



CITY of NOVI CITY COUNCIL

www.cityofnovi.org

Agenda Item 9
January 22, 2007

SUBJECT: Approval of resolution to authorize Budget Amendment #2007-05 (including Economic Development Manager).

SUBMITTING DEPARTMENT: City Managers/Finance Department

CITY MANAGER APPROVAL:

A handwritten signature in black ink, appearing to read "Ch".

BACKGROUND INFORMATION:

Attached is the resolution for the budget amendment for: (1) Valuation Services for the Assessor's Department, \$37,500, less amount available in the account (and offset by the cost sharing of Novi Community School District); (2) Clerk's Department employee tuition reimbursements, \$2,400; (3) six months of personal services expenses for the Economic Development Coordinator and associated expenses, \$48,156; (4) building improvements and related software expenses for the Building Department, \$10,000; and (5) replacement of the drain at the DPW facility, \$13,000.

RECOMMENDED ACTION:

Approval of resolution to authorize Budget Amendment #2007-05 (including Economic Development Manager).

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Gatt				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Nagy				
Council Member Paul				

**BUDGET AMENDMENT #2007-05
RESOLUTION**

NOW, THEREFORE BE IT RESOLVED that the following Budget Amendment #2007-05 is authorized:

	GENERAL FUND	INCREASE (DECREASE)
REVENUE		
Miscellaneous Revenue (reimbursement from Novi Community Schools)	\$ 18,750	
Appropriation of Fund Balance (including designation for Economic Development Manager position)	<u>71,450</u>	
	<u><u>\$ 90,200</u></u>	
ASSESSING		
Other Services & Charges (Appraisal Valuation Services Fountain Walk)	\$ 27,500	
CITY CLERK		
Other Services & Charges (Tuition Reimbursements)	2,400	
GENERAL ADMINISTRATION		
Personal Services (Economic Development Manager)	43,300	
Other Services & Charges	2,000	
Capital Outlay	5,000	
BUILDING		
Capital Outlay (Building Improvements & Software)	10,000	
PUBLIC WORKS		
Other Services & Charges (gas and oil)	(13,000)	
Capital Outlay (Building Improvements-drain replacement)	<u>13,000</u>	
	<u><u>\$ 90,200</u></u>	

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held on January 22, 2007.

Maryanne Cornelius
City Clerk



Novi Community School District

25345 Taft Road, Novi, Michigan 48374

(248) 449-1204 • Fax (248) 449-1219

Peter J. Dion
Superintendent of Schools

January 3, 2007

Ms. Kathy Smith-Roy
Finance Director
City of Novi
45175 W. Ten Mile
Novi, MI 48375

Dear Ms. Smith-Roy:

It is our understanding the City of Novi is working on a Michigan Tax Tribunal Case in which Fountain Walk is appealing the assessment for 2004, 2005, and 2006.

This letter is in response to your request of Novi Community School District sharing in the cost of a specialized appraiser. We understand this case may have a \$1.4 million dollar impact on the Novi Schools. Therefore, we agree to share in the cost of a specialized assessor up to \$25,000 for this particular case.

Thank you for this work on our behalf.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Dion".

Peter J. Dion
Superintendent

PJD/sb
cc: Board of Education
Jim Koster, Asst. Superintendent



January 17, 2007

30903 Northwestern Highway
P.O. Box 3040
Farmington Hills, MI 48333-
3040
Tel: 248-851-9500
Fax: 248-851-2158
www.secretwardle.com

Thomas R. Schultz
Direct: 248-539-2847
tschultz@secretwardle.com

Clay J. Pearson, City Manager
City of Novi
45175 W. Ten Mile Road
Novi, MI 48375

Re: ***Community Development Director Position/Economic Development Manager Position***

Dear Mr. Pearson:

You asked our office to review your recent correspondence to City Council regarding the reorganization of the building and planning departments under the direction of a Community Development Director and the establishment of the position of Economic Development Manager to determine whether specific action by way of ordinance amendment to implement those proposals is necessary. We have reviewed the City Charter, particularly Chapter 4, Organization of Government, and the Code of Ordinances, particularly Chapter 2, Administration. We conclude that no specific ordinance amendment is required at this point.

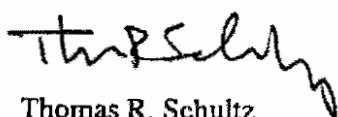
As I understand it, the Community Development Director position will fall within the existing budgets for the building and planning departments, with some reorganization of reporting duties. Because the plan retains the position of building official, to satisfy both the City Code and applicable state law, it does not appear to fall within the requirements for Council action. With regard to the Economic Development Manager position, it is my understanding that you intend to seek a budget amendment to fund that position which will report to the City Manager's office.

I would note, however, that it has been some time since the City Code has been updated to reflect the institutional and organizational changes and improvements that have been made over the years through administrative action. We suggest that it would be appropriate to undertake in the future to amend Chapter 2 of the Code to reflect the current administrative structure of the City. We would propose to work with you, Pam Antil, and Kathy Smith-Roy's office to do so, since her input as relates to the budget and reporting process would be required.

Clay J. Pearson, City Manager
January 17, 2007
Page 2

If you have any questions regarding the above, please do not hesitate to call.

Very truly yours,


Thomas R. Schultz

TRS/jes

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MEMORANDUM

TO: Mayor and City Council Members

FROM: Clay Pearson, City Manager and *Clay Pearson*
Pamela Antil, Assistant City Manager *P.A.*

SUBJECT: Creation of Community Development Department

DATE: January 2, 2007

The purpose of this memorandum is to share the rationale and steps necessary to change the organizational structure of the planning and building departments. Organizational structures are typically soundly reformed based on timing and personalities. The pending retirement of Don Saven occurs at a time when the City is examining its building and planning processes and Don's knowledge, experience and, most importantly, personality cannot be replaced. In this light, Don's retirement obliged us to consider organizational changes.

After careful considering a variety of approaches, I have decided to combine the Planning, Building and Code Enforcement services (currently part of Neighborhood Services) under the direction of a newly created position titled **Community Development Director**, who will report to the City Manager. With abolishment of the Deputy Building Official position and Don's retirement, this maintains the current head count for the Community Development group. In a separate memo, I have outlined additional changes in a Business and Neighborhood Improvement Group incorporating Cindy Uglow and a new Economic Development Manager position.

Outcomes

As a result of the above changes, the following improvements will be realized from unifying the code compliance function, building and planning departments into one Community Development Department:

- Increased accountability for key strategic outcomes;
- Improved coordination and transparency of the key business processes in building and planning; and
- Enhanced alignment of the organizational structure to meet more of the goals outlined in the Sikich Report.

Analysis

One of the recurring themes we have been facing is the current fragmentation, despite best operational efforts, between site plan review and building permit processes. I believe we have taken the current processes nearly as far as we can take with the current structure. The unified Plan Review Center is in keeping with 'one-stop shop.' Formalizing the development-process related

Creation of Creation of Community Development
Page 2

departments into a unit with a Community Development Director is a natural progression of the desired outcomes theme.

Implementation of this realignment can begin now with these steps:

- Begin recruitment of the Community Development Director position (Salary Grade 2). The ideal candidate would be an experienced generalist familiar with managing:
 1. Modern building codes, programs and practices;
 2. Organizational process improvements;
 3. Multiple departments;
 4. A sophisticated urban planning department; and
 5. Some economic development activities.
- Retitle John Hines as Building Official as the technical qualified building resource. One of the things to monitor going forward is the span of positions reporting directly to this position.
- Abolish Deputy Building Official position.
- Retitle the Planning Director position (Barb McBeth) to Deputy Community Development Director
- Move the four full-time Neighborhood Services code compliance staff to the Community Development Department to formally integrate these staff members into the Department. The Manager of this group, Cindy Uglow, will be reassigned to the new Business and Neighborhood Improvement Group. Ms. Uglow will continue leading the City's outreach and communications to our Novi neighborhoods plus take responsibility for small business retention and attraction activities/programs.

Support for both the Planning Commission and the Zoning Board of Appeals would continue to be served as they are now, but under the umbrella of the Community Development Department (these Commissions interrelationship is another example of the advantages of combining these departments).

The change will assist in our ongoing commitment to streamline the planning and building process so that the process is more seamless to the applicant and our planning and building departments operate as more of a cohesive single unit instead of two separate departments.

Summary

The pending retirement of Don Saven presents a unique opportunity for the City to reexamine its organizational structure in light of a different time in the City's lifecycle and loss of Don's experience, training, and personality. In considering alternatives, greater accountability, improved coordination of key processes and enhanced alignment of the goals set out in the recently completed Sikich Report would be realized by combining the code compliance function, the planning and building departments.

The financial impact would be in keeping with existing resources and budgets, especially given the fact that new administrative positions are all pay-as-you go without long-term unfunded legacy costs.

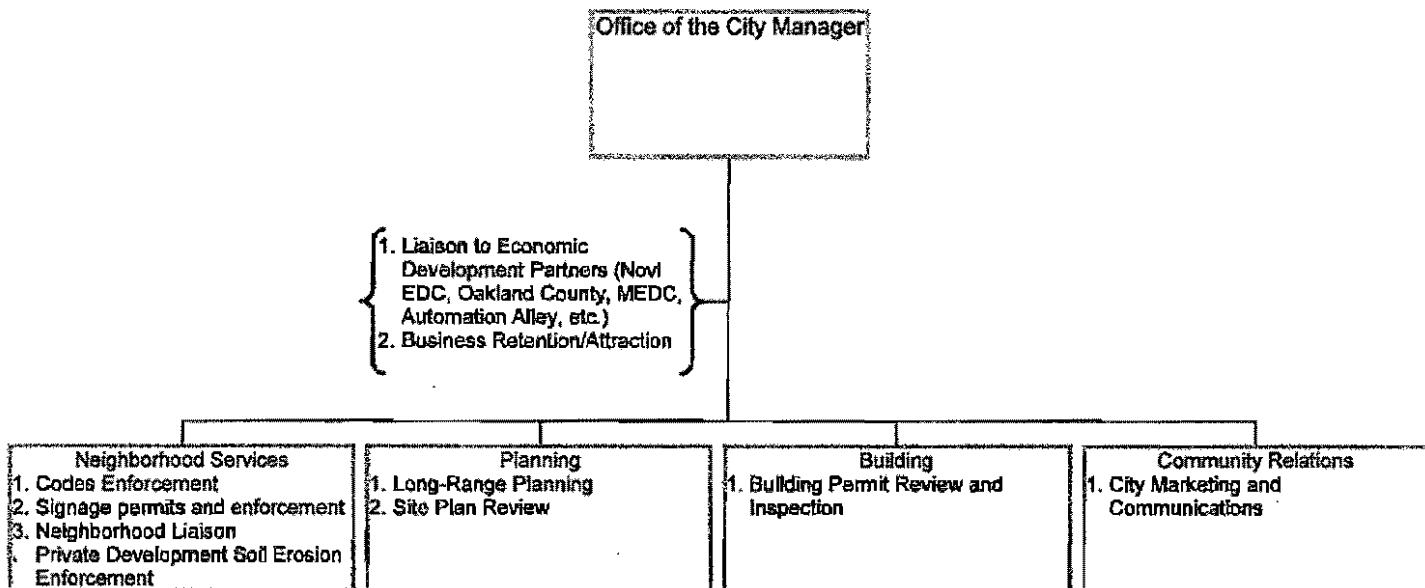
Finally, in my opinion any organizational change or adjustments must be justified in terms of high potential for meaningful improvements to the end result. In the end, after considering many alternatives, we kept coming back to the basic premises that if we are serious about making meaningful improvement in terms of a cohesive development review process for quality results, the people most closely working on this from the City staff need to be a part of the same business unit,

**Creation of Creation of Community Development
Page 3**

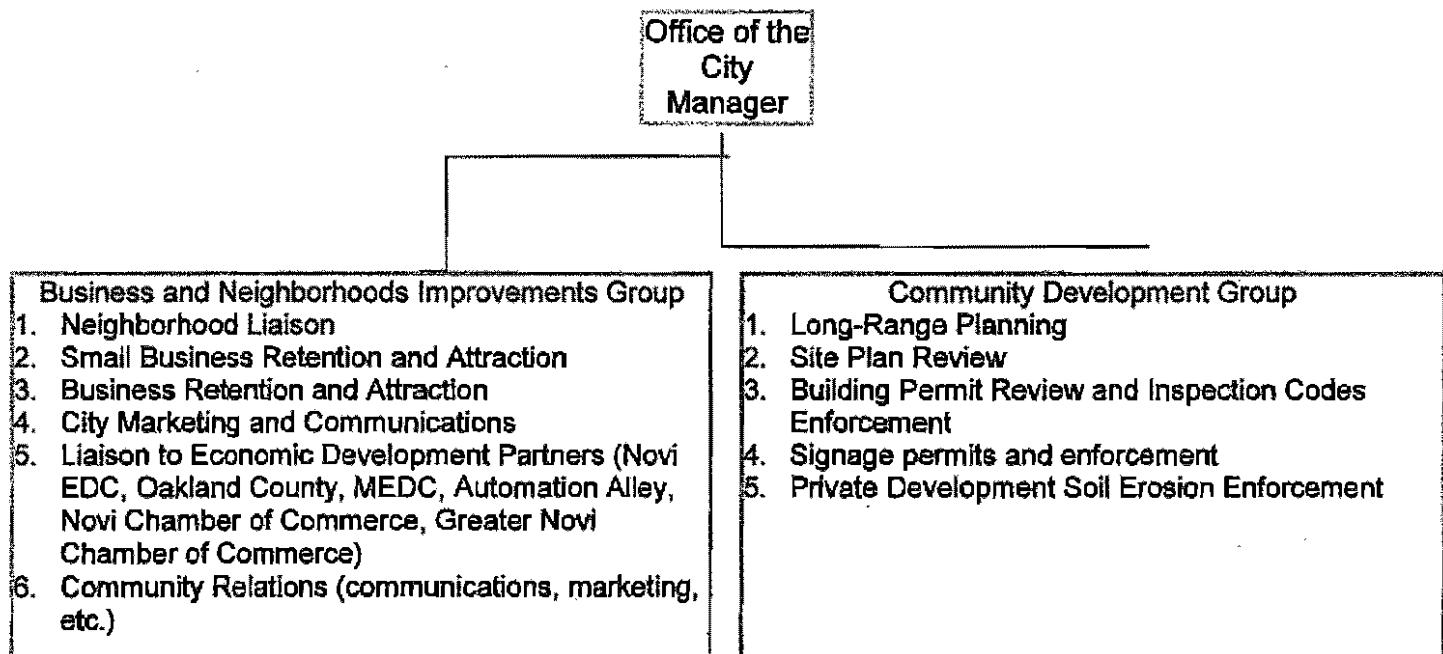
need to answer the phone with the same response, "City of Novi Community Development Department, How can I help you."

Creation of Community Development
Page 4

The current alignment of departments, with their generalized major responsibilities, is as follows



The new structure will be streamlined as follows:





MEMORANDUM

TO: Mayor and City Council Members

FROM: Clay Pearson, City Manager and
Pamela Antil, Assistant City Manager *[Signature]*

SUBJECT: Creation of Economic Development as part of the Business and Neighborhood Improvement Group

DATE: January 2, 2007

The purpose of this memorandum is to provide the outline for the City's management team to provide a unified resource to meet the City's adopted economic development goals and to strengthen our communications and outreach efforts. To move forward on the outline, the City Council will need to consider a budget amendment at an upcoming meeting to free the money set aside for an economic development position so we can recruit for an Economic Development Manager.

The desired and discussed Economic Development Manager position would be added to this team with a special business retention, recruitment, expansion, marketing and communications focus. It is anticipated that the Economic Development Manager will focus on larger corporate retention/recruitment efforts. These efforts are means to the end of growing the Novi tax base in a quality rational manner. The position would be responsible for the list of 2007 objectives in the attached goals and objectives. The recommendations results from thought of our needs and experiences, plus looking at other communities.

The Business and Neighborhoods Improvement Group would be staffed with five positions, four of which are existing positions, as follows:

1. Assistant City Manager (will act as the group director for this function continuing to operate out of the City Manager's Office – existing, Pamela Antil)
2. Economic Development Manager (new)
3. Community Relations Manager (existing, Sheryl Walsh)
4. Community Relations Coordinator (existing, Karen Amolsch)
5. Neighborhood and Small Business Manager (retitle existing, Cindy Uglow)

Such a grouping of talent and experience would create a powerful marketing and communications group for Novi.

This alignment also builds upon the talents and success of the former Neighborhood Services Division. Under Cindy Uglow's direction, our liaison and coordination with homeowner associations has been developed tremendously with communications and special events. Now, that liaison role can be incorporated more seamlessly into a City staff team dedicated to outreach and bettering our neighborhoods and our business small business relationships. In

Creation of Business and Neighborhood Improvement Group
January 2, 2007 Page 2

particular, this will give Cindy a unique opportunity to focus on small business development with this group. If not done this way, small business would likely be something further down on a list for a single economic development position to attempt to focus upon. Now, it will be easily identifiable. Small business can be defined as firms with total employment of 20 or less for this purpose.

In addition, this peels off the portions of Neighborhood Services (property maintenance, environmental and zoning codes enforcement, sign permits and enforcement) and re-unifies it with the Planning and Building Group, a more natural fit for those elements involved in planning and building reviews.

Our existing Community Relations function supported by Sheryl Walsh and Karen Amolsch will re-dedicate a portion of their time to supporting citywide communications along with specific economic development marketing and communications efforts led by the Economic Development Manager.

The ideal Novi Economic Development Manager candidate (grade 5) for this position would be a professional with:

1. A Bachelor's degree in Business Administration, Public Administration, Economic Development; or a related field and four years directly related experience; Certification as a Certified Economic Developers (CEcDs) by the IEDC is preferred. Ability to secure IEDC certification within six months is mandatory.
2. At least four (4) years of economic development experience required.
3. A demonstrated ability to maintain an effective working relationship with community leaders, public agencies, private organizations, business, clients and the general public.
4. Knowledge and experience with the economic development resources within Oakland County, State of Michigan, and the metropolitan-Detroit regional efforts plus knowledge and experience with Novi area developers, brokers and business owners.

The financial impact is as has been discussed for a new position to be responsible for economic development coordination. This will be a full-time position as previously discussed and will be accountable for measurable growth (e.g., number of new firms, jobs, capital growth, etc.). As such, it would not be appropriate to hire on a contingent or commission basis similar to the real estate agent or other contingency based consulting work. As with the MEDC, Detroit Renaissance, etc., this position is part of an overall long-term strategy for the City and we are looking for someone who will make a significant commitment of time and effort. With that type of commitment, salary and benefits, as well as management oversight, is appropriate. Moreover, it is important that this person's salary not be tied to commission as there will be some "deals" that a contingent employee may wish to approve for Novi, but would not be right for Novi. In this way, it would not be appropriate for the individual's compensation to be tied to simply deal-making, but rather to our overall long-term economic strategy.

We are confident that the structure described in this memo will allow us to best implement the goals and strategies outlined in the City Council's adopted economic development goals. As always, we are available to answer any questions that you may have.

**Responsibilities of the Economic Development City Staff position as Outlined in
Novi Economic Development Goals and Objectives**

The following is an appendix from the adopted City of Novi Economic Development Goals and Objectives and Implementation Strategies for 2007 (as adopted by the Novi City Council on December 4, 2006). The excerpt below is an inventory of the goals which had the Economic Development position listed as a responsible position:

Economic Development Manager

- Formalize an orientation program to EDC members with a standardized program
- Formalize Business Retention Visit Program with Scheduling; Tracking
- Business Greeting Program
- Existing Novi Business Survey to identify trends and business needs
- New Construction Survey of Builder/Developer Experience in the Development Process
- Update Novi – develop highlight column
- Business Welcome Letter to new businesses
- Long Term Business Recognition – recognize long standing community members by resolution at City Council meeting
- Marketing Efforts
- OST District Infrastructure Improvements
- Build upon Novi's International Magnetism
- Emerging Sectors Inventory
- "Gap Analysis"/"Cluster Analysis" – determine where Novi's strengths and weaknesses are in existing industries and analyze
- Greater Detroit University Connections
- Novi Trade Show Involvement
- Community Profile

**CITY OF NOVI
2006-2007 BUDGET
PERSONAL SERVICES**

Economic Development Coordinator (January 2007 Start)

	PROJECTED COST			
	Start Jan. 2007	2007/2008	2008/2009	
PERSONAL SERVICES:				
Salary	27,492	56,634	58,333	
Post-Retirement Health Care (\$50/month)	300	600	600	
Social Security	7,65%	2,126	4,378	4,508
Insurance - family (less 5% personal contribution)	17,167	8,154	17,124	17,980
Workers' Compensation	0.40%	111	229	236
Pension	8.00%	2,223	4,579	4,715
	Subtotal:	\$ 40,406	\$ 83,544	\$ 86,372
SUPPLIES:				
Office Supplies	250	515	530	
Operating Supplies	500	1,030	1,051	
	Subtotal:	750	1,545	1,591
OTHER SERVICES AND CHARGES:				
Data Processing	2,000	1,500	1,545	
	Subtotal:	2,000	1,500	1,545
CAPITAL OUTLAY:				
Office configuration & furnishings	5,000			
	Subtotal:	5,000	-	-
	GRAND TOTAL:	\$ 48,156	\$ 86,589	\$ 89,508

MEMORANDUM

TO: Clay Pearson, City Manager *PW for C.P.*

FROM: William McCusker, Director of Public Works

RE: DPW Garage - Emergency Floor Drain Repair

DATE: January 18, 2007

The trench drain in the DPW Main Garage is an on-going repair and replacement issue. The attached pictures indicate complete drain failure in several areas. These failures have lead to general safety issues for both vehicles and pedestrians.

We are proposing to replace the original (1987) 4" trench system with an 8" system and two sump style catch basins. The new catch basins would allow us to clean the system with the vactor instead of by hand.

We received three quotes from local vendors who specialize in sub-floor drainage systems. The Boomer Company of Detroit submitted the lowest bid (\$11,078) which includes 144' of wide channel class E ductile grate, two catch basins with frames and grates and two end caps. Total cost, including materials, is expected to be \$13,000.

Since this installation will involve removing a portion of the garage floor, DPW personnel would accomplish this work this spring when the weather is conducive to parking vehicles and equipment outside.

Appropriations for this purchase would be made from the General Fund Balance, DPW Building Capital Account 101-442.00.976.000.

Thank you for your consideration; please contact me if you have any questions.

Attachments

C: Kathy Smith-Roy
Rob Giacopetti
Gary Clark

CITY OF NOVI
Department of Public Works

MEMORANDUM

TO: Gary Clark, Assistant Director of Public Works
FROM: Gary Reinwand, Crew Leader
RE: Trench Drain for DPW Garage

Trench Drain for DPW Garage

Materials:

- 144 ft. 8" wide channel class E ductile grate
- 2 Catch basin with frame and grate
- 2 End caps

Quotes:

Boomer Company	\$11,078.16
Quality Water & Air	\$14,152.00
Etna Supply Company	\$15,343.84

*Rec 1-9-07
JG*

THE BOOMER CO.

1940 E. Forest Ave • Detroit, MI 48207
(313) 832-5050 • Fax:(313) 832-0520

CONTRACTOR: City Of Novi

JOB:Misc

Gary

Note: Prices are based on complete shipments

Terms: Net 30

PRICING GOOD FOR 30 DAYS

fax not included

Need 144 LF Net Job LF

Total

#11,078.16

Tim Gill Marketing Sales

Tim Gill

FM# 3 PR#28

QUOTATION

1686733

ETNA SUPPLY COMPANY

SEND TO: NOVI CITY OF
45175 W TEN MILE RDQUOTE NO. 1686733
QUOTE DATE 1/08/07
DUE DATE 1/08/07
PAGE 1

PROJECT NAME DPW TRENCH DRAIN QUOTE
 PROJECT NAME NOVI CITY OF
 PROJECT LOCATION 26300 DELVAL
 ENGINEER/ARCHITECT

BID#	QUANTITY	DESCRIPTION	UNIT PRICE
165	1EA	144 FEET JR SMITH TRENCH DRAIN 16- 9812-M 9FT SECTIONS WITH COATED ANGLE IRON FRAMES AND DUCTILE IRON SLOTTED GRATES, (LOAD CLASS E) 1- 9812-ES-CS SHALLOW END CAP 1- 9812-ED-CS DEEP END CAP 2-9812-32oz FIBERGLASS SEALANT KIT	13954.92 EA
165	2EA	9812-660-CBM12 CATCH BASIN JR SMITH 15-1/4 WIDE X 24-1/2" LONG 26-1/2" DEEP CATCH BASIN WITH DUZO COATED STEEL FRAME AND DUCTILE IRON SLOTTED GRATE	532.31 EA
165	4EA	9812-CCA12 CHANNEL COLLAR ADAPTOR JR SMITH CHANNEL COLLAR ADAPTOR	65.23 EA
165	2EA	9812-PA 4", 6" OR 8" PIPE ADAPT. JR SMITH 4, 6, 8" PIPE ADAPTOR	31.69 EA
EXTENDED TOTAL PRICE			15,343.84

QUOTED BY: BIM THIS QUOTE VOID AFTER 30 DAYS

Quality Water & Air, Inc.
1402 Souter
Troy, MI 48083
(248)589-8010 fax (248)589-8016

Project: Novi Maint. Facility / Trench Drain
Attn: Gary
Page: 1 of 1
Date: 06/05/06
Quote Number: P-010807
Priced By: Alec Bien

Qty. Description

1	Polycast 800 Series Trench Drain / 12" Wide W/ 10" Grates. Polymer Concrete Channels W/ HD Cast Iron Slotted Grates. System Includes 138 Feet Of Trench Drain. Qty.2 / Catch Basins To Match TD. Qty 2 / End Caps. System Rated @ Load Class E 79,200 Lbs. Per Sq. Ft.
	Total Lot Net FFA \$14,152.00
	Alternate
1	Same As Above But 6" Wide
	Total Lot Net FFA \$6,550.00
	Note: Freight & Layout Print Included In Price. Factory Rep. To Train Installers On Site No Charge.

Please call if you have any questions,

TX, Alec

DPW Garage Floor Drains

October 2, 2006

