



NOVI window to opportunity government



**ANNUAL BUDGET
AND FINANCIAL PLAN**

2014 - 2015
CITY OF NOVI, MICHIGAN

Bob Gatt



Mayor

Dave Staudt



Mayor Pro Tem

Andrew Mutch



Council Member

Justin Fischer



Council Member

Wayne Wrobel



Council Member



Laura Marie Casey



Council Member

Gwen Markham



Council Member

Victor Cardenas



Interim City Manager

NOVI city council government



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Novi
Michigan**

For the Fiscal Year Beginning

July 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Novi, Michigan for its annual budget for the fiscal year beginning July 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Citizen's Guide to the Budget

Introduction

The purpose of this section is to explain to the reader the format and information presented in the 2014-15 budget document.

The budget provides a financial plan for the following to execute the Budget Program Strategies which are funded through the General Fund, Special Revenue Funds and other sources; and includes payment of debt. A glossary of terms is included within the Appendices section with definitions for these and other budget and financial terms.

Budget Document

The budget document consists of the following sections:

- The **City Manager's Budget Message** highlights the program strategies and budget plan priorities.
 - The **Budget Overview** provides a summary of the budget including a Financial Overview and review of the Financial and Budget Policies.
 - The **City Council Goals** provide for development of the key results targeted for the year and are a guideline for budget development and resource allocation.
 - The **Multi-Year Budget** illustrates the City's three-year budget.
 - The **Budget Program Categories** section includes four program categories: Nurture public services that residents want and value; Operate a world-class and sustainable local government; Value and build a desirable and vibrant community for residents and businesses alike now and into the future; and Invest properly in being a Safe Community at all times for all people.
 - ◇ Program Objectives
 - ◇ Summaries of the City's "Quadrant Two" activities, various plans and other forward-thinking activities which provide a roadmap for reaching our community's goals
 - ◇ Performance measures and objectives
 - The **Capital Improvement Program** section provides a listing of capital improvement projects for the upcoming fiscal year as well as for the next five years.
 - The **Budget Summaries** (General Fund, Special Revenue Funds, Enterprise Funds) sections present the operating budgets for the City departments. These presentations include an *Overview* of the department as well as 2013-14 *Significant Accomplishments*.
 - The **Appendices** have been included to provide additional information pertaining to the City of Novi that may be of interest to the reader of the budget document. Included in these sections are: City Council Resolutions, Statistical information, Summary of Current Construction Projects and a Glossary of budget and financial terms.
- 



City of Novi Leadership Philosophy: Our Guide to Manage, Recruit/Select and Follow

We, the City of Novi management team, believe **employees are committed** to providing quality services and take pride in contributing to the community. Our team members are motivated by fair and positive recognition and possess a sense of value to deliver quality customer service.

We believe in and **strive to provide professional growth and development opportunities** for all people, so they may remain technically proficient and learn the most current, effective means of performing their work. We believe continuing education is critical and helps our staff to anticipate the future and be prepared.

We encourage a **trusting and supportive environment** that fosters innovative problem solving initiatives from every aspect of the organization.

We believe the **opportunity to lead**, both formally and informally, is available to all who desire it throughout the organization.

We believe **staff closest to situations has the greatest potential for quickly and effectively resolving issues** and decisions can and should be made by all people throughout the organization.

We proudly **provide essential community services through planning, goal setting, engagement and prioritization** that are supported by City Council and delivered transparently.

We **encourage and expect employees to dedicate and commit time to long-range thinking and planning** apart from daily required tasks. Our whole staff team explores and thinks through options to do things differently, to do things better.

We pride ourselves on **communicating openly and honestly through a variety of methods** and encourage internal and external feedback which is accurate and timely to most effectively inform all organization members.

We **believe and take pride in Novi's tradition of partnering with the wider community**. We desire to be the first to step up and partner, to be leaders who follow through on mutually-beneficial co-operations. With the assistance of schools, service agencies, and other units of government, we can find areas of each of our strengths to provide the best and most efficient service to citizens and businesses.

Mayor and City Council

Office of the City Manager



Federal,
State,
County
Government

Organizational Chart

Citizens

Volunteer Boards
& Commissions

Public Services

- Engineering**
- * City Construction Project Design & Inspection
 - * Capital Improvement Program
 - * Private Development Site Plan Review - Infrastructure
 - * Right - of - Way permits
 - * Infrastructure Asset Management

- Field Operations**
- * Road & Drain Maintenance
 - * Ice & Snow Removal
 - * Recycling Center

Forestry

Fleet Maintenance

- Water & Sewer**
- * Sanitary Sewer Operations & Maintenance
 - * Water System Operations & Maintenance
 - * Watershed Stewardship
 - * Rouge River Liaison

State of Michigan
Department of
Environmental
Quality

Road Commission for
Oakland County

Michigan Department of
Transportation

State of Michigan
Department of
Natural Resources

Federal
Bureau of
Investigation

Michigan
State
Police

nurture

operate

invest

value

Parks, Recreation & Cultural Services - Programs

- * Recreation
- * Older Adults
- * Meadowbrook Commons/Ice Arena
- * Novi Ice Arena
- * Arts & Community Festivals

Civic
Organizations

Schools

Library

novilibrary.org

Parks, Recreation & Cultural Field Services (through DPS)

- * Park Maintenance
- * Park Development

City Clerk

Human Resources

Assessing Finance/Treasury Purchasing

Information Technology
Geographic Information
Facility Operations

Private Sector
Investments

Detroit Regional
Chamber of
Commerce

Automation
Alley

Neighborhood & Business Relations

cityofnovi.org
InvestNovi.org

- * Communications
- * Community Relations
- * Civic Engagement
- * Business Attraction/Retention/Expansion
- * Community Television
- * Employee Engagement
- * Novi Youth Council

Homeowner
Associations

Community Development

- * Long-Range Planning
- * Private Development Site Plan Review
- * Environmental Planning
- * Master Plan and Zoning
- * Soil Erosion and Sedimentation Control
- * Building Plan Review, Inspections and Permits
- * Ordinance Enforcement

Michigan
Economic
Development
Corp

Courts

Public Safety

Administration

- * Police & Fire
- * Records
- * Emergency 911 Center

Police

- * Preventative Patrol
- * Criminal Investigations
- * Crime Prevention & Citizen Engagement

Fire

- * Emergency Medical Services Response
- * Fire Prevention/Inspections
- * Fire Suppression
- * Citizen Engagement

Emergency Preparedness & Management

- * CERT
- * Citizen Engagement

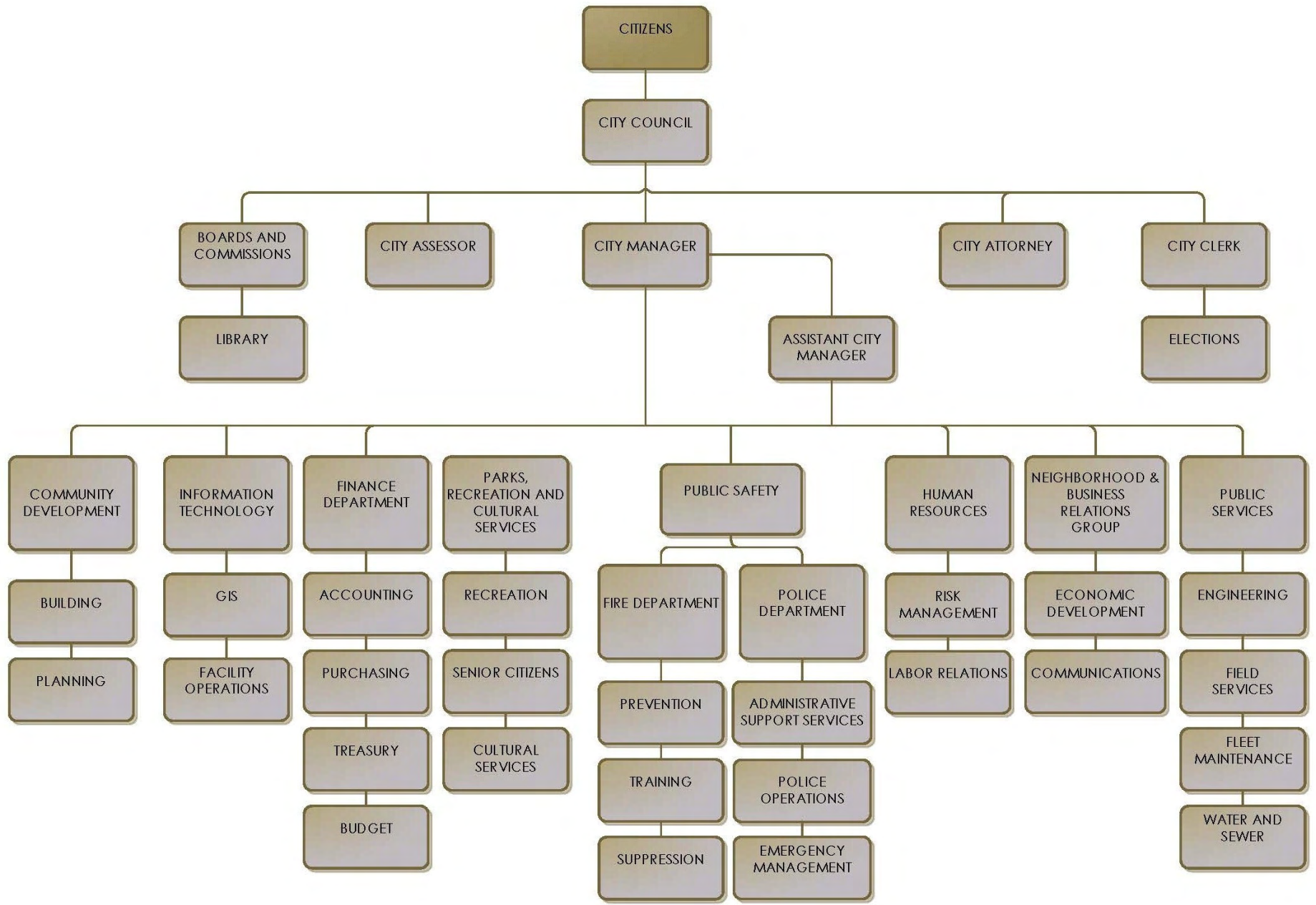


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Budget Message



City of Novi, Michigan

FISCAL YEAR 2014-15 BUDGET MESSAGE

June, 2014

Honorable Mayor and City Council Members:

With great honor and pride I present the City of Novi's 2014-15 Annual Budget—a balanced, forward-looking document fully in keeping with the goals and directives that the City Council has discussed over the past year. A community's annual budget is one of the most important documents (maybe the most important document) produced by its officials as they map out the activities to be accomplished in the upcoming year. As Novi enters the 2014-15 fiscal year, we find ourselves at a turning point. Five years of declining property values, decreased other receipts, and stagnant development activity—some of the most important measures of fiscal health for a local community— have given way to a 180 degree shift in all of those factors. Revenue is up, and potential investors are knocking at the door again. We now have an opportunity to start building on the growth and successes the community enjoyed before the global economic decline. We have emerged from that downturn leaner, smarter, and better-positioned for continued success than most.

The document before you attempts to make the most of this window of opportunity. This Budget is the result of the kind of long-term planning that has been Novi's hallmark, and is the product of the diligent efforts of staff throughout the organization, who are charged with identifying what needs must be addressed and which available opportunities to seek in the upcoming year, all in accordance with the City Council's overarching objectives.

For a number of years, the City Council maintained seven strategic categories that guided City Administration's budget preparation. At City Council's January 11, 2014 Early Input Budget Session the previous seven strategic categories were condensed to four policy priorities:

Nurture Public Services that residents want and value

Operate a World-Class and sustainable local government

Value and build a desirable and vibrant community for residents and businesses alike, now and into the future

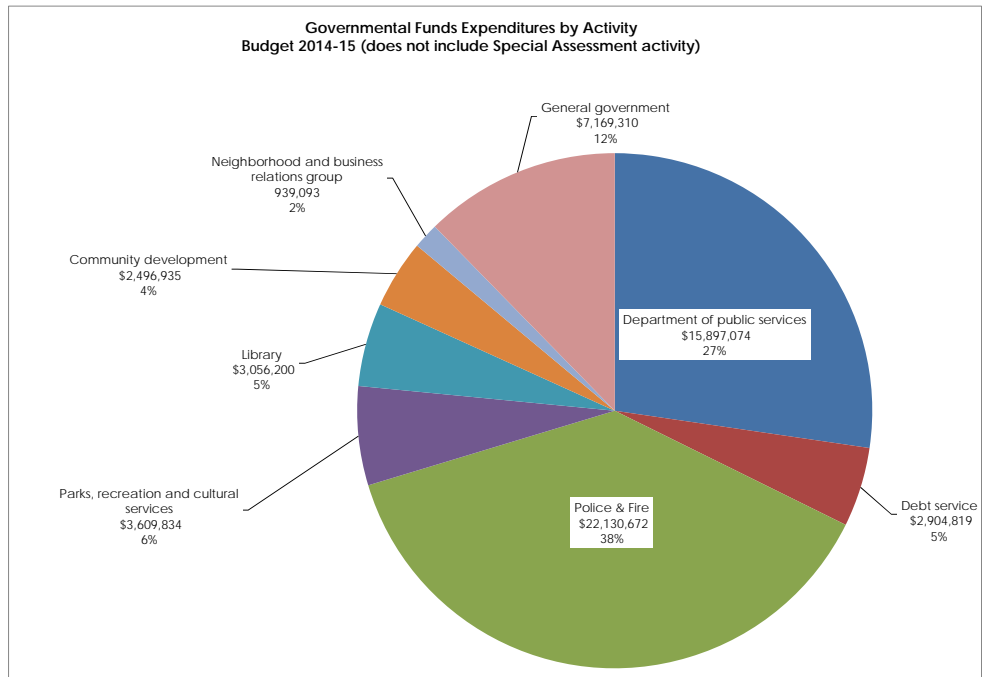
Intest properly in being a safe community at all times for all people

Budget Message

These four strategic categories/themes are the guiding principles not just for preparing the annual budget document, but for determining how best to deliver City services for the foreseeable future. Consolidating the strategies provided an opportunity to revise the City’s Organizational Chart, which previously resembled the “Olympic Rings,” depicting how each City Department was intertwined with the seven strategic categories. The rings additionally recognized our external partners/agencies that frequently support the City in service delivery. The new chart mirrors gears of a well-oiled machine. Each gear represents one of the Council’s new strategic categories. No one piece can move independently. The parts operate in concert with one another.

Overview

Taken as a whole, the 2014-15 General Fund total budget is a .006% decrease from the current Fiscal Year 13/14 Estimated. The new investment is based on the previously- noted modest growth in property tax, building revenues, and constitutionally-guaranteed revenue sharing. The 2014-15 budget focuses on Novi’s strong financial foundation by maintaining a healthy **24.85%** fund balance in the General Fund. Committed to forecasting and presenting a balanced three year budget the General Fund Balance is forecasted to be at **22.30% in Fiscal Year 2017-18.**



2014-15 General Fund Operation Budget

	<u>2013-14 ESTIMATED</u>	<u>2014 -15 RECOMMENDED</u>
Revenue	\$29,448,962	\$30,510,701
Expenditure	\$30,603,265	\$30,423,995

Future Millage Capacity

Novi has a consistent history of careful investment in capital improvements while maintaining responsible levels of debt. In Fiscal Year 2012-13, the City Council extended its commitment to that legacy by adopting a formal Debt Management Policy to ensure equitable and responsible bond issuances into the future. The City has

Budget Message

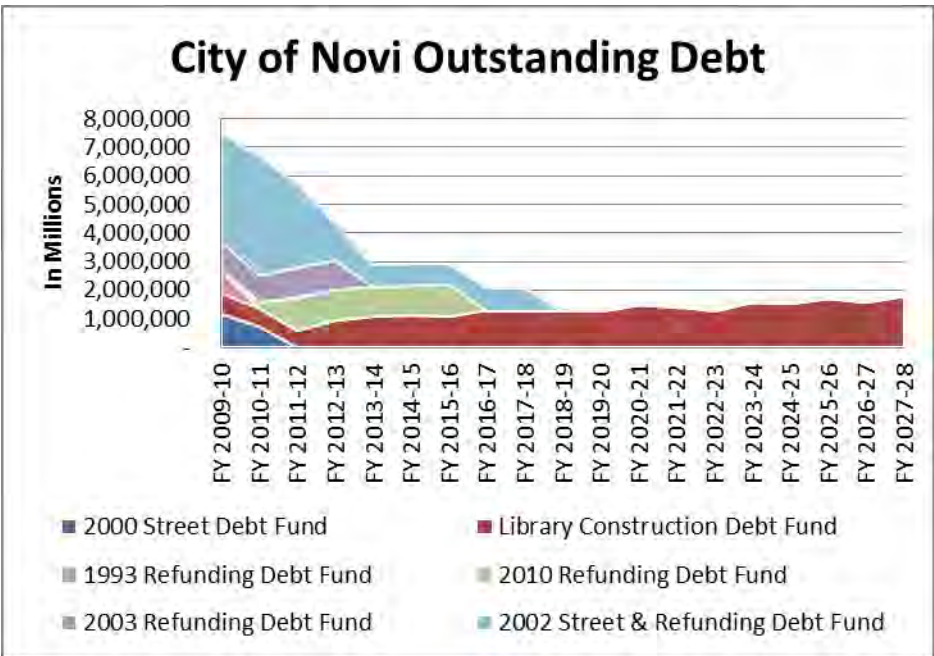
been able to responsibly leverage debt issuance as a legitimate funding source for large capital projects (e.g., the ice arena and the new library building) when warranted, investing and financing projects that future generations benefit from and pay for with debt service. The City has also used, and will continue to use, a range of additional funding mechanisms to equitably fund improvements, including internal borrowing, special assessment revenue, grant funding, state shared revenue and operating revenue, among others.

Each year the City dedicates a portion of the 10.2 millage rate to debt service payments. Last year, FY 2012-13, the City dedicated .9903 mills to debt service payments (Street Debt, Library Construction, Ice Arena Facility Debt,

etc.), or roughly 9% of the total millage rate. In the next Fiscal Year (FY 2015-16), the City will fulfill its obligation to repay the General Obligation Refunding Bonds issued in 2010 for refunding bonds issued for the balance of the 1998 Street Bond Debt issued. Over the last four years annual debt service payments for this bond in particular have averaged just over \$1 million.

Also recommended in this Budget is a reduction in the Drain Fund millage rate in order to levy more for the 2002 Street & Refunding Debt Fund in order to retire it earlier than its scheduled retirement date of FY 2017-18. As the City will be retiring a significant amount of debt in the next few years, new opportunities will be presented to the City as to how the community will finance capital projects, retirement pension/OPEB liabilities, or departmental operations. More importantly, the policy question arises as to what is the desired total millage rate moving forward to sustain the City's operations and meet its obligations for today and well into the future. The City has needs and opportunities to issue replacement debt and to provide financing and still keep a low total property tax millage rate. With the roughly \$2 million less in debt service that will occur in FY 2016/17 as opposed to today, for example, there could be \$2 million in capital provided for continuing replacement investments.

One opportunity to consider is to propose a Headlee Override for the Parks and Recreation (per City Council's long-term goal) and/or Police & Fire Fund to restore those respective millages to their Charter permitted levies. Pursuant to the legislative approval of Proposal A in 1994, the City's millage rates have been "rolled back" at the rate of inflation, resulting in lower millage rates, and revenue, for important operating funds like the Police & Fire and Parks and Recreation Funds. If an override were approved by the voters, the additional revenue generated would be \$215,000 for Police and Fire operations (original levy of 1.8 mills) and \$342,000 for Parks and Recreation (original levy of .5 mil).

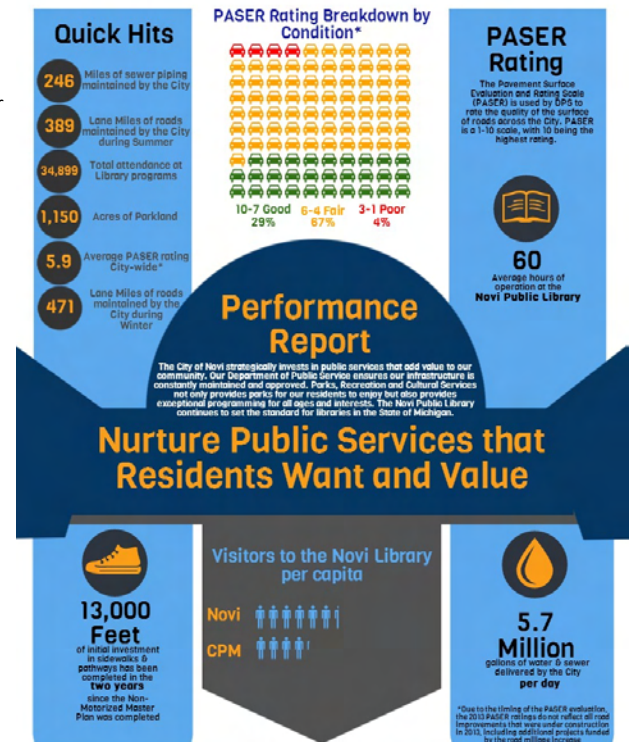


Budget Message

Performance Measurement

In 2013, the City enrolled in two different performance measurement programs. The first is the International City Manager's Association's (ICMA) Center for Performance Management (CPM) program. CPM is a nation-wide consortium that measures inputs, efficiency, and outcomes across 18 service areas. A membership in the CPM Comprehensive program allows Novi to compare our performance to that of some of the nation's highest-performing municipalities. The second program is the Michigan Local Government Benchmarking Consortium (MLGBC). Although CPM allows the City access to data from top cities around the country, we all know that Michigan has its own "quirks" (e.g., Economic Vitality Incentive Program) that other places do not. Thus, MLGBC affords the City the opportunity to compare categories like road maintenance, snow removal, and water & sewer services with communities that are structurally more like us.

In addition to comparing our performance to that of other communities, the City has always measured key drivers within departments in order to guarantee and measure our own forward progress. Internal benchmarking has been a staple in our management practices for years, whether it is measuring crime levels in the City to measuring new building permits to employee satisfaction levels. One great example is the Computer Statistics (CompStat) system used by our Public Safety Administration. CompStat allows Public Safety to analyze crime data and measure departmental responses in order to identify and evaluate ways to keep Novi safe by maximizing and understanding changing trends and opportunities. The department has been able to establish a more data-driven approach to public safety—with excellent results.



This Budget will continue to fund all of these internal efforts at appropriate levels. But understanding our performance is also key to framing our window of opportunity. By understanding how effectively and efficiently we deliver services we can better serve our residents. Readers of the FY 2014-15 Budget will therefore note the revised "Performance Reports" at the end of each section. Each report lays out in detail how City Administration is delivering services to our residents in an easy-to-understand, intuitive way. We present what we see as key drivers behind each strategic theme, along with some statistic we hope will better inform readers about the essential services the City provides.



Budget Message

Sound Plan to address Infrastructure needs

The American Society of Civil Engineers (ASCE) "2013 Report Card for American Infrastructure" gives the United States, as a whole, a D+ grade for the current state of America's aging infrastructure. ASCE estimates that it will take an investment of nearly \$4 trillion dollars to get the country's infrastructure back to a merely "acceptable" level. For years, news outlets have been reporting on various gas main ruptures, catastrophic water main breaks, collapsing bridges, etc. Novi is a relatively young community, and in general its public infrastructure and physical plant are in better shape than most. Of course, some of municipal buildings are nearly 50 years old now, and while they are for the most part still fully functional and serviceable, if not completely modern, to keep them that way requires significant, consistent, and scheduled attention and maintenance.

Included in this Budget are two air handlers, one for the Civic Center the other for the Police Department building. These devices are used to condition and circulate air and are important components of the heating, ventilating, and air-conditioning (**HVAC**) system. The previous handlers are the originals from when both structures were built. These new devices will be significantly smaller and considerably more efficient. In addition to the renovations to the Civic Center and Police Station's HVAC systems, the Budget also contains over \$100,000 in improvements to Fire Station 3, consistent with the City Council's 2014-15 goal.

These improvements are not particularly glamorous or exciting but are needed to ensure that our facilities are operating at an optimal level. The Budget proposes the purchase of some new equipment (snow plow truck, new vehicle for the Fire Department, etc.), and of course the scheduled water, sewer, and drain improvements that must be made every year.

A significant recommendation is the engineering and architectural design of an expansion of the Department of Public Services building. A facilities needs assessment was presented to City Council on April 7, 2014. In that assessment, the Sidock Group evaluated and presented their findings, which recommended the expansion in order to service a growing community of 59,000 residents with a demanding cadre of infrastructural needs (roads, water/sewer, and sidewalks/paths etc.) Funding sources for the expansion are varied, from internal borrowing from the Water & Sewer Fund, to support through a millage of some type or a general obligation bond. The City Council will need to evaluate the recommendations and the funding options in the coming months and give directions for proceeding forward.

Moving Forward

In Fiscal Year 2014-15, City Council will be making some significant decisions that will affect the community's landscape for the next five years and beyond. One of those decisions will be choosing its next City Manager, who will ink this correspondence to you next year. Whoever succeeds to that position will, as one of his or her main tasks, be leading discussions with the Council about what the community's millage rate should be, how it will fund the major capital projects we know are right around the corner, and how to address expansion needs at the Public Services complex and in the Police and Fire departments particularly. All of these questions/topics have Fiscal Year 2014-15 budgetary implications, and this Budget starts those conversations about the opportunities to shape the Novi of tomorrow.

Budget Message

These aren't chores. They are opportunities. After a few tough years, the window is wide open to get many important things accomplished. Novi is a fantastic, innovative, and hard-working community. Established as a City in 1969, the community has grown from a sleepy rural stop along Grand River into a cosmopolitan, diverse, and vibrant City of nearly 60,000 and counting. This Budget focuses, as it should for a community approaching 45 years old, on the basics—roads, sidewalks, physical plant, necessary equipment, etc. — that need to be replaced, repaired, and remolded. By doing so, the 2014-15 Budget continues to chart the course to Novi's next 45 years.

Respectfully submitted,



Interim City Manager

Post Script

I would like to thank Novi's fantastic staff for assisting in the composition of this document, especially Carl Johnson, Jessica Dorey, John McCarter, Sheryl Walsh, Melissa Place, Tom Schultz and Glenn Lemmon, but also many others. They all worked diligently to provide a vibrant, modern, comprehensive, and readable book. We are all fortunate to have such a professional and accomplished staff team to deliver service to a modern and vibrant community.



Budget Overview

Fiscal Year 2014-15 Budget Calendar

October						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- City Council Meetings
- Planning Commission and CIP Committee Dates
- City Staff Meeting/City Staff Milestone Dates
- Advertising/Notification Deadline

October 25, 2013 Capital Improvement Plan(CIP) submittals due from departments

November						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

November 12, 2013 Novi Business Community Survey Results

December						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December 16, 2013 Transmittal of Budget Preparation Manual and mid-year fiscal 2013-14 Budget estimate material to departments

December 17, 2013 - 2013 Assessments - Property Tax Base Primer presented to City Council

December 20, 2013 CIP submittal due to the City Manager

January						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January 11, 2014 City Council Early Budget Input Session

February						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

February 14, 2014 Deadline for departments to provide revenue and expenditure estimates for Fiscal Year 2013-14 through the remainder of the fiscal year (operations and capital)

February 21, 2014 Deadline for submission of Fiscal Year 2014-15 departmental Operating Budget, Service Improvement, Capital Outlay, Vehicle and Conference & Workshop requests

February 24, 2014 Joint Planning Commission/City Council CIP Committee meeting

February 26, 2014 CIP Public Hearing notice in *Novi News*

March						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

March 12, 2014 Public hearing on Capital Improvements Program, Planning Commission and CIP adoption

March 17 - March 21, 2014 City Manager's review of Budget Requests

March 28, 2014 City Manager and staff resolve remaining Budget and CIP mismatches and other questions - **LAST DAY FOR CHANGES TO GOVERNMENTAL FUNDS**

April						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

April 7, 2014 City Manager submits Recommended Budget to City Council

April 16, 2014 City Council Budget Discussion

April 24, 2014 Public Hearing on Fiscal Year 2014-15 Budget notice in *Novi News*

April 30, 2014 City Council Budget Session (*if necessary*)

May						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May 3, 2014 City Council Budget Session (*if necessary*)

May 12, 2014 Public Hearing on Budget

May 19, 2014 City Council adopts operation Budget and approves tax levy (Charter requires adoption no later than the third Monday in May)

June						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

June 16, 2014 Staff proposes and City Council reviews and and approves Fiscal Year 2013-14 year-end 4th quarter budget amendment/revisions, if needed.

June 30, 2014 Staff publishes final Adopted Budget document and CIP Program

July						
S	M	T	W	T	F	S
		1	2	3	4	5

July 1, 2014 Fiscal year 2014-15 begins

Budget Overview

Revenue & Expenditures

Property Taxes

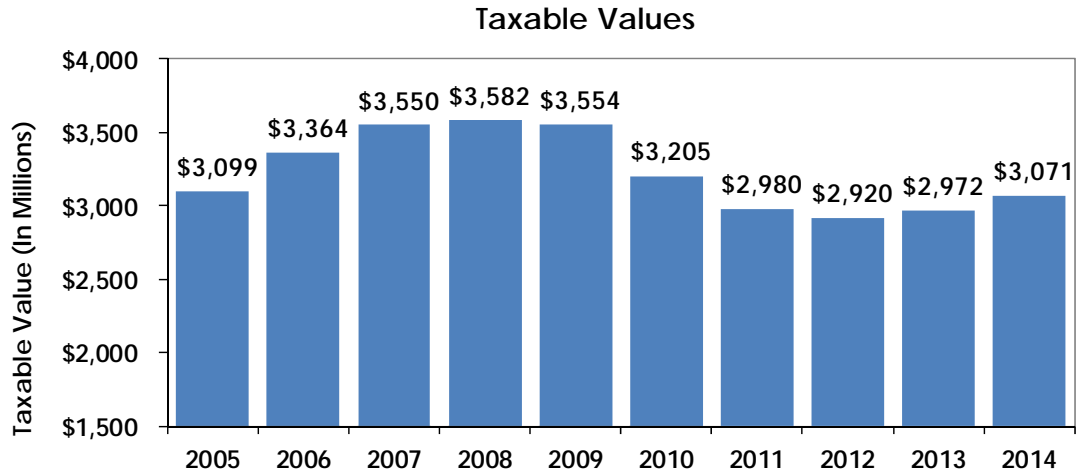
Property taxes are expressed in terms of millage with one mill being equal to \$1.00 per thousand dollars of taxable value.

Assessing records maintain two values for each property in the City. Prior to Proposal A, all property was taxed based on the State Equalized Value (S.E.V.), which represents 50% of true cash value. Proposal A limits the increase in value attributed to market change to the lower of 5% or the Inflation Rate Multiplier (previously referred to as Consumer Price Index). The one exception (for existing properties, not new construction) is the properties changing ownership, which brings the taxable value back up to the S.E.V.

The following shows recent history of taxable values and percentage change from prior year:

Taxable Values

Tax Year	Taxable Value (in millions)	% Change
2005	\$ 3,099	6.8%
2006	\$ 3,364	8.6%
2007	\$ 3,550	5.5%
2008	\$ 3,582	0.9%
2009	\$ 3,554	-0.8%
2010	\$ 3,205	-9.8%
2011	\$ 2,980	-7.0%
2012	\$ 2,920	-2.0%
2013	\$ 2,972	1.8%
2014	\$ 3,071	3.3%

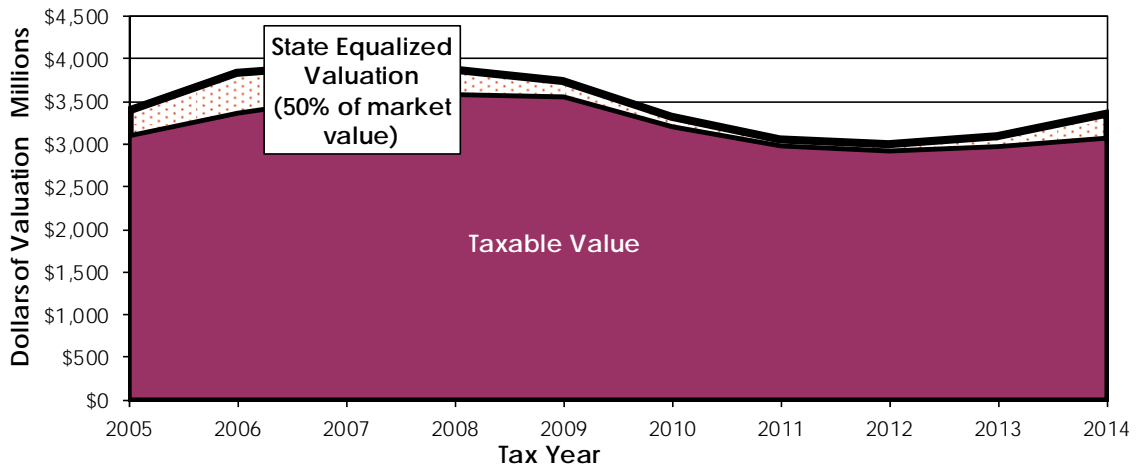


Budget Overview

Ten Year Taxable Value Actual Compared to State Equalized Valuation (SEV)

Tax Liability Year	State Equalized Valuation (50% of market value)		Taxable Value		% Taxable Value of SEV
	Amount	% Change	Amount	% Change	
2005	\$3,407,206,840	6.6%	\$3,098,817,510	6.8%	90.9%
2006	\$3,848,565,100	13.0%	\$3,364,061,500	8.6%	87.4%
2007	\$3,946,241,780	2.5%	\$3,550,406,740	5.5%	90.0%
2008	\$3,876,954,790	-1.8%	\$3,582,448,240	0.9%	92.4%
2009	\$3,742,061,910	-3.5%	\$3,554,943,630	-0.8%	95.0%
2010	\$3,321,184,600	-11.2%	\$3,204,568,420	-9.9%	96.5%
2011	\$3,063,922,590	-7.7%	\$2,979,611,480	-7.0%	97.2%
2012	\$3,004,330,340	-1.9%	\$2,920,333,650	-2.0%	97.2%
2013	\$3,099,733,610	3.2%	\$2,972,081,580	1.8%	95.9%
2014	\$3,365,191,110	12.0%	\$3,070,872,210	5.2%	91.3%

Ten Year Taxable Value Compared to State Equalized Valuation - City of Novi, Michigan



The 1994 SEV established the base for taxable value calculations beginning in 1995. In addition to SEV, a taxable value was determined for each property. Taxable value is the lower of either capped value or SEV. Capped value increases are limited to the lesser of 5% or the rate of inflation. Although SEV continues to be based on market conditions, taxable value is thus in place to control property tax increases. Additions or losses to a property will increase or reduce the taxable value of that property. In the year following a property transfer, the taxable value of that property will uncapping to the SEV. Novi's total taxable value rate of change moves larger than the SEV largely due to the uncapping of properties from sales and the addition of new construction. In the coming decades, as Novi reaches build-out and ages, under current rules, yearly increases in taxable value will be closer to capped consumer price index (termed Inflation Rate Multiplier by the State of Michigan).

Budget Overview

Headlee Amendment

The Headlee amendment of the State Constitution can reduce the amount of operating millages allowed by City Charter. This amendment limits the growth in property tax revenue from existing property to the rate of inflation. It accomplishes this by reducing millages proportionally by the amount that market changes exceed the State's inflation rate multiplier. The table on this page shows the millages, revenues, remaining capacities and the proportion of each funds' property tax revenue. With slight increases in market values the City is not subject to the Headlee Limitation for 2014.

CITY CHARTER RATES, HEADLEE MAXIMUM RATES AND 2014 TAX LEVY

	CITY CHARTER	ADJUSTED CHARTER MAXIMUM HEADLEE		2014 LEVY	REMAINING CAPACITY
		2013	2014		
OPERATING FUNDS					
GENERAL FUND	6.5000	5.0182	5.0182	5.0182	-
MUNICIPAL STREET FUND	1.5000	1.5000	1.5000	1.5000	-
PUBLIC SAFETY FUND	1.8000	1.4282	1.4282	1.4282	-
PARKS AND RECREATION	0.5000	0.3857	0.3857	0.3857	-
DRAIN REVENUE FUND	1.0000	0.7719	0.7719	-	0.7719
LIBRARY FUND	1.0000	0.7719	0.7719	0.7719	-
DEBT SERVICE FUNDS					
2008 LIBRARY DEBT FUND	(as needed)	N/A		0.3716	Last Year of Payments 2027-28
2002 REFUNDING & STREET BONDS	(as needed)	N/A		0.3782	2017-18
2010 REFUNDING BONDS	(as needed)	N/A		0.3462	2015-16
				10.2000	

	MILLAGE			REVENUE	REMAINING CAPACITY
	2013-14	2014-15	CHANGE		
OPERATING FUNDS					
GENERAL FUND	5.0182	5.0182	0.0000	\$ 15,014,000	
MUNICIPAL STREET FUND	1.5000	1.5000	0.0000	4,488,000	
PUBLIC SAFETY FUND	1.4282	1.4282	0.0000	4,273,000	
PARKS AND RECREATION	0.3857	0.3857	0.0000	1,154,000	
DRAIN REVENUE FUND	0.1057	0.0000	(0.1057)	-	\$ 2,309,000
LIBRARY FUND	0.7719	0.7719	0.0000	2,309,000	
	9.2097	9.1040	(0.1057)		
DEBT SERVICE FUNDS					
2008 LIBRARY DEBT FUND	0.3852	0.3716	(0.0136)	1,111,873	
2002 REFUNDING & STREET BONDS	0.2564	0.3782	0.1218	1,131,458	
2010 REFUNDING BONDS	0.3487	0.3462	(0.0025)	1,035,713	
	0.9903	1.0960	0.1057	3,279,044	
	10.2000	10.2000	0.0000	\$ 30,517,044	

Note: Last Headlee rollback in maximum millage rate occurred in tax year 2004.

Budget Overview

Millage Rate

The tax impact on a home with a \$300,000 market value is easily computed. The State Equalized Value (S.E.V.) of a single family residence would be half of the market value of the home. For the example, we will assume the taxable value is equal to the S.E.V. of the residence, which would be \$150,000. The tax millage rates are equal to \$1 per \$1,000 of taxable value. To compute the amount of City property taxes, the property owner could simply take the taxable value and divide it by 1,000 then multiply that by the tax millage rate. Below is an illustration of the computation for the amount of City property taxes on a single family residence with a taxable value of \$150,000.

Taxable Value Example (increased by 1.6% in 2014):

	2013 \$150,000		2014 \$152,400	
	MILLS	TAXES	MILLS	TAXES
General Fund	5.0182	\$ 752.73	5.0182	\$ 764.77
Municipal Street Fund	1.5000	225.00	1.5000	228.60
Public Safety Fund	1.4282	214.23	1.4282	217.66
Parks and Recreation	0.3857	57.86	0.3857	58.78
Drain Revenue Fund	0.1057	15.86	-	-
Library Fund	0.7719	115.79	0.7719	117.64
Total Operating	<u>9.2097</u>	<u>1,381.47</u>	<u>9.1040</u>	<u>1,387.45</u>
Debt	0.9903	148.55	1.0960	167.03
Total	<u>10.2000</u>	<u>\$ 1,530.02</u>	<u>10.2000</u>	<u>\$ 1,554.48</u>
Anticipated change between 2013 and 2014				\$ 24.46
Inflation Rate Multiplier				1.6%

The City of Novi total annual property tax millage rate of 10.2000 mills was reduced from 10.5416 mills during tax year 2011 (FY 2012) which had been the same for the prior 12 years. It remains 10.2000 mills for tax year 2014 (FY 2015).

Budget Overview

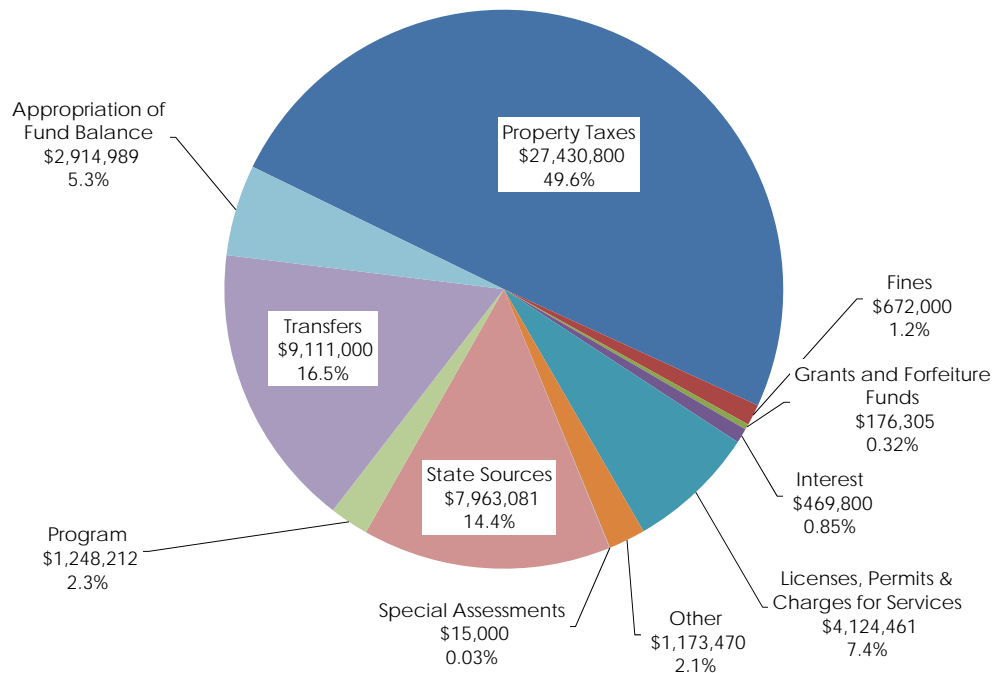
Revenue Summaries

The following represents Fiscal Year 2014-15 budgeted revenue (General Fund and Special Revenue Funds), as well as a four-year comparison of revenue by fund.

Fiscal Year 2014-15 Budgeted Revenue (by category)

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL BUDGETED REVENUE
ESTIMATED REVENUE:			
Property Taxes	\$ 15,206,800	\$ 12,224,000	\$ 27,430,800
Fines	525,000	147,000	\$ 672,000
Grants and Forfeiture Funds	20,000	156,305	\$ 176,305
Interest	260,000	209,800	\$ 469,800
Licenses, Permits & Charges for Services	4,124,461	-	\$ 4,124,461
Other	732,970	440,500	\$ 1,173,470
Special Assessments	-	15,000	\$ 15,000
State Sources	4,341,470	3,621,611	\$ 7,963,081
Program	-	1,248,212	\$ 1,248,212
Transfers	5,300,000	3,811,000	\$ 9,111,000
Appropriation of Fund Balance	(86,706)	3,001,695	\$ 2,914,989
TOTAL ESTIMATED REVENUE	\$ 30,423,995	\$ 24,875,123	\$ 55,299,118

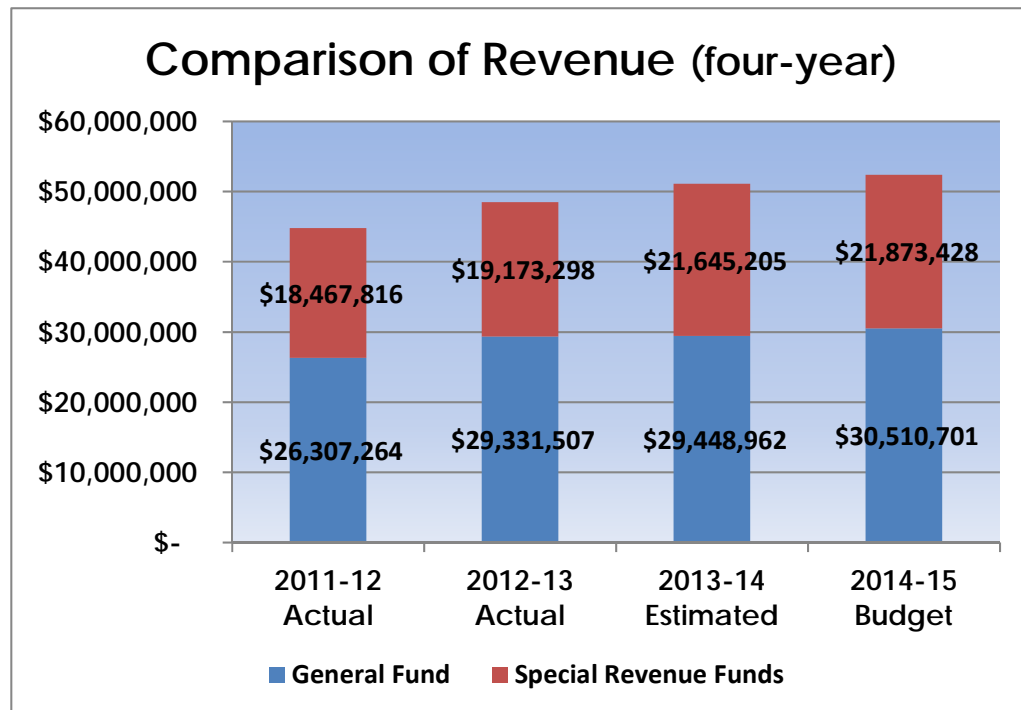
Sources of Funding for General Fund & Special Revenue Funds
2014-15 Budget
Total Sources: \$55,299,118



Budget Overview

Comparison of Revenue (Four-Year)

FUND	2011-12 Actual	2012-13 Actual	2013-14 Estimated	2014-15 Budget	% Change Estimated 2013-14 & Budget 2014-15
GENERAL FUND	\$ 26,307,264	\$ 29,331,507	\$ 29,448,962	\$ 30,510,701	3.61%
SPECIAL REVENUE FUNDS					
Major Street	2,407,379	2,473,777	2,568,976	2,839,955	10.55%
Local Street	2,425,644	2,797,781	4,015,735	3,985,656	-0.75%
Municipal Street (exc spec assess)	2,316,214	2,507,919	4,693,000	4,776,000	1.77%
Public Safety	4,081,967	4,036,258	4,177,000	4,296,000	2.85%
Parks, Recreation & Cultural Services	2,728,841	3,570,296	2,948,367	3,018,212	2.37%
Tree	33,816	50,548	96,000	94,000	-2.08%
Drain	841,283	1,082,311	347,000	41,000	-88.18%
Drain Perpetual Maintenance	130,360	(117,317)	105,000	80,000	-23.81%
Special Assessment Revolving	676,145	(28,421)	23,000	18,000	-21.74%
Contributions and Donations	17,155	112,077	1,600	2,100	31.25%
Forfeiture	184,260	157,510	144,000	156,305	8.55%
Library	2,514,002	2,496,821	2,500,527	2,566,200	2.63%
Walker Library	110,750	33,738	25,000	-	-100.00%
	<u>\$ 18,467,816</u>	<u>\$ 19,173,298</u>	<u>\$ 21,645,205</u>	<u>\$ 21,873,428</u>	1.05%
TOTAL REVENUE	<u>\$ 44,775,080</u>	<u>\$ 48,504,805</u>	<u>\$ 51,094,167</u>	<u>\$ 52,384,129</u>	2.52%



Budget Overview

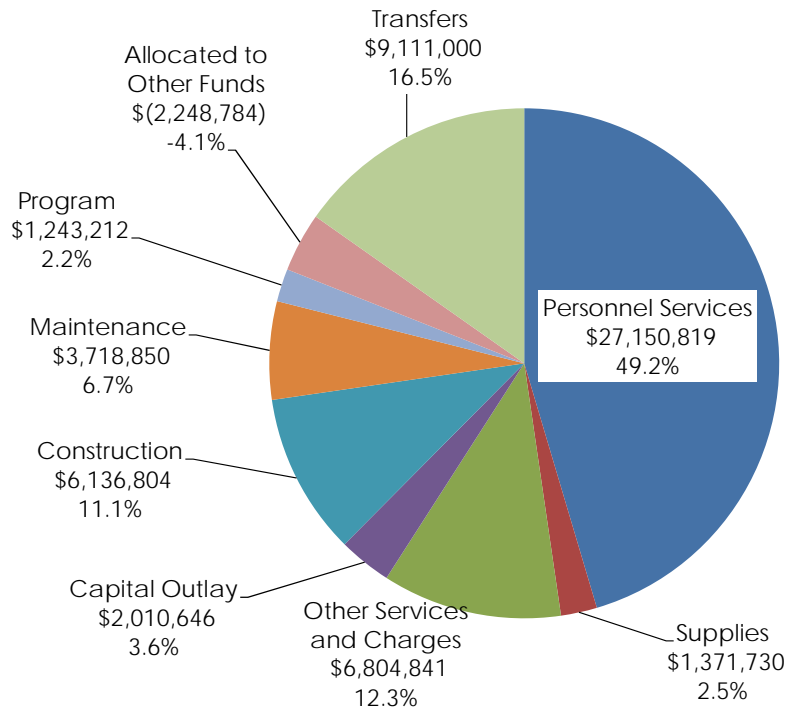
Expenditure Summaries

The following represents Fiscal Year 2014-15 budgeted expenditures (General Fund and Special Revenue Funds), as well as a four-year comparison of expenditures by fund.

Fiscal Year 2014-15 Budgeted Expenditures (by category)

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL APPROPRIATED FUNDS
EXPENDITURES:			
Personnel Services	\$ 24,313,815	\$ 2,837,004	\$ 27,150,819
Supplies	733,850	637,880	\$ 1,371,730
Other Services and Charges	6,055,685	749,156	\$ 6,804,841
Capital Outlay	981,429	1,029,217	\$ 2,010,646
Construction	-	6,136,804	\$ 6,136,804
Maintenance	-	3,718,850	\$ 3,718,850
Program	-	1,243,212	\$ 1,243,212
Allocated to Other Funds	(2,248,784)	-	\$ (2,248,784)
Transfers	588,000	8,523,000	\$ 9,111,000
TOTAL EXPENDITURES	\$ 30,423,995	\$ 24,875,123	\$ 55,299,118

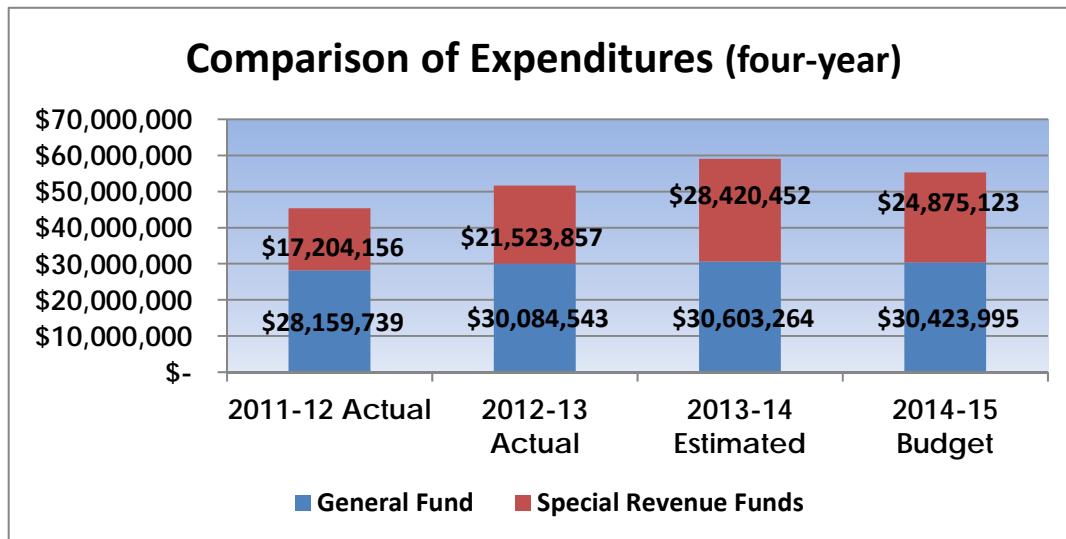
**Expenditures for General Fund & Special Revenue Funds
2014-15 Budget
Total Uses: \$55,299,118**



Budget Overview

Comparison of Expenditures (Four-Year)

<u>FUND</u>	<u>2011-12 Actual</u>	<u>2012-13 Actual</u>	<u>2013-14 Estimated</u>	<u>2014-15 Budget</u>	<u>% Change Estimated 2013-14 & Budget 2014-15</u>
GENERAL FUND	\$ 28,159,739	\$ 30,084,543	\$ 30,603,264	\$ 30,423,995	-0.59%
SPECIAL REVENUE FUNDS					
Major Street	1,955,173	2,572,625	3,870,375	2,916,996	-24.63%
Local Street	1,909,880	2,811,474	5,357,116	4,105,555	-23.36%
Municipal Street	2,663,751	2,588,657	5,879,674	4,866,630	-17.23%
Public Safety	2,380,000	5,300,000	5,300,000	5,300,000	0.00%
Parks, Recreation & Cultural Services	2,562,347	3,988,537	3,776,625	3,018,334	-20.08%
Tree	41,539	84,307	167,565	127,900	-23.67%
Drain	1,743,095	984,919	783,670	1,320,238	68.47%
Special Assessment Revolving	900,410	360	360	1,865	100.00%
Contributions and Donations	10,776	46,946	6,200	5,100	-17.74%
Forfeiture	376,987	433,869	282,159	156,305	-44.60%
Library	2,643,773	2,695,698	2,971,708	3,056,200	2.84%
Walker Library	16,425	16,465	25,000	-	-100.00%
	<u>\$ 17,204,156</u>	<u>\$ 21,523,857</u>	<u>\$ 28,420,452</u>	<u>\$ 24,875,123</u>	<u>-12.47%</u>
TOTAL APPROPRIATED FUNDS	<u>\$ 45,363,895</u>	<u>\$ 51,608,400</u>	<u>\$ 59,023,716</u>	<u>\$ 55,299,118</u>	<u>-6.31%</u>





Budget Overview

Fund Balance

The General Fund encompasses the City's activities not required to be segregated in separate funds. The fund balance available can be appropriated as specified by the City Council.

Special Revenue Funds are required to be segregated since there are restrictions to uses of the fund balances. The administration believes the projected balances to be adequate for these funds, and the fund balances are reported in the appropriate section later in this document.

FUND BALANCE PROJECTION

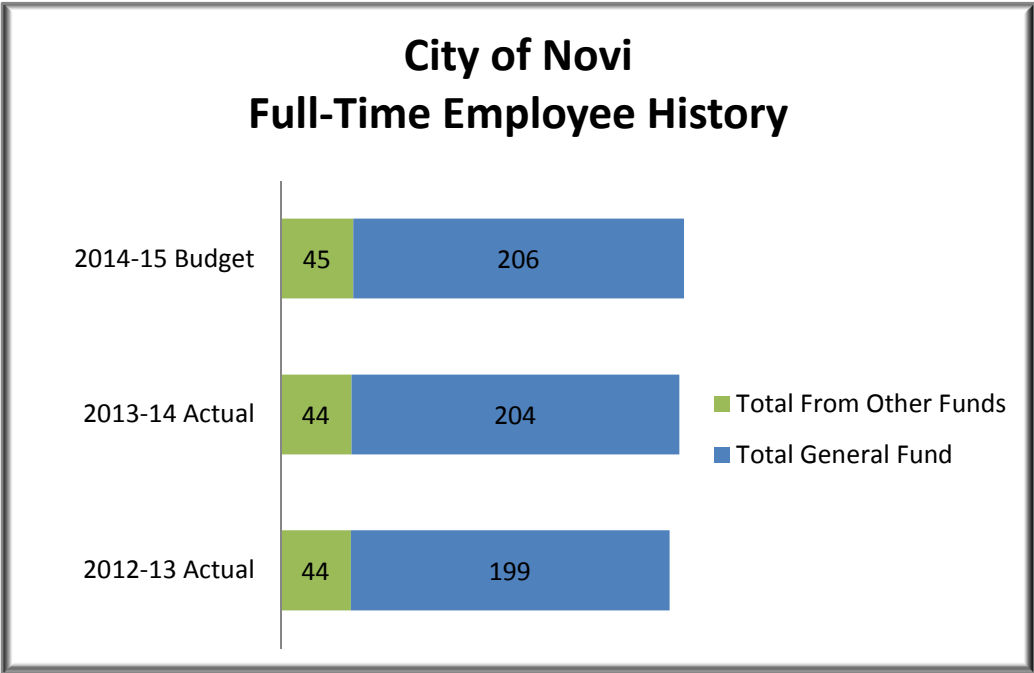
	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL APPROPRIATED FUNDS
Balance July 1, 2013	\$ 8,811,564	\$ 30,598,899	\$ 39,410,463
<i>Estimated 2013-14</i>			
Revenue	29,448,962	21,645,205	51,094,167
Expenditures	(30,603,264)	(28,420,452)	(59,023,716)
Projected Balance June 30, 2014	\$ 7,657,262	\$ 23,823,652	\$ 31,480,914
<i>Budget 2014-15</i>			
Revenue	\$ 30,510,701	\$ 21,873,428	\$ 52,384,129
Expenditures	(30,423,995)	(24,875,123)	(55,299,118)
Appropriate	86,706	(3,001,695)	(2,914,989)
Projected Balance June 30, 2015	<u>\$ 7,743,968</u>	<u>\$ 20,821,957</u>	<u>\$ 28,565,925</u>

Budget Overview

Personnel Summary (full-time staff)

The City of Novi employs full-time staff in various capacities. The costs for these employees are budgeted within their respective departments. The columns reflects filled positions and open budgeted positions.

	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>
Total From Other Funds	44	44	45
Total General Fund	199	204	206
	<u>243</u>	<u>248</u>	<u>251</u>



For detailed information on all full-time personnel included in the Personnel Summary above, see Appendix D.



Budget Overview

Financial Policies

The City of Novi's financial policies, as compiled below, set forth the basic framework for the overall fiscal management of the City. Operating independently of changing economic circumstances and conditions, these policies help the decision making process of the City Council and administration. These policies provide guidelines for evaluating both current activities and proposals for future programs.

Most of the policies represent long-standing principles (i.e. traditions and practices) that have guided the City in the past and have helped maintain financial stability.

The City's financial policies serve the administration in the preparation of a balanced operating budget and management of the City's financial affairs.

Operating Budget Policies

The City will attempt to maintain its present service level for all priority and essential services within the existing property tax millage limits.

- The City will maintain a budgetary control system to ensure adherence to the budget and will prepare periodic reports comparing actual revenues and expenditures with budgeted amounts.
- The City will emphasize efforts to reduce expenditures in major cost centers (i.e. energy, medical insurance premiums, street lighting, pension cost and Worker's Compensation payments).
- The Ice Arena, Senior Housing and Water and Sewer Funds will be self-supporting.
- The City will protect against catastrophic losses through a combination of insurance and maintaining appropriate fund balance levels.

Fund Balance/Reserve Policies

On September 26, 2011, the City Council adopted by resolution the following fund balance/reserve policies:

- The City will establish a reserve to pay for expenditures as a result of unforeseen emergencies or for shortfalls caused by revenue declines. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source. The City will attempt to obtain additional revenue sources to insure a balanced budget.
- The City will follow an aggressive policy of collecting revenue.
- The City will establish all user charges and fees at a level considering the cost (operating, direct, indirect and capital) of providing the service.
- The City will establish reserves to comply with the terms and conditions of the debt instruments used to finance capital improvement projects.
- The City will review fund balance/reserves annually during the budget process.





Budget Overview

- In the event the level of expenditures exceeds the estimated appropriations, the City will create a plan to replenish fund balance/reserves within three years by controlling operating expenditures, adjusting operations and/or dedicating excess or specific revenue sources.

General Fund

For the General Fund, the reserve will be maintained at a minimum of approximately 18-22 percent of the budgeted expenditures as adopted by City Council Resolution, January 24, 2011 and amended on September 26, 2011. In the event that circumstances arise causing the fund balance to fall below 18%, a plan will be put in place to replenish the balance during the subsequent budget year. Additional reserves can be designated for a specific purpose as identified by City Council during the budget process. Fund balance will be established to:

- Provide a fund or reserve to meet emergency expenditures;
- Provide cash to finance expenditures from the beginning of the budget year until general property taxes or other revenues are collected;
- Demonstrate financial stability and therefore preserve or enhance its bond rating, thereby lowering debt issuance costs;
- Accumulate sufficient assets to make designated purchases;
- Avoid short-term borrowing and associated interest costs.

As part of the budget process excess fund balance may be used to reduce liabilities or fund expenditures of the next fiscal period.

Special Revenue Funds

Resources in a fund other than the general fund are either (1) required to be used for the purpose of the fund or (2) intended by the government to be used for that purpose. Special revenue funds report specific revenue sources that are limited to being used for a particular purpose.

Road Funds (Major, Local and Municipal Street)

The City's fund balance for the road funds will be established within a minimum range of 10-20%, individually and collectively amongst the three funds, to cover extraordinary maintenance events (i.e. unusual winter maintenance events, emergency reconstruction, etc.), and contingencies for budgeted construction projects. In addition, the City may establish a designation for capital projects in excess of \$1.5 million, to be completed in future years based on the capital improvement program.

Police and Fire Fund

The fund balance for the Police and Fire Fund will vary, based on future major fire equipment capital needs and operational costs for the Police and Fire departments. The City will look at both major fire equipment needs and operational expenditures for a 3-10 year period in the future. The revenue from the special voted property tax millage for this fund is transferred to the General Fund to support police and fire department expenditures based on the future outlook.



Budget Overview

Drain Funds (Drain Revenue and Drain Perpetual Maintenance)

The Drain Revenue Fund reports the City's special property tax millage for the drain system. The Drain Perpetual Maintenance Fund revenue resources are from connection tap fees. The City's has a combination drain system, regional and site, resulting in the two types of revenue sources. The revenue from these funds is intended to cover the maintenance, construction and repairs of the drain system. The system includes basins and structures with other entities administered by Oakland County, with two of the larger systems being Caddell and Randolph.

The City's fund balance for the drain funds will vary as these funds are intended to be sufficient to cover current and future costs of the system given the limitation on the tap fee revenue source. In addition to annual maintenance, significant expenditures include construction and repair of large basins, lake dredging and shared systems. The City monitors and reviews future projects annually during the budget process, and reports the next six years projects in the Capital Improvement Program.

Parks, Recreation and Cultural Services Fund

The fund balance for the Parks, Recreation and Cultural Services Fund will be established within a minimum range of 12-22% of fund annual budgeted expenditures, since this fund is similar to the General Fund in terms of covering operations. This fund reports two major sources of revenue: special voted property tax millage and program revenue. The City may establish a designation for capital projects in excess of \$300,000; to be completed in future years based on the capital improvement program.

Special Assessment Revolving Fund

The fund balance for the Special Assessment Revolving Fund will be used primarily for capital road improvements, but may also be used for other capital infrastructure projects. The fund's resources are primarily from interest from special assessment construction and debt service funds relating to road construction projects. The fund balance is recommended to be at least \$1,000,000 until special assessment funds created prior to 2000 are closed, and at least \$500,000 until the 2003 Special Assessment District Limited Tax Bonds are paid in full, or collections are sufficient to cover the repayment of the bonds.

Tree Fund

The fund balance for the Tree Fund will be maintained at a minimum of \$500,000 for purposes of establishing a contingency or allowance in the event of some natural disaster impacting the City's tree inventory (e.g. severe storms, straight-winds; diseases; or infestations).

Other Special Revenue Funds

The fund balance for other special revenue funds (Forfeiture Funds and the Contributions and Donations Fund) will be used for appropriations based on the specific purpose of those funds.

Capital Replacement Reserve Policy—Enterprise Funds

The City has established Capital Replacement Reserve accounts in each of its three Enterprise Funds.





Budget Overview

The key Capital Replacement Funding principle is that the money is collected and segregated, over a period of time, to cover the repair or replacement cost of existing common elements; that is, capital assets already in existence (for example, the replacement of an existing HVAC system, roof, parking area, etc.). Capital Replacement Funds are part of a long-term financial plan, which helps:

- Strengthen the community's fiscal health
- Increase the market value of units
- Provide stability to avoid large future assessments or rate increases

User charges and fees will be computed based on current year operating expenses, debt service requirements and annual contribution/replenishment of the capital replacement reserve.

The City will conduct a Capital Needs Assessment and Replacement Reserve Analysis for the Ice Arena and Meadowbrook Commons facilities every 5-7 years. The user charges and fees will include annual contribution/replenishment of the capital replacement reserve. Cash and investments for operations will be computed based on a minimum of two months expenditures.

The Capital Replacement Reserve for the Water & Sewer Fund is targeted at 10-25% of the current fair market value of water and sewer infrastructure assets. The City uses the overall national CPI to compute the fair market value of these assets. Cash and investment balances for operations will be computed based on a minimum of two months expenditures plus planned capital improvement projects of \$10 million or less for the year.

Revenue Policies

- The City will estimate its annual revenue by a conservative, objective and analytical process.
- The City will review fees and charges annually. It will attempt to design and/or modify revenue systems to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing the service.
- Non-recurring revenue will be used only to fund non-recurring expenditures.

Capital Improvements Policies

- The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements according to the plan. The City Charter was adopted with a low operating millage, with the understanding that major capital expenditures would be financed by bond issues and related special millage.
- The City's plan includes large capital purchases and construction projects costing more than \$25,000. A Capital Improvement, as defined in this document, includes real property expenditures greater than \$25,000 that have a life expectancy of at least five years and personal property items costing more than \$25,000 with a life expectancy of at least one year.



Budget Overview

- The City will maintain its physical assets at a level adequate to protect the City's capital investment and to reduce future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital plant and equipment from current revenues where possible.
- The City will use the following criteria to evaluate the relative merit of each capital project:
 - ◊ Projects specifically included in an approved replacement schedule will receive priority consideration.
 - ◊ Projects will be evaluated as to the impact on the operating budget; those that reduce the cost of operations or energy consumption will receive priority consideration.

Debt Policies

City of Novi, as a home rule unit, presently has a statutory limit on the amount of general obligation debt outstanding. The limit on the outstanding indebtedness cannot exceed 10% of the equalized assessed valuation. Using 2013 values (the most recent available information), this limitation would allow for \$301 million in debt, as compared to the \$36 million outstanding as of June 30, 2013. Maintaining significantly lower debt levels provides for greater flexibility in issuing additional bonds should the need arise.

The Debt Policy approved by the City Council in March 2013 puts forth these additional debt limits:

- The City's net bonded indebtedness incurred for all public purposes should not exceed \$2,500 per capita.
- Debt service payments are limited to 20% of the combined operating and debt-service fund expenditures.
- Municipal securities issued for capital improvement purposes shall not exceed 5% of the state equalized valuation of the property assessed in the City of Novi.

The maturity date for any debt may not exceed the reasonably expected useful life of the project so financed. Debt service for property tax supported obligations is structured to fit within the City's annual property tax levy budget for the repayment of principal and interest. When it is deemed to be in the best interest of the City, the City will consider refunding outstanding bonds.

- The City's bond rating on general obligation bonds by Standard & Poor's Investors Service is AA+.
- The City will maintain a sound relationship with all bond-rating agencies and will keep them informed about our current capital projects.
- General obligation debt will not be used for enterprise activities.

Investment Policies

- The City's investment objectives in priority order are: Safety, Liquidity, and Yield.
- Disbursement, collection, and deposit of all funds will be managed to insure that all cash is invested promptly until needed.



Budget Overview

- The City will strive to maximize the return on the portfolio, with the primary objective of preserving capital by prudent investment practices.

For the City's complete investment policies please contact the Finance Department.

Accounting, Auditing and Financial Reporting Policies

- An independent audit will be performed annually.
- The City will produce annual financial reports following Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).
- The City will maintain strong internal audit controls.

Purchasing Policies

- The Purchasing Division is responsible for the administration of the procurement process for the supplies, materials and equipment required for the operation and maintenance of the City's departments and facilities.
- Purchases will be made in accordance with federal, state and municipal requirements.
- Purchases will be made in an impartial, economical, competitive and efficient manner.
- Purchases under \$5,000: Department's responsibility to obtain best price possible and to foster competition.
- Purchases between \$5,000 and \$14,999: Require at least three (3) written quotations submitted with the purchase order.
- Purchases over \$15,000: Formal sealed bids must be obtained. All invitations for bids are advertised on the Michigan Intergovernmental Trade Network (MITN) a collaboration of public entities throughout the State that collectively advertises bid opportunities through a web site at www.mitn.info. All bid openings will be public. No late or faxed bids will be accepted. All bids and/or written quotations and request for proposals are awarded by the City Council.

Grant Policies

- The City Manager's Office reviews and approves department requests to pursue grants.
- Completed applications requiring a local match are presented for approval to City Council. The approval includes financing mechanism and required matching funds.
- Upon notice of grant award City Council approves budget and formal acceptance.
- The Finance Department works with the initiating Department for proper reporting and program monitoring.



Budget Overview

Significant Budget and Accounting Policies

The budgeting and accounting policies of the City of Novi conform to (GAAP) as applicable to governmental units, with the exception that interfund transfers are considered as any other appropriation in evaluating priorities rather than as a separate item. The following is a summary of the significant budget and accounting policies:

Budgeting

All Governmental Funds, including the legally adopted General Fund and Special Revenue Funds, are budgeted for on a modified accrual basis. As an example, employee wages are budgeted to account for the number of days scheduled for each fiscal year.

Fund Structure of Approved Budget

Annual budgets are legally adopted for the General Fund and Special Revenue Funds as required by the State's Uniform Budgeting and Accounting Act. In addition, although not required by law, budgets are prepared for the City's Debt Service, Capital Projects, and Enterprise Funds. These budgets are prepared for financial management and project control purposes.

Major Funds

The City of Novi reports on two major governmental funds: General Fund and Municipal Street Fund.

Fund Accounting

The accounts of the City are organized by funds and account groups, each of which is considered a separate accounting entity. Funds are established to segregate specific activities or objectives of a government in accordance with special regulations, restrictions or limitations. The various funds are grouped into generic fund types in three broad fund categories as follows:

Governmental Funds

General Fund: The General Fund contains the records of the ordinary activities of the City that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue and other sources.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of earmarked revenue from financing activities requiring separate accounting because of legal or regulatory provisions.

Debt Service Funds: Debt Service Funds are used to account for the annual payment of principal and interest concerning certain long-term debt other than debt payable from the operations of an enterprise fund.

Capital Projects Funds: Capital Project Funds are used to account for the development of capital facilities other than those financed by the operations of the enterprise funds.

Proprietary Funds

Enterprise Funds: The Water and Sewer, Ice Arena, and Senior Housing Funds are used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service.



Budget Overview

Besides normal operations, the Water and Sewer Fund provides for capital investment, which is funded by a one-time connection charge.

Fiduciary Funds

Fiduciary Funds: Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments or other funds. These include the Retiree Health Care Benefits Fund and the Agency Fund. The Retiree Health Care Benefits Fund is an expendable trust fund and is accounted for in the same manner as governmental funds. Agency funds are custodial in nature and do not involve the measurement of results of operations.

Basis of Accounting

The accrual basis of accounting is used by the Enterprise Funds. All Governmental Funds and Agency Funds use the modified-accrual basis of accounting. Modifications in such methods from the accrual basis are as follows:

Property tax revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Other revenue is recorded when received. Properties are assessed as of December 31 and become a lien then. The related property taxes are billed on July 1 of the following year. These taxes are due without a penalty during the period July 1 through August 31 with a 4% penalty added after that date. After February 28, they are added to the county tax rolls. The County Tax Revolving Fund reimburses the City for the real property portion of these taxes and assumes collection responsibilities for both real and personal property taxes.

- Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- Interest income on special assessments receivable is not accrued until its due date.
- Interest on bonded indebtedness and other long-term debt are not recorded as expenditures until the due date.
- Payments for inventory type of supplies are recorded as expenditures at the time of purchase.
- Normally, expenditures are not divided between years by the recording of prepaid expenses.
- The non-current portion of accumulated employee benefits is reflected in the government-wide financial statements.

Fixed Assets and Long-Term Liabilities: Fixed assets used in governmental fund type operations are accounted for in the government-wide financial statements, rather than in the governmental funds. Depreciation is reported on a straight-line basis for such fixed assets. All fixed assets are recorded at cost or, if donated, at their estimated fair value on the date donated. Long-term liabilities expected to be financed from governmental funds are accounted for in the government-wide financial statements, not in the governmental funds.

Fixed assets and long-term liabilities relating to the Water and Sewer, Ice Arena, and Senior Housing Funds are accounted for in those funds. Depreciation on such fixed assets is charged as an expense against the operations of the fund on a straight-line basis.



Budget Overview

Cash Equivalents: For purposes of the statement of cash flow, the Enterprise funds consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. In addition, the statements of cash flow include both restricted and unrestricted cash and cash equivalents.

Inventories: Inventories in the Enterprise funds are valued at cost, on a first in, first out basis, which approximates market value.

Deposits and Investments

The City believes that due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation, insuring all bank deposits is impractical. The City evaluates every financial institution it deposits City funds into, assessing the level of risk.

Investments

The City is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, government agencies, Bankers' acceptances and mutual funds and investment pools that are composed of authorized vehicles.

To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that investment earnings by the Agency Funds are allocated to the General Fund.



Budget Policies and Procedures

Role of the Budget

The budget provides the annual financial plan for the management of the City's affairs. The document compiles the financial data needed to support Novi's comprehensive decision making/policy development process. This Budget is based on the City Council Goals, the Capital Improvements Plan, and the City's financial policies, past City Council direction, and City Manager and departmental review of operations.

Budget Strategy

The current financial plan is based upon Council direction and current revenue constraints. These factors govern the stewardship of public funds and reflect the following principles:

- Basic services will be maintained at least at current levels and will be funded adequately.
- Program costs will reflect a true picture of the cost of operations. Depreciation will not be included in program costs (except in the enterprise funds) and some City-wide expenses will be separated from program expenditures for ease of administration.
- Program services will be provided in the most efficient method while meeting the needs of the public.
- Necessary infrastructure improvements will be undertaken to meet needs.
- Revenue will be estimated at realistic levels.
- Reserves will be programmed at appropriate levels to protect the City from future uncertainties.
- The budget will comply with provisions of the State Constitution, City Charter, Municipal Code and sound fiscal policy.

Balanced Operating Budget

A balanced budget is a basic budgetary constraint intended to ensure that the City does not spend beyond its means. The City must function within the limits of the financial resources available and under normal circumstances, requires commitment to a balanced budget. The appropriated budget cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years. Any deviation from a balanced operating budget requires disclosure when it occurs.

Impact of Capital Budget on the Operating Budget

As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long-term effects on the Capital Improvements Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs.

Regardless of the difference between the operating and capital budgets, the two are interdependent. Budgetary policy states that all foreseeable operating costs related to capital projects be estimated and provided for as part of the review process associated with the Capital Improvements Program. In addition, departments are required to include costs associated with operating and maintaining capital projects that are requested for the upcoming year.

For additional information pertaining to the capital budget, please see the "Capital Improvements Program" section of this document.



Budget Overview

Budgeting Controls

Internal Controls

The annual adopted budget provides a basis of control over financial operations. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the approved budget. Activities of the General Fund and Special Revenue Funds are included in the annual approved budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established by function and category (Personnel Services, Supplies, Other Services and Charges, Capital Outlay and Debt Service) within each individual fund.

Independent Audit

State statutes and the City Charter require an annual audit of all accounts of the City by certified public accountants selected by the City Council. Andrews Hooper Pavlik PLC has fulfilled this requirement. The auditor's report is included in the City's Comprehensive Annual Financial Report (CAFR) and is available to the public. The auditor's reports that relate specifically to the single audit are reported separately and are available to the public.



Budget Process Overview

The City's annual budget covers a twelve-month period beginning July 1 and ending June 30. The budget is an ongoing process that includes phases of development, adoption, implementation and oversight throughout the year.

Several goals are associated with the preparation and development of the City's annual budget document. First, the budget is a policy document. The document should help foster comprehensive community problem-solving and policy making. Second, the budget is a financial plan and management tool. The document should help staff in monitoring revenue and expenditures and in evaluating the effectiveness of City programs and services. Third, the budget serves as an important reference document. It should provide the City Council, the public and staff with extensive information on the nature and scope of municipal operations and services.

Strategic Planning Process and National Citizen Survey®

City Council initiates the budget process by providing invaluable guidance to the City Manager and Departments with the development of Long- and Short-Term Goals and Strategies to meet these objectives. City Council began this process in January by exploring a consensus vision for our community and identifying a list of emerging priorities.

The City Manager and staff responded to City Council's list of emerging priorities by integrating these issues into a community survey intended to gauge perceptions of Novi and the quality of services the City offers its citizens. Conducted by Colorado-based National Research Center between September and October, 2012, the community survey was mailed to a sample of 1,200 Novi households. The survey instrument pairs a series of standard questions, which provide a point of comparison to other communities through the country, along with three custom questions designed by staff to measure alignment with the City Council's list of emerging priorities. Of the 1,200 eligible households, 388 surveys were completed for response rate of 34 percent providing a 95 percent confidence level in the statistical validity of the results and a "margin of error" of five percent. Survey results were returned to the City in November.

The survey continues to provide a tool for the budget process, and is conducted biannually.

Departmental Requests

Particular attention is given to accurately completing all required forms and providing sufficient justification for budget requests. Operating budget impacts must be included if the request is for a capital improvement item or project.

Budget Review and Analysis

All departments meet with the City Manager for review and evaluation of requests. The objectives of this phase are to:

- Ensure that the intent of all budget requests is understood and that budget requests are complete.
- Gain greater understanding of departmental objectives and standards of performance and operations for the upcoming fiscal year.
- Determine how proposed budgetary programs and associated changes are related to City-wide goals and objectives.
- Develop comprehensive information and/or request further justification on budgeted items.



Budget Overview

- Balance the needs of each department to total City needs.

Various analytical techniques are used in evaluating department budget requests. Some of these include: analysis of workloads and levels of services, evaluation of historical expenditure patterns, projection of inflationary price increases, analysis of work methods, review of work force scheduling, and review of department operations.

Building the Proposed Budget

Under the direction of the City Manager, and with the assistance of the City Assessor and other Department Heads and staff, the Finance Director prepares an initial projection of revenue for the next fiscal year. This projection is based on reasonable assumptions of revenue generated by estimated property values and current user fees, and the best available information from the State of Michigan.

Spending priorities are based on the City's financial policies and mandated requirements, and focus on maintaining services, covering insurance and bond requirements, and the balancing of labor, supplies, and equipment.

City Manager Review

Departmental review sessions are scheduled with the City Manager. After these discussions, the City Manager makes the final adjustments and works with the Finance Director and staff to prepare the draft of the Proposed Budget.

City Council Adoption

After receiving the Proposed Budget, public meetings are conducted with the City Council to familiarize members of the Council with its contents. A public hearing is also conducted to assure that all persons and organizations are provided an opportunity to be heard. The City Council then makes its revisions and adopts the budget for the next fiscal year.

Budget Amendment Process

After the budget is adopted, the primary responsibility for managing it falls to the individual departments. The Finance Department reviews the monthly budget reports concurrently with the departments. Management flexibility is given to each department of exceeding a line item within a category (Personal Services, Supplies, Other Services and Charges, Capital Outlay and Debt Service), if it can be compensated for within that same category.

If a category must be adjusted, a Budget Amendment Request (BAR) form is filed with the Finance Department. This form first directs the department to provide the coverage from another of its categories. The Finance Department reviews the BAR and if deemed appropriate a formal budget amendment is presented to the City Council along with a report on the status of the contingency balance. It takes a five-vote majority to amend the budget.



City Council Goals

On January 11, 2014, at an Early Input Budget Session, the Novi City Council approved the following Strategic Themes & Broad Goal categories. The items listed under each goal are the top ranked items and represent areas of focus to assist in reaching the over-arching goals during the next 12 to 18 months for the short-term goals and more than 18 months or ongoing for long-term goals.

Nurture public services that residents want and value.

Make long-term strategic and sustainable investments in Roads & Pathways, Water, Sewer and provide for development, acquisition and rehabilitation of parks and public lands. Provide cultural resources and recreational opportunities for a growing and diverse population.

Short-Term Goals

- Naming Rights for City Parks
- Construct pathway along Eight Mile Road from Beck Road to Maybury Park entrance with design from 2013 budget
- Add a City event at Pavilion Shore and/or Lakeshore Park in 2014 to showcase the community
- Fund one major trail improvement in 2014

Long-Term Goals

- Complete full length of ITC Corridor Trail
- Work with Road Commission for Oakland County to develop a plan of improvements for 10 Mile road corridor that improves traffic flow while respecting residential areas
- Plan to add a sprinkle/splash pad to a City Park

Operate a world-class and sustainable local government.

Maintain an efficient and effective, fiscally-responsibly local government which leverages communication, strategic partnerships, and skilled staff.

Short Term Goals

- Develop and implement a plan to fully address unfunded liabilities
- Develop a Citizen Academy to educate residents and develop future candidates for Boards and Commissions
- Consider the future of SWOCC

Long Term Goals

- Consider millage for Park improvements and trails
- Fully fund Other Post-Employment Benefits (OPEB) liabilities within five years
- Explore further service consolidation and joint opportunities with neighboring governments and school districts



City Council Goals

Value and build a desirable and vibrant community for residents and businesses alike now and into the future.

Encourage quality economic development to maximize city revenue and job growth while protecting and enhancing natural areas, natural features and community character.

Short Term Goals

- Create neighborhood improvement fund that assists sub/condo associations with matching grants for public investment in neighborhoods (subdivision entrances, street trees, streetlights, rain gardens, etc.) Finalize grant program to beautify older subdivision entrances in city
- Create an aggressive plan to acquire land
- Designate a specific staff person to be responsible for small business development/retention
- Establish joint committee with local colleges to discuss and evaluate establishing a business incubator program similar to "Launch Fishers"

Long Term Goals

- Fund and complete the Northwest Quadrant Ring Road
- Create a multi-year plan for upgrading all of our major commercial corridors (Grand River Avenue, Novi Road, 12 Mile Road) with streetlights, landscaping, etc.

Invest properly in being a Safe Community at all times for all people.

Ensure Police, Fire, Public Services meet the needs of all residents, businesses, and visitors at all times.

Short Term Goals

- Add an additional police officer in the next fiscal year
- Make improvements or relocate Fire Station 3
- Finalize plan and time line during next fiscal year to relocate Fire Station 1

Long Term Goals

- Fund and implement Directed Patrol as recommended by Public Safety Administration
- Make improvements to top 10 high crash intersections over five years (signals, streetlights, etc.)
- Build new Fire Station 1



MULTI-YEAR BUDGET 2014-17

The City of Novi has long recognized the need for planning to provide quality services to its residents. This is evident in the work performed by the elected officials, City staff and various committees and boards. The City has conducted many studies and has developed plans, policies and procedures that have guided the City in making sound decisions regarding infrastructure and services.

The City of Novi continues its strong financial position as a result of long-term financial planning, maintaining responsible fund balances in conformance with GFOA recommended practices and low debt obligations.


Under Michigan law, the maximum debt Novi can issue is \$336,519,000. The City's current debt applicable to this limit is \$37,960,000 or 11.3% of the amount allowed. The City had twelve debt issues in 1999 and currently has three debt issues (excluding the debt for the Ice Arena and Senior Housing facilities and Special Assessment Bonds). The reduction relates to both retirements of debt and refunding (refinancing). The City has taken advantage of both the decline in interest rates and its excellent credit rating (AA+ and Aa2) to obtain more favorable rates – lowering interest expenditures. The outstanding debt is related to long-term assets - infrastructure and facilities: roads, library facility, fire station, purchase of parkland, etc.

The City has focused on long-term financial planning since the 1990's. Since 2004 the City has prepared a multi-year budget, going beyond the requirement for adoption of an annual budget.

Throughout the document, and in particular in the City Manager's message, the reader will find the key financial environment for Novi and used in preparation of the multi-year budget.

Total property tax revenue, which is the primary revenue source, reflects an incline for 2013-14 of approximately 2.7%, and then moving forward the estimate is for moderate increases of 3-4%. For the General Fund the property tax revenue is estimated at \$15.014 million, \$15.504 million, and \$15.962 million for fiscal years 2014-15, 2015-16 and 2016-17, respectively. The General Fund property tax revenue peaked in 2009-10 at \$17.429 million. In the next two years multi -year projections, City of Novi has factored in the potential decrease from the personal property tax revenues as the result of the new State Law that exempts businesses with personal property under \$40,000 starting January 1, 2014. Furthermore, the law exempts the manufacturing equipment from tax starting on January 1, 2016. Our projection lowers the personal property taxable value for the next three years by approximately 43 million dollars.

The City of Novi budgets for full employment, maintaining a strong staff position control and budgeting system. Any additional cost savings as a result of vacancies, or positions filled at lower than budgeted amounts increases the fund balance, and is used in planning for the subsequent



Multi-Year Budget

year's budget. The current multi-year budget assumes the increases/decreases in wages and benefits pursuant to the collective bargaining agreements. In addition the 2014-15 and 2015-16 fiscal years include a 1.0% increase in total personnel cost factor for potential increases in retiree health care and pension as a result of closed plans, health care, and workers compensation. The City continues to fund 100% of its annual required contributions (ARC) for retirement benefits.

The following pages include the three-year budget used in preparation for the annual 2014-15 budget to be adopted in May. The City prepares the multi-year projection based on the best data available at the time. The research includes obtaining data from the County and the State of Michigan. This future outlook allows the City to plan rather than react to anticipated financial conditions. Major assumptions can be found at the end of this section. The following pages provide the multi-year budget for key governmental Funds as well as the property tax revenue and taxable value assumptions.



Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 GENERAL FUND

DESCRIPTION	REVENUE				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
TAXES					
Current Property Taxes	\$ 14,463,208	\$ 14,553,000	\$ 15,014,000	\$ 15,504,000	\$ 15,962,000
Trailer Fees	7,885	7,500	7,800	7,800	7,800
Penalty and Interest	176,120	180,000	185,000	190,000	195,000
	<u>\$ 14,647,213</u>	<u>\$ 14,740,500</u>	<u>\$ 15,206,800</u>	<u>\$ 15,701,800</u>	<u>\$ 16,164,800</u>
LICENSES, PERMITS & CHARGES FOR SERVICES					
Clerks Dept Fees (previously included Bus. Regis.)	28,855	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquor Licenses	69,504	60,000	60,000	61,800	63,700
Engineering Review Fees	132,716	130,000	120,000	123,600	127,300
Planning & Landscape Review Fees	77,416	78,000	78,000	80,300	82,700
Landscape Inspection Fees	31,165	35,000	31,500	32,400	33,400
Grading Permit Fees	5,523	7,000	7,000	7,200	7,400
Building Permits	693,757	599,000	720,000	741,600	763,800
Plan Review Fees	326,899	252,000	300,000	309,000	318,300
South Lyon Inspection Fees	73,348	43,000	-	-	-
Refrigeration Permits	64,325	50,000	50,000	51,500	53,000
Electrical Permits	218,635	177,000	200,000	206,000	212,200
Heating Permits	233,410	185,000	210,000	216,300	222,800
Plumbing Permits	133,965	115,000	110,000	113,300	116,700
Other Charges	172,766	272,000	672,000	192,200	198,000
Court Abatement	381	13,000	13,000	13,400	13,800
Soil Erosion Fees	6,965	16,000	16,000	16,500	17,000
Cable Television Fee	991,272	775,000	800,000	824,000	824,000
Cable Television PEG Fees (restricted)	231,749	170,000	180,000	185,400	191,000
Weed Cutting	4,634	10,000	9,000	9,000	9,000
Board of Appeals	20,096	21,000	21,000	21,000	21,000
Public Safety - Police	686,568	541,970	439,761	444,159	448,600
Public Safety - Fire	7,200	7,200	7,200	7,200	7,200
Administrative Reimbursement	54,838	91,000	75,000	77,250	79,570
Insurance Reimbursement	-	43,300	-	-	-
	<u>\$ 4,265,987</u>	<u>\$ 3,716,470</u>	<u>\$ 4,144,461</u>	<u>\$ 3,758,109</u>	<u>\$ 3,835,470</u>
FEDERAL GRANTS	<u>\$ 18,768</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
STATE SOURCES					
Police Training Grant	\$ 809	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
State Revenue Sharing	4,074,589	4,160,522	4,316,470	4,402,800	4,490,900
	<u>\$ 4,075,398</u>	<u>\$ 4,185,522</u>	<u>\$ 4,341,470</u>	<u>\$ 4,427,800</u>	<u>\$ 4,515,900</u>

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 GENERAL FUND

DESCRIPTION	REVENUE				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
OTHER REVENUE					
Fire Department	\$ 9,437	\$ 12,500	\$ 12,000	\$ 12,120	\$ 12,240
Miscellaneous Income	161,609	300,000	300,000	303,000	306,030
Filming Permit Revenue	225	200	200.00	200.00	200.00
Novi Township assessment	14,718	15,000	15,000	15,300	15,610
Municipal Service Charges	365,270	365,270	365,270	400,000	400,000
Library Network Charges	-	35,000	35,000	35,000	35,000
State of the City Revenue	5,169	5,500	5,500	5,500	5,500
	<u>\$ 556,428</u>	<u>\$ 733,470</u>	<u>\$ 732,970</u>	<u>\$ 771,120</u>	<u>\$ 774,580</u>
FINES AND FORFEITURES					
Court Fees and Fines	\$ 539,584	\$ 500,000	\$ 515,000	\$ 530,500	\$ 546,400
Motor Carrier Fines and Fees	9,750	9,000	10,000	10,000	10,000
	<u>\$ 549,334</u>	<u>\$ 509,000</u>	<u>\$ 525,000</u>	<u>\$ 540,500</u>	<u>\$ 556,400</u>
INTEREST ON INVESTMENTS	<u>\$ (81,620)</u>	<u>\$ 254,000</u>	<u>\$ 260,000</u>	<u>\$ 260,000</u>	<u>\$ 260,000</u>
TRANSFERS FROM OTHER FUNDS					
Transfer from Police and Fire Fund	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,200,000	\$ 5,100,000
	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,200,000</u>	<u>\$ 5,100,000</u>
TOTAL REVENUE	<u>\$ 29,331,508</u>	<u>\$ 29,448,962</u>	<u>\$ 30,510,701</u>	<u>\$ 30,659,329</u>	<u>\$ 31,207,150</u>

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 GENERAL FUND

DESCRIPTION	APPROPRIATIONS		Budget 2014-15	Projected	
	Actual 2012-13	Estimated 2013-14		2015-16	2016-17
CITY COUNCIL					
Personnel Services	\$ 3,906	\$ 4,748	\$ 4,757	\$ 4,830	\$ 4,900
Other Services and Charges	6,145	8,500	10,000	10,300	10,610
	<u>\$ 10,051</u>	<u>\$ 13,248</u>	<u>\$ 14,757</u>	<u>\$ 15,130</u>	<u>\$ 15,510</u>
CITY MANAGER					
Personnel Services	\$ 394,683	\$ 396,670	\$ 453,214	\$ 460,010	\$ 466,910
Supplies	345	800	800	8,030	8,030
Other Services and Charges	28,683	20,159	89,253	30,000	30,900
Capital Outlay	-	275	-	-	-
	<u>\$ 423,711</u>	<u>\$ 417,904</u>	<u>\$ 543,267</u>	<u>\$ 498,040</u>	<u>\$ 505,840</u>
FINANCE & PURCHASING					
Personnel Services	\$ 618,900	\$ 550,634	\$ 630,637	\$ 640,100	\$ 649,700
Other Services and Charges	92,715	141,772	59,769	61,560	63,410
Capital outlay	-	19,541	10,000	-	-
	<u>\$ 711,615</u>	<u>\$ 711,947</u>	<u>\$ 700,406</u>	<u>\$ 701,660</u>	<u>\$ 713,110</u>
INFORMATION TECHNOLOGY					
Personnel Services	\$ 543,984	\$ 558,589	\$ 609,475	\$ 618,620	\$ 627,900
Supplies	23,896	28,620	25,150	25,900	26,680
Other Services and Charges	90,073	111,177	140,101	144,300	148,630
Capital Outlay	36,021	169,552	180,929	-	-
	<u>\$ 693,974</u>	<u>\$ 867,938</u>	<u>\$ 955,655</u>	<u>\$ 788,820</u>	<u>\$ 803,210</u>
ASSESSING					
Personnel Services	\$ 442,412	\$ 462,189	\$ 468,540	\$ 475,570	\$ 482,700
Supplies	11,968	11,700	11,700	12,050	12,410
Other Services and Charges	438,206	355,625	335,500	345,570	355,940
	<u>\$ 892,586</u>	<u>\$ 829,514</u>	<u>\$ 815,740</u>	<u>\$ 833,190</u>	<u>\$ 851,050</u>
CITY ATTORNEY					
Other Services and Charges	\$ 384,736	\$ 455,000	\$ 430,000	\$ 436,450	\$ 443,000
	<u>\$ 384,736</u>	<u>\$ 455,000</u>	<u>\$ 430,000</u>	<u>\$ 436,450</u>	<u>\$ 443,000</u>
CITY CLERK					
Personnel Services	\$ 488,441	\$ 449,687	\$ 470,676	\$ 477,740	\$ 484,910
Supplies	20,802	16,000	21,000	21,630	22,280
Other Services and Charges	19,651	31,370	41,850	20,000	20,600
	<u>\$ 528,894</u>	<u>\$ 497,057</u>	<u>\$ 533,526</u>	<u>\$ 519,370</u>	<u>\$ 527,790</u>
TREASURY					
Personnel Services	\$ 258,351	\$ 226,554	\$ 232,955	\$ 236,450	\$ 240,000
Supplies	22,605	25,500	26,500	27,300	28,120
Other Services and Charges	32,200	50,300	59,180	60,960	62,790
	<u>\$ 313,156</u>	<u>\$ 302,354</u>	<u>\$ 318,635</u>	<u>\$ 324,710</u>	<u>\$ 330,910</u>
FACILITY OPERATIONS					
Personnel Services	\$ 233,589	\$ 284,850	\$ 284,510	\$ 288,780	\$ 293,110
Supplies	15,096	22,800	24,800	25,540	26,310
Other Services and Charges	416,928	461,074	429,305	442,180	455,450
Capital Outlay	422,335	546,755	130,000	-	-
	<u>\$ 1,087,948</u>	<u>\$ 1,315,479</u>	<u>\$ 868,615</u>	<u>\$ 756,500</u>	<u>\$ 774,870</u>
HUMAN RESOURCES					
Personnel Services	\$ 359,872	\$ 369,077	\$ 368,446	\$ 373,970	\$ 379,580
Other Services and Charges	48,739	83,330	91,700	60,000	61,800
	<u>\$ 408,611</u>	<u>\$ 452,407</u>	<u>\$ 460,146</u>	<u>\$ 433,970</u>	<u>\$ 441,380</u>
NEIGHBORHOOD & BUSINESS RELATIONS GROUP					
Personnel Services	\$ 352,165	\$ 390,129	\$ 441,565	\$ 448,190	\$ 454,910
Supplies	9,013	9,850	9,850	10,150	10,450
Other Services and Charges	371,136	496,953	480,678	495,100	509,950
Capital Outlay	228,102	6,286	7,000	-	-
	<u>\$ 960,416</u>	<u>\$ 903,218</u>	<u>\$ 939,093</u>	<u>\$ 953,440</u>	<u>\$ 975,310</u>
GENERAL ADMINISTRATION					
Personnel Services	\$ 1,317,268	\$ 884,770	\$ 948,863	\$ 977,330	\$ 1,006,650
Supplies	50,117	57,000	55,000	56,650	58,350
Other Services and Charges	361,458	484,092	454,700	479,700	504,700
Capital Outlay	374,224	51,765	70,000	-	-
	<u>\$ 2,103,067</u>	<u>\$ 1,477,627</u>	<u>\$ 1,528,563</u>	<u>\$ 1,513,680</u>	<u>\$ 1,569,700</u>

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 GENERAL FUND

DESCRIPTION	APPROPRIATIONS		Budget 2014-15	Projected	
	Actual 2012-13	Estimated 2013-14		2015-16	2016-17
PUBLIC SAFETY - POLICE DEPARTMENT					
Personnel Services	\$ 9,852,832	\$ 10,429,278	\$ 10,337,359	\$ 10,492,420	\$ 10,649,810
Supplies	215,881	316,958	229,500	236,390	243,480
Other Services and Charges	1,027,463	1,051,964	1,138,600	1,172,760	1,207,940
Capital Outlay	280,021	102,830	174,800	-	165,000
	<u>\$ 11,376,197</u>	<u>\$ 11,901,030</u>	<u>\$ 11,880,259</u>	<u>\$ 11,901,570</u>	<u>\$ 12,266,230</u>
PUBLIC SAFETY - FIRE DEPARTMENT					
Personnel Services	\$ 3,845,999	\$ 3,919,729	\$ 3,900,193	\$ 3,958,700	\$ 4,018,080
Supplies	147,082	133,620	144,485	148,820	153,280
Other Services and Charges	456,633	582,738	569,430	586,510	604,110
Capital Outlay	98,851	625,310	179,000	-	-
	<u>\$ 4,548,565</u>	<u>\$ 5,261,397</u>	<u>\$ 4,793,108</u>	<u>\$ 4,694,030</u>	<u>\$ 4,775,470</u>
<i>PUBLIC SAFETY TOTAL</i>					
	<u>\$ 15,924,762</u>	<u>\$ 17,162,427</u>	<u>\$ 16,673,367</u>	<u>\$ 16,595,600</u>	<u>\$ 17,041,700</u>
COMMUNITY DEVELOPMENT - BUILDING DIVISION					
Personnel Services	\$ 1,276,108	\$ 1,326,552	\$ 1,367,391	\$ 1,387,900	\$ 1,408,720
Supplies	38,344	32,100	35,600	36,670	37,770
Other Services and Charges	70,927	102,002	110,459	93,770	96,580
Capital Outlay	63,917	45,993	23,500	24,210	24,940
	<u>\$ 1,449,296</u>	<u>\$ 1,506,647</u>	<u>\$ 1,536,950</u>	<u>\$ 1,542,550</u>	<u>\$ 1,568,010</u>
COMMUNITY DEVELOPMENT - PLANNING DIVISION					
Personnel Services	\$ 449,886	\$ 466,223	\$ 510,030	\$ 517,680	\$ 525,450
Supplies	4,036	4,400	8,850	9,120	9,390
Other Services and Charges	35,143	124,757	312,605	66,980	68,990
Capital Outlay	-	-	-	-	-
	<u>\$ 489,065</u>	<u>\$ 595,380</u>	<u>\$ 831,485</u>	<u>\$ 593,780</u>	<u>\$ 603,830</u>
<i>COMMUNITY DEVELOPMENT TOTAL</i>					
	<u>\$ 1,938,361</u>	<u>\$ 2,102,027</u>	<u>\$ 2,368,435</u>	<u>\$ 2,136,330</u>	<u>\$ 2,171,840</u>
DPS - GENERAL/ADMINISTRATIVE					
Personnel Services	\$ 258,987	\$ 280,010	\$ 270,667	\$ 278,790	\$ 287,150
Supplies	11,016	28,212	11,200	11,370	11,540
Other Services and Charges	295,254	384,860	337,140	342,200	347,330
Capital Outlay	145,297	175,473	-	-	-
	<u>\$ 710,554</u>	<u>\$ 868,555</u>	<u>\$ 619,007</u>	<u>\$ 632,360</u>	<u>\$ 646,020</u>
DPS - ENGINEERING					
Personnel Services	\$ 395,337	\$ 493,428	\$ 496,320	\$ 503,760	\$ 511,320
Supplies	1,112	1,250	2,000	2,060	2,120
Other Services and Charges	84,054	106,763	107,750	110,980	114,310
Capital Outlay	-	-	40,000	-	-
Allocated to Other Funds	(166,524)	(371,784)	(371,784)	(371,784)	(371,784)
	<u>\$ 313,979</u>	<u>\$ 229,657</u>	<u>\$ 274,286</u>	<u>\$ 245,016</u>	<u>\$ 255,966</u>
DPS - FIELD OPERATIONS					
Personnel Services	\$ 1,881,961	\$ 2,083,691	\$ 2,121,339	\$ 2,153,160	\$ 2,185,460
Supplies	75,955	80,530	102,815	88,900	91,570
Other Services and Charges	264,208	297,691	478,025	492,370	507,140
Capital Outlay	347,595	411,232	56,200	57,040	57,900
Allocated to Other Funds	(1,757,046)	(1,877,000)	(1,877,000)	(1,877,000)	(1,877,000)
	<u>\$ 812,673</u>	<u>\$ 996,144</u>	<u>\$ 881,379</u>	<u>\$ 914,470</u>	<u>\$ 965,070</u>
DPS - FLEET ASSET					
Personnel Services	\$ 348,789	\$ 347,069	\$ 396,878	\$ 408,780	\$ 421,040
Supplies	21,493	27,200	24,600	25,340	26,100
Other Services and Charges	401,932	376,493	379,640	391,030	402,760
Capital Outlay	84,168	-	110,000	-	-
	<u>\$ 856,382</u>	<u>\$ 750,762</u>	<u>\$ 911,118</u>	<u>\$ 825,150</u>	<u>\$ 849,900</u>
<i>DEPT OF MUNICIPAL SERVICES TOTAL</i>					
	<u>\$ 2,693,588</u>	<u>\$ 2,845,118</u>	<u>\$ 2,685,790</u>	<u>\$ 2,616,996</u>	<u>\$ 2,716,956</u>
PLANNING COMMISSION					
Supplies	\$ 194	\$ -	\$ -	\$ -	\$ -
Other Services and Charges	6,550	-	-	-	-
	<u>\$ 6,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TRANSFERS TO OTHER FUNDS, CAPITAL OUTLAY & OTHER NON-RECURRING ITEMS					
Debt Service Fund*	\$ 282,013	\$ -	\$ -	\$ -	\$ -
Parks, Recreation & Cultural Services Fund	720,310	250,000	588,000	591,000	110,000
One-time capital items, service improvements, etc.**	-	-	-	1,293,676	1,420,800
TOTAL APPROPRIATIONS/EXPENDITURES	<u>\$ 30,084,543</u>	<u>\$ 30,603,265</u>	<u>\$ 30,423,995</u>	<u>\$ 31,008,562</u>	<u>\$ 31,412,976</u>

*Final debt service payment on taxable bonds in 2012-13

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 GENERAL FUND

DESCRIPTION	FUND BALANCE		Budget 2014-15	Projected	
	Actual 2012-13	Estimated 2013-14		2015-16	2016-17
<u>General Fund-Fund Balance Summary</u>					
Fund Balance, beginning	\$ 9,380,096	8,627,418	\$ 7,473,115	\$ 7,559,821	\$ 7,210,587
Restricted for communication equipment (c)	184,507	184,147	184,147	184,147	184,147
Total Fund Balance, beginning	\$ 9,564,600	\$ 8,811,565	\$ 7,657,262	\$ 7,743,968	\$ 7,394,734
Annual Revenue	\$ 29,331,508	\$ 29,448,962	\$ 30,510,701	\$ 30,659,329	\$ 31,207,150
Annual Expenditures * (a)	(30,084,543)	(30,603,265)	(30,423,995)	(31,008,562)	(31,412,976)
Total estimated Fund Balance, ending (d)	<u>\$ 8,811,565</u>	<u>\$ 7,657,262</u>	<u>\$ 7,743,968</u>	<u>\$ 7,394,734</u>	<u>\$ 7,188,909</u>
Estimated Fund Balance (unrestricted) (b)	\$ 8,627,419	\$ 7,473,115	\$ 7,559,821	\$ 7,210,587	\$ 7,004,762
Estimated Restricted Fund Balance	184,147	184,147	184,147	184,147	184,147
	<u>\$ 8,811,566</u>	<u>\$ 7,657,262</u>	<u>\$ 7,743,968</u>	<u>\$ 7,394,734</u>	<u>\$ 7,188,909</u>
Fund balance (unrestricted) as a percentage of total annual expenditures (b/a)		24.42%	24.85%	23.25%	22.30%
Fund Balance Ending minimum 18% of (a) (e)			\$ 5,476,319	\$ 5,581,541	\$ 5,654,336
Funds above / (below) 18% minimum of ((d-c)-e)			\$ 2,083,502	\$ 1,629,046	\$ 1,350,426
Fund Balance Ending - 22% of (a) (f)			\$ 6,693,279	\$ 6,821,884	\$ 6,910,855
Funds above / (below) 22% of ((d-c)-f)			\$ 866,542	\$ 388,703	\$ 93,907

* The **Annual Expenditures** include service improvements, one-time expenditures, capital outlay and capital improvements. The level of such expenditures is dictated by available funds from accumulated fund balance and anticipated revenue above annual expenditures in conjunction with the targeted fund balance.

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 MAJOR STREET FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Gas and Weight Tax	\$ 2,472,920	\$ 2,565,976	\$ 2,642,955	\$ 2,722,244	\$ 2,803,911
Interest on Investments	932	2,000	2,000	2,000	2,000
Miscellaneous Income	-	1,000	-	-	-
Transfer from Municipal Street	-	-	195,000	900,000	1,445,000
TOTAL REVENUE	\$ 2,473,852	\$ 2,568,976	\$ 2,839,955	\$ 3,624,244	\$ 4,250,911
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
ENGINEERING					
Engineering - City Services	\$ 8,328	\$ 86,090	\$ 86,090	\$ 86,090	\$ 86,090
Engineering - Beck (9 Mile to Cheltenham)	376	-	-	-	-
Engineering - Fountain Walk Drive	12,451	-	-	-	-
Engineering - West Oak Drive	38,214	-	-	-	-
Engineering - Meadowbrook (10 MI to Cherry Hill)	363	-	-	-	-
Engineering - Nine Mile (Beck to Taft)	50,255	-	-	-	-
Engineering - Nine Mile Rehab (Meadowbrook/Novi)	-	41,000	-	-	-
Engineering -Town Center Dr (Gr River to 11)	-	30,415	67,885	-	-
Engineering - Town Center (Crescent Blvd to 11)	-	15,524	58,776	-	-
Engineering - Heslip Dr Rehab	-	58,100	-	-	-
Engineering - 11 Mi Rd (Town Center to Meadowbrook)	-	196,272	-	-	-
CONSTRUCTION					
Construction - Meadowbrook Rd Repave (10 Mile to Cherry Hi	42	-	-	-	-
Construction - Nine Mile Rd (Novi to Taft)	(37,816)	-	-	-	-
Construction - Meadowbrook (8 to 9 Mile)	(10,152)	-	-	-	-
Construction - Novi/Old Novi Signalization	19,795	215,978	-	-	-
Construction - Fountain Walk Drive	55,532	15,519	-	-	-
Construction - West Oak Drive	300,307	15,710	-	-	-
Construction - Nine Mile Rd (Beck to Taft)	237,075	15,805	-	-	-
Construction - Nine Mile Rd (Meadowbrook to Haggerty)	(14,609)	-	-	-	-
Construction - Town Center Dr (Gr River to 11)	-	-	471,700	-	-
Construction - Town Center (Crescent Blvd to 11)	-	-	356,630	-	-
Construction - 11 Mile Path (Town Center to Meadowbrook)	-	-	406,100	-	-
Construction - Heslip Dr Rehab	-	278,600	-	-	-
Construction - 11 Mi (Town Center to Meadowbrook)	-	955,600	-	-	-
Construction -Crescent Blvd (Novi to Town Center)	-	-	-	-	-
Construction - West Road Repaving	-	-	167,050	-	-
Construction - Taft and 9 mile roundabout	-	-	-	82,394	-
Construction - Crescent Blvd (Novi to Town Center)	-	-	-	890,200	-
Construction - Karim Blvd Rehab	-	-	-	662,500	-
Construction- Novi Road (12 Mile to 13 Mile Rehab)	-	-	-	399,185	-
Construction - 9 Mile Rehab (Meadowbrook to Novi Road)	-	-	-	216,817	-
Construction - Beck Road (8 Mile to 9 Mile)	-	-	-	92,500	815,925
Construction - Taft (9 mile to 10 mile)	-	-	-	-	828,036
Construction - Taft (10 mile to Grand River)	-	-	-	-	271,611
Construction - Meadowbrook Rd Rehab (I96 to 12 Mile)	-	-	-	-	407,375
Construction - 11 Mile Rd & Wixom roundabout	-	-	-	-	875,750
TOTAL CONSTRUCTION	\$ 660,161	\$ 1,924,613	\$ 1,614,231	\$ 2,429,686	\$ 3,284,787

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 MAJOR STREET FUND (excluding SAD's) - continued

	APPROPRIATIONS			Projected	
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	2015-16	2016-17
Routine Maintenance	\$ 510,082	\$ 475,000	\$ 565,000	\$ 505,000	\$ 505,000
Capital Preventive Maintenance Program	176,041	370,959	177,500	100,000	100,000
Traffic Services	280,286	220,000	223,400	220,000	220,000
Traffic Consultant	38,598	35,000	35,000	35,000	35,000
Traffic Control Sign Replacement Program	6,557	28,843	15,000	15,000	15,000
Winter Maintenance	282,234	340,000	285,000	300,000	300,000
TOTAL MAINTENANCE	\$ 1,293,798	\$ 1,469,802	\$ 1,300,900	\$ 1,175,000	\$ 1,175,000
Administration	\$ 510	\$ 510	\$ 1,865	\$ 1,865	\$ 1,865
Transfer to Local Street Fund	\$ 618,230	\$ 475,450	\$ -	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 2,572,699	\$ 3,870,375	\$ 2,916,996	\$ 3,606,551	\$ 4,461,652
	FUND BALANCE				
Fund Balance Beginning	\$ 2,118,597	\$ 2,019,749	\$ 718,350	\$ 641,309	\$ 659,002
Revenue less Expenditures	(98,847)	(1,301,399)	(77,041)	17,693	(210,741)
Ending Fund Balance	\$ 2,019,749	\$ 718,350	\$ 641,309	\$ 659,002	\$ 448,262
10% minimum fund balance for contingencies		\$ 387,037	\$ 291,700	\$ 360,655	\$ 446,165
Funds above minimum 10%		\$ 331,314	\$ 349,610	\$ 298,347	\$ 2,096

NOTE: Capital Preventive Maintenance Program line-Item includes \$50,000 in FY 2013-14 for 11 Mile (Town Center to Meadowbrook)

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 LOCAL STREET FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Gas and Weight Tax	\$ 878,116	\$ 921,785	\$ 958,656	\$ 997,003	\$ 1,036,883
Interest on Investments	1,435	3,000	2,000	2,000	2,000
Miscellaneous Income	-	500	-	-	-
Transfer from Major Street	618,230	475,450	-	-	-
Transfer from Municipal Street	1,300,000	2,615,000	3,025,000	2,500,000	2,540,000
TOTAL REVENUE	\$ 2,797,781	\$ 4,015,735	\$ 3,985,656	\$ 3,499,003	\$ 3,578,883
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
ENGINEERING					
Engineering - City Services	\$ 13,320	\$ 74,640	\$ 74,640	\$ 74,640	\$ 74,640
Engineering - Neighborhood Roads 2011	10,751	-	-	-	-
Engineering - Neighborhood Roads 2012	108,788	-	-	-	-
Engineering - Neighborhood Roads 2012	-	-	-	-	-
Engineering - Neighborhood Roads 2013	158,700	239,771	-	-	-
Engineering - Neighborhood Roads 2014	-	290,000	-	-	-
Engineering - Neighborhood Roads 2015	-	-	290,000	-	-
Engineering - Neighborhood Roads 2016	-	-	-	290,000	-
Engineering - Neighborhood Roads 2017	-	-	-	-	300,000
Engineering - S Karevich (old Sheraton Drive)	28,219	-	-	-	-
CONSTRUCTION					
Construction - Vista Hills	853	-	-	-	-
Construction - S Karevich (old Sheraton Dr)	166,146	4,400	-	-	-
Construction - Neighborhood Roads 2011	30,450	-	-	-	-
Construction - Neighborhood Roads 2012	1,065,403	-	-	-	-
Construction - Neighborhood Roads 2013	132,159	1,647,842	-	-	-
Construction - Neighborhood Roads 2014	-	1,429,000	600,000	-	-
Construction - Neighborhood Roads 2015	-	-	1,800,000	-	-
Construction - Neighborhood Roads 2016	-	-	-	1,800,000	-
Construction - Neighborhood Roads 2017	-	-	-	-	1,800,000
TOTAL CONSTRUCTION	\$ 1,714,789	\$ 3,685,653	\$ 2,764,640	\$ 2,164,640	\$ 2,174,640
Routine Maintenance	\$ 509,455	\$ 550,000	\$ 544,000	\$ 550,000	\$ 550,000
Routine Maintenance - joint/crack sealing	77,205	130,343	105,250	110,000	120,000
Routine Maintenance - spray patch	58,960	141,040	54,500	100,000	100,000
Capital Preventive Maintenance Program	99,176	285,068	209,800	200,000	200,000
Traffic Services	107,569	110,000	110,000	130,000	130,000
Traffic Consultant	12,990	14,500	14,500	14,500	14,500
Traffic Control Sign Replacement Program	5,863	10,000	10,000	20,000	20,000
Winter Maintenance	224,958	430,000	291,000	300,000	300,000
TOTAL MAINTENANCE	\$ 1,096,176	\$ 1,670,951	\$ 1,339,050	\$ 1,424,500	\$ 1,434,500
Administration	\$ 510	\$ 510	\$ 1,865	\$ 1,865	\$ 1,865
TOTAL APPROPRIATIONS	\$ 2,811,475	\$ 5,357,114	\$ 4,105,555	\$ 3,591,005	\$ 3,611,005
	FUND BALANCE				
Fund Balance Beginning	\$ 1,963,599	\$ 1,949,906	\$ 608,527	\$ 488,628	\$ 396,626
Revenue less Expenditures	(13,693)	(1,341,379)	(119,899)	(92,002)	(32,122)
Ending Fund Balance	\$ 1,949,906	\$ 608,527	\$ 488,628	\$ 396,626	\$ 364,504
10% minimum fund balance for contingencies		\$ 535,711	\$ 410,556	\$ 359,101	\$ 361,101
Funds above minimum 10%		\$ 72,816	\$ 78,073	\$ 37,526	\$ 3,403

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 MUNICIPAL STREET FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Property Taxes	\$ 2,226,168	\$ 4,350,000	\$ 4,488,000	\$ 4,634,000	\$ 4,771,000
Special Assessment Levied	17,212	15,000	15,000	15,000	15,000
Federal Grants	23,643	-	-	-	-
Interest on Special Assessments	5,809	6,000	5,000	5,000	5,000
Interest on Investments	7,322	10,000	8,000	5,000	5,000
Unrealized gain (loss) on investments	904	-	-	-	-
Miscellaneous Income	64,045	152,000	100,000	75,000	75,000
Metro Act ROW restricted revenue	162,816	160,000	160,000	160,000	160,000
TOTAL REVENUE	\$ 2,507,919	\$ 4,693,000	\$ 4,776,000	\$ 4,894,000	\$ 5,031,000

	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
ENGINEERING					
Engineering - City Services	\$ 41,628	\$ 97,380	\$ 97,375	\$ 97,375	\$ 97,375
ADA Compliance Plan	34,792	115,208	50,000	50,000	50,000
Engineering - NW Quadrant Ring Road	-	49,250	-	-	-
Engineering - SW Quadrant Ring Road	5,750	-	-	-	-
Engineering - Joe Drive Rehab	-	32,089	-	-	-
Engineering -12 Mile Road Widening (Beck Rd to Dixon)	-	-	75,000	-	-
Engineering -Ext Rt Turn Ln (WB Gr River @ Beck)	-	45,550	-	-	-
Engineering -Haggerty @ Gr River -add SB Rt Turn	-	33,248	-	-	-
RIGHT-OF-WAY					
Easements - Novi Rd GR to 10 Mile	78,620	21,428	-	-	-
ROW - Other Costs Ext Rt Turn Ln WB Gr River @ Beck	-	8,000	-	-	-
ROW - Sidewalks seg 16 13mi s of novi	-	7,000	-	-	-
INTERSECTION & TRAFFIC SIGNAL					
Traffic Signal - Meadowbrook & Nine Mile Upgrade	71,968	-	-	-	-
Engineering - New Traffic Signal (Wixom & Glennwood)	-	36,980	-	-	-
Construction - New Traffic Signal (Wixom & Glennwood)	-	161,200	-	-	-
Engineering - Traffic Signal Improve (Meadowbrook @ 8 MI Rd)	1,301	38,899	-	-	-
Construction -Traffic Signal Improve (Meadowbrook @ 8 MI Rd)	-	145,000	-	-	-
Engineering - Traffic Signal Improvement 13 MI & Cabot	-	16,415	-	-	-
Traffic Signal - Grand River & Meadowbrook	-	-	-	-	-
Modernization	-	100,000	-	-	-
13 Mile and Cabot-New Signal	-	-	101,500	-	-
Add Dual Left Turn Lane East Bound Grand River at Beck Road	-	-	-	-	54,000
CONSTRUCTION					
Construction - Novi Rd (Gr River to 10 Mile)	5,214	7,000	-	-	-
Construction - Ext Rt Turn Ln (WB Gr River @ Beck)	-	62,000	-	-	-
Construction - Haggerty @ Gr River -add SB Rt Turn	-	46,590	-	-	-
Construction - Gr River (Beck to City Limits)	-	30,389	-	-	-
Construction - Ice Arena Drive	91,009	-	-	-	-
Construction - Novi Rd/GR to 12 Mile Rd	1,333	-	-	-	-
Construction - Grand River Rehab (Novi Rd to Haggerty)	104,091	-	-	-	-
Construction - MDOT Projects (local share)	1,819	23,384	-	-	-
Construction - Cranbrook Drive Bridge	-	-	-	-	-
Construction - Eight Mile Rd Rehab (Beck to Napier)	174,476	-	-	-	-
Construction - Haggerty Road (9 Mile to 10 Mile)	-	-	-	-	-
Widening	-	-	55,000	-	-
Construction - Paving of Napier (9mile to 10 mile)	-	-	-	350,000	-
Construction - Crescent Blvd Extension (NW Quadrant Ring Rd)	-	-	-	627,580	-

MULTI-YEAR BUDGET 2014 through 2017
MUNICIPAL STREET FUND (excluding SAD's) - continued

	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
SIDEWALK / PATHWAY					
Sidewalks-eng & ROW-seg#145 10 MI	9,674	7,000	-	-	-
Sidewalk construction-Seg#145 10 MI	27,321	724	-	-	-
Sidewalks-Seg# 83 9 Mile	31,095	600	-	-	-
Sidewalks-Seg# 144- Meadowbrook GR to CH	56,380	1,617	-	-	-
Sidewalk-Seg#36 Taft Rd - 11MI-GR	117,218	1,656	-	-	-
Sidewalks M-5/I-275 Trail Connector	100,035	50,432	-	-	-
Neighborhood connector seg. 2-Brookfarm	38,041	-	-	-	-
ITC Corridor - Beck Rd to Medlodge site	20,939	266,319	-	-	-
Segment #92 Novi Rd 9 Mi to 10 Mi west	29,234	202,000	-	-	-
Sidewalks-Eng-Seg NC1 E Lake Dr to Novi	-	46,801	-	-	-
Sidewalks-Con-Seg NC1 E Lake Dr to Novi	-	190,000	-	-	-
Sidewalks-Eng-M5/I275 Trail Connector	-	135,667	-	-	-
Sidewalks-Con-M5/I275 Trail Connector	-	261,765	-	-	-
Sidewalks-Eng-Beck @ Cheltenham	-	15,500	-	-	-
Sidewalks-Con-Beck @ Cheltenham	-	57,000	-	-	-
Sidewalks-Eng-Haggerty @ 9 Mile	-	12,340	-	-	-
Sidewalks-Con-Haggerty @ 9 Mile	-	73,420	-	-	-
Sidewalk-Eng-Seg16-13Mi S of Novi&Holmes	-	5,000	-	-	-
Sidewalk-Con-Seg16-13Mi S of Novi&Holmes	-	30,628	-	-	-
Sidewalk-Eng-Seg73-1Meadowbrook E-GR-11M	-	59,585	-	-	-
Sidewalk-Con-Seg73-Meadowbrook E-GR-11M	-	138,000	-	-	-
Sidewalk Eng - Lebost to Village Oaks	-	16,000	-	-	-
Sidewalk - Segment 89-Novoi Road, East Side 10 Mile Road	-	-	125,950	-	-
Sidewalk - Segment 145-10 Mile Road -CSX to Catherine Ind	-	-	51,360	-	-
Sidewalk - Pontiac Tr at Geisler Middle School-Pedestrian Cross	-	-	99,250	-	-
Sidewalks - Segment 109 - 8 mile btn Garfield and Beck	-	-	444,670	-	-
Sidewalk - Segment 76--Grand River, North Side, East of Seeley	-	-	30,560	-	-
Sidewalk - Segment 62--10 Mile Road, Eaton Center to Churchill	-	-	-	161,330	-
Sidewalks - Segment 129 - 14 mile Haverhill to Maples	-	-	-	95,464	-
Sidewalk - Seg NC4--Connect Btn Main & Meadowbrook Glens	-	-	-	94,400	-
Sidewalk - Taft Road at Jacob Drive - Non-Motorized Crossing	-	-	-	25,000	-
Sidewalk - Segment 10--Beck Road, East Side, South of Pontiac Tr	-	-	-	30,930	-
Sidewalk - Segment 9--Pontiac Tr, S Side Beck Road to West Pk Dr	-	-	-	46,410	409,085
Sidewalk - Seg 53--Beck Road, West Side,11 Mileto Kirkway Place	-	-	-	-	81,000
Sidewalk - Segment 127A--Novi Way, East Side	-	-	-	-	27,387
TOTAL CONSTRUCTION	\$ 1,041,937	\$ 2,649,064	\$ 1,130,665	\$ 1,578,489	\$ 718,847
Routine Maintenance	\$ 131,317	\$ 170,000	\$ 280,400	\$ 300,000	\$ 275,000
Meadowbrook Bridge over Ingersol Creek	6,560	122,970	-	-	-
Bridge inspection/repair bi-annual	3,492	-	3,500	-	-
Trailblazing sign - I96 Study	4,080	720	-	-	-
Winter Maintenance	57,376	300,000	210,000	300,000	300,000
TOTAL MAINTENANCE	\$ 202,825	\$ 593,690	\$ 493,900	\$ 600,000	\$ 575,000
Data Processing	4,475	3,500	3,500	3,500	3,500
Memberships and Dues	\$ 13,900	\$ 16,700	\$ 16,700	\$ 16,700	\$ 16,700
TOTAL OTHER SERVICES & CHARGES	\$ 18,375	\$ 20,200	\$ 20,200	\$ 20,200	\$ 20,200
Administration	\$ 1,720	\$ 1,720	\$ 1,865	\$ 1,865	\$ 1,865
Transfer to Major Street Fund	\$ -	\$ -	\$ 195,000	\$ 900,000	\$ 1,445,000
Transfer to Local Street Fund	1,300,000	2,615,000	3,025,000	2,500,000	2,540,000
TOTAL TRANSFER OUTS	\$ 1,300,000	\$ 2,615,000	\$ 3,220,000	\$ 3,400,000	\$ 3,985,000
Capital Outlay	\$ 23,799	\$ -	\$ -	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 2,588,656	\$ 5,879,674	\$ 4,866,630	\$ 5,600,554	\$ 5,300,912
Fund Balance Beginning	\$ 2,881,654	\$ 2,800,917	\$ 1,614,243	\$ 1,523,613	\$ 817,059
Revenue less Expenditures	(80,737)	(1,186,674)	(90,630)	(706,554)	(269,912)
Ending Fund Balance	\$ 2,800,917	\$ 1,614,243	\$ 1,523,613	\$ 817,059	\$ 547,147
10% minimum fund balance for contingencies		587,967	486,663	560,055	530,091
Funds above/(below) minimum 10%		\$ 1,026,276	\$ 1,036,950	\$ 257,004	\$ 17,056

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 PUBLIC SAFETY FUND

	REVENUE				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Property Taxes	\$ 4,119,209	\$ 4,142,000	\$ 4,273,000	\$ 4,412,000	\$ 4,543,000
Interest	33,153	35,000	23,000	23,000	23,000
Unrealized gain (loss) on investments	(115,925)	-	-	-	-
TOTAL REVENUE	\$ 4,036,437	\$ 4,177,000	\$ 4,296,000	\$ 4,435,000	\$ 4,566,000
	APPROPRIATIONS				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Budget	
				2015-16	2016-17
Transfer to General Fund	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,200,000	\$ 5,100,000
TOTAL APPROPRIATIONS	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,200,000	\$ 5,100,000
FUND BALANCE					
Fund Balance Beginning	\$ 4,975,211	\$ 3,711,648	\$ 2,588,648	\$ 1,584,648	\$ 819,648
Revenue less Expenditures	(1,263,563)	(1,123,000)	(1,004,000)	(765,000)	(534,000)
Ending Fund Balance	\$ 3,711,648	\$ 2,588,648	\$ 1,584,648	\$ 819,648	\$ 285,648

PARKS, RECREATION AND CULTURAL SERVICES FUND

	REVENUE				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Property Taxes	\$ 1,112,311	\$ 1,137,422	\$ 1,154,000	\$ 1,192,000	\$ 1,227,000
Grants	252,880	290,869	-	-	-
Program Revenue	1,225,948	1,039,360	1,059,882	1,070,500	1,081,200
Older Adult Program Revenue	205,435	198,183	183,330	185,200	187,100
Interest	5,667	5,000	5,000	5,080	5,080
Miscellaneous Income	4,498	27,533	25,000	25,380	25,760
Transfer from other funds	763,550	250,000	591,000	591,000	110,000
TOTAL REVENUE	\$ 3,570,289	\$ 2,948,367	\$ 3,018,212	\$ 3,069,160	\$ 2,636,140
	APPROPRIATIONS				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Personnel Services	\$ 898,400	\$ 888,862	\$ 871,104	\$ 879,800	\$ 888,600
Supplies	38,744	37,559	40,180	41,400	42,600
Other Services and Charges	513,380	537,481	462,116	476,000	490,300
Program Expenditures	584,495	668,852	764,010	786,900	810,500
Older Adult Program Expenditures	219,106	237,106	290,932	299,700	308,700
Capital Outlay (including park development)	1,734,408	1,403,765	589,992	565,187	85,000
TOTAL APPROPRIATIONS	\$ 3,988,533	\$ 3,773,625	\$ 3,018,334	\$ 3,048,987	\$ 2,625,700
FUND BALANCE					
Fund Balance Beginning	\$ 1,701,445	\$ 1,283,201	\$ 457,943	\$ 457,821	\$ 477,994
Revenue less Expenditures	(418,244)	(825,258)	(122)	20,173	10,440
Ending Fund Balance	\$ 1,283,201	\$ 457,943	\$ 457,821	\$ 477,994	\$ 488,434

12% minimum fund balance for contingencies	\$ 362,200	\$ 365,878	\$ 315,084
Funds above/(below) minimum 12%	\$ 95,621	\$ 112,116	\$ 173,350

NOTE : Potential grant funds for future park projects will impact the timing of future park improvements.

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 TREE FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Interest	(20,001)	11,000	14,000	10,000	10,000
Tree Fund Revenue	68,799	75,000	70,000	75,000	75,000
Tree Fund Maintenance Revenue	1,750	10,000	10,000	10,000	10,000
TOTAL REVENUE	\$ 50,548	\$ 96,000	\$ 94,000	\$ 95,000	\$ 95,000
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Tree Fund Maintenance	\$ (5,067)	\$ 39,490	\$ 7,900	\$ -	\$ -
Trees - Capital Outlay	89,374	128,075	120,000	120,000	120,000
TOTAL APPROPRIATIONS	\$ 84,307	\$ 167,565	\$ 127,900	\$ 120,000	\$ 120,000
	FUND BALANCE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Fund Balance Beginning	\$ 1,519,721	\$ 1,485,962	\$ 1,414,397	\$ 1,380,497	\$ 1,355,497
Revenue less Expenditures	(33,759)	(71,565)	(33,900)	(25,000)	(25,000)
Ending Fund Balance	\$ 1,485,962	\$ 1,414,397	\$ 1,380,497	\$ 1,355,497	\$ 1,330,497
Minimum fund balance for contingencies			\$ 500,000	\$ 500,000	\$ 500,000
Funds above/(below) minimum \$500,000			\$ 880,497	\$ 855,497	\$ 830,497

DRAIN FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Property Taxes	\$ 982,539	\$ 307,000	\$ -	\$ 446,000	\$ 1,784,000
Interest on Investments	30,297	30,000	31,000	32,090	33,210
Unrealized gain/(loss) on investments	(75,339)	-	-	-	-
Miscellaneous Income	8,602	10,000	10,000	10,000	10,000
Grants/Contributions from Others	136,212	-	-	-	-
TOTAL REVENUE	\$ 1,082,312	\$ 347,000	\$ 41,000	\$ 488,090	\$ 1,827,210
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Construction	\$ 317,263	\$ 314,171	\$ 599,173	\$ -	\$ -
Storm Maintenance	309,567	300,000	500,000	685,500	696,000
Other Services and charges	8,475	61,059	19,000	-	-
Middle Rouge at Flint Street Stabilization	251,079	22,640	-	-	-
Bishop District New Sedimentation Dredging	78,169	85,000	85,000	85,000	85,000
Administration	1,113	800	3,730	1,000	1,000
Capital Outlay	19,255	-	113,335	1,806,430	361,732
TOTAL APPROPRIATIONS	\$ 984,920	\$ 783,670	\$ 1,320,238	\$ 2,577,930	\$ 1,143,732
	FUND BALANCE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Fund Balance Beginning	\$ 3,907,477	\$ 4,004,869	\$ 3,568,199	\$ 2,288,961	\$ 199,121
Revenue less Expenditures	97,392	(436,670)	(1,279,238)	(2,089,840)	683,478
Ending Fund Balance	\$ 4,004,869	\$ 3,568,199	\$ 2,288,961	\$ 199,121	\$ 882,599
Fund Balance Available for future construction, dredging projects, etc.	\$ 4,004,869	\$ 3,568,199	\$ 2,288,961	\$ 199,121	\$ 882,599

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 LIBRARY FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Property Taxes	\$ 2,226,168	\$ 2,254,000	\$ 2,309,000	\$ 2,385,000	\$ 2,455,000
State Sources	26,409	20,000	20,000	20,000	20,000
Library Book Fines	76,718	73,000	74,000	74,000	74,000
State Penal Fines	74,701	73,540	73,000	73,150	73,300
Interest	44,879	25,000	25,700	26,500	27,300
Unrealized gain/(loss) on investments	(18,073)	-	-	-	-
Miscellaneous Income	16,933	16,500	17,000	17,500	18,000
Copier	2,482	2,800	2,500	2,500	2,500
Electronic Media	530	400	3,100	3,100	3,100
Library Programming - Book It	6,906	-	-	-	-
Library fund raising revenue	360	1,000	3,000	3,000	3,000
Meeting Room	21,180	20,000	23,000	23,000	23,000
Library Café	5,198	5,000	5,000	5,000	5,000
Novi Township assessment	5,681	5,787	5,900	6,000	6,100
Gifts and Donations	6,706	3,500	5,000	5,000	5,000
Transfer from Walker Fund	-	-	-	1,522,406	-
TOTAL REVENUE	\$ 2,496,778	\$ 2,500,527	\$ 2,566,200	\$ 4,166,156	\$ 2,715,300
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Personnel Services	\$ 1,775,062	\$ 1,875,300	\$ 1,965,900	\$ 1,985,559	\$ 2,005,415
Supplies	484,759	578,700	585,600	591,456	597,371
Other Services & Charges	435,831	473,908	451,150	460,173	469,376
Capital Outlay	-	43,800	53,550	-	-
TOTAL APPROPRIATIONS	\$ 2,695,652	\$ 2,971,708	\$ 3,056,200	\$ 3,037,188	\$ 3,072,162
	FUND BALANCE				
Fund Balance Beginning	\$ 2,322,294	\$ 2,123,420	\$ 1,652,239	\$ 1,162,239	\$ 2,291,207
Revenue less Expenditures	(198,874)	(471,181)	(490,000)	1,128,968	(356,862)
Ending Fund Balance	\$ 2,123,420	\$ 1,652,239	\$ 1,162,239	\$ 2,291,207	\$ 1,934,345
Fund balance as a percentage of total annual expenditures			38.03%	75.44%	62.96%

WALKER LIBRARY FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Interest on Investments	\$ 20,105	\$ 15,000	\$ -	\$ -	\$ -
Walker Fund General Donations	(27,056)	-	-	-	-
Transfer from Library Fund	40,688	10,000	-	-	-
TOTAL REVENUE	\$ 33,738	\$ 25,000	\$ -	\$ -	\$ -
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2012-13	2013-14	2014-15	2015-16	2016-17
Supplies	\$ 16,465	\$ 25,000	\$ -	\$ -	\$ -
Transfers to Library Fund	-	-	-	1,522,406	-
TOTAL APPROPRIATIONS	\$ 16,465	\$ 25,000	\$ -	\$ 1,522,406	\$ -
	FUND BALANCE				
Fund Balance Beginning	\$ 1,505,133	\$ 1,522,406	\$ 1,522,406	\$ 1,522,406	\$ -
Revenue less Expenditures	17,273	-	-	(1,522,406)	-
Ending Fund Balance	\$ 1,522,406	\$ 1,522,406	\$ 1,522,406	\$ -	\$ -

NOTE 1 : The Novi Library Board authorizes expenditures from the Walker Library Fund. Donations are restricted for library purposes.

NOTE 2 : The Walker Fund will be merged into the Library Fund.

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017 LIBRARY CONSTRUCTION DEBT FUND

DESCRIPTION	REVENUE				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Current property taxes	\$ 943,480	\$ 1,124,650	\$ 1,111,873	\$ 1,093,750	\$ 1,319,375
Interest on investments	173	100	100	100	100
Transfer from construction fund	-	-	-	-	-
	<u>\$ 943,653</u>	<u>\$ 1,124,750</u>	<u>\$ 1,111,973</u>	<u>\$ 1,093,850</u>	<u>\$ 1,319,475</u>

DESCRIPTION	APPROPRIATIONS				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Principal	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000
Audit	-	-	5,223	5,225	5,225
Interest expense	641,250	624,750	606,750	588,625	564,250
	<u>\$ 1,141,250</u>	<u>\$ 1,124,750</u>	<u>\$ 1,111,973</u>	<u>\$ 1,093,850</u>	<u>\$ 1,319,475</u>

2010 REFUNDING DEBT FUND

DESCRIPTION	REVENUE				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Current property taxes	\$ 1,063,855	\$ 1,018,340	\$ 1,035,713	\$ 1,093,765	\$ -
Interest on investments	44	50	50	50	-
	<u>\$ 1,063,899</u>	<u>\$ 1,018,390</u>	<u>\$ 1,035,763</u>	<u>\$ 1,093,815</u>	<u>\$ -</u>

DESCRIPTION	APPROPRIATIONS				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Principal	\$ 940,000	\$ 940,000	\$ 990,000	\$ 1,075,000	\$ -
Audit	-	-	5,223	5,225	-
Interest expense	122,498	78,390	40,540	13,590	-
	<u>\$ 1,062,498</u>	<u>\$ 1,018,390</u>	<u>\$ 1,035,763</u>	<u>\$ 1,093,815</u>	<u>\$ -</u>

2002 STREET & REFUNDING DEBT FUND

DESCRIPTION	REVENUE				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Current property taxes	\$ 1,330,622	\$ 749,788	\$ 1,131,458	\$ 753,360	\$ 383,423
Interest on investments	146	125	125	125	125
	<u>\$ 1,330,768</u>	<u>\$ 749,913</u>	<u>\$ 1,131,583</u>	<u>\$ 753,485</u>	<u>\$ 383,548</u>

DESCRIPTION	APPROPRIATIONS				
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	Projected	
				2015-16	2016-17
Principal	\$ 1,055,000	\$ 595,000	\$ 625,000	\$ 655,000	\$ 695,000
Audit	\$ -	\$ -	\$ 5,223	\$ 5,225	\$ 5,225
Interest expense	192,798	154,913	126,860	93,260	57,823
	<u>\$ 1,247,798</u>	<u>\$ 749,913</u>	<u>\$ 757,083</u>	<u>\$ 753,485</u>	<u>\$ 758,048</u>

Multi-Year Budget

MULTI-YEAR BUDGET 2014 through 2017

GUN RANGE FACILITY FUND

DESCRIPTION	REVENUE		Budget 2014-15	Projected	
	Actual 2012-13	Estimated 2013-14		2015-16	2016-17
	Licenses, permits & charges for services	\$ -		\$ -	\$ 135,000
	\$ -	\$ -	\$ 135,000	\$ 135,000	\$ 135,000

DESCRIPTION	APPROPRIATIONS			Projected	
	Actual 2012-13	Estimated 2013-14	Budget 2014-15	2015-16	2016-17
		\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-
	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF NOVATO TAXABLE VALUE, MILLAGE RATE AND PROPERTY TAX REVENUE HISTORY, BUDGET AND PROJECTIONS

Property Tax Year Fiscal Year	ACTUAL (as billed, excluding adjustments for tribunals, write-off of accounts receivable, etc)					Estimated		BUDGET		PROJECTED	
	2007 FY 2007-8	2008 FY 2008-9	2009 FY 2009-10	2010 FY 2010-11	2011 FY 2011-12	2012 FY 2012-13	2013 FY 2013-14	2014 FY 2014-15	2015 FY 2015-16	2016 FY 2016-17	
Taxable Value - Real - Res	\$ 3,349,788,910	\$ 3,371,991,500	\$ 3,321,773,470	\$ 2,984,101,470	\$ 2,758,932,940	\$ 2,699,988,360	\$ 2,748,382,830	\$ 1,928,873,480	\$ 2,030,545,310	\$ 2,119,882,124	
Taxable Value - Real - Com/Ind	200,617,830	210,456,740	233,170,160	\$ 220,466,950	220,678,540	220,345,290	223,698,750	\$ 864,871,190	\$ 878,000,000	\$ 895,000,000	
Taxable Value - Personal Property								202,000,000	195,000,000	180,000,000	
Taxable Value - New Construction								\$ 56,140,320	\$ 46,000,000	\$ 46,000,000	
Total Taxable Value	\$ 3,550,406,740	\$ 3,582,448,240	\$ 3,554,943,630	\$ 3,204,568,420	\$ 2,979,611,480	\$ 2,920,333,650	\$ 2,972,081,580	\$ 3,051,884,990	\$ 3,149,545,310	\$ 3,240,882,124	
% Change in total taxable value from the prior year without new construction estimate in 2015 & 2016	5.5%	0.9%	-0.8%	-9.9%	-7.0%	-2.0%	1.8%	0.8%	1.7%	1.4%	
% Change in total taxable value from the prior year								2.7%	3.2%	2.9%	
Less various allowances							(72,000,000)	(60,000,000)	(60,000,000)	(60,000,000)	
Adjusted Taxable Value*	\$ 3,550,406,740	\$ 3,582,448,240	\$ 3,554,943,630	\$ 3,204,568,420	\$ 2,979,611,480	\$ 2,920,333,650	\$ 2,900,081,580	\$ 2,991,884,990	\$ 3,089,545,310	\$ 3,180,882,124	
Millage Rate **											
General Fund	4.8287	4.8287	4.9027	5.0182	5.0182	5.0182	5.0182	5.0182	5.0182	5.0182	
Municipal Street Fund	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	
Police and Fire Fund	1.4282	1.4282	1.4282	1.4282	1.4282	1.4282	1.4282	1.4282	1.4282	1.4282	
Parks and Recreation Fund	0.3857	0.3857	0.3857	0.3857	0.3857	0.3857	0.3857	0.3857	0.3857	0.3857	
Drain Revenue Fund	0.5105	0.3590	0.1765	0.0885	0.2642	0.3435	0.1057	-	0.1442	0.5607	
Library Fund	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	
Total Operating Millage	8.6969	8.5454	8.4369	8.6401	8.7194	8.7194	9.2097	9.1040	9.2482	9.6647	
2000 Street Debt Fund	0.2687	0.2894	0.3234	0.254	-	-	-	-	-	-	
Library Construction Debt Fund	-	0.1790	0.2039	0.2008	0.1930	0.3281	0.3852	0.3716	0.3540	0.4148	
1993 Refunding Debt Fund	0.4218	0.4067	0.2291	-	-	-	-	-	-	-	
2010 Refunding Debt Fund	-	-	-	0.3843	0.3698	0.3487	-	0.3462	0.3540	-	
2003 Refunding Debt Fund	0.2579	0.2485	0.2760	0.2891	0.3459	0.3488	-	-	-	-	
2002 Street & Refunding Debt Fund	0.8963	0.8726	1.0723	1.2990	0.9783	0.4339	0.2564	0.3782	0.2438	0.1205	
Total Debt Millage	1.8447	1.9962	2.1047	2.0772	1.9015	1.4806	0.9903	1.0960	0.9518	0.5353	
Total City Millage Rate	10.5416	10.5416	10.5416	10.5416	10.5416	10.2000	10.2000	10.2000	10.2000	10.2000	
Tax Revenue											
General Fund	\$ 17,143,849	\$ 17,298,568	\$ 17,428,822	\$ 16,081,000	\$ 14,952,000	\$ 14,463,208	\$ 14,553,000	\$ 15,014,000	\$ 15,504,000	\$ 15,962,000	
Municipal Street Fund	2,740,559	2,765,292	2,744,061	2,474,000	2,300,000	2,226,168	4,350,000	4,488,000	4,634,000	4,771,000	
Police and Fire Fund	5,070,691	5,116,453	5,077,170	4,577,000	4,255,000	4,119,209	4,142,000	4,273,000	4,412,000	4,543,000	
Parks and Recreation Fund	1,369,392	1,381,750	1,371,142	1,236,000	1,149,000	1,112,311	1,119,000	1,192,000	1,192,000	1,227,000	
Drain Revenue Fund	1,812,483	1,286,099	627,448	284,000	787,000	982,539	307,000	-	446,000	1,784,000	
Library Fund	2,740,559	2,765,292	2,744,061	2,474,000	2,300,000	2,226,168	2,239,000	2,309,000	2,385,000	2,455,000	
2000 Street Debt Fund	953,994	1,036,761	1,149,669	722,310	-	-	-	-	-	-	
Library Construction Debt Fund	-	641,258	724,853	643,477	575,065	943,480	1,117,000	1,111,873	1,093,750	1,319,375	
1993 Refunding Debt Fund	1,497,562	1,456,982	814,438	-	-	-	-	-	-	-	
2010 Refunding Debt Fund	915,650	890,238	981,164	201,567	1,145,065	1,063,856	1,011,000	1,035,713	1,093,765	2015-16	
2003 Refunding Debt Fund	3,182,230	3,126,044	3,811,966	4,162,734	2,914,954	1,018,612	-	-	-	2017-18	
2002 Street & Refunding Debt Fund							744,000	1,131,458	753,360	383,423	
Total City Property Tax Revenue	\$ 37,426,968	\$ 37,764,736	\$ 37,474,794	\$ 33,782,530	\$ 31,408,731	\$ 29,486,173	\$ 29,582,000	\$ 30,517,044	\$ 31,513,875	\$ 32,444,798	

*Includes reduction for Personal Property Tax write-off, Tax Tribunals Adjustments and Chargebacks

** No Headlee rollback has been assumed for fiscal years 2016 and 2017

Note: Fiscal 2015 taxable values have incorporated board of review adjustments through March 17, 2014

Major Assumptions

Revenue

Property Tax

Maximum allowable millage rates are used for all funds except the Drain Fund. Taxable value projections are as of March 17, 2014. The 2014 taxable value increased approximately \$56,000,000 for net new construction. The future property values for 2015 and beyond include approximately \$92,000,000 in cumulative net new construction. Penalties and interest are based on historical collections, not most recent years.

The current millage rate is at 10.2 mills. A significant factor that has been taken into account for the future years taxable value is the expected decrease in the personal property tax, per the new State of Michigan law (SB 10) that erases the personal property tax on the industrial property and other businesses with equipment less than \$40,000.00. For the last three years the estimated taxable values in the budget compared to the actuals have been within approximately 0.15% of each other, for example FY 2013-14 projection had the taxable value at \$2.970 million dollars and the current estimate as of 03/17/2014 is 2.972 million.

State Revenue Sharing

Based on the 2010 Census, Novi's population is 55,224, which is a 16.5% increase from the 2000 Census population of 47,386. The 2010 Census data is required to be used for the Constitutional portion of State Shared Revenue distributions until 2020. The State Revenue Sharing for fiscal year 2014-15 is estimated to increase approximately \$156,000 compared with 2012-13 fiscal year. The statutory portion (now known as the Economic Vitality Incentive Program, or EVIP) of the revenue sharing is assumed to increase slightly to \$29,000. The revenue sharing projections come directly from the Michigan Department of Treasury.

Interest

Varies with available cash balances and interest rate forecasts for Certificates of Deposits, Treasuries & Commercial Paper. It is assumed that interest rates and the revenues associated with it will continue at current levels.


Building Permits

The current budget year includes an increase of 15 percent primarily as the result of one time closeouts of large construction projects. In the projections for 2016-2017 fiscal years we have factored in a 3% increase (after removing the one-time closeouts) in the permit revenue based on the overall economic outlook that has the economy in the expansion mode, based on the PMI (Purchasing Managers Index as published by Wayne State University) and given the City of Novi's idle building capacity.

Expenditures

Personnel Services

Reflects increases and decreases pursuant to each of the current collective bargaining agreements. An increase of 1% each year, using 2014-15 as base year, is assumed based on total personnel costs, including the costs of pension and insurances. The personnel assumptions are based on the number of staff as presented in the Budget Overview — Personnel Summary section for the fiscal year 2014-15.



Multi-Year Budget

Other

Most expenditures range from 1.5%-3%; certain maintenance items increased based on historical median rate (i.e. road maintenance items).

Capital Outlay & Technology

The Capital Outlay and/or non-recurring items are based on actual amounts included in the Capital Improvement Program (CIP) and have been estimated for 2014-15. The City of Novi has a track record of replacing and maintaining assets, which not unlike businesses, allows the City flexibility in deferring capital purchases for a period of time during financially tight years.

Vehicles for public safety are the only capital outlay purchases included in the projection period. Existing Federal Forfeiture funds are planned to cover these costs through 2014-2015. Minimal Federal Forfeiture funds are assumed for purposes of this fiscal analysis. Certain programs like PC replacement are included in 2014-15 budget and while department allocation may change, total estimated replacement remains the same plus inflationary adjustment of 3%.

Capital Improvements

The Major Street, Local Street Municipal Street, Drain, and Parks, Recreation & Cultural Services Funds reflect anticipated expenditures for each year based on the Capital Improvement Program.

Line item detail

The Multi-Year Budget is based on the categories within each department and adjusted for individual line items. For example, in the General Fund, the Clerk's Department adjustments have been made based on election years.



Budget Program Categories

Summarizing Guiding Plans and Strategies

The Budget Program Categories section of the budget is organized around the seven adopted City Council Goals. For each goal, a summary of the plans and strategies that guide our service to the Novi community is provided.

Our focus on planning and prevention borrows from what Steven Covey calls “Quadrant II.” Using the concepts of importance and urgency, Covey’s *Seven Habits of Highly Effective People* illustrates a Time Matrix™ tool that filters-out unimportant activities to assist managers to focus on what’s truly important. The time matrix is divided into four quadrants. Quadrant II (QII) is the quadrant of productivity and balance. It represents activities that are important but not urgent such as dedicating time to developing plans for the City’s most important goals.

<i>Time Management Matrix™</i> From Steven Covey, <i>7 Habits of Highly Effective People</i>			
		Requires Immediate Attention or Not	
		<i>Urgent</i>	<i>Not Urgent</i>
Relates to results that contribute to values, growth, and high priority goals or not	Important	Quadrant I <ul style="list-style-type: none"> • Crises • Pressing problems • Deadline-driven projects, meetings, reports 	Quadrant II <ul style="list-style-type: none"> • Preparation and Planning • Prevention • Relationship building • Accounting for results
	Not Important	Quadrant III <ul style="list-style-type: none"> • Needless interruptions • Unnecessary reports • Unimportant meetings, phone calls, mail e-mail • Other people’s minor issues 	Quadrant IV <ul style="list-style-type: none"> • Trivia, busywork • Irrelevant phone calls, mail, e-mail • Surfing the Internet • Time-wasters

The key to running a **highly-effective City government** is to spend more time in QII which includes planning – setting goals, charting a course of action, and scheduling the tasks to execute our objectives.

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Nurture Public Services that residents want and value

Novi Parks provide partnership opportunities

The Novi Parks Foundation is a 501(c)3 non-profit which was created to enhance the recreational, educational, and cultural life of the Novi community by encouraging and soliciting support for Novi Parks, Recreation & Cultural Services. The Foundation is governed by a volunteer Board of Directors who support enhancements and additions to our park inventory. Parks:

- Enhance quality of life
- Increase property values
- Encourage economic development
- Clean our air and water
- Provide natural habitat for wildlife build healthy individuals, families and communities



One method the Novi Parks Foundation uses to raise needed funds is through the Parks Naming Rights program. The Naming Rights Program was created to help bridge the funding gap, while creating valuable partnerships with our corporate citizens. Investing in the parks system further enhances this relationship and displays the desire to maintain a high quality of life in Novi. The program allows corporations to bring focus on their company by naming a park or facility for a specific period of time. A portion of the donation is leveraged with other funds to implement capital improvements to Novi parks and facilities. The balance is utilized to establish a much-needed endowment that will work to meet future parks and recreation needs.

Corporations who have recently participated in the Naming Rights Program include Best Buy, Tom Holzer Ford, Vibe Credit Union and ITC.

CITY COUNCIL GOALS

Make long-term strategic and sustainable investments in Roads & Pathways, Water, Sewer and provide for development, acquisition and rehabilitation of parks and public lands. Provide cultural resources and recreational opportunities for a growing and diverse population.

Short-Term Goals

- Naming Rights for City Parks
- Construct pathway along Eight Mile Road from Beck Road to Maybury Park entrance with design from 2013 budget
- Add a City event at Pavilion Shore and/or Lakeshore Park in 2014 to showcase the community
- Fund one major trail improvement in 2014

Long-Term Goals

- Complete full length of ITC Corridor Trail
- Work with Road Commission for Oakland County to develop a plan of improvements for 10 Mile road corridor that improves traffic flow while respecting residential areas
- Plan to add a sprinkle/splash pad to a City Park

Nurture Public Services that residents want and value

Water Storage Tank construction will help reduce rates

The construction of a Water Storage Tank will reduce wholesale water rate charges from Detroit Water and Sewerage Department (DWSD) by using the proposed 1.5 million gallon (MG) storage volume to reduce the peak draw from DWSD. Based on preliminary analysis, the storage tank has the potential to reduce DWSD rates by approximately 20% with annual savings to City of Novi water customers of approximately \$1.7 million.

The water storage tank will involve construction of a 102 ft. diameter by 35 ft. tall ground storage tank at the corner of West Park Drive and 12 Mile Road. The proposed storage tank will use the existing West Park Booster Station to pump flows from the tank during peak demand periods such that the peak flows from DWSD are limited to provide rates benefits. The project will also include some modifications to the West Park Booster Station to ensure proper operations. The rendering below provides a visual representation of the size and location of the proposed tank in relation to the existing West Park Booster Station. The project will also include an upgrade to the existing supervisory control and data acquisition (SCADA) system, which will allow the City to operate the overall water system more efficiently.



Nurture Public Services that residents want and value

ITC Corridor Regional Trail

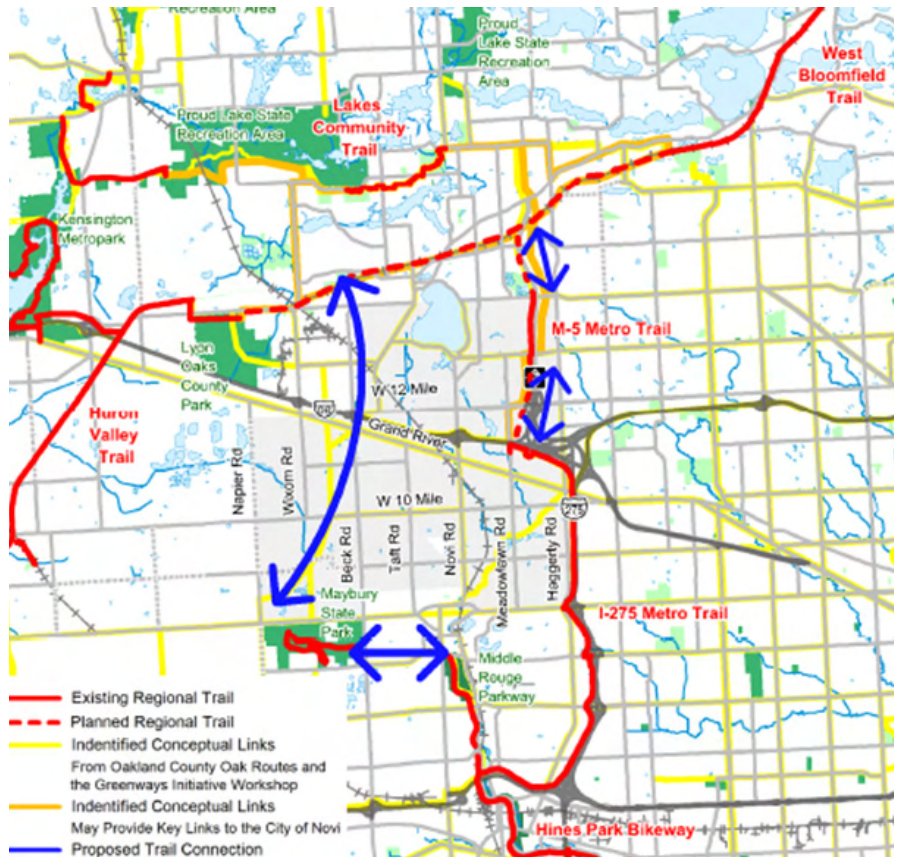
A recurring theme in the City of Novi's biennial Citizen Survey is the public's desire for more walking and biking trails in and around the City. To help meet this need, the City's 2011 *Non-Motorized Master Plan* identified several major corridor developments that would provide links to existing and future trails in the region. One such corridor is the ITC Corridor Regional Trail, which would connect Maybury State Park (and its eventual link to the Hines Park Bikeway) to a planned regional trail to the north of Novi that would connect the Huron Regional Trail to the West Bloomfield Trail.

This proposed regional pathway would provide a key non-motorized connection between ITC Community Sports Park and Maybury State Park to the south and the City of Wixom to the north. The trail's alignment would roughly follow the utility corridor owned by International Transmission Company (ITC).

As depicted on the map on the page that follows, completed components of the multi-phase trail now include: the Eight Mile Road mid-block crossing that links Maybury State Park to Novi's ITC Community Sports Park; and Phase 3A, which extends north of Eleven Mile Road in the ITC corridor to and through the recently completed Medilodge development.

The existing pathway along Wixom Road and the sidewalk/pathway along Eleven Mile Road to the Medilodge site comprise Phase 2. There is one small gap in Phase 2 that would connect the Wixom Road pathway to the crosswalk at Eleven Mile Road, and filling this remaining gap is slated for construction in FY17/18.

Phase 3B of the trail would be the connection between Medilodge and Beck Road through property owned by Providence Park Hospital. Engineering staff have negotiated an acceptable alignment with hospital administration, and Providence has agreed to grant an easement for construction. This portion of the trail was funded in FY12/13 and will be constructed in FY14/15 concurrent with Providence's construction of a new assisted living complex on the same parcel.



Proposed ITC Corridor Regional Trail

Alignment and Project Status

Napier Rd

Grand River Ave

Eleven Mile Rd

Ten Mile Rd

Nine Mile Rd

Beck Rd

Taft Rd

ITC Trail Phase 2 (Gap)

ITC Trail Phase 2

ITC Trail Phase 3A

ITC Trail Phase 3B

ITC Trail Phase 1B

ITC Trail Phase 1A

Novi CSP Trail

Maybury Connector

PROJECT	CURRENT STATUS
8 Mile Mid-Block Crossing (Maybury State Park Connector)	Completed in 2013.
Novi Community Sports Park Trail	Programmed for Construction in FY16/17.
ITC Corridor Regional Trail - Phase 1A	In design. Awaiting License Agreement from ITC. Construction programmed for FY15/16.
ITC Corridor Regional Trail - Phase 1B	Awaiting License Agreement from ITC. Construction programmed for FY18/19.
ITC Corridor Regional Trail - Phase 2	Completed except for 1 gap: Segment 133 programmed for FY17/18 construction.
ITC Corridor Regional Trail - Phase 3A (Medilodge Connector)	Completed in 2013.
ITC Corridor Regional Trail - Phase 3B (Providence Park Connector)	In design. Funded in FY12/13 and slated for construction in FY14/15.

Map Author: M. D. McCreadie Jr
Date: 10/29/13
Project: Proposed ITC Corridor Regional Trail
Version #: 8

Map Revisions: Keri Blough
Date: March 6, 2014
Version #: 9

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 332 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

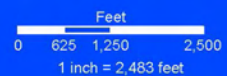
Legend

-  ITC Corridor Regional Trail - Phase 2 (Gap)
-  8 Mile Mid-Block Crossing (Maybury State Park Connector)
-  Novi Community Sports Park Trail
-  ITC Corridor Regional Trail - Phase 1A
-  ITC Corridor Regional Trail - Phase 1B
-  ITC Corridor Regional Trail - Phase 3A (Medilodge Connector)
-  ITC Corridor Regional Trail - Phase 3B (Providence Park Connector)



City of Novi

Engineering Division
Department of Public Services
26300 Lee BeGole Drive
Novi, MI 48375
cityofnovi.org



Nurture Public Services that residents want and value

The “greenways” components of the ITC Corridor Regional Trail (shown as Phases 1A and 1B on the map) are the two cross-country trail connections between ITC Community Sports Park and Fire Station No. 4 on Ten Mile Road. The preliminary engineering for both phases was completed in FY12/13. The final design of Phase 1A will be completed in 2014 and will consist of an approximate 1.25 mile long, 10-foot wide asphalt pathway between ITC Community Sports Park and Nine Mile Road. Phase 1B has not yet been approved for final design funding, but when constructed it would continue the path north from Nine Mile Road to Ten Mile, where a trailhead parking area could be located. The majority of Phases 1A and 1B will be located within the ITC utility corridor, so the City is currently working with ITC staff to obtain license agreements for each of these phases. Phase 1A and 1B construction is currently programmed for FY 15/16 and FY18/19, respectively.

Finally, the southernmost trail component is the ITC Community Sports Park Trail, which will meander north-south through the park and connect to the mid-block crossing of Eight Mile Road, as well as to Phase 1A north of the park. The programmed construction year for this piece is FY16/17.

Visual Arts...Enhancing community culture

Public art is a distinguishing part of our public history and our evolving culture. The City of Novi recognizes the importance of access to Visual Arts and how it adds meaning to our City and uniqueness to our community. The Parks, Recreation and Cultural Services Department (PRCS) currently provides opportunities for residents and visitors to experience and appreciate visual arts within our community. Among these opportunities are Public Sculpture Exhibit at Fuerst Park and the Civic Center Atrium Art Gallery.

Both the Art Gallery and the Public Sculpture Exhibit provide local artists the opportunity to display their work and share it with the public. The Public Sculpture Exhibit offers a unique blend of nature and art inviting the community to stroll the walking paths of Fuerst Park and experience the beauty of nature mixed with the creation of the human hand. The City recently increased capacity for Civic Center Atrium art and have installed a new display system that has allowed us to exhibit art from a variety of organizations such as the Pastel Society and the Michigan Palette and Brush Club as well as community favorites such as the Novi High School Showcase, Michigan Art Institute, and Cassell and Associates Art Show in recognition of National Brain Injury Awareness Month.



Nurture Public Services that residents want and value

PARTNERSHIPS

Novi Community Schools – Utilizing a coordinated partnership, both public agencies have the ability to use public resources and serve citizens with higher quality services for specific areas.

- DPS provides the school district with forestry consulting expertise on an as-needed basis.
- Park maintenance staff from DPS maintain certain NCS athletic fields that are used by City recreational groups.
- During the winter, NCS maintenance staff and DPS work collaboratively to clear sidewalks and pathways in front of and near school property and the NCS uses the DPS salt dome to store rock salt.

Northville Parks and Recreation - Interleague games for youth sports are improved by providing a larger pool of teams, creating less repeat matchups, especially for the divisions with fewer participants.

Friends of the Novi Civic Theatre – Provide volunteer services for productions along with fundraising for theatre programs, education and technical equipment purchases.

Novi Parks Foundation – A not-for-profit corporation that raises private contributions and innovative partnerships to bridge the gap between identified needs and available public funds for parks and services.

Michigan Mountain Bike Association (MMBA) - MMBA benefits Lakeshore Park by maintaining the trails with grooming, cutting excess foliage, and picking up litter.

Art in the Park – Partnerships have been created with Midwest Sculpture Initiative, David Barr, Novi High School Art Department, Art Institute of Michigan, Brian Ferriby, and the Detroit Institute of the Arts to add beauty to the community with displays at different venues.

Suburban Mobility Authority for Regional Transportation (SMART) – Through this partnership, Novi Senior Transportation provides older adults in Novi with rides to medical appointments, grocery stores, visiting friends, and other various locations in the City of Novi and a 10 mile radius outside the city.

Novi Youth Baseball League (NYBL)– With a shared vision to continuously improve the baseball experience for community youth, NYBL offers advanced baseball technical skills and fundamentals, while NPRCS offers playable fields & facilities for all participants and spectators young and old.

ASA/Metro Detroit Amateur Softball Association (ASA National Softball Tournament) – Attracts youth fast pitch tournaments, including a national event played on Ella Mae Power Park .

Friends of the Rouge - Volunteers converge on the Rouge River watershed at Rotary Park to plant native foliage, place woodchips, pick up litter, and remove the invasive plant Garlic Mustard.

Michigan Jaguars Soccer Association (Mjags) – Offers a local premier travel soccer program for Novi youth to practice and play on NPRCS fields.

Walled Lake Consolidated School District - DPS clears sidewalk and pathway segments of snow and ice along walk-to-school routes in the Walled Lake District.

Boy Scouts of America - Field workers annually assist Eagle Scout candidates with the completion of a public service project.

Weekend & Weekday Alternative for Misdemeanors (WWAM) - DPS supports this Oakland County program by providing field work opportunities to misdemeanor offenders and supervising them.

52nd District Court - Each Wednesday, people serving a community service sentence perform various housekeeping tasks at the Field Services Complex.

MSU Extension – Tollgate Farm - Tollgate Farm and DPS share equipment on an as-needed basis, plus DPS occasionally provides Tollgate with different types of excess or recycled materials, such as wood chips and asphalt pavement millings.

Michigan Rural Water Association (MRWA) - In conjunction with MRWA, the City of Novi has been able to develop training programs for water and wastewater employees throughout Southeastern Michigan. All City of Novi Water & Sewer Division field staff benefit from the training opportunities associated with this partnership.

Nurture Public Services that residents want and value

In addition to the existing opportunities, the City of Novi has acquired the four acres of property located on Napier Road, near Nine Mile Road. The Villa Barr Art Park, previously owned by internationally famed artist David Barr, includes a home, studio, and sculpture garden. Future plans for the property include a public park, sculpture garden, and cultural education center.

PRCS is working to expand the opportunities available to community members. Future improvements include continued development of the Villa Barr Art Park and Cultural Education Center, and additional opportunities to expand knowledge and skill sets in visual arts through the Cultural Services classes and workshops.



Endless opportunities for recreation in north Novi

Anyone traveling in north Novi, needs to head west of Novi Road and turn towards Walled Lake, where they will find two gems – Lakeshore and Pavilion Shore Parks.

The first, Lakeshore Park, offers the residents many opportunities to enjoy the outdoors. From bike trails to a public beach to sand courts for volleyball, Lakeshore Park has become a destination for many. In an effort to enhance the experience, the City of Novi Parks, Recreation, and Cultural Services (PRCS) offers many programs to bring even more people to the park. Programs such as Camp Lakeshore, the Great Campout, and Adult Sand Volleyball are just a few offerings that have become popular. In 2014, the Department is looking to not only grow those programs, but increase the visibility of the park by offering affordable facility rentals to local groups, to work with the Motor City Mountain Biking Association to keep the extensive bike trails clear, and to provide new programs such as horseshoes for older adults.

In



August of 2013, Lakeshore Park gained a neighboring park in Pavilion Shore Park. The park, which features a fishing pier, pathways for walking and biking, and a beautiful view of Walled Lake, is another place for people to enjoy the outdoors. The opening, which took place in August 2013, was celebrated with a Play in the Park Day! The event featured live music, fishing, food vendors, outdoor games, and model boats on the water. Over 300 people attended the event, and the citizens of Novi were excited to see the area come

Nurture Public Services that residents want and value

back to life. Historically, the area has a lot of meaning as it once was the site of the Walled Lake Casino Shores Pavilion. On August 23, PRCS will be host another Play in the Park Day to commemorate the one year anniversary of the opening of Pavilion Shore. This annual event, free to the community, will showcase to the citizens what the park has to offer.

From Lakeshore Park to Pavilion Shore Park, the future is bright on the north end of Novi. PRCS looks forward to expanding its programs at these two locations as more opportunities present themselves.



PROGRAM OBJECTIVES

- Repave West Road from West Park Drive to City Limits
- Install new traffic signal at 13 Mile and Cabot Drive
- Continue ADA Compliance plan implementation for non-motorized facilities
- Construct 8 ft. pathway on north side of 8 Mile Road between Garfield and Beck
- Complete pedestrian gap on 10 Mile Road from CSX railroade to Catherine Industrial Road.
- Complete Park Place Pump Station Upgrades
- Complete Greenway Development Phase IA Community Sports Park to 9 Mile Road.
- Install Villa Barr Park Property Sewer Extension
- Implement Novi Enterprise Asset Management System (NEAMS) mobile access for Field Operations and Water/Sewer Divisions
- Implement Older Adults Services Strategic Plan 2013-2015
- Continue implementation of the Novi Public Library 2013-2018 Strategic plan
- Complete Capital Needs Assessment (amenities at City parks)
- Complete Widening of Haggerty Road (9 Mile to 10 Mile)
- Complete Arcade demolition and upper lobby build out

Quick Hits

246 Miles of sewer piping maintained by the City

389 Lane Miles of roads maintained by the City during Summer

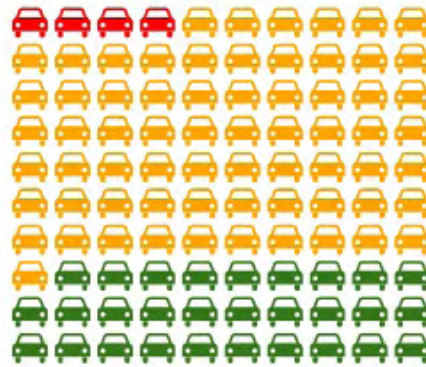
34,899 Total attendance at Library programs

1,150 Acres of Parkland

5.9 Average PASER rating City-wide*

471 Lane Miles of roads maintained by the City during Winter

PASER Rating Breakdown by Condition*



10-7 Good 29% **6-4 Fair** 67% **3-1 Poor** 4%

PASER Rating

The Pavement Surface Evaluation and Rating Scale (PASER) is used by DPS to rate the quality of the surface of roads across the City. PASER is a 1-10 scale, with 10 being the highest rating.



60

Average hours of operation at the **Novi Public Library**

Performance Report

The City of Novi strategically invests in public services that add value to our community. Our Department of Public Service ensures our infrastructure is constantly maintained and approved. Parks, Recreation and Cultural Services not only provides parks for our residents to enjoy but also provides exceptional programming for all ages and interests. The Novi Public Library continues to set the standard for libraries in the State of Michigan.

Nurture Public Services that Residents Want and Value



13,000 Feet

of initial investment in sidewalks & pathways has been completed in the **two years** since the Non-Motorized Master Plan was completed

Visitors to the Novi Library per capita



5.7 Million

gallons of water & sewer delivered by the City **per day**

*Due to the timing of the PASER evaluation, the 2013 PASER ratings do not reflect all road improvements that were under construction in 2013, including additional projects funded by the road millage increase

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Operate a world-class and sustainable local government

Citizens Academy — Engaging and educating community ambassadors

The City of Novi has significant experience with educating newly elected officials and staff on day-to-day operations, departmental responsibilities and service deliveries. Newly elected officials are accustomed to participating in in-services dedicated to the various departments within the city. We would like to extend this knowledge and training to the residents by developing a Citizens Academy.

A Staff Project Team was created to investigate a Citizens Academy after the Mayor's Exchange to Fishers Indiana, a community with a successful program in place. The program provides interested residents additional information about their community government. All participants must adhere to one "rule" - ask productive questions.

The goals of a Novi Citizens Academy are:

- Improve citizen understanding of municipal government



CITY COUNCIL GOALS

Maintain an efficient and effective, fiscally-responsibly local government which leverages communication, strategic partnerships, and skilled staff.

Short Term Goals

- Develop and implement a plan to fully address unfunded liabilities
- Develop a Citizen Academy to educate residents and develop future candidates for Boards and Commissions
- Consider the future of SWOCC

Long Term Goals

- Consider millage for Park improvements and trails
- Fully fund Other Post-Employment Benefits (OPEB) liabilities within five years
- Explore further service consolidation and joint opportunities with neighboring governments and school districts

- Develop citizen understanding of their personal role in government
- Create a pool of knowledgeable individuals for future boards and commissions

Residents would need to apply to participate and would be required to attend all sessions. The format would be a mix of a traditional classroom environment and tours of various City facilities, showing residents how the city operates (locations, facilities, equipment). We envision offering this opportunity to residents twice a year.



Operate a world-class and sustainable local government

Working through Pension and OPEB liabilities

The City of Novi is only 45 years old, and compared to other communities in Southeastern Michigan, does not have a bleak outlook when it comes to pension liabilities. The City of Novi currently has 121 retirees collecting a pension, or nearly 50% of the City's current workforce of 248. Other communities in Southeast Michigan have a retiree population of 200-300% of their current workforce. The June 30, 2013 financial statements show the City's total unfunded Municipal Employee's Retirement System (MERS) defined benefit (DB) pension liability of approximately \$24.6 million. Defined Benefit pensions were standard in government sectors for decades where, when an employee receives guaranteed compensation for the rest of their life. The trend to eliminate future legacy costs is not a new concept in Novi. In conjunction with the restructuring of OPEB benefits, Novi took similar action to limit the City's exposure to future pension liabilities by closing the Defined Benefit Pension Plans within the following groups:

- Administrative employees hired after May 1, 2006;
- Michigan Association of Public Employees (MAPE- formally Teamster) employees hired after December 1, 2006;
- Library employees hired after July 1, 2007;
- Full-time fire employees hired after June 1, 2009;
- Dispatchers hired after September 1, 2011;
- The MERS Hybrid Plan [H] was adopted effective for POLC employees hired after March 31, 2012 and operates as two plans combined into one. Hybrid Part Defined Benefit (DB) requires a 1.5% multiplier and the Part II- Defined Contribution requires a 3% employee contribution and a 2% employer contribution.

These groups now participate in MERS Defined Contribution (DC) program. For the DC program the City of Novi contributes 8% of eligible earnings and each member contributes 3% to an individual account established for each administrative and MAPE participant. For the library employees, the library contributes 6% of eligible earnings and each member contributes 3% to an individual account established for each participant. For firefighter employees, the City contributes 10% of eligible earnings and each member contributes 6% to an individual account established for each participant.

Other Postemployment Benefits

The City of Novi provides healthcare benefits to eligible full-time employees upon retirement. These healthcare benefits are referred to as **other post-employment benefits** (OPEB). Beginning in 2006, Novi discontinued OPEB for all administrative full-time employees and then continued for the following groups:

- Administrative employees hired after May 1, 2006;
- Michigan Association of Public Employees (MAPE- formally Teamster) employees hired after December 1, 2006;

Operate a world-class and sustainable local government

- Library employees hired after July 1, 2007;
- Full-time fire employees hired after June 1, 2009;
- Dispatchers hired after September 1, 2011;

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45, an accounting standard that affects the way all governmental employers must account for and report their costs and obligations relating to OPEB. GASB 45 does not require any change in how OPEB plans are funded.

PARTNERSHIPS

Community Relations

SWOCC – The City of Novi is a member of the Southwest Oakland County Cable Commission, a consortium with the Cities of Farmington and Farmington Hills. This partnership allows production of Novi Television.

Consulate General of Japan - The City and Consulate have partnered for the past three years to present a Japanese Movie night at Fuerst Park .

Lucky Strike – Each year, Lucky Strike hosts Addicted to Games...not Drugs, presented by the Novi Youth Council and Novi Police and Fire Departments. Annually, more than 300 elementary school students attend the event with proceeds benefitting drug awareness programs.

Emagine Entertainment – Emagine Novi hosts Addicted to Movies...not Drugs, presented by the Novi Youth Council and Novi Police and Fire Departments. Annually, more than 500 high school students attend the all night event with proceeds benefitting drug awareness programs.

Novi Public Library – The Novi Public Library is a partner in the Engage! publication Programs are listed in the publication and the cost of production of shared. The Library also helps to promote City happenings. The Library hosted an event as part of the New Blooms for Novi series.

Novi Chamber of Commerce - The Novi Chamber of Commerce is a partner in the annual State of the City Address.

Purchasing

All of the partnerships below allow the City to save money in administrative costs if bids sponsored by other members are utilized, and in costs where the joint purchasing provides for better pricing as a result of consideration of the collective group.

- Member of MITN (Michigan Inter-governmental Trade Network) joint purchasing and on-line auction services.

- Member of MiDeal (State of Michigan) joint purchasing.
- Macomb/Oakland County joint purchasing.

Treasury

- City collects for animal licensing/control services as mandated by MCL, and retains \$1 per license with balance of collection to Oakland County.
- City collects property taxes for Oakland County; Novi, Northville, South Lyon, Walled Lake school districts as well as the Oakland and Wayne county intermediate school districts; OCC and Schoolcraft colleges.
- The City has a contract with Oakland County for collection of delinquent personal property taxes, which saves through economies of scale
- The City has a contract with Oakland County for reimbursement of delinquent real property taxes which affords the City cash flow in the same year as the delinquent property taxes are turned over to the county.

Finance

- ICMA-RC is the national third-party administrator for the City's retiree health savings and deferred compensation plans.
- MERS is the third-party administrator for the City's pension plans, both DB and DC. The City and its employees receive administrative cost savings through economies of scale.
- MML for workers compensation affords the City dividends and rate adjustments based on the larger pool of employers.
- SEMCOG/GDAHC member for purposes of dental insurance through Delta Dental. The City saves in two ways: on administrative charges and on a cap for annual premium increases.
- The City contracts with Oakland County for the management of its CDBG Minor Home Repair program allowing for economies of scale and administration of applications, vendors, etc.

Operate a world-class and sustainable local government

Rather, GASB 45 requires that employers begin to recognize their annual required contribution (ARC) and a liability for any difference between the ARC and amounts actually funded. The ARC is the level of employer contribution that would be required on a sustained, ongoing basis to systematically fund the normal cost relating to the current service period and to amortize, or pay off, the unfunded liability attributed to past service over a specified period of time not to exceed 30 years. At this time, the City's OPEB obligations are 83.2% funded and the unfunded liability has decreased from \$9,338,214 as of the July 1, 2011 valuation to \$3,896,716 as of the June 30, 2013 valuation.

City Administration has researched the feasibility of bonding for both the pension and OPEB liabilities which total nearly \$28.5 million via a recently enacted law; Public Act 329. The new law allows Michigan communities to borrow for their unfunded employee pension liability and other post-employment benefits (OPEB). City Administration has determined that bonding for the City's OPEB and Pension liabilities is not in the City's best financial interest that the City would not have to make additional contributions in the future, all depends on if the plan achieves the actuary assumptions. Additionally the City would incur an additional million dollars a year in interest payments as a result of bonding that would be paid primarily from the General Fund.

Moving forward the City will evaluate, annually, its unfunded liability and determine if additional funding is necessary. The City is required to make its ARC payment but nothing prohibits it from contributing extra.


Video future forecast

The Southwestern Oakland Cable Commission (SWOCC) was formed in 1982 when three cities (Farmington, Farmington Hills and Novi) joined together to negotiate a contract with MetroVision, the cable provider at the time. SWOCC operates to bring local residents, schools, governments, religious organizations, service groups and businesses together through constructive, prudent uses of communication technologies to build and enhance community.



Over the past 30 years, the telecommunications field has seen many advancements in video production, transmission and programming. Metrovision became Time Warner, which has since become Bright House. City Council passed a resolution in 2005 inviting cable competition to Novi and, in 2007, approved an agreement with AT&T to provide similar services.

In October 2013, the SWOCC Board approved a Resolution regarding the commencement of the renewal of the franchise agreement process with Bright House. Although the current franchise agreement does not expire until December 2015, per



Operate a world-class and sustainable local government

the contract, Bright House began the process in 2013.

In January, the Comprehensive Annual Financial Report for SWOCC for the fiscal year ending June 30, 2013 was presented. The audit noted franchise fees and cable operating contributions (PEG) totaling \$966,732 are earned from Bright House; AT&T franchise and PEG fees come directly to the City of Novi.

With the building nearly paid off, age of equipment, and pace of technological advancements, the SWOCC Board approved a multi-year needs assessment of the facility and operations prior to entering into a renewed Franchise Agreement with Bright House.

PROGRAM OBJECTIVES

- Implement Guest Services Secret Shopper program for the remaining departments in the Civic Center
- Graduate the first two classes of the new Novi Citizen Academy
- Roll out Homeowner Association Entryway Signage Grant Program
- Install new Voice Over Internet Protocol (VOIP) to replace current Civic Center Phone System
- Review operation of SWOCC Studios
- Make an additional payment of \$100,000 to Other Post-Employment Benefits (OPEB) obligation; continue to make 100% actuarial-prescribed payments

Quick Hits

12.4

Average length of service for current employees in years

336,200

Square feet of facilities maintained by City staff

332

Full Time Equivalents (FTE) employees with the City of Novi*

85.7

Percent of employees surveyed rated the quality of facilities maintenance services good or excellent

16

Consecutive years the City of Novi has earned the GFOA Distinguished Budget Award

Total Debt Per Capita



2.7%

projected increase in taxable value

The second consecutive year with an increase



76.1%

of employees agree or strongly agree they clearly understand their job responsibilities and have the tools to accomplish those responsibilities

Performance Report

In order to provide world-class services to our residents the City of Novi ensures that our internal services are world class as well. The Finance Department assists every department in establishing strict financial standards and stewardship. Human Resources supports the current staff and seeks out talented individuals to join our team. Information & Technology and Facilities ensures that the staff has the tools to get the job done.

Operate a World-Class and Sustainable Local Government

HR expenditures per full time equivalent

Novi	CPM Average
\$837	\$1,416

	Novi	CPM Average
% of employees who rated desktop/Help Desk service excellent	97%	51%
Operating & maintenance cost for IT per workstation	\$1,667	\$2,304
% of repairs to application services resolved within 24 hours	81%	51%



AA+/As2

The City has maintained its rating with Standard & Poor's and Moody's credit rating agencies

Value and build a desirable and vibrant community

And, the Business Survey says.....

In 2013 the City sought formal input from businesses by producing the Business Perception Survey. This was the first time such a survey has been completed, also a first time for the National Research Center that has completed citizen and older adult perceptions surveys in prior years. The perception surveys are a good business tool to help planning and determine the mix of services desired. With 245 businesses responding to the survey, a 17% response rate, we learned that overwhelmingly Novi was a great place to do business and a great place to work. As a community, Novi businesses thought we did extremely well with the quality of business life, stability and growth and community features. The areas that respondents rated as needing improvement are transportation, signage laws and regulations, and communication with businesses. The goal this year will be to maintain the survey standard and engage the business community to improve upon those results.

During the upcoming year, we plan to maximize the work and results found in that inaugural survey. The City will work with the business community to get further clarification and feedback on the survey results in the categories of transportation, services for business and improving business in Novi. In addition to the items survey respondents identified as areas of opportunity, City staff realized there were additional areas

of growth and improvement. How we collect business data and communicate with departments that work with businesses will be refashioned. Working with Information Technology, Community Development and Public Safety, the Economic Development Team will develop a sustainable work plan for the ongoing maintenance, use, and structure of a Novi business database. As a result of this plan, we will have enhanced communication and feedback to our businesses. Additionally, we will develop an accurate mailing list of Novi businesses with contact information, to increase response rate on future Business Survey mailings.

CITY COUNCIL GOALS

Encourage quality economic development to maximize city revenue and job growth while protecting and enhancing natural areas, natural features and community character.

Short Term Goals

- Create neighborhood improvement fund that assists sub/condo associations with matching grants for public investment in neighborhoods (subdivision entrances, street trees, streetlights, rain gardens, etc.) Finalize grant program to beautify older subdivision entrances in city
- Create an aggressive plan to acquire land
- Designate a specific staff person to be responsible for small business development/retention
- Establish joint committee with local colleges to discuss and evaluate establishing a business incubator program similar to "Launch Fishers"

Long Term Goals

- Fund and complete the Northwest Quadrant Ring Road
- Create a multi-year plan for upgrading all of our major commercial corridors (Grand River Avenue, Novi Road, 12 Mile Road) with streetlights, landscaping, etc.



Value and build a desirable and vibrant community

Parkland...a valuable asset

While the City of Novi enjoys over 1,000 acres of parkland for our nearly 60,000 residents, we must continue to look for additional park land as the city continues to grow. Parks and Recreation resources are a tremendous benefit to any community providing opportunities related to economic health and prosperity, physical and mental health of residents and visitors and environmental health and sustainability. As new housing developments become a reality in Novi, available land for parks diminishes.



To assist in combating this problem the City formed a committee to look at potential grant opportunities for the acquisition of park land. The Parks, Recreation and Cultural Services (PRCS) department has developed rating criteria for the purpose of prioritizing potential projects. Ratings are based on the following criteria: availability of land, development status, operating budget impact, service area, intensity of use, economic impact and public support.

The two primary grant funding sources for park acquisitions are the Michigan Natural Resources Trust Fund, which is administered by the Michigan DNR and is funded from royalties on the sale of Stat-owned mineral rights, and the Land and Water Conservation Fund, which is a federal grant program funded by off-shore drilling revenues. Both of these funds were created for the purpose of protecting natural areas and support outdoor recreation.

Due to the competitive nature of grants the City of Novi has continued to be proactive in land acquisition regardless of our success in obtaining grants. The City has recently acquired two recent parcels for future park use. Villa Barr Art Park and Cultural Education Center was purchased in FY 2012/13 and an additional five acres near 10 Mile and Wixom Roads was purchased in FY 2013/14 which is adjacent to existing parkland in that area.

Grow Novi

In support of entrepreneurs and small businesses, Novi is looking into innovate ways to provide resources through collaboration and partnership. One such effort will be the preliminary work to "Grow Novi". This initiative will take concepts learned from Indiana's Launch Fishers (launchfishers.com) program. The concept provides collaborative working space for entrepreneurs working on startup, high-growth and high-potential enterprises.

Novi is home to dynamic high-tech companies and



Launch Fishers collaborative workspace, meeting rooms

Value and build a desirable and vibrant community

a gateway to the emerging global environment. Currently the city is home to a mix of 3,000 large and small businesses, including 1,000 international companies. Additionally, the City actively prospects for companies in technology, research and development, alternative energy, bio science and medical device industries. Another approach to economic development and attracting these types of companies to the area, is nurturing entrepreneurs and companies from the start-up phase.

The Economic Development team will lead efforts to establish a committee with educational, financial, and entrepreneur-minded partners to evaluate the feasibility of a “Grow Novi” or collaborative start-up working environment. It is important to the Novi community to explore the needs and lend to the supportive environment of entrepreneurs looking to start companies in technology, health and life sciences and R&D. The committee will work to seek out the ultimate champion for start-up companies that will mentor and direct them to resources best suited for their industry. With an entrepreneur champion and collaborative work-space, Novi can grow seeds for the next and best broad-ranged and high-impact companies in the City.



Example of a collaborative and shared work space for entrepreneurs

Welcome signage makes a first and lasting impression

More than seven years ago, Novi embarked on an entryway signage program to enhance community character and welcome those traveling roadways to the community. Similar to the pride citizens have in Novi, residents identify with their neighborhoods and the residential developments in which they live. And, Novi is fortunate to have very active and strong Neighborhood Associations.

Many of these communities within our community have entranceway signs and amenities along arterial roadways to welcome residents and guests alike. As time continues its inevitable march however, maintenance, upkeep and eventual replacement of these welcoming structures and landscaping can become a financial challenge for the collective residents of the individual neighborhoods. Consistent with the City Council Goal toward “Valuing and building a desirable and vibrant community for residents and business alike, now and into the future,” the establishment of a Subdivision Entry Grant Program matching a limited number of projects per year would assist neighborhood groups in replacing and updating these very visible





Value and build a desirable and vibrant community

PARTNERSHIPS

Japanese Business Society of Detroit (JBSD) - With a large Japanese population in Novi, JBSD has been an invaluable source for reaching new firms locating from Japan and we have assisted with residential location of many of these employees. Over sixty businesses in Novi are Japanese based.

Swedish American Chamber of Commerce (SWACC) – utilized for networking purposes for potential business attraction.

Asian Pacific American Chamber of Commerce (APACC) – partnered with APACC on different events which draw a large number of Asian business professionals to Novi.

Japan Auto Parts Industries Association (JAPIA) – Represent the entire automotive supplier base in Michigan; many of which can be found in Novi. JAPIA can be utilized for their networking connections.

German American Chamber of Commerce (GACC) - Over thirty German based businesses in Novi, making involvement with GACC important for retention.

Korea Trade-Investment Promotion Agency (KOTRA) – The Korean market is in a growth mode and KOTRA assists Korean-based businesses with import/export trade. This resource can prove to be beneficial in the near future.

Automation Alley – attraction/retention purposes; international incubator agency

Oakland County Economic Development – attraction/retention efforts; partner on specific events.

Michigan Economic Development Corporation (MEDC) – attraction/retention efforts; partner on specific events.

Novi Chamber of Commerce – small business retention resource.

International Center of Shopping Centers (ICSC) -- global trade association of the shopping center industry. Its members are shopping center owners, developers, managers, marketing specialists, investors, lenders, retailers and other professionals as well as academics and public officials.

Detroit Regional Chamber – DRC has an economic development arm and will be playing a more vital role in the overall State of Michigan's economic development business attraction.

ITS of Michigan – is a local chapter of ITS America that fosters the use of advanced technologies, known as Intelligent Transportation Systems (ITS) in surface transportation.

Engineering Society of Detroit (ESD) – one of the largest membership organizations in Michigan that works with the engineering industry.

TechTown -promotes startup businesses for incubation.

Small Business Technical Development Center (SBTDC) - enhances Michigan's economic well-being by providing counseling, training, research and advocacy for new ventures, existing small businesses and innovative technology companies.

Michigan Opportunities and Resources for Entrepreneurs Program (MORE) – The MORE Program connects resources to businesses through an online portal that is available on InvestNovi.org.

Walsh College – the local Novi campus is instrumental with the Business Assistance Team. Partnering has also taken place with Walsh Institute, which is a launch pad that assists entrepreneurship.

Workforce Intelligence Network (WIN) - a Southeast Michigan collaborative effort between eight community colleges, seven workforce boards and economic development partners to assess the area's workforce needs and supply the region's employers, educational institutions and policy makers with the information they need to further cultivate and transform the region's workforce.

ITS America – a national organization which fosters the use of advanced technologies, known as Intelligent Transportation Systems (ITS) in surface transportation.

National Association of Independent Office Property (NAIOP) - NAIOP represents commercial real estate developers, owners and investors of office, industrial, retail and mixed-use properties.



Value and build a desirable and vibrant community

amenities. Similar to the program developed in Fishers, Indiana, this initiative would offer five matching grants of up to \$5,000.00 per neighborhood each year. Unused funds (not granted in a given year) could be rolled over for future years if desired.



PROGRAM OBJECTIVES

- Begin process to update the City's Master Plan for Land Use
- Begin to develop Thoroughfare Plan
- Continue to implement Economic Development Goals and Strategies as adopted by City Council
- Monitor development at southwest corner of I-96 and Novi Road
- Continue to conduct retention visits with companies which call Novi home

11 Days

Average number of days for processing site plan reviews

★ Exceeded 2013 Target
2014 Target: 15 days

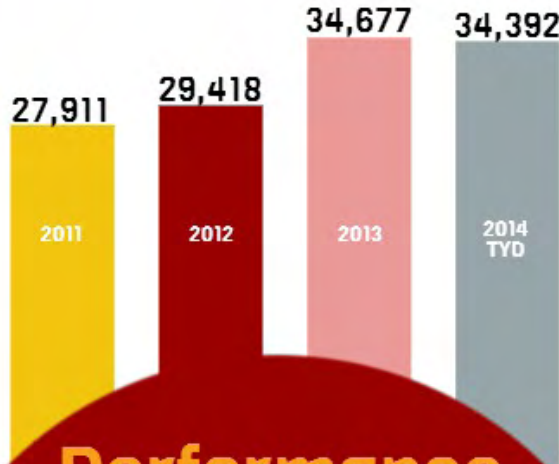


10.8 Days

Average number of days for processing commercial building permit reviews

Did not meet 2013 Target
2014 Target: 10 days

Average CityofNovi.org website hits per month



75%

of businesses surveyed said they planned on hiring in the next 6-12 months



98%

of building and trade inspections were provided the next business day when scheduled by 3:30 PM

★ Exceeded 2013 Target
2014 Target: 90%

Performance Report

The growth of the City of Novi is dependent on the community we build together. The department of Neighborhood and business relations ensures that both residents and businesses find Novi a great place to be. The Community Development Department assists developers, businesses and homeowners with site plans, building permits and other development-related items.

Value and Build a Desirable and Vibrant Community for Residents and Businesses alike now and into the Future



669

Followers for the City of Novi Twitter account

Total Facebook "Likes" Novi Government & Services



84%

of businesses surveyed rate City of Novi services good or excellent



Invest properly in being a safe community

Data Driven Approaches to Crime and Traffic Safety

In September 2013, the Novi Police Department implemented Data Driven Approaches to Crime and Traffic Safety (DDACTS) to reduce crime and traffic crashes in our community. DDACTS is a nationally recognized law enforcement operational model that uses the integration of location-based crime and collision data to establish effective and efficient methods for deploying law enforcement resources. Using geomapping to identify areas that have high incidences of crime and collisions, DDACTS uses traffic enforcement strategies that play a dual role in fighting crime and reducing collisions and traffic violations.

Drawing on the deterrent of highly visible traffic enforcement and the knowledge that crime often involves the use of motor vehicles, the goal of DDACTS is to reduce the incidence of crime, collisions, and traffic violations across the country. As a nationally recognized operational model, DDACTS is supported by a partnership among the Department of Transportation's National Highway Traffic Safety Administration and two agencies of the Department of Justice: the Bureau of Justice Assistance and the National Institute of Justice. With several successful sites from across the country, DDACTS has demonstrated a paradigm shift in law enforcement today.

The City of Novi's first identified DDACTS zone is a 4.9 square mile area along the Haggerty corridor between Eight Mile and Ten Mile roads. This area comprises 14.8 percent of the total square miles of Novi, yet accounts for nearly 13% of all motor vehicle theft, larceny, and burglary. This area also comprises eight neighborhoods and an array of retail and commercial businesses that account for large amount of vehicular traffic flow. This zone also encompasses the top ranked intersection and road segment for traffic crashes (8 Mile & Haggerty) in the City of Novi.

Using data analysis, a hot-spot was identified in the crime categories of Burglary, Motor Vehicle Theft and Larceny in area of Nine Mile and Haggerty Roads. Between September 2013 and December 2013, the targeted crimes were reduced by 72% as the number of uniform police contacts, hours spent and distance travelled in patrol vehicles significantly increased in the affected area.

CITY COUNCIL GOALS




Ensure Police, Fire, Public Services meet the needs of all residents, businesses, and visitors at all times.

Short Term Goals

- Add an additional police officer in the next fiscal year
- Make improvements or relocate Fire Station 3
- Finalize plan and time line during next fiscal year to relocate Fire Station 1

Long Term Goals

- Fund and implement Directed Patrol as recommended by Public Safety Administration
- Make improvements to top 10 high crash intersections over five years (signals, streetlights, etc.)
- Build new Fire Station 1

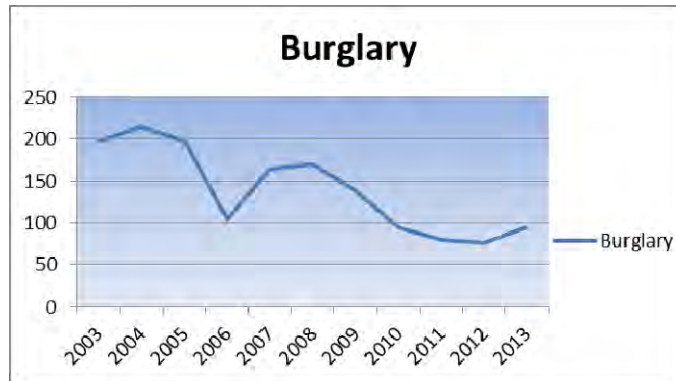
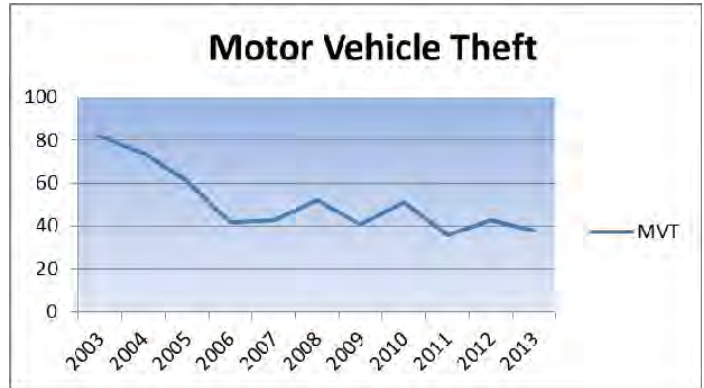
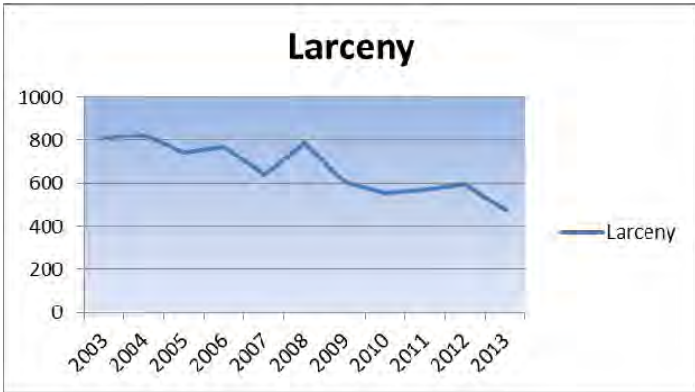
Targeted Crimes (Burglary, Larceny, Motor Vehicle Theft)	 72%
Police Contacts	 792%
Hours Spent	 267%
Distance Traveled	 260%

Invest properly in being a safe community

Crime Reduction – Ten Year Analysis

In an effort to determine long-term crime trends, a ten year analysis of crime data was completed. Between 2003 and 2013, the following categories showed substantial reductions; Robbery **26.6%**, Assault-Non Aggravated **16.2%**, Burglary **51.7%**, Larceny **41.2%**, and Motor Vehicle Theft **53.6%**

Over the same time period, Novi experienced its lowest incidents of Larcenies and Motor Vehicle Theft and Burglary have also reached some of their lowest levels in ten years.



Facility Needs for the Department of Public Services

Background

City Council adopted a long-term goal of funding improvements to the Department of Public Services' (DPS) facilities in 2005, and has renewed this goal every year since. Novi's Field Services Complex on Lee BeGole Drive is home to DPS as well as the Indoor Gun Range. DPS has two permanent facilities at this site: a 29 year old main garage building with 33,800 square feet (SF) of space, and a 21 year old 9,520 SF storage building. The overall Complex occupies approximately 20 acres of the 33 acre parcel.

A best management practice for any organization's fleet (whether private or public) is indoor/protected

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vehicle storage. DPS's 43,320 SF of total building space is severely undersized to meet current and future needs, and is much smaller than that of other benchmarked metro Detroit communities that provide public services similar to Novi. For example, Bloomfield Township, with a population of 41,000, has a 77,000 SF facility; and despite a population of under 22,000, the City of Auburn Hills' facility is 52,000 SF. To illustrate this deficiency, these images of the DPS yard show vehicles parked outdoors and temporary structures to help compensate for a lack of indoor space:



These pictures show the garage's conditions before a winter storm and during lunch hour in the building's only lunch room (for 32 field workers), respectively:



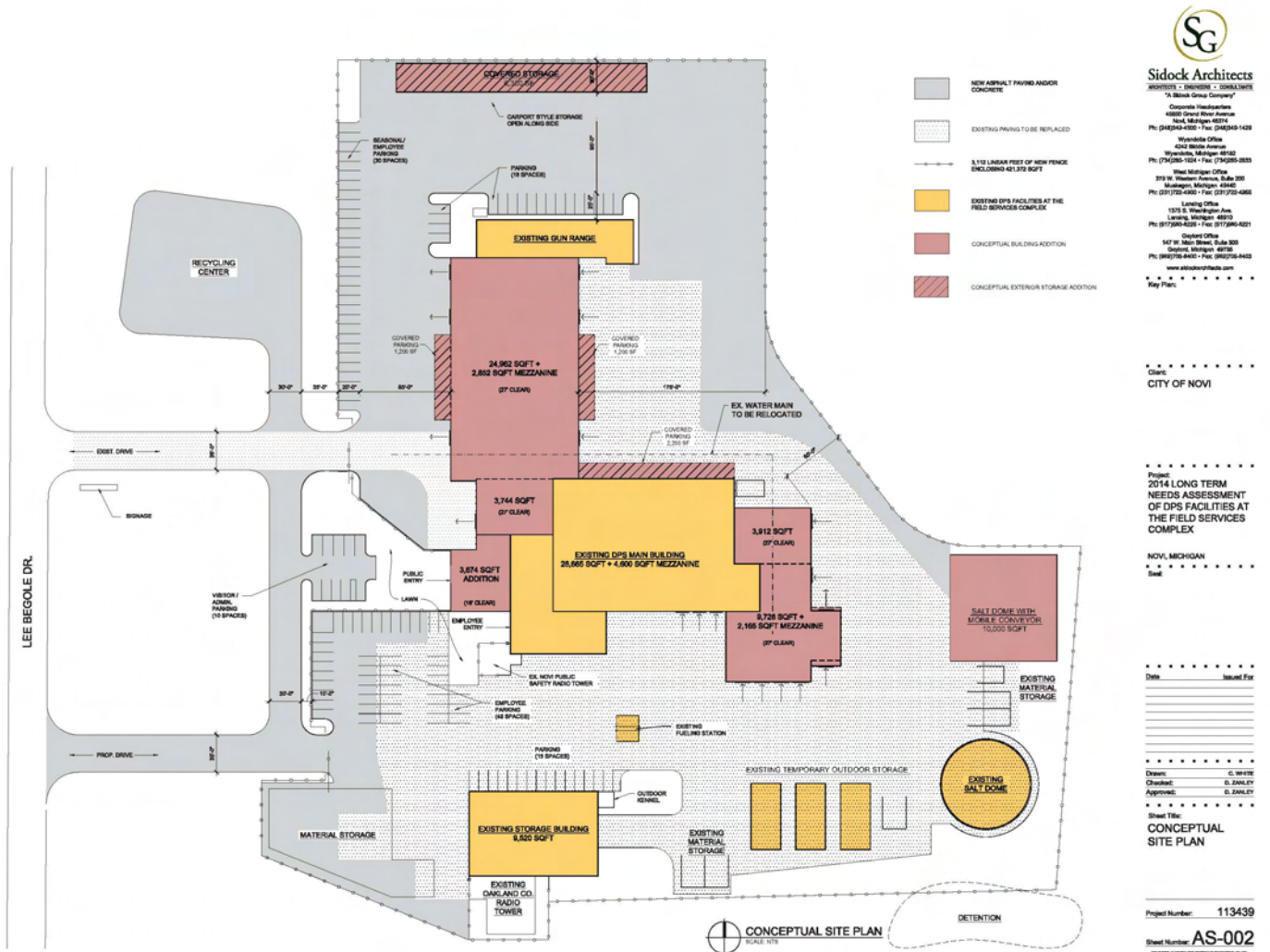
It is important to note that recent studies by fleet management industry experts reveal that the cost to store vehicles and equipment outside is approximately three times the cost to construct operate and maintain a new storage garage. In other words, the cost to repair/replace prematurely deteriorated vehicles, coupled with costs associated with decreased efficiency, dwarf the cost to build and operate a facility of sufficient size. This is because of multiple factors caused by ongoing exposure to the elements, such as: increased maintenance costs, reduced vehicle/equipment life expectancy, reduced labor productivity during inclement weather, and reduced employee safety. Fleets in cold climates like Michigan's have special challenges; starting vehicles in cold weather can be unreliable and especially hard on batteries and diesel engines, resulting in additional maintenance costs and delays in crew response times. Safety is another major concern: over-crowded indoor parking can cause sight distance hazards and increase the likelihood of accidents and injuries.

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Needs Analysis and Proposed Facility Expansion and Site Improvement Project

In FY 13/14, the City commissioned a Long-Term Needs Assessment for DPS facilities with Novi-based Sidock Architects. Sidock found that although the site is adequate in terms of its size and location, the two existing buildings (though functional) are woefully undersized. Specifically, the study demonstrated that in order to meet the City's needs at full build-out population, a facility that provides a total building space of 93,820 SF would be needed, meaning that the existing facility would need to be expanded by 50,500 SF.

The conceptual site plan below depicts the proposed building expansion and site improvements that are required to meet Novi's future public services needs. The existing main building would be expanded in three directions: to the north to accommodate water/sewer and parks/forestry maintenance operations; to the east to provide an expanded area for roads/drains and fleet maintenance operations; and to the west for added administrative and engineering space. The plan also shows an additional salt shed with conveyor to maximize storage when bulk salt prices are low; an expanded yard/parking lot, including a paved recycling center; a new gated entrance to allow consistent and efficient counter-clockwise traffic circulation through the yard;



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 www.sidockarchitects.com
 Key Plan:

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 Date: _____
 Drawn: _____
 Checked: _____
 Approved: _____
 Sheet Title:
**CONCEPTUAL
 SITE PLAN**

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 Date: _____
 Issued For: _____
 Drawn: _____
 Checked: _____
 Approved: _____
 Sheet Title:
**CONCEPTUAL
 SITE PLAN**

Project Number: 113439
 Sheet Number: **AS-002**



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and a commercial truck wash to further extend the useful lives of vehicles and equipment of all sizes. Based on the findings of Sidock's report, this DPS facility expansion and site improvement project has been included in the 2014-2020 Capital Improvements Program (Project No. 158 in the CIP). The CIP shows the project's architectural design in FY 16/17 with construction beginning later that same year.

The total cost of the project is estimated to be \$10,487,880, including architectural and engineering fees. Because the Water & Sewer Division's operations encompass 40% of DPS's overall operation, \$4,195,152 of the project's cost could be funded directly from the City's Water & Sewer Fund, leaving \$6,292,728 to be financed by general obligation bonds if City Council determines that such a debt proposal should go before the voters for ultimate approval.

PARTNERSHIPS

Michigan State Police

The Michigan State Police (MSP) detachment completed its second year stationed at the Novi Police Department. In addition to the increased visibility as the Troopers use secondary roads to access the freeway, the Michigan State Police assisted with events at Twelve Oaks Mall and the 5/3rd Michigan State Fair.

Oakland County Sheriff Marine Patrol

The City of Novi entered into a three-year agreement with the Oakland County Sheriff's Office for dedicated marine patrol services on Walled Lake. The marine patrol represents an effective and efficient use of City resources and provides an additional layer of safety and accountability to our boating community and residents with lakefront property. The deputies conducted 90 boat inspections and 695 boater contacts during 152 hours of patrol during Summer - 2013.

United States Secret Service – Southeast Michigan Financial Crimes Task Force

The United States Secret Service Southeast Michigan Financial Crimes Task Force completed its first year of service from the Novi Police Department. The partnership enhanced the services provided to our citizens by providing additional investigative resources to assist with fraud complaints filed by our residents and community members. During the first year of the partnership, investigators from the Southfield, West Bloomfield Township, Royal Oak and Troy Police Departments have joined the task force.

Court and Law Enforcement Management Information Systems – CLEMIS

The Novi Police and Fire Departments are active partners with Oakland County's Courts and Law Enforcement Management Information System (CLEMIS). This Multi-agency data sharing platform uses innovative computer technology for criminal justice and public safety applications. By serving as a technical link among over 100 fire and police agencies, CLEMIS promotes communication and sharing of public safety data which is essential to the protection of our community and region as a whole.

Firearms Training Center

The Novi Police Department continues to pursue State, Federal and local law enforcement agencies to rent our Firearms Training Center. During 2013, the range was rented to Providence Hospital Security, the U.S. Postal Service, the Department of State Diplomatic Security Office, and the U.S. Customs & Border Protection. Revenue in the amount of \$135,350 was generated in 2013.

Regional Alliance for Fire Fighter Training

The Novi Fire Department is an active member of the Regional Alliance for Fire Fighter Training (RAFT). RAFT is a professional consortium of more than 25 fire departments and community colleges and is designed to improve the quality of training for all public safety officials. Training courses are offered to anyone interested in attending regardless of membership. RAFT offers several types of classes including Safety Officer, Arson Investigation Risk Management, Fire Inspector, Company Officer, Mass Casualty, and Extrication. Novi Fire Department personnel can view these training courses utilizing the networked teleconferencing available at all four fire stations.

Invest properly in being a safe community

Public Safety Facilities Long Term Needs Assessment

In the first quarter of 2014, the Sidock Architects submitted the 2014 Long Term Needs Assessment for the Novi Fire Department, Novi Police Department and the Novi Department of Public Services. The following is a summary for the Police and Fire Departments.

Police Station and Gun Range

The Novi Police Department Headquarters was constructed in 1980. Since then, the building underwent a major addition; including a new Training Center, improved and much larger evidence room, an addition to the vehicle maintenance area, and the addition of seven prisoner cells. Continuous, on-going maintenance has kept the Police Headquarters in good physical condition.

In recent years, The Novi Police and Fire Department administrations merged, creating the need for additional office space for the Director of EMS and Fire Operations, and the Fire Marshal. In 2011 the Michigan State Police initiated their Regional Policing Plan. The Michigan State Police selected The Novi Police Department as one of their sites for a Trooper Detachment. This created a need to provide them office space. Currently, there is one Sergeant and seven State Troopers assigned to the Michigan State Police, Novi Detachment. Creating more partnerships, the South East Michigan Financial Crimes Task Force (SEMFACTF) moved their operations center to the Novi Police Department in 2012. Again, office and cubical space was provided for them within the investigations section of the police department. The task force is comprised of members from the United States Secret Service as well as detectives from surrounding law enforcement agencies. Currently, there are eleven full time and three part time task force members.

While the partnerships and consolidation makes the Novi Police Department a highly recognized police agency in the State of Michigan, it has put a strain on valuable work and storage space within the building. A long Term Needs Assessment study was conducted by the Sidock Architect Firm from November 2013 through March 2014.

The findings were the building is in good condition but lacks functional as well as storage space. The study found the building has accommodated the changes and partnerships with "little apparent deficiencies." Some of the "High Priority Items" include increased ventilation in the evidence room, the replacement of six overhead doors, pavement replacement, and an investigation into why the west wall of the building is settling. Some of the





Invest properly in being a safe community

"Medium Priority Items" include replacing ceiling tiles, adding electrical outlets, renovating a public restroom in the lobby, circulation fans in the maintenance area, and resealing and painting windows in the Training Center. Additional recommendations are to add a secondary emergency exit driveway from the secured parking lot, renovation of the exercise room and the space for SEMFCTF, creating more storage and functional work space. Currently, the only exit from behind the front desk is to walk through the Sergeants office. There is a recommendation to create an alternate secure exit from behind the front desk, providing needed privacy in the Sergeants office.

High Priority Items	\$ 100,400.00
Medium Priority Items	\$ 35,700.00
Renovation	<u>\$ 187,090.00</u>
Total Estimated Cost	\$ 323,190.00

The Novi Police Department Firearms Training Center (FTC) was constructed in 2008. It, too, was found to be in good condition. The project was fully funded with Federal Drug Forfeiture Funds. The original design was intended for the use of the Novi Police Department. However, in keeping with the theme of partnerships and highlighting the Novi Police Department as a premier law enforcement agency in Michigan, the FTC is leased out to the United States Customs and Border Patrol, Department of State Diplomatic Security, and St. John's Providence Hospital Security for weapon qualifications.

The FTC is being used far and beyond its original intention. Some of the "High Priority Items" include additional lighting, the replacement of a door, and parking lot repair. Some of the "Medium Priority Items" include main entry door repairs, and improved audio speakers. Additional renovations include the addition of a training room, increased storage, and a second bathroom. The rubber bullet trap was not designed for the higher use it gets today. The annual clean out cost of the rubber trap exceeds \$16,000. It is recommended that that the rubber trap be replaced with a steel total containment bullet trap to reduce maintenance costs.

High Priority Items	\$ 17,550.00
Medium Priority Items	\$ 6,600.00
Addition	\$ 177,425.00
Total Containment Bullet Trap	<u>\$ 175,000.00</u>
Total Estimated Cost	\$ 376,575.00

Fire Stations and CEMS Satellite

Sidock Architects have identified a list of high priority, medium priority items for each of the four fire stations. The analysis includes the recent recommendations from the January 17, 2014 Parking Lot Inventory and Maintenance Plan study. Sidock also identified options for improving/expanding the functional building features at all fire stations or possible relocation options at fire station 1 and 3. A study was also conducted at the CEMS building (formerly Fire Station No. 4) with some moderate renovations of the interior spaces being identified as

Invest properly in being a safe community

well as some exterior updates.

The Sidock report further breaks down each fire station and the CEMS building. If Fire Station 1 remains at the current location, there are several extensive modifications/renovations needed that include the addition of a female firefighter's locker room, shower and toilet, a dedicated sleeping bunk room and expanded exercise space. The cost estimate as follows:

High Priority Items	\$67,000.00
Medium Priority Items	\$142,500.00
Renovation (Scheme A)	<u>\$313,640.00</u>
Estimated Total	\$529,140.00



An alternate suggestion was made to relocate Fire Station 1 to a different land location and build a new fire station.

Estimation to construct a new station \$3,125,000.00

Fire Station 2 was recently renovated in 2009. A limited list of items was identified that included paving, additional vehicle exhaust connections and some minor interior improvements.

High Priority Items	\$81,400.00
Medium Priority Items	<u>\$4,750.00</u>
Estimated Total	\$86,150.00

Fire Station 3 was identified as needing extensive interior remodeling to the kitchen, watch room, lockers and bunk room. For the apparatus bays, the report recommends additional vehicle exhaust connections and slip resistant floors. The exterior needs major pavement repairs.

High Priority Items	\$104,900.00
Medium Priority Items	\$ 29,300.00
Addition/Renovation	<u>\$236,900.00</u>
Estimated Total	\$371,100.00

An alternate was suggested to relocate Fire Station 3 to a different location as the current site has severe building limitations.

Estimation to construct a new station \$1,875,000.00





Invest properly in being a safe community

Fire Station 4 and the Training Tower is the newest fire station. Sidock recommended a modest list of maintenance items to the facility.

High Priority Items	\$52,600.00
Medium Priority Items	\$15,400.00
Renovation	<u>\$20,000.00</u>
Estimated Total	\$88,000.00

The CEMS building (old fire station 4) is currently leased by CEMS as a satellite location to deliver ambulance service to Novi. The building needs a few identified improvements to the interior and exterior.

High Priority Items	\$82,000.00
Medium Priority Items	\$13,600.00
Renovation	<u>\$32,000.00</u>
Estimated Total	\$127,600.00

PROGRAM OBJECTIVES

- Recruit and hire additional police officer to further enhance services and reduce criminal activity
- Complete necessary improvements and upgrades to Fire Station # 4 to provide a secondary or backup Emergency Operations Center (EOC)
- Complete necessary building repairs and maintenance to Fire Station 3
- Install modern Air Handlers at Civic Center and Police Station

11.76%

Reduction in traffic incidents at the top 5 accident intersections

★ Exceeded 2013 target
2014 target: 6%



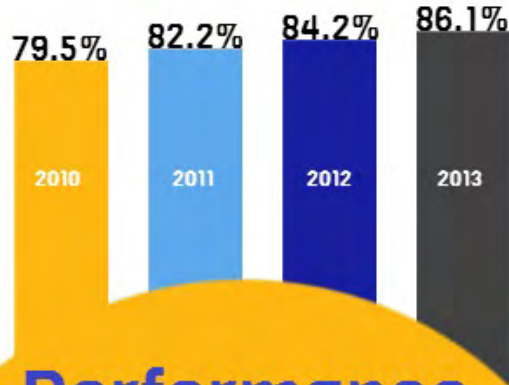
38 seconds

The average time the Communication Section processed medical emergencies, alerted responders and contacted ambulance responders in 2013

★ Exceeded 2013 target
2014 target: 1 minute

Percentage of Fire Dept. Priority Incidents With Response Time of 7 Minutes or Less

★ Exceeded 2013 target
2014 target: 75%



41.75%

Clearance rate of cases assigned to police investigators

★ Exceeded 2013 target
2014 target: 30%



95%

Percent of respondents rated Fire Services "excellent" or "good"

Performance Report

The City of Novi has made it a priority to ensure that our residents and visitors to our community feel safe at all times. The Novi Public Safety Administration works with departments across the City to ensure that Novi remains among the safest Cities in Michigan.

Invest in Properly Being a Safe Community at all Times for all People



99.4%

of incoming calls to the Communication Section were answered in **15 seconds or less**

★ Exceeded 2013 target
2014 target: 95%

Injury causing accidents per 1,000 residents

Novi

CPM



93%

of respondents rated police services "excellent" or "good"





Capital Improvement Program

2014-2020

Capital Improvement Plan Committee

David Staudt, Mayor Pro-tem

Justin Fischer, Novi City Council

Laura Marie Casey, Novi City Council

Michael Lynch, Novi Planning Commission

Rob Giacometti, Novi Planning Commission

City Manager Proposed Budget

NOTE: The capital improvements that will be included in the proposed budget are restricted by the funds available. The Water & Sewer Fund is an Enterprise Fund, and therefore City Council does not formally adopt a budget for these projects.



Capital Improvement Program

INTRODUCTION

The City of Novi's Capital Improvement Program (CIP) is a planning tool, with a goal to identify and schedule capital improvements over a six-year period from 2014-2020. The CIP is an opportunity to formulate strategic long-term policy decisions that extend beyond the fiscal year 2014-2015 budget year. Each year, the City of Novi invests significant time and resources to design, construct, and maintain the infrastructure and facilities needed to deliver municipal services to residents and businesses. Because of the high costs associated with building and maintaining capital assets, the City must carefully balance the need for such assets with our requirements to sustain a strong financial position.

Novi's CIP is a six year balanced plan that addresses projects that are needed, or will be needed, across a broad spectrum of areas. Annually, a significant amount of effort is expounded to update the CIP to ensure not only critical needs are being met, but also that the cost, scope and timing of all projects are coordinated throughout. Coordinating the timing of different projects in the same location is particularly important since it helps us to minimize service disruptions.

A capital improvement is defined as any new equipment, construction, acquisition or improvement to public lands, buildings or structures in excess of \$25,000 with a minimum life expectancy of five years. Maintenance-oriented, operational or continuous expenditures are not considered to be capital improvements. Capital projects include design and construction, as well as the acquisition of land and the purchase of fixed assets. A fixed asset or equipment include vehicles that are priced over the \$ 25,000; threshold; fire apparatuses, and plow trucks are commonly found under this category.

Specifically, the purpose of the CIP is to:

- Identify and evaluate the needs for public facilities.
- Determine cost estimates for each capital project submitted.
- Determine if there will be future operating costs for such projects.
- Determine potential sources of funding for such projects.
- Adopt policies for implementing capital improvement construction.
- Anticipate and pre-plan projects with an emphasis on seizing opportunities for partnerships and alternative funding.

The projects identified in the CIP represent the City of Novi's plan to serve residents and anticipate the needs of a growing and dynamic community. The following documents were considered in preparation of the CIP:

- Master Plan for Land Use (adopted December 1, 2004, including amendments adopted August 25, 2010)
- Water System Master Plan Report (adopted November 24, 2008)
- Storm Water Master Plan Update (adopted February 12, 2007)
- Capacity Management Operations & Maintenance Report on the City's Sanitary Sewage Collection System (March 27, 2007)
- Community Recreation Plan, including Americans with Disabilities Act Transition Plan, (2009-2013)
- Pathway and Sidewalk Prioritization Analysis and Process (adopted November 2012)
- Non-Motorized Master Plan (February 2011)
- Parking Lot Inventory and Maintenance Plan (2014)



Capital Improvement Program

2014-2020 Overview

The CIP helps track multi-year projects that may require planning, design, land acquisition and construction.

Definition of a Capital Improvement

The CIP allows for responsible and thoughtful planning of future major expenditures that are not necessarily financed or automatically included in the annual budgeting process. All capital projects, however, as they pertain to the definition of capital improvements above should be part of this CIP.

Impact of Capital Budget on the Operating Budget

As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long-term effects on the Capital Improvements Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs.

Regardless of the difference between the operating and capital budgets, the two are interdependent. Budgetary policy states that all foreseeable operating costs related to capital projects be estimated and provided for as part of the review process associated with the Capital Improvements Program. In addition, departments are required to include costs associated with operating and maintaining capital projects that are requested for the upcoming year.

Legal Basis of the Capital Improvements Program

The Capital Improvements Program has been authorized by the Michigan Planning Enabling Act (Public Act 33 of 2008). This mandate gives responsibility for preparing a CIP to local Planning Commission bodies, and reads as follows:

125.3865 Capital improvements program of public structures and improvements; preparation; basis.

Section. 65:

“(1) To further the desirable future development of the local unit of government under the master plan, a planning commission, after adoption of a master plan, shall annually prepare a capital improvements program of public structures and improvements, unless the planning commission is exempted from this requirement by charter or otherwise. If the planning commission is exempted, the legislative body either shall prepare and adopt a capital improvements program, separate from or as a part of the annual budget, or shall delegate the preparation of the capital improvements program to the chief elected official or a nonelected administrative official, subject to final approval by the legislative body. The capital improvements program shall show those public structures and improvements, in the general order of their priority that in the commission’s judgment will be needed or desirable and can be undertaken within the ensuing 6-year period. The capital improvements program shall be based upon the requirements of the local unit of government for all types of public structures and improvements. Consequently, each agency or department of the local unit of government with authority for public structures or improvements shall upon request furnish the planning commission with lists, plans, and estimates of time and cost of those public structures and improvements.”

capital projects that communities are faced with implementing every year, can be viewed as one package, rather than as small, fragmented groups or lists, with no unified sense of focus and direction.



Capital Improvement Program

Planning and Benefits of the Capital Improvements Program

The CIP is first and foremost, a planning tool. It can be quite useful as a primary guide in implementing the Master Plan for Land Use. With thoughtful foresight and review as a result of a CIP, the many outstanding capital projects that communities are faced with implementing every year, can be viewed as one package, rather than as small, fragmented groups or lists, with no unified sense of focus and direction.

When capital improvements begin with careful planning and study, the City of Novi's chances for receiving State and Federal grants are greatly enhanced. Some grants require the inclusion of a CIP with their application. Formulation of a CIP assists those involved to look at alternative funding mechanisms that might not have been considered before. Instead of relying on local revenue sources alone, the CIP allows the City to think more creatively to fulfill Master Plan for Land Use goals and policies. The CIP often avoids reactive planning, and instead replaces it with balanced growth initiatives.





Capital Improvement Program

CIP DEVELOPMENT PROCESS

Capital improvement planning has proven to be a year-round process, with City departments continually re-evaluating and prioritizing their capital needs. However, the process is most involved from September through December. It is during this period that City staff identify and prioritize projects, estimate project costs, determine available resources, balance project requests within the available resources, and, ultimately, submit a recommended program/piece of infrastructure to the Capital Improvement Program sub-committee and ultimately to the City's Planning Commission. A collaboration between the City Manager's office, Engineering Division and the Finance Department coordinates the annual update of the six-year CIP as part of the annual budget process. Department staff also forecast revenues for the various funds used to finance capital projects, and set the financial parameters for the development of the CIP. Capital projects originate in the operating departments where subject matter experts identify needs based on master planning documents and other technical criteria. All requests are submitted and the financial parameters established and a preliminary plan is prepared for the review of the CIP Committee comprised of three City Council members and two members from the Planning Commission. The Committee recommends to the City's Planning Commission for ultimate approval prior to it being included in the City Manager's annual budget which is presented and considered by the City Council. The following is an overview of the CIP development process:

August – September: Operating departments identify projects, define project scopes, prepare cost estimates, and prioritize projects based on direction received from the City Manager and City Leadership Team. Department directors review project requests before final submittal.

October: Capital project requests are submitted to the Engineering Division for evaluation and inclusion to the CIP database.

December: The CIP is presented to the City Manager's office for evaluation and consideration making necessary adjustments as needed.

February: The CIP Sub-Committee receives the CIP and offers its recommendations during its annual meeting.

March: A public hearing takes place during a Planning Commission meeting. Following the public hearing the Commission approves the Capital Improvement Program. City Administration finalizes the recommended CIP for the consideration of the City Council.

April: The CIP is included in the City Manager's proposed budget which is presented to the City Council and by City Charter needs to be approved by the second meeting in May.

Capital Improvement Program

OPERATING BUDGET IMPACT

The Capital Improvement Program has direct and sometimes significant impacts on Novi's operating budget. Upon their completion, most capital projects require ongoing costs for operation and maintenance. New buildings require electricity, water and sewer service, and maintenance and repair. New roads require regular sweeping as well as periodic crack filling and sealing, patching, milling, minor resurfacing, and replacement of stripes and markings. New parks and landscaped rights-of-way (such as medians and streets shoulders) require irrigation, fertilizing, mowing, and trimming. Some projects, such as a recreation center, require additional employees.

Departments submitting capital projects estimate the operations and maintenance costs of each project based on cost guidelines that are updated each year. The departments also consider any additional revenues or savings the city can reasonably expect to recognize upon completion of the project. For example, membership fees from a new recreation center help to offset the increased operating costs. The net operating costs are included not only in the project request, but also in the long-range forecasts of the respective funds to ensure that we properly account for operating budget impacts of all capital projects.

			Fiscal Year 14-	Fiscal Year	Fiscal Year 16-	Fiscal Year	Fiscal Year	Fiscal Year 19-
			15	15-16	17	17-18	18-19	20
			Budget	Projected			Forecast	
Roads	Leveraged Funds		\$55,000	\$3,551,248	\$884,853	\$800,000	\$0.00	\$0.00
	City Costs		\$3,267,041	\$5,003,782	\$4,422,947	\$7,452,847	\$5,319,500	\$5,130,550
Intersections & Signals	Leveraged Funds		\$101,500	\$2,750,000	\$337,000	\$400,000	\$0.00	\$0.00
	City Costs		\$101,500	\$432,394	\$929,750	\$222,900	\$440,000	\$260,000
Sidewalks & Pathways	Leveraged Funds		\$0.00	\$0.00	\$126,000	\$609,260	\$733,384	\$0.00
	City Costs		\$1,207,890	\$503,534	\$284,387	\$2,959,868	\$1,650,283	\$4,539,137
Storm Sewer & Drainage	Leveraged Funds		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs		\$540,605	\$1,806,430	\$361,732	\$87,137	\$853,457	\$1,316,820
Sanitary Sewer	Leveraged Funds		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs		\$794,000	\$350,000	\$0.00	\$0.00	\$0.00	\$0.00
Water Distribution	Leveraged Funds		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs		\$1,128,000	\$1,745,000	\$834,000	\$1,421,500	\$0.00	\$0.00
Parks	Leveraged Funds		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$189,600
	City Costs		\$563,692	\$565,187	\$250,000	\$1,371,885	\$1,527,065	\$449,680
Equipment	Leveraged Funds		\$0.00	\$0.00	\$0	\$0	\$0.00	\$0
	City Costs		\$753,806	\$769,825	\$803,500	\$1,296,700	\$922,603	\$1,250,400
Buildings & Property	Leveraged Funds		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0
	City Costs		\$1,061,460	\$5,586,511	\$9,149,088	\$690,800	\$0.00	\$75,245
TOTAL			\$9,574,494	\$23,063,911	\$18,383,257	\$17,312,897	\$11,446,292	\$13,211,432

Program Funding

There are multiple methods available to local governments for financing capital improvement projects. Since capital improvements require large outlays of capital for any given project, it is often necessary to pursue multiple creative solutions for financing projects.

General Obligation (G.O.) Bonds These types of bonds are especially useful for financing large municipal projects such as infrastructure improvements. They require voter approval and usually are used for projects that will benefit the residents of the entire community.



Capital Improvement Program

When the City sells G.O. Bonds, the purchaser is basically lending money to the City. The amount of the bond, plus interest is repaid through property taxes that the City, as the issuing authority, has the power to levy at the level necessary and within State guidelines to retire the debt.

A variation of the G.O. Bonds is the G.O. Limited Tax Bonds which can be repaid through tax millage. The interest rate for this type of issue is slightly higher than for the G.O. Bonds, and though voter approval is not required, a referendum period is afforded to the citizenry to challenge the proposed bond resolution.

Revenue Bonds

These bonds are generally sold as a means for constructing revenue-producing facilities such as water and sewer systems, and other such facilities that produce tolls, fees, rental charges, etc. (i.e. Novi Ice Arena, and Meadowbrook Commons). Security for and payment of revenue bonds are typically based upon the revenue-producing facility or activity rather than the economic or taxpaying base.

Federal Grants

Funding is made available to cities through Federal grants and programs. Grants are usually subject-specific, and require application by the local government for consideration. Amounts of grants vary, and are determined by the grantor through criteria-based processes. The availability of grants is usually a competitive process, so creative and effective grant writing is crucial to receiving funding for capital improvement projects.

Building Authority

The City of Novi has a Building Authority that functions as a mechanism to facilitate the selling of bonds to finance public improvements. These bonds can be used as funding for buildings and recreational uses. Though voter approval is not required, a referendum period is afforded to the citizenry to challenge the proposed bond resolution. This is the mechanism used in the construction of the ice arena and the older adult housing facility.

Enterprise Funds

Enterprise funds are typically established for services such as water, sewer, recreation, and housing. Revenues are generated primarily through user charges and connection fees from those who benefit from the improvements.

Developer Contributions

Developers, as part of subdivision and site planning requirements, may provide infrastructure, open space and recreational facilities. Developers may contribute a share of funds to the government entity, or install the facilities themselves as local need arises, and/or during the construction process. Once completed, the local government entity may agree to maintain the facilities.

Special Assessments

Special assessment financing allows local government to collect special taxes from owners of property directly benefiting from capital improvements. These types of improvements often include streets and sidewalks, sanitary sewer, storm drainage, and water distribution systems.

Gas and Weight Tax

The City of Novi receives a formula-rated share of motor fuel and highway usage taxes from the State of Michigan to be utilized for transportation and maintenance-related projects.

Capital Improvement Program

Millage

Property taxes are based upon the local millage rate. Revenue received from property taxes may be used for capital improvements as part of the General Fund, but such improvements are usually smaller scale and less expensive.

General Fund

The General Fund for the City of Novi may be used for capital improvements; however, it is not the intent of the CIP to earmark these funds for projects. Instead, smaller scale, less expensive capital projects with a high priority could be funded as line items.

State Shared Revenue

In addition to the Gas and Weight Taxes above which are shared revenue, the City receives its share of various taxes and fees from programs and requirements by the State of Michigan.

Public/Private Partnership

This type of financing has become increasingly popular in areas where creative financing is fostered. In many communities the local revenue share may not support some types of public improvements. In contrast, private developers may avoid taking on a project where the infrastructure cost far exceeds profitability. This method of funding brings both the public sector and private contributor together to share in the costs of a project, or a part of a project, which inevitably lessens the overall financial burden falling onto a single source.

Miscellaneous Funding

There are additional methods that are suitable for funding capital improvements. Examples of alternative funding methods are Tax Increment Financing (TIF), Impact Fees, Facility User Fees, etc. Current State legislation does not permit some of these funding methods, which have been used successfully in other states. Changes in legislation could see these and other innovative methods permitted in the future.

Project Summary

The following tables include project summaries with estimated costs over the six-year period. The first column identifies an item number and the tables are followed by a numeric Project Description. Following the Project Descriptions section is the estimated future operating and maintenance cost schedule.

Capital Improvements by Fund

Category	Budget	Projected		Forecast		
	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
General Fund	765,371	1,293,676	720,800	1,826,400	886,200	1,250,400
Major Road Fund	1,528,141	2,343,596	3,198,697	2,365,650	1,663,500	1,946,550
Local Road Fund	2,090,000	2,090,000	2,100,000	3,068,585	2,970,000	2,970,000
Municipal Street Fund	958,290	1,481,114	212,387	4,392,120	2,776,283	5,013,137
Parks, Recreation, & Cultural Service Fund	563,692	565,187	250,000	1,506,885	1,527,065	449,680
Drain Fund	653,940	1,806,430	361,732	87,137	853,457	1,316,820
Water & Sewer Fund	2,226,000	2,095,000	834,000	1,421,500	-	-
General Obligation Bond	547,560	4,970,160	8,982,288	-	-	-
Meadowbrook Commons	-	-	-	-	36,403	75,245
Novi Ice Arena	85,000	92,500	249,500	26,100	-	-
Leveraged Funds	-	-	126,000	609,260	-	-
Other	156,500	6,326,248	1,347,853	1,809,260	733,384	189,600
Potential Grant	-	-	-	200,000	-	-
	9,574,494	23,063,911	18,383,257	17,312,897	11,446,292	13,211,432

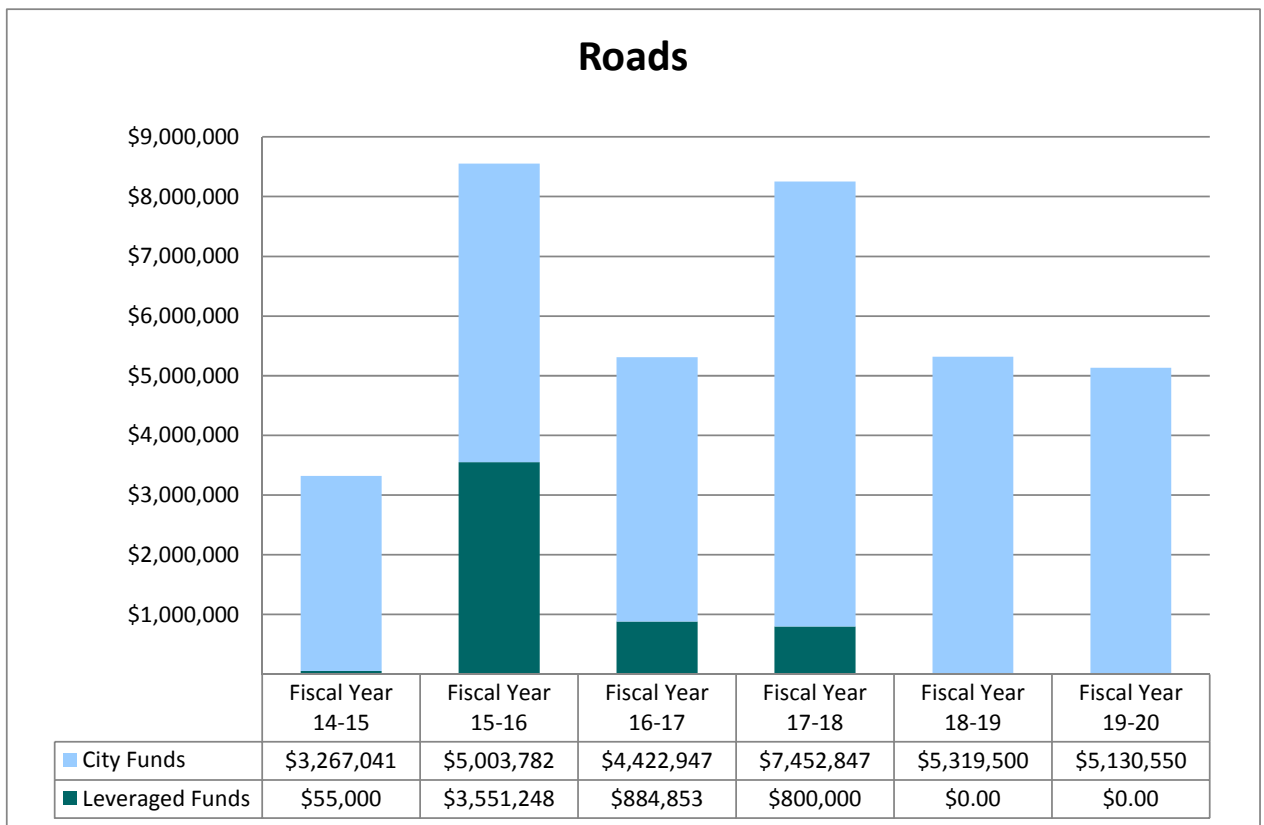
Capital Improvement Program

Roads

Transportation-related issues are a high priority for the City of Novi. The Capital Improvement Program addresses traffic congestion by constructing new roadways, adding lanes to existing roadways, widening intersections, and enhancing traffic management systems. The maintenance and preservation of roadways is an important component of the program, which provides the necessary resources for scheduled pavement maintenance applications throughout the City.

The City of Novi contains both public and private roadways. Public roads (I-96, I-275 and M-5) are owned and operated by the Michigan Department of Transportation (MDOT), the Road Commission of Oakland County (RCOC), and the City of Novi. Private roads are owned and operated by private developments and homeowner groups. The City currently maintains approximately 180 miles of major roads and Neighborhood Streets. In order to define priorities and establish a course of action for the local street and major road rehabilitation programs, the City has a formal asset management program that categorizes roads based on their Pavement Surface Evaluation and Rating (PASER). Roads in poor condition would be candidates for reconstruction or rehabilitation. Those in fair condition would receive capital preventive maintenance, while roads in good condition would be candidates for routine maintenance work. The lowest rated roads in each of these categories would generally be addressed first.

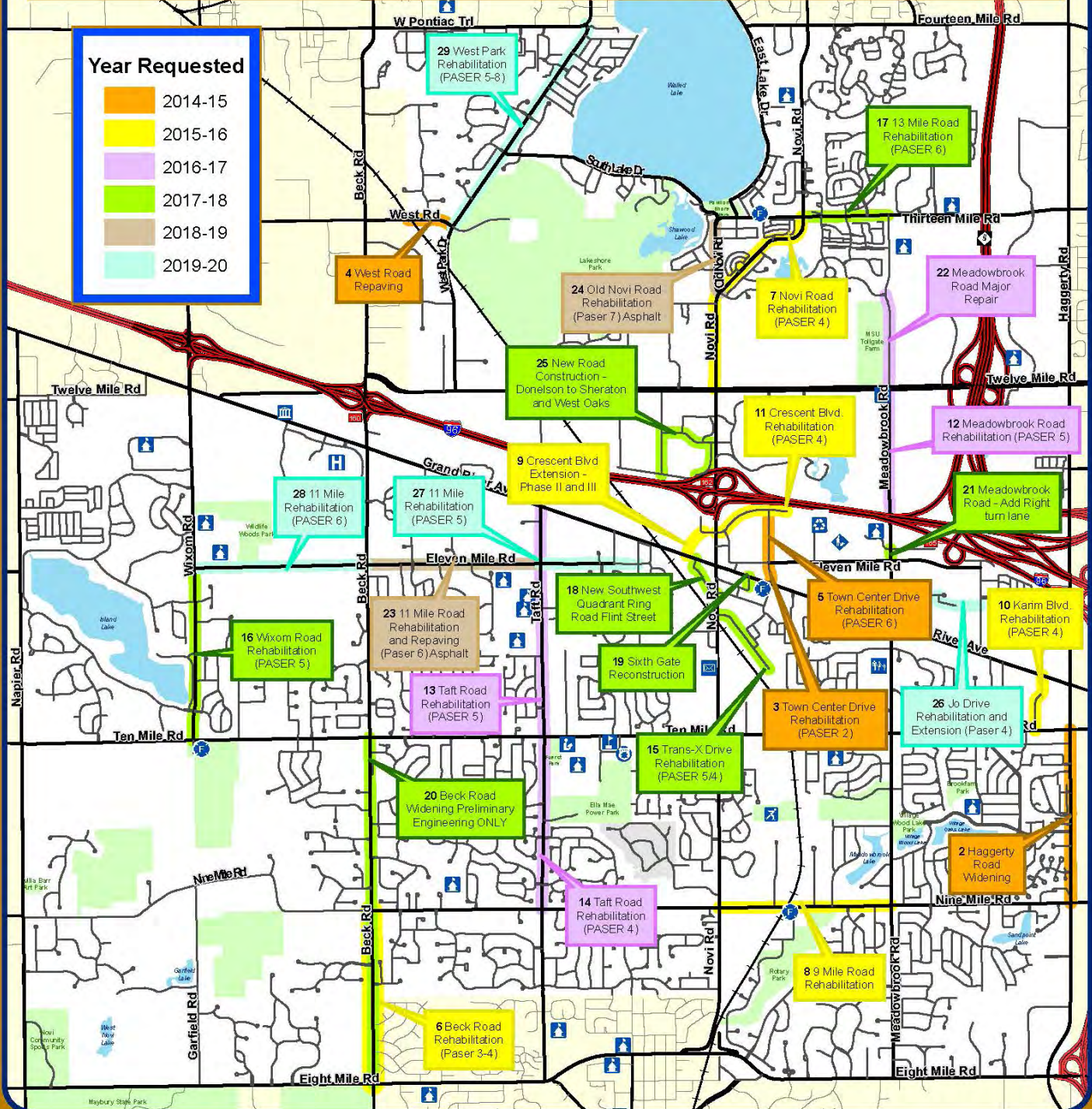
A dedicated road millage that was increased by voters in 2012 to provide 1.5 mills in total, generating an estimated additional \$ 2.1 million, annually, assists in financing the various road projects, mainly neighborhood road rehabilitation and reconstruction that are shown in the City's six year plan. Other funding sources, such as Federal grants, are leveraged for rehabilitation and reconstruction of the major roads that the City is responsible for; including: 9 mile, 11 mile, 13 mile, Meadowbrook, Beck, Novi (north of 12 mile), West Park and Taft Roads.



City of Novi Capital Improvement Program 2014 - 2020 Roads Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map: Author: Matthew Peterson & Kerl Blough
Date: March 19, 2014
Project: Capital Improvement Program
Version #: 1.0

MAP INTERPRETATION NOTICE

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- | | | |
|--------------|-------------------------------|---------------|
| Civic Center | Library | Freeway |
| Court | Meadowbrook Activities Center | Major Streets |
| DPS | Police Station | Minor Streets |
| Fire Station | Post Office | Railroads |
| Hospital | Recycling | Lake |
| Ice Arena | School | Parkland |



City of Novi

Information Technology Department
Geographic Information Services
45175 W Ten Mile Rd
Novi, MI 48375
cityofnovi.org



1 inch = 4,200 feet



Capital Improvement Program

Neighborhood Road Rehabilitation, Repaving and Reconstruction Program

Project Number: 1

CIP Number: 102-01

Description:

The selection of streets is determined using the PASER surveys conducted annually. A mix of fixes (rehabilitation, repair, and reconstruction) will be applied to optimize the funds used to improve the overall condition of local roads as reflected by an increase in the overall PASER rating for the City.

Justification:

The project is to be completed as part of an overall asset management philosophy for infrastructure to improve the overall PASER rating for the City. See budget narrative for additional background.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	203-000.00- Other/ROW	\$290,000	\$290,000	\$290,000	\$370,000	\$370,000	\$370,000	\$1,980,000
Construction	203-000.00-	\$1,800,000	\$1,800,000	\$1,810,000	\$2,600,000	\$2,600,000	\$2,600,000	\$13,210,000
TOTAL BUDGET		\$2,090,000	\$2,090,000	\$2,100,000	\$2,970,000	\$2,970,000	\$2,970,000	\$15,190,000

Haggerty Road (9 Mile to 10 Mile) Widening

Project Number: 2

CIP Number: 132-04

Description:

A portion of Haggerty Road between 9 Mile and 10 Mile was recently reconstructed as part of an economic development grant for a business in the City of Farmington Hills and removed one of the two remaining gaps in the far right lane of southbound Haggerty Road. The remaining gap in the southbound far right lane is approximately 700 feet long and is located between the southern Stonehenge Intersection and Shorebrooke.

Justification:

The addition of the right lane will increase capacity of the road to reduce congestion and improve safety in the area which had a fatality in 2008.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering		\$20,000						\$20,000
Other/ROW								
Construction		\$90,000						\$90,000
TOTAL BUDGET		\$110,000						\$110,000

Capital Improvement Program

Town Center Drive from Grand River to 11 Mile Road (PASER 2; Asphalt)

Project Number: 3

CIP Number: 092-10

Description:

Reconstruction of Town Center Drive from Grand River to 11 Mile (650 feet). The road was rated a PASER 2 in 2012 and has deteriorated beyond cost-effective maintenance measures. The cost of maintenance has increased for this portion of road over the past several years and reconstruction is the only method to improve this segment of road. This road is going from concrete to asphalt. Project was deferred a year at the February 18, 2014 City Council meeting.

Justification:

This road has a PASER rating of 2 in 2012 and is no longer serviceable using normal maintenance. Eighteen (18) companies are located on Town Center Drive. The companies willing to disclose the number of employees housed on Crescent Blvd. Town Center Drive reported at the minimum nearly 235 staff members.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	202-000.00- Other/ROW							
Construction	202-000.00-	\$539,585						\$539,585
TOTAL BUDGET		\$539,585						\$539,585

West Road Repaving, West Park Drive to City limits

Project Number: 4

CIP Number: 112-03

Description:

Rehabilitation/Repaving of 1300 feet of West Road between West Park Drive and city limits to increase the useful life of the road. Bike lanes will be added to the road as proposed in the non-motorized master plan to improve non-motorized connectivity.

Justification:

Currently rated a PASER 4 and requires rehabilitation.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	202-000.00- Other/ROW	\$28,800						\$28,800
Construction	202-000.00-	\$138,250						\$138,250
TOTAL BUDGET		\$167,050						\$167,050



Capital Improvement Program

Town Center Drive Rehabilitation, Crescent Blvd to 11 Mile Road (PASER 6)

Project Number: 5

CIP Number: 082-11

Description:

Rehabilitation of existing Town Center Drive from Crescent Blvd to 11 Mile Road (1,600 feet) to provide a smooth asphalt surface and to extend the useful life of the roadway. This roadway was rated a PASER 4 in 2012 and should be rehabilitated to improve the pavement surface before the road deteriorates further requiring reconstruction. Project was deferred a year at the February 18, 2014 City Council meeting.

Justification:

The road has a PASER rating of 4 in 2012.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	202-000.00-							
Other/ROW								
Construction	202-000.00-	\$415,406						\$415,406
TOTAL BUDGET		\$415,406						\$415,406





Capital Improvement Program

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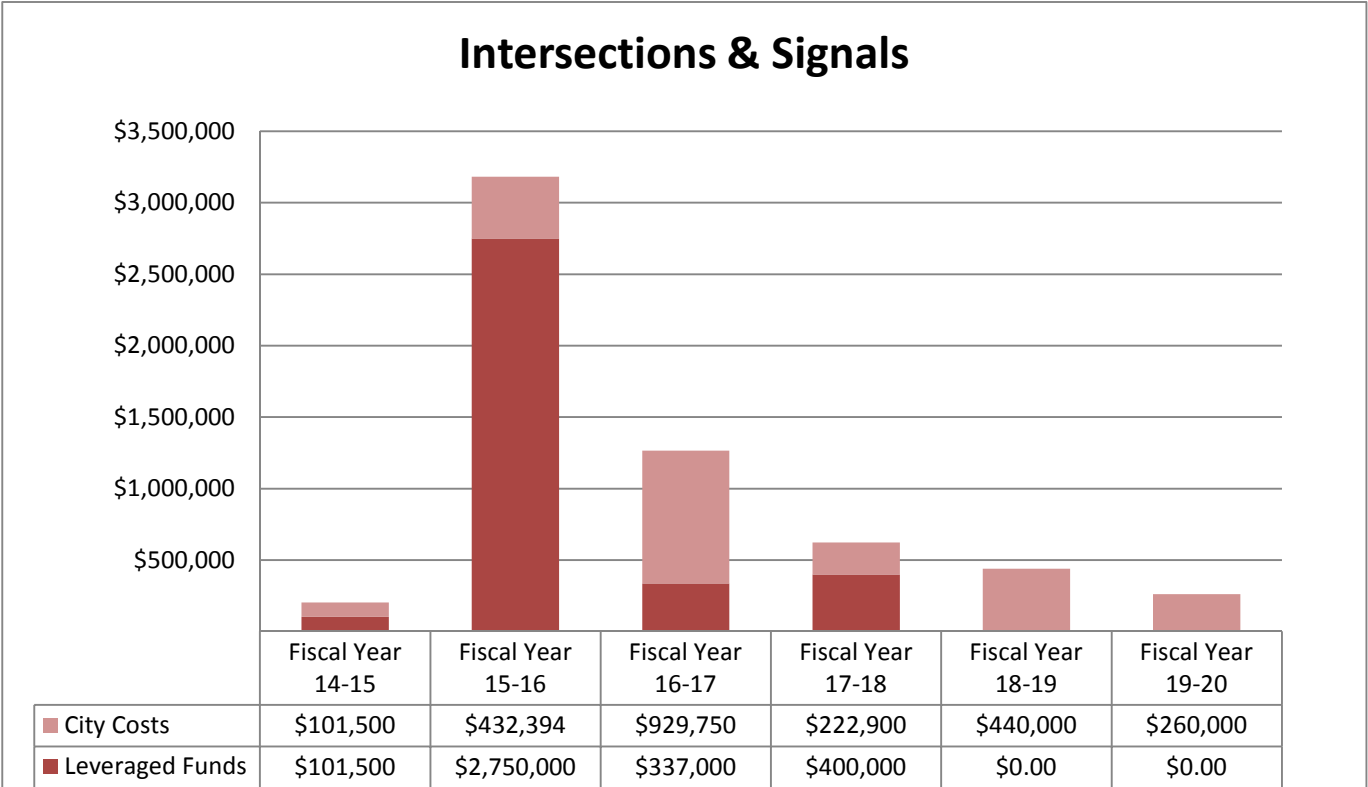


Capital Improvement Program

Intersection and Signals

The City of Novi is 32 square miles with 180 miles of major and neighborhood roads. To facilitate safe motorized and non-motorized transportation throughout the City safe road and street intersections and traffic signals need to be designed and maintained year in and year out. Sample projects found in this category are new traffic signals at City intersections, pedestrian crossing signals, turn lanes on major roads and roundabouts at key intersections to calm traffic.

Funding for proposed projects come from a variety of sources Major, Local and Municipal Street funds, and various grant programs that fund traffic related projects.

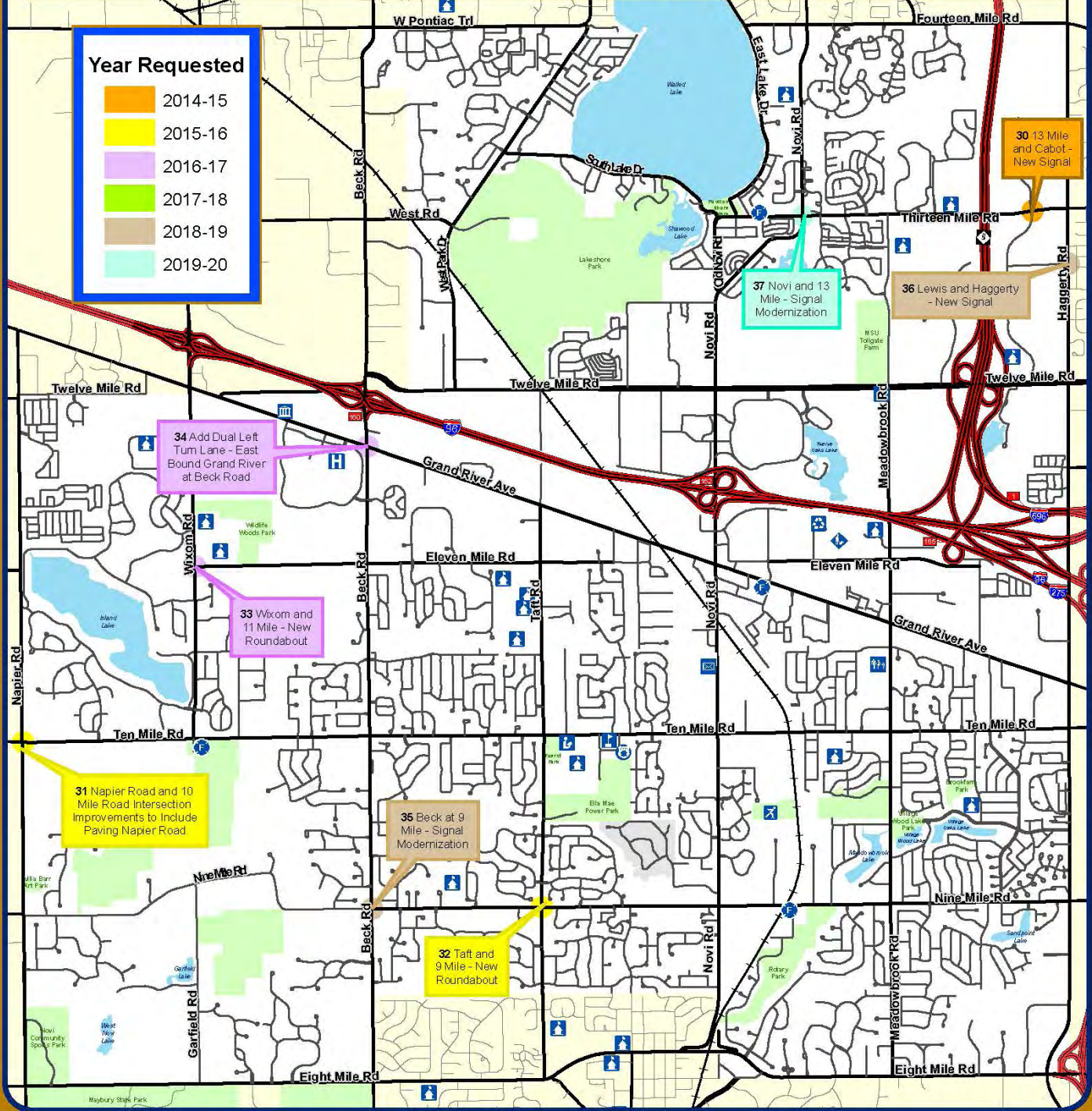


City of Novi Capital Improvement Program

2014 - 2020 Intersection and Signals Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map: Author: Matthew Peterson & Kerl Blough
 Date: March 19, 2014
 Project: Capital Improvement Program
 Version #: 1.0

MAP INTERPRETATION NOTICE

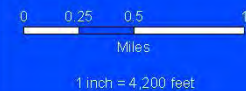
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|--------------|-------------------------------|----------------|
| Civic Center | Library | Freeway |
| Court | Meadowbrook Activities Center | Major Streets |
| DPS | Police Station | Min or Streets |
| Fire Station | Post Office | Railroads |
| Hospital | Recycling | Lake |
| Ice Arena | School | Parkland |



City of Novi

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Capital Improvement Program

13 Mile and Cabot-New Signal

Project Number: 30

CIP Number: 086-06

Description:

Construct a new traffic signal for 13 Mile and Cabot Drive based on traffic engineering study completed in 2012. The design engineering was funded in FY13-14 and completed in early 2014. The project is ready for construction. A property owner paid for 50% of the design cost and may contribute to the construction cost in order to expedite construction. This project was listed for FY 16-17 in the previous CIP.

Justification:

The traffic engineering study recommends installation of a traffic signal at this intersection to improve safety.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	204-000.00-	\$29,000						\$29,000
Other/ROW								
Construction	204-000.00-	\$174,000						\$174,000
TOTAL BUDGET		\$203,000						\$203,000



Capital Improvement Program

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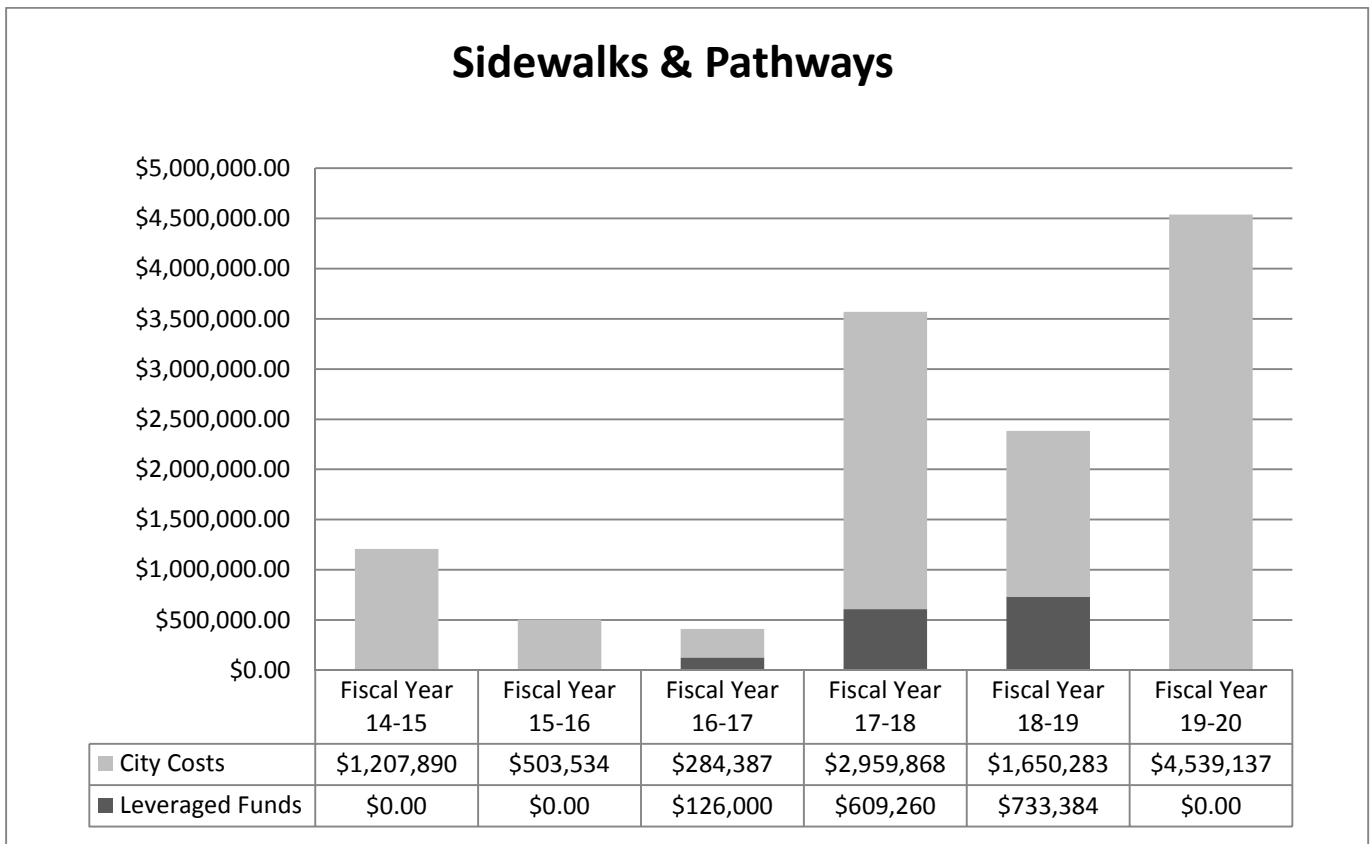


Capital Improvement Program

Sidewalk and Pathways

The City of Novi is committed to providing non-motorized sidewalks and pathways in an effort to provide alternative modes of transportation for citizens and stakeholders alike. In this effort the City Council adopted a Non-Motorized Master Plan in 2011. It recommends the installation of bike routes and wayfinding signage along residential streets to enhance the existing neighborhood connections. The City of Novi has had a long standing interest in providing pathways and sidewalks to connect neighborhoods with destinations throughout the City and Region. Currently the City has over 200 miles of pathways and sidewalks. The Capital Improvement Plan incorporates plans and efforts and preferences of the Non-Motorized Plan.

Walkable Novi Committee along with the analysis from the City's Engineering and Planning Division recommends fills to the non-motorized gaps throughout the City. A portion of the City's road millage will go toward financing sidewalk and pathway projects in the City of Novi.

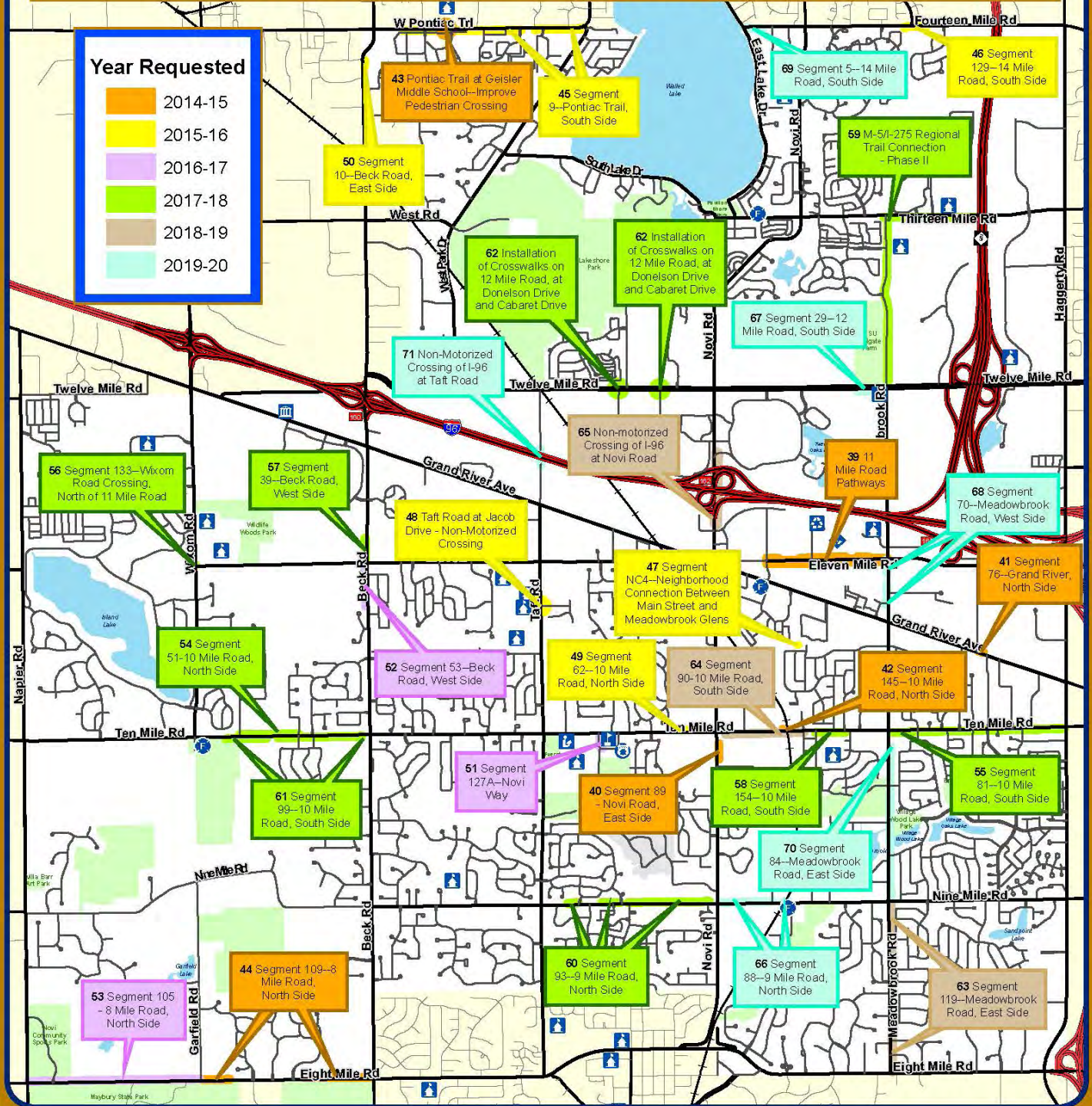


City of Novi Capital Improvement Program

2014 - 2020 Sidewalk and Pathways Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map: Author: Matthew Peterson & Ken Blough
 Date: March 19, 2014
 Project: Capital Improvement Program
 Version #: 1.0

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1 inch = 4,200 feet



Capital Improvement Program

Americans with Disabilities Act (ADA) Compliance Plan Annual Implementation

Project Number: 38

CIP Number: 10-5002

Description:

Annual program to retrofit existing sidewalk and pathway facilities in public rights-of-way with slope and ramp improvements to meet Americans with Disability Act (ADA) requirements for accessibility, based on the findings and recommendations of the February 2011 ADA Compliance Plan. This project is in addition to existing allocations in other road and sidewalk projects that are used for ADA compliance.

Justification:

An annual budget for ADA compliance is recommended by the 2011 ADA Compliance Transition Plan to establish a plan for ADA conformance in the City. As discussed in the ADA Compliance Plan, a provision of federal regulation 28 CFR 35 is that all state and local governments prepare a transition plan to guide efforts to bring facilities into compliance with ADA, which must include a schedule and methodology for compliance. An annual budget was initiated in 2011 of \$50,000 to facilitate compliance. See attached Council resolution and report for project justification details.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	204-000.00-	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
TOTAL BUDGET		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000

11 Mile Road Pathways (Town Center to Meadowbrook)

Project Number: 39

CIP Number: 082-30A

Description:

The construction of a 6-foot wide sidewalk along the south side of 11 Mile and a 10-foot wide shared use pathway along the north side of 11 Mile between Town Center and Meadowbrook is the second phase of the road reconstruction project that is proposed for 2014. Construction of the pathways would occur in 2015.

Justification:

Pathways are recommended with road reconstruction projects per the Non-Motorized Master Plan

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering		\$67,000						\$67,000
Other/ROW		\$24,700						\$24,700
Construction		\$314,400						\$314,400
TOTAL BUDGET		\$406,100						\$406,100

Capital Improvement Program

Segment 89--Novi Road, East Side 10 Mile Road - Lidstrom (8' foot Pathway) Concrete

Project Number: 40

CIP Number: 085-89

Description:

Construction of 440 feet of 8-foot wide bike path to fill one gap along the east side of Novi Road from Lidstrom Dr. to 10 Mile Road. This project was identified as a top 20 priority segment by the Greenway/Pathway Study.

Justification:

The project will complete missing segments of the pathway system throughout the City and work to improve the connectivity of the non-motorized transportation system. Ranked 2nd by the 2013 update of the Annual Non-Motorized Prioritization.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	204-000.00-	\$21,700						\$21,700
Other/ROW								
Construction	204-000.00-	\$104,250						\$104,250
TOTAL BUDGET		\$125,950						\$125,950

Segment 76--Grand River, North Side, East of Seeley, (8' foot Pathway Short Segment) Concrete

Project Number: 41

CIP Number: 095-76

Description:

Construct 400 feet of 8' pathway in concrete along the north side of Grand River just east and west of Seeley Road from the end of the existing pathway to the east to the crosswalk on Grand River constructed with the Grand River Avenue rehabilitation project in 2012.

Justification:

The project will complete missing segments of the pathway system throughout the City and work to improve the connectivity of the non-motorized transportation system. Ranked 83rd by the 2013 update of the Annual Non-Motorized Prioritization.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	204-000.00-	\$5,100						\$5,100
Other/ROW	204-000.00-	\$1,000						\$1,000
Construction	204-000.00-	\$24,460						\$24,460
TOTAL BUDGET		\$30,560						\$30,560

Capital Improvement Program

Segment 145--10 Mile Road (6', north side)--CSX to Catherine Industrial (gap)

Project Number: 42

CIP Number: 135-145

Description:

Completion of a 220 foot gap of 6' wide sidewalk on the north side of 10 Mile Road between Catherine Industrial Drive and CSX Railroad on two parcels with a single owner. Design is complete and easement acquisition is underway. This segment was identified as a top 20 priority segment by Walkable Novi Committee.

Justification:

The project will complete missing segments of the pathway system throughout the City and work to improve the connectivity of the non-motorized transportation system. Ranked 8th by the 2013 update of the Annual Non-Motorized Prioritization.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering		\$5,320						\$5,320
Other/ROW								
Construction		\$46,040						\$46,040
TOTAL BUDGET		\$51,360						\$51,360

Pontiac Trail at Geisler Middle School--Improve Pedestrian Crossing

Project Number: 43

CIP Number: 135-01

Description:

Construction of a new sidewalk north and south of Pontiac Trail at the existing traffic signal for Geisler Middle School along with improvements to the pedestrian signals at the intersection.

Justification:

This project will provide a non-motorized connection between the north and south sides of Pontiac Trail and provide better non-motorized access to the school from the multi-family housing to the south. Recommended by Non-Motorized Master Plan.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering		\$15,500						\$15,500
Other/ROW		\$10,000						\$10,000
Construction		\$73,750						\$73,750
TOTAL BUDGET		\$99,250						\$99,250



Capital Improvement Program

Segment 109--8 Mile Road (north side, 8' pathway) between Garfield and Beck

Project Number: 44

CIP Number: 125-109

Description:

Construction of 2,900 feet of 8' wide pathway to fill two gaps along the north side of 8 Mile Road from Garfield Road to Beck Road to provide an off-road non-motorized connection to Maybury State Park, ITC Community Sports Park, the City of Northville, and Northville Township.

Justification:

Provides connections between communities and parks

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	204-204.00-	\$76,670						\$76,670
Other/ROW								
Construction	204-204.00-	\$368,000						\$368,000
TOTAL BUDGET		\$444,670						\$444,670



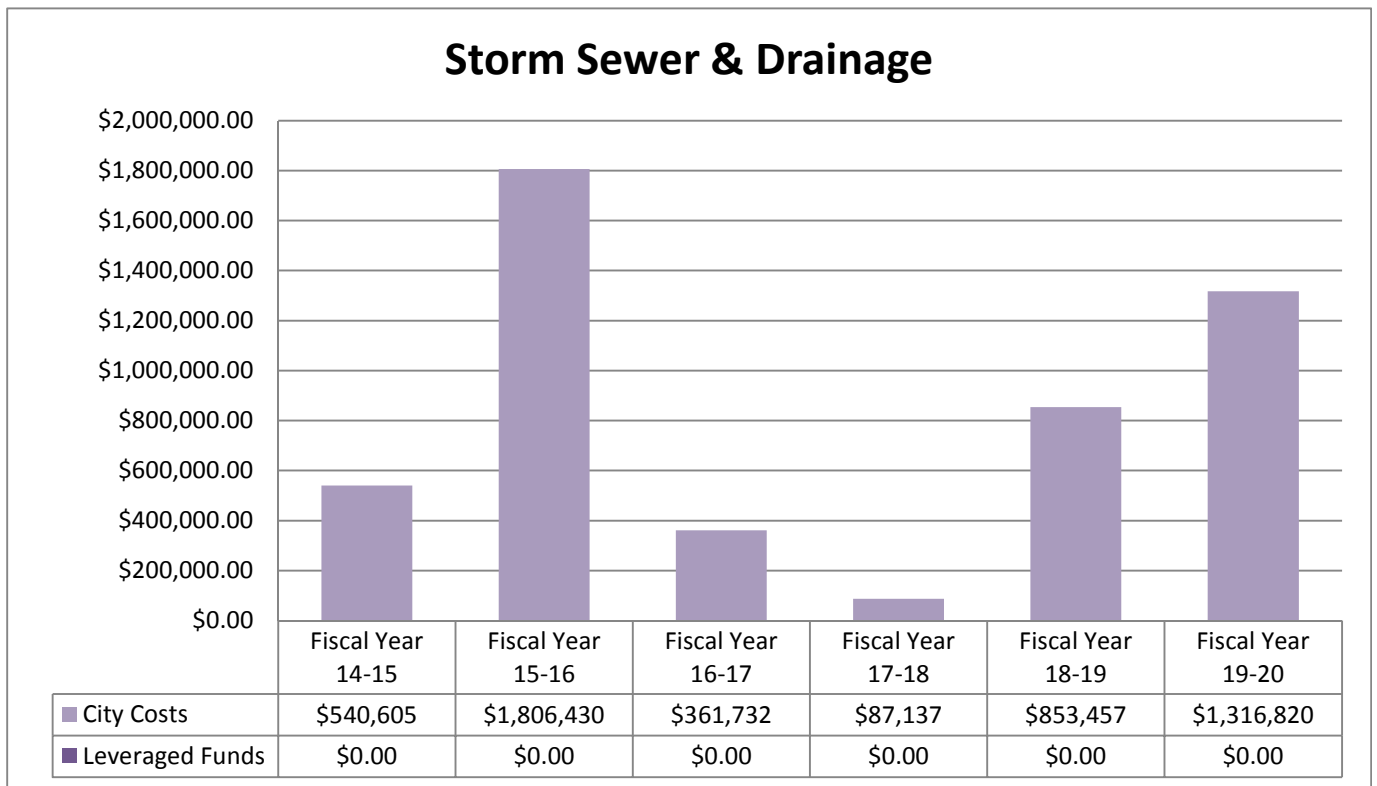
Capital Improvement Program

Storm Sewer & Drainage

The City of Novi is located within two major watersheds in southeast Michigan (the Rouge River Watershed and the Huron River Watershed). Novi is committed to protecting the water courses within and downstream of the community.

As development occurs, the additional impervious surface area impacts the effective drainage of these flows, driving the need for drainage infrastructure. The City partners with the development community to ensure that onsite drainage issues are addressed during the development process.

The City's Capital Improvement Program addresses regional drainage issues through the drainage projects contained herein. Drainage projects are funded by a dedicated millage for acquiring, constructing, improving, and maintaining drain, stormwater, and flood control systems in the City of Novi; one tenth of one percent (1 mill).

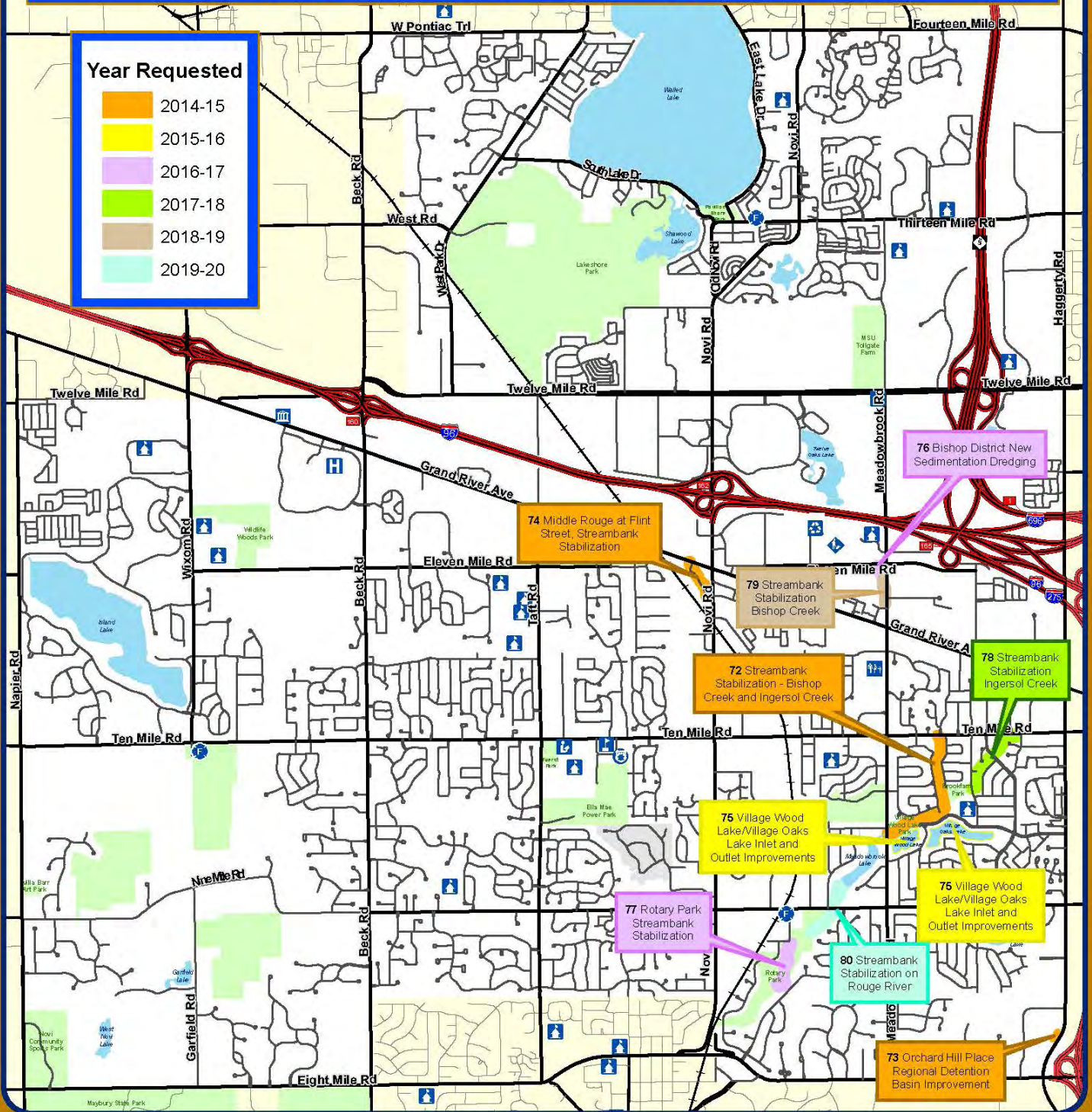


City of Novi Capital Improvement Program

2014 - 2020 Storm, Sewage, and Drainage Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map: Author: Matthew Peterson & Keri Blough
 Date: March 19, 2014
 Project: Capital Improvement Program
 Version #: 1.0

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1 inch = 4,200 feet





Capital Improvement Program

Streambank Stabilization-Bishop Creek and Ingersol (10 Mile to Meadowbrook)

Project Number: 72

CIP Number: 133-04

Description:

The 2013 Storm Water Study identified several areas along Bishop Creek south of 10 Mile Road and Ingersol Creek between Bishop Creek and Meadowbrook Road where severe bank erosion was present. This project would include the acquisition of several easements to complete the work behind the houses along the stream. This project will repair and protect the streambank from future erosion.

Justification:

Recommended by the 2013 Storm Sewer Study.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering		\$156,390						\$156,390
Other/ROW		\$20,000						\$20,000
Construction			\$750,660					\$750,660
TOTAL BUDGET		\$176,390	\$750,660					\$927,050

Orchard Hill Place Regional Detention Basin Improvement

Project Number: 73

CIP Number: 133-01

Description:

The recently completed Storm Water study identified several recommendations to improve the city-owned and privately owned detention basin that has historically been maintained by the City near Orchard Hill Place near 8 Mile Road and Haggerty Road. The work on the city-owned basin includes reconstruction of the outlet control, while the work on the city maintained basin includes dredging and rehabilitation of the outlet control. The project will also resolve any ownership and maintenance responsibility issues.

Justification:

Recommended by the 2013 Storm Water Study.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering		\$26,375						\$26,375
Other/ROW								
Construction			\$126,600					\$126,600
TOTAL BUDGET		\$26,375	\$126,600					\$152,975



Capital Improvement Program

Middle Rouge at Flint Street, Streambank Stabilization

Project Number: 74

CIP Number: 103-03

Description:

Stabilization of Middle Rouge River streambanks, to prevent future erosion, upstream of Flint Street and Novi Road. Primary purposes and results of stabilizing stream banks are:

- Prevent the loss of land or damage to utilities, roads, buildings or other facilities adjacent to a watercourse, and prevent the loss of stream bank vegetation,
- Reduce sediment loads to streams,
- Maintain the capacity of the stream channel,
- Improve the stream for recreational use or as habitat for fish and wildlife, and
- Control unwanted meander of a river or stream.

Justification:

Recommended by 2010 Storm Water Modeling Report.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	210-211.00-	\$54,800						\$54,800
Other/ROW		\$20,000						\$20,000
Construction	210-211.00-	\$263,040						\$263,040
TOTAL BUDGET		\$337,840						\$337,840

Capital Improvement Program

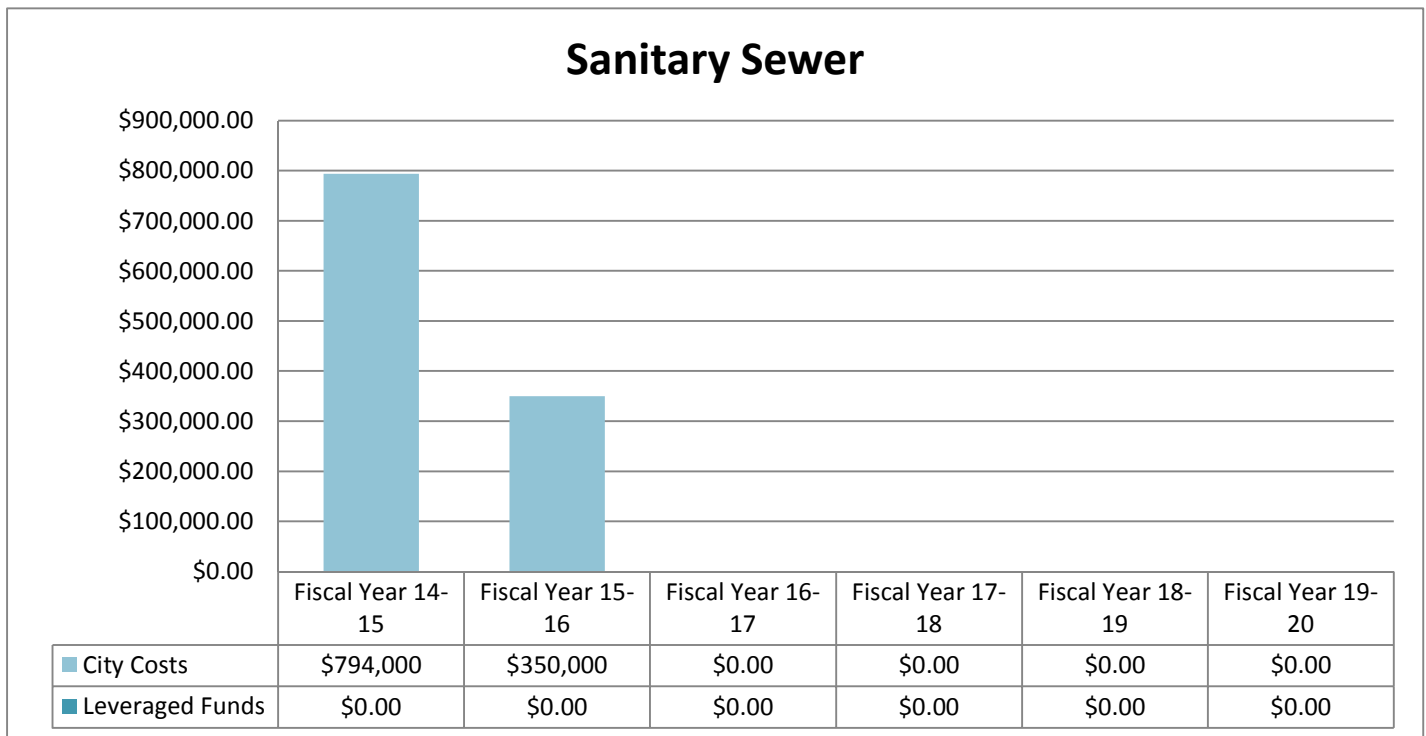
Sanitary Sewer

The City of Novi purchases sewage disposal services from Oakland County Water Resources Commissioner (OCWRC). The City currently has 243 miles of sanitary sewer mains. These sewer mains are part of three separate districts: the Wayne County North Huron Valley/Rouge Valley (NHV/RV) System, South Commerce Township Treatment Plant, and the Walled Lake-Novı Treatment Plant. The majority of the City is served by the NHV/RV system. The City of Novi Water & Sewer Fund, the Oakland County Water Resource Commission (OCWRC) and the Detroit Water & Sewerage Department (DWSD) are all not-for profit entities and therefore rates are intended and required to only cover costs.

The development of the proposed sanitary sewer projects were based upon system deficiencies and needs obtained from area residents, business owners, and City staff. These projects are coordinated with storm water management, roadway, and pathway improvements to maximize cost savings through economies of scale, resulting in a more effective and efficient process to implement the construction projects.

The proposed water and sanitary sewer projects are flexible, allowing for the addition of new improvements to address specific needs without deferring other projects along the way. Studies and analysis of the existing system is an on-going program that, coupled with new technologies, provides for improved system capabilities and reliability.

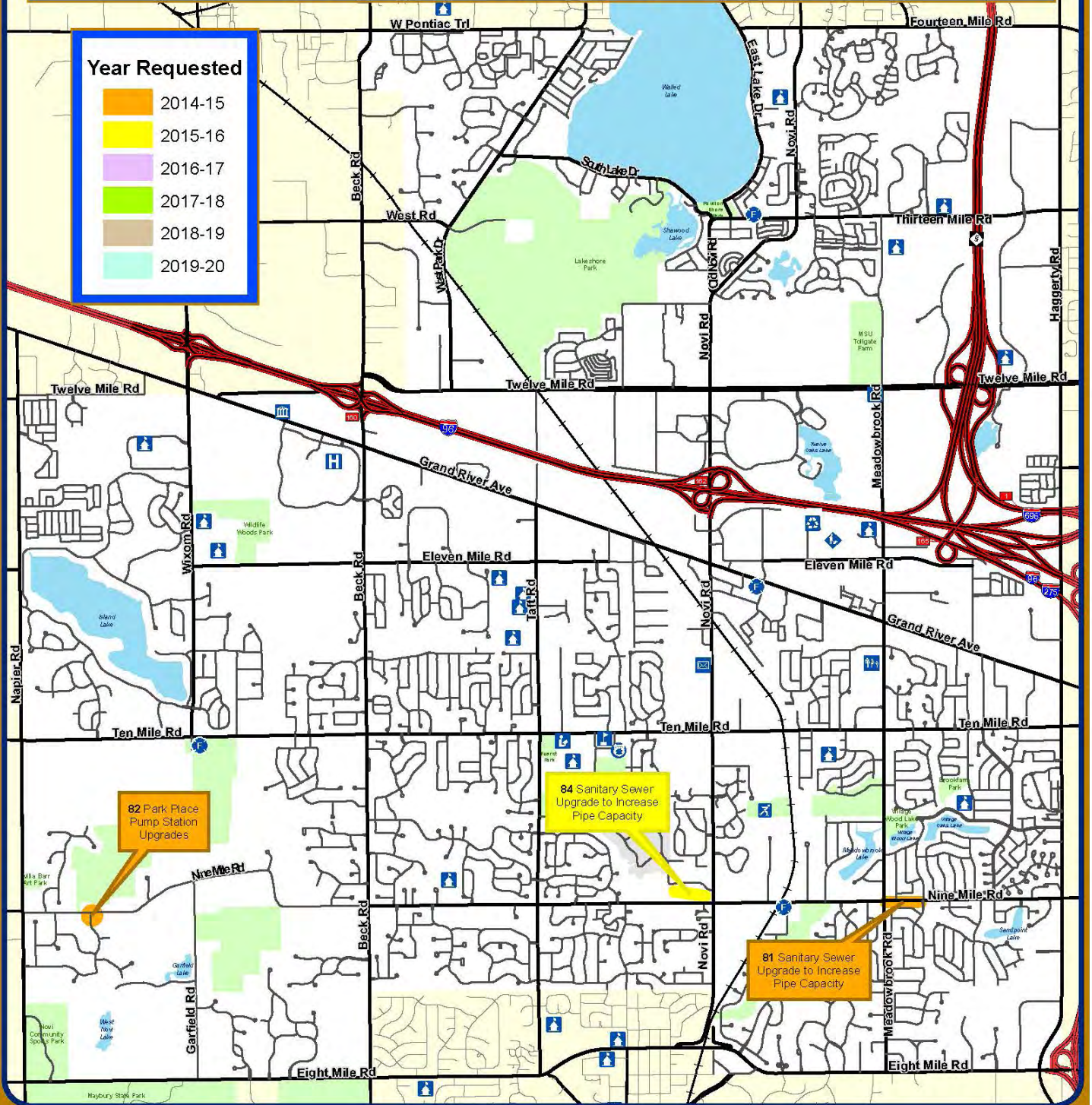
Water and sanitary sewer projects identified as urgent are not subject to the rating/weighting scale required of capital improvement. Projects included in this category are funded by the City's Water and Sewer Fund which is financed through user rates and connection fees.



City of Novi Capital Improvement Program 2014 - 2020 Sanitary Sewer Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map Author: Matthew Peterson & Kerl Blough
Date: March 19, 2014
Project: Capital Improvement Program
Version #: 1.0

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1 inch = 4,200 feet



Capital Improvement Program

Sanitary Sewer Upgrade to Increase Pipe Capacity - 9 Mile Road East of Meadowbrook Road.

Project Number: 81

CIP Number: 091-71

Description:

Development and construction of a solution to the current capacity limitations in the sanitary sewer along 9 Mile Road east of Meadowbrook Road as identified in the 2006 Sewer Capacity Report. Sewer modeling indicates that approx. 7,000 ft. of existing 18" sanitary sewer on the south side of 9 Mile near Meadowbrook is at or near capacity. The project will remove this bottleneck to increase flow capacity.

Justification:

Recommended by the 2005 Capacity Management Operations and Maintenance (CMOM) program Phase I report.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	592-000.00-	\$30,000						\$30,000
Other/ROW								
Construction	592-000.00-	\$484,000						\$484,000
TOTAL BUDGET		\$514,000						\$514,000

Park Place Pump Station Upgrades

Project Number: 82

CIP Number: WATER

Description:

The flows to the Park Place Pump Station currently exceed the station's capacity. For this reason, pump, motor, and generator upgrades are needed to accommodate existing and future flows to the station.

Justification:

The project is needed to accommodate peak wet weather flows as mandated by the Michigan Department of Environmental Quality (MDEQ).

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	592-592.00-	\$20,000						\$20,000
Other/ROW	592-592.00-	\$20,000						\$20,000
Construction	592-592.00-	\$200,000						\$200,000
TOTAL BUDGET		\$240,000						\$240,000



Capital Improvement Program

8 New Sewer Flow Meters

Project Number: 83

CIP Number: WATER

Description:

New sewer flow meters are needed for continuous flow monitoring of the sanitary sewer system. The old meters were purchased in 2005 and the meters have a typical life span of 8 - 10 years.

Justification:

The meters will allow the Water and Sewer division to monitor growth and inflow infiltration levels in the sewer system to make sure the existing sewers have adequate capacity to handle flows.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW	592-592.00-	\$40,000						\$40,000
Construction								
TOTAL BUDGET		\$40,000						\$40,000

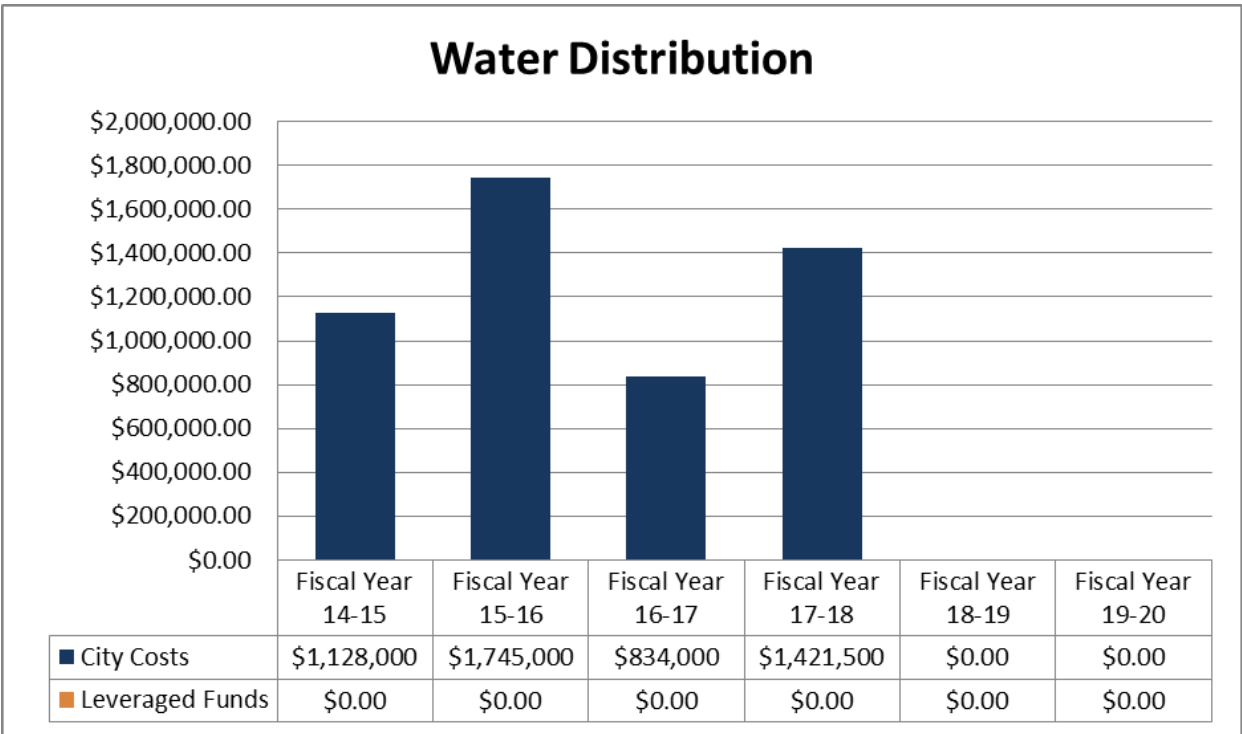
Capital Improvement Program

Water Distribution

The City of Novi purchases treated water from Detroit Water and Sewerage

Department (DWSD). DWSD operates the largest water system in the State of Michigan and supplies water to roughly four million people. Water production is costly. Aging water and wastewater treatment systems must be maintained and replaced to ensure reliable service. Rate increases are primarily due to new and rehabilitative projects that are completed under the DWSD Capital Improvement Programs. DWSD rates reflect energy costs to maintain water pumps, water mains, and storage tanks necessary to transport water to our community.

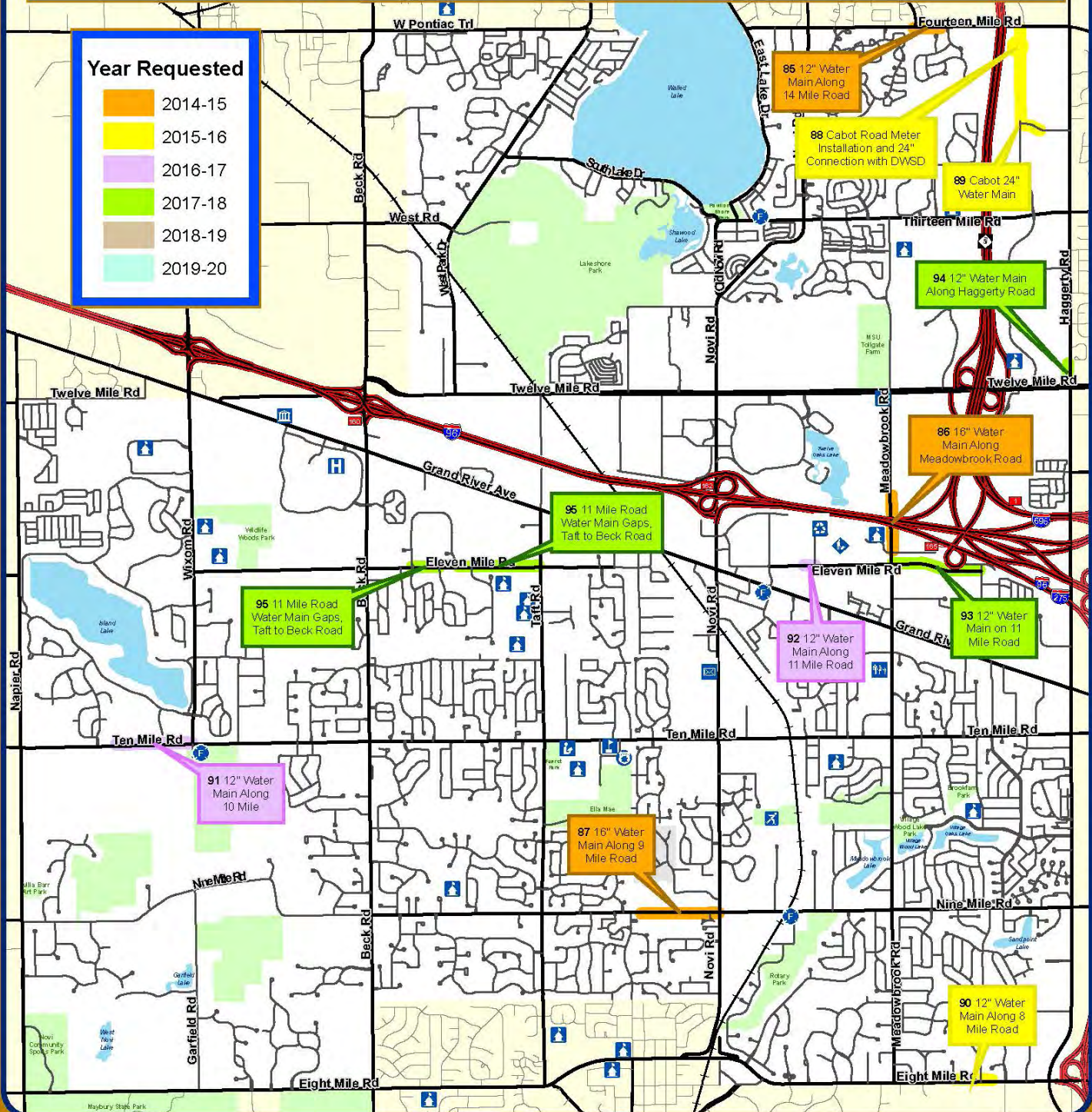
The City is responsible 306 miles of water main pipe, 4,003 fire hydrants and 13,530 water service connections. Projects included in this category are funded by the City’s Water and Sewer Fund which is financed through user rates and connection fees.



City of Novi Capital Improvement Program 2014 - 2020 Water Distribution Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map: Author: Matthew Peterson & Kerl Blough
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|--|--------------|--|-------------------------------|--|---------------|
| | Civic Center | | Library | | Freeway |
| | Court | | Meadowbrook Activities Center | | Major Streets |
| | DPS | | Police Station | | Minor Streets |
| | Fire Station | | Post Office | | Railroads |
| | Hospital | | Recycling | | Lake |
| | Ice Arena | | School | | Parkland |

City of Novi
Information Technology Department
Geographic Information Services
45175 W Ten Mile Rd
Novi, MI 48375
cityofnovi.org

1 inch = 4,200 feet

Capital Improvement Program

12" inch Water Main Along 14 Mile Road, Haverhill to Maples-New

Project Number: 85

CIP Number: 091-16

Description:

Extend a 12-inch water main approximately 900 feet from the existing 12-inch water main west of Kingswood and 14 Mile Road to the existing 12-inch water main off of the northeast loop of Columbia Drive in Maples. This connection will increase the available flow and pressure in the area. Recommended in 2008 Water System Master Plan.

Justification:

Improves service to existing customers by providing an additional water main loop and redundant service as well as increase the fire flows.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	592-000.00-	\$35,000						\$35,000
Other/ROW								
Construction	592-000.00-	\$105,000						\$105,000
TOTAL BUDGET		\$140,000						\$140,000

16" inch Water Main Along Meadowbrook Road Under I-96

Project Number: 86

CIP Number: 091-01

Description:

Installation of approximately 2,000 feet of 16-inch water main along Meadowbrook Road underneath I-96 and a pressure reducing valve (PRV) on the north side of I-96. This improvement will allow for a third connection across I-96. Approximately 95% of the water supply for the City is delivered from the DWSD feeds on Pontiac Trail/Fourteen Mile Road. This project was recommended for system reliability and redundancy in 2008 Water System Master Plan. Easements and permits from MDOT will be a prerequisite for this project.

Justification:

Improves service to existing customers by providing an additional water main loop and redundant service.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	592-000.00-	\$489,000						\$489,000
TOTAL BUDGET		\$489,000						\$489,000



Capital Improvement Program

16" inch Water Main Along 9 Mile Road, Center to Novi Road

Project Number: 87

CIP Number: 091-25

Description:

Extend a 16-inch water main approximately 2,400 feet from the existing 16-inch water main on 9 Mile Road east of Center St. to the east, to the existing water main at Novi Road and 9 Mile Road. Recommended in 2008 Water System Master Plan.

Justification:

Provides a needed loop in the water distribution system to increase pressure and to provide redundancy. The project would be completed with the planned road reconstruction project of 9 Mile in the same area.

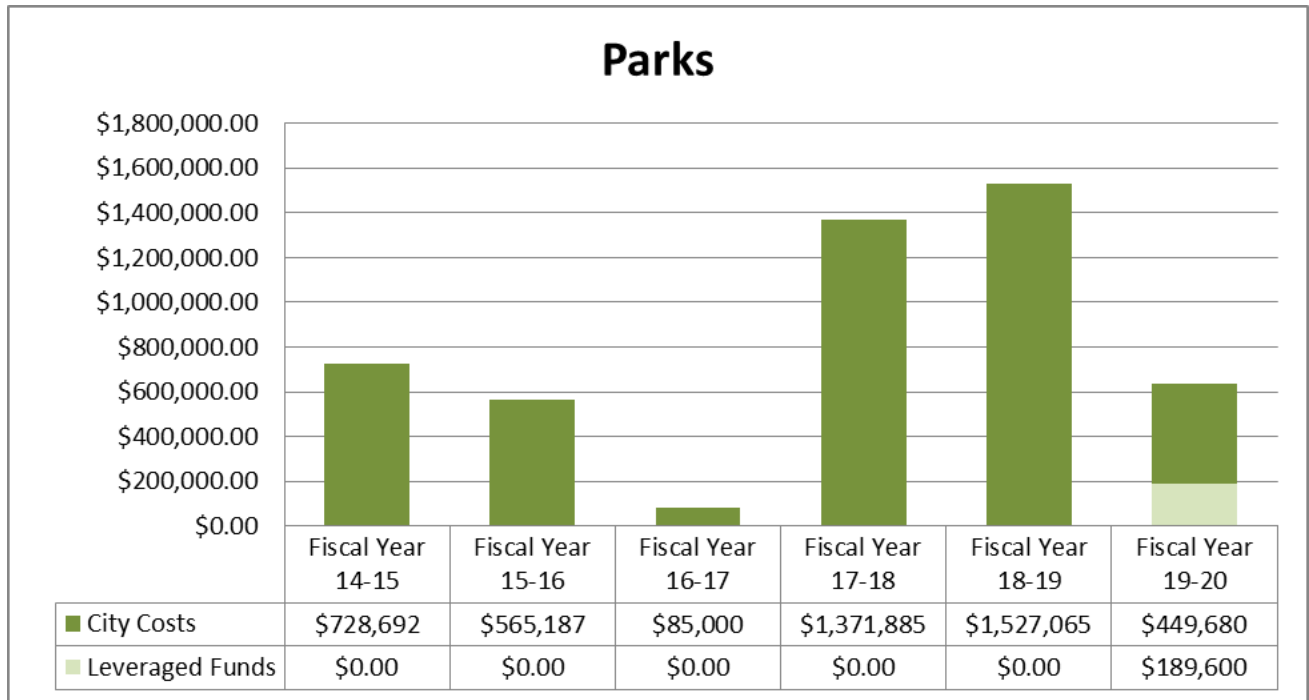
Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	592-000.00-	\$499,000						\$499,000
TOTAL BUDGET		\$499,000						\$499,000

Capital Improvement Program

Parks, Recreation and Cultural Services

Quality of life initiatives, such as those represented by parks, open space, and trails projects, are an important component of the Capital Improvement Program. The City of Novi Department of Parks, Recreation and Cultural Services offers lighted ball fields, extensive picnic grounds, shaded playgrounds, beaches, an urban lake, and much, much more. Neighborhood parks provide recreational amenities close to home, while the city's ever-growing network of trails accommodates walkers, joggers, strollers, bicyclists, roller bladers, and equestrians.

Funding for parks, open space, and cultural events is primarily from the Parks and Recreation dedicated millage that was established for maintaining parks and recreation purposes. A one-half tenth of one percent (1/2 mill), and impact fees make up the main funding source for Parks, Recreation and Cultural Services. The six year program emphasizes trail connectivity and access and provides for the continued development of parks across the City.

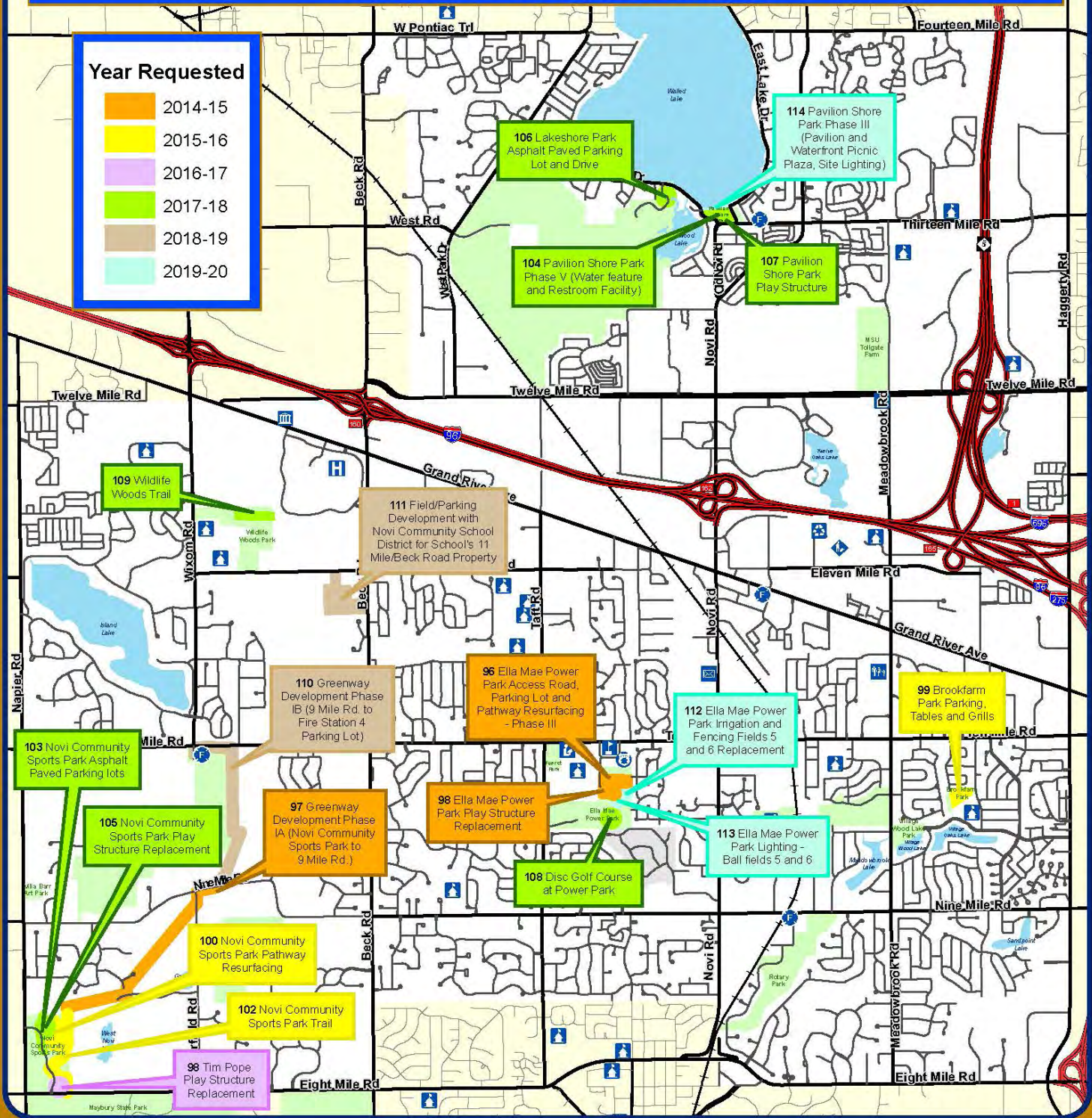


City of Novi Capital Improvement Program

2014 - 2020 Parks Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map: Author: Matthew Peterson & Keri Blough
 Date: March 19, 2014
 Project: Capital Improvement Program
 Version #: 1.0

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

- | | | | | | |
|--|--------------|--|-------------------------------|--|---------------|
| | Civic Center | | Library | | Freeway |
| | Court | | Meadowbrook Activities Center | | Major Streets |
| | DPS | | Police Station | | Minor Streets |
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1 inch = 4,200 feet



Capital Improvement Program

Ella Mae Power Park Access Road, Parking Lot and Pathway Resurfacing - Phase III

Project Number: 96

CIP Number: 109-04

Description:

The pathway system in the park is vital to mobility between athletic fields and other park amenities. This project would resurface the asphalt of nearly 1,500 feet of pathway at Ella Mae Power Park.

Justification:

The park pathway system is showing signs of degradation. The system will need to have various spots replaced and others capped (mill and overlay) in an effort to maintain the structural integrity of the walkways.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	208-691.00-	\$33,140						\$33,140
TOTAL BUDGET		\$33,140						\$33,140

Greenway Development Phase IA (Community Sports Park to 9 Mile Rd.)

Project Number: 97

CIP Number: 109-06

Description:

To plan and build a paved 4.5 mile long north-south regional pathway for recreational use along the ITC Transmission Corridor, which would be 10' in width using a compacted limestone surface. The pathway would connect Community Sports Park to the Providence Park Campus. Due to the length of the path being proposed, a phased approach to design and construction would be likely. Phase 1 of the pathway (2.25 miles long and 70% of the project) would begin at Community Sports Park, continue along the ITC corridor and end at the parking lot of Fire Station No. 4, where a parking area could be located.

Justification:

2010 National Citizen Survey ranked ease of bicycle traveling and ease of walking in Novi at 46% and 57% respectively, (2008 Survey had the numbers at 39 and 50); (2006 Survey had the numbers at 35 and 43) on a 100 point scale, showing a need to provide linear open space for use and connectivity in the community. In addition, the 2006 City of Novi Pathway and Sidewalk Prioritization Analysis and Process document places an importance on increasing connectivity to regional or neighboring trail and sidewalk systems. From an economic standpoint, the greenway has the potential to increase real property values, in turn increasing municipal revenues.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering	208-691.00-							
Other/ROW								
Construction	208-691.00-	\$445,552						\$445,552
TOTAL BUDGET		\$445,552						\$445,552

Capital Improvement Program

Ella Mae Power Park Play Structure Replacement

Project Number: 98

CIP Number: 109-10

Description:

This park currently has two play structures. This project would remove one of two existing play structures in the first quarter and replace it with a new (Americans with Disabilities Act) ADA accessible play structure developed for children ages 2-12 by the end of the third quarter. With the number of organized sports teams playing at Ella Mae Power Park, there is a tremendous amount of kids passing through the park not to mention bringing their younger siblings. Therefore having the play structure specifically designed for ages 5 to 12+ year-olds and 2 to 5 -year-olds giving age-appropriate challenges to flex kids' muscles and stretch their imaginations.

The last 20 years in the playground industry have seen the introduction of numerous playground safety and accessibility regulations. With the advent of the Americans with Disabilities Act in 1990, the Access Board's playground accessibility rules of 2000, and the latest Department of Justice Standards published in 2010, accessibility has been at the forefront of recreation facility and playground development. Designers have consistently advocated the value of highly accessible facilities.

Justification:

The current structure does not provide ADA accessibility for community youth and is in need of frequent repairs. An enhanced structure would meet current ADA standards, improve safety and provide updated play equipment.

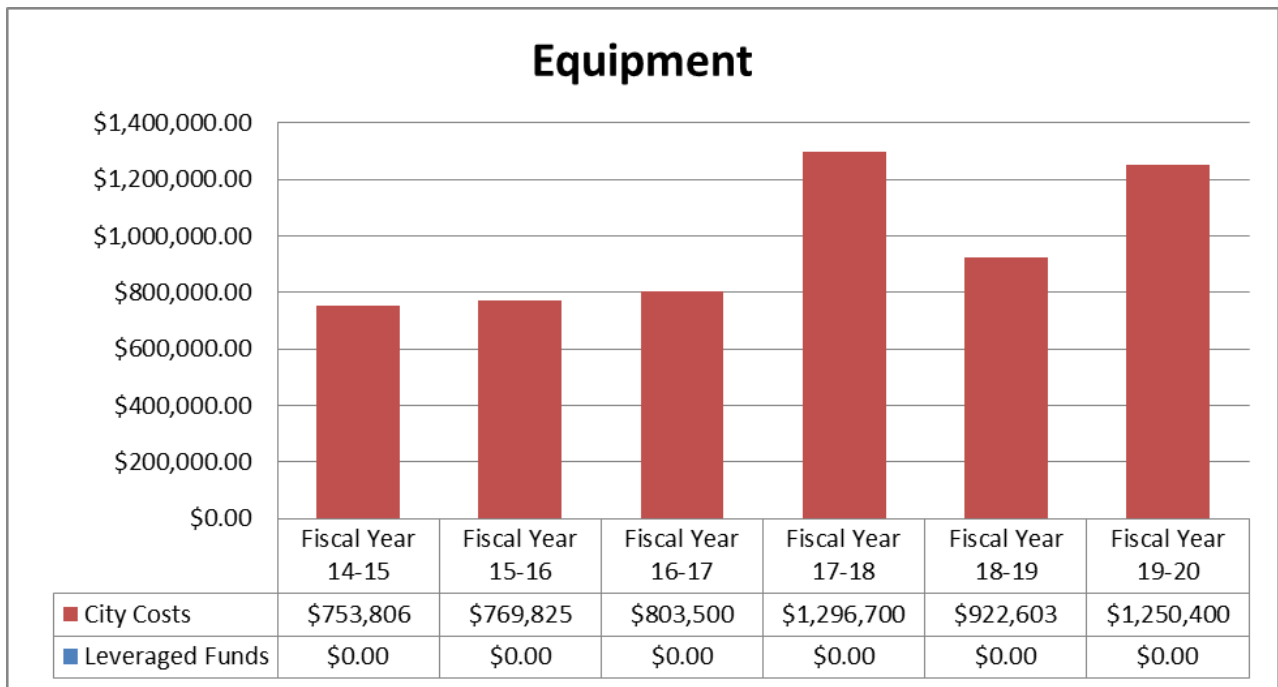
Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	208-691.00-			\$85,000				\$85,000
TOTAL BUDGET				\$85,000				\$85,000

Capital Improvement Program

Equipment

Novi employees depend on dependable equipment to allow and assist them do their job day in and day out. The equipment comes in many forms, plow trucks, police cars, generators, fire apparatus, etc., the equipment that literally keeps the City of Novi moving. All the vehicles found in this category are the cars and trucks that appear at the front doors of Novi residents and business owners such as public safety (police, fire, water, sewer and street maintenance). Generators that keep municipal buildings and a 911 call center operational during power outages along with ice resurfaces for the City's ice arena fall under this category. Novi City Council has established the precedent over the years in providing Novi employees with the tools necessary to do their job and provide the best level of service to the community. A number of varied funding sources can be used to finance the equipment necessary to efficiently deliver service: General, Major Street, Local Street, Public Safety, and Drug Forfeiture Funds.

In fiscal year 13-14 the City was able to leverage capital improvement funds to include equipment like a new Basic Life Support vehicle and upgrades for our winter maintenance vehicles.



Capital Improvement Program

Lieutenant (Vehicle #336 - 2009 Ford Expedition) - Replacement

Project Number: 115

CIP Number: FIRE

Description:

This project is for the replacement of the Lieutenant Vehicle (Vehicle #336) a 2009 Ford Expedition 4x4. The current mileage (10/7/2013) for this vehicle is 103,302 miles. This vehicle was repurposed from the Police Department and was transitioned to the Fire Department with over 80,000 miles on it. The vehicle is classified as a light duty Non Transport capable Basic Life Support (BLS) unit. It is in good shape. The current vehicle responds to fire and medical emergencies on a daily basis with all of the equipment needed and required by the state to be licensed as a BLS Vehicle. The recommendation is to replace these SUV type Rescue vehicles with Crew Cab (4 door) Heavy Duty Diesel 4x4 Chassis trucks with 8-9 foot utility bodies. The proposed vehicle will be able to carry the same items the SUV-type rescues carry plus, 2 additional firefighters and their gear, additional equipment, extinguishers, and even have room for additional rescue equipment. The SUV-type rescues are limited by space, seating, and compartments. The proposed replacement vehicle would allow longer useful life, better personnel carrying capacity, larger capacity for tools, and the ability to adapt the truck to the seasonal needs of the department based on its location i.e.: ice rescue or water rescue, brush fire season, PR details, training.

Justification:

The newly proposed Heavy Duty Crew Cab Diesel 4x4 Utility truck will be able to carry the same items listed as the SUV-type rescues carries plus, 2 additional firefighters and their gear, additional equipment, extinguishers, and even have room for the ice rescue equipment or water rescue equipment. The proposed vehicle will allow for increased payload, personnel carrying capacity, and flexibility to change the payload based on the situation. We would be able to outfit the trucks with the proper equipment, and maximize the space. It will improve services by offering a wider range of services, due to increased payloads, cargo space, and diversified equipment.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW	101-337.00-	\$57,000						\$57,000
Construction								
TOTAL BUDGET		\$57,000						\$57,000

Capital Improvement Program

One - 1-Ton Dump Truck w/Plow, and Swap Loader - New

Project Number: 116

CIP Number: FIELD

Description:

A one-ton medium-duty dump truck, which is used to tow trailers up to 24,000 lbs. Transport materials, salt roads and parking lots, plow snow and perform general field operation duties, such as patching roads. One of the most heavily used pieces of equipment used by field crews are small one-ton dump trucks. These trucks come outfitted with a dump box, front plow and salting box so that they can be used all season for hauling materials to job sites, transporting heavy equipment, and de-icing roadways. In an effort to increase functionality, save time, and reduce expenditures, a truck can be outfitted with a hook system that is capable of pulling up multiple components onto its chassis. DPS is requesting the purchase of a new one-ton truck with the following components: dump body, v-box salt spreader, liquid tank, and stake rack bed.

Justification:

By funding this purchase, DPS can further maximize the use of its vehicles and increases its ability to become more efficient. As an example, if crews are rebuilding a storm catch basin, a stake rack bed with all the materials can be dropped at the site, while the operator heads back to the garage, picks up the dump body, and hauls sand to a separate job site. By not taking advantage of this technology, additional trucks would be needed to enhance efficiency.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW	101-442.20-	\$110,000						\$110,000
Construction								
TOTAL BUDGET		\$110,000						\$110,000

Roadside Mower - Replacement

Project Number: 117

CIP Number: FIELD

Description:

This request is for a new utility tractor equipped with a boom mower. The attached estimate includes a 80 horse power, four wheel drive tractor required to operate the 60 inch grass brush flail mower and cab controls. The tractor and mower replace a 1977 Ford Tractor and flail mowing deck. Roadside mowing equipment is used to cut roadside vegetation back along ditches, and detention ponds that are not easily maintained. This type of equipment is specialized and not able to be efficiently contracted to an outside vendor.

Justification:

The current equipment is 36 years old and regularly requires repair, by purchasing this piece of equipment, operator safety is improved, service needs are met, and required drain flow is maintained. A boom arm for this mower can extend up to 30 feet from the tractor compared to six feet on the existing unit.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW		\$113,335						\$113,335
Construction								
TOTAL BUDGET		\$113,335						\$113,335

Capital Improvement Program

Civic Center HVAC Air Handling Units #1 and #2 Replacement

Project Number: 118

CIP Number: FACILITY

Description:

An air handler, or air handling unit (often abbreviated to AHU), is a device used to condition and circulate air as part of a heating, ventilating, and air-conditioning (HVAC) system. An air handler is usually a large metal box containing a blower, heating or cooling elements, filter racks or chambers, sound attenuators, and dampers. Air handlers usually connect to a ductwork ventilation system that distributes the conditioned air through the building and returns it to the AHU. The Civic Center houses four air handling units, two of the units are located in the west penthouse of the Civic Center (units 1 and 2) and are responsible for providing airflow to over 40% of the building. These units are over 25 years old and currently well past their normal life expectancy. This has led to an increase in maintenance costs, a trend that will increase substantially. The replacement of these units is a preventative action to prevent a total failure event.

Justification:

The Civic Center has an estimated 204,000 visitors each year and serves as a focal point for our Citizens. Failure of the units will result in the inability to circulate airflow through the building. By replacing both units at the same time we will be able to reduce the overall cost associated with the install given the physical location of the units. Also the replacement of both units will allow optimum HVAC building performance considering the past replacement of the chiller (2009), boilers (2013), and east air handlers (Projected spring 2014).

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	101-265.00-	\$130,000						\$130,000
TOTAL BUDGET		\$130,000						\$130,000

Phone System Upgrade to Voice Over Internet Protocol (VOIP)

Project Number: 119

CIP Number: IT

Description:

This request would upgrade the City of Novi telephone communication system. This system serves as our basic mode of communication with citizens. The current Nortel system, centrally located within City Hall, has become increasingly expensive to maintain. The support cost structure has and will continue to feel the pressures of Avaya's purchase of Nortel from bankruptcy. This project would address the following:

- Upgrade City of Novi main system to Avaya IP office 500 system.
- Upgrade all City of Novi Option 11 R25 telephone systems (DPS, Fire Stations 1, 2 and 4 from their current system with software release dates of 2000 to Avaya IP office 500 systems.
- Provide a feature rich unified communication solution for the City's telecommunication needs.

Capital Improvement Program

Justification:

The Avaya IP Office 500 systems will bring a new integrated communication technology that will provide a unified communication tool to better serve our citizens. The new platform offers advanced mobility, call detail reporting, enhanced administration management, reduced annual maintenance and support costs of \$8,997 per year, Visual call management dashboard, and a reduction in environmental costs of 30%. This solution will eliminate hardware that is between 13-15 years old. Critical performance issues do exist within the CS1000 telephone system. Replacement of the Nortel Option 11 R25 systems will ensure that DPS and the Fire Stations will also have up to date communication system in place.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW	101-205.00-	\$146,671						\$146,671
Construction								
TOTAL BUDGET		\$146,671						\$146,671

Police Department Air Handlers - Replacement

Project Number: 120

CIP Number: POLICE

Description:

An air handler, or air handling unit (often abbreviated to AHU), is a device used to condition and circulate air as part of a heating, ventilating, and air-conditioning (HVAC) system. An air handler is usually a large metal box containing a blower, heating or cooling elements, filter racks or chambers, sound attenuators, and dampers. Air handlers usually connect to a ductwork ventilation system that distributes the conditioned air through the building and returns it to the AHU. The Police Headquarters houses two air handling units, the units are located in the basement mechanical room and are responsible for providing airflow to over 90% of the building. These units are over 25 years old and currently well past their normal life expectancy. This has led to an increase in maintenance costs, a trend that will increase substantially. The replacement of these units is a preventative action to prevent a total failure event.

Justification:

Currently, the headquarters has 63 sworn officers, 21 civilians and 22 staff members from other agencies including the Novi Fire Department, the Michigan State Police and the United States Secret Service. Failure of the units will result in the inability to circulate airflow through the building. With repair costs over the past four year equaling \$20,370, now is the time to take action. By replacing both units at the same time we will be able to reduce the overall cost associated with the install given the physical location of the units. Also the replacement of both units will allow optimum HVAC building performance.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW	101-301.00-	\$151,800						\$151,800
Construction								
TOTAL BUDGET		\$151,800						\$151,800



Capital Improvement Program

Three New Wing Plows

Project Number: 121

CIP Number: FIELD

Description:

This request is for three (3) wing plow units to be added to the DPS winter maintenance fleet. The plows and their required hydraulics would be added to trucks 619 (2008 single axle dump truck), 601 (2009 single axle dump truck), and 602 (2010 single axle dump truck). The cost to add this equipment to each truck is approximately \$15,000. Wing plows are used to clear snow more efficiently from the roadway and improve service times for residents.

Justification:

By adding seven feet of clearing width to plow trucks, major and local roadways can be cleared more efficiently. Most trucks in the DPS fleet currently use a plow located under the chassis that is approximately 12 feet wide, by adding an additional seven feet with a wing plow, the trucks maximum clearing width becomes 19 feet. Most residential streets require an operator to make three or four passes before a roadway is clear. With the addition of a wing plow, the number of passes can be reduced. DPS currently has four trucks outfitted with these plows. On average, subdivisions cleared with trucks outfitted with wing plows are done one-third faster than with traditional equipment.

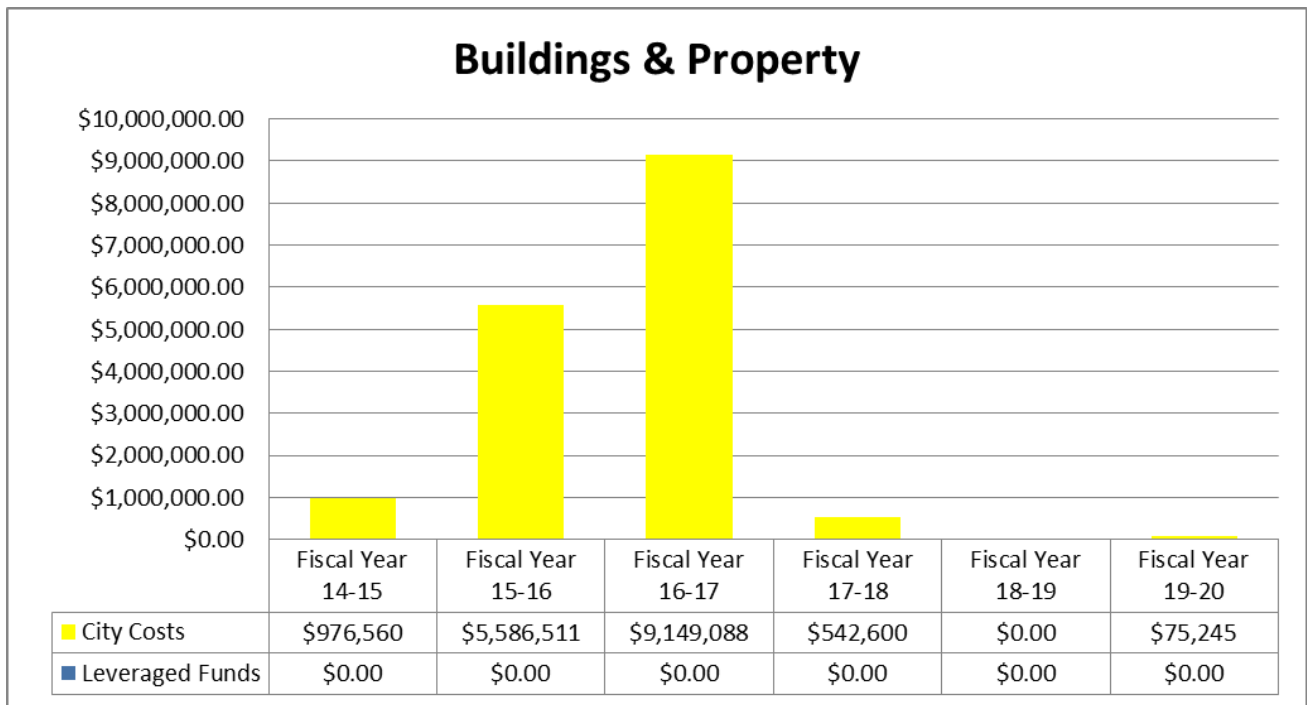
Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW	101-442.20-	\$45,000						\$45,000
Construction								
TOTAL BUDGET		\$45,000						\$45,000

Capital Improvement Program

Buildings and Property

Operational facilities are the “bricks and mortar” from which the City of Novi provides services to its residents and businesses. Increasingly, operational facilities also include the systems that facilitate service delivery in the information age. Projects include the construction of new facilities, as well as the maintenance, rehabilitation, renovation, and expansion of existing facilities.

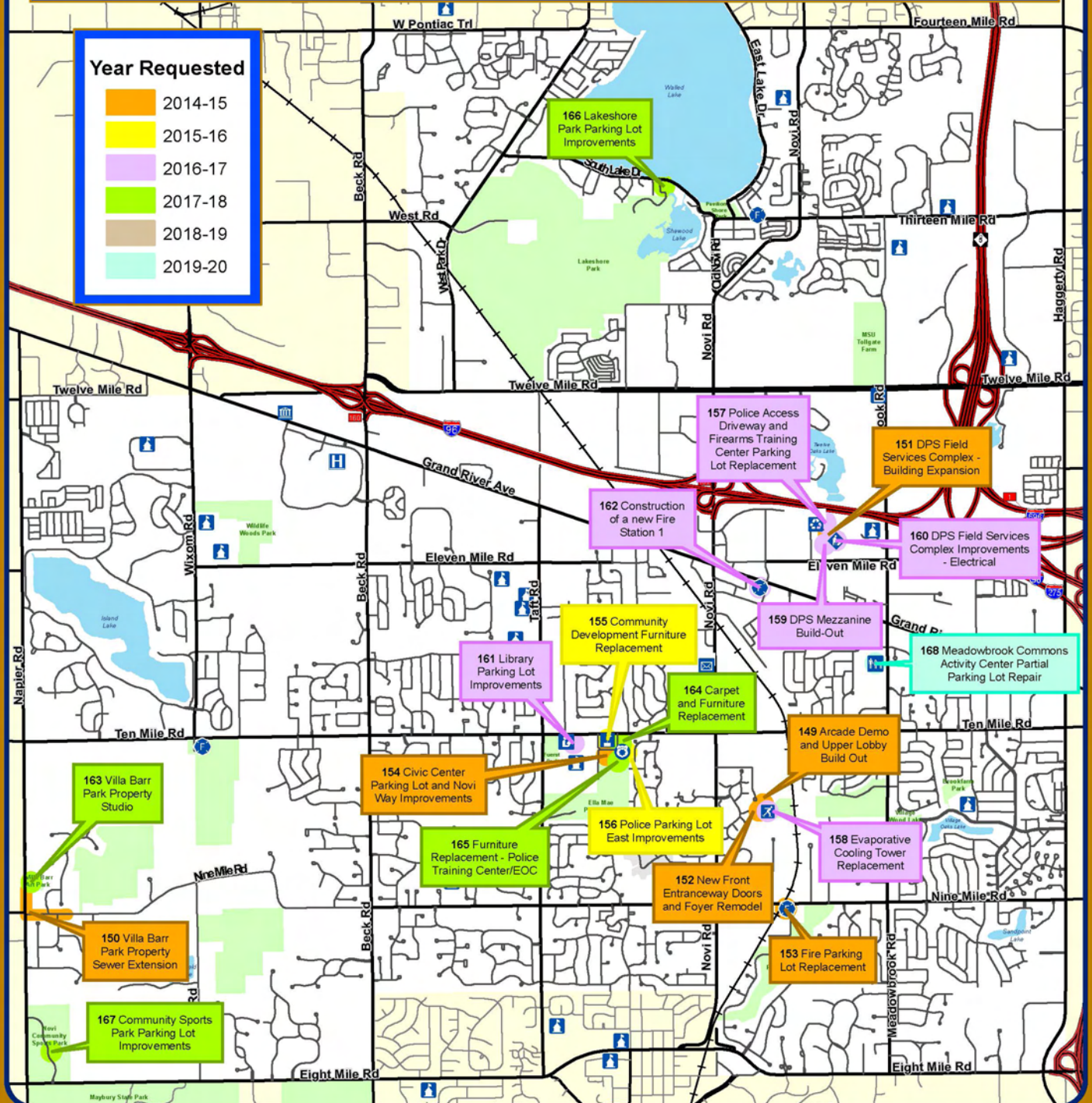
Operational facilities projects are funded from a variety of different sources, depending on the use of the facility. Sources mainly are tied to the General Fund and leveraged funds. Projects in the six year program include extensive parking lot improvements, sewer extension at the Villa Barr property and several projects to improve the Public Services Complex.



City of Novi Capital Improvement Program 2014 - 2020 Building and Property Project Summary

Year Requested

- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19
- 2019-20



Map: Author: Matthew Peterson & Kerl Blough
Date: April 7, 2014
Project: Capital Improvement Program
Version #: 1.1

MAP INTERPRETATION NOTICE

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|--------------|-------------------------------|---------------|
| Civic Center | Library | Freeway |
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| DPS | Police Station | Minor Streets |
| Fire Station | Post Office | Railroads |
| Hospital | Recycling | Lake |
| Ice Arena | School | Parkland |



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1 inch = 4,200 feet



Capital Improvement Program

Arcade Demo and Upper Lobby Build Out

Project Number: 149

CIP Number: ICE

Description:

The first phase of the project would be to remove the arcade from the middle of the upper lobby. The plan would be to remove the walls and level the arcade. Televisions and games that were located in and around the arcade would be moved to other parts of the lobby. This would open up the main lobby and give a more open and comfortable feel to the area. It will also enable the Blue Line Café to be seen from all parts of the lobby and have a more restaurant/café feel, which should help to increase sales. After the arcade is removed, a room would be built out from the back wall to create a new meeting/party room space to house birthday parties, team parties, or additional meeting space and revenue generating area.

Justification:

Removing the arcade will open up the main lobby and make it a more attractive and welcoming place for customers to gather. With our Blue Line Café in that area, the more people that gather in that space the more will visit and purchase. The televisions and games will be relocated to other areas within the main lobby to maintain any revenue streams after the project. The addition of another meeting/party/gathering space will allow for more parties or meetings to be booked and is an area for additional revenue.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW	590-000.00-	\$50,000						\$50,000
Construction								
TOTAL BUDGET		\$50,000						\$50,000

Villa Barr Park Property Sewer Extension

Project Number: 150

CIP Number: PRCS

Description:

Villa Barr Art Park and Cultural Education Center was officially dedicated as park land in February 2013. In order to utilize the current structure on the property a public restroom facility will need to be added. A public sewer will need to be constructed in lieu of the current septic tank system. The sewer will extend from the east side of the Barr residence to the student building to Napier Road.

Justification:

Addition of the Villa Barr Art Park sewer will allow the opportunity to use the space for public programming.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	208-000.00-	\$304,000						\$304,000
TOTAL BUDGET		\$304,000						\$304,000

Capital Improvement Program

DPS Field Services Complex - Building Expansion (Construction)

Project Number: 151

CIP Number:

Description:

This project was recommended in the 2006 Facility Needs Master Plan to provide DPS with a facility that will meet the public services needs of the City at full build-out. The project would create a facility large enough to store all equipment and materials, and to accommodate the needs of administrative staff, field workers and seasonal workers assigned to DPS. The project includes: 1) a 56,606 square foot expansion of the main DPS building to provide enclosed storage space for all Field Operations Division vehicles and equipment, and additional fleet maintenance areas; 2) a 14,250 square foot standalone storage building for Water & Sewer Division vehicles and equipment; 3) two approximate 5,000 square foot buildings to store construction materials; 4) an additional visitor/staff parking lot; and 5) a larger replacement salt storage dome.

Justification:

At least one-third of the City's current fleet assets must be stored outdoors. Recent studies by fleet management industry experts reveal that the cost to store vehicles and equipment outside is approximately three times the cost to construct, operate and maintain a new storage garage. This is because of factors caused by ongoing exposure to the elements, such as increased maintenance costs, reduced vehicle/equipment life expectancy, reduced labor productivity during inclement weather, and reduced employee safety. Fleets in cold climates have special challenges: cold weather engine starts can be unreliable, and especially hard on batteries and diesel engines.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering		\$547,560						\$547,560
Other/ROW								
Construction			\$4,970,160	\$4,970,160				\$9,940,320
TOTAL BUDGET		\$547,560	\$4,970,160	\$4,970,160				\$10,487,880



Capital Improvement Program

New Front Entranceway Doors and Foyer Remodel

Project Number: 152

CIP Number: ICE

Description:

This project entails removing both sets of main entranceway doors and door frames and replacing them with two automatically opening doors, one for each entranceway. The existing foyers would have to be widened slightly and the interior doorway expanded, trimmed and finished. New auto-opening doors will provide a wider opening for customers. Wider openings are needed in skating facilities due to the amount of equipment that most of the customers carry with them when they arrive. Having the doors automatically open will also provide an ease of use to the customer if their hands are full carrying equipment used in skating. Wider, automatically opening doors will also reduce the amount of wear as the hockey and skating equipment will be less likely to collide with the doors and door frames, thus reducing maintenance costs. New doors will also improve the curb appeal of the facility.

Justification:

Removing the manual opening, narrow entranceway doors will improve customer use as well as reduce maintenance costs. The new doorways will open automatically when a customer approaches and will provide a wider opening for the customer that is carrying hockey bags and sticks or the skater carrying a skating bag and case. New doors on the front of the building will improve the curb appeal and keep the Novi Ice Arena up to the standards, look, and functionality of the rest of the City of Novi buildings.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering								
Other/ROW								
Construction	590-000.00-	\$35,000						\$35,000
TOTAL BUDGET		\$35,000						\$35,000



Capital Improvement Program

Fire Parking Lot Improvements (FS #2, #3, #4 & CEMS) - Replacement

Project Number: 153

CIP Number: FIRE

Description:

This project is for the rehabilitation of the parking lots at Fire Stations #2, #3, #4 and the CEMS Satellite Center. During 2012, the Engineering Department coordinated a review of all Police and Fire parking lots. Public Safety parking lots, along with other City parking lots, were evaluated to determine the number and types of defects and the type of repairs or rehabilitation that would be appropriate. Geotechnical engineering investigation was also completed. In July 2012 a

construction contract was awarded for the construction phase of the repairs based on available funding. During FY 2012-13 the Fire Department had enough budget to only repair the parking lot at Fire Station #1. This request is for the continuation of the project with repairs being made to the parking lots at Fire Stations #2, #3, #4 and the CEMS Satellite Center. The design phase for the repairs is complete and ready to be rebid once the project is approved the rehabilitation methods to be used range from complete pavement removal and replacement to minor patching and repairs. Drainage improvements will also be completed in some locations where appropriate. Engineering would bid the project and oversee the work. Improvements to Fire Station #2 & CEMS were recommended by the Parking Lot Inventory and Maintenance Plan, completed in January 2014. Rated PASER 3 at the time of completion. Particularly harsh winter conditions have resulted in additional deterioration. Improvements include patching, HMA crack repair, seal coat and concrete pavement replacement.

Justification:

Failure to fund the request will result in continued deterioration, increased repair costs, potential risk to employees and damage to vehicles. Engineering would bid the project and oversee the work.

Category	Account No.	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Engineering Other/ROW Construction	101-337.00-	\$84,900			\$148,200			\$233,100
TOTAL BUDGET		\$84,900			\$148,200			\$233,100



Capital Improvement Program

2014-2020 Project Summary

PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCES(S)	TOTAL PROJECT COST	TOTAL CITY COST	BUDGET		PROJECTED				FORECAST					
				FY2014-15 Outside Leverage	CITY COST	FY2015-16 Outside Leverage	CITY COST	FY2016-17 Outside Leverage	CITY COST	FY2017-18 Outside Leverage	CITY COST	FY2018-19 Outside Leverage	CITY COST	FY2019-20 Outside Leverage	CITY COST
Roads															
1 Neighborhood Road Rehabilitation, Repaving and Reconstruction Program	Local Street Fund	\$15,190,000	\$15,190,000		\$2,090,000		\$2,090,000		\$2,100,000		\$2,970,000		\$2,970,000		\$2,970,000
2 Haggerty Road (9 Mile to 10 Mile) Widening	Municipal Street/Potential Cost Share	\$110,000	\$55,000	\$55,000	\$55,000										
3 Town Center Drive from Grand River to 11 Mile Road (PASER 2; Asphalt)	Major Street Fund	\$539,585	\$539,585		\$539,585										
4 West Road Repaving, West Park Drive to City limits	Major Road Funds	\$167,050	\$167,050		\$167,050										
5 Town Center Drive Rehabilitation, Crescent Blvd to 11 Mile Road (PASER 6)	Major Street Fund	\$415,406	\$415,406		\$415,406										
6 Beck Road (8 Mile to 9 Mile) Rehabilitation (Paser 3-4) Asphalt	Major Road Fund/Federal Grant	\$1,131,300	\$908,425			\$92,500	\$222,875	\$815,925							
7 Novi Road from 12 Mile Road to 13 Mile Road Rehabilitation (Paser 4) Asphalt	Major Street Fund/Federal Grant	\$950,625	\$399,185			\$551,440	\$399,185								
8 9 Mile Road Meadowbrook to Novi Road Rehabilitation	Major Street Fund/Federal Grant	\$426,625	\$216,817			\$209,808	\$216,817								
9 Crescent Blvd (New Roadway) Extension Between Grand River Avenue and Novi Road - Phase II and III	Municipal Street Fund, Private Funding	\$3,417,580	\$627,580			\$2,790,000	\$627,580								
10 Karim Blvd., Rehabilitation (Paser 4) Asphalt	Major Street Fund	\$662,500	\$662,500			\$662,500									
11 Crescent Blvd., Novi Road to Town Center Drive Rehabilitation (Paser 4)	Major Street Fund	\$890,200	\$890,200			\$890,200									
12 Meadowbrook Road Rehabilitation, I-96 to 12 Mile, (Paser 5)	Major Street Fund	\$407,375	\$407,375					\$407,375							
13 Taft Road, 10 mile Road to Grand River Avenue (Paser 4) Asphalt	Major Road Fund, Potential Grant Funding	\$608,500	\$271,611					\$336,889	\$271,611						
14 Taft Road, 9 Mile Road to 10 Mile Road Rehabilitation (Paser 4) Asphalt	Major Street Fund/Potential Federal Grant opportunity (application submitted 2010)	\$1,153,125	\$828,036					\$325,089	\$828,036						
15 Trans-X Drive Rehabilitation (Paser 5/4) Concrete	Major Street Fund	\$377,800	\$377,800							\$377,800					
16 Wixom Road, from 10 Mile Road to 11 Mile Road (Paser 5) Asphalt	Major Street fund, Federal Grant application submitted 2011	\$717,400	\$717,400							\$717,400					
17 13 Mile Road Rehabilitation, Novi Road to Meadowbrook Road (Paser 6) Asphalt	Major Street Fund and potential Federal Grant	\$554,550	\$554,550							\$554,550					
18 Southwest Quadrant Ring Road Flint Street, Novi Road and Grand River - New	Municipal Street Fund	\$1,818,612	\$1,818,612							\$1,818,612					
19 Sixth Gate Reconstruction	Local Street Fund	\$98,585	\$98,585							\$98,585					
20 Beck Road Widening (8 Mile to 10 Mile) Preliminary Engineering ONLY	Potential STP-U Federal Grant funds, Major Roads	\$1,000,000	\$200,000							\$800,000	\$200,000				
21 Meadowbrook Road (Southbound at 11 Mile)--Add Right turn lane	Major Street Fund	\$131,100	\$131,100							\$131,100					
22 Meadowbrook Road (North of 12 Mile Road) Major Repair	Major Street Fund	\$584,800	\$584,800							\$584,800					
23 11 Mile Road Rehabilitation and Repaving, Taft Road to Beck Road (Paser 6) Asphalt	Major Street Fund	\$782,700	\$782,700									\$782,700			
24 Old Novi Road Rehabilitation (Paser 7) Asphalt	Major Street Fund	\$665,800	\$665,800									\$665,800			
25 Donelson to Karevich and West Oaks - New Road Construction (as recommended in Master Plan)	Municipal Street Fund	\$901,000	\$901,000									\$901,000			
26 Jo Drive Rehabilitation and Extension (Paser 4) Concrete	Municipal Street Fund	\$474,000	\$474,000												\$474,000
27 11 Mile Rehabilitation (Taft to Clark) PASER 5	Major Street Fund	\$321,840	\$321,840												\$321,840
28 11 Mile Rehabilitation (Beck to Wixom) PASER 6	Major Street Fund	\$748,680	\$748,680												\$748,680
29 West Park Rehabilitation (West Road to Pontiac Trail) PASER 5-8	Major Street Fund	\$616,030	\$616,030												\$616,030

PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCES(S)	TOTAL PROJECT COST	TOTAL CITY COST	BUDGET		PROJECTED				FORECAST						
				FY2014-15		FY2015-16		FY2016-17		FY2017-18		FY2018-19		FY2019-20		
				Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	
Roads																
Roads Total		\$35,862,768	\$30,571,667	\$55,000	\$3,267,041	\$3,551,248	\$4,978,782	\$884,853	\$4,422,947	\$800,000	\$7,452,847		\$5,319,500		\$5,130,550	
Intersections & Signals																
30	13 Mile and Cabot-New Signal	Municipal Street Fund/Potential Private Funds	\$203,000	\$101,500	\$101,500	\$101,500										
31	Napier Road and 10 Mile Road Intersection Improvements to Include Paving Napier Road.	Municipal Street Fund, Tri-Party	\$3,100,000	\$350,000			\$2,750,000	\$350,000								
32	Taft and 9 Mile Road - New Roundabout	Potential Grant, Major Road Funds	\$419,394	\$82,394				\$82,394	\$337,000							
33	New Roundabout at 11 Mile Road and Wixom Road	Major Road Fund	\$875,750	\$875,750					\$875,750							
34	Add Dual Left Turn Lane - East Bound Grand River at Beck Road	Possible Grant, Possible Tri-Party, Municipal Street Fund	\$676,900	\$276,900					\$54,000	\$400,000	\$222,900					
35	Beck Road at 9 Mile Road Signal Modernization	Major Street Fund	\$215,000	\$215,000									\$215,000			
36	Lewis and Haggerty Road - New Signal	Municipal Street Fund	\$225,000	\$225,000									\$225,000			
37	Novi Road and 13 Mile Road Signal Modernization	Major Street Fund	\$260,000	\$260,000												\$260,000
Intersections & Signals Total			\$5,975,044	\$2,386,544	\$101,500	\$101,500	\$2,750,000	\$432,394	\$337,000	\$929,750	\$400,000	\$222,900		\$440,000		\$260,000
Sidewalks & Pathways																
38	Americans with Disabilities Act (ADA) Compliance Plan Annual Implementation	Municipal Street Fund	\$300,000	\$300,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000
39	11 Mile Road Pathways (Town Center to Meadowbrook)	Major Road Fund	\$406,100	\$406,100		\$406,100										
40	Segment 89--Novi Road, East Side 10 Mile Road - Lidstrom (8' foot Pathway) Concrete	Municipal Street Fund	\$125,950	\$125,950		\$125,950										
41	Segment 76--Grand River, North Side, East of Seeley, (8' foot Pathway Short Segment) Concrete	Municipal Street Fund	\$30,560	\$30,560		\$30,560										
42	Segment 145--10 Mile Road (6', north side)--CSX to Catherine Industrial (gap)	Municipal Street Fund	\$51,360	\$51,360		\$51,360										
43	Pontiac Trail at Geisler Middle School--Improve Pedestrian Crossing	Municipal Street Fund	\$99,250	\$99,250		\$99,250										
44	Segment 109--8 Mile Road (north side, 8' pathway) between Garfield and Beck	Municipal Street Fund/Potential Grant	\$444,670	\$444,670		\$444,670										
45	Segment 9--Pontiac Trail, South Side (6' foot Sidewalk) Beck Road to West Park Drive	Municipal Street Fund	\$455,495	\$455,495				\$46,410			\$409,085					
46	Segment 129-14 Mile Road (5', south side)--Haverhill Farms to Maples Place	Municipal Street Fund	\$95,464	\$95,464				\$95,464								
47	Segment NC4--Neighborhood Connection Between Main Street and Meadowbrook Glens	Municipal Street Fund	\$94,400	\$94,400				\$94,400								
48	Taft Road at Jacob Drive - Non-Motorized Crossing	Municipal Street Fund	\$25,000	\$25,000				\$25,000								
49	Segment 62--10 Mile Road, Eaton Center to Churchill (6' Sidewalk and Boardwalk) for North Side	Municipal Street Fund	\$161,330	\$161,330				\$161,330								
50	Segment 10--Beck Road, East Side, South of Pontiac Trail, (5' foot Sidewalk Short Segment) Concrete	Municipal Street Fund	\$30,930	\$30,930				\$30,930								
51	Segment 127A--Novi Way, East Side (6' foot Sidewalk) Concrete	Municipal Street Fund	\$27,387	\$27,387						\$27,387						
52	Segment 53--Beck Road, West Side, (8' foot Pathway) 11 Mile Road to Kirkway Place	Municipal Street Fund	\$81,000	\$81,000						\$81,000						
53	Segment 105 - 8 Mile Road (north side, 8' pathway) between Garfield and Napier	Special Assessment Funds/Potential Federal Grant	\$735,260	\$735,260					\$126,000		\$609,260					
54	Segment 51-10 Mile Road (6' wide, north side)-Dinser to Woodham	Municipal Street Fund	\$181,600	\$181,600							\$181,600					
55	Segment 81--10 Mile Road, South Side, (8' foot Pathway) Meadowbrook Road to Haggerty Road	Municipal Street Fund	\$619,767	\$619,767							\$100,800		\$279,067		\$239,900	
56	Segment 133--Wixom Road Crossing, North of 11 Mile Road (8' foot Pathway Short Segment) Concrete	Municipal Street Fund	\$37,050	\$37,050							\$37,050					
57	Segment 39--Beck Road, West Side, from 11 Mile Road to Providence	Municipal Street Fund	\$184,441	\$184,441							\$184,441					

PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCES(S)	TOTAL PROJECT COST	TOTAL CITY COST	BUDGET		PROJECTED				FORECAST					
				FY2014-15		FY2015-16		FY2016-17		FY2017-18		FY2018-19		FY2019-20	
				Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST
Sidewalks & Pathways															
58	Segment 154--10 Mile Road (8' foot Pathway) South Side, Between Pheasant Run and Quince Drive, with Crosswalk to North	Municipal Street Fund	\$288,770	\$288,770								\$288,770			
59	M-5/I-275 Regional Trail Connection - Phase II - Meadowbrook Road and 13 Mile Road, between 12 Mile Road and M-5	Municipal Street Fund, Potential Transportation Enhancement Grant	\$1,118,730	\$385,346								\$97,000	\$733,384	\$288,346	
60	Segment 93--9 Mile Road, Novi Road to Taft, North Side (6' foot Sidewalk) Concrete	Municipal Street Fund	\$288,920	\$288,920								\$63,550		\$225,370	
61	Segment 99--10 Mile Road, South Side, from Wixom Road to Beck Road (8' foot Pathway)	Municipal Street Fund	\$462,312	\$462,312								\$462,312			
62	Installation of Crosswalks on 12 Mile Road, at Donelson Drive and Cabaret Drive	Municipal Street Fund	\$476,000	\$476,000								\$476,000			
63	Segment 119--Meadowbrook Road, East Side, (6' foot Sidewalk) 8 Mile Road to 9 Mile Road	Municipal Street Fund	\$377,000	\$377,000									\$377,000		
64	Segment 90-10 Mile Road, (8' foot Pathway) South Side, Novi Road to Chipmunk Trail - Concrete	Municipal Street Fund	\$287,800	\$287,800									\$287,800		
65	Non-motorized Crossing of I-96 at Novi Road	Municipal Street Fund	\$763,100	\$763,100									\$142,700	\$620,400	
66	Segment 88--9 Mile Road, North Side, Novi Road - Railroad (6' Sidewalk) Concrete	Municipal Street Fund	\$178,302	\$178,302										\$178,302	
67	Segment 29--12 Mile Road, South Side, Between Meadowbrook Road and Novi Road	Municipal Street Fund	\$69,200	\$69,200										\$69,200	
68	Segment 70--Meadowbrook Road (8' wide, west side)--Gateway Village to 11 Mile	Municipal Street Fund	\$451,850	\$451,850										\$451,850	
69	Segment 5--14 Mile Road, South Side, Beach walk to East Lake Drive	Municipal Street Fund	\$64,300	\$64,300										\$64,300	
70	Segment 84--Meadowbrook Road, 9 Mile Road to 10 Mile Road (6' Sidewalk) for East Side	Municipal Street Fund	\$795,013	\$795,013										\$795,013	
71	Non-Motorized Crossing of I-96 at Taft Road	Municipal Street Fund	\$2,070,172	\$2,070,172										\$2,070,172	
Sidewalks & Pathways Total			\$11,878,483	\$11,145,099	\$1,207,890	\$503,534	\$284,387	\$2,959,868	\$733,384	\$1,650,283				\$4,539,137	
Storm Sewer & Drainage															
72	Streambank Stabilization-Bishop Creek and Ingersol (10 Mile to Meadowbrook)	Drain Fund	\$927,050	\$927,050	\$176,390	\$750,660									
73	Orchard Hill Place Regional Detention Basin Improvement	Drain Fund	\$152,975	\$152,975	\$26,375	\$126,600									
74	Middle Rouge at Flint Street, Streambank Stabilization	Drain Fund	\$337,840	\$337,840	\$337,840										
75	Village Wood Lake/Village Oaks Lake Inlet and Outlet Improvements	Drain Fund	\$929,170	\$929,170		\$929,170									
76	Bishop District New Sedimentation Dredging Near 11 Mile Road	Drain Fund	\$200,832	\$200,832				\$200,832							
77	Rotary Park Streambank Stabilization	Drain Fund	\$160,900	\$160,900				\$160,900							
78	Streambank Stabilization Ingersol Creek (10 Mile Road to Willowbrook Drive)	Drain Fund	\$409,397	\$409,397					\$87,137		\$322,260				
79	Streambank Stabilization Bishop Creek (along Meadowbrook, north of Grand River)	Drain Fund	\$531,197	\$531,197							\$531,197				
80	Streambank Stabilization on Rouge River near 9 Mile Road	Drain Fund	\$1,316,820	\$1,316,820										\$1,316,820	
Storm Sewer & Drainage Total			\$4,966,181	\$4,966,181	\$540,605	\$1,806,430	\$361,732	\$87,137	\$853,457					\$1,316,820	
Sanitary Sewer															
81	Sanitary Sewer Upgrade to Increase Pipe Capacity - 9 Mile Road East of Meadowbrook Road.	Water & Sewer Fund	\$514,000	\$514,000	\$514,000										
82	Park Place Pump Station Upgrades	Water & Sewer Fund	\$240,000	\$240,000	\$240,000										
83	8 New Sewer Flow Meters	Water & Sewer Fund	\$40,000	\$40,000	\$40,000										
84	Sanitary Sewer Upgrade to Increase Pipe Capacity - 9 Mile Road, West of Novi Road	Water & Sewer Fund	\$350,000	\$350,000		\$350,000									
Sanitary Sewer Total			\$1,144,000	\$1,144,000	\$794,000	\$350,000									

*Projects with prior commitment, grant, etc.

PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCES(S)	TOTAL PROJECT COST	TOTAL CITY COST	BUDGET		PROJECTED				FORECAST						
				FY2014-15		FY2015-16		FY2016-17		FY2017-18		FY2018-19		FY2019-20		
				Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	
85	12" inch Water Main Along 14 Mile Road, Haverhill to Maples-New	Water & Sewer Fund	\$140,000	\$140,000		\$140,000										
86	16" inch Water Main Along Meadowbrook Road Under I-96	Water & Sewer Fund	\$489,000	\$489,000		\$489,000										
87	16" inch Water Main Along 9 Mile Road, Center to Novi Road	Water & Sewer Fund	\$499,000	\$499,000		\$499,000										
88	Cabot Road Meter Installation and 24" inch Connection with Detroit Water and Sewerage Department (DWSD)	Water & Sewer Fund	\$832,000	\$832,000				\$832,000								
89	Cabot 24" inch Water Main, MacKenzie to 14 Mile Road	Water & Sewer Fund	\$710,000	\$710,000				\$710,000								
90	12" inch Water Main Along 8 Mile Road, Club Lane to Turnberry	Water & Sewer Fund	\$203,000	\$203,000				\$203,000								
91	12" inch Water Main Along 10 Mile from Wixom to Terra Del Mar	Water & Sewer Fund/Private Funding	\$421,000	\$421,000						\$421,000						
92	12" inch Water Main Along 11 Mile Road, Lee BeGole Drive to the West	Private Funding	\$413,000	\$413,000						\$413,000						
93	12" inch Water Main on 11 Mile Road, Seeley to Meadowbrook Road	Water & Sewer Fund	\$819,000	\$819,000							\$819,000					
94	12" inch Water Main Along Haggerty Road North of 12 Mile Road	Water & Sewer Fund	\$128,000	\$128,000							\$128,000					
95	11 Mile Road Water Main Gaps, Taft to Beck Road	Water & Sewer Fund	\$474,500	\$474,500							\$474,500					
Water Distribution Total			\$5,128,500	\$5,128,500		\$1,128,000		\$1,745,000		\$834,000		\$1,421,500				

Parks

96	Ella Mae Power Park Access Road, Parking Lot and Pathway Resurfacing - Phase III	Parks, Recreation & Cultural Services	\$33,140	\$33,140		\$33,140										
97	Greenway Development Phase IA (ITC Community Sports Park to 9 Mile Rd.)	Parks, Recreation & Cultural Services/Potential Grant	\$445,552	\$445,552		\$445,552										
98	Ella Mae Power Park Play Structure Replacement	Federal/State Grant/Potential Grant	\$85,000	\$85,000		\$85,000										
99	Brookfarm Park Parking, Tables and Grills	Parks, Recreation and Cultural Services	\$39,880	\$39,880				\$39,880								
100	ITC Community Sports Park Pathway Resurfacing	Parks, Recreation & Cultural Services	\$85,670	\$85,670				\$85,670								
101	Tim Pope Play Structure Replacement	Parks, Recreation & Cultural Services	\$250,000	\$250,000					\$250,000							
102	ITC Community Sports Park Trail	Parks, Recreation and Cultural Services	\$439,637	\$439,637				\$439,637								
103	ITC Community Sports Park Asphalt Paved Parking lots	Parks, Recreation & Cultural Services	\$374,924	\$374,924							\$374,924					
104	Pavilion Shore Park - Phase V (Water Feature and Restroom Facility)	Parks, Recreation and Cultural Services	\$420,000	\$420,000							\$420,000					
105	ITC Community Sports Park Play Structure Replacement	Parks, Recreation & Cultural Services	\$75,000	\$75,000							\$75,000					
106	Lakeshore Park Asphalt Paved Parking Lot and Drive - New	Parks, Recreation and Cultural Services	\$228,276	\$228,276							\$228,276					
107	Pavilion Shore Park Play Structure - New	Parks, Recreation & Cultural Services/Potential Grant	\$104,955	\$104,955							\$104,955					
108	Disc Golf Course at Power Park	Parks, Recreation and Cultural Services	\$73,100	\$73,100							\$73,100					
109	Wildlife Woods Trail	Parks, Recreation & Cultural Services	\$95,630	\$95,630							\$95,630					
110	Greenway Development Phase IB (9 Mile Rd. to Fire Station 4 Parking Lot)	Parks, Recreation & Cultural Services/Potential Grant	\$1,345,065	\$1,345,065									\$1,345,065			
111	Field/Parking Development with Novi Community School District for School's 11 Mile/Beck Road Property	Parks, Recreation & Cultural Services	\$182,000	\$182,000									\$182,000			
112	Ella Mae Power Park Irrigation and Fencing Fields 5 & 6 Replacement	Parks, Recreation & Cultural Services	\$113,380	\$113,380												\$113,380
113	Ella Mae Power Park Lighting - Ball fields 5 & 6 - New	Parks, Recreation & Cultural Services	\$255,000	\$255,000												\$255,000
114	Pavilion Shore Park Phase III (Pavilion and Waterfront Picnic Plaza, Site Lighting)-Grant Match	Parks, Recreation & Cultural Services/Potential Grant	\$270,900	\$81,300											\$189,600	\$81,300
Parks Total			\$4,917,109	\$4,727,509		\$563,692		\$565,187		\$250,000		\$1,371,885		\$1,527,065	\$189,600	\$449,680

Equipment

*Projects with prior commitment, grant, etc.

PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCES(S)	TOTAL PROJECT COST	TOTAL CITY COST	BUDGET		PROJECTED				FORECAST							
				FY2014-15		FY2015-16		FY2016-17		FY2017-18		FY2018-19		FY2019-20			
				Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST		
115	Lieutenant (Vehicle #336 - 2009 Ford Expedition) - Replacement	General Fund	\$57,000	\$57,000		\$57,000											
116	One - 1-Ton Dump Truck w/Plow, and Swap Loader - New	General Fund	\$110,000	\$110,000		\$110,000											
117	Roadside Mower - Replacement	Drain Fund	\$113,335	\$113,335		\$113,335											
118	Civic Center HVAC Air Handling Units #1 and #2 Replacement	General Fund	\$130,000	\$130,000		\$130,000											
119	Phone System Upgrade to Voice Over Internet Protocol (VOIP)	General Fund	\$146,671	\$146,671		\$146,671											
120	Police Department Air Handlers - Replacement	General Fund	\$151,800	\$151,800		\$151,800											
121	Three New Wing Plows	General Fund	\$45,000	\$45,000		\$45,000											
122	Firearms Training Simulator (FATS) Replacement	General Fund	\$74,650	\$74,650				\$74,650									
123	Zamboni Ice Resurfacers - Replacement	Ice Arena Fund	\$92,500	\$92,500				\$92,500									
124	Compressed Air Foam System - Engine #2 & #3 (Vehicles #322, 313) - New	General Fund	\$98,175	\$98,175				\$98,175									
125	Civic Center Parking Lot Video Project	General Fund	\$55,000	\$55,000				\$55,000									
126	Tanker #1 (Vehicle #311 - 1997 Chevrolet) - Replacement	General Fund	\$284,500	\$284,500				\$284,500									
127	Two Single-Axle 5 Cubic Yard Dump Trucks w/Front Plows & Underbody Scrapers - (Replaces #686 & #687, 1994 Fords)	General Fund	\$330,000	\$330,000				\$165,000	\$165,000								
128	Salt Dome Loading Conveyor	General Fund	\$170,000	\$170,000					\$170,000								
129	Munters Dehumidification Unit Replacement	Ice Arena Fund	\$184,500	\$184,500					\$184,500								
130	Two - Tandem-Axle Swap Loader Dump Trucks w/Front Plows, Underbody Scrapers (Replaces #699, 2000, #620, 2001 Sterling)	General Fund	\$568,000	\$568,000					\$284,000	\$284,000							
131	Public Address and Stereo System - Replacement	Ice Arena	\$26,100	\$26,100						\$26,100							
132	Bobcat All-Wheel Loader - New	General Fund	\$50,000	\$50,000						\$50,000							
133	One - Single-Axle 5 Cubic Yard Dump Truck w/Front Plow and Underbody Scraper - New	General Fund	\$165,000	\$165,000						\$165,000							
134	One - Single-Axle 5 Cubic Yard Dump Truck w/Front Plow and Underbody Scraper (Replaces #621, 2001 Sterling)	General Fund	\$165,000	\$165,000						\$165,000							
135	Four- Combination V-Box Salt Spreader Inserts	General Fund	\$240,000	\$240,000						\$240,000							
136	Mini Excavator Replacement (Replaces #622, 2000 Bobcat)	General Fund	\$85,000	\$85,000						\$85,000							
137	One - Single-Axle 5 Cubic Yard Dump Truck w/Front Plow and Underbody Scraper (Replaces #605, 2001 Osh Kosh)	General Fund	\$165,000	\$165,000						\$165,000							
138	One - 1-Ton Dump Truck w/Plow, and Swap Loader - New	General Fund	\$116,600	\$116,600						\$116,600							
139	Meadowbrook Commons Activity Center HVAC Units Replacement	Senior Housing Fund	\$36,403	\$36,403									\$36,403				
140	Rescue #2 (Vehicle #344 - 2011 Ford Expeditions) - Replacement	General Fund	\$69,200	\$69,200									\$69,200				
141	One Single-Axle 5 Cubic Yard Dump Truck w/Front Plow and Underbody Scraper (Replaces #698, 1998 Ford)	General Fund	\$165,000	\$165,000									\$165,000				
142	Truck-Mounted Combination (Jet and Vacuum) Sewer Cleaner Replacement (Replaces #614, 2007 Sterling Vactor)	General Fund	\$400,000	\$400,000									\$400,000				
143	Front-End Loader Replacement (Replaces #689, 1995 Case)	General Fund	\$252,000	\$252,000									\$252,000				
144	Squad #1 (Vehicle #314 - 2009 International MedTec Ambulance) - Replacement	General Fund	\$243,200	\$243,200													\$243,200
145	Ditching Machine (Replaces #675, 1991 Gradall)	General Fund	\$300,000	\$300,000													\$300,000
146	Grader (Replaces #612, 2005 CAT)	General Fund	\$300,000	\$300,000													\$300,000
147	One Tandem-Axle Swap Loader Dump Truck w/Front Plow, Underbody Scraper (Replaces #603, 2003 Sterling)	General Fund	\$284,000	\$284,000													\$284,000

*Projects with prior commitment, grant, etc.

PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCES(S)	TOTAL PROJECT COST	TOTAL CITY COST	BUDGET		PROJECTED				FORECAST						
				FY2014-15		FY2015-16		FY2016-17		FY2017-18		FY2018-19		FY2019-20		
				Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	Outside Leverage	CITY COST	
Equipment																
148	One - 1-Ton Dump Truck w/Plow, and Swap Loader (Replaces #633, 1998 GMC)	General Fund	\$123,200	\$123,200										\$123,200		
Equipment Total			\$5,796,834	\$5,796,834		\$753,806		\$769,825		\$803,500		\$1,296,700		\$922,603		\$1,250,400
Buildings & Property																
149	Arcade Demo and Upper Lobby Build Out	Ice Arena	\$50,000	\$50,000		\$50,000										
150	Villa Barr Park Property Sewer Extension	Water and Sewer Fund	\$304,000	\$304,000		\$304,000										
151	DPS Field Services Complex - Building Expansion (Construction)	General Obligation Bond, General Fund, Water & Sewer	\$10,487,880	\$10,487,880		\$547,560		\$4,970,160		\$4,970,160						
152	New Front Entranceway Doors and Foyer Remodel	Ice Arena Fund	\$35,000	\$35,000		\$35,000										
153	Fire Parking Lot Improvements (FS #2, #3, #4 & CEMS) - Replacement	General Fund	\$233,100	\$233,100		\$84,900					\$148,200					
154	Civic Center Parking Lot & Novi Way Improvements	General Fund	\$431,000	\$431,000		\$40,000		\$391,000								
155	Community Development Furniture Replacement	General Fund	\$189,351	\$189,351				\$189,351								
156	Police Parking Lot East Improvements	General Fund	\$36,000	\$36,000				\$36,000								
157	Police Access Driveway and Firearms Training Center Parking Lot - Replacement	General Fund	\$48,400	\$48,400					\$48,400							
158	Evaporative Cooling Tower Replacement	Ice Arena Fund	\$65,000	\$65,000					\$65,000							
159	DPS Mezzanine Build-Out	General Obligation Bond	\$456,500	\$456,500					\$456,500							
160	DPS Field Services Complex Improvements - Electrical	General Obligation Bond	\$430,628	\$430,628					\$430,628							
161	Library Parking Lot Improvements	General Fund	\$53,400	\$53,400					\$53,400							
162	Construction of a new Fire Station 1	General Obligation Bond	\$3,125,000	\$3,125,000					\$3,125,000							
163	Villa Barr Park Property Studio	Parks Recreation and Cultural Services	\$135,000	\$135,000							\$135,000					
164	Carpet (Training Center/2nd Floor) & Furniture Replacement (Records & Investigations)	General Fund	\$173,000	\$173,000							\$173,000					
165	Furniture Replacement - Police Training Center/EOC	General Fund	\$43,500	\$43,500							\$43,500					
166	Lakeshore Park Parking Lot Improvements	General Fund	\$33,600	\$33,600							\$33,600					
167	ITC Community Sports Park Parking Lot Improvements	General Fund	\$157,500	\$157,500							\$157,500					
168	Meadowbrook Commons Activity Center Partial Parking Lot Repair	Senior Housing Fund	\$75,245	\$75,245											\$75,245	
Buildings & Property Total			\$16,563,104	\$16,563,104		\$1,061,460		\$5,586,511		\$9,149,088		\$690,800				\$75,245

Budget Summaries—General Fund

The General Fund is used to account for all financial resources traditionally associated with City government, except those required to be accounted for in another fund. The General Fund includes police, fire, planning, engineering, building inspection, neighborhood services, public works, assessing and internal services such as information technology, finance and treasury. The two primary sources of revenue for this fund are general property taxes and State Shared Revenue. In addition, the General Fund also receives revenue from licenses and permits, grants, fines and forfeitures and interest on Investments.

GENERAL FUND REVENUE

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
Taxes	\$ 14,647,213	\$ 14,740,500	\$ 15,206,800
Licenses, Permits & Charges for Services	4,190,121	3,691,470	4,124,461
Federal Grants	104,070	35,000	20,000
State Sources	4,075,398	4,185,522	4,341,470
Other Revenue	167,358	733,470	732,970
Fines and Forfeitures	549,334	509,000	525,000
Interest Income	298,013	254,000	260,000
Transfers In	5,300,000	5,300,000	5,300,000
Appropriation - Fund Balance	-	-	(86,706)
	<u>\$ 29,331,507</u>	<u>\$ 29,448,962</u>	<u>\$ 30,423,995</u>

FUND BALANCE

Balance July 1, 2013	\$ 8,811,564
Estimated 2013-2014:	
Revenue	29,448,962
Expenditures	(30,603,264)
Projected Balance June 30, 2014	<u>7,657,262</u>
2014-2015 Budget:	
Revenue	30,510,701
Expenditures	(30,423,995)
Appropriation to 2014-2015	<u>86,706</u>
Estimated Balance June 30, 2015	\$ 7,743,968



General Fund

Licenses, Permits & Charges for Services

This revenue includes fees for various services and licenses. The revenue sources in this category include cable television franchise fees of \$980,000; and Public Safety (regional dispatching, ordinances, facility rentals, etc.) of \$561,961. Revenues also include \$2,611,500 in estimated fees paid by developers and contractors for the plan review, inspection of commercial, industrial and residential construction which partially covers the cost of the Community Development Department. This revenue is difficult to project since it is directly related to construction activity. The remaining revenue relates to liquor licenses and other fees collected by the Clerks Department for approximately \$106,000.

State Shared Revenue

The State Shared Revenue program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenues on a per capita basis. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). In 2011 the State introduced Public Act 63, the Economic Vitality Incentive Program (EVIP). Novi is eligible to receive this revenue. The State's estimates for the City of Novi for fiscal years ending June 30, 2014, and June 30, 2015, are the following:

	<u>Constitutional</u>	<u>EVIP</u>	<u>TOTAL</u>
FY 2013-2014	\$ 4,178,787	\$ 28,182	\$ 4,206,969
FY 2014-2015	\$ 4,287,430	\$ 29,040	\$ 4,316,470

*2.6% increase

Fines and Forfeitures

This activity includes court fees and fines and motor carrier fees, and is estimated to bring in approximately \$525,000.

Interest on Investments

This revenue is from investing temporarily idle funds and is estimated at \$260,000.

Other

This line item estimated at \$732,970 is made up of insurance rebates, sale of equipment, Novi Community School reimbursements, municipal service charges, etc.

Transfers from Other Funds

A transfer from the Public Safety Fund is made to the General Fund. The Public Safety Fund is a Special Revenue Fund. The revenue for this fund is generated from property taxes in accordance with a special City Charter millage that was authorized to supplement the operations of the police and fire departments, including payment for personnel-related expenditures and for the purchase of fire trucks, apparatus and equipment.

General Fund

Appropriations

The following schedule represents the appropriations by department. Following this schedule are the departmental overviews and significant accomplishments. While financial resources and personnel are shown by department, Novi staff work together cross-departmentally to provide services to Novi's customers and to complete projects. This is accomplished through cross-training, shared staff arrangements and "Venture Teams" (groups of individuals from various departments assigned to a project or challenge).

GENERAL FUND APPROPRIATION

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
CITY COUNCIL			
Personnel Services	\$ 3,906	\$ 4,748	\$ 4,757
Other Services and Charges	6,145	8,500	10,000
	<u>\$ 10,051</u>	<u>\$ 13,248</u>	<u>\$ 14,757</u>
CITY MANAGER			
Personnel Services	\$ 394,683	\$ 396,670	\$ 453,214
Supplies	345	800	800
Other Services and Charges	14,433	20,159	89,253
Capital Outlay	14,250	275	-
	<u>\$ 423,711</u>	<u>\$ 417,904</u>	<u>\$ 543,267</u>
FINANCE DEPARTMENT			
Personnel Services	\$ 618,900	\$ 550,634	\$ 630,637
Other Services and Charges	92,715	141,772	59,769
Capital Outlay	-	19,541	10,000
	<u>\$ 711,615</u>	<u>\$ 711,947</u>	<u>\$ 700,406</u>
INFORMATION TECHNOLOGY			
Personnel Services	\$ 543,984	\$ 558,589	\$ 609,475
Supplies	23,896	28,620	25,150
Other Services and Charges	90,073	111,177	140,101
Capital Outlay	36,021	169,552	180,929
	<u>\$ 693,974</u>	<u>\$ 867,938</u>	<u>\$ 955,655</u>

General Fund

GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
ASSESSING			
Personnel Services	\$ 442,412	\$ 462,189	\$ 468,540
Supplies	11,968	11,700	11,700
Other Services and Charges	438,206	355,625	335,500
	<u>\$ 892,586</u>	<u>\$ 829,514</u>	<u>\$ 815,740</u>
CITY ATTORNEY			
Other Services and Charges	\$ 384,736	\$ 455,000	\$ 430,000
CITY CLERK			
Personnel Services	\$ 488,441	\$ 449,687	\$ 470,676
Supplies	20,802	16,000	21,000
Other Services and Charges	19,651	31,370	41,850
	<u>\$ 528,894</u>	<u>\$ 497,057</u>	<u>\$ 533,526</u>
TREASURY			
Personnel Services	\$ 258,351	\$ 226,554	\$ 232,955
Supplies	22,605	25,500	26,500
Other Services and Charges	32,200	50,300	59,180
	<u>\$ 313,156</u>	<u>\$ 302,354</u>	<u>\$ 318,635</u>
FACILITY OPERATIONS			
Personnel Services	\$ 233,589	\$ 284,850	\$ 284,510
Supplies	15,096	22,800	24,800
Other Services and Charges	416,928	461,074	429,305
Capital Outlay	422,335	546,755	130,000
	<u>\$ 1,087,948</u>	<u>\$ 1,315,479</u>	<u>\$ 868,615</u>
HUMAN RESOURCES			
Personnel Services	\$ 359,872	\$ 369,077	\$ 368,446
Other Services and Charges	48,739	83,330	91,700
	<u>\$ 408,611</u>	<u>\$ 452,407</u>	<u>\$ 460,146</u>



General Fund

GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
NEIGHBORHOOD & BUSINESS RELATIONS GROUP			
Personnel Services	\$ 352,165	\$ 390,129	\$ 441,565
Supplies	9,013	9,850	9,850
Other Services and Charges	371,136	496,953	480,678
Capital Outlay	228,102	6,286	7,000
	<u>\$ 960,416</u>	<u>\$ 903,218</u>	<u>\$ 939,093</u>
GENERAL ADMINISTRATION			
Personnel Services	\$ 1,317,268	\$ 884,770	\$ 948,863
Supplies	50,117	57,000	55,000
Other Services and Charges	361,458	484,092	454,700
Capital Outlay	374,224	51,765	70,000
	<u>\$ 2,103,067</u>	<u>\$ 1,477,627</u>	<u>\$ 1,528,563</u>
PUBLIC SAFETY			
Personnel Services	\$ 13,698,831	\$ 14,349,007	\$ 14,237,552
Supplies	362,963	450,578	373,985
Other Services and Charges	1,484,096	1,634,702	1,708,030
Capital Outlay	378,872	728,140	353,800
	<u>\$ 15,924,762</u>	<u>\$ 17,162,427</u>	<u>\$ 16,673,367</u>
COMMUNITY DEVELOPMENT			
Personnel Services	\$ 1,725,994	\$ 1,792,775	\$ 1,877,421
Supplies	42,380	36,500	44,450
Other Services and Charges	106,070	226,759	423,064
Capital Outlay	63,917	45,993	23,500
	<u>\$ 1,938,361</u>	<u>\$ 2,102,027</u>	<u>\$ 2,368,435</u>

General Fund

GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
DEPARTMENT OF PUBLIC SERVICES			
Personnel Services	\$ 2,885,072	\$ 3,204,198	\$ 3,285,204
Supplies	109,576	137,192	140,615
Other Services and Charges	1,045,451	1,165,806	1,302,555
Capital Outlay	577,059	586,705	206,200
	<u>4,617,158</u>	<u>5,093,901</u>	<u>4,934,574</u>
Allocated to Other Funds	(1,923,570)	(2,248,784)	(2,248,784)
	<u>\$ 2,693,588</u>	<u>\$ 2,845,117</u>	<u>\$ 2,685,790</u>
PLANNING COMMISSION			
Supplies	\$ 194	\$ -	\$ -
Other Services and Charges	6,550	-	-
	<u>\$ 6,744</u>	<u>\$ -</u>	<u>\$ -</u>
TRANSFERS OUT			
	<u>\$ 1,002,323</u>	<u>\$ 250,000</u>	<u>\$ 588,000</u>
	<u>\$ 30,084,543</u>	<u>\$ 30,603,264</u>	<u>\$ 30,423,995</u>

Mayor and City Council (101)

Overview

The citizens of Novi elect the Mayor (two-year term) and the six members of Council (staggered four-year terms) as their representatives. The City Council has the power to adopt laws, ordinances and resolutions, to approve contracts and agreements, to adopt the budget, to levy taxes, and to set policy. The City Council appoints a City Manager who is accountable for all administrative functions that are not directed by the City Charter or ordinance upon another official.

2013– 2014 Significant Accomplishments

- Opened Pavilion Shore Park.
- Conducted a City Council Early Budget Input Session.
- Oversaw the administrative rectification of the “Main Street” site plan with the end goal of aiding in the future development of a highly visible area of the City.
- Participated in a Mayor's exchange with the Town of Fishers, IN.
- Established the Charter Review Committee to review and update the City's Charter, last updated in 1977, resulting in the approval of three Charter Amendments at the November 2013 General Election.
- Began the selection process for hiring a City Manager.
- Designated City-owned property on Ten Mile Road contiguous to Fire Station No. 4 for park purposes and designated as parkland on the Master Plan for Land Use and/or Community Recreation Plan.
- Welcomed international local government executives who visited Novi for study opportunities.



Capital Improvement Program

City Manager (172)

Overview

The City Manager's Office strives to effectively serve the City Council and public through responsible administration of all City affairs as well as demonstrate and promote the highest standard of ethics, professionalism, and integrity throughout the City organization.

The City Manager's Office fosters open and transparent communications, actively solicits and incorporates citizen involvement and participation, and achieves outstanding results through partnerships with other service providers in both the public and private sectors.

The City Manager's Office demonstrates through words, actions, and policies a commitment to treat all colleagues and citizens with respect, accountability and dignity.

2013 - 2014 Significant Accomplishments

- Recruited and hired an Economic Development Director.
- Implement Citizen Relationship Management System to assist citizens to connect with their local government.
- Implemented a Performance Measurement program to review and benchmark service delivery to other municipalities in Michigan and across the United States.



Finance & Purchasing (201)

Overview — Finance

The Finance Department provides high quality operational services including accounting, budgeting, debt administration, arbitrage reporting, grant reporting, accounts receivable, and accounts payable. Beyond these operational activities, the Finance Department also supports all financial aspects of initiatives stemming from the City Manager's Office towards the general promotion of fiscally responsible government. The department's diligence in these activities have earned accolades from the Government Finance Officers Association and helped maintain Novi's AA+ bond rating with Standard & Poor's.

The Department provides various support services to the businesses, citizens and other departments with regards to private development performance guarantee administration. Support services include advising policies, implementing procedures and amending ordinances as needed to meet the City's changing economic development environment, as well as utilizing current technological means to aid residents and businesses alike in fulfilling their obligations with the City (tax, utility payments, etc.).

The budget function provides financial planning, evaluation, forecasting and management analysis services in support of City operations.

The Department maintains the City's financial records in accordance with City Charter, State law, and generally accepted accounting principles (GAAP) by providing the highest quality, most efficient and cost effective accounting function. A comprehensive annual financial report is prepared each year in connection with the City's annual audit.

2013 - 2014 Significant Accomplishments

- Earned the annual Government Finance Officers Association Distinguished Budget Award for the 17th consecutive year.
- Earned the annual Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 13th consecutive year, and fifteen years total.
- Complying with the direction from the City Council and City Manager maintained the City's tax millage rate at 10.2000 mills, down from 10.5416 in fiscal year 2011-2012.
- Completed a Comprehensive Annual Financial Report for the City of Novi and achieved an unqualified (clean) opinion for the fiscal year ended June 30, 2013.
- Working in concert with the HCD Committee, completed the Program Year 2014 Community Development Block Grant (CDBG) recommendations to City Council and prepared final grant application with the County. Secured contracts with various outside agencies in compliance with CDBG grant regulations. Since 2001, **successfully managed over \$1.45 million in CDBG grant funds** for the City of Novi, helping those Novi residents meeting the grant qualifications with their home repair project needs.



General Fund

- Maintained active participation in the Michigan Government Finance Officers Association (MGFOA), Michigan Association of Certified Public Accountants (MACPA), American Institute of Certified Public Accountants (AICPA) as well as the national Government Finance Officers Association (GFOA).
- Began review of all policies and procedures to streamline operations and improve efficiency throughout the finance department. Revision of policies and procedures has also improved the flow of information from all other departments to finance.

Overview — Purchasing

The mission of the City of Novi Purchasing Department is to provide responsible procurement services to all City departments ensuring that our citizens benefit from the integrity, quality and efficiency of the department while maintaining the highest level of professional ethics by:

- Fostering maximum competition for City purchasing.
- Offering assistance and guidance on products, services, and procurement options.
- Optimizing purchasing leverage in concert with other municipalities, County, and State agencies.
- Providing potential suppliers with equal consideration of their products and services.
- Instilling confidence to our citizens that all bids are awarded in an equitable manner.

2013 - 2014 Significant Accomplishments

- Completed Invitation for Bids and RFPs (Request for Proposals) for construction of the Novi Dog Park, building updates for the Novi Ice Arena, road improvements, and sidewalk projects.
- Maintain & communicate the list of services, materials, equipment, projects, and contracts for which the City of Novi solicits bids or proposals so that Novi Community Schools, City of Northville, Northville Public Schools and Walled Lake Consolidated Schools may participate in the City's bids and RFPs in order to achieve cost savings.
- Participated in State, County, Michigan Intergovernmental Trade Network (MITN), and Michigan Association of Counties (MAC) CoPro+ cooperative purchasing programs to utilize contracts for gasoline, road salt, vehicles, and office supplies.
- Continued City participation on the surplus auction on the MITN website (www.mitn.info). In the first 6 months of fiscal year 2013-2014, 42 surplus items were sold on the auction generating net revenue of \$11,250. Since September 2007, 573 items have been sold on the auction generating net revenue of over \$511,000.



Information Technology (205)

Overview

The City of Novi Information Technology Department's mission is to form and maintain sustainable relationships with its business partners, leveraging the right balance of technology and governance to engineer technology solutions which are citizen-centric, cost-effective, and drive efficient public service delivery throughout the City.

The Information Technology (IT) Department maintains a City-wide service delivery focus while working in collaboration with all City service areas. The team develops plans and strategies for maximizing business value by making the City's technology resources available to more than 300 full-time/part-time staff, volunteers, and the community at large. IT staff provide project management expertise, application/hardware support, technology procurement guidance, custom training, enforcement of uniform governance standards, auditing services and cost-benefit analyses for technology alternatives and recommended solutions.

The IT Department also maintains the City's location based information services, resources, and products. Locational intelligence is an integral part of emergency service response, utility asset management, economic/community development, capital improvement planning, and recreation programming. The team's expertise enables the design of interactive web mapping resources, manage automatic vehicle locator (AVL) technology, provide reverse E-911 system support for over 60,000 landline subscribers, administer asset management systems, and professionally design over 30 standardized map products used by the community and staff to communicate how City services are delivered and ordinances are uniformly enforced throughout the community.

Departmental Objectives

- The key to success is maintaining effective communication channels with other City departments and intergovernmental partners.
- Constantly identify opportunities to equip the community with technology solutions delivering outstanding public service.
- Develop flexible, cost-effective Information Technology systems for the City including communications, data management, application enhancement/support, and extensible hardware infrastructure.
- Provide reliable and secure data center services and support for citywide information technology systems.
- Provide wide and local area network (WAN/LAN) design and support, including network monitoring and security.
- Provide support for hosted internet services as well as desktop support services.
- Embrace the virtual City Hall concept providing 24x7 citizen access.



General Fund

2013 - 2014 Significant Accomplishments

- Completed an annual PC refresh program which provides City Staff with the best possible tools to perform their respective tasks.
- Launched a new BS&A permitting and inspection system within the Community Development Department.
- The installation of a communication network at the Police Department in support the US Secret Service personnel co-located with City of Novi Public Safety professionals.
- Replacement of in-vehicle laptops and the installation of GPS AVL systems in 12 fire apparatuses
- Launch of the second phase of the Novi Enterprise Asset Management (NEAMS) providing access to DPS and Finance personnel to capture work performed on non-motorized and storm water infrastructure systems.
- Provided seamless workstation relocation transition services for City Hall workspace reconfigurations involving Finance, Human Resources, Treasurer's Office, and Police Building.
- Implemented a free public wireless Internet solution within City Hall, Police and DPS facilities.
- Deployed in-field technology resources (tablets) to both Building and DPS staff.
- Provided an iPad based deployment to the City's Planning Commission.
- *Backoffice server infrastructure upgrades to ensure maximum network service availability, reliability, and capacity exist to support all business systems.*

Assessing Department (209)

Overview

The mission of the Assessing Department is to uniformly and equitably value all taxable real and personal property within the City of Novi. The annual creation of this tax base provides funding for education, City services and other government functions. The Assessing Department continually works to improve the quality of service to the public and to deliver reliable information in a timely and professional manner.

The residential sector has recovered from the economic downturn that first became evident during 2007. For 2014, the Inflation Rate Multiplier (IRM) is 1.016 or 1.6%. This multiplier limits the amount of increase over a property's previous taxable. The 2013 multiplier was 2.4% and the twenty year average is about 2.4%. Obviously, the higher the annual multiplier, the more revenue that can be generated for city, schools, county, etc. While taxable value increases are limited, assessed value increases are not. The average residential increase for 2014 was 9.12%. By comparison, the 2013 residential increase over 2012 was 4.08%. Industrial properties again saw a value decrease, although a very slight one. Commercial properties, on the other hand, saw their first increase in assessed and taxable values since 2009. It was anticipated that the commercial and industrial recovery would be slower and more prolonged than that of the residential sector and that has proved to be true. The overall 2014 state equalized value of the city is still approximately 15% below the peak of 2007. The 2014 taxable is about 15% less than that of 2008. As the city recovers from the recession, due to legislated limitations, the gap between assessed and taxable values will begin to widen again.

If the statewide IRM were to be 2% annually, it would take another eight years to return to the taxable value level that the City of Novi enjoyed in 2007. At the current pace, the SEV would return to the 2007 level in two years.

STATE EQUALIZED VALUE TOTALS						
Tax Year	Personal Property Tax*	Commercial/Industrial	% of Total**	Residential	% of Total	Overall
2008	210,456,740	1,270,942,600	38%	2,395,555,450	62%	3,876,954,790
2009	233,170,160	1,313,896,100	41%	2,194,995,650	59%	3,742,061,910
2010	220,466,950	1,197,856,300	43%	1,902,861,350	57%	3,321,184,600
2011	220,678,540	1,022,625,150	41%	1,820,618,900	59%	3,063,922,590
2012	220,345,290	928,809,850	38%	1,855,175,200	62%	3,004,330,340
2013	223,698,750	893,516,550	36%	1,982,518,310	64%	3,099,733,610
2014	225,066,560	918,429,850	34%	2,221,694,700	66%	3,365,191,110
TAXABLE VALUE TOTALS						
Tax Year	Personal Property Tax*	Commercial/Industrial	% of Total**	Residential	% of Total	Overall
2008	210,456,740	1,133,315,240	38%	2,238,676,260	62%	3,582,448,240
2009	233,170,160	1,203,024,590	40%	2,118,748,880	60%	3,554,943,630
2010	220,466,950	1,121,427,690	40%	1,862,673,780	60%	3,204,568,420
2011	220,678,540	976,935,070	40%	1,781,997,870	60%	2,979,611,480
2012	220,345,290	890,883,160	38%	1,809,105,200	62%	2,920,333,650
2013	223,698,750	855,546,320	36%	1,892,836,510	64%	2,972,081,580
2014	225,066,560	861,684,810	35%	1,984,120,840	65%	3,070,872,210

*The City contracts with Oakland County for Personal Property Tax auditing

**This percentage of total includes commercial, industrial, and personal property values.



General Fund

Residential construction during 2013 (2014 additions) continued to do well although not quite to the level of 2013. New construction during 2013 will add over 56 million dollars in additions to the 2014 assessment roll. These additions are important because they are new revenue and will directly impact taxable value totals. While values of existing properties continue to recover, the new construction is an additional indicator that we have turned the corner. It is speculated that the residential additions may have underperformed the 2013 figures due to a scarcity of building sites. To that end at least four new residential developments were started during 2013 which should add to the number of available sites.

TAXABLE VALUE ADDITIONS FROM NEW CONSTRUCTION		
Tax Year	Commercial/Industrial	Residential
2007	41,311,030	71,569,150
2008	42,360,250	40,257,900
2009	61,918,050	24,148,500
2010	11,750,800	11,284,350
2011	1,226,600	24,556,780
2012	9,319,000	34,809,444
2013	10,819,884	50,738,800
2014	11,006,100	45,143,870

Much of 2013 was spent in the defense of assessed and taxable values at the Michigan Tax Tribunal. Unfortunately, the economy has been the motivator for many of these appeals. All residential appeals through 2013 have been addressed and reconciled while only 46 cases remain in entirety. It is anticipated that the number of cases in small claims and entirety will increase following the 2014 March Board of Review. However, it is also anticipated that, as the economy continues to recover, the volume of new appeals will decrease over previous years.

The department continues to provide useful information to the public through the internet. The department continues to digitally sketch buildings and makes those available on-line. We are approximately 100% complete on the residential portion of that project and expect the commercial and industrial portion will be finished during 2014. Reports indicate that assessing information is always one of the most frequented areas of the City web site.

City Attorney (210)

Overview

The City Attorney represents the City in civil and criminal proceedings and serves as legal advisor to the City, its agencies, and officials and in some instances its employees.

As legal advisor, the City Attorney prepares documents and instruments, drafts ordinances, renders formal and informal opinions, reviews contracts and performs other services as required by law.

City Attorney services are contracted through the firm of Johnson, Rosati, Schultz & Joppich, P.C. City Attorney legal support extends to City Council, Planning Commission, Zoning Board of Appeals, City Administration, and as needed, City Boards and Commissions. The City Attorney does not provide legal advice to members of the public.



General Fund

City Clerk (215)

Overview

The City Clerk's Office is responsible for administering all elections in accordance with State and Federal law. The City Clerk and Deputy Clerk are accredited by the Secretary of State under Michigan election law to conduct training for precinct inspectors appointed to serve in the polls at local, School, County, State, and Federal elections. Each election involves a three month cycle of preparation and follow-up. Elections may be held in February, May, August and November. In addition, a special election may be called by the Governor.

As the City's "Official Record keeper", the Clerk's office is responsible for document storage and retrieval of contracts, agreements, leases, bids, deeds, easements, City Code amendments and minutes of City Council and all Boards and Commissions. We respond to requests for public records in accordance with the Freedom of Information Act (FOIA) daily and maintain and produce documents that enable transparency of local government for the public.

The City Clerk attends all City Council Regular, Special, Ad Hoc and Budget meetings. Staff coordinates with all departments in the preparation of electronic Council packets. The Clerk's office posts and publishes notices of meetings, public hearings, zoning map amendments and adopted ordinances in accordance with the Open Meetings Act. All meeting actions are recorded, transcribed and maintained in the Clerk's office.

The City Clerk's Office maintains responsibility for the City's Property and Liability Insurance. The City Clerk's Office is also responsible for processing liquor license applications, ordinance amendments and resolutions adopted by City Council, issuing permits and licenses for refuse haulers, arcades, auctioneers, massage therapist permits, massage business licenses, pawnbroker, peddlers and non-commercial solicitor permits, precious items dealers, taxicab and outdoor gathering permits.

The Clerk's office provides notary services at no charge to residents. We are certified as a National passport acceptance agency and provide passport photo service on a daily basis.

2013 - 2014 Significant Accomplishments

- Conducted elections in accordance with State of Michigan election law, received certification from County Board of Canvassers and successfully completed an audit by the State of Michigan Bureau of Elections. Trained and employed 125 election inspectors throughout the City's 21 precincts and Absentee Counting Boards.
- Completed transactions in the State-mandated Qualified Voter File system, including 4,767 voter applications.
- Received, routed and provided response documents for 189 FOIA (Freedom of Information Act) requests.
- Accepted and processed 277 Passport applications and Passport Photos. Processed and issued 361 licenses and permits for auctioneers, arcade, massage business and massage therapists, peddlers, liquor, non-commercial solicitors, outdoor gathering, pawnbrokers, precious items dealers, refuse hauler and taxicabs.

Treasury (253)

Overview

The mission of the Treasurer's Department is to provide extraordinary service to the community through continued professional development and cross-training of our staff, and through credible, proactive and continued improvements to our procedures and technologies.

The Treasurer's Department is responsible for all monetary collections on behalf of the City of Novi. Treasury oversees the billing, collection and distribution of City, County, School and State Education taxes and prepares the delinquent tax rolls. The Department prepares all special billings and rolls, collects City receivables, conducts daily banking, and issues dog licenses on behalf of Oakland County.

The financial services for the Water and Sewer division are provided by the Department including billing and collection of water and sewer usage; calculation, invoicing and collection of capital charges; administration of monitoring agreements; and the distribution and reconciliation of payback agreements.

The Department prepares and issues all electrical, plumbing, heating/refrigeration, right-of-way and general permits. Bond guarantees, letters of credit and other security monies are collected, recorded, tracked and refunded through the Treasury Department.

The Department is responsible for investing public funds in a manner consistent with the City's Investment Policy with the primary focus and order of priority on security, risk and then yield.

2013 - 2014 Significant Accomplishments

- Ensured the safety of City funds by working with bank financial experts to incorporate programs consistent with our investment policy principles of safety, liquidity and yield.
- Partnered with Community Development and Information Technology to implement updates to the BS&A Building.net Module Software and internal processes to improve the efficiency of tracking, collection and refunding of escrows, bond guarantees and other security monies.
- Maintained approximately \$154 million in investments including post-retirement health care funding (as of December 31, 2013) by balancing interest rate risk, risk and concentration of risk.
- Implemented monthly water and sewer billing pilot program for the City's top one hundred customers by usage.
- Through mailings and other outreach, increased the number of customers utilizing E-billing and direct payment services enhancing customer service and improving cash flow for the City.
- As a result of a cross-departmental sub-committee, and a recent Request for Proposal, credit card and other electronic payment options will be expanded and made available to customers in the satellite collection locations in the City Clerks, Public Safety and Public Services departments.
- Continued to update City Policy and Procedures Manual.



General Fund

Facility Operations (265)

Overview

The Facility Operations Division's mission is to provide core operation, maintenance, and strategic planning for the City-owned building infrastructure. The Facility Operations Division will deliver these services in a safe, cost-effective, and energy efficient manner in support of the citizens and employees who use these facilities.

Facility Operations is responsible for the day to day operation of City-owned buildings. In this role they are accountable for asset management, preventative maintenance, energy reduction/management, HVAC, repair/renovation, electrical, and contracted services management.

2013 - 2014 Significant Accomplishments

- Awarded the 2013 IFMA (International Facilities Management Association) Facilities Achievement Award. This was the first time IFMA has ever recognized a government entity.
- The City of Novi was recognized for environmental leadership with the 2014 Michigan Green Communities Silver level certification.
- Facility Operations staff managed the Civic Center boiler replacement capital project that increased efficiency from 70% to 89%.
- Completed window replacement project at the Civic Center that eliminated nearly ten "ghosted" windows.
- Managed the roof replacement at the Villa Barr art property that included the installation of a 60-mil reflective roofing membrane that will reduce heating and cooling costs.
- Installed LED lighting in Civic Center Atrium that will cut over 4300 watts of energy that was previously demanded.
- Managed the assessment and capital HVAC improvement project at DPS that included the installation of three new high efficient HVAC units and the re-working of existing ductwork to allow more effective operation.
- Installed water bottle filling stations throughout the Civic Center and Police Headquarters that provides filtered water, while diverting thousands of plastic water bottles from hitting the landfill.
- Directed the design and installation of two air handling units at the Civic Center that provide air-flow to both the atrium and city offices.
- Managed Office renovations that included office furniture, painting, electrical, telecommunication/network access, and carpet upgrades involving the following departments:
 - ◇ Ice Arena
 - ◇ DPS private offices
 - ◇ Civic Center second floor (Finance and Economic Development.)
 - ◇ Field Operations service center

Human Resources (270)

Overview

The mission of the Human Resources Department (HR) is to provide vision, leadership and guidance while developing a work culture that supports continuous improvement. The department strives to attract, develop and retain a highly qualified, diverse and dynamic workforce. The goal of the department is to provide timely guidance and direction to management as well as the employees in all human resource functions.

HR is responsible for providing support to all City Departments by performing the centralized functions of recruitment, selection, testing, orientation, training and staff development. This function also includes the maintenance, negotiation, and labor management efforts, as well as the coordination and management of six bargaining groups. Unlike some local government municipalities, the City of Novi HR Department is also responsible for the coordination and administration of the City's various health plans for active and retired employees. The Payroll function also falls under the responsibility of Human Resources. Other programs offered through and administered by Human Resources is that of the Employee Assistance (EAP) and Employee Wellness programs. The EAP program provides employees with the resources to seek work/life balance in the areas of work place struggles, counseling (work life and personal life), management referrals, money management. The Wellness program offers various opportunities for employment-based wellness programs which may include weight management, healthy cooking, smoking cessation and various other wellness-based educational opportunities. Programs are marketed to improve overall health (physical or psychological) and incentives are offered (healthy snacks, gift cards, etc.).

The traditional HR functions including compliance with all employment law requirements such as Equal Employment Opportunity, Fair Labor Standards Act, Family Medical Leave Act, and American with Disability Act are managed through Human Resources.

2013 - 2014 Significant Accomplishments

- As of July 1, 2013 all employees eligible to receive healthcare benefits were contributing 20% of the annual premium (pursuant to PA 152 of 9/2011) through monthly payroll deductions.
- Human Resources re-negotiated and settled four of the six labor contracts: Police Clerks and Dispatchers (18 employees); Police Command Officers (12 employees); Police Officers Labor group (46 employees), and the Field and Clerical group (60 employees).
- By implementing a Medicare Advantage program for current retirees who are 65 or older, the City saved \$200,000 annually.
- Successfully completed search for a Finance Director/Treasurer/CFO
- Provided opportunities for employees to participate in wellness workshops and challenges that promote overall good health, in conjunction with the Patient Protection and Affordable Care Act. Such opportunities may include, but are not be limited to exercise challenges (altered according to employee ability), nutrition classes, health-related campaigns and events and incentives.



General Fund

Neighborhood and Business Relations Group (295)

Overview

The mission of the Neighborhood and Business Relations Group is to provide open and thorough communication between the City of Novi and all community members – business and residential. The Neighborhood and Business Relations Group includes Community Relations, Economic Development, and neighborhood support. A key element of the groups' efforts is to present a positive image of the City of Novi, internally and externally, through personal, printed, and visual communication, with citizen engagement as an overall goal.

In addition to attracting new business to the community, the Economic Development team works to retain and expand existing business in Novi.

The Community Relations team works with citizens, businesses, and City staff to ensure open lines of communication at all times. Community Relations is also responsible for coordinating employee engagement for the Novi staff team.

The Group also supports and coordinates City events and functions that promote community spirit, volunteer activism, encourage citizen engagement, and enhance the sense of community. Community Relations additionally leads the Employee Wellness and Engagement Series (EWES) to promote City spirit among employees and enhance work culture. Offerings include, but are not limited to Quarterly Employee Recognition Breakfasts, years of service recognition awards, annual picnic, National Employee Appreciation Day, Lunch and a Movie, and more.

2013 - 2014 Significant Accomplishments

- Partnered with Community Publishing & Marketing to produce the quarterly Novi Today publication at NO cost to the City.
- Completed Responsive Web Design enhancement of cityofnovi.org,
- Celebrated five facebook pages with more than 5,800 fans.
- Supported the Novi Farmer's Market through a variety of communication avenues, including television, print, and electronic media.
- Achieved a seventh "Gold" Promoting Active Communities Award from the Governor's Council on Physical Fitness.
- Coordinated Fall for Novi at the Novi Civic Center.
- Coordinated the Ethnic Taste and TuneFest with more than 1,000 people in attendance.
- Produced cable television programming, including Corporate Review, Beyond Books, Behind the Badge, Destination Recreation, Sheryl in the City, Update Novi, and Common Knowledge.
- In partnership with the Novi Police and Fire Departments, the Novi Youth Council hosted Addicted to Movies...not Drugs and Addicted to Games...not Drugs. They also participated in Project Sticker Shock and hosted the Senior Prom at WaltonWood.



General Fund

- Enhanced electronic monthly communications emailed to more than 9,000 residents and businesses.
- Coordinated and expanded the Employee Wellness and Engagement Series (EWE(s)) to enhance the work culture and overall health and wellness of Novi employees.
- Coordinated the annual Evening of Appreciation, Volunteer Appreciation Dinner, and State of the City Address with HOA Leader's reception.
- Coordinated and hosted the international CLAIR delegation.
- Managed the City of Novi's presence on Twitter and Pinterest.
- Launched the City's presence on Instagram.
- Coordinated the 2013 National Business Survey.
- Participated in more than a dozen ribbon cuttings.
- Co-sponsored an event at the Suburban Collection Showplace entitled Asian Pacific American Chamber of Commerce East West Business Connections.
- Conducted an average of five personal retention visits per month. The visits not only included the top employers within Novi but several small businesses.
- Novi hosted the Third Annual Battery Show at the Suburban Collection Showplace. Originally held in California, the Battery Show showcases the very latest advanced battery solutions for electric & hybrid vehicles, utility and renewable energy support, portable electronics, medical technology, military and telecommunications.
- Novi was chosen to participate in the kick-off of the Redevelopment Ready Communities Program by the MEDC.
- Completed a Communications & Marketing Toolkit.



General Fund

Public Safety (301 and 337)

Overview

The Public Safety Administration is responsible for directing the overall mission and operation of the Fire and Police Departments, including research, strategic planning, goal setting and fiscal and personnel management. The Public Safety Administration is accountable to the entire organization and the expectation is for the same level of accountability in return. More importantly, ALL personnel are accountable to the community of Novi. In addition, Emergency Preparedness is a key element and responsibility of the Administration and is carried out through cooperative partnerships with other City departments and professionals at the state, local and federal levels.

Police Department — Overview

The men and women of the Novi Police Department work tirelessly toward providing a safe and healthy community for all to enjoy. We embrace and utilize the most innovative programs available; always striving to be on the cutting edge of new technology. Our focus is on problem oriented and community oriented policing, which is fully embodied in the Department's mission statement, "Partners with our Community." The Novi Police Department is committed to proactively enhancing the quality of life and reducing the criminal fears of all community members.

The Operations Division responds to all emergencies and other calls for police service with uniform personnel. In addition, this division has primary responsibility for the enforcement of state and local laws and ordinances, traffic enforcement, preliminary case investigations, arresting offenders and prisoner processing.

The Support Services Division consists of the Communications Section, Records Section and the Investigations Section. The Communications Section receives incoming calls for service, dispatching police, fire and ambulance services for the City of Novi and other regional dispatch consortium members. The City of Novi provides emergency dispatch services for the entire City of Novi as well as for the City of South Lyon.

The Records Section is responsible for the storage and retention of all official police and fire documents. The unit is also responsible for all aspects of the police computer system as well as the management and storage of all digital in-car camera media, and the police building and Firearms Training Center closed circuit monitoring system.

The Investigations Section is comprised of detectives who conduct detailed follow-up investigations into all criminal matters and present their findings for criminal prosecution. The Investigations Section is also responsible for all crime prevention programs, our undercover assets in surveillance and narcotics, and the School Resource Officer partnership we have with the Novi Community School District.

Fire Department — Overview

The Novi Fire Department provides fire protection services as well as Basic Life Support, Fire Prevention & Education Services, and Fire Code and Commercial Inspection Services. The department has oversight and operational responsibility for coordinating and administering a private Advanced Life Support contract with Community Emergency Medical Services (CEMS). The men and women of the Novi Fire

Department work in concert with other public and private safety and emergency medical service providers to ensure a safe and efficient service delivery model.

The Novi Fire Department is responsible for providing the community of Novi with life and property protection from fire and other threatening situations. The Department takes pride in providing timely response and effective management of fire control situations, rescue, medical and environmental emergencies. The Department is involved in the enforcement of State laws and City ordinances that relate to fire protection. Inspections of commercial/industrial buildings and multiple dwellings are conducted to determine if buildings comply with Fire Protection Code.

The Novi Fire Department is a combination Department, staffed by full-time, part-time, and paid-on-call members.

The Operations Division responds to all fire, medical emergencies, hazardous material, and service incidents in Novi, as well as mutual aid requests from surrounding communities.

The Training Division provides fire, medical, and related instruction to members of the Department. Fire safety, cardiopulmonary resuscitation training and fire protection education programs are provided to the public.

2013 - 2014 Significant Accomplishments

- In an effort to promote and maintain a transparent form of public safety and provide valuable information to the citizens and businesses of Novi, the Police Department partnered with the Omega Group in January 2012 to provide an internet based crime mapping system. A well informed citizenry has proven effective in reducing crime and alleviating fear. Crimemapping.com is a cost-effective, web-based mapping system of Novi which allows visitors to view reported, verified criminal activity near an address; select crime types and data ranges; and generate reports. Throughout 2013, there were 11,666 hits to Crimemapping.com in the City of Novi.
- In support of the goals established by City Council, the Novi Police Department continues to pursue State, Federal and local law enforcement agencies to rent the Firearms Training Center. During 2013, the range was rented to Providence Hospital Security, the U.S. Postal Service, the Department of State Diplomatic Security Office, and U.S. Customs & Border Protection. Revenue in the amount of \$135,350 was generated in 2013.
- In September 2013, the Novi Police Department implemented Data Driven Approaches to Crime and Traffic Safety (DDACTS) in order to reduce crime and traffic crashes. DDACTS is an operational model that integrates location-based crime and traffic crash data to establish effective and efficient methods for deploying law enforcement resources. Through the use of geo-mapping technology, crime and traffic collisions are plotted on a map of the City of Novi to identify "hot spots." Uniform patrol officers are then directed to the area for enforcement action based on the deterrent of highly visible traffic enforcement and the premise that most crime often involves the use of a motor vehicle.



General Fund

- Throughout 2013, Police and Fire staff members continued their practice of holding weekly Computer Statistics or Comparative Statistics (COMPSTAT) meetings. The COMPSTAT process is a data driven performance-management tool capable of assisting the department's middle and upper management in assessing the efficacy of crime control and problem-solving activities and effective emergency services delivery throughout the community. The COMPSTAT meetings also provide an assessment tool for our DDACTS program.
- Throughout 2013, the Novi Police Department continued offering Pistol Safety Courses that fulfill state requirements for Concealed Pistol Licenses (CPL) to community members. This course is approved by the Michigan Council on Law Enforcement Standards (MCOLES). Class size is limited to 12 students. During 2013 classes were held in February (2), April, June, August, September, and November. The Police Department has successfully trained 199 persons since providing this service and have provided them with the documents that will allow them to secure their CPL. The registration fee is \$200. Revenue in the amount of \$10,800 was generated from fees collected in 2013.
- In February 2011, the Fire Department's first-ever Strategic Plan was completed and distributed. The Fire Department team members continue to strive towards accomplishing the action items of this document toward the ultimate goal of delivering service excellence and optimally functioning as a high performing organization.
- On Wednesday, February 20, 2013 the Novi Police Department received notification from the State Department legal attaché in New Delhi, India of the arrest of Lakshminivasa Rao Neruso. Nerusu is accused of killing his wife and two children in their Novi home in 2008. Investigators from the Novi Police Department worked collaboratively with the Federal Bureau of Investigation and U.S. Department of State to extradite Nerusu on a three count First Degree Murder warrant. The matter is set for trial in May 2014 in Oakland County Circuit Court.
- On March 15, 2013, the Novi Police Department hosted four high-ranking officials from the National Police of Moldova through the U.S. Department of State's International Leadership Program. The goals of the program are to familiarize the participants with the United States criminal justice system at the local, state and federal levels, including criminal investigations, gathering and disseminating information, and street level community policing efforts.
- The Fire Department and Public Safety Administration continue to place considerable emphasis on the recruitment and marketing efforts for paid-on-call firefighter positions.
- The City of Novi entered into a three year agreement with the Oakland County Sheriff's Office for dedicated marine patrol services on Walled Lake. The marine patrol represents an effective and efficient use of City resources and provides an additional layer of safety and accountability to our boating community and residents with lakefront property. The deputies conducted 90 boat inspections and 695 boater contacts during 152 hours of patrol. The total cost to the City during the 2013 boating season was \$4,803.
- In 2013 the CERT (Community Emergency Response Team) graduated a class of 11 students. The City now has 243 CERT volunteers in total.
- The 5/3 Michigan State Fair was held at the Suburban Collection Showplace August 30th through September 2nd. Members of the Uniform Division partnered with the Novi Fire Department and Michigan State Police to provide a safe environment for all in attendance.

- The Novi Police Department continued its partnership with the United States Secret Service to host the Southeast Michigan Financial Crimes Task Force. Early successes include the arrest of an individual responsible for defrauding several car dealerships throughout Southeast Michigan, including two in Novi in excess of \$40,000 in automotive parts and the arrest of an individual operating a Downriver cell phone store who was purchasing stolen and fraudulently obtained cell phones and shipping them overseas.
- The partnership with the Michigan State Police completed its second year of service from the Novi Police Department building. In addition to increased visibility as the troopers use secondary roads to access the freeway, the MSP have assisted with local events such as the 5/3 Michigan State Fair and extra patrols during significant events.
- In July 2013 the Novi Fire Department began a three station staffing coverage. The new coverage provides two Paid-On-Call and/or Auxiliary firefighters in the station from 6pm-6am Wednesday-Friday and during the day shift from 8am-8pm on Saturday and Sunday. The primary focus is to have the stations staffed during the peak hours as identified in our statistical data review of CY 2012. The Department continues to monitor the response times for this new initiative.
- The City of Novi sought out a competitive bid for Advance Life Support and Ambulance service and signed a new contract with Community Emergency Medical Service (CEMS). The contract went into effect on January 23, 2013, covering three (3) years with two (2) additional one-year options, for a total of five (5) years. The bid includes a commitment by CEMS to reduce the response time on priority calls from 8 minutes to 7.5 minutes or less, 90% of the time, by providing three (3) dedicated ambulances to the City of Novi.

Statistics – Police

- During 2013 the police cadets conducted 4,937 prisoner checks, processed 1,636 prisoners, administered 351 preliminary breath tests, released 480 vehicles, handled 172 lobby incidents, documented 496 crash reports, and overall were responsible for handling 10,531 calls for service during their 7,928.25 of hours worked. In addition, the cadets have gained valuable experience and training in preparation for a career in law enforcement.
- Uniform officers conducted 24,495 traffic stops and issued 15,080 citations during 2013.
- The Novi Police Department maintained a clearance rate of 41.75% of all part “A” crimes. The average for the State of Michigan is just above 20%.
- Larceny complaints decreased by 20% and Vandalism complaints decreased by 29% in 2013.
- The total number of Part A crimes decreased by 4.25%, the first reduction in the overall crime rate since 2010.
- In 2013, members of the Novi Police Department received 6,222 hours of training.

Statistics – Fire

- There were 1,330 initial business fire inspections.
- There were 3,002 total fire inspections details.



General Fund

- The Fire Department logged 6,110 incident activities in 2013.
- There were 106 total fires reported in 2013, a 13% decrease from 2012. Of the 106 fires, 56 were reported structure fires, a 3% increase from 2012.
- EMS responded to 3,321 incidents.
- The Fire Department investigated 50 power outages, 47 of which involved downed power lines.
- Fire Department averaged a 5:46 minute (alarm to arrival) to all priority emergencies in 2013 representing a 6 second decrease over 2012 figures.
- The Department continued to grow prevention programs
 - ◇ 243 Child Car Safety Seat Inspections
 - ◇ 52 Fire Prevention Education programs
 - ◇ Three Fire Extinguishers Classes
 - ◇ 36 CPR/First Aid Classes
 - ◇ 20 Details to check multiple Blood Pressures
 - ◇ 115 Home Fire and Fall Prevention Home Inspections

Emergency Preparedness

- CERT volunteers logged 1,487 hours, while assisting at various city sponsored events and participating in several training exercises in 2013. The most current hourly figure assigned to volunteer hours is \$22.14 for a net benefit/savings to the City of Novi of \$32,922.
- In March, the City of Novi conducted an Emergency Operations Center (EOC) activation drill and table top exercise. Personnel with the Public Safety Department and other key team members were notified of the emergency drill and summoned to the EOC. The exercise provided an opportunity for participants to discuss their roles and responsibilities in a major emergency.
- A table top exercise was conducted at Metalsa Light Truck located on Hudson Drive.
- On August 3, 2013, Novi CERT held a training exercise at Wildlife Woods Park. Thirty-one people participated in the exercise.
- On September 15, 2013 Michigan Fire Departments held a massive emergency preparedness exercise at the Suburban Collection Showplace. The exercise was designed to help prepare Michigan fire departments for large-scale disasters like terrorism incidents, industrial accidents or hazardous weather where the Mutual Aid Box Alarm System (MABAS) was activated.
- Members of the Novi Police and Fire Departments participated in a table top exercise at Twelve Oaks Mall.

Community Engagement

- The Police Department has 13 Handicap Parking Enforcement volunteers who also assist with conducting home checks as part of the Department's Home Watch program for residents on extended vacation.
- The 35th Session of the Lakes Area Citizen Police Academy was completed.
- The Novi Police and Fire Departments participated in Blood Drives in May and October.
- In January, the Novi Police Department hosted two free workplace violence seminars.
- The Novi Fire Department, in cooperation with Safe Kids, held a Child Car Seat Inspected Event at Fire Station #4.
- In July, thirty-seven (37) students graduated from the Novi Youth Police and Fire Academy.
- On August 6, 2013, members of the Police and Fire Departments partnered with the Target Corporation for the 'National Night Out' event held at the Novi Target Store.
- As part of our continuing efforts to enhance the health and safety of Novi, the City of Novi, the Novi Police and Fire Departments together with Providence Hospital hosted the 4th Annual Emergency Run.
- The number of subscribers to the Nixle, Novi Public Safety Team grew to 1,441.
- Partnered with the Drug Enforcement Administration (DEA) to provide citizens an opportunity to participate in the National Prescription Drug Take-Back Day.
- Assisted the Novi Rotary with their annual senior luncheon held at the Novi Middle School.
- Participated in the annual Fraternal Order of Police (FOP) Lodge 128 "Shop with a Cop" event held at the Novi Target store.

Project Completions:

- Three new prisoner property lockers were installed for a total of 67 lockers.
- The Novi Fire Department took delivery on a new HME/Ahrens Fox fire apparatus. City Council approved the purchase of a new Pumper/Rescue Truck and new loose equipment for a total of \$519,432. The new engine replaced a 1995 Seagrave, with over 17 years of service and over 70 thousand miles.
- The GPS Fire Modules Mapping and Equipment tracking program was launched as a pilot program.
- The front parking lot at the Police Department was replaced for a total cost of \$66K.
- Contracted with Sidock Group, Inc. for the long-term facility needs assessments for the Department of Public Services and the Department of Public Safety in the amount of \$49,742. The results of the assessment will be reviewed in April 2014.



General Fund

Community Development — Building, Code Enforcement & Planning (371 and 807)

Building & Code Enforcement — Overview

The Community Development Department strives daily to apply the vision and goals set by the City Council, Commissions and Boards to the development and transformation of the Novi community. Quality development constructed in accordance with the high standards contributed to Novi's ability to weather the recent economic storm better than many similar communities. As economic conditions continue to improve, so does the opportunity to leverage the desirability and stability of the community to attract new businesses and residents with first class development, investment, and job opportunities.

The continuum of planning through physical construction followed by maintenance and redevelopment of the built environment remains a high priority. Development standards need to reflect uses, materials and processes that did not exist a decade ago. Continued implementation of the Non-Motorized Master Plan focuses on pathways and sidewalks to enhance the quality of life for Novi residents and the character of the community, while prioritizing the allocation of funds and other resources for improvements to the non-motorized network. Continuous improvement and refinement of the Zoning Ordinance through amendments and Master Plan recommendations balance the priorities of the residential, development and business communities.

The Community Development Department continues to work closely with the Economic Development staff to make sure that "no one gets away." This often means expending extraordinary effort to assist, guide and support new businesses and developments in the City.

Ordinance Enforcement continues to be a significant need and this will hold true for the near future. Whether addressing minor yard maintenance, signage and zoning violations, soil erosion and sedimentation control or removing entire buildings, these efforts are effective throughout our neighborhoods and are carried out in cooperation with many other departments.

2013 - 2014 Significant Accomplishments

- Clear Zoning project: Reformatting of the existing Zoning Ordinance to ease access and clarity with links to definitions: a draft expected to be presented to the Planning Commission in March 2014
- Completed the Town Center Area Plan.
- Continued development and growth in use of the capabilities of the Building.Net software including project closeout and workflow.
- Laptops in vehicles for Building and Trade Inspectors to allow more efficient access to permit records and quicker results communication to contractors.
- Tablet PCs were implemented for Planning Commission allowing for the use of electronic meeting packets.
- The Planning Commission reviewed 40 site plans in 2013, compared with 20 site plans in 2012.
- Spring and Fall Tree Planting of 600+ trees.
- Four Zoning Ordinance amendments were prepared and processed in 2013.



General Fund

- Building Division performed over 16,000 review and inspection action on 6374 permit activities. Over 98% of the 15, 290 inspections were performed the next business day.
- Guest Service Policy implementation, training and measurement with partnership with PRCS.
- Ordinance Enforcement staff addressed nearly 1500 issues with notices of violations, followed up on 323 complaints, removed 2021 unauthorized signs in the right of way and performed over 600 Soil Erosion Control inspections.



General Fund

Department of Public Services (442)

Overview

The mission of the Department of Public Services (DPS) is to provide quality services in the areas of infrastructure asset management, engineering, parks maintenance, forestry operations, and fleet asset management. The DPS is organized into four functional divisions: Field Operations, Water and Sewer, Engineering, and Fleet Asset. Each has a distinct purpose that provides measurable value to the City of Novi.

Field Operations Division: The Field Operations Division plays a key role in optimizing the useful life of many of Novi's infrastructure assets. Field Operations is responsible for road maintenance and repair, ice and snow removal, bridge maintenance, drain maintenance, street light maintenance, implementation of the City's mosquito control program, recycling center operation and maintenance, roadside debris clean-up, community special event support, park maintenance, traffic control sign fabrication, installation and repair. Field Operations is also responsible for maintaining the City's fleet, which is made up of over 300 vehicles and pieces of heavy equipment. The fleet is maintained at separate maintenance facilities located at the Field Services Complex and Police Department Headquarters.

Water & Sewer Division: The Water & Sewer Division is responsible for the management of the City's water distribution and sanitary sewage collection systems. Water & Sewer workers operate, maintain, monitor, and control pipelines, water system pump stations, sanitary sewage lift stations, and meters. Maintenance activities include reactive, routine and preventive maintenance services that preserve the useful life of the City's water and sanitary sewer infrastructure.

Engineering Division: DPS's Engineering Division is primarily responsible for performing civil engineering activities related to:

- The planning, design and construction of public capital projects (i.e. public road, water and sewer projects).
- Site plan review and oversight of the design and construction of private development projects as they relate to civil engineering infrastructure (i.e. roads, water and sewer components of residential, commercial and industrial development projects).
- Coordinating and controlling engineering inspection of public and private construction projects.
- Issuing permits for and inspecting construction in the City's rights-of-way.
- Technical assistance provided to other DPS divisions and other City departments that need professional civil engineering support.

DPS staff members are committed to responding to and efficiently fulfilling service requests while maintaining the high quality of service that Novi residents expect. DPS's top priority is to provide a safe and healthy environment for the residents and business owners of the community. The department is comprised of dedicated and professional individuals who have a shared goal of ensuring the health, safety, and welfare of the community by maintaining:

- 180 miles of City roadways and over 2,100 traffic control signs to ensure safe travel;

- 306 miles of water main to provide safe drinking water;
- 243 miles of sanitary sewer to protect public health; 2,600 storm drainage catch basins;
- Over 1,100 acres of park land;
- Over 36,000 trees along public streets and in municipal forests; and,
- Over 300 vehicles and major pieces of construction/maintenance equipment.

2013 - 2014 Significant Accomplishments

- Completion of several renovations and improvements at the Field Services Complex, including:
 - Construction of a canopy over the fuel island.
 - Completion of power washing and painting fleet division maintenance area.
 - Installation of DPS HVAC Upgrades to include three new rooftop heating/cooling units.
 - Construction of an ADA-accessible lift to the mezzanine.
- Rehabilitation of 7.3 miles of local streets as part of the 2013 Neighborhood Road Program.
- Completion of the Novi Road Pathway, which provides a continuous pathway connection between Nick Lidstrom Drive and Nine Mile Road.
- Construction of the first section of a 10-foot wide regional pathway within the ITC corridor in cooperation with Medilodge of Novi.
- Substantial completion of Pavilion Shore Park Phase I and II construction.
- Optimized water storage design resulting in \$2.5M in construction savings to City.
- Submitted SAW grant application for over \$1M in potential grant funding to improve the condition of Novi's sanitary sewage collection system.
- Completed sewer cleaning and CCTV inspections for 20% of the Rouge Valley sewage collection system.
- Completed tabletop exercise to assess emergency response capabilities in the event of a water emergency.
- Recognized as one of the only three road agencies in North America with an American Public Works Association "Excellence in Snow and Ice Control" Award.



General Fund

- Continued to improve and modernize the City's snow plow fleet so that most trucks now have the capability to:
 - Apply low cost liquid salt brine to the pavement.
 - Control the rate at which expensive rock salt gets dispensed from the truck.
 - Be remotely located using GPS technology so that snow and ice removal operations during winter storms can be effectively managed and communicated.
- Outfitted four tandem and single-axle trucks with wing plows, resulting in a 33% increase in plowing efficiency.
- Awarded the President's plaque from the Keep Michigan Beautiful organization for implementing environmentally sound winter maintenance best practices.



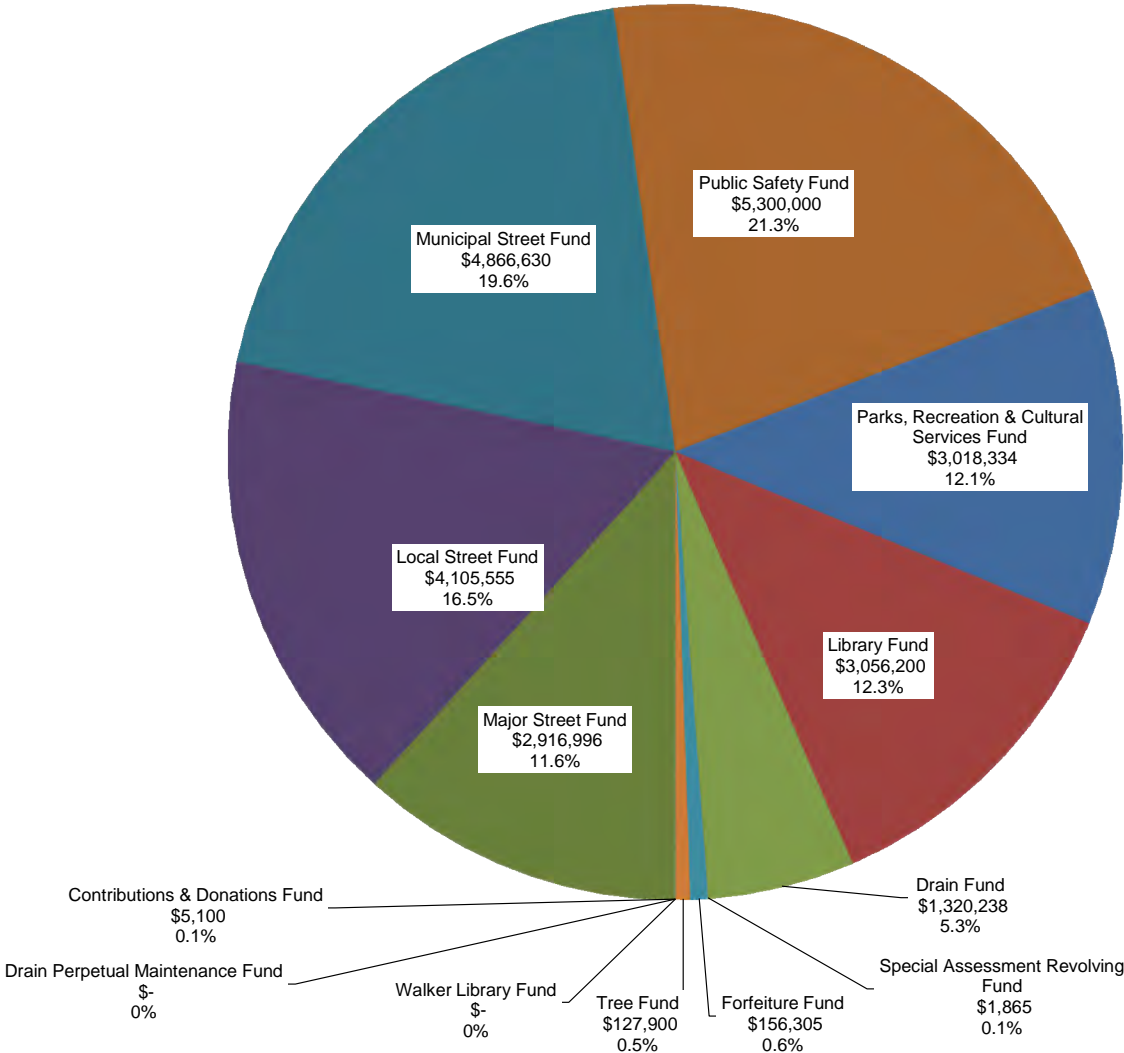
Special Revenue Funds

Budget Summaries — Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The City of Novi has thirteen Special Revenue Funds that are accounted for separately.

**Special Revenue Funds
2014-15 Budgeted Revenue by Fund**
(includes Appropriation of Fund Balance)

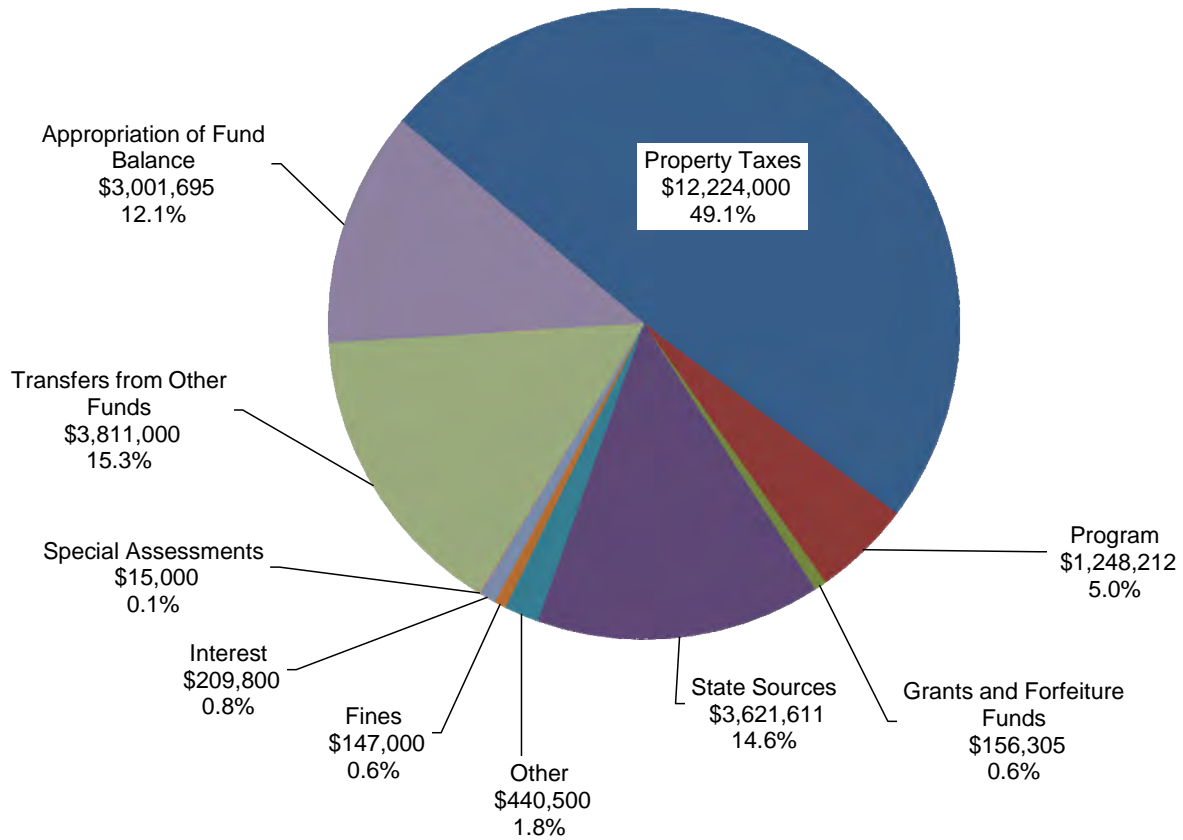


Special Revenue Funds

Revenue

Special Revenue Funds are required to account for revenue intended for limited purposes. For example, property taxes levied for library purposes must be budgeted and accounted for to assure that the revenue is used only for library purposes.

**Special Revenue Funds 2014-15 Budget
Revenue by Category**



Revenue \$21,873,428

Appropriation of Fund Balance \$3,001,695

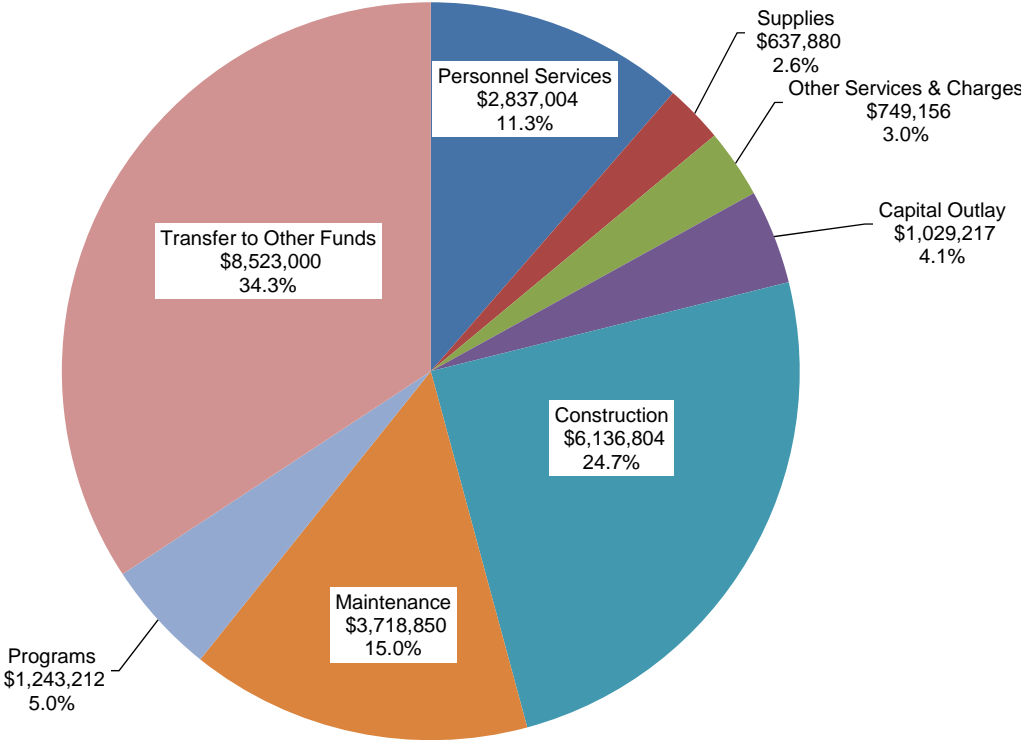
Total \$24,875,123

Special Revenue Funds

Appropriations

Construction, transfers, and maintenance represent the largest appropriations for the current year.

Special Revenue Funds 2014-15 Budget Expenditures by Category



Total Appropriations \$24,875,123

Special Revenue Funds

Major Street

The Major Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the Major Street portion (as defined by State Act 51) of the City's street network. Of the 1883.62 total centerline miles that make up the City of Novi road network, the City has 39.42 centerline miles of Major streets. Financing is primarily provided by the City's share of State gas and weight taxes.

MAJOR STREET FUND REVENUE

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Gas and Weight Tax	\$ 2,472,920	\$ 2,565,976	\$ 2,642,955
Interest Income	857	2,000	2,000
Other Revenue	-	1,000	-
Transfers In	-	-	195,000
Total Revenue	\$ 2,473,777	\$ 2,568,976	2,839,955
Appropriation - Fund Balance			77,041
Total Revenue and Appropriation-Fund Balance			\$ 2,916,996

APPROPRIATIONS

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Construction	\$ 660,087	\$ 1,924,613	\$ 1,614,231
Routine & Capital Preventive Maintenance	686,123	845,959	742,500
Traffic Services	325,441	283,843	273,400
Winter Maintenance	282,234	340,000	285,000
Administration	510	510	1,865
Transfers Out	618,230	475,450	-
Total Expenditures	\$ 2,572,625	\$ 3,870,375	\$ 2,916,996

FUND BALANCE

Fund Balance July 1, 2013	\$ 1,689,075
Estimated 2013-14:	
Revenue	2,568,976
Expenditures	(3,870,375)
Projected Balance June 30, 2014	387,676
2014-15 Budget:	
Revenue	2,839,955
Expenditures	(2,916,996)
Appropriate to 2014-15	(77,041)
Projected Balance June 30, 2015	\$ 310,635

Special Revenue Funds

Local Street

The Local Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the City's 144.20 centerline miles of Local Streets as defined by State Act 51. Financing is provided by the City's share of State gas and weight taxes and transfers from other funds.

LOCAL STREET FUND REVENUE

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Gas and Weight Tax	\$ 878,116	\$ 921,785	\$ 958,656
Interest Income	1,435	3,000	2,000
Other Revenue	-	500	-
Transfers In	1,918,230	3,090,450	3,025,000
Total Revenue	<u>\$ 2,797,781</u>	<u>\$ 4,015,735</u>	3,985,656
Appropriation - Fund Balance			119,899
Total Revenue and Appropriation-Fund Balance			<u>\$ 4,105,555</u>

APPROPRIATIONS

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Construction	\$ 1,715,378	\$ 3,685,653	\$ 2,764,640
Routine & Capital Preventive Maintenance	744,206	1,106,453	913,550
Traffic Services	126,422	134,500	134,500
Winter Maintenance	224,958	430,000	291,000
Administration	510	510	1,865
Total Expenditures	<u>\$ 2,811,474</u>	<u>\$ 5,357,116</u>	<u>\$ 4,105,555</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 1,878,596
Estimated 2013-14:	
Revenue	4,015,735
Expenditures	<u>(5,357,116)</u>
Projected Balance June 30, 2014	537,215
2014-15 Budget:	
Revenue	3,985,656
Expenditures	<u>(4,105,555)</u>
Appropriate to 2014-15	(119,899)
Projected Balance June 30, 2015	\$ 417,316

Special Revenue Funds

Municipal Street

The Municipal Street Fund is used to enhance the Major and Local Street Funds, and to provide matching funds for County roads. This fund accounts for a City Charter authorized property tax millage to supplement the Major and Local Street Funds that have limited resources due to the reliance on the State gas and weight tax.

MUNICIPAL STREET FUND REVENUE

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Special Assessments Levied	\$ 17,212	\$ 15,000	\$ 15,000
Taxes	2,226,168	4,350,000	4,488,000
Non - Federal Grants	23,643	-	-
Interest Income	14,035	16,000	13,000
Other	226,861	312,000	260,000
Total Revenue	<u>\$ 2,507,919</u>	<u>\$ 4,693,000</u>	<u>4,776,000</u>
Appropriation - Fund Balance			90,630
Total Revenue and Appropriation-Fund Balance			<u>\$ 4,866,630</u>

APPROPRIATIONS

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Construction	\$ 616,476	\$ 1,080,510	\$ 384,240
Maintenance	202,825	593,690	493,900
Administration	1,720	1,720	-
Memberships & Dues	13,900	16,700	16,700
Transfer Out	1,300,000	2,615,000	3,220,000
Sidewalks & Pathways	429,937	1,572,054	751,790
Capital Outlay	23,799	-	-
Total Expenditures	<u>\$ 2,588,657</u>	<u>\$ 5,879,674</u>	<u>\$ 4,866,630</u>

FUND BALANCE (including SADs)

Fund Balance July 1, 2013	\$ 5,572,712
Fund Balance July 1, 2013 - SAD	(3,165,352)
Fund Balance July 1, 2013 - Municipal Street	<u>2,407,360</u>
Estimated 2013-14:	
Revenue	4,693,000
Expenditures	(5,879,674)
Projected Balance June 30, 2014	<u>1,220,686</u>
2014-15 Budget:	
Revenue	4,776,000
Expenditures	(4,866,630)
Appropriate to 2014-15	<u>(90,630)</u>
Projected Balance June 30, 2015	1,130,056
Projected Balance June 30, 2015 - SAD	3,165,352
Projected Balance June 30, 2015 - TOTAL	<u>\$ 4,204,778</u>

Special Revenue Funds

Police and Fire

The revenue for this fund is generated from property taxes in accordance with a special City Charter millage that was authorized to supplement the operations of the police and fire departments, including payment for personnel-related expenditures and for the purchase of fire trucks, apparatus and equipment.

PUBLIC SAFETY FUND REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Taxes	\$ 4,119,029	\$ 4,142,000	\$ 4,273,000
Interest Income	(82,771)	35,000	23,000
Total Revenue	<u>\$ 4,036,258</u>	<u>\$ 4,177,000</u>	<u>4,296,000</u>
Appropriation - Fund Balance			1,004,000
Total Revenue and Appropriation-Fund Balance			<u>\$ 5,300,000</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Transfers Out	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 3,711,468
Estimated 2013-14:	
Revenue	4,177,000
Expenditures	<u>(5,300,000)</u>
Projected Balance June 30, 2014	2,588,468
2014-15 Budget:	
Revenue	4,296,000
Expenditures	<u>(5,300,000)</u>
Appropriate to 2014-15	<u>(1,004,000)</u>
Projected Balance June 30, 2015	\$ 1,584,468



Special Revenue Funds

Parks, Recreation and Cultural Services

Overview

The mission of Parks, Recreation and Cultural Services (PRCS) is “To Create Community through People, Parks, and Programs”. The core values for the Novi Parks, Recreation and Cultural Services Department are: “Creativity, Excellence, Integrity and Service”. These core values are qualities that shape our culture and define the character of the organization. Core Values were identified by staff, community, and Park Commissioner input and defined as follows:

- Creativity – Freedom to imagine and the courage to act
- Excellence – Passion to do our best in each moment
- Integrity – Do the right thing the right way
- Service – We care and it makes a difference

The Department administers all parks, recreation and cultural services operations, including strategic direction, policy development, resource identification, and serves as the liaison to the Parks, Recreation and Cultural Services Commission and the Novi Parks Foundation.

2013-2014 Significant Accomplishments

- A re-tooled “Light Up the Night in Novi” was again held this year at the Civic Center Campus, boasting attendance of over 5,000 for this annual event with over \$11,500 in sponsorships.
- Meadowbrook Commons maintained 100 percent occupancy for the entire year & maintained/developed a strong waiting list.
- Latest Meadowbrook Commons customer service survey reflected 4.94 stars out of a 5 star resident satisfaction rating.
- Received donation of David Barr Sculpture “Split Rock” which is on display near the North Entrance of the Novi Civic Center.
- Received significant funding to help off-set the cost of Older Adult Transportation, including a \$20,000 grant from Providence Hospital, \$54,450 from SMART and \$7,200 in revenue from vehicle advertisements.
- Partnered with the Novi Rotary and Home Depot to Build a Gazebo at Meadowbrook Commons.
- Hosted the 2014 ASA 18-U Northern National Girls’ Class A Softball Tournament with participants traveling from all over the mid-west.
- Hosted numerous regional and national hockey, softball, soccer and cricket tournaments at park facilities. Each tournament brought in visitors to Novi which benefitted from the economic boost from increased visitors and spending.





Special Revenue Funds

- Created a marketing tool — “Destination Recreation” a local television show highlights Novi parks and programs. “Destination Recreation” was the winner of the Michigan Recreation and Park Associations innovative marketing video award.
- Novi Ice Arena brought in a new high-level Ice Dancing program with five Novi teams competing in the 2014 Winter Olympics.
- Successfully coordinated the 2nd Memorial Day Run and support the inaugural Novi Half Marathon.

Benefits Related To Environmental Sustainability

- Dedicated and opened Pavilion Shore Park at 43390 Thirteen Mile Road. This initial phase includes a fishing pier, lakeside seating, picnic plaza and walking and biking paths.
- Purchased five acres of parkland on 10 Mile Road. Future use for this property may include a trail-head for regional trail connection.
- Identified the location for three-acre Novi Dog Park. Dog Park planning and construction have begun and will open in late 2014.
- Held annual environmental sustainability events: **Cemetery Clean-up, Arbor Day, River Day, Earth Day (CARE Days)**
- Reclaimed the Guernsey Trail at Rotary Park as part of a local Boy Scout Eagle Project.
- Completed Pathway and Parking at Village Wood Lake Park, providing access to park amenities.
- Stream bank stabilization project at Brookfarm Park included re-grading of park open space and construction of concrete pathway.

Benefits Related To Alleviating Social Problems

- Improvements and programs began at Villa Barr Art Park and Cultural Education Center.
- Sports participation numbers increased by 21%
- Partnered with the Novi Library to run Teen Space giving high school kids a place to gather after school.
- Expanded the Lacrosse Program.
- Continued food commodity program to assist those in need by providing supplemental food throughout the month along with a loan closet to provide equipment to those with mobility problems, which then allows residents to continue their independence.
- Partnership continues with eleven students from Clarenceville High School work-study program to provide an excellent learning environment to train students in various job skills, daily living and life experiences.

Special Revenue Funds

Parks, Recreation & Cultural Services Fund

PARKS, RECREATION & CULTURAL SERVICES FUND

REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Property Taxes	\$ 1,112,311	\$ 1,137,422	\$ 1,154,000
Donations	-	20,000	20,000
Community Development Block Grant	252,880	290,869	-
Program Revenue	1,225,953	1,039,360	1,059,882
Older Adults Program Revenue	205,437	198,183	183,330
Interest Income	5,667	5,000	5,000
Other	4,498	7,533	5,000
Transfers In	763,550	250,000	591,000
Total Revenue	<u>\$ 3,570,296</u>	<u>\$ 2,948,367</u>	<u>\$ 3,018,212</u>
Appropriation - Fund Balance			122
			<u>\$ 3,018,334</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Personnel Services	\$ 898,402	\$ 888,862	\$ 871,104
Supplies	38,745	37,559	40,180
Other Services and Charges	1,316,983	1,446,439	1,517,058
Capital Outlay	1,734,407	1,403,765	589,992
Total Expenditures	<u>\$ 3,988,537</u>	<u>\$ 3,776,625</u>	<u>\$ 3,018,334</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 1,283,200
Estimated 2013-14:	
Revenue	2,948,367
Expenditures	<u>(3,776,625)</u>
Projected Balance June 30, 2014	454,942
2014-15 Budget:	
Revenue	3,018,212
Expenditures	<u>(3,018,334)</u>
Appropriate to 2014-15	(122)
Projected Balance June 30, 2015	\$ 454,820

Special Revenue Funds

Tree Fund

This fund was established to cover most of the cost of City tree replacement and future maintenance costs. Proceeds vary from year to year and come from fines, fees paid by developers and street tree maintenance charges pursuant to the City Charter and Code of Ordinances.

TREE FUND REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Interest Income	\$ (20,001)	\$ 11,000	\$ 14,000
Tree Fund Revenue	68,799	75,000	70,000
Tree Fund Maintenance Revenue	1,750	10,000	10,000
Total Revenue	<u>\$ 50,548</u>	<u>\$ 96,000</u>	94,000
Appropriation - Fund Balance			33,900
Total Revenue and Appropriation-Fund Balance			<u>\$ 127,900</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Tree Fund Expenditures	<u>\$ 84,307</u>	<u>\$ 167,565</u>	<u>\$ 127,900</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 1,485,961
Estimated 2013-14:	
Revenue	96,000
Expenditures	<u>(167,565)</u>
Projected Balance June 30, 2014	1,414,396
2014-15 Budget:	
Revenue	94,000
Expenditures	<u>(127,900)</u>
Appropriate to 2014-15	(33,900)
Projected Balance June 30, 2015	\$ 1,380,496

Special Revenue Funds

Drain Revenue

This special property tax millage was approved for the purpose of improving and maintaining the City's regional and arterial detention system.

DRAIN FUND REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Property Taxes	\$ 982,539	\$ 307,000	\$ -
Interest Income	(45,042)	30,000	31,000
Other	8,602	10,000	10,000
Grants	136,212	-	-
Total Revenue	<u>\$ 1,082,311</u>	<u>\$ 347,000</u>	<u>41,000</u>
Appropriation - Fund Balance			1,279,238
Total Revenue and Appropriation-Fund Balance			<u>\$ 1,320,238</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Construction	\$ 577,928	\$ 337,070	\$ 621,903
Maintenance	387,736	446,600	585,000
Capital Outlay	19,255	-	113,335
Total Expenditures	<u>\$ 984,919</u>	<u>\$ 783,670</u>	<u>\$ 1,320,238</u>

FUND BALANCE (including SADs)

Fund Balance July 1, 2013	\$ 5,313,741
Fund Balance July 1, 2013 - SAD	(1,308,870)
Fund Balance July 1, 2013 - Drain Revenue	<u>4,004,871</u>
Estimated 2013-14:	
Revenue	347,000
Expenditures	(783,670)
Projected Balance June 30, 2014	<u>3,568,201</u>
2014-15 Budget:	
Revenue	41,000
Expenditures	(1,320,238)
Appropriate to 2014-15	<u>(1,279,238)</u>
Projected Balance June 30, 2015	2,288,963
Projected Balance June 30, 2015 - SAD	1,308,870
Projected Balance June 30, 2015 - TOTAL	<u>\$ 3,597,833</u>

Special Revenue Funds

Drain Perpetual Maintenance

A citizen's committee established to oversee the building and maintenance of the drain system. This fund was initially created with allocations from the Drain Revenue Fund. Additional revenue has come from tap fees for properties connecting to regional systems. The intent is to build an investment base in which earnings will eventually cover the cost of maintaining the system and reduce or eliminate the need for the Drain Revenue Fund millage.

DRAIN PERPETUAL MAINTENANCE FUND REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Tap-In Fees	\$ 3,071	\$ 5,000	\$ 5,000
Interest Income	(120,388)	100,000	75,000
Total Revenue	<u>\$ (117,317)</u>	<u>\$ 105,000</u>	80,000
Appropriation - Fund Balance			(80,000)
Total Revenue and Appropriation-Fund Balance			<u>\$ -</u>

FUND BALANCE	
Fund Balance July 1, 2013	\$ 6,169,585
Estimated 2013-14:	
Revenue	105,000
Expenditures	-
Projected Balance June 30, 2014	<u>6,274,585</u>
2014-15 Budget:	
Revenue	80,000
Expenditures	-
Appropriate to 2014-15	<u>80,000</u>
Projected Balance June 30, 2015	\$ 6,354,585

Special Revenue Funds

Special Assessment Revolving Fund

This fund is used to account for the construction of capital assets funded in whole or part by long-term special assessment debt. The city has self-funded previous projects and has elected to maintain the cumulative interest as well as the initial General Fund contribution in this fund. All future uses of this fund will be determined as part of the city's annual capital improvement plan (CIP plan).

SPECIAL ASSESSMENT REVOLVING FUND REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Interest Income	\$ (28,421)	\$ 23,000	\$ 18,000
Transfer In	-	-	-
Total Revenue	<u>\$ (28,421)</u>	<u>\$ 23,000</u>	<u>18,000</u>
Appropriation - Fund Balance			(16,135)
Total Revenue and Appropriation-Fund Balance			<u>\$ 1,865</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Independent Audit	\$ 360	\$ 360	\$ 1,865
Transfers Out	-	-	-
Total Expenditures	<u>\$ 360</u>	<u>\$ 360</u>	<u>\$ 1,865</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 3,721,329
Estimated 2013-14:	
Revenue	23,000
Expenditures	(360)
Projected Balance June 30, 2014	<u>3,743,969</u>
2014-15 Budget:	
Revenue	18,000
Expenditures	(1,865)
Appropriate to 2014-15	<u>16,135</u>
Projected Balance June 30, 2015	\$ 3,760,104

Special Revenue Funds

Contributions and Donations Fund

This fund was established to receive donations from private corporations and citizens to be used for such purposes as parks development, road improvements, and other programs.

CONTRIBUTIONS AND DONATIONS FUND

REVENUE

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Interest Income	\$ (73)	\$ 600	\$ 1,100
Donations	112,150	1,000	1,000
Total Revenue	<u>\$ 112,077</u>	<u>\$ 1,600</u>	<u>2,100</u>
Appropriation - Fund Balance			3,000
Total Revenue and Appropriation-Fund Balance			<u>\$ 5,100</u>

APPROPRIATIONS

DESCRIPTION	2012-2013	2013-2014	2014-2015
	Actual	Estimated	Budget
Gift and Donation Expenditures	\$ 3,706	\$ 3,200	\$ 2,100
Transfers Out	43,240	3,000	3,000
	<u>\$ 46,946</u>	<u>\$ 6,200</u>	<u>\$ 5,100</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 240,470
Estimated 2013-14:	
Revenue	1,600
Expenditures	(6,200)
Projected Balance June 30, 2014	<u>235,870</u>
2014-15 Budget:	
Revenue	2,100
Expenditures	(5,100)
Appropriate to 2014-15	<u>(3,000)</u>
Projected Balance June 30, 2015	\$ 232,870

Special Revenue Funds

Forfeiture Fund

This fund records all receipts and expenditures relating to Federal, State, Local and OWI, forfeited and legally restricted, funds relating to narcotic trafficking, money laundering, State laws and ordinances.

FORFEITURE FUND REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Federal Forfeiture Funds	\$ 149,298	\$ 130,000	\$ 140,500
State Forfeiture Funds	1,069	10,000	10,000
Local Forfeiture Funds	623	1,000	805
OWI Forfeiture Funds	6,520	3,000	5,000
Total Revenue	<u>\$ 157,510</u>	<u>\$ 144,000</u>	<u>156,305</u>
Appropriation - Fund Balance			-
Total Revenue and Appropriation-Fund Balance			<u>\$ 156,305</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Supplies	\$ 59,580	\$ 15,000	\$ 10,000
Other Services & Charges	42,043	39,075	1,865
Capital Outlay	332,246	228,084	144,440
Total Expenditures	<u>\$ 433,869</u>	<u>\$ 282,159</u>	<u>\$ 156,305</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 341,404
Estimated 2013-14:	
Revenue	144,000
Expenditures	(282,159)
Projected Balance June 30, 2014	<u>203,245</u>
2014-15 Budget:	
Revenue	156,305
Expenditures	(156,305)
Appropriate to 2014-15	<u>-</u>
Projected Balance June 30, 2015	\$ 203,245



Special Revenue Funds

Library

Novi Public Library provides the resources and programs to support the educational, cultural, informational and recreational needs of its diverse community. The library supports intellectual freedom and access to information resources for all, while maintaining the privacy of its patrons and providing a safe and secure environment.

2013-2014 Significant Accomplishments

- Began offering extended hours: Fridays and Saturday until 6pm, Sundays 12:00-6:00pm and Sundays open 12:00-6:00pm year round.
- Hosted the 4th Annual Community Read with neighborhood libraries (Lyon Township, Northville District Library, Salem South Lyon District Library and Wixom Public Library). The communities read the book *Detroit City is the Place to Be* by Mark Binelli.
- Hosted a movie premiere and fundraiser for the film *The Wrecking Crew*.
- Fundraising: Shop for a Cause with Macy's of Novi \$150; Launched a Facebook campaign with Novi Town Center raising just over \$700; Scrapbook for a Cause event – partnering with Penn Station and Olive Garden \$450.
- Presented a new fundraising campaign to the community in partnership with local Novi businesses – Book It Coupon Book. Books are sold for \$30 and offer over \$500 in coupon savings.
- Received recognition by Senator Mike Kowall, 15th Senate District for achieving Quality Service Audit Checklist (QSAC) Essential Level by the Library of Michigan.
- Achieved highest Summer Reading program attendance on record! Had 2,042 participants. Paradise Park was the premiere sponsor.
- Launched a new Library App.
- 2nd year offering Teen Space afterschool for teens at the Library (Monday – Friday; 2:00pm – 5:00pm) in partnership with the Novi Community School District, Parks, Recreation and Cultural Services and Youth Assistance.
- Completed the Geek program initiative, which allowed the library to gather great feedback on what patrons want for programming subject matter: reading, music, family, art, cooking, dancing, mysteries, video games, animals and hockey.
- Partnered with Fox Run of Novi to host an author luncheon that welcomed over 150 guests.
- Surveyed the Novi community on what their expectations are for technology at the Library.
- Implemented text messaging for materials on hold at the Library.
- Unveiled the Glass Etchings artwork created by Ryan and Mindy Trainer in the Library's Local History Room. The project was sponsored by the Novi Historical Commission.
- Initiated the Read Box outreach program in Lakeshore Park to promote reading.

Special Revenue Funds

LIBRARY FUND

REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Property Taxes	\$ 2,226,168	\$ 2,254,000	\$ 2,309,000
State Sources	26,409	20,000	20,000
Fines	151,419	146,540	147,000
Interest Income	26,806	25,000	25,700
Donations	13,612	3,500	5,000
Other Revenue	52,407	51,487	59,500
Total Revenue	<u>\$ 2,496,821</u>	<u>\$ 2,500,527</u>	2,566,200
Appropriation - Fund Balance			490,000
Total Revenue and Appropriation-Fund Balance			<u>\$ 3,056,200</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Personnel Services	\$ 1,775,062	\$ 1,875,300	\$ 1,965,900
Supplies	484,804	578,700	585,600
Other Services and Charges	435,832	473,908	451,150
Capital Outlay	-	43,800	53,550
Transfers Out	-	-	-
Total Expenditures	<u>\$ 2,695,698</u>	<u>\$ 2,971,708</u>	<u>\$ 3,056,200</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 2,113,292
Estimated 2013-14:	
Revenue	2,500,527
Expenditures	<u>(2,971,708)</u>
Projected Balance June 30, 2014	1,642,111
2014-15 Budget:	
Revenue	2,566,200
Expenditures	<u>(3,056,200)</u>
Appropriate to 2014-15	(490,000)
Projected Balance June 30, 2015	\$ 1,152,111

Special Revenue Funds

Walker Library Fund

In May 2004, the City of Novi's Library received a generous gift of \$1,000,000 from Charles and Myrtle Walker for use in the replacement or expansion of the then existing Library building. The Library Board also entered into a Library Building Fund Gift Agreement with the Walker family to encourage additional donations. The library has continued to receive donations. As of January 1, 2014, the restrictions on the use of these funds expired. The City Council, in coordination with the Library Board, should elect to transfer all or part of the fund balance to the Library Fund for any public purpose of the Library.

WALKER LIBRARY FUND

REVENUE

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Interest Income	\$ (6,951)	\$ 15,000	\$ -
Donations	40,689	10,000	-
Transfers In	-	-	-
Total Revenue	<u>\$ 33,738</u>	<u>\$ 25,000</u>	-
Appropriation - Fund Balance			-
Total Revenue and Appropriation-Fund Balance			<u>\$ -</u>

APPROPRIATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
Expenditures for Specific Donations	<u>\$ 16,465</u>	<u>\$ 25,000</u>	<u>\$ -</u>

FUND BALANCE

Fund Balance July 1, 2013	\$ 1,535,016
Estimated 2013-14:	
Revenue	25,000
Expenditures	(25,000)
Projected Balance June 30, 2014	<u>1,535,016</u>
2014-15 Budget:	
Revenue	-
Expenditures	-
Appropriate to 2014-15	-
Projected Balance June 30, 2015	<u>\$ 1,535,016</u>

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Debt Service Funds

Budget Summaries — Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

City Charter and Public Act 279 of 1909 (as amended) provide that the net indebtedness of the City shall not be in excess of 10% of the State Equalized Valuation of all real and personal property in the City, plus assessed value equivalent of Act 198 specific tax levies.

The schedules of indebtedness associated with special assessments are not included in the following information because the debt is paid with installment collections from benefited property owners. Schedules of indebtedness for the Enterprise funds can be found in the Enterprise Funds section of this document.

Bond Ratings
Unlimited Tax General Obligation Bonds

City of Novi - Bond Rating History

	<u>Moody's</u>	<u>S&P</u>
2013	Aa2	AA+
2012	Aa2	AA+
2011	Aa2	AA+
2010	Aa2	AA+
2008	Aa2	AA+
2003	Aa2	AA-
2002	A1	AA-
2001	A1	AA-
2000	A2	A+
1999	A2	A+

Standard & Poor's

- AAA
- ***AA+
- AA-
- A+
- A
- A-
- BBB+
- BBB-
- BB+
- BB
- BB-
- B+
- B
- B-
- CCC+
- CCC-

Moody's Investor Services

- Aaa
- Aa1
- ***Aa2
- Aa3
- A1
- A2
- A3
- Baa1
- Baa2
- Baa3
- Ba1
- Ba2
- Ba3
- B1
- B2
- B3
- Caa1
- Caa2
- Caa3
- Ca
- C

Fitch

- AAA
- AA+
- AA-
- A+
- A
- A-
- BBB+
- BBB-
- BB+
- BB
- BB-
- B+
- B
- B-
- CCC+
- CCC-
- CC
- C
- DDD
- DD
- D

***City of Novi's rating

Debt Service Funds

Debt Summary

DEBT SUMMARY

Description of Debt	Funding Source	Debt Outstanding 6/30/2014	Debt Service Payments 2014-15		
			Principal	Interest	Total
VOTED TAX GENERAL OBLIGATION DEBT FUNDS:					
2002 Street and Refunding Bonds	Debt Service	\$ 2,705,000	\$ 625,000	\$ 125,606	\$ 750,606
2008 Library Construction Bonds	Debt Service	14,250,000	500,000	606,250	1,106,250
2010 Refunding Bonds	Debt Service	2,065,000	990,000	39,038	1,029,038
Total Direct Debt Service		\$ 19,020,000	\$ 2,115,000	\$ 770,894	\$ 2,885,894
SPECIAL ASSESSMENT LIMITED TAX BONDS:					
2012 Special Assessment Ltd Tax	SAD	\$ 2,750,000	\$ 1,293,000	\$ 103,725	\$ 1,493,725
2003 Special Assessment Ltd Tax	SAD	630,000	175,000	20,307	195,307
Total Special Assessment Debt		\$ 3,380,000	\$ 1,565,000	\$ 124,032	\$ 1,689,032
BUILDING AUTHORITY BONDS:					
2004 Refunding Bonds-Ice Arena	Ice Arena	\$ 4,845,000	\$ 425,000	\$ 209,605	\$ 634,605
2005 Refunding Bonds-Senior Housing	Sr Housing	9,345,000	80,000	400,610	480,610
2010 Refunding Bonds-Senior Housing	Sr Housing	1,105,000	625,000	21,013	646,013
Total Building Authority Debt		\$ 15,295,000	\$ 1,130,000	\$ 631,228	\$ 1,761,228
Total Debt Service		\$ 37,695,000	\$ 4,810,000	\$ 1,526,154	\$ 6,336,154

Debt Service Funds

**DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS
FISCAL YEAR 2015 - 2028**

Fiscal Year Ending	Principal (less interest earnings & fund balance appropriations)	Interest	Total*	Projected Taxable Value** (in thousands)	Estimated Millage Rate for Debt Service
2015	2,115,000	770,894	2,885,894	2,992,000	0.9645
2016	2,230,000	692,225	2,922,225	3,082,000	0.9482
2017	1,445,000	620,319	2,065,319	3,174,000	0.6507
2018	1,480,000	552,913	2,032,913	3,269,000	0.6219
2019	750,000	503,750	1,253,750	3,367,000	0.3724
2020	750,000	473,750	1,223,750	3,468,000	0.3529
2021	1,000,000	433,750	1,433,750	3,572,000	0.4014
2022	1,000,000	383,750	1,383,750	3,679,000	0.3761
2023	1,000,000	337,500	1,337,500	3,789,000	0.3530
2024	1,250,000	289,688	1,539,688	3,903,000	0.3945
2025	1,250,000	236,562	1,486,562	4,020,000	0.3698
2026	1,500,000	177,188	1,677,188	4,141,000	0.4050
2027	1,500,000	111,563	1,611,563	4,265,000	0.3779
2028	1,750,000	39,375	1,789,375	4,393,000	0.4073
	<u>\$ 19,020,000</u>	<u>\$ 5,623,227</u>	<u>\$ 24,643,227</u>		

Average Annual Requirement: \$ 1,760,231

**Total debt service payments above exclude fees*

***Projected taxable value is net of adjustments for tax tribunal cases, uncollected personal property tax, etc. For years beginning with 2016 the estimate includes a 3% per year annual growth assumption and does not include any offset for interest earnings.*

Debt Service Funds

Legal Debt Margin

Computation of Legal Debt Margin

As of July 1, 2013 (including refunding debt issued in 2013)

The Debt Policy approved by the City Council in March 2013 puts forth these additional debt limits:

- The City's net bonded indebtedness incurred for all public purposes should not exceed \$2,500 per capita.
- Debt service payments are limited to 20% of the combined operating and debt-service fund expenditures.
- Municipal securities issued for capital improvement purposes shall not exceed 5% of the state equalized valuation of the property assessed in the City of Novi.

Obligations which are not included in the computation of legal debt margin are:

- Special Assessment Bonds;
- Mortgage Bonds;
- Michigan Transportation Bonds;
- Revenue Bonds;
- Bonds issued, or contracts or assessment obligations, incurred, to comply with an order of the Water Resources Commission (now the Department of Environmental Quality) or a court of competent jurisdiction;
- Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.

COMPUTATION OF LEGAL DEBT MARGIN

Total Net Bonded Indebtedness Should Not Exceed \$2,500 Per Capita

Debt Limit

Population	<u>55,224</u>
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Debt Limit (\$2,500 per capita)	\$ 138,060,000
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Debt Applicable to Debt Limit, at July 1, 2013

Total Bonded Debt Outstanding	\$ 42,930,000
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Less:

Special Assessment Bonds	<u>4,970,000</u>
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Total Amount of Debt Applicable to Limit	<u>37,960,000</u>
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Debt Margin Available	<u>\$ 100,100,000</u>
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Net Debt subject to limit as percent of Debt Limit	27%
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Debt Service Funds

**Debt Service Payment Should Not Exceed 20% of
Combined Operating and Debt-Service Fund Expenditures**

Debt Limit

Combined Operating and Debt-Service Fund Expenditures, estimated 2013-14	\$ 33,496,317
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Debt Service Limit (20% of Operating and Debt-Service Expenditures)	\$ 6,699,263
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Debt Service Applicable to Debt Limit, budget 2014-15

Total Bonded Debt Service	\$ 6,336,154
Less:	
Special Assessment Bond Service	<u>1,689,032</u>

Total Amount of Debt Applicable to Limit	<u>4,647,122</u>
--	------------------

Debt Service Margin Available	<u>\$ 2,052,141</u>
--------------------------------------	----------------------------

Net Debt Service subject to limit as percent of Debt Limit	69%
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Debt Service Funds

Municipal securities shall not exceed 5% of the State Equalized Value

Debt Limit

2013 State Equalized Valuation (SEV)	\$	3,355,648,910
Assessed value equivalent of Act 198 exemption		9,542,200
	\$	<u>3,365,191,110</u>
Debt Limit (5% of State Equalized Valuation)	\$	168,259,556

Debt Applicable to Debt Limit, at July 1, 2013

Total Bonded Debt Outstanding	\$	42,930,000
Less:		
Special Assessment Bonds		<u>4,970,000</u>
Total Amount of Debt Applicable to Limit		<u>37,960,000</u>

Legal Debt Margin Available \$ 130,299,556

Net Debt subject to limit as percent of Debt Limit **22.56%**

Debt Service Funds

2002 Street and Refunding Debt Fund

This issue was used for refunding bonds issued for paving purposes, the remaining Park Debt and 1997 Fire Debt issues, as well as the second series of 2000 Voted Street bonds in the amount of \$8,395,000.

2002 STREET & REFUNDING DEBT FUND

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
REVENUE			
Property Tax Revenue	\$ 1,330,622	\$ 749,788	\$ 1,131,458
Interest Income	146	125	125
TOTAL REVENUE	\$ 1,330,768	\$ 749,913	\$ 1,131,583
APPROPRIATIONS			
Debt Service	\$ 1,247,798	\$ 749,413	\$ 751,860
Other Services & Charges	-	500	5,223
TOTAL APPROPRIATIONS	\$ 1,247,798	\$ 749,913	\$ 757,083

SCHEDULE OF INDEBTEDNESS YEAR ISSUED: 2002 AMOUNT OF ISSUE: \$24,720,000

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2014	5.2500%	625,000
2015	5.2500%	655,000
2016	5.2500%	695,000
2017	5.2500%	730,000
		\$ 2,705,000

Debt Service Funds

2008 Library Construction Debt Fund

This general obligation bond issue was approved by the voters in November 2007. Bonds issued in June 2008. The new Library is a two-story state-of-the-art facility with approximately 55,000 square feet.

2008 LIBRARY CONSTRUCTION DEBT FUND

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
REVENUE			
Property Tax Revenue	\$ 943,480	\$ 1,124,650	\$ 1,111,873
Interest Income	173	100	100
TOTAL REVENUE	\$ 943,653	\$ 1,124,750	\$ 1,111,973
APPROPRIATIONS			
Debt Service	\$ 1,141,860	\$ 1,124,250	\$ 1,106,750
Other Services & Charges	-	500	5,223
TOTAL APPROPRIATIONS	\$ 1,141,860	\$ 1,124,750	\$ 1,111,973

SCHEDULE OF INDEBTEDNESS
YEAR ISSUED: 2008
AMOUNT OF ISSUE: \$16,000,000

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL	PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2014	3.5000%	500,000	2021	5.0000%	\$ 1,000,000
2015	3.7500%	500,000	2022	4.2500%	1,000,000
2016	4.0000%	750,000	2023	4.2500%	1,250,000
2017	4.0000%	750,000	2024	4.2500%	1,250,000
2018	4.0000%	750,000	2025	4.3750%	1,500,000
2019	4.0000%	750,000	2026	4.3750%	1,500,000
2020	5.0000%	1,000,000	2027	4.5000%	1,750,000
					\$ 14,250,000

Debt Service Funds

2010 Refunding Debt Fund

This issue was used for refunding bonds issued for the balance of the 1998 Street Bond Debt issue.

2010 REFUNDING DEBT FUND

DESCRIPTION	2012-13 Actual	2013-14 Estimated	2014-15 Budget
REVENUE			
Property Tax Revenue	\$ 1,063,856	\$ 1,018,340	\$ 1,035,713
Interest Income	44	50	50
TOTAL REVENUE	\$ 1,063,900	\$ 1,018,390	\$ 1,035,763
APPROPRIATIONS			
Debt Service	\$ 1,062,498	\$ 1,017,890	\$ 1,030,540
Other Services & Charges	-	500	5,223
TOTAL APPROPRIATIONS	\$ 1,062,498	\$ 1,018,390	\$ 1,035,763

SCHEDULE OF INDEBTEDNESS YEAR ISSUED: 2010 AMOUNT OF ISSUE: \$4,895,000

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2014	5.0000%	990,000
2015	3.0000%	1,075,000
		\$ 2,065,000

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Capital Project Fund

Budget Summaries — Capital Project Fund

Capital Project Funds are used to account for the acquisition or construction of major capital facilities by a governmental unit that is not accounted for by proprietary funds and trust funds. Capital projects can be funded in whole, or part, from the issuance of debt, special assessments, contributions from other funds, or other revenue sources.

Gun Range Facility Fund

Beginning July 1, 2014, the City council has elected to place the gross revenue from users of the gun range facility (previously in the General Fund) into a separate capital project fund to be used toward planned future capital improvements.

GUN RANGE FACILITY FUND

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
	REVENUE		
Licenses, permits, & charges for services	\$ -	\$ -	\$ 135,000
TOTAL REVENUE	\$ -	\$ -	\$ 135,000

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Budget Summaries — Enterprise Funds

Enterprise Funds are used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service. The City has three enterprise funds: Ice Arena, Water & Sewer and Senior Housing/Meadowbrook Commons.

Ice Arena Fund

Overview

The Novi Ice Arena opened in 1998 to provide ice skating services to Novi residents and other local communities. The facility is self-supporting and strives to generate positive cash flow under contract with Suburban Arena Management – Novi LLC, a third party vendor.

The primary customer base is comprised of:

- Novi Youth Hockey Association
- The Skating Club of Novi
- Learn to Skate
- Novi Ice Arena Adult Hockey League
- Novi & Northville High Schools and Club Teams
- Recreational Skating Activities (Public Skate, Drop-in Hockey, etc)

2012-2013 Significant Accomplishments

- Removed and repainted the ice in the Blue and Red Rinks
- Constructed new locker room in Blue Rink
- Increased changing and meeting space for ice dancing coaches
- Removed old rubber flooring in the entire lower level and replaced
- Remodeled the main floor cafe
- Removed non-working bleacher heating in the Red Rink and replaced with energy efficient radiant heating
- Remodeled Conference Room
- Replaced old hot water boilers with new, energy efficient boilers
- Replaced over 100 pairs of rental skates
- Completed Red Rink sound system upgrades
- Performed preventative maintenance on refrigeration plant
- Installed new security and surveillance cameras and recording system to monitor the ice arena general public areas
- Installed new wireless internet routers
- Hosted the following events:
 - Customer Appreciation Day Open House
 - ◊ Included a Free Give Hockey a Try Clinic
 - ◊ Future Pro Goalie Schools
 - ◊ US Figure Skating Basic Skills Competition
 - ◊ Figure Skating Competition for skaters involved in Learn to Skate
 - ◊ Basic Skills Seminar for coaches and judges
 - ◊ Summer High School Tournament
 - ◊ Suburban Summer Hockey Schools
 - ◊ Two weeks of clinics for hockey players

Enterprise Funds

- ◇ Compuware Honeybaked Tier I Hockey tournament
- ◇ Falling Leaves Classic Figure Skating Competition
- ◇ Novi Youth Hockey Association Game Day
- ◇ 5th Annual Manon Rheaume Invitational
- ◇ Metro Invitational High School Hockey Showcase
- ◇ Holiday Figure Skating Exhibition
- ◇ New Year's Eve 3-on-3 Hockey Tournament
- ◇ Red Wings Alumni v. Novi PD/FD Fundraiser game
- ◇ Hockey Day in Michigan
- ◇ High School Hockey Pre-Regional Playoff games
- ◇ Spring Hockey Leagues for Youth
- ◇ Two Tier I Hockey Spring Showcases
- ◇ MAHA/Red Wings Sponsored Try Hockey for Free Clinic
- ◇ Spring 3-on-3 Hockey Tournament
- ◇ Skating Club of Novi Ice Show
- ◇ Summer High School Hockey League
- ◇ Summer High School Alumni Tournament
- ◇ Numerous Try Skating for Free and Try Hockey for Free clinics to grow the sport
- ◇ Numerous free Field Trips for local schools and youth groups
- ◇ Numerous birthday parties and group parties throughout the year
- ◇ Top-15 nationally ranked, year-round Learn to Skate program

ICE ARENA FUND

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
REVENUE			
Rentals and other charges for services	\$ 2,106,359	\$ 2,099,742	\$ 2,062,296
Miscellaneous Revenue	287	-	-
TOTAL REVENUE	\$ 2,106,646	\$ 2,099,742	\$ 2,062,296
EXPENSES			
Supplies	\$ 18,779	\$ 15,151	\$ 14,400
Other services and charges	1,139,530	1,071,824	1,141,693
Program Expenditures	166,693	187,306	193,299
Interest Expense	264,939	-	250,000
Depreciation	329,537	-	250,000
Capital Outlay	-	-	85,000
TOTAL EXPENSES	\$ 1,919,478	\$ 1,274,281	\$ 1,934,392

Enterprise Funds

2004 BUILDING AUTHORITY REFUNDING BONDS ICE ARENA RECREATION FACILITY

YEAR	PRINCIPAL DUE	BALANCE	RATE	INTEREST		TOTAL	TOTAL PRINCIPAL & INTEREST
	JUNE 1			DUE 12/1	DUE 6/1		
2013-2014	380,000	5,225,000	4.0000%	112,403	112,403	224,806	604,806
2014-2015	425,000	4,845,000	4.0000%	104,803	104,803	209,606	634,606
2015-2016	420,000	4,420,000	4.0000%	96,303	96,303	192,606	612,606
2016-2017	465,000	4,000,000	4.0000%	87,903	87,903	175,806	640,806
2017-2018	460,000	3,535,000	4.1250%	78,603	78,603	157,206	617,206
2018-2019	480,000	3,075,000	4.5000%	69,115	69,115	138,230	618,230
2019-2020	500,000	2,595,000	4.3000%	58,315	58,315	116,630	616,630
2020-2021	500,000	2,095,000	4.4000%	47,565	47,565	95,130	595,130
2021-2022	520,000	1,595,000	4.5000%	36,565	36,565	73,130	593,130
2022-2023	515,000	1,075,000	4.6000%	24,865	24,865	49,730	564,730
2023-2024	560,000	560,000	4.6500%	13,020	13,020	26,040	586,040
	<u>\$ 5,225,000</u>					<u>\$ 1,458,920</u>	<u>\$ 6,683,920</u>

Note: The schedule above does not include amortization of deferred charges for the refunding bonds.



Enterprise Funds

Water and Sewer Fund

Overview

The City of Novi takes pride in providing safe and efficient water distribution and sanitary sewage collection systems. The City has taken steps to further improve infrastructure, as recommended by the Water Distribution Study and Master Plan Update, and the sanitary sewer Capacity, Management, Operations and Maintenance Program (CMOM). The recent launch of the Novi Enterprise Asset Management System (NEAMS) enhances the management of assets in Novi's utility infrastructure inventory. These programs have allowed the City to fully examine the current operation of the City's utility-based infrastructure and provide recommendations for improvements to the water distribution and sanitary sewage collection systems.

The following are major goals indicated in the Water and Sewer Division's Strategic Plan and the Water Distribution Master Plan:

- Replace or upgrade equipment as needed, and make improvements to existing infrastructure as recommended in the Water Distribution Study and Master Plan and as a result of the findings from implementation of the CMOM Program (lift/pump stations, collection mains, distribution and transmission lines, storage and appurtenant facilities).
- Work in conjunction with the Detroit Water & Sewerage Department (DWSD) to ensure the community receives sufficient water pressure and flow volume during various seasonal demand periods.
- Continue to work with the Michigan Department of Environmental Quality (MDEQ) and the Federal Environmental Protection Agency (EPA) to prepare for and conduct further water system byproducts testing in 2013 and beyond.
- Provide uninterrupted water and sewer service to residents of Novi.
- Provide public education programs to facilitate water management and promote greater awareness and support of the Division and its activities.
- Continue to promote water management efforts to lower the peak demand charges paid to the Detroit Water & Sewerage Department (DWSD), primarily by changing the operating times of irrigation systems to between the hours of 11:00 PM and 5:00 AM.
- Continue to interconnect water mains for enhanced reliability, redundancy, fire protection and water quality.
- Continue to study, coordinate and improve City services based on input from customers and staff.

Water Distribution System

Water Source

The City of Novi is a wholesale water customer community of DWSD, and purchases more than two billion gallons of water annually. The City has five metered service connections to the DWSD system. Metered water is divided into pressure districts to ensure all areas of the City are provided adequate water pressure regardless of elevation. In 2009, the City of Novi and DWSD entered into a service



contract that specified volume and pressure requirements for DWSD to maintain. The City continues to monitor the contract to manage the water system supply at the lowest possible rate structure. The majority of the City's water is supplied from Lake Huron through DWSD water treatment plant in Fort Gratiot Township near Port Huron. This facility pumps raw water from an intake in Lake Huron, provides treatment through a variety of chemical and physical processes, and transmits the water to neighboring communities. A series of water mains and booster pump stations transmit the treated water to the City of Novi. The Detroit water system has historically provided water that meets or exceeds all State and Federal quality standards.

History of the City of Novi Water Distribution System

On April 20, 1964, the Village of Novi entered into an agreement with DWSD to purchase treated water for distribution throughout the Village. The original water system served approximately 500 customers in the Ten Mile Road-Meadowbrook Road area. There were approximately three miles of water mains in the original system, ranging in size from 6" -8" in diameter.

Today's Water Distribution System

We currently have in excess of 306 miles of water mains in the system and 4,003 fire hydrants. Water mains range in size from 6 to 36 inches in size. The water mains that are 16 inches and larger are located along major roadways and are commonly referred to as transmission mains; mains smaller than 16 inches are commonly referred to as distribution mains. The City of Novi now distributes water to approximately 13,750 service connections.

In 2008, the City of Novi conducted a study to identify improvements required for continued efficient operation of the water system. The study recommended a series of redundancy improvements to ensure a reliable water system, and identified areas that would require new water main construction. The study also considered viable options for additional water storage within the City to lower peak demand and maximum day demand - two parameters that currently negatively affect the water rates charged by DWSD.

The Water and Sewer Division performs many customer services on a daily basis. Key components of the water-related tasks performed by staff include:

- Water meter reading
- Water meter installation, replacement and repairs
- Water main breaks
- Water pumping station maintenance
- Service line repairs
- Fire hydrant repairs and replacements



Enterprise Funds

Sanitary Sewage Collection System

Background

The original contract with Wayne County for sanitary sewer services for southwest Oakland County was implemented for sewerage disposal to DWSD in 1961. Further disposal contracts for sewerage in the northern areas of Novi were executed in 1991 with the construction of the Walled Lake-Novı wastewater treatment facility and the Commerce Township wastewater treatment facility.

The current sanitary infrastructure is composed of approximately 243 miles of sanitary sewer mains, ranging from 6 to 42 inches in diameter. These sewer mains are part of three separate districts: the North Huron Valley/Rouge Valley (NHV/RV) District, the South Commerce Township Treatment Plant District, and the Walled Lake-Novı Treatment Plant District. The majority of the City is served by the NHV/RV system through the 42inch sanitary interceptor sewer located along the Middle Branch of the Rouge that discharges to Wayne County near Eight Mile Road. The Water & Sewer Division maintains all sewers in the NHV/RV District, while the Oakland County Water Resources Commission operates and maintains the Walled Lake/Novı and the Commerce Township sanitary sewer systems which services the northern portion of the city.

Capacity, Management, Operations and Maintenance (CMOM)

The City uses a proactive approach to manage and maintain the sanitary sewer system by the ongoing implementation of the CMOM program. CMOM was developed by the U.S. Environmental Protection Agency to serve as a guideline for communities to perform long-range planning, improve operations and maintenance of the system, and ensure the integrity and reliability of the system. In 2012, the City cleaned and televised the sanitary sewer lines in the following areas: Connemara Subdivision, Dunbarton Pines Subdivision, the 15" collector between Taft Rd and Center St and the Simmons Orchard Subdivision. Reviews of the televised portions of the inspected areas were used to identify sewer mains that are in need of repair .

Novı is one of a few communities that have initiated a CMOM program voluntarily (although all communities may be required in the future). The Water and Sewer Division initiated the CMOM program to accomplish the following objectives:

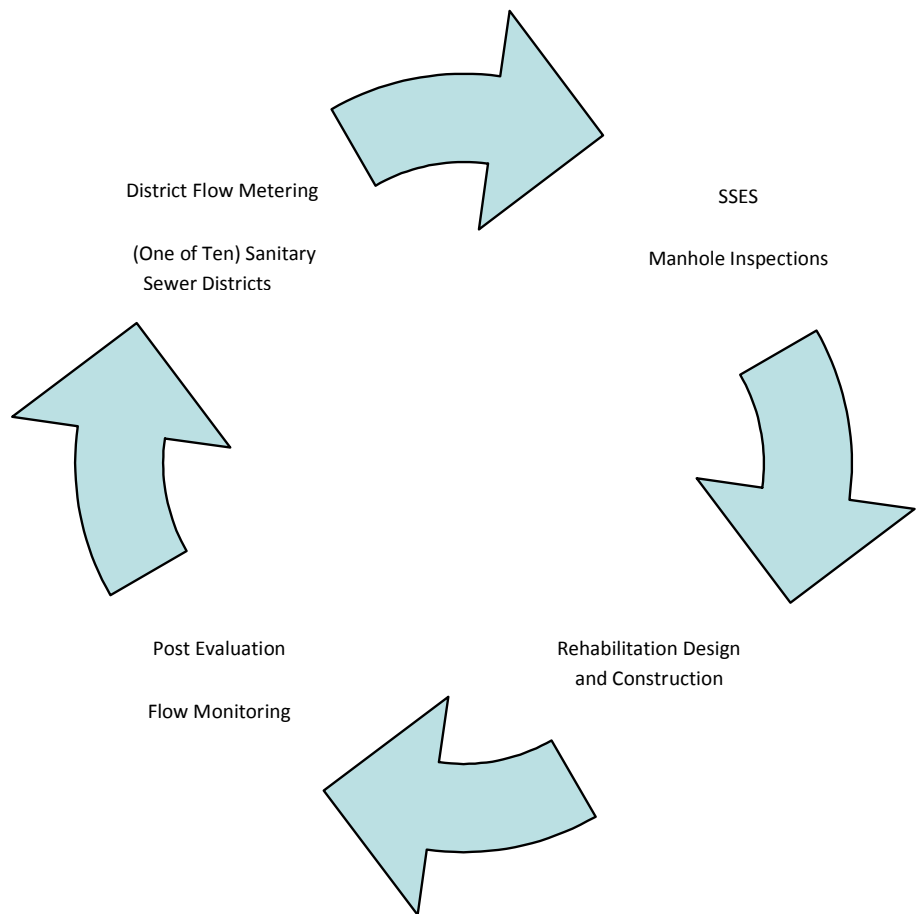
- Provide confidence in the current state of the system
- Ensure adequate capacity is available for future growth
- Meet customer, MDEQ and EPA expectations
- Improve operational and maintenance efficiencies
- Clean a quarter of the City's NHV/RV sanitary sewer mains annually (43 miles of sewer)
- Televiser sewer mainlines in designated areas to assess the integrity of the system

The City of Novı meets the operation and maintenance objectives of the CMOM program through coordination of engineering services, contract services and staff involvement. This work includes repairing, cleaning and televising; along with in-house operations and maintenance. This ongoing program starts by monitoring the sewer flows in a specific sewer district. Based on monitoring



Enterprise Funds

results, staff develops a scope for a Sanitary Sewer Evaluation Study (SSES) of a particular area. This study usually includes smoke testing, sewer cleaning and televising, and manhole inspections to create a prioritized list of required repairs. Once the repairs are made, we re-evaluate the integrity of the system. The diagram to the right depicts the major steps taken on a recurring basis as part of the operation (O) and maintenance (M) components of the CMOM program.



NEAMS

During FY2013-2014 the Water and Sewer Division continues to use the Novi Enterprise Asset Management System (NEAMS) program. NEAMS uses a geographical information system (GIS) mapping network to access, identify, locate, and track the operations and maintenance of the City's water and sanitary assets.

Sanitary Capacity

The 2007 CMOM report addressed the emerging issue of long-term capacity at the outlet of all three sanitary sewer collection districts. The report concluded additional capacity will be required at the time of build-out to meet future sanitary sewer needs of the City. The CMOM report has identified areas with excessive amounts of inflow and infiltration, so the City will continue to investigate ways to decrease these flows so that it can maximize existing capacity. The City will continue to work with Oakland County, Wayne County and other neighboring units of government to obtain additional sanitary sewage disposal capacity.

The Water and Sewer Division performs many customer services on a daily basis. Key components of the sewer-related tasks performed by staff include:

- Sanitary pump station maintenance
- Sanitary sewer main cleaning and televising
- Residential sewer tap inspections
- Sewer flow monitoring

Enterprise Funds

- Sanitary sewer repairs
- Commercial grease trap inspections
- Conduct CMOM program

2013-2014 Significant Accomplishments

- Optimized water storage design resulting in \$2.5M in construction savings to City.
- Submitted SAW grant application for over \$1M in potential grant funding to improve the condition of Novi's sanitary sewage collection system.
- Completed sewer cleaning and CCTV inspections for 20% of the Rouge Valley sewage collection system.
- Completed tabletop exercise to assess emergency response capabilities in the event of a water emergency.

WATER AND SEWER FUND

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
REVENUE			
Water Sales	\$ 11,106,988	\$ 12,438,000	\$ 13,410,000
Sewer Service Charges	10,780,457	11,494,347	12,408,000
Penalties	165,883	162,240	165,000
Inspection Fees	22,230	20,000	25,000
Installation Charges	310,154	300,000	325,000
Miscellaneous & other income	12,756	10,000	25,000
Interest on Investments	145,102	100,000	60,000
Unrealized gain (loss) on investments	(1,161,185)	75,000	100,000
Interest on capital reserve funds	339,369	375,000	250,000
Donated water & sewer lines	1,814,220	350,000	350,000
Customer assessments - tap fees	1,492,962	960,000	1,200,000
TOTAL REVENUE	\$ 25,028,936	\$ 26,284,587	\$ 28,318,000
OPERATING EXPENSES			
Personnel Services	\$ 888,224	\$ 1,134,388	\$ 1,435,841
Supplies	59,988	54,150	62,100
Other Services and Charges	19,379,595	19,365,203	20,804,568
Depreciation	3,640,413	3,626,136	3,626,136
Capital Outlay	-	-	2,236,000
TOTAL EXPENSES	\$ 23,968,220	\$ 24,179,877	\$ 28,164,645

Note: The Fiscal Year 2012, Estimated Fiscal Year 2013, and the Budgeted Fiscal Year 2014 exclude special assessment funds.

Senior Housing Fund — Meadowbrook Commons

Overview

Meadowbrook Commons, located on Meadowbrook Road between Grand River Avenue and 10 Mile Road, is an older adult housing community owned by the City of Novi and managed by a contractual management company. The three-story building contains 115 one- and two- bedroom apartments and 60 two-bedroom ranch style condos which surround the outside of the main building. The complex was built to provide market price affordable housing for the older adults in Novi. The complex is also home to the Meadowbrook Activities Center which provides programming and events for residents to participate in, enhancing companionship and quality of life.

Financing for this project was provided through bonds issued by the Building Authority. The total construction cost was \$12.5 million and all operational expenses and the bond debt retirement are covered by rental revenue. This facility does not have any direct impact on the City's General Fund Budget.

2013-2014 Significant Accomplishments

- Created Older Adult Services Advisory Board
- Initiated an advertisement program for Older Adult Transportation, raising \$7,200 in revenue
- Completed 11 of the 25 Older Adult Strategic Goals
- Received \$20,000 grant from Providence Hospital for Transportation and \$54,450 from SMART
- Meadowbrook Commons maintained 100 percent occupancy
- Residents rated Meadowbrook Commons services as 4.94 stars out of a 5-star in satisfaction survey
- Initiated in-house cost-savings services at Meadowbrook Commons, including two-thirds of the apartments painting, power washing of ranch building, 80 percent of furnace repairs and clear coating of all car ports and ranch shutters
- Purchased new vehicle for Older Adult transportation



Enterprise Funds

SENIOR HOUSING FUND

DESCRIPTION	2012-2013 Actual	2013-2014 Estimated	2014-2015 Budget
REVENUE			
Rentals and other charges for services	\$ 1,954,747	\$ 1,961,310	\$ 1,993,040
Miscellaneous Income	3,357	300	600
TOTAL REVENUE	\$ 1,958,104	\$ 1,961,610	\$ 1,993,640
EXPENSES			
Supplies	\$ 8,392	\$ 5,732	\$ 11,475
Interest Expense	520,042	438,591	445,800
Other services and charges	639,481	599,420	813,854
Depreciation	369,496	362,000	375,000
TOTAL EXPENSES	\$ 1,537,411	\$ 1,405,743	\$ 1,646,129

Enterprise Funds

**CITY OF NOVI - SENIOR COMPLEX REFUNDING BONDS - DEBT SERVICE
GENERAL OBLIGATION LIMITED TAX BONDS, 2010 BUILDING AUTHORITY REFUNDING BONDS**

YEAR	PRINCIPAL	BALANCE	RATE	INTEREST		TOTAL	TOTAL PRINCIPAL & INTEREST
	DUE OCT 1			DUE 10/1	DUE 4/1		
2013-2014	618,000	1,720,000	2.0000%	20,863	14,413	34,978	649,978
2014-2015	625,000	1,105,000	2.0000%	14,413	6,600	21,013	646,013
2015-2016	480,000	480,000	2.5000%	6,600	-	6,600	486,600
	<u>\$ 1,720,000</u>					<u>62,591</u>	<u>1,782,591</u>

**CITY OF NOVI - SENIOR COMPLEX REFUNDING BONDS - DEBT SERVICE
GENERAL OBLIGATION LIMITED TAX BONDS, 2005 BUILDING AUTHORITY REFUNDING BONDS**

YEAR	PRINCIPAL	BALANCE	RATE	INTEREST		TOTAL	TOTAL PRINCIPAL & INTEREST
	DUE OCT 1			DUE 10/1	DUE 4/1		
2013-2014	78,000	9,420,000	3.7500%	202,811	201,108	403,616	478,616
2014-2015	80,000	9,345,000	4.0000%	201,105	199,505	400,610	480,610
2015-2016	240,000	9,265,000	5.0000%	199,505	193,505	393,010	633,010
2016-2017	775,000	9,025,000	4.7500%	193,505	175,099	368,604	1,143,604
2017-2018	810,000	8,250,000	4.2500%	175,099	157,886	332,985	1,142,985
2018-2019	845,000	7,440,000	4.2500%	157,886	139,990	297,816	1,142,816
2019-2020	850,000	6,595,000	4.2500%	139,990	121,868	261,798	1,111,798
2020-2021	840,000	5,745,000	4.2500%	121,868	104,018	225,886	1,065,886
2021-2022	850,000	4,905,000	4.1250%	104,018	86,486	190,504	1,040,504
2022-2023	885,000	4,055,000	4.2000%	86,486	67,901	154,388	1,039,388
2023-2024	1,015,000	3,170,000	4.2500%	67,901	46,333	114,234	1,129,234
2024-2025	1,055,000	2,155,000	4.5000%	46,333	23,680	69,983	1,124,983
2025-2026	1,100,000	1,100,000	4.5000%	23,680	-	23,680	1,123,680
	<u>\$ 9,420,000</u>					<u>3,237,081</u>	<u>12,657,081</u>

**CITY OF NOVI - SENIOR COMPLEX REFUNDING BONDS - DEBT SERVICE
TOTAL**

YEAR	PRINCIPAL	BALANCE	RATE	INTEREST		TOTAL	TOTAL PRINCIPAL & INTEREST
	DUE OCT 1			DUE 10/1	DUE 4/1		
2013-2014	690,000	11,140,000		223,074	215,518	438,591	1,128,591
2014-2015	705,000	10,450,000		215,518	206,105	421,623	1,126,623
2015-2016	720,000	9,745,000		206,105	193,505	399,610	1,119,610
2016-2017	775,000	9,025,000		193,505	175,099	368,604	1,143,604
2017-2018	810,000	8,250,000		175,099	157,886	332,985	1,142,985
2018-2019	845,000	7,440,000		157,886	139,990	297,816	1,142,816
2019-2020	850,000	6,595,000		139,990	121,868	261,798	1,111,798
2020-2021	840,000	5,745,000		121,868	104,018	225,886	1,065,886
2021-2022	850,000	4,905,000		104,018	86,486	190,504	1,040,504
2022-2023	885,000	4,055,000		86,486	67,901	154,388	1,039,388
2023-2024	1,015,000	3,170,000		67,901	46,333	114,234	1,129,234
2024-2025	1,055,000	2,155,000		46,333	23,680	69,983	1,124,983
2025-2026	1,100,000	1,100,000		23,680	-	23,680	1,123,680
	<u>\$ 11,140,000</u>					<u>3,237,669</u>	<u>14,439,669</u>

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Resolution of Adoption 2014 Millage Rates

WHEREAS, the City Council has agreed to keep the City's total millage rate unchanged from last year (2013) to 10.2000 mills, and

WHEREAS, that these levies are being placed on a diversified tax base that has increased slightly as anticipated in the financial plan, and

WHEREAS, a public hearing was held on May 12, 2014 on 2014 millage rates and the 2014-2015 budget,

NOW, THEREFORE, BE IT RESOLVED, that to finance the level of services established for the 2014-2015 fiscal-year, and to meet specific debt obligations of the City that the following millages are authorized to be spread:

General Operating	5.0182
Municipal Street	1.5000
Police and Fire	1.4282
Parks and Recreation	0.3857
Drain	0.0000
Library	0.7719
2002 Streets & Refunding Debt	0.3782
2010 Refunding Debt	0.3462
2008 Library Construction Debt	<u>0.3716</u>
	<u>10.2000</u>

I certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a regular Meeting held on this 19th day of May 2014.



Maryanne Cornelius, City Clerk



Appendix A

Resolutions

Resolution of Adoption Fiscal-Year 2014-2015 Budget

WHEREAS, the City Manager's recommended budget is based upon the January 11, 2014 City Council early budget input session which approved strategic themes and broad goal categories, the December 17, 2013 property tax projection presentation to City Council and the March 3, 2014 pre board of review property tax assessments as presented by the City assessor, and

WHEREAS, this budget has incorporated the CIP plan as approved by the City's Planning Commission at the public hearing held on March 12, 2014, and

WHEREAS, this budget takes into consideration the City's Multi-Year Budget and financial planning through 2016-17, and

WHEREAS, during the Special City Council Meeting held on April 16, 2014 City Council has made adjustments to align the City's resources consistent with the City's strategic plan, and

WHEREAS, pursuant to Section 8.3 of the Novi City Charter, a detailed revenue and expenditure plan has been presented in accordance with all applicable City, State and Federal Statutes, and

WHEREAS, a public hearing was held on May 12, 2014 on the proposed budget, and

NOW, THEREFORE, BE IT RESOLVED, that the attached budget is adopted and made a part of this resolution.

I certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a regular Meeting held on this 19th day of May 2014.



Maryanne Cornelius, City Clerk



Appendix A

Resolutions

GENERAL FUND REVENUE

DESCRIPTION	2014-15 Budget
Taxes	\$ 15,206,800
Licenses, Permits & Charges for Services	4,124,461
Federal Grants	20,000
State Sources	4,341,470
Other Revenue	732,970
Fines and Forfeitures	525,000
Interest Income	260,000
Transfers In	5,300,000
Appropriation - Fund Balance	(86,706)
	<u>\$ 30,423,995</u>

APPROPRIATION

DESCRIPTION	2014-15 Budget
CITY COUNCIL	
Personnel Services	\$ 4,757
Other Services and Charges	10,000
	<u>\$ 14,757</u>
CITY MANAGER	
Personnel Services	\$ 453,214
Supplies	800
Other Services and Charges	89,253
	<u>\$ 543,267</u>
FINANCE DEPARTMENT	
Personnel Services	\$ 630,637
Other Services and Charges	59,769
Capital Outlay	10,000
	<u>\$ 700,406</u>

Appendix A

Resolutions

GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2014-15 Budget
INFORMATION TECHNOLOGY	
Personnel Services	\$ 609,475
Supplies	25,150
Other Services and Charges	140,101
Capital Outlay	180,929
	<u>\$ 955,655</u>
ASSESSING	
Personnel Services	\$ 468,540
Supplies	11,700
Other Services and Charges	335,500
	<u>\$ 815,740</u>
CITY ATTORNEY	
Other Services and Charges	<u>\$ 430,000</u>
CITY CLERK	
Personnel Services	\$ 470,676
Supplies	21,000
Other Services and Charges	41,850
	<u>\$ 533,526</u>
TREASURY	
Personnel Services	\$ 232,955
Supplies	26,500
Other Services and Charges	59,180
	<u>\$ 318,635</u>

GENERAL FUND
APPROPRIATION (continued)

DESCRIPTION	2014-15 Budget
FACILITY OPERATIONS	
Personnel Services	\$ 284,510
Supplies	24,800
Other Services and Charges	429,305
Capital Outlay	130,000
	<u>\$ 868,615</u>
HUMAN RESOURCES	
Personnel Services	\$ 368,446
Other Services and Charges	91,700
	<u>\$ 460,146</u>
NEIGHBORHOOD & BUSINESS RELATIONS GROUP	
Personnel Services	\$ 441,565
Supplies	9,850
Other Services and Charges	480,678
Capital Outlay	7,000
	<u>\$ 939,093</u>
GENERAL ADMINISTRATION	
Personnel Services	\$ 948,863
Supplies	55,000
Other Services and Charges	454,700
Capital Outlay	70,000
	<u>\$ 1,528,563</u>
PUBLIC SAFETY	
Personnel Services	\$ 14,237,552
Supplies	373,985
Other Services and Charges	1,708,030
Capital Outlay	353,800
	<u>\$ 16,673,367</u>

Appendix A

Resolutions

GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2014-15 Budget
COMMUNITY DEVELOPMENT	
Personnel Services	\$ 1,877,421
Supplies	44,450
Other Services and Charges	423,064
Capital Outlay	23,500
	<u>\$ 2,368,435</u>
DEPARTMENT OF PUBLIC SERVICES	
Personnel Services	\$ 3,285,204
Supplies	140,615
Other Services and Charges	1,302,555
Capital Outlay	206,200
	<u>4,934,574</u>
Allocated to Other Funds	<u>(2,248,784)</u>
	<u>\$ 2,685,790</u>
TRANSFERS OUT	<u>\$ 588,000</u>
	<u>\$ 30,423,995</u>



Appendix A

Resolutions

MAJOR STREET FUND REVENUE

DESCRIPTION	2014-2015 Budget
Gas and Weight Tax	\$ 2,642,955
Interest Income	2,000
Transfer from Other Funds	195,000
Appropriation - Fund Balance	77,041
	<u>\$ 2,916,996</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 1,614,231
Routine & Capital Preventive Maintenance	742,500
Traffic Services	273,400
Winter Maintenance	285,000
Administration	1,865
	<u>\$ 2,916,996</u>

LOCAL STREET FUND REVENUE

DESCRIPTION	2014-2015 Budget
Gas and Weight Tax	\$ 958,656
Interest Income	2,000
Transfer from Other Funds	3,025,000
Appropriation - Fund Balance	119,899
	<u>\$ 4,105,555</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 2,764,640
Routine & Capital Preventive Maintenance	913,550
Traffic Services	134,500
Winter Maintenance	291,000
Administration	1,865
	<u>\$ 4,105,555</u>

Appendix A

Resolutions

MUNICIPAL STREET FUND REVENUE

DESCRIPTION	2014-2015 Budget
Special Assessments Levied	\$ 15,000
Taxes	4,488,000
Interest Income	13,000
Other	260,000
Appropriation - Fund Balance	90,630
	<u>\$ 4,866,630</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 384,240
Maintenance	493,900
Memberships & Dues	16,700
Transfer to Other Funds	3,220,000
Bike Trails & Sidewalks	751,790
	<u>\$ 4,866,630</u>

PUBLIC SAFETY FUND REVENUE

DESCRIPTION	2014-2015 Budget
Taxes	\$ 4,273,000
Interest Income	23,000
Appropriation - Fund Balance	1,004,000
	<u>\$ 5,300,000</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Transfer to General Fund	\$ 5,300,000
	<u>\$ 5,300,000</u>

PARKS, RECREATION & CULTURAL SERVICES FUND REVENUE

DESCRIPTION	2014-2015 Budget
Property Taxes	\$ 1,154,000
Donations	20,000
Program Revenue	1,059,882
Older Adults Program Revenue	183,330
Interest Income	5,000
Other Revenue	5,000
Transfers In	591,000
Appropriation - Fund Balance	122
	<u>\$ 3,018,334</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Personnel Services	\$ 871,104
Supplies	40,180
Other Services and Charges	1,517,058
Capital Outlay	589,992
	<u>\$ 3,018,334</u>

TREE FUND REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 14,000
Tree Fund Revenue	70,000
Tree Fund Maintenance Revenue	10,000
Appropriation - Fund Balance	33,900
	<u>\$ 127,900</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Tree Fund Expenditures	\$ 127,900
	<u>\$ 127,900</u>

Appendix A

Resolutions

DRAIN REVENUE FUND REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 31,000
Other	10,000
Appropriation - Fund Balance	1,279,238
	<u>\$ 1,320,238</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 621,903
Maintenance	585,000
Capital Outlay	113,335
	<u>\$ 1,320,238</u>

DRAIN PERPETUAL MAINTENANCE FUND REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 75,000
Tap-In Fees	5,000
Appropriation - Fund Balance	(80,000)
	<u>\$ -</u>

SPECIAL ASSESSMENT REVOLVING FUND REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 18,000
Appropriation - Fund Balance	(16,135)
	<u>\$ 1,865</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Independent Audit	\$ 1,865
	<u>\$ 1,865</u>

CONTRIBUTIONS AND DONATIONS FUND REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 1,100
Donations	1,000
Appropriation - Fund Balance	3,000
	<u>\$ 5,100</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Gift and Donation Expenditures	\$ 2,100
Transfer to Other Funds	3,000
	<u>\$ 5,100</u>

FORFEITURE FUND REVENUE

DESCRIPTION	2014-2015 Budget
Federal Forfeiture Funds	\$ 140,500
State Forfeiture Funds	10,000
Local Forfeiture Funds	805
OWI Forfeiture Funds	5,000
	<u>\$ 156,305</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Supplies	\$ 10,000
Other Services & Charges	1,865
Capital Outlay	144,440
	<u>\$ 156,305</u>

Appendix A

Resolutions

LIBRARY FUND REVENUE

DESCRIPTION	2014-2015 Budget
Property Taxes	\$ 2,309,000
State Sources	20,000
Fines	147,000
Interest Income	25,700
Donations	5,000
Other Revenue	59,500
Appropriation - Fund Balance	490,000
	<u>\$ 3,056,200</u>

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Personnel Services	\$ 1,965,900
Supplies	585,600
Other Services and Charges	451,150
Capital Outlay	53,550
	<u>\$ 3,056,200</u>

WALKER LIBRARY FUND REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ -
Appropriation - Fund Balance	-
	<u>\$ -</u>

APPROPRIATIONS

DESCRIPTION	Budget
Expenditures for Specific Donations	\$ -
Transfer to Other Funds	-
	<u>\$ -</u>

Resolution Acknowledging the Multi-Year Budget Including Projections of Future Fiscal-Years 2015-2016 and 2016-2017

WHEREAS, the City Manager's recommended budget is based upon the January 11, 2014 City Council early budget input session which approved strategic themes and broad goal categories, the December 17, 2013 property tax projection presentation to City Council and the March 3, 2014 pre board of review property tax assessments as presented by the City assessor, and

WHEREAS, this budget takes into consideration the City's Multi-Year Budget and financial planning through fiscal-year 2016-2017, and

NOW, THEREFORE, BE IT RESOLVED, that the City Council acknowledges the Multi-Year Budget, Including Projections of Future Fiscal-Years 2015-2016 and 2016-2017.

I certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a regular Meeting held on this 19th day of May 2014.



Maryanne Cornelius, City Clerk

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Appendix B

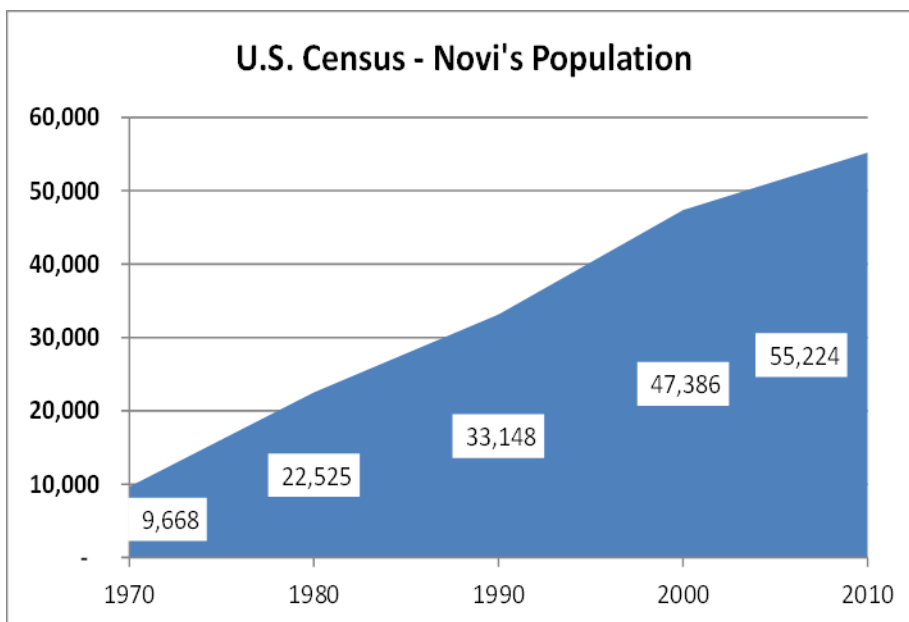
Statistical Information

About the City of Novi

The City of Novi encompasses an area of approximately 31.6 square miles or 20,417 acres and is about thirty miles northwest of downtown Detroit, in the southern portion of Oakland County. The City surrounds about two-thirds of Walled Lake, and the gently rolling topography of the area has made the City one of the most attractive places in Michigan to live.

The City of Novi is governed by a seven-member City Council under the Council/Manager form of government. A full range of City services are provided including police, fire, parks, recreation, forestry, library, planning and zoning, building and engineering, and various maintenance services. In addition to the usual City services, Novi offers a senior citizen housing facility, Meadowbrook Commons, and an Ice Arena.

Since its original settlement and incorporation in February, 1969, the City has seen remarkable changes. Once a stand-alone settlement, Novi now finds itself in the heart of the Detroit Metropolitan region. Novi's location at the crossroads of several major transportation routes has thrust the City into a period of unprecedented growth and development. Between the 1990 and 2000 Census, Novi was the fastest growing city in Oakland County. The 2000 Census stated Novi's position as a growing and attractive community with a population of 47,386. This was an increase of 43 percent from 1990. A special mid-decade census in 2006 showed an increase of just over 9% from 2000 with a population of 52,231. Between the 2000 and 2010 Census Novi's population grew by 16.5% to 55,224. Novi is presently home to prestigious schools, quality residential neighborhoods, a thriving retail and high-tech economy, and beautifully preserved natural areas. Novi has indeed changed and the change has been dramatic. The SEMCOG 2035 Forecast includes a population estimate of 69,796.



1970	9,668
1980	22,525
1990	33,148
2000	47,386
2010	55,224

Appendix B

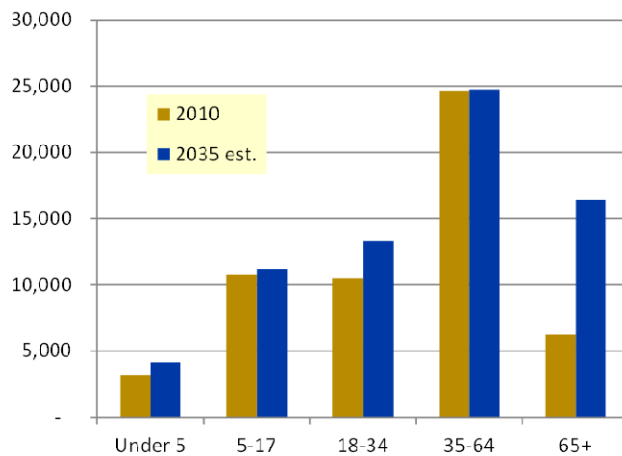
Statistical Information

Age Composition

Approximately 44% of Novi's residents are 35 to 64 years old and 11% are senior citizens (2010 Census). The median age for Novi is 39.1 and for the State is 38.9.

Age Groups	1990 Census		2000 Census		2010 Census		2035 est.	
Age 0-4	2,580	8%	3,506	7%	3,204	6%	4,169	6%
Age 5-17	5,857	18%	9,621	20%	11,006	20%	11,146	16%
Age 18-34	9,930	30%	10,428	23%	10,245	19%	13,327	19%
Age 35-64	12,140	36%	20,168	42%	24,521	44%	24,741	35%
Age 65+	2,641	8%	3,856	8%	6,248	11%	16,413	24%
Total Population	33,148	100%	47,579	100%	55,224	100%	69,796	100%

Population by Age



Income Characteristics

According to the 2010 U.S. Census, the median household income was \$80,151.

Income Categories	1990 Census		2000 Census		2010 Census	
Less than \$10,000	468	4%	321	2%	735	3%
\$10,000 to \$14,999	530	4%	399	2%	524	2%
\$15,000 to \$24,999	1,434	11%	1,095	6%	1,468	7%
\$25,000 to \$34,999	1,724	13%	1,695	9%	1,768	8%
\$35,000 to \$49,999	2,500	20%	2,454	13%	2,093	9%
\$50,000 to \$74,999	3,357	26%	3,818	20%	3,871	18%
\$75,000 to \$99,999	1,616	13%	2,948	16%	2,877	13%
\$100,000 to \$149,999	926	7%	3,374	18%	3,825	17%
\$150,000 or more	220	2%	2,670	14%	4,936	22%
Total Households	12,775	100%	18,774	100%	22,097	100%

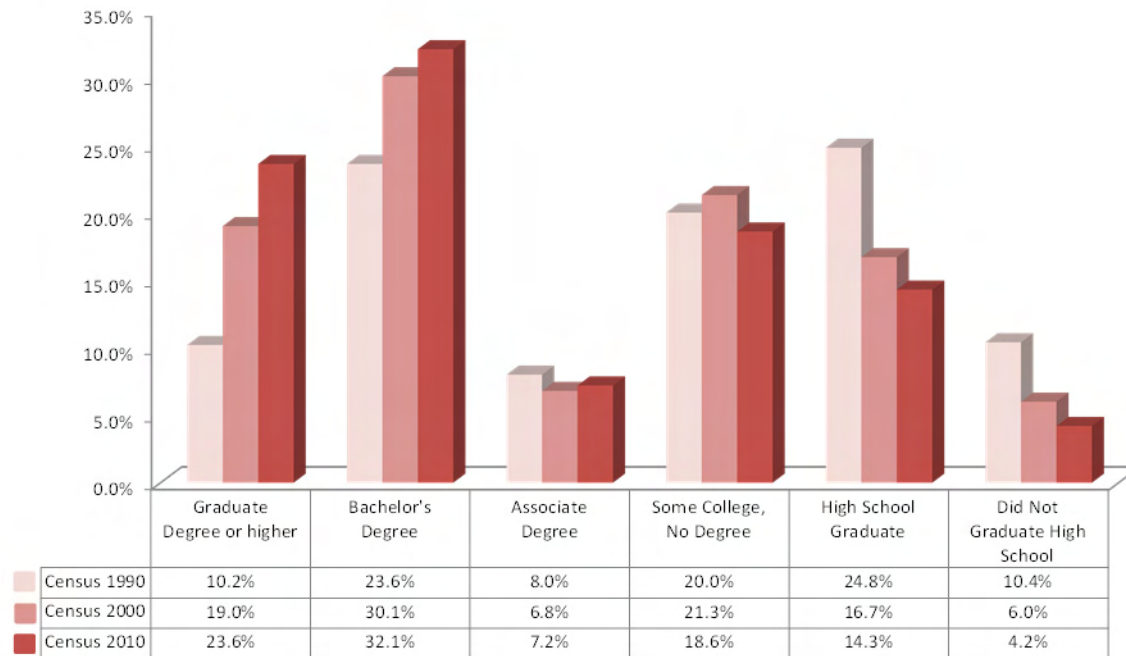
Appendix B

Statistical Information

Novi		State		Nation	
INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)	Number	INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)	Number	INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)	Number
Total households	22,047	Total households	3,843,997	Total households	114,567,419
Less than \$10,000	735	Less than \$10,000	304,785	Less than \$10,000	8,757,190
\$10,000 to \$14,999	523	\$10,000 to \$14,999	219,924	\$10,000 to \$14,999	6,668,865
\$15,000 to \$24,999	1,468	\$15,000 to \$24,999	442,676	\$15,000 to \$24,999	13,165,380
\$25,000 to \$34,999	1,761	\$25,000 to \$34,999	430,558	\$25,000 to \$34,999	12,323,322
\$35,000 to \$49,999	2,088	\$35,000 to \$49,999	577,569	\$35,000 to \$49,999	16,312,385
\$50,000 to \$74,999	3,868	\$50,000 to \$74,999	728,579	\$50,000 to \$74,999	20,940,859
\$75,000 to \$99,999	2,868	\$75,000 to \$99,999	466,664	\$75,000 to \$99,999	13,526,500
\$100,000 to \$149,999	3,808	\$100,000 to \$149,999	433,144	\$100,000 to \$149,999	13,544,839
\$150,000 to \$199,999	2,633	\$150,000 to \$199,999	134,211	\$150,000 to \$199,999	4,809,998
\$200,000 or more	2,295	\$200,000 or more	105,887	\$200,000 or more	4,518,081
Median household income (dollars)	80,151	Median household income (dollars)	48,432	Median household income (dollars)	50,046

Education Level

Approximately 81% of Novi's residents have at least some college education. Only 4% are not high school graduates or currently enrolled in high school (2010 Census).



Appendix B

Statistical Information

Educational Attainment Comparison (City of Novi/State of Michigan/United States)

Educational Attainment, Population Age 25 years or older	City of Novi, MI					State of Michigan					United States				
	2010 (estimated)		2000		1990	2010 (estimated)		2000		1990	2010 (estimated)		2000		1990
	% of Population	Percentage Point Change 2000-2010	% of Population	Percentage Point Change 1990-2000	% of Population	% of Population	Percentage Point Change 2000-2010	% of Population	Percentage Point Change 2000-2010	% of Population	% of Population	Percentage Point Change 2000-2010	% of Population	Percentage Point Change 2000-2010	% of Population
· Graduate / professional degree	23.6%	4.6%	19.0%	8.8%	10.2%	9.6%	1.5%	8.1%	1.7%	6.4%	10.4%	1.5%	8.9%	1.7%	7.2%
· Bachelor's degree	31.0%	0.9%	30.1%	6.5%	23.6%	15.6%	1.9%	13.7%	2.8%	10.9%	17.7%	2.2%	15.5%	2.4%	13.1%
· Associate's degree	7.9%	1.1%	6.8%	-1.4%	8.2%	8.4%	1.4%	7.0%	0.3%	6.7%	7.6%	1.3%	6.3%	0.1%	6.2%
· Some College, No Degree	18.2%	-3.1%	21.3%	-1.3%	22.6%	24.2%	0.9%	23.3%	2.9%	20.4%	21.3%	0.3%	21.0%	2.3%	18.7%
· High School Graduate	14.8%	-1.9%	16.7%	-8.1%	24.8%	30.9%	-0.4%	31.3%	-1.0%	32.3%	28.5%	-0.1%	28.6%	-1.4%	30.0%
· Did Not Graduate High School	4.7%	-1.3%	6.0%	-4.4%	10.4%	11.3%	-5.2%	16.5%	-6.7%	23.2%	14.4%	-5.2%	19.6%	-5.2%	24.8%

Source: SEMCOG Community Profiles, US Census ACS 2008-2010, US Census Bureau

Housing Characteristics

Households	12,747	16,102	18,792	24,286	29,452
Population	33,148	41,595	47,579	55,224	69,796

Housing Tenure	1990 Census		2000 Census		2010 Census	
Owner Occupied Units	9,311	68%	13,734	70%	15,035	62%
Renter Occupied Units	3,436	25%	5,418	27%	7,282	30%
Vacant Units	859	6%	925	5%	1,969	8%
Total Housing Units	13,606	100%	19,717	100%	24,286	100%
Median Housing Value (In 2010 Dollars)	\$ 168,866		\$ 236,800		\$ 259,656	
Median Contract Rent (In 2010 Dollars)	\$ 898		\$ 746		\$ 944	

Structure Type	1990 Census	2000 Census	2010 Census
One-Family Detached	6,238 (46%)	10,059 (51%)	12,015 (50%)
One-Family Attached	1,726 (13%)	1,938 (10%)	2,604 (11%)
Two-Family / Duplex	43 (0%)	95 (0%)	40 (0%)
Multi-Unit Apartments	3,671 (27%)	5,947 (30%)	8,172 (34%)
Mobile Homes	1,821 (13%)	1,684 (9%)	1,238 (5%)
Other Units	107 (1%)	0 (0%)	0 (0%)
Total Housing Units	13,606	19,717	24,164

Source: 2010 U.S. Census/SEMCOG

Appendix B

Statistical Information

City of Novi and National Comparison City Demographics for Benchmarking

	Carlsbad, CA	Cary, NC	Greenhills, IN	Louisville, KY	North Richmond Hills, TX	Noah, MI	Olama, KS	Orland Park, IL	Radford, VA	Rochester Hills, MI	Rock Hill, SC	Roswell, GA
City Size (square miles)	39.1	55.4	26.3	42.5	18.2	31.3	60.4	22.2	16.9	32.9	43.2	42
Population density	2,796	2,630	3,317	2,340	3,587	1,818	2,153	2,585	3,347	2,197	1,576	2,231
POPULATION (U.S. Census Bureau)												
2012 Estimate (as of July 1)	109,318	145,693	87,242	99,453	65,290	56,912	130,045	57,392	56,561	72,283	68,094	93,692
% Change (10-12)	3.8%	7.7%	3.2%	4.4%	3.1%	3.1%	3.3%	1.1%	4.5%	1.8%	2.9%	6.1%
2010 Census	105,328	135,234	84,554	95,290	63,343	55,224	125,872	56,767	54,144	70,995	66,154	88,346
% Change (00-10)	34.6%	43.1%	39.8%	22.6%	13.9%	16.1%	35.4%	11.1%	19.6%	3.2%	32.9%	11.4%
2000 Census	78,247	94,536	60,476	77,737	55,635	47,579	92,962	51,077	45,256	68,825	49,765	79,334
1990 Census	63,126	43,858	44,972	46,521	45,895	32,998	63,352	35,720	35,800	61,766	41,643	47,923
% Change (90-00)	24.0%	115.6%	34.5%	67.1%	21.2%	44.2%	46.7%	43.0%	26.4%	11.4%	19.5%	65.5%
DEMOGRAPHICS (2010-2012 American Community Survey)												
Median Age	41.2	36.2	25.8	32.2	37.5	39.6	33.8	45.1	34.7	41.0	31.9	39.3
School Age Children (5 to 19)	19,575	31,451	18,415	19,385	12,096	11,818	29,806	10,661	8,201	14,133	14,136	18,166
	18.2%	22.3%	21.4%	19.9%	18.7%	21.1%	23.2%	18.7%	14.7%	19.8%	21.0%	19.9%
Senior Citizens (65 & over)	16,155	11,615	6,505	7,092	7,748	7,267	9,361	11,050	5,294	9,690	6,790	10,799
	15.0%	8.2%	7.5%	7.3%	12.0%	13.0%	7.3%	19.4%	9.6%	13.5%	10.1%	11.8%
Race -- White	91,034	101,728	49,241	72,350	55,280	40,756	110,159	51,356	35,642	59,495	36,641	73,184
	84.6%	72.2%	57.2%	74.3%	85.9%	72.7%	85.9%	89.9%	64.2%	83.0%	54.4%	80.2%
Race -- Black or African American	1,621	10,539	31,150	7,864	2,921	4,013	6,615	1,595	870	3,576	26,495	9,816
	1.5%	7.5%	36.2%	8.1%	4.5%	7.2%	5.2%	2.8%	1.6%	5.0%	39.3%	10.8%
Race -- Asian	8,283	18,756	2,429	8,264	1,660	9,323	5,997	3,000	14,829	6,772	969	4,276
	7.7%	13.3%	2.8%	8.5%	2.6%	16.6%	4.7%	5.3%	26.7%	9.5%	1.4%	4.7%
Race -- Hispanic or Latino (of any race)	14,365	13,759	3,087	30,103	11,123	1,093	13,282	2,917	4,522	2,201	3,552	12,245
	13.3%	9.8%	3.6%	30.9%	17.3%	2.0%	10.4%	5.1%	8.1%	3.1%	5.3%	13.4%
HOUSING AND EDUCATION (2010-2012 American Community Survey)												
% Owner Occupied Units	61.3%	69.1%	37.7%	44.3%	63.1%	64.6%	73.2%	88.5%	51.8%	76.7%	51.3%	67.2%
Average Family Size	3.1	3.26	3.03	3.18	3.18	3.14	3.30	3.23	2.95	3.11	3.07	3.23
Median Household Income (2012 dollars)	\$ 78,085	\$ 89,139	\$ 33,439	\$ 56,020	\$ 60,849	\$ 76,462	\$ 75,476	\$ 73,384	\$ 95,249	\$ 75,419	\$ 40,551	\$ 76,291
Median Home Value	\$ 606,100	\$ 305,600	\$ 153,100	\$ 154,400	\$ 142,300	\$ 224,800	\$ 193,000	\$ 279,600	\$ 442,300	\$ 203,300	\$ 132,000	\$ 284,700
Median Gross Rent	\$ 1,612	\$ 944	\$ 711	\$ 910	\$ 877	\$ 988	\$ 876	\$ 1,009	\$ 1,356	\$ 1,051	\$ 756	\$ 978
Average Commute Length	28.6	22.5	17.2	24.8	26.3	26.4	21.1	33.5	20.1	26.7	22.3	27
% College Degree	50.9%	60.4%	37.2%	29.9%	29.6%	54.1%	44.6%	40.30%	59.9%	49.0%	27.8%	55.0%
% Homes Built Since 1980	65.0%	83.7%	72.0%	80.9%	58.9%	69.9%	70.9%	66.2%	63.7%	51.4%	60.9%	72.1%
ECONOMIC CHARACTERISTICS (2007 ECONOMIC CENSUS DATA)												
# of Manufacturing Establishments	178	75	39	99	22	80	110	41	147	104	57	57
# of Manufacturing Employees	11,834	1,808	2,412	2,834	832	2,211	5,447	1,477	9,662	3,147	3,000	694
# of Retail Trade Establishments	513	534	457	446	190	359	408	398	260	255	320	386
# of Retail Trade Employees	8,049	9,274	6,652	8,523	4,220	6,845	7,408	8,924	4,178	5,071	4,361	5,589
# of Professional, Scientific & Technical Service Establishments	763	809	221	216	112	274	359	241	353	253	169	792
# of Professional, Scientific & Technical Service Employees	5,143	Not Available	1,223	Not Available	383	4,007	Not Available	1,078	4,161	3,209	932	7,311
# of Health Care & Social Assistance Establishments	240	414	322	244	132	220	253	268	196	284	211	369
# of Health Care & Social Assistance Employees	2,630	6,049	Not Available	3,844	2,256	4,470	5,405	2,934	3,361	3,470	5,270	5,811
# of Accommodation & Food Service Establishments	220	322	252	217	110	151	225	156	257	121	170	239
# of Accommodation & Food Service Employees	6,891	6,654	6,365	4,751	2,639	3,825	5,329	4,138	4,434	Not Available	3,829	3,862
FINANCIAL INFORMATION (VARIOUS SOURCES)												
Credit Rating (Moody's)	AAA	AAA	Aa2	Aa2	Aa2	Aa1	Aa2	Aa1	Aa2	Aa1	Aa3	AAA
Credit rating (S&P)	AAA	AAA	AA	AAA	AA+	AA+	AA+	N/A	AAA	AA+	AA-	AAA
Total Net Position (Most current CAFR: in thousands)	459,291	1,414,795	520,264	762,906	321,271	335,875	1,194,473	367,965	660,698	381,697	319,593	249,275

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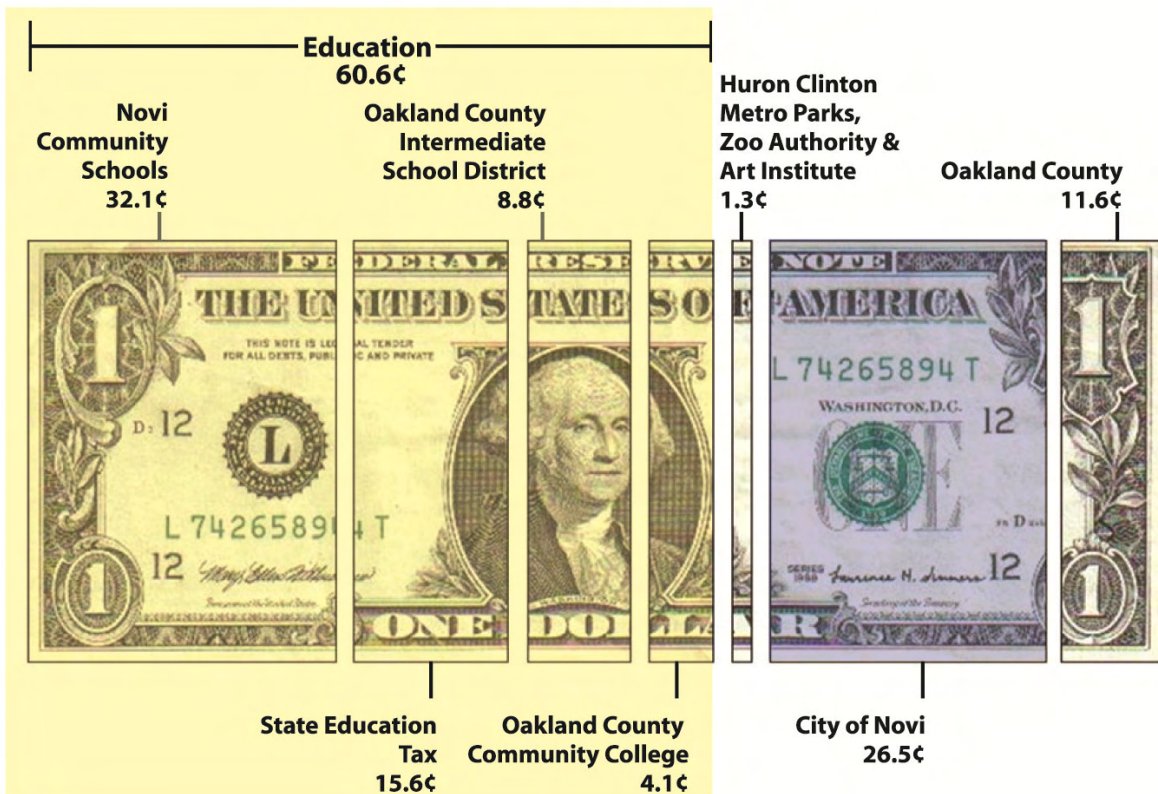
Statistical Information

City Millages

The City is the fiduciary for the collection of taxes for Novi, Northville, South Lyon, and Walled Lake School Districts, the related transfer districts, as well as for the State Education Tax, Oakland County, Schoolcraft College, and Oakland Community College. The photo below shows the allocation of "Your 2013 Property Tax Dollar" for fiscal year 2013-14 (homestead taxpayer).

The City continues to maintain one of the lowest municipal tax rates in Oakland County at 10.2 mils. Property taxes are expressed in terms of millage with one mil being equal to \$1.00 per thousand dollars of taxable value.

City of Novi Homestead Property Tax Rate Information (Novi & OCC School Districts)



Industrial Characteristics

The City of Novi is seeing growth in the industrial sector. Flexible industrial space has become the hallmark of the city's industrial parks, which are filling with a variety of uses. Flex space commonly has an office component to support light manufacturing, research and development, or warehousing in the remainder of the building. The year 2002 saw an increase of 501,371 square feet in light industrial development, largely in planned industrial parks.



Commercial — Business Characteristics

Novi has always been known as a source of shopping destinations. With Twelve Oaks Mall, the Novi Town Center, West Oaks I & II, Twelve Mile Crossing at Fountainwalk, Westmarket Square, and the Novi Promenade, shoppers come from throughout the region to shop in Novi.

Twelve Oaks Mall completed construction in 2008 to add an additional 165,000 square foot Nordstrom Store and a 90,000 square foot expansion to the Mall for approximately 30 retailers these additions, and also includes a 60,000 square foot expansion to what is now Macy's.

Commercial — Office Characteristics

The City initiated a rezoning of over 1,200 acres of privately owned property in several strategic locations throughout the community to a high-technology zoning district called the Office Service Technology District. The rezoning is serving as a catalyst to attract quality, high-tech businesses looking to locate within Michigan.



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Statistical Information

Major Taxpayers

2013 Top Twenty Property Owners (by Assessed Value)

		TOTAL	% OF TOTAL ASSESSED
1	NORTHERN EQUITIES, ETAL	\$53,364,200	1.59%
2	TAUBMAN	\$52,081,230	1.55%
3	SINGH	46,151,880	1.37%
4	NOVI CAMPUS	32,015,160	0.95%
5	OCCIDENTAL/ OAKLAND DEV/ E ROSE	27,139,550	0.81%
6	DETROIT EDISON	26,938,500	0.80%
7	INTERNATIONAL TRANSMISSION CO	26,904,400	0.80%
8	PROVIDENCE HOSPITAL	26,600,540	0.79%
9	BOWMAN	22,678,100	0.67%
10	NOVI TOWN CENTER	15,034,210	0.45%
11	FOUNTAIN WALK	14,922,100	0.44%
12	SOLOMON PROPERTIES	14,472,650	0.43%
13	JFK INVESTMENT	11,714,250	0.35%
14	MI DEVELOPMENT - MAGNA	11,410,070	0.34%
15	RAMCO NOVI I CO.	11,160,400	0.33%
16	CONSUMERS ENERGY	11,012,730	0.33%
17	NORTHWESTERN MUTUAL	10,834,570	0.32%
18	CVS	10,707,840	0.32%
19	WESTMARKET SQUARE	9,581,450	0.28%
20	MACY'S	9,357,810	0.28%
		\$444,081,640	13.20%



Appendix B

Statistical Information

Points of Interest

The Erie Canal was opened in 1825 at the same time the City of Novi was settled, drawing settlers from the east coast to Michigan.

Farming was the principal land use activity in Novi in the early days, but by 1830, there were enough families to support small businesses at the intersection of Novi Road and Grand River Avenue, known as Novi Corners.

In the 1850's, Grand River Avenue provided a connection from Lansing to Detroit, passing through the heart of Novi.

In the 1950's, the Interstate Highway System divided Novi with the construction of I-96. This freeway allowed fast access to Detroit and took "through commuters" off the Grand River Avenue corridor.

As early as 1959, the Village of Novi was considering becoming a city, although Novi did not incorporate as a city until 1969.

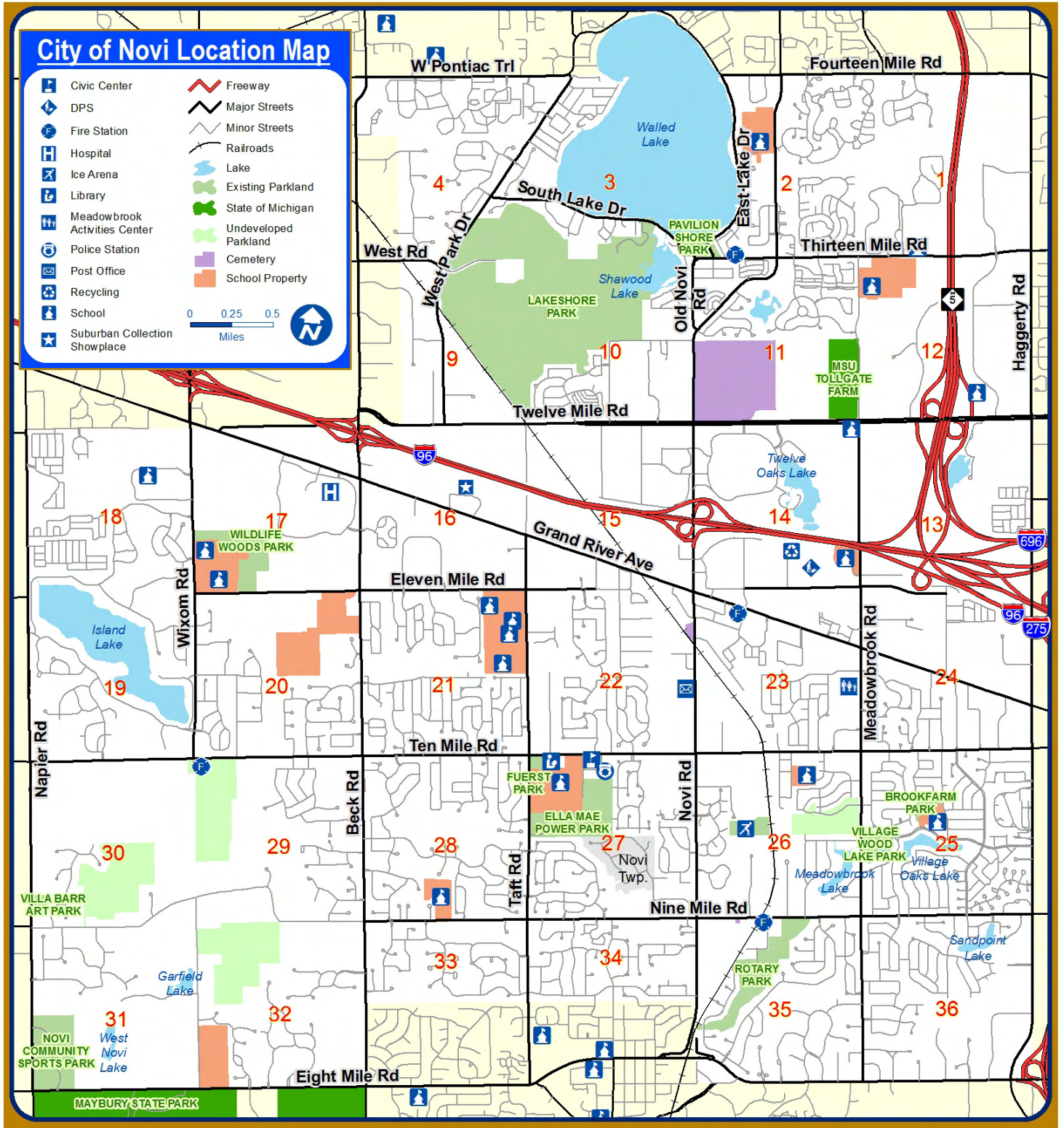
Twelve Oaks Mall, located at Interstate Highway 96 and Novi Road, houses nearly 180 retailers, specialty shops, restaurants and stores on over 1,687,781 square feet.

The Novi School District is comprised of 1 high school, 1 middle school (7-8), 1 upper elementary school (5-6), and 5 elementary schools (K-4). An Instructional Technology Center links the 5th grade house and the 6th grade house of Novi Meadows. (The majority of students residing within the City of Novi attend Novi Community Schools.)

The City of Novi is served by four school districts: Northville Public School District, Novi Community School District, South Lyon Community School District and Walled Lake Consolidated School District.

Appendix B

Statistical Information



Appendix B

Statistical Information

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/ program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Election data										
Registered voters	30,572	32,131	32,301	33,253	35,117	36,320	35,764	36,921	37,366	38,757
Voters at polls	3,962	25,432	4,495	20,612	9,020	19,684	2,887	14,535	3,633	20,484
Absentee ballots	1,343	5,783	2,256	4,500	2,768	8,455	2,212	4,575	2,386	8,765
Percent voting	17%	79%	21%	62%	26%	77%	14%	52%	16%	75%
Police										
Part A crimes	2,530	2,426	2,312	2,077	2,102	2,018	1,868	1,679	1,841	2,048
Part B crimes	1,766	1,216	1,246	1,388	987	721	793	814	627	626
Injury accidents	266	277	248	203	242	264	216	272	288	310
Property damage	2,221	2,004	1,986	1,853	1,825	1,737	1,602	1,761	1,631	1,695
Moving traffic violations	10,353	10,451	12,219	11,486	6,813	11,184	11,635	10,167	9,381	10,058
Parking violations	620	448	437	427	N/A	N/A	512	285	288	199
Adult arrests	1,709	1,630	1,780	2,001	1,703	1,987	2,353	2,368	2,082	2,241
Juvenile arrests	261	208	211	237	189	229	201	213	166	137
OUIL arrests	451	460	380	398	266	369	363	415	335	342
False alarms	2,527	2,470	2,677	2,664	2,403	2,275	2,262	2,357	2,090	1,170
Fire										
Fire incidents	137	305	309	287	266	1,015	134	92	120	112
Service incidents	1,343	1,124	1,013	1,207	1,218	567	2,006	1,311	1,249	1,360
Fire inspections conducted	2,849	2,280	2,291	2,301	2,619	3,049	2,341	2,920	3,557	3,063
Medical emergencies	2,187	2,430	2,424	2,458	2,724	2,766	2,957	3,299	3,169	3,383
Paid-on-call staff	55	48	54	59	56	68	68	66	68	55
Parks and recreation										
Youth classes/clinics	1,000	240	248	780	572	715	1,154	1,238	1,544	1,620
Adult classes/clinics	400	100	106	493	428	213	439	458	414	340
Youth leagues	4,900	2,891	3,002	3,091	2,983	2,198	2,585	2,371	2,431	2,512
Adult leagues	2,010	2,138	2,146	1,980	2,240	2,394	2,750	4,024	4,120	5,220
Lakeshore Park vehicle entry	3,410	3,456	3,502	7,910	10,335	7,065	11,533	9,846	10,822	13,000
Lakeshore Park attendance	10,230	10,368	12,224	17,120	17,777	17,663	28,833	24,615	27,055	32,500
Lakeshore Park picnic shelter rental	117	82	85	104	163	130	128	98	105	116
Senior citizens served (1)	90,680	63,676	64,189	106,522	87,188	78,978	78,432	68,517	76,462	77,759
Special event attendance	10,966	9,250	10,009	9,981	11,413	11,049	12,071	14,311	14,018	17,021
Civic Center Rentals	3,765	1,799	2,700	2,746	2,731	2,116	1,060	1,516	1,492	1,520
Civic Center Attendance	99,312	57,352	86,860	96,503	97,249	81,810	57,519	37,457	35,506	17,021
Novi Theaters - Cast	817	367	372	284	226	214	206	181	198	253
Novi Theaters - Audience	10,380	6,341	6,640	4,929	6,392	4,548	5,041	4,757	4,715	5,454
Library (2)										
Items Circulated	411,599	464,991	508,405	544,874	580,438	628,724	556,582	759,021	803,552	800,031
Book collections	113,384	119,273	123,897	126,259	128,711	123,884	137,220	146,187	152,024	151,724
Audio/Video/CD collections	11,075	11,552	12,581	13,805	13,774	13,232	14,295	18,015	20,618	23,507
Periodical subscriptions	195	189	153	170	179	162	185	215	208	210
Youth Summer Reading Program participants	1,577	1,687	1,698	1,171	1,491	1,491	1,061	1,261	1,338	2,042
Visitors	28,824	26,940	26,160	26,720	35,062	18,772	24,145	34,198	45,572	34,899
Interlibrary loans			285,777	265,795	269,815	280,560	262,826	371,274	378,571	389,220
			46,057	55,102	60,182	78,214	67,615	100,342	109,274	109,330
Water and Sewer										
Customers:										
Residential	10,684	11,107	12,306	12,708	12,716	12,641	12,874	12,940	13,191	13,604
Commercial	1,014	1,024	1,108	1,399	1,280	1,287	1,225	1,239	1,254	1,223
Water (in thousand gallons):										
Purchased from Detroit	\$ 2,213,689	\$ 2,267,616	\$ 2,431,591	\$ 2,424,237	\$ 2,402,589	\$ 2,182,409	\$ 2,041,594	\$ 2,166,712	\$ 2,459,402	\$ 2,321,313
Sold to residents	\$ 2,032,995	\$ 2,117,038	\$ 2,256,309	\$ 2,355,938	\$ 2,192,050	\$ 2,079,696	\$ 1,919,763	\$ 2,024,406	\$ 2,109,414	\$ 2,222,787
Rates:										
Fixed rate quarterly water charge	-	-	-	-	-	-	-	35.00	37.00	40.00
Additional usage per 1,000 gallons	2.55	2.78	2.94	2.94	3.17	3.95	4.06	3.31	3.44	3.86
Fixed rate quarterly sewer charge	-	-	-	-	-	-	-	5.00	5.00	6.00
Sewer (per thousand gallons of water usage)	1.93	2.05	2.21	2.21	2.32	2.51	2.67	2.90	4.00	4.25

(1) The total utilization no longer includes the phone calls and questions fielded by the Novi Senior Center. The June 30, 2008 total is a true reflection of those actually served at the center via programs and services. This tracking methodology will be used for all future years.

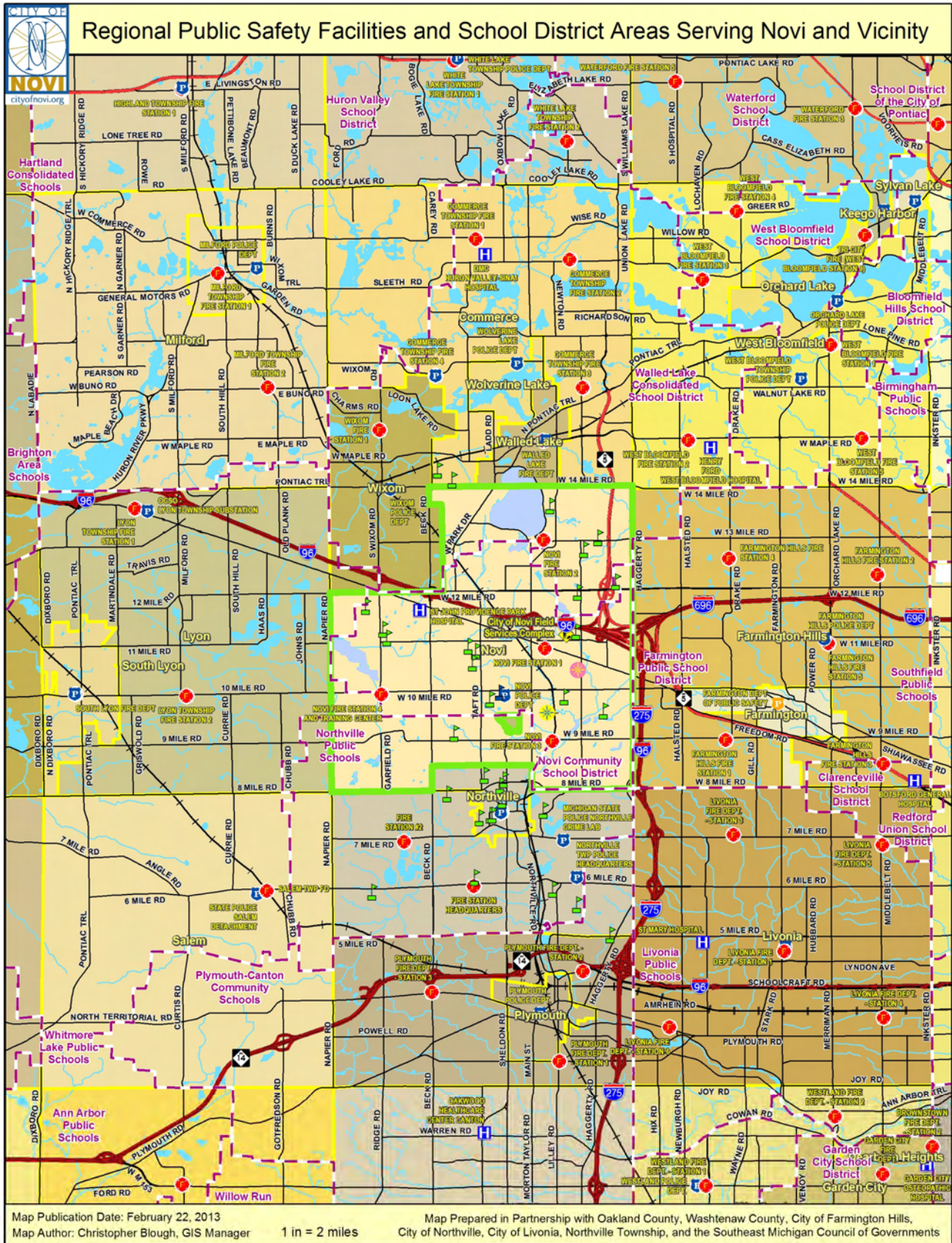
(2) This information represents 10 months worth of information. The Library was closed for the months of April and May. The New Library opened on June 1, 2010.

(3) Effective August 1, 2010 the City of Novi adopted a fixed rate structure for water and sewer usage which does not include a minimum consumption charge.

Source: City's Comprehensive Annual Financial Report

Appendix B

Statistical Information



Appendix C

Current Construction Project Inventory

City Manager's Recommended and Funded Capital Improvements

Roads	2013-2014 Estimated	2014-2015 Recommended	Future years	Total City Cost	Fund Source / Notes
2015 Neighborhood Road Rehabilitation, Repaving and Reconstruction Program with engineering for construction year 2016	\$1,719,000	\$2,090,000	\$10,130,000	\$12,220,000	203-Local Street Fund
Haggerty Road (9 Mile to 10 Mile) Widening		\$55,000		\$55,000	204-Municipal Street Fund/Potential Cost Share
Town Center Drive from Grand River to 11 Mile Road (PASER 2: Asphalt)		\$539,585		\$539,585	202-Major Road Fund
West Road Repaving, West Park Drive to City Limits		\$167,050		\$167,050	202-Major Road Fund
Town Center Drive Rehabilitation, Crescent Blvd to 11 Mile Road (PASER 6)		\$415,406		\$415,406	202-Major Road Fund
Intersections & Signals	2013-2014 Estimated	2014-2015 Proposed	Future years	Total City Cost	Fund Source / Notes
13 Mile and Cabot-New Signal		\$101,500		\$101,500	204-Municipal Street/Private Funding . Total project cost \$203,000.
Sidewalks & Pathways	2013-2014 Estimated	2014-2015 Proposed	Future years	Total City Cost	Fund Source / Notes
Americans with Disabilities Act (ADA) Compliance Plan Annual Implementation	\$115,208	\$50,000	\$200,000	\$365,208	204-Municipal Street Fund
11 Mile Road Pathways (Town Center to Meadowbrook)		\$406,100		\$406,100	202-Major Road Fund
Segment 89--Novi Road, East Side 10 Mile Road - Lidstrom (8' foot Pathway) Concrete		\$125,950		\$125,950	204-Municipal Street Fund
Segment 76--Grand River, North Side, East of Seeley, (8' foot Pathway Short Segment) Concrete		\$30,560		\$30,560	204-Municipal Street Fund
Segment 145--10 Mile Road (6, north side)--CSX to Catherine Industrial (gap)		\$51,360		\$51,360	204-Municipal Street Fund
Pontiac Trail at Geisler Middle School--Improve Pedestrian Crossing		\$99,250		\$99,250	204-Municipal Street Fund
Segment 109--8 Mile Road (north side, 8' pathway) between Garfield and Beck		\$444,670		\$444,670	204-Municipal Street Fund/Potential Grant
Storm Sewer & Drainage	2013-2014 Estimated	2014-2015 Proposed	Future years	Total City Cost	Fund Source / Notes
Streambank Stabilization-Bishop Creek and Ingersol (10 Mile to Meadowbrook)		\$176,390	\$750,660	\$927,050	211-Drain Fund
Orchard Hill Place Regional Detention Basin Improvement		\$26,375	\$126,600	\$152,975	211-Drain Fund
Middle Rouge at Flint Street, Streambank Stabilization		\$337,840		\$337,840	211-Drain Fund

Appendix C

Current Construction Project Inventory

Sanitary Sewer	2013-2014 Estimated	2014-2015 Proposed	Future years	Total City Cost	Fund Source / Notes
Sanitary Sewer upgrade to increase Pipe Capacity - 9 Mile Road East of Meadowbrook Road.		\$514,000		\$514,000	592-Water & Sewer Fund
Park Place Pump Station Upgrades		\$240,000		\$240,000	592-Water & Sewer Fund
8 New Sewer Flow Meters		\$40,000		\$40,000	592-Water & Sewer Fund
Water Distribution	2013-2014 Estimated	2014-2015 Proposed	Future years	Total City Cost	Fund Source / Notes
12" inch Water Main Along 14 Mile Road, Haverhill to Maples-New		\$140,000		\$140,000	592-Water & Sewer Fund
16" inch Water Main Along Meadowbrook Road Under I-96		\$489,000		\$489,000	592-Water & Sewer Fund
16" inch Water Main Along 9 Mile Road, Center to Novi Road		\$499,000		\$499,000	592-Water & Sewer Fund
Parks	2013-2014 Estimated	2014-2015 Proposed	Future years	Total City Cost	Fund Source / Notes
Ella Mae Power Park Access Road, Parking Lot and Pathway Resurfacing - Phase III		\$33,140		\$33,140	208- Parks, Recreation & Cultural Services
Greenway Development Phase IA (Community Sports Park to 9 Mile Rd.)		\$445,552		\$445,552	208-Parks, Recreation & Cultural Services Fund/Potential Grant
Tim Pope Play structure Replacement		\$250,000		\$250,000	208- Parks, Recreation & Cultural Services
Buildings & Property	2013-2014 Estimated	2014-2015 Proposed	Future years	Total City Cost	Fund Source / Notes
Arcade Demo and upper Lobby Build Out		\$50,000		\$50,000	Novi Ice Arena Fund
Fire Parking Lot Improvements (FS #2, #3, #4 and CEMS) - Replacment		\$84,900	\$148,200	\$233,100	101-General Fund
New Front Entranceway Doors and Foyer Remodel		\$35,000		\$35,000	Novi Ice Arena Fund
Villa Barr Park Property Sewer Extension		\$304,000		\$304,000	592-Water & Sewer Fund
DPS Field Services Complex - Building Expansion (Construction)		\$547,560	\$9,940,320	\$10,487,880	General Obligation Bond 101-General 592-Water & Sewer Funds
Civic Center Parking Lot & Novi way Improvements		\$40,000	\$391,000	\$431,000	101-General Fund

Appendix C

Current Construction Project Inventory

SUMMARY OF LOCAL, MUNICIPAL, AND MAJOR STREET FUNDS ACTIVITY

	Actual	Estimated	Budget	Projected		Total
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	
Revenue						
Municipal Street Fund - Property Taxes	\$ 2,226,168	\$ 4,350,000	\$ 4,488,000	\$ 4,634,000	\$ 4,771,000	\$ 20,469,168
Municipal Street Fund - State Right-of-Way	\$ 162,816	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 802,816
Major Streets Fund - State Gas & Weight Tax	2,472,920	2,565,976	2,642,955	2,722,244	2,803,911	13,208,006
Local Streets Fund - State Gas & Weight Tax	878,116	921,785	958,656	997,003	1,036,883	4,792,443
Other Revenue (major, local and muni road funds)	121,302	189,500	132,000	104,000	104,000	650,802
Total Revenue	\$ 5,861,322	\$ 8,187,261	\$ 8,381,611	\$ 8,617,247	\$ 8,875,794	\$ 39,923,235
Expenditures						
Engineering - Neighborhood Roads	\$ 47,378	\$ 257,517	\$ 172,375	\$ 97,375	\$ 97,375	\$ 672,020
Construction - Neighborhood Roads	377,942	169,363	55,000	977,580	-	1,579,885
Construction - Sidewalks - Neighborhood Roads	429,937	1,572,054	751,790	453,534	517,472	3,724,787
Construction - Traffic signals/Intersection Imp. - Neighborhood Roads	73,269	498,494	101,500	-	54,000	727,263
Construction - Right-of-Way - Neighborhood Roads	78,620	36,428	-	-	-	115,048
Construction - ADA Compliance - Neighborhood Roads	34,792	115,208	50,000	50,000	50,000	300,000
Engineering - Major Streets	109,987	427,401	212,751	86,090	86,090	922,319
Construction - Major Streets	550,174	1,497,212	1,401,480	2,343,596	3,198,697	8,991,159
Engineering - Local Streets	319,778	604,411	364,640	364,640	374,640	2,028,109
Construction - Local Streets	1,395,011	3,081,242	2,400,000	1,800,000	1,800,000	10,476,253
Subtotal Engineering and Construction Expenditures	3,416,888	8,259,330	5,509,536	6,172,815	6,178,274	29,536,843
Routine/Preventative Maintenance	1,600,167	2,246,100	1,939,950	1,865,000	1,850,000	9,501,217
Winter Maintenance	564,568	1,070,000	776,000	900,000	900,000	4,210,568
Traffic services	451,863	418,343	407,900	434,500	434,500	2,147,106
Administrative expenses	21,115	22,940	25,795	25,795	25,795	121,440
Total Expenditures	\$ 6,054,601	\$ 12,016,713	\$ 8,659,181	\$ 9,398,110	\$ 9,388,569	\$ 45,517,174

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Appendix D

Personnel Summary

The City of Novi employs full-time staff in various capacities. The costs for these employees are budgeted within their respective departments. The two contractual positions included in the FY 2013-2014 Actual columns are full-time positions in the FY 2014-2015 Budget column below. The prior year actual column reflects filled positions and open budgeted positions.

	<u>2012-13 ACTUAL</u>	<u>2013-14 ACTUAL</u>	<u>2014-15 BUDGET</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND				
CITY MANAGER				
City Manager	1.0	1.0	1.0	0.0
Assistant City Manager	1.0	1.0	1.0	0.0
Administrative Assistant	1.0	1.0	1.0	0.0
	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
FINANCIAL SERVICES (Finance and Treasury)				
Finance Director/Treasurer	1.0	1.0	1.0	0.0
Deputy Finance Director	1.0	1.0	1.0	0.0
Accountant	1.0	1.0	1.0	0.0
Purchasing Manager	1.0	1.0	1.0	0.0
Senior Financial Manager	1.0	1.0	1.0	0.0
Assistant City Treasurer	1.0	1.0	1.0	0.0
Senior Customer Service Representative	3.0	3.0	3.0	0.0
	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>
INFORMATION TECHNOLOGY				
Chief Information Officer	1.0	1.0	1.0	0.0
Computer Support Specialist	2.0	2.0	2.0	0.0
GIS Manager	1.0	1.0	1.0	0.0
IT Manager/Network Operations	1.0	1.0	1.0	0.0
	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>
ASSESSING				
Assessor	1.0	1.0	1.0	0.0
Deputy Assessor	1.0	1.0	1.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Commercial/Industrial Appraiser	1.0	1.0	1.0	0.0
Residential Appraiser	1.0	1.0	1.0	0.0
	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>
CITY CLERK				
City Clerk	1.0	1.0	1.0	0.0
Deputy City Clerk	1.0	1.0	1.0	0.0
Executive Secretary	1.0	1.0	1.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Customer Service Representative	1.0	1.0	1.0	0.0
	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>
FACILITY OPERATIONS				
Facilities Manager	1.0	1.0	1.0	0.0
Facility Support Specialist	0.0	1.0	1.0	0.0
	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>

Appendix D

Personnel Summary

	<u>2012-13 ACTUAL</u>	<u>2013-14 ACTUAL</u>	<u>2014-15 BUDGET</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND (continued)				
HUMAN RESOURCES				
Human Resource Director	1.0	1.0	1.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Payroll Coordinator	1.0	1.0	1.0	0.0
Senior Customer Service Representative	1.0	1.0	1.0	0.0
	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
NEIGHBORHOOD AND BUSINESS RELATIONS GROUP				
Director of Communications	1.0	1.0	1.0	0.0
Economic Development Director	1.0	1.0	1.0	0.0
Communications Specialist	1.0	1.0	1.0	0.0
Communications Coordinator	0.5	1.0	1.0	0.0
	<u>3.5</u>	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
DEPARTMENT OF PUBLIC SAFETY				
Director of Public Safety/Chief of Police	1.0	1.0	1.0	0.0
Assistant Chief of Police	2.0	2.0	2.0	0.0
Lieutenant	2.0	2.0	2.0	0.0
Sergeant	10.0	10.0	10.0	0.0
Analyst Planner/Office Manager	1.0	1.0	1.0	0.0
Communications Shift Leader	4.0	4.0	4.0	0.0
Communications Manager	1.0	1.0	1.0	0.0
Dispatcher	8.0	8.0	8.0	0.0
Administrative Assistant	1.0	1.0	1.0	0.0
Police Officer	37.0	37.0	38.0	1.0
Detective	11.0	11.0	11.0	0.0
Police Clerk	6.0	6.0	6.0	0.0
Public Safety Performance Measurement Analyst	0.0	0.0	1.0	1.0
Director of Emergency Medical Services & Fire Operations	1.0	1.0	1.0	0.0
Fire Marshall	1.0	1.0	1.0	0.0
Fire Protection Officer	16.0	16.0	16.0	0.0
Fire Lieutenant	4.0	4.0	4.0	0.0
Fire Captain	4.0	4.0	4.0	0.0
Training Officer	1.0	1.0	1.0	0.0
	<u>111.0</u>	<u>111.0</u>	<u>113.0</u>	<u>2.0</u>

Appendix D

Personnel Summary

	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 BUDGET	INCREASE (DECREASE)
GENERAL FUND (continued)				
COMMUNITY DEVELOPMENT				
Community Development Director	1.0	1.0	1.0	0.0
Building Official	1.0	1.0	1.0	0.0
Community Development Deputy Director	1.0	1.0	1.0	0.0
Building Inspector	2.0	2.0	2.0	0.0
Building Permit Analyst	1.0	1.0	1.0	0.0
Code Compliance Officer	3.0	3.0	3.0	0.0
Customer Service Representative	1.0	2.0	2.0	0.0
Electrical Inspector	1.0	1.0	1.0	0.0
Landscape Architect	1.0	1.0	1.0	0.0
Plan Examiner	1.0	1.0	1.0	0.0
Planning Assistant	1.0	1.0	1.0	0.0
Planner	1.0	2.0	2.0	0.0
Plumbing Inspector	1.0	1.0	1.0	0.0
Senior Customer Service Representative	2.5	2.5	2.5	0.0
Mechanical Inspector	1.0	1.0	1.0	0.0
	19.5	21.5	21.5	0.0
DEPARTMENT OF PUBLIC SERVICES (DPS)				
Public Services Director/City Engineer	1.0	1.0	1.0	0.0
Analyst Planner	1.0	1.0	1.0	0.0
Senior Customer Service Representative	0.5	0.5	0.5	0.0
	2.5	2.5	2.5	0.0
DPS FIELD OPERATIONS DIVISION				
Field Operations Senior Manager	1.0	1.0	1.0	0.0
Parks/Forestry Operations Manager	1.0	1.0	1.0	0.0
Roadway Asset Manager	1.0	1.0	1.0	0.0
Heavy Equipment Operator	4.0	4.0	4.0	0.0
Light Equipment Operator	8.0	7.0	7.0	0.0
Park Maintenance	2.0	4.0	4.0	0.0
Senior Customer Service Representative	1.0	1.0	1.0	0.0
Sign Technician	1.0	1.0	1.0	0.0
Work Leader	3.0	3.0	3.0	0.0
	22.0	23.0	23.0	0.0
DPS ENGINEERING DIVISION				
Engineering Manager	1.0	1.0	1.0	0.0
Civil Engineer	1.0	1.0	1.0	0.0
Construction Engineer Coordinator	1.0	1.0	1.0	0.0
Construction Technician	0.0	1.0	1.0	0.0
Staff Engineer	1.0	1.0	1.0	0.0
	4.0	5.0	5.0	0.0
DPS FLEET ASSET DIVISION				
Head Mechanic	1.0	1.0	1.0	0.0
Lead Mechanic	2.0	2.0	2.0	0.0
Mechanic	1.0	1.0	1.0	0.0
	4.0	4.0	4.0	0.0
DPS Total	32.5	34.5	34.5	0.0

TOTAL GENERAL FUND

198.5

204.0

206.0

2.0

Appendix D

Personnel Summary

	<u>2012-13 ACTUAL</u>	<u>2013-14 ACTUAL</u>	<u>2014-15 BUDGET</u>	<u>INCREASE (DECREASE)</u>
WATER AND SEWER FUND				
Water & Sewer Financial Services Specialist	1.0	1.0	1.0	0.0
Water & Sewer Asset Manager	1.0	1.0	1.0	0.0
Water and Sewer Senior Engineer	1.0	1.0	1.0	0.0
Light Equipment Operator	4.0	4.0	4.0	0.0
Maintenance	3.0	3.0	3.0	0.0
Senior Customer Service Representative	2.0	2.0	2.0	0.0
Water & Sewer Cross Connection Specialist	0.0	0.0	1.0	1.0
Work Leader	1.0	1.0	1.0	0.0
TOTAL WATER AND SEWER FUND	13.0	13.0	14.0	1.0
PARKS, RECREATION & CULTURAL SERVICES FUND				
ADMINISTRATION				
Director of Parks, Recreation & Cultural Services	1.0	1.0	1.0	0.0
Superintendent of Recreation	1.0	1.0	1.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Executive Secretary	1.0	1.0	1.0	0.0
	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
RECREATION				
Recreation Coordinator - Cultural Services	1.0	1.0	1.0	0.0
Recreation Supervisor	3.0	3.0	3.0	0.0
	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
OLDER ADULT SERVICES				
Account Clerk	1.0	1.0	1.0	0.0
Senior Center Older Adult Coordinator	1.0	1.0	1.0	0.0
Senior Services Manager	1.0	1.0	1.0	0.0
	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
TOTAL PARKS, RECREATION & CULTURAL SERVICES	11.0	11.0	11.0	0.0



Appendix D

Personnel Summary

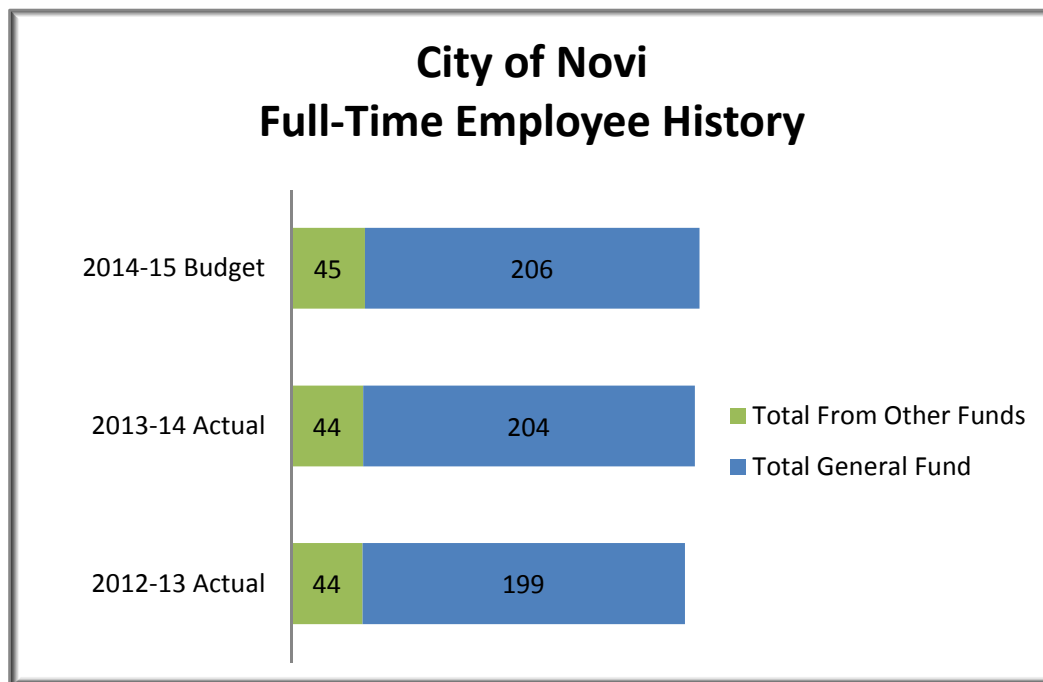
	<u>2012-13 ACTUAL</u>	<u>2013-14 ACTUAL</u>	<u>2014-15 BUDGET</u>	<u>INCREASE (DECREASE)</u>
LIBRARY FUND				
Administrative Assistant	1.0	1.0	1.0	0.0
Assistant Director - Building Operations	1.0	1.0	1.0	0.0
Assistant Director - Public Services	1.0	1.0	1.0	0.0
Collections Specialist	2.0	2.0	2.0	0.0
Communications Coordinator	0.5	1.0	1.0	0.0
Department Head-Information Services	1.0	1.0	1.0	0.0
Department Head-Information Technology	1.0	1.0	1.0	0.0
Department Head-Support Services	1.0	1.0	1.0	0.0
Facilities Assistant II	1.0	1.0	1.0	0.0
Librarian	4.0	3.0	3.0	0.0
Librarian-Electronic Services	0.0	1.0	1.0	0.0
Library Director	1.0	1.0	1.0	0.0
Office assistant	1.0	1.0	1.0	0.0
Supervisor	3.0	3.0	3.0	0.0
System Administrator	1.0	1.0	1.0	0.0
TOTAL LIBRARY FUND	19.5	20.0	20.0	0.0
TOTAL ALL FUNDS	242.0	248.0	251.0	3.0



Appendix D

Personnel Summary

	2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Budget</u>
Total From Other Funds	44	44	45
Total General Fund	199	204	206
	<u>243</u>	<u>248</u>	<u>251</u>



Glossary of Budget and Finance Terms

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, this budget glossary has been included in the document.

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Cost center within a fund or department to which specific expenses are to be allocated.

Ad Valorem: Tax imposed at a percentage rate of the value as stated.

ADA: Abbreviation for Americans with Disabilities Act.

Appropriation: An authorization made by the City Council, which permits officials to incur obligations against, and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Valuation: The estimated value placed upon real and personal property by the City Assessor. Assessed value is required to be at 50% of true cash value.

Assets: Property owned by the City, which has monetary value.

Audit: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal controls and is intended to ascertain whether financial statements fairly present financial positions and results of operations;

- Test whether transactions have been legally performed;
- Identify areas for possible improvements in accounting practices and procedures;
- Ascertain whether transactions have been recorded accurately and consistently;
- Ascertain the stewardship of officials responsible for governmental resources.

BAR: Abbreviation for budget amendment request.

Base Budget: The budget predicted on maintaining the existing level of service.

Bond (Debt Instrument): A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital improvements.



Glossary

Budget (Operating): A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

Budget Calendar: The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

Budgetary Control: The level at which expenditures cannot legally exceed the appropriated amounts.

Budgeted Funds: Funds that are planned for certain uses. The budget document that is submitted for Council approval is composed of budgeted funds.

Budget Message (City Manager's): Initially, a general discussion of the proposed budget document presented in writing as a supplement to the budget document. The budget message explains principle budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager. Subsequent to adoption this document is updated to reflect changes made during City Council deliberations.

CAFR: Abbreviation for Comprehensive Annual Financial Report.

Capital Outlay: A disbursement of money, which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$5,000 and have a useful life of more than 1 year.

Cash Management: The management of cash necessary to pay government services while investing idle cash in order to earn interest. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds safely in order to achieve the highest interest on temporary cash balances.

CIP: Abbreviation for Capital Improvement Program.

Contingency: An estimated amount of funds needed for deficiency or emergency purposes. An annual appropriation to cover short falls in revenue and/or underestimation of expenditures. Under Michigan law, to be used, contingencies must be moved to a more distinctive appropriation by a budget amendment.

Contractual Services: Items of expenditure from services that the City receives from an outside company. Heating and cooling mechanical services, maintenance, custodial services and support for the City owned telephone systems are examples of contractual services.

CPI: Abbreviation for Consumer Price Index. Renamed the Inflation Rate Multiplier (IRM).

CPM: Acronym for the Center for Performance Measurement. The International City/County Manager's Association (ICMA) CPM has been in existence since 1994 to assist local governments in improving the quality, effectiveness, and efficiency of public services through the collection, reporting, analysis, and application of performance information. CPM measures performance across 18 categories and currently has 191 members.

Current Taxes: Taxes that are levied and due within one year.

DARE: Abbreviation for Drug Abuse Resistance Education.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Department: A major administrative division of the City, which indicates overall management responsibility for an operation of a group of related operations within a functional area.

Depreciation: That portion of the cost of a capital asset, used during the year to provide service.

DWSD: Abbreviation for Detroit Water and Sewerage Department.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

EVIP: State of Michigan Public Act 63 of 2011 introduced the Economic Vitality Program (EVIP). Each city, village, or township that received a FY 2010 statutory payment greater than \$4,500 and fulfills the specific requirements for all of the three categories will be eligible to receive a maximum of 67.837363% of its FY 2010 total statutory payment (rounded to the nearest dollar). An eligible city, village, or township will receive 1/3 of the maximum amount for each of the three categories they fulfill the specific requirements for. The three categories are Accountability and Transparency, Consolidation of Services, and Employee Compensation. Each eligible city, village, or township must submit the certification form and required attachments for each category to qualify for payment.

Expenditure: The cost of goods delivered and services rendered, whether paid or unpaid.



Glossary

Expense: The cost of goods delivered and services rendered, whether paid or unpaid in the Enterprise Funds.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The excess of an entity's assets over liabilities. A negative fund balance is sometimes called a deficit.

GAAP: Abbreviation for Generally Accepted Accounting Principles.

GASB: The Governmental Accounting Standards Board, which provides direction in accounting and reporting requirements for units of government.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, public works and general administration.

General Obligation Bonds: When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Issuance of these bonds requires a citywide election and is usually repaid by an ad valorem property tax levy.

GFOA: Abbreviation for Government Finance Officers Association. The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

GIS: Abbreviation for Geographic Information System.

Headlee Amendment: The Headlee Amendment places an upper limit on the total amount of property taxes a city can collect in the fiscal year. This constitutional amendment limits the growth in taxable value attributed to market adjustment (excluding new construction) to the growth in the consumer price index (CPI). If this situation occurs, the operating millages, which are applied to the taxable value, must be reduced to compensate for any increase in excess of the CPI.

Headlee Override: A Headlee override is a vote by the electors to return the millage to the amount originally authorized via charter, state statute, or a vote of the people, and is necessary to counteract the effects of the Headlee Rollback.

Headlee Rollback: The term Headlee Rollback became part of municipal finance lexicon in 1978 with the passage of the Headlee Amendment to the Constitution of the State of Michigan of 1963. The Headlee Amendment requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation (IRM-CPI). As a consequence, the local unit's millage rate is "rolled back" so that the resulting growth in property tax revenue, community-wide, is no more than the rate of inflation.

Inflation Rate Multiplier(IRM): State of Michigan term for CPI computation in the Headlee computation.

Investment: Securities purchased and held for the production of income in the form of interest.

ISO: Abbreviation for Insurance Service Office. The ISO rating is a national standard with a 1 to 10 rating scale: 1 is the best and 10 is the lowest possible rating. ISO ratings are a factor in insurance rates charged to homeowners and businesses.

Liabilities: Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

Litigation: The process of taking an argument between people or groups to a court of law.

Long Term Debt: Debt with a maturity of more than one year.

Maturities: The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

MERS: The Michigan Municipal Employees Retirement System is a multiple-employer statewide public employee retirement plan created to provide retirement and survivor and disability benefits to local government employees.

Millage: A rate (as of taxation) expressed in mills per dollar.

MIOSHA: Abbreviation for Michigan Occupational Safety and Health Administration.

MLGBC: Acronym for the Michigan Local Government Benchmarking Consortium. MLGBC is a program designed to bring together cities, townships, villages and counties from across Michigan and produce meaningful and relevant performance measures for the purpose of benchmarking and multijurisdictional performance comparisons. Performance measures cover 14 service areas and currently has 43 members.

Modified Accrual Basis of Accounting: Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar obligations, which should be recognized when due.



OST: Abbreviation for Office, Service, and Technology.

Other Charges: An expenditure object within an activity, which includes professional services, utilities, rents, and training for example.

PASER: Abbreviation for Pavement Surface Evaluation and Rating System.

Per Capita Basis: Per unit population.

Personal Services: An expenditure object within an activity, which includes payroll and all fringe benefits.

PRV: Pressure Reducing Valve for maintaining water pressure levels.

Revenue: An addition to the assets of a fund, which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in an enterprise.

RCOC: Abbreviation for the Road Commission for Oakland County.

RRASOC: Abbreviation for Regional Recycling Authority of South Oakland County.

SEMCOG: South East Michigan Council of Governments.

SEV: Abbreviation for State Equalized Value.

Special Assessment Fund: Special Assessment Funds are used to account for the construction and financing of public improvements benefiting a limited number of properties. Assessments are repaid over a number of years with interest.

Supplies: An expenditure object within an activity that includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$1,000 dollars.

STPU: Surface Transportation Program – Urban.

SWOCC: Southwester Oakland Cable Commission in which the City is a member of this joint venture with the Cities of Farmington and Farmington Hills.

Taxable Value: This is a value used as a base for levying property taxes. It was established by a state constitutional amendment. Taxable value limits increases in value attributed to market adjustment. The increase is limited to the lesser of the actual increase, the rate of inflation as established by the consumer price index, or 5%. When property changes ownership, the value returns to 50% of true cash value.



CITY MANAGEMENT DECLARATION OF IDEALS

The International City Management Association was founded with a commitment to the preservation of the values and integrity of representative local government and local democracy and a dedication to the promotion of efficient and effective management of public services. To fulfill the spirit of this commitment, the International City Management Association works to maintain and enhance public trust and confidence in local government, to achieve equity and social justice, to affirm human dignity, and to improve the quality of life for the individual and the community. Members of the International City Management Association dedicate themselves to the faithful stewardship of the public trust and embrace the following ideals of management excellence, seeking to:

- 1 Provide an environment that ensures the continued existence and effectiveness of representative local government and promote the understanding that democracy confers privileges and responsibilities on each citizen.
- 2 Recognize the right of citizens to influence decisions that affect their well-being; advocate a forum for meaningful citizen participation and expression in the political process; and facilitate the clarification of community values and goals.
- 3 Respect the special character and individuality of each community while recognizing the interdependence of communities and promoting coordination and cooperation.
- 4 Seek balance in the policy formation process through the integration of the social, cultural, and physical characteristics of the community.
- 5 Promote a balance between the needs to use, and to preserve human, economic, and natural resources.
- 6 Advocate equitable regulation and service delivery, recognizing that needs and expectations for public services may vary throughout the community.
- 7 Develop a responsive, dynamic local government organization that continuously assesses its purpose and seeks the most effective techniques and technologies for serving the community.
- 8 Affirm the intrinsic value of public service and create an environment that inspires excellence in management and fosters the professional and personal development of all employees.
- 9 Seek a balanced life through ongoing professional, intellectual, and emotional growth.
- 10 Demonstrate commitment to professional ethics and ideals and support colleagues in the maintenance of these standards.



Leaders at the Core of Better Communities

CITY MANAGEMENT CODE OF ETHICS

THE PURPOSE of the International City Management Association is to increase the proficiency of city managers, county managers, and other municipal administrators and to strengthen the quality of urban government through professional management. To further these objectives, certain ethical principles shall govern the conduct of every member of the International City Management Association, who shall:

- 1 Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.
- 2 Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward urban affairs and a deep sense of social responsibility as a trusted public servant.
- 3 Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
- 4 Recognize that the chief function of local government at all times is to serve the best interests of all of the people.
- 5 Submit policy proposals to elected officials, provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals, and uphold and implement municipal policies adopted by elected officials.
- 6 Recognize that elected representatives of the people are entitled to the credit for the establishment of municipal policies; responsibility for policy execution rests with the members.
- 7 Refrain from participation in the election of the members of the employing legislative body, and from all partisan political activities which would impair performance as a professional administrator.
- 8 Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.
- 9 Keep the community informed on municipal affairs; encourage communication between the citizens and all municipal officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.
- 10 Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.
- 11 Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions, pertaining to appointments, pay adjustments, promotions, and discipline.
- 12 Seek no favor; believe that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.



Leaders at the Core of Better Communities

This Code was originally adopted in 1924 by the members of the International City Management Association and has since been amended in 1938, 1952, 1969, 1972, and 1976.



**ANNUAL BUDGET
AND FINANCIAL PLAN**

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