

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI
MONDAY, APRIL 15, 2013 AT 5:30 P.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

Mayor Gatt called the meeting to order at 5:30 P.M.

PLEDGE OF ALLEGIANCE

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

ALSO PRESENT: Clay Pearson, City Manager
Victor Cardenas, Assistant City Manager
Nevrus Nazarko, Finance Director/Treasurer

APPROVAL OF AGENDA:

CM-13-04-052 Moved by Casey, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve the Agenda as presented.

Roll call vote on CM-13-04-052

**Yeas: Staudt, Casey, Fischer, Margolis, Mutch,
Wrobel, Gatt**

Nays: None

PURPOSE OF SPECIAL MEETING – 2013-2014 CITY OF NOVI BUDGET

1. Overview:
 - a. Introduction
 - b. 2013-2014 Budget Overview/Highlights -
 - c. Multi-Year Budget
 - d. Budget Program Categories
 - e. Capital Improvement Program

City Manager Pearson noted at the Council table were the answers for the questions that have come in over the last two weekends. The budget process begins with the recap of the citizen survey that is done every other year with great feedback, then the early input session in January, and we work with plans and studies to be sure we are following through on the things Council has endorsed. He complimented the new Finance team who has continued the process of producing a great budget. Each municipality has the responsibility to prioritize its own services and programs in their budgets. Each budget document is a policy and strategy document to determine outcomes built in this community. This year he has a theme that is geared towards the talent priority similar to the Governor's ongoing mission to attract talent. It fits Novi's success record. Novi attracts a lot of talent. It is important to do things to enhance and build upon this aspect. Your city hall is available almost 24/7 and the library is

expanding their hours to make our resources available to the community. We have a knowledge based economy. An indicator is that Novi has over 50% of residents with bachelor's degrees or higher. Some of the charts displayed included governmental fund expenditures over the last several years. He thanked staff for their shared sacrifice with little as possible impact on residents. Within the General Fund, the public safety remains the bulk of our expenditures. The Neighborhood Business, Community Development, and Planning group have shared and contracted over time. He reviewed the strategic categories including public safety team who always has innovative new ideas and provides first class service. Infrastructure includes prioritization of neighborhood roads where the worst roads are repaired first to keep them in the Paser range four to six and not to dropping into total reconstruction which is the most expensive approach. The budget also includes the Crescent Blvd. extension project which is the new northwest quadrant Ring Road between Grand River and Novi Road. Council identified it as one of the top short term infrastructure projects. In the budget they only have the City's match if there is a project with a State grant. The project itself is \$3.5 million and we are providing about 20% in case the project materializes. If the project doesn't materialize, then the money stays in the Road Fund. There is money for Crescent Blvd. and Town Center Drive that needs complete reconstruction and there are two pieces to that: Grand River north to Crescent Town Center and Crescent Blvd, the west-east street off of Novi Road. Also included in infrastructure are pathways and sidewalks with a variety of segments in the amount of \$784,383 and it doesn't include the I-96 crossing segment at Meadowbrook that came in too late for grant opportunity and the City's' portion would be \$440,000. This would be up to Council for the decision to proceed. The last item is the water storage facility that is becoming more important for a permanent rate structure. We are not going to be able to reduce our peak hours unless we get some dedicated storage. The City property east of Wild Life Woods park is being finalized.

The major road projects, over the next three years, are mapped in the multiyear budget. Also, the eligible neighborhood roads are displayed in a second map. A majority of the roads are in the southeast quadrant off Nine Mile and Meadowbrook Road. We are able to do more work with the additional road millage capacity, \$2.1 million of neighborhood road work. It is a mix of construction, rehabilitation, and maintenance. Next fiscal year, 50% is added from what we have been doing in the past to the \$2.1 million dollars and then to the \$2.8 – 2.9 million dollars in the future.

He noted economic development in the Main Street and Novi Town Center areas. The City of Novi is one of two locations designated by the Michigan Economic Development Corporation as "redevelopment ready" in Oakland County. The clear zoning ordinance conversion makes it very easy for developers, applicants and public to navigate our zoning ordinance. He thinks it will be beneficial in the future.

In summary of our government structure, he noted a few members of Council are on the committee to review the City Charter. They are meeting every week to update it. Also, it was noted the library hours were increased. We are working on a project with Novi Community School District for a new mobile device internet presence. It is an

application with the schools to make it easy for people considering relocating to find out about neighborhoods, community amenities, and other similar items.

He noted several projects targeting natural areas and natural features. In the budget is the phase 1A of the ITC Community Sports park, paths and sidewalks, and tree planting. A site located off the Novi Ice Arena has been identified for the Novi Dog Park. It has support facilities such as restrooms and a parking lot. It is centrally located and has a lot of residents in the area. We will learn more how to operate it in the future.

We have to have a fiscally responsible government in order to produce results. We are advanced in this area. Personal Property Tax is being reformed by the State. Fortunately, it is a relatively small portion of our revenue but overall our taxable value is up, 1.7%. Other Post-Employment Benefits (OPEB) liability shows us as 61% funded. Michigan State did a study that looked at pension programs in Michigan. Novi was one that was indicated as having strong management and oversight with regard to OPEB. New employees have Defined Contribution plans and Retiree Health Care Savings accounts. Fund Balance shows our flexibility and our ability to handle probable risks. Our Fund Balance is at the top of the Council's established range which is 20% for 2013-14 and near 21% for the out years.

He discussed Parks and Recreation's accomplishments. We can enjoy the new Pavilion Park starting this July. Amenities and features over time will be added to Barr Property. The Older Adult Services is an important segment of the community and requires a mix of programs. We have an award winning recreation program development.

2. City Council discussion and decisions regarding the plan priorities:

Mayor Gatt noted this is his tenth budget; he thanked the administration for their hard work. He commended the new Finance Director, Mr. Nazarko for the work on the budget. Novi is in an enviable position. Our multi-year budgeting has been accurate. The Fund Balance is strong and will remain strong.

Member Margolis echoed the Mayor's comments as the transparency is amazing in these budget books and isn't seen everywhere. The information presented this year is very helpful. She liked the presentation of the budget. This is her last budget as a Council member. She is impressed how the City has come through a very difficult time. The charts show the taxable values are coming back. She has saved all 8 years of budgets. The budget has done close to what the staff predicted in terms of taxable value. She thanked staff for being able to do the planning and to keep the City in good shape. She thinks the process to develop the budget is unique and effective. The staff has listened to what Council would like to accomplish in preparation of the budget. The road millage passed by the residents will assist in keeping the roads from deterioration and will make a huge difference in the roads in the future. Our debt service has continued to drop and a great deal of tax dollars coming in now are going toward services currently being offered. The investment to repair Novi Road and Grand

River Road is very important and she was pleased to see those roads being transformed because it is our front door and what visitors see most often. She thanked everyone for the work they have done.

Member Fischer echoed the sentiments regarding preparation of the budget. He felt their most important duty as Council members was to review the information and to make sure it is meeting the priorities and services that our residents expect. This budget year went from seeing declines, to seeing growth in taxable value, and seeing sacrifices made by staff and shared sacrifices by residents as well. This is a balanced and sustainable ongoing budget. We were very lucky that our residents approved the road millage increase. A presentation at a recent meeting of Southeast Michigan Council of Governments (SEMCOG) talked about the need to invest in infrastructure, but most people aren't willing to invest, so Council is lucky residents increased the millage rate to put into the roads. This budget is different because we actually lowered our tax rate last year because of prudent actions paying down debt services so we could do that. The three things including road millage, the lower taxes and potential for growth in the future, make it an exciting time for budget preparation as opposed to when times were difficult a couple years ago. His priorities included personnel with regard to what we are doing in the City to be competitive to hire and retain quality employees with the virtuous circle of talent. The second is the road funding and he would make sure the funds will be spent where needed. The last thing is the unfunded OPEB (Other Post-Employment Benefits) liabilities and we added an extra \$157,000 this year to our minimum contribution. He felt the minimum contributions will climb and thought Council should drive that closer to 100% funding. While discussing philosophies and questioning, these projects and numbers are vetted through everyone prior to appearing in these budget books.

Member Mutch noted this is his eighth budget. Budget time is important because it sets the priorities for the City going forward for the next year. He appreciates the increase in taxable value, paying down the debt, paying off 2003 refunding debt, and the final payment on Sandstone bonds that gives us the ability and flexibility to reduce the millage rate. The City has continued to make investments back into the community and this is what sets Novi apart from other communities. Over the past years, we have continued to use taxpayer's funds for parks, sidewalks, bike paths, road improvements, etc. that has positioned Novi to be a leader going forward. He looks forward to many things in the budget such as the water storage facility that will benefit everyone on the water system. We are looking at building and maintaining the roads that will save us more money in the future. We continue to tackle legacy costs of which some have swallowed up other communities. We have been proactive for years on this item. This budget largely reflects the priorities outlined by Council and it shows staff has been listening to what Council has been saying. Overall he is pleased. A couple concerns include personnel costs. Tallying those up add up to an additional \$800,000 with a one-time expenditure and additional positions, including normal inflationary factors for those who work for the City. His concerns are for how it does over the next couple years. Council has talked about the potential for adding personal in areas like public safety. Does adding all the positions this year prevent us over the next few years of adding personnel in the future? He directed his discussion to the library budget. He would like

to hear from the Library Board and Director about their budget over the next few years because they are using a significant amount of Fund Balance to fund their ongoing operations. He is concerned about how quickly their fund balance is going down over the next 3-4 years. Overall, this budget document is an excellent start.

Member Casey thanked the entire staff for putting together this budget. It has very thorough documentation and is easy to understand. She is proud to be part of an organization that puts this much into this process. It is a worthwhile moment for Council. Their goals are set early. She is very excited to go through the documents and see what their opportunities are. When talking about the budget, we are spending for the current year and planning for the future with some of the opportunities of the water tower, the Dog Park, and with the mobile device presence. She likes the balance of the work they do for the current as much as for the future.

Member Wrobel commended Mr. Pearson and staff for the work done on the budget. He appreciates the way responses come back to Council as quickly as possible with rationale and why things are being done. It helps in his decision making process. The budget is a road map of Novi and where it's going in the next fiscal years. He thought this budget shows the way of what they expect to do in the next year, what the residents can expect, and the type of projects they want to achieve. He thanked voters for supporting the road millage as it is up to Council and City administration to spend the dollars in a manner that is most beneficial to the residents and business owners.

Mayor Pro Tem Staudt noted this was his sixth budget. Fortunately, this budget had a lot of good things in it. There will be some that look at what is happening with our fund balances and pause a bit as we are within the range set as a policy. The good news in this budget is that our allocation of General Fund funds balances is minimal. The City is on very firm fiscal ground and he thought we should be cautious on the individual special funds and retain the flexibility those accounts provide us. Staff is very good at maintaining adequate fund balances throughout our budget. He believed the voters last year voted to put more dollars into neighborhood roads. He would like to see larger capital projects be spread over several years and re-allocate those dollars into the neighborhood. In light of the progress that is being made, the Ring Road may not be the most necessary place to utilize those funds including the bridge over I-96 for investment at this point. This is probably the budget that best reflects his thought about balancing revenues against expenditures. We are making considerable investment in the City. He felt most decisions could be made quickly and this is a result of a lot of preparation and the early budget input sessions.

Mayor Gatt thought the main priority of Council is to direct services to neighborhoods and residents of Novi rather than spending for a bridge over I-96. He felt the same about the Town Center Road. It is important, but some of the funds could be diverted to next year. With regard to the Ring Road, he will be consistent with what he said last year. When we get a developer, then we can then proceed, but otherwise, keep it in the Fund Balance until that time. The budget is accurate and reflects staff listening to Council. He doesn't see too many difficulties.

Member Fischer noted we have about \$1.3 million for Neighborhood Roads in 2013. The Major Street fund under previous budgets had the Town Center funding scheduled for 2014-15. He would prefer the funds diverted to the Neighborhood Road projects. There is about \$890,000 for the streets that are not in the worst shape and postpone the funding to 2014 for the Crescent Boulevard to Town Center area and he would recommend increasing the neighborhood roads funding by that amount. He felt residents passed the millage because they were concerned with their neighborhood roads. Mayor Gatt directed a question to City Manager Pearson, if the monies were diverted to the neighborhood roads would there be something accomplished this season. Mr. Pearson said yes but to a point. We straddle budgeted items because of the fiscal year. We have increased allowable monies for neighborhood roads by 50% in this budget. It is a matter of capacity of how much we can handle, but could look at adding some funds. The \$890,000 probably is at the top range of what would be possible of physically handling. It would be close in line for the out years. It would make it easy. Anything more would be difficult. Member Fischer asked if neighborhood roads funding was increased and we couldn't complete them all, the estimated dollar amount for that year would go down and the funds would not be spent. City Manager Pearson was concerned about increasing the amount of spending but also being able to deliver. The money would stay there. Member Fischer would like to see that amount increased for 2013-14 budget year.

Member Mutch noted that Tasers and Defibrillators were not reflected in the budget.

CM-13-04-053 Moved by Mutch, seconded by Casey; CARRIED UNANIMOUSLY:

To approve adding \$88,400 to purchase 55 new Tasers and \$12,250 to purchase Defibrillators for a total of \$100,650 to the Police Department budget.

Roll call vote on CM-13-04-053

**Yeas: Casey, Fischer, Margolis, Mutch, Wrobel,
Gatt, Staudt**

Nays: None

Member Mutch echoed Member Fischer's comments. He thought their voters expected that there would be a significant increase in the Neighborhood Roads budget. He appreciated the points that the City Manager presented in terms of the challenges that would arise. He would like to make an effort and see what can be accomplished over the next six months.

CM-13-04-054 Moved by Mutch, seconded by Casey; CARRIED UNANIMOUSLY:

To approve allocating \$839,000 in Municipal Street Fund for the Neighborhood Roads program instead of to the Major Street Fund and allocated proportionally between engineering and construction costs as necessary.

Member Margolis wanted to clarify which project would not be funded and is it in the range that City Manager said that could be accomplished this year. City Manager Pearson said the segment that will be removed is Crescent Blvd, Novi to Town Center. He said they would more than try to use the money to get things accomplished.

Mayor Pro Tem Staudt asked whether the motion maker thought about where the funds for the turn signal light at Eight Mile and Meadowbrook would come from. The other issue he was interested in was the pathway and trail on Eight Mile across from Maybury Park. He wasn't sure if those were considered and if those funds would be better allocated from the Municipal Funds. It would take pressure off the City Administration to find the monies for expenditures.

Member Mutch said several Council members are not willing to divert \$697,500 from Municipal Street fund for Crescent Blvd until we have a real proposal from all around at State, Local and Federal level. He didn't want to hold that money and not do projects that they have discussed. It is another change he would like to do. Do we want to use this Neighborhood Roads with a portion going towards these other projects. Mayor Pro Tem Staudt asked to consider if there was an issue with spending the entire \$800,000 this fiscal year, the future neighborhood roads are being adequately funded. He would support the motion but wanted to make sure that we have adequate funding if we are going to consider the other projects.

Member Mutch asked for an approximate figure adding a left turn light at Eight mile and Meadowbrook. City Manager Pearson noted on page 159 of book 1, CIP #29 has \$175,000 for 2017-18. It has been looked at and there wasn't anything that obvious that would create dramatic changes and a possible Federal grant could be utilized at that point. Also, the Eight Mile pathway has two separate projects that add up to approximately a million on the north side. Member Mutch said they spoke about the 8 Mile pathway segment getting people to Maybury and asked Director of Public Services Hayes about how much the first segment would be. Mr. Hayes said the first segment is approximately \$600,000 due to the fact that it requires some boardwalk and construction easements to be purchased in order to get it built. Member Mutch was open to an offer to an amendment to incorporate additional changes to it or vote on this particular item and then make additional changes to the funding. The Eight Mile intersection question is whether we do it now or wait five years with the hope of Federal monies. Member Margolis further noted that the reason for not doing Crescent was because people wanted the road fixed outside their driveway. Therefore, we would not do Crescent, but she would have major concerns about diverting the monies to the other two projects. The motion as it stands suggests we would not do Crescent Blvd. but would have it go to the Neighborhood Roads funds. Member Wrobel would support the additional money to the Neighborhood Road funds but would need further information on the issue with the signalization at Eight Mile and Meadowbrook in case there is a problem there. Waiting five years would be too long to wait.

Mayor Gatt clarified that Council diverting monies from Crescent Blvd. which is off Novi Road leading into the Town Center and not talking about the south side of Town Center. We are now making the transfer to cover it and retaining the monies in the Municipal Street Fund with the intention for it to go towards additional neighborhood road work.

Roll call vote on CM-13-04-054

Yeas: Fischer, Margolis, Mutch, Wrobel, Gatt, Staudt, Casey

Nays: None

Member Mutch noted a change he would like to make is to remove from the Municipal Street funds the project for Northwest Quadrant Ring Road Extension in the amount of \$697,000 for the reasons previously stated, with the understanding if a grant or a funded project comes forward, Council will reconsider the project. Member Margolis felt they need to continue the project and the compromise of putting the money there so that it can be matched by private funds and a grant makes a great deal of sense. We've already paid \$1.5 million for that road and to divert those funds would be a mistake. She thinks the road should be completed. That Ring Road would relieve a lot of congestion. The money should be there as a commitment so that staff knows when they are talking to private developers, that the money is there for a match of funds. Mayor Pro Tem Staudt supported it initially, but it would be appropriate not to encumber those funds in any way until there is a clear path to follow. Where is the allocation from Special Assessment being directed to? Mr. Pearson said the only money from Special Assessment Revolving fund of \$2.5 million unallocated was for the placeholder for Meadowbrook and I-96. There is a transfer from that Special Assessment that equals the amount that is required for the I-96 crossing. Mayor Pro Tem Staudt said this money would actually stay in the Municipal Fund. City Manager Pearson suggested leaving it as a budget allocation for the match or remove it from the budget line and dedicate it in Fund Balance. Diverting it anywhere else could cause an issue finding it in 3 to 9 months from now. Mayor Pro Tem Staudt noted it was a priority of Council. Artificially encumbering funds for that purpose; the Ring Road will happen at some point whether we fund it with an allocation or not. He will support the motion. City Manager Pearson understood the motion deletes the project line and by default it goes to Fund Balance. He suggested designating it in Fund Balance. Member Fischer asked if it was left in the budget, would there be any intent to construct it. City Manager Pearson answered no because it is \$700,000 of a \$3 million project. It is a 20% match ready to go. Member Fischer didn't think it should be designated and he could support either one. He cannot support moving it to unrestricted fund balance. He asked the motion maker to consider a restricted fund balance or to leave it as an unfunded item in the budget. Member Mutch he felt Council should be able to allocate funds as needed over the budget year. If we get a project from a private developer in that area tomorrow, we would find the money. He would go with the will of the majority and amend the motion to reflect it.

CM-13-04-055

Moved by Mutch, seconded by Wrobel; MOTION CARRIED: 6-1

To amend the prior motion to approve allocating the monies back to Municipal Street Fund balance with the designation that the \$697,500 will be assigned for the Northwest Ring Road extension.

Member Fischer confirmed it would take five votes to undesignate or unrestrict these funds. Member Mutch said it would always take five votes to change it and it would be a new allocation if we want to use the funds for anything other than what it is designated for. Member Margolis asked whether the correct term is designate fund balance and not restricted. Finance Director Nazarko said the correct term would be assigned or unassigned. Member Margolis asked since it is not an item in the budget but in order to move that project forward, would Council have to have a vote to allocate it to the project or just making it a restricted fund balance do it. City Manager Pearson said the money would be budgeted for an allocation. It would be a budget decision for the five and would have to re-vote for the Ring Road. She cannot support it if it is moved to designated fund balance. Mayor Gatt supports this and is convinced the Ring Road will be built sooner rather than later. He is certain the five votes should be there to assign the monies.

Roll call vote on CM-13-04-055

Yeas: Mutch, Wrobel, Gatt, Staudt, Casey, Fischer
Nays: Margolis

Mayor Pro Tem Staudt said there was an allocation or grant that we received to build a pathway over Meadowbrook which would be part of connectivity with the I-75 and part of our walkable pathway in Novi. MDOT came back with a recommendation that we apply for a grant to build a bridge because it probably is a much safer way. After looking at it several times, the amount of investment they are asking for by our residents and the benefit derived from it would not seem to coincide. He wanted to remove the funding for the bridge over I-96 and Meadowbrook that was in the Special Assessment account and that at any time we can allocate the funds.

CM-13-04-056

Moved by Staudt, seconded by Wrobel; CARRIED UNANIMOUSLY:

To approve not allocating \$780,000 from the Special Assessment fund for the purpose of a match for the bridge over I-96 on Meadowbrook Road and remove it from the Municipal Road Fund.

Mayor Pro Tem Staudt confirmed that they are not taking any monies out of the Special Assessment account this year. City Manager Pearson asked if it could also be removed from the Municipal Street Fund.

Member Fischer said he was in full support of the intent of the motion. His understanding that the \$780,000 is in the annual sidewalk-bike trail program line item and wanted to know where they are taking it from. He wanted to fully understand the

motion and the intended results. City Manager Pearson said there were two lines for the engineering and construction. We understand the motion and will amend it in the actual budget. Member Mutch will support the motion. He said to City staff he thought that they need to be more aggressive with MDOT in terms of the cost sharing on the project. It is an important project to our City because it would provide a non-motorized connection across the freeway. The City Manager referenced that the currently funded grant project that would provide a sidewalk across the bridge is not ideal and there are a lot of potential issues with that sidewalk. The bridge would be the preferred alternative but it is also an important project to MDOT because it connects the I-275 pathway to the M-5 pathway. It is part of a State wide effort that MDOT and Governor Snyder have to link the various regional MDOT pathways together. The cost sharing now is overly weighted to the City of Novi picking up a significant portion of the project costs. If this was an MDOT project, he thought the cost sharing would be somewhere in the 10% to 20% range. If we can get MDOT to present a more equitable allocation, he thought it would be something to reconsider. We do have the Special Assessment fund available for that particular project if necessary. He isn't in opposition to this project but he thought the current funding doesn't best meet the needs of City of Novi taxpayers. Mayor Gatt supports this motion. It would be too much money for only a benefit for a few residents.

Roll call vote on CM-13-04-056

**Yeas: Mutch, Wrobel, Gatt, Staudt, Casey,
Fischer, Margolis**

Nays: None

Mayor Pro Tem Staudt felt strongly about the signalization at 8 and Meadowbrook. He feels it is a serious safety hazard. He travels it daily and sees many go through a red light because there is not a turn signal. He would like to see the turn signal approve.

CM-13-04-057

Moved by Staudt, seconded by Mutch; MOTION CARRIED: 6-1

To approve allocating \$175,000 from the Municipal and Major Street fund balances into the Fund Balance Signalization Program for the Eight Mile and Meadowbrook project.

City Manager Pearson said that once you change the signals, then the full upgrades and safety review has to be done. It could be taken from the Special Assessment. Member Fischer said he could support the project but he didn't like using Special Assessment revolving fund for this project. With some of the changes they made, there is about \$70,000 above our minimum fund balance in both the Municipal and Major Street funds and suggested they combine the funds for this project. The Special Assessment should not be used for a small project like this and should be something that would create a long term benefit. Mayor Pro Tem Staudt agreed and it didn't matter what funds. City Manager Pearson agreed the Special Assessment funds are for the major projects. It would be best if we had some latitude to fund this project. Member Mutch said the intent of the request was clear. City Administration could make the adjustments to accomplish the funding. We could make the necessary motions to

accomplish it. Member Wrobel asked what authority is responsible for the existing light. City Manager Pearson said they would have to work with the permits with those agencies to fund it. It is a Wayne County segment and would have to get it signed off from them. Realistically, the matching funds would not be there, but we'll ask. Member Wrobel could support it because there is a need there. He would like them to approach all avenues to get financial assistance on it. Member Margolis noted the project has a placeholder in the CIP in five years out of \$175,000. She asked what the rationale was for the \$175,000. Director of Public Services Hayes said he didn't have the specifics but typically for that type of upgrade for years out, they make a rough cost estimate based on modernizing it with state of the art technology that is required on signals. It probably has a single diagonal span wire now. Member Margolis said that it was put there with the idea to get a matching grant. Mr. Hayes said it would be a candidate for a safety grant through the Federal Government. Member Margolis said the \$175,000 that is in there is not enough to do what is required. Mr. Hayes said it is just for a generic upgrade to bring it to modern standards. There may be additional things done in order to improve or reduce the amount of queuing that is being done and to improve safety if there are concerns. Mr. Hayes said that at a minimum he would say a box span with a pedestrian push button and signals if they are not already there on all four crossings. That would include new signal heads with flashing yellow arrow configuration on the Oakland County side. Member Margolis confirmed that it wouldn't be a green arrow right turn. Mr. Hayes said it would be a fourth head that would be a flashing yellow arrow. Member Margolis said she is proud of this City because they think through these projects. She didn't get a sense of what we are allocating \$175,000 for or if it would solve the problem we think it will. She would approve funding to review the problem. It doesn't make sense to put money in that may not solve a problem. She asked if there is something Council could do to study the problem. Mr. Hayes said that would be the most prudent step, to study and determine what the shortcomings are associated with the intersection to determine the scope. The study would cost within the \$15,000 to \$20,000 range. Member Margolis would not support it at this time.

Roll call vote on CM-13-04-057

**Yeas: Wrobel, Gatt, Staudt, Casey, Fischer,
Mutch
Nays: Margolis**

Mayor Pro Tem Staudt said there is a lot of discussion about adding five people to the budget and he hasn't heard any resistance to it. He said they should consider moving forward and getting back to providing services that we haven't provided in the past because we haven't had the money. He liked the suggestion by the previous speaker that we look in the future with multi-year budgeting and make projections for next year and following year to potentially increase staff. They have talked in the past about having a compensation committee to deal with administration compensation as we move forward. He thought it was a discussion for goal setting and having a more detailed analysis and discussion at that time. Unless there were other recommendations or motions, he felt ready to approve the budget until it was time to have the public hearing and then adopt it.

Member Fischer noted the City Manager had considered adding five people and without a long term projection, he would like information in the packets prior to the budget adoption as far as long term hiring plans for the City. He would ask not to wait until goal setting. He would like some information before we receive the budget as a resolution. We have an idea of the development and projected population. Before we approve five more administrative employees, we need to have that information included before we vote on the budget. City Manager Pearson said we've come down thirty fulltime head counts while the City has grown more complex. It isn't a net of five, as it would be a conversion of two positions from part time. We wouldn't replace those part-time positions. The down side with part time is retention. It is also the reality of hiring people with more confidence people at the front end because there aren't the legacy costs. Those positions and the net effect are built into the three years of the financial plan. The other part of the question is what else? We've been cutting and adjusting and these are the areas we saw as most important to firm up our operations with fairly low cost positions. They do have some backup with other Department of Public Service positions, but it's nice to have positions to maintain this additional parkland and have someone make sure the land is being cared for. We are making some down payments on OPEB costs that are not necessarily called OPEB costs. We have a table that shows the decrease of long-term liability by \$250,000. It is over and above the \$100,000 the direct OPEB. There are things in this budget already reducing those liability costs. We made a conversion of one of the full time fire positions. We are very happy with the full time fire positions we have. He noted the use of cadets to supplement public safety, we will increase from 2 to 3 for our parks maintenance operations and with the contract, he felt they would be in good shape. We will follow up with information and there is flexibility in the budget. This doesn't hamstring anything and as such he will provide that information as when a position comes open, they look at that specifically to see if it can be changed or is necessary. Member Fischer thanked Mr. Pearson for the additional context. He recognized that the Mr. Pearson's job and responsibility on a day to day basis is to make sure the City is running smooth and the city services are to a high standard. We don't want to get into talking about specific heads. Mr. Pearson can provide the logic and reason why it is necessary to add a position and noted the engineer needed as neighborhood roads are being revamped seems necessary and makes sense to him. What he gets concerned with is when he looks at a whole budget picture and sees the numbers as they look now. He would like to see where the priorities are. He would like to see some flexibility. Maybe, in the next year or two, he would be willing to add two more public safety positions. They may want to fund three now but felt they couldn't do all seven. He is not trying to tell anyone how to do their job on a day to day basis but, from Council's perspective, he would like to prioritize the funds at a fund level; at a category and department level. The input would be very helpful in addressing it in that context. Member Mutch agreed with Member Fischer. He didn't want to figure out which positions to fund now but looked forward to see where this is going to into the future. He was concerned with locking in the next two years and whether we will have the funds to do any additional positions based on the numbers provided to us. He looks forward to the information provided by the City Manager to get a picture of where he is going in the future.

Member Mutch asked Mr. Hayes about the segment between Beck Road and Garfield Road. It had an estimated project cost of \$390,000 that includes construction and engineering. The \$664,000 was for the second mile for Garfield to Napier Road. Director of Public Services Hayes noted the most recent estimate has a total cost of \$871,000 for the entire project. Member Mutch asked for a memo on it. This is an important project. Obviously, with the important funding decisions we have made tonight, he questioned when the grant for the project would be funded or not. Mr. Hayes said that they have to submit within one week and they will know by July. Member Mutch wanted everyone to make note that there will be some costs involved with it. He wanted to know whether it can be incorporated in a final budget document or just noted. In that case, it would probably be the same formula we have used with other grant projects, 80% construction and City covering the engineering cost. We didn't get it specifically, but will revisit it in the next few months.

Member Casey said we voted on the issue of making a change to Eight Mile and Meadowbrook and noted there was a meeting with Road Commission of Oakland County (RCOC) recently, but neighbors spoke about the 10 Mile and Napier intersection had the issue. They talked about 2016-17 making some changes to the intersection and wondered what we could do in the short term to help improve the safety of the intersection. It may be our highest crash severity intersection. She asked him to come back Council to see if there is an opportunity to address. Mr. Hayes said both roads are County road jurisdiction, both Napier and Ten Mile. Whatever we offer, we would have to get their buy in. He also noted that is a future project as well as paving Napier Road south between Nine Mile Road and Ten Mile. They are looking to bundle it together as one project that would cost \$3 million plus. City Manager Pearson noted that is a high priority project with regard to the severity. The question will be asked if there are any interim steps that can be done. He mentioned Road Commission was open to using all of their funds for such purpose of paving and intersection in three years. He asked them if they would look at as advance constructing it which is basically a loan from the City.

CM-13-04-058 Moved by Staudt, seconded by Wrobel; CARRIED UNANIMOUSLY:

To support to take the budget as presented with amendments to a public hearing.

Member Margolis clarified they moved \$839,000 from the Crescent Road project to Neighborhood Roads. They moved the West Crescent Road and made it an assigned Fund Balance. The I-96 bridge was eliminated for \$780,000 and \$175,000 signalization at Eight Mile and Meadowbrook. Also, the monies for the Tasers and Defibrillators were added.

Roll call vote on CM-13-04-058

**Yeas: Gatt, Staudt, Casey, Fischer, Margolis
Mutch, Wrobel**

Nays: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 7:39 P.M.

Robert J. Gatt, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Jane Keller

Date approved: May 6, 2013