

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI  
SATURDAY, JANUARY 7, 2012 AT 10:00 A.M.  
FIRE STATION 4 - 49375 W. TEN MILE ROAD**

Mayor Gatt called the meeting to order at 10:00 a.m.

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Gatt, Mayor Pro Tem Staudt, Council Members Casey, Fischer, Margolis, Mutch and Wrobel

**1. Process Review**

Background information: August 31, 2011 Management Staff Retreat's Brainstormed Ideas; Preliminary CIP Summary; Mid-year Fiscal Analysis updated with new taxable value

City Manager Pearson stated this is another step in building the budget as we take the input from this session that provides the priority list as identified by Council. This is where items will be prioritized. We began with a retreat of administrative officers. This week the early preview of the CIP (Capital Improvement Projects) listing was sent to Council. Finance took taxable values and reported on the tax base that will be our driver for next year. This was put into a modified mid-year fiscal analysis. The tax base seems to be on a course to steadily improve. The process for today will be to first address short term goals within zero to 18 months, then long term goals.

**2. Initial thoughts – roundtable discussion**

Mayor Gatt noted this is the early input budget session and asked Council members to express their initial thoughts.

Member Mutch noted the budget numbers as presented does drive the budget and stated he was pleased with the numbers. Absent any big changes, we are on a trajectory for positive growth. He cautioned against seeing this as a sense of relief. We can continue to contain costs but the big question mark is what will happen with the personal property tax. It's important to invest for the long term and we've done a good job of that. Pay off long term obligations and continue to invest in community. We still spend \$26-27 million out of the general fund and he felt it should go to the benefit of the residents. He was glad to see long term goals returning to this session. That helps provide the framework for moving forward as a community since we have received national recognition as a community.

Member Fischer appreciated having short and long term goals. This will go a long way in accountability and recognizing these goals. As far as the budget, he remains cautiously optimistic. We must continue to be vigilant. We are on a solid footing and seeing upward trending that allows us to take a step back while making short and long term decisions.

Member Margolis stated she wanted to give kudos to staff and administration. It's pretty impressive seeing the work that goes into that. She gave credit to staff and

administration most of the credit for getting us through that difficult time. We have proven that this staff and administration has the competence to manage through difficult financial times. That asset should not be underestimated. We came through with glowing awards and she felt that residents didn't notice that as we came through it quietly without taking away services and in fact, built a library during that time. Looking back through the past 5 years of fiscal analysis, you can see the changes. We have managed this very responsibly. This was a very hopeful report. We have very smart people here at the City and Council's job is oversight, vision, long term goals and giving direction. She felt her job now is to look at tackling the broader issue of rebalancing that millage. Council has not grappled with that enough. It really isn't about changing taxes people pay, but we have done such a good job paying down debt, the other funds are balanced and as we have paid off debt, looking at funding and making sure money is being put in the right buckets. Focus should be more on roads and legacy costs. Again, we've made great progress on legacy costs with health care liability and we have reduced expenses. She has great faith in staff and administration. Her focus will be putting money toward things that make this a quality community.

Member Casey appreciated splitting the goals to keep our eye on the challenges coming and was happy to be present for this discussion.

Member Wrobel liked the idea of short and long term goals. He thought when goals were considered, he would like them tuned a little more to give staff better direction.

Mayor Pro Tem Staudt noted we have strong fund balance, but operating on a slight deficit in operating expenses. We have a gap of \$1.2 or \$1.3 million and we do have funds to make that up. In the fiscal analysis, there are minimal capital improvements provided and it's currently around \$400,000 that may expand up to \$2 million and this will have to come from our savings. In the past, we had revenue exceeding expenditures but we don't have that anymore. He agreed we need to go back to the voters and talk about the fund for parks and recreation and our city streets fund. Both of those would fit under existing millage rates if we utilized the Headlee override, it would provide us a million dollars per year and he supports Council doing this and these specific funds. There's been a dramatic increase to 33% of the seniors in the City and this will place a great amount of stress in this area. He felt the City should consider relocating these services. As our population ages, there will be greater stress on our public safety services as well. There are other areas such as recreational needs too but the increasing senior population is going to be really important. Also funding the non-motorized master plan is important and he asked to have Council consider fulfilling those plans. It's also important to focus on strong public safety and continue to provide all resources necessary and not slide in that area at all. He stated he was happy with the amount of savings we have available. Balance this with being conservative as the fiscal analysis gives a great view of a conservative approach to have something left over to reinvest in the city. He is encouraged and also encouraged administration and employees to bring revenue and expenditures closer together. We are not there yet but maybe 2-4 years away and in a much sounder position than many other communities.

Mayor Gatt thanked Mr. Pearson and his staff for all the preparation work and attending the meeting. He noted that Member Margolis hit the nail on the head talking about legacy costs. Novi has always looked forward dealing with legacy costs. In 9 years,

Council has worked diligently in getting us to where we need to be with these costs. It would be wrong to think everything is perfect. We are about \$1.2 million short of having revenue and expenses meeting. This is something to keep a focus on in bringing those costs together. There will be talk of millage increases and it is true that some of our millages are not being fully taxed because of Headlee. Those will be important to address.

**3. Confirm Major Strategic Theme Categories –  
Roundtable Discussion**

**Mayor Gatt**

City Council brainstormed service improvements for each of the broad Strategic Themes with short-term (next 18 months) and long-term (18 months plus and on-going)

The following are the edited short and long-term items input by Mayor and Council members for each of the 7 Strategic Themes.

**1 - Edited Short Term Service Improvements to Ensure Public Safety Services Meet the Needs of the Community (Police, Fire, Public Services)**

- Implement a tiered response system - police, fire, & CEMS
- Fund improvements to DPS (Department of Public Services) facilities
- Establish a fully scheduled fire department
- Finalize the lift assist policy
- Continue to fund community outreach programs (child seat checks, etc.)
- Maintain four fire stations operating 24/7
- Negotiate expanded EMS (Emergency Management Services) (3 units)
- Continue to pursue providing services to other communities (dispatch, etc.)
- Explore having AEDs (Automated External Defibrillators) at all city facilities and parks
- Security cameras at senior center
- Revisit the 80,000 mile cap on cruisers if they are in good condition
- Policy for medical tone outs for paid on call fire fighters

**1 - Edited Long Term Service Improvements to Ensure Public Safety Services Meet the Needs of the Community (Police, Fire, Public Services)**

- Increase number of police officers
- Expand efforts to rent out gun range and fire tower for training
- Determine long term facility requirements/plans for fire stations
- Fund capital improvements for DPS (Department of Public Services) facility based on a long-term plan
- Explore regional dispatching
- Public safety department...explore possibilities
- Implement neighborhood watch program
- Explore a Regional Fire District
- Continue implementation of ICMA recommendations to ensure consistent public safety response times 24/7 in the most cost effective manner
- Develop long-term strategy to fully utilize CERT (Community Emergency Response Team) volunteers
- Continue outreach by police and fire to residents
- Be a regional provider of Department of Public Services
- Partner with surrounding cities for fire equipment/services

- Closely monitor statistics to ensure funding and staffing matches public safety needs

## **2 – Edited Short Term Service Improvements to Improve Infrastructure (Roads, Water and Sewer)**

- Improve 8 Mile/Meadowbrook intersection to reduce traffic incidents
- Fund "initial investments" portion of the non-motorized master plan
- Place Municipal Street Fund Headlee override on August ballot
- Review and revise any speed limits bringing into compliance with state law
- Relocation and addition of handicap parking in front of civic center
- Get state law changed to allow Private Road SAD's
- Rebalance mileage to ensure increased funding for road improvements and maintenance
- Continue to push Oakland County to complete Grand River improvements
- Incorporate Riverwalk features into Crescent Boulevard extension
- Increase neighborhood road replacement/repair budget to keep up with aging road system
- Communication plan to encourage residents to use new non-motorized paths
- Continue the bike path sidewalk prioritization plan
  - fill in gaps in sidewalk in current sidewalk network
- Implement required training for consultants regarding City processes

## **2 – Edited Long Term Service Improvements to Improve Infrastructure (Roads, Water and Sewer)**

- Identify a long term plan for Beck Road reconstruction
- Find ways to increase neighborhood road repair budget without raising taxes
- Communication plan to residents for long term plans for infrastructure improvements
- Assess costs/benefits of taking over big three county roads (10 Mile, Grand River, Novi). Why wait 20 years for Grand River widening?
- Develop strategy to address infrastructure needs of older sections of the City
- Obtain increased Sanitary sewer capacity to match build out needs
- Pursue making all of the city's left turn lights consistent
- Create a plan for upgrading all of our major commercial corridors with streetlights, landscaping, etc. Make our main roads look good!
- Encourage Oakland County to study traffic flow improvements on 10 mile from Haggerty to Beck
- Ensure increased funding for roads by rebalancing millage
- Review the infrastructure along entire Grand River Corridor
- Develop funding mechanism to complete sidewalk gaps along commercial/apartment properties (50/50 SAD)
- Fund Non-Motorized Plan recommendations

## **3 – Edited Short Term Service Improvements to Encourage Economic Development to Maximize City Revenue and Job Growth**

- Support new bridge to Canada

- Go after blighted and run-down properties that detract from surrounding properties to bring them to current standards (Grand River and Trans-X for examples)
- Develop customer service training for City staff that emphasizes link to economic development and revenue growth
- Continue partnerships with commercial realtors to share current commercial inventory
- Work with developers and landowners to finalize new main street plan and get it moving forward to complete it
  - Provide Main Street with the tools necessary to succeed.
- Aggressively pursue businesses to locate in Novi
- Find ways to better partner with Oakland County on economic development
- Do in-depth review of southeast Novi to look at ways City can invest in and assist older neighborhoods to maintain community stability and housing values
- Review development and zoning ordinances to streamline, make easier to follow
- Promote recently developed commercial rehabilitation areas
  - look at ways to redevelop Meadowbrook/10 Mile area
  - Old expo site....pursue development opportunities
  - Identify short term target properties for development/redevelopment
- Look for opportunities to bring new business along Grand River Corridor
- Continue dual focus on business retention and attraction
- Help developers to fill vacancies in town center and fountain walk

### **3 – Edited Long Term Service Improvements to Encourage Economic Development to Maximize City Revenue and Job Growth**

- Encourage build out of remaining vacant land
- Review city for 'pocket properties' where development may be difficult/meet objections and prepare plans for development
- Partner with local organizations to promote Novi as a place to live for the "creative class" - make Novi a "Cool City"
- Invest in Community Development department to ensure high levels of customer service as development rebounds
- Explore TIFs or similar for Main Street area and/or Grand River Corridor
- Work with community to develop Novi 2020 strategic plan
- Continue to do small-area master plan reviews of key areas of city
- Maintain balance of residential/commercial growth
- Investigate idea for road from 12 Oaks to Meadowbrook Road as a development tool
  - work with landowners to develop an access road from Twelve Oaks to Meadowbrook to allow for additional development along it
- Explore ways a Regional Transit Authority can serve Novi (if passed at state level)
- Remain culturally diverse...encourage different cultures to locate here.
- Identify properties that will be challenging to develop and/or require environmental remediation prior to development/redevelopment and start planning a means to accomplish
- Continue to market Novi to outside world

Council recessed at noon and reconvened at 12:30 p.m.

**4 – Edited Short Term Service Improvements to Develop Government Structure and Staff Skills for Effective Delivery of Customer Services and Communication with Community**

- Develop online/interactive 'ask a staff member' tool for residents (real-time)
- Hold Council meetings outside Civic Center...at Fox Run for example
- Encourage in-state training opportunities
- Provide staff at all levels additional opportunities to provide cost savings/innovative ideas to council
- Update dashboard regularly and incorporate city standards
- Develop staff academy to facilitate orientation of new employees
- Ask all Boards and Commissions to provide annual report
- Provide quarterly financial statements online - transparency
- Look at every opportunity to consolidate departments and reduce number of management employees
- Encourage more citizen involvement in Boards and Commissions - develop leadership "bench strength" among residents
- Expand the existing communication network with neighborhood associations to help increase the flow of information and decision making with the city
- Maintain focus on first-class customer service and provide staff with training on cultural norms for International citizens

**4 – Edited Long Term Service Improvements to Develop Government Structure and Staff Skills for Effective Delivery of Customer Services and Communication with Community**

- Develop secret shopper program to evaluate department responses
- Training in dealing with/handling senior citizen concerns
- Partner with Library staff to provide basic services to residents after city business hours without impeding current Library service levels (notary, parks/rec, etc.)
- Set up formal program to look at best practices from other communities
- Hire more culturally diverse staff....different language skills
- Continue use of 'stop-list' or the like to review services (internal and external) to eliminate if no longer value-added
- Review all boards and commissions to see which we need, number of members, etc.
- Invest in conversational language training for staff in additional languages spoken in Novi (i.e. Japanese)
- Meet with local ethnic and cultural organizations to understand their needs and how the City can serve them
- Invest in technology to ensure more efficient delivery of services
- Discuss future staff pay raises - how long can we go without increasing staff pay?

**5 – Edited Short Term Service Improvements to Be a Community that Values Natural Areas, Natural Features and Community Character**

- Aggressively replace existing park play areas, include ADA (Americans with Disabilities Act) compliance and structures for younger children
- Create plan to recognize historic sites and buildings in Novi
- Develop a means of recognizing Novi businesses that are "going green"

- Partner with corporate partners to fund landscaping improvements at key intersections/interchanges
- Implement Landings development plan
- Take advantage of current property values to acquire parkland and environmental areas before development returns full-force
- Partner with schools to share natural areas

#### **5 – Edited Long Term Service Improvements to Be a Community that Values Natural Areas, Natural Features and Community Character**

- Continue to acquire and protect environmentally sensitive areas
- Develop plans to manage natural areas the city owns to deal with invasive plants, public access, etc.
- Review/develop city-wide recycling program for residents and City buildings
- Develop Riverwalk concept along Rouge River west of Novi Road
- Find cost-effective way to light entryway signs (solar?)
- Apply for grants to acquire land for preservation and public use
- Work with vacant land owners to maintain property without short term development plans to grow grass and plant trees on it.
- Work with Tollgate/MSU to ensure long-term protection of property
- Continue to focus resources on increasing walking opportunities for all including senior friendly paths
- Charter amendment to protect parks from being sold without voter approval
- Ensure properties that are under duress/foreclosures/etc. are maintained

#### **6 – Edited Short Term Service Improvements to Maintain a Fiscally Responsible Government**

- Bring operating revenue and expenses together as close as possible
- Examine rebalancing the millage and make a policy decision
- Eliminate car allowances
- Reduce personal services costs by \$1,000,000 during the next two years
- Formal program to find ways to encourage 'green' behavior while saving dollars
- Increase internship opportunities
- Evaluate all training requests for staff to make sure it is essential and provides a benefit to city and its residents
- Make additional contribution to reduce retiree health care obligations
- Pursue more grant opportunities
- Share purchasing with other public entities
- Use bonds only for large capital projects
- Keep training/seminars to in-state only
- Continue pursuing reductions in legacy costs
  - Reduce cost of retiree health care
- Provide incentive program for cost-reduction ideas/strategies that result in real savings
- Examine current partnerships and potential partnerships to make sure benefits can be maximized
- Consolidate departments and reduce management employees
- Establish policy of multi-year budget

- Maintain a wage freeze in 2012-13 budget
- Use/hire more part time staff members when full time employees leave

#### **6 – Edited Long Term Service Improvements to Maintain a Fiscally Responsible Government**

- Develop formal program for high schoolers/interns/co-ops to develop city's next staff leaders
- Leverage technology and government funding/grants to reduce energy costs
  - Invest in energy efficiency improvements to reduce utility costs
- Ensure healthy fund balance
- Relocate Fire Station #1 and sell property for development
- Negotiate changes to union contracts to reduce long-term liabilities for pensions and health care
- Continue focus on securing private funding/grants where appropriate
- Set minimum for Police and Fire Fund Balance at \$2.5 Million
- Partner more with schools and surrounding governments for services where possible
  - Explore service consolidation with neighboring governments

#### **7 – Edited Short Term Service Improvements to Enhance Park, Recreation and Cultural Services**

- Fund at least one major park project with naming rights funds
- Continue efforts to expand services to seniors
- Partner with School District to develop the Bosco property for green space
- Promote use of city's park assets during the winter months - encourage physical activity during winter
- Acquire land for active sports fields north of I-96
- Add a dog park in Novi
- Provide transportation service at no additional cost within Novi to residents of Meadowbrook Commons
- Partner with local communities on programs to increase offerings and attendance; share costs
- Consider sponsorship coordinator as a dedicated city position (one person for all departments/events)
- Develop plan to enhance recreation opportunities in Power Park
- Fund phase 2 of Landings Park - grant, Parks foundation, donations, etc.
- Plan for providing seniors more cost-friendly transportation services
- Start building infrastructure on undeveloped park properties
  - Fund development of Villagewood Lake park
- Market the new park on Walled Lake more aggressively to Novi Residents
- Headlee override for parks millage to charter
- Continue focus on attracting sports tournaments
- Complete pathway around Civic Center property - create loop to Taft Road
- Identify additional needs for parks already developed
  - upgrade facilities at Lakeshore Park
- Rotate city events/activities so we can feature all parks
- Evaluate and pursue all grant opportunities - make grants a high priority

- Fund and build first mile of ITC corridor/greenway path - including Medilodge and Providence segment
- Partner with school districts to increase utilization of their athletic fields and other facilities by residents of Novi
- Continue to enhance event offerings at Fuerst Park

#### **7 – Edited Long Term Service Improvements to Enhance Park, Recreation and Cultural Services**

- Re-vamp senior transit program, including outsourcing
- Plan for dramatic increase in senior population...needs and demands
  - Develop senior citizen advisory board to help City plan for aging population
- Continue efforts to eliminate duplicate programming with schools, etc.
- Increase number of local neighborhood parks
- Build a dog park within city limits
- Partner with commercial providers for recreational facility space within Novi
- Investigate and develop plan to offer services for teens in partnership with schools and library to address after school needs
- Provide recreational pathway system through entire ITC corridor connecting to regional pathways
- Acquire an additional 500 acres of parkland

Council briefly discussed that there will be items that could be the focus of readjusting millages, however they felt that discussion should take place at the Council table as to the specifics for how to re-balance the millages. Mayor Pro Tem Staudt stated his preference would only include roads and parks and recreation and nothing else.

Council discussed that general adjustment of millages to fund capital improvements was too broad and did not give enough direction to staff. It was noted that with regard to adjusting millages, it was best not to include one with the other. As an example they may only want roads alone or parks alone or fire alone. Consensus was that there needs to be further discussion at the Council table where a policy can be determined.

Council recessed at 1:11 p.m. and reconvened at 1:21 p.m.

d. City Council prioritized within each of the Strategic Themes of service improvements for those items with a rating of 4 or higher.

Top Short Term Service Improvements – Public Safety

#### **Short Term Public Safety**

#### **Total Points**

- |   |   |
|---|---|
| 1. Maintain four fires stations operating 24/7                                | 5 |
| 2. Continue to pursue providing services to other communities (dispatch etc.) | 4 |
| 3. Explore having AED's at all City facilities and parks                      | 4 |

Top Long Term Service Improvements – Public Safety

<b>Long Term Public Safety</b>	<b>Total Points</b>
1. Determine long term facility requirements/plans for fire stations	6
2. Fund capital improvements for DPW facility based on a long Term plan	5
3. Explore a Regional Fire District	4

Top Short Term Service Improvements – Improve Infrastructure

<b>Short Term Improve Infrastructure</b>	<b>Total Points</b>
1. Relocation and addition of handicap parking in front of Civic Center	5
2. Increase neighborhood road replacement/repair budget to keep up with aging road system	5
3. Fund "initial investments" portion of non-motorized master plan	4
4. Rebalance millage to ensure increased funding for road improvements and maintenance	4

Top Long Term Service Improvements – Improve Infrastructure

<b>Long Term Improve Infrastructure</b>	<b>Total Points</b>
1. Develop funding mechanism to complete sidewalk gaps along commercial/apartment properties (50/50 SAD)	5
2. Create a plan for upgrading all of our major commercial corridors with streetlights, landscaping, etc. Make our main roads look good!	4
3. Ensure increased funding for roads by rebalancing millage	4

Top Short Term Service Improvements – Economic Development

<b>Short Term Economic Development</b>	<b>Total Points</b>
1. Work with developers and landowners to finalize new main street plan and get it moving forward to complete it	6
2. Go after blighted and run-down properties that detract from surrounding properties to bring them to current standards (Grand River and Trans-X for examples)	4
3. Do in-depth review of SE Novi to look at ways City can invest in and assist older neighborhoods to maintain community stability and housing values	4
4. Continue dual focus on business retention and attraction	4

Top Long Term Service Improvements – Economic Development

<b>Long Term Economic Development</b>	<b>Total Points</b>
1. Identify properties that will be challenging to develop and/or require environmental remediation prior to development/ Redevelopment and start planning a means to accomplish	6
2. Explore TIFs or similar for main street area and/or Grand River corridor	5
3. Maintain balance of residential/commercial growth	4

Top Short Term Service Improvements – Government Structure

<b>Short Term Government Structure</b>	<b>Total Points</b>
1. Hold Council meetings outside Civic Center ... at Fox Run for example	4
2. Encourage more citizen involvement in Boards and Commissions Develop leadership "bench strength" among residents	4
3. Expand the existing communication network with Neighborhood associations to help increase the flow of information and decision Making with the City.	4

Top Long Term Service Improvements Government Structure

<b>Long Term Government Structure</b>	<b>Total Points</b>
1. Set up formal program to look at best practices from other communities	4
2. Continue use of "stop list" or the like to review services (internal and external) to eliminate if no longer value added	4

Top Short Term Service Improvements Natural Areas-Features

<b>Short Term Natural Areas-Features</b>	<b>Total Points</b>
1. Create plan to recognize historic sites and buildings in Novi	4
2. Take advantage of current property values to acquire parkland and environmental areas before development returns full force	4

Top Long Term Service Improvements Natural Areas-Features

<b>Long Term Natural Areas-Features</b>	<b>Total Points</b>
1. Apply for grants to acquire land for preservation and public use	6
2. Ensure properties that are under duress/foreclosed are maintained	5
3. Continue to focus resources on increasing walking opportunities for all including senior friendly paths	4

Top Short Term Service Improvements – Fiscally Responsible

<b>Short Term Fiscally Responsible</b>	<b>Total Points</b>
1. Bring operating revenue and expenses together as close as possible	6
2. Reduce personal services costs by \$1,000,000 during the next two years	4
3. Make additional contribution to reduce retiree health care obligations	4
4. Continue pursuing reductions in legacy costs	4

Top Long Term Service Improvements – Fiscally Responsible

<b>Long Term Fiscally Responsible</b>	<b>Total Points</b>
1. Negotiate changes to union contracts to reduce long-term liabilities for pensions and health care	5
2. Partner more with schools and surrounding governments for services where possible	4

Top Short Term Service Improvements – Parks, Recreation and Cultural Services

<b>Short Term Parks, Recreation and Cultural Services</b>	<b>Total Points</b>
1. Continue efforts to expand services to seniors	5
2. Plan for providing seniors more cost friendly transportation service	5
3. Fund phase 2 of Landings Park – grant, Parks foundation, donations	4
4. Fund and build first mile of ITC corridor-greenway path including Medilodge and Providence segment	4

Top Long Term Service Improvements – Parks, Recreation and Cultural Services

<b>Long Term Parks, Recreation and Cultural Services</b>	<b>Total Points</b>
1. Re-vamp senior transit program, including outsourcing	5
2. Plan for dramatic increase in senior population, needs/demands	4
3. Increase number of local neighborhood parks	4

Mayor Gatt thanked staff and administration for attending the early budget input meeting.

AUDIENCE COMMENTS – None

There being no further business to come before City Council, the meeting was adjourned at 1:52 p.m.

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Robert J. Gatt, Mayor  
Date approved: January 23, 2012

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Maryanne Cornelius, City Clerk