



CITY OF NOVI CITY COUNCIL
APRIL 3, 2023

SUBJECT: Approval to provide accounts payable and light accounting services to Michigan High Intensity Drug Trafficking Areas (HIDTA) and authorize the Mayor to sign a Memorandum of Understanding after review and final approval of the City Attorney and Interim City Manager.

SUBMITTING DEPARTMENT: Finance

Background Information:

Back in March 2023, former Novi Police Chief David Molloy met with City administration to discuss the opportunity for the City of Novi to perform accounts payable and light account duties for the Michigan High Intensity Drug Trafficking Areas (HIDTA), the organization for which he serves as the Deputy Director.

The HIDTA program was created by Congress in 1988. The HIDTA program is a federally funded grant program administered by the Office of National Drug Control Policy (ONDCP) within the Executive Office of the President of the United States. The Novi Police Department has been involved with the Michigan HIDTA for nearly 15 years. They have Novi PD Task Force Officers assigned to three of the HIDTA initiatives; two with the Drug Enforcement Administration and one with the Federal Bureau of Investigation. Director of Public Safety/Chief of Police Erick Zinser serves as a voting member on the Michigan HIDTA Executive Board as a representative of the Michigan Association of Chiefs of Police.

The Michigan HIDTA receives approximately \$4.0 million in federal funds annually to assist the region in the mission of reducing drug trafficking and drug production. The City of Novi has been asked to manage approximately \$614,000 of these funds. The City would be responsible for paying the current invoices for HIDTA. HIDTA then will submit the request for reimbursement from the Federal level. Once the request is approved (usually less than 14 days), the local government (Novi) is reimbursed for the payments directly from the Federal government.

RECOMMENDED ACTION: Approval to provide accounts payable and light accounting services to Michigan High Intensity Drug Trafficking Areas (HIDTA) and authorize the Mayor to sign a Memorandum of Understanding after review and final approval of the City Attorney and Interim City Manager.

CITY OF NOVI
COUNTY OF OAKLAND, MICHIGAN

**RESOLUTION APPROVING THE ACCOUNTS PAYABLE AND LIGHT ACCOUNTING SERVICES
TO MICHIGAN HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA)**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on April 3, 2023, at 7:00 o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS ; The HIDTA program coordinates and assists Federal, State, Local and Tribal law enforcement agencies to address regional drug threats with the purpose of reducing drug trafficking organizations (DTOs), Money Laundering Organizations (MLOs), drug production, and the violent crime associated with drug trafficking throughout the United States and

WHEREAS ; The Michigan HIDTA receives approximately \$4.0 million in federal funds annually to assist the region in the mission of reducing drug trafficking and drug production and

WHEREAS ; The program is a reimbursement basis only where all HIDTA programs must contract with a state, county, or local government to assist with cash management.

WHEREAS ; The City would be responsible for managing approximately \$614,000 of vendor payables.

NOW THEREFORE, IT IS THEREFORE RESOLVED that the City provide accounts payable and light accounting services to Michigan High Intensity Drug Trafficking Areas.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 3 day of April, 2023, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi

MEMORANDUM OF UNDERSTANDING

AGREEMENT BETWEEN CITY OF NOVI AND HIDTA, FOR HIDTA TO PAY TO CITY OF NOVI COST ALLOCATION

WHEREAS; the National High Intensity Drug Trafficking Area (“HIDTA”) program is a federally funded program created to bring together federal, state and local law enforcement organizations to coordinate and synchronize drug enforcement strategies; and

WHEREAS; HIDTA’s mission is to reduce drug trafficking, related violent crime and money laundering in the HIDTA region, which includes Oakland County; and

WHEREAS; under the federal guidelines for HIDTA, a local unit of government must agree to become HIDTA’s sponsoring agency and fiduciary agent; and

WHEREAS; the City will perform accounts payable functions and light accounting duties on behalf of HIDTA. This includes establishing a fiduciary account for expenditures on behalf of HIDTA as well as running financial reports, if requested.

WHEREAS; upon receipt of a properly documented payment request from HIDTA, the City will remit payments as requested by HIDTA. HIDTA will request reimbursement to the City for payments made on its behalf by the City. Within fourteen (14) days of remitting payment on behalf of HIDTA, the City shall receive reimbursement from the Office of National Drug Control Policy.

INDIRECT COST; Michigan HIDTA will pay the City of Novi an indirect cost of \$50,000 annually for services provided by the City on its behalf. The indirect cost will be paid to the City on July 1st of each year. Should the City provide services prior to July 1, 2023, a monthly fee will apply of \$4,200.

TERM OF AGREEMENT; This agreement is effective April 3, 2023, and will remain in effect as long as the City of Novi serves as the fiduciary for the Michigan HIDTA.

AMENDMENTS; Changes mutually agreed upon by the City and HIDTA will be incorporated into this Agreement by written amendments signed by the parties.

EXTENT OF CONTRACT; This agreement represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements, whether written or oral, pertaining to the City of Novi.

MICHIGAN HIGH INTENSITY
DRUG TRAFFICKING AREA

CITY OF NOVI

By: _____
Ranaldo Ollie, Executive Director

BY _____
Robert J. Gatt, City Mayor

Witnessed By: _____

Witnessed By: _____

Cortney Hanson, City Clerk