

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, SEPTEMBER 10, 2012 AT 7:00 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

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

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Gatt, Mayor Pro Tem Staudt (absent, excused), Council Members Casey, Fischer, Margolis (absent, excused), Mutch, Wrobel

ALSO PRESENT: Clay Pearson, City Manager
Victor Cardenas, Assistant City Manager
Tom Schultz, City Attorney
Marina Neumaier, Interim Financial Director
Jason Mangum, Director of Parks, Recreation and Cultural Services

APPROVAL OF AGENDA:

CM-12-09-152 Moved by Casey, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve the Agenda as presented.

Roll call vote on CM-12-09-152 **Yeas: Casey, Fischer, Mutch, Wrobel, Gatt**
Nays: None

PUBLIC HEARING - None

PRESENTATIONS

1. American Cancer Society thank you for use of Fuerst Park – Kat Georgas

Kat Georgas was there to talk about Relay for Life and to explain her personal involvement as a Novi resident. She formed a team for the Relay for Life this year because of personal reasons. She lost a friend who was a Detroit Fire Fighter. He was only 45 years old. It made her get more involved. She wanted to help by getting the community more involved. She introduced Rachel Leas, American Cancer Society Community Representative, to talk about Relay for Life. Relay for Life is a 24 hour walk that takes place in communities across the world. It is a chance for friends and family to get together to help fight cancer. The Relay for Life event in Novi at Fuerst Park rose over \$62,000. They celebrated over 30 cancer survivors' victories. They had about 250 participants as 31 teams. The efforts of Novi have helped the awareness of the program. She presented Mayor Gatt with a Certificate of Recognition for the City of Novi.

REPORTS:

1. MANAGER/STAFF - None

2. ATTORNEY - None

AUDIENCE COMMENT – None

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

CM-12-09-153 Moved by Wrobel, seconded by Casey; CARRIED UNANIMOUSLY:

To approve the Consent Agenda as presented.

- A. Approve Minutes of:
 - 1. August 27, 2012 – Regular meeting
- B. Approval of Change Order No. 3 to Hard Rock Concrete for the 2012 Neighborhood Road Program in the amount of \$98,600.
- C. Approval of Zoning Ordinance Text Amendment 18.261 to amend the City of Novi Zoning Ordinance at Article 25, "General Provisions" Section 2516, "Site Plan Review (All Districts)" in order to allow administrative approval of site plans proposing a reduction in building size from a previously approved plan. **Second Reading**
- D. Approval to award a construction contract for the Village Wood Lake Park Improvements project to PAVEX Corporation, the low bidder, in the amount of \$30,088.
- E. Approval to award Novi Enterprise Asset Management System (NEAMS) Phase II implementation services to Power Engineers for a lump sum fee of \$ 38,510, subject to final review and approval as to contract form by the City Manager and City Attorney.
- F. Approval to award bid to American Silkscreen for t-shirts and sports apparel, for a one-year contract with two renewal options in one-year increments based on unit pricing with an estimated annual cost of \$40,000.
- G. Approval of the first year renewal option of the photography contract for the Parks, Recreation and Cultural Services Dept. programs with Princeton Studios, 22829 Heslip Drive, Novi, MI 48375.
- H. Approval to transfer ownership of Class C liquor license issued for property located at 47900 Grand River Avenue, Novi, MI 48375, from Applebee's Restaurants Mid-Atlantic, LLC to TSFR Apple Ventures, LLC, a Michigan limited Liability Company, conditioned on completion of final inspections and approvals as required by Chapter 3 of the City of Novi Code of Ordinances.
- I. Approval of Claims and Accounts – Warrant No. 875

Roll call vote on CM-12-09-153

Yeas: Fischer, Mutch, Wrobel, Gatt, Casey

Nays: None

MATTERS FOR COUNCIL ACTION – PART I

1. Approval of a resolution to amend the purchasing policy to reflect changes and improvements in the City's procurement processes, including an increase in the threshold amount for which a purchase order must be used from \$1,000 to \$5,000; authorization of the use of P-Cards for some purchases; establishment of a formal change order policy; and clarification of certain exceptions to purchases in excess of \$15,000 that do not require City Council approval.

City Manager Pearson explained that this item was presented to Council two weeks ago. Council requested additional staff feedback. Memorandums from two of the large operating departments were given to Council, which are Public Services and Public Safety that order the bulk of materials. It is a modernization of our purchasing policy with the upgrade to the software. The new policies will still maintain the integrity of our systems.

Member Mutch asked about the process for purchase orders. Interim Finance Director Neumaier explained the process using the BSA software. It allows them to encumber the funds to manage the budgets. When looking at the smaller dollar purchases, typically the invoice is received in the same accounting period. The benefit of encumbering the funds is not as significant as it is for purchases of a higher dollar amount. Member Mutch asked as to what kind of things would a purchasing manager do other than signing off on requests because they are usually familiar with discounts or specials and making sure that there is no duplication. Interim Finance Director Neumaier agreed that the purchasing manager has an important role. They make sure the purchasing policies are adhered to and provide assistance to departments. The purchasing manager provides assistance to the departments using the MITN program. It allows them to post bids and to use an online procurement system for small purchases in the future. Member Mutch asked for the total value of the 416 purchases that fell under the threshold that is proposed. Ms. Neumaier didn't want to throw a number out there and would go back to verify the dollar amount. Member Mutch was concerned that the purchasing manager would keep purchases from going through without their knowledge and they may help decrease the amount of dollars spent. It may be time saving by not having to go through an extra step, but there may be an increase of dollars spent because the purchases are not reviewed by the purchasing manager. He also referred to the change in the change order policy and noted that any change orders less than \$15,000 or less than 20% of the amended contract price would not have to come to City Council for approval. He would not be comfortable with not having a fixed dollar amount cap with the under 20% of the change order or \$15,000. City Manager Pearson agreed that it would be a percentage of the amount. The vast amount of the purchases will be smaller amounts with the need for budget allocation

for any change orders. Member Mutch felt that if the budget allocation is not approved by Council, the bill would already be approved under the proposed process. He was concerned with the larger or controversial projects. He would not support it as written. Council is ultimately responsible for how those dollars are spent. In terms of the P-cards, he wanted to know the number of people who would have the P-cards. Interim Finance Director Neumaier said that the largest user would be the Department of Public Services with ten to fifteen users. Public Safety would have approximately three users and about ten users in Parks and Recreation. Member Mutch confirmed as to whether the limit would be \$1,500 on the P-card. Interim Finance Director Neumaier agreed and said the amount may be less than \$1,500. Member Mutch asked if it is over a fixed time period. Ms. Neumaier said that the card can be structured with regards to the business policy. They would set it up as an amount that cannot be exceeded on a monthly basis or on an individual purchase. Member Mutch asked as to what kind of transparency the P-cards will have. Interim Finance Director Neumaier said they receive a file from the bank which we import to our financial system. Documentation could be similar to the credit card documentation on the warrant. Member Mutch said he didn't have a problem with the concept of the P-card. He thought it came back to accountability and transparency to both internally and to City Council members.

City Manager Pearson added that they have one purchasing agent for the City of Novi. That person is dedicated towards higher level requisitions and does not function in the same way as described. We have moved to decentralize and have trained Public Safety, Department of Public Services and Parks and Recreation on the new system and there would not be any value added by going through the old purchase system.

Member Fischer asked if there would be situation where the department head and the purchasing manager would approve a contract over appropriate budgeted amounts and if it was a possible scenario. City Manager said it would have to be extreme. He didn't see how it could happen with the budget allocation and they wouldn't administratively approve anything over that amount and then bring it to Council after the fact. Member Fischer said the area of concern would be the policy of the 20% or \$15,000. He said if it did happen, then Council would put a policy in place. We continually ask City administration and staff to do more with less and Council should be supportive of anything that is brought forward to streamline the process. Looking at the dollar amounts, he feels comfortable with the high level oversight body.

CM-12-09-154 Moved by Fischer, seconded by Casey; CARRIED UNANIMOUSLY:

To approve the resolution to amend the purchasing policy to reflect changes and improvements in the City's procurement processes, including an increase in the threshold amount for which a purchase order must be used from \$1,000 to \$5,000; authorization of the use of P-Cards for some purchases; establishment of a formal change order policy with a \$100,000 cap; and clarification of certain exceptions to purchases in excess of \$15,000 that do not require City Council approval.

Member Wrobel said that P-cards were used where he worked and felt it was a very good idea. He wasn't comfortable about the change in the change order policy but the City has earned its trust to operate efficiently.

Member Casey said that she trusts staff and is comfortable limiting the purchase order requirement up to \$5,000. In terms of P-cards, she felt there were enough controls in place. The minimum dollar value that would trigger the \$15,000 and 20% overage that would require it to come back to Council would be about \$75,005. It is a small enough dollar figure where we wouldn't have that kind of situation come back to us. She would support the change.

Mayor Gatt agreed with everyone on Council. The City of Novi is very transparent in the way they do their finances. The P-cards have been used at the County for years and is a wonderful tool to have. It is a modern and efficient way of doing business. The change order concerned him. He asked if the City would have any reluctance to have a cap on it and suggested a \$100,000 cap. City Manager Pearson said it was a great suggestion. It would ease any concerns.

Member Mutch said that none of his concerns were in regard to how the staff operates or how the staff is managed by administration. We have a transparent organization and accountability measures in place. His concern is that communities have never said, after the fact, they should have been more liberal with our policies. He will always be more restrictive. The suggestion from the Mayor is in the right direction. He will evaluate this process as it goes forward.

Roll call vote on CM-12-09-154 **Yeas: Mutch, Wrobel, Gatt, Casey, Fischer**
Nays: None

2. Approval of contract award to Printwell, the low bidder, for printing of the Annual Calendar in the amount of \$16,245 and approval of a contract award to Accuform, the second low bidder, for design and printing of Engage! And Enhance in the amount of \$88,704 and \$6,570, respectively, for a total of \$111,519 for one year with the option for two renewals.

CM-12-09-155 **Moved by Casey, seconded by Fischer; CARRIED UNANIMOUSLY:**

To approve the contract award to Printwell, the low bidder, for printing of the Annual Calendar in the amount of \$16,245 and approval of a contract award to Accuform, the second low bidder, for design and printing of Engage! And Enhance in the amount of \$88,704 and \$6,570, respectively, for a total of \$111,519 for one year with the option for two renewals.

Roll call vote on CM-12-09-155 **Yeas: Wrobel, Gatt, Casey, Fischer, Mutch**
Nays: None

3. Consideration of request from Genji Novi, Inc. for a new Class C quota license to be located at 27155 South Karevich Dr., Novi, Michigan 48377 and Agreement on the Prohibition on Profiteering by Class C Liquor License Holders.

City Manager Pearson said this is one of the Council's three remaining quota licenses. The business is a redevelopment of a very prominent and visible property that has been vacant for a long time. He felt it has met the criteria in Council's past practices for approval.

Linda Mayer, representing Genji Novi, Inc., said the applicants have acquired the building and the adjacent office/warehouse building behind the restaurant. Genji is owned by the four Pi brothers. They have been active in the restaurant business since they were young. They have been owners of restaurants since 2002. It is family owned and they have spent \$2.7 million to acquire the property and will spend more than \$4 million renovating and rehabilitating the 10,000 square foot building. They are proposing to put in a Japanese Steak House with a fresh sushi bar and variety of Asian cuisines from Korea, Thailand, China, and Japan. They anticipate it will bring an additional 80 to 130 jobs in the restaurant with another 30 plus jobs in the office building behind the restaurant where they have a commissary kitchen, catering service, and an import business. The Pi brothers are committed to the community.

Member Fischer asked where the other restaurants are located. Ms. Mayer said one is in Midland and one is in Saginaw and another one called Pi's Asian Cuisine in Brighton. Member Fischer asked as to the uniqueness of the facility and what they would bring that was unique. Mr. Pi said it is the teppanyaki cooking that is entertaining with a reasonable price. He is committed to the Community. Member Fischer asked who will operate the restaurant. Mr. Pi said his son, Tony Pi and his daughter-in-law will operate from Brighton. They will bring 20 to 30 staff from Midland. He hoped to meet the standards of Novi. Member Fischer said he appreciated their consideration and investing in Novi. He can support this. The applicant has invested millions of dollars. Previously, the building was an eyesore and he is pleased they are rehabilitating the building.

Member Wrobel asked if they own or lease the property. Mr. Pi said he does own the property. Ms. Mayer noted the property is owned by Pi's Property Management. Member Wrobel said they have demonstrated a commitment in the value of investment they have made. He had no issues with approving the license.

CM-12-09-156 Moved by Wrobel, seconded by Casey; CARRIED UNANIMOUSLY:

To approve a request from Genji Novi, Inc. for a new Class C quota license to be located at 27155 South Karevich Dr., Novi, Michigan 48377 and Agreement on the Prohibition on Profiteering by Class C Liquor License Holders because of the substantial investment to economic development in the area and the family owned nature of the business lending to the uniqueness.

Member Mutch asked what the total investment was. Mr. Pi said it was about \$5.4 million in renovations plus \$2.7 million for the acquisition of the property. Member Mutch determined it was approximately a \$7 million investment with about 110 to 160 new jobs. He felt that without the liquor license this restaurant wouldn't be able to operate at this location. He asked as to when the anti-profiteering portion of the agreement would take effect and what it would accomplish. City Attorney Schultz explained that the agreement puts a limitation on transferring a quota license within three years. The agreement prevents the owner from taking advantage of the quota license by transferring it to another community. Member Mutch said things could happen but he felt with the investment in that area warrants the uniqueness.

Member Fischer asked if we should include the findings of the family owned nature of the business was lending to the uniqueness.

Mayor Gatt said he agreed with everything stated. He looked forward to this opening.

Roll call vote on CM-12-09-156 **Yeas: Gatt, Casey, Fischer, Mutch, Wrobel**
Nays: None

4. Consideration of adoption of Ordinance 12-23.28 to amend the City's Code of Ordinances, Chapter 22, Offenses, Article VI, Offenses Against Public Safety, Section 22-129, Possession of Dangerous or Deadly Weapons; Transportation of Firearms, in order to clarify the weapons to which the existing general prohibition of discharge applies, to clarify the areas where discharge is not prohibited, and to remove the discretion of the police chief to issue permits allowing the discharge of certain weapons. **First Reading**

City Manager Pearson said it is getting our ordinances up to date with State law. The provision is there from a different time when the City wasn't built out. We don't want to leave discharge of firearms to anyone's discretion during this day and age.

Member Mutch asked about bow and arrow practice in someone's back yard and if it would be prohibited. City Attorney Schultz said it would be prohibited. Member Mutch felt if someone had a few acres of land, they should be able to practice archery in their own back yard if they practiced safely.

Mayor Gatt felt it should not be anything less than 5 acres for archery.

Member Wrobel directed the question to Chief Molloy. Chief Molloy said bow and arrow is still a concern. Arrows like firearms can travel a great distance. If there is a reasonable amount of property, we could find something like we had last year where people were hunting geese. The City has become too congested to have this activity at all. People will find the acreage and there will be people filing complaints again.

Member Fischer asked if we carved out a 5 acre minimum, more or less, is there any distinction between practicing and hunting. Chief Molloy said more than likely they would have to send an officer or two to determine if they are practicing or hunting. It

would be resource intensive. He didn't feel there are a lot of people who want to shoot a bow and arrow in their back yard; simply because of the significant distance those arrows can travel. Member Fischer asked if there was something else, such as State law or an ordinance, which would keep them from hunting if we allowed bows and arrows to be discharged. Chief Molloy said they are not outlawing hunting. City Attorney Schultz said there is a ban on discharge, not hunting.

Member Mutch asked why not ban hunting. City Attorney Schultz said a hunting regulation goes through the Department of Natural Resources. There is a statutory process to prohibit the discharge. There could be exception to it but because there is already a set of regulations related to hunting, hunting could not be prohibited. Member Mutch asked what happens if a resident has a hunting license and wants to hunt. City Attorney Schultz said they would have to go through the police department. Member Mutch wanted to know as to what degree the State laws governing hunting supersede our ordinances. Will we have challenges with regard to archery? Mr. Schultz said they included background information that Council received but will expand on the archery issue. Member Mutch didn't want to restrict someone's right to do something because people don't like it and would call the police.

Member Wrobel asked if the ordinance was adopted as is, could they put an archery range business in? City Attorney Schultz said that was one of the exceptions as long as they meet all the requirements.

Member Casey agreed with the first reading as it is but has concerns as Member Mutch outlined and would be looking for further information before the Second Reading.

CM-12-09-157 Moved by Fischer, seconded by Mutch; CARRIED UNANIMOUSLY:

To approve the First Reading of the Ordinance 12-23.28 to amend the City's Code of Ordinances, Chapter 22, Offenses, Article VI, Offenses Against Public Safety, Section 22-129, Possession of Dangerous or Deadly Weapons; Transportation of Firearms, in order to clarify the weapons to which the existing general prohibition of discharge applies, to clarify the areas where discharge is not prohibited, and to remove the discretion of the police chief to issue permits allowing the discharge of certain weapons.

Roll call vote on CM-12-09-157

**Yeas: Casey, Fischer, Mutch, Wrobel, Gatt
Nays: None**

5. Approval to award a construction contract for Pavilion Shore Park Phases 1 and 2 to V.I.L. Construction, Inc., the low bidder, in the amount of \$1,492,175.

City Manager Pearson wanted to have Mr. Mangum, Director of Parks, Recreation and Cultural Services, speak on this project. Mr. Mangum said this is a project that is a long

time in coming. The process for the park started before he became director. Last year, this project was awarded a grant from Michigan Natural Resources Trust Fund. In February, 2012 a conceptual plan was presented and approved by City Council for the design and construction of Phase I and II. We have worked with staff and consultants since then. There have been a couple of additions to the design, additional parking and irrigation. These are the bids for Phase I and II with additional elements from Phase III.

Member Mutch thought the key point about what they are approving was that once the construction work is complete; all the elements that were required for the Trust Fund Grant will be in place the day the park opens. It also sets the foundation for future improvements. There is another grant available with future phases of development. It would cost a lot more if the project was spread over several years. The size of the property plays a role in requiring a sizable investment.

CM-12-09-158 Moved by Mutch, seconded by Casey; CARRIED UNANIMOUSLY:

To approve the award of a construction contract for Pavilion Shore Park Phases 1 and 2 to V.I.L. Construction, Inc., the low bidder, in the amount of \$1,492,175.

Roll call vote on CM-12-09-158 **Yeas: Fischer, Mutch, Wrobel, Gatt, Casey**
Nays: None

6. Approval to award an engineering services agreement with URS Corporation for construction engineering services related to Pavilion Shore Park Phase 1 and 2 in the amount of \$144,719.

CM-12-09-159 Moved by Fischer, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve an engineering services agreement with URS Corporation for construction engineering services related to Pavilion Shore Park Phase 1 and 2 in the amount of \$144,719.

Roll call vote on CM-12-09-159 **Yeas: Mutch, Wrobel, Gatt, Casey, Fischer**
Nays: None

7. Approval to award an engineering services agreement with URS Corporation for design engineering services related to the 2013 Neighborhood Road Program (including additional work funded by voter approved millage increase) and the 2013 Capital Preventative Maintenance Program—Local Streets in the amount of \$154,733.

City Manager Pearson said they are preparing for additional road projects as a result of the voter approved millage increase. The City will not have those funds until this time next year but they are anxious to identify projects. They will present the findings in mid-winter with a list of projects for the 2013-14 budget year.

Member Fischer asked if it was in addition to something that was already approved or is it a new contract and pointing out the fact that it is including some of the work that will be funded by the new millage. City Manager Pearson said it is the latter. This would be done anyway for the next fiscal year to identify the areas that are in need. It is new work for the next fiscal year. Member Fischer said it is very exciting to be in this position and great foresight on the City staff to start planning.

CM-12-09-160 Moved by Fischer, seconded by Casey; CARRIED UNANIMOUSLY:

To approve an engineering services agreement with URS Corporation for design engineering services related to the 2013 Neighborhood Road Program (including additional work funded by voter approved millage increase) and the 2013 Capital Preventative Maintenance Program–Local Streets in the amount of \$154,733.

Roll call vote on CM-12-09-160 **Yeas: Wrobel, Gatt, Casey, Fischer, Mutch**
Nays: None

8. Approval of resolution to authorize Budget Amendment #2013-1.

City Manager Pearson said they were a series of roll over items that were not completed in last budget year and a couple of actions that were taken in this fiscal year to accommodate those.

CM-12-09-161 Moved by Fischer, seconded by Mutch; CARRIED UNANIMOUSLY:

To approve the resolution to authorize Budget Amendment #2013-1.

Roll call vote on CM-12-09-161 **Yeas: Gatt, Casey, Fischer, Mutch, Wrobel**
Nays: None

AUDIENCE COMMENT – None

COMMITTEE REPORTS - None

MAYOR AND COUNCIL ISSUES - None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

COMMUNICATIONS -None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 8:21 P.M.

Robert J. Gatt, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Jane Keller

Date approved: September 24, 2012