

City Council Special Meeting
Madison Heights, Michigan
December 04, 2023

A City Council Special Meeting was held on Monday, December 04, 2023, at 6:00 PM in the Dining Room of the Active Adult Center located at 260 W. Thirteen Mile Road, Madison Heights, Michigan, 48071.

PRESENT

Mayor Roslyn Grafstein
Mayor Pro Tem Mark Bliss
Councilman Sean Fleming
Councilman William Mier
Councilor Emily Rohrbach
Councilman David Soltis
Councilor Quinn Wright

OTHERS PRESENT

City Manager Melissa Marsh
City Attorney Larry Sherman
Deputy City Manager/City Clerk Cheryl Rottmann
CED Director Giles Tucker
DPS Director Sean Ballantine
Finance Director Linda Kunath
Fire Chief Greg Lelito
Human Resources Director Amy Mischak
Library Director Vanessa Verdun-Morris
Police Chief Brent LeMerise

MEETING OPEN TO THE PUBLIC:

There were no members of the public wishing to speak.

2025-27 Strategic Planning

City Manager Marsh welcomed Council to tonight's Strategic Planning session, noting that this meeting kicks off the budget process and is key in not only developing the map to continue to move our city forward, but the development of the budget and financial resources that support that journey. City Manager Marsh noted that a strong strategic plan is like a good roadmap – it identifies a clear destination and provides staff with paths to get there. It sets the course for the upcoming budget year and a vision for the next five years. This strategic planning process has been very helpful to her as a City Manager in clarifying Council's priorities and allows staff to take advantage of opportunities for collaboration, grants, or other opportunities.

Examples of this are our ability to take advantage of multiple grant opportunities and collaborations that often have quick turnarounds such as Oakland County's investment in

Ambassador Park, our partnership with Habitat for Humanity that will bring over \$1 million to the community, and the Amphitheater grant from Consumers Energy Foundation. These grants not only provide a better living environment for our residents but save the City over a million dollars from supplementing our budget with grant funds and other public or private partnerships.

Financial Forecast

City Manager Marsh gave an overview of the City's financial forecast. She stated that the City watches several financial indicators, including housing sales, building permits, taxable value estimates, County budget proposals and estimates, and mortgage interest rates. In the past, we have relied heavily on the Oakland County Economic outlook but given the timing (spring) and the unusual economic world we have been living in since the start of the pandemic, we have put less emphasis on that for this forecast. Building permits help to provide a measurement of demand in the market and estimates of potential future performance for the construction industry. This data, when combined with other information such as construction costs and existing home sales, helps predict demand and potential demand in the market. This has a direct effect on house sales and ultimately assessed and taxable value of properties in the City. Countywide single-family building permits were down 21.4% through the first 9 months of 2023 compared to the same point in 2022.

City Manager Marsh stated that one of the biggest financial issues with local government remains Proposal A and Headlee. The Michigan Constitution limits the taxes on a property, because it limits the Assessed Value at 50% of its True Cash Value. Proposal A places limitation on property tax increases of individual properties by creating taxable value and requiring the creation of a Capped Value which is limited for increase to the Rate of Inflation or 5%, whichever is lower. For 2024 (FY 2025) this inflation rate was calculated at 5.1% therefore we will be using 5% for calculating properties Capped Values in 2024 and thus our Property Tax Revenue. Inflation averaged 7.9% so far in 2023 which means the majority of our expenses are growing faster than the majority of our revenues that are capped.

Expenditures

City Manager Marsh stated that 63% of the General Fund Budget is related to personnel services. Capital Assets make up almost 10% of the General Fund budget on an annual basis. For the first time since 2004, Pension and Retiree Health Care cost will not crowd out discretionary spending. Both plans for Retiree Health Care are over 100% funded and as of 6/30/23, the Police and Fire Pension system was 55% funded. The unrestricted fund balance as of 6/30/23 was \$11,526,450 and the estimated fund balance for 6/30/24 is \$8,017,112.

Discussion followed on taxable values, salary negotiations, pension funding levels, permit levels in Oakland County and the Highland Park Water charges and GLWA.

Strategic Areas of Focus

The Strategic Areas of Focus are: Public Safety, Infrastructure/Capital Assets, Quality of Life, Economic Development, Financial Stability, and Sustainability.

City Manager Marsh reviewed the following major projects in process:

- Amphitheater

- Ambassador Park Reimagine
- Basketball Court – Civic Center Park
- Police HVAC
- Home Improvement Program with HFHOC
- Police Renovation (Women's Locker Rooms)
- Ballfield Light Replacements
- SOCCRA Redevelopment Grant pending (partnership)
- Traffic Safety – formal process
- Speed Humps
- 11 Mile Streetscape Plan
- Lorenz to John R Intersection
- SEMCOG TAP Grant
- Downtown Development Authority

Other Discussion Topics

EV Charging Stations

City Manager Marsh stated that planning ahead, we added conduit for 8 locations as part of the Civic Center Project and applied for and received a DTE Rebate of \$16,000; however, total cost estimates are between \$86,000 - \$130,000 for a Tier 2 Charger which takes approximately 4 hours to charge. Based on studies showing that the majority of users will charge at home, two major auto manufacturers have slowed their timeline for EVs, and technology isn't where it needs to be yet, it is her recommendation to stay informed on technology and funding but postpone implementation until either 1) faster technology is affordable, 2) grants are available for installation, 3) we are able to add EVs to fleet.

Recycling/Trash Bins

City Manager Marsh noted that the City accepted two grants based on Council approval on September 26, 2023. The Recycling Partnership grant is \$105,600 and an EGLE grant of \$403,200. The City portion will be approximately \$540,000. This program is expected to be deployed in September 2024. City Manager Marsh informed Council that as reported by GFL, since 2018, 610 households have purchased recycling carts and 965 households have purchased Trash Carts.

Co-Responder Program

City Manager Marsh said that the City in partnership with Oakland Community Health Network (OCHN), will be working with Ferndale, Royal Oak, and Hazel Park for a Co-Responder Program. We are currently in the process of working out the Interlocal Agreement which will provide two responders at a cost approximately of \$240,000 or \$60,000 per community. Currently, Oakland County Commission has language in the works to provide funding; however, the timing or terms for the grant is not clear. While we have heard support from the Oakland County Commission since last January, there has not been any written commitment. Regardless of County funding status, the City, and our partners plan to move forward as soon as possible and this will be presented to City Council for approval and a budget amendment if needed.

Speed Humps

City Manager Marsh stated that the City is in the process of developing a formal process for a request from residents for speed humps. No major roads or priority snowplow routes will be

included. Items to be looked at prior to approval would include radar/speed study by Police, Engineering review/cost, and the use of a possible Special Assessment. The estimated cost is between \$4,000 - \$9,000 and depends on the width of the road and if the road is being constructed or is an after-the-fact installation. Discussion followed on other safety needs for speed humps including nearby schools.

11 Mile Streetscape Program

City Manager Marsh stated that she is excited about the change that is being proposed for the downtown area. This is the first improvement to the area that will make a physical change and will help make the DDA an actual downtown area. She anticipates having a plan with engineering costs before the end of the calendar year and the City is planning to apply for the SEMCOG Transportation Alternatives Program Grant. She reviewed the SEMCOG Transportation Alternatives Program Grant timeline and noted the next application deadline is February 21, 2024. The City is planning to apply for a \$700,000 grant from SEMCOG with the DDA budget providing \$400,000 and the City possibly contributing as well, depending upon the final cost projections.

Staffing Additions

City Manager Marsh stated changes or additions of following positions are anticipated:

- Elections
City Clerk Rottmann noted that due to the changes in the Michigan Constitution providing for nine days of early voting prior to each election, staffing costs for elections are expected to increase substantially. In addition to election inspector staffing increases, these changes also require Clerk's staff to be present and working during much of this timeframe, increasing overtime costs due to four weekend days and an evening of early voting hours in addition to regular Election Day costs.
- Motorpool Mechanic
City Manager Marsh stated the plan is to replace the part-time to a full-time position, for a total cost increase of \$64,000 to be paid for across all funds, depending on projects.
- Grant/Special Project Administrator
City Manager Marsh informed the Council that the City currently has over \$3 million in grant projects to administer. We are eligible to take admin fees from grants in most situations. These funds will cover the cost of this position for at least two years, and longer, if we are awarded the SEMCOG TAP grant and FY 2024 Community Project Funding Grants. Part of the plan for this position is to downgrade the Assistant to the City Manager position. The total cost increase is anticipated to be \$70,800.
- Alternative Fire Staffing
City Manager Marsh noted that issues with fire staffing include difficulty in recruitment; the number of Basic runs has increased; difficulty with long-term sustainability; and the inefficiency of sending an ALS with a fully equipped truck to every run. Currently, Fire Department revenues are up an estimated \$220,000 annually. This amount, however, would only fund one additional ALS Fire Fighter. As an alternative, staff is proposing new Basic EMS Employee Program, and the creation of a Deputy Fire Chief position with responsibility for Training and oversight of this new program. The cost for the Deputy Fire Chief position

is \$261,035. A Basic EMT program would be created with a minimum of 3 employees that would work a 40-hour week during peak hours of 8-5. Recruitment would take place in high schools and colleges and the City would pay for training (the academy is \$2,600). The City would apply for training grants through the State as well. Basic EMS employees could be promoted to fill ALS/Fire positions if available and they are interested. Each position has a cost of approximately \$90,000.

Water and Sewer Billing

At Council direction, City Manager Marsh was tasked to look at the elimination of the 10-unit minimum in lieu of Ready to Service Charge. After discussion of alternative billing scenarios, it was the consensus of Council to keep the status quo on water and sewer with a 10-unit minimum billing.

Stormwater Sustainability

City Manager Marsh stated that the City is planning to expand the Rain Smart Rebate Program to Madison Heights residents outside the GWK area or residents who are not funded through WRC. The proposal is to allocate a maximum of \$10,000 over FY 2025 for rebates for trees and rain barrels from the water/sewer budget. Discussion followed on whether this \$10,000 could be used to fund other projects as opposed to the rebate program.

Taser Replacement

Police Chief LeMerise informed City Council that the tasers used by Police personnel are at their end of life. Unfortunately, the costs for tasers have dramatically increased as technology and training have improved. This purchase will be forthcoming on a Council agenda.

ADJOURNMENT

Having no further business, Mayor Grafstein adjourned the meeting at 8:44 p.m.