



April 17, 2023

State Representative Kelly Breen
S-785 House Office Building
P.O. Box 30014
Lansing, MI 48909-7514

RE: Revisitation of HB 5054 for the 2023 Budget

Dear Representative Breen,

Mayor and Council –

Please see the corresponding letter to Novi's two representatives tied to the proposed resolution on Monday's agenda. The request is for the state to reinstate the \$250 million for communities with pension systems funded over the 60% requirement.

-Victor

CITY COUNCIL

Mayor

Bob Gatt

Mayor Pro Tem

Dave Staudt

Laura Marie Casey

Hugh Crawford

Justin Fischer

Brian Smith

Ericka Thomas

Interim City Manager

Victor Cardenas

City Clerk

Cortney Hanson

The City of Novi City Council respectfully asks that the State of Michigan Legislature and Governor's Office revisit HB 5054 and that the Legislature and Governor give bipartisan support to the inclusion of the \$250 million in the 2023 State budget to be divided between communities including the City of Novi that meet the best practices required in that Bill.

The City of Novi has taken financially difficult steps to stabilize its pension program following best practices established by the State of Michigan and kept the City of Novi operationally viable in the face of enormous financial pressure. The City of Novi is among several communities ineligible for \$750 million in pension relief allocated by the State in 2022 despite experiencing the same pension-related financial stresses as those who will receive that relief. Stresses have only been amplified by market losses in 2022 and the volatile 2023 market.

HB 5054 of 2022 would have divided an additional \$250 million between the City of Novi and other communities like it that made the tough decisions and followed those best practices. This \$250 million would have an immeasurable impact on our ability to address our pension liabilities, maintain employment levels, and provide the services our taxpayers depend upon. Both the \$750 million allocated and the \$250 million requested here had broad, bipartisan support in the House a year ago. HB 5054 created an equitable balance between those with pensions the House considered substantially underfunded and those who had followed best practices to achieve a higher funding ratio.

As unallocated revenues are available to the State in 2023 to again make this pension assistance equitable by helping those communities struggling with pension costs, but ineligible for the \$750 million, we urge you to support the revisitation of HB 5054 and support the City of Novi in including \$250 million in the 2023 State budget to be divided between communities that meet the best practices required in that Bill.

Your support is greatly appreciated.
Sincerely,

Bob Gatt
Mayor
City of Novi

Victor Cardenas
Interim City Manager
City of Novi

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
248.347.0577 fax

cityofnovi.org



April 17, 2023

State Representative Ann Bollin
N-898 House Office Building
P.O. Box 30014
Lansing, MI 48909-7514

RE: Revisitation of HB 5054 for the 2023 Budget

CITY COUNCIL

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Mayor Pro Tem
Dave Staudt

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Your support is greatly appreciated.
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