

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, NOVEMBER 10, 2008 AT 7:00 P.M.
COUNCIL CHAMBERS - NOVI CIVIC CENTER - 45175 W. TEN MILE RD**

Mayor Landry called the meeting to order at 7:00 P.M.

PLEDGE OF ALLEGIANCE Webelos I, Troop 50 (Deerfield Elementary Fourth Grade)
Den Leader: Sue Grassmyer
Assistant Den Leader: Kathy Takeshita
Brian Thompson; Chris Klingensmith; Corey
Grassmyer; Daniel Anderson; James Takeshita and
Nick Alonzi

ROLL CALL: Mayor Landry, Mayor Pro Tem Capello, Council Members Crawford, Gatt,
Margolis, Mutch, Staudt

ALSO PRESENT: Clay Pearson, City Manager
Pamela Antil, Assistant City Manager
Tom Schultz, City Attorney

APPROVAL OF AGENDA

Mayor Landry added Signature Park Committee.

Member Crawford added to the Consent Agenda Item Y, Approval to ratify the property exchange agreement with the Novi Community School District as adopted at its meeting November 6, 2008.

**CM-08-11-182 Moved by Capello, seconded by Gatt; CARRIED UNANIMOUSLY:
To approve the Agenda as amended.**

**Roll call vote on CM-08-11-182 Yeas: Capello, Crawford, Gatt, Margolis, Mutch,
Staudt, Landry
Nays: None**

PRESENTATIONS

1. Financial Audit for Fiscal Year ended June 30, 2008 - Plante & Moran

Joe Heffernan and Kathy Kercorian were present to present the comprehensive financial report. Mr. Heffernan thought Novi had a very good fiscal year. He said an audit looked at everything done during the year. They also looked at the internal control systems and had found nothing significant to bring to Council's attention, and they looked at the accounting records and confirmed with the bank, etc. He said their opinion to Council was an opinion of being in good or poor financial health and an audit opinion said that Council could rely on their financial statements to be fairly stated. He said when Council went through the numbers they would be a fair representation of how they had done for the year.

Ms. Kercorian explained a graph gave a good picture as to where the sources of revenue came from to fund General Fund activities. She said 69% of all revenue that came into the City came from property taxes and over the last five years the City had experienced healthy increases in the tax base each year. She thought, because of the economy, they would start

to see declines in revenue. The State Shared Revenue graph showed the number remained at the exact same level as the prior year as the State had committed to keeping that stagnant and she thought they had committed to that next year as well. The next set of graphs was the building permits and plan reviews. In looking at that trend, this year really dropped off significantly because of the real estate market and building and construction being down. Ms. Kercorian stated the last part was all other costs and the main items in that were Federal Grant Revenue and interest earnings in that category and it experienced an 8% increase. She said overall, the total revenue increased only 1% from last year to this year.

Ms. Kercorian said the next graph took the General Fund expenditures and told them what the main costs of the City were each year. She said the largest expenditure and 49% of all dollars going out of the General Fund was the Police Department, which had an increase of 4% since last year. She said the main costs were salaries and health care. Ms. Kercorian said the Fire Department increased about 3% this year and looking at the trend two years ago there was a large increase of about 26%, 7% the next year and 3% this year. She said that was because of large capital needs in certain years with the Fire Department.

Ms. Kercorian stated Community Development and Planning Commission revenues decreased slightly, which was involved with Building and Planning where the revenues also decreased this year. Ms. Kercorian said other expenditures were down about 3% this year, which helped keep the overall cost in line with the 1% revenue growth.

She said the City had been able to add to the General Fund Fund Balance over the last five years, and at the end of 2008 the Fund Balance would be about \$12.4 million. She said in 2004 the Fund Balance was 20% and now at the end of 2008, even with the challenging economic times, it was able to be brought to 25% of the annual expenditures. She said that would be a very healthy Fund Balance, which would allow the City to position itself looking forward into the economic uncertainties facing Novi. She said those uncertainties were property tax revenues were declining, State Shared Revenue remained stagnant, returns on investments and other uncertainties out there.

Mr. Heffernan said there were short and long term measures to Novi's fiscal health and the best short term measure of fiscal health would be the unreserved fund balance of the General Fund. He said Novi had a general trend that was increasing, which was very important. He said Novi was above where the benchmarks were that Council had set as a minimum benchmark; he thought that was important. Mr. Heffernan said Novi was in a pretty good position and would really need that.

Mr. Heffernan said next was an intermediate or medium term look at Novi's fiscal health, which would be looking at all governmental funds. He said that was everything except pensions and retiree health care, which were not the City's funds but were set aside for employees. Water and Sewer was not in there because it was self supporting, and was a business type activity. Mr. Heffernan said everything else was in the second set of numbers. He said the unreserved Fund Balance of all governmental funds would include not just the General Fund but everything there were special millages for including the three Street Funds, Drain Funds, Parks Fund, Library Fund and Police and Fire. These funds were not resources to be spent on whatever the City would like because each of those funds had special millages or Act 51 from the State and were legally segregated. They could only be used for specific governmental purposes that each of the funds were associated with. He said it was important but was not

as good of a short term measure and even though it was more of an intermediate term measure it showed very good health. The decline seen between 2006 and 2007 from \$41.6 million to \$40.4 was the spending of the Drug Forfeiture Fund on the police facility and the firing range.

Mr. Heffernan spoke on the unrestricted net assets and all 25 of the governmental type activities except Water and Sewer, pension and retiree health care. He said when looking at the unrestricted net assets it would be what the net assets were and everything would be counted including liabilities like sick and vacation pay and other employee compensated assets, which might not be paid immediately but well into the future and that was why those numbers were a little lower than the General Fund. He said that had a positive uptick and he thought it was harder to say now what the level of unrestricted net assets should be because they were still trying to get data on that. However, he thought the City was pretty well positioned for that.

Mr. Heffernan said the last measure was another way of looking at long term fiscal health but not looking at the restricted but financial net assets. So they were adding in the unrestricted plus all restricted net assets. He said this was liquid, but the restrictions would be for the various millages and would count things restricted to the streets, the drains, library, police and fire millage, all those special millages Novi had. He commented they would be counted because even though they had specific uses, they were available to the Council and Council could and would be using them. Mr. Heffernan said they were unfunded for pension and retiree health care, and it backed that off. This was looking at all financial assets and said adjusted for pension and even though the accounting rules said "don't try to count that future actuarial accrued liability" this was still backing those out because in the long run, 10 or 20 years, Council would, to the extent they were underfunded, be funding that. So that would be coming out of the City's resources. On this long term basis, he thought it was really quite good. He said the dip they saw in this for the current year was because when they counted the restrictions the Drug Forfeiture Funds would have been counted and that was the only reason for the drop seen this year.

Mr. Heffernan thought this was a really good measure and hoped in the future, if they could get more data from other communities, they could start benchmarking to see if they were in the 50th percentile, 80th percentile, etc., which would be useful information.

Mr. Heffernan said they compared each of the last five years of operating revenues to the operating expenditures of the Sewer and Water Fund. He said from year to year they were usually relatively close and the differences were because when rates were set they didn't know what the usage would be. He said the usage was not only dependent on the new residents but on the weather patterns and that made a significant difference in water usage. Mr. Heffernan said for the last three years the operating revenues were a little more than the operating expenses. He said the working capital was at a very healthy level and had been maintaining and increasing a little in the last couple of years. He said the Water and Sewer Fund was also in really good financial health.

Mr. Heffernan talked about the millage rate in comparison with the other communities in Oakland County. He said Novi was just a little over ten mills. He noted Novi had such a low millage rate because of the structure of the City Charter that would cause Council to go out for millage anytime they wanted something extra. He commented from the resident's perspective

it worked out well and caused Council to only do things where there was a majority of their constituents that said they also wanted to do it. It also explained why there were so many special millages, much more than a typical City, but it did work to hold down the millage rate. He thought the second reason it was low was the taxable value per capita was a little higher than the average, which allowed them a lower millage rate. He said it was a combination of both of those factors that allowed the millage rate to stay so low.

Mr. Heffernan commented on taxable values and said it was hitting Novi as hard or harder than the average community in terms of a percentage of the taxable value. He said the reason was Novi was such a recently built out community and had a larger percentage of stock in the higher value homes. He said those were really the ones that had been hurt as a percentage, and had been hit more than the moderate or lower than average value homes. Mr. Heffernan said this past year the taxable value was flat for the first time ever and that didn't affect the number here. He said what happened with property values was affecting the July 1, 2008 tax bills, which was the fiscal year that the City was in now. If they try to look one year ahead at the June 30, 2010 fiscal year, he expected it wouldn't be flat and that it would be a negative but they wouldn't know how negative until those assessed values came in. He said it would not be because the market was getting worse; it was the mathematics of how the Proposal A model worked. Mr. Heffernan said the good news part of that was that Novi was in a very good position to handle this. He said the fact that the Fund Balance was a bit above the minimum put them in a good position to ride this a little bit. While Fund Balance needed to be there for unforeseen events, it was really not looking at a four year unforeseen event, but a one or two year event. Mr. Heffernan thought this situation would not be a one or two year problem but a four or five year problem. He said because Council was above the Fund Balance target it would be helpful for them. However, because it would be multiple years, they couldn't ignore it.

Mr. Heffernan commented they were looking at making changes to the property tax and how it worked with Proposal A. He said there was a potential that there would be legislation that would say if the market value went down, X percent of the taxable value would have to go down even though it hadn't been there. He said if that happened, it would have a much greater impact on all cities, townships and villages. It would be quite dramatic and the structure of Michigan's property tax didn't give them another avenue to bring in appropriate revenue to provide the level of services that were there. He said they should watch that and discuss it with the legislatures to the extent they could. He said since 2001 the State had not been matching the formulas that were in the State Revenue Sharing Act. As a result, while still receiving the constitutional part because it's required, the sales tax revenues had generally gone up. He said the State had to reduce the statutory part well below the formulas that were in the legislation, because it was needed in their own budget. The good news was four or five years ago when the legislature was doing this some in the legislature were talking in terms of State Shared Revenues being a gift and local units shouldn't complain because they were taking their gift away. He thought they understood much better; revenue sharing was never a gift but was a part of Michigan's local tax structure to replace some of the local taxes they felt were not good for Michigan's competitiveness with other states. He said the biggest one was the Inventory and Intangibles Taxes, which were taken away from local units and replaced with Revenue Sharing. Mr. Heffernan said they also tried to even out between a City like Novi, who could afford to tax its residents, as opposed to communities like Detroit or Pontiac that don't have the same ability to pay on a per person basis. So, that was the other thing that State Shared Revenue was trying to do in the Statutory Revenue Sharing structure;

they're important valid reasons and they're still here. The legislature understood that but the State still had some budget problems. He said the year that just ended for the State would not be as good as they thought but September 30, 2009 still looked in balance per Bob Kline. However, when the revenue estimating comes in January, Bob Kline expected the State to predict next year, 2009-2010, would not be a good year; so the State would be trying to deal with that and it might affect Revenue Sharing. He said the legislators seemed to understand how important it was, but they clearly had budget troubles and he believed September 30, 2010 would not be a good year for them.

Member Margolis asked when talking about the long term fiscal health and the financial net assets that were adjusted was that for pension and retiree health care, was that OPEB. He said it was. She believed what he was saying about the Drug Forfeiture Funds impact on the graph. She said the jump they saw in 2007 was much of that money coming into that fund and out by the next year. So, normally they would see a gentle incline like they were supposed to and Mr. Heffernan agreed. Member Margolis said he talked about benchmarking these indicators of fiscal health and assumed that they were also looking at benchmarking for retiree health care funding. She asked if this was the first year it had to be listed. Mr. Heffernan said retiree health care would be in financial statements for the year that begins July 1, 2008 through June 30, 2009. Member Margolis said Council did have a statement in their financial a year early and Mr. Heffernan said yes, because the City did start funding that and had a Retiree Health Care Fund. She asked if that was the required form in the report. He said it was the required form of the footnote disclosure but there were a couple options on how to fund that just like pensions. Member Margolis said she was glad a previous Council stepped forward and took a stand on that.

Member Mutch said he talked about the super cap idea and asked if anyone had done an analysis to see how a proposal capping properties values in a down market, would impact local communities. Mr. Heffernan said they had not and it could be they were afraid of the answer. He said a year ago communities that would have seen a 10% decline, even though taxable values might have been flat, in their SEV then there would be a 10% decline in property tax revenue. He said that was pretty drastic. Member Mutch said another area of concern for them was the retirement contributions they had been setting aside for the pension program and retiree health care. On page 24 one of the things highlighted was the net investment loss they had because of the market conditions and thought that was typical across communities. He asked how they were dealing with it and were the ones that could afford it increasing their contributions or were they holding back and waiting to see how the market would shake out. Mr. Heffernan said he had not seen any community try to increase their contribution yet and probably because of all the clouds on the horizon with property tax values. He said once money was set aside in a pension system it was tied up and could not be used. Mr. Heffernan said the right way to look at the decline was how it was relative to the benchmark of the risk rating. He said the right way to look at a pension system was to ask what risk level they should be at, which was quite different than the risk level they would be at in the General Fund. He said they needed and were at quite a low risk level and that was what Public Act 20 did for them. It required them to stay in things like Certificates of Deposit and other shorter term things that were not going to decline in value. However, in a pension system it was appropriate to have that 30 year or longer horizon. So, the key was what the risk picture was they should accept, identify the appropriate benchmarks, and ask how they compared to their benchmarks. He said when talking to Ms. Smith-Roy she said, relative to the benchmarks that they had been using, the loss was less than the benchmarks through the MERS program, and she felt

great about that. He said they had to ask themselves if they were in the right risk portfolio, what's the benchmark and how did they do compared to the benchmark for that risk portfolio. Member Mutch said Council had known this was coming and felt the community needed to realize that they were really facing some big challenges. He said the market was impacting their retirement contribution, interest income, property taxes, building fees, etc. He said he was concerned looking at the next couple of years and heard Mr. Heffernan say they were talking about a three or four year cycle. However, it was good to hear Council was in a position to be proactive in taking on some of these challenges. Mr. Heffernan said it was not that dire but it needed to be taken seriously and it would be hard for them to figure out how heavily they needed to jump on the brake pedal type of thing. It would be hard to come to the right balance in providing the services residents expected and be fiscally responsible so they didn't go over the edge three or five years from now. Member Mutch said it was always good to see the final statement where the expenditures didn't exceed the revenues and various City Departments didn't spend as much as they had budgeted, even the amended budget. He said for Council it was a challenge because they were trying to balance that conservative viewpoint while being sure to allocate as many dollars as possible to public services, infrastructure and investment in the community. He said he really appreciated the efforts that led to those numbers. However, when it came to budget time, he thought they needed to focus more closely on some of these departments to be sure they were really giving numbers to Council that accurately reflected the expenditures and needs. He said while the numbers looked good at the end of the year to have that surplus, it also meant that there were some opportunities that they might have been able to take advantage of or some investments that could have been made in the community but weren't, because they didn't know the funds were available.

Member Staudt said with the volatility in the financial markets and especially in the credit markets, there was a huge influx of Federal money at very low interest rates. He asked if those communities that had exceptionally good financial help, would be able to benefit in the next two or three years in any way or did he view the cost of money to continue to be higher than what they were paying right now. He asked if there would be an opportunity where Novi had good credit ratings and might be able to reduce some of those costs. Mr. Heffernan said there were a lot of things going on at the Michigan Government Finance Officers Conference in September. He said the speakers were from Standard and Poor and a few of the underwriters and they talked about what was going on in the municipal bond market. He said the rates on municipal bonds should be 1.5% lower but they're not. He said a couple of communities asked if they should be investing in municipal tax exempt bonds. He said municipal interest rates had been caught up in the collateralized mortgage interest rates but shouldn't be because they were two totally different things. He said the best explanation they received was that they basically had both been marketed as the same type of instrument and some of the credit swaps comingled those two different types of investments. He said the National Municipal Bond Market was doing funny things and he didn't know if they could benefit from that perspective.

Mayor Landry said he appreciated their explanation of this and thanked them for giving detailed explanations about the spikes in income being Drug Forfeiture Funds. He said there was a little drop, which was expected because of the decrease in Building Department revenue. He said to see a decrease was not surprising and it was heartening to know that their decision to raise the Fund Balance to a higher percentage rate was a good decision as a City Council.

2. Discussion of the components of a Downtown Development Authority – Ara Topouzian

Mr. Topouzian said he had provided Council with a packet regarding DDA's. He said a DDA was the legislation of PA197 of 1975; there were 300 DDA's in Michigan with twenty of them being in Oakland County. He said to have a DDA there needed to be a Board of Directors, which, in a defined district, consisted of business owners. He said DDA's contributed to revitalization of a downtown area through infrastructure and public facility improvements, etc. He noted there was a marketing and promotions component to help business within those areas and there were a number of different financing options such as tax increment financing, which captured increased assessed property value, millage up to 2 mils, special assessment or PSD (principal shopping district). He said Birmingham was the only City that had a PSD. He said the funding mechanism of a TIF were projects and programs based on growth of property evaluations from a base that all DDA's had to start at. He said a DDA captured existing taxes from certain jurisdictions and districts and a TIF was not considered a tax increase, in essence taxed businesses paid for the dedicated district to support a downtown. For example, it would start with a base year and as property tax values went up they would be able to capture that difference. Mr. Topouzian said a Quarter Improvement Authority was another component of this and it would allow a TIF for capital improvements within the established district and was designed for renovating or rehab of a deteriorated area that was not eligible under a DDA. He said it was usually a district that was adjacent to roads and major artery roads by the Federal Highway Administration. He said he had talked to many people and Oakland County about how they operate with this. He commented there was also a Business Improvement District which was something they didn't see often because it didn't exist in Oakland County but did in Detroit. He noted it was when private business put money into an account that the Administration administered and handled.

Mr. Topouzian said talking with Mr. Donohue, who handled the Main Street program and was very active with DDA's, indicated that his recommendation of a DDA to be formed in this downward economy would not be much of an advantage, and Mr. Lemmon agreed. Mr. Topouzian's question was if they were to establish a DDA within a base year and next year the property tax value went down, who would be responsible for that money. He said Oakland County's answer to that was that it certainly had to come from somewhere because a DDA could not assume debt; so it might have to come from the City. He said when property tax values were good and things were growing, a DDA could be an effective tool.

Member Margolis asked if a DDA would always have an independent board that would be separate from the Council, would determine the budget and make all the decisions about the DDA. Mr. Topouzian said yes. She asked if the Council would have no authority other than appointing the board. Mr. Topouzian said he would assume that was correct but from what he had looked at the Council would appoint that board to operate within that district.

Member Margolis said the increase that would come to the City and DDA in net revenues was really the recapture of the County portion and the community college portion of the taxes and the rest of it would be a wash. Mr. Topouzian agreed. He said the County had added on some restrictions for DDA's to be formed and there would be certain criteria that they would like communities to adhere to, if they were going to form a DDA.

Mayor Pro Tem Capello said he had asked that this be brought forward to generate some activity on the Council to look at this again. Also, because of the economic condition they were in with the lower property values, he thought it was a prime time to do this because the recapture could be much greater. He said they could recoup part of the money that would normally go to the County and community college and keep it here. His thought was to create a DDA in the shopping district along Novi Road from the railroad tracks north to Twelve Mile Road and for Grand River somewhere between Haggerty and Meadowbrook down to Beck Road or to Target where Twelve Mile Road crossed. He thought both of those areas needed work and what continually brought this to mind was driving by Main Street and Town Center. He said with the Town Center improvements and new development there it was looking nice. However, there were areas where the brick pavers were heaving, weeds were coming through, they were not being maintained and nothing was being done about it. He commented Main Street was another example as the planters and bricks were falling apart. He thought they could either use our money and enforce that against whoever was responsible for the maintenance or take it out of the General Fund and do it. He thought this was a means where they wouldn't need their General Funds to do it; they could assist the property owners rather than going through the court enforcement process and do it with money that wasn't necessarily the City's. Mayor Pro Tem Capello said when they developed Grand River Avenue with the improvements they had, they also had a Grand River Avenue Corridor Study done with plantings, street lighting and brickscares along there. He said they never did it because they never had the money. He commented they could move forward with the Corridor Improvement Authority or the DDA and get some of that work done without using City money. He was concerned about giving tax money to an authority they would have no control over. However, he thought when they developed it they could limit the scope of what they were to do with the money, which would somewhat tie their hands regarding where the money should go without having to come back to Council. Mayor Pro Tem Capello encouraged Council to continue to look at this and said he only saw an upside for the City and no downside.

REPORTS

1. MANAGER/STAFF

Clay Pearson thanked the Finance Department for the successful audit presented by Plante & Moran. He also recognized the City Clerk's staff and every Department that contributed its staff and resources to the election. Mayor Landry congratulated Maryanne Cornelius for a logistically well coordinated election. He thought it went very well and said they were very proud of the way the City handled the election.

Mr. Pearson also announced that Wednesday, November 12, 2008 was the groundbreaking ceremony for the new Library and the moving of the old Township Hall.

2. ATTORNEY - None

AUDIENCE COMMENT

Ron Boron, 21301 East Glen Haven Circle, member of Housing & Community Development Advisory Committee, noted that the Committee received many requests for HCD funds for home repair and now had several additional requests. He said the Committee listened to all of the requests. He noted that the staff recommended going back to funding of the bus

transportation services, which he strongly opposed and hoped Council voted the way the board originally intended. His concern was that there was still a backlog of requests from residents that were hurting.

CONSENT AGENDA REMOVALS AND APPROVALS (See items A-Y)

Mayor Pro Tem Capello removed Items K and O.

**CM-08-11-184 Moved by Gatt, seconded by Margolis; CARRIED UNANIMOUSLY:
To approve the Consent Agenda as amended.**

**Roll call vote on CM-08-11-184 Yeas: Crawford, Gatt, Margolis, Mutch, Staudt,
Landry, Capello
Nays: None**

- A. Approve Minutes of:
 - 1. October 20, 2008 – Regular meeting
- B. Enter Executive Session immediately following the regular meeting of November 10, 2008 in the Council Annex for the purpose of discussing pending litigation, labor negotiations, land acquisition and privileged correspondence from legal counsel.
- C. Approval of a Resolution approving a two year extension to the telecommunications permit issued to Michigan Bell Telephone Company, doing business as SBC.
- D. Approval of resolution for changing MERS benefits for the COAM (Command Officers) pursuant to the contract approval October 20, 2008 for purposes of computation of final average compensation.
- E. Approval of Resolution regarding Temporary Holiday Promotional Signage allowing temporary relief from Sign Ordinance from November 27 through December 28, 2008.
- F. Approval of the 2009 Suburban Mobility Authority for Regional Transportation (S.M.A.R.T.) Municipal Credit Funds Resolution and Contract in the amount of \$44,713.
- G. Approval of payment to Oakland County for \$18,456.68 for administration, management and support of the Fire Records Management System.
- H. Approval to award vehicle bid as follows: One (1) 2009 F250 pickup from Signature Ford in the amount of \$24,211 and one (1) 2009 Ford Van Terra bus from Great Lakes Coach in the amount of \$39,977.
- I. Approval of resolution regarding Soil Erosion and Sedimentation Control (SESC) Procedures submitted to the DEQ by the Department of Public Works.
- J. Approval of Traffic Control Order 08-08 for a No On-Street Parking sign on the east side of Austin Drive between 300' north of Shawood Drive and 300' south of Charlotte Drive.

- L. Approval of the Storm Drainage Facility Maintenance Easement Agreement for Normandy Hills Site Condominium located on Eight Mile Road west of Meadowbrook Road in Section 35.
- M. Approval to purchase two (2) Thermal-Imaging Cameras from ISG Thermal System USA, Inc. through Michigan Inter-governmental Trade Network (MITN) and the city of Troy bid, in the amount of \$16,400.
- N. Approval to award the snow removal contract by Great Oaks Maintenance, lowest qualified bidder, for service at Meadowbrook Commons, as recommended by KMG Prestige, in the amount of \$18,000.
- P. Approval to grant an easement to the Detroit Edison Company for the use of city property at Ella Mae Power Park (Parcel ID No. 50-22-27-100-005).
- Q. Approval of staff and Consultant Review Committee recommendation for a one-year extension of the Memorandum of Understanding agreement with Keller Thoma for labor attorney legal services including a \$5.00/hour fee increase.
- R. Approval of resolution recognizing the Cliff Keen Wrestling Club as a non-profit organization for purposes of fundraising.
- S. Approval to award a contract for design engineering services for the potential Special Assessment District 174 – Wixom Road (Section 18) Sanitary Sewer project to Orchard, Hiltz & McCliment, Inc., for a not-to-exceed design fee of \$27,690.
- T. Approval of the final payment to Hard Rock Concrete, Inc. for Contract 2 of the 2007 Neighborhood Concrete Street Reconstruction project in the amount of \$26,644.98.
- U. Approval of the final balancing change order and final payment to Doetsch Industrial Services, Inc. for the Sanitary Sewer Televising and Cleaning project in the amount of \$4,344.75
- V. Approval of the final payment to T&M Asphalt Paving, Inc. for the 2007 Bituminous Pathway Rehabilitation Program in the amount of \$16,850.92.
- W. Acceptance of Island Lake Subdivision Phases 4A and 5A streets and adoption of Act 51 New Street Resolution accepting Drakes Bay Drive and a portion of Sea Glen Drive as public, adding 6,295 linear feet or 1.19 miles of roadway to the City's street system.
- X. Approval of Claims and Accounts – Warrant No. 780
- Y. Approval to ratify the property exchange agreement with the Novi Community School District as adopted at its meeting November 6, 2008.

MATTERS FOR COUNCIL ACTION – Part I

- 1. Consultant Review Committee recommends awarding the Public Safety Services, Resources & Utilization Study to the International City/County Management Association (ICMA) Consulting Services in an amount not to exceed \$63,000 (\$58,000 for study costs plus expenses).**

Member Gatt commented he was on the committee and the recommendation was based primarily on the fact that the Police and Fire Chiefs wholeheartedly embraced the ICMA Corporation. He said if they moved forward with this, he believed that the ICMA people should be the ones who got the study. Member Gatt asked, after listening to Plante & Moran talk, if it was prudent to spend \$63,000 on a study; he didn't think any prudent Council member would even guess that they would hire any additional staff at the Police or Fire Departments in the coming 24 months, and take away additional staff. He thought the study would be about how the present resources were allocated, which was something he knew they wanted to do. However, he wanted to hear from the other Council members about the prudence of spending the money today when the economy was so bad.

Member Margolis stated she was also on the committee and wholeheartedly recommended that the Council fund the study. She thought one of the Council's and City's major responsibilities were public safety, fire, police and EMS services. She said one of the questions that came up during budget and goal setting discussions was how to maximize those resources long term. She thought going into a financial difficulty was a main reason to fund something like this and said they did something like this with the Building Department. The Building Department had embraced it and improved their operations tremendously and it was a way to find out how to get the best bang for the buck being spent on public service. Member Margolis said they needed to be sure that the money they were spending provided the best services, which was of crucial importance to the community. She said this would be an opportunity to look with a clean slate and work with those departments to make it the most efficient and provide those services in the best fashion. She met with ICMA when they came in to scope the study and the lead people on this had been in the position of fire, police and City Manager and brought a wealth of experience from across those disciplines. She strongly suggested that Council approve this item and thought it was the best way to bring ongoing value to the community. She commented this was an Administration that had shown they were supportive of continuous improvement and operation. This study would give them a chance to do that in the most crucial service the City provided.

CM-08-11-185 Moved by Margolis, seconded by Crawford; CARRIED UNANIMOUSLY: To approve Consultant Review Committee recommendation awarding the Public Safety Services, Resources & Utilization Study to the International City/County Management Association (ICMA) Consulting Services in an amount not to exceed \$63,000 (\$58,000 for study costs plus expenses).

DISCUSSION

Member Mutch said he had been supportive of looking at police and fire staffing levels because they were the two largest parts of the budget from a staffing viewpoint, and even infrastructure and other costs. He said what was driving that was the growth the City had and recognizing that as the community grew these departments had to grow with them.

He said they were no longer on a growth pattern and would possibly be on a path of declining growth; so from his viewpoint the need to look at staffing levels had been moved off the table. Member Mutch said they were not going to make significant cuts or additions in either of those departments. However, in reading the recommendation, he definitely saw a lot of good elements in there regarding ways to optimize existing resources, and he didn't want to lose that element of it. He asked if they could capture that kind of information and recommendations without doing the entire study, and thought that would be a more appropriate focus. Member Mutch thought the rationale for the scope of the study had changed and they needed to revisit what they wanted to accomplish with it. He thought if they were going to spend the money, they should do so wisely. He commented getting a study back that had a lot of recommendations they couldn't implement didn't seem like a wise expenditure of those funds.

Mr. Pearson said the idea for looking at core services came from the January budget sessions, looking at staffing and trying to get out of the recurring loop of how many was too much, etc. However, over the months this evolved specifically and purposely from a staffing study to what they saw tonight. He said this was a resource and utilization study and the City spent \$16 million between police and fire and he didn't know of a better use for \$64,000 or less than 5/10ths of one percent of what this called for. Mr. Pearson said he thought it was so important that if Council decided not to do this, he would have something along these lines done in house. He said it would require them to divert resources from other things they were doing and that's the choice that he would make because they needed to do this. It had been a long time coming and the things that had been identified pointed out some of the areas that could be improved. He said it wouldn't be done as well or with the expertise of the people who had been identified, had done this across the country and who had done the actual work both in police and fire service. He felt strongly that they needed to do this for the reasons brought up and use that \$16 million to the best of their abilities. He said the study was not to call out and talk about and present Council with things they couldn't fund in upcoming budgets. Mr. Pearson said it was about how to spend that \$16 million, how to bring the best allocation resources everyday for those functions. He said it evolved from what the original idea was and had been responsive to the times. Mr. Pearson thought the importance was such that he still felt very comfortable and confident with the other things they were trying to do and the other investments that were right up there, if not at the top.

Member Crawford said she had listened to what a lot of the Venture Team said when they asked for the study to take place from the ICMA. She thought it was not only staffing levels but that the data would be more objective than from any other organization. Member Crawford said at times like this, this kind of data could lead to creative solutions and how they could maximize resources. She said she was in favor of having the ICMA do the survey because what they learned from this would really help them at a critical time. She said looking at the Administrators of police and fire and how valuable they felt this data would be meant a lot to her.

Mayor Pro Tem Capello agreed with Member Mutch and thought over the last ten or eleven months things had changed. The study was probably still necessary; however the direction of the study might be a little different. He said he had been in favor of a Public Service Department and would like the study to take a look at overlapping services between the Fire and Police Departments. He thought there were a lot of things that could be done in the evenings when they had a full time Police Department rather than the Fire Department or the

paid on call. At the time they approved this study, he had concerns about overlapping services between paid on call doing EMS runs and having EMS do the same runs having duplicated services and the citizen paid for the overlapping. He said there was a slip and fall in town and 911 was called, EMS showed up and paid on call showed up. He said that was the type of thing he wanted to look at with the study to try and make sure it didn't happen in the future. He stated he would be in favor of this tonight but hoped before the study went out they would come back before Council and get further direction to look at some specific things that might have changed in their minds over the last ten months.

Member Staudt thought the study was an opportunity to look for opportunities for cost savings. He stated he would like the scope of the study to include some difficult scenarios. If what they heard was true with some of the projections tonight, they might be asking for significant financial cuts in some of the areas of the City, including public safety. Member Staudt said he would like to be well informed in making those decisions and hopefully a study like this could help. He thought it had gone from what would they project in future growth to what might happen in the future with contraction. He said he wasn't necessarily talking about personnel, but it might be some of the things they needed to strongly consider two or three budgets from now. He said he would support this and hoped they expanded the scope of the study to include things beyond personnel and utilization and look at hard issues and what happens in tough circumstances in the future.

Mayor Landry agreed that the study should be done. He said it was a resource in utilization study and agreed with the comments that it was the most prudent thing to do. He commented he wanted to look at how they could best utilize the resources they had and thought now was the time to do something like this. He said it would enable them to better analyze and prepare for whatever was coming in the future.

Member Gatt said the whole purpose of his leading remarks was to generate this robust conversation at the table. He said things had changed and were changing even more as they speak. He stated he would support the motion.

Roll call vote on CM-08-11-185

**Yeas: Gatt, Margolis, Mutch, Staudt, Landry,
Capello, Crawford**

Nays: None

2. Approval of the Program Year 2009 Community Development Block Grant Application in the approximate amount of \$111,900 and authorize the Mayor to sign the Application and Sub-recipient Agreement.

Mr. Pearson stated they had made a staff recommendation and it was based on the fact that they very much appreciated the work of the HCD Committee and the staff that supported them. He said they understood the importance of all these initiatives and efforts throughout the community. He noted they had also added, for the purposes of this meeting, the 2007 allocation as a reference. He commented it was important to note that from the 2007-2008 program there was a change in how they funded the Senior Center manager. He commented that change affected the General Fund but didn't impact services because the General Fund picked that up. He said the HCD Committee was not suggesting there be any reduction in the senior bus service. They were talking about a change in allocations and the vast majority of the money still went to the residential repair program. He said given the flat monies and the

history of the fund and changes made in 2007, they felt it was prudent to maintain the same funding levels and not to exceed any of them that had actually been requested across departments. He commented that they felt they were being held constant and were not being hurt by their recommendations.

Mayor Pro Tem Capello said he looked at this and tried to see what direct benefit came back to the City and specifically saw the residents repair program and the senior van transportation services. He thought those should be their top two priorities. He said he believed the money allocated to Novi Youth Assistance went to camp scholarships directly to the City. He recalled the first time HAVEN came to Council about 14 years ago. He said it was Karen MacKenzie who came to Council with this program at HCD and the first year they were allocated \$2,000. He thought they needed some money because there were certain benefits to the City but, today, he didn't see that the City was receiving \$10,000 or \$9,500 in direct benefits to the residents from the HAVEN program. He said they were really subsidizing some of the other communities in Oakland County and he had a problem with that. He said he wanted to give HAVEN some money but didn't think \$9,500 was a fair allocation based on what the residents got back in return. He noted he was in favor of the \$25,000 for the van program and would like to see Novi Youth Assistance between \$15,000 and \$11,000, and wanted the minor home repair program to get as high as it could. He thought they should be spending more than they got and there's a backlog and he thought that should be funded based on their efforts.

Member Gatt said the Novi Youth Assistance program was one of the greatest programs ever developed in our City or the County and he worked with Youth Assistance as a police officer back in the early 70's. He noted that many great people ran Youth Assistance and the Police Department and the schools had referred many young people to that program and it had benefited all of them greatly. He was not against Youth Assistance. Member Gatt said the Youth Assistance program was a County run program and the County had a budget of about \$900 million and they divvied up that money in a lot of different ways. He suggested the County needed to give a little more money toward the Youth Assistance program so the City didn't have to use money that could be used in other areas. Member Gatt noted he was also in favor of the \$25,000 for the senior van but they had heard tonight that the General Fund was not going to be the cash cow it had been in the past. He said every dollar in the General Fund would be fought for and it would be divvied up among many, many needy organizations in Novi such as the DPW and Police and Fire and everyone else. He said the senior citizens of Novi was one of the fastest growing segments of the population and in years past he felt they had gotten the shaft when it came to money allocations. He said the van was such an essential part of their daily living for doctors, shopping, etc. and he couldn't see cutting that and hoped they could make up the difference in the General Fund.

**CM-08-11-186 Moved by Gatt, seconded by Crawford; MOTION CARRIED:
To approve the program year 2009 Community Development Block
Grant Application in the approximate amount of \$111,900 as
presented and authorize the Mayor to sign the application and Sub-
recipient Agreement.**

DISCUSSION

Member Margolis asked if the motion was for the staff funding recommendation. Member Gatt replied it was.

Member Crawford commended the committee as she knew these decisions were not easy to make. She said she had been involved in the CDBG Grant funding for years and it used to fully fund the center manager. She said as OLHSA lost money the City began picking up the cost from the General Fund. She said all of the organizations listed deserved more funding than Council could possibly give them and they all brought services and resources to Novi. She commented she disliked having to make these kind of choices because it sort of pitted one organization against another and they were all worthy of funding. However, the senior population in Novi was growing so rapidly and their needs were great. So many people were living longer and staying in their homes longer but as they lived longer then sometimes they were not able to drive and they needed transportation services. She felt the transportation service had become important to the community, just as all the other agencies were. She said she knew the committee's hearts were in the right place in trying to decide where the money went. She said she was all for looking for ways to eventually add more money to the home repair program but right now she would have to support the staff recommendation.

Member Mutch said Mr. Boron had said there was a backlog of requests that needed to be filled and asked if they had the numbers. Ms. Neumaier, liaison for the HCD Committee, said their report from OLHSA at the end of October 31st showed they currently had 36 units waiting for assistance. She said the cost, on the high side, could be estimated at \$5,000, which was the maximum that they provided for a family but could average from \$2,000 to \$5,000. She said for the 2007 program year they completed about 17 units and for 2008 they funded about 14. Member Mutch said in the current funding year for CDBG they were able to fund 14 projects and there were 36 on the waiting list. He said they would project to pick up some of those and asked when the upcoming funds would become available. She said the 2009 program year funds would be available for appropriation July 1. He said there had been a significant increase in demand over the last couple of years and asked if they had this kind of backlog in previous years. Ms. Neumaier said they had a backlog several years ago but there was a decline last year and they were quite surprised. So, the committee increased their outreach efforts and as a result they now have a waiting list. He said, regarding Novi Youth Assistance, there had been an indication that the committee recommended increasing their funding and asked if she had seen an increase from them for assistance or had they seen an increase in their case load. Ms. Neumaier said those monies only went to provide scholarships and/or tutoring type services for individuals who were eligible under the program. She said the reason they were asking for additional funds was to provide more assistance with the extra dollars.

Mr. Pearson commented that when looking at the staff recommendation, the Parks Foundation also could and did give grants for those kinds of programs. Therefore, it wasn't as if there weren't additional monies available.

Member Mutch asked if HAVEN had indicated that they were seeing an increase in requests for assistance. Ms. Neumaier said the majority of funding they would request was to provide shelter assistance. Member Mutch assumed then that they must be seeing an increase in demand. Ms. Neumaier said their services were very specialized and for battered and abused spouses and their children. She said while that was a difficult type of demand to predict they said they had been able to use that funding to provide direct benefit for shelter assistance for Novi residents. Member Mutch said HAVEN's amount for 2007 and 2008 had stayed the same; then the staff recommendation went from \$9,232 to \$9,500. Youth Assistance stayed at

\$11,000 and the van program stayed at \$25,000 and there was a decrease in the minor home program. Member Mutch said last year he commented that this \$111,000 that Council allocated to battered and abused spouses, at risk kids and families, senior van transportation services and the residential repair program, which primarily benefitted seniors and low income residents, was really the minimum that they, as a City, should be doing. He said he was embarrassed that as a City and as a Council they were pitting these groups against each other. They were telling them that as a City and as taxpayers they were sorry they couldn't provide these groups any more than \$111,000, which was not even City funds but were Federal funds they were divvying up. He said they knew the local economy and environment had changed between 2007 and 2008 and was changing going into 2009. He said for them to tell these organizations that Council said they do great things and a lot of great work but Council couldn't find any more dollars in the City budget for them was not acceptable to him. He said he would not support a motion that said that. Member Mutch said to tell residents and seniors the services provided through the van transportation service or the senior center manager program or the other programs was essential and important but Council could not find \$15,000 in the General Fund to fully fund those so they could free up other money for these other programs was not logical and didn't make any sense at all. Member Mutch thought what the committee did was very smart. The Federal funding allowed Council to fund activities that, as a City, they might not otherwise fund and they recognized that the one thing being funded out of there, the senior van transportation service, could easily be funded out of the General Fund. Member Mutch said the next item on the agenda they would be spending ten or twenty times what was proposed to be spent out of the General Fund for the senior van service, which would then free up \$15,000 that could be utilized to assist families in need, low income residents, seniors and the most needy, stressed and battered in the community. He said he couldn't believe the City couldn't find that \$15,000. He knew Council was facing challenging times but in challenging times communities that care step up. He said to send the message to the community that they couldn't find that money told a lot of those people who are most in need that we're not there for them.

Mayor Pro Tem Capello asked how many Novi residents HAVEN serviced a year. Ms. Neumaier introduced Belle from HAVEN. Belle thanked Council for giving this so much thought and consideration. She said in direct services from Novi in 2007 they helped three Novi residents who stayed in their shelter, 20 were helped in the counseling program, one person was help in the sexual assault counseling program, 203 through the advocacy program, 17 in their supervised parenting program, 19 in the intervention and battering program, and 2 in their sexual assault response team center, which was where they did the sexual exams. He asked what the 203 were and she replied they came from their advocacy program and that was where they would be in the courts with the domestic violence and child abuse victims. They also provided immediate response for victims at hospitals or police stations following assaults. He asked if that was 203 Novi residents and she said yes. Mayor Pro Tem Capello asked if they were individual residents or contacts in court, such as one person was in court four times. Belle responded she didn't have the answer to that.

Member Staudt said he agreed the minor home repair program deserved considerable additional funding. He commented he didn't know what other sources of revenue they had for the minor home repair program but thought they needed to look at fulfilling all the funding needs, if possible. Member Staudt said if that meant going out and doing fundraising at a non-profit level, then that was something they needed to strongly consider. He said they could not

expect tax dollars to solve every issue all the time. Member Staudt said he would look at this and see if there was anything they could do, as a community, to rally some dollars. He said when they created the Park Foundation one of the first allocations made was for Youth Assistance, senior assistance and recreational programs; he said he didn't take no for an answer very easily.

Member Crawford stated she felt Member Mutch's passion about these kinds of programs that were for the most vulnerable in the community. However, he wouldn't want the residents or the members of this audience to feel that because they were allocating these limited dollars that that was how they judged these organizations and the people they served. She said Council felt that so much more should be done for all of these organizations and people in need. However, Council was there to discuss a grant allocation. She commented it was grant monies that come through CDBG funds and they were not there to determine how much existed for all these organizations. Member Crawford noted they knew the need was great and it didn't mean that the City was not passionate in wanting to give more to all of these organizations and people in need. However, this was a grant allocation that was given to the City and Council had to discuss how to divide up those monies. She said even though she understood what Member Mutch said, she didn't want anyone to think that they didn't care. Member Crawford said that was not at all what they were talking about here.

Member Gatt echoed what Members Crawford and Staudt had said. He said they could not be all things to all people. He said they were dealing with a finite amount of money that the government gave them to divvy up and that was what they were doing. He said it would be silly to think that was all they did for the youth, battered women or the seniors in the community, because they did so much more that was not discussed tonight. He said the Police Department had programs that went into the schools and counseled youth and talked to them after school, there's a senior home on Meadowbrook Road that the City erected, thanks to Member Crawford and others. He said they did a lot of things for a lot of people but government could not be the end all to beat all. He said everyone heard Plante & Moran talk about declining revenues in the future of 4%, 5% next year and maybe more later and everyone would still want Police, Fire and EMS service and to be safe, which he thought was the most important purpose of government. He felt everything else came after that. He said they cared deeply for the citizens of Novi and none of them would be on Council if they didn't.

Mayor Landry said it was difficult to say no to any of the groups and they were not saying no. He said they were saying yes to all of the groups but there was a finite amount of money and it was not an easy job. He was sure when the committee actually sat down and listened to the presentations it would be harder for them. He thought it was Council's job to take the money and disburse it to get the most mileage out of it they could. He didn't want the committee to think, and he would be disappointed, if the committee considered any sacred cows here. Mayor Landry said there were no sacred cows; however he encouraged the City to consider if there was a lack of knowledge by a sector of the community and the committee raised that awareness, they had done their job. If the committee had put information out and there were more people asking for money, the committee had done a wonderful job. Mayor Landry encouraged the committee, at budget time, to come to Council because that was the time when they looked at all the City finances and could possibly find \$10,000 or \$15,000. He said the next item on the agenda had money allocated to it at budget time towards the Fuerst Park. He said, at that time, they committed that if there were extra dollars found in the budget they would put more money there. He said he saw no reason they couldn't do that during the next

budget time. He said he couldn't recall anyone from the HCD Committee coming to Council at budget time to ask for more than the Federal funds. He congratulated the committee for raising the awareness of the public and he would be more than willing to discuss this at budget time. He said he would support the motion.

Member Mutch said the only thing he would say in response was that Council could find \$25,000 in the General Fund budget to fund the senior van transport. He said they were going to make a budget amendment tonight for several hundred thousand dollars, which was not cost anticipated at budget time but they would make that change because they saw the need and they would address it through the budget. He said they had a significant amount of money that was left over from last years budget and if the only items being considered were those raised at budget time, then he didn't expect to see anything else coming forward because he didn't recall any other items getting special attention at budget time for additional funding. He thought they were really missing the point that there was a significant need in this community, and if they looked at where they were putting those funds, they were not meeting that need. He said the need was there and the City had the resources to meet it above and beyond the \$111,000. Member Mutch thought they were really missing an opportunity to help people who really needed it right now.

Roll call vote on CM-08-11-186

**Yeas: Margolis, Staudt, Landry, Capello,
Crawford, Gatt**

Nays: Mutch

- 3. Approval to proceed with Phase 1 development of Fuerst Park and appropriate an additional \$147,000 using a portion of the additional savings from the prior year, as anticipated in the budget process, for the development of Phase 1A to be completed concurrently with Phase 1 by July 2009.**

Mr. Pearson said Council identified bringing the Fuerst property into public use at a heightened level earlier this year. He said they had been carrying through on that at very different levels and that this had been somewhat sparked by the new Novi Public Library. He thought it also harkened back to Council's overall strategy of getting public properties into public use. Since the beginning of the year several steps had been taken to prepare for this moment. Mr. Pearson commented they discussed this in April and had hired a firm that worked with the community, Parks, Recreation and Forestry Commission and Council members individually. Mr. Pearson said Hamilton Anderson had done a fine job and it was presented at the September 22, 2008 meeting.

He said they had come to Council showing what could be done with the allocated monies for Phase 1 and Phase 1A had also been identified, which was in keeping with what Council talked about during the budget process, which was that this was one of the priorities. He said, as anticipated, they expected savings and Council wanted to make the Fuerst property one of the first projects that received the extra monies. Mr. Pearson said since this had been sent out early, they had received feedback from Council that if they were going to do more while the equipment was on site, when it opened it would be more complete and in keeping with the quality of the library project. Mr. Pearson said Phase 1B had been set at their Council table so if they wanted to take another step with infrastructure and the basics of the development, it would be primed for that usage. He noted they had identified items in the Phase 1B handout that totaled \$158,000. Mr. Pearson said it would be Council's prerogative if they wanted to

include that, then they would be ready to bring it to a formal design over the winter and break ground and start construction in the spring and hopefully have it open by July or August 2009.

Member Staudt said he would like to start simply as they had months of discussion on this issue and made some very difficult decisions. He said they had the opportunity to fund the initial phases of this project and had this included in the Council packets in the last several weeks. He commented upon review, and looking at the future phases, it just became very apparent there was an opportunity, with the additional funds from the previous year's budget, to complete the project in a timelier manner. Member Staudt said looking at Phase 2, he was able to make some recommendations to staff. He said once they had that conversation they became extremely energized and looked at other opportunities to fund other parts of the construction, so it could be a completed project by July 2009. He said Phase 1B basically took out elements of Phase 2, which was not funded under the current structure and also added the interior park signage and the park entry signage that had not previously been discussed in detail. He thought the interior park signage would be some of the historical documentation and markers they wanted at that facility. He said they also looked at the lighting around the Town Hall and it seemed like this project cried out to be completed now as opposed to in the future. He felt this particular project needed to be done now. He said the library groundbreaking was on Wednesday and there would be rapid growth in that area and construction going on. He felt there had to be some economies of scale and things they could save on and was hoping that what was allocated in Phase 1A and Phase 1B could be reduced so additional things could be done. Member Staudt said one of the discussion areas was to have a much nicer entranceway at the Taft Road area. He said what he was proposing in Phase 1B was to finish the infrastructure, pathways, and amphitheatre and to get the lights up. He said he wanted to be ready to go in July 2009 and roll out a park the City could be proud of. Member Staudt said when they had the library opening there would be a very nice community based area for the City of Novi. He commented his proposal would be to go with the staff recommendations in not only Phase 1 and 1A but also in Phase 1B, which would require an additional allocation of \$158,000 that would be coming from the previous year's budget.

**CM-08-11-187 Moved by Staudt, seconded by Margolis; MOTION CARRIED:
To proceed with Phase 1a development of Fuerst Park and
appropriate an additional \$147,000 and \$158,000, from the savings
from the prior year's estimated fund balance, for the development of
Phase 1B to be completed concurrently with Phase 1 by July 2009.**

DISCUSSION

Mayor Pro Tem Capello agreed with Member Staudt and was pleased that this was being moved forward in an expedited manner. However, one concern he had was Council had seen the conceptual plan but had not received a final plan. He said he was concerned about the entranceway and in Phase 1B he saw some fieldstone placement at the entranceway, however that was not the entranceway he was looking for at Ten Mile and Taft Roads. He said he wanted to see more detail brought to Council to see what that would look like before they began permanent construction, such as fieldstone placements. Mayor Pro Tem Capello said he was in agreement with everything except starting that entranceway without knowing what was going there beside fieldstones.

Member Margolis said at budget time she had suggested that Council put more money towards the park and when the audit came back, if there was extra money they consider putting some of that towards the park. She was very pleased with the staff's recommendation and thought Member Staudt had some great ideas. Member Margolis said she was looking at the changes made in the phasing and really liked what they were completing with Phase 1B. She thought it made a lot of sense because what was left with Phase 2 and Phase 3 were really naming opportunities that could be privately funded. She thought someone considering contributing a decent amount would want to see that it was going into a park that was done, and it was somewhere they would want their name to be. She thought completing Phase 1B would really pay them back. She stated she was happy to support this and liked the corner of Ten Mile and Taft Roads.

Member Gatt said he was also in favor of this and knew a couple of high school boys that were very excited that the Fuerst Farm Park would be completed by the next school year. He said he would also like to see the final plan.

Mr. Pearson said once they identified the elements they wanted to get done, Hamilton Anderson would be charged with bringing that plan to the next level of detail. He said he would welcome the opportunity to share the plan and send it to Pontiac for their comments.

Member Mutch asked the Administration what number they were using for the Fund Balance that they were appropriating. Mr. Pearson thought it was \$1.1 or \$1.2 million. Member Mutch said he could not support the motion. He commented that Member Staudt did quite a bit of lobbying to try to convince him to support this, and rightly pointed out that one of the criticisms Member Mutch had of the initial plan was the lack of funding and his concern that they would do this half way. He said Member Staudt pointed out his efforts to fully fund Phase 1A and 1B was to really accomplish getting the park underway. Member Mutch said from his perspective in looking at the budget and the Fund Balance this felt, in some ways, like putting the cart before the horse. He felt for a while, knowing the audit information was coming forward, that they as a Council knowing some of the financial challenges that they were facing really should have a mid year budget discussion to recognize some of the challenging areas of the budget. Also, to look at these kinds of funds and where it made sense to spend them and what opportunities they had to utilize these in a way that would benefit the community. Member Mutch said the tipping point for him was the previous discussion; he couldn't, in good conscience, support this allocation even though he recognized the value that came from it, in light of the Council's prioritizing of budget dollars on the previous items. He said he would not support this expenditure but wanted to thank Member Staudt for the direction he was taking this item in because it made sense.

Member Crawford stated she was very happy to support this but was concerned about the phasing and not being able to do all that at once. So, she was very much in favor of doing this and as Member Margolis stated if this much was done by next summer, there would be opportunities for people to visualize what they could support in the way of sculptures, benches, etc.

Member Margolis wanted to clarify what this was spending out of Fund Balance. She said what they were spending was a portion of the Fund Balance. Member Margolis said they had saved \$1.2 million last year over and above what they already put aside in Fund Balance.

Member Staudt said he wanted to clarify for the record that the allocation they were looking at was the \$305,000 allocation Phases 1A and 1B; he was not sure that was completely clear.

Mayor Landry said the longer he did this the more he realized there was always going to be a group, cause or project that only took another \$10,000. He said it was sort of like building a house and being \$5,000 to death with amenities. He said it was no different in City finances, and all of these groups were very deserving but there were always several people who wanted another \$5,000, \$10,000 or \$15,000. Mayor Landry believed the way to appropriately deal with that was at budget time when they could try to look forward and budget the dollars as best they could. He believed that was the way to be fair to all groups. He noted a couple years ago that they didn't think the public was aware of these dollars and this committee had done a wonderful job and made the public aware. He thought next year at budget time, they might be able to find more money and that sometimes it took one budget cycle to gain awareness and another to sit down and do this in a prudent fashion. He said he was very proud that they had the foresight last year to change their policy to increase the Fund Balance because they knew what was looming on the horizon. They also allocated certain dollars when the idea of the Fuerst Park came forward and said if more money became available they would commit to doing that, which was exactly what they were doing tonight. Mayor Landry commented they had said for the last several budgets "what do we do about police and fire staffing". Council committed to funding a utilization study and that was what they were doing tonight; so, none of these things were a surprise. All of these things were things they had the foresight to see and budget for and even with a contingency plan. He said he would wholeheartedly support this because they talked about it, foresaw it and it was now coming to fruition. Mayor Landry said they would soon begin their goal setting sessions, and they had also implemented accelerated goal setting before budget.

Roll call vote on CM-08-11-187

**Yeas: Staudt, Landry, Capello, Crawford, Gatt,
Margolis**

Nays: Mutch

AUDIENCE COMMENT

Sherry Konkus, member of HCD, noted they had come in last year with a request and had 25% of that year's budget in committed people waiting for minor home repair. This year they came to Council with every dollar allocated and 36 more people waiting for assistance. She commented that it was a huge impact of the economic times they were trying to deal with. The committee came back with a 10% budget for the senior van, which only allowed them to give aid to three more people out of the 36. She said it was disappointing for these federal funds to go only so far because these requests were for leaky roofs, the need for hot water heaters, and people who were living below the poverty level in Novi. Ms. Konkus stated these people needed their support and she knew Council was there but they needed it to show up in tangible decisions and actions and not just say every year that there was just a limited amount. She felt that it pitted people against one another. She said they had spent hours in spirited discussions to come up with the allocation and felt that their recommendations to Council were not presented in any way, shape or form that Council could vote upon. She felt this was a disservice to the people they were trying to give voice to in this process.

MATTERS FOR COUNCIL ACTION – Part II

4. Appointments to Boards and Commissions

Maryanne Cornelius, City Clerk, announced the results of the balloting by Council.

Laura Schmidt – Beautification Commission

Lee Begole – Board of Review

Raymond Weidenbach – Election Commission

Lee Begole – Historical Commission

Ram Ramachandran, Christopher Palmer – Housing & Community Development

Derek Blair – Parks, Recreation & Forestry

Scott Lewis – Public Access Promotion Commission

Melissa Pettijohn, John Szwest – Stormwater Mgmt. & Watershed Stewardship

David Ghannam, Wayne Wrobel – ZBA terms expiring 1-1-12

Gerald Bauer – ZBA term expiring 1-1-10

Donna Skelcy – Alternate ZBA term expiring 1-1-12

5. Approval of resolution to authorize Budget Amendment #2009-3.

Mayor Pro Tem Capello said \$147,000 had been allocated and asked if they now needed to allocate the additional \$158,000 and was advised they did need to allocate the additional dollars.

CM-08-11-189 **Moved by Capello, seconded by Gatt; CARRIED UNANIMOUSLY:
To amend the Resolution under Capital Outlay Land Improvement,
Fuerst property improvement from \$147,000 to \$305,000.**

Roll call vote on CM-08-11-189 **Yeas: Staudt, Landry, Capello, Crawford, Gatt,
Margolis, Mutch
Nays: None**

COMMITTEE REPORTS - None

MAYOR AND COUNCIL ISSUES

1. Appointment process for vacant City Council seat – Mayor Landry

Council consensus was to hold interviews for Mayor Pro Tem Capello's replacement on December 15, 2008 at 6:00 p.m., and the City Clerk was directed to publish the notice. The appointment to Council would be made January 5, 2009.

2. Referral to Ordinance Review Committee to consider temporary signs to assist Residential developments in the sale of new construction – Mayor Pro Tem Capello

Mayor Pro Tem Capello noted that he wasn't looking for an amendment but for something like the temporary holiday promotional signage. He suggested something such as the allowance

of a banner on site between March and August to assist residential builders advertising sales of their homes and condo's. He said these developers, who helped Novi in their good times by providing benefits and assets to the City, needed a boost. Council consensus was to send this item to the Ordinance Review Committee and Administration was directed to set up the meeting. Member Mutch said Mr. Schultz had sent out an opinion on billboards that he wanted to address through the Ordinance Review Committee and asked if they could also send that. Council agreed to also send Mr. Schultz's opinion on billboards.

3. Signature Park

Mayor Landry noted that Council was very pleased that the school district approved the potential land swap for a potential signature park. The next phase was to get some design concept plans and get numbers together on what it would cost to operate such a facility with several options. Mayor Landry suggested that Council agree to create an ad hoc committee whose function would be to interface for informational purposes between the consultants who would do design concepts and operations expense estimates. He suggested there be two Council members, one Parks, Recreation & Forestry Commission member and one Parks Foundation member, with Mr. Auler as the Chair. Member Staudt and Member Crawford were appointed from Council. The Committee's purpose would end when the concept designs were returned; the goal for this should be by the end of January.

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION

- K. Approval of the request of Maybury Park, LLC for approval of the Third Amendment to Maybury Park Estates Residential Unit Development (RUD) Agreement to add gated driveway access and to permit the roads within the development to be private, rather than public. The subject property is located on 133.72 acres on the north side of Eight Mile Road between Garfield and Beck Roads in the Residential Acreage (RA) District – Capello**

Mayor Pro Tem Capello said when Maybury Park was in the development stages he represented them in negotiations with their RUD agreement. He said it was a different owner and he didn't represent them any longer but he wanted to make that disclosure. He said if Council wanted to recuse him from voting on this that was fine.

- O. Approval of staff and Consultant Review Committee recommendation to award a two-year contract with DRN & Associates, Architects, PC for architectural facade consulting services effective December 1, 2008 - Capello**

Mayor Pro Tem Capello said he represented, he believed, the sole shareholder and president of DRN & Associates in a matter in the Oakland County Circuit Court. He noted he received no benefit from this Consultant Review Contract, however he did have that relationship and needed to disclose that and request that he be recused from voting on the issue.

Mayor Landry said in these matters there were always two levels as he saw it. He said one was actual conflicts of interest, which were usually financial and the other was the appearance of any impropriety. Mayor Landry said they would want to avoid both. He said his opinion was that he didn't know that there was a direct financial impact to Mayor Pro Tem Capello from either one of these but he would feel fine with his voting on item K as he has had no dealings

with them for five or six years and the owners were new. Mayor Landry said Item O was brand new and there had been a recent representation so he would feel more comfortable, with respect to the appearance, if Mayor Pro Tem Capello was recused on Item O.

Mr. Schultz agreed that Item K was fine but there was a conflict with the appearance of an actual ongoing relationship.

CM-08-11-190 Moved by Capello, seconded by Staudt; **CARRIED UNANIMOUSLY:**
To approve the request of Maybury Park, LLC for approval of the Third Amendment to Maybury Park Estates Residential Unit Development (RUD) Agreement to add gated driveway access and to permit the roads within the development to be private, rather than public. The subject property is located on 133.72 acres on the north side of Eight Mile Road between Garfield and Beck Roads in the Residential Acreage (RA) District.

Voice vote

CM-08-11-191 Moved by Gatt, seconded by Mutch; **CARRIED UNANIMOUSLY;**
To recuse Mayor Pro Tem Capello from voting on Item O for reasons previously stated.

Voice vote

Mayor Pro Tem Capello excused himself from Council Chambers.

CM-08-11-192 Moved by Margolis, seconded by Mutch; **CARRIED UNANIMOUSLY:**
To approve staff and Consultant Review Committee recommendation to award a two-year contract with DRN & Associates, Architects, PC for architectural facade consulting services effective December 1, 2008.

Voice vote

COMMUNICATIONS - None

AUDIENCE COMMENT - None

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 9:30 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Date approved: November 24, 2008

Transcribed by Charlene Mc Lean