

**DATE:** March 4, 2026  
**TO:** City Council  
**FROM:** Melissa R. Marsh, City Manager  
**SUBJECT:** Agenda Comments Regular Council Meeting of Monday, March 9, 2026

**CONSENT AGENDA:**

CITY MANAGER - CONFIRMATION OF HUMAN RESOURCES/PURCHASING DIRECTOR

In accordance with section 2-6 Personnel Director and 2-4 Purchasing Director these positions shall be appointed by the city manager with the approval of the city council. Staff recommends that City Council approve the city manager's appointment of Christina McCaskey to Human Resources Director/Purchasing Coordinator effective March 9, 2026.

DIRECTOR OF PUBLIC SERVICES - 2026 FIREWORKS DISPLAY PERMIT APPROVAL

Presented for consideration is the annual permit approval for the 2026 Festival in the Park fireworks display. The permit application process for a commercial or public fireworks display in the State of Michigan requires approval of the legislative body. Staff recommends that Council approve the permit for the 2026 Festival in the Park Fireworks Display from Pyrotechnico Fireworks, and authorize the Mayor to sign on the City's behalf.

**REPORTS:**

CITY PLANNER - SPECIAL LAND USE REQUEST PSP #26-01 - 32371 DEQUINDRE ROAD - MINOR AUTO REPAIR AND SERVICE

The applicant, Imad Potres, on behalf of business owner Steve Saka and property owner Sergio Basmajian, requests Special Land Use approval from the Planning Commission and City Council under Section 15.05 of the Madison Heights Zoning Ordinance to operate a Minor Auto Repair and Service use at 32371 Dequindre Road, zoned M-1, Light Industrial. The property is located on the west side of Dequindre Road, north of Avis Drive.

The subject property is 1.4 acres in size and is currently improved with an 11,844 square-foot light industrial building and asphalt parking area at the rear of the building. The building has been vacant for a few years but was most recently occupied by engineering and industrial offices. Per the project narrative and concept plan, the applicant intends to repurpose the building and site into an automotive repair use with six (6) service bays. Proposed services include oil change, brakes, and engine repair, collectively classified as "Minor Auto Repair" in the Zoning Ordinance; Minor Auto Repair requires Special Land Use approval in the M-1 zoning district.

Minor Auto Repair and Service Facilities, including those that offer engine repair, wheel alignment, brake servicing, tire repair and replacement, and oil change services, require Special Land Use approval in the M-1, Light Industrial district. These facilities are also subject to the use-specific zoning standards set forth in Section 7.03.2 of the Zoning Ordinance.

A public hearing was held at the February 17<sup>th</sup>, 2026 Planning Commission meeting. Following the public hearing, the Planning Commission recommended City Council approve the Special Land Use based upon the findings and with the following conditions:

1. The Major Site Plan, when submitted, shall be substantially consistent with the concept plan approved with this Special Land Use submittal. However, the site plan shall be modified, as needed, to denote the following:
  - a. Provide a site demolition plan, including locations of asphalt removal and replacement. Given the state of disrepair, complete milling and repaving and new stormwater quality structures may be required; and
  - b. Include details of new concrete curbs and gutters; and
  - c. Add the required concrete dumpster pad; and
  - d. Revise the landscape plan for the bio-retention area to include plant species tolerant of periodic inundation, road salt exposure and summer drought conditions so that the stormwater feature maintains long term infiltration performance subject to the approval of the City Planner and engineer.
2. Given the adjacent industrial land uses and minimal buffer widths, the minimum perimeter parking lot landscaping requirements of Section 11.06.3 may be reduced along the northern, western and southern property lines as part of Major Site Plan review.
3. The final site plan and use shall satisfy the use-specific standards for auto repair and service facilities contained in Section 7.03.2 and attached to the staff report. The use-specific operating conditions shall be listed on the final Certificate of Occupancy.

Should Council concur with the Planning Commission's recommendation, a motion to approve the Special Land Use PSP 26-01 for a minor auto repair facility at 32371 Dequindre Road based upon the findings in the staff report and including the Planning Commission's conditions would be appropriate.

#### CITY MANAGER - WATER AND SEWER RATES FY 2027

Reliable drinking water delivery and effective wastewater treatment are core public health services and among the most infrastructure intensive responsibilities of local government. The City's utility system must consistently meet regulatory standards, maintain system integrity, and ensure dependable service availability. While rate increases are never desirable, the proposed adjustment is necessary to preserve the long-term financial and operational sustainability of the system.

The City of Madison Heights relies on the Great Lakes Water authority (GLWA) and Oakland County Drain Commission for Water services and Wastewater treatment. Both of these entities are passing on rates increases to the City. It is important to note that City Council did pass a resolution opposing these rate increase and that it has been forwarded to these vendors as well as our State Representatives.

Staff proposes bringing the water and sewer rate adjustment to City Council in early March rather than with the May budget adoption. This schedule allows staff time to provide advanced notice to all customers prior to implementation. The new rates would take effect for bills issued on or after July 1, 2026, which cover utilization from April–June for residential customers and mid-May–mid-June usage for commercial customers. The proposed FY 2027 Water and Sewer Fund budget totals \$15.4 million. Rates to support this budget are \$5.01 for Water (5.7% increase) and \$7.29 for Wastewater (4.74% increase) for bills processed on or after July 1, 2026.

The recommended rate adjustment aligns revenue with unavoidable wholesale cost increases and necessary infrastructure reinvestment. Without this action, the City would risk declining system reliability, higher emergency repair costs, and long-term financial imbalance. The proposal maintains affordability while ensuring continued delivery of safe drinking water and dependable wastewater treatment services.

Staff recommends that City Council approve a resolution to adopt water and wastewater rates effective for bills processed on or after July 1, 2026 for \$5.01 per unit of water and \$7.29 per unit of wastewater.

### **BID AWARD/PURCHASES:**

#### **DIRECTOR OF PUBLIC SERVICES - 2026 R-3 ROAD CONSTRUCTION**

The 2026 R-3 projects are modified sectional replacements, as opposed to full reconstructs. Because of this, the successful bidder for the 2025 projects, DiLisio Contracting, was unable to offer a contract extension due to a variety of distinct and missing pay items between the two construction approaches, requiring the project to be bid. Three sealed bids were received by the deadline. Upon review, and as identified in the recommendation letter and bid tabulation from Nowak and Fraus, our Consulting City Engineers, DiLisio Contracting, of Clinton Township was the low bidder.

Staff concurs with the recommendation of our City Engineer, and recommends that City Council award the bid for the 2026 R-3 Residential Road Projects to the lowest responsible bidder, DiLisio Contracting, Inc., of Clinton Township, in the total project amount of \$1,669,954.50. Funding is programmed in the upcoming 2026-27 Budget.

#### **DIRECTOR OF PUBLIC SERVICES - 2026 MAJOR & LOCAL ROAD CONSTRUCTION**

Due to ongoing fluctuations in the price of concrete, materials, and labor, the Major and Local Sectional Concrete program is typically bid on an annual basis. Three sealed bids were received by

the deadline. Upon review, and as identified in the recommendation letter from Nowak and Fraus, our Consulting City Engineers, DiLisio Contracting, of Clinton Township, Michigan, was the low bid.

Staff concurs with the recommendation of our City Engineer, and recommends that City Council award the bid for the 2026 Major and Local Sectional Concrete Repairs to the lowest responsible bidder, DiLisio Contracting, Inc., of Clinton Township, Michigan, for the total project amount of \$625,583.90. Funding is programmed in the 2026-27 budget.

#### DIRECTOR OF PUBLIC SERVICES - CONTRACT EXTENSION - DUALL CLEANING

As part of the annual budget process, expiring service contracts are analyzed at the beginning of the year, and when it is determined to be in the best interest of the City, staff reaches out to vendors to see if they are amenable to a contract extension. DuAll Cleaning is the City's custodial contractor. Their service has been satisfactory, and they have been a responsive contractor to work with, promptly addressing any concerns which are brought forward. They are amenable to a contract extension, which has been prepared for consideration.

Staff recommends that Council approve the contract extension as presented with DuAll Cleaning, of Sterling Heights, and authorize the Mayor to sign on behalf of the City.

#### DIRECTOR OF PUBLIC SERVICES - CONTRACT EXTENSION - SUNDE BUILDING

As noted in the previous agenda item, part of the annual budget process involves reaching out to vendors when it is determined to be in the best interest of the City, to see if they are interested in a contract extension. Sunde Building is the City's long-time water and sewer contractor, and is once again amenable to a contract extension, which has been prepared for consideration.

Staff recommends that Council approve the contract extension as presented with Sunde Building, of Royal Oak and authorize the Mayor to sign on behalf of the City.