

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, SEPTEMBER 15, 2014 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 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, Markham, Mutch, Wrobel

ALSO PRESENT: Lauren Royston, Economic Development Director
Charles Boulard, Community Development Director
Thomas Schultz, City Attorney

APPROVAL OF AGENDA:

CM 14-09-144 Moved by Wrobel, seconded by Casey; CARRIED UNANIMOUSLY:

To approve the Agenda as amended with the addition to Matters for Council Action, item 4. Consideration of the employment agreement for the new City Manager.

Roll call vote on CM 14-09-144 **Yeas: Staudt, Casey, Fischer, Markham, Mutch, Wrobel, Gatt**
Nays: None

PUBLIC HEARING - None

PRESENTATIONS - None

REPORTS:

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

AUDIENCE COMMENT:

Holly Bradford, Linden, MI, as a member of Puppy Mill Awareness, she wants to educate the public on how to go about finding their next pet so they don't make the costly mistake that she did. The organization wishes to guide families to the local shelters by proclaiming this week as Adopt-A-Shelter-Pet Week. She read a proposed resolution regarding acquiring pets through adoption agencies.

Pam Sordyl, Clarkston, MI, said this Saturday will be Puppy Mill Awareness Day in Novi. They will do a human chain through Novi. It is to educate the public about the pet retail stores in Novi. She noted they will come to Twelve Oaks Mall along with the Humane Society and 35 businesses, animal welfare organizations, groomers and

veterinarians. They want businesses to encourage pet acquisitions through a source other than pet stores.

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 14-09-145 Moved by Casey, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
 - 1. August 25, 2014 – Regular meeting
- B. Approval of Traffic Control Order 14-18 requiring southbound traffic on Martin to stop at Linhart.
- C. Acceptance of a Conservation Easement from Pulte Land Company for woodland and wetland conservation areas on the Berkshire Pointe development, located on the west side of Wixom Road south of Grand River Avenue in Section 18 of the City.
- D. Acceptance of an Open Space Preservation Easement from Toll Brothers, Inc. for open space preservation areas on The Preserve at Island Lake (Phase 8) development, located at the northeast corner of Ten Mile Road and Napier Road in Section 19 of the City.
- E. Approval of Labor Agreement between the City of Novi and the Michigan Association of Fire Fighters (MAFF) for a term of July 1, 2013 through June 30, 2017.
- F. Approval of request by E & M, Inc. (Society Hill) for one-year extension, to October 9, 2015, of site plan approval for a 312-unit apartment project developed as a PD-1 option in a multi-family (RM-1) district, located at the southwest corner of Novi Road and 12 ½ Mile Road, previously extended under a consent judgment and subject to annual extension reviews.
- G. Approval of Ordinance Amendment 14-97.03 to amend the City of Novi Code of Ordinances, at Chapter 4, "Amusements and Entertainments," Article III, "Pinball Arcades and Machines," in order to remove the requirement for an Arcade License (Division 2) and Machine License (Division 3) and to amend the remaining Division 1 (Generally) to delete references to "License" and "Licensee."
SECOND READING
- H. Approval of liquor license request from Daily Post, Inc. to transfer ownership of 2013 Class C Licensed Business with New SDM, Sunday Sales (AM & PM), Dance-Entertainment Permit, Outdoor Service (2 areas), Specific Purpose Permit (Food), and (3) bars from AA Bar II, LLC to be located at 42875 Grand River Avenue, Suite 104, Novi, MI 48375.

- I. Approval to award a construction contract for the Novi Rd. - North Pressure Reducing Valve Vault Upgrades to Reliance Building Company, the low bidder, in the amount of \$64,600.
- J. Approval to award Novi Enterprise Asset Management System (NEAMS) Phase IV (management of water system cross-connection Inspections) implementation and system upgrade services to Power Engineers in the amount of \$39,346.
- K. Approval of the final payment to Cadillac Asphalt for the 2013 Neighborhood Road Program--Contact 2 (Asphalt) in the amount of \$49,347.
- L. Acceptance of a pathway easement as a donation from Novi Real Estate, LLC for the property located at 48300 Eleven Mile Road for a portion of the regional trail system constructed by the property owner as part of the Medilodge development (parcel 22-17-400-002).
- M. Approval to award an amendment to the engineering services agreement with Spalding DeDecker Associates for additional design services for the 2014 Neighborhood Road Program--Contract 3 in the amount of \$65,424.
- N. Acceptance of a warranty deed from Novi Real Estate, LLC. for the master planned 43-foot right-of-way along the north side of Eleven Mile Road (Parcel 22-17-400-002) as part of the Medilodge development.

Roll call vote on CM 14-09-145

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

MATTERS FOR COUNCIL ACTION

- 1. Approval of Resolution to establish Industrial Development District for Harman Becker Automotive Systems, Inc. at the northwest corner of M-5 and 13 Mile Road.

Mr. Boulard, Community Development Director, added the public hearing for this action was held August 25, 2014. It is for the creation of a district for an approximately 188,000 square foot facility and when fully occupied will possibly be the second largest employer in the City of Novi.

Mayor Pro Tem Staudt noted this is a project that has worked through the processes and seems to have the support of the City departments. He confirmed with the City Attorney that they are approving the resolution for the District.

CM 14-09-146 Moved by Staudt, seconded by Wrobel; MOTION CARRIED: 5-2

To approve the Resolution to establish Industrial Development District for Harman Becker Automotive Systems, Inc. at the northwest corner of M-5 and 13 Mile Road.

Member Casey questioned, since they have seen the documentation from the applicant related to their request, when can Council give feedback to the applicant. City Attorney Schultz answered now is the time for feedback because the next meeting they will be looking for an approval of an agreement and a recommendation to the State that a tax exemption be granted. The packet to the State will contain an actual agreement that reflects the conversations the City has had. Now is the easiest time to say no if that was Council's direction. Member Casey commented to Phil Eyler, representative for Harman Becker, she thought the use of tax abatements are taken very seriously in the City and want to be very judicious in how they are used. She is thrilled for them to come to Novi with the proposal of the facility they are bringing. She noted her concerns about the length of the abatement they are asking for. She noted Harman Becker is requesting a full twelve year time period. She prefers to see a time period of a 6-8 year abatement. She was curious to know how Harman Becker has been involved in the Community and what kind of contribution have they made to Novi. Mr. Eyler said he didn't have specific examples but they have 300 employees in Novi and very involved in inner-city Detroit causes such as Boys and Girls Clubs. They are engaged and very involved. The facility will be their North American headquarters and Novi can count on some very significant support. It is a facility that will go from 300 to almost 1,000 employees. Member Casey thanked him and wanted to put on the record that she is interested in conversation about a shorter time period of the abatement.

Roll call vote on CM 14-09-146

Yeas: Fischer, Wrobel, Gatt, Staudt, Casey

Nays: Markham, Mutch

2. Approval to award a unit price contract to Scodeller Construction Inc., the low bidder, for the FY14/15 Joint and Crack Sealing Program in the estimated amount of \$141,500. The contract term is one year with two one-year extensions.

CM 14-09-147

Moved by Wrobel, seconded by Staudt; CARRIED UNANIMOUSLY:

To approve the award of a unit price contract to Scodeller Construction Inc., the low bidder, for the FY14/15 Joint and Crack Sealing Program in the estimated amount of \$141,500. The contract term is one year with two one-year extensions.

Roll call vote on CM 14-09-147

Yeas: Markham, Mutch, Wrobel, Gatt, Staudt, Casey, Fischer

Nays: None

3. Approval of resolution to authorize Budget Amendment #2014-15.

Mr. Boulard said these are the rollovers of the projects that were started under the previous fiscal year, the contracts that were not completed, and this was brought forward to close them out.

Member Mutch asked Mr. Johnson, Finance Director, if it was strictly rolled over from the previous items that didn't get completed and not a mix of items. Mr. Johnson said going forward, there will be quarterly budget amendments that reflect everything, but now that the fiscal year ended, it is possible to know the balances of the contracts and projects that were budgeted in 2013-14 and not completed as of June 30th. They itemized each of them and are being rolled forward. The monies were approved but budgets expired at June 30. Member Mutch asked about the fund balance numbers reflected in the document. He explained traditionally they normally wait for the audit to be completed for the final numbers. He noted Mr. Johnson must feel comfortable enough with tying the numbers into the current budget. Mr. Johnson said the packet includes the projected fund balance for each of the funds. He explained before he turns the records over to the auditors, he makes sure that the numbers are accurate and there will be no adjustments. He noted they are better than anticipated. They have been prudent. The surplus can be addressed now as opposed to during the budget time. It is an opportunity for Council and Mayor to utilize the funds if necessary. Member Mutch said it was helpful because of the challenges getting the numbers so late into the fiscal year. It may be an opportunity to have a mid-year revisit of what is available. It would be helpful with the new City Manager coming in if City administration could review the numbers to address some additional identified projects.

CM 14-09-148 Moved by Mutch, seconded by Casey; CARRIED UNANIMOUSLY:

To approve a resolution to authorize Budget Amendment #2014-15.

Roll call vote on CM 14-09-148

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

Nays: None

4. Consideration of the employment contract for the new City Manager.

Mayor Gatt said they sat down with Mr. Auger on last Friday and an employment agreement was reached.

CM 14-09-149 Moved by Staudt, seconded by Wrobel; MOTION CARRIED: 6-1

**To approve the employment agreement between the City of Novi
and Peter E. Auger effective September 16, 2014.**

Member Fischer thanked the Mayor and Mr. Schultz for putting the agreement together. With the new contract he was looking to accomplish a couple of things. He would like to drive equality in the Administrative staff. At the end of the day all the employees are looking at what Council offers. He said the salary seems to be in line and the retiree health care costs have been reduced. He was concerned with two sections in the agreement. Section 9, the car allowance reflects a 16% increase over what Mr. Pearson had to \$700 per month. He feels it is unnecessary at this time and sends the wrong signal to the employees that have been asked so much from. The other is section 17 which is an allowance for moving expenses and thought it would be wise to put in a cap as to what moving expenses were expected to be. The research he has done, he saw anywhere from \$6,500 to \$10,000 or if there is no cap he feels there should be clarifying language as to what reasonable moving expenses were. It should clarify whether they include closing costs, etc. He would be looking for some changes in those two areas.

Member Mutch asked Mr. Schultz his opinion on section 17 and whether it was standard language. Mr. Schultz said the idea behind this language which is carried forward from former City Manager Mr. Helwig's agreement, that it does have the word reasonable in it and will request some evidence of the actual cost. There will be some determination through the Finance Department or Human Resources that the cost is reasonable or not. He didn't think it was a cause of concern and wasn't specific. Member Mutch said it was a fairly standard agreement with provisions that can benefit the City. He agreed with Member Fischer that he would like to see the City Manager to lead the way with Administrative staff, but it is a unique position. He is new and will have an opportunity to explore the details of our system to any changes he decides in the future.

Mayor Gatt said he had the opportunity to sit down with Mr. Auger on Friday and was very impressed how eager he was to begin to work. He is in tune with the employees, the public, business owners, and residents. He thinks we will be pleased with him.

Roll call vote on CM 14-09-149

**Yeas: Wrobel, Gatt, Staudt, Casey, Markham,
Mutch**

Nays: Fischer

AUDIENCE COMMENT – None

COMMITTEE REPORTS – None

MAYOR AND COUNCIL ISSUES – None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION – None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 7:29 P.M.

Robert J. Gatt, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Jane Keller

Date approved: September 22, 2014