



CITY COUNCIL AGENDA

CITY OF NOVI
Regular City Council Meeting
November 12, 2019 | 7:00 PM
Council Chambers | Novi Civic Center | 45175 Ten Mile Road
(248) 347-0460

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Mayor Gatt, Mayor Pro Tem Staudt, Council Members Breen, Casey, Crawford, Fischer, Mutch

APPROVAL OF AGENDA

PUBLIC HEARINGS

PRESENTATIONS

1. Comprehensive Annual Financial Report ending June 30, 2019 - Carl Johnson, Finance Director
2. Comprehensive Financial Audit for year-end June 30, 2019 - Rehmann

REPORTS

1. Manager/Staff
2. Attorney

AUDIENCE COMMENT – In order to hear all citizen comments at a reasonable hour, the City Council requests that speakers respect the three-minute time limit. This is not a question-answer session. However, it is an opportunity to voice your thoughts with City Council. Speakers wishing to display visual materials through the City's audiovisual system must provide the materials to the City Clerk's Office no later than 12:00 P.M. the day of the meeting. The materials cannot be changed before the meeting.

CONSENT AGENDA REMOVALS AND APPROVALS – All items listed under Consent Agenda are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered at the end of the normal Agenda.

MATTERS FOR COUNCIL ACTION

1. Consideration of Ordinance No. 19-195, an Ordinance to Amend the City of Novi Code of Ordinances, at Chapter 12, "Drainage and Flood Damage Prevention,"

to add Article IV, "Illicit Discharge Elimination Program," to Regulate Non-Stormwater Discharge. **FIRST READING**

AUDIENCE COMMENT – In order to hear all citizen comments at a reasonable hour, the City Council requests that speakers respect the three-minute time limit. This is not a question-answer session. However, it is an opportunity to voice your thoughts with City Council. Speakers wishing to display visual materials through the City's audiovisual system must provide the materials to the City Clerk's Office no later than 12:00 P.M. the day of the meeting. The materials cannot be changed before the meeting.

COMMITTEE REPORTS

MAYOR AND COUNCIL ISSUES

1. Appointments to Council Committees

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION – Consent Agenda items which have been removed for discussion and/or action.

COMMUNICATIONS

CONSENT AGENDA – Background information for Consent Agenda items is available for review at the City Clerk's Office.

- [A.](#) Approval of Minutes of October 28, 2019 - Regular Meeting
- [B.](#) Acceptance of a Woodland Conservation Easement from Pulte Homes of Michigan, LLC for the woodland replacement trees, offered as a part of the Woodbridge Park development, located on the northeast corner of Novi Road and Nine Mile Road, in Section 26 of the City.
- [C.](#) Acceptance of a Woodland Conservation Easement from Orville Properties, LLC for the woodland replacement trees, offered as a part of the Adell Center Roads and Utilities site plan, located west of Novi Road and south of I-96, in Section 15 of the City.
- [D.](#) Approval of a Resolution of the City Council Authorizing Termination of Portion of Water Main Easement, for Daifuku North America located at 30100 Cabot Drive (parcel 50-22-01-400-041).
- [E.](#) Approval of a Storm Drainage Facility Maintenance Easement Agreement from C&L Land Holding – Novi Mercedes, for Mercedes Benz of Novi located west of Haggerty Road and north of Grand River Avenue (parcel 50-22-24-426-010).
- [F.](#) Approval of Claims and Warrants – Warrant No. 1047

ADJOURNMENT

SCHEDULED MEETINGS – All Regular Council meetings are held in the Council Chambers unless otherwise noted. For a complete listing of scheduled meetings, please visit the Event Calendar at cityofnovi.org.

NOTICE: People with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk (248) 347-0456 at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

We kindly request that you turn off all cell phones while in the Council Chambers. Thank you.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual **General Fund**
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded):				
Current (concluded):				
Community and economic development:				
Building	2,006,779	2,012,815	1,963,524	(49,291)
Planning	585,138	646,137	591,019	(55,118)
Total community and economic development	<u>2,591,917</u>	<u>2,658,952</u>	<u>2,554,543</u>	<u>(104,409)</u>
Recreation and culture:				
Youth assistance	53,759	53,759	49,250	(4,509)
Historical commission	8,000	14,000	5,008	(8,992)
Total recreation and culture	<u>61,759</u>	<u>67,759</u>	<u>54,258</u>	<u>(13,501)</u>
Total expenditures	<u>34,558,576</u>	<u>36,477,125</u>	<u>35,180,567</u>	<u>(1,296,558)</u>
Revenues over (under) expenditures	<u>176,800</u>	<u>(1,682,766)</u>	<u>(515,321)</u>	<u>1,167,445</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	30,000	29,899	101
Insurance recovery	30,000	30,000	25,480	4,520
Transfers out	(256,800)	(98,000)	(62,015)	(35,985)
Total other financing sources (uses)	<u>(226,800)</u>	<u>(38,000)</u>	<u>(6,636)</u>	<u>(31,364)</u>
Net change in fund balance	<u>(50,000)</u>	<u>(1,720,766)</u>	<u>(521,957)</u>	<u>1,198,809</u>
Fund balance, beginning of year	<u>11,819,066</u>	<u>11,819,066</u>	<u>11,819,066</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,769,066</u>	<u>\$ 10,098,300</u>	<u>\$ 11,297,109</u>	<u>\$ 1,198,809</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Balance Sheet
 Governmental Funds
 June 30, 2019

	General Fund	Major Street Fund	Local Street Fund	Capital Improvement Program
Assets				
Cash and cash equivalents	\$ -	\$ 259,829	\$ 262,432	\$ 1,878,797
Investments	12,504,211	1,838,586	2,540,488	-
Receivables:				
Accrued interest	446,034	-	-	-
Other	386,396	-	-	-
Due from other governments	864,288	717,687	253,412	-
Advances to other governments	-	-	-	-
Prepaid items and other assets	242,421	-	-	10,000
Total assets	\$ 14,443,350	\$ 2,816,102	\$ 3,056,332	\$ 1,888,797
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ 297,862	\$ -	\$ -	\$ -
Accounts payable	1,190,815	1,852,721	2,211,865	5,585,562
Accrued salaries and wages	1,202,369	-	-	-
Other accrued liabilities	322,692	-	-	5,000
Refundable deposits	119,710	-	-	-
Unearned revenue	6,167	-	244,897	-
Advances from other funds	-	-	-	3,000,000
Total liabilities	3,139,615	1,852,721	2,456,762	8,590,562
Deferred inflows of resources				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - other	6,626	-	-	-
Total deferred inflows of resources	6,626	-	-	-
Fund balances				
Nonspendable for prepaids	242,421	-	-	10,000
Nonspendable for advances to other governments	-	-	-	-
Restricted:				
Roads	-	963,381	599,570	-
Public safety	19,440	-	-	-
Community	2,282	-	-	-
Debt service	-	-	-	-
Infrastructure improvements	-	-	-	-
Parks, recreation, and cultural services	-	-	-	-
Library	-	-	-	-
Stormwater systems	-	-	-	-
Tree replacement and maintenance	-	-	-	-
Street lighting improvement	-	-	-	-
PEG access support fees	-	-	-	-
Assigned - subsequent year's budget	1,310,001	-	-	-
Unassigned (deficit)	9,722,965	-	-	(6,711,765)
Total fund balances	11,297,109	963,381	599,570	(6,701,765)
Total liabilities, deferred inflows of resources and fund balances	\$ 14,443,350	\$ 2,816,102	\$ 3,056,332	\$ 1,888,797

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2019

	General Fund	Major Street Fund	Local Street Fund	Capital Improvement Program
Revenues				
Property taxes	\$ 22,941,100	\$ -	\$ -	\$ 3,543,185
Special assessments	-	-	-	-
Licenses, permits, and charges for services	4,524,898	-	-	-
Intergovernmental:				
Federal grants	71,879	-	-	-
State-shared revenue and grants	4,990,895	4,608,574	1,626,858	-
Other grants	-	-	-	-
Fines and forfeitures	450,056	-	-	-
Investment income	1,049,415	94,094	15,752	57,536
Other:				
Tap-in fees	-	-	-	-
Local donations	2,350	-	-	-
Recreational programs	-	-	-	-
Miscellaneous	634,653	-	-	-
Total revenues	34,665,246	4,702,668	1,642,610	3,600,721
Expenditures				
Current:				
General government	9,285,069	-	-	14,333
Public safety	19,509,058	-	-	2,678,106
Public works	3,777,639	3,692,896	5,585,224	8,867,748
Community and economic development	2,554,543	-	-	-
Recreation and culture	54,258	-	-	4,125,119
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	7,250
Total expenditures	35,180,567	3,692,896	5,585,224	15,692,556
Revenues over (under) expenditures	(515,321)	1,009,772	(3,942,614)	(12,091,835)
Other financing sources (uses)				
Proceeds from sale of capital assets	29,899	-	-	-
Insurance recovery	25,480	-	-	-
Transfers in	-	203,000	4,000,000	3,268,105
Transfers out	(62,015)	(2,050,000)	-	-
Total other financing sources (uses)	(6,636)	(1,847,000)	4,000,000	3,268,105
Net change in fund balances	(521,957)	(837,228)	57,386	(8,823,730)
Fund balances, beginning of year	11,819,066	1,800,609	542,184	2,121,965
Fund balances (deficit), end of year	\$ 11,297,109	\$ 963,381	\$ 599,570	\$ (6,701,765)

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Required Supplementary Information

Retiree Healthcare Benefits Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability (Asset) and Related Ratios

	Year Ended June 30,		
	2017	2018	2019
Change in total other postemployment benefit liability			
Service cost	\$ 440,432	\$ 372,847	\$ 416,798
Interest	2,030,554	2,136,783	2,017,676
Differences between expected and actual experience	(86,522)	(4,022,732)	(15,504)
Changes of assumptions	-	1,819,912	-
Benefit payments, including refunds of member contributions	(885,353)	(948,145)	(995,230)
Other changes	-	-	(35,068)
Net change in total other postemployment benefit liability	1,499,111	(641,335)	1,388,672
Total other postemployment benefit liability, beginning	27,296,517	28,795,628	28,154,293
Total other postemployment benefit liability, ending (a)	28,795,628	28,154,293	29,542,965
Change in plan fiduciary net position			
Contributions - employer	617,207	613,678	363,994
Net investment income	3,399,591	2,845,010	2,224,284
Benefit payments, including refunds of member contributions	(885,353)	(948,145)	(995,230)
Administrative expense	(245,933)	(293,400)	(293,629)
Other	-	244	-
Net change in plan fiduciary net position	2,885,512	2,217,387	1,299,419
Plan fiduciary net position, beginning	24,429,653	27,315,165	29,532,552
Plan fiduciary net position, ending (b)	27,315,165	29,532,552	30,831,971
City's net other postemployment benefit liability (asset), ending (a)-(b)	\$ 1,480,463	\$ (1,378,259)	\$ (1,289,006)
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	94.86%	104.90%	104.36%
Covered payroll	\$10,711,843	\$10,800,824	\$10,505,955
City's net other postemployment benefit liability (asset) as a percentage of covered payroll	13.82%	-12.76%	-12.27%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be

The June 30, 2018 changes in assumptions are due to the following:

- Removal of the Excise Tax load to the liabilities, to account for future excise taxes for Cadillac plans under the Patient Protection and Affordable Care Act (PPACA).
- Resetting the health care cost trend assumption.
- The long-term rate of investment return used for GASB Statement Nos. 74 and 75 reporting purpose was 7.25%. For purposes of the June 30, 2017 GASB Statement No. 74 report the long-term rate of investment return used was 7.50%.

CITY OF NOVI, MICHIGAN

Required Supplementary Information

Retiree Healthcare Benefits Plan
Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions In Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2017	\$ 617,207	\$ 617,207	\$ -	\$ 10,711,843	5.8%
6/30/2018	613,678	647,350	(33,672)	10,800,824	6.0%
6/30/2019	277,674	363,994	(86,320)	10,505,955	3.5%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation date June 30, 2017 (rolled forward to June 30, 2019)
Notes Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level dollar
Remaining amortization period	20 years, closed
Asset valuation method	Market value of assets
Price inflation	2.5%
Salary increases	4.3% to 17.0%, including inflation
Investment rate of return	7.5%, net of OPEB plan investment expense
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	The RP-2000 Mortality Table projected 20 years with U.S. Projection Scale BB
Healthcare cost trend rate	9.0%, gradually decreasing to 4.0% in year 10
Excise tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

CITY OF NOVI, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended June 30,				
	2015	2016	2017	2018	2019
Change in total pension liability					
Service cost	\$ 1,495,687	\$ 1,402,754	\$ 1,279,328	\$ 1,255,498	\$ 1,225,434
Interest	6,687,807	6,983,009	7,325,066	7,586,392	7,788,580
Changes of benefit terms	-	23,615	-	-	-
Differences between expected and actual experience	-	301,433	248,579	(366,993)	(1,404,136)
Changes of assumptions	-	3,305,619	-	-	-
Benefit payments, including refunds of member contributions	(4,385,711)	(4,731,967)	(5,335,884)	(5,813,104)	(6,051,911)
Net change in total pension liability	3,797,783	7,284,463	3,517,089	2,661,793	1,557,967
Total pension liability, beginning	82,509,362	86,307,145	93,591,608	97,108,697	99,770,490
Total pension liability, ending (a)	86,307,145	93,591,608	97,108,697	99,770,490	101,328,457
Change in plan fiduciary net position					
Contributions - employer	3,648,998	3,024,626	3,115,902	3,725,305	4,389,615
Contributions - member	712,076	652,652	602,714	558,097	528,872
Net investment income (loss)	3,399,244	(898,140)	6,176,312	7,797,188	(2,592,555)
Benefit payments, including refunds of member contributions	(4,385,711)	(4,731,967)	(5,335,884)	(5,813,104)	(6,051,911)
Administrative expense	(126,196)	(124,928)	(122,174)	(123,263)	(126,495)
Net change in plan fiduciary net position	3,248,411	(2,077,757)	4,436,870	6,144,223	(3,852,474)
Plan fiduciary net position, beginning	53,820,326	57,068,737	54,990,980	59,427,850	65,572,073
Plan fiduciary net position, ending (b)	57,068,737	54,990,980	59,427,850	65,572,073	61,719,599
City's net pension liability, ending (a)-(b)	\$29,238,408	\$38,600,628	\$37,680,847	\$34,198,417	\$39,608,858
Plan fiduciary net position as a percentage of the total pension liability	66.1%	58.8%	61.2%	65.7%	60.9%
Covered payroll	\$12,101,246	\$11,371,927	\$10,614,530	\$10,616,668	\$10,645,669
City's net pension liability as a percentage of covered payroll	241.6%	339.4%	355.0%	322.1%	372.1%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

The June 30, 2016 changes in benefit terms are due to the following:

- Employee contributions for the Fire Local 3232 employees decreased from 8.83% to 6.33%.

The June 30, 2016 changes in assumptions are due to the following:

- The mortality table was adjusted to reflect longer lifetimes.
- The assumed annual rate of investment return, net of all expenses, was lowered from 8% to 7.75%.
- The asset smoothing was changed from 10 to 5 years.
- The amortization period was moved to a fixed period amortization for the December 31, 2014 annual valuations.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

8. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2019:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
2008 Unlimited Tax Library Bonds, installments of \$750,000 to \$765,000 through October 1, 2020, interest at 4.00% to 5.00%	\$ 2,265,000	\$ -	\$ (750,000)	\$ 1,515,000	\$ 750,000
2016 Unlimited Tax Library Refunding Bonds, installments of \$265,000 to \$1,390,000 through October 1, 2026, interest at 2.0% to 4.0%	8,380,000	-	(215,000)	8,165,000	265,000
Total governmental activities general obligation bonds	10,645,000	-	(965,000)	9,680,000	1,015,000
Unamortized premium					
2016 Unlimited Tax Library Refunding Bonds	1,024,241	-	(128,030)	896,211	128,030
Compensated absences	1,973,686	2,401,910	(2,087,090)	2,288,506	1,830,805
Total governmental activities	\$ 13,642,927	\$ 2,401,910	\$ (3,180,120)	\$ 12,864,717	\$ 2,973,835

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
General obligation bonds					
2014 Ice Arena Refunding Bonds, installments of \$485,000 to \$520,000 through June 1, 2024, interest at 2.4%	\$ 2,985,000	\$ -	\$ (490,000)	\$ 2,495,000	\$ 500,000
2015 Senior Complex Recreation Facility Refunding Bonds, installments of \$850,000 to \$1,020,000 through October 1, 2025, interest at 2.29%	7,345,000	-	(890,000)	6,455,000	880,000
Total business-type activities general obligation bonds	10,330,000	-	(1,380,000)	8,950,000	1,380,000
Compensated absences	72,876	74,335	(72,486)	74,725	74,725
Total business-type activities	\$ 10,402,876	\$ 74,335	\$ (1,452,486)	\$ 9,024,725	\$ 1,454,725

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,015,000	\$ 355,450	\$ 1,380,000	\$ 197,624
2021	1,070,000	314,100	1,345,000	165,758
2022	1,135,000	267,700	1,350,000	134,476
2023	1,195,000	221,100	1,355,000	102,782
2024	1,240,000	172,400	1,500,000	69,959
2025-2027	4,025,000	225,200	2,020,000	46,487
	\$ 9,680,000	\$ 1,555,950	\$ 8,950,000	\$ 717,086

All general obligation bonded debt is supported by the City's full faith and credit. Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

Compensated absences are generally liquidated by the general fund, parks, recreation, and cultural services special revenue fund, library special revenue fund, and the water and sewer enterprise fund.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Capital asset activity for the year of the City's governmental activities was as follows:

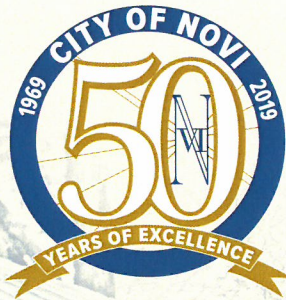
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 31,618,061	\$ 1,260,338	\$ -	\$ -	\$ 32,878,399
Construction in progress	3,905,901	19,493,646	-	(2,295,326)	21,104,221
	<u>35,523,962</u>	<u>20,753,984</u>	-	<u>(2,295,326)</u>	<u>53,982,620</u>
Capital assets being depreciated:					
Roads	143,234,304	4,451,280	(6,851,655)	480,910	141,314,839
Nonmotorized pathway improvements	12,079,912	340,650	-	318,195	12,738,757
Bridges	2,388,888	-	-	(132,757)	2,256,131
Drains	17,484,297	86,833	-	1,418,989	18,990,119
Buildings and Improvements	47,896,067	509,975	-	59,312	48,465,354
Machinery and equipment	17,851,904	2,129,774	(393,000)	-	19,588,678
Land improvements	1,972,845	535,447	-	150,677	2,658,969
Library books	3,852,244	348,858	(387,107)	-	3,813,995
	<u>246,760,461</u>	<u>8,402,817</u>	<u>(7,631,762)</u>	<u>2,295,326</u>	<u>249,826,842</u>
Less accumulated depreciation for:					
Roads	(77,582,758)	(5,509,784)	6,851,655	-	(76,240,887)
Nonmotorized pathway improvements	(4,222,211)	(563,142)	-	-	(4,785,353)
Bridges	(1,325,369)	(88,278)	-	-	(1,413,647)
Drains	(10,425,753)	(723,795)	-	-	(11,149,548)
Buildings and Improvements	(20,330,637)	(1,224,853)	-	-	(21,555,490)
Machinery and equipment	(12,594,867)	(1,587,137)	393,000	-	(13,789,004)
Land improvements	(125,026)	(106,359)	-	-	(231,385)
Library books	(1,367,139)	(248,511)	387,107	-	(1,228,543)
	<u>(127,973,760)</u>	<u>(10,051,859)</u>	<u>7,631,762</u>	-	<u>(130,393,857)</u>
Total capital assets being depreciated, net	<u>118,786,701</u>	<u>(1,649,042)</u>	-	<u>2,295,326</u>	<u>119,432,985</u>
Governmental activities capital assets, net	<u>\$ 154,310,663</u>	<u>\$ 19,104,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,415,605</u>



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2019

CITY OF NOVI MICHIGAN



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CITY OF NOVI, MICHIGAN

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INTRODUCTORY SECTION

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November 4, 2019

Honorable Mayor Robert Gatt
Members of the City Council
Citizens of the City of Novi, Michigan

CITY COUNCIL

Mayor
Bob Gatt

Mayor Pro Tem
Dave Staudt

Andrew Mutch

Laura Marie Casey

Kelly Breen

Ramesh Verma

Doreen Poupard

City Manager
Peter E. Auger

City Clerk
Cortney Hanson

We are pleased to submit the Comprehensive Annual Financial Report of the City of Novi for the fiscal year ended June 30, 2019. This report is prepared for the purpose of disclosing the City's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Generally accepted accounting principles (GAAP) require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

All local units of government within the State of Michigan must comply with the Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended, which requires an annual audit of the financial records and transactions of the City by independent certified public accountants. The primary purpose of the auditing requirements of this act is to maintain the confidence of all interested parties in the integrity of the record keeping and financial reporting of local units of government.

Profile of the Government

The City of Novi, incorporated in 1969, is strategically located in the southwestern portion of vibrant Oakland County. Located just 30 miles northwest of downtown Detroit, the suburban City government serves approximately 61,000 residents (per the Southeast Michigan Council of Governments July 2017 estimates, an 10.5% increase from the 2010 national census) and encompasses an area of approximately 32 square miles. Novi is considered a choice community to live and work. A dynamic, growing community, Novi offers an abundance of rolling, wooded acreage, which provides a unique natural backdrop for residential, commercial and industrial land development. Novi is well connected to highway, rail, and air transportation routes offering outstanding accessibility to the rest of the world.

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
248.347.0577 fax

cityofnovi.org

Businesses can also count on an abundance of county and regional resources or help with creating new business opportunities, securing financing, improving technological business expertise, and learning to do business abroad. Novi's quality of life stems from its successful balance of residential and commercial tax base. In its effort to maintain open relationships with businesses and residents, Novi maintains a comprehensive web site at cityofnovi.org. The City's economic development department's website is devoted to attracting new and retaining existing businesses. The site informs potential business investors and celebrates existing businesses' successes.

The City of Novi operates under the Council-Manager form of government. Policy-making and legislative authority are vested in City Council which is presided over by the Mayor, who is elected for a two-year term. The six other Council members are elected for four-year overlapping terms. The City Manager is appointed by City Council. This official heads the administrative branch of city government and directs all city operations, projects and programs.

The City provides a full range of municipal services including police and fire/medical protection; public services, parks, recreational and cultural activities; library; building inspection; code enforcement and planning and development. In addition to general government activities, the activities of the Economic Development Corporation are reported as a separate component unit of the City. Component units are legally separate entities for which the primary government is financially accountable.

The City of Novi prepares budgets in accordance with the Michigan Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended. Under the direction of the City Manager, the Finance Director prepares an initial projection of revenue for the next fiscal year. Spending priorities are then established based upon the City's financial policies and mandated requirements. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot exceed the appropriated amount) is established at the activity (departmental) level. It takes a five-vote majority to adopt and amend the budget.

Factors Affecting Financial Condition Local Economy

Standard & Poor's, which provides credit ratings and other financial analysis, affirmed the City of Novi's high quality rating on general obligation bonds as AAA in November 2015. Standard & Poor's defines an AAA rating as "being the highest possible rating and reflects the opinion that the issuer has extremely strong capacity to meet its financial commitments." This rating places Novi in an elite group of communities throughout the country. Standard & Poor's noted at the time that "Novi has a very strong economy with a projected per capita effective buying income of 147% of the national level and per capital market value of \$124,081. A very strong management with strong financial policies and practices and a very strong budgetary flexibility with an available fund balance of \$12.0 million".

Novi is also proud of its strong economic climate and offers a diverse mix of business opportunities spanning from the automotive research and development to world class healthcare providers and medical device manufactures. Within the City of Novi, there are many good stories that aid in the overall quality of economic development. Some of these milestones include:

- Money Magazine ranked Novi #23 on their top 50 places to live in the United States.
- A123 Systems will be relocating and building a new, 88,580 sq. ft. headquarters. This results in a nearly \$27 million investment into the community and relocating over 200 employees to the City.
- Hexagon Manufacturing Intelligence consolidated several of their offices into one "Solution Center," a 88,000-square-foot laboratory and calibration hub. This results in a \$16 million investment into the community and moving 135 jobs to Novi.
- American Interiors built their new 20,000 square-foot office in Novi, making a \$3,360,295 investment into the community.

Novi remains strong with a diverse tax mix of residential, manufacturing, office, service and technology, and retail-recreational centers and continues to provide a stable environment to attract new investment within Novi. Novi remains on sound financial footing despite the prevailing tough economic conditions because of continued focus on core strategies and investments within our community that have produced sound financial results and satisfied citizen perceptions (National Citizen Survey).

Financial Policies Fund Balance Policy

The City follows the City Council's adopted, by resolution, fund balance/reserve policy. The policy establishes a reserve to pay for expenditures, states the City will attempt to obtain additional revenue sources to insure a balanced budget and aggressively collect revenue, establish user charges and fees at a level to take into account the cost of providing the service, maintain a level of reserves to comply with terms and conditions of debt instruments, and review fund balance/reserves annually during the budget process. In addition, in the event the level of expenditures exceeds the estimated appropriations, the City will create a plan to replenish fund balance/reserves within three years by controlling operating expenditures, adjusting operations and/or dedicating excess or specific revenue sources. The policy establishes a minimum reserve as a percentage of budgeted expenditures of 22-25% in the General Fund, 10-20% individually and collectively amongst the three road funds, 12-22% for Parks and Recreation, and varying reserves for the remaining special revenue funds dependent on the funds yearly activity and capital needs.

Debt Policy

The City of Novi, as a home rule unit, presently has a statutory limit on the amount of general obligation debt outstanding. The limit on the outstanding indebtedness cannot exceed 10% of the equalized assessed valuation. The debt policy approved by City Council in March 2013 put forth these additional debt limits:

- The City's net bonded indebtedness incurred for all public purposes should not exceed \$2,500 per capita;
- Debt service payments are limited to 20% of the combined operating and debt service fund expenditures;
- Municipal securities issued for capital improvements purposes shall not exceed 5% of the state equalized valuation of the property assessed in the City.

Investment Policy

The City's investment objectives in priority order are: safety, liquidity, and yield. Disbursement, collection and deposit of all funds will be managed to ensure that all cash is invested promptly until needed. The City will strive to maximize the return on the portfolio, with the primary objective of preserving capital by prudent investment practices.

Long-term Financial Planning

The City continues to be proactive and strategically plans into the future by annually preparing a three-year financial forecast. In addition, the City prepares a six year Capital Improvement Plan (CIP) which is approved by the City Planning Commission and accepted by the City Council. A capital improvement is defined as real property greater than \$25,000 that has a life expectancy of at least five years and personal property costing more than \$25,000 with a life expectancy of at least one year. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to reduce future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital plant and equipment from current revenues where possible.

The 2010 Census reported Novi's population at 55,224, a 16.5% increase from the 2000 Census population of 47,386. The 2010 Census data is required to be used for the Constitutional portion of State Shared Revenue distributions beginning mid-2011. A constitutional portion is distributed to cities, villages and townships based on a community's population and cannot be eliminated without a vote of the people. For the fiscal year ended June 30, 2019, Novi's reliance on revenue sharing payments represents 14% of total General Fund revenues or \$4,960,485. Novi's revenue sharing distribution increased by 4% or \$208,121 from the prior fiscal year.

The City of Novi has made great strides over the past twenty years in both managing and reducing debt while recognizing savings from refunded/called debt activities. For the fiscal year ended June 30, 2019, bond obligations were reduced by \$2,345,000 from the prior fiscal year. Total direct debt at June 30, 2019 was \$19,526,211.

Internal Controls

Management of the City is responsible for establishing and maintaining internal controls designed to provide reasonable assurance that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The City believes staffing levels are adequate to provide for segregation of duties as well and to provide for proper checks and balances giving reasonable assurance that assets are protected and financial transactions are properly recorded.

Major Initiatives

The residents of Novi approved a ten-year capital improvement millage (CIP) which was first levied July 2018. The City continues to investment in infrastructure to maintain its current structures as well as provide investments in new acquisitions. In fiscal year 2019, the CIP millage was used to provide for boardwalk repair and replacement, purchase of a fire ladder truck, gun range improvements, department of public works building expansion, ITC trail, Bosco property improvements and Lakeshore Park improvements. The City is also striving to increase its pension funding level. The fiscal year 2019 funding level is 60.9% (plan fiduciary net position as a percentage of total pension liability). During the current year, the City contributed an additional \$310,000 (over and above the required actuarial required contribution) towards the defined benefit pension liability.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Excellence in Financial Reporting to the City of Novi for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the 21st year that the City of Novi has received this prestigious award.


Acknowledgements

The preparation of this Comprehensive Annual Financial Report was made possible by the efficient and dedicated service of many individuals. We wish to express our sincere appreciation to each of them. Special thanks to the Mayor and City Council members as well as City Manager, Peter Auger and the Assistant City Manager Victor Cardenas for their leadership and support in matters pertaining to the financial affairs of the City.

Respectfully submitted,



Carl Johnson
Finance Director/Treasurer



Sabrina Lilla
Deputy Finance Director

CITY OF NOVI, MICHIGAN

List of Principal Officials

Title	Name
Mayor	Robert Gatt
Mayor Pro-Tem	David Staudt
Council Member	Andrew Mutch
Council Member	Laura Casey
Council Member	Kelly Breen
Council Member	Ramesh Verma
Council Member	Doreen Poupard
City Manager	Peter Auger
Assistant City Manager	Victor Cardenas
Assessor	Micheal Lohmeier
Deputy Assessor	Jan Ziozios
City Clerk	Cortney A. Hanson
Deputy City Clerk	Dawn Spaulding
Human Resources Director	Tia M. Gronlund-Fox
Human Resources Deputy Director	Rebecca Craigmile
Communications Director	Sheryl L. Walsh
Economic Development Director	Vacant
Public Works Director	Jeff Herczeg
Public Works Deputy Director	Megan Mikus
Chief Information Officer	Robert L. Petty
GIS Manager	Keri Blough
Community Development Director	Charles S. Boulard
Community Development Deputy Director	Larry Butler
Parks, Recreation and Cultural Services Director	Jeff Muck
Parks, Recreation and Cultural Services Deputy Director	Tracie Ringle
Older Adult Services Manager	Derek Stogner
Public Safety Director/Police Chief	David E. Molloy
Assistant Police Chief	Scott Baetens
Assistant Police Chief	Eric Zinser
Fire Chief	Jeffery R. Johnson
Library Director	Julie E. Farkas
Finance Director/Treasurer/CFO	Carl Johnson
Deputy Finance Director	Sabrina Lilla
Senior Budget Analyst	Jessica Dorey
Assistant Treasurer	Tina Glenn

CITY OF NOVI, MICHIGAN



Organizational Chart

Mayor and City Council

Office of the City Manager

Citizens

Homeowner Associations

Federal, State, County Governments

Volunteer Boards & Commissions

operate

invest

nurture

Civic Organizations

value

Assessing Finance/Treasury Purchasing

Integrated Solutions Team

- * Information Technology
- * Geographic Information
- * Facility Operations
- * Park Maintenance
- * Park Development

City Clerk
Human Resources

Schools

Library

Community Relations

- * Communications
- * Social Media
- * Civic Engagement
- * Novi Studies
- * Employee Engagement
- * Novi Youth Council
- * Beautification Commission

Economic Development

- * Business Attraction/Retention/Expansion

Private Sector Investments

Local & Regional Chambers of Commerce

Community Development

- * Long-Range Planning
- * Private Development Site Plan Review
- * Environmental Planning
- * Master Plan and Zoning
- * Soil Erosion and Sedimentation Control
- * Building Plan Review, Inspections and Permits
- * Ordinance Enforcement

Public Works

- Engineering
- * City Construction Project Design & Inspection
- * Capital Improvement Program
- * Private Development Site Plan Review - Infrastructure
- * Right-of-Way permits
- * Infrastructure Asset Management

- Field Operations
- * Road & Drain Maintenance
- * Ice & Snow Removal
- * Recycling Center

Forestry

Fleet Maintenance

Water & Sewer

- * Sanitary Sewer Operations & Maintenance
- * Water System Operations & Maintenance
- * Watershed Stewardship
- * Rouge River Liaison

Public Safety

- Administration
- * Police & Fire
- * Records
- * Emergency 911 Center

Police

- * Preventative Patrol
- * Criminal Investigations
- * Crime Prevention & Citizen Engagement

Fire

- * Emergency Medical Services Response
- * Fire Prevention/Inspections
- * Fire Suppression
- * Citizen Engagement

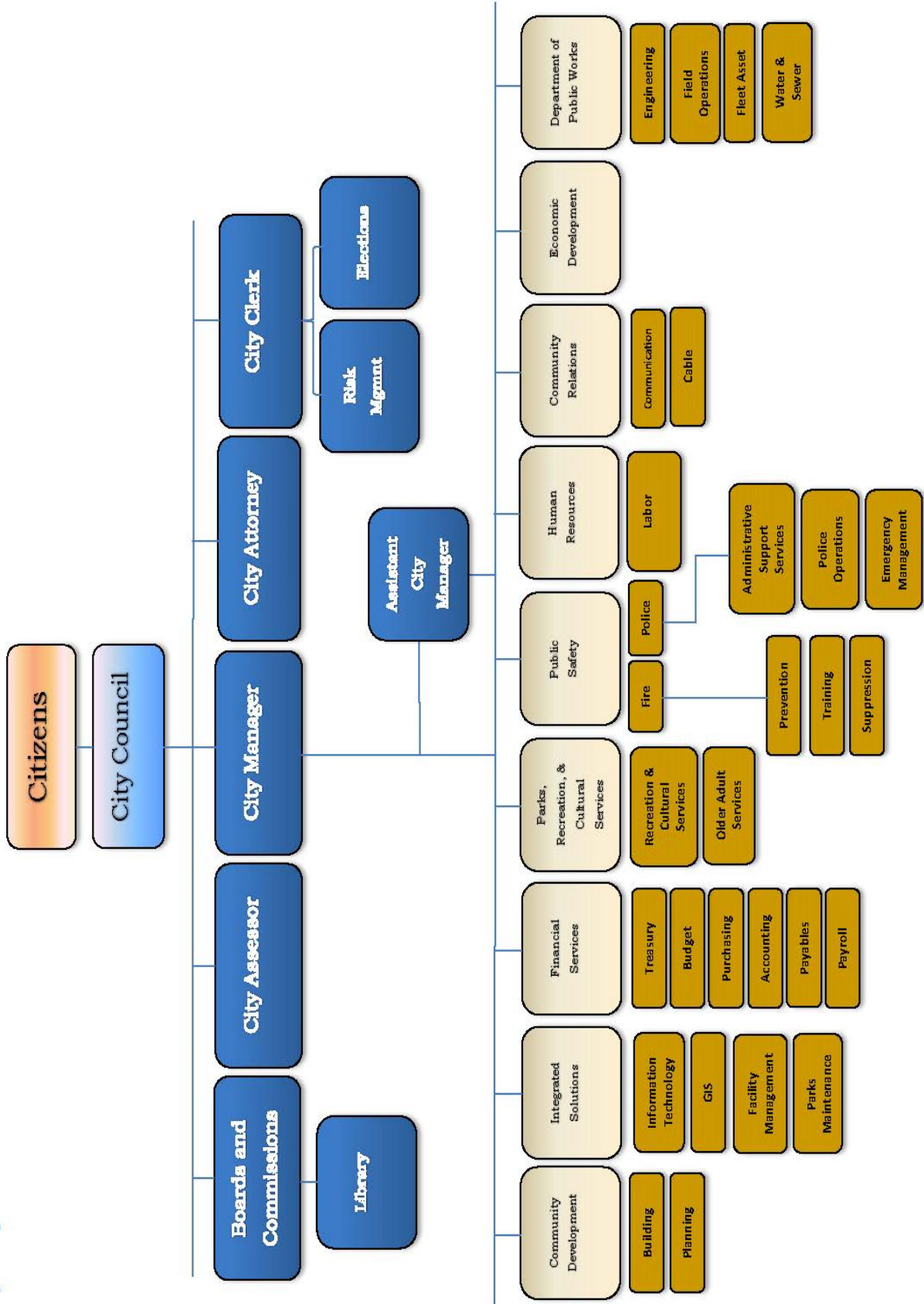
Emergency Preparedness & Management

- * CERT
- * Citizen Engagement

Parks, Recreation & Cultural Services - Programs

- * Recreation
- * Older Adults
- * Meadowbrook Commons/Ice Arena
- * Novi Ice Arena
- * Arts & Community Festivals

CITY OF NOVI, MICHIGAN



CITY OF NOVI, MICHIGAN
Fund Organization Chart

Governmental Funds

<u>General Fund</u>	
<u>Debt Service Funds</u> 2008 Library Construction Debt <u>Capital Projects Funds</u> Special Assessment Revolving Gun Range Facility Street Improvement Capital Improvement Program <u>Permanent Funds</u> Drain Perpetual Maintenance	<u>Special Revenue Funds</u> Major Street Local Street Municipal Street Parks, Recreation, and Cultural Services Tree Fund Drain Revenue PEG Cable Community Development Block Grant Forfeiture Fund Library Library Contribution Rubbish Collection West Oak Street Lighting West Lake Drive Street Lighting Town Center Street Street Lighting

Proprietary Fund - Enterprise Funds

Ice Arena Water and Sewer Senior Housing
--

Fiduciary Funds

<u>Pension and Other Employee Benefit Trust Fund</u> Retiree Health Care Benefits	<u>Agency</u> Tax Agency
--	--------------------------------

Component Unit

Economic Development Corporation



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Novi
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

November 4, 2019

The Honorable Mayor and Members of the City Council
City of Novi, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Novi, Michigan* (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Novi, Michigan, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Restatement of Beginning Net Position (for correction of an error)

As discussed in Note 16 to the financial statements, beginning net position of governmental activities, business-type activities, and the water and sewer enterprise fund were restated to record the deferred outflows for changes in assumptions related to the net other postemployment benefit asset. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules of the pension and other postemployment benefits plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Rehmann Loborn LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF NOVI, MICHIGAN

Management's Discussion and Analysis

As management of the City of Novi, Michigan (the "City"), we offer readers an overview of the City's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

· Total net position	\$ 362,160,558
· Change in total net position	13,118,363
· Fund balances, governmental funds	34,505,425
· Change in fund balances, governmental funds	(10,302,273)
· Unassigned fund balance, general fund	9,722,965
· Change in fund balance, general fund	(521,957)
· Total installment debt outstanding	19,526,211
· Change in installment debt	(2,473,030)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the City assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community and economic development, and recreation and culture. The business-type activities of the City include water and sewer, the ice arena, and senior housing.

The government-wide financial statements include not only the City of Novi itself (known as the *primary government*), but also a legally separate *component unit* for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

CITY OF NOVI, MICHIGAN

Management's Discussion and Analysis

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long term impact of the government's near term financing decisions. Following both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances are reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

Information for each of the City's individual governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, major street special revenue fund, local street special revenue fund, and the capital improvement program capital projects fund, which are considered to be the City's major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general, special revenue, debt service, capital projects, and permanent funds. Budgetary comparisons statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, ice arena, and senior housing operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer, ice arena, and senior housing operations enterprise funds, which are considered to be major funds of the City.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the City's pension and other postemployment benefits plans.

The *combining and individual fund financial statements and schedules* referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

The statement of changes in fiduciary assets and liabilities for the agency fund and the economic development corporation component unit statements follow the nonmajor governmental funds combining statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$362,160,558 at the close of the most recent fiscal year.

CITY OF NOVI, MICHIGAN

Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 49,434,652	\$ 52,605,974	\$ 80,054,716	\$ 77,626,944	\$ 129,489,368	\$ 130,232,918
Capital assets, net	173,415,605	154,310,663	136,518,547	137,264,551	309,934,152	291,575,214
Net other postemployment benefit asset	1,250,336	1,346,951	38,670	31,308	1,289,006	1,378,259
Total assets	224,100,593	208,263,588	216,611,933	214,922,803	440,712,526	423,186,391
Deferred outflows of resources	6,742,079	1,986,858	242,008	54,228	6,984,087	2,041,086
Current and other liabilities	15,105,935	8,109,718	4,509,026	5,866,067	19,614,961	13,975,785
Long-term debt	12,864,717	13,642,927	9,024,725	10,402,876	21,889,442	24,045,803
Net pension liability	38,024,504	32,808,780	1,584,354	1,389,637	39,608,858	34,198,417
Total liabilities	65,995,156	54,561,425	15,118,105	17,658,580	81,113,261	72,220,005
Deferred inflows of resources	4,278,915	5,336,156	143,879	150,936	4,422,794	5,487,092
Net position						
Net investment in capital assets	163,467,366	143,347,891	127,568,547	126,934,551	291,035,913	270,282,442
Restricted	29,889,601	33,060,671	-	-	29,889,601	33,060,671
Unrestricted (deficit)	(32,788,366)	(26,055,697)	74,023,410	70,232,964	41,235,044	44,177,267
Total net position	\$ 160,568,601	\$ 150,352,865	\$ 201,591,957	\$ 197,167,515	\$ 362,160,558	\$ 347,520,380

By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, construction in progress, roads, nonmotorized pathway improvements, bridges, drains, buildings and improvements, machinery and equipment, land improvements, library books, and water and sewer distribution systems), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position (deficit)* may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City reported positive balances in the net investment of capital assets and restricted net position, however, the unrestricted deficit was primarily the result of net pension and other postemployment liabilities/assets and related deferred amounts.

Governmental current and other liabilities has increased approximately \$7 million from the prior year. The City has significant capital projects in progress at June 30, 2019. The on-going construction projects include road and park improvements as well as the building of a new DPW building. The project contractors typically invoice the City monthly providing year end invoices to be included in the City's accounts payable at June 30, 2019.

The City's net position increased by \$13,118,363 from the restated prior year net position. This is an improvement from the prior year's \$8,129,384 increase. Compared to the prior year, the current year improvement can be attributed to City Council's commitment to its infrastructure. During fiscal year 2019, the City added \$33,293,473 of capital assets. Significant assets include park land acquisitions (Bosco property) and park improvements (ITC Trail), board walk repair program, new Department of Public Works building, gun range improvements, purchase of a fire ladder truck, water and sewer line improvements (Nine Mile Sanitary Relief Sewer and Grand River and Jo Drive Sanitary Sewer), neighborhood concrete street improvements of 6 street segments, neighborhood asphalt street improvements of 5 street segments, 20 local streets received concrete panel repair, Taft Road rehabilitation from 10 Mile Road to Grand River Avenue, 13 Mile Road rehabilitation from Novi Road to Meadowbrook and replacement of inefficient vehicles and equipment.

CITY OF NOVI, MICHIGAN

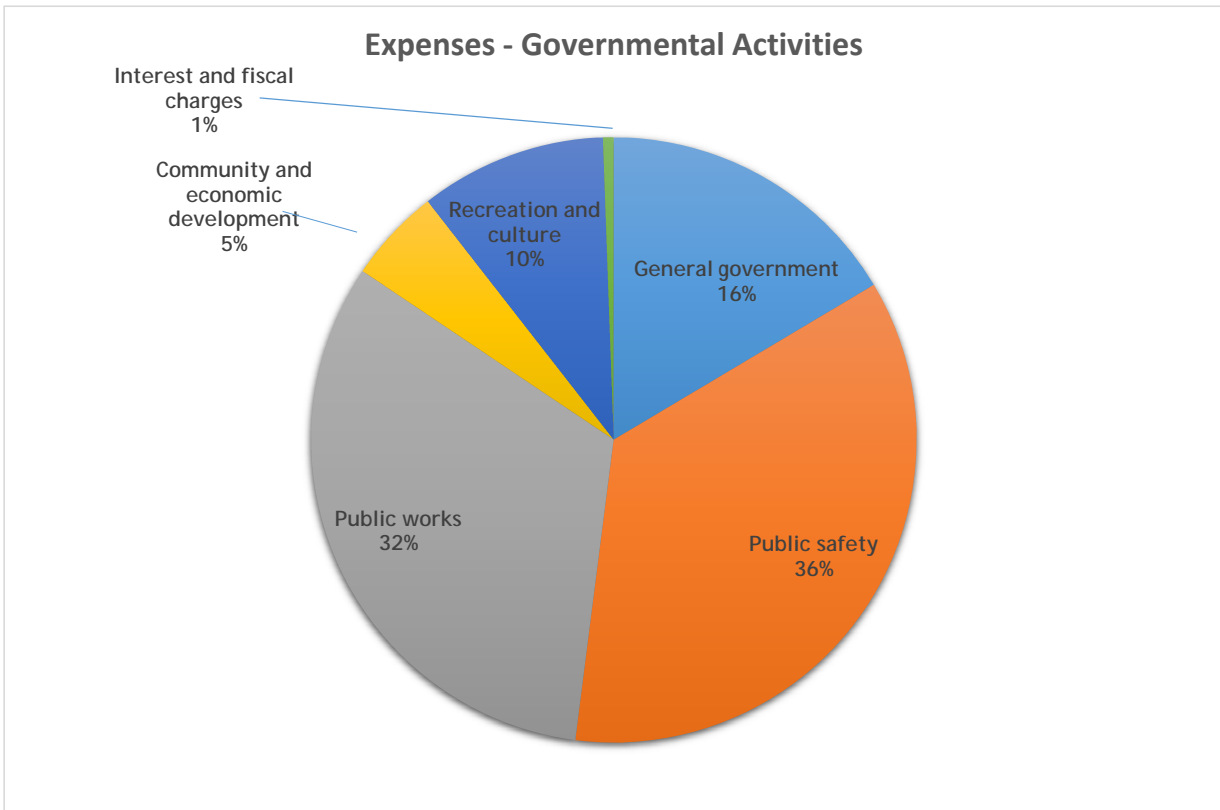
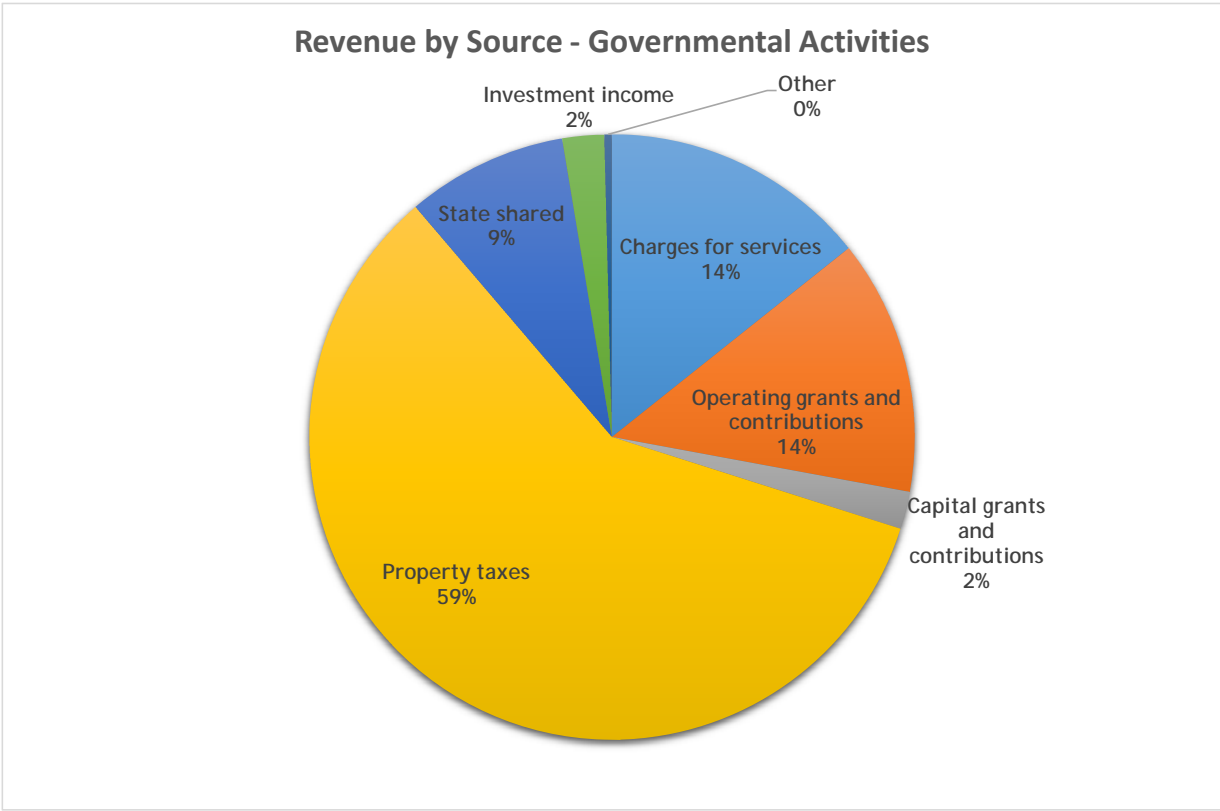
Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 9,373,550	\$ 8,510,755	\$ 27,831,892	\$ 27,779,054	\$ 37,205,442	\$ 36,289,809
Operating grants and contributions	8,946,984	7,554,037	190,521	201,343	9,137,505	7,755,380
Capital grants and contributions	1,319,020	1,846,192	4,835,047	5,747,324	6,154,067	7,593,516
General revenues:						
Property taxes	38,636,830	36,658,748	-	-	38,636,830	36,658,748
State shared	5,658,307	5,173,080	-	-	5,658,307	5,173,080
Investment income	1,468,783	507,062	2,220,521	828,498	3,689,304	1,335,560
Other	266,640	540,126	33,061	29,118	299,701	569,244
Gain on sale of capital assets	114,911	-	-	-	114,911	-
Total revenues	65,785,025	60,790,000	35,111,042	34,585,337	100,896,067	95,375,337
Expenses						
General government	9,773,538	8,675,951	-	-	9,773,538	8,675,951
Public safety	21,159,849	21,017,000	-	-	21,159,849	21,017,000
Public works	19,254,786	18,641,199	-	-	19,254,786	18,641,199
Community and economic development	2,994,733	3,130,941	-	-	2,994,733	3,130,941
Recreation and culture	5,926,881	6,241,609	-	-	5,926,881	6,241,609
Interest and fiscal charges	340,183	367,468	-	-	340,183	367,468
Water and sewer	-	-	25,278,115	26,211,692	25,278,115	26,211,692
Ice arena	-	-	1,682,737	1,597,968	1,682,737	1,597,968
Senior housing	-	-	1,366,882	1,362,125	1,366,882	1,362,125
Total expenses	59,449,970	58,074,168	28,327,734	29,171,785	87,777,704	87,245,953
Change in net position, before transfers	6,335,055	2,715,832	6,783,308	5,413,552	13,118,363	8,129,384
Transfers	2,421,260	-	(2,421,260)	-	-	-
Change in net position	8,756,315	2,715,832	4,362,048	5,413,552	13,118,363	8,129,384
Net position:						
Beginning of year	150,352,865	147,637,033	197,167,515	191,753,963	347,520,380	339,390,996
Restatement - error	1,459,421	-	62,394	-	1,521,815	-
End of year	\$ 160,568,601	\$ 150,352,865	\$ 201,591,957	\$ 197,167,515	\$ 362,160,558	\$ 347,520,380

Governmental activities. Governmental activities increased the City's net position by \$8,756,315 (as compared to a prior year increase of \$2,715,832). Key elements of this increase and the change from the prior year include:

- Overall revenues increased from the prior year by \$5.0 million while expenses only increased by \$1.4 million.
- The City had an increase in property tax revenue of approximately \$2 million. The increase was due to an addition of \$196 million to the City's overall taxable value.
- Operating grants and contributions increased from the prior year by \$1.4 million. The increase was due to additional major and local street funding from the State of \$353,000, as well as an increase in tree fund revenue of \$753,000.
- Investment income increased from the prior year by \$962,000 which also contributed to an increase in overall net position for governmental activities.

Management's Discussion and Analysis

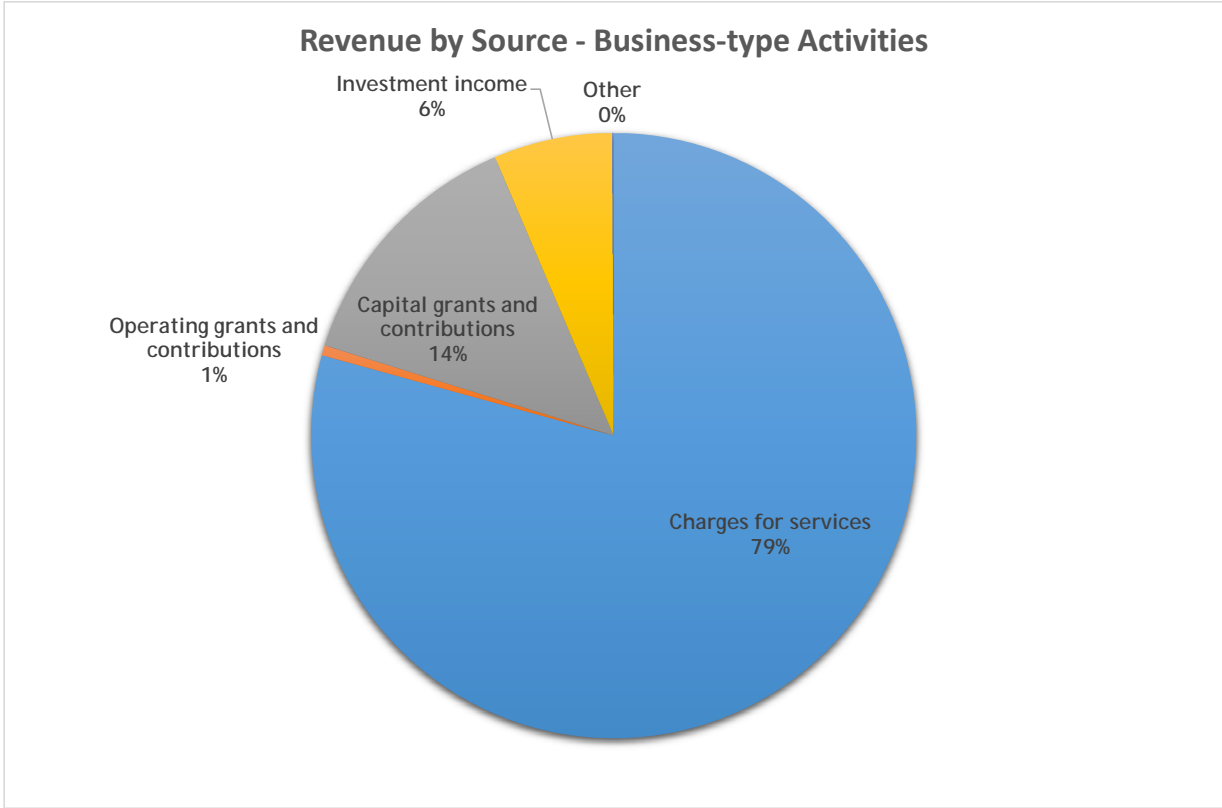


CITY OF NOVI, MICHIGAN

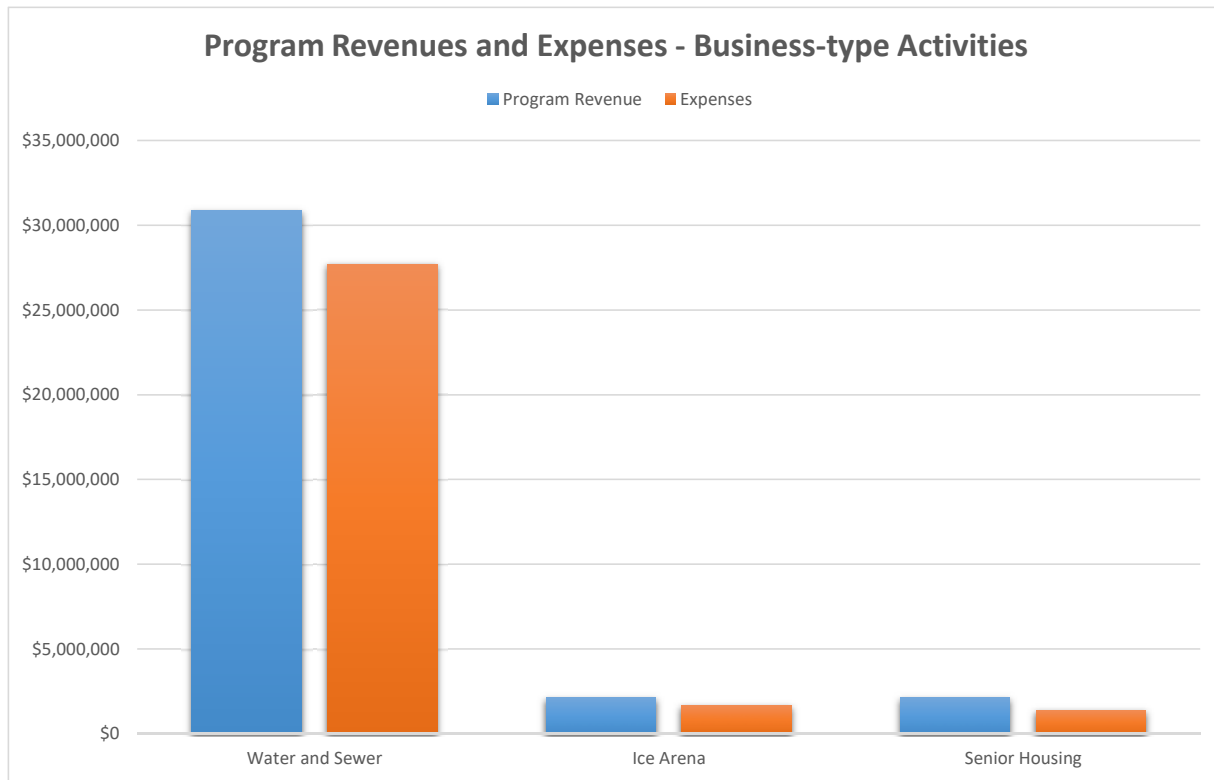
Management's Discussion and Analysis

Business-type activities. Business-type activities increased the City's net position by \$4,362,048 as compared to an increase of \$5,413,552 in the prior year. Key elements of this increase and the change from the prior year include:

- Business-type activities remained relatively consistent with the prior year. Expenses were slightly lower in the current year than the prior year. The decrease was due to the City's SAW grant ending in the prior year as well as a slight decrease in the amount of water water purchased by the City due to a wet spring. The Water and Sewer Fund also transferred \$2.4 million to the Capital Improvement Fund to fund its portion of the new DPW building.
- Investment income is approximately \$1.4 million greater in fiscal year 2019 than 2018. Interest on investments remained consistent between current year and prior at approximately \$1.2 million. Unrealized gains (losses) on investments increased by approximately \$1.4 million. The fluctuation is due to the volatility within the market place.



Management's Discussion and Analysis



Financial Analysis of the City's Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,505,425 a decrease of \$10,302,273. The nonspendable portion of fund balance increased from \$230,122 to \$738,046. Nonspendable fund balance is not available for new spending because it has been set aside for the following purposes:

- for advances to other governments (\$381,259); and
- for prepaid items and other assets (\$356,787).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$9,722,965, while total fund balance was \$11,297,109. As of June 30, 2019, the unassigned fund balance represented 86.1% of total fund balance.

The fund balance of the City's general fund decreased by \$521,957 during the current fiscal year.

The Fiscal Year 2018-19 General Fund amended budget estimated expenditures and other financing uses to exceed revenues and other financing sources (decrease of fund balance) by \$1,720,766. The General Fund actual expenditures and other financing uses exceeded revenues and other financing sources by \$521,957 resulting in a decrease in fund balance. Revenues were slightly lower than expected due to a decrease in court revenues and miscellaneous income. The approximate \$1.3 million variance between the projected expenditures and actual expenditures is to be rolled over into fiscal year 2019/2020 for capital expenditures that were not completed during the fiscal year.

CITY OF NOVI, MICHIGAN

Management's Discussion and Analysis

The major street special revenue fund has a restricted fund balance of \$963,381 at year-end. The fund is used to account for the construction and maintenance needs of the City's major streets and sidewalks. The fund experienced a decrease of \$837,228 in fund balance in the current year. This decrease is a result of a transfer from the municipal street fund of \$2 million was originally budgeted to help fund various projects within the major street fund. As of June 30, 2019, the major street fund did not need the cash flow nor the additional revenue due to several projects being rolled over into fiscal year 2020. The ending fund balance is within current fund balance policies.

The local street special revenue fund has a restricted fund balance of \$599,570 at year-end. The fund is used to account for the construction and maintenance needs of the City's local streets and sidewalks. The fund experienced an increase of \$57,386 in fund balance in the current year. The local street fund's amended budget estimated the fund would increase fund balance by \$52,112 and the fund's actual increase was \$57,386. The fund was in line with its projected revenues and expenses for the fiscal year end.

The capital improvement program capital project fund was created to account for the collection and corresponding expenditures related to the August 2016 voter-approved CIP millage (1 mill), which was levied beginning July 1, 2017. This fund has a deficit fund balance of \$6,701,765 at year-end. The fund balance decreased from prior year in the amount of \$8,823,730 as construction continued. The current fiscal year includes budgets for expansion of the Department of Public Works building, Lakeshore Park improvements, Villa Park parking lot, ITC trail, Bosco Property improvements, Pavilion Shore parking lot, gun range addition, boardwalks repairs and replacement and ladder truck purchase with a total budget of approximately \$30,448,000. As of June 30, 2019, approximately \$3 million of the budgeted \$17 million of interfund borrowings had been needed to advance fund the above construction projects and has paid \$7,250 of interest on the borrowing.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the water and sewer fund at the end of the year amounted to \$191,142,162. Of this amount, \$120,998,669 represents the net investment in capital assets and \$70,143,493 represents unrestricted net position. The fund had an increase in total net position for the year of \$3,173,518. This increase is consistent with prior years as the City estimates revenues over expenses each year of approximately \$3-4 million to add net position to assist with future capital needs.

Total net position of the ice arena fund at the end of the year amounted to \$5,292,065. Of this amount, \$2,748,007 represents the net investment in capital assets and \$2,544,058 represents unrestricted net position. The fund had an increase in total net position for the year of \$435,607. The increase is consistent with prior years as the City utilizes excess net position to fund future capital needs.

Total net position of the senior housing fund at the end of the year amounted to \$5,157,730. Of this amount, \$3,821,871 represents the net investment in capital assets and \$1,335,859 represents unrestricted net position. The fund had an increase in total net position for the year of \$752,923. The increase is consistent with prior years as the City utilizes excess net position to fund future capital needs.

CITY OF NOVI, MICHIGAN

Management's Discussion and Analysis

General Fund Budgetary Highlights

The general fund ended the year with revenues of \$34,665,246, compared to the final budget amount of \$34,794,359. Additionally, expenditures and transfers out at year-end totaled \$35,242,582, compared to the final budget amount of \$36,575,125. Significant factors affecting changes from original to final budgeted figures and differences between the final budget and actual amounts were due to the following:

- Court fees and fines - This revenue was approximately \$65,000 less than the prior year and current year's final amended budget. Court fees are generated from the number of traffic tickets issued which can vary from year to year.
- Miscellaneous income - This revenue was approximately \$49,000 less than the prior year and less than anticipated. The account is a catch all for revenues that do not fit into any other classification. Examples of revenues recorded as miscellaneous are; assessing photo copy fees, election reimbursement and Pcard rebate revenue. The revenue in this account varies from year to year. The budget was originally set based on revenues from the previous year. Per review of the prior year activity compared to the current year, there were no significant cash receipts received in the prior year that the City did not receive in the current year.
- The favorable expenditure variance is made up of capital rollovers into next fiscal year. Capital expenditure rollovers total approximately \$1.3 million of the favorable variance and represents contracts/commitments the City has entered into that were not completed as of June 30, 2019 and will require a budget rollover amendment for the FY 2019/2020 fiscal year.
- The total current year expenditures stated above also includes an additional pension contribution of \$250,000 over and above the actuarial required annual contribution. In an effort to increase the City's total pension funding level, the Finance Department reviewed each department's budget for favorable year-end variances (savings) and \$250,000 was identified from the General Fund. Additional funds were identified in the Park and Recreation (\$10,000), Library (\$40,000) and Water and Sewer Funds (\$10,000). The City's combined additional pension contribution for fiscal year 2019 was \$310,000.
- Overall, total expenditures and transfers out of the General Fund increased from the June 30, 2018 total of \$33,525,014 by approximately \$1,718,000 or 5.1%. The primary reasons for the increase are an increase in capital outlay expenditures as well as a 1.5% increase in personnel costs. The overall makeup of the expenditures remains consistent with last year where personnel services costs (salaries and fringe benefits) make up more than 75% of the total expenditures.

CITY OF NOVI, MICHIGAN

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$309,934,152 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, roads, nonmotorized pathway improvements, bridges, drains, buildings and improvements, machinery and equipment, land improvements, library books, and water and sewer distribution systems. Net capital assets for governmental activities increased by 12.4%, and for business-type activities decreased by 0.5%.

	Capital Assets (Net of Depreciation)					
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 32,878,399	\$ 31,618,061	\$ 2,272,256	\$ 2,272,256	\$ 35,150,655	\$ 33,890,317
Construction in progress	21,104,221	3,905,901	2,608,301	698,265	23,712,522	4,604,166
Roads	65,073,952	65,651,546	-	-	65,073,952	65,651,546
Nonmotorized pathway improvements	7,953,404	7,857,701	-	-	7,953,404	7,857,701
Bridges	842,484	1,063,519	-	-	842,484	1,063,519
Drains	7,840,571	7,058,544	-	-	7,840,571	7,058,544
Buildings and Improvements	26,909,864	27,565,430	17,006,453	17,797,018	43,916,317	45,362,448
Machinery and equipment	5,799,674	5,257,037	1,034,646	829,269	6,834,320	6,086,306
Land improvements	2,427,584	1,847,819	1,119,294	1,180,953	3,546,878	3,028,772
Library books	2,585,452	2,485,105	-	-	2,585,452	2,485,105
Water and sewer distribution systems	-	-	112,477,597	114,486,790	112,477,597	114,486,790
Total	\$ 173,415,605	\$ 154,310,663	\$ 136,518,547	\$ 137,264,551	\$ 309,934,152	\$ 291,575,214

Major capital asset events during the current fiscal year included:

- Bosco land acquisition and improvements
- ITC Trail improvements
- Department of Public Works building
- Gun Range improvements
- Fire ladder truck
- Nine Mile Sanitary Relief Sewer
- Grand River and Jo Drive Sanitary Sewer
- Taft Road rehabilitation
- 13 Mile road rehabilitation

Additional information on the City's capital assets can be found in Note 7 to the financial statements.

CITY OF NOVI, MICHIGAN

Management's Discussion and Analysis

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$18,630,000. Of this amount, \$9,680,000 is comprised of debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources.

	General Obligation and Revenue Bonds					
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 9,680,000	\$ 10,645,000	\$ -	\$ -	\$ 9,680,000	\$ 10,645,000
Special assessment bonds	-	-	8,950,000	10,330,000	8,950,000	10,330,000
Unamortized premium	896,211	1,024,241	-	-	896,211	1,024,241
Compensated absences	2,288,506	1,973,686	74,725	72,876	2,363,231	2,046,562
Total	\$ 12,864,717	\$ 13,642,927	\$ 9,024,725	\$ 10,402,876	\$ 21,889,442	\$ 24,045,803

The City's total bonded debt decreased by \$2,345,000 (11.2 percent) during the current fiscal year as a result of scheduled debt payments.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The City's current outstanding general obligation debt is substantially below the current debt limit of \$442,986,385.

Additional information on the City's long-term debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The budget plan, as originally approved in the fiscal year 2019-2020 budget, has General Fund revenues exceeding annual expenditures by \$248,785.

The 2020 fiscal year approved tax millage rate remained at 10.5376 from fiscal year 2019. Novi voters approved a 10-year capital improvement 1.0 mill in August 2016 which was levied for the first time during the 2017/2018 fiscal year. The total general fund tax revenue is expected to increase \$935,000 or 4% from fiscal year 2019.

The City continues to place an importance on its infrastructure in fiscal year 2020. The General Fund budget includes \$1.7 million for building upgrades as well as vehicle and equipment replacement. The three street funds plan to spend \$9 million on roads, intersections, signals, sidewalks and pathway projects throughout the City. The Parks, Recreation, and Cultural Services Fund has \$718,000 budgeted for Ella Mae Power Park field lighting, play structure replacements at Tim Pope Park and Ella Mae Power Park South.

Requests for Information

This financial report is designed to provide a general overview of the City of Novi, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the finance department, City of Novi, 45175 Ten Mile Road, Novi, MI 48375. You may also visit our website at www.cityofnovi.org or contact the finance department directly at 248-347-0465.

BASIC FINANCIAL STATEMENTS

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CITY OF NOVI, MICHIGAN

Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 3,510,967	\$ 3,870,397	\$ 7,381,364	\$ 11,910
Investments	45,287,805	66,826,988	112,114,793	-
Receivables	3,279,093	6,317,527	9,596,620	-
Internal balances	(3,000,000)	3,000,000	-	-
Other assets	356,787	39,804	396,591	35,000
Capital assets not being depreciated	53,982,620	4,880,557	58,863,177	-
Capital assets being depreciated, net	119,432,985	131,637,990	251,070,975	-
Net other postemployment benefit asset	1,250,336	38,670	1,289,006	-
Total assets	224,100,593	216,611,933	440,712,526	46,910
Deferred outflows of resources				
Deferred charge on refunding	627,972	-	627,972	-
Deferred pension amounts	4,927,101	205,296	5,132,397	-
Deferred other postemployment benefit amounts	1,187,006	36,712	1,223,718	-
Total deferred outflows of resources	6,742,079	242,008	6,984,087	-
Liabilities				
Accounts payable and accrued liabilities	14,729,306	4,228,424	18,957,730	-
Refundable deposits	125,565	210,313	335,878	-
Unearned revenue	251,064	70,289	321,353	-
Long-term debt:				
Due within one year	2,973,835	1,454,725	4,428,560	-
Due in more than one year	9,890,882	7,570,000	17,460,882	-
Other liabilities due in more than one year - Net pension liability	38,024,504	1,584,354	39,608,858	-
Total liabilities	65,995,156	15,118,105	81,113,261	-
Deferred inflows of resources				
Deferred pension amounts	1,074,804	44,783	1,119,587	-
Deferred other postemployment benefit amounts	3,204,111	99,096	3,303,207	-
Total deferred inflows of resources	4,278,915	143,879	4,422,794	-
Net position				
Net investment in capital assets	163,467,366	127,568,547	291,035,913	-
Restricted for:				
Roads	8,418,252	-	8,418,252	-
Public safety	426,383	-	426,383	-
Community	2,282	-	2,282	-
Debt service	71,031	-	71,031	-
Infrastructure improvements	4,103,390	-	4,103,390	-
Parks, recreation, and cultural services	1,088,908	-	1,088,908	-
Library	3,777,340	-	3,777,340	-
Stormwater systems	6,784,663	-	6,784,663	-
Tree replacement and maintenance	4,309,283	-	4,309,283	-
Street lighting improvement	58,162	-	58,162	-
PEG access support fees	849,907	-	849,907	-
Unrestricted (deficit)	(32,788,366)	74,023,410	41,235,044	46,910
Total net position	\$ 160,568,601	\$ 201,591,957	\$ 362,160,558	\$ 46,910

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 9,773,538	\$ 4,127,393	\$ 456,882	\$ -	\$ (5,189,263)
Public safety	21,159,849	948,648	294,938	-	(19,916,263)
Public works	19,254,786	2,436,551	7,644,136	1,318,020	(7,856,079)
Community and economic development	2,994,733	362,344	66,103	-	(2,566,286)
Recreation and culture	5,926,881	1,498,614	484,925	1,000	(3,942,342)
Interest and fiscal charges	340,183	-	-	-	(340,183)
Total governmental activities	59,449,970	9,373,550	8,946,984	1,319,020	(39,810,416)
Business-type activities:					
Water and sewer	25,278,115	23,725,843	190,521	4,835,047	3,473,296
Ice Arena	1,682,737	2,021,295	-	-	338,558
Senior Housing	1,366,882	2,084,754	-	-	717,872
Total business-type activities	28,327,734	27,831,892	190,521	4,835,047	4,529,726
Total primary government	\$ 87,777,704	\$ 37,205,442	\$ 9,137,505	\$ 6,154,067	\$ (35,280,690)
Component unit					
Economic Development Corporation	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

CITY OF NOVI, MICHIGAN

Statement of Activities
For the Year Ended June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Change in net position				
Net (expense) revenue	\$ (39,810,416)	\$ 4,529,726	\$ (35,280,690)	\$ -
General revenues:				
Property taxes	38,636,830	-	38,636,830	-
State shared revenues	5,658,307	-	5,658,307	-
Investment income	1,468,783	2,220,521	3,689,304	3
Other	266,640	33,061	299,701	-
Gain on sale of capital assets	114,911	-	114,911	-
Transfers	2,421,260	(2,421,260)	-	-
Total general revenues	48,566,731	(167,678)	48,399,053	3
Change in net position	8,756,315	4,362,048	13,118,363	3
Net position, beginning of year, as restated	151,812,286	197,229,909	349,042,195	46,907
Net position, end of year	\$ 160,568,601	\$ 201,591,957	\$ 362,160,558	\$ 46,910

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Balance Sheet

Governmental Funds
June 30, 2019

	General Fund	Major Street Fund	Local Street Fund	Capital Improvement Program
Assets				
Cash and cash equivalents	\$ -	\$ 259,829	\$ 262,432	\$ 1,878,797
Investments	12,504,211	1,838,586	2,540,488	-
Receivables:				
Accrued interest	446,034	-	-	-
Other	386,396	-	-	-
Due from other governments	864,288	717,687	253,412	-
Advances to other governments	-	-	-	-
Prepaid items and other assets	242,421	-	-	10,000
Total assets	\$ 14,443,350	\$ 2,816,102	\$ 3,056,332	\$ 1,888,797
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ 297,862	\$ -	\$ -	\$ -
Accounts payable	1,190,815	1,852,721	2,211,865	5,585,562
Accrued salaries and wages	1,202,369	-	-	-
Other accrued liabilities	322,692	-	-	5,000
Refundable deposits	119,710	-	-	-
Unearned revenue	6,167	-	244,897	-
Advances from other funds	-	-	-	3,000,000
Total liabilities	3,139,615	1,852,721	2,456,762	8,590,562
Deferred inflows of resources				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - other	6,626	-	-	-
Total deferred inflows of resources	6,626	-	-	-
Fund balances				
Nonspendable for prepaids	242,421	-	-	10,000
Nonspendable for advances to other governments	-	-	-	-
Restricted:				
Roads	-	963,381	599,570	-
Public safety	19,440	-	-	-
Community	2,282	-	-	-
Debt service	-	-	-	-
Infrastructure improvements	-	-	-	-
Parks, recreation, and cultural services	-	-	-	-
Library	-	-	-	-
Stormwater systems	-	-	-	-
Tree replacement and maintenance	-	-	-	-
Street lighting improvement	-	-	-	-
PEG access support fees	-	-	-	-
Assigned - subsequent year's budget	1,310,001	-	-	-
Unassigned (deficit)	9,722,965	-	-	(6,711,765)
Total fund balances	11,297,109	963,381	599,570	(6,701,765)
Total liabilities, deferred inflows of resources and fund balances	\$ 14,443,350	\$ 2,816,102	\$ 3,056,332	\$ 1,888,797

The accompanying notes are an integral part of these basic financial statements.



Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,407,771	\$ 3,808,829
28,404,520	45,287,805
-	446,034
178,943	565,339
51,074	1,886,461
381,259	381,259
104,366	356,787
<u>\$ 30,527,933</u>	<u>\$ 52,732,514</u>

\$ -	297,862
1,495,159	12,336,122
128,437	1,330,806
493,973	821,665
5,855	125,565
-	251,064
-	3,000,000
<u>2,123,424</u>	<u>18,163,084</u>

51,074	51,074
6,305	12,931
<u>57,379</u>	<u>64,005</u>

104,366	356,787
381,259	381,259
6,374,042	7,936,993
406,943	426,383
-	2,282
163,849	163,849
4,103,390	4,103,390
1,085,915	1,085,915
3,776,425	3,776,425
6,784,663	6,784,663
4,309,283	4,309,283
58,162	58,162
849,907	849,907
-	1,310,001
(51,074)	2,960,126
<u>28,347,130</u>	<u>34,505,425</u>

<u>\$ 30,527,933</u>	<u>\$ 52,732,514</u>
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CITY OF NOVI, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2019

Fund balances - total governmental funds	\$ 34,505,425
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund financial statements.	
Capital assets not being depreciated	53,982,620
Capital assets being depreciated, net	119,432,985
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.	
Unavailable long-term special assessments, grants, and other receivables	64,005
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Accrued interest on long-term debt	(93,276)
Bonds payable	(9,680,000)
Unamortized bond premium	(896,211)
Accrued compensated absences	(2,288,506)
Unamortized deferred charge on refunding	627,972
Claims and judgments	(147,437)
Certain pension and postemployment-related amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(38,024,504)
Deferred outflows related to the net pension liability	4,927,101
Deferred inflows related to the net pension liability	(1,074,804)
Net other postemployment benefit asset	1,250,336
Deferred outflows related to the net other postemployment benefit asset	1,187,006
Deferred inflows related to the net other postemployment benefit asset	(3,204,111)
Net position of governmental activities	<u>\$ 160,568,601</u>

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2019

	General Fund	Major Street Fund	Local Street Fund	Capital Improvement Program
Revenues				
Property taxes	\$ 22,941,100	\$ -	\$ -	\$ 3,543,185
Special assessments	-	-	-	-
Licenses, permits, and charges for services	4,524,898	-	-	-
Intergovernmental:				
Federal grants	71,879	-	-	-
State-shared revenue and grants	4,990,895	4,608,574	1,626,858	-
Other grants	-	-	-	-
Fines and forfeitures	450,056	-	-	-
Investment income	1,049,415	94,094	15,752	57,536
Other:				
Tap-in fees	-	-	-	-
Local donations	2,350	-	-	-
Recreational programs	-	-	-	-
Miscellaneous	634,653	-	-	-
Total revenues	34,665,246	4,702,668	1,642,610	3,600,721
Expenditures				
Current:				
General government	9,285,069	-	-	14,333
Public safety	19,509,058	-	-	2,678,106
Public works	3,777,639	3,692,896	5,585,224	8,867,748
Community and economic development	2,554,543	-	-	-
Recreation and culture	54,258	-	-	4,125,119
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	7,250
Total expenditures	35,180,567	3,692,896	5,585,224	15,692,556
Revenues over (under) expenditures	(515,321)	1,009,772	(3,942,614)	(12,091,835)
Other financing sources (uses)				
Proceeds from sale of capital assets	29,899	-	-	-
Insurance recovery	25,480	-	-	-
Transfers in	-	203,000	4,000,000	3,268,105
Transfers out	(62,015)	(2,050,000)	-	-
Total other financing sources (uses)	(6,636)	(1,847,000)	4,000,000	3,268,105
Net change in fund balances	(521,957)	(837,228)	57,386	(8,823,730)
Fund balances, beginning of year	11,819,066	1,800,609	542,184	2,121,965
Fund balances (deficit), end of year	\$ 11,297,109	\$ 963,381	\$ 599,570	\$ (6,701,765)

The accompanying notes are an integral part of these basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 12,152,545	\$ 38,636,830
48,861	48,861
2,883,921	7,408,819
42,656	114,535
592,827	11,819,154
115,018	115,018
370,714	820,770
1,046,212	2,263,009
4,623	4,623
85,125	87,475
1,509,334	1,509,334
1,301,825	1,936,478
<u>20,153,661</u>	<u>64,764,906</u>
-	9,299,402
458,213	22,645,377
9,308,237	31,231,744
388,191	2,942,734
6,028,462	10,207,839
965,000	965,000
391,042	398,292
<u>17,539,145</u>	<u>77,690,388</u>
<u>2,614,516</u>	<u>(12,925,482)</u>
85,012	114,911
61,558	87,038
3,326,015	10,797,120
(6,263,845)	(8,375,860)
<u>(2,791,260)</u>	<u>2,623,209</u>
(176,744)	(10,302,273)
<u>28,523,874</u>	<u>44,807,698</u>
<u>\$ 28,347,130</u>	<u>\$ 34,505,425</u>

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CITY OF NOVI, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ (10,302,273)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased / constructed	28,239,950
Donated capital assets	916,851
Depreciation expense	(10,051,859)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Net change in special assessments receivable	(12,294)
Net change in accrued interest on long-term special assessments receivable	(738)
Net change in deferred inflows for grants receivable	1,389

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term liabilities	965,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of deferred charge on refunding and change in accrued interest payable on long-term debt	58,109
Change in net pension liability and related deferred amounts	(1,236,097)
Change in net other postemployment benefit asset and related deferred amounts	355,296
Change in the accrual for compensated absences	(314,820)
Change in the claims and judgments liability	137,801

Change in net position of governmental activities \$ 8,756,315

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Current property taxes	\$ 23,212,452	\$ 22,780,253	\$ 22,776,764	\$ (3,489)
Trailer fees	9,500	11,239	11,233	(6)
Penalties and interest	175,000	153,103	153,103	-
Licenses, permits, and charges for services	4,698,653	4,557,653	4,524,898	(32,755)
Intergovernmental:				
Federal grants	60,000	66,000	71,879	5,879
State grants	4,782,575	4,978,496	4,990,895	12,399
Fines and forfeitures	535,000	515,000	450,056	(64,944)
Investment income	559,826	1,051,645	1,049,415	(2,230)
Donations	1,500	3,100	2,350	(750)
Other	700,870	677,870	634,653	(43,217)
Total revenues	34,735,376	34,794,359	34,665,246	(129,113)
Expenditures				
Current:				
General government:				
City council	43,613	48,613	46,815	(1,798)
City manager	684,257	682,554	647,112	(35,442)
Finance	1,062,753	972,552	960,130	(12,422)
Treasury	366,705	340,642	331,059	(9,583)
Integrated solutions	1,140,342	1,198,584	1,168,737	(29,847)
Assessing	842,661	796,042	788,255	(7,787)
City attorney, insurance, and claims	807,428	767,428	747,932	(19,496)
City clerk	783,006	887,536	884,283	(3,253)
Facility management	906,441	1,024,889	1,004,091	(20,798)
Park maintenance	1,026,348	1,537,548	1,389,177	(148,371)
Human resources	492,757	505,697	498,429	(7,268)
Community relations	713,846	737,662	721,963	(15,699)
Economic development	268,559	162,090	97,086	(65,004)
Total general government	9,138,716	9,661,837	9,285,069	(376,768)
Public safety:				
Police	13,157,808	13,427,770	13,286,226	(141,544)
Fire	6,176,928	6,610,536	6,222,832	(387,704)
Total public safety	19,334,736	20,038,306	19,509,058	(529,248)
Public works:				
Administration	471,440	467,222	460,651	(6,571)
Engineering	570,479	526,195	516,477	(9,718)
Field operations	1,549,582	2,055,695	1,953,062	(102,633)
Fleet asset	839,947	1,001,159	847,449	(153,710)
Total public works	3,431,448	4,050,271	3,777,639	(272,632)

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CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded):				
Current (concluded):				
Community and economic development:				
Building	2,006,779	2,012,815	1,963,524	(49,291)
Planning	585,138	646,137	591,019	(55,118)
Total community and economic development	<u>2,591,917</u>	<u>2,658,952</u>	<u>2,554,543</u>	<u>(104,409)</u>
Recreation and culture:				
Youth assistance	53,759	53,759	49,250	(4,509)
Historical commission	8,000	14,000	5,008	(8,992)
Total recreation and culture	<u>61,759</u>	<u>67,759</u>	<u>54,258</u>	<u>(13,501)</u>
Total expenditures	<u>34,558,576</u>	<u>36,477,125</u>	<u>35,180,567</u>	<u>(1,296,558)</u>
Revenues over (under) expenditures	<u>176,800</u>	<u>(1,682,766)</u>	<u>(515,321)</u>	<u>1,167,445</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	30,000	29,899	101
Insurance recovery	30,000	30,000	25,480	4,520
Transfers out	(256,800)	(98,000)	(62,015)	(35,985)
Total other financing sources (uses)	<u>(226,800)</u>	<u>(38,000)</u>	<u>(6,636)</u>	<u>(31,364)</u>
Net change in fund balance	(50,000)	(1,720,766)	(521,957)	1,198,809
Fund balance, beginning of year	<u>11,819,066</u>	<u>11,819,066</u>	<u>11,819,066</u>	-
Fund balance, end of year	<u>\$ 11,769,066</u>	<u>\$ 10,098,300</u>	<u>\$ 11,297,109</u>	<u>\$ 1,198,809</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Major Street Special Revenue Fund

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - state shared:				
Gas and weight tax	\$ 4,037,014	\$ 4,115,000	\$ 4,123,583	\$ 8,583
State grants	-	485,000	484,991	(9)
Investment income	6,660	31,660	94,094	62,434
Total revenues	4,043,674	4,631,660	4,702,668	71,008
Expenditures				
Current -				
Public works	3,043,674	5,388,614	3,692,896	(1,695,718)
Revenues over (under) expenditures	1,000,000	(756,954)	1,009,772	1,766,726
Other financing sources (uses)				
Transfers in	-	2,000,000	203,000	(1,797,000)
Transfers out	(1,000,000)	(2,400,000)	(2,050,000)	(350,000)
Total other financing sources (uses)	(1,000,000)	(400,000)	(1,847,000)	(1,447,000)
Net change in fund balance	-	(1,156,954)	(837,228)	319,726
Fund balance, beginning of year	1,800,609	1,800,609	1,800,609	-
Fund balance, end of year	\$ 1,800,609	\$ 643,655	\$ 963,381	\$ 319,726

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Local Street Special Revenue Fund For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - state shared:				
Gas and weight tax	\$ 1,404,856	\$ 1,300,000	\$ 1,456,456	\$ 156,456
State grants	-	170,403	170,402	(1)
Investment income	4,117	10,654	15,752	5,098
Total revenues	1,408,973	1,481,057	1,642,610	161,553
Expenditures				
Current -				
Public works	6,030,973	6,580,601	5,585,224	(995,377)
Revenues under expenditures	(4,622,000)	(5,099,544)	(3,942,614)	1,156,930
Other financing sources				
Transfers in	4,676,000	5,151,656	4,000,000	(1,151,656)
Net change in fund balance	54,000	52,112	57,386	5,274
Fund balance, beginning of year	542,184	542,184	542,184	-
Fund balance, end of year	\$ 596,184	\$ 594,296	\$ 599,570	\$ 5,274

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Net Position
 Proprietary Funds
 June 30, 2019

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Ice Arena	Senior Housing	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,490,279	\$ 243,709	\$ 136,409	\$ 3,870,397
Investments	62,986,799	2,326,269	1,513,920	66,826,988
Receivables:				
Taxes	208,677	-	-	208,677
Special assessments	947,820	-	-	947,820
Water and sewer billing	5,077,797	-	-	5,077,797
Other	-	80,568	2,665	83,233
Inventory	33,452	2,076	-	35,528
Prepaid items and other assets	-	2,266	2,010	4,276
Total current assets	72,744,824	2,654,888	1,655,004	77,054,716
Noncurrent assets:				
Advances to other funds	3,000,000	-	-	3,000,000
Capital assets not being depreciated	2,765,359	409,701	1,705,497	4,880,557
Capital assets being depreciated, net	118,233,310	4,833,306	8,571,374	131,637,990
Net other postemployment benefit asset	38,670	-	-	38,670
Total noncurrent assets	124,037,339	5,243,007	10,276,871	139,557,217
Total assets	196,782,163	7,897,895	11,931,875	216,611,933
Deferred outflows of resources				
Deferred pension amounts	205,296	-	-	205,296
Deferred other postemployment benefit amounts	36,712	-	-	36,712
Total deferred outflows of resources	242,008	-	-	242,008
Liabilities				
Current liabilities:				
Accounts payable	3,611,496	56,991	14,177	3,682,664
Accrued salaries and wages	41,073	3,206	12,021	56,300
Other accrued liabilities	359,140	5,190	125,130	489,460
Refundable deposits	-	45,443	164,870	210,313
Unearned revenue	67,342	-	2,947	70,289
Current portion of long-term debt	74,725	500,000	880,000	1,454,725
Total current liabilities	4,153,776	610,830	1,199,145	5,963,751
Noncurrent liabilities:				
Long-term debt, net of current portion	-	1,995,000	5,575,000	7,570,000
Net pension liability	1,584,354	-	-	1,584,354
Total noncurrent liabilities	1,584,354	1,995,000	5,575,000	9,154,354
Total liabilities	5,738,130	2,605,830	6,774,145	15,118,105
Deferred inflows of resources				
Deferred pension amounts	44,783	-	-	44,783
Deferred other postemployment benefit amounts	99,096	-	-	99,096
Total deferred inflows of resources	143,879	-	-	143,879
Net position				
Net investment in capital assets	120,998,669	2,748,007	3,821,871	127,568,547
Unrestricted	70,143,493	2,544,058	1,335,859	74,023,410
Total net position	\$ 191,142,162	\$ 5,292,065	\$ 5,157,730	\$ 201,591,957

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Ice Arena	Senior Housing	Total
Operating revenues				
Charges for services:				
Sale of water	\$ 11,654,696	\$ -	\$ -	\$ 11,654,696
Sewage disposal charges	11,696,412	-	-	11,696,412
Concession sales	-	94,063	-	94,063
Installation fees	360,785	-	-	360,785
Rentals and other	13,950	1,927,232	2,084,754	4,025,936
Fines and forfeitures	190,521	-	-	190,521
Other	13,719	18,002	1,340	33,061
Total operating revenues	23,930,083	2,039,297	2,086,094	28,055,474
Operating expenses				
Water	9,096,766	-	-	9,096,766
Sewage treatment	8,812,028	-	-	8,812,028
Maintenance and operation	1,446,729	664,314	367,265	2,478,308
Depreciation	4,124,368	305,863	452,445	4,882,676
Salaries and fringes	1,424,153	-	-	1,424,153
Professional services	-	641,900	394,257	1,036,157
Supplies and other	374,071	-	-	374,071
Total operating expenses	25,278,115	1,612,077	1,213,967	28,104,159
Operating income (loss)	(1,348,032)	427,220	872,127	(48,685)
Nonoperating revenues (expenses)				
Interest income	2,107,763	79,047	33,711	2,220,521
Interest and fiscal charges	-	(70,660)	(152,915)	(223,575)
Total nonoperating revenues (expenses)	2,107,763	8,387	(119,204)	1,996,946
Income before capital contributions and transfers	759,731	435,607	752,923	1,948,261
Capital contributions				
Lines donated by developers and others	1,820,021	-	-	1,820,021
Customer assessments - tap fees	3,015,026	-	-	3,015,026
Total capital contributions	4,835,047	-	-	4,835,047
Transfers out	(2,421,260)	-	-	(2,421,260)
Change in net position	3,173,518	435,607	752,923	4,362,048
Net position, beginning of year, as restated	187,968,644	4,856,458	4,404,807	197,229,909
Net position, end of year	\$ 191,142,162	\$ 5,292,065	\$ 5,157,730	\$ 201,591,957

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Ice Arena	Senior Housing	Total
Cash flows from operating activities				
Cash received from customers	\$ 22,011,909	\$ 2,022,847	\$ 2,082,358	\$ 26,117,114
Cash payments for goods and services	(21,120,377)	(1,292,238)	(767,130)	(23,179,745)
Cash payments to employees	(1,410,404)	-	-	(1,410,404)
Net cash provided by (used in) operating activities	(518,872)	730,609	1,315,228	1,526,965
Cash flows from noncapital financing activities				
Transfers out	(2,421,260)	-	-	(2,421,260)
Cash flows from capital and related financing activities				
Acquisition/construction of capital assets	(2,270,989)	(34,380)	(11,282)	(2,316,651)
Principal paid on long-term debt	-	(490,000)	(890,000)	(1,380,000)
Interest paid on long-term debt	-	(70,660)	(152,915)	(223,575)
Purchase of securities	(141,578)	(323,462)	(289,192)	(754,232)
Customer assessments - tap fees	3,015,026	-	-	3,015,026
Net cash provided by (used in) capital and related financing activities	602,459	(918,502)	(1,343,389)	(1,659,432)
Cash flows from investing activities				
Interest and dividends received	2,107,763	79,047	33,711	2,220,521
Net change in cash and investments	(229,910)	(108,846)	5,550	(333,206)
Cash and investments, beginning of year	3,720,189	352,555	130,859	4,203,603
Cash and investments, end of year	\$ 3,490,279	\$ 243,709	\$ 136,409	\$ 3,870,397

continued...

CITY OF NOVI, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Ice Arena	Senior Housing	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,348,032)	\$ 427,220	\$ 872,127	(48,685)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	4,124,368	305,863	452,445	4,882,676
Change in assets and liabilities:				
Receivables:				
Taxes	144,588	-	-	144,588
Special assessments	76,286	-	-	76,286
Water and sewer billing	756,894	-	-	756,894
Other	-	(16,501)	(2,665)	(19,166)
Inventory	36,716	51	-	36,767
Prepaid items and other assets	83	(188)	(2,010)	(2,115)
Advances to other funds	(3,000,000)	-	-	(3,000,000)
Net other postemployment benefit asset	(7,362)	-	-	(7,362)
Deferred outflows of resources - pension amounts	(151,068)	-	-	(151,068)
Deferred outflows of resources - other postemployment benefit amounts	25,682	-	-	25,682
Accounts payable	(347,312)	27,907	4,024	(315,381)
Accrued salaries and wages	(43,012)	-	-	(43,012)
Other accrued liabilities	(1,034,554)	(955)	(9,467)	(1,044,976)
Refundable deposits	(9,000)	(12,788)	1,845	(19,943)
Unearned revenue	67,342	-	(1,071)	66,271
Compensated absences	1,849	-	-	1,849
Net pension liability	194,717	-	-	194,717
Deferred inflows of resources - pension amounts	(14,842)	-	-	(14,842)
Deferred inflows of resources - other postemployment benefit amounts	7,785	-	-	7,785
Net cash provided by (used in) operating activities	\$ (518,872)	\$ 730,609	\$ 1,315,228	\$ 1,526,965

Noncash item: During the year ended June 30, 2019, developers and others constructed water and sewer lines with an estimated value of \$1,820,021 and donated them to the City's water and sewer enterprise fund.

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Fiduciary Net Position

June 30, 2019

	Postemployment Benefits - Retiree Health Care Benefits Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 450,559	\$ 44,556
Investments, at fair value:		
U.S. government securities	3,615,730	-
U.S. agency securities	1,098,259	-
Corporate bonds	648,003	-
Equities	17,426,397	-
Mutual funds	1,745,684	-
MERS Retiree Healthcare Funding Vehicle	5,847,339	-
Uncategorized	-	8,226,948
Total assets	<u>30,831,971</u>	<u>\$ 8,271,504</u>
Liabilities		
Accounts payable	-	\$ 434,187
Due to other governments	-	179,465
Refundable deposits	-	7,657,852
Total liabilities	<u>-</u>	<u>\$ 8,271,504</u>
Net position		
Restricted for other postemployment benefits	<u>\$ 30,831,971</u>	

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2019

	Postemployment Benefits - Retiree Health Care Benefits Trust Fund
Additions	
Contributions - Employer	\$ 363,994
Investment income:	
Net change in fair value of investments	1,753,395
Interest	470,889
Net investment income	2,224,284
Total additions	2,588,278
Deductions	
Healthcare insurance premiums	995,230
Administrative expense	293,629
Total deductions	1,288,859
Change in net position	1,299,419
Net position, beginning of year	29,532,552
Net position, end of year	\$ 30,831,971

The accompanying notes are an integral part of these basic financial statements.

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NOTES TO FINANCIAL STATEMENTS

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Novi, Michigan (the "City") was incorporated in 1969. In 1909, the City came under the provisions of Act 279, P.A. 1909, as amended ("Home Rule City Act"). The City is governed by an elected seven-member council.

The accounting and reporting policies of the City conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Following is a summary of the significant policies:

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Unit

A blended component unit is a legally separate entity from the City but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and its financial data is combined with data of the appropriate funds. The City's only blended component unit is described as follows:

The City of Novi Building Authority (the "Building Authority") is governed by a commission that is appointed by the City Council. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government. Its sole purpose is to finance the City's ice arena and senior housing projects. Currently, the Building Authority has no debt outstanding and no activity.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City's only discretely presented component unit is described as follows:

The Economic Development Corporation of the City of Novi (the "Corporation") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The Corporation's governing body is selected by the City Council. The City also has the ability to impose its will on the Corporation. The Corporation is reported within the component unit column in the government-wide financial statements. It is reported in a separate column to emphasize that it is legally separate from the City. The Corporation does not issue a separate financial report.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Joint Ventures

The City is a member of the Resource Recovery and Recycling Authority of Southwest Oakland County (the "Authority"). The Authority is incorporated by the cities of Farmington, Farmington Hills, Novi, South Lyon, Southfield, Walled Lake, and Wixom, Michigan and the Charter Township of South Lyon. The City appoints one member to the Authority's governing board, which then approves the annual budget. The Authority receives its operating revenue from member contributions and miscellaneous income. The financial information of the Authority as of June 30, 2019 can be obtained from the Authority's administrative offices at 20000 W. 8 Mile Road, Southfield, Michigan. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a “deferred inflow.” Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *general fund* is the City’s primary operating fund. It accounts for all the financial resources of the primary government, except those accounted for and reported in another fund.

The *major street special revenue fund* is used to account for expenditures associated with the construction and maintenance needs of the major street portion (as defined by State Act 51) of the City’s street network. Of the 191.12 total centerline miles that make up the City of Novi road network, the City has 43.5 centerline miles of major streets. Financing is primarily provided by the City’s share of state gas and weight taxes.

The *local street special revenue fund* is used to account for expenditures associated with the construction and maintenance needs of the major street portion (as defined by State Act 51) of the City’s street network. Of the 191.12 total centerline miles that make up the City of Novi road network, the City has 147.62 centerline miles of local streets. Financing is primarily provided by the City’s share of state gas and weight taxes.

The *capital improvement program capital projects fund* is used to account for the collection and corresponding expenditures related to the August 2016 voter approved CIP millage (1 mill) that was levied beginning on July 1, 2017.

The City reports the following major enterprise funds:

The *water and sewer fund* provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.

The *ice arena fund* accounts for the City’s two-sheet arena.

The *senior housing fund* accounts for the 175-unit senior housing project, financed using the building authority approach.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Additionally, the City reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects that comprise, or are expected to comprise a substantial portion of the fund's total reported inflows.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal, interest and related costs.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

Retiree health care plan trust fund accumulates resources for future retiree healthcare payments to retirees.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and/or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They primarily hold deposits from builders and developers and tax remittances due to schools and other governmental units.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Restricted net position represents amounts that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on other postemployment benefits trust fund investments due to changes in fair value are recognized each year.

The City participates in the Oakland County Investment Pool (the "Pool") which is managed by the County Treasurer. In accordance with GASB 79, the Authority's shares are recorded at amortized cost, which approximates fair value. The Pool is not subject to regulatory oversight, is not registered with the SEC (Securities Exchange Commission) and does not issue separate financial statements. The value of the City's position in the Pool is the same as the value of the Pool shares, and includes accrued interest.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

In addition to transactions related to pooled cash, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are included in the "due from other funds" or "due to other funds" accounts on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Inventory and Prepaid Items and Other Assets

All inventories are valued at cost using the first-in/first-out method.

Prepaid items and other assets represent payments made to vendors for goods and services applicable to future fiscal years. Prepaids of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepaid and other asset balances are offset by nonspendable fund balance in governmental funds.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the asset constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Governmental activities:	
Roads	15-25
Non-motorized	15-30
Bridges	20-25
Drains	5-25
Buildings and improvements	15-40
Machinery and equipment	4-10
Land improvements	20-25
Library materials	10
Business-type activities:	
Water and sewer distribution systems	30-50
Buildings and improvements	7-40
Machinery and equipment	4-15
Land improvements	20-25

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows for the charge on refunding. This amount represents the difference in the carrying value of refunded debt to its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefit plans.

Unearned Revenue

Unearned revenue consists of amounts received prior to the delivery of goods/service or expenditure on allowable costs.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the City will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation (the General Fund and Water and Sewer Fund, primarily) are used to liquidate the obligations. The City has discontinued the accrual of sick leave days for administrative employees and Michigan Association of Public Employees (MAPE).

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefit plans. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports *assigned fund balance* for amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The City Council approves fund balance assignments and has not delegated the authority to assign fund balance.

When the City incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned.

The City Council adopted a Fund Balance Reserve Policy in January 2011. As part of the policy, the City Council has agreed to maintain the City's General Fund fund balance to pay for expenditures as a result of unforeseen emergencies or for shortfalls caused by revenue declines. For the General Fund, the reserve will be maintained at an amount that represents approximately 22-25 percent of the proposed budgeted expenditures for the following year. The City's minimum reserve as a percentage of budgeted expenditures is 10-20 percent individually and collectively amongst the three road funds, 12-22 percent for parks and recreational services, and varying reserves for the remaining special revenue funds dependent on the funds' yearly activity and capital needs. The City of Novi, Michigan's reserve policies are based on sound fiscal principles designed to maintain adequate fund balance levels, which are an important component of the City's financial strength. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source and will establish all user charges and fees at a level consistent with the cost of providing such services.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Balances outstanding at year-end are reported as due to/from other funds. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and net other postemployment benefits asset, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Special Assessments

Special assessments, if any, are recorded as revenues in the fund financial statements when due, not when levied. Estimated annual installments not yet available are reflected as deferred inflows of resources in the governmental fund financial statements and as revenues in the government-wide financial statements. Special assessments are billed July 1 and are due and payable August 31 with the rest of the tax levies.

Property Tax Revenue

Property taxes are levied on each July 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2018 property tax revenue was levied and collectible on July 1, 2018 and is recognized as revenue in the year ended June 30, 2019 when the proceeds of the levy are budgeted and available for the financing of operations.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	4.8458	\$ 17,729,100
Police and fire supplemental millage	1.3790	5,045,200
Parks and recreation operations	0.3722	1,361,700
Library operations	0.7451	2,726,000
Street maintenance operations	1.4484	5,299,200
Drains maintenance operations	0.4157	1,520,200
Debt levies for library	0.3471	1,270,000
Capital improvements	0.9706	3,550,600
Economic development	0.0137	50,000
		<u>\$ 38,552,000</u>

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

The City is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the "Uniform Budgeting Act"). The following is a summary of the requirements of this act according to the State Treasurer's Bulletin for Audits of Local Units of Government in Michigan, dated April 1982, as amended by P.A. 493 of 2000:

- Budgets must be adopted for the General Fund and special revenue funds.
- Budgeted expenditures cannot exceed budgeted revenue and fund balance.
- The budgets must be amended when necessary.
- Public hearings must be held before budget adoptions.
- Expenditures cannot exceed budget appropriations.
- Expenditures must be authorized by a budget before being incurred.

The City adopts a formal budget for the General Fund and all special revenue funds. A comparison of the budget with statements of actual revenue and expenditures, including budget variances, for the General Fund and the major special revenue funds are presented as a part of the basic financial statements. A comparison of the budget with statements of actual revenue and expenditures, including budget variances, for the nonmajor governmental funds is presented as other supplemental information.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

The budget is adopted by activity (departmental). Although spending estimates are produced for each line item, budgetary control is exercised at this activity (departmental) level. Expenditures at this level must be approved by the City Council. Expenditures at this level in excess of budget appropriation are a violation of Michigan law.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the third Monday in April, the city manager submits to the City Council a proposed operating budget for the fiscal year commencing on the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to the third Monday in May, the budget is legally enacted through passage of an ordinance.

During the current year, the budgets were approved and amended in a legally permissible manner.

Expenditures in Excess of Appropriations

P.A. 621 of 1978 of the State of Michigan, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body. Budgets are required by State law for general and special revenue funds.

In the body of the financial statements, the City's actual and budgeted expenditures for the budgetary funds have been shown on a categorical level, with the approved budgets of the City of those budgetary funds being adopted at the department level.

During the year ended June 30, 2019, the City did not have any expenditures that were in excess of amounts appropriated.

Deficit Fund Equity

At year end, the City reported unrestricted fund balance deficits in the Capital Project Improvement Capital Projects Fund and the nonmajor Community Development Block Grant Fund of \$6,711,765 and \$51,074, respectively. The deficit in the Capital Improvement Program Capital Projects Fund resulted largely from internal borrowing. In the City's annual capital improvement plan, City Council identified and approved six projects to be funded by this new levy. These projects are significant and difficult to construct over a multi-year period. City Council approved the work to begin immediately on several of the projects which had current year expenditures of \$15,685,306. After reviewing funding options (internal borrowings vs. bond issuance), it was determined that the most beneficial way to handle the financing was to borrow internally using long-term capital reserves from other City funds. Internal borrowing will save the City several hundred thousand dollars of bond issuance costs and the millions in interest costs incurred would stay within the City. The City has filed a preliminary deficit elimination plan ("DEP") with the State of Michigan on July 1, 2019. The deficit in the Community Development Block Grant Fund was equal to the revenues deferred as a result of receivables collected outside of the period of availability.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

State Construction Code Act

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall is as follows:

Shortfall at July 1, 2018	\$ (2,245,115)
Current year building permit revenue	2,202,787
Related costs	<u>(2,200,778)</u>
 Cumulative shortfall at June 30, 2019	 <u><u>\$ (2,243,106)</u></u>

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2019:

	Primary Government	Component Units	Totals
Statement of net position			
Cash and cash equivalents	\$ 7,381,364	\$ 11,910	\$ 7,393,274
Investments	112,114,793	-	112,114,793
Statement of fiduciary net position			
Postemployment benefits -			
Retiree healthcare benefits trust funds:			
Cash and cash equivalents	450,559	-	450,559
Investments	30,381,412	-	30,381,412
Agency funds -			
Cash and cash equivalents	44,556	-	44,556
Investments	<u>8,226,948</u>	<u>-</u>	<u>8,226,948</u>
Total	<u><u>\$ 158,599,632</u></u>	<u><u>\$ 11,910</u></u>	<u><u>\$ 158,611,542</u></u>
Deposits and investments			
Bank deposits:			
Checking / savings accounts			\$ 6,516,113
Certificates of deposit (all due within one year)			15,680,080
Portfolio cash - Retiree Health Care Benefits Trust Fund			363,301
Investments:			
City pool			105,665,881
Retiree Health Care Benefits Trust Fund			30,381,412
Cash on hand			<u>4,755</u>
Total			<u><u>\$ 158,611,542</u></u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits might not be returned. As of June 30, 2019, \$11,448,737 of the City’s bank balance of \$23,018,742 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The City’s investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2019, none of the City’s investments, excluding the money market accounts which are not subject to custodial credit risk.

The City’s investments at fair value, as determined by quoted market price are as follows:

	City	Retiree Health Care Benefits Trust Fund
U.S. government securities	\$ 5,987,290	\$ 3,615,730
U.S. agency securities	24,325,383	1,098,259
Corporate bonds	-	648,003
Municipal bonds	30,477,991	-
Equities	-	17,426,397
Mutual funds	-	1,745,684
Commercial paper	22,312,289	-
MERS Retiree Healthcare Funding Vehicle	-	5,847,339
Bank investment pool - Oakland County	22,562,928	-
Total investments	<u>\$ 105,665,881</u>	<u>\$ 30,381,412</u>

Credit Risk. Statutes and various bond indentures authorized the City to invest in obligations of the U.S. Treasury, governmental agencies and instrumentalities, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services, bankers’ acceptances of U.S. banks, U.S. government or federal agency obligation repurchase agreements, obligations of the State of Michigan or any of its political subdivisions rated as investment grade by not less than one standard rating service, and mutual funds composed of the types of investment vehicles named previously.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

The City's investments were rated as follows:

	City	Retiree Health Care Benefits Trust Fund
Standard & Poor's AAA	\$ -	\$ 74,099
Standard & Poor's AA+	26,674,275	431,856
Standard & Poor's AA	8,245,501	-
Standard & Poor's AA-	6,871,984	52,349
Standard & Poor's A+	1,094,635	-
Standard & Poor's A-	698,378	248,577
Standard & Poor's BBB+	-	272,978
Standard & Poor's A1	13,947,938	-
Standard & Poor's A2	8,364,351	-
Moody's Aaa	1,393,139	-
Moody's Aa	500,585	-
Moody's Aa1	7,437,055	-
Moody's Aa2	998,020	-
Unrated	6,877,092	4,282,133
Not subject to credit risk	22,562,928	25,019,420
	<u>\$ 105,665,881</u>	<u>\$ 30,381,412</u>
Total investments		

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. As of June 30, 2019, maturities of the City's investments were as follows:

	City	Retiree Health Care Benefits Trust Fund
Less than 1 year	\$ 46,510,090	\$ 180,814
1 - 5 years	26,556,095	1,245,143
6 - 10 years	10,036,768	2,484,801
More than 10 years	-	1,451,234
No maturity	22,562,928	25,019,420
	<u>\$ 105,665,881</u>	<u>\$ 30,381,412</u>
Total		

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The State generally limits investments in a single issuer to no more than 5% of the total portfolio assets, with the exception of obligations issued, assumed, or guaranteed by the United States.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

At June 30, 2019, the investment portfolio was concentrated as follows:

Investment Type	Issuer	Percentage of Portfolio	
		City	Retiree Health Care Benefits Trust Fund
MERS Retiree Healthcare Funding Vehicle	MERS	N/A	19.3%
Bank investment pool - Oakland County	Oakland County	18.8%	N/A

Fair Value Measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the investment advisors. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the City's investment manager, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The City had the following recurring fair value measurements as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
U.S. government securities	\$ 9,603,020	\$ -	\$ -	\$ 9,603,020
U.S. agency securities	23,759,389	1,664,253	-	25,423,642
Corporate bonds	-	648,003	-	648,003
Municipal bonds	-	30,477,991	-	30,477,991
Equities	17,112,948	313,449	-	17,426,397
Mutual funds	-	1,745,684	-	1,745,684
Commercial paper	-	22,312,289	-	22,312,289
MERS Retiree Healthcare Funding Vehicle	5,847,339	-	-	5,847,339
Bank investment pool - Oakland County	22,562,928	-	-	22,562,928
	<u>\$ 78,885,624</u>	<u>\$ 57,161,669</u>	<u>\$ -</u>	<u>\$ 136,047,293</u>

The fair value of the City's Level 1 investments is based on quotes from publicly traded securities markets, where available. The fair value of the City's Level 2 investments is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for these investments may differ significantly from the values that would have been used had a publicly traded market existed for such investments.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

4. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Taxes receivable	\$ -	\$ 208,677
Special assessments receivable	-	947,820
Water and sewer billing receivable	-	5,077,797
Accrued interest receivable	446,034	-
Other receivables	565,339	83,233
Due from other governments	1,886,461	-
Advances to other governments	381,259	-
	<u>\$ 3,279,093</u>	<u>\$ 6,317,527</u>
Amount not expected to be collected within one year	<u>\$ 381,259</u>	<u>\$ 947,820</u>

Advances to other governments represent advance funding provided to the County for the concrete reconstruction of the intersection of 12 Mile Road and Novi Road. The City expects to receive this amount in fiscal 2021/2022.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 12,336,122	\$ 3,682,664
Accrued salaries and wages	1,330,806	56,300
Other accrued liabilities	821,665	489,460
Accrued interest payable	93,276	-
Claims and judgments payable	147,437	-
	<u>\$ 14,729,306</u>	<u>\$ 4,228,424</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund balances are comprised of the following at year-end:

	Advances to Other Funds	Advances from Other Funds
Capital improvement program capital projects fund	\$ -	\$ 3,000,000
Water and sewer enterprise fund	<u>3,000,000</u>	<u>-</u>
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

To minimize the overall cost of securing funds to maximize the amount of capital projects that can be completed using the capital improvements millage, the City has identified long-term capital reserves in the water and sewer enterprise fund that are available for advancement to the capital improvement program capital projects fund without impacting the operations or rates charged to customers. On June 19, 2017, the City Council approved the advancement of an amount not to exceed \$17 million from the water and sewer enterprise fund to the capital improvement program capital projects fund to be disbursed on an "as needed" basis. The advancement will bear a fixed interest rate of 3%, which represents the approximate market rate of interest the City would pay if it bonded independently to fund the projects. The reimbursement period will not exceed 10 years, with amounts to be repaid monthly, via internal transfers, using the proceeds from the voter-approved capital improvements millage. Principal payments on the outstanding loan will be straight-line over the 10 year period beginning July 2017 through June 2027. Payments will have first preference from the annual capital improvements millage before any other expenditure from the capital improvement program capital projects fund.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

For the current fiscal year, interfund transfers consisted of the following:

Transfers Out	Transfers in				Total
	Major Street Fund	Local Street Fund	Capital Improvement Program	Nonmajor Funds	
General fund	\$ -	\$ -	\$ -	\$ 62,015	\$ 62,015
Major street fund	-	2,050,000	-	-	2,050,000
Nonmajor governmental funds	203,000	1,950,000	846,845	3,264,000	6,263,845
Water and sewer enterprise fund	-	-	2,421,260	-	2,421,260
	<u>\$ 203,000</u>	<u>\$ 4,000,000</u>	<u>\$ 3,268,105</u>	<u>\$ 3,326,015</u>	<u>\$ 10,797,120</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfer between the major street fund (a major special revenue fund) and the local street fund (a major special revenue fund) was allowable per Act 51. The transfer between the municipal streets fund (a nonmajor special revenue fund) and the major streets fund (a major special revenue fund), local streets fund (a major special revenue fund), and street improvement fund (a nonmajor special revenue fund) was to fund current and future street improvement projects. The transfer between the rubbish collection fund (a nonmajor special revenue fund) and the general fund was to subsidize unexpected expenditures paid from the rubbish collection fund. The transfer between the general fund to the parks, recreation and cultural services fund (a nonmajor special revenue fund) was to subsidize for older adult transportation rides within the city limits. The transfers from the drain revenue fund (a nonmajor special revenue fund), gun range facility fund (a nonmajor capital projects fund), and the water and sewer enterprise fund to the capital improvement fund was to fund the construction of the Department of Public Works and Gun Range facilities. The transfer from the perpetual drain fund to the drain fund was to fund current and future drain improvement projects.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Capital asset activity for the year of the City's governmental activities was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 31,618,061	\$ 1,260,338	\$ -	\$ -	\$ 32,878,399
Construction in progress	3,905,901	19,493,646	-	(2,295,326)	21,104,221
	<u>35,523,962</u>	<u>20,753,984</u>	<u>-</u>	<u>(2,295,326)</u>	<u>53,982,620</u>
Capital assets being depreciated:					
Roads	143,234,304	4,451,280	(6,851,655)	480,910	141,314,839
Nonmotorized pathway improvements	12,079,912	340,650	-	318,195	12,738,757
Bridges	2,388,888	-	-	(132,757)	2,256,131
Drains	17,484,297	86,833	-	1,418,989	18,990,119
Buildings and Improvements	47,896,067	509,975	-	59,312	48,465,354
Machinery and equipment	17,851,904	2,129,774	(393,000)	-	19,588,678
Land improvements	1,972,845	535,447	-	150,677	2,658,969
Library books	3,852,244	348,858	(387,107)	-	3,813,995
	<u>246,760,461</u>	<u>8,402,817</u>	<u>(7,631,762)</u>	<u>2,295,326</u>	<u>249,826,842</u>
Less accumulated depreciation for:					
Roads	(77,582,758)	(5,509,784)	6,851,655	-	(76,240,887)
Nonmotorized pathway improvements	(4,222,211)	(563,142)	-	-	(4,785,353)
Bridges	(1,325,369)	(88,278)	-	-	(1,413,647)
Drains	(10,425,753)	(723,795)	-	-	(11,149,548)
Buildings and Improvements	(20,330,637)	(1,224,853)	-	-	(21,555,490)
Machinery and equipment	(12,594,867)	(1,587,137)	393,000	-	(13,789,004)
Land improvements	(125,026)	(106,359)	-	-	(231,385)
Library books	(1,367,139)	(248,511)	387,107	-	(1,228,543)
	<u>(127,973,760)</u>	<u>(10,051,859)</u>	<u>7,631,762</u>	<u>-</u>	<u>(130,393,857)</u>
Total capital assets being depreciated, net	<u>118,786,701</u>	<u>(1,649,042)</u>	<u>-</u>	<u>2,295,326</u>	<u>119,432,985</u>
Governmental activities capital assets, net	<u>\$ 154,310,663</u>	<u>\$ 19,104,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,415,605</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Capital asset activity for the year of the City's business-type activities was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 2,272,256	\$ -	\$ -	\$ -	\$ 2,272,256
Construction in progress	698,265	1,910,036	-	-	2,608,301
	<u>2,970,521</u>	<u>1,910,036</u>	<u>-</u>	<u>-</u>	<u>4,880,557</u>
Capital assets being depreciated:					
Water and sewer distribution systems	193,993,758	1,820,021	(943,858)	-	194,869,921
Buildings and Improvements	29,717,337	11,280	-	-	29,728,617
Machinery and equipment	2,700,107	395,335	(67,172)	-	3,028,270
Land improvements	1,280,465	-	-	-	1,280,465
	<u>227,691,667</u>	<u>2,226,636</u>	<u>(1,011,030)</u>	<u>-</u>	<u>228,907,273</u>
Less accumulated depreciation for:					
Water and sewer distribution systems	(79,506,968)	(3,829,214)	943,858	-	(82,392,324)
Buildings and Improvements	(11,920,319)	(801,845)	-	-	(12,722,164)
Machinery and equipment	(1,870,838)	(189,958)	67,172	-	(1,993,624)
Land improvements	(99,512)	(61,659)	-	-	(161,171)
	<u>(93,397,637)</u>	<u>(4,882,676)</u>	<u>1,011,030</u>	<u>-</u>	<u>(97,269,283)</u>
Total capital assets being depreciated, net	<u>134,294,030</u>	<u>(2,656,040)</u>	<u>-</u>	<u>-</u>	<u>131,637,990</u>
Business-type activities capital assets, net	<u>\$ 137,264,551</u>	<u>\$ (746,004)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,518,547</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 528,832
Public safety	1,083,525
Public works	7,544,231
Community and economic development	41,296
Recreation and culture	<u>853,975</u>
Total governmental activities	<u>\$ 10,051,859</u>

Depreciation expense was charged to business-type activities functions as follows:

Water and sewer	\$ 4,124,368
Ice arena	305,863
Senior housing	<u>452,445</u>
Total business-type activities	<u>\$ 4,882,676</u>

Construction commitments consisted of the following at June 30, 2019:

Sidewalks and pathways	\$ 935,539
Bridges	11,600
Street construction	4,556,042
Traffic signal	384,077
Land improvements	1,055,419
Building and improvements	6,044,836
Drains	821,452
Water and sewer	<u>16,473,291</u>
	<u>\$ 30,282,256</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

8. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2019:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
2008 Unlimited Tax Library Bonds, installments of \$750,000 to \$765,000 through October 1, 2020, interest at 4.00% to 5.00%	\$ 2,265,000	\$ -	\$ (750,000)	\$ 1,515,000	\$ 750,000
2016 Unlimited Tax Library Refunding Bonds, installments of \$265,000 to \$1,390,000 through October 1, 2026, interest at 2.0% to 4.0%	8,380,000	-	(215,000)	8,165,000	265,000
Total governmental activities general obligation bonds	10,645,000	-	(965,000)	9,680,000	1,015,000
Unamortized premium					
2016 Unlimited Tax Library Refunding Bonds	1,024,241	-	(128,030)	896,211	128,030
Compensated absences	1,973,686	2,401,910	(2,087,090)	2,288,506	1,830,805
Total governmental activities	\$ 13,642,927	\$ 2,401,910	\$ (3,180,120)	\$ 12,864,717	\$ 2,973,835

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
General obligation bonds					
2014 Ice Arena Refunding Bonds, installments of \$485,000 to \$520,000 through June 1, 2024, interest at 2.4%					
	\$ 2,985,000	\$ -	\$ (490,000)	\$ 2,495,000	\$ 500,000
2015 Senior Complex Recreation Facility Refunding Bonds, installments of \$850,000 to \$1,020,000 through October 1, 2025, interest at 2.29%					
	7,345,000	-	(890,000)	6,455,000	880,000
Total business-type activities general obligation bonds	10,330,000	-	(1,380,000)	8,950,000	1,380,000
Compensated absences	72,876	74,335	(72,486)	74,725	74,725
Total business-type activities	\$ 10,402,876	\$ 74,335	\$ (1,452,486)	\$ 9,024,725	\$ 1,454,725

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,015,000	\$ 355,450	\$ 1,380,000	\$ 197,624
2021	1,070,000	314,100	1,345,000	165,758
2022	1,135,000	267,700	1,350,000	134,476
2023	1,195,000	221,100	1,355,000	102,782
2024	1,240,000	172,400	1,500,000	69,959
2025-2027	4,025,000	225,200	2,020,000	46,487
	\$ 9,680,000	\$ 1,555,950	\$ 8,950,000	\$ 717,086

All general obligation bonded debt is supported by the City's full faith and credit. Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

Compensated absences are generally liquidated by the general fund, parks, recreation, and cultural services special revenue fund, library special revenue fund, and the water and sewer enterprise fund.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for employee medical benefit claims, property and casualty claims, and for vehicle and contractor equipment damage claims. The City participates in the Michigan Municipal League (MML) risk pool for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past five fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The City estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported, as follows:

	Fiscal Year Ended June 30,	
	2019	2018
Estimated liability, beginning of year	\$ 285,238	\$ 260,964
Estimated claims incurred, including changes in estimates	(13,481)	325,201
Claim payments	<u>(124,320)</u>	<u>(300,927)</u>
Estimated liability, end of year	<u>\$ 147,437</u>	<u>\$ 285,238</u>

10. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of the date they are levied. City, county operating, ISD, community college, and 50% of school taxes are levied and due July 1 and become delinquent after August 31. Non-operating county taxes and the balance of school taxes are levied and due December 1 and become delinquent after February 14. In March, taxes on real property still delinquent are purchased by the County's tax revolving funds. Collections of ISD, community college, school, and county taxes and remittances are accounted for in the tax agency fund. City property tax revenues are recognized in the fiscal year for which the taxes are levied.

The City is permitted by charter and state law to levy taxes up to \$6.50 per \$1,000 of assessed valuation for general operations other than the payment of principal and interest on long-term debt. The tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2019 was \$4.8458 per \$1,000 of taxable value.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

11. TAX ABATEMENTS

The City received reduced property tax revenues during fiscal year 2019 as a result of industrial facilities tax exemptions (IFT's) agreements.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements amounted to approximately \$157,000 in reduced City tax revenues for fiscal year 2019.

The City uses the Tool and Die Renaissance Recovery Zone exemption (PA 376 of 1996) to promote economic activity and to maintain or increase the number of jobs available to residents of the area and to temporarily reduce the amount of taxes paid by certain industries in the state that are facing difficult times (the tool and die industry in particular), enabling it to use the opportunity of reduced operation costs to reposition itself to compete globally. Under the program, the City grants reductions of 100 percent of the property tax bill until year six when the exemption is phased out in 25 percent increments. For the fiscal year ended June 30, 2019, the City abated approximately \$700 of taxes under this program. There are no provisions to recapture taxes.

The City uses the Commercial Rehabilitation Project exemption (PA 210 of 2005) to enter into agreements with local businesses to construct new facilities within the established Commercial Rehabilitation District. Under the program, the City grants reductions of 100 percent of the ad valorem property taxes. For the fiscal year ended June 30, 2019, the City abated approximately \$42,000 of taxes under this program. There are no provisions to recapture taxes.

Additionally, Oakland County uses Brownfield Redevelopment Agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the Brownfield's tax revenue is reduced. For the fiscal year ended June 30, 2019, the County abated approximately \$27,000 of City taxes under this program. There are no provisions to recapture taxes.

12. PENSION PLAN - AGENT MULTIPLE-EMPLOYER PLAN

General Information About the Plan

Plan Description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Employees Covered by Benefit Terms. At the December 31, 2018 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	200
Inactive employees entitled to but not yet receiving benefits	74
Active employees	<u>142</u>
 Total membership	 <u><u>416</u></u>

Contributions and Benefits Provided

Employer and employee contribution amounts or rates and benefits provided, by division/bargaining unit, were as follows for the year ended June 30, 2019:

- General Nonunion (Administrative Staff)* - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced), 55 with 15 years of service (reduced), or 50 with 25 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions plus any accumulated interest. Members contribute 4.48 percent of their salary to fund benefits. The defined benefit plan was closed to new hired members of this group effective May 1, 2006.
- POLC* - Retirement benefits for employees are calculated as 2.8 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 20 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 9.24 percent of their salary to fund benefits. The defined benefit plan was closed to new hired members of this group effective May 1, 2006.

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Notes to Financial Statements

- *Fire Local 3232* - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 6.33 percent of their salary to fund benefits. The defined benefit plan was closed to new hired members of this group effective June 1, 2009.
- *General Union (Police Clerks)* - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 3.89 percent of their salary to fund benefits. The defined benefit plan was closed to new hired members of this group effective October 1, 2011.
- *MAPE* - Retirement benefits for employees are calculated as 2.25 percent of the employee's final five-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 2.45 percent of their salary to fund benefits. The defined benefit plan was closed to new hired members of this group effective December 1, 2006.

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- *Library* - Retirement benefits for employees are calculated as 1.7 percent of the employee's final five-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 3 percent of their salary under \$4,200 and 5 percent over \$4,200 to fund benefits. The defined benefit plan was closed to new hired members of this group effective July 1, 2007.
- *Appointed Officials* - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced), 55 with 15 years of service (reduced), or 50 with 25 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 2.43 percent of their salary to fund benefits. The defined benefit plan was closed to new hired members of this group effective May 1, 2006.
- *Dispatchers* - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 4.11 percent of their salary to fund benefits. The defined benefit plan was closed to new hired members of this group effective September 1, 2011.

CITY OF NOVI, MICHIGAN

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- *COAM* - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 6.44 percent of their salary to fund benefits.
- *HA-POLC* - Members of this class of employees are eligible for a hybrid defined benefit defined contribution plan. These benefits are established by resolution of the City and negotiation with the collective bargaining unit representing these employees. Retirement benefits for employees participating in the hybrid plan are calculated as 1.5 percent of the employee's final three-year average salary times the employee's credited years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced). The vesting period is six years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for nonduty death benefits after meeting the vesting requirements for a regular pension. The vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased member's final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members of this group are not required to contribute to fund benefits.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation

The June 30, 2016 changes in benefit terms are due to the following:

- Employee contributions for the Fire Local 3232 employees decreased from 8.83% to 6.33%.

The June 30, 2016 changes in assumptions are due to the following:

- The mortality table was adjusted to reflect longer lifetimes.
- The assumed annual rate of investment return, net of all expenses, was lowered from 8% to 7.75%.
- The asset smoothing was changed from 10 to 5 years.
- The amortization period was moved to a fixed period amortization for the December 31, 2014 annual valuations.

Although no explicit price inflation assumption is used in the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.50%.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% male, 50% female blend of the following tables:

- The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
- The RP-2014 Employee Mortality Tables
- The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is 50% Male, 50% Female blend of RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.50%	6.15%	3.41%
Global fixed income	18.50%	1.26%	0.23%
Real assets	13.50%	7.22%	0.98%
Diversifying strategies	<u>12.50%</u>	5.00%	0.63%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>8.00%</u>

Investment Allocation Policy. It is the objective of the City to diversify its investment portfolios. Assets held in the common cash fund and other investment funds shall be diversified to eliminate the risk of loss resulting from over concentration of assets of a specific maturity, individual financial institution, or type of security. Diversification strategies shall be determined and revised by the City Treasurer from time to time to meet diversification objectives (reducing overall portfolio risk while attaining market or above market average rates of return). It is also understood that temporary deviations from this objective may be necessary from time to time in order to accommodate certain financial goals and obligations. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, debt service), as well as considering sizable blocks of anticipated revenue (taxes, state revenue sharing payments). It is also desirable to maintain a portfolio that has no more than a 50% concentration in commercial paper. It is also desirable to maintain an individual fund at a 50% concentration in commercial paper or less. However, short-term fluctuations over the 50% target are acceptable within the individual fund as long as the entire portfolio maintains no more than a 50% concentration. Permitted pool accounts will not be limited in use except by the general limitations issued under this policy under diversification and by the liquidity/safety/yield principle. Direct term purchases by the investment officer of repurchase agreements or Bankers Acceptances generally should not exceed 25% of the fund portfolio. CD's shall not be limited in use within the portfolio.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2018 was 8.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$ 99,770,490	\$ 65,572,073	\$ 34,198,417
Changes for the year:			
Service cost	1,225,434	-	1,225,434
Interest	7,788,580	-	7,788,580
Differences between expected and actual experience	(1,404,136)	-	(1,404,136)
Employer contributions	-	4,389,615	(4,389,615)
Employee contributions	-	528,872	(528,872)
Net investment loss	-	(2,592,555)	2,592,555
Benefit payments, including refunds of employee contributions	(6,051,911)	(6,051,911)	-
Administrative expense	-	(126,495)	126,495
Net changes	<u>1,557,967</u>	<u>(3,852,474)</u>	<u>5,410,441</u>
Balances at December 31, 2018	<u>\$ 101,328,457</u>	<u>\$ 61,719,599</u>	<u>\$ 39,608,858</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 8.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
\$ 50,859,161	\$ 39,608,858	\$ 30,086,926

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

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Notes to Financial Statements

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the City recognized pension expense of \$5,678,429. The City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 62,143	\$ 1,119,587	\$ (1,057,444)
Net difference between projected and actual earnings on pension plan investments	<u>4,737,778</u>	<u>-</u>	<u>4,737,778</u>
Contributions subsequent to the measurement date	<u>332,476</u>	<u>-</u>	<u>332,476</u>
Total	<u>\$ 5,132,397</u>	<u>\$ 1,119,587</u>	<u>\$ 4,012,810</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2020. Other amounts reported as deferred outflows/inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2020	\$ 1,180,328
2021	6,652
2022	935,770
2023	<u>1,557,584</u>
Total	<u>\$ 3,680,334</u>

Payable to the Pension Plan. At June 30, 2019, the City had no amounts payable for contributions to the pension plan.

The net pension liability is generally liquidated by the general fund and the water and sewer enterprise fund.

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13. DEFINED CONTRIBUTION PENSION PLAN

Effective May 1, 2006, December 1, 2006, July 1, 2007, June 1, 2009, September 1, 2011, and October 1, 2011, all new administrative, MAPE, library, full-time firefighter employees, dispatchers, and police clerks, respectively, will participate in the MERS defined contribution (DC) program. Administrative employees hired prior to May 1, 2006 had the irrevocable option to transfer from the defined benefit (DB) program to the DC program on December 1, 2006. MAPE employees hired prior to December 1, 2006 had an irrevocable option to transfer from the DB program to the DC program on June 1, 2007.

The City and each member contribute a percentage of eligible earnings to an individual account established for each participant. For the administrative and MAPE groups, the City's contribution rate is 8 percent, and the employee's contribution rate is 3 percent. For the dispatch and fire groups, the City's contribution rate is 10 percent, and the employee's contribution rate is 6 percent. For the police clerks group, the City's contribution rate is 8 percent, and the employee's contribution rate is 6 percent. For the library group, the City's contribution rate is 6 percent, and the employee's contribution rate is 3 percent.

All contributions are remitted to a third-party plan administrator. The DC plan maintains a schedule of vesting with the participants becoming fully vested upon completion of seven years of continuous service. The contribution requirements of plan members are established and may be amended by the City Council in accordance with city policies, union contracts, and MERS plan provisions. There were 135 members participating in the DC plan as of June 30, 2019. During the year ended June 30, 2019, the City contributed \$541,687 to the plan.

14. POSTEMPLOYMENT HEALTH BENEFITS

Plan Administration. The City provides healthcare benefits to most full-time employees upon retirement through a single employer postemployment benefit plan. The City includes pre-Medicare retirees and their spouses in its insured healthcare plan. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. This healthcare benefit plan is closed to all administrative employees hired after May 1, 2006, MAPE employees hired after December 1, 2006, full-time firefighter employees hired after June 1, 2009, dispatchers hired after September 1, 2011, police clerks hired after October 1, 2011, and POLC employees hired after April 1, 2012. These employees are enrolled into an individual retiree healthcare savings account. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions.

The City has created a retiree's health care fund, an other employee benefit trust, in anticipation of pre-funding retiree's health care for employees. The funds set aside are held in a fund authorized by Public Act 149 of the State of Michigan.

Management of the plan is vested in the City Council, which consists of seven elected members.

Plans Membership. Membership of the plans consisted of the following at June 30, 2019:

Inactive plan members receiving or entitled to future benefits	80
Active plan members	<u>127</u>
Total	<u><u>207</u></u>

CITY OF NOVI, MICHIGAN

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Benefits Provided. The City of Novi Retiree Health Care Plan provides healthcare, prescription drug, and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and 80 percent of the cost of benefits is covered by the plan.

Contributions. The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are required to make co-payments, as noted above. For the year ended June 30, 2019, the City made payments for postemployment health benefit premiums of \$363,994. Active plan members are required to contribute 20 percent of annual premiums to the plan.

Actuarial Assumptions. The total other postemployment liability was determined by respective actuarial valuations as of June 30, 2017 (and rolled forward to June 30, 2019), using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry-age normal
Amortization method	Level dollar
Remaining amortization period	20 years, closed
Asset valuation method	Market value of assets
Price inflation	2.5%
Salary increases	4.3% to 17.0%, including inflation
Investment rate of return	7.5%, net of OPEB plan investment expense
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	The RP-2000 Mortality Table projected 20 years with U.S. Projection Scale BB
Healthcare cost trend rate	9.0%, gradually decreasing to 4.0% in year 10
Excise tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

The June 30, 2018 changes in assumptions are due to the following:

- Removal of the Excise Tax load to the liabilities, to account for future excise taxes for Cadillac plans under the Patient Protection and Affordable Care Act (PPACA).
- Resetting the health care cost trend assumption.
- The long-term rate of investment return used for GASB Statement Nos. 74 and 75 reporting purpose was 7.25%. For purposes of the June 30, 2017 GASB Statement No. 74 report the long-term rate of investment return used was 7.50%.

The actuarial assumptions used in the June 30, 2017 valuations were based on the results of an actuarial experience study for MERS. A report dated March 2, 2010 presented the results of this study.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on other postemployment benefit plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the other postemployment benefit plan's target asset allocation as of June 30, 2019 (see the discussion below of the investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.50%	6.65%	3.69%
Global fixed income	18.50%	1.76%	0.33%
Real assets	13.50%	7.72%	1.05%
Diversifying strategies	12.50%	5.50%	0.69%
	<u>100.00%</u>		
Inflation			2.50%
Risk adjustment			<u>-1.01%</u>
Investment rate of return			<u>7.25%</u>

Investment Allocation Policy. It is the objective of the City to diversify its investment portfolios. Assets held in the common cash fund and other investment funds shall be diversified to eliminate the risk of loss resulting from over concentration of assets of a specific maturity, individual financial institution, or type of security. Diversification strategies shall be determined and revised by the City Treasurer from time to time to meet diversification objectives (reducing overall portfolio risk while attaining market or above market average rates of return). It is also understood that temporary deviations from this objective may be necessary from time to time in order to accommodate certain financial goals and obligations. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, debt service), as well as considering sizable blocks of anticipated revenue (taxes, state revenue sharing payments). It is also desirable to maintain a portfolio that has no more than a 50% concentration in commercial paper. It is also desirable to maintain an individual fund at a 50% concentration in commercial paper or less. However, short-term fluctuations over the 50% target are acceptable within the individual fund as long as the entire portfolio maintains no more than a 50% concentration. Permitted pool accounts will not be limited in use except by the general limitations issued under this policy under diversification and by the liquidity/safety/yield principle. Direct term purchases by the investment officer of repurchase agreements or Bankers Acceptances generally should not exceed 25% of the fund portfolio. CD's shall not be limited in use within the portfolio.

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Discount Rate. A single discount rate of 7.25% was used to measure the total other postemployment benefit liability. This single discount rate was based on the expected rate of return on other postemployment benefit plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the other postemployment benefit plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total other postemployment benefit liability.

Changes in the Net Other Postemployment Benefit Liability (Asset). The components of the change in the net other postemployment benefit asset are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (a) - (b)
Balances at June 30, 2018	\$ 28,154,293	\$ 29,532,552	\$ (1,378,259)
Changes for the year:			
Service cost	416,798	-	416,798
Interest	2,017,676	-	2,017,676
Differences between expected and actual experience	(15,504)	-	(15,504)
Employer contributions	-	363,994	(363,994)
Net investment income	-	2,224,284	(2,224,284)
Benefit payments, including refunds of employee contributions	(995,230)	(995,230)	-
Administrative expense	-	(293,629)	293,629
Other changes	(35,068)	-	(35,068)
Net changes	<u>1,388,672</u>	<u>1,299,419</u>	<u>89,253</u>
Balances at June 30, 2019	<u>\$ 29,542,965</u>	<u>\$ 30,831,971</u>	<u>\$ (1,289,006)</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the net OPEB liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
\$ 2,659,476	\$ (1,289,006)	\$ (4,570,163)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability (asset) of the City, calculated using the healthcare cost trend rate of 9.0% graded down to 4.0% over ten years, as well as what the City’s net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1% lower (8.0% graded down to 3.0% over ten years) or 1% higher (10.0% graded down to 5.0% over ten years) than the current rate:

1% Decrease (8.0% graded down to 3.0%)	Current Healthcare Cost Trend Rate (9.0% graded down to 4.0%)	1% Increase (10.0% graded down to 5.0%)
\$ (4,966,225)	\$ (1,289,006)	\$ 3,038,259

Other postemployment benefit expense and deferred outflows/inflows of resources related to other postemployment benefits. For the year ended June 30, 2019, the City recognized other postemployment benefit expense of \$329,191. At June 30, 2019, the City reported deferred outflows and inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 2,717,870	\$ (2,717,870)
Changes in assumptions	1,223,718	-	1,223,718
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	585,337	(585,337)
	<u>\$ 1,223,718</u>	<u>\$ 3,303,207</u>	<u>\$ (2,079,489)</u>

The net other postemployment benefit liability is generally liquidated by the general fund and the water and sewer fund.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Amounts reported as deferred outflows and inflows of resources related to other postemployment benefits will be recognized in other postemployment benefits expense through annual amortization as follows:

Year Ended June 30,	Amount
2020	\$ (550,688)
2021	(550,688)
2022	(550,689)
2023	(386,696)
2024	(40,464)
2025	(264)
	<u>\$ (2,079,489)</u>

15. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2019, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 53,982,620	\$ 4,880,557
Capital assets being depreciated, net	119,432,985	131,637,990
	<u>173,415,605</u>	<u>136,518,547</u>
Related debt:		
Bonds payable	9,680,000	8,950,000
Unamortized bond premium	896,211	-
Less unamortized deferred charge on refunding	(627,972)	-
	<u>9,948,239</u>	<u>8,950,000</u>
Net investment in capital assets	<u>\$ 163,467,366</u>	<u>\$ 127,568,547</u>

16. RESTATEMENT

Beginning net position of governmental activities, water and sewer enterprise fund and business-type activities were restated to record deferred outflows for changes in assumptions related to the net other postemployment benefit asset. As a result of this change, beginning net position of governmental activities and the water and sewer enterprise fund/business-type activities were increased by \$1,459,421 and \$62,394, respectively.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NOVI, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended June 30,				
	2015	2016	2017	2018	2019
Change in total pension liability					
Service cost	\$ 1,495,687	\$ 1,402,754	\$ 1,279,328	\$ 1,255,498	\$ 1,225,434
Interest	6,687,807	6,983,009	7,325,066	7,586,392	7,788,580
Changes of benefit terms	-	23,615	-	-	-
Differences between expected and actual experience	-	301,433	248,579	(366,993)	(1,404,136)
Changes of assumptions	-	3,305,619	-	-	-
Benefit payments, including refunds of member contributions	(4,385,711)	(4,731,967)	(5,335,884)	(5,813,104)	(6,051,911)
Net change in total pension liability	3,797,783	7,284,463	3,517,089	2,661,793	1,557,967
Total pension liability, beginning	82,509,362	86,307,145	93,591,608	97,108,697	99,770,490
Total pension liability, ending (a)	86,307,145	93,591,608	97,108,697	99,770,490	101,328,457
Change in plan fiduciary net position					
Contributions - employer	3,648,998	3,024,626	3,115,902	3,725,305	4,389,615
Contributions - member	712,076	652,652	602,714	558,097	528,872
Net investment income (loss)	3,399,244	(898,140)	6,176,312	7,797,188	(2,592,555)
Benefit payments, including refunds of member contributions	(4,385,711)	(4,731,967)	(5,335,884)	(5,813,104)	(6,051,911)
Administrative expense	(126,196)	(124,928)	(122,174)	(123,263)	(126,495)
Net change in plan fiduciary net position	3,248,411	(2,077,757)	4,436,870	6,144,223	(3,852,474)
Plan fiduciary net position, beginning	53,820,326	57,068,737	54,990,980	59,427,850	65,572,073
Plan fiduciary net position, ending (b)	57,068,737	54,990,980	59,427,850	65,572,073	61,719,599
City's net pension liability, ending (a)-(b)	\$29,238,408	\$38,600,628	\$37,680,847	\$34,198,417	\$39,608,858
Plan fiduciary net position as a percentage of the total pension liability	66.1%	58.8%	61.2%	65.7%	60.9%
Covered payroll	\$12,101,246	\$11,371,927	\$10,614,530	\$10,616,668	\$10,645,669
City's net pension liability as a percentage of covered payroll	241.6%	339.4%	355.0%	322.1%	372.1%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

The June 30, 2016 changes in benefit terms are due to the following:

- Employee contributions for the Fire Local 3232 employees decreased from 8.83% to 6.33%.

The June 30, 2016 changes in assumptions are due to the following:

- The mortality table was adjusted to reflect longer lifetimes.
- The assumed annual rate of investment return, net of all expenses, was lowered from 8% to 7.75%.
- The asset smoothing was changed from 10 to 5 years.
- The amortization period was moved to a fixed period amortization for the December 31, 2014 annual valuations.

CITY OF NOVI, MICHIGAN

Required Supplementary Information
MERS Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 2,628,762	\$ 2,628,762	\$ -	\$ 12,710,865	20.7%
6/30/2016	3,054,597	3,054,597	-	12,074,423	25.3%
6/30/2017	3,137,158	3,137,158	-	11,360,375	27.6%
6/30/2018	3,769,303	4,219,303	(450,000)	12,710,865	33.2%
6/30/2019	3,963,525	4,273,525	(310,000)	11,316,209	37.8%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation date Actuarially determined contribution rates are calculated as of the December 31 that is 18 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2019, based on the 12/31/2016 actuarial valuation):

Actuarial cost method Entry-age normal
Amortization method Level percent of payroll, open
Remaining amortization period 22 years
Asset valuation method 5-year smooth market
Inflation 2.50%
Salary increases 3.75% in the long-term
Investment rate of return 7.75%, net of investment and administrative expense including inflation
Normal retirement age Age 60
Mortality 50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

CITY OF NOVI, MICHIGAN

Required Supplementary Information

Retiree Healthcare Benefits Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability (Asset) and Related Ratios

	Year Ended June 30,		
	2017	2018	2019
Change in total other postemployment benefit liability			
Service cost	\$ 440,432	\$ 372,847	\$ 416,798
Interest	2,030,554	2,136,783	2,017,676
Differences between expected and actual experience	(86,522)	(4,022,732)	(15,504)
Changes of assumptions	-	1,819,912	-
Benefit payments, including refunds of member contributions	(885,353)	(948,145)	(995,230)
Other changes	-	-	(35,068)
Net change in total other postemployment benefit liability	1,499,111	(641,335)	1,388,672
Total other postemployment benefit liability, beginning	27,296,517	28,795,628	28,154,293
Total other postemployment benefit liability, ending (a)	28,795,628	28,154,293	29,542,965
Change in plan fiduciary net position			
Contributions - employer	617,207	613,678	363,994
Net investment income	3,399,591	2,845,010	2,224,284
Benefit payments, including refunds of member contributions	(885,353)	(948,145)	(995,230)
Administrative expense	(245,933)	(293,400)	(293,629)
Other	-	244	-
Net change in plan fiduciary net position	2,885,512	2,217,387	1,299,419
Plan fiduciary net position, beginning	24,429,653	27,315,165	29,532,552
Plan fiduciary net position, ending (b)	27,315,165	29,532,552	30,831,971
City's net other postemployment benefit liability (asset), ending (a)-(b)	\$ 1,480,463	\$ (1,378,259)	\$ (1,289,006)
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	94.86%	104.90%	104.36%
Covered payroll	\$10,711,843	\$10,800,824	\$10,505,955
City's net other postemployment benefit liability (asset) as a percentage of covered payroll	13.82%	-12.76%	-12.27%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be

The June 30, 2018 changes in assumptions are due to the following:

- Removal of the Excise Tax load to the liabilities, to account for future excise taxes for Cadillac plans under the Patient Protection and Affordable Care Act (PPACA).
- Resetting the health care cost trend assumption.
- The long-term rate of investment return used for GASB Statement Nos. 74 and 75 reporting purpose was 7.25%. For purposes of the June 30, 2017 GASB Statement No. 74 report the long-term rate of investment return used was 7.50%.

CITY OF NOVI, MICHIGAN

Required Supplementary Information

Retiree Healthcare Benefits Plan Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2017	\$ 617,207	\$ 617,207	\$ -	\$ 10,711,843	5.8%
6/30/2018	613,678	647,350	(33,672)	10,800,824	6.0%
6/30/2019	277,674	363,994	(86,320)	10,505,955	3.5%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation date June 30, 2017 (rolled forward to June 30, 2019)
Notes Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry-age normal
Amortization method Level dollar
Remaining amortization period 20 years, closed
Asset valuation method Market value of assets
Price inflation 2.5%
Salary increases 4.3% to 17.0%, including inflation
Investment rate of return 7.5%, net of OPEB plan investment expense
Retirement age Experience-based tables of rates that are specific to the type of eligibility condition
Mortality The RP-2000 Mortality Table projected 20 years with U.S. Projection Scale BB
Healthcare cost trend rate 9.0%, gradually decreasing to 4.0% in year 10
Excise tax No load was applied in connection with the "Cadillac" tax
Aging factors Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

CITY OF NOVI, MICHIGAN

Required Supplementary Information

Retiree Healthcare Benefits Plan Schedule of Investment Returns

Fiscal Year Ended	Annual Money-Weighted Rate of Return, net of Investment Expense
6/30/2017	12.20%
6/30/2018	8.99%
6/30/2019	6.81%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Current property taxes	\$ 23,212,452	\$ 22,780,253	\$ 22,776,764	\$ (3,489)
Trailer fees	9,500	11,239	11,233	(6)
Penalties and interest	175,000	153,103	153,103	-
Licenses, permits, and charges for services	4,698,653	4,557,653	4,524,898	(32,755)
Intergovernmental:				
Federal grants	60,000	66,000	71,879	5,879
State grants	4,782,575	4,978,496	4,990,895	12,399
Fines and forfeitures	535,000	515,000	450,056	(64,944)
Investment income	559,826	1,051,645	1,049,415	(2,230)
Donations	1,500	3,100	2,350	(750)
Other	700,870	677,870	634,653	(43,217)
Total revenues	34,735,376	34,794,359	34,665,246	(129,113)
Expenditures				
Current:				
General government:				
City council:				
Personnel services	36,113	36,121	36,117	(4)
Supplies	500	490	436	(54)
Other services and charges	7,000	12,002	10,262	(1,740)
Total city council	<u>43,613</u>	<u>48,613</u>	<u>46,815</u>	<u>(1,798)</u>
City manager:				
Personnel services	529,757	546,222	544,201	(2,021)
Supplies	1,500	2,257	1,452	(805)
Other services and charges	153,000	127,375	94,759	(32,616)
Capital outlay	-	6,700	6,700	-
Total city manager	<u>684,257</u>	<u>682,554</u>	<u>647,112</u>	<u>(35,442)</u>
Finance:				
Personnel services	975,303	882,353	872,273	(10,080)
Supplies	13,200	14,059	13,533	(526)
Other services and charges	74,250	76,140	74,324	(1,816)
Total finance	<u>1,062,753</u>	<u>972,552</u>	<u>960,130</u>	<u>(12,422)</u>
Treasury:				
Personnel services	272,930	286,723	280,166	(6,557)
Supplies	32,375	24,308	22,257	(2,051)
Other services and charges	51,700	29,611	28,636	(975)
Capital outlay	9,700	-	-	-
Total treasury	<u>366,705</u>	<u>340,642</u>	<u>331,059</u>	<u>(9,583)</u>

continued...

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
General government (continued):				
Integrated solutions:				
Personnel services	\$ 772,937	\$ 811,720	\$ 803,907	\$ (7,813)
Supplies	47,150	55,278	55,226	(52)
Other services and charges	253,340	284,177	262,196	(21,981)
Capital outlay	66,915	47,409	47,408	(1)
Total integrated solutions	<u>1,140,342</u>	<u>1,198,584</u>	<u>1,168,737</u>	<u>(29,847)</u>
Assessing:				
Personnel services	614,411	619,138	615,354	(3,784)
Supplies	27,000	16,517	15,604	(913)
Other services and charges	201,250	160,387	157,297	(3,090)
Total assessing	<u>842,661</u>	<u>796,042</u>	<u>788,255</u>	<u>(7,787)</u>
City attorney, insurance, and claims:				
Other services and charges	757,428	754,042	734,547	(19,495)
Capital outlay	50,000	13,386	13,385	(1)
Total city attorney, insurance, and claims	<u>807,428</u>	<u>767,428</u>	<u>747,932</u>	<u>(19,496)</u>
City clerk:				
Personnel services	592,756	620,227	618,709	(1,518)
Supplies	53,000	46,962	46,871	(91)
Other services and charges	137,250	220,347	218,703	(1,644)
Total city clerk	<u>783,006</u>	<u>887,536</u>	<u>884,283</u>	<u>(3,253)</u>
Facility management:				
Personnel services	327,387	342,035	333,464	(8,571)
Supplies	18,500	16,852	15,696	(1,156)
Other services and charges	527,900	636,537	625,466	(11,071)
Capital outlay	32,654	29,465	29,465	-
Total facility management	<u>906,441</u>	<u>1,024,889</u>	<u>1,004,091</u>	<u>(20,798)</u>
Park maintenance:				
Personnel services	543,598	511,721	493,578	(18,143)
Supplies	23,500	29,344	29,216	(128)
Other services and charges	317,250	362,106	359,306	(2,800)
Capital outlay	142,000	634,377	507,077	(127,300)
Total park maintenance	<u>1,026,348</u>	<u>1,537,548</u>	<u>1,389,177</u>	<u>(148,371)</u>
Human resources:				
Personnel services	369,427	385,434	381,902	(3,532)
Supplies	1,000	532	333	(199)
Other services and charges	116,600	115,347	111,810	(3,537)
Capital outlay	5,730	4,384	4,384	-
Total human resources	<u>492,757</u>	<u>505,697</u>	<u>498,429</u>	<u>(7,268)</u>

continued...

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
General government (concluded):				
Community relations:				
Personnel services	\$ 321,146	\$ 325,875	\$ 317,305	\$ (8,570)
Supplies	10,900	11,993	11,632	(361)
Other services and charges	381,800	399,794	393,026	(6,768)
Total community relations	<u>713,846</u>	<u>737,662</u>	<u>721,963</u>	<u>(15,699)</u>
Economic development:				
Personnel services	152,059	74,289	74,287	(2)
Supplies	-	1,118	1,117	(1)
Other services and charges	66,500	86,683	21,682	(65,001)
Capital outlay	50,000	-	-	-
Total economic development	<u>268,559</u>	<u>162,090</u>	<u>97,086</u>	<u>(65,004)</u>
Total general government	<u>9,138,716</u>	<u>9,661,837</u>	<u>9,285,069</u>	<u>(376,768)</u>
Public safety:				
Police:				
Personnel services	11,706,603	11,902,342	11,833,218	(69,124)
Supplies	319,010	323,986	314,713	(9,273)
Other services and charges	1,104,695	1,127,958	1,105,311	(22,647)
Capital outlay	27,500	73,484	32,984	(40,500)
Total police	<u>13,157,808</u>	<u>13,427,770</u>	<u>13,286,226</u>	<u>(141,544)</u>
Fire:				
Personnel services	4,938,613	4,972,223	4,940,973	(31,250)
Supplies	222,600	238,319	235,239	(3,080)
Other services and charges	650,825	721,125	708,248	(12,877)
Capital outlay	364,890	678,869	338,372	(340,497)
Total fire	<u>6,176,928</u>	<u>6,610,536</u>	<u>6,222,832</u>	<u>(387,704)</u>
Total public safety	<u>19,334,736</u>	<u>20,038,306</u>	<u>19,509,058</u>	<u>(529,248)</u>
Public works:				
Administration:				
Personnel services	279,300	296,042	292,766	(3,276)
Supplies	11,200	51,754	51,445	(309)
Other services and charges	180,940	119,426	116,440	(2,986)
Total administration	<u>471,440</u>	<u>467,222</u>	<u>460,651</u>	<u>(6,571)</u>

continued...

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
Public works (concluded):				
Engineering:				
Personnel services	\$ 557,312	\$ 520,831	\$ 513,570	\$ (7,261)
Supplies	2,000	2,000	1,637	(363)
Other services and charges	192,600	144,006	141,913	(2,093)
Allocated to other funds	(371,784)	(371,784)	(371,784)	-
Capital outlay	190,351	231,142	231,141	(1)
Total engineering	<u>570,479</u>	<u>526,195</u>	<u>516,477</u>	<u>(9,718)</u>
Field operations:				
Personnel services	1,991,302	1,904,222	1,876,502	(27,720)
Supplies	99,500	89,700	87,019	(2,681)
Maintenance	131,980	195,593	195,593	-
Other services and charges	461,800	459,384	434,718	(24,666)
Allocated to other funds	(1,675,000)	(1,487,000)	(1,352,113)	134,887
Capital outlay	540,000	893,796	711,343	(182,453)
Total field operations	<u>1,549,582</u>	<u>2,055,695</u>	<u>1,953,062</u>	<u>(102,633)</u>
Fleet asset:				
Personnel services	412,747	472,705	446,498	(26,207)
Supplies	31,000	45,515	45,102	(413)
Other services and charges	351,200	295,143	283,690	(11,453)
Allocated to other funds	(30,000)	(30,000)	(26,359)	3,641
Capital outlay	75,000	217,796	98,518	(119,278)
Total fleet asset	<u>839,947</u>	<u>1,001,159</u>	<u>847,449</u>	<u>(153,710)</u>
Total public works	<u>3,431,448</u>	<u>4,050,271</u>	<u>3,777,639</u>	<u>(272,632)</u>
Community and economic development:				
Building:				
Personnel services	1,626,679	1,756,861	1,743,253	(13,608)
Supplies	32,700	26,657	25,488	(1,169)
Other services and charges	347,400	229,297	194,783	(34,514)
Total building	<u>2,006,779</u>	<u>2,012,815</u>	<u>1,963,524</u>	<u>(49,291)</u>
Planning:				
Personnel services	472,438	477,946	472,904	(5,042)
Supplies	5,700	3,275	2,277	(998)
Other services and charges	57,000	164,916	115,838	(49,078)
Capital outlay	50,000	-	-	-
Total planning	<u>585,138</u>	<u>646,137</u>	<u>591,019</u>	<u>(55,118)</u>
Total community and economic development	<u>2,591,917</u>	<u>2,658,952</u>	<u>2,554,543</u>	<u>(104,409)</u>

continued...

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded):				
Current (concluded):				
Recreation and culture:				
Youth assistance:				
Personnel services	\$ 47,259	\$ 44,447	\$ 41,246	\$ (3,201)
Supplies	6,500	9,202	7,897	(1,305)
Other services and charges	-	110	107	(3)
Total youth assistance	<u>53,759</u>	<u>53,759</u>	<u>49,250</u>	<u>(4,509)</u>
Historical commission -				
Other services and charges	<u>8,000</u>	<u>14,000</u>	<u>5,008</u>	<u>(8,992)</u>
Total recreation and culture	<u>61,759</u>	<u>67,759</u>	<u>54,258</u>	<u>(13,501)</u>
Total expenditures	<u>34,558,576</u>	<u>36,477,125</u>	<u>35,180,567</u>	<u>(1,296,558)</u>
Revenues over (under) expenditures	<u>176,800</u>	<u>(1,682,766)</u>	<u>(515,321)</u>	<u>1,167,445</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	30,000	29,899	101
Insurance recovery	30,000	30,000	25,480	4,520
Transfers out	<u>(256,800)</u>	<u>(98,000)</u>	<u>(62,015)</u>	<u>(35,985)</u>
Total other financing sources (uses)	<u>(226,800)</u>	<u>(38,000)</u>	<u>(6,636)</u>	<u>(31,364)</u>
Net change in fund balance	(50,000)	(1,720,766)	(521,957)	1,198,809
Fund balance, beginning of year	<u>11,819,066</u>	<u>11,819,066</u>	<u>11,819,066</u>	-
Fund balance, end of year	<u>\$ 11,769,066</u>	<u>\$ 10,098,300</u>	<u>\$ 11,297,109</u>	<u>\$ 1,198,809</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Improvement Program Capital Projects Fund For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 3,611,648	\$ 3,539,156	\$ 3,543,185	\$ 4,029
Intergovernmental -				
State-shared revenue and grants	242,296	-	-	-
Investment income	5,000	55,991	57,536	1,545
Total revenues	3,858,944	3,595,147	3,600,721	5,574
Expenditures				
Current:				
General government:				
Other services and charges	-	1,748	1,748	-
Capital outlay	-	315,000	12,585	(302,415)
Total general government	-	316,748	14,333	(302,415)
Public safety -				
Capital outlay	1,111,362	2,831,216	2,678,106	(153,110)
Public works -				
Capital outlay	11,297,226	11,576,935	8,867,748	(2,709,187)
Recreation and culture -				
Capital outlay	8,899,976	13,038,584	4,125,119	(8,913,465)
Debt service:				
Principal	1,606,380	2,057,700	-	(2,057,700)
Interest and fiscal charges	680,000	627,300	7,250	(620,050)
Total expenditures	23,594,944	30,448,483	15,692,556	(14,755,927)
Revenues under expenditures	(19,736,000)	(26,853,336)	(12,091,835)	14,761,501
Other financing sources				
Proceeds from issuance of long-term debt	17,000,000	-	-	-
Transfers in	2,736,000	4,049,715	3,268,105	(781,610)
Total other financing sources	19,736,000	4,049,715	3,268,105	(781,610)
Net change in fund balance	-	(22,803,621)	(8,823,730)	13,979,891
Fund balance, beginning of year	2,098,493	2,121,965	2,121,965	-
Fund balance (deficit), end of year	\$ 2,098,493	\$ (20,681,656)	\$ (6,701,765)	\$ 13,979,891

CITY OF NOVI, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019

	Special Revenue Funds	2008 Library Construction Debt Service Fund	Capital Project Funds	Drain Perpetual Maintenance Permanent Fund	Total Nonmajor Governmental
Assets					
Cash and investments	\$ 1,113,304	\$ 166,849	\$ 116,168	\$ 11,450	\$ 1,407,771
Investments	14,516,158	-	7,116,276	6,772,086	28,404,520
Receivables:					
Other	160,543	-	18,400	-	178,943
Due from other governments	51,074	-	-	-	51,074
Advances to other governments	381,259	-	-	-	381,259
Prepaid items and other assets	103,908	458	-	-	104,366
Total assets	\$ 16,326,246	\$ 167,307	\$ 7,250,844	\$ 6,783,536	\$ 30,527,933
Liabilities					
Accounts payable	1,413,562	-	81,597	-	1,495,159
Accrued salaries and wages	128,437	-	-	-	128,437
Other accrued liabilities	490,973	3,000	-	-	493,973
Refundable deposits	5,855	-	-	-	5,855
Total liabilities	2,038,827	3,000	81,597	-	2,123,424
Deferred inflows of resources					
Unavailable revenue - grants	51,074	-	-	-	51,074
Unavailable revenue - other	6,305	-	-	-	6,305
Total deferred inflows of resources	57,379	-	-	-	57,379
Fund balances					
Nonspendable for prepaids	103,908	458	-	-	104,366
Nonspendable for advances to other governments	381,259	-	-	-	381,259
Restricted:					
Roads	3,389,042	-	2,985,000	-	6,374,042
Public safety	326,086	-	80,857	-	406,943
Debt service	-	163,849	-	-	163,849
Infrastructure improvements	-	-	4,103,390	-	4,103,390
Parks, recreation, and cultural services	1,085,915	-	-	-	1,085,915
Library	3,776,425	-	-	-	3,776,425
Stormwater systems	1,127	-	-	6,783,536	6,784,663
Tree replacement and maintenance	4,309,283	-	-	-	4,309,283
Street lighting improvement	58,162	-	-	-	58,162
PEG access support fees	849,907	-	-	-	849,907
Unassigned (deficit)	(51,074)	-	-	-	(51,074)
Total fund balances	14,230,040	164,307	7,169,247	6,783,536	28,347,130
Total liabilities, deferred inflows of resources and fund balances	\$ 16,326,246	\$ 167,307	\$ 7,250,844	\$ 6,783,536	\$ 30,527,933

CITY OF NOVI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds	2008 Library Construction Debt Service Fund	Capital Project Funds	Drain Perpetual Maintenance Permanent Fund	Total Nonmajor Governmental
Revenues					
Property taxes	\$ 10,884,250	\$ 1,268,295	\$ -	\$ -	\$ 12,152,545
Special assessments	48,861	-	-	-	48,861
Licenses, permits, and charges for services	2,794,271	-	89,650	-	2,883,921
Intergovernmental:					
Federal grants	42,656	-	-	-	42,656
State-shared revenue and grants	592,827	-	-	-	592,827
Other grants	115,018	-	-	-	115,018
Fines and forfeitures	370,714	-	-	-	370,714
Investment income	683,642	71	136,961	225,538	1,046,212
Other:					
Tap-in fees	-	-	-	4,623	4,623
Local donations	85,125	-	-	-	85,125
Recreational programs	1,509,334	-	-	-	1,509,334
Miscellaneous	1,301,825	-	-	-	1,301,825
Total revenues	18,428,523	1,268,366	226,611	230,161	20,153,661
Expenditures					
Current:					
Public safety	363,401	-	94,812	-	458,213
Public works	5,572,737	-	3,735,500	-	9,308,237
Community and economic development	388,191	-	-	-	388,191
Recreation and culture	6,027,962	500	-	-	6,028,462
Debt service:					
Principal	-	965,000	-	-	965,000
Interest and fiscal charges	-	391,042	-	-	391,042
Total expenditures	12,352,291	1,356,542	3,830,312	-	17,539,145
Revenues over (under) expenditures	6,076,232	(88,176)	(3,603,701)	230,161	2,614,516
Other financing sources (uses)					
Proceeds from sale of capital assets	85,012	-	-	-	85,012
Insurance recovery	61,558	-	-	-	61,558
Transfers in	341,015	-	2,985,000	-	3,326,015
Transfers out	(5,738,930)	-	(245,915)	(279,000)	(6,263,845)
Total other financing sources (uses)	(5,251,345)	-	2,739,085	(279,000)	(2,791,260)
Net change in fund balances	824,887	(88,176)	(864,616)	(48,839)	(176,744)
Fund balances, beginning of year	13,405,153	252,483	8,033,863	6,832,375	28,523,874
Fund balances, end of year	\$ 14,230,040	\$ 164,307	\$ 7,169,247	\$ 6,783,536	\$ 28,347,130

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CITY OF NOVI, MICHIGAN

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Municipal Streets Fund - This fund is used to enhance the Major and Local Street Funds and to provide matching funds for county roads. This fund accounts for a City Charter-authorized property tax millage to supplement the Major and Local Street Funds that have limited resources due to the reliance on the state gas and weight tax.

Parks, Recreation, and Cultural Services Fund - The departments within this fund administer all parks, recreation, and cultural services operations, including strategic direction, policy development, resource identification, and serves as the liaison to the Parks, Recreation, and Cultural Services Commission and the Novi Parks Foundation.

Tree Fund - This fund was established to cover most of the cost of city tree replacement and future maintenance costs. Proceeds vary from year to year and come from fines, fees paid by developers, and street tree maintenance charges pursuant to the City Charter and Code of Ordinances.

Drain Revenue Fund - This fund includes a special property tax millage that was approved for the purpose of improving and maintaining the City's regional and arterial detention system.

PEG Cable Fund - This fund was established to track the revenue and expenditures related to providing cable services to the City, including cable production fee revenue.

Community Development Block Grant (CDBG) Fund - This fund records federal grant monies passed through to the City from Oakland County. These funds are used to support the youth assistance program and minor home repair program.

Forfeiture Fund - This fund records all receipts and expenditures relating to federal, state, local, and OWI, forfeited and legally restricted, funds relating to narcotic trafficking, money laundering, state laws, and ordinances.

Library Fund - Novi Public Library (the "Library") provides the resources and programs to support the educational, cultural, informational, and recreational needs of its diverse community. The Library supports intellectual freedom and access to information resources for all, while maintaining the privacy of its patrons and providing a safe and secure environment. The Library is funded primarily from property taxes in accordance with a special City Charter millage.

Library Contribution Fund - In May 2004, the City of Novi, Michigan's library received a generous gift of \$1,000,000 from Charles and Myrtle Walker for use in the replacement or expansion of the then-existing library building. As of January 1, 2014, the legal restrictions on the use of these funds has expired. The library board continues to restrict the use of the funds for improvements to the library. The library board also entered into a Library Building Fund Gift Agreement with the Walker family to encourage additional donations. The Library has continued to receive donations.

Rubbish Collection Fund - On May 23, 2016, City Council approved a contract for the collection of solid waste, recycling, yard waste, and other services. This fund was established to account for the rubbish collection activities.

West Oak Street Lighting Fund - This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to West Oak Street.

West Lake Drive Street Lighting Fund - This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to West Lake Drive.

Town Center Street Lighting Fund - This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to Town Center Street.

CITY OF NOVI, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
 Special Revenue Funds
 June 30, 2019

	Municipal Streets	Parks, Recreation, and Cultural Services	Tree	Drain Revenue
Assets				
Cash and cash equivalents	\$ 70,647	\$ 122,320	\$ 67,634	\$ 191,169
Investments	3,878,124	1,176,791	4,592,830	-
Receivables:				
Other	47,833	8,505	4,750	-
Due from other governments	-	-	-	-
Advances to other governments	381,259	-	-	-
Prepaid items and other assets	100,000	2,993	-	-
Total assets	\$ 4,477,863	\$ 1,310,609	\$ 4,665,214	\$ 191,169
Liabilities				
Accounts payable	\$ 319,744	\$ 151,601	\$ 161,061	\$ 187,431
Accrued salaries and wages	-	55,434	1,221	611
Other accrued liabilities	287,818	2,506	193,649	2,000
Refundable deposits	-	5,855	-	-
Total liabilities	607,562	215,396	355,931	190,042
Deferred inflows of resources				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - other	-	6,305	-	-
Total deferred inflows of resources	-	6,305	-	-
Fund balances				
Nonspendable for prepaids	100,000	2,993	-	-
Nonspendable for advances to other governments	381,259	-	-	-
Restricted:				
Roads	3,389,042	-	-	-
Public safety	-	-	-	-
Parks, recreation, and cultural services	-	1,085,915	-	-
Library	-	-	-	-
Stormwater systems	-	-	-	1,127
Tree replacement and maintenance	-	-	4,309,283	-
Street lighting improvement	-	-	-	-
PEG access support fees	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	3,870,301	1,088,908	4,309,283	1,127
Total liabilities, deferred inflows of resources and fund balances	\$ 4,477,863	\$ 1,310,609	\$ 4,665,214	\$ 191,169

PEG Cable	Community Development Block Grant	Forfeiture	Library	Library Contribution	Rubbish Collection	West Oak Street Lighting
\$ 79,631	\$ -	\$ 50,501	\$ 50,303	\$ 16,834	\$ 401,079	\$ 44,208
688,729	-	277,205	2,223,520	1,678,959	-	-
90,048	-	-	-	-	9,407	-
-	51,074	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	915	-	-	-
<u>\$ 858,408</u>	<u>\$ 51,074</u>	<u>\$ 327,706</u>	<u>\$ 2,274,738</u>	<u>\$ 1,695,793</u>	<u>\$ 410,486</u>	<u>\$ 44,208</u>
\$ 1,019	\$ 51,074	\$ 1,620	\$ 104,795	\$ 19,707	\$ 410,486	\$ 1,153
7,482	-	-	63,689	-	-	-
-	-	-	5,000	-	-	-
-	-	-	-	-	-	-
<u>8,501</u>	<u>51,074</u>	<u>1,620</u>	<u>173,484</u>	<u>19,707</u>	<u>410,486</u>	<u>1,153</u>
-	51,074	-	-	-	-	-
-	-	-	-	-	-	-
-	51,074	-	-	-	-	-
-	-	-	915	-	-	-
-	-	-	-	-	-	-
-	-	326,086	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,100,339	1,676,086	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	43,055
849,907	-	-	-	-	-	-
-	(51,074)	-	-	-	-	-
<u>849,907</u>	<u>(51,074)</u>	<u>326,086</u>	<u>2,101,254</u>	<u>1,676,086</u>	<u>-</u>	<u>43,055</u>
<u>\$ 858,408</u>	<u>\$ 51,074</u>	<u>\$ 327,706</u>	<u>\$ 2,274,738</u>	<u>\$ 1,695,793</u>	<u>\$ 410,486</u>	<u>\$ 44,208</u>

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CITY OF NOVI, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
 Special Revenue Funds
 June 30, 2019

	West Lake Drive Street Lighting	Town Center Street Lighting	Total
Assets			
Cash and cash equivalents	\$ 3,778	\$ 15,200	\$ 1,113,304
Investments	-	-	14,516,158
Receivables:			
Other	-	-	160,543
Due from other governments	-	-	51,074
Advances to other governments	-	-	381,259
Prepaid items and other assets	-	-	103,908
Total assets	\$ 3,778	\$ 15,200	\$ 16,326,246
Liabilities			
Accounts payable	\$ 468	\$ 3,403	\$ 1,413,562
Accrued salaries and wages	-	-	128,437
Other accrued liabilities	-	-	490,973
Refundable deposits	-	-	5,855
Total liabilities	468	3,403	2,038,827
Deferred inflows of resources			
Unavailable revenue - grants	-	-	51,074
Unavailable revenue - other	-	-	6,305
Total deferred inflows of resources	-	-	57,379
Fund balances			
Nonspendable for prepaids	-	-	103,908
Nonspendable for advances to other governments	-	-	381,259
Restricted:			
Roads	-	-	3,389,042
Public safety	-	-	326,086
Parks, recreation, and cultural services	-	-	1,085,915
Library	-	-	3,776,425
Stormwater systems	-	-	1,127
Tree replacement and maintenance	-	-	4,309,283
Street lighting improvement	3,310	11,797	58,162
PEG access support fees	-	-	849,907
Unassigned (deficit)	-	-	(51,074)
Total fund balances (deficits)	3,310	11,797	14,230,040
Total liabilities, deferred inflows of resources and fund balances	\$ 3,778	\$ 15,200	\$ 16,326,246

concluded.

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CITY OF NOVI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
 Special Revenue Funds
 For the Year Ended June 30, 2019

	Municipal Streets	Parks, Recreation, and Cultural Services	Tree	Drain Revenue
Revenues				
Property taxes	\$ 5,288,116	\$ 1,358,822	\$ -	\$ 1,517,012
Special assessments	13,032	-	-	-
Licenses, permits, and charges for services	44,124	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State-shared revenue and grants	186,546	-	363,852	-
Other grants	115,018	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	267,514	49,417	143,284	20,411
Other:				
Local donations	-	38,770	-	-
Recreational programs	-	1,509,334	-	-
Miscellaneous	47,833	296	1,161,900	9,258
Total revenues	5,962,183	2,956,639	1,669,036	1,546,681
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	647,036	-	1,048,573	1,430,604
Community and economic development	-	-	-	-
Recreation and culture	-	2,979,108	-	-
Total expenditures	647,036	2,979,108	1,048,573	1,430,604
Revenues over (under) expenditures	5,315,147	(22,469)	620,463	116,077
Other financing sources (uses)				
Proceeds from sale of capital assets	-	5,012	-	80,000
Insurance recovery	61,558	-	-	-
Transfers in	-	50,000	-	279,000
Transfers out	(5,138,000)	-	-	(600,930)
Total other financing sources (uses)	(5,076,442)	55,012	-	(241,930)
Net change in fund balances	238,705	32,543	620,463	(125,853)
Fund balances (deficits), beginning of year	3,631,596	1,056,365	3,688,820	126,980
Fund balances (deficits), end of year	\$ 3,870,301	\$ 1,088,908	\$ 4,309,283	\$ 1,127

PEG Cable	Community Development Block Grant	Forfeiture	Library	Library Contribution	Rubbish Collection	West Oak Street Lighting
\$ -	\$ -	\$ -	\$ 2,720,300	\$ -	\$ -	\$ -
-	-	-	-	-	-	7,529
362,344	-	-	-	-	2,387,803	-
-	42,656	-	-	-	-	-
-	-	-	42,429	-	-	-
-	-	-	-	-	-	-
-	-	185,026	185,688	-	-	-
23,447	-	12,849	99,764	55,211	11,724	14
-	-	-	18,106	28,249	-	-
-	-	-	-	-	-	-
-	-	12,735	64,469	-	5,334	-
<u>385,791</u>	<u>42,656</u>	<u>210,610</u>	<u>3,130,756</u>	<u>83,460</u>	<u>2,404,861</u>	<u>7,543</u>
-	-	363,401	-	-	-	-
-	-	-	-	-	2,416,876	6,790
324,052	64,139	-	-	-	-	-
-	-	-	2,934,052	114,802	-	-
<u>324,052</u>	<u>64,139</u>	<u>363,401</u>	<u>2,934,052</u>	<u>114,802</u>	<u>2,416,876</u>	<u>6,790</u>
<u>61,739</u>	<u>(21,483)</u>	<u>(152,791)</u>	<u>196,704</u>	<u>(31,342)</u>	<u>(12,015)</u>	<u>753</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	12,015	-
-	-	-	-	-	-	-
-	-	-	-	-	12,015	-
<u>61,739</u>	<u>(21,483)</u>	<u>(152,791)</u>	<u>196,704</u>	<u>(31,342)</u>	<u>-</u>	<u>753</u>
<u>788,168</u>	<u>(29,591)</u>	<u>478,877</u>	<u>1,904,550</u>	<u>1,707,428</u>	<u>-</u>	<u>42,302</u>
<u>\$ 849,907</u>	<u>\$ (51,074)</u>	<u>\$ 326,086</u>	<u>\$ 2,101,254</u>	<u>\$ 1,676,086</u>	<u>\$ -</u>	<u>\$ 43,055</u>

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CITY OF NOVI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
 Special Revenue Funds
 For the Year Ended June 30, 2019

	West Lake Drive Street Lighting	Town Center Street Lighting	Total
Revenues			
Property taxes	\$ -	\$ -	\$ 10,884,250
Special assessments	3,300	25,000	48,861
Licenses, permits, and charges for services	-	-	2,794,271
Intergovernmental:			
Federal grants	-	-	42,656
State-shared revenue and grants	-	-	592,827
Other grants	-	-	115,018
Fines and forfeitures	-	-	370,714
Investment income	1	6	683,642
Other:			
Local donations	-	-	85,125
Recreational programs	-	-	1,509,334
Miscellaneous	-	-	1,301,825
Total revenues	3,301	25,006	18,428,523
Expenditures			
Current:			
Public safety	-	-	363,401
Public works	2,696	20,162	5,572,737
Community and economic development	-	-	388,191
Recreation and culture	-	-	6,027,962
Total expenditures	2,696	20,162	12,352,291
Revenues over (under) expenditures	605	4,844	6,076,232
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	85,012
Insurance recovery	-	-	61,558
Transfers in	-	-	341,015
Transfers out	-	-	(5,738,930)
Total other financing sources (uses)	-	-	(5,251,345)
Net change in fund balances	605	4,844	824,887
Fund balances (deficits), beginning of year	2,705	6,953	13,405,153
Fund balances (deficits), end of year	\$ 3,310	\$ 11,797	\$ 14,230,040

concluded.

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Municipal Streets Special Revenue Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	5,371,752	5,283,136	5,288,116	4,980
Special assessments	13,031	13,031	13,032	1
Licenses, permits, and charges for services	25,000	25,000	44,124	19,124
Intergovernmental:				
State-shared revenue and grants	175,000	179,981	186,546	6,565
Other grants	110,000	115,018	115,018	-
Investment income	10,186	215,049	267,514	52,465
Other -				
Miscellaneous	10,000	36,000	47,833	11,833
Total revenues	5,714,969	5,867,215	5,962,183	94,968
Expenditures				
Current -				
Public works:				
Other services and charges	579,775	579,872	575,089	(4,783)
Capital outlay	582,194	1,485,052	71,947	(1,413,105)
Total expenditures	1,161,969	2,064,924	647,036	(1,417,888)
Revenues over expenditures	4,553,000	3,802,291	5,315,147	1,512,856
Other financing sources (uses)				
Insurance recovery	-	61,558	61,558	-
Transfers out	(3,676,000)	(4,751,656)	(5,138,000)	(386,344)
Total other financing sources (uses)	(3,676,000)	(4,690,098)	(5,076,442)	(386,344)
Net change in fund balance	877,000	(887,807)	238,705	1,126,512
Fund balance, beginning of year	789,903	3,631,596	3,631,596	-
Fund balance, end of year	\$ 1,666,903	\$ 2,743,789	\$ 3,870,301	\$ 1,126,512

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Parks, Recreation, and Cultural Services Special Revenue Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,371,654	\$ 1,357,654	\$ 1,358,822	\$ 1,168
Investment income	20,805	35,339	49,417	14,078
Other:				
Local donations	24,500	41,573	38,770	(2,803)
Recreational programs	1,393,900	1,498,037	1,509,334	11,297
Miscellaneous	7,400	300	296	(4)
Total revenues	2,818,259	2,932,903	2,956,639	23,736
Expenditures				
Current -				
Recreation and culture:				
Personnel services	1,229,048	1,251,573	1,201,319	(50,254)
Supplies	73,180	114,556	61,314	(53,242)
Other services and charges	1,532,920	1,645,277	1,544,631	(100,646)
Capital outlay	239,911	398,095	171,844	(226,251)
Total expenditures	3,075,059	3,409,501	2,979,108	(430,393)
Revenues under expenditures	(256,800)	(476,598)	(22,469)	454,129
Other financing sources				
Proceeds from sale of capital assets	-	5,012	5,012	-
Transfers in	256,800	80,000	50,000	(30,000)
Total other financing sources	256,800	85,012	55,012	(30,000)
Net change in fund balance	-	(391,586)	32,543	424,129
Fund balance, beginning of year	597,373	1,056,365	1,056,365	-
Fund balance, end of year	\$ 597,373	\$ 664,779	\$ 1,088,908	\$ 424,129

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Tree Special Revenue Fund For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State-shared revenue and grants	\$ -	\$ 360,821	\$ 363,852	\$ 3,031
Investment income	60,090	107,482	143,284	35,802
Other -				
Miscellaneous	300,000	1,089,550	1,161,900	72,350
Total revenues	360,090	1,557,853	1,669,036	111,183
Expenditures				
Current -				
Public works:				
Personnel services	98,135	90,016	71,418	(18,598)
Supplies	1,000	1,000	971	(29)
Other services and charges	455,955	473,592	430,436	(43,156)
Capital outlay	-	778,179	545,748	(232,431)
Total expenditures	555,090	1,342,787	1,048,573	(294,214)
Net change in fund balance	(195,000)	215,066	620,463	405,397
Fund balance, beginning of year	3,623,847	3,688,820	3,688,820	-
Fund balance, end of year	\$ 3,428,847	\$ 3,903,886	\$ 4,309,283	\$ 405,397

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Drain Revenue Special Revenue Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 961,410	\$ 1,516,637	\$ 1,517,012	\$ 375
Investment income	57,871	21,223	20,411	(812)
Other -				
Miscellaneous	10,000	10,000	9,258	(742)
Total revenues	1,029,281	1,547,860	1,546,681	(1,179)
Expenditures				
Current -				
Public works:				
Personnel services	25,206	23,439	23,438	(1)
Other services and charges	843,303	859,522	724,222	(135,300)
Capital outlay	828,665	3,158,277	682,944	(2,475,333)
Total expenditures	1,697,174	4,041,238	1,430,604	(2,610,634)
Revenues over (under) expenditures	(667,893)	(2,493,378)	116,077	2,609,455
Other financing sources (uses)				
Proceeds from sale of capital assets	-	80,000	80,000	-
Transfers in	399,000	2,987,098	279,000	(2,708,098)
Transfers out	-	(700,700)	(600,930)	(99,770)
Total other financing sources (uses)	399,000	2,366,398	(241,930)	(2,807,868)
Net change in fund balance	(268,893)	(126,980)	(125,853)	1,127
Fund balance, beginning of year	268,893	126,980	126,980	-
Fund balance, end of year	\$ -	\$ -	\$ 1,127	\$ 1,127

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - PEG Cable Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses, permits, and charges for services	\$ 315,000	\$ 362,000	\$ 362,344	\$ 344
Investment income	2,388	9,938	23,447	13,509
Total revenues	<u>317,388</u>	<u>371,938</u>	<u>385,791</u>	<u>13,853</u>
Expenditures				
Current -				
Community and economic development:				
Personnel services	216,316	219,378	213,104	(6,274)
Supplies	2,272	6,282	5,650	(632)
Other services and charges	38,900	53,113	36,934	(16,179)
Capital outlay	59,900	84,364	68,364	(16,000)
Total expenditures	<u>317,388</u>	<u>363,137</u>	<u>324,052</u>	<u>(39,085)</u>
Net change in fund balance	-	8,801	61,739	52,938
Fund balance, beginning of year	<u>658,634</u>	<u>788,168</u>	<u>788,168</u>	-
Fund balance, end of year	<u>\$ 658,634</u>	<u>\$ 796,969</u>	<u>\$ 849,907</u>	<u>\$ 52,938</u>

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Community Development Block Grant Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 100,000	\$ 100,000	\$ 42,656	\$ (57,344)
Expenditures				
Current -				
Community and economic development -				
Other services and charges	100,000	100,000	64,139	(35,861)
Net change in fund balance	-	-	(21,483)	(21,483)
Fund balance (deficit), beginning of year	-	-	(29,591)	(29,591)
Fund balance (deficit), end of year	\$ -	\$ -	\$ (51,074)	\$ (51,074)

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Forfeiture Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
Federal grants	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Fines and forfeitures	144,000	184,050	185,026	976
Investment income	4,695	9,564	12,849	3,285
Other -				
Miscellaneous	3,000	46,000	12,735	(33,265)
Total revenues	<u>156,695</u>	<u>244,614</u>	<u>210,610</u>	<u>(34,004)</u>
Expenditures				
Current -				
Public safety:				
Supplies	43,755	67,931	62,266	(5,665)
Other services and charges	525	525	524	(1)
Capital outlay	282,415	314,708	300,611	(14,097)
Total expenditures	<u>326,695</u>	<u>383,164</u>	<u>363,401</u>	<u>(19,763)</u>
Net change in fund balance	(170,000)	(138,550)	(152,791)	(14,241)
Fund balance, beginning of year	<u>317,508</u>	<u>478,877</u>	<u>478,877</u>	-
Fund balance, end of year	<u>\$ 147,508</u>	<u>\$ 340,327</u>	<u>\$ 326,086</u>	<u>\$ (14,241)</u>

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Library Special Revenue Fund

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 2,721,780	\$ 2,716,318	\$ 2,720,300	\$ 3,982
Intergovernmental -				
State-shared revenue and grants	34,000	34,000	42,429	8,429
Fines and forfeitures	162,000	179,795	185,688	5,893
Investment income	36,000	36,000	99,764	63,764
Other:				
Local donations	6,500	10,500	18,106	7,606
Miscellaneous	72,750	66,742	64,469	(2,273)
Total revenues	<u>3,033,030</u>	<u>3,043,355</u>	<u>3,130,756</u>	<u>87,401</u>
Expenditures				
Current -				
Recreation and culture:				
Personnel services	1,984,400	1,889,100	1,888,976	(124)
Supplies	588,300	579,200	488,386	(90,814)
Other services and charges	514,900	547,380	521,610	(25,770)
Capital outlay	70,000	60,800	35,080	(25,720)
Total expenditures	<u>3,157,600</u>	<u>3,076,480</u>	<u>2,934,052</u>	<u>(142,428)</u>
Net change in fund balance	(124,570)	(33,125)	196,704	229,829
Fund balance, beginning of year	<u>1,708,514</u>	<u>1,904,550</u>	<u>1,904,550</u>	-
Fund balance, end of year	<u>\$ 1,583,944</u>	<u>\$ 1,871,425</u>	<u>\$ 2,101,254</u>	<u>\$ 229,829</u>

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Library Contribution Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Investment income	\$ 22,500	\$ 22,500	\$ 55,211	\$ 32,711
Other -				
Local donations	10,500	23,664	28,249	4,585
Total revenues	<u>33,000</u>	<u>46,164</u>	<u>83,460</u>	<u>37,296</u>
Expenditures				
Current -				
Recreation and culture:				
Supplies	145,700	49,723	46,308	(3,415)
Capital outlay	-	83,750	68,494	(15,256)
Total expenditures	<u>145,700</u>	<u>133,473</u>	<u>114,802</u>	<u>(18,671)</u>
Net change in fund balance	(112,700)	(87,309)	(31,342)	55,967
Fund balance, beginning of year	<u>1,627,981</u>	<u>1,707,428</u>	<u>1,707,428</u>	-
Fund balance, end of year	<u>\$ 1,515,281</u>	<u>\$ 1,620,119</u>	<u>\$ 1,676,086</u>	<u>\$ 55,967</u>

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Rubbish Collection Special Revenue Fund

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses, permits, and charges for services	\$ 2,200,000	\$ 2,386,607	\$ 2,387,803	\$ 1,196
Investment income	-	1,000	11,724	10,724
Other -				
Miscellaneous	-	11,283	5,334	(5,949)
Total revenues	2,200,000	2,398,890	2,404,861	5,971
Expenditures				
Current -				
Public works-				
Other services and charges	2,200,000	2,416,890	2,416,876	(14)
Revenues under expenditures	-	(18,000)	(12,015)	5,985
Other financing sources				
Transfers in	-	18,000	12,015	(5,985)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - West Oak Street Lighting Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	\$ 7,529	\$ 7,529	\$ 7,529	\$ -
Investment income	21	21	14	(7)
Total revenues	7,550	7,550	7,543	(7)
Expenditures				
Current -				
Public works -				
Other services and charges	10,000	10,000	6,790	(3,210)
Net change in fund balance	(2,450)	(2,450)	753	3,203
Fund balance, beginning of year	39,867	42,302	42,302	-
Fund balance, end of year	\$ 37,417	\$ 39,852	\$ 43,055	\$ 3,203

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - West Lake Drive Street Lighting Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	\$ 3,300	\$ 3,300	\$ 3,300	\$ -
Investment income	-	-	1	1
Total revenues	3,300	3,300	3,301	1
Expenditures				
Current -				
Public works -				
Other services and charges	3,500	3,500	2,696	(804)
Net change in fund balance	(200)	(200)	605	805
Fund balance, beginning of year	2,215	2,705	2,705	-
Fund balance, end of year	\$ 2,015	\$ 2,505	\$ 3,310	\$ 805

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Town Center Street Lighting Special Revenue Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Investment income	-	-	6	6
Total revenues	25,000	25,000	25,006	6
Expenditures				
Current -				
Public works -				
Other services and charges	25,000	25,000	20,162	(4,838)
Net change in fund balance	-	-	4,844	4,844
Fund balance, beginning of year	2,288	6,953	6,953	-
Fund balance, end of year	\$ 2,288	\$ 6,953	\$ 11,797	\$ 4,844

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CITY OF NOVI, MICHIGAN

■ Nonmajor Debt Service Funds

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

2008 Library Construction Debt Fund- This fund was established to account for annual debt service payments for a bond that was issued to construct a new library building. The annual debt service is paid from property tax collections authorized by a voter-approved millage.

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - 2008 Library Construction Debt Service Fund

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,265,832	\$ 1,267,082	\$ 1,268,295	\$ 1,213
Investment income	518	518	71	(447)
Total revenues	<u>1,266,350</u>	<u>1,267,600</u>	<u>1,268,366</u>	<u>766</u>
Expenditures				
Current -				
Recreation and culture -				
Other services and charges	500	500	500	-
Debt service:				
Principal	965,000	965,000	965,000	-
Interest and fiscal charges	390,250	391,500	391,042	(458)
Total expenditures	<u>1,355,750</u>	<u>1,357,000</u>	<u>1,356,542</u>	<u>(458)</u>
Net change in fund balance	(89,400)	(89,400)	(88,176)	1,224
Fund balance, beginning of year	<u>241,741</u>	<u>252,483</u>	<u>252,483</u>	-
Fund balance, end of year	<u>\$ 152,341</u>	<u>\$ 163,083</u>	<u>\$ 164,307</u>	<u>\$ 1,224</u>

CITY OF NOVI, MICHIGAN

■ Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Special Assessment Revolving Fund - This fund is used to account for the construction of capital assets funded in whole or in part by long-term special assessment debt. The City has self-funded previous projects and has elected to maintain the cumulative interest, as well as the initial General Fund contribution in this fund. All future uses of this fund will be determined as part of the City's annual capital improvement plan (CIP).

Street Improvement Fund - As of fiscal year 2013-2014, the City Council has elected to transfer the remaining unspent balances for ongoing construction projects in the Major, Local, and Municipal Street funds into this separate capital improvement fund until completion. The City expects all projects in this fund to be completed before the end of the following fiscal year.

Gun Range Facility Fund - As of July 1, 2014, the City Council has elected to place the gross revenue from users of the gun range facility (previously in the General Fund) into a separate capital project fund to be used toward planned future capital improvements.

CITY OF NOVI, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 Capital Projects Funds
 June 30, 2019

	Special Assessment Revolving	Street Improvement	Gun Range Facility	Total
Assets				
Cash and cash equivalents	\$ 72,627	\$ -	\$ 43,541	\$ 116,168
Investments	4,030,763	2,985,000	100,513	7,116,276
Receivables - Other	-	-	18,400	18,400
Total assets	<u>\$ 4,103,390</u>	<u>\$ 2,985,000</u>	<u>\$ 162,454</u>	<u>\$ 7,250,844</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 81,597	\$ 81,597
Fund balances				
Restricted:				
Roads	-	2,985,000	-	2,985,000
Public safety	-	-	80,857	80,857
Infrastructure improvements	4,103,390	-	-	4,103,390
Total fund balance	<u>4,103,390</u>	<u>2,985,000</u>	<u>80,857</u>	<u>7,169,247</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,103,390</u>	<u>\$ 2,985,000</u>	<u>\$ 162,454</u>	<u>\$ 7,250,844</u>

CITY OF NOVI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Capital Project Funds

For the Year Ended June 30, 2019

	Special Assessment Revolving	Street Improvement	Gun Range Facility	Total
Revenues				
Licenses, permits, and charges for services	\$ -	\$ -	\$ 89,650	\$ 89,650
Investment income	130,773	-	6,188	136,961
Total revenues	<u>130,773</u>	<u>-</u>	<u>95,838</u>	<u>226,611</u>
Expenditures				
Current:				
Public safety	-	-	94,812	94,812
Public works	500	3,735,000	-	3,735,500
Total expenditures	<u>500</u>	<u>3,735,000</u>	<u>94,812</u>	<u>3,830,312</u>
Revenues over (under) expenditures	<u>130,273</u>	<u>(3,735,000)</u>	<u>1,026</u>	<u>(3,603,701)</u>
Other financing sources (uses)				
Transfers in	-	2,985,000	-	2,985,000
Transfers out	-	-	(245,915)	(245,915)
Total other financing sources (uses)	<u>-</u>	<u>2,985,000</u>	<u>(245,915)</u>	<u>2,739,085</u>
Net change in fund balances	130,273	(750,000)	(244,889)	(864,616)
Fund balances, beginning of year	<u>3,973,117</u>	<u>3,735,000</u>	<u>325,746</u>	<u>8,033,863</u>
Fund balances, end of year	<u>\$ 4,103,390</u>	<u>\$ 2,985,000</u>	<u>\$ 80,857</u>	<u>\$ 7,169,247</u>

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Special Assessment Revolving Capital Projects Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Investment income	\$ 50,500	\$ 50,500	\$ 130,773	\$ 80,273
Expenditures				
Current -				
Public works -				
Other services and charges	500	500	500	-
Net change in fund balance	50,000	50,000	130,273	80,273
Fund balance, beginning of year	3,978,531	3,973,117	3,973,117	-
Fund balance, end of year	<u>\$ 4,028,531</u>	<u>\$ 4,023,117</u>	<u>\$ 4,103,390</u>	<u>\$ 80,273</u>

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Street Improvement Capital Projects Fund
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Public works -				
Capital outlay	\$ -	\$ 3,735,000	\$ 3,735,000	\$ -
Other financing sources				
Transfers in	-	4,000,000	2,985,000	(1,015,000)
Net change in fund balance	-	265,000	(750,000)	(1,015,000)
Fund balance, beginning of year	-	3,735,000	3,735,000	-
Fund balance, end of year	\$ -	\$ 4,000,000	\$ 2,985,000	\$ (1,015,000)

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Gun Range Facility Capital Projects Fund

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses, permits, and charges for services	\$ 90,000	\$ 70,000	\$ 89,650	\$ 19,650
Investment income	1,000	6,000	6,188	188
Total revenues	91,000	76,000	95,838	19,838
Expenditures				
Public safety -				
Capital outlay	90,800	95,974	94,812	(1,162)
Revenues over (under) expenditures	200	(19,974)	1,026	21,000
Other financing sources				
Transfers out	-	(245,915)	(245,915)	-
Net change in fund balance	200	(265,889)	(244,889)	21,000
Fund balance, beginning of year	90,313	325,746	325,746	-
Fund balance, end of year	\$ 90,513	\$ 59,857	\$ 80,857	\$ 21,000

CITY OF NOVI, MICHIGAN

■ Nonmajor Permanent Fund

Drain Perpetual Maintenance Fund - A citizen's committee has been established to oversee the building and maintenance of the drain system. This fund was initially created with allocations from the Drain Fund. Additional revenue has come from tap fees for properties connecting to regional systems. The intent is to build an investment base in which earnings will eventually cover the cost of maintaining the system and reduce or eliminate the need for the Drain Fund millage.

CITY OF NOVI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Drain Perpetual Maintenance Permanent Fund

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Investment income	\$ 35,000	\$ 145,122	\$ 225,538	\$ 80,416
Other -				
Tap-in fees	25,000	25,000	4,623	(20,377)
Total revenues	60,000	170,122	230,161	60,039
Other financing uses				
Transfers out	(399,000)	(2,987,098)	(279,000)	(2,708,098)
Net change in fund balance	(339,000)	(2,816,976)	(48,839)	2,768,137
Fund balance, beginning of year	2,707,887	6,832,375	6,832,375	-
Fund balance, end of year	\$ 2,368,887	\$ 4,015,399	\$ 6,783,536	\$ 2,768,137

CITY OF NOVI, MICHIGAN

Statement of Changes in Fiduciary Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<i>Trust and Agency</i>				
Assets				
Cash and cash equivalents	\$ 122	\$ 6,504,458	\$ (6,460,024)	\$ 44,556
Investments	6,770,991	2,673,823	(1,217,866)	8,226,948
Total assets	\$ 6,771,113	\$ 9,178,281	\$ (7,677,890)	\$ 8,271,504
Liabilities				
Accounts payable	\$ 346,727	\$ 4,302,310	\$ (4,214,850)	434,187
Due to other governments	201,158	152,017	(173,710)	179,465
Refundable deposits	6,223,228	4,723,954	(3,289,330)	7,657,852
Total liabilities	\$ 6,771,113	\$ 9,178,281	\$ (7,677,890)	\$ 8,271,504

CITY OF NOVI, MICHIGAN

Balance Sheet / Statement of Net Position

Economic Development Corporation Component Unit

June 30, 2019

	Economic Development Corporation	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 11,910	\$ -	\$ 11,910
Other	35,000	-	35,000
Total assets	\$ 46,910	-	46,910
Fund balance			
Nonspendable	35,000	(35,000)	-
Unassigned	11,910	(11,910)	-
Total fund balance	\$ 46,910		
Net position - unrestricted		\$ 46,910	\$ 46,910

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities Economic Development Corporation Component Unit For the Year Ended June 30, 2019

	Economic Development Corporation	Adjustments	Statement of Activities
Revenues			
Investment income	\$ 3	\$ -	\$ 3
Fund balance / net position, beginning of year	<u>46,907</u>	<u>-</u>	<u>46,907</u>
Fund balance / net position, end of year	<u>\$ 46,910</u>	<u>\$ -</u>	<u>\$ 46,910</u>

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STATISTICAL SECTION

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CITY OF NOVI, MICHIGAN

Statistical Section Table of Contents

This part of the City of Novi's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	148
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	160
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	167
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	172
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	174

Sources: Unless otherwise noted, the information in these schedules are derived from the annual financial reports for the applicable year.

CITY OF NOVI, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 98,921,906	\$ 101,958,721	\$ 106,988,589	\$ 111,718,349
Restricted	45,653,695	42,916,961	41,427,834	37,289,012
Unrestricted (deficit)	8,329,201	12,295,232	10,690,782	10,826,405
Total governmental activities	\$ 152,904,802	\$ 157,170,914	\$ 159,107,205	\$ 159,833,766
Business-type activities				
Net investment in capital assets	\$ 122,111,095	\$ 120,045,947	\$ 117,789,163	\$ 117,914,884
Restricted	8,429,638	8,175,188	7,494,295	7,001,295
Unrestricted	42,387,922	45,978,922	49,270,297	48,625,422
Total business-type activities	\$ 172,928,655	\$ 174,200,057	\$ 174,553,755	\$ 173,541,601
Primary government				
Net investment in capital assets	\$ 221,033,001	\$ 222,004,668	\$ 224,777,752	\$ 229,633,233
Restricted	54,083,333	51,092,149	48,922,129	44,290,307
Unrestricted	50,717,123	58,274,154	59,961,079	59,451,827
Total primary government	\$ 325,833,457	\$ 331,370,971	\$ 333,660,960	\$ 333,375,367

Source: City's annual financial statements

2014	2015	2016	2017	2018	2019
\$ 113,868,196	\$ 118,345,243	\$ 126,474,197	\$ 138,682,792	\$ 143,347,891	\$ 163,467,366
35,240,527	38,576,210	37,216,395	31,767,695	33,060,671	29,889,601
(14,622,520)	(15,525,832)	(15,805,367)	(20,402,611)	(26,055,697)	(32,788,366)
<u>\$ 134,486,203</u>	<u>\$ 141,395,621</u>	<u>\$ 147,885,225</u>	<u>\$ 150,047,876</u>	<u>\$ 150,352,865</u>	<u>\$ 160,568,601</u>
\$ 116,089,327	\$ 122,420,958	\$ 123,718,769	\$ 125,665,962	\$ 126,934,551	\$ 127,568,547
1,136,154	-	-	-	-	-
58,721,199	58,968,795	62,575,016	66,158,721	70,232,964	74,023,410
<u>\$ 175,946,680</u>	<u>\$ 181,389,753</u>	<u>\$ 186,293,785</u>	<u>\$ 191,824,683</u>	<u>\$ 197,167,515</u>	<u>\$ 201,591,957</u>
\$ 229,957,523	\$ 240,766,201	\$ 250,192,966	\$ 264,348,754	\$ 270,282,442	\$ 291,035,913
36,376,681	38,576,210	37,216,395	31,767,695	33,060,671	29,889,601
44,098,679	43,442,963	46,769,649	45,756,110	44,177,267	41,235,044
<u>\$ 310,432,883</u>	<u>\$ 322,785,374</u>	<u>\$ 334,179,010</u>	<u>\$ 341,872,559</u>	<u>\$ 347,520,380</u>	<u>\$ 362,160,558</u>

CITY OF NOVI, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 6,404,820	\$ 6,315,571	\$ 6,610,466	\$ 6,943,746
Public safety	18,735,448	18,331,488	16,793,073	16,191,890
Public works	9,831,873	11,548,677	10,729,285	11,741,414
Community and economic development	1,317,373	1,241,411	2,617,585	2,699,301
Recreation and culture	7,719,230	5,151,212	5,595,861	5,730,397
Interest and fiscal charges	1,780,848	1,759,340	1,453,161	1,059,437
Total governmental activities	<u>45,789,592</u>	<u>44,347,699</u>	<u>43,799,431</u>	<u>44,366,185</u>
Business-type activities:				
Water and sewer	18,043,772	20,419,330	23,771,121	24,025,098
Ice Arena	1,669,542	1,704,596	1,710,615	1,919,478
Senior Housing	1,575,178	1,577,697	1,541,251	1,537,409
Total business-type activities	<u>21,288,492</u>	<u>23,701,623</u>	<u>27,022,987</u>	<u>27,481,985</u>
Total primary government expenses	<u>67,078,084</u>	<u>68,049,322</u>	<u>70,822,418</u>	<u>71,848,170</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	-	-	-	-
Public safety	1,780,059	2,438,917	3,181,849	3,186,862
Public works	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	1,210,039	1,300,084	1,422,483	1,655,335
Other activities	208,442	611,929	548,787	709,560
Operating grants and contributions	3,391,897	3,620,833	3,511,329	3,897,155
Capital grants and contributions	1,070,050	2,176,263	804,764	1,197,870
Total governmental activities	<u>7,660,487</u>	<u>10,148,026</u>	<u>9,469,212</u>	<u>10,646,782</u>
Business-type activities:				
Charges for services:				
Water and sewer	16,359,420	18,494,973	20,627,062	22,398,469
Ice Arena	2,067,836	2,078,643	2,003,689	2,104,536
Senior Housing	1,804,069	1,903,346	1,944,912	1,968,900
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,443,974	2,002,749	2,172,991	3,383,087
Total business-type activities	<u>21,675,299</u>	<u>24,479,711</u>	<u>26,748,654</u>	<u>29,854,992</u>
Total primary government program revenues	<u>29,335,786</u>	<u>34,627,737</u>	<u>36,217,866</u>	<u>40,501,774</u>
Net (expense)/revenue				
Government activities	(38,129,105)	(34,199,673)	(34,330,219)	(33,719,403)
Business-type activities	<u>386,807</u>	<u>778,088</u>	<u>(274,333)</u>	<u>2,373,007</u>
Total primary government net expense	<u>(37,742,298)</u>	<u>(33,421,585)</u>	<u>(34,604,552)</u>	<u>(31,346,396)</u>

2014	2015	2016	2017	2018	2019
\$ 6,378,078	\$ 6,073,981	\$ 7,260,647	\$ 5,064,097	\$ 7,822,056	\$ 9,773,538
17,216,678	17,649,289	18,811,184	22,712,180	21,046,372	21,159,849
12,455,654	11,305,231	12,136,916	15,781,996	18,638,195	19,254,786
3,072,448	3,065,875	3,954,669	3,565,698	4,060,811	2,994,733
6,100,940	6,004,747	5,666,367	5,697,673	6,236,403	5,926,881
963,702	839,175	777,562	399,077	367,467	340,183
<u>46,187,500</u>	<u>44,938,298</u>	<u>48,607,345</u>	<u>53,220,721</u>	<u>58,171,304</u>	<u>59,449,970</u>
23,001,139	24,413,229	27,282,209	25,569,364	26,211,694	25,278,115
1,771,615	2,107,211	1,735,010	1,657,727	1,597,966	1,682,737
1,548,478	1,556,956	1,898,830	1,393,543	1,358,521	1,366,882
<u>26,321,232</u>	<u>28,077,396</u>	<u>30,916,049</u>	<u>28,620,634</u>	<u>29,168,181</u>	<u>28,327,734</u>
<u>72,508,732</u>	<u>73,015,694</u>	<u>79,523,394</u>	<u>81,841,355</u>	<u>87,339,485</u>	<u>87,777,704</u>
-	-	-	-	-	4,127,393
1,198,711	1,026,876	1,017,405	986,285	438,432	948,648
-	-	-	-	-	2,436,551
-	-	-	-	-	362,344
1,592,012	1,622,497	2,176,230	1,688,012	1,644,806	1,498,614
2,547,217	3,524,521	3,706,651	4,964,178	5,244,540	-
4,525,924	5,289,006	5,663,304	5,663,346	6,662,970	8,946,984
651,597	777,202	847,547	1,561,439	1,846,192	1,319,020
<u>10,515,461</u>	<u>12,240,102</u>	<u>13,411,137</u>	<u>14,863,260</u>	<u>15,836,940</u>	<u>19,639,554</u>
21,663,401	21,474,451	24,666,297	24,184,714	23,997,466	23,725,843
2,143,962	2,171,061	2,202,031	2,132,426	1,957,549	2,021,295
1,992,761	2,004,464	2,020,797	2,037,187	2,050,896	2,084,754
-	-	-	-	-	190,521
2,905,677	6,764,583	5,337,278	5,718,715	5,747,324	4,835,047
<u>28,705,801</u>	<u>32,414,559</u>	<u>34,226,403</u>	<u>34,073,042</u>	<u>33,753,235</u>	<u>32,857,460</u>
<u>39,221,262</u>	<u>44,654,661</u>	<u>47,637,540</u>	<u>48,936,302</u>	<u>49,590,175</u>	<u>52,497,014</u>
(35,672,039)	(32,698,196)	(35,196,208)	(38,357,461)	(42,334,364)	(39,810,416)
2,384,569	4,337,163	3,310,354	5,452,408	4,585,054	4,529,726
<u>(33,287,470)</u>	<u>(28,361,033)</u>	<u>(31,885,854)</u>	<u>(32,905,053)</u>	<u>(37,749,310)</u>	<u>(35,280,690)</u>

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CITY OF NOVI, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2010	2011	2012	2013
General revenues and transfers				
Governmental activities:				
Property taxes	\$ 37,137,888	\$ 32,550,375	\$ 30,183,881	\$ 29,620,564
State shared revenues	3,046,979	3,725,690	3,990,693	4,074,589
Cable franchise fees	535,804	601,350	722,065	991,272
Investment income	593,064	626,449	881,869	(770,389)
Other	823,054	961,921	466,110	529,928
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	21,892	-
Total governmental activities	<u>42,136,789</u>	<u>38,465,785</u>	<u>36,266,510</u>	<u>34,445,964</u>
Business-type activities:				
Investment income	388,711	493,314	649,923	(885,154)
Other	-	-	-	-
Transfers	-	-	(21,892)	-
Total business-type activities	<u>388,711</u>	<u>493,314</u>	<u>628,031</u>	<u>(885,154)</u>
Total primary government	<u>42,525,500</u>	<u>38,959,099</u>	<u>36,894,541</u>	<u>33,560,810</u>
Change in net position				
Governmental activities	4,007,684	4,266,112	1,936,291	726,561
Business-type activities	775,518	1,271,402	353,698	1,487,853
Total primary government	<u>\$ 4,783,202</u>	<u>\$ 5,537,514</u>	<u>\$ 2,289,989</u>	<u>\$ 2,214,414</u>

Source: City's annual financial statements

Schedule 2
Unaudited

2014	2015	2016	2017	2018	2019
\$ 30,059,401	\$ 31,673,469	\$ 32,932,970	\$ 33,087,219	\$ 36,658,748	\$ 38,636,830
4,170,809	4,696,805	4,963,301	4,651,780	5,173,080	5,658,307
801,256	1,105,163	1,334,136	1,304,367	1,288,833	-
1,436,616	2,132,177	2,455,405	219,207	733,912	1,468,783
216,711	-	-	1,017,539	1,195,623	266,640
-	-	-	-	-	114,911
-	-	-	240,000	-	2,421,260
<u>36,684,793</u>	<u>39,607,614</u>	<u>41,685,812</u>	<u>40,520,112</u>	<u>45,050,196</u>	<u>48,566,731</u>
622,902	1,104,990	1,593,678	318,490	828,498	2,220,521
495,955	920	-	-	-	33,061
-	-	-	(240,000)	-	(2,421,260)
<u>1,118,857</u>	<u>1,105,910</u>	<u>1,593,678</u>	<u>78,490</u>	<u>828,498</u>	<u>(167,678)</u>
<u>37,803,650</u>	<u>40,713,524</u>	<u>43,279,490</u>	<u>40,598,602</u>	<u>45,878,694</u>	<u>48,399,053</u>
1,012,754	6,909,418	6,489,604	2,162,651	2,715,832	8,756,315
3,503,426	5,443,073	4,904,032	5,530,898	5,413,552	4,362,048
<u>\$ 4,516,180</u>	<u>\$ 12,352,491</u>	<u>\$ 11,393,636</u>	<u>\$ 7,693,549</u>	<u>\$ 8,129,384</u>	<u>\$ 13,118,363</u>

concluded.

CITY OF NOVI, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2010	2011	2012	2013
General fund				
Nonspendable	\$ -	\$ 1,640	\$ -	\$ 5,000
Restricted	-	103,988	252,758	179,147
Assigned	-	4,192,010	1,185,395	661,639
Unassigned	9,710,403	7,119,437	8,126,447	7,965,778
Total general fund	9,710,403	11,417,075	9,564,600	8,811,564
All other governmental funds				
Nonspendable	-	-	2,500	-
Restricted	9,892,542	34,936,096	37,832,828	35,073,121
Assigned	-	3,066,993	-	-
Unassigned (deficit)	29,296,745	-	-	160,337
Total all other governmental funds	39,189,287	38,003,089	37,835,328	35,233,458
Total all governmental funds	\$ 48,899,690	\$ 49,420,164	\$ 47,399,928	\$ 44,045,022

Source: City's annual financial statements

2014	2015	2016	2017	2018	2019
\$ 13,915	\$ 16,111	\$ 164,628	\$ 486,817	\$ 229,382	\$ 242,421
272,654	30,176	25,240	24,189	22,700	21,722
-	981,736	1,884,723	1,408,718	1,033,033	1,310,001
9,203,448	11,329,627	11,670,611	10,986,117	10,533,951	9,722,965
<u>9,490,017</u>	<u>12,357,650</u>	<u>13,745,202</u>	<u>12,905,841</u>	<u>11,819,066</u>	<u>11,297,109</u>
-	200	-	18,951	740	495,625
35,240,527	36,911,606	36,323,281	31,696,279	32,712,155	29,475,530
-	-	2,100,000	2,493	-	-
-	(15,848)	(33,932)	(1,487)	275,737	(6,762,839)
<u>35,240,527</u>	<u>36,895,958</u>	<u>38,389,349</u>	<u>31,716,236</u>	<u>32,988,632</u>	<u>23,208,316</u>
<u>\$ 44,730,544</u>	<u>\$ 49,253,608</u>	<u>\$ 52,134,551</u>	<u>\$ 44,622,077</u>	<u>\$ 44,807,698</u>	<u>\$ 34,505,425</u>

CITY OF NOVI, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues				
Property taxes	\$ 37,137,888	\$ 32,550,376	\$ 30,183,881	\$ 29,620,564
Special assessments	1,523,589	1,351,415	1,459,685	1,574,637
Licenses, permits, and charges for services	1,981,548	2,900,982	3,749,548	4,190,121
Intergovernmental	6,273,040	7,110,778	7,427,738	7,969,648
Fines and forfeitures	1,019,185	828,789	839,107	856,128
Investment income	1,278,007	1,218,637	1,383,389	(60,470)
Other	2,164,457	3,065,459	2,195,766	2,510,821
Total revenues	51,377,714	49,026,436	47,239,114	46,661,449
Expenditures				
Current:				
City council	9,242	9,213	16,012	10,051
City manager	411,411	363,513	399,594	423,711
Finance	812,468	815,502	780,995	711,615
Treasury	295,806	274,364	284,894	313,156
Integrated solutions	685,954	710,859	628,167	693,974
Assessing	841,391	727,995	776,554	892,586
City attorney, insurance, and claims	347,976	457,054	431,011	384,736
City clerk	565,152	520,796	496,005	528,894
Facility management	1,154,049	889,803	754,658	1,087,948
Human resources	-	418,994	394,009	408,611
Neighborhood and business relations group	685,791	646,080	787,153	960,416
General administration	1,598,772	1,380,374	1,738,906	2,104,447
Public safety - Police department	11,464,834	11,481,373	11,225,698	11,376,197
Public safety - Fire department	4,813,234	4,730,832	4,540,765	4,548,565
Community development - Building division	1,438,146	1,343,440	1,383,833	1,449,296
Community development - Planning division	625,365	617,048	519,896	489,065
Department of public works	2,254,978	2,416,375	2,419,815	2,693,588
Engineering	-	-	-	-
Planning Commission	3,366	6,168	699	6,744
Construction	14,589,987	2,272,800	4,983,542	4,015,306
Street maintenance	2,366,408	2,780,785	1,992,964	2,592,208
Drain maintenance	635,237	580,337	713,607	409,935
Recreational programs	1,942,282	1,795,604	2,233,255	2,254,135
Forestry and park maintenance	200,962	63,478	41,539	-
Library programs	2,578,916	2,704,689	2,636,714	2,712,163
Economic development	317,621	360,327	82,438	135,451
Debt service:				
Principal	7,325,001	7,685,000	6,855,000	5,205,000
Interest and fiscal charges	1,955,810	1,818,453	1,489,001	1,103,341
Bond issuance costs	109,181	-	-	-
Capital outlay	503,397	544,706	674,518	2,170,216
Total expenditures	60,532,737	48,415,962	49,281,242	49,681,355

2014	2015	2016	2017	2018	2019
\$ 30,059,401	\$ 31,673,469	\$ 32,932,970	\$ 33,087,219	\$ 36,658,748	\$ 38,636,830
1,678,070	1,878,475	1,604,014	25,336	49,598	48,861
3,848,403	3,521,819	4,542,923	4,005,981	3,466,502	7,408,819
8,262,964	8,651,460	9,653,887	9,870,824	11,580,519	12,048,707
1,054,660	639,474	757,403	661,549	677,681	820,770
1,491,790	813,221	1,862,098	219,945	734,650	2,263,009
2,763,087	5,545,676	5,007,027	5,759,163	6,307,787	3,537,910
<u>49,158,375</u>	<u>52,723,594</u>	<u>56,360,322</u>	<u>53,630,017</u>	<u>59,475,485</u>	<u>64,764,906</u>
10,911	42,436	44,292	47,834	59,258	46,815
399,885	508,805	605,833	601,402	633,358	647,112
649,156	856,709	906,575	860,661	962,018	960,130
285,976	320,633	314,398	329,479	346,965	331,059
864,178	774,627	1,058,956	1,094,249	995,548	1,168,737
800,480	717,972	680,102	727,634	796,566	788,255
375,926	707,655	736,524	634,805	681,227	747,932
491,137	709,602	725,047	829,982	707,748	884,283
919,912	1,131,978	1,172,435	1,786,574	2,155,715	2,302,322
423,452	422,818	414,577	394,393	487,489	498,429
846,432	943,332	1,260,956	958,328	756,466	1,046,015
1,596,080	2,419,173	2,395,339	3,749,428	3,486,735	3,367,005
11,746,975	11,809,219	11,954,737	15,583,586	13,686,649	13,286,226
5,110,195	4,742,808	4,979,561	5,761,346	5,791,591	7,697,519
1,554,167	1,597,622	2,088,270	1,926,104	2,040,944	1,963,524
586,948	513,832	736,558	530,385	590,816	591,019
2,960,570	173,913	255,647	746,075	6,852,777	11,387,750
-	-	-	-	-	516,477
-	-	-	-	-	-
3,652,031	5,947,254	8,075,475	10,330,582	7,826,415	6,166,795
3,616,794	3,601,702	3,760,085	5,160,645	1,875,569	9,925,159
426,799	-	-	-	-	578,171
2,345,313	2,377,159	3,772,846	3,765,974	3,752,479	6,826,606
-	-	-	-	-	1,389,177
2,843,791	2,815,266	2,779,842	2,768,005	2,928,428	3,049,354
-	-	-	-	529,753	161,225
3,450,000	3,505,000	4,051,000	2,340,000	920,000	965,000
960,680	833,894	818,163	455,020	425,350	398,292
-	-	-	-	-	-
1,555,065	727,121	-	-	-	-
<u>48,472,853</u>	<u>48,200,530</u>	<u>53,587,218</u>	<u>61,382,491</u>	<u>59,289,864</u>	<u>77,690,388</u>

continued...

CITY OF NOVI, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues over (under) expenditures	<u>(9,155,023)</u>	<u>610,474</u>	<u>(2,042,128)</u>	<u>(3,019,906)</u>
Other financing sources (uses)				
Issuance of long-term debt	4,895,000	-	-	4,165,000
Proceeds from sale of capital assets	-	-	-	-
Insurance recovery	-	-	-	-
Payment to refund bond escrow agent	(5,030,072)	-	-	(4,500,000)
Transfers in	6,097,096	10,289,946	5,118,792	8,263,793
Transfers out	<u>(6,097,096)</u>	<u>(10,289,946)</u>	<u>(5,096,900)</u>	<u>(8,263,793)</u>
Total other financing sources (uses)	<u>(135,072)</u>	<u>-</u>	<u>21,892</u>	<u>(335,000)</u>
Net changes in fund balances	<u>\$ (9,290,095)</u>	<u>\$ 610,474</u>	<u>\$ (2,020,236)</u>	<u>\$ (3,354,906)</u>
Debt services as a percentage of noncapital expenditures	<u>15.6%</u>	<u>19.9%</u>	<u>17.2%</u>	<u>13.3%</u>

Source: City's annual financial statements

Schedule 4
Unaudited

2014	2015	2016	2017	2018	2019
685,522	4,523,064	2,773,104	(7,752,474)	185,621	(12,925,482)
-	-	9,995,301	-	-	-
-	-	-	-	-	114,911
-	-	-	-	-	87,038
-	-	(9,887,462)	-	-	-
13,758,461	13,615,847	13,834,940	7,561,984	5,551,500	10,797,120
(13,758,461)	(13,615,847)	(13,834,940)	(7,321,984)	(5,551,500)	(8,375,860)
-	-	107,839	240,000	-	2,623,209
<u>\$ 685,522</u>	<u>\$ 4,523,064</u>	<u>\$ 2,880,943</u>	<u>\$ (7,512,474)</u>	<u>\$ 185,621</u>	<u>\$ (10,302,273)</u>
<u>9.4%</u>	<u>9.1%</u>	<u>9.1%</u>	<u>4.6%</u>	<u>2.3%</u>	<u>2.8%</u>

concluded.

CITY OF NOVI, MICHIGAN

Taxable and Estimated Actual Value of Property Last Ten Fiscal Years

Year Ended June 30,	Real Property			Personal Property	Total Taxable Value
	Residential Property	Commercial Property	Industrial Property		
2019	\$ 2,389,711,290	\$ 948,154,150	\$ 50,960,580	\$ 256,827,350	\$ 3,645,653,370
2018	2,267,135,430	898,845,980	37,866,980	246,268,600	3,450,116,990
2017	2,169,188,620	878,201,150	38,362,030	237,292,830	3,323,044,630
2016	2,087,604,500	840,859,240	37,269,450	239,836,740	3,205,569,930
2015	1,984,120,840	822,896,230	38,788,580	225,066,560	3,070,872,210
2014	1,892,836,510	815,093,230	40,453,090	223,698,750	2,972,081,580
2013	1,809,105,200	846,638,040	44,245,120	220,345,290	2,920,333,650
2012	1,781,997,870	923,404,500	53,530,570	220,678,540	2,979,611,480
2011	1,862,673,780	900,544,230	220,883,480	220,466,950	3,204,568,440
2010	2,118,748,880	934,816,000	268,208,590	233,170,160	3,554,943,630

Source: City's assessor's department records/State Tax Commission

Note: Under Michigan Law, the revenue base is taxable value

Schedule 5
Unaudited



Tax Rate (mills)	State Equalized Value (SEV)	Taxable Value as a Percentage of Actual Value
10.5376	\$ 4,429,863,848	82.30%
10.5376	4,234,030,940	81.49%
9.9950	3,952,090,850	84.08%
10.2000	3,704,488,760	86.53%
10.2000	3,365,191,110	91.25%
10.2000	3,099,733,610	95.88%
10.2000	3,004,330,340	97.20%
10.5416	3,063,922,590	97.25%
10.5416	3,321,184,600	96.49%
10.5416	3,742,061,910	95.00%

CITY OF NOVI, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of taxable value)

Fiscal Year	City of Novi							
	General	Public Act 359 Advertising	Municipal Street	Police and Fire	Parks and Recreation	Drain Revenue	Capital Improvements	Library
2019	4.8458	0.0137	1.4484	1.3790	0.3722	0.4157	0.9706	0.7451
2018	4.9206	-	1.4708	1.4003	0.3780	0.2648	0.9856	0.7567
2017	4.9925	-	1.4923	1.4208	0.3836	0.2120	-	0.7678
2016	5.0056	-	1.4962	1.4246	0.3847	-	-	0.7699
2015	5.0182	-	1.5000	1.4282	0.3857	-	-	0.7719
2014	5.0182	-	1.5000	1.4282	0.3857	0.1057	-	0.7719
2013	5.0182	-	0.7719	1.4282	0.3857	0.3435	-	0.7719
2012	5.0182	-	0.7719	1.4282	0.3857	0.2642	-	0.7719
2011	5.0182	-	0.7719	1.4282	0.3857	0.0885	-	0.7719
2010	4.9027	-	0.7719	1.4282	0.3857	0.1765	-	0.7719

Source: City's finance department records

City of Novi		Novi Schools		South Lyon Schools		Walled Lake Schools		Northville Schools	
Debt Service	Total	Homestead	Non-Homestead	Homestead	Non-Homestead	Homestead	Non-Homestead	Homestead	Non-Homestead
0.3471	10.5376	11.1456	26.0482	8.0000	26.0000	6.7968	22.5643	4.6041	22.6041
0.3608	10.5376	11.2525	26.3118	9.0000	27.0000	6.9458	22.7592	4.6140	22.6140
0.6810	9.9500	12.0109	27.0560	9.6000	27.6000	7.0150	22.9279	5.2448	22.6248
1.1190	10.2000	12.0656	27.0722	10.5228	25.5294	7.2841	23.1180	4.7370	22.7937
1.0960	10.2000	12.1729	27.1010	10.8029	25.7310	7.6843	23.4872	4.8700	22.8700
0.9903	10.2000	12.3296	27.1010	10.7000	28.7000	7.4730	23.1445	5.3000	23.3000
1.4806	10.2000	12.3331	27.1010	10.8500	28.8500	7.0254	22.5600	5.3000	23.3000
1.9015	10.5416	11.3229	26.1930	10.8500	28.8000	6.8812	22.5000	5.5000	23.3800
2.0772	10.5416	11.4931	26.3632	10.5000	28.5000	6.7508	22.5000	4.5000	22.5000
2.1047	10.5416	10.3800	25.7332	8.5000	26.5000	6.4793	22.5000	4.0000	22.7200

continued...

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of taxable value)

Oakland County	Oakland Community College	Schoolcraft Community College	Oakland Intermediate Schools	Wayne Intermediate Schools	State Education
4.7805	1.5431	1.7662	3.2813	3.4643	6.0000
4.7849	1.5555	1.7766	3.3079	3.4643	6.0000
4.7909	1.5707	1.7881	3.3398	3.4643	6.0000
4.8450	1.5819	1.7967	3.3633	3.4643	6.0000
4.9461	1.5844	1.7967	3.3690	3.4643	6.0000
4.9461	1.5844	1.7967	3.3690	3.4643	6.0000
4.9461	1.5844	1.7967	3.3690	3.4643	6.0000
4.7461	1.5844	1.7967	3.3690	3.4643	6.0000
4.7461	1.5844	1.7967	3.3690	3.4643	6.0000
4.7461	1.5844	1.7967	3.3690	3.4643	6.0000

concluded.

Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Fiscal 2010 (2009 Taxable Value)			Fiscal 2019 (2018 Taxable Value)		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Redwood-ERC Novi, LLC/Fox Run Village	\$ 57,167,690	4	1.6%	\$ 58,591,250	1	1.6%
Taubman Co./Twelve Oaks Mall	70,707,150	1	2.0%	53,739,870	2	1.5%
Singh Development /Waltonwood	66,041,990	2	1.9%	43,248,180	3	1.2%
Haggerty Corp./HCP Land LLC	-	N/A	0.0%	42,433,530	4	1.2%
International Transmission Co	35,847,920	5	1.0%	34,313,220	5	0.9%
Occidental Development Ltd.	30,537,400	6	0.9%	28,830,130	6	0.8%
Detroit Edison	21,903,650	10	0.6%	28,021,660	7	0.8%
TBON LLC	23,291,360	9	0.7%	27,255,530	8	0.7%
Providence Hospital	30,309,730	7	0.9%	24,554,810	9	0.7%
Sun Valley, Ltd./Foundation Walk	-	N/A	0.0%	15,873,900	10	0.4%
Northern Equities	62,605,460	3	1.8%	-	N/A	0.0%
HHT Devco, LLC (Fountain Walk)	24,122,950	8	0.7%	-	N/A	0.0%
	<u>\$ 422,535,300</u>		<u>11.89%</u>	<u>\$ 356,862,080</u>		<u>9.79%</u>

Source: City Assessor's department records

Property Tax Levies and Collections
Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collection ⁽¹⁾	Total Collections to Date	
		Current Tax Collection	Percent of Levy Collected		Total Tax Collection ⁽²⁾	Collections as a Percent of Levy
2019	\$ 38,505,820	\$ 38,128,936	99.02%	\$ 364,391	\$ 38,493,327	99.97%
2018	36,215,498	36,087,781	99.65%	336,294	36,424,075	100.58%
2017	32,889,924	32,493,813	98.80%	307,117	32,800,930	99.73%
2016	32,612,845	32,242,851	98.87%	307,113	32,549,964	99.81%
2015	31,383,505	30,973,259	98.69%	305,151	31,278,410	99.67%
2014	30,206,320	29,765,634	98.54%	316,008	30,081,642	99.59%
2013	29,801,091	29,155,182	97.83%	369,252	29,524,434	99.07%
2012	31,153,847	30,486,979	97.86%	447,547	30,934,526	99.30%
2011	33,678,282	32,529,560	96.59%	575,381	33,104,941	98.30%
2010	37,360,762	34,997,428	93.67%	1,027,295	36,024,723	96.42%

⁽¹⁾ Delinquent Tax Collection represents amounts received in the indicated fiscal year.

⁽²⁾ Amounts are net of chargebacks from the County Tax Revolving Funds for taxes still delinquent after three years.

Source: City's finance department records

Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Business-type Activities		Total Primary Government	% of Taxable Value	Per Capita
	General Obligation Bonds	Unamortized Premium	Special Assessment Bonds	General Obligation Bonds	Special Assessment Bonds			
2019	\$ 9,680,000	\$ 896,211	\$ -	\$ 8,950,000	\$ -	\$ 19,526,211	0.54%	307.34
2018	10,645,000	1,024,241	-	10,330,000	-	21,999,241	0.64%	359.51
2017	11,565,000	1,152,271	-	11,685,000	150,000	24,552,271	0.74%	414.66
2016	13,905,000	1,280,301	-	13,030,000	300,000	28,515,301	0.89%	480.67
2015	16,905,000	-	1,360,000	14,150,000	455,000	32,870,000	1.07%	542.47
2014	19,020,000	-	2,750,000	15,295,000	630,000	37,695,000	1.27%	625.23
2013	20,947,874	-	4,165,000	15,461,961	805,000	41,379,835	1.42%	696.69
2012	24,667,165	-	5,950,000	16,425,488	980,000	48,022,653	1.61%	856.60
2011	30,086,456	-	7,350,000	17,334,016	1,155,000	55,925,472	1.75%	1,009.96
2010	36,335,747	-	8,750,000	18,197,543	1,330,000	64,613,290	1.82%	1,170.02

Source: City's annual financial statements

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Obligation Bonds and Unamortized Premium	Michigan Transportation Fund (MTF)	Less: Amounts Available in Debt Service Funds	Total	Debt as a percentage of Taxable Value	Per Capita
2019	\$19,526,211	\$ -	\$ 71,031	\$19,455,180	0.53%	306.22
2018	21,999,241	-	252,483	21,746,758	0.63%	355.39
2017	24,552,271	-	341,141	24,211,130	0.73%	408.90
2016	28,215,301	-	880,019	27,335,282	0.85%	460.78
2015	31,055,000	-	667,085	30,387,915	0.99%	501.51
2014	34,315,000	-	212,251	34,102,749	1.15%	565.65
2013	37,420,000	-	160,338	37,259,662	1.28%	627.32
2012	42,235,000	-	307,772	41,927,228	1.41%	747.87
2011	48,695,000	-	1,240,365	47,454,635	1.48%	856.98
2010	55,625,000	315,000	1,042,646	54,897,354	1.54%	994.09

Source: City's finance department records

Direct and Overlapping Governmental Activities Debt
June 30, 2019

	Net Debt Outstanding	Percentage Applicable to City	Estimated Share of Overlapping Debt
Direct			
City of Novi	\$ 10,576,211	100.00%	<u>\$ 10,576,211</u>
Overlapping			
Novi School District	87,515,000	99.85%	87,383,728
Northville School District	86,890,000	19.32%	16,787,148
Walled Lake School District	154,475,000	13.75%	21,240,313
South Lyon School District	146,115,000	4.55%	6,648,233
Oakland County	314,844,309	6.36%	20,024,098
Oakland Intermediate School District	43,855,000	5.37%	2,355,014
Schoolcraft School District	28,160,000	4.79%	1,348,864
			<u>155,787,396</u>
Total direct and overlapping debt			<u><u>\$ 166,363,607</u></u>

Source: Various taxing authorities

Legal Debt Margin

Last Ten Fiscal Years

Assessed value		<u>\$ 4,429,863,848</u>
Legal debt limit (10% of SEV)		\$ 442,986,385
Gross indebtedness	\$ 19,526,211	
Amount available in debt service funds	<u>71,031</u>	
Net bonded debt		<u>19,597,242</u>
Legal debt margin		<u>\$ 423,389,143</u>
Net bonded debt as a percentage of assessed value		<u>0.44%</u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2019	\$ 442,986,385	\$ 19,597,242	\$ 423,389,143	4.42%
2018	425,826,339	21,999,241	403,827,098	5.17%
2017	397,398,215	24,402,271	372,995,944	6.14%
2016	371,885,911	28,215,301	343,670,610	7.59%
2015	337,915,991	31,055,000	306,860,991	9.19%
2014	310,989,256	34,315,000	276,674,256	11.03%
2013	301,329,099	36,409,835	264,919,264	12.08%
2012	307,288,324	41,092,653	266,195,671	13.37%
2011	332,957,365	47,420,472	285,536,893	14.24%
2010	375,047,621	54,218,290	320,829,331	14.46%

Source: City's finance department records

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Special Assessment Collections	Debt Service	Coverage
2019	\$ -	\$ -	-
2018	-	-	-
2017	286,913	153	1,875.25
2016	1,798,863	1,549	1,161.31
2015	2,277,115	1,648	1,381.74
2014	2,137,737	1,720	1,242.87
2013	2,503,020	1,765	1,418.14
2012	2,700,549	1,929	1,399.97
2011	2,660,803	2,000	1,330.40
2010	2,583,000	2,149	1,201.95

Source: City's annual financial statements

Demographic and Economic Statistics
 Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2019	63,533	*	*	2.50%
2018	61,192	*	*	2.20%
2017	59,211	\$ 2,749,462,785	\$ 46,435	1.90%
2016	59,324	2,687,792,468	45,307	2.80%
2015	60,593	2,714,869,365	44,805	3.60%
2014	60,290	2,700,992,000	44,800	4.40%
2013	59,395	2,636,544,050	44,390	9.40%
2012	56,062	2,492,852,892	44,466	8.20%
2011	55,374	2,362,587,084	42,666	10.90%
2010	55,224	2,344,093,128	42,447	8.40%

Source: Southeast Michigan Council of Governments; Michigan Department of Labor and Economic Growth; U.S. Bureau of the Census; and U.S. Bureau of Labor, Statistics, Local Area Unemployment Statistics

* Not available

Principal Employers
Current Year and Nine Years Ago

Employer	2010			2019		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
St. John Health/Providence Park Hospital	500	4	0.93%	1,200	1	2.23%
Harman	-	N/A	-	1,100	2	2.04%
Novi Community Schools	807	1	1.50%	965	3	1.79%
Ryder System	548	3	1.02%	650	4	1.21%
ITC Holding, Inc.	230	10	0.43%	531	5	0.99%
Intier/Magna	600	2	1.11%	443	6	0.82%
Comau North America	325	5	0.60%	350	8	0.65%
Cooper-Standard	-	N/A	-	277	9	0.51%
City of Novi	254	7	0.47%	269	10	0.50%
Rock Financial Showplace	280	6	0.52%	-	N/A	-
Michigan Cat	250	8	0.46%	-	N/A	-
Caparo Vehicle Component	250	9	0.46%	-	N/A	-
	<u>4,044</u>		<u>7.51%</u>	<u>5,785</u>		<u>10.74%</u>

Source: The City's Neighborhood and Business Relations Group

CITY OF NOVI, MICHIGAN

Full-time Employees by Function / Program Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013
Full-time				
City Manager	3.00	3.00	3.00	3.00
Finance Department (1)	8.00	7.00	7.00	9.00
Information Technology	5.00	5.00	5.00	5.00
Assessing	7.00	7.00	5.00	5.00
City Clerk	6.00	5.00	5.00	5.00
Treasury	3.00	3.00	3.00	-
Facility Operations	4.00	2.00	1.00	2.00
Human Resources (3)	5.00	5.00	4.00	4.00
General administration	-	-	-	-
Department of Public Safety	128.00	118.00	111.00	111.00
Police department (4)	-	-	-	-
Fire department (4)	-	-	-	-
Building department	-	-	-	-
Neighborhood services	-	-	-	-
Department of Public Services (5)	36.00	36.00	33.00	35.00
Engineering	-	-	-	-
Parks, Recreation, and Cultural Services	11.00	10.00	10.00	11.00
Water and sewer	12.00	12.00	12.00	13.00
Library	20.00	20.00	18.00	20.00
Community Relations	3.00	3.00	3.00	4.00
Economic Development	-	-	-	-
Community Development (2)	21.00	19.00	18.00	21.00
	<u>272.00</u>	<u>255.00</u>	<u>238.00</u>	<u>248.00</u>

- (1) Finance includes both the Finance Department and Treasury Department in Fiscal Year 2013
- (2) Combined building and planning
- (3) Employees included under General Administration in previous years
- (4) Combined Police and Fire Departments
- (5) Engineering staff combined with DPS
- (6) Forestry and park maintenance staff combined with Department of Public Services

Source: City's finance department records

Schedule 16
Unaudited

2014	2015	2016	2017	2018	2019
3.00	3.00	3.00	3.00	3.00	3.00
9.00	9.00	9.00	9.00	9.00	9.00
5.00	5.00	6.00	7.00	7.00	8.00
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
-	-	-	-	-	-
2.00	2.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00
-	-	-	-	-	-
113.00	115.00	115.00	118.00	123.00	125.00
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35.00	34.00	36.00	36.00	36.00	37.25
-	-	-	-	-	-
11.00	11.00	12.00	12.00	12.00	12.00
14.00	14.00	14.00	14.00	14.00	13.75
20.00	20.00	17.00	16.00	16.00	16.00
4.00	3.00	6.00	6.00	6.00	6.00
-	-	-	-	1.00	1.00
21.00	21.00	21.00	21.00	21.00	21.00
<u>251.00</u>	<u>251.00</u>	<u>256.00</u>	<u>259.00</u>	<u>265.00</u>	<u>269.00</u>

CITY OF NOVI, MICHIGAN

Operating Indicators by Function / Program

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013
Election Data				
Registered voters	35,764	36,921	37,366	38,757
Voters at polls	2,887	14,535	3,633	20,484
Absentee ballots	2,212	4,575	2,386	8,765
Percent voting	14%	52%	16%	75%
Police				
Part A crimes	1,868	1,679	1,841	2,048
Part B crimes	793	814	627	626
Injury accidents	216	272	288	310
Property damage	1,602	1,761	1,631	1,695
Moving traffic violations	11,635	10,167	9,381	10,058
Parking violations	512	285	288	199
Adult arrests	2,353	2,368	2,082	2,241
Juvenile arrests	201	213	166	137
OUIL arrests	363	415	335	342
False alarms	2,262	2,357	2,090	2,270
Fire				
Fire incidents	134	92	120	112
Service incidents	2,006	1,311	1,249	1,360
Fire inspections conducted	2,341	2,920	3,557	3,063
Medical emergencies	2,957	3,299	3,169	3,383
Paid-on-call staff	68	66	68	55
Parks and Recreation				
Youth classes/clinics	1,154	1,238	1,544	1,620
Adult classes/clinics	439	458	414	340
Youth leagues	2,585	2,371	2,431	2,512
Adult leagues	2,750	4,024	4,120	5,220
Summer day camp	742	703	668	N/A
Lakeshore Park vehicle entry (5)	11,533	9,846	10,822	13,000
Lakeshore Park attendance (5)	28,833	24,615	27,055	32,500
Lakeshore Park picnic shelter rental	128	98	105	116
Senior citizens served	78,432	68,517	76,462	77,759
Special event attendance	12,071	14,311	14,018	17,021
Civic Center Rentals	1,060	1,516	1,492	1,520
Civic Center Attendance	57,519	37,457	35,506	17,021
Novi Theaters - Cast (4)	206	181	198	253
Novi Theaters - Audience (4)	5,041	4,757	4,715	5,454

Schedule 17
Unaudited

2014	2015	2016	2017	2018	2019
39,248	39,341	38,706	39,706	40,661	40,720
4,719	14,341	3,423	20,160	4,126	18,472
2,599	5,029	2,588	9,937	4,141	8,921
19%	49%	154%	76%	20%	67%
1,736	1,654	1,508	1,596	1,454	1,246
673	622	638	577	1,128	1,009
276	295	300	273	339	262
1,153	1,037	1,084	1,174	1,413	1,446
8,487	8,216	7,916	5,904	5,427	3,376
185	75	231	392	755	317
2,355	2,574	2,428	1,965	2,101	1,996
142	98	98	100	119	64
268	164	217	145	186	135
2,538	2,164	2,094	2,074	1,885	1,312
120	113	124	78	95	84
1,345	457	642	502	543	720
2,929	3,108	2,898	2,944	2,322	2,057
3,425	3,811	3,784	4,064	4,175	4,439
54	39	71	63	67	59
1,149	1,584	1,475	1,577	1,790	2,172
462	1,244	549	3,268	2,750	2,856
2,471	2,199	2,934	3,403	2,724	2,652
5,279	5,300	3,868	3,630	4,373	3,549
334	498	747	691	864	1,017
15,462	14,391	14,995	14,620	10,285	-
38,655	35,978	37,488	37,217	25,713	-
125	120	231	150	166	48
75,832	79,172	77,687	66,845	65,395	73,015
20,028	16,840	18,153	26,026	27,670	26,645
1,560	1,058	1,203	916	1,074	747
44,200	33,988	23,023	21,731	22,156	20,135
293	86	-	-	-	-
4,997	1,705	-	-	-	-

continued...

CITY OF NOVI, MICHIGAN

Operating Indicators by Function / Program Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013
Library (2)				
Items circulated	556,582	759,021	803,552	800,031
Book collections	137,220	146,187	152,024	151,724
Audio/Video/CD collections	14,295	18,015	20,618	23,507
Periodical subscriptions	185	215	208	210
Requests of Information	171,324	220,427	210,960	N/A
Youth Summer Reading	1,061	1,261	1,338	2,042
Program participants	24,145	34,198	45,572	34,899
Visitors	262,826	371,274	378,571	389,220
Interlibrary loans	67,615	100,342	109,274	109,330
Water and Sewer Customers:				
Residential	12,874	12,940	13,191	13,604
Commercial (1)	1,225	1,239	1,254	1,223
Water (in thousand gallons)				
Purchased from Detroit	2,041,594	2,166,712	2,459,402	2,321,313
Sold to residents	1,919,763	2,024,406	2,109,414	2,222,787
Rates				
Minimum 7,000 gallons(3)	\$ 42.00	\$ -	\$ -	\$ -
Fixed rate quarterly water charge	-	35.00	37.00	40.00
Additional usage per 1,000 gallons	4.06	3.31	3.44	3.86
Fixed rate quarterly sewer charge	-	5.00	5.00	6.00
Sewer(per thousand gallons of water usage)	2.67	2.90	4.00	4.25

(1) Fewer accounts because the fire line accounts were discontinued in the spring of 2018.

(2) This information represents 10 months worth of information. The Library was closed for the months of April and May. The New Library opened on June 1, 2010.

(3) Effective August 1, 2010 the City of Novi adopted a fixed rate structure for water and sewer usage which does not include a minimum consumption charge.

(4) Program eliminated in Fiscal Year 2016

(5) Lakeshore no-resident vehicle entry fees eliminated in September 2017, no longer tracking.

Source: City's finance department records

Schedule 17
Unaudited



2014	2015	2016	2017	2018	2019
799,475	734,643	793,991	833,558	812,025	857,854
152,236	149,941	140,895	141,129	141,638	139,449
25,677	27,776	29,077	29,737	30,642	30,100
242	207	207	218	203	190
115,392	115,392	113,778	117,235	116,219	114,709
2,340	2,584	2,084	2,362	2,465	2,029
40,010	40,901	46,854	56,026	60,246	75,595
401,984	392,047	404,979	424,401	488,778	463,818
106,250	105,588	112,016	115,222	111,236	102,655
13,760	13,946	14,105	14,220	14,411	13,648
1,204	1,259	1,264	1,239	928	935
2,216,075	1,835,567	2,276,389	2,349,960	2,298,596	2,144,615
2,138,305	1,811,910	1,963,221	2,231,717	2,159,537	2,106,440
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57.00	57.00	80.00	56.00	56.00	56.00
4.13	4.13	3.05	3.20	3.20	3.26
6.00	6.00	30.00	30.00	30.00	30.00
4.30	4.30	3.40	3.60	3.60	3.89

CITY OF NOVI, MICHIGAN

Capital Asset Statistics by Function / Program

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013
Police stations	1	1	1	1
Fire stations	4	4	4	4
Public works				
Miles of major streets	39	39	39	39
Miles of local streets	132	136	141	141
Estimated sidewalks in miles (1)	230	231	231	232
Bridges	4	4	4	4
Street lights	421	421	421	421
Parks and recreation				
Acres	1,138	1,138	1,138	1,150
Locations	11	11	11	12
Library				
Library branches	1	1	1	1
Water and sewer				
Miles of water mains	306	306	306	306
Miles of sanitary sewers	243	245	245	245
Fire hydrants	4,003	4,002	4,002	4,002

Source: City's finance department records

(1) Prior year adjustments were made as a result of changes in the GIS mapping system to more accurately reflect miles.

Schedule 18
Unaudited

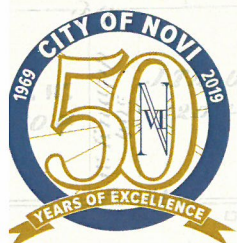
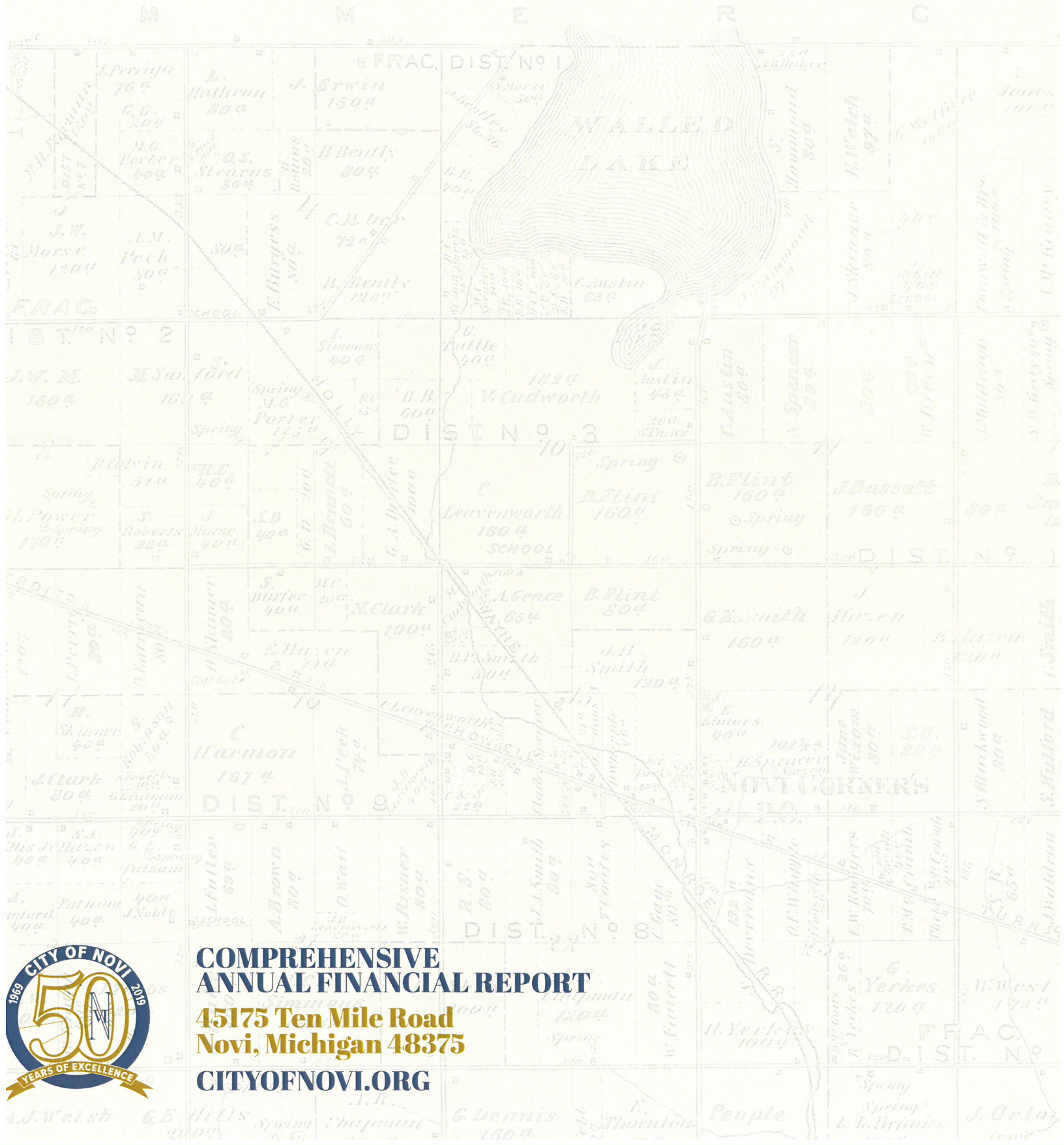


2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
4	4	4	4	4	4
39	39	44	44	44	44
144	146	143	144	147	148
256	261	272	275	293	296
4	10	10	10	10	10
504	689	691	680	689	777
1,260	1,288	1,276	1,277	1,329	1,419
13	15	17	17	21	30
1	1	1	1	1	1
328	333	336	341	359	362
252	255	268	271	285	290
4,192	4,211	4,181	4,267	4,344	4,382

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NOVI

Scale 1 3/4 inches to the mile



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**
**45175 Ten Mile Road
Novi, Michigan 48375**
CITYOFNOVI.ORG

Independent Auditors' Communication with Those Charged with Governance

November 4, 2019

The Honorable Mayor and Members of the City Council
City of Novi, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Novi, Michigan* (the "City") as of and for the year ended June 30, 2019, and have issued our report thereon dated November 4, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 20, 2019, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Our findings regarding internal control over financial reporting, compliance, and other matters noted during our audit are included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on August 16, 2019.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- The assumptions used in the actuarial valuations of the other postemployment benefits plan are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

In addition, the financial statements include net pension liabilities and other related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards but are not within the control of management.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatement detected as a result of audit procedures and corrected by management is described in the Schedule of Findings and Responses issued in connection with our report on internal control over financial reporting.

The schedule of adjustments passed is included with management's written representations in Attachment C to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the *City of Novi, Michigan* and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Lobson LLC

CITY OF NOVI, MICHIGAN

Attachment A - Consideration of Internal Control Over Financial Reporting

For the June 30, 2019 Audit

We have audited, in accordance with the auditing standards generally accepted in the United States of America the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Novi, Michigan* (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 4, 2019.

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CITY OF NOVI, MICHIGAN

Attachment A - Consideration of Internal Control Over Financial Reporting

For the June 30, 2019 Audit

Other Matters

Budgeted Fund Balance Deficit

Through the *Uniform Budgeting and Accounting Act, Act 2 of 1968*, the State of Michigan Department of Treasury requires that the total estimated expenditures, including an accrued deficit, in the budget shall not exceed the total estimated revenues. The City budgeted for an ending fund balance deficit in the capital improvement capital projects fund.

Management's Response to Other Matter:

The Capital Improvement Fund ended fiscal year 2019 with a fund balance deficit of \$6,701,765. The deficit was planned and approved by City Council. City of Novi residents approved a ten year CIP millage in August of 2016 with the first levy on July 1, 2017. The CIP millage is estimated to bring in more than \$42 million over the ten year period of the levy. City Council identified six projects that were to begin immediately with an estimated cost of \$21 million. Construction on the various projects is projected to span over several fiscal years. After reviewing funding options (internal borrowings vs bond issuance), on June 19, 2017, Mayor and Council passed a resolution approving internal borrowing rather than issuing bonds. Internal borrowing allows the City to make monthly loan payments and interest paid on the loan stays within its own funds. Had the City issued bonds, the bond proceeds would have provided the City with bond proceed revenue and generated a positive fund balance but would have cost the City millions in closing costs and interest. Governmental accounting rules require internal borrowings not be shown as proceeds on the statement of revenue, expenditures and changes in fund balance but rather a liability on the balance sheet.

The Mayor and City Council also approved and proactively filed a deficit elimination plan (DEP) for the CIP Fund with the State of Michigan on July 1, 2019 well in advance of the audit starting. The State requires any municipality which has a deficit in any fund in the annual audit report to file a formal DEP addressing how the deficit will be eliminated.



CITY OF NOVI, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2019 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 84 ■ Fiduciary Activities

Effective 12/15/2019 (your FY 2020)

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. Due to the number of specific factors to consider, we will continue to assess the degree to which this standard may impact the City.

GASB 87 ■ Leases

Effective 12/15/2020 (your FY 2021)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period

Effective 12/15/2020 (your FY 2021)

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the City.

GASB 90 ■ Majority Equity Interests

Effective 12/15/2019 (your FY 2020)

This standard addresses situations in which a government acquires a majority of the equity interest in a legally separate organization, and whether such holdings should be reported as an investment or a component unit. We do not expect this standard to have any significant effect on the City.

GASB 91 ■ Conduit Debt Obligations

Effective 12/15/2021 (your FY 2022)

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the City.



CITY OF NOVI, MICHIGAN

Attachment C - Management Representations For the June 30, 2019 Audit

The following pages contain the written representations that we requested from management.



November 4, 2019

Rehmann Robson
675 Robinson Road
Jackson, Michigan 49203

CITY COUNCIL

Mayor
Bob Gatt

Mayor Pro Tem
Dave Staudt

Andrew Mutch

Laura Marie Casey

Kelly Breen

Ramesh Verma

Doreen Poupard

City Manager
Peter E. Auger

City Clerk
Cortney Hanson

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Novi, Michigan* (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the general fund and each major special revenue fund of the City in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 4, 2019:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 20, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
248.347.0577 fax

cityofnovi.org

7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
14. All components of net position and fund balance classifications have been properly reported.
15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. We believe that the actuarial assumptions and methods used to measure the other postemployment benefit assets and costs for financial accounting purposes are appropriate in the circumstances.
22. We are responsible for the fair presentation of the City's net pension liability as calculated by the Municipal Employees' Retirement System of Michigan (MERS) and related amounts. We provided MERS with complete and accurate information regarding the City's participation in the plan, and have reviewed the information provided by MERS for inclusion in the City's financial statements.
23. In connection with the correction of an error for the unrecorded deferred outflows for changes in actuarial assumptions related to the other postemployment benefit plan, the City has determined that a restatement of beginning net position of governmental activities and the water and sewer enterprise fund/business-type activities is sufficient to inform financial statement

users, and accordingly, no revised and reissued financial statements for fiscal year 2018 or any previous fiscal years are necessary. Also, the City has evaluated the underlying cause of this error and determined that it does not affect any other areas of the financial statements.

Information Provided

24. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
28. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
29. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
30. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
31. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
32. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
33. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
34. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
35. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.

36. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
37. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

38. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

39. With respect to the supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

40. With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Pete Auger, City Manager



Carl Johnson, Finance Director, Treasurer, CEO

CITY OF NOVI, MICHIGAN

Schedule of Adjustments Passed (SOAP)

For the June 30, 2019 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

The Economic Development Corporation component unit has a car on display at the Library in the amount of \$35,000, which is presented in the modified-accrual fund. This would be more appropriately presented as an adjustment from the balance sheet to the statement of net position. However, management has passed on such adjustment.



**CITY OF NOVI CITY COUNCIL
NOVEMBER 12, 2019**

SUBJECT: Consideration of Ordinance No. 19-195, an Ordinance to Amend the City of Novi Code of Ordinances, at Chapter 12, "Drainage and Flood Damage Prevention," to add Article IV, "Illicit Discharge Elimination Program," to Regulate Non-Stormwater Discharge. **FIRST READING**

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

BACKGROUND INFORMATION:

The Illicit Discharge Elimination Program (IDEP) is intended to protect the health, safety and general welfare of the citizens of the City through the regulation of non-stormwater discharges with potential to contaminate the storm drainage system. Adoption of an IDEP ordinance is a requirement of the National Pollution Discharge Elimination System (NPDES) administered by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). Since IDEP is a state requirement necessary to maintain the city's Municipal Separate Storm Sewer System (MS-4) Permit, this ordinance amendment was not presented to the Ordinance Review Committee.

Implementation of the IDEP ordinance has been reviewed by members of the Alliance of Rouge Communities (ARC), including Novi, and similar versions of this IDEP ordinance have been adopted by surrounding communities. EGLE has approved the IDEP ordinance enclosed, which is the Novi City Attorney modified version of the initial ordinance EGLE provided.

The enclosed IDEP ordinance has been reviewed by staff and the City Attorney (Beth Saarela, October 29, 2019), and is recommended for approval.

RECOMMENDED ACTION: Approval of Ordinance No. 19-195, an Ordinance to Amend the City of Novi Code of Ordinances, at Chapter 12, "Drainage and Flood Damage Prevention," to add Article IV, "Illicit Discharge Elimination Program," to Regulate Non-Stormwater Discharge. **FIRST READING**

ELIZABETH KUDLA SAARELA
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Farmington Hills, Michigan 48331
P 248.489.4100 | F 248.489.1726
rsjalaw.com



ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

October 29, 2019

Ben Croy, City Engineer
City of Novi
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

RE: Illicit Discharge Elimination Program Ordinance

Dear Mr. Croy:

Enclosed please find the Ordinance to adopt an Illicit Discharge Elimination Program with respect to storm water discharges in the City. Adoption of the Ordinance is a requirement of the City's current federal National Pollutant Discharge Elimination System (NPDES) Permit that is administered by the State of Michigan's Department of Environment, Great Lakes, and Energy (EGLE).

The City's NPDES Permit, through the enforcement of the Ordinance, requires the City to locate and eliminate discharge of pollutants going into the City's stormwater system. The Ordinance prohibits any person from discharging pollutants, or water with pollutants, into the stormwater system. If an illegal discharge is discovered by, or reported to the City, the City has the right to inspect the property with the violation, issue a notice of violation requiring particular corrective action, and if the corrective action is not undertaken, issue a citation or take other action under the law, such as file a circuit court action, to abate the violation.

Penalties for violation of the ordinance might include, in addition to the standard penalties of fine and costs for a municipal civil infraction, the cost of abating the violation if the corrective action is not undertaken.

The initial draft of the Ordinance was provided by EGLE to meet the requirements of the City's NPDES Permit. It has been modified by our office to ensure that the City is following due process when enforcing the provisions of the Ordinance, and is consistent with the procedure that the City follows while enforcing other types of municipal civil infraction actions. EGLE has approved the modified version of the Ordinance that is enclosed.

Once approved, a copy of the Ordinance with Certificate of Adoption, should be provided to EGLE to meet the requirements of the City's NPDES Permit.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC



Elizabeth Kudla Saarela

EKS

Enclosures

C: Cortney Hanson, Clerk
Jeffrey Herczeg, Director of Public Works
Rebecca Runkel, Staff Engineer
Thomas R. Schultz, Esquire

STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF NOVI

ORDINANCE NO. ____

AN ORDINANCE TO AMEND THE CITY OF NOVI CODE OF ORDINANCES, AT CHAPTER 12, "DRAINAGE AND FLOOD DAMAGE PREVENTION," TO ADD ARTICLE IV, "ILLICIT DISCHARGE ELIMINATION PROGRAM," TO REGULATE NON-STORMWATER DISCHARGE.

THE CITY OF NOVI ORDAINS:

PART I. That Chapter 12, "Drainage and Flood Prevention," is hereby amended to add Article IV, "Illicit Discharge Elimination Program" which reads as follows:

SECTION 12-91. SHORT TITLE

This Section of Chapter 12 Article IV shall be known and cited as the Illicit Discharge Elimination Program.

SECTION 12-92. STATEMENT OF PURPOSE

The purpose of this Ordinance is to provide for the health, safety, and general welfare of the citizens of the City through the regulation of non-stormwater discharges to the storm drainage system to the maximum extent practicable as required by federal and state law. This Ordinance establishes methods for controlling the introduction of pollutants into the municipal storm sewer system in order to comply with requirements of the National Pollutant Discharge Elimination System (NPDES) permit process. The objectives of this Ordinance are:

- (1) To regulate the contribution of pollutants to the municipal storm sewer system by stormwater discharges by any user.
- (2) To prohibit illicit connections and discharges to the municipal storm sewer system.
- (3) To establish legal authority to carry out all inspection, surveillance and monitoring procedures necessary to ensure compliance with this article.

SECTION 12-93. DEFINITIONS

The following words, terms and phrases, when used in this Ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Authorized enforcement agency means the City of Novi, through its Public Works Department by its Director of Public Works and his/her authorized representatives, which shall specifically include all inspectors and code enforcement, and any other individual designated by the City Manager of the City of Novi to enforce this Ordinance. Where applicable the terms may also mean

the director of the Michigan Department of Environmental Quality or his/her designated official, and/or the United States EPA Administrator or his/her designated official.

Best Management Practices (BMPs) means schedules of activities, prohibitions of practices, general good housekeeping practices, pollution prevention and educational practices, maintenance procedures, and other management practices to prevent or reduce the discharge of pollutants directly or indirectly to stormwater, receiving waters, or stormwater conveyance systems. BMPs also include treatment practices, operating procedures, and practices to control site runoff, spillage or leaks, sludge or water disposal, or drainage from raw materials storage.

City means the City of Novi, a Michigan municipal corporation.

Clean Water Act means the federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), and any subsequent amendments thereto.

County means the County of Oakland.

Construction activity means activities subject to NPDES construction permits. These include construction projects resulting in land disturbance of five acres or more requiring an issued permit and small construction activities impacting one to five acres of land deemed to operate under a national permit. Such activities include, but are not limited to, clearing and grubbing, grading, excavating, and demolition.

Hazardous materials means any material, including any substance, waste, or combination thereof, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may cause, or significantly contribute to, a substantial present or potential hazard to human health, safety, property, or the environment when improperly treated, stored, transported, disposed of, or otherwise managed.

Illegal discharge means any direct or indirect non-stormwater discharge to the storm drain system, except as exempted in Section 12-97 of this Ordinance.

Illicit connections mean either of the following:

- (1) Any drain or conveyance, whether on the surface or subsurface, which allows an illegal discharge to enter the storm drain system including, but not limited, to any conveyances which allow any non-stormwater discharge including sewage, process wastewater, and wash water to enter the storm drain system and any connections to the storm drain system from indoor drains and sinks, regardless of whether said drain or connection had been previously allowed, permitted, or approved by an authorized enforcement agency, or
- (2) Any drain or conveyance connected from a commercial or industrial land use to the storm drain system which has not been documented in plans, maps, or equivalent records and approved by an authorized enforcement agency.

Industrial activity means activities subject to NPDES industrial permits as defined in 40 CFR, Section 122.26(b)(14).

MS4 means a municipal separate storm sewer system.

National Pollutant Discharge Elimination System (NPDES) Stormwater Discharge Permit means a permit issued by United States Environmental Protection Agency (EPA), or by the State of Michigan under authority delegated pursuant to 33 USC § 1342(b) and codified in the Michigan Natural Resources and Environmental Protection Act Protection at MCL 324.101, et seq., that authorizes the discharge of pollutants to waters of the United States or State of Michigan, whether the permit is applicable on an individual, group, or general area-wide basis.

Non-stormwater discharge means any discharge to the storm drain system that is not composed entirely of stormwater.

Person means any individual, association, organization, partnership, firm, corporation or other entity recognized by law and acting as either the owner or as the owner's agent.

Pollutant means anything which causes or contributes to pollution. Pollutants may include, but are not limited to: paints, varnishes, and solvents; oil and other automotive fluids; nonhazardous liquid and solid wastes and yard wastes; refuse, rubbish, garbage, litter, or other discarded or abandoned objects, articles, and accumulations, so that same may cause or contribute to pollution; floatables; pesticides, herbicides, and fertilizers; hazardous substances and wastes; sewage, fecal coliform and pathogens; dissolved and particulate metals; animal wastes; wastes and residues that result from constructing a building or structure; and noxious or offensive matter of any kind.

Premises means any building, lot, parcel of land, or portion of land whether improved or unimproved including adjacent sidewalks and parking strips.

Storm sewer system or storm drainage system means a publicly owned facility by which stormwater is collected and/or conveyed, including, but not limited to, any roads with drainage systems, municipal streets, gutters, curbs, inlets, piped storm drains, pumping facilities, retention and detention basins, natural and human-made or altered drainage channels, reservoirs, and other drainage structures.

Stormwater means any surface flow, runoff, and drainage consisting entirely of water from any form of natural precipitation and resulting from such precipitation.

Stormwater pollution prevention plan means a document which describes the best management practices and activities to be implemented by a person or business to identify sources of pollution or contamination at a site and the actions to eliminate or reduce pollutant discharges to stormwater, stormwater conveyance systems, and/or receiving waters to the maximum extent practicable.

Wastewater means any water or other liquid, other than uncontaminated stormwater, discharged from a facility.

SECTION 12-94. APPLICABILITY

This Ordinance shall apply to all water entering the storm drain system generated on any developed or undeveloped lands unless expressly exempted by an authorized enforcement agency.

SECTION 12-95. ENFORCEMENT, RESPONSIBILITY FOR ADMINISTRATION

This Ordinance shall be enforceable by the City's Code Enforcement Officer at the direction of the Director of Public Works or other authorized enforcement agency.

SECTION 12-96. MINIMUM STANDARDS

The standards set forth herein and promulgated pursuant to this Ordinance are minimum standards; therefore, this Ordinance does not intend or imply that compliance by any person will ensure that there will be no contamination, pollution, nor unauthorized discharge of pollutants.

SECTION 12-97. DISCHARGE PROHIBITIONS

A. Prohibition of illegal discharges.

No person shall discharge or cause to be discharged into the storm drain system or watercourses, any materials, including, but not limited to, pollutants or waters containing any pollutants that cause or contribute to a violation of applicable water quality standards, other than stormwater. The commencement, conduct or continuance of any illegal discharge to the storm drain system is prohibited; however, the following discharges are exempt from prohibition as described:

(1) The discharges and flows from firefighting activities if they are identified as not being a significant source of pollutants to the waters of the state.

(2) Discharges specified in writing by the Director of Public Works as being necessary to protect public health and safety.

(3) Dye testing, when there has been verbal notification to the Director of Public Works and state department of environmental quality procedures have been followed.

(4) Discharges permitted under an NPDES permit, waiver, or waste discharge order issued to the discharger and administered under the authority of the Federal Environmental Protection Agency, provided that the discharger is in full compliance with all requirements of the permit, waiver, or order and other applicable laws and regulations, and provided that written approval has been granted for any discharge to the storm drain system.

(5) The following discharges or flows if they are identified as not being a significant contributor to violations of water quality standards: water line flushing and discharges from potable water sources; landscape irrigation runoff, lawn watering runoff, and irrigation waters; diverted stream flows and flows from riparian habitats and wetlands; rising groundwaters and springs; uncontaminated pumped groundwater, except for groundwater cleanups specifically authorized by NPDES permits; foundation drains, water from crawl space pumps, footing drains and basement sump pumps; air conditioning condensation; waters from noncommercial car washing; street wash water; dechlorinated swimming pool water from single-, two- or three-family residences. Other swimming pools shall not be discharged to stormwater or to surface waters of the state without NPDES permit authorization from the MDEQ.

B. Prohibition of illicit connections.

(1) The construction, use, maintenance or continued existence of illicit connections to the storm drain system is prohibited.

(2) This prohibition expressly includes, without limitation, illicit connections made in the past, regardless of whether the connection was permissible under law or practices applicable or prevailing at the time of connection.

(3) A person is considered to be in violation of this article if the person connects a line conveying sewage to a storm drain system or MS4, or allows such a connection to continue.

C. Prohibition of Direct Dumping or Disposal of Materials into the MS4.

(1) The direct dumping of materials or discharges into the MS4 is prohibited except for those illicit discharges identified as not being a significant contributor to violations of water quality standards.

SECTION 12-98. RIGHT OF ENTRY

The Director of Public Works and the City's Code Enforcement Officer or other authorized enforcement agency shall be permitted to enter upon all properties for the purposes of inspection, observation, measurement, sampling and testing of suspected non-stormwater discharges in accordance with the provisions of this article. Refusal of reasonable access to the Director of Public Works, the City's Code Enforcement Officer, and/or representatives of the authorized enforcement agency to any part of the premises is a violation of this article.

SECTION 12-99. SUSPENSION OF STORM SEWER SYSTEM ACCESS

A. Suspension due to illicit discharges in emergency situations.

The Code Enforcement Officer at the direction of the Director of Public Works or other authorized enforcement agency may seek immediate injunctive relief to suspend storm sewer system discharge access to a person when such suspension is necessary to stop an actual or threatened discharge which presents or may present imminent and substantial danger to the environment, or to the health or welfare of persons, or to the storm sewer system or the Waters of the United States or this state. If the violator fails to comply with a suspension order issued in an emergency, the authorized enforcement agency may take such steps as deemed necessary to prevent or minimize damage to the storm sewer system or waters of the United States or this state, or to minimize danger to persons.

B. Suspension due to the detection of illicit discharge.

Any person discharging to the storm sewer system in violation of this article may have their storm sewer system access terminated by the order of the District Court if such termination would abate or reduce an illicit discharge. The Code Enforcement Officer or Director of Public Works will notify a violator of the proposed termination of its storm sewer system access.

SECTION 12-100. INDUSTRIAL OR CONSTRUCTION ACTIVITY DISCHARGES

Any person subject to an industrial or construction activity NPDES storm water discharge permit shall comply with all provisions of such permit. Proof of compliance with said permit may be

required in a form acceptable to the Director of Public Works prior to the allowing of discharges to the MS4.

SECTION 12-101. MONITORING OF DISCHARGES

The Director of Public Works has the right to require non-residential dischargers to install monitoring equipment as necessary, in accordance with Court Order, if a non-stormwater discharge is suspected. The facility's sampling and monitoring equipment shall be maintained at all times in a safe and proper operating condition by the discharger at its own expense. All devices used to measure stormwater flow and quality shall be calibrated to ensure their accuracy.

SECTION 12-102. REQUIREMENTS TO PREVENT, CONTROL, AND REDUCE STORM WATER POLLUTANTS BY THE USE OF BEST MANAGEMENT PRACTICES

The Director of Public Works or his designee will adopt requirements identifying Best Management Practices for any activity, operation, or facility which may cause or contribute to pollution or contamination of storm water, the storm drain system, or waters of the U.S. The owner or operator of a commercial or industrial establishment shall provide, at their own expense, reasonable protection from accidental discharge of prohibited materials or other wastes into the municipal storm drain system or watercourses through the use of these structural and non-structural BMPs. Further, any person responsible for a property or premise, which is, or may be, the source of an illicit discharge, may be required to implement, at said person's expense, additional structural and non-structural BMPs to prevent the further discharge of pollutants to the municipal separate storm sewer system. Compliance with all terms and conditions of a valid NPDES permit authorizing the discharge of storm water associated with industrial activity, to the extent practicable, shall be deemed compliance with the provisions of this section. These BMPs shall be part of a storm water pollution prevention plan (SWPPP) as necessary for compliance with requirements of the NPDES permit.

SECTION 12-103. NOTIFICATION OF SPILLS

Notwithstanding other requirements of law, as soon as any person responsible for a facility or operation, or responsible for emergency response for a facility or operation has information of any known or suspected release of materials which are resulting or may result in illegal discharges or pollutants discharging into storm water, the storm drain system, or water of the U.S. said person shall take all necessary steps to ensure the discovery, containment, and cleanup of such release. In the event of such a release of hazardous materials said person shall immediately notify emergency response agencies of the occurrence via emergency dispatch services. In the event of a release of non-hazardous materials, said person shall notify the authorized enforcement agency in person or by phone or facsimile no later than the next business day. Notifications in person or by phone shall be confirmed by written notice addressed and mailed to the Director of Public Works within three business days of the phone notice. If the discharge of prohibited materials emanates from a commercial or industrial establishment, the owner or operator of such establishment shall also retain an on-site written record of the discharge and the actions taken to prevent its recurrence. Such records shall be retained for at least three years.

SECTION 12-104. ENFORCEMENT

A. Notice of Violation

Whenever the Director of Public Works or his designee determines that a person has violated a prohibition or failed to meet a requirement of this Ordinance, the City of Novi may issue a notice of violation to the responsible person and the owner of the property where the violation is occurring- requiring within a period set forth within the notice. Such notice may require without limitation:

- (1) The performance of monitoring, analyses, and reporting;
- (2) The elimination of illicit connections or discharges;
- (3) That violating discharges, practices, or operations shall cease and desist;
- (4) The abatement or remediation of storm water pollution or contamination of hazards and the restoration of any affected property; and
- (5) Payment of a fine to cover administrative and remediation costs; and
- (6) The implementation of source control or treatment BMPs.

B. Abatement of a Violation.

If abatement of a violation and/or restoration of affected property is required, the notice shall set forth a deadline within which such remediation or restoration must be completed. Said notice shall advise that, should the violator fail to remediate or restore within the established deadline, the City may issue a municipal civil infraction citation and may seek an order of the District Court requiring the restoration to be completed within an established deadline and authorizing the City or its designee to complete the work at the violator's expense.

C. Penalties.

Violations of this Article shall be a municipal civil infraction as set forth within Section 1-11 of this Code.

SECTION 12-105. COST OF THE ABATEMENT OF THE VIOLATION

In the event the violator fails to correct the violation as required, and the City undertakes the corrective action in accordance with an order of the District Court, within 30 days after abatement of the violation, the owner of the property will be notified of the cost of abatement, including administrative costs. The court order may provide that if the amount due is not paid within a timely manner, the charges shall become a special assessment against the property and shall constitute a lien on the property for the amount of the assessment. Unpaid assessments may be placed on the City's delinquent tax roll and may be collected as unpaid taxes.

SECTION 12-106. REMEDIES NOT EXCLUSIVE

The remedies listed in this ordinance are not exclusive of any other remedies available under any applicable federal, state, or local law and it is within the discretion of the authorized enforcement agency to seek cumulative remedies, including, but not limited to circuit court actions in law or equity.

PART II. Severability. Should any section, subdivision, clause, or phrase of this Ordinance be declared by the courts to be invalid, the validity of the Ordinance as a whole, or in part, shall not be affected other than the part invalidated.

PART III. Savings Clause. The amendment of the Novi Code of Ordinances set forth in this Ordinance does not affect or impair any act done, offense committed, or right accruing, accrued, or acquired or liability, penalty, forfeiture or punishment, pending or incurred prior to the amendment of the Novi Code of Ordinances set forth in this Ordinance.

PART IV. Repealer. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

PART V. Effective Date. The provisions of this Ordinance are ordered to take effect following publication in the manner prescribed by the Charter of the City of Novi.

PART VI. Adoption. This ordinance is hereby declared to have been adopted by the Novi City Council in a meeting thereof duly held and called on the ___ day of _____, 2019, in order to be given publication in the manner prescribed by the Charter of the City of Novi.

Moved by _____ and supported by _____.

Cortney Hanson, City Clerk

Certificate of Adoption

I hereby certify that the foregoing is a true and complete copy of the ordinance adopted at the regular meeting of the Novi City Council held on the _____ day of _____, 2019.

Cortney Hanson, City Clerk

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, OCTOBER 28, 2019 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 Breen, Casey, Mutch, (late) Poupard, Verma

ALSO PRESENT: Pete Auger, City Manager
Victor Cardenas, Assistant City Manager
Thomas Schultz, City Attorney

APPROVAL OF AGENDA:

Member Breen added to Mayor and Council Issues: Consideration of the Human Rights Ordinance.

CM 19-10-179 Moved by Casey, seconded by Poupard; MOTION CARRIED: 6-0

To approve the Agenda as amended.

Roll call vote on CM 19-10-179 **Yeas: Staudt, Breen, Casey, Poupard, Verma, Gatt**
Nays: None
Absent: Mutch

PUBLIC HEARING: None

PRESENTATIONS:

1. Proclamation to Celebrate the 200th Birthday of Oakland County – Monique Harlan, Oakland County Bicentennial Celebration Executive Committee

Mayor Gatt said the City of Novi is celebrating 50 years, and Oakland County is celebrating its 200th Birthday. He presented the Proclamation to Monique Harlan. Ms. Harlan thanked Mayor Gatt on behalf of the Oakland County Bicentennial Celebration Executive Committee.

2. Galaxy Gazers Research Project

The Galaxy Gazers Team 38273 said this is their research project about the SolarBrella. They are trying to reduce fossil fuel energy consumption and they are trying to save fresh water in the City of Novi. The places they chose were the Novi Public Library and Fuerst Park. They decided to pick those areas because many people go there and it will spread awareness on renewable energy. It will also add to the Novi Public Library's bio space vision. SolarBrella is an upside down umbrella that generates energy using solar. It also collects water for water harvesting which is stored in a tank. SolarBrella's inverted

umbrella top allows water to be collected. This can be piped into an underground tank or a tank on the side of a building to be used later. This water can be used for anything that doesn't require potable water. The solar panels on the SolarBrella collect energy which can be used to light the lights on SolarBrella for night time users or it can be used to power buildings nearby. The amount of energy the SolarBrella uses for one square foot of solar power will produce 15 watts of power. In four hours of the solar energy being collected that will be enough to last a light bulb six hours. It only takes three hours of collecting water to fill a 60 gallon tank they are planning to use. They were asking City Council to support and implement SolarBrella at Fuerst Park and the Novi Public Library. SolarBrella could provide light for night time visitors to Fuerst Park and on things that do not require purified water such as sprinklers. It will reduce the usage of fossil fuels and will save water. Thank you for your time and support. The Galaxy Gazers Team said they were available for questions.

Member Casey commented that they have done a great job, and thanked them for coming in. She wondered how many SolarBrellas it would take to light up Fuerst Park. One of the representatives said the goal was not to light up all of Fuerst Park, but the picnic tables. The Team said they were not sure how many they will need. They thought it would take around five SolarBrellas.

Member Poupard wondered what made them interested in this. The Team said they are interested in this because their Team is big on renewable energy and keeping our planet green. They thought a lot of water is getting wasted and they felt that one day we will not have enough fossil fuels. They decided to start implementing a solution to help use renewable energy resources. Member Poupard said bravo, it sounds like they chose something that was doable. Congratulations.

Member Breen wondered what brilliant idea they are going to come up with next so that City Council can support that also. The Team responded and said they didn't know at this time. It will depend on next year's robotics team theme will be.

Mayor Pro Tem wondered who has been the advisor for this project. The representative said they have talked to firefighters to see the water harvesting. They talked to the Library about how much energy they consume and how they could help with it. They also talked to Brandon (McCullough), from the Facilities Department at the City.

Mayor Gatt thanked them all and said they are proud of all of them. The audience gave a round of applause for our future generation. The Galaxy Gazer's Coach thanked everyone at the City that has helped with their time and feedback with this project.

3. Recognition of Council Members Ramesh Verma and Doreen Poupard

Mayor Gatt called down Dr. Doreen Poupard. Mayor Gatt said his colleagues, administration, and all the people watching know that Dr. Poupard came out of retirement a few years ago and she filled in for a council seat that was vacant. She

filled in admirably. She did everything better than most of us on Council table. She then retired and we said thank you. About a year ago they had a need and Dr. Poupard came out of retirement again to help us. There is a lot of reading, discussion, research, deliberation that go on behind the scenes that a lot of people don't know about. Mayor Gatt said on behalf of the City Council, City Administration and City Staff, thank you for all that you do. Thank you for your contributions, she certainly made a difference. Dr. Poupard said it was really humbling to have somebody say something so nice about you when you know that everyone of your colleagues and the people that work in administration are really the heroes and heroines within the City. She said it has been an honor and a privilege to get to know all the hard work. She said you do not know unless you scratch the surface what competent staff that are always willing to go the extra, no matter what. She thought the City was blessed with good Administration and with a Council that is very clear with a vision in keeping with the ordinances and the rules and regulations. She said government works in the city of Novi and sometimes she wonders when she listens to the national news what is going on. People in Novi listen to one another; they work together and know what the values are. The collaboration between staff which is always available to do whatever Council says or needs. She congratulated all those that were up for election in two weeks. God bless.

Mayor Gatt had Member Verma join him. He said both Dr. Poupard and Ramesh Verma already had a job with the City. They were already giving back by being members of the Library Board before serving on Council. He apologized to Director Farkas for taking two of her best when Council brought these two on board. Dr. Poupard came on in January, but prior to January we had an opening that we had to fill to meet the obligations of the City Charter. By unanimous consensus of our members on the City Council, Ramesh Verma's name came up. He said when they called him and asked him, he gladly and quickly said yes. He wanted to give more, he wanted to be part of the City Council, and he wanted to give back to the community that he loved so much. In his one year plus, on City Council he has been instrumental on many different votes. He cast the deciding vote on several different items and his mark will be forever felt on the city of Novi. Mayor Gatt thanked Mr. Verma for giving, being so humble all the time, and thanks for being the best dressed person up there all the time. He commented that Mr. Verma was a very nice man. He felt honored and privileged to call him his friend. Mayor Gatt said when he leaves City Council he will be serving on the Zoning Board of Appeals. Mr. Verma said he was with the Mayor a week ago and he told him about the recognition, so he prepared something to say. He said he was so humbled and honored to serve this great Council of Novi. He thanked Mayor and all the Councilmembers for giving him the opportunity to share his beloved Novi and to do something. He enjoyed serving with the experienced City Councilmembers who have had experience for a number of years. They must be doing this with a good heart for the City. He is carrying with him the jolly good feelings of you all. He quoted from an email written by the City Manager which said "We, the City Council down to our newest hire, work as a team and have built a competent, efficient, and effective system that most communities would envy". He said yes, that is very true. We are the best in every respect. God bless you all. He said with his deepest and warmest good

evening, thank you all again for your support. Thank you very much Mayor. The audience gave a round of applause.

MANAGER/STAFF REPORT: None

ATTORNEY REPORT: None

AUDIENCE COMMENT: None

CONSENT AGENDA REMOVALS AND APPROVALS:

- A. Approval of Minutes of October 7, 2019 - Regular Meeting
- B. Approval to award the Sport Clothing and Apparel contract to Impressive Promotional for one (1) year with two (2) renewal options in one-year increments based on unit pricing; with an annual estimated annual amount of \$26,500.
- C. Approval to purchase four (4) speed signs for the Novi Police Department from All Traffic Solutions, sole source provider, in the amount of \$16,780.
- D. Approval of Resolution regarding Temporary Holiday Promotional Signage allowing temporary relief from Sign Ordinance from November 29 through December 26, 2019.
- E. Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation cost of five (5) street lights; one (1) at the entrance of Emerson Park off of Novi Road and four (4) within the subdivision, and approval of an agreement with Pulte Homes of Michigan, LLC for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.
- F. Approval of a cost participation agreement with the Oakland County Board of Commissioners for the proposed reconstruction of Lee BeGole Drive, in the amount of \$104,471.
- G. Approval to purchase a Hewlett Packard L 365 64-inch Latex Printer, Graphtec 54-inch Plotter with Ethernet kit, and GFP 355 TH 55-inch top heat laminator Package from Grimco Inc., in the amount of \$28,195.11.
- H. Approval of a Storm Drainage Facility Maintenance Easement Agreement (SDFMEA) from Pulte Homes of Michigan, for Villas at Stonebrook located north of Eleven Mile Road and east of Wixom Road (parcel 50-22-17-301-085).
- I. Final approval of the request of Cambridge of Novi, LLC for the First Amendment to the previously-approved Planned Rezoning Overlay (PRO) Plan and Agreement, JSP 17-52, Terra, formerly known as Villa D'Este, associated with Zoning Map Amendment 18.718. The applicant proposed a 41-unit single-family ranch housing

development on approximately 30.14 acres on the north side of Nine Mile Road, east of Napier Road. The current amendment is requested to allow greater flexibility for construction of individual homes, to allow alternate pavement material for sidewalks and driveways, and for other minor changes.

- J. Approval of request for Fireworks Display Permit by City of Novi Parks, Recreation and Cultural Services, to be operated by ACE Pyro, on Friday, December 6, 2019 for the Light Up the Night community event, subject to final approval as to form by City Manager and City Attorney.
- K. Authorization to take all actions necessary to modify the funding arrangement with the current health insurance provider, Health Alliance Plan (HAP), to self-insurance coverage administered by HAP, with the same benefits as are currently provided, with excess or stop loss coverage to be secured through HAP's preferred insurance partner.
- L. Approval of Claims and Accounts – Warrant No. 1046

CM 19-10-180 Moved by Casey, seconded by Mutch; CARRIED UNANIMOUSLY

To approve the Consent Agenda as presented.

Roll call vote on CM 19-10-180

**Yeas: Breen, Casey, Mutch, Poupard, Verma,
Gatt, Staudt**

Nays: None

MATTERS FOR COUNCIL ACTION

- 1. Consideration of requests from Texas Roadhouse Holdings LLC d/b/a Texas Roadhouse:
 - A) Consideration of a request for Special Land Use approval for service of alcoholic beverages.
 - B) Consideration of request to transfer ownership of escrowed 2018 Class C license with Sunday Sales Permit (AM/PM), Specific Purpose Permit (Food), and Outdoor Service Area (1) from Outback Steakhouse of Florida, LLC (a Florida Limited Liability Company) 1880 S. Rochester Road, Rochester Hills, MI 48307 to Texas Roadhouse Holdings LLC, d/b/a Texas Roadhouse, a new business to be located at 26730 Adell Center Drive, Novi, MI 48375

Steve Grobbel, Liquor Licensing Attorney for Texas Roadhouse Holdings, LLC. He had with him, Brian O'Hara, Managing Partner of this new location in Novi. He will be handling the day-to-day operations. He stated that Texas Roadhouse is a family-friendly, fast-casual steakhouse. They are very excited about the possibility of joining the Novi restaurant entertainment district. This is a new construction for them. They are

going in at 26730 Adell Center Drive. They have commenced some construction and they drove by it on the way in. They are looking at a spring opening if all goes well. They are investing a considerable amount of money into the site and into the construction and hope to bring approximately 150 jobs, both full and part-time with the restaurant. They were happy to answer any questions.

Motion A

CM 19-10-181

Moved by Staudt, seconded by Poupard; CARRIED UNANIMOUSLY

Approval of a request for Special Land Use approval for service of alcoholic beverages, for the reasons stated in the Special Land Use approval.

Member Mutch asked City Attorney Schultz about the review letter from the Fire Department that they had granted conditional approval based on various conditions being met. He wondered if that was incorporated in the approval that City Council will be approving that evening. Mr. Schultz replied, yes, they will still need whatever fire approvals they are required to have.

Roll call vote on CM 19-10-181

**Yeas: Casey, Mutch, Poupard, Verma, Gatt,
Staudt, Breen**

Nays: None

Motion B

CM 19-10-182

Moved by Staudt, seconded by Casey; CARRIED UNANIMOUSLY

Approval of request to transfer ownership of escrowed 2018 Class C license with Sunday Sales Permit (AM/PM), Specific Purpose Permit (Food), and Outdoor Service Area (1) from Outback Steakhouse of Florida, LLC (a Florida Limited Liability Company) 1880 S. Rochester Road, Rochester Hills, MI 48307 to Texas Roadhouse Holdings LLC, d/b/a Texas Roadhouse, a new business to be located at 26730 Adell Center Drive, Novi, MI 48375, because the proposed licensee is in fact unique as compared to other venues in the area, because the proposed use is in an area focused on entertainment and the proposed licensee will positively add to the mix of tenants, and because the use is not inconsistent with or detrimental to other existing uses in the area.

Roll call vote on CM 19-10-182

**Yeas: Mutch, Poupard, Verma, Gatt, Staudt,
Breen**

Nays: None

2. Consideration of approval to purchase two (2) 2020 Ford F-150s and two (2) 2020 Ford F-350s from Signature Ford, through the Macomb County Cooperative Purchasing Contract; and the up-fits to be completed by Truck and Trailer

Specialties through the City of Rochester Hills RFP contract, in the amount of \$144,762.

CM 19-10-183 Moved by Mutch, seconded by Poupard; CARRIED UNANIMOUSLY

Approval to purchase two (2) 2020 Ford F-150s and two (2) 2020 Ford F-350s from Signature Ford, through the Macomb County Cooperative Purchasing Contract; and the up fits to be completed by Truck and Trailer Specialties through the City of Rochester Hills RFP contract, in the amount of \$144,762.

Roll call vote on CM 19-10-183 Yeas: Poupard, Verma, Gatt, Staudt, Breen, Casey, Mutch
Nays: None

3. Consideration of approval to purchase four (4) 2020 Ford Escape Hybrids and two (2) 2020 Ford Escape from Signature Ford, through the Macomb County Cooperative Purchasing Contract, in the amount of \$155,980.

CM 19-10-184 Moved by Staudt, seconded by Poupard; CARRIED UNANIMOUSLY

Approval to purchase four (4) 2020 Ford Escape Hybrids and two (2) 2020 Ford Escape from Signature Ford, through the Macomb County Cooperative Purchasing Contract, in the amount of \$155,980.

Member Mutch noted that Council always gets asked from the community what the City is doing for environmental issues. He said four of the vehicles being purchased are hybrid vehicles based on the amount of idling that the vehicles being replaced currently do. He said that seeing an opportunity to purchase vehicles that will be more fuel efficient and more environmentally friendly. These vehicles are in line with Council's sustainability goals and he was pleased to see those and he was fully in support of these.

Roll call vote on CM 19-10-184 Yeas: Verma, Gatt, Staudt, Breen, Casey, Mutch, Poupard,
Nays: None

4. Approval to award the purchase of playground equipment at Lakeshore Park to Landscape Structures in the amount of \$192,142.80, using an HGAC Buy cooperative purchasing contract and Approval to award the installation of the playground equipment at Lakeshore Park to Penchura LLC in the amount of \$57,857.75.

Member Casey asked PRCS Director Muck how we are going to protect the playground area in the park from the roads that are being built into the park. Mr. Muck said they had the discussion with their playground designer. He explained what you do is a visual deterrent for kids. They go from a playground surface, to a grass strip, to a

sidewalk, and then the parking lot in that scenario. That is a real visual deterrent for kids. They see that at Pavilion Shore the way they designed that with the buffer to the lake. Member Casey said she looked forward to bringing her nephew when it was done.

Member Breen said she loved so much about everything about this. She did bring up a concern before and she talked to parents about it. She wondered about the feasibility of bringing the two separate structures closer together. She was not saying they needed to be right on top of one another, but closer. Sometimes there may be only one parent, but if they have two different aged children, one may be on the play structure and the other one on a different one. When the structures are about 80 feet apart it is going to be extremely difficult if not impossible to keep an eye on both children at once. She understood there are barriers to keep kids safe from the road and the detention basins and it has worked wonderfully at Pavilion Shore Park. What she wanted to see was to have the two structures a little closer together to make it better for the parents that have more than one child there. She wondered if they could make that happen. Mr. Muck said he would look for Council to give that direction. This is the site plan they are proposing. He completely understood her concern about the distance. On the other counter point if we look at the design there are families that want that separation between two playgrounds because they may only have a three year old. They may not want their three year old playing on the larger playground. That is definitely a factor; they may want that quieter space that is more contained. That is one of the reasons why they designed it this way. Member Breen said it wasn't just her perspective, they are not asking them to put them on top of each other. She said she would like to see something happen to bring them a little bit closer. She thought 80 feet is a big space. She said she would leave that for her fellow colleagues to comment if they wish to. Her second question was regarding the surface that was going to be there. She said it is supposed to be ADA accessible and wood chips are not going to cut it. Mr. Muck went back to the separation of the two playgrounds, if Council does elect he would like more direction on what would be an acceptable distance. He mentioned that we are dealing with some drainage issues and utility lines so he would need to go back to the drawing board and look at what would be an approved distance. In regards to the surface, it is an engineered wood fiber surface and that is the playground surfacing that we have all across Novi. It is all across the state and the country. That is the most cost effective safety surfacing you can have. It is ADA compliant. If we were to go to Poured in Place surface, that is the rubber surface which we have one playground like that in Novi at Power Park. The cost estimate to do an entire Poured in Place surface for Lakeshore Park would be around \$150,000 dollars. Member Breen said she brought this up earlier; she would like us to consider in the future, some budget items to add shading because there is nothing to protect the kids from the sun. Other parks that we have there are pavilions close by where people can seek refuge from the elements if needed. Member Breen asked City Manager Auger what we could do about the possibilities of bringing the two play structures a little closer together. Mr. Auger said he didn't recommend doing that. The professional staff and the Parks and Recreation Commission all studied the issue. They did have healthy debate on the separation versus to putting them close together. He

agreed with Mr. Muck and said there are other elements that do play into the design of the park. He brought up the drainage issue and the utility lines that Mr. Muck mentioned earlier. Mr. Auger said as far as the extra structure and shade, they plan on looking at that and address it as the park gets used so they can see where to best place them. Member Breen said she didn't want to hold up the project with her hang up on the distance of the structures. Overall she believed it was a great plan. She loved the friendship swing that was in there, and the accessibility. She said she has put her concerns on the record; she didn't have anything further right now.

CM 19-10-185 Moved by Staudt, seconded by Gatt; CARRIED UNANIMOUSLY

Approval to award the purchase of playground equipment at Lakeshore Park to Landscape Structures in the amount of \$192,142.80, using an HGAC Buy cooperative purchasing contract and approval to award the installation of the playground equipment at Lakeshore Park to Penchura LLC in the amount of \$57,857.75.

Member Poupard commented on how encouraging it was to see the wheelchairs in the pictures that they had. She said growing up with tires, trees, and teeter totters; she was overwhelmed and impressed with the structures that we have. She wondered about the budget for upkeep and repair. Mr. Muck said the playgrounds are about a 15-year lifespan. He said we have four outstanding certified playground safety inspectors on our parks maintenance team and they inspect the playgrounds monthly. They make repairs as needed as we go along, most are relatively minor. Member Poupard asked if there was a budget issue connected with upkeep. Mr. Muck said they have a budget for annual maintenance. In support of Member Breen, she wondered if they were only looking at one chair set for parents, is there room for parents to sit with the children? Mr. Muck said they will have four benches included in this purchase install and as we do with all of our parks, as we grow into them and use them, we see how they are trending and we can always add more if needed.

Member Mutch said he wanted to follow up on a couple issues that were raised. He referred to the work fiber surface being ADA accessible. Is it considered universally accessible as the DNR references when they are doing grant reviews? He understood that it was a higher standard than ADA compliant. Mr. Muck said yes, that was correct. The playground at Power Park with the Poured in Place surface would be considered universal. Mr. Mutch wondered what the key difference was between the two standards were. Mr. Muck said surfacing can be one of them; it is also the amount if all areas can be readily accessible by someone with a disability. Member Mutch said knowing the DNR standard if we were seeking out grant funding for a project like this and that is the direction they are pushing communities to move in, is cost the only issue for not using a Poured in Place surface? Mr. Muck said yes it is. Ideally our parks maintenance department would love to see a Poured in Place on every surface. We have a \$250,000 budget that was given to us gracefully by Council and we wanted to make the most of it. He said we have to remember how much use these three

playgrounds are going to get. We have three park shelters, camp, we have a full beach, so when we started designing this playground we were really looking at playability. How many kids are going to use this? We had to look at a more expensive surface at the expense of play items doesn't meet our standard of what we wanted to do with this playground. Member Mutch said he understood that. He said this is a conversation that we have had as a Council, he personally thought when we come down to these decisions in terms of do we spend the extra amount to make this fully accessible to all children in a way that this may not be. He stated that out of a \$5 million dollar project this is where we are going to cut? He felt that was a decision for City Council to make and for us to say to achieve that maybe we need to put a little more money into this project to make it fully accessible to all users. He said that as much as Mr. Muck has tried to with this design obviously if that is where you cut it there is a potential for some users to not be able to access the park and that is unfortunate. He said to carry the thought further you are right now in the process of asking the community to comment on the strategic plan. He asked what level or standard are we setting for the future. He asked if we are going to shoot for ADA or universal. Mr. Muck said that would be a question for Council and we can bring back those options in the future. Member Mutch asked what the department was proposing. Mr. Muck said the department has gone forward with ADA compliance because of the additional standards to meet universal. Member Mutch said that is an educational item for Council and realizing there is a cost trade off, but at the same time, the additional cost makes the playground accessible to as many people as possible. Member Mutch said he personally would have no problem amending this budget for this project to provide that Poured in Place surface for these two locations. That is the standard that we should be trying to reach. He said that ADA is great, but universal is what the state wants communities to go for. Mr. Muck confirmed the additional cost was \$150,000 per our designer. Member Mutch asked if the renderings on the plans were just renderings, the trees don't exist right now, correct? Mr. Muck said they were just renderings. Council Member Breen's point about some kind of shade structure in this area is a good one. If it came down to a budget issue, this is where the department needs to say these are some amenities that probably would be very desirable. We can't fit them within the current budget and come back to Council and ask. Council may say no, but you can ask. He said at the same time some of these things get cut out, or decisions made to not to do them and he thought maybe if they came to Council and asked, they may have given it some considerations. This is something tangible; it is not like someone went over budget. He thought going forward we should go for the higher standard. If that is a conversation that needs to happen either at the Parks Commission level or at the City Council, he thought providing those with additional information would be helpful.

Roll call vote on CM 19-10-185

**Yeas: Gatt, Staudt, Breen Casey, Mutch,
Poupard, Verma,
Nays: None**

5. Approval of resolution to authorize Budget Amendment #2020-1

Mayor Pro Tem Staudt asked City Manager Auger if the \$630,000 for the Capital Improvement Program (CIP) for the purchase of land that Country Building and Supplies was generally considered a road project more than it is anything else. We have had a lot of discussions over the years about how we are going to use funds from the Capital Improvement Program and that is not one of the ways we wanted to use it. Mr. Auger asked Mayor Pro Tem Staudt to clarify. Mayor Pro Tem Staudt asked him if it is primarily a road project. Mr. Auger said he wouldn't say it was primarily a road project. The final use of that land has not been determined yet. Initially we are going to put a temporary road in there as the Bond project moves forward before we can complete the Bond Street to match up with the ring road and a small slice of the two properties we purchased will be needed for the right-of-way for that road. In the meantime for the first year or two there will be a temporary access out to Grand River through there. Mayor Pro Tem Staudt asked what the purpose of this property other than putting a road through? Mr. Auger said it was for future City use. There are a couple of things that we have floated by Council before. We do not have a determination of what we are going to do with that property yet. Mayor Pro Tem Staudt said he was not a big fan of this. He wondered if Finance Director Johnson happened to know what fund balance this leaves in the Capital Improvement Program. Mr. Johnson said no, not right off hand. Mayor Pro Tem Staudt said this wasn't one of the uses that we considered, he didn't know how his colleagues felt, but the Capital Improvement Program was going to be limited to certain types of projects. This one doesn't have a defined use. He said he didn't know where else we would get the money from and perhaps down the road this would have been a good option for the Corridor Improvement Authority, it is in that corridor. As part of the Capital Improvement those dollars are for parks and things that have a very specific purpose. This doesn't have a specific purpose as this point. He said he knew we would like to own this property for a lot of different reasons, but he wasn't sure it fits into exactly into the Capital Improvement Program was set up for. He wasn't sure where he stood on this that moment. The fact that we don't know how much money is left in the Capital Improvement Program fund balance also concerned him.

Member Mutch said he had asked City Administration about a couple of these items, but he missed this in his review. He mentioned that under Parks, Recreation and Cultural Services Fund we are removing the ITC Community Sports Park path resurfacing project. He wondered what the reasoning was for removing that. Finance Director Johnson explained that was a typo that is the \$350,000 related to the lighting at Power Park. Mr. Johnson said he noticed that after they spoke earlier. Member Mutch said he could see how that fits into the change that Mr. Johnson had proposed. Member Mutch echoed Mayor Pro Tem Staudt's point that he made earlier when he said that this is a significant expenditure from the Capital Improvement Fund and wasn't sure whether it is appropriate or not. It is always helpful for him when he is seeing these requests to see what the fund balance is going to be with that change. Member Mutch stated that we have major changes in Major Street Fund, Municipal Street Fund, etc., and some of those they include the fund balance after the budget adjustments and some you do not. Is there a particular reason why we are not seeing that on all the

funds? Mr. Johnson said the ones that we present there are the ones that have the fund balance restrictions on them, the minimum and the maximums. Those are the Council restrictions. He explained that the 10 percent in the Street Funds, the 22 to 28 percent in the General Fund, etc. so the ones that have the Council minimums they do in fact list them so you can see them in the future. Member Mutch said he appreciated that explanation. Member Mutch said in terms of the Mayor Pro Tem's concern Mr. Johnson said he didn't have that information before them that evening, he wondered if there any reasons if we pulled that particular item out of the budget amendment that could not wait until the next meeting for Council to vote on. Mr. Johnson said correct, we have spent the money already so it is just the matter of what pot we are going to take it from. Member Mutch suggested if we make a motion is to remove that item from the budget amendment pending Mr. Johnson being able to provide City Council the fund balance amount and return before City Council at a future meeting for Council to take action on it. Mr. Johnson said that wouldn't be an issue although we have to amend it before the end of the fiscal year. Member Mutch said we have plenty of time for that.

CM 19-10-186 Moved by Staudt, seconded by Casey; CARRIED UNANIMOUSLY

Approval of resolution to authorize Budget Amendment #2020-1 with the removal of the \$650,000 Capital Improvement Program Fund amendment to be discussed at a future meeting.

Roll call vote on CM 19-10-186

**Yeas: Staudt, Breen Casey, Mutch, Poupard,
Verma, Gatt,
Nays: None**

AUDIENCE COMMENT: None

COMMITTEE REPORTS: None

MAYOR AND COUNCIL ISSUES:

Member Breen said we are very fortunate to live and govern in one of the most financially stable and diverse cities in Michigan. She believed that his was due in part by willingness in embracing new ideas, technology, and we have modified our policies accordingly. Member Breen said she last year consulted with our now Attorney General Dana Nessel on an internal policy with a majority of support of City Council. We amended our internal policies so that Novi unequivocally stated that we would not discriminate on the basis of gender identity, expression, or sexual orientation. The State of Michigan has been hampered in addressing these issues specifically and there are other cities in our state such as Grand Rapids, Ann Arbor, East Lansing, and Farmington Hills that have adopted human rights ordinances that prohibit discrimination based on upon sexual orientation, gender identity, or expression in places of public accommodation. The Michigan Department of Civil Rights issued a report several years ago, and the focus was not on the moral or ethical aspects of such policies, but to

focus on whether or not these directives had an economic impact. The conclusion was that LGBTQ inclusiveness does result in positive economic change within communities. She said she realized that there is an election coming up, but there was a definite possibility that five of them would be back in November. Sometimes government moves a little slow, sometimes quickly, she is not asking that evening to adopt a specific ordinance. What she was asking for under the Council Rules is a slight discussion, comment and support, and to ask our city attorney to draft a proposed ordinance that can be discussed and voted on at a later date.

Member Mutch said the first step for City Council to discuss a proposed amendment is to have some background information about what other communities have done to adopt a human rights ordinance, the scope of the ordinances in terms of what they are trying to accomplish. He said Member Breen noted that we as a city updated our employment policies to clearly state that discrimination in those areas was not acceptable as an organization. This would be a similar statement from the City's perspective in terms of our community. He felt it was worthwhile to consider that kind of ordinance. He said at this point we need to ask City Attorney Schultz to bring forward background information in terms of what is the scope, what is the impact, what are the legal issues that arise in the context of adopting a human rights ordinance. He wondered if there was model legislation out there and available at the state level or are there examples, such as Farmington Hills would be the first place he would look at because we are similar in terms of our community. He wondered if there were ordinance examples that would be readily adaptable for the city of Novi to vote on in the future. He said he knows in some communities it has been controversial. There are concerns that have been raised over religious accommodation, how far does the community go in terms of what kind of things is being covered by the ordinance. Obviously it isn't something to step into lightly knowing at the same time he agreed with Member Breen the State of Michigan really has fallen behind in this area. It has been left to the local communities to step up and fill the gap and extend these protections to residents that are in need of them. He said the first step is to have City Attorney Schultz provide us with information to be able to start a conversation along these lines and fully understand what are the issues that are involved. Mayor Gatt said he didn't think there would be any objection to that. We are an all-inclusive city; we always have been and always will be. Mayor Gatt asked that City Manager Auger and City Attorney Schultz work together. They would like some suggestions, maybe in an off-week packet, and then perhaps they can talk about it in Ordinance Review Committee.

COMMUNICATIONS:

Mayor Gatt announced he was told before the meeting that Mr. Ron Watson, who was a big Novi person for the old-timers who was instrumental in starting the Motor Sports Hall of Fame, passed away this morning unexpectedly. Please keep him and his family in your thoughts and prayers.

Mayor Gatt thanked Ramesh Verma and Doreen Poupard on behalf of his colleagues again for serving on Council. He also said there were other members running for re-election on November 5, he wished them the best.

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION:

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 7:59 P.M.

Cortney Hanson, City Clerk

Robert J. Gatt, Mayor

Transcribed by Deborah S. Aubry

Date approved: November 12, 2019



**CITY OF NOVI CITY COUNCIL
NOVEMBER 12, 2019**

SUBJECT: Acceptance of a Woodland Conservation Easement from Pulte Homes of Michigan, LLC for the woodland replacement trees, offered as a part of the Woodbridge Park development, located on the northeast corner of Novi Road and Nine Mile Road, in Section 26 of the City.

SUBMITTING DEPARTMENT: Community Development, Planning Division

BACKGROUND INFORMATION:

The applicant received Final Site Plan approval on June 14, 2019 for a 40-unit multi-family for-sale residential development with frontage and access to Nine Mile Road. Construction is now underway.

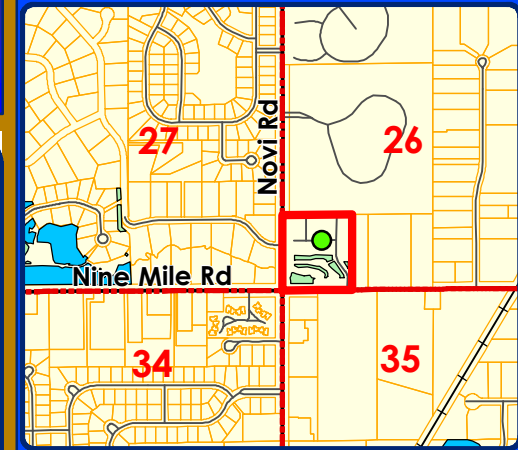
The applicant is offering a Woodland Preservation Easement for the purpose of preserving the woodland replacement trees. The easement area shall be perpetually preserved and maintained, in its natural and undeveloped condition, unless authorized by the City. The conservation easement plan, shown as Exhibit B of the easement document, graphically depicts the areas being preserved. The proposed conservation area is approximately 1 acre.

The easement has been reviewed by the City's professional staff and consultants. The easement is in a form acceptable to the City Attorney's office for acceptance by the City Council.

RECOMMENDED ACTION: Acceptance of a Woodland Conservation Easement from Pulte Homes of Michigan, LLC for the woodland replacement trees, offered as a part of the Woodbridge Park development, located on the northeast corner of Novi Road and Nine Mile Road, in Section 26 of the City.

LOCATION MAP

JSP 17-67 Woodbridge Park Woodlands Conservation Easement



- LEGEND**
- Woodland Conservation Easement (New)
 - Wetlands Conservation Easement
 - Sections

CITY OF NOVI
City of Novi logo
City of Novi website: cityofnovi.org

City of Novi
Dept. of Community Development
City Hall / Civic Center
45175 W Ten Mile Rd
Novi, MI 48375
cityofnovi.org

Map Author: Sri Komaragiri
Date: 11/01/2019
Version #: 1

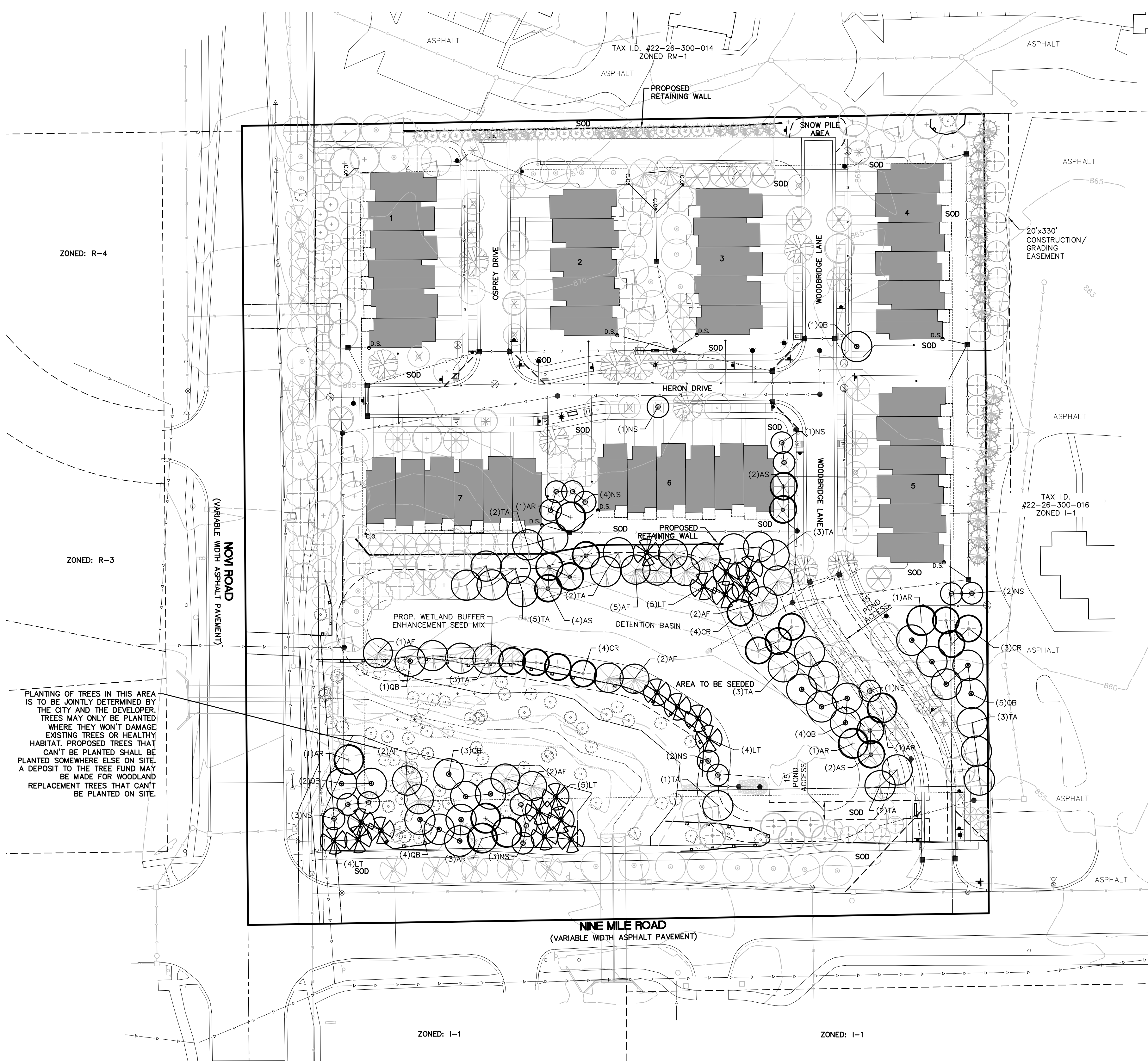


MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

LANDSCAPE PLAN

(Full size plans available at the Community Development Department)



LANDSCAPE REQUIREMENTS

Replacement Trees	Required	Proposed	Notes
	434 trees based on City of Novi replacement ratio	120 Provided	A deposit to a tree fund shall be made for the 314 replacement trees that cannot fit on site properly

TREE REPLACEMENT SUMMARY

Total Surveyed Trees	479
Total Trees Removed	384(80%)
Total Regulated Trees	425
Regulated Trees Removed	371(87%)
Regulated Trees Preserved	63(15%)

Woodland Replacement Calculations

Tree Size (Caliper)	# Trees	# Replacements	Total
0"-8"	89	0	0
8"-11"	156	1	156
11"-20"	98	2	196
20"-29"	13	3	39
30"+	7	4	28
Total			419

****Replacement Required due to grading within drip line**

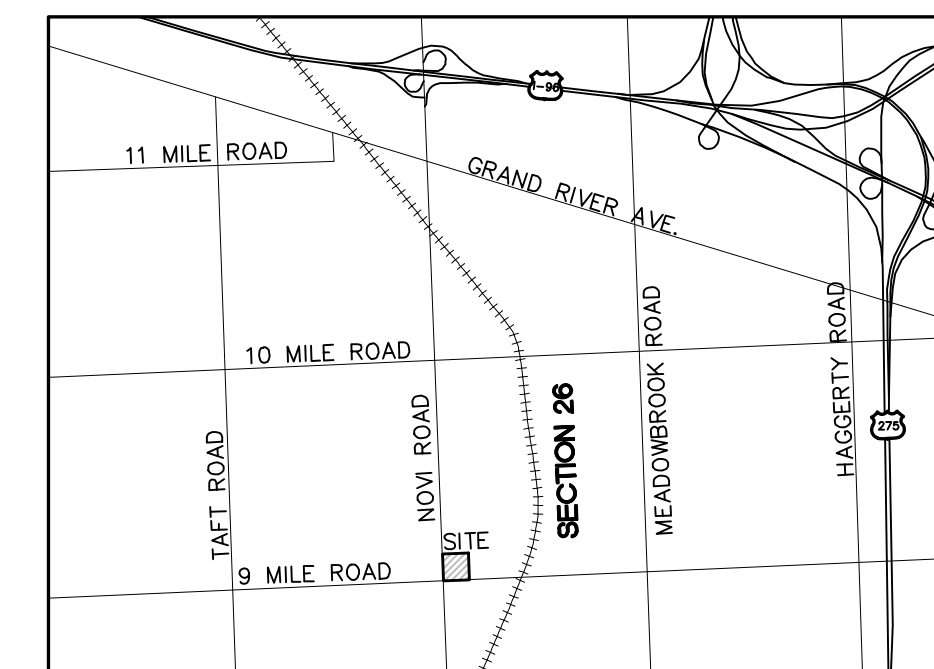
Tree Size (Caliper)	# Trees	# Replacements	Total
0"-8"		0	0
8"-11"	7	1	7
11"-20"	2	2	4
20"-29"		3	0
30"+	1	4	4
Total			15

NOTE: TREES SHOWN ABOVE HAVE GRADING PROPOSED WITHIN THE DRIP LINE OF TREE BUT ARE NOT PROPOSED TO BE REMOVED AT THIS TIME. IF TREES END UP COMING DOWN, 25 ADDITIONAL REPLACEMENT TREES WILL BE ADDED TO TREE FUND.

WOODLAND REPLACEMENT REPLACEMENT	434
TOTAL REPLACEMENT TREES REQUIRED	434
TOTAL REQUIRED IN TREE FUND	314
TOTAL PROVIDED ON SITE	120

NOTE:

ALL TREE REPLACEMENT PLANTINGS TO BE LOCATED AND INSTALLED IN CONSERVATION EASEMENT AREAS (GREENBELT, PARK/OPEN SPACE, AND DETENTION POND) PER CITY STANDS AND APPROVAL.



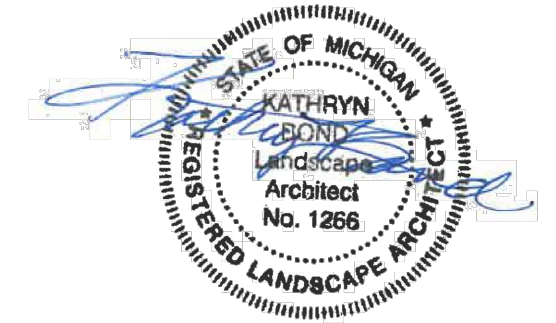
LOCATION MAP
1" = 5000'

TREE REPLACEMENT LANDSCAPE PLAN

TREE REPLACEMENT PLANT LIST

KEY	REPLACEMENT TREE	BOTANICAL NAME	COMMON NAME	SIZE
PROPOSED DECIDUOUS TREES				
AR	8	Acer rubrum	Red Maple	2 1/2" cal B&B
AF	14	Acer rubrum 'Franksred'	Red Sunset Red Maple	2 1/2" cal B&B
AS	8	Acer saccharum 'Green Mountain'	Green Mountain Sugar Maple	2 1/2" cal B&B
LT	19	Liriodendron Tulipifera	Tulip Tree	2 1/2" cal B&B
TA	24	Tilia americana 'Redmond'	Redmond Linden	2 1/2" cal B&B
NS	17	Nyssa sylvatica	Black Gum	2 1/2" cal B&B
QB	20	Quercus bicolor	Swamp White Oak	2 1/2" cal B&B
CR	10	Carya Cordiformis	Bitternut Hickery	2 1/2" cal B&B
120				

SEE SHEET 28 FOR MASTER PLANT LIST



PREPARED BY KATE BOND, PLA 1266

LEGEND

---	BOUNDARY LINE	---	PROP. SETBACK
---	BOUNDARY/PROPERTY LINE	---	PROP. BUILDING
---	EXIST. CONTOUR	---	PROP. WALL
---	EXIST. CURB AND GUTTER	---	PROP. PARKING STRIPE
---	EXIST. FENCE	---	PROP. BACK OF CURB
---	EXIST. GRAVEL	---	PROP. CONTOUR
---	EXIST. WETLAND	---	EXIST. TREE LINE
---	EXIST. WETLAND BUFFER	---	PROP. STORM SEWER
---	EXIST. STORM	---	PROP. SANITARY
---	EXIST. WATER MAIN	---	PROP. WATER MAIN
---	EXIST. SANITARY	---	PROP. END SECTION
---	EXIST. CULVERT	---	PROP. CATCH BASIN/INLET
---	EXIST. CATCH BASIN/INLET	---	PROP. WATER VALVE
---	EXIST. HYDRANT	---	PROP. FIRE HYDRANT
---	EXIST. VALVE	---	PROP. MANHOLE
---	EXIST. SANITARY SEWER	---	PROP. LIGHT POLE
---		---	TREE PROTECTION FENCE

EXECUTED DRAFT CONSERVATION EASEMENT

WOODLAND CONSERVATION EASEMENT
(Woodbridge Park)

THIS WOODLAND CONSERVATION EASEMENT made this 24 day of September 2019, by and between Pulte Homes of Michigan LLC, a Michigan limited liability company whose address is 100 Bloomfield Hills Parkway, Suite 150, Bloomfield Hills, Michigan 48304 (hereinafter the "Grantor"), and the City of Novi, and its successors or assigns, whose address is 45175 Ten Mile Road, Novi, Michigan 48375 (hereinafter the "Grantee").

RECITATIONS:

A. Grantor owns a certain parcel of land situated in the City of Novi, Oakland County, Michigan, described in Exhibit A, attached hereto and made a part hereof (the "Property"). Grantor has received final site plan approval for establishment and development of a residential condominium development on the Property which will be known as Woodbridge Park (the "Condominium"), subject to provision of an appropriate easement to permanently protect the remaining woodland areas from destruction or disturbance. Grantor desires to grant such an easement in order to protect the area.

B. The woodland conservation easement areas (the "Woodland Conservation Easement Areas") situated on the Property are more particularly described on Exhibit B, attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00), in hand paid, the receipt and adequacy of which are hereby acknowledged, Grantor hereby reserves, conveys and grants the following Woodland Conservation Easement, which shall be binding upon the Grantor, and the Grantee, and their respective heirs, successors, assigns and/or transferees and shall be for the benefit of the Grantee, all Grantors and purchasers of the Property and their respective heirs, successors, assigns and/or transferees. This Woodland Conservation Easement is dedicated pursuant to subpart 11 of part 21 of the Natural Resources and Environmental Protection Act being MCL 324.2140, et seq., upon the terms and conditions set forth herein as follows:

1. The purpose of this Woodland Conservation Easement is to protect the Woodland Conservation Easement Areas as shown on the attached and incorporated Exhibit B. The subject areas shall be perpetually preserved and maintained, in their natural and undeveloped condition, unless authorized by permit from the Grantee, and subject to the Grantor's rights under this Agreement.

2. Except for and subject to the activities which have been expressly authorized by permit, including construction, installation and maintenance of certain storm water drainage areas, utilities, improvements and grading as shown on the approved final site plan for the Condominium, including pathways, supplemental plantings, replacement trees and other normal woodland maintenance, including removal of dead or diseased trees in accordance with the City's Woodland Ordinance, and access for such

purposes, there shall be no disturbance of remaining Woodland Conservation Easement Areas and/or vegetation within such areas, including altering the topography of; placing of fill material in; dredging, removing or excavating soil, minerals, or trees, and from constructing or placing any structures on; draining surface water from; or plowing, tilling, cultivating, or otherwise altering or developing, and/or constructing, operating, maintaining any use or development in the Woodland Conservation Easement Areas.

3. No grass or other vegetation shall be planted in the Woodland Conservation Easement Areas after the date of this Woodland Conservation Easement with the exception of plantings approved, in advance, by the Grantee in accordance with all applicable laws and ordinances and consistent with the approved site plans.

4. This Woodland Conservation Easement does not grant or convey to Grantee, or any member of the general public, any right of ownership, possession or use of the Easement Area, except that, upon reasonable written notice to Grantor, Grantee and its authorized employees and agents (collectively, "Grantee's Representatives") may enter upon and inspect the Woodland Conservation Easement Areas to determine whether the Woodland Conservation Easement Areas are being maintained in compliance with the terms of the Woodland Conservation Easement.

5. In the event that the Grantor shall at any time fail to carry out the responsibilities specified within this Woodland Conservation Easement, and/or in the event of a failure to preserve, replace and/or maintain the Woodland Conservation Easement Areas in reasonable order and condition, in accordance with the final approved site plan for the Property, the Grantee may serve written notice upon the Grantor setting forth the deficiencies in maintenance and/or preservation. Notice shall also set forth a demand that the deficiencies be cured within a stated reasonable time period, and the date, time and place of the hearing before the City Council, or such other Council, body or official delegated by the City Council, for the purpose of allowing the Grantor to be heard as to why the Grantee should not proceed with the maintenance and/or preservation which has not been undertaken. At the hearing, the time for curing the deficiencies and the hearing itself may be extended and/or continued to a date certain. If, following the hearing, the City Council, or other body or official, designated to conduct the hearing, shall determine that maintenance and/or preservation have not been undertaken within the time specified in the notice, the Grantee shall thereupon have the power and authority, but not obligation to enter upon the Woodland Conservation Easement Areas or cause its agents or contractors to enter upon the Woodland Conservation Easement Areas and perform such maintenance and/or preservation as reasonably found by the Grantee to be appropriate. The cost and expense of making and financing such maintenance and/or preservation including the cost of notices by the Grantee and reasonable legal fees incurred by the Grantee, plus an administrative fee in the amount of 25% of the total of all costs and expenses incurred, shall be paid by the Grantor, and such amount shall constitute a lien on an equal pro rata basis as to all of the units of the Condominium. The Grantee may require the payment of such monies prior to the commencement of work. If such costs and expenses have not been paid within 30 days of a billing to the Grantor, all unpaid amounts may be placed on the delinquent tax roll of the Grantee, pro rata, as to each unit and shall accrue interest and penalties, and shall be collected as, and shall be deemed delinquent real property taxes, according to the laws made and provided for the collection of delinquent real property taxes. In the discretion of the Grantee, such costs and expenses may be collected by suit initiated against the Grantor, and, in such event, the Grantor shall pay all court costs and reasonable attorney fees incurred by the Grantee in connection with such suit.

6. Within 90 days after this Woodland Conservation Easement shall have been recorded, Grantor at its sole expense, shall place such signs, defining the boundaries of the Easement Area and, describing its protected purpose, as indicated herein.

7. This Woodland Conservation Easement has been made and given for a consideration of a value less than One Hundred (\$100.00) Dollars, and, accordingly, is (i) exempt from the State Transfer Tax, pursuant to MCL 207.526(a) and (ii) exempt from the County Transfer Tax, pursuant to MCL 207.505(a).

8. Grantor shall state, acknowledge and/or disclose the existence of this Woodland Conservation Easement as of the day and year first above set forth.

9. This Woodland Conservation Easement shall run with the Property and shall be binding upon and inure to the benefit of Grantor, Grantee and their respective transferees, successors and assigns, including any condominium association established to maintain and operate the Condominium.

10. Any assignment shall be pursuant to an assignment and assumption agreement recorded in the Oakland County Records. In the event of an assignment, the assignee shall assume and be responsible for the rights and obligations of the assignor from and after the date of the assignment, and the assignor shall thereupon be relieved of such rights and obligations from and after the date of the assignment.

(acknowledgements on following page)

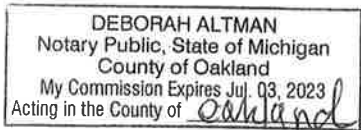
GRANTOR

PULTE HOMES OF MICHIGAN LLC, a Michigan limited liability company

By: Paul Schyck
Paul Schyck
Its: Director of Land Development

STATE OF MICHIGAN)
) ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 24 day of September, 2019, by Paul Schyck, the Director of Land Development of Pulte Homes of Michigan LLC, a Michigan limited liability company, on behalf of the company.



Deborah Altman
Deborah Altman Notary Public
County of Oakland, State of MI
Acting in Oakland County, MI
My commission expires: July 3, 2023

[acknowledgments continue on following page]

GRANTEE

CITY OF NOVI, a Municipal Corporation

By: _____

Its: _____

STATE OF MICHIGAN)
) ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____, the _____ of the City of Novi, a Michigan municipal corporation, on behalf of the corporation.

Notary Public
County of _____, State of MI
Acting in _____ County, MI
My commission expires: _____

Drafted By:
Elizabeth K. Saarela, Esquire
Rosati, Schultz, Joppich, Amtsbuechler P.C.
27555 Executive Drive, Suite 250
Farmington Hills, Michigan 48331

After Recording, Return to:
Cortney Hanson, Clerk
City of Novi
45175 Ten Mile Road
Novi, Michigan 48375

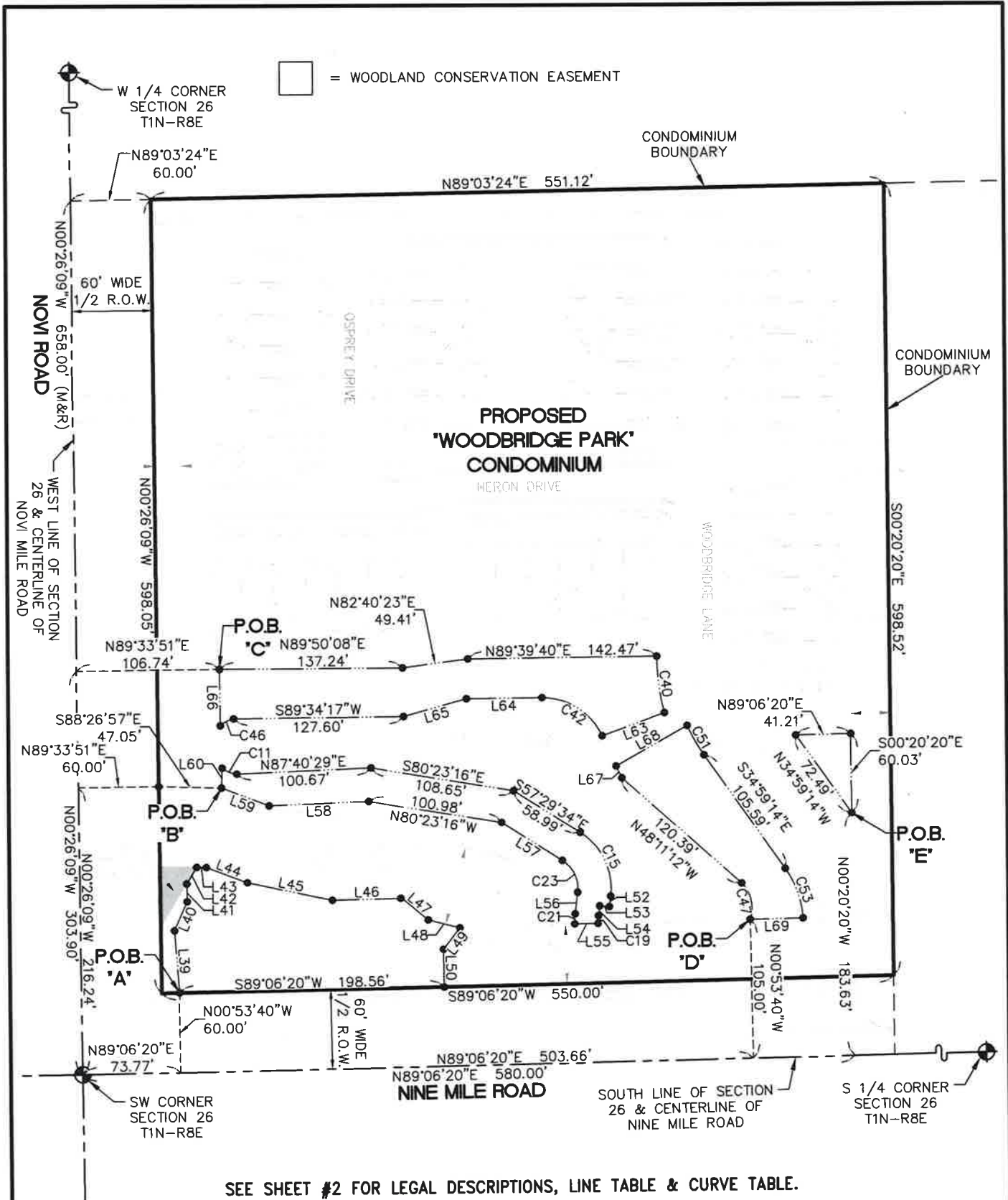
EXHIBIT A TO WOODLAND CONSERVATION EASEMENT
(Legal Description of the Property)

LAND SITUATED IN THE CITY OF NOVI, COUNTY OF OAKLAND, STATE OF MICHIGAN,
DESCRIBED AS FOLLOWS:

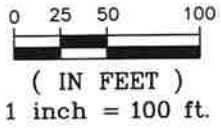
PART OF THE SOUTHWEST 1/4 OF SECTION 26, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 26; THENCE NORTH 00°26'09" WEST, ALONG THE WEST LINE OF SAID SECTION 26 & THE CENTERLINE OF NOVI ROAD, 658.00 FEET; THENCE NORTH 89°03'24" EAST 60.00 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF NOVI ROAD, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89°03'24" EAST 551.12 FEET; THENCE SOUTH 00°20'20" EAST 598.52 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF NINE MILE ROAD; THENCE SOUTH 89°06'20" WEST, ALONG SAID NORTHERLY RIGHT OF WAY LINE, 550.00 FEET TO A POINT ON SAID EASTERLY RIGHT OF WAY LINE OF NOVI ROAD; THENCE NORTH 00°26'09" WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, 598.05 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 7.56 ACRES OF LAND.

EXHIBIT B TO WOODLAND CONSERVATION EASEMENT
(Legal Description of the Woodland Conservation Easement Areas)
(See attached)

☐ = WOODLAND CONSERVATION EASEMENT



SEE SHEET #2 FOR LEGAL DESCRIPTIONS, LINE TABLE & CURVE TABLE.



EASEMENT EXHIBIT FOR CONSERVATION AREAS	
FOR: "WOODBRIDGE PARK" CONDOMINIUM CITY OF NOVI, OAKLAND COUNTY, MICHIGAN	
Diffin-Umlor & Associates 49287 West Road Wixom, Michigan 48393 Tel. (248) 773-7656 Fax. (866) 690-4307	DRAWN BY: BDR CHKD BY: MD DATE: 06-17-2019 SHT. NO.: 1 OF 2

LEGAL DESCRIPTION OF PROPOSED WOODLAND CONSERVATION EASEMENT

Part of the Southwest 1/4 of Section 26, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, being more particularly described as: Commencing at the Southwest corner of said Section 26;

AREA "A":

thence N89°06'20"E, along the South line of said Section 26 and the centerline of Nine Mile Road, 73.77 feet; thence N00°53'40"W 60.00 feet to a point on the Northerly right-of-way line of said Nine Mile Road, said point also being the Point of Beginning; thence N04°14'47"W 46.88 feet; thence N23°39'01"E 24.08 feet; thence N00°26'09"W 13.38 feet; thence N30°41'29"E 14.63 feet; thence S88°26'57"E 7.11 feet; thence S69°01'27"E 32.84 feet; thence S78°00'03"E 65.17 feet; thence N88°43'49"E 52.10 feet; thence S49°54'34"E 25.84 feet; thence S75°11'11"E 24.47 feet; thence S37°48'03"W 20.26 feet; thence S00°43'57"E 28.42 feet; thence S89°06'20"W 198.56 feet to the Point of Beginning.

AREA "B":

thence N00°26'09"W, along the West line of said Section 26 & the centerline of Novi Road, 216.24 feet; thence N89°33'51"E 60.00 feet to a point on the Easterly right-of-way line of said Novi Road; thence S88°26'57"E 47.05 feet to the Point of Beginning; thence N01°54'09"E 14.90 feet; thence along a curve to the left, having a radius of 21.12 feet, an arc length of 12.04 feet, a central angle of 32°39'59" and a chord bearing and distance of S68°01'59"E 11.88 feet; thence N87°40'29"E 100.67 feet; thence S80°23'16"E 108.65 feet; thence S57°29'34"E 58.99 feet; thence along a curve to the right, having a radius of 50.00 feet, an arc length of 56.39 feet, a central angle of 64°36'49" and a chord bearing and distance of S25°11'09"E 53.45 feet; thence S07°07'15"W 8.02 feet; thence N85°36'12"W 7.38 feet; thence S08°11'23"W 7.50 feet; thence along a curve to the left, having a radius of 27.53 feet, an arc length of 5.88 feet, a central angle of 12°13'46" and a chord bearing and distance of S02°04'30"W 5.87 feet; thence S89°06'20"W 17.51 feet; thence along a curve to the right, having a radius of 45.00 feet, an arc length of 7.78 feet, a central angle of 09°54'35" and a chord bearing and distance of N02°09'58"E 7.77 feet; thence N07°07'15"E 16.41 feet; thence along a curve to the left, having a radius of 25.00 feet, an arc length of 28.19 feet, a central angle of 64°36'49" and a chord bearing and distance of N25°11'09"W 26.72 feet; thence N57°29'34"W 53.93 feet; thence N80°23'16"W 100.98 feet; thence S87°40'29"W 12.62 feet; thence N17°20'56"E 3.71 feet; thence S70°12'55"W 11.65 feet; thence S87°40'29"W 52.61 feet; thence N69°01'27"W 37.99 feet to the Point of Beginning.

AREA "C":

thence N00°26'09"W, along the West line of said Section 26 & the centerline of Novi Road, 303.90 feet; thence N89°33'51"E 106.74 feet to the Point of Beginning; thence N89°50'08"E 137.24 feet; thence N82°40'23"E 49.41 feet; thence N89°39'40"E 142.47 feet; thence along a curve to the left, having a radius of 167.58 feet, an arc length of 42.87 feet, a central angle of 14°39'28" and a chord bearing and distance of S07°12'20"E 42.76 feet; thence S70°02'14"W 49.88 feet; thence along a curve to the left, having a radius of 50.00 feet, an arc length of 56.77 feet, a central angle of 65°03'12" and a chord bearing and distance of N57°15'54"W 53.77 feet; thence S89°41'13"W 56.90 feet; thence S74°33'29"W 49.01 feet; thence S89°34'17"W 127.60 feet; thence along a curve to the left, having a radius of 21.12 feet, an arc length of 11.38 feet, a central angle of 30°52'46" and a chord bearing and distance of S62°44'20"W 11.25 feet; thence N00°18'02"W 42.30 feet to the Point of Beginning.

AREA "D":

thence N89°06'20"E, along the South line of said Section 26 & the centerline of Nine Mile Road, 503.66 feet; thence N00°53'40"W 105.00 feet to the Point of Beginning; thence along a curve to the left, having a radius of 27.63 feet, an arc length of 29.87 feet, a central angle of 61°56'30" and a chord bearing and distance of N12°37'11"W 28.44 feet; thence N48°11'12"W 120.39 feet; thence N24°17'15"W 9.92 feet; thence N60°37'53"E 61.48 feet; thence along a curve to the left, having a radius of 126.50 feet, an arc length of 25.67 feet, a central angle of 11°37'32" and a chord bearing and distance of S29°10'28"E 25.62 feet; thence S34°59'14"E 105.59 feet; thence along a curve to the right, having a radius of 73.50 feet, an arc length of 40.44 feet, a central angle of 31°31'20" and a chord bearing and distance of S19°13'34"E 39.93 feet; thence S89°06'20"W 39.74 feet to the Point of Beginning.

AREA "E":

thence N89°06'20"E, along the South line of said Section 26 & the centerline of Nine Mile Road, 580.00 feet; thence N00°20'20"W 183.63 feet to the Point of Beginning; thence N34°59'14"W 72.49 feet; thence N89°06'20"E 41.21 feet; thence S00°20'20"E 60.03 feet to the Point of Beginning.

LINE TABLE		
LINE #	DIRECTION	LENGTH
L39	N04°14'47"W	46.88'
L40	N23°39'01"E	24.08'
L41	N00°26'09"W	13.38'
L42	N30°41'29"E	14.63'
L43	S88°26'57"E	7.11'
L44	S69°01'27"E	32.84'
L45	S78°00'03"E	65.17'
L46	N88°43'49"E	52.10'
L47	S49°54'34"E	25.84'
L48	S75°11'11"E	24.47'
L49	S37°48'03"W	20.26'
L50	S00°43'57"E	28.42'
L52	S07°07'15"W	8.02'
L53	N85°36'12"W	7.38'
L54	S08°11'23"W	7.50'
L55	S89°06'20"W	17.51'

LINE TABLE		
LINE #	DIRECTION	LENGTH
L56	N07°07'15"E	16.41'
L57	N57°29'34"W	53.93'
L58	S87°40'29"W	75.09'
L59	N69°01'27"W	37.99'
L60	N01°54'09"E	14.90'
L63	S70°02'14"W	49.88'
L64	S89°41'13"W	56.90'
L65	S74°33'29"W	49.01'
L66	N00°18'02"W	42.30'
L67	N24°17'15"W	9.92'
L68	N60°37'53"E	61.48'
L69	S89°06'20"W	39.74'

CURVE TABLE					
CURVE #	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD DIRECTION	CHORD LENGTH
C11	21.12'	12.04'	32°39'59"	S68°01'59"E	11.88'
C15	50.00'	56.39'	64°36'49"	S25°11'09"E	53.45'
C19	27.53'	5.88'	12°13'46"	S02°04'30"W	5.87'
C21	45.00'	7.78'	9°54'35"	N02°09'58"E	7.77'
C23	25.00'	28.19'	64°36'49"	N25°11'09"W	26.72'
C40	167.58'	42.87'	14°39'28"	S07°12'20"E	42.76'
C42	50.00'	56.77'	65°03'12"	N57°15'54"W	53.77'
C46	21.12'	11.38'	30°52'46"	S62°44'20"W	11.25'
C47	27.63'	29.87'	61°56'30"	N12°37'11"W	28.44'
C51	126.50'	25.67'	11°37'32"	S29°10'28"E	25.62'
C53	73.50'	40.44'	31°31'20"	S19°13'34"E	39.93'



EASEMENT EXHIBIT FOR CONSERVATION AREAS	
FOR: "WOODBRIIDGE PARK" CONDOMINIUM CITY OF NOVI, OAKLAND COUNTY, MICHIGAN	
Diffin-Umlor & Associates 49287 West Road Wixom, Michigan 48393 Tel. (248) 773-7656 Fax. (866) 690-4307	DRAWN BY: BDR CHKD BY: MD DATE: 06-17-2019 SHT. NO.: 2 OF 2

ATTORNEY REVIEW

ELIZABETH KUDLA SAARELA
esaarela@rsjalaw.com

2755 Executive Drive, Suite 250
Farmington Hills, Michigan 48331
P 248.489.4100 | F 248.489.1726
rsjalaw.com



ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

October 24, 2019

Barb McBeth, City Planner
City of Novi
45175 Ten Mile Road
Novi, MI 48375-3024

RE: Woodbridge Park JSP 17-0067
Woodland Conservation Easement

Dear Ms. McBeth:

We have received and reviewed the final executed Woodland Conservation Easement for the remaining woodlands and replacement trees in the Woodbridge Park Development. The Woodland Conservation Easement is consistent with the title commitment provided. The Woodland Conservation Easement appears, generally, to be in order and may be placed on an upcoming City Council Agenda for acceptance. The Exhibits have been approved by the City's Consulting Engineer.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC

Elizabeth Kudla Saarela

EKS
Enclosure

- C: Cortney Hanson, Clerk (w/Original)
Charles Boulard, Community Development Director (w/Enclosure)
Sri Komaragiri, Planner (w/Enclosure)
Lindsay Bell, Planner (w/Enclosure)
Madeleine Kopko, Planning Assistant (w/Enclosure)
Angie Sosnowski, Community Development Bond Coordinator (w/Enclosure)
Kate Richardson, Plan Review Engineer (w/Enclosure)
Victor Boron, Civil Engineer (w/Enclosure)
Sarah Marchioni, Community Development Building Project Coordinator (w/Enclosure)
Michael Freckelton, Taylor Reynolds and Ted Meadows, Spalding DeDecke (w/Enclosure)
Sue Troutman, City Clerk's Office (w/Enclosure)
Matthew Bush, PE (w/Enclosure)
Alexandra Dieck, Esquire (w/Enclosure)
Greg Gamalski, Esquire (w/Enclosure)
Thomas R. Schultz, Esquire (w/Enclosure)

ENGINEERING CONSULTANT REVIEW

September 11, 2019

Barb McBeth, Planning Director
City of Novi
26300 Lee BeGole Drive
Novi, Michigan 48375

Re: Woodbridge Park - Planning Document Review
Novi # 17-0067
SDA Job No. NV18-218
REVISIONS REQUIRED

Dear Ms. McBeth,

We have reviewed the following document package received by our office on June 19, 2019 against the submitted plan set; upon confirming the location with the City. We offer the following comments:

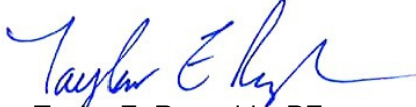
Submitted Documents:

1. **Woodland Conservation Easement** – (unexecuted: exhibit dated 06-17-19) Legal Description Approved

If you have any questions regarding this matter, please contact this office at your convenience.

Sincerely,

SPALDING DEDECKER



Taylor E. Reynolds, PE
Senior Project Engineer

Cc (via Email): Lindsay Bell, City of Novi
Mike Freckelton, Spalding DeDecker
Madeleine Kopko, City of Novi
Sri Komaragiri, City of Novi
Sarah Marchioni, City of Novi
Ted Meadows, Spalding DeDecker
Kate Richardson, City of Novi
Beth Saarela, Johnson, Rosati, Schultz, Joppich



**CITY OF NOVI CITY COUNCIL
NOVEMBER 12, 2019**

SUBJECT: Acceptance of a Woodland Conservation Easement from Orville Properties, LLC for the woodland replacement trees, offered as a part of the Adell Center Roads and Utilities site plan, located west of Novi Road and south of I-96, in Section 15 of the City.

SUBMITTING DEPARTMENT: Community Development, Planning Division

BACKGROUND INFORMATION:

The applicant received Final Site Plan approval on March 1, 2019 for a multi-unit commercial Site Condominium with nine units accessed by a private drive. Site construction is now underway.

The applicant is offering a Woodland Preservation Easement for the purpose of preserving five woodland replacement trees. The easement area shall be perpetually preserved and maintained, in its natural and undeveloped condition, unless authorized by the City. The conservation easement plan, shown as Exhibit B of the easement document, graphically depicts the areas being preserved. The proposed conservation area is approximately 1,400 square feet.

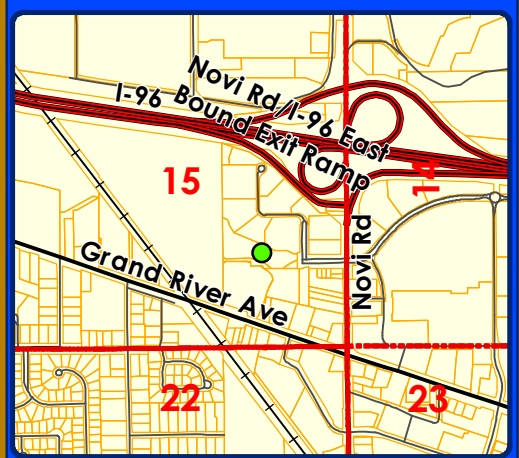
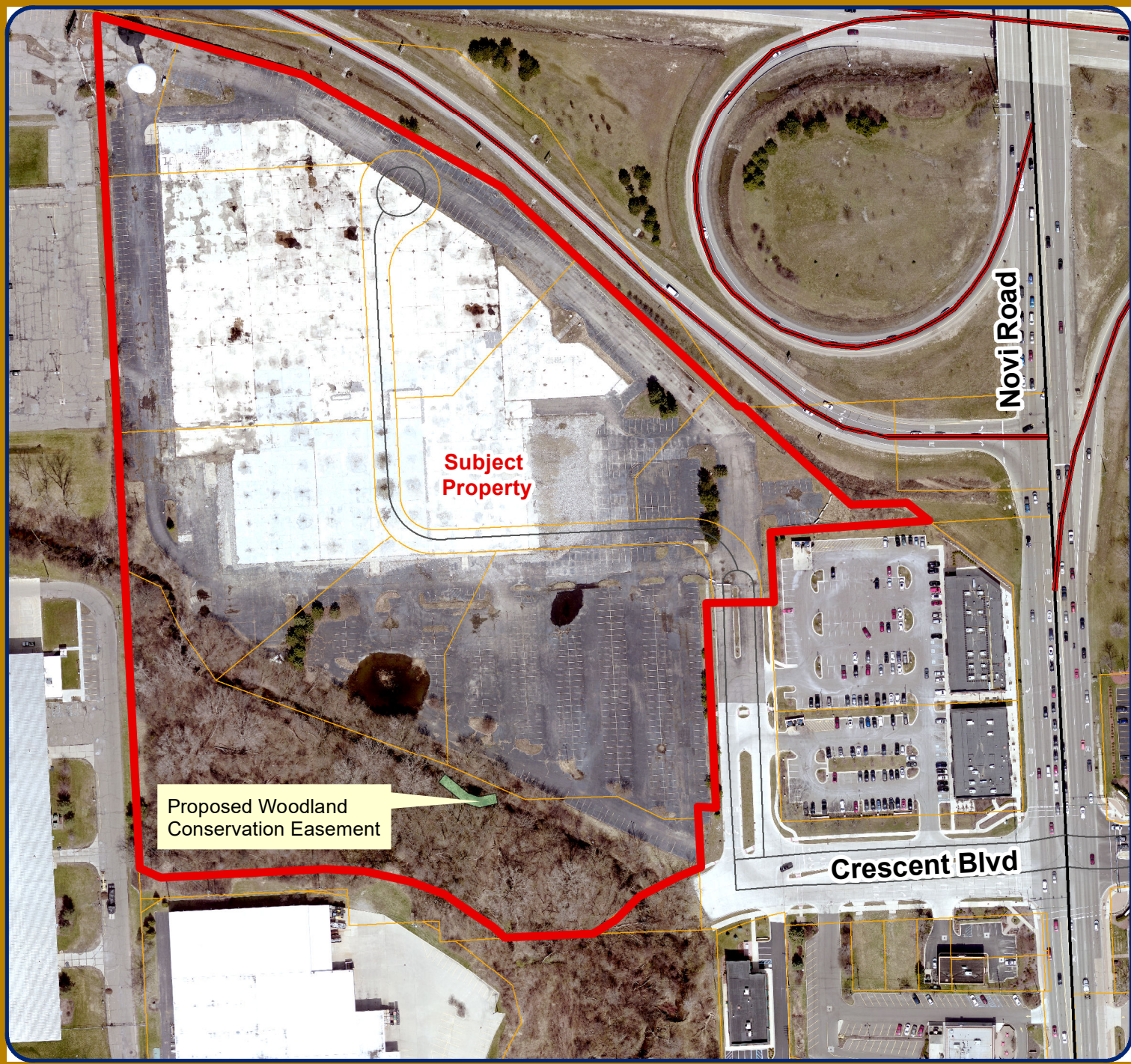
The easement has been reviewed by the City's professional staff and consultants. The easement is in a form acceptable to the City Attorney's office for acceptance by the City Council.

RECOMMENDED ACTION: Acceptance of a Woodland Conservation Easement from Orville Properties, LLC for the woodland replacement trees, offered as a part of the Adell Center Roads and Utilities site plan, located west of Novi Road and south of I-96, in Section 15 of the City.

LOCATION MAP

JSP 18-27 Adell Center: Roads and Utilities

Woodlands Conservation Easement



LEGEND

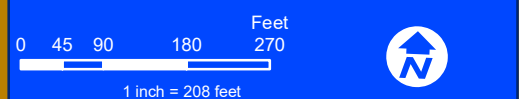
- Woodland Conservation Easement (New)
- Sections

CITY OF

NOVI
 cityofnovi.org

City of Novi
 Dept. of Community Development
 City Hall / Civic Center
 45175 W Ten Mile Rd
 Novi, MI 48375
 cityofnovi.org

Map Author: Sri Komaragiri
 Date: 11/01/2019
 Version #: 1



MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

LANDSCAPE PLAN

(Full size plans available at the Community Development Department)

Plant List

Item	Qty	Botanical Name	Common Name	Caliper	Spacing	Root	Height	Price	Total
AR	19	<i>Ardisia cuneata</i>	Sorrelberry	2.5"	as shown	B&B		\$ 500.00	\$ 9,500.00
AR	15	<i>Acer rubrum 'October Glory'</i>	October Glory Red Maple	3.0"	as shown	B&B		\$ 400.00	\$ 6,000.00
AR	15	<i>Acer saccharum 'Green Mountain'</i>	Green Mountain Sugar Maple	3.0"	as shown	B&B		\$ 400.00	\$ 6,000.00
CA	3	<i>Cornus alternifolia</i>	Alternanther Leaf Dogwood	2.5"	as shown	B&B		\$ 250.00	\$ 750.00
CP	13	<i>Calla pal. Presidential</i>	Presidential Hosthorn		as shown	B&B		\$ 250.00	\$ 3,250.00
RF	38	<i>Galium aparine s. a. 'Self Forster'</i>	Self Forster Grass		as shown	B&B	#3 cont.	\$ 15.00	\$ 570.00
LT	23	<i>Liriodendron tulipifera</i>	Tulip Tree	3.0"	as shown	B&B		\$ 400.00	\$ 9,200.00
PA	40	<i>Pennisetum alopecuroides 'Hamlet'</i>	Hamlet Fountain Grass		as shown	B&B	#2 cont.	\$ 15.00	\$ 3,200.00
RF	40	<i>Rudbeckia hirta s. speciosa 'Goldsturm'</i>	Black Eyed Susan		as shown	B&B		\$ 15.00	\$ 600.00
UP	18	<i>Ulmus s. 'Flower'</i>	Flower Elm	3.0"	as shown	B&B		\$ 400.00	\$ 7,200.00
Match	126	4" Deep Shredded Hardwood Bark	Match					\$366 v.	\$ 4,410.00
	427	Sod						\$6 s/y.	\$ 2,562.00
	3,229	Seed						\$2.54 v.	\$ 8,073.00
									Total \$ 51,265.00

All Street Trees Shall be Installed as Part of the Roads and Utilities Construction Phase

Landscape Summary

Existing Zoning	PRO
Greenbelt	
I-96 Adjacent to Parking	770 Lf.
Street Frontage	31 Trees (770 Lf. / 25')
Trees Required	32 Trees
Trees Shown	51 Trees (770 Lf. / 15')
Sub-Canopy Trees Required	0 Trees
Sub-Canopy Trees Shown	0 Trees
I-96 not Adjacent to Parking	
Street Frontage	682 Lf.
Trees Required	23 Trees (682 Lf. / 30')
Trees Shown	10 Trees
Sub-Canopy Trees Required	34 Trees (682 Lf. / 20')
Sub-Canopy Trees Shown	18 Trees
Adell Adjacent to Parking - Greenbelt in Future Phase	
Street Frontage	1,546 Lf.
Trees Required	62 Trees (1,546 Lf. / 25')
Trees Shown	0 Trees
Sub-Canopy Trees Required	103 Trees (1,546 Lf. / 15')
Sub-Canopy Trees Shown	0 Trees
Adell not Adjacent to Parking - Greenbelt in Future Phase	
Street Frontage	702 Lf.
Trees Required	23 Trees (702 Lf. / 30')
Trees Shown	0 Trees
Sub-Canopy Trees Required	35 Trees (702 Lf. / 20')
Sub-Canopy Trees Shown	0 Trees
Woodland Replacement	
Trees Required	9 Trees
Trees Provided	9 Trees

- Notes:
- No Overhead Lines Exist.
 - Trees Shall be Planted no Closer than 10' Utility Structure Including Hydrants.
 - Trees Shall not be Planted within 4' of Property Lines.
 - Utility Boxes Shall be Screen per Detail on Sheet L-3.
 - See Sheet 22 for Bridge and Gazebo Details.

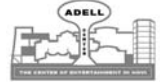


DuMor Bench 493 - Black



DuMor Recyclepact 107 - Black

SITE FURNISHINGS



Seal:



Title: Landscape Plan Phase 1

Project:

Adell Center
Novi, Michigan

Prepared for:

Orville Properties, LLC
20733 West Ten Mile
Southfield, Michigan 48075

Revision:

Issued:

Revision	Issued
Submission	April 16, 2018
Revised	April 30, 2018
Revised	May 30, 2018
Revised	June 5, 2018
Revised	June 29, 2018
Revised	July 19, 2018
Revised	August 30, 2018
Revised	October 10, 2018
Revised	November 27, 2018
Revised	December 4, 2018
Revised	December 18, 2018

Job Number:

17-058

Drawn By:

Checked By:

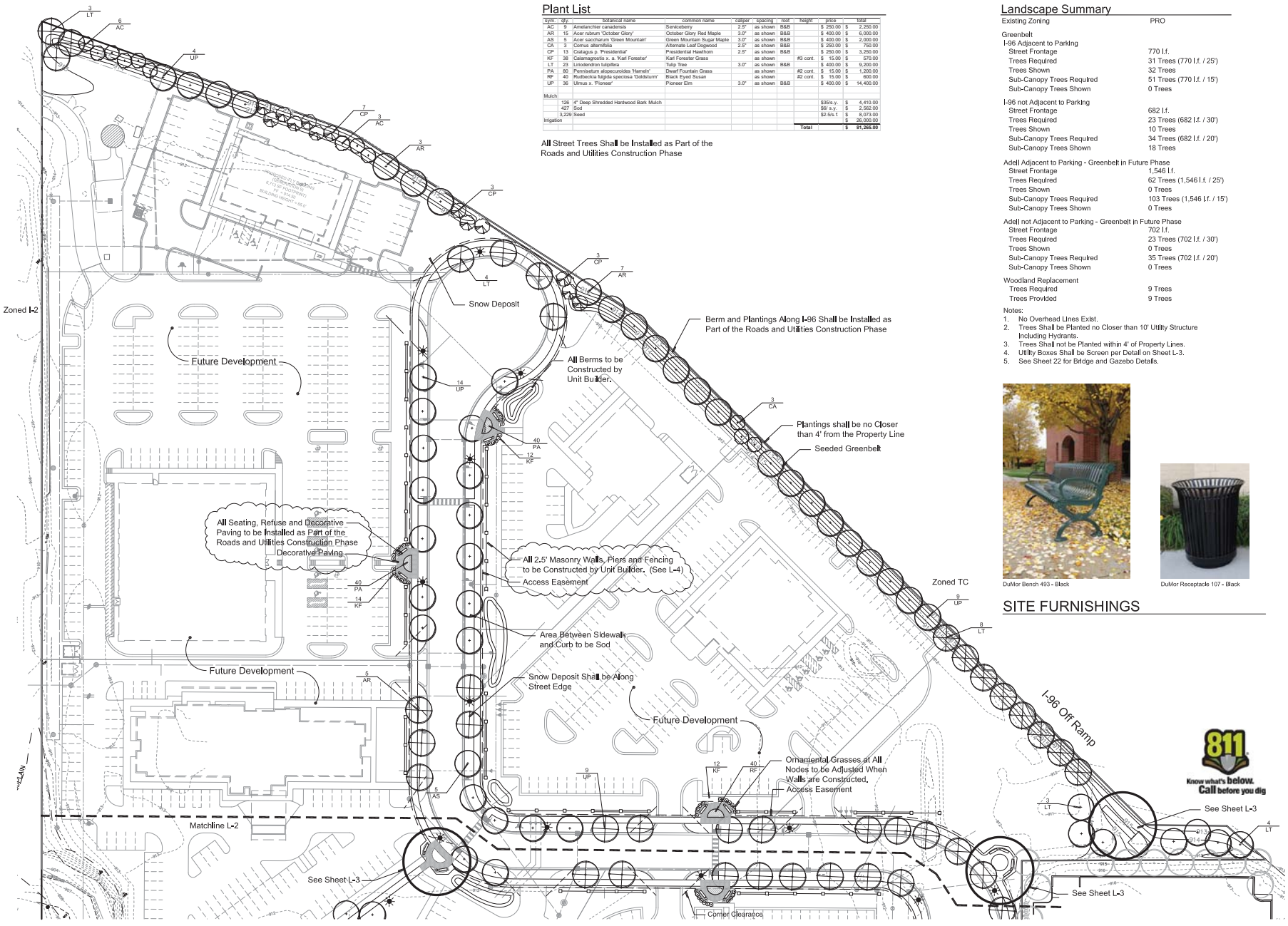
jca

jca

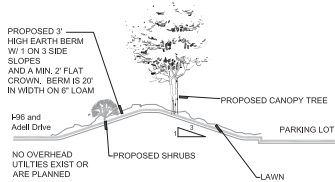


Sheet No.

L-1



Zoned L-1



BERM CROSS SECTION
Horizontal Scale: 1"=10'



WETLAND SIGNAGE

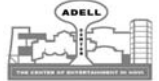


NATURE PARK FURNITURE

Plant List

Symbol	Botanical Name	Common Name	Height	Quantity	Unit	Price	Total
AR	Acer rubrum 'October Glory'	October Glory Red Maple	3.0'	as shown	B&B	\$ 400.00	\$ 3,600.00
AB	Acer saccharum 'Green Mountain'	Green Mountain Sugar Maple	3.0'	as shown	B&B	\$ 400.00	\$ 2,000.00
RF	Calluna vulgaris s. n. 'Karl Forester'	Karl Forester Grass		as shown	#3 cont.	\$ 15.00	\$ 1,140.00
LT	Liriodendron tulipifera	Tulip Tree	3.0'	as shown	B&B	\$ 400.00	\$ 1,200.00
RF	Rudbeckia hirta speciosa 'Goldsturm'	Black Eyed Susan		as shown	#2 cont.	\$ 15.00	\$ 775.00
LP	Linum s. 'Pioneer'	Pioneer Elm	3.0'	as shown	B&B	\$ 400.00	\$ 4,000.00
Woodland Replacement							
QW	Quercus alba	Red Oak	3.0'	as shown	B&B	\$ 400.00	\$ 2,000.00
Match							
16	4" Deep Shredded Hardwood Bark Match					\$35/s.y.	\$ 910.00
2.136	Sod					\$6/s.y.	\$ 12,816.00
							\$ 16,000.00
Total							\$ 44,341.00

ALLEN DESIGN
LAND PLANNING • LANDSCAPE ARCHITECTURE
557 CARPENTER • NORTHVILLE, MI 48167
248.487.4668 • Fax 248.347.0559
Email: jca@alldesign.com



Seal:



Title:
**Landscape Plan
Phase 1**

Project:

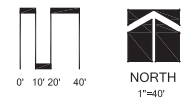
**Adell Center
Novi, Michigan**

Prepared for:
Orville Properties, LLC
20733 West Ten Mile
Southfield, Michigan 48075

Revision:	Issued:
Submission	April 16, 2018
Revised	April 30, 2018
Revised	May 30, 2018
Revised	June 5, 2018
Revised	June 29, 2018
Revised	July 19, 2018
Revised	August 30, 2018
Revised	October 10, 2018
Revised	November 27, 2018
Revised	December 4, 2018
Revised	December 18, 2018

Job Number:
17-058

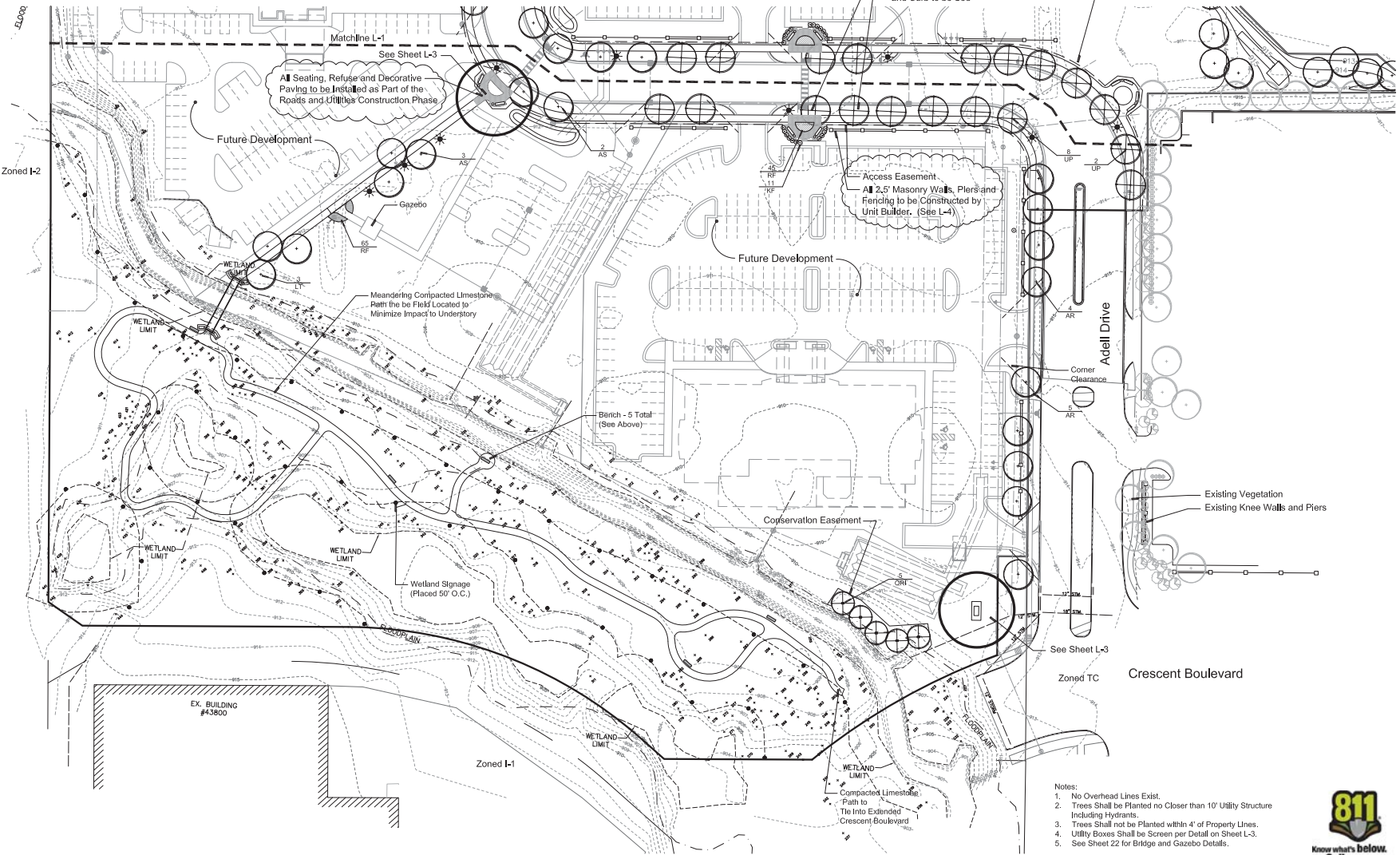
Drawn By: jca
Checked By: jca



Sheet No.



L-2



- Notes:
1. No Overhead Lines Exist.
 2. Trees Shall be Planted no Closer than 10' Utility Structure Including Hydrants.
 3. Trees Shall not be Planted within 4' of Property Lines.
 4. Utility Boxes Shall be Screen per Detail on Sheet L-3.
 5. See Sheet 22 for Bridge and Gazebo Details.

EXECUTED DRAFT CONSERVATION EASEMENT

WOODLAND CONSERVATION EASEMENT
FOR WOODLAND REPLACEMENT

THIS WOODLAND CONSERVATION EASEMENT FOR WOODLAND REPLACEMENT (“Conservation Easement”) is made this 23rd day of October, 2019, by and between Orville Properties, LLC, a Delaware limited liability company, whose address is 20733 West Ten Mile Road, Southfield, MI 48075 (hereinafter the “Developer”), and Adell Center Association, a Michigan non-profit corporation, whose address is 20733 West Ten Mile Road, Southfield, MI 48075 and the City of Novi, and its successors or assigns, whose address is 45175 W. Ten Mile Road, Novi, MI 48375, (hereinafter the “City”).

RECITATIONS:

A. Developer is the Developer of a 9-Unit Condominium Project known as Adell Center situated in the Southeast ¼ of Section 15, Town 1 North, Range 8 East, of the City of Novi, Oakland County, Michigan, according the Master Deed recorded as described in Exhibit A, attached hereto and made a part hereof (the “Condominium Project”). Developer has received final site plan approval for construction of the 9-Unit Commercial Condominium Project, subject to provision of an appropriate easement to permanently protect the woodland replacement area from destruction or disturbance. Developer desires to grant such an easement in order to protect the woodland replacement area and Association wishes to join in the grant as administrator of the Condominium Project.

B. The Woodland Replacement Conservation Easement Area (the “Easement Area”) situated on the Condominium Project is more particularly described on Exhibit B, attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$ 1.00), in hand paid, the receipt and adequacy of which are hereby acknowledged, Developer and Association hereby reserve, conveys and grant the following Conservation Easement, which shall be binding upon the Developer and Association, and the City, and their respective heirs, successors, assigns and/or transferees and shall be for the benefit of the City, all Co-Owners and purchasers of the Condominium Project and their respective heirs, successors, assigns and/or transferees. This Conservation Easement is dedicated pursuant to subpart 11 of part 21 of the Natural Resources and Environmental Protection Act being MCL 324.2140, et. Seq., upon the terms and conditions set forth herein as follows:

1. The purpose of this Conservation Easement is to protect the woodlands replacement area as shown on the attached and incorporated Exhibit B. The subject areas shall

be perpetually preserved and maintained, in their natural and undeveloped condition after woodland replacement, unless authorized by permit from the City and/or required by the Planned Rezoning Overlay Agreement between Developer and City recorded in Liber 52305, Page 95, Oakland County Records, and, if applicable, the Michigan Department of Environmental Quality and the appropriate federal agency, if any.

2. Except for and subject to the activities which have been expressly authorized by permit, there shall be no disturbance of the woodlands replacement areas within the Easement Area, including altering the topography of; placing fill material in; dredging, removing or excavating soil, minerals, or trees, and from constructing or placing any structures on; draining surface water from; or plowing, tilling, cultivating, or otherwise altering or developing, and/or constructing, operating, maintaining any use or development in the Easement Area.

3. No grass or other vegetation shall be planted in the Easement Areas with the exception of plantings approved, in advance, by the City in accordance with all applicable laws and ordinances.

4. All areas identified on Exhibit B woodland replacement areas shall be forever reserved and preserved, in the condition specifically approved by the City in accordance with applicable laws and ordinances.

5. This Conservation Easement does not grant or convey to City, or any member of the general public, any right of ownership, possession or use of the Easement Area, except that, upon reasonable written notice to Developer, City and its authorized employees and agents (collectively, "City's Representatives") may enter upon and inspect the Easement Area to determine whether the Easement Area is being maintained in compliance with the terms of the Conservation Easement.

6. In the event that the Developer shall at any time fail to carry out the responsibilities specified within this Document, and/or in the event of a failure to preserve and/or maintain the protected woodlands replacement areas in reasonable order and condition, the City may serve written notice upon the Developer setting forth the deficiencies in maintenance and/or preservation. Notice shall also set forth a demand that the deficiencies be cured within a stated reasonable time period, and the date, time and place of the hearing before the City Council, or such other Council, body or official delegated by the City Council, for the purpose of allowing the Developer to be heard as to why the City should not proceed with the maintenance and/or preservation which has not been undertaken. At the hearing, the time for curing the deficiencies and the hearing itself may be extended and/or continued to a date certain. If, following the hearing, the City Council, or other body or official, designated to conduct the hearing, shall determine that maintenance and/or preservation have not been undertaken within the time specified in the notice, the City shall thereupon have the power and authority, but not obligation, to enter upon the Condominium Project, or cause its agents or contractors to enter upon the Condominium Project and perform such maintenance and/or preservation as reasonably found by the City to be appropriate. The cost and expense of making and financing such maintenance and/or preservation, including the cost of notices by the City and reasonable legal fees incurred by the City, plus an administrative fee in the amount of 25% of the total of all costs and expenses

incurred, shall be paid by the Developer, and such amount shall constitute a lien on an equal pro rata basis as to all of the lots on the Condominium Project. The City may require the payment of such monies prior to the commencement of work. If such costs and expenses have not been paid within 30 days of a billing to the Developer, all unpaid amounts may be placed on the delinquent tax roll of the City, pro rata, as to each lot, and shall accrue interest and penalties, and shall be collected as, and shall be deemed delinquent real Condominium Project taxes, according to the laws made and provided for the collection of delinquent real Condominium Project taxes. In the discretion of the City, such costs and expenses may be collected by suit initiated against the Developer, and, in such event, the Developer shall pay all court costs and reasonable attorney fees incurred by the City in connection with such suit.

7. Within 90 days after the Conservation Easement shall have been recorded, Developer at its sole expense, shall place such signs, defining the boundaries of the Easement Area and, describing its protected purpose, as indicated herein.

8. This Conservation Easement has been made and given for a consideration of a value less than One Hundred (\$ 100.00) Dollars, and, accordingly, is (i) exempt from the State Transfer Tax, pursuant to MSA 7.456(26)(2) and (ii) exempt from the County Transfer Tax, pursuant to MSA 7.456(5)(a).

9. Developer shall state, acknowledge and/or disclose the existence of this Conservation Easement on legal instruments used to convey an interest in the Condominium Project.

IN WITNESS WHEREOF, Developer, Association and City have executed the Conservation Easement as of the day and year first above set forth.

ORVILLE PROPERTIES, LLC
a Delaware limited liability company

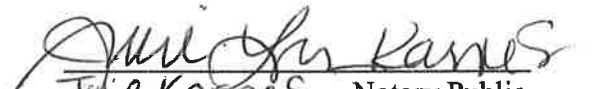


By: Kevin Adell
Its: Manager

STATE OF MICHIGAN)
) ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledges before me this 23rd day of October, 2019, by Kevin Adell, as the Manager of Orville Properties, LLC, a Delaware limited liability company.

JULIE LYNN KARNES
Notary Public, State of Michigan
County of Oakland
My Commission Expires 07-03-2025
Acting in the County of Oakland



Julie Karnes Notary Public
Oakland County, Michigan
My Commission Expires: 7/3/2025
Acting in Oakland County

ASSOCIATION
ADELL CENTER ASSOCIATION
a Michigan non-profit corporation


By: Kevin Adell
Its: President

STATE OF MICHIGAN)
) ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledges before me this 23rd day of October, 2019,
by Kevin Adell, as the President of Adell Center Association, a Michigan non-profit corporation.


Julie H. Karnis Notary Public
Oakland County, Michigan
My Commission Expires: 7/31/2025
Acting in Oakland County

CITY OF NOVI
a municipal corporation

By:
Its:

STATE OF MICHIGAN)
) ss
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on this __ day of _____, 2019,
by _____, on behalf of the City of Novi, a Municipal Corporation.

Notary Public
Oakland County, Michigan
My Commission Expires: _____
Acting in _____ County

THIS INSTRUMENT DRAFTED BY:
Elizabeth K. Saarela, Esquire
ROSATI SCHULTZ & JOPPICH, P.C.
27555 Executive Drive, Suite 250
Farmington Hills, Michigan 48331

WHEN RECORDED RETURN TO:
Cortney Hanson, Clerk
45175 Ten Mile
Novi, Michigan 48375

EXHIBIT A

Units 1 through 9, inclusive of Adell Center, a condominium according to the Master Deed recorded on November 1, 2018 in Liber 52318, Page 378, Oakland County Records, as amended by the First Amendment to Master Deed recorded in Liber 52367, Page 70, and Second Amendment to Master Deed recorded in Liber 52426, Page 470, Oakland County Records, Oakland County Condominium Subdivision Plan No. 2254.

Also described as:

Land situated in the City of Novi, County of Oakland, State of Michigan, is described as follows:

PART OF THE SOUTHEAST 1/4 OF SECTION 15, T. 1N., R. 8E., CITY OF NOVI, OAKLAND COUNTY, MICHIGAN.

ALSO, PART OF LOT 11 OF "SUPERVISOR'S PLAT NO. 4", AS RECORDED IN LIBER 54A OF PLATS, PAGE 83, OAKLAND COUNTY RECORDS. ALL MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT A POINT BEING DISTANT S00°00'50"E 1217.37 FEET ALONG THE EAST LINE OF SAID SECTION 15, AND S89°29'16"W 174.05 FEET FROM THE EAST 1/4 CORNER OF SAID SECTION 15; THENCE ALONG THE SOUTHERLY LINE OF INTERSTATE 96 THE FOLLOWING (8) COURSES;

- (1) THENCE N49°21'55"W 49.41 FEET;
- (2) THENCE N89°42'38"W 76.56 FEET;
- (3) THENCE N45°13'48"W 209.02 FEET;
- (4) THENCE S89°56'34"W 8.15 FEET;
- (5) THENCE N31°29'37"W 24.21 FEET;
- (6) THENCE N45°13'48"W 449.77 FEET;
- (7) THENCE N57°40'28"W 326.71 FEET;
- (8) THENCE N70°39'38"W 313.38 FEET;

THENCE S00°17'12"E 895.50 FEET TO THE NORTHWEST CORNER OF LOT 11 OF "SUPERVISOR'S PLAT NO. 4", AS RECORDED IN LIBER 54A OF PLATS, PAGE 83, OAKLAND COUNTY RECORDS; THENCE ALONG THE WEST LINE OF SAID LOT 11, S00°01'11"W 341.53 FEET; THENCE S55°21'10"E 35.35 FEET; THENCE N89°58'08"E 227.22 FEET; THENCE 260.15 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 380.30 FEET, A DELTA ANGLE OF 39°11'42" AND A CHORD BEARING S70°25'56"E 255.11 FEET; THENCE 17.03 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 459.04 FEET, A DELTA ANGLE OF

02°07'31" AND A CHORD BEARING S49°46'23"E 17.03 FEET; THENCE S48°42'38"E 22.56 FEET; THENCE N89°56'41"E 126.43 FEET; THENCE 182.36 FEET ALONG A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 549.28 FEET, A DELTA ANGLE OF 19°01'22" AND A CHORD BEARING N60°14'29"E 181.53 FEET; THENCE N00°09'48"E 84.49 FEET; THENCE S89°49'24"E 25.00 FEET; THENCE N00°13'11"E 296.15 FEET; THENCE S89°53'30"E 100.00 FEET; THENCE N00°11'30"W 100.00 FEET; THENCE N89°29'16"E 233.28 FEET TO THE POINT OF BEGINNING. CONTAINS 21.81 ACRES, AND SUBJECT TO ANY RIGHTS OF WAY, RESTRICTIONS, AND EASEMENTS OF RECORD.

Formerly Tax Parcel No. 22-15-476-056

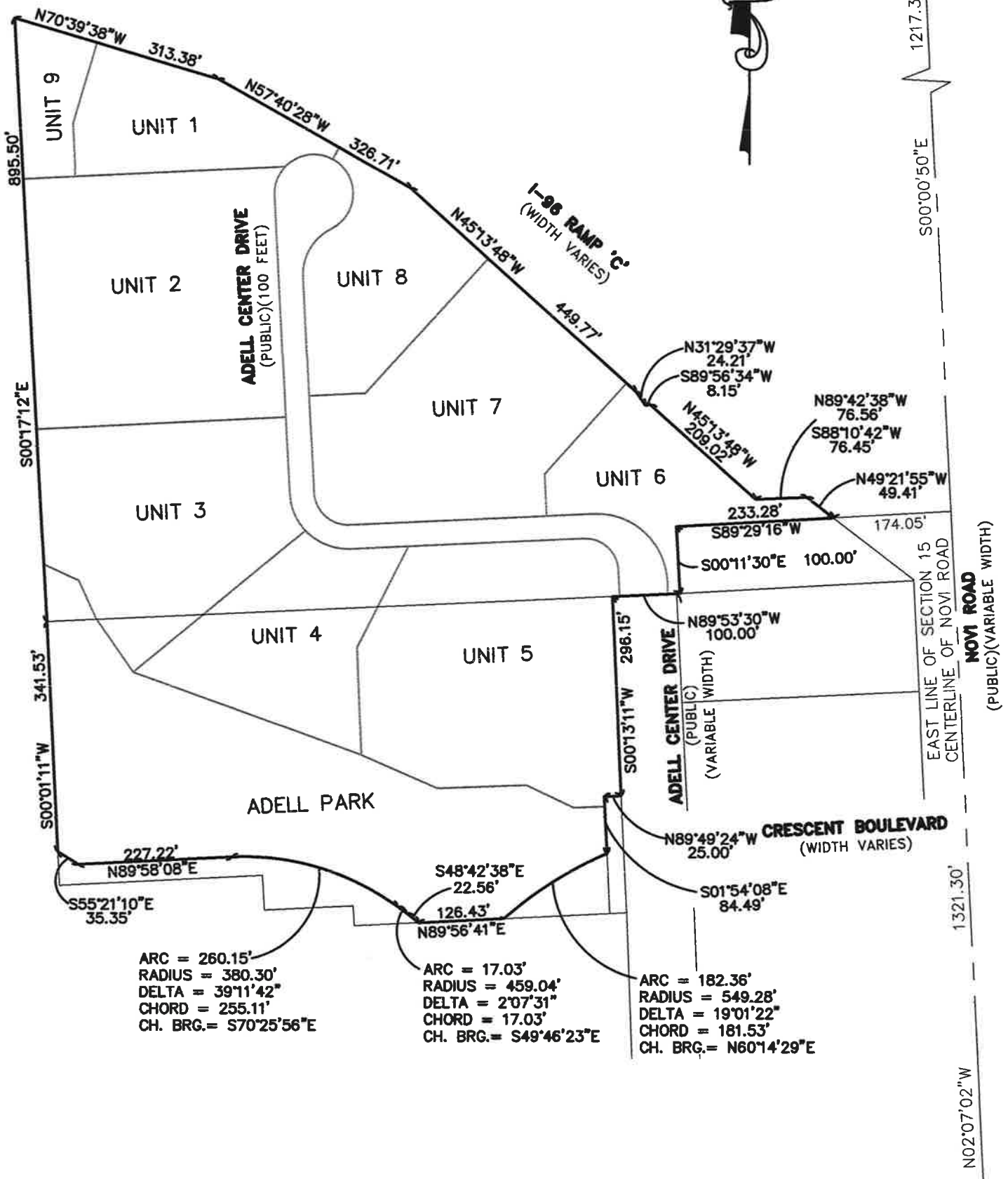
The Tax Parcel Numbers now assigned for Units 1 through 9 are as follows:

Unit 1: 22-15-478-001; Unit 2: 22-15-478-002; Unit 3: 22-15-478-003; Unit 4: 22-15-478-004; Unit 5: 22-15-478-005; Unit 6: **22-15-478-011** (formerly 22-15-478-006); Unit 7: **22-15-478-012** (formerly 22-15-478-007); Unit 8: 22-15-478-008; Unit 9: 22-15-478-009 (GCE: 22-15-478-010).

EXHIBIT A

EAST 1/4
CORNER OF
SECTION 15
T. 1N., R. 8E

I-96
(WIDTH VARIES)



NOTES:

1. EASEMENT BEARINGS ARE BASED ON THE EAST LINE OF SECTION 15 BEING S00°00'50"E.
2. LEGAL DESCRIPTIONS ON SHEET 4.

SOUTHEAST
CORNER OF
SECTION 15
T. 1N., R. 8E



CIVIL ENGINEERS & LAND SURVEYORS

51147 Pontiac Trail
Wixom, MI 48393
Phone: (248) 668-0700
Fax: (248) 668-0701

CLIENT: ADELL CENTER	DATE: 12-31-2018
PARCEL NO. 22-15-476-056	DRAWN BY: RMS
PARCEL NO. 22-15-476-056	CHECKED BY: JMF
SECTION: 15 TOWNSHIP: 1 N. RANGE: 8 E. CITY OF NOVI OAKLAND COUNTY MICHIGAN	 SCALE HOR 1"=200 FT. VER 1"= -- FT.

17-334

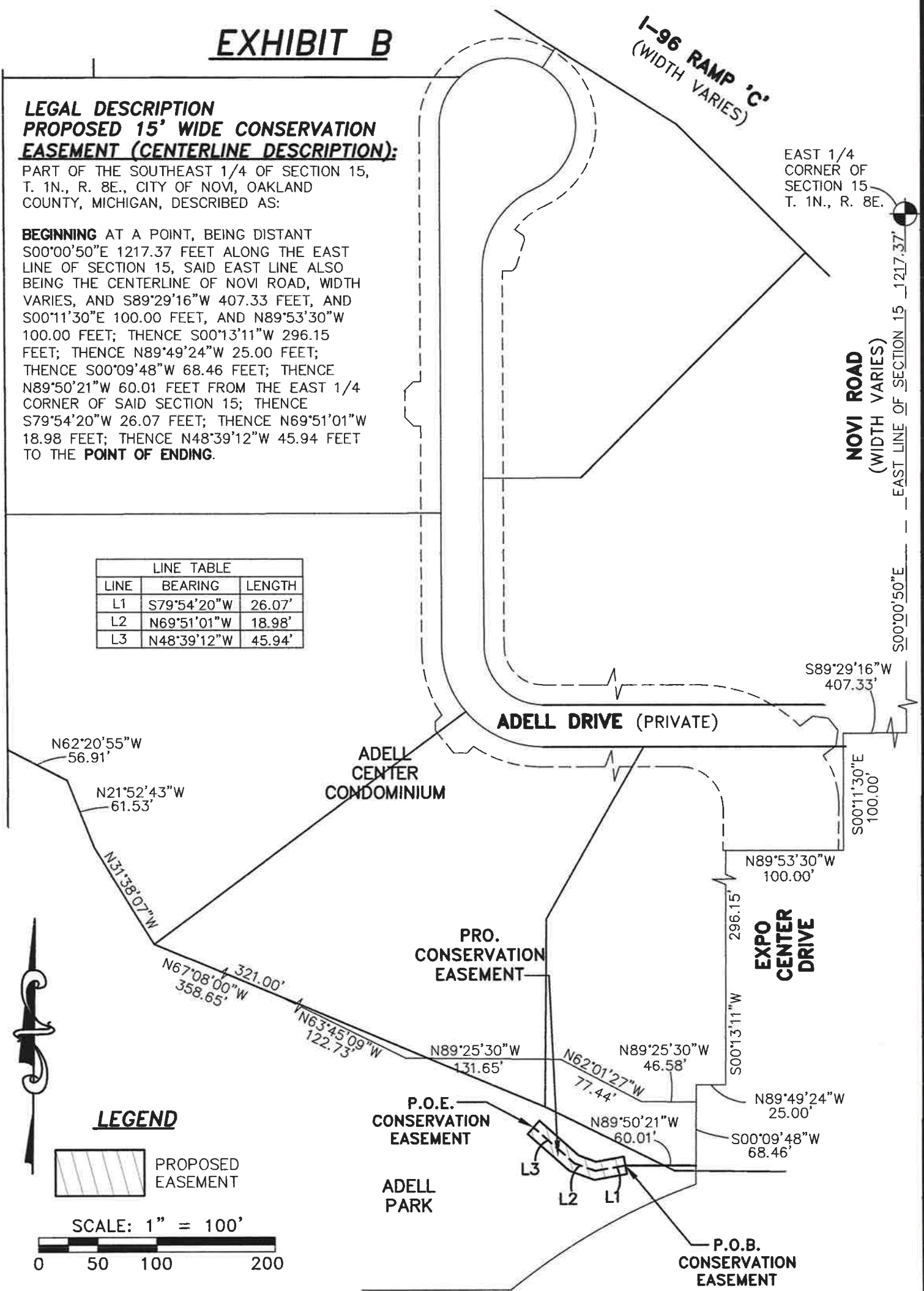
EXHIBIT B

LEGAL DESCRIPTION PROPOSED 15' WIDE CONSERVATION EASEMENT (CENTERLINE DESCRIPTION):

PART OF THE SOUTHEAST 1/4 OF SECTION 15,
T. 1N., R. 8E., CITY OF NOVI, OAKLAND
COUNTY, MICHIGAN, DESCRIBED AS:

BEGINNING AT A POINT, BEING DISTANT
S00°00'50"E 1217.37 FEET ALONG THE EAST
LINE OF SECTION 15, SAID EAST LINE ALSO
BEING THE CENTERLINE OF NOVI ROAD, WIDTH
VARIES, AND S89°29'16"W 407.33 FEET, AND
S00°11'30"E 100.00 FEET, AND N89°53'30"W
100.00 FEET; THENCE S00°13'11"W 296.15
FEET; THENCE N89°49'24"W 25.00 FEET;
THENCE S00°09'48"W 68.46 FEET; THENCE
N89°50'21"W 60.01 FEET FROM THE EAST 1/4
CORNER OF SAID SECTION 15; THENCE
S79°54'20"W 26.07 FEET; THENCE N69°51'01"W
18.98 FEET; THENCE N48°39'12"W 45.94 FEET
TO THE **POINT OF ENDING**.

LINE TABLE		
LINE	BEARING	LENGTH
L1	S79°54'20"W	26.07'
L2	N69°51'01"W	18.98'
L3	N48°39'12"W	45.94'



LEGEND



SCALE: 1" = 100'



CIVIL ENGINEERS & LAND SURVEYORS

51147 W. Pontiac Trail
Wixom, MI 48393
Phone: (248) 668-0700
Fax: (248) 668-0701

CLIENT:

ORVILLE PROPERTIES LLC

PRO. CONSERVATION EASEMENT

#43700 GRAND RIVER AVENUE
ADELL CENTER
SECTION:15 TOWNSHIP: 01N. RANGE: 08E.
CITY OF NOVI
OAKLAND COUNTY
MICHIGAN

DATE: 12-20-18

DRAWN BY: PWK

CHECKED BY: JF

0 50 100

FBK: --

CHF: --

1 / 1

SCALE HOR 1"=100 FT.
VER 1"= -- FT.

17-334

ATTORNEY REVIEW

ELIZABETH KUDLA SAARELA
esaarela@rsjalaw.com

27555 Executive Drive, Suite 250
Farmington Hills, Michigan 48331
P 248.489.4100 | F 248.489.1726
rsjalaw.com



ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

October 31, 2019

Barb McBeth, City Planner
City of Novi
45175 Ten Mile Road
Novi, MI 48375-3024

RE: Adell Center JSP 18-27
Woodland Conservation Easement for Woodland Replacement

Dear Ms. McBeth:

We have received and reviewed the draft Woodland Conservation Easements for the Adell Center Development, and have the following comments:

Woodland Conservation Easement for Woodland Replacement

The Woodland Conservation Easement for Woodland Replacement has been provided for the purpose of protecting five (5) replacement trees in the easement areas shown. The Woodland Conservation Easement has been provided in the City's standard format. A title search showing the current ownership of the Property provided. The Woodland Conservation Easement may be approved subject to review and approval of the attached Exhibits by the City's Engineering Consultant and provision of a title search consistent with the Easement.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC

A handwritten signature in blue ink, appearing to read 'Elizabeth Kudla Saarela', is written over a horizontal line. The signature is stylized and cursive.

Elizabeth Kudla Saarela

EKS
Enclosure

Barb McBeth, City Planner
City of Novi
October 31, 2019
Page 2

C: Cortney Hanson, Clerk (w/Enclosure)
Charles Boulard, Community Development Director (w/Enclosure)
Sri Komaragiri, Planner (w/Enclosure)
Lindsay Bell, Planner (w/Enclosure)
Madeleine Kopko, Planning Assistant (w/Enclosure)
Angie Sosnowski, Community Development Bond Coordinator (w/Enclosure)
Ben Croy, City Engineer (w/Enclosure)
Victor Boron, Civil Engineer (w/Enclosure)
Rebecca Runkel, Staff Engineer (w/Enclosure)
Sarah Marchioni, Community Development Building Project Coordinator (w/Enclosure)
Michael Freckelton, Taylor Reynolds & Ted Meadows, Spalding DeDecker (w/Enclosure)
Sue Troutman, City Clerk's Office (w/Enclosure)
Dan LeClair, Greentech Engineering (w/Enclosure)
Thomas R. Schultz, Esquire (w/Enclosure)

ENGINEERING CONSULTANT REVIEW

January 30, 2019

Darcy Rechten, Construction Engineer
City of Novi
26300 Lee BeGole Drive
Novi, Michigan 48375

Re: Adell Center - Document Review
Novi # JSP18-0027
SDA Job No. NV18-223
EXHIBITS APPROVED

Dear Ms. Rechten

We have reviewed the following document package received by our office on November 28, 2018 against the submitted plan set. We offer the following comments:

Submitted Documents:

1. Conservation Easement – (unexecuted: exhibit dated 12-20-18) – Exhibits Approved
2. Landscape Easement – (unexecuted: exhibit dated 12-31-18) – Exhibits Approved

Documents that require revisions should be resubmitted to the City for further review. If you have any questions regarding this matter, please contact this office at your convenience.

Sincerely,

SPALDING DEDECKER



Mike Freckelton, EIT
Engineer

Cc (via Email): Lindsay Bell, City of Novi Planning Department
Sri Komaragiri, City of Novi Planning Department



**CITY OF NOVI CITY COUNCIL
NOVEMBER 12, 2019**

SUBJECT: Approval of a Resolution of the City Council Authorizing Termination of Portion of Water Main Easement, for Daifuku North America located at 30100 Cabot Drive (parcel 50-22-01-400-041).

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

BACKGROUND INFORMATION:

An expansion at the Daifuku facility on Cabot Drive has been approved, and to accommodate the expansion, a portion of the existing water main on the site will need to be vacated. The new water main layout will reroute the water main loop through the site, which will provide sufficient domestic and fire service for the buildings on the property. A new water main easement will be provided over the proposed water main installation.

The enclosed resolution has been reviewed by staff and the City Attorney (Beth Saarela, October 21, 2019), and is recommended for approval.

RECOMMENDED ACTION: Approval of a Resolution of the City Council Authorizing Termination of Portion of Water Main Easement, for Daifuku North America located at 30100 Cabot Drive (parcel 50-22-01-400-041).

Daifuku Test Building Expansion Termination of Water Main Easement

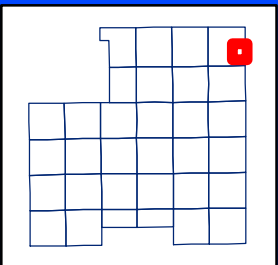
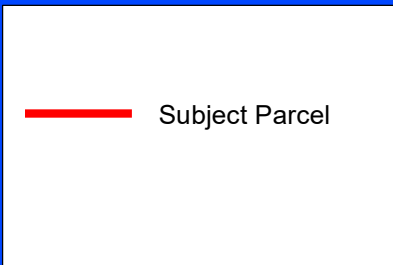
Location Map

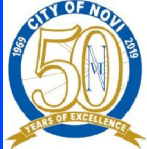


Map Author: Kate Richardson
 Date: September 11, 2019
 Project: Daifuku Test Building Expansion
 Version: 1

Amended By:
 Date:
 Department:

MAP INTERPRETATION NOTICE
 Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi.
 Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.






City of Novi


Engineering Division
 Department of Public Works
 26300 Lee BeGole Drive
 Novi, MI 48375
cityofnovi.org

Feet



0 55 110 220 330

1 inch = 269 feet



ELIZABETH KUDLA SAARELA
esaarela@rsjalaw.com

27555 Executive Drive, Suite 250
Farmington Hills, Michigan 48331
P 248.489.4100 | F 248.489.1726
www.rsjalaw.com



ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

October 21, 2019

Jeffrey Herczeg, Director of Public Works
City of Novi
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

Re: Daifuku JSP JSP 19-0013
Resolution of the City Council Authorizing Termination of Portion of
Water Main Easement

Dear Mr. Herczeg:

Northern Equities has requested the termination of an existing Water System Easement, over and through the Daifuku development property because the water system which was originally constructed within the easement has been modified in connection with the Development of the site. Engineering has confirmed that there is no need for the City to retain that portion of the Water System Easement for the purpose of operating and maintaining a water main, now or in the future. In that regard, we have prepared the enclosed Resolution of the City Council Authorizing Termination of Sanitary Sewer Easement for the purpose of terminating the Water System Easement dated September 6, 2016, and recorded October 2, 2016, and recorded at Liber 51138, Pages 51138, Page 683-688.

Once approved by City Council, the Resolution of the City Council Authorizing Termination of Portion of Water Main Easement should be recorded with the Oakland County Register of Deeds in the usual manner.

Please feel free to contact me with any questions or concerns regarding this matter.

Jeffrey Herczeg, Director of Public Works
City of Novi
October 21, 2019
Page 2

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC



Elizabeth Kudla Saarela

EKS
Enclosure

C: Cortney Hanson, Clerk (w/Original Enclosures)
Charles Boulard, Community Development Director (w/Enclosures)
Barb McBeth, City Planner (w/Enclosures)
Sri Komaragiri, Planner (w/Enclosures)
Lindsay Bell, Planner (w/Enclosures)
Madeleine Kopko, Planning Assistant (w/Enclosures)
Sarah Marchioni, Community Development Building Project Coordinator (w/Enclosures)
Angie Sosnowski, Community Development Bond Coordinator (w/Enclosures)
Ben Croy, City Engineer (w/Enclosures)
Kate Richardson, Plan Review Engineer (w/Enclosures)
Rebecca Runkel, Staff Engineer (w/Enclosures)
Victor Boron, Civil Engineer (w/Enclosures)
Michael Freckelton, Taylor Reynolds & Ted Meadows, Spalding DeDecker (w/Enclosures)
Sue Troutman, City Clerk's Office (w/Enclosures)
Joe Drolshagen and Julie Barnard, Northern Equities (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)

**RESOLUTION OF THE CITY COUNCIL AUTHORIZING
TERMINATION OF PORTION OF WATER MAIN EASEMENT**

RECITATIONS UNDERLYING THIS RESOLUTION:

The easement for operating, constructing, maintaining and repairing a water main granted to the City of Novi (the "City") whose address is 45175 Ten Mile Road, Novi, Michigan 48375, which easement is located in Section 01 of the City of Novi, as described on the attached and incorporated Exhibit B is the subject matter of this Resolution, and shall be referred to herein as the "Easement".

The owner of the property described in the attached and incorporated Exhibit A (the "Property") upon which the Easement is located (the "Property"), granted an easement dated September 6, 2019, recorded on Oct. 2, 2017 at Liber 51138, Page 683, Oakland County Records, for a public water main. The water main is being reconfigured in connection with the Development of the adjacent property. A portion of the existing water main will be abandoned and as a result, a portion of the Easement should be vacated, accordingly. As such, the City has offered to terminate and vacate a portion of the existing corresponding to the portion of the water main being abandoned. Any costs associated with terminating the easement shall be the property owner's expense.

The appropriate City Officials have investigated the need to maintain that portion of the Easement for the benefit of the City's public water system, for the benefit of the Property, and/or for the benefit of surrounding properties. The City Officials have determined it is not necessary to maintain a portion of the Easement in the location shown on Exhibit B, and hereby agree to terminate it.

NOW, THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. That portion of the water main easement described in the attached and incorporated Exhibit B, located in Section 1 of the City, described in the Easement which is recorded at Liber 51138, Pages 687-688 Oakland County

Records, for operating, constructing, maintaining and repairing a water main, be terminated:

{See attached and incorporated Exhibit B}

- 2. This Resolution shall be recorded with the Oakland County Register of Deeds evidencing the termination called for herein.

AYES:
NAYES:
ABSTENTIONS:

Resolution declared adopted.

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Novi at the regular meeting held on _____, 2019.

CORTNEY HANSON, CITY CLERK

Drafted by:
Elizabeth Kudla Saarela
27555 Executive Drive, Suite 250
Farmington Hills, MI 48331 (248) 489-4100

When recorded return to:
Cortney Hanson, Clerk City of Novi
45175 Ten Mile Road
Novi, MI 48375

EXHIBIT "A"
WATER MAIN EASEMENT VACATION
PROPERTY LEGAL DESCRIPTION

LEGAL DESCRIPTION – DAIFUKU PARCEL NO. 22-01-400-041:
 (by PEA)

Land in part of the Southeast 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County Michigan, being more particularly described as follows:

Commencing at the Southeast corner of said Section 1;
 thence N02°30'06"W, 632.02 feet along the East line of said Section 1;
 thence S85°30'21"W, 60.04 feet to the Westerly line of Haggerty Road (120.00 feet wide);
 thence along the said Westerly line, N02°30'06"W, 1589.94 feet;
 thence S87°29'39"W, 320.91 feet;
 thence S43°04'21"W, 97.24 feet;
 thence S01°15'44"E, 108.60 feet to the POINT OF BEGINNING;

thence continuing S01°15'44"E, 361.12 feet;
 thence S87°36'39"W, 433.34 feet;
 thence N47°49'44"W, 135.60 feet;
 thence S87°02'53"W, 487.71 feet to the Easterly line of Cabot Drive (60.00 feet wide);
 thence along said Easterly line, N02°57'07"W, 603.80 feet;
 thence N87°02'53"E, 43.61 feet;
 thence S61°56'30"E, 420.91 feet;
 thence N87°29'41"E, 268.09 feet;
 thence S02°30'19"E, 120.68 feet;
 thence N87°29'07"E, 355.89 feet to the POINT OF BEGINNING.

Containing 10.285 acres of land, more or less.




PEA, Inc.
 2430 Rochester Ct., Ste. 100
 Troy, MI 48083-1872
 t: 248.689.9090
 f: 248.689.1044
 www.peainc.com

CLIENT: DAIFUKU NORTH AMERICA 34375 WEST TWELVE MILE ROAD FARMINGTON HILLS, MI., 48331 (248)848-6400	SCALE: 1" = 120'	JOB No: 2016088
	DATE: 05-29-19	DWG. No: 1 of 3

EXHIBIT "B"
 WATER MAIN EASEMENT VACATION
PAGE 1 of 2

LEGAL DESCRIPTION – WATER MAIN EASEMENT TO BE VACATED

(per PEA, Inc.)

Part of a 20 foot wide water main easement TO BE VACATED over the previously described Parcel No. 22-01-400-041, being lands in the Southeast 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County, Michigan, said area TO BE VACATED being more particularly described as follows:

Commencing at the Southeast corner of said Section 1;
 thence N02°30'06"W, 632.02 feet along the East line of said Section 1;
 thence S85°30'21"W, 60.04 feet to the West line of Haggerty Road (120.00 feet wide);
 thence along the West line of said Haggerty Road, N02°30'06"W, 1589.94 feet;
 thence S87°29'39"W, 320.91 feet;
 thence S43°04'21"W, 97.24 feet;
 thence S01°15'44"E, 108.60 feet;
 thence S87°29'07"W, 355.89 feet;
 thence (L1) S71°01'03"W, 75.52 feet and
 thence (L2) S28°03'30"W 20.43 feet to the POINT OF BEGINNING;

thence along said easement the following seven (7) courses:

- 1) (L3) S28°03'30"W, 136.30 feet;
- 2) (L4) N47°30'53"W, 16.34 feet;
- 3) (L5) S87°29'41"W, 4.85 feet;
- 4) (L6) N28°03'30"E, 145.98 feet;
- 5) (L7) S61°56'30"E, 0.86 feet;
- 6) (L8) S16°56'30"E, 20.09 feet and
- 7) (L9) N87°29'07"E, 5.73 feet to the POINT OF BEGINNING.

Containing 2,743.86 square feet or 0.062 acres of land.

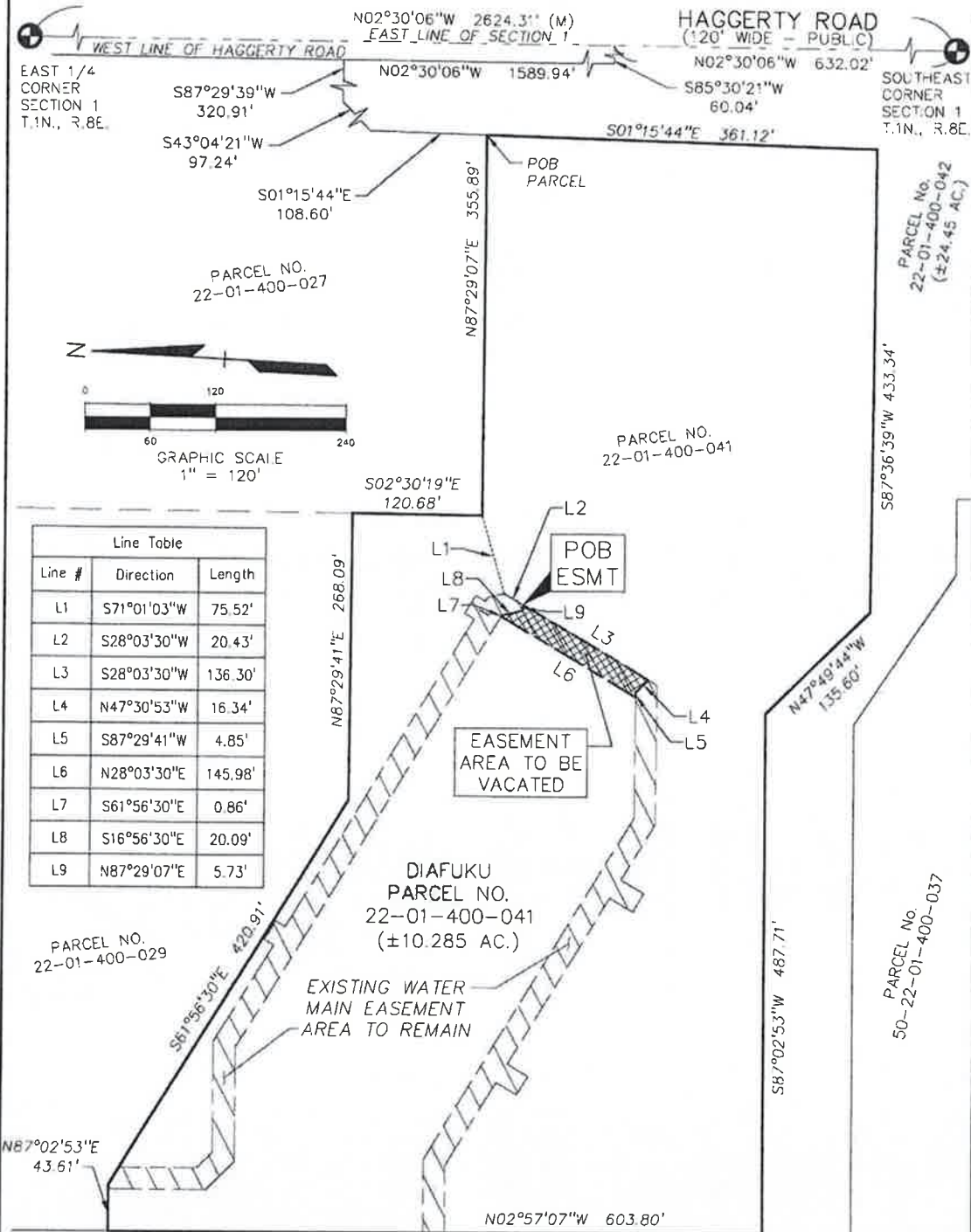



PEA, Inc.

2430 Rochester Ct., Ste. 100
 Troy, MI 48063-1872
 t: 248.689.9090
 f: 248.689.1044
 www.peainc.com

CLIENT: DAIFUKU NORTH AMERICA 34375 WEST TWELVE MILE ROAD FARMINGTON HILLS, MI., 48331 (248)848-6400	SCALE: 1" = 120' DATE: 05-29-19	JOB No: 2016088 DWG. No: 2 of 3
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EXHIBIT "B" - PAGE 2 OF 2
SKETCH OF WATER MAIN EASEMENT VACATION



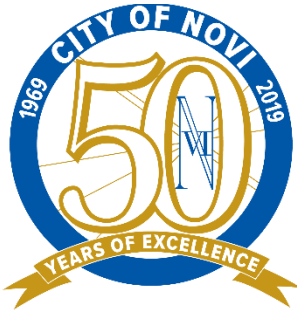
Line Table		
Line #	Direction	Length
L1	S71°01'03"W	75.52'
L2	S28°03'30"W	20.43'
L3	S28°03'30"W	136.30'
L4	N47°30'53"W	16.34'
L5	S87°29'41"W	4.85'
L6	N28°03'30"E	145.98'
L7	S61°56'30"E	0.86'
L8	S16°56'30"E	20.09'
L9	N87°29'07"E	5.73'



David A. Nord

PEA, Inc.
 2430 Rochester Ct., Ste. 100
 Troy, MI 48083-1872
 t: 248.689.9090
 f: 248.689.1044
 www.peainc.com

CLIENT: DAIFUKU NORTH AMERICA 34375 WEST TWELVE MILE ROAD FARMINGTON HILLS, MI., 48331 (248)848-6400	SCALE: 1" = 120'	JOB No: 2016088
	DATE: 05-29-19	DWG. No: 3 of 3



**CITY OF NOVI CITY COUNCIL
NOVEMBER 12, 2019**

SUBJECT: Approval of a Storm Drainage Facility Maintenance Easement Agreement from C&L Land Holding – Novi Mercedes, for Mercedes Benz of Novi located west of Haggerty Road and north of Grand River Avenue (parcel 50-22-24-426-010).

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

BACKGROUND INFORMATION:

The owner of Mercedes Benz of Novi, C&L Land Holding – Novi Mercedes, requests approval of the Storm Drainage Facility Maintenance Easement Agreement (SDFMEA) for the storm water management system associated with the project.

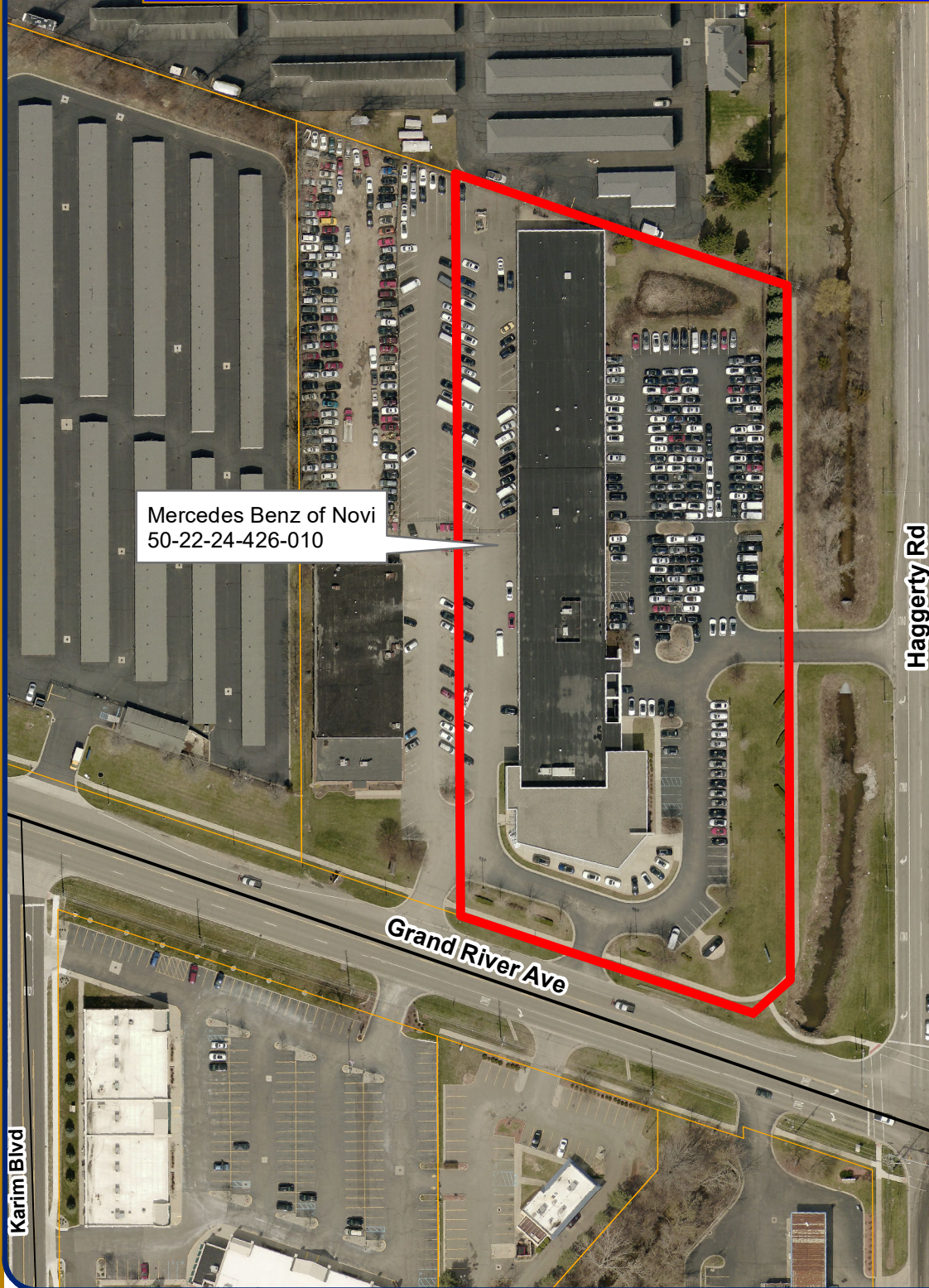
The SDFMEA is a Storm Water Management Ordinance requirement and details the responsibilities of the property owner to properly maintain their privately owned on-site storm water system.

The enclosed agreement has been favorably reviewed by the City Attorney (Beth Saarela, August 8, 2019) and the City Engineering consultant (Spalding DeDecker, December 6, 2018), and is recommended for approval.

RECOMMENDED ACTION: Approval of a Storm Drainage Facility Maintenance Easement Agreement from C&L Land Holding – Novi Mercedes, for Mercedes Benz of Novi located west of Haggerty Road and north of Grand River Avenue (Parcel 50-22-24-426-010).

Mercedes Benz of Novi SDFMEA

Location Map



Mercedes Benz of Novi
50-22-24-426-010

Grand River Ave

Haggerty Rd

Karim Blvd

Map Author: Kate Richardson
Date: 10/30/2019
Project: Mercedes Benz of Novi SDFMEA
Version: 1.0

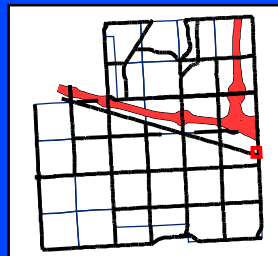
Amended By:
Date:
Department:

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

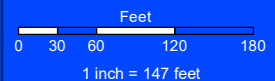
Legend

 Subject Parcel



City of Novi

Engineering Division
Department of Public Works
26300 Lee BeGole Drive
Novi, MI 48375
cityofnovi.org



ELIZABETH KUDLA SAARELA
esaarela@rsjalaw.com

27555 Executive Drive, Suite 250
Farmington Hills, Michigan 48331
P 248.489.4100 | F 248.489.1726
rsjalaw.com



ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

August 8, 2019

Jeffrey Herczeg, Director of Public Works
City of Novi
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

**Re: Mercedes Benz of Novi JSP 17-0089
Storm Drainage Facility Maintenance Easement Agreement**

Dear Mr. Herczeg:

We have received and reviewed, and enclosed please find the Storm Drainage Facility Maintenance Easement Agreement for storm water drainage facilities serving Mercedes Benz of Novi. The Storm Drainage Facility Maintenance Easement Agreement is in the City's standard format and is acceptable as provided. The City's Consulting Engineer has reviewed and approved the attached exhibits. The Agreement appears to be in order and may be placed on an upcoming City Council Agenda for approval. Once approved and executed by the City, the Agreement should be recorded with Oakland County Records by the City Clerk's Office.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC

A handwritten signature in blue ink, appearing to read 'Elizabeth Kudla Saarela', is written over a white rectangular background.

Elizabeth Kudla Saarela

Enclosures

Jeffrey Herczeg, Director of Public Works
City of Novi
August 8, 2019
Page 2

C: Cortney Hanson, Clerk (w/Original Enclosure)
Charles Boulard, Community Development Director (w/Enclosure)
Barb McBeth, City Planner (w/Enclosure)
Sri Komaragiri, Planner (w/Enclosure)
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Sarah Marchioni, Community Development Building Project Coordinator (w/Enclosure)
Angie Sosnowski, Community Development Bond Coordinator (w/Enclosure)
Rebecca Runkel, Staff Engineer (w/Enclosure)
Kate Richardson, Plan Review Engineer (w/Enclosure)
Michael Freckelton, Taylor Reynolds & Ted Meadows, Spalding DeDecker (w/Enclosure)
Sue Troutman, City Clerk's Office (w/Enclosure)
Ron Slaght, Diversified Construction Specialists (w/Enclosure)
Thomas R. Schultz, Esquire (w/Enclosure)

STORM DRAINAGE FACILITY
MAINTENANCE EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT is made this 19 day of September, 2018, by and between C&L Land Holding - Novi Mercedes, LLC, a Michigan Limited Liability Company, whose address is 39500 Grand River Ave, MI 48375 (hereinafter the "Owner"), and the City of Novi, its successors, assigns, or transferees, whose address is 45175 Ten Mile Road, Novi, MI 48375 (hereinafter the "City").

RECITATIONS:

- A. Owner is the owner and developer of a certain parcel of land situated in Section of the City of Novi, Oakland County, Michigan, described on the attached and incorporated **Exhibit A** (the "Property"). Owner has received final site plan approval for construction of a Parking Lot Expansion development on the Property.
- B. The Parking Lot Expansion development, shall contain certain storm drainage, detention and/or retention facilities, including but not limited to, a detention/sedimentation basin, for the collection, conveyance, storage, treatment and/or discharge of storm water from the Property in accordance with all approved plans, and all applicable ordinances, laws and regulations.

NOW, THEREFORE, the Owner hereby covenants and agrees that the Owner shall, at its own expense, perpetually preserve, maintain, and repair all storm drainage, detention and retention facilities, including all wetlands which are part of the system, to insure that the same continue to function as intended. The Owner shall establish a regular and systematic program of maintenance (the "Schedule of Maintenance") for such facilities and areas to insure that the physical condition and intended function of such areas and facilities shall be preserved and maintained. The Schedule of Maintenance and the annual estimated costs for maintenance and repairs for the first three (3) years are described in the attached Exhibit B.

In the event that the Owner shall at any time fail to carry out the responsibilities specified within this agreement, and/or in the event of a failure to preserve and/or maintain the storm water drainage, detention and retention facilities in reasonable order and condition, the City may serve

written notice upon the Owner setting forth the deficiencies in maintenance and/or preservation along with a demand that the deficiencies be cured within a stated reasonable time period, and the date, time and place for a hearing before the City for the purpose of allowing Owner an opportunity to be heard as to why the City should not proceed with the correction of the deficiency or obligation which has not been undertaken or properly fulfilled. At any such hearing, the time for curing and the hearing itself may be extended and/or continued to a date certain. If, following such hearing, the person conducting the hearing shall determine that the obligation has not been fulfilled or failure corrected within the time specified in the notice, as determined by the City in its reasonable discretion, the City shall thereupon have the power and authority, but not the obligation, to enter upon the Property, or cause its agents or contractors to enter the Property through the Ingress/Egress Easement Area as described and depicted in **Exhibit C** and perform such obligation or take such corrective measures as reasonably found by the City to be appropriate or necessary with respect to the detention/sedimentation basin within the Detention/Sedimentation Basin Easement Area described and depicted in **Exhibit D**, for the purposes described above. The cost and expense of making and financing such actions by the City, including notices by the City and reasonable legal fees incurred by the City, plus an administrative fee in an amount equivalent to twenty-five (25%) percent of the total of all such costs and expenses incurred, shall be paid by Owner within thirty (30) days of a billing to the Owner. All unpaid amounts may be placed on the delinquent tax roll of the City as to the Property, and shall accrue interest and penalties, and shall be collected as, and deemed delinquent real property taxes, according to the laws made and provided for the collection of delinquent real property taxes. In the discretion of the City, such costs and expenses may be collected by suit initiated against the Owner, and, in such event, the Owner shall pay all court costs and reasonable attorney fees incurred by the City in connection with such suit.

The Owner, its agents, representatives, successors, and assigns shall defend, indemnify, and hold harmless the City and the City's, elected officials, agents and employees, from any and all costs, claims, suits, actions, losses, damages, or demands, including court costs and attorneys' fees, relating in any way to or arising out of the design, construction, use, inspection, maintenance, repair, or operation (or omissions in such regard) of the storm drainage system which is the subject of this Agreement.

The parties hereto make this Agreement on behalf of themselves, their heirs, successors, assigns and transferees, and hereby warrant that they have the authority and capacity to execute this Agreement and bind the property as described in the terms and conditions of this agreement.

Invalidation of any of these covenants or conditions by Judgment or Court Order shall in no way affect the validity of any other provision which shall remain in full force and effect.

This agreement shall run with the land and be binding upon all owners, their agents, heirs, successors, assigns and transferees.

EXHIBIT A

PROPERTY DESCRIPTION (AS SURVEYED)

PART OF THE SOUTHEAST 1/4 OF SECTION 24, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY MICHIGAN, DESCRIBED AS:

COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 24; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 525.10 FEET ALONG THE EAST LINE OF SAID SECTION 24 AND THE CENTERLINE OF HAGGERTY ROAD; THENCE NORTH 73 DEGREES 47 MINUTES 45 SECONDS WEST 142.55 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD AND TO THE POINT OF BEGINNING; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 641.65 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD; THENCE SOUTH 46 DEGREES 00 MINUTES 29 SECONDS WEST 30.62 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND RIVER AVENUE; THENCE NORTH 73 DEGREES 47 MINUTES 45 SECONDS WEST 298.82 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF GRAND RIVER AVENUE; THENCE NORTH 02 DEGREES 31 MINUTES 35 SECONDS WEST 669.71 FEET; THENCE SOUTH 73 DEGREES 47 MINUTES 45 SECONDS EAST 323.05 FEET TO THE POINT OF BEGINNING, CONTAINING 4.70 ACRES OF LAND, MORE OR LESS, BEING SUBJECT TO ANY EASEMENTS AND/OR EXCEPTIONS OF RECORD, IF ANY.

MEASURED BEARINGS ARE BASED ON THE MICHIGAN STATE PLANE COORDINATE SYSTEM OF 1983, NSRS 2011.

PROPERTY DESCRIPTION (TAX RECORDS)

TOWN 1 NORTH, RANGE 8 EAST, SECTION 24 PART OF THE EAST 1/2 OF SOUTHEAST 1/4 BEGINNING AT A POINT ON THE EAST SECTION LINE SOUTHERLY 525.10 FEET FROM THE EAST 1/4 CORNER, THENCE S 01°47'00" W 739.40 FEET TO THE CENTER OF US-16 HIGHWAY, THENCE NORTHWESTERLY ALONG SAID CENTER 310.30 FEET, THENCE NORTH 01°47'00" E 739.40 FEET, THENCE SOUTHEASTERLY AND PARALLEL TO US-16 HIGHWAY 310.30 FEET TO THE POINT OF BEGINNING EXCLUDING US-16 HIGHWAY, ALSO EXCLUDING THAT PART LYING EASTERLY OF A LINE DESCRIBED AS BEGINNING AT A POINT DISTANT S 01°55'19" E 1261.86 FEET & N 73°11'29" W 196.04 FEET FROM THE EAST 1/4 CORNER, THENCE N 16°48'31" E 50 FEET, THENCE N 46°36'45" E 46.18 FEET, THENCE N 01°55'19" W 700 FEET TO THE POINT OF ENDING, ALSO BEGINNING AT A POINT ON THE CENTER LINE OF GRAND RIVER ROAD DISTANT NORTHWESTERLY 310.30 FEET FROM THE INTERECTION OF SOUTH CENTERLINE WITH THE EAST SECTION LINE, THENCE N 01°47'00" E 739.40 FEET, TH NORTHWESTERLY 155.30 FEET PARALLEL TO THE CENTERLINE OF GRAND RIVER ROAD, THENCE S 01°47'00" W 739.40 FEET, THENCE SOUTHEASTERLY 155.30 FEET ALONG THE CENTERLINE OF GRAND RIVER ROAD TO THE POINT OF BEGINNING CONTAINING 4.70 ACRES OF LAND.



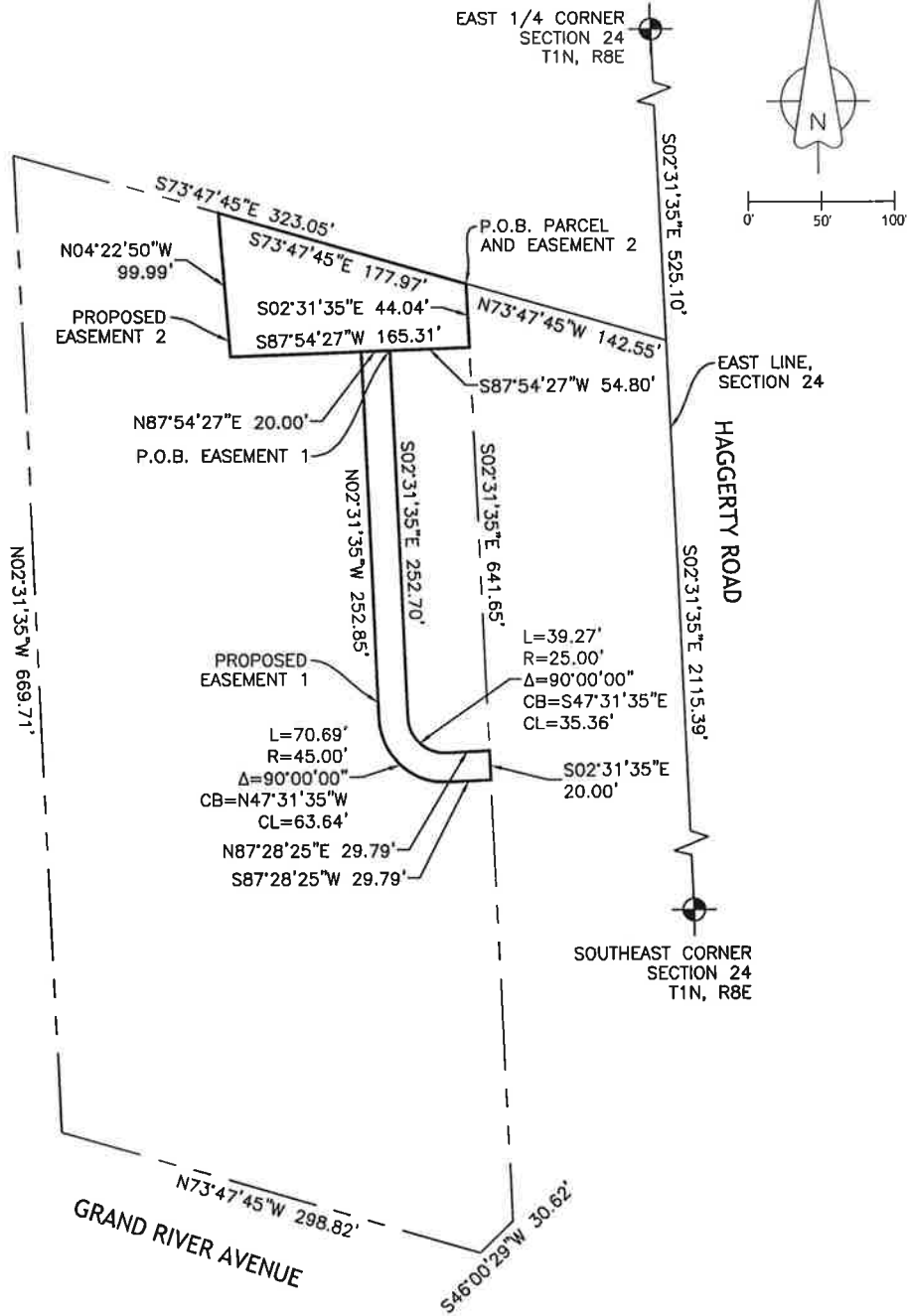
ENGINEERING THE FUTURE.

13500 REECK ROAD
SOUTHGATE, MI 48195
(734) 759-1600
FAX (734) 282-6566
WWW.HENGINEERS.COM

TITLE PROPERTY DESCRIPTION
MERCEDES BENZ OF NOVI
CITY OF NOVI
OAKLAND COUNTY, MICHIGAN

<i>DRAWN</i> NRY	<i>APPROVED</i> REH
<i>PROJECT No.</i> 53506	<i>SCALE</i> 1" = 100'
<i>DATE</i> 9-20-18	<i>DRAWING NUMBER</i> SHEET 1 OF 2

EXHIBIT A



MEASURED BEARINGS ARE BASED ON THE MICHIGAN STATE PLANE COORDINATE SYSTEM OF 1983, NSRS 2011.



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 13500 REECK ROAD
 SOUTHGATE, MI 48195
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 WWW.HENGINEERS.COM

TITLE PROPERTY/EASEMENT SKETCH
 MERCEDES BENZ OF NOVI
 CITY OF NOVI
 OAKLAND COUNTY, MICHIGAN

DRAWN	NRV	APPROVED	REH
PROJECT No.	53506	SCALE	1" = 100'
DATE	9-21-18	DRAWING NUMBER	SHEET 2 OF 2

EXHIBIT B

MERCEDES BENZ OF NOVI STORMWATER MANAGEMENT SYSTEM MAINTENANCE PLAN

1. ALL PERMANENT SITE EROSION CONTROL MEASURES SUCH AS BASIN SLOPE PROTECTION, RIP-RAP AND VEGETATION SHALL BE INSPECTED BY THE OWNER NOT LESS THAN SEMI-ANNUALLY TO ENSURE THAT THEY ARE PERFORMING THEIR INTENDED PURPOSES. ANY DEFICIENCIES SHALL BE REMEDIATED IN A TIMELY MANNER.
2. ALL PERMANENT SITE SEDIMENT COLLECTION AREAS SUCH AS DRAINAGE STRUCTURE SUMPS, SEDIMENT TRAPS, AND DETENTION BASIN BOTTOM SUMPS SHALL BE INSPECTED BY THE OWNER NOT LESS THAN SEMI-ANNUALLY TO ENSURE THAT THEY ARE PERFORMING THEIR INTENDED PURPOSE. THE SUMPS SHALL BE CLEANED OUT WHEN THE SEDIMENT BUILDUP IS WITHIN 3" OF THE OUTLET PIPE INVERT.
3. AN ANNUAL BUDGET AMOUNT OF \$5000.00 SHALL BE SET ASIDE FOR PURPOSES OF PERFORMING ANY REQUIRED ROUTINE OR EMERGENCY MAINTENANCE TO THE SITE DRAINAGE SYSTEM.

HENNESSEY



ENGINEERS, INC.

ENGINEERING THE FUTURE.

13500 REECK ROAD
SOUTHGATE, MI 48195
(734) 759-1600
FAX (734) 282-6566
WWW.HENGINEERS.COM

TITLE STORMWATER MAINTENANCE PLAN
MERCEDES BENZ OF NOVI
CITY OF NOVI
OAKLAND COUNTY, MICHIGAN

<i>DRAWN</i>	NRV	<i>APPROVED</i>	REH
<i>PROJECT No.</i>	53506	<i>SCALE</i>	1" = 100'
<i>DATE</i>	9-20-18	<i>DRAWING NUMBER</i>	SHEET 1 OF 1

EXHIBIT C

INGRESS/EGRESS EASEMENT NO. 1 DESCRIPTION

PART OF THE SOUTHEAST 1/4 OF SECTION 24, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY MICHIGAN, DESCRIBED AS:

COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 24; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 525.10 FEET ALONG THE EAST LINE OF SAID SECTION 24 AND THE CENTERLINE OF HAGGERTY ROAD; THENCE NORTH 73 DEGREES 47 MINUTES 45 SECONDS WEST 142.55 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 44.04 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD; THENCE SOUTH 87 DEGREES 54 MINUTES 27 SECONDS WEST 54.80 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 252.70 FEET; THENCE 39.27 FEET ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CHORD BEARING SOUTH 47 DEGREES 31 MINUTES 35 SECONDS EAST 35.36 FEET; THENCE NORTH 87 DEGREES 28 MINUTES 25 SECONDS EAST 29.79 FEET THE THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 20.00 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD; THENCE SOUTH 87 DEGREES 28 MINUTES 25 SECONDS WEST 29.79 FEET; THENCE 70.69 FEET ALONG THE ARC OF A 45.00 FOOT RADIUS CURVE TO THE RIGHT HAVING A CHORD BEARING NORTH 47 DEGREES 31 MINUTES 35 SECONDS WEST 63.64 FEET; THENCE NORTH 02 DEGREES 31 MINUTES 35 SECONDS WEST 252.85 FEET; THENCE NORTH 87 DEGREES 54 MINUTES 27 SECONDS EAST 20.00 FEET TO THE POINT OF BEGINNING, CONTAINING 6,751 SQUARE FEET OF LAND, MORE OR LESS.

MEASURED BEARINGS ARE BASED ON THE MICHIGAN STATE PLANE COORDINATE SYSTEM OF 1983, NSRS 2011.



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TITLE EASEMENT DESCRIPTION
MERCEDES BENZ OF NOVI
CITY OF NOVI
OAKLAND COUNTY, MICHIGAN

<i>DRAWN</i> NRY	<i>APPROVED</i> REH
<i>PROJECT No.</i> 53506	<i>SCALE</i> 1" = 100'
<i>DATE</i> 9-20-18	<i>DRAWING NUMBER</i> SHEET 1 OF 1

EXHIBIT D

DETENTION/SEDIMENTATION BASIN EASEMENT NO. 2 DESCRIPTION

PART OF THE SOUTHEAST 1/4 OF SECTION 24, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY MICHIGAN, DESCRIBED AS:

COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 24; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 525.10 FEET ALONG THE EAST LINE OF SAID SECTION 24 AND THE CENTERLINE OF HAGGERTY ROAD; THENCE NORTH 73 DEGREES 47 MINUTES 45 SECONDS WEST 142.55 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD AND TO THE POINT OF BEGINNING; THENCE SOUTH 02 DEGREES 31 MINUTES 35 SECONDS EAST 44.04 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF HAGGERTY ROAD; THENCE SOUTH 87 DEGREES 54 MINUTES 27 SECONDS WEST 165.31 FEET; THENCE NORTH 04 DEGREES 22 MINUTES 50 SECONDS WEST 99.99 FEET; THENCE SOUTH 73 DEGREES 47 MINUTES 45 SECONDS EAST 177.97 FEET TO THE POINT OF BEGINNING, CONTAINING 11,969 SQUARE FEET OF LAND, MORE OR LESS.

MEASURED BEARINGS ARE BASED ON THE MICHIGAN STATE PLANE COORDINATE SYSTEM OF 1983, NSRS 2011.



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TITLE EASEMENT DESCRIPTION
MERCEDES BENZ OF NOVI
CITY OF NOVI
OAKLAND COUNTY, MICHIGAN

<i>DRAWN</i>	NRY	<i>APPROVED</i>	REH
<i>PROJECT No.</i>	53506	<i>SCALE</i>	1" = 100'
<i>DATE</i>	9-20-18	<i>DRAWING NUMBER</i>	SHEET 1 OF 1

December 6, 2018

Darcy Rechten, Construction Engineer
City of Novi
26300 Lee BeGole Drive
Novi, Michigan 48375

Re: Mercedes Benz of Novi - Acceptance Documents Review
Novi # JSP17-0078
SDA Job No. NV18-220
EXHIBITS APPROVED

Dear Ms. Rechten:

We have reviewed the Acceptance Document Package received by our office on November 6, 2018 against the Final Site Plan (Stamping Set) approved on September 4, 2018. We offer the following comments:

Initial Acceptance Documents:

1. Storm Drainage Facility / Maintenance Easement Agreement – Exhibits B Approved.

Unless otherwise stated above, the documents as submitted were found to be acceptable by our office pending review by the City Attorney. Legal review will not occur until a current title policy is submitted to the City. For those documents which require revisions, please forward those revised documents to the City for further review and approval.

The City Attorney's Office will retain the original documents in their files until such time as they are approved and ready (notarized and executed properly) for the Mayor's signature.

It should be noted that the Plan Review Center Report dated July 11, 2018 contains all documentation requirements necessary prior to construction and occupancy of the facility.

If you have any questions regarding this matter, please contact this office at your convenience.

Sincerely,

SPALDING DEDECKER



Mike Freckelton, EIT
Engineer



Cc (via Email): Cortney Hanson, City Clerk
Sarah Marchioni, City Building Project Coordinator
Ted Meadows, Spalding DeDecker
Taylor Reynolds, Spalding DeDecker
George Melistas, City Engineering Senior Manager
Angie Sosnowski, City Community Development Bond Coordinator
Beth Saarela, Johnson Rosati, Schultz, Joppich PC



**CITY OF NOVI CITY COUNCIL
NOVEMBER 12, 2019**

SUBJECT: Approval of Claims and Warrants – Warrant No. 1047

SUBMITTING DEPARTMENT: Finance

BACKGROUND INFORMATION:

RECOMMENDED ACTION: Approval of Claims and Warrants – Warrant No. 1047

CITY OF NOVI
Warrant 1047
Tuesday, November 12, 2019

Check	Vendor Name	Description	Amount
157714	JUMP-A-RAMA, INC.	YOUTH PROGRAM (PARKS & REC)	595.00
157900	911 TRAINING INSTITUTE	TRAINING	359.00
157901	A AND R PLUMBING LLC	PROFESSIONAL SERVICES (CIP, POLICE, FIRE, FACILITIES)	9,361.80
157902	ACCUFORM PRINTING & GRAPHICS INC	OPER SUPPLIES - NOVI SPECIAL WALL, OTHER (P&F, FAC)	3,075.60
157903	ACE PYRO, LLC	SPECIAL EVENTS - LIGHT UP THE NIGHT (PARKS & REC)	2,000.00
157904	AECOM GREAT LAKES, INC	PROF'L SERVICES - NBR, MTGS (PLANNING, STREETS)	4,075.00
157905	AIRGAS USA, LLC	GASOLINE	80.90
157906	ALL AMERICAN EMBROIDERY, INC.	SUPPLIES - UNIFORMS (PARKS & REC, FACILITIES)	7,447.10
157907	ALLIE BROTHERS INC	FIRE WINTER 2019 UNIFORM ORDER	14,874.16
157908	ALTECH DOORS LLC	BUILDING MAINTENANCE - DOORS (FIRE)	2,691.27
157909	AMAZON	LIBRARY MATERIAL	1,644.96
157910	AMERICAN FIREPLACE DISTRIBUTORS INC	BUILDING MAINTENANCE	365.00
157911	AMERICAN LIBRARY ASSOCIATION	MEMBERSHIP DUES	522.00
157912	ANTECO, INC	TREE MAINTENANCE (TREE FUND)	1,675.00
157913	APCO INTERNATIONAL INC	MEMBERSHIP DUES	94.00
157914	APPLIED IMAGING	INTERNAL TECHNOLOGY	42.15
157915	ARAMARK REFRESHMENT SERVICES	OPERATING SUPPLIES (DPW, FIRE, FACILITIES)	1,432.94
157916	ARC	INTERNAL TECHNOLOGY	260.00
157917	ARI-EL ENTERPRISES INC	BLDG. BOND REFUND (ESCROW)	6,389.00
157918	ASCENSION MICHIGAN AT WORK	PRE EMPLOYMENT MEDICAL SERVICE - CITYWIDE (HR)	2,007.00
157919	B & B LANDSCAPING	ENTRYWAY SIGNS LANDSCAPING & PLANTINGS (DPW)	5,343.00
157920	BAGOZZI, BRIAN	APPRECIATION EVENING ENTERTAINMENT (COMM REL)	1,500.00
157921	BEMBENECK, BILL	MILEAGE/MEETING	26.68
157922	BENDER, MICHAEL	MEALS/CONFERENCE	70.00
157923	BENITO'S CAFE	LIBRARY PROGRAMMING	97.12
157924	BESK, DANIEL	YOUTH BASKETBALL LEAGUE	150.00
157925	BEYER, TODD A.	SPORTS CAMPS (PARKS & REC)	1,309.00
157926	BIDDLE CONSULTING GROUP, INC.	EMERGENCY COMMUNICATION SERVICE (POLICE)	2,300.00
157927	BIG FROG CUSTOM TEES AND MORE	SUPPLIES	180.00
157928	BLUE CROSS BLUE SHIELD OF MICHIGAN	EMPLOYEE MEDICAL INSURANCE	70,724.58
157929	BORING, MELODYE	WITNESS	34.90
157930	BOYD, TERRANCE	WITNESS	13.56
157931	BRIEN'S SERVICES INC	GROUND MAINTENANCE (LIBRARY)	1,936.25
157932	BRODART CO.	LIBRARY MATERIAL	4,114.53
157933	BSN SPORTS INC.	VOLLEYBALL AND BASKETBALL (PARKS & REC)	1,100.48
157934	BUTLER, LARRY	MEETING	30.00
157935	CADILLAC ASPHALT LLC	CAPITAL OUTLAY - 2019 NBR, CABOT/LEWIS (STREETS)	650,892.67
157936	CALEA	COMMUNICATIONS ACCREDITATION FEE (POLICE)	3,600.00
157937	CAMFIL USA, INC.	RANGE FILTERS AND FILTER INSTALLATION (POLICE)	1,446.25
157938	CARDENAS, VICTOR	FLIGHT/CONFERENCE	291.12
157939	CARPET WORKROOM INC, THE	BUILDING MAINTENANCE	250.00
157940	CAUCHI, PATRICIA	PETTY CASH	137.20
157941	CBTS LLC	COMPUTER SUPPLIES	790.08
157942	CDW GOVERNMENT LLC	INTERNAL TECHNOLOGY - CITYWIDE (IT)	4,672.37
157943	CENTER MASS INC	OPERATING SUPPLIES	120.00
157944	CENTER POINT LARGE PRINT	LIBRARY MATERIAL	23.37
157945	CHALLENGER SPORTS TEAMWEAR, LLC	UNIFORMS FOR THE 2019-2020 SPORTS SEASON	779.45
157946	CHET'S RENT-ALL INC.	EQUIPMENT RENTAL	214.70
157947	CHILDREN'S PLUS INC	LIBRARY BOOKS	521.72
157948	CHILTON, KIMBERLY S.	OLDER ADULTS PROGRAMS (PARKS & REC)	3,116.40
157949	CHYLASZEK, MATT	DRONE EXAM	160.00
157950	COOPER, MARC	YOUTH BASKETBALL	100.00
157951	CORE & MAIN LP	STORM SEWER MAINTENANCE	547.50
157952	CORNERSTONE PAINTING INC	BUILDING MAINTENANCE (FIRE)	1,325.00
157953	CRANDALL-WORTHINGTON INC	COMMUNITY CENTER	765.67
157954	D.V.M. UTILITIES, INC	NINE MILE SANITARY SEWER CONSTRUCTION (W&S)	282,074.40
157955	DC DENTAL, INC	OPERATING SUPPLIES (POLICE)	1,160.40
157956	DELL MARKETING L.P.	OPERATING SUPPLIES - CITYWIDE (IT)	6,552.27
157957	DEMCO INC.	OPERATING SUPPLIES	19.98
157958	DISCOUNT SCHOOL SUPPLY	LIBRARY PROGRAMMING	42.87
157959	DK AGENCIES (P) LTD	LIBRARY BOOKS	400.00
157960	DLK CONCRETE, LLC	BLDG. BOND REFUND (ESCROW)	500.00
157961	DOETING EDUCATION COMPANY	BLDG. BOND REFUND (ESCROW)	2,018.75
157962	DTE ENERGY	ELECTRICITY	384.66
157963	DTE ENERGY	ELECTRICITY	28.77

157964	DTE ENERGY	ELECTRICITY	156.32
157965	DTE ENERGY	ELECTRICITY	108.20
157966	DTE ENERGY	ELECTRICITY	15.41
157967	DTE ENERGY	ELECTRICITY	38.51
157968	DTE ENERGY	ELECTRICITY	67.47
157969	DTE ENERGY	ELECTRICITY	1,376.70
157970	DTE ENERGY	ELECTRICITY	173.80
157971	DTE ENERGY	ELECTRICITY	1,970.21
157972	DTE ENERGY	ELECTRICITY	14.69
157973	DTE ENERGY	ELECTRICITY	7,881.58
157974	DTE ENERGY	ELECTRICITY	585.53
157975	DTE ENERGY	ELECTRICITY	1,968.51
157976	DTE ENERGY	ELECTRICITY	13.72
157977	DTE ENERGY	ELECTRICITY	20.53
157978	DTE ENERGY	ELECTRICITY	15.79
157979	DTE ENERGY	ELECTRICITY	20.64
157980	DTE ENERGY	ELECTRICITY	326.70
157981	DTE ENERGY	ELECTRICITY	14,820.73
157982	DTE ENERGY	ELECTRICITY	1,278.87
157983	DTE ENERGY	ELECTRICITY	14.57
157984	DTE ENERGY	ELECTRICITY	21.61
157985	DTE ENERGY	ELECTRICITY	622.62
157986	DTE ENERGY	ELECTRICITY	236.65
157987	DTE ENERGY	ELECTRICITY	14.57
157988	DTE ENERGY	ELECTRICITY	56.33
157989	DTE ENERGY	ELECTRICITY	1,031.96
157990	DTE ENERGY	ELECTRICITY	569.95
157991	DTE ENERGY	ELECTRICITY	13.72
157992	DTE ENERGY	ELECTRICITY	3,498.59
157993	DTE ENERGY	ELECTRICITY	866.81
157994	DTE ENERGY	ELECTRICITY	51.29
157995	DTE ENERGY	ELECTRICITY	206.45
157996	DTE ENERGY	ELECTRICITY	150.82
157997	DTE ENERGY	ELECTRICITY	180.55
157998	DTE ENERGY	ELECTRICITY	95.28
157999	DTE ENERGY	ELECTRICITY	277.75
158000	DTE ENERGY	STREET LIGHTING	2.47
158001	DTE ENERGY	ELECTRICITY	90.92
158002	DTE ENERGY	ELECTRICITY	17.25
158003	DTE ENERGY	ELECTRICITY	14.45
158004	DTE ENERGY	ELECTRICITY	368.85
158005	DTE ENERGY	ELECTRICITY	135.92
158006	DTE ENERGY	ELECTRICITY	1,087.91
158007	DTN, LLC	INTERNAL TECHNOLOGY (POLICE, DPW)	2,554.50
158008	ELEVATOR TECHNOLOGY INC	BUILDING MAINTENANCE	466.00
158009	ELLMAN, CAROL	LEGAL FEES	16.80
158010	ELLSWORTH INDUSTRIES INC.	DEBRIS CLEAN UP AT DPW SITE (CIP FUND)	8,118.50
158011	ETNA SUPPLY	OPERATING SUPPLIES	1.90
158012	FALEIX, LOLA L.	OLDER ADULTS	657.00
158013	FIBER OPTIC MANAGEMENT LLC	BLDG. BOND REFUND (ESCROW)	4,500.00
158014	FIFTH THIRD BANK	INTEREST EXPENSE ICE ARENA BONDS	29,940.00
158015	FIRE STORE, THE	VEHICLE MAINTENANCE	122.36
158016	FLEETPRIDE INC.	VEHICLE MAINTENANCE	125.83
158017	FLORES, LUIS RICARDO ALFARO	DANCE PROGRAMS	550.00
158018	FOREMOST PROMOTIONS	COMMUNITY PROMOTION	810.00
158019	FOSTER, SWIFT, COLLINS & SMITH, P.C	LEGAL FEES	200.00
158020	FOX JR, MARV	YOUTH BASKETBALL LEAGUE (PARKS & REC)	1,125.00
158021	FUNSTART TENNIS	SPORTS CAMPS	982.80
158022	GALE/CENGAGE LEARNING	LIBRARY MATERIAL	234.33
158023	GALLS, LLC	SUPPLIES	422.84
158024	GERALD ALCOCK COMPANY, LLC	LAND ACQUISITION APPRAISAL (GF)	2,150.00
158025	GLOBAL EQUIPMENT COMPANY	SUPPLIES - OUTDOOR PICNIC TABLES & BENCH (POLICE)	2,128.24
158026	GLOBAL OFFICE SOLUTIONS LLC	SUPPLIES - CITYWIDE	5,309.71
158027	GLOBALSTAR USA	TELEPHONE	349.70
158028	GORDON FOOD SERVICE PAYMENT PROC.	OPERATING SUPPLIES	25.95
158029	GRAINGER INC, W W	OPERATING SUPPLIES	414.29
158030	GREAT LAKES ACE	BUILDING MAINTENANCE	33.75
158031	GREAT LAKES POWER & LIGHTING INC.	BUILDING MAINT (FACILITIES, PARKS MAINT, FIRE, CIP)	9,040.04
158032	GREAT LAKES WATER AUTHORITY	9/2019 WATER AND IWC CHARGES (W&S)	837,215.75
158033	H & K JANITORIAL SERVICE INC.	CUSTODIAL SUPPLIES (LIBRARY)	4,024.67
158034	HALT FIRE,INC.	VEHICLE MAINTENANCE	268.94
158035	HAROLD'S FRAME SHOP, INC	VEHICLE MAINTENANCE (DPW)	4,525.74

158036	HARRIS, YULIYA	MEALS/CONFERENCE	200.00
158037	HAVENER TECH	CATCH BASIN SEALING (DRAIN FUND)	100,000.00
158038	HEALTH ALLIANCE PLAN	EMPLOYEE MEDICAL INSURANCE	274,030.66
158039	HOLZER FORD INC, TOM	VEHICLE MAINTENANCE	217.65
158040	HOME DEPOT CREDIT SERVICES	OPERATING SUPPLIES - CITYWIDE	2,659.63
158041	HYLAND SOFTWARE	WORKSHOP - ONBASE (IT)	2,126.40
158042	IN THE MITTEN PRODUCTIONS	PERFORMER FEE PERCENTAGE TO VENDOR (P&R)	12,375.00
158043	INNER CITY CONTRACTING LLC	COURT ORDERED DEMO OF 44963 11 MILE (COMM DEV)	25,995.00
158044	INTERNATIONAL CONTROLS	DPS EXPANSION	397.50
158045	ISCG, INC.	CONTRACTUAL SERVICES	523.95
158046	JANSON, PAMELA L.	OLDER ADULTS (PARKS & REC)	1,802.40
158047	JARBOU, CHEYENE	WATER REFUND 40841 LENOX PARK DR	718.55
158048	JL GEISLER SIGN COMPANY	OPERATING SUPPLIES	52.80
158049	JOHN'S SANITATION SERVICE	DPS EXPANSION, VAR PARKS (PARKS & REC, CIP)	1,720.44
158050	JOHNSON, ANTHONY W.	YOUTH BASKETBALL LEAGUE	100.00
158051	JONES II, GERALD R.	YOUTH BASKETBALL LEAGUE	100.00
158052	KBK LANDSCAPING, INC.	GROUNDS MAINTENANCE (FACILITIES)	2,500.00
158053	KENNETH BROCK AND SUSAN BROCK	SANITARY SEWER EASEMENT PURCHASE (W&S)	1,370.00
158054	KIESLER'S POLICE SUPPLY, INC.	SUPPLIES (POLICE)	4,187.12
158055	KING, THOMAS	YOUTH BASKETBALL LEAGUE	175.00
158056	KODIAK EMERGENCY VEHICLES	VEHICLE MAINTENANCE	897.12
158057	KULTURECITY	LIBRARY PROGRAMMING	419.00
158058	LEISURE UNLIMITED LLC	SPORTS CAMPS/VOLLEYBALL (PARKS & REC)	1,212.40
158059	LIBRARY NETWORK, THE	TLN AUTOMATION SERVICES	15,396.48
158060	LICALZI, JAQUELINE	WITNESS	12.48
158061	LINCOLN NATIONAL LIFE INSURANCE CO	EMPLOYEE LIFE INSURANCE	9,919.98
158062	LUZOD REPORTING SERVICE INC	PROFESSIONAL SERVICES - TRANSCRIPTS (COMM DEV)	2,208.00
158063	LYON MECHANICAL CONTRACTORS, INC.	BUILDING MAINTENANCE (LIBRARY)	1,704.36
158064	M-2 AUTO PARTS, INC.	VEHICLE MAINTENANCE	702.03
158065	MARCO TECHNOLOGIES, LLC	OFFICE SUPPLIES	79.98
158066	MCCARREY, PAIGE	MEALS/CONFERENCE	155.00
158067	MCKENNA ASSOCIATES INC	BUILDING REVIEW AND INSPECTIONS (COMM DEVELOP)	2,850.00
158068	MDE, INC.	DATA PROCESSING	66.00
158069	MEYER LABORATORY INC	VEHICLE MAINTENANCE	206.55
158070	MICHELLE FEURY	WITNESS	11.40
158071	MICHIGAN AUTOMATIC SPRINKLER INC	CONTRACTUAL SERVICES (FACILITIES, PARKS MAINT)	1,260.00
158072	MICHIGAN CAT	EQUIPMENT MAINTENANCE	803.57
158073	MICHIGAN ENVIRONMENTAL CONTROLS INC	BUILDING MAINTENANCE (POLICE)	4,100.00
158074	MICHIGAN LIBRARY ASSOCIATION	MEMBERSHIP DUES	170.00
158075	MIDWEST TAPE, LLC	LIBRARY MATERIAL	2,421.20
158076	VOID		-
158077	MILLENNIUM BUSINESS SYSTEMS	OFFICE EQUIPMENT LEASE - COPIER (LIBRARY)	2,912.99
158078	MIRAGE DEVELOPMENT, LLC	BLDG. BOND REFUND (ESCROW)	5,000.00
158079	MOULIK, SARAH	MEALS/CONFERENCE	200.00
158080	MUNRO'S SAWMILL	VEHICLE MAINTENANCE	76.78
158081	MUTCH, KATHLEEN M.	LIBRARY PROGRAMMING	100.00
158082	NACHI ROBOTICS SYSTEM INC	2019 SUM PROPERTY TAX REFUND 50-99-00-019-056	3,914.37
158083	NAPOLITAN, ANTHONY	WITNESS	10.32
158084	NEOPOST USA INC.	INTERNAL TECHNOLOGY (IT)	2,702.55
158085	NORTHERN CONCRETE PIPE INC	CULVERT FOR FLINT/ BOND STREET (DRAIN FUND)	24,235.20
158086	NORTHVILLE LOCKSMITH INC., THE	BUILDING MAINTENANCE (CIP,FACILITIES, FIRE)	1,495.00
158087	NOVI CHAMBER OF COMMERCE	COMMUNITY PROMOTION	75.00
158088	NSA ARCHITECTS, ENGINEERS, PLANNERS	CONSTRUCTION ADMIN- DPS, LAKESHORE, DISPATCH	15,215.60
158089	O'REILLY AUTO PARTS	VEHICLE MAINTENANCE	288.29
158090	OAKLAND COUNTY REGISTER OF DEEDS	RECORDING FEE/COVENANT DEED-MEADOWBROOK	35.00
158091	OAKLAND COUNTY REGISTER OF DEEDS	RECORDING FEE/PULTE (STONEBROOK) SDFMEA	30.00
158092	OAKLAND COUNTY REGISTER OF DEEDS	RECORDING FEE/CAMBRIDGE(TERRA) 1ST AMEND	30.00
158093	OAKLAND COUNTY ROAD	TRAFFIC SERVICES - SIGNALS (MAJOR STREETS)	5,947.09
158094	OAKLAND COUNTY TREASURER	TRAILER TAX 10/2019 (ESCROW)	4,507.50
158095	OAKLAND COUNTY TREASURER'S ASSN.	MEMBERSHIP DUES	20.00
158096	OAKLAND COUNTY TREASURERS	ANNUAL LICENSE FEES 2019-20 (ESCROW)	1,439.83
158097	OFFICE DEPOT	OFFICE SUPPLIES	282.38
158098	ORIENTAL TRADING CO INC	LIBRARY PROGRAMMING	21.69
158099	ORKIN	CONSTRUCTUAL SERVICES	168.54
158100	PAUL, PAT	YOUTH BASKETBALL LEAGUE	100.00
158101	PEPPER & SON INC, J.W.	NOVI CONCERT BAND	215.49
158102	PRECISE MRM LLC	INTERNAL TECHNOLOGY - CITYWIDE (IT)	4,116.00
158103	PREUER & ASSOCIATES, JOHN D	PROFESSIONAL SERVICES	517.85
158104	PRIMECARE URGENT CARE PLLC	MEDICAL SERVICE	80.00
158105	PRIORITY HEALTH	EMPLOYEE HEALTH INSURANCE	50,498.95
158106	PRODUCTION TOOL SUPPLY CO LLC	OPERATING SUPPLIES	374.45
158107	PRYSBY, THOMAS J.	YOUTH BASKETBALL LEAGUE	125.00

158108	PULTE HOMES OF SE MICHIGAN LLC	BLDG. BOND REFUND (ESCROW)	10,000.00
158109	QUALITY FIRST AID & SAFETY, INC.	OPERATING SUPPLIES	552.63
158110	QUILL CORPORATION	OFFICE SUPPLIES	930.24
158111	R & R FIRE TRUCK REPAIR INC	VEHICLE MAINTENANCE	772.06
158112	R.W. MEAD & SONS	BUILDING MAINTENANCE (POLICE, FACILITIES)	2,034.32
158113	RADCLIFFE, ERIC J.	YOUTH BASKETBALL LEAGUE	100.00
158114	RAFT	MEMBERSHIP DUES (FIRE)	1,200.00
158115	REDFORD LOCK COMPANY INC	EMERGENCY DOOR REPAIRS AT DPW	7,319.43
158116	RELIABLE CARRIERS INC	NOVI SPECIAL	610.00
158117	ROB PETTY	CAR/ PARKING/ CONFERENCE	414.71
158118	ROSATI, SCHULTZ, JOPPICH &	LEGAL FEES (GF, LIBRARY, ESCROW)	5,370.20
158119	ROSS, MICHAEL	YOUTH BASKETBALL LEAGUE	125.00
158120	ROYAL TRUCK & TRAILER SALES & SVC	VEHICLE MAINTENANCE	323.89
158121	RRRASOC	RECYCLING CENTER (DPW)	2,470.00
158122	RUGGIRELLO, CHARLES	YOUTH BASKETBALL & VOLLEYBALL	200.00
158123	SAFEBUILT MICHIGAN, LLC	PLAN REVIEW/INSPECT CODE SERV 12/2018 (COMM DEV)	11,264.63
158124	SALOWICH, KEITH	MEALS/CONFERENCE	60.00
158125	SAM'S CLUB DIRECT	OPERATING SUPPLIES	543.20
158126	SAM'S CLUB DIRECT	OPERATING SUPPLIES	32.90
158127	SBD COMMERCIAL INTERIORS	STAFF LOUNGE COUNTERS (FACILITIES)	2,912.50
158128	SCHEIDLER, AMY	MEMBERSHIP	50.00
158129	SCHOOLCRAFT COLLEGE	MEDICAL SERVICE	100.00
158130	SECURITY CORPORATION	VILLA BARR PROPERTY OPERATING COSTS	25.00
158131	SHULTS EQUIPMENT, LLC.	VEHICLE MAINTENANCE (DPW)	1,067.00
158132	SIG SAUER, INC	INDOOR GUN RANGE (POLICE)	2,447.20
158133	SIGNAL RESTORATION SERVICES	BIO HAZARD CLEANING (POLICE)	1,730.30
158134	SIGNATURE SERVICES	TOWNSHIP HALL OPERATING COSTS (FACILITIES)	2,365.00
158135	SILBERMAN, DAVID	LIBRARY PROGRAMMING	45.00
158136	SIMONE BELL	MEALS/CONFERENCE	75.00
158137	SITONE LANDSCAPE SUPPLY, LLC	GROUND MAINTENANCE	81.59
158138	SJR PAVEMENT REPAIR	SPRAY PATCH ROAD REPAIRS (MAJOR & LOCAL STREETS)	34,243.20
158139	SNAP-ON INDUSTRIAL	EQUIPMENT MAINTENANCE	953.54
158140	SOUTHEASTERN CHAPTER	CONFERENCE	120.00
158141-158143	SPALDING DE DECKER	PROFESSIONAL SERVICES (ESCROW)	2,015.00
158144	STATE OF MICHIGAN	OCTOBER SALES TAX	48.89
158145	STONERIDGE INVESTMENT GROUP LLC	BLDG. BOND REFUND (ESCROW)	1,690.00
158146	SUPERIOR MATERIALS LLC	STORM SEWER MAINTENANCE	516.00
158147	SWEENEY CONSTRUCTION MATERIALS	STORM SEWER MAINTENANCE	63.00
158148	T-MOBILE USA, INC	TELEPHONE	290.08
158149	TECHSAL	YOUTH SOCCER LEAGUE (PARKS & REC)	1,920.00
158150	TERMINIX PROCESSING CENTER	BUILDING MAINTENANCE	120.00
158151	THE PRACTICE ZONE	SPORTS CAMPS	870.00
158152	TOLL BROTHERS INC	BLDG. BOND REFUND (ESCROW)	5,000.00
158153	TOTAL BASEBALL	SPORTS CAMPS	1,155.00
158154	TRI-COUNTY INTERNATIONAL	VEHICLE MAINTENANCE (DPW)	14,174.31
158155	TROWBRIDGE RESTORATION, INC.	BUILDING MAINTENANCE	680.00
158156	TRUCK & TRAILER SPECIALTIES, INC.	VEHICLE MAINTENANCE (DPW, FACILITIES)	1,205.38
158157	TSAI FONG BOOKS INC	LIBRARY MATERIAL	300.72
158158	TURNOUT MANAGEMENT	SUPPLIES	260.00
158159	UNDERHILL, MAUREEN	MEETING	40.00
158160	UNIQUE 1 SERVICES LLC	VEHICLE MAINTENANCE	875.00
158161	UNIVERSAL LAUNDRY MACHINERY	TURNOUT GEAR WASHER - PROPOSAL 209635 (FIRE)	23,054.00
158162	USA BLUEBOOK	OPERATING SUPPLIES	623.95
158163	VALVOLINE LLC	VEHICLE MAINTENANCE	87.23
158164	VARIPRO	PROFESSIONAL SERVICES - EMPLOYEE FLEX BENEFIT REIMB	4,099.05
158165	VIAU, RUSSELL	ADULT SOFTBALL LEAGUE	405.00
158166	VIDCOM SOLUTIONS INC.	COMPUTER SUPPLIES	212.55
158167	WALL STREET TOWING	VEHICLE MAINTENANCE	942.53
158168	WALL, MIKE	CONFERENCE/HOTEL/DUES	1,139.16
158169	WESTERN WAYNE COUNTY FIRE	SUPPLIES	659.10
158170	WOLOSKI, BRIAN	MEALS/CONFERENCE	50.00
158171	WT COX INFORMATION SERVICES	LIBRARY PERIODICALS	288.03
158172	ZADOORIAN, MICHAEL C.	PROGRAMMING EXPENSE (PARKS & REC)	1,525.52
158173	BENDER, MICHAEL	MEALS / CONFERENCE	155.00
GRAND TOTAL			\$ 2,823,239.98

GENERAL FUND	101	666,086.90
MAJOR STREET FUND	202	264,346.94
LOCAL STREET FUND	203	429,936.02
MUNICIPAL STREET FUND	204	58.28

PARKS, REC & CULTURAL SVCS FUND	208	45,205.06
TREE FUND	209	2,560.00
DRAIN FUND	210	125,727.29
LIBRARY FUND	268	42,556.06
LIBRARY CONTRIBUTION	269	1,598.04
CAPITAL IMPROVEMENT PRGRM (CIP) FUND	400	34,459.17
ICE ARENA FUND	590	29,940.00
WATER AND SEWER FUND	592	1,133,284.13
AGENCY FUND	701	43,565.25
TAX FUND	702	3,914.37
STREET LIGHTING 204108 - TOWN CENTER ST	856	<u>2.47</u>
	GRAND TOTAL	<u><u>\$ 2,823,239.98</u></u>