

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
TUESDAY, JANUARY 22, 2008 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD
cityofnovi.org**

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

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Landry, Mayor Pro Tem Capello, Council Members Crawford, Gatt, Margolis, Mutch, Staudt-absent/excused

ALSO PRESENT: Clay Pearson, City Manager
Pamela Antil, Assistant City Manager
Tom Schultz, City Attorney
Benny McCusker, DPW Director
Kathy Smith-Roy, Finance Director

APPROVAL OF AGENDA

**CM-08-01-010 Moved by Gatt, seconded by Capello; CARRIED UNANIMOUSLY:
To approve the agenda as presented.**

Voice vote

PRESENTATIONS - None

REPORTS

SPECIAL/COMMITTEE

Member Gatt said, on the Consent Agenda, there was a one year extension of the Spalding DeDecker and Associates for General Civil Engineering and inspection services. This one year extension came from the Consultant Review Committee's endeavors and brought the contract in line with others that Council had approved. He asked that Council note the extension included a fee reduction for some mid to large size developments to assist the business community in response to the current economy. He thanked Spalding DeDecker and Associates, Rob Hayes and his staff for reaching an agreement that benefited the community in such a substantial way.

CITY MANAGER - None

DEPARTMENTAL - None

ATTORNEY - None

AUDIENCE COMMENTS

Greg Bond, owner of Visions Spa Salon, was present to address the new fee increase they had incurred to do business in the City of Novi as a massage licensed establishment. Mr. Bond said the fees went up 500% and asked Council to reconsider. He stated he couldn't

imagine it costing that much along with their business license, massage license and each individual technician's license. He said annually they had to submit blood tests and he felt they were treated unlike any other, and it was becoming prohibitive for him, as a business owner, to continually support the business in the City. He noted he had talked to other owners of establishments in Novi, who had all paid the fees, and there were a lot of practitioners who didn't have storefronts, didn't rent space in the City, and practiced in their homes. Mr. Bond thought Council was driving that business away. He said he wanted to stay and grow, these are difficult times in Michigan and they were all open to weather the storm. He thought there were 15 establishments in the City who were storefronts, and if Council would meet with them, he would be glad to get them together because the exorbitant fee increases were tough to swallow.

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

**CM-08-01-011 Moved by Capello, seconded by Margolis; CARRIED UNANIMOUSLY:
To approve the Consent Agenda as presented.**

**Roll call vote on CM-08-01-011 Yeas: Capello, Crawford, Gatt, Margolis, Mutch
Landry
Nays: None
Absent: Staudt**

- A. Approve Minutes of:
 - 1. January 7, 2007 – Regular meeting
- B. Approval of Consultant Review Committee's recommendation to grant an additional one-year extension with Spalding DeDecker & Associates for civic engineering field consulting services through December 31, 2008.
- C. Approval of Resolution to approve Amendment to the Agreement between the Michigan Department of Natural Resources and the City of Novi for the Michigan Natural Resources Trust Fund Grant number TF 05-165 (Village Wood Lake/Orchard Hills West Acquisition) to extend Project Agreement to July 31, 2008.
- D. Acceptance of a Private Road Maintenance Agreement from Providence Hospital and Medical Centers, Inc., for the Providence Ring Road, SP04-48, located south of Grand River Avenue and west of Beck Road, in Section 17.
- E. Acceptance of a Non-Development Easement from Providence Hospital and Medical Centers, Inc., for Staybridge Suites Hotel, SP06-31, located on the east side of the Providence Park Ring Road south of Grand River Avenue in Section 17. The easement covers 0.23 acres.
- F. Approval of a resolution in support of the Alliance of Rouge Communities' comments on the proposed National Pollutant Discharge Elimination System permit for stormwater discharges.

- G. Approval of the final balancing change order and final payment to Man-Con Michigan, Inc. for the Country Place and Stonehenge Pump Station upgrade project in the amount of \$49,913.69.
- H. Consideration of cost share agreements with the Road Commission for Oakland County for the modification of traffic signals at the intersections of Beck and Eight Mile Roads and Beck Road and Grand River Avenue.
- I. Approval of Claims and Accounts – Warrant No. 761

MATTERS FOR COUNCIL ACTION – Part I

- 1. **Consideration of Zoning Map Amendment 18.676 with Planned Rezoning Overlay (PRO) SP07-33A from the applicant, Lakeside Oakland Development, to rezone property located south of Twelve Mile Road, west of Wixom Road from I-1, Light Industrial, R-1, One-Family Residential and RA, Residential Acreage to RM-2, High-Density, Mid-Rise, Multiple-Family Residential, or some lesser residential designation, and favorable consideration of the PRO Concept Plan. The subject property is 115.89 acres.**

Matthew Quinn was present representing the applicants. Mr. Quinn said Mr. Pellerito had a meeting last week with some finance people and the numbers were not yet determined. They had also met with Parks and Recreation to discuss programming and the use of Mr. Pellerito's fields and building, and were making calls to some of the areas where there were leagues they might participate in regarding what the requirements were for time. Mr. Quinn commented they were not ready to proceed tonight, and believed they would be able to meet the next submission deadline for the Council meeting of February 4th. Then they would be able to discuss the economics of it all, whether they could change their plan or not, and how they could add the Parks and Recreation programming to their public benefit proposal.

Mr. Pearson commented that they had added some material about this in the Master Plan, and clarification of that was in Council packets.

Member Margolis thought most of what was in the packet and all of the information Council had wasn't much different from what the Planning Commission had discussed. She said they adjourned to give the applicant more time to try and work out some alternatives, and that had not been successful. Member Margolis thought Council would like to move this forward and the things Mr. Quinn had talked about could be addressed in the PRO process. She stated she wanted to see this move forward, the Planning Commission had done a good job in vetting the issues and giving Council a recommendation, and it was fitting with the Master Plan that was proposed.

**CM-08-01-012 Moved by Margolis, seconded by Mutch; MOTION CARRIED:
That Council indicate under the PRO Ordinance that it may approve
Rezoning of the property to the R-4 District, not an RM-2, and
therefore, direct the City Attorney's office to begin work with the
applicant on an appropriate PRO Agreement. The conditions of the
approval would be that duplex units could be established on the
residential portion and would be limited to 3.3 units per acre. In**

addition, any conditions referenced in the staff reports should be considered for inclusion in the agreement. Also, require the matter to return to Council between 30 and 60 days. If no agreement could be reached, the Council could then act to deny the request or make another appropriate motion including approving the Planned Rezoning Overlay with those conditions.

Mayor Landry said the motion was to direct the City Attorney to meet with the applicant to work on the language of the PRO that would include a rezoning to R-4. Mr. Schultz agreed. Mayor Landry said then Mr. Schultz would meet with the applicant to work out the PRO language, if they were not able to work out that language, they would return to Council in 30 to 60 days and Council would either deny it or consider an alternative, if available, then. Mr. Schultz agreed. He said it was consistent with the two step process of the PRO, where the actual decision on the rezoning came after the effort on the agreement. Mayor Landry said this motion would be very consistent with the City Ordinance, and Mr. Schultz agreed.

DISCUSSION

Mayor Pro Tem Capello commented that he still believed they would get a higher valuation with their existing zoning of Light Industrial than they would get with R-4. He asked Mr. Schultz if they chose to move forward on the entire project but only moved forward on a portion of the rezoning, with the motion on the floor would it have to come back to Council. Mr. Schultz said it would. Mayor Pro Tem Capello asked if they could say they wanted to move forward with the PRO, with only a portion of the rezoning. Mr. Schultz said they could come back with something less than what had been advertised and discussed by the Planning Commission, but again this was an optional form of development, essentially an agreement form so Council would have to be interested in doing that for it to go anywhere.

Member Crawford thought St. Catherine would benefit the City of Novi and she was very much in favor of the educational portion of it. However, she was still having difficulty with changing and altering the Master Plan. Member Crawford said she would vote in favor of the motion with the hope it would be sufficient.

Member Gatt commented he had no problem giving the applicant a couple of weeks as requested. He said he would not support the motion and thought their request should be granted.

Member Mutch echoed the previous speaker's comments in that he had no problem with their request. However, he also believed that the motion that was made was ultimately what he would support, that being the R-4. He stated he would support the motion but wanted to make it clear that the motion itself just got the process moving forward with the PRO. If there was any change or problem from the applicant's viewpoint with proceeding, this would come back to Council in two months or sooner.

Mr. Schultz said Member Mutch was correct. The ordinance was set up so that it was kind of a preliminary indication about whether or not the staff and the petitioner should get to work on the agreement. He thought that part was clear, and if it didn't go anywhere, it didn't go anywhere.

Member Mutch thought that was an appropriate way to move this forward. This would give the applicant direction on where the Council stood, and if there was some significant change that required it to come back to Council, there was the opportunity for that. Member Mutch stated he had asked questions of staff regarding the wetland issues, and when the PRO Agreement came back to Council he would expect those questions to be addressed either in the agreement or through staff correspondence. The agreement or correspondence would need to make it clear that whatever impact was taking place on the commercial property was addressed through the PRO Agreement. Also, that there was appropriate mitigation taking place either as part of the proposed project or whatever appropriate fashion permitted by the ordinance.

Mr. Quinn said Mr. Pellerito had spent over a half million dollars out of his own pocket on this project so far. If this motion passed, Mr. Quinn said he would not be working for him tomorrow because he was cutting off all funds. He said the R-4 definitely would not work and Council was killing this project by this vote. He commented they were asking for two weeks on a \$35 million project and he failed to see why two weeks in any way harmed the residents of this City. Mr. Quinn said if the residents of Novi knew exactly what this project was, and that he was present asking for a two week adjournment, they would be appalled that a two week adjournment was not being granted so they could bring Council more information on a decision that they were asking Council to make on this important project. However, if Council was not willing to let them give more information, it wouldn't work to pass it and tell them to talk with the City Attorney because there was nothing to talk about. He said, from what he had been told, that would be the end of this project. Perhaps, it would go to Mr. Pellerito's property in Wixom or Lyon Township, but it would not be a part of the campus that everybody thought and wanted it to be, sitting next to Catholic Central. Mr. Quinn said the action on the table now would not solve anything or move anything forward.

Mayor Landry commented that at the last meeting this was discussed at length and there was no support for RM-2. The applicant was offered the opportunity of an adjournment so they could consider alternatives, which they would bring back to Council and Council had indicated they would be willing to listen to them. At that time, the applicant said they wanted an adjournment, but only if it came back in two weeks and Council granted that. Mayor Landry said no alternative had been presented to Council, and nothing else had been presented to Council. So, what Council was doing if this motion passed, was directing the City Attorney to get with the applicant, try to work out a PRO using an R-4, and if they couldn't and there were other alternatives, they could get together and come back for Council's consideration. Mayor Landry said they were moving the process forward but would certainly be willing to consider alternatives other than RM-2, if they wanted to come back and present another alternative. Mayor Landry said this would give the applicant the opportunity to continue to discuss, continue to work on their numbers and come back to Council. This was moving the process forward rather than delaying it.

Mayor Pro Tem Capello said he understood Mr. Quinn's frustration but all they were trying to do was move it forward. He thought Mayor Landry had made a comment, and Mayor Pro Tem Capello had tried to make the same comment to the City Attorney that things totally were not working. He said he talked with Administration and threw the I-1 back out there and it came back to them. He asked Mr. Quinn to talk with Mr. Pellerito tomorrow.

Roll call vote on CM-08-01-012

Yeas: Crawford, Margolis, Mutch, Landry, Capello
Nays: Gatt
Absent: Staudt

2. Consideration of a Completion Agreement for SP04-43 Bolingbroke Site Condominiums in accordance with the requirements of Chapter 26.5.

Mike Kahm, Singh Development, was present to ask for Council's consideration on a subdivision that they had a pre-construction conference on in November 2005. This was regarding the Bolingbroke Subdivision, a 20 acre parcel at the corner of Old Novi Road and 12 ½ Mile Road. Mr. Kahm said at the time of the pre-construction conference, they had intended to begin the subdivision that fall and finish in the spring of 2006 with the expectation that they had a builder who was interested in building the homes. Mr. Kahm said it was not their single family division, it was a national builder who was no longer in town. Unfortunately, that didn't happen. The site was cleared and mass-graded and then they stopped when they found out that the contract for the sale of the lots was not going to come to fruition. Mr. Kahm said the ordinance provided for a completion agreement and required that guarantees be posted for work on a subdivision and would escalate if that subdivision was not completed within a two year period, which came this past fall. Mr. Kahm said they had a unique situation in that they only completed the clearing and grading portions of the project and then stopped because there was no builder. He said they posted a guarantee at that time for all the improvements including water and sewer, roads, landscaping etc. They were asking consideration to continue to hold the guarantees at a two multiplier, outlined in the proposed contract that he submitted. He said for those items that they had already started they were proposing to maintain the guarantee they had already posted. However, for those items they had not started yet, which were the roads, walks, utilities, landscaping, etc., they were asking that their guarantee be refunded back to them. Then, when the market turns and they come forward to build the subdivision, they would have a new pre-construction conference and post the guarantees for the work they had not yet begun, and at whatever number the City determined was appropriate. He said the numbers he was speaking of were outlined in his agreement.

Mr. Pearson said they had looked at this and felt they had to recommend that the Financial Guarantee Ordinance be applied as it's written. He said the financial guarantees were there for protection for the City in case a development didn't go forward at all. There was an active live site plan that someone could come forward with and the idea was the financial guarantees would be in place and the City could access those to finish the work, utilities, etc. Mr. Pearson said even though it was a unique situation in that they had not started any homes, they had started the roads and he still thought it was appropriate to recommend the normal course. He said they tried to be flexible. The ordinance required for the form of the financial guarantees that the first \$250,000 be in cash and the rest a performance bond, was trying to be flexible. However, but beyond that they couldn't recommend anything but that the ordinance applied.

DISCUSSION

Mayor Pro Tem Capello asked if the guarantees were a result of obtaining final site plan approval or as a result of asking for a building permit. Mr. Kahm replied final site plan approval. Mayor Pro Tem Capello said these were tough times and he thought Council understood that, and he could understand how they had begun a development and because of financial reasons and the economy they had to stop. He didn't want to address this on an ad

hoc basis and knew Mike Fellows had been before Council not long ago, and he didn't think Council could just give the relief he was asking for within the ordinance. He said he would like to postpone or table this, send it to Ordinance Review as soon as possible to see if it made sense to amend the ordinances to give some relief to these developers, especially quality developers as Singh, in these tough times. He said when times were good Council looked to Singh and they always gave them more money than they had to in creating a quality development. Mayor Pro Tem Capello said now Council needed to return the favor by trying to work with them. He said the project was unique in that they had done nothing that could impact or harm the City. He said he didn't know if, under the ordinance, they could withdraw their site plan approval and get all their money back except for the bonds they posted to replace trees and the grading permit. At this point, he would rather take it to Ordinance Review and look at the whole picture of the ordinance and see how it affected many developers in Novi, and possibly come back with amendments that would apply to everybody and not just individual builders and developers.

**CM-08-01-013 Moved by Capello, seconded by Gatt; CARRIED UNANIMOUSLY:
To postpone consideration of a Completion Agreement for SP04-43
Bolingbroke Site Condominiums in accordance with the
requirements of Chapter 26.5, and refer this to the Ordinance
Review Committee within a week or two and then specifically
address this issue.**

DISCUSSION

Member Mutch agreed this was a unique situation in terms of where the project was in the process, the request they were making and what the ordinance required. He thought the intent of the ordinance, as it applied to the site, didn't make as much sense as it had with some others that had come forward. In their cases, they had utilities and streets in the ground and homes going up and Council could not allow them to leave those residents or the City on the hook for the potential costs associated with finalizing those improvements, if the developer walked away. He commented that on this site it looked like they had started some stormwater detention, took some trees down, which they needed to address, moved dirt around indicating where streets might go, but that was the extent of the improvements. There were no utilities, roads or sidewalks extended onto the site. He thought, in this situation, they needed to recognize that the financial guarantees the City held for that unique situation might not make as much sense as it did in others. He was willing to support the motion. He thought there needed to be something that addressed insuring there would be no soil erosion or runoff from that site because of the grading that had been done, and that there would be tree replacement, if it looked like it would be an extended amount of time. He said these issues needed to be discussed at the committee level as it was not a black and white decision, but he was willing to look at it. He felt there should be some consideration of this situation for Mr. Kahm and others, but had to also keep in mind that when development had proceeded past a certain point they had to insure that the financial guarantees were in place.

Member Margolis said she would support the motion, and liked the idea of taking a policy view towards this rather than a case by case basis. She agreed this was an unusual situation as they were not abandoning the development where there was anything in there. She agreed they had to look at soil erosion but felt Council had to help out as much as they could.

Mayor Pro Tem Capello said he knew, when going through the financial guarantee in the first place, that they had a couple of the quality developers come to several of the meetings, and he would welcome that again. He told Mr. Pearson he would welcome that again and thought Council should get an education on what was going on in the field and the economy.

Mayor Landry agreed with all the comments made and stated he would support the motion. He thought this merited their looking at it given the economic times they were in, and thought the policy level was the appropriate way to do it.

Roll call vote on CM-08-01-013

**Yeas: Gatt, Margolis, Mutch, Landry, Capello,
Crawford**

Nays: None

Absent: Staudt

AUDIENCE COMMENTS

Linda Krieger, 44920 Byrne Dr., spoke regarding the Fuerst property and asked Council to consider the history of the Fuerst Farm and its significance to Novi. She asked Mr. Schultz to find out what the deed said when the Fuerst sisters gave the property to the schools and the City. She also asked for the recommendations of the Fuerst Committee report that Mayor Clark participated in. She thought the Fuerst Foundation could help fund the care of the Fuerst property. She felt it would be wonderful to look out of the new Library window onto the backyard of the Fuerst home.

Carol Crawford said she knew Council would pass #7 for the McKenna study and asked that as they had the study, to incorporate the Historical Commission, and other groups, with some of the ideas. She felt there should be a Historical Policy from the Council about saving some of the historical properties as she didn't believe they could go to the State and ask for a Centennial Home unless there was a policy within the community. She said there was no ordinance about historical sites and they needed to look at that before they were all gone and there was no history left. She said Northville and Farmington Hills had a policy that Council could look at.

MATTERS FOR COUNCIL ACTION – Part II

- 3. Consideration of 1) an agreement and resolution transferring jurisdiction, control and maintenance of a portion of Twelve Mile Road from the City of Wixom to the City of Novi adding 3,870 linear feet or 0.73 miles to the City's Act 51 street inventory; and, 2) a winter maintenance agreement for a separate portion of Twelve Mile Road that is to remain within Wixom's jurisdiction.**

Mr. Pearson said this item made more rational the ownership and control of Twelve Mile Road just east of Napier. He noted they had been in discussions with the City of Wixom for a while. The City of Novi had active developments with Knightsbridge Gate and they were ready to make improvements, and whatever happened to the property further to the east, more than likely it would involve some improvements. He said it looked like it was in the City of Novi; there were Novi residents from Knightsbridge and other areas that were predominately using it, so he thought it only made sense that the City took responsibility for the maintenance, etc. He

said he was not envisioning, other than what the developers were doing, any major City reconstruction or work. He said let the development community improve it as they go forward and Novi would take on snow and ice control, and some chip seal maintenance until the time came when more would come down the road.

**CM-08-01-014 Moved by Capello, seconded by Margolis; MOTION CARRIED:
To approve 1) an agreement and resolution transferring jurisdiction, control and maintenance of a portion of Twelve Mile Road from the City of Wixom to the City of Novi adding 3,870 linear feet or 0.73 miles to the City's Act 51 street inventory; and, 2) a winter maintenance agreement for a separate portion of Twelve Mile Road that is to remain within Wixom's jurisdiction.**

DISCUSSION

Member Mutch said in the memo from Mr. McCusker he indicated that Novi would receive around \$9,000 per mile for Act 51 dollars for taking over the road. He asked if they would receive the entire amount with the transfer of jurisdiction. Mr. McCusker said Mr. Schultz had worked out an agreement where the City would get percentages twice a year on it. He said it was based on the winter maintenance funding they received through Act 51, and he thought it was in the contract, that was in Council packets, that Mr. Schultz put together with Wixom. Member Mutch stated he would not support the motion. He said he understood the reasons they wanted to bring this under City control due to some of the developments in the area. However, the traffic counts that came back on the proposed development discussed earlier were a handful of cars. Also, if St. Catherine's school went forward that was non-taxable property so the City would not generate any tax revenue from the development. Member Mutch said most of the property in that area had access to either Napier Road or Grand River and Wixom. He said just to chip seal that road would be in the neighborhood of \$48,000, so at the point the street needed to be repaved, he didn't see how they would ever make up in tax revenue the cost to repave that street. He said Wixom had a Public Works Department and the ability to repave and maintain roads; he didn't see any financial argument that would justify taking on this cost. He commented he understood the desire to have the control for the construction but he felt in 20 years they would find it didn't benefit the City to take over the streets.

Mayor Landry said he would support the motion and that this had been in the works for several years. The City of Novi had been desirous of obtaining control to better maintain the property. He said a number of residents lived in the subdivision off Napier, and he thought it would be a benefit to them and to the City.

Roll call vote on CM-08-01-014
Yeas: Margolis, Landry, Capello, Crawford, Gatt
Nays: Mutch
Absent: Staudt

- 4. Consideration of Zoning Ordinance Text Amendment 18.221, to amend Ordinance No. 97-18 as amended, the City of Novi Zoning Ordinance, to modify various sections throughout the ordinance relating to the application of Section 2519.10.c, Special Land Use approvals, modifying the standards, application and**

requirements for submittal of a noise analysis currently required with consideration of Special Land Use approvals. Second Reading

Mayor Pro Tem Capello commented that this was another means that the City had moved forward to try and make it easier to do business in the City of Novi for small businesses, mostly. He thought it would affect the redevelopment of some of the older centers more so than anything else. He thanked Administration for bringing this to Council.

CM-08-01-015 Moved by Capello, seconded by Margolis; CARRIED UNANIMOUSLY: To approve Zoning Ordinance Text Amendment 18.221, to amend Ordinance No. 97-18 as amended, the City of Novi Zoning Ordinance, to modify various sections throughout the ordinance relating to the application of Section 2519.10.c, Special Land Use approvals, modifying the standards, application and requirements for submittal of a noise analysis currently required with consideration of Special Land Use approvals. Second Reading

DISCUSSION

Member Mutch said he would support the motion and thanked the City Attorney and Administration for taking into account the concerns raised at the last meeting. He believed the changes that had been incorporated balanced the primary purpose of the ordinance, which was to protect the residential areas while at the same time addressing the concerns that Mayor Pro Tem Capello raised in terms of providing relief for those uses that would not have an impact on residential areas.

Roll call vote on CM-08-01-015 **Yeas: Mutch, Landry, Capello, Crawford, Gatt, Margolis**
Nays: None
Absent: Staudt

5. Approval of amendments to Council Organization Rules and Order of Business.

Mayor Landry said this came out of the Council Rules Committee. He said every two years after an election they review the Council Organization Rules and Order of Business, and the Rules Committee presents any recommended amendments.

Member Margolis commented that the main change in the Rules had to do with the electronic communication laptops. She said they looked at other cities and what they did regarding laptops and having electronic communication available. She thought they had addressed any of the issues regarding that.

CM-08-01- Moved by Margolis, seconded by Capello; MOTION WITHDRAWN: To approve amendments to Council Organization Rules and Order of Business.

DISCUSSION

Member Mutch said there was one item he had a problem with and thought would raise a problem for Council members, which was the issue of the application of the City's Internet and e-mail usage policies as it applied to the Council members. He said the fact of the matter was they were not City employees and while those policies were appropriate for employees of the City of Novi, he questioned their applicability to elected officials. He thought it blurred a line that should be kept clear. The other issue he had with the application of those policies to Council members was that the policies talked about City staff potentially having access to the computer and e-mail of people who work for the City. He said while that was appropriate for people who were contractually employed by the City of Novi, it raised concerns for himself and potentially for the members of the public who desire to contact Council members via e-mail. He commented there shouldn't be any question that e-mail might somehow be accessible by City staff. Member Mutch said being someone who worked in an information systems position and dealt with these issues on a day to day basis, this was no comment directed at staff or that they would ever do anything that would cause any problems, but in our business the first rule of security was that access was only granted to those who needed it when it was appropriate. He didn't think it was appropriate for staff to have access to Council e-mail or laptops for the reasons stated. He didn't have any problem with the other issues that were discussed and addressed through the policy changes. Member Mutch thought it was appropriate for Council to say they should not send messages to each other electronically during meetings or communicating with members of the public at large, and thought those changes were appropriate. However, those provisions, specifically F under No. 17, did raise a concern. He said Member Staudt said he probably would not use the City laptop or e-mail because of that concern, and Member Mutch echoed that statement.

Mr. Schultz said Item F came up at one of the Rules Committee discussions, and they prepared language for Item F that he thought would address the discussion of Member Mutch. He said instead of a reference to the policy generally, the thought was to pull out items from that policy and plug them directly into Item F. Mr. Schultz said he wasn't sure that language was directly in the version Council had, but it was available and could be brought back.

Mr. Pearson said the version that went out in the Thursday packet was not the version that Council should have gotten, and the version Council was familiar with as the Rules Committee addressed all those concerns. He said what Mr. Schultz was talking about was the version that Council should have received and should be adopting tonight.

**CM-08-01-016 Moved by Capello, seconded by Gatt; CARRIED UNANIMOUSLY:
To table amendments to Council Organization Rules and Order of
Business and bring it back on the Consent Agenda at the next
Meeting, and it could be taken off the Consent Agenda if discussion
was needed.**

**Roll call vote on CM-08-01-016 Yeas: Landry, Capello, Crawford, Gatt, Margolis,
Mutch
Nays: None
Absent: Staudt**

**6. Approval of revisions to the City's General Fund-Fund Balance Policy to increase
the reserve range from 8-12% to 14-22%.**

Mr. Pearson said they had a recommendation drafted by Finance and that Administration supported. He said it was to alter the existing policy for an undesignated Fund Balance reserve up to 14-22% of General Fund expenditures. He said they made the recommendation based upon the reality of what they had been saving in the recent past. He said it also reflected their desire to set aside an unreserved Fund Balance given the State's uncertainty with State Shared Revenue monies, and when and if they come in. Mr. Pearson thought the range in the 14-15% was where they had been targeting and would continue to target, and this was updating the policy to reflect reality and the current situation.

Member Margolis said she understood the reasons for this and had had long conversations about it. She said the policy they had been operating under was the 8-12%, and the reality was they had been carrying a Fund Balance in excess of that for many years. The discussion last year, during the budget session was if carrying a Fund Balance in a higher amount, why then did the policy reflect the 8-12%. She supported increasing the policy; however, she thought increasing it to a 14-22% was too high. She said the reality was that they were given funds as a City to invest in the City. Whereas it was good to carry a Fund Balance that would carry through tough times, it wasn't Council's responsibility to hoard money. She thought the 22% was getting to the point where it was bringing money in that taxpayers were paying now and expecting a benefit from, and holding it for the benefit of taxpayers down the line. Member Margolis said she didn't think that was what people expected from them. She would be comfortable with changing this to a policy of 14-18 or 19% as she thought it was much more in keeping with what she thought Fund Balance was.

**CM-08-01-017 Moved by Capello, seconded by Margolis; CARRIED UNANIMOUSLY:
To amend the City's policy General Fund Fund Balance to increase
the reserve range from 8-12% to to 14-18%.**

DISCUSSION

Member Mutch said he and Member Margolis had discussed this at length and he thought they agreed that the policy needed to reflect the reality of what was going on in the budgeting process. He said during the budget process the Fund Balance was approximately 15%, and was what Council approved as the budget. In the memo provided to Council, because of how revenues came in and how they had not spent as anticipated, the Fund Balance at the end of the year was approximately 22%. Member Mutch asked if that was the number Ms. Smith-Roy used to create the change in the policy. Ms. Smith-Roy said what their recommendation was looking towards was a thought process to be more of a pay as you go type entity. So, the thought was if it was allowed to go up to 22%, which was still less than 3 months of operations of the facility, of the General Fund it would allow flexibility for pay as you go options. Member Mutch said then she would be looking at a Fund Balance more around 20% when the budget was approved. Ms. Smith-Roy said it would depend on the direction of Council in terms of the types of projects they wanted to move forward. She thought Novi was a large enough community that projects in the \$2 to \$3 million range probably should not be bonded for; they should try to plan and budget for them. She said given the economic reality, they were probably looking towards going to a lower General Fund Fund Balance unless they determined that a reserve needed to be set aside for next year. She would like to see them not spending money on interest and bond costs and try to do more pay as you go type options on those projects that were \$3 million or under. Member Mutch asked if she would then be setting aside half of that cost in the upcoming budget with the idea that it would fall into the 18-22% Fund

Balance with the remainder to be allocated in the next budget. So we're setting aside a significant amount this budget so they could pay for the entire amount a year or two out without having to go through the bonding process. Ms. Smith-Roy said he was correct. Member Mutch said as Council was budgeting, they would have to make a commitment that if they wanted to do the \$3 or \$4 million project in a couple years, they would really have to set aside that money and not touch it, and it would be sitting there undesignated. Ms. Smith-Roy said there would be no commitment from one Council to another; it had to be a buy in from one City Council to the next. There were other ways and they added a sentence at the end of the policy that would allow them to designate, so they could reduce the undesignated portion to the 14-18% and use a designation so Council could designate a million dollars this year towards the project and that wouldn't count in that percentage. They tried to allow the greatest flexibility for both recommendations from Administration and for City Council. Member Mutch said he would support the motion because he thought it was the most appropriate way for Council to take on a project and fund it in that nature was to designate. He said he wouldn't want them to informally say yes, they would pay for the next fire station, but in the budget it appeared to be an undesignated Fund Balance. He thought that as a Council they would have to be diligent and understand that if they wanted to take that approach, they couldn't have a Fund Balance that was only 14% or they would never set aside enough money to do those kinds of projects. He said they had to strive to be in the 20-22% range and maybe setting aside a part of that to be designated for a project that would be funded over a two or three year period.

Member Margolis said the reason she was not comfortable with a policy that said 22% was she thought, over time, they'd lose track of the fact that the reason the policy was set was for these pay as you go projects. She said in this case, if it was set for 14-18%, they could "violate" their own policy and save more but they would have to do it in a thoughtful way. They would either have to do the designation or understand they wanted to budget the reason they were "going over" their policy.

Roll call vote on CM-08-01-017

**Yeas: Capello, Crawford, Gatt, Margolis, Mutch
Landry
Nays: None
Absent: Staudt**

7. Approval to award professional services contract to McKenna Associates, Incorporated for preparation of a Master Plan of City-owned property at Taft and Ten Mile Roads (Fuerst Farmstead) in the amount of \$23,500.

Member Mutch said one of the things McKenna and Associates talked about in the RFP that he thought was good was the public input portion. He said they had talked about having five meetings with key stakeholders, and from the stakeholder groups having a selected number of people participating. He commented the McKenna report also talked about the importance of including at large, input from residents who would be anyone who didn't fall into the focus group. He said in reviewing the RFP, he didn't see anything that talked specifically about how they would gather input from any resident other than those who appeared in the focus group.

Ms. Antil served on the Evaluation Committee and interviewed the two firms that responded to the RFP. She said basically both firms described a process that they envisioned based on the information given in the RFP. She said McKenna went into great detail about wanting to serve

what they thought would be our needs. So, we would identify groups that we thought could be added such as neighborhoods and additional survey work. However, there was quite a tight timeframe to bring back information, so one of the things that both of the consulting firms talked about was that as input was added, to recognize the need for more time to put that input into some meaningful report for Council. She said if there was something Council thought was missing, they could work it in. She said there was another meeting tomorrow with the consultant to discuss those types of varied details related to the input and any input Council had tonight.

Member Mutch thought the element they highlighted in their RFP was missing, which was input from the citizens at large. He thought the focus groups would be a good way to get a lot of targeted input because it would focus on those stakeholders like the Library, School Board and residents in the surrounding area. He thought if Council was going to be consistent with what they had expressed about how this was a key property in the City's Civic Center Complex, and the importance of the property to the community, that residents have some ability to provide input. He commented he didn't think it needed to be anything as complex as a survey but there should be, just as they have with the Master Planning process, opportunities for residents to participate through structured meetings where staff would provide a presentation and take focused input. He said they also gave residents an opportunity to provide input outside of that, and they received quite a bit of input from residents, which helped drive the outcome of the Master Planning process. Member Mutch thought to be successful, they needed to capture both into the process. He said he would be looking for whatever methods, through the Steering Committee, that they decided to gather input that in addition to that stakeholder process, there would be another process that would allow the general public to participate. He said they touched on the timeline for this and thought it was February 28th, and that was a concern for him because of the Library building process, however, on the other hand, that was only a little over 30 days. Member Mutch said he was concerned whether that timeline would preclude a lot of opportunity for the public to have input and to react to whatever proposals were coming forward. When talking about the importance of the property to the public and the City at large, they shouldn't unnecessarily rush the process. He said he would personally like to see more opportunity for the public to participate. Member Mutch said he would highlight some organizations that had some involvement or would have some interest in the property because of its historic nature that he thought they should be getting input from. Those organizations would be Oakland County, State Historic Preservation Office because of the State designation, National Register of Historic Places, and the National Trust for Historic Preservation who were both involved in the national designation. Member Mutch said at a minimum he would be looking for McKenna to solicit some input from those organizations about the historic character of the site and the importance as a resource and how those fit in at the County, State and National level because of those designations. Member Mutch also would be looking for McKenna to take advantage of some of the work that had already been done by experts in the field, those who were familiar and had done surveys of the barn, house, and architects who were experts in the construction and maintenance of the barns. He said some of that work had already been done and should be incorporated into the information of the final report.

Member Mutch said Saturday, Council discussed some of the things they wanted to do in the upcoming year as it applied to the budget. He said they had some very ambitious ideas about that and thought the scale of those ideas, in comparison of what might be proposed at the Fuerst Farm, would require a lot more resources than they might be able to commit. He hoped

whatever report came forward recognized that whatever the improvements or recommendations for the site were, that they take into account Council would not be able to fund everything in one year. He would expect to see funding recommendations that discussed phasing in improvements as any improvements to that site would cost money. He wanted to see a report that recognized they would not be able to do everything in one year, and a report that made recommendations on how they could finance activities, improvements, and reuse of that site in a way that would allow them to do it in a reasonable manner from a budget perspective. Member Mutch said the focus should be on the preservation of the site and putting the dollars and cents towards that, and \$23,000 could do a fair amount of work. He said he recognized that a process like this might be the first step forward to accomplishing what he wanted to see happen there. He trusted that with McKenna's background and the people involved in the project that they would recognize the quality of the resources available and bring a proposal that was reasonable and respected those historic resources. Also, that would allow those resources to be more fully utilized by the community, and that would allow Council to put together a multi year plan so they could fund and fully take advantage of the resources on that site.

**CM-08-01-018 Moved by Mutch, seconded by Margolis; CARRIED UNANIMOUSLY:
To approve the award of professional services contract to McKenna Associates, Incorporated for preparation of a Master Plan of City-owned property at Taft and Ten Mile Roads (Fuerst Farmstead) in the amount of \$23,500.**

DISCUSSION

Mayor Pro Tem Capello thought a focus group was a valuable way to acquire information from the community and surrounding neighborhoods. He recalled when the City re-did the logo and the consultant did a substantial amount of work and City Council said it was not what they were looking for. He said he would like to see McKenna, after they conduct the focus group, come back to Council before they do any planning to get some direction of where Council wanted them to go before they expended additional money and time doing what they thought the focus group had told them to do.

Member Crawford asked if the timeframe was feasible. Mr. Pearson said they put the timeframe in the RFP, so the responders knew what they were getting into, and we, too, want a good process and full recommendation. If three weeks into it more time was needed, they would come back to Council and request a couple more weeks to get it done, right. Mr. Pearson said the Library was a consideration and the other fact was that the upcoming budget deliberations were a consideration. Mr. Pearson commented that sometimes it was better to put a tight timeframe on things, let everyone focus and do it right, and if it takes two months it would be more expensive. He said he was confident they could solicit broad based input. He said Council was asking McKenna for their professional recommendations and experience for example for rough financial options. He said the input taken in would be an element in addition to staff and McKenna but he didn't know what they would come back with in February because the whole point was to get the recommendations from McKenna and staff so Council could have the whole picture. He asked Council for more clarity about their expectations, and whether they wanted him to check back with them in February after the public input solicitation.

Mayor Pro Tem Capello said they wouldn't know if Council wanted a passive park, practice soccer fields, quality ball diamond, Farmers Market, etc. He thought it was hard for them to create a Master Plan for a park when they had no idea what Council was looking for. Mr. Pearson thought the direction was those range of possibilities and Council was looking for information on which to base those. He didn't know if they would come back with a firm Master Plan that laid all that out, or if they would come up with examples. He thought the idea of this was to give Council that whole range of options, the pros and cons and financials for each of those. Mayor Pro Tem Capello asked what they were being paid \$23,000 to come back to Council with. He said when he thought of a Master Plan he thought of what the park would be and what the property would be used for. He asked if they were going to come back and say it could be used for a ball diamond, etc. Mr. Pearson said it would come back with some of that but also with what was practical, what the community was saying, and what it would take financially to develop and run the property in this fashion or that. He said they would have the benefit of the next four weeks to flush it out and put some actual numbers and estimates to all those things.

Mayor Pro Tem Capello said his real concern was what they were spending \$23,000 for. He said perhaps they should be meeting with Parks and Recreation and trying to come up with what we would like to see there and then direct them to put a plan together and look at finances, and then move forward. He thought it was like putting a blindfold on and saying go out there and find something for us when they have no idea which direction to go in, and were working in a vacuum. He said he wasn't sure of what they were going to do, if they were going to come back with all these generalities.

Mayor Landry commented that the Fuerst Farm property was an important piece of property for the City for a number of reasons. He said its location and history made it important and right now it was just sitting there. He commented there was a lot of talk in the community with some saying it should be solely an historical center, and it's available property that could be used for active recreation. There had also been talk about moving buildings there and the Library had, at one time, talked about locating right on the corner. Mayor Landry said he didn't think, not in his time, that there had been any comprehensive consulting with the community as to what they would like to see there, or serious consideration to what the financial options were. He saw this as an opportunity to hire professionals to canvas the community, all the support groups and the general public and give everyone, if not a member of a focus group, a chance to weigh in on it. He thought the web site was a perfect opportunity to do that. He was sure they could put up a special page or link on the web site to weigh in on this subject. He said he would like to see professionals, who know how to build and plan these things, to take the temperature of the community and say "OK, if you want an interpretative center, if you want a grouping of buildings here's how much property, money and effort it would take to do it". He said if they wanted to keep the buildings where they were located, he knew the Fuerst Farm home was in bad shape with severe foundation problems and if someone was talking about raising money for this, how much would they have to raise, what would the target be. He noted the bottom line was all about who was going to pay for it. He thought everyone would agree that it would be wonderful for any City to have this great historical area. The question was what it would cost to refurbish and maintain. Mayor Landry said that was what he hoped this would tell them. Mayor Landry asked if the buildings could be moved or clustered, or should they leave them where they were. He hoped this would give them options and tell them what it would cost. Then Council could decide where their priorities were, how much the City would be willing to put in, and what the target was so they could tell private organizations how

much money they should try to raise. He encouraged those who were interested in historic preservation to not only verbalize they were interested, but what they would suggest to raise money, and he would welcome all those suggestions. Mayor Landry thought the money would be well spent to get some professionals to look at it and give Council some ideas on what it would take.

Member Margolis said they wouldn't be working in a vacuum because there was a community recreation Master Plan where they talked about what the needs of the community were. She said they had their Council goals, so she thought the idea was to take all of that into consideration and see how that property might best serve the needs that were already identified in a number of ways. Mr. Pearson said they would definitely offer the opportunity and encourage Council to participate in any of the focus groups.

Member Mutch said Mayor Pro Tem Capello expressed many of the concerns he had expressed when this first came up. He said Mayor Pro Tem Capello was correct that Council had given them an open ended proposal or route to follow. He thought this process wouldn't be going out into community and whatever idea the most number of people come up with ruled the day. There would be input from the Planning Commission, Parks Recreation and Forestry Commission, Historical Commission, School Board, the Library as well as the professional input from McKenna. He said hopefully that combination of input as well as community input would bring forward a vision for this property that met the desires of the community as well as the needs of the City. Member Mutch said he wanted to correct one thing. The discussion of whether there had been a comprehensive community input plan in the near term, Ms. Krieger talked about the task force that Mayor Clark and others served on, and that was a comprehensive plan that had quite a bit of public input. However, he thought they all recognized that the work done in 2000 would benefit from being updated, and this process could provide that. He said that was why he could support this process moving forward again. The concerns he expressed before regarding the open ended nature of this process, hopefully, what McKenna put together would bring forth a proposal that the Council could support and would reflect the community's desires for the property.

Roll call vote on CM-08-01-018 **Yeas: Crawford, Gatt, Margolis, Mutch, Landry, Capello**
Nays: None
Absent: Staudt

- 8. Approval to award gasoline bid contract to Mansfield Oil for truck transport deliveries (over 5,000 gallons) and RKA Petroleum for tank wagon deliveries (under 5,000 gallons), the low bidders, based on the market price on the day of delivery plus a pre-determined bid factor.**

CM-08-01-019 **Moved by Margolis, seconded by Capello; CARRIED UNANIMOUSLY: To approve award of gasoline bid contract to Mansfield Oil for truck transport deliveries (over 5,000 gallons) and RKA Petroleum for tank wagon deliveries (under 5,000 gallons), the low bidders, based on the market price on the day of delivery plus a pre-determined bid factor.**

Roll call vote on CM-08-01-019

**Yeas: Gatt, Margolis, Mutch, Landry,
Capello, Crawford
Nays: None
Absent: Staudt**

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

MAYOR AND COUNCIL ISSUES - None

AUDIENCE COMMENTS - None

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 8:26 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Date approved: February 4, 2008