

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, NOVEMBER 28, 2022 AT 7:00 P.M.**

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, Crawford, Fischer, Smith, Thomas

ALSO PRESENT: Victor Cardenas, Interim City Manager
Tom Schultz, City Attorney

APPROVAL OF AGENDA:

CM 22-11-148 Moved by Casey, seconded by Thomas; CARRIED UNANIMOUSLY

To approve Agenda as presented.

Roll call vote on CM 22-11-148 **Yeas: Staudt, Casey, Crawford, Fischer, Smith,
Thomas, Gatt**
Nays: None

PUBLIC HEARINGS:

- 1. Public hearing for Consideration of Proposal for Approval of Resolution Authorizing submission of a grant application to the Spark Grant Program for Wildlife Woods Park Pickleball Court and Parking Lot Expansion.**

Public Hearing opened at 7:00 P.M.

Michele Duprey, 48566 Windfall Road, Novi said she lived in the Villas at Stonebrook. She said she was excited about the interest in expanding the pickleball courts and adding additional parking. She said however, there is a problem with the entrance into that subdivision and into that park. She said there is no left turn lane. She stated she has notified the city on three or four different occasions the city is aware there is a problem. She said if you are heading south and trying to turn east into the sub, or into the park, there is no turn lane. She stated she has had people go around her over the curb and onto the grass to avoid her. She said she has almost been hit from behind on numerous occasions. She said that is a problem she wanted addressed before we think about increasing the traffic along that route.

Public Hearing closed at 7:02 P.M.

PRESENTATIONS:

- 1. Assessing Presentation - Jan Ziozios, Deputy Assessor**

Deputy Assessor Ziozios thanked the Mayor and City Council. She mentioned she would talk about our projected values, but Mr. Cardenas asked her to speak about Consent

Agenda Item F that was coming up later that evening regarding the County's Assistance Services Agreement between the County and the City to cover to make sure we have proper coverage for our assessment roll for 2023. She explained that based on November 2022 SEV, we need a Master Level Assessor to certify and supervise and sign the roll for 2023. She stated this service agreement will run through June 30, 2023 so that will get us through all relevant dates for the roll. She said we are covered in that regard. She stated she was a Level 3 Assessor, and she entered the Master Assessor Program with the State in October, so by June 30, she will be 75% of the way through the program. She said the combination of her working through that, she should get her Level 4 in the fall. She stated the combination of that, and this agreement will give the Mayor and Councilmembers enough time to decide their course of action on how they wish to select their next Assessor.

Deputy Assessor Ziozios said our Assessing Mission is to uniformly and equitably value all taxable real and personal property within the City. She stated that they continually work to improve the quality of service to the public always trying to improve their transparency and deliver reliable information in a timely and professional manner. She highlighted some numbers on the slides and explained to those that were not familiar that these are projections, we are still working on our assessment roll as we do every year. She stated the roll will not be final until mid-April. She said there is still a lot of changes that can happen day to day, this is what we can project so that you have some idea for budgeting purposes right now. She said for 2021 as the numbers stand right now, for residential parcels our SEV is projected to be \$3 billion and around \$3,800,000,000 are taxable is projected for residential is projected to be \$3,179,000,000, Commercial/Industrial properties our SEVs projected to be \$1,524,000,000, taxable \$1,276,000,000. She said you will notice she was not projecting 2023 Personal Property values which she would explain later. She said there was too much uncertainty, there have been some changes in the laws and the way personal property is handled, that is unknown right now. She said total, our SEV is projected to be not including Personal Property, so it will be a little higher than this. The SEV is projected to be \$5,327,000,000 and our tax bill is projected to be \$4,456,000,000, so that is some pretty healthy growth. She stated that our taxable value inflation rate multipliers are 5% this year, that is the highest it has been so that is max, that it can be that is the highest it has been since Proposal A 1994. She said our CPI is 7.9%, it is going to stop at 5, but this is the highest, so she anticipated we are going to have a very busy March quarter review and anticipated an increased number of tax tribunal appeals as well, they go hand in hand with that.

Deputy Assessor Ziozios highlighted the IRM, and said again, the center is the estimate. She stated there is a projection there into the futures of the state of the City of Novi. She said there was nothing to make her believe that we are going to see any kind of decline or have anything serious, residential developments are still happening, people still want to be here. She stated we just forecasted a 3.5% growth for the next three years; it just shows how heavily our tax base is residential. She stated that on her presentation slide the red bars are residential and the blue bars are commercial. She said the residential taxpayers have almost more than doubled the commercial and industrial. She reiterated that this is just another projection. She pointed out if you are looking at these numbers,

for 2020, 2021 and 2022, the inflation rate multiplier, as you could see on the slides are 1.9%, 1.4% and 3.3%, she said this year is 5%. She explained that in the projection we have added an extra 1%. She said for the next three years going forward they estimated an inflation rate multiplier of 3%. She said when she calculated the projection, she added another 1% and this is just for additions on capping's. She said we have a healthy gap between our SEV and our taxable, that forecast will continue. She said if the economy does take a turn for the worse, it will have to be hefty before it affects our taxable base, so that is good news. She said the reason they are not projecting the Personal Property tax is that the MPP, eligible manufacturing personal property ends in 2023, people still must claim that exemption, we do not know how many property owners will, so that is a hard number to forecast. She said it will take property owners some time to realize that there has been a change, they must file the paperwork properly. She said that is always a bit of an issue.

Deputy Assessor Ziozios highlighted our Michigan Tax Tribunal cases, and she believed these will increase next year. She said for 2022 we had 16 Michigan Tax Tribunal dockets either settled or they were dismissed. She said we only have 16 now, but it is a taxable value pleading of \$42,000,199.00. She pointed out that in 2020 and 2021 we had a very large appeal that has been settled which was Redwood, Fox Run Senior Assisted Living Complex, so that is why those numbers are a bit skewed, because that was a very large property.

Mayor Gatt thanked Ms. Ziozios for the very comprehensive presentation. He has been on Council since 2003 when he was first elected here, our taxable value was under \$2 billion, then it is starting to climb up and then we had the recession whatever we wanted to call it, and everything plummeted. He said yet here we are in 2022 and we are doing well, and the projection is positive also. He reiterated what he said during the budget, that most municipalities would give anything to have those kinds of numbers that we have, we kind of take for granted. He said the residents had a warning that they can expect their taxes to go up, because their home values have gone up, and that is not a bad thing. He wanted everybody to understand that the tax rate is not going up, just the value of your home was going up, which indicates that your taxes will increase. With that he opened it up to Council for any questions.

Mayor Pro Tem Staudt said his question might be directed toward Finance Director Johnson. He wondered what effect this is going to have on our millage's as it relates to the Headlee Amendment. Finance Director Johnson replied that the issue is the capping of the 5% versus the 7.9% and inflation. He stated we are at risk of some rollback for that we anticipate a rollback each year just because our growth has exceeded inflation each year, because of uncapping, etc. He said the housing market has still been strong. He stated the uncapping is still there, housing sales are less, but the market is still strong. He said that difference between the 7.9% and the 5% could lead to slightly larger rollback than we have seen the past years, but nothing substantial to affect the impact of it. Mayor Pro Tem Staudt asked if we are expecting a rollback on all our millage's including our operating millage? Finance Director Johnson said yes, we have had one, he thought six out of the last seven years. He thought it was only one year and that is where we did

not actually have a rollback. He said most years, we have a rollback and he expected at least some kind of rollback this year. Mayor Pro Tem Staudt said those are always great until the market goes straight down, and then we do not recover that quickly. Finance Director Johnson agreed.

Mayor Gatt thanked Mayor Pro Tem Staudt for that question. He also thanked Ms. Ziozios for the presentation and said they appreciated it, keep doing good work.

MANAGER/STAFF REPORT: None

ATTORNEY REPORT: None

AUDIENCE COMMENTS: None

CONSENT AGENDA REMOVALS AND APPROVALS:

Member Fischer removed Consent Agenda Item G for further discussion.

CM 22-11-149 Moved by Fischer, seconded by Casey; CARRIED UNANIMOUSLY

To approve the Consent Agenda as amended.

- A. Approve Minutes of:
November 14, 2022 - Regular Meeting
- B. Approval of Traffic Controls Order 22-03 through 22-70 for various regulatory signs in subdivisions Andelina Ridge Phase 3, Beacon Hill Meadows, Chamberlin Crossings, Heritage Woods, Island Lake Phase 8, Tollgate Woods Phase 3, Vistas of Novi, and Valencia Estates Phases 1, 2 and 3.
- C. Approval of an annual contract with KUBRA for use of their water utility customer portal, Dropcountr, in the amount of \$28,305 per year, plus a one-time \$5,000 setup fee, for a total of \$33,305 in the first year. The contract term is three years.
- D. Approval of a cost participation agreement with the Road Commission for Oakland County (RCOC) for the construction associated with the rehabilitation of Novi Road from Nine Mile Road to Ten Mile Road, with the estimated City-share in the amount of \$98,593.
- E. Approval to award the heating, ventilation, and air conditioning (HVAC) services contract to Systemp Corporation, the low bidder, for one year with the option of two additional years at an estimated cost of \$64,000 annually.
- F. Approval of Equalization Division Assistance Services Agreement with Oakland County, for Assessing Services through June 30, 2023.

- G. Approval of Resolution authorizing submission of a grant application to the Spark Grant Program for Wildlife Woods Park pickleball court additions and parking lot expansion. Total estimated development cost is \$690,421. The City of Novi will allocate \$150,000 towards the project as matching funds. **REMOVED/LATER APPROVED**
- H. Approval of claims and warrants – Warrant 1120

Roll call vote on CM 22-11-149

Yeas: Casey, Crawford, Fischer, Smith, Thomas, Gatt, Staudt

Nays: None

MATTERS FOR COUNCIL ACTION:

1. **Approve the recommendation from the Consultant Review Committee to award a contract for professional services to the Spicer Group for the ITC Community Sports Park Master Plan in the amount of \$24,500, subject to final review and approval as to form, including any minor changes required, by the City Manager and City Attorney's Office.**

Interim City Manager Cardenas noted that this falls below the \$100,000 threshold for Matters For Council Action, but as you know, the ITC Community Sports Park is one of our jewels in our community and he just want to make sure that all of Council is able to comment about this big plan that is going to come forth in the coming months.

CM 22-11-150

Moved by Smith, seconded by Casey; CARRIED UNANIMOUSLY

Approve the recommendation from the Consultant Review Committee to award a contract for professional services to the Spicer Group for the ITC Community Sports Park Master Plan in the amount of \$24,500 subject to final review and approval as to form, including any minor changes required by the City Manager and City Attorney's Office.

Roll call vote on CM 22-11-150

Yeas Crawford, Fischer, Smith, Thomas, Gatt, Staudt, Casey

Nays: None

2. **Approval of Resolution authorizing submission of a grant application to the Oakland County Senior Centers Grant Program for the Development of Pickleball Courts at Meadowbrook Commons. Total estimated development cost, including \$250,000 grant, is \$577,364.**

CM 22-11-151

Moved by Smith, seconded by Casey; CARRIED UNANIMOUSLY

Approval of Resolution authorizing submission of a grant application to the Oakland County Senior Centers Grant Program for the Development of Pickleball Courts at Meadowbrook Commons. Total estimated development cost, including \$250,000 grant, is \$577,364.

Mayor Gatt stated he brought up pickleball courts long before anybody else did, because at his age, he heard about 10-15 years ago he believed he brought it up then and here we are now, it is a matter for big discussion.

Roll call vote on CM 22-11-151

**Yeas: Fischer, Smith, Thomas, Gatt, Staudt,
Casey, Crawford**

Nays: None

3. Approval of the updated deficit elimination plan for the Capital Improvement Fund (CIP) as of June 30, 2022.

Interim City Manager Cardenas noted that this is just an annual requirement by the State that we must follow and there are no big changes from them in the past years.

CM 22-11-152

Moved by Thomas, seconded by Casey; MOTION CARRIED: 6-1

Approval of the updated deficit elimination plan for the Capital Improvement Fund (CIP) as of June 30, 2022.

Roll call vote on CM 22-11-152

**Yeas: Smith, Thomas, Gatt, Casey, Crawford,
Fischer**

Nays: Staudt

4. Discussion and review of executive search firms to conduct City Manager search process and determine next steps.

Mayor Gatt asked Human Resource Director, Tia Gronlund-Fox to come up to the podium. He said as we all know Mr. Auger retired and is no longer with the City. He stated that Mr. Cardenas has been named the Interim City Manager by City Council. He said one of the first things we did was we asked the City staff committee to meet and review applicable first set forth and application and then review, set forth the proposal RFP and then review the applications that came in to find a search firm that will assist City Council in their Charter demand to fill the position of City Manager. He said the committee that reviewed these applications consisted of all City staff and he was going to ask you to name that City staff so everybody can hear him. He wanted to on behalf of his colleagues, he wanted to thank them for their hard work, for their dedication and for concluding swiftly as they did. He said City Councilmembers were on that search around that committee and that was on purpose, because he wanted the City staff, as he was a City staff for 30 years, as most everybody knows, and he knew the importance of picking a City Manager. He said he wanted the City staff to have a say in what happens and this

has given them the opportunity in a way to meet and talk about it and go back and forth and come up with a conclusion at least to a firm that is going to help us find it after this point. He concluded that at this juncture the City Council will take complete charge after tonight. He said when we vote on what firm we want to hire to help us find the City Manager, then it becomes their duty. He said picking the City Manager is something that we do not do often, and it affects everybody up here. He said it affects every staff member, the hundreds of people that work for the City. It affects the 67,000 people that live in the City and it affects the hundreds of thousands of people who visit our City. He said it truly is the most important thing and it falls on their shoulders. He thought it was beneficial for the City staff to get together and talk about these things and come to the conclusion that they have come to, they are going to soon in a matter of minutes, we will be discussing their choices. He said he wanted to hear from Tia Gronlund-Fox, Human Resource Director. He said they asked her to take charge of this process when they first learned of Mr. Auger's retirement. He stated she has done so without hesitation, she has done so professionally, and she has done so in a manner that should make us all proud. He said they were all very thankful for what you and your committee staff has done. He said he would turn it over to HR Director Gronlund-Fox to tell us a bit about the process, how it came to be, what you did, and how many people applied, how many firms applied, and why you came to the conclusion that you did.

Human Resource Director Gronlund-Fox said we posted a request for proposals on October 25. She said those proposals were due back to the City on November 14. A team of City staff was put together which included herself, Sheryl Walsh-Molloy, Rob Petty, Erick Zinser, and Jeff Herczeg. She stated they all received the proposals, there were four in total that they received. She said they got together and reviewed the proposals. She explained everyone gave their input as far as if they have had any interaction with the firms experience and what their opinion was of the proposals. She said they looked at things like geographically where they were located, the municipalities that they dealt with in the past, references, we did not talk about cost. She stated when it came down to it, the team agreed that the top two firms were Amy Cell, who was located within Michigan, and Slaven Management Company. She said those are the two firms that rose to the top. Mayor Gatt wondered if we have had any experience with either of these two top firms in the past. Ms. Gronlund-Fox replied yes, Slaven Management. Mayor Gatt recalled when he was on Council, he believed we used Slaven when we hired Rick Helwig, not Clay Pearson. Ms. Gronlund-Fox said that was correct. Mayor Gatt said that was before his time, but somehow that name came up. He asked if there was a top one? Ms. Gronlund-Fox said no, they were both evenly weighted. Mayor Gatt said he would turn this over to Council for any questions, for discussions and or a motion. He said once we choose this firm, he assumed that the Human Resource office would then send a letter or phone call telling the firm that Council approved. they will then start making plans if he read the packet, correct? He stated that they do not anticipate this coming to a conclusion until some time in March. He said that is what he read based on the timelines, he said that fits his desire because the discussions

he has had with all his colleagues is that we are in no hurry. He commented this might be the worst time of the year to ask people from a firm that might not be in Michigan or not in Novi to come do what they have to do to reach their final ways of finding a City Manager. He said he did not anticipate much interaction between this Council and the firm that they select tonight until after the holidays. He thought sometime in March is probably a good timeline. He mentioned Mr. Cardenas is likely an applicant. He is part of the process here, a future City Manager candidate. He said they have asked him, and he has agreed to stay 500 feet away from everything. He said the City staff has not discussed any of this with him and that is the way they wanted it, and certainly, that is the way Mr. Cardenas wanted it.

HR Director Gronlund-Fox commented as far as the timeline, the 2 to 15 weeks, which would put us to March, that would start ticking, once a firm is selected. She said if Council does not interview the firm or decide who they want as a firm, until January, then that timeline would start then. Mayor Gatt said he understood. Mayor Gatt said that we will narrow it down to one or two firms, and if there was more than one, they would want to interview those firms or their representatives. He said obviously, if we are satisfied with the committee's work, and are ready to move forward and choose the firm, we can do that this evening, too.

Member Fischer said he had a few questions for Ms. Gronlund-Fox. Member Fischer said he believed they used a firm called Waters back in 2014. Ms. Gronlund-Fox replied yes. He wondered where that firm was right now. Ms. Gronlund-Fox understood that they have merged with another consulting company, but they did not put in a bid. Member Fischer said so the new owner of Waters is not one of the four firms. He said if he could recall while looking through the Minutes, we ended up bringing each of those firms in for interviews. Member Fischer wondered what was driving the gap between the four firms from four firms to two firms. He wondered why we should automatically disqualify. Ms. Gronlund-Fox said she did not know really that they are recommending a disqualification, just that the two firms rose to the top primarily because of where they were located and because of the communities that they have dealt with in the past. She believed they were all qualified firms. She stated that one of the firms were located and primarily does business on the West Coast. She said that does not mean that they cannot do business in the Central States, because they do. She said the other firm, it basically it was the same discussion, that the companies of the communities that had dealt with in the past. Member Fischer echoed the Mayor's comments. He wanted to thank staff for not only going through this as this is outside of everybody's normal day to day purview but sharing their personal expertise with each of these and their backgrounds. He said from his perspective, he found it to be very difficult to sit up there and read through a packet and decide on which firm out of two that are being contemplated by staff. He said his personal recommendation would be to at least interview the two firms. He said he was part of the Council in 2014 when we did this. He would like them to provide them with feedback directly on we know what we are looking for and affirm, then take that and

make the final recommendation on who they select. He said that was important to him. He said he probably would not be in support just choosing someone that evening. He stated he would like to interview at least two firms.

Member Thomas echoed the comments of Member Fischer, she believed that it was very important to make sure that they had the opportunity to meet with and interview the firm's and it is flipping through the packets, it seemed that they were all qualified. She noticed the locations differences in the surrounding communities that they work with. She said she would be on board with interviewing at least two firms.

CM 22-11-153 Moved by Fischer, seconded by Staudt; CARRIED UNANIMOUSLY

Approval to direct staff to contact the top two recommended firms and prepare them for interviews in front of Council at the soonest available regular meeting where they both can be available.

Roll call vote on CM 22-11-153

Yeas: Thomas, Gatt, Staudt, Casey, Crawford, Fischer, Smith

Nays: None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION:

Member Fischer stated he received a note that day and he believed it was from the same person who made some comments earlier during the Public Hearing. He asked PRCS Director Muck to come up to the podium. He said he recalled PRCS Director Muck when we were in the grants committee process, we were looking at two different grants. He said one was on the Agenda earlier that evening. He believed it was Oakland County. He said if he thought if we had to say which grant we probably had a better chance at it might be the Oakland County one just given criteria and how everything works together. He said so this is not even a foregone conclusion that we would get this funding and move forward with this project. He wondered if that was correct. PRCS Director Muck said yes, that is correct. He said he had good news for him, that he was able to find out today. He said they spoke with our DPW Director Herczeg and he clarified that the left turn lane would be addressed in the Wixom Road rehab project next year. Member Fischer said this project will not take place until 2024-2025. PRCS Director Herczeg said that was correct. Member Fischer said it sounds like the timing will work out as far as some of the concerns that were addressed. PRCS Director Muck said that was correct.

G. Approval of Resolution authorizing submission of a grant application to the Spark Grant Program for Wildlife Woods Park pickleball court additions and parking lot expansion. Total estimated development cost is \$690,421. The City of Novi will allocate \$150,000 towards the project as matching funds.

CM 22-11-154 Moved by Fischer, seconded by Casey; CARRIED UNANIMOUSLY

To approve Resolution authorizing submission of a grant application to the Spark Grant Program for Wildlife Woods Park pickleball court additions and parking lot expansion. Total estimated development cost is \$690,421. The City of Novi will allocate \$150,000 towards the project as matching funds.

Roll call vote on CM 22-11-154

Yeas: Gatt, Staudt, Casey, Crawford, Fischer,
Smith, Thomas

Nays: None

AUDIENCE COMMENT: None

COMMITTEE REPORTS: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 7:38 P.M.


Cortney Hanson, City Clerk


Robert J. Gatt, Mayor


Transcribed by Deborah S. Aubry

Date approved: December 5, 2022