

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, JANUARY 25, 2021 AT 7:00 P.M.**

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

In accordance with the provisions of the Open Meeting Act this meeting was held remotely.

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Gatt, Mayor Pro Tem Staudt, Council Members Casey, Crawford, Fischer, Maday, Mutch

Mayor Gatt, present from City of Novi, Oakland County, State of Michigan
Mayor Pro Tem Staudt, present from City of Novi, Oakland County, State of Michigan
Member Casey, present from the City of Novi, Oakland County, State of Michigan
Member Crawford, present from the City of Novi, Oakland County, State of Michigan
Member Fischer, present from City of Novi, Oakland County, State of Michigan
Member Maday, present from City of Novi, Oakland County, State of Michigan
Member Mutch, present from City of Novi, Oakland County, State of Michigan

ALSO PRESENT: Peter Auger, City Manager
Victor Cardenas, Assistant City Manager
Tom Schultz, City Attorney

APPROVAL OF AGENDA:

CM 21-01-007 Moved by Casey, seconded by Fischer; CARRIED UNANIMOUSLY

To approve the Agenda as presented.

Roll call vote on CM 21-01-007 **Yeas: Staudt, Casey, Crawford, Fischer,
Maday, Mutch, Gatt**
Nays: None

PUBLIC HEARINGS: None

PRESENTATIONS: None

MANAGER/STAFF REPORT:

City Manager Auger mentioned that a couple meetings ago, City Council was unanimous about telling him to go out and find a good Economic Development Director. He reported that they have landed a very good one. He said Mike McCready will start working for the City of Novi in two weeks, he currently works for Oakland County as an Economic Developer. He said we are excited that we were able to land him and look forward to great things two week from now. Mayor Gatt said congratulations, that is a victory for us.

ATTORNEY REPORT: None

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 21-01-008 Moved by Casey, seconded by Maday; CARRIED UNANIMOUSLY

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
 - 1. January 4, 2021 - Special Meeting
 - 2. January 11, 2021 - Regular Meeting
- B. Enter executive session immediately following the regular meeting of January 25, 2021 for the purpose of discussing property acquisition.
- C. Approval to award engineering design services to OHM Advisors for the construction of a 15-inch gravity sanitary sewer under I-96 and abandonment of the West Oaks pump station in the amount of \$39,240.00.
- D. Approval of the request of DTN Management/Tricap Holdings for JSP 18-10 The Bond development for Second Amendment to the Development Agreement, and revised Preliminary Site Plan and Storm Water Management Plan, to allow a modification of the Section 9 waiver and a landscape waiver. The Subject Property is zoned TC-1 (Town Center One) and is approximately 7.74 acres. It is located on the southwest side of Bond Street, south of Grand River Avenue and west of Novi Road in Section 22. The applicant is proposing a mixed-use development with two four-story multi-family residential buildings with a total of 260 apartments and a single-story commercial building (5,578 SF).
- E. Approval of claims and warrants – Warrant No. 1076.

Roll call vote on CM 21-01-008

**Yeas: Casey, Crawford, Fischer, Maday,
Mutch, Gatt, Staudt
Nays: None**

MATTERS FOR COUNCIL ACTION

City Manager Auger noted there were a couple of questions with this budget amendment that would be coming up in the budget discussion. He stated Finance Director Johnson was going to have some more information following this meeting for Council moving into the next meeting with another amendment coming up soon.

Due to technical difficulties, Member Crawford left the meeting.

1. Approval of resolution to authorize Budget Amendment #2021-3.

CM 21-01-009 Moved by Staudt, seconded by Gatt; MOTION CARRIED: 6-0

Approval of resolution to authorize Budget Amendment #2021-3.

Roll call vote on CM 21-01-009

**Yeas: Fischer, Maday, Mutch, Gatt, Staudt,
Casey
Nays: None
Absent: Crawford**

AUDIENCE COMMENT: None

COMMITTEE REPORTS: None

MAYOR AND COUNCIL ISSUES:

Mayor Gatt explained that last year City Council concluded that they would have the Goal Setting Session every other year instead of every year. He stated that City Council decided they would not have a Goal Setting Session during an election year. However, what they did decide was that in January of the off years, every Councilmember would be given an opportunity to speak and just put their wishes forward for the City Manager and City staff to hear what they were hoping to see in the upcoming budget. Mayor Gatt pointed out this is not a budget meeting; they were not there to talk about numbers. He stated that it is not a time to campaign; it is not a time to do anything other than let City Administration know what they would like to see in the upcoming budget.

Member Fischer agreed with the Mayor, he said this was a high-level opportunity to give some strategic direction. He agreed that it was not time to talk about line items and projects as the details will come in a couple of months. He stated that he had three key points that he wanted to hit on to give direction to City Administration of what he expected. He stated the first one has to do with what they have seen recently from the City Manager on the revenue assumptions. He recalled that when they were going through the last budget session, they had a proposed budget they had to publish from staff, yet COVID was unraveling at that time, so City Council provided some serious direction and numbers on exactly what they wanted revenue to be because they really were not satisfied with what staff was providing. He stated that this year he did not expect to do that. That was a one-time thing. He felt staff needed to go back to what the typical estimating process was, whether it be historical averages, county, or state estimates, etc. He hoped that they would use wisdom and management discretion and be conservative. He said he did not expect that to be a big policy discussion this year. He said on the cost side, he would not dive too much into that. He stated that he had spoken with City Manager Auger at length on his position with that. He felt that they should be prudent about adding people. He did not foresee needing a hiring freeze or anything to that extent this year. He stated they tell him about how many employees he should have and how much he should spend. The City needs to deliver all the services at the level residents expect within that constraint. The last point he wanted to make was regarding the Fund balance policy. He said the conservative revenue estimates going into last year would likely yield good news this year. He was not expecting the City to necessarily be in the goal range of 22% to 25%. He said that he was comfortable being

above that, given the continued uncertainty with COVID. He stated that the federal government went out and issued a couple trillion dollars of debt and the economy did not tank as much as we may have thought back in March. He said that is good news, but that is also good news that maybe we can hold on to maybe apply to some one time interesting and good things for residents. He said he would be okay if our Fund balances above the policy amount going forward for at least the next year or so we certainly have the right to do that. It is a policy direction, and it is our long-term goal to be within the range. He stated he would be okay being above it and stated those were his high-level expectations on what he would expect to see. He looked forward to hearing the priorities of his colleagues.

Member Crawford returned to the meeting.

Member Mutch thanked the Mayor for the opportunity to provide input from the Council perspective on the budget process. He stated he did not have a big list that evening. He said there were a couple of big items floating out there that they may tackle during budget time. He looked forward to seeing City Administration packaging those in a way that would move it beyond just discussion into potentially action. He did not want to get ahead of the Roads Committee. He said there are some numbers attached to some of the potential recommendations coming from that, that at least should be discussed during budget time. He said obviously we have moved to this two-year goal setting process, so there are goals that are still underway, still in the pipeline that from a Council perspective we want to see completed. He thought that was important to them to see that any of those that are still outstanding, that still need additional funding or resources that those are addressed through the budget process. He thought the City Manager had done a pretty good job of incorporating those into the budget process. He stated in the past, sometimes Council really had to fight to get some of the priorities that they thought were important into that and they had much less of that with City Manager Auger. He felt that City Manager Auger had been very responsive to what Council had prioritized and ensured that those were reflected in the budget document. He thought it was important for them during challenging times, to invest into the community. He agreed with everything Member Fisher said about being conservative in the estimates, and he said he has always been comfortable having a higher Fund balance than the minimum. He did not want to see the City stop the flow of investment back into the community because it really does pay off in the long run. He expressed that even if the financial processes can be challenging when we are in difficult times, having been through a couple of these downturn cycles, he learned from the process that investments that they made, even when it was lean times really paid off in the long run. He felt that Novi was in a much better position than many other communities that took the approach of just cutting, there are places to cut, and it is important to prioritize. He stated that prioritization also means investing in those areas where there is a need that needs to be addressed. He said he looked forward to seeing more details when the actual budget documents come forward.

Member Maday said she was thrilled to know how conservative the City Council and City Administration was with their budgets, especially given COVID and uncertainties with the revenue. She said she would like to see spending this year toward her wish of a Holiday

Market that she had talked about previously. She said she had no idea how much that would cost, but she could not imagine it being too expensive. She said other cities do it. She thought this year would be a good time to do it given the fact that everybody is starting to head outside this year due to COVID. She felt people were getting used to socializing outside in the winter. She thought it would be a great way to get the community together and invest in the community. She felt we needed more of that, especially right now. She said that would be on her wish list at this point. She thought it was a big one, because it was about bringing the community together.

Member Casey said she did not have a specific wish list that she wanted to present to City Administration. She stated the Corridor Improvement Committee met and she thought they had a great list of projects for the City to continue. She stated she was not looking at some bad revenue projections or good housing is good, but we know that retail and small businesses are hurting. Her perspective was that she did not believe they needed to have the same kind of drastic cuts that were made, the worst-case scenario from a revenue projections perspective, last year. She said she was more comfortable having staff come in with their usual level of expertise in terms of their forecasts and estimate for what revenue will look like both next year in and the future years. She was comfortable with keeping revenue kind of through our normal process. She thought keeping expenditures as they have them planned for right now. In terms of staffing, she would like to hold it where they are at presently and see what that starts to look like. She said she was open to recommendations from the City Manager if there were needs. She thought Council had shown themselves very flexible in the policies and the decisions that we have made, even since the budget time last year. Those were her top three concerns and she looked forward to getting into the process and seeing the big books as they come out.

Member Crawford said he did not have any comments, other than to applaud the staff and the City Manager for reacting to their priorities several months ago and coming up with what he thought was a reasonable budget under these circumstances.

Mayor Pro Tem Staudt stated this was his 14th budget. He was looking for them to continue to reflect the turbulent times that they were going through, while providing the necessary funding for City operations, most notably public safety, and continue the robust and aggressive schedule of capital improvement programs. He echoed the previous speakers; they have learned through the last downturn and difficult time that capital improvements are always needed to be a priority. He believed that they were not done with the economic effects of the COVID pandemic and should continue to reinforce and bolster our reserves, above the policy limits, as discussed previously, while basically keeping our operations flat. He said he would much rather see them go another six to 10 months without adding a lot of new employees or operating costs. He thought it was important for them to figure out a way to help bolster our businesses, the hiring of an Economic Development Director was a good first step, but they need to have an active program of recruitment and retention. He also believed with new businesses that are coming into town to recognize the difficulty of what development takes right now and makes sure they provide those incentives.

Mayor Gatt thanked everyone for their input. He said the beauty of him going last was that he had all this knowledge that was just put forth and he agreed with most everything. He stated that he thought they should continue to have a very conservative approach to new hires. He thought they were not out of the woods yet. As far as COVID, they do not know where it is going to go, nobody knows. He thought they were well financially, and they were poised. He believed they were in a good position because of their conservative background. He said he recalled that Council did talk about a hiring freeze. He stated that they made an exception with Public Safety. He said he did not want to see holes in the Public Safety Department. He said that was not something he was going to just put his head in the sand over. That is the number one on his list. Number two, he said he loved that a new Councilmember came in with a new idea, the Holiday Market. He is not sure exactly what that means, but he said he would follow her lead. He thought the City was unique, and we should continue down the unique path that was set on. He stated that many years ago the City of Novi had a 50's Festival and a lot of people in Novi do not know that. He stated that Novi was the one who started the Dream Cruise. He said long before the Woodward Dream Cruise there was a Dream Cruise in Novi down Grand River. It did not catch on like the Woodward Dream Cruise, but it was there. He said he would like to see Novi continue to grow. He said Fuerst Park should be made into something more than what it is, it should get more use than it does. It is such a beautiful park. It is situated right next to City Hall right in the heart of the City. He believed a Holiday Market of some sort would be well placed to be put there. It is something that he hoped the City would pick up on and run with. He said if it is not in the budget, it will be something he will be pushing. He agreed that they need to continue with a conservative approach in the Fund balance. He was not opposed to having it go over the stated goals from the past year. He thought that was a healthy place to be if they could continue providing the services that our residents have come to expect, and certainly deserve. He stated the City Manager and Assistant City Manager should have food for thought after hearing from all the City Council. Mayor Gatt asked City Manager Auger if he had any questions. City Manager Auger replied no. He commented that he thought there was a lot of continuity there amongst all the comments. He looked forward to working with the department directors and the finance team to present a good budget, on time, and balanced.

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION: None

Mayor Gatt announced that City Council would enter Closed Session at 7:25 p.m. It was noted that Council expected to return to Open Session.

City Council returned from Closed Session at 7:43 p.m.

CM 21-01-010 Moved by Fischer, seconded by Staudt; CARRIED UNANIMOUSLY

To approve of purchase agreements and authorization to proceed with closings for property located at 43707 Grand River, Parcel ID 50-22-477-012, in the amount of \$252,400 plus closing costs to be incurred with final version for approval by the City Manager and City Attorney.

Roll call vote on CM 21-01-010

**Yeas: Fischer, Maday, Mutch, Gatt, Staudt,
Casey, Crawford**
Nays: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 7:45 P.M.

Cortney Hanson, City Clerk

Robert J. Gatt, Mayor

Transcribed by Deborah S. Aubry

Date approved: February 8, 2021