

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI  
MONDAY, MAY 7, 2012 AT 7:00 P.M.  
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

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

**PLEDGE OF ALLEGIANCE**

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

**ALSO PRESENT:** Clay Pearson, City Manager  
Victor Cardenas, Assistant City Manager  
Steve Joppich, City Attorney

**APPROVAL OF AGENDA**

**CM-12-05-065 Moved by Fischer, seconded by Margolis; MOTION CARRIED: 6-0**

**To approve the Agenda as presented**

<b>Roll call vote on CM-12-05-065</b>	<b>Yeas:</b>	<b>Staudt, Casey, Fischer, Margolis, Wrobel, Gatt</b>
	<b>Nays:</b>	<b>None</b>

Member Mutch arrived at 7:01 P.M.

**PUBLIC HEARING**

1. Annual Fiscal Year Budget 2012-2013

Call to the Public at 7:02: No public comment received. Mayor Gatt closed the Call to the Public.

**PRESENTATIONS**

1. Introduction of local government executives from Sweden on study tour – Clay J. Pearson

City Manager Pearson introduced a group of local government executives from Sweden. They are a part of a leadership program that is done by Price, Waterhouse, Cooper in Sweden. They have learned various leadership involvement skills and policy making. The capstone is to come to Southeast Michigan.

Mayor Jacob Spangenberg spoke about how pleased they were with the generosity of the staff and others they have met. Novi is a fantastic community. Novi is developing fast in its current growth phase. He thought Novi has a great future. They were honored to be at the meeting.

2. Novi Public Library Clothing Drive May 14 – 19, 2012 – Nishant Kakar, Library Board Student Representative

Nishant Kakar wanted to brief everyone about the Clothing Drive they are organizing. He has been on the Board for about two years. It was a way for him to give back to the Community and use it as a learning experience. They gained a partnership with the Holy Family Church who will receive the clothing after collected at the Library. The Youth Interact branch of Rotary within the Walled Lake Western High School and Novi High School will also be assisting with the clothing drive. Clean clothing and shoes will be accepted. Tax donation receipts will be provided.

3. Proclamation in recognition of National Letter Carriers Food Drive, Saturday, May 12, 2012 – Sherri McIntosh, Coordinator

Sherri McIntosh, Coordinator of the food drive, thanked Mayor Gatt and Council members for advocating that the residents of Novi leave non-perishable food at their mailboxes on Saturday, May 12, 2012. This is the 20<sup>th</sup> year that the Letter Carriers have been collecting food. All the food that is collected in Novi remains here locally and is distributed to two Novi Churches, St. James Church and Faith Community Church.

4. Proclamation in recognition of National Police Week, May 13 – 19, 2012 and Peace Officers' Memorial Day, May 15, 2012 – David Molloy

Chief of Police Molloy accepted the proclamation on behalf of all the men and women who serve. He appreciated the recognition of the service. He said they are the ones that respond to situations that others run away from. It is a reminder that they represent everyone, even the officers that have given that ultimate sacrifice in the line of duty. It was an honor for him to lead them and to be able to serve on the behalf of this community.

**REPORTS:**

1. MANAGER/STAFF - None
2. ATTORNEY - None

**AUDIENCE COMMENT – None**

**CONSENT AGENDA REMOVALS AND APPROVALS (See items A-N)**

**CM-12-05-066 Moved by Fischer, seconded by Margolis; CARRIED UNANIMOUSLY:**

**To approve the Consent Agenda as presented**

**Roll call vote on CM-12-05-066**

**Yeas: Casey, Fischer, Margolis, Mutch,  
Wrobel, Gatt, Staudt**

**Nays: None**

- A. Approve Minutes of:
  - 1. April 23, 2012 – Regular meeting
  - 2. May 2, 2012 – Special Executive Session
  - 3. May 2, 2012 – Special meeting
- B. Approval of a Construction Agreement with CSX Transportation, Inc. related to the construction of the portion of the Ten Mile Road Pathway project (CSX Railroad to Catherine Industrial Road) located within the CSX railroad right-of-way at an estimated cost of \$29,460.
- C. Approval to award a construction contract for the DPS/Field Services Complex Window and Door Replacement project to Axiom Construction Services, LLC, the low bidder, in the amount of \$90,700.
- D. Approval to award an amendment to the engineering services agreement with Spalding DeDecker Associates, Inc. for construction engineering services related to the Woodham Road Water Main Extension SAD 176, in the amount of \$11,181.
- E. Approval to award a construction contract for the Woodham Road Water Main Extension SAD 176 to FTL Construction, Inc., the low bidder, in the amount of \$83,480.
- F. Approval of Revised Resolution No. 5 for Special Assessment District No. 176 (Woodham Road Water Main Extension) approving the special assessment roll and authorizing construction of the project—(10% reduction in project cost).
- G. Approval of Revised Resolution No. 3 for Special Assessment District No. 176 (Woodham Road Water Main Extension) approving the preliminary plans and cost estimate, designating the special assessment district and directing the City Assessor to prepare a proposed special assessment roll—(10% reduction in project cost).
- H. Adoption of resolution to participate in the State of Michigan's Fire Insurance Withholding Program, under MCL 500.2227 of the State Insurance Code.
- I. Approval to extend the 2008 Telephone System Maintenance and Services contract with SunTel Services for two years based on the same terms, conditions and pricing as the original contract at \$18,994 (\$9,497 per year). This is the second and final renewal option for this contract.
- J. Approval to award an amendment to the contract for design engineering services for the 2012 Pathway Gap and ADA Compliance Annual Implementation to Spalding DeDecker Associates, Inc. in the amount of \$2,700.

- K. Approval to award an amendment to the engineering services contract for additional design engineering services related to the Meadowbrook Road and Nine Mile Road Traffic Signal reconstruction project to Orchard, Hiltz & McCliment, Inc. in the amount of \$4,500.
- L. Approval of recommendations from the Interview Committee for Appointments to Youth Council and Youth Boards & Commissions Representatives.
- M. Approval of resolution to set a public hearing for May 21, 2012 for the vacation of part of Orchard Avenue/Paul Bunyan Drive, also known as Sixth Gate, east of Novi Road and south of Grand River Avenue.
- N. Approval of Claims and Warrants – Warrant No. 867.

**MATTERS FOR COUNCIL ACTION**

- 1. Approval of Resolution for 2012 Millage Rates.

**CM-12-05-067 Moved by Mutch, seconded by Margolis; CARRIED UNANIMOUSLY:**

**To approve Resolution for 2012 Millage Rates**

**Roll call vote on CM-12-05-067**                      **Yeas: Fischer, Margolis, Mutch, Wrobel, Gatt, Staudt, Casey**  
**Nays: None**

City Manager Pearson said the City is moving away from the 10.5416 to a much easier 10.2 millage rate. It is important that they are able to do it at this time with the generally lower property values which the City depends for essential services.

- 2. Approval of Resolution for 2012-13 Budget.

**CM-12-05-068 Moved by Margolis, seconded by Staudt; CARRIED UNANIMOUSLY:**

**To approve Resolution for 2012-13 Budget**

City Manager Pearson said this has been the result of work that has gone on for months. He appreciated Council's diligent review of the budget. The budget reflects all of the changes from the budget meetings. The actual start of projects will be July 1, 2012.

Member Margolis thanked the staff for all of their hard work. The staff does a great job and Council appreciates it. It makes Council's job easier. She appreciated that they came to a compromise where they still have some money to continue on the Ring Road.

Mayor Gatt appreciated the hard work of the staff and his colleagues. He felt the process went smoothly. In the end, he believed that it is the best deal for the citizens of Novi as they had pledged to do.

**Roll call vote on CM-12-05-068**                      **Yeas: Margolis, Mutch, Wrobel, Gatt, Staudt, Casey, Fischer**  
**Nays: None**

3. Approval of Resolution Acknowledging the Multi-Year Budget Including Projections of Future Fiscal Years Ending 2013-14 and 2014-15.

**CM-12-05-069                      Moved by Fischer, seconded by Casey; CARRIED UNANIMOUSLY:**

**To approve Resolution acknowledging the Multi-Year Budget Including Projections of Future Fiscal Years Ending 2013-14 and 2014-15.**

City Manager Pearson said this is new to the budget. Previous years, they have had a fiscal analysis. During the budget process, they amplified and brought it in the budget document to a more prominent place. This action is to have Council pass a resolution acknowledging that piece of the budget as a planning document. It is a projection for the next two years and is a starting point.

Member Fischer thanked the staff for the hard work as it is difficult for the Finance staff to put in numbers for future years. City Council, in the past, has used the fiscal analysis to make decisions during the Budget year based on those projections. This year it is being formalized and brought forward in the budget. It used to be an appendix and now it is an important document in the packet. He thanked Mayor Gatt for his leadership on the multi-year budget. There were great discussions and deliberations. He thought that part of the Ring Road discussion showed that there is a learning curve and things they can learn from the budget process. He would have liked to have seen something for the Ring Road funding put in the multi-year.

Member Mutch acknowledged Mayor Gatt's work on the multi-year budget. He liked the incorporation of the Capital Improvement Projects into the multi-year budget. It gives them a more accurate and useful document for the long term budget needs. He liked the fact that they will use it periodically in the future. He was glad to see it come forward.

Mayor Gatt thanked the staff and his colleagues. He admired and respects Brooks Patterson of Oakland County. He has done this multi-year for the past several years and seemed to work for him. Now, Novi is the first municipality in the State of Michigan to have a multi-year budget.

**Roll call vote on CM-12-05-069**                      **Yeas: Mutch, Wrobel, Gatt, Staudt, Casey, Fischer, Margolis**  
**Nays: None**

4. Approval and adoption of "Red Box" Objectives/Goals Resolution for FY 2012-13.

City Manager Pearson suggested they adopt the "Red Box" objectives and goals to get done through the fiscal year. It is encompassed by program strategy areas of the programs and projects that they would like to get accomplished. They set this up prior to the last budget meeting. He asked that they come up with language to accomplish the downstream storm water work for 2012-13, rather than for the actual Ring Road project at this time. This represents a way to show the community the tangible things that are getting done with their dollars.

**CM-12-05-070 Moved by Fischer, seconded by Margolis; CARRIED UNANIMOUSLY:**

**To approve and adopt "Red Box" Objectives/Goals Resolution for FY 2012-13 with a change of verbiage surrounding the Ring Road to put in place what Council approved in the budget.**

**Roll call vote on CM-12-05-070**

**Yeas: Wrobel, Gatt, Staudt, Casey,  
Fischer, Margolis, Mutch  
Nays: None**

5. Consideration to adopt resolution placing a question on the August 2012 ballot whether to amend the Novi City Charter, Section 9.1(b) to increase the maximum millage amount for specific street and highway improvement purposes from 1.0 mills (reduced by the Headlee Amendment to .7719 mills) to 1.5 mills, beginning with the 2013 tax year.

City Manager Pearson noted that anyone who cares about the community will recognize that this is a big deal. This will make a difference for a decade on how this City serves residents, how to keep them safe in terms of the road network; transmit traffic around town and how businesses conduct themselves. We have been limited with the prior 1.0 millage cap that was reduced with roll backs. We have accomplished a lot with our road system. They have been efficient as they could. The only way our road network is going to get better was to increase the millage. He was excited with the potential. They would be able to build next year's budget reflecting these numbers and get more done on the neighborhood roads and they could pull ahead with some of the projects in the CIP. The municipal street fund has flexibility for neighborhood and county roads and also allows them to do intersection improvements, sidewalks and motorized pathways. With the existing language in the municipal street funds, they have been able to use those funds for the non-motorized pathways. He noted that with the ITC Corridor project, they are safe because they plan on using general or parks funds for the City match. If they want to change the ballot to change the language to incorporate or recognize non-motorized pathways, it could be done, but not necessary. If Council wanted language to encompass that, we could work through it. The deadline for language is May 29<sup>th</sup>.

City Attorney Joppich felt comfortable with the status quo of sidewalks and pathways that are in the ROW adjacent to streets. It is acceptable to use the millage funds that have been used in the past for those purposes other than ITC corridor that are outside the ROW. It was whether you would want this millage fund to be used for those additional pathways. If it is not necessary, Council doesn't need to do anything and proceed with language as is. If you want to expand it, then there would need to be some modification to the language. The Attorney General's office spent time with them as to how it would look if Council wanted to go in that direction.

Member Margolis said that they have talked about this a number of times that she felt she was repeating herself. It puts them in a good situation to be able to do this millage request. The City had financed projects in the past by issuance of debt. The goal of the City was to get to a point where the City was using current dollars. To be in this situation to ask the voters to dedicate this money of current dollars towards road projects rather than having to issue bonds or debt was because they've reduced our debt so much that it will be easy to get this millage increase under the decrease millage rate of 10.2 from 10.5416. It will benefit the City. They had a comprehensive report that determined how much money needs to go towards our roads in order to maintain them. She didn't like the idea to delay this to use this for sidewalks even though the City has a policy of complete streets. She felt the language should be clear for voters. There will be in the general fund to do the pathways that are not covered under the millage. She wanted to keep the language as clean as possible.

**CM-12-05-071      Moved by Margolis, seconded by Casey; CARRIED UNANIMOUSLY:**

**To adopt resolution placing a question on the August 2012 ballot whether to amend the Novi City Charter, Section 9.1(b) to increase the maximum millage amount for specific street and highway improvement purposes from 1.0 mills (reduced by the Headlee Amendment to .7719 mills) to 1.5 mills, beginning with the 2013 tax year.**

Member Fischer echoed Member Margolis' summary. He asked if they needed to add a maximum of 1.5 mills to the language set by Council.

City Attorney Joppich said the idea is to amend the Charter language to be consistent with what is in there now.

Member Wrobel mentioned that the residents ask him about the quality of the roads. We have had the studies done which shows we will be getting behind as the time goes on to the current levels. They need to increase the road millage to 1.5 mills. He will support it and hoped the residents will see this is one of the ways to get the roads fixed without raising the general millage rate.

Mayor Pro Tem Staudt was concerned about putting this on the August ballot because of potential items from the State with contentious issues. This may cause the voters not to take them apart from this one. Council needs to let the voters speak on this issue. This is something that needs to be done based on the timing of the report from the City Staff on roads. There is a downward slide in the deterioration of our roads, which we may not be able to recover from, if we don't fund additional improvements. It will allow them to do additional things also. He will support it.

Member Mutch said that they have two months to educate Novi voters about the charter amendment. It is important to be consistent in the message and clear in the needs. A key point would be that the City has been operating on the same millage amount for City roads since 1972 and the City has increased tremendously with a street system to maintain that has grown exponentially. It is a critical piece of our financial structure for the City that supports a wide range of activities. Going back to 2008-2009 budget year, the municipal street fund raised 2.7 million dollars in property tax revenue, this year it is 2.2 million. The City has lost a half million dollars in funding in just a few years. Our street system has not decreased in that time. This request will allow the City to get back to where the City was just a few years ago. Residents need to understand with the decline in property values there is a decline in the amount of money that they have to fund our local roads. The dollars that will be paid for this increase will go right back into neighborhood streets that will be a benefit for all ages. They are investing back into our City, into our homes, and businesses for long term. He asked for the community's support. He also had a concern about the August date with other requests and expressed the need to work harder to get the message out to support this.

Mayor Gatt said it is critical that the City maintain its road structure in the way the Novi residents have come to expect and deserve. The City has had the same millage rate since 1972, when most of the roads were dirt and in disrepair. We want to look forward and maintain the beautiful community that it is.

**Roll call vote on CM-12-05-071**

**Yeas: Gatt, Staudt, Casey, Fischer,  
Margolis, Mutch, Wrobel**  
**Nays: None**

**AUDIENCE COMMENT:**

Victor Cassis commended Council on their actions that evening and with their prudent wisdom and fortitude scaled down the millage and did a three year budget. Everyone is aware of fiscal problem ravaging Michigan and the United States. Council has demonstrated that they have underlined the wisdom and caring of the Community. He was overwhelmed and thanked them. He had worked in the past on this issue. The people of the community will uphold Council's wisdom.

**COMMITTEE REPORTS - None**

**MAYOR AND COUNCIL ISSUES - None**



**CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None**

**COMMUNICATIONS - None**

**ADJOURNMENT**

There being no further business to come before Council, the meeting was adjourned at 7:52 P.M.

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Robert J. Gatt, Mayor

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Maryanne Cornelius, City Clerk

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Transcribed by Jane Keller

Date approved: May 21, 2012