



FY 2018-19 BUDGET MESSAGE

March 26, 2018

Dear Honorable Mayor, City Council Members, and Residents of the City of Novi:

Big Picture

Sometimes we are so close to the items getting done that we miss the 'Big Picture.' Looking at the proposed budget for next year, and the two out years included as well, the 'Big Picture' looks like an Academy Award-winning investment for the residents and businesses in Novi. The following are some of the highlights that add value to our city.

We have increased the budget for repairs of local streets (just neighborhood roads and concrete panel repair and replacement) by another \$1.7 million over the next three years, bringing the total investment to about \$11.9 million. We know this will be a disruption in many of our residential areas, but the care, attention and investment will be worth the efforts.

Staying with the topic of road infrastructure, in total we plan on spending almost \$34.7 million on roads over the next three years. This includes the neighborhood roads and concrete panel repair and replacement listed above.

The City Council was sure to focus us in on sidewalk segments, the gaps between pathway connections and boardwalks by adding \$1.5 million dedicated to these areas in next year's budget. These funds address some of the top gaps as identified by the Walkable Novi Committee.

We are also planning more than \$25 million in projects that are funded through the Capital Improvement (CIP) Levy. Projects over the next three years include Lakeshore Park Improvements, Department of Public Services facilities expansions, the ITC Community Sports Park improvements and completion of the ITC trail.

Even with all of the projects and investments we are planning, our long term bonded debt continues to be paid down. We only have three debts listed on the books; one is related to the Novi Public Library and the other two are related to what is called Enterprise Funds that pay their own bills – Meadowbrook Commons Senior Living and the Novi Ice Arena.

We don't differ from a lot of establishments; similar to most service organizations, employee costs are some of the highest budget drivers. The City Council continues to aggressively address long-term legacy costs (retiree healthcare) with Other Post-Employment Benefits (OPEB) liability now more than 100% funded. Planned increases in pension contributions of \$300,000-\$500,000 in each of the next three years and beyond are also budgeted until those are fully funded.