

CITY OF STERLING HEIGHTS
Regular Meeting of the
LOCAL DEVELOPMENT FINANCE AUTHORITY
6633 18 Mile Road, Sterling Heights
VELOCITY BUILDING
April 15th, 2025
8:00 AM

MEETING CALLED TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

Approval of special meeting minutes on 3/18/2025

CONSENT AGENDA

NEW BUSINESS

- 1.) Consider the approval of contract for K & S Ventures to replace the HVAC at Velocity.
- 2.) Consider the approval of the 2026 fiscal year budget

OLD BUSINESS

PUBLIC COMMENT

ADJOURNMENT

VELOCITY UPDATES

CITY OF STERLING HEIGHTS
LOCAL DEVELOPMENT FINANCE AUTHORITY
MINUTES OF THE REGULAR MEETING
April 15th , 2025
6633 18 Mile Road, Sterling Heights, MI 48314
Velocity Building

New Business

- 1.) **Consider the contract K & S Venture Services to replace the HVAC at Velocity**
 - a. Scott Kalinowski to discuss/ Todd backup (head of facilities)
- 2.) **Consider the approval of the 2026 fiscal budget.**
 - a. Scott Kalinowski to discuss



Business of the Local Development Finance
Authority
Sterling Heights, Michigan

Meeting: 4.15.25

AGENDA STATEMENT

Item Title: Consider K & S Ventures to replace the Velocity Building HVAC system

Submitted By: Office of Economic Development

Contact Person/Telephone: Scott Kalinowski

Administration (initial as applicable)

Attachments

<input type="checkbox"/> City Clerk	<input type="checkbox"/> Resolution	<input type="checkbox"/> Minutes
<input type="checkbox"/> Finance & Budget Director	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Plan/Map
<input type="checkbox"/> City Attorney (as to legal form)	<input checked="" type="checkbox"/> Contract	<input type="checkbox"/> Other
<input type="checkbox"/> City Manager		
<input type="checkbox"/> Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office		

Executive Summary:

Todd to discuss with Scott. HVAC system is severely outdated and in dire need of repair. Funds are available within the city for this general repair and maintenance and the estimated quote is for \$997,000 to completely replace the system.

Suggested Action: Approve contract with K S Ventures for \$997,000 to replace the entire HVAC system at the Velocity building

MOVED BY:

SECONDED BY:



Date: March 13, 2025
To: Scott Kalinowski, Velocity Center Manager
From: Todd Macovis, Facilities Maintenance Manager
Subject: Velocity Heating Ventilation and Air Conditioning System Replacement

Interoffice Memorandum

The Office of Facilities Maintenance ensures all mechanical, electrical and plumbing equipment at city buildings operate at safe and optimum efficiency through preventative maintenance programs. Continuous failure and outdated systems have dictated the need to seek the replacement of the Heating Ventilation and Air Conditioning System (HVAC) at the Local Development Finance Authority (LDFA) Velocity Center building.

The HVAC system consists of one (1) ground mounted unit and two (2) roof top units (RTU) that modulate the airflow and ambient climate within the building, additional critical parts and components of the system also require replacement at the same time and consist of two (2) natural gas boiler units with circulation pumps as well as a new electronic control systems that allow for remote monitoring and computer control of all associated systems.

Facilities Maintenance Staff with the assistance of the Office of Purchasing solicited competitive sealed bids for the replacement of the Velocity Center HVAC system in its entirety as described above. After extensive review of the nine (9) bids received, the recommendation is to provide an award to the lowest qualified bidder meeting all specifications provided:

K & S Ventures Inc.
2925 Waterview Dr
Rochester Hills, MI 48309
ATTN/Contact: Blake Blomberg blakeb@ksv.us

K & S Ventures is a full-service mechanical, electrical and temperature contractor who has been in business for 36 years. They have provided service and have performed similar work in other communities such as the City of Rochester Hill, Auburn Hills, and Harper Woods, along with many others.

This project is being funded through Account # 250-728.003-975.000 for nine hundred and ninety seven thousand dollars (\$997,000.00). If you have any questions or desire additional information, please do not hesitate to contact me at your earliest convenience.



Business of the Local Development Finance
Authority

Sterling Heights, Michigan

Meeting: 4.15.25

AGENDA STATEMENT

Item Title: Review and approve the 2026 fiscal year Budget for Velocity

Submitted By: Office of Economic Development

Contact Person/Telephone: Scott Kalinowski

Administration (initial as applicable)

Attachments

<input type="checkbox"/> City Clerk	<input type="checkbox"/> Resolution	<input type="checkbox"/> Minutes
<input type="checkbox"/> Finance & Budget Director	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Plan/Map
<input type="checkbox"/> City Attorney (as to legal form)	<input checked="" type="checkbox"/> Contract	<input checked="" type="checkbox"/> Other
<input type="checkbox"/> City Manager		
<input type="checkbox"/> Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office		

Executive Summary:

Updated budget for 2026 attached and presented.

Suggested Action: Approve the 2026 budgeted accounts for Velocity.

MOVED BY:

SECONDED BY:

01/28/2025 11:50 AM
 User: skalinowski
 DB: Sterling Heights

BUDGET REPORT FOR CITY OF STERLING HEIGHTS

Calculations as of 06/30/2025

GL NUMBER	DESCRIPTION	2023-24	2024-25	2024-25	2024-25	2024-25	2025-26
		ACTIVITY	COUNCIL APPROVED BUDGET	AMENDED BUDGET	ACTIVITY 06/30/25	PROJECTED ACTIVITY	MGR REQUESTED SVC I BUDGET
101-728.400-704.000	WAGES & SALARIES-PERMANENT	62,910	74,600	(27,650)			
101-728.400-704.001	SICK/PERSONAL BUY BACK	4,760					
101-728.400-704.002	HEALTH INSURANCE ALLOWANCE						
101-728.400-708.000	OVERTIME	8,290	10,000	10,000			
101-728.400-708.001	COMP TIME BUY BACK						
101-728.400-709.000	OTHER BENEFITS/REIMBURSEMENTS	450	600	600			
101-728.400-710.000	LONGEVITY	1,320	1,800	1,800			
101-728.400-717.000	FICA	5,730	6,650	6,650			
101-728.400-718.000	WORKERS COMPENSATION	50	50	50			
101-728.400-720.000	PENSION-GENERAL EMPLOYEES RET	27,600	27,100	27,100	15,810	25,000	25,000
101-728.400-720.002	DEFINED CONTRIBUTION-EMPLOYER						
101-728.400-720.003	EMPLOYER CONTRIBUTION RECOVERY						
101-728.400-721.000	HEALTH INSURANCE	6,990	7,050	7,050			
101-728.400-721.001	HEALTH INSURANCE-RETIREES	43,650	43,650	43,650	25,470	40,000	40,000
101-728.400-721.003	RETIREE HEALTH SAVINGS - CITY						
101-728.400-722.000	DENTAL INSURANCE	320	400	400			
101-728.400-723.000	LIFE INSURANCE	190	300	300			
101-728.400-724.000	EYE CARE INSURANCE	60	100	100			
101-728.400-725.000	DISABILITY INSUR - LONG TERM	120	200	200			
101-728.400-725.001	DISABILITY INSUR - SHORT TERM	340	500	500			
101-728.400-729.000	POSTAGE	50	50	50			
101-728.400-751.000	OPERATING SUPPLIES		150	150			
101-728.400-826.000	OTHER CONTRACTED SERVICES	150,000	195,000	195,000	101,250	175,000	195,000
101-728.400-880.000	COMMUNITY PROMOTION	41,040	77,900	77,900	77,900	77,900	77,900
101-728.400-903.000	PRINTING						
101-728.400-922.000	TELEPHONE						
101-728.400-945.000	OTHER RENTAL						
101-728.400-955.000	MILEAGE	370	500	500			
101-728.400-956.000	LOCAL MEETINGS						
101-728.400-957.000	MEMBERSHIPS & DUES	5,500	5,500	5,500			
101-728.400-958.000	EDUCATION & TRAINING						
101-728.400-962.003	MISCELLANEOUS-PUBLIC HEALTH						
101-728.400-967.000	LAKESIDE DEVELOPMENT EXPENDITURES	33,050	50,000	386,000	101,820	200,000	386,000
101-728.400-967.001	LAKESIDE DEVELOPMENT EXPENDITURE -	1,000,000		2,000,000	2,000,000	2,000,000	1,500,000
247-728.000-826.000	OTHER CONTRACTED SERVICES	43,630	40,000	140,770	37,660	75,000	40,000
247-728.000-902.000	PUBLISHING						
247-728.000-962.000	MISCELLANEOUS EXPENSE						
247-902.000-971.000	LAND ACQUISITION				(850)		
247-902.000-988.000	CONSTRUCTION						
250-728.002-962.000	MISCELLANEOUS EXPENSE						
250-728.002-962.006	MISCELLANEOUS EXPENSE - BAE						
250-728.002-988.098	NORTH VANDYKE DESIGN						
250-728.003-730.000	PUBLICATIONS		250	250			
250-728.003-751.000	OPERATING SUPPLIES	4,720	5,000	5,000	2,270	5,000	26,250
250-728.003-761.001	PROGRAMS						
250-728.003-805.000	ADMINISTRATIVE SERVICES	131,320	190,000	40,000	17,490	35,000	40,000
250-728.003-805.001	MANAGEMENT SERVICES	150,000	150,000	150,000	100,000	150,000	150,000
250-728.003-806.001	LEGAL SERVICES - CITY ATT'Y						
250-728.003-815.000	LIABILITY INSURANCE	13,950	13,950	13,950			13,950
250-728.003-815.000	SOFTWARE MAINTENANCE FEES			2,000	1,250	2,000	2,000
250-728.003-826.000	OTHER CONTRACTED SERVICES	196,480	107,400	287,400	214,250	300,000	287,400
250-728.003-826.001	OTHER CONTRACTS	94,650	114,400	114,400	70,810	110,000	120,000
250-728.003-826.002	MARKETING	75,710	105,600	105,600	48,130	115,000	150,000
250-728.003-826.005	PROGRAMS	335,810	413,000	413,000	168,890	413,000	563,000
250-728.003-826.006	PROVIDED MARKETING AND CONS. SERV	19,500					
250-728.003-880.000	COMMUNITY PROMOTION	2,500	2,500	2,500	30	500	1,500
250-728.003-902.000	PUBLISHING						

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BUDGET REPORT FOR CITY OF STERLING HEIGHTS

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GL NUMBER	DESCRIPTION	2023-24	2024-25	2024-25	2024-25	2024-25	2025-26
		ACTIVITY	COUNCIL APPROVED	AMENDED BUDGET	ACTIVITY THRU 06/30/25	PROJECTED ACTIVITY	MGR REQUESTED SVC I BUDGET
250-728.003-921.000	ELECTRIC	69,960	80,000	80,000	48,530	80,000	80,000
250-728.003-922.000	TELEPHONE	35,600	45,000	45,000	18,110	25,000	5,000
250-728.003-923.000	GAS - FUEL - OIL	37,170	40,000	40,000	19,210	40,000	40,000
250-728.003-925.000	WATER	16,690	17,000	17,000	16,340	24,000	24,000
250-728.003-930.000	BUILDING MAINTENANCE	47,710	50,000	18,000	300	10,000	50,000
250-728.003-956.000	LOCAL MEETINGS						
250-728.003-956.001	SPECIAL EVENTS	39,340	87,000	87,000	43,580	70,000	87,000
250-728.003-957.000	MEMBERSHIPS & DUES						
250-728.003-962.000	MISCELLANEOUS EXPENSE						
250-728.003-963.000	HOUSING ASSISTANCE PAYMENTS						
250-728.003-963.002	MISCELLANEOUS-MICRO LOAN PROG						
250-728.003-963.004	MISCELLANEOUS-CAPITAL PROGRAM						
250-728.003-975.000	BUILDINGS & IMPROVEMENTS	96,800	167,300	167,300			217,300
250-728.003-982.000	MACHINERY & EQUIPMENT	4,090					
250-728.003-988.052	VELOCITY PARKING LOT REPAIRS				513,190		500,000
250-728.003-988.066	SMARTZONE DISTRICT IMPROVEMENT						
250-728.005-826.000	OTHER CONTRACTED SERVICES	28,070	25,000	40,180	24,200	25,000	25,000
250-728.005-925.000	WATER	510	2,000	2,000	460	750	2,000
250-728.005-962.000	MISCELLANEOUS EXPENSE						
250-728.005-975.000	BUILDINGS & IMPROVEMENTS						
250-728.005-988.066	SMARTZONE DISTRICT IMPROVEMENT						
250-728.005-988.079	LDFA IMPROVEMENTS- PHASE I						
250-728.005-988.098	NORTH VANDYKE DESIGN						
250-728.005-988.103	LDFA PHASE II						
250-728.005-988.169	BRENTWOOD RIVER IMPROVEMENTS	437,600					
250-728.007-751.000	OPERATING SUPPLIES	3,300	81,000	81,000	1,650	3,500	25,000
250-728.007-826.000	OTHER CONTRACTED SERVICES	81,400	280,000	1,030,000	297,680	670,000	700,000
250-728.007-826.002	MARKETING	17,830	74,000	74,000	44,140	65,000	36,250
250-728.007-826.009	SUBRECIPIENT FUNDING	13,000	100,000	100,000	123,000	150,000	150,000
250-728.007-958.000	EDUCATION & TRAINING	3,060	65,000	65,000	1,730	25,000	741,000
ESTIMATED REVENUES - ALL FUNDS							
APPROPRIATIONS - ALL FUNDS		3,393,190	2,757,500	6,370,390	3,621,110	4,911,650	6,300,550
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS		(3,393,190)	(2,757,500)	(6,370,390)	(3,621,110)	(4,911,650)	(6,300,550)
BEGINNING FUND BALANCE - ALL FUNDS		38,243,560	34,850,370	44,310,830	44,310,830	44,310,830	39,399,180
ENDING FUND BALANCE - ALL FUNDS		34,850,370	32,092,870	37,940,440	40,689,720	39,399,180	33,098,630