

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, MAY 18, 2009 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

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

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Landry, Mayor Pro Tem Gatt, Council Members Burke, Crawford-absent/excused, Margolis, Mutch, Staudt

ALSO PRESENT: Clay Pearson, City Manager
Pamela Antil, Assistant City Manager
Beth Kudla, City Attorney
Frank Smith, Fire Chief
Rob Hayes, City Engineer

APPROVAL OF AGENDA

**CM-09-05-066 Moved by Gatt, seconded by Staudt; CARRIED UNANIMOUSLY:
To approve the Consent Agenda as presented.**

Voice vote

PUBLIC HEARING

1. Proposed FY 2009/2010 Budget

There was no response on the proposed budget.

PRESENTATIONS

1. National Public Works Week, May 17-23, 2009

Mayor Landry proclaimed the week of May 17 through 23, 2009 as National Public Works Week in the City of Novi and presented a proclamation to Rob Hayes, City Engineer. Mr. Hayes said they had recently reorganized the Department of Public Service into three functional divisions. He said Brian Coburn was the Engineering Division Manager, Tim Sikma was the Water and Sewer Division Manager and Matt Wiktorowski was in charge of the City's roads, drains, park maintenance and forestry assets as the Field Operations Division Manager. Mr. Hayes said they provided emergency services such as winter snow removal, water main breaks and tree removal during windstorms, etc. They had also started an aggressive program of routine and preventative maintenance to preserve the useful life of the City's assets. He noted they all worked together to preserve the investment that the City had made in its infrastructure. Mr. Hayes invited all to attend an open house on Friday, May 23rd at the DPS facility on Delwal from noon until 2 PM. He said attendees would meet the staff, see the equipment up close as well as get familiar with the facility and their overall mission. Mr. Hayes thanked the Mayor for the proclamation and stated he would post it for the staff.

REPORTS

1. MANAGER/STAFF

Mr. Pearson announced there would be an event Tuesday, May 19th to kick off the Fuerst Park Construction. He said the process had been very successful in designing and bidding the project and the prep work had already started. He invited residents to come and survey the property before it was fully engaged. Mr. Auler said tomorrow at 2:30 PM there would be a ground breaking ceremony to kick off the work for the Fuerst Park, which would include a 150 seat amphitheatre for performances, pathways throughout the park, landscaping, fieldstone design as well as WI FI access. He said they anticipated having an opening event in the park in August 2009 and information would follow. Mr. Pearson said they were proud of this, as it represented another investment in the Civic Center Campus. He said they had fully engaged the Novi Community School District and the Library steel was up next door so they would be creating, in the heart of the community, a very nice gathering spot. Mr. Pearson said all of this would be within their overall financial targets.

2. ATTORNEY - None

AUDIENCE COMMENT - None

CONSENT AGENDA

Mayor Pro Tem Gatt added Item N, Firefighters Contract, to Consent Agenda.

**CM-09-05-067 Moved by Margolis, seconded by Gatt; CARRIED UNANIMOUSLY:
To approve the Consent Agenda as amended.**

**Roll call vote on CM-09-05-067 Yeas: Gatt, Burke, Margolis, Mutch, Staudt,
Landry
Nays: None
Absent: Crawford**

- A. Approve Minutes of:
 - 1. April 27, 2009 – Regular meeting
 - 2. May 4, 2009 – Regular meeting
- B. Approval for disposal of one surplus hand held radar unit with the intention of providing it for use by the Traffic Improvement Association (TIA) in their research efforts.
- C. Approval of employment agreement with Lauren Sorrentino for the position of Performing Arts Coordinator in the amount of \$39,000.
- D. Consideration of Ordinance 09-104.07 to amend Chapter 21, "Nuisances" of the City of Novi Code, to shorten the notice requirements for allowing the City to abate certain nuisances from fifteen to ten days, and to add a new Section 21-38 providing for a new voluntary graffiti abatement program. **Second Reading**
- E. Consideration of Zoning Ordinance Text Amendment 18.236, to amend Ordinance No. 97-18 as amended, the City of Novi Zoning Ordinance, at Article 34, Amendments to Ordinance, Section 3402, Planned Rezoning Overlay (PRO) at Section 3402.B, Definitions and at Section 3402.D.3, Approval of Rezoning with Planned Rezoning

Overlay, in order to clarify the timeframe and the standards for approval of an extension to a rezoning with Planned Rezoning Overlay. **Second Reading**

- F. Approval to award a one (1) year contract with two (2) annual renewal options for subsidized taxi service to Community Cab Company. This service is provided for adults 55 and over and for anyone with disabilities. The estimated cost for subsidized service is \$20,000.
- G. Approval of an Agreement for Completion and Maintenance of Improvements for Avalon ointe Office Center (SP 03-51) a three-building (18 unit) general business condominium, in accordance with the requirements of Chapter 26.5.
- H. Acceptance of a Conservation Easement from Haggerty Corridor Partners, LLC for the LaSalle Technology Centre South site, for an off-site mitigation area located north of Thirteen Mile Road, and west of Haggerty Road, in Section 1.
- I. Acceptance of an easement granted by Ten Haggerty, LLC, in conjunction with the 2009 Pathway Gap project (parcels 22-24-476-033 and 034 located at 39500 Ten Mile Road).
- J. Approval of an easement agreement with Verizon Wireless for use of city-owned property on Grand River Avenue near CSX railroad (parcel 22-15-451-006).
- K. Approval of Resolution seeking reimbursement from Oakland County for expenses associated with the annual Mosquito Control Project in the amount of \$11,515.
- L. Enter Executive Session immediately following the regular meeting of May 18, 2009 in the Council Annex for the purpose of discussing privileged correspondence from legal counsel.
- M. Approval of Claims and Accounts – Warrant No. 793
- N. Acceptance of the City's offer of a one year contract with the paid on call firefighters from July 1, 2008 to June 30, 2009.

MATTERS FOR COUNCIL ACTION – Part I

- 1. Adoption of Budget Resolution for fiscal year 2009-2010 and the 2009 millage rates.**

Mr. Pearson thanked the staff who put the document together and particularly Kathy Smith-Roy, Becky Arold, Pam Antil and Rob Petty who were the core budget committee. He said they had given another best effort to give Council a policy document they could make decisions on. Mr. Pearson thought it represented what Council had said through the various stages, in terms of the initial input session and the financial goals. He thought it was a package that was balanced, responsive and flexible for what they had ahead and to make investments where needed. Mr. Pearson said, per the Charter, the budget had to be adopted by the third Monday in May.

Mayor Pro Tem Gatt thanked Mr. Pearson and his staff and also the staff behind the scenes for all their efforts. He said it was a great budget and they were fortunate to live in Novi where the revenue stream was still coming in and to have the planning that made such a diverse City. He noted the City had a wonderful blend and they didn't have to count only on residential properties, which allowed them to approve a budget and he was sure they could tackle any economic issues that were out there. Mayor Pro Tem Gatt said they would have to be very vigilant as they moved forward.

**CM-09-05-068 Moved by Gatt, seconded by Margolis; CARRIED UNANIMOUSLY:
To adopt the Budget Resolution for fiscal year 2009-2010 and the
2009 millage rates.**

DISCUSSION

Member Mutch expressed concerns about this budget as presented. He said some of his concerns at the previous budget meeting still had not been addressed. He was concerned about the \$2 million difference between the revenues of \$27 million and the operating costs of \$29 million. He said Mr. Pearson had proposed they defer some items but those items were Capital items and that would not close that \$2 million gap. He said they had been fortunate because in the last several budgets they had operated in this fashion where they had revenues that had not met the expenditures. However, they had opportunities to save dollars through various departments that had allowed them to carry over from year to year Fund Balance, which had been applied to the next budget year. He thought the lesson Council had to learn was the lesson the school board didn't learn until it was too late, which was in times of declining revenues they could only operate in that manner for so long. Then, eventually they would burn through the Fund Balance and would be making serious cuts to services and operations. Member Mutch thought that had not been made clear in Council discussions. He said last year a budget was approved that had projections for the Building Department and by mid year those projections were not in tune with what was going on in the real world. Member Mutch said the City Manager made cuts to staff and staff was lost in the Building Department and a couple of other staffing positions were lost. He said eventually they would down size in a way that the average resident would see and feel it. Member Mutch said they could wait and have to make a lot of difficult cuts, or they could start to make those reductions now so they didn't get into that position. Member Mutch noted he also had a concern with the approach that their way to deal with potential short fall was to defer Capital items because unless those Capital items truly didn't need to be done, they would still be there later. He said it was like having a furnace repair and not wanting to do it in the spring because it wouldn't be needed until fall. However, come fall it would have to be replaced and if it went long enough, they would be into the next budget year where they would have the Capital items from this year that were deferred plus everything that was waiting for them next year. Member Mutch thought Council should have asked Mr. Pearson to identify operational costs that they could have deferred or reviewed. He said until they got a handle on the operational side of expenditures, they wouldn't fundamentally change the direction of their budgets. Member Mutch said in this budget they were spending less than the last budget but the vast majority of that spending reduction had come in a couple of departments where there were major Capital items. He said they eliminated Capital items but still had the same day to day costs as last year and would continue to have those next year even as they knew revenues would decline in a number of areas.

Member Mutch said another concern was that it continued the process of baking into the budget what he would consider excess projections for expenditures. He said if they looked at past budgets, they knew they had run at least 10% under projections as an overall budget. He said that was a good thing and showed where staff held the line on costs and Council had been prudent and captured savings. However, when that was done from year to year to year it reflected a budgeting pattern that took away from Council the opportunity to bring forward dollars and investments in the community that would otherwise get carried over from year to year in Fund Balance. He noted some of his colleagues felt they shouldn't be putting tax dollars into Fund Balance unnecessarily and shouldn't be sitting on money because of the economy today. He said if they believed that and believed that they should be spending every tax dollar, then to have a budgeting process that consistently created that variance and took away from Council the discretion to spend those dollars, they weren't being honest with themselves. He thought they were trying to have it both ways and they couldn't. Member Mutch said they needed to re-evaluate their budgeting process to be sure they budgeted conservatively but not overly so, because those were dollars not going back into the community. He said if they believed those dollars should be spent today, then they needed to budget that way. Member Mutch said in his mind this was not the budget structure he wanted to approve. However, he was willing to own this budget and support it and be in a position to continue to raise these questions. He said a criticism he had for the Council majority for the previous budget was that they approved a budget that when it came time to do those cuts they let the City Manager be the hatchet man. Mr. Pearson made those reductions in staffing and made the calls regarding eliminating positions. He said that was part of his role in the process but he felt they, as a Council, should have owned those cuts and they only did it after the fact. Member Mutch said he was willing to own what would be approved tonight and when the time came, if necessary, he would be willing to make those difficult decisions. He said it was just a matter of how deep those cuts would be and how much of an impact they would have on the citizens. Member Mutch said he would support the motion and would continue to raise these questions as long as he was sitting on Council.

Member Margolis stated she would approve the budget as she did when they first spoke about it during the budget hearings. She said the job that Council did was to get the budget quite a ways ahead of the budget hearings and go over it page by page. She thought when people saw them passing a budget quickly at a budget meeting it bore repeating that this was the end of a process they had gone through. She said staff provided detailed answers to all their questions and that was what she thought their role as a Council was. Council's role was to give the City Manager and the staff direction, they come back with a budget that would provide the resources needed to accomplish what Council asked them to accomplish. She said Council's job was to look at the budget, make sure it made sense and that the answers they received convinced them that the budget would support their goals. She thought the staff did that to the questions they raised. She said the budget maintained an 18% Fund Balance for the City, which was over their recommended 14% to 18% and above their guidelines. Secondly, they had asked the staff to reserve a portion of the money, which was in the neighborhood of \$638,000, that Council was planning to spend until after they received the audited report. She said the \$638,000 was the amount they were concerned would be the drop in the budget the following year. She noted staff did that responsibly. Member Margolis said the speaker talked about the idea that those things were capital expenditures, which was absolutely appropriate. However, she thought they had to be careful with the direction they gave to staff. At one point they were talking about being concerned about capital expenditures

and at another they were talking about making operational reductions. She said those were the only two areas they could cut. So at one point the previous speaker talked about not making operational cuts and at another point talked about not making capital cuts and those were the only choices they had. Member Margolis said the bottom line was when talking about having to start making reductions now, he was right. She said Mr. Pearson came to Council mid year and advised Council revenues weren't coming in the way they should; he reorganized the departments, looked at the Building Department and said they needed to make these cuts. She said Council did not pass that as part of the budget but all of those decisions came to Council before they were implemented. She noted Council had the opportunity to weigh in on those decisions and raise a red flag but she believed they gave the City Manager the opportunity to run the City the way he should. She thought the budget was conservative and she would always support staff overestimating expenditures in a budget and under-estimating revenues. If that meant they ended the year with a bigger Fund Balance than estimated, that's terrific. She commented she didn't want to have a Fund Balance that was less than projected. Member Margolis said she would never support staff moving away from that kind of conservative stance. She said the reason that the expenditures were over revenues this year was because there was extra money left over that wasn't spent last year. She said every year they heard they were spending more than they were bringing in and the reason they could do that was because they saved money the year before. Member Margolis said the Fund Balance was maintained year to year in a strong and healthy way within the range they passed as a Council. She said there had been a public comment at one of the meetings that Council had dropped public safety officers and police officers and that was not true. She said the number of officers was exactly what they had last year.

Mayor Landry said he was very comfortable with the budget and thought it was financially sound and comprehensive with respect to municipal responsibilities. He said they had heard from DPS this evening and they were maintaining roads, the water and sewer system and the Public Safety Department. He thought the budget was comprehensive in attending to the obligations they had and respected every elected official's ability to comment and have their feelings. He said he also respected every citizen's right to tell Council exactly what they thought and that was what Audience Comments was all about. However, he did not think the sky was falling and did not believe they were headed down a path to destruction. Mayor Landry said some people stood at the podium and warned Council that the consequences of the budget would be on Council's shoulders and indeed it would. He said he accepted that, was comfortable with the budget and had accepted it in the past when the same prognosticators had made the same warnings, which didn't come to pass. He said he was not concerned that the budgeted expenditures exceeded revenue and he was not concerned that they were willing to use Fund Balance. Mayor Landry said that was what Fund Balance was for; they had budgeted this way for the last several years and for the last five years they had spent less than they had budgeted to spend. He said last year this Council made a decision and policy change to increase Fund Balance from 8% -12% to 14% - 18% and then acted to fund the Fund Balance at the absolute maximum of 18%. He said that was done knowing that revenue would decrease this year and that was why they stashed away a little more money. He said to say now that it wasn't right to use the money they stashed away, that was the plan and they were proceeding according to plan. He said that was what Fund Balance was for, and even knowing that, this budget included an 18% Fund Balance. Mayor Landry said historically this Administration spent less than it said it was going to spend. He noted that for the last five years they had spent less than was budgeted and after the audit the auditors

confirmed that the Administration spent less than they said they would spend. So, there was money there that one could say was found money. Mayor Landry said he was comfortable with the manner in which the budget was laid out and for the last five years they had averaged spending \$1.2 million less than they budgeted. He said last year they spent \$1.6 million less than they said they would spend and this year Council had agreed to an extra safety measure. They had put off the big ticket Capital items until the fourth quarter so they could see how the budget year went and if there was a problem, they could put off buying that large dump truck to another year. However, let's look to an outside source, and how the outside independent financial sources look at our budgeting process and the Administration's practice. He said the Government Finance Officers Association issued the Excellence in Financial Reporting award to the City of Novi for the seventh consecutive year. He said that, quoting the Government Finance Officers Association, "reflects the commitment of the governing body and staff to meet the highest principles of governmental budgeting". Mayor Landry said last year Novi's financial ratings were reviewed. He commented that Moody's gave them a rating of AA2, which was only given to 15% of communities nationwide. He said Standard and Poor's increased Novi's ratings two levels to AA+ and said it was, "due to the City's steady economic growth and its General Fund's strong liquidity, which supports good financial performance; the outlook is stable". Standard and Poor's said, "the stable outlook is reflective of the City's ability to systematically plan for development". Mayor Landry said this practice of theirs, when reviewed by the outside financial experts, was approved of and it increased the City's financial rating. Mayor Landry said Plante and Moran audited Novi's books last year and said, "the City's budget results for the fiscal year ending June 30, 2008 were even better than anticipated. The City of Novi's millage rate of 10.5416 had remained the sixth lowest in Oakland County and had not increased in ten years. He said there was a Library Bond and the voters approved it and said it was OK to tax them more, but they had not done that and had absorbed the Library Bond in the normal operating budget. He said what a concept, elected officials that were approved to tax people more, and didn't. He said that was the conservative management of this Council and this staff. He said Money Magazine listed Novi as 48th in the top 100 places to live in America; do they think they would do that if Novi had a poor budgeting process? He said Crain's Detroit Business stated, within the last four months, January 2009, "for a community far flung from the urban center, Novi had done better than the odds might call for in commercial growth and economic attraction." Mayor Landry noted that was the key. When managing the finances of the City they must attend not only to expenses but to revenue as well. He said they must and have expended a tremendous effort in economic development and as long as new businesses were coming in, it was what made their finances look good. Mayor Landry said that Oakland County recently released figures on the decrease in assessed values because of the economy. Mayor Landry noted what had happened to Novi in relation to those around Novi because of their efforts. He said Farmington decreased assessed values minus 7.97%, Farmington Hills minus 9.4%, Walled Lake minus 12.3%, Lyon Township minus 6.8%, Northville minus 8.6%, Northville Township minus 9.9% and Novi minus 3.4%. Mayor Landry said it was one half of what was happening to surrounding neighbors. He said Novi planned for economic development to offset the decrease in property values resulting from the economy. He said to look at the cities they tend to benchmark themselves against: Troy minus 6.2%, Southfield minus 8%, Birmingham minus 12%, Rochester minus 7%, Rochester Hills minus 7%, Plymouth minus 9% and Novi minus 3.4%. Mayor Landry said, regarding taxable value as opposed to assessed value, when the City Manager issued the report document in late March, he reported that for 2008 the decreased taxable value for Novi, when balanced against the increased economic development, decreased 1.24%. He said he spoke with Glenn

Lemmon, City Assessor, and now that the County had issued the actual figures since the budget document was published, the actual figure for Novi's taxable value for last year decreased .77%, or less than one percent. He said that was conservative action and economic development. Mayor Landry said they certainly had to deal with the economy like everyone else but they foresaw this, planned this, increased Fund Balance and would still pave streets, make sure the water was on, make sure public safety was top notch and continue economic development efforts. Mayor Landry said he was comfortable with this budget as long as Standard and Poor's, Moody's and Plante and Moran were comfortable. He applauded the Administration for the process and they would continue to deal with this in a fiscally conservative manner.

Roll call vote on CM-09-05-068 **Yeas: Burke, Margolis, Mutch, Staudt, Landry, Gatt**
Nays: None
Absent: Crawford

2. **Approval to award a contract for fabrication and installation of an interchangeable LED message sign on the north side of the Novi Civic Center near Ten Mile Road to Townsend Neon, Inc., the low bidder, for \$27,332.**

CM-09-05-069 **Moved by Margolis, seconded by Gatt: CARRIED UNANIMOUSLY:**
To approve to award a contract for fabrication and installation of an interchangeable LED message sign on the north side of the Novi Civic Center near Ten Mile Road to Townsend Neon, Inc., the low bidder for \$27,332.

Roll call vote on CM-09-05-069 **Yeas: Margolis, Mutch, Staudt, Landry, Gatt, Burke**
Nays: None
Absent: Crawford

3. **Approve the submission of an Energy Efficiency and Conservation Block Grant (EECBG) Application in the amount of \$533,100 and authorize the City Clerk and Mayor to execute Application and any related documents.**

Mr. Pearson said this had been tweaked slightly from what Council had seen last time. He said this was the beginning of the process to access the Federal funds that had been made available. He said they had a list of areas they saw it going to, but first had to get the Energy Efficiency and Conservation Study going and with the action tonight they would be able to start that.

Member Mutch asked what the dollar amount was based on. Mr. Pearson responded that it was an estimate. Member Mutch said then if those dollars weren't spent they would be available for something else. Mr. Pearson replied he was correct.

CM-09-05-070 **Moved by Margolis, seconded by Burke; CARRIED UNANIMOUSLY:**
To approve submission of an Energy Efficiency and Conservation Block Grant (EECBG) Application in the amount of \$533,100 and

authorize the City Clerk and Mayor to execute Application and any related documents.

DISCUSSION

Member Staudt thanked the City Manager for adding in the Non-Motorized Pathway Sidewalk Master Plan. He thought this could potentially add hundreds of thousands, if not a million dollars, to future grant opportunities.

Roll call vote on CM-09-05-070 **Yeas: Mutch, Staudt, Landry, Gatt, Burke, Margolis**
Nays: None
Absent: Crawford

- 4. Approval of Cost Participation Agreement with the Road Commission for Oakland County for engineering design of the Grand River Avenue Rehabilitation Project (Novi Road to Haggerty Road) in the amount of \$75,000, to be funded by a portion of the City of Novi's Tri-Party Program allocation.**

Mr. Pearson said this recommendation was to get the process going to make improvements. He said truth in advertising, this was not the full blown widening project, but was something doable to do a repaving and in spots do some full depth reconstruction. He said they needed this agreement for the Oakland County Road Commission to proceed with the engineering and to get everyone in a position to do something as soon as possible.

CM-09-05-071 **Moved by Burke, seconded by Margolis; CARRIED UNANIMOUSLY:**
To approve Cost Participation Agreement with the Road Commission for Oakland County for engineering design of the Grand River Avenue Rehabilitation Project (Novi Road to Haggerty Road) in the amount of \$75,000, to be funded by a portion of the City of Novi's Tri-Party Program allocation.

Roll call vote on CM-09-05-071 **Yeas: Staudt, Landry, Gatt, Burke, Margolis, Mutch**
Nays: None
Absent: Crawford

- 5. Consideration of request from Arturo and Vanessa Aguirre (dba La Fuente II, Inc.) for a new Class C Quota Liquor License to be located at 25750 Novi Road, Suite 101, Novi MI 48375.**

Mr. Schriemer, Attorney for Arturo and Vanessa Aguirre, said they were present to request a new Class C Quota Liquor License for their restaurant. He said they met the requirements of the City ordinance and were experienced, successful operators and had operated a very successful restaurant in Ypsilanti. He said what they offered was unique and special. Mr. and Mrs. Aguirre had provided Council with a handout expressing their contribution to the community and what they thought was special about their restaurant. He commented they had a rich Mexican heritage and would deliver authentic Mexican cuisine in a family friendly

environment. He thought what they were doing would enhance the cultural richness of the community as well as provide a high quality dining experience.

Mayor Pro Tem Gatt said he was not going to support their endeavor. He said the four items of test Council considered were: 1) whether there was a need for the facility at the location proposed. He said looking at the handout given to Council and it didn't strike him as something so unique that he couldn't find at least two or three other Mexican restaurants in the City. 2) Whether the facility tended to provide a service, product or function not presently available to the general public residing in the community. He said there were at least two or three restaurants in the area that would provide the same food and amenities. 3) The uniqueness of the proposed facility when contrasted against existing facilities. He said it looked great and wonderful and he wished them the best of success but he didn't find it unique. 4) The length of time the applicant had conducted business within the community. Mayor Pro Tem Gatt said the applicants were rather new and he would support the restaurant and bring his family there but as far as awarding one of the two liquor licenses that were meant to attract economic development to the City, he could not support it. He said they were free to purchase a liquor license and if they did, he would be in support of it.

Member Margolis said she had eaten at their restaurant and it was a wonderful place. However, for similar reasons, she could not support the quota liquor license. She said she took the requirements in the ordinance seriously and the idea of uniqueness was very important and she didn't think they provided it. Member Margolis said there were similar restaurants in Novi and they didn't bring something unique that didn't exist in Novi. She wished them the best, would support them in any way she could but, under the requirements of the ordinance, she could not support giving them a quota liquor license.

Member Mutch said previously, he focused on the economic development issues and impact, the benefit to the community from issuing those licenses to those applicants who he felt best met the economic needs of the community, as well as in locations where he thought it made the most sense. He said areas he had talked about before were Main Street, Fountain Walk and the whole I-96 corridor. He thought the nature of the developments and businesses lent themselves to getting these liquor licenses because they had the biggest bang for the buck for the City. He said they spent money on a special Census with the hope it would bring Novi additional State Shared Revenue, which had not happened; however it did bring additional liquor licenses. He said what he discovered, as licenses had been awarded and denied, was that it was really not a consideration how these were being awarded. He said the process by which applicants had been awarded or denied these licenses to him, as he reviewed them, had felt arbitrary. In fact, applicants had said that to the Council and he thought they were right. He thought they were not giving them out for those reasons and thought the ordinance rationale that Council provided and stated varied. Member Mutch said they used it when it was convenient and ignored it when it was not. Member Mutch said, going forward, he would take the position that any applicant who wished to acquire one of the licenses, as long as one was available, he would support the applicant, absent some significant reason why they had some kind of problem that would otherwise disqualify them. He said he didn't want to play that game anymore and was not interested in telling people they were not unique or didn't have an economic impact and then award liquor licenses for reasons that didn't meet those standards. Member Mutch said he would support the application. He said he would also point out to Council that he had brought forward the suggestion that they could look at the development

area liquor licenses, which would help applicants going into a space that previously had a Class C Liquor License, and was in the Main Street area, which was an area that badly needed support from the City. He said it would make it possible for applicants without having to give up those remaining quota licenses. He said they chose not to pursue that and if they weren't going to use those tools, he would not punish individual applicants for that. He said he would support this and future applicants that come forward; if Council didn't award it, he would support their requests as well.

Mayor Pro Tem Gatt said there was no one he knew on Council that played a game when considering whether to award a liquor license. He said the ordinance was quite clear and the reasons he gave earlier would prohibit him from supporting the applicant's endeavor. He said it was not punishment, but was his duty. Mayor Pro Tem Gatt commented that he could not remember one vote where they played a game with an applicant or tried to punish someone.

**CM-09-05-072 Moved by Gatt, seconded by Margolis; MOTION CARRIED:
To deny the request from Arturo and Vanessa Aguirre (dba La Fuente II, Inc.) for a new Class C Quota Liquor License to be located at 25750 Novi Road, Suite 101, Novi MI 48375 because the applicant did not meet the requirements of the Ordinance. The applicant did not demonstrate a need for the facility at the location proposed, the facility did not appear to be unique, and the applicant had not demonstrated the length of time doing business within the community that would warrant such a license being granted.**

DISCUSSION

Mayor Landry said he had always voted, with respect to quota liquor licenses, on the two aspects in the ordinance: 1) the business was either unique, meaning there wasn't one like it in the City and 2) if it wasn't unique and they didn't already have that kind of business, if the business had been in Novi for a sufficient amount of time, employed our youth and had given back to the City. This was a brand new business. Mayor Landry said he didn't believe it was unique and he didn't believe they had been here for a sufficient amount of time to employ our youth and give back to the City; he was following the ordinance. Mayor Landry said he would support a transfer of a liquor license but with respect for a quota he didn't think they fit the ordinance.

Ms. Kudla, City Attorney, asked that the specific facts be added to the motion that Mayor Pro Tem Gatt had presented earlier.

Mayor Pro Tem Gatt said the applicant did not demonstrate a need for the facility at the location proposed, the facility did not appear to be unique and the applicant had not demonstrated the length of time doing business within the community that would warrant such a license being granted.

Ms. Kudla asked if he would agree to the amended language and he said he would and the seconder to the motion also agreed.

Roll call vote on CM-09-05-072

**Yeas: Landry, Gatt, Burke, Margolis, Staudt
Nays: Mutch
Absent: Crawford**

AUDIENCE COMMENT – None

MATTERS FOR COUNCIL ACTION – Part II

- 6. Approval to award an automatic extension of the one year contract for management services at the Novi Ice Arena to Suburban Arena Management – Novi, LLC, in the amount of \$108,796.85.**

**CM-09-05-073 Moved by Margolis, seconded by Staudt; CARRIED UNANIMOUSLY:
To approve to award an automatic extension of the one year contract for management services at the Novi Ice Arena to Suburban Arena Management – Novi, LLC, in the amount of \$108,796.85.**

Roll call vote on CM-09-05-073

**Yeas: Gatt, Burke, Margolis, Mutch, Staudt,
Landry
Nays: None
Absent: Crawford**

- 7. To approve a program for the Fire Department to recover costs and fees of classes and services given to the public and local businesses.**

Mr. Pearson said they had asked staff at all levels to seek out and bring forth ideas for revenue enhancements in addition to expenditures where justified. He said the Fire Department came forward and had identified areas where it was customary to charge a nominal fee to recover costs. He said these were in direct relation to the marginal cost of the services provided. He said they were volunteer in nature, in terms of people who sign up for classes or request reports, etc. He thought there was a proportionate fee that was justified. Mr. Pearson said they were bringing this before Council because it was new and they had not done this in this area. Mr. Pearson said the stand by costs that would be talked about were for private organizations who essentially locked up one of their vehicles and resources, which was fine, but he believed some of the cost should be recovered for that service. He said they tried to describe some of the costs they were currently taking on and didn't believe this would inhibit or dissuade people from taking the classes or taking advantage of the public safety services the City offered.

Member Mutch said the first item Chief Smith wanted to incorporate a cost recovery on was the CPR classes held on the first Wednesday of the month for residents. He asked if these classes were restricted to residents. Chief Smith said they were for Novi residents who signed up through the Novi web site and in order to get the materials supplied to them and the instructors at no charge, they had to prove they were a member of the City of Novi. Member Mutch said the Fire Report Request indicated it was \$5 per report, which seemed fairly consistent with other communities. He asked how the cost was developed. Chief Smith responded it was administrative and computer time to look the report up through the Oakland County system, print it out and provide them with a copy. He said in computer time they had

paid \$18,000 in reports to the County this year. He thought when they could recover any of that back to use for the general public they should. Member Mutch asked how many reports were typically generated per year. Chief Smith replied a couple hundred reports. Member Mutch said he was comfortable with the cost of reports and just wanted to make sure it was in line with requests from the City Clerk for Freedom of Information Act data or other documents. Member Mutch said he had a problem with charging residents for CPR classes and especially the fact that having residents in the community trained in CPR would be a valuable resource. He wasn't sure it was worth charging them and creating a barrier to them taking the class. Member Mutch said what they were asking of residents was if someone was dying, we wanted them to be trained to be able to sustain life long enough for the EMS or Fire Department to get there. He said he would rather not charge that fee. He said the other fees for CPR for the businesses in the community, where employees might or might not be residents or might not be working in the City, he was comfortable with that and those costs seemed reasonable.

Mayor Pro Tem Gatt said he would wholeheartedly agree with Member Mutch regarding CPR fees. He said he didn't want to charge Novi residents for fire service because they already pay that in their taxes. He said he didn't want to charge the business community for CPR classes either because in the case of someone who was dying, a trained person might save a life. He said he didn't have a problem with the reports because it was usually not a resident requesting a report it was an insurance company and they should be charged. Mayor Pro Tem Gatt said the last item was to charge for a standby to private organizations at football games and unless his memory was wrong, they were talking about Catholic Central. He said they also sent a rig or two to Novi High School football games. He said they were talking about kids and he didn't feel like they were at the point where they should be charging for services that were provided in the past. He thought there were other ways to bring revenue in and balance the budget. He said he wouldn't support the proposal tonight but would support the report charges.

Member Staudt asked if that was the case, that this \$100 was specifically for Catholic Central. Chief Smith said it did not cover Catholic Central and they didn't work the high school football games. Chief Smith said Community EMS provided the paramedic standby coverage for the high school games. Member Staudt said he would support a nominal fee for the CPR classes. He thought there were consumable things, for example the dummies, etc., that would need to be replaced over time and he didn't see any problem with charging a nominal fee of \$5 or \$10. He said he didn't have any objections to the fees but would like to see lower fees.

Member Burke thought businesses would step up and pay the money for the services offered for these fees and might receive a break from their insurance. He didn't think any business wanting that service from the City would have a problem paying for it; he also supported the reports. Member Burke said regarding the sports standby, if it was a requirement from club sports like the Jaguars then he would support that. He said it came back to the residents and if he paid \$40 and was able to save his wife's life, it would be worth a million dollars. He asked how long the course lasted and Chief Smith said about three hours. Chief Smith said they normally have 12 students and 2 instructors and per tonight's new contract that would be a total of \$37.60 per hour times three for the two instructors. He said that didn't count the books, which were \$16.00 each. He said the mannequins for an adult, child or infant were \$1000 for the three of them and they had three sets of three that all needed replacement. Member Burke asked what the lives of the dummies were and Chief Smith said about three or four years. He said they teach City Hall, the schools and daycare centers CPR and AED. Member Burke said

he didn't disagree that the City was providing a valuable service and there were some things that the City had to pony up for and this might be one of them but he wasn't inclined to support that aspect of it. Member Burke applauded their efforts to get back as much as possible but he had a problem with the first one about the residents.

Member Margolis said she noticed on the fees for other communities and the Red Cross that there was a break out of CPR classes, \$40 for adults and \$75 for a professional and asked what the difference was between those. She said W. Bloomfield had \$10, \$30 and \$70. Chief Smith said the difference was medical and dental offices employees were required to have a higher level of certification for CPR and it took more training for them to get that certification. He said what they had found over several years was some businesses cycle their employees through Novi because there was no charge for CPR training but there was a charge in their cities. She asked if Novi did the higher level training for professionals and Chief Smith said they did as a part of the CPR class. He said there was a standard citizen certification and a medical/dental professional certification. Member Margolis said one was training residents who paid taxes and the other was for businesses. She asked if it was possible to have a varying fee where if a resident there was no charge and if a professional it was \$40. He responded that could be done and it could be determined quickly. Chief Smith said normally they do the professional certifications during business hours and were subject to when they could get people for the training.

**CM-09-05-074 Moved by Margolis, seconded by Burke; CARRIED UNANIMOUSLY:
To approve the proposed Fire Department program recovery cost
with a change in CPR fees to be a \$40 charge for the professional
certification per student but the CPR would be free for the regular
certification to Novi residents.**

DISCUSSION

Member Mutch said the May 4th memo Chief Smith provided to Council did a break out for the business level. He said there were two levels, Basic Life Support at \$200 for ten students and \$300 for 10 students for the Heart Saver. Member Mutch said for a new business first time training for 10 employees there would be no cost. Chief Smith agreed. Member Mutch said that would reflect the cost to teach these classes and Chief Smith agreed. Member Mutch suggested to the motion maker that the intent was the same but those dollar amounts and numbers were in line with what Chief Smith had recommended. Member Mutch asked if the two different levels for businesses could be incorporated into the motion. Member Margolis said it would be \$40 per student for the professional certification and free for Novi residents for the regular certification. Member Mutch asked when talking about professional, was it the BLS and Heart Saver programs. Chief Smith said it was. Member Mutch said those were actually already incorporated and they didn't have to do a separate \$40 amount. Member Margolis said no, but that was for a group class. So, if they were taking it individually, it would be \$40 per student and what she was suggesting was that the \$40 stays if someone was doing the BLS provider, and free for citizens if the individuals was doing the Heart Saver. Chief Smith said she was correct. She said the two other pieces, the Heart Saver CPR for business and the BLS provider CPR for business were a group class. So, if someone said they had ten employees and wanted a class it would be \$200 versus an individual citizen who wanted to sign up for the class would get it free if a citizen, but if looking for professional certification it

would cost \$40 to sign up for the class. Member Mutch said his understanding of how the classes were currently structured was an individual taking the CPR class, not in the business group, were residents. Member Mutch thought they would be opening up for additional people to take the class that they didn't currently have doing it. Member Margolis said no, they would all have to be residents but there were two levels. She said if she was a resident taking the professional class, she would get charged \$40, but if she was a resident just taking the citizens CPR she would not be charged. So, what he was saying was if they were doing business in West Bloomfield and had an employee living in Novi, instead of sending them to West Bloomfield and paying, they would go to Novi because they were residents of Novi and Novi would do their profession certification. Member Mutch said he was fine with the motion; if there's anything that needed to be clarified he was sure the Chief would clarify it for Council.

Roll call vote on CM-09-05-074

**Yeas: Burke, Margolis, Mutch, Staudt,
Landry, Gatt**

Nays: None

Absent: Crawford

8. Appointment of Student Representatives to Housing and Community Development Commission.

Ms. Blashfield, Deputy Clerk, announced the appointment of two students to the HCD Commission; they were Robert Hsu and Anirudh Vinnakota.

COMMITTEE REPORTS - None

MAYOR AND COUNCIL ISSUES - None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

AUDIENCE COMMENT - None

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 8:15 P.M.

David Landry, Mayor

Debra Blashfield, Deputy Clerk

Transcribed by Charlene Mc Lean

Date approved: June 1, 2009