



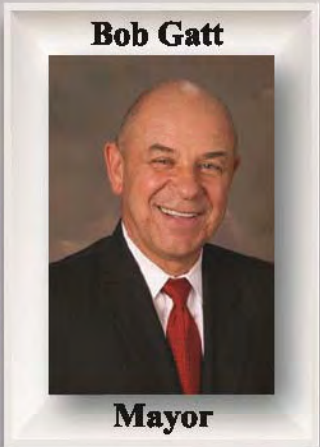
# NOVI inspiring talent government



ANNUAL BUDGET  
AND FINANCIAL PLAN

**2013 - 2014**  
CITY OF NOVI, MICHIGAN





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, 2012**

*Christopher P. Morill*

President

*Jeffrey R. Egan*

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, 2012. 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 2013-14 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 seven program categories: Public Safety; Infrastructure; Economic Development; Citizen-Focused Government; Fiscally-Responsible Government; Natural Areas and Features; and Parks, Recreation and Forestry.
  - ◊ 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 2012-13 *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.





# Organizational Chart

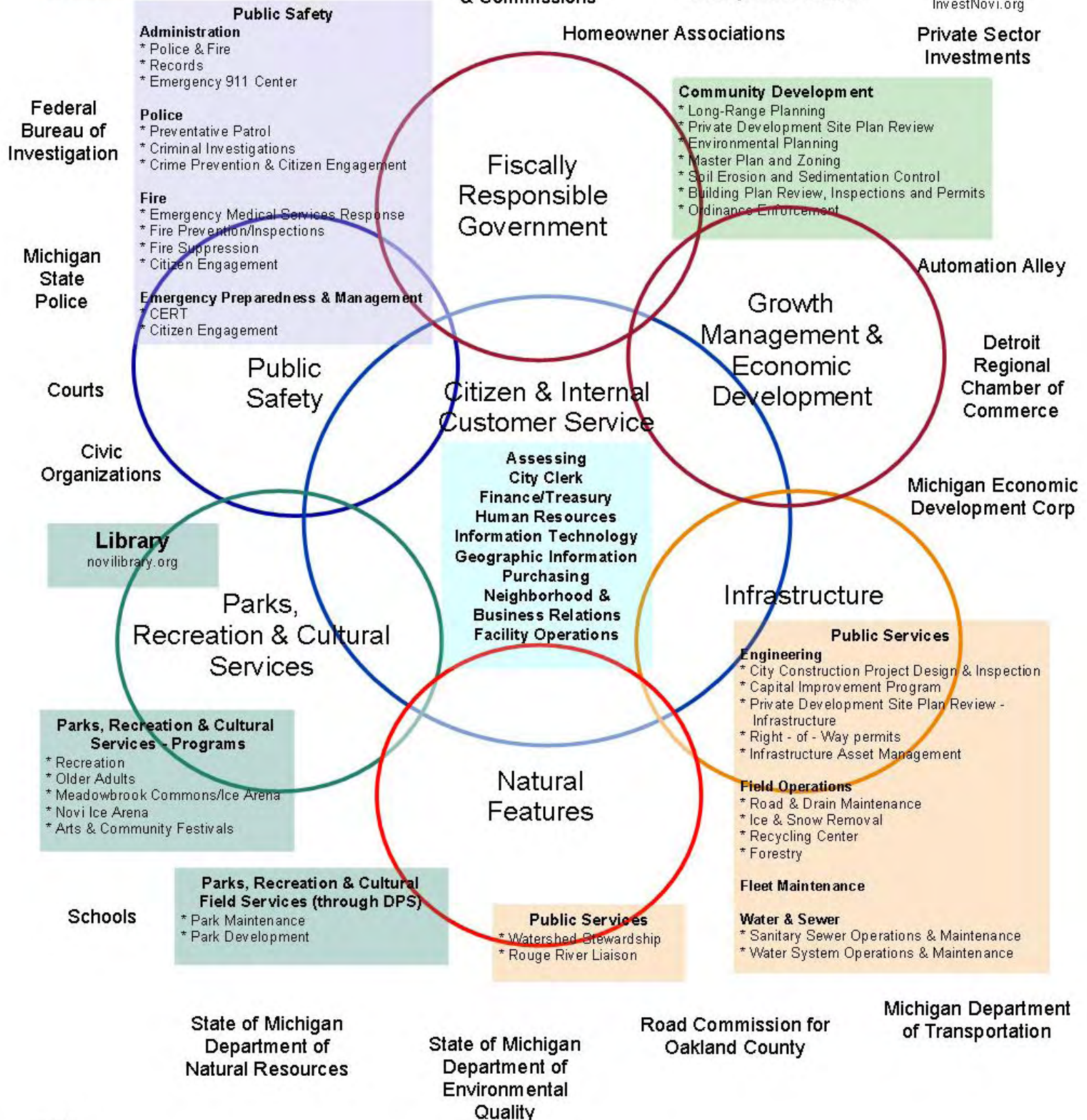
Mayor and City Council  
Office of the City Manager

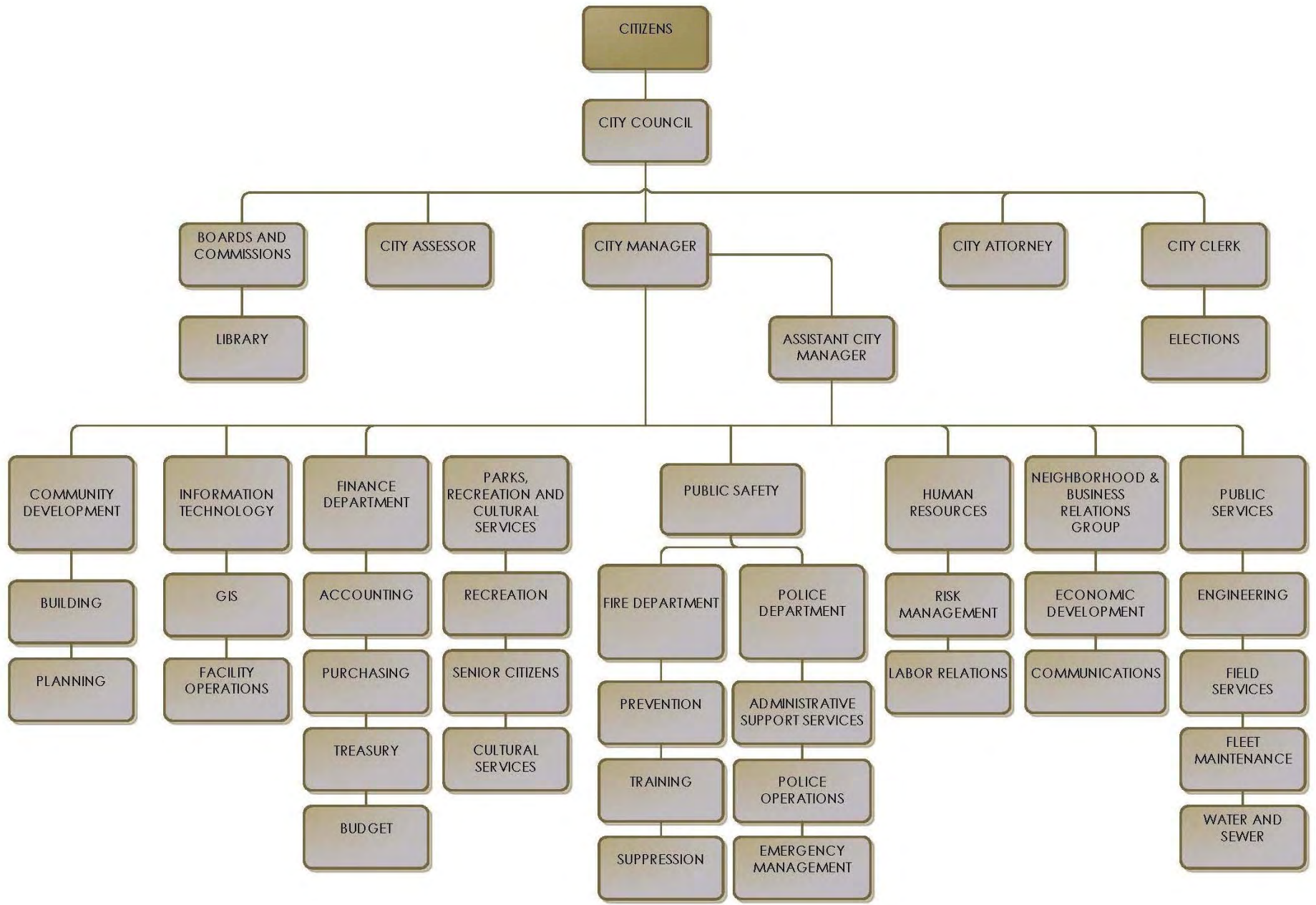
Citizens

Volunteer Boards  
& Commissions

Federal, State,  
County Government

Business  
InvestNovi.org







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# Budget Message



City of Novi, Michigan

## FISCAL YEAR 2013-14 BUDGET MESSAGE

June, 2013

Honorable Mayor and City Council Members:

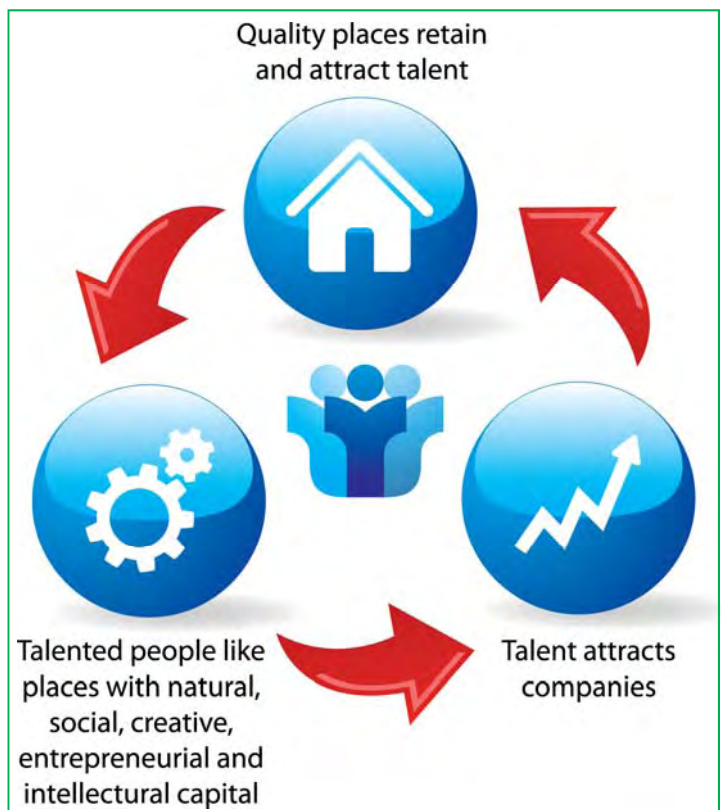
Whether there is a “war for talent” going on or merely the traditional competitive jostling between communities being ratcheted up more, regions are definitely all working to attract and leverage talent. We all want the creativity, innovation, insights, and energy of the talented people who build, contribute, and prosper. To meet the challenge, the Novi community continues to take a long-view perspective. We work on erecting and maintaining a place where talented people of all ages, from diverse backgrounds, through lifelong learning, want to be and to stay.

Governor Snyder emphasizes the importance of talent often, most recently at an economic development and placemaking summit. As the Detroit Free Press reported on March 19, 2013, “The goal of the two-day summit is to clarify the link between available talent and available jobs. That issue is acute in a state that has seen its unemployment rate stuck at around 9% for the past year. ‘The greatest asset we have in our state is our talent,’ Snyder told his summit.”

How can relatively small, 32 square mile `semi-burban’ Novi, with its 55,000 residents, affect and contribute to inspiring talent in this southeast Michigan region? Well, Novi can keep pushing the unique qualities that make it a point of convenience for talent and jobs. The City has economic development, planning, transportation, public safety, and cultural/recreational tools to continue to make a place second to none.

The March/April Michigan Planner publication illustrated (adapted and shown right) the reinforcing influences of place, talent and jobs which said,

*The quality of a place plays a much larger role in today's economic decisions than in recent years. As capital and people are more mobile than ever, the quality of a place also matters more than ever before. Quality places retain and attract skilled and talented people who in turn retain and create jobs.*



Adaptation of graphic on the relationship between talent, jobs, and place.

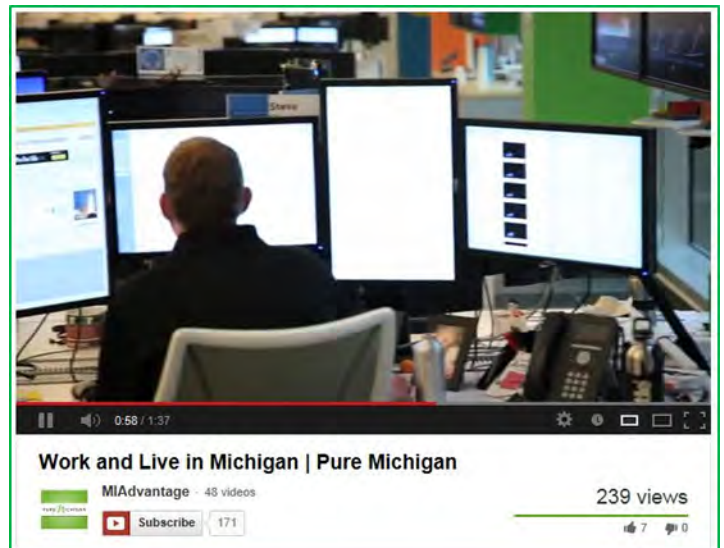


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*People choose to live, and ultimately invest, in places that offer community amenities, social and professional networks, resources and opportunities.*

During a Novi staff meeting this month, we planned a mobile web presence (jointly with the Novi Community School District) to attract even more talent to Novi, targeting new residents with school-age children. To help meet the identified market with our mobile web, a branding consultant interviewed different people around the city. The consultant held a discussion series with school administrators, parents, and business owners who already live here. The consultant's report gave a perspective that you will recognize as familiar. One comment was that "there is a very intellectual aspect to this community. Novi isn't trendy or in need of any high-gloss veneer. It's certainly not urban with that worn-out layer of hand-crafted appeal. It's new, it's fresh, it's innovative, and it's intellectual." The Novi interviewees went on about the "strong parks and recreation program; great schools; a city with a strong local government and school systems; **it's a hub** (emphasis added); and it has a mark, but hasn't (yet) left it."

Lou Glazer from Michigan Future, Inc. is someone whose talent policymakers such as the Novi City Council can draw upon. In a January 2013 look ahead of big picture themes, Glazer wrote about how "globalization and technology are mega forces – more powerful by far than politics or policy – that are constantly reshaping the economy." Glazer goes on to emphasize the inspiring talent priority, "**The places with the greatest concentration of talent win. The new path to prosperity is the broad knowledge-based economy.** High prosperity is occurring chiefly in those places where knowledge-based enterprises across many sectors are concentrating. Increasingly that is states and regions with a high proportion of adults with a Bachelor's degree or more." While recognizing that formal education (degrees) is an indicator but by no means an exclusive determinant of talent, it is sobering to note that Michigan's ranking in terms of percentage of adults age 25 to 64 with a bachelor's degree or higher in 2011 was among the 50 States. At 27.4% it was below the national average of 30.1. Meanwhile, here in the city of Novi, we proudly have attracted highly educated adults, 54.6% of whom have earned a bachelor's degree or higher.



A video montage from Pure Michigan, 'Work and Live in Michigan' depicts new economy companies, quality of life, 24/7 entertainment and recreation, and the restaurants/ nightlife that Novi contains.

Such talented people come to work at places like ITC Transco, which celebrated its first decade of existence in early 2013. ITC is now the nation's largest independent electricity transmission company. Companies such as Autodesk, world leaders in 3-D design, engineering, and entertainment software, see the potential of adding on to their existing Novi team. Autodesk already has a significant presence of talent located in Novi. Some 300 programmers and knowledge workers are already on Crescent Drive. After an evaluation of top national locations and discussions with City and MEDC staff, Autodesk has decided to gradually add more IT roles in Novi in the coming years.

In June 2013, the talented residents and staff at Fox Run Village will celebrate their 10<sup>th</sup> anniversary. The Fox Run contributions to the community are broad. They estimate that their investment at build-out will be around \$350 million, with 1,500 residential units, structured with their buildings around clubhouses, ranging from independent living to skilled nursing. Fox Run is also an important employment center, with 750 full-





# Budget Message

time equivalent positions. The “Boomers and Beyond” at Fox Run have joined those at the City’s own Meadowbrook Commons (also enjoying high occupancy rates) to call Novi a new home or a place to extend residency. Our older adults will be engaged and their talents leveraged for the betterment of the entire community.

Senior housing at the decade-old Fox Run Village will be joined in 2013 with openings at Medilodge on Eleven Mile Road and Maple Manor Rehabilitation Center on 14 Mile Road. Overall, building permit revenue is back into the \$1.7 million/year range, up more than 100% from the moribund FY 2009/10 years. We have added staff support positions accordingly and continue to work on retention and recruitment of talent in a suddenly re-competitive field. The resources are geared to maintaining certainty and speed in the processes, safety in the outcome. Housing outcomes are changing. Housing demand for young talent more often requires rental and not ownership option; also amenities, transit and density over yards and square footage to fill and maintain.

## **Our City staff talent upon whom we rely**

Looking internally, to attract a talented workforce, we keep in mind the need to balance budgets while still offering competitive wage and benefit packages. We rely upon solid complement of leaders in our organization and their historical knowledge. This budget, in keeping with one of the City Council’s early budget input goals, has funds for developing an administrative compensation plan that identifies our objectives and provides a multi-year approach. The same reality of compensation/benefits is true for retaining our current talented staff. Retention also gets at continuity and passing on ways of historic successes. A December 2012 Harvard Business Review article highlighted how important understanding an organization’s history is for shaping the future. “Once leaders recognize the basic truth about how history shapes culture, the importance of learning lessons from the past becomes clear. Because a shared identity is central to group identity, past experiences can be summoned up in a time of great challenge and change to inspire people’s energy and commitment.”

The FY 2013/14 budget reflects a selected, limited return to full-time employee counts, with the reclassification of two positions from part-time to full-time (Planner and Communications Coordinator, the latter being funded from the dedicated cable franchise fees). To manage the higher value of road and pathway construction, we also will have a construction technician position predominantly funded by transfers from project budgets and therefore does not have a significant financial effect on the General Fund. Finally, to keep up with parks grounds and City buildings, we will have a full-time parks maintenance worker and a facilities operator. The City grows and ages and needs care of its ‘bones.’ We have added or activated 71 acres of new parkland (Barr, Village Wood Lake, Pavilion Shore, and Orchard Hills West) which can be efficiently served by modest affordable dedicated staffing. With the rules for administrative officers and labor contracts for new employees, all of these positions are ‘pay-as-you-go,’ without legacy costs beyond the time the employee is with us. Moreover, as you will see in the financial tables and the multi-year budget, the inclusion of these adjusted position counts is still below highs of historical full-time position and fully financed in our multi-year projections within targets.

The talent of Novi’s staff is nurtured by a continuing culture of education. We have 19 employees in FY 2012/13 who are furthering their knowledge via the Employee Tuition reimbursement program. That extra work by the employees is a point of pride, as is the commitment to promoting active membership in professional associations & organizations. Our employees are leaders in their professions, contributing as they learn. For instance, we have line staff that presented to SEMCOG membership about winter maintenance efficiency and effectiveness. We encourage our staff to





# Budget Message

participate in professional association leadership positions, demonstrating the quality and dedication of their specialties.

We place great value on providing opportunities for employee engagement through health, wellness, and social programs. These offerings are crucial for the City to continue the path onward and upward by retaining those who have propelled the momentum thus far; we must redouble efforts to “Value our Talent” and, in return, they will value this organization and continue to make the City of Novi the jewel that it is. We also have staff serving on key Michigan Municipal League committees alongside elected officials to help shape legislation coming out of Lansing that will advocate for Novi and the best interests of local government serving citizens.

## **A word about public safety; parks, recreation and cultural services**

Our public safety services in Novi continue to shine. The Public Safety Administration, implemented in February 2010, continues to pay dividends for effectiveness and efficiency. The natural collaborations for budgeting, training, communications, records, emergency preparedness, and incident management have been enhanced. We have well-trained, professional, personable, caring staff throughout our police and fire services. Our combined fire department is efficient and effective and continues to work to provide an integrated focus. We have had the opportunity to make several promotions and recognize leaders who have demonstrated commitment to all these ideals and are ready to be partners with our community.

Novi's Parks, Recreation and Cultural Services Department also continues to be a significant contributor to Novi's placemaking successes. Our 1,100+ acres of parkland is as diverse as the population we serve, from active parks for athletic participation to passive areas for reflection and relaxation, park features include trails, wooded areas, water access, playgrounds, and gathering places, all of which provide value through improved health, economic growth, and gain in social capital. Novi's two newest park additions, Villa Barr Art Park and Pavilion Shore Park, will each provide a unique experience and illustrate our commitment to provide a well-rounded park system with quality amenities.

Our recreation and cultural offerings continue to evolve on a regular basis as PRCS staff stays current on trends in arts and leisure. New opportunities are offered throughout the year to meet the needs and demands of our community. The Department has been consistently recognized for providing new, innovative, and quality programs. Virtually every week we share to the City Council some new picture page of activities that are run for youth, adults, or boomers. With limited City-owned facilities, we maximize our parks and open space and partner with the community for maximum effect.

The Novi Public Library works within its great facility and throughout the community with outreach. Its location on the Civic Center Campus flows with the High School and Fuerst Park to create a great place. Lifelong learning and talent-sharpening has the staff of the Library out and about with programs to Fuerst Park and Meadowbrook Commons, all to make service and education a top priority. The Library Budget shows a planned use of all available means of financing to expand service hours to the public.

## **Taxable Value and millages, the combination that funds local government services in Michigan**

In addition to the overall large scale, diversity in the Novi tax base has been one of our strong point. Diversity helps to moderate different highs and lows in residential versus business uses. The “Great Recession’s: impact on property values was fairly universal, but disparate across geography and sectors. For some perspective, Novi's 2013 Taxable Value is 83% of its high value in 2008, \$3.58 billion. For the 2012

# Budget Message

tax year, the last for which comparable data is available, Novi is faring relatively well in the recovery, second only in Oakland County to Royal Oak in returning value level, and with a slightly higher percentage return than Troy, Farmington Hills, Southfield, or Rochester Hills.

Our value in types of property usage is also appropriately disparate. Residential values in Novi are definitely seeing a broad and strong return. Many values are at the capped maximum increase for residential uses. The commercial and industrial properties, though, remain sluggish. While residential-type taxable values increased 4.6% in the aggregate, the commercial and industrial properties saw another aggregate decline, this time 4%. The separation also causes the City's tax base for 2013 to rely slightly more on residential, now 64% of the total. We look forward to continuing work across retail, office, hotel, and light industrial land uses for retaining and expanding existing businesses, while attracting what we can from the limited pool for new recruit potentials.

## TAXABLE VALUE FOR 2013 POST March Board of Review (MBOR)

as of 3/18/2013

	2012 Post MBOR	Additions	Losses	2013 POST MBOR	2013 w/o Additions
<b>RESIDENTIAL PROPERTIES</b>					
17,106 PARCELS					
TAXABLE	\$1,809,105,200	\$50,180,116	\$1,442,970	\$1,892,939,776	\$1,842,759,660
% of the total	61.9%			63.7%	
% CHANGE TO TAXABLE				4.6%	1.9%
<b>COMMERCIAL &amp; INDUSTRIAL PROPERTIES</b>					
1,084 PARCELS					
TAXABLE	\$890,883,160	\$10,819,884	\$4,847,695	\$855,546,320	\$844,726,436
% of the total	30.5%			28.8%	
% CHANGE TO TAXABLE				-4.0%	-5.2%
<b>PERSONAL PROPERTY for non-residential</b>					
2,454 PARCELS					
Industrial	18,816,970			17,446,970	
Utility	44,871,710			44,557,650	
Commercial	156,656,610			159,345,380	
SEV & TAXABLE	\$220,345,290			\$221,350,000	\$ 221,350,000
% of the total	7.5%			7.5%	
<b>ALL PROPERTIES</b>					
20,644 PARCELS					
SEV	\$3,004,330,340	\$92,098,334	\$39,466,100	\$3,097,384,860	\$3,005,286,526
TAXABLE	\$2,920,333,650	\$61,000,000	\$6,290,665	\$2,969,836,096	\$2,908,836,096
% CHANGE TO TAXABLE				1.7%	-0.4%
% OF PARCELS WHERE SEV = TAXABLE				49.9%	
% OF VALUE WHERE SEV = TAXABLE				95.9%	

Summary of Novi taxable value composition, after the March Board of Review completion.

A sense of cautious optimism wisely pervades policymakers and is echoed in this budget. The personal property component of the total tax base is reflected in the blue color band above. The industrial component is the one most-often discussed in Lansing when it comes to personal property tax "reform." That reform, monitored by staff and recognized by the City Council during early input budget sessions, means removing the industrial personal property revenues from future FY 2014/15 budget revenue without replacement. Thankfully for the City of Novi's revenue, the industrial portion is a small 0.6% of the total tax base.





# Budget Message

One financial unknown discussed last year dealt with tax tribunal appeals of value. Happily for the City, those unknowns have been greatly reduced thanks to the improving economy and the diligence of our Assessing staff. The 2013 March Board of Review processed only 304 petitions to justify a reduction down from 492 last year and 719 in 2011. Overall, there were 67 reductions, 61 increases, and 176 that saw no change. It is anticipated that the reduction in MBOR activity and the improving economy will lead to less tribunal cases in the future. Until that time, the loss allowance from the City's overall Taxable Value is conservatively shown at \$50 million, then \$40 million for each of the subsequent years in the projected multi-year financial plan. The allowance provides a hedge as a take away from the total tax base. Again, though the scale of the case counts and values is dramatically less than what we have been carrying the last three years, but we will continue to account and plan for such losses.

The City **property tax millage rate was reduced in 2012** from 10.5416 mills to 10.200 mills as a result of effective management of our long-term debt obligations and flexibility in the storm water fund. That rate is maintained in 2013. You can see a table under the Fiscally Responsible Government Budget Program Category, depicting "Municipal and other tax rates for ten largest Taxable Value cities in Oakland County." That table shows Novi with a low millage rate, second only to Rochester Hills. The higher-rate communities are mostly built-out and do not have the opportunity for new value growth. Such additions help feed our revenue base and will continue to for years, but not forever.

## Big Picture, Big Numbers

A good way to look at the big picture of the City's current fiscal position is through our Comprehensive Annual Financial Report (CAFR). More perspective can be gained by looking at the **statement of net assets** found in the CAFR prepared by our Finance Department. As of June 30, 2012, the City's total assets (our infrastructure, property, facilities, and equipment) exceeded total liabilities by \$333.6 million, up \$5.5 million from the previous year. Net assets for governmental activities (a subset of funds including the General Fund and Special Revenue Funds) increased by \$2.3 million, or 0.7%. It is this type of holistic balance sheet statement that brings a healthy dose of business accounting to our public setting. Novi's balance sheet remains strong. The talents wisely spent are not just expenditures out the door; the expenditures are investments throughout this budget work plan.

Governmental accounting and financial reporting rules are sensibly requiring units of government to make a clearer and more complete assessment of their overall and long-term financial positions. Reporting on a full accrual basis of accounting represents a significant change to the overall financial reporting model previously used. Novi implemented required changes in 2003, ten years ago, to include reporting government-wide financial statements. That first report, back on June 30, 2003, disclosed total net assets were \$230 million. So, from the beginning of this data ten years ago, despite the intervening economy and revenue fluctuations, we have still managed to increase the value of the City's total net assets by 45%.

Maybe the most-discussed change over the last few years has been accounting for **other post-employment benefits (OPEB)**. The reporting rules now require that the statements show the costs of providing retiree healthcare expenses after the working life of the employee, rather than when the expenses are later incurred. The City has made cumulative excess contributions of \$375,800 towards this liability over the last three years, as shown in the last audit. In this recommended FY 2013/14 budget, we are making a specific additional contribution of \$100,000 toward this liability, reflecting a deposit now that will provide generations of future City leaders with flexibility.

Eric Scorsone from Michigan State University published in March 2013 an MSU Extension White Paper, "Funding the Legacy: The Cost of Municipal Workers' Retirement Benefits to Michigan Communities."

# Budget Message

Scorsone and his team compiled Fiscal Year 2011 annual audit reports filed with the Michigan Department of Treasury for each city, village, and township. OPEB, pension and related financial data were compiled and analyzed. Although the data is already a little dated, at that time it showed, surprisingly, that most Michigan public employers (52%) do not require employee or retiree contributions for retirement healthcare benefits. When looking at the scope of OPEB for local governments across Michigan, the MSU report generally keeps to large aggregations of communities in various population categories. There is one table that points out “Characteristics of 10 Local Units with the Highest Funded OPEB Plans in the 30,001 – 200,000 Population Category.” The report says that, “These units demonstrate progressive efforts to confront the OPEB liability: closing the plan to new hires, introducing employee and/or retiree cost participation, implementing a healthcare savings plan (HCSP), and benefitting from investment earnings on plan assets. Though this cursory analysis doesn’t explain why these units began prefunding, the **overall characteristic indicates strong management and oversight.**” Note that the data available to the researchers stems from filings to the State of Michigan and an older actuary. The City’s 2011 report shows 61.4% OPEB Liability Funded status. From an MSU expert, then, a solid testament for Novi’s past decisions and those with whom we compare. In the FY 2013/14 budget, we continue 100% of the actuary-recommended funding to OPEB.

Local Unit Name	County	OPEB Liability	OPEB Liability Funded Status	OPEB DB Plan Status	Some Level of OPEB Cost Participation Disclosed?	Offers HCSP?	Administrator?
Kentwood	Kent	\$ 1,708,613	109%	Open	yes		no
Portage	Kalamazoo	4,138,629	107%	Open	no		yes
Troy	Oakland	89,952,000	67%	Open	yes		yes
Macomb Township	Macomb	16,794,869	64%	Open	no		no
Farmington Hills	Oakland	74,937,594	59%	Open	yes		yes
Rochester Hills	Oakland	3,475,690	59%	Closed	no	yes	yes
Muskegon	Muskegon	24,024,000	55%	Open	no		yes
Novi	Oakland	19,936,733	46%	Both	yes	yes	yes
West Bloomfield Charter Township	Oakland	54,464,291	41%	Both	no		no
Livonia	Wayne	153,223,000	39%	Both	yes	yes	yes

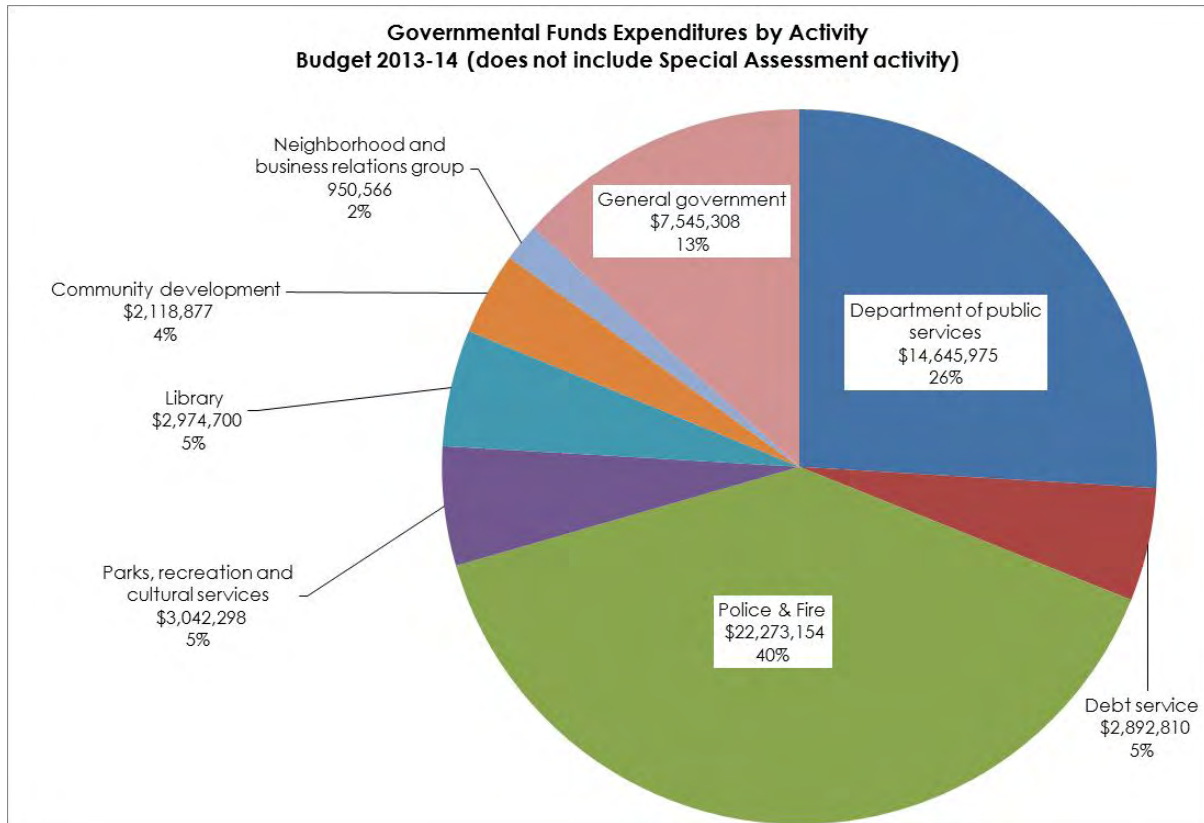
From the MSU report, depicting “Characteristics of 10 Local Units with Highest-Funded OPEB Plans in the 30,001 - 200,000 Population Category.”

## Investing in priorities, keeping balance

Finally, staying with the more holistic view of governmental fund activities, the pie graph below reflects where the City of Novi dedicates its resources on an activity basis. As in the past, the emphasis is on public safety, with the direct expenditures to police and fire services. In addition to those direct dollars, much of community development (i.e., code enforcement) is linked to public safety. Likewise, parks and recreation spending, supporting activities and enrichment for citizens of all ages, reflects our efforts for safe and healthy opportunities. Continued investment in an expansion of year-long consistent operating hours of the Novi Public Library provides both cultural and intellectual opportunities to our residents. That investment in the intellectual talents for our residents contrasts to other communities that have cut back on library hours as a budgetary decision.



# Budget Message



**Police and Fire/EMS, Public works services remain the highest priority expenditures within the City's General and Special Revenue Funds, primarily supported by property taxes.**

## Local transportation investments doubled

In August 2012 the Charter was amended through voter-approval millage (Thank you!) to provide an increase in the maximum available from 1.0 mills (which had been reduced by the Headlee Amendment to .7719 mills) to 1.5 mills beginning with this year's 2013 levy. With the dedicated millage, the revenue potential for road construction and maintenance, pathways and sidewalks, traffic signals and intersection work essentially doubled.

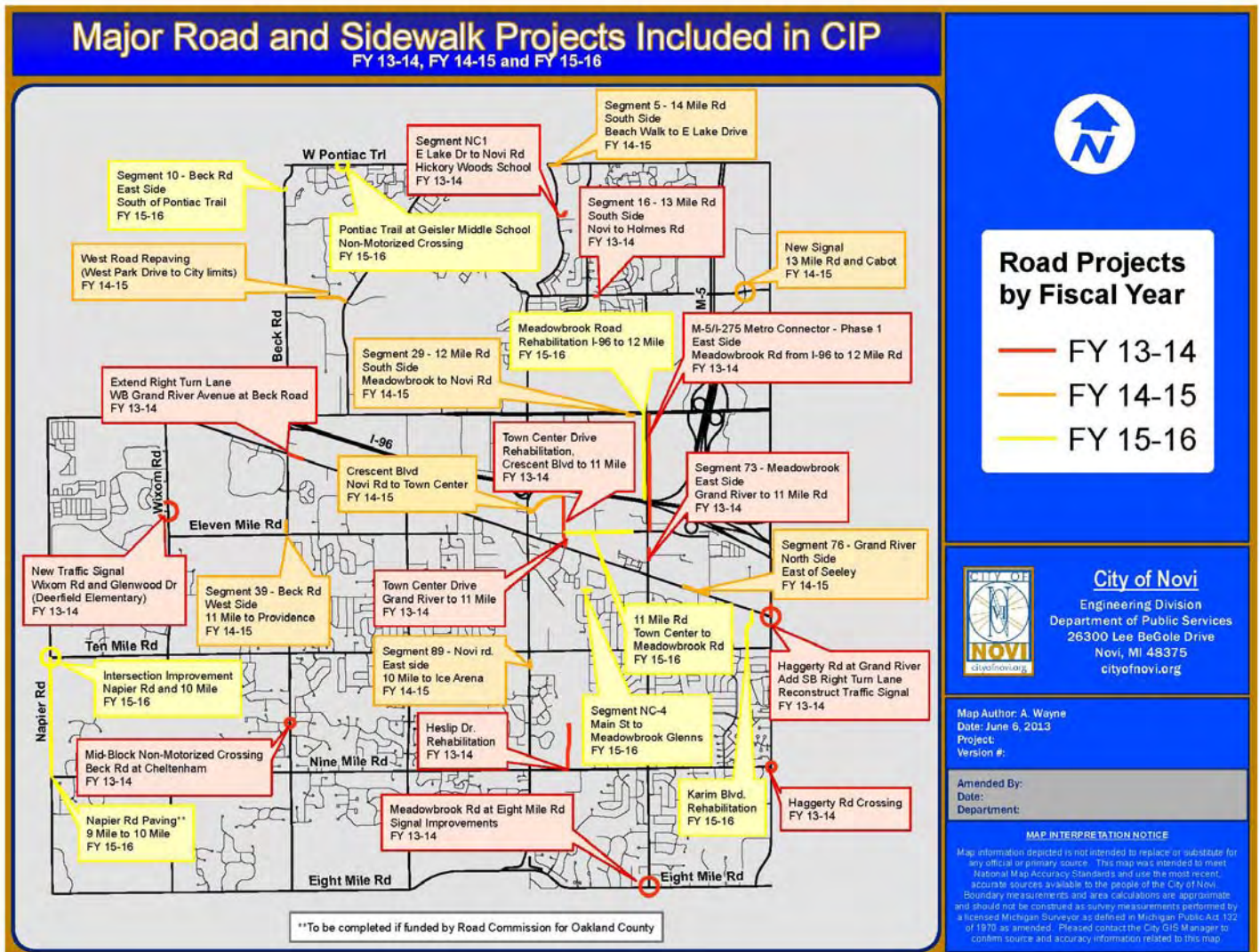
Our focus on infrastructure (broad, beyond just roads) in Novi is keen. Infrastructure requires planning, regular maintenance and care, and big ticket purchases. We see that responsibility as essential to supporting public safety, economic development, neighborhoods, and general quality of life – essentially everything we do as a City government. The infrastructure we tend is below ground and above; it is multi-faceted. We are not just a road agency; we are responsible for providing availability for people to walk, bike, and run as much as drive. Such facilities address Novi being welcoming for multiple generations, from youth to older adults. As functional as our infrastructure must be, we can also make our infrastructure “look nice”.

The Complete Streets emphasis can be a jumping off point to make the right-of-ways safe and attractive for multiple modes of moving about. A city of Novi's stature justifiably funds landscaping and tree plantings that beautify public spaces, including roadways. We provide spaces for public art to grace the thoroughfares people move about daily. In this budget, we continue the tree trimming program, just finishing with its first five-year cycle of trimming (through managing a contracted vendor)

# Budget Message

some 6,000 trees and now starting the cycle again. The City government here is collectively responsible for the planting, care, and maintenance of over 36,000 street and park trees. In addition to the natural beautification efforts, through the support of the Novi Parks Foundation and other private dollars, public art such as that from Novi resident David Barr, now appears along our roadways as well.

Our non-motorized transportation system has significant work in the FY 2013/14 Budget. Pathways and sidewalks, organized with the work of the Walkable Novi Committee, continue to be promoted. Major work is scheduled to fill individual gaps in pathways and sidewalks where private development activity that would otherwise install the required walks is long-off or unlikely. We have grant-assisted projects to



Recommended capital improvements within this upcoming multi-year budget are plentiful and shown throughout Novi.

link neighborhoods north and south of I-96, along Meadowbrook Road, with an option to make a vital regional connection with the I-275 pathway. The work ahead builds upon the successes already in place. A March 13, 2013 staff report recapped work completed since the adoption of the non-motorized master plan in 2011. That recap shared in the last two years over 13,000 feet (2.5 miles) of investments in sidewalks and pathways were completed. Staff has calculated the City's non-motorized facility mileage includes an impressive 264 miles to walk and bike.





# Budget Message

The City of Novi budget furthers our capital improvement plan to good effect. We have projects teed up over multiple years that will meet all of these varied objectives. The map below depicts construction work on the arterial or other non-residential roads, but does not reflect the work on the neighborhood roads or our maintenance/repair efforts, which are just as important, if not more so, to the success of our infrastructure.

If you compare the map from last year to this years, the number of projects for FY 2013/14 is vastly expanded. We have major road improvements, including necessary work to rehabilitate deteriorating Crescent Boulevard east of Novi Road and Town Center Drive. Rehabilitation of these key roads surrounding Novi Town Center is important because we have seen an increase in economic activity associated with Wal-Mart's presence and the specialty retailers that have subsequently set-up shop nearby. Accordingly, we expect to see an increase in average daily traffic on these roadways once they are addressed, the timing is good and need is there now prior to full occupancy.

## **Multi-year budgeting, with enhancements, representing well**

The last budget document saw several upgrades from what had been termed the Fiscal Analysis Section. The multi-year budget was shown as a separate highlighted section and more prominently shown as the City Council's financial guidepost. Apart from positioning in this document the amounts for planned projects, in sync with the CIP, for projected years were shown. We continue that practice; providing a fine-tuned projection of revenues and expenditures for the next 36 months for all the funds involved with a property tax levy.

Last year's edition of the multi-year budget projected out 24 months down the road an unrestricted General Fund Balance at the end of this fiscal 2013/14 year of \$6,730,083. Now, twelve months later and twelve months closer, we are projecting a \$6,288,792 General Fund balance. Knowing that behind the net total the elements may change significantly, it is still reassuring to see that a major net total is tracking within 5.5% of the estimates. The adjusted Taxable Value that we were using last year for FY 2013/14 was \$2.95 billion, 0.6% within the prior year's projection.

## **Property tax bill historic reductions**

The City, schools, and county have had less operating revenue since property values peaked in 2007 and 2008. The City is committed to maintain the lowered 10.2000 millage rate first levied in 2012. A table is provided with five actual property tax amounts for residences scattered throughout Novi. The table shows local and state government revenue derived from property taxes declining even in a stable city like Novi anywhere from 14% to 55% in these limited samples, depending on the neighborhood. While that obviously leaves more money in our residents' pockets, it leaves less available for the City to provide the services that they expect.



# Budget Message

Sample Residential Property Tax Bills Six-Year History and Change from Previous									
City of Novi, Michigan									
	Total Prop Tax Bill	Change from Previous		Total Prop Tax Bill	Change from Previous		Total Prop Tax Bill	Change from Previous	
	<b>Maple Hills</b>			<b>Saratoga Circle</b>			<b>Is. Lakes N. Bay</b>		
<b>2008</b>	\$2,906			\$5,011			\$8,980		
<b>2009</b>	\$2,410	-17.1%	-\$496	\$4,401	-12.2%	-\$610	\$7,304	-18.7%	-\$1,676
<b>2010</b>	\$2,205	-8.5%	-\$204	\$3,832	-12.9%	-\$569	\$6,820	-6.6%	-\$484
<b>2011</b>	\$1,606	-27.2%	-\$599	\$3,842	0.3%	\$10	\$6,535	-4.2%	-\$285
<b>2012</b>	\$1,570	-2.3%	-\$36	\$3,894	1.4%	\$52	\$6,808	4.2%	\$273
<b>EST 2013</b>	\$1,608	2.4%	\$37	\$3,988	2.4%	\$93	\$6,972	2.4%	\$163
<b>Six-year Difference 2008 to 2013</b>		-44.7%	-\$1,298		-20.4%	-\$1,023		-22.4%	-\$2,008
	<b>Applegate II</b>			<b>Dunbarton Pines</b>			<b>Addington</b>		
<b>2008</b>	\$2,519			\$3,994			\$7,045		
<b>2009</b>	\$2,367	-6.0%	-\$151	\$3,814	-4.5%	-\$180	\$6,954	-1.3%	-\$91
<b>2010</b>	\$1,100	-53.5%	-\$1,268	\$3,504	-8.1%	-\$310	\$6,291	-9.5%	-\$663
<b>2011</b>	\$1,123	2.1%	\$23	\$3,331	-4.9%	-\$173	\$6,076	-3.4%	-\$215
<b>2012</b>	\$1,145	2.0%	\$23	\$3,223	-3.3%	-\$108	\$5,938	-2.3%	-\$138
<b>EST 2013</b>	\$1,132	-1.2%	-\$13	\$3,300	2.4%	\$77	\$6,080	2.4%	\$142
<b>Six-year Difference 2008 to 2013</b>		-55.1%	-\$1,387		-17.4%	-\$694		-13.7%	-\$965
	<b>Bellagio</b>								
<b>2008</b>	\$23,922								
<b>2009</b>	\$18,036	-24.6%	-\$5,886						
<b>2010</b>	\$16,713	-7.3%	-\$1,322						
<b>2011</b>	\$17,545	5.0%	\$832						
<b>2012</b>	\$19,720	12.4%	\$2,175						
<b>EST 2013</b>	\$20,193	2.4%	\$473						
<b>Six-year Difference 2008 to 2013</b>		-15.6%	-\$3,729						

Note: Reflects property taxes paid for all entities

While aggregate of property taxes to the City and other taxing bodies are in the millions, these seven sample actual property tax bills depict change over the recent years.





# Budget Message

## FY 2013/14 General Fund Revenue exceeds Operating Expenditures

Despite these revenue pressures, the recommended budget has General Fund operating revenue (with transfer in) greater than annual operating expenditures for FY 2013/14. By virtue of savings from prior years, revenues over expenditures, and consistently staying within our targeted fund balance, we are also able to complete one-time capital items and service improvements. The ending General Fund fund balance (or fund equity) as of June 30, 2016 is likewise within its targeted percentage.

CITY OF NOVI General Fund		
DESCRIPTION	Estimated 2012-13	Budget 2013-14
Annual Revenue (including transfers from other funds)	<u>\$29,498,211</u>	<u>\$29,217,048</u>
Annual Expenditures (excluding transfers out, service improvement requests & capital outlay)	29,054,750	28,780,298
Transfer out to Parks, Rec, & Cultural Svcs Fund	720,310	250,000
Transfer out to 2002 GO LOTD Tax Debt Fund	282,500	-
One-time capital items, service improvements, etc.	<u>2,114,820</u>	<u>848,389</u>
Total Expenditures	<u>\$32,172,380</u>	<u>\$29,878,687</u>

Note: Annual Revenue does not include appropriation from fund balance.

## Looking ahead

We talked in this space last year about the City Council needing to decide whether to proceed with a road millage question. We believed then that the Municipal Road question was the most pressing and provided the most direct benefit for the entire Novi community. That question has been answered and the response being put to good effect here.

The City's declining outstanding debt provides flexibility and the opportunity for new paths of investments that will keep talent productive in Novi. The debt management policy adopted in February 2013 provides guideposts for using debt as a sound means of financing. Like corporate bonds for business endeavors, municipal bond issuances provide a source of capital to complete large-scale improvements which then get repaid at a known, controlled term through taxes paid by those who are here benefitting from the capital improvements. Looking ahead, we have at least two particular large capital needs that will not realistically be completed solely with operating fund even after designating savings toward defraying those costs in the upcoming years.

The most stark need is our Department of Public Services facility, its garage, offices, and storage needs for equipment and materials, which supports the wide variety of utilities (which can provide funds toward the completion), all-season road maintenance, park maintenance, signage, pathways, and other public infrastructure improvements that make our great city an attractive place to live. The second need is Fire Station #1, currently at Grand River Avenue and Main Street. Although the building is sound and functional, in the long-term the location may have higher and better uses. A modernized facility would provide a better environment for our fire protection officers 24x7x365. The existing building was built in 1980 when it helped service a community of 30,000 people. In this budget, we have included the necessary facility reviews and examinations to soundly assess alternatives and develop better cost



# Budget Message

estimates. Funding capital improvements at the DPS facilities with a long-term plan and building a new Fire Station #1, presumably at a new location, were priorities from the January 2013 City Council early input session.

## Conclusion

Novi is a great place for talented people of all walks of interest. The community works hard and our City government strives to maintain that tradition. We do the hard work with talented staff and partners. The FY 2013/14 budget document, our policy for the next twelve months and beyond, again balances a variety of needs and wants, focuses both short- and long-term, and reflects strategic planning and tactical results. We are fortunate in Novi to have many attributes and talents, but what we do with those talents is up to us. While some talents get buried and others fail to reach their full potential, we strive daily here to take advantage of every day and everybody. We look forward to pursuing the next opportunities.

Respectfully submitted,



Clay J. Pearson  
City Manager

## POSTSCRIPT

I want to thank everyone who had a hand in preparing the Recommended Budget, by far the most important document we, as a team, produce each year. We have a new leadership team in Finance with Nevrus Nazarko, Jessica Dorey, and Deb Peck who have all done a great job joining the experienced minds in Finance. Since December, along with their other responsibilities, Victor Cardenas, Glenn Lemmon, Rob Petty, John McCarter, Sheryl Walsh, Becky Arold, Pat Cauchi, Evie Watt, Brian Coburn and so many more have worked to make sure the estimates are tight, the transfers balanced, the equipment accounted for, and the document complete. The Recommended Budget is my responsibility as City Manager, but it comes about because of the great talented people throughout this City organization.



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# Budget Overview

## Fiscal Year 2013-14 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			

■	Mayor & City Council Meetings
■	Planning Commission and CIP Committee Dates
■	City Staff Meeting/City Staff Milestone Date
■	Advertising/Notification Deadline

October 12, 2012 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			

December 12, 2012 Transmittal of Budget Preparation Manual and mid-year fiscal 2012-13 Budget estimate material to departments

December 17, 2012 - 2013 Assessments - Property Tax Base Primer presented to City Council

December 20, 2012 CIP submittal due to the City Manager

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					

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 5, 2013 City Council Early Budget Input Session

January 10, 2013 CIP Public Hearing Notice in Novi News

January 31, 2013 Joint Planning Commission/City Council CIP Committee meeting

February 7, 2013 Deadline for departments to provide revenue and expenditure estimates for fiscal 2012-13 through the remainder of the fiscal year (operations and capital)

February 12, 2013 Deadline for submission of fiscal 2012-13 departmental Operating Budget, Service Improvement, Capital Outlay, Vehicle and Conference & Workshop requests

February 13, 2013 Public hearing on Capital Improvements Program, Planning Commission and CIP adoption

February 15 - February 22, 2013 City Manager's review of Budget Requests

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	29

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 13, 2013 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 4, 2013 City Manager submits Recommended Budget to City Council

April 15, 2013 City Council Budget Discussion

April 20, 2013 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	31	

May 6, 2013 Public Hearing on Budget

May 20, 2013 City Council adopts operating 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 17, 2013 Staff proposes and City Council reviews and approves Fiscal Year 2012-13 year-end 4th quarter budget amendment/revisions, if needed.

June 29, 2013 Staff publishes final Adopted Budget document and CIP Program

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6

July 1, 2013 Fiscal year 2013-14 begins



# Budget Overview

## Revenue & Expenditures

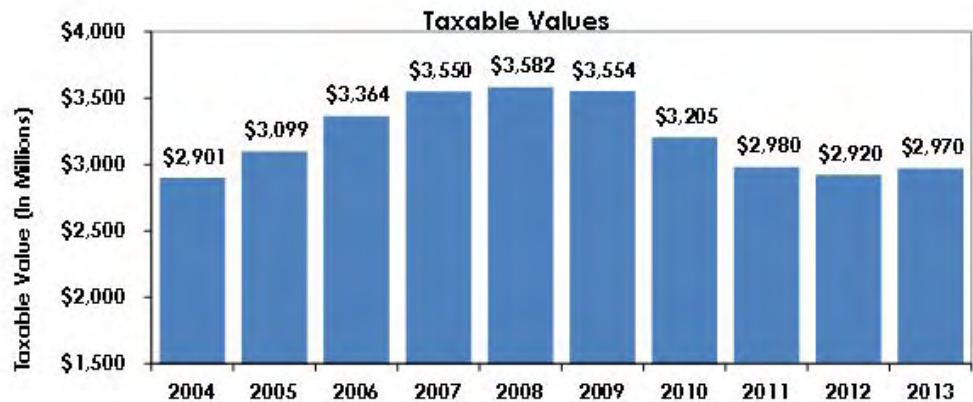
### Property Taxes

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:

Tax Year	Taxable Value (in millions)	% Change
2004	\$ 2,901	8.3%
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	\$ 2,970	1.7%

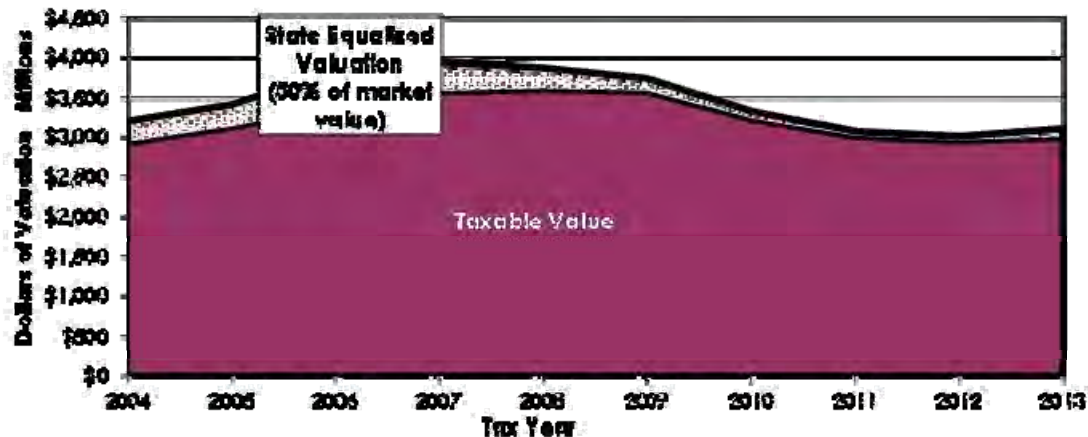


# Budget Overview

## 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	
2004	\$3,196,089,810	7.3%	\$2,900,548,884	8.3%	90.8%
2005	\$3,407,206,840	6.3%	\$3,098,817,510	6.8%	90.9%
2006	\$3,848,868,100	13.0%	\$3,364,061,300	8.6%	87.4%
2007	\$3,946,241,780	2.3%	\$3,330,406,740	8.5%	90.0%
2008	\$3,876,954,790	-1.8%	\$3,382,448,240	0.9%	92.4%
2009	\$3,742,061,910	-3.3%	\$3,554,943,630	-0.8%	95.0%
2010	\$3,321,184,600	-11.2%	\$3,204,368,420	-8.8%	96.5%
2011	\$3,063,922,890	-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	\$3,089,733,610	3.2%	\$2,969,836,084	1.7%	96.2%

## 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 uncapp to the SEV. Novi's total taxable value rate of change moves larger than the SEV (e.g., 6.8% increase in 2004, SEV increased by 5.1%) 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. The City is not subject to the Headlee rollback limitation for 2013.

CITY CHARTER RATES, HEADLEE MAXIMUM RATES AND 2013 TAX LEVY

	CITY CHARTER	ADJUSTED CHARTER MAXIMUM HEADLEE		2013 LEVY	REMAINING CAPACITY
		2012	2013		
<b>OPERATING FUNDS</b>					
GENERAL FUND	6.5000	5.0182	5.0182	5.0182	-
MUNICIPAL STREET FUND	1.0000	0.7719	1.5000	1.5000	-
POLICE AND FIRE 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	0.1057	0.6662
LIBRARY FUND	1.0000	0.7719	0.7719	0.7719	-
<b>DEBT SERVICE FUNDS</b>					<b>Last Year of Payments</b>
2008 LIBRARY DEBT FUND	(as needed)	N/A		0.3852	2027-28
2002 REFUNDING & STREET BONDS	(as needed)	N/A		0.2564	2017-18
2010 REFUNDING BONDS	(as needed)	N/A		0.3487	2015-16
				<b>10.2000</b>	

	MILLAGE			REVENUE	REMAINING CAPACITY
	2012-13	2013-14	CHANGE		
<b>OPERATING FUNDS</b>					
GENERAL FUND	5.0182	5.0182	0.0000	\$ 14,652,000	\$ 1,945,000
MUNICIPAL STREET FUND	0.7719	1.5000	0.7281	4,380,000	
POLICE AND FIRE FUND	1.4282	1.4282	0.0000	4,170,000	
PARKS AND RECREATION	0.3857	0.3857	0.0000	1,126,000	
DRAIN REVENUE FUND	0.3435	0.1057	(0.2378)	309,000	
LIBRARY FUND	0.7719	0.7719	0.0000	2,254,000	
	8.7194	9.2097	0.4903		
<b>DEBT SERVICE FUNDS</b>					
2003 REFUNDING BONDS	0.3488	0.0000	(0.3488)	-	
2008 LIBRARY DEBT FUND	0.3281	0.3852	0.0571	1,124,650	
2002 REFUNDING & STREET BONDS	0.4339	0.2564	(0.1775)	748,770	
2010 REFUNDING BONDS	0.3698	0.3487	(0.0211)	1,018,290	
	1.4806	0.9903	(0.4903)	2,891,710	
	10.2000	10.2000	0.0000	\$ 29,782,710	

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 2.4% in 2013):**

	2012		2013	
	\$ 150,000		\$ 153,600	
	2012		2013	
	MILLS	TAXES	MILLS	TAXES
General Fund	5.0182	\$ 752.73	5.0182	\$ 770.80
Municipal Street Fund	0.7719	115.79	1.5000	230.40
Police and Fire Fund	1.4282	214.23	1.4282	219.37
Parks and Recreation	0.3857	57.86	0.3857	59.24
Drain Revenue Fund	0.3435	51.53	0.1057	16.24
Library Fund	0.7719	115.79	0.7719	118.56
<b>Total Operating:</b>	<b>8.7194</b>	<b>1,307.93</b>	<b>9.2097</b>	<b>1,414.61</b>
Debt	1.4806	222.09	0.9903	152.11
<b>Total</b>	<b>10.2000</b>	<b>\$ 1,530.02</b>	<b>10.2000</b>	<b>\$ 1,566.72</b>
Anticipated change between 2012 and 2013				\$ 37
Inflation Rate Multiplier				2.4%

*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 2013 (FY 2014).*



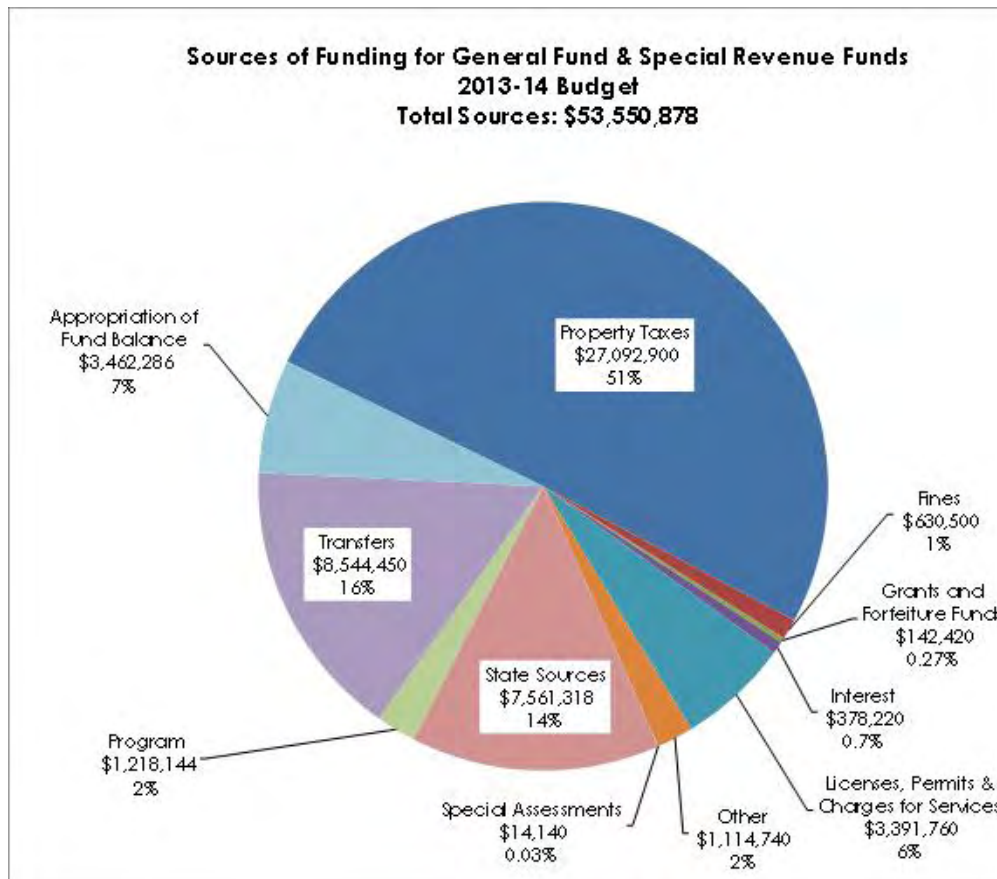
# Budget Overview

## Revenue Summaries

The following represents Fiscal Year 2013-14 budgeted revenue (General Fund and Special Revenue Funds), as well as a four-year comparison of revenue by fund.

### Fiscal Year 2013-14 Budgeted Revenue (by category)

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL BUDGETED REVENUE
<b>ESTIMATED REVENUE:</b>			
Property Taxes	\$ 14,853,900	\$ 12,239,000	\$ 27,092,900
Fines	486,000	144,500	\$ 630,500
Grants and Forfeiture Funds	25,000	117,420	\$ 142,420
Interest	204,000	174,220	\$ 378,220
Licenses, Permits & Charges for Services	3,391,760	-	\$ 3,391,760
Other	742,470	372,270	\$ 1,114,740
Special Assessments	-	14,140	\$ 14,140
State Sources	4,213,918	3,347,400	\$ 7,561,318
Program	-	1,218,144	\$ 1,218,144
Transfers	5,300,000	3,244,450	\$ 8,544,450
Appropriation of Fund Balance	661,639	2,800,647	\$ 3,462,286
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 29,878,687</b>	<b>\$ 23,672,191</b>	<b>\$ 53,550,878</b>

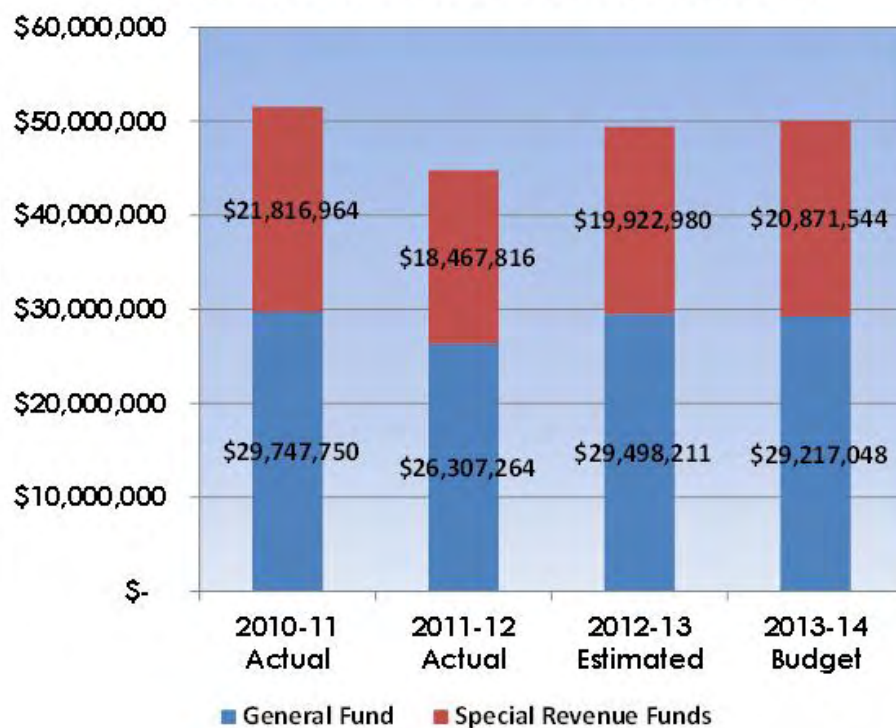


# Budget Overview

## Comparison of Revenue (Four-Year)

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Estimated</b>	<b>2013-14 Budget</b>	<b>% Change Estimated 2012-13 &amp; Budget 2013-14</b>
GENERAL FUND	\$ 29,747,750	\$ 26,307,264	\$ 29,498,211	\$ 29,217,048	-0.95%
SPECIAL REVENUE FUNDS					
Major Street	2,499,739	2,407,379	2,442,100	2,455,900	0.57%
Local Street	1,900,710	2,425,644	2,846,135	3,868,250	35.91%
Municipal Street	4,892,642	2,316,214	2,495,474	4,632,380	85.63%
Public Safety	4,392,325	4,081,967	4,229,975	4,193,000	-0.87%
Parks, Recreation & Cultural Services	2,503,969	2,728,841	3,767,607	2,685,064	-28.73%
Tree	277,190	33,816	87,829	87,650	-0.20%
Drain	318,588	841,283	1,171,968	349,000	-70.22%
Drain Perpetual Maintenance	106,440	130,360	85,800	65,000	-24.24%
Special Assessment Revolving	2,036,699	676,145	14,955	10,000	-33.13%
Judgment Trust	33,732	-	-	-	0.00%
Contributions and Donations	14,423	17,155	59,214	200	-99.66%
Forfeiture	182,251	184,260	151,777	31,500	-79.25%
Library	2,613,173	2,514,002	2,528,829	2,493,600	-1.39%
Walker Library	45,083	110,750	41,317	-	-100.00%
	<u>\$ 21,816,964</u>	<u>\$ 18,467,816</u>	<u>\$ 19,922,980</u>	<u>\$ 20,871,544</u>	<u>4.76%</u>
TOTAL REVENUE	<u>\$ 51,564,714</u>	<u>\$ 44,775,080</u>	<u>\$ 49,421,191</u>	<u>\$ 50,088,592</u>	<u>1.35%</u>

## Comparison of Revenue (four-year)



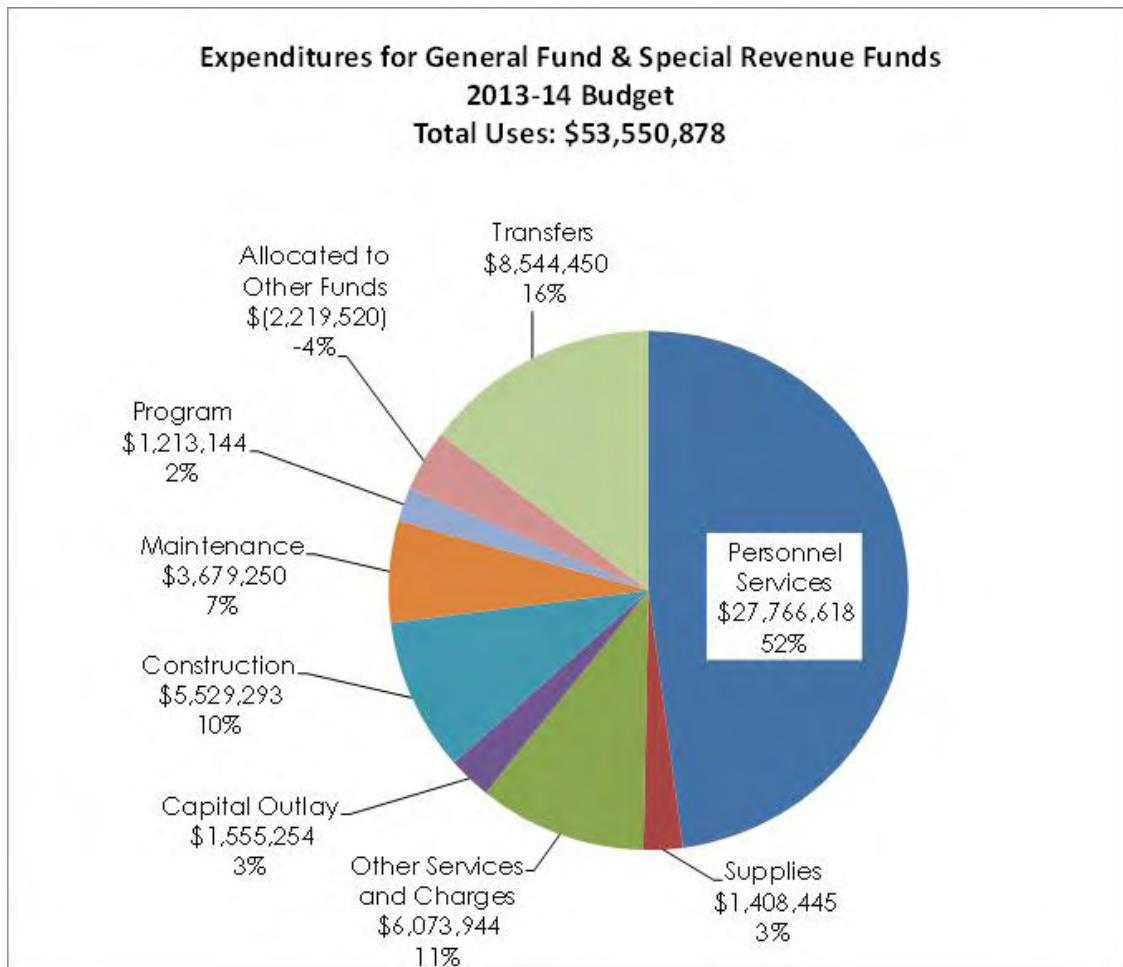
# Budget Overview

## Expenditure Summaries

The following represents Fiscal Year 2013-14 budgeted expenditures (General Fund and Special Revenue Funds), as well as a four-year comparison of expenditures by fund.

### Fiscal Year 2013-14 Budgeted Expenditures (by category)

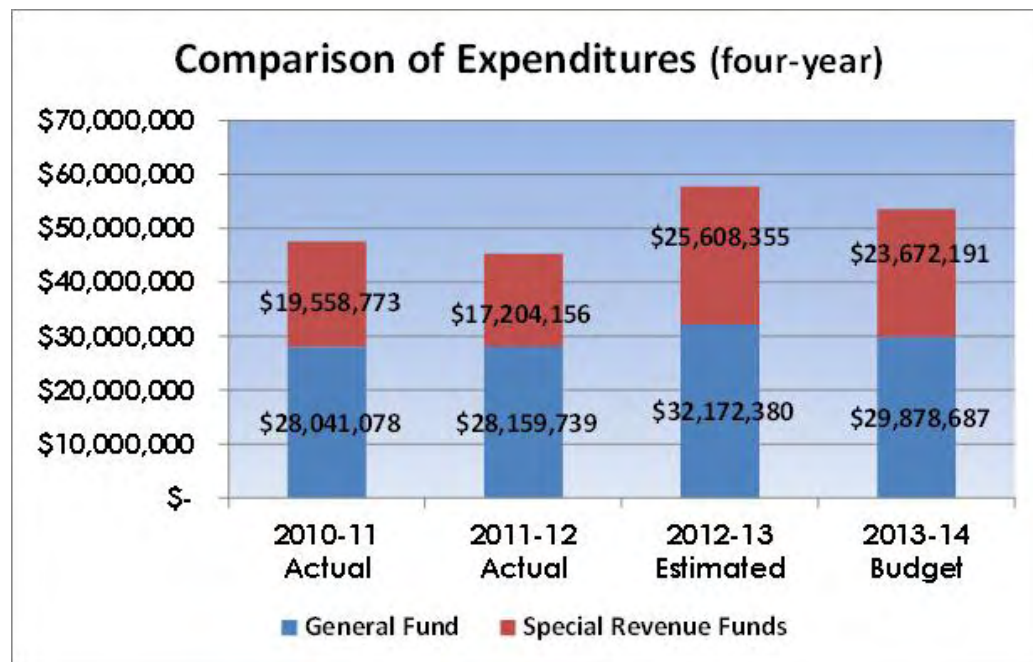
	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL APPROPRIATED FUNDS
<b>EXPENDITURES:</b>			
Personnel Services	\$ 24,995,601	\$ 2,771,017	\$ 27,766,618
Supplies	768,065	640,380	1,408,445
Other Services and Charges	5,236,152	837,792	6,073,944
Capital Outlay	848,389	706,865	1,555,254
Construction	-	5,529,293	5,529,293
Maintenance	-	3,679,250	3,679,250
Program	-	1,213,144	1,213,144
Allocated to Other Funds	(2,219,520)	-	(2,219,520)
Transfers	250,000	8,294,450	8,544,450
<b>TOTAL EXPENDITURES</b>	<b>\$ 29,878,687</b>	<b>\$ 23,672,191</b>	<b>\$ 53,550,878</b>



# Budget Overview

## Comparison of Expenditures (Four-Year)

FUND	2010-11 Actual	2011-12 Actual	2012-13 Estimated	2013-14 Budget	% Change Estimated 2012-13 & Budget 2013-14
GENERAL FUND	\$ 28,041,078	\$ 28,159,739	\$ 32,172,380	\$ 29,878,687	-7.13%
SPECIAL REVENUE FUNDS					
Major Street	2,265,824	1,955,173	2,866,114	3,186,890	11.19%
Local Street	1,203,807	1,909,880	4,150,361	4,039,580	-2.67%
Municipal Street	5,174,180	2,663,751	3,650,166	4,294,863	17.66%
Public Safety	4,940,000	2,380,000	5,300,000	5,300,000	0.00%
Parks, Recreation & Cultural Services	2,101,759	2,562,347	4,837,683	2,792,298	-42.28%
Tree	63,478	41,539	120,000	87,650	-26.96%
Drain	731,355	1,743,095	1,562,398	724,400	-53.64%
Special Assessment Revolving	410	900,410	360	-	100.00%
Judgement Trust	39,080	-	-	-	0.00%
Contributions and Donations	47,343	10,776	9,191	-	-100.00%
Forfeiture	286,851	376,987	438,570	271,810	-38.02%
Library	2,696,300	2,643,773	2,664,163	2,974,700	11.66%
Walker Library	8,386	16,425	9,349	-	-100.00%
	\$ 19,558,773	\$ 17,204,156	\$ 25,608,355	\$ 23,672,191	-7.56%
TOTAL APPROPRIATED FUNDS	\$ 47,599,851	\$ 45,363,895	\$ 57,780,735	\$ 53,550,878	-7.32%



# 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

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>TOTAL APPROPRIATED FUNDS</b>
Balance July 1, 2012	\$ 9,564,600	\$ 32,952,210	\$ 42,516,810
<i>Estimated 2012-13</i>			
Revenue	29,498,211	19,922,980	49,421,191
Expenditures	(32,172,380)	(25,608,355)	(57,780,735)
Projected Balance June 30, 2013	\$ 6,890,431	\$ 27,266,835	\$ 34,157,266
<i>Budget 2013-14</i>			
Revenue	\$ 29,217,048	\$ 20,871,544	\$ 50,088,592
Expenditures	(29,878,687)	(23,672,191)	(53,550,878)
Appropriate 2013-14	\$ (661,639)	\$ (2,800,647)	\$ (3,462,286)
Projected Balance June 30, 2014	<u>\$ 6,228,792</u>	<u>\$ 24,466,188</u>	<u>\$ 30,694,980</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 two contractual positions included in the FY 2012-2013 Actual column are full-time positions in the FY 2013-2014 Budget column below. The prior year actual column reflects filled positions and open budgeted positions.

	2011-2012 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	INCREASE (DECREASE)
<b>GENERAL FUND</b>				
<b>CITY MANAGER</b>				
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
	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>
<b>FINANCIAL SERVICES (Finance and Treasury)</b>				
Finance Director/Treasurer	1.0	1.0	1.0	0.0
Assistant Finance Director	1.0	0.0	0.0	0.0
Deputy Finance Director	0.0	1.0	1.0	0.0
Accountant	2.0	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
Water & Sewer Financial Services Manager	1.0	0.0	0.0	0.0
Senior Customer Service Representative	6.0	3.0	3.0	0.0
	<b>14.0</b>	<b>9.0</b>	<b>9.0</b>	<b>0.0</b>
<b>INFORMATION TECHNOLOGY</b>				
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
Network Systems Administrator	1.0	0.0	0.0	0.0
IT Manager/Network Operations	0.0	1.0	1.0	0.0
	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>
<b>ASSESSING</b>				
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
	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>
<b>CITY CLERK</b>				
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
	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>
<b>FACILITY OPERATIONS</b>				
Facilities Manager	1.0	1.0	1.0	0.0
Facility Support Specialist	0.0	0.0	1.0	1.0
	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>1.0</b>



# Budget Overview

## Personnel Summary (full-time staff)

*General Fund continued*

	2011-2012 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	INCREASE (DECREASE)
<b>GENERAL FUND (continued)</b>				
<b>HUMAN RESOURCES</b>				
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
	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>
<b>NEIGHBORHOOD AND BUSINESS RELATIONS GROUP</b>				
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	0.0	0.5	1.0	0.5
	<b>3.0</b>	<b>3.5</b>	<b>4.0</b>	<b>0.5</b>
<b>DEPARTMENT OF PUBLIC SAFETY</b>				
Director of Public Safety/Chief of Police	1.0	1.0	1.0	0.0
Deputy Police Chief	1.0	0.0	0.0	0.0
Assistant Chief of Police	1.0	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	1.0	0.0	0.0	0.0
Analyst Planner/Office Manager	0.0	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
Executive Secretary	1.0	0.0	0.0	0.0
Administrative Assistant	0.0	1.0	1.0	0.0
Police Officer	37.0	37.0	37.0	0.0
Detective	10.0	11.0	11.0	0.0
Police Clerk	6.0	6.0	6.0	0.0
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	19.0	16.0	16.0	0.0
Fire Lieutenant	2.0	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
	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>0.0</b>



# Budget Overview

## Personnel Summary (full-time staff)

General Fund continued

	2011-2012 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	INCREASE (DECREASE)
<b>GENERAL FUND (continued)</b>				
<b>COMMUNITY DEVELOPMENT</b>				
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
Account Clerk	1.0	0.0	0.0	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	0.0	1.0	1.0	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	1.0	2.0	1.0
Plumbing & Heating Inspector	1.0	0.0	0.0	0.0
Plumbing Inspector	0.0	1.0	1.0	0.0
Senior Customer Service Representative	1.0	2.5	2.5	0.0
Mechanical Inspector	0.0	1.0	1.0	0.0
	<b>17.0</b>	<b>19.5</b>	<b>20.5</b>	<b>1.0</b>
<b>DEPARTMENT OF PUBLIC SERVICES (DPS)</b>				
Public Services Director/City Engineer	1.0	1.0	1.0	0.0
Fleet Asset Manager/Analyst Planner	1.0	0.0	0.0	0.0
Analyst Planner	0.0	1.0	1.0	0.0
Senior Customer Service Representative	1.0	0.5	0.5	0.0
	<b>3.0</b>	<b>2.5</b>	<b>2.5</b>	<b>0.0</b>
<b>DPS FIELD OPERATIONS DIVISION</b>				
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
Laborer	6.0	0.0	0.0	0.0
Light Equipment Operator	2.0	8.0	8.0	0.0
Park Maintenance	2.0	2.0	3.0	1.0
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
	<b>22.0</b>	<b>22.0</b>	<b>23.0</b>	<b>1.0</b>
<b>DPS ENGINEERING DIVISION</b>				
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	0.0	1.0	1.0
Engineer in Training	1.0	0.0	0.0	0.0
Staff Engineer	0.0	1.0	1.0	0.0
	<b>4.0</b>	<b>4.0</b>	<b>5.0</b>	<b>1.0</b>
<b>DPS FLEET ASSET DIVISION</b>				
Head Mechanic	2.0	1.0	1.0	0.0
Lead Mechanic	2.0	2.0	2.0	0.0
Mechanic	0.0	1.0	1.0	0.0
	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>
<b>DPS Total</b>	<b>33.0</b>	<b>32.5</b>	<b>34.5</b>	<b>2.0</b>
<b>TOTAL GENERAL FUND</b>	<b>201.0</b>	<b>198.5</b>	<b>203.0</b>	<b>4.5</b>



# Budget Overview

## Personnel Summary (full-time staff)

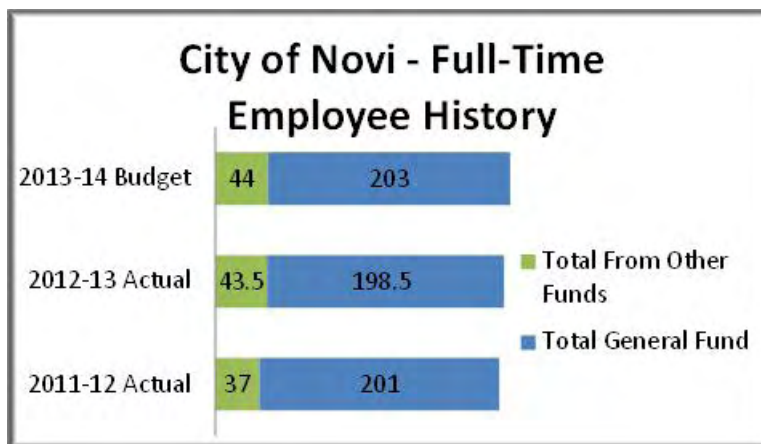
*continued*

	2011-2012 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	INCREASE (DECREASE)
<b>WATER AND SEWER FUND</b>				
Water & Sewer Financial Services Specialist	0.0	1.0	1.0	0.0
Water & Sewer Manager	1.0	0.0	0.0	0.0
Water & Sewer Asset Manager	0.0	1.0	1.0	0.0
Water and Sewer Senior Engineer	0.0	1.0	1.0	0.0
Water & Sewer Worker	4.0	0.0	0.0	0.0
Light Equipment Operator	0.0	4.0	4.0	0.0
Maintenance	3.0	3.0	3.0	0.0
Senior Customer Service Representative	0.0	2.0	2.0	0.0
Work Leader	1.0	1.0	1.0	0.0
<b>TOTAL WATER AND SEWER FUND</b>	<b>9.0</b>	<b>13.0</b>	<b>13.0</b>	<b>0.0</b>
<b>PARKS, RECREATION &amp; CULTURAL SERVICES FUND</b>				
<b>ADMINISTRATION</b>				
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
	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>
<b>RECREATION</b>				
Recreation Coordinator - Cultural Services*	0.0	1.0	1.0	0.0
Performing Arts Coordinator*	1.0	0.0	0.0	0.0
Recreation Supervisor	3.0	3.0	3.0	0.0
	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>
<b>OLDER ADULT SERVICES</b>				
Account Clerk	1.0	1.0	1.0	0.0
Senior Center Older Adult Coordinator*	0.0	1.0	1.0	0.0
Senior Services Manager	1.0	1.0	1.0	0.0
	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>
<b>TOTAL PARKS, RECREATION &amp; CULTURAL SERVICES</b>	<b>10.0</b>	<b>11.0</b>	<b>11.0</b>	<b>0.0</b>

# Budget Overview

## Personnel Summary (full-time staff) *continued*

	2011-2012 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	INCREASE (DECREASE)
<b>LIBRARY FUND</b>				
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	0.0	0.5	1.0	0.5
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	0.0	1.0	1.0	0.0
Librarian	3.0	4.0	3.0	(1.0)
Librarian-Electronic Services	0.0	0.0	1.0	1.0
Library Director	1.0	1.0	1.0	0.0
Office assistant	1.0	1.0	1.0	0.0
Clerk II	3.0	0.0	0.0	0.0
Supervisor	0.0	3.0	3.0	0.0
Support Services Clerk II	1.0	0.0	0.0	0.0
System Administrator	1.0	1.0	1.0	0.0
<b>TOTAL LIBRARY FUND</b>	<b>18.0</b>	<b>19.5</b>	<b>20.0</b>	<b>0.5</b>
<b>TOTAL ALL FUNDS</b>	<b>238.0</b>	<b>242.0</b>	<b>247.0</b>	<b>5.0</b>





# 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.
- 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.



# Budget Overview

## 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.

### 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.





# Budget Overview

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. The Policy was amended on September 20, 2011 to add Special Revenue Funds and Capital Replacement Reserve Policy.

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



# Budget Overview

- Increase the market value of units
- Provides 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.
- 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.





# Budget Overview

- ◇ 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 Service 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 2012 values (the most recent available information), this limitation would allow for \$295 million in debt, as compared to the \$48 million outstanding as of June 30, 2012. 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 on March 11, 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 Council adopted a policy on June 20, 2011 and updated it on April 23, 2012 with updated financial institutions.

- 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.
- 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.





# Budget Overview

## 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

On September 10, 2012, the City Council adopted by resolution the following 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](http://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

On September 14, 2000, the City Council adopted by resolution the following 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 Overview

## 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 Overview

## 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

## City Council Goals

On January 5, 2013, 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.

### Ensure Public Safety Services Meet the Needs of the Community (Police, Fire, Public Services)

#### Short Term

- Begin relocation planning for Fire Station No. 1
- Immediately add one or two police officers
- Study needs for public safety staffing using crime, medical assistance and fire metrics to ensure that staff are added as needed to ensure public safety goals

#### Long Term

- Build a new Fire Station No. 1 at a new location
- Fund capital improvements to Public Services facilities based on long-term plan

### Improve Infrastructure (Roads, Water and Sewer)

#### Short Term

- Fund Northwest Quadrant Ring Road in collaboration with private development and State funds
- Continue funding for sidewalks with priority on sidewalk gaps
- Fund at least one major trail improvement (ITC Corridor, for example)

#### Long Term

- Commit to completing ITC Corridor trail in five years (approximately one mile per year)
- Build the Northwest Quadrant Ring Road
- Work with the Road Commission for Oakland County to develop a plan of improvements for the 10 Mile Road Corridor that improves traffic flow but respects residential areas
- Create a plan for upgrading all major commercial corridors with streetlights, landscaping, etc.

### Encourage Economic Development to Maximize City Revenue and Job Growth

#### Short Term

- Continue to invest in Southeast Novi older neighborhoods to help promote community stability and neighborhood values
- Continue to improve blighted commercial and residential properties
- Leverage our growing cultural arts offerings, including Villa Barr Art Park and Cultural Education Center to attract business and residents
- Foster private development on Main Street
- Partner with the development community to bring new businesses to Novi

#### Long Term

- Establish plan to develop east side of Novi commercial development
- Focus on new business attraction along Grand River/Main Street Area
- Develop Plan for benefits to Novi from Regional Transit Authority
- Work with the Community Development Department to identify and attract redevelopment opportunities for highly visible large parcels
- Look into potential development options for the Grand River Corridor between Taft and Beck Roads
- Review ordinances to eliminate barriers to new development





# City Council Goals

## **Develop Government Structure and Staff Skills for Effective Delivery of Customer Services and Communication with Community**

### **Short Term**

- Begin the process of reviewing the City Charter
- Develop a long-term plan for administrative compensation
- Conduct additional Mayor's Exchanges

### **Long Term**

- Create a commission focused on needs/services of seniors
- Develop a plan to recruit for City Boards and Commissions

## **Be a Community That Preserves Natural Areas, Natural Features and Community Character**

### **Short Term**

- Develop commercial and retail façade improvement program for Southeast Quadrant
- Develop plan to recognize historical sites and buildings
- Improve code enforcement efforts in neighborhoods
- Acquire parkland while property values are still historically low

### **Long Term**

- Develop plans to manage natural areas that City owns (invasive plants, public access, etc.)
- Develop a plan for acquisition of land

## **Maintain a Fiscally Responsible Government**

### **Short Term**

- Fund additional retirement and healthcare contributions (plan to smooth projected peak in coming years)
- Budget with the elimination of Personal Property Tax factored in
- Increase intern opportunities throughout City departments
- Maintain Fund Balance within the policy range

### **Long Term**

- Continue to fund additional contributions for retiree health care obligations
- Develop debt policy as suggested in the latest Standard and Poor credit review to add to financial policies
- Create plan to ensure funding of capital improvements long-term
- Include the elimination of Personal Property Tax in long-term budget and capital improvement programs


## **Enhance Parks, Recreation and Cultural Services**

### **Short Term**

- Develop a plan for a dog park
- Reduce cost of all senior citizen transportation to less than \$4 a ride either by a multi-ride car discount or overall rate reduction
- Improve Lakeshore Park to be able to successfully and consistently operate twelve months per year

### **Long Term**

- Acquire more parkland
- Increase number of local neighborhood parks
- Look at a long-term plan for grant funding opportunities-identify projects and funding sources and prioritize
- Work with State for connections to regional trail networks opportunities - identify projects and funding sources and prioritize



# Multi-Year Budget

## MULTI-YEAR BUDGET 2013-16

*(previously Fiscal Analysis)*

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 \$301,329,000. The City's current debt applicable to this limit is \$41,093,000 or 13.6% of the amount allowed. The City had twelve debt issues in 1999 and currently has five 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 1%, and then moving forward the estimate is for moderate increases of 3-4%. For the General Fund the property tax revenue is estimated at \$14.652 million, \$15.226 million, and \$15.685 million for fiscal years 2013-14, 2014-15 and 2015-16, 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 36 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 year's budget. The current





## Multi-Year Budget

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 2013-14 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 (previously Fiscal Analysis) 2013-16 GENERAL FUND

DESCRIPTION	REVENUE				
	Actual 2011-12	Estimated 2012-13	Budget 2013-14	Projected	
				2014-15	2015-16
<b>TAXES</b>					
Current Property Taxes	\$ 14,253,166	\$ 14,775,000	\$ 14,652,000	\$ 15,226,000	\$ 15,685,000
Trailer Fees	7,866	6,900	6,900	7,100	7,300
Penalty and Interest	244,595	195,000	195,000	195,000	195,000
	<u>\$ 14,505,627</u>	<u>\$ 14,976,900</u>	<u>\$ 14,853,900</u>	<u>\$ 15,428,100</u>	<u>\$ 15,887,300</u>
<b>LICENSES, PERMITS &amp; CHARGES FOR SERVICES</b>					
Clerks Dept Fees (previously included Bus. Regis.)	29,605	\$ 25,000	\$ 25,000	\$ 25,750	\$ 26,520
Liquor licenses	67,391	67,391	58,000	59,700	60,300
Engineering Review Fees	60,388	61,000	60,000	61,800	63,700
Planning & Landscape Review Fees	46,097	41,500	42,000	43,300	44,600
Landscape Inspection Fees	24,039	45,200	44,800	46,100	47,500
Grading Permit Fees	4,840	6,000	6,000	6,200	6,400
Building Permits	794,710	769,000	765,000	788,000	811,600
Plan Review Fees	273,694	346,000	290,600	299,300	308,300
South Lyon Inspection Fees	28,636	52,250	43,000	43,000	43,000
Refrigeration Permits	55,484	56,500	43,600	44,900	46,200
Electrical Permits	195,269	200,100	170,000	175,100	180,400
Heating Permits	195,640	221,200	185,000	190,600	196,300
Plumbing Permits	130,548	120,800	115,000	118,500	122,100
Other Charges	151,371	126,900	122,000	125,700	129,500
Court Abatement	43,960	600	10,000	20,000	20,000
Soil Erosion Fees	16,322	5,500	12,300	12,700	13,100
Cable Television Fee	722,065	700,000	640,000	659,200	659,200
Cable Television PEG Fees (restricted)	148,770	175,000	150,000	150,000	150,000
Weed Cutting	10,187	9,200	10,000	10,000	10,000
Board of Appeals	17,350	13,200	17,450	17,450	17,450
Public Safety - Police	632,507	617,205	514,810	519,960	525,160
Public Safety - Fire	9,627	7,200	7,200	7,620	7,620
Administrative Reimbursement	91,048	60,000	60,000	61,800	63,650
	<u>\$ 3,749,548</u>	<u>\$ 3,726,746</u>	<u>\$ 3,391,760</u>	<u>\$ 3,486,680</u>	<u>\$ 3,552,600</u>
<b>FEDERAL GRANTS</b>					
	\$ 41,565	\$ 44,572	\$ 25,000	\$ 25,000	\$ 25,000
<b>STATE SOURCES</b>					
Police Training Grant	\$ 32,701	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
State Revenue Sharing	3,990,693	4,024,128	4,188,918	4,272,700	4,358,200
	<u>\$ 4,023,394</u>	<u>\$ 4,049,128</u>	<u>\$ 4,213,918</u>	<u>\$ 4,297,700</u>	<u>\$ 4,383,200</u>



# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 GENERAL FUND

DESCRIPTION	REVENUE				
	Actual 2011-12	Estimated 2012-13	Budget 2013-14	Projected	
				2014-15	2015-16
OTHER REVENUE					
Fire Department	\$ -	\$ 8,200	\$ 8,200	\$ 8,280	\$ 8,360
Miscellaneous Income	290,110	300,000	348,000	351,480	354,990
Filming Permit Revenue	427	225	-	-	-
Novi Township assessment	15,877	14,720	15,500	15,810	16,130
Municipal Service Charges	311,080	365,270	365,270	365,270	365,270
State of the City Revenue	5,506	5,000	5,500	5,500	5,500
	<u>\$ 623,000</u>	<u>\$ 693,415</u>	<u>\$ 742,470</u>	<u>\$ 746,340</u>	<u>\$ 750,250</u>
FINES AND FORFEITURES					
Court Fees and Fines	\$ 510,516	\$ 466,000	\$ 480,000	\$ 480,000	\$ 480,000
Motor Carrier Fines and Fees	14,450	11,450	6,000	6,000	6,000
	<u>\$ 524,966</u>	<u>\$ 477,450</u>	<u>\$ 486,000</u>	<u>\$ 486,000</u>	<u>\$ 486,000</u>
INTEREST ON INVESTMENTS	<u>\$ 459,164</u>	<u>\$ 230,000</u>	<u>\$ 204,000</u>	<u>\$ 204,000</u>	<u>\$ 208,080</u>
TRANSFERS FROM OTHER FUNDS					
Transfer from Police and Fire Fund	<u>\$ 2,380,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,200,000</u>
	<u>\$ 2,380,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,200,000</u>
TOTAL REVENUE	<u>\$ 26,307,264</u>	<u>\$ 29,498,211</u>	<u>\$ 29,217,048</u>	<u>\$ 29,673,820</u>	<u>\$ 30,492,430</u>

# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 GENERAL FUND

DESCRIPTION	APPROPRIATIONS				
	Actual 2011-12	Estimated 2012-13	Budget 2013-14	Projected	
				2014-15	2015-16
<b>CITY COUNCIL</b>					
Personnel Services	\$ 4,419	\$ 4,620	\$ 4,746	\$ 4,790	\$ 4,840
Other Services and Charges	11,593	6,700	8,500	8,760	9,020
	<u>\$ 16,012</u>	<u>\$ 11,320</u>	<u>\$ 13,246</u>	<u>\$ 13,550</u>	<u>\$ 13,860</u>
<b>CITY MANAGER</b>					
Personnel Services	\$ 381,314	\$ 411,050	\$ 422,170	\$ 426,390	\$ 430,650
Supplies	542	260	425	440	450
Other Services and Charges	17,738	11,433	44,925	46,270	47,660
Capital Outlay	-	24,000	-	-	-
	<u>\$ 399,594</u>	<u>\$ 446,743</u>	<u>\$ 467,520</u>	<u>\$ 473,100</u>	<u>\$ 478,760</u>
<b>FINANCE &amp; PURCHASING</b>					
Personnel Services	\$ 715,733	\$ 642,491	\$ 672,252	\$ 678,970	\$ 685,760
Other Services and Charges	61,027	106,895	103,414	104,970	106,540
Capital outlay	4,235	-	-	-	-
	<u>\$ 780,995</u>	<u>\$ 749,386</u>	<u>\$ 775,666</u>	<u>\$ 783,940</u>	<u>\$ 792,300</u>
<b>INFORMATION TECHNOLOGY</b>					
Personnel Services	\$ 469,450	\$ 546,380	\$ 592,641	\$ 598,570	\$ 604,560
Supplies	35,694	25,100	28,670	29,530	30,420
Other Services and Charges	123,023	98,698	115,502	118,970	122,540
Capital Outlay	-	40,670	169,552	-	-
	<u>\$ 628,167</u>	<u>\$ 710,848</u>	<u>\$ 906,365</u>	<u>\$ 747,070</u>	<u>\$ 757,520</u>
<b>ASSESSING</b>					
Personnel Services	\$ 431,667	\$ 446,083	\$ 466,549	\$ 471,210	\$ 475,920
Supplies	11,390	11,100	11,700	12,050	12,410
Other Services and Charges	333,497	465,400	329,562	339,450	349,630
	<u>\$ 776,554</u>	<u>\$ 922,583</u>	<u>\$ 807,811</u>	<u>\$ 822,710</u>	<u>\$ 837,960</u>
<b>CITY ATTORNEY</b>					
Other Services and Charges	\$ 431,011	\$ 373,500	\$ 382,000	\$ 385,820	\$ 389,680
	<u>\$ 431,011</u>	<u>\$ 373,500</u>	<u>\$ 382,000</u>	<u>\$ 385,820</u>	<u>\$ 389,680</u>
<b>CITY CLERK</b>					
Personnel Services	\$ 450,796	\$ 489,317	\$ 470,687	\$ 475,390	\$ 480,140
Supplies	24,087	21,000	16,000	16,480	16,970
Other Services and Charges	21,122	22,135	66,190	68,180	70,230
Capital Outlay	-	-	-	-	-
	<u>\$ 496,005</u>	<u>\$ 532,452</u>	<u>\$ 552,877</u>	<u>\$ 560,050</u>	<u>\$ 567,340</u>
<b>TREASURY</b>					
Personnel Services	\$ 230,314	\$ 255,780	\$ 238,199	\$ 240,580	\$ 242,990
Supplies	12,475	22,650	25,500	26,270	27,060
Other Services and Charges	42,105	45,425	54,027	55,650	57,320
	<u>\$ 284,894</u>	<u>\$ 323,855</u>	<u>\$ 317,726</u>	<u>\$ 322,500</u>	<u>\$ 327,370</u>
<b>FACILITY OPERATIONS</b>					
Personnel Services	\$ 265,042	\$ 231,731	\$ 286,896	\$ 289,760	\$ 292,660
Supplies	23,484	21,800	22,800	23,480	24,180
Other Services and Charges	399,698	423,920	430,150	443,050	456,340
Capital Outlay	66,434	573,380	268,732	-	-
	<u>\$ 754,658</u>	<u>\$ 1,250,831</u>	<u>\$ 1,008,578</u>	<u>\$ 756,290</u>	<u>\$ 773,180</u>
<b>HUMAN RESOURCES</b>					
Personnel Services	\$ 339,091	\$ 353,823	\$ 374,519	\$ 378,260	\$ 382,040
Other Services and Charges	54,918	61,805	67,000	69,010	71,080
	<u>\$ 394,009</u>	<u>\$ 415,628</u>	<u>\$ 441,519</u>	<u>\$ 447,270</u>	<u>\$ 453,120</u>
<b>NEIGHBORHOOD &amp; BUSINESS RELATIONS GROUP</b>					
Personnel Services	\$ 358,321	\$ 349,050	\$ 439,247	\$ 443,640	\$ 448,080
Supplies	10,222	9,700	10,700	11,020	11,350
Other Services and Charges	341,351	385,861	500,619	515,640	531,110
Capital Outlay	77,259	246,353	-	-	-
	<u>\$ 787,153</u>	<u>\$ 990,964</u>	<u>\$ 950,566</u>	<u>\$ 970,300</u>	<u>\$ 990,540</u>
<b>GENERAL ADMINISTRATION</b>					
Personnel Services	\$ 1,238,327	\$ 1,393,878	\$ 1,353,000	\$ 1,066,530	\$ 1,077,200
Supplies	29,155	50,500	57,500	59,230	61,010
Other Services and Charges	406,096	452,858	451,500	411,800	452,800
Capital Outlay	62,218	387,300	10,000	-	-
	<u>\$ 1,735,796</u>	<u>\$ 2,284,536</u>	<u>\$ 1,872,000</u>	<u>\$ 1,537,560</u>	<u>\$ 1,591,010</u>

# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 GENERAL FUND

DESCRIPTION	APPROPRIATIONS				
	Actual 2011-12	Estimated 2012-13	Budget 2013-14	Projected	
				2014-15	2015-16
<b>PUBLIC SAFETY - POLICE DEPARTMENT</b>					
Personnel Services	\$ 10,149,416	\$ 10,220,281	\$ 10,522,714	\$ 10,668,940	\$ 10,816,630
Supplies	153,764	218,140	298,150	307,090	316,300
Other Services and Charges	922,516	1,093,385	1,008,580	1,038,840	1,070,010
Capital Outlay	-	289,510	64,430	-	-
	<u>\$ 11,225,696</u>	<u>\$ 11,821,316</u>	<u>\$ 11,893,874</u>	<u>\$ 12,014,870</u>	<u>\$ 12,202,940</u>
<b>PUBLIC SAFETY - FIRE DEPARTMENT</b>					
Personnel Services	\$ 4,061,780	\$ 4,184,523	\$ 4,043,274	\$ 4,083,710	\$ 4,124,550
Supplies	105,773	156,855	133,620	137,630	141,760
Other Services and Charges	366,728	484,385	534,901	550,950	567,480
Capital Outlay	6,486	629,046	95,675	-	-
	<u>\$ 4,540,767</u>	<u>\$ 5,454,809</u>	<u>\$ 4,807,470</u>	<u>\$ 4,772,290</u>	<u>\$ 4,833,790</u>
<b>PUBLIC SAFETY TOTAL</b>	<u>\$ 15,766,463</u>	<u>\$ 17,276,125</u>	<u>\$ 16,701,344</u>	<u>\$ 16,787,160</u>	<u>\$ 17,036,730</u>
<b>COMMUNITY DEVELOPMENT - BUILDING DIVISION</b>					
Personnel Services	\$ 1,205,856	\$ 1,237,307	\$ 1,329,868	\$ 1,343,170	\$ 1,356,600
Supplies	33,911	31,300	39,000	40,170	41,380
Other Services and Charges	130,066	125,080	100,051	103,050	106,140
Capital Outlay	14,000	65,574	51,000	-	-
	<u>\$ 1,383,833</u>	<u>\$ 1,459,261</u>	<u>\$ 1,519,919</u>	<u>\$ 1,486,390</u>	<u>\$ 1,504,120</u>
<b>COMMUNITY DEVELOPMENT - PLANNING DIVISION</b>					
Personnel Services	\$ 479,332	\$ 458,050	\$ 477,326	\$ 482,100	\$ 486,920
Supplies	7,434	6,050	9,100	9,370	9,650
Other Services and Charges	33,130	80,665	112,532	115,910	119,390
Capital Outlay	-	-	-	-	-
	<u>\$ 519,896</u>	<u>\$ 544,765</u>	<u>\$ 598,958</u>	<u>\$ 607,380</u>	<u>\$ 615,960</u>
<b>COMMUNITY DEVELOPMENT TOTAL</b>	<u>\$ 1,903,729</u>	<u>\$ 2,004,026</u>	<u>\$ 2,118,877</u>	<u>\$ 2,093,770</u>	<u>\$ 2,120,080</u>
<b>DPS - GENERAL/ADMINISTRATIVE</b>					
Personnel Services	\$ 254,252	\$ 254,290	\$ 275,845	\$ 278,600	\$ 281,390
Supplies	8,896	8,959	26,100	26,880	27,690
Other Services and Charges	244,367	281,850	301,980	311,040	320,370
Capital Outlay	64,205	207,726	17,000	17,510	18,040
	<u>\$ 571,720</u>	<u>\$ 752,825</u>	<u>\$ 620,925</u>	<u>\$ 634,030</u>	<u>\$ 647,490</u>
<b>DPS - ENGINEERING</b>					
Personnel Services	\$ 382,922	\$ 399,240	\$ 491,481	\$ 496,400	\$ 501,360
Supplies	805	500	1,900	1,920	1,940
Other Services and Charges	44,605	106,713	80,437	81,240	82,050
Allocated to Other Funds	(166,524)	(166,520)	(246,520)	(248,990)	(251,480)
	<u>\$ 261,808</u>	<u>\$ 339,933</u>	<u>\$ 327,298</u>	<u>\$ 330,570</u>	<u>\$ 333,870</u>
<b>DPS - FIELD OPERATIONS</b>					
Personnel Services	\$ 1,860,644	\$ 1,990,102	\$ 2,121,831	\$ 2,143,050	\$ 2,164,480
Supplies	85,607	75,600	76,700	77,470	78,240
Other Services and Charges	225,374	256,052	280,327	283,130	285,960
Capital Outlay	630,801	571,567	172,000	173,720	175,460
Allocated to Other Funds	(1,792,184)	(1,973,600)	(1,973,000)	(2,169,680)	(2,177,020)
	<u>\$ 1,010,242</u>	<u>\$ 919,721</u>	<u>\$ 677,858</u>	<u>\$ 507,690</u>	<u>\$ 527,120</u>
<b>DPS - FLEET ASSET</b>					
Personnel Services	\$ 322,385	\$ 380,059	\$ 412,356	\$ 416,480	\$ 420,640
Supplies	19,250	11,080	10,200	10,300	10,400
Other Services and Charges	229,057	381,195	263,955	266,590	269,260
Capital Outlay	5,353	84,170	-	-	-
	<u>\$ 576,045</u>	<u>\$ 856,504</u>	<u>\$ 686,511</u>	<u>\$ 693,370</u>	<u>\$ 700,300</u>
<b>DEPT OF MUNICIPAL SERVICES TOTAL</b>	<u>\$ 2,419,815</u>	<u>\$ 2,868,983</u>	<u>\$ 2,312,592</u>	<u>\$ 2,165,660</u>	<u>\$ 2,208,780</u>
<b>PLANNING COMMISSION</b>					
Supplies	\$ 224	\$ 400	\$ -	\$ -	\$ -
Other Services and Charges	475	7,390	-	-	-
	<u>\$ 699</u>	<u>\$ 7,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TRANSFERS TO OTHER FUNDS, CAPITAL OUTLAY &amp; OTHER NON-RECURRING ITEMS</b>					
Debt Service Fund*	\$ 296,185	\$ 282,500	\$ -	\$ -	\$ -
Parks, Recreation & Cultural Services Fund	288,000	720,310	250,000	150,000	485,000
Fire Equipment Replacement Program	-	-	-	-	-
One-time capital items, service improvements, etc.**	-	-	-	650,000	600,000
<b>TOTAL APPROPRIATIONS/EXPENDITURES</b>	<u>\$ 28,159,739</u>	<u>\$ 32,172,380</u>	<u>\$ 29,878,687</u>	<u>\$ 29,666,750</u>	<u>\$ 30,423,230</u>

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

\*\*Excludes PC replacements which are assumed for all years (\$54,765 for 2012-13)



# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 GENERAL FUND

DESCRIPTION	FUND BALANCE				
	Actual 2011-12	Estimated 2012-13	Budget 2013-14	Projected	
				2014-15	2015-16
General Fund-Fund Balance Summary					
Fund Balance, beginning	\$ 11,164,317	9,436,842	\$ 6,762,673	\$ 6,101,034	\$ 6,108,104
Restricted for communication equipment (c)	252,758	127,758	127,758	127,758	127,758
Total Fund Balance, beginning	\$ 11,417,075	\$ 9,564,600	\$ 6,890,431	\$ 6,228,792	\$ 6,235,862
Annual Revenue	\$ 26,307,264	\$ 29,498,211	\$ 29,217,048	\$ 29,673,820	\$ 30,492,430
Annual Expenditures (a)	(28,159,739)	(32,172,380)	(29,878,687) *	(29,666,750)	(30,423,230)
Total estimated Fund Balance, ending (d)	\$ 9,564,600	\$ 6,890,431	\$ 6,228,792	\$ 6,235,862	\$ 6,305,062
Estimated Fund Balance (unrestricted) (b)	\$ 9,311,842	\$ 6,762,673	\$ 6,101,034	\$ 6,108,104	\$ 6,177,304
Estimated Restricted Fund Balance	252,758	127,758	127,758	127,758	127,758
	\$ 9,564,600	\$ 6,890,431	\$ 6,228,792	\$ 6,235,862	\$ 6,305,062
Fund balance (unrestricted) as a percentage of total annual expenditures (b/a)			20.42%	20.59%	20.30%
Fund Balance Ending minimum 18% of (a) (e)		\$ 5,791,028	\$ 5,327,764	\$ 5,340,015	\$ 5,476,181
Funds above / (below) 18% minimum of ((d-c)-e)		\$ 971,645	\$ 773,270	\$ 768,089	\$ 701,123
Fund Balance Ending - 22% of (a) (f)			\$ 6,511,711	\$ 6,526,685	\$ 6,693,111
Funds above / (below) 22% of ((d-c)-f)			\$ (410,677)	\$ (418,581)	\$ (515,807)

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 (previously Fiscal Analysis) 2013-16 MAJOR STREET FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Gas and Weight Tax	\$ 2,390,926	\$ 2,440,600	\$ 2,454,400	\$ 2,609,200	\$ 2,686,900
Interest on Investments	3,592	1,500	1,500	1,600	1,660
Miscellaneous Income	12,861	-	-	-	-
Transfer from Municipal Street	-	-	-	-	525,000
<b>TOTAL REVENUE</b>	<b>\$ 2,407,379</b>	<b>\$ 2,442,100</b>	<b>\$ 2,455,900</b>	<b>\$ 2,610,800</b>	<b>\$ 3,213,560</b>
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
<b>ENGINEERING</b>					
Engineering - City Services	\$ 8,328	\$ 8,330	\$ 8,300	\$ 8,300	\$ 8,300
Engineering - Beck (9 Mile to Cheltenham)	43,942	380	-	-	-
Engineering - Fountain Walk Drive	15,483	11,700	-	-	-
Engineering - West Oak Drive	22,973	39,410	-	-	-
Engineering - Meadowbrook (10 MI to Cherry Hill)	51,235	370	-	-	-
Engineering - Nine Mile (Beck to Taft)	17,191	50,260	-	-	-
Engineering - Nine Mile Rehab (Meadowbrook/Novi)	-	41,000	-	-	-
Engineering -Town Center Dr (Gr River to 11)	-	-	98,300	-	-
Engineering - Town Center (Crescent Blvd to 11)	-	-	74,300	-	-
Engineering - Heslip Dr Rehab	-	-	58,100	-	-
Engineering - 11 Mi Rd (Town Center to Meadowbrook)	-	-	-	220,000	-
Engineering - Crescent Blvd (Novi to Town Center)	-	-	-	153,500	-
Engineering - West Rd Repaving	-	-	-	28,800	-
Engineering - Karim Blvd Rehab PASER2-Asphalt	-	-	-	-	114,200
Engineering - Meadowbrook Rd Rehab (I96 to 12 Mile)	-	-	-	-	81,465
Engineering - Taft Rd ( 9 mi to 10 mi Rd Rehab)	-	-	-	-	230,625
Engineering - Taft Rd (10 Mi to Gr River Ave)	-	-	-	-	121,700
<b>CONSTRUCTION</b>					
Construction - Beck (9 Mile to Cheltenham)	330,674	-	-	-	-
Construction -Meadowbrook Rd Repave (10 Mile to Cherry Hi	60,134	-	-	-	-
Construction - Nine Mile Rd (Novi to Taft)	11,832	-	-	-	-
Construction - Meadowbrook (8 to 9 Mile)	2,822	-	-	-	-
Construction - Novi/Old Novi Singnalization	-	230,734	-	-	-
Construction - Fountain Walk Drive	-	55,600	-	-	-
Construction - West Oak Drive	-	328,500	-	-	-
Construction - Nine Mile Rd (Beck to Taft)	-	246,850	-	-	-
Construction - Town Center Dr (Gr River to 11)	-	-	471,700	-	-
Construction - Town Center (Crescent Blvd to 11)	-	-	356,630	-	-
Construction - Heslip Dr Rehab	-	-	278,600	-	-
Construction - 11 Mi (Town Center to Meadowbrook)	-	-	-	-	1,080,000
Construction -Crescent Blvd (Novi to Town Center)	-	-	-	736,700	-
Construction - West Road Repaving	-	-	-	138,250	-
Construction - Karim Blvd Rehab	-	-	-	-	548,300
Construction - Meadowbrook Rd Rehab (I96 to 12 Mile)	-	-	-	-	325,900
<b>TOTAL CONSTRUCTION</b>	<b>\$ 564,614</b>	<b>\$ 1,013,134</b>	<b>\$ 1,345,930</b>	<b>\$ 1,285,550</b>	<b>\$ 2,510,490</b>

# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 MAJOR STREET FUND (excluding SAD's) - continued

	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Routine Maintenance	\$ 432,387	\$ 475,000	\$ 475,000	\$ 505,000	\$ 505,000
Capital Preventive Maintenance Program	9,947	285,000	350,000	100,000	100,000
Traffic Services	232,249	218,520	220,000	220,000	220,000
Traffic Consultant	12,550	33,400	35,000	35,000	35,000
Traffic Control Sign Replacement Program	26,533	20,400	15,000	15,000	15,000
Winter Maintenance	97,306	210,000	270,000	270,000	270,000
<b>TOTAL MAINTENANCE</b>	<b>\$ 810,972</b>	<b>\$ 1,242,320</b>	<b>\$ 1,365,000</b>	<b>\$ 1,145,000</b>	<b>\$ 1,145,000</b>
Administration	\$ 500	\$ 510	\$ 510	\$ 510	\$ 510
Transfer to Local Street Fund	\$ 579,087	\$ 610,150	\$ 475,450	\$ -	\$ -
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 1,955,173</b>	<b>\$ 2,866,114</b>	<b>\$ 3,186,890</b>	<b>\$ 2,431,060</b>	<b>\$ 3,656,000</b>
<b>FUND BALANCE</b>					
Fund Balance Beginning	\$ 1,335,718	\$ 1,787,924	\$ 1,363,910	\$ 632,920	\$ 812,660
Revenue less Expenditures	452,206	(424,014)	(730,990)	179,740	(442,440)
Ending Fund Balance	\$ 1,787,924	\$ 1,363,910	\$ 632,920	\$ 812,660	\$ 370,220
10% minimum fund balance for contingencies			\$ 318,689	\$ 243,106	\$ 365,600
Funds above minimum 10%			\$ 314,231	\$ 569,554	\$ 4,620

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 (previously Fiscal Analysis) 2013-16 LOCAL STREET FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Gas and Weight Tax	\$ 850,685	\$ 863,100	\$ 873,000	\$ 915,700	\$ 943,200
Interest on Investments	3,276	800	800	1,070	1,110
Miscellaneous Income	1,184	72,085	-	-	-
Transfer from Major Street	579,087	610,150	475,450	-	-
Transfer from Municipal Street	-	1,300,000	2,519,000	3,501,000	3,100,000
Transfer from SA Revolving Fund	991,412	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 2,425,644</b>	<b>\$ 2,846,135</b>	<b>\$ 3,868,250</b>	<b>\$ 4,417,770</b>	<b>\$ 4,044,310</b>
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
<b>ENGINEERING</b>					
Engineering - City Services	\$ 13,320	\$ 13,320	\$ 13,320	\$ 13,320	\$ 13,320
Engineering - Neighborhood Roads 2011	91,273	11,100	-	-	-
Engineering - Neighborhood Roads 2012	71,312	-	-	-	-
Engineering - Neighborhood Roads 2012	5,621	90,500	-	-	-
Engineering - Neighborhood Roads 2013	-	154,000	-	-	-
Engineering - Neighborhood Roads 2014	-	-	370,000	-	-
Engineering - Neighborhood Roads 2015	-	-	-	370,000	-
Engineering - Neighborhood Roads 2016	-	-	-	-	370,000
Engineering - S Karevich (old Sheraton Drive)	9,763	38,000	-	-	-
<b>CONSTRUCTION</b>					
Construction - Vista Hills	28,915	3,270	-	-	-
Construction - S Karevich (old Sheraton Dr)	-	170,511	-	-	-
Construction - Neighborhood Roads 2011	856,928	-	-	-	-
Construction - Neighborhood Roads 2012	-	1,187,900	-	-	-
Construction - Neighborhood Roads 2013	-	1,300,000	300,000	-	-
Construction - Neighborhood Roads 2014	-	-	2,029,000	-	-
Construction - Neighborhood Roads 2015	-	-	-	2,384,000	-
Construction - Neighborhood Roads 2016	-	-	-	-	2,600,000
<b>TOTAL CONSTRUCTION</b>	<b>\$ 1,077,132</b>	<b>\$ 2,968,601</b>	<b>\$ 2,712,320</b>	<b>\$ 2,767,320</b>	<b>\$ 2,983,320</b>
Routine Maintenance	\$ 626,409	\$ 465,000	\$ 505,000	\$ 505,000	\$ 505,000
Routine Maintenance - joint/crack sealing	-	100,000	100,000	100,000	100,000
Routine Maintenance - spray patch	-	100,000	100,000	100,000	100,000
Capital Preventive Maintenance Program	4,761	145,000	200,000	200,000	200,000
Traffic Services	138,883	126,750	130,000	130,000	130,000
Traffic Consultant	285	14,500	14,500	14,500	14,500
Traffic Control Sign Replacement Program	8,352	30,000	20,000	20,000	20,000
Winter Maintenance	53,558	200,000	257,250	257,250	257,250
<b>TOTAL MAINTENANCE</b>	<b>\$ 832,248</b>	<b>\$ 1,181,250</b>	<b>\$ 1,326,750</b>	<b>\$ 1,326,750</b>	<b>\$ 1,326,750</b>
Administration	\$ 500	\$ 510	\$ 510	\$ 510	\$ 510
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 1,909,880</b>	<b>\$ 4,150,361</b>	<b>\$ 4,039,580</b>	<b>\$ 4,094,580</b>	<b>\$ 4,310,580</b>
	FUND BALANCE				
Fund Balance Beginning	\$ 1,376,523	\$ 1,892,287	\$ 588,061	\$ 416,731	\$ 739,921
Revenue less Expenditures	515,764	(1,304,226)	(171,330)	323,190	(266,270)
<b>Ending Fund Balance</b>	<b>\$ 1,892,287</b>	<b>\$ 588,061</b>	<b>\$ 416,731</b>	<b>\$ 739,921</b>	<b>\$ 473,651</b>
10% minimum fund balance for contingencies			\$ 403,958	\$ 409,458	\$ 431,058
Funds above minimum 10%			\$ 12,773	\$ 330,463	\$ 42,593

# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-14 MUNICIPAL STREET FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Property Taxes	\$ 2,191,704	\$ 2,279,000	\$ 4,380,000	\$ 4,551,000	\$ 4,689,000
Special Assessment Levied	18,442	14,140	14,140	13,520	13,520
Interest on Special Assessments	6,851	250	6,780	3,250	1,620
Interest on Investments	10,721	8,000	8,070	5,180	5,130
Unrealized gain (loss) on investments	4	39	-	-	-
Miscellaneous Income	98,531	64,045	93,390	98,530	98,530
Refund of prior period grant revenue	(169,502)	-	-	-	-
Metro Act ROW restricted revenue	159,463	130,000	130,000	160,000	160,000
<b>TOTAL REVENUE</b>	<b>\$ 2,316,214</b>	<b>\$ 2,495,474</b>	<b>\$ 4,632,380</b>	<b>\$ 4,831,480</b>	<b>\$ 4,967,800</b>
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
<b>ENGINEERING</b>					
Engineering - City Services	41,628	41,640	41,640	41,640	41,640
ADA Compliance Plan	1,892	100,000	50,000	50,000	50,000
12 Mile Rd E of Napier Grand Sakwa	-	-	-	-	-
Engineering - NW Quadrant Ring Road	71,480	-	-	-	-
Engineering - SW Quadrant Ring Road	-	55,000	-	-	-
Engineering - 12 Mile Road Widening (Beck Rd to Dixon)	75,000	75,000	-	-	-
Engineering - Ext Rt Turn Ln (WB Gr River @ Beck)	-	-	24,000	-	-
Engineering - Haggerty @ Gr River - add SB Rt Turn	-	-	58,650	-	-
Engineering - Napier Rd & 10 Mile Rd Intersection Improvemer	-	-	-	-	50,000
Engineering - Taft & 9 Mile new roundabout	-	-	-	-	82,394
Engineering - Outside Services	13,020	-	-	-	-
<b>RIGHT-OF-WAY</b>					
ROW expenditures - Metro Act PA 48	122,008	-	-	-	-
Easements - Novi Rd GR to 10 Mile	61,646	192,000	-	-	-
ROW - Other Costs Ext Rt Turn Ln WB Gr River @ Beck	-	-	15,000	-	-
ROW - Sidewalks seg 16 13mi's of novi	-	-	30,000	-	-
<b>INTERSECTION &amp; TRAFFIC SIGNAL</b>					
Traffic Signal - Beck/Cider Mill	8,233	-	-	-	-
Civic Center/Library dedicated right turn lane	10,712	-	-	-	-
Old Novi Rd/13MI/S Lake Dr Intersection improvements	154	-	-	-	-
Traffic Signal - Grand River & Meadowbrook Modernization	-	100,000	-	-	-
Traffic Signal - Meadowbrook & Nine Mile Upgrade	34,840	58,142	-	-	-
Engineering - New Traffic Signal (Wixom & Glennwood)	-	-	36,980	-	-
Construction - New Traffic Signal (Wixom & Glennwood)	-	-	161,200	-	-
Engineering - Traffic Signal Improve (Meadowbrook @ 8 MI Rd)	-	-	30,000	-	-
Construction - Traffic Signal Improve (Meadowbrook @ 8 MI Rd)	-	-	145,000	-	-
<b>CONSTRUCTION</b>					
Construction - Crescent Blvd Extension (NW Quadrant Ring Rd)	367,544	-	-	-	-
Construction - Novi Rd (Gr River to 10 Mile)	513,321	72,410	-	-	-
Construction - Ext Rt Turn Ln (WB Gr River @ Beck)	-	-	62,000	-	-
Construction - Haggerty @ Gr River - add SB Rt Turn	-	-	46,590	-	-
Construction - Napier Rd & 10 Mile Rd Intersection Improve	-	-	-	-	200,000
Construction - Paving of Napier (9mile to 10 mile)	-	-	-	-	350,000
Construction - Ice Arena Drive	3,375	95,000	-	-	-
Construction - Novi Rd/GR to 12 Mile Rd	247,820	1,340	-	-	-
Construction - Grand River Rehab (Novi Rd to Haggerty)	141,591	104,091	-	-	-
Construction - MDOT Projects (local share)	7,657	22,340	-	-	-
Construction - Cranbrook Drive Bridge	216,007	-	-	-	-
Construction - Eight Mile Rd Rehab (Beck to Napier)	-	164,284	-	-	-

# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 MUNICIPAL STREET FUND (excluding SAD's) - continued

	APPROPRIATIONS				
	Actual 2011-12	Estimated 2012-13	Budget 2013-14	Projected	
				2014-15	2015-16
SIDEWALK / PATHWAY					
Sidewalks 2009-Seg#71/140 10 Mile	275	-	-	-	-
Sidewalks 2009 - 10 Mile Crossing Nilan	-	-	-	-	-
Sidewalks 2009 - Seg# 139 Willowbrook Dr	5,628	-	-	-	-
MDOT Pathways	21	-	-	-	-
Sidewalks-eng & ROW-seg#145 10 MI	11,951	9,670	-	-	-
Sidewalk construction-Seg#145 10 MI	29,460	45,000	-	-	-
Sidewalks-engineering-Seg#15 13 MI S	800	-	-	-	-
Sidewalk construction-Seg#15 13 MI S	-	-	-	-	-
Sidewalks-Seg# 83 9 Mile	216,099	53,320	-	-	-
Sidewalks construction-Nine Mile Chelsea	-	-	-	-	-
I-96 Pedestrian Crossing	13,940	-	-	-	-
Sidewalks-Seg# 144- Meadowbrook GR to CH	6,808	71,677	-	-	-
Sidewalk-Seg#36 Taft Rd - 11MI-GR	14,593	135,577	-	-	-
Sidewalks M-5/I-275 Trail Connector	-	45,000	-	-	-
Neighborhood connector seg. 2-Brookfarm	1,387	59,120	-	-	-
ITC Corridor- Beck Rd to Medlodge site	-	227,500	-	-	-
Segment #92 Novi Rd 9 Mi to 10 Mi west	-	203,050	-	-	-
Sidewalks-Eng-Seg NC1 E Lake Dr to Novi	-	-	16,695	-	-
Sidewalks-Con-Seg NC1 E Lake Dr to Novi	-	-	52,000	-	-
Sidewalks-Eng-M5/I275 Trail Connector	-	-	173,928	-	-
Sidewalks-Con-M5/I275 Trail Connector	-	-	185,300	-	-
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	-	-	18,000	-	-
Sidewalk-Eng-Seg73-1Meadowbrook E-Gr-11M	-	-	20,000	-	-
Sidewalk-Con-Seg73-Meadowbrook E-GR-11M	-	-	75,200	-	-
Sidewalk / Pathway Program	-	-	-	588,891	406,300
<b>TOTAL CONSTRUCTION</b>	<b>\$ 2,238,890</b>	<b>\$ 1,931,161</b>	<b>\$ 1,405,443</b>	<b>\$ 680,531</b>	<b>\$ 1,180,334</b>
Routine Maintenance	\$ 106,179	\$ 150,000	\$ 150,000	\$ 236,000	\$ 236,000
Meadowbrook Bridge over Ingersol Creek	-	64,530	-	-	-
Bridge inspection/repair bi-annual	310	3,500	-	3,500	-
Trailblazing sign - I96 Study	-	4,800	-	-	-
Winter Maintenance - County Roads	243,255	150,000	200,000	200,000	200,000
<b>TOTAL MAINTENANCE</b>	<b>\$ 349,744</b>	<b>\$ 372,830</b>	<b>\$ 350,000</b>	<b>\$ 439,500</b>	<b>\$ 436,000</b>
Data Processing	6,912	3,500	3,500	3,500	3,500
Memberships and Dues	\$ 14,300	\$ 15,200	\$ 15,200	\$ 15,000	\$ 15,000
<b>TOTAL OTHER SERVICES &amp; CHARGES</b>	<b>\$ 21,212</b>	<b>\$ 18,700</b>	<b>\$ 18,700</b>	<b>\$ 18,500</b>	<b>\$ 18,500</b>
Administration	\$ 1,700	\$ 1,720	\$ 1,720	\$ 1,720	\$ 1,720
Transfer to Major Street Fund	\$ -	\$ -	\$ -	\$ -	\$ 525,000
Transfer to Local Street Fund	-	1,300,000	2,519,000	3,501,000	3,100,000
<b>TOTAL TRANSFER OUTS</b>	<b>\$ -</b>	<b>\$ 1,300,000</b>	<b>\$ 2,519,000</b>	<b>\$ 3,501,000</b>	<b>\$ 3,625,000</b>
Capital Outlay	\$ 52,205	\$ 25,755	-	-	-
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 2,663,751</b>	<b>\$ 3,650,166</b>	<b>\$ 4,294,863</b>	<b>\$ 4,641,251</b>	<b>\$ 5,261,554</b>
Fund Balance Beginning	\$ 2,838,393	\$ 2,490,856	\$ 1,336,164	\$ 1,673,681	\$ 1,863,910
Revenue less Expenditures	(347,537)	(1,154,692)	337,517	190,229	(293,754)
<b>Ending Fund Balance</b>	<b>\$ 2,490,856</b>	<b>\$ 1,336,164</b>	<b>\$ 1,673,681</b>	<b>\$ 1,863,910</b>	<b>\$ 1,570,156</b>
Fund Balance Restricted-Metro Act ROW			\$ 311,200	\$ 321,200	\$ 331,200
Fund Balance Committed - Crescent Blvd Extension (NW Quadrant Ring Rd)			\$ 697,500	\$ 697,500	\$ 697,500
10% minimum fund balance for contingencies			429,486	464,125	526,155
Funds above/(below) minimum 10% (excludes restricted & committed funds)			\$ 235,495	\$ 381,085	\$ 15,301

# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 PUBLIC SAFETY FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Property Taxes	\$ 4,055,177	\$ 4,206,000	\$ 4,170,000	\$ 4,333,000	\$ 4,464,000
Interest	23,885	25,100	23,000	20,250	20,250
Unrealized gain (loss) on investments	2,905	(1,125)	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 4,081,967</b>	<b>\$ 4,229,975</b>	<b>\$ 4,193,000</b>	<b>\$ 4,353,250</b>	<b>\$ 4,484,250</b>
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Transfer to General Fund	\$ 2,380,000	\$ 5,300,000	\$ 5,300,000	\$ 5,000,000	\$ 5,200,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 2,380,000</b>	<b>\$ 5,300,000</b>	<b>\$ 5,300,000</b>	<b>\$ 5,000,000</b>	<b>\$ 5,200,000</b>
	FUND BALANCE				
Fund Balance Beginning	\$ 3,273,244	\$ 4,975,211	\$ 3,905,186	\$ 2,798,186	\$ 2,151,436
Revenue less Expenditures	1,701,967	(1,070,025)	(1,107,000)	(646,750)	(715,750)
<b>Ending Fund Balance</b>	<b>\$ 4,975,211</b>	<b>\$ 3,905,186</b>	<b>\$ 2,798,186</b>	<b>\$ 2,151,436</b>	<b>\$ 1,435,686</b>

## PARKS, RECREATION AND CULTURAL SERVICES FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Property Taxes	\$ 1,095,142	\$ 1,134,000	\$ 1,126,000	\$ 1,170,000	\$ 1,206,000
Grants	75,583	523,420	85,920	85,900	85,900
Program Revenue	1,058,632	1,160,735	1,010,860	1,171,000	1,182,700
Older Adult Program Revenue	182,889	172,646	202,284	204,300	206,300
Interest	10,771	4,996	5,000	5,000	5,080
Miscellaneous Income	10,194	1,500	5,000	5,000	5,000
Transfer from other funds	295,630	770,310	250,000	151,000	486,000
<b>TOTAL REVENUE</b>	<b>\$ 2,728,841</b>	<b>\$ 3,767,607</b>	<b>\$ 2,685,064</b>	<b>\$ 2,792,200</b>	<b>\$ 3,176,980</b>
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Personnel Services	\$ 836,607	\$ 922,581	\$ 857,717	\$ 859,900	\$ 862,000
Supplies	26,815	37,949	46,480	47,900	49,300
Other Services and Charges	466,307	510,669	516,871	522,000	527,200
Program Expenditures	701,507	693,288	738,702	746,100	753,600
Older Adult Program Expenditures	202,019	216,240	239,523	241,900	244,300
Capital Outlay (including park development)	329,092	2,456,956	393,005	400,000	700,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 2,562,347</b>	<b>\$ 4,837,683</b>	<b>\$ 2,792,298</b>	<b>\$ 2,817,800</b>	<b>\$ 3,136,400</b>
	FUND BALANCE				
Fund Balance Beginning	\$ 1,534,951	\$ 1,701,445	\$ 631,369	\$ 524,135	\$ 498,535
Revenue less Expenditures	166,494	(1,070,076)	(107,234)	(25,600)	40,580
<b>Ending Fund Balance</b>	<b>\$ 1,701,445</b>	<b>\$ 631,369</b>	<b>\$ 524,135</b>	<b>\$ 498,535</b>	<b>\$ 539,115</b>

12% minimum fund balance for contingencies	\$ 335,076	\$ 338,136	\$ 376,368
Funds above/(below) minimum 12%	\$ 189,059	\$ 160,399	\$ 162,747

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

# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16

### TREE FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Interest	10,366	10,829	10,650	14,000	10,000
Tree Fund Revenue	16,800	75,000	75,000	75,000	75,000
Tree Fund Maintenance Revenue	6,650	2,000	2,000	2,000	2,000
<b>TOTAL REVENUE</b>	<b>\$ 33,816</b>	<b>\$ 87,829</b>	<b>\$ 87,650</b>	<b>\$ 91,000</b>	<b>\$ 87,000</b>

### TREE FUND APPROPRIATIONS

	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Tree Fund Maintenance	\$ 25,545	\$ -	\$ 39,490	\$ -	\$ -
Trees - Capital Outlay	15,994	120,000	48,160	120,000	120,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 41,539</b>	<b>\$ 120,000</b>	<b>\$ 87,650</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>

### FUND BALANCE

Fund Balance Beginning	\$ 1,527,444	\$ 1,519,721	\$ 1,487,550	\$ 1,487,550	\$ 1,458,550
Revenue less Expenditures	(7,723)	(32,171)	-	(29,000)	(33,000)
<b>Ending Fund Balance</b>	<b>\$ 1,519,721</b>	<b>\$ 1,487,550</b>	<b>\$ 1,487,550</b>	<b>\$ 1,458,550</b>	<b>\$ 1,425,550</b>

Minimum fund balance for contingencies			\$ 500,000	\$ 500,000	\$ 500,000
Funds above/(below) minimum \$500,000			\$ 987,550	\$ 958,550	\$ 925,550

### DRAIN FUND (excluding SAD's)

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Property Taxes	\$ 749,656	\$ 995,691	\$ 309,000	\$ 438,000	\$ 502,000
Interest on Investments	37,270	30,000	30,000	31,050	32,140
Unrealized gain/(loss) on investments	6,364	(223)	-	-	-
Miscellaneous Income	24,676	10,000	10,000	-	-
Grants/Contributions from Others	23,318	136,500	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 841,284</b>	<b>\$ 1,171,968</b>	<b>\$ 349,000</b>	<b>\$ 469,050</b>	<b>\$ 534,140</b>

### APPROPRIATIONS

	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Construction	\$ 979,972	\$ 600,690	\$ 62,100	\$ -	\$ -
Storm Maintenance	703,067	902,453	637,500	675,000	685,500
Other Services and charges	11,985	39,000	24,000	24,000	24,000
Middle Rouge at Flint Street Stabilization	-	-	-	111,900	-
Bishop District New Sedimentation Dredging	-	-	-	200,800	-
Administration	1,129	1,000	800	1,000	1,000
Capital Outlay	46,943	19,255	-	-	278,700
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 1,743,096</b>	<b>\$ 1,562,398</b>	<b>\$ 724,400</b>	<b>\$ 1,012,700</b>	<b>\$ 989,200</b>

### FUND BALANCE

Fund Balance Beginning	\$ 4,809,289	\$ 3,907,477	\$ 3,517,047	\$ 3,141,647	\$ 2,597,997
Revenue less Expenditures	(901,812)	(390,430)	(375,400)	(543,650)	(455,060)
<b>Ending Fund Balance</b>	<b>\$ 3,907,477</b>	<b>\$ 3,517,047</b>	<b>\$ 3,141,647</b>	<b>\$ 2,597,997</b>	<b>\$ 2,142,937</b>

Fund Balance Available for future construction, dredging projects, etc.	\$ 3,907,477	\$ 3,517,047	\$ 3,141,647	\$ 2,597,997	\$ 2,142,937
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# Multi-Year Budget

## MULTI-YEAR BUDGET (previously Fiscal Analysis) 2013-16 LIBRARY FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Property Taxes	\$ 2,191,704	\$ 2,279,000	\$ 2,254,000	\$ 2,328,000	\$ 2,398,000
State Sources	22,267	20,000	20,000	20,000	20,000
Library Book Fines	67,906	67,000	68,500	68,500	68,500
State Penal Fines	64,306	74,541	76,000	77,500	79,000
Interest	47,621	38,247	25,000	25,700	26,500
Unrealized gain/(loss) on investments	51,093	-	-	-	-
Miscellaneous Income	22,622	15,000	15,000	15,000	15,000
Copier	2,671	2,500	2,500	2,500	2,500
Electronic Media	2,375	500	800	800	800
Summer reading t-shirts sales	130	-	-	-	-
Library Programming - Book It	-	-	-	-	-
Library fund raising revenue	590	360	1,000	1,000	1,000
Meeting Room	18,514	15,000	15,000	15,000	15,000
Library Café	5,762	5,000	5,000	5,000	5,000
Novi Township assessment	6,128	5,681	5,800	5,900	6,000
Gifts and Donations	10,313	6,000	5,000	5,000	5,000
Transfer from Walker Fund	-	-	-	1,566,984	-
<b>TOTAL REVENUE</b>	<b>\$ 2,514,002</b>	<b>\$ 2,528,829</b>	<b>\$ 2,493,600</b>	<b>\$ 4,136,884</b>	<b>\$ 2,642,800</b>
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Personnel Services	\$ 1,749,792	\$ 1,775,000	\$ 1,913,300	\$ 1,940,700	\$ 1,967,600
Supplies	460,030	482,400	578,900	579,800	583,500
Other Services & Charges	415,447	406,763	438,700	447,300	457,200
Transfer to Walker Fund	10,258	-	-	-	-
Capital Outlay	8,246	-	43,800	73,600	73,600
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 2,643,773</b>	<b>\$ 2,664,163</b>	<b>\$ 2,974,700</b>	<b>\$ 3,041,400</b>	<b>\$ 3,081,900</b>
	FUND BALANCE				
Fund Balance Beginning	\$ 2,441,937	\$ 2,312,166	\$ 2,176,832	\$ 1,695,732	\$ 2,791,216
Revenue less Expenditures	(129,771)	(135,334)	(481,100)	1,095,484	(439,100)
<b>Ending Fund Balance</b>	<b>\$ 2,312,166</b>	<b>\$ 2,176,832</b>	<b>\$ 1,695,732</b>	<b>\$ 2,791,216</b>	<b>\$ 2,352,116</b>
Fund balance as a percentage of total annual expenditures			57.01%	91.77%	76.32%

### WALKER LIBRARY FUND

	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Interest on Investments	\$ 50,592	\$ 13,855	\$ -	\$ -	\$ -
Walker Fund General Donations	49,899	27,462	-	-	-
Transfer from Library Fund	10,258	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 110,749</b>	<b>\$ 41,317</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Supplies	\$ 11,445	\$ 9,349	\$ -	\$ -	\$ -
Capital Outlay	4,980	-	-	-	-
Transfers to Library Fund	-	-	-	1,566,984	-
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 16,425</b>	<b>\$ 9,349</b>	<b>\$ -</b>	<b>\$ 1,566,984</b>	<b>\$ -</b>
	FUND BALANCE				
Fund Balance Beginning	\$ 1,440,692	\$ 1,535,016	\$ 1,566,984	\$ 1,566,984	\$ -
Revenue less Expenditures	94,324	31,968	-	(1,566,984)	-
<b>Ending Fund Balance</b>	<b>\$ 1,535,016</b>	<b>\$ 1,566,984</b>	<b>\$ 1,566,984</b>	<b>\$ -</b>	<b>\$ -</b>

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 (previously Fiscal Analysis) 2013-16 LIBRARY CONSTRUCTION DEBT FUND

DESCRIPTION	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Current property taxes	\$ 548,077	\$ 951,500	\$ 1,124,650	\$ 1,107,150	\$ 1,089,030
Interest on investments	1,030	1,000	100	100	100
Transfer from construction fund	-	-	-	-	-
Appropriation - fund balance	-	-	-	-	-
	<u>\$ 549,107</u>	<u>\$ 952,500</u>	<u>\$ 1,124,750</u>	<u>\$ 1,107,250</u>	<u>\$ 1,089,130</u>

DESCRIPTION	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Principal	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Interest expense	659,410	644,250	624,750	607,250	589,130
	<u>\$ 1,159,410</u>	<u>\$ 1,144,250</u>	<u>\$ 1,124,750</u>	<u>\$ 1,107,250</u>	<u>\$ 1,089,130</u>

### 2002 GENERAL OBLIGATION LIMITED TAX BONDS

DESCRIPTION	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Transfer from General Fund	\$ 296,185	\$ 282,500	\$ -	\$ -	\$ -
	<u>\$ 296,185</u>	<u>\$ 282,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESCRIPTION	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Principal	275,000	275,000	\$ -	\$ -	\$ -
Interest expense	21,185	7,500	-	-	-
	<u>\$ 296,185</u>	<u>\$ 282,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### 2010 REFUNDING DEBT FUND

DESCRIPTION	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Current property taxes	\$ 1,099,127	\$ 1,102,100	\$ 1,018,290	\$ 1,029,940	\$ 1,087,990
Interest on investments	98	1,000	100	100	100
	<u>\$ 1,099,225</u>	<u>\$ 1,103,100</u>	<u>\$ 1,018,390</u>	<u>\$ 1,030,040</u>	<u>\$ 1,088,090</u>

DESCRIPTION	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Principal	\$ 935,000	\$ 940,000	\$ 940,000	\$ 990,000	\$ 1,075,000
Interest expense	153,048	124,040	78,390	40,040	13,090
	<u>\$ 1,088,048</u>	<u>\$ 1,064,040</u>	<u>\$ 1,018,390</u>	<u>\$ 1,030,040</u>	<u>\$ 1,088,090</u>

### 2003 REFUNDING DEBT FUND

DESCRIPTION	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Current property taxes	\$ 1,000,252	\$ 1,002,810	\$ -	\$ -	\$ -
Interest on investments	144	150	-	-	-
	<u>\$ 1,000,396</u>	<u>\$ 1,002,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESCRIPTION	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Principal	\$ 1,000,000	\$ 985,000	\$ -	\$ -	\$ -
Interest expense	51,360	17,960	-	-	-
	<u>\$ 1,051,360</u>	<u>\$ 1,002,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### 2002 STREET & REFUNDING DEBT FUND

DESCRIPTION	REVENUE				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Current property taxes	\$ 2,747,415	\$ 1,347,390	\$ 748,770	\$ 750,710	\$ 747,110
Interest on investments	2,928	900	900	650	650
	<u>\$ 2,750,343</u>	<u>\$ 1,348,290</u>	<u>\$ 749,670</u>	<u>\$ 751,360</u>	<u>\$ 747,760</u>

DESCRIPTION	APPROPRIATIONS				
	Actual	Estimated	Budget	Projected	
	2011-12	2012-13	2013-14	2014-15	2015-16
Principal	\$ 2,745,000	\$ 1,055,000	\$ 595,000	\$ 625,000	\$ 655,000
Interest expense	287,848	193,290	154,670	126,360	92,760
	<u>\$ 3,032,848</u>	<u>\$ 1,248,290</u>	<u>\$ 749,670</u>	<u>\$ 751,360</u>	<u>\$ 747,760</u>


CITY OF NOVI 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	
	2006 FY 2006-7	2007 FY 2007-8	2008 FY 2008-9	2009 FY 2009-10	2010 FY 2010-11	2011 FY 2011-12	2012 FY 2012-13	2012 FY 2012-13	2013 FY 2013-14	2014 FY 2014-15	2015 FY 2015-16	Expiration Date
Taxable Value - Real							\$ 2,699,988,360	\$ 2,687,486,096	\$ 2,839,233,000	\$ 2,950,718,000		
Taxable Value - Personal Property Tax							220,345,290	221,380,000	\$ 190,000,000	\$ 185,000,000		
Taxable Value - New Construction (Increases \$75 million cumulative in 2015 & 2016)								61,000,000	\$ 45,000,000	\$ 30,000,000		
<b>Total Taxable Value</b>	\$ 3,364,061,500	\$ 3,550,406,740	\$ 3,582,448,240	\$ 3,554,945,630	\$ 3,204,568,420	\$ 2,979,611,480	\$ 2,920,338,650	\$ 2,969,836,096	\$ 3,074,233,000	\$ 3,165,718,000		
% Change in total taxable value from the prior year without new construction estimate in 2015 & 2016								1.7%	2.0%	2.0%		
% Change in total taxable value from the prior year less various allowances	8.6%	5.5%	0.9%	-0.8%	-9.9%	-7.0%	-1.99%	1.7%	3.5%	3.0%		
							(45,314,730)	(50,000,000)	(40,000,000)	(40,000,000)		
<b>Adjusted Taxable Value*</b>	\$ 3,364,061,500	\$ 3,550,406,740	\$ 3,582,448,240	\$ 3,554,945,630	\$ 3,204,568,420	\$ 2,979,611,480	\$ 2,875,018,920	\$ 2,919,836,096	\$ 3,034,233,000	\$ 3,125,718,000		
<b>Millage Rate</b>												
General Fund	4.8051	4.8287	4.8287	4.9027	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	1.5000	1.5000	1.5000		
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	0.5105	0.3590	0.1765	0.0885	0.2642	0.3455	0.1057	0.1443	0.1605		
Library Fund	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719	0.7719		
<b>Total Operating Millage</b>	<b>8.6733</b>	<b>8.6969</b>	<b>8.5454</b>	<b>8.4369</b>	<b>8.4644</b>	<b>8.6401</b>	<b>8.7194</b>	<b>9.2097</b>	<b>9.2483</b>	<b>9.2645</b>		
2000 Street Debt Fund	0.2746	0.2687	-	0.2894	0.3234	-	-	-	-	-		
Library Construction Debt Fund	-	-	0.1790	0.2039	0.2008	0.1930	0.3281	0.3852	0.3649	0.3454		
1993 Refunding Debt Fund	0.4015	0.4218	0.4067	0.2291	-	-	-	-	-	-		
2010 Refunding Debt Fund	-	-	-	-	0.0629	0.3843	0.3698	0.3457	0.3394	0.3451		
2003 Refunding Debt Fund	0.2497	0.2579	0.2485	0.2760	0.2891	0.3459	0.3488	-	-	-		
2002 Street & Refunding Debt Fund	0.9425	0.8963	0.8726	1.0723	1.2990	0.9753	0.4339	0.2564	0.2474	0.2390		
<b>Total Debt Millage</b>	<b>1.8683</b>	<b>1.8447</b>	<b>1.9962</b>	<b>2.1047</b>	<b>2.0772</b>	<b>1.9015</b>	<b>1.4806</b>	<b>0.9903</b>	<b>0.9517</b>	<b>0.9355</b>		
<b>Total City Millage Rate</b>	<b>10.5416</b>	<b>10.5416</b>	<b>10.5416</b>	<b>10.5416</b>	<b>10.5416</b>	<b>10.5416</b>	<b>10.2000</b>	<b>10.2000</b>	<b>10.2000</b>	<b>10.2000</b>		
<b>Taxes</b>												
General Fund	\$ 16,164,652	\$ 17,143,849	\$ 17,295,568	\$ 17,428,822	\$ 16,051,000	\$ 14,952,000	\$ 14,427,000	\$ 14,652,000	\$ 15,226,000	\$ 15,685,000		
Municipal Street Fund	2,596,719	2,740,559	2,765,292	2,744,061	2,474,000	2,300,000	2,219,000	4,380,000	4,551,000	4,689,000		
Police and Fire Fund	4,804,553	5,070,691	5,116,453	5,077,170	4,577,000	4,255,000	4,106,000	4,170,000	4,333,000	4,464,000		
Parks and Recreation Fund	1,297,519	1,369,392	1,381,750	1,371,142	1,236,000	1,149,000	1,109,000	1,126,000	1,170,000	1,206,000		
Drain Revenue Fund	1,717,383	1,812,483	1,286,099	627,448	284,000	787,000	988,000	309,000	458,000	502,000		
Library Fund	2,596,719	2,740,559	2,765,292	2,744,061	2,474,000	2,300,000	2,219,000	2,254,000	2,342,000	2,413,000		
2000 Street Debt Fund	923,771	953,994	1,036,761	1,149,669	722,310	-	-	-	-	-		
Library Construction Debt Fund	-	-	641,258	724,853	643,477	575,055	951,500	1,124,680	1,107,150	1,089,030	2027-28	
1993 Refunding Debt Fund	1,350,671	1,497,562	1,456,982	814,438	-	-	-	-	-	-		
2010 Refunding Debt Fund	-	-	-	-	201,567	1,145,055	1,102,100	1,018,290	1,029,940	1,087,990	2015-16	
2003 Refunding Debt Fund	840,006	918,650	890,238	981,164	926,441	1,030,648	1,002,810	-	-	-	2012-13	
2002 Street & Refunding Debt Fund	3,170,628	3,182,230	3,126,044	3,811,966	4,162,734	2,914,954	1,347,390	745,770	750,710	747,110	2017-18	
<b>Factor. Includes reduction for Personal Property Tax write-off &amp;</b>	<b>\$ 35,462,591</b>	<b>\$ 37,426,968</b>	<b>\$ 37,764,736</b>	<b>\$ 37,474,794</b>	<b>\$ 33,782,530</b>	<b>\$ 31,408,731</b>	<b>\$ 29,471,800</b>	<b>\$ 29,782,710</b>	<b>\$ 30,947,800</b>	<b>\$ 31,883,130</b>		

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\*\* The General Fund - Headlee cap of 5.0182 mills is projected from 2010 on.

NOTE: The projected taxable values have been revised per the Assessors post Board of Review update, February 8, 2015.



# Multi-Year Budget

## 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 18, 2013. The 2013 taxable value increased approximately \$61,000,000 for net new construction. The future property values for 2014 and beyond include approximately \$75,000,000 in cumulative net new construction. Penalties and interest are based on historical collections, not most recent years.

The current millage rate is 10.2 mills, even with the voters approved increase for the Municipal Road millage. This increase was offset by the corresponding decrease in the Drain Millage. Another factor that has been taken into account for the future years 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.

**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 2013-14 is estimated to increase approximately \$164,000 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 stay at the current level of \$25,000.

**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.

### Expenditures

**Personnel Services:** Reflects increases and decreases pursuant to each of the current collective bargaining agreements. An increase of 1% each year, using 2013-14 as base year, is assumed based on total personnel costs. The personnel assumptions are based on the number of staff as presented in the Budget Overview — Personnel Summary section for the fiscal year 2013-14.

**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 at \$800,000 for 2013-14. 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 2013-2014. No new Federal Forfeiture funds are assumed for purposes of this fiscal analysis. Certain programs like PC replacement are included in 2013-14 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. The General Administration Department has been adjusted for the final payment of the Administrative staff sick banks in fiscal year 2012-13.

# 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	<b>Quadrant I</b> <ul style="list-style-type: none"> <li>• Crises</li> <li>• Pressing problems</li> <li>• Deadline-driven projects, meetings, reports</li> </ul>	<b>Quadrant II</b> <ul style="list-style-type: none"> <li>• Preparation and Planning</li> <li>• Prevention</li> <li>• Relationship building</li> <li>• Accounting for results</li> </ul>
	Not Important	<b>Quadrant III</b> <ul style="list-style-type: none"> <li>• Needless interruptions</li> <li>• Unnecessary reports</li> <li>• Unimportant meetings, phone calls, mail e-mail</li> <li>• Other people’s minor issues</li> </ul>	<b>Quadrant IV</b> <ul style="list-style-type: none"> <li>• Trivia, busywork</li> <li>• Irrelevant phone calls, mail, e-mail</li> <li>• Surfing the Internet</li> <li>• Time-wasters</li> </ul>

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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## Ensure Public Safety services meet the needs of the community (Police, Fire, Public Services)

### Data Driven Decision Making

The vision of the Novi Police Department is "Partners with our Community." The Novi Police Department is dedicated to providing the most effective and efficient law enforcement services to all community members. Data driven decisions are both timely and an efficient use of resources. Analyzing data on a daily basis allows the department to identify current crime trends and to allocate resources accordingly. Being in the right areas at the right times with the right amount of resources may seem like Goldilocks dreaming, but the Novi Police Department with its array of internal and external partners and resources strives to be 'just right' at all times.



The Novi Police Department recognizes the importance of tracking real-time data. In 2009, the Novi Police Department implemented weekly COMPUTER STATISTICS (COMPSTAT) meetings. CompStat is based on four principles:

1. Accurate and Timely Intelligence - Know what is happening
2. Effective Tactics - Have a plan
3. Rapid Deployment - Do it quickly
4. Relentless Follow-up and Assessment - If it works, do more. If not, do something else

The meetings are designed to analyze data in a timely fashion and to allocate resources in response to the data.

Furthermore, department personnel utilize crime mapping computer software (crimemapping.com) to visually see real-time reported crimes within our community. Crimemapping.com is internet-based and shared with the citizens of Novi on cityofnoiv.org (need screenshot). Residents can sign up for alerts, tailoring crimemapping.com for their individual awareness and needs.

Data collection, detailed analysis, and mapping all incidents drive data driven decisions of the Novi Police Department. Timely data analysis is used in determining the allocation of resources from day-to-day and shift-to-shift. Shift assignments are determined based on the information shared at the weekly COMPSTAT meetings and crime mapping. The Novi Police Department is committed to identifying an area of increased crime reports and allocating resources to the identified area ("Putting the Cops on the Dots").

Some examples of the metrics being reviewed include:

### CITY COUNCIL GOALS


#### Short Term

- Begin relocation planning for Fire Station No. 1
- Immediately add one or two police officers
- Study needs for public safety staffing using crime, medical assistance and fire metrics to ensure that staff are added as needed to ensure public safety goals

#### Long Term

- Build a new Fire Station No. 1 at a new location
- Fund capital improvements to Public Services facilities based on long-term plan





## Ensure Public Safety services meet the needs of the community (Police, Fire, Public Services)

### Top 5 Accident Intersections

Each month, the top five intersections for traffic crashes are identified through data analysis. That data is used for alternate deployment of officers and for maintaining high police visibility at the top five intersections. The intersections are identified as part of an on-going effort to reduce crashes in the community. In 2012, traffic crashes were reduced at the top 5 accident intersections by more than 6.1%.

### Clearance Rate

The Novi Police Department is committed to combatting crime through accurate and timely intelligence. Daily intelligence bulletins are disseminated throughout the organization. The Novi Police Department participates in monthly intelligence meetings with the Western Oakland Major Crime Team Taskforce (WOMCATT). These meetings are designed to share intelligence information with area police departments in an effort to enhance criminal investigations across jurisdictional boundaries.

## PARTNERSHIPS

### 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, commonly referred to as 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 our region as a whole. Several members from our public safety departments hold leadership positions within the CLEMIS structure and assist in facilitating training, strategic planning and the implementation of new technologies.

### Rental of the Firearms Training Center

In support of the City Council goal for increasing revenue from renting the firearms training center, the Novi Police Department continues to pursue State, Federal and local law enforcement agencies to rent this state-of-the-art training facility. Throughout 2012, the firearms training center was rented by Providence Hospital Security, the U.S. Postal Service, the Department of State Diplomatic Security Office, and the U.S. Customs & Border Protection. Net revenue for the year exceeded \$264,000 and is anticipated to continue throughout 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 of our fire stations.

### Michigan State Police

The Michigan State Police (MSP) detachment completed its first year of service from the Novi Police Department building. In addition to the increased visibility as the Troopers use secondary roads to access the freeway, the MSP assisted with events at Twelve Oaks Mall, the Great Lakes State Fair, extra patrols during the I-96 shootings and extra patrols at area schools after the Sandy Hook Elementary shooting in Connecticut. During their first year, troopers issued 1,722 tickets to 1,595 motorists. The Novi Public Library received a \$9,000 increase in funding as a result of violations written on Interstate 96.

### United States Secret Service – Southeast Michigan Financial Crimes Task Force

The Novi Police Department entered into a partnership with the United States Secret Service to house the Southeast Michigan Financial Crimes Task Force. This partnership will enhance the services provided to our citizens by building a partnership with a Federal agency that commands several resources to assist in major criminal investigations, the training of a Novi Police Department investigator in sophisticated computer forensics and by providing additional investigative resources to assist with fraud complaints filed by our residents and community members.



## Ensure Public Safety services meet the needs of the community (Police, Fire, Public Services)

The Novi Police Department prides itself on maintaining an average clearance rate (FOR WHAT KINDS OF CASES) of more than 38%, nearly double that of the national average.

### Time Allocation

The Novi Department Police Department strengthens its commitment to data driven decision when analyzing allocated time in determining staffing levels for various times of the day. Staffing levels are, in part, based on reviewing and anticipating officer's allocated time compared to unallocated time, number of calls for service (CFS), the time of day calls for service are generated, and the time committed to the calls for service. Maintaining a flexible schedule and staffing, in concert with our labor groups who have been supportive and understand the need for differing schedules depending upon demand, is more efficient and more effective use of limited resources.

The department will continue its ongoing – relentless effort to provide the most effective and efficient police services to their partners, the community. The Novi Police Department will strive to meet outcomes and goals through everyday data drive decision, placing our uniform assets in areas of need.

### Public Safety Emphasis on Prevention

Both the Novi Police and Fire Departments make prevention and education a priority. Through community partnerships and educational efforts, both departments not only enhance relationships but enhance safety in Novi.



### Crimemapping.com

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.

### Residential and Commercial Security Surveys

The Novi Police Department is proud to perform residential and commercial security surveys for residents and business owners in our community. This confidential security survey is a free service offered to you by the Novi Police Department. It is designed to reduce your vulnerability to crime by identifying existing or potential security weaknesses.

### Home Fire Safety Survey

The Novi Fire Department provides a free Home Safety Inspection designed to educate residents regarding fire safe behavior and the need for adequate fire and life safety conditions inside and outside of their home. The inspection will check each area of your home and offer fire prevention and safety tips to safeguard your family from the threat of fire or other potential hazards.



## Ensure Public Safety services meet the needs of the community (Police, Fire, Public Services)

### Home Watch Program

Thieves often target homes of citizens who are on vacation or otherwise gone for an extended period of time. In response, the Novi Police Department offers community members an additional layer of protection by conducting extra patrols during extended absences. Citizens can simply complete a form found on the police website or complete the form at the front desk of the police department. Uniform police officers and volunteers will then check on the residence to ensure all is in order.

### Fire Extinguisher Training

The Novi Fire Department offers fire extinguisher training classes to both residents and business in our community. Classes include basic extinguisher use and maintenance. Participants get hands-on experience in extinguisher use with a simulator.



### Prescription Drug Take Back Program

Prescription drug abuse is becoming one of the main causes encouraging young people to experiment with drugs. The Novi Police Department is committed to reducing this threat and accepts unwanted prescription medications on a continuous basis. By creating a legal method in which to dispose of prescription medications, the amount of unused and/or expired prescription medications from accidentally or intentionally being consumed by children, sold on the street or improperly disposed of in the water system will be reduced.

### Smoke Detector Program

The Novi Fire Department believes every person should have smoke detectors in their home. If you live in the City of Novi and cannot obtain a smoke detector (or if you are unable to buy one) the Fire Department will install a smoke detector free of charge. This program is possible because of the donations of valuable corporate partners within the City of Novi who provide the Fire Department these "life-savers" for free.



### Project Sticker Shock

The Novi Police Department prides itself on partnering with the Novi Youth Council to place highly visible stickers on all multi-packs of alcoholic beverages warning purchasers of the dangers of contributing to underage drinking. The campaign is conducted during prom, graduation, and homecoming season as a sustained reminder for those who may be thinking twice about serving alcohol to a minor.

### CPR Training

The Fire Department offers free certification classes to all residents free of charge and classes are offered for local businesses at a small fee. Classes are held once a month through the Training division and involve instructors from all areas of the organization. This program helps cement the bond with fire personnel and the community they serve.

## Ensure Public Safety services meet the needs of the community (Police, Fire, Public Services)

### File of Life

The File of Life program is an initiative that assists medical first responders in identifying pre-existing medical conditions of those that may not be able to communicate during a medical emergency. The program uses clear plastic, magnetized envelopes to store pertinent medical information in plain view on refrigerator doors. The magnetized holders contain a standard medical form on which the homeowner records medical history, medications, etc. Hundreds of the files are distributed to our mature adult communities on an annual basis and provide an effective way to glean medical history for a senior patient receiving treatment.

### Fall Prevention

In an effort to better protect and prepare older adults, the Novi Fire Department offers a new and unique program aimed at reducing the threat of injury and fire to Novi's residents. The Fall Prevention for Older Adults Program is designed to educate residents of the hazards within their own homes that could cause harm by leading to a fire or causing injury. This free survey is offered by department personnel and can be pre-scheduled or offered after we provide service to a community member at their home.

### Older Adult Crime Prevention Seminars

The Novi Police Department recognizes that older adults are often the target of identity theft, bank fraud and telephone scams. In partnership with Older Adult Services, Novi Police Investigators will present information regarding current trends to our mature adults in order to increase awareness and prevent future incidents.

## Effective Delivery of quality Emergency Medical Services

One of the most critical functions local government can provide is the effective delivery of Emergency Medical Services (EMS). The City of Novi is committed to a timely response and effective management of the EMS process through a public-private partnership with Community EMS (CEMS).



Prevention remains the highest priority, but when emergency medical services are required, response time is a key element to delivering an effective medical response service. Through a contractual agreement with CEMS, response time for priority calls has been reduced from 8 minutes to 7.5 minutes on 90% or more of all priority calls. CEMS provides three dedicated Advanced Life Support (ALS) ambulances available to respond throughout the community at all times. The new contract with CEMS, approved by the City Council at its November 26, 2012 meeting, ensures effective and

efficient emergency medical service at zero direct cost to the City of Novi. This partnership, additionally, reinforces the priority and enhances the quality service to the aging population in Novi, home to more than 12,500 residents age 55 and



## Ensure Public Safety services meet the needs of the community (Police, Fire, Public Services)

older. With the addition of two new mature care facilities scheduled to open in 2013, Medilodge and Maple Manor of Novi, the City continues to attract older adults due to its quality of life and the high standard of services offered.

Through the partnership with CEMS, collaborative training and resource utilization is imperative to increase the quality of service and fosters a better relationship between emergency service teams from both entities. CEMS remains committed to providing cost-free, stand-by services at dozens of events throughout the year, including Fall for Novi, area sporting activities and other functions requiring emergency medical personnel.

Weekly COMPuter STATistics (COMPSTAT) meetings allow department personnel to present and analyze response information to make recommendations on improving service quality. At the beginning of every month, CEMS and Novi Public Safety Administration meet to review contractual performance measures. This, along with the weekly COMPSTAT statistics, allows administration to work closely with CEMS to provide the highest level of emergency medical service to the City of Novi. CEMS has implemented a new software program, Marvelous, that will assist to decrease response time by trending emergency medical calls for service allowing ambulances to be placed in the best locations, at the best times for service response.



- Assist public in the protection of life and property by minimizing the impact of fire, medical emergencies and potential disasters or uncontrolled events that affect the community and environment.
- Ensure public safety services meet the needs of the community to provide a safe environment

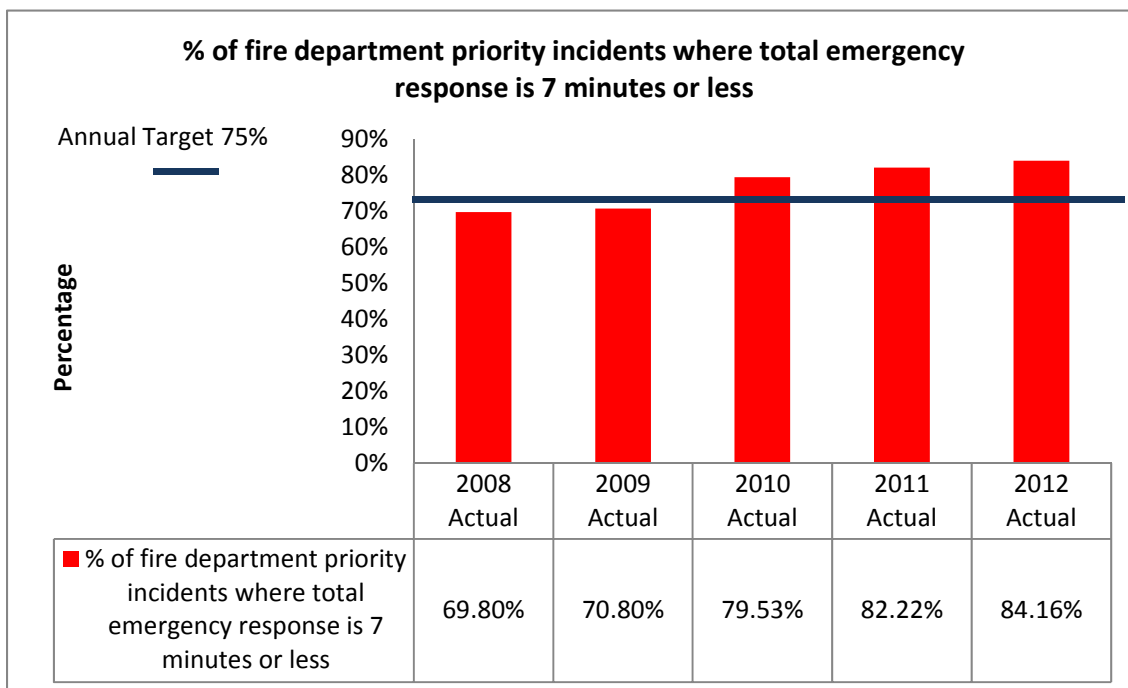
### PROGRAM OBJECTIVES

- Deploy Rescue 4 replacement apparatus (Expedition EL 4x4)
- Recruit and hire additional police officer to further enhance services and reduce criminal activity
- Complete comprehensive facility analysis for Fire Department and Department of Public Services buildings and grounds

## Ensure Public Safety services meet the needs of the community (Police, Fire, Public Services)

Program: Public Safety Services	2011 Actual	2012 Target	2012 Actual	2012 Target Met or Exceeded	2013 Target
% of fire department priority incidents where total emergency response is 7 minutes or less	82.22%	75%	84.16%		75%
Maintain a better than 30% clearance rate of cases assigned to police investigators	40.81%	30%	38.91%		30%
Reduce traffic accidents at top five accident intersections	7.22%	6%	6.1%		6%
Incoming telephone calls to the Communications Section are answered within 15 seconds 95 % of the time	99.60%	95%	99.70%		95%
Communication Section will maintain a <60 second average for processing medical emergencies, alerting responders and contracting the ambulance provider	46.82 Sec.	< 60 Sec.	35.70%		< 60 Sec.

Exceeded   
 Met   
 Nearly Met   
 Did not meet



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## Improve Infrastructure (Roads, Water and Sewer)

### Increased Municipal Street Fund Millage translating into an Improved Transportation Network starting 2013+

Last August, Novi voters overwhelmingly approved a 0.7281 mill increase in the City's maximum Municipal Street Fund millage. The 2012 ballot proposal initiative was in response to a steady stream of feedback from residents and businesses indicating that improving Novi's transportation network was a high priority to assure safe travel and the efficient movement of goods and services. The new millage capacity will generate an estimated \$2.1 million in additional revenue to be invested annually in Novi's major roads and neighborhood streets, as well as in pathways and sidewalks.

The injection of additional road improvement revenue could not have come at a more opportune time, especially given two factors:

- 1) the current pavement condition of the City's overall roadway system, and
- 2) the State of Michigan's inadequate system of providing local road agencies with sufficient road funding.

A 2012 engineering study concluded if the previous funding level remained at 0.7719 mills, the condition of the City's roads would continue to decline substantially over time. The City uses a Pavement Surface Evaluation and Rating (PASER) system to objectively evaluate pavement conditions, and the engineering study revealed that despite investing a status quo amount of \$3.2 million annually, the City's overall average PASER rating would decline by 6% over the next ten years. In other words, even with such a large annual investment, Novi's roads would be in worse shape over the course of the next decade, as illustrated by the **blue** line in the chart on the next page.

The City of Novi receives road funding from the State of Michigan that is based on a formula derived in 1951 that provides a portion of the State-wide revenue generated from vehicle registration fees and gas tax, and is distributed back to local governments on a pro rata basis. Revenue from the current funding system barely covers the cost to provide routine maintenance of Novi's roads, let alone major rehabilitation or reconstruction work that is needed throughout the City; therefore, additional revenue from the millage increase will help to close this funding gap.

The City's total annual investment in transportation infrastructure of approximately \$5.3 million (i.e., \$2.1 million resulting from the millage increase plus the existing level of \$3.2 million already used for pavement maintenance) will not only drastically improve the overall condition of Novi's major roads and neighborhood streets (see projected PASER rating improvement shown by the **purple** line in the chart on next page), but it will also be used to make much needed additions to the City's non-motorized

### CITY COUNCIL GOALS

#### Short Term

- Fund Northwest Quadrant Ring Road in collaboration with private development and State funds
- Continue funding for sidewalks with priority on sidewalk gaps
- Fund at least one major trail improvement (ITC Corridor, for example)

#### Long Term

- Commit to completing ITC Corridor trail in five years (approximately one mile per year)
- Build the Northwest Quadrant Ring Road
- Work with the Road Commission for Oakland County to develop a plan of improvements for the 10 Mile Road Corridor that improves traffic flow but respects residential areas
- Create a plan for upgrading all major commercial corridors with streetlights, landscaping, etc.

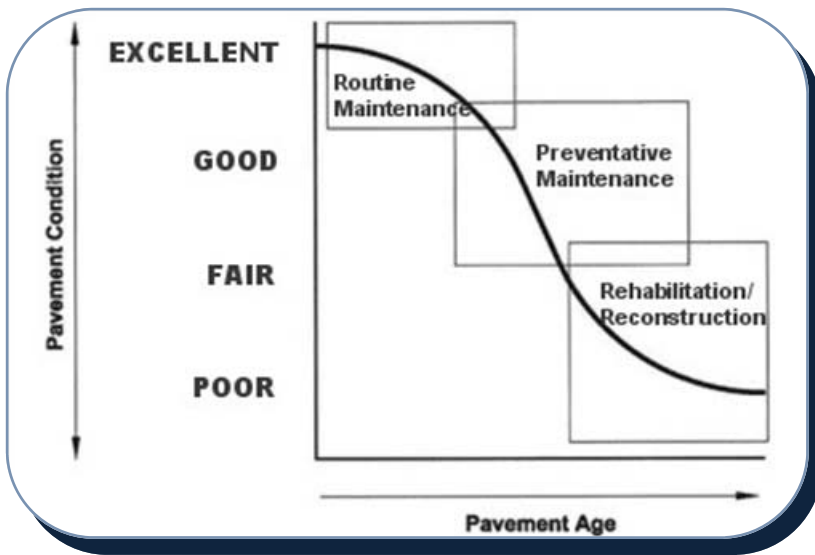
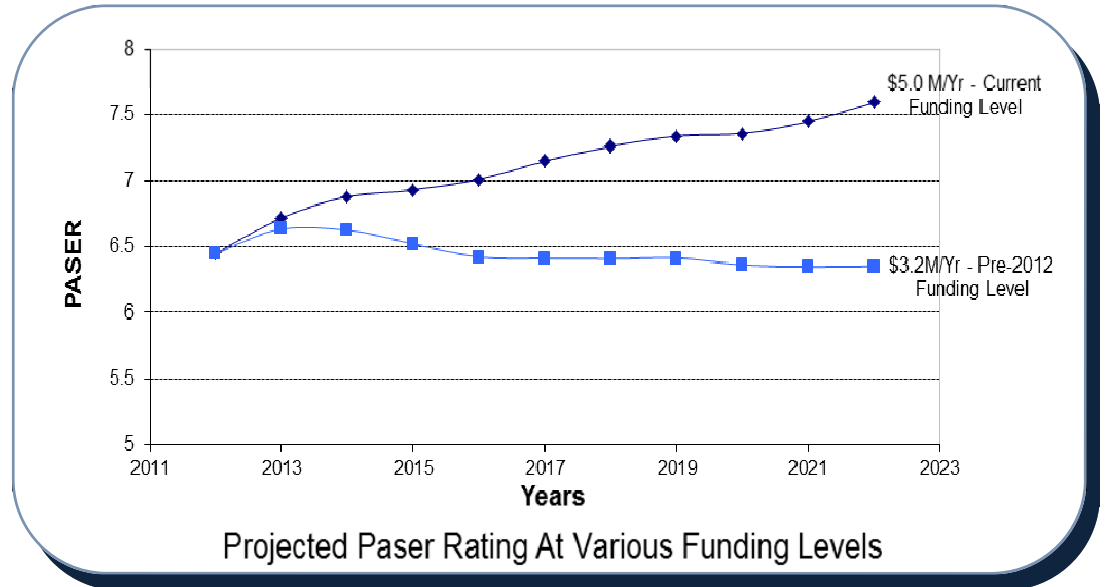


## Improve Infrastructure (Roads, Water and Sewer)

transportation system (sidewalks and pathways).

In lieu of investing all funds to reconstruct the worst roads, the City will be using a “mix of fixes” approach to ensure that all types of pavement conditions are addressed. If the City were to adopt a “worst first” strategy, the overall network’s condition would decline significantly .

Instead, the City will implement a balanced asset management strategy for making roadway improvements, as depicted in this chart, which demonstrates applying the appropriate fix at the proper time to extend the life of the road.



Thanks to voter approval of the Municipal Street Fund millage increase, nearly \$3 million is earmarked for the improvement of Novi’s neighborhood streets beginning in FY13/14. In addition, a significant investment will be made for critical improvements to selected major roads in FY13/14. Finally, the additional millage will be used to leverage Federal grant funds for improvements to major roads, intersections and non-motorized facilities by providing a funding source to cover the City of Novi’s local cost share.

### Infrastructure Asset Management Gives Novi a Competitive Advantage

The concept of asset management as it pertains to public works infrastructure is best described as a proactive, information-driven process that enables the City of Novi to effectively manage its infrastructure network. Asset management incorporates best practices to reduce long-term operations costs, extend asset service life, provide measures for meeting established service levels, and enable managers to better estimate future priorities for asset rehabilitation and/or replacement. With more than 200 miles of roads, 306 miles of water mains, 245 miles of sanitary sewer, and over 13,000 utility service customers, the City of Novi’s Departments of Public Services and Information Technology are working to meet the needs of a growing community.



## Improve Infrastructure (Roads, Water and Sewer)

A formal asset management strategy is imperative for several reasons. First, the trend at the State and Federal level is to tie infrastructure funding to proper, well-documented stewardship. If an agency can demonstrate it is making wise capital, operations and maintenance investments, and is following best practices as they relate to asset management, it is more likely to qualify for and receive grant funding and/or low interest financing to make critical infrastructure investments. Secondly, infrastructure systems that are well-maintained and managed are more likely to foster the retention of existing businesses and jobs, attract new businesses and jobs, and enhance the quality of life for residents, businesses and visitors. Having an established, formal infrastructure asset management program will give Novi a competitive advantage over other communities that compete for new commerce and residents.

Prior to 2012, the Department of Public Services developed asset management programs for different infrastructure groups in the City, including:

- A Capacity, Management, Operations & Maintenance (CMOM) program for the City's sanitary sewage collection system; and,
- A Pavement Surface Evaluation and Rating (PASER) system for the City's major road and neighborhood street network.

### PARTNERSHIPS

#### City of Northville

- Northville DPW is participating in our annual pavement marking and aggregate materials contracts, and will be realizing a savings by virtue of the lower units prices we receive for these types of contracts.

#### Novi Community Schools

- 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.

#### Oakland County Water Resources Commissioner (OCWRC)

- Staff are currently working towards an agreement with OCWRC to establish a sewage collection truck discharge point.

#### 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.

#### 52<sup>nd</sup> 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.

## Improve Infrastructure (Roads, Water and Sewer)

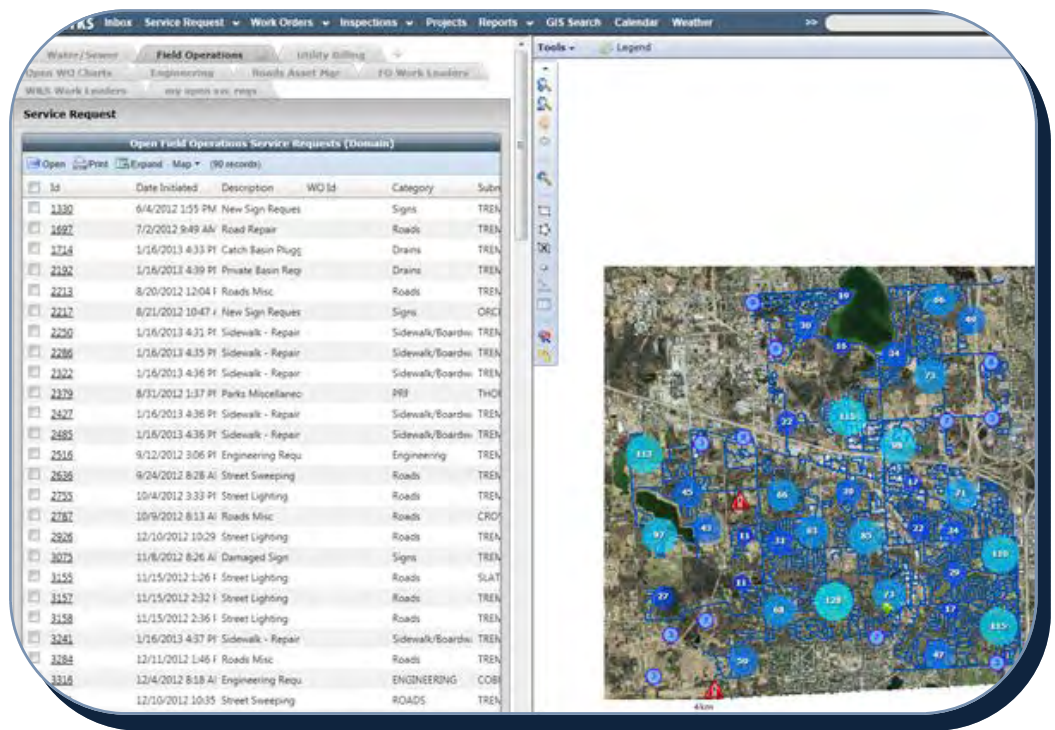
Over the past year, the Departments of Public Services and Information Technology have established a more formal asset management program, known as the Novi Enterprise Asset Management System, or NEAMS for short. NEAMS is an information system that ties asset maintenance activities to specific locations for the following infrastructure asset categories:

- Water distribution;
- Sanitary sewer;
- Storm sewer;
- Roads;
- Sidewalks/Pathways/Boardwalks; and,
- Traffic control signs.

The City instituted a Cityworks® Server Asset Management System (AMS) as its first formal, computer- and GIS-based infrastructure asset management system in May 2012. The system is used to record service requests, capture work order costs, and record inspection histories in fulfillment of State and Federal mandates, such as storm

water outfall inspections, sanitary manhole inspections/cleaning, water valve turning, and GASB-34 asset accounting standards. The first phase of NEAMS, deployed in May 2012, incorporated water, sewer, traffic signs, and road infrastructure.

The second phase completed in January 2013 added storm sewer and non-motorized asset infrastructure (i.e., sidewalks, pathways and boardwalks) to the Cityworks® AMS. The City plans to further expand its infrastructure asset management system by incorporating the vast street tree and urban forest inventory management program, which includes over 37,000 trees, during FY 2013/2014.



Depicting Water Service Requests and GIS Water Infrastructure Layer

NEAMS has greatly improved the efficiency of DPS's service delivery. For example, the City often receives multiple service requests for the same type of service from different citizens. Prior to Cityworks®, this could result in the creation of numerous work orders, and then several crews dispatched to remedy the same issue. Today, the City has improved its customer relationships and responsiveness because staff can retrieve any service request in real time for any location. The City also uses NEAMS to improve its budgeting process by using Cityworks® to establish comprehensive histories of asset maintenance. By accessing these histories, the City can easily weigh asset rehabilitation versus capital replacement costs

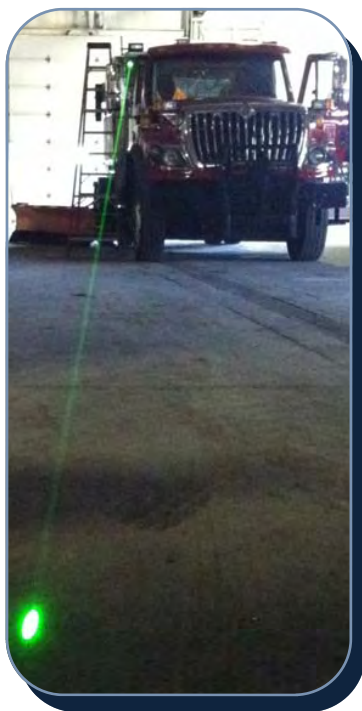
## Improve Infrastructure (Roads, Water and Sewer)

to determine the most cost-effective menu of options to ensure sustainable and reliable service delivery. The City looks forward to generating performance metrics establishing service level baselines in all categories of service delivery. It will use these baseline metrics to compare its performance against the best practices of peer communities to constantly improve its operations.

Finally, NEAMS has and will continue to provide the City of Novi with a competitive edge in terms of infrastructure asset management. The City maintains an accurate inventory of its infrastructure assets, understands the value of that infrastructure, comprehends the operational and maintenance needs of the assets, tracks the historical costs to maintain its infrastructure, and predicts the timing and cost to rehabilitate and/or replace infrastructure. The City of Novi will be able to provide the greatest value for the public's investment over both the short and long term. Asset management's focus on preventive maintenance reduces risks for infrastructure failure and better contains operational cost increases over time keeping utility rates as low as possible. This will make the Novi community more attractive and competitively positioned in comparison with other nearby communities that manage their infrastructure without formal asset management programs.

### Winter Maintenance Technologies Provide a Productivity Multiplier

As a growing community, the City of Novi is adding more lane miles to its road network, and seeking innovative ways to maintain its quality level of service. The Department of Public Services' Field Operations Division has implemented several new technologies to keep Novi's roads safe throughout the winter, while simultaneously making the department more effective and productive while fighting winter storms.



Wing Plows Equipped with Laser Guidance System

#### Laser-Guided Wing Plows

The newest example of a recently-deployed technology is the introduction of laser-guided wing plows on selected plow trucks. The hydraulically controlled plow blades add an extra 7-foot wide swath of clearing capability, which means operators can reduce roadway clearing time by at least one-third. The laser helps to guide the plow operator so that damage to the curb or to turf is minimized.



## Improve Infrastructure (Roads, Water and Sewer)

### AVL

One relatively new adopted technology is the City's automatic vehicle locator (AVL) system. DPS's fleet of snow plows is equipped with GPS-based transmitters that track locations in near real time and indicate the type of activity the trucks are performing (i.e., plowing, salting, liquid application, etc.). The AVL system allows DPS managers to gauge progress throughout a winter storm, optimize the use of resources, re-deploy key snowfighting assets as conditions dictate, and verify the presence/absence of snowfighting equipment throughout the City at any given time during a storm.

### Liquid Application Program

Over the past three winter seasons, DPS has procured equipment and technology to develop a comprehensive liquid application program that incorporates the use of two primary types of liquids (brine/saltwater and de-sugared sugar beet molasses) to pre-wet rock salt, and to apply directly to the pavement to either melt ice (de-icing) or prevent ice formation (anti-icing). The overall goal of the liquid program is to reduce the total



AVL Screenshot Showing Deployed Plow Trucks



Plow Truck Equipped with Brine Tanks and Pre-Wet System

precisely controls the dispensing of pre-moistened rock salt and liquids based on the speed of the vehicle at pre-determined and calibrated rates (i.e., pounds per lane-mile for salt; gallons per lane-mile for liquids). Operators in trucks that are not equipped with ground speed controllers must rely on set application rates that assume a constant speed, which means materials are over-applied at low speeds and under-applied at higher speeds.

cost per storm. In particular, pre-wetting rock salt has alone reduced salt use by at least 30%; pre-treating pavement with anti-icing liquids has saved several thousand dollars in overtime labor per season. On average, the cost to control snow and ice has been reduced by over \$7,300 per storm event since the 2008/2009 winter season – a fact largely attributable to the City's liquid application program.

### Ground Speed Controllers

A select number of DPS's snow plow trucks are now equipped with computerized ground speed controllers. This equipment



Force America 5100 Ground Speed Controller Display Unit

## Improve Infrastructure (Roads, Water and Sewer)

### The Walking and Bicycling Connection

The City of Novi has promoted healthy lifestyles for many years. Walking and bicycling facilities are an important component of our vibrant, diversified city. Today, walking and bicycling are very popular forms of recreation, and the number of people walking and biking for transportation continues to grow.

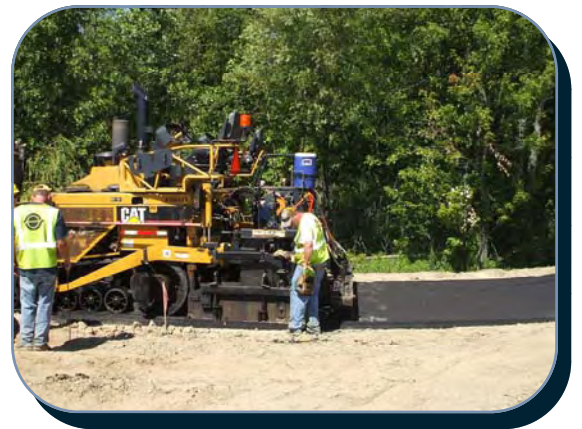
Currently, Novi has over 74 miles of pathways and sidewalks adjacent to arterial or collector streets, 10 miles of paved and unpaved off-road connecting paths and trails, eight miles of mountain bike trails, three miles of regional pathways, 164 miles of sidewalks along local roads, and five miles of bike lanes.

The allocation of resources to improve the City's non-motorized network continues to grow. These efforts are guided by the City of Novi Non-Motorized Master Plan, adopted in 2011, and the City's Pathway and Sidewalk Prioritization Analysis and Process adopted in 2006. Updated annually, the Prioritization Analysis prioritizes pathway and sidewalk projects for inclusion in the City's Capital Improvement Program and Budget.

The Non-Motorized Master Plan includes a set of goals and implementation strategies that, when substantially implemented, will result in a physical and cultural environment that will support and encourage safe, convenient and comfortable ways to walk and bicycle throughout the community. The Plan's ultimate goal is to have walking and bicycling replace 5 percent of the automobile trips when the infrastructure is complete.

The implementation of the Non-Motorized Master Plan's strategies has been the result of many efforts throughout the City's organization, as well as citizen members of boards and commissions, especially as represented through the Walkable Novi Committee. Since the adoption of the Non-Motorized Master Plan two years ago, the City has implemented a substantial portion of the infrastructure, policy, public outreach and education goals, and implementation strategies including:

- Completed over 2.75 miles of pathways and sidewalks;
- Began design engineering on an additional 2.25 miles of pathways;
- Re-inventoried sidewalks and pathways, and initiated a computerized asset management system (City Works) to track installation and maintenance of all public sidewalks and pathways in the City;
- Started work on ordinance amendments and engineering design standards to implement the Non-Motorized Master Plan and Complete Streets policy recommendations;
- Drafted a bicycle parking zoning ordinance amendment;
- Conducted the City's first annual Bike Rodeo; and
- Established a Novi Walkers Club.



## Improve Infrastructure (Roads, Water and Sewer)



To make the most of limited financial resources, sidewalk and pathway projects are often built with road or park projects to reduce construction costs, and sometimes federal and state grants are obtained to pay for a large portion of the construction cost.

Today, people of all ages value walking- and biking-friendly communities more than ever. Completing sidewalk and pathway gaps and building new recreational trails will help improve the walkability and bikability of the City and insure that Novi is a highly desirable place to live.



- Complete infrastructure improvements based on recommendations of various studies: CMOM (water and sewer), PASER (neighborhood roads), storm sewer, and capital improvement plan; on-time and on-budget.
- Provide clean, safe, functional and well-maintained facilities and infrastructure.

### PROGRAM OBJECTIVES

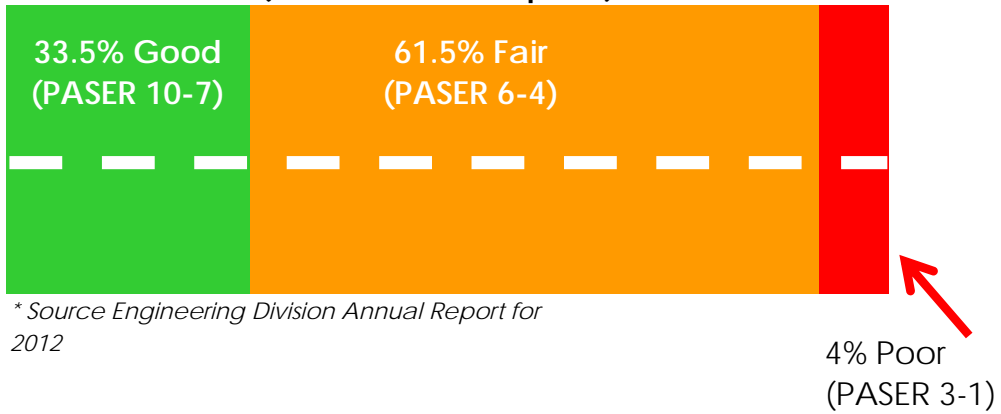
- Construct Water Storage Facility
- Continue ADA Compliance plan implementation for non-motorized facilities
- Continue to implement the Novi Enterprise Asset Management System (NEAMS) as a tool to continuously monitor, maintain, and evaluate Novi's infrastructure assets
- Rehabilitate Crescent Blvd. from Novi Road to Town Center Drive, Town Center Drive from Crescent Blvd. to 11 Mile Road, and Town Center Drive from 11 Mile Road to Grand River Avenue
- Begin to increase the City's average pavement PASER rating through rehabilitation and reconstruction with the additional revenues provided by the Municipal Street Fund millage adjustment
- Install a new traffic signal on Wixom Rd at Glenwood Drive in front of Deerfield Elementary School
- Complete Phase I of M-5/I-275 Metro Connector Pathway on east side of Meadowbrook Road from I-96 to 12 Mile Road.
- Construct pedestrian improvements to Haggerty Road and Nine Mile Road
- Construct concrete pathway Segment NC1 – East Lake Drive to Novi Road.
- Construct pathway between Haggerty Road and Nine Mile Road
- Construct pathway Segment NC1-East Lake Drive to Novi Road
- Rehabilitate Heslip Drive

## Improve Infrastructure (Roads, Water and Sewer)

Program: Public Services	2011 Actual	2012 Target	2012 Actual	2012 Target Met or Exceeded	2013 Target
Average pavement rating (PASER) for neighborhood streets	6.25	6.5	6		6.25
% of CIP projects that are delivered within 2 months of baseline schedule	93%	85%	92%		85%
% of CIP projects that are completed within budget	83%	85%	93%		85%

 Exceeded    
  Met    
  Nearly Met    
  Did not meet

### 2012 Pavement (concrete and asphalt) Condition



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## Encourage economic development to maximize City revenue and job growth

### Revitalization is ohhhh, so GRAND!

The Grand River Avenue corridor experienced abundant redevelopment in 2012. In July, Novi City Council approved a final site plan for a portion of the **Main Street** area which divided 20 acres of land into three separately owned parcels to allow property owners an easier path in which to develop the commercial properties. This allowed for the original condominium to be unwound and let each of the properties develop on their own and yet have some commonalities to create a more successful Main Street area. "Main Street is going to make it. It's going to take off," said Novi Mayor Bob Gatt in a Patch.com article.

Last year was also a very productive year for the **Novi Town Center**, which saw the complete rebirth of a shopping center which was failing due to many of the bankruptcy of many of the big box retailers which previously occupied the area. The major anchor for the center with over twelve acres is **Wal-Mart**, which opened late summer, 2012. Along with Wal-Mart's opening, soon followed several new retail businesses and restaurants such as a 27,400-square foot **Golfsmith, Bath & Body Works, and Ulta Beauty** along with restaurants **Diamond Jim Brady's** and the **Big Salad**.

The **former Novi Expo Center** was demolished to make way for new opportunities for the property owner. The property was also the former home of Adell Industries Manufacturing Facility known for producing the Door Guard and other automotive related products in the 1950's and is owned by the Adell Brothers Trust Fund. After Adell Industries, the building served as the Novi Expo Center from 1992 to 2005, and has been vacant for nearly several years.

Along Novi Road, several development opportunities exist in the future. Novi City Council granted one of its remaining quota liquor licenses to the owners of **Fifth Avenue Club & Restaurant**, who are looking to reopen its doors later this year. Just south of the Fifth Avenue Club, the abandoned Stevens Industries/Cabot Chemicals is in the process of demolition for the purpose of redevelopment.

### CITY COUNCIL GOALS

#### Short Term

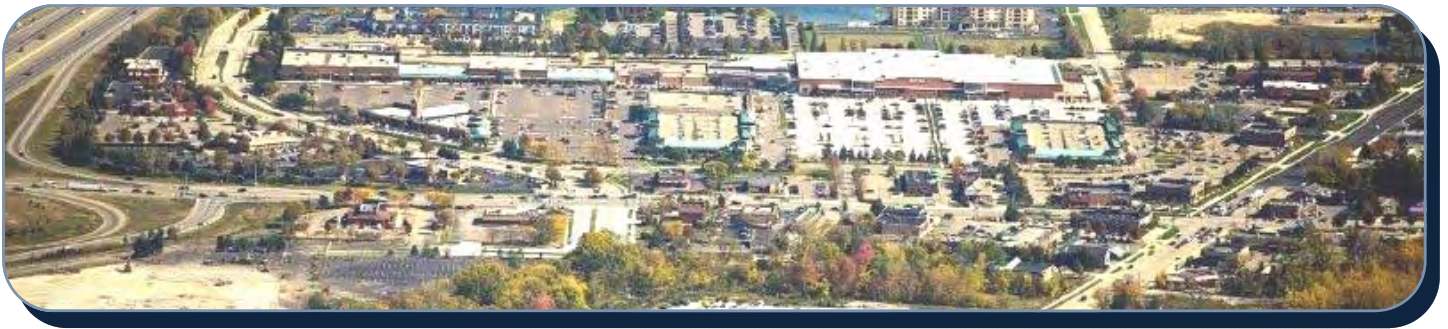
- Continue to invest in Southeast Novi older neighborhoods to help promote community stability and neighborhood values
- Continue to improve blighted commercial and residential properties
- Leverage our growing cultural arts offerings, including Villa Barr Art Park and Cultural Education Center to attract business and residents
- Foster private development on Main Street
- Partner with the development community to bring new businesses to Novi

#### Long Term

- Establish plan to develop east side of Novi commercial development
- Focus on new business attraction along Grand River/Main Street Area
- Develop Plan for benefits to Novi from Regional Transit Authority
- Work with the Community Development Department to identify and attract redevelopment opportunities for highly visible large parcels
- Look into potential development options for the Grand River Corridor between Taft and Beck Roads
- Review ordinances to eliminate barriers to new development



## Encourage economic development to maximize City revenue and job growth



The northeast revitalized Novi Road/Grand River Avenue, with a slight glimpse of the Adell property in the lower left.

**Panera Bread** will expand their restaurant operations with a drive-thru adjacent to the restaurant which will add 468-square feet to the existing building.

The Road Commission for Oakland County (RCOC) completed much needed resurfacing work on **Grand River Avenue** from just east of Novi Road to Haggerty Road in September 2012.

After decades of serving customers in Novi, the **Big Boy** on Novi Road closed its doors to make way for redevelopment of a new strip mall which will have three to four retail outlets, one of which will be a restaurant. The center will be approximately 10,000 square feet with parking behind the building.

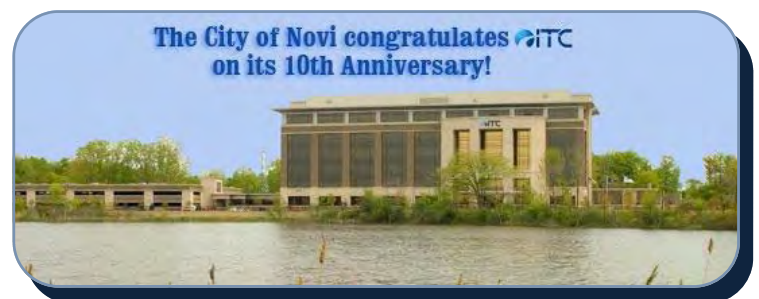
### Abundant Energy

With its stable economic foundation, excellent education system, convenient location, and international population and offerings, Novi is a gateway to the emerging global energy sector.

**ITC Holdings Corporation** was honored in 2012 by the Michigan Department of Environmental Quality when it became a member of the elite list of Clean Corporate Citizen Award winners. In September, a 140-mile network of high-voltage power transmission lines was announced to be built in the Michigan's Thumb region, promising to bring more and potentially less-expensive electricity to metro Detroit. The \$512-million energy superhighway is critical to moving the power generated by a growing number of wind farms in the Thumb to residents and businesses in more-populated areas in southeast Michigan, Ohio, other Midwest states and Ontario. And, in February, ITC celebrated its 10-year Anniversary.

In October, 2012, **Novi Energy** developed a \$22 million Fremont Community Digester plant, which produces electric power by processing organic wastes. Senator Debbie Stabenow, chairwoman of the Senate Agriculture Committee, together with INDUS Energy representative Arvin Shah and government officials celebrated this new venture.

This facility will convert 100,000 tons per year of food processing organic wastes into three megawatts of renewable electricity for sale to Consumers Energy under a long term contract approved by the Michigan Public Service Commission. It is the first large-scale anaerobic digester in the United States that will take organic waste from multiple waste streams, including food processing wastes as well as agricultural wastes. It digests these wastes in enclosed tanks to produce biogas, which will fuel two reciprocating engine-generators to produce base load renewable electricity.



Novi celebrated ITC's 10th Anniversary by adding banners to all its facebook pages.

## Encourage economic development to maximize City revenue and job growth

**Srinerogy**, offers full-service design, engineering and installation of sustainable commercial and residential solar energy systems. The company is focused on offering green energy solutions to individuals and organizations that are socially responsible and strive to be good stewards of the environment. Srinerogy also offers the ability to finance qualifying projects through GE Capital.

### Rising Development

2012 was a year in which the City of Novi saw a substantial increase in residential development and a modest increase in commercial development. New home builders across the city are scrambling to find new tracts of undeveloped land to meet the demands of future residents that would like to call Novi their new home. Many of these residential subdivisions have returned to being busy productive building sites that are employing people across the region, and creating a new tax base for the City of Novi.

The Home Builders Association of Michigan announced they are predicting 14,000 new construction permits for this year throughout the state. Those permits represent an increase of 34% over 2012, and a 74% increase from 2011. Much of the new interest by consumers for newly constructed homes is the shortage of used homes that are being sold. Based on these predictions, consumers are showing an interest in getting back into the new housing market again.

The City has approximately 230 residential lots that are currently available and ready to be sold; with another 300 + that are in the concept or planning phase of development. In order to meet the demands of these developers the City must be ready to provide the services the builders require in order to complete their projects in a timely manner. This may be accomplished by utilizing our inspection staff in different and complimenting roles with the addition of a mechanical inspector that is also registered as a building inspector. In order to guarantee the City is prepared for this perspective building growth, an RFP for backup inspections and plan review services will be submitted for future availability if needed.

We have also seen a rise in retail development across the city with the recent redevelopment of Novi Town Center, Twelve Mile Crossing, and high occupancy rates at West Oaks and West Oaks II. These projects provide an indication that the economy is in a stage of resurgence and developers and business owners are beginning to invest capital in their companies again. Over the past few months, we have had several communications with perspective businesses that are looking to relocate or provide a new location in the City of Novi. These perspective clients provide an indicator that commercial growth should expand in 2013, and new and exciting business's will be opening in the next year.

With increasing development Novi is also seeing an increase in partnership opportunities with the City of South Lyon. Community Development continues to assist South Lyon in performing their building inspection services which may include mechanical and plumbing inspections in the future. This partnership has proven to be beneficial for both parties, and has grown through good communication and providing quality services.

Present forecasts indicate residential development should increase over the next 12 months, and commercial development and redevelopment may not be far behind.



Construction crews work on the new Hyatt Place Hotel, scheduled to open in summer 2013 at the Suburban Collection Showplace.

opportuni-



## Encourage economic development to maximize City revenue and job growth

These indicators provide a positive outlook for City of Novi residents and business owners alike as they provide key factors that the health of the southeast Michigan is on the upswing.

### 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 counselling, 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.

## Encourage economic development to maximize City revenue and job growth







**PERFORMANCE  
STANDARDS &  
MEASUREMENTS**

- Retain and attract new businesses to Novi including the retail and office service and technology areas.

**PROGRAM OBJECTIVES**

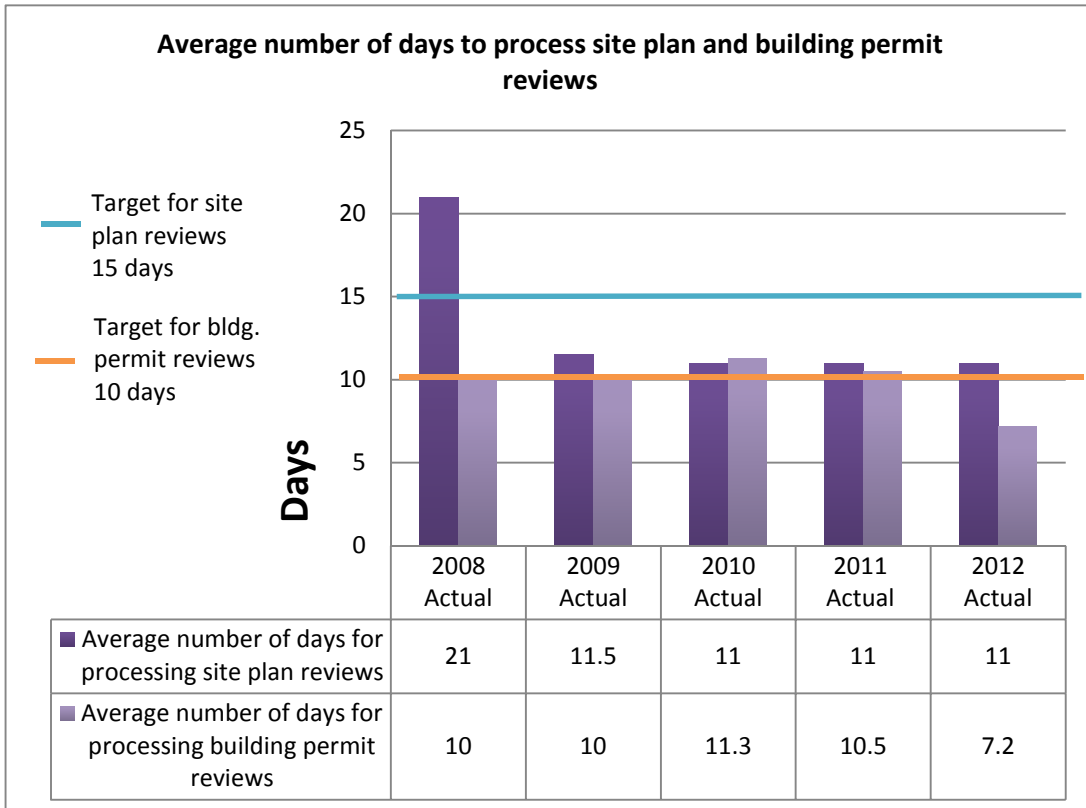
- Continue to conduct retention visits with companies which call Novi home
- Continue to implement Economic Development Goals and Strategies as adopted by City Council
- Monitor development at southwest corner of I-96 and Novi Road
- Leverage future designation as a Redevelopment Ready Communities from the State's Michigan Economic Development Corporation
- Bring onboard a Part-Time Retail Specialist
- Highlight growing cultural art amenities for business executives and investment
- Monitor Regional Transit Authority to create benefits to the Novi business and residential communities

Program: Economic Development and Community Development Operations	2011 Actual	2012 Target	2012 Actual	2012 Target Met or Exceeded	2013 Target
Number of total business retention visits	96	60	67		60
Average number of days for processing site plan reviews	11	15	11		15
Average number of days for processing building permit reviews	10.5	10	7.2		10
Number of Zoning Ordinance Text amendments processed	N/A	10	13		10
Building and Trade Inspections provided next business day when scheduled by 3:30 pm	N/A	85%	95%		90%

 Exceeded   
  Met   
  Nearly Met   
  Did not meet



Encourage economic development to maximize  
City revenue and job growth



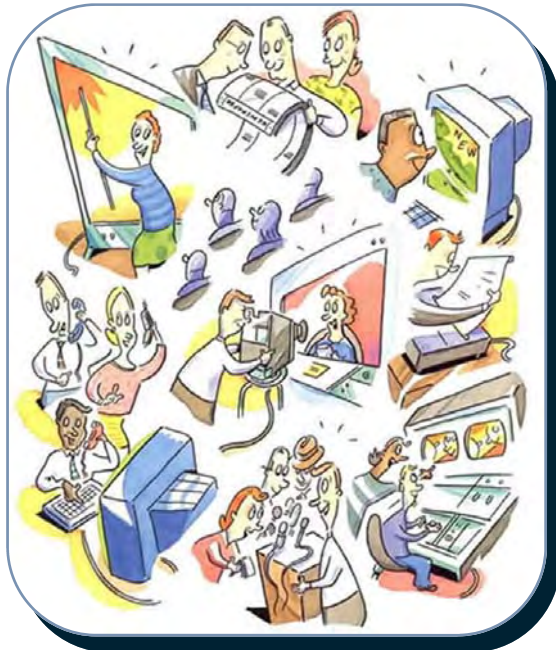
# Develop Government Structure and Staff Skills for Effective Delivery of Customer Service and Communication with the Community

## Communication: A Key Tool for the Future

The world-class services provided by the City of Novi build community pride, entice residents to neighborhoods, encourage business development, draw visitors to the community, and attract talented staff team members, who are the backbone of the City's quality service.

Providing quality services with an emphasis on customer relations is the principle which guides Novi's employees during their day to day operations. Professional and coordinated communication is one such function which is essential to quality customer service, internally and externally.

The City of Novi prides itself on communicating with citizens and businesses through a variety of methods to deliver quality, consistent information. In spring 2013, Community Relations will complete a Communications Strategy and Action Plan containing detailed objectives, principles, target audiences, key messages, communication methods, tools, strategies, and implementation approaches.



A Communication Strategy will ensure planned, targeted, consistent communication.

- To facilitate active, substantive, and meaningful communication between the people and City of Novi government.
- To develop and sustain the appropriate means, methods, and messages to optimize effective communication.

## CITY COUNCIL GOALS

### Short Term

- Begin the process of reviewing the City Charter
- Develop a long-term plan for administrative compensation
- Conduct additional Mayor's Exchanges

### Long Term

- Create a commission focused on needs/ services of seniors
- Develop a plan to recruit for City Boards and Commissions

The Plan will specify key communication principles which are fundamental in providing the highest quality communication, both internally and externally. This strategy will contain key messages that should be conveyed in all aspects of City of Novi communications in order to provide a unified, responsible, professional image. The Plan will serve as the "Communications Toolbox" and reference for media relations, website content, advertising, social media, print and electronic newsletters, internal publications, etc. Providing specific goals for each method of communication will produce a more effective, successful communications campaign.

The Communication Strategy will include the following objectives:

- To support the efforts of the City of Novi and ensure input and participation by stakeholders through the use of planned, positive, and targeted communication.
- To promote the services and programs provided by the City of Novi, creating awareness of their existence, features, locations, and opportunities.
- To increase public awareness, interest, trust, confidence, and participation in City of Novi government.



## Develop Government Structure and Staff Skills for Effective Delivery of Customer Service and Communication with the Community

- To create a culture that allows the Communications Plan to be fundamentally evolutionary, progressive, adaptable, and flexible.
- To facilitate consistent and meaningful internal and external communication.
- To utilize targeted communication themes based on City of Novi programs, topics, projects, and events, as well as on the internal, external, community, and City Council goals.

### Caring for a VALUABLE Asset —Older Adults

The population is changing in Novi. In fact, as Baby Boomers age, Novi's 65 + population is expected to increase by 161.8% between 2010 to 2035, according to the Southeast Michigan Council of Governments.

Realizing the trend of the growing older adult population, the City proactively relocated the Older Adult Services Administration Team to the Novi Civic Center, in the heart of the Novi community on the Civic Center Campus. While classes and events continue to be offered at the Meadowbrook Activity Center, programming on the Civic Center Campus allows for more diverse offerings, intergenerational programs, and fitness classes. The response to the move has been positive with increased participation in programs and new community members taking advantage of offerings; many share they weren't previously aware of the programs.

The older adult is generally categorized as 55 years and up. This is a large demographic group with differing needs and wants presenting for segments of the group. While continuing to offer traditional support services and passive programs, activities continue to be added for the younger older adult, those ages 55 to 65. These include more variety in



### PARTNERSHIPS

**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.

**Providence Park Hospital** – The Providence Park Hospital campus is the location of the annual Emergency Run which hosts 500 runners and walkers each year. The campus is also a planting site for New Blooms for Novi, which celebrates the gift of cherry trees from the Japanese government.

**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.

**Imagine Entertainment** – Imagine 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. Additionally, the City and Chamber partner to promote the Novi Farmers Market, Tastefest and Business Expo, ribbon cuttings, and other happenings.



## Develop Government Structure and Staff Skills for Effective Delivery of Customer Service and Communication with the Community

fitness classes, active recreation offerings (canoeing, softball, nature walks, and paddle-boarding), and technology programs. Enhance, the older adult newsletter continues to be mailed three times annually to 11,000 households that include a resident age 50+. Additionally, the City of Novi Boomers and Beyond Facebook page was created and continues to gain "likes".

In 2012, a second Community Assessment Survey of Older Adults was conducted and results used to guide the development of the 2013-2015 Older Adult Services Strategic Plan. Additionally, as part of the Plan development process, Older Adult Community Input Sessions were held to determine the needs and wants of older adults, to discuss achievements and future partnerships, and define what programs/services need to continue or be deleted. Those in attendance included staff from other older adult residential communities, Police, Fire, and Library staff, Parks, Recreation and Cultural Services staff, other City employees, and older adults from the Novi community.

The meetings determined common themes and strategic action items emerged. These themes and 25 strategic action items are incorporated into the plan. To date five action items have been completed including new active recreation programs, enhanced cross-promotion with Police and Fire Departments.



### Be our Guest

The City of Novi is committed to excellence in customer service. A team of administrative employees from Community Development and Parks, Recreation and Cultural Services combined efforts to create a working document that provides a set of measurable standards and internal suggestions on how employees can improve daily interactions with external residents and customers and internal City staff.

Our staff members first researched other organizations to gain insight on what types of guest service models were currently in use. The next step involved examining the rights that guests of Novi have and the responsibilities our staff have to provide quality customer service. Once a document was created with the rights and responsibilities, a public document was created to inform all visiting guests of the city's guarantee. The internal and public documents were presented to City Council and Parks, Recreation and Cultural Services (PRCS) and Community Development departments are piloting the program.



The guarantee offers a set of goals with tools to help ensure that employees provide effective customer service to every person by phone, face-to-face or in the field.

The Guarantee is made up of three aspects:

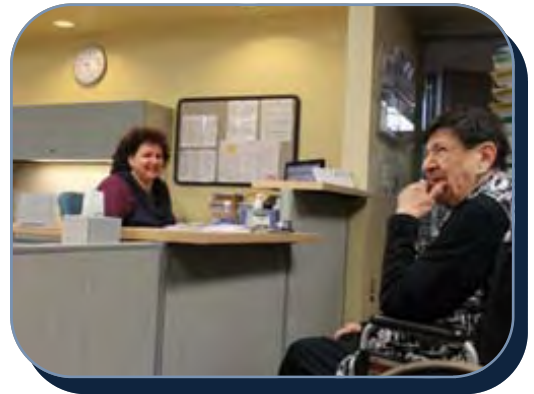
- A document posted at front counters for public viewing, listing a set of expectations or Guest Rights that customers and residents can expect when doing business in the City of Novi.
- A vision statement which outlines a set of employee responsibilities which will be utilized when communicating with residents and customers.



## Develop Government Structure and Staff Skills for Effective Delivery of Customer Service and Communication with the Community

- Suggested service prompts staff can utilize when answering the phone, email communications and out-of-office messages.

All administrative staff, PRCS and Community Development staff were invited to a roll out presentation in the fall of 2012. The guarantee was explained and time was allotted to discuss scenarios and answer questions. Staff left with the tools needed to provide quality and citizen focused guest services.



### A New Plan to Guide Library Enhancements

In late 2012, the Library Board of Trustees approved a new Five-year Strategic Plan (2013-2018). This plan was a community effort that involved a number of committee and focus group sessions. From these meetings, committee members and residents identified many new goals for the Library to investigate and possibly implement over the next few years.



A few areas of need, identified several times throughout the process, were to expand Library hours, the consideration of a Teen Space for middle and high school age students, cultural programming opportunities and a variety of ad hoc committees to solicit new programming ideas for the Library to host. The Library Board of Trustees is actively looking at these areas of interest to meet the growing needs of our community.

In addition to a number of new ideas, the Library also adopted a new motto **Inform. Inspire. Include.** This new motto is a perfect example of how committed the Library Board and staff are to providing the resources and programs to support the educational, cultural, informational and recreational needs of its diverse community.

# Develop Government Structure and Staff Skills for Effective Delivery of Customer Service and Communication with the Community











**PERFORMANCE STANDARDS & MEASUREMENTS**

- City has high-performing, committed workforce that meets the service delivery needs of the organization.
- The City's technology resources are protected and available to address short and long-term needs.

**PROGRAM OBJECTIVES**

- Expand and enhance Novi's mobile device Internet presence
- Convene Charter Review Committee to propose select modernizations to Novi's City Charter
- Complete an Administrative Compensation Study/Long-term Plan

Program Technology and Employee Services	2011 Actual	2012 Target	2012 Actual	2012 Target Met or Exceeded	2018 Target
% of employees who agree or strongly agree they clearly understand the performance expectation of their job	90%	85%	80.8%		88%
% of employees who agree or strongly agree they have the skills	97%	90%	91.8%		90%
% of employees who are satisfied or very satisfied with technology maintenance and support	96%	95%	97%		95%
% of technology projects completed on-time and within budget	89%	90%	92%		90%

 Exceeded 
  Met 
  Nearly Met 
  Did not meet



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# Be a community that values natural areas, natural features & community character

## Community Character: An Environment for the Future

The City of Novi is proud of its comprehensive and progressive planning and landscape ordinances. The experienced staff work together to continually consider the input of Planning Commissioners, City Council Members, land developers and residents. Visioning from these contemporary perspectives also requires anticipation for building a community today that is worth living in and competitive tomorrow and years thereafter. Also including voices and perspective from future residents, those today that are too young or too distracted to be involved requires stretching from what we know works now to what this valuable feedback is a means to upgrading or revising guiding principles for new and existing developments. Developments that provide jobs and tax base and that are environmentally positively compatible are a Novi tradition and will continue to be reflected in the perspectives being pulled together in all our deliberations.

The requirements for greenery for all new

developments assure that new development elements will blend into the community and create a



pleasant and environmentally sound environment. The landscape requirements for street trees, buffer plantings, building foundations and open spaces call for a diversity of plant types to guarantee seasonal variations.

Whenever new commercial developments are proposed, the City seeks to add an amenity that will benefit residents and the City as a whole. Look around town and you will find little pedestrian nodes with features such as park benches, fountains and artwork. Often the City is granted easements from the adjacent development for these public spaces.

The business owners tend to care for the spaces of their own will as attractive features and comforts for their customers and all residents.

Industrial areas are interspersed throughout the community. These developments, while providing numerous employment opportunities to residents, are well screened with attractive walls, earthen berms and plentiful natural woodlands or landscape plantings. These features allow for noise dissipation and visual screening of storage areas and loading zones.

Residential developments are required to be planted with street trees, as well as landscaped berms to screen and soften impacts for the new neighborhood and

### CITY COUNCIL GOALS

#### Short Term

- Develop commercial and retail façade improvement program for Southeast Quadrant
- Develop plan to recognize historical sites and buildings
- Improve code enforcement efforts in neighborhoods
- Acquire parkland while property values are still historically low

#### Long Term

- Develop plans to manage natural areas that City owns (invasive plants, public access, etc.)
- Develop a plan for acquisition of land



## Be a community that values natural areas, natural features & community character

surrounding developments. Open space requirements also often include plantings and other landscape amenities such as decorative lighting, play structures, benches and artwork. Multifamily developments such as grouped condominiums or apartments are fully landscaped upon completion of the buildings. Long term maintenance of such land improvements is left to the building owner or association. The City's zoning ordinance and officers support the indefinite excellence of each landscape. Special care is taken to blend the character of key areas such as those in the Town Center District, Main Street area and large residential developments.

### Welcome Signage

Over the past several years, the City of Novi installed attractive Welcome to Novi signs at many key entry roads to the City. The design was carefully thought out and the signs are simple, yet elegant. Interesting and hardy plantings were placed around the signs to further accent their visibility. The plantings were intentionally selected for their ease of maintenance and tolerance for minimal irrigation conditions. Maintenance for the landscape around each of the Welcome Signs is contracted to a professional landscape company and is funded by the City Tree Fund and monitored by the Department of Public Services. Regular care keeps the signs and landscape looking their best and serves as an inviting scene when arriving at our City.



### Streetscape Enhancement

For many consecutive years, the City of Novi has practiced a forward thinking program of street tree plantings and replacements. Wherever new land developments are planned, the developer must install a series of new street trees along all public or private streets. A diversification of species is required to provide for visual interest and to protect against any potential serious pest or disease problems. A wide variety of species also provides for strong seasonal interest. While some trees such as Tree Lilacs or Rudy Red Horse chestnuts feature spectacular blooms in the spring, other trees like the Hornbeams, Zelkovas and wide variety of Oaks provide for outstanding fall color.

Many of the residential entry drives feature pleasing built features such as decorative walls, lighting and signage. These built elements, along with the accompanying landscape plantings, make for good landmarks and a warm welcome home. Specialty lighting helps to guide drivers and provide a measure of protection for pedestrians.

The City of Novi maintains a Tree Fund to provide capital for seasonal planting for seasonal plantings. The fund is bolstered by developers of wooded properties but cannot reinstall plantings onsite to mitigate

#### PARTNERSHIPS

**City of South Lyon** – Through a formal agreement, the City of Novi provides Building Inspection services to South Lyon, as well as Zoning Board of Appeals guidance and representation. Other development related assistance is provided as requested.

**Michigan Department of Natural Resources, City of Northville, and Northville Township** – The City of Novi is working with these three organizations to plan and implement non-motorized connections to and through Maybury State Park.

the removed trees. The Tree Fund also provides funding for the care of the City's trees for the Forestry Division. Currently the Fund has \$1.5 million on hand as provided by previous developments. Although the Fund sees a regular ebb and flow, the City always maintains a healthy sum in order to protect against mischances such as Dutch Elm Disease or the more recent Emerald Ash Borer. Such natural occurrences or weather disasters

## Be a community that values natural areas, natural features & community character

can take a heavy toll on a City's tree population. Novi is well funded to regenerate our greenery in such an event. The City will also take advantage of grant funding opportunities for tree planting. This past year 120 trees were added to the City's streets through a competitive federal grant. We will continue to take advantage of such opportunities. The City maintains all public street trees and park plantings. Regular pruning by City staff and professional forestry contractors keep the trees healthy and true to form. Irrigation and fertilization practices are used when necessary. Seasonal plantings are planned for both spring and fall. For the 2013/2014 budget year, a minimum of 300 new trees will be added to the City's landscape.



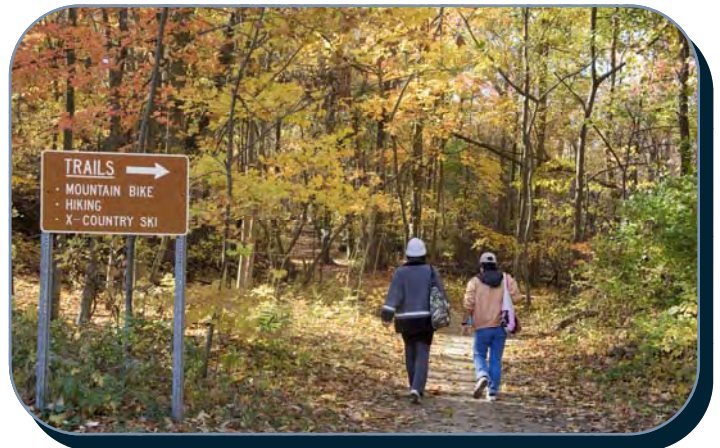
### A Novi Nature Walk.....

The City of Novi provides a variety of recreational opportunities for people of all ages, income levels, and physical abilities. Our Parks and open space areas provide visual relief from concrete and pavement while preserving and protecting the Cities Natural features. The Natural features and passive parks have been positively correlated with increased property values for nearby landowners, increase in quality of life for local residents and can be a positive influence in attracting new businesses to the area who seek to locate in "family friendly" locations.

The Novi PRCS facilities are an important part of what makes the city a desirable place to live. Protecting the Natural features like Brookfarm Park, Lakeshore Park & Pavilion Shore park is essential to provide the community with programs, and unique opportunities mentioned below.

**Brookfarm Park** is a 7.73 acre park located adjacent to Village Oaks School and consists largely of open space and wooded areas. It is bordered on the south by Ingersol Creek and on the west by Bishop Creek. The park has hosted the City's Arbor Day events as residents volunteer their time planting trees and improving the park's natural features. Recent improvements to the park include a stream bank stabilization project along Ingersol Creek which will protect the park during high water events. The open field at the park was re-graded to allow for better drainage and a pathway was constructed though the park with a connection to the neighboring school.

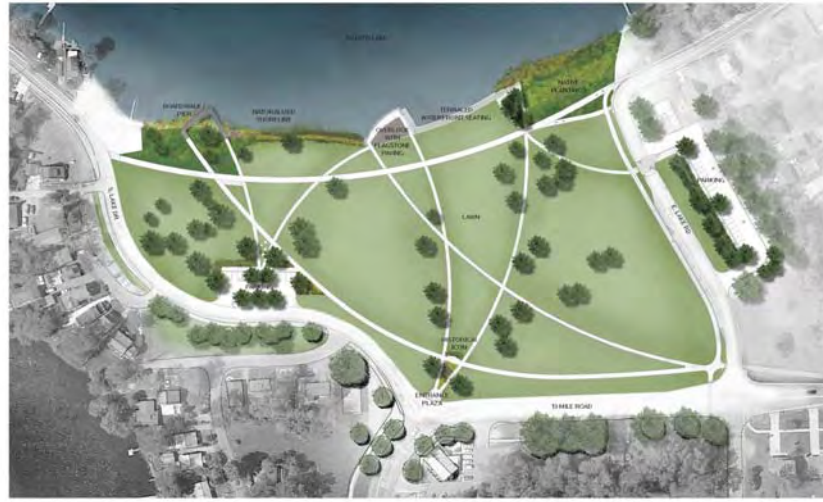
The trails at **Lakeshore Park** are a popular attraction for mountain bikers, hikers, cross-country skiers and snow-shoers. The 610-acre park boasts nearly 10 miles of trails. During 2012, volunteers from the Motor City Mountain Biking Association (MCMBA) contributed 479 hours of volunteer work to improve Lakeshore Park trails. According to the Independent Sector, the value of a volunteer hour is \$21.79, making these labor contributions at Lakeshore Park worth \$10,437 to Novi. In addition, a new bridge was installed in a section of wetland to replace a deteriorating bridge. MCMBA hosted a successful



## Be a community that values natural areas, natural features & community character

Tree Farm Relay mountain bike race that drew almost 500 participants to Novi, with the proceeds contributing towards the new bridge, tools and insurance to support trail building efforts.

With construction underway, **Pavilion Shore Park** is taking shape. The park was renamed (formerly known as Landings Park) in a community wide naming contest. Pavilion Shore was chosen based on the history of land including the dance hall "pavilion" the landmark was known for. Phase one of construction is expected to be completed by late summer 2013 and will include shoreline stabilization, paths, parking, a fishing dock, waterfront seating and site amenities such as benches and tables. The park design focuses on the natural state of the property with the goal of providing residents a place to connect with the lake and the natural surroundings.



PHASES 1 AND 2  
PAVILION SHORE PARK

City of Novi, Michigan  
hamiltonanderson

Phase one of construction is expected to be completed by late summer 2013 and will include shoreline stabilization, paths, parking, a fishing dock, waterfront seating and site amenities such as benches and tables. The park design focuses on the natural state of the property with the goal of providing residents a place to connect with the lake and the natural surroundings.

Along with all City facilities and amenities, these three natural areas are promoted in Engage! and on [cityofnovi.org](http://cityofnovi.org). It is important to highlight and feature these valuable assets and encourage citizens and businesses to take advantage of these resources.

### PERFORMANCE STANDARDS & MEASUREMENTS

- Establish long-term plan for Tree Fund.
- Encourage "green" building and development





### PROGRAM OBJECTIVES

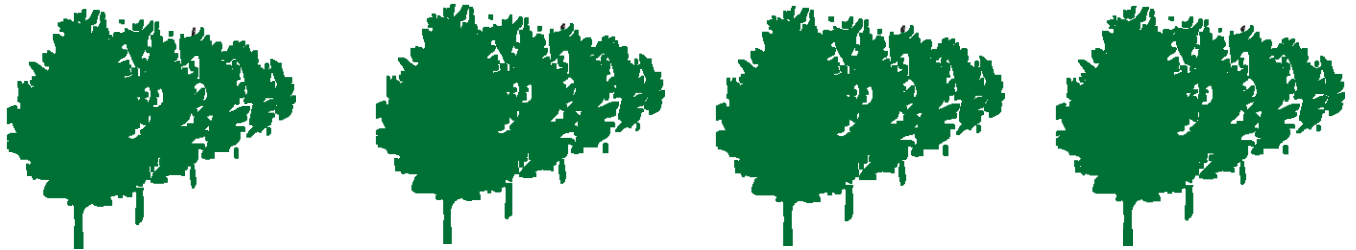
- Continue annual tree planting and pruning program
- Examine land open space preservation possibilities with all schools



Be a community that values natural areas, natural features & community character

Program: Community Development & Forestry Operations	2011 Actual	2012 Target	2012 Actual	2012 Target Met or Exceeded	2013 Target
Receive grants to maximize Tree Fund Monies	Yes	Yes	Yes		Yes
Reached City Council goal of 300 trees planted per year	Yes	Yes	Yes		Yes
Maintain \$500,000 balance in Tree Fund in accordance with long-term financial plan	1,527,444	500,000	1,519,721		500,000

 Exceeded     Met     Nearly Met     Did not meet



Since 2007 the City of Novi has planted an estimated 300 Trees a year.



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## Benefits Update – Employee Healthcare

Public Act 152 (PA 152 also known as Senate Bill 7), the “Publicly Funded Health Insurance Contribution Act,” was signed into law on September 24, 2011. This Act limits a public employer’s cost for employee provided health care benefits and provides for an 80/20 cost sharing arrangement. On September 26, 2011, the Novi City Council approved a resolution complying with the requirements of the Publicly Funded Health Insurance Contribution Act by adopting the 80/20 cost sharing model set forth in Section 4 of Senate Bill 7.

For employee groups not covered under a collective bargaining agreement (CBA) prior to September 15, 2011, or active in Act 312 Arbitration, the 80/20 cost sharing requirement became effective January 1, 2012 and includes MAPE, Administrative non-union and Library. Effective July 1, 2012 for Fire Fighters, and January 2013 for Police Clerks, these groups began paying 20%, per ratified CBA. For Dispatchers and Police Command Officers groups, this exemption will terminate upon expiration of their respective labor agreements. Police Officers filed for Act 312 Arbitration and the amount of cost sharing for this group was determined by a final award of 20% effective April 1, 2012.

### Current Contributions:

- 10% of insurance premiums – Police Command Officers.
- 20% of insurance premiums – MAPE, Administrative, Library, Police Officers, Police Clerks and Fire Fighters.
- 3.5% of Base Salary - Dispatchers (no distinction in this schedule for shift leader salary).

The premium cost sharing is an extension of the long-held City position for shared costs. The City maintains several health care plan options for employees which are reviewed annually in the fall. Less expensive plans and options provide flexibility and cost saving for both the City and the employees.

## CITY COUNCIL GOALS

### Short Term

- Fund additional retirement and healthcare contributions (plan to smooth projected peak in coming years)
- Budget with the elimination of Personal Property Tax factored in
- Increase intern opportunities throughout City departments
- Maintain Fund Balance within the policy range

### Long Term

- Continue to fund additional contributions for retiree health care obligations
- Develop debt policy as suggested in the latest Standard and Poor credit review to add to financial policies
- Create plan to ensure funding of capital improvements long-term
- Include the elimination of Personal Property Tax in long-term budget and capital improvement programs

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## Maintain a Fiscally Responsible Government

### Debt reduction and long-term planning for pension obligations and other postemployment benefits

The City of Novi has made great strides over the past 20 years in both managing and reducing debt while recognizing savings from refunding/called debt activities. For the fiscal year ended June 30, 2021, **debt obligations were reduced by \$7,902,818 or 9% from the prior fiscal year.** Total direct debt at June 30, 2012 was \$48,022,654 (\$49,165,000 total outstanding principal less deferred amount on refunding debt). The following table is a comparison as of June 30<sup>th</sup> of outstanding debt obligations by type:

	Governmental Activities				Business-type Activities			
	2012	2011	2010	2009	2012	2011	2010	2009
General obligation bonds	\$24,667,165	\$30,086,456	\$36,020,747	\$41,845,000	\$ -	\$ -	\$ -	\$ -
Michigan transportation fund bonds	-	-	315,000	610,000	-	-	-	-
Special assessment debt with government commitment	5,950,000	7,350,000	8,750,000	10,200,000	980,000	1,155,000	1,330,000	1,530,000
Building authority bonds	-	-	-	-	16,425,489	17,334,016	18,197,543	19,089,656
<b>TOTAL</b>	<b>\$30,617,165</b>	<b>\$37,436,456</b>	<b>\$45,085,747</b>	<b>\$52,655,000</b>	<b>\$17,405,489</b>	<b>\$18,489,016</b>	<b>\$19,527,543</b>	<b>\$20,619,656</b>

### PARTNERSHIPS

**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.

## Maintain a Fiscally Responsible Government

*Annual debt service requirements to maturity for the above governmental and business-type debt obligations are as follows:*

Fiscal Year Ending	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$5,205,000	1,227,775	6,432,775	\$1,235,000	724,828	1,959,828
2014	3,535,000	1,033,175	4,568,175	1,245,000	689,718	1,934,718
2015	3,615,000	877,769	4,492,769	1,305,000	651,534	1,956,534
2016	3,730,000	727,850	4,457,850	1,295,000	606,649	1,901,649
2017	1,445,000	620,319	2,065,319	1,390,000	553,221	1,943,221
2018-2022	4,980,000	2,347,913	7,327,913	6,805,000	1,892,313	8,697,313
2023-2027	6,500,000	1,152,500	7,652,500	5,130,000	438,024	5,568,024
2028	1,750,000	39,375	1,789,375	-	-	-
Deferred amount on refunding	(142,835)	-	(142,835)	(999,511)	-	(999,511)
<b>Total</b>	<b>\$30,617,165</b>	<b>\$8,026,676</b>	<b>\$38,643,841</b>	<b>\$17,405,489</b>	<b>\$5,556,287</b>	<b>\$22,961,776</b>

Issuing debt is a sound and rational financing mechanism for facilities, infrastructure, and other projects with long service life and significant costs. Likewise, pay-as-you go and saving from annual budgets towards projects can fill financing needs for expensive rolling stock, some park improvements and construction projects (for example projects costing \$3,000,000 or less).

### 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 postemployment benefits** (OPEB). 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. 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 thirty years.

The City of Novi Retiree Health Care Actuarial Valuation Report dated July 1, 2011, calculates the ARC for the fiscal years beginning July 1, 2012 and July 1, 2013 as follows:

Fiscal Year Beginning July 1, 2012	\$1,399,119
Fiscal Year Beginning July 1, 2013	\$1,393,087



## Maintain a Fiscally Responsible Government

For comparison purposes, the ARC for the fiscal years beginning July 1, 2010 and 2011 were \$1,500,006 and \$1,498,004 respectively. The responsibility to recognize and begin pre-funding OPEB began in the early 1990's when the City of Novi established the "*Retiree Health Care Benefits Fund.*" As a result, our *funding ratio has now increased to 61.4%*, and as of the most recent audited annual financial report dated June 30, 2012, the Retiree Health Care Benefits Fund reported net assets in excess of \$15 million. The City of Novi's intention is to continue funding the annual required contributions to this plan on the basis of successive actuarial valuations to ensure this plan operates in an actuarially sound manner.

### OPEB Funding Progress

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB asset for the prior three fiscal years ending June 30<sup>th</sup> were as follows:

	2010	2011	2012
<b>Annual OPEB cost</b>	\$ 1,425,739	\$ 1,502,060	\$ 1,501,001
<b>Percentage contributed</b>	109%	106%	106%
<b>Net OPEB asset</b>	291,304	375,800	471,270

The funding progress of the plan including the attached report and the prior two reports dated July 1, 2007 and July 1, 2009 are as follows:

<i>Valuation as of July 1<sup>st</sup> :</i>	<i>2007</i>	<i>2009</i>	<i>2011</i>
Value of assets	\$7,992,415	\$ 9,091,537	\$14,924,821
Actuarial accrued liability (AAL)	\$18,829,286	\$19,936,733	\$24,313,035
Unfunded AAL (UAAL) *	\$10,836,871	\$10,845,196	\$9,388,214
<b>Funded ratio</b>	<b>42.5%</b>	<b>45.6%</b>	<b>61.4%</b>
Number of Active Members	245	231	200
Number of Retiree Members	43	48	52 (our of 63)**

\*The unfunded actuarial accrued liability is being amortized as a level dollar amount over a period of 26 years for the fiscal year beginning July 1, 2012 and decreasing by one year thereafter until reaching 20 years. A 30-year amortization period for unfunded actuarial accrued liabilities is the maximum period that complies with the requirements of Governmental Accounting Standards Board (GASB) Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

\*\*Expenditures for retiree health care benefits are recognized in the General Fund as the insurance premiums become due for individuals who retired before June 30, 1994. For the valuation date July 1, 2011 seven out of 52 retirees receiving benefits retired prior to June 30, 1994. For individuals retiring after June 30, 1994, payments for premiums are recorded in the Retiree Health Care Benefits Trust Fund. There are 16 retirees eligible for deferred plan benefits as of July 1, 2012.



## Maintain a Fiscally Responsible Government

### Long-term planning to reduce future OPEB and pension liabilities

Many public-sector employers have been overhauling their OPEB programs by limiting contributions or eligibility, or dropping the benefit for future or even current retirees. These changes are being driven by accounting rule changes that now force public-sector employers to recognize a liability of any unfunded annual required contributions to the plan. Beginning back 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;
- Full-time fire employees hired after June 1, 2009;
- Dispatchers hired after September 1, 2011;
- Police Clerks hired after October 1, 2011;
- Police Officers Labor Council (POLC) hired after April 1, 2012

The OPEB plans for these employees are **closed** and new hires are enrolled into an individual Retiree Health Care Savings Account.

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;

Police Clerks hired after October 1, 2011 These groups now participate in the Municipal Employee's Retirement System (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.

The DC plan maintains a schedule of vesting, with the participants becoming fully vested upon completion of seven years of continuous service. The contribution requirements of plan members are established and may be amended by the City Council in accordance with City policies, union contracts, and MERS plan provisions. There were 36 members participating in the DC plan as of June 30, 2012.

The MERS Hybrid Plan [H] was adopted effective for POLC employees hired after March 31, 2012 and operates with as two plans combined into one. Hybrid Part I – Defined Benefit (DB) requires a 1.5% multiplier and the Part II – Defined Contribution requires a 3% employee contribution and a 2% employer contribution.



## Maintain a Fiscally Responsible Government

### Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits up to maximum caps. Administrative employees who left their employment with the City of Novi were paid fifty (50%) percent of their accumulated sick leave up to a maximum of 130 days. In order to reduce the future impact of this sick leave liability, the City discontinued the accrual of sick leave days for administrative employees and paid out the balance as of December 31, 2010 to employees over three years. The City's liability as of June 30, 2012 for compensated absences accounted for within the Governmental Funds decreased by \$257,123 from the prior year and consisted of the following:

<i>CITY OF NOVI</i>				
Liability for Employee Compensated Absences				
				INCREASE/ (DECREASE)
<i>Governmental Funds:</i>		June 30, 2011	June 30, 2012	
General Government		\$ 557,809	\$ 406,146	\$ (151,663)
Public Safety		1,574,839	1,507,288	(67,551)
Public Works		357,354	331,905	(25,450)
Community & Economic Development		48,954	43,334	(5,620)
Recreation and Cultural		202,070	195,231	(6,839)
<b>Total liability</b>		<b>\$ 2,741,026</b>	<b>\$ 2,483,904</b>	<b>\$ (257,123)</b>

Making the conversion was recommended and approved as another long-term financial improvement for the City and in keeping with our continued sound financial management plan of reducing future long-term obligations. Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Novi remains on sound financial footing despite the prevailing tough economic conditions because of continued focus on core strategies and investments within our community that have produced sound financial results and satisfied citizen perceptions (National Citizen Survey).

### Novi millage rate remains lowest among Oakland County cities

The City of Novi's annual property tax millage rate is 10.2, which is the same as the 2012 tax rate despite the voted increase of 0.7 mills in the Municipal Street Fund that will be levied on July 1, 2013. For the projected budgets for 2014-15 and 2015-16, a moderate increase in the City's real property tax values has been factored in along with an expected decrease of approximately \$36 million in personal property taxable values as a result of the new state law revising personal property taxation.



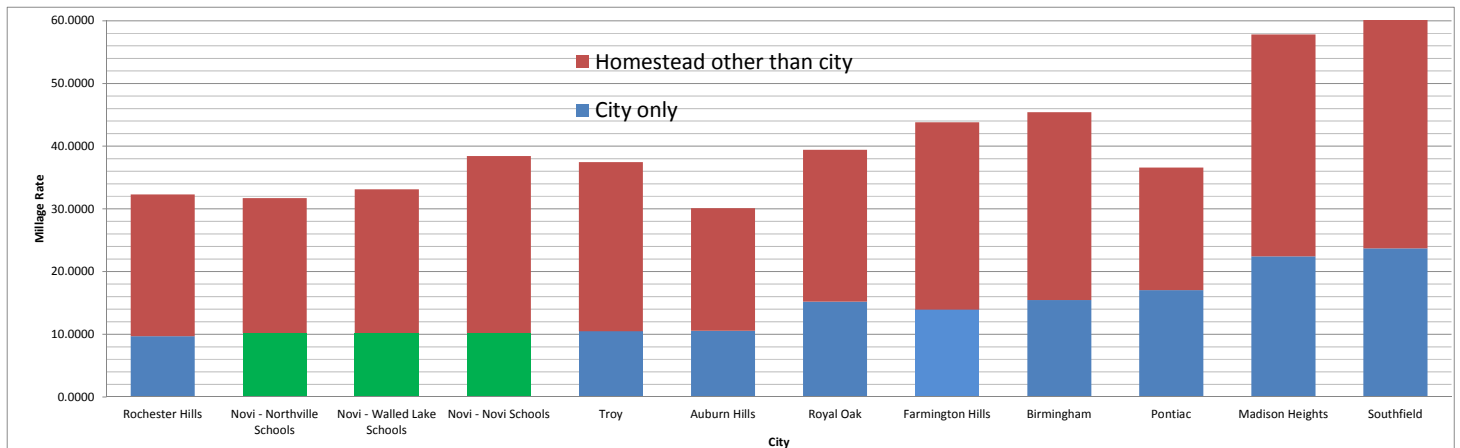
# Maintain a Fiscally Responsible Government

## Municipal and other tax rates for ten largest Taxable Value cities in Oakland County

Source: Oakland County 2012 Equalization Report and 2012 Apportionment of Local Tax Rates

City (lowest to highest City only tax rate)	Rochester Hills	Novi - Northville Schools	Novi - Walled Lake Schools	Novi - Novi Schools	Troy	Auburn Hills	Royal Oak	Farmington Hills	Birmingham	Pontiac	Madison Heights	Southfield
City/ School Dist	220 - ROCHESTER / OIS / OCC	650 - NORTHVILLE / WIS / SCC	270 - W ALLED LAKE / OIS / OCC	180 - NOVI / OIS / OCC	260 - TROY / OIS / OCC	210 - PONTIAC / OIS / OCC	230 - ROYAL OAK / OIS / OCC	100 - FARMINGTON / OIS / OCC	030 - BIRMINGHAM / OIS / OCC	210 - PONTIAC / OIS / OCC	160 - LAMPHERE / OIS / OCC	250 - SOUTHFIELD / OIS / OCC
Homestead School District	12.7000	11.3000	13.0254	18.3331	16.5063	9.0500	13.7300	19.3810	19.4601	9.0500	24.9000	26.4868
Intermediate School District	3.3690	3.4643	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690
Community College	1.5844	1.7967	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844
Oakland County Public Transportation Authority	0	0	0	0	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59
Combined	4.9461	4.9461	4.79461	4.9461	4.9461	4.9461	4.9461	4.9461	4.9461	4.9461	4.9461	4.9461
City only	9.7060	10.2000	10.2000	10.2000	10.4800	10.5602	15.2011	13.9362	15.4641	17.0553	22.4250	23.7218
<b>2012 Homestead Total</b>	<b>32.3055</b>	<b>31.7071</b>	<b>33.1249</b>	<b>38.4326</b>	<b>37.4758</b>	<b>30.0997</b>	<b>39.4206</b>	<b>43.8067</b>	<b>45.4137</b>	<b>36.5948</b>	<b>57.8145</b>	<b>60.6981</b>
Homestead Total (2011)	32.1055	32.0487	33.1223	38.5742	36.6403	29.0997	35.7445	40.8265	44.914	35.6326	56.5549	59.4065
Homestead % Change	0.6%	-1.1%	0.0%	-0.4%	2.3%	3.4%	10.3%	7.3%	1.1%	2.7%	2.2%	2.2%
<b>2012 Non-Homestead Total</b>	<b>50.3055</b>	<b>49.7071</b>	<b>48.6595</b>	<b>53.2005</b>	<b>49.9195</b>	<b>48.0997</b>	<b>54.4006</b>	<b>50.9857</b>	<b>53.3736</b>	<b>54.5948</b>	<b>61.3145</b>	<b>61.7113</b>
Non-homestead Total 2011	50.1055	50.0487	48.7411	53.2143	49.1795	47.0997	50.7245	48.6731	52.89	53.6326	60.0549	60.4197
Non-Homestead Total % Change	0.4%	-0.7%	-0.2%	0.0%	1.5%	2.1%	7.2%	4.8%	0.9%	1.8%	2.1%	2.1%

In addition, cities may impose an administrative fee upon property tax payments, up to 1% of the property tax amount due. Novi does **not** levy such an additional fee.



The above chart shows that cities are just one piece of the total millage levy. It is obvious that public education remains the largest factor in a total millage rate. The City of Novi can only control its total millage rate and provides within it the police and fire, public works, roads, library, parks and recreation, debt service, general and stormwater services upon which citizens and businesses depend.



# Maintain a Fiscally Responsible Government



## PERFORMANCE STANDARDS & MEASUREMENTS

- Internal and external customer have the financial information they need to make informed decisions (enabling the City to maintain the millage rate at 10.2)
- Systems and process that facilitate the delivery of City services to internal customers to promote cost savings (i.e. reduction of health care costs: gaining efficiencies by improving response time to internal customers, etc.).

## PROGRAM OBJECTIVES

- Make an additional payment of \$100,000 to Other Post-Employment Benefits (OPEB) obligation; continue to make 100% actuarial-prescribed payments
- Maintain debt levels within newly adopted policy
- Monitor ongoing reforms of Industrial-classified (\$7.5 million personal property) Personal Property Tax
- Leverage internship opportunities as outlined by recently established policy

Program: Financial Planning & Operations	2011 Actual	2012 Target	2012 Actual	2012 Target Met or Exceeded	2013 Target
Earn GFOA Distinguished Budget Award	Yes	Yes	Yes		Yes
Implementation and maintenance of GASB 45 reporting requirements, and Certificate of Achievement in financial reporting (for 2011 implementation of GASB 54)	100%	100%	100%		100%
Maintain City's bond rating - Moody's/S&P	As2/AA+	As2/AA+	As2/AA+		As2/AA+
Maintain City's millage rate at 10.2	N/A	Yes	Yes		Yes
Average no. of days from requisition submission to purchase order processed	1.84	1 - 3	1.8		1 - 3
Average no. of days to close quarter in financial system	14.5	15	14.5		15

Exceeded  
 Met  
 Nearly Met  
 Did not meet

## Enhance Parks, Recreation & Cultural Services

### Diversity is Strength

“Our cultural strength has always been derived from our diversity of understanding and experience”.

*Yo-Yo Ma, famed American cellist*

Cultural diversity is a strength of the Novi community. By welcoming and embracing diversity, Novi has become a hub for global citizens and businesses. Today, more than 1,000 international companies call Novi their “home” in the United States, bringing a highly skilled and educated workforce with them. As such, Novi’s population continues to grow. According to the United States Census, Novi’s Asian population increased to nearly 16% of our total population between 2000 and 2010.

Diversity is celebrated in Novi through a variety of avenues including annual festivals and meetings, clubs and organizations. The Novi Community School district offers five different language classes for students in grades fifth through twelfth. Novi, Northville and Walled Lake schools offer International Baccalaureate programs.

One of the largest populations drawn to the community is Japanese and the City of Novi engages the Japanese community through cultural programming, government exchanges, business relationships and public services.

Mutually beneficial relationships have been forged with numerous Japanese organizations including the Council of Local Authorities for International Relations (CLAIR), Japan Business Society of Detroit, Consulate General of Detroit, Japan Society of Detroit Women’s Club, Michigan Sister-State Program and Detroit Ringo Kai/Japanese School of Detroit.



services. Novi is home-base for regional cricket players and the annual Novi Cricket Cup draws hundreds of spectators to Ella Mae Power Park in July. Larger still is the Festival of Chariots – Michigan Rathayatra. The festival, attended by thousands, takes

### CITY COUNCIL GOALS

#### Short Term

- Develop a plan for a dog park
- Reduce cost of all senior citizen transportation to less than \$4 a ride either by a multi-ride car discount or overall rate reduction
- Improve Lakeshore Park to be able to successfully and consistently operate twelve months per year

#### Long Term

- Acquire more parkland
- Increase number of local neighborhood parks
- Look at a long-term plan for grant funding opportunities-identify projects and funding sources and prioritize
- Work with State for connections to regional trail networks opportunities - identify projects and funding sources and prioritize

These relationships foster benefits for the citizens of Novi by bringing services and cultural offerings to the community including the annual Japan Business Society of Detroit’s Japan Festival, participation in the City’s Ethnic Taste and Tune Fest, passport services, internationally traveling art exhibits, Japanese movie night and an annual student speech contest. In 2011, Detroit Ringo Kai relocated to Novi to better serve the regional Japanese population, hosting more than 750 students each Saturday at the Novi Meadows School.

The Indian population is also actively engaged in Novi through programs and



## Enhance Parks, Recreation & Cultural Services

place each year in July on the Novi Civic Center Campus and includes entertainment, food cultural displays and exhibitions.

The City continually seeks out opportunities for the engagement of our community members and will continue to pursue cultural programming opportunities, services and amenities to ensure an open, hospitable experience.



### PARTNERSHIPS

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

**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.

**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.

**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 .

**Michigan Jaguars Soccer Association (Mljags)** – Offers a local premier travel soccer program for Novi youth to practice and play on NPRCS fields. Mljags also hosts a state accredited tournament at ITC Community Sports Park, attracting hundreds of teams from across the Midwest.

### Villa Barr

Over the past 33 years, one of the most renowned Michigan-born artists, David Barr, has worked at converting a four-acre parcel of land at 22600 Napier Road in Novi into a contoured garden, home and studio where many of his sculptures are displayed. On August 27, 2012, the Novi City Council took advantage of the opportunity to purchase this property for use as a future city park, sculpture garden and cultural education center. As part of this purchase, the City receives six major pieces of sculpture, some of which will be relocated to various locations throughout the City.

Barr's artwork spans beyond the state of Michigan and is featured around the globe. His works, Revolution I and Revolution II, are located in Chrysler's World Headquarters in Auburn Hills and at Chrysler's European Headquarters in Brussels, Belgium respectively. Barr's steel and stone sculpture Transcending, stands 62 feet in height and adorns Heart Plaza in Detroit. Other major works are located at the Michigan Historical Museum, the Flint Airport, Traverse City, Rochester, Chicago and Pisa, Italy.

Also located on the property is a small, detached Demonstration Studio. After performing minor improvements to the facility, the City will begin utilizing the space for classes, gallery space, and workshops. Tours of the property will begin during the summer 2013 through the Parks, Recreation and Cultural Services Department. Plans for the home and main studio include the development of an artist-in-residence program and cultural education center.



## Enhance Parks, Recreation & Cultural Services

### Innovation...key to continually engaging citizens in Parks offerings

The City of Novi Parks, Recreation and Cultural Services Department (PRCS) strives to not only offer the programs people expect, but to offer new and innovative programs to keep things exciting and fun. It is easy to say a department is innovative, but it is important to study others and be involved in organizations that foster innovation. PRCS is a contributing member of the Michigan Recreation and Parks Association, the National Recreation and Parks Association, the Amateur Softball Association, and has sent their staff to various trainings throughout the United States to gather ideas to bring back and tailor to meet the City of Novi's goals and objectives.

In September 2012, one of those ideas came to fruition as PRCS worked with the Links of Novi to offer the Parent-Child Open. This golf outing paired a parent and their child in a nine hole scramble where they competed for prizes. In addition to the outing, a giant movie screen was erected on the driving range to create a drive-in type atmosphere. This program was the recipient of the **2012 MRPA Innovative Program of the Year Award**. This award is on the heels of two 2011 MRPA Innovative Program of the Year Awards, the Get Real Camp and the Novi Cricket Cup.



With the acquisition of the Barr Property and the opening of Pavilion Shore Park, the PRCS team will have two new great venues for which to seek innovative, creative ways to engage citizens.



### PERFORMANCE STANDARDS & MEASUREMENTS

- Enhance library services and facilities
- Systems and process that facilitate the delivery of City services to internal customers to promote cost savings (i.e. reduction of health care costs: gaining efficiencies by improving response time to internal customers, etc.).

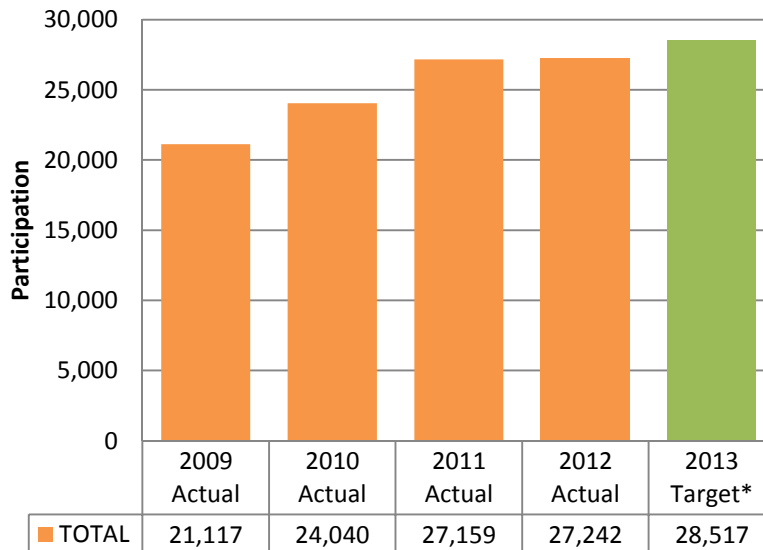
### PROGRAM OBJECTIVES

- Construct a new Dog Park at Novi Ice Arena property
- Program and promote Phase I and II of Pavilion Shore Park targeting a public opening in the Summer of 2013
- Convene newly established Parks and Recreation Grant Committee to prioritize projects for future grant opportunities
- Implement Older Adults Services Strategic Plan 2013-2015
- Highlight expanded and consistent year-round Novi Public Library hours
- Barr property - begin property improvements to studio and grounds for public use
- Begin the implementation of the Novi Public Library 2013-2018 Strategic plan
- Implement, within the Novi Public Library, a requirement for a library card for check-out and service usage effective September 1st
- Make available electronic magazines for downloading in the summer of 2013 at the Novi Public Library

## Enhance Parks, Recreation & Cultural Services

<i>Program: Parks, Recreation and Cultural Services</i>	2011 Actual	2012 Target	2012 Actual	2012 Target Met or Exceeded	2013 Target
Youth & Adult Class Attendance	1696	5% Increase	1958		5% Increase
Special Event Attendance	14311	5% Increase	14018		3% Increase
Youth and Adult Leagues	6395	5% Increase	6551		5% Increase
Novi Theatre – Audience	4757	5% Increase	4715		3% Increase

↑ Exceeded     
 ● Met     
 ● Nearly Met     
 ● Did not meet



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# Capital Improvement Program

**2013-2019**

CAPITAL IMPROVEMENT PROGRAM COMMITTEE

Justin Fischer, Novi City Council  
Wayne Wrobel, Novi City Council  
Laura Marie Casey, Novi City Council  
Michael Lynch, Novi Planning Commission  
Andrew Gutman, Novi Planning Commission  
Ted Zuchlewski, Novi Planning Commission (alt.)  
Victor Cardenas, Staff Liaison

***City Manager's Approved 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 2013-2019. The CIP is an opportunity to formulate strategic long-term policy decisions that extend beyond the fiscal year 2013-2014 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 assets 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.
- Acquisition of land for public purposes.
- Non-recurring rehabilitation or major repairs to a capital asset.
- Any specific planning, engineering study or design work related to a project that falls in the above categories

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)



# Capital Improvement Program

**2013-2019**

## **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.”*

## **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 Improvement Program

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.

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

**February:** 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.

**March:** 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 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19
		Budget	Projected		Forecast		
Roads	Leveraged Funds	\$0.00	\$0.00	\$0.00	\$1,394,595	\$0.00	\$0.00
	City Costs	\$4,086,630	\$4,031,250	\$5,472,200	\$5,769,322	\$5,097,800	\$5,319,500
Intersections & Signals	Leveraged Funds	\$280,000	\$0.00	\$2,750,000	\$337,000	\$0.00	\$0.00
	City Costs	\$540,420	\$0.00	\$432,394	\$1,156,740	\$375,000	\$225,000
Sidewalks & Pathways	Leveraged Funds	\$741,200	\$0.00	\$0.00	\$1,560,000	\$0.00	\$0.00
	City Costs	\$784,383	\$585,391	\$456,300	\$3,485,838	\$5,453,264	\$1,203,705
Storm Sewer & Drainage	Leveraged Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs	\$0.00	\$312,700	\$278,700	\$160,900	\$0.00	\$0.00
Sanitary Sewer	Leveraged Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs	\$250,000	\$200,000	\$350,000	\$0.00	\$0.00	\$0.00
Water Distribution	Leveraged Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs	\$5,901,000	\$1,747,000	\$2,884,000	\$4,816,000	\$2,819,500	\$0.00
Parks	Leveraged Funds	\$295,000	\$285,230	\$300,000	\$0.00	\$0.00	\$0.00
	City Costs	\$314,815	\$376,745	\$621,375	\$1,586,200	\$1,757,295	\$158,750
Equipment	Leveraged Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs	\$131,500	\$193,200	\$397,500	\$1,901,000	\$1,016,870	\$920,650
Buildings & Property	Leveraged Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	City Costs	\$471,754	\$396,138	\$2,107,248	\$19,850,861	\$46,701	\$68,890

### 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.

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.



# Capital Improvement Program

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 if 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.

## **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.



# Capital Improvement Program

## **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 Improvement Program

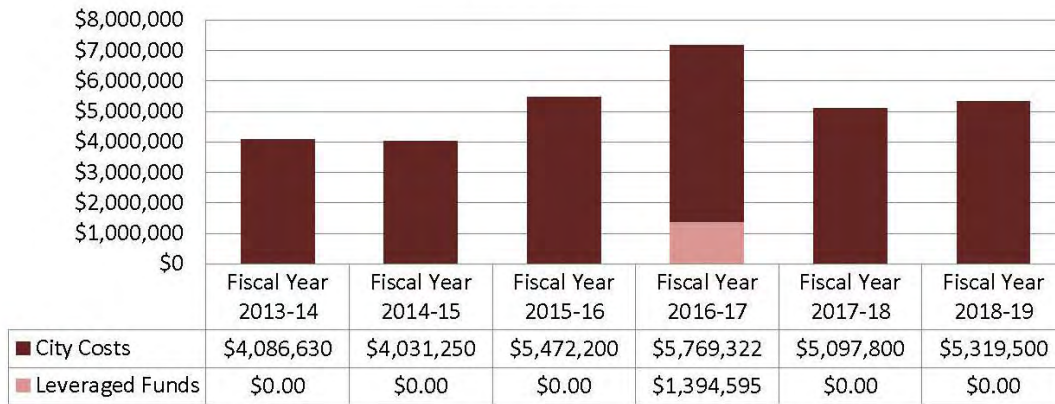
## Roads

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.

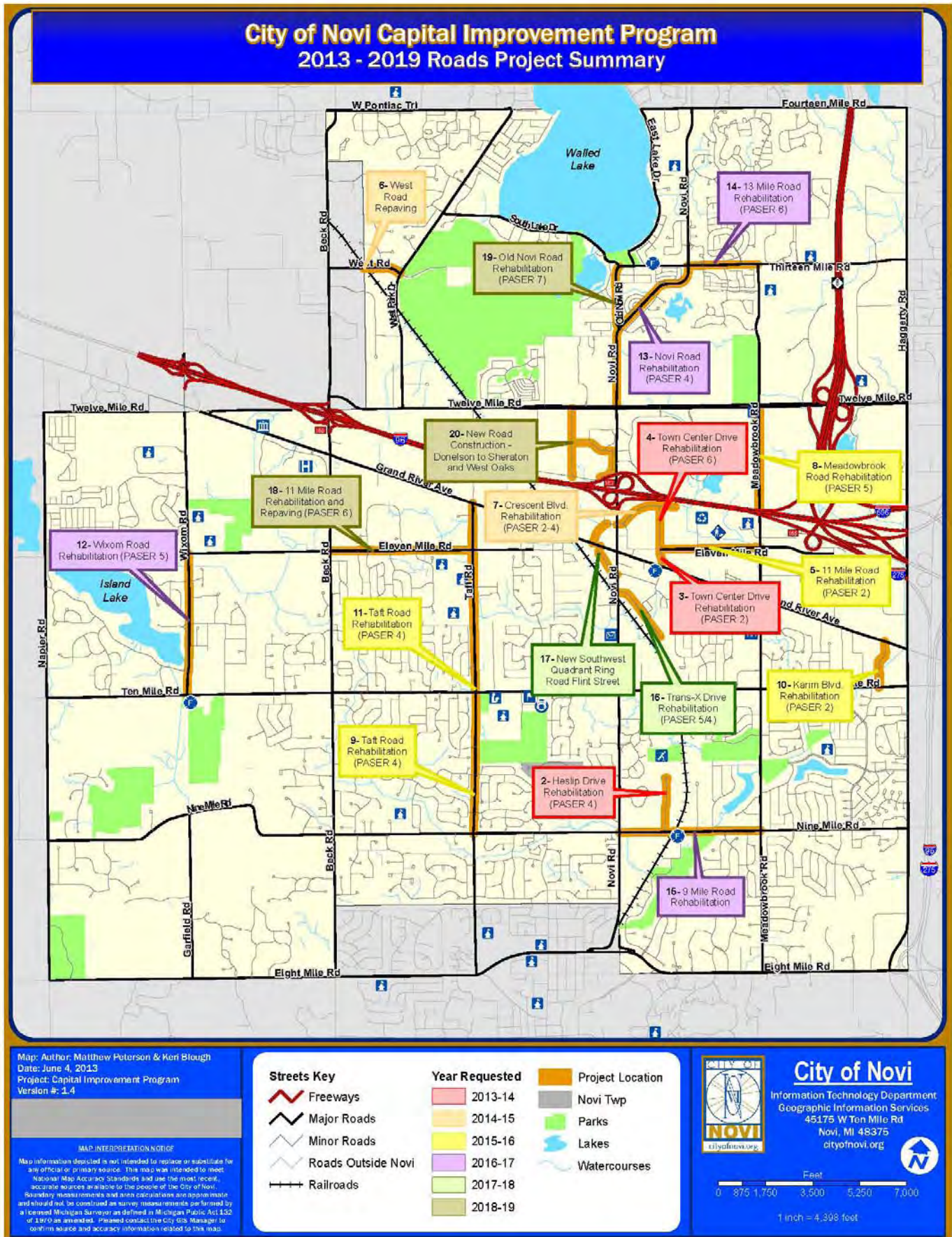
The City of Novi contains both public and private roadways. Public roads (I-96, I-275 and M-5) are owned and operated by the Michigan Department of Transportation (MDOT), the Road Commission of Oakland County (RCOC), and the City of Novi. Private roads are owned and operated by private developments and 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.

Road projects in the city's six year plan are funded from a dedicated road millage that was recently approved by voters to provide 1.5 mills, generating \$2.1 million dollars for neighborhood road rehabilitation and construction.

## Roads



# Capital Improvement Program



# 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.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	203-000.00-	\$370,000	\$370,000	\$370,000	\$370,000	\$370,000	\$370,000	\$1,850,000
Other/ROW								
Construction	203-000.00-	\$2,329,000	\$2,384,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$12,784,000
<b>TOTAL BUDGET</b>		<b>\$2,699,000</b>	<b>\$2,754,000</b>	<b>\$2,970,000</b>	<b>\$2,970,000</b>	<b>\$2,970,000</b>	<b>\$2,970,000</b>	<b>\$17,333,000</b>

## Heslip Drive Rehabilitation (PASER 4)

**Project Number:** 2

**CIP Number:** 082-25

**Description:**

Rehabilitation of Heslip Drive from 9 Mile Road to the end (2,050 feet) to extend the life of the roadway.

**Justification:**

The road has a PASER rating of 4 and should be rehabilitated in order to keep the pavement in serviceable condition. Thirty-six (36) businesses are located on Heslip Drive. The companies willing to disclose the number of employees housed on Heslip Drive reported at the minimum 156 staff members.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	202-000.00-	\$58,100						
Other/ROW								
Construction	202-000.00-	\$278,600						
<b>TOTAL BUDGET</b>		<b>\$336,700</b>						<b>\$336,700</b>



# 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.

**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.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	202-000.00-	\$98,300						
Other/ROW								
Construction	202-000.00-	\$471,700						
<b>TOTAL BUDGET</b>		<b>\$570,000</b>						<b>\$570,000</b>

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

**Project Number:** 4

**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.

**Justification:**

The road has a PASER rating of 4 in 2012.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	202-000.00-	\$74,300						
Other/ROW								
Construction	202-000.00-	\$356,630						
<b>TOTAL BUDGET</b>		<b>\$430,930</b>						<b>\$430,930</b>

# Capital Improvement Program

## 11 Mile Road Town Center to Meadowbrook Road Rehabilitation (PASER 2; Asphalt)

**Project Number:** 5

**CIP Number:** 082-12

**Description:**

Reconstruction of existing 11 Mile Road between Town Center Drive and just east of Meadowbrook Road including non-motorized improvements. 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.

**Justification:**

This road has a PASER rating of 2 in 2012 and is no longer serviceable using normal maintenance.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	202-000.00-		\$220,000					\$220,000
Other/ROW								
Construction	202-000.00-	\$50,000		\$1,080,000				\$1,080,000
<b>TOTAL BUDGET</b>		<b>\$50,000</b>	<b>\$220,000</b>	<b>\$1,080,000</b>				<b>\$1,350,000</b>





# Capital Improvement Program

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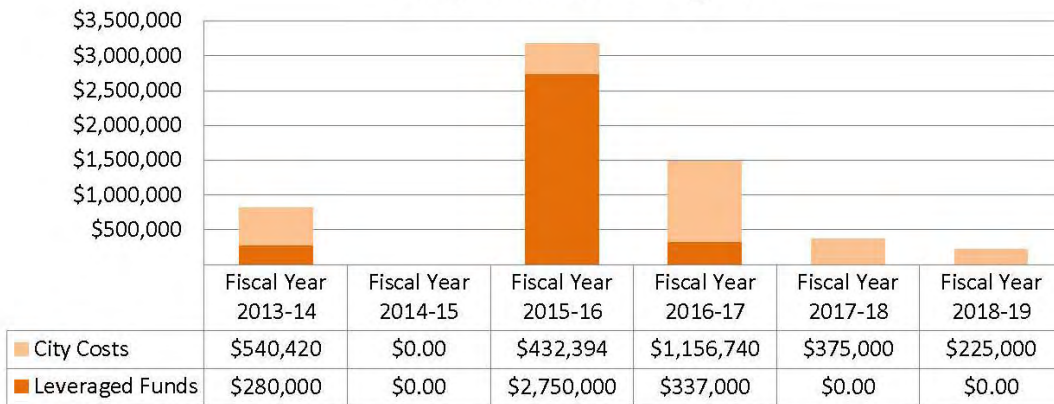
# Capital Improvement Program

## Intersection and Signals

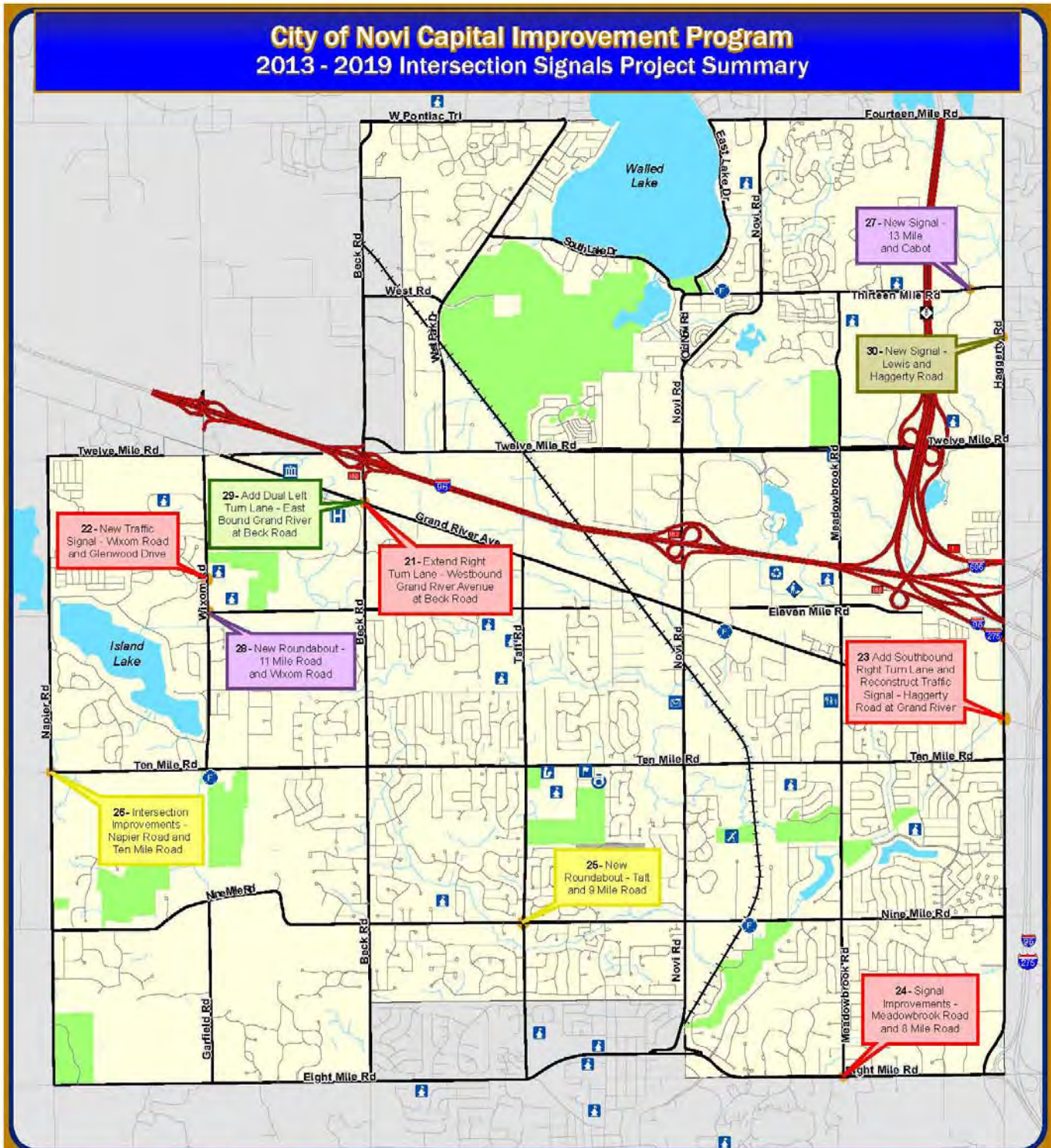
The City of Novi is 32 square miles with 180 miles of major and neighborhood roads. To facilitate safe motorized and non-motorized transportation throughout the City safe road and street intersections and traffic signals need to be designed and maintained year in and year out. Sample projects found in 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.

### Intersection & Signals



# Capital Improvement Program



Map: Author: Matthew Peterson & Keri Blough  
 Date: June 4, 2013  
 Project: Capital Improvement Program  
 Version #: 1.4

**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 other 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 for complete source and accuracy information related to this map.

**Streets Key**

- Freeways
- Major Roads
- Minor Roads
- Roads Outside Novi
- Railroads

**Year Requested**

- 2013-14
- 2014-15
- 2015-16
- 2016-17
- 2017-18
- 2018-19

**Project Location**

- Novi Twp
- Parks
- Lakes
- Watercourses



**City of Novi**

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



1 inch = 4,398 feet



# Capital Improvement Program

## Extend Right Turn Lane - Westbound Grand River Avenue at Beck Road

**Project Number:** 21

**CIP Number:** 116-02

**Description:**

The existing right turn lane for westbound Grand River Avenue to northbound Beck Road would be extended several hundred feet to increase the capacity of the intersection. This project would alleviate the traffic back-ups that occur for westbound Grand River during the afternoon peak hours. The project has received a federal congestion mitigation/air quality (CMAQ) improvement grant for 2014 construction. The grant covers 80% of the construction cost with the remaining construction and all of the engineering/ROW costs to be the City's responsibility.

**Justification:**

Will reduce travel delays and congestion and improve safety at the intersection of Grand River Avenue and Beck Road

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$24,000						
Other/ROW	204-000.00-	\$15,000						
Construction	204-000.00-	\$115,000						
<b>TOTAL BUDGET</b>		<b>\$154,000</b>						<b>\$154,000</b>

## New Traffic Signal Wixom Road and Glenwood Drive/Deerfield Elementary

**Project Number:** 22

**CIP Number:** 122-01

**Description:**

The intersection of Wixom Road and Glenwood Drive (Island Lake of Novi) also contains the driveway for Deerfield Elementary School. The increase in traffic along Wixom Road and the lack of gaps in traffic has made the signal warranted. The signal would also provide a signalized non-motorized mid-block crossing.

**Justification:**

The proposed signal is recommended by the traffic engineering study completed in 2012 and would improve safety at the intersection.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$36,980						
Other/ROW								
Construction	204-000.00-	\$161,200						
<b>TOTAL BUDGET</b>		<b>\$198,180</b>						<b>\$198,180</b>



# Capital Improvement Program

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## Haggerty Road at Grand River, Add Southbound Right Turn Lane and Reconstruct Traffic Signal

---

**Project Number:** 23

**CIP Number:** 126-10

**Description:**

This project was awarded a Federal safety grant funding for construction year 2014 to add a southbound right turn lane, replace the existing diagonal span wire signals with a modern box span configuration and add additional safety improvements to the operation of the traffic signal. Pedestrian improvements such as street lighting and pedestrian signal improvements are also proposed.

**Justification:**

The project was recommended for improvements in the 2012 Intersection Crash Study.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$58,650						
Other/ROW								
Construction	204-000.00-	\$234,590						
<b>TOTAL BUDGET</b>		<b>\$293,240</b>						<b>\$293,240</b>

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## Meadowbrook Road at 8 Mile Road Signal Improvements

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**Project Number:** 24

**CIP Number:** 116-05

**Description:**

The project would reconstruct and modernize the existing signal at the intersection of Eight Mile Road and Meadowbrook Road to add a left turn phase to the signal. The existing signal is nearing the end of its useful life and lacks a dedicated left turn phase for EB Eight Mile Road to Meadowbrook Road. There was a significant number of crashes at this intersection that could be mitigated by adding a left turn phase.

**Justification:**

Recommended by the 2012 Intersection Crash Study

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$35,000						
Other/ROW								
Construction	204-000.00-	\$140,000						
<b>TOTAL BUDGET</b>		<b>\$175,000</b>						<b>\$175,000</b>

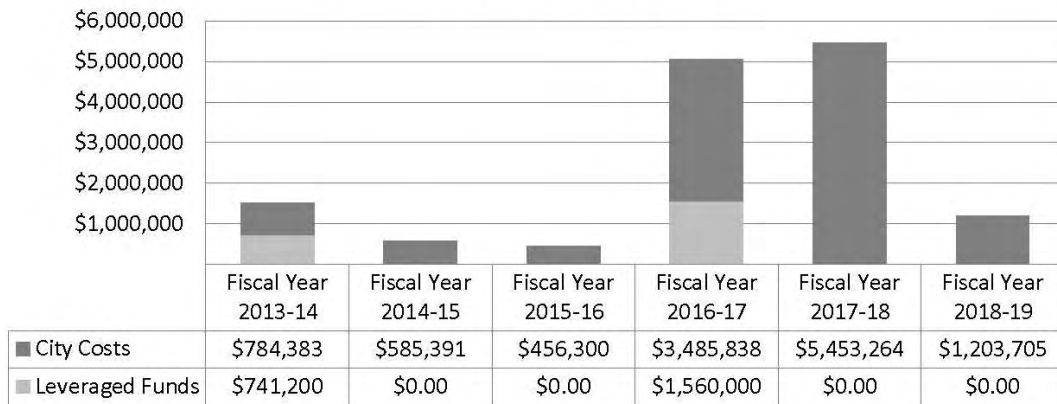
# Capital Improvement Program

## Sidewalk and Pathways

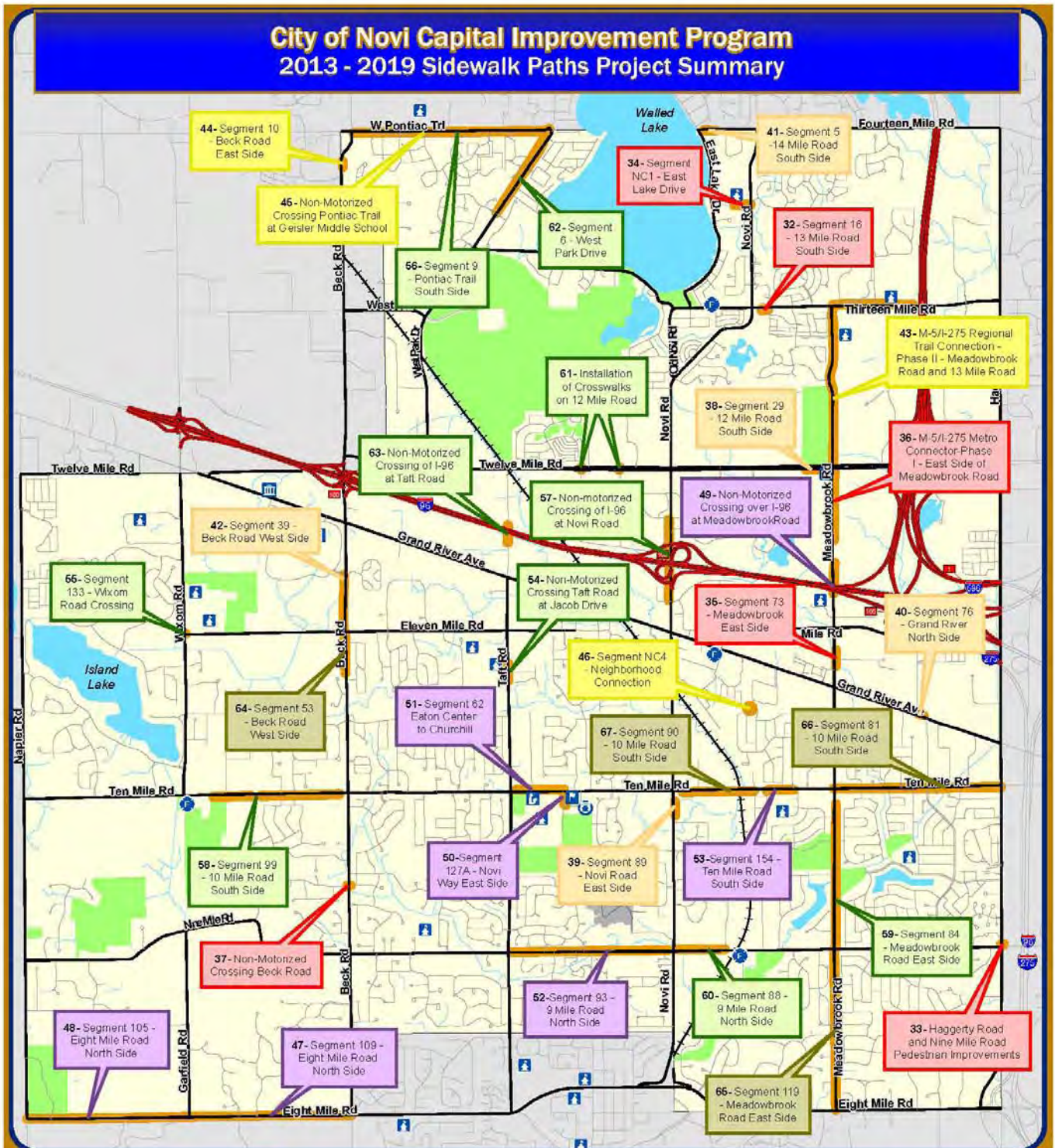
The City of Novi is committed to providing non-motorized sidewalks and pathways in an effort to provide alternative modes of transportation for citizens and stakeholders alike. In this effort the City Council adopted a Non-Motorized Master Plan in 2011. It recommends the installation of bike routes and 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 recently voter approved road millage will go toward financing sidewalk and pathway projects in the City of Novi.

## Sidewalks and Pathways



# Capital Improvement Program



Map: Author: Matthew Peterson & Ken Blough  
 Date: June 4, 2013  
 Project: Capital Improvement Program  
 Version #: 1.4

**MAP INFORMATION 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 102 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

<b>Streets Key</b>	<b>Year Requested</b>	<b>Project Location</b>
Freeways	2013-14	Novi Twp
Major Roads	2014-15	Parks
Minor Roads	2015-16	Lakes
Roads Outside Novi	2016-17	Watercourses
Railroads	2017-18	
	2018-19	

**City of Novi**  
 Information Technology Department  
 Geographic Information Services  
 45475 W Ten Mile Rd  
 Novi, MI 48375  
 cityofnovi.org

Scale: 1 inch = 4,288 feet  
 0 850 1,700 3,400 5,100 6,800 Feet

# Capital Improvement Program

## Americans with Disabilities Act (ADA) Compliance Plan Annual Implementation

**Project Number:** 31

**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.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW								
Construction	204-000.00-	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
<b>TOTAL BUDGET</b>		<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$300,000</b>

## Segment 16--13 Mile Road, South Side, Between Novi Road and Holmes

**Project Number:** 32

**CIP Number:** 125-016

**Description:**

Construction of 225 LF of sidewalk along the south side of 13 Mile between Novi Road and Holmes Drive to complete the sidewalk connection along 13 Mile from Meadowbrook to Novi.

**Justification:**

This short segment would complete a non-motorized connection on 13 Mile Road between Meadowbrook and Novi.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$5,000						
Other/ROW	204-000.00-	\$30,000						
Construction	204-000.00-	\$18,000						
<b>TOTAL BUDGET</b>		<b>\$53,000</b>						<b>\$53,000</b>



# Capital Improvement Program

## Haggerty Road and Nine Mile Road Pedestrian Improvements

**Project Number: 33**

**CIP Number: 125-998**

**Description:**

The Nine Mile Road pathway project was completed in 2011 and completed a pedestrian connection for three of the four quadrants of the intersection of Nine Mile Road at Haggerty Road. This project would complete the east-west pedestrian crossing on the north side of Nine Mile Road at Haggerty. This crossing is now feasible because of subsurface investigation to accurately determine the depth of the Buckeye Petroleum Pipeline in this location. The project would relocate some above ground Buckeye facilities and construct a ramp on the west side and east side of Haggerty Road north of Nine Mile Road to provide a continuous pedestrian connection along the north side.

**Justification:**

Public concerns regarding safety and improved pedestrian access for the intersection warrant the completion of this connection

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering		\$12,340						
Other/ROW								
Construction		\$73,420						
<b>TOTAL BUDGET</b>		<b>\$85,760</b>						<b>\$85,760</b>

## Segment NC1-East Lake Drive to Novi Road (8' foot - Concrete)

**Project Number: 34**

**CIP Number: 10-5004**

**Description:**

Construction of 1,000 feet of 8-foot wide pathway as a neighborhood connector between Novi Road and East Lake Drive through Hickory Woods Elementary School. Design was completed FY12-13.

**Justification:**

Recommended as a short-term non-motorized improvement

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$16,695						
Other/ROW								
Construction	204-000.00-	\$52,000						
<b>TOTAL BUDGET</b>		<b>\$68,695</b>						<b>\$68,695</b>

# Capital Improvement Program

## Segment 73--Meadowbrook (6' foot Pathway) East Side Grand River to 11 Mile Road

**Project Number:** 35

**CIP Number:** 115-73

**Description:**

Design and construction of 550 feet of 6-foot wide pathway along the east side of Meadowbrook Road from Grand River to 11 Mile. This project was ranked 22nd in the 2012 Sidewalk Prioritization update and would link the I-275 pathway to Meadowbrook Road and Grand River Avenue.

**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.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$20,000						
Other/ROW								
Construction	204-000.00-	\$75,200						
<b>TOTAL BUDGET</b>		<b>\$95,200</b>						<b>\$95,200</b>

## M-5/I-275 Metro Connector-Phase I--(10' foot Pathway) on East Side of Meadowbrook Road from I-96 to 12 Mile Road

**Project Number:** 36

**CIP Number:** 115-022

**Description:**

Construction of 4,500 ft. of 10-foot pathway along the east side of Meadowbrook Road as the first phase of the connection between the terminus of the 275 trail at the south east corner of Meadowbrook Road and I-96 and the M-5 trail at 13 Mile and M-5 (west side). The project will include working with MDOT to identify and construct a crossing of I-96 on the existing Meadowbrook Road bridge. The pathway is proposed on the east side of Meadowbrook to minimize the number of property owners affected by easements for the project. The project will also a 6' wide pathway along the east side of Meadowbrook Road to connect the Metro Connector to the existing pathways at Meadowbrook Road and 11 Mile Road.

**Justification:**

The non-motorized master plan identified several locations to cross I-96 to provide better non-motorized connectivity within the community. Meadowbrook Road is a key crossing location because of the proximity to the I-275 pathway and master planned future connection to the M-5 pathway north of 13 Mile Road.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$173,928						
Other/ROW								
Construction	204-000.00-	\$926,500						
<b>TOTAL BUDGET</b>		<b>\$1,100,428</b>						<b>\$1,100,428</b>





# Capital Improvement Program

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## Beck Road at Cheltenham Mid-Block Non-Motorized Crossing

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**Project Number:** 37

**CIP Number:** 125-01

**Description:**

Construction of a non-motorized crossing of Beck Road at Cheltenham, midway between 9 Mile Road and 10 Mile Road as recommended by the Non-Motorized Master Plan to facilitate a neighborhood connection between the west side and east side of Beck Road.

**Justification:**

A non-motorized crossing is necessary in this location to facilitate a neighborhood connection across Beck Road.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	204-000.00-	\$15,500						
Other/ROW								
Construction	204-000.00-	\$57,000						
<b>TOTAL BUDGET</b>		<b>\$72,500</b>						<b>\$72,500</b>



# Capital Improvement Program

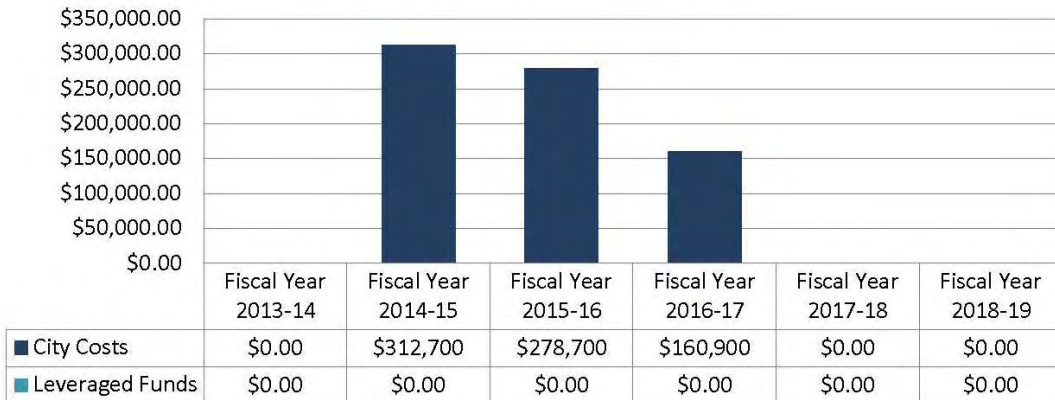
## Storm Sewer & Drainage

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.

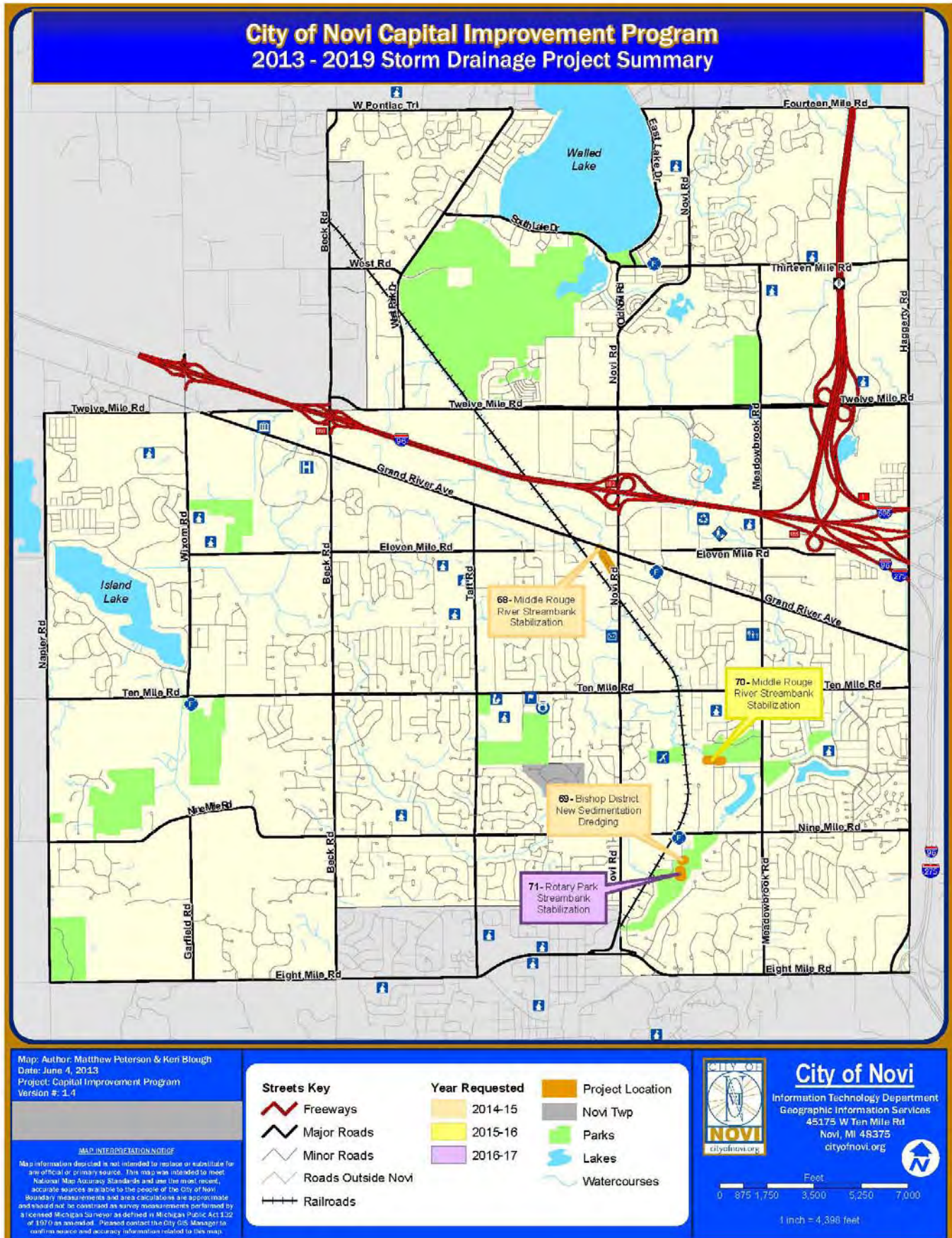
As development occurs, the additional impervious surface area impacts the effective drainage of these flows, driving the need for drainage infrastructure. The City partners with the development community to ensure that onsite drainage issues are addressed during the development process.

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.

## Storm Sewer & Drainage



# Capital Improvement Program



# Capital Improvement Program

## Sanitary Sewer

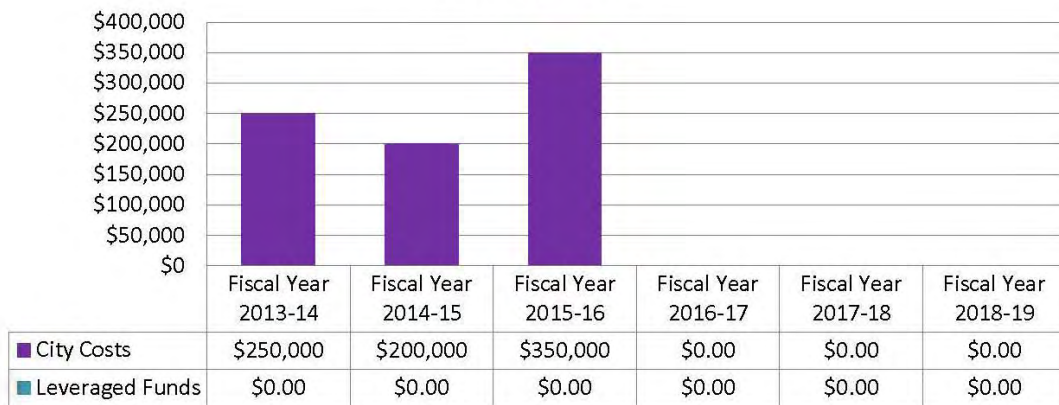
The City of Novi purchases sewage disposal services from Oakland County Water Resources Commissioner (OCWRC). The City currently has 243 miles of sanitary sewer mains. These sewer mains are part of three separate districts: the Wayne County North Huron Valley/Rouge Valley (NHV/RV) System, South Commerce 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 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.

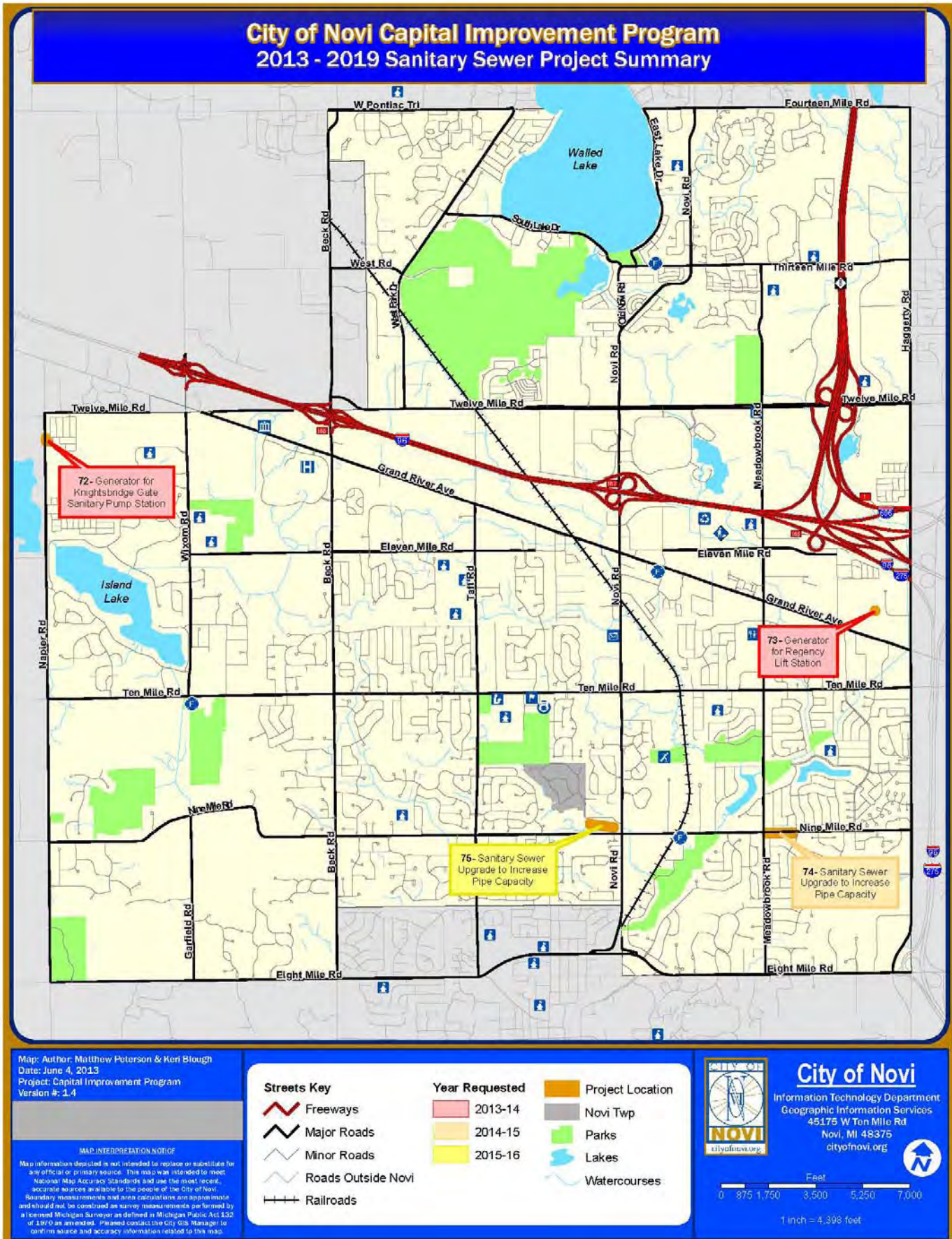
The proposed water and sanitary sewer projects are flexible, allowing for the addition of new improvements to address specific needs without deferring other projects along the way. Studies and analysis of the existing system is an on-going program that, coupled with new technologies, provides for improved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

## Sanitary Sewer



# Capital Improvement Program



# Capital Improvement Program

## Generator for Knightsbridge Gate Sanitary Pump Station

**Project Number:** 72

**CIP Number:** 121-095

**Description:**

A permanent stand-by generator would be added to the existing sanitary pump station at Knightsbridge Gate. The pump station was constructed by the developer and a portable generator was provided to the City. A fixed generator at this location would better prevent sanitary sewer back-ups caused by power failures without relying on delivery of the portable generator by City personnel. The project would also include engineering, access and site improvements and screening.

**Justification:**

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW								
Construction	592-000.00-	\$125,000						
<b>TOTAL BUDGET</b>		<b>\$125,000</b>						<b>\$125,000</b>

## Generator for Regency Lift Station

**Project Number:** 73

**CIP Number:** 121-096

**Description:**

A permanent stand-by generator would be added to the existing sanitary pump station at Knightsbridge Gate. The pump station was constructed by the developer and a portable generator was provided to the City. A fixed generator at this location would better prevent sanitary sewer back-ups caused by power failures without relying on delivery of the portable generator by City personnel. The project would also include engineering, access and site improvements.

**Justification:**

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW								
Construction	592-000.00-	\$125,000						
<b>TOTAL BUDGET</b>		<b>\$125,000</b>						<b>\$125,000</b>





# Capital Improvement Program

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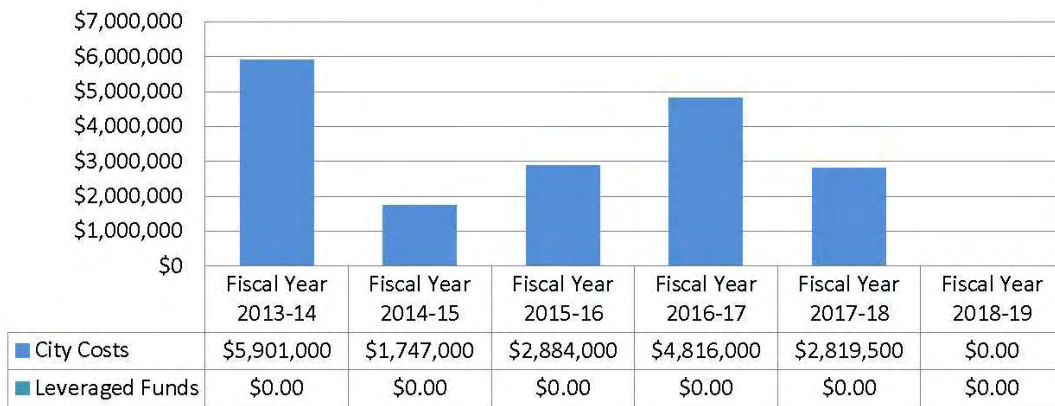
# Capital Improvement Program

## Water Distribution

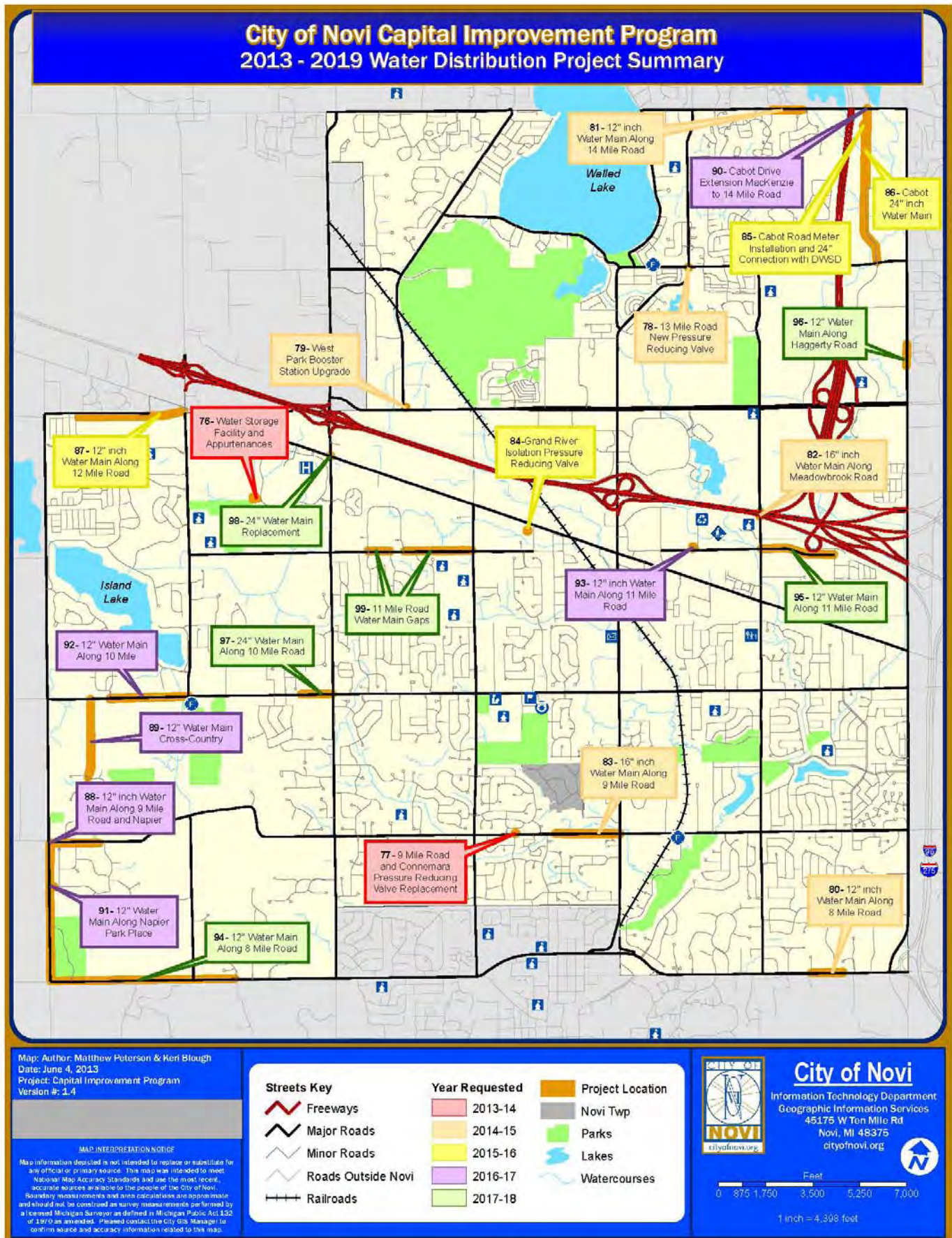
The City of Novi purchases treated water from Detroit Water and Sewerage Department (DWSD). DWSD operates the largest water system in the State of Michigan and supplies water to roughly four million people. Water production is costly. Aging water and wastewater treatment systems must be maintained and 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.

## Water Distribution



# Capital Improvement Program





# Capital Improvement Program

## Water Storage Facility and Appurtenances to be located east of Wild Life Woods Park and west of Providence Park Hospital

**Project Number: 76**

**CIP Number: 091-09**

**Description:**

The purpose of this project is to reduce wholesale water rates, and to provide storage for the purposes of becoming a Maximum Day Demand customer from DWSD, rather than a Peak Hour Demand Customer. Construct an 1.0 million gallon elevated storage tank along with associated improvements such as flow control valves at the feeds from DWSD and pressure reducing valve improvements. The project was originally recommended by the 2008 Water Master Plan and further refined as part of the 2011 Storage Tank Feasibility Study. The reduced rates from DWSD are anticipated to create a 3.2 year project payback. The project is currently in design.

**Justification:**

An elevated water storage tank with a capacity of 1 million gallons would meet the peak hour requirements of the system to allow Novi to become a maximum day customer with DWSD and thereby be eligible to receive a further reduction in the bulk water rate. Construction of a 1 million gallon tank in Novi would result in cost savings of approximately \$1.7 million per year based on the current rate methodology. The tank would have a payback period of approximately 3.2 years. See attached motion packet for project justification details.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	592-000.00-	\$250,000						
Other/ROW								
Construction	592-000.00-	\$5,300,000						
<b>TOTAL BUDGET</b>		<b>\$5,550,000</b>						<b>\$5,550,000</b>

## 9 Mile Road and Connemara Pressure Reducing Valve (PRV) Replacement

**Project Number: 77**

**CIP Number: 091-08**

**Description:**

Replace existing pressure reducing valve from a 2-inch PRV to a larger PRV (cost estimate assumes a 16" PRV) will be determined during project design). Recommended in 2008 Water System Master Plan.

**Justification:**

The existing PRV is ineffective and a new larger PRV is required to provide adequate flows for fire hydrant protection services.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	592-000.00-	\$87,000						
Other/ROW								
Construction	592-000.00-	\$264,000						
<b>TOTAL BUDGET</b>		<b>\$351,000</b>						<b>\$351,000</b>





# Capital Improvement Program

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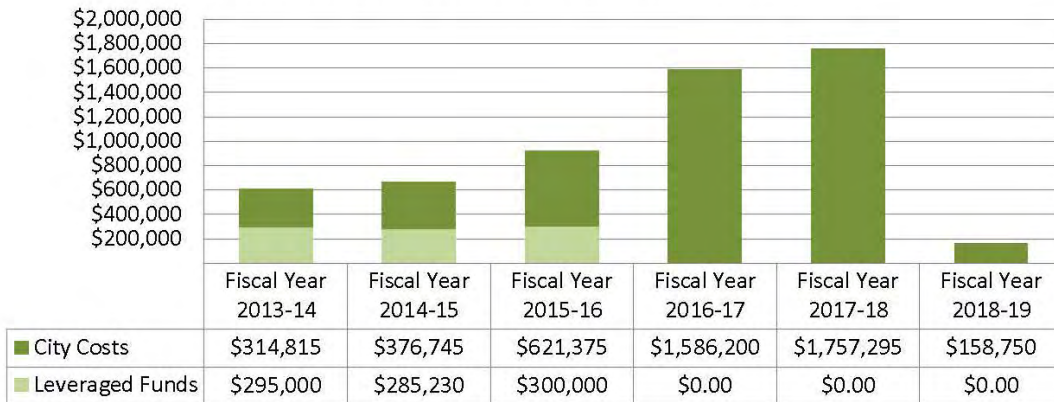
# Capital Improvement Program

## Parks, Recreation and Cultural Services

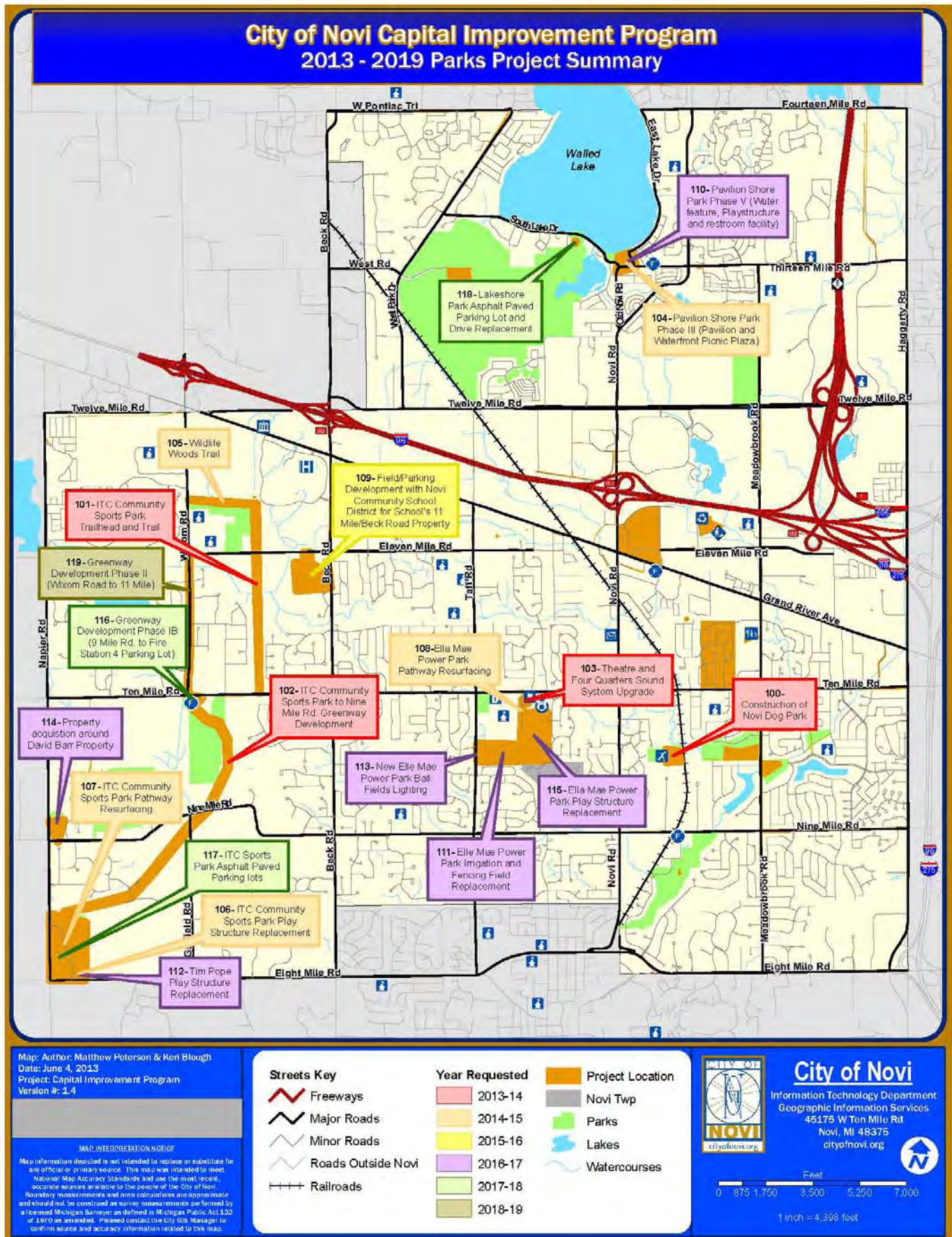
Quality of life initiatives, such as those represented by parks, open space, and trails projects, are an important component of the Capital Improvement Program. The City of Novi Department of Parks, Recreation and Cultural Services offers lighted ball fields, extensive picnic grounds, shaded playgrounds, 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 provides for additional community parks in the southern and northern areas of the City.

### Parks, Recreation and Cultural Services



# Capital Improvement Program



# Capital Improvement Program

## Novi Dog Park located behind the Novi Ice Arena

**Project Number: 100**

**CIP Number:**

**Description:**

Construction of Novi Dog Park on 6.34 acres of land located behind the Novi Ice Arena, including an area for large dogs, small or timid dogs, and a dog agility area. Dog Park amenities would include: Fencing for all three areas, parking, landscaping, covered entry, concrete walkways, benches, tables, dog waste stations, trash receptacles and drinking fountains.

**Justification:**

The construction of Novi's first off leash dog area would be in response to the continued popularity of dog ownership and recent trend to provide a settings for dog owners to relax and socialize with their dogs, leading to healthier lifestyles and better relationships for both dogs and their owners. Dog parks provide a space to promote responsible pet ownership, enforce dog control laws, and to provide a safe environment for people as well as dogs to socialize. In addition a dog park promotes public health and safety. Well exercised dogs are better neighbors and less likely to create a nuisance, bark excessively, or destroy property

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW								
Construction		\$250,000						
<b>TOTAL BUDGET</b>		<b>\$250,000</b>						<b>\$250,000</b>

## ITC Community Sports Park Trailhead and Trail

**Project Number: 101**

**CIP Number:**

**Description:**

Develop a 3,709 linear foot non-motorized trailhead, trail, and support facilities through ITC Community Sports Park. Support facilities will include 10 bike rack loops, two park benches, one information kiosk, and signage. The trailhead will tie into the proposed ITC corridor regional trail to the north, and Maybury State Park regional trail system to the south.

**Justification:**

The proposed project will create a non-motorized trailhead and trail through the ITC Community Sports Park, linking several miles of existing local and future regional non-motorized pathways. The proposed trailhead and trail is located between the following non-motorized trail systems:

1. Maybury State Park existing and proposed trail system (36 miles existing including four miles of paved paths, 500 linear feet of paved pathways proposed)
2. Proposed ITC Corridor Trail (40,000 linear feet)

Currently, there is no safe way for local pedestrians or cyclists to access the ITC Community Sports Park or Maybury State Park. The creation of a new trailhead and trail at ITC Community Sports Park as well as a safe crossing across Eight Mile Road provides a key link between the ITC Community Sports Park, Maybury State Park, and the adjacent communities that they serve.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering		\$45,679						
Other/ROW								
Construction		\$249,321						
<b>TOTAL BUDGET</b>		<b>\$295,000</b>						<b>\$295,000</b>





# Capital Improvement Program

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## Greenway Development Phase IA (ITC Community Sports Park to Nine Mile Rd.)

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**Project Number:** 102

**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. The pathway would connect ITC 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 1A of the pathway (1.5 miles long) would begin at ITC Community Sports Park, continue along the ITC corridor and end at Nine Mile Road.

**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

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	208-691.00-	\$38,500		\$46,500				\$46,500
Other/ROW	208-691.00-							
Construction	208-691.00-			\$517,875				\$517,875
<b>TOTAL BUDGET</b>		<b>\$38,500</b>		<b>\$564,375</b>				<b>\$602,875</b>

# Capital Improvement Program

## Theatre and Four Quarters Sound System Upgrade

**Project Number: 103**

**CIP Number:**

**Description:**

The sound system upgrade will create a unified sound system that will link the four quarters, the theatre and rooms ABC.

Sound system Upgrades:

- a) Install new speakers to adequately cover entire room. Rewire the existing overhead speakers to be used in individual rooms when divided.
- b) Install new wiring for stage microphones
- c) Install new equipment rack to house amplifiers, existing wireless microphones, and system processor.
- d) Install digital snake to send all wireless and wired microphone to mixing board as well as provide a return feed for stage monitors.

**Justification:**

The project will utilize the existing equipment and include new pieces to create a comprehensive sound system for the four quarters, rooms A, B, C and the theatre, providing high quality sound that is efficient to use and meets FCC frequency regulations. We have received fire code violations with our current theatre sound system equipment and wiring (CHAPTER 6 BUILDING SERVICES AND SYSTEMS 605.5.). The sound system will be utilized by renters and city staff using the four quarters, ABC rooms, theatre productions and camps and will also allow community members to rent the equipment and stage. Our current system has outdated equipment, compromising the quality of sound for our shows and has deteriorated wiring and electrical outlets. The speakers in the four quarters exist, but are not currently wired to a system so they are unusable. Facilities staff have to bring in speakers and equipment for each rental in the four quarters. The new system would allow for efficiency in set-up and sound quality. Currently we store our equipment in a storage room. Updating our equipment would open that room up to be used by other departments.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering	208-000.00-							
Other/ROW		\$26,315						
Construction								
<b>TOTAL BUDGET</b>		<b>\$26,315</b>						<b>\$26,315</b>





# Capital Improvement Program

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# 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 are used to finance the equipment necessary to efficiently deliver service: General, Major Street, Local Street, Public Safety, and Drug Forfeiture Funds.

For Fiscal Year 12-13 the CIP included three new plow trucks that assisted in revamping the City's winter maintenance program.

## Equipment



# Capital Improvement Program

## Squad #4 (Replaces #321, 2000 McCoy-Miller Ambulance)

**Project Number:** 120

**CIP Number:** FIRE

**Description:**

This project is for the replacement of Squad 4 (Vehicle #321) a 2000 McCoy Miller Ambulance with 51,450 miles on it. This vehicle is a transport-capable basic life support (BLS) medium-duty vehicle. It is currently in fair condition. The vehicle responds to fire and emergencies on a daily basis. Following the direction of the ICMA Recommendations and the success we have had with the replacement of similar squads with SUV-type vehicles (Rescue #2 and Rescue #3), this vehicle will be replaced with an Expedition EL 4x4. The vehicle is scheduled to be replaced in the 2013-14 budget year per the Long-Term Fire Apparatus Schedule.

**Justification:**

This vehicle will provide two major functions. First it will be responding to requests for fire and medical emergencies. This vehicle will carry all of the equipment according to the State of Michigan in order to be licensed as a Non-Transporting Basic Life Support Vehicle (BLS). Second, it will carry personnel to the scene of emergencies. The vehicle will be capable of carrying two personnel along with their personal protective gear, which includes turn-out gear, breathing apparatus (SCBA), basic forcible entry tools and portable extinguishers.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW	101-337.00-	\$46,500						
Construction								
<b>TOTAL BUDGET</b>		<b>\$46,500</b>						<b>\$46,500</b>

## Six Force America Commandall 5100 Regulating Controllers for Winter Maintenance

**Project Number:** 121

**CIP Number:** FIELD

**Description:**

Update six of DPS's dump trucks with Force America Commandall 5100 equipment & material regulating controllers, and retrofit required mechanical components for real time winter maintenance tracking. The enhanced systems will uniform truck controls with technology that has been installed on the two most recent truck purchases in 2011-12 and uniform the primary snow clearing fleet for operator convenience and administrative record keeping. These controls mesh seamlessly with the PreCise AVL system recently purchased by the City and will report directly through the software associated with the tracking system.

**Justification:**

The specified controllers provide material use reports that are estimated to save administration up to 20 hours weekly during winter months that were previously used to manually compile material use and route completion data. The six primary winter maintenance vehicles that require upgrades are as follows: 2010 Single Axle Dump -- #601, 2003 Tandem Axle Dump -- #603, 2001 Single Axle Dump -- #605, 2008 Tandem Axle Dump -- #611, 2009 Single Axle Dump -- #619, 2001 Tandem Axle Dump -- #620.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW	101-442.20-	\$85,000						
Construction								
<b>TOTAL BUDGET</b>		<b>\$85,000</b>						<b>\$85,000</b>

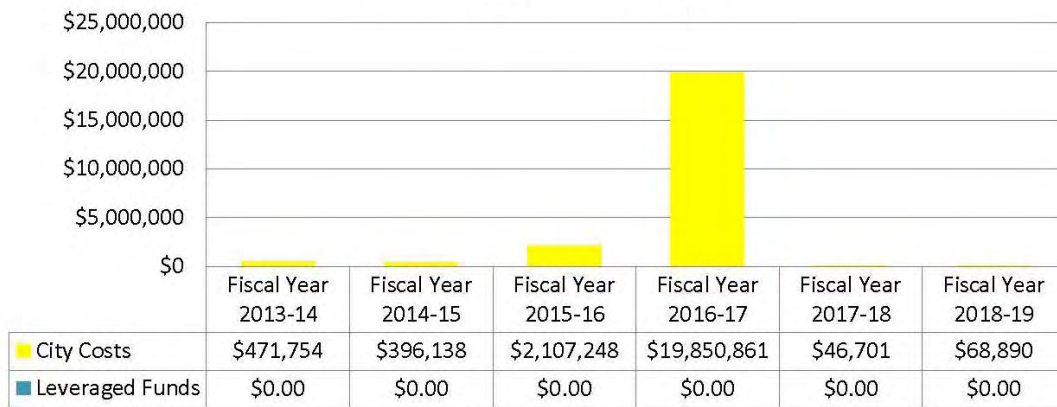
# Capital Improvement Program

## Buildings and Property

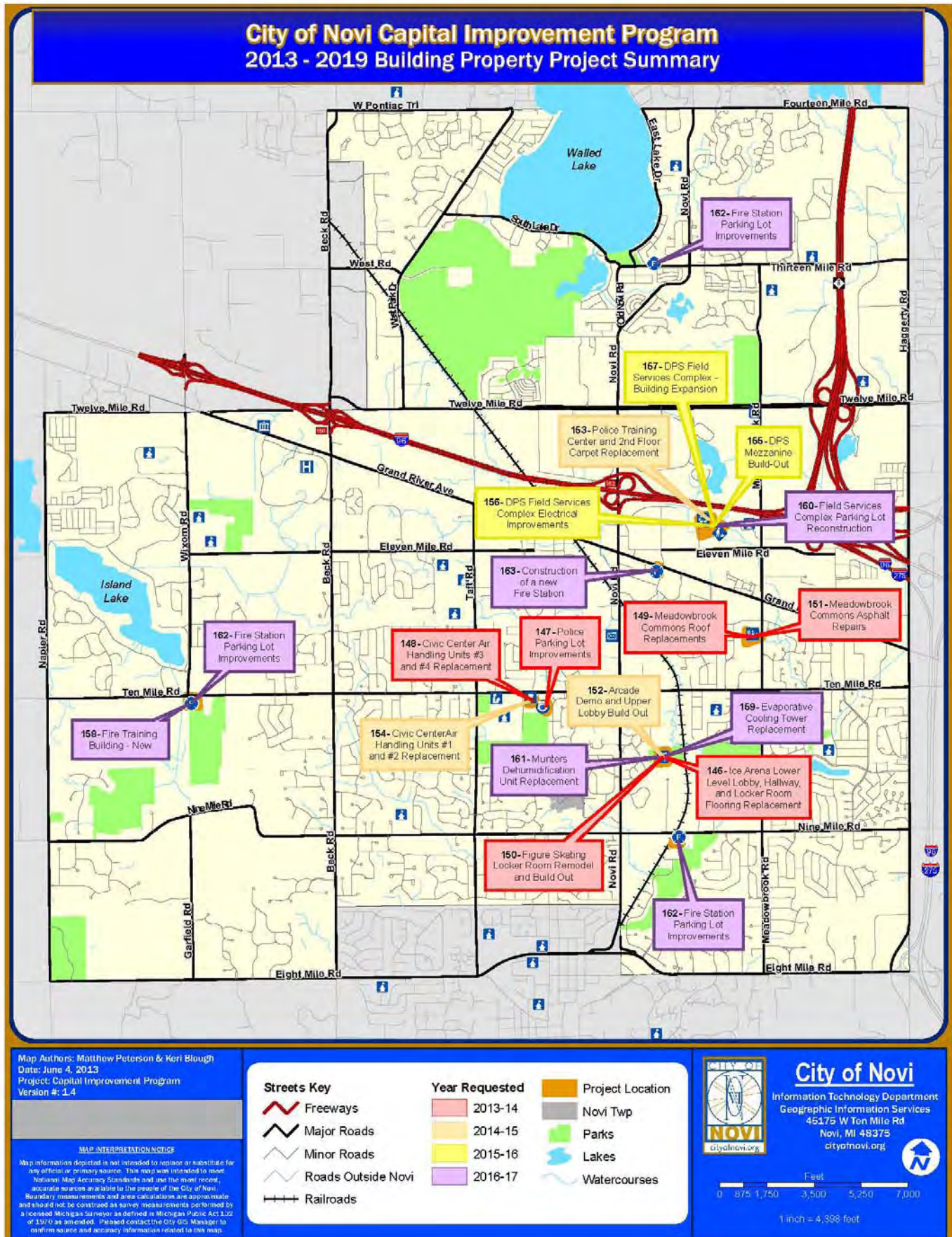
Operational facilities are the “bricks and mortar” from which the City of Novi provides services to its residents and businesses. Increasingly, operational facilities also include the systems that facilitate service delivery in the information age. Projects include the construction of new facilities, 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 replacement of the HVAC systems at the Civic Center, parking lot replacements at the Police Station, construction of a new Fire Station and a new Public Services Complex Expansion.

### Building & Property



# Capital Improvement Program



# Capital Improvement Program

## Lower Level Lobby, Hallway, and Locker Room Flooring Replacement

**Project Number: 146**

**CIP Number: ICE**

**Description:**

The original flooring in the lower level of the ice arena was laid in 1998 and is approaching the end of its useful life. There is heavy wear with hockey and figure skates, along with regular foot traffic on that flooring. This project proposes to replace all of the flooring in the lower level with similar product. This project has been planned and budgeted for in the Capital Needs Assessment that was conducted in August 2009. The plan would be to replace the existing flooring during a time of the year to not affect the normal operation of the facility.

**Justification:**

The current flooring is approaching the end of its useful life and needs to be replaced. There are many wear spots starting to show through the current flooring and will create an unsafe and customer unfriendly environment if not replaced.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW	590-000.00-	\$50,300						
Construction								
<b>TOTAL BUDGET</b>		<b>\$50,300</b>						<b>\$50,300</b>

## Police Parking Lot Improvements - Replacement

**Project Number: 147**

**CIP Number: POLICE**

**Description:**

This project is for the rehabilitation of the Police Department front parking lot and circular drive. During 2012 the Engineering Department coordinated a review of all Public Safety parking lots. Police and Fire 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, and a 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, which was only sufficient enough to repair the east or back parking lot. This request is for the continuation of the project, which includes the replacement of the west or front parking lot. The design phase for the repair of the front lot is complete and ready to be rebid once the project is approved. The projects calls for the removal and replacement of the entire parking lot.

**Justification:**

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

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW	101-301.00-	\$58,810						
Construction								
<b>TOTAL BUDGET</b>		<b>\$58,810</b>						<b>\$58,810</b>



# Capital Improvement Program

## Civic Center HVAC Air Handling Units #3 and #4 Replacement

**Project Number: 148**

**CIP Number: FACILITY**

**Description:**

The Civic Center houses four air handler units, two of the units are located in the east penthouse of the Civic Center (units 3 and 4) and are responsible for providing airflow to over 60% of the building. These units are over 25 years old and experiencing a high volume of calls for service/repair. This has led to an increase in maintenance costs, a trend that will increase substantially. The replacement of these two units is a preventative action to prevent a total failure event.

**Justification:**

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 air handlers will allow optimum HVAC building performance considering the past replacement of the Chiller (replaced in 2009) and boiler (FY2012-13).

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW	101-265.00-	\$250,000						
Construction								
<b>TOTAL BUDGET</b>		<b>\$250,000</b>						<b>\$250,000</b>

## Meadowbrook Commons Roof Replacements

**Project Number: 149**

**CIP Number: SENIOR**

**Description:**

This project will replace ten roofs at Meadowbrook Commons, scheduled to be replaced per the Capital Needs Assessment report (CNA) for Meadowbrook Commons, over the next ten years. The ten roofs comprise approximately 105,663 square feet of roof covering, and approximately 3,348 square feet of roof drainage.

**Justification:**

The existing roofs are aging and meeting life expectancy.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW	594-000.00-	\$41,484	\$42,738	\$44,020	\$45,341	\$46,701	\$68,890	\$247,690
Construction								
<b>TOTAL BUDGET</b>		<b>\$41,484</b>	<b>\$42,738</b>	<b>\$44,020</b>	<b>\$45,341</b>	<b>\$46,701</b>	<b>\$68,890</b>	<b>\$289,174</b>

# Capital Improvement Program

## Figure Skating Locker Room Remodel and Build Out

**Project Number: 150**

**CIP Number: ICE**

**Description:**

With the addition of coach Igor Shpilband and the high level ice dancing teams to the Novi Ice Arena, there has been a need for more locker room space to accommodate the increase in customers. This plan is to remodel the existing figure skating locker room and build out an additional space for coaches. We propose to divide the existing figure skating locker room into two halves to house the Skating Club of Novi skaters and coaches in each half. The current figure skating coaches room would then be converted to house the ice dancing skaters. The build out would be done to accommodate coach Shpilband and his other coaches. This will give us the most flexibility for space for our existing customers and make the arena a more attractive place for the new customers and go a long way in retaining those customers. The rooms could be converted to other purposes and still remain an attractive space should the teams decide to leave in the future.

**Justification:**

The additional locker room space is needed for us to accommodate our new customers. Without this space, they may choose to look at other facilities that can provide them the space required. The additional revenue that will be gained by having the new skaters here will more than offset the cost of the project in no more than one year. The space can also be used for other purposes should the customers leave and/or when they are not in the facility.

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW	590-000.00-	\$40,000						
Construction								
<b>TOTAL BUDGET</b>		<b>\$40,000</b>						<b>\$40,000</b>

## Meadowbrook Commons Asphalt Repairs

**Project Number: 151**

**CIP Number: SENIOR**

**Description:**

There is \$31,155 estimated for repairs to the asphalt parking lot at Meadowbrook Commons. This money for the repairs has been scheduled for year 2014, year five, of the Capital Needs Assessment report (CAN). The final scope of work will be determined at that time due to the unforeseen weather, wear and tear that the asphalt will incur between now and then. Please see attached pictures for various examples of possible repairs that will need to be completed

**Justification:**

The harsh winters and hot summers take a toll on asphalt parking lot areas. This project should be completed to maintain the integrity of the parking lot areas. Further delay and deterioration will result in an even more costly project. Taking a proactive approach will save the City money

Category	Account No.	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Engineering								
Other/ROW								
Construction	594-000.00-	\$31,160						
<b>TOTAL BUDGET</b>		<b>\$31,160</b>						<b>\$31,160</b>





# Capital Improvement Program

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**CAPITAL IMPROVEMENT PROGRAM  
2012-2019 Project Summary**

PROJECT NUMBER AND NAME	FUNDING	TOTAL	TOTAL CITY	Budget		Projected				Forecast					
				Outside	CITY	FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19	
						Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY
<b>Roads</b>															
1	Neighborhood Road Rehabilitation, Repaving and Reconstruction Program	Local Street Fund	\$17,333,000	\$17,333,000		\$2,699,000		\$2,754,000		\$2,970,000		\$2,970,000		\$2,970,000	\$2,970,000
2	Heslip Drive Rehabilitation (PASER 4)	Major Street Fund	\$336,700	\$336,700		\$336,700									
3	Town Center Drive from Grand River to 11 Mile Road (PASER 2; Asphalt)	Major Street Fund	\$570,000	\$570,000		\$570,000									
4	Town Center Drive Rehabilitation, Crescent Blvd to 11 Mile Road (PASER 6)	Major Street Fund	\$430,930	\$430,930		\$430,930									
5	11 Mile Road Town Center to Meadowbrook Road Rehabilitation (PASER 2; Asphalt)	Major Street Fund/Municipal Street Fund	\$1,350,000	\$1,350,000		\$50,000		\$220,000		\$1,080,000					
6	West Road Repaving, West Park Drive to City limits	Major Road Funds	\$167,050	\$167,050				\$167,050							
7	Crescent Blvd., Novi Road to Town Center Drive Rehabilitation (PASER 2-4)	Major Street Fund	\$890,200	\$890,200				\$890,200							
8	Meadowbrook Road Rehabilitation, I-96 to 12 Mile, (PASER 5)	Major Street Fund	\$407,375	\$407,375						\$407,375					
9	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						\$230,625	\$325,089	\$597,411			
10	Karim Blvd., Rehabilitation (PASER 2-Asphalt)	Major Street Fund	\$662,500	\$662,500						\$662,500					
11	Taft Road, 10 mile Road to Grand River Avenue (PASER 4, Asphalt)	Major Road Fund, Potential Grant Funding	\$730,200	\$393,311						\$121,700	\$336,889	\$271,611			
12	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			
13	Novi Road from 12 Mile Road to 13 Mile Road Rehabilitation (PASER 4, Asphalt)	Major Street Fund/Potential Federal Grant opportunity	\$950,625	\$438,179							\$512,446	\$438,179			
14	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			
15	9 Mile Road Meadowbrook to Novi Road Rehabilitation	Major Street Fund/Potential Grant	\$440,342	\$220,171							\$220,171	\$220,171			
16	Trans-X Drive Rehabilitation (PASER 5/4; Concrete)	Major Street Fund	\$377,800	\$377,800									\$377,800		
17	Southwest Quadrant Ring Road Flint Street, Novi Road and Grand River - New	Municipal Street Fund	\$1,750,000	\$1,750,000									\$1,750,000		
18	11 Mile Road Rehabilitate and Repaving, Taft Road to Beck Road (PASER 6; Asphalt)	Major Street Fund	\$782,700	\$782,700											\$782,700
19	Old Novi Road Rehabilitation (PASER 7; Asphalt)	Major Street Fund	\$665,800	\$665,800											\$665,800
20	Donelson to Sheraton and West Oaks - New Road Construction (as recommended in Master Plan)	Municipal Street Fund	\$901,000	\$901,000											\$901,000
<b>Roads TOTAL</b>			<b>\$31,171,297</b>	<b>\$29,776,702</b>		<b>\$4,086,630</b>		<b>\$4,031,250</b>		<b>\$5,472,200</b>	<b>\$1,394,595</b>	<b>\$5,769,322</b>		<b>\$5,097,800</b>	<b>\$5,319,500</b>
<b>Intersections &amp; Signals</b>															
21	Extend Right Turn Lane - Westbound Grand River Avenue at Beck Road	\$92,000 Federal Grant for construction, \$62,000 Municipal Street Fund, Grant Funds available Oct 1, 2013.	\$154,000	\$62,000	\$92,000	\$62,000									
22	New Traffic Signal Wixom Road and Glenwood Drive/Deerfield Elementary	Major Street Fund	\$198,180	\$198,180		\$198,180									

PROJECT NUMBER AND NAME	FUNDING	TOTAL	TOTAL CITY	Budget		Projected				Forecast						
				FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		
				Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	
23	Haggerty Road at Grand River, Add Southbound Right Turn Lane and Reconstruct Traffic Signal	Potential 80% grant funding for construction, Municipal Street Fund	\$293,240	\$105,240	\$188,000	\$105,240										
24	Meadowbrook Road at 8 Mile Road Signal Improvements	Municipal Street Fund	\$175,000	\$175,000		\$175,000										
25	Taft and 9 Mile Road - New Roundabout	Road Funds	\$480,384	\$143,384					\$82,394	\$337,000	\$60,990					
26	Napier Road and Ten Mile Road Intersection Improvements to include paving Napier Road.	Potential Grant Municipal Street Fund, Tri-Party	\$3,100,000	\$350,000					\$2,750,000	\$350,000						
27	13 Mile and Cabot-New Signal	Municipal Street Fund	\$220,000	\$220,000							\$220,000					
28	New Roundabout at 11 Mile Road and Wixom Road	Major Road Fund	\$875,750	\$875,750							\$875,750					
29	Add Dual Left Turn Lane - East Bound Grand River at Beck Road	Party, Municipal Street Fund	\$375,000	\$375,000									\$375,000			
30	Lewis and Haggerty Road - New Signal	Municipal Street Fund	\$225,000	\$225,000												\$225,000
<b>Intersection &amp; Signals TOTAL</b>			<b>\$6,096,554</b>	<b>\$2,729,554</b>	<b>\$280,000</b>	<b>\$540,420</b>			<b>\$2,750,000</b>	<b>\$432,394</b>	<b>\$337,000</b>	<b>\$1,156,740</b>		<b>\$375,000</b>		<b>\$225,000</b>
<b>Sidewalks &amp; Pathways</b>																
31	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
32	Segment 16--13 Mile Road, South Side, Between Novi Road and Holmes	Municipal Street Fund	\$53,000	\$53,000		\$53,000										
33	Haggerty Road and Nine Mile Road Pedestrian Improvements	Municipal Street Fund	\$85,760	\$85,760		\$85,760										
34	Segment NC1-East Lake Drive to Novi Road (8' foot - Concrete)	Municipal Street Fund	\$68,695	\$68,695		\$68,695										
35	Segment 73--Meadowbrook (6' foot Pathway) East Side Grand River to 11 Mile Road	Municipal Street Fund	\$95,200	\$95,200		\$95,200										
36	M-5/I-275 Metro Connector-Phase I-(10' foot Pathway) on East Side of Meadowbrook Road from I-96 to 12 Mile Road	Potential Grant Funding/ Municipal Street Fund	\$1,100,428	\$359,228	\$741,200	\$359,228										
37	Beck Road at Cheltenham Mid-Block Non-Motorized Crossing	Municipal Street Fund	\$72,500	\$72,500		\$72,500										
38	Segment 29--12 Mile Road, South Side, Between Meadowbrook Road and Novi Road	Municipal Street Fund	\$69,200	\$69,200				\$69,200								
39	Segment 89--Novi Road, East Side 10 Mile Road - Arena (8' foot Pathway) Concrete	Municipal Street Fund	\$125,950	\$125,950				\$125,950								
40	Segment 76--Grand River, North Side, East of Seeley, (8' foot Pathway Short Segment) Concrete	Municipal Street Fund	\$35,000	\$35,000				\$35,000								
41	Segment 5--14 Mile Road, South Side, Beach walk to East Lake Drive	Municipal Street Fund	\$120,800	\$120,800				\$120,800								
42	Segment 39--Beck Road, West Side, from 11 Mile Road to Providence	Municipal Street Fund	\$184,441	\$184,441				\$184,441								
43	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	\$998,510	\$998,510						\$182,000		\$816,510				
44	Segment 10--Beck Road, East Side, South of Pontiac Trail, (5' foot Sidewalk Short Segment) Concrete	Municipal Street Fund	\$45,800	\$45,800						\$45,800						
45	Pontiac Trail at Geisler Middle School - Non-Motorized Crossing	Municipal Street Fund	\$85,200	\$85,200						\$85,200						
46	Segment NC4--Neighborhood Connection Between Main Street and Meadowbrook Glens	Municipal Street Fund	\$93,300	\$93,300						\$93,300						

PROJECT NUMBER AND NAME	FUNDING	TOTAL	TOTAL CITY	Budget		Projected				Forecast						
				FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		
				Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	
47	Segment 109--Eight Mile Road (north side, 8' pathway) between Garfield and Beck	Municipal Street Fund/Potential Grant	\$373,870	\$373,870								\$373,870				
48	Segment 105-Eight Mile Road (north side, 8' pathway) between Garfield and Napier	Municipal Street Fund/Potential Federal Grant	\$683,300	\$683,300								\$683,300				
49	Non-Motorized Crossing over I-96 at Meadowbrook Rd.	Municipal Street/Potential Grant	\$2,340,000	\$780,000							\$1,560,000	\$780,000				
50	Segment 127A--Novi Way, East Side (6' foot Sidewalk) Concrete	Municipal Street Fund	\$31,120	\$31,120								\$31,120				
51	Segment 62--10 Mile Road, Eaton Center to Churchill (6' Sidewalk and Boardwalk) for North Side	Municipal Street Fund	\$163,550	\$163,550								\$163,550				
52	Segment 93--9 Mile Road, Novi Road to Taft, North Side (6' foot Sidewalk) Concrete	Municipal Street Fund	\$298,718	\$298,718								\$298,718				
53	Segment 154--Ten 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				
54	Taft Road at Jacob Drive - Non-Motorized Crossing	Municipal Street Fund	\$25,000	\$25,000										\$25,000		
55	Segment 133--Wixom Road Crossing, North of 11 Mile Road (8' foot Pathway Short Segment) Concrete	Municipal Street Fund	\$27,578	\$27,578										\$27,578		
56	Segment 9--Pontiac Trail, South Side (6' foot Sidewalk) Beck Road to West Park Drive	Municipal Street Fund	\$471,135	\$471,135										\$471,135		
57	Non-motorized Crossing of I-96 at Novi Road	Municipal Street Fund	\$770,750	\$770,750										\$770,750		
58	Segment 99--10 Mile Road, South Side, from Wixom Road to Beck Road (8' foot Pathway)	Municipal Street Fund	\$398,000	\$398,000										\$398,000		
59	Segment 84--Meadowbrook Road, 9 Mile Road to 10 Mile Road (6' Sidewalk) for East Side	Municipal Street Fund	\$615,351	\$615,351										\$615,351		
60	Segment 88--9 Mile Road, North Side, Novi Road - Railroad (6' Sidewalk) Concrete	Municipal Street Fund	\$163,000	\$163,000										\$163,000		
61	Installation of Crosswalks on 12 Mile Road, at Donelson Drive and Cabaret Drive	Municipal Street Fund	\$476,000	\$476,000										\$476,000		
62	Segment 6--West Park Drive (8 foot pathway, west side)	Municipal Street Fund	\$393,450	\$393,450										\$393,450		
63	Non-Motorized Crossing of I-96 at Taft Road	Municipal Street Fund	\$2,063,000	\$2,063,000										\$2,063,000		
64	Segment 53--Beck Road, West Side, (8' foot Pathway) 11 Mile Road to Kirkway Place	Municipal Street Fund	\$81,000	\$81,000												\$81,000
65	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
66	Segment 81--10 Mile Road, South Side, (8' foot Pathway) Meadowbrook Road to Haggerty Road	Municipal Street Fund	\$375,000	\$375,000												\$375,000
67	Segment 90-10 Mile Road, (8' foot Pathway) South Side, Novi Road to Chipmunk Trail - Concrete	Municipal Street Fund	\$320,705	\$320,705												\$320,705
<b>Sidewalks and Pathways TOTAL</b>			<b>\$14,270,081</b>	<b>\$11,968,881</b>	<b>\$741,200</b>	<b>\$784,383</b>	<b>\$585,391</b>	<b>\$456,300</b>	<b>\$1,560,000</b>	<b>\$3,485,838</b>	<b>\$5,453,264</b>	<b>\$1,203,705</b>				
<b>Storm Sewer &amp; Drainage</b>																
68	Middle Rouge at Flint Street, Streambank Stabilization	Drain Fund	\$111,900	\$111,900			\$111,900									
69	Bishop District New Sedimentation Dredging Near 11 Mile Road	Drain Fund	\$200,800	\$200,800			\$200,800									
70	Middle Rouge Near Balcombe Drive, Streambank Stabilization	Drain Fund	\$278,700	\$278,700					\$278,700							
71	Rotary Park Streambank Stabilization	Drain Fund	\$160,900	\$160,900							\$160,900					
<b>Storm Sewer &amp; Drainage TOTAL</b>			<b>\$752,300</b>	<b>\$752,300</b>			<b>\$312,700</b>	<b>\$278,700</b>	<b>\$160,900</b>							
<b>Sanitary Sewer</b>																
72	Generator for Knightsbridge Gate Sanitary Pump Station	Water & Sewer Fund	\$125,000	\$125,000		\$125,000										

PROJECT NUMBER AND NAME	FUNDING	TOTAL	TOTAL CITY	Budget		Projected				Forecast					
				FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19	
				Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY
73	Generator for Regency Lift Station	\$125,000	\$125,000		\$125,000										
74	Sanitary Sewer Upgrade to Increase Pipe Capacity - 9 Mile Road East of Meadowbrook Road.	\$200,000	\$200,000				\$200,000								
75	Sanitary Sewer Upgrade to Increase Pipe Capacity - 9 Mile Road, West of Novi Road	\$350,000	\$350,000						\$350,000						
<b>Sanitary Sewer</b>		<b>\$800,000</b>	<b>\$800,000</b>		<b>\$250,000</b>		<b>\$200,000</b>		<b>\$350,000</b>						

**Water Distribution**

76	Water Storage Facility and Appurtenances to be located east of Wild Life Woods Park and west of Providence Park Hospital	\$5,550,000	\$5,550,000		\$5,550,000										
77	9 Mile Road and Connemara Pressure Reducing Valve (PRV) Replacement	\$351,000	\$351,000		\$351,000										
78	13 Mile Road New Pressure Reducing Valve (PRV) to Realign Pressure District	\$351,000	\$351,000				\$351,000								
79	West Park Booster Station Upgrade	\$65,000	\$65,000				\$65,000								
80	12" inch Water Main Along 8 Mile Road, Club Lane to Turnberry	\$203,000	\$203,000				\$203,000								
81	12" inch Water Main Along 14 Mile Road, Haverhill to Maples-New	\$140,000	\$140,000				\$140,000								
82	16" inch Water Main Along Meadowbrook Road Under I-96	\$489,000	\$489,000				\$489,000								
83	16" inch Water Main Along 9 Mile Road, Center to Novi Road	\$499,000	\$499,000				\$499,000								
84	Grand River Isolation Pressure Reducing Valve (PRV) West of Lanny's Road	\$351,000	\$351,000						\$351,000						
85	Cabot Road Meter Installation and 24" inch Connection with Detroit Water and Sewerage Department (DWSD)	\$832,000	\$832,000						\$832,000						
86	Cabot 24" inch Water Main, MacKenzie to 14 Mile Road	\$710,000	\$710,000						\$710,000						
87	Construct New 12" inch Water Main Along 12 Mile Road from East of Napier to Wixom Road	\$991,000	\$991,000						\$991,000						
88	12" inch Water Main Along 9 Mile Road and Napier	\$374,000	\$374,000								\$374,000				
89	12" inch Water Main Cross-Country from Island Lake to Provincial Glades	\$819,000	\$819,000								\$819,000				
90	Cabot Drive Extension - New - MacKenzie to 14 Mile Road - Private Funds	\$1,900,000	\$1,900,000								\$1,900,000				
91	12" Water Main Along Napier Park Place to 8 Mile Road	\$889,000	\$889,000								\$889,000				
92	12" inch Water Main Along 10 Mile from Wixom to Terra Del Mar	\$421,000	\$421,000								\$421,000				
93	12" inch Water Main Along 11 Mile Road, Lee BeGole Drive to the West	\$413,000	\$413,000								\$413,000				
94	12" inch Water Main Along 8 Mile Road, Tuscany to Napier	\$733,000	\$733,000										\$733,000		
95	12" inch Water Main on 11 Mile Road, Seeley to Meadowbrook Road	\$819,000	\$819,000										\$819,000		
96	12" inch Water Main Along Haggerty Road North of 12 Mile Road	\$128,000	\$128,000										\$128,000		
97	24" inch Water Main on 10 Mile Road, Beck Road to Lynwood	\$355,000	\$355,000										\$355,000		
98	24" inch Water Main Replacement at Grand River and Beck Road	\$310,000	\$310,000										\$310,000		
99	11 Mile Road Water Main Gaps, Taft to Beck Road	\$474,500	\$474,500										\$474,500		
<b>Water Distribution TOTAL</b>		<b>\$18,167,500</b>	<b>\$18,167,500</b>		<b>\$5,901,000</b>		<b>\$1,747,000</b>		<b>\$2,884,000</b>		<b>\$4,816,000</b>		<b>\$2,819,500</b>		

PROJECT NUMBER AND NAME	FUNDING	TOTAL	TOTAL CITY	Budget		Projected				Forecast					
				FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19	
				Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY
<b>Parks</b>															
100	Novi Dog Park located behind the Novi Ice Arena	Parks, Recreation and Cultural Services	\$250,000	\$250,000		\$250,000									
101	ITC Community Sports Park Trailhead and Trail	Private Funding	\$295,000		\$295,000										
102	Greenway Development Phase IA (ITC Community Sports Park to Nine Mile Rd.)	Parks, Recreation & Cultural Services/Potential Grant	\$602,875	\$302,875		\$38,500		\$300,000	\$264,375						
103	Theatre and Four Quarters Sound System Upgrade	Parks, Recreation & Cultural Services	\$26,315	\$26,315		\$26,315									
104	Pavillon Shore Park Phase III (Pavilion and Waterfront Picnic Plaza)	Parks, Recreation & Cultural Services/Potential Grant	\$270,900	\$81,300			\$189,600	\$81,300							
105	Wildlife Woods Trail	Parks, Recreation & Cultural Services/Potential Grant	\$172,000	\$76,370			\$95,630	\$76,370							
106	ITC Community Sports Park Play Structure Replacement	Parks, Recreation & Cultural Services	\$75,000	\$75,000				\$75,000							
107	ITC Community Sports Park Pathway Resurfacing	Parks, Recreation & Cultural Services	\$95,445	\$95,445				\$95,445							
108	Ella Mae Power Park Pathway Resurfacing	Parks, Recreation & Cultural Services	\$48,630	\$48,630				\$48,630							
109	Field/Parking Development with Novi Community School District for School's 11 Mile/Beck Road Property	Parks, Recreation & Cultural Services	\$357,000	\$357,000					\$357,000						
110	Pavillon Shore Park Phase V (Water feature, Playstructure and restroom facility)	Parks, Recreation & Cultural Services/Potential Grant	\$625,400	\$625,400							\$625,400				
111	Ella Mae Power Park Irrigation and Fencing Fields 5 & 6 Replacement	Parks, Recreation & Cultural Services	\$180,800	\$180,800							\$180,800				
112	Tim Pope Play Structure Replacement	Parks, Recreation & Cultural Services	\$300,000	\$300,000							\$300,000				
113	Ella Mae Power Park Lighting - Ball fields 5 & 6 - New	Parks, Recreation & Cultural Services	\$255,000	\$255,000							\$255,000				
114	Property acquisition around David Barr Property	Parks, Recreation and Cultural Services	\$150,000	\$150,000							\$150,000				
115	Ella Mae Power Park Play Structure Replacement	Federal/State Grant/Potential Grant	\$75,000	\$75,000							\$75,000				
116	Greenway Development Phase IB (9 Mile Rd. to Fire Station 4 Parking Lot)	Parks, Recreation & Cultural Services/Potential Grant	\$1,128,000	\$1,128,000									\$1,128,000		
117	ITC Sports Park Asphalt Paved Parking Lots	Parks, Recreation & Cultural Services	\$374,945	\$374,945									\$374,945		
118	Lakeshore Park Asphalt Paved Parking Lot and Drive - Replacement	Parks, Recreation & Cultural Services Fund/Potential Grant	\$254,350	\$254,350									\$254,350		
119	Greenway Development Phase II (Wixom Road to 11 Mile)	Parks, Recreation & Cultural Services	\$158,750	\$158,750											\$158,750
<b>Parks TOTAL</b>			<b>\$5,695,410</b>	<b>\$4,815,180</b>	<b>\$295,000</b>	<b>\$314,815</b>	<b>\$285,230</b>	<b>\$376,745</b>	<b>\$300,000</b>	<b>\$621,375</b>		<b>\$1,586,200</b>		<b>\$1,757,295</b>	<b>\$158,750</b>
<b>Equipment</b>															
120	Squad #4 (Replaces #321, 2000 McCoy-Miller Ambulance)	General Fund	\$46,500	\$46,500		\$46,500									
121	Six Force America Commandall 5100 Regulating Controllers for Winter Maintenance	General Fund/Major Street Fund/Local Street Fund	\$85,000	\$85,000		\$85,000									
122	Compressed Air Foam System - Engine #2 & #3 (Vehicles #322, 313) - New	General Fund	\$93,200	\$93,200			\$93,200								
123	One - 1-Ton Dump Truck w/Plow - New	General Fund	\$100,000	\$100,000			\$100,000								
124	Bobcat All-Wheel Loader - New	General Fund	\$50,000	\$50,000					\$50,000						

PROJECT NUMBER AND NAME	FUNDING	TOTAL	TOTAL CITY	Budget		Projected				Forecast						
				FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		
				Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	
125	Zamboni Ice Resurfacers - Replacement	Ice Arena Fund	\$92,500	\$92,500						\$92,500						
126	Salt Dome Loading Conveyor	General Fund	\$170,000	\$170,000						\$170,000						
127	Mini Excavator Replacement (Replaces #622, 2000 Bobcat)	General Fund	\$85,000	\$85,000						\$85,000						
128	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					
129	Four- Combination V-Box Salt Spreader Inserts	General Fund	\$240,000	\$240,000							\$240,000					
130	Ditching Machine (Replaces #675, 1991 Gradall)	General Fund	\$300,000	\$300,000							\$300,000					
131	State of the Art Video Wall	General Fund	\$80,000	\$80,000							\$80,000					
132	One - Single-Axle Large Dump Truck w/Front Plow and Underbody Scraper - New	General Fund	\$165,000	\$165,000							\$165,000					
133	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					
134	One - 1-Ton Dump Truck w/Plow - New	General Fund	\$100,000	\$100,000							\$100,000					
135	Two Single-Axle 5 Cubic Yard Dump Trucks w/Front Plows & Underbody Scrapers - Replacement (replaces #686 & #687, 1994 Fords)	General Fund	\$330,000	\$330,000							\$330,000					
136	Two - Tandem-Axle 7 Cubic Yard Dump Trucks w/Front Plows and Underbody Scrapers (Replaces #699, 2000, #620, 2001 Sterling)	General Fund	\$356,000	\$356,000							\$356,000					
137	Public Address and Stereo System - Replacement	Ice Arena	\$26,100	\$26,100									\$26,100			
138	One Single-Axle 5 Cubic Yard Dump Truck w/Front Plow and Underbody Scraper (Replaces #698, 1998 Ford)	General Fund	\$170,000	\$170,000									\$170,000			
139	Tanker #1 (Replaces #311, 1997 Chevrolet)	General Fund	\$320,770	\$320,770									\$320,770			
140	One - 1-Ton Dump Truck w/Plow (Replaces #633, 1998 GMC)	General Fund	\$100,000	\$100,000									\$100,000			
141	Truck-Mounted Combination (Jet and Vacuum) Sewer Cleaner Replacement (Replaces #614, 2007 Sterling Vactor)	General Fund	\$400,000	\$400,000									\$400,000			
142	Rescue #2 & #3 (Replaces #335, 344, 2011 Ford Expeditions)	General Fund	\$118,650	\$118,650												\$118,650
143	Front-End Loader Replacement (Replaces #689, 1995 Case)	General Fund	\$252,000	\$252,000												\$252,000
144	Grader (Replaces #612, 2005 CAT)	General Fund	\$300,000	\$300,000												\$300,000
145	One Tandem-Axle 7 Cubic Yard Dump Truck w/Front Plow & Underbody Scraper (Replaces #603, 2003 Sterling)	General Fund	\$250,000	\$250,000												\$250,000
<b>Equipment TOTAL</b>			<b>\$4,560,720</b>	<b>\$4,560,720</b>		<b>\$131,500</b>		<b>\$193,200</b>		<b>\$397,500</b>		<b>\$1,901,000</b>		<b>\$1,016,870</b>		<b>\$920,650</b>
<b>Buildings &amp; Property</b>																
146	Lower Level Lobby, Hallway, and Locker Room Flooring Replacement	Ice Arena Fund	\$50,300	\$50,300		\$50,300										
147	Police Parking Lot Improvements - Replacement	General Fund	\$58,810	\$58,810		\$58,810										
148	Civic Center HVAC Air Handling Units #3 and #4 Replacement	General Fund	\$250,000	\$250,000		\$250,000										
149	Meadowbrook Commons Roof Replacements	Senior Housing Fund	\$289,174	\$289,174		\$41,484	\$42,738	\$44,020		\$45,341		\$46,701		\$68,890		
150	Figure Skating Locker Room Remodel and Build Out	Ice Arena	\$40,000	\$40,000		\$40,000										
151	Meadowbrook Commons Asphalt Repairs	Senior Housing Fund	\$31,160	\$31,160		\$31,160										
152	Arcade Demo and Upper Lobby Build Out	Ice Arena	\$50,000	\$50,000			\$50,000									
153	Training Center and 2nd Floor Carpet Replacement	General Fund	\$53,400	\$53,400			\$53,400									
154	Civic Center HVAC Air Handling Units #1 and #2 Replacement	General Fund	\$250,000	\$250,000			\$250,000									
155	DPS Mezzanine Build-Out	General Obligation Bond	\$456,500	\$456,500					\$456,500							
156	DPS Field Services Complex Improvements - Electrical	General Obligation Bond	\$430,628	\$430,628					\$430,628							

PROJECT NUMBER AND NAME	FUNDING	TOTAL	TOTAL CITY	Budget		Projected				Forecast						
				FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		
				Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	Outside	CITY	
157	DPS Field Services Complex - Building Expansion Project	Project costs are based on scope verification study by URS.	\$16,786,200	\$16,786,200						\$951,100		\$15,835,100				
158	Fire Training Building - New	General Fund	\$159,920	\$159,920								\$159,920				
159	Evaporative Cooling Tower Replacement	Ice Arena Fund	\$65,000	\$65,000								\$65,000				
160	Field Services Complex Parking Lot Reconstruction Project	General Fund	\$700,000	\$700,000								\$700,000				
161	Munters Dehumidification Unit Replacement	Ice Arena Fund	\$184,500	\$184,500								\$184,500				
162	Fire Station (#2,#3, and #4) Parking Lot Improvements - Replacement	General Fund	\$236,000	\$236,000								\$236,000				
163	Construction of a new Fire Station 1	General Fund and Police and Fire Fund	\$2,850,000	\$2,850,000						\$225,000		\$2,625,000				
<b>Buildings and Property TOTAL</b>			<b>\$22,941,592</b>	<b>\$22,941,592</b>		\$471,754		\$396,138		\$2,107,248		\$19,850,861		\$46,701		\$68,890

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# General Fund

## 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Taxes	\$ 14,505,627	\$ 14,976,900	\$ 14,853,900
Licenses, Permits & Charges for Services	3,749,548	3,726,746	3,391,760
Federal Grants	41,565	44,572	25,000
State Sources	4,023,394	4,049,128	4,213,918
Other Revenue	623,000	693,415	742,470
Fines and Forfeitures	524,966	477,450	486,000
Interest Income	459,164	230,000	204,000
Transfers In	2,380,000	5,300,000	5,300,000
Appropriation - Fund Balance	-	-	661,639
	<u>\$ 26,307,264</u>	<u>\$ 29,498,211</u>	<u>\$ 29,878,687</u>

### FUND BALANCE

Balance July 1, 2012	9,564,600
Estimated 2012-2013	
Revenue	\$ 29,498,211
Expenditures	(32,172,380)
Projected Balance June 30, 2013	6,890,431
2013-2014 Budget	
Revenue	29,217,048
Expenditures	(29,878,687)
Appropriation to 2013-2014	(661,639)
Estimated Balance June 30, 2014	\$ 6,228,792





# 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 \$790,000; and Public Safety (regional dispatching, ordinances, facility rentals, etc.) of 582,000. This revenue also includes \$1,936,800 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 \$83,000.

## **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, and approximately \$25,000 is included in the 2012-13 revenue estimate. Both fiscal years ending June 30, 2013, estimated, and June 30, 2014; budgeted, are based on the State's estimates in January and February 2013.

## **Fines and Forfeitures**

This activity includes court fees and fines and motor carrier fees, and is estimated to bring in approximately \$486,000.

## **Interest on Investments**

This revenue is from investing temporarily idle funds and is estimated at \$204,000.

## **Other**

This line item estimated at \$742,470 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>CITY COUNCIL</b>			
Personnel Services	\$ 4,419	\$ 4,620	\$ 4,746
Other Services and Charges	11,593	6,700	8,500
	<u>\$ 16,012</u>	<u>\$ 11,320</u>	<u>\$ 13,246</u>
<b>CITY MANAGER</b>			
Personnel Services	\$ 381,314	\$ 411,050	\$ 422,170
Supplies	542	260	425
Other Services and Charges	17,738	11,433	44,925
Capital Outlay	-	24,000	-
	<u>\$ 399,594</u>	<u>\$ 446,743</u>	<u>\$ 467,520</u>
<b>FINANCE DEPARTMENT</b>			
Personnel Services	\$ 715,733	\$ 642,491	\$ 672,252
Other Services and Charges	61,027	106,895	103,414
Capital Outlay	4,235	-	-
	<u>\$ 780,995</u>	<u>\$ 749,386</u>	<u>\$ 775,666</u>
<b>INFORMATION TECHNOLOGY</b>			
Personnel Services	\$ 469,450	\$ 546,380	\$ 592,641
Supplies	35,694	25,100	28,670
Other Services and Charges	123,023	98,698	115,502
Capital Outlay	-	40,670	169,552
	<u>\$ 628,167</u>	<u>\$ 710,848</u>	<u>\$ 906,365</u>



# General Fund

## GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>ASSESSING</b>			
Personnel Services	\$ 431,667	\$ 446,083	\$ 466,549
Supplies	11,390	11,100	11,700
Other Services and Charges	333,497	465,400	329,562
	<u>\$ 776,554</u>	<u>\$ 922,583</u>	<u>\$ 807,811</u>
<b>CITY ATTORNEY</b>			
Other Services and Charges	<u>\$ 431,011</u>	<u>\$ 373,500</u>	<u>\$ 382,000</u>
<b>CITY CLERK</b>			
Personnel Services	\$ 450,796	\$ 489,317	\$ 470,687
Supplies	24,087	21,000	16,000
Other Services and Charges	21,122	22,135	66,190
	<u>\$ 496,005</u>	<u>\$ 532,452</u>	<u>\$ 552,877</u>
<b>TREASURY</b>			
Personnel Services	\$ 230,314	\$ 255,780	\$ 238,199
Supplies	12,475	22,650	25,500
Other Services and Charges	42,105	45,425	54,027
	<u>\$ 284,894</u>	<u>\$ 323,855</u>	<u>\$ 317,726</u>
<b>FACILITY OPERATIONS</b>			
Personnel Services	\$ 265,042	\$ 231,731	\$ 286,896
Supplies	23,484	21,800	22,800
Other Services and Charges	399,698	423,920	430,150
Capital Outlay	66,434	573,380	268,732
	<u>\$ 754,658</u>	<u>\$ 1,250,831</u>	<u>\$ 1,008,578</u>
<b>HUMAN RESOURCES</b>			
Personnel Services	\$ 339,091	\$ 353,823	\$ 374,519
Other Services and Charges	54,918	61,805	67,000
	<u>\$ 394,009</u>	<u>\$ 415,628</u>	<u>\$ 441,519</u>

# General Fund

## GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>NEIGHBORHOOD &amp; BUSINESS RELATIONS GROUP</b>			
Personnel Services	\$ 358,321	\$ 349,050	\$ 439,247
Supplies	10,222	9,700	10,700
Other Services and Charges	341,351	385,861	500,619
Capital Outlay	77,259	246,353	-
	<u>\$ 787,153</u>	<u>\$ 990,964</u>	<u>\$ 950,566</u>
<b>GENERAL ADMINISTRATION</b>			
Personnel Services	\$ 1,238,327	\$ 1,393,878	\$ 1,353,000
Supplies	29,155	50,500	57,500
Other Services and Charges	406,096	452,858	451,500
Capital Outlay	62,218	387,300	10,000
	<u>\$ 1,735,796</u>	<u>\$ 2,284,536</u>	<u>\$ 1,872,000</u>
<b>PUBLIC SAFETY</b>			
Personnel Services	\$ 14,211,196	\$ 14,404,804	\$ 14,565,988
Supplies	259,537	374,995	431,770
Other Services and Charges	1,289,244	1,577,770	1,543,481
Debt Service	-	-	-
	<u>\$ 15,766,463</u>	<u>\$ 17,276,125</u>	<u>\$ 16,701,344</u>
<b>COMMUNITY DEVELOPMENT</b>			
Personnel Services	\$ 1,685,188	\$ 1,695,357	\$ 1,807,194
Supplies	41,345	37,350	48,100
Other Services and Charges	163,196	205,745	212,583
Capital Outlay	14,000	65,574	51,000
	<u>\$ 1,903,729</u>	<u>\$ 2,004,026</u>	<u>\$ 2,118,877</u>



# General Fund

## GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
DEPARTMENT OF PUBLIC SERVICES			
Personnel Services	\$ 2,820,203	\$ 3,023,691	\$ 3,301,513
Supplies	114,558	96,139	114,900
Other Services and Charges	743,403	1,025,810	926,699
Capital Outlay	700,359	863,463	189,000
	<u>4,378,523</u>	<u>5,009,103</u>	<u>4,532,112</u>
Allocated to Other Funds	(1,958,708)	(2,140,120)	(2,219,520)
	<u>\$ 2,419,815</u>	<u>\$ 2,868,983</u>	<u>\$ 2,312,592</u>
PLANNING COMMISSION			
Supplies	\$ 224	\$ 400	\$ -
Other Services and Charges	475	7,390	-
	<u>\$ 699</u>	<u>\$ 7,790</u>	<u>\$ -</u>
TRANSFERS OUT			
	<u>\$ 584,185</u>	<u>\$ 1,002,810</u>	<u>\$ 250,000</u>
	<u>\$ 28,159,739</u>	<u>\$ 32,172,380</u>	<u>\$ 29,878,687</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.

### 2012 - 2013 Significant Accomplishments

- Approved City property tax millage rate of 10.2 which lowered overall City taxes by \$1 million.
- Approved Resolution recognizing the Multi-Year Budget including projections of future fiscal years ending 13/14 and 14/15.
- Approved a License Agreement with International Transmission Company (ITC) to allow the City to construct a pathway on ITC property as part of a regional pathway that will link ITC Community Sports Park and Maybury State Park to the south with Providence Park Hospital and the City of Wixom to the north.
- Approved a Resolution Authorizing the 2012 Great Lakes State Fair to occur in Novi.
- Approved the contract to purchase the David and Beth Barr property to be used as a City of Novi Park and potential Sculpture Garden & Cultural Education Center.
- Approved plans and construction award for Pavilion Shore Park Phases 1 and 2.
- Conducted a City Council Early Budget Input Session.





# 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.

### 2012 - 2013 Significant Accomplishments

- Recruited and hired a Finance Director.
- Conducted a 2012 National Citizen Survey.
- Successfully implemented an informational program to educate residents on the road millage ballot question.
- Supported promotions within the Department of Public Safety.
- Welcomed international local government executives who visited Novi for study opportunities.



## 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.

### 2012-2013 Significant Accomplishments

- Earned the annual Government Finance Officers Association Distinguished Budget Award for the 16<sup>th</sup> consecutive year.
- Earned the annual Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 12<sup>th</sup> consecutive year, and fourteen 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, 2012.
- Working in concert with the HCD Committee, completed the Program Year 2013 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 \$1.3 million** in CDBG grant funds for the City of Novi, helping those Novi residents meeting the grant qualifications with their home repair project needs.
- Leveraged an additional \$202,500 in Grants from the EPA through Oakland County on Congressional Mandated Projects.





# General Fund

- Implemented and continued to adhere to the requirements of the Governmental Accounting Standards Board (GASB) issued Statement 54, *Fund Balance Reporting and Governmental Fund -type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the exiting governmental fund type definitions.
- Successfully refunded a portion of 2000 Special Assessment Limited Tax Bonds for a total interest savings of \$150,000.
- 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).

## 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.

## 2011-2012 Significant Accomplishments

- Completed Invitation for Bids and RFPs (Request for Proposals) for construction of Pavilion Shore Park, a new triple combination fire truck, a service utility truck for the Water & Sewer Division, and new playground structures at Rotary Park and Lakeshore Park .
- Maintained & communicated 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 Wayne County School Purchasing Council 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](http://www.mitn.info)) and [Publicsurplus.com](http://Publicsurplus.com). In the first 6 months of fiscal year 2012-2013, 25 surplus items were sold on the auction generating net revenue of \$25,351. Since September 2007, 463 items have been sold on the auction generating net revenue of over \$474,000.

## 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

## 2012-2013 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.
- Coordinated the installation of a communication network at the Police Department in support of the US Secret Service personnel co-located with City of Novi Public Safety professionals.
- Replaced in-vehicle laptops and the installation of GPS AVL systems in 12 fire apparatuses
- Launched 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.
- Upgraded the backoffice server infrastructure 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.

For the most part, the residential sector has recovered from the economic downturn that first became evident during 2007. For 2013, the residential sector will see a significant increase over 2012. Residential assessments will increase an average of 4.08% over the 2012 values. However, the 2013 Inflation Rate Multiplier of 2.4% will limit the growth of taxable values. Commercial and industrial properties will continue to decrease for 2013 but are expected to show signs of recovery in 2014. 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 2013 state equalized value of the city is still approximately 21% below the peak of 2007. The 2013 taxable is about 16% less than that of 2007. As the city recovers from the recession, due to legislated limitations, the gap between assessed and taxable values will begin to widen again.

For 2013, the City of Novi will see the first overall annual increase in SEV since 2007. The increase in taxable value will be the first annual increase since 2008. It is expected that, following the 2013 March Board of Review, assessed and taxable values will be comparable to those of 2011.

STATE EQUALIZED VALUE TOTALS						
Tax Year	Personal Property Tax*	Commercial/Industrial	% of Total**	Residential	% of Total	Overall
2007	200,617,830	1,237,431,300	36%	2,508,192,650	64%	3,946,241,780
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
TAXABLE VALUE TOTALS						
Tax Year	Personal Property Tax*	Commercial/Industrial	% of Total**	Residential	% of Total	Overall
2007	200,617,830	1,089,963,910	36%	2,259,825,000	64%	3,550,406,740
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

\*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 2012 (2013 additions) continued to rebound to a level not seen since 2007. Commercial and industrial activity during 2012 will add almost 62 million dollars in additions to the 2013 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.

<b>TAXABLE VALUE ADDITIONS FROM NEW CONSTRUCTION</b>		
<b>Tax Year</b>	<b>Commercial/Industrial</b>	<b>Residential</b>
2006	21,406,830	141,309,760
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	51,287,800

Much of 2012 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. Foreclosures, bank sales and a general lack of arm's length transactions have contributed to the increase in appeals over the last several years. During 2012, 255 cases were reconciled that covered 832 parcels in small claims and entireties. This compares to 214 cases covering 417 parcels during 2011. Many of those cases covered multiple years in their appeal, typically 2009 through 2012. Due to a backlog of cases around the state, the tribunal's chief judge has enacted a policy to expedite the appeal process. At the moment, all of Novi's small claims cases have been resolved and 109 cases remain in entireties. Following the 2013 March Board of Review the number of unresolved cases will increase as new cases are added. It is anticipated that, as the economy continues to recover, the number of new appeals will decrease.

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 90% complete on that project and hope to be finished by May of 2014. Reports indicate that assessing information is always is 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 a primary point of contact for the public and strives to provide the highest quality of service to the community by supporting the organizational values and goals of the City Council.

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 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.

### 2012-2013 Significant Accomplishments

- Conducted the August Primary, September Special and November General elections in accordance with State of Michigan election law.
- Trained and employed 450 election inspectors throughout the City's 21 precincts and Absentee Counting Boards.
- Completed transactions in the State-mandated Qualified Voter File system, including 7,195 voter applications, 5,301 new, 782 duplicates and 3,354 cancelled voters.
- Received, routed and provided response documents for 156 FOIA (Freedom of Information Act) requests.
- Accepted and processed 183 Passport applications and Passport Photos as a service to citizens.
- Processed and issued 275 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.

### 2012-2013 Significant Accomplishments

- Partnered with the Department of Public Services and Information Technology for the implementation of the Novi Enterprise Asset Management System (NEAMS) for utility customers' service requests and work orders to promote greater cost accountability and enhanced customer service.
- Partnered with Community Development and Information Technology for the implementation of BS&A Building.net Module Software for issuance of electrical, plumbing, heating/refrigeration, right-of-way and general permits.
- Completed the consolidation and reorganization of all departmental files including treasury, water/sewer and community development to accommodate the finance staff relocation.
- 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.
- Implemented a new investment software solution for improved tracking and reporting of City investments.
- Maintained \$151 million in investments including post-retirement health care funding (as reflected on the December 31, 2012 Quarterly Investment summary) by balancing interest rate risk, credit risk and concentration of risk.
- Enhanced customer service by offering E-billing.
- 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. The division is also responsible for maintaining mechanical state licensing requirements.

### 2012-2013 Significant Accomplishments

- Facility Operations staff managed the Civic Center roof replacement project.
- Replaced all faucets at the Civic Center with low-flow motion activated faucets. This solution has provided both ecological and financial paybacks.
- Renovated the Community Center public hallways with fresh paint and CFL light fixtures.
- Managed the relocation of the Older Adult Services (OAS) including the transportation services to the Civic Center. This required the renovation of two suites within the Civic Center. Upgrades included new office cubicles, paint, and carpet.
- Completed numerous space planning relocation projects involving the following departments:
  - Novi Youth Assistance
  - Human Resources
  - Parks, Recreation and Cultural Services
  - Financial Services
  - Police Records
  - Michigan State Police
  - United States Secret Service
- Managed Office renovations that included office furniture, painting, electrical, telecommunication/network access, and carpet upgrades involving the following departments:
  - Treasury
  - Police Lieutenants
  - Civic Center second floor (Finance, HR, Managers, NBR)
- Administered the replacement of the furnace and air conditioning at the CEMS satellite location from procurement to installation.
- Implemented preventative maintenance programs that includes electrical, HVAC, and plumbing.
- In following with our commitment to sustainability and energy efficiency, the City of Novi was honored with a bronze rating through the Michigan Green Communities Challenge.

## 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 as well as all Risk Management matters.

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.

### 2012-2013 Significant Accomplishments

- Resolved the Full-time Fire Fighters Collective Bargaining Agreement with the implementation of pay stipends which do not affect a negative effect on pension plan.
- Hired HR Intern to assist with various projects, including a New Employee Orientation Program, The Healthcare Affordability Act (30-hour requirement) and contract negotiations.
- Successfully recruited Finance Director/Treasurer, Assistant Finance Director and Sr. Financial Manager and well as 57 other positions since July 1, 2012.
- Began the negotiation process with Police Command, Police Officers, Police Clerks & Dispatchers, Michigan Association of Public Employees (General Employees), and Part-time Fire Fighters.





# 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.

### 2012-2013 Significant Accomplishments

- Partnered with Community Publishing & Marketing to produce the quarterly Novi Today publication at NO cost to the City.
- Enhanced the eWeb, adding interactive, engaging features.
- Celebrated five facebook pages with more than 4,300 fans.
- Supported the Novi Farmer's Market through a variety of communication avenues, including television, print, and electronic media.
- Achieved a sixth "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.
- Enhanced electronic monthly communications emailed to more than 9,000 residents and businesses.
- In partnership with the Novi Police and Fire Departments and Providence Park Hospital, coordinated the fourth annual Emergency Run on the Providence Park Hospital Campus.
- Coordinated the Employee Wellness and Engagement Series (EWE(s)) to enhance the work cul-



# General Fund

ture 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 the successful, informational communication strategy regarding the Road Millage.
- Coordinated annual Mayor's Exchange to Fishers, Indiana.
- Coordinated and host two international delegations—CLAIR and PWC.
- Launched the City of Novi's presence on Twitter and Pinterest.
- Coordinated the 2012 National Citizen Survey.
- Participated in more than a dozen ribbon cuttings, including Kistler Automotive, Tognum America, a refreshed Novi Town Center, and Wal Mart.
- Partnered with the City of Auburn Hills and Oakland County Economic Development & Community Affairs to host Economic Gardening with Dr. Ernesto Sirolli.
- Co-sponsored an event at the Suburban Collection Showplace entitled Asian Pacific American Chamber of Commerce East West Business Connections.
- Assisted in the opening of the Business Resource Center at the Novi Public Library.
- 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 Second 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.





# 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 Novi Police Department embraces the most innovative programs available; always striving to be on the cutting edge of new technology. The department's main 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. This division also has primary responsibility for the enforcement of state and local laws and ordinances, traffic enforcement, preliminary case investigations, arresting offenders and prisoner processing.

The Investigative 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 and the School Resource Officer partnership.

The Support Services Division consists of the Communications Section and the Records 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 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 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.

### Fire Department — Overview

The Novi Fire Department is responsible for providing the community with life and property protection from fire and other threatening situations. The Department provides timely response and effective management of fire control situations, rescue, medical and environmental emergencies. The Department enforces state laws and city ordinances that relate to fire protection, including inspections of commercial/industrial buildings and multiple dwellings 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.



# General Fund

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 as well as fire safety, cardiopulmonary resuscitation training and fire protection education programs to the public.

## 2012-13 Significant Accomplishments

- In support of the goal established by City Council to increase revenue, the Novi Police Department continues to pursue State, Federal and local law enforcement agencies to rent the Firearms Training Center. During 2012, the range was rented to Providence Hospital, the U.S. Postal Service, the Department of State Diplomatic Security Office, and Customs & Border Protection. Revenue in the amount of \$248,700 was generated in 2012.
- Throughout 2012, the Novi Police Department continued offering Pistol Safety Courses that fulfill state requirements for Concealed Pistol Licenses (CPL) to community members. The registration fee is \$200. Revenue in the amount of \$7,400 was generated from fees collected in 2012.
- The Fire Department and Public Safety Administration continue to place considerable emphasis on the recruitment and marketing efforts for paid-on-call firefighter positions.
- Police and Fire staff members continued their practice of holding weekly Computer Statistics or Comparative Statistics (COMPSTAT) meetings.
- In a new campaign designed to save lives and prevent injuries on local highways, the Novi Police Department teamed up with local community organizations and businesses to emphasize proper decision making through the "Choose Your Ride" program.
- In October 2012, City Council approved a Cooperative Mutual Aid Agreement between the Michigan Department of Natural Resources – Forest, Mineral and Fire Management and the City of Novi. The agreement provides cooperation on mutual objectives, lending effective support to each other as well as allowing Fire Departments purchasing authority through a Federal Fire Equipment catalogue.
- In December 2012, City Council approved an Automatic Mutual Aid Agreement with the City of Wixom for confirmed structure fires for sections on the west side of our community.
- In 2012, the CERT (Community Emergency Response Team) graduated two more classes with 242 community volunteers in total.
- Thirty-five students graduated from the Novi Police and Fire Youth Academy in July.
- A new initiative to reunite owners with the bicycles kicked off in August 2012. Photographs of found bicycles located in the property room were placed on the City website. If a resident finds their bicycle on the page, they are directed to a detective.
- The Great Lakes Fair was held at the Suburban Collection Showplace Labor Day Weekend. Members of the Uniform Division partnered with the Michigan State Police to provide a visible presence and there were minimal calls for service generated by the event.





# General Fund

- During 2012, the Michigan State Police (MSP) detachment completed its first year at the Novi Police Department building. In addition to the increased visibility as the Troopers use secondary roads to access the freeway, MSP assisted the City with events at Twelve Oaks Mall, the Great Lakes State Fair, with extra patrols during the I-96 shootings and extra patrol at area schools after the Sandy Hook Elementary shooting in Connecticut. During their first year, troopers issued 1,722 tickets to 1,595 motorists. The Novi Public Library received a \$9,000 increase in funding as a result of violations written on Interstate 96.
- During 2012 the Novi Police Department entered into a partnership with the United State Secret Service to host the Southeast Michigan Financial Crimes Task Force.
- A new emergency medical services contract for potentially five years was entered into with Community Emergency Medical Services (CEMS). CEMS will provide a 7 minute and 30 second response time for 90% of the Priority 1 Calls for Service in the City of Novi utilizing three ALS units.
- The Police Department began annual training blocks in 2012 to streamline training and reduce summer scheduling conflicts.
- During 2012, City Council approved a resolution which allows municipalities to establish an escrow account of 25% of a fire insurance settlement for losses to real property, caused by fire or explosion as well as losses caused by vandalism, malicious mischief, wind, hail, riot, or civil commotion. The resolution provides the City of Novi another means of protecting its citizens against damaged and dangerous buildings and can be a benefit in cases where the insured does not cooperate with the city in securing or demolishing these properties.
- Assistant Chief Victor Lauria graduated from the 250<sup>th</sup> Session of the Federal Bureau of Investigation's National Academy.
- Sergeant Scott Baetens graduated from the 28<sup>th</sup> School of Police Staff and Command at Eastern Michigan University.
- Training Officer Phil Duczynski graduated from the 14<sup>th</sup> School of Fire Staff and Command at Eastern Michigan University.
- Officer Daisley and his K9 partner Arez graduated from the Patrol Dog Academy at Oakland Police Academy.

## Statistics – Police

- During 2012 the police cadets conducted 5,380 prisoner checks, processed 1,666 prisoners, administered 554 preliminary breath tests, released 420 vehicles, handled 180 lobby incidents, and overall were responsible for handling 8,200 calls for service. In addition, the cadets have gained valuable experience and training in preparation for a career in law enforcement.
- Uniform officers conducted 24,263 traffic stops and issued 14,485 citations.
- The Novi Police Department maintained a clearance rate of 38.91% of all part "A" crimes. The average for the State of Michigan is just above 20%
- Burglary complaints decreased by 5%.

## Statistics – Fire

- There were 1,262 Initial Business fire inspections.
- There were 3,060 total fire inspections details.





# General Fund

- The Fire Department logged 5,802 Incident Activities.
- There were 125 total fires reported, a 17% increase from 2011. Of the 125 fires, 54 were reported structure fires, a 20% decrease from 2011.
- Fire damaged \$1.9 million dollars in property and threatened over 95 million dollars in property.
- EMS responded to 3,313 incidents.
- The Fire Department investigated 55 power outages.
- Fire Department personnel attended 6,581 hours of training in 2012, a 22% increase.
- Fire Department averaged 5:38 minutes to all priority emergencies.
- All Fire Department personnel completed their mandatory training in 2012.
- The Department continued to grow prevention programs
- 174 Child Car Safety Seat Inspections were conducted
- 61 Fire Prevention Education programs
- 3 Fire Extinguishers Classes
- 28 CPR/First Aid Classes
- 11 Details to check multiple Blood Pressures

## Emergency Preparedness

- Members of the Novi Police Department participated in a bomb drill at Providence Park Hospital. The training exercise consisted of a simulated explosion in the northeast parking lot of the hospital with five casualties and was designed to test the lockdown procedures of the facility, a surge in patients needing care in the emergency room and develop working relationships between security and first responders. The exercise proved to be an important tool for identifying the strengths and weaknesses of our emergency response plan and the level of coordination between responding officers and security personnel.
- The Novi Police, Fire and Public Service Departments participated in a table top exercise at the Costick Center in Farmington Hills. The exercise was coordinated by the Oakland County Homeland Security Division and involved a simulated natural gas pipe line explosion. The objectives of the exercise included establishing multi-agency coordination in accordance with the National Incident Management System (NIMS), establishing a Unified Command, developing an Incident Action Plan and disseminating information to the public.
- Participated in a table top exercise at Twelve Oaks Mall. The exercise simulated an active gunman situation at the Tin Fish restaurant. The objectives of the exercise included establishing coordination between the police and fire departments, Twelve Oaks Security and Twelve Oaks Mall management staff, establishing a Unified Command, developing an Incident Action Plan and disseminating information to the public. The exercise provided another opportunity to develop familiarity and a working relationship with our community partners at Twelve Oaks Mall.

## Community Engagement





# General Fund

- 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 33<sup>rd</sup> and 34<sup>th</sup> Sessions of the Lakes Area Citizen Police Academy were completed in 2012 with the Milford Police Department joining the cadre of communities that make this program a success.
- The Police and Fire Departments partnered with the Target Corporation for the 'National Night Out' event held at the Novi Target Store. Established in 1994 by the National Association of Town Watch, National Night Out is an annual event aimed to heighten awareness and strengthen participation and partnerships between communities and law enforcement.
- As part of the 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 4<sup>th</sup> Annual Emergency Run. The proceeds from the event benefit health and safety initiatives for the Novi community.
- The Novi Police and Fire Benevolent Association (NPFBA) held two fundraising events throughout the year. The events included dining at the California Pizza Kitchen and the 2<sup>nd</sup> Annual Golf Outing. The NPFBA donated funds to assist the family of Office O'Rourke of West Bloomfield Township.
- The number of subscribers to the Nixle, Novi Public Safety Team grew to more than 1,000.
- In an on-going effort to improve communication and relations between the City of Novi and its local businesses, the Novi Public Safety Administration hosted a Town Hall meeting open to all establishments in the City of Novi that hold Class C licenses. There were 22 people in attendance that represented owners and managers from 14 local establishments.
- The Novi Police and Fire Departments assisted the Novi Rotary with their annual senior luncheon held at the Novi Middle School. This event was the largest in several years and the efforts of our staff was greatly appreciated by the Rotarians and their guests.
- Members of the Novi Police Department participated in the annual Fraternal Order of Police (FOP) Lodge 128 "Shop with a Cop" event held at the Novi Target store. Fifteen area children in financial need were treated to a morning of shopping.
- During the holiday season Public Safety personnel continued the longstanding tradition of assisting needy families throughout the community, by volunteering their time and efforts in support of the Novi Goodfellows and through the adoption of two local families.

## Project Completions:

- The Novi Police Department deployed two additional lightweight portable speed monitoring devices, called "Shield 12."
- In order to properly maintain the fire hydrants (4,007) in the City of Novi by regularly painting them, part-time hydrants painters were hired by the Fire Department.
- The Police Department purchased eight 2013 Chevrolet Caprices for marked replacement vehicles and two 2013 Chevrolet Tahoe SUV's; one for the K-9 unit and one for Traffic.
- Global Positioning Systems (GPS) units were installed in 12 Fire Department vehicles.
- The bay doors at Fire Station #3 which were replaced.
- City Council approved the purchase of a new Pumper/Rescue Truck and new loose equipment for a total of \$519,432. The new engine will replace a 1995 Seagrave, with over 17 years of service and over



# General Fund

70 thousand miles. It is expected to take 210 days for delivery. Delivery is expected in July/August 2013.

- The server used at the Police Department to manage files and print sharing services was replaced for \$5,126. Additionally, this server is used for accessing and storing data in the training libraries and emergency response plan, as well maintaining various reports, records, court orders and reference materials.
- The back parking lot of the Police Department and the parking lot at Fire Station #1 were replaced.
- The renovation of the men's and women's locker room at the Police Department was completed. This project was funded with State Forfeiture Funds. The budget for the project was \$148,580.
- The original HVAC and air conditioning units at the CEMS Satellite building were replaced.
- The Police Department transitioned to the Sig Sauer with Trijicon HD night sights as the issued service pistol.

## Grants/Awards/Donations:

- The Novi Police Department received an award under the Fiscal Year 2012 Bulletproof Partnership (BVP) grant in the amount of \$3,510. This initiative provides a critical resource to law enforcement agencies and reimburses agencies for 50% of compliant armored vests which are purchased for officers every five years.
- The Novi Police Department was awarded \$200 for the Third Place Prize at the 2012 Michigan Association of Police Chief's (MACP) Police Vehicle Show.
- The Police Department received a \$5,000 donation from ASCO Numatics to be used to fund youth prevention programs. ASCO Numatics and their parent company Emerson (EMR) were proud sponsors of the Novi Police and Fire Youth Academy in 2011 and 2012.
- The students and staff at Novi Woods Elementary School raised \$638 as a way of saying "thank you" to the Novi firefighters for putting their lives in danger to save a resident during the Wintergreen fire. The gifted funds will be used for education materials which promote awareness of fire prevention both in schools and at home.





# 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.

### 2012-2013 Significant Accomplishments

- Configuration and installation of Building.NET, a new web based software for coordinating development permitting and activities with other City Departments and systems.
- Implementation of tablet PC's for Planning Commissioners to expedite and ease access to information, meeting packet delivery and elimination of paper waste
- Online permit scheduling for building permit and trade inspections. Customers can receive confirmation and inspection results by text or email. Contractors can register and view the status of all permits related to a project for management purposes.
- Inspection staff took part in hands on training with outer Oakland County communities in a live Emergency Preparedness/ Disaster Damage Assessment drill through Oakland County.
- Reconfiguration of our departmental phone system to ease access and eliminate dead ends.
- Creation and implementation of Guest Services standards and tools in cooperation with Parks, Recreation and Cultural Services by and for employees
- Updates to the Zoning Ordinance to allow administrative approval for minor Site Plan revisions.

## Ordinance Amendments

- The City Council approved an amendment to the Zoning Ordinance to allow **Retail Service Overlay and Office District Text Amendment 18.254** for the areas identified in the Master Plan for Land Use for these uses, primarily located near the intersection of Grand River Avenue and Beck Road.

## Rezoning

- The City Council approved the request of **Pinnacle Homes** for **rezoning** of property in Section 18, located on the south side of Twelve Mile Road, east of Napier Road, from the RA, Residential Acreage District and R-1, One-Family Residential District, to the R-4, One-Family Residential District. The subject property is 64.0 acres.
- The City Council approved the request of **Beck Ten Land, LLC** for **rezoning** of property in Section 20, on the northwest corner of Beck Road and Ten Mile Road from R-1, One-Family Residential to R-3, One-Family Residential with a Planned Rezoning Overlay. The subject property is approximately 24.24 acres. The applicant is proposing a 38 unit single-family residential development with access provided from Beck Road.

## Site Plans

- The City Council approved the request of **Hyatt Place at the Suburban Collection Showplace** for Preliminary Site Plan and Stormwater Management Plan approval. The subject property is located north of Grand River Avenue and west of Taft Road at the existing Suburban Collection Showplace site, in Section 16 of the City. The property totals 48.23 acres and the applicant proposed a **6-story, 128 room hotel**.
- The Planning Commission approved the request of **Toll Brothers, Inc.** for Preliminary Site Plan and Stormwater Management Plan approval. The subject property is located north of Ten Mile Road, west of Wixom Road, in Section 19 of the City. The property totals 10.047 acres and the applicant is proposing 22 single-family residential units in the Island Lake subdivision.
- The City Council approved the request of TCF Bank for Site Plan amendments to SP95-53, **Main Street Novi**, and to consider Novi Main Street Condominium and Main Market Condominium, SP12-16 for a recommendation to the City Council for dissolution of the two condominiums. The property is located south of Grand River Avenue and east of Novi Road, and is approximately 20 acres.
- The Planning Commission approved of the request of NADLAN LLC for revised Preliminary Site Plan, and revised Stormwater Management Plan approval for **Beck North, Lot 49 (fka Lot 41)**. The subject property is located the west side of Hudson Drive across from Nadlan Court, in Section 4 of the City. The property totals 3.62 acres and the applicant is proposed a 54,960 square foot building with associated parking and landscaping.
- The City Council approved the request of Cahen Architectural Group for **Twelve Mile Crossing at Fountain Walk** for Preliminary Site Plan and Stormwater Management Plan approval. The subject property is located in Section 15, at 44275 Twelve Mile Road, south of Twelve Mile Road and west of Donelson Drive, in the RC, Regional Center District. The subject property is approximately 67.2 acres and the applicant is proposing to add a 57,793 retail building with associated parking and landscaping near the center of the existing Twelve Mile Crossing at Fountain Walk development.





# General Fund

- The Planning Commission approved the request of Beck Ten Land, LLC, for Preliminary Site Plan and Stormwater Management Plan approval for **Valencia Estates Subdivision**. The subject property is located in Section 20, on the northwest corner of Beck Road and Ten Mile Road in the R-3, One-Family Residential District (with a Planned Rezoning Overlay). The subject property is 24.24 acres and the applicant is proposing a 38 unit single-family residential development with access provided from Beck Road.
- The Planning Commission approved the request of Landplan Engineering, for Preliminary Site Plan and Stormwater Management Plan approval for a proposed **Kroger Fuel Station**. The subject property is located in Section 4 at 47045 Pontiac Trail, south of Pontiac Trail and east of Beck Road in the B-3, General Business District. The subject property is 1.08 acres and the applicant is proposing a fuel station consisting of 7 dual customer fuel pumps and a 207 square foot service kiosk.

## Special Project

- The City Council consideration of the **Ten Mile and Meadowbrook Road Commercial Rehabilitation Area Plan** as prepared by Planning staff and the City's Architectural consultant. The Area Plan includes the sixteen commercial properties around the intersection of Ten Mile Road and Meadowbrook Road.

## 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.

**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.

**Fleet Asset Division:** The City's fleet is made up of over 300 vehicles and pieces of heavy equipment, and is managed by the Fleet Asset Division at separate maintenance facilities located at the Field Services Complex and Police Department Headquarters. This division is responsible for the procurement, maintenance, repair, disposal, and replacement of the City's vehicle and equipment assets.

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;





# General Fund

- 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.

## 2012-13 Significant Accomplishments

- Spearheaded efforts to communicate the 2012 ballot proposal to increase the Municipal Street Fund millage. Novi voters subsequently approved increasing the millage to improve major roads, neighborhood streets, and non-motorized facilities throughout the City.
- Garnered nearly \$1.1 million in Federal transportation grants to fund future safety, congestion mitigation, and non-motorized facility projects.
- Named a recipient of the American Public Works Association's coveted *Excellence in Snow and Ice Control Award*. Novi is one of only three communities in the United States and Canada to receive this award in 2013.
- Received the American Public Works Association – Michigan Chapter's *Transportation Project of the Year Award* (under \$5 million category) for the Nine Mile Pathway project between Meadowbrook and Haggerty Roads. This prestigious award was given to recognize Novi's collaborative work with the residents along the project corridor, and the project team's ability to integrate the pathway design with the corridor's natural features.
- Led and hosted a SEMCOG-sponsored Winter Maintenance Conference to share best practices and collaborate with nearly 200 professionals representing 45 different road agencies in southeast Michigan and northern Ohio.
- Maintained and pruned over 6,000 street trees in the City, thereby completing the fifth year of the City's 5-year pruning cycle.
- Continued to improve and modernize the City's snow plow fleet to enhance the effectiveness and efficiency of winter maintenance operations.
- Continued the implementation of the City's sanitary sewer Capacity, Management, Operations and Maintenance (CMOM) program by rehabilitating sanitary sewers at 192 locations within 117 sections of sewer pipe.
- Processed 117 right-of-way permit applications for private utility work and other improvements along Novi's roadways, and later inspected these improvements for compliance with permit requirements.
- Prepared 66 traffic control orders for Council approval as a means to improve traffic safety throughout the City.
- Scoped over 100 future capital projects for inclusion in the City's Capital Improvements Program (CIP).
- Reviewed and issued 36 Soil Erosion and Sedimentation Control (SESC) permits for site develop-





# General Fund

ment and public projects, including inspection of SESC work.

- Completed approximately \$5.2 million in capital construction projects. These projects were within 4% of the construction budget on average. Additionally, 92% of the projects were completed within the project budget and 92% were completed within two months of the baseline schedule. Significant projects included:
  - ◇ 2012 Neighborhood Roads Program: 2.18 miles of streets were reconstructed or rehabilitated.
  - ◇ West Oaks Area Road Improvements: West Oaks Drive, Karevich Drive, and Fountain Walk Drive were all resurfaced as part of this project.
  - ◇ Nine Mile Road/Beck to Taft Reconstruction: This one-mile stretch of Nine Mile Road was completely reconstructed.
  - ◇ Municipal Parking Lot Improvements: This project included the reconstruction of parking lots at the Ice Arena, Police Headquarters, Power Park, and Fire Station No. 1.
  - ◇ 2012 Storm Water Projects: Streambank stabilization and flood control improvements were completed at Brookfarm Park, plus key improvements to the Leavenworth, Lexington Green, and Thornton Creek regional storm water detention basins were made.
  - ◇ Garfield Road Water Main Project: A 12-inch water main was extended from Nine Mile Road along Garfield Road to Tuscany Reserve subdivision to provide a redundant feed to this part of the City.



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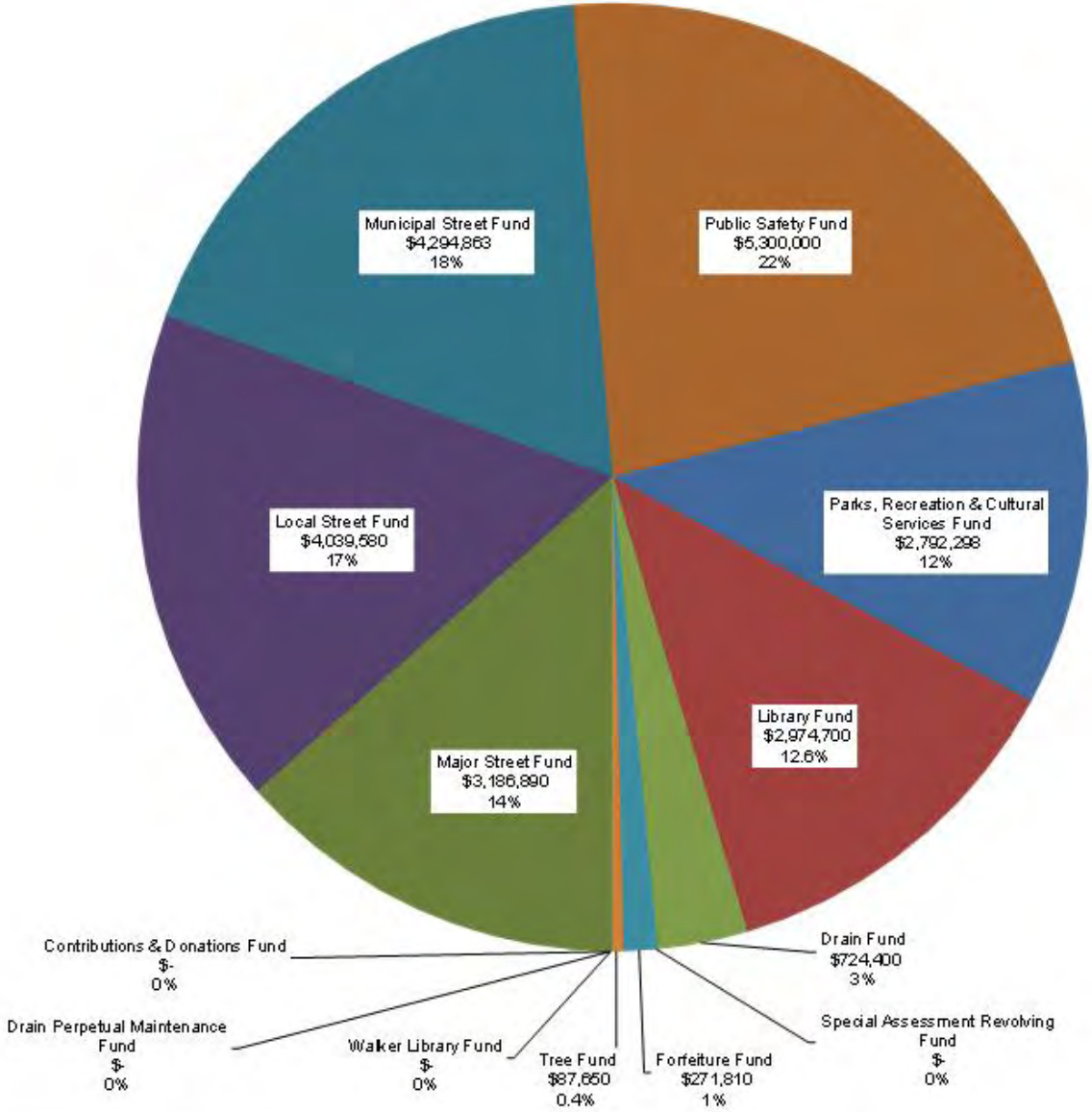
# Special Revenue Funds

## 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  
2013-14 Budgeted Revenue by Fund  
(includes Appropriation of Fund Balance)**

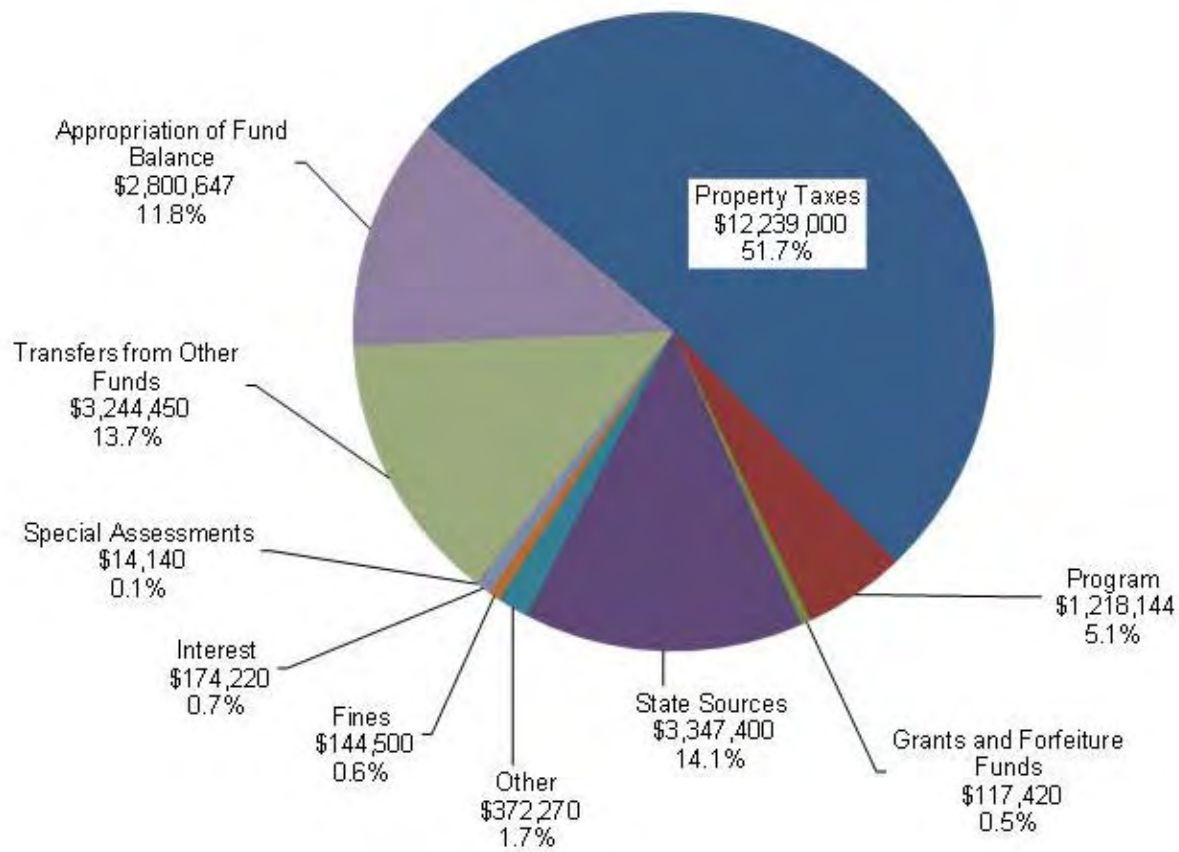


# Special Revenue Funds

## 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 2013-14 Budget  
Revenue by Category**



**Revenue \$20,871,544**

**Appropriation of Fund Balance \$2,800,647**

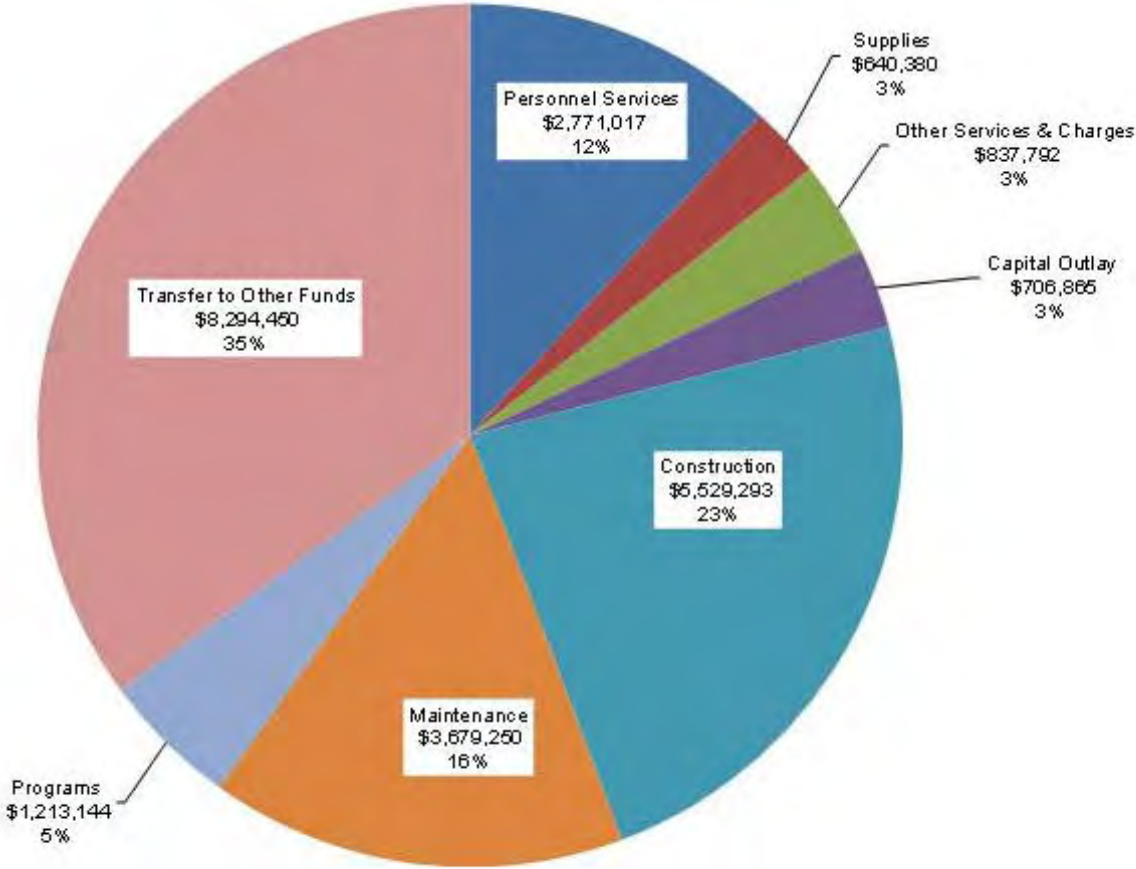
**Total \$23,672,191**

# Special Revenue Funds

## Appropriations

Construction, transfers, and maintenance represent the largest appropriations for the current year.

Special Revenue Funds 2013-14 Budget  
Expenditures by Category



Total Expenditures \$23,672,191



# 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 180 total miles that make up the City of Novi road network, the City has 39 miles of Major streets. Financing is primarily provided by the City's share of State gas and weight taxes.

### MAJOR STREET FUND

#### REVENUE

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Gas and Weight Tax	\$ 2,390,926	\$ 2,440,600	\$ 2,454,400
Interest Income	3,592	1,500	1,500
Other Revenue	12,861	-	-
Total Revenue	<u>\$ 2,407,379</u>	<u>\$ 2,442,100</u>	2,455,900
Appropriation - Fund Balance			730,990
Total Revenue and Appropriation-Fund Balance			<u>\$ 3,186,890</u>

#### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Construction	\$ 564,614	\$ 1,013,134	\$ 1,345,930
Routine & Capital Preventive Maintenance	442,334	760,000	825,000
Traffic Services	271,332	272,320	270,000
Winter Maintenance	97,306	210,000	270,000
Administration	500	510	510
Transfers Out	579,087	610,150	475,450
Total Expenditures	<u>\$ 1,955,173</u>	<u>\$ 2,866,114</u>	<u>\$ 3,186,890</u>

#### FUND BALANCE

Fund Balance July 1, 2012	\$ 1,787,924
Estimated 2012-13:	
Revenue	2,442,100
Expenditures	(2,866,114)
Projected Balance June 30, 2013	<u>1,363,910</u>
2013-14 Budget:	
Revenue	2,455,900
Expenditures	(3,186,890)
Appropriate 2013-14	<u>(730,990)</u>
Projected Balance June 30, 2014	<u>\$ 632,920</u>

# 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 141 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Gas and Weight Tax	\$ 850,685	\$ 863,100	\$ 873,000
Interest Income	3,276	800	800
Other Revenue	1,184	72,085	-
Transfers In	1,570,499	1,910,150	2,994,450
<b>Total Revenue</b>	<b>\$ 2,425,644</b>	<b>\$ 2,846,135</b>	<b>3,868,250</b>
Appropriation - Fund Balance			171,330
<b>Total Revenue and Appropriation-Fund Balance</b>			<b>\$ 4,039,580</b>

### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Construction	\$ 1,077,132	\$ 2,968,601	\$ 2,712,320
Routine & Capital Preventive Maintenance	631,170	810,000	905,000
Traffic Services	147,520	171,250	164,500
Winter Maintenance	53,558	200,000	257,250
Administration	500	510	510
<b>Total Expenditures</b>	<b>\$ 1,909,880</b>	<b>\$ 4,150,361</b>	<b>\$ 4,039,580</b>

### FUND BALANCE

Fund Balance July 1, 2012	\$ 1,892,288
Estimated 2012-13:	
Revenue	2,846,135
Expenditures	(4,150,361)
Projected Balance June 30, 2013	588,062
2013-14 Budget:	
Revenue	3,868,250
Expenditures	(4,039,580)
Appropriate 2013-14	(171,330)
Projected Balance June 30, 2014	<b>\$ 416,732</b>



# 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Special Assessments Levied	\$ 18,442	\$ 14,140	\$ 14,140
Taxes	2,191,704	2,279,000	4,380,000
Interest Income	17,576	8,039	8,070
Other	88,492	194,295	230,170
Transfer from Other Funds	-	-	-
<b>Total Revenue</b>	<b>\$ 2,316,214</b>	<b>\$ 2,495,474</b>	<b>4,632,380</b>
Appropriation - Fund Balance			(337,517)
<b>Total Revenue and Appropriation-Fund Balance</b>			<b>\$ 4,294,863</b>

#### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Construction	\$ 1,944,840	\$ 1,084,747	\$ 704,560
Maintenance	349,744	372,830	350,000
Administration	1,700	1,720	1,720
Memberships & Dues	14,300	15,200	15,200
Transfer Out	-	1,300,000	2,519,000
Sidewalks & Pathways	300,962	849,914	704,383
Capital Outlay	52,205	25,755	-
<b>Total Expenditures</b>	<b>\$ 2,663,751</b>	<b>\$ 3,650,166</b>	<b>\$ 4,294,863</b>

### FUND BALANCE (including SADs)

Fund Balance July 1, 2012	\$ 5,717,460
Fund Balance July 1, 2012 - SAD	(3,226,603)
Fund Balance July 1, 2012 - Municipal Street	2,490,857
Estimated 2012-13:	
Revenue	2,495,474
Expenditures	(3,650,166)
Projected Balance June 30, 2013	1,336,165
2013-14 Budget:	
Revenue	4,632,380
Expenditures	(4,294,863)
Appropriate 2013-14	337,517
Projected Balance June 30, 2014	1,673,682
Projected Balance June 30, 2014 - SAD	3,226,603
Projected Balance June 30, 2014 - TOTAL	<b>\$ 5,237,802</b>



# 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Taxes	\$ 4,055,177	\$ 4,206,000	\$ 4,170,000
Interest Income	26,790	23,975	23,000
Total Revenue	<u>\$ 4,081,967</u>	<u>\$ 4,229,975</u>	4,193,000
Appropriation - Fund Balance			1,107,000
Total Revenue and Appropriation-Fund Balance			<u>\$ 5,300,000</u>

#### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Transfers Out	<u>\$ 2,380,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>

#### FUND BALANCE

Fund Balance July 1, 2012	\$ 4,975,211
Estimated 2012-13:	
Revenue	4,229,975
Expenditures	(5,300,000)
Projected Balance June 30, 2013	<u>\$ 3,905,186</u>
2013-14 Budget:	
Revenue	4,193,000
Expenditures	(5,300,000)
Appropriate 2013-14	<u>(1,107,000)</u>
Projected Balance June 30, 2014	<u>\$ 2,798,186</u>





# 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.

### 2012-2013 Significant Accomplishments

- Completed 2nd Older Adult Services Survey.
- Finalized and Implemented 2nd Older Adult Strategic Plan.
- Relocated administrative offices for Older Adults to Civic Center.
- Implemented new recreation software.
- Secured more than \$8,000 in sponsorships for Light Up The Night.
- Recognized with the James Farrell Award of Excellence for the 2012 ASA Northern National 14U Class A Championship.
- Received two Community Service Awards from Michigan Recreation and Park Association:
- Created new partnerships with Total Sports Complex, Stacey’s School of Lax, and Jump Start Sports.
- Received the 2012 Michigan Recreation and Parks Association Innovative Program Award for the Parent-Child Golf Outing and Outdoor Movie.
- Partnered with the Novi Public Library, Novi Youth Assistance, and the Novi Community Schools to provide the Teen Space Program.
- Programs such as Camp Lakeshore, the Daddy-Daughter Dance, and Fireup Fest saw a net revenue increase of \$10,000 in 2012-13.
- Partnered with Running Race Management LLC to provide the Novi Memorial Day Run.
- Hosted new art exhibits: Michigan Colored Pencil Society and Cassell & Associates Traumatic Brain Injury Survivors - \$3,555 worth of art was sold from these two exhibits.
- Partnered with the Detroit Institute of Arts on the Inside I Out Exhibition.



# Special Revenue Funds

- Offered a lecture series, hosted by David Barr, partnering with the Novi Library.
- 2,945 people attended the 2012 Sizzling Summer Art Series at Fuerst Park.
- Through a partnership with Oakland County Parks, launched new adaptive programming initiatives.

## Benefits Related To Environmental Sustainability

- Completed the 2013 Michigan Natural Resources Trust Fund Grant Application for Pavilion Shore Park "Phase III" resubmission.
- Completed the 2013 Michigan Natural Resources Trust Fund Grant Application for Wildlife Woods Trail.
- Purchased and designated the Villa Barr Art Park and Cultural Education Center as parkland.
- Designation of various city owned properties as parkland.
- Creation of a Parks, Recreation and Cultural Arts Commission Grant Citizen Advisory Committee.
- Construction of Phases 1 and 2 of Pavilion Shore Park underway.
- Two Boy Scout projects were completed. The bridge at Brookfarm Park was repaired and the trail cleared allowing the residents to use the walking trail throughout the park. The second project, in partnership with the Michigan Bluebird Association, consisted of installing bird houses throughout Lakeshore Park.

## Benefits Related To Alleviating Social Problems

- Playground replacements at Rotary Park and Lakeshore Park .
- Resurfacing of tennis courts at Rotary Park and ITC Community Sports Parks.
- New advertisement program in place for Senior Transportation to help lower rates to older adults.
- Expansion of Boys' Lacrosse offerings to include grade 7/8 to fill a gap for 7<sup>th</sup> grade lacrosse players.
- Initiated new programs such as Capoeira for Youth and Adults, the Princess and Superhero party, Trick or Trucks, and One Training Fitness classes.
- Nurtured a partnership between local schools and the Novi Civic Theatre, including hosting a special theatre performance just for elementary school classes and having students from both Catholic Central and Novi High School design logos for theatre productions.
- Continued partnership with students from the 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

DESCRIPTION	REVENUE		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Property Taxes	\$ 1,095,142	\$ 1,134,000	\$ 1,126,000
Donations	20,000	-	-
Community Development Block Grant	75,583	523,420	85,920
Program Revenue	1,058,632	1,160,735	1,010,860
Older Adults Program Revenue	162,889	172,646	202,284
Interest Income	10,771	4,996	5,000
Other	10,194	1,500	5,000
Transfers In	295,630	770,310	250,000
Total Revenue	<u>\$ 2,728,841</u>	<u>\$ 3,767,607</u>	<u>\$ 2,685,064</u>
Appropriation - Fund Balance			107,234
			<u>\$ 2,792,298</u>

DESCRIPTION	APPROPRIATIONS		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Personnel Services	\$ 836,607	\$ 922,581	\$ 857,717
Supplies	26,815	37,949	46,480
Other Services and Charges	1,369,833	1,420,197	1,495,096
Capital Outlay	329,092	2,456,956	393,005
Total Expenditures	<u>\$ 2,562,347</u>	<u>\$ 4,837,683</u>	<u>\$ 2,792,298</u>

FUND BALANCE	
Fund Balance July 1, 2012	\$ 1,701,445
Estimated 2012-13:	
Revenue	\$ 3,767,607
Expenditures	(4,837,683)
Projected Balance June 30, 2013	<u>631,369</u>
2013-14 Budget:	
Revenue	\$ 2,685,064
Expenditures	(2,792,298)
Appropriate 2013-14	<u>(107,234)</u>
Projected Balance June 30, 2014	<u>\$ 524,135</u>

# 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Interest Income	\$ 10,366	\$ 10,829	\$ 10,650
Tree Fund Revenue	16,800	75,000	75,000
Tree Fund Maintenance Revenue	6,650	2,000	2,000
Total Revenue	<u>\$ 33,816</u>	<u>\$ 87,829</u>	<u>87,650</u>
Appropriation - Fund Balance			-
Total Revenue and Appropriation-Fund Balance			<u>\$ 87,650</u>

### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Tree Fund Expenditures	<u>\$ 41,539</u>	<u>\$ 120,000</u>	<u>\$ 87,650</u>

### FUND BALANCE

Fund Balance July 1, 2012	\$ 1,519,721
Estimated 2012-13:	
Revenue	\$ 87,829
Expenditures	(120,000)
Projected Balance June 30, 2013	<u>1,487,550</u>
2013-14 Budget:	
Revenue	\$ 87,650
Expenditures	(87,650)
Appropriate 2013-14	<u>-</u>
Projected Balance June 30, 2014	<u>\$ 1,487,550</u>



# 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Property Taxes	\$ 749,656	\$ 995,691	\$ 309,000
Interest Income	43,634	29,777	30,000
Other	24,675	10,000	10,000
Grants	23,318	136,500	-
Total Revenue	<u>\$ 841,283</u>	<u>\$ 1,171,968</u>	<u>349,000</u>
Appropriation - Fund Balance			375,400
Total Revenue and Appropriation-Fund Balance			<u>\$ 724,400</u>

### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Construction	\$ 979,971	\$ 600,690	\$ 62,100
Maintenance	716,181	942,453	662,300
Capital Outlay	46,943	19,255	-
Total Expenditures	<u>\$ 1,743,095</u>	<u>\$ 1,562,398</u>	<u>\$ 724,400</u>

### FUND BALANCE (including SADs)

Fund Balance July 1, 2012	\$ 5,256,215
Fund Balance July 1, 2012 - SAD	\$ (1,348,738)
Fund Balance July 1, 2012 - Drain Revenue	\$ 3,907,477
Estimated 2012-13:	
Revenue	1,171,968
Expenditures	(1,562,398)
Projected Balance June 30, 2013	<u>3,517,047</u>
2013-14 Budget:	
Revenue	349,000
Expenditures	(724,400)
Appropriate 2013-14	<u>(375,400)</u>
Projected Balance June 30, 2014	\$ 3,141,647
Projected Balance June 30, 2014 - SAD	\$ 1,348,738
Projected Balance June 30, 2014 - TOTAL	<u>\$ 4,114,985</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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Tap-In Fees	\$ 36,275	\$ 5,000	\$ 5,000
Interest Income	94,085	80,800	60,000
Total Revenue	<u>\$ 130,360</u>	<u>\$ 85,800</u>	65,000
Appropriation - Fund Balance			(65,000)
Total Revenue and Appropriation-Fund Balance			<u>\$ -</u>

FUND BALANCE	
Fund Balance July 1, 2012	\$ 6,286,902
Estimated 2012-13:	
Revenue	85,800
Expenditures	-
Projected Balance June 30, 2013	<u>6,372,702</u>
2013-14 Budget:	
Revenue	65,000
Expenditures	-
Appropriate 2013-14	<u>65,000</u>
Projected Balance June 30, 2014	<u>\$ 6,437,702</u>



# Special Revenue Funds

## Special Assessment Revolving Fund

This fund was established to provide funds for future maintenance of road projects, or for any special purpose as designated by City Council.

### SPECIAL ASSESSMENT REVOLVING FUND

#### REVENUE

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Interest Income	\$ 18,513	\$ 14,955	\$ 10,000
Transfer In	657,632	-	-
Total Revenue	<u>\$ 676,145</u>	<u>\$ 14,955</u>	10,000
Appropriation - Fund Balance			(10,000)
Total Revenue and Appropriation-Fund Balance			<u>\$ -</u>

#### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Independent Audit	\$ 410	\$ 360	\$ -
Transfers Out	900,000	-	-
Total Expenditures	<u>\$ 900,410</u>	<u>\$ 360</u>	<u>\$ -</u>

#### FUND BALANCE

Fund Balance July 1, 2012	\$ 3,750,110
Estimated 2012-13:	
Revenue	14,955
Expenditures	(360)
Projected Balance June 30, 2013	<u>3,764,705</u>
2013-14 Budget:	
Revenue	10,000
Expenditures	-
Appropriate 2013-14	<u>10,000</u>
Projected Balance June 30, 2014	<u>\$ 3,774,705</u>



# 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Interest Income	\$ 2,045	\$ (61)	\$ 200
Donations	15,110	59,275	-
Total Revenue	<u>\$ 17,155</u>	<u>\$ 59,214</u>	200
Appropriation - Fund Balance			(200)
Total Revenue and Appropriation-Fund Balance			<u>\$ -</u>

APPROPRIATIONS			
DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Gift and Donation Expenditures	\$ 3,146	\$ 4,191	\$ -
Transfers Out	7,630	5,000	-
	<u>\$ 10,776</u>	<u>\$ 9,191</u>	<u>\$ -</u>

FUND BALANCE	
Fund Balance July 1, 2012	\$ 175,338
Estimated 2012-13:	
Revenue	59,214
Expenditures	(9,191)
Projected Balance June 30, 2013	<u>225,361</u>
2013-14 Budget:	
Revenue	200
Expenditures	-
Appropriate 2013-14	<u>200</u>
Projected Balance June 30, 2014	<u>\$ 225,561</u>



# 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	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Federal Forfeiture Funds	\$ 120,558	\$ 144,030	\$ 20,000
State Forfeiture Funds	57,427	2,592	10,500
Local Forfeiture Funds	1,395	1,225	-
OWI Forfeiture Funds	4,880	3,930	1,000
Total Revenue	<u>\$ 184,260</u>	<u>\$ 151,777</u>	<u>31,500</u>
Appropriation - Fund Balance			240,310
Total Revenue and Appropriation-Fund Balance			<u>\$ 271,810</u>

### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Supplies	\$ 3,648	\$ 61,450	\$ 15,000
Other Services & Charges	41,138	40,410	34,910
Capital Outlay	332,201	336,710	221,900
Total Expenditures	<u>\$ 376,987</u>	<u>\$ 438,570</u>	<u>\$ 271,810</u>

### FUND BALANCE

Fund Balance July 1, 2012	\$ 617,762
Estimated 2012-13:	
Revenue	151,777
Expenditures	(438,570)
Projected Balance June 30, 2013	<u>330,969</u>
2013-14 Budget:	
Revenue	31,500
Expenditures	(271,810)
Appropriate 2013-14	<u>(240,310)</u>
Projected Balance June 30, 2014	<u>\$ 90,659</u>



# 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.

### 2012-2013 Significant Accomplishments

- The Library launched its 3<sup>rd</sup> Annual Community Read with neighborhood libraries (Lyon Township, Northville District Library, Salem South Lyon District Library and Wixom Public Library).
- The Fundraising committee held the Library's 3<sup>rd</sup> Annual Book IT fundraising event.
- In October, the Library introduced its Teen Space to the Novi middle and high school community. This concept came from teen focus groups where young teens voiced their need for a place to "hang out" and "socialize" in the Library without disturbing other Library guests. A partnership began with Novi Youth Assistance, Novi Community School District and the City of Novi Parks, Recreation and Cultural services to provide monitors to be on duty every Monday – Thursday from 2-5pm daily at the Library.
- The Library unveiled a new piece of artwork in the main lobby area, *Maha Maze*.
- In October and November, the Library offered two unique programming experiences called "On the Road with NPL". These daytrips took community members to the Michigan State Capitol and the Detroit Institute of Art. The programs provided both an educational and cultural experience for the attendees. This was a new way of generating fundraising dollars for the Library.
- In November, the Library Board of Trustees approved a financial plan for the Novi Public Library.
- The Library Board of Trustees approved a new five-year Strategic Plan for the Novi Public Library. The plan was created by a committee of Novi residents and business owners. The plan created new goals and close to 100 strategies which will be implemented over the next five years (2013-2018). In addition, a new motto was created for the Library: **Inform. Inspire. Include.**
- In December, the Library received a gift of \$20,000 from the Friends of the Novi Library.
- The Library was awarded a Customer Service Excellence award by the Novi Chamber of Commerce.
- On Martin Luther King Jr. Day, the Library was open and offered programs to commemorate the day.
- In February, the Library offered its first Food for Fines event which welcomed patrons to donate food items in exchange for having fines deducted from their Library accounts. This program was held in partnership with Walmart.
- The Library was awarded \$1000 from Dollar General and the American Library Association to engage teenagers in a paid internship at the Library for summer 2013. The interns will manage the teen volunteer program during the Library's summer reading.



# Special Revenue Funds

## LIBRARY FUND REVENUE

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Property Taxes	\$ 2,191,704	\$ 2,279,000	\$ 2,254,000
State Sources	22,267	20,000	20,000
Fines	132,212	141,541	144,500
Interest Income	98,714	38,247	25,000
Donations	10,313	6,000	5,000
Other Revenue	58,792	44,041	45,100
<b>Total Revenue</b>	<b>\$ 2,514,002</b>	<b>\$ 2,528,829</b>	<b>2,493,600</b>
Appropriation - Fund Balance			481,100
<b>Total Revenue and Appropriation-Fund Balance</b>			<b>\$ 2,974,700</b>

## APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Personnel Services	\$ 1,749,792	\$ 1,775,000	\$ 1,913,300
Supplies	460,030	482,400	578,900
Other Services and Charges	415,447	406,763	438,700
Capital Outlay	8,246	-	43,800
Transfers Out	10,258	-	-
<b>Total Expenditures</b>	<b>\$ 2,643,773</b>	<b>\$ 2,664,163</b>	<b>\$ 2,974,700</b>

## FUND BALANCE

Fund Balance July 1, 2012	\$ 2,312,166
Estimated 2012-13:	
Revenue	\$ 2,528,829
Expenditures	(2,664,163)
Projected Balance June 30, 2013	2,176,832
2013-14 Budget:	
Revenue	\$ 2,493,600
Expenditures	(2,974,700)
Appropriate 2013-14	(481,100)
Projected Balance June 30, 2014	<b>\$ 1,695,732</b>

# 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 will expire. At that time, the City Council in coordination with the Library Board should elect to transfer all of part of the fund balance to the Library Fund for any public purpose of the Library.

### WALKER LIBRARY FUND

#### REVENUE

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Interest Income	\$ 50,593	\$ 13,855	\$ -
Donations	49,899	27,462	-
Transfers In	10,258	-	-
Total Revenue	<u>\$ 110,750</u>	<u>\$ 41,317</u>	-
Appropriation - Fund Balance			-
Total Revenue and Appropriation-Fund Balance			<u>\$ -</u>

#### APPROPRIATIONS

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Expenditures for Specific Donations	<u>\$ 16,425</u>	<u>\$ 9,349</u>	<u>\$ -</u>

#### FUND BALANCE

Fund Balance July 1, 2012	\$ 1,535,016
Estimated 2012-13:	
Revenue	\$ 41,317
Expenditures	(9,349)
Projected Balance June 30, 2013	<u>1,566,984</u>
2013-14 Budget:	
Revenue	\$ -
Expenditures	-
Appropriate 2013-14	<u>-</u>
Projected Balance June 30, 2014	<u>\$ 1,566,984</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

	<u>Moody's</u>	<u>S&amp;P</u>
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+
1993	A	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

Description of Debt	Funding Source	Debt Outstanding 6/30/2013	Debt Service Payments 2013-14		
			Principal	Interest	Total
<b>VOTED TAX GENERAL OBLIGATION DEBT FUNDS:</b>					
2002 Street and Refunding Bonds	Debt Service	\$ 3,300,000	\$ 595,000	\$ 153,913	\$ 748,913
2008 Library Construction Bonds	Debt Service	14,750,000	500,000	623,750	1,123,750
2010 Refunding Bonds	Debt Service	3,005,000	940,000	77,388	1,017,388
<b>Total Direct Debt Service</b>		<b>\$ 21,055,000</b>	<b>\$ 2,035,000</b>	<b>\$ 855,051</b>	<b>\$ 2,890,051</b>
<b>SPECIAL ASSESSMENT LIMITED TAX BONDS:</b>					
2012 Special Assessment Ltd Tax	SAD	\$ 4,165,000	\$ 1,415,000	\$ 103,725	\$ 1,518,725
2003 Special Assessment Ltd Tax	SAD	805,000	175,000	26,322	201,322
<b>Total Special Assessment Debt</b>		<b>\$ 4,970,000</b>	<b>\$ 1,590,000</b>	<b>\$ 130,047</b>	<b>\$ 1,720,047</b>
<b>BUILDING AUTHORITY BONDS:</b>					
2004 Refunding Bonds-Ice Arena	Ice Arena	\$ 5,225,000	\$ 380,000	\$ 224,805	\$ 604,805
2005 Refunding Bonds-Senior Housing	Sr Housing	9,420,000	75,000	403,616	478,616
2010 Refunding Bonds-Senior Housing	Sr Housing	1,720,000	615,000	34,975	649,975
<b>Total Building Authority Debt</b>		<b>\$ 16,365,000</b>	<b>\$ 1,070,000</b>	<b>\$ 663,396</b>	<b>\$ 1,733,396</b>
<b>Total Debt Service</b>		<b>\$ 42,390,000</b>	<b>\$ 4,695,000</b>	<b>\$ 1,648,494</b>	<b>\$ 6,343,494</b>



# Debt Service Funds

## DEBT SERVICE REQUIREMENTS TO MATURITY GENERAL OBLIGATION BONDS FISCAL YEAR 2014 - 2028

Fiscal Year Ending	Principal (less interest earnings & fund balance appropriations)	Interest	Total*	Projected Taxable Value** (in thousands)	Estimated Millage Rate for Debt Service
2014	2,035,000	855,050	2,890,050	2,907,000	0.9942
2015	2,115,000	770,894	2,885,894	3,016,000	0.9569
2016	2,230,000	692,225	2,922,225	3,106,000	0.9408
2017	1,445,000	620,319	2,065,319	3,199,000	0.6456
2018	1,480,000	552,913	2,032,913	3,295,000	0.6170
2019	750,000	503,750	1,253,750	3,394,000	0.3694
2020	750,000	473,750	1,223,750	3,496,000	0.3500
2021	1,000,000	433,750	1,433,750	3,601,000	0.3982
2022	1,000,000	383,750	1,383,750	3,709,000	0.3731
2023	1,000,000	337,500	1,337,500	3,820,000	0.3501
2024	1,250,000	289,688	1,539,688	3,935,000	0.3913
2025	1,250,000	236,562	1,486,562	4,053,000	0.3668
2026	1,500,000	177,188	1,677,188	4,175,000	0.4017
2027	1,500,000	111,563	1,611,563	4,300,000	0.3748
2028	1,750,000	39,375	1,789,375	4,429,000	0.4040
	<u>\$ 21,055,000</u>	<u>\$ 6,478,277</u>	<u>\$ 27,533,277</u>		

Average Annual Requirement:     \$ 1,835,552

\*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 2015 the estimate includes a 3% per year annual growth assumption





# Debt Service Funds

## Legal Debt Margin

### Computation of Legal Debt Margin

As of July 1, 2012 (including refunding debt issued in 2012)

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 55,374

Debt Limit (\$2,500 per capita) \$ 138,435,000

**Debt Applicable to Debt Limit, at July 1, 2012**

Total Bonded Debt Outstanding \$ 49,165,000

Less:

Special Assessment Bonds 6,930,000

Total Amount of Debt Applicable to Limit 42,235,000

Debt Margin Available \$ 96,200,000

Net Debt subject to limit as percent of Debt Limit 31%

# 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 2012-13		\$	<u>32,172,380</u>
Debt Service Limit (20% of Operating and Debt-Service Expenditures)		\$	6,434,476
<b>Debt Service Applicable to Debt Limit, budget 2013-14</b>			
Total Bonded Debt Service	\$		6,343,494
Less:			
Special Assessment Bond Service			<u>1,720,047</u>
<b>Total Amount of Debt Applicable to Limit</b>			<u><u>4,623,447</u></u>
<b>Debt Service Margin Available</b>		<b>\$</b>	<b><u><u>1,811,029</u></u></b>
<b>Net Debt Service subject to limit as percent of Debt Limit</b>			<b>72%</b>





# Debt Service Funds

**Municipal securities shall not exceed 5% of the State Equalized Value**

**Debt Limit**

2012 State Equalized Valuation (SEV)	\$	3,004,330,340
Assessed value equivalent of Act 198 exemption		<u>8,960,650</u>
	\$	<u>3,013,290,990</u>
Debt Limit (5% of State Equalized Valuation)	\$	150,664,550

**Debt Applicable to Debt Limit, at July 1, 2012**

Total Bonded Debt Outstanding	\$	49,165,000
Less:		
Special Assessment Bonds		<u>6,930,000</u>
Total Amount of Debt Applicable to Limit		<u>42,235,000</u>

**Legal Debt Margin Available** \$ 108,429,550

**Net Debt subject to limit as percent of Debt Limit** 28.03%

# Debt Service Funds

## 2002 General Obligation Limited Tax Bonds

This is a portion of the Park Debt Bonds from the 1990's that was converted to taxable bonds as a result of the Sandstone Litigation Settlement.

REVENUE			
DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Transfer from General Fund	\$ 296,185	\$ 282,500	\$ -
APPROPRIATIONS			
DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Principal	\$ 275,000	\$ 275,000	\$ -
Interest expense	21,185	7,500	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 296,185</b>	<b>\$ 282,500</b>	<b>-</b>

*Note: This debt service fund will be closed as of June 30, 2013 as a result of the final payment will be made in fiscal year 2012-13.*



# 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.

DESCRIPTION	REVENUE		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Current Property Taxes	\$ 2,747,415	\$ 1,247,390	\$ 748,770
Interest on Investments	2,928	900	900
<b>TOTAL REVENUE</b>	<b>\$ 2,750,343</b>	<b>\$ 1,248,290</b>	<b>\$ 749,670</b>

DESCRIPTION	APPROPRIATIONS		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Principal	\$ 2,745,000	\$ 1,055,000	\$ 595,000
Interest Expense	287,848	193,290	154,670
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,032,848</b>	<b>\$ 1,248,290</b>	<b>\$ 749,670</b>

SCHEDULE OF INDEBTEDNESS  
YEAR ISSUED: 2002  
AMOUNT OF ISSUE: \$24,720,000

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2013	4.0000%	\$ 595,000
2014	5.2500%	625,000
2015	5.2500%	655,000
2016	5.2500%	695,000
2017	5.2500%	730,000
		<b>\$ 3,300,000</b>

# Debt Service Funds

## 2003 Refunding Debt Fund

This issue was used for refunding bonds issued for the 1998 Street Bond Debt issue.

DESCRIPTION	REVENUE		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Current Property Taxes	\$ 1,000,252	\$ 1,002,810	\$ -
Interest on Investments	144	150	-
<b>TOTAL REVENUE</b>	<b>\$ 1,000,396</b>	<b>\$ 1,002,960</b>	<b>\$ -</b>

DESCRIPTION	APPROPRIATIONS		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Principal	\$ 1,000,000	\$ 985,000	\$ -
Interest Expense	51,360	17,960	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,051,360</b>	<b>\$ 1,002,960</b>	<b>\$ -</b>

*Note: This debt service fund will be closed as of June 30, 2013 as a result of the final payment will be made in fiscal year 2012-13.*



# 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.

DESCRIPTION	REVENUE		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Current Property Taxes	\$ 548,077	\$ 951,500	\$ 1,124,650
Interest on Investments	1,030	1,000	100
<b>TOTAL REVENUE</b>	<b>\$ 549,107</b>	<b>\$ 952,500</b>	<b>\$ 1,124,750</b>

DESCRIPTION	APPROPRIATIONS		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Principal	\$ 500,000	\$ 500,000	\$ 500,000
Interest Expense	659,410	644,250	624,750
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,159,410</b>	<b>\$ 1,144,250</b>	<b>\$ 1,124,750</b>

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
2013	3.5000%	\$ 500,000	2021	5.0000%	\$ 1,000,000
2014	3.5000%	500,000	2022	4.2500%	1,000,000
2015	3.7500%	500,000	2023	4.2500%	1,250,000
2016	4.0000%	750,000	2024	4.2500%	1,250,000
2017	4.0000%	750,000	2025	4.3750%	1,500,000
2018	4.0000%	750,000	2026	4.3750%	1,500,000
2019	4.0000%	750,000	2027	4.5000%	1,750,000
2020	5.0000%	1,000,000			<b>\$ 14,750,000</b>



# 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.

DESCRIPTION	REVENUE		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Current Property Taxes	\$ 1,099,127	\$ 1,102,100	\$ 1,018,290
Interest on Investments	98	1,000	100
<b>TOTAL REVENUE</b>	<b>\$ 1,099,225</b>	<b>\$ 1,103,100</b>	<b>\$ 1,018,390</b>

DESCRIPTION	APPROPRIATIONS		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
Principal	\$ 935,000	\$ 940,000	\$ 940,000
Interest Expense	153,048	124,040	78,390
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,088,048</b>	<b>\$ 1,064,040</b>	<b>\$ 1,018,390</b>

SCHEDULE OF INDEBTEDNESS  
 YEAR ISSUED: 2010  
 AMOUNT OF ISSUE: \$4,895,000

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2013	4.5000%	\$ 940,000
2014	5.0000%	990,000
2015	3.0000%	1,075,000
		<b>\$ 3,005,000</b>



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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

- Replaced and repainted the ice in the Blue Rink.
- Remodeled the main floor lobby, including removal of old wallpaper, painting walls and installed new televisions for customer viewing
- Repaved and improved the main parking lot, including improving slope of ground and installation of additional drainage basins and repair of curbs and island areas of lot
- Installed new variable frequency drives on HVAC equipment for better, more energy efficient operation
- Removed non-working bleacher heating in the Blue rink and replaced with energy efficient radiant heating that provides better heat and coverage
- Removed all original carpeting in the offices and pro-shop and replaced with new carpet tiles and base molding
- Replaced or retrofitted all exterior lighting
  - ◇ Parking lot lights were retrofitting to LED lighting
  - ◇ New walkway lighting installed along the front sidewalk
  - ◇ Entryway lighting was retrofitting to LED lighting
  - ◇ Exterior wall-packs were retrofitted to LED lighting
- Front sidewalk was leveled and evened out in multiple areas
- Hosted the following events:
  - ◇ Customer Appreciation Day Open House
  - ◇ Suburban Summer Hockey Schools
  - ◇ Summer High School Tournament
  - ◇ US Figure Skating Basic Skills Competition



# Enterprise Funds

- ◇ Falling Leaves Classic Figure Skating Competition
- ◇ Novi Youth Hockey Association Game Day
- ◇ 4th Annual Manon Rheaume Invitational
- ◇ Metro Invitational High School Hockey Showcase
- ◇ Holiday Figure Skating Exhibition
- ◇ New Year's Eve 3-on-3 Hockey Tournament
- ◇ Hockey Day in Michigan
- ◇ High School Hockey Pre-Regionals and State Quarterfinal games
- ◇ CCHA Kid's College Classic Youth Hockey Tournament
- ◇ Skating Club of Novi Ice Show
- ◇ Easter 3-on-3 Hockey Tournament
- ◇ Spring Hockey Leagues for Youth
- ◇ Summer High School Hockey League
- ◇ Numerous free Field Trips for local schools and groups
- ◇ Birthday Parties throughout the year

	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>DESCRIPTION</b>	<b>Actual</b>	<b>Estimated</b>	<b>Budget</b>
<b>REVENUE</b>			
Program Revenue	\$ 1,785,961	\$ 1,840,471	\$ 1,844,728
Concession Sales	114,261	119,703	116,250
Locker Room Rental	4,500	-	-
Interest on Investments	2,199	4,043	3,500
Interest on capital reserve	3,371	400	500
Pro-Shop Lease	23,393	18,000	18,000
Cell Tower Revenue	75,574	69,440	69,440
TOTAL REVENUE	\$ 2,009,259	\$ 2,052,057	\$ 2,052,418
<b>EXPENSES</b>			
Supplies	\$ 17,023	\$ 21,970	\$ 23,850
Depreciation	254,559	259,330	270,000
Interest expense	276,938	264,830	250,330
Other services and charges	1,162,095	1,249,195	1,301,506
TOTAL EXPENSES	1,710,615	1,795,325	1,845,686
Change in Net Assets	298,644	256,732	206,732
Add: Depreciation	254,559	259,330	270,000
Less: Purchase of capital assets	(17,686)	(238,461)	(95,891)
Less: Principal	(340,000)	(385,000)	(380,000)
Less: Replacement Reserve Funding	(97,500)	(97,500)	(97,500)
Add: Cash flows from operating activities, investing activities and capital and related financing activities*	112,000	26,562	26,562
<b>NET IMPACT ON CASH</b>	\$ 210,017	\$ (178,337)	\$ (70,097)

\*For 2012-13 and 2013-14 the \$26,562 represents the non-cash amount included in the interest expense line item.

# Enterprise Funds

The schedule of principal and interest payments for the ice arena is as follows:

## 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		
2012-2013	385,000	5,610,000	3.7500%	119,622	119,622	239,244	624,244
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>\$ 5,950,000</u>					<u>\$ 1,949,308</u>	<u>\$ 7,899,308</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



# Enterprise Funds

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.

### 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:

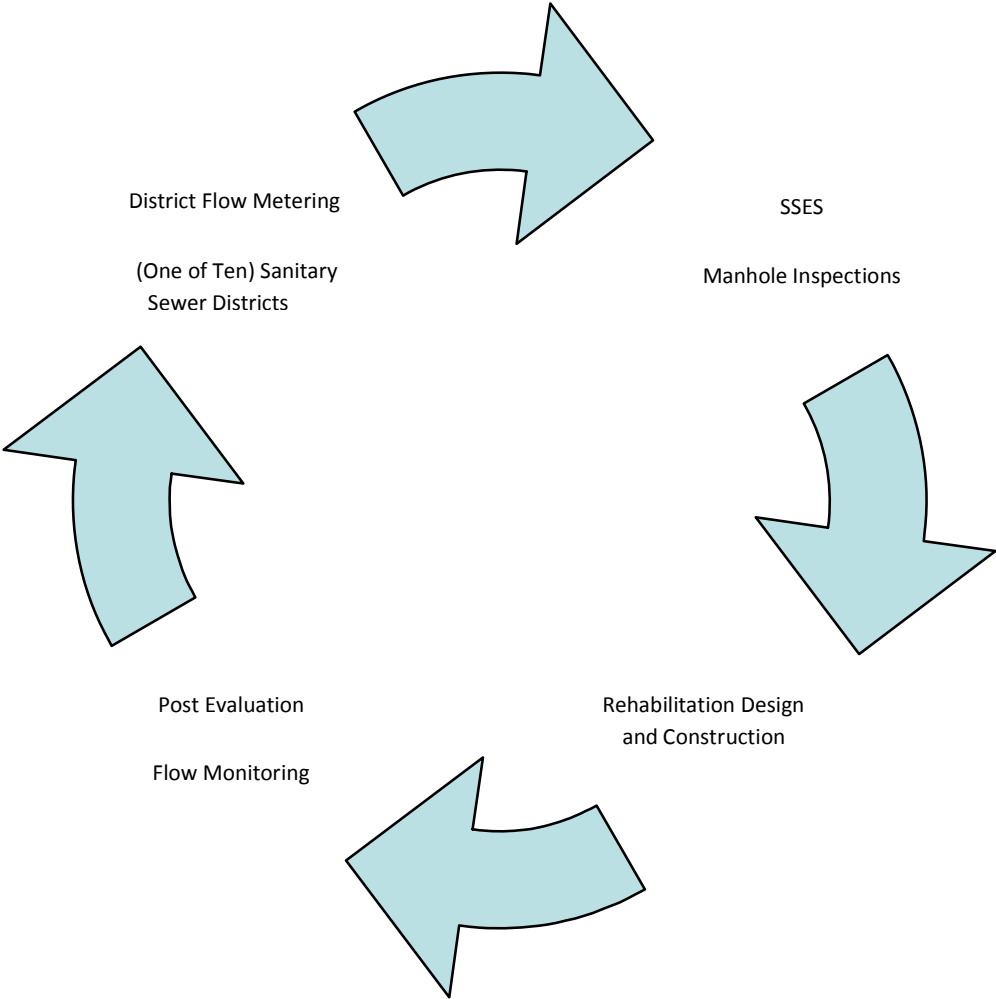
- Provide confidence in the current state of the system
- Ensure adequate capacity is available for future growth
- Meet customer, MDEQ and EPA expectations
- Improve operational and maintenance efficiencies
- Clean a quarter of the City's NHV/RV sanitary sewer mains annually (43 miles of sewer)
- Televiser 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 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 integri-



# Enterprise Funds

ty 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 FY2012-2013 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
- Sanitary sewer repairs
- Commercial grease trap inspections
- Conduct CMOM program



# Enterprise Funds

## 2012-2013 Significant Accomplishments

- Supported upgrades to the (NEAMS) asset management program for water and sewer assets.
- Successfully continued to administer the water management program that requires automatic irrigation systems to run between the hours of 11 PM and 5 AM on an alternate day basis.
- Continued to meet or exceed high drinking water quality standards throughout the year.
- Continued to implement the CMOM program tasks, such as smoke testing, sewer metering, sewer cleaning, and sewer televising.
- Completed, through the Engineering Division, the rehabilitation and relining of sanitary sewer infrastructure in Areas B, C1 & G, which were identified in prior year's CMOM activities.
- Purchased a 2013 Vactor sewer cleaning truck for CMOM tasks.
- Purchased a 2013 service truck for many different water and sewer related infrastructure projects including, water main breaks, sanitary lift station maintenance, water booster station maintenance, and fire hydrant repairs.
- Provided water and sewer customers with E-Billing option, which allows customers to receive and pay their bills by e-mail.

DESCRIPTION	2011-2012 Actual	2012-2013 Estimated	2013-2014 Budget
<b>REVENUE</b>			
Sewer service charges	\$ 9,909,935	\$11,330,408	\$ 11,514,347
Water sales	10,134,586	12,194,351	12,438,000
Installation charges	355,198	300,000	181,000
Penalties	84,556	175,800	162,240
Miscellaneous & other income	65,103	15,000	10,000
<b>TOTAL REVENUE</b>	<b>20,549,378</b>	<b>24,015,559</b>	<b>24,305,587</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	930,077	945,876	1,075,492
Supplies	65,118	57,479	53,800
Depreciation	3,511,102	3,510,000	3,510,000
Other Services and Charges	19,126,717	20,327,220	21,313,550
<b>TOTAL EXPENSES</b>	<b>23,633,014</b>	<b>24,840,575</b>	<b>25,952,842</b>
Loss - before interest and capital contributions	(3,083,636)	(825,016)	(1,647,255)
Interest income	590,099	204,613	280,000
Customer assessments - tap fees	1,819,792	1,430,000	960,000
Donated water and sewer lines	268,166	-	350,000
<b>CHANGE IN NET ASSETS</b>	<b>\$ (405,579)</b>	<b>\$ 809,597</b>	<b>\$ (57,255)</b>

Note: The Fiscal Year 2012, Estimated Fiscal Year 2013, and the Fiscal Year 2014 Budget 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.

### 2011-2012 Significant Accomplishments

- Maintained 100% occupancy.
- Maintained no outstanding Accounts Receivable for over 36 months.
- Installed new carpet throughout the first floor common areas and the Senior Center.
- Upgraded all courtyard lights, providing a better, safer lighting source.
- Installed automatic door operators for the court yard entrances.
- Utilized in-house maintenance staff to paint all restrooms and first floor hallways in the common areas and the Senior Center.
- Added approximately 20 trees along the main boulevard improving the beautification of property.
- Added new leasing office for private meetings with existing residents and new prospective.
- Updated Theater equipment and décor.
- Added four flat screen televisions throughout the commons areas of Meadowbrook Commons and the Senior Center for the use of residents and visitors and to display marketing images.
- Seal coated the ceiling of 6 Carports to remedy an oxidation problem.
- Installed a "smart" thermostat in the Meadowbrook Activity Center to help with energy savings.
- The Meadowbrook Commons team received two awards from KMG Prestige Property Management for Best Performance in the "Occupancy" Program and Best Performance in the "Collections" Program.



# Enterprise Funds

DESCRIPTION	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>REVENUE</b>			
Rental Income	\$1,939,740	\$1,961,544	\$1,960,710
Rental income - vacancies, etc. (contra)	(16,295)	(18,532)	-
Interest on Investments	2,125	390	695
Interest on Capital Reserve Funds	2,640	2,736	2,500
Miscellaneous Income	2,995	3,254	2,500
Carport, parking fees, etc.	8,238	8,020	7,800
Laundry income	6,784	5,127	5,800
Commercial rent (salon, etc)	3,450	3,600	3,600
<b>TOTAL REVENUE</b>	<u>\$1,949,677</u>	<u>\$1,966,139</u>	<u>\$1,983,605</u>
<b>EXPENSES</b>			
Supplies	\$ 16,011	\$ 9,981	\$ 11,475
Depreciation	369,496	362,910	362,000
Interest expense	534,608	520,250	473,895
Other services and charges	621,136	642,288	781,453
<b>TOTAL EXPENSES</b>	<u>1,541,251</u>	<u>1,535,429</u>	<u>1,628,823</u>
<b>Change in Net Assets</b>	<u>408,426</u>	<u>430,710</u>	<u>354,782</u>
ADD: Depreciation	369,496	362,910	362,000
Less: Purchase of capital assets	(35,007)	-	-
Less: Principal on debt	(665,000)	(675,000)	(690,000)
Less: Replacement Reserve Funding	(100,000)	(100,000)	(100,000)
ADD: Cash flows from operating activities, investing activities and capital and related financing activities*	165,865	69,920	69,920
<b>NET IMPACT ON CASH</b>	<u>\$ 143,780</u>	<u>\$ 88,540</u>	<u>\$ (3,298)</u>

\*For 2012-13 and 2013-14 the \$69,920 represents the non-cash amount included in the interest expense line item.

# Enterprise Funds

CITY OF NOVI - SENIOR COMPLEX REFUNDING BONDS - DEBT SERVICE  
GENERAL OBLIGATION LIMITED TAX BONDS, 2010 BUILDING AUTHORITY REFUNDING BONDS

YEAR	PRINCIPAL DUE	BALANCE	RATE	INTEREST		TOTAL	TOTAL PRINCIPAL & INTEREST
	OCT 1			DUE 10/1	DUE 4/1		
2012-2013	610,000	2,330,000	2.0000%	26,663	20,563	47,226	657,226
2013-2014	615,000	1,720,000	2.0000%	20,563	14,413	34,975	649,975
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>\$ 2,330,000</u>					<u>109,814</u>	<u>2,439,814</u>

CITY OF NOVI - SENIOR COMPLEX REFUNDING BONDS - DEBT SERVICE  
GENERAL OBLIGATION LIMITED TAX BONDS, 2005 BUILDING AUTHORITY REFUNDING BONDS


YEAR	PRINCIPAL DUE	BALANCE	RATE	INTEREST		TOTAL	TOTAL PRINCIPAL & INTEREST
	OCT 1			DUE 10/1	DUE 4/1		
2012-2013	65,000	9,485,000	3.7500%	203,730	202,511	406,241	471,241
2013-2014	75,000	9,420,000	3.7500%	202,511	201,105	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	139,930	297,816	1,142,816
2019-2020	850,000	6,595,000	4.2500%	139,930	121,868	261,798	1,111,798
2020-2021	840,000	5,745,000	4.2500%	121,868	104,018	225,885	1,065,885
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	4.3000%	46,333	23,650	69,983	1,124,983
2025-2026	1,100,000	1,100,000	4.3000%	23,650	-	23,650	1,123,650
	<u>\$ 9,485,000</u>					<u>3,643,323</u>	<u>13,128,323</u>

CITY OF NOVI - SENIOR COMPLEX REFUNDING BONDS - DEBT SERVICE  
TOTAL

YEAR	PRINCIPAL DUE	BALANCE	RATE	INTEREST		TOTAL	TOTAL PRINCIPAL & INTEREST
	OCT 1			DUE 10/1	DUE 4/1		
2012-2013	675,000	11,815,000		230,393	223,074	453,467	1,128,467
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	139,930	297,816	1,142,816
2019-2020	850,000	6,595,000		139,930	121,868	261,798	1,111,798
2020-2021	840,000	5,745,000		121,868	104,018	225,885	1,065,885
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	23,650	69,983	1,124,983
2025-2026	1,100,000	1,100,000		23,650	-	23,650	1,123,650
	<u>\$ 11,815,000</u>					<u>3,753,136</u>	<u>15,568,136</u>



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# Appendix A

## Resolutions

### Resolution of Adoption 2013 Millage Rates

**WHEREAS**, the City Council has agreed to keep the City's total millage rate unchanged from last year (2012) to 10.2000 mills, and

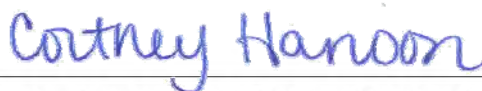
**WHEREAS**, that these levies are being placed on a diversified tax base that has been shrinking as anticipated in the financial plan, and

**WHEREAS**, a public hearing was held on May 3, 2013 on 2013 millage rates and the 2013-2014 budget,

**NOW, THEREFORE, BE IT RESOLVED**, that to finance the level of services established for the 2013-2014 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 Revenue	0.1057
Library	0.7719
2002 Streets & Refunding Debt	0.2564
2010 Refunding Debt	0.3487
2008 Library Construction Debt	<u>0.3852</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 20<sup>th</sup> day of May 2013.



Courtney Hanson, Deputy City Clerk





# Appendix A

## Resolutions

### Resolution of Adoption 2013-14 Budget

**WHEREAS**, the City Manager's recommended budget is based upon the September 7, 2012 Administrative and Management Staff Team Strategic Planning Session, the February 5, 2013 Assessments – Property Tax Base Primer as presented by the City Assessor to City Council, and updated on March 18, 2013, and City Council's early budget input session on January 5, 2013 with goals and objectives adopted by City Council, and

**WHEREAS**, this budget has incorporated the CIP plan as approved by the City's Planning Commission at the public hearing held on February 13, 2013, and

**WHEREAS**, this budget takes into consideration the City's Multi-Year Budget and financial planning through 2015-16, and


**WHEREAS**, during the Special City Council Meeting held on April 15, 2013 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 3, 2013 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 20<sup>th</sup> day of May 2013.



Courtney Hanson, Deputy City Clerk



## GENERAL FUND REVENUE

DESCRIPTION	2013-14 Budget
Taxes	\$ 14,853,900
Licenses, Permits & Charges for Services	3,391,760
Federal Grants	25,000
State Sources	4,213,918
Other Revenue	742,470
Fines and Forfeitures	486,000
Interest Income	204,000
Transfers In	5,300,000
Appropriation - Fund Balance	661,639
	<u>\$ 29,878,687</u>

## APPROPRIATION

DESCRIPTION	2013-14 Budget
<b>CITY COUNCIL</b>	
Personnel Services	\$ 4,746
Other Services and Charges	8,500
	<u>\$ 13,246</u>
<b>CITY MANAGER</b>	
Personnel Services	\$ 422,170
Supplies	425
Other Services and Charges	44,925
Capital Outlay	-
	<u>\$ 467,520</u>
<b>FINANCE DEPARTMENT</b>	
Personnel Services	\$ 672,252
Other Services and Charges	103,414
Capital Outlay	-
	<u>\$ 775,666</u>



# Appendix A

## Resolutions

GENERAL FUND  
APPROPRIATION (continued)

DESCRIPTION	2013-14 Budget
INFORMATION TECHNOLOGY	
Personnel Services	\$ 592,641
Supplies	28,670
Other Services and Charges	115,502
Capital Outlay	169,552
	\$ 906,365
ASSESSING	
Personnel Services	\$ 466,549
Supplies	11,700
Other Services and Charges	329,562
Capital Outlay	-
	\$ 807,811
CITY ATTORNEY	
Other Services and Charges	\$ 382,000
CITY CLERK	
Personnel Services	\$ 470,687
Supplies	16,000
Other Services and Charges	66,190
Capital Outlay	-
	\$ 552,877
TREASURY	
Personnel Services	\$ 238,199
Supplies	25,500
Other Services and Charges	54,027
Capital Outlay	-
	\$ 317,726

# Appendix A

## Resolutions

### GENERAL FUND APPROPRIATION (continued)

DESCRIPTION	2013-14 Budget
<b>FACILITY OPERATIONS</b>	
Personnel Services	\$ 286,896
Supplies	22,800
Other Services and Charges	430,150
Capital Outlay	268,732
Debt Service	-
	<u>\$ 1,008,578</u>
<b>HUMAN RESOURCES</b>	
Personnel Services	\$ 374,519
Other Services and Charges	67,000
	<u>\$ 441,519</u>
<b>NEIGHBORHOOD &amp; BUSINESS RELATIONS GROUP</b>	
Personnel Services	\$ 439,247
Supplies	10,700
Other Services and Charges	500,619
Capital Outlay	-
	<u>\$ 950,566</u>
<b>GENERAL ADMINISTRATION</b>	
Personnel Services	\$ 1,353,000
Supplies	57,500
Other Services and Charges	451,500
Capital Outlay	10,000
	<u>\$ 1,872,000</u>
<b>PUBLIC SAFETY</b>	
Personnel Services	\$ 14,565,988
Supplies	431,770
Other Services and Charges	1,543,481
Capital Outlay	160,105
Debt Service	-
	<u>\$ 16,701,344</u>



# Appendix A

## Resolutions

GENERAL FUND  
 APPROPRIATION (continued)

DESCRIPTION	2013-14 Budget
COMMUNITY DEVELOPMENT	
Personnel Services	\$ 1,807,194
Supplies	48,100
Other Services and Charges	212,583
Capital Outlay	51,000
	\$ 2,118,877
DEPARTMENT OF PUBLIC SERVICES	
Personnel Services	\$ 3,301,513
Supplies	114,900
Other Services and Charges	926,699
Capital Outlay	189,000
	4,532,112
Allocated to Other Funds	(2,219,520)
	\$ 2,312,592
TRANSFERS OUT	\$ 250,000
	\$ 29,878,687

# Appendix A

## Resolutions

### MAJOR STREET FUND REVENUE

DESCRIPTION	2013-14 Budget
Gas and Weight Tax	\$ 2,454,400
Interest Income	1,500
Appropriation - Fund Balance	730,990
	\$ 3,186,890

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Construction	\$ 1,345,930
Routine & Capital Preventive Maintenance	825,000
Traffic Services	270,000
Winter Maintenance	270,000
Administration	510
Transfer to Other Funds	475,450
	\$ 3,186,890

### LOCAL STREET FUND REVENUE

DESCRIPTION	2013-14 Budget
Gas and Weight Tax	\$ 873,000
Interest Income	800
Transfer from Other Funds	2,994,450
Appropriation - Fund Balance	171,330
	\$ 4,039,580

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Construction	\$ 2,712,320
Routine & Capital Preventive Maintenance	905,000
Traffic Services	164,500
Winter Maintenance	257,250
Administration	510
	\$ 4,039,580



# Appendix A

## Resolutions

### MUNICIPAL STREET FUND REVENUE

DESCRIPTION	2013-14 Budget
Special Assessments Levied	\$ 14,140
Taxes	4,380,000
Interest Income	8,070
Other	230,170
Appropriation - Fund Balance	(337,517)
	<u>\$ 4,294,863</u>

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Construction	\$ 704,560
Maintenance	350,000
Administration	1,720
Memberships & Dues	15,200
Transfer to Other Funds	2,519,000
Bike Trails & Sidewalks	704,383
	<u>\$ 4,294,863</u>

### PUBLIC SAFETY FUND REVENUE

DESCRIPTION	2013-14 Budget
Taxes	\$ 4,170,000
Interest Income	23,000
Appropriation - Fund Balance	1,107,000
	<u>\$ 5,300,000</u>

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Transfer to General Fund	<u>\$ 5,300,000</u>

# Appendix A

## Resolutions

### PARKS, RECREATION & CULTURAL SERVICES FUND REVENUE

DESCRIPTION	2013-14 Budget
Property Taxes	\$ 1,126,000
Community Development Block Grant	85,920
Program Revenue	1,010,860
Older Adults Program Revenue	202,284
Interest Income	5,000
Other Revenue	5,000
Transfer from Other Funds	250,000
Appropriation - Fund Balance	107,234
	\$ 2,792,298

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Personnel Services	\$ 857,717
Supplies	46,480
Other Services and Charges	1,495,096
Capital Outlay	393,005
	\$ 2,792,298

### TREE FUND REVENUE

DESCRIPTION	2013-14 Budget
Interest Income	\$ 10,650
Tree Fund Revenue	75,000
Tree Fund Maintenance Revenue	2,000
Appropriation - Fund Balance	-
	\$ 87,650

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Tree Fund Expenditures	\$ 87,650



# Appendix A

## Resolutions

### DRAIN REVENUE FUND REVENUE

DESCRIPTION	2013-14 Budget
Property Taxes	\$ 309,000
Interest Income	30,000
Other	10,000
Appropriation - Fund Balance	375,400
	\$ 724,400

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Construction	\$ 62,100
Maintenance	662,300
	\$ 724,400

### DRAIN PERPETUAL MAINTENANCE FUND REVENUE

DESCRIPTION	2013-14 Budget
Interest Income	\$ 60,000
Tap-In Fees	5,000
Appropriation - Fund Balance	(65,000)
	\$ -

### SPECIAL ASSESSMENT REVOLVING FUND REVENUE

DESCRIPTION	2013-14 Budget
Interest Income	\$ 10,000
Appropriation - Fund Balance	(10,000)
	\$ -



# Appendix A

## Resolutions

### CONTRIBUTIONS AND DONATIONS FUND REVENUE

DESCRIPTION	2013-14 Budget
Interest Income	\$ 200
Appropriation - Fund Balance	(200)
	\$ -

### FORFEITURE FUND REVENUE

DESCRIPTION	2013-14 Budget
Federal Forfeiture Funds	\$ 20,000
State Forfeiture Funds	10,500
OWI Forfeiture Funds	1,000
Appropriation - Fund Balance	240,310
	\$ 271,810

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Supplies	\$ 15,000
Other Services & Charges	34,910
Capital Outlay	221,900
	\$ 271,810



# Appendix A


## Resolutions

### LIBRARY FUND REVENUE

DESCRIPTION	2013-14 Budget
Property Taxes	\$ 2,254,000
State Sources	20,000
Fines	144,500
Interest Income	25,000
Donations	5,000
Other Revenue	45,100
Appropriation - Fund Balance	481,100
	<u>\$ 2,974,700</u>

### APPROPRIATIONS

DESCRIPTION	2013-14 Budget
Personnel Services	\$ 1,913,300
Supplies	578,900
Other Services and Charges	438,700
Capital Outlay	43,800
	<u>\$ 2,974,700</u>



# Appendix A

## Resolutions

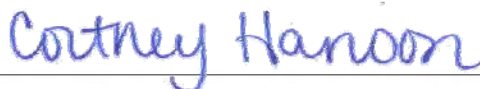
### **Resolution Acknowledging the Multi-Year Budget Including Projections of Future Fiscal Years Ending 2014-2015 and 2015-2016**

**WHEREAS**, the City Manager's recommended budget is based upon the September 7, 2012 Administrative and Management Staff Team Strategic Planning Session, the February 5, 2013 Assessments – Property Tax Base Primer as presented by the City Assessor to City Council, and updated on March 18, 2013, and January 5, 2013 City Council early budget input session with goals and objectives adopted by City Council, and

**WHEREAS**, this budget takes into consideration the City's Multi-Year Budget and financial planning through 2015-2016, and

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council acknowledges the Multi-Year Budget including projections of the future fiscal years ending 2014-15 and 2015-2016.

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 20<sup>th</sup> day of May 2013.



Cortney Hanson, Deputy City Clerk



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# Appendix B

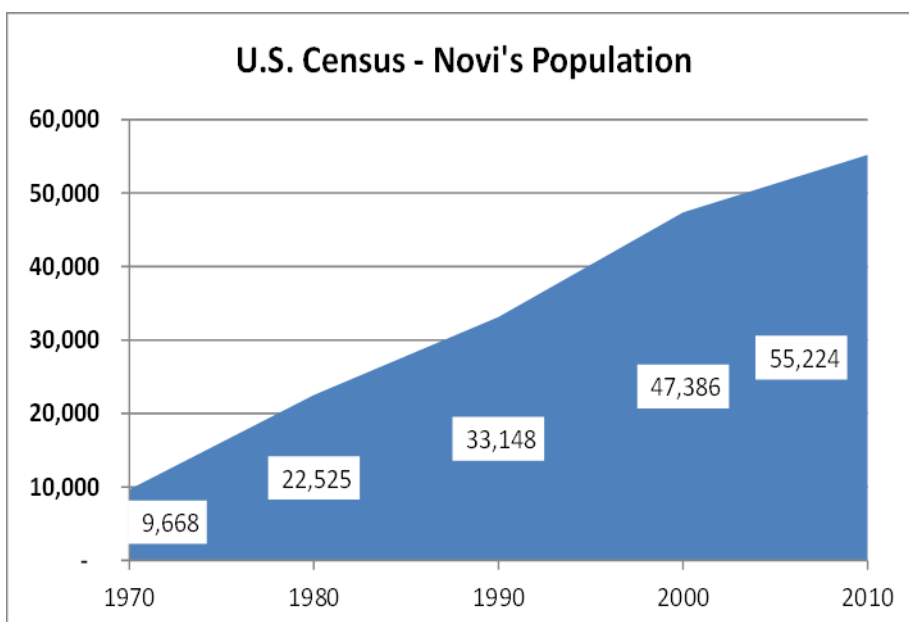
## Statistical Information

### 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

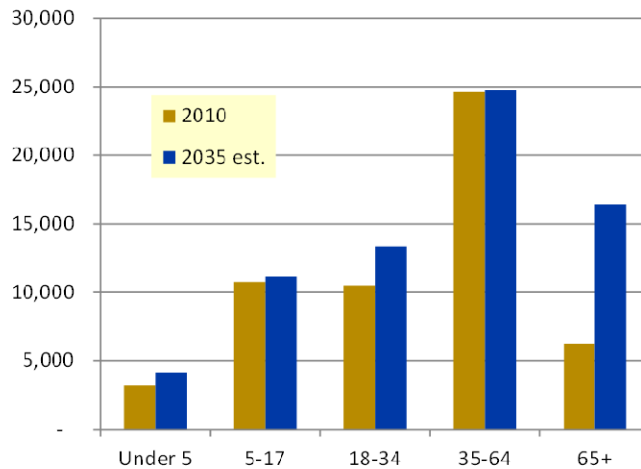
## Statistical Information

### 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%
<b>Total Population</b>	<b>33,148</b>	<b>100%</b>	<b>47,579</b>	<b>100%</b>	<b>55,224</b>	<b>100%</b>	<b>69,796</b>	<b>100%</b>

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%
<b>Total Households</b>	<b>12,775</b>	<b>100%</b>	<b>18,774</b>	<b>100%</b>	<b>22,097</b>	<b>100%</b>

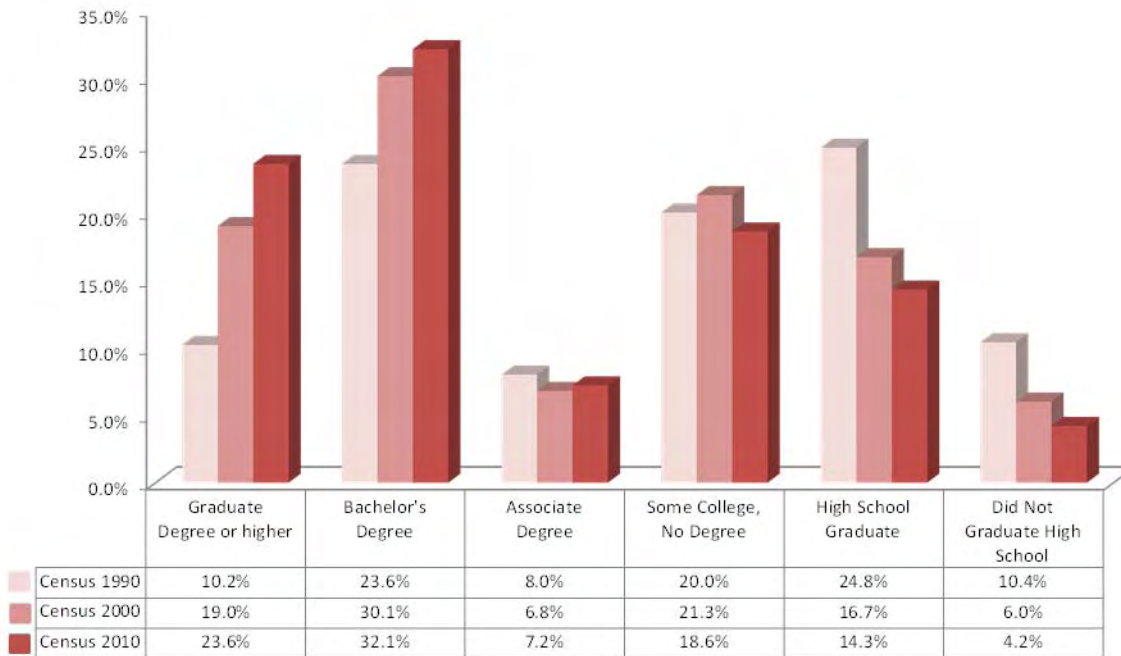
# Appendix B

## 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)

	City of Novi, MI					State of Michigan					United States				
	2010 (estimated)		2000		1990	2010 (estimated)		2000		1990	2010 (estimated)		2000		1990
Educational Attainment, Population Age 25 years or older	% 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

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2010</u>	<u>2035</u>
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	

<u>Structure Type</u>	<u>1990 Census</u>	<u>2000 Census</u>	<u>2010 Census</u>
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 benchmark

	Greenville, North Carolina greenvillenc.gov	Rock Hill, South Carolina ci.rock-hill.sc.us	Roswell, Georgia roswellgov.com	Lewisville, Texas cityoflewisville.com	Rochester Hills, Michigan rochesterhills.org	Novi, Michigan cityofnovi.org	Carlsbad, California carlsbadca.gov	Redmond, Washington ci.redmond.wa.us	North Richland Hills, Texas nrhx.com	Olathe, Kansas olatheks.org
City Size (square miles)	35	36	42	42.0	32.9	31.3	42.8	17.1	18.2	61.3
<b>POPULATION</b>										
2010 Census	84,554	66,154	88,346	95,290	70,995	55,224	105,328	54,144	63,343	125,872
% Change (00-10)	39.8%	32.9%	11.4%	22.6%	3.2%	16.1%	34.6%	19.6%	13.9%	35.4%
2000 Census	60,476	49,765	79,334	77,737	68,825	47,579	78,247	45,256	55,635	92,962
1990 Census	44,972	41,643	47,923	46,521	61,766	32,998	63,126	35,800	45,895	63,352
% Change (90-00)	34.5%	19.5%	65.5%	67.1%	11.4%	44.2%	24.0%	26.4%	21.2%	46.7%
<b>DEMOGRAPHICS (2010 Census)</b>										
Median Age	26.0	31.9	37.6	30.9	40.9	39.1	40.4	34.1	38.3	32.9
School Age Children (19>x>5)	17,893	13,974	17,703	18,876	14,319	11,921	21,077	8,766	12,751	29,506
	21.2%	21.1%	20.0%	19.8%	20.2%	21.6%	20.0%	16.2%	20.1%	23.4%
Senior Citizens (x>65)	7,037	6,886	9,186	6,237	9,762	6,248	14,798	5,121	7,819	9,042
	8.3%	10.4%	10.4%	6.5%	13.8%	11.3%	14.0%	9.5%	12.3%	7.2%
Race -- White	47,579	36,147	66,010	62,263	58,309	40,313	87,205	35,296	53,076	104,559
	56.3%	54.6%	74.7%	65.3%	82.1%	73.0%	82.8%	65.2%	83.8%	83.1%
Race -- Black	31,272	25,348	10,373	10,661	3,228	4,482	1,379	924	3,031	6,703
	37.0%	38.3%	11.7%	11.2%	4.5%	8.1%	1.3%	1.7%	4.8%	5.3%
Race -- Asian	2,205	1,118	3,565	7,392	7,458	8,767	7,460	13,733	1,770	5,137
	2.6%	1.7%	4.0%	7.8%	10.5%	15.9%	7.1%	25.4%	2.8%	4.1%
Race -- Hispanic	3,183	3,761	14,699	27,783	2,183	1,634	13,988	4,214	9,906	12,794
	3.8%	5.7%	16.6%	29.2%	3.1%	3.0%	13.3%	7.8%	15.6%	10.2%
<b>HOUSING AND EDUCATION (2010 Census)</b>										
% Owner Occupied Units	37.1%	53.3%	66.9%	45.7%	77.0%	67.3%	64.8%	54.2%	63.6%	72.7%
Average Family Size	2.9	3.04	3.1	3.21	3.08	3.11	3.03	2.98	3.03	3.24
Median Household Income	\$ 34,134	\$ 42,629	\$ 77,173	\$ 56,811	\$ 79,009	\$ 76,561	\$ 85,743	\$ 92,851	\$ 63,287	\$ 76,528
Median Home Value	\$ 147,600	\$ 135,300	\$ 300,400	\$ 150,600	\$ 226,400	\$ 250,200	\$ 633,200	\$ 460,200	\$ 146,700	\$ 194,600
Median Gross Rent	\$ 744	\$ 748	\$ 1,003	\$ 921	\$ 1,048	\$ 972	\$ 989	\$ 871	\$ 814	\$ 699
Average Commute Length	17.1	21	26.6	25.6	25.8	26.3	28.7	20.6	25.6	20.7
% College Degree	35.6%	28.1%	53.4%	29.7%	50.2%	54.6%	51.3%	60.2%	30.7%	44.7%
Average Year of Home Construction (2000 Census)	1,983	1,975	1,985	1,989	1,981	1,985	1,982	1,982	1,981	1,985
<b>ECONOMIC CHARACTERISTICS (2007 ECONOMIC CENSUS DATA)</b>										
# of Manufacturing Establishments	39	57	57	99	104	80	178	147	22	110
# of Manufacturing Employees	2,412	3,000	694	2,834	3,147	2,211	11,834	9,662	832	5,447
# of Retail Trade Establishments	457	320	386	446	255	359	513	260	190	408
# of Retail Trade Employees	6,652	4,361	5,589	8,523	5,071	6,845	8,049	4,178	4,220	7,408
# of Professional, Scientific, and Technical Service Establishments	221	169	792	216	253	274	763	353	112	359
# of Professional, Scientific, and Technical Service Employees	1,223	932	7,311	Not Available	3,209	4,007	5,143	4,161	383	Not Available
# of Health Care and Social Assistance Establishments	322	211	369	244	284	220	240	196	132	253
# of Health Care and Social Assistance Employees	Not Available	5,270	5,811	3,844	3,470	4,470	2,630	3,361	2,256	5,405
# of Accommodation and Food Service Establishments	252	170	239	217	121	151	220	257	110	225
# of Accommodation and Food Service Employees	6,365	3,829	3,862	4,751	Not Available	3,825	6,891	4,434	2,639	5,329



# Appendix B

## 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 chart below shows the allocation of "Your 2012 Property Tax Dollar" for fiscal year 2012-13 (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)



# Appendix B

## Statistical Information

### 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.




# Appendix B

## Statistical Information

### Major Taxpayers

#### 2012 Top Twenty Property Owners (by Taxable Value)

	2012 Taxable Value	% of Total Taxable Value
TAUBMAN	\$51,789,460	1.77%
NORTHERN EQUITIES ETAL	51,289,090	1.76%
NOVI CAMPUS	44,900,570	1.54%
SINGH	44,266,400	1.52%
INTERNATIONAL TRANSMISSION CO	29,555,140	1.01%
DETROIT EDISON	27,322,300	0.94%
OCCIDENTAL/OAKLAND DEV/ E ROSE	27,279,710	0.93%
PROVIDENCE HOSPITAL	22,361,590	0.77%
BOWMAN	21,214,720	0.73%
FOUNTAIN WALK	15,798,400	0.54%
SOLOMON PROPERTIES	14,004,520	0.48%
NOVI TOWN CENTER	12,950,970	0.44%
MI DEVELOPMENT	12,200,690	0.42%
RAMCO NOVI I CO.	11,630,850	0.40%
CVS	11,268,170	0.39%
NORTHWESTERN MUTUAL	10,831,760	0.37%
JFK INVESTMENT	10,677,010	0.37%
CONSUMERS ENERGY	10,306,940	0.35%
MACY'S	9,949,630	0.34%
WESTMARKET SQUARE	9,547,860	0.33%
		15.38%



# 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.

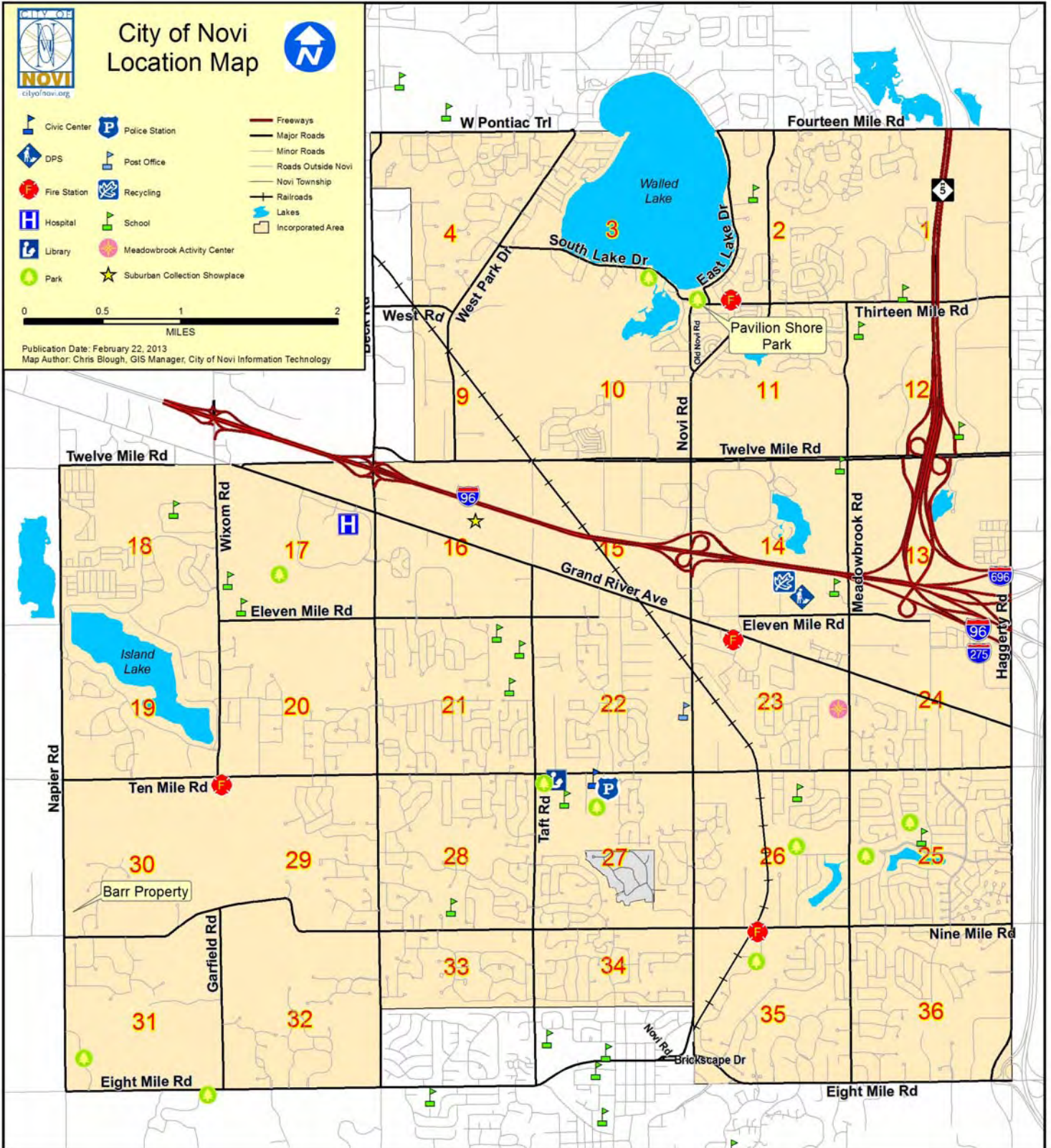
The Novi School District is comprised of 1 high school, 1 middle school (7-8), 1 upper elementary school (5-6), and 5 elementary schools (K-4). An Instructional Technology Center links the 5<sup>th</sup> grade house and the 6<sup>th</sup> grade house of Novi Meadows. (The majority of students residing 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Election data</b>										
Registered voters	30,428	30,572	32,131	32,301	33,253	35,117	36,320	35,764	36,921	37,366
Voters at polls	13,814	3,962	25,432	4,495	20,612	9,020	19,684	2,887	14,535	3,633
Absentee ballots	2,742	1,343	5,783	2,256	4,500	2,768	8,455	2,212	4,575	2,386
Percent voting	54%	17%	79%	21%	62%	26%	77%	14%	52%	16%
<b>Police</b>										
Part A crimes	2,509	2,530	2,426	2,312	2,077	2,102	2,018	1,868	1,679	1,841
Part B crimes	1,681	1,766	1,216	1,246	1,388	987	721	793	814	627
Injury accidents	281	266	277	248	203	242	264	216	272	288
Property damage	2,146	2,221	2,004	1,986	1,853	1,825	1,737	1,602	1,761	1,631
Moving traffic violations	6,161	10,353	10,451	12,219	11,486	6,813	11,184	11,635	10,167	9,381
Parking violations	542	620	448	437	427	N/A	N/A	512	285	288
Adult arrests	1,541	1,709	1,630	1,780	2,001	1,703	1,987	2,353	2,368	2,082
Juvenile arrests	227	261	208	211	237	189	229	201	213	166
OUIL arrests	306	451	460	380	398	266	369	363	415	335
False alarms	2,554	2,527	2,470	2,677	2,664	2,403	2,275	2,262	2,357	2,090
<b>Fire</b>										
Fire incidents	154	137	305	309	287	266	1,015	134	92	120
Service incidents	1,215	1,343	1,124	1,013	1,207	1,218	567	2,006	1,311	1,249
Fire inspections conducted	3,054	2,849	2,280	2,291	2,301	2,619	3,049	2,341	2,920	3,557
Medical emergencies	2,083	2,187	2,430	2,424	2,458	2,724	2,766	2,957	3,299	3,169
Paid-on-call staff	60	55	48	54	59	56	68	68	66	68
<b>Parks and recreation</b>										
Youth classes/clinics	250	1,000	240	248	780	572	715	1,154	1,238	1,544
Adult classes/clinics	300	400	100	106	493	428	213	439	458	414
Youth leagues	3,732	4,900	2,891	3,002	3,091	2,983	2,198	2,585	2,371	2,431
Adult leagues	2,640	2,010	2,138	2,146	1,980	2,240	2,394	2,750	4,024	4,120
Summer day camp	420	416	425	431	367	341	339	742	703	668
Lakeshore Park vehicle entry	3,850	3,410	3,456	3,502	7,910	10,335	7,065	11,533	9,846	10,822
Lakeshore Park attendance	8,740	10,230	10,368	12,224	17,120	17,777	17,663	28,833	24,615	27,055
Lakeshore Park picnic shelter rental	79	117	82	85	104	163	130	128	98	105
Senior citizens served (1)	90,700	90,680	63,676	64,189	106,522	87,188	78,978	78,432	68,517	76,462
Special event attendance	8,813	10,966	9,250	10,009	9,981	11,413	11,049	12,071	14,311	14,018
Civic Center Rentals	2,807	3,765	1,799	2,700	2,746	2,731	2,116	1,060	1,516	1,492
Civic Center Attendance	89,070	99,312	57,352	86,860	96,503	97,249	81,810	57,519	37,457	35,506
Novi Theaters - Cast	821	817	367	372	284	226	214	206	181	198
Novi Theaters - Audience	8,005	10,380	6,341	6,640	4,929	6,392	4,548	5,041	4,757	4,715
<b>Library (2)</b>										
Items circulated	400,441	411,599	464,991	508,405	544,874	580,438	628,724	556,582	759,021	803,552
Book collections	107,236	113,384	119,273	123,897	126,259	128,711	123,884	137,220	146,187	152,024
Audio/Video/CD collections	10,042	11,075	11,552	12,581	13,805	13,774	13,232	14,295	18,015	20,618
Periodical subscriptions	189	195	189	153	170	179	162	185	215	208
Requests of Information	88,873	86,403	115,623	136,448	158,265	159,485	154,735	171,324	220,427	210,960
Youth Summer Reading	1,547	1,577	1,687	1,698	1,171	1,491	1,491	1,061	1,261	1,338
Program participants	23,342	28,824	26,940	26,160	26,720	35,062	18,772	24,145	34,198	45,572
Visitors				285,777	265,795	269,815	280,560	262,826	371,274	378,571
Interlibrary loans				46,057	55,102	60,182	78,214	67,615	100,342	109,274
<b>Water and Sewer</b>										
Customers:										
Residential	12,504	10,684	11,107	12,306	12,708	12,716	12,641	12,874	12,940	13,191
Commercial	1,020	1,014	1,024	1,108	1,399	1,280	1,287	1,225	1,239	1,254
Water (in thousand gallons):										
Purchased from Detroit	\$ 2,204,351	\$ 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
Sold to residents	\$ 2,099,575	\$ 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
Rates:										
Fixed rate quarterly water charge	-	-	-	-	-	-	-	-	35.00	37.00
Additional usage per 1,000 gallons	2.48	2.55	2.78	2.94	2.94	3.17	3.95	4.06	3.31	3.44
Fixed rate quarterly sewer charge	-	-	-	-	-	-	-	-	5.00	5.00
Sewer (per thousand gallons of water usage)	1.75	1.93	2.05	2.21	2.21	2.32	2.51	2.67	2.90	4.00

(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.

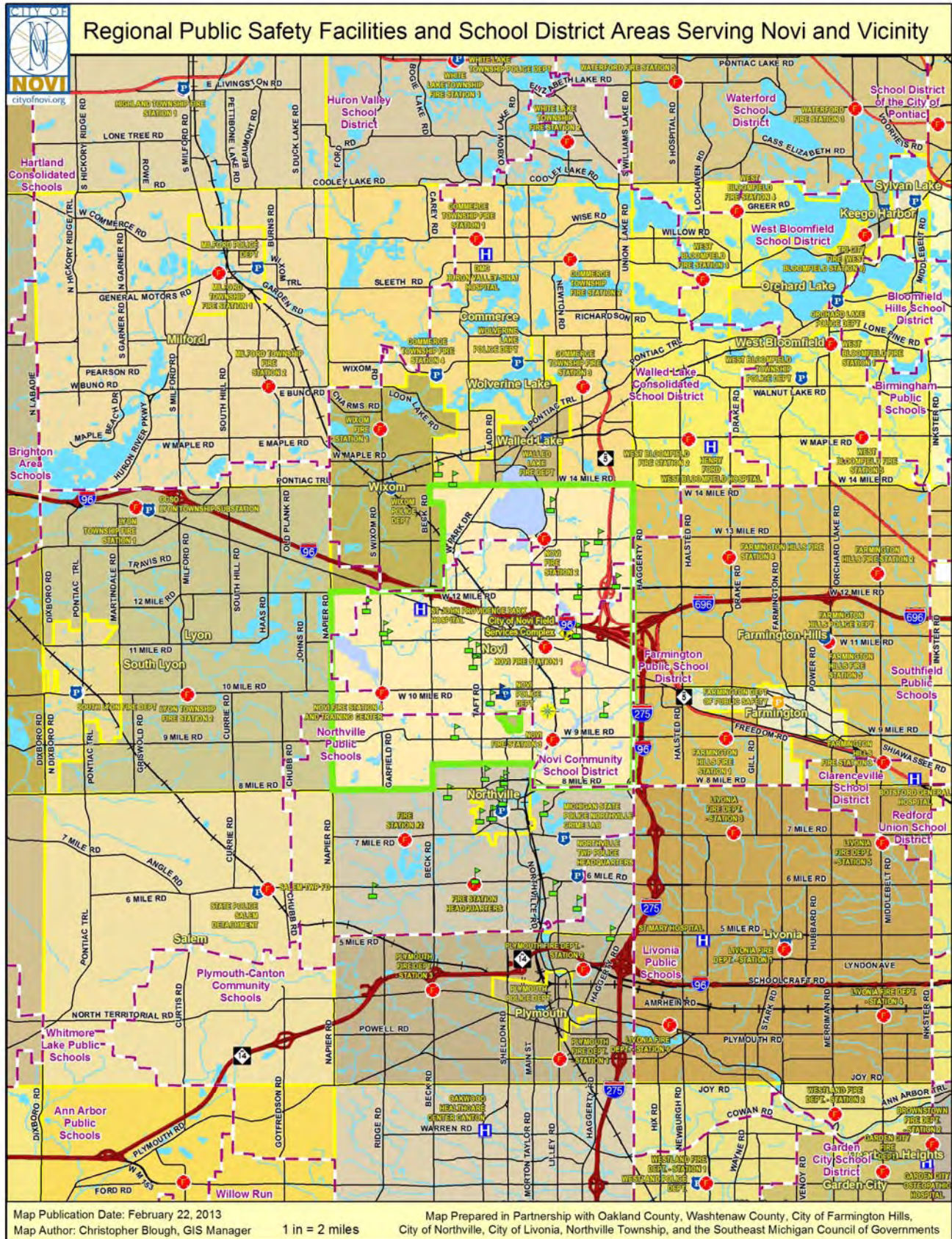
(2) This information represents 10 months worth of information. The Library was closed for the months of April and May.  
The New Library opened on June 1, 2010.

(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 finance department records

# Appendix B

## Statistical Information





# Appendix C

## Current Construction Project Inventory

### CURRENT CONSTRUCTION PROJECT INVENTORY

#### City Manager's Recommended and Funded Capital Improvements

<b>ROADWAY PROJECTS</b>	<b>2012-2013 Estimated</b>	<b>2013-14 Proposed</b>	<b>FUTURE YEARS</b>	<b>Total City Cost</b>	<b>FUNDING SOURCE/NOTES</b>
2014 Neighborhood Road Rehabilitation, Repaving and Reconstruction Program with engineering for construction year 2015	\$ 1,454,000	\$ 2,699,000	\$ 14,634,000	\$ 18,787,000	Local Street Fund
Heslip Drive Rehabilitation (PASER 4)		\$ 336,700		\$ 336,700	Major Street Fund
Town Center Drive from Grand River to 11 Mile Road (PASER 2; Asphalt)		\$ 570,000		\$ 570,000	Major Street Fund
Town Center Drive Rehabilitation, Crescent Blvd. to 11 Mile Road (PASER 6)		\$ 430,930		\$ 430,930	Major Street Fund
11 Mile Road Town Center to Meadowbrook Rd. Spray Seal		\$ 50,000	\$ 1,300,000	\$ 1,350,000	Major Street/Municipal Street Fund
<b>Intersections &amp; Signals</b>	<b>2012-2013 Estimated</b>	<b>2013-14 Proposed</b>	<b>FUTURE YEARS</b>	<b>Total City Cost</b>	<b>FUNDING SOURCE/NOTES</b>
Extend Right Turn Lane - Westbound Grand River Avenue at Beck Road		\$ 62,000		\$ 62,000	\$92,000 Federal Grant for construction, \$62,000 Municipal Street Fund, Grant Funds available Oct 1, 2013, Total Project Cost \$154,000
New Traffic Signal Wixom Road and Glenwood Drive/Deerfield Elementary		\$ 198,180		\$ 198,180	Major Street Fund
Haggerty Road at Grand River. Add Southbound Right Turn Lane and Reconstruct Traffic Signal		\$ 105,240		\$ 105,240	Potential 80% grant funding for construction, Municipal Street Fund Total Project Cost \$293,240
Meadowbrook Road at 8 Mile Road Signal Improvements		\$ 175,000		\$ 175,000	Municipal Street Fund
<b>Sidewalks &amp; Pathways</b>	<b>2012-2013 Estimated</b>	<b>2013-14 Proposed</b>	<b>FUTURE YEARS</b>	<b>Total City Cost</b>	<b>FUNDING SOURCE/NOTES</b>
Americans with Disabilities Act (ADA) Compliance Plan Annual Implementation	\$ 100,000	\$ 50,000	\$ 250,000	\$ 400,000	Municipal Street Fund
Segment 16-13 Mile Road, South Side, Between Novi Road and Holmes		\$ 53,000		\$ 53,000	Municipal Street Fund
Haggerty Road and Nine Mile Road Pedestrian Improvements		\$ 85,760		\$ 85,760	Municipal Street Fund
Segment NCI-East Lake Drive to Novi Road (8' foot - Asphalt)		\$ 68,695		\$ 68,695	Municipal Street Fund
M-5/I-275 Trail Connector-Phase I-(10' foot Pathway) on East Side of Meadowbrook Road from I-96 to 12 Mile Road		\$ 359,228		\$ 359,228	Potential Grant Funding/Municipal Street Fund Total Project Cost \$1,100,428
Segment 73-Meadowbrook (6' foot Pathway) East Side Grand River to 11 Mile Road		\$ 95,200		\$ 95,200	Municipal Street Fund
Beck Road at Cheltenham Mid-Block Non-Motorized Crossing		\$ 72,500		\$ 72,500	Municipal Street Fund



# Appendix C

## Current Construction Project Inventory

<b>Sanitary Sewer</b>	<b>2012-2013 Estimated</b>	<b>2013-14 Proposed</b>	<b>FUTURE YEARS</b>	<b>Total City Cost</b>	<b>FUNDING SOURCE/NOTES</b>
Generator for Knightsbridge Gate Sanitary Pump Station		\$ 125,000		\$ 125,000	Water & Sewer Fund
Generator for Regency Lift Station		\$ 125,000		\$ 125,000	Water & Sewer Fund
<b>Water Distribution</b>	<b>2012-2013 Estimated</b>	<b>2013-14 Proposed</b>	<b>FUTURE YEARS</b>	<b>Total City Cost</b>	<b>FUNDING SOURCE/NOTES</b>
Water Storage Facility and Appurtenances	\$ 37,450	\$ 5,550,000		\$ 5,587,450	Water & Sewer Fund
9 Mile Road and Connemara Pressure Reducing Valve (PRV) Replacement		\$ 351,000		\$ 351,000	Water & Sewer Fund
<b>Parks</b>	<b>2012-2013 Estimated</b>	<b>2013-14 Proposed</b>	<b>FUTURE YEARS</b>	<b>Total City Cost</b>	<b>FUNDING SOURCE/NOTES</b>
Novi Dog Park at the Novi Ice Arena		\$ 250,000		\$ 250,000	Parks, Recreation & Cultural Services
Greenway Development Phase I (connects Providence Park to ITC Community Sports Park)		\$ 38,500	\$ 564,375	\$ 602,875	Parks, Recreation & Cultural Services
ITC Community Sports Park Trailhead and Trail		\$ -		\$ -	Total Project cost estimated at \$295,000 funded with Private Funds
Theatre and Four Quarters Sound System Upgrade		\$ 26,315		\$ 26,315	Parks, Recreation and Cultural Services
<b>Buildings &amp; Property</b>	<b>2012-2013 Estimated</b>	<b>2013-14 Proposed</b>	<b>FUTURE YEARS</b>	<b>Total City Cost</b>	<b>FUNDING SOURCE/NOTES</b>
Lower Level Lobby, Hallway, and Locker Room Flooring Replacement		\$ 50,300		\$ 50,300	Ice Arena
Police Parking Lot Improvements - Replacement		\$ 58,810		\$ 58,810	General Fund
Civic Center HVAC Air Handling Units #3 and #4 Replacement		\$ 250,000		\$ 250,000	General Fund
Meadowbrook Commons Roof Replacements		\$ 41,484	\$ 247,690	\$ 289,174	Senior Housing Fund
Figure Skating Locker Room Remodel and Build Out		\$ 40,000		\$ 40,000	Ice Arena
Meadowbrook Commons Asphalt Repairs		\$ 31,160		\$ 31,160	Senior Housing Fund

## 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.



# Glossary

**CPI:** Abbreviation for Consumer Price Index. Renamed the Inflation Rate Multiplier (IRM).

**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.

**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.





# Glossary

**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.

**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.



# Glossary

**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.

**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.





# Glossary

**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.

**Transfers In/Out:** A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

**Trust and Agency Fund:** Trust and Agency 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.

**Venture Team:** Team to start up business, secure financing, and execute a business plan.

**VFD:** Variable Frequency Drive used in HVAC equipment to gain efficiencies in use.

**Water and Sewer Fund:** This enterprise fund is used to account for the provision of water and sewer services to the customer financed primarily by user charges.

**Watershed:** A high area of land where rain collects, some of it flowing down to supply rivers and lakes at lower levels.

**Wetland:** A large area of land covered with swamp or marsh.

**Woodland:** An area of land on which many trees grow.



## 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.