



CITY OF MADISON HEIGHTS
CITY HALL - COUNCIL CHAMBERS, 300 W. 13 MILE RD.
CITY COUNCIL REGULAR MEETING AGENDA
JUNE 22, 2026 AT 6:30 PM

CALL TO ORDER

ROLL CALL

INVOCATION and PLEDGE OF ALLEGIANCE - COUNCILOR WRIGHT

APPROVAL OF THE AGENDA:

- [1.](#) Additions/Deletions

PRESENTATIONS

PUBLIC HEARINGS:

MEETING OPEN TO THE PUBLIC:

COMMUNICATIONS:

CONSENT AGENDA:

- [2.](#) Director of Public Services - 2026 Park and Recreation Month
- [3.](#) Director of Public Services - 2026 LRIP Cost Participation Agreement
- [4.](#) City Manager - Purchase of Leased Vehicles
- [5.](#) City Planner - Resolution for Street Right-of-Way Vacation Request PEE # 26-01 - GWK/WRC - Unimproved Rights-of-Way
- [6.](#) City Council Special Workshop Meeting Minutes of June 1, 2026
- [7.](#) City Council Special Workshop Meeting Minutes of June 5, 2026
- [8.](#) City Council Regular Meeting Minutes of June 8, 2026

REPORTS:

- [9.](#) Finance Director - Amendments to FY 2025-26 Budget and Carryforwards to Amend the FY 2026-27 Budget
- [10.](#) Finance Director - Amendment to the Capital Asset Management Policy
- [11.](#) City Attorney - Amendment to Settlement Agreement with Artic Fox, LLC

ITEMS FOR FUTURE PUBLIC HEARINGS:

BID AWARDS/PURCHASES:

ORDINANCES:

UNFINISHED BUSINESS:

EXECUTIVE SESSION:

ADJOURNMENT

NOTICE: Persons with disabilities needing accommodations for effective participation through electronic means in this meeting should contact the City Clerk at (248) 583-0826 or by email: clerks@madison-

heights.org at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

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.

If the City Council concurs with the recommended amendments, the Council should approve the implementation of these amendments and appropriate the necessary funds.

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.



AGENDA ITEM SUMMARY FORM

MEETING DATE: 6/22

PREPARED BY: Sean P. Ballantine, Director of Public Services

AGENDA ITEM CONTENT: Director of Public Services - 2026 Park and Recreation Month

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT:

FUNDS REQUESTED:

FUND:

EXECUTIVE SUMMARY:

Annually, the month of July is recognized as Park and Recreation Month by municipalities and civic organizations throughout the United States. Submitted for Council’s consideration is a proclamation declaring the month of July as Park and Recreation Month in Madison Heights.

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.

RECOMMENDATION:

Staff respectfully requests that Council adopt the following 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.

PROCLAMATION

WHEREAS, parks and recreation are an integral part of communities throughout this country, including the City of Madison Heights; and,

WHEREAS, parks and recreation programs promote health and wellness, improving the physical and mental health of people who live near parks; and,

WHEREAS, parks and recreation programs promote time spent in nature, which positively impacts mental health by increasing cognitive performance and well-being, and alleviating illnesses such as depression, attention deficit disorders, and Alzheimers; and,

WHEREAS, parks and recreation encourage physical activities by providing space for popular sports, walking trails, and many other activities designed to promote active lifestyles; and,

WHEREAS, park and recreation programming and educational activities, such as out-of-school time programming, youth sports and environmental education, are critical to childhood development; and,

WHEREAS, parks and recreation increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and,

WHEREAS, parks and recreation are fundamental to the environmental well-being of our community; and,

WHEREAS, our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and,

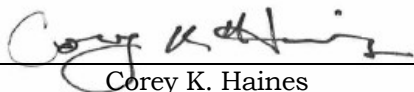
WHEREAS, the United States House of Representatives has designated July as Parks and Recreation Month; and,

WHEREAS, the City of Madison Heights recognizes the benefits derived from its parks and recreation resources, and the skilled personnel involved in their upkeep and programming,

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Madison Heights hereby proclaim the month of July 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.



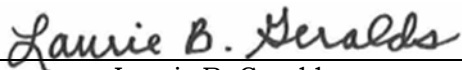
Corey K. Haines
Mayor



Toya Aaron
Councilwoman



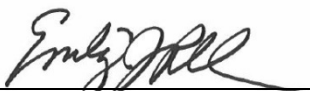
Sean D. Fleming
Councilman



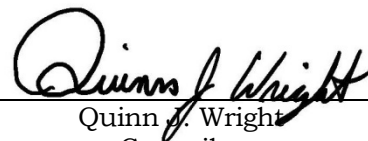
Laurie B. Geraldts
Councilor



William J. Mier
Mayor Pro Tem



Emily J. Rohrbach
Councilor



Quinn J. Wright
Councilor



AGENDA ITEM SUMMARY FORM

MEETING DATE: 6/22/26

PREPARED BY: Sean P. Ballantine, Director of Public Services

AGENDA ITEM CONTENT: Director of Public Services - 2026 LRIP Cost Participation Agreement

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT:

FUNDS REQUESTED:

FUND:

EXECUTIVE SUMMARY:

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

RECOMMENDATION:

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.

MEMORANDUM

DATE: June 17, 2026
TO: Melissa R. Marsh, City Manager
FROM: Sean P. Ballantine, Director of Public Services
SUBJECT: Cost Participation Agreement – Oakland County Local Road Improvement Program (LRIP): Various Locations

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. The program funding for each eligible city or village is based on a formula involving road mileage, population, and overall crash data. Since the inception of this program, the City has received \$694,008 in County grant funding. These funds were used to offset the cost of much-needed repairs to Whitcomb Avenue, Research Park, Tech Row, East Lincoln Avenue, Barrington Street, East and West Mandoline Avenue, Commerce Drive, Ajax Drive, and various city alleyways.

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 locations throughout the City. These identified roads have continued to deteriorate over time, and local road funding has been made available to begin addressing them. 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 of Madison Heights
Department of Public Services
801 Ajax Drive
Madison Heights, Michigan 48071



(248) 858-0100 | boc@oakgov.com

June 15, 2026

Greetings,

We are pleased to inform you that the Board of Commissioners has approved your application for funding under the 2026 Local Road Improvement Program. Poor conditions on our roads create an impediment to the economic development of our community and diminish the excellent quality of life our residents expect. Oakland County is proud to be a partner with your local government to provide much needed investment in our local transportation infrastructure.

For execution, you will receive a separate email requesting a digital signature on your Cost Participation Agreement. This email will come from JoAnn Stringfellow/Oakland County eSign at the email address: adobesign@adobesign.com. If you are not the designated signer, please click the “**DELEGATE**” link in the email and enter the name and email address of the appropriate individual. Following approval by your governing authority as applicable, and execution of the agreement, please electronically sign the agreement. If you require additional signature lines, please email aubrya@oakgov.com. All signers will automatically receive a digital sealed copy of the executed document for your records.

After you receive the digital sealed and executed agreement, you can invoice our office as instructed in the agreement for payment. Emailed invoices are preferred. Upon project completion, a report should be submitted to verify the funds were used in accordance with the terms of the agreement.

If you have any questions regarding the program or agreement, please feel to contact Amy Aubry, Senior Analyst of the Board of Commissioners, at 248-425-7056 or aubrya@oakgov.com.

Sincerely,

The Oakland County Board of Commissioners

LOCAL ROAD IMPROVEMENT PROGRAM

COST PARTICIPATION AGREEMENT

Concrete Sectional Replacement on Various City Roads

City of Madison Heights

Board Project No. 2026-19

This Agreement, made and entered into this date, _____, by and between the Board of Commissioners of the County of Oakland, Michigan, hereinafter referred to as the BOARD, and the City of Madison Heights, hereinafter referred to as the COMMUNITY, provides as follows:

WHEREAS, the BOARD has established the Local Road Improvement Matching Fund Program, hereinafter the PROGRAM, for the purposes of improving economic development in Oakland County cities and villages. The terms and policies of the PROGRAM are contained in Attachment A. The BOARD intends the PROGRAM to assist its municipalities by offering limited funds, from state statutory revenue sharing funds, for specific, targeted road maintenance and/or improvement projects on roadways under the jurisdiction of cities and villages; and

WHEREAS, the BOARD shall participate in a city or village road project in an amount not exceeding 50% of the cost of the road improvement, hereinafter referred to as the PROJECT, and also not exceeding the Preliminary Distribution Formula as it relates to the COMMUNITY, (Attachment B); and

WHEREAS, the COMMUNITY has identified the PROJECT as the Concrete Sectional Replacement on Various City Roads, which improvements involve roads under the jurisdiction of and within the COMMUNITY and are not under the jurisdiction of the Road Commission for Oakland County or state trunk lines; and

WHEREAS, the COMMUNITY has acknowledged and agreed to the BOARD's policies regarding the PROGRAM, Attachment A, including the provisions requiring reimbursement of unspent funds, and further acknowledge and agree that the PROJECT's purpose is to encourage and assist businesses to locate and expand within Oakland County and shall submit a report to the BOARD identifying the effect of the PROJECT on businesses in the COMMUNITY at the completion of the PROJECT. In addition, the COMMUNITY acknowledges that the program is meant to supplement and not replace funding for existing road programs or projects; and

WHEREAS, the COMMUNITY has acknowledged and agreed that the PROGRAM is expressly established as an annual program and there is no guarantee that the PROGRAM will be continued from year to year. The BOARD anticipates that most PROJECTS funded under the PROGRAM will be completed by the end of calendar year 2026. There is no obligation on behalf of the BOARD to fund either the PROJECT or the PROGRAM in the future; and

WHEREAS the COMMUNITY has acknowledged and agreed that the COMMUNITY shall assume any and all responsibilities and liabilities arising out of the administration of the PROJECT and that Oakland County shares no such responsibilities in administering the PROJECT; and

WHEREAS, the estimated total cost of the PROJECT is \$380,943; and

WHEREAS, said PROJECT involves certain designated and approved Local Road Improvement Matching Funds in an amount not to exceed \$81,008, which amount shall be paid to the COMMUNITY by the BOARD; and

WHEREAS, the BOARD and the COMMUNITY have reached a mutual understanding regarding the cost sharing of the PROJECT and wish to commit that understanding to writing in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and in conformity with applicable law and BOARD resolution(s), it is hereby agreed between the COMMUNITY and the BOARD that:

1. The BOARD approves of the PROJECT, and in reliance upon the acknowledgements of the COMMUNITY, including the COMMUNITY'S adherence to the BOARD'S policies as expressed in Attachment A, and hereby finds that the PROJECT meets the purpose of the PROGRAM.

2. The BOARD approves of a total funding amount under the PROGRAM for the PROJECT in an amount not to exceed \$81,008. The COMMUNITY shall submit an invoice to the COUNTY in an amount not to exceed \$81,008.

a. The Invoice shall be sent to:

Amy Aubry, Analyst
Board of Commissioners
1200 N. Telegraph, Bldg 12E
Pontiac, MI 48341
aubrya@oakgov.com

3. Upon receipt of said invoice and upon execution of this Agreement, the BOARD shall pay the COMMUNITY in an amount not to exceed \$81,008 from funds available in the PROGRAM.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and date first written above.

OAKLAND COUNTY BOARD OF COMMISSIONERS

By: _____
David T. Woodward

Its: Chair

COMMUNITY

By: _____

Its: _____

COMMUNITY

By: _____

Its: _____

Attachment A

LOCAL ROAD IMPROVEMENT MATCHING FUND PROGRAM**STATEMENT OF PURPOSE**

Oakland County Government recognizes that Michigan law places the primary responsibility for road funding on the State and non-county local units of government. However, the County also recognizes that the law does permit a limited, discretionary role for the County in assisting a road commission and local units within a county by supporting some road maintenance and improvement efforts.

Accordingly, for many years Oakland County has voluntarily provided limited assistance to its cities, villages and townships (CVT's) and to the Road Commission of Oakland County (RCOC) by investing in a discretionary Tri-Party Road Program. Authorized under Michigan law, the County's tri-party funding contributions primarily facilitate safety improvement projects on CVT roads under the jurisdiction of the RCOC. By law, tri-party funds cannot be used to fund projects on roads solely under the jurisdiction of CVT's.

Recognizing a continuing need to better maintain local CVT streets and roads, yet being ever mindful of the County's limited responsibility for and jurisdiction over non-County roads and streets, Oakland County Government is continuing the success of the pilot program launched in 2016 that was more flexible than the current Tri-Party Road Program; one that allowed Oakland County to assist its cities and villages with maintenance and safety projects on non-County roads.

Not being the funding responsibility of County government, local CVT roads generally cannot be maintained or improved using County funds because doing so would be considered to be the "gifting" of County resources. However laudable the purpose, Michigan law generally forbids the gifting of government resources. To avoid application of the constitutionally-based gifting restriction, the state legislature must, and in this arena has, determined that a public benefit results from a taxpayer investment, one that provides a *quid pro quo* sufficient to avoid application of the gifting prohibition. Here, the legislature has determined that the economic development benefit presumed to accrue to a county as a result of local street and road investments can provide a sufficient *quid pro quo* to county taxpayers justifying a discretionary county investment in a non-county road, a benefit that constitutes a fair exchange for value and not a gift.

This legislative determination is set forth in 1985 P.A. 9, which amended 1913 P.A. 380, by adding a new section 2, which in pertinent part provides:

"(1) ...A county may grant or loan funds to a township, village or city located within that county for the purpose of encouraging and assisting businesses to locate and expand within the county...

(2) A loan or grant made under subsection (1) may be used for local public improvements or to encourage and assist businesses in locating or expanding in this state, to preserve jobs in this state, to encourage investment in the communities in this state, or for other public purposes."

Communities that wish to attract, retain and grow business, retain jobs and encourage community investment, needs a safely maintained road infrastructure. This road infrastructure must include both residential and commercial roads as workers and consumers need to get to and from work, shopping, schools and recreation. In a fiscally prudent and limited manner, the County wishes to

help its cities and villages accomplish this through its Local Road Improvement Matching Fund Program, commonly known as the Local Road Improvement Program (LRIP).

Any such program must be mindful of the limits imposed under Public Act 9. One important restriction Public Act 9 imposed on grants or loans made pursuant to Subsection 2 of the Act is the mandate that, "A grant or loan under this Subsection shall not be derived from ad valorem taxes except for ad valorem taxes approved by a vote of the people for economic development." This means that funding for an expanded local road assistance program cannot utilize proceeds from any of Oakland County's ad valorem tax levies since no levy has been approved by voters specifically for economic development.

Given this limitation, it appears that the state statutory revenue sharing appropriated to the County can provide a non-ad valorem source of funds that legally can be used to support the program. Competition for those funds, which are limited in amount, is fierce and their yearly availability is subject to the state legislative process. In the recent past, the State stripped all of those funds away from Michigan counties. Understanding that reality, it shall be the policy of the Oakland County Board of Commissioners that the Board shall not appropriate any County funds for a local road improvement matching fund program for non-County roads in any year where the State of Michigan fails to appropriate statutory revenue sharing funds to Oakland County in an amount sufficient to allow the County to first prudently address its core functions.

Act 9 imposes additional conditions on grants and loans. These include requirements that the loan or grant shall be administered within an established application process for proposals; that any grant or loan shall be made at a public hearing of the county board of commissioners and that the Board shall require a report to the county board of commissioners regarding the activities of the recipient and a report as to the degree to which the recipient has met the stated public purpose of the funding.

Understanding all of the above, the Oakland County Board of Commissioners hereby establishes the following Local Road Improvement Matching Fund Program:

PROGRAM SUMMARY

The Board of Commissioners established a Pilot Local Road Improvement Matching Fund Program through Miscellaneous Resolution #16103 for the purposes of improving economic development in Oakland County cities and villages. The County intends to continue this Program to assist its municipalities by offering limited matching funds for specific, targeted road maintenance and/or improvement projects on roadways under the jurisdiction of cities and villages.

A city or village participating in the Local Road Improvement Matching Fund Program shall match any fund authorized by the Board of Commissioners in an amount equal to a minimum of 50% of the cost of the total project award. County participation shall be limited to a maximum of 50% of the cost of the total project budget. Funding shall be utilized to supplement and enhance local road maintenance and improvement programs. Funding is not intended to replace existing budgeted local road programs or to replace funding already committed to road improvements.

PROJECT GUIDELINES

Program funding shall be utilized solely for the purposes of road improvements to roads under the jurisdiction of local cities and villages. Road improvements may include, but not be limited to, paving, resurfacing, lane additions or lengthening, bridges, or drainage as such improvements relate to road safety, structure or relieving congestion.

Program funding:

- **May** be utilized to supplement a local government's matched funding for the purposes of receiving additional federal transportation funding;
- **May not** be utilized to fulfill a local government's responsibility to fund improvements to state trunklines;
- **Shall be limited to** real capital improvements to roadways and shall not be utilized for other purposes, such as administrative expenses, personnel, consultants or other similar purposes;
- **Shall not be** utilized for non-motorized improvements, unless these improvements are included in a project plan for major improvements to a motorized roadway;
- **Shall be** utilized for projects that will result in a measurable improvement in the development of the local economy and contribute to business growth. Recipients shall be responsible for providing an outline of the economic benefits of the project prior to approval and for reporting to the Board of Commissioners after the completion of the project on the benefits achieved as a result of the projects.

ADMINISTRATION

Local Road Improvement Matching Fund Program projects may be appropriated by the Board of Commissioners in compliance with the County budget process. The amount of funds to be dedicated for the Program shall be determined by the Board of Commissioners on an annual basis. Program funding may be reduced or eliminated based upon the ability of the County government to meet primary constitutional and statutory duties. The Board of Commissioners expressly reserves the right to adjust the County matching funds share at any time based upon County budget needs.

In accordance with MCL 123.872, funds dedicated to the Local Road Improvement Matching Fund Program shall not be derived from ad valorem tax revenues. Program funding shall be limited to funds derived from the County's distribution from the Michigan General Revenue Sharing Act. Reduction or elimination of the County's distribution of revenue sharing funds may result in the elimination or suspension of the program.

Funding availability shall be distributed based upon a formula updated annually. The formula will consist of:

1. A percentage derived from the number of certified local major street miles in each city and village divided by aggregate total of certified local major street miles of all cities and villages in the County.
2. A percentage derived from the population of each city and village as determined by the last decennial census conducted by the U.S. Census Bureau divided by the aggregate total population of cities and villages in the County.

3. A percentage derived from the three-year rolling total of the number of crashes on city and village major local streets divided by the aggregate three-year rolling crash numbers for all city and village major local streets, using the most recent data available. The crash data will be supplied by the South East Michigan Council of Governments (SEMCOG).

Each city and village's percentage allocation shall be determined by adding each factor percentage and dividing that total by three. The amount of funds available for match shall be determined by the total amount of funds allocated by the Board of Commissioners added to an equal amount representing the match provided by local cities and villages.

The Chairman of the Board of Commissioners shall establish a Special Committee on the Local Road Improvement Program. This Special Committee shall consist of three members, with two members representing the majority caucus and one member representing the minority caucus. It shall be the responsibility of the Special Committee to direct the administration of this program, receive applications for program funding, and make recommendations of acceptance to the Board of Commissioners. The Special Committee may consult with County departments, staff, the South East Michigan Council of Governments (SEMCOG), and the Road Commission for Oakland County in the conduct of its business.

DISBURSEMENT

The Special Committee shall forward recommendations for approval of Local Road Improvement Matching Fund Program projects to the Chairman of the Board of Commissioners. This recommendation shall include a cost participation agreement between the County and participating municipality. Minimally, cost participation agreements shall include: responsibility for administering the project, the project location, purpose, scope, estimated costs including supporting detail, provisions ensuring compliance with project guidelines, as well as disbursement eligibility requirements. The cost participation agreement shall also require the maintenance of supporting documentation to ensure compliance with the following provisions:

1. Any and all supporting documentation for project expenditures reimbursed with appropriated funding shall be maintained a minimum of seven years from the date of final reimbursement for actual expenditures incurred.
2. The Oakland County Auditing Division reserves the right to audit any and all project expenditures reimbursed through the program.
3. The participating community understands and agrees that if it does not expend the entire Cost Participation Award under this Agreement on approved projects, then the remainder will be reimbursed to the County. The amount of any remainder shall be determined upon cancellation or completion of the approved project. Reimbursable funds shall be returned to the County within 90 days of such determination that the project has been cancelled, or the entire award has not been spent upon project completion.
4. In any case where the participating community is required to return money to the County under this Agreement, the participating community agrees that the County or the Oakland County Treasurer, at their sole option, shall be entitled to set off from any other funds of the participating community that are in the County's possession for any reason, including but not limited to, the Oakland County Delinquent Tax Revolving Fund ("DTRF"), if applicable. Any setoff or retention of funds by the County shall be deemed a voluntary assignment of that amount by the participating community to the County. The participating

community waives any claims against the County or its officials for any acts related specifically to the County offsetting or retaining such amounts. This paragraph shall not limit the participating community's legal right to dispute whether the underlying amount retained by the County was actually due and owing under this Agreement.

5. Nothing in this Section shall operate to limit the County's right to exercise any other legal rights or remedies under this Agreement or at law to secure reimbursement of funds which are due should they not be used by the participating community for the approved projects in the time frame set forth above. If the County pursues any legal action in any court against the participating community to secure repayment of unused funds, the participating community agrees to pay all costs and expenses incurred by the County, including court costs and attorney fees.

Upon receipt of recommendation of project approval from the Special Committee, the County Commissioner or Commissioners representing the area included in the proposed project may introduce a resolution authorizing approval of the project and the release of funds. Resolutions shall be forwarded to the Economic Development and Infrastructure Committee of the Board of Commissioners, who shall review and issue a recommendation to the Board on the adoption of the resolution. A public hearing shall be scheduled before the Board of Commissioners prior to consideration of final approval of the resolution.

The deadline for projects to be submitted for consideration shall be established by the Special Committee. The Special Committee may work with participating municipalities to develop a plan for projects that exceed that municipality's annual allocation amount. This may include a limited plan to rollover that municipality's allocation for a period of years until enough funding availability has accrued to complete the project, subject to funding availability.

Upon completion of project plans and execution of the cost participation agreement by the County and governing authority of the local municipality, the participating municipality shall submit an invoice in accordance with the terms and conditions included in the agreement. The Oakland County Department of Management and Budget Fiscal Services Division shall process payments in accordance with policies and procedures as set forth by the Department of Management and Budget and the Oakland County Treasurer.

In the event an eligible local unit of government chooses not to participate in the Local Road Improvement Matching Fund Program, or an approved project is cancelled, any previously undistributed allocated funding may be reallocated to all participating local units of government at the discretion of the Local Road Improvement Program Special Committee.

At the completion of each project, the participating local government shall provide a report to the Board of Commissioners regarding the activities of the recipient and the degree to which the recipient has met the stated public purpose of the funding as required by MCL 123.872.



AGENDA ITEM SUMMARY FORM

MEETING DATE: 06/22/26

PREPARED BY: Melissa Marsh, City Manager

AGENDA ITEM CONTENT: Purchase of Leased Vehicles

AGENDA ITEM SECTION: Bid Awards/Purchases

BUDGETED AMOUNT: \$0

FUNDS REQUESTED: \$

FUND: Various

EXECUTIVE SUMMARY:

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. No budget amendment or additional appropriation is required.

RECOMMENDATION:

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.

TO: Honorable Mayor and City Council

FROM: Melissa R. Marsh, City Manager

DATE: June 16, 2026

SUBJECT: Purchase of Previously Leased Fleet Vehicles from Enterprise Fleet Management

BACKGROUND

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.

Staff has reviewed the condition, operational needs, and replacement costs associated with these vehicles and recommends exercising the purchase option. Purchasing these vehicles at the end of the lease term allows the City to maximize the useful life of the assets while avoiding the significantly higher costs associated with replacing comparable vehicles in today's market.

The vehicles proposed for purchase are:

Vehicle No.	Description	Department	Purchase Price
125	2021 Ford Escape (Unit 23S9BZ)	Police Department Administrative Vehicle	\$5,104.41
702	2021 Chevrolet Silverado (Unit 23SH2T)	Fire Department Utility Vehicle – Station 1	\$6,161.94
430	2021 Chevrolet Silverado (Unit 23SH38)	Motor Pool Service Vehicle funded through the Water and Sewer Fund	\$6,389.92

Total Purchase Cost: \$17,656.27

All three vehicles remain in good operating condition and continue to meet the service needs of their respective departments. Staff believe the purchase prices represent a favorable value based on the vehicles' age, condition, and current market replacement costs.

FINANCIAL IMPACT

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. No budget amendment or additional appropriation is required.

RECOMMENDATION

Staff recommends that City Council approve the purchase of the three previously leased vehicles from Enterprise Fleet Management for a total cost of \$17,656.27 and authorize the City Manager to execute all necessary documents to complete the transaction.

PROPOSED MOTION

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.



AGENDA ITEM SUMMARY FORM

MEETING DATE: 6/22/26

PREPARED BY: Matt Lonnerstater, AICP

AGENDA ITEM CONTENT: Resolution for Street Right-of-Way Vacation Request PEE # 26-01 - GWK/WRC - Unimproved Rights-of-Way

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: N/A

FUNDS REQUESTED: N/A

FUND: N/A

EXECUTIVE SUMMARY:

City Council held a public hearing for street vacation request PEE #26-01 on May 26th, 2026 and subsequently approved the street vacations via a simple 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. A resolution has been drafted to satisfy Ordinance requirements.

RECOMMENDATION:

Approve the resolution for street vacation request PEE #26-01 which was previously approved via a simple motion on May 26th, 2026.

CITY OF MADISON HEIGHTS
OAKLAND COUNTY, MICHIGAN
STREET VACATION REQUEST RESOLUTION PEE #26-01

A RESOLUTION TO VACATE CERTAIN PUBLIC STREET RIGHT OF WAYS

WHEREAS, the Madison Heights Planning Commission has determined that a need exists to vacate the following unimproved public streets:

WITHIN NORTHEASTERN HIGHWAY SUBDIVISION No. 1 Liber 35, Page 21, O.C.R.

- Red Run Boulevard: All of Red Run Boulevard located in “Northeastern Highway Subdivision No. 1”; Adjacent to lots 658, 682, 683, 701 thru 753 inclusive and 779 thru 783 inclusive.
- Girard Avenue: From Red Run Boulevard to the East line of “Northeastern Highway Subdivision No. 1”; adjacent to lots 753 thru 779 inclusive and 817 thru 841 inclusive; also from Red Run Boulevard Westerly, adjacent to lots 674 to 691, inclusive.
- Osmun Avenue: Adjacent to lots 765, 788 thru 808 inclusive, 816 and 817.; Also that part of said Osmun Avenue South of Girard Avenue to the South line of “Northeastern Highway Subdivision No. 1”; adjacent to lots 766, 841 thru 849 inclusive.
- Delton Avenue: Delton Avenue from Girard Avenue South to the South line of “Northeastern Highway Subdivision No. 1”; adjacent to Lots 784 thru 787 inclusive and adjacent to lots 848 thru 850 inclusive.
- Woodside Avenue: From Red Run Boulevard to the East line of “Northeastern Highway Subdivision No. 1”; Adjacent to lots 746, 747, 791, 792 and 808 thru 816 inclusive; also from Red Run Boulevard Westerly to Townley Avenue; Adjacent to lots 655 thru 659 inclusive and to lot 711.

WITHIN NORTH ACRES SUBDIVISION Liber 33, Page 22, O.C.R.

- Parkdale Avenue: From the Easterly Right of Way line of John R Road, Easterly to the East lines of Lots 32 and 51; Also the North half of Parkdale adjacent to Lot 50.
- Red Run Boulevard: All of Red Run Boulevard located in the entire plat of “North Acres Subdivision”; Adjacent to lots 16 thru 18 inclusive, 49, 51, 52 , 53, 54 and extending to the easterly right of way line of John R Road and also to the North line of “North Acres Subdivision”

WHEREAS, the Planning Commission discussed the street vacation request at their meeting on April 20th, 2026 and recommended to City Council approval of the vacation of the above-described areas; and

WHEREAS, the City Council held a public hearing on May 26th, 2026, and there were no objections from the audience.

NOW, THEREFORE BE IT RESOLVED, that the Madison Heights City Council determines that it is necessary for the health, welfare, comfort and safety of the people of the City of Madison Heights to vacate and discontinue the following unimproved public street rights-of-way:

WITHIN NORTHEASTERN HIGHWAY SUBDIVISION No. 1 Liber 35, Page 21, O.C.R.

- Red Run Boulevard: All of Red Run Boulevard located in “Northeastern Highway Subdivision No. 1”; Adjacent to lots 658, 682, 683, 701 thru 753 inclusive and 779 thru 783 inclusive.
- Girard Avenue: From Red Run Boulevard to the East line of “Northeastern Highway Subdivision No. 1”; adjacent to lots 753 thru 779 inclusive and 817 thru 841 inclusive; also from Red Run Boulevard Westerly, adjacent to lots 674 to 691, inclusive.
- Osmun Avenue: Adjacent to lots 765, 788 thru 808 inclusive, 816 and 817.; Also that part of said Osmun Avenue South of Girard Avenue to the South line of “Northeastern Highway Subdivision No. 1”; adjacent to lots 766, 841 thru 849 inclusive.
- Delton Avenue: Delton Avenue from Girard Avenue South to the South line of “Northeastern Highway Subdivision No. 1”; adjacent to Lots 784 thru 787 inclusive and adjacent to lots 848 thru 850 inclusive.
- Woodside Avenue: From Red Run Boulevard to the East line of “Northeastern Highway Subdivision No. 1”; Adjacent to lots 746, 747, 791, 792 and 808 thru 816 inclusive; also from Red Run Boulevard Westerly to Townley Avenue; Adjacent to lots 655 thru 659 inclusive and to lot 711.

WITHIN NORTH ACRES SUBDIVISION Liber 33, Page 22, O.C.R.

- Parkdale Avenue: From the Easterly Right of Way line of John R Road, Easterly to the East lines of Lots 32 and 51; Also the North half of Parkdale adjacent to Lot 50.
- Red Run Boulevard: All of Red Run Boulevard located in the entire plat of “North Acres Subdivision”; Adjacent to lots 16 thru 18 inclusive, 49, 51, 52 , 53, 54 and extending to the easterly right of way line of John R Road and also to the North line of “North Acres Subdivision”; and

BE IT FURTHER RESOLVED, that public utility easements for the purposes of accessing, maintaining, repairing and improving existing underground and overhead utilities, shall be retained where necessary with confirmation by the Madison Heights Department of Public Services, the Oakland County Water Resources Commissioner and applicable utilities and final authorization by the Mayor and City Clerk.

City Council Special Workshop Meeting
Madison Heights, Michigan
June 01, 2026

A City Council Special Workshop Meeting was held on Monday, June 01, 2026, at 6:30 PM at
FIRE STATION 1 - 31313 BRUSH ST.

PRESENT

Mayor Corey Haines
Mayor Pro Tem William Mier
Councilwoman Toya Aaron
Councilman Sean Fleming
Councilor Laurie Gerald
Councilor Emily Rohrbach
Councilor Quinn Wright

ALSO PRESENT

City Manager Melissa Marsh
Assistant City Attorney Jeff Sherman
Deputy City Clerk Phommady A. Boucher

CM-26-130. Appointment of Acting City Clerk.

Motion to appoint Deputy City Clerk Boucher as the Acting City Clerk for tonight's City Council meeting.

Motion made by Councilwoman Aaron, Seconded by Councilor Rohrbach.
Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach, Councilor Wright

Motion carried.

CM-26-131. Approval of the Agenda.

Motion to approve the agenda.

Motion made by Councilor Wright, Seconded by Councilwoman Aaron.
Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach, Councilor Wright

Motion carried.

MEETING OPEN TO THE PUBLIC:

Martha Covert, resident, spoke in opposition to the Drag Queen Story Time program.

Mark Bliss, resident, spoke in favor of the Drag Queen Story Time program.

Jennifer Nagle, resident, spoke in favor of the Drag Queen Story Time program.

Chelsey Hager, resident, spoke in favor of the Drag Queen Story Time program.

Bill Nalu, resident, spoke in opposition to the Drag Queen Story Time program.

Alison Fleming, resident, spoke in opposition to the Drag Queen Story Time program.

Angel Simon, resident, spoke in favor of the Drag Queen Story Time program.

Sam W., unknown, spoke in favor of the Drag Queen Story Time program.

Sandy Young, resident, spoke in favor of the Drag Queen Story Time program.

Robert Young, resident, spoke in favor of the Drag Queen Story Time program.

Deputy City Clerk Phommady A. Boucher read into record an email from Valinda Brecht, in opposition to the Drag Queen Story Time program, which was made part of the official meeting record.

Deputy City Clerk Phommady A. Boucher read into record an email from Mary Harp, in opposition to the Drag Queen Story Time program, which was made part of the official meeting record.

Deputy City Clerk Phommady A. Boucher read into record an email from Beatrice Nott, in opposition to the Drag Queen Story Time program, which was made part of the official meeting record.

Deputy City Clerk Phommady A. Boucher read into record an email from Beth Scott, in opposition to the Drag Queen Story Time program, which was made part of the official meeting record.

CM-26-132. Arts & Pride Event.

Motion disapproving and prohibiting the proposed Drag Queen Story Time program at the Pride Picnic.

Motion made by Councilman Fleming, Seconded by Councilwoman Aaron.
Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming

Voting Nay: Councilor Geraldts, Councilor Rohrbach, Councilor Wright

Motion carried.

CM-26-133. General Boards & Commissions Governance and Policy Review.

Motion directing all Boards and Commission in the City to inform Council, by their Council representatives, of any future programming proposals directed toward or involving children.

Motion made by Councilman Fleming, Seconded by Councilwoman Aaron.

Revised motion:

Motion directing all Boards and Commission in the City to inform Council, by their Council representatives, of any future programming proposals directed toward or involving children that may be controversial or perceived as controversial.

Motion made by Councilman Fleming, Seconded by Councilwoman Aaron.
Motion withdrawn.

ADJOURNMENT:

Having no further business, Mayor Haines adjourned the meeting at 8:28 p.m.

City Council Special Workshop Meeting
Madison Heights, Michigan
June 05, 2026

A City Council Special Workshop Meeting was held on Friday, June 05, 2026, at 2:00 PM at City Hall - Council Chambers, 300 W. 13 Mile Rd.

PRESENT

Mayor Corey Haines
Mayor Pro Tem William Mier
Councilwoman Toya Aaron
Councilor Laurie Gerald
Councilor Emily Rohrbach
Councilor Quinn Wright

ABSENT

Councilman Sean Fleming

ALSO PRESENT

City Manager Melissa Marsh
Assistant City Attorney Tim Burns
Deputy City Clerk Phommady A. Boucher

CM-26-134. Excuse Member.

Motion to Excuse Councilman Fleming from tonight’s meeting.

Motion made by Councilwoman Aaron, Seconded by Councilor Wright.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilor Gerald, Councilor Rohrbach, Councilor Wright

Motion carried.

CM-26-135. Appointment of Acting City Clerk.

Motion to appoint Deputy City Clerk Boucher as the Acting City Clerk for tonight's City Council meeting.

Motion made by Councilor Rohrbach, Seconded by Mayor Pro Tem Mier.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilor Gerald, Councilor Rohrbach, Councilor Wright

Motion carried.

MEETING OPEN TO THE PUBLIC:

Merri Busch, resident, spoke in favor of the Drag Queen Story Time program.

Erin Baker, resident, spoke in favor of the Drag Queen Story Time program.

Allison McKay, resident, spoke in favor of the Drag Queen Story Time program.

Robert Young, resident, spoke in favor of the Drag Queen Story Time program.

Jennifer Nagle, resident, spoke in favor of the Drag Queen Story Time program.

Sandy Young, resident, spoke in favor of the Drag Queen Story Time program.

Deputy City Clerk Phommady A. Boucher read into record an email from Katie Chase, in favor of the Drag Queen Story Time program, which was made part of the official meeting record.

CM-26-136. Reconsideration - Arts Board/HREC - Arts & Pride Event.

Motion for reconsideration of the action to disapprove and prohibit the proposed Drag Queen Story Time program at the Arts & Pride Event.

Motion made by Councilwoman Aaron, Seconded by Councilor Rohrbach.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilor Gerald, Councilor Rohrbach, Councilor Wright

Motion carried.

CM-26-137. Arts Board/HREC - Arts & Pride Event.

Motion to approve the Drag Queen Story Time programming held in the Jaycee Building, as part of the Arts & Pride Event.

Motion made by Councilwoman Aaron, Seconded by Councilor Rohrbach.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilor Gerald, Councilor Rohrbach, Councilor Wright

Motion carried.

ADJOURNMENT

Councilwoman Aaron congratulated the Class of 2026.

Mayor Pro Tem Mier expressed his support for the Madison Heights community and the performance scheduled in the Jaycee Building.

Councilor Wright invited the public to the Arts & Pride festival on Sunday, June 9th from 1 – 5 PM and thanked the council for being open to consideration.

Assistant City Attorney Burns had no comments this evening.

City Manager Marsh had no comments this evening.

Deputy City Clerk Boucher had no comments this evening.

Councilor Rohrbach thanked the community for their advocacy and authentic voices, encouraging residents to volunteer for city boards and commissions.

Councilor Geralds noted that the council learned a “hard lesson” regarding communication and expressed excitement for the upcoming festival.

Mayor Haines apologized for the hurt caused by the earlier decision. He thanked city staff and commissions for finding common ground and emphasized that the city has no tolerance for hate.

ADJOURNMENT

Having no further business, Mayor Haines adjourned the meeting at 2:34 p.m.

City Council Regular Meeting
Madison Heights, Michigan
June 08, 2026

A City Council Regular Meeting was held on Monday, June 08, 2026 at 6:30 PM at City Hall - Council Chambers, 300 W. 13 Mile Rd.

PRESENT

Mayor Corey Haines
Mayor Pro Tem William Mier
Councilwoman Toya Aaron
Councilman Sean Fleming
Councilor Laurie Gerald
Councilor Emily Rohrbach

ABSENT

Councilor Quinn Wright

ALSO PRESENT

City Manager Melissa Marsh
Assistant City Attorney Tim Burns
City Planner Matthew Lonnerstater
Deputy City Clerk Phommady A. Boucher

The invocation was given by Councilor Rohrbach and the Pledge of Allegiance followed.

CM-26-138. Excuse Member.

Motion to Excuse Councilor Wright from tonight’s meeting.

Motion made by Councilwoman Aaron, Seconded by Mayor Pro Tem Mier.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-139. Appointment of Acting City Clerk.

Motion to appoint Deputy City Clerk Boucher as the Acting City Clerk for tonight's City Council meeting.

Motion made by Councilor Rohrbach, Seconded by Mayor Pro Tem Mier.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-140. Addition to the Agenda.

Motion to approve the agenda with the additions to Reports as Item 6A Tentative Agreement effective July 1, 2026 - June 30, 2029, for the Supervisors Union and item 6B Tentative Agreement effective July 1, 2026 - June 30, 2029, for the Department of Public Services Union.

Motion made by Councilman Fleming, Seconded by Mayor Pro Tem Mier.
Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

MEETING OPEN TO THE PUBLIC:

Serjio Basmajian spoke in favor of the modified site plan for auto sales and repair, noting building and landscaping improvements.

Martha Covert expressed concerns regarding decorum during meetings and the handling of recent events regarding the JC building.

Dot Madison spoke in support of LGBTQ visibility and Drag Queen Story Time.

Ann Garrison suggested streamlining event planning through the Arts Board and keeping social issues off the city agenda.

Mary Harp thanked the council for moving the drag queen story hour to a building and proposed a resolution for "Straight Pride Month."

Michael Kennan raised concerns about procedural errors and the "railroading" of public opinion during a recent special meeting.

Jeff Hilliard inquired about the details of the decision-making process and whether council members faced harassment.

Kevin Wright invited everyone to attend the Juneteenth celebration on Saturday, June 20th at Civic Center Park from 12 - 6 PM.

Douglas Maclean urged support for the road millage renewal and advocated for the return of the Memorial Day parade.

Sandy Young spoke in favor of the inclusivity shown by the Drag Queen Story Time event.

Robert Young emphasized the importance of transparency and the inclusion of all community celebrations.

Carlos Harp requested more city focus on Veterans Day and Memorial Day events.

Deputy City Clerk Phommady A. Boucher read into record an email from Kevin Trabucchi regarding Republic garbage trucks, which was made part of the official meeting record.

CM-26-141. Consent Agenda.

Motion to approve the consent agenda as presented

Motion made by Mayor Pro Tem Mier, Seconded by Councilwoman Aaron.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-142. Fire-Thermal Imaging Cameras.

Motion to approve the purchase of four Seek AttackPRO+ thermal imaging cameras from MES through Sourcewell cooperative purchasing program for a total amount of \$18,116.96.

Motion made by Mayor Pro Tem Mier, Seconded by Councilwoman Aaron.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-143. City Council Regular Meeting Minutes of May 26, 2026.

Motion to approve the City Council Regular Meeting Minutes of May 26, 2026, as printed.

Motion made by Mayor Pro Tem Mier, Seconded by Councilwoman Aaron.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-144. Special Land Use Request #PSP 26-02 - 27392 Park Court - Major Home Occupation [Pet Grooming].

Motion to approve the Special Land Use request, subject to the conditions recommended by the Planning Commission.

Motion made by Mayor Pro Tem Mier, Seconded by Councilor Rohrbach.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

**CM-26-145. Special Land Use Request #PSP 26-03 - 32525 Stephenson Hwy. -
Minor Auto Service [Electronic Equipment Sales and Installation].**

Motion to approve the Special Land Use request for Minor Auto Service at 32525 Stephenson Highway, subject to the conditions recommended by the Planning Commission and staff.

Motion made by Councilwoman Aaron, Seconded by Mayor Pro Tem Mier.
Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

**CM-26-146. Special Land Use Request #PSP 26-04 - 32371 Dequindre Rd. - Minor
Auto Repair and Auto Sales.**

Motion to approve the Special Land Use, approval to be based upon the applicant complying with the conditions stated in the staff report:

1. The Major Site Plan, when submitted, shall be substantially consistent with the concept plan approved with this Special Land Use submittal and shall incorporate the auto sales use and auto sales showroom. 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.
 - b. Replace the concrete bumper blocks along the northern property line with a permanent concrete curb.
 - c. Provide a landscape plan in accordance with minimum planting standards.
 - d. Provide a photometric plan in accordance with lighting standards.
 - e. Add the required concrete dumpster pad.
 - f. Provide details, including cross-section and plant/seed listings, of the proposed bioswale/rain garden.
 - g. Denote the parking areas to be used for vehicles for sale.
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.

Motion made by Councilor Rohrbach, Seconded by Mayor Pro Tem Mier.
 Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-147. Tentative agreement effective July 1, 2026 - June 30, 2029, for the Supervisors Union.

Motion to approve a tentative agreement effective July 1, 2026 - June 30, 2029, for the Supervisors Union.

Motion made by Mayor Pro Tem Mier, Seconded by Councilor Rohrbach.
 Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-148. Tentative agreement effective July 1, 2026 - June 30, 2029, for the Department of Public Services Union.

Motion to approve a tentative agreement effective July 1, 2026 - June 30, 2029, for the Department of Public Services Union.

Motion made by Mayor Pro Tem Mier, Seconded by Councilor Rohrbach.
 Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

CM-26-149. Microsoft 365 Licenses

Motion to approve the renewal of Microsoft P1, G1 and G3 license in the amount of \$60,753. Funds are budgeted and available.

Motion made by Councilman Fleming, Seconded by Councilor Rohrbach.
 Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Gerald, Councilor Rohrbach

Motion carried.

COUNCIL COMMENTS:

Councilman Fleming invites everyone to attend the Bike Rodeo on Saturday, June 13th at the Civic Center Park from 10 AM – 1 PM hosted by the Police Department.

Councilor Gerald promoted the Summer Concert Series and Art in the Park Series on Wednesdays from June 10th to August 26th hosted by the Arts Board. She apologized for the procedural "ugliness" of the previous week's debates.

Councilor Rohrbach thanked volunteers for the Arts & Pride Festival and encouraged residents to apply for the many boards and commissions.

Deputy City Clerk Boucher reminded that voters may request absentee voter applications through the Clerk's Office or the State of Michigan. Feel free to contact the Clerk's Office at (248) 583-0826 with any questions.

City Manager Marsh informed everyone there are six (6) scheduled information meetings in June for the R-4 Neighborhood Road Millage. The City will have a table at the Bike Rodeo on Saturday, June 13th to provide literature and answer questions regarding the millage. City Manager Marsh addressed a typo in the R-4 Neighborhood Road Millage brochure.

Assistant City Attorney Burns invited the public to the Police Department Open House and the Bike Rodeo on Saturday, June 13th from 10 AM – 1 PM.

Mayor Pro Tem Mier had no comments this evening.

Councilwoman Aaron reiterated the Summer Concert Series and Art in the Park Series on Wednesdays from June 10th to August 26th hosted by the Arts Board. She announced that July is the National Disability Pride month. Councilwoman Aaron praised her son Jordan and Mayor's daughter Hannah for holding their heads high through the Arts & Pride event controversy.

Mayor Haines delivered a statement addressing the Arts & Pride event controversy and explaining the council's decision to reconsider their original vote based on new information. He emphasized the need for respectful disagreement and inclusion.

ADJOURNMENT

Having no further business, Mayor Haines adjourned the meeting at 7:38 p.m.



AGENDA ITEM SUMMARY FORM

MEETING DATE: 6/22/26

PREPARED BY: Linda Kunath, Finance Director/Treasurer

AGENDA ITEM CONTENT: Amendments to FY 2025-26 Budget and Carryforwards to Amend the FY 2026-27 Budget.

AGENDA ITEM SECTION: Reports

BUDGETED AMOUNT:

FUNDS REQUESTED:

FUND:

EXECUTIVE SUMMARY:

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.

RECOMMENDATION:

If the City Council concurs with the recommended amendments, the Council should approve the implementation of these amendments and appropriate the necessary funds.

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2025-26**

	FY 2025-26 Adopted Budget	FY 2024-25 Carryforward	Prior Approved Amendments	6/22/2026 Amendments	6/22/2026 Carryforward	FY 2025-26 Amended Budget
General Fund (101)						
<u>Revenues</u>						
Property Taxes	\$ 27,737,742	\$ -	\$ -	\$ 163,700	\$ -	\$ 27,901,442
Business Licenses/Permits	589,486	-	-	67,000	-	656,486
Non-Business License/Permits	791,734	-	-	180,000	-	971,734
Federal Shared Revenues	555,000	600,000	-	(1,025,000)	(73,150)	56,850
State Shared Revenues	6,188,770	403,200	(131,415)	250,319	-	6,710,874
Other Governmental Revenues	260,610	-	-	-	-	260,610
County Shared Revenues	39,105	-	-	-	-	39,105
SMART Shared Revenues	70,019	-	-	-	-	70,019
Court Revenues	1,552,000	-	-	(200,000)	-	1,352,000
Charges for Services	272,180	-	-	-	-	272,180
Sales - Miscellaneous	5,950	-	-	-	-	5,950
Recreation Program Revenues	284,500	-	-	-	-	284,500
Miscellaneous Revenues	2,237,356	-	118,580	600,000	-	2,955,936
Sale of Fixed Assets	97,000	-	-	-	-	97,000
Departmental Charges	849,441	-	-	-	-	849,441
Transfers	291,899	-	20,000	-	-	311,899
(Contr. To)/Use of Fund Balance	436,521	3,568,663	588,037	(508,369)	(1,481,300)	2,603,552
Total Revenues	\$ 42,259,313	\$ 4,571,863	\$ 595,202	\$ (472,350)	\$ (1,554,450)	\$ 45,399,578

<u>Expenditures</u>						
Mayor & Council	\$ 64,201	\$ -	\$ -	\$ -	\$ -	\$ 64,201
City Manager	295,902	-	-	-	-	295,902
Finance	929,617	-	-	-	-	929,617
City Clerk	467,141	-	-	-	-	467,141
Information Technology	617,637	220,750	97,150	-	(202,100)	733,437
Insurance	372,490	-	-	12,650	-	385,140
Board of Review	2,373	-	-	-	-	2,373
General Administration	1,314,624	-	30,000	-	-	1,344,624
Assessing	247,787	-	-	-	-	247,787
Election	144,538	-	25,573	-	-	170,111
DPS-Municipal Building	67,384	620,000	-	(500,000)	(120,000)	67,384
Legal	481,960	-	-	-	-	481,960
DPS-Custodial & Maintenance	200,817	-	-	15,000	-	215,817
Human Resources	475,684	-	-	-	-	475,684
District Court	1,595,229	141,505	-	-	(12,000)	1,724,734
Police	14,457,705	190,084	109,815	-	(156,000)	14,601,604
Fire	10,119,061	1,347,000	236,169	-	(595,200)	11,107,030
DPS-Streets	1,155,660	165,896	88,611	-	(146,150)	1,264,017
DPS-Solid Waste	3,034,292	1,046,800	-	-	(85,000)	3,996,092
Community Development	1,266,172	110,000	-	-	(28,000)	1,348,172
DPS-Recreation	376,269	-	-	-	-	376,269
DPS-Parks	1,466,171	676,000	7,884	-	(210,000)	1,940,055
DPS-Active Adult Center	574,835	46,828	-	-	-	621,663
Library	1,020,957	7,000	-	-	-	1,027,957
Pension Obligation Debt Services	1,027,707	-	-	-	-	1,027,707
Transfer Out	483,100	-	-	-	-	483,100
Total Expenditures	\$ 42,259,313	\$ 4,571,863	\$ 595,202	\$ (472,350)	\$ (1,554,450)	\$ 45,399,578

Major Streets (202)						
<u>Revenues</u>						
State Shared Revenues	\$ 2,715,325	\$ -	\$ -	\$ -	\$ -	\$ 2,715,325
County Shared Revenues	86,086	-	-	-	-	86,086
Miscellaneous Revenues	-	-	-	-	-	-
Prior Years Fund Balance	(626,269)	1,492,508	-	250,000	(600,000)	516,239
Total Revenues	\$ 2,175,142	\$ 1,492,508	\$ -	\$ 250,000	\$ (600,000)	\$ 3,317,650

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2025-26**

	FY 2025-26 Adopted Budget	FY 2024-25 Carryforward	Prior Approved Amendments	6/22/2026 Amendments	6/22/2026 Carryforward	FY 2025-26 Amended Budget
<u>Expenditures</u>						
Construction	\$ 1,525,000	\$ 1,492,508	\$ -	\$ 250,000	\$ (600,000)	\$ 2,667,508
Maintenance	166,978	-	-	-	-	166,978
Traffic Services	191,094	-	-	-	-	191,094
Winter Maintenance	192,408	-	-	-	-	192,408
Administration	10,873	-	-	-	-	10,873
County Roads	88,789	-	-	-	-	88,789
Transfers	-	-	-	-	-	-
Total Expenditures	\$ 2,175,142	\$ 1,492,508	\$ -	\$ 250,000	\$ (600,000)	\$ 3,317,650

Local Streets (203)

<u>Revenues</u>						
Property Taxes	\$ 2,104,690	\$ -	\$ -	\$ -	\$ -	\$ 2,104,690
State Shared Revenues	1,250,336	-	151,295	-	-	1,401,631
County Shared Revenues	-	-	-	-	-	-
Miscellaneous Revenue	50,000	-	-	-	-	50,000
Transfers In	-	-	-	-	-	-
Prior Years Fund Balance	(923,731)	-	(151,295)	767,000	-	(308,026)
Total Revenues	\$ 2,481,295	\$ -	\$ -	\$ 767,000	\$ -	\$ 3,248,295

<u>Expenditures</u>						
Construction	\$ 1,956,000	\$ -	\$ -	\$ 767,000	\$ -	\$ 2,723,000
Maintenance	309,127	-	-	-	-	309,127
Traffic Services	136,147	-	-	-	-	136,147
Winter Maintenance	50,740	-	-	-	-	50,740
Administration	29,281	-	-	-	-	29,281
Transfers	-	-	-	-	-	-
Total Expenditures	\$ 2,481,295	\$ -	\$ -	\$ 767,000	\$ -	\$ 3,248,295

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2025-26**

	FY 2025-26 Adopted Budget	FY 2024-25 Carryforward	Prior Approved Amendments	6/22/2026 Amendments	6/22/2026 Carryforward	FY 2025-26 Amended Budget
<u>Parks Maintenance & Improvement Fund (208)</u>						
<u>Revenues</u>						
Miscellaneous	\$ 48,972	\$ -	\$ -	\$ -	\$ -	\$ 48,972
Prior Years Fund Balance	50,000	-	-	-	-	50,000
Total Revenues	\$ 98,972	\$ -	\$ -	\$ -	\$ -	\$ 98,972
<u>Expenditures</u>						
Parks Maintenance & Improvement	\$ 98,972	\$ -	\$ -	\$ -	\$ -	\$ 98,972
Transfers	-	-	-	-	-	-
Total Expenditures	\$ 98,972	\$ -	\$ -	\$ -	\$ -	\$ 98,972
<u>Downtown Development Authority (248)</u>						
<u>Revenues</u>						
Property Taxes	\$ 254,909	\$ -	\$ -	\$ -	\$ -	\$ 254,909
State Shared Revenues	27,545	-	-	-	-	27,545
County Shared Revenues	-	-	-	-	-	-
Miscellaneous Revenue	500	-	-	-	-	500
Prior Years Fund Balance	(110,789)	725,562	-	-	-	614,773
Transfers In	-	-	-	-	-	-
Total Revenues	\$ 172,165	\$ 725,562	\$ -	\$ -	\$ -	\$ 897,727
<u>Expenditures</u>						
Downtown Development	\$ 87,766	\$ -	\$ -	\$ -	\$ -	\$ 87,766
Capital Outlay	55,000	725,562	-	-	-	780,562
Transfers	29,399	-	-	-	-	29,399
Total Expenditures	\$ 172,165	\$ 725,562	\$ -	\$ -	\$ -	\$ 897,727
<u>Drug Forfeiture Fund (265)</u>						
<u>Revenues</u>						
Other Governmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	250	-	-	-	-	250
Transfers In	-	-	-	-	-	-
Prior Years Fund Balance	55,250	-	-	-	-	55,250
Total Revenues	\$ 55,500	\$ -	\$ -	\$ -	\$ -	\$ 55,500
<u>Expenditures</u>						
Vehicle - State, Patrol Vehicles	\$ 55,500	\$ -	\$ -	\$ -	\$ -	\$ 55,500
Total Expenditures	\$ 55,500	\$ -	\$ -	\$ -	\$ -	\$ 55,500

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2025-26**

	FY 2025-26 Adopted Budget	FY 2024-25 Carryforward	Prior Approved Amendments	6/22/2026 Amendments	6/22/2026 Carryforward	FY 2025-26 Amended Budget
<u>Community Improvement Fund (276)</u>						
<u>Revenues</u>						
Federal Shared Revenues	\$ 137,359	\$ -	\$ -	\$ 42,000	\$ -	\$ 179,359
Prior Years Fund Balance	-	-	-	-	-	-
Total Revenues	\$ 137,359	\$ -	\$ -	\$ 42,000	\$ -	\$ 179,359
<u>Expenditures</u>						
Community Development	\$ 137,359	\$ -	\$ -	\$ 42,000	\$ -	\$ 179,359
Total Expenditures	\$ 137,359	\$ -	\$ -	\$ 42,000	\$ -	\$ 179,359
<u>Special Assessment Revolving (297)</u>						
<u>Revenues</u>						
Use of Fund Balance	\$ 32,500	\$ -	\$ -	\$ -	\$ -	\$ 32,500
Total Revenues	\$ 32,500	\$ -	\$ -	\$ -	\$ -	\$ 32,500
<u>Expenditures</u>						
Construction	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Transfers Out	2,500	-	-	-	-	2,500
Total Expenditures	\$ 32,500	\$ -	\$ -	\$ -	\$ -	\$ 32,500
<u>Municipal Building Bond (370)</u>						
<u>Revenues</u>						
Transfers In	\$ 483,100	\$ -	\$ -	\$ -	\$ -	\$ 483,100
Total Revenues	\$ 483,100	\$ -	\$ -	\$ -	\$ -	\$ 483,100
<u>Expenditures</u>						
Debt Service	\$ 483,100	\$ -	\$ -	\$ -	\$ -	\$ 483,100
Total Expenditures	\$ 483,100	\$ -	\$ -	\$ -	\$ -	\$ 483,100

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2025-26**

	FY 2025-26 Adopted Budget	FY 2024-25 Carryforward	Prior Approved Amendments	6/22/2026 Amendments	6/22/2026 Carryforward	FY 2025-26 Amended Budget
Water & Sewer Fund (592)						
<u>Revenues</u>						
Sales of Water	\$ 5,938,781	\$ -	\$ -	\$ 470,000	\$ -	\$ 6,408,781
Sales of Sewer	7,935,461	-	-	100,000	-	8,035,461
Charges for Services	45,000	-	-	-	-	45,000
Miscellaneous	163,800	-	-	40,000	-	203,800
Sale of Fixed Assets	12,000	-	-	-	-	12,000
Department Charges	115,000	-	-	-	-	115,000
Transfers	-	-	-	-	-	-
Prior Years Fund Balance	148,434	1,115,500	20,000	(135,000)	(1,543,750)	(394,816)
Total Revenues	\$ 14,358,476	\$ 1,115,500	\$ 20,000	\$ 475,000	\$ (1,543,750)	\$ 14,425,226
<u>Expenditures</u>						
Sewage Disposal	\$ 5,013,019	\$ -	\$ -	\$ -	\$ -	\$ 5,013,019
Water Purchased	3,085,036	-	-	-	-	3,085,036
Water System Maintenance	913,120	-	-	400,000	-	1,313,120
Water Tapping & Installation	50,000	-	-	75,000	-	125,000
Sewer System Maintenance	658,198	-	-	-	-	658,198
General Service Building	236,952	-	-	-	-	236,952
General Administration	1,718,628	-	-	-	-	1,718,628
Capital Outlay	2,531,610	1,115,500	-	-	(1,543,750)	2,103,360
Debt Administration	151,913	-	-	-	-	151,913
Transfers	-	-	20,000	-	-	20,000
Total Expenditures	\$ 14,358,476	\$ 1,115,500	\$ 20,000	\$ 475,000	\$ (1,543,750)	\$ 14,425,226
Department of Public Services (650)						
<u>Revenues</u>						
Contributions - General Fund	\$ 786,922	\$ -	\$ -	\$ -	\$ -	\$ 786,922
Contributions - Major Streets	63,676	-	-	-	-	63,676
Contributions - Local Streets	129,151	-	-	-	-	129,151
Contributions - Water/Sewer	1,425,637	-	-	-	-	1,425,637
Prior Years Fund Balance	-	-	-	-	-	-
Total Revenues	\$ 2,405,386	\$ -	\$ -	\$ -	\$ -	\$ 2,405,386
<u>Expenditures</u>						
Department of Public Services	\$ 2,405,386	\$ -	\$ -	\$ -	\$ -	\$ 2,405,386
Total Expenditures	\$ 2,405,386	\$ -	\$ -	\$ -	\$ -	\$ 2,405,386

**CITY OF MADISON HEIGHTS
AMENDED BUDGET
FY 2025-26**

	FY 2025-26 Adopted Budget	FY 2024-25 Carryforward	Prior Approved Amendments	6/22/2026 Amendments	6/22/2026 Carryforward	FY 2025-26 Amended Budget
<u>Motor Pool and Equipment Fund (661)</u>						
<u>Revenues</u>						
Contributions - General Fund	\$ 1,164,580	\$ -	\$ -	\$ -	\$ -	\$ 1,164,580
Contributions - Water/Sewer	96,470	-	-	-	-	96,470
Fund Balance	-	-	-	-	-	-
Total Revenues	\$ 1,261,050	\$ -	\$ -	\$ -	\$ -	\$ 1,261,050
<u>Expenditures</u>						
Motorpool	\$ 1,261,050	\$ -	\$ -	\$ -	\$ -	\$ 1,261,050
Total Expenditures	\$ 1,261,050	\$ -	\$ -	\$ -	\$ -	\$ 1,261,050
<u>Chapter 20 Drain Debt Service Fund (870)</u>						
<u>Revenues</u>						
Property Taxes	\$ 223,708	\$ -	\$ -	\$ -	\$ -	\$ 223,708
Total Revenues	\$ 223,708	\$ -	\$ -	\$ -	\$ -	\$ 223,708
<u>Expenditures</u>						
Services and Charges	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Debt Service	73,708	-	-	-	-	73,708
Total Expenditures	\$ 223,708	\$ -	\$ -	\$ -	\$ -	\$ 223,708

EXHIBIT A
City of Madison Heights
Explanation of Amendments for FY 2025-26

General Fund Revenues (101)	Explanation	Amount	Account Number
Property Taxes - Tax Administrative Fees	Adjust to Actual	\$ 37,100	101-011-447-0000
Property Taxes - PPT Reimbursement	Adjust to Actual	126,600	101-011-573-4172
Business Licenses/Permits	Adjust to Estimated Actual	67,000	101-014-476-4570
Non-Business Licenses/Permits - Construction Permits	Adjust to Estimated Actual	180,000	101-017-476-4771
Federal Shared Revenues - Federal Grant - Other	Energy Futures Grant Canceled	(500,000)	101-021-528-5288
Federal Shared Revenues - Federal Grant - Other	HUD Grant Recorded in Fund 272	(525,000)	101-021-528-5288
State Shared Revenues - State Grant - Public Safety	State Revenue Sharing for Police	70,000	101-023-543-0000
State Shared Revenues - State Grant - Other	State Small Business Taxpayer Exemption Reimbursement	102,370	101-023-569-5766
State Shared Revenues - Local Community Stabilization	Adjust to Actual	155,174	101-023-573-0000
State Shared Revenues - Sales Tax Constitutional	Adjust to Estimated Actual	(77,225)	101-023-574-5752
Court Revenues - Court Fines	Adjust to Actual	(35,000)	101-027-604-1000
Court Revenues - Court Cost City	Adjust to Actual	(125,000)	101-027-604-3000
Court Revenues - Probation Oversight	Adjust to Actual	(40,000)	101-027-607-6045
Miscellaneous Revenues - Interest Earned	Adjust to Estimated Actual	600,000	101-044-665-5000
Prior Years Fund Balance	Use of Fund Balance	(508,369)	101-053-692-6970
Total General Fund Revenues		<u>\$ (472,350)</u>	

General Fund Expenditures (101)	Explanation	Amount	Account Number
Insurance - Insurance and Bonds	Adjust to Actual	\$ 12,650	101-236-962-9100
Municipal Building - Contractual Services - Federal	Energy Futures Grant Canceled	(500,000)	101-265-818-0044
Custodial and Maintenance - Contractual Services	Court Building EIFS and Doorway Repairs	15,000	101-267-818-0000
Total General Fund Expenditures		<u>\$ (472,350)</u>	

Major Streets Fund Revenues (202)	Explanation	Amount	Account Number
Prior Years Fund Balance	Use of Fund Balance	\$ 250,000	202-053-692-6970
Total Major Streets Fund Revenues		<u>\$ 250,000</u>	

Major Streets Fund Expenditures (202)	Explanation	Amount	Account Number
Construction - 11 Mile Sectional	Adjust to Actual	\$ 250,000	202-450-989-0025
Total Major Streets Fund Expenditures		<u>\$ 250,000</u>	

Local Streets Revenues (203)	Explanation	Amount	Account Number
Prior Years Fund Balance	Use of Fund Balance	\$ 767,000	203-053-692-6970
Total Local Streets Revenues		<u>\$ 767,000</u>	

Local Streets Expenditures (203)	Explanation	Amount	Account Number
R-3 Alger, DIESING to 12 Mile	Adjust to Actual	\$ 100,000	203-450-989-0654
R-3 Delton, 11 Mile to University	Adjust to Actual	332,000	203-450-989-0655
R-3 Osmun, 11 Mile to University	Adjust to Actual	335,000	203-450-989-0658
Total Local Streets Expenditures		<u>\$ 767,000</u>	

EXHIBIT A
City of Madison Heights
Explanation of Amendments for FY 2025-26

Community Improvement Revenues (276)	Explanation	Amount	Account Number
County Block 18	Adjust to Actual	\$ 42,000	276-021-522-6818
		<u>Total Local Streets Revenues</u>	
		<u>\$ 42,000</u>	

Community Improvement Expenditures (276)	Explanation	Amount	Account Number
Community Development - Contractual Services	Adjust to Actual	\$ 42,000	276-728-818-0000
		<u>Total Local Streets Expenditures</u>	
		<u>\$ 42,000</u>	

Water and Sewer Fund Revenues (592)	Explanation	Amount	Account Number
Water Sales - Penalties	Adjust to Estimated Actual	\$ 100,000	592-010-632-6120
Water Sales - Residential Water Sales	Adjust to Estimated Actual	300,000	592-010-642-6430
Water Sales - Commercial Water Sales	Adjust to Estimated Actual	70,000	592-010-642-6440
Sewage Disposal - Sewage Disposal Charges	Adjust to Estimated Actual	100,000	592-020-630-6115
Miscellaneous Revenue - Interest Earned	Adjust to Estimated Actual	40,000	592-044-665-5000
Prior Years Fund Balance	Use of Fund Balance	(135,000)	592-053-692-6970
		<u>Total Water and Sewer Fund Revenues</u>	
		<u>\$ 475,000</u>	

Water and Sewer Fund Expenditures (592)	Explanation	Amount	Account Number
Water System Maintenance - Contractual Services	Watermain Breaks	\$ 400,000	592-551-818-0000
General Service Building - Insurance and Bonds	Adjust to Actual	75,000	592-565-962-9100
		<u>Total Water and Sewer Fund Expenditures</u>	
		<u>\$ 475,000</u>	

**CITY OF MADISON HEIGHTS
AMENDED BUDGET FY 2025-26**

General Fund (101)	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
Revenues			
Property Taxes	\$ 28,362,187	\$ -	\$ 28,362,187
Business Licenses/Permits	635,800	-	635,800
Non-Business License/Permits	796,500	-	796,500
Federal Shared Revenues	30,000	73,150	103,150
State Shared Revenues	6,012,620	-	6,012,620
Other Governmental Revenues	245,048	-	245,048
County Shared Revenues	38,186	-	38,186
SMART Shared Revenues	70,019	-	70,019
Court Revenues	1,567,000	-	1,567,000
Charges for Services	308,680	-	308,680
Sales - Miscellaneous	10,200	-	10,200
Recreation Program Revenues	343,200	-	343,200
Miscellaneous Revenues	2,908,356	-	2,908,356
Sale of Fixed Assets	67,500	-	67,500
Departmental Charges	971,253	-	971,253
Transfers	529,936	-	529,936
(Contr. To)/Use of Fund Balance	427,833	1,481,300	1,909,133
Total Revenues	\$ 43,324,318	\$ 1,554,450	\$ 44,878,768
Expenditures			
Mayor & Council	\$ 67,834	\$ -	\$ 67,834
City Manager	305,911	-	305,911
Finance	1,025,338	-	1,025,338
City Clerk	456,513	-	456,513
Information Technology	495,199	202,100	697,299
Insurance	396,660	-	396,660
Board of Review	2,373	-	2,373
General Administration	1,490,116	-	1,490,116
Assessing	273,944	-	273,944
Election	270,950	-	270,950
DPS-Municipal Building	67,631	120,000	187,631
Legal	457,000	-	457,000
DPS-Custodial & Maintenance	209,902	-	209,902
Human Resources	487,185	-	487,185
District Court	1,641,870	12,000	1,653,870
Police	14,694,943	156,000	14,850,943
Fire	10,232,152	595,200	10,827,352
DPS-Streets	1,162,405	146,150	1,308,555
DPS-Solid Waste	3,235,924	85,000	3,320,924
Community Development	1,352,308	28,000	1,380,308
DPS-Recreation	434,400	-	434,400
DPS-Parks	1,345,450	210,000	1,555,450
DPS-Active Adult Center	623,989	-	623,989
Library	1,085,527	-	1,085,527
Pension Obligation Debt Services	1,025,494	-	1,025,494
Transfer Out	483,300	-	483,300
Total Expenditures	\$ 43,324,318	\$ 1,554,450	\$ 44,878,768

**CITY OF MADISON HEIGHTS
AMENDED BUDGET FY 2025-26**

Major Streets (202)	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
State Shared Revenues	\$ 2,758,356	\$ -	\$ 2,758,356
County Shared Revenues	86,595	-	86,595
Miscellaneous Revenues	-	-	-
Prior Years Fund Balance	(845,993)	600,000	(245,993)
Total Revenues	\$ 1,998,958	\$ 600,000	\$ 2,598,958
<u>Expenditures</u>			
Construction	\$ 1,375,000	\$ 600,000	\$ 1,975,000
Maintenance	167,986	-	167,986
Traffic Services	161,994	-	161,994
Winter Maintenance	192,830	-	192,830
Administration	11,191	-	11,191
County Roads	89,957	-	89,957
Transfers	-	-	-
Total Expenditures	\$ 1,998,958	\$ 600,000	\$ 2,598,958
Local Streets (203)	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Property Taxes	\$ 2,174,735	\$ -	\$ 2,174,735
State Shared Revenues	2,573,724	-	2,573,724
County Shared Revenues	-	-	-
Miscellaneous Revenue	75,000	-	75,000
Transfers In	-	-	-
Prior Years Fund Balance	(1,484,628)	-	(1,484,628)
Total Revenues	\$ 3,338,831	\$ -	\$ 3,338,831
<u>Expenditures</u>			
Construction	\$ 2,828,000	\$ -	\$ 2,828,000
Maintenance	311,509	-	311,509
Traffic Services	138,638	-	138,638
Winter Maintenance	51,126	-	51,126
Administration	9,558	-	9,558
Transfers	-	-	-
Total Expenditures	\$ 3,338,831	\$ -	\$ 3,338,831

**CITY OF MADISON HEIGHTS
AMENDED BUDGET FY 2025-26**

<u>Parks Maintenance & Improvement Fund (208)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Miscellaneous	\$ 46,000	\$ -	\$ 46,000
Prior Years Fund Balance	17,887	-	17,887
Total Revenues	\$ 63,887	\$ -	\$ 63,887
<u>Expenditures</u>			
Parks Maintenance & Improvement	\$ 63,887	\$ -	\$ 63,887
Transfers	-	-	-
Total Expenditures	\$ 63,887	\$ -	\$ 63,887
<u>Downtown Development Authority (248)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Property Taxes	\$ 264,221	\$ -	\$ 264,221
State Shared Revenues	26,810	-	26,810
County Shared Revenues	-	-	-
Miscellaneous Revenue	500	-	500
Prior Years Fund Balance	(84,702)	-	(84,702)
Transfers In	-	-	-
Total Revenues	\$ 206,829	\$ -	\$ 206,829
<u>Expenditures</u>			
Downtown Development	\$ 91,560	\$ -	\$ 91,560
Capital Outlay	85,000	-	85,000
Transfers	30,269	-	30,269
Total Expenditures	\$ 206,829	\$ -	\$ 206,829
<u>Drug Forfeiture Fund (265)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Other Governmental Revenues	\$ 24,000	\$ -	\$ 24,000
Miscellaneous Revenue	500	-	500
Transfers In	-	-	-
Prior Years Fund Balance	37,000	-	37,000
Total Revenues	\$ 61,500	\$ -	\$ 61,500
<u>Expenditures</u>			
Vehicle - State, Patrol Vehicles	\$ 61,500	\$ -	\$ 61,500
Total Expenditures	\$ 61,500	\$ -	\$ 61,500

**CITY OF MADISON HEIGHTS
AMENDED BUDGET FY 2025-26**

<u>Community Improvement Fund (276)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Federal Shared Revenues	\$ 153,311	\$ -	\$ 153,311
Prior Years Fund Balance	-	-	-
Total Revenues	\$ 153,311	\$ -	\$ 153,311
<u>Expenditures</u>			
Community Development	\$ 153,311	\$ -	\$ 153,311
Total Expenditures	\$ 153,311	\$ -	\$ 153,311
<u>Special Assessment Revolving (297)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Miscellaneous Revenue	\$ 2,500		\$ 2,500
Special Assessment Revenue	2,459		2,459
Use of Fund Balance	27,541	-	27,541
Total Revenues	\$ 32,500	\$ -	\$ 32,500
<u>Expenditures</u>			
Construction	\$ 30,000	\$ -	\$ 30,000
Transfers Out	2,500	-	2,500
Total Expenditures	\$ 32,500	\$ -	\$ 32,500
<u>Municipal Building Bond (370)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Transfers In	\$ 483,300	\$ -	\$ 483,300
Total Revenues	\$ 483,300	\$ -	\$ 483,300
<u>Expenditures</u>			
Debt Service	\$ 483,300	\$ -	\$ 483,300
Total Expenditures	\$ 483,300	\$ -	\$ 483,300

**CITY OF MADISON HEIGHTS
AMENDED BUDGET FY 2025-26**

Water & Sewer Fund (592)	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Sales of Water	\$ 6,380,046	\$ -	\$ 6,380,046
Sales of Sewer	8,442,414	-	8,442,414
Charges for Services	55,000	-	55,000
Miscellaneous	178,800	-	178,800
Sale of Fixed Assets	28,500	-	28,500
Department Charges	115,000	-	115,000
Transfers	-	-	-
Prior Years Fund Balance	162,187	1,543,750	1,705,937
Total Revenues	\$ 15,361,947	\$ 1,543,750	\$ 16,905,697

<u>Expenditures</u>			
Sewage Disposal	\$ 5,400,285	\$ -	\$ 5,400,285
Water Purchased	3,047,016	-	3,047,016
Water System Maintenance	980,467	-	980,467
Water Tapping & Installation	40,000	-	40,000
Sewer System Maintenance	668,846	-	668,846
General Service Building	270,912	-	270,912
General Administration	1,856,691	-	1,856,691
Capital Outlay	2,946,043	1,543,750	4,489,793
Debt Administration	151,687	-	151,687
Total Expenditures	\$ 15,361,947	\$ 1,543,750	\$ 16,905,697

Department of Public Services (650)	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Contributions - General Fund	\$ 800,824	\$ -	\$ 800,824
Contributions - Major Streets	63,707	-	63,707
Contributions - Local Streets	134,151	-	134,151
Contributions - Water/Sewer	1,450,820	-	1,450,820
Prior Years Fund Balance	-	-	-
Total Revenues	\$ 2,449,502	\$ -	\$ 2,449,502
<u>Expenditures</u>			
Department of Public Services	\$ 2,449,502	\$ -	\$ 2,449,502
Total Expenditures	\$ 2,449,502	\$ -	\$ 2,449,502

**CITY OF MADISON HEIGHTS
AMENDED BUDGET FY 2025-26**

<u>Motor Pool and Equipment Fund (661)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Contributions - General Fund	\$ 1,160,741	\$ -	\$ 1,160,741
Contributions - Water/Sewer	127,851	-	127,851
Prior Years Fund Balance	-	-	-
Total Revenues	\$ 1,288,592	\$ -	\$ 1,288,592
<u>Expenditures</u>			
Motorpool	\$ 1,288,592	\$ -	\$ 1,288,592
Total Expenditures	\$ 1,288,592	\$ -	\$ 1,288,592
<u>Chapter 20 Drain Debt Service Fund (870)</u>	2026-27 ORIGINAL BUDGET	2025-26 CARRY FORWARD	2026-27 AMENDED BUDGET
<u>Revenues</u>			
Property Taxes	\$ 214,027	\$ -	\$ 214,027
Total Revenues	\$ 214,027	\$ -	\$ 214,027
<u>Expenditures</u>			
Services and Charges	\$ 150,000	\$ -	\$ 150,000
Debt Service	64,027	-	64,027
Total Expenditures	\$ 214,027	\$ -	\$ 214,027

EXHIBIT B
City of Madison Heights
Explanation of Carryforwards from FY 2025-26 to FY 2026-27

General Fund Revenues (101)	Explanation	Amount	Account Number
Federal Shared Revenues - Federal Grant - Other	Federal Grant projects Senior Chore and Safer Streets TAP	\$ 73,150	101-021-528-5288
Prior Years Fund Balance	Use of Fund Balance	1,481,300	101-053-692-6970
Total General Fund Revenues		<u>\$ 1,554,450</u>	

General Fund Expenditures (101)	Explanation	Amount	Account Number
Information Technology - Computer Equipment	Phone System Upgrade Project	\$ 187,500	101-228-982-0000
Information Technology - Computer Equipment	Network Equipment Update	14,600	101-228-982-0000
Municipal Building - Improvements	Security Additions	20,000	101-265-987-0000
Municipal Building - Improvements	Parking Lot Repairs (Phase 1)	100,000	101-265-987-0000
Court - Machinery and Equipment	Security Equipment Upgrade Project	12,000	101-286-982-0000
Police - Improvements	Police Men's Locker Replacement	47,000	101-301-987-0000
Police - Improvements	Carpet Replacement	65,000	101-301-987-0000
Police - Improvements	Police Reserve Locker Replacement	9,000	101-301-987-0000
Police - Improvements	Police VCT Flooring Lower Level	25,000	101-301-987-0000
Police - Improvements	Police Reserve Station Renovation	10,000	101-301-987-0000
Fire - Machinery and Equipment	Battery Pressure Ventilaiton Fans (PPV)	14,000	101-336-982-0000
Fire Department - Improvements	Fire Station 1 - HVAC Replacement (Accumulated Funding)	361,200	101-336-987-0000
Fire Department - Improvements	Fire Station 1 - Carpeting Replacement	20,000	101-336-987-0000
Fire Department - Improvements	Fire Station 1 - Roof Replacement (Phase 1)	200,000	101-336-987-0000
Streets - Contractual Services	SEMCOG Safer Streets For All TAP grant	45,150	101-446-982-0000
Streets - Machinery	Brine Making Equipment	101,000	101-446-982-0000
Solid Waste - Vehicles	Brush Chipper #406	85,000	101-528-985-0000
Community Development	Senior Chore Grant	28,000	101-728-818-0000
Parks - Improvements	Rosie's - Softball Field Rehabilitation	60,000	101-752-987-0000
Parks - Improvements	Rosie's Pavilion to Shade Structures - Various Parks	150,000	101-752-987-0000
Total General Fund Expenditures		<u>\$ 1,554,450</u>	

Major Streets Fund Revenues (202)	Explanation	Amount	Account Number
Prior Years Fund Balance	Use of Fund Balance	\$ 600,000	202-053-692-6970
Total Major Streets Fund Revenues		<u>\$ 600,000</u>	

Major Streets Fund Expenditures (202)	Explanation	Amount	Account Number
Construction - John R Overlay 11 Mile to 12 1/2	John R Overlay (Accumulated Funding)	\$ 600,000	202-450-988-0443
Total Major Streets Fund Expenditures		<u>\$ 600,000</u>	

Water and Sewer Fund Revenues (592)	Explanation	Amount	Account Number
Prior Years Fund Balance	Use of Fund Balance	\$ 1,543,750	592-053-692-6970
Total Water and Sewer Fund Revenues		<u>\$ 1,543,750</u>	

Water and Sewer Fund Expenditures (592)	Explanation	Amount	Account Number
Capital Outlay - Water Main	Rowland WMP	256,000	592-901-973-1000
Capital Outlay - Sewer Rehab	Sewer Repairs (Accumulated Funding)	475,000	592-901-973-2000
Capital Outlay - Machinery	DPS Generator	50,000	592-901-982-0000
Capital Outlay - Vehicles	Dump Truck #464	150,000	592-901-985-0000
Capital Outlay - Improvements	DPS Concrete Repairs	100,000	592-901-987-0000
Capital Outlay - Improvements	DPS HVAC System	300,000	592-901-987-0000
Capital Outlay - Improvements	DPS Security Improvements	20,000	592-901-987-0000
Capital Outlay - Improvements	DPS Fiber cabling project	130,000	592-901-987-0000
Capital Outlay - Improvements	Phone System Upgrade project	62,750	592-901-987-0000
Total Water and Sewer Fund Expenditures		<u>\$ 1,543,750</u>	



AGENDA ITEM SUMMARY FORM

MEETING DATE: 6/22/26

PREPARED BY: Linda Kunath, Finance Director/Treasurer

AGENDA ITEM CONTENT: Amendment to the Capital Asset Management Policy

AGENDA ITEM SECTION: Reports

BUDGETED AMOUNT:

FUNDS REQUESTED:

FUND:

EXECUTIVE SUMMARY:

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.

RECOMMENDATION:

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.

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, 2025 the City will capitalize individual assets other than Buildings, Building Improvements and Land Improvements and Infrastructure that cost \$15,000 or more and have an estimated useful life of at least two (2) years. 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, 2025 and capitalized at a lower threshold, may continue to be depreciated on the basis of past practice. Effective July 1, 2025, 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 \$15,000, but that operates as part of a network 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 \$15,000 but are interdependent and the overriding value 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 external 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 – 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 – 5-10 years
 - c. Furniture and fixtures – 5-10 years
 - d. Office Equipment – 5-10 years
 - e. Vehicles – 5 years
 - f. Infrastructure assets
 - i. Streets and bridges – 15-50 years
 - ii. Sidewalks – 15 years
 - iii. Utility systems – 20-55 years

7. Capital vs. Repair and Maintenance Expense –
 - a. With respect to improvements on non-infrastructure and infrastructure capital assets, costs 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 Approach, costs 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, are 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.



AGENDA ITEM SUMMARY FORM

MEETING DATE: 06/16/26

PREPARED BY: City Manager - Melissa Marsh

AGENDA ITEM CONTENT: City Attorney - Amendment to Settlement Agreement Artic Fox, LLC

AGENDA ITEM SECTION: Reports

BUDGETED AMOUNT: \$0

FUNDS REQUESTED:

FUND: n/a

EXECUTIVE SUMMARY:

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.

RECOMMENDATION:

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.

**AMENDMENT TO SETTLEMENT AGREEMENT BETWEEN
ARTIC FOX, LLC v CITY OF MADISON HEIGHTS**

The Parties to the litigation Settlement Agreement dated January 22, 2024 (hereafter "Agreement") between the City of Madison Heights (hereafter "City"), a Michigan Municipal Corporation, whose address is 300 West Thirteen Mile Road, Madison Heights, MI 48071 and Artic Fox, LLC d/b/a JARS Cannabis (hereafter "JARS"), a Michigan-registered Limited Liability Corporation, whose address is 33 Bloomfield Hills Parkway #100, Bloomfield Hills, MI 48304 mutually agree to the following amendments to the terms and conditions of such Agreement:

1. The original text of Section 4(f) shall be deleted in its entirety and replaced as follows:

Per an Amendment to this Agreement executed by the Parties by July 1, 2026, JARS shall not be required to construct a detached structure for grower and processor operations on the designated parcel as a requirement of maintaining City issued marijuana business operating licenses per the original Agreement. In Lieu of the construction mandate, JARS shall pay the City a one-time fee of \$167,500.00. Additionally, beginning in 2027, JARS shall pay the City each year this Agreement is in effect, \$15,000.00 starting in 2026 with that payment amount increased each year thereafter on January 1 to be adjusted to incorporate the Inflation Rate Multiplier as determined by the Michigan State Tax Commission and published by the Michigan Department of Treasury in its annual bulletin for that year to compensate the City for property tax revenue lost by the lack of originally obligated construction by JARS. Such annually adjusted payments by JARS to the City will be made by June 1 of each year and continue through the life of this Agreement. Payment of the \$167,500.00 one-time fee and all annual licensing fees and community foundation donations as required under this Agreement are to be paid to the City on July 1, 2026.

JARS shall continue to annually renew and pay to Madison Heights for all of the licenses as required of it by Sections C and 10 of this Agreement but despite annually renewing its medical and adult-use grower licenses JARS shall not engage in marijuana grow operations on the designated parcel. JARS shall not be required to obtain State license approval for any licenses referenced herein that will not be utilized in Madison Heights. Engaging in grow operations on the designated parcel would result in JARS forfeiting all of its

licenses issued per this Agreement despite such grow licenses being renewed annually with the City by JARS being a requirement of the Agreement. All seven licenses will remain active with appropriate fees and renewals paid each year to the City and those licenses will not be placed in escrow by JARS.

The space on the parcel formerly designated for marihuana grow and processing building footprint shall be seeded and maintained as lawn area in accordance with the City's property maintenance code. Trees and landscaping originally proposed along the west side of the grow/processing building shall be distributed and planted throughout the new lawn area and around the edge of the stormwater basin. The following plant type counts shall be provided:

- Three (3) 2.5"-caliper "Robin Hill Serviceberry trees;
- Four (4) 5'-8' tall "Black Hills Spruce" trees;
- Seven (7) 30"-tall "Sea Green Juniper" shrubs;
- Six (6) 30"-tall "Little Henry Virginia Sweetspire" shrubs.

A revised landscape plan shall be submitted to the Community and Economic Development (CED) Department for approval in accordance with the planting and tree types and counts above. Planting and tree types may be substituted for similar plants, as deemed acceptable by CED. The above noted landscaping and plantings for the grow and processing building footprint and edge of stormwater basin shall be installed and maintained as of August 1, 2026.

2. The changes to the Agreement listed above shall take effect July 1, 2026.
3. This Amendment does not materially alter any of the content or requirements of the Agreement beyond the specific alterations reflected in Section 1 of this Amendment. If the content of Section 4(f) conflicts with other sections of the Agreement, the intent of this Amendment supersedes. Otherwise, all of the original terms and conditions of the original Agreement remain in full effect binding upon both parties.
4. Both Parties have had the opportunity for legal counsel to review this Amendment and mutually agree to such alterations to the original Agreement's terms and conditions without threat or coercion.

