

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI  
MONDAY, MAY 4, 2020 AT 7:00 P.M.**

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

In accordance with Executive Order 2020-48, this meeting was held remotely.

**PLEDGE OF ALLEGIANCE**

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

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

**APPROVAL OF AGENDA:**

**CM 20-05-048 Moved by Crawford, seconded by Casey; CARRIED UNANIMOUSLY**

**To approve the Agenda as presented.**

**Roll call vote on CM 20-05-048**                      **Yeas: Staudt, Breen, Casey, Crawford, Fischer, Mutch, Gatt**  
**Nays: None**

**PUBLIC HEARINGS**

**1. FY 2020-21 Budget and 2020 Millage Rates**

Opened at 7:01 p.m. and closed at 7:02 p.m. with no public input.

**PRESENTATIONS: None**

**MANAGER/STAFF REPORT:**

City Manager Auger said Oakland County announced we will host drive-through testing for COVID-19 behind the Civic Center at Ella Mae Power Park on Fridays. We were also contacted by Walmart who is exploring doing something similar in their parking lot. People will have a lot of avenues to get tested. Mayor Gatt asked if the tests were just for the virus or for antibodies. City Manager Auger said he wasn't sure if it was either tests or just the nasal swab. Mayor Gatt asked if City staff was able to get the antibody test. City Manager Auger said Public Safety staff was getting tested. We have one round of testing already and another round will be available next week for those who weren't able to get tested. Mayor Gatt asked who administered those tests. City Manager Auger said it was Wayne State University and it was only available to Public Safety.

**ATTORNEY REPORT: None**

**CONSENT AGENDA REMOVALS AND APPROVALS:**

**CM 20-05-049            Moved by Crawford, seconded by Staudt; CARRIED UNANIMOUSLY**

**To approve the Agenda as presented.**

- A. Approve minutes of:
  - 1. April 15, 2020 - Special Meeting
  - 2. April 20, 2020 - Regular Meeting
  
- B. Enter executive session, immediately following the regular meeting of May 4, 2020 for the purpose of discussing property acquisition.
  
- C. Approval to enter into a Microsoft Enterprise Agreement in the amount of \$47,521.30 annually, through CDW-G, for the subscription purchase of Microsoft 365 licensing using a competitively bid contract through the State of Michigan MiDEALS extended purchasing program.
  
- D. Approval to purchase a three-year subscription of Barracuda Total Email Protection with Cloud Backup in the amount of \$29,758.93 per year through Access Interactive. Subscription pricing based on Oakland County's G2G Marketplace competitively bid contract.
  
- E. Approval of Claims and Warrants – Warrant No. 1059.

**Roll call vote on CM 20-05-049                            Yeas: Breen, Casey, Crawford, Fischer, Mutch, Gatt, Staudt**  
**Nays: None**

**MATTERS FOR COUNCIL ACTION**

- 1. **Consideration of approval to award design engineering services to AECOM Great Lakes, Inc. for reconstruction of Cranbrooke Drive between Nine Mile Road and Village Wood Road, in the amount of \$142,010.**

**CM 20-05-050            Moved by Casey, seconded by Staudt; CARRIED UNANIMOUSLY**

**Approval to award design engineering services to AECOM Great Lakes, Inc. for reconstruction of Cranbrooke Drive between Nine Mile Road and Village Wood Road, in the amount of \$142,010.**

**Roll call vote on CM 20-05-050                            Yeas: Casey, Crawford, Fischer, Mutch, Gatt, Staudt, Breen**  
**Nays: None**

**2. Consideration of approval of Change Order No. 5 to DVM Utilities, Inc. for the Nine Mile Road Sanitary Sewer project (Evergreen Court to Kensington) in the amount of \$536,429.91, and amend the budget.**

City Manager Auger said this was a project that has been long in the wait and a large project. He said it came forward in 2015 but was talked about long before that. There were two sections, the first was trench excavation and the second is trenchless and guided pilot tube. After starting the project, it was clear in late 2019 that we hit a few underground streams and a lot more water had to be dewatered. The engineers worked with staff and the contractor and validated this amount of extra work.

Member Mutch asked if we are approving this moving forward, what remains to be done. He asked how much still remains to be completed. Director of Public Works Herczeg said the trenchless portion is about 60% done and over 50% of the entire project is installed. Member Mutch said one of the issues that came up in the memo the fact that we ran into issues with the underground water table in this area and how it's affected construction. The City contracted with a firm to do some testing initially that didn't discover some of the issues that came up. He asked if any additional testing had been done, since that time in the remaining segment, to ensure we won't encounter more unknown issues. Director of Public Works Herczeg said there was no additional testing as that would require the project to stop. He said it would be a significant output to do a hydrogeological study. He said they were working with materials testing with our consulting engineer as a design build. We don't anticipate additional dewatering; at this point the capacity is enough to do the rest of the project. Member Mutch asked if it was correct that we didn't feel like we wanted to do any additional testing along the remainder of the route. Director of Public Works Herczeg said at this point now, we are pumping enough, it would be an added cost to do an additional study. Member Mutch said he knew this was a large project and any amount of overage is 10% over budget and that is a half million dollars on this project. He said knowing that the potential is out there for another \$500,000-\$800,000 is pretty significant. He was interested in hearing from staff about a post-project analysis about what should have been done differently. He said the issues that have come up are from the high water table and a lot of people who live there pointed out that it could be a problem. He said he wasn't sure if we should spend more money up front on testing because the testing clearly missed the problems areas, and would have given the City a better idea of what we were getting into. He said maybe all along this was going to be a \$6-\$7 million project and we just didn't realize it. This is a significant cost overrun and when we run into that, we should learn from it.

**CM 20-05-051            Moved by Casey, seconded by Staudt; CARRIED UNANIMOUSLY**

**Approval of Change Order No. 5 to DVM Utilities, Inc. for the Nine Mile Road Sanitary Sewer project (Evergreen Court to Kensington) in the amount of \$536,429.91, and amend the budget.**

**Roll call vote on CM 20-05-051**

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

**3. Consideration of a resolution to adopt 2020 millage rates.**

City Manager Auger said Council and staff did a fantastic job turning around the budget. This is the resolution to adopt the 2020 millage rates.

**CM 20-05-052            Moved by Staudt, seconded by Casey; CARRIED UNANIMOUSLY**

**Approval of a resolution to adopt 2020 millage rates.**

**Roll call vote on CM 20-05-052**

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

**4. Consideration of a resolution to adopt fiscal-year 2020-2021 budget, acknowledging the multi-year budget, including projections of future fiscal-years 2021-2022 and 2022-2023.**

City Manager Auger said this was a challenging and interesting process to get this budget before Council. We all realize the budget we start with might not be the budget we end with. He said staff will keep on top of all the revenue streams and keep Council in the loop on where they are coming in at, in case we have to make adjustments during the year.

**CM 20-05-053            Moved by Staudt, seconded by Crawford; CARRIED UNANIMOUSLY**

**Approval of Resolution for Fiscal-Year 2020-2021 Budget and Acknowledging the Multi-Year Budget, Including Projections of Future Fiscal-Years 2021-2022 and 2022-2023.**

Member Fischer said a lot of time and effort went into this. There was a lot of collaboration and input from everyone. He said he will support the motion but had another motion to make related to this to solidify some of the things he would like to see come back to Council from the administration. He said we are asking the City and staff to do more with less. He was surprised that Council still gets the blue book. He wanted to encourage staff to shrink it down because they don't need that much information.

Member Casey asked the City Manager about a webinar that the State Department of Treasury held today with the MML. She wanted to know if we participated and if we got insight from them that might make us think something has changed or might be changing. City Manager Auger said he participated. He said it was a lot of the same information, but no solid numbers. We are working on some preliminary numbers through other channels to see what we are getting. He said we were getting some

funding that was coming in higher than we anticipated this year. As soon as we have the information together, they will get it to Council.

Member Mutch echoed some of the comments in terms of ensuring that as we move forward through the new fiscal year and reviewing the budget, that we do it on a regular basis. He thought it was an unusual time period we are in and it will require Council to be more nimble in terms of making decisions and reflecting as revenue projections change as well as making adjustments as necessary. He said the flip side was if things get better faster than we anticipate, taking time to review some of the projects that were sidelined see if some of those make sense to move forward. Prioritize the areas of Public Safety and DPW, the core services. He said he wanted to reaffirm that we still need to make those capital investments back into the City. While we have trimmed some of those back, where we have funding available, we need to continue making those investments because the backlog of projects, if we let go too long, we have to play catchup. He said we have the tree fund. He checked with Carl Johnson and we have a \$4.3 million fund balance in that fund and we've talked about looking at property acquisition to acquire properties for long term preservation of woodland. He said one of the things that happen during an economic downturn is that property owners look to sell and prices come down. He said knowing we have that fund, which is dedicated for that limited purpose, if there are opportunities that present themselves, to take advantage of that. He said we've done good work with the situation we are in and will stay on top of things and administration will keep them apprised.

Mayor Gatt thanked his colleagues for their hard work and dedication to this process. It was not easy. He thanked the City Manager and staff, because they did a budget that was presented and then went back and came back with an amended budget.

**Roll call vote on CM 20-05-053**

**Yeas: Mutch, Gatt, Staudt, Breen, Casey, Crawford, Fischer**

**Nays: None**

Member Fischer said he mentioned there were specific things he wanted to see updated in their quarterly financial report from the City Manager.

**CM 20-05-054**

**Moved by Fischer, seconded by Casey; CARRIED UNANIMOUSLY**

**To direct the City Manager to update the quarterly Financial Report published by the City Manager, per the Charter, to include forward looking items (those impacting FY21 and beyond), including but not limited to:**

- 1. A section dedicated to comments from the City Assessor on property value trends (including commentary from other government entities such as Oakland County), and an analysis on the potential impact to revenue.**

2. Summary of the latest revenue sharing and ACT 51 estimates versus what is projected in the approved budget/financial plan.
3. A summary Human Resources/personnel/headcount update, including the status of the open positions, progress toward achieving other savings via attrition and retirements, and if any positions have been filled (new hiring). These updates are crucial given that a majority of the revenue decline offsets in the 3 year budget comes from personnel savings.
4. High level observations from City Manager outlining:
  - A. Opportunities/roadmap to offset any gap on property value/state revenue declines compared to this approved budget/plan for the 3 years.
  - B. Other risks on the horizon.

He said it was his intent to receive the update in late May of first week of June as a supplement to the quarterly update they should receive in the next few days. He said after that, he would expect the update each quarter through the normal process. He said this was not intended to prohibit the City Manager from sharing information sooner. For example, the conference that was mentioned earlier in the meeting could be emailed and included in an admin packet.

**Roll call vote on CM 20-05-054**

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

**AUDIENCE COMMENT: None**

**COMMITTEE REPORTS: None**

**MAYOR AND COUNCIL ISSUES: None**

**COMMUNICATIONS: None**

**CONSENT AGENDA REMOVALS FOR COUNCIL ACTION: None**

**ADJOURNMENT** – There being no further business to come before Council, the meeting was adjourned at 7:25 P.M.

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Cortney Hanson, City Clerk

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Robert J. Gatt, Mayor

Transcribed by Cortney Hanson  
Date approved: May 18, 2020