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 Burke, Casey, Markham, Mutch, Wrobel

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

APPROVAL OF AGENDA:

CM 16-01-006 Moved by Casey, seconded by Mutch; UNANOMOUSLY CARRIED:

To approve the Agenda as presented.

Roll call vote on CM 16-01-006

Yeas: Staudt, Burke, Casey, Markham, Mutch, Wrobel, Gatt

Nays: None

PUBLIC HEARING - None

PRESENTATIONS

1. Recognition of Employees of the Year – Pat Cauchi and Brandon McCullough

City Manager Auger spoke about a new tradition of Employee of the Year started by the City of Novi. There was a tie for the first year of the award. Employees of the Year were Pat Cauchi and Brandon McCullough. Employees recognized as finalists were Tracey Marzonie, Christine Slater, and Sabrina Lilla. Pat Cauchi said she enjoys her job and gives credit to her Administrative Team. She thinks Novi has incredible employees. She enjoys the benefits of working for the City, as well as, living in Novi. Brandon McCullough said he has been with the City for four years. He thinks he has a great staff to work with. He likes that he is allowed to do innovative work. Mayor Gatt thanked them for all that they do.

2. RF Events (Running Fit) donation to the Novi Youth Council for “Addicted” events – Randy Step

Sheryl Walsh explained the City was approached by Running Fit to donate some of the proceeds from the Super 5K to the Novi Youth Council. Mr. Step learned about the Novi Youth Council events for the Community through the Novi e-newsletter. Randy Step, Running Fit Store, spoke about the Super 5K event he was putting on at the High School. It will be a community fitness event where everyone is invited to run or walk in the Super 5K. He presented $1,500 to the Novi Youth Council for the students to continue the
“Addicted to Games, Not Drugs” events. Betty Jean Bowles and Jostin Rodrigues, members of the Novi Youth Council, thanked Running Fit for the donation to help with their events.

3. Commission on Accreditation for Law Enforcement Agencies (CALEA) – Director of Public Safety/Chief of Police David Molloy

David Molloy, Director of Public Safety/Chief of Police, thanked Council for their support. The process started about 18 months ago as a self-assessment to look at their policies and procedures to provide state of the art, legally and morally defensible policies. They are looking forward to attaining the Accreditation in 2017 that will put them in the top 1% of all law enforcement in the State of Michigan. Only six other agencies have obtained the advanced accreditation by meeting the 421 standards. The added benefit of the accreditation would be a reduction in the City’s liability insurance and also they have reduced 183 pages of policy and procedures by using a document management software program for their troops to use. Last year, the President’s Task Force on 21st Century Policing, looked at six themes on how Policing can be revolutionized for the better. They closely matched the themes of CALEA. Chief Molloy said they will be focused on building trust, community policing endeavors, boosting the citizens’ confidence, and the confidence of the organization and the employees within the Department. 416 standards of the 421 are completed. The other 5 standards are in the process and will be completed within the month. The next 18 months will be spent building proofs of compliance by making sure the organization is actually practicing the written policies. There will be various assessments made and any shortcomings will be corrected before a full on-site assessment is done by out of State Assessors March, 2017 for the accreditation. He thanked those directly involved with the process for accreditation.

REPORTS:

1. MANAGER/STAFF - None

2. ATTORNEY - None

AUDIENCE COMMENT:

Myriam Menke, 23823 Hickory Grove Lane, spoke about the increase in her water bill. The water bills she paid in 2014-2015 were $75.00 and have gone up this year to $142 for the same amount of water used. Mayor Gatt explained that a City staff member would contact her.

CONSENT AGENDA REMOVALS AND APPROVALS:

CM 16-01-007  Moved by Casey, seconded by Burke; UNANOMOUSLY CARRIED:
To approve the Consent Agenda as amended to remove item J. and add under Mayor and Council Issues.

A. Approve Minutes of:
   1. January 9 – Special meeting
   2. January 11 – Regular meeting

B. Enter Executive Session immediately following the regular meeting of January 25, 2016 in the Council Annex for the purpose of discussing labor negotiations, property acquisition and privileged correspondence from legal counsel.

C. Approval of the final payment to Fonson Company, Inc. for the Town Center Reconstruction-Contract 2 (11 Mile to Crescent) project in the amount of $6,920.00, plus interest earned on retainage.

D. Approval to award engineering design services to URS Corporation (AECOM) for the Fire Station 4 Parking Lot and Police Entrance Drive Rehabilitation project in the amount of $9,350.

E. Acceptance of the Asbury Park subdivision streets and adoption of a New Street Resolution accepting Mandalay Circle, Mandalay Court and Sunbury Court as public, adding 0.90 miles of roadway to the City's street system.

F. Approval of Traffic Control Orders 16-01 through 16-04 for traffic control signs within Asbury Park.

G. Acceptance of the Liberty Park Single Family Residence Phase III subdivision streets and collector road and adoption of a New Street Resolution accepting Clymer Drive, Witherspoon Drive and Declaration Drive as public, adding 0.47 miles of roadway to the City's street system, and approval of a quit claim deed dedicating a portion of City owned property as right-of-way for Declaration Drive.

H. Approval of Traffic Control Orders 16-05 through 16-09 for traffic control signs within Liberty Park Single Family Phase 3 and on the remaining portion of Declaration Drive.

I. Approval of Traffic Control Order 16-10 to set the speed limit on Nick Lidstrom Drive at 35 miles per hour.

J. Approval of Resolution authorizing amendment to Agreement Concerning Industrial Facilities Tax Abatement between the City and Magna Seating of America, Inc., approved on July 27, 2015. REMOVED and later approved.

K. Acceptance of three highway easements as a donation from Novi Town Center Investors, LLC, along the both sides of Town Center Drive (parcels 22-14-376-009, 22-14-126-014, and 22-14-351-063).
L. Approval of the final payment to Commerce Construction & Landscaping, Inc. for the Haggerty Road Widening (from Shorebrook Lane to Stonehenge Boulevard) project in the amount of $9,845.55, plus interest earned on retainage.

M. Approval of the final payment to Goretski Construction Company for the Heslip Drive Rehabilitation project in the amount of $16,115.97, plus interest earned on retainage.

N. Approval of a Storm Drainage Facility Maintenance Easement Agreement from Neptune Property Management, LLC for the office and industrial facility development located at 44300 Grand River Avenue (parcel 22-15-451-009).

O. Approval to award an amendment to the engineering services agreement with Orchard, Hiltz & McCliment for additional design engineering services for drainage improvements along Quince and the portion of Tamara between Quince and Orchard Hills School as part of the 2015 Neighborhood Road Program in the amount of $30,163, and approval of an additional appropriation in the amount of $30,163 for this budget line item within the Drain Fund.

P. Approval of Claims and Accounts – Warrant No. 956

Roll call vote on CM 16-01-007

Yeas: Burke, Casey, Markham, Mutch, Wrobel, Gatt, Staudt

Nays: None

MATTERS FOR COUNCIL ACTION

1. Reconsideration of a request from Mirabella Estates Condominium Association for a variance from: 1) Section 2-210 of the Ordinance to waive the required legal review escrow deposit, in the amount of $2,039 associated with the review of legal document exhibits for the dedication of the road and utilities in the condominium and 2) Section 11-301 of the Ordinance to waive the required fees in the amount of $8,900 for the City to prepare the record drawings showing the completed utility locations on the project.

City Manager Auger explained that this item was asked by a Council Member to be reconsidered. A representative from Mirabella was there to explain the item because they were not given the opportunity at the previous meeting.

CM 16-01-008 Moved by Staudt, seconded by Casey; UNANOMOUSLY CARRIED:

To approve reconsideration of a request from Mirabella Estates Condominium Association for a variance from: 1) Section 2-210 of
the Ordinance to waive the required legal review escrow deposit, in the amount of $2,039 associated with the review of legal document exhibits for the dedication of the road and utilities in the condominium and 2) Section 11-301 of the Ordinance to waive the required fees in the amount of $8,900 for the City to prepare the record drawings showing the completed utility locations on the project.

Roll call vote on CM 16-01-008  Yeas: Casey, Markham, Mutch, Wrobel, Gatt, Staudt, Burke  Nays: None

David Goldberg, representative for Mirabella Estates Condominium Association, appreciated the reconsideration of their request. He clarified that they are not requesting any relief from legal reviews and engineering fees. The only two fees they are asking relief from are for exhibits that are prepared to go on the documents that the lawyers have already reviewed. He said the other is for the as-built drawings which the original developer had taken to a certain point then failed to finish them and do the ordinance changes. Now it is in a different process and he has to begin them all over again. He addressed items that were in the staffs reviews. The development was being built during the economic downturn. It was partially completed when the developer abandoned the development. The roads went into deterioration and have to be rebuilt. He explained the Association did not volunteer to complete the development, but helped the City staff in the process of trying to get the developer to complete the work. The developer has agreed to have some of the fees that they posted released to the Association, if they agreed to oversee the completion of the roads. The Association knew there would be a shortfall and accepted that responsibility. They became the developer because they are the Association and knew litigation would extend any work, but wanted to move things along. The Association assumed responsibility of the fees and have posted over $20,000 in shortfall for the road construction. They posted $13,000 for the inspection of the road as they were being rebuilt, as well as, having the City Attorneys review the legal documents for part of the turnover process. In order to go through the final step, they were told it would be another $11,000 they had to post. The Association felt they should not be treated as a developer as are now asking for relief. They were told there were monies left in escrow and the legal review escrow would be returned but not for the fees for inspections of $6,900. They asked where the difference goes if it is not returned to the Association. Now they are asked to post more monies for the same type of review fees. It is a relatively simple project involving a cul-de-sac. He thought the fee schedule may be generic and felt their project may have to post a similar amount of money that a larger project would have to post. He summarized that in lieu of anything that has been paid, they are asking if they can get it back. They feel they should because they are not developers and are not doing it as a business venture. Each homeowner has to spend $4,000 to $5,000 per home to have the project completed and if there is money left in escrow, if it could be returned to the homeowner’s to recover their costs. They feel they
have helped relieve a litigious situation and are now asking for relief for some of the requirements of a developer.

Mayor Gatt said he was confused because what he is debating is not really what the motion is asking. City Manager Auger responded that he was confused about not using escrow monies towards the end of the project. The fees the City was asking for are those that are passed on to the consultant to finish the project and not what City staff reviews. City Attorney Schultz said there are some inspection fees and review fees that are paid that are not used up at the end of the project but didn’t know the amounts in this case.

Mayor Gatt asked if they agreed that they were not talking about the same issue with a different request.

Member Mutch explained how he understood the request and the position the applicant has presented. He felt they are not requesting the City to waive the fees and are asking if there are any monies left over from the reviews they would like to be refunded. They are asking for an accounting at the end of the process and any monies not expended would then be refunded to the Association.

Mayor Gatt said they are talking about an issue that is not on the agenda and suggested to let the City staff work with the City Attorney.

Member Mutch wished to clarify what they are asking before going back to staff. He asked, when developers pay fees held in escrow for projects, are they ever refunded? Mr. Schultz said sometimes they are refunded with a breakdown through the Treasury Department. It is hard to say because any of the money Mr. Goldberg would like the City to credit to the Association would be a waiver of a different ordinance section. Member Mutch confirmed that they don’t know enough to make a motion on this issue. Mr. Schultz said it would be easier to determine a breakdown by the project. Member Mutch asked if Council has the ability to grant a waiver from fees and if it was within their scope. Mr. Schultz said it would be a similar request that was presented and it may fall within the same authority in the General Variance Provision of the Code.

**CM 16-01-009**

Moved by Mutch, seconded by Burke; UNANOMOUSLY CARRIED:

To table the request from Mirabella Estates Condominium Association for a variance at a future date and to direct City Administration and City Attorney to work with applicant for a request of his offer from: 1) Section 2-210 of the Ordinance to waive the required legal review escrow deposit, in the amount of $2,039 associated with the dedication of the road and utilities in the condominium; and 2) Section 11-301 of the Ordinance to waive the required fees in the amount of $8,900 for the City to prepare the record drawings showing the completed utility locations on the project for the following reasons:
• While the fees are necessary to pay a City consultant to complete the documentation that is required in Sections 11-301 and Section 26.5-33 prior to the acceptance of streets and utilities, these additional fees result in an exceptional, practical difficulty to the applicant as a Homeowners Association that is attempting to complete the development.
• The alternate proposed by the applicant is for the City to waive the fees, but since outside expertise is required to complete the necessary paperwork this request could be paid from the General Fund using development escrow forfeiture revenue and would not substantially deviate from the strict enforcement of the ordinance in this case.

Roll call vote on CM 16-01-009
Yeas: Markham, Mutch, Wrobel, Gatt, Staudt, Burke, Casey
Nays: None

2. Consideration of Implementation Plan for Novi Cable/Video Operations.

Sheryl Walsh, Director of Communications, explained that they are in the process of working with the current partners of Farmington and Farmington Hills towards dissolution of SWOCC. Over the past few years there has been a decline in usage and revenue. It was apparent they needed to look at other ways to provide video services in our own community. They will receive approximately $380,000 annually in PEG fees which are restricted funds for use of video operations. They felt they could provide the same video services in Novi instead of using the Farmington SWOCC facility. She explained the changes in equipment, staff, and partnering with the Novi Schools. The dissolution of SWOCC is targeted for March 31, 2016. They have funds available but need to start the process to have a Novi studio in place. She noted City Council has adopted the policy as to what will be on the channel already.

Mayor Pro Tem Staudt said he has seen financial decline of SWOCC partly because of funding but most of it is that the facility and equipment is outdated. It would cost a lot to maintain the facility and to update the equipment. He explained the advantages of having a studio in a Novi facility and possible future policies. Their intent is to allocate funds from the PEG Fund Balance for things that are necessary to facilitate the new studio.

CM 16-01-010
Moved by Staudt, seconded by Wrobel; UNANOMOUSLY CARRIED:
To approve initiating costs calculation of an administrative financial plan and bids to facilitate a new Novi Cable/Video Operation with allocations from the PEG Fund Balance.
Member Markham noted currently there are 2 full time and 2 part time personnel, but asked if there will be just 2 full time positions when the studio is moved to Novi and asked how will it affect service.

Ms. Walsh answered the 2 full time positions are contracted SWOCC employees. Those employees serve four days of the week at the SWOCC building and one day a week in the Novi Civic Center. The part-time positions she referred to were Boards and Commissions meetings only. She thought as they build a partnership with the schools, they would be able to educate and train students that are interested in cable/video to assist with the work.

Member Burke asked if the size of the studio they are planning would be large enough. Ms. Walsh said they have looked at moving the north wall and relocate the door so visitors for videotaping could sit in a “green room” and not have to walk through the Community Relation’s Office. They are planning an editing suite also. The RFP, they would like to publish, would be for a design/build.

Member Mutch asked what would be possible future potential costs associated with the relocation of SWOCC. Ms. Walsh said they have discussed it in budget meetings. The van used by SWOCC was used to shoot and edit offsite. Last year’s goal session was done with 2 cameras by recording and editing and they will still be able to tape. There would be a post-production editing. In the future, a van for remote taping could be purchased if funds allow. The new technology may allow them to be more versatile. $380,000 annually from PEG Funds would be a substantial budget to continue operations. Member Mutch agreed with Ms. Walsh about the PEG fees because it seems to be a steady source of income and doesn’t fluctuate. He said they need to be mindful of future costs though. He asked about the partnership with the Schools and their studio. Ms. Walsh said they are in a similar situation to SWOCC. Their studio is very large and similar to the size of SWOCC and they produce a morning television newscast. They have not put any funding and enhancements into the studio in probably 10 – 15 years. The school bond that was approved recently allowed funds to redo their studio with enhancements. The key to establishing the new studios, both new studios will be built on the same software platform and connected wirelessly.

Mayor Pro Tem Staudt said they do have financial liability prior to the dissolution of SWOCC. The PEG fees have been paid directly to the City since the Brighthouse agreement has changed. There is very little money that will be available with the dissolution of SWOCC. Most of the money that is currently in their Fund Balance will probably pay for debt and to shut down the operations. The City will not have to allocate any additional monies and the PEG fees that were going to SWOCC will start accruing. Based on past experience, this will be a self-sufficient operation. He spoke about a lot of cable/video productions going on all around the Community. They hope to reach out to partners within the Community. Future programing has been discussed and there will be a need for Community feedback.
Roll call vote on CM 16-01-010  
Yeas: Mutch, Wrobel, Gatt, Staudt, Burke, Casey, Markham  
Nays: None

3. Approval of resolution to authorize Budget Amendment #2016-2.

CM 16-01-011  
Moved by Mutch, seconded by Markham; UNANOMOUSLY CARRIED:

To approve a resolution to authorize Budget Amendment #2016-2.

Audience Comment – None

Committee Reports – None

Mayor and Council Issues – None

Consent Agenda Removals for Council Action:

J. Approval of Resolution authorizing amendment to Agreement Concerning Industrial Facilities Tax Abatement between the City and Magna Seating of America, Inc., approved on July 27, 2015.

Member Markham asked for clarification of the request. City Manager Auger explained, in the Claw Back Agreement the City, it specified they have 469 full time equivalent jobs on the site. The tax incentive was based on the real property value that is in the facility. Magna’s accounting showed that they have to put the money aside if they don’t stay in Novi within 2 years after the end of the abatement or for 14 years. It didn’t make sense to accrue the money instead of investing it into the operations. It doesn’t affect the City. This change has to do with an income tax incentive that is through the State of Michigan. The revenue the City receives is based on the property value. Member Markham confirmed that it doesn’t matter how many employees they have, they will still be committed to the City based on the value of the property. Mr. Auger said the incentive the City is concerned about is the $48 million that they are investing in the City. Member Markham said the numbers are different on the material she received. City Attorney Schultz said the value of the lease was part of the total investment of the property totaling $48 million including the buildings and related improvements of $30 million.

Mayor Pro Tem Staudt said he will support the motion, but he was not happy to see this request before Council within 6 months of its previous approval because it didn’t change the terms pertaining to the City. The initial review was very comprehensive.
Dex Batista, representing Magna International, appreciated what Mayor Pro Tem had said. The State job creation incentive does require Magna to have a certain amount of employees. He stated the property tax abatement is related to the investment. Mayor Pro Tem Staudt asked for an update on the construction of the building. Mr. Batista only knew the process is moving along but knew nothing specific. Mayor Pro Tem Staudt complimented Magna for their commitment to the City of Novi.

**CM 16-01-012** Moved by Staudt, seconded by Wrobel; UNANOMOUSLY CARRIED:

To approve a resolution authorizing amendment to Agreement Concerning Industrial Facilities Tax Abatement between the City and Magna Seating of America, Inc., approved on July 27, 2015.

Member Mutch asked Mr. Batista what commitment Magna made with the State of Michigan. Mr. Batista explained the State has the Business Development Program Grant. It is a milestone based grant where a certain number of jobs have to be created over and above their base number of employees over a certain number of years and retain those jobs for a certain amount of years. Member Mutch asked if they need to reach a certain amount of jobs. Mr. Batista said it was for a specific number of jobs which is the base head count plus 164 new jobs. The State does not give them the grant monies if they do not reach those targets. Member Mutch said he didn’t support the abatement initially and didn’t have a problem with the change. He questioned how realistic it was to expect businesses to make commitments for 14 years and whether abatement consideration should be based on those commitments. The abatement is based on the length of job creation and investment. He thought the City needs to look at the policy of not asking companies to make commitments that may not be realistic. He suggested the abatement be based on other factors that may work better. He suggested to City Administration to take a look at the abatement policy and whether it needs to be streamlined or if there are other considerations to work into the abatement policy consideration. Mayor Gatt said he will support the motion reluctantly because he didn’t believe Council should be discussing changing an agreement that was recently approved. This part should have been exercised before Council approved it. He agreed with Member Mutch that Administration should review for consideration pertinent to the City.

**Roll call vote on CM 16-01-012**

Yeas: Gatt, Staudt, Burke, Casey, Markham, Mutch, Wrobel

Nays: None
ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 8:11 P.M.

____________________________________  _______________________________________
Maryanne Cornelius, City Clerk  Robert J. Gatt, Mayor

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Transcribed by Jane Keller

Date approved February 8, 2016