

**REGULAR MEETING OF THE COUNCIL OF THE CITY OF NOVI
WEDNESDAY, APRIL 17, 2024 AT 7:00 P.M.**

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

PLEDGE OF ALLEGIANCE

ROLL CALL: Mayor Fischer, Mayor Pro Tem Casey, Council Members Gurumurthy (Absent/Excused), Heintz, Smith, Staudt, Thomas (Absent/Excused)

ALSO PRESENT: Victor Cardenas, City Manager
Tom Schultz, City Attorney

APPROVAL OF AGENDA:

CM 24-04-49 Moved by Casey, seconded by Staudt; MOTION CARRIED: 5-0

To approve the agenda as presented.

Roll call vote on CM 24-04-49	Yeas: Casey, Heintz, Smith, Staudt, Fischer
	Nays: None
	Absent: Gurumurthy, Thomas

APPROVAL OF MINUTES

1. Approve Minutes of:
April 3, 2024 - Special Budget Session

CM 24-04-50 Moved by Casey, seconded by Smith; MOTION CARRIED: 5-0

To approve the agenda as presented.

Roll call vote on CM 24-04-50	Yeas: Casey, Heintz, Smith, Staudt, Fischer
	Nays: None
	Absent: Gurumurthy, Thomas

PURPOSE OF SPECIAL MEETING: 2024 - 2025 CITY OF NOVI BUDGET

1. Proposed 2024-25 Budget, Revised

City Manager Cardenas addressed revisions to the 2024/2025 budget by stating that the City had gone back as directed with the goal of returning the fund balance to levels enjoyed by previous City Councils. He said the type of reduction that was proposed were mostly delays in capital and delays in hiring personnel. Much that has been removed from the budget is going to be delayed into the out years or just in the next year after that. The next item to be discussed from the last meeting is the salt dome which is a storage facility at the Public Works campus. It has been up for replacement since 2016 and was removed from the construction of the Public Works facility. The dome is about 50 years old and is held together essentially by duct tape and band-aids. No other facility in our city has been allowed to fall into such disrepair as the salt dome has been allowed

to do. It is understood that it is not the desire to take out of the fund balance to make these repairs, but it is hoped that other funding mechanisms at the council's disposal to consider this and make this happen. The planned improvements will increase efficiency and capacity as a conveyor belt would be installed and would allow for more salt to be in housed in the facility, not requiring front end loaders to enter the dome and fill the trucks as they currently do. The amount needed from other funds is about \$800,000. The true out-the-door cost for the dome is \$1.6 million and half of that will be funded by the drain fund. He hoped Council would be amenable for \$800,000 from other funds available to the City Council. If there is consensus from the City Council to move forward with the budget, then they would be asking for a motion to hold a public hearing. There is no vote on the actual budget as that will come later, on May 20th. He concluded by saying that his staff stand ready for any questions the Mayor and Council may have.

2. City Council Discussion and Decisions Regarding the Plan Priorities

Mayor Fischer stated that he takes the budget and the finances of the city very seriously. He further stated that the Council Members are the stewards of the taxpayer dollars. Mayor Fischer said that they get once a year to dive into the budget and set some strategic tone and ideas and that there are two main things he thinks of as far as the importance of the budget. One reason is the taxpayers give us lots of money to make sure it's spent efficiently but also to balance that with providing the right level of services. If we lose that trust, then there is nothing that we could do effectively in the whole entire city. Trust would be lost in the staff, and we don't want to do that. The second reason was that he was one of two people here in 2008, 2009, 2010 and 2011. He remembers that we basically had to go through the budget, decide to cut some jobs and then the City Manager had to let those people go. As Mayor, he doesn't ever want to be in that position and doesn't think any of the Council Members want to be in that position. Having a strong financial position, making sure we are spending the right amount of money is of utmost importance to the mayor. He stated that we've had a couple of good years and sometimes thinks that what happens when you have a couple of good years is that you kind of lose sight. He knows that there is a school district in the region who is doing layoffs because of some mismanagement of the last couple of years. He does not want to be in that position again, never knowing when these types of things will pop up. When he ran for election in 2019, it was a wonderful year. The economy was going fine and then suddenly, three months after, the world shut down completely. That is why it is important to continue and maintain the current strong policies that we've exhibited for many years now. He understands that it was a blunt and frank conversation last week. It is clear to him that staff took the conversation very seriously in the revisions that were provided. He continued by saying that the Council had thrown out delaying projects, cancelling projects, looking at structural costs, making sure they looked at all years in the plan and they did exactly that by contemplating all those items. He noted that they didn't hit the goal as far as savings, however it is something that he thinks the staff put a lot of hard effort and work into, leaving no stone unturned and getting something that hopefully they can live with, the residents can live with, and the City Council can compromise on. He thinks that what was proposed is exactly that. Mayor Fischer thanked everybody who did all the hard work over the last week. He knows that it was a lot of heavy lifting, a lot

of difficult conversations internally and he appreciates it. The plan was not only well thought out, but he would also say it was very well laid out as far as the packet material is concerned, as it clearly justified a lot of things for the Council to consider. He said he fully supports moving forward with the salt dome, acknowledging that the can was kicked down the road from 2016 to now. Mayor Fischer said he understood that two options were given for funding with one being to use CIP funding and the other to use the street fund. Given the amount in the CIP fund, Mayor Fischer would not support funding the project out of the CIP fund as this point. He said he would like to see half of it funded out of the street fund and another half funded out of general fund. He said he understood that it will reduce the fund balance, but what he would also like to see is the additional recommendation of holding off on the generator that the staff has recommended. He would like to see that rolled back into the budget, into the general fund, basically breaking even. We would still be at the level recommended of \$700,000 added to the fund balance, which gets us to about \$12.1 million. He reiterated that for the salt dome it would be half of the \$800,000 funded by the street fund and half from the general fund and inclusion of the alternate recommendation of the generator. Mayor Fischer said he understood from staff that the generator is operable, fully working and well maintained. The plan was to just replace it at this point because it was at its end of life, but Council believed they can live with it a couple more years.

Member Staudt said he agreed with everything the Mayor said.

CM 24-04-49 Moved by Staudt, seconded by Casey: MOTION CARRIED: 7-0

To approve the amendments made to the budget as presented by the City Manager and the Mayor.

Roll call vote on CM 24-04-49

**Yeas: Smith, Staudt, Thomas, Fischer, Casey,
Gurumurthy, Heintz,
Nays: None**

CM 24-04-50 Moved by Staudt, seconded by Casey: MOTION CARRIED: 7-0

To approve a Public Hearing on the recommended 2024-2025 Budget for May 6, 2024.

Roll call vote on CM 24-04-50

**Yeas: Staudt, Thomas, Fischer Casey,
Gurumurthy, Heintz, Smith
Nays: None**

AUDIENCE COMMENT: None

ADJOURNMENT – There being no further business to come before Council, the meeting was adjourned at 8:41 P.M.

Cortney Hanson, City Clerk

Justin Fischer, Mayor

Transcribed by Becky Dockery,
Account Clerk

Date approved: May 6, 2024