



cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item 2
March 10, 2014

SUBJECT: Discussion and review of qualifications of executive search firms to facilitate the City Manager search process and determine procedures for interviews on Saturday, March 22, 2014.

SUBMITTING DEPARTMENT: Human Resources and City Manager's

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Upon the resignation of City Manager Clay Pearson a request for proposals (RFP) for Executive Search firms that would facilitate the search for a new City Manager was advertised on the City's website and the Michigan Intergovernmental Trade Network (MITN). Interested firms had until February 26th to submit their proposal. Seven proposals were received from the following firms:

Bob Murray & Associates
 The Novak Consulting Group
 Strategic Government Resources
 Waters Executive Recruitment

The Mercer Group
 Slavin Management Consultants
 Vorhees Associates

A small committee of administrative employees—Interim City Manager Victor Cardenas, City Clerk Maryanne Cornelius, Graduate Intern John McCarter, and Tia Gronlund-Fox, Director of Human Resources—was convened to review all seven proposals and provide a list of three to four firms for City Council's consideration to interview at a special City Council meeting on Saturday, March 22nd. In addition to the list of recommended firms from administration, City Council was provided all seven proposals for review.

At its March 10th meeting, Council will select firms for the interview process, and can also discuss the method or process to be followed for the interviews. With this packet, Council has been provided with materials from the last City Manager selection process, including the selection of the search firm.

RECOMMENDED ACTION: Discussion and review of qualifications of executive search firms to facilitate the City Manager search process and determine procedures for interviews on Saturday, March 22, 2014.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

MEMORANDUM



TO: MAYOR AND CITY COUNCIL
CC: VICTOR CARDENAS, INTERIM CITY MANAGER
FROM: TIA GRONLUND-FOX, DIRECTOR OF HUMAN RESOURCES
SUBJECT: DISCUSSION AND ACTION TO SELECT EXECUTIVE SEARCH FIRM FOR CITY MANAGER RECRUITMENT
DATE: MARCH 3, 2014

BACKGROUND

This report outlines the general parameters for the recruitment and selection process for a new City Manager following Clay Pearson's resignation (his last day was February 28). As a first step in the process, as discussed at the last Council meeting, the City Council will select an executive search firm. Last month, the City put out a Request for Proposals, which was posted to the City's website as well on the Michigan Intergovernmental Trade Network (MITN) on February 7th. Responses were due on February 26. There were seven responses.

A team of four, Interim City Manager Victor Cardenas, City Clerk Maryanne Cornelius, Graduate Intern John McCarter, and myself as Director of Human Resources, reviewed all seven proposals and from that process have selected four for your review and consideration. (All seven proposals are provided to you, via DropBox, for your review and consideration.)

THE PROPOSALS

The City received a total of seven responses to its Request for Proposals. Those received are as follows:

Bob Murray & Associates
The Mercer Group
The Novak Consulting Group
Slavin Management Consultants
Strategic Government Resources
Vorhees Associates
Waters Executive Recruitment

The fees of each firm were as follows:

Firm	Fee	Estimated Expenses	Total - Not to Exceed
Bob Murray & Associates	\$18,000	\$7,500	\$25,500
The Mercer Group	\$15,500	\$4,000	\$19,500
The Novak Consulting Group	\$19,900	\$2,000	\$21,900
Slavin Management Consultants	\$14,015	\$7,708.25	\$21,723
*Strategic Government Resources (SGR)	\$18,500	\$8,500.00	\$27,000
Vorhees Associates	\$16,900	\$1,000	\$17,900
**Waters Executive Recruitment	\$24,500		\$24,000
* Additional services offered and included in Total			
**Optional services-additional visits\$1,500 per day			

The staff review committee reviewed each proposal and each individual selected their top four based upon the following criteria: history of searches for similar sized community/organization, location of community, firm's staff resources/expertise, and references relating to similar projects/searches (last 1-2 years). We reached out to the most recent community where a similar search was conducted by each firm and asked for their input regarding the process. To date we have not received a response from all the communities contacted. Upon notification from all we'll make sure and pass that along to City Council.

The committee's top four firms were as follows (in no specific order):

- Waters Executive Recruitment
- Strategic Government Resources (SGR)
- Vorhees Associates
- Slavin Management Consultants

It is our understanding that the City Council will review the proposals at its March 10, 2014 meeting and will select one or more for consideration; the Council may conduct interviews, which would possibly occur at a special March 22, 2014 meeting. Council could choose a firm either at that meeting or at its regular meeting on March 24th.

SUMMARY OF RECRUITMENT AND SELECTION PROCESS

Once a search firm is selected, the Council and staff will design, along with that firm, the search process. A typical process could include:

- Prepare the Recruitment Brochure, Marketing Materials, and Advertising Plan – A recruitment brochure would be developed based upon the position and organizational needs. Marketing materials would be prepared and may include direct mailing letters and an advertising campaign in professional journals, websites, newsletters and other appropriate sources.
- Candidate Outreach – Traditional advertising and marketing is helpful, but the best candidates are often sought out and their interest encouraged. This is one of the most important services provided by the executive search firm. The firm will need to work with staff and the City Attorney's office to match this part of the process with the State's FOIA and Open meetings Act.
- Candidate Assessment and Initial Screening – The consultant will screen applicants to determine if they match the needs of Novi.
- Presentation of Candidates – The consultant will provide a comprehensive evaluation of all potential candidates, and provide recommendations for the selection of finalist candidates. All "narrowing" of the field of candidates must by law be done by the City Council, not the consultant. The process for reaching the final list of candidates who are selected for interviews may include assigning numbers/letters to candidates who have asked for their applications to be reviewed confidentially until the interview step.
- Candidate Interviews/Selection Process – Together with the Human Resources Department, the consultant will arrange for interviews and will help develop selection procedures for the finalist candidates. Typically, 5-7 finalists are selected for participation in the selection process.
- Candidate Selection/Background Checks/Employment Contract – The consultant will assist the City Council with follow-up interviews, finalist selection, appropriate background and reference checks and the formulation and documentation of appropriate compensation and other employment arrangements.

The above discussion is intended to provide a rough summary of the City Manager recruitment and selection process. Council may have additional thoughts on the process, and the consultant chosen may recommend additional or different steps as the process unfolds. Human Resources will assist with the process in any way needed to expedite the process.

Listing of Executive Search Firms,
Cost and Timelines

Firm	Fee	Estimated Expenses	Total	Firm principal dedicated to Novi search	If No, who will support search	Provided acceptable timeline for completion of search
Bob Murray & Associates	\$18,000	\$7,500	\$25,500	No	S. Renee Narloch, Vice President	75-90 days
The Mercer Group	\$15,500	\$4,000	\$19,500	No	Phillip Roberston, Vice President	110 days
The Novak Consulting Group	\$19,900	\$2,000	\$21,900	No	Catherine Tuck-Parrish, Executive Search Leader	120 days
Slavin Management Consultants	\$14,015	\$7,708.25	\$21,723	Yes, Bob Slavin		60-90 days
*Strategic Government Resources	\$18,500	\$8,500.00	\$27,000	Yes, Ron Holifield		90-100 days
Vorhees Associates	\$16,900	\$1,000	\$17,900	No	Jerry Richards, Vice President	90 days
**Waters Executive Recruitment	\$24,500		\$24,500	Yes		90 days

* Additional services offered and included in Total

**Optional services-additional visits\$1,500 per day

Request for Proposal

Advertised February 4, 2014

Due date February 26, 2014



**CITY OF NOVI
REQUEST FOR PROPOSALS**

**EXECUTIVE SEARCH SERVICES
FOR THE POSITION OF CITY MANAGER**

February 4, 2014

The City of Novi is seeking Requests for Proposals to provide executive search services and assist the City Council in its search efforts for a City Manager.

Background Information

The City of Novi is a full-service City providing Public Safety (Police and Fire/Rescue), Parks Recreation & Cultural Services, and Public Works programs located in Southeastern Michigan with a population of approximately 59,000 and growing. The City has a Council-Manager form of government and currently employs 240 full-time permanent employees, with a rising taxable value of \$32 billion.

Fee Proposal/ Related Expenses/Travel Expenses

The fee proposal must contain all pricing information relative to performing the search as described herein, with a not-to-exceed reimbursable cap. The City of Novi will not be responsible for expenses incurred in preparing and submitting the proposal. Please include all related expenses chargeable to the City, such as supplies, printing, binders, etc., which shall be the responsibility of the City, at the Contractor's cost, not to include a mark-up.

Qualifications:

The chosen firm will have demonstrated success in completing similar national executive (City or County Manager or Assistant) searches for a minimum of five (5) cities similar in size and complexity to the City of Novi. Submittal shall include:

1. Information reflecting an understanding of Novi government needs and opportunities as a high performing organization.
2. Background of firm, including history, areas of expertise, location, size, and resource capabilities to perform the required services.
3. Summary of related experience with other communities similar in size and type of operation, and complexity.
4. References for related projects with other municipalities.

5. Resumes of individuals in the firm who would be involved in this project and a designation of a lead contact for the City of Novi.

General Scope of Services included but not limited to:

1. To conduct an on-site needs assessment for the City Manager, meeting with the City Council as a group and individually, meetings with key City staff Leadership.
2. To develop and distribute a comprehensive position profile and salary range with the City Council.
3. To encourage top-level, potential candidates to apply who might otherwise be reluctant to respond to an advertisement.
4. To comply with appropriate personnel regulations and state laws (i.e., ADA).
5. To independently and objectively assess the qualifications and suitability of candidates for the position.
6. To recommend a pool of finalist candidates to the Human Resources Director and City Council.
7. To respond to all candidate inquiries and produce all correspondence throughout the search.
8. To conduct all relevant background /financial checks for final candidate.
9. To attend and support the City Council at interviews.

Proposed Search Plan/Required as part of the Search Proposal:

1. Provide a detailed, comprehensive presentation of the approach to be used by your firm to accomplish the search.
2. Discuss the methods you use to communicate and work with a municipality.
3. Specify the information you require from the City of Novi to enable you to conduct the search.
4. Discuss methods used to identify prospective candidates and promote their interest in applying.

Proposal Preparation and Submission Requirements:

1. Statement of Qualifications (one page) – Include a management summary that provides a statement of the vendor's understanding of the services required by the City and an overview of how the vendor would provide these services to the City. Vendors should specifically identify their plans for such a search, including a specific timeline for completion. This summary must be signed by an official authorized to make representations on behalf of the vendor.

Selection Criteria – by Novi City Council:

1. Professional ability of the firm/team to satisfactorily complete the project.
2. Past performances and experience by firm/team with similar work.
3. Specific services offered.
4. References.
5. Ability of firm to complete project within a set timeline.

6. Past experience filling top-level public services positions and providing an elected body with a diverse pool of highly-qualified applicants.
7. Success rate.

Other general information/conditions:

1. The City retains the right to modify any or all portions of this Request for Proposal prior to the submittal date. The City reserves the right to award the contract in full or in part, or to reject all proposals without qualification, whichever proves to be in the City's best interest. The vendor, by submitting the proposal, waives all rights to protect or seek any legal remedy whatsoever regarding any aspect of the RFP, the City's selection process, the City's review of any proposals, and any agreement that the City may enter into as a result of the proposals submitted.
2. The proposal will be considered binding for 90 days after the proposal due date.
3. All documents submitted by vendors become the property of the City and may only be returned in its sole discretion. The City shall be the sole owner of any and all materials produced for this search.
4. Vendors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the City. This will provide an opportunity for the firm to clarify or elaborate on the proposal but will in no way change the original proposal. The City will schedule the time and location of these presentations. Oral presentations are an option of the City and may not be conducted. Therefore, proposals should be complete.
5. A formal agreement will be entered into with the successful vendor, using the City's general form agreement for consultants, with any deviations therefrom to be the subject of negotiation. Therefore, vendors should not submit their own proposed agreement.

Proposals due by: 4:30 pm, February 26, 2014, attention:

**Tia Gronlund-Fox
Director of Human Resources
City of Novi
45175 Ten Mile
Novi, MI 48375**

Minutes from City's previous search
2005-2006

Process for City Manager search

December 3, 2005 – Special meeting to interview search firms - 4 scheduled (1 canceled)

December 5, 2005 – Selection of City Manager search firm

January 9, 2006 – Appointment of Interim City Manager

March 22, 2006 – Special meeting to enter executive session to review and consider contents of applications for City Manager

April 3, 2006 – Motion to extend an invitation to interview candidates 9, 5, 8, 11, 1 and 2

May 6, 2006 – Special meeting held to interview 3 City Manager candidates

May 8, 2006 – Reschedule special meeting to interview candidates

May 11, 2006 – Special meeting held to interview 3 City Manager candidates

May 22, 2006 – Set special meeting to discuss and vote on a candidate

June 1, 2006 – Special meeting held to discuss and vote on a candidate. Motion made to offer position.

July 10, 2006 – Approval of employment contract for City Manager

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI
SATURDAY, DECEMBER 3, 2005 AT 9:30 A.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

Mayor Landry called the meeting to order at 9:38 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL Mayor Landry, Mayor Pro Tem Capello, Council Members Gatt, Margolis, Mutch, Nagy, Paul

ALSO PRESENT: Tia Gronlund-Fox, Human Resources Director

APPROVAL OF AGENDA

Member Nagy, added, after final presentation by the search firms, Michigan Natural Trust Fund Grant Application.

CM-05-12-371 Moved by Nagy, seconded by Mutch; **CARRIED UNANIMOUSLY:**
To approve the agenda as amended.

AUDIENCE PARTICIPATION – None

PURPOSE OF SPECIAL MEETING

Mayor Landry explained Council would be interviewing City Manager professional recruitment firms. He said requests were sent out for qualifications and there were five responses. All five were invited to address the Council, and two of them were unable to be present this morning. Those who are present will be given five minutes to address the Council, and then each Council Member would ask two questions of the individual.

1. Interviews of City Manager professional recruitment firms.

a. The PAR Group

Steve Bernard, Sr. Vice President, advised Council that the PAR Group is an executive search firm that is headquartered in Illinois. They have been in the business of public sector executive searches for 40 years, and are the oldest firm in the United States that works exclusively in local government. He said he has been with the PAR Group for five years, and all of their principals are ex-city managers or county administrators. Mr. Bernard noted he was a City Manager for 25 years and lastly in Grand Rapids, Michigan. He still lives there and it is the home of the Michigan office. They pride themselves on the thoroughness of their searches, and they think it is extremely important they understand the Cities they are working for and what their needs are. He said, if selected, the first thing he would do is begin an interview process of each Council member and key department heads recommended by Council. Mr. Bernard said quite often they are asked to interview community leaders to get a vision of the direction of the community, union groups, employee association presidents, etc. He said who is interviewed is up to Council, but they believe in being very thorough with the front end of these processes. Mr. Bernard said the first major step in the search is the development of a recruitment profile, which is in the packets Council received. He said

they need to be very thorough because it is a marketing piece to attract capable, professional candidates. It also establishes what the qualities and qualifications are for the next City Manager as Council has defined them in the interviews. The entire process of their search is laid out in their proposal. They have done several searches for the City in the past including the Parks and Recreation Director, Public Works Director and one or two other departments heads. He said he is familiar with the City, he resides in Grand Rapids, would be easily accessible, and would be in a position to move very quickly to begin the search process.

Mayor Landry asked if he would be the principal assigned to this Novi task. Mr. Bernard confirmed he would be the principal.

Member Paul asked how he would evaluate leadership styles, to elaborate on how he would classify the different styles, and the tools he would use to assess this situation. Mr. Bernard said they perform the Myers Briggs assessment tool if Council chooses. He thought it was a useful tool requested by some Council's, and not requested by others. The key to their assessment of qualities and qualifications of leadership style begins with the development of the recruitment profile. Mr. Bernard said Council would establish the qualities and qualifications they thought most important and they would then evaluate each candidate. Each candidate would be asked to respond in writing how their background, quality and qualifications fit that profile.

Member Paul asked how they plan on prioritizing between training, education and experience of the individual. Mr. Bernard said they don't put a percentage on those varying factors. They try to access all of them equally. He said clearly, there is a baseline of professional background and experience. They would not accept or bring candidates forward if they didn't possess the requisite level of background and experience.

Member Margolis said there are a number of steps in a search process, and asked him to elaborate on what he thought was the most important. Mr. Bernard replied the most important step is the development of the recruitment profile. He said how thoroughly they do the profile determines how sensitive they are to knowing what Council and the community are looking for in a city manager. It also allows them to paint a clearer picture to the potential candidates at the front end, and can be a tool Council can use to do a quick assessment of what community leaders think.

Member Margolis asked what the average tenure is of their city managers placements. Mr. Bernard replied that they don't do that statistic, but would say a minimum of 5 to 7 years. He said the number that the International City Management Association uses for average tenure is about 7 years, which he thought was unscientific.

Member Gatt asked Mr. Bernard to tell Council everything he knows about Novi, such as population, form of government, budget, etc. Mr. Bernard said the population is about 47,500, Novi has a Mayor, Council, City Manager form of government, and he didn't have a recollection of what the budget was. However, these things are some of the first things they would do. When they have interviews they would meet with staff and gather all the materials, such as the budget, the City Charter, strategic plans and any background material he can gather to develop the profile.

Member Gatt asked what their firm's biggest success and failure has been. Mr. Bernard stated their biggest success is the fact that they are extremely well known across the country by city managers and Councils as a highly professional firm. He said they walk their talk, and when contacting any of their references, Mayors, City Council Members, city managers where they have worked, they would be told they do exceptionally good work. They do searches in large cities like Cincinnati and small cities like Marshall, Michigan. To be successful in a small city is just as important as a large city. Mr. Bernard stated they never failed to successfully find a city manager or department head who has done an exceptional job in the community. He couldn't think of any failures in that sense.

Mayor Pro Tem Capello said the management style and personality of the candidate is very important. He said it appears the Myers Briggs test isn't done until the field of candidates is narrowed down to a select few. Then the testing is done at an additional cost to the City. He asked what they would do before they get to that test to determine the personality and management style of the candidates. Mr. Bernard responded they narrow the field to a group of 8 to 10 candidates that best fit the profile developed with Council's input. Their background and experience will be compared with specific qualities and qualifications outlined in the profile. He said he would conduct telephone interviews with each of the selected candidates. He said he would narrow the field and ask another principal, independent of himself, in the Chicago office to do the same thing. This way they arrive at consensus, and Mr. Bernard's biases don't play out as the only one who determines the semi finalists. Also, he would ask all the principals of their firm whether or not they know the candidates, because having been in the business so long they often know the candidates before hand. He would ask for their assessment of leadership style, of the qualities of the individual candidates and pursue their background in more depth by personal interview calls. He will ask the candidates to prepare a brief written response as to what their management/leadership style is, and how they fit the qualities and qualification that were laid out in the profile. Mr. Bernard said they don't always use the Myers Briggs unless Council requests it. However, he felt the Myers Briggs is a very useful tool in team building within an organization, and he used it as city manager of Grand Rapids, but not in a vacuum in a search process. He said Council would make the decision on whether to use it or not.

Mayor Pro Tem Capello asked how they handle confidentiality with interviewing staff members. Mr. Bernard responded that he meets with them individually on a confidential basis. He indicates to everyone he meets with that he is really after their candid insights into two questions. What are the issues and priorities facing the community and the organization over the next few years; and therefore what are the qualities and qualifications they believe to be most important in the next city manager. Mr. Bernard assures them that what they tell him will remain in confidence.

Member Mutch asked what can Council do to ensure the search process is successful to meet the needs of the community. Mr. Bernard said first is to be very thoughtful and candid with him in their responses in the initial interview. He often finds that some Council members don't give this a great deal of thought prior to their first meeting. The first thing is to prepare and think through what they believe the qualities and qualifications are.

This should be done throughout this process. The other end of the process, the two steps include 1) once the field has been narrowed to 8 to 10 candidates, they will prepare a book with their cover letter, resume, and responses to written questions as well as an overview profile. This will be presented to Council in advance of the meeting and Mr. Bernard will discuss each candidate with Council in more detail. At that point, Council would narrow the field to 5 or 6 candidates they would like to interview. The thoroughness in evaluating the information in the books is key. 2) interviews – once again the book would be prepared for Council, which would be the same as the first but in addition they would lay out for Council an interview process with questions and evaluation forms for Council's use during the interview process. They would encourage Council to spend time with that in advance, and make sure they are comfortable that the interview process and questions are getting at what Council wants to get at during the interview. Mr. Bernard said that would take two days of Council's time to conduct the interviews. It is a matter of devoting a great deal of time, energy and attention to what might be one of the most important decisions they make as a Council person.

Member Mutch asked what efforts they would make to identify qualified women and minority candidates in the search process. Mr. Bernard said they work very hard to do that. Ads are placed in the appropriate professional journals that target minorities and female professional candidates. Also, their files and networks are very extensive, and among their principals they know the city management field, and many professionals across the Country. They would reach out personally to women and minority candidates, either to encourage their interest in the position or to encourage them to contact their professional peers, because they are often in a better position to know a potentially good candidate.

Member Nagy asked how many government entities the size of Novi had they worked with in the last 3 years. Mr. Bernard responded dozens.

Member Nagy asked what they have found to be the most critical skills to be a successful city manager. Mr. Bernard replied the city manager has to be an exceptional communicator both verbally and in writing. They need to maintain an honest, open, and highly professional relationship with the Mayor and City Council on an on-going basis. He felt that was probably the single most important quality. There has to be an even handedness in the relationship, making sure all Council members are equally advised and informed of issues and problems on the horizon and there has to be no surprises. He said obviously they have to have the professional credentials, integrity and financial management skills as well.

Mayor Landry said in looking at the material Mr. Bernard submitted it is apparent that he has quite a bit of experience in Michigan, but he doesn't see any Michigan municipalities listed in his references. Mr. Bernard thought the reason was that the person who puts their contracts together didn't include them and he didn't see that until after it had been mailed; otherwise he would have included some. He thought there wasn't any reason for that other than she probably looked for recent communities of comparable size.

Mayor Landry asked what advice he would give Council in selecting a search firm. Mr. Bernard said they typically compete with four or five search firms all across the United

States, and they are the same ones. He noted he knew the firms to be interviewed quite well as they are always in these competitions together. Mr. Bernard said they are excellent firms with good reputations. He thought it would come down to a feeling of rapport with the person you will be working with, because all three of the firms Council will be interviewing do good work. Mr. Bernard said his firm is unique in that all of their principals have been practitioners of city government, and felt that was an important differentiation. Mr. Bernard said they know the business of city management and intimately understand the working relationship between Mayor, Council and city manager because they have lived it, worked with it and respect it. Therefore, he thought they were in a position to reach out to candidates that they know in the field that will fit the unique situation in Novi.

Mayor Landry thanked him for his time and asked if there were any comments he wished to make. Mr. Bernard said he appreciated the opportunity to be considered, he is in Michigan, is accessible to all of them, would like to work with them in this process, and would look forward to their decision.

b. Slavin Management Consultants

Bob Slavin, President, stated his business is based in Atlanta and serves the entire country. He has been doing this work since 1979. He noted that during the last 24 years he had placed managers, assistant managers and department heads in more than 600 positions. Some of those positions were with the same organizations. Mr. Slavin said the work is very professional and thorough and is based on a profile that Council establishes. They offer a high quality product and are well respected by managers around the country. They have significant experience in Michigan and guarantee their work. If for any reason the person Council hires through this process isn't here within the first two years they will redo the work, and only charge out of pocket expenses. They have worked for large, small, urban, suburban, etc. counties and cities around the United States, including cities in Michigan, and cities facing a healthy perspective future and those that aren't.

Mayor Landry asked which member of their firm would be assigned to captain this search. Mr. Slavin said it would be him as he heads the Executive Search Division and owns and runs the company. All of his consulting time is spent in the executive recruiting phase. When they search for department heads he might allocate one of his employees, but he does city managers.

Member Nagy asked how many government entities the size of Novi had they worked with and how many city managers were placed in the last three years. Mr. Slavin replied he didn't have the exact numbers, but the form of government is typical of what he is used to working with. A city of 50,000, 30 sq. miles is not atypical and he has done a lot of them. He said over the last three years a conservative estimate would be 30 or more. He said in Michigan right now they are doing Kalamazoo; they finished Auburn Hills last year and have placed city managers in the past in Ann Arbor, Traverse City, county management in Washtenaw, etc.

Member Nagy asked what they have found to be the most critical skills to be a successful city manager. Mr. Slavin replied leadership, capability of understanding

what Council's needs and expectations are, and rallying resources, human and physical, to accomplish those goals. The challenge in Michigan is going to be the States financial situation. He said he read Novi's performance report for the first quarter this year, and it appears they have offset some of the losses with an increase in property taxes. The skill to have a good strong fiscal understanding of what makes cities economically sustainable, the ability to understand what the components of sustainability are for Novi, and to work within those to stay fiscally strong. He commended Council for being able to keep Novi in remarkable fiscal condition.

Member Mutch asked what can Council do to ensure the search process is successful. Mr. Slavin replied that he would spend a lot of time with each Council member to find out where the Council is on this. He would find out what Council wanted to accomplish over the next 4 years, what their expectations are for the community, and as individual members of the Council. He said the more cohesive Council could be in terms of the direction they are headed in, and their expectations, the easier it would be for a manager to satisfy their needs. He asked that they agree to disagree so that when a decision is made it's through a majority, and the city manager would commit to that.

Member Mutch asked what efforts their firm would make to identify qualified women and minority candidates. Mr. Slavin said that was a good part of what they do. He said he had been doing this probably longer than anyone in the business, and has a lot of contacts. He said most of those contacts are people who will return his phone calls even though they might not have gotten the job. He said he is a member of the National Forum for Black Public Administrators and they stay close to women and minorities in the business. Mr. Slavin said Council asked what they could do to help, and he thought if Council expresses a strong commitment in doing that then it would be easy for him to do.

Mayor Pro Tem Capello asked what their specialty was. Mr. Slavin said in the search division they do more work in city management and public safety. He said this is because those are the types of positions that city council's hire consultants to help them with, because those are the most sensitive positions. Mr. Slavin said their specialty is national with contacts all over the country, and assists with doing due diligence in not only who knows them, but gaining information from trusted sources.

Mayor Pro Tem Capello said he looked through the list and there didn't seem to be a lot of clients or organizations in Michigan. He asked if it would be difficult to move someone to Michigan given the climate and economic condition. Mr. Slavin said he has found that the economic condition is more of a problem than the climate. He said people prefer jobs with professional challenges. Novi's economic situation isn't negative; the State's situation is negative. He noted the key to getting beyond that is contacting the people who they want to become candidates for this job, and talk to them. Mr. Slavin said he was not sure someone from the southeast, from a right to work state, would be appropriate for a job in Michigan, because most of those cities have either no unions or very weak unions. He said his focus would be on talking to Council to find out what their needs are and then find people who meet those needs. They've done work in Michigan over a long period of time. They have worked in Auburn Hills, Kalamazoo, Portage and Traverse City. He said if Novi's situation was economically negative right now, he could see some challenges. Mr. Slavin said

another thing Council has going for them is Mr. Helwig, because he has a national reputation for excellence and is well respected. He said Mr. Helwig has talked about Novi in very positive terms for a long time and his reputation is there.

Member Gatt noted Mr. Slavin did his homework on the research of the city. Member Gatt asked what his firm's biggest success and biggest failure was. Mr. Slavin said they did a Police Chief search in the south west for a very large city. The City attorney and the Mayor opined that shortly into their search, after the ads were placed and the recruitment phase was well underway, that resumes had to be made public on the day Mr. Slavin received them, and their attorney agreed with that. So they accepted resumes and then transmitted them to the City the same day. The first thing they did when they got them was to give them to the newspaper where they appeared in the morning. The reason they gave for doing that was that the paper wanted to ensure the quality of the process, but it obviously diminished the quality of the process. He said to counteract that he contacted those who he really wanted to apply for the job and told them that the minute he received the resumes they would go public. Mr. Slavin told those he wanted to apply not to do so until the last minute of the last day, and they would be made public the next day. However, the problem with that was he didn't have the quality resumes until the very last day so the press had a field day with them. He said they did get the ones needed to do the work successfully, but it was a very aggravating situation. Mr. Slavin said the worst thing was a case where they did a department head search for a major Midwestern city. He said they were following a legend, as this man was highly regarded and the manager told him they needed someone who met that same standard. He said this position was seeking outreach work for minority men and women. They did have minorities, but they didn't meet that cutting edge kind of talent he was looking for. Mr. Slavin said one of the minorities applied that he knew, but would not recommend. He told the manager the people who met the criteria he wanted were not minorities. This man agreed they met the expectations, but insisted minorities had to be interviewed, and wanted to interview the man Mr. Slavin would not recommend. Mr. Slavin couldn't recommend him because he had been the head of a department in a major city in the south east where there had been a political change and they had a reputation for corruption. Mr. Slavin told them that he didn't know if the minority person, he wouldn't recommend, was good or bad and he wouldn't know how to check him out. The people he was working with were all under investigation, under indictment and some of them are serving jail time. The client said he wanted to talk to him and he did and then told Mr. Slavin that he was going to hire the person. Mr. Slavin said he was very nervous about it, but he did all the background work. He did a credit check and it was perfect. The client called Mr. Slavin and said he was going to announce the hiring of the man, and by 5 PM that day the client called and said there was a newspaper report that the candidate had a bankruptcy on his credit report. Mr. Slavin said it turned out that he had gone bankrupt 14 years ago. He said the situation had a huge negative impact on the community.

Member Gatt asked where he would advertise for candidates. Mr. Slavin said they would advertise in the Michigan Municipal League, minority publications and websites, National League of Cities, International City Management Association, NACO, NACA, the public sector jobs bulletin, and governmentjobs.com. All these generate quantity and quality applications, but the key to making sure that they have the people in the group that Council wants is the networking that they do. Advertising is productive,

but if you are looking for a city manager, those aspects including the local newspaper will also get to them.

Member Margolis asked, in terms of the selection process, what step is most important and why. Mr. Slavin said the very first part of the process is for Council to define their needs. This is critical because it becomes the criteria upon which the rest of it is based. He said he focuses on this as though it were religious dogma. He will want to spend time with Council, get acquainted with staff and city hall in order to get an understanding of what's needed. He wants to see the communities they work for, see them in City Hall, see how they relate to people, who works for them and if anyone in town knows them. He wants to walk into the DPW and see if anyone has even seen the manager before, knows who he or she is, and how they react. The best predictor of what someone will do is what they have already done. Once they've established their credit is ok, they haven't committed a crime, education checks out, lawsuits are explainable, etc, and search newspapers back at least ten years to look for honest, consistent actions they talk to people they have worked for, who have worked for them, peers, etc. and look for consistency. Mr. Slavin said the network helps, and is sometimes more insightful than the people they are currently associated with.

Member Margolis asked how he would react if Council didn't want him to meet with staff. Mr. Slavin said the only time he was told he could not meet with staff was because the time frame was too short. He said there was a community in California where a Council was adamant that the staff needed to be redirected or changed. It wasn't because they weren't competent; it was because there was no team. He stated they needed a manager to correct the problem of a renegade staff. He did finally speak to staff, and brought out the best of the staff that remained. He needs to know what resources the manager will have in order to do his job. The value of talking to staff is the value of getting a handle on the resources the manager is going to have in order to do the work. Mr. Slavin said staff can tell him about the environment the city manager was coming into, and that is very valuable.

Member Paul asked how he would evaluate leadership styles, classify them, and what tools were used to assess those. Mr. Slavin replied he would talk with a lot of people to find out what style they were looking for. They have also used management psychological instruments such as DISC and Myers Briggs. The best indication of what they are going to do is what they have done. He doesn't want Council to rely on the results of somebody who has a PHD after their name, and saying what someone would do in a default mode, because people don't always act in a default mode. Mr. Slavin said they were doing a city manager search right after a professional psychologist had done a police chief search in Ypsilanti. He applied an instrument that was very good, he was very good at administering and interpreting the results, but his focus was always police. He gave the same test to manager candidates, but didn't explain early on that he would tell Council that no one is qualified because they can't make a decision. It's different because they can't apply a test for police chief to city manager since they have to have the strength of collaboration. Mr. Slavin said Council will hear from him what they've done, how they've done it, a description of their management style, and a summary report from references that describe and verify that. Also, how they get work done through others, what type of relationship they have with their staff, how they relate and communicate with Council members, what kind of relationships they have with the

community, and what kind of proactive approach they have to establish those relationships and maintain them. He said it will not be a clinical analysis, but if Council wants that they have people who do it and do it well.

Member Paul asked how they plan on prioritizing the training, education and experience of the individual. Mr. Slavin said experience is whether they've done it and how well they've done it, and training is usually through the ranks, and in a place comparable to this. Most of them will come with a masters degree in public administration. Mr. Slavin is more focused on what they've done and thought Council needed to be also.

Mayor Landry said Mr. Slavin had recently completed the city manager search for Auburn Hills and asked why it wasn't included in the references? Mayor Landry remarked that there were no Michigan municipalities on his list of references. Mr. Slavin said he can get references in Michigan from Kalamazoo, Portage and Auburn Hills.

Mayor Landry asked what advice Mr. Slavin could give Council on selecting a search firm. Mr. Slavin said Council needs to know what they need out of the process. They should approach this in the broadest perspective they can and then hone in as tightly as they are able to as the process unfolds. He advised Council to keep the recruitment phase wide, and then hone in on specific characteristics that might be preferences rather than requirements as we determine who the candidates would be. Mr. Slavin said he knew the firms being interviewed and they are very good. However, what he has is long tenure in the business, and his business is national if not regional with a network of people that he has maintained throughout the years. He said he didn't think Council could go wrong with the three firms they are talking to.

Mr. Slavin said Council's questions were outstanding, and he had investigated the city on the internet. He said he had talked to Mr. Helwig and in fact tried to steal him a number of times, but he has always said no. He said if he was selected they could begin soon and he didn't think Council would be disappointed, and he appreciated the opportunity to interview.

Council recessed at 10:49 A.M.

Council reconvened at 10:59 A.M.

c. Alliance Resource Group

Alliance Resource Group cancelled their appointment.

d. The Mercer Group

Jan Lazar said the Mercer Group has been in existence for 15 years. However, principal, James Mercer, has been doing search work and has had his own company for 25 years. She and Mr. Dougherty, who are the principals for this proposal, have approximately 60 years of public sector experience between them. She said they could offer very tailored, successful, competent, and experienced recruitment efforts. They are committed to providing Council with the best possible fit they can achieve for a manager, because it is very critical. A managerial mistake is very expensive in dollars, staff morale, and lost opportunities in all kinds of ways that make a communities life

difficult. They want to help Council achieve their goals and get a manager that would serve Council's needs, and who could be successful in Novi for many years to come. Ms. Lazar said they have a proven track record with a strong Michigan base, and are familiar with Michigan and the issues the State has. They are also familiar with the manager candidates that are available and are actively recruited, and do extensive background checks for the best possible fit for the community. Ms. Lazar said they understand the importance of this for the community, and would like to have the opportunity to help Council in this process.

Mayor Landry asked who would be the principal assigned to oversee the Novi project. Ms. Lazar said she would be the principal.

Member Gatt asked her to impress him with everything they know about the City of Novi. Jan Lazar responded that Novi is a growing community, there is a lot of economic development going on, and the budget has been growing. Also, she was aware that Council is facing challenges on trying to control their post retirement health care costs, and are moving to a new defined contribution plan for pensions for employees. Ms. Lazar said current City Manager, Richard Helwig, has a very good reputation in the managerial community. Tom Dougherty knows him better and would be working with her on the manager search, but she would be the principal in charge.

Member Gatt asked what her firms biggest success story and failure was. Ms. Lazar said they could list 150-200 success stories. She said personally she has had success stories in Bay City, Williamston, and Albion. Mr. Dougherty has had success stories in numerous Michigan communities. Ms. Lazar said regarding failures she would have to search the records, because there have been very few in the history of the firm. She said they guarantee that if a manager doesn't stay in a community for at least a year, either at their choice or at Council's choice, they will do the next search for free for the replacement. She said they offer this because they are that confident they will find a good fit for Novi, and they will make sure that it is someone who is committed to stay.

Mayor Pro Tem Capello said he saw in her resume that her relationship with the Mercer Group is as a standing subcontractor. She responded yes. He asked as a subcontractor, in the last three years, how many searches she was involved with in Michigan for city managers. She responded only two in Michigan, and stated she had been doing other projects as well.

Mayor Pro Tem Capello said she was the President of Benefit Evaluation Retirement Services, Inc. and asked what she did in that role. Ms. Lazar said she did management consulting and pension and health care consulting. She said the Mercer Group is a consortium group and are not actually employees of the firm. They are all independent businesses who are a consortium consulting group. Mayor Pro Tem Capello asked if this was with municipalities or businesses in general. She said mostly with municipalities. Mayor Pro Tem Capello asked which municipalities in Michigan. Ms. Lazar said she has worked with Albion, a Mental Health Authority and two other cities on health care redesign.

Member Margolis asked what step in the process is the most important and why. Ms. Lazar thought the most important step in the process is the formulation of the profile, so that the best manager fit can be obtained.

Member Margolis said Ms. Lazar has said she would be the principal, but would also be working with Mr. Dougherty. She asked what would be the difference in their roles in the search process. Ms. Lazar said she would work with Council on the profile. She and Mr. Dougherty would both screen applicants and would both be involved in recruiting people who don't apply. She said one of their firm's strongest points is to go out and recruit among the database of people to find people who might not otherwise think of applying to Novi.

Member Mutch asked what Council could do to ensure that the search process is successful. Ms. Lazar said the best thing they could do is to sit down first, before meeting on the profile, and develop in their own minds what the most important things are that they are looking for in a city manager. She requested they write them down and bring them to the profile meeting. She asked Council to make sure that consensus can be achieved of what the Council and the Mayor want for the City. This will help her understand what they are looking for in a candidate. In order to achieve a consensus, and help her understand exactly what Council is looking for in a qualified candidate.

Member Mutch asked what efforts her firm would make to find qualified women and minority candidates who might not normally apply. Ms. Lazar replied they are very committed to getting women and minority candidates to apply sometimes from the existing manager pool, and sometimes moving up from assistants or department heads that are ready to take on managerial challenges. She said they probably would not do this for Novi because of the size and complexity of the community issues they would want managerial experience. She said they recruit, keep a database, and have offices all over the country, and watch out for people who are ready to move up and be brought into the pool. She said it is hard to get qualified women and minorities particularly in Michigan, because there are very few here from the Michigan pool. There are more in other states but not a lot in Michigan.

Member Paul asked how she would evaluate leadership styles; how do they classify them and the tools they use to assess those styles. Ms. Lazar responded interviewing candidates, speaking to the communities they have worked in, whether they are interactive with leaders, whether they are people oriented or task oriented. She would look at whether they are pro-active or reactive, consensus builders, whether they react promptly to new situations and problem solving. They try to confirm that the leadership style they present will be the same one they use in your community. She said that is done by talking with people in the community and not just the references they offer.

Member Paul asked how they plan on prioritizing between their training, education and experience. Ms. Lazar said that would come in part from Council's profile. She said experience in the case of Michigan communities, with the challenges facing Michigan, is the most key issue working with employee groups, dealing with natural challenges and managing growth. These are very key issues and are not a good place for inexperienced managers to cut their teeth. She said that would probably be the top issue, but would be subject to the profile.

Member Nagy asked if the home office was based in Colorado. Ms. Lazar said Mr. Dougherty's home office is there and that she is based in Lansing. Member Nagy asked, given the economics of Michigan, if it would be difficult to attract a quality city manager to Novi. Ms. Lazar replied that Michigan's economy is very challenging, but she didn't think managers would have a problem looking at a community that has a strong managerial history, has been well managed and is fiscally solvent. She felt that they would have a lot of qualified candidates. They would add to the candidate pool by recruiting, because a lot of people outside of Michigan wouldn't want the position. However, there are a lot of managers who understand there are a lot of good opportunities in Michigan, and her firm would explain what the strengths in Michigan are and not just the challenges.

Member Nagy asked if she knew much about Novi's fiscal standing. Ms. Lazar said who was going to be here switched in mid stream because she had surgery a couple weeks ago. Mr. Dougherty had gone over it in detail. She knew that Novi's fiscal rating is good, but didn't get a chance to read everything, but certainly would before meeting on a profile. She said because she is recovering from emergency surgery, she had not been able to read all the things she normally would of before this interview.

Member Nagy asked if the city manager she placed in Bloomfield Hills in 2001 was still there. Ms. Lazar said Mr. Dougherty placed that person and as far as she knew he was still there.

Mayor Landry asked where the Mercer Group has offices, and Ms. Lazar responded in Santa Fe, Atlanta, Florida, Texas, Colorado and Michigan.

Mayor Landry asked if those offices were exclusively Mercer Group or are they offices of those members of the consortium? Ms. Lazar said they are offices of the consortium members. Each of them is a sub business under Mercer. Mayor Landry said each of those offices does things other than executive placement. She replied that most of them do.

Mayor Landry asked what advice she would give the Council in selecting a search firm. Ms. Lazar said Council knew their community the best. All the firms interviewed today are qualified search firms, but Council needs to know they will get their full attention and efforts to get the best possible fit for Novi. She thought that the Mercer Group has specific attributes that would make them stand out from the other companies competing. Ms. Lazar said the bottom line is that Council feels that the company selected would give them the time, attention, commitment and tailor their efforts to get them what they want and need. She said her company would do that.

Ms. Lazar said one thing they are committed to is to not play communities against each other. They don't present finalists in multiple communities at the same time. We are not doing an adjacent community search. We want to make sure that who they present to Council has indicated their interest, desire and willingness to come if Council chooses them. They want to make sure that things are done within Council's time line, that they are responsive and limit the amount of hyperbole that goes on by not telling Council

they know things that they don't know, but we are going to check out. However, they will check and make sure they know as they proceed in each step of the process. Ms. Lazar said they appreciate the opportunity to present.

2. Michigan Natural Resources Trust Fund Grant Application

Member Nagy said after their discussion on November 28th regarding this trust fund grant application, she contacted Mr. Roskelly on December 1st and discussed with him how funds needed to be raised. Mr. Roskelly was kind enough to reduce the asking price of his property from \$900,000 to \$848,500, which would be leaving a balance of the 25% match of \$52,662. Member Nagy said on December 2nd she faxed the Administration the letter that Mr. Roskelly had faxed to her, and she also received the originals. On December 2nd she discussed, with Mayor Landry, the possible funding of the \$52,662. Member Nagy thought the sale of the property at the north east corner of Grand River and Novi Road, which was sold for \$113,000, could be a source of that funding. She thought the City, Administration and other individuals had worked very hard to apply for this grant. Member Nagy said Mr. Auler is going to Lansing on December 5th to do a presentation.

**CM-05-12-372 Moved by Nagy, seconded by Mutch; CARRIED
UNANIMOUSLY: That the City Council would take \$52,662
from the proceeds from the sale of the parcel of land located
at the north east corner of Novi Road and Grand River and
apply that amount to the 25% local match for the Michigan
Natural Resources Trust Fund Application.**

Mayor Landry said, for clarification, it is his understanding is that the City would be pledging that amount of money as the City's local match. It is not necessarily spent at this time but would be spent if and when the City got the grant. Member Nagy responded that he was correct.

DISCUSSION

Member Margolis said her understanding is that the grant requires a road be constructed and a parking lot as part of this process, is that correct. Member Landry replied that if the grant were applied and the property was maintained as open space, the City would have to make sure there was access to the property and a parking lot. So, a road may be a driveway or something.

Member Margolis asked for a cost estimate of the access if the grant is received.

Ms. Tia Gronlund-Fox said a rough estimate of the materials would be between \$20,000 and \$30,000. Mayor Landry said that would be if the DPW were to construct the access and the parking lot. Ms. Gronlund-Fox said he was correct.

Member Margolis thought that seemed reasonable and she appreciated the offer from Mr. Roskelly to take less. She said if the amount to construct what is needed, as part of the grant, is significantly more than the amount estimated that she would want, at that time, to look at whether or not to accept the grant.

Member Paul stated she understood Member Margolis' point. However, her understanding when talking to people who did some of these grants previously, such as Southfield, is you don't have to do the expenditure immediately after the proposal is accepted. So, if we needed to spread that out over a year or two or more that was acceptable. Also, there are other grants available to do that exact work. If we are able to acquire this one grant, it is not the end of the grants available for this purpose. Member Paul said we have our own labor and we also have other people that are interested in doing some helping in the area of building parks. We had the rain garden, which has been postponed until spring, and a high school group was willing to do that, which would be helpful in regards to labor to do other projects. She said many of the youth and the Youth Council were interested in that. Member Paul said she was very interested, glad this proposal was brought forward, and thanked everyone that was involved.

Member Paul thought that when we have increased density in other areas, to decrease the potential density of another small portion of land is very interesting and beneficial to her and to the entire community. She appreciated everyone's cooperation.

Member Mutch thanked Council and Member Nagy for being able to effectuate an increased donation from Mr. Roskelly, and the Mayor for his willingness to consider an alternative that doesn't require money to be taken away from something else. These are funds that came from the sale of a property that was essentially open space, and we are using only a portion of that to acquire open space elsewhere around the community. He thought that was a good fit and appreciated the spirit of compromise, support and having the City actively involved with this grant application. This makes our case to the board much stronger. Member Mutch said a detail he found out yesterday was that the Natural Resources Trust Fund Board is expecting to have \$5 million above and beyond their normal funding levels for grants this year. So getting the grant application in this year gives us an opportunity at a larger pot of money. He hoped this would be successful and thought with the support of Council a large hurdle has been cleared towards making this a successful application.

Roll call vote on CM-05-12-372 **Yeas: Landry, Capello, Gatt, Margolis,
Mutch, Nagy, Paul**
Nays: None

AUDIENCE PARTICIPATION - None

There being no further business to come before the Council, the meeting was adjourned at 11:28 a.m.

David B. Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Date approved: December 19, 2005

Bond will also be in effect from the date the retainage was accepted. However, the \$38,000 can be retained. Our normal procedure, however, is to release the retainage. It would be the prerogative of Council to hold on to the retainage until the developer has completed the punch list.

Mayor Pro Tem Capello suggested we do the latter because he thought the Maintenance Bond did not cover punch list items. The retainage should be kept until the Developer completes the listed items.

CM-05-12-379 Moved by Nagy, seconded by Paul; CARRIED UNANIMOUSLY: To accept Bristol Corners North and South streets, water main and sanitary sewer and adoption of Act 51 New Street Resolution accepting Bristol Circle, Pennington Lane and Pennington Court as public, adding 3,578 linear feet or 0.68 miles of roadway to the City's street system. The retainage money will not be released until the developer completes the punch list items.

**Roll Call Vote on CM-05-12-379 Yeas: Paul, Capello, Gatt, Margolis, Nagy
Nays: None**

AUDIENCE PARTICIPATION – None

BREAK - None

MATTERS FOR COUNCIL ACTION – Part II

6. **Selection of City Manager professional recruitment firm and approval of related proposal.**

CM-05-12-380 Moved by Gatt, seconded by Nagy; CARRIED UNANIMOUSLY: To select Slavin Management professional recruitment firm for selection of City Manager candidates and approval of related proposal.

Member Paul asked Ms. Gronlund-Fox, Human Resources, what the timeline was to hire the new City Manager. Ms. Gronlund-Fox answered that she would contact them in the morning and the Company chosen would schedule a time to come in to meet with everyone on City Council. After that, they would prepare a profile and it would be about 90 days to have the position filled.

**Roll Call Vote on CM-05-12-380 Yeas: Capello, Gatt, Margolis, Nagy, Paul
Nays: None**

7. Approval to purchase nine (9) 2006 Ford Crown Victoria patrol vehicles through the Macomb County Joint Purchasing Program from Signature Ford, the low bidder, in the amount of \$20,584 per unit for a total cost of \$185,256. APPROVED

Roll call vote on CM-06-01-011

Yeas: Margolis, Mutch, Nagy, Paul, Landry,
Capello, Gatt
Nays: None

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

MAYOR AND COUNCIL ISSUES

1. Proposed Special City Council Meeting Saturday, February 11, 2006 for the purpose of a background discussion regarding the composition of the City of Novi millage rate – Mayor Landry

Mayor Landry stated he was proposing a Special City Council meeting on Saturday, February 11th for the purpose of background discussion regarding the composition of the City of Novi millage rate. He said there has been some discussion about the millage rate of 10.5416 and the affect of Headlee. There has been some discussion among Council members regarding special funds in the City, the tree fund and the drain fund. He thought it would be helpful before Council enters the budget sessions this spring to have a presentation by Kathy Smith-Roy on how the millage is set, what's happening with Headlee and how that all works. He was not suggesting that they discuss budget items or giving any recommendations to the City administration. Mayor Landry said this would just be information and discussion for City Council.

Member Nagy suggested 9:30 A.M. Member Margolis thought it was an excellent idea and would be a great opportunity for the newly formed Council.

Mayor Landry asked Mr. Helwig to have administration accommodate Council and he said they would. This would be held on February 11th at 9:30 a.m. Mayor Landry commented he wanted to be crystal clear that the Council was not entering a discussion about raising taxes or talking about any of that. Council will simply have the Finance Director educate them and the community a little more about Headlee and the millage rate

Mayor Pro Tem Capello asked if they could ask Ms. Smith-Roy to give them a short discussion on the cost and benefits to the City of a mid-decade census. Mayor Landry asked Ms. Smith-Roy if she would have enough time to do that. Mayor Landry commented they would do that also.

2. Discussion regarding appointment of Interim City Manager – Mayor Landry

Mayor Landry said the City Manager, Rick Helwig, is retiring on February 3rd. Slavin Associates have been selected to locate City Manager candidates. However, an interim City Manager will be needed. Mayor Landry discussed this with Mr. Schultz, City Attorney, and he indicated that it would be appropriate for City Council to authorize the Mayor to ask someone, theoretically from the administration, if they would be willing to act as interim City Manager until the new City Manager is hired and work out a contract. Mr. Schultz suggested they have a written contract with the person. They would have to discuss whether it would be necessary for someone else to take over their duties while such person acts as interim City Manager. Mayor Landry asked Council to authorize him and Mr. Schultz to sit down with someone, ask if

they would be willing to serve as interim City Manager, work out a proposed contract and bring it back in two weeks for City Council to review and hopefully approve. If approved, the City would have an interim City Manager in place prior to Mr. Helwig's leaving.

**CM-06-01-012 Moved by Nagy, seconded by Paul; CARRIED UNANIMOUSLY:
To appoint Clay Pearson as the interim City Manager under the
contract that will be provided to Council in two weeks. Mayor Landry
and Mr. Schultz, City Attorney, will work on the specifics of the
contract.**

DISCUSSION

Member Nagy asked Mayor Landry if he had a nominee. Mayor Landry responded his suggestion would be Clay Pearson.

3 Spalding DeDecker inspections – Member Nagy

Member Nagy asked if the Consultant Review Committee or the Engineer met on this. Mr. Helwig said two members of Council, Member Paul and Mayor Pro Tem Capello, along with staff and representatives of the firm who have met. They had an excellent meeting and thought one of them might like to provide a summary report.

Member Paul said they had a meeting last week with Spalding DeDecker, Mr. Pearson, Mr. Saven and Cindy Uglow. She said they went over all their recommendations. They found information through Oakland County on what they were doing. They want us do soil erosion tests every week but it is not mandated by state law. So, they got the County's recommendations and they are going to every two weeks and come back with a formal proposal stating that some developers, if they are going along quite smoothly and they have a very good track record, that maybe Council could extend it to a three week period. Their fees stayed the same but their number of visits would be lessened. The City would still do the inspections through the winter months. All of the information they had proposed and shared with them from the County was very helpful. She said her only problem was the cost of the inspections. Member Paul said what they are doing and proposing is what the County is doing, so that was one positive venture.

Mayor Pro Tem Capello said the main goal in the inspections was to put in a program better in place than we had with our previous engineers, and to satisfy the state's requirements. What Spalding DeDecker proposed to do was to take Oakland County's plan, which has been indirectly approved by the State, and implement that here or something close to it in Novi. He said what the plan does is instead of requiring inspections every week, based on the size of the project and the particular time period the project is in the development process, will require more or less inspections. There could be an inspection every two weeks up to every eight weeks. During the winter months when the soil erosion is not predominate, there is a period of eight to nine weeks that the City will take over the silt because there will most likely be snow there and nothing to inspect. Overall, this has reduced the cost of the bond to the developer by not making them pay needless money when the inspections are not required on a weekly basis. They are going to come back to Council with a proposal, and will contact the State of Michigan and present this as a proposal from the City of Novi and see if the state rejects it. If they don't, Council will move forward with that proposal.

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI
WEDNESDAY, MARCH 22, 2006 AT 7:00 P.M.
ACTIVITIES ROOM AT THE NOVI CIVIC CENTER
45175 W. TEN MILE ROAD**

Mayor Landry called the meeting to order at 7:05 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL Mayor Landry, Mayor Pro Tem Capello, Council Members Gatt, Margolis, Mutch, Nagy, Paul

ALSO PRESENT: Tom Schultz, City Attorney
Bob Slavin, Management Consultant
Tia Gronlund-Fox, Human Resource Director

APPROVAL OF AGENDA

CM-06-03-048A Moved by Capello, seconded Paul; **CARRIED UNANIMOUSLY:**
To approve the agenda as presented.

Motion passed by voice vote

AUDIENCE PARTICIPATION - None

PURPOSE OF SPECIAL MEETING

Review and Consider the Contents of Applications for Employment of City Manager

MATTERS FOR COUNCIL ACTION

Council entered into Executive Session immediately following the special meeting of March 22, 2006 in the Council Annex for the purpose of discussing the contents of applications for employment of City Manager.

CM-06-03-149A Moved by Capello, seconded by Gatt; **CARRIED UNANIMOUSLY:**
To enter into Executive Session to discuss the contents of applications for employment of City Manager.

Roll call vote on CM-06-03-149A Yeas: Landry, Capello, Gatt, Margolis, Mutch, Nagy, Paul
Nays: None

Council adjourned to Executive session at 7:06 p.m.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Date approved: May 8, 2006

Member Paul asked, regarding the Conservation Easement, what the difference was between the Conservation Easement before and now. Ms. Mc Beth said the first Conservation Easement was for the Phase I part of the development and was approved previously. This is for the amendment, which included Phase II, which is 62 units on about 56 acres on the north part of the site. She said the cover sheet enumerates how much of the land was being preserved under that RUD agreement that was approved previously.

CM-06-04-093 **Moved by Paul, seconded by Margolis; CARRIED UNANIMOUSLY: To approve amended and Restated Conservation Easement for Phase II of Maybury Park Estates, located on the north side of Eight Mile Road, West of Beck Road.**

Roll call vote on CM-06-04-093 Yeas: Nagy, Paul, Landry, Capello, Gatt, Margolis, Mutch
Nays; None

MAYOR AND COUNCIL ISSUES – None

CM-06-04-094 **Moved by Gatt, seconded by Nagy; CARRIED UNANIMOUSLY: To enter into Executive Session.**

Roll call vote on CM-06-04-094 Yeas: Paul, Landry, Capello, Gatt, Margolis, Nagy
Nays; None

AUDIENCE PARTICIPATION – None

Council entered into Executive Session at 9:00 P.M.

Mayor Landry called the regular meeting of Council back to order at 9:30 P.M., and said he would entertain a motion regarding the City Manager search process.

CM-06-04-095 **Moved by Nagy, seconded by Gatt; CARRIED UNANIMOUSLY; To extend an invitation to interview candidates numbers 9, 5, 8, 11, 1 and 2 at the appropriate time based on the findings of a background check.**

Roll call vote on CM-06-04-095 Yeas: Landry, Capello, Gatt, Margolis Mutch, Nagy, Paul
Nays: None

Mayor Landry asked if the times needed to be stated that Council anticipated interviewing them. Mr. Schultz said it wasn't needed in the motion, but could be stated for the record.

Mayor Landry said Council anticipated inviting a group of applicants in for an interview on Saturday, May 6th at 9 A.M., and a group of them on Thursday, May 11th at 7 P.M.

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI
MAY 6, 2006, AT 9:00 A.M.
COUNCIL CHAMBERS – NOVI CIVIC CENTER – 45175 W. TEN MILE ROAD**

Mayor Landry called the meeting to order at 9:00 a.m.

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Landry, Mayor Pro Tem *Capello, Council Members Gatt, Margolis, Mutch, *Nagy, Paul

Mayor Pro Tem Capello arrived at 9:17 a.m.

Member Nagy arrived at 9:37 a.m.

AUDIENCE PARTICIPATION - None

PURPOSE OF SPECIAL MEETING

Interviews for City Manager

Mayor Landry welcomed the candidates, individually, and advised the candidates of the format of the Special Interview. If they chose, they could make a brief statement and comments. Then, Council members would each ask one question at a time. At the end of the interview the candidate would have an opportunity to make a closing comment.

9:00 a.m. - Michael Stampfler

Mr. Stampfler said his opening comments would be brief and that he would defer to Council's specific questions about him as a candidate. He thought Novi was a lovely City and it was a privilege to be before Council.

Member Paul asked Mr. Stampfler to give her a difficult situation where one of his City Council persons was trying to push something on an agenda, and they were pushing it on him, how did he handle it.

Mr. Stampfler said generally his counsel would be that the item should go before the full body of the Council, and his idea should be presented to them as a whole. If they agreed it should be placed on the agenda for a meeting. He felt, in a Council form of government, he should be independent and let the Council deal with those kinds of issues absent what he wanted to put forward from the staff's perspective. He thought that would keep everyone in an equal position, and no one has favor or difficulty getting their issues addressed.

Member Mutch asked, from his experience, how local government best facilitates economic development in the community.

Mr. Stampfler said economic development for any community trying to make it a positive environment for economic development to happen was best accomplished by an excellent exercise of the authority, and the power that Council has. Not really stretching or overreaching, but doing the things that the community was supposed to do as a City and municipal government very well. The community has within its purview a lot of infrastructure issues that could be done mediocre or extremely well. The community has taxing issues within its scope, generally, and it could choose the level of taxation that they wished to exercise.

Also, social kinds of things that attract people to the community are somewhat within the power of the community itself. He said they could choose to further that or set back with it. Mr. Stampfer advocated infrastructure in an excellent fashion, and a taxation policy that invites rather than drives people away. After that, it was a matter of quality over all, location, etc. He felt that other people had things to offer for economic success and good relations with the people around you, County people, etc. are needed.

Member Margolis asked Mr. Stampfer to describe an ideal process for a Council and City to go through to set long term goals, and what he saw the relationship and division of responsibilities between the Manager and the Council. Also, what was the closest to the ideal that he had been able to accomplish?

Mr. Stampfer said one of the strengths he had in Portage was the goal setting process. He thought it helped every one stay on the same page. He commented he was in Portage for 20 years, and for 19 years the process was in effect and it got smoother and smoother each year. He wrote an article about goal setting for Public Management Magazine in November of 2005. The key part was to start early enough to involve the different segments that should be involved. It would start in the early fall and involve three basic elements to get ready to go to the Council. They are a citizen survey, which would be a random digit dial survey of a statistically valid number of residents on a variety of questions. There were usually about 45 standard questions and then 15 more that would be topical of that year to find out what people thought, and how they evaluated what was Council was doing. He said he always had the survey conducted by Western Michigan University so it was removed from municipal government. While that was going on, the advisory boards of the City were invited to send in their formal report about what they thought were the priorities, from their perspective, for the upcoming year. Also, the administration would prepare a listing of what they thought were the priorities for the coming year. When those three parts were completed then they would be taken to the Council in a goal setting retreat for a day and a half and overnight. The Council would review those three key pieces of information, and put their interpretation and their individual goals as Council members to that. He said what came out of it were the goals for the City. After those goals were set by the Council they were given to the administration to fashion a budget that would reflect those goals. Then, three or four months later, the administration would come forward and present the budget to Council for their review as to whether it translated the goals the Council set. Then through the year as the budget was enacted and expended there would be quarterly reports to the Council as to what progress was being made. There would be reports monthly in the newsletter that went out to the community and there would be an annual report to the community.

Member Gatt asked Mr. Stampfer what he knew about the City of Novi, what he saw as the critical challenges facing Novi, and what personal and professional qualifications did he have to suggest that he would succeed as Novi's next City Manager.

Mr. Stampfer responded that he was not a scholar on Novi. He said several years ago there was a staff exchange between Novi and Portage, and he had an opportunity to view the different facilities the community had at that time. He said of major interest to him was the functioning of the volunteer fire department. Portage has a combination fire department so they were always in difficulty as to whether they could sustain it. They looked to Novi as a kind of model regarding how their fire department functioned. He said they had enjoyed viewing what had been done in the community, great parks and recreational opportunities, and a

forward looking community that wanted to excel. He said Novi had the same problems as most Michigan communities with the revenue sharing issues with the State of Michigan, and that would continue as long as the State had difficulties, and felt that would be for quite some time. Mr. Stampfler said municipalities had to be ahead of the curve as much as possible in terms of revenue generation, expense control, and Council had to make sure they knew how to make those adjustments before it was time to make them. He thought he would be excellent for Novi because it was similar to Portage, and the degree to which a community exceeds its expectations had a lot to do with the Council that's in office. The Manager could reflect what the Council wanted to do in the community, he could suggest certain things, but it was really a reflection of what the Council believed could be achieved in the future. So, when going through the goal setting session, those were the ways that a Manager would bring out what it was that the Council wanted to see for Novi in the future. Then it was a matter of executing those and he didn't think Council would find a better person to execute their goals than him.

Mayor Landry commented that Mr. Stampfler had been in public administration for 30 years, and asked why he would want to be the City Manager of Novi.

Mr. Stampfler said because he thought Novi was poised to exceed and excel and that was the kind of organization he wanted to work for.

Mayor Pro Tem Capello asked how he would focus on economic development to solicit new businesses, and to maintain and help current businesses to grow.

Mr. Stampfler said they were always very active in infrastructure development, and would always try to pair with developers in the area who they knew to be excellent developers. He said he would try to work with their projects, and blend in the projects that he wanted to put forward. They were fortunate to have, in the Portage area, several very excellent developers to work with so it worked out really well. Aside from that, the goal was to keep the infrastructure developing ahead of the need so they were inviting economic development and not always behind the eight ball. So in terms of sewer installation or roads, making them boulevards or four lanes, they were always trying to be ahead to accommodate the future development needs. Mr. Stampfler said they were always a part of the county's Economic Development Plan where there was some insight given by the county as to what was going to be scheduled for the entire county or what was foreseen to happen. Then they really made special efforts to have a Community Development Director who had economic development responsibilities. As a team with him they would try to keep abreast of all that was happening throughout the state, the mid-west and the national scene so they would have an idea of what was happening and what trends were occurring. Then they could pick the trends they wanted to try to accentuate for the community, and avoid the trends that were going down. Mr. Stampfler said the number one job of the City Manager, after the Council, was economic development. His view of it was that it wasn't a specific position that he would pin point and name somebody. The City Manager had to have economic development as the number one goal for the community, because without that there would be no tax base, and without that there would be none of the other services that were supposed to be delivered in a quality way. He said it all falls from keeping your economy to the fullest and most robust that it can be. He commented that the Community Development Director had the principle responsibility for economic development because that was the department that had planning and building services, code inspection, etc. They really made it a team approach and he led the team.

Member Paul asked him to share the last time that a Council person treated a staff person badly and how it was handled.

Mr. Stampfler replied that he had only had generally positive experiences, but other Council people had policed Council people who had treated staff people poorly. He said his counseling had always been to try, if at a public meeting, from a City Manager's chair to interject and help deflect or clarify an issue that might be misunderstood between the two. He said if it was interfering with the process that the staff was using to do the projects they needed to do, he would try to talk with the Council member and suggest other ways that the information could be gathered, or a different goal could be brought before the entire Council. He had been very fortunate that he hadn't noted too many Council people in his career who had actually abused staff members far beyond what was typical in government, and what was expected generally.

Member Mutch asked what role Mr. Stampfler played in developing or maintaining regional level services between the communities he had served and neighboring communities or the region at large.

Mr. Stampfler responded that if looking at any of the press coverage on him in the Kalamazoo Gazette, one of the criticisms would be that he did not play ball enough in the regionalism. He always took exception to that because his number one duty was to the community he worked for. Secondly, he had always wanted to regionalize and lessen the expense of government if it could be proven that the service was going to improve and the cost would be less. Those were always the two criteria he had and then he would be in the ball game. However, unfortunately, for all the efforts in terms of regionalism they are just sort of an idea that people try to run with and they don't research and do the homework. So, it made it difficult because if it was going to be more expensive for the same level of service it was hard to sell. If less expensive and worst service, it's hard to sell. He said the homework had to be done. He would be on certain committees and they couldn't get the homework done, so he wouldn't agree to do it. He said if the record was checked, the first huge success in the area was when he was the Airport Director. It was a municipal airport and was in the City of Kalamazoo. Kalamazoo had a very difficult time running the airport and always had a deficit. He said during the four years he was there he worked to improve and change that, with the Airport Advisory Board backing, to be a county airport, which it is today, and was called the Battle Creek Kalamazoo International Airport. He said that happened during his stewardship, and it was quite a change for the area. It was one excellent example where the homework was done and it really made a difference. The second was during the time he was in Portage. The District Courts were part of the municipal government as far as funding. He worked with the County of Kalamazoo and they consolidated the District Courts, which are now part of the County of Kalamazoo Court system. The reason he did that was because it was proven that the service would be better, better coordination between all the District Courts, and it would represent a savings to the taxpayers of Portage because the county would then operate the District Court system. He could then go back to the municipality and say it made sense to do that. A third major initiative they were working on when he left was the consolidation of dispatch. There were seven dispatch areas throughout the County of Kalamazoo, and they wanted to do it as one but it was very difficult for them to get the homework done to show why it would be better service and less expense to the taxpayer. It was impossible, but he thought they were getting closer to the point where they could do that. Again, there are a lot of ideas for regionalization but

they had to make sense for the unit that you are working for before saying yes, unless there are directions otherwise.

Member Margolis asked Mr. Stampfler to comment on his experience in how he had managed the performance of employees in this area.

He said part of the idea with the citizen survey was always to get the feedback of the community on an annual basis so they measure if people thought they were making progress or going backwards. There were always questions about citizen service, and even the questions not directly to that point were indirectly related, so they always had that yearly gauge. They also had postcards people could fill out in the lobby about the service they received that day and how it went, what department, etc. Customer service was always a part of what they were trying to do in the staff meetings and part of what they tried to do at the Council meetings as far as reports to do certain things, always with the idea of how it would benefit the taxpayer or the public at large. He thought that message came across very well. The citizen's survey and opinion survey were always in the 80 to 90 percentiles, which were generally accepted as excellent for government, and they were always trying to do better. When they would have road projects, for example, people would get weekly updates from the city as to what was done that week and what would be done the next week so that they had an expectation and benchmark. They would do those kinds of things to make sure they were still in sync with the public, because unless they were in sync with the public they were not in sync with the Council. He always worked hard to do that.

Member Gatt said, to Mr. Stampfler, you are Novi's new City Manager, and you have a long time City employee who was regularly running around you and going to a Council member with issues, how would you deal with it.

Mr. Stampfler said there would always be relations between Council people and staff people. To the extent that the Council allows that there wasn't much a City Manager could do. However, in staff meetings he encouraged people to talk with him, and if the staff member wanted to risk being not in the circle or not taken into confidence, that would be a reaction that a City Manager might make. He thought they had to realize that's the nature of government, it's open and every citizen's has the right, and there was no law or ability of a City Manager to say they could not speak to a Council person or that a Council person could never call an employee. Hopefully, if he was the City Manager they would establish a relationship that the Council members would be less inclined to encourage that and that the staff member would be desirous of being part of the team. He said it was a difficult issue.

Mayor Landry said in a relatively young city like Novi development was booming. Residential development was happening and some commercial development was occurring. However, sitting back and looking at the community the easy pieces are gone. The flat bare farms are now gone, there are wooded pieces, wet pieces, and commercial pieces that aren't easy to develop. So, a developer proposes a downtown development corridor, and one opinion of that in a burgeoning City was that a downtown wasn't needed, why give up the taxes; people are knocking down our doors to do it. Why would we need that because downtown development authorities are for old decayed cities; they are not for new cities. Mayor Landry asked for Mr. Stampfler's opinion.

Mr. Stampfler said he instituted a DDA in Portage. Portage had a similar reputation, but for that side of the state Portage had the same impression that it was growing, was dynamic and didn't have a downtown. It needed redevelopment. He said there was a specific section of the town that had declining value, and evidence of that had to be provided for a DDA. It wasn't a huge thing but it was a blot on the landscape. He said they chose to push the issue and make it a DDA, and found a developer that would work with them to achieve his goals and theirs. It emphasized that all components of the community were firing and trying to lift every part of the community. He said if a developer came to Novi and wanted to do a DDA, Council would have to show some decline somewhere in the area, and if that was the case they really wouldn't want decline in the community. So, they would give evidence that it would be a win win kind of thing. He said the analysis could always be carried out to show that at a certain point, even though taxes were forgiven for the first X years, the community would be the winner in the end because the development would provide returns to the community. It just might not be the first year. He said there was also that element for achievement the first year, and that's the win win with the developer. For example, he said they achieved roads and sewers, which would have taken a lot of their own municipal money to achieve had they not been with a developer with a DDA to get it all done through the project. It's just a matter of demonstrating to the public that the tax money might not be there the first year but the improvements would be, and the tax money would come later, and the blight would be removed in that section of the community. He thought a DDA, even in a young community that seemed to be growing there was room to demonstrate why a DDA would be positive.

Mayor Pro Tem Capello asked what it was that would bring him from one similar city to another.

Mr. Stampfler said he didn't subscribe to the fact that you had to move up the ladder to a population of 150,000 to progress in your career. He said Novi was a very special place similar to Portage in a lot of ways, but with a little more synergy. He thought if a community wanted to progress and excel it would be a great privilege to be considered.

Member Nagy asked for an example of an instance where he had Council members with hidden agendas. A situation where he was opposed to the idea the majority of Council members had, or some project he was really opposed to. Council was still talking about the project, he could see where their leanings were, and didn't feel it was the right thing for the City. What would he do?

Mr. Stampfler thought the strength of the idea, development and the venting of the idea with the staff had produced a rapport that suggested certain things should be done, and other things might not be done. He said that's been presented to the Council and theoretically they have had the opportunity to review it, and for the better judgment of the Council they have other ideas, something that the staff was not totally aware of or privy to. After the staff had the chance to present the case, if the Council still believed a certain project should be done, then that was what would be done to the best of their ability. He said if they get a chance they put their best foot forward and make their best case. If Council saw it differently that's the way it would be done.

Member Paul asked if he had ever been involved in a consent judgment, and how did he work that situation.

Mr. Stampfler said they had been involved in a lot of consent judgments. The one he was involved with the most was a referendum on a rezoning issue that the commission had passed at his recommendation, and then the public took up the issue and had a vote on it and overturned the issue. He didn't think it was quite the consent judgment. Consent though, in other matters, not necessarily zoning, but in matters of pollution sites. He said he negotiated the best that he could for the community, and once it's in the courts hands it was more removed, and he would not be able to hold sway completely and would have to seek middle ground.

Member Mutch asked for an example of a project that he had worked on that was successful that required intensive work with State or Federal Officials or Agencies.

Mr. Stampfler said it was a large road Extension project. The community had talked about this east west connector for 20 years before he had come to Portage. It was through an environmentally sensitive area and needed in this growing community as there were only three major access points east and west between the north and south thoroughfares. The citizens didn't want to vote a tax increase to build a road for others to use. A new development came in on the part of the Upjohn Company and there was a taxing mechanism available to take a portion of those funds that would be devoted to all the different units of government, and put those together and build this road. They convinced all the units of government in the area, the community college, school system, the county, and the intermediate school system that they weren't losing tax money they were investing in the development of the community, to pool their new tax money from this new development, part of Upjohn, and allow them to use it to build the road connection. It's a four lane boulevard and it goes over a river and has all the parks things associated with it underneath it.

Member Margolis asked what his experience, expertise, and knowledge was regarding process improvement and an example of a situation he handled where process improvement was important.

Mr. Stampfler said when he had come to Portage there was a lot of discussion about how poor the planning and building permit processes were. How developers would receive different answers from different departments. He decided on a process where all the major players from the City were together at one time during the week, every week, to review what was going on in every ones department on the issues in front of them. They started a development review team that had one member who was principally responsible from each of the departments working in development kinds of issues. It met every Thursday morning to review what was going on with specific departments, and what difficulties they might be having, and tried to work it out among themselves. Then the developer would have a unified answer from the development review team chairperson. He said that went a long way to make the people of the organization know they were important, and that people were waiting on them. It also made it so they had to give answers and progress reports to the development community and administrators, and it smoothed the process out and made it more functional.

Member Gatt asked how he dealt with dissent and opposition from the public, Council members and city employees.

Mr. Stampfler said he tried to avoid it at all costs, and make sure it wasn't going to happen. He said that was part of the processes that they had with the citizen survey, budget,

etc., so that they seemed to be on the wave length for those important critical issues. There would always be difficulties, flare ups, points that were never considered as an issue but are, and so the goal had to be to work through to the best solution and make sure everyone had the same facts. There would always be dissent on City Council and there wasn't much that could be done with that, but he tried to have ample information for everyone early on in the processes and hoped that everyone read the information. Then if they differed in approach the Manager would do what Council requested as it was their call. Regarding the public, sometimes there are issues that the minority of the public won't support but it was the Manager's judgment to report to the Council on what would be in the best interest of the overall community. After that it would be up to the Council to decide. His responsibility was to have the best information for the Council, and the public regarding what it was they were trying to do and why, and furnish any requests for further information to make the record complete.

Mayor Landry said Mr. Stampfler spent twenty years in Portage but only one year in Castleberry Florida and asked what happened.

Mr. Stampfler said in Castleberry Florida the community was now on their sixth administration in three years. The reason was there was an ill advised attempt by the municipality to take over Progress Energy, a private utility, and make it part of the municipality. The Progress Energy people were very well healed financially, and much more sophisticated. They beat the City into submission four years ago after millions of dollars had been spent. Not only did they beat the community into submission, but by the financial backing of two of the commissioners, newly elected then because of that financial backing, and because of the brouhaha in the community the City was now stuck with two maverick single issue kinds of candidates. Those two commissioners are very much no votes on any matter of progressive government nature. They are the Progress Energy candidates from a year and a half ago and they saw their duty clearly, and it was to keep the government down. Then there was a swing vote and the Mayor was extremely upset with him because he wanted to control the agenda. It had been his interpretation throughout the year he was there that he had the approval of the agenda before it went out to the commission. Mr. Stampfler said he read the Charter differently and that they couldn't do that because the commission had control of the agenda, they all get it at the same time and if they don't desire to hear a certain matter, they make the decision not to. Or, if they want to request an item for the next agenda they do that together. Mr. Stampfler said that made the Mayor extremely upset and the City attorney agreed with Mr. Stampfler's interpretation as well. So, when it came out on the floor before Council three of them voted for it against the two Progress Energy Candidates. The swing vote came under enormous pressure in subsequent weeks from the Mayor for sort of defecting, being disloyal because he had made her the Vice-Mayor, and she wanted to continue in that capacity for awhile longer. The agenda issue was in February and by April the Mayor had worked enough to get the swing vote and it looked like it was going to be the end of it. Mr. Stampfler said there were three votes that he could count on so he resigned. He said it was unfortunate for the people who wanted the community to progress but there were only two of them and two people who wanted the community to stay the same and one swing vote. He thought that when he interviewed he put too much value in his ability to persuade the swing vote, and trusting one person. It was a life lesson learned and the reason for his short time at Castleberry.

Mayor Pro Tem Capello asked how his Community Development Director oversaw the planning and building, and how that worked.

Mr. Stampfler said it was related in a lot of people's minds to economic development, but from his standpoint it wasn't only that, and that was why there was a development review team. It would bring in the people that worked on the roads, and the fire department that did the inspections on water capacity, etc, so they augmented that but nominally the Community Development Director was in charge of economic development at the most.

Member Nagy asked if he became the City Manger of Novi and evaluated the strengths and weaknesses of the organization and found that the right hand didn't know what the left hand was doing, and employee morale was low, how would he assess the organization, and what would he do to build employee morale. Also, what if the City Manager was a person who the administration felt intimidated by and didn't feel like they were able to express their opinions.

Mr. Stampfler said it might take six months or longer to assess whether morale was low. He thought things would be brought to his attention the first week. However, to verify and validate what people's perception was, what the reality was, and what was happening behind the scenes it would take a while of observation. He was comfortable making that kind of observation. As far as what he would do about it that would depend on what conclusion he drew out as the root cause. He said there could be so many different issues that he would have to make his assessment as to which ones were important and valid to deal with. Then he would try to rectify that and get everybody up to top speed, and that could take years depending on what the issue was. For instance, in Castleberry, the root cause was the commission and that would not change for several election cycles. He said regarding intimidation, they would want to hire someone with an open door policy, who listens to employees. Also, employee surveys are valuable and confidential and helped the City Manager understand how he was perceived. He thought the job of City Manager was like the staff working for the Manager, but a lot of times it's the City Manager working for the staff to help them succeed. Maybe the Manager had to earn trust by caring enough to help them produce the best project for the public.

Closing Statement

Mr. Stampfler's closing comment was that Novi was a lovely community; it would be an honor to work and serve in Novi. He enjoyed the questions and hoped they got an idea of what he was about. He asked the Mayor if the Council was pretty unified in their approach to how Novi would progress or was there the sense that more work was needed to ascertain what the path should be.

Mayor Landry answered that the Council was generally unified, and thought every member of the Council had the absolute best interest of the City in mind. He thought the Council was representative of a cross section of the community. He thought everyone had their own particular preferences as to how the City should develop and what areas of the City they would like to see grow and improve. Mayor Landry was totally convinced that every member of Council had the best interest of the City in mind.

10:00 a.m. - David Dorgan

Mr. Dorgan said he grew up in Central Illinois on a farm. His high school was small so he put himself through the University of Illinois earning bachelors degree in Political Science and then earned a Masters degree in Public Administration. He has a wife and she has a law degree and they have two sons. Mr. Dorgan said they valued the school system, which was of great interest to them when they visited Novi in February to see what Novi was like. He had been a City Manager for most of his working career and had an opportunity to take an early retirement in Elgin and did so. He was now looking for a new team and that was why he was in Novi.

Mayor Pro Tem Capello said at one time Mr. Dorgan had been a Community Development Director. Mr. Dorgan had been in Tinley Park longer than anywhere else and he asked if there was a Community Development Director or its equivalent at Tinley Park, and what role did that employee play and what departments did they supervise.

Mr. Dorgan said when he started he was the Assistant Manager in Tinley Park. The Community Development Director worked for him, as well as the Building Department, the Economic Development area, Planning, Code Enforcement, etc. Community Development supervised many of the planning aspects of the City, supervised \$1 million housing rehabilitation grant program and there were activities such as planning new sewers. This was a fast growing community and making sure that all the puzzle pieces fit together was a big part of the community development job.

Member Gatt asked what he knew about Novi past and present, what he saw as the critical challenges facing the City, and what personal and professional qualifications he had that would suggest he would be able to resolve the problems.

Mr. Dorgan said he had been able to help each city he had worked in get to the next level. He was consulting with the City of Aurora through the Chamber of Commerce and helping them figure out many of the things that take place to redevelop their downtown. Those are things he brought to the table. He said, in past experience, he had done a great deal of hands on in everything. He was the kind of Manager who observed things and had done that in Novi. He spent time in Novi talking to employees; he spoke to a firefighter, a Police Sergeant, Police Chief, ladies at the DPW, the City Clerk, etc. He looked at the project map, and had not seen one with that many projects online at one time in any other City he had worked for. His hat was off to the City and all they've done. He could see the transportation links that have been made, the infrastructure investment, and investment in human capital. He said he talked with employees, and they didn't tell him about any problems they were experiencing. He thought they were fairly happy; they liked the working conditions they were under and that the City was progressing in many ways. He knew about the name Novi and the number 6 stage coach story of Novi's name. He said he liked the City of Number 6.

Member Mutch asked, based on experience, how could local government facilitate economic development in their community.

Mr. Dorgan said local government had to be in the business of setting the table. He said conditions had to be right and he knew some of that had been done in Novi. He has had to insert some of the governmental authorities to help some of the development take place in the City of Elgin. However, when looking at Novi he saw a City that has done very well. He was

very impressed when he saw the Rock Financial Showplace, it was twice the size of the Tinley Park Convention Center that he was involved in. He was impressed that it brings to the table an asset that Novi could utilize for bringing other things to the City. Those are the types of things you try to put in place, good infrastructure was not to be underestimated, but he also saw a positive attitude of getting things done. The Interstate was good but there are still things to do in terms of making Novi more visible from that aspect. Mr. Dorgan said one thing he noticed was the City Hall didn't say City Hall on it and thought that might be something that should be done in Novi.

Member Margolis said in the supplement information provided he talked about FABWODI (find a better way of doing it), which was where her interest was. She asked about his experience in process improvement, how he approached issues of process redesign, and how he approached FABWODI. She asked for an example of where that had resulted in a change in a City or municipal government.

Mr. Dorgan said FABWODI was a mantra that was put into place in Tinley Park. It was a method to create an atmosphere to solve a problem in such a way that there are no boundaries. For example, they had a building inspector who had a problem with Drivit. He didn't want to allow the material because he felt it didn't wear well and could be a fire hazard because of the way it was installed. Yet, the material was the best to make the exteriors look the way they should look. The inspector got into this, they talked about it, they brought it to staff, and they went through everything they could find out about EIFS and Drivit. At the end of the day they found that if they put it on metal studs, there would be no fire problems. If limited to a certain type of EIFS it would enable the developers to do what they needed to do to make the buildings look right, and if kept off the ground floors, it shouldn't be damaged easily. All of that came from a discussing a product they wanted to say no to, but ended up saying yes to under certain circumstances.

Member Nagy said his planning department was different, and possibly more effective than what was in place in Novi. She asked if he had in house staff or did he rely on consultants, and would he look at that situation to determine whether or not it would be financially feasible to continue in house versus having consultants.

Mr. Dorgan responded that he had worked with both. He had always used consultants to supplement the knowledge, skills and abilities of the Planning Department, because he thought there were times when they needed to have people from outside of the organization look at something. In terms of making Planning and Engineering go together there was no magic bullet to that. It has to be evaluated. He had outside engineering consultants in Tinley Park, and what he liked about that was they were able to utilize a 130 engineer firm. Every aspect of engineering was represented from inside that firm that from water distribution, water collection or storage, streets, etc. He felt they got more from that. In Elgin, there were seven engineers on staff, and the PE's were largely review staff. He didn't think they were as effective as the outside firms because they tended to not have the same ability to reach out and access information they needed.

Member Paul asked him for an example of the last time a Council person treated a staff member badly and how he handled it.

Mr. Dorgan replied it's the City Manager's role to make sure there wasn't staff bashing. He said these people come to work and it was the City Manager's job to take the heat if something was going wrong and to make sure things went right. If Council had a problem with an employee they should bring it to the City Manager. In one case he had a Councilman quoted in the newspaper as saying this person shouldn't run a popsicle stand. He first talked with the Mayor and then they had a conversation with the Council as a whole. The resolution was Council agreed to include in its operating rules that they were not to make comments about individual staff in the newspaper.

Mayor Landry asked what happened in Elgin.

Mr. Dorgan responded that he went there on a 5-2 vote, which he wouldn't do again. There was a lady promoted to State Representative from City Council and she left. There was an election and a gentleman left, shortly after he had arrived, that had voted for him, and a lady died in office. The City Council could not vote to replace her after her death, so the City Council itself had a dynamic that was hard to manage. He did not end up working for the City Council that hired him.

Mayor Pro Tem Capello asked what his greatest success was at Tinley Park in bringing the community some type of a project.

Mr. Dorgan said they had done a number of things, but one that was a standout was the new metro station, which was probably the best metro station on the metro line. In Tinley Park, one of the things they had was an old train station in the main area of the older downtown. It was a source of contention because the station was dysfunctional. In order to make the greatest impact on the downtown, the City agreed to put \$1 million into the commuter train station. He said they were able to supplement that with \$2 million of metro money and brought in another \$2 million by applying for a state grant. They put in a \$5 million station for the community. This was an arts and crafts station made out of stone with a slate roof; it had wood inside that most country clubs would envy. The reason it was an important community development effort was because it centered the downtown as a focal point. Once that was in place, restaurants did very well, property values increased, and a new plaza and movie theater are planned. He said things feed off it, and it did help redevelop the downtown area.

Member Gatt asked for an example of a quick decision he had to make under pressure.

Mr. Dorgan said one of the hardest things in city management was personnel issues. There was a case where it was brought to his attention that a person working for the DPW had rode around in his truck for the entire day and had not done a single thing for the City. Mr. Dorgan said he never hesitated; he brought him in and told him based on his way of operating and his past employment history he needed to leave and not come back. He was a union employee and the union was present, he appealed and he lost. He said if Council talked with the attorney in Elgin they would find that making decisions was not one of his problems.

Member Mutch asked what he thought were the greatest challenges facing local governments within the next 5 to 10 years would be.

Mr. Dorgan said it was always a question of revenues, and he knew that Michigan had some forecast for downturn in the economy so the revenue issues would be primary. He commented

he was always looking to get OGM (other government's money). He tried to supplement what they were going to do, and tried to make do with less when possible, while at the same time that becomes harder and harder, but there are ways to do it more effectively. He found it interesting that Novi had both full time and paid on call fire personal. In his past history, one of the things he found that made the Village of Tinley Park very effective was its 110 member paid on call firefighters. In Richton Park there were 50 paid on call firefighters. He said that helped keep personnel costs in control, and they tried to make sure those people were treated fairly and their operations ran smoothly. The operative thing here was that money doesn't grow on trees, and you have to constantly look for sources of opportunities to increase the tax base of the community, and he had done a lot of that.

Member Margolis asked him to describe what he thought was the ideal process for a City Manger and a Council to work together to set long range priorities and goals. She asked for an example of how close he had gotten to that ideal process, and how he went about doing that.

Mr. Dorgan said ideal process was a big challenge. He said he had worked with goal setting retreats in every City he had gone into. In Elgin there were three retreats in his first year. In Richton Park they did a goal setting that was the most effective thing that village did in many years. They looked at everything from whether they wanted to do street sweeping on a more regular basis all the way to how they wanted to look at their tax rate. It took three Saturdays and also involved the Planning Commission, Parks & Recreation Commission, etc. The most effective process was when the most people could be involved, get the most input, and bring it into an operation so that the City could be focused in the way the community wanted to go.

Member Nagy asked him how he balanced economic development with the environmental needs of the City.

Mr. Dorgan said he had done a lot of that. One of the things he noticed about Novi was there were a lot of wetlands. He said Novi also has a fen and Elgin has 3 fens, which are about water flow, etc. Elgin had gone through a large development phase and one of the first things he had done when he became Manager was to contract with an environmental group called Core Lands. He wanted them to look at how they were doing integrating wetlands, stream development impact, and linking greenways because it was important so habitat strings from one place to the other and to emphasize the recreational aspects. Novi has a lot of green areas and many have no access to them. He thought Council would be impressed with the concepts put onto the Elgin plan in terms using land to obtain 40% open space in subdivisions by changing some of the density areas.

Member Paul asked what his biggest mistake as a City Manager was and what he did about it.

Mr. Dorgan responded that in the Village of Richton Park the Water Fund hadn't been paying for things it was getting from the City. They weren't paying a share of the City Hall or the City Hall utilities. He changed that formula and about three years into the adoption of the formula they found that there was a \$400,000 hole in the Water Fund. He had to go to the Council and advise them he made a mistake, it wasn't working out well, and it was necessary to look at water rates. He said the formula was based on stronger water usage and when that went

Down, the amount of money being taken from the Water Fund wasn't reduced. He said that was a sizable mistake and the one that bothered him the most. The lesson he learned was to go back and check the numbers even if they were done by other people who were highly professional.

Member Landry asked why, after a career in Illinois, he wanted to be the City Manager for Novi.

Mr. Dorgan said he didn't want to leave Illinois, but since he took a retirement he couldn't work in Illinois under the Municipal Retirement System. He took a retirement because it was in the best interests of his family. He was looking at Novi and Michigan because he was a Midwesterner and he saw a lot of the same qualities and the same types of values that he values in Novi and in Michigan. Also, he thought Novi was a highly professional organization, and looked like they had the Steven Covey seven habits of success working. His main goal was to work for an organization like Novi that was professional and really wanted to do something. A reporter once defined him as being "uncle like" because he doesn't meet many strangers. He meets everyone on the same plane whether a firefighter or police chief.

Mayor Pro Tem Capello asked about his wife's law degree, being licensed in Illinois and would the whole family be moving with him.

Mr. Dorgan said his wife's law degree was from Germany and there was no reciprocity so she didn't practice law here. He said she had not worked in 10 years, they adopted their sons about 12 years ago and that had been her job, and they would be coming to Novi as a family.

Member Gatt asked him to describe any aspect of his personal conduct that may positively or negatively reflect him.

Mr. Dorgan responded that what you see is what you get. He had an EOC complaint that followed him last week from the City of Elgin, a reverse discrimination suit, but he found out before coming to Novi that he was no longer a party to that case.

Member Mutch asked what role he had played in developing or maintaining regional services between the community and the neighboring communities or at a larger regional level.

Mr. Dorgan replied that he had done a lot of work with regional organizations. Tinley Park, for example, got their water from Chicago by way of Oak Lawn. Tinley Park went to the next level to provide water to two other communities, which was something that was initiated and worked on by City Managers in those communities. Dispatch centers were something he had taken an interest in. In Richton Park three communities went together to try to form a dispatch center, they were all on the same frequency, it made perfect sense and at the last minute a community pulled out for political reasons. Twenty years later they put that organization back together and did exactly what they had tried to do when he was the Village Manager in Richton Park. He said it works and he thought dispatching was one of those critical public safety areas that cannot be overlooked. He looked at the Novi dispatch center and saw fairly good up to date equipment in there. Dispatchers are sometimes the under valued members of the police department but he didn't sense that in our organization and he was pleased to see that. He thought when services could be combined with other municipalities, it should be done.

Member Margolis said Novi's budget numbers are lean and mean as opposed to other cities of similar size. How would this impact him coming from a more open budgeting process and what did he think the impact would be.

Mr. Dorgan said he didn't consider Elgin to be lean and mean. He said it was one of his tasks to make it leaner. He said during his first three weeks in office he laid off 13 non-union employees. He saw that there were excess employees doing the job and evaluated that quickly because they were headed to a \$2.2 million deficit by years end if they didn't change the way they were operating. He took a situation and turned it into a positive, and by the end of the year they had a million dollars positive cash flow over what the projection had been. He said Elgin's numbers are much higher because there is \$25 million worth of riverboat money in there that Novi doesn't have. He said Tinley Park was very comparable to Novi in size and fire stations. They have the least amount of full time employees of any municipality in the south west suburbs. They have increased the number of employees since he left and that was one of their sighs of relief because they felt they were being pushed a little too far by him to do more with less. He said he worked hard and expected people that work for him to do the same.

Member Nagy said sometimes she felt a boost in morale might be needed within the administration, and asked how with the staffs experience with past City Manger's, would he help to boost their morale and make them feel they could trust him.

Mr. Dorgan said being forthright and trusting was the key from the clerks who have to deal with the people from the very start to the union negotiations. Trust was a key factor and he liked to instill that trust and confidence as he moved through things. He said it was important to meet as many people as possible and try to know them as individuals as well as employees, and know what they do, why they do it, and how they do it. When that didn't work, there are times when people needed to move on. He said in Elgin the union had not had a settlement in their contract without going to arbitration in almost twenty years. He said the first weeks he was there there was a pay raise opener and the union wanted 6%, he went back and evaluated what could be paid and what was fair and offered 4%. The union said no and they went to arbitration and got 4%. The next time they came in to negotiate he told them why he thought his offer would be a fair salary and laid out all of the numbers, and this was why he could pay them what he could. They voted their contract for the first time.

Member Paul asked how he rewarded and inspired an employee that was doing really well. When an employee was not doing well how would he take measures to move along and what would the process be of working with someone and possibly firing them.

Mr. Dorgan believed in evaluating employees. The employees must know what's expected from them, and its management's role to make sure they know. In Richton Park he took 1% of the raise and made it on a merit system, and it worked for one year. He said he had a public works union that following year because merit pay didn't work in a municipal setting the way that the union thought it should. The minute he said to someone that they were doing a better job and would receive 3/4% of a percent of raise versus a 1/2 % they didn't like that. He learned that merit had to be done through evaluation not through pay. Mr. Dorgan said if there was a problem with an employee there needed to be documentation of not performing, probation could be used, and administrative leave. When he had to let someone go in department head

cases he would put people on administrative leave, have a meeting with the Council and give them his plan so they would understand what he was doing with the individual, and then if the plan could not be followed they would move to where they had to go.

Mayor Landry said one of the main issues that the Council would have in the next few years was union contracts. He knew Mr. Dorgan was aware of the general state of the economy, rise in health care, the move in industry from defined benefit to defined contribution pension plans, and Council was dealing with the many unions in Novi now over these issues. He said there are a lot of human factors involved; people are being asked to make contributions in areas that they were not asked to in many years, etc. He asked how he would advise the City to deal with those issues and what his style would be in dealing with those kinds of labor negotiations.

Mr. Dorgan replied he had dealt with those issues, and could say pensions are a problem in every state. He said in Elgin employees were paying 7.5% and 8% of their health care. In Tinley Park if employees worked 20 years, at retirement they would get half of their health care paid. He said they had to be sensitive and recognize they were taking money out of employee pockets but employees must realize health care was rising at an unprecedented rate and that the City was paying more. The short answer was it had to be dealt with in a fair and equitable manner.

Mr. Dorgan's questions to Council

Mr. Dorgan said he hoped Council had a feel for who he was and how he operated. He said he liked looking for opportunities and bringing cities to the next level. He asked Council if he were to ask them their vision for the City of Novi and what would take it to the next level what would that be.

Mayor Landry said the City had 53,000 residents and expected to be 75,000 to 80,000 at build out. Novi is in a wonderful location, at the confluence of three separate interstate freeways, 30 minutes from an international airport, and have an international flavor with Asian, Japanese and German companies headquartered here. We have a fairly large Asian and East Indian population and are tied to automotive industry. However, population was moving west in Oakland County and we are competing with surrounding municipalities for development. He believed the vision of this City was to build out as best possible to service the residents, and so that the infrastructure and tax base was sufficient to afford the services the residents and business residents expect from Novi. We need to make sure families can grow and retire here and this place is important to be maintained as a home town.

Mr. Dorgan asked if Novi saw itself as a regional leader. Mayor Landry answered that Novi was in Oakland County and they have a separate government with a very dynamic leader, L. Brooks Patterson. Oakland County has taken the lead and we have Automation Alley where they are taking the lead on trying to be one of the leaders in the nation in wireless internet access to attract international businesses. Historically, in this area of the State and region, it is very heavily automobile and manufacture based. All of those secondary businesses serve the automobile industry and Novi has a number of them in the City. We would like to take their place in regional development but are not leading the charge.

Closing Statement - Mr. Dorgan said his last comment was he liked Novi.

11:00 a.m. - Julian Suso

Mr. Suso said his wife, Stephanie, came with him as they had always operated as a team. He had spent some time driving the City on Friday, and was impressed with the quality of the community. It was obvious there was a shared vision here, a lot of time was spent in planning, and there was a lot of pride in the community and it showed. He was a City Manager in Mentor Ohio, a fairly new suburb that had explosive growth in the 80s and 90's. He was there for 16 years and left in January this year. Mr. Suso said he had been married 30 years and had two sons. He had a degree from Ohio State. He complimented the community for spending a lot of time in appreciation of natural resources and general quality of life. Mr. Slavin asked him to prepare additional comments in writing as well as his resume, which includes his view on management and some of the things he had been involved in.

Member Nagy asked what he thought about having multiple health carriers versus a PPO and an HMO. There are five carriers in Novi; would it be a benefit to have only two.

Mr. Suso said it was an issue debated during his tenure in Mentor. They traditionally had three carriers and reduced it to two this year. As the group size increased, frequently you get a better unit price for similar medical services. He said if there are too many carriers none of the individual group sizes are large enough to take advantage of some of those economies of scale. A careful balance was needed for some choice for employees but also directing it in a way to be most cost effective, and they found it tended to be closer to two or three. He said the amount the employees contributed changed too. Each time they were in the collective bargaining process they addressed the health care costs. He took pride in a continuing partnership with each bargaining unit in health care containment costs. Each year there was a modest increase in the monthly premium co-pay as well as the cost for prescriptions, doctor's office visits. They had been able to keep a cap on that recognizing that if they don't all share in the burden of managing that cost it's going to spiral out of control and then bad things will happen. He said having a process in place to maintain those costs was important.

Member Mutch said Ohio and Michigan face the same economic challenges and asked what he saw as the biggest challenges facing local government in the next 5 to 10 years.

Mr. Suso responded that universally the challenge would be to manage at a time of flat or diminishing resources. One has to be very creative and work as a team to innovate, at a time like that, to make certain the basic services are maintained. When discretionary revenue was there they had to realize that they had to invest in areas that were not depreciable assets. Invest in land, buildings, and infrastructure in the community that would pay dividends over time. He believed that the coming 5 to 10 years would be a time for everyone to manage with less. Tax revenues are not endless and the answer to everything was not to ask for more from the taxpayers, because they are also on budgets, etc. Therein lays the challenge to maintain significant quality of basic services at a time when the pot of dollars available was going to diminish. How do you keep up roads, traffic management, land use challenges, etc. He said the City was a maturing community with a vibrant and exciting future, but the reality was that the revenues would increasingly be capped and Council would have to get much better at doing what they are doing now. He thought the answer was to work with the team, the professionals, department heads, and have an excellent budget. That kind of participatory

process was the key ingredient to serve residents and their needs. If the management tools are there and if they can identify the revenues, it's a great time to encourage creativity with the management staff that Novi already has. It's also a time for state and federal government partnerships.

Mayor Pro Tem Capello asked how, at Mentor, were the planning department, building department and EDC departments organized administratively and personnel wise to address new projects.

Mr. Suso replied the whole development team, Building, Engineering and Planning responded collectively and as a team. The department heads had the leadership, professionalism, and camaraderie to function as a team. He set up an internal task force that had all of the key department heads and personnel involved in the development process, which included the Chief Building Official and his team, the City Engineer, the Planning and Development Director and if necessary the Economic Development people. Also included would be Public Works, and in Mentor they had the Police and Fire Chief involved for the public safety review. They met every three weeks and had a shared agenda to discuss common problems, how to assist each other, what the time table was, etc. Another approach was to have a key department head overseeing all those functions and insuring that they move forward. He said in Mentor he served as a part of that team, he convened it and made certain there was a timely, coordinated response in all area. He said this method was very successful for him.

Member Gatt said at times, the City Manager must make a quick decision under intense pressure, and asked for an example of this situation while he was City Manager.

Mr. Suso replied that in Mentor, there was significant lakefront property on Lake Erie, but very little public access. There were 450 acres including a natural area and a significant marina. The 450 acres went into receivership, and the City, in partnership with Council, convened a management team to move forward and identify strategies to acquire the property. This was in a receivership that was overseen by a bankruptcy court, and the court appointed receiver felt the greatest return for those involved would be if the property went to a high density development rather than being acquired by the public. Then they condemned the property with eminent domain, and he was sued personally in Federal Court as Manager along with members of Council. They were convinced they had made the right decision on behalf of the public and it was a very difficult time. Eventually, it ended up being placed on the ballot to try and overturn the eminent domain process, and residents voted by a 56% margin to affirm the action that they had taken for eminent domain. The end of the story was they acquired that asset, financed it with a bond issue, which was paid off internally with existing revenues. One of the keys to that was that they had to develop a public marina and a natural preserve, and they did. Internal revenues generated enough to pay off half the debt service payment for the entire \$16 million acquisition. The voters won and this endeavor was wildly successful; it's a green marina with a boat slip and an area for picnicking. They developed a trail system that was a northern point on the Appalachian Trail, and they received an award from the Ohio Lake Erie Commission. They were the only government in Ohio to ever receive a reward from that commission.

Member Margolis said her interest was in goal setting and asked what he saw as the ideal process for Council and a City Manager to work together on strategic planning,

and how close had he gotten to an ideal process. Also, how he saw the role of City Manager versus the City Council in that process.

Mr. Suso replied one thing they embarked on was updating their Community Land Use and Facilities Plan. It was facilitated in part by a consultant but had critical interaction with Council members, key Council committees and key staff. They discussed the kind of community they wanted to be in 5, 10, 15 and 20 year increments. They wanted to build two new fire stations, expand the ice arena facility, purchase a golf course, City Hall, senior center, etc., and all this came out of the participatory process that Council took the lead on. They noted they could generate new revenues for senior centers, ice arena, golf course, etc. and it allowed them to become cost effective. It allowed them to maintain staffing and to set priorities and manage those facilities in a profound way. The development standards all came from that and they put together their 5 year capital plan which came initially from each of the departments. They had a standard review process with Council and with the Planning Commission. He said each year they would update the five year plan and pull out their vision document and determine what their priority setting was to make the various things happen that would represent the kind of community they wanted to become. They would have internal staff meetings to refine it each year. Council would ask leaders of the community to give input with the 5-10 year planning process and that would help. He said a lot of this comes out of the kinds of bonds that you establish with professionals in the City that are trained and educated to make those kinds of good things happen.

Member Paul asked how he rewarded and inspired employees doing well and if not doing well what was his plan to get them back on track, what was the process to instill documentation in that regard, and if fired what was his process.

Mr. Suso believed most public servants are good honest people, and his responsibility was to make sure they were paid a fair wage, supported in their work, provide a safe environment, and that the door was open for discussion. He said it was standard operating procedure to interview and evaluate everyone at least once a year. He said a written evaluation should be done to supply documentation about the job they are doing. It would allow the supervisor a formal process to counsel them if there were some challenges or some fine tuning in their behavior. There has to be regular communication. A once a year process would be the worst case scenario since it should happen more often. It's critical to have an employee evaluation because it tends to avoid bigger problems occurring. He believed people should stay a long time in one place. If there was an employee who has a problem, interaction with Human Resources or the City Manager should happen, so that it internalizes the fact that if you have a problem there are people you can go to and work with. Problems can be surmounted and he was a strong believer that employees, ideally, worked their entire careers here. One critical skill was listening, and sometimes an employee can work it out on their own. There should be a strict time table to respond to the change, many times, that is all they need. However, there are other times to begin the disciplinary process that could result in suspension or discharge. Rewarding good employees could be done through the normal evaluation process. He said another possibility to move up in pay range or if the departments are able to recommend additional rewards to employees who really shine. A small pay rate adjustment could be given, not a bonus. He felt it was important to say thank you, pat them on the back or a written or verbal thank you, as most only want that. When a job is done and done well, there is something special about a manager or supervisor thanking them privately and often. Public

employees are a special group and great people deserving of that kind of thank you on a regular basis.

Mayor Landry asked what the most effective way was for a municipality to arrive at its annual budget.

Mr. Suso felt it was critical for the management team to sit down with City Council every year at one or more public sessions and talk about priorities. Challenges come and go, priorities change and it is critical for the management staff to have feedback from the Council on where their priorities lie. This should be done early to allow the staff to work in a creative atmosphere. When you have talented people and they get that kind of direction they could do some amazing things in terms of creative budgeting and partnerships with outside organizations to move projects forward. Also, if becomes clear that priorities have changed, you can begin to place energy in other areas where it would be much more effective. Structure is very important for managing and accountability. One has to be careful that their professionals are allowed that creativity within that structure so they are not so regimented that they can't be creative. Then each department starts work on the draft budgeting process as the Manager continues the interaction with Council. Then the draft budget needed to come to the Manager and the finance team for review. The Manager needed to meet with key department staff to discuss their budget. Then the draft budget should come back to the Manager and the finance team to discuss it, and work with the finance team for the revenues and any other challenges they would face. The five year budgets should also be fine tuned at that time. Then the more informal discussions would take place and lastly the formal discussions.

Closing Statement

Mr. Suso stated in some of the background work he had done, he identified some challenges for the City of Novi in its maturing, revenue stream and the need to identify some future sources of revenue. He also recognized some important infrastructure improvements, traffic, sewer and water, and there seemed to be a lot of good things in place to begin and continue that process. He noted the fire department needed attention as far as a vision of what it should be. What the fire services should be, what the rescue services should be, and how to man the stations. He was really taken with the number of parallels between Mentor and Novi in terms of growth and development and staffing. He noted in Mentor they had the largest combined fire department in Ohio. They combined both full time and part time volunteer firefighters, and went through a process with their five stations. Some stations were strictly manned by part time people, others were full time stations, and went through the process over time and through a public dialogue they combined the full and part time at each of the five stations. It did present challenges and opportunities. The City of Mentor enjoyed a rating of ISO 2 from the Federal Insurance Services Office for their fire department. It was a broad measure of the quality of service provided by a fire department. They achieved that rating during his tenure and maintained it during his 16 years. He believed he had the management tools to solve those kinds of challenges in a participatory way. There were public safety challenges because of growth in the police department and the fire department. He said there was an excellent balance of commercial and industrial areas with an excellent tax base; Novi's was almost \$3 billion and a significant history of land use planning and visionary elected and appointed leaders. He noted they drove to Novi and were taken by the quality of life indicators they saw going through the community, land use, subdivisions, signage and the way traffic

intersections were laid out. He knew there was a desire to do more in terms of gateways, signage and welcome to the community, and he had experience with that and thought it was critically important. He learned as City Manager that people and businesses have many choices. If we want our community to be successful we have to recognize that we need to be different. We need to distinguish ourselves, provide choices to families, conduct ourselves in a quality way, to make quality long term investments so that we are in a community that was set apart. Many things get developed due to geographic location, that helps but in the long run what keeps quality businesses and residents in the community is working in partnership with the schools, having Parks and Recreation in natural areas that are extraordinary, having greenways, public services, public safety, etc. Bring in a professional team and listen to Council to make things happen, and work on behalf of the citizens. While everything can't be achieved in one year, working with people over time, great and exciting things can happen.

He also asked if Council had any individual feedback for any other challenges or opportunities they saw for their City Manager to come. Mayor Landry advised him time would not permit his request. Julian Suso asked what the process and timetable would be. Mr. Landry said Mr. Slavin would brief him. There were a few other candidates to interview and then Council would make their decision. Mr. Suso wanted to underscore his interest in the position here with the City of Novi. Novi is a vibrant and exciting community and the future was one that he would very much like to be a part of. It's filled with excitement and opportunity. He said the hospitality and welcome in the Novi community had spoken volumes.

Mayor Landry said Member Paul was unable to attend the meeting on Thursday, May 11, so they would have to reschedule. He said Saturday, 13th was not convenient for everyone so it would have to be pushed to next week. He asked that everyone bring their calendars to Monday's Council meeting to schedule a date.

Member Paul suggested Wednesday or Friday. Member Nagy had a commitment on Wednesday.

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 12:31 p.m.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Approved on: May 22, 2006

Roll call vote on CM-06-05-031 Yeas: Paul, Capello, Gatt, Margolis, Mutch, Nagy
Nays: None
Absent: Landry

10. **Approval of an Ordinance Amendment 06-97.02 to Chapter 4, Amusements and Entertainments, Article III, Pinball Arcades and Machines of the City of Novi Code for licensing procedure for pinball arcades and machines. First Reading**

CM-06-05-032 Moved by Nagy, seconded by Mutch; CARRIED UNANIMOUSLY:
To approve Ordinance Amendment 06-97.02 to Chapter 4,
Amusements and Entertainments, Article III, Pinball Arcades and
Machines of the City of Novi Code for licensing procedure for pinball
arcades and machines. First Reading

Roll call vote on CM-06-05-032 Yeas: Landry, Capello, Gatt, Margolis, Mutch,
Nagy, Paul
Nays; None

11. **Consideration of Ordinance No. 06-7.01, an Ordinance to amend, Appendix B Franchises, Article II of the City of Novi Code of Ordinance for the proposed Consumers Energy Company Gas Franchise Ordinance. First Reading**

CM-06-05-033 Moved by Mutch, seconded by Nagy; CARRIED UNANIMOUSLY:
To approve Ordinance No. 06-7.01, an Ordinance to amend, Appendix
B Franchises, Article II of the City of Novi Code of Ordinance for the
proposed Consumers Energy Company Gas Franchise Ordinance.
First Reading

DISCUSSION

Mayor Pro Tem Capello asked if this was an exclusive franchise and Mr. Schultz said it was not.

Roll call vote on CM-06-05-033 Yeas: Capello, Gatt, Margolis, Mutch, Nagy,
Paul, Landry
Nays: None

12. **Consideration of offer from Catholic Central High School for tree replacement associated with the Woodland Permit.**

Mr. Pearson stated he spoke with Catholic Central when they were present earlier and they requested that this item be withdrawn and they did not intend to bring this back. Mayor Landry said then there would be no change in their obligation to replace the trees.

13. **Interview dates for City Manager**

Mayor Landry said they had originally set this Thursday as a proposed date, and it was his understanding that it was now necessary to move that date. Member Mutch said he would be out of town for a week beginning May 16th. Member Paul suggested keeping the date on the

11th as everyone could make it except her. She said she would get a tape and would give Council members some questions to ask for her. Mayor Pro Tem Capello said he might have to be in front of the Livonia City Council for part of the interviews but didn't mind reviewing tapes.

Mayor Landry said the City Manager interviews are this Thursday, May 11th at 7, 8 and 9 PM.

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

MAYOR AND COUNCIL ISSUES - None

AUDIENCE PARTICIPATION

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 10:41 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Date approved: May 22, 2006

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI
MAY 11, 2006, 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 Capello – absent/excused, Council Members, Gatt, Margolis, Mutch and Nagy and Member Paul – absent/excused.

AUDIENCE PARTICIPATION - None

PURPOSE OF SPECIAL MEETING

Interviews for City

Mayor Landry welcomed the candidates, individually, and advised the candidates of the format of the Special Interview. If they chose they could make a brief statement and comments. Then, Council members would each ask one question at a time. At the end of the interview the candidate would have an opportunity to make a closing comment.

Mr. Alex Allie

Mayor Landry was delighted and honored that Mr. Allie offered to serve as City Manager. He welcomed him to the City of Novi and acknowledged that Mr. Allie is also a resident.

Opening Statement

Mr. Allie explained he already submitted information regarding his professional background and career experience, however, now he wanted to share his personal background. He is married to a teacher and has three children that are grown. He is a runner and a 50's Classic Car enthusiast. He has lived in Novi for the past 16 years and was the Assistant City Manager some years ago.

Member Margolis explained that the focus of City Council has been economic development and she was interested in his views on how the City Manager could direct City Staff and encourage economic development specifically the process issues.

Mr. Allie stated the City Manager sets the tone for the operation of the organization relating to economic projects from inception to completion. Due to the conditions of the economy now and in the future it will be a lot more difficult, the developers won't be lined up like they have been in the past. The City Manager will need to create the network of recruitment, marketing and presenting the City's best face to developers. This will be targeted based on the changes in the economy.

The retail community will not get any larger. Office and technical developments may have some room including light industry. In terms of location, the City is in an enviable location with the freeways and near the highest growth area, being the M14 growth corridor. Providence Hospital will be a stabilizing force perhaps replacing some of the automotive economic opportunities with the loss of the Wixom plant.

The City Manager will need to promote and be on the forefront with developers interested in the community and treat them professionally. Also, continuous improvement of departments and procedures both on the regulatory side for example the Planning Commission as well as the Administrative side where plans are submitted and times waiting for Plan Review. In every organization he has worked with he felt this had proved to be very critical. The City Manager must follow and be well aware the procedures in place. This would be his highest priority.

Member Nagy reviewed his past positions and wondered his reasons for leaving the position he held with the City of Novi previously.

Mr. Allie answered that he took the job of Assistant City Manager with the focus to become the City Manager. He was hired by Ed Kriewall and worked in that position for four years. After which, he interviewed and took the City Manager position with the City of Owosso, Michigan because he felt it offered a great deal of challenge. He believed, at the time he worked for the City of Novi, it was an explosive time. Things moved very quickly, for example, a number of developments didn't have utilities yet and Twelve Oak's Mall was still under construction at the time. He enjoyed the quality of life here in the City of Novi and when he was able to move wherever he wished, he and his family chose to live in Novi.

Member Gatt questioned Mr. Allie regarding his thoughts regarding unions.

Mr. Allie has respect for unionized employees. He has an open door policy. A workforce that is motivated and enthusiastic is the best workforce. He implemented interest-based bargaining, which are pre-contract discussions, where all interests are put on the table. He was Chief Negotiator, in a past position, and felt by being candid as to what the economic position was and where the playing field would be brought him success.

He felt his style of not taking an adversarial role with unions or employees has proved beneficial. He would like the City Council members to actually check with all the labor unions, elected officials and management employees, to make sure each candidate interviewing for this position really does work well with them. Council will find that regarding the people mentioned above, he had a great working relationship with them. He also felt they had a great deal of respect for him because he held regular meetings to show them they were an integral part of the operation, he appreciated the job they did and wanted to keep the lines of communication open.

Member Mutch asked the question from his perspective what does he see as the biggest challenge in Michigan now and for the next 5 or 10 years.

Mr. Allie believed there would be no more economic expansion here and our manufacturing base will be lost. A transition must occur. We need to become less dependent on the automotive industry but so far that hasn't happened. As the manufacturing jobs leave, we will see issues in revenue structure with municipalities. Our tax base will be flat. The way the assessment process works, in some residential areas, the real estate values in some neighborhoods will decline. The dynamics of the property tax base will slow along with new developments. Statutory Revenue Sharing has endangered the current formula, which sunsets in 2007; however, Novi is in an enviable position because we are less reliant on that formula than older fully-developed communities.

Some of the older urban core cities in Michigan probably will not survive according to the year-long study by the Governor's task force. More cities will go into receivership. Many of these older urban communities did not look ahead and/or ignored legacy costs. Retirement systems have been under-funded and no money was set aside for healthcare for retirees. These benefits were guaranteed to them in the 1970's. He still believes that the City of Novi will do well but it will take a long time for the economy to diversify. State government will be in tough shape, the City of Novi will not be able to count on that revenue.

Mayor Landry noticed that Mr. Allie has been in the business of City Management for over 30 years and asked why he would like to be the Manager of our city.

Mr. Allie welcomed the challenge such as the City of Novi and felt he offered a management style that could benefit the City. Right now he has a City Commission that doesn't work well together due to personality conflicts where he works as a mediator. He is very used to an environment where people disagree or are disagreeable. He is looking for bigger things and more challenges.

Member Nagy would like him to address how specifically he will manage performance of employees to ensure customer responsiveness.

Mr. Allie thought the City Council meetings would be tell tale signs of Administrative staff not being responsive to customer's needs. He believed staff should give an answer as soon as it is possible. The answer should include why or why you can not help them. Phone calls are logged and tracked. In a small community, however, residents usually prefer to call the City Manager and start at the top.

Member Nagy asked about the future costs of employees as the city is built out and the issue of health care. How would he handle these issues?

Mr. Allie believed looking to the future will be key. He encouraged five-year budgets, forecasts, setting money aside for tomorrow and not using credit to finance things. Engineering and Planning Departments in previous positions that he has worked with realize these departments are cyclical, both seasonal and economical. For large projects, he would bring in consultants using a quality-based project system.

Regarding healthcare, he felt it is the largest problem faced both in the private and public sectors today. Every year healthcare costs have been going up double digits. According to the law, unless a carrier has 50 percent of the active employees they do not have to take the retirees (who are greater risks). His approach to this problem had been to increase co-pays and deductibles which created a two-tier healthcare system where the city would provide a basic healthcare plan to everyone and if employees/retirees want more they could bear the extra cost.

Member Gatt asked what were his greatest weaknesses?

Mr. Allie felt he got impatient sometimes because government has a tendency to be slow. He felt he was strong in Finance, Personnel and Developmental areas. He was a good facilitator and communicator with all the diverse networks of a community. As he looked over his career,

the different Cities he has managed have been very diverse, from blue collar to, for example, Huntington Woods, with a high population of residents having Master's Degrees, and he still was able to be successful at each type of community. He thought a community gains confidence in a City Manager after they have positive experiences with them and the relationship tends to improve as you go forward.

Member Mutch asked what Mr. Allie saw as the role of government in retaining businesses and workers that are already here.

Mr. Allie saw that retention and attraction of businesses as the primary unit of government. Hopefully, some of the economic policy issues will be dealt with by State Government. He felt the City of Novi will have to promote marketing but will have the help of a great location, quality public education, and the stability of the medical community, in the future, as well as a number of factors where Novi will be at the forefront.

For example, when he was the Manager in Owosso, the economic climate was very automotive. He created a focus group to continuously keep the City communicating with the business community. He met with all key players of business and industry at least once a year, either Plant Managers or owners of retail operations where he tried to keep the lines of communication as open as possible.

Mayor Landry stated the most difficult thing a Manager has to do is to inform people that they are going to get less or pay a larger share for what they are already getting, for example, legacy costs and health care costs. How do you go about talking to employees about these things and keeping high morale among your staff?

Mr. Allie believed an open and honest style would be best. When he was the City Manager of Owosso it was during bad economic times in Michigan primarily because the State had cash flow problems and Owosso was a city very dependent upon State Revenue Sharing. The State had missed three quarterly payments and the City was not in a deficit position for the year but facing serious cash flow problems. He spoke to his employees about the current cash flow problem and discussed how they were going to get around it. Every employee took a one-year pay freeze so he would have time to get his feet on the ground and make longer term plans. This was done by the employees having their union contracts reopened.

While at Huntington Woods, during good times, he believed they were too generous to their employees. Some things that were placed in union contracts without an actuary report, upon his investigation, he discovered they were going to be more costly than originally thought and it took a number of years to collectively bargain that benefit away from the unions. When the actuary report was done to show the City Commission, the cost was 9.5% of payroll. Every retiree was supposed to get a 2.5% increase every year of their retirement. Think of someone who lives 25 after retirement. There were operational components of these contracts that employees had to understand because they were far more lucrative in the public sector than the private sector. It was very unpleasant to open contracts and make changes but a far better option than laying people off.

In Huntington Woods, the workforce was reduced by 40% and jobs formerly done by union workers were privatized. This was accomplished by attrition and other means. He believed

interest based bargaining of keeping employees abreast of the situation and painting the picture that we change together or die separately proved successful.

Member Margolis asked about involving the community and goal setting/planning. Describe how that process would work, for example, a five-year budget. Especially considering the fact that we have elections every two years, and the composition of the council changes, and all good efforts in long-term planning are at the mercy of those elections.

Mr. Allie thought there has been an evolution of how government operates now. Government used to be autonomous in nature. Today's demands are different. The public is highly participative. All the various components of a community at a grass roots level have to be included.

He inherited a fully-developed community predominantly residential based that had cuts in State Revenue Sharing, interaction of the Headley Amendment and proposal A. Even in good times, their revenue wasn't growing very much. What will happen when there is a predictable economic downturn in the future? We have to be prepared. With all the dynamics, he didn't see a way the City could conduct business and usual into the future with the economic structure the way it was currently. He proposed a taskforce committee and had it open to anyone who was willing to make the commitment to the study. He facilitated it and explained to them where they were, how they got there, the trends of what they could do and that there had to be some reductions in services or an increase in revenue or a combination of the two.

The process was implemented. It was made known to the public. The group that was compiled was very diverse group with a range of all interests. This was a 14-month long study that left no stone unturned and took a good share of sensitive facilitation. This was citizen driven and no elected officials played a role. He was not an advocate with any issue. They brought in an outside auditor to make sure everyone was unbiased. The result of this focus group was they developed a series of 29 recommendations ranging from services that needed to be reduced, things that they could be done different and a structured Headley override. They actually put a question to the voters that restored an annual cap on the millage being raised. His five-year budget showed if they did nothing there would be a \$600,000 deficit.

The citizen group that developed this long-term strategy on how to meet the budget without a major increase in property taxes, actually sold it to the general public. Any unit of government today must heavily involve all interest groups, Boards and Commissions, and businesses. He took every major construction project scheduled for the next two years and invited them to a focus group to find out their experience with the building process at that city and how the process could be improved.

Closing Statements

In conclusion, Mr. Allie stated that he appreciated the opportunity to address any questions or issues. He believes himself to be very candid and will tell you anything you want to know. He doesn't believe in rehearsing because he believes what you see is what you get. He wants to portray himself as openly and honestly as he can. He thinks he has a lot to offer and would love the opportunity to serve as City Manager. Whatever decision is made he will support it.

He offered his services as a facilitator or to further explain his experience with the fiscal taskforce.

Ms. Jane Bias-DiSessa

Opening Statement

Ms. Bias-DiSessa stated she was familiar with the area due to a family member that resides in Novi. A brief overview, she is currently the City Manager of Berkeley, Michigan. She has been in the field of Public Administration for over 25 years, mainly at the Chief Executive level. She has had the privilege of working for the State of Texas as well as Michigan. She has diverse experience working with both large and small communities, including working with budgets that range from 3 Million to 700 Million dollars. She has worked with communities and assisted them in developing their long-range economic development plans. She has experience with the construction of facilities and has familiarity with community infrastructure. Particularly in San Antonio, where she held the position of Budget and Management Analyst, she worked on some of the City's top projects, one being the expansion of the International Municipal Airport and the other the International Auditorium, called the Henry B. Gonzales Convention Center.

As the Manager of a small City she had the insight of working with the Department Heads and residents which is a lot different from a larger city, like San Antonio. She did have the chance to work with the City Manager, City Council and the Mayor.

She has been involved in identifying new ways in which to implement Municipal services via the Internet.

Member Nagy asked Ms. Bias-DiSessa if she has done long-term budget planning and how would she improve economic development?

Ms. Bias-DiSessa stated that the difficult economic times that Michigan is experiencing reminds her of the time in Texas where they had an Oil boom. The State of Texas had relied heavily on the Oil Industry, like Michigan relies on the Automobile Industry, what they learned from that experience is the need to diversify the economy. But she wanted to answer the first question regarding long-term budgeting.

Ms. Bias-DiSessa was involved in the preparation of a 5-year, long-term financial forecast. In smaller communities, long-range planning has to come hand-in-hand, often times, the City Manager wears many different hats including the Finance Director, Budget Director and Economic Development Director.

In preparation of the budget, she first holds a goal setting meeting with City Council. At this meeting they determine the direction of the budget. She felt the best tool a Manager could have is to develop a Budget Plan which is a living document that can change. Rainy day funds must be set aside. When she worked in San Antonio she had to reduce the budget by 300 Million dollars. Thanks to the guidance of the Mayor and City Council, San Antonio was able to achieve great economic development.

In Berkeley, when she first started, there was a fund balance of \$55,000, which was difficult because both millages they tried to pass, failed. With no other choice, reductions in staff and

services were needed. She met with City Council to aid her in this decision. So they decided to fund core services and very little on luxury service. She is happy to report they have a fund balance of 2.5 Million dollars, which wasn't easy but it was a necessary evil. They are still dealing with Headley and Proposal A revenue shortfalls.

Economic Development and the budget go hand-in-hand. When she first came to Michigan the goal was to bring more businesses to their community. She worked with the various downtown development authorities in each community. Given the limited revenue, they worked primarily to improve the infrastructure, the schools and the entryways so businesses would find it a pleasing and welcoming community.

Member Mutch explained at all levels of government more and more we are asked to work together more to cooperate with each other and look at new approaches to providing services regionally and cooperatively, can you describe some experiences in developing or maintaining the provision of services at a more regional level whether through neighboring communities or through a larger regional opportunity?

Ms. Bias-DiSessa answered that one of the ways she had been able to maintain costs, at the City of Berkeley, was through regional development and cooperation with other cities. The City of Berkeley is large enough to provide services to some of the neighboring communities such as the City of Huntington Woods. They also provide Animal Control services to the City of Royal Oak. They are a part of the SOCRA Authority which consists of neighboring communities with 200,000 people. A new contract will be in effect that will save 10% next year. They also shared their planner with the City of Hazel Park and they have safety contracts with neighboring cities to assist the Police officers.

Before she worked at the City of Berkeley they combined police and fire to have a Public Safety Department which is controversial but it works great for them. The officers are trained to do both jobs which saved them a lot of money. They are looking at the possibility of consolidating their Department of Public Works and Department of Parks and Recreation like some other surrounding communities which would reduce a Department Head position. They also joined to consolidate Cable TV Stations with the Grosse Pointes.

Member Gatt asked if she could describe everything she knows about the City of Novi from it's legendary name to present day attributes and problems. What do you see as the critical challenges facing Novi and what personal and professional qualifications does she possess to be our next City Manager.

She stated her co-workers told her that the name came from No. 6 on the railroad stop. To her she thinks it means something new, something big, something powerful and strong. What she knows of the City of Novi is it has various types of housing opportunities and living arrangements. She was impressed with the budget document put together by City Council and the Interim City Manager. The City of Novi is dealing with all the same issues as other cities. Obviously, finance is a big issue, infrastructure and economic development. Novi has an excellent reputation thanks to the hard work of the City Council and strong planning. She hoped we were able to address those concerns and not depend on the fund balance, making sure we recovered our costs whenever possible. And, she thought our schools were excellent which will attract a lot of people.

San Antonio, at the time she worked there was one of the 10th largest cities in the United States. They weren't able to attract people to come to San Antonio because of the lack of an educated workforce. The first thing they did was to work closely with the Universities to get information on the types of education that people need to have to attract the business community to locate in San Antonio.

Member Margolis asked how would she ensure that City staff focus on customer responsiveness and how would she manage performance in that area by Department Heads and City staff and how have you implemented this in any of your positions?

Ms. Bias-DiSessa said when a person first walks into City Hall the first individual they meet will stand in their mind forever. One way is to provide training for all employees in customer service. Another way is to have one individual obtain training and train the rest of the staff. The main goal is to make residents feel they do have access to the City Manager.

In communities she has worked with in Michigan, evaluations of employees have been difficult to implement because of the strong unions. But for new hires, they have six-month and one-year evaluations which have been successful. Department Heads are asked to do evaluations at least once per year.

In the City of Berkeley, they are updating the Personnel Policy Manual called the Merit System for non-union personnel. By evaluating people, you help them understand where the city is going and help them understand what their jobs are. In the City of Berkeley, they just finished a compensation study, while not well accepted by employees, many were concerned they would lose their jobs or have their salaries reduced, however, that did not happen.

The best thing that came out of that process was they now all have updated job descriptions and responsibilities. In the near future, the City of Berkeley will be working with legal council to make sure that their personnel policies are up to speed. A personnel pay plan will be developed to help them understand the steps they will have to achieve. An annual evaluation process where Department Heads will review their employees is in process.

In her opinion, the toughest part of an evaluation is training the Department Heads so they will be conducted properly. The most critical thing she has found, even in small communities with limited budgets is mandating Department Heads to attend conferences or be part of various associations so they can come back and teach everyone else. When Ms. Bias-DiSessa first came to Berkeley, people there felt it wasn't necessary to spend the money to go out of state for training. However, she left it up to the Department Heads to determine where the money was best spent either in state or nationally.

Ms. Bias-DiSessa said she recently spoke for the International Hispanic Network in Laredo, Texas and was also in attendance of some conference sessions. At this conference, she learned Immigration doesn't just affect Hispanic people but all people affecting Michigan, Canada and the entire United States as well. She served as a moderator and she introduced some of the most successful Hispanic women, one being the Mayor of Laredo, Texas, Elizabeth Floydes and another being the County Administrator from Hennipan County, Minnesota, Sandy Vargas who received an award of Hispanic Woman of the Year for 2004.

Mayor Landry asked Ms. Bias-DiSessa why her work history lists the length of time at each job only from two to five years? Why such a short period of time?

Ms. Bias-DiSessa responded that when she first came to Michigan she hoped to stay in every community a long time, however in some of the small communities she worked for she longed to go back to her roots and work for a larger city. Understandably, the City of Novi would be the largest City she has ever worked for in Michigan and she hoped it would be the last. For the most part, she moved to grow, learn and work on new challenges. Looking at her work in San Antonio, which had a population of 1 Million people, the staff was 6,000 – 7,000 at the time. She worked in Human Resources, Equal Employment Opportunity Department and finally in Budget Management. With every move, she has learned a lot, met interesting people and worked on interesting projects. Every place she has worked she would be welcomed back.

Member Nagy realizes being a City Manager would be difficult because there are so many people to serve. She asked about her management style and how would she manage having a negative impression and does she think there should be some positive changes in the way departments interact. Being new, how would you garner the trust of the employees?

Ms. Bias-DiSessa stated that one of the ways she had handled this was by ensuring the Directors that they are a team by implementing their recommendations when they come to her. Sometimes even taking a chance and implementing their ideas.

She learned early on in her career the importance for a City Manager to know what her employees do. One of the things she has done is to collect garbage, sleep in Police Stations and drop off garbage at landfills. Her first year, she would meet with the staff, Boards and Commissions, resident associations to introduce herself and attends their meetings to gain understanding.

Gaining the trust of the Executive Staff is very critical. She would do this through Staff Meetings where she would ask them to provide information that will impact everyone. For example, if the Public Works Department is going to be constructing a new street, how will that impact our Public Safety Department and who else needs to be informed: schools, neighbors and any others. She would give Department Heads the idea that we are here to provide services for the residents.

She believed she had a good rapport with everyone and knows many all the main players in Oakland County. Due to working with so many diverse communities she understood the importance of being flexible and that it takes a while to gain trust. She identified with the TQM Management Style which empowers your Department Heads by giving them an opportunity to implement their ideas and suggestions. Trust is earned and takes time.

Member Mutch wanted to give Ms. Bias-DiSessa the opportunity to discuss the controversy involving a former Finance Director out in the open for the public and City Council.

Ms. Bias-DiSessa explained that it is in court at this time and can only be talked about in a limited way. She said it was an unfortunately situation that was blown out of proportion by the press. Her Council decided to conduct an internal special investigation to make sure the City Manager had conducted herself in accordance with the laws. Due to the fact that it's still in Litigation, she doesn't want to hurt the City of Berkeley or the employee in any way. She is confident it will be resolved soon.

Mayor Landry asked if she wanted to ask Council any questions.

Ms. Bias-DiSessa asked if she were to be given this position what would be the first project for the City Manager to address.

Mayor Landry responded that the job of the new City Manager would be to come in and make an assessment of what needs to be done, what goals are currently existing, what former council's have set.

Ms. Bias-DiSessa said in her opinion the City Manager should work in conjunction with the City Council. She also asked what the next step will be for this process.

Mayor Landry explained the next steps are the council will have a special meeting to discuss the candidates and or possibly ask some candidates to do additional interviews. Everything has to be done in the public eye.

In Conclusion, Ms. Bias-DiSessa wished the City Council luck in this difficult process. She hopes to have the opportunity to work with everyone.

Mayor Landry was honored that she stepped forward to be a candidate.

Mr. Clay Pearson

Mayor Landry stated that Council was delighted he applied for the job of City Manager. There are a number of very qualified candidates and they are very happy he has agreed to step forward for this job.

Mr. Pearson thanked the Council, Tia Grondlund-Fox and Mr. Slavin for their professionalism. He stated that he was here to continue the dialog they have built even as recently as Monday night when the budget was passed. The journey to this chair has been a combination of education, hard work, experience and cooperation. He felt himself to be fortunate to have found a profession that he truly loves and enjoys coming to work every single day. He loves cities and everything about them, considering himself to be an amateur student.

Over the last five years, while he has driven, walked, biked and runs around the City of Novi he took great pride in the projects that he had a hand in and sees some of the things on the horizon yet to be done. He'd like to celebrate the successes that we have all had together and look ahead to what we can build upon. He felt himself to be a hands-on Civil servant attending homeowner association meetings, resolving drainage problems with the staff and sharing ideas with department heads. He liked to sell Novi

because it is a place to believe in and he thought he was a good advocate and cheerleader for the community. As presented in the budget we talked about the virtuous circle and he will be ready to keep that momentum we built together going. He would be ready to provide continuity of his work ethic and own unique leadership style that he has been able to show for the last four months.

Council Member Gatt believed government exists for the most important reason of public safety. Without Public Safety the roads and everything else would not matter. Can he assess what he thought are the strengths of Novi's Public Safety Departments, where it's been and where it's going and what he will to do to enhance those strengths?

Mr. Pearson concurred that the first priority of any government especially local government is Public Safety. When there is a problem or crisis, residents will call 911 and expect a response and deservedly so. Public Safety in a larger sense in terms of natural disasters, snow and ice control. Novi has been very fortunate because the Public Safety organization has a culture of service that is very genuine. Emergency preparedness has been one of our strengths and has always been a high priority. Over the last few months, we have gone through a new round of training sessions with our staff where we had everyone attend mandatory training sessions for personal safety, public safety, etc.

One of the best experiences, as a Manager, was the August 2003 blackout of the entire Northeast where he was at Erickson Fox Run Village with Mayor Landry. Our public safety department excelled because their teamwork with homeowners associations and neighborhood groups (10,000 water bottles were handed out). We learned greatly from that experience. Mr. Pearson was in charge of the emergency operations center for three days and to debrief everyone afterwards. In a report that he wrote regarding the lessons learned from that experience lead to upgrades to our generators and facilities.

Day to day our Police and Fire Departments are in capable hands and he felt comfortable at what we are able to provide for them. It is something that we want to monitor in terms of staffing and facilities, having targets for performance from staffing to service levels that are agreed upon.

His previous experience in Elgin, much different from here, urban, inner city, self-sustaining had all the problems that come with a full-blown urban experience. He led a Code Department when rental licensing was a big part of their Public Safety. He spent a great deal of time in basements there as part of their Legal Occupancy Enforcement Action. They had an anti-gang program, resident officer programs and other innovative programs that he brought with him to Novi.

Member Margolis asked him to describe how we should go about goal setting in this community.

Mr. Pearson said one of the best processes he was involved with, in Elgin, was the Community Input Sessions where they received input from 39 neighborhood meetings involving Boards, Commissions and basically anybody and everybody that would meet with them. He was in charge of writing down the themes that emerged from those

meetings then make changes to the budget to meet those goals. He felt the assessment and what was put into place prior would help set lofty goals to decide where the community needs to be in five, 10 and 20 years down the road.

The City of Novi's Master Plan for land use was a well-conceived document that is under utilized at this point, with a lot of resources in it. Our fiscal analysis needs to be dusted off, refreshed, and used. And, Regular reports on progress towards our goals would be a key indicator of the framework.

Member Nagy asked what will he do to make sure our departments function better and our relationship with the business community would be smoother?

Mr. Pearson felt he was in the best position to help improve that further. When he first started, there were a lot of complaints which was a real concern. There was a very direct policy from City Council that change was needed. The system was very fragmented. There were 23 plan sets required for every submittal round that were distributed out, returned then distributed out again.

As you know, a big part of that transition was to outsource some of our work from the Planning and Engineering Departments. After being well into the process, it was discovered that not informing employees of the huge culture change that outsourcing was going to bring proved to be challenging, however a lot of progress had been made in this area.

For one, a lot of projects are getting done. The City of Novi had the most non-residential projects in the state of Michigan last year. With Council's support, we recommended the Process Study which was exactly the vehicle to analyze what we are doing now and how we can do it better. Ask people what they want in terms of the customers and developers. Ask our staff what they can approve because they are doing the job every day. Have someone from the outside on this specific project whose experience is to make recommendations that we can implement.

After five years, we have changed and improved a lot which includes building reporting mechanisms that were not in place previously.

Member Mutch asked what in his past experience as an Assistant City Manager what would allow him to take on the role even though he haven't served in the capacity as the City Manager?

Mr. Pearson stated for the last four months that he had been the Acting City Manager would be a good indicator of future performance. On top of regular duties a budget document was prepared for City Council, and was approved. He thought he was absolutely ready to take on this new role.

He has worked with City Managers for the past 15 years, this is his chosen profession. Each Manager he has worked with and both types of communities, large and small, he has learned a lot. He felt he brought a certain freshness and energy to the job. Stamina is any part of an Executive's job. He felt the discipline of training and preparing for a large event like running a Marathon would help him in his new role. He stays fresh by

reading and attending training sessions. Novi is a young community and he can help bridge a generational dichotomy that is part of our workforce and our community.

Mayor Landry asked if Mr. Pearson was hired as City Manager what would he do different than the past City Manager, Rick Helwig.

Mr. Pearson believes his style is very open and transparent. He gets out and extends himself and tends to be more open to new technologies, he attended the Small Business Expo and Automation Alley. His style is open, transparent and results oriented.

He stated Mayor Landry was right about the roles. When you are the Assistant you are working for the Manager. The Manager takes direction from the City Council and the Assistants job is to help implement that within the organization to get things usually behind the scenes without much credit, which is fine and he is proud of the role and felt he did a decent job. He thought this was in preparation for the next role to be the Coach or the General Manager and that is where he is at now.

Member Gatt asked what was the biggest problem facing our community and what does he plan to do about it?

Mr. Pearson felt the biggest challenge was to keep the good things we have going on right now going. From his past experience in Elgin, Ohio, he felt once things were lost it would be very hard to get them back. Elgin had half of the assets that Novi does. Another problem is managing growth and making the City a desirable place to live; good schools, safe neighborhoods, good transportation and good basic services. Right now, we have a great reputation and the challenge is to keep that going. We are not doomed to decay and lose our tax base. There are plenty of examples of Cities around the country that have been solid for generations and which we should emulate.

Member Margolis asked Mr. Pearson what he learned in the past four months that he can bring to the future or what has he learned that perhaps he didn't know as an Assistant City Manager.

Mr. Pearson said that in terms of something he learned that he didn't know was his own leadership style. He realized, early on, he had to do it his way and present his own style on how he interacted with staff, Council and the Community. He figured out that his style will work. In terms of specific programs, he learned that his instincts were right in terms of listening in January when the joint meeting of the Planning Commission on the topic of Economic Development came up for the very first time. We need to have Economic Development goals. His instincts were right and that's what led to the Sikich Proposal that is underway now.

Member Nagy thought being a City Manager is one of the toughest jobs a human being could do because it involves politics. The next toughest job would be to pick an Assistant City Manager that compliments you in some regard and is different in ways. What kind of person would you look for in an Assistant City Manager?

Mr. Pearson stated there are a lot of commonalities with a good assistant and he'd start with that. He thought he was a good assistant here and in Elgin because of his willingness and an ability to be hands on and to interact with different departments and solve problems. He was able to anticipate the needs of the Manager independently. He would look for someone who would compliment this community and again a high-energy, ready, willing and able to put in what it takes. This is a good organization and a great City. He would look for an assistant quickly. The staff has been really supportive in the past four months.

Member Nagy asked if Mr. Pearson would be looking to promote from within or look outside?

Mr. Pearson state that one of the first things he would do is to put in a job announcement would be for the Assistant City Manager to have a Master's of Public Administration or equivalent. A generalist expertise is what we need here. As much as he would like to promote from within, our staff isn't deep enough or big enough to develop talent and give people that opportunity on a regular basis.

Member Mutch asked what his vision is for the City of Novi in the future? And, maybe a couple of examples of what he would like to see happen.

Mr. Pearson believed being the implementer is a good starting point. The other extreme in terms of writing vision statements as he did in Elgin and with this last Budget Document he tried to lay out the big picture. He felt he was gearing it in between the specifics of how you are going to get to that end. Organizationally, we have work to do such as the Performance Measure program which is an ongoing multi-year benchmark so we can assess where we are. A program like that will professionalize our operations quite a bit and give our council better decision making tools for the future. The Council needs to hold the Manager accountable on how our performance has been. This will give the financial measures of service delivery, customer satisfaction and certain financial indicators.

Building partnerships with other organizations such as schools, the Road Commission and the Automation Alley are things he would like to do more. The culture of this community is conservative, so he doesn't see building any massive civic facilities. The library is very important and we need to take a look at helping more to get a new one built.

The build out the City has a role in fashioning and shaping the future. The Main Street Development is something that can be done without spending a lot of city dollars.

Mayor Landry asked what Mr. Pearson thought the proper role of City Manager was when he/she sees the City Council is going in the wrong direction. Perhaps they are in the process of signing something that perhaps they may get sued over or embarking on something that is totally contrary to the staff?

Mr. Pearson explained that Mayor Landry laid out several examples and they all have a different answer. Our job is to present the information, give our recommendations as best we can and let the Council decide. His job was to present the information so that

Council would come up with the same one. We will implement whatever the Council decides. He would always be ready to defend the policies and decisions of the City Council.

Member Gatt asked what he hoped to accomplishment within the next six months?

Mr. Pearson stated that in his Mutual Expectations document his six month's goals are already in place. He would like to gather the Administrative group at Walsh College and do a mini-retreat. He needs to prep with the City Council regarding a Library presentation that they have asked to be done. Hire some key positions, an Assistant City Manager and a Fire Chief. A number of development projects. The Sikich Group study will be important over the next few months which will be implemented over the next six months. Finally, spend the time in December to give feedback on what the study revealed.

Member Margolis asked in terms of citizen's service, customer responsiveness, business community and residents, how would you manage performance and give some examples?

Mr. Pearson said the test he used prior was to track the complaints and then take them up with the Department Heads. He would be open benchmarking and look to other cities that currently have a program. He would also be interested in using an instant survey on the Internet to get feedback on our performance. Another example, in the Building and Planning Review Departments, when we complete a project a feedback form should be presented so we can learn from their comments. Feedback needs to be as constant and systematic as possible to get quantifiable results.

Member Nagy asked if Mr. Pearson if he were to be the City Manager would he set up a five- year budget so he could marry that with Economic Development?

Mr. Pearson responded yes. He stated, his first year in Elgin, he was part of building the first five-year financial plan which helped confidence levels. Any multi-year budgeting is helpful. He said the County adopts a two year budget that is intriguing and seems to have some advantages. If nothing else, it would help to get us out of the Annual talk about minor things and get that more routine. He was nervous with this budget because they didn't find time to do a full goal session. In September, that will be one of his six-month goals, to do a full goal session.

Member Mutch asked what his timeframe, Council willing, to be here for the long-term.

Mr. Pearson said he didn't plan to be leaving in the near term. Depending on the challenges, a City Manager's Code of Ethics dictates a minimum of two or three years in any position. He was in Elgin for nine years and the City of Novi for five plus years and ready to make that next five year plan.

Mayor Landry asked what does he think is Novi's biggest asset?

Mr. Pearson thought the biggest asset Novi had was our location and it is our responsibility to take advantage of that. It affords us the ability to demand a lot from our developments. We don't have to take the first offer that comes in. When he first came here, there was a lot of talk about quality development standards and maybe that has become so accepted that we don't talk about it anymore. He would look to reinstate that vision. As a student of government, we are in a good location.

Closing Statements

Mr. Pearson stated the interviewing situation is not his forte, he would rather talk about what the Community or what the Council is doing. It also requires a lot of looking back and he would rather look ahead. Rick could deliver a stump speech that would motivate a large group. When we had the blackout, the staff was very complimentary. They said, "you didn't give us a speech about what we needed to do, you gave us the ability to do our thing ourselves and you were there when we needed you."

Mr. Pearson said he will be out there talking one on one with employees, residents, and to small groups, like what was done last Fall, administering the Administrative pay packages. He felt there were a lot of things he could offer, is in support of the Council and the decisions being made. He will help the Council to be successful.

Mayor Landry thanked him for stepping forward to interview for this job.

Audience Participation

Dave Stout, 223715 Niland, wanted to point out a couple of things going on this weekend in Novi. The Novi Jaguars have 367 teams that are going to participate in a tournament. The tournament started with 60 teams four years ago. This is a very large event. Also, the Wizard of OZ has been heavily attended, sold out with additional shows selling out. If you have an opportunity, try to see it. Hopefully within the next few meetings they will come to us with a short presentation with Park Naming Rights.

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 9:10 p.m.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Kristine M. Niemi

Approved on: May 22, 2006

was more expensive. Mr. Auler said a chiller was the air conditioning unit at the Civic Center. He said they run compressors at the rink, which create the ice surface. Member Paul asked if the life span of the compressors was about 10 years, and Mr. Auler agreed. She asked how old they were now, and Ms. Smith-Roy replied about seven years old. Member Paul said in three years they might need to purchase a compressor, and asked if there was just one. Mr. Auler said there was more than one, but they could get less time or a longer time out of them. He said at another ice arena the compressor lasted 15 years. Member Paul said she would not support the motion, and perhaps a postponement would be better. She asked the administration to advise her of the costs of some of the equipment, provide a number for cell tower revenue, and monies brought in through rink programs, and compare those numbers with or without the cell towers. At this time, she would not support the motion.

Roll call vote on CM-06-05-142 Yeas: Margolis, Nagy, Landry, Capello, Gatt
Nays: Paul
Absent: Mutch

8. **Consideration of an agreement with American Images Publishing to produce Community Profile publication as approved in the FY 2006-2007 Budget at no cost to the City of Novi.**

CM-06-05-143 Moved by Nagy, seconded by Margolis; CARRIED UNANIMOUSLY:
To approve an agreement with American Images Publishing to
produce Community Profile publication as approved in the FY 2006-
2007 Budget at no cost to the City of Novi.

DISCUSSION

Member Margolis commended City staff for seeking out this resource. She said they had talked about economic development, and this would be a huge boon for the City. It would be at no cost and the example provided looked wonderful. She said this public/private partnership would give them a chance to really market the City to businesses with the cooperation of local businesses. She thanked Ms. Walsh and the City staff for their work on this.

Roll call vote on CM-06-05-143 Yeas: Nagy, Landry, Capello, Gatt, Margolis, Paul
Nays: None
Absent: Mutch

CONSENT AGENDA REMOVALS FOR COUNCIL ACTION - None

MAYOR AND COUNCIL ISSUES

1. **Setting date for Special City Council Meeting to discussion and/or vote regarding City Manager Search – Mayor Landry**

Mayor Landry offered dates for Council discussion on this item. He suggested Tuesday, May 30th or Thursday, June 1.

Member Nagy asked what they would discuss. Mayor Landry said it would be the first time they would publicly discuss the candidates. He intended to open it up to Council for discussion

on how they wanted to proceed. However, at any time, a member could make a motion, and if sufficient numbers were garnered, the decision would be made.

Member Nagy said it seemed to her that public interviews were usually conducted more than once. She thought they had a lot of good candidates, and would like to do a second interview to come up with two top candidates; then interview those people. She was not comfortable with making a decision right a way based on one interview.

Mayor Landry responded that if that was what the majority of Council wanted to do, then that was what they would do.

Member Nagy said on those dates there wouldn't be a full Council to make the decision as Member Mutch would not be present. She and Member Mutch had discussed second interviews. She was not comfortable with this.

Mayor Pro Tem Capello said June 1st was good for him.

Member Paul said either date was fine with her. She thought Member Nagy's comment was a good one. She suggested Council pick the top three candidates, and then chose the two top candidates. Then do a second interview, and then have a discussion.

Mayor Landry said all of this could be discussed at the meeting they were setting now. Mayor Landry said he would also contact Member Mutch to confirm one of the dates, and he would then get back with Council in the weekly packet.

Member Margolis said either date would work for her. Mayor Landry asked if the dates would work for everybody.

Mayor Capello said he was flying back to town on May 30th and didn't think he would be back by 7 P.M.

Mayor Landry said then June 1st would be the first date and offered Thursday, June 8th as a backup date. Council agreed on June 1st and June 8th as a backup. He would contact Member Mutch and ask Ms. Gronlund-Fox to notify Council, in a packet, what the date would be. The meeting would begin at 7 P.m.

2. Discussion regarding setting priorities for sidewalk completion and City Council representative to Environmental Committee of the Planning Commission – Mayor Landry

Mayor Landry commented that at budget time, he had some informal discussions with Member Mutch about Mayor Landry's personal feeling that every time Council came to a budget session they talked about sidewalks. He said that was a wonderful thing, however, when residents ask when a section would be done, he didn't have an answer because there didn't seem to be a master plan for sidewalks. At budget time, a lot of side walks are discussed, then Council gets a hold of them, and they all get changed. Then people ask why they were changed and he had no answers. He suspected it was the same for other Council members. Mayor Landry said he would like to see a priority system for the entire City for sidewalks. He talked with Mr. Pearson who advised him that there was currently an environmental committee

**SPECIAL MEETING OF THE COUNCIL OF THE CITY OF NOVI
THURSDAY, JUNE 1, 2006, AT 7 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 Capello, Council Members Gatt, Margolis, Mutch, Nagy and Member Paul.

ALSO PRESENT: Tom Schultz, City Attorney

AUDIENCE PARTICIPATION - None

PURPOSE OF SPECIAL MEETING

Discussion and/or vote regarding City Manager Search

Mayor Landry explained that Council retained the services of a search consultant, Robert Slavin and Associates. The consultants met individually with each of the Council members, and discussed their ideas of a profile for the perfect City Manager for the City of Novi. The search consultant then met with members of the Administration and discussed their thoughts on a City Manager. The search consultant also spent time in Novi trying to get a flavor for the community. They then embarked on a search with advertisements, and the consultant contacted individuals they thought would be good applicants. Approximately 32 applications and resumes were forwarded. Council discussed them and the individuals with Mr. Slavin, background checks were done, and Council pared it down to six finalists. The City Council then interviewed those six finalists on two different occasions, and each Council member had an opportunity to question the finalists. Mayor Landry noted that the candidates also sent follow up information, thank you notes, and additional information they asked Council to consider. He stated the ground rules of tonight's meeting. First, Mayor Landry anticipated opening up discussion on whether Council was prepared to make a decision, whether additional interviews were required, or any other investigation was needed. He said the majority of Council would decide that issue. Mayor Landry explained that if a decision was made tonight, the proper motion would be to ask the Mayor and the City Attorney to offer the candidate the position and negotiate a contract. If the candidate was interested, that contract would then be taken back to the Council for ratification. The contract would include salary, benefits and things of that nature. The decision on whether to offer the position to a particular candidate would require four votes of the Council. The decision to ratify a contract would, if it didn't require any additional funds other than already in the budget for City Manager, require at least four votes of Council. If the candidate, who was offered the position, required more money than what was in the City Council budget the ratification would require five votes.

DISCUSSION

Member Margolis said there was some discussion about delaying this and interviewing again. She said she didn't need more information to make a decision. Member Margolis noted Council had received a lot of information from resumes, written information, and interviews with the candidates. She was ready to make a decision tonight, but wasn't sure if Council wanted to have more discussion about that before

discussing candidates. She would leave it to Council, and offered to lead off and discuss her impressions of the candidates.

Member Paul said she would rather have a second interview for the top two candidates. She thought each Council member should select the top two or three candidates, and then decide on the top two or three out of the chosen ones, and re-interview those individuals. She said when looking at this position, one interview for a salary of \$120,000 plus benefits was a very sizable decision. She commented that someone who was to steer the City of Novi in the right direction was not something she took lightly. She said Council had one interview with six candidates, and felt that a second interview was absolutely necessary. She wanted to do it soon because the process was labor intensive and long.

Member Gatt concurred with Member Margolis and stated he didn't need a second interview. He said he did his own personal background of all six finalists, listened intently to everything that had been said, and he was ready to make a decision tonight.

Member Nagy stated she appreciated the comments of her fellow Council members. She thought this was the most important decision this Council would make, and it was not a decision just for the present time but for future Councils. She thought these people were very qualified candidates, and a lot of questions had been asked. The prudent thing would be to interview the top two people, because that's what was done with other cities she had talked with. The City Council, for Mr. Helwig, did the same thing as well. She didn't want to make a hasty decision, and wanted to interview back to back those she felt were the strongest candidates, and make that comparison right then and there. She wanted a vote of the top two candidates by Council, a final interview, and after the interview she would be prepared to make a decision. She felt this decision was way too important to make without a second interview.

Member Mutch agreed with Member Nagy and said he had several excellent candidates in mind, based on qualifications and interviews. He said he had not settled on one yet, and felt he would benefit from a second interview narrowing it down to a couple of candidates. He said Council had the benefit of one hour of time with these candidates, some supplemental information provided by the candidates, and the search firm. He said for Council to hire a CEO to oversee a \$60 million operation and several hundred employees, more than an hour of time, to evaluate the candidates and make that decision, would be a reasonable request. He said not only for this Council, Novi, and the place it was today, but more importantly to him, was looking down the road, and where they wanted to be in the next five or ten years. Member Mutch thought if Council could narrow it down, they could have a ranking of the top candidates, and hopefully come to a consensus on who that person would be.

Mayor Pro Tem Capello stated Council has had the information for over two months. As a group, Council tried to narrow the number of candidates that would be interviewed. Council interviewed them, and had an opportunity not only to listen to them answer Council questions, but listened to them answer many other questions that were on most of Council's minds. It was narrowed down to three candidates, and he didn't feel any additional interviews would change his decision, as his mind was made up. He saw no reason to invite one or two people back who weren't going to get the job, and give them

some type of anticipation that they might be the stronger candidate. Mayor Pro Tem Capello said he was ready to act tonight.

Mayor Landry stated he was also ready to act tonight. Council had the information for a considerable amount of time, and he had read everything there was to read about the candidates. He didn't see any benefit in bringing people back if ready to make a decision tonight, and felt they knew everything they were going to know. All had been investigated by every person on Council, in addition to the consultant, and a thorough search had been done. He felt the City should move on with a permanent City Manager, and a decision should be made tonight.

Member Nagy stated past Council's had two interviews. She wanted a second interview because she would be looking at something she had not looked at before. It might be their demeanor, or the way she saw them interacting. She noted that obviously, if it came to a vote there were four people that had made up their minds and three that had not. She was disappointed in not being able to re-interview the top two candidates because this was a very important decision. She hoped Council members, who had decided, would accommodate everyone on Council and their interests. This was the most important decision they would make for Council, future Councils, the Administration, and for the City. She said with the economic issues and development before Council, and talking with developers and residents, she thought it was very important. It wouldn't hurt anyone to ask members of Council to comply because of its importance. She said not everyone had the opportunity to watch the interviews, and one resident said they watched the interviews, but couldn't watch all six hours. She requested the indulgence of other Council members on this decision.

Member Gatt agreed with Member Nagy that it was the most important decision Council would make. He spent many hours researching each candidate reading the blogs, and doing background investigation. Member Gatt didn't feel they were there to accommodate other Council members or the public who didn't get a chance to see the interviews, he wasn't sure it was really pertinent. He said what Council saw was what counted. It was the Council members who were elected, and they were the ones charged with making this very important decision. Member Gatt stated he was ready to move forward tonight.

Member Paul noted that a previous Council member, who hired Mr. Helwig, made a very good point to her regarding the social event they had for the finalists. The finalists came to City Hall to intermix with City staff, boards, commission members, and Council members. She said while at the social event they interacted with their wives and the people in the community. The Council members were able to evaluate how personable that person was and how gregarious or serious they could be. They thought that it was very important to see the interaction with the community. She said those candidates had two interviews, and a social event specifically to see their interaction with people. Member Paul said she didn't realize that when talking about it in executive session. She believed a second interview was necessary, but didn't think it would happen because of the four Council members who didn't think it was necessary. Member Paul said she had been absent from one of the interview meetings so she listened to the tape more than once. Each time there were different points she picked up, and that was why a second interview was valuable. She said a one hour interview was not adequate in her opinion. Also, when Mr. Helwig was hired, there were three interviews not two.

Member Gatt said he would not divulge what was discussed in executive session, but when a social event in the atrium was brought up, Member Paul was against it. He didn't know why she would be for it now. Member Paul said she wasn't for it she was just stating the information.

Member Mutch stated it was obvious that four members of Council were ready to move forward on a particular candidate. He said being in a position of struggling to pick between a couple of strong candidates, he hoped when Council members discussed their choice, they would illuminate the remainder of Council on why they selected a particular candidate over the others. He said no one jumped out as a clear cut favorite after going through the interview process, additional information, and news articles related to the candidates. He was surprised the process had gone the direction it had, and hoped there would be some discussion from Council members on why they were picking a particular candidate, and not narrowing it down further.

Member Gatt explained his thought processes. He thought all six of the candidates were excellent speakers and people. The first three candidates on May 6th were all unemployed. All three had been fired, let go or left under duress from their previous job. He felt that the citizens of Novi deserved better than that. The citizens of Novi should not have to settle for someone who was let go from a position in another City. Member Gatt said on May 11th Council interviewed three more people. Of those three one of them had a lawsuit pending against him, and he thought the citizens of Novi shouldn't be saddled with that baggage. Of the last two candidates, one began with Novi 25 or 30 years ago and left. He was a fine person, a fine City Manager, and a resident of our City. Another candidate who interviewed knows the City inside and out, has been with the City for the last several years, had the pulse on everything that was happening in the City from the newest employee to the one that just retired. He knows the problems facing the City, the hidden secrets, and the ambitions. Member Gatt said this candidate was the clear choice in his mind. Member Gatt stated it was his honor to make the following motion.

**CM-06-01-144 Moved by Gatt, seconded by Capello; MOTION CARRIED:
That the City Attorney and the Mayor enter into negotiations
and offer the position of City Manager to Mr. Clay Pearson.**

DISCUSSION

Member Nagy stated she would not support the motion. She said when Mr. Helwig came to them he wasn't employed either. She mentioned Mr. Pearson was named a defendant in a lawsuit in the City of Elgin. However, she wasn't concerned with that because when the City of Novi was sued there were many named defendants. She said the first three candidates were Mr. Stampfler, Mr. Dorgan and Mr. Suso. She liked all three of them, and felt they were all exceedingly well qualified, and had proven themselves. She was not concerned with whether they were employed or left under duress, because as a City Manger they had to play politics. In the second round of interviews, she was only impressed with Alex Allie. He stated he was here in Novi, and had accepted the job of Assistant City Manager with the intention of going onto City Manager. Mr. Suso had taken a job in Massachusetts. She said Mr. Dorgan, Mr. Stampfler or Mr. Allie were her choices. She said Mr. Pearson was a fine gentleman; she had worked with him while she chaired the Planning Commission and on Council.

Member Nagy said she watched him interact with residents and developers, and had gotten a lot of feedback. Although she thought he was a fine, intelligent man she didn't feel he was ready to take on the job of City Manager of Novi. She said the others were so much more qualified, had so much experience, especially with Economic Development, County involvement, Municipal league, etc. Their experience was vastly broad, and because they were in other cities they could actually bring something positive to the Novi. Mr. Pearson was not one of the three she chose, and she couldn't support the motion.

Member Margolis believed this was Council's most important choice, and wanted to share the process she had gone through. She was asked what she was looking for in a new City Manager and her answer was someone with experience as a City Manager in a city like Novi. Member Margolis said until Mr. Pearson took over as interim, it was still her belief. As she worked with Mr. Pearson she was quite surprised at the capacity he showed for learning. One of her interview questions was "what have you learned since becoming City Manager". She said when she hired an employee it was a huge thing for her, because what she was hiring was someone who could continue to grow with their division. Member Margolis said she had been extremely impressed with Mr. Pearson's ability to learn, to grow and to administer the City for the last several months with no assistant. Mr. Pearson was responsive, pulled the budget together well, and led employees who knew he was an interim, which was a very difficult way to lead employees. She said employee's who know there's a good chance a person might not be here in a few months are very difficult to lead. There's been some talk about morale not being good, and she hated to bring up things she had heard because it was a poor way for Council to make a decision. However, she had heard about the morale not being good, but that must be from other people because she had heard the opposite. Her top choices were Mr. Stampfler, Mr. Dorgan and Mr. Pearson. Member Margolis found with Mr. Dorgan and Mr. Stampfler two people who had a great deal of experience, led cities through things Novi's going through. However, what she didn't find was an enthusiasm for this City and this job. She brought her hiring experience with her, and could work with an employee who had enthusiasm, wanted to learn, and had shown through experience they could do the job. Mr. Stampfler was eliminated when he answered he didn't know much about the City; she wouldn't hire someone who hadn't done their research. Mr. Dorgan was asked why he wanted to come to Michigan. He answered he didn't want to but couldn't work in Illinois now. She was looking for someone with the skills and enthusiasm for this City. She noted we are blessed, as Mr. Pearson said, with this location that produced this terrific City. Mr. Pearson had both the skills, the ability to grow with the City long term, a proven ability over the past several months, and the biggest indicator of future performance was past performance. She said when looking over the past five months, she would be pleased to have a City Manager who worked the way Mr. Pearson worked. She said combine that with the enthusiasm he had for the City, and she would absolutely be supporting the motion, and would be pleased if Mr. Pearson agreed to work with this Council over the next several years.

Mayor Pro Tem Capello said he had known Mr. Pearson the longest. He explained he was on Planning Commission when Mr. Helwig brought Mr. Pearson on board. Mayor Pro Tem Capello said he and Mr. Pearson butted heads on some issues, and Mr. Pearson had his own personality and wasn't afraid to do what was right. Mayor Pro Tem Capello also chose Mr. Stampfler, Mr. Dorgan and Mr. Pearson. It wasn't too

difficult to bring Mr. Pearson to the top of that list. As Member Margolis said Council had worked with Mr. Pearson the last several months, and he had been outstanding in being responsive to residents and Council. He thought Mr. Pearson would continue to be responsive to the needs of the City. Mr. Dorgan seemed to be at the end of his career, and didn't seem to have the enthusiasm for the City of Novi that Council would get out of Mr. Pearson. Granted, Mr. Pearson didn't have the experience as City Manager, except for the last few months. However, Mr. Pearson had enthusiasm, and Mayor Pro Tem Capello thought he wanted to and could accomplish a lot. Mr. Stampfler caused concerned about the way he had left his last two jobs. Mayor Pro Tem Capello said when they went to Portage the people he worked with didn't say anything good or bad about him. He heard nothing, and Mr. Stampfler had been there for a while. People should be proud to speak about a previous City Manager. He said the most important thing to him was that the Council was doing new and unique things that other Councils had not done. Council needed someone to work with them, and be as enthusiastic as they were to get these things accomplished; that's Administrations job. He thought Mr. Pearson was the person to do that and that he was not locked in to his own ideas, and would not be one sided. Mr. Pearson and Council could make decisions together and get things done. Mayor Pro Tem Capello said Mr. Pearson was the man to get things done. When Mr. Pearson was working under Mr. Helwig, who was a dominant and strong person, Mr. Pearson followed his direction and orders. If he accepted the position, he thought they would see changes Council was looking for because Mr. Pearson knew there were problems and issues there. Mayor Pro Tem Capello thought Mr. Pearson was the man to implement those changes. He felt the other candidates would have been too set in their ways, and would try to replicate what was going on in their cities.

Mayor Landry said he was also very honored to support the motion for Mr. Clay Pearson. He felt that of the interviewees, other than Mr. Pearson, the first three were the superior candidates. Mr. Suso accepted another job, which narrowed it down to Mr. Dorgan and Mr. Stampfler, and they were almost polar opposites. They both were very experienced; both had shown success in the past, both had problems in their last job. Mr. Dorgan appeared to be a very, very heavy handed hands on Manager. He made the comment that in his previous job he laid off 15 people in the first week he was hired, and that might have been the situation he walked into. But this was a man that was very hands on, not afraid to make decisions, and a powerful kind of person. In the situation Novi's in regarding negotiations with a number of unions, the administration was concerned and moved to unionize, and then pulled back. He didn't think it was a time to be laying off 15 people. Mayor Landry thought that this was a time they, as a City, needed to listen to all employees, union and non-union. He felt they needed someone who was not that overbearing, gung ho strong kind of personality. Although, Mr. Dorgan might have been successful he didn't think he was the right person for that reason. One other thing he thought was very important, when he asked Mr. Dorgan why he left. He said "he was hired on a 5-2 vote and he would never do that again". Mayor Landry thought if Mr. Dorgan was brought back for a second interview, and he didn't have unanimity, he didn't think he would come back. Mr. Stampfler was quiet, laid back, qualified but on the down side of his career. He had been a City Manager for a long time, and Mayor Landry thought the City of Novi needed someone a little more dynamic. Mayor Landry said he was asked what he thought about participating in regional projects. His answer was "he would only support participating in regional projects if it would benefit his City". Mayor Landry said Council went to Portage recently

for Mayor's Exchange Day, and the Mayor of Portage specifically e-mailed him asking that Mayor Landry not ask questions about Mr. Stampfler, because he didn't want to answer. Mayor Landry honored that, did not answer any questions, and received no information about Mr. Stampfler. Mayor Landry said, when he read the newspaper articles about Portage and what was going on with the new City Manager, it was interesting to note that one of the things everyone was touting was how recently Portage was getting a lot of regional cooperation, and mending fences with other communities and the county. Mayor Landry said that said something about a City Manager who was reticent to participate in regional activities. In Oakland County we are participating and competing with Milford, Wixom, Commerce, and Walled Lake, but while competing we are on the same team. He said Michigan was losing jobs, and we have to band together, and work together as communities. We have to encourage foreign corporations and domestic corporations to come to Novi, and if they aren't going to move to Novi there was no better place he would like to see them move than the afore mentioned cities. He wanted someone who would work with other communities around us as part of the team.

Mayor Landry said with respect to Mr. Pearson, he was in a little different position because he had worked directly with him for the past four months. He said Mr. Pearson was not only impressed with him but he literally had knocked his socks off! Mayor Landry said before he took over as City Manager, he, too, was not as supportive. However, since he has stepped out from behind Mr. Helwig's shadow he has become a much stronger administrator. Mayor Landry said he had seen him in various situations. He had seen him interact with staff, members of the business community, and the residential community. He had seen him separate the wheat from the chaff when it comes to complaints in interactions. Mayor Landry said most importantly, and the true test was he disagreed with him. He stated his reasons, and the Mayor stated his, they discussed them both, and they arrived at a joint decision, and then supported it going forward whether it was his or the Mayor's, and it had been both. He thought the true value of a City Manager was to give the elected officials advice and expertise, and Mr. Pearson had both of those, and was able to give those. A City Manager cannot be a yes man, and he can't be autocrat, overbearing and unyielding. Clay Pearson was neither of those. He took his time, he listened and he offered advice. Successful leaders know when to lead from the front, and when to lead from the rear. There are times to step forward, and times to step back and let someone take the spotlight. Mayor Landry said that was the sign of a true leader, one who knows when to do that because that builds teams. Clay Pearson knows Novi and the surrounding communities. He had seen him interact with leaders of other communities and neighbors, and Mr. Pearson did a wonderful job. Mayor Landry said this had been a long search process and throughout this entire search process it had shown him that who was out there, Clay Pearson, was clearly the top candidate in his opinion. Mayor Landry said Mr. Pearson would only get better; this was a perfect time to hire him, as he was vibrant, respectful, and considerate. Mayor Landry said this was clearly the most important decision he had ever been involved in in this City, and having said that there was not one ounce of doubt in his body about this decision. Mayor Landry said Clay Pearson was his number one choice and he would be honored if he took the job, and was very confident he would do the job for the City of Novi.

Member Paul concurred with some of his comments. She said while Mr. Pearson was under Mr. Helwig's shadow, as Assistant City Manager, she saw a different person. In

the last four months she had truly seen some changes. However, the number one department that Council got complaints about from the business and residential communities was the Building Department. Every person she had talked to, 90% of the time, complained about the Building Department, and Clay Pearson was the head over that department. When a CEO or manager comes into a corporation they have six months to one year to turn that ship around, and that department had not turned around. She said Council was spending money to have an outside source come in and investigate what could be done. She said it was not that Clay Pearson was a bad person or that he couldn't be a good City Manager, but she was looking at track records, and he had done a good job for the last four months. He had been responsive, attentive to everyone's interests and needs, but now the City was spending \$30,000 to review the operations of the Building Department. She wanted to get someone new in, someone with 25 or 30 years experience that could bring a wealth of information on how it had been done in different cities. To top that off, almost every single person of the top six had at least 15 years experience as City Manager, and Mr. Pearson had four months. Member Paul said when she went to Portage, Mr. Stampfler was one of her top candidates. She said she looked at the City of Portage, and thought he had done an unbelievable job for 20 years. She at least wanted to have the opportunity to interview him a second time. He had done a fine job in that City prior to leaving for Florida. She said he was not unemployed; he was a consultant. Member Paul said Mr. Dorgan was another candidate that had a lot of life left. Mr. Helwig was hired to give Novi 5 years at the end of his career. Mr. Allie also had experience in the City and other smaller cities he was City Manager in, and could bring a lot to the table. She thought Mr. Pearson, Mr. Stampfler, Mr. Allie and Mr. Dorgan should all come back. She would not support the motion because she didn't think it was appropriate to just push something through. Member Paul said she had been looking at some of the things Council had been discussing such as goal setting sessions, etc. She felt that whatever person they hired, any one of them would have come in, and tried to help Council with those goals. She thought Mr. Pearson was a good person, but there were four good candidates. She didn't want someone learning on the taxpayer's dime.

Member Mutch stated he would not be supporting the motion. Mr. Pearson wasn't one of his top candidates. He had done a good job in moving the City forward in the interim process. What he wanted was a City Manager with a track record, and experience in a community comparable to Novi. There were several candidates who had quite a bit of experience, and that was critical to the person who would be running this operation. He appreciated the enthusiasm that Mr. Pearson had for this community, and his willingness to learn and to try new ideas. However, this wasn't a position to have on the job training and teaching someone to take on the job of City Manager. There are life experiences, and even though he was the youngest Council member and Mr. Pearson was five years older than he was, in his shorter number of years he had at least been around long enough to have the experience that there are experiences learned over time that one can only have by going through those processes. Member Mutch said being in the position of Assistant City Manager, and then Interim City Manager for 4 months was not a track record. He said ten and fifteen years was a track record, and the experiences those other candidates would bring to this position. He said things would happen in this community, and the other candidates had experience regarding litigation, public emergency, employment issues, and they would have been able to react immediately. He said Council's hope was that Mr. Pearson would be the one who could step up, face these challenges head on, and make the right decisions, and he

might, but he thought they were taking a leap of faith. He felt Mr. Pearson was smart enough to grow into the position but it's the lack of experience he kept looking at. Everyone started somewhere. Every one of these candidates was the Assistant City Manager who stepped up to the City Manager, whether in Owasso or Portage, but across the board those were not communities like Novi. Some of those were communities that grew into places like Novi but they weren't communities like Novi, with the challenges and demands that Novi was facing. Member Mutch could not support Mr. Pearson as a candidate now with the needs Novi would have over the next 5 to 10 years. He said if he was coming with experience as a City Manager from another community, he would be at the top of his list. Member Mutch said that Mr. Pearson said himself, when Member Mutch told him he was the only finalist without City Manager experience, Mr. Pearson said Council needed to look at past performance. Member Mutch said that was what he was doing, he was looking at other candidates with track records of leading successful communities like Tinley Park or Portage, and comparable to Novi, and he wanted to bring in someone with that experience. He said four months wasn't enough time for him. Member Mutch said obviously, the majority of Council was ready to move forward in support of Mr. Pearson, and whatever final decision was made he would look forward to working with that candidate. He hoped Council recognized they were taking a leap of faith with Mr. Pearson's candidacy as City Manager, and he hoped they kept that in mind in discussing the parameters of what they would offer him, and recognize he didn't have the track record the other candidates had. Member Mutch said, in terms of what he would be offered, he thought there needed to be a time period to prove himself to Council, and to future Councils. Then evaluate whether he was the person Council saw leading Novi for the next 5 to 10 years.

Member Nagy thought it was unfortunate it wouldn't be a unanimous decision. She didn't want it to be about what Mr. Pearson could or couldn't do because it sounded so personal. She said she liked and respected Mr. Pearson. However, enthusiasm was important, but she thought it was a small part of it. She felt they needed someone to unify and make a very effective team when dealing with such things as having the strength to negotiate with the unions, the ability to deal with an overbearing developer, ability to deal with employee problems, morale problems, etc. She thought Mr. Allie had such a depth of knowledge. He understood Michigan economics, long range budget planning, his comments about the next 5 to 10 years, and she thought he would be the person that could lead the City. She commented that she was totally impressed. This was a big decision, and she saw it differently. Mr. Helwig accomplished getting a contract with the Novi Police Department. She was looking for more strength because that and calmness were very important. Member Nagy said she and some residents, who had dealt with Mr. Pearson, had experienced Mr. Pearson as someone who was emotionally immature. Member Nagy said if he became City manager, she would support and respect his position. However, she could not vote for him.

Mayor Landry commented on the Building Department. He explained the most common complaint about the Building Department was that it didn't move fast enough. He said they were talking about the busiest, and most over burdened Building Department in Oakland County. Novi was the fastest growing community in Oakland County, and they are talking about a Building Department that was doing the job of two communities Building Departments. They don't move fast enough was the complaint, and the complaint comes from people who they couldn't possibly move fast enough for,

developers. They want it done yesterday. However, an Interim City Manager would never make drastic changes in any department, and Council could not expect that. He would never get support from Council; a City Manager does that not an interim. He said let's not forget that when the Building Director came to this Council, and said there were two huge projects coming up, Providence Hospital and Nordstroms, they needed more help, and asked to build a satellite station, it took this Council three meetings to muster the five votes to appropriate the money to do that. So there was a department telling Council they wanted to change, move faster, and needed more help, and a City Council that was reticent to give them the money to do it. In fact, he had more than one person complain to him about the Building Department, and he told them to call Mr. Pearson, and the problems were solved. Mayor Landry said Mr. Pearson was not responsible for the complaints being made about the Building Department. He thought the Building Department was doing everything it could possibly do. He thought it needed help and realized it, and thought they were making strides and doing a wonderful job, and were to be commended.

Roll call vote on CM-06-06-144

Yeas: Landry, Capello, Gatt, Margolis

Nays: Mutch, Nagy, Paul

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 8:03 P.M.

David Landry, Mayor

Maryanne Cornelius, City Clerk

Transcribed by Charlene Mc Lean

Date approved: June 19, 2006

Roll call vote on CM-06-07-177

Yeas: Margolis, Mutch, Nagy, Paul, Landry,
Capello, Gatt
Nays: None

2. **Approval of employment contract between the City of Novi and City Manager Clay J. Pearson.**

Mayor Landry said Council made a motion authorizing him and City Attorney Tom Schultz to discuss a potential contractual agreement with Mr. Pearson.

Mayor Landry asked Ms. Smith-Roy if the contract could be met within the current budget without any budget amendments. She said yes.

Member Nagy said she questioned page 2, paragraph A, "in the event that the employee is terminated by the City Council, and during such time the employee is willing and able to perform his duties under this Agreement, then the employer agrees to pay the Employee six (6) months salary as severance pay." Member Nagy thought six months was high. Then, "Notwithstanding the foregoing, in the event Employee is terminated because of his conviction of any felony, or any illegal act involving personal gain to him or affecting the performance of his duties under this agreement, etc." She said, not that it pertained to Novi but did in another City; the City Manager was sued on more than one occasion for sexual harassment. She wondered if instead of "any illegal act involving personal gain" something broader could be included to encompass harassment or anything along those lines.

Mr. Schultz said if there was agreement to that kind of language it would be permissible. However, he thought the problem would be, in terms of an employee accepting that kind of a provision in an employment agreement, was that anyone with \$100.00 could go down to the local Circuit Court and file a lawsuit. He said unless and until there was some kind of a judgment they have the presumption that they haven't been found responsible or guilty for anything. Mr. Schultz said that kind of thing usually falls within the discretionary determination of the Council, for whatever reason whether these are meritorious or not claims they don't want to deal with it so they would let the manager go, those are typically things to which severance pay was applied. This language saying it had to be illegal activity affecting performance was standard language out of pretty much any manager contract that he had put together, and was kind of an ICMA standard.

Ms. Nagy said on page 3, performance evaluation, "the evaluation process shall be scheduled between Employee and the Mayor by May 1 of each year." She asked if there would be an evaluation process with the full Council as there was before. Mr. Schultz said yes. She asked if it was standard to have six months severance pay. Mr. Schultz said six months was minimum and six months to a year was standard.

Member Mutch said on page 3 under salary and benefits, section 1 it indicates "any incentives, transfer rights, or other benefits provided to other administrative officer employees of the City for enrollment in a defined contribution plan at the time of Employee's enrollment shall be available to the employee." He asked Ms. Smith-Roy to outline what those would be in this situation.

Ms. Smith-Roy said what was being represented in that paragraph was the DC plan as adopted by Council on May 8th, all of those parameters would be applicable, and the City Manager would fall into that group/division for purposes of the DC plan. The benefits that had accrued in the DB plan would be calculated by the actuary, and those assets would be transferred to the DC plan. The 8% and 3% are what was included in that plan on May 8th. Member Mutch asked if there was also a provision in there to encourage employees to switch over. She said yes, there was a \$1,000 bonus for employees to be received that on December 1, 2007, and it would be applicable to this position as well.

Member Mutch said on page 4, section 7 regarding hours of work, "the employee shall be allowed to take compensatory time off". Member Mutch said this would be for hours worked outside of the normal office hours. He asked what formula the City used to determine comp time. Ms. Smith-Roy said there was only a small group of members within the administrative group that currently have compensation time defined. There are union groups that have it very specifically defined, so this language was very unique to this position. Member Mutch said in other communities compensation time was sometimes a one to one direct and the employee takes an hour off for an hour worked, or one and a half, or one to two. Ms. Smith-Roy said for the administrative employees that receive compensation time it was 1 to 1, and there are union groups that are time and a half. Member Mutch asked Mr. Schultz if that should be defined in the contracts.

Mr. Schultz said the intention was not to subject the manager to that 1 to 1 formalized situation. He said that would be very unusual to make the Chief Executive Officer subject to that kind of an accounting for hours. He thought the idea in the next phrase says, "as he shall reasonably deem appropriate", which meant if there was a late Council meeting or additional dinners, etc., the manager was the best one to determine what point the next day work started, because it was a more than 40 hour a week job. He said it was not intended to be compensation or something you get money for. If Council thought the Manager was taking too much time off, they would get into the discipline or removal of the Manager.

Member Mutch said Mr. Pearson wouldn't be tracking compensation time, and that wouldn't be something that's a payout. Mr. Schultz said he was correct. Member Mutch said regarding page 4, section 8, Outside Activities, would it be unreasonable for the Council to ask the City Manager to report what those activities would be. Mr. Schultz said he didn't think it would be unreasonable. Member Mutch said the intent wasn't to keep track of what Mr. Pearson was doing, but he thought it would be reasonable for Council to know if he was engaging in outside activities to allow Council the opportunity to determine whether they fall from the scope of the contract. Member Mutch thought language to that effect would be appropriate in Section 8. Member Mutch said the "golden parachute" was fairly standard, and he had some of the same concerns that Member Nagy expressed in terms of the scope of the language. He thought it put the Council in a difficult position. If a situation arose where the legal process had not reached a conclusion and Council felt they needed to take action to end the City Manager's employment, it would be a heavy price to pay because it was \$60,000, half a year's salary, plus they would have to hire another City Manager. He thought the language could be broader to give Council more discretion in terms of being able to

address a situation that didn't fall within the scope of criminal activity, but was still a situation that would require the City Manager to leave the job and Council to move on to another person.

Member Gatt thanked Mayor Landry and Mr. Schultz for putting together a great example of a perfect contract. He didn't agree with the previous speakers.

**CM-06-07-178 Moved by Gatt, seconded by Capello; MOTION CARRIED:
To accept the contract and offer it, as written, to Mr. Pearson
to be the Novi City Manager.**

DISCUSSION

Member Margolis said she had no issue with the 6 months severance pay, and that in an executive contract six months was very small and she wouldn't call that a golden parachute. Member Margolis said in terms of comp time, the reality was she had been e-mailing Mr. Pearson on a Saturday morning and he replied back. She felt he would put in the amount of time it took to get the job done.

Mayor Pro Tem Capello said Council had known Mr. Pearson for several years, knew what he was like, what his morals were like, and what kind of a Manager he was. He didn't think any of the issues brought up pertained to Mr. Pearson in any way whatsoever. He said they had worked with Mr. Pearson and expected he would do his job even better once he became City Manager and had those additional responsibilities. Mayor Pro Tem Capello stated he didn't see any weight at all to be given to the lawsuit from another City because those lawsuits could be filed by anybody. He said when naming a City as a defendant everyone in the City would be named so that was no indication whatsoever that any act of Mr. Pearson had anything to do with the bringing of that lawsuit. He fully supported the motion and Mr. Pearson as the next City Manager of Novi.

Member Paul said she appreciated everyone's comments, and didn't think that anyone was pointing to Mr. Pearson, and thought it was just in general. She said they were looking for flexibility in the contract in case a problem comes up with any City Manager, Mr. Pearson, or someone else. Member Paul said Mr. Pearson was very morally capable, kind, and hardworking. However, it was something they wanted to have as a legal loophole if necessary.

Member Margolis stated she would support the contract as presented. She said the idea of calling out a specific item like discrimination or harassment in an employment contract doesn't exist, and didn't think it would be defensible legally. She said the reality was they had a way to terminate an employee if they were accused of a felony, and a way to terminate an employee they were not satisfied with.

Mayor Landry said generally speaking he could understand why an employer would want a clause in the termination section of a contract that allowed the employer a greater flexibility to terminate an employee for wrongdoing without having to pay

severance pay. He explained that the reason it was not in City Manager contracts was because of the special nature of the contract. He said when thinking about it how many people would accept the job, move their family to another city or state realizing that at any time if four people on Council decided, they're gone and had no job. He said he didn't know if any of them labor under that kind of standard. Mayor Landry said forget Mr. Pearson, just to protect the field of City Managers in general, that was why a clause of that nature was not in the contract. He said the reason it wasn't was to make it so that a City Council would have to sit down and think twice before terminating a City Manager because it might cost them, and in this case \$60,000. He thought this kind of employment contract was unique to the job of City Managers and not unusual.

Member Nagy stated she prefaced her statement that it had nothing to do with Mr. Pearson, and was a comment and question she had because of a situation in another City. She noted she would appreciate it if people would not try to change what she said, and make it sound as though she were talking with regard to Mr. Pearson. She said her remark was because it happened in another City more than once, and this was the first contract she had ever read for a City Manager, and she had that question in general.

Roll call vote on CM-06-07-178

**Yeas: Mutch, Nagy, Landry, Capello, Gatt,
Margolis**

Nays: Paul

3. **Consideration of the requests of HHT Devco, LLC for modifications to the existing Fountain Walk shopping center, located west of Novi Road between I-96 and Twelve Mile Road in Section 15. The 67.2 acre development is located in the RC, Regional Center District. Two requests have been submitted:**
 - a. **Preliminary Site Plan approval – South Drive, SP06-25. The applicant is proposing to modify the pedestrian and vehicle circulation between the existing buildings on the southern portion of the development.**
 - b. **Preliminary Site Plan approval – North Demolition, SP06-29. The applicant is proposing to remove a portion of an existing building and construct a parking lot.**

Mayor Landry said his understanding was that Fountain Walk was owned by an LLC called HHT Devco. He said it was his understanding that HHT Devco was owned by Transwestern Investments. He asked if that was true.

Mr. Reed said he was principal with Arthur Hill and Co. and was one of the H's in HHT Devco. He said the T was Transwestern Asman Fund #3 LLC, which was an \$800 million fund so the property was not specifically owned by Transwestern but Transwestern had a substantial interest in so far as its Asman Fund was a major capital provider.

Mayor Landry stated he raised the question because he had been retained in one case by Transwestern Investment, it's in another county, had nothing to do with Fountain Walk, but it was Transwestern so he wanted to ask Council and Mr. Schultz if they thought it was a conflict. If so, he would be happy to recuse himself.

Mr. Schultz said he did not believe it was, as there was no direct financial interest.