#### REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI MONDAY, MAY 3, 2010 AT 7:00 P.M. COUNCIL CHAMBERS - NOVI CIVIC CENTER - 45175 W. TEN MILE ROAD

Mayor Landry called the meeting to order at 7:00 P.M.

#### PLEDGE OF ALLEGIANCE

- **ROLL CALL:** Mayor Landry, Mayor Pro Tem Gatt, Council Members Crawford, Fischer, Margolis, Mutch, Staudt
- ALSO PRESENT: Clay Pearson, City Manager Tom Schultz, City Attorney

#### **APPROVAL OF AGENDA**

CM-10-05-069 Moved by Gatt; seconded by Margolis; CARRIED UNANIMOUSLY: To approve the Agenda as presented.

#### Roll call vote on CM-10-05-069 Yeas: Gatt, Crawford, Fischer, Margolis, Mutch, Staudt, Landry Nays: None

#### PUBLIC HEARING

#### 1. Proposed Budget FY 10/11

**Karen Wurster**, 43184 Emerson Way, said it had been brought to her attention that there was a proposal to phase out the on demand services Community Cab in favor of using the vans owned by the City. She said she needed the flexibility of calling for transportation on the day she needed it because she was not well and sometimes needed to see her physician on the same day. She noted there were other social events she wanted to attend and Community Cab took her everywhere she wanted to go in the City for a fare she could afford. Ms. Wurster said she was disabled and had a limited transportation fund and being able to use Community Cab was a good thing for her. She said she was granted the privilege by her guardian of going to the Senior Center, explaining her disability and was issued a Senior Card, which gave her the privilege of using the cab. Ms. Wurster said the cabs were always clean and well maintained, the drivers were nice, patient, and punctual and their knowledge of the City was very good. She said she had used their service for over seven years now and looked forward to continuing. She asked Council to please keep Community Cab.

**Wayne Hogan**, stated he always wanted the community transportation system to expand and thought this was a good opportunity to do it. He said he had also been a proponent to have disability transportation for persons with mobility and cognitive issues. He thought the new plan to ramp up services in the evening and on the Saturday with the vans would accommodate the individuals with disabilities and cognitive issues and seniors as well. He said currently that didn't happen because they closed at 4:00 p.m. Mr. Hogan said he was a proponent to make the change now and save \$10,000 a year out of the \$18,000 that was currently paid to the cab company.

The Public Hearing was closed as there were no other comments.

## PRESENTATIONS

### 1. Proclamation in recognition of National Association of Letter Carriers Food Drive, May 8, 2010 – Jennifer Boyle and Sherri MacIntosh

Mayor Landry presented a proclamation to Jennifer Boyle and Sherri MacIntosh. Ms. Boyle said last year the numbers were really upsetting and she was hoping that by this time this year the food banks would have something more positive to tell them. Unfortunately, that was not the case as they were already out of food and were out of food within months of receiving the food last year. She asked that every please help.

## 2. Proclamation in recognition of Water Quality Awareness Week, May 2-8, 2010 - Rob Hayes

Mayor Landry presented the proclamation to Rob Hayes. Mr. Hayes thanked Mayor Landry for the proclamation. He said they looked forward to working with everyone as well as all the community members in protecting the water resources.

# 3. Proclamation in recognition of City of Novi Building Safety Week, May 9-15, 2010 – Charles Boulard

Mayor Landry presented the proclamation to Charles Boulard. Mr. Boulard thanked Mayor Landry and Council for their support in their efforts to keep the community safe.

# 4. Proclamation in recognition of National Police Week, May 9-15, 2010, and Peace Officers' Memorial Day, May 15, 2010 – David Molloy

Mayor Landry presented a proclamation to David Molloy, Director of Public Safety/Police Chief. Chief Molloy said he appreciated the support of Mayor Landry and the Council and accepted the proclamation on behalf of the men and women of the Novi Police Department. Chief Molloy said they would display it in a prominent place.

## 5. Self Funded Analysis of Health Care Benefits – Mercer Consulting Services

Aaron Loiselle of Mercer Consulting Services presented the Self Funded Analysis of Health Care Benefits.

## Analysis Objective, Data Used, and Assumptions

The City of Novi engaged Mercer to develop a recommendation as to whether the group medical/Rx plans should be fully insured or self-funded. The data provided by the City of Novi and its two medical carriers, Blue Cross Blue Shield of Michigan (BC or BCBSM) and Health Alliance Plan (HAP) included:

- Most recent and previous carrier renewal packages. Including rates and limited underwriting back-up
- Current census including member level data on birthdates and gender, as well as medical coverage information

- Prior self-funding analysis as performed by Gallagher-Raines in 2009
- HAP's PA 106 report to the City, for the period ending 12/31/2009

### Employees/Retirees and Dependents = Members Snapshot as of April 2010

Enrollment is split 1/3 BC and 2/3 HAP

The active employees enrolled in HAP are about 6 years younger on average The actives and retirees together in HAP are about 7 years younger on average

Based on the average age-gender factors

- Active employees in HAP should utilize healthcare about 19% less than BCBSM
- Actives and retirees combined in HAP should utilize healthcare about 7% less than BCBSM

## Conclusion

- On average, those members enrolled in HAP are younger and likely healthier than those enrolled in BC
- Actual HAP claims experience would be needed to help verify the average "health" status of the HAP members

## **Projected Cost Estimates**

- HAP's and BC's average per employee per year costs (PEPY) are roughly the same, around \$11,500
- Based on the renewal packages
  - BC's target retention (administrative and stop loss costs) is approximately 30% of the premium, or \$3,700 PEPY
  - HAP's target retention is approximately 12% of premium, or \$1,400 PEPY
- Average estimated claims costs for HAP are about 35% higher, presumably due to more families enrolled

## Considerations

- The City's risk philosophy
  - Biggest factor in determining the funding method
  - Can be controlled to some extent with purchase of stop loss insurance
  - Can the City of Novi handle periodic claim payment volatility (10% 25%, or higher, or about \$30K \$50K per month, or higher)

### Administration

- Additional accounting functions including:
  - o Funding of claims and reconciliation of claims paid
  - o Monitoring large claims relative to specific stop loss reimbursements
  - o Rx rebates
  - o Reserve requirements
- Potential carve outs of stop loss, Rx, disease management

# • Employer size

- Size of group is directly attributable to the predictability of claims
  - o "Law of large numbers" the larger the population, claims become more predictable
  - o The City of Novi, with a total enrolled population of 270, is considered a small population and therefore will have more difficulty predicting costs (i.e., claims less "credible" when projecting costs)

## • Plan experience and demographics

- Groups with a history of claims that represent less than 75%-80% of fully-insured premiums may have more favorable conditions to self insure
- Generally want consistent experience over a long period of time

# Considerations

# Plan Specific Considerations

- Blue Cross has a small, older population
  - Difficult to predict claims and has potential for higher utilization
- Blue Cross' population has had 5 claims exceed \$25,000 the last two years each
  - May indicate chronic conditions and warrant the purchase of stop loss with a lower deductible and therefore higher cost
- HAP has a somewhat larger (although still small), younger population with more families
  - Slightly more predictable population, may have lower utilization but also may have more maternity event
- HAP's medical loss ratio from the recent renewal is 880/0, HAP's "average" or "target"
  - Indicates that this group is a "fairly good risk" and that HAP's premiums are in line with actual costs
- Under HAP, pooling/stop loss amounts built in to the base rate
  - Stop loss premium/pooling charges much lower than what the City would get if coverage purchased from an outside vendor due to HAP spreading the risk over its entire book of business

# Other Considerations

- Are there union/bargaining agreements that may hamper the switch to self-funding?
- Must both carriers, BC and HAP, be offered to employees/retirees? Note that HAP's self- funded HMO arrangement does not allow enrollment of members residing outside of the state of Michigan
- What is the City's goal in switching to self-funding? Cost savings? Plan design flexibility?
- Currently with HAP's community rating, increases in overall costs are subject to state approval which may help moderate future increases

# • Financial Considerations

- Recommended specific stop loss (SL) deductible levels between \$25K and \$75K
- Typical SL premiums range from \$250 PEPM @ \$25K to \$70 PEPM @ \$75K
- Aggregate SL coverage may be desired and is typically \$7 \$15 PEPM

- "Fully-loaded" administrative fee, i.e., all provider discounts are passed through to the City, For BCBSM is typically \$65 PEPM and for HAP is typically \$33 PEPM

## RECOMMENDATIONS

## Assuming the City must offer both HAP and Blue Cross as options

- Given the very small size and relative older age of the Blue Cross enrollment
  - Sizeable periodic claims fluctuation is likely
  - If more predictable periodic payments is desired, self-funding is only recommended with a relatively low stop loss deductible, but will likely have high premium
  - If the City were a new group to BC with only 90 enrollees to offer, Be would most likely not allow the group to choose self-funding as a funding arrangement

### Recommendation: Keep it insured

- The HAP enrollment is twice as large as the BC enrollment and has a younger population with more families
  - Slightly more predictable, but claims fluctuations still likely
  - Additional stop loss vendor relationship required
  - Stop loss coverage is required, and will add a large amount to the cost of self-insuring, essentially eroding any savings from elimination of insured margin

## Recommendation: Keep it insured

## DISCUSSION

Mayor Pro Tem Gatt thanked the Ad Hoc Committee that was formed to look into questions of self funding insurance. He felt "self funded" was an important aspect to look into and they went into the first Ad Hoc Committee meeting thinking how and when they could do this. He thought the report tonight put a clear light on every aspect of it. He felt it was money well spent on Mercer Consulting Services.

Member Staudt said uncertainty and unpredictability were two things underwriters abhor. He said as they moved along in the process they saw that, while the numbers might have caused them to pause and consider doing this, Health Care Reform pretty much knocked this out of the ball park. He said as he listened to the debates that were going on and thought about this scenario, his thoughts were if they didn't know what was going on then, how would they know what was going to happen. He said he read about some of the limits, the elimination of preexisting conditions and he wondered who will pay for it? He said they would hope that the government would pick up the tab on some of it but he thought that would not be the case. He felt it would be forced back on individual taxpayers and employees. He said as time went on it became very clear that these recommendations would probably be the direction they would have to go. He appreciated the report and thought this would help them work with the employees and unions in helping find solutions that would reduce the costs of health care that didn't directly affect employees. He said they now knew this wasn't an option and they would need to look in other directions to find cost savings. He also noted the Ad Hoc Committee had an opportunity to bring in executives from both BCBS and HAP and he thought all their comments were very forthright and helpful.

Member Margolis stated this was exactly what they were looking for and the findings were not surprising since they were right on the cusp that they should absolutely go self funding and then now, it wasn't just cash flow, but rather if a huge bill came in on June 30<sup>th</sup>, and the budget was down by several hundred thousand dollars from the estimate, it would be difficult. She thanked everyone as she likes to know that her decisions she made were based on solid information.

Member Mutch noted that in the projected cost estimates they provided to Council the per employee per year cost for BC and HAP were roughly \$11,500. He said because the number of members associated with each employee and their dependents with BCBS was smaller than with HAP; if they broke that down to a per person cost, would the Blue Cross number be higher, if they broke it down to a per person cost under the City's plan? Mr. Loiselle said it would and he chose per enrollee because that's how the premiums were paid. Member Mutch said it didn't change the bottom line, but he thought it would be helpful to know how much each plan costs, not only for the 270 employees and retirees, but also the 400 people in the dependent pool. Member Mutch said a lot of health care plans were pushing individuals to go to a higher deductible plan to try to reduce some of the costs, such as a plan for people not in the higher cost plan, and asked if there was anything out there to reduce costs. Mr. Loiselle said asking another carrier to take on a high risk group would be an additional cost because they would pad their rates even more. He said essentially what they would be doing was reducing costs for those people not in the higher cost plan and greatly elevating the costs in the other plan.

Member Fischer said the Blue Cross (BC) estimated claims costs were \$705,000. He said BC had two people per plan and HAP had 2.8. He said if he took the per employees per years and divided them by the two people on the contract, it looked like BC came up with about \$3,900 per user and HAP came up with \$3,600 per user. He said it was only a \$300 difference there, but what concerned him was that HAP had people seven years younger, on average, and about 60% utilization. He asked what the driving factors were and what other assumptions were in there that might drive that as well. Mr. Loiselle responded he didn't make any assumptions about any changes in discounts or anything like that, so those claims were the claims that the carriers thought they would see. He said with HAP, they were able to get some claim information and out of those provided, there were twice the number of maternity events occurred than in the typical HAP group. He also noted the number of cardiac events were somewhat higher. Member Fischer asked Mr. Loiselle to explain the aggregate stop loss coverage. He asked what kind of coverage that would drive and what was the average coverage. Mr. Loiselle said aggregate was an annual group-wide coverage as opposed to the individual stop loss premium. He said to set the level of coverage, the carriers did a projection in terms of claims cost that they did to set premiums. Then they add an attachment factor on top of that and typically BC used 25%. So, if \$10,000 was the number, then \$12,500 would be the aggregate level at which they would set it, which was called the attachment point. He said at the end of the year, BC would look at all the claims that came in divided by the number of people and that would give him a comparable number to that \$12,500. If the costs were above that, they would give a reimbursement for the amounts above it. If it was below that, the City would get nothing. Mr. Loiselle said its coverage was designed to help keep the City budget on track. Mr. Fischer said the amount of savings they would see would be very small in relation to the risk they would be taking on. He thought this would be taking on a risk that the City Council would not want to pursue. He said they didn't want to understate the importance of forecast and cash flows. He said he didn't want to pursue this at this time.

Mayor Landry noted this self funding issue had come up many times in the past five years. He said he was pleased with the process and thoroughness with a complete, clear report. The Ad Hoc Committee would sunset.

## REPORTS

- 1. MANAGER/STAFF None
- 2. ATTORNEY- None

AUDIENCE COMMENT

CONSENT AGENDA REMOVALS AND APPROVALS (See items A-P)

CM-10-04-069 Moved by Gatt; seconded by Crawford; CARRIED UNANIMOUSLY: To approve the Consent Agenda as presented.

Roll call vote on CM-10-04-069 Yeas: Crawford, Fischer, Margolis, Mutch, Staudt, Landry, Gatt Nays: None

- A. Approve Minutes of:1. April 19, 2010 Regular meeting
- B. Enter Executive Session immediately following the regular meeting of May 3, 2010 in the Council Annex for the purpose of discussing pending litigation and privileged correspondence from legal counsel.
- C. Approval of Zoning Ordinance Text Amendment 18.237, to amend Ordinance No. 97-18 as amended, the City of Novi Zoning Ordinance, at Article 25, General Provisions, Section 2508, Uses Not Otherwise Included Within a Specific Use District, in order to provide standards for siting wind energy turbines. **Second Reading**
- D. Approval of Zoning Ordinance Text Amendment 18.240, to amend Ordinance No. 97-18 as amended, the City of Novi Zoning Ordinance, at Article 25, General Provisions, Section 2520, Exterior Building Wall Façade Materials, and Section 2503, Accessory Uses in order to provide standards for the use of solar collectors. **Second Reading**
- E. Approval of adoption of resolution authorizing City contribution to acquisition of property pursuant to MNRTF Grant (Heritage Shoppes).
- F. Approval to award a contract for the City's Internet Mapping Portal upgrades to Geographic Information Services, Inc, the lowest qualified bidder, in the amount of \$32,704.50.

- G. Approval to adopt Ordinance Amendment No. 10-37.35, an ordinance to amend the City of Novi Code of Ordinances, Chapter 34 "Utilities", Article II "Water Systems", Division 1, to revise Section 34-21 and add Sections 34-26 through 34-33 to establish requirements relating to water meter location, accessibility, damage, testing, and reading. **Second Reading**
- H. Approval to award the bid for Fire Department uniforms to North Eastern Uniforms & Equipment, Inc., the lowest qualified bidder based on unit pricing, for an estimated annual amount of \$20,400.
- I. Approval to award the bid for Police Department uniforms to Allie Brothers, Inc., the lowest qualified bidder based on unit pricing, for an estimated annual amount of \$36,000.
- J. Approval to grant a temporary construction easement to the Road Commission for Oakland County for the construction of the Novi Road Link project (Ten Mile Road to Main Street) on parcel 22-22-400-027, a vacant parcel on Novi Road.
- K. Approval of a Storm Drainage Facility Maintenance Easement Agreement from Damas Grand River Properties, LLC for the Damas Grand River Building located at 44725 Grand River Avenue, between Taft and Novi Roads in Section 15 (parcel 22-15-376-012).
- L. Approval to award an amendment to the engineering services contract for construction engineering services related to the 2009 Federally Funded Major Road Projects to Orchard, Hiltz & McCliment, Inc. (OHM), for a not-to-exceed fee of \$37,466.
- M. Approval of the request of the applicant, ACR Investments, for a one-year extension to the termination date provided in the PRO Agreement for Triangle Place, a 2,575 square foot office or retail development, proposed to be located on a 0.48 acre parcel of land located on the east side of Haggerty Road, north of Eight Mile Road.
- N. Approval to award a contract to Helder Greenhouse Construction Inc., the low bidder, for the purchase and construction of two MegaDome HP 30 material storage domes, in the amount of \$31,680.
- O. Approval of the Parks and Recreation facilities donation by Best Buy of West Oaks under the Naming Rights Agreement, subject to the following: (1) that the City waives the requirement for a written agreement given the Donor's time constraints; (2) that the donation be paid in full on or before May 22, 2010; (3) that the only consideration that the Donor receives for such donation is the placement of a sign on the Power Park "yellow" field for a 2-year period beginning on July 1, 2010 and ending on July 1, 2012, such sign to be provided by the City and placed as determined by the Director of Parks, Recreation & Cultural Services; and (4) that all terms and conditions of the Naming Rights Policy apply to the donation and sign.
- P. Approval of Claims and Accounts Warrant No. 818

## MATTERS FOR COUNCIL ACTION – Part I

1. Re-evaluation of financial participation in the Walled Lake Improvement Board project, should the Walled Lake Improvement Board approve a special assessment roll that includes back lot parcels within the City of Novi that are not directly adjacent to Walled Lake.

Mr. Pearson said this was asking Council to revisit the topic of the City's voluntary contribution towards the project. He said the Lake Board was created by the Novi and Walled Lake City Councils and was an independent board. He said what was in the Novi City Council's purview exclusively was our participation in that. He said they brought to the Council and Council endorsed the City of Novi participating \$45,000 towards the project. He said the idea of being apart of that took care of the City's frontage along the lake. He said another part of that was to recognize that there were some back lot owners that they didn't think would be included because of the complexities of trying to determine who should be included and the small financial return. However, the Lake Board appeared to be trying to include them as it might not be as difficult as originally thought, but still was a good deal of administrative work. He said they would like to suggest and recommend that the Council consider letting the Lake Board know that if they were going to proceed down that route the City of Novi participation would change from the \$45,000 to \$30,000 or whatever amount Council deemed fit. He said they were asking for policy direction and communication so they could stay ahead of the Lake Board.

Member Mutch said he didn't have a problem with modifying the contribution from the City if the Lake Board was choosing to include the back lot owners and assesses the roll in such a manner. He said he knew one of the unidentified lots was the canal between Shawood Lake and Walled Lake and he thought that should be included in the City's contribution. Member Mutch said it didn't function in the same way as the other lake access points that had potential back lot ownership included. He said he would ask that it be included with the City's contribution because it was consistent with the other points of access that the City did own, even if they didn't have title to the property. He said other than that, if that was the direction the Lake Board wanted to go, he didn't think it made sense for the City to incur an additional cost if the back lot owners were going to be assessed as part of the roll.

Member Staudt believed the Council was very supportive of the Lake Board. He said he was not looking to not support their efforts. He said he was extremely disappointed if Walled Lake didn't participate in this process financially. He said Council made a commitment several months ago and that commitment was what some of the elements the Lake Board was built around. He said he would defer to their suggestions and recommendations on the amount of money, but he strongly supported funding Novi's portion, if it meant they fund \$45,000, that was what they committed to and he was willing to stand with that.

Mayor Landry said he would support and echo the comments of Member Staudt. He said the Lake Board spent a lot of time on this and it really was a democratic process. He said they came to Council with the weed problem and basically said "why can't the City pay for this?? Mayor Landry said Council indicated they couldn't, so they came before Council and asked to create a Lake Board, which was a statutory body created under Michigan Law and Council agreed. He said the democratic process proceeded, the Lake Board was created and Council

participated in it. He said it was its own body and was not controlled by Council. However, personally, he didn't think the City had been in favor of including back lot owners in the assessments for the number of reasons that had been stated. If the Lake Board chooses to do that, it was up to the Lake Board, but what Council could control was how much money they contributed. He thought it was only fair that the City paid for its property just like any other member so he would not be in favor of doing what the City of Walled Lake did. Mayor Landry said he was disappointed in Walled Lake that they didn't do their fair share but that was their decision. Mayor Landry stated he was in favor of staying with the \$45,000 unless the Walled Lake Board chooses to start including back lot owners. If they wanted to do that, he would decrease Novi's amount by what was recommended, \$15,000, to go from \$45,000 to \$30,000. If the Lake Board choose to go in another direction that's fine and he would go down to \$30,000.

Member Margolis said she agreed. She said she knew that some of the issue of assessing the back lot owners was really determining because the deeds in that area were old and determining who had deeded access was a nightmare for staff. She asked how much time it would take for the City staff to determine this and what was the City's involvement in trying to determine the back lot owner's responsibilities.

Mr. Pearson said as he understood it, they had reasonable confidence in what they had looked at so far. Mr. Schultz said the staff and Mark Roberts, attorney for the Walled Lake Board, had done a fair amount of work at the Oakland County Register of Deeds and talking with residents. He said they had received a fair amount of information for the Novi side and he thought they expected similar results through the Oakland County Assessor's office, which did the Walled Lake assessing. Mr. Schultz said in informal conversations they seemed to have obtained a fair amount of information already. Mr. Pearson said the underlying question remained valid in terms of there would be work done for a relatively small amount of return, so he thought the hope was that would be avoided. He said they had given a considerable amount of staff support to make this work smoothly from the assessing office, engineering, attorneys and everybody had been working together and it was going well, but they were trying to avoid this little extra minimal return work.

Member Margolis agreed with the previous comments. She said Council committed when they said they would create the Lake Board that Council would "pony" up and she thought they were committed to that.

CM-10-05-070 Moved by Margolis, seconded by Staudt; CARRIED UNANIMOUSLY: To give direction to City staff that if the Lake Board decided that the back lot owners would be assessed that the City's contribution would be reduced to \$30,000 because the \$45,000 commitment had a portion that the City was paying for back lot owners. Therefore, \$30,000 seemed reasonable, if those back lots were also going to be assessed.

Roll call vote on CM-10-05-070

Yeas: Fischer, Margolis, Mutch, Staudt, Landry, Gatt, Crawford Nays: None

## 2. Appointments to Youth Council and Youth Boards & Commissions

Following students were appointed to the Youth Council

- 1. Mackenzie Boyd
- 2. Christina Cornellier
- 3. Bridget Dunn
- 4. Angela Huang
- 5. Ayushi Jain
- 6. Mengmeng Jie
- 7. Allen Lee

- 8. Jason Murray
- 9. Raj Raina
- 10. Vedant Ram
- 11. Ryan Shinkel
- 12. Francesca Sovic
- 13. Tanaya Srinivasakrishnan
- 14. Aparna Yechoor

Neelima Goyal was appointed to Beautification Commission Nishant Kakar was appointed to the Library Board

## AUDIENCE COMMENT

**Russ McLellan** 132 Coalmont, Walled Lake, noted he heard that there would be dangerous chemicals used to clean up the lake. He said there was a movement to dissolve the Lake Board because they wanted to use chemicals. He said he had also heard that the amount of the assessment has greatly increased and that the president of the Lake Board's nephew had been selected to do the clean up. He said there seemed to be a bit of conflict of interest there.

Sandra Carolan, representing someone at 1661 Harbor Cove, said the Harbor Cove Condominiums Association met and almost everyone there agreed that the Lake Board was turning into a nightmare. She said she didn't know how the Audience Comment worked either except that she felt that when it was allowed and questions were raised, it was inefficient not to have a forum where those questions could be addressed. She noted many questions were asked, which chemicals would be used, would it take out any fish, etc. She found many red flags including a nepotism issue and a litigation mentioned by the legal firm. There's been a couple thousand dollars spent on litigation for the lake. She said the Feasibility Study on the City of Novi's web site had a lot of red flags and one of them was the issue of nepotism and another was that a litigation was mentioned by the legal firm and there apparently there was a couple thousand dollars spent in legal fees already. She wondered how the Lake Board was approved. She said the Walled Lake Council said they would only have authority regarding the weed issue and cleaning up the lake. She said according to Michigan Law that was not the case and there was no ceiling on the amount of assessment that they could assess and that made her very nervous that the amount had greatly increased. She asked how the average citizen got answers to their questions. She said she would like the Council to prepare some information before the next meeting.

**Bob Daar**, 148 Arvida, Walled Lake asked how the City of Novi come up with the arbitrary amount to cover the back lots when it's unknown how many back lots there were. Accordingly, for the Lake Board to continue forward and pass an assessment roll, they were supposed to establish a benefit to be received, hence what did the taxpayer get for this project. He said the guidelines for this, under Section 324.30919, stated "the unit of benefit must be equal to the value received". The tax could not exceed the benefit to be received from the improvement. He

thought some lakefront lots were covering a \$5,000 bill per year and other lots covered a \$2,5000 bill per year for a single lakefront lot. He said lakefront homeowners were paying \$300 and less per year. He felt it wasn't fair and equitable. He said because there were more people using the lot, they had to pay a 10 or 15 times the rate; it didn't make sense. He said someone needed to look into this before this was passed because he thought it would bring repercussions because it wasn't fair and equitable. Mr. Darr said footage per footage, if everyone had a 100 foot lot, they should all be paying an equal amount. He noted his subdivision worked out to be equal because they had access lots. In other subdivisions with one access lot and 84 homes using it, it meant they would be paying 8.4 times the lakefront rate.

**Amy Muldoon**, 126 Sandy Lane, Walled Lake, spoke about her concern regarding the resolution and the Lake Board. She said she wasn't sure how this was an improvement because the engineering report didn't claim this to be an improvement and didn't see this as a necessity. The report did find high levels of e-coli near Mercer Beach and zebra mussels, which could be contributing to the weed problem. Yet the report or the budget did not include any funding to take care of these two important issues. She felt the proposal was shortsighted as over five years all it called for was mechanical weed harvesting and aquatic herbicide treatment. She said those were both short term solutions and the two long term solutions were crossed off, which were to educate lakefront owners. After 5 years, she asked what would happen next because there was no long term solution to this problem and she thought it should be studied to find out why this weed problem was occurring. We need to study short and long term effects of the chemicals they want to use and how it would affect the watershed. They also needed education and behavioral changes of the people who lived along the lake, which were recommended and approved in the resolution but were crossed out.

### MATTERS FOR COUNCIL ACTION – Part II - None

### **COMMITTEE REPORTS**

Member Crawford said she knew that a number of citizens were probably not aware that there are modern art sculptures in Fuerst Park and there was one outside of the Civic Center. She said these sculptures were not purchased but were on loan to the City for a year and hoped citizens would have a chance to see them. She commended Parks and Recreation for looking for more creative solutions to try to gain things for the parks, such as the grant they applied for recently for the Landings, which was 13 acres on the lake. She said people had also asked her why Novi didn't have a Farmers Market. Now there would be a Farmers Market in Novi beginning on Mother's Day, May 9th until October 31st from 10 AM until 2 PM in the Main Street area.

Member Mutch said the Walkable Novi Committee had a special meeting in April and they invited representatives from surrounding communities and organizations to have a brain storming session and face to face discussion about working together on some regional trail concepts. He said there were representatives from Commerce and Northville Townships, Northville Parks and Recreation, Wixom, Representative from Maybury State Park representing the State DNRE and the Oakland County Parks and Recreation Trail Coordinator.

Also present, were most of the members of Novi's Walkable Novi Committee including Linda Blair from the Parks Foundation. He said everyone was supportive, wanted to continue to meet to make this happen and several communities talked about how they were working on other projects to secure grant funding for regional trail projects. He said they saw the value in working with Novi as partners on trail concepts that would eventually link up Novi with surrounding communities.

#### MAYOR AND COUNCIL ISSUES - None

### **CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None**

#### AUDIENCE COMMENT - None

#### ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 8:34 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene McLean

Date approved: May 17, 2010