CITY OF MADISON HEIGHTS

CITY HALL - COUNCIL CHAMBERS, 300 W. 13 MILE RD.

CITY COUNCIL REGULAR MEETING AGENDA

AUGUST 10, 2026 AT 6:30 PM

CALL TO ORDER

ROLL CALL

INVOCATION and PLEDGE OF ALLEGIANCE - COUNCILWOMAN AARON

APPROVAL OF THE AGENDA:

1. Additions/Deletions

PRESENTATIONS

PUBLIC HEARINGS:

MEETING OPEN TO THE PUBLIC:

CONSENT AGENDA:

2. Director of Public Services - Scheduled Replacement of Vehicle #126
3. Director of Public Services - 2026 Pavement Marking
4. Fire Chief - Purchase of a New Advanced Life Support Training Manikin.
5. City Council Regular Meeting Minutes of July 13, 2026

COMMUNICATIONS:

REPORTS:

6. City Manager - Amendment to Employees 401(a) Retirement Plan to Permit Loans

ITEMS FOR FUTURE PUBLIC HEARINGS:

BID AWARDS/PURCHASES:

7. Director of Public Services - Three Police Patrol Vehicles

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: **August 6, 2026**

TO: **City Council**

FROM: **Melissa R. Marsh, City Manager**

SUBJECT: **Agenda Comments Regular Council Meeting of Monday, August 10, 2026**

CONSENT AGENDA:

Director of Public Services - Scheduled Replacement of Vehicle #126

The FY 2026/27 budget includes funding for the scheduled replacement of Vehicle #126, a Police detective/administrative vehicle. The vehicle to be replaced is a 2019 Dodge Durango, with high mileage and a condition analysis score of 31, warranting priority replacement.

Staff recommends that Council approve the purchase of one 2027 Dodge Durango GT AWD as quoted from LaFontaine Chrysler Dodge Jeep Ram, of Lansing, through the MiDeal cooperative vehicle purchasing program, in the amount of $43,000.

Director of Public Services - 2026 Pavement Marking

Annually, the Department of Public Services utilizes the services of a contractor to perform pavement markings on our major and local roads, including long-lines, stop bars, crosswalks, directional arrows, bike lane sharrows, “school” legends, and so on. Through several acquisitions over the years, PK Contracting is the sole provider of this service for the state of Michigan, and the greater Midwest region. Funding for this activity is budgeted in the Major and Local Roads Traffic Services accounts.

As PK is the sole source provider of this service, Staff requests that Council waive the formal bid process, pursuant to section 2-256 (Waiver by City Council) of the Purchasing Ordinance, and accept the quote as presented from PK Contracting of Troy for the unit prices specified, and authorize the Director of Public Services to sign on behalf of the City. Funding is budgeted and available.

Fire Chief - Purchase of a New Advanced Life Support Training Manikin.

Funds are allocated in the FY 2026–2027 budget to purchase an Advanced Life Support (ALS) training manikin. This new ALS training manikin will significantly enhance the department's training capabilities beyond those of our current training props. The new ALS manikin incorporates advanced anatomical, physiological, electrical, and vascular features that realistically simulate patient responses during medical emergencies, allowing personnel to train on a wide range of critical care scenarios in a safe, controlled environment.

Staff evaluated several ALS training manikins, comparing features, anatomical realism, simulation capabilities, ease of use, and overall value. After careful evaluation, the Laerdal SimMan ALS was determined to be the best fit for the department's training needs. To ensure a smooth and efficient procurement process, the department obtained a quote from Bound Tree Medical through our consortium bid, facilitated by the Farmington Hills City Council via MITN. The department has used this consortium for many years to purchase many of our EMS supplies, which provide competitive pricing and a streamlined purchasing process.

Staff requests that City Council waive the formal procurement process and approve the purchase of the Laerdal SimMan ALS training manikin from Bound Tree Medical for a total of $26,700.

REPORTS:

<u>City Manager - Amendment to Employees 401(a) Retirement Plan to Permit Loans</u>

As part of the union negotiation process and subsequent approved collective bargaining agreements, the ability to obtain a loan from the employee’s Mission Square 401(a) Retirement plan has been authorized for eligible plan participants. To implement this change, the City Council is asked to approve the documents necessary to process this change.

Staff recommends that City Council approve the Resolution Amending Mission Square 401(a) Retirement Plan #100495 to Permit Loans, approve the Loan Amendment to the 401(a) Plan Adoption Agreement, and authorize the City Manager to sign on behalf of the city.

BID AWARDS/PURCHASES:

<u>Director of Public Services - Purchase of Three Police Patrol Vehicles</u>

The approved FY 2026/27 Budget includes funding for the scheduled replacement of three police patrol vehicles; two from the general fund, and one from drug forfeiture. Motor Pool has been working with the police department to determine the best options for replacement, and the consensus is to purchase all three of these patrol vehicles as Dodge Durango Pursuits.

Staff recommends that Council approve the purchase of three 2026 Durango Pursuit AWD Patrol Vehicles as quoted from LaFontaine Chrysler Dodge Jeep Ram, of Lansing, through the MiDeal Cooperative Vehicle Purchasing Program in the total amount of $162,000.

MADISON HEIGHTS CITY OF PROGRESS

AGENDA ITEM SUMMARY FORM

MEETING DATE: 8/10/26

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

AGENDA ITEM CONTENT: Scheduled Replacement of Vehicle #126

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: $42,000

FUNDS REQUESTED: $43,000

FUND: 101-301-985-0000

EXECUTIVE SUMMARY:

The FY 2026/27 budget includes funding for the scheduled replacement of Vehicle #126, a Police detective/administrative vehicle. The vehicle to be replaced is a 2019 Dodge Durango, with high mileage and a condition analysis score of 31, warranting priority replacement.

RECOMMENDATION:

Staff recommends that Council approve the purchase of one 2027 Dodge Durango GT AWD as quoted from LaFontaine Chrysler Dodge Jeep Ram, of Lansing, through the MiDeal cooperative vehicle purchasing program, in the amount of $43,000. This amount has been rounded up to cover the vehicle delivery mileage as provided for in the MiDeal program. Funding to cover the overage from the budgeted amount is expected to be available in this line item from the anticipated under-budget purchase of two patrol cars.

MEMORANDUM

DATE: **July 29, 2026**

TO: **Melissa R. Marsh, City Manager**

FROM: **Sean P. Ballantine, Director of Public Services**

SUBJECT: **Scheduled Replacement of Vehicle #126**

The FY 2026/27 budget includes funding for the scheduled replacement of Vehicle #126, a Police detective/administrative vehicle. The vehicle to be replaced is a 2019 Dodge Durango, with high mileage and a condition analysis score of 31, warranting priority replacement.

In discussions with the Police Department, it was determined that the most useful and practical replacement for this vehicle would be another Durango.

Staff recommends that Council approve the purchase of one 2027 Dodge Durango GT AWD as quoted from LaFontaine Chrysler Dodge Jeep Ram, of Lansing, through the MiDeal cooperative vehicle purchasing program, in the amount of $43,000. This amount has been rounded up to cover the vehicle delivery mileage as provided for in the MiDeal program. Funding to cover the overage from the budgeted amount is expected to be available in this line item from the anticipated under-budget purchase of two patrol cars.

City of Madison Heights
Department of Public Services
801 Ajax Drive
Madison Heights, Michigan 48071

p: (248) 589-2294 | f: (248) 589-2679 | e: DPS@MadisonHeightsMI.gov

City of Madison Heights **Disposition: Auction**

Vehicle Replacement Guidelines & Evaluation Worksheet

Item 2.

(Only those fields shaded in yellow need to be completed.)

Date of Evaluation:	7/29/2026	Vehicle Type:	**A**
Vehicle #:	**126**	Type A = Sedans / Light Trucks ≤ 1 Ton	
Department / Division:	PD-Detective	Type B = Medium / Heavy Duty > 1 Ton	
Year / Make / Model:	2019 Dodge Durango	Type C = Off Road Equipment	

Age: One point for each year of chronological age beginning with in-service date

In Service Date: 10/1/2018 — Age in Months: 93

Age in Years (rounded): 8 — **Score: 8**

Usage: Type A = 1 point per 10,000 miles; Type B = 1 point per 5,000 miles; Type C = 1 point per 250 hours used

Actual Mileage: 123,439

~~Actual Hours:~~ [redacted] (N/A) — **Score: 12**

Service Type:

Type A

Points	Description
1	Standard sedans and light pickups.
2	Standard vehicles with occasional off-road usage.
3	Any vehicle that pulls trailers, hauls heavy loads, continued off-road usage.
4	Any vehicle involved in snow removal.
5	Police, Fire, and Rescue service vehicles.

Type C

Points	Description
1	Standard duties as equipped.
2	Standard duties when used with attachments (sickle bar, backhoes, rear bushhogs).
3	Multiple duties based on seasons (snow, mowing, leaf).
4	Extreme duties in harmful atmosphere (dust, salt, water).
5	Heavy construction work including snow removal.

Type B

Points	Description
1	Standard use including basic job site duties, some light duty hauling.
2	Standard use with attachments (compressors, lights, etc.) including job site duties, standard load hauling, some towing.
3	Above standard use including job site duties that include idling, standard load hauling, light trailer/equipment towing, leaf collection.
4	Above standard use including job side idling and hauling above standard loads, towing equipment and heavy trailers, light snow removal.
5	Extreme service, high job site idling and duties with attachments, heavy load hauling, heavy trailer/equipment towing, major snow removal duties, refuse collection, etc. (Examples: Sign Truck, Tandem or Single Dump Truck, Snow Removal Truck).

Score: 5

Reliability: *Note: Based on current conditions. Preventative Maintenance work is not included.*

Points	Description
1	In shop 0 or 1 time within the last 3 months, and no major breakdowns or road calls.
2	In shop 1 time within the last 3 months, and 1 breakdown/road call within the last 3 months.
3	In shop more than twice within the last month, and no major breakdowns or road calls.
4	In shop more than once within the last month, and 2 or more breakdowns/road calls within the last month.
5	In shop more than twice monthly within the last 3 months, and 2 or more breakdowns within the last month.

Number of times in shop within the last month:	0
Number of times in shop within the last 3 months:	1
Any Road Calls or Breakdowns (Y or N):	N
Road Calls / Breakdowns within the last month:	0
Road Calls / Breakdowns within the last 3 months:	0
In shop more than twice monthly within the last 3 months (Y or N):	N

Score: 1

Maintenance & Replacement Costs:

Points	Description
1	Maintenance costs are less than or equal to 20% of replacement cost.
2	Maintenance costs are 21-40% of replacement cost.
3	Maintenance costs are 41-60% of replacement cost.
4	Maintenance costs are 61-80% of replacement cost.
5	Maintenance costs are greater than or equal to 81% of replacement cost.

Total Maintenance Cost :	$8,217	as of	7/29/2026
Estimated Purchase Price - New Veh. :	$42,000	as of	7/29/2026
Est. Resale Value of Car to be sold :	$4,500	as of	7/29/2026
Estimated Net Replacement Cost :	$37,500	as of	7/29/2026
Maintenance Cost as % of Replacement Cost:	21.9%	as of	7/29/2026

Score: 2

Condition:

Type A

Points	Description
1	No visual damage or rust and a good drive train
2	Minor imperfections in body and paint, interior fair (no rips, tears, burns), and a good drive train.
3	Noticeable imperfections in body and paint surface, some minor rust, minor damage from add-on equipment, worn interior (one or more rips, tears, burns), and a weak or noisy drive train.
4	Previous accident damage, poor paint and body condition, rust (holes), bad interior (tears, rips, cracked dash), major damage from add-on equipment, and one drive train component bad.
5	Previous accident damage, poor paint, bad interior, drive train that is damaged or inoperative, and major damage from add-on equipment

Type B

Points	Description
1	No visual damage or rust, good paint, good interior, no damage from add-on equipment, no body modification, good drive train.
2	Minor imperfections in body and paint, interior fair (no rips, tears, burns), good drive train, minor body modification.
3	Noticeable imperfections in body and paint surface, some minor rust, fair interior, weak/fair drive train, minor body modification, minor damage from add-on equipment.
4	Previous accident damage, poor paint & body condition, major rust/corrosion, poor interior, damage from add-on equip., moderate body modification evidence, 1 drive train component bad.
5	Previous accident damage, poor paint & body condition, bad interior, drive train damaged or inoperative, major body modifications, major damage from add-on equipment and attachments.

Type C

Points	Description
1	Good condition, fully functional.
2	Fair body, functional.
3	Minor body damage, weak operating system.
4	Severe damage, component not functional.
5	Extreme damage, inoperable.

Number of Notable Accidents:	0	(list number)
Paint / Body:	Fair	comment
Interior:	Fair	comment
Drive Train:	Fair	comment
General Condition:	3	(pick number from table)

Score: 3

Overall: **Total Score: 31**

0 - 17	Excellent	Do not replace.
18 - 22	Good	Re-evaluate for future budget(s).
23 - 27	Fair	Qualifies for replacement if budget allows.
28+	Poor	Needs priority replacement.

Prepared By: Sean P. Ballantine — Date: 7/29/2026

LaFontaine CDJR-Lansing
6131 S. Pennsylvania Ave.
Lansing, MI 48911
517-394-1022-Direct
517-394-1205-Fax
mdeacon@lafontaine.com

Name: City of Madison Heights
Address:
City: State: Zip:
Contact: Dan Yamarino
Phone: 248.589.2294 x 2795
Email: danyamarino@madison-heights.org

Date: 7/23/2026
Quote 072326

State of Michigan Contract 240000001206		
WDEH75	2027 Dodge Durango GT AWD	$39,810.00
2BD	3.6L V6	
PDN	Destroyer Gray	$536.00
C5X9	Black Cloth Bucket Seats	
ADX	Blacktop Package	$2,336.00
	Per contract delivery is $2.00 a mile one way mileage.	
	By signing the purchase agreement you agree to purchase of the vehicle or	
	vehicles X________________________________	
	Total Cost:	$42,682.00

Signed *Michelle Deacon*

Please note payment is due within 30 days of delivery. Any invoices paid after 30 days may be subject to a 1.5% late fee

AGENDA ITEM SUMMARY FORM

MEETING DATE: 8/10/26

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

AGENDA ITEM CONTENT: Director of Public Services - 2026 Pavement Marking

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: $97,000

FUNDS REQUESTED: $45,562

FUND: Multiple

EXECUTIVE SUMMARY:

Annually, the Department of Public Services utilizes the services of a contractor to perform pavement markings on our major and local roads, including long-lines, stop bars, crosswalks, directional arrows, bike lane sharrows, “school” legends, and so on. Through several acquisitions over the years, PK Contracting is the sole provider of this service for the state of Michigan, and the greater Midwest region. Funding for this activity is budgeted in the Major and Local Roads Traffic Services accounts.

RECOMMENDATION:

As PK is the sole source provider of this service, Staff requests that Council waive the formal bid process, pursuant to section 2-256 (Waiver by City Council) of the Purchasing Ordinance, and accept the quote as presented from PK Contracting of Troy for the unit prices specified, and authorize the Director of Public Services to sign on behalf of the City. Funding is budgeted and available.

MEMORANDUM

DATE: **July 30, 2026**

TO: **Melissa R. Marsh, City Manager**

FROM: **Sean P. Ballantine, Director of Public Services**

SUBJECT: **2026 Pavement Marking**

Annually, the Department of Public Services utilizes the services of a contractor to perform pavement markings on our major and local roads, including long-lines, stop bars, crosswalks, directional arrows, bike lane sharrows, "school" legends, and so on. Through several acquisitions over the years, PK Contracting is the sole provider of this service for the state of Michigan, and the greater Midwest region. Funding for this activity is budgeted in the Major and Local Roads Traffic Services accounts.

PK has informed us that our current contract has expired, and has provided us with updated pricing for the 2026 pavement marking program.

As PK is the sole source provider of this service, Staff requests that Council waive the formal bid process, pursuant to section 2-256 (*Waiver by City Council*) of the Purchasing Ordinance, and accept the quote as presented from PK Contracting of Troy for the unit prices specified, and authorize the Director of Public Services to sign on behalf of the City. Funding is budgeted and available.

City of Madison Heights
Department of Public Services
801 Ajax Drive
Madison Heights, Michigan 48071

p: (248) 589-2294 | f: (248) 589-2679 | e: DPS@MadisonHeightsMI.gov

MAIN OFFICE
1965 Barrett Drive
Troy, MI 48084-5372
PHONE 248-362-2130
FAX 248-362-4969

To:	_ESTIMATING DEPARTMENT_	**Contact:**	ESTIMATING DEPT.
Address:	-	**Phone:**	(248) 362-2130
		Fax:	(248) 362-4969
Project Name:	MADISON HEIGHTS 2026 PAVEMENT MARKINGS	**Bid Number:**	26-3395
Project Location:	MADISON HEIGHTS	**Bid Date:**	7/28/2026

Line #	Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1		Pavt Mrkg, Waterborne, 6 Inch, Crosswalk	1.00	LF	$1.750	$1.75
2		Pavt Mrkg, Waterborne, 12 Inch, Crosswalk	1.00	LF	$3.250	$3.25
3		Pavt Mrkg, Waterborne, 24 Inch, Stop Bar	1.00	LF	$6.500	$6.50
4		Pavt Mrkg, Waterborne, Curved Arrow	1.00	EACH	$125.000	$125.00
5		Pavt Mrkg, Waterborne, School	1.00	EACH	$185.000	$185.00
6		Pavt Mrkg, Waterborne, Combo Arrow	1.00	EACH	$135.000	$135.00
7		Pavt Mrkg, Waterborne, Thru Arrow Sym	1.00	EACH	$115.000	$115.00
8		Pavt Mrkg, Sprayable Thermopl, 4 inch, White	94,250.00	LF	$0.320	$30,160.00
9		Pavt Mrkg, Sprayable Thermopl, 4 inch, Yellow	46,344.00	LF	$0.320	$14,830.08

Total Bid Price: **$45,561.58**

Notes:

- **PAYMENT TO BE MADE BASED ON QUOTED UNIT PRICES.**

ACCEPTED:	**CONFIRMED:**
The above prices, specifications and conditions are satisfactory and are hereby accepted.	**PK CONTRACTING, INC.**
Buyer: ______________________	
Signature: ______________________	**Authorized Signature:** ______________________
Date of Acceptance: ______________________	**Estimator:**

AGENDA ITEM SUMMARY FORM

MEETING DATE: 8/10/26

PREPARED BY: Greg Lelito, Fire Chief

AGENDA ITEM CONTENT: Advanced Life Support Training Manikin

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: $24,000

FUNDS REQUESTED: 26,700

FUND: 101-336-958-0000

EXECUTIVE SUMMARY:

See Memo

RECOMMENDATION:

City Council waive the formal procurement process and approve the purchase of the Laerdal SimMan ALS training manikin from Bound Tree Medical for a total of $26,700.

INTEROFFICE *MEMORANDUM*

To: Melissa Marsh, City Manager
From: Greg Lelito, Fire Chief
Re: Capital purchase – CPR Manikin
Date: 7/17/26

Funds are allocated in the FY 2026–2027 budget to purchase an Advanced Life Support (ALS) training manikin. This new ALS training manikin will significantly enhance the department's training capabilities beyond those of our current training props. The new ALS manikin incorporates advanced anatomical, physiological, electrical, and vascular features that realistically simulate patient responses during medical emergencies, allowing personnel to train on a wide range of critical care scenarios in a safe, controlled environment.

Staff evaluated several ALS training manikins, comparing features, anatomical realism, simulation capabilities, ease of use, and overall value. After careful evaluation, the Laerdal SimMan ALS was determined to be the best fit for the department's training needs.

To ensure a smooth and efficient procurement process, the department obtained a quote from Bound Tree Medical through our consortium bid, facilitated by the Farmington Hills City Council via MITN. The department has used this consortium for many years to purchase many of our EMS supplies, which provide competitive pricing and a streamlined purchasing process.

Staff and I recommend that the City Council waive the formal procurement process and approve the purchase of the Laerdal SimMan ALS training manikin from Bound Tree Medical for a total of $26,700.

I would be happy to respond to any questions or comments regarding this request

DEPARTMENT OF CENTRAL SERVICES

January 27, 2026

To: All interested Vendors

Re: rfp-fh-25-26-2525, Emergency Medical Supplies and Equipment

This correspondence will serve as notice that the aforementioned bid has been awarded by the Farmington Hills City Council to Bound Tree Medical for a period of two (2) years with four (4) additional one (1) year options upon mutual consent.

cc: Carly Lindhal

Purchasing • Information Systems •Telecommunications • Mail Services
31555 West Eleven Mile Road • Farmington Hills MI 48336 • Phone 248.871.2430 • Fax 248.871.2431

Bound Tree

Quotation

Quotation#: QUO-176377-N2L7M7

Last Modified: 06/29/2026 10:04 AM
Customer PO #:

Account Number: WEB009449SHIP001 **Bill To:** CITY OF MADISON HEIGHTS FIRE DEPARTMENT SHIP001 31313 BRUSH ST MADISON HEIGHTS, MI 48071-1847 Ship Method: Payment Terms:	**Ship To:** CITY OF MADISON HEIGHTS FIRE DEPARTMENT SHIP001 31313 BRUSH ST MADISON HEIGHTS, MI 48071-1847

Item	Description	UOM	QTY	Your Price	Ext. Price
LA235-02350	SimMan ALS Manikin, Light Skin	EA	1	$23,500.00	$23,500.00
3616-24301	SimPad Plus System with Link Box, 2 AC Power Supplies, Battery	EA	1	$2,325.00	$2,325.00
3650-18515	ShockLink System	EA	1	$775.00	$775.00
3616-50518	Shocklink to Lifepak Quik Combo Adapter	EA	1	$100.00	$100.00

Subtotal: $26,700.00

Freight: $0.00

Tax: $0.00

Quote Total: $26,700.00

Quote Expiration Date:

Comments:
Quote is part of the RFP-FH-25-26-2525 - Emergency Medical Supplies & Equipment bid through MITN and BidNet.

William Waite
Bound Tree |Account Manager
5000 Tuttle Crossing Blvd, Dublin OH 43016
Office Phone: (614) 760-5268 | Mobile Phone: 810-588-3424
William.Waite@boundtree.com

Sales Tax will be applied to customers who are not exempt.

Shipping charges will be prepaid and added to the invoice unless otherwise stated.

Should there be any price increases, taxes, tariffs, duties, surcharges or other fees imposed by the government, manufacturer, and/or supplier on any product(s) included in this quote, Bound Tree Medical reserves the right to amend the pricing contained in the quote.

To place an order, visit our website at www.boundtree.com, log in, and add items to your shopping ca

Alternatively, you can call (800) 533-0523 or fax (800) 257-5713.

City Council Regular Meeting
Madison Heights, Michigan
July 13, 2026

A City Council Regular Meeting was held on Monday, July 13, 2026 at 6:35 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 Geralds
Councilor Quinn Wright

ABSENT
Councilor Emily Rohrbach

ALSO PRESENT
City Manager Melissa Marsh
Assistant City Attorney Tim Burns
Deputy City Manager/City Clerk Cheryl Rottmann

CM-26-161. Excuse Councilmember.

Motion to excuse Councilor Rohrbach from tonight's meeting.

Motion made by Councilor Wright, Seconded by Councilor Geralds.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

Mayor Haines gave the invocation and the Pledge of Allegiance followed.

CM-26-162. Addition to the Agenda.

Motion to add to the agenda, under Reports:

Contract between the City of Madison Heights and the Department Heads Union AFSCME Council 25

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

MEETING OPEN TO THE PUBLIC:

Martha Covert, resident, spoke in support of the R-4 millage.

Deputy City Manger/City Clerk Rottmann noted that an email was received from Kristen Lagos in support of the city's relationship with the Clinton River Watershed and in support of continued communication with residents about volunteer opportunities. The email was forwarded to City Council and entered into the record.

CM-26-163. Consent Agenda.

Motion to approve the Consent Agenda as read.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-164. Police Chief - City of Madison Heights CLEMIS Participation Agreement.

Motion to approve the resolution approving the CLEMIS Participation Agreement between the City of Madison Heights and the CLEMIS Authority, as follows:

City of Madison Heights, Michigan
RESOLUTION

Participation in CLEMIS Authority Interlocal Agreement

WHEREAS, the City of Madison Heights (the "Public Agency"), is a "public agency" as that term is defined under section 2(e) of the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, as amended, MCL 124.502(e), and

WHEREAS, under section 28 of article 7 of the Michigan Constitution of 1963 and the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, as amended, MCL 124.501 to 124.512 ("Act 7"), a public agency may exercise jointly with any other public agency any power, privilege, or authority that the public agencies share in common and that each might exercise separately, and

WHEREAS, The City of Madison Heights possesses the powers, privileges, and authorities to perform various activities relating to courts and law enforcement management information systems, and

WHEREAS, The City of Madison Heights wants to exercise powers, privileges, and authorities jointly with Oakland County, the Charter Township of Bloomfield, the Charter Township of White Lake, and other participating public agencies under an interlocal agreement creating the Courts and Law Enforcement Management Information System (CLEMIS) Authority (the "CLEMIS Interlocal Agreement") and become a participating public agency under and party to the CLEMIS Interlocal Agreement, and

WHEREAS, The City of Madison Heights also wants to use the services of the CLEMIS System operated by the Courts and Law Enforcement Management Information System (CLEMIS) Authority (the "Authority") by entering into a services agreement with the Authority.

The City of Madison Heights therefore resolves as follows:

- that the interlocal agreement between Oakland County, the Charter Township of Bloomfield, the Charter Township of White Lake, and other participating public agencies creating the CLEMIS Interlocal Agreement is hereby approved;
- that the City of Madison Heights is hereby authorized to enter into a participation agreement with the Authority to enter into and become a party to the CLEMIS Interlocal Agreement;
- that the City of Madison Heights is hereby authorized to enter into the CLEMIS Main Services Agreement (the "CLEMIS MSA") between the City of Madison Heights and the Authority;
- that the City Clerk of the City of Madison Heights is hereby authorized and directed to transmit a copy of this resolution to the Authority and execute the participation agreement for the CLEMIS Interlocal Agreement and the CLEMIS MSA on behalf of the City of Madison Heights; and
- that the City Clerk of the City of Madison Heights is hereby authorized and directed to file a copy of the participation agreement for the CLEMIS Interlocal Agreement, including the CLEMIS Interlocal Agreement, on behalf of the City of Madison Heights with the clerk of each county in which the Public Agency is located.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-165. Court Administrator - 43rd District Court - Madison Heights CLEMIS Participation Agreement.

Motion to approve the resolution approving the CLEMIS Participation Agreement between the 43rd District Court and the CLEMIS Authority, as follows:

43rd District Court – Madison Heights, Michigan
RESOLUTION

Participation in CLEMIS Authority Interlocal Agreement

WHEREAS, the 43rd District Court in Madison Heights (the “Public Agency”), is a “public agency” as that term is defined under section 2(e) of the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, as amended, MCL 124.502(e), and

WHEREAS, under section 28 of article 7 of the Michigan Constitution of 1963 and the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, as amended, MCL 124.501 to 124.512 (“Act 7”), a public agency may exercise jointly with any other public agency any power, privilege, or authority that the public agencies share in common and that each might exercise separately, and

WHEREAS, The 43rd District Court in Madison Heights possesses the powers, privileges, and authorities to perform various activities relating to courts and law enforcement management information systems, and

WHEREAS, The 43rd District Court in Madison Heights wants to exercise powers, privileges, and authorities jointly with Oakland County, the Charter Township of Bloomfield, the Charter Township of White Lake, and other participating public agencies under an interlocal agreement creating the Courts and Law Enforcement Management Information System (CLEMIS) Authority (the “CLEMIS Interlocal Agreement”) and become a participating public agency under and party to the CLEMIS Interlocal Agreement, and

WHEREAS, The 43rd District Court in Madison Heights also wants to use the services of the CLEMIS System operated by the Courts and Law Enforcement Management Information System (CLEMIS) Authority (the “Authority”) by entering into a services agreement with the Authority.

The 43rd District Court in Madison Heights therefore resolves as follows:

- that the interlocal agreement between Oakland County, the Charter Township of Bloomfield, the Charter Township of White Lake, and other participating public agencies creating the CLEMIS Interlocal Agreement is hereby approved;
- that the 43rd District Court in Madison Heights is hereby authorized to enter into a participation agreement with the Authority to enter into and become a party to the CLEMIS Interlocal Agreement;
- that the 43rd District Court in Madison Heights is hereby authorized to enter into the CLEMIS Main Services Agreement (the "CLEMIS MSA") between the 43rd District Court in Madison Heights and the Authority;
- that the City Clerk of the City of Madison Heights is hereby authorized and directed to transmit a copy of this resolution to the Authority and execute the participation agreement for the CLEMIS Interlocal Agreement and the CLEMIS MSA on behalf of the 43rd District Court in Madison Heights; and
- that the City Clerk of the City of Madison Heights is hereby authorized and directed to file a copy of the participation agreement for the CLEMIS Interlocal Agreement, including the CLEMIS Interlocal Agreement, on behalf of the 43rd District Court in Madison Heights with the clerk of each county in which the Public Agency is located.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-166. Director of Public Services - Scheduled Replacement of Vehicle #477.

Motion to approve the purchase of one 2026 GMC Sierra 2500 HD pickup truck in the amount of $49,202 with options as quoted, from Todd Wenzel Buick GMC of Westland, through the MiDeal cooperative purchasing agreement.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-167. Director of Public Services - Contract Extension – HydroCorp.

Motion to approve a 1-year extension with HydroCorp, of Troy, and authorize the Director of Public Services to sign on behalf of the City.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-168. City Manager - Fire Chief KEIP Employment Agreement - Second Amendment.

Motion to approve the Second Amendment to the Fire Chief Employment Agreement to extend this agreement until December 31, 2026.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-169. Michigan Employees' Retirement System (MERS) - Delegate and Alternate to Annual Meeting.

Motion to appoint Cheryl Rottmann as Officer Delegate and Betsy Burnell as Officer Alternate to attend the 80th Annual MERS Meeting on October 8-9 at the Amway Grand, Grand Rapids, Michigan.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-170. Appointment of Christopher Molencupp to the Planning Commission - Mayor's Appointment.

Motion to confirm the Mayor's appointment of Christopher Molencupp to the Planning Commission with a term ending August 31, 2029.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-171. City Council Regular Meeting Minutes of June 22, 2026.

Motion to approve the City Council Regular Meeting Minutes of June 22, 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 Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-172. City Planner - Rezoning with Conditions Request - PRZN 26-01 – 31075 John R Road - B1 to B-2.

Motion to deny the rezoning of 31075 John R Road (parcel #44-25-02-478-021) from B-1, Neighborhood Business, to B-2, Community Business district – Case PRZN #26-01 - with conditions voluntarily proposed by the applicant based upon the following findings:

1. The Planning Commission held a public hearing on June 15th, 2026 on the requested Rezoning with Conditions application and a proposed amendment to the City's Zoning Map. After the public hearing, the Planning Commission moved to recommend denial of the requested Rezoning with Conditions.

2. The applicant voluntarily proposed a number of conditions to the requested B-2 rezoning which were presented to City Council in the document entitled Rezoning with Conditions Agreement.

3. The proposed Rezoning with Conditions does not satisfy the review criteria for a Rezoning with Conditions request as contained in Section 15.07.3.C(3) of the Madison Heights Zoning Ordinance. In particular, the Planning Commission finds that the conditions voluntarily offered by the applicant fail to satisfactorily address the following Zoning Ordinance standards:

a. The proposed rezoning conditions do not further the goals and objectives of the City Master Plan, particularly with regards to objectives related to community character and future land use and their compatibility with the use-specific standards and separation requirements for tobacco/smoke shops.

b. The proposed rezoning conditions do not result in an enhancement of the project area as compared to the existing zoning, as the rezoning's core intent is to allow for a use not presently permitted on the subject parcel, with said use not providing a noted value to the neighborhood.

c. It is not in the public interest to grant the rezoning with conditions as the benefits of such proposal – the allowance of a tobacco/smoke shop – does not outweigh foreseeable detriments, including the proximity of said use from public facilities and parks.

d. The offered conditions are not likely to be enforceable as they are ambiguous with regards to their application to the remainder of the parcel, especially pertaining to permitted uses and dimensional standards.

e. The proposed conditions have the same general effect as a use variance, which are not permitted in City, in that the core intent of the conditions is to allow for a tobacco/smoke shop in one individual retail unit within a multi-unit retail building, with no further considerations for the remainder of the building or the remainder of the parcel.

4. City Council further cites the following issues with the voluntarily proposed conditions as reasons for denial:

a. The conditions as proposed only apply to one retail space and are tied to one retail business owner (applicant). Proposed conditions should run with the land unless explicitly stated otherwise within the proposed agreement and should not be applicable to only one individual.

b. The proposed conditions appear overly restrictive in that they require tobacco sales to take place from the individual unit and prohibit uses currently permitted by-right within the B1 district, which may hinder or restrict future economic development opportunities on the parcel

c. The conditions do not present clear and enforceable standards that can be applied to the remainder of the parcel or applied to future redevelopment or building expansion, which may complicate future economic opportunity on the parcel.

d. The rezoning does not invalidate separation requirements between tobacco/smoke shop and community facilities; therefore even with the rezoning, the use would not be permitted unless a variance is approved by ZBA. As such, to approve the rezoning would be contrary to the public interest as it is contrary to adopted ordinances.

e. The request does not meet the 200-feet distance requirement from the building to the Civic Center Park and the surrounding city complexes as established by the Zoning Ordinance.

f. The proposed use is in direct conflict with the existing Zoning Ordinance.

g. Approving the rezoning would be contrary to public policy, as it would contradict established ordinances intended to regulate such uses.

Motion made by Councilman Fleming, Seconded by Councilwoman Aaron.

During the deliberation on the rezoning request from B1 to B2 for a tobacco and smoke shop, Council members expressed the following concerns:

- Zoning Due Diligence: Council emphasized that while a building permit was issued, it explicitly stated it did not constitute zoning approval. It was noted that the responsibility for verifying permitted uses rests with the business and property owners before investing in a buildout
- Protection of Youth: Significant concern was raised regarding the shop's proximity to Lamphere High School. Council noted that students frequently hang out in the immediate area during lunch hours, specifically at a nearby boba shop in the same plaza.
- Safety and Product Nature: Council members voiced opposition to the sale of products such as "whippets" (inhalants), drug paraphernalia (pipes and bongs), and kratom. Specifically, it was noted that kratom is under DEA scrutiny for its highly addictive properties, and having such substances available near schools and parks was deemed inappropriate.
- Distance Ordinance Integrity: Council highlighted that the distance requirement between smoke shops and sensitive areas (like daycares or parks) was previously increased from 50 feet to 200 feet specifically to prevent these uses from being located near children. Granting the rezoning was seen as undermining this protective measure.
- Equitable Rights vs. Public Interest: The City Attorney argued that an applicant's expenditure on a buildout does not create an equitable right to override public policy, especially when they fail to perform necessary due diligence regarding zoning restrictions.

Attorney Mark Burke, representing the applicant and property owner, presented several arguments in favor of the rezoning request, including:

- Mr. Burke argued that his client performed due diligence by submitting build-out plans explicitly titled "Smoking Bear Tobacco and Vape" to the building department. He emphasized that the city authorized the permits, leading the client to spend significant funds on a "fantastic" build-out, order inventory, and install display cases. He noted the client was only informed the use was not permitted when they applied for a Certificate of Occupancy after the work was complete.
- He highlighted that the applicant was requesting rezoning on a "very, very limited basis". The conditions offered would restrict the B2 use specifically to that individual unit rather than the entire 1.52-acre parcel. This was intended to prevent other B2-type businesses from opening in the rest of the multi-unit retail building.
- The attorney stated that the location was previously zoned B2 and that a different smoke shop had operated in the same strip center only a year and a half prior.

- He assured the Council that the shop would not sell illegal products or serve anyone under the age of 21. He further stated that no one under 21 would be permitted to enter the shop and that all employees would be trained to comply with local, state, and federal regulations.
- While acknowledging the 200-foot distance requirement from public facilities, he disputed reports that the building was only 60 feet from the library, suggesting that the closer distance likely referred to the back of the lot abutting Civic Center Park. He stated that if the rezoning were approved, the applicant would seek a formal distance variance through the proper channels

.

City Planner Matt Lonnerstater provided comments focused on the distinction between building and zoning processes, the responsibility of business owners, and updates to city procedures, as follows:

- He explained that building permits and zoning verification are two separate municipal processes.
- A building permit can be approved if it meets building codes, even if the intended use does not meet zoning requirements. He noted that a Certificate of Occupancy (CFO) is typically the final step in a project—verifying that the build-out is complete and safe—but it is also where the final verification of permitted use (zoning) occurs.
- He pointed out that the city's building permits specifically include a clause stating that approval of a building permit does not constitute approval of any other municipal or state requirements, including zoning.
- Planner Lonnerstater emphasized that it is ultimately the responsibility of business and property owners to verify the zoning district and permitted uses of a space before beginning a build-out.
- He mentioned that the city frequently provides formal "zoning verification letters" on letterhead to confirm allowed uses for banks, financial institutions, and business owners before property sales or leases are finalized.
- Following the confusion surrounding this specific rezoning case, Planner Lonnerstater stated that the city has revised its application and internal processes to catch similar zoning conflicts before any money is spent or work is performed.
- The updated application now includes large, clear lettering advising applicants that a building permit is not zoning approval and instructing them to contact his office directly to confirm their project is in a permitted district.

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Absent: Councilor Rohrbach

Motion carried.

CM-26-173. Contract between the City of Madison Heights and the Department Heads Union AFSCME Council 25.

Motion to approve the contract between the City of Madison Heights and the Department Heads Union AFSCME Council 25 through June 30, 2029.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Motion carried.

CM-26-174. Director of Public Services - Scheduled Replacement of Chipper #406.

Motion to approve the purchase of one Vermeer BC1800XL brush chipper in the amount of $102,853 as quoted from Vermeer Midwest, of Fowlerville, through the Sourcewell purchasing cooperative.

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

Voting Yea: Mayor Haines, Mayor Pro Tem Mier, Councilwoman Aaron, Councilman Fleming, Councilor Geralds, Councilor Wright

Motion carried.

Council Comments

Councilman Fleming thanked the Department of Public Services (DPS), fire, and police departments for ensuring public safety during the extensive power outages over the Fourth of July weekend. He acknowledged the hard work of DTE crews in restoring service to over 300,000 customers. Additionally, he announced that the local restaurant Boodles would be featured on Chef Gordon Ramsay's *Kitchen Nightmares* on August 18th and congratulated all the Madison Heights Little League teams on their summer season.

Councilor Geralds announced that due to extreme heat, the Arts Board's Wednesday night open mic and karaoke event was postponed.

Deputy City Manager/City Clerk Rottmann noted that early voting begins on Saturday, July 25th at the Royal Oak Senior Community Center located at 3500 Marais Ave. That is north of 13 Mile Road and east of Crooks. The hours are 8:30 a.m. to 4:30 p.m. daily, except for Thursday, July 30th when the hours are Noon to 8:00 p.m. All voting locations will be open on Election Day, August 4th from 7 a.m. to 8 p.m. Please remember that this is a partisan primary and you have to choose one party. This is the first election since we consolidated precincts, so be sure to check your voter ID card or the city's website to verify your voting location. Thank you to all the citizen volunteers that help administer election day, please be kind to your neighbors.

City Manager Marsh had no comments this evening.

Assistant City Attorney Burns shared unsolicited praise from a Madison Heights resident who works in Southfield, noting that the resident specifically commended the city for doing an "exceptional job" with the recent storm cleanup efforts.

Councilor Wright extended thanks to the IBW Local 17 line workers for their storm recovery efforts and advised residents with medical equipment, such as CPAP machines, to maintain a backup power plan for future outages. He expressed regret over the closure and consolidation of local businesses like Cadillac Straits and Michigan Artisans, using the opportunity to emphasize the importance of shopping local to support the community's economy. He spoke in support of city infrastructure funding (Proposal R-4), noting that proactive investment is more cost-effective for residents than individual special assessments. Finally, he encouraged attendance at the "Revving the Heights" car show on September 19th and reminded the community to "be kind".

Mayor Pro Tem Mier announced that the Heritage Rooms historical museum would be open during the "Revving the Heights" car show on September 19th. He thanked the DPS and electrical workers for their difficult work during the storm and heatwave. Regarding Little League, he noted that the championship game between the Cubs and the Dodgers was rescheduled to Wednesday night due to the high temperatures and invited the community to attend.

Councilwoman Aaron promoted Disability Pride Month, highlighting a two-part library speaker series on neurodivergence featuring an educator on July 17th (the coming Wednesday) and a parent’s perspective on July 29th. She praised the quality of the Madison Heights summer concert series, encouraging residents to attend the upcoming shows on July 22nd, August 5th, and August 19th, noting that food trucks would be available on-site.

Mayor Haines thanked the first responders and DPS for their work over the holiday weekend and announced a partnership with Barcode Auto to provide lunch for these employees as a token of appreciation. He addressed resident frustrations regarding power outages, clarifying that the city does not control DTE infrastructure but worked to provide cooling centers and water at the fire station and active adult center. He reminded residents that the library remains available as a cooling and charging center during the current heatwave

ADJOURNMENT

Having no further business, Mayor Haines adjourned the meeting at 7:31 p.m.

AGENDA ITEM SUMMARY FORM

MEETING DATE: 8/10/26

PREPARED BY: Cheryl Rottmann, Deputy City Manager/City Clerk

AGENDA ITEM CONTENT: Amendment to Employees 401(a) Retirement Plan to Permit Loans

AGENDA ITEM SECTION: Reports

BUDGETED AMOUNT:

FUNDS REQUESTED:

FUND:

EXECUTIVE SUMMARY:

As part of the union negotiation process and subsequent approved collective bargaining agreements, the ability to obtain a loan from the employee's Mission Square 401(a) Retirement plan has been authorized for eligible plan participants. To implement this change, the City Council is asked to approve the documents necessary to process this change.

RECOMMENDATION:

Staff recommends that City Council approve the Resolution Amending Mission Square 401(a) Retirement Plan #100495 to Permit Loans, approve the Loan Amendment to the 401(a) Plan Adoption Agreement, and authorize the City Manager to sign on behalf of the city.

Resolution of the City of Madison Heights
Amending 401(a) Retirement Plan #100495 to Permit Loans

WHEREAS, the City of Madison Heights has employees rendering valuable services; and

WHEREAS, the City of Madison Heights has established a retirement plan (the "Plan') for such employees which serves the interest of the City of Madison Heights by enabling it to provide reasonable retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the City of Madison Heights has determined that permitting participants in the retirement plan to take loans from the Plan will serve these objectives;

NOW THEREFORE BE IT RESOLVED that the Mission Square 401(a) Money Purchase Plan #100495 will permit loans.

Motion by:

Seconded by:

Ayes:

Nays:

I, Cheryl E. Rottmann, the duly appointed City Clerk of the City of Madison Heights, County of Oakland, State of Michigan, do hereby certify that the foregoing is a resolution of the Madison Heights City Council from their regular meeting held on August 10, 2026.

MissionSquare RETIREMENT

457(b) | 401(a) | 403(b) Plan Sponsors

Loan Implementation Package

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MissionSquare Plan Services ■ P.O. Box 219320 ■ Kansas City, MO 64121-9320 ■ (800) 326-7272 ■ www.missionsq.org ■ Fax (844) 677-3297

58298-0822-489

MissionSquare RETIREMENT

457(b) | 401(a) | 403(b) Plan Sponsors

Loan Implementation Package

INTRODUCTION AND SUMMARY INSTRUCTIONS FOR 457(b), 401(a), AND 403(b) PLAN SPONSORS

Making a loan program available in your retirement plan will provide eligible plan participants with the ability to borrow money from their accounts. As the administrator of your loan program, MissionSquare Retirement will attempt to minimize the amount of resources you need to devote to the program. However, there are administrative and fiduciary responsibilities associated with offering loans which, as a practical matter, cannot be delegated to MissionSquare.

Please review all of the information in this packet carefully prior to submitting the applicable forms to implement the loan program in your plan.

The below instructions provide you with easy-to-follow steps to implement a loan program in your MissionSquare 457(b) or 401(a) plan.

STEP 1: Review the Loan Guidelines Agreement Instructions carefully prior to returning the required forms to implement your plan's loan program.

STEP 2: Complete the *Loan Guidelines Agreement.*

STEP 3: Determine whether any formal action is required by your legislative body and/or plan administrative committee to implement a loan program. If formal action is required, you may want to use the suggested resolution in this packet.

STEP 4: Complete the following documents (if applicable)

- **457(b) Plan Loan Administration Agreement** – If you have multiple 457(b) plan providers, you must complete and return this document to MissionSquare.
- **Loan Amendment [401(a)/403(b) Plans Only]** – If you are amending your existing 401(a)/403(b) plan to add loan provisions, you must complete and return this document to MissionSquare.

STEP 5: Return copies of the following documents to MissionSquare (please be sure to submit all pages and retain the originals for your records):

- *Loan Guidelines Agreement*
- *Loan Amendment to the 401(a) Plan Adoption Agreement (if applicable)*
- *457(b) Plan Loan Administration Agreement (if applicable)*
- Suggested Resolution *(if applicable)*

Fax: MissionSquare Plan Services
(844) 677-3297

Mail: MissionSquare Plan Services
P.O. Box 219320
Kansas City, MO 64121-9320

Online: Submit through secure messaging to:
www.employers.msqplanservices.org

STEP 6: Please allow 5–7 business days for MissionSquare to establish your plan's loan program.

Please retain original copies of any documents you return to MissionSquare for your records.

If you have any questions relating to the adoption process, please contact your MissionSquare PlanServices team at 800-326-7272.

MissionSquare RETIREMENT

457(b) | 401(a) | 403(b) Plan Sponsors

Loan Guidelines Agreement Instructions

The information in this packet is intended to assist you with implementing a loan program within your MissionSquare Retirement 457(b), 401(a), or 403(b) plan(s). The packet provides an overview of the issues and complexities of establishing and maintaining a loan program under the most common types of retirement plan arrangements. It is not intended to be all inclusive. Special situations and/or solutions not discussed in this document will need to be reviewed on a case-by-case basis.

The instructions contain information that will help you understand the decisions you will need to make when you establish your loan program and help you complete the *Loan Guidelines Agreement*. Please carefully review the information in this section and complete all applicable sections of the *Loan Guidelines Agreement*.

Here are a few of the elections that you will need to make:

- Will loans be available for all purposes or only in other purposes designated by you, The Employer?
- How many loans will participants be allowed to have outstanding at one time? *(up to five)*
- How long will participants have to repay a loan used to purchase a new primary residence? *(up to 30 years)*
- How will participants repay their loans? *(payroll deduction, ACH payments from their bank accounts, or both)*

In order to offer loans within your retirement plan, the Internal Revenue Code requires that you establish written guidelines that govern the Plan's loan program. You may elect to use the *Loan Guidelines Agreement* to serve this purpose for your Plan.

If you have any questions relating to the process of implementing a loan program, please contact your MissionSquare Plan Services team at 800-326-7272.

Section 1: Employer Plan Information

Enter the name of your employer plan. Also specify the plan type and your MissionSquare plan number.

Section 2: Eligibility & Loan Source

Loans are available to all active employees, except those with an existing loan in default.

Loan Source – Use this section to specify the sources that will be available for participant loans.

Section 3: Loan Purpose

Specify whether loans may be taken for (A) All Purposes or (B) Other Purposes *(You will be responsible for approval of all loan requests.)*.

(A) All Purposes

(B) Other Purposes

Employers have the ability to make their plan's loan program more restrictive under both of the above options.

Section 4: Application Process

No action is required in this section. The application process available to participants will vary depending on the option you select in Section III (Loan Purpose).

Section 5: Maximum Number of Loans

Specify whether participants may have only one (1) or up to five (5) loans outstanding at one time. The option you choose in this section will have a significant impact on the number of loans made from your plan. Regardless of your election, a participant may receive a maximum of one (1) loan per calendar year.

Note: *If you select Payroll Deduction as a repayment option for your participants in Section VIII, each loan repayment for each pay period must be accounted for separately. As such, repayments of multiple loans are a much larger burden on your payroll system (and personnel) than a repayment of a single loan.*

Section 6: Loan Amount

No action is required in this section. The Maximum Loan Amount Worksheet includes instructions you can use to calculate the maximum loan amount for a participant. The loan modeling option on MissionSquare's Account Access website can also be used to calculate a participant's maximum loan amount.

Section 7: Length of Loan

Loans must be repaid in substantially equal installments of principal and interest over a period that does not exceed five (5) years. However, if the participant will be using the loan to purchase a principal residence, the five (5) year time limit may not apply. In this section of the form, you specify the maximum repayment period for principal residence loans, with 30 years being the maximum term.

In determining the maximum repayment period for residential loans, you should be mindful that the loan term may extend beyond the period the participant is employed by you. If you allow employees to continue to pay their loans after they separate from service (see the Acceleration section), repayments would continue by the participant, through you, for the entire term of the loan (e.g., 30 years). Every payroll period, the participant (former employee) will be required to give you a check for the periodic loan repayment amount. You then include this amount with your next contribution submittal to MissionSquare. Loan repayments may not be made directly to MissionSquare by the participant, unless you choose ACH debit as a repayment option in Section VIII.

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Section 8: Loan Repayment Process

Specify the repayment method(s) and repayment frequency your plan will use.

Repayment Method – You can allow repayments to be made via payroll deduction and/or ACH payments from a participant's bank account.

(1) **Payroll Deduction** – With this option, you will include the loan repayment detail when you remit contribution detail to MissionSquare via the EZLink website.

Initiating Payroll Deduction
Payroll deduction should begin within two payroll cycles following the date the loan is processed by MissionSquare. Employees using this method must notify the Employer immediately so that repayments will begin as soon as practicable, on a date determined by the Employer's payroll cycle. Failure to begin payroll deduction in a timely manner could lead to the employee's loan entering delinquency status.

(2) **Automated Clearing House (ACH)** – With this option, participants authorize MissionSquare to debit loan repayments directly from the participant's bank account via ACH. This feature frees you of the burden of establishing and monitoring loan repayments via payroll deduction. The ACH repayment options are bi-weekly and monthly.

Additional Loan Repayments and Early Pay-Off
A participant may pay off all of the principal and interest early without penalty or additional fee. If a loan is paid in full prior to the end of the term of the loan, no further interest will accrue. Please note that no payment date may be "skipped" even if the employee has made a large payment or submitted multiple payments.

Section 9: Loan Interest Rate

No action is required in this section. It simply describes the interest rate that will be used for participant loans.

Section 10: Security/Collateral

No action is required in this section. It simply describes the amount that will be used as collateral for participant loans.

Section 11: Acceleration

Specify whether participants who have separated from service will be able to continue loan repayments until they have withdrawn their entire account balance from the plan, or if outstanding loans will be due and payable at the time participants separate from service.

You should consider the options in this section carefully, since your election will impact when outstanding loans become taxable to participants. If a participant does not repay the outstanding loan amount at the time it is due, the loan is "foreclosed," and the outstanding loan amount must be reported by MissionSquare as a taxable distribution in the year of the foreclosure.

Given the burdens associated with collecting loan repayments from former employees, you may not wish to maintain a potentially long term "relationship" with former employees (especially in the case of residential loans).

Section 12: Reamortization

No action is required in this section. It simply provides information related to the reamortization of participant loans.

Section 13: Refinance

No action is required in this section. It simply provides information related to the refinancing of participant loans.

Section 14: Reduction of Loan

No action is required in this section. It simply describes how outstanding loans will be handled in the event of a participant's death.

Section 15: Deemed Distributions

No action is required in this section. However you should familiarize yourself with this information and note that loan repayments must be made in accordance with the plan document, plan loan guidelines, and as reflected in the promissory note signed by the participant. Failure to make loan repayments according to the loan terms will result in the outstanding loan balance being deemed distributed and taxable to the participant.

Timing
A loan will be deemed distributed when a scheduled payment is still unpaid at the end of the calendar quarter following the calendar quarter in which the payment was due. For example, if a participant does not make a loan payment that was scheduled to be made on February 1, the maximum cure period for the repayment is June 30. If the total amount of all delinquent payments is not received by the end of the cure period, the loan is deemed distributed.

Consequences of Deemed Distributed Loans (Employers)
Employers who do not ensure proper loan repayment practices in their retirement loan programs risk not only having individual participant loans being deemed distributed, but also potentially jeopardize the tax-favored status of the entire plan. In the extreme, plans with mismanaged loan programs – a high occurrence of deemed distributed loans, and/or program participants in default, for example – may be disqualified (in the case of 401(a)/403(b) plans) or classified as ineligible (for 457(b) plans) by the IRS. Disqualification results in the loss of tax-deferred status for all contributions and a possible increase in the taxable income for participating employees.

It is a plan sponsor's fiduciary obligation to properly manage the retirement plan and its benefits. Mismanagement of a loan program may be considered failure to meet this fiduciary obligation and may expose a plan sponsor to litigation, in addition to being in violation of applicable laws and regulations.

Employers, as plan sponsors and fiduciaries, have an obligation to comply with plan document and loan guideline requirements applicable to participant loans. In this regard, loan payments must be made in accordance with the plan document, plan loan guidelines, and as reflected in the promissory note signed by the participant. Employers retain this obligation if there is a loan program associated with their retirement plan, regardless of the provisions governing the loan program.

Consequences of Deemed Distributed Loans (Participants)

The principal balance, in addition to any accrued interest, is reported as a distribution to the IRS. However, the taxable distribution is not the only event in conjunction with a deemed distribution. The following negative consequences occur as a result of deemed distribution.

- The deemed distribution is a taxable event. However, it is not an actual distribution and therefore remains an asset of the participant's account. The outstanding loan balance and accrued interest continue to be reported on the participant's account statements.
- Repayment of a deemed distribution will not change or reverse the taxable event.
- The loan continues to be considered outstanding until it is repaid or "offset" using the participant's account balance. An offset can occur only if the participant is eligible to receive a distribution from the plan as outlined in your plan document.
- Participants are required to repay any outstanding deemed distributed loan before they can become eligible for a new loan. The deemed distributed loan and any interest accrued since the date it became a taxable event is taken into account when determining the maximum amount available for a new loan.
- A participant who has had a prior deemed distribution must make repayments to a new loan through payroll deduction, or provide proof of adequate security.

Section 16: Fees

No action is required in this section. It simply provides that fees may be charged for various services associated with the application for and issuance of loans. Participants should review the Annual Service and Fee Disclosure notice(s) for your plan for more information on the applicable fees.

Section 17: Signatures

Please have an authorized plan representative sign and date this section of the agreement.

SPECIAL CIRCUMSTANCES

Emergency Withdrawals | *457(b) Plans Only*

457(b) Plans: Loans must be coordinated with unforeseeable emergency withdrawals. The emergency withdrawal regulations under Section 457(b) of the Code require that an emergency withdrawal be a resource of the "last resort." If the participant is able to take a loan or refinance a current loan from your MissionSquare 457(b) plan or any other plan you sponsor, the participant has resources available to meet, or partially meet, the financial need. Therefore, a participant will be required to take or refinance a loan before taking an emergency withdrawal.

Many emergency withdrawals are not approved because the financial need, while serious, may not meet the conditions itemized in the 457(b) regulations. The ability to take a loan allows participants to have access to money that is not otherwise available. And the repayment process for loans ensures that participants replenish their accounts, thereby preserving their retirement savings.

Qualified Joint and Survivor Annuity | *Applies to Some 401(a)/403(b) Plans Only*

If your plan uses the Qualified Joint and Survivor Annuity as the default form of payment, married participants must obtain spousal consent prior to obtaining a loan. The employee's spouse must consent, in writing, to the loan and the consent must be witnessed by a plan representative or notary public. Such consent must be received in writing by MissionSquare no more than ninety (90) days before the loan request is submitted through Account Access. In the case of the Direct Loan Application, spousal consent should be sent along with the application.

Please be advised, that some states recognize a status, such as a civil union or registered domestic partnership, to carry the same rights and obligations as marriage under state law.

Multiple Plans/Providers

If you have more than one retirement plan which offers loans, including "co-administered" or "co-provider" plans, MissionSquare will administer your loan program in your plan(s) with MissionSquare, but you will have to perform some loan verification activities. You will need to perform these activities if loans are available to your employees from several like retirement plans, such as two separate qualified plans, or if you have different types of retirement plans (e.g. Section 457(b) deferred compensation, 403(b) and section 401(a) qualified plan). The degree of your involvement will depend on your situation.

1. Multiple Plans

The Code sets a maximum on the aggregate of all loans from all retirement plans in which the employee participates. If you offer retirement plans through multiple plan providers, no provider will be able to calculate, by itself, the maximum amount that a participant may borrow at any point in time. Since only you, the employer, can determine the current outstanding loan balance and the highest outstanding loan balance in the past 12 months from all loans from any retirement plans, you will have to calculate the maximum amount that may be borrowed. This will involve obtaining all loan amounts currently outstanding and repaid in the last 12 months. Please refer to the Maximum Loan Amount Worksheet for instructions you can use to calculate the maximum loan amount for a participant.

Participants are asked to input all outstanding loan balances in their online worksheet so that the program can properly calculate the maximum amount. Participants are on the "honor system" when they enter other loan amounts; MissionSquare is unable to verify any loan amounts associated with plans administered by other providers. However, if there are any outstanding loans in other plans administered by MissionSquare, our online program will take them into account.

2. Single Retirement Plan/Multiple Providers

If you have adopted a single retirement plan with one master plan document under which MissionSquare and your other administrator(s) must operate, then you may ultimately have to self-administer your loan program, unless you require:

- that the maximum that may be borrowed from any provider is 50 percent of the balance with that provider and
- that the loan must be repaid only to the provider from which the loan was made.

3. Multiple Types of Retirement Plans/Multiple Providers

If you make loans available to your employees from all of your re plans (e.g. Section 457(b) deferred compensation plan, 403(b) and Section 401(a) qualified plan), no administrator will be able to calculate, by itself, the maximum amount that a participant may borrow at any point in time. This is because the Code sets a maximum on the aggregate of all loans from all 401(a), 403(b), and 457(b) plans in which the participant participates. Since only you, the employer, can determine the current outstanding loan balance and the highest outstanding loan balance in the past 12 months from all loans from any 401(a), 403(b), or 457(b) plans, you will have to calculate the maximum amount that may be borrowed. This will involve obtaining all loan amounts currently outstanding and repaid in the last 12 months. Please refer to the Maximum Loan Amount Worksheet for instructions you can use to calculate the maximum loan amount for a participant.

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MissionSquare RETIREMENT

Loan Guidelines Agreement | PAGE 1 OF 6

- The purpose of this agreement is to establish the terms and conditions under which the Employer will grant loans to participants. You should consider each option carefully before making your selections because your selections will apply to all loans made while the selection is in effect. If you later change any provision, the changes will apply only to loans made after the change is adopted. Loans in existence at the time of any future changes will continue to operate under the guidelines that were in effect at the time the loan was originally made.
- Please read the instructions and carefully complete all sections of this agreement.

☒ New Loan Program ***OR*** ☐ Amendment to Loan Program

1 EMPLOYER PLAN INFORMATION

Name of Plan *(Enter the complete Employer name, including state)*: City of Madison Heights, Michigan

Plan Type: ☐ 457(b) Deferred Compensation Plan ☒ 401(a) Money Purchase Plan ☐ 401(a) Profit-Sharing Plan ☐ 403(b) Retirement Plan

MissionSquare Plan Number(s): 100495

2 ELIGIBILITY & LOAN SOURCE

Loans are available to all active employees, except those with an existing loan in default.

401(a)/403(b) Plans – If your 401(a)/403(b) plan is funded by a combination of Employer and Employee contributions, you must specify whether one or both of the following can be used as a source for participant loans. *(Select one or both options below)*

☐ Employer Contribution Account *(vested balances only)*

☒ Participant Contribution Accounts *(pre- and post-tax, if applicable, including Employee Mandatory, Employee Voluntary, Employer Roll-In, and Portable Benefits Accounts, but excluding the Deductible Employee Contribution/Qualified Voluntary Employee Contribution Account)*

Roth Assets *(if applicable)* – If your 457(b), 403(b), or 401(a)(k) plan allows Roth contributions, a participant's Designated Roth Account balance will be included when calculating the amount a participant is eligible to borrow. However, you must specify whether or not a participant's Designated Roth Account can be used as a source for participant loans. *(Select one option below)*

☐ A participant's Designated Roth Account will not be available as a source for loans under the plan *(default option)*

☒ A participant's Designated Roth Account will be available as a source for loans under the Plan.

Note: *If Roth assets are available as a source for loans, a loan that is deemed distributed will not satisfy the requirements for a qualified (tax-free) distribution of Roth assets. This may result in participants paying taxes on assets that would otherwise be available tax-free.*

3 LOAN PURPOSE

Loans are available for the following purposes and must be requested in the corresponding method *(select one)*:

☒ **All Purposes** – With this option, participants can request a loan for any reason. Participants will be able to request new loans or refinance existing loans using the Online Loans option.

☐ **Other Purposes** – With this option, loans shall only be granted for reasons that are defined and approved by the plan. Participants will be able to request new loans or refinance existing loans using the Online Loans option. Please define purposes below and attach additional pages if needed.

4 APPLICATION PROCESS

The loan application process will vary depending on the option you selected in Section 3 above (Loan Purpose).

(A) All Purposes

- Participants can request a new loan or to refinance an existing loan using the MissionSquare website at: www.icmarc.org
- The participant agrees to the terms of the loan during the online loan request process.
- MissionSquare sends the loan documents and the loan proceeds (via check or ACH) to the participant.

(B) Other Purposes

- Participants can request a new loan or to refinance an existing loan using the MissionSquare website at: www.icmarc.org
- The participant agrees to the terms of the loan during the online loan request process.
- The Employer must review and approve the loan via EZLink.
- If approved, MissionSquare sends the loan documents and the loan proceeds (via check or ACH) to the participant.

The loan amount will generally be redeemed from the employee's account on the same day as either MissionSquare receipt of a loan request/application (complete and in good order), if it is submitted prior to market close on a business day. If not, the loan amount will be redeemed on the next business day following submission. The loan proceeds for an all purpose loan is generally issued on the next business day following redemption, and will be sent to the participant based on their option during the loan application process.

5 MAXIMUM NUMBER OF LOANS *(SELECT ONE)*

Participants may receive one loan per time period defined in the plan document *(e.g., calender or plan year)*. Please specify whether participants may have only one (1) or up to five (5) loans outstanding at one time. Maximum number of loans is one (1) by default. If you want to allow a different amount, enter a value of 1 through 5 in the Other Section.

- ☒ **One (1).** Participants may have only one (1) outstanding loan at a time *(default)*.
- ☐ **Other.** Participants may have up to ________ *(enter 2, 3, 4, or 5)* loans outstanding at one time.
- ☐ **Other 403(b) ONLY.** Participants with outstanding legacy loans may have one outstanding loan other than the legacy loans.

6 LOAN AMOUNT

Maximum: The maximum amount of all loans to a participant from the Plan and all other plans of the Employer that are either eligible deferred compensation plans described in section 457(b)(b) of the Code or qualified employer plans under Section 72(p)(4) of the Code (e.g., 401(a)/403(b) plans) shall not exceed the lesser of:

(1) $50,000, or

(2) One-half of the value of the Participant's interest in all of his or her Accounts under this Plan.

When calculating the maximum amount a participant is eligible to borrow from his/her account, the lesser value of (1) or (2) above must be reduced by the participant's highest outstanding loan balance over the past 12 months.

Minimum: The minimum loan amount is $1,000.

A loan cannot be issued for more than the maximum amount. The participant's requested loan amount is subject to downward adjustment without notice due to market fluctuation between the time of application and the time the loan is issued.

Loan amounts will be taken pro-rata from all of a participant's investments.

7 LENGTH OF LOAN

Loans must be repaid in substantially equal installments of principal and interest over a period that does not exceed five (5) years.

Principal Residence Loans

If the participant will be using the loan to purchase a principal residence, the five (5) year time limit may not apply. Participants can repay a principal residence loan over a period of up to 30 years. Please specify the maximum repayment period for principal residence loans from your plan below.

Maximum repayment period for principal residence loans = 30 *(Enter a number of years, up to 30)*

8 LOAN REPAYMENT PROCESS

Specify the repayment method(s) and repayment frequency your plan will use. Note that loan amounts plus interest, minus applicable fees paid to MissionSquare, are repaid to participant accounts and not to MissionSquare. You can allow repayments to be made via payroll deduction or ACH payments from a participant's bank account. Loan repayments must be made at least monthly [457(b)] or quarterly [401(a)/403(b)].

Repayment Method *(Select One)*:

For 457(b) and 401(a) or (k) plans: ■ ACH ***OR*** ☐ Payroll Deduction

403(b) plans loan repayments can only be paid by ACH.*

**ACH Payment Rejected Fee – If a loan repayment scheduled to be paid via ACH debit is rejected due to insufficient funds, invalid bank account information, or account closure, a fee will be charged to the participant's account. The fee is $20 for the first occurrence and $50 for each subsequent occurrence.*

Repayment Frequency:

For Payroll Deduction: Repayments through payroll deduction will be sent via check, wire or ACH debit by the Employer to MissionSquare on the following cycle *(Select One)*:

☐ Weekly *(52 per year)* ☐ Bi-weekly *(26 per year)* ☐ Semi-monthly *(24 per year)* ☐ Monthly *(12 per year)*

☐ Quarterly *(4 per year) – Available to 401(a) only.*

For ACH *(Select One)*: ■ Monthly *(12 per year)* ☐ Bi-weekly *(26 per year)*

Next two payroll dates: MM/DD/YYYY 8/14/2026 and MM/DD/YYYY 8/28/2026

Initiating Repayments: ACH debits from the employee's designated bank account will begin approximately one month following the date the loan is processed by MissionSquare.

Payroll deduction should begin within two payroll cycles following the date the loan is processed by MissionSquare. Employees using this method must notify the Employer immediately so that repayments will begin as soon as practicable, on a date determined by the Employer's payroll cycle. Failure to begin payroll deduction in a timely manner could lead to the employee's loan entering delinquency status.

Investment of Loan Repayments: All loan repayments are invested according to the instructions the participant has on file for the investment of contributions to his/her account.

Additional Loan Repayments and Early Pay-Off: A participant may pay off all of the principal and interest early without penalty or additional fee. If a loan is paid in full prior to the end of the term of the loan, no further interest will accrue. Please note that no payment date may be "skipped" even if the employee has made a large payment or submitted multiple payments.

Loans in Default: Participants using the ACH repayment option may default on their loans for lack of repayment more frequently than those using the payroll deduction method. For this reason, you may choose to require that certain participants use the payroll deduction repayment method.

Multiple Loans: If a participant has multiple loans outstanding from the plan, each loan repayment must be separately reported to MissionSquare.

8 LOAN REPAYMENT PROCESS *(CONTINUED)*

Former Employees and Leave of Absence: Former employees and employees on a leave of absence must repay their loans on the same schedule that would have applied had they continued employment.

Your plan may allow terminated employees to continue to repay their loans either through ACH, or by giving/sending you a check each repayment period (see the Acceleration section). If you allow terminated employees to repay loans by giving/sending you a check, you will include the repayment amounts in your next regular employee contribution remittance to MissionSquare.

In certain situations, employers may suspend loan repayments for a period of time for employees on a leave of absence or military leave. Please refer to Treasury Regulation section 1.72(p)-1, Q&A-9 for more information.

Repayments Must Continue: In implementing a loan program you should be aware that some employers have had to contend with the inability of some participants to repay their loan(s). You should be aware that you may not stop taking loan repayments from the employee's paycheck – even if the employee asks that repayments be stopped. Failure to payroll-deduct loan repayments on schedule could both jeopardize the eligibility or qualification of the entire plan as well as create a taxable event for the participant. Likewise, if an employee is repaying the loan through ACH debit of his/her bank account, and the employee fails to make payments, this could jeopardize the eligibility of your retirement plan. Employers are ultimately responsible for ensuring that loans are repaid according to the loan terms.

MissionSquare will notify both you and the employee if a payment has not been received.

9 LOAN INTEREST RATE

The loan interest rate is set for all loans at the prime rate plus 0.5%. The interest rate for new loans will change when the prime rate changes.

When a new loan is approved, the interest rate is locked in and remains constant throughout the life of the loan.

10 SECURITY/COLLATERAL

At the time a loan is taken, 50 percent of the participant's account balance or the amount of the loan, whichever is less, will be used as collateral for the loan.

11 ACCELERATION *(SELECT ONE)*

Please specify whether participants who have separated from service will be able to continue loan repayments until they have withdrawn their entire account balance from the plan, or if outstanding loans will be due and payable at the time the participant separates from service.

All outstanding loans shall be due and payable by a participant upon:

- ☐ **Separation from service.** All loan repayments must stop following an employee separating from service.
- ■ **Distribution of his/her entire account balance.** mployees can continue making loan repayments until they have withdrawn their entire account balance.

Outstanding loan balances that are not repaid will be reported as distributions to the participant. See the Deemed Distributions section for additional information.

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12 REAMORTIZATION

Reamortization changes the terms of an outstanding loan *(e.g., repayment period, interest rate, frequency of repayments)*. Any outstanding loan may be reamortized.

Reamortization cannot extend the repayment period beyond five (5) years from the date the loan was originally issued. Or, in the case of Principal Residence Loans, beyond *(the number of years specified in Section 7)* years from the date the loan was originally issued.

Participants can use a loan reamortization form to request that an outstanding loan be reamortized. Upon processing the request, a new disclosure statement will be sent to the employer for endorsement by the participant and approval by the employer. The executed disclosure statement must be returned to the plan administrator within 10 calendar days from the date it is signed. The new disclosure statement is considered an amendment to the original promissory note; therefore a new promissory note will not be required.

Note: *A loan reamortization will not be considered a new loan for purposes of calculating the number of loans outstanding or the one loan per calendar year limit.*

13 REFINANCE

Refinancing involves a new loan replacing an employee's outstanding loan. The refinanced loan must be repaid over a period that does not exceed five (5) years from the date when the original loan was issued.

Actively employed participants may elect to refinance an outstanding loan for an additional amount, subject to the loan amount limitations outlined in Section 6, provided that the participant has not yet taken out a loan during the calendar year. Participants no longer employed are not eligible to refinance an existing loan.

Note: *Principal residence loans are not eligible for refinance.*

14 REDUCTION OF LOAN

If a participant dies prior to full repayment of the outstanding loan(s), the outstanding loan balance(s) will be deducted from the account prior to distribution to the beneficiary(ies). The unpaid loan amount is a taxable distribution and may be subject to early withdrawal penalties. The participant's estate is responsible for taxes and penalties on the unpaid loan amount, if any. A beneficiary is responsible for taxes due on the amount he or she receives. A Form 1099 will be issued to both the beneficiary and the estate for tax reporting purposes.

15 DEEMED DISTRIBUTIONS

A loan will be deemed distributed when a scheduled payment is still unpaid at the end of the calendar quarter following the calendar quarter in which the payment was due. When a loan is deemed distributed, the principal balance and any accrued interest is reported to the IRS as a taxable distribution. However, since the participant received the loan amount previously, no money is actually paid to the participant as part of a deemed distribution.

The loan is deemed distributed for tax purposes, but it is not an actual distribution and therefore remains an asset of the participant's account. Interest continues to accrue. The outstanding loan balance and accrued interest are reported on the participant's account statements.

Repayment of a deemed distribution will not change or reverse the taxable event.

The loan continues to be outstanding, and to accrue interest, until it is repaid or offset using the participant's account balance. An offset can occur only if the participant is eligible to receive a distribution from the plan as outlined in the plan document. Participants are required to repay any outstanding loan which has been deemed distributed before they can be eligible for a new loan. The deemed distribution and any interest accrued since the date it became a taxable event is taken into account when determining the maximum amount available for a new loan. New loans must be repaid through payroll deduction.

Important Note: *The employer is obligated by federal regulation to comply with the loan guideline requirements applicable to participant loans, and to ensure against deemed distribution by monitoring loan repayments, regardless of the method of repayment, and by advising employees if loans are in danger of being deemed distributed. The tax-qualified status or eligibility of the entire plan may be revoked in cases of frequent repayment delinquency or deemed distribution.*

To assist plan sponsors whose plan options include loans, MissionSquare will provide reports of participants with payments delinquent by 30 to 89 days, 90 or more days but not yet deemed, and those whose loans have been deemed distributed. MissionSquare is committed to supporting employers who request assistance with their loan programs in order to reduce the number of delinquent loans and decrease the occurrence of deemed distributions.

MissionSquare RETIREMENT

Loan Guidelines Agreement | PAGE 6 OF 6

16 FEES

Fees may be charged for various services associated with the application for and issuance of loans. All applicable fees will be debited from the participant's account balance and/or from the participant's loan repayments prior to crediting the repayment of principal and interest to the participant's account.

17 SIGNATURES

The Employer has the right to set other terms and conditions as it deems necessary for loans from the plan in order to comply with any legal requirements. Employer certifies that all terms and conditions will be administered in a uniform and non-discriminatory manner.

In Witness Whereof, the employer hereby caused these Guidelines to be executed

this *(Day of the Month)* ________________ day of *(Month)* ________________________, 20 ______ *(Year)*.

EMPLOYER

By: ____

Title: ____

Attest: ____

MissionSquare RETIREMENT

Maximum Loan Amount Worksheet

The Maximum Loan Amount is automatically calculated for you when applying online via Account Access.

The maximum amount a participant can borrow from his or her account is $50,000 or 50% of the account balance, whichever is less. However, the amount must be reduced by a participant's highest outstanding loan balance over the past 12 months (which, obviously, only impacts participants who have previously taken a loan from a 457(b), 401(a) qualified, or 403(b) plan). The minimum amount a participant can borrow is $1,000.

EXAMPLE 1

Michael has never taken a loan from his account before and his 457 plan account balance at the close of business yesterday was $84,000. To calculate the maximum loan amount he is eligible to receive, we need to determine if 50% of his account balance ($84,000 × 50% = $42,000) is greater than or less than $50,000. In this case, 50% of his account balance is less than $50,000, so the maximum loan amount Michael is eligible to receive is $42,000 (the lesser of the two amounts).

EXAMPLE 2

Kathy has never taken a loan from her account before and her 401 plan account balance at the close of business yesterday was $240,000. In this case, 50% of Kathy's balance ($240,000 × 50% = $120,000) is greater than $50,000, so the maximum loan amount Kathy is eligible to receive is $50,000 (the lesser of the two amounts).

EXAMPLE 3

Pam took a $15,000 loan from her account eight months ago (in the previous calendar year) and her 457 plan account balance at the close of business yesterday was $130,000. In this case, 50% of Pam's balance ($130,000 × 50% = $65,000) is greater than $50,000, but that amount must also be reduced by her highest outstanding loan balance over the past 12 months, so the maximum loan amount Pam is eligible to receive is $35,000.
($50,000 – $15,000 = $35,000)

Maximum Loan Amount Worksheet

WORKSHEET TEMPLATE		EXAMPLE *(using numbers from Example 3 above)*
1) Enter 50% of your total plan account balance.	1) $________	1) $65,000
2) Enter the answer to #1 or $50,000, whichever is less.	2) $________	2) $50,000
3) Enter your highest outstanding loan balance over the past 12 months (from all of your plans combined), if applicable.	3) – $________	3) – $15,000
4) Subtract #3 from #2 and you have the maximum amount you are eligible to receive as a new loan or loan refinance.	4) $________ *(maximum loan amount)*	4) $35,000

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MissionSquare RETIREMENT

Suggested Resolution for a Legislative Body Relating to Amending a Retirement Plan to Permit Loans

401(a) Money Purchase Plan # 10 0495

401(a) Profit-Sharing Plan # 10______

457(b) Deferred Compensation Plan # 30______

403(b) Retirement Plan # 40______

Name of Employer: City of Madison Heights State: MI

Resolution of the above named Employer ("Employer")

WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the Employer has established a retirement plan (the "Plan") for such employees which serves the interest of the Employer by enabling it to provide reasonable retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer has determined that permitting participants in the retirement plan to take loans from the Plan will serve these objectives;

NOW THEREFORE BE IT RESOLVED that the Plan will permit loans.

I, ______________________, Clerk of the (City, County, etc.) of Madison Heights, do hereby certify that the foregoing resolution, proposed by (Council Member, Trustee, etc.) ______________________, was duly passed and adopted in the (Council, Board, etc.) of the (City, County, etc.) of ______________________ at a regular meeting thereof assembled this ______________________ day of ______________________, 20______, by the following vote:

AYES: ________

NAYS: ________

ABSENT: ________

Clerk of the (City, County, etc.): ______________________

Photographically reproducible Notary Seal or Stamp

Return copies of all completed documents to MissionSquare.

Fax: MissionSquare Plan Services
(844) 677-3297

Mail: MissionSquare Plan Services
P.O. Box 219320
Kansas City, MO 64121-9320

Online: Submit through secure messaging to:
www.employers.msqplanservices.org

MissionSquare RETIREMENT

457(b) Plan Loan Administration Agreement

This Agreement is not required if you have 1) only one 457(b) plan provider or 2) more than one plan provider each with its own plan document and provisions unique to each provider. The Agreement only applies if you have adopted a single 457(b) plan document under which MissionSquare Retirement and one or more other provider(s) must operate. Please refer to the Multiple Plans/Providers section of the Loan Guidelines Agreement Instructions for more details.

This Agreement shall serve as an Addendum to the Loan Guidelines established by the Employer identified below and as an Addendum to the Administrative Services Agreement (ASA) made by and between the MissionSquare Retirement (MissionSquare) and the Employer.

The Employer currently sponsors a section 457(b) deferred compensation plan administered by two or more providers (co-provider plan). In order to ensure the efficient administration of the loan program established by the Employer, the Employer hereby agrees and declares that

(1) For purposes of issuing loans from the plan, that portion of the plan's assets administered by MissionSquare will be treated as though it were a separate and distinct plan.

(2) The Employer shall calculate the amount a participant may borrow from the MissionSquare administered portion of the plan. No loan amount may exceed the lesser of (a) the maximum loan amount specified in Internal Revenue Code section 72(p)(2)(A) or (b) 50% of the participant's MissionSquare-administered account balance.

(3) All loan repayments must be made to the participant's MissionSquare-administered account for the life of the loan.

AGREED as of the ________________ day of ________________, 20________:

Name of Employer: ________________________________ State: ________

Employer Plan Number: **30**________________

Authorized Official (Print Name): ________________________________

Signature of Authorized Official: ________________________________

Return all completed documents to MissionSquare.

Fax: MissionSquare Plan Services
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Item 6.

MissionSquare RETIREMENT

Loan Amendment – 401(a) Plans Only

MISSIONSQUARE RETIREMENT GOVERNMENTAL 401(a) PLAN & TRUST AMENDMENT TO ADD LOANS

I. Name of Employer: City of Madison Heights State: MI

II. MissionSquare Plan # 10 0495

III. Loans are permitted under the plan, as provided in Article XIII of the Adoption Agreement and in the executed *Loan Guidelines Agreement*.

In Witness Whereof, the Employer hereby causes this Agreement to be executed on

this ______________ day of ______________, 20________.

EMPLOYER

By: ______________________

Title: ______________________

Attest: ______________________

Return all completed documents to MissionSquare.

Fax: MissionSquare Plan Services
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Mail: MissionSquare Plan Services
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MissionSquare RETIREMENT

Loan Amendment – 403(b) Plans Only

NATIONAL BENEFITS SERVICES NON-ERISA 403(b) VOLUME SUBMITTER PLAN 403(b) AMENDMENT TO ADD LOANS

I. Name of Employer: ______________________________ State: ________

II. MissionSquare Plan # **40**_______________

III. Loans are permitted under the plan, as provided in Article VII of the NBS Adoption Agreement and in the executed MissionSquare *Loan Guidelines Agreement.*

In Witness Whereof, the Employer hereby causes this Agreement to be executed on

this ______________________ day of ______________________, 20________.

EMPLOYER

By: ______________________

Title: ______________________

Attest: ______________________

Return all completed documents to MissionSquare.

Fax: MissionSquare Plan Services
(844) 677-3297

Mail: MissionSquare Plan Services
P.O. Box 219320
Kansas City, MO 64121-9320

Online: Submit through secure messaging to:
www.employers.msqplanservices.org

AGENDA ITEM SUMMARY FORM

MEETING DATE: 8/10/26

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

AGENDA ITEM CONTENT: Director of Public Services - Purchase of Three Police Patrol Vehicles

AGENDA ITEM SECTION: Bid Awards/Purchases

BUDGETED AMOUNT: $162,000

FUNDS REQUESTED: $162,000

FUND: Multiple

EXECUTIVE SUMMARY:

The approved FY 2026/27 Budget includes funding for the scheduled replacement of three police patrol vehicles; two from the general fund, and one from drug forfeiture. Motor Pool has been working with the police department to determine the best options for replacement, and the consensus is to purchase all three of these patrol vehicles as Dodge Durango Pursuits.

Budgeted Funds:
101-301-985-0000: $108,000 (General Fund, Police Department, Vehicles)
265-301-985-0039: $54,000 (Drug Forfeiture Fund, Police Department, Vehicles - State)

RECOMMENDATION:

Staff recommends that Council approve the purchase of three 2026 Durango Pursuit AWD Patrol Vehicles as quoted from LaFontaine Chrysler Dodge Jeep Ram, of Lansing, through the MiDeal Cooperative Vehicle Purchasing Program in the total amount of $162,000. This represents a rounded up purchase price of $54,000 each, allowing for delivery charges as provided for in the MiDeal contract. Funding is budgeted and available.

MEMORANDUM

DATE: **July 30, 2026**

TO: **Melissa R. Marsh, City Manager**

FROM: **Sean P. Ballantine, Director of Public Services**

SUBJECT: **Purchase of Three Police Patrol Vehicles**

The approved FY 2026/27 Budget includes funding for the scheduled replacement of three police patrol vehicles; two from the general fund, and one from drug forfeiture. Motor Pool has been working with the police department to determine the best options for replacement, and the consensus is to purchase all three of these patrol vehicles as Dodge Durango Pursuits.

This approach allows the ongoing reuse of multiple upfitted components from the existing fleet of Durangoes before an inevitable model year redesign in the future.

Staff recommends that Council approve the purchase of three 2026 Durango Pursuit AWD Patrol Vehicles as quoted from LaFontaine Chrysler Dodge Jeep Ram, of Lansing, through the MiDeal Cooperative Vehicle Purchasing Program in the total amount of $162,000. This represents a rounded up purchase price of $54,000 each, allowing for delivery charges as provided for in the MiDeal contract. Funding is budgeted and available.

City of Madison Heights
Department of Public Services
801 Ajax Drive
Madison Heights, Michigan 48071

p: (248) 589-2294 | f: (248) 589-2679 | e: DPS@MadisonHeightsMI.gov

Purchasing two of these vehicles as quoted in "Red Oxide" - General Fund

LaFontaine CDJR-Lansing
6131 S. Pennsylvania Ave.
Lansing, MI 48911
517-394-1022-Direct
517-394-1205-Fax
mdeacon@lafontaine.com

QUOTE

Name: City of Madison Heights
Address:
City: State: Zip:
Contact: Dan Yamarino
Phone: 248.589.2294 x 2795
Email: danyamarino@madison-heights.org

Date: 7/23/2026
Quote 072326

State of Michigan Contract 240000001206		
WDEE75	2027 Dodge Durango Pursuit AWD	$41,469.00
22Z	5.7L V8 Hemi	$3,168.00
PHC	Red Oxide	$536.00
C5X9	Black Cloth Bucket Seats / cloth rear	
CW6	Deactivate Rear Doors/Windows	$86.00
LNF	Black Left LED Spot Lamp	$660.00
LNA	Black Right LED Spot Lamp	$660.00
GXF	Entire Fleet Alike Key	$540.00
ADL	Skid Plate	$333.00
	Ballistic Doors R+L	$6300.00
	Per contract delivery is $2.00 a mile one way mileage.	
	By signing the purchase agreement you agree to purchase of the vehicle or	
	vehicles X________________________________	
	Total Cost:	~~$47,119.00~~

$53.752.00

Signed *Michelle Deacon*

Please note payment is due within 30 days of delivery. Any invoices paid after 30 days may be subject to a 1.5% late fee

Purchasing one vehicle as quoted in "Pitch Black" - Drug Forfeiture

LaFontaine CDJR-Lansing
6131 S. Pennsylvania Ave.
Lansing, MI 48911
517-394-1022-Direct
517-394-1205-Fax
mdeacon@lafontaine.com

QUOTE

Name: City of Madison Heights
Address:
City: State: Zip:
Contact: Dan Yamarino
Phone: 248.589.2294 x 2795
Email: danyamarino@madison-heights.org

Date: 7/23/2026
Quote 072326

State of Michigan Contract 240000001206		
WDEE75	2027 Dodge Durango Pursuit AWD	$41,469.00
22Z	5.7L V8 Hemi	$3,168.00
PX8	Pitch Black	
C5X9	Black Cloth Bucket Seats / cloth rear	
CW6	Deactivate Rear Doors/Windows	$86.00
LNF	Black Left LED Spot Lamp	$660.00
LNA	Black Right LED Spot Lamp	$660.00
GXF	Entire Fleet Alike Key	$540.00
XDV	Driver Side Ballistic Door Panel	$3,150.00
XDG	Passenger Side Ballistic Door Panel	$3,150.00
ADL	Skid Plate Goup	$333.00
	Per contract delivery is $2.00 a mile one way mileage.	
	By signing the purchase agreement you agree to purchase of the vehicle or	
	vehicles X________________	
	Total Cost:	$53,216.00

Signed *Michelle Deacon*

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