

DATE: May 3, 2023

TO: City Council

FROM: Melissa R. Marsh, City Manager

SUBJECT: Agenda Comments for the Regular Council Meeting of Monday, May 8, 2023

The following are my comments on items appearing on the agenda of the Regular Council Meeting on Monday, May 8, 2023.

PRESENTATIONS:

PROCLAMATION NATIONAL PUBLIC WORKS WEEK

City Council is requested to approve a proclamation declaring the week of May 21-27, 2023, as National Public Works Week. This proclamation recognizes the hard work performed by the men and women of our Department of Public Services and the contributions these employees make every day to our health, safety, comfort, and quality of life. This year's theme is Connecting the World Through Public Works, and we encourage our residents to acquaint themselves with our dedicated public works professionals in Madison Heights.

PROCLAMATION POLICE OFFICERS MEMORIAL WEEK

City Council is being requested to approve a proclamation declaring May 15 as Police Officers Memorial Day and the week of May 15-21, 2023, as Police Officer Week in the City of Madison Heights, a week to commemorate police officers, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their community and, in doing so, have established for themselves an enviable and enduring reputation for preserving rights and security of all citizens.

PUBLIC HEARING:

PUBLIC HEARING - FY 2024 BUDGET RESOLUTION, TAX LEVY, AND FEE SCHEDULE

The FY 2024 Budget Workshop was held on April 17, 2023. This public hearing is scheduled to receive public comments on the Proposed Budget. Under Section 8.4 of the City's Charter, a resolution has been drafted which, if approved, will adopt the Proposed FY 2024 Budget, appropriate funds, establish the property tax levy and approve several fee adjustments.

A tax millage decrease is proposed for FY 2024, and restructuring the water and wastewater rates for bills on or after July 1, 2023.

Following the public hearing, staff and I recommend that Council approve the FY 2024 Budget Resolution, Tax Levy, and Fee schedule.

CONSENT AGENDA:

It is the recommendation that the City Council approve the following items as part of the Consent Agenda:

2023 ROAD COMMISSION OF OAKLAND COUNTY SUMMER MAINTENANCE AGREEMENT

Attached for consideration is the proposed 2023 Summer Maintenance Agreement between the Road Commission for Oakland County (RCOC) and the City of Madison Heights for summer maintenance activities on 14 Mile, 12 Mile, and John R from 14 Mile to the Red Run County Drain.

Under this Agreement, the City provides street sweeping, weed trimming and grass mowing, and litter pick-up along these County Roads and is compensated by RCOC for same. This contract offers a modest increase of 1.6% from last year, which is attributable to increases in the price of mowing and litter pickup. These service rates reflect the current bid prices solicited by the RCOC.

As part of the consent agenda, staff recommends that City Council approve this Agreement with the Road Commission for Oakland County and authorize the Mayor and City Clerk to sign on behalf of the City. As in years past, the RCOC requests that the City invoice the Road Commission for 65% of the total contract amount on September 15, 2023, and invoice the remaining 35% upon completion of the last maintenance activity.

PROTECTING MI PENSION GRANT APPLICATION RESOLUTION

The grant application for the Protecting MI Pension: Michigan Local Pension Grant Program requires a review of the grant program and a City Council resolution authorizing the City Manager to file a claim for the grant program in accordance with Michigan Department of Treasury issued parameters. The City of Madison Heights Police and Fire PA 345 Retirement System was deemed qualified to apply for this grant since the funding level, as of December 31, 2021, for this pension system was 56.1%, which is below 60%. The estimated grant award from the Protecting MI Pension grant program is \$3,631,364.

Additional grant program requirements include annually funding the minimum actuary-determined contribution, providing contractual benefit enhancement to this pension system only if 100% funded, and corrective action plan monitoring by the municipal stability board for five years.

As part of the consent agenda, staff recommends that City Council approve the resolution and authorize the City Manager to apply for the Protecting MI Pension grant program.

PROTECTING MI PENSION GRANT AMENDMENT PROGRAM RESOLUTION

A year ago, a State of Michigan House Bill 5054 of 2022 included \$750 million divided between communities with pensions funded at less than 60% and \$250 million divided by communities with pensions funded above 60%. The \$750 million legislation was passed, and the Protecting MI Pension grant program was created. However, the 2023 State budget does not include the \$250 million made by HB 5054, which received bipartisan support, and the State has unallocated revenues available. In

addition, the 2022 market losses increased pension expenses in addition to the annual pension obligation debt payments, thus increasing pension-related financial stress to local communities.

This resolution urges support by the Legislature and Governor to revisit HB 5054 and provide funding to local communities that have pensions that are funded above 60%, which would include the City of Madison Heights General Employees Pension Fund.

As part of the consent agenda, staff recommends that the City Council approve the resolution supporting the request to the State Legislature and Governor to revisit HB 5054 and include 2023 State Budget funding to local governments for plans that are greater than 60% funded.

RESIGNATION FROM THE HISTORICAL COMMISSION

As part of the consent agenda, City Council is being requested to accept the letter of resignation from Deliza Lee from the Historical Commission and declare the seat vacant.

RESIGNATION FROM THE CRIME COMMISSION

As part of the consent agenda, City Council is being requested to accept the letter of resignation from Colleen Mohahan from the Crime Commission and declare the seat vacant.

PARKS AND RECREATION ADVISORY BOARD – 2023 WORKPLAN

As requested by City Council, Parks, and Recreation Advisory Board has created the attached work plan. This plan has three action items advising DPS and Council to ensure adherence with the Recreation Master Plan, participating in City events to park informal conversations and garner citizen input about Parks and Recreation systems in Madison Heights, assisting volunteer groups in the City with service project opportunities in the Parks and Recreation system.

REPORTS:

WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATION

In July 2010, the City moved to a self-insured program for worker's compensation insurance and contracted with a Third Party Administrator (TPA). By moving to a self-insured plan, the City has saved an estimated \$1.4 million from FY 2011 to FY 2022. As you are aware, in the self-insured worker's compensation system, a TPA is responsible for claims administration, directing medical care, and coordinating resolution to workplace injuries. The TPA works with injured employees directly, and the level of service and customer care is crucial for guiding employees through the medical process and helping them to return to work in a timely manner.

Staff recently issued a request for a proposal for Third Party Administrator services. The City received a total of four (4) proposals from the following agencies: Sedgwick, Comprehensive Risk Services (CRS), ASU Group, and CompOne. The City reviewed the proposal from Sedgwick, our current provider, but did not observe any significant changes to the existing contract or methods of service and given the history as well as pricing; therefore, we did not consider that proposal further due to poor performance from this vendor.

Of the remaining three agencies, staff compared all costs and interviewed the companies. The interview panel unanimously selected Comprehensive Risk Services to recommend for the award of this contract. This recommendation is based upon CRS having a long-established user-friendly electronic claims system with full access for three users, as well as their philosophy and approach to worker's compensation cases, which includes assigning nurse case managers only when necessary and based on injury type and employee position. The slight increase in annual fees as compared to ASU will likely be offset by more efficient medical care as well as personalized service that our employees deserve.

Staff and I respectfully request that Council approve a three (3) year contract for worker's compensation Third Party Administrator services to Comprehensive Risk Services at the unit prices as indicated in their proposal. The first-year base price for claims handling and data conversion fee is \$28,900.

BIDS AND PURCHASES

WATERPROOFING CITY HALL BASEMENT

The west end of the City Hall basement has increasingly been showing signs of water infiltration over the past several years, indicating a failure in the building's drain tile system around the foundation. As the City Hall project was going to be forthcoming, it was determined that the best course of action was to mitigate the situation with dehumidifiers and ventilation and address simultaneously with the project. These efforts proved successful, and as the budget was developed, the lower level of City Hall was intentionally left out of the project scope except for necessary building utility upgrades, with the intent of revisiting the waterproofing as funding allowed.

At this time in the project, the contingency balance remains strong, and the water infiltration has considerably worsened with the persistently wet spring we have experienced so far. The west end of the basement houses the elevator and elevator equipment, as well as the Finance, Treasury, and Clerk's office permanent records and election materials, making this work critical to maintain this permanent record storage. Time is also of the essence to get this work done before the parking lots are paved. The project team has obtained multiple quotes, putting this work in the \$47,000-\$50,000 range.

As this work is currently unbudgeted, we respectfully recommend that Council approve two separate motions:

1. To approve a Budget Amendment of \$50,000 to account 101-265-987-0000. A supermajority of 5 votes will be required.
2. To authorize the City Manager to execute a Change Order to Frank Rewold and Sons in an amount not to exceed \$50,000 for the City Hall Basement Waterproofing.