

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI
WEDNESDAY, APRIL 27, 2011 AT 7:00 P.M.
COUNCIL CHAMBERS - NOVI CIVIC CENTER - 45175 W. TEN MILE ROAD**

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

PLEDGE OF ALLEGIANCE

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

ALSO PRESENT: Clay Pearson, City Manager
Victor Cardenas, Assistant City Manager
Kathy Smith-Roy, Finance Director

APPROVAL OF AGENDA

CM-11-04-059 Moved by Fischer, seconded by Margolis; CARRIED UNANIMOUSLY:

To approve the Agenda as presented

Voice vote on CM-11-04-059 CARRIED UNANIMOUSLY

PURPOSE OF SPECIAL MEETING – 2011-2012 CITY OF NOVI BUDGET

1. City Council discussion and decisions regarding the plan priorities.

Mayor Landry suggested that they speak about two major areas, the first being the question of the potential deferment of certain capital items and the second being wages, studies, and iPads.

Mayor Pro Tem Gatt said after the last budget session a lot of thought and effort went into being able to resolve the budget tonight. He said it appeared to him that the laptops were fine right now and there would be an election in November where new City Council Members would be elected. He suggested deferring the laptop purchase until after the 1st of the year at which time the new Council would be able to decide if they wanted to go forward with it.

CM-11-04-060 Moved by Gatt, seconded by Staudt; CARRIED UNANIMOUSLY:

To defer the purchase of laptops until after the 1st of the year

Roll call vote on CM-11-04-060 **Yeas: Gatt, Fischer, Margolis, Mutch, Staudt, Wrobel, Landry**
Nays: None

Mayor Pro Tem Gatt said there were a couple studies in the budget, one in particular being a wage study. With the economy the way it was and the fact that they were asking the union members to take a 0% increase in pay and in some cases give back, he suggested that they eliminate the wage study from the budget.

CM-11-04-061 Moved by Gatt, seconded by Wrobel; CARRIED UNANIMOUSLY:

To eliminate the wage study from the budget

Roll call vote on CM-11-04-061 **Yeas: Fischer, Margolis, Mutch, Staudt, Wrobel, Landry, Gatt**
Nays: None

Member Mutch said one item that came to Council after the budget had been assembled was a request from the Community Development Department for an implementation plan for the Non-Motorized Master Plan. He said while that didn't fall under a study, it was a continuation of the work done this past year with the Federal Grant for the Non-Motorized Master Plan. He said they requested \$33,000 to implement the plan and that was consistent with one of Council's goals to implement the first phase of the Master Plan. He requested that it be added in to be funded from the General Fund for \$33,000 in light of the fact that it came after the budget was assembled and City Administration didn't have a chance to add it in.

CM-11-04-062 Moved by Mutch, seconded by Staudt; CARRIED UNANIMOUSLY:

To fund the implementation plan for the Non-Motorized Pathway Project

Roll call vote on CM-11-04-062 **Yeas: Margolis, Mutch, Staudt, Wrobel, Landry, Gatt, Fischer**
Nays: None

Mr. Pearson said there were other studies that would remain. He said he didn't want Council to be surprised or feel like everything wasn't talked about. Mayor Landry stated that was so noted and that the other studies remaining did not need to be noted at this time.

Member Staudt suggested that they look at imposing a wage freeze for this budget year. He said most labor negotiations and unions were not in a position to receive any type of increase this year and he thought it was appropriate to pass it on to the Administrative employees.

Mr. Pearson said procedurally it might be best and have more teeth if he wrote a memo to Council that reiterated that there hasn't been any across-the-board Administration wage increases since 2009 and this would be a continuation of that. He said since the Charter called for the city manager to set actual wages, Council passed a budget and make total appropriations, but it was the Manager's responsibility to make individual salary determinations.

CM-11-04-063 Moved by Staudt, seconded by Gatt; CARRIED UNANIMOUSLY:

To receive a memo from City Manager Pearson stating there will be no administrative officer wage increases or decreases with the exception of promotions or demotions in the fiscal year 2011-2012.

Member Margolis clarified that there were no administrative officer wage increases in the budget and it was just a memo to clarify that there weren't any across-the-board wage increases in the recommended budget.

Mayor Pro Tem Gatt said the memo would indicate that there would be no salary increases or decreases unless there was a promotion for anybody.

Mr. Pearson said he would write it to indicate that it would be continued as it had since 2009.

Mayor Pro Tem Gatt said there had been wage increases since 2009.

Mr. Pearson said there were certain limited number of individuals based on assignments, but not across the board.

Mayor Pro Tem Gatt said their intent was to have no wage increases for anybody other than the promotion/demotion scenario.

Mayor Landry said it would be a commitment from the City Manager.

Member Mutch said there were no across-the-board wage increases built into the budget. He wanted to confirm there weren't any personnel service line items in any department listed with an intent to give individual wage increases or provide funding for that possibility.

Mayor Landry said they were really dealing with a City Charter compliance issue and this memo was to preserve the integrity and protect the field of City Managers. He said what he heard was a commitment from City Manager Pearson that there would be no wage increases for anyone, absent a promotion or demotion in the fiscal year beginning immediately.

Roll call vote on CM-11-04-063

Yeas: Mutch, Staudt, Wrobel, Landry, Gatt, Fischer, Margolis
Nays: None

Member Staudt said most of the items were discussed in a memo from Mr. Pearson last Saturday. He said he wanted to defer the following items until the 3rd quarter with Council approval required: facilitate pro license, \$12,500, CRM software, \$24,000, upgrade to Gas Boy fuel management system, \$27,215, Ford F-350 pickup, \$30,100, Civic Center carpet replacement, \$50,000, additional pension contribution, \$100,000, street sweeper, \$200,000, dump truck, \$241,500, and deferred until the total funding was available, Council Chamber AV system, \$281,340. He said those items were provided by the City Manager as potential deferrals. He said based on some of the issues coming up in the next 6 months, they would have a better feel based on revenue sharing from the state and some of the labor agreements that would become much clearer. He said it gave them an opportunity to review the items at the Council level after January 1, 2012.

Mayor Landry confirmed that the items would stay in the budget but be deferred until the 3rd quarter and prior to any dollars being spent on any of the specifically noted items, the matter would come back to Council and require a vote of 4 people in order to spend the money.

Mr. Pearson said in the original list, there was at least one other project, the Civic Center roof replacement to discuss. He said as a practical matter they needed time to do the specifications and the plan was to go out to bid over the winter and have the work done next Spring. He asked Council to consider substituting deferral of the street sweeper for the roof

project because they had close to equal dollar amounts. He said it would take some time for the sweeper but they could get it in service and out on the streets this fall, the current sweeper was a 2005. He asked to not defer phase 2 of the Civic Center carpet replacement because the staging of spaces took some time and 6 months would really cramp them. He said he had limited facility staff and supervisors to oversee that, if they had a little more time to implement it effectively, it would be helpful. Members Staudt and Wrobel concurred.

Member Mutch said he was originally hoping to see the roof go forward before the street sweeper because that struck him as something they really wanted to get done. He said based on what the City Manager said in terms of the time-line he felt fairly comfortable. He asked if there was any opportunity to look at another arrangement versus an outright purchase of the street sweeper.

Mr. Pearson said it was an expensive piece of equipment, but it was used a lot. He said they had gotten a lot of mileage out of the last one with 6 years of service; the payback was there versus a rental. He said it would be in the budget, but once they went through the bidding process and saw the prices, they would take another look at alternatives before Council saw it for an approval of purchase.

Member Mutch asked to add to the budget, but place on the deferred list, the new transit van for the Senior Transit Service. The cost was \$35,000. He said the information provided to them indicated that the current van has had over \$10,000 in repairs in the last 2 years. He said that there was a request to City Administration to review the Senior Transit Service in terms of how they provided it so he didn't want to commit them to the purchase of a new vehicle today. He said by adding it to the deferred list, at the point that they reached it, hopefully they would have a report from City Administration. He said it would be available in the budget if it was decided to purchase a new vehicle.

Mr. Pearson said it wasn't recommended the first time. He said they had kept some of the replacements, the older vehicles. He said they hadn't recommended it the first time but he could go back and re-look at it.

Member Mutch said it would give them the option when they revisited the deferred list. He said with a report in hand, they could fund it if they felt necessary.

Mayor Landry asked if the suggestion was to add it to the budget and defer it so it would come back to Council.

Member Mutch said he wanted them to revisit it sooner than a year from now and thought this would be the most effective way to do it.

Member Staudt asked if there was going to be a complete transit study on the Senior Transit with some different options to look at.

Mr. Pearson said they had done a lot of changes and he hadn't envisioned doing an entire re-vamp re-look.

Member Staudt said since they weren't doing a whole study, he would agree to add it and defer it and let it come back to talk about it at that point.

Member Margolis asked when the additional pension contribution would normally be made from the General Fund.

Ms. Smith-Roy said all of the retiree healthcare contributions were made at the end of September after they collected all of the property tax dollars.

Member Margolis said one of the Council goals since she had been there was to reduce legacy costs and when you hold out \$100,000, it didn't sound like a lot, but the reality was they were sitting on money in the General Fund that could be put into the Pension Fund in September and would basically be making interest for that time until January. She asked for an amendment to take that out and put the money into the Pension Fund versus waiting until January.

Mayor Landry suggested that because it wouldn't be done until the end of September, which would be the beginning of the second quarter, that they deferred that one item to the beginning of the second quarter.

CM-11-04-064 Moved by Staudt, seconded by Wrobel; CARRIED UNANIMOUSLY:

To defer until the 2nd quarter, with Council approval, additional pension contribution. Also to defer until the 3rd quarter, with Council approval, the following items: facilitate pro license, CRM software, upgrade to Gas Boy fuel management system, Ford F-350 pickup, Civic Center roof, dump truck, to add and defer until the 3rd quarter a new senior van and to defer until the total funding was available, Council Chamber AV system.

Member Fischer said they had a lengthy discussion on snow removal earlier this year. He asked when the dump truck would have been purchased in the '11-'12 year, if not deferred.

Mr. Pearson said as part of the budget package and recommendation, they were suggesting a separate mid-year budget estimate for Fiscal Year '10-'11 for 2 truck replacements. He said it was included in the mid-year estimates. He said as part of the regular fleet replacement, they had one heavy-duty truck which was what would be deferred until the 3rd quarter. He said as a practical matter, they would place the order in July or August, lead time has been as long as 10 or 11 months, but they recently received information that it could be 4 or 5 months lead time. He said the 2 truck replacements that would be brought to them on May 9th were what they would be trying to get in service for this season.

Member Fischer said he didn't want to see a deferment of this item be the cause of it not being in service if the original plan was to have it in service for the '11-'12 winter season.

Member Mutch clarified that they would receive a budget amendment for the purchase of the 2 dump trucks and plow attachments for other vehicles. He said in addition there were 3 pickups that were going to be replaced and 1 had been deferred so there would be 2 pickups funded for purchase immediately.

Mr. Pearson said what he envisioned for May 9th was not just the vehicles, it was the other immediate pieces, even hiring someone to look at the routing and how they arrange and prioritize routes.

Mr. Hayes said there was one single axle dump truck and one tandem axle dump truck fully outfitted with plow blades and controls. He said, in addition, they were asking for 2 box blades so they could more efficiently clear parking lots and a heavy duty snow blower that would be used on the pathways and consulting services to help them develop some best management practices to better manage storms.

Member Mutch confirmed that the 3 pickup trucks could be used for plowing as well and they were definitely going to purchase 2 and defer 1. He said he was comfortable deferring the dump truck in terms of the time line they were going to have with 2 new large trucks plus some additional plows and as soon as they hit the next budget year they would have the opportunity to purchase 2 more pickup trucks which was a significant amount of new vehicles coming on board to address the City's need.

Roll call vote on CM-11-04-064

**Yeas: Staudt, Wrobel, Landry Gatt, Fischer,
Margolis, Mutch**
Nays: None

Member Staudt asked about the suggestion to move the video conferencing at the Police Training Center expenditure from General Fund to Drug Forfeiture.

Mr. Pearson said they had that in the General Fund for a reason. The equipment that was being envisioned to be relocated, so it could get more use, was required from a Federal Grant and the placement of it at the Police Training Center would allow multi-use from Police and Fire. He said they were nervous it would cause problems with intermingling the Grant monies and the Police and Fire usage.

Member Mutch said there were no proposals in front of them for outsourcing fleet maintenance activities, but it was identified as an item that could potentially be bid out to see if they could secure cost savings on the personnel side and there was indication that there could be a savings in the range of \$200,000. He said based on some contract work that had already been done for basic fleet maintenance activities that was something he was interested in looking at. He said it was a core service that the City provided that could be provided at a lower cost.

Mr. Pearson said they were outsourcing the light vehicle maintenance and were still getting the systems down. He said they were talking to Cities and School Districts that had done it and it would be a process. He said they would keep looking at it and Council may see some of the research in the next 60 or 90 days.

Member Mutch said he wanted to express his support for that item.

Mayor Landry said they would place the budget on the Agenda of May 9th for a public hearing and a vote.

AUDIENCE COMMENT – None

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 7:30 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Natalie Laitinen

Date approved: May 9, 2011