

DATE: June 18, 2026
TO: City Council
FROM: Melissa R. Marsh, City Manager
SUBJECT: Agenda Comments Regular Council Meeting of Monday, June 22, 2026

CONSENT AGENDA:

Director of Public Services - 2026 Park and Recreation Month

Staff respectfully requests that Council adopt the proclamation declaring the month of July 2026 as Park and Recreation Month in the City of Madison Heights, and urges all citizens, civic leaders, and civic organizations to join with the National Recreation and Park Association in activities, events and ceremonies designed to pay tribute to our park and recreation professionals, and to recognize the substantial contributions they make toward the enhancement and enjoyment of our residents' quality of life. Recreation Supervisor Brendan Shiemke will be present to accept the proclamation, and requests time on the Agenda for some brief words about Recreation in Madison Heights.

Director of Public Services - 2026 LRIP Cost Participation Agreement

For the past ten years the City has successfully participated in Oakland County's Local Road Improvement Program (LRIP), which is designed to assist local units of government with needed local road improvements, and to maintain and revitalize areas of economic importance. Oakland County has offered the program again for 2026, and we have been awarded the maximum grant amount of \$81,008 for sectional concrete repairs on various identified locations throughout the City. The LRIP grant will be applied to this project, which will offset a budgeted project cost of approximately \$300,000.

Staff recommends that City Council approve the Cost Participation Agreement for the 2026 LRIP program, and authorize the Mayor to electronically sign on behalf of the City.

City Manager - Purchase of Leased Vehicles

On December 14, 2020, City Council approved a leasing agreement with Enterprise Fleet Management for several City vehicles as part of the City's fleet management program. As the lease terms for three vehicles have concluded, Enterprise Fleet Management has provided the City with the option to purchase the vehicles at their predetermined residual value. The total cost to purchase

the three vehicles is \$17,656.27. Funds are available and appropriated within the FY 2027 Budget for this purchase.

Staff recommends a motion to approve the purchase of Vehicle No. 125, a 2021 Ford Escape for the Police Department; Vehicle No. 702, a 2021 Chevrolet Silverado for the Fire Department; and Vehicle No. 430, a 2021 Chevrolet Silverado for the Water and Sewer Fund, from Enterprise Fleet Management for a total cost of \$17,656.27, and authorize the City Manager to execute all documents necessary to complete the purchase.

City Planner - Resolution for Street Right-of-Way Vacation Request PEE # 26-01 - GWK/WRC - Unimproved Rights-of-Way

City Council held a public hearing for street vacation request PEE #26-01 on May 26th, 2026 and subsequently approved the street vacations via motion. Per City Code of Ordinances - Article IV [Vacations of Streets and Alleys] of Chapter 23 [Streets and Sidewalks and Other Public Places] - street vacations shall be approved via resolution. For Council consideration is a resolution that has been drafted to satisfy Ordinance requirements.

Staff recommends Council approve the resolution for street vacation request PEE #26-01 as presented.

REPORTS:

Finance Director - Amendments to FY 2025-26 Budget and Carryforwards to Amend the FY 2026-27 Budget

The State of Michigan's Budget Law requires that any budget amendments be approved by City Council. The budget amendments are submitted to ensure that the FY 2025-26 and FY 2026-27 Budgets are in compliance with state law. If the City Council concurs with the recommended amendments, the Council should approve the implementation of these amendments and appropriate the necessary funds. This approval requires a majority vote of City Council.

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Finance Director - Amendment to the Capital Asset Management Policy

The City's auditors from Rehmann Robson LLC, have recommended that the City of Madison consider increasing the capitalization threshold of assets to a higher level than \$5,000.00. Auditors said an increase will better align with current government finance practices and inflationary changes over time. Many municipalities have reviewed and adjusted their thresholds in recent years to reduce administrative burden and focus capital asset reporting on items that are more material to the City's financial statements. This change would streamline accounting processes, reduce the number of

individually tracked assets, and more accurately reflect the City's overall capital investment activity. A \$15,000.00 capitalization threshold will match the City's purchasing formal bid requirements listed in the Code of Ordinances, Article XI - Purchasing, which was amended by City Council on January 21, 2021. A capitalization threshold increase to the Capital Asset Management Policy that is effective July 1, 2025, will permit the City to implement for fiscal year 2025-26. The following Capital Asset Management Policy document tracks changes to increase the capitalization threshold to \$15,000.00.

If City Council concurs with the recommended amendments to the Capital Asset Management Policy, the City Council should approve the implementation of these amendments effective July 1, 2025.

City Attorney - Amendment to Settlement Agreement with Artic Fox, LLC

Artic Fox, LLC and the City entered into a settlement agreement on 1/22/24 requiring among other things the complete build out of grow and processing building. In lieu of this requirement the city is considering accepting \$167,500 lump sum and \$15,000 annually (the calculated city taxes generated from this new build) adjusted for inflation as set by the State Tax Commission. Given the new business environment for marijuana establishes to operate in Michigan the City attorney and staff recommends the acceptance of this offer.

Should the City Council concur with staff's recommendation, Council can make a motion to approve the amendment to the settlement agreement between Artic Fox, LLC and the City of Madison Heights as presented.