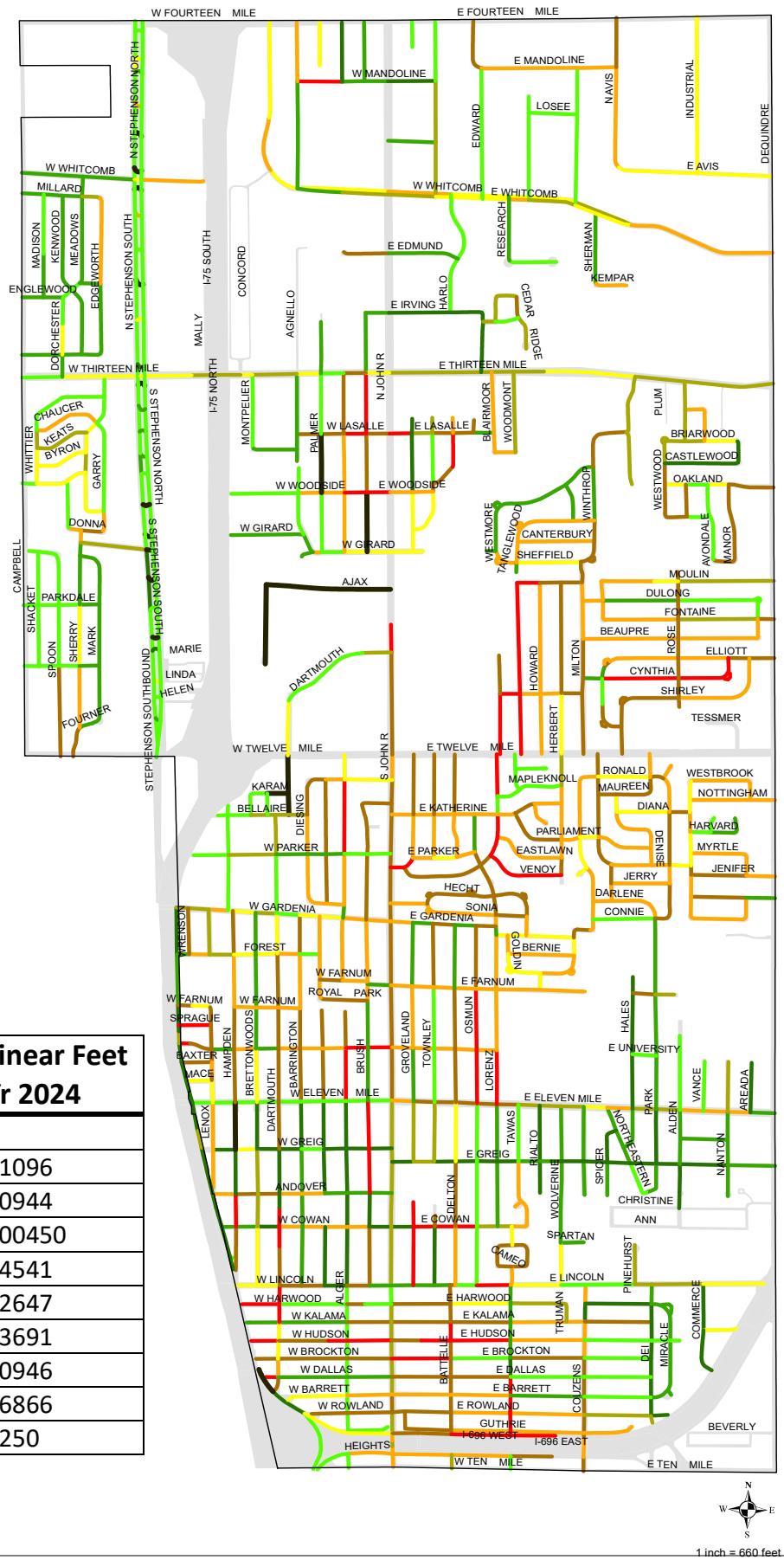
TABLE V
FY 2025-30 CAPITAL IMPROVEMENT PLAN
ROAD IMPROVEMENTS
(IN THOUSANDS)

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 (RCOC) FAC Funding	\$0	\$0	\$150	\$0	\$0	\$0	\$0	\$0	\$150
B. MAJOR ROAD IMPROVEMENTS									
Joint & Crack Sealing - City Wide Major	0	0	375	0	0	0	0	0	375
Overlay Campbell (13 Mile to 14 Mile)	0	0	600	0	0	0	0	0	600
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	800	0	0	0	0	0	800
Overlay North Avis/East Avis (E. 14 Mile to Dequindre)	0	0	450	0	0	0	0	0	450
Overlay Progress and Heights - John R to Couzens	0	0	1,000	0	0	0	0	0	1,000
Sectional - 11 Mile Road (I-75 to Dequindre) NON-NHPP	0	0	250	0	0	0	0	0	250
Sectional - Campbell (12 Mile to 13 Mile)	0	0	100	0	0	0	0	0	100
Sectional - John R (10 Mile to 11 Mile)	0	0	250	0	0	0	0	0	250
C. LOCAL ROAD IMPROVEMENTS									
Joint Seal - City-Wide Local	0	125	0	0	0	0	0	0	125
Non-R Residential Sectional	0	1,250	0	0	0	0	0	0	1,250
Emulsion and Pothole Joint-Rot Repair	0	300	0	0	0	0	0	0	300
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									
2001 Leaf Loader Trailer #354	0	0	0	0	80	0	0	0	80
Equipment #368 - Pavement Patching Hot Box	30	0	0	0	0	0	0	0	30
2006 Brush Bandit Chipper #406	0	0	0	0	85	0	0	0	85
2019 Brush Chipper #410	0	0	0	0	85	0	0	0	85
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	52	0	0	0	0	0	0	0	52
2003 Single Axle Dump Truck #426	250	0	0	0	0	0	0	0	250
2016 Platform Truck #429	200	0	0	0	0	0	0	0	200
One-Ton Dump Truck #431	70	0	0	0	0	0	0	0	70
2015 Ford 3/4 Ton Pickup/Plow #432	52	0	0	0	0	0	0	0	52
2014 Single Axle Dump Truck #479	0	0	0	0	275	0	0	0	275
Shipping Containers	10	0	0	0	0	0	0	0	10
Stump Grinder Attachment	0	0	0	0	10	0	0	0	10
TOTALS	\$ 1,264	\$ 2,125	\$ 4,475	\$ 150	\$ 535	\$ 0	\$ 0	\$ 0	\$ 8,549

2024 PASER RATING

Road Rating	Linear Feet Yr 2024
Bad (1)	0
Bad (2)	31096
Poor (3)	90944
Poor (4)	100450
Fair (5)	54541
Fair (6)	42647
Good (7)	83691
Good (8)	70946
Good (9)	36866
Excellent (10)	8250



Concrete PASER

Modified for Michigan TAMC Data Collection

◆ Denotes Priority Distress

	Concrete 10	Concrete 9	Concrete 8
Good	<p>New construction No defects Less than 1 year old Only a "10" for 1 year <u>Recent reconstruction</u> <u>No action required</u></p>	<p>◆ Joint rehabilitation, only if no other defects are present Like NEW Slight traffic wear in wheel path Slight map cracking Few pop outs <u>Recent concrete overlay</u> <u>No maintenance required</u></p>	<p>◆ Joints all in good condition ◆ Partial loss of joint sealant ◆ No transverse cracks Minor surface defects - pop outs, map cracking or slight scaling Isolated meander cracks (cracks are well-sealed or tight) Light surface wear Isolated cracks at manholes (cracks are well-sealed or tight) <i>Little or no maintenance required</i></p>
Fair	<p>◆ Isolated transverse cracks ◆ Full depth repairs all in excellent condition Minor surface scaling Some open joints Some manhole cracks Isolated settlement or heave areas Pop outs could be extensive but sound <u>Suggested Action</u> <i>Seal open joints</i> <i>Spot repair surface defects</i></p>	<p>◆ Meander and transverse cracks $\frac{1}{4}$" open ◆ Transverse joints open $\frac{1}{4}$" ◆ Longitudinal joints open $\frac{1}{4}$" Moderate surface scaling <25% of surface Several corner cracks tight or well-sealed First signs of shallow reinforcement cracks <u>Suggested Action</u> <i>Seal open joints and cracks</i> <i>Overlay surface raveling areas</i></p>	<p>◆ First signs of crack/joint faulting up to $\frac{1}{4}$" ◆ First signs of joint or crack spalling Moderate to severe scaling or polishing between 25% to 50% of surface Spalling from shallow reinforcement Multiple corner cracks <u>Suggested Action</u> <i>Grind and repair surface defects</i> <i>Some partial depth joint repairs or patching may be needed</i></p>
Poor	<p>◆ Crack or joint faulting up to $\frac{1}{2}$" ◆ Severe spalling on joints and cracks ◆ Multiple transverse or meander cracks Severe scaling, polishing, map cracking or spalling >50% of surface Corner cracks missing pieces or patches Pavement blowups <u>Suggested Action</u> <i>Some full depth repairs</i> <i>Asphalt overlay or extensive surface texturing</i></p>	<p>◆ Severe crack or joint faulting up to 1" ◆ D-Cracking evident ◆ Many joints, transverse and meander cracks open and severely spalled Extensive patching in fair to poor condition <u>Suggested Action</u> <i>Extensive full depth repairs</i> <i>Some full slab replacements</i></p>	<p>Extensive and severely spalled slab cracks Extensive failed patches Joints failed Severe and extensive settlement & heaves <u>Suggested Action</u> <i>Recycle or rebuild pavement</i></p> <p>Concrete 1</p> <p><u>Restricted speeds</u> Extensive potholes Total loss of pavement integrity <u>Suggested Action</u> <i>Total reconstruction</i></p>

Contact Information

Roadsoft & LDC Technical Support: 906-487-2102

Center for Shared Solutions (CSS) Framework Issues:

517-373-7910, ask for Josh Ross

TAMC Coordinator: Roger Belknap, 517-373-2249

PASER Data Submission via the CSS IRT web site

e-mail: belknapr@michigan.gov

<https://milogintp.michigan.gov>

TAMC Website: tamc.mcgi.state.mi.us

Asphalt PASER

Modified for Michigan TAMC Data Collection

◆ Denotes Priority Distress

	Asphalt 10	Asphalt 9	Asphalt 8
Good	<p>New construction No defects Less than 1 year old Only a "10" for 1 year <u>Recent base improvement</u> <u>No action required</u></p>	<p>Like new condition No defects More than 1 year old <u>Recent overlay with or without a crush and shape</u> <u>No action required</u></p>	<p>◆ Occasional transverse crack >40' apart ◆ Crack width tight (hairline) or sealed Few if any longitudinal cracks on joints <u>Recent seal coat or slurry seal (*see below)</u> <u>Little or no maintenance required</u></p>

	Asphalt 7	Asphalt 6	Asphalt 5
Fair	<ul style="list-style-type: none"> ◆ Trans. cracks 10'-40' apart ◆ Cracks open < ¼" <p>Little or no crack erosion Little or no raveling Few if any patches in good condition <u>First signs of wear</u> <u>Suggested Action</u> <i>Maintain with crack seal</i></p>	<ul style="list-style-type: none"> ◆ Trans. cracks less than 10' apart ◆ Initial block cracking (6'-10' Blocks) ◆ Cracks open ¼" – ½" <p>Blocks are large and stable Slight to moderate polishing or flushing No patches or few in good condition Slight raveling <u>Sound structural condition</u> <u>Suggested Action</u> <i>Maintain with sealcoat</i></p>	<ul style="list-style-type: none"> ◆ Secondary cracks (crack raveling) ◆ Moderate block cracking (1' – 5' blocks) ◆ First sign of longitudinal cracks at edge ◆ Cracks open >½" <p>Patching/wedging in good condition Moderate raveling Extensive to severe flushing & polishing <u>Sound structural condition</u> <u>Suggested Action</u> <i>Maintain with sealcoat or thin overlay</i></p>

	Asphalt 4	Asphalt 3	Asphalt 2
Poor	<ul style="list-style-type: none"> ◆ Longitudinal cracking in the wheel paths ◆ Rutting ½" - 1" deep ◆ Severe block cracking: <1' blocks <p>Severe surface raveling Multiple longitudinal & transverse cracks with slight crack erosion Patching in fair condition <u>First signs of structural weakening</u> <u>Suggested Action</u> <i>Structural overlay >2"</i></p>	<ul style="list-style-type: none"> ◆ < 25% alligator cracking (first signs) ◆ Moderate rutting 1"- 2" deep ◆ Severe block cracking (Alligator) <p>Longitudinal & transverse cracks showing extensive crack erosion Occasional potholes Patches in fair/poor condition <u>Suggested Action</u> <i>Structural overlay >2"</i> <i>Patching & repair prior to a major overlay</i> <i>Milling would extend overlay life</i></p>	<ul style="list-style-type: none"> ◆ > 25% alligator cracking ◆ Severe rutting or distortion >2" <p>Closely spaced cracks with erosion Frequent potholes Extensive patches in poor condition <u>Suggested Action</u> <i>Reconstruction with base repair</i> <i>Crush and shape possible</i></p>

General TAMC PASER Rating Tips

Rate surface distress, not ride quality. Be aware of cracks in the wheel path, they can be hard to see and don't affect the ride.

Disregard the shoulder. Rate only the drivable pavement, edge line to edge line.

Do not ignore reflective cracks. Rate them by assessing the type of crack they are (transverse, longitudinal, alligator...)

Rate the current surface condition. If construction is in progress (work is active), but you are driving on the old surface, go ahead and rate the new surface. Some barrels sitting on the side of the road is not construction in progress.

Rate what you see, not what distresses you think might happen in the future.

Rate roads with the same scrutiny regardless of their use, ownership or functional class

Rate the lane with the worst condition when lanes have differing conditions. For variable surface types, rate the worst lane, and select it as the Surface Subtype.

Crush & Shape - A treatment is considered a reconstruct only if the base material is replaced or rehabilitated.

Rutting - Look for visual cues such as plow scars. Get out and measure using a

straight edge and tape measure. Use caution!

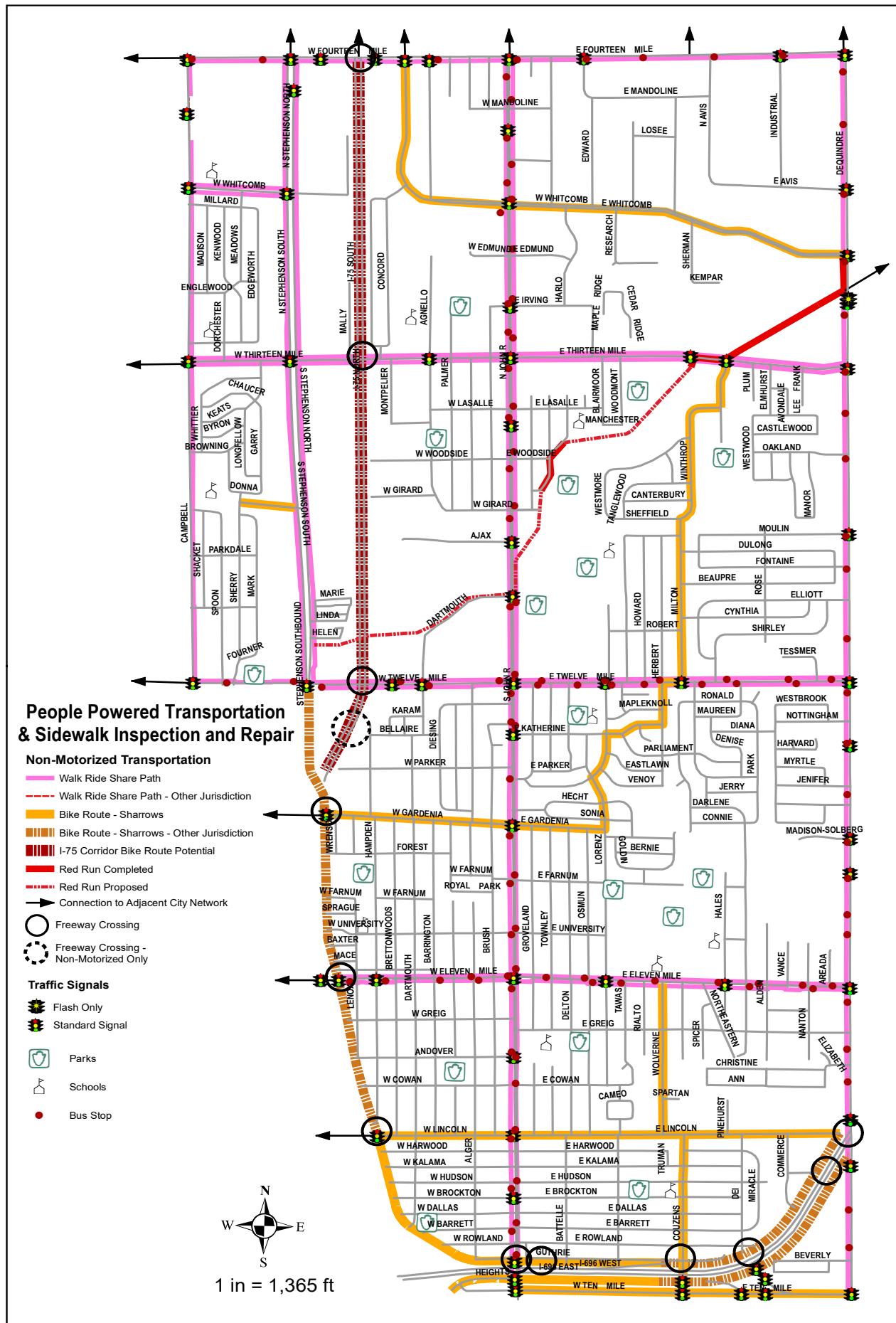
Rutting Revisions – See page 8 of the TAMC PASER Training Manual for rutting measurement changes.

Composite Pavement - When a concrete pavement has been overlaid with asphalt (composite pavement) rate it based on the uppermost surface, in this case, asphalt; but note the surface subtype as composite.

Concrete Joint Repairs - The highest rating a repaired concrete pavement can receive is a 9. No other defects can be present and the condition is "like new." However, this is not what the Concrete PASER Manual says.

Sealcoat - See pages 6-7 of the TAMC PASER Training Manual for rating sealcoat pavements. Sealcoat applied over asphalt is a treatment. A sealcoat "road" is simply sealcoat over gravel.

***Proactive Sealcoat treatments** – Do not downgrade an Asphalt PASER 9 or 10 (no defects) to an Asphalt PASER 8 because of the treatment. Rate it based on the distresses that are visible (see page 9 of TAMC PASER Training Manual).



Collection and Distribution System

Local Water Improvements

Water Main Replacement Program

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 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" Neighborhood Road Improvement Programs were replaced with plastic pipe in order to avoid the future possibility of having to tear up newer roadway to repair broken mains.

The replacement of "non-R" or standalone water mains is undertaken when sufficient water and sewer funding is available.

The FY 2025-30 CIP programs ten high-priority standalone water main replacement projects. A detailed listing of stand-alone water mains with liner feet is included in Table VII.

Equipment Replacement

Fifteen (15) pieces of water and sewer related equipment are scheduled for replacement over the CIP period. FY 2026 includes the replacement of a cargo van for \$60,000, a backhoe at \$140,000, a sewer vactor for \$450,000, and rebuilding of a hoist for \$8,000.

Facilities Needs

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

This CIP includes five(5) facility improvements, including phased funded repairs to the DPS water sewer parking lot, fiber cabling for \$80,000, and general building maintenance for \$125,000.

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 CIP includes \$1.25 milion of continued sanitary sewer projects.

TABLE VI
FY 2025-30 CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

APPROPRIATIONS:

COLLECTION & DISTRIBUTION SYSTEMS	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL APPROP.
NON-"R" WATER MAINS								
Garry - Longfellow to Sherry	521	0	0	0	0	0	0	0
Edward - Twelve Mile to Page Middle School	0	402	0	0	0	0	0	0
Bernie Lane - Goldin to Rialto	0	0	0	0	0	321	0	321
Beverly Drive - Dequindre to Heights Drive	0	0	0	0	0	0	417	417
Hampden - Eleven Mile to University	0	0	0	255	0	0	0	255
Lenox - Eleven Mile to University	0	0	0	255	0	0	0	255
Milton - Cynthia to Dulong	0	0	0	0	0	0	417	417
Milton - Twelve Mile to Cynthia	0	0	0	0	0	0	452	452
Park Court (11 Mile to Northeastern)	0	0	417	0	0	0	0	417
Park Court (E. 12 Mile to Darlene Avenue)	0	0	0	0	0	827	0	827
Ronald Avenue (Hales Street to Park Court)	0	0	0	0	0	253	0	253
Wrenson - Gardenia to Forest	0	0	0	0	213	0	0	213
SEWER PROJECTS								
Sanitary Sewer Projects	150	250	250	250	250	250	250	1,250
FACILITIES								
Replacement/Repairs to DPS Lot	100	100	100	0	0	0	0	100
2006 Backup Generator #552 (DPS Building)	0	50	0	0	0	0	0	0
DPS Security Improvements	0	20	0	0	0	0	0	0
DPS Fiber Cabling	0	50	80	0	0	0	0	80
DPS Office Renovations	0	0	0	0	25	0	0	25
DPS Garage Roof Replacement	0	0	0	0	600	0	0	600
DPS Building Painting	0	0	0	0	100	0	0	100
HVAC Ajax	0	300	0	0	0	0	0	0
REPLACEMENTS								
#416 2015 Chevy Impala	0	0	0	0	35	0	0	35
#423 2017 Chevy 3/4 Ton Pickup	0	0	0	0	0	52	0	52
#453 2013 GMC Cargo Van	0	0	60	0	0	0	0	60
#455 2006 John Deere Backhoe	0	0	140	0	0	0	0	140
#462 2012 GMC 1-Ton Dump Truck	0	0	0	70	0	0	0	70
#463 2015 Ford 3/4 Ton Pickup Dump Truck	0	0	0	45	0	0	0	45
#464 2014 Freightliner Tandem Axle Dump Truck	0	0	0	250	0	0	0	250
#465 2003 Sterling Sewer Vactor	0	0		450	0	0	0	450
#468 2017 GapVax Sewer Cleaning Truck	0	0	0	0	0	600	0	600
#494 GMC Savana Van	0	0	0	0	46	0	0	46
A/C Machine	0	0	8	0	0	0	0	8
Toolbox Replacements	0	0	6	0	0	0	0	6
Trailer	0	0	0	5	0	0	0	5
Leak Detection Equipment	0	0	0	0	0	15	0	15
Tire Equipment	0	20	0	0	0	0	0	0
EnviroSight Quick-View Camera	0	20	0	0	0	0	0	0
Hoist Rebuild	0	0	8	0	0	0	0	8
Portable Vehicle Hoist System	60	0	0	0	0	0	0	0
TOTALS	\$ 831	\$ 1,212	\$ 1,069	\$ 1,580	\$ 1,269	\$ 2,318	\$ 1,536	\$ 7,772
Total Projects	3	7	4	3	5	4	4	20
Total Equipment	1	2	5	5	2	3	0	15

TABLE VI
FY 2025-30 CAPITAL IMPROVEMENT PLAN
COLLECTION & DISTRIBUTION SYSTEMS
(IN THOUSANDS)

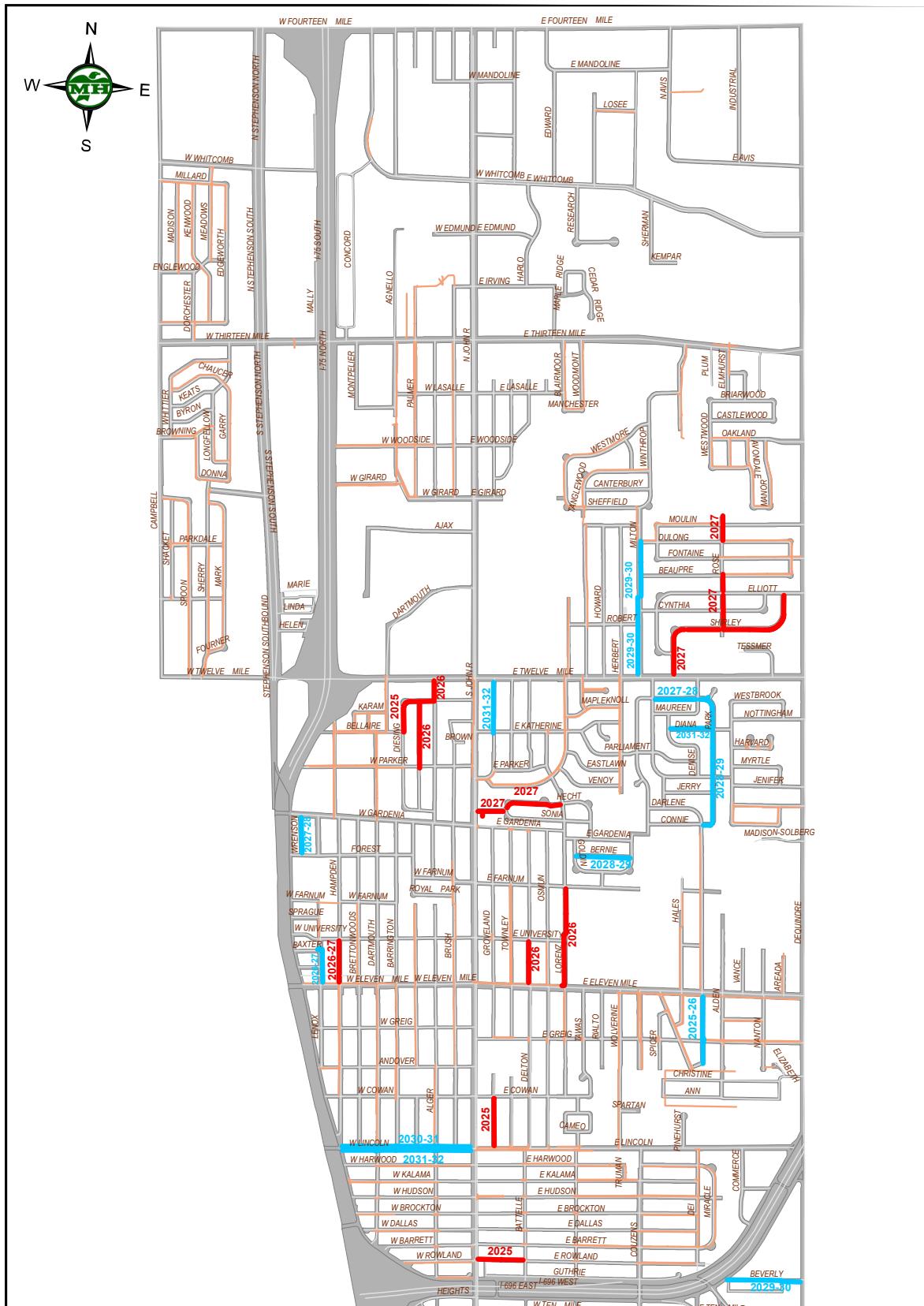
REVENUES:

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								
Bernie Lane - Goldin to Rialto	0	0	0	0	0	321	0	321
Beverly Drive - Dequindre to Heights Drive	0	0	0	0	0	417	0	417
Hampden - Eleven Mile to University	0	0	0	0	0	255	0	255
Lenox - Eleven Mile to University	0	0	0	0	0	255	0	255
Milton - Cynthia to Dulong	0	0	0	0	0	417	0	417
Milton - Twelve Mile to Cynthia	0	0	0	0	0	452	0	452
Park Court (11 Mile to Northeastern)	0	0	0	0	0	417	0	417
Park Court (E. 12 Mile to Darlene Avenue)	0	0	0	0	0	827	0	827
Ronald Avenue (Hales Street to Park Court)	0	0	0	0	0	253	0	253
Wrenson - Gardenia to Forest	0	0	0	0	0	213	0	213
SEWER PROJECTS								
Sanitary Sewer Projects	0	0	0	0	0	1,250	0	1,250
FACILITIES								
Replacement/Repairs to DPS Lot	0	0	0	0	0	100	0	100
DPS Fiber Cabling	0	0	0	0	0	80	0	80
DPS Office Renovations	0	0	0	0	0	25	0	25
HVAC Ajax	0	0	0	0	0	600	0	600
DPS Building Painting	0	0	0	0	0	100	0	100
REPLACEMENTS								
#416 2015 Chevy Impala	0	0	0	0	0	35	0	35
#423 2017 Chevy 3/4 Ton Pickup	0	0	0	0	0	52	0	52
#453 2013 GMC Cargo Van	0	0	0	0	0	60	0	60
#455 2006 John Deere Backhoe	0	0	0	0	0	140	0	140
#462 2012 GMC 1-Ton Dump Truck	0	0	0	0	0	70	0	70
#463 2015 Ford 3/4 Ton Pickup Dump Truck	0	0	0	0	0	45	0	45
#464 2014 Freightliner Tandem Axle Dump Truck	0	0	0	0	0	250	0	250
#465 2003 Sterling Sewer Vactor	0	0	0	0	0	600	0	600
#468 2017 GapVax Sewer Cleaning Truck	0	0	0	0	0	450	0	450
#494 GMC Savana Van	0	0	0	0	0	46	0	46
A/C Machine	0	0	0	0	0	8	0	8
Toolbox Replacements	0	0	0	0	0	6	0	6
Trailer	0	0	0	0	0	5	0	5
Leak Detection Equipment	0	0	0	0	0	15	0	15
Tire Equipment	0	0	0	0	0	0	0	0
EnviroSight Quick-View Camera	0	0	0	0	0	0	0	0
Hoist Rebuild	0	0	0	0	0	8	0	8
Portable Vehicle Hoist System	0	0	0	0	0	0	0	0
TOTALS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,772	\$ 0	\$ 7,772

TABLE VII
FY 2025-30 CAPITAL IMPROVEMENT PLAN
PRIORITY NON-R WATER MAIN PROJECTS
(BASED ON CURRENT COSTS)

LOCATION NUMBER	PROJECTED FISCAL YEAR	WATERMAIN LOCATION	LENGTH (FEET)	ESTIMATED COST (IN 2024)
1	2025-26	Park Ct. - 11 Mile to Northeastern	1,350	417,150
2	2026-27	Lenox - Eleven Mile to University	800	254,616
3	2026-27	Hampden - Eleven Mile to University	800	254,616
4	2027-28	Wrenson - Gardenia to Forest	650	213,083
5	2028-29	Bernie Lane - Goldin to Rialto	950	320,772
6	2028-29	Park Ct. 12 Mile to Darlene	2,450	827,243
7	2028-29	Ronald - Hales to Park Ct.	750	253,238
8	2029-30	Milton - Twelve Mile to Cynthia	1,300	452,113
9	2029-30	Milton - Cynthia to Dulong	1,200	417,336
10	2029-30	Beverly Drive - Dequindre to Heights Dr.	1,200	417,336
11	2030-31	Lincoln - John R to Service Drive (South Main)	2,300	823,891
12	2031-32	Lincoln - John R to Service Drive (North Main)	2,300	848,608
13	2031-32	Diana - Park Ct. to Denise	750	276,720
14	2031-32	Groveland - 12 Mile to Katherine	875	322,840
Totals			17,675	\$ 6,099,561

These costs assumes an estimated unit price of \$309 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.



Water Distribution Network Capital Improvement Plan 2025 City of Madison Heights, MI	PROJECT	
		Planned R3 Projects with Water Main Improvements
		Planned Water Main Standalone Projects
		Prior Water Main Improvements (PVC Installed)

Public Safety

The 2025-30 CIP includes funding for five public safety projects and fifty-three pieces of equipment/vehicles. These improvements cover Police and Fire for a total of \$9.1 million.

Police

- **Police Vehicle Replacement**

The CIP includes replacement of fifteen (15) marked patrol vehicles which are estimated to cost \$48,150-\$54,000 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. In addition to the public safety needs detailed in Table VIII. Vehicle information may be found in Table XI, the Vehicle and Equipment Replacement Plan.

- **Body and In-Car Cameras**

In-car cameras and body-worn cameras are an essential tool in law enforcement. They reduce liability and increase professional conduct by the behavior of those involved in police responses. The current contract through Axon for in-car video & body-worn cameras expires in FY26. During this contract, MHPD entered another contract for cloud storage, a large solution for storing and sharing digital evidence (prosecutors, FOIA requests, etc.). Axon offers the latest camera upgrade that will allow for live stream monitoring, license plate reading technology, redaction and sharing technology, and the auto-tagging feature for better record-keeping. As with the current contract, new equipment is refreshed halfway through the contract. Axon offers a 5-year contract, and beginning the contract in March 2025 will allow us to lock into the 2024 price. This 5-year contract is a total of \$731,971 and is included in the CIP at \$146,394 per fiscal year.

- **Building Video Camera**

This plan includes \$29,000 to update the camera system at the police department that records the holding cells, booking room, and other portions of the building. MMRMA will potentially reimburse the city up to \$6,700 for this upgrade.

- **Personnel Locker Replacements**

The existing lockers are original to the building construction in 1991 and, at 34 years old, are in need of replacement. Many of the floor pans are rusting, and the latch mechanisms on several of the lockers are no longer functional. This proposal is to replace the lockers in the men's locker room. The women's locker room was expanded and renovated in 2024, funded with savings from the Civic Center Plaza construction. The new lockers are expected to last approximately 25 years. The men's Locker Room replacement is included in the CIP at \$47,000.

- **In-Vehicle Computers**

The Police Department's In-Car Computers are vital to police work. Officers receive all of their calls via their Mobile Data Computers (MDCs) and access LEIN/SOS and CLEMIS. Replacements are included at an approximate total cost of \$70,000. In the future, we plan to budget the computer replacement with the changeover of new vehicles as they enter the police fleet.

- **Body Armor Replacements**

Body armor/bulletproof vests are essential pieces of equipment for protecting the lives of police

officers and reserve police officers. The current external vest carriers also serve as quick and easy locations to store vital equipment and take the weight-bearing load off the waist/belt area. The warranty of the vests is five (5) years, and much of the police department, including the entire reserve department, will reach the end of the warranty near the end of FY25. Approximately forty-five (45) vests require replacement in FY26, and approximately six (6) vests a year require replacement for each FY until FY30. The total cost over five (5) years is roughly \$78,000. We have already qualified for a body armor grant in the amount of \$8,101.07 through FY26 and will continue to seek grant money through the same source for future years.

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 multiple years, starting in FY 2025, with replacement anticipated in FY 2028. The total project cost is \$700,000.

- **Fire Station #1 HVAC Upgrades**

The Fire Department HVAC system is scheduled to be replaced in FY 2025-26. The system consists of 7 rooftop heating and cooling units, a make-up air unit for the kitchen, and radiant heating in the apparatus bay. In addition to being at the end of their productive lifespan (they are original to the building's 2004 construction), the units are suffering from increased maintenance costs and instances of failure. The Fire Department has also battled humidity issues since it was built; multiple rounds of testing have confirmed that this is a consequence of an improperly engineered HVAC system, which will be a focus when the project goes out to bid. This project is a replacement of all existing units, with a focus on increasing building comfort and efficiency, and the integration of the new HVAC to the City's digital building management system.

- **Fire Vehicle Replacement**

A total of 10 vehicles and pieces of equipment are scheduled for replacement during the CIP period (FY 2025-2030). This includes phased funding for a new pumper truck, totaling \$1.4 million, starting in FY 2024. Five ambulance trucks will be replaced, with one scheduled for FY 2026. Additionally, phase funding for replacing the 1997 aerial ladder truck will begin in FY 2027.

- **Equipment and Tools**

The CIP outlines the replacement of six key pieces of equipment, including a new program to replace Stryker emergency medical equipment. In FY 2025, \$691,000 was allocated for the replacement and upgrade of various EMS equipment, with annual maintenance contracts costing \$16,000 per year, totaling \$755,000 over the next four years. Stryker, the sole provider of this equipment, has introduced the EMS Plus program to support municipal budgeting and planning. This comprehensive four-year plan includes \$184,000 in FY 2025, followed by \$167,761 annually for the next three years, bringing the total cost to \$687,284 for replacing 26 pieces of equipment. This program will save at least \$78,000 over the next four years, after which the City will own the equipment and can assess its long-term value.

TABLE VIII
FY 2025-30 CAPITAL IMPROVEMENT PLAN
PUBLIC SAFETY
(IN THOUSANDS)

APPROPRIATIONS:

PUBLIC SAFETY	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL APPROP.
POLICE								
Patrol and DB Vehicles (15)	123	135	144	152	159	159	162	776
Vehicle Upfitting (15)	45	58	39	45	45	45	45	219
#100 2014 Police Detective Vehicle	0	0	38	0	0	0	0	38
#101 2018 Police Administrative	0	0	0	0	42	0	0	42
#116 2017 Police Canine Unit	41	0	0	0	0	0	0	0
#121 2015 Police Administrative Vehicle	0	35	0	0	0	0	0	0
#122 2016 Police Administrative	0	0	0	0	0	35	0	35
#123 2015 Police Detective	0	0	0	37	0	0	0	37
#126 2019 Police Detective	0	0	0	0	0	35	0	35
#133 2020 Police Detective Vehicle	0	0	0	0	0	0	38	38
#138 2016 Police Undercover Vehicle	0	0	0	0	42	0	0	42
Body Cams and In-Car Cameras	65	81	146	146	146	146	146	730
Building Video Camera System	0	0	29	0	0	0	0	29
#551 Equipment Police Building Generator	0	0	0	0	0	75	0	75
Carpet Replacement - phased	0	65	0	0	0	0	0	0
VCT Flooring Property Room/Gun Range	0	25	0	0	0	0	0	0
Police Personnel Locker Replacement	0	0	47	0	0	0	0	47
HVAC Upgrades - phased	486	612	0	0	0	0	0	0
In-Vehicle Printers	19	0	0	0	0	0	0	0
In-Vehicle Modems	0	21	0	0	0	0	0	0
In-Vehicle Computers	0	0	70	0	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	18	0	0	0	0	0	0	0
Dispatch Furniture	0	0	0	65	0	0	0	65
Property Room Shelving	0	20	0	0	0	0	0	0
Ballistic Shields and Riot Helmet Replacements	0	80	0	0	0	0	0	0
Body Armor Replacements	0	0	50	7	7	7	7	78
Gas Mask Replacements	20	0	0	0	0	0	0	0
DISTRICT COURT								
Carpet Replacement	0	32	0	0	0	0	0	0
Court Recording Equipment	106	0	0	0	0	0	0	0
Court Office Furniture	0	20	0	0	0	0	0	0
Court Lobby Seating	0	20	0	0	0	0	0	0
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	42	0	0	0	0	0	0
FIRE								
Battery-powered positive pressure ventilation (PPV) fans	0	0	14	0	0	0	0	14
P25 Control Station	0	0	31	0	0	0	0	31
Fire Station #1 HVAC Replacement	0	70	35	0	0	0	0	35
Fire Station #1 Roof Replacement	0	200	0	250	250	0	0	500
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 Hose	0	9	7	7	7	7	7	35
Self Contained Breathing Apparatus (SCBA)	78	0	0	0	0	0	0	0
Self Contained Breathing Apparatus (SCBA) Washer	0	0	0	50	0	0	0	50
Stryker Equipment EMS Plus Program	0	184	168	168	168	0	0	504
Multi-Gas Detectors	0	19	0	0	0	0	0	0
Fire/Police Drone	0	0	0	25	0	0	0	25
Active Shooter Response PPE	0	20	0	0	0	0	0	0
#550 Fire Station 1 Generator	0	0	0	0	75	0	0	75
#700 2016 Ford Interceptor Utility	0	45	0	0	0	0	0	0
#701 2011 GMC 3/4 Ton Pick-Up	0	0	0	0	50	0	0	50
#704 Station Utility truck	0	0	42	0	0	0	0	42
#710 2011 Ambulance Rescue	0	0	380	0	0	0	0	380
#711 2019 Ambulance Rescue Truck	0	0	0	0	400	0	0	400
#713 2015 Ambulance Rescue Truck (R71) #713	155	0	0	0	0	0	400	400
#715 2022 Ambulance Rescue Truck	0	0	0	0	0	400	0	400
#721 2023 Ambulance Rescue Truck	0	0	0	0	0	0	650	650
#722 2019 Sutphen Pumper	0	0	0	0	650	650	0	1,300
#723 2007 Pumper Pierce (E7X)	600	450	450	0	0	0	0	450
#730 1997 Aerial Ladder Truck	0	0	0	300	300	300	300	1,200
TOTALS	1,756	\$ 2,295	\$ 1,690	\$ 1,472	\$ 2,341	\$ 1,859	\$ 1,755	\$ 9,117
Total Projects	9	17	4	1	0	0	0	5
Total Equipment	3	9	17	7	10	10	9	53

TABLE VIII
FY 2025-30 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 (15)	517	0	0	0	0	259	0	776
Vehicle Upfitting (15)	219	0	0	0	0	0	0	219
#100 2014 Police Detective Vehicle	38	0	0	0	0	0	0	38
#101 2018 Police Administrative	42	0	0	0	0	0	0	42
#122 2016 Police Administrative	35	0	0	0	0	0	0	35
#123 2015 Police Detective	37	0	0	0	0	0	0	37
#126 2019 Police Detective	35	0	0	0	0	0	0	35
#133 2020 Police Detective Vehicle	38	0	0	0	0	0	0	38
#138 2016 Police Undercover Vehicle	42	0	0	0	0	0	0	42
Body Cams and In-Car Cameras	730	0	0	0	0	0	0	730
Building Video Camera System	29	0	0	0	0	0	0	29
#551 Equipment Police Building Generator	75	0	0	0	0	0	0	75
Police Personnel Locker Replacement	47	0	0	0	0	0	0	47
In-Vehicle Computers	70	0	0	0	0	0	0	70
Dispatch Furniture	65	0	0	0	0	0	0	65
Body Armor Replacements	78	0	0	0	0	0	0	78
Gas Mask Replacements	0	0	0	0	0	0	0	0
DISTRICT COURT								
FIRE								
Battery-powered positive pressure ventilation (PPV) fans	14	0	0	0	0	0	0	14
P25 Control Station	31	0	0	0	0	0	0	31
Fire Station #1 HVAC Replacement	35	0	0	0	0	0	0	35
Fire Station #1 Roof Replacement	500	0	0	0	0	0	0	500
Fire Station #1 Park Lot Replacement	220	0	0	0	0	0	0	220
Fire Hose	35	0	0	0	0	0	0	35
Self Contained Breathing Apparatus (SCBA) Washer	50	0	0	0	0	0	0	50
Stryker Equipment EMS Plus Program	504	0	0	0	0	0	0	504
Fire/Police Drone	25	0	0	0	0	0	0	25
#550 Fire Station 1 Generator	75	0	0	0	0	0	0	75
#701 2011 GMC 3/4 Ton Pick-Up	50	0	0	0	0	0	0	50
#704 Station Utility truck	42	0	0	0	0	0	0	42
#710 2011 Ambulance Rescue	380	0	0	0	0	0	0	380
#711 2019 Ambulance Rescue Truck	400	0	0	0	0	0	0	400
#713 2015 Ambulance Rescue Truck (R71) #713	400	0	0	0	0	0	0	400
#715 2022 Ambulance Rescue Truck	400	0	0	0	0	0	0	400
#721 2023 Ambulance Rescue Truck	650	0	0	0	0	0	0	650
#722 2019 Sutphen Pumper	1,300	0	0	0	0	0	0	1,300
#723 2007 Pumper Pierce (E7X)	450	0	0	0	0	0	0	450
#730 1997 Aerial Ladder Truck	1,200	0	0	0	0	0	0	1,200
TOTALS	\$ 8,858	0	\$ 0	\$ 0	\$ 0	\$ 259	\$ 0	\$ 9,117

General Government and Economic Development

The projects planned under this chapter are broken down into three categories: Civic Center/City-Wide, Information Technology, and Library.

Civic Center/City-Wide

- **Vehicles**

Five vehicles used for community development building inspections are scheduled for replacement in FY 2028 and FY 2029, with each vehicle budgeted at \$42,000.

- **Parking Lot Replacements**

During the construction project, the majority of the parking lot was replaced with the exception of areas in front of the Police Department and Fire Department. This is phase funded in the CIP over multiple years, budgeted in FY 2025 (\$100,000) and (\$150,000) in both FY 2027 and 2028.

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 2025-2030, replacements for 34 computers are scheduled for a total of \$48,000 annually.

- **Firewall Upgrade**

The CIP includes upgrading the City's firewall system to a more robust solution with enhanced features and a 7-to-10-year lifespan. This upgrade will also replace aging Layer 3 Routing equipment, which needs to be updated by FY 2026-2027. The total cost for this upgrade is \$200,000.

- **Phone System City-Wide**

A replacement of the City's phone system infrastructure is planned, as the current system is outdated and in need of modernization. The new system will feature updated software, improved security, and compatibility with modern phone handsets. The project is budgeted at \$125,000 annually for FY 2025 and FY 2026, with costs shared between the General Fund (75%) and Water and Sewer (25%).

- **Camera Equipment, Access Points, and Switches**

The CIP includes the renewal of co-termination licenses for Meraki equipment over a three-year period, covering 26 access points, 19 switches, and 21 cameras. Additional renewals are planned for FY 2027 and FY 2030, with \$52,000 budgeted for each year.

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 \$10,000 in FY 2026 and annually thereafter \$5,000.

- **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 2029 at \$50,000.

TABLE IX
FY 2025-30 CAPITAL IMPROVEMENT PLAN
GENERAL GOVERNMENT & ECONOMIC DEVELOPMENT
(IN THOUSANDS)

APPROPRIATIONS:

GENERAL GOVERNMENT & ECONOMIC DEV.	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL APPROP.
CIVIC CENTER / CITY WIDE								
Workstations Replacements (Finance/HR/City Manager Office)	0	57	0	0	0	0	0	0
Security Upgrades (additional cameras and access control)	0	20	0	0	0	0	0	0
Parking Lot Replacement (remaining asphalt areas)	0	100	0	150	150	0	0	300
#483 Code Enforcement Vehicle	0	0	0	0	42	0	0	42
#492 CED Inspection Vehicle	0	0	0	0	42	0	0	42
#493 CED Field Vehicle	0	0	0	0	42	0	0	42
#496 CED Inspection Vehicle	0	0	0	0	42	0	0	42
#500 CED Inspection Vehicle	0	0	0	0	0	42	0	42
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	33	47	48	48	48	48	48	240
Storage Area Networks	0	194	0	0	0	0	0	0
Wireless Network Equipment Upgrade	123	131	0	0	0	0	0	0
Firewall Upgrade	0	0	100	100	0	0	0	200
Mobile Device Management	10	5	0	0	0	0	0	0
Phone System Upgrade City-wide	0	125	125	0	0	0	0	125
Camera Equipment, Access Points, Switches	0	0	0	52	0	0	52	104
LIBRARY								
Makerspace Maintenance and Expansion	11	10	10	5	5	5	5	30
Electrical Improvements	0	0	8	0	0	0	0	8
Transition from Barcode to RFID technology	0	0	0	0	25	0	0	25
Acoustic Art	0	10	0	0	0	0	0	0
Storywalk Installation	0	25	0	0	0	0	0	0
Self-Check Out	0	14	0	0	0	0	0	0
Public Restrooms Remodel	0	0	0	0	0	0	25	25
Pickup Lockers	0	0	0	0	0	50	0	50
TOTALS	\$ 177	\$ 738	\$ 291	\$ 355	\$ 396	\$ 145	\$ 130	\$ 1,317
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								
Parking Lot Replacement (remaining asphalt areas)	300	0	0	0	0	0	0	300
#483 Code Enforcement Vehicle	42	0	0	0	0	0	0	42
#492 CED Inspection Vehicle	42	0	0	0	0	0	0	42
#493 CED Field Vehicle	42	0	0	0	0	0	0	42
#496 CED Inspection Vehicle	42	0	0	0	0	0	0	42
#500 CED Inspection Vehicle	42	0	0	0	0	0	0	42
INFORMATION TECHNOLOGY								
City Wide Microcomputer Replacements	240	0	0	0	0	0	0	240
Firewall Upgrade	150	0	0	0	50	0	0	200
Phone System Upgrade City-wide	94	0	0	0	31	0	0	125
Camera Equipment, Access Points, Switches	104	0	0	0	0	0	0	104
LIBRARY								
Makerspace Maintenance and Expansion	30	0	0	0	0	0	0	30
Electrical Improvements	8	0	0	0	0	0	0	8
Transition from Barcode to RFID technology	25	0	0	0	0	0	0	25
Public Restrooms Remodel	25	0	0	0	0	0	0	25
Pickup Lockers	50	0	0	0	0	0	0	50
TOTALS	\$ 1,236	\$ 0	\$ 0	\$ 0	\$ 81	\$ 0	\$ 0	\$ 1,317

Economic Development

Downtown Development Authority

The Madison Heights Downtown Development Authority (DDA) operates as a separate legal entity, independent from the city's general government functions. However, its activities and financial planning are closely integrated into the city's overall budgeting process. This ensures that the DDA's efforts to revitalize and improve the downtown district align with the city's broader fiscal goals. By including the DDA's budget in the city's financial framework, Madison Heights can more effectively allocate resources, monitor progress, and ensure that development initiatives contribute to the long-term growth and success of the community.

On November 27, 2017, the City Council approved the DDA's recommended Tax Increment Financing and Development Plan, covering the period from December 1, 2017, to December 1, 2038.

Starting with the FY 2021 budget and continuing through FY 2026, the DDA has shifted its focus toward funding economic development and revitalization projects rather than community events. As part of this shift, the DDA has committed \$400,000 as a matching grant for an 11-mile streetscape design and engineering plan. This project includes detailed design and engineering for the area from Lorenz to the John R intersection, with a conceptual design extending from the John R intersection to I-75. With the support of an Oakland County Main Street grant, the DDA plans to begin implementing Phase 1 of the streetscape and road diet project (Lorenz to John R) during FY 2026.



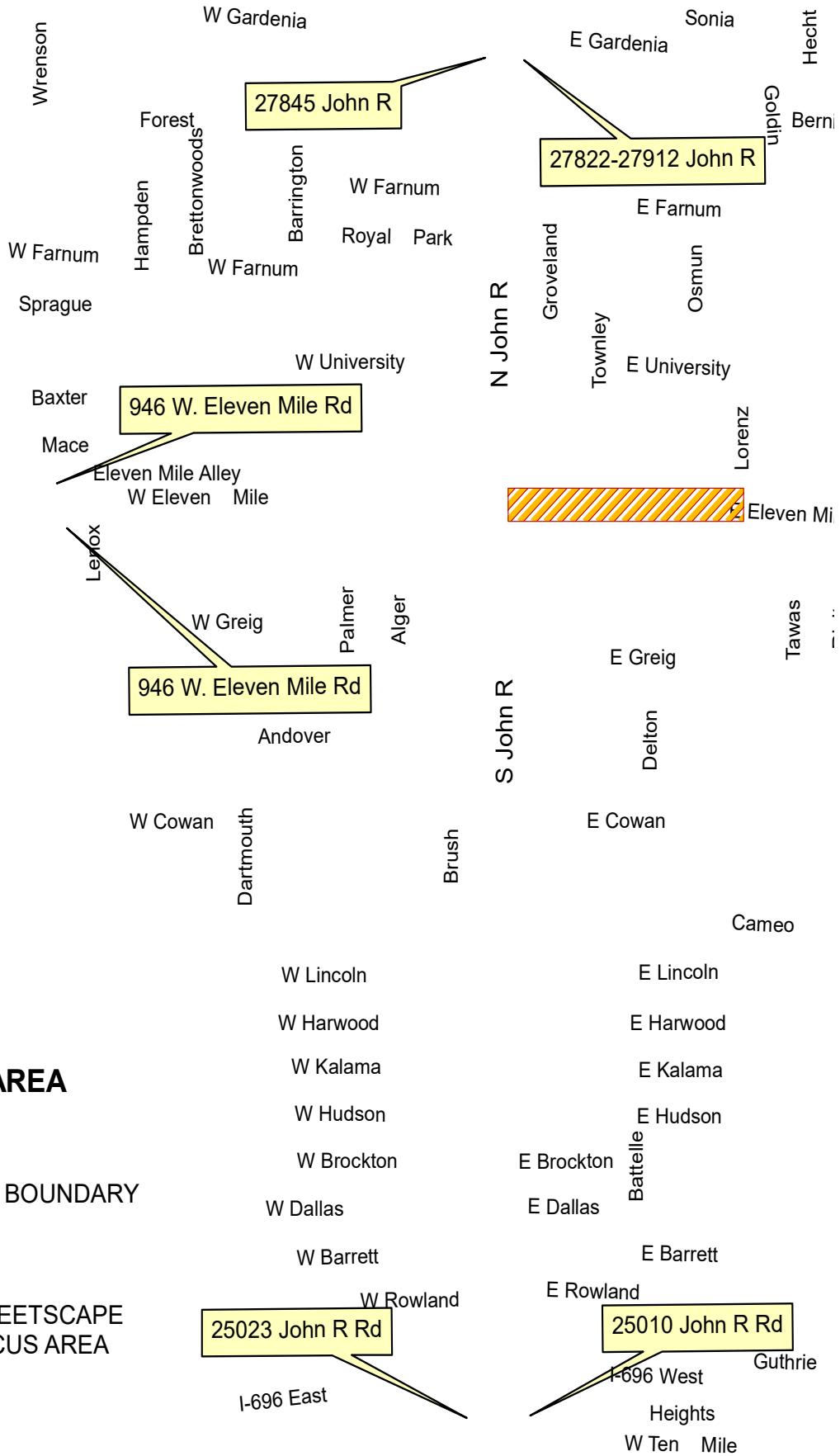
DDA BOUNDARY AREA



DDA BOUNDARY



STREETSCAPE
FOCUS AREA



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 feet 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, other than two van replacements.

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 an estimated \$7.2 million to improve park facilities and assume long-term responsibility for park management and maintenance.

This park plan has been designed and will be constructed starting in the Spring of 2025 with November 2025 estimated completion date.

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.

Ambassador Park OCPR Improvement Plan



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 covers the period from FY 2021 to 2025. However, most of the planned projects have already been completed. As a result, staff has recently issued a bid for an update to the Parks and Recreation Master Plan, with the goal of completing it by December 2025. This updated plan will prioritize community engagement to ensure that future park and recreation facilities, as well as programming, are aligned with the needs and desires of our residents.

In the absence of a current project list in the existing Master Plan, staff has identified maintenance and projected needs in Table X. Please note that these are subject to change once the updated Parks and Recreation Master Plan is finalized.

TABLE X
FY 2025-30 CAPITAL IMPROVEMENT PLAN
LEISURE & HUMAN SERVICES
(IN THOUSANDS)

APPROPRIATIONS:

LEISURE & HUMAN SERVICES	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL APPROP.
PARKS AND RECREATION								
McGillivray - Playscape Replacement	0	0	0	0	200	0	0	200
McGillivray - Magic Square Replacement	0	0	0	0	150	0	0	150
McGillivray - Parking Lot Replaement	0	0	0	0	150	0	0	150
Civic Center Park - Amphitheater	0	250	0	0	0	0	0	0
Civic Center Park - Pavilion C Roof Repair/Replacement	0	0	35	0	0	0	0	35
Civic Center Park - Basketball Court Rehabilitation	88	0	0	0	0	0	0	0
Civic Center Park - Baseball Field Rehabilitation	0	0	0	20	0	0	0	20
Civic Center Park - Parking Lot Rehabilitation	0	0	0	150	150	0	0	300
Edison Park - Paving Parking Lot	0	67	0	0	0	0	0	0
Gravel Park - Playscape Installation	0	0	0	125	0	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
Huffman Park - Playscape Replacement	0	0	0	0	0	250	0	250
Monroe Park - Playscape Replacement	0	0	0	0	0	250	0	250
Rosie's Park - Hardball and Softball Field Rehabilitation	0	30	30	0	0	0	0	30
Rosie's Park - Pickleball Courts	0	268	0	0	0	0	0	0
Rosie's Park - Gardenia Parking Lot	0	125	125	0	0	0	0	125
Rosie's Park - Farnum Parking Lot	0	0	0	0	0	300	0	300
Rosie's Park - Pavilion	0	75	150	0	0	0	0	150
Rosie's Park - Backstop Fence	0	75	0	0	0	0	0	0
Rosie's Park - Shade Structure for Concession Area	0	0	0	15	0	0	0	15
Rosie's Park - Trail Repairs	0	0	0	250	0	0	0	250
Park Shelter Building Roofs - Multiple Parks	0	20	0	0	0	0	0	0
Athletic Fields - Lighting Analysis and Replacement	0	556	525	0	0	0	0	525
Soccer Complex - Field Irrigation	0	20	0	0	0	0	0	0
Soccer Complex - Parking Lot Rehabilitation	0	0	0	0	0	0	350	350
Soccer Complex - Playstructure Replacemnt	0	0	0	0	0	0	350	350
General - Special Project Funding	50	50	50	50	50	50	50	250
Playscape Softfall Installation	0	0	50	50	50	0	0	150
Portal Events Message Sign	0	0	0	25	0	0	0	25
#444 - 15 Passenger Van	0	0	0	46	0	0	0	46
#473 - GMC 3/4 /Ton Pickup/Plow	0	0	0	0	0	52	0	52
#474 - 2015 Ford 3/4 Ton Pick-Up with Plow	0	0	0	0	52	0	0	52
#477 - GMC 3/4 Ton Pick-Up with Plow	0	0	0	0	52	0	0	52
#485 - 4x4 Quad-Cab Pickup Truck with Plow	0	42	0	0	0	0	0	0
#488 - 2009 Volvo Loader	0	225	0	0	0	0	0	0
ACTIVE ADULT CENTER								
Kitchen Equipment Replacements	0	0	20	20	0	0	0	40
#469 - Senior Van	0	50	0	0	0	0	0	0
#482 - Senior Van	0	0	0	0	46	0	0	46
#480 - SMART Bus	75	0	0	0	0	0	0	0
TOTALS	\$ 138	\$ 1,882	\$ 985	\$ 751	\$ 900	\$ 902	\$ 750	\$ 4,288
Total Projects	2	13	4	5	3	1	1	14
Total Equipment	0	3	1	1	1	2	1	6

TABLE X
FY 2025-30 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	200	0	0	0	0	0	0	200
McGillivray - Magic Square Replacement	150	0	0	0	0	0	0	150
McGillivray - Parking Lot Replacement	150	0	0	0	0	0	0	150
Civic Center Park - Pavilion C Roof Repair/Replacement	35	0	0	0	0	0	0	35
Civic Center Park - Baseball Field Rehabilitation	20	0	0	0	0	0	0	20
Civic Center Park - Parking Lot Rehabilitation	300	0	0	0	0	0	0	300
Gravel Park - Playscape Installation	125	0	0	0	0	0	0	125
Huffman Park - Playscape Replacement	250	0	0	0	0	0	0	250
Monroe Park - Playscape Replacement	250	0	0	0	0	0	0	250
Rosie's Park - Hardball and Softball Field Rehabilitation	30	0	0	0	0	0	0	30
Rosie's Park - Gardenia Parking Lot	125	0	0	0	0	0	0	125
Rosie's Park - Farnum Parking Lot	300	0	0	0	0	0	0	300
Rosie's Park - Pavilion	150	0	0	0	0	0	0	150
Rosie's Park - Shade Structure for Concession Area	15	0	0	0	0	0	0	15
Rosie's Park - Trail Repairs	250	0	0	0	0	0	0	250
Athletic Fields - Lighting Analysis and Replacement	0	0	0	0	0	0	525	525
Soccer Complex - Parking Lot Rehabilitation	0	0	0	0	0	0	350	350
Soccer Complex - Playstructure Replacement	0	0	0	0	0	0	350	350
General - Special Project Funding	250	0	0	0	0	0	0	250
Playscape Softfall Installation	150	0	0	0	0	0	0	150
Portal Events Message Sign	25	0	0	0	0	0	0	25
#444 - 15 Passenger Van	46	0	0	0	0	0	0	46
#473 - GMC 3/4 Ton Pickup/Plow	52	0	0	0	0	0	0	52
#474 - 2015 Ford 3/4 Ton Pick-Up with Plow	52	0	0	0	0	0	0	52
#477 - GMC 3/4 Ton Pick-Up with Plow	52	0	0	0	0	0	0	52
ACTIVE ADULT CENTER								
Kitchen Equipment Replacements	0	0	40	0	0	0	0	40
#482 - Senior Van	0	0	46	0	0	0	0	46
Totals	\$ 2,977	\$ 0	\$ 86	\$ 0	\$ 0	\$ 0	\$ 1,225	\$ 4,288

REPLACEMENT PLANS

Five Year Vehicle Replacement Plan

Vehicle Utilization and Condition Analysis - October 2024								
	Utilization and Vehicle Information							Condition
Utilization Legend:								
	= 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	In-Service Date	Oct. 2024 Miles/Hrs.	Years of Service	Avg. Miles/Hrs. per Year	As of 10/13/2024
100	PD-Detective	Ford Fusion	2014	10/15/2013	75,388	11.4	6,587	25
101	PD-Admin	GMC Terrain	2018	10/1/2018	62,443	6.5	9,631	18
102	PD-Radar	Ford Interceptor Utility	2022	7/10/2023	35,693	1.7	20,859	18
103	PD-Radar	Dodge Durango Pursuit	2021	5/11/2021	70,000	3.9	18,069	28
104	PD-Patrol	Dodge Durango Pursuit	2023	5/6/2024	17	0.9	19	9
105	PD-Patrol	Dodge Durango Pursuit	2021	6/21/2021	75,477	3.8	20,064	35
106	PD-Patrol	Dodge Durango Pursuit	2023	5/25/2023	17,681	1.8	9,624	15
107	PD-Patrol	Dodge Durango Pursuit	2021	7/22/2022	55,806	2.7	20,842	23
108	PD-Patrol	Dodge Durango Pursuit	2023	5/25/2023	40	1.8	22	10
109	PD-Patrol	Dodge Durango Pursuit	2021	7/1/2022	39,000	2.7	14,259	20
110	PD-Patrol	Ford Interceptor Utility	2020	7/17/2020	70,145	4.7	14,956	28
111	PD-Patrol	Dodge Durango Pursuit	2021	5/21/2021	63,329	3.8	16,463	27
112	PD-A.I.T.	Dodge Ram 1500 Pickup Truck	2022	11/17/2022	15,521	2.4	6,592	14
113	PD-A.I.T.	Dodge Durango Pursuit	2021	4/12/2021	72,578	4.0	18,358	30
114	PD-Patrol Sup.	Dodge Durango Pursuit	2021	7/10/2022	39,826	2.7	14,693	19
116	PD-Canine Unit	Dodge Durango Pursuit	2022	7/10/2023	13,686	1.7	7,998	13
117	PD-Mtr. Carrier	Ford Interceptor Utility	2020	6/10/2020	63,013	4.8	13,152	27
119	PD-Animal CTL	Chevy G20 Van	2012	1/1/2012	42,538	13.2	3,215	27
121	PD-Admin	Jeep Grand Cherokee	2024	9/17/2024	50	0.5	96	8
122	PD-Admin	Chrysler 200	2016	12/1/2015	23,707	9.3	2,545	21
123	PD-Detective	Dodge Journey	2015	12/1/2014	53,470	10.3	5,183	24
124	PD-Detective	Chevrolet Equinox	2020	3/20/2020	10,057	5.0	2,005	15
125	PD-Detective	Ford Escape	2021	6/15/2021	10,830	3.8	2,866	13
126	PD-Detective	Dodge Durango	2019	10/1/2018	90,023	6.5	13,886	26
133	PD-Detective	Ford Edge	2020	5/8/2020	15,728	4.9	3,222	15
138	PD-SIU	Undercover	2016	9/26/2016	50,663	8.5	5,963	23
140	PD-Reserves Sgt.	Ford Interceptor Utility	2018	3/6/2003	103,200	22.1	4,679	26
141	PD-Reserves	Ford Interceptor Utility	2018	10/4/2018	72,954	6.5	11,267	22
142	PD-Reserves	Ford Interceptor Utility	2019	12/1/2009	70,643	15.3	4,613	23
143	PD-Reserves	Ford Interceptor Utility	2014	5/22/2003	113,773	21.8	5,208	33
144	PD-Reserves	Ford Interceptor Utility	2018	7/1/2018	72,938	6.7	10,830	24
145	PD-Reserves	Ford Interceptor Utility	2017	1/24/2017	109,080	8.2	13,356	30
146	PD-Reserves	Dodge Diplomat (Historical)	1989	11/23/1988	82,698	36.3	2,276	54
147	PD-Reserves	Ford Interceptor Utility	2015	6/6/2006	105,857	18.8	5,630	32
160	PD-Patrol	Harley Davidson	2007	5/1/2007	3,307	17.9	185	29
161	PD-Patrol	Harley Davidson	2007	5/1/2007	8,831	17.9	493	30
261	Streets	Concrete Drop Hammer	1999	9/24/1999	676	25.5	27	32
300	Sewer	Doosan Trailer Air Compressor	2017	7/5/2017	55	7.7	7	11
320	Motorpool	Toyota Fork Lift	2023	2/6/2023	204	2.1	96	8
330	Streets	Smith Trailer Air Compressor	2004	1/28/2004	945	21.2	45	30
339	Streets	Concrete Saw Dimas	2006	5/3/2006	339	18.9	18	23
351	Solid Waste	Leaf Loader Trailer	2007	7/27/2007	2,495	17.7	141	31
352	Solid Waste	Leaf Loader Trailer	1999	10/1/1999	2,199	25.5	86	39
353	Solid Waste	Leaf Loader Trailer	2021	10/1/2021	235	3.5	67	8
354	Solid Waste	Leaf Loader Trailer	2001	9/5/2001	3,151	23.6	134	40
355	Solid Waste	Leaf Loader Trailer	2001	7/1/2001	2,382	23.7	100	38
357	Solid Waste	Leaf Loader Trailer	2007	7/27/2007	2,003	17.7	113	30
364	Parks	Polaris ATV	2011	12/2/2010	1,229	14.3	86	24
369	Streets	Asphalt Roller Vibrator	1999	8/25/1999	290	25.6	11	30
377	Water	Doosan Light Tower/Generator	2021	3/31/2021	27	4.0	7	8
402	Solid Waste	Bucher MaxPowa Sweeper	2024	10/1/2024	-	0.5	-	8
404	Water	4 YD. Volvo Loader	2019	10/1/2018	4,694	6.5	724	34
405	Water	3 YD. Volvo Loader	2021	8/9/2021	1,106	3.6	305	16
406	Solid Waste	Brush Bandit Chipper	2006	4/7/2006	6,666	19.0	351	58
407	Streets	CAT Backhoe	2003	8/7/2003	3,369	21.6	156	44
408	Solid Waste	Bucher CityCat 5006	2022	12/19/2022	1,103	2.3	487	15
409	Streets	3 YD. Volvo Loader	2023	1/30/2023	480	2.2	223	14
410	Solid Waste	Morbark Brush Chipper	2019	4/12/2019	1,699	6.0	285	22
415	Streets	Ford F-550 Swaploader	2024	2/26/2024	978	1.1	907	8
416	Motor Pool	Chevy Impala	2015	12/1/2014	38,729	10.3	3,754	18
417	Streets	Tandem Dump Truck	2016	5/1/2016	21,191	8.9	2,381	21
418	Streets	Tandem Dump Truck	2017	4/20/2017	22,258	7.9	2,806	20

Five Year Vehicle Replacement Plan Continued

Vehicle Utilization and Condition Analysis - October 2024									
	Utilization and Vehicle Information							Condition	
Utilization Legend:									
	= 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 /	Make / Model	Model	In-Service Year	Oct. 2024 Date	Miles/Hrs.	Years of Service	Avg. Miles/Hrs. per Year	As of 10/13/2024
419	Streets	Tandem Dump Truck	2021	5/1/2020	8,361	4.9	1,706	14	
420	Streets	GMC 3/4 Ton Pickup	2016	11/15/2015	29,445	9.4	3,146	20	
422	Water	Tandem Dump Truck	2019	7/29/2019	11,335	5.7	2,003	16	
423	Water	Chevy 3/4 Ton Pickup	2017	2/1/2017	38,753	8.1	4,758	21	
424	Solid Waste	Single Axle Dump	2003	12/23/2003	33,280	21.3	1,566	38	
425	Streets	Single Axle Dump	2023	3/29/2023	653	2.0	328	11	
426	Streets	Single Axle Dump	2003	2/26/2004	17,847	21.1	847	35	
429	Streets	Platform Truck	2016	6/16/2016	7,649	8.8	872	18	
430	Motorpool	Chevy 3/4 Ton Pickup	2021	7/1/2021	6,869	3.7	1,839	11	
431	Streets	GMC One Ton Dump Truck	2013	2/14/2013	37,413	12.1	3,090	29	
432	Streets	Ford 3/4 Ton Pickup/Plow	2015	7/30/2014	32,316	10.7	3,033	22	
433	Streets	Tandem Dump Truck	2022	1/11/2022	6,342	3.2	1,980	11	
434	Motorpool	Chevy Colorado Pickup	2024	8/15/2024	833	0.6	1,364	5	
435	Streets	Van Building Mnt.	2013	6/1/2013	84,285	11.8	7,133	26	
436	Streets	Chevy 3/4 Ton Pickup/Plow	2022	6/15/2022	9,283	2.8	3,341	11	
438	Streets	2017 Toolcat Utility Vehicle	2017	10/1/2017	900	7.5	120	20	
443	Senior Citizen.	SMART Bus (25 Passenger)	2020	9/3/2020	3,428	4.6	752	9	
444	Recreation	GMC Van	2015	12/1/2014	9,824	10.3	952	15	
453	Water	GMC Cargo Van	2013	12/21/2012	42,720	12.3	3,484	22	
455	Water	John Deere Backhoe	2006	1/31/2006	1,089	19.1	57	32	
457	Water	Chevy 3/4 Ton Pickup/Plow	2021	7/1/2021	15,183	3.7	4,066	12	
458	Water	Ram ProMaster	2018	10/1/2018	5,000	6.5	771	12	
460	Sewer	Chevy 3/4 Ton Utility Pickup	2023	10/23/2023	4,378	1.4	3,075	9	
461	Sewer	Ford Maverick Pickup	2024	Pending	-	#VALUE!	#VALUE!	#VALUE!	
462	Sewer	GMC One Ton Dump Truck	2012	3/22/2012	25,561	13.0	1,965	27	
463	Sewer	Ford 3/4 Ton Pickup/Plow	2015	7/30/2014	58,496	10.7	5,490	27	
464	Water	Tandem Axle Dump	2014	10/1/2014	44,372	10.5	4,233	28	
465	Sewer	Sterling Vactor	2003	9/15/2003	39,910	21.5	1,884	40	
468	Sewer	Western Star GapVax	2017	4/15/2017	8,288	7.9	1,043	18	
469	Senior Citizen.	Ford Van	2010	9/17/2009	44,107	15.5	2,842	24	
471	Senior Citizen.	Freightliner Bus (50 Passenger)	2016	3/25/2022	55,451	3.0	18,463	22	
473	Parks	GMC 3/4 Ton Pickup/Plow	2016	11/15/2015	37,873	9.4	4,046	22	
474	Parks	Ford 3/4 Ton Pickup/Plow	2015	12/16/2014	47,760	10.3	4,648	25	
475	Parks	Ford 3/4 Ton Pickup/Plow	2019	10/1/2019	21,826	5.5	3,980	15	
477	Parks	GMC 3/4 Ton Pickup	2014	4/14/2014	71,453	10.9	6,526	25	
479	Solid Waste	Single Axle Dump	2014	10/15/2014	20,064	10.4	1,921	24	
480	Senior Citizen.	SMART Wheelchair Van	2017	10/1/2016	62,613	8.5	7,382	26	
481	Streets	Chevy 1 Ton Dump Truck	2022	2/14/2022	9,710	3.1	3,122	13	
482	Senior Citizen.	GMC Van	2013	11/30/2012	54,127	12.3	4,394	23	
483	Code Enforce	Ford F-150	2015	12/1/2014	50,236	10.3	4,870	20	
484	Parks	Chevy 3/4 Ton Pickup/Plow	2023	1/18/2023	9,359	2.2	4,284	11	
485	Parks	Jeep Gladiator Pickup	2024	10/3/2024	98	0.5	206	7	
488	Parks	Volvo Loader	2024	9/30/2024	32	0.5	66	8	
489	Parks	Tractor Mower	1969	1/1/1969	4,951	56.2	88	83	
492	CDD Inspec.	Ford F-150	2015	12/1/2014	68,606	10.3	6,650	24	
493	CED Director	Ford Explorer	2015	12/1/2014	20,701	10.3	2,007	16	
494	Water	GMC Cargo Van	2015	12/1/2014	52,800	10.3	5,118	20	
495	CED	Ford F-150	2019	10/1/2018	15,721	6.5	2,425	13	
496	CDD Inspec.	Ford F-150	2015	12/1/2014	64,800	10.3	6,281	22	
500	CDD ED./Sup.	Ford Focus	2015	1/1/2015	14,283	10.2	1,396	15	
513	Solid Waste	Ford 3/4 Ton Pickup/Plow	2007	2/25/2008	71,404	17.4	4,180	30	
525	Solid Waste	Chipper Truck	2004	3/1/2004	53,289	21.1	2,529	44	
530	Senior Citizen.	Smart Bus	2017	9/28/2016	55,477	8.5	6,534	24	
551	Motor Pool	Em. Gen. Police	2004	8/3/2004	20.6	-			
552	Motor Pool	Em. Gen. DPS	2006	5/23/2006	18.8	-			
553	Motor Pool	Em. Gen. Fire Sta. 2	2004	6/1/2006	18.8	-			
554	Motor Pool	Em. Gen. Portable-1 / 1986 Trailer	1975	1/1/1975	50.2	-			
555	Motor Pool	Em. Gen. Portable-2	2004	2/28/2005	20.1	-			
700	Fire	Chevy Trail Blazer	2008	12/27/2007	17.2	-			
550	Motor Pool	Generator - Fire Station 1	2004	1/1/2016	1,246	9.2	135	35	
551	Motor Pool	Generator - Police	2006	4/15/2014	234	10.9	21	28	
552	Motor Pool	Generator - DPS	2006	7/9/2007	1,065	17.7	60	32	
553	Motor Pool	Generator - Fire Station 2	2023	7/1/2023	29	1.7	17	9	
554	Motor Pool	Generator - Portable 1	1975	7/9/2007	837	17.7	47	62	
555	Motor Pool	Generator - Portable 2	2005	7/18/2001	202	23.7	9	30	
556	Motor Pool	Generator - City Hall	2024	1/1/2024	47	1.2	38	9	
700	Fire	Ford Interceptor Utility	2016	1/1/2016	120,710	9.2	13,075	28	
701	Fire	GMC 3/4 Ton Pickup	2015	4/15/2014	41,708	10.9	3,810	21	
702	Fire	Chevy Silverado 2500 Pickup	2021	5/7/2021	21,124	3.9	5,437	13	
703	Fire	Ford F150	2022	4/26/2022	37,721	2.9	12,937	11	
704	Fire	Chevy Pickup 3500	2001	7/18/2001	37,539	23.7	1,585	38	
710	Fire	Ambulance Rescue Truck (R73)	2011	11/1/2011	115,474	13.4	8,618	48	
711	Fire	Ambulance Rescue Truck (R74)	2019	1/28/2019	89,529	6.2	14,540	33	
713	Fire	Ambulance Rescue Truck (R72)	2023	12/13/2023	14,911	1.3	11,612	12	
715	Fire	Ambulance Rescue Truck (R71)	2022	2/3/2023	20,180	2.1	9,426	15	
721	Fire	Sutphen Pumper (E72)	2020	3/29/2020	46,760	5.0	9,369	22	
722	Fire	Sutphen Pumper (E71)	2019	9/3/2019	44,711	5.6	8,041	23	
723	Fire	Pumper Pierce (E7X)	2007	5/20/2007	95,138	17.9	5,330	48	
730	Fire	Aerial Ladder E-One (T71)	1998	1/1/1998	28,198	27.2	1,036	43	

TABLE XII
FY 2025-30 CAPITAL IMPROVEMENT PLAN
Computer Replacement Plan

Device Name	Department	Year Purchased	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
AAC22DT1	AAC	2022				N		
AAC-DT-5	AAC	2017					N	
AAC-LT-02	AAC	2021			N			
AV24LT1	AV	2024						N
AV19DT2	AV	2019	N					
AVCOUNMEDIA23	AV	2023				N		
CD23LT3	CDD	2023				N		
CDD13DT6	CDD	2016	N				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			
CDD24LT2	CDD	2024						N
CDD24LT1	CDD	2024						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			
CLK24LT1	CLERKS	2024						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					N
COU17DT4	COURT	2017	N					N
COU17DT8	COURT	2017	N					N
COU18DT11	COURT	2018	N					N
COU18DT12	COURT	2018	N					N
COU18DT3	COURT	2018	N					N
COU18DT5	COURT	2018	N					N
COU18DT6	COURT	2018	N					N
COU18DT9	COURT	2018	N					N
CT-KRISSEY-DT	COURT	2018	N					N
DESKTOP-VVG7ITC	CDD	2023				N		
DPS16DT21	DPS	2016						N
DPS17LT11	DPS	2017						N
DPS19DT10	DPS	2019	N					
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	

TABLE XII
FY 2025-30 CAPITAL IMPROVEMENT PLAN
Computer Replacement Plan

Device Name	Department	Year Purchased	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
DPS-Sewer-LT	DPS	2020		N				
DPS-SIGN21-DT	DPS	2021			N			
FIN24LT4	FIN	2024						N
FIN24LT3	FIN	2024						N
FIN24LT2	FIN	2024						N
FIN24LT1	FIN	2024						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		
FIRE19DT9	FS1	2019					N	
FS17DT3	FS1	2017	purchased					N
FS118DT29	FS1	2018					N	
FS124DT4	FS1	2024						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				
FS24DT3	FS2	2024						N
FS23LT2	FS2	2022				N		
FS224DT1	FS2	2022			N			
HR24LT1	HR	2024						N
HR23LT1	HR	2023				N		
IT20DT5	SPARE	2020		N				
LIB21LT3	LIB	2021			N			
LIB23LT1	LIB	2023				N		
LIB-TBC2-LT	LIB	2022			;fs			
PD13DT1	PD	2013					N	
PD14DT32	PD	2014					N	
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		
PD24LT1	PD	2024						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		

Impact of Capital Improvement on Operating Expenditures

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 2026. Projects included in the plan in years beyond FY 2026 are concepts only and impacts on operating budgets are subject to change.

TABLE XIV
FY 2025-30 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Neighborhood Projects - Table III			
Project Description	Diesing Drive (Bellaire Avenue to Alger Street)		Department : Department of Public Services
Funding Type			
Water and Sewer Fund	\$ 345,000	FY 2025	
Proposal R-3 Millage	\$ 615,000	FY 2026	
Total Funding Amount	\$ 960,000		
Type:			
Project Details	Replacement of current capital asset. See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)		Department : Department of Public Services
Funding Type			
Water and Sewer Fund	\$ 257,000	FY 2025	
Proposal R-3 Millage	\$ 459,000	FY 2026	
Total Funding Amount	\$ 716,000		
Type:			
Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	E. Rowland Avenue (John R Road to Batelle Avenue)		Department : Department of Public Services
Funding Type			
Water and Sewer Fund	\$ 256,000	FY 2025	
Proposal R-3 Millage	\$ 457,000	FY 2026	
Total Funding Amount	\$ 713,000		
Type:			
Project Details	Replacement of current capital asset. See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Street Improvements - Table V			
Project Description	Replacement 2006 Brush Bandit Chipper #406		Department : Department of Public Services
Funding Type			
Trade-In Value	\$ -		
General Fund	\$ 85,000		
Total Funding Amount	\$ 85,000		
Type:			
Project Details	Replacement of a current asset. 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	Shipping Containers		Department : Department of Public Services
Funding Type			
Revenues - Trade-In Value	\$ -		
General Fund	\$ 10,000		
Total Funding Amount	\$ 10,000		
Type:			
Project Details	New Asset These will be used for storage on the DPS lot allowing us to move our items from the RV storage lot and opening more space for resident rentals.		
Collection and Distribution Systems - Table VI			
Project Description	Park Court (11 Mile to Northeastern) Watermain		Department: Department of Public Services
Funding Type			
Water and Sewer Funds	\$ 417,000	FY 2026	
Total Funding Amount	\$ 417,000		
Type:			
Project Details	Replacement of current asset See Collection and Distribution section for details.		
Project Description	Sanitary Sewer Rehabilitation Program		Department: Department of Public Services
Funding Type			
Water and Sewer Funds	\$ 250,000		
Total Funding Amount	\$ 250,000		
Type:			
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	Replacement/Repairs to DPS Water and Sewer Lot		Department: Department of Public Services
Funding Type			
Previous Phased Funding	\$ 200,000	FY 2024-2025	
Water and Sewer Funds	\$ 100,000	FY 2026	
Total Funding Amount	\$ 300,000		
Type:			
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.		

TABLE XIV
FY 2025-30 FIVE YEAR CAPITAL IMPROVEMENT PLAN
CAPITAL IMPROVEMENT IMPACTS ON ANNUAL OPERATING COSTS

Neighborhood Projects - Table III			
Project Description	Diesing Drive (Bellaire Avenue to Alger Street)		Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ 345,000 615,000	FY 2025 FY 2026	
Total Funding Amount	\$ 960,000		
Type: Project Details	Replacement of current capital asset. See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	Groveland Street (E. Lincoln Avenue to E. Cowan Avenue)		Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ 257,000 459,000	FY 2025 FY 2026	
Total Funding Amount	\$ 716,000		
Type: Project Details	Replacement of current capital asset. Road only no watermain work is included. See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Project Description	E. Rowland Avenue (John R Road to Batelle Avenue)		Department : Department of Public Services
Funding Type Water and Sewer Fund Proposal R-3 Millage	\$ 256,000 457,000	FY 2025 FY 2026	
Total Funding Amount	\$ 713,000		
Type: Project Details	Replacement of current capital asset. See the Neighborhood Roads section		
New Operation Costs	This project will not result in any significant increase in operating cost over the next five years.		
Street Improvements - Table V			
Project Description	Replacement 2006 Brush Bandit Chipper #406		Department : Department of Public Services
Funding Type Trade-In Value General Fund	\$ - 85,000		
Total Funding Amount	\$ 85,000		
Type: Project Details	Replacement of a current asset. 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	Shipping Containers		Department : Department of Public Services
Funding Type Revenues - Trade-In Value General Fund	\$ - 10,000		
Total Funding Amount	\$ 10,000		
Type: Project Details	New Asset These will be used for storage on the DPS lot allowing us to move our items from the RV storage lot and opening more space for resident rentals.		
Collection and Distribution Systems - Table VI			
Project Description	Park Court (11 Mile to Northeastern) Watermain		Department: Department of Public Services
Funding Type Water and Sewer Funds	\$ 417,000	FY 2026	
Total Funding Amount	\$ 417,000		
Type: Project Details	Replacement of current asset See Collection and Distribution section for details.		
Project Description	Sanitary Sewer Rehabilitation Program		Department: Department of Public Services
Funding Type Water and Sewer Funds	\$ 250,000		
Total Funding Amount	\$ 250,000		
Type: 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	Replacement/Repairs to DPS Water and Sewer Lot		Department: Department of Public Services
Funding Type Previous Phased Funding Water and Sewer Funds	\$ 200,000 100,000	FY 2024-2025 FY 2026	
Total Funding Amount	\$ 300,000		
Type: 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.		

APPENDICES



FY 2025-26 Budget Resolution

<u>2026 Fee Schedule</u>	215
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Accounting Statistics

Expenditure History by Activity.....	244
Assessed and Estimated Actual Valuation of Taxable Property.....	246
Property Tax Rates	245
Changes in Fund Balances.....	245

Personnel Statistics

Historical Personnel Changes.....	249
Organization Chart by Bargaining Unit.....	248
Full-Time Position Historical Trend	251

Community Profile

Miscellaneous Statistical Data	260
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Glossary of Budget and Finance Terms

Acronyms

ADOPTED FY 2025-26 Budget Resolution

A RESOLUTION TO ADOPT A BUDGET FOR MUNICIPAL PURPOSES FOR THE CITY OF MADISON HEIGHTS FOR THE FISCAL YEAR 2025-26 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 12, 2025, 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	13.5535
Solid Waste	2.4305
Police & Fire Retiree Benefits	7.0000
Neighborhood Road Improvements	1.8374
Senior Citizens	0.4363
Chapter 20 Drain Debt	0.1995
Total	<u>25.4572</u>

4. That the City of Madison Heights approves the imposition, by the City Treasurer, of a one percent (1%) property tax administration fee for all property taxes levied in Fiscal Year 2025-26 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 and Wastewater Charges, set forth in Exhibit "B", 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 2025-26

EXPENDITURES

REVENUES

GENERAL FUND

General Government	\$7,760,484	Property Taxes and Fees	\$29,118,962
Public Safety	24,576,766	Intergovernmental Revenues	7,113,504
Community Services	4,189,952	Other	5,590,326
Cultural and Recreation	3,438,232	Use of Fund Balance	436,521
Community Development	1,266,172		
Debt Service	<u>1,027,707</u>		
TOTAL	<u>\$42,259,313</u>		<u>\$42,259,313</u>

MAJOR STREET FUND

Program Expenditures	\$2,175,142	Intergovernmental Revenues	\$2,801,411
	<u>\$2,175,142</u>	Use of Fund Balance	<u>(626,269)</u>
	<u>\$2,175,142</u>		<u>\$2,175,142</u>

LOCAL STREET FUND

Program Expenditures	\$2,481,295	Property Taxes	\$2,104,690
		Intergovernmental Revenues	1,250,336
		Other	50,000
		Use of Fund Balance	<u>(923,731)</u>
	<u>\$2,481,295</u>		<u>\$2,481,295</u>

PARKS MAINTENANCE & IMPROVEMENT FUND

Program Expenditures	\$98,972	Other	\$48,972
	<u>\$98,972</u>	Use of Fund Balance	<u>50,000</u>
	<u>\$98,972</u>		<u>\$98,972</u>

DOWNTOWN DEVELOPMENT AUTHORITY

Program Expenditures	\$172,165	Property Taxes	\$254,909
		Intergovernmental Revenues	27,545
		Other	500
		Use of Fund Balance	<u>(110,789)</u>
	<u>\$172,165</u>		<u>\$172,165</u>

**CITY OF MADISON HEIGHTS FEE SCHEDULE
FY 2026
Table of Contents**

Section 1	Community and Economic Development	217
Section 2	City Clerk	230
Section 3	Water and Sewer Operation	232
Section 4	Treasury and Assessing	234
Section 5	Library	235
Section 6	Fire/Emergency Medical	236
Section 7	Police	237
Section 8	Department of Public Services.....	238
Section 9	Parks, Park Facilities and Recreation.....	239
Section 10	Active Adult Center.....	241
Section 11	General Governmental.....	242
Section 12	FOIA.....	243

The FY 2026 City of Madison Heights Fee Schedule will be effective July 1, 2025, unless otherwise noted. Revisions approved are listed below:

Summary of Changes:

Section 1. Community Development Department Services

- Increase Contractor Registration Fee from \$15.00 to \$30.00 based on increased department cost.
- Increase Electrical, Mechanical, and Plumbing Inspections from \$70.00 to \$75.00 and reinspection from \$70.00 - \$90.00 based on a % increase in cost for inspection services.
- Add fees from the Zoning Ordinance Changes (example: Mobile Food Vendors)
- Add additional Fire Suppression and Alarm Small Project fee of \$150.00

Section 2. City Clerk

- Increase Marihuana – Caregiver Business License: \$2,500.00 per year + any applicable re-inspection fees

Section 3. Water and Sewer

- Increase service tapping fee paving cost from \$300 to \$750 to include restoration.
- Increase in Commodity Charges:
 - Increase water rate from \$4.44 per unit to \$4.74 per unit
 - Increase in sewer rate from \$6.56 per unit to \$6.96 per unit

Section 5. Library Services Fees

- Add fees for Makers Space materials (example: poster paper, embroidery thread)

Section 6. Fire Services Fees

- Adjust fees per insurance allowances

Section 7. Police Services Fees

- Add Gun Purchase Permit fee and IChat fee

Section 8. Department of Public Services

- Increase the chipping fee from \$25.00 to \$30.00

Section 9: Parks, Park Facility and Recreation Active Adult Center

- Add “Bandshell Rental Fee”
- Resident - \$50/2 hour block of time, rounded to each 2-hour period + \$100 refundable damage/cleaning deposit
- Non-Resident - \$100/2 hour block of time, rounded to each 2-hour period + \$100 refundable damage/cleaning deposit
- Add fees for Memorial Program

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 \$75.00 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 \$30.00 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 The fee of \$90.00 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 \$30.00 for building, moving, demolition and sign contractors.
- 2.4 A fee of \$90.00 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	= \$75.00
\$1001.00 up	= \$75.00 + \$6.30 per thousand or fraction thereof, over \$1,000.00
Plan review fee when required = \$55.00	
Certificate of Occupancy including replacement certificates = \$105.00	

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 \$6,000.00	= \$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: \$210.00.

(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 the 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

Certificate of Occupancy – Mobile Food Vendors

Receipted to 101-017-475-4774

Annual Certificate of Occupancy Mobile Food Vendor Fee: \$100.00

Mobile Food Vendor must have an Annual Certificate of Occupancy in addition to annual business licenses.

Temporary Certificate of Occupancy

Received 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 renewals.

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
Wall signs:	Up to 100 square feet	\$200
	Over 100 square feet	\$280

Re-Facing Permanent Signs:

	Up to 60 square feet	\$185
Ground signs:	Up to 100 square feet	\$185
Wall signs:	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:

\$225.00

(Includes pre-demolition, open hole and final site inspections. Additional inspections \$90.00 each. The inspector shall estimate the number of visits required.)

Commercial and Industrial:

\$210 up to 30,000 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.)

\$210 over 30,000 cubic square feet 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 \$75.00 each. The inspector shall estimate the number of visits required.

Performance Bond

\$5,000.00

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

Received into 592-551-818-0000

See page 15, Miscellaneous Service Fees

Code Inspections

Received into 101-017-476-4770

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

Overtime Inspections

Received into 101-017-476-4770

\$105.00 per hour.

Additional/Add-on Inspections, All Permits

Received into 101-017-476-4770

\$70.00 per inspection.

Appeal Boards

Received into 101-017-476-4770

\$250.00 for the Construction Board of Appeals.

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, a rough, and a 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 in 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 in this class, inspections shall be required for each visit required by 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

For new construction, a minimum of three inspections: a rough, a final, and a 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 in this class, inspections shall be required for each visit required by the mechanical inspector.

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 in 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 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 the 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, and final grade elevations must be received before an occupancy certificate can be issued

CONCRETE PERMITS INCLUDING NON-TELECOMMUNICATION WORK IN RIGHT-OF-WAY

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: \$75.00 per required inspection (two inspections are required minimum unless work is covered by a site plan and bond.)

\$5,000 bond (\$1,000 for qualified homeowner permits at the Department's discretion) is required for ROW work. Waived for registered contractors with annual bonds posted and projects with site plan guarantee bonds posted.

Concrete flatwork: \$75.00 per inspection
(fees waived for five (5) squares or less of public sidewalk)

1.3 Contractor registration fee:

Registration \$30.00

Performance Bond Minimum \$5,000.00 (Required for ROW)

PRIVATE WATER AND SEWER 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 \$30.00

Performance Bond \$5,000.00 (Required for ROW)

PLANNING FEES

Received into 101-030-628-6071

Pre-Application Meetings, Conceptual Review, and Pre-Construction Meetings

- No charge for Pre-Application or conceptual meetings with Community & Economic Development (CED) Department staff.
- Concept Plan review or Pre-Application meeting at Technical Review Committee (TRC): \$100.00
- Pre-Construction (post site plan approval) meeting at Technical Review Committee (TRC): \$100.00

Pre-Application Meetings, Conceptual Review, and Pre-Construction Meetings

- No charge for Pre-Application or conceptual meetings with Community & Economic Development (CED) Department staff.
- Concept Plan review or Pre-Application meeting at Technical Review Committee (TRC): \$100.00
- Pre-Construction (post site plan approval) meeting at Technical Review Committee (TRC): \$100.00

Site Plan Review:

- Major Site Plan - Technical Review Committee (TRC) Application:
 - Residential (multi-family): \$700.00
 - Non-Residential: \$850.00
- Major Site Plan - Planning Commission Application: \$1,000.00
- Minor Site Plan and Mobile Food Site Plan Application: \$200.00

All site plan review fees cover the initial submittal and one (1) revision. There shall be a charge of \$200.00 for each subsequent review

Site Plan Extensions & Amendments

- Site Plan Extensions: \$100.00 for each extension.
- Small-scale amendment to an approved Minor Site Plan: \$100.00
- Small-scale amendment to an approved Major Site Plan: \$200.00
- Large-scale amendment to an approved Minor or Major Site Plan: 75% of original fee.

Special Land Use Application: \$750.00

Temporary Use Application: \$30.00

Land Divisions, Combinations, Plats and Site Condominiums, Public Easements

- Land Divisions: \$500.00 + \$50.00 per resulting parcel
- Land Divisions with new roads: \$750.00 + \$50.00 per resulting parcel
- Land Combinations: \$500.00
- Plats and Site Condominiums: \$1,000.00 + \$15.00 per unit for residential and \$75.00 per acre for nonresidential.
- Public Easement Vacation Application: \$500.00
- Encroachment into Public Easement: \$50.00

ZONING FEES

Received into 101-044-680-6701

Zoning Board of Appeals (ZBA)

- Dimensional Variance Application (Single-Family, Duplex, Multiplex, Townhomes): \$400.00
- Dimensional Variance Application (Multi-Family and Non-Residential): \$400.00 + \$300.00 for each additional variance request.
- Appeal of Administrative Decision: \$400.00
- Zoning Interpretation: \$400.00

Rezoning

- Petition for Traditional Rezoning or Rezoning with Conditions: \$1,500.00
- Planned Unit Development (PUD):
 - Pre-Application Conference (TRC): \$100.00
 - Determination of Qualification Application: \$750.00
 - PUD Plan Application: \$1,250.00

Zoning District Verification Letter: \$30.00

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 ROW inspection below.)
	Private projects: Review fee	2% of site construction cost (\$200.00 minimum)
	Residential site/plot plan review \$75.00	
Engineering Inspections:	\$75 / 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 5,000.00
GIS Fee:	\$150.00
	Third or more Offenses (same growing season) \$300 + Actual Contractor Charges

LANDLORD LICENSING

Received into 101-017-476-4771

Four-Year <u>Registration Fees:</u>	New Registrations and Renewals <u>Through Renewal Date*</u>
Single-family	\$210.00
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 \$75.00 per inspection shall be charged for all locked-out inspections and \$90 for a re-inspection of all failed inspections.

Note: All renewal licenses are for forty-eight (48) months. New and pro-rated licenses may be for less than forty-eight (48) months. All licenses for the same landlord will expire on the same date.

CODE ENFORCEMENT PROPERTY MAINTENANCE FEES

Service and Mowing

Received into 101-030-626-6260

Service:	Cost: Mowing, labor and disposal costs are based on the current contract.
Mowing	<u>First Offense:</u> \$100.00 Administrative Fee + Actual Contractor Charges <u>Second Offense</u> (same growing season): \$200 + Actual Contractor Charges <u>Third or more Offenses</u> (same growing season): \$300 + Actual Contractor Charges

Clean Up/Debris Removal

Received into 101-030-626-6270

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

Snow Removal

Received into 101-030-626-6270

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

Annual Building and Fire Inspections	\$15.00 per unit / per year
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MEDICAL & ADULT USE MARIHUANA FACILITY/MEDICAL & ADULT USE MARIHUANA GROW OPERATION

Application Fee:	\$500.00 nonrefundable
Annual License Fee:	\$5,000.00 per year

GEOGRAPHIC INFORMATION SYSTEMS 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.

Hardcopy Maps	Small Format (11 x 17)	Large Format (24 x 36 & up)
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 1/4 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

FIRE SUPPRESSION AND FIRE ALARM

Administration Fee:	\$125.00
Mechanical/Electrical Inspection	\$75.00
Re-inspection Fee	\$90.00
Plan Review In-House:	
Suppression	Project cost x 0.03, minimum \$150.00
Alarm	Minimum \$150.00
Contractor Registration Fee:	\$30.00

Permit Fees

Suppression	
1 to 20 heads	\$205.00
21 to 100 heads	\$435.00
101 to 200 heads	\$580.00
201 to 300 heads	\$665.00
301 to 500 heads	\$980.00
Over 500 heads	\$980 plus \$1.09 per head over 500
Fire Pumps	\$200.00 per pump
Rush Plan Reviews	Add 100% to base fee. 1 to 3 days turnaround. In addition, add \$25 for overnight plan return.
Restaurant Hoods Systems	
1 to 15 nozzles wet chemical system	\$280.00
16 to 30 nozzles wet chemical system	\$390.00
31 to 50 nozzles wet chemical system	\$500.00
Mechanical Hood and Duct System	\$390.00 per hood system; additional hood at same time \$195.00
Gas or Dry Chemical Suppression Agent System	
1 to 50 pounds of suppression agent	\$265.00
51 to 100 pounds of suppression agent	\$320.00
101 to 200 pounds of suppression agent	\$330.00

201 to 300 pounds of suppression agent	\$345.00
301 to 400 pounds of suppression agent	\$375.00
401 to 500 pounds of suppression agent	\$400.00
501 to 750 pounds of suppression agent	\$465.00
751 to 1,000 pounds of suppression agent	\$580.00
Over 1,000 pounds of suppression agent	\$580.00 plus \$0.29 for each pound of agent over 1,000
1 to 10 fire alarm devices	\$200.00
11 to 25 fire alarm devices	\$290.00
26 to 50 fire alarm devices	\$435.00
51 to 75 fire alarm devices	\$700.00
76 to 100 fire alarm devices	\$850.00
101 to 125 fire alarm devices	\$1,020.00
Over 125 fire alarm devices	\$1,020.00 plus \$5.70 per additional device over 125
Small Project Fee (without substantial changes to suppression or alarm systems	\$150.00

Section 2. CLERK DEPARTMENT SERVICES

SCHEDULE OF FEES FOR PERMITS AND SERVICES

BUSINESS LICENSE/PERMIT FEES

Received 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: fees	\$2,500.00 per year + any applicable re-inspection
Massage Business License: therapist.	\$300.00 per year + \$150.00 per licensed massage
Hotel Business License:	\$300.00 + per unit fee

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

1.0 Dogs and Cats.

Received 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

Received 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

No Charge for first document	\$10 for additional document
Non-Resident	\$10 for each document

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 received into 592-010-642-6430

Commercial/industrial water received into 592-010-642-6440

Wastewater received into 592-020-630-6115

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	\$4.74 per unit
Wastewater	\$6.96 per unit

2.0 Stormwater

Stormwater fees shall be eliminated.

SERVICE FEES

1.0 Service Tapping Fees

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

Service Connection received into 592-000-273-6000

Transmission received into 592-010-629-6113

Paving received into 592-010-626-6111

Sewer Privilege Fee received 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 1/2"	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 & Restoration	\$750	\$750	\$750	-	-	-
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

Received into 592-010-626-6111

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

Description	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"
Frozen Meter Charge w/service	\$180	\$180	\$350	\$725	\$925	\$3,000	\$3,950	\$6,500
Damaged/Missing Transmitter	\$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

Received into 101-011-445-0000

A Property Affidavit must be filed within 45 days of the property transfer. Filing is mandatory and requires Form 2766 from the Michigan Department of Treasury.

Penalty for failure to complete and submit all required paperwork to the City:

- Industrial and Commercial property:

If the sale is \$100,000,000 or less - \$20 per day for each separate failure beginning after the 45 days have elapsed up to a maximum of \$1,000

If the sale is \$100,000,000 or more - \$20,000 after the 45 days have elapsed

- Real property other than industrial and commercial:

\$5 per day for each separate failure beginning after the 45 days has elapsed, up to a maximum of \$200.

TAX ADMINISTRATION FEE

Received into 101-011-447-0000

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

Received into 101-044-680-6701

If a duplicate bill must be printed for payment or customer records the City charges a duplicate bill fee. This fee is set by the Department Head Based on an estimate of time and materials.

\$3 per bill requested.

STOP PAYMENT FEE

Received into 101-044-680-6701

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

Received into 101-044-628-6705

If a customer has a payment returned for any reason including (non-sufficient funds, closed account, or 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 SERVICES

RENTAL AND LATE FEE

Received into 101-030-628-6085

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

PROGRAM FEES

Received 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)
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PROGRAM FEES

Received 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
Specialty Printing 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
USB drives	\$5.00 each
Headphones or earbuds	\$1.25 each
Large-format laminator	\$1.00 per linear foot
Poster Printer	\$1.00 per linear foot
Embroidery Thread	\$0.25 per 5,000 stitches (Stitches will be rounded up to the nearest 5,000)

MISCELLANEOUS FEES

*Arcadia Book Fees received into Historical Commission Escrow 705-000-291-9000
All other received 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

Received into 101-044-638-6707

ALS Emergency Transport	\$936
ALS Emergency Transport II	\$1,356
ALS Non-Emergency Transport	\$591
Treat No Transport	\$400
DOS	\$700* to be adjusted as needed by department

2.0 Basic Life Support Services

Received into 101-044-638-6707

BLS Emergency Transports	\$788
BLS Non-Emergency Transport	\$439

3.0 Miscellaneous Fees

Received 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

Received 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	\$100 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	1 st and 2 nd inspections no charge 3 rd inspection \$100 each 4 th inspection \$200 each 5 th or more inspections \$300 each

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

Section 7. POLICE SERVICES

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 Tape	actual wages to prepare
Photographs	actual wages to prepare
File size requiring an external drive	\$7.50 in addition to the actual wages to prepare

2.0 Reports

Accident Reports	\$15 per report set by contract with Oakland County
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3.0 Gun Purchase Permit (LTP)

IChat	\$15
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Section 8. DEPARTMENT OF PUBLIC SERVICES

RV LOT RENTAL FEE

Received into 101-030-651-6285

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

BRUSH CHIPPING FEE

Received into 101-030-626-6270

Curbside brush chipping service	\$30 per every 15 minutes
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MOBILE HOME SOLID WASTE COLLECTION FEE

Received 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.

MEMORIAL PROGRAM

Received into 101-030-642-6431

Memorial Tree (tree only):	\$600.00
Memorial Plaque:	\$100.00
Park Bench (bench only):	\$1,575.00
Bike Rack (rack and associated pavement):	\$1,275.00
Drinking Fountain (fountain, plumbing and service connection and associated pavement)	\$13,000.00

Section 9. PARKS, PARK FACILITIES AND RECREATION SERVICE FEES

The City of Madison Heights allows the rental of multiple park pavilions (Civic Center Park A,B,C, Monroe Park, Soccer Complex), buildings (Civic Center Park, Rosie's Park, Soccer Complex), and the Civic Center Bandshell.

MEETING ROOM RENTALS

Receipted into 101-036-633-3511.

The City of Madison Heights allows groups to use the Breckenridge Room, City Hall, Lower Level Rooms and Fire Department Room Pavilion. 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.

1.0 Groups for which No fee is charged:

- Programs sponsored by the City
- Meeting of Madison Heights non-profit (501 C3) political, and 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
- 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.
Resident Bandshell Rental Fee	\$50/2 hour block of time, rounded to each 2-hour period +100 refundable damage/cleaning deposit
Pavilion Rental Fees	\$50 per pavilion + \$50 refundable damage/cleaning deposit

Non Resident Rental Fee	\$100 per pavilion + \$50 refundable damage/cleaning deposit
Cancellation Fee	\$10 with one week (7 days) notice No refund will be given if cancelled in less than one week (7 days) of the rental date
Park Building Rental Fee \$100 refundable damage/cleaning deposit	\$50/2 hour block of time, rounded to each 2 hour period per building
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.

ACTIVE ADULT CENTER RENTALS

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

Receipted into 101-036-633-6511

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.

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

Receipted into 101-036-628-6532

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.

MISCELLANEOUS

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

MESSAGE BOARD GREETINGS

City Hall Message Board	\$10 for one per day or \$20 for a week
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WEDDING CEREMONIES

Administration fee	\$75 per wedding Plus \$50 Payable to Mayor
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ITEMS FOR SALE

Garbage Bags <i>Received into 101-033-642-6421</i>	Box of 100 Heavy Duty bags \$20 per box
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Recycling Bin and Lid <i>Received into 101-033-642-6422</i>	\$20
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Section 12. FOIA FEES

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

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

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

1.0 Labor Costs

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

2.0 Non-paper Physical Media

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

3.0 Paper Copies

- Paper copies of public records made on standard letter (8 1/2 x 11) or legal (8 1/2 x 14) sized paper will be \$10 per sheet of paper. Copies for non-standard-sized sheets will 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.

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 Actual	2024-25 Amended Budget	2025-26 Budget
Mayor and City Council	\$ 54,221	\$ 54,718	\$ 54,846	\$ 56,615	\$ 57,560	\$ 64,270	\$ 61,875	\$ 64,201
City Manager	341,069	223,462	222,300	240,803	264,432	289,854	413,338	295,902
Elections	45,342	65,542	100,247	63,425	64,174	86,294	167,284	144,538
City Assessor	209,940	213,767	206,854	211,902	218,004	232,870	245,242	247,787
Legal	315,464	344,449	312,078	376,106	358,477	348,714	375,000	481,960
City Clerk	279,853	258,078	296,881	371,642	404,199	426,864	448,646	467,141
Human Resources	406,152	395,964	394,070	384,641	383,966	507,936	533,225	475,684
Board of Review	1,866	1,958	2,030	1,415	1,361	2,243	3,043	2,373
General Administration	235,892	908,830	935,538	735,343	459,638	441,450	740,967	1,314,624
Finance	771,672	676,835	696,146	737,969	761,622	785,331	916,912	929,617
Information Technology	188,247	190,683	216,467	242,550	281,017	468,237	699,437	617,637
Total City Administration	\$ 2,849,718	\$ 3,334,286	\$ 3,437,457	\$ 3,422,411	\$ 3,254,450	\$ 3,654,063	\$ 4,604,969	\$ 5,041,464
Municipal Building	\$ 45,753	\$ 53,221	\$ 56,989	\$ 823,323	\$ 138,513	\$ 78,361	\$ 686,662	\$ 67,384
Custodial and Maintenance	261,394	164,192	184,927	194,579	166,688	195,325	194,488	200,817
Total General Municipal Maint.	\$ 307,147	\$ 217,413	\$ 241,916	\$ 1,017,902	\$ 305,201	\$ 273,686	\$ 881,150	\$ 268,201
Police	\$ 9,884,446	\$ 11,177,405	\$ 11,435,385	\$ 11,006,925	\$ 12,429,435	\$ 12,793,066	\$ 14,997,471	\$ 14,457,705
Fire	5,578,791	6,699,507	6,666,821	6,806,532	8,383,335	8,338,170	10,405,035	10,119,061
District Court	1,466,502	1,335,357	1,303,571	1,336,807	1,342,443	1,446,798	1,785,788	1,595,229
Total Public Safety	\$ 16,929,739	\$ 19,212,269	\$ 19,405,777	\$ 19,150,264	\$ 22,155,213	\$ 22,578,034	\$ 27,188,294	\$ 26,171,995
Community Development	\$ 1,055,928	\$ 1,011,119	\$ 1,053,836	\$ 1,009,615	\$ 1,071,094	\$ 1,225,006	\$ 1,375,681	\$ 1,266,172
Streets	1,001,901	1,136,817	1,285,482	1,275,123	1,210,620	1,221,449	1,636,731	1,155,660
Total Community Improvement	\$ 2,057,829	\$ 2,147,936	\$ 2,339,318	\$ 2,284,738	\$ 2,281,714	\$ 2,446,455	\$ 3,012,412	\$ 2,421,832
Solid Waste	\$ 2,230,242	\$ 2,518,486	\$ 2,470,721	\$ 2,730,978	\$ 3,197,191	\$ 2,818,095	\$ 5,054,748	\$ 3,034,292
Total Solid Waste	\$ 2,230,242	\$ 2,518,486	\$ 2,470,721	\$ 2,730,978	\$ 3,197,191	\$ 2,818,095	\$ 5,054,748	\$ 3,034,292
Recreation	\$ 183,362	\$ 152,041	\$ 115,337	\$ 188,359	\$ 290,761	\$ 384,920	\$ 396,436	\$ 376,269
Nature Center	29,585	65,977	10,425	5,874	59,600	-	-	-
Parks	518,966	506,772	398,658	906,324	598,192	553,855	2,050,464	1,466,171
Active Adult Center	388,822	369,219	280,898	471,332	450,194	556,247	526,226	574,835
Total Parks and Recreation	\$ 1,120,735	\$ 1,094,009	\$ 805,318	\$ 1,571,889	\$ 1,398,747	\$ 1,495,022	\$ 2,973,126	\$ 2,417,275
Library	\$ 671,926	\$ 756,765	\$ 632,559	\$ 827,046	\$ 808,646	\$ 931,627	\$ 1,032,292	\$ 1,020,957
Total Library	\$ 671,926	\$ 756,765	\$ 632,559	\$ 827,046	\$ 808,646	\$ 931,627	\$ 1,032,292	\$ 1,020,957
Insurance	374,390	289,718	293,626	\$ 262,627	\$ 262,935	\$ 339,140	\$ 281,500	\$ 372,490
Pension Obligation Debt	1,031,700	1,033,525	1,029,182	1,027,808	1,028,279	1,156,052	1,028,108	1,027,707
General Expenditures	\$ 1,406,090	\$ 1,323,243	\$ 1,322,808	\$ 1,290,435	\$ 1,291,214	\$ 1,495,192	\$ 1,309,608	\$ 1,400,197
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,933,518	\$ 3,413,008	\$ 482,500	\$ 483,100
General Fund Expenditures	\$ 27,573,426	\$ 30,604,407	\$ 30,655,874	\$ 32,295,663	\$ 41,625,894	\$ 39,105,182	\$ 46,539,099	\$ 42,259,313

Source: Finance Expenditure Records

PROPERTY TAX RATES
Direct and Overlapping Governments
(Per \$1,000 of Taxable Valuation)

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
City of Madison Heights													
General Operating	10.00	10.00	10.00	10.00	9.97	9.93	12.63	12.63	12.73	12.87	12.87	13.47	13.56
Neighborhood Road Improvements	2.00	2.00	2.00	2.00	1.99	1.99	1.94	1.94	1.92	1.89	1.89	1.87	1.84
Vehicle Replacement	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-	-	-	-	-
Advanced Life Support	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-	-	-	-	-
Solid Waste	2.65	2.65	2.65	2.65	2.64	2.63	2.57	2.57	2.54	2.50	2.50	2.47	2.43
Senior Center	0.45	0.48	0.48	0.48	0.47	0.47	0.46	0.46	0.46	0.45	0.45	0.44	0.44
Police and Fire Pension	5.82	5.83	5.86	5.86	6.96	7.59	7.12	7.12	7.12	7.00	7.00	7.00	7.00
Fire Station Bond	0.52	0.51	0.48	0.53	0.53	0.51	0.49	0.49	0.51	0.43	-	-	-
Library	1.00	1.00	1.00	1.00	0.99	-	-	-	-	-	-	-	-
County Drain	n.a.	n.a.	n.a.	n.a.	1.16	1.13	1.04	1.04	1.00	0.94	0.82	0.21	0.20
Total Direct City Taxes	22.94	22.96	22.97	23.02	25.21	25.72	26.26	26.26	26.26	26.08	25.53	25.46	25.46
Overlapping Taxes													**
County	5.24	5.65	5.55	5.49	5.48	5.49	5.48	5.57	5.55	5.47	5.26	5.55	
Community College	1.58	1.58	1.58	1.57	1.56	1.54	1.53	1.52	1.51	1.49	1.49	1.48	
Intermediate School District	3.37	3.37	3.37	3.34	3.31	3.28	3.25	3.23	3.20	3.17	3.17	3.15	
School Homestead *	13.76	13.76	14.22	13.76	14.25	14.26	13.28	14.27	10.33	10.32	10.53	13.56	
School Non-Homestead *	31.76	31.76	32.40	32.40	32.43	32.44	31.36	31.93	27.62	27.76	27.85	31.74	
Zoological Authority	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.09	0.09	
Art Institute	0.20	0.20	0.20	0.20	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19	
Total Homestead	47.19	47.62	47.99	47.47	50.10	50.59	50.10	51.13	47.13	46.81	46.26	49.49	
Total Non-Homestead	65.19	65.62	66.17	66.11	68.28	68.77	68.17	68.79	64.42	64.25	63.59	67.67	

* Madison District Public School Rates

** Amounts not yet known, set by other entities

Sources: County Assessor's Warrant

CHANGES IN FUND BALANCE

(amounts expressed in thousands)

General Fund

Fiscal Year ended June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Restricted and Nonspendable:	\$ 797	\$ 359	\$ 343	\$ 617	\$ 2,024	\$ 649	\$ 275	\$ 7,460	\$ 2,179	\$ 174
Assigned:										
Vested employee benefits	\$ 1,991	\$ 1,841	\$ 2,131	\$ 598	\$ 598	\$ 2,405	\$ 2,733	\$ 2,554	\$ 2,520	\$ 2,785
Subsequent years' expenditure	786	1,364	537	1,558	1,564	960	1,989	1,705	2,212	4,156
Retained insurance risk	1,319	1,319	1,357	1,357	2,320	1,465	2,132	1,093	1,047	1,050
Capital improvements	980	1,033	983	1,757	1,041	1,727	3,677	1,907	3,149	4,191
Technology Improvements	150	150	150	150	150	150	150	-	-	-
Postemployment Benefits	1,931	1,566	745	1,020	1,413	1,414	1,491	778	390	2,611
Capital Projects - Civic Center										
Plaza and Fire Station #2	0	0	0	0	0	0	0	5,159	1,309	0
Penion bonds	0	1,090	810	820	835	845	884	893	900	911
Total Assigned:	\$ 7,157	\$ 8,363	\$ 6,713	\$ 7,260	\$ 7,921	\$ 8,965	\$13,055	\$14,089	\$11,527	\$15,704
Unassigned	0	0	0	0	0	0	0	0	0	0
Total Fund Balance	\$ 7,954	\$ 8,722	\$ 7,056	\$ 7,877	\$ 9,945	\$ 9,614	\$13,331	\$21,549	\$13,706	\$15,878

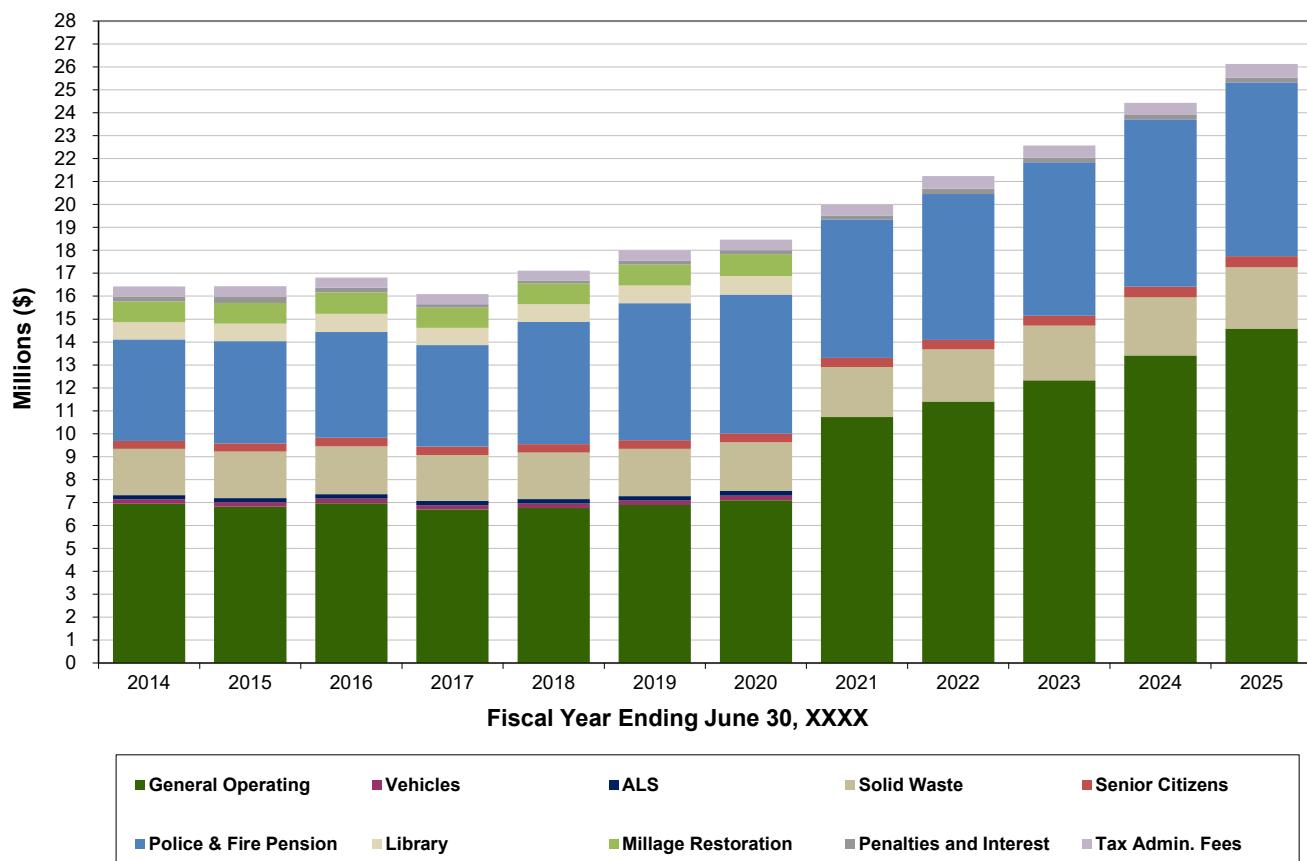
Sources: City's Audited Annual Financial Statements

ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY

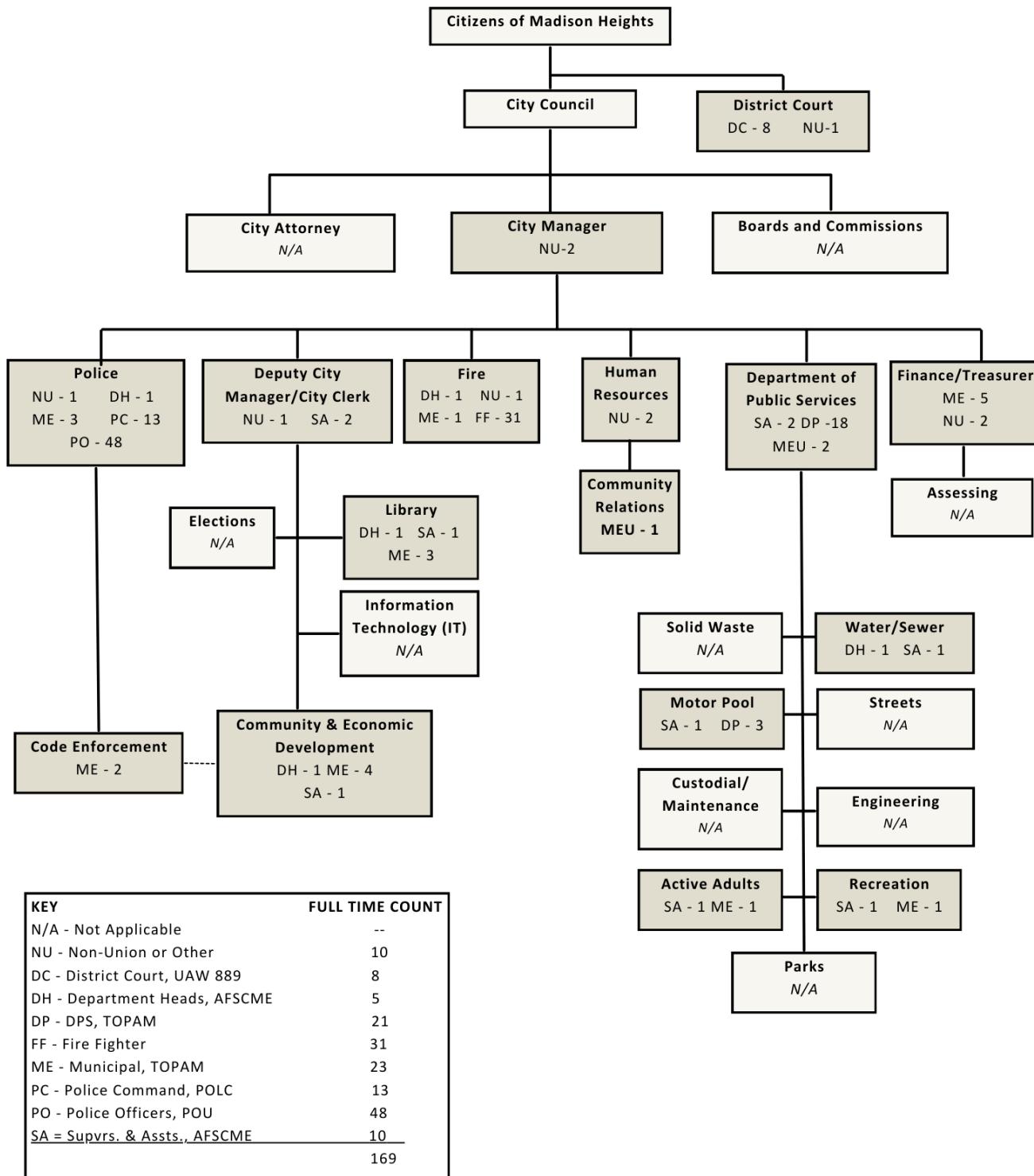
ASSESSED AND ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Tax Year	Real Property	Personal Property	Total Taxable Value	Tax Rate (mills)	Total Actual Value	Taxable Value as a % of Actual
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%
2025	\$ 1,079,039,550	\$ 80,823,330	\$ 1,159,862,880	25.46	\$ 3,544,289,120	32.7%

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



City of Madison Heights
Organizational Chart - Full Time Employees by Bargaining Unit



HISTORICAL LISTING OF PERSONNEL ACTIONS

REVERSE CHRONOLOGICAL ORDER

FY 2025-2026

FY	DEPARTMENT	ACTION
25-26	City Manager	Eliminate FT Special Projects/Grant Administrator (-1.0)
25-26	Fire	Eliminate 3 FT 40 hr Paramedics (-3.0)
25-26	DPS - Parks	Add 2 PT Year Round Park Rangers
25-26	DPS - AAC	Change one PT bus Driver to Chauffer with CDL
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 3 FT 40 hr. Paramedics (+3.0)
24-25	DPS	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 (+0.53)
23-24	CED	Add PT Code Enforcement Officer (+0.53)
23-24		Reduce PT Office Assistant Hours (-0.03)
23-24	Library	Reallocation of PT Hours (-0.10)
23-24	DPS - Recreation	Add FT Recreation Specialist (+1.0)
23-24		Eliminate PT Recreation Assistant (-0.63)
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 Equipment
20-21	MIDC	Reallocate FT MIDC Officer (+0.60), add 1 PT MIDC Assistant (+0.67)
19-20	Court	Eliminate 2 PT Court Officers and Add One FT Probation Officer (-0.32)
19-20	General Administration	Increase PT Media Specialist Hours (+0.19)
19-20	Finance	Increase PT Treasury Assistant Hours (+0.64)
19-20	Library	Increase PT Hours for Additional Sunday Hours (+0.41)
19-20	DPS - Active Adult Center	Eliminate PT Office Assistant, Add FT Office Assistant (+0.25)
19-20	DPS - Water & Sewer	Transfer FT Deputy DPS Director FTE (+1.0)
		Add PT Office Assistant (+0.72)
19-20	DPS - Motor Pool	Increase PT Laborer FTE (+.285)
19-20	DPS - DPS Fund	Transfer FT Deputy DPS Director FTE (-1.0)
		Add FT Utilities Supervisor (+1.0)
		Reallocation of Split Position FTE s(-0.155)

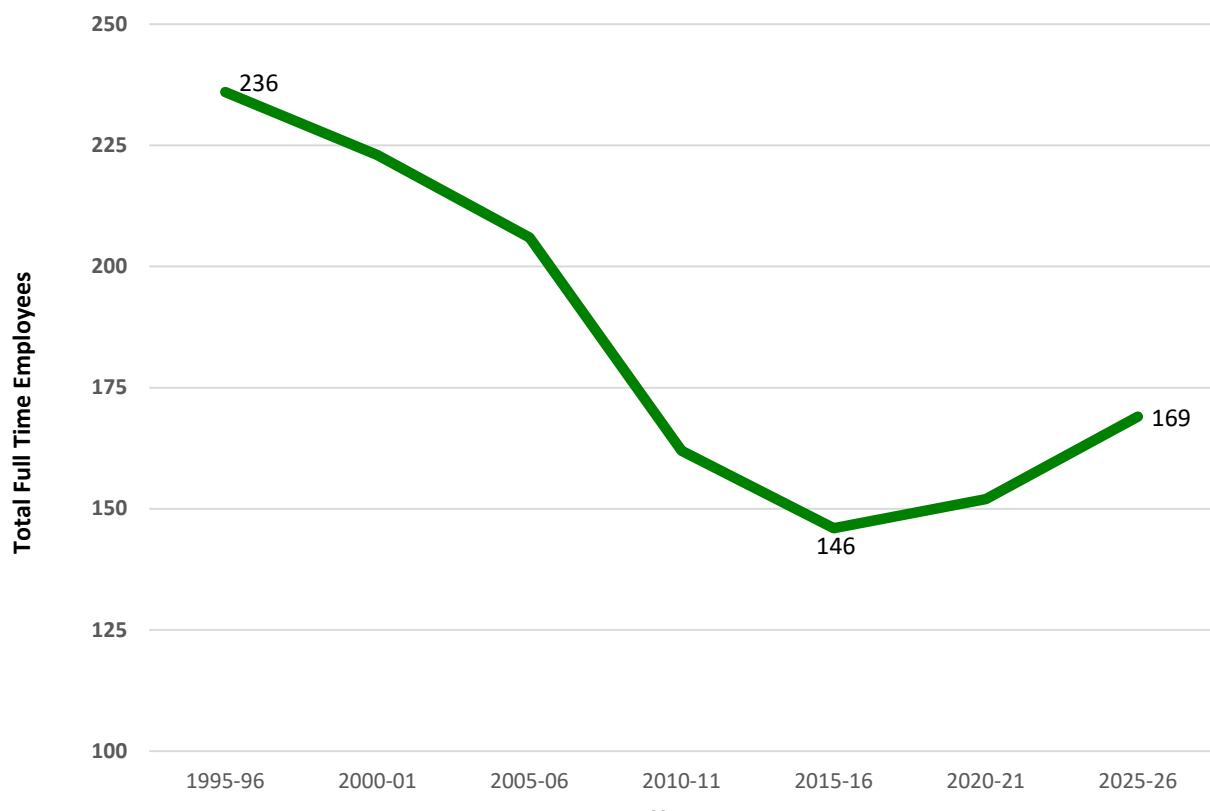
CITY OF MADISON HEIGHTS
FY 2025-26
FULL TIME POSITIONS - ALL FUNDS
(with ten year compairson points)

	FY 1997-98	FY 2007-08	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
GENERAL FUND											
Court	12	9	8	8	9	9	9	9	9	9	9
Manager	2	2	2	2	2	2	2	2	2	3	2
Assessor	4	3	0	0	0	0	0	0	0	0	0
Clerk	4	3	2	2	2	2	3	3	3	3	3
Human Resources	2	2	2	2	2	2	2	2	2	2	2
General Administration	3	1	0	0	0	0	1	1	1	1	1
Finance	7	9	7	7	7	7	7	7	7	7	7
Information Technology	0	2	0	0	0	0	0	0	0	0	0
Police	76	73	58	62	62	66	66	68	68	68	68
Fire	40	36	28	30	30	33	33	33	33	36	34
Community Development	8	9	6	6	6	6	5	6	6	6	6
Library	4	4	3	3	3	4	4	4	4	4	4
Department of Public Services (Prior to FY 2017-18)											
Custodial & Maintenance	5	1	0	0	0	0	0	0	0	0	0
Streets	18	13	0	0	0	0	0	0	0	0	0
Solid Waste	0	1	0	0	0	0	0	0	0	0	0
Recreation	2	1	0	0	0	1	1	1	2	2	2
Youth Center	0	0	0	0	0	0	0	0	0	0	0
Nature Center	0	1	0	0	0	0	0	0	0	0	0
Parks	5	4	0	0	0	0	0	0	0	0	0
Senior Citizen	3	2	1	1	2	2	2	2	2	2	2
Sub total	33	23	1	1	2	3	3	3	4	4	4
Total	195	176	117	123	125	134	135	138	139	143	140
Major Street Fund	1	1	0	0	0	0	0	0	0	0	0
Community Improvement Fund	4	3	1	1	1	1	1	1	1	1	1
Fire Manning Grant Fund	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
Auto Theft Prevention Grant Fund	1	0	0	0	0	0	0	0	0	0	0
Crime Suppression Grant Fund	1	0	0	0	0	0	0	0	0	0	0
Water & Sewer Fund											
Water Division	6	6	0	0	0	0	0	0	0	0	0
Sewer Division	6	5	0	0	0	0	0	0	0	0	0
Information Technology	2	0	0	0	0	0	0	0	0	0	0
Water & Sewer Administration	5	1	1	2	3	2	2	2	2	2	2
Total	19	12	1	2	3	2	2	2	2	2	2
Motor Pool Fund	6	4	3	3	3	3	3	3	3	4	4
DPS Fund (Beginning FY 2017-18)			20	20	20	22	22	22	22	22	22
Total All Funds	227	196	142	149	152	162	163	163	167	172	169
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Budget Full-Time Positions

30 Year Period

1995-2025



MADISON HEIGHTS AT A GLANCE

Madison Heights Community Profile

2025-2026



Regional Setting

The City of Madison Heights is located in the southeast corner of Oakland County, just west of the Macomb County border and about two miles north of Detroit. The city benefits from excellent regional connectivity, with freeway access provided by Interstate 75 (I-75) and Interstate 696 (I-696), making it a convenient location for commuters and businesses. Public transportation is also available through the Suburban Mobility Authority for Regional Rapid Transit (SMART) system, offering additional mobility options. As part of Oakland County, the second most populated county in Michigan, Madison Heights has experienced steady growth, with its strategic location attracting both employers and residents. According to the 2021 Land Use Survey, only 1.6% of the city's total acreage remains vacant, reflecting its development and economic vitality over the past 70 years.

History

Madison Heights sits on the ancestral lands of the Anishinaabe, specifically the Three Fires Confederacy of the Ojibwe, Odawa, and Potawatomi. Native presence in the area is evidenced by the Red Run waterway and pre-settlement irrigation systems. In the 1830s, early settlers such as George Dawson, Archibald Lamphere, and Irish widow Elizabeth McBride began purchasing land. At that time, the Red Run River flowed through the area, but due to flooding and urban expansion, it was buried in the 20th century and incorporated into a storm and sanitary drain system.

Royal Oak Township, founded in 1833, transitioned from an agricultural economy to transportation industries, with the auto boom of 1903 reshaping the region. War production during both World Wars further fueled industrial growth, leading to economic shifts. As cities incorporated between 1921 and 1950, Royal Oak Township gradually shrank, culminating in the formation of Madison Heights. Residents voted to incorporate on January 17, 1955, and after an initial charter rejection, a revised version was approved that December. Since then, Madison Heights has grown into a thriving suburban community, supported by its strategic location near major freeways and a strong municipal infrastructure.

The People of Madison Heights

Madison Heights is a culturally rich and diverse city with a population of approximately 28,238 residents. The community reflects a mix of racial and ethnic backgrounds, with 80.2% of residents identifying as White, 7.4% as Black or African American, 7.4% as Asian, and 3.6% as two or more races. Additionally, 1.8% of the population identifies as Hispanic or Latino. The city is home to a significant foreign-born population, making up 14.2% of residents, and 15.9% of individuals over the age of five speak a language other than English at home—5.4% higher than the Michigan average. This linguistic and cultural diversity highlights the importance of multilingual resources in public services and education.

The People of Madison Heights

Below is a quick snapshot of our community with notable facts attained from census data.



TOTAL HOUSEHOLDS

13,685



MEDIAN HOUSEHOLD
INCOME

\$66,726



HIGH SCHOOL GRAD OR
HIGHER

89.4%



BACHELOR'S DEGREE OR
HIGHER

32.1%



TOTAL POPULATION

28,238



MEDIAN AGE

40.8



UNDER AGE 18

15%



AGE 18-64

66%



AGE 65+

19%

SCAN HERE FOR MORE
CENSUS INFORMATION



Madison Heights is also home to a notable population of veterans, comprising 4.6% of residents. Additionally, 10.5% of residents under the age of 65 live with a disability. These populations often require specialized services such as healthcare, employment support, and accessibility in transportation and public spaces. Recognizing these needs allows local government officials to plan policies and programs that ensure inclusivity and equitable access to city resources. Providing targeted support for veterans and individuals with disabilities strengthens the city's social infrastructure and enhances the overall quality of life for all residents.

	2000	2010	2020	% Change from 2010 to 2020	% of Population 2020
Total Population	31,101	29,694	28,468	-4.13%	100%
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%

Housing

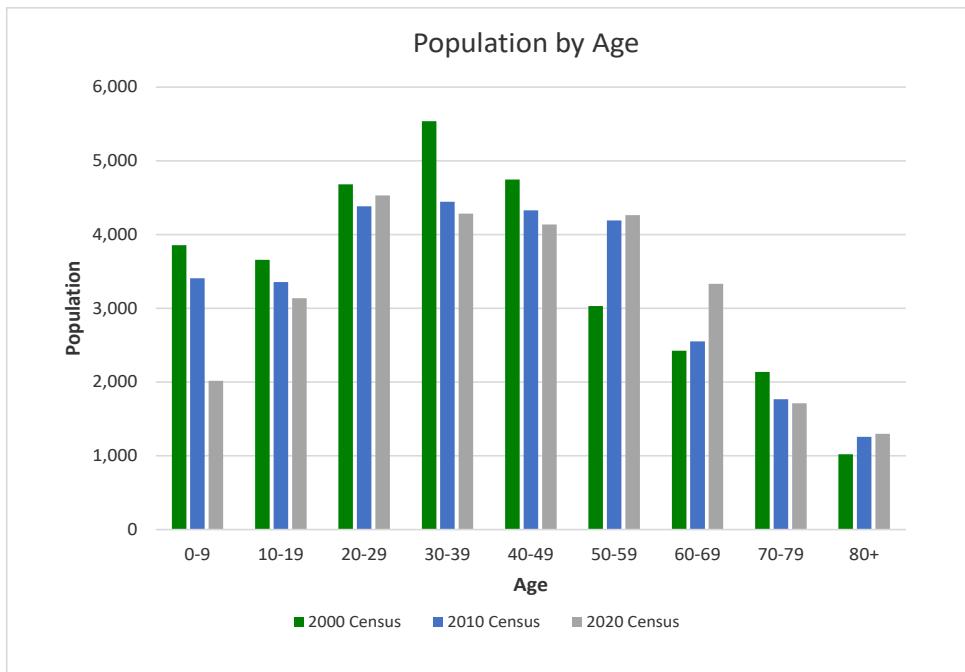
The city offers a mix of housing opportunities, with 63.8% of residents owning their homes. The median home value in Madison Heights is \$190,300, while the median gross rent is \$1,138, making rental housing relatively affordable compared to other areas. These statistics indicate a balanced housing market by offering both homeownership and rental options that cater to a range of economic situations.

Economics

Economically, Madison Heights maintains a median household income of \$66,726, which is slightly below the Michigan average by \$2,457. Despite this, the city's poverty rate stands at 11.3%, which is lower than the state's 13.5% average. However, poverty disproportionately affects the most vulnerable populations, particularly children under 18 and seniors aged 65 and older. These statistics highlight the need for community programs that provide economic support and resources for lower-income families and elderly residents.

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 2000 to 2020. This is clear when one looks at the historical decline in the number of persons per household. However, the number of housing units actually grew during this 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. The Median Age in Madison Heights is 41, a little higher than Michigan as a whole which is reporting at 39.8.

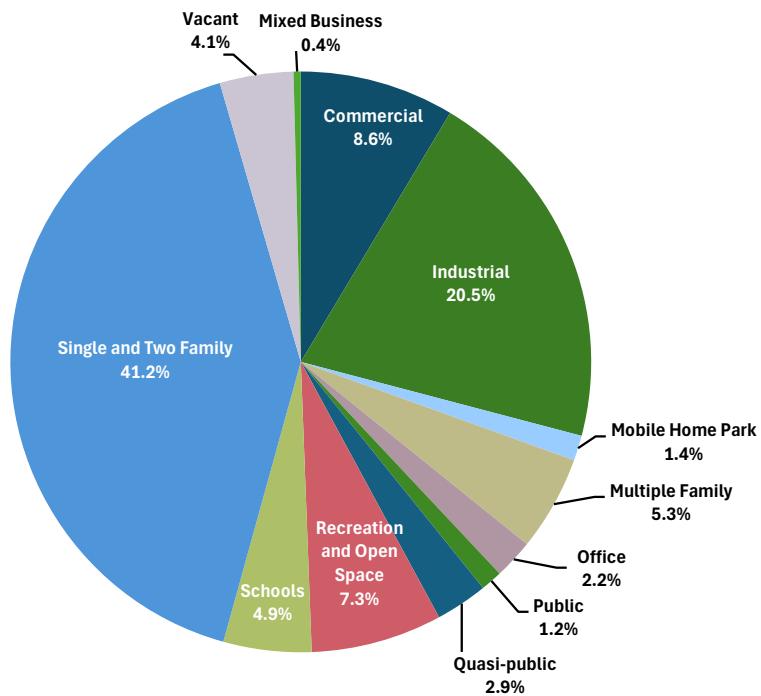
This is an indication that Madison Heights remains an attractive community for very young families as well as retirees, but it continues to reflect the natural trend of increased life expectancy and smaller family sizes.

Future Projections

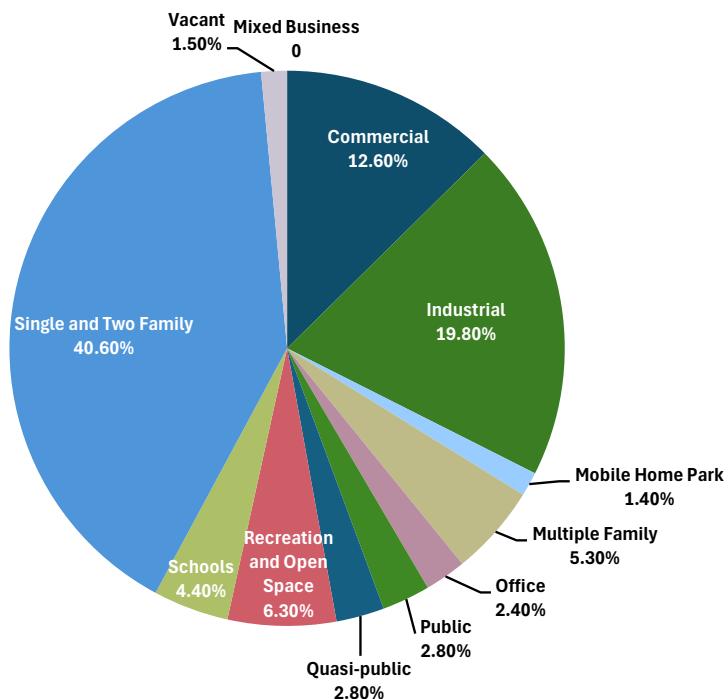
SEMCOG forecasts the population to age through 2045, with a decrease in residents under 25 and an increase in residents over 65. The projected increases would mean that about 27% of Madison Heights residents will be over 65, compared to the same age group comprising about 19% of the city's population. The aging of city residents will have implications on housing, transportation and community health.

Land Use:

Existing Land Use 1989



Existing Land Use 2014



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

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.

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

Woodlands and Wildlife

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. Red Oaks Nature Center (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 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 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.

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 28,238 residents of the City of Madison Heights are provided various services by the 169 full-time equivalent employees.

Statistical data related to City services at June 30, 2025 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

GLOSSARY OF BUDGET AND FINANCE TERMS

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

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

Activity: A special unit of work or service performed.

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

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

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

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

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

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

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

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

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

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

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

Brownfield Redevelopment Authority: Established by Public Act 145 of 2000 to encourage redevelopment of idle or under-utilized commercial and industrial properties, which may not otherwise be redeveloped due to real or perceived contamination of the property. The Authority works to assist developers with the options of reimbursing for cleanup costs and/or providing a single business tax credit (authorized through the State of Michigan).

Budget Calendar: The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

Budget Message (City Manager's): A general discussion of the budget document presented in writing as an overview of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget (Operating): A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

Capital Improvements: Annual appropriations in the City's budget for capital purchases and construction projects costing more than \$30,000. This plan details funding sources and expenditure amounts for these large projects or purchases that will be required beyond the one year period of the annual budget.

Capital Outlays: Expenditures for the acquisition of capital assets over \$5,000. Includes the cost of land, buildings, permanent improvements, machinery, computers, large tools, rolling and stationary equipment.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

Certificates of Deposit: A negotiable or non-negotiable receipt for monies deposited in banks or financial institutions for a specified period and rate of interest.

Chapter 20 Drain Debt: Chapter 20 of the State of Michigan Drain Code, Public Act 40 of 1956, grants a municipality the right to levy taxes for the principal and interest of Drainage debt.

Consumer Price Index - Workers (CPI-W): An indicator of the consumer prices issued by the United States Department of Labor, Bureau of Labor Statistics, which is a widely used indicator of inflation (or deflation) and indicates the changing purchasing power of money. It is obtained by calculating the cost of a fixed "basket" of commodities purchased by a typical consumer. The basket contains products from various categories including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes.

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

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes: Taxes that remained unpaid on and after the date on which a penalty for non-payment is attached.

Department: A major organizational unit of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Department of Public Services (DPS): The Department of Public Services provides numerous round-the-clock services to residents and business owners. The Department's operational divisions include: Water and Sewer; Streets; Parks; Recreation; Building Maintenance; Motor Pool; Nature Center and Senior Center.

Depreciation: (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

Downtown Development Authority (DDA): Created by the State of Michigan, under Public Act 197 of 1975, for the purpose of stimulating and encouraging private investment in the south commercial district through the provision of public improvements.

Encumbrances: Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer, parking facilities, transit systems, airports, solid waste management (when financed through user fees) and golf courses.

Equivalent Residential Unit (ERU): A standard engineering calculation designed to determine stormwater runoff based on pervious and impervious areas. Each ERU is based on a value of 2,600 square feet.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by Council.

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

Full Faith and Credit: A pledge of the City's taxing power of a government to repay debt obligations (typically used in reference to General Obligation Bonds or tax-supported debt).

Full Time Equivalent Position (FTE): A measure of full-time position equivalents. A part-time position converted to a decimal equivalent of a full-time position based on 1,950 hours per year for clerical and library staff and 2,080 hours per year for Department of Public Service and recreation staff.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, recorded cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit. See the Revenues Chapter for a discussion of the categories or types of fund balance.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, user fees, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as police and fire protection, finance, parks and recreation, libraries, public works and general administration.

General Obligation Bonds: When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Sometimes the term is also used to refer to the bonds that are to be repaid from taxes and other general revenues.

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

Government Finance Officers Association (GFOA): The GFOA is the professional association of state and local finance officers in the United States and Canada and has served the public finance profession since 1906. GFOA members are dedicated to the sound management of government financial resources.

Goal: A statement of broad direction, purpose or intent based on the needs of the community. The City Council adopts an annual Goal Plan for the City focusing on the City's top priorities.

Ground Emergency Medical Transport: A federal program that helps pay for ambulance services for Medicaid patients. GEMT helps cover the difference between the cost of emergency transportation and what Medicaid and other sources reimburse

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 organization 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 services purchased. Typical objects of expenditure include:

- Personnel 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.

Personnel 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 Principles
GASB	Governmental Accounting Standards Board
GEMT	Ground Emergency Medical Transportation
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GLWA	Great Lakes Water Authority
GPS	Global Positioning Systems
GWK	George W. Kuhn Drain
HAVA	Help America to Vote Act
HCMA	Huron-Clinton Metropolitan Authority
HMO	Health Maintenance Organization
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
IBNR	Incurred But Not Reported
ISP	Investment Service Program
ITS	Intelligent Transportation System
LHOH	Little House on Hales

MDNR	Michigan Department of Natural Resources
MCRC	Macomb County Road Commission
MDEQ	Michigan Department of Environmental Quality
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MEDA	Michigan Economic Development Association
MEDC	Michigan Economic Developers Corporation
MERS	Municipal Employees Retirement System
MLGBC	Michigan Local Government Benchmarking Consortium
MML	Michigan Municipal League
MMRMA	Michigan Municipal Risk Management Authority
MNRTF	Michigan Natural Resource Trust Fund
MPSC	Michigan Public Service Commission
MUTCD	Manual of Uniform Traffic Control Devices
NPDES	National Pollutant Discharge Elimination System
OCP&RC	Oakland County Parks and Recreation Commission
OPEB	Other Post-Employment Benefits
POB	Pension Obligation Bonds
PPO	Preferred Provider Organization
PPTP	People Powered Transportation Program
PPT	Personal Property Tax
RAP	Risk Avoidance Program
RCOC	Road Commission for Oakland County
ROW	Right-of-Way
RTF	Retention Treatment Facility
SAD	Special Assessment District
SAFER	Staffing for Fire Emergency Response
SAW	Stormwater Asset Management and Wastewater Program
SCATS	Sydney Coordinated Adaptive Traffic System
SCBA	Self-Contained Breathing Apparatus
SEMCOG	Southeast Michigan Council of Governments
SEMREO	Southeast Michigan Regional Energy Office
SEV	State Equalized Value
SOCSDS	South Oakland County Sewerage Disposal System
SSR	State Shared Revenues
STV	State Taxable Value
TIF	Tax Increment Financing
TLN	The Library Network
TV	Taxable Value
UPS	Uninterruptible Power Source
WRC	Water Resources Commissioner

**City of Madison Heights
Capital Outlay Summary
Fiscal Year 2026**

	Description	FY 2025-26 BUDGET
Fund 101 - GENERAL FUND		
INFORMATION TECHNOLOGY 101-228 982-0000		
	COMPUTER EQUIPMENT	
	PHONE SYSTEM UPGRADE (PHASE 2 OF 2)	\$ 93,750
	FIREFWALL UPGRADE (PHASE 1 of 2)	<u>75,000</u>
	Totals for dept 101-228	<u>\$ 168,750</u>
GENERAL ADMINISTRATION 101-248 981-5000		
	MACHINERY AND EQUIPMENT	
	ADVANCED LIGHTING AND SOUND - CABLE AND COUNCIL CHAMBERS	\$ 3,250
	Totals for dept 101-248	<u>\$ 3,250</u>
DISTRICT COURT 101-286 978-0000		
	BOOKS	
	WESTLAW	\$ 5,525
	Totals for dept 101-286	<u>\$ 5,525</u>
POLICE 101-301 982-0000		
	MACHINERY AND EQUIPMENT	
	BUILDING VIDEO CAMERA SYSTEM	\$ 29,000
	BODY ARMOR REPLACEMENTS	<u>50,000</u>
		79,000
985-0000		
	VEHICLES	
	VEHICLE #100 POLICE DETECTIVE VEHICLE	38,000
	PATROL VEHICLES (2)	<u>96,000</u>
		134,000
	IMPROVEMENTS	
	POLICE LOCKER REPLACEMENT	<u>47,000</u>
		47,000
	COMPUTER EQUIPMENT	
	BODY AND IN-CAR CAMERAS WITH STORAGE	146,000
	IN-VEHICLE COMPUTERS	70,000
	SCHOOL RESOURCES OFFICER EQUIPMENT	<u>5,800</u>
		\$ 221,800
	Totals for dept 101-301	<u>\$ 481,800</u>
FIRE 101-336 976-0000		
	BUILDING IMPROVEMENTS	
	STATION #1 SECURITY SYSTEM REPLACEMENT	\$ 4,000
	STATION #1 FITNESS ROOM RENOVATION	<u>6,000</u>
		10,000
982-0000		
	MACHINERY AND EQUIPMENT	
	BATTERY PRESSURE VENTILATION FANS (PPV)	14,000
	P25 CONTROL STATION	31,000
	FIRE HOSE	7,000
	STRYKER EQUIPMENT EMS PLUS PROGRAM	<u>168,000</u>
		220,000
985-0000		
	VEHICLES	
	VEHICLE #704 - STATION UTILITY TRUCK	42,000
	2007 PUMPER PIERCE (E7X) #723 (PURCHASE QUINT)	450,000
	VEHICLES #710 AMBULANCE RESCUE	<u>380,000</u>
		872,000
986-0000		
	ELECTRONIC EQUIPMENT	
	TRAINING ROOM MEDIA PRESENTATION WORKSTATION	1,000
	MOBILE TELEVISION STAND	250
	MULTIMEDIA TELEVISION	<u>2,500</u>
		3,750
987-0000		
	IMPROVEMENTS	
	FIRE HVAC UPGRADES (PHASE 2 of 2)	<u>35,000</u>
		35,000
	Totals for dept 101-336	<u>\$ 1,140,750</u>
STREETS 101-446 982-0000		
	MACHINERY AND EQUIPMENT	
	SHIPPING CONTAINERS DPS STORAGE	\$ 10,000
	Totals for dept 101-446	<u>\$ 10,000</u>

**City of Madison Heights
Capital Outlay Summary
Fiscal Year 2026**

		FY 2025-26 BUDGET
Description		
SOLID WASTE 101-528		
982-0000	VEHICLES	
	VEHICLES #406 - BRUSH CHIPPER	\$ 85,000
		Totals for dept 101-528 \$ 85,000
PARKS 101-752		
987-0000	IMPROVEMENTS	
	SPECIAL PROJECT FUNDING	\$ 50,000
	CIVIC CENTER PARK - PAVILION C FOR REPAIR/REPLACEMENT	35,000
	ROSIES' PARK - BALL FIELD REHABILITATION	30,000
	ROSIES' PARK - GARDENIA PARKING LOT	125,000
	ROSIES' PARK - PAVILION	150,000
	ATHLETIC FIELDS - LIGHTING ANALYSIS AND REPLACEMENT	525,000
	PLAYSCAPE SOFTBALL INSTALLATION	50,000
		Totals for dept 101-752 \$ 965,000
ACTIVE ADULT CENTER		
982-0000	MACHINERY AND EQUIPMENT	
	KITCHEN EQUIPMENT REPLACEMENTS	\$ 20,000
		Totals for dept 101-790 \$ 20,000
LIBRARY 101-790		
981-0000	IMPROVEMENTS	
	ELECTRICAL IMPROVEMENTS	\$ 8,000
		8,000
	LIBRARY MAKERSPACE	
	LIBRARY OF THINGS	\$ 5,000
	MAKERSPACE MAINTENANCE AND EXPANSION	10,000
		15,000
		Totals for dept 101-790 \$ 23,000
		Total General Fund (101) \$ 2,903,075
Fund 202 - MAJOR STREETS		
988-0XXX	CONSTRUCTION	
	JOHN R OVERLAY 11 MILE TO 12 1/2 MILE	\$ 800,000
	JOHN R OVERLAY RCO C TRI-PARTY	150,000
	11 MILE SECTIONAL NON-NHPP	250,000
	JOINT SEAL MAJOR ROADS	75,000
		1,275,000
988-0436	SECTIONAL CONCRETE REPLACEMENT - MAJOR	
	JOHN R (10 MILE to 11 MILE)	\$ 250,000
		\$ 250,000
977-0000	TRAFFIC SERVICE	
	EQUIPMENT SIGNAL - FUTURE SIGNALS	\$ 30,000
		\$ 30,000
		Totals for fund Major Streets (202) \$ 1,555,000
Fund 203 - LOCAL STREETS		
989-065X	CONSTRUCTION R-3	
	SECTIONAL CONCRETE REPLACEMENT NON R-3	\$ 250,000
	ALLEYWAY IMPROVEMENTS	90,000
	JOINT SEAL	85,000
	DIESING DRIVE (BELLAIRE AVE TO ALGER STREET)	615,000
	GROVELAND STREET (E LINCOLN TO E COWAN)	459,000
	ROWLAND AVE (JOHN R TO BATTELLE)	457,000
		1,956,000
		Totals for fund Local Streets (203) \$ 1,956,000
Fund 208 - PARKS MAINTENANCE		
985-0039	IMPROVEMENTS	
	BUILDING AND DRAINAGE IMPROVEMENTS	\$ 50,000
		50,000
		Totals for fund Parks Maintenance (208) \$ 50,000

**City of Madison Heights
Capital Outlay Summary
Fiscal Year 2026**

Description		FY 2025-26 BUDGET
Fund 265 - DRUG FORFEITURE FUND		
985-0039	VEHICLES - STATE PATROL VEHICLES	\$ 48,000 48,000
		Totals for fund Drug Forfeiture (265) \$ 48,000
Fund 592 - WATER AND SEWER FUND		
973-1000	WATERMAIN REPLACEMENT PARK COURT - 11 MILE TO NORTHEASTERN R-3 PALMER STREET (W PARKER STREET TO DIESING DRIVE) R-3 ALGER STREET (DIESING DRIVE TO W. TWELVE MILE ROAD) R-3 DELTON STREET (E. ELEVEN MILE TO E. UNIVERSITY AVENUE) R-3 LORENZ STREET (E. ELEVEN MILE TO E. UNIVERSITY AVENUE) R-3 LORENZ STREET (E. UNIVERSITY TO E. FARNUM AVENUE)	\$ 417,000 326,000 107,000 233,000 235,000 269,000 1,587,000
973-2000	SEWER LINE REPLACEMENTS VARIOUS REHABILITATIONS	\$ 250,000 250,000
982-0000	MACHINERY AND EQUIPMENT A/C MACHINE TOOLBOX REPLACEMENTS HOIST REBUILD FIREWALL UPGRADE (25% WS 75% GF)	\$ 8,000 6,000 8,000 25,000 47,000
985-0000	VEHICLES VEHICLES #453 - GMC CARGO VAN VEHICLES #455 - BACKHOE	\$ 60,000 140,000 200,000
987-0000	IMPROVEMENTS PHONE SYSTEM UPDATES (PHASE 2 OF 2) FIBER CABLING (Phase 1 of 2) REPAIRS TO THE DPS PARKING LOT (4 OF 4)	\$ 31,250 80,000 100,000 211,250
		Totals for fund Water and Sewer (592) \$ 2,295,250
		Total Capital Outlay \$ 8,757,325