



iNnOVating the Future

ANNUAL BUDGET
AND FINANCIAL PLAN

2015 - 2016

CITY OF NOVI, MICHIGAN



cityofnovi.org



**Bob Gatt
Mayor**



**Dave Staudt
Mayor Pro Tem**



**Laura Marie Casey
Council Member**



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**Gwen Markham
Council Member**



**Andrew Mutch
Council Member**



**Doreen Poupard
Council Member**



**Wayne Wrobel
Council Member**



**Pete Auger
City Manager**



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Novi
Michigan**

For the Fiscal Year Beginning

July 1, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emmer".

Executive Director

The Governmental Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Novi, Michigan for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as policy document, as an operations guide, as a final plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

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CITY MANAGEMENT DECLARATION OF IDEALS

The International City Management Association was founded with a commitment to the preservation of the values and integrity of representative local government and local democracy and a dedication to the promotion of efficient and effective management of public services. To fulfill the spirit of this commitment, the International City Management Association works to maintain and enhance public trust and confidence in local government, to achieve equity and social justice, to affirm human dignity, and to improve the quality of life for the individual and the community. Members of the International City Management Association dedicate themselves to the faithful stewardship of the public trust and embrace the following ideals of management excellence, seeking to:

- 1 Provide an environment that ensures the continued existence and effectiveness of representative local government and promote the understanding that democracy confers privileges and responsibilities on each citizen.
- 2 Recognize the right of citizens to influence decisions that affect their well-being; advocate a forum for meaningful citizen participation and expression in the political process; and facilitate the clarification of community values and goals.
- 3 Respect the special character and individuality of each community while recognizing the interdependence of communities and promoting coordination and cooperation.
- 4 Seek balance in the policy formation process through the integration of the social, cultural, and physical characteristics of the community.
- 5 Promote a balance between the needs to use, and to preserve human, economic, and natural resources.
- 6 Advocate equitable regulation and service delivery, recognizing that needs and expectations for public services may vary throughout the community.
- 7 Develop a responsive, dynamic local government organization that continuously assesses its purpose and seeks the most effective techniques and technologies for serving the community.
- 8 Affirm the intrinsic value of public service and create an environment that inspires excellence in management and fosters the professional and personal development of all employees.
- 9 Seek a balanced life through ongoing professional, intellectual, and emotional growth.
- 10 Demonstrate commitment to professional ethics and ideals and support colleagues in the maintenance of these standards.



Leaders at the Core of Better Communities



ICMA Declarations

CODE OF ETHICS

THE PURPOSE of the International City Management Association is to increase the proficiency of city managers, county managers, and other municipal administrators and to strengthen the quality of urban government through professional management. To further these objectives, certain ethical principles shall govern the conduct of every member of the International City Management Association, who shall:

- 1 Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.
- 2 Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward urban affairs and a deep sense of social responsibility as a trusted public servant.
- 3 Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
- 4 Recognize that the chief function of local government at all times is to serve the best interests of all of the people.
- 5 Submit policy proposals to elected officials, provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals, and uphold and implement municipal policies adopted by elected officials.
- 6 Recognize that elected representatives of the people are entitled to the credit for the establishment of municipal policies; responsibility for policy execution rests with the members.
- 7 Refrain from participation in the election of the members of the employing legislative body, and from all partisan political activities which would impair performance as a professional administrator.
- 8 Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.
- 9 Keep the community informed on municipal affairs; encourage communication between the citizens and all municipal officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.
- 10 Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.
- 11 Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions, pertaining to appointments, pay adjustments, promotions, and discipline.
- 12 Seek no favor; believe that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.

ICMA

Leaders at the Core of Better Communities

This Code was originally adopted in 1924 by the members of the International City Management Association and has since been amended in 1938, 1952, 1969, 1972, and 1976.

City of Novi Leadership Philosophy



cityofnovi.org

Our Guide to Manage, Recruit/Select and Follow

We, the City of Novi management team, believe **employees are committed** to providing quality services and take pride in contributing to the community. Our team members are motivated by fair and positive recognition and possess a sense of value to deliver quality customer service.

We believe in and **strive to provide professional growth and development opportunities** for all people, so they may remain technically proficient and learn the most current, effective means of performing their work. We believe continuing education is critical and helps our staff to anticipate the future and be prepared.

We encourage a **trusting and supportive environment** that fosters innovative problem solving initiatives from every aspect of the organization.

We believe the **opportunity to lead**, both formally and informally, is available to all who desire it throughout the organization.

We believe **staff closest to situations has the greatest potential for quickly and effectively resolving issues** and decisions can and should be made by all people throughout the organization.

We proudly **provide essential community services through planning, goal setting, engagement and prioritization** that are supported by City Council and delivered transparently.

We **encourage and expect employees to dedicate and commit time to long-range thinking and planning** apart from daily required tasks. Our whole staff team explores and thinks through options to do things differently, to do things better.

We pride ourselves on **communicating openly and honestly through a variety of methods** and encourage internal and external feedback which is accurate and timely to most effectively inform all organization members.

We **believe and take pride in Novi's tradition of partnering with the wider community**. We desire to be the first to step up and partner, to be leaders who follow through on mutually-beneficial co-operations. With the assistance of schools, service agencies, and other units of government, we can find areas of each of our strengths to provide the best and most efficient service to citizens and businesses.

January 30, 2013

Mayor and City Council

Office of the City Manager



Federal, State, County Government

Organizational Chart

Citizens

Volunteer Boards & Commissions

Parks, Recreation & Cultural Services - Programs

- * Recreation
- * Older Adults
- * Meadowbrook Commons/Ice Arena
- * Novi Ice Arena
- * Arts & Community Festivals

Public Services

- Engineering**
 - * City Construction Project Design & Inspection
 - * Capital Improvement Program
 - * Private Development Site Plan Review - Infrastructure
 - * Right - of - Way permits
 - * Infrastructure Asset Management
- Field Operations**
 - * Road & Drain Maintenance
 - * Ice & Snow Removal
 - * Recycling Center
- Forestry**
- Fleet Maintenance**
- Water & Sewer**
 - * Sanitary Sewer Operations & Maintenance
 - * Water System Operations & Maintenance
 - * Watershed Stewardship
 - * Rouge River Liaison

State of Michigan Department of Environmental Quality

Road Commission for Oakland County

Michigan Department of Transportation

State of Michigan Department of Natural Resources

Federal Bureau of Investigation

Michigan State Police

nurture

operate

invest

value

Civic Organizations

Schools

Library

novilibrary.org

City Clerk

Human Resources

Parks, Recreation & Cultural Field Services (through DPS)

- * Park Maintenance
- * Park Development

Assessing Finance/Treasury Purchasing

Information Technology
Geographic Information
Facility Operations

Private Sector Investments

Detroit Regional Chamber of Commerce

Automation Alley

Neighborhood & Business Relations

cityofnovi.org
InvestNovi.org

- * Communications
- * Community Relations
- * Civic Engagement
- * Business Attraction/Retention/Expansion
- * Community Television
- * Employee Engagement
- * Novi Youth Council

Community Development

- * Long-Range Planning
- * Private Development Site Plan Review
- * Environmental Planning
- * Master Plan and Zoning
- * Soil Erosion and Sedimentation Control
- * Building Plan Review, Inspections and Permits
- * Ordinance Enforcement

Homeowner Associations

Michigan Economic Development Corp

Courts

Public Safety

Administration

- * Police & Fire
- * Records
- * Emergency 911 Center

Police

- * Preventative Patrol
- * Criminal Investigations
- * Crime Prevention & Citizen Engagement

Fire

- * Emergency Medical Services Response
- * Fire Prevention/Inspections
- * Fire Suppression
- * Citizen Engagement

Emergency Preparedness & Management

- * CERT
- * Citizen Engagement

Citizen's Guide to the Budget



Introduction

The purpose of this section is to explain to the reader the format and information presented in the 2015-16 budget document.

The budget provides a financial plan to execute the Budget Program Strategies which are funded through the General Fund, Special Revenue Funds and other sources; and includes payment of debt. A glossary of terms is included within the Statistical Information and Supplemental Data section with definitions for these and other budget and financial terms.

Budget Document

The budget document consists of the following sections:

- The **City Manager's Budget Message** highlights the program strategies and budget plan priorities.
- The **Budget Overview** provides a summary of the significant budget items and trends as well as short and long term factors that influenced the decisions made in the development of the upcoming budget.
- The **Financial Structure, Policy, and Process** provides an organization chart, a summary of the financial and budget policies, basis for budgeting, process of budget preparation and the relationship between all funds. This section also will discuss entity-wide long-term financial policies.
- The **Financial Summaries** includes a description of all funds as well as the City's three-year operating budgets for all funds including prior year actual and current year estimated ending balances. This section presents the major revenues, expenditures and other financing sources and uses as well explains the underlying assumptions for any estimates and discusses any trends. Projected changes in fund balance are included for all funds.
- The **Capital Improvement Program and Debt** section provides a detailed listing of capital improvement projects for the upcoming fiscal year as well as for the next five years. Financial data on the current debt obligations, including legal debt limits, and the effect on current operations is also detailed in this section.
- The **Departmental Information** section includes descriptions of the activities, services and functions of the departments, their goals and objectives, and measures for accomplishing those goals. A citywide personnel summary of all positions is also included in this section.
- The **Statistical Information and Supplemental Data** section provides additional information pertaining to the City of Novi that may be of interest to the reader of the budget document. Also included in this section is a Glossary of the various budget and financial terms used throughout the document.
- **Resolutions** contain the three final resolutions approved by the Mayor and City Council as part of the budget process which include adoption of the annual property tax millage rates, budget, and acknowledgement of the multi-year budget.

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Budget Message



June, 2015

Honorable Mayor and City Council Members:

iNnOVating the Future

Budget

I would like to start this year's budget message with a thank you to the staff who does the heavy lifting during this budget process. The entire Finance team worked to simplify the process, especially Finance Director Carl Johnson, Senior Budget Analyst Jessica Dorey and Assistant City Manager Victor Cardenas. The budget team met and worked with all the Department Directors and their team members as we looked at this budget line by line with this new City Manager who questioned and attempted to learn why and how we do what we do.

Innovative might not be the first thing that comes to mind when reading a budget letter. Not to worry, innovative does not refer to how we spend, account for or invest the funds we receive. Innovating plays in to the "what" and "how" we deliver the services and projects that are funded by this budget.

In accordance with the Government Financial Officials Association (GFOA) guidelines, this document does include the organizational strategic goals and strategies that address short and long term concerns and issues. The City of Novi has taken on and continues many planning processes which all must be processed and prioritized by staff and committees with guidance from and final approval by the Novi City Council.

Many of the short term factors are being driven by decisions at the state and federal levels as unfunded mandates continue to drive up cost. In the short term, we will have to be innovative in addressing some of these rising costs in health care and funding the defined benefit (DB) pension system.

Another short-term issue continues to be investment into infrastructure. Coming out of the recession that was the last decade, we, like most organizations, had to defer some maintenance in order to continue to deliver the level of services the community expected.

The budget for 2015/2016 is balanced.

General Fund (GF) revenues, including transfers, are \$31,240,612, which is up 2.0%. GF Expenditures are \$31,240,612, which is down .8 % from the 2014/2015 budget.



Budget Message

Any good organization should live financially within its means. Annual expenditures for operations should remain within the amount of revenue brought in and this budget does that. The City of Novi has been very conservative on operational spending which has allowed for approximately 1.5 million dollars in Capital Improvement Plan (CIP) spending and an additional \$500 thousand on vehicles, service improvements and other capital related items in the 2015/2016 budget year. The budget is still balanced and the City of Novi's projected fund balance (FB) for 2015/2016 is \$8,621,500 or 27.4% of annual expenditures. This is 3.4 % better than the City Council goal of 18% to 22%.

Infrastructure

We continue to invest and maintain our water and sewer systems. Investment into our Neighborhood Road Rehabilitation, Repaving and Reconstruction Program is also spelled out in this budget as we increase our spending for this program by more than \$400,000 per year over what we were spending in past years. This trend will continue for the next several years.

The Department of Public Services' (DPS) Engineering Division has aggressively pursued and received several infrastructure grants since it was folded into DPS five years ago. Most of this Federal funding has gone toward making road improvements, but Engineering has also received grants for storm water projects and wastewater system improvements.

A total of \$4.31 million in infrastructure grants has been awarded to the City of Novi since 2009, an average of \$860,000 per year. This is funding that would have otherwise been drawn from the General Fund in order to get critical infrastructure projects completed. By leveraging Federal/State funding we are therefore maximizing our residents and business tax dollars.

The DPS has been successfully leveraging innovative winter maintenance technologies over the past several years. One enhancement that has been a proven productivity multiplier is the addition of wing plows to the heavy dump truck fleet. A wing plow is a side-mounted, hydraulically articulated blade, which so far has been deployed on four of the City Novi's large snow plow trucks (with another three to be installed this summer to be ready for next winter).

Wing plows add an extra 7-foot wide swath of clearing capability, which means a plow operator can reduce roadway clearing time by a factor of at least one-third. The fleet of wing plows saves roughly 13 hours of operator time for each winter storm event. Over the course of an average winter season, this equates to an annual savings of nearly \$16,000. More importantly, DPS crews can clear Novi's streets that much faster for residents and businesses thanks to this innovation.

There are three road jurisdictions in the City of Novi: local and major roads owned and maintained by the City of Novi, roads owned by the Road Commission for Oakland County, and highways owned and operated by the Michigan Department of Transportation (MDOT). After the State of Michigan collects taxes and fees for roads, the State removes funding in eight different categories for special funding ranging from Rail Road crossings to critical bridge funding. Then, the State of Michigan splits the remaining dollars via the Public Act51 formula. Here is the breakdown of that funding:

Budget Message



- The State Trunk Line Fund receives 39.1%
- County Road Commissions receive 39.1%
- Cities and villages receive 21.8%.

The City of Novi plans to spend \$10,426,254 on road maintenance and construction in 2015/2016. Operational cost (cleaning, minor repair, maintenance snow removal etc.) normally is about 26% of Novi Road Funding.

Taxable Value

We are seeing a faster than anticipated growth in the City of Novi's State Equalized Value (SEV) and Taxable Value (TV) and we believe this trend will continue. Residential properties continue to lead in Novi's growth. Quality homes, a safe community, open space, trails, good schools and location all play a crucial role in Novi's development. We are witnessing the SEV grow by 13.4% and TV at 5.2%. Our commercial and industrial properties have only seen a slight growth at 2.9% SEV growth which is only about 1.9% actual TV growth. The overall TV average shows all properties taxable value increase of 4.39%.

In 2014, Novi was fortunate to add over 50 million dollars in new construction to the 2015 assessment roll. It's important not to fall into the illusion that this growth is sustainable in the long run. We will eventually be challenged with the same quandary that aging communities face when they run out of large tracts of developable land. Over the last ten years, we have seen a shift to development of smaller parcels and of larger parcels that were not previously considered "low hanging fruit". For the most part, the easy stuff has already been developed.

Many communities have three stages of life: Growth, Equilibrium, and Decline. Where we are is open to debate, but our team seems to view us as still in, or near, the end of the growth cycle. Decisions we make today are important to our continued growth in a smart and innovative way. The City of Novi is still a desirable destination to live and work and as such, values are high and recovery is quicker than most surrounding communities. There were over 1,100 transfers of ownership during 2014 that caused uncappings for 2015.

Enterprise Funds

The City has three enterprise funds. These funds are designed as such that they should be able to operate and be sustainable on the revenues generated by the fund. These funds are Water/Sewer, Meadowbrook Commons Sr. Living facilities, and Novi Ice Rink. All three funds are meeting their prescribed goals of budgeted revenues exceeding expenditures.



Budget Message

City Debt

Citywide debt continues to be low and we should see two bonds being paid off in the next two years. Other long term financial issues are being addressed.

Retirement Cost

Many communities struggle to balance their budgets and defer a large cost driver until later. The City of Novi has done a great job of addressing both areas financially. The City of Novi has been focusing on addressing the Other Post-Employment Benefits (OPEB) (i.e. health care costs for retired City employees) liability which is now 100% funded and have now shifted resources to address the Defined Benefit (DB) Pension which currently sits close to 69% funded. We have increased our DB pension contributions by an additional \$100,000 per year in our commitment toward closing the unfunded gap.

Parks and Recreation

We have completed a Capital Improvement Plan that, due to funding constraints, does not address some of the large expenditures in the next fiscal year. The City must lay the groundwork for enhancing some of the parks and amenities that could upgrade the user's experience, as well as continue to drive more economic development.

Construction of a new restroom/pavilion and additional amenities at Pavilion Shore Park will enhance one of newest parks in the park system and responds to our resident's needs/requests.

Investment in rehabilitating our existing fields and facilities (especially ITC and Power) ensures we will continue to be recognized as a premiere destination for local, state and national tournaments, providing positive economic impact to our retailers, restaurants and hotels.

Programs are monitored annually for participation numbers and cost. This process helps maintain relevant programming for our citizens.

Public Safety

This budget maintains Police and Fire staffing levels while ensuring the teams are properly equipped and trained. The data driven model and management team has done a great job of focusing the given resources where we receive the greatest impact.

The Novi Police Department has experienced success with its Data Driven Approach to Crime and Traffic Safety (DDACTS) initiative over the past 17 months. Overall, Novi Police have identified three primary areas made up of 5 zones within Novi to combat crimes and traffic crashes. DDACTS is a national law enforcement policing model supported by a partnership with the Department of Transportation's Highway Traffic Safety Administration. This policing philosophy integrates location-

Budget Message



based crime and traffic crash data to establish effective and efficient methods for deploying law enforcement resources.

Using geo-mapping technology to identify areas through temporal and spatial analysis, that have high incidences of crime and crashes, DDACTS employs targeted traffic enforcement strategies.

First implemented in September 2013, this is Novi's first effort to reduce the frequency of Larceny, Burglary, & Motor Vehicle Theft. Since its inception, the Novi Police Department has successfully reduced those targeted crimes by 68%

An important component of our overall community risk reduction program, the Novi Fire Department continues to grow our effective company based fire inspection program. In lieu of a traditional single role fire prevention inspector, all career firefighters are classified as Fire Protection Officers and certified to conduct fire inspections, plan reviews and field acceptance tests on fire protection systems within our community. With 21 state and NFPA certified Fire Protection Officers the Novi Fire Department conducted 2923 fire inspections and reviewed 335 plans in the past year. The Fire Department continues the popular child safety seat inspection program and performed 243 installations in 2014. Prevention, education and community involvement will continue to be hallmarks of our fire service.

Both the Police and Fire facilities will continue to be studied as both face facility issues that will impact our yearly CIP budgets. As a new manager I would like to get my head around some of the opportunities we face that can be addressed in an innovative way to ensure these services are delivered at the highest possible levels.

Community Development

We are continuing the process we started in the 2014/2015 budget year of redesigning both the physical locale and other factors that affect the environment and personnel in how we deliver in economic development, planning and development and inspection services. This focus will help us continue to grow and not plateau as previously mentioned.

These changes will be challenging as we must "re-build this air plane while still flying it". We will look at other tools that the City of Novi may not have used in the past but are available for quality growth and development. These changes that affect regulatory or legislative processes will have to work through with city council to ensure a positive financial impact to the city.

Personnel

Our people are the backbone of the programs and services we deliver. We have added three positions; two full-time positions which will eliminate four part-time positions each and one position that is to come out of dedicated funds. In addition, the City will be eliminating two additional full time positions that are being folded into other operations and not replaced.



Budget Message

Over the past four years we have had a turnover of over 50% of administrative staff. If the economy continues its pattern of growing, gaining and retaining quality personnel will be a challenge for us and all other forms of local government. We are working with Human Resources (HR) to improve on proactive HR issues that gain us a quality employment pool, continued training and mentoring, and innovative approaches to benefit delivery systems as costs continue to escalate and State/Federal laws continue to impact offerings and cost.

I am pleased to present this budget to the Novi City Council for consideration and adoption. This budget represents a steady foundation based on solid financial data and strategy for the next few years. As we look into the bright future this community has to offer, we hope our innovations will inspire others to new heights.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Peter E. Auger".

Peter E. Auger
City Manager

Budget Overview



City Council Goals

On January 10, 2015, at an Early Input Budget Session, the Novi City Council met to discuss Strategic Themes & Broad Goal categories. The items listed under each goal represent areas of focus to assist in reaching the over-arching goals during the next 12 to 18 months for the short-term goals and more than 18 months or ongoing for long-term goals.

Nurture public services that residents want and value.

Make long-term strategic and sustainable investments in Roads & Pathways, Water, Sewer and provide for development, acquisition and rehabilitation of parks and public lands. Provide cultural resources and recreational opportunities for a growing and diverse population.

Short-Term Goals

- Naming Rights for City Parks
- Enhance current Park facilities
- Construct pathway along Eight Mile Road from Beck Road to Maybury Park entrance with design from 2013 budget
- Host an annual event at Pavilion Shore and/or Lakeshore Park to showcase the community
- Continue to fund major trail improvements, with focus on gaps

Long-Term Goals

- Complete full length of ITC Corridor Trail
- Work with Road Commission for Oakland County to develop a plan of improvements for 10 Mile road corridor that improves traffic flow while respecting residential areas
- Plan to add a sprinkle/splash pad to a City Park

Operate a world-class and sustainable local government.

Maintain an efficient and effective, fiscally-responsible local government which leverages communication, strategic partnerships, and skilled staff.

Short Term Goals

- Develop and implement a plan to fully address unfunded liabilities
- Continue to enhance citizen engagement and educate residents about the City of Novi through the Novi Ambassador Academy
- Determine the future of SWOCC

Long Term Goals

- Consider funding options for Park improvements and trails
- Fully fund Other Post-Employment Benefits (OPEB) liabilities within five years
- Explore further service consolidation and joint opportunities with neighboring governments and school districts



Budget Overview

Value and build a desirable and vibrant community for residents and businesses alike now and into the future.

Encourage quality economic development to maximize city revenue and job growth while protecting and enhancing natural areas, natural features and community character.

Short Term Goals

- Continue to strategically plan to acquire land
- Create a team of local business professionals or owners who have experience in Financial Management, Products or Marketing, to serve as mentors and experts to enhance innovation, entrepreneurship and support for small business.
- Perform a study of the current status and potential need for public transit as it relates to economic development in Novi

Long Term Goals

- Fund and complete the Northwest Quadrant Ring Road
- Create a multi-year plan for upgrading all of our major commercial corridors (Grand River Avenue, Novi Road, 12 Mile Road) with streetlights, landscaping, etc.

Invest properly in being a Safe Community at all times for all people.

Ensure Police, Fire, Public Services meet the needs of all residents, businesses, and visitors at all times.

Short Term Goals

- Evaluate appropriate Police staffing level
- Review operational efficiencies of Fire Station 1

Long Term Goals

- Continue to fund Directed Patrol in areas recommended by Public Safety Administration
- Make improvements to top 10 high crash intersections over five years (signals, streetlights, etc.)
- Build new Fire Station 1

Budget Overview



Revenue & Expenditures

Property Taxes

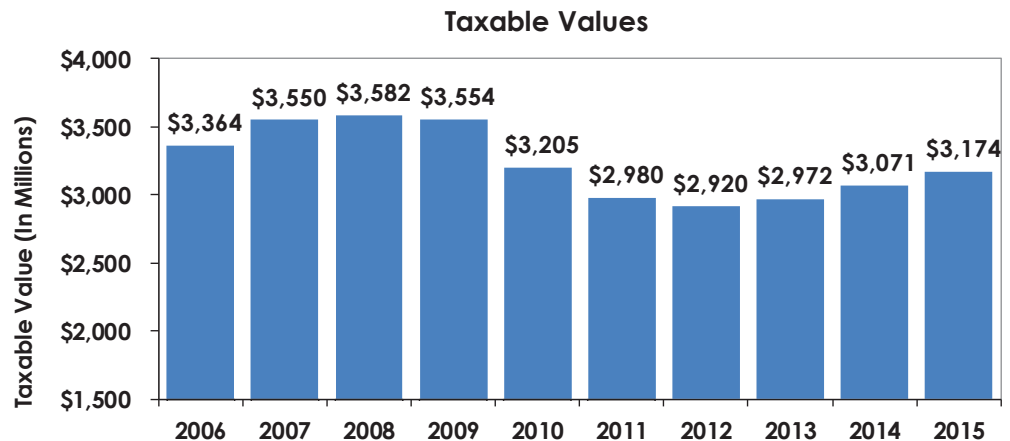
Property taxes are expressed in terms of millage with one mill being equal to \$1.00 per thousand dollars of taxable value.

Assessing records maintain two values for each property in the City. Prior to Proposal A all property was taxed based on the State Equalized Value (S.E.V.), which represents 50% of true cash value. Proposal A limits the increase in value attributed to market change to the lower of 5% or the Inflation Rate Multiplier (previously referred to as Consumer Price Index). The one exception is the properties changing ownership, which brings the taxable value back up to the S.E.V.

The following shows recent history of taxable values and percentage change from prior year:

Taxable Values

Tax Year	Taxable Value (in millions)	% Change
2006	\$ 3,364	16.0%
2007	\$ 3,550	5.5%
2008	\$ 3,582	0.9%
2009	\$ 3,554	-0.8%
2010	\$ 3,205	-9.8%
2011	\$ 2,980	-7.0%
2012	\$ 2,920	-2.0%
2013	\$ 2,972	1.8%
2014	\$ 3,071	3.3%
2015	\$ 3,174	3.4%



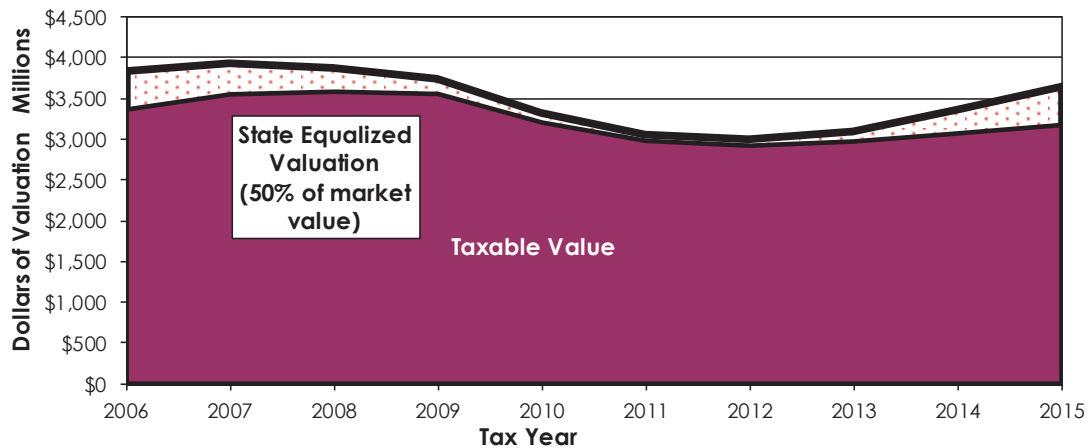


Budget Overview

Ten Year Taxable Value Actual Compared to State Equalized Valuation (SEV)

Tax Liability Year	State Equalized Valuation (50% of market value)		Taxable Value		% Taxable Value of SEV
	Amount	% Change	Amount	% Change	
2006	\$3,848,565,100	20.4%	\$3,364,061,500	16.0%	87.4%
2007	\$3,946,241,780	2.5%	\$3,550,406,740	5.5%	90.0%
2008	\$3,876,954,790	-1.8%	\$3,582,448,240	0.9%	92.4%
2009	\$3,742,061,910	-3.5%	\$3,554,943,630	-0.8%	95.0%
2010	\$3,321,184,600	-11.2%	\$3,204,568,420	-9.9%	96.5%
2011	\$3,063,922,590	-7.7%	\$2,979,611,480	-7.0%	97.2%
2012	\$3,004,330,340	-1.9%	\$2,920,333,650	-2.0%	97.2%
2013	\$3,099,733,610	3.2%	\$2,972,081,580	1.8%	95.9%
2014	\$3,365,191,110	12.0%	\$3,070,872,210	5.2%	91.3%
2015	\$3,659,141,050	18.0%	\$3,174,009,100	6.8%	86.7%

Ten Year Taxable Value Compared to State Equalized Valuation - City of Novi, Michigan



The 1994 SEV established the base for taxable value calculations beginning in 1995. In addition to SEV, a taxable value was determined for each property. Taxable value is the lower of either capped value or SEV. Capped value increases are limited to the lesser of 5% or the rate of inflation. Although SEV continues to be based on market conditions, taxable value is thus in place to control property tax increases. Additions or losses to a property will increase or reduce the taxable value of that property. In the year following a property transfer, the taxable value of that property will uncap to the SEV. Novi's total taxable value rate of change moves larger than the SEV largely due to the uncapping of properties from sales and the addition of new construction. In the coming decades, as Novi reaches build-out and ages, under current rules, yearly increases in taxable value will be closer to capped consumer price index (termed Inflation Rate Multiplier by the State of Michigan).

Budget Overview



Headlee Amendment

The Headlee amendment of the State Constitution can reduce the amount of operating millages allowed by City Charter. This amendment limits the growth in property tax revenue from existing property to the rate of inflation. It accomplishes this by reducing millages proportionally by the amount that market changes exceed the State's inflation rate multiplier. The Headless rollback factor for 2015 is 0.9975. The table on this page shows the millages, revenues, remaining capacities and the proportion of each funds' property tax revenue.

CITY CHARTER RATES, HEADLEE MAXIMUM RATES AND 2015 TAX LEVY

	CITY CHARTER	ADJUSTED CHARTER MAXIMUM HEADLEE		2015 LEVY	REMAINING CAPACITY
		2014	2015		
OPERATING FUNDS					
GENERAL FUND	6.5000	5.0182	5.0056	5.0056	-
MUNICIPAL STREET FUND	1.5000	1.5000	1.4962	1.4962	-
PUBLIC SAFETY FUND	1.8000	1.4282	1.4246	1.4246	-
PARKS AND RECREATION	0.5000	0.3857	0.3847	0.3847	-
DRAIN REVENUE FUND	1.0000	0.7719	0.7699	-	0.7699
LIBRARY FUND	1.0000	0.7719	0.7699	0.7699	-
DEBT SERVICE FUNDS					
2008 LIBRARY DEBT FUND	(as needed)	N/A		0.4566	Last Year of Levy 2027-28
2002 REFUNDING & STREET BONDS	(as needed)	N/A		0.3250	2016-17
2010 REFUNDING BONDS	(as needed)	N/A		0.3374	2015-16
				10.2000	

	MILLAGE			REVENUE	REMAINING CAPACITY
	2014-15	2015-16	CHANGE		
OPERATING FUNDS					
GENERAL FUND	5.0182	5.0056	(0.0126)	\$ 15,726,000	\$ 2,401,000
MUNICIPAL STREET FUND	1.5000	1.4962	(0.0038)	4,672,000	
PUBLIC SAFETY FUND	1.4282	1.4246	(0.0036)	4,469,000	
PARKS AND RECREATION	0.3857	0.3847	(0.0010)	1,202,000	
DRAIN REVENUE FUND	0.0000	0.0000	0.0000	(8,000)	
LIBRARY FUND	0.7719	0.7699	(0.0020)	2,408,000	
	9.1040	9.0810	(0.0230)		
DEBT SERVICE FUNDS					
2008 LIBRARY DEBT FUND	0.3716	0.4566	0.0850	1,284,000	
2002 REFUNDING & STREET BONDS	0.3782	0.3250	(0.0532)	1,010,000	
2010 REFUNDING BONDS	0.3462	0.3374	(0.0088)	1,061,000	
	1.0960	1.1190	0.0230	3,355,000	
	10.2000	10.2000	0.0000	\$ 31,824,000	

Note: Last Headlee rollback in maximum millage rate occurred in tax year 2004.

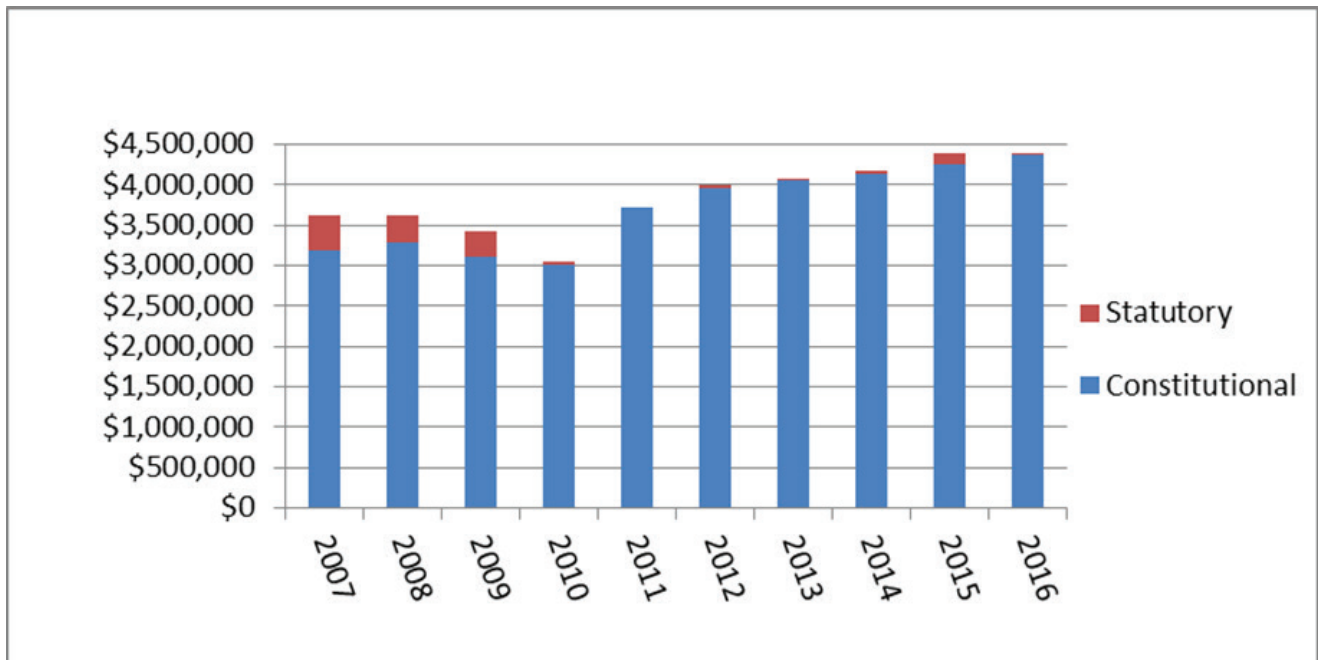


Budget Overview

State Shared Revenue

The State Revenue Sharing program distributes sales tax collected by the State of Michigan to local governments. The State Revenue Sharing is unrestricted General Fund revenue and is the second largest source of revenue in that fund. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971. The State Shared Revenue Program consists of two components; constitutional and statutory.

The constitutional portion is guaranteed and distributed on a per capita basis. For Fiscal Year 2015 the Constitutional Payment is equal to the 2010 census population X the Distribution Rate. The Distribution Rate is calculated according to three formulae: taxable value per capita, population unit type and yield equalization.

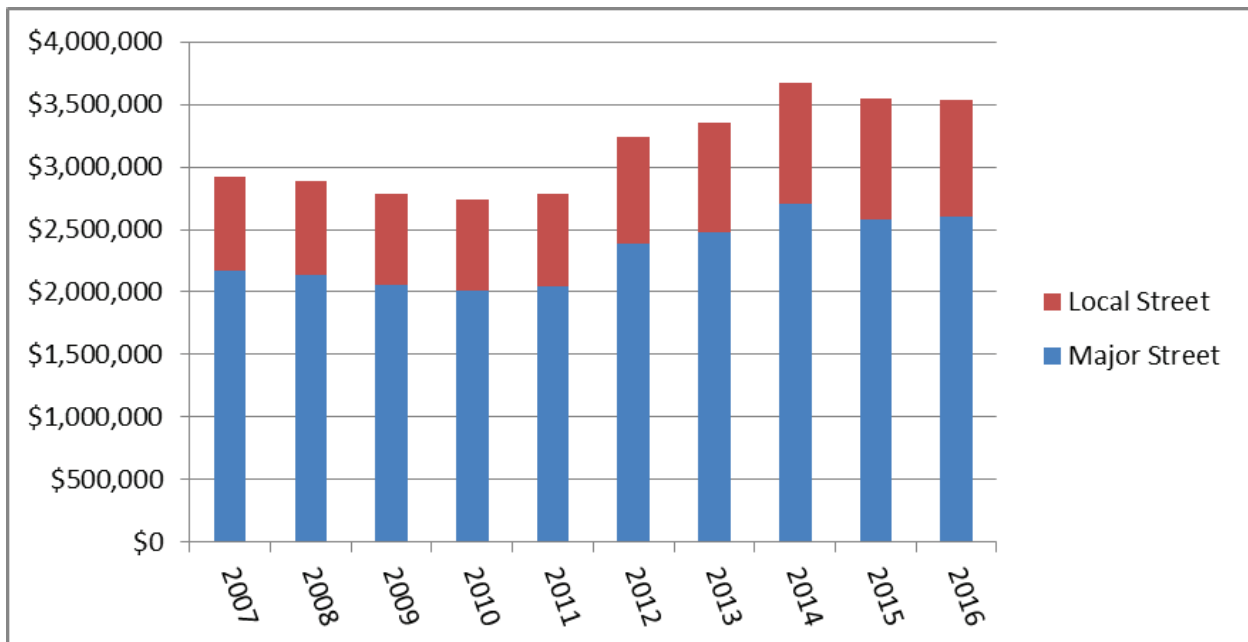


Budget Overview



Act 51 – Michigan Transportation Fund

The State of Michigan's Constitution also provides funds for transportation purposes. Act 51 of 1951, as amended, creates the Michigan Transportation Fund, whereas revenues collected through highway user taxes, state motor fuel taxes, vehicle registration fees, and other miscellaneous automobile related taxes are distributed by formula to state trunk lines, county road commissions, cities, and villages. Below is the ten year trend in Act 51 revenues for Major and Local Streets.





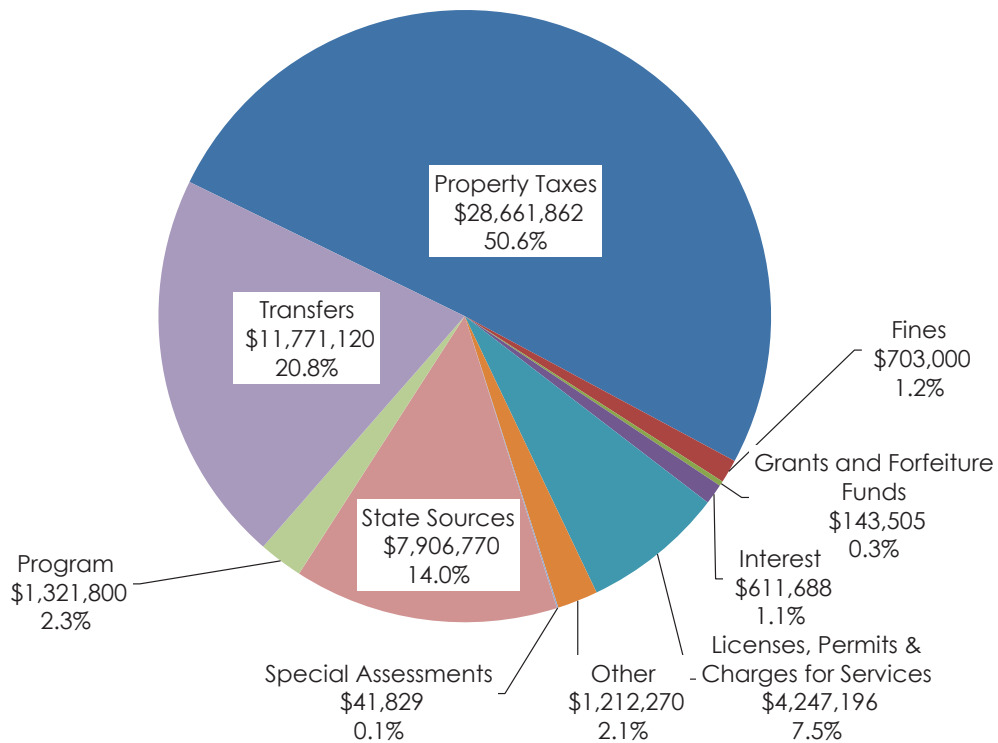
Budget Overview

The following represents Fiscal Year 2015-16 budgeted revenue (General Fund and Special Revenue Funds), as well as a four-year comparison of revenue by fund.

Fiscal Year 2015-16 Budgeted Revenue (by category)

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL BUDGETED REVENUE
ESTIMATED REVENUE:			
Property Taxes	\$ 15,918,976	\$ 12,742,886	\$ 28,661,862
Fines	490,000	213,000	\$ 703,000
Grants and Forfeiture Funds	58,000	85,505	\$ 143,505
Interest	425,000	186,688	\$ 611,688
Licenses, Permits & Charges for Services	4,067,196	180,000	\$ 4,247,196
Other	639,970	572,300	\$ 1,212,270
Special Assessments	-	41,829	\$ 41,829
State Sources	4,341,470	3,565,300	\$ 7,906,770
Program	-	1,321,800	\$ 1,321,800
Transfers	5,300,000	6,471,120	\$ 11,771,120
TOTAL ESTIMATED REVENUE	\$ 31,240,612	\$ 25,380,428	\$ 56,621,040

Sources of Funding for General Fund & Special Revenue Funds 2015-16 Budget Total Sources: \$56,621,040

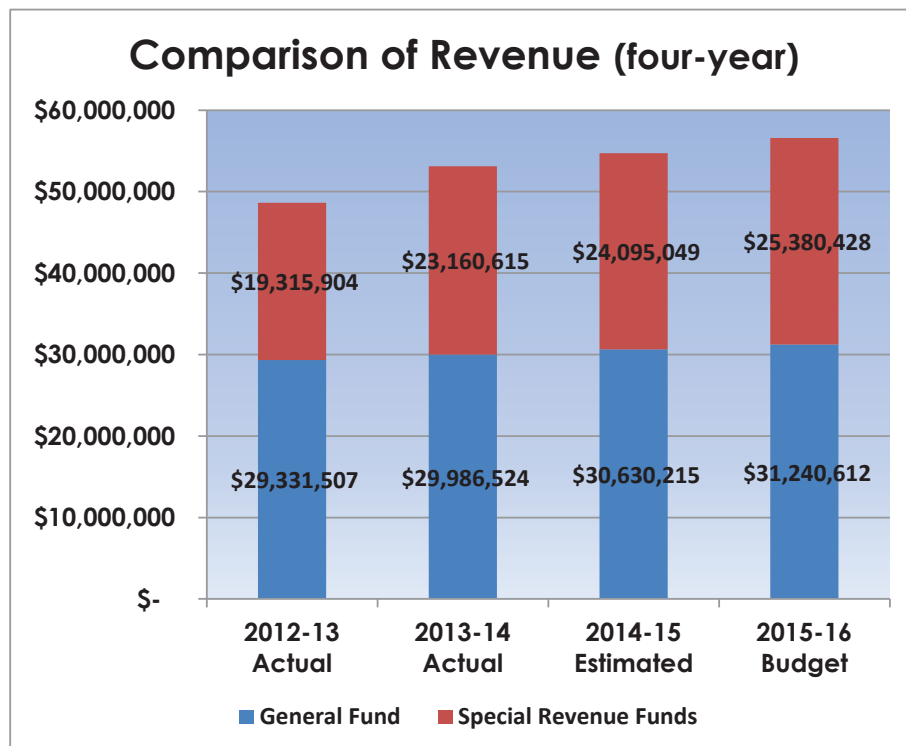


Budget Overview



Comparison of Revenue (Four-Year)

FUND	2012-13 Actual	2013-14 Actual	2014-15 Estimated	2015-16 Budget	% Change Estimated 2014-15 & Budget 2015-16
GENERAL FUND	\$ 29,331,507	\$ 29,986,524	\$ 30,630,215	\$ 31,240,612	1.99%
SPECIAL REVENUE FUNDS					
Major Street	2,473,777	2,810,473	3,011,900	5,883,300	95.34%
Local Street	2,797,781	4,013,236	4,067,503	3,579,000	-12.01%
Municipal Street	2,507,919	5,091,702	5,459,308	5,167,755	-5.34%
Public Safety	4,036,258	4,342,811	4,296,000	4,490,000	4.52%
Parks, Recreation & Cultural Services	3,570,296	3,105,201	3,633,554	2,918,040	-19.69%
Tree	50,548	243,906	94,000	234,184	149.13%
Drain	1,082,311	478,408	33,000	41,974	27.19%
PEG	-	-	452,654	181,000	-60.01%
Community Development Block Grant	-	-	163,159	77,505	-52.50%
Contributions and Donations	112,077	4,608	34,650	-	-100.00%
Forfeiture	157,510	396,057	202,338	76,500	-62.19%
Library	2,496,821	2,584,221	2,566,200	2,673,181	4.17%
Walker Library	33,738	64,642	62,333	32,000	-48.66%
West Oaks Street Lighting	(4,729)	87	150	7,629	4986.00%
West Lake Dr Street Lighting	2,211	3,305	3,300	3,310	0.30%
Town Center St Street Lighting	(614)	21,958	15,000	15,050	0.33%
	\$ 19,315,904	\$ 23,160,615	\$ 24,095,049	\$ 25,380,428	5.33%
TOTAL REVENUE	\$ 48,647,411	\$ 53,147,139	\$ 54,725,264	\$ 56,621,040	3.46%





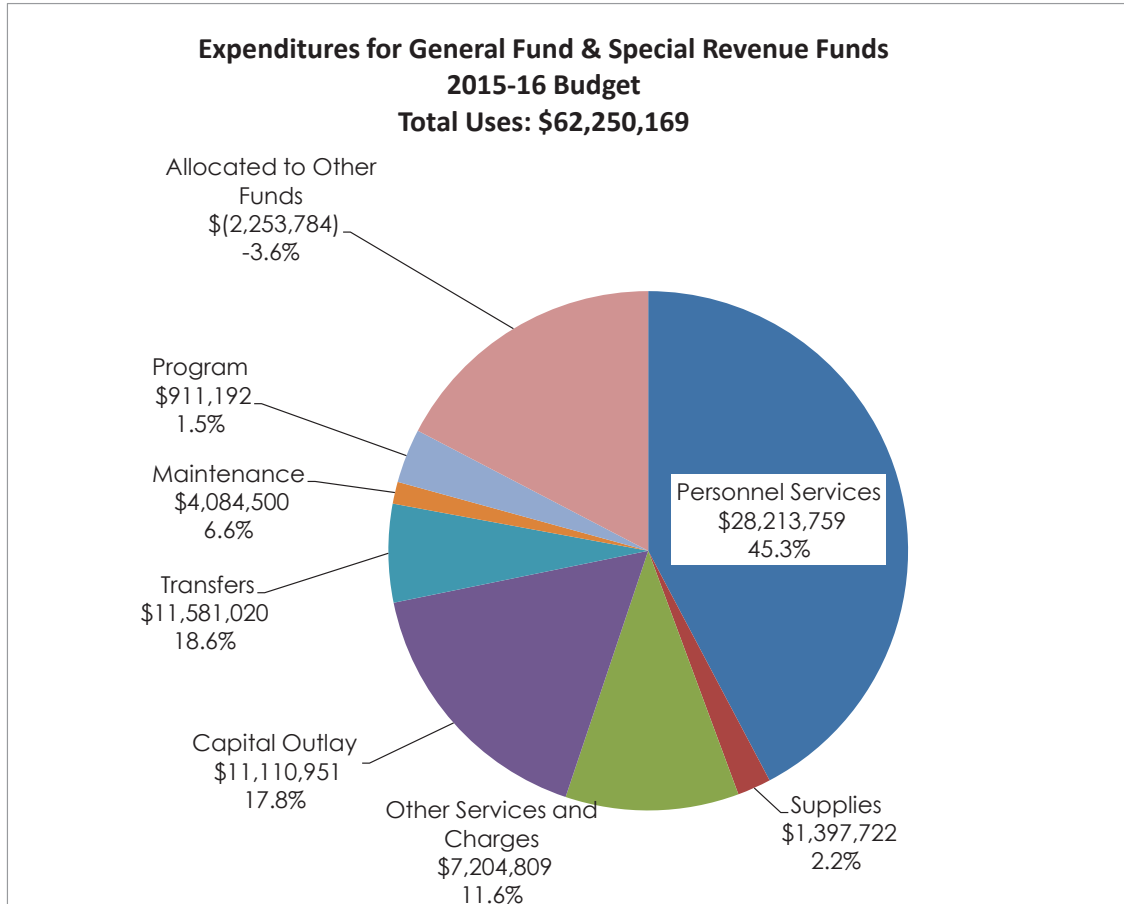
Budget Overview

Expenditure Summaries

The following represents Fiscal Year 2015-16 budgeted revenue (General Fund and Special Revenue Funds), as well as a four-year comparison of revenue by fund.

Fiscal Year 2015-16 Budgeted Expenditures (by category)

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL APPROPRIATED FUNDS
EXPENDITURES:			
Personnel Services	\$ 25,022,766	\$ 3,190,993	\$ 28,213,759
Supplies	749,542	648,180	\$ 1,397,722
Other Services and Charges	5,597,669	1,607,140	\$ 7,204,809
Capital Outlay	1,632,399	9,478,552	\$ 11,110,951
Maintenance	131,000	3,953,500	\$ 4,084,500
Program	-	911,192	\$ 911,192
Allocated to Other Funds	(2,253,784)	-	\$ (2,253,784)
Transfers	361,020	11,220,000	\$ 11,581,020
TOTAL EXPENDITURES	\$ 31,240,612	\$ 31,009,557	\$ 62,250,169

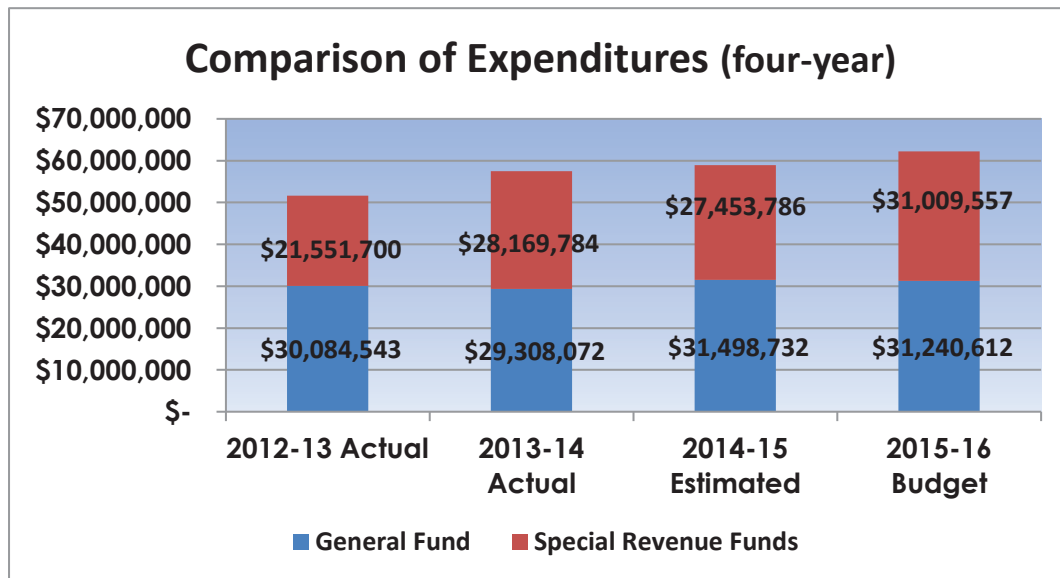




Budget Overview

Comparison of Expenditures (Four-Year)

<u>FUND</u>	<u>2012-13 Actual</u>	<u>2013-14 Actual</u>	<u>2014-15 Estimated</u>	<u>2015-16 Budget</u>	<u>% Change Estimated 2014-15 & Budget 2015-16</u>
GENERAL FUND	\$ 30,084,543	\$ 29,308,072	\$ 31,498,732	\$ 31,240,612	-0.82%
SPECIAL REVENUE FUNDS					
Major Street	2,572,625	3,903,047	3,002,533	5,882,927	95.93%
Local Street	2,811,474	4,977,460	4,414,156	3,578,640	-18.93%
Municipal Street	2,588,657	6,182,108	5,176,014	6,884,687	33.01%
Public Safety	5,300,000	5,300,000	5,300,000	5,300,000	0.00%
Parks, Recreation & Cultural Services	3,988,537	3,493,160	4,014,040	3,018,040	-24.81%
Tree	84,307	151,807	162,701	234,184	43.94%
Drain	984,919	486,882	1,777,267	2,532,048	42.47%
PEG	-	-	92,000	118,691	29.01%
Community Development Block Grant	-	-	163,159	77,505	100.00%
Contributions and Donations	46,946	7,945	41,642	-	-100.00%
Forfeiture	433,869	301,148	261,165	234,730	-10.12%
Library	2,695,698	2,851,540	2,990,538	3,087,745	3.25%
Walker Library	16,465	26,169	30,271	32,000	5.71%
West Oaks Street Lighting	7,853	9,895	10,000	10,000	0.00%
West Lake Dr Street Lighting	3,034	2,914	3,300	3,310	0.30%
Town Center St Street Lighting	17,316	475,709	15,000	15,050	0.33%
	<u>\$ 21,551,700</u>	<u>\$ 28,169,784</u>	<u>\$ 27,453,786</u>	<u>\$ 31,009,557</u>	<u>12.95%</u>
TOTAL APPROPRIATED FUNDS	<u>\$ 51,636,243</u>	<u>\$ 57,477,856</u>	<u>\$ 58,952,518</u>	<u>\$ 62,250,169</u>	<u>5.59%</u>



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Financial Structure, Policy and Process



City of Novi, Michigan
Fund Organization Chart

Governmental Funds

<u>General Fund #*</u>	
<u>Debt Service Funds</u>	<u>Special Revenue Funds *</u>
2002 Street and Refunding Debt	Major Street
2008 Library Construction Debt	Local Street
2010 Refunding Debt	Municipal Street
12 Mile Road Debt #	Police and Fire
	Parks, Recreation, and Cultural Services
<u>Capital Projects Funds</u>	Tree Fund
Special Assessment Revolving	Drain Revenue
Street Improvement	Contributions and Donations
Gun Range Facility @	Forfeiture Fund
	Library
<u>Permanent Funds</u>	Library Contributed (Walker Library)
Drain Perpetual Maintenance	West Oak Street Lighting
	West Lake Drive Street Lighting
	Town Center Street Street Lighting
	PEG Cable @
	Community Development Block Grant @

Proprietary Fund - Enterprise Funds

Ice Arena
Water and Sewer
Senior Housing

Fiduciary Funds

<u>Pension and Other Employee Benefit</u>	<u>Agency</u>
<u>Trust Fund</u>	
Retiree Health Care Benefits	Tax Agency

Component Unit

Economic Development Corporation

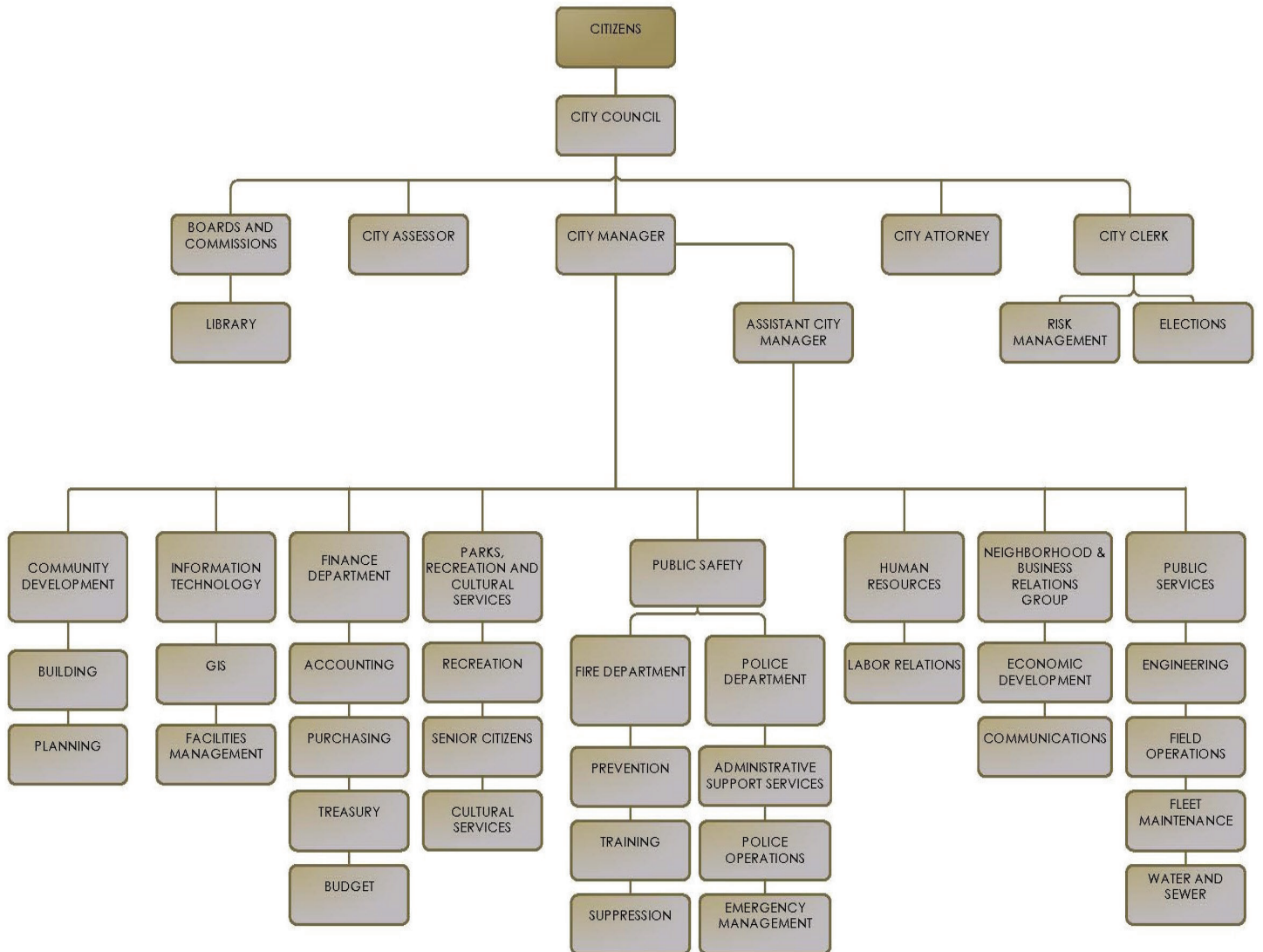
Major Fund

* Requires Budget

@ New fund in Fiscal Year 2014/2015; therefore, not included in June 30, 2014 CAFR



Financial Structure, Policy and Process



Financial Structure, Policy and Process



City of Novi Budget Calendar FY 2015-16

- City Council Meetings
- Planning Commission Meetings
- City Staff Meetings & Milestones
- Advertising/Notification Deadline

October						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Friday, October 24, 2014 Transmittal of Capital Improvement Program (CIP) Manual

November						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Friday, November 07, 2014 Capital Improvement Program (CIP) requests due to Finance

Monday, November 24, 2014 Novi Business Community Survey Results

December						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Monday, December 08, 2014 Transmittal of Budget Preparation Manual
Friday, December 12, 2014 Capital Improvement Program (CIP) summaries due to the City Manager
Monday, December 22, 2014 Assessments: Property Tax Base Primer presented to City Council

January						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Friday, January 09, 2015 CIP draft submitted to City Council
Friday, January 09, 2015 Estimated & Recommended Budgets created
Saturday, January 10, 2015 City Council Early Budget Input Session
Friday, January 16, 2015 SIP, Vehicles, and Capital Outlay requests due to Finance
Friday, January 23, 2015 Estimated & Recommended Budgets finalized prior to including budget requests
Monday, January 26, 2015 Department meetings start with CM, ASM, & Finance to discuss budget requests and operating budgets

February						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Thursday, February 19, 2015 Public Hearing notice on CIP in Novi News
Friday, February 27, 2015 CIP provided to CIP sub-committee for 3/2/15 meeting

March						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Monday, March 02, 2015 Review of final property tax estimates from Assessor
Monday, March 09, 2015 Red Box Objectives to City Council
Friday, March 13, 2015 Capital Improvement Program (CIP) to City Council
Monday, March 16, 2015 Capital Improvement Program (CIP) to Walkable Novi Committee
Wednesday, March 18, 2015 CIP to Planning Commission for 3/25/15 meeting
Friday, March 20, 2015 Library Board approved budget to Finance
Wednesday, March 25, 2015 Public hearing on CIP and adoption by Planning Commission

April						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Wednesday, April 08, 2015 City Manager submits Recommended Budget to City Council
Wednesday, April 15, 2015 City Council Budget Discussion
Thursday, April 23, 2015 Public Hearing notice on Budget in Novi News
Wednesday, April 29, 2015 City Council Budget Session (if necessary)
Thursday, April 30, 2015 Budget updated based on City Council budget sessions

May						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Monday, May 11, 2015 Public Hearing on Budget
Monday, May 18, 2015 City Council adopts Red Box Objectives, Budget, and approves tax levy (Charter requires adoption no later than the third Monday in May)

June						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Tuesday, June 30, 2015 Staff publishes final Adopted Budget document and CIP Program

July						
S	M	T	W	T	F	S
			1	2	3	4

Wednesday, July 01, 2015 Fiscal year begins

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Financial Structure, Policy and Process



Financial Policies

The City of Novi's financial policies, as compiled below, set forth the basic framework for the overall fiscal management of the City. Operating independently of changing economic circumstances and conditions, these policies help the decision making process of the City Council and administration. These policies provide guidelines for evaluating both current activities and proposals for future programs.

Most of the policies represent long-standing principles (i.e. traditions and practices) that have guided the City in the past and have helped maintain financial stability.

The City's financial policies serve the administration in the preparation of a balanced operating budget and management of the City's financial affairs.

Operating Budget Policies

The City will attempt to maintain its present service level for all priority and essential services within the existing property tax millage limits.

- The City will maintain a budgetary control system to ensure adherence to the budget and will prepare periodic reports comparing actual revenues and expenditures with budgeted amounts.
- The City will emphasize efforts to reduce expenditures in major cost centers (i.e. energy, medical insurance premiums, street lighting, pension cost and Worker's Compensation payments).
- The Ice Arena, Senior Housing and Water and Sewer Funds will be self-supporting.
- The City will protect against catastrophic losses through a combination of insurance and maintaining appropriate fund balance levels.

Fund Balance/Reserve Policies

On September 26, 2011, the City Council adopted by resolution the following fund balance/reserve policies:

- The City will establish a reserve to pay for expenditures as a result of unforeseen emergencies or for shortfalls caused by revenue declines. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source. The City will attempt to obtain additional revenue sources to insure a balanced budget.
- The City will follow an aggressive policy of collecting revenue.
- The City will establish all user charges and fees at a level considering the cost (operating, direct, indirect and capital) of providing the service.
- The City will establish reserves to comply with the terms and conditions of the debt instruments used to finance capital improvement projects.
- The City will review fund balance/reserves annually during the budget process.
- In the event the level of expenditures exceeds the estimated appropriations, the City will create



Financial Structure, Policy and Process

a plan to replenish fund balance/reserves within three years by controlling operating expenditures, adjusting operations and/or dedicating excess or specific revenue sources.

General Fund

For the General Fund, the reserve will be maintained at a minimum of approximately 18-22 percent of the budgeted expenditures as adopted by City Council Resolution, January 24, 2011 and amended on September 26, 2011. In the event that circumstances arise causing the fund balance to fall below 18%, a plan will be put in place to replenish the balance during the subsequent budget year. Additional reserves can be designated for a specific purpose as identified by City Council during the budget process. Fund balance will be established to:

- Provide a fund or reserve to meet emergency expenditures;
- Provide cash to finance expenditures from the beginning of the budget year until general property taxes or other revenues are collected;
- Demonstrate financial stability and therefore preserve or enhance its bond rating, thereby lowering debt issuance costs;
- Accumulate sufficient assets to make designated purchases;
- Avoid short-term borrowing and associated interest costs.

As part of the budget process excess fund balance may be used to reduce liabilities or fund expenditures of the next fiscal period.

Special Revenue Funds

Resources in a fund other than the general fund are either (1) required to be used for the purpose of the fund or (2) intended by the government to be used for that purpose. Special revenue funds report specific revenue sources that are limited to being used for a particular purpose.

Road Funds (Major, Local and Municipal Street)

The City's fund balance for the road funds will be established within a minimum range of 10-20%, individually and collectively amongst the three funds, to cover extraordinary maintenance events (i.e. unusual winter maintenance events, emergency reconstruction, etc.), and contingencies for budgeted construction projects. In addition, the City may establish a designation for capital projects in excess of \$1.5 million, to be completed in future years based on the capital improvement program.

Police and Fire Fund

The fund balance for the Police and Fire Fund will vary, based on future major fire equipment capital needs and operational costs for the Police and Fire departments. The City will look at both major fire equipment needs and operational expenditures for a 3-10 year period in the

Financial Structure, Policy and Process



future. The revenue from the special voted property tax millage for this fund is transferred to the General Fund to support police and fire department expenditures based on the future outlook.

Drain Fund

The Drain Fund reports the City's special property tax millage for the drain system. The City has a combination of drain systems: regional and site. The revenue from this fund is intended to cover the maintenance, construction and repairs of the drain system. The system includes basins and structures with other entities administered by Oakland County, with two of the larger systems being Caddell and Randolph.

In addition to annual maintenance, significant expenditures include construction and repair of large basins, lake dredging and shared systems. The City monitors and reviews future projects annually during the budget process, and reports the next six years projects in the Capital Improvement Program.

Parks, Recreation and Cultural Services Fund

The fund balance for the Parks, Recreation and Cultural Services Fund will be established within a minimum range of 12-22% of fund annual budgeted expenditures, since this fund is similar to the General Fund in terms of covering operations. This fund reports two major sources of revenue: special voted property tax millage and program revenue. The City may establish a designation for capital projects in excess of \$300,000; to be completed in future years based on the capital improvement program.

Tree Fund

The fund balance for the Tree Fund will be maintained at a minimum of \$500,000 for purposes of establishing a contingency or allowance in the event of some natural disaster impacting the City's tree inventory (e.g. severe storms, straight-winds; diseases; or infestations).

Other Special Revenue Funds

The fund balance for other special revenue funds (Forfeiture Funds, Contributions and Donations Fund, Library, Library Contributed, West Oak Street Lighting, West Lake Drive Street Lighting, Town Center Street Street Lighting, PEG Cable, and Community Development Block Grant) will be used for appropriations based on the specific purpose of those funds.



Financial Structure, Policy and Process

Permanent Fund

A permanent fund is classified as a restricted true endowment fund and is a sum of equity used to permanently generate payments to maintain some financial obligation that only earnings from the resource are used and not the principal. This fund may be used to generate and disburse money to those entitled to receive payments by qualification or agreement.

Drain Perpetual Maintenance Fund

The Drain Perpetual Maintenance Fund revenue resources are from connection tap fees. The City's fund balance for the drain funds will vary as these funds are intended to be sufficient to cover current and future costs of the system given the limitation on the tap fee revenue source.

Capital Project Funds

Special Assessment Revolving Fund

The fund balance for the Special Assessment Revolving Fund will be used primarily for capital road improvements, but may also be used for other capital infrastructure projects. The fund's resources are primarily from interest from special assessment construction and debt service funds relating to road construction projects. The fund balance is recommended to be at least \$1,000,000 until special assessment funds created prior to 2000 are closed, and at least \$500,000 until the 2003 Special Assessment District Limited Tax Bonds are paid in full, or collections are sufficient to cover the repayment of the bonds.

Street Improvement Fund

The Street Improvement Fund purpose is to account for the balances of ongoing construction projects at the end of a fiscal year in the Major, Local and Municipal Street funds. The fund balance will be used to complete the construction projects which cross fiscal years.

Gun Range Facility

The Gun Range Facility revenues will be used to provide capital improvements to the facility. The fund balance will be used for capital improvement purposes as needed.

Financial Structure, Policy and Process



Capital Replacement Reserve Policy — Enterprise Funds

The City has established Capital Replacement Reserve accounts in each of its three Enterprise Funds.

The key Capital Replacement Funding principle is that the money is collected and segregated, over a period of time, to cover the repair or replacement cost of existing common elements; that is, capital assets already in existence (for example, the replacement of an existing HVAC system, roof, parking area, etc.). Capital Replacement Funds are part of a long-term financial plan, which helps:

- Strengthen the community's financial health
- Increase the market value of units
- Provides stability to avoid large future assessments or rate increases

User charges and fees will be computed based on current year operating expenses, debt service requirements and annual contribution/replenishment of the capital replacement reserve.

The City will conduct a Capital Needs Assessment and Replacement Reserve Analysis for the Ice Arena and Meadowbrook Commons facilities every 5-7 years. The user charges and fees will include annual contribution/replenishment of the capital replacement reserve. Cash and investments for operations will be computed based on a minimum of two months expenditures.

The Capital Replacement Reserve for the Water & Sewer Fund is targeted at 10-25% of the current fair market value of water and sewer infrastructure assets. The City uses the overall national CPI to compute the fair market value of these assets. Cash and investment balances for operations will be computed based on a minimum of two months expenditures plus planned capital improvement projects of \$10 million or less for the year.

Revenue Policies

- The City will estimate its annual revenue by a conservative, objective and analytical process.
- The City will review fees and charges annually. It will attempt to design and/or modify revenue systems to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing the service.
- Non-recurring revenue will be used only to fund non-recurring expenditures.



Financial Structure, Policy and Process

Capital Improvements Policies

- The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements according to the plan. The City Charter was adopted with a low operating millage, with the understanding that major capital expenditures would be financed by bond issues and related special millage.
- The City's plan includes large capital purchases and construction projects costing more than \$25,000. A Capital Improvement, as defined in this document, includes real property expenditures greater than \$25,000 that have a life expectancy of at least five years and personal property items costing more than \$25,000 with a life expectancy of at least one year.
- The City will maintain its physical assets at a level adequate to protect the City's capital investment and to reduce future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital plant and equipment from current revenues where possible.
- The City will use the following criteria to evaluate the relative merit of each capital project:
 - ◇ Projects specifically included in an approved replacement schedule will receive priority consideration.
 - ◇ Projects will be evaluated as to the impact on the operating budget; those that reduce the cost of operations or energy consumption will receive priority consideration.

Debt Policies

City of Novi, as a home rule unit, presently has a statutory limit on the amount of general obligation debt outstanding. The limit on the outstanding indebtedness cannot exceed 10% of the equalized assessed valuation. Using 2014 values (the most recent available information), this limitation would allow for \$311 million in debt, as compared to the \$34 million outstanding as of June 30, 2014. Maintaining significantly lower debt levels provides for greater flexibility in issuing additional bonds should the need arise.

The Debt Policy approved by the City Council in March 2013 puts forth these additional debt limits:

- The City's net bonded indebtedness incurred for all public purposes should not exceed \$2,500 per capita.
- Debt service payments are limited to 20% of the combined operating and debt-service fund expenditures.
- Municipal securities issued for capital improvement purposes shall not exceed 5% of the state equalized valuation of the property assessed in the City of Novi.

Financial Structure, Policy and Process



The maturity date for any debt may not exceed the reasonably expected useful life of the project so financed. Debt service for property tax supported obligations is structured to fit within the City's annual property tax levy budget for the repayment of principal and interest. When it is deemed to be in the best interest of the City, the City will consider refunding outstanding bonds:

- The City's bond rating on general obligation bonds by Standard & Poor's Investors Service is AA+
- The City will maintain a sound relationship with all bond-rating agencies and will keep them informed about our current capital projects.
- General obligation debt will not be used for enterprise activities.

Investment Policies

- The City's investment objectives in priority order are: Safety, Liquidity, and Yield.
- Disbursement, collection, and deposit of all funds will be managed to insure that all cash is invested promptly until needed.
- The City will strive to maximize the return on the portfolio, with the primary objective of preserving capital by prudent investment practices.
- For the City's complete investment policies please contact the Finance Department.

Accounting, Auditing and Financial Reporting Policies

- An independent audit will be performed annually.
- The City will produce annual financial reports following Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).
- The City will maintain strong internal audit controls.

Purchasing Policies

- The Purchasing Division is responsible for the administration of the procurement process for the supplies, materials and equipment required for the operation and maintenance of the City's departments and facilities.
- Purchases will be made in accordance with federal, state and municipal requirements.
- Purchases will be made in an impartial, economical, competitive, and efficient manner.
- Purchases under \$5,000: Department's responsibility to obtain best price possible and to foster competition.
- Purchases between \$5,000 and \$14,999: Require at least three (3) written quotations submitted with the purchase order.



Financial Structure, Policy and Process

- Purchases over \$15,000: Formal sealed bids must be obtained. All invitations for bids are advertised on the Michigan Intergovernmental Trade Network (MITN) a collaboration of public entities throughout the State that collectively advertises bid opportunities through a web site at www.mitn.info. All bid openings will be public. No late or faxed bids will be accepted. All bids and/or written quotations and request for proposals are awarded by the City Council.

Grant Policies

- The City Manager's Office reviews and approves department requests to pursue grants.
- Completed applications requiring a local match are presented for approval to City Council. The approval includes financing mechanism and required matching funds.
- Upon notice of grant award City Council approves budget and formal acceptance.
- The Finance Department works with the initiating department for proper reporting and program monitoring.

Significant Budget and Accounting Policies

The budgeting and accounting policies of the City of Novi conform to (GAAP) as applicable to governmental units, with the exception that interfund transfers are considered as any other appropriation in evaluating priorities rather than as a separate item. The following is a summary of the significant budget and accounting policies:

Basis of Budgeting

All Governmental Funds, including the legally adopted General Fund and Special Revenue Funds, are budgeted for on a modified accrual basis. As an example, employee wages are budgeted to account for the number of days scheduled for each fiscal year. The basis of budgeting is the same as the basis of accounting, except that transfers have been included in the "revenue" and "expenditure" categories for budgetary purposes, rather than as "other financing sources (uses)" for accounting purposes.

Fund Structure of Approved Budget

Annual budgets are legally adopted for the General Fund and Special Revenue Funds as required by the State's Uniform Budgeting and Accounting Act. In addition, although not required by law, budgets are prepared for the City's Debt Service, Capital Projects, and Enterprise Funds. These budgets are prepared for financial management and project control purposes.

Major Funds

The City of Novi reports on two major governmental funds: General Fund and 12 Mile Road Debt.

Financial Structure, Policy and Process



Fund Accounting

The accounts of the City are organized by funds and account groups, each of which is considered a separate accounting entity. Funds are established to segregate specific activities or objectives of a government in accordance with special regulations, restrictions or limitations. The various funds are grouped into generic fund types in three broad fund categories as follows:

Governmental Funds

General Fund: The General Fund contains the records of the ordinary activities of the City that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue and other sources.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of earmarked revenue from financing activities requiring separate accounting because of legal or regulatory provisions.

Debt Service Funds: Debt Service Funds are used to account for the annual payment of principal and interest concerning certain long-term debt other than debt payable from the operations of an enterprise fund.

Capital Projects Funds: Capital Project Funds are used to account for the development of capital facilities other than those financed by the operations of the enterprise funds.

Permanent Fund: Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Proprietary Funds

Enterprise Funds: The Water and Sewer, Ice Arena, and Senior Housing Funds are used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service.

Besides normal operations, the Water and Sewer Fund provides for capital investment, which is funded by a one-time connection charge.

Fiduciary Funds

Fiduciary Funds: Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments or other funds. These include the Retiree Health Care Benefits Fund, Tax Fund, and the Agency Fund. The Retiree Health Care Benefits Fund is an expendable trust fund and is accounted for in the same manner as governmental funds. The Tax Fund and Agency fund are custodial in nature and do not involve the measurement of results of operations.



Financial Structure, Policy and Process

Basis of Accounting

The accrual basis of accounting is used by the Enterprise Funds. All Governmental Funds and Agency Funds use the modified-accrual basis of accounting. Modifications in such methods from the accrual basis are as follows:

Property tax revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Other revenue is recorded when received. Properties are assessed as of December 31 and become a lien then. The related property taxes are billed on July 1 of the following year. These taxes are due without a penalty during the period July 1 through August 31 with a 4% penalty added after that date. After February 28, they are added to the county tax rolls. The County Tax Revolving Fund reimburses the City for the real property portion of these taxes and assumes collection responsibilities for both real and personal property taxes.

- Non-current receivables, such as special assessments, are recorded at full value and deferred revenue is recorded for the portion not available for use to finance operations as of year-end.
- Interest income on special assessments receivable is not accrued until its due date.
- Interest on bonded indebtedness and other long-term debt are not recorded as expenditures until the due date.
- Payments for inventory type of supplies are recorded as expenditures at the time of purchase.
- Normally, expenditures are not divided between years by the recording of prepaid expenses.
- The non-current portion of accumulated employee benefits is reflected in the government-wide financial statements.

Fixed Assets and Long-Term Liabilities: Fixed assets used in governmental fund type operations are accounted for in the government-wide financial statements, rather than in the governmental funds. Depreciation is reported on a straight-line basis for such fixed assets. All fixed assets are recorded at cost or, if donated, at their estimated fair value on the date donated. Long-term liabilities expected to be financed from governmental funds are accounted for in the government-wide financial statements, not in the governmental funds.

Fixed assets and long-term liabilities relating to the Water and Sewer, Ice Arena, and Senior Housing Funds are accounted for in those funds. Depreciation on such fixed assets is charged as an expense against the operations of the fund on a straight-line basis.

Financial Structure, Policy and Process



Cash Equivalents: For purposes of the statement of cash flow, the Enterprise funds consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. In addition, the statements of cash flow include both restricted and unrestricted cash and cash equivalents.

Inventories: Inventories in the Enterprise funds are valued at cost, on a first in, first out basis, which approximates market value.

Deposits and Investments

The City believes that due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation, insuring all bank deposits is impractical. The City evaluates every financial institution it deposits City funds into, assessing the level of risk.

Investments

The City is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, government agencies, Bankers' acceptances and mutual funds and investment pools that are composed of authorized vehicles.

To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that investment earnings by the Agency Funds are allocated to the General Fund.



Financial Structure, Policy and Process

Budget Policies and Procedures

Role of the Budget

The budget provides the annual financial plan for the management of the City's affairs. The document compiles the financial data needed to support Novi's comprehensive decision making/policy development process. This Budget is based on the City Council Goals, the Capital Improvements Plan, and the City's financial policies, past City Council direction, and City Manager and departmental review of operations.

Budget Strategy

The current financial plan is based upon Council direction and current revenue constraints. These factors govern the stewardship of public funds and reflect the following principles:

- Basic services will be maintained at least at current levels and will be funded adequately.
- Program costs will reflect a true picture of the cost of operations. Depreciation will not be included in program costs (except in the enterprise funds) and some City-wide expenses will be separated from program expenditures for ease of administration.
- Program services will be provided in the most efficient method while meeting the needs of the public.
- Necessary infrastructure improvements will be undertaken to meet needs.
- Revenue will be estimated at realistic levels.
- Reserves will be programmed at appropriate levels to protect the City from future uncertainties.
- The budget will comply with provisions of the State Constitution, City Charter, Municipal Code and sound fiscal policy.

Balanced Operating Budget

A balanced budget is a basic budgetary constraint intended to ensure that the City does not spend beyond its means. The City must function within the limits of the financial resources available and under normal circumstances, requires commitment to a balanced budget. The appropriated budget cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years. Any deviation from a balanced operating budget requires disclosure when it occurs.

Financial Structure, Policy and Process



Impact of Capital Budget on the Operating Budget

As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long-term effects on the Capital Improvements Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs.

Regardless of the difference between the operating and capital budgets, the two are interdependent. Budgetary policy states that all foreseeable operating costs related to capital projects be estimated and provided for as part of the review process associated with the Capital Improvements Program. In addition, departments are required to include costs associated with operating and maintaining capital projects that are requested for the upcoming year.

For additional information pertaining to the capital budget, please see the “Capital Improvements Program and Debt” section of this document.

Budgeting Controls

Internal Controls

The annual adopted budget provides a basis of control over financial operations. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the approved budget. Activities of the General Fund and Special Revenue Funds are included in the annual approved budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established by function within each individual fund.

Independent Audit

State statutes and the City Charter require an annual audit of all accounts of the City by certified public accountants selected by the City Council. Andrews Hooper Pavlik PLC has fulfilled this requirement. The auditor’s report is included in the City’s Comprehensive Annual Financial Report (CAFR) and is available to the public.



Financial Structure, Policy and Process

Budget Process

The City's annual budget covers a twelve-month period beginning July 1 and ending June 30. The budget is an ongoing process that includes phases of development, adoption, implementation and oversight throughout the year.

Several goals are associated with the preparation and development of the City's annual budget document. First, the budget is a policy document. The document should help foster comprehensive community problem-solving and policy making. Second, the budget is a financial plan and management tool. The document should help staff in monitoring revenue and expenditures and in evaluating the effectiveness of City programs and services. Third, the budget serves as an important reference document. It should provide the City Council, the public and staff with extensive information on the nature and scope of municipal operations and services.

Strategic Planning Process and National Citizen Survey®

City Council initiates the budget process by providing invaluable guidance to the City Manager and Departments with the development of Long and Short-Term Goals and Strategies to meet these objectives. City Council began this process in January by exploring a consensus vision for our community and identifying a list of emerging priorities.

The City Manager and staff responded to City Council's discussion of emerging priorities by integrating these issues into a community survey intended to gauge perception of Novi and the quality of services the City offers its citizens. Conducted by Colorado-based National Research Center between September and October 2014, the community survey was mailed to a sample of 1,200 Novi households. The survey instrument pairs a series of standard questions, which provide a point of comparison to other communities through the country, along with three custom questions designed by staff to measure alignment with the City Council's list of emerging priorities. Of the 1,200 eligible households, 323 surveys were completed providing a 95 percent confidence level in the statistical validity of the results and a "margin of error" of five percent. Survey results were returned to the City in November.

The survey continues to provide a tool for the budget process, and is conducted biannually.

Departmental Requests

Particular attention is given to accurately completing all required forms and providing sufficient justification for budget requests. Operating budget impacts must be included if the request is for a capital improvement item or project.

Budget Review and Analysis

All departments meet with the City Manager for review and evaluation of requests. The objectives of this phase are to:

- Ensure that the intent of all budget requests is understood and that budget requests are complete.
- Gain greater understanding of departmental objectives and standards of performance and operations for the upcoming fiscal year.
- Determine how proposed budgetary programs and associated changes are related to City-wide goals and objectives.

Financial Structure, Policy and Process



- Develop comprehensive information and/or request further justification on budgeted items.
- Balance the needs of each department to total City needs.

Various analytical techniques are used in evaluating department budget requests. Some of these include: analysis of workloads and levels of services, evaluation of historical expenditure patterns, projection of inflationary price increases, analysis of work methods, review of work force scheduling, and review of department operations.

Building the Recommended Budget

Under the direction of the City Manager, and with the assistance of the City Assessor and other Department Heads and staff, the Finance Director prepares an initial projection of revenue for the next fiscal year. This projection is based on reasonable assumptions of revenue generated by estimated property values and current user fees, and the best available information from the State of Michigan.

Spending priorities are based on the City's financial policies and mandated requirements, and focus on maintaining services, covering insurance and bond requirements, and the balancing of labor, supplies, and equipment.

City Manager Review

Departmental review sessions are scheduled with the City Manager. After these discussions, the City Manager makes the final adjustments and works with the Finance Director and staff to prepare the draft of the Recommended Budget.

City Council Adoption

After receiving the Recommended Budget, public meetings are conducted with the City Council to familiarize members of the Council with its contents. A public hearing is also conducted to assure that all persons and organizations are provided an opportunity to be heard. The City Council then makes its revisions and adopts the budget for the next fiscal year.

Budget Amendment Process

After the budget is adopted, the primary responsibility for managing it falls to the individual departments. The Finance Department reviews the monthly budget reports concurrently with the departments. Management flexibility is given to each department of exceeding a line item within a function if it can be compensated for within that same function.

If a function must be adjusted, a Budget Amendment Request (BAR) form is filed with the Finance Department. This form first directs the department to provide the coverage from within its department. The Finance Department reviews the BAR and if deemed appropriate a formal budget amendment is presented to the City Council along with a report on the status of the contingency balance. It takes a five-vote majority to amend the budget.

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Financial Summaries



Long Range Financial Plan — Multi-Year Budget 2015-2018

The City of Novi has long recognized the need for planning to provide quality services to its residents. This is evident in the work performed by the elected officials, City staff and various committees and boards. The City has conducted many studies and has developed plans, policies and procedures that have guided the City in making sound decisions regarding infrastructure and services.

The City has focused on long-term financial planning since the 1990's and as a result, continues its strong financial position. Since 2004 the City has prepared a three-year budget, going beyond the requirement for adoption of an annual budget. The City of Novi continues its strong financial position as a result of long-term financial planning; maintaining responsible fund balances in conformance with GFOA recommended practices and low debt obligations, as well as complying with the City's own fund balance policies.

Under Michigan law, the maximum debt Novi can issue is \$337,073,249. The City's current debt applicable to this limit is \$31,680,000 or 9.4% of the amount allowed. The City had twelve debt issues in 1999 and currently has three debt issues (excluding the debt reported in the enterprise funds). In addition to paying down debt thru annual debt services payments, the City has taken advantage of both the decline in interest rates and its excellent credit rating (AA+ and Aa2) to obtain more favorable rates through refinancing – lowering interest expenditures and paying off debt sooner than anticipated.

The City's long-range financial plans, which are defined throughout this budget document, include focuses and investments on the following:

- reducing unfunded liabilities,
- maintaining a comprehensive capital improvement plan,
- investing in public safety; including increasing the number of police officers,
- investing in roads and sidewalks & pathways,
- acquiring additional park land as well as improvements to existing parks and cultural services,
- paying down current debt while not obtaining any additional debt, and
- increasing community engagement (residential, commercial, and neighboring communities).

These long range financial plans link to the entity's strategic goals, which have been mentioned in the Budget Overview section, and are illustrated in the matrix on the next page:



Financial Summaries

Strategic Goals/Long-Range Financial Plans Matrix	
Strategic Goals	Long-Range Financial Plans
N	<p>Nurture public services that residents want and value.</p> <p>maintain a comprehensive capital improvement plan; invest in roads and sidewalks & pathways; invest in water and sewer infrastructure; increase contractual snow removal for local streets</p>
O	<p>Operate a world-class and sustainable local government.</p> <p>reduce unfunded liabilities; pay down current debt while not obtaining any additional debt; monitor OPEB contributions to ensure maintaining fully funded status; continue/expand citizen academy to educate future city leaders</p>
V	<p>Value and build a desirable and vibrant community for residents and businesses alike now and into the future.</p> <p>acquire additional park land as well as improvements to existing parks and cultural services; increase community engagement (residential, commercial, and neighboring communities).</p>
I	<p>Invest properly in being a Safe Community at all times for all people.</p> <p>increase the number of police officers; improve public safety facilities and possible relocation of fire stations; improvements to top 10 high crash intersections</p>

The 2015-16 budgets include the following items related to the goals and plans above:

- \$6.8 million investment in capital projects related to road, pathways, sidewalks and intersections within the three road funds
- \$1.5 million investment in water and sewer infrastructure
- \$406k investment in capital projects in the various parks
- Increase in defined benefits contributions of \$500k more than 2014-15, including \$100K over the ARC
- Double the budget for contract snow removal for local streets
- New FT positions added in General, Parks and Recreation and Tree Funds to improve service and ensure preservation of assets
- General Fund budgeted funds for possible park land acquisition
- Continued funding of Citizens Academy for training of future leaders
- Redesign/renovate Community Development office suite including process redesign to obtain greater efficiencies and improved customer service

Financial Summaries



The 2016-17 and 2017-18 budgets include the following items related to the goals and plans above:

- Hiring of an additional FT police officer each year
- \$11.6 million investment in capital projects related to road, pathways, sidewalks and intersections within the three road funds over the two year period
- \$5.2 million investment in water and sewer infrastructure over the two year period
- \$524k investment in capital projects in the various parks over the two year period
- Continue the Increase in defined benefits contributions of \$500k more than 2014-15, including \$100K over the ARC
- General Fund continue annual budgeted funds for possible park land acquisition
- Continue to fund increased budget for contract snow removal for local streets
- Continued Citizens Academy for training of future leaders

The annual 2015-16 budget is to be adopted by Council in May. The Council will also acknowledge the multi-year budget in the form of a resolution. The City prepares the multi-year projection based on the best data available at the time. The research includes obtaining data from the County and the State of Michigan. This future outlook allows the City to plan rather than react to anticipated financial conditions. Significant revenue and expenditure assumptions for the 2015/2016 fiscal year budget and the subsequent two years are included at the end of this section.



Financial Summaries

Consolidated Financial Schedule

All Funds FY 2015-16 Budget

	Governmental Funds													
	GENERAL FUND		SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS		PERMANENT FUNDS		ENTERPRISE FUNDS		TOTAL FY 2015-16 BUDGET	
	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	
ESTIMATED REVENUES														
Property tax revenue	\$ 15,918,976	\$ 12,742,886	\$ 3,355,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,016,918
Special Assessments Levied	-	38,729	1,537,303	-	-	-	-	-	-	-	-	-	-	1,576,032
Licenses, permits, and charges for services	4,067,196	180,000	-	130,800	-	-	-	-	-	-	-	-	-	4,377,996
Federal grants	58,000	82,505	-	-	-	-	-	-	-	-	-	-	-	140,505
Fines and forfeitures	490,000	213,000	-	-	-	-	-	-	-	-	-	-	-	703,000
Donations	-	41,000	-	-	-	-	-	-	-	-	-	-	-	41,000
Interest income	425,000	189,788	34,063	61,793	100,000	-	-	-	-	675,973	-	-	-	1,486,617
Program Revenue	-	1,140,150	-	-	-	-	-	-	-	1,990,915	-	-	-	3,131,065
Older adult program revenue	-	181,650	-	-	-	-	-	-	-	-	-	-	-	181,650
Other revenue	639,970	534,300	-	-	-	-	-	-	-	281,700	-	-	-	1,455,970
State grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	4,341,470	3,565,300	-	-	-	-	-	-	-	-	-	-	-	7,906,770
Operating Revenue	-	-	-	-	-	-	-	-	-	25,277,255	-	-	-	25,277,255
Capital Contributions	-	-	-	-	-	-	-	-	-	2,550,000	-	-	-	2,550,000
Tap In Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Transfers in	5,300,000	6,471,120	-	-	-	-	-	-	5,000	-	-	-	-	11,771,120
TOTAL ESTIMATED REVENUES	\$ 31,240,612	\$ 25,380,428	\$ 4,926,422	\$ 192,593	\$ 105,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 30,775,843	\$ -	\$ -	\$ 92,620,898	
APPROPRIATIONS														
Personnel services	\$ 22,768,982	\$ 3,190,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,294,121	\$ -	\$ -	\$ -	27,254,096
Supplies	749,542	648,180	-	-	-	-	-	-	-	83,825	-	-	-	1,481,547
Other services and charges	5,728,669	6,471,832	1,200	400	-	-	-	-	-	22,255,065	-	-	-	34,457,166
Capital outlay	1,632,399	9,478,552	-	-	-	-	-	-	-	1,809,067	-	-	-	12,920,018
Debt Service	-	-	4,308,279	-	-	-	-	-	-	1,846,515	-	-	-	6,154,794
Transfer Out	361,020	11,220,000	190,100	-	-	-	-	-	-	-	-	-	-	11,771,120
TOTAL APPROPRIATIONS	\$ 31,240,612	\$ 31,009,557	\$ 4,499,579	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 27,288,593	\$ -	\$ -	\$ 94,038,741	
Estimated Beginning Unassigned Fund Balance - July 1, 2015														\$ 206,684,797
Estimated Ending Unassigned Fund Balance - June 30, 2016														\$ 205,266,954

Fund balance as a percentage of total annual expenditures

218%

Estimated Change in Fund Balance

-1%

Financial Summaries



General Fund

The General Fund is used to account for all financial resources traditionally associated with City government, except those required to be accounted for in another fund. The General Fund includes police, fire, planning, engineering, building inspection, neighborhood services, public works, assessing and internal services such as information technology, finance and treasury. The two primary sources of revenue for this fund are general property taxes and State Shared Revenue. In addition, the General Fund also receives revenue from licenses and permits, grants, fines and

GENERAL FUND

	ACTUAL	ESTIMATED	BUDGET	PROJECTED	
	2013-14	2014-15	2015-16	2016-17	2017-18
ESTIMATED REVENUES					
PROPERTY TAX REVENUE					
Property Tax Revenue - Current Levy	\$ 14,861,059	\$ 15,394,899	\$ 15,918,326	\$ 16,459,549	\$ 17,019,174
Property Tax Revenue- County Chargebacks	(147,856)	(184,539)	(125,000)	(125,000)	(125,000)
Property Tax Revenue - Tx Tribunal Accr	31,921	(75,000)	(20,000)	(16,000)	(15,000)
Property Tax Revenue -Brownfield Capture	(1,194)	(1,294)	(1,350)	(1,396)	(1,443)
Property Tax Revenue - C/Y Del PPT	(44,455)	(45,934)	(46,000)	(46,000)	(46,000)
Trailer fees	7,428	7,800	8,000	8,000	8,000
Penalty and interest	174,164	185,000	185,000	191,000	197,000
TOTAL PROPERTY TAX REVENUE	\$ 14,881,067	\$ 15,280,932	\$ 15,918,976	\$ 16,470,153	\$ 17,036,731
LICENSES, PERMITS & CHARGES FOR SERVICES					
Clerks Dept Fees (prior business regist)	\$ 21,935	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquor license fees	55,801	60,000	65,000	65,000	65,000
Engineering review fees	169,240	300,000	300,000	300,000	250,000
Plan and landscape review fees	109,475	100,000	125,000	125,000	125,000
Wet, Wood, Landscape insp/review fees	135,983	73,000	89,000	89,000	89,000
Grading permit fees	8,176	12,000	12,000	12,000	12,000
Building permits	568,672	900,000	850,000	850,000	850,000
Plan review fees	241,699	369,500	375,000	375,000	325,000
South Lyon Inspection Fees	52,246	-	-	-	-
Refrigeration permits	49,340	35,000	40,000	40,000	40,000
Electrical permits	168,778	175,000	200,000	200,000	200,000
Heating permits	184,515	170,000	200,000	200,000	200,000
Plumbing permits	107,080	90,000	100,000	100,000	100,000
Other charges	269,213	250,000	300,000	300,000	200,000
Court abatement revenue	11,600	13,000	5,000	5,000	5,000
Soil erosion fees	23,259	40,000	30,000	30,000	30,000
Cable television fee	801,256	800,000	825,000	850,000	850,000
Cable franchise fees (restricted)	193,921	-	-	-	-
Weed cutting revenue	4,935	9,000	10,000	10,000	10,000
Board of appeals	25,260	21,000	21,000	21,000	21,000
Police department-miscellaneous revenue	144,116	204,000	139,000	139,000	139,000
Police dispatch service revenue	109,034	111,761	113,996	116,276	118,602
Police contracted services	23,384	20,000	25,000	25,000	25,000
Police OWI revenue	42,191	100,000	75,000	75,000	75,000
Police - firearms range rental revenue	153,003	-	-	-	-
Police Department - Hosted Training	14,275	10,000	10,000	10,000	10,000
Administrative reimbursement	120,378	125,000	125,000	125,000	125,000
Fire Station CEMS revenue	6,600	7,200	7,200	7,200	7,200
TOTAL LICENSES, PERMITS & CHARGES FOR SVCS	\$ 3,815,365	\$ 4,020,461	\$ 4,067,196	\$ 4,094,476	\$ 3,896,802



Financial Summaries

GENERAL FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
FEDERAL GRANTS					
Federal grants	\$ 7,774	\$ 2,000	\$ -	\$ -	\$ -
TIA Grant	-	10,000	8,000	8,000	8,000
Federal forfeitures-reimbursement only	27,971	20,000	30,000	30,000	30,000
SS Task Force Reimbursement	25,087	30,000	20,000	20,000	20,000
TOTAL FEDERAL GRANTS	\$ 60,832	\$ 62,000	\$ 58,000	\$ 58,000	\$ 58,000
FINES AND FORFEITURES					
Court fees and fines	\$ 488,087	\$ 515,000	\$ 480,000	\$ 485,000	\$ 490,000
Motor carrier fines and fees	24,350	10,000	10,000	10,000	10,000
TOTAL FINES AND FORFEITURES	\$ 512,437	\$ 525,000	\$ 490,000	\$ 495,000	\$ 500,000
INTEREST INCOME					
Interest on investments	\$ 183,850	\$ 120,000	\$ 125,000	\$ 140,000	\$ 140,000
Unrealized gain (loss) on investments	163,211	50,000	150,000	160,000	160,000
Interest on Trust & Agency Funds	209,365	90,000	150,000	160,000	160,000
TOTAL INTEREST INCOME	\$ 556,426	\$ 260,000	\$ 425,000	\$ 460,000	\$ 460,000
OTHER REVENUE					
Insurance Reimbursement	\$ 48,032	\$ 9,782	\$ 10,000	\$ 10,000	\$ 10,000
Fire Department	13,178	12,000	10,000	10,000	10,000
Fire Department Hosted Training	-	600	-	-	-
Emergency Run	19,860	-	-	-	-
Novi Youth Council	6,905	-	9,500	9,500	9,500
Miscellaneous income	171,109	301,000	175,000	200,000	200,000
Filming permit revenue	150	200	200	200	200
Library Network Charges	33,183	35,000	35,000	35,000	35,000
State of the City revenue	3,296	5,500	4,000	4,000	4,000
Novi Township assessment	14,995	15,000	15,000	15,000	15,000
RRRASOC Hosting Fees	-	16,000	16,000	16,000	16,000
Municipal service charges	365,270	365,270	365,270	365,270	365,270
TOTAL OTHER REVENUE	\$ 675,978	\$ 760,352	\$ 639,970	\$ 664,970	\$ 664,970
STATE SOURCES					
Police training grant	\$ 13,611	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
State revenue sharing	4,170,809	4,396,470	4,316,470	4,403,231	4,403,231
TOTAL STATE SOURCES	\$ 4,184,420	\$ 4,421,470	\$ 4,341,470	\$ 4,428,231	\$ 4,428,231
TRANSFERS IN					
Transfer from Police & Fire Fund	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,070,000
TOTAL TRANSFERS IN	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,070,000
TOTAL ESTIMATED REVENUES	\$ 29,986,525	\$ 30,630,215	\$ 31,240,612	\$ 31,970,830	\$ 32,114,734

Financial Summaries



GENERAL FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
APPROPRIATIONS					
Dept 101.00-CITY COUNCIL					
Personnel services	\$ 3,994	\$ 34,224	\$ 36,207	\$ 36,219	\$ 36,236
Supplies	-	750	750	750	750
Other services and charges	6,917	10,000	10,000	11,950	10,000
TOTAL Dept 101.00-CITY COUNCIL	\$ 10,911	\$ 44,974	\$ 46,957	\$ 48,919	\$ 46,986
Dept 172.00-CITY MANAGER					
Personnel services	\$ 381,991	\$ 441,585	\$ 509,524	\$ 499,167	\$ 509,068
Supplies	898	1,800	1,500	1,500	1,500
Other services and charges	16,496	171,053	115,735	115,735	115,735
Capital outlay	500	-	-	-	-
TOTAL Dept 172.00-CITY MANAGER	\$ 399,885	\$ 614,438	\$ 626,759	\$ 616,402	\$ 626,303
Dept 201.00-FINANCE DEPARTMENT					
Personnel services	\$ 503,705	\$ 862,122	\$ 889,093	\$ 904,537	\$ 925,823
Supplies	-	20,750	18,000	18,000	18,000
Other services and charges	125,910	67,634	67,800	67,400	63,800
Capital outlay	19,541	6,879	8,358	-	-
TOTAL Dept 201.00-FINANCE DEPARTMENT	\$ 649,156	\$ 957,385	\$ 983,251	\$ 989,937	\$ 1,007,623
Dept 205.00-INFORMATION TECHNOLOGY DEPT					
Personnel services	\$ 588,844	\$ 624,609	\$ 660,067	\$ 674,759	\$ 690,042
Supplies	29,120	25,150	26,150	26,150	26,150
Other services and charges	81,690	140,001	190,689	207,639	199,564
Capital outlay	164,524	180,929	104,150	79,700	-
TOTAL Dept 205.00-INFO TECHNOLOGY DEPT	\$ 864,178	\$ 970,689	\$ 981,056	\$ 988,248	\$ 915,756
Dept 209.00-ASSESSING DEPARTMENT					
Personnel services	\$ 447,699	\$ 523,219	\$ 581,944	\$ 553,332	\$ 565,155
Supplies	12,305	12,700	15,700	15,700	15,700
Other services and charges	340,476	335,500	264,600	264,900	263,800
TOTAL Dept 209.00-ASSESSING DEPARTMENT	\$ 800,480	\$ 871,419	\$ 862,244	\$ 833,932	\$ 844,655
Dept 210.00-CITY ATTORNEY, INSURANCE, & CLAIMS					
Other services and charges	\$ 375,926	\$ 873,000	\$ 760,000	\$ 771,000	\$ 793,500
Capital outlay	-	70,000	70,000	70,000	70,000
TOTAL Dept 210.00-CITY ATTORNEY, INSUR, & CLAIMS	\$ 375,926	\$ 943,000	\$ 830,000	\$ 841,000	\$ 863,500
Dept 215.00-CLERK'S OFFICE					
Personnel services	\$ 394,422	\$ 548,590	\$ 567,971	\$ 568,063	\$ 578,403
Supplies	21,600	49,000	49,000	49,000	49,000
Other services and charges	75,115	127,555	113,180	109,600	104,500
TOTAL Dept 215.00-CLERK'S OFFICE	\$ 491,137	\$ 725,145	\$ 730,151	\$ 726,663	\$ 731,903



Financial Summaries

GENERAL FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
APPROPRIATIONS					
Dept 253.00-TREASURY					
Personnel services	\$ 217,631	\$ 252,369	\$ 248,878	\$ 254,269	\$ 259,853
Supplies	23,597	42,210	31,000	31,000	31,000
Other services and charges	44,748	59,180	47,500	54,700	48,500
TOTAL Dept 253.00-TREASURY	\$ 285,976	\$ 353,759	\$ 327,378	\$ 339,969	\$ 339,353
Dept 265.00-FACILITY MANAGEMENT					
Personnel services	\$ 302,424	\$ 324,769	\$ 406,197	\$ 401,170	\$ 406,469
Supplies	17,079	24,800	22,500	17,000	17,000
Other services and charges	430,307	429,305	432,380	431,630	429,980
Capital outlay	170,102	393,797	8,600	45,000	-
TOTAL Dept 265.00-FACILITY MANAGEMENT	\$ 919,912	\$ 1,172,671	\$ 869,677	\$ 894,800	\$ 853,449
Dept 270.00-HUMAN RESOURCES					
Personnel services	\$ 367,793	\$ 370,406	\$ 368,315	\$ 376,727	\$ 385,471
Supplies	-	1,000	1,000	1,000	1,000
Other services and charges	55,659	107,870	119,000	116,100	116,300
TOTAL Dept 270.00-HUMAN RESOURCES	\$ 423,452	\$ 479,276	\$ 488,315	\$ 493,827	\$ 502,771
Dept 295.00-NEIGHBORHOOD & BUSINESS RELATIONS					
Personnel services	\$ 396,165	\$ 483,229	\$ 372,973	\$ 472,325	\$ 481,988
Supplies	9,175	9,850	10,400	10,400	10,400
Other services and charges	434,806	414,678	390,471	382,215	380,815
Capital outlay	6,286	-	-	-	-
TOTAL Dept 295.00-NEIGHBOR & BUSINESS RELATIONS	\$ 846,432	\$ 907,757	\$ 773,844	\$ 864,940	\$ 873,203
Dept 299.00-GENERAL ADMINISTRATION					
Personnel services	\$ 820,383	\$ -	\$ -	\$ -	\$ -
Supplies	40,213	-	-	-	-
Other services and charges	595,874	-	-	-	-
Capital outlay	136,510	-	-	-	-
TOTAL Dept 299.00-GENERAL ADMINISTRATION	\$ 1,592,980	\$ -	\$ -	\$ -	\$ -
<i>Public Safety</i>					
Dept 301.00-POLICE DEPARTMENT					
Personnel services	\$ 10,235,191	\$ 10,585,042	\$ 10,601,421	\$ 10,906,012	\$ 11,143,261
Supplies	321,444	239,500	253,000	253,000	253,000
Other services and charges	1,010,823	1,081,700	1,105,705	1,113,755	1,118,605
Capital outlay	97,615	151,800	145,795	147,370	219,670
TOTAL Dept 301.00-POLICE DEPARTMENT	\$ 11,665,073	\$ 12,058,042	\$ 12,105,921	\$ 12,420,137	\$ 12,734,536
Dept 337.00-FIRE DEPARTMENT					
Personnel services	\$ 3,847,427	\$ 3,968,668	\$ 4,187,422	\$ 4,282,925	\$ 4,362,456
Supplies	121,974	149,485	148,400	148,845	139,500
Other services and charges	530,838	564,430	560,535	568,985	566,485
Capital outlay	609,956	201,270	65,900	460,180	-
TOTAL Dept 337.00-FIRE DEPARTMENT	\$ 5,110,195	\$ 4,883,853	\$ 4,962,257	\$ 5,460,935	\$ 5,068,441
<i>Public Safety Total</i>	\$ 16,775,268	\$ 16,941,895	\$ 17,068,178	\$ 17,881,072	\$ 17,802,977

Financial Summaries



GENERAL FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
APPROPRIATIONS					
<i>Community Development</i>					
Dept 371.00-COMMUNITY DEVELOPMENT-BUILDING					
Personnel services	\$ 1,381,995	\$ 1,458,586	\$ 1,479,383	\$ 1,527,163	\$ 1,561,215
Supplies	26,673	37,150	34,600	33,200	33,200
Other services and charges	99,506	126,229	118,879	121,829	113,479
Capital outlay	45,993	23,500	255,000	50,000	-
TOTAL Dept 371.00-COMM DEVELOP-BUILDING	\$ 1,554,167	\$ 1,645,465	\$ 1,887,862	\$ 1,732,192	\$ 1,707,894
Dept 807.00-COMMUNITY DEVELOPMENT-PLANNING					
Personnel services	\$ 472,715	\$ 554,627	\$ 546,861	\$ 549,070	\$ 561,678
Supplies	4,937	8,850	7,450	7,450	7,450
Other services and charges	109,296	337,005	46,700	84,150	43,250
Capital outlay	-	-	-	80,000	-
TOTAL Dept 807.00-COMM DEVELOP-PLANNING	\$ 586,948	\$ 900,482	\$ 601,011	\$ 720,670	\$ 612,378
<i>Community Development Total</i>	\$ 2,141,115	\$ 2,545,947	\$ 2,488,873	\$ 2,452,862	\$ 2,320,272
<i>Department of Public Services</i>					
Dept 442.00-DPS ADMINISTRATION DIVISION					
Personnel services	\$ 272,676	\$ 286,753	\$ 293,600	\$ 299,370	\$ 305,364
Supplies	29,579	11,200	11,200	11,200	11,200
Other services and charges	369,882	347,240	349,191	356,491	356,191
Capital outlay	204,307	32,827	266,464	-	-
TOTAL Dept 442.00-DPS ADMINISTRATION DIVISION	\$ 876,444	\$ 678,020	\$ 920,455	\$ 667,061	\$ 672,755
Dept 442.10-DPS ENGINEERING DIVISION					
Personnel services	\$ 100,579	\$ 128,653	\$ 144,412	\$ 145,815	\$ 157,729
Supplies	508	2,000	2,000	2,000	2,000
Other services and charges	94,561	116,457	134,604	133,804	132,604
Capital outlay	-	40,000	276,265	263,505	143,110
TOTAL Dept 442.10-DPS ENGINEERING DIVISION	\$ 195,648	\$ 287,110	\$ 557,281	\$ 545,124	\$ 435,443
Dept 442.20-DPS FIELD OPERATIONS DIVISION					
Personnel services	\$ (100,042)	\$ 383,632	\$ 511,086	\$ 553,692	\$ 615,657
Supplies	72,031	102,815	83,500	83,500	83,500
Other services and charges	283,260	504,807	495,250	495,150	491,350
Capital outlay	327,697	144,250	373,867	443,500	835,000
TOTAL Dept 442.20-DPS FIELD OPERATIONS DIVISION	\$ 582,946	\$ 1,135,504	\$ 1,463,703	\$ 1,575,842	\$ 2,025,507
Dept 442.30-DPS FLEET ASSET DIVISION					
Personnel services	\$ 339,988	\$ 278,571	\$ 317,357	\$ 325,351	\$ 333,820
Supplies	17,927	24,600	23,750	23,750	23,750
Other services and charges	459,099	379,640	392,450	400,400	408,700
Capital outlay	-	110,000	58,000	248,000	-
TOTAL Dept 442.30-DPS FLEET ASSET DIVISION	\$ 817,014	\$ 792,811	\$ 791,557	\$ 997,501	\$ 766,270
<i>Department of Public Services Total</i>	\$ 2,472,052	\$ 2,893,445	\$ 3,732,996	\$ 3,785,528	\$ 3,899,975



Financial Summaries

GENERAL FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17 2017-18	
APPROPRIATIONS					
Dept 665.00-NOVI YOUTH ASSISTANCE					
Personnel services	\$ -	\$ 32,636	\$ 46,271	\$ 46,689	\$ 47,136
Supplies	-	9,642	9,642	9,642	9,642
TOTAL Dept 665.00-NOVI YOUTH ASSISTANCE	\$ -	\$ 42,278	\$ 55,913	\$ 56,331	\$ 56,778
Dept 803.00-HISTORICAL COMMISSION					
Other services and charges	\$ -	\$ 9,000	\$ 14,000	\$ -	\$ -
TOTAL Dept 803.00-HISTORICAL COMMISSION	\$ -	\$ 9,000	\$ 14,000	\$ -	\$ -
Dept 940.00-TRANSFER TO OTHER FUNDS					
Transfers out	\$ 259,212	\$ 1,025,654	\$ 361,020	\$ 156,400	\$ 429,230
TOTAL Dept 940.00-TRANSFER TO OTHER FUNDS	\$ 259,212	\$ 1,025,654	\$ 361,020	\$ 156,400	\$ 429,230
TOTAL APPROPRIATIONS*	\$ 29,308,072	\$ 31,498,732	\$ 31,240,612	\$ 31,970,830	\$ 32,114,734
NET OF REVENUES/APPROPRIATIONS - FUND 101	\$ 678,453	\$ (868,517)	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	8,811,564	9,490,017	8,621,500	8,621,500	8,621,500
ENDING FUND BALANCE	\$ 9,490,017	\$ 8,621,500	\$ 8,621,500	\$ 8,621,500	\$ 8,621,500

Fund balance as a percentage of total annual expenditures	32%	27%	28%	27%	27%
Ending Fund Balance (18% minimum)	\$ 5,275,453	\$ 5,669,772	\$ 5,623,310	\$ 5,754,749	\$ 5,780,652
Funds above / (below) 18% minimum	\$ 4,214,564	\$ 2,951,728	\$ 2,998,190	\$ 2,866,751	\$ 2,840,848
Ending Fund Balance (22% maximum)	\$ 6,447,776	\$ 6,929,721	\$ 6,872,935	\$ 7,033,583	\$ 7,065,241
Funds above / (below) 22% maximum	\$ 3,042,241	\$ 1,691,779	\$ 1,748,565	\$ 1,587,917	\$ 1,556,259
Estimated Change in Fund Balance	8%	-9%	0%	0%	0%

* **Total Appropriations** include service improvements, capital outlay, vehicles, and capital improvements. The level of such expenditures is dictated by available funds from accumulated fund balance and anticipated revenue above annual expenditures in conjunction with the targeted fund balance.



Financial Summaries

SPECIAL REVENUE FUNDS

Major Street Fund

The Major Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the Major Street portion (as defined by State Act 51) of the City's street network. Of the 183.62 total centerline miles that make up the City of Novi road network, the City has 39.42 centerline miles of Major streets. Financing is primarily provided by the City's share of State gas and weight taxes.

MAJOR STREET FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Transfers in	\$ 79,730	\$ 195,000	\$ 3,275,000	\$ 2,100,000	\$ 716,000
State sources	2,725,842	2,811,200	2,606,300	2,632,300	2,658,600
Other revenue	618	3,700	-	-	-
Interest income	4,283	2,000	2,000	2,000	2,000
TOTAL ESTIMATED REVENUES	\$ 2,810,473	\$ 3,011,900	\$ 5,883,300	\$ 4,734,300	\$ 3,376,600
APPROPRIATIONS					
Other services and charges	\$ 1,788,338	\$ 1,400,656	\$ 1,478,090	\$ 1,478,090	\$ 1,478,090
Capital outlay	901,708	1,528,141	4,404,837	3,255,804	1,898,294
Transfers out	1,213,000	73,736	-	-	-
TOTAL APPROPRIATIONS	\$ 3,903,046	\$ 3,002,533	\$ 5,882,927	\$ 4,733,894	\$ 3,376,384
NET OF REVENUES/APPROPRIATIONS - FUND 202	\$ (1,092,573)	\$ 9,367	\$ 373	\$ 406	\$ 216
BEGINNING FUND BALANCE	1,689,075	596,502	605,869	606,242	606,648
ENDING FUND BALANCE	\$ 596,502	\$ 605,869	\$ 606,242	\$ 606,648	\$ 606,864

Fund balance as a percentage of total annual expenditures	15%	20%	10%	13%	18%
Ending Fund Balance (10% minimum)	\$ 390,305	\$ 300,253	\$ 588,293	\$ 473,389	\$ 337,638
Funds above / (below) 10% minimum	\$ 206,197	\$ 305,616	\$ 17,949	\$ 133,259	\$ 269,226
Ending Fund Balance (20% maximum)	\$ 780,609	\$ 600,507	\$ 1,176,585	\$ 946,779	\$ 675,277
Funds above / (below) 20% maximum	\$ (184,107)	\$ 5,362	\$ (570,343)	\$ (340,131)	\$ (68,413)
Estimated Change in Fund Balance	-65%	2%	0%	0%	0%



Financial Summaries

Local Street Fund

The Local Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the City's 144.20 centerline miles of Local Streets as defined by State Act 51. Financing is provided by the City's share of State gas and weight taxes and transfers from other funds.

LOCAL STREET FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Transfers in	\$ 3,024,000	\$ 3,025,000	\$ 2,645,000	\$ 3,045,000	\$ 3,505,000
State sources	968,895	1,040,368	932,000	942,400	951,800
Other revenue	14,935	-	-	-	-
Interest income	5,404	2,136	2,000	2,000	2,000
TOTAL ESTIMATED REVENUES	\$ 4,013,234	\$ 4,067,504	\$ 3,579,000	\$ 3,989,400	\$ 4,458,800
APPROPRIATIONS					
Transfers out	\$ 1,779,000	\$ 90,766	\$ -	\$ -	\$ -
Other services and charges	1,524,806	1,633,390	1,488,640	1,488,640	1,488,640
Capital outlay	1,673,654	2,690,000	2,090,000	2,500,000	2,970,000
TOTAL APPROPRIATIONS	\$ 4,977,460	\$ 4,414,156	\$ 3,578,640	\$ 3,988,640	\$ 4,458,640
NET OF REVENUES/APPROPRIATIONS - FUND 203	\$ (964,226)	\$ (346,652)	\$ 360	\$ 760	\$ 160
BEGINNING FUND BALANCE	1,878,596	914,370	567,718	568,078	568,838
ENDING FUND BALANCE	\$ 914,370	\$ 567,718	\$ 568,078	\$ 568,838	\$ 568,998

Fund balance as a percentage of total annual expenditures	18%	13%	16%	14%	13%
Ending Fund Balance (10% minimum)	\$ 497,746	\$ 441,416	\$ 357,864	\$ 398,864	\$ 445,864
Funds above / (below) 10% minimum	\$ 416,624	\$ 126,302	\$ 210,214	\$ 169,974	\$ 123,134
Ending Fund Balance (20% maximum)	\$ 995,492	\$ 882,831	\$ 715,728	\$ 797,728	\$ 891,728
Funds above / (below) 20% maximum	\$ (81,122)	\$ (315,113)	\$ (147,650)	\$ (228,890)	\$ (322,730)
Estimated Change in Fund Balance	-51%	-38%	0%	0%	0%



Financial Summaries

Municipal Street Fund

The Municipal Street Fund is used to enhance the Major and Local Street Funds, and to provide matching funds for County roads. This fund accounts for a City Charter authorized property tax millage to supplement the Major and Local Street Funds that have limited resources due to the reliance on the State gas and weight tax.

MUNICIPAL STREET FUND					
	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Property tax revenue	\$ 4,293,742	\$ 4,488,000	\$ 4,671,655	\$ 4,833,068	\$ 5,000,486
Special assessments levied	12,909	15,000	12,900	12,900	12,900
Transfers in	342,429	390,000	190,100	-	-
Licenses, permits & charges for services	-	1,800	-	-	-
Federal grants	-	10,813	-	-	-
Other revenue	397,497	442,560	260,000	260,000	260,000
Interest income	45,125	111,135	33,100	32,300	31,500
TOTAL ESTIMATED REVENUES	\$ 5,091,702	\$ 5,459,308	\$ 5,167,755	\$ 5,138,268	\$ 5,304,886
APPROPRIATIONS					
Transfers out	\$ 4,859,130	\$ 3,309,147	\$ 5,920,000	\$ 5,145,000	\$ 4,221,000
Other services and charges	581,162	640,405	622,075	627,575	622,075
Capital outlay	741,814	1,226,463	342,612	550,587	459,085
TOTAL APPROPRIATIONS	\$ 6,182,106	\$ 5,176,015	\$ 6,884,687	\$ 6,323,162	\$ 5,302,160
NET OF REVENUES/APPROPRIATIONS - FUND 204	\$ (1,090,404)	\$ 283,293	\$ (1,716,932)	\$ (1,184,894)	\$ 2,726
BEGINNING FUND BALANCE	5,019,513	3,929,109	4,212,402	2,495,470	1,310,576
ENDING FUND BALANCE	\$ 3,929,109	\$ 4,212,402	\$ 2,495,470	\$ 1,310,576	\$ 1,313,302
Fund balance as a percentage of total annual expenditures	64%	81%	36%	21%	25%
Ending Fund Balance (10% minimum)	\$ 618,211	\$ 517,602	\$ 688,469	\$ 632,316	\$ 530,216
Funds above / (below) 10% minimum	\$ 3,310,898	\$ 3,694,801	\$ 1,807,001	\$ 678,260	\$ 783,086
Ending Fund Balance (20% maximum)	\$ 1,236,421	\$ 1,035,203	\$ 1,376,937	\$ 1,264,632	\$ 1,060,432
Funds above / (below) 20% maximum	\$ 2,692,688	\$ 3,177,199	\$ 1,118,533	\$ 45,944	\$ 252,870
Estimated Change in Fund Balance	-22%	7%	-41%	-47%	0%



Financial Summaries

Public Safety Fund

The revenue for this fund is generated from property taxes in accordance with a special City Charter millage that was authorized to supplement the operations of the police and fire departments, including payment for personnel-related expenditures and for the purchase of fire trucks, apparatus and equipment.

PUBLIC SAFETY FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Property tax revenue	\$ 4,211,853	\$ 4,273,000	\$ 4,469,156	\$ 4,623,317	\$ 4,782,720
Interest income	130,957	23,000	20,844	15,000	8,685
TOTAL ESTIMATED REVENUES	\$ 4,342,810	\$ 4,296,000	\$ 4,490,000	\$ 4,638,317	\$ 4,791,405
APPROPRIATIONS					
Transfers out	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,070,000
TOTAL APPROPRIATIONS	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,070,000
NET OF REVENUES/APPROPRIATIONS - FUND 205	\$ (957,190)	\$ (1,004,000)	\$ (810,000)	\$ (661,683)	\$ (278,595)
BEGINNING FUND BALANCE	3,711,468	2,754,278	1,750,278	940,278	278,595
ENDING FUND BALANCE	\$ 2,754,278	\$ 1,750,278	\$ 940,278	\$ 278,595	\$ -
Fund balance as a percentage of total annual expenditures	52%	33%	18%	5%	0%
Estimated Change in Fund Balance	-26%	-36%	-46%	-70%	-100%



Financial Summaries

Parks, Recreation, and Cultural Services Fund

The departments within this fund administer all parks, recreation and cultural services operations, including strategic direction, policy development, resource identification, and serves as the liaison to the Parks, Recreation and Cultural Services Commission and the Novi Parks Foundation.

PARKS, RECREATION & CULTURAL SERVICES FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Property tax revenue	\$ 1,137,385	\$ 1,154,000	\$ 1,201,820	\$ 1,240,051	\$ 1,277,197
Donations	20,000	20,000	23,000	23,000	23,000
Program revenue	1,156,064	1,072,882	1,140,150	1,142,218	1,144,403
Older adult program revenue	204,077	196,130	181,650	181,650	181,650
State grants	204,949	385,000	-	-	-
Transfers in	264,902	792,542	361,020	156,400	429,230
Federal grants	87,923	-	-	-	-
Other revenue	23,027	8,000	5,400	5,400	5,400
Interest income	6,874	5,000	5,000	5,007	5,000
TOTAL ESTIMATED REVENUES	\$ 3,105,201	\$ 3,633,554	\$ 2,918,040	\$ 2,753,726	\$ 3,065,880
APPROPRIATIONS					
Personnel services	\$ 868,673	\$ 1,077,241	\$ 1,174,506	\$ 1,200,342	\$ 1,227,916
Supplies	26,535	64,180	40,180	40,180	40,180
Other services and charges	1,449,068	1,458,723	1,367,344	1,378,204	1,382,554
Capital outlay	1,148,879	1,413,896	436,010	135,000	415,230
TOTAL APPROPRIATIONS	\$ 3,493,155	\$ 4,014,040	\$ 3,018,040	\$ 2,753,726	\$ 3,065,880
NET OF REVENUES/APPROPRIATIONS - FUND 208	\$ (387,954)	\$ (380,486)	\$ (100,000)	\$ -	\$ -
BEGINNING FUND BALANCE	1,283,198	895,244	514,758	414,758	414,758
ENDING FUND BALANCE	\$ 895,244	\$ 514,758	\$ 414,758	\$ 414,758	\$ 414,758

Fund balance as a percentage of total annual expenditures	26%	13%	14%	15%	14%
Ending Fund Balance (12% minimum)	\$ 419,179	\$ 481,685	\$ 362,165	\$ 330,447	\$ 367,906
Funds above / (below) 12% minimum	\$ 476,065	\$ 33,073	\$ 52,593	\$ 84,311	\$ 46,852
Ending Fund Balance (22% maximum)	\$ 768,494	\$ 883,089	\$ 663,969	\$ 605,820	\$ 674,494
Funds above / (below) 22% maximum	\$ 126,750	\$ (368,331)	\$ (249,211)	\$ (191,062)	\$ (259,736)
Estimated Change in Fund Balance	-30%	-43%	-19%	0%	0%



Financial Summaries

Tree Fund

This fund was established to cover most of the cost of City tree replacement and future maintenance costs. Proceeds vary from year to year and come from fines, fees paid by developers and street tree maintenance charges pursuant to the City Charter and Code of Ordinances.

TREE FUND					
	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Other revenue	\$ 200,207	\$ 80,000	\$ 195,000	\$ 175,000	\$ 175,000
Interest income	43,699	14,000	39,184	40,482	42,894
TOTAL ESTIMATED REVENUES	\$ 243,906	\$ 94,000	\$ 234,184	\$ 215,482	\$ 217,894
APPROPRIATIONS					
Personnel services	\$ -	\$ -	\$ 98,851	\$ 84,282	\$ 86,694
Other services and charges	151,807	162,701	131,200	131,200	131,200
Capital outlay	-	-	4,133	-	-
TOTAL APPROPRIATIONS	\$ 151,807	\$ 162,701	\$ 234,184	\$ 215,482	\$ 217,894
NET OF REVENUES/APPROPRIATIONS - FUND 209	\$ 92,099	\$ (68,701)	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	1,485,961	1,578,060	1,509,359	1,509,359	1,509,359
ENDING FUND BALANCE	\$ 1,578,060	\$ 1,509,359	\$ 1,509,359	\$ 1,509,359	\$ 1,509,359
Fund balance as a percentage of total annual expenditures	1040%	928%	645%	700%	693%
Ending Fund Balance (\$500,000 minimum)	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Funds above / (below) \$500,000 minimum	\$ 1,078,060	\$ 1,009,359	\$ 1,009,359	\$ 1,009,359	\$ 1,009,359
Estimated Change in Fund Balance	6%	-4%	0%	0%	0%



Financial Summaries

Drain Fund

This fund includes a special property tax millage that was approved for the purpose of improving and maintaining the City's regional and arterial detention system.

DRAIN FUND					
	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Property tax revenue	\$ 315,772	\$ (8,000)	\$ (8,026)	\$ 1,412,623	\$ 2,184,812
Other revenue	9,700	10,000	10,000	10,000	10,000
Interest income	152,935	31,000	40,000	50,000	60,000
TOTAL ESTIMATED REVENUES	\$ 478,407	\$ 33,000	\$ 41,974	\$ 1,472,623	\$ 2,254,812
APPROPRIATIONS					
Other services and charges	\$ 469,935	\$ 656,377	\$ 708,618	\$ 698,468	\$ 703,468
Capital outlay	16,947	1,120,890	1,823,430	361,732	87,137
TOTAL APPROPRIATIONS	\$ 486,882	\$ 1,777,267	\$ 2,532,048	\$ 1,060,200	\$ 790,605
NET OF REVENUES/APPROPRIATIONS - FUND 210	\$ (8,475)	\$ (1,744,267)	\$ (2,490,074)	\$ 412,423	\$ 1,464,207
BEGINNING FUND BALANCE	5,313,741	5,305,266	3,560,999	1,070,925	1,483,348
ENDING FUND BALANCE	\$ 5,305,266	\$ 3,560,999	\$ 1,070,925	\$ 1,483,348	\$ 2,947,555
Fund balance as a percentage of total annual expenditures	1090%	200%	42%	140%	373%
Estimated Change in Fund Balance	0%	-33%	-70%	39%	99%



Financial Summaries

PEG Cable Fund

This fund was established to track the revenues and expenditures related to providing cable services to the City, including cable franchise revenues and cable production fees.

PEG CABLE FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Transfers in	\$ -	\$ 272,654	\$ -	\$ -	\$ -
Licenses, permits & charges for services	-	180,000	180,000	185,000	190,000
Interest income	-	-	1,000	1,000	1,000
TOTAL ESTIMATED REVENUES	\$ -	\$ 452,654	\$ 181,000	\$ 186,000	\$ 191,000
APPROPRIATIONS					
Personnel services	\$ -	\$ -	\$ 21,691	\$ 21,698	\$ 21,708
Other services and charges	-	85,000	90,000	91,500	90,000
Capital outlay	-	7,000	7,000	7,000	7,000
TOTAL APPROPRIATIONS	\$ -	\$ 92,000	\$ 118,691	\$ 120,198	\$ 118,708
NET OF REVENUES/APPROPRIATIONS - FUND 263	\$ -	\$ 360,654	\$ 62,309	\$ 65,802	\$ 72,292
BEGINNING FUND BALANCE	-	-	360,654	422,963	488,765
ENDING FUND BALANCE	\$ -	\$ 360,654	\$ 422,963	\$ 488,765	\$ 561,057

Fund balance as a percentage of total annual expenditures

0% 392% 356% 407% 473%

Estimated Change in Fund Balance

0% 0% 17% 16% 15%

Financial Summaries



Community Development Block Grant (CDBG) Fund

This fund records federal grant monies passed through to the City from Oakland County. These funds are used to support the youth assistance program and minor home repair program.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Federal grants	\$ -	\$ 163,159	\$ 77,505	\$ 75,000	\$ 75,000
TOTAL ESTIMATED REVENUES	\$ -	\$ 163,159	\$ 77,505	\$ 75,000	\$ 75,000
APPROPRIATIONS					
Other services and charges	\$ -	\$ 163,159	\$ 77,505	\$ 75,000	\$ 75,000
TOTAL APPROPRIATIONS	\$ -	\$ 163,159	\$ 77,505	\$ 75,000	\$ 75,000
NET OF REVENUES/APPROPRIATIONS - FUND 264	\$ -	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance as a percentage of total annual expenditures	0%	0%	0%	0%	0%
Estimated Change in Fund Balance	0%	0%	0%	0%	0%



Financial Summaries

Contributions and Donation Fund

This fund was established to receive donations from private corporations and citizens to be used for such purposes as parks development, road improvements, and other programs. This fund will be closed as of June 30, 2015. As of July 1, 2015, these donations will be budgeted throughout the respective City departments.

CONTRIBUTIONS & DONATION FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Donations	\$ 3,833	\$ 33,550	\$ -	\$ -	\$ -
Interest income	775	1,100	-	-	-
TOTAL ESTIMATED REVENUES	\$ 4,608	\$ 34,650	\$ -	\$ -	\$ -
APPROPRIATIONS					
Supplies	\$ 1,588	\$ 1,500	\$ -	\$ -	\$ -
Other services and charges	660	600	-	-	-
Transfers out	5,690	269,690	-	-	-
TOTAL APPROPRIATIONS	\$ 7,938	\$ 271,790	\$ -	\$ -	\$ -
NET OF REVENUES/APPROPRIATIONS - FUND 265	\$ (3,330)	\$ (237,140)	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	240,470	237,140	-	-	-
ENDING FUND BALANCE	\$ 237,140	\$ -	\$ -	\$ -	\$ -
Fund balance as a percentage of total annual expenditures	2987%	0%	0%	0%	0%
Estimated Change in Fund Balance	-1%	-100%	0%	0%	0%



Financial Summaries

Forfeiture Fund

This fund records all receipts and expenditures relating to Federal, State, Local and OWI, forfeited and legally restricted, funds relating to narcotic trafficking, money laundering, State laws and ordinances.

FORFEITURE FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Federal grants	\$ 541	\$ 5,027	\$ 5,000	\$ 5,000	\$ 5,000
Other revenue	2,882	17,304	3,000	3,000	3,000
Fines and forfeitures	390,617	177,507	66,000	66,000	66,000
Interest income	2,016	2,500	2,500	2,500	2,500
TOTAL ESTIMATED REVENUES	\$ 396,056	\$ 202,338	\$ 76,500	\$ 76,500	\$ 76,500
APPROPRIATIONS					
Supplies	\$ 6,865	\$ 34,225	\$ 10,000	\$ 10,000	\$ 10,000
Other services and charges	73,819	59,500	400	400	400
Capital outlay	220,464	167,440	224,330	234,365	117,090
TOTAL APPROPRIATIONS	\$ 301,148	\$ 261,165	\$ 234,730	\$ 244,765	\$ 127,490
NET OF REVENUES/APPROPRIATIONS - FUND 266	\$ 94,908	\$ (58,827)	\$ (158,230)	\$ (168,265)	\$ (50,990)
BEGINNING FUND BALANCE	341,404	436,312	377,485	219,255	50,990
ENDING FUND BALANCE	\$ 436,312	\$ 377,485	\$ 219,255	\$ 50,990	\$ -

Fund balance as a percentage of total annual expenditures	145%	145%	93%	21%	0%
Estimated Change in Fund Balance	28%	-13%	-42%	-77%	-100%



Financial Summaries

Library Fund

Novi Public Library provides the resources and programs to support the educational, cultural, informational and recreational needs of its diverse community. The library supports intellectual freedom and access to information resources for all, while maintaining the privacy of its patrons and providing a safe and secure environment. The Library is funded primarily from property taxes in accordance with a special City Charter millage.

LIBRARY FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Donations	\$ 9,732	\$ 5,000	\$ 6,000	\$ 6,000	\$ 6,000
Property tax revenue	2,276,337	2,309,000	2,408,281	2,491,457	2,572,462
State sources	30,103	20,000	27,000	27,000	27,000
Other revenue	60,028	59,500	60,900	62,900	62,900
Fines and forfeitures	148,183	147,000	147,000	147,000	147,000
Interest income	59,838	25,700	24,000	24,000	24,000
TOTAL ESTIMATED REVENUES	\$ 2,584,221	\$ 2,566,200	\$ 2,673,181	\$ 2,758,357	\$ 2,839,362
APPROPRIATIONS					
Personnel services	\$ 1,860,413	\$ 1,939,788	\$ 1,895,945	\$ 1,907,462	\$ 1,919,669
Supplies	511,495	585,600	566,000	558,800	558,800
Other services and charges	445,714	451,150	479,600	484,500	490,800
Capital outlay	33,915	14,000	146,200	109,400	26,000
TOTAL APPROPRIATIONS	\$ 2,851,537	\$ 2,990,538	\$ 3,087,745	\$ 3,060,162	\$ 2,995,269
NET OF REVENUES/APPROPRIATIONS - FUND 268	\$ (267,316)	\$ (424,338)	\$ (414,564)	\$ (301,805)	\$ (155,907)
BEGINNING FUND BALANCE	2,113,292	1,845,976	1,421,638	1,007,074	705,269
ENDING FUND BALANCE	\$ 1,845,976	\$ 1,421,638	\$ 1,007,074	\$ 705,269	\$ 549,362

Fund balance as a percentage of total annual expenditures	65%	48%	33%	23%	18%
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Estimated Change in Fund Balance	-13%	-23%	-29%	-30%	-22%
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Financial Summaries

Library Contributed (Walker Library) Fund

In May 2004, the City of Novi's Library received a generous gift of \$1,000,000 from Charles and Myrtle Walker for use in the replacement or expansion of the then existing Library building. The Library Board also entered into a Library Building Fund Gift Agreement with the Walker family to encourage additional donations. The library has continued to receive donations. As of January 1, 2014, the restrictions on the use of these funds expired.

LIBRARY CONTRIBUTED (WALKER LIBRARY) FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Donations	\$ 13,531	\$ 62,333	\$ 12,000	\$ 12,000	\$ 12,000
Interest income	51,111	-	20,000	20,000	20,000
TOTAL ESTIMATED REVENUES	\$ 64,642	\$ 62,333	\$ 32,000	\$ 32,000	\$ 32,000
APPROPRIATIONS					
Supplies	\$ 26,169	\$ 30,271	\$ 32,000	\$ 32,000	\$ 32,000
TOTAL APPROPRIATIONS	\$ 26,169	\$ 30,271	\$ 32,000	\$ 32,000	\$ 32,000
NET OF REVENUES/APPROPRIATIONS - FUND 269	\$ 38,473	\$ 32,062	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	1,552,288	1,590,761	1,622,823	1,622,823	1,622,823
ENDING FUND BALANCE	\$ 1,590,761	\$ 1,622,823	\$ 1,622,823	\$ 1,622,823	\$ 1,622,823
Fund balance as a percentage of total annual expenditures	6079%	5361%	5071%	5071%	5071%
Estimated Change in Fund Balance	2%	2%	0%	0%	0%



Financial Summaries

Street Lighting (West Oaks Street) Fund

This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to West Oaks Street.

STREET LIGHTING (WEST OAKS STREET) FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Special assessments levied	\$ -	\$ -	\$ 7,529	\$ 7,529	\$ 7,529
Interest income	87	150	100	100	100
TOTAL ESTIMATED REVENUES	\$ 87	\$ 150	\$ 7,629	\$ 7,629	\$ 7,629
APPROPRIATIONS					
Other services and charges	\$ 9,895	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
TOTAL APPROPRIATIONS	\$ 9,895	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
NET OF REVENUES/APPROPRIATIONS - FUND 854	\$ (9,808)	\$ (9,850)	\$ (2,371)	\$ (2,371)	\$ (2,371)
BEGINNING FUND BALANCE	69,936	60,128	50,278	47,907	45,536
ENDING FUND BALANCE	\$ 60,128	\$ 50,278	\$ 47,907	\$ 45,536	\$ 43,165

Fund balance as a percentage of total annual expenditures

608% 503% 479% 455% 432%

Estimated Change in Fund Balance

-14% -16% -5% -5% -5%



Financial Summaries

Street Lighting (West Lake Drive) Fund

This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to West Lake Drive.

STREET LIGHTING (WEST LAKE DRIVE) FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Special assessments levied	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300
Interest income	5	-	10	-	-
TOTAL ESTIMATED REVENUES	\$ 3,305	\$ 3,300	\$ 3,310	\$ 3,300	\$ 3,300
APPROPRIATIONS					
Other services and charges	\$ 2,914	\$ 3,300	\$ 3,310	\$ 3,300	\$ 3,300
TOTAL APPROPRIATIONS	\$ 2,914	\$ 3,300	\$ 3,310	\$ 3,300	\$ 3,300
NET OF REVENUES/APPROPRIATIONS - FUND 855	\$ 391	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	1,928	2,319	2,319	2,319	2,319
ENDING FUND BALANCE	\$ 2,319	\$ 2,319	\$ 2,319	\$ 2,319	\$ 2,319
Fund balance as a percentage of total annual expenditures	80%	70%	70%	70%	70%
Estimated Change in Fund Balance	20%	0%	0%	0%	0%



Financial Summaries

Street Lighting (Town Center Street) Fund

This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to Town Center Street.

STREET LIGHTING (TOWN CENTER STREET) FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Special assessments levied	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Other revenue	6,900	-	-	-	-
Interest income	57	-	50	50	50
TOTAL ESTIMATED REVENUES	\$ 21,957	\$ 15,000	\$ 15,050	\$ 15,050	\$ 15,050
APPROPRIATIONS					
Other services and charges	\$ 8,959	\$ 15,000	\$ 15,050	\$ 15,050	\$ 15,050
Capital outlay	466,750	-	-	-	-
TOTAL APPROPRIATIONS	\$ 475,709	\$ 15,000	\$ 15,050	\$ 15,050	\$ 15,050
NET OF REVENUES/APPROPRIATIONS - FUND 856	\$ (453,752)	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	481,335	27,583	27,583	27,583	27,583
ENDING FUND BALANCE	\$ 27,583	\$ 27,583	\$ 27,583	\$ 27,583	\$ 27,583

Fund balance as a percentage of total annual expenditures

6% 184% 183% 183% 183%

Estimated Change in Fund Balance

-94% 0% 0% 0% 0%



Financial Summaries

DEBT SERVICE FUNDS

Library Construction Debt Fund

This fund was established to account for annual debt service payments for a bond that was issued to construct a new library building. The annual debt service is paid from property tax collections authorized by a voter approved millage.

LIBRARY CONSTRUCTION DEBT FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Property tax revenue	\$ 1,134,065	\$ 1,111,873	\$ 1,283,800	\$ 1,314,400	\$ 1,284,400
Interest income	301	100	225	250	250
TOTAL ESTIMATED REVENUES	\$ 1,134,366	\$ 1,111,973	\$ 1,284,025	\$ 1,314,650	\$ 1,284,650
APPROPRIATIONS					
Debt service	\$ 1,124,360	\$ 1,106,750	\$ 1,088,625	\$ 1,314,250	\$ 1,284,250
Other services and charges	-	400	400	400	400
TOTAL APPROPRIATIONS	\$ 1,124,360	\$ 1,107,150	\$ 1,089,025	\$ 1,314,650	\$ 1,284,650
NET OF REVENUES/APPROPRIATIONS - FUND 317	\$ 10,006	\$ 4,823	\$ 195,000	\$ -	\$ -
BEGINNING FUND BALANCE	48,248	58,254	63,077	258,077	258,077
ENDING FUND BALANCE	\$ 58,254	\$ 63,077	\$ 258,077	\$ 258,077	\$ 258,077
Fund balance as a percentage of total annual expenditures	5%	6%	24%	20%	20%
Estimated Change in Fund Balance	21%	8%	309%	0%	0%



Financial Summaries

2010 Refunding Bonds Debt Fund

This fund was established to account for annual debt service payments for a bond that was issued to construct streets. The annual debt service is paid from property tax collections authorized by a voter approved millage.

2010 REFUNDING BONDS DEBT FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Property tax revenue	\$ 1,029,037	\$ 1,030,890	\$ 1,061,164	\$ -	\$ -
Interest income	75	50	44	-	-
TOTAL ESTIMATED REVENUES	\$ 1,029,112	\$ 1,030,940	\$ 1,061,208	\$ -	\$ -
APPROPRIATIONS					
Debt service	\$ 1,018,048	\$ 1,030,540	\$ 1,087,394	\$ -	\$ -
Other services and charges	-	400	400	-	-
TOTAL APPROPRIATIONS	\$ 1,018,048	\$ 1,030,940	\$ 1,087,794	\$ -	\$ -
NET OF REVENUES/APPROPRIATIONS - FUND 395	\$ 11,064	\$ -	\$ (26,586)	\$ -	\$ -
BEGINNING FUND BALANCE	15,522	26,586	26,586	-	-
ENDING FUND BALANCE	\$ 26,586	\$ 26,586	\$ -	\$ -	\$ -

Fund balance as a percentage of total annual expenditures

3% 3% 0% 0% 0%

Estimated Change in Fund Balance

71% 0% -100% 0% 0%



Financial Summaries

2002 Street & Refunding Bond Debt Fund

This fund was established to account for annual debt service payments for a bond that was issued for paving purposes, the remaining park debt, and the fire debt. The annual debt service is paid from property tax collections authorized by a voter approved millage.

2002 STREET & REFUNDING BOND DEBT FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Property tax revenue	\$ 780,143	\$ 1,131,458	\$ 1,010,092	\$ 752,000	\$ (15,000)
Interest income	247	125	597	569	-
TOTAL ESTIMATED REVENUES	\$ 780,390	\$ 1,131,583	\$ 1,010,689	\$ 752,569	\$ (15,000)
APPROPRIATIONS					
Debt service	\$ 749,548	\$ 751,860	\$ 751,860	\$ 752,169	\$ 749,763
Other services and charges	-	400	400	400	400
TOTAL APPROPRIATIONS	\$ 749,548	\$ 752,260	\$ 752,260	\$ 752,569	\$ 750,163
NET OF REVENUES/APPROPRIATIONS - FUND 397	\$ 30,842	\$ 379,323	\$ 258,429	\$ -	\$ (765,163)
BEGINNING FUND BALANCE	96,569	127,411	506,734	765,163	765,163
ENDING FUND BALANCE	\$ 127,411	\$ 506,734	\$ 765,163	\$ 765,163	\$ -
Fund balance as a percentage of total annual expenditures	17%	67%	102%	102%	0%
Estimated Change in Fund Balance	32%	298%	51%	0%	-100%



Financial Summaries

12 Mile Road SAD Debt Fund

This fund was established to account for the annual debt service payments on a bond that was issued for the construction of a portion of 12 Mile road. The debt service payments are funded by a long-term special assessment.

12 MILE ROAD SAD DEBT FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Special assessments levied	\$ 1,646,861	\$ 1,762,306	\$ 1,537,303	\$ -	\$ -
Interest income	214,293	80,694	33,197	-	-
TOTAL ESTIMATED REVENUES	\$ 1,861,154	\$ 1,843,000	\$ 1,570,500	\$ -	\$ -
APPROPRIATIONS					
Debt service	\$ 1,518,725	\$ 1,453,000	\$ 1,380,400	\$ -	\$ -
Transfers out	342,429	390,000	190,100	-	-
TOTAL APPROPRIATIONS	\$ 1,861,154	\$ 1,843,000	\$ 1,570,500	\$ -	\$ -
NET OF REVENUES/APPROPRIATIONS - FUND 841	\$ -	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

Fund balance as a percentage of total annual expenditures

0% 0% 0% 0% 0%

Estimated Change in Fund Balance

0% 0% 0% 0% 0%



Financial Summaries

CAPITAL PROJECT FUNDS

Special Assessment Revolving Fund

This fund is used to account for the construction of capital assets funded in whole or part by long-term special assessment debt. The city has self-funded previous projects and has elected to maintain the cumulative interest as well as the initial General Fund contribution in this fund. All future uses of this fund will be determined as part of the city's annual capital improvement plan (CIP plan).

SPECIAL ASSESSMENT REVOLVING FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Interest income	\$ 62,392	\$ 18,000	\$ 60,000	\$ 60,000	\$ 60,000
TOTAL ESTIMATED REVENUES	\$ 62,392	\$ 18,000	\$ 60,000	\$ 60,000	\$ 60,000
APPROPRIATIONS					
Other services and charges	\$ 360	\$ 400	\$ 400	\$ 400	\$ 400
TOTAL APPROPRIATIONS	\$ 360	\$ 400	\$ 400	\$ 400	\$ 400
NET OF REVENUES/APPROPRIATIONS - FUND 235	\$ 62,032	\$ 17,600	\$ 59,600	\$ 59,600	\$ 59,600
BEGINNING FUND BALANCE	3,721,329	3,783,361	3,800,961	3,860,561	3,920,161
ENDING FUND BALANCE	\$ 3,783,361	\$ 3,800,961	\$ 3,860,561	\$ 3,920,161	\$ 3,979,761
Fund balance as a percentage of total annual expenditures	1050934%	950240%	965140%	980040%	994940%
Estimated Change in Fund Balance	2%	0%	2%	2%	2%



Financial Summaries

Gun Range Facility Fund

As of July 1, 2014, the City Council has elected to place the gross revenue from users of the gun range facility (previously in the General Fund) into a separate capital project fund to be used toward planned future capital improvements.

GUN RANGE FACILITY FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Licenses, permits & charges for services	\$ -	\$ 137,800	\$ 130,800	\$ 130,000	\$ 130,000
Interest income	-	7	1,793	1,000	700
TOTAL ESTIMATED REVENUES	\$ -	\$ 137,807	\$ 132,593	\$ 131,000	\$ 130,700
APPROPRIATIONS					
Capital outlay	\$ -	\$ -	\$ -	\$ 401,400	\$ 130,700
TOTAL APPROPRIATIONS	\$ -	\$ -	\$ -	\$ 401,400	\$ 130,700
NET OF REVENUES/APPROPRIATIONS - FUND 402	\$ -	\$ 137,807	\$ 132,593	\$ (270,400)	\$ -
BEGINNING FUND BALANCE	-	-	137,807	270,400	-
ENDING FUND BALANCE	\$ -	\$ 137,807	\$ 270,400	\$ -	\$ -

Fund balance as a percentage of total annual expenditures

0% 0% 0% 0% 0%

Estimated Change in Fund Balance

0% 0% 96% -100% 0%



Financial Summaries

Street Improvement Fund

As of fiscal year 2013-2014, the City Council has elected to transfer the remaining unspent balances for ongoing construction projects in the Major, Local, and Municipal Street funds into this separate capital improvement fund until completion. The City expects all projects in this fund to be completed before the end of the following fiscal year. This fund has no initial budget since the unfinished projects as of June 30, 2015, are unknown. The budget will be amended accordingly after July 1, 2015.

STREET IMPROVEMENT FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Interest income	\$ 492	\$ -	\$ -	\$ -	\$ -
Transfers in	4,747,400	253,649	-	-	-
TOTAL ESTIMATED REVENUES	\$ 4,747,892	\$ 253,649	\$ -	\$ -	\$ -
APPROPRIATIONS					
Capital outlay	\$ -	\$ 5,001,049	\$ -	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ -	\$ 5,001,049	\$ -	\$ -	\$ -
NET OF REVENUES/APPROPRIATIONS - FUND 403	\$ 4,747,892	\$ (4,747,400)	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	-	4,747,892	492	492	492
ENDING FUND BALANCE	\$ 4,747,892	\$ 492	\$ 492	\$ 492	\$ 492
Fund balance as a percentage of total annual expenditures	0%	0%	0%	0%	0%
Estimated Change in Fund Balance	0%	-100%	0%	0%	0%



Financial Summaries

PERMANENT FUNDS

Drain Perpetual Maintenance Fund

A citizen's committee has been established to oversee the building and maintenance of the drain system. This fund was initially created with allocations from the Drain Fund. Additional revenue has come from tap fees for properties connecting to regional systems. The intent is to build an investment base in which earnings will eventually cover the cost of maintaining the system and reduce or eliminate the need for the Drain Fund millage.

DRAIN PERPETUAL MAINTENANCE FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Tap-in fees	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Interest income	154,398	75,000	100,000	110,000	120,000
TOTAL ESTIMATED REVENUES	\$ 154,398	\$ 80,000	\$ 105,000	\$ 115,000	\$ 125,000
NET OF REVENUES/APPROPRIATIONS - FUND 211	\$ 154,398	\$ 80,000	\$ 105,000	\$ 115,000	\$ 125,000
BEGINNING FUND BALANCE	6,169,585	6,323,983	6,403,983	6,508,983	6,623,983
ENDING FUND BALANCE	\$ 6,323,983	\$ 6,403,983	\$ 6,508,983	\$ 6,623,983	\$ 6,748,983

Fund balance as a percentage of total annual expenditures

0% 0% 0% 0% 0%

Estimated Change in Fund Balance

3% 1% 2% 2% 2%

Financial Summaries



ENTERPRISE FUNDS

Ice Arena Fund

The Novi Ice Arena opened in 1998 to provide ice skating services to Novi residents and other local communities. The facility is self-supporting and strives to generate positive cash flow under contract with Suburban Arena Management – Novi LLC, a third party vendor.

ICE ARENA FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Program revenue	\$ 2,046,474	\$ 1,969,496	\$ 1,990,915	\$ 2,011,272	\$ 2,032,985
Other revenue	97,488	89,302	89,300	89,300	89,300
Interest income	8,718	3,500	8,000	8,000	8,000
TOTAL ESTIMATED REVENUES	\$ 2,152,680	\$ 2,062,298	\$ 2,088,215	\$ 2,108,572	\$ 2,130,285
APPROPRIATIONS					
Debt service	\$ 250,363	\$ 250,000	\$ 556,220	\$ 585,420	\$ 563,660
Supplies	19,289	14,400	14,150	14,150	14,150
Other services and charges	1,445,795	1,581,023	1,351,801	1,347,677	1,374,716
Capital outlay	56,168	302,660	209,000	204,500	190,000
TOTAL APPROPRIATIONS	\$ 1,771,615	\$ 2,148,083	\$ 2,131,171	\$ 2,151,747	\$ 2,142,526
NET OF REVENUES/APPROPRIATIONS - FUND 590	\$ 381,065	\$ (85,785)	\$ (42,956)	\$ (43,175)	\$ (12,241)
BEGINNING FUND BALANCE	2,986,890	3,367,955	3,282,170	3,239,214	3,196,039
ENDING FUND BALANCE	\$ 3,367,955	\$ 3,282,170	\$ 3,239,214	\$ 3,196,039	\$ 3,183,798

Fund balance as a percentage of total annual expenditures	190%	153%	152%	149%	149%
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Estimated Change in Fund Balance	13%	-3%	-1%	-1%	0%
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Financial Summaries

Water and Sewer Fund

The City of Novi takes pride in providing safe and efficient water distribution and sanitary sewage collection systems. The City has taken steps to further improve infrastructure, as recommended by the Water Distribution Study and Master Plan Update, and the sanitary sewer Capacity, Management, Operations and Maintenance Program (CMOM). These programs have allowed the City to fully examine the current operation of the City's utility-based infrastructure and provide recommendations for improvements to the water distribution and sanitary sewage collection systems.

WATER AND SEWER FUND

	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED	
				2016-17	2017-18
ESTIMATED REVENUES					
Capital contributions	\$ 2,905,677	\$ 1,550,000	\$ 2,550,000	\$ 2,550,000	\$ 2,550,000
Operating revenue	21,653,565	26,168,000	23,281,000	24,887,000	26,605,000
Other revenue	9,838	190,000	175,000	186,000	199,000
Interest income	1,087,745	410,000	660,473	761,845	863,137
TOTAL ESTIMATED REVENUES	\$ 25,656,825	\$ 28,318,000	\$ 26,666,473	\$ 28,384,845	\$ 30,217,137
APPROPRIATIONS					
Personnel services	\$ 1,078,220	\$ 1,221,061	\$ 1,294,121	\$ 1,324,122	\$ 1,356,706
Supplies	51,849	59,500	58,200	58,200	58,200
Other services and charges	21,844,802	24,874,205	20,133,586	21,434,456	22,836,681
Capital outlay	1,200	8,752,166	1,561,067	2,678,980	2,578,000
Debt service	25,070	11,700	170,185	159,563	153,750
TOTAL APPROPRIATIONS	\$ 23,001,141	\$ 34,918,632	\$ 23,217,159	\$ 25,655,321	\$ 26,983,337
NET OF REVENUES/APPROPRIATIONS - FUND 592	\$ 2,655,684	\$ (6,600,632)	\$ 3,449,314	\$ 2,729,524	\$ 3,233,800
BEGINNING FUND BALANCE	168,611,427	171,267,111	164,666,479	168,115,793	170,845,317
ENDING FUND BALANCE	\$ 171,267,111	\$ 164,666,479	\$ 168,115,793	\$ 170,845,317	\$ 174,079,117

Fund balance as a percentage of total annual expenditures

745%

472%

724%

666%

645%

Estimated Change in Fund Balance

2%

-4%

2%

2%

2%



Financial Summaries

Senior Housing Fund

Meadowbrook Commons is an older adult housing community owned by the City of Novi and managed by a contractual management company. Financing for this project was provided through bonds issued by the Building Authority. The total construction cost was \$12.5 million and all operational expenses and the bond debt retirement are covered by rental revenue.

SENIOR HOUSING FUND					
	ACTUAL 2013-14	ESTIMATED 2014-15	BUDGET 2015-16	PROJECTED 2016-17	PROJECTED 2017-18
ESTIMATED REVENUES					
Operating revenue	\$ 1,971,692	\$ 1,973,040	\$ 1,996,255	\$ 2,010,000	\$ 2,028,000
Other revenue	21,069	17,400	17,400	17,800	18,200
Interest income	22,394	3,200	7,500	8,500	9,500
TOTAL ESTIMATED REVENUES	\$ 2,015,155	\$ 1,993,640	\$ 2,021,155	\$ 2,036,300	\$ 2,055,700
APPROPRIATIONS					
Debt service	\$ 505,050	\$ 445,800	\$ 1,120,110	\$ 1,144,104	\$ 1,143,485
Supplies	9,313	11,475	11,475	11,475	11,475
Other services and charges	1,022,641	1,175,159	769,678	773,092	780,707
Capital outlay	11,474	180,322	39,000	-	-
TOTAL APPROPRIATIONS	\$ 1,548,478	\$ 1,812,756	\$ 1,940,263	\$ 1,928,671	\$ 1,935,667
NET OF REVENUES/APPROPRIATIONS - FUND 594	\$ 466,677	\$ 180,884	\$ 80,892	\$ 107,629	\$ 120,033
BEGINNING FUND BALANCE	1,943,284	2,409,961	2,590,845	2,671,737	2,779,366
ENDING FUND BALANCE	\$ 2,409,961	\$ 2,590,845	\$ 2,671,737	\$ 2,779,366	\$ 2,899,399
Fund balance as a percentage of total annual expenditures	156%	143%	138%	144%	150%
Estimated Change in Fund Balance	24%	8%	3%	4%	4%



Financial Summaries

Fund Balance

Fund Balance is the difference between assets and liabilities in a governmental fund. The governmental funds account for the City's bread-and-butter, are typically tax-supported activities of a government (as opposed to enterprise funds, which are self-supporting, business-like activities), and include the following:

- General Fund – where a government accounts for everything not reported in another fund
- Special Revenue Funds – for reporting specific sources that are limited to being used for a particular purpose
- Debt Service Funds – which account for the repayment of debt
- Capital Project Funds – which track the accumulation and use of resources for construction, acquiring, and rehabilitating capital assets (such as buildings and roads)
- Permanent Funds – where a government reports principal amounts that are restricted to being invested to produce income but cannot be spent

GASB 54

GASB Statement No. 54 creates five components of fund balance, though not every government or governmental fund will report all components. This approach is intended to provide users consistent and understandable information about a fund's net resources. The five components are:

Nonspendable Fund Balance

**cannot be spent (legally restricted or in unspendable form)*

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned.
- Amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund)

Restricted Fund Balance

**externally imposed (law, creditor, bond covenant)*

- Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. This is the same definition used by GASB Statement no. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, for restricted net assets.

Committed Fund Balance

**constraints approved by Council*

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

Financial Summaries



Assigned Fund Balance

*constrained by intent by City Council, or by the City Manager, or by a body/person to which City Council designates the authority

- For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.
- For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

Unassigned Fund Balance

*available to spend, unrestricted

- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.
- For all governmental funds other than the general fund, amount expended in excess of resources that are nonspendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

All Funds FY 2015-16 Budget

	Governmental Funds						TOTAL FY 2015-16 BUDGET
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	PERMANENT FUNDS	ENTERPRISE FUNDS	
	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16	BUDGET 2015-16
TOTAL ESTIMATED REVENUES	\$ 31,240,612	\$ 25,380,428	\$ 4,926,422	\$ 192,593	\$ 105,000	\$ 30,775,843	\$ 92,620,898
TOTAL APPROPRIATIONS	31,240,612	31,009,557	4,499,579	400	-	27,288,593	94,038,741
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS	\$ -	\$ (5,629,129)	\$ 426,843	\$ 192,193	\$ 105,000	\$ 3,487,250	\$ (1,417,843)
BEGINNING FUND BALANCE	8,621,500	16,584,163	596,397	3,939,260	6,403,983	170,539,494	206,684,797
ENDING FUND BALANCE	\$ 8,621,500	\$ 10,955,034	\$ 1,023,240	\$ 4,131,453	\$ 6,508,983	\$ 174,026,744	\$ 205,266,954
Fund balance as a percentage of total annual expenditures	28%	35%	23%	1032863%	0%	638%	218%



Financial Summaries

The following governmental funds have significant changes in fund balance:

Special Revenue Funds

The Municipal Street Fund is projected to use approximately \$1.7 million of fund balance in FY 2015-16. These funds will be used for future major road projects throughout the City which are listed in the capital improvement program.

The Public Safety Fund is projected to use \$810,000 of fund balance in FY 2015-16 to fund operating and capital expenses within the General Fund which is the purpose of this fund.

The Parks, Recreation, and Cultural Services Fund is projected to use \$100,000 of fund balance in FY 2015-16 to fund Power Park and ITC Community Sports Park Upgrades.

The Drain Fund is projected to use approximately \$2.5 million of fund balance in FY 2015-16. These funds will be used for future capital projects listed in the capital improvement program.

The PEG Cable Fund is projected to add \$62,000 to fund balance in FY 2015-16 since revenues and expenditures are anticipated to remain consistent; the normal trend is that revenues exceed expenditures.

The Forfeiture Fund is projected to use \$158,000 of fund balance in FY 2015-16. These funds will be used to purchase police vehicles as part of the annual police vehicle replacement program.

The Library Fund is projected to use \$414,000 of fund balance in FY 2015-16 to help fund operations and spend \$145,000 towards capital.

Capital Project Funds

The Gun Range Facility Fund is projected to increase fund balance by 96% since there are no capital projects scheduled in FY 2015-16. The accumulated fund balance will be used to fund future capital projects as included in the capital improvement program.

Financial Summaries



Major Revenue Sources, Assumptions, and Trends

Revenue forecasting is a standard practice for the City of Novi. Individual revenue line-items are reviewed for their historical trends in order to project revenues over the next three years. The forecast is also based on economic factors, as well as information provided by the State and County. In order to be prepared for unexpected events and lower than anticipated revenues or higher than anticipated expenditures, the City budgets conservatively. The following are summaries of revenue sources including underlying assumptions and significant trends.

Property Tax Revenue

The maximum allowable millage rates are used for all funds except the Drain Fund. Taxable value projections are as of March 13, 2015. The 2015 taxable value increased approximately \$47,000,000 for net new construction. The future property values for 2016 and beyond include approximately \$92,000,000 in cumulative net new construction. Penalties and interest are based on historical collections, not most recent years. Inflation for 2015 tax year was 1.6% but due to new construction, the City anticipates an overall net increase (see loss of personal property taxes discussed below) in revenue of 3.4%.

The current millage rate is at 10.2 mills. A significant factor that has been taken into account for the future year's taxable value is the expected decrease in the personal property tax, per the new State of Michigan law (SB 10) that erases the personal property tax on the industrial property and other businesses with equipment less than \$40,000.

Licenses, Permits & Charges for Services

This revenue includes fees for various services and licenses. Revenues also include estimated fees paid by developers and contractors for the plan review, inspection of commercial, industrial and residential construction which partially covers the cost of the Community Development Department. This revenue is difficult to project since it is directly related to construction activity. The City's building activity is projected to remain strong with a 1% increase in fees projected each for the next fiscal years. The remaining revenue relates to liquor licenses and other fees collected by the Clerks Department.

Transfers In

The General Fund receives a transfer from the Police and Fire Fund annually which represents a portion of the dedicated property tax levy collected by that fund used to offset a portion of the overall costs for running the police and fire department. The transfer is expected to remain constant over the next couple years. The transfers in the special revenue funds represent transfers between the three street funds to cover construction costs as detailed in the six year CIP plan. The primary source of the transfers is a dedicated road millage in the Municipal Road Fund.



Financial Summaries

State Sources

State Revenue Sharing The State Shared Revenue program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenues on a per capita basis (2010 Census population for Novi was 55,224). The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). For fiscal year (FY) 2015, the legislature established the City, Village, and Township Revenue Sharing (CVTRS) program (a simplified version of the Economic Vitality Incentive Program (EVIP)). Each eligible local unit must meet all of the requirements of Accountability and Transparency in order to receive the full CVTRS payments. A Consolidation of Services Plan and an Unfunded Accrued Liability Plan are not required under the CVTRS program. The City estimates a 2% decrease in overall revenue sharing in fiscal year 15/16 and a 2% increase in 16/17.

MDOT Act 51 The City receives monthly payments from the State of Michigan, Department of Transportation for their share of the motor fuels taxes collected that are earmarked specifically for use on the roads. The distribution is based on the number of miles of road within the city. The City anticipates an annual increase in this revenue of 1%. Nothing has been budgeted for the each year over the next collects real property tax proportionately levied on homeowners and landowners to cover the costs of improvements that will be for the benefit of all upon whom it is imposed.

Interest on Investments

This revenue is from investing available cash balances based on cash flow forecasts, capital reserves and fund balance reserves. Interest rates are budgeted to remain constant over the next few years resulting in little or no growth in overall earnings.

Program Revenue/Older Adult Program Revenue

This revenue source is from the many programs offered by the Parks, Recreation, and Cultural Services departments and Ice Arena. The Parks and Recreation Fund has approximately half its revenue funded from a dedicated property tax levy and the balance funded by program revenue. Program revenue is anticipated to increase 45 for the 15/16 year and remain flat for future years with the increase coming from the addition of a new staff member to run additional programs.

Operating Revenue

This revenue represents charges to customers for water and sewer usage as well as fees collected at the ice arena and rents collected at the senior housing facility. Operating revenue in the Water and Sewer Fund is anticipated to increase 6% annually based on projections and anticipated new customers. Ice arena and senior housing revenues are anticipating 1-2% annual inflationary increases.

The revenues discussed above are the major revenue categories as identified by the City and make up the majority of the total revenues of all appropriated funds, including enterprise funds. The schedule on the following page summarizes total revenue for all fund types of the City.



Financial Summaries

Revenues FY 2015-16 Budget

	Governmental Funds						TOTAL FY 2015-16 BUDGET	% of Total Revenues	% of Total Revenues (discussed)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	PERMANENT FUNDS	ENTERPRISE FUNDS			
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET			
	2015-16	2015-16	2015-16	2015-16	2015-16	2015-16			
ESTIMATED REVENUES									
Property tax revenue	\$ 15,918,976	\$ 12,742,886	\$ 3,355,056	\$ -	\$ -	\$ -	\$ 32,016,918	35%	35%
Special Assessments Levied	-	38,729	1,537,303	-	-	-	\$ 1,576,032	2%	2%
Licenses, permits, and charges for services	4,067,196	180,000	-	130,800	-	-	\$ 4,377,996	5%	5%
Federal grants	58,000	82,505	-	-	-	-	\$ 140,505	0%	
Fines and forfeitures	490,000	213,000	-	-	-	-	\$ 703,000	1%	1%
Donations	-	41,000	-	-	-	-	\$ 41,000	0%	
Interest income	425,000	189,788	34,063	61,793	100,000	675,973	\$ 1,486,617	2%	2%
Program Revenue	-	1,140,150	-	-	-	1,990,915	\$ 3,131,065	3%	3%
Older adult program revenue	-	181,650	-	-	-	-	\$ 181,650	0%	0%
Other revenue	639,970	534,300	-	-	-	281,700	\$ 1,455,970	2%	2%
State grants	-	-	-	-	-	-	\$ -	0%	
State sources	4,341,470	3,565,300	-	-	-	-	\$ 7,906,770	9%	9%
Operating Revenue	-	-	-	-	-	25,277,255	\$ 25,277,255	27%	27%
Capital Contributions	-	-	-	-	-	2,550,000	\$ 2,550,000	3%	
Tap In Fees	-	-	-	-	5,000	-	\$ 5,000	0%	
Transfers in	5,300,000	6,471,120	-	-	-	-	\$ 11,771,120	13%	13%
TOTAL ESTIMATED REVENUES	\$ 31,240,612	\$ 25,380,428	\$ 4,926,422	\$ 192,593	\$ 105,000	\$ 30,775,843	\$ 92,620,898	100%	97%

Financial Summaries



Expenditures

Personnel Services

The City of Novi budgets for full employment, maintaining a strong staff position control and budgeting system. Any additional cost savings as a result of vacancies, or positions filled at lower than budgeted amounts increases the fund balance, and is used in planning for the subsequent year's budget.

Personnel cost increases and decreases are pursuant to each of the current collective bargaining agreements. An increase of 0-2% each year, using 2014-15 as base year, is assumed based on total personnel costs. Defined benefit pension contributions are assumed to increase 20.8% for 15/16 (paying more than 100% of the ARC) and remain at that level for the subsequent two years (actual required contribution will decrease due to change in MERS assumptions but City will continue to pay extra toward unfunded liability). Employee health insurance costs are assumed to increase at 6% annually. The personnel assumptions are based on the number of full-time staff members as presented in the Departmental Information (Personnel Summary) section for fiscal year 2015-2016.

Other

Most expenditures range from 0%-3% increase; certain maintenance items increased based on historical median rate (i.e. road maintenance items). Liability and property and workers compensation insurance are assumed to increase 6-8% annually.

Capital Outlay & Technology

The Capital Outlay and/or non-recurring items are based on actual amounts included in the Capital Improvement Program (CIP) section. The City of Novi has a track record of replacing and maintaining assets, which not unlike businesses, allows the City flexibility in deferring capital purchases for a period of time during financially tight years.

Vehicles for public safety are the only capital outlay purchases included in the projection period. Existing Federal Forfeiture funds are planned to cover these costs through 2016-2017. Minimal Federal Forfeiture funds are assumed for purposes of this fiscal analysis. Certain programs like PC replacement are included in 2015-16 budgets and while department allocation may change, total estimated replacement remains the same plus inflationary adjustment of 3%.

Capital Improvements

The Major Street, Local Street Municipal Street, Drain, and Parks, Recreation and Cultural Services Funds reflect anticipated expenditures for each year based on the Capital Improvement Program.

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Capital Improvement Program and Debt



Capital Improvement Program

Introduction

The City of Novi's Capital Improvement Program (CIP) is a planning tool, with a goal to identify and schedule capital improvements over a six-year period between fiscal years 2015-2021. The CIP is an opportunity to formulate strategic long-term policy decisions that extend beyond the 2015-2016 fiscal year. Each year, the City of Novi invests significant time and resources to design, construct, and maintain the infrastructure and facilities needed to deliver municipal services to residents and businesses. Because of the high costs associated with building and maintaining capital assets, the City must carefully balance the need for such assets with our requirements to sustain a strong financial position.

Novi's CIP is a six year balanced plan that addresses projects that are needed, or will be needed, across a broad spectrum of areas. Annually, a significant amount of effort is expended to update the CIP to ensure not only critical needs are being met, but also that the cost, scope and timing of all projects are coordinated throughout. Coordinating the timing of different projects in the same location is particularly important since it helps us to minimize service disruptions.

A capital improvement is defined as any new equipment, construction, acquisition or improvement to public lands, buildings or structures in excess of \$25,000 with a minimum life expectancy of five years. Maintenance-oriented, operational or continuous expenditures are not considered to be capital improvements. Capital projects include design and construction, as well as the acquisition of land and the purchase of capital assets.

Specifically, the purpose of the CIP is to:

- Identify and evaluate the needs for public facilities.
- Determine cost estimates for each capital project submitted.
- Determine if there will be future operating costs for such projects.
- Determine potential sources of funding for such projects.
- Adopt policies for implementing capital improvement construction.
- Anticipate and pre-plan projects with an emphasis on seizing opportunities for partnerships and alternative funding.



Capital Improvement Program and Debt

The projects identified in the CIP represent the City of Novi's plan to serve residents and anticipate the needs of a growing and dynamic community. The following documents were considered in preparation of the CIP:

- Master Plan for Land Use (adopted December 1, 2004, including amendments adopted August 25, 2010)
- 2014 Water System Master Plan
- 2014 Storm Water Master Plan
- 2014 Sanitary Sewer Capacity Management
- Strategic Community Recreation and Master Park Plan (2015-2019)
- Pathway and Sidewalk Prioritization Analysis and Process (adopted November 2012)
- Non-Motorized Master Plan (February 2011)
- Parking Lot Inventory and Maintenance Plan (2014)
- ADA Compliance and Transition Plan for City Owned Pathways (2011)
- ADA Compliance Transition Plan for City Owned Facilities (2014)
- Chip Seal Street Evaluation (2013)
- Novi and Wixom Transportation Improvement Plan—MDOT (2011)

Overview

The CIP helps track multi-year projects that may require planning, design, land acquisition and construction.

Definition of a Capital Improvement

The CIP allows for responsible and thoughtful planning of future major expenditures that are not necessarily financed or automatically included in the annual budgeting process. All capital projects, however, as they pertain to the definition of capital improvements above should be part of this CIP.

Impact of Capital Budget on the Operating Budget

As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long-term effects on the Capital Improvements Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs. Regardless of the difference between the operating and capital budgets, the two are interdependent. Budgetary policy states that all foreseeable operating costs related to capital projects be estimated and provided for as part of the review process associated with the Capital Improvements Program. In addition, departments are required to include costs associated with operating and maintaining capital projects that are requested for the upcoming year.

Capital Improvement Program and Debt



Legal Basis of the Capital Improvements Program

The Capital Improvements Program has been authorized by the Michigan Planning Enabling Act (Public Act 33 of 2008). This mandate gives responsibility for preparing a CIP to local Planning Commission bodies, and reads as follows:

125.3865 Capital improvements program of public structures and improvements; preparation; basis.

Section. 65:

“(1) To further the desirable future development of the local unit of government under the master plan, a planning commission, after adoption of a master plan, shall annually prepare a capital improvements program of public structures and improvements, unless the planning commission is exempted from this requirement by charter or otherwise. If the planning commission is exempted, the legislative body either shall prepare and adopt a capital improvements program, separate from or as a part of the annual budget, or shall delegate the preparation of the capital improvements program to the chief elected official or a nonelected administrative official, subject to final approval by the legislative body. The capital improvements program shall show those public structures and improvements, in the general order of their priority that in the commission's judgment will be needed or desirable and can be undertaken within the ensuing 6-year period. The capital improvements program shall be based upon the requirements of the local unit of government for all types of public structures and improvements. Consequently, each agency or department of the local unit of government with authority for public structures or improvements shall upon request furnish the planning commission with lists, plans, and estimates of time and cost of those public structures and improvements.”

Planning and Benefits of the Capital Improvements Program

The CIP is first and foremost, a planning tool. It can be quite useful as a primary guide in implementing the Master Plan for Land Use. With thoughtful foresight and review as a result of a CIP, the many outstanding capital projects that communities are faced with implementing every year, can be viewed as one package, rather than as small, fragmented groups or lists, with no unified sense of focus and direction. When capital improvements begin with careful planning and study, the City of Novi's chances for receiving State and Federal grants are greatly enhanced. Some grants require the inclusion of a CIP with their application. Formulation of a CIP assists those involved to look at alternative funding mechanisms that might not have been considered before. Instead of relying on local revenue sources alone, the CIP allows the City to think more creatively to fulfill Master Plan for Land Use goals and policies. The CIP often avoids reactive planning, and instead replaces it with balanced growth initiatives.



Capital Improvement Program and Debt

CIP DEVELOPMENT PROCESS

Capital improvement planning has proven to be a year-round process, with City departments continually re-evaluating and prioritizing their capital needs. However, the process is most involved from September through December. It is during this period that City staff identify and prioritize projects, estimate project costs, determine available resources, balance project requests within the available resources, and, ultimately, submit a recommended program/piece of infrastructure to the Capital Improvement Program sub-committee and ultimately to the City's Planning Commission. Collaboration between the City Manager's office, Engineering Division, Facilities Management Division, and the Finance Department coordinates the annual update of the six-year CIP as part of the annual budget process. Department staff also forecast revenues for the various funds used to finance capital projects, and set the financial parameters for the development of the CIP. Capital projects originate in the operating departments where subject matter experts identify needs based on master planning documents and other technical criteria. All requests are submitted and the financial parameters established and a preliminary plan is prepared for the review of the CIP Committee comprised of three City Council members and two members from the Planning Commission. The Committee recommends to the City's Planning Commission for ultimate approval prior to it being included in the City Manager's annual budget which is presented and considered by the City Council. On the following page is an overview of the CIP development process:

August – September: Operating departments identify projects, define project scopes, prepare cost estimates, and prioritize projects based on direction received from the City Manager and City Leadership Team. Department Directors review project requests before final submittal.

October: Capital project requests are submitted to the Engineering Division and Facilities Management Division for review and feedback.

November: Capital project requests are submitted to the Finance Department for review and inclusion to the CIP database.

December: The CIP is presented to the City Manager's office for evaluation and consideration making necessary adjustments as needed.

February: The CIP Sub-Committee receives the CIP and offers its recommendations during its annual meeting.

March: A public hearing takes place during a Planning Commission meeting. Following the public hearing the Commission approves the Capital Improvement Program. City Administration finalizes the recommended CIP for the consideration of the City Council.

April: The CIP is included in the City Manager's recommended budget which is presented to the City Council and by City Charter needs to be approved by the second meeting in May.

Capital Improvement Program and Debt



OPERATING BUDGET IMPACT

The Capital Improvement Program has direct and sometimes significant impacts on Novi's operating budget. Upon their completion, most capital projects require ongoing costs for operation and maintenance. New buildings require electricity, water and sewer service, and maintenance and repair. New roads require regular sweeping as well as periodic crack filling and sealing, patching, milling, minor resurfacing, and replacement of stripes and markings. New parks and landscaped rights-of-way (such as medians and streets shoulders) require irrigation, fertilizing, mowing, and trimming. Some projects, such as a recreation center, require additional employees.

Departments submitting capital projects estimate the operations and maintenance costs of each project based on cost guidelines that are updated each year. The departments also consider any additional revenues or savings the city can reasonably expect to recognize upon completion of the project. For example, membership fees from a new recreation center help to offset the increased operating costs. The net operating costs are included not only in the project request, but also in the long-range forecasts of the respective funds to ensure that we properly account for operating budget impacts of all capital projects. The following is a summary of all CIP in the six year plan by type of project (including leveraged funds):

		Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21
		Budget	Projected			Forecast	
Roads	Leveraged Funds	\$ 761,248	\$ 407,826	\$ -	\$ 3,126,889	\$ 800,000	\$ -
	City Costs	\$ 6,494,837	\$ 5,755,804	\$ 4,785,900	\$ 7,066,026	\$ 5,330,550	\$ 6,285,012
Intersections & Signals	Leveraged Funds	\$ -	\$ 3,300,000	\$ 337,000	\$ -	\$ -	\$ -
	City Costs	\$ -	\$ 300,000	\$ 82,394	\$ 1,315,750	\$ 260,000	\$ 175,000
Sidewalks & Pathways	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ 733,384	\$ -
	City Costs	\$ 342,612	\$ 250,587	\$ 459,085	\$ 2,096,867	\$ 5,838,746	\$ 1,333,746
Storm Sewer & Drainage	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 1,806,430	\$ 361,732	\$ 87,137	\$ 853,457	\$ 1,316,820	\$ -
Sanitary Sewer	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 555,600	\$ -	\$ 1,080,000	\$ -	\$ -	\$ -
Water Distribution	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 706,100	\$ 2,600,980	\$ 1,498,000	\$ 3,370,800	\$ -	\$ -
Parks, Recreation, & Cultural Services	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 406,010	\$ 120,000	\$ 370,630	\$ 3,976,635	\$ 1,019,317	\$ 840,160
Parking Lots	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 276,265	\$ 263,505	\$ 176,710	\$ 157,500	\$ 75,245	\$ 43,644
Technology	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 381,450	\$ 149,800	\$ -	\$ -	\$ -	\$ 63,000
Machinery & Equipment	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 353,000	\$ 1,291,410	\$ 1,279,700	\$ 1,113,610	\$ 1,729,603	\$ 1,500,850
Buildings & Property	Leveraged Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	City Costs	\$ 658,483	\$ 421,100	\$ 40,100	\$ 1,560,600	\$ 88,900	\$ -
TOTAL		\$ 12,742,035	\$ 15,222,744	\$ 10,196,656	\$ 24,638,134	\$ 17,192,565	\$ 10,241,412



Capital Improvement Program and Debt

PROGRAM FUNDING

There are multiple methods available to local governments for financing capital improvement projects. Since capital improvements require large outlays of capital for any given project, it is often necessary to pursue multiple creative solutions for financing projects.

General Obligation (G.O.) Bonds

These types of bonds are especially useful for financing large municipal projects such as infrastructure improvements. They require voter approval and usually are used for projects that will benefit the residents of the entire community.

When the City sells G.O. Bonds, the purchaser is basically lending money to the City. The amount of the bond, plus interest is repaid through property taxes that the City, as the issuing authority, has the power to levy at the level necessary and within State guidelines to retire the debt.

A variation of the G.O. Bonds is the G.O. Limited Tax Bonds which can be repaid through tax millage. The interest rate for this type of issue is slightly higher than for the G.O. Bonds, and though voter approval is not required, a referendum period is afforded to the citizenry to challenge the proposed bond resolution.

Revenue Bonds

These bonds are generally sold as a means for constructing revenue-producing facilities such as water and sewer systems, and other such facilities that produce tolls, fees, rental charges, etc. (i.e. Novi Ice Arena, and Meadowbrook Commons). Security for and payment of revenue bonds are typically based upon the revenue-producing facility or activity rather than the economic or taxpaying base.

Federal Grants

Funding is made available to cities through Federal grants and programs. Grants are usually subject-specific, and require application by the local government for consideration. Amounts of grants vary, and are determined by the grantor through criteria-based processes. The availability of grants is usually a competitive process, so creative and effective grant writing is crucial to receiving funding for capital improvement projects.

Building Authority

The City of Novi has a Building Authority that functions as a mechanism to facilitate the selling of bonds to finance public improvements. These bonds can be used as funding for buildings and recreational uses. Though voter approval is not required, a referendum period is afforded to the citizenry to challenge the proposed bond resolution. This is the mechanism used in the construction of the ice arena and the older adult housing facility.

Capital Improvement Program and Debt



Enterprise Funds

Enterprise funds are typically established for services such as water, sewer, recreation, and housing. Revenues are generated primarily through user charges and connection fees from those who benefit from the improvements.

Developer Contributions

Developers, as part of subdivision and site planning requirements, may provide infrastructure, open space and recreational facilities. Developers may contribute a share of funds to the government entity, or install the facilities themselves as local need arises, and/or during the construction process. Once completed, the local government entity may agree to maintain the facilities.

Special Assessments

Special assessment financing allows local government to collect special taxes from owners of property directly benefiting from capital improvements. These types of improvements often include streets and sidewalks, sanitary sewer, storm drainage, and water distribution systems.

Gas and Weight Tax

The City of Novi receives a formula-rated share of motor fuel and highway usage taxes from the State of Michigan to be utilized for transportation and maintenance-related projects.

Millage

Property taxes are based upon the local millage rate. Revenue received from property taxes may be used for capital improvements as part of the General Fund, but such improvements are usually smaller scale and less expensive.

General Fund

The General Fund for the City of Novi may be used for capital improvements; however, it is not the intent of the CIP to earmark these funds for projects. Instead, smaller scale, less expensive capital projects with a high priority could be funded as line items.

State Shared Revenue

In addition to the Gas and Weight Taxes above which are shared revenue, the City receives its share of various taxes and fees from programs and requirements by the State of Michigan.

Public/Private Partnership

This type of financing has become increasingly popular in areas where creative financing is fostered. In many communities the local revenue share may not support some types of public improvements. In contrast, private developers may avoid taking on a project where the infrastructure cost far exceeds profitability. This method of funding brings both the public sector and private contributor together to share in the costs of a project, or a part of a project, which inevitably lessens the overall financial burden falling onto a single source.



Capital Improvement Program and Debt

Miscellaneous Funding

There are additional methods that are suitable for funding capital improvements. Examples of alternative funding methods are Tax Increment Financing (TIF), Impact Fees, Facility User Fees, etc. Current State legislation does not permit some of these funding methods, which have been used successfully in other states. Changes in legislation could see these and other innovative methods permitted in the future.

CIP EXPENDITURES BY FUND SUMMARY

The following table summarizes the City's cost for all CIP projects by fund:

Category	Capital Improvements by Fund					
	Budget	Projected		Forecast		
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
101-General	1,250,198	1,564,415	1,018,210	2,647,210	1,482,100	1,163,850
202-Major Road	4,404,837	3,255,804	1,898,294	4,460,611	2,146,550	175,000
203-Local Road	2,090,000	2,500,000	2,970,000	3,068,585	2,970,000	3,866,400
204-Municipal Street	342,612	550,587	459,085	2,949,447	6,312,746	3,752,358
208-Parks, Recreation, & Cultural Services	406,010	120,000	404,230	4,134,135	1,019,317	883,804
210-Drain	1,806,430	361,732	87,137	853,457	1,616,820	400,000
402-Gun Range Facility	0	401,400	254,700	0	0	0
590-Ice Arena	164,000	160,000	190,000	27,000	0	0
592-Water & Sewer	1,516,700	2,600,980	2,578,000	3,370,800	0	0
594-Senior Housing	0	0	0	0	111,648	0
TOTAL	\$11,980,787	\$11,514,918	\$9,859,656	\$21,511,245	\$15,659,181	\$10,241,412

Capital Improvement Program and Debt



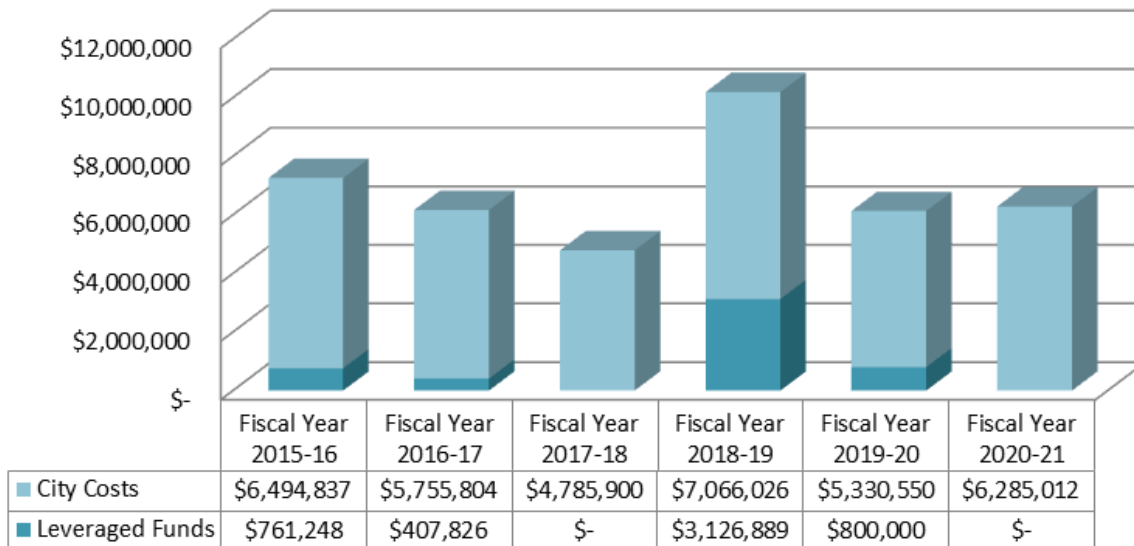
Roads

Transportation-related issues are a high priority for the City of Novi. The Capital Improvement Program addresses traffic congestion by constructing new roadways, adding lanes to existing roadways, widening intersections, and enhancing traffic management systems. The maintenance and preservation of roadways is an important component of the program, which provides the necessary resources for scheduled pavement maintenance applications throughout the City.

The City of Novi contains both public and private roadways. Public roads (I-96, I-275 and M-5) are owned and operated by the Michigan Department of Transportation (MDOT), the Road Commission of Oakland County (RCOC), and the City of Novi. Private roads are owned and operated by private developments and homeowner groups. The City currently maintains approximately 185 miles of major roads and Neighborhood Streets. In order to define priorities and establish a course of action for the local street and major road rehabilitation programs, the City has a formal asset management program that categorizes roads based on their Pavement Surface Evaluation and Rating (PASER). Roads in poor condition would be candidates for reconstruction or rehabilitation. Those in fair condition would receive capital preventive maintenance, while roads in good condition would be candidates for routine maintenance work. The lowest rated roads in each of these categories would generally be addressed first.

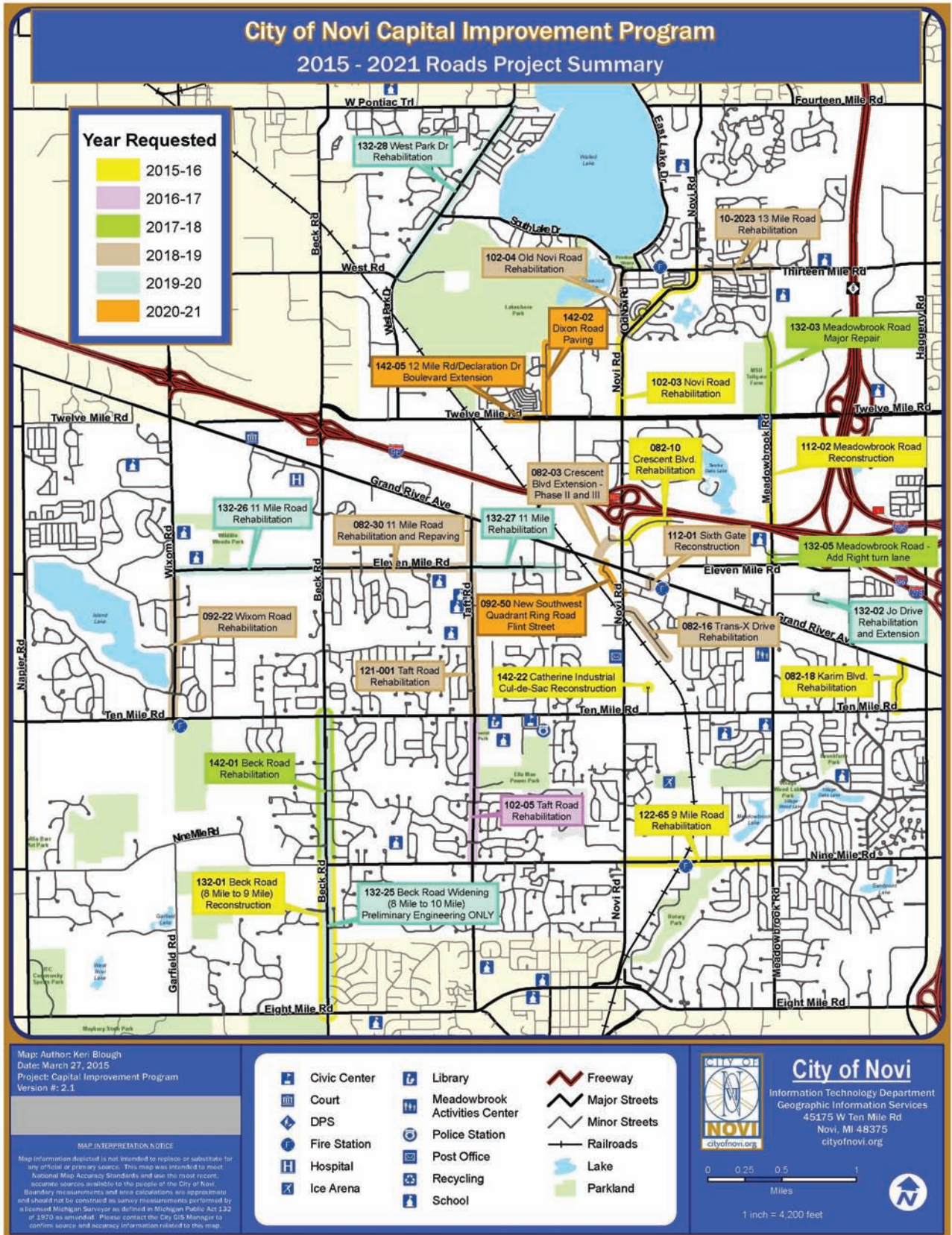
Road projects in the city's six year plan are funded from a dedicated road millage that was approved by voters to provide 1.5 mills, generating between \$2.1 and \$3.1 million dollars per year for neighborhood road rehabilitation and construction.

Roads





Capital Improvement Program and Debt



Capital Improvement Program and Debt

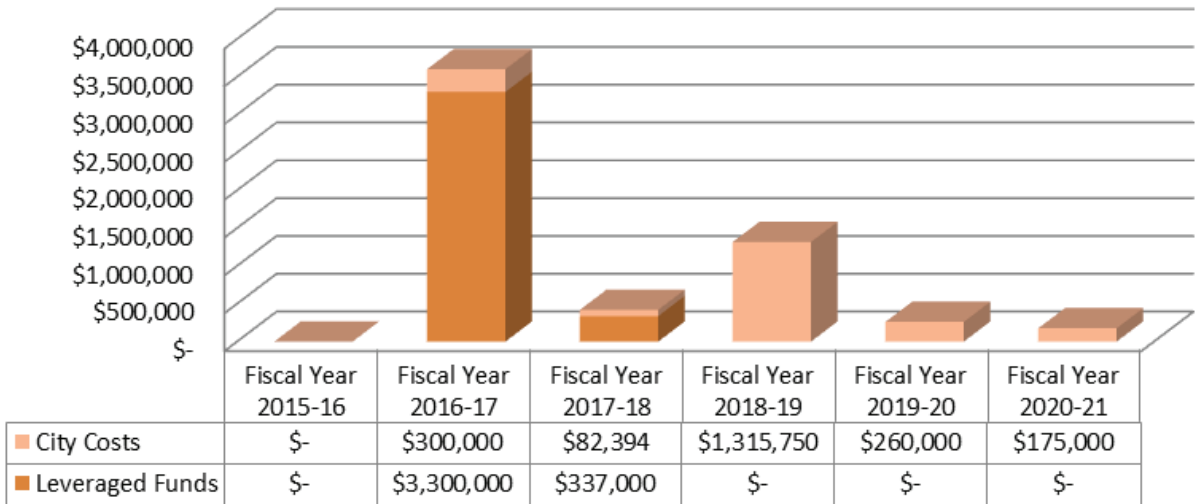


Intersection and Signals

The City of Novi is 32 square miles with 185 miles of major and neighborhood roads. To facilitate safe motorized and non-motorized transportation throughout the City safe road and street intersections and traffic signals need to be designed and maintained year in and year out. Sample projects found in this category are new traffic signals at City intersections, pedestrian crossing signals, turn lanes on major roads and roundabouts at key intersections to calm traffic.

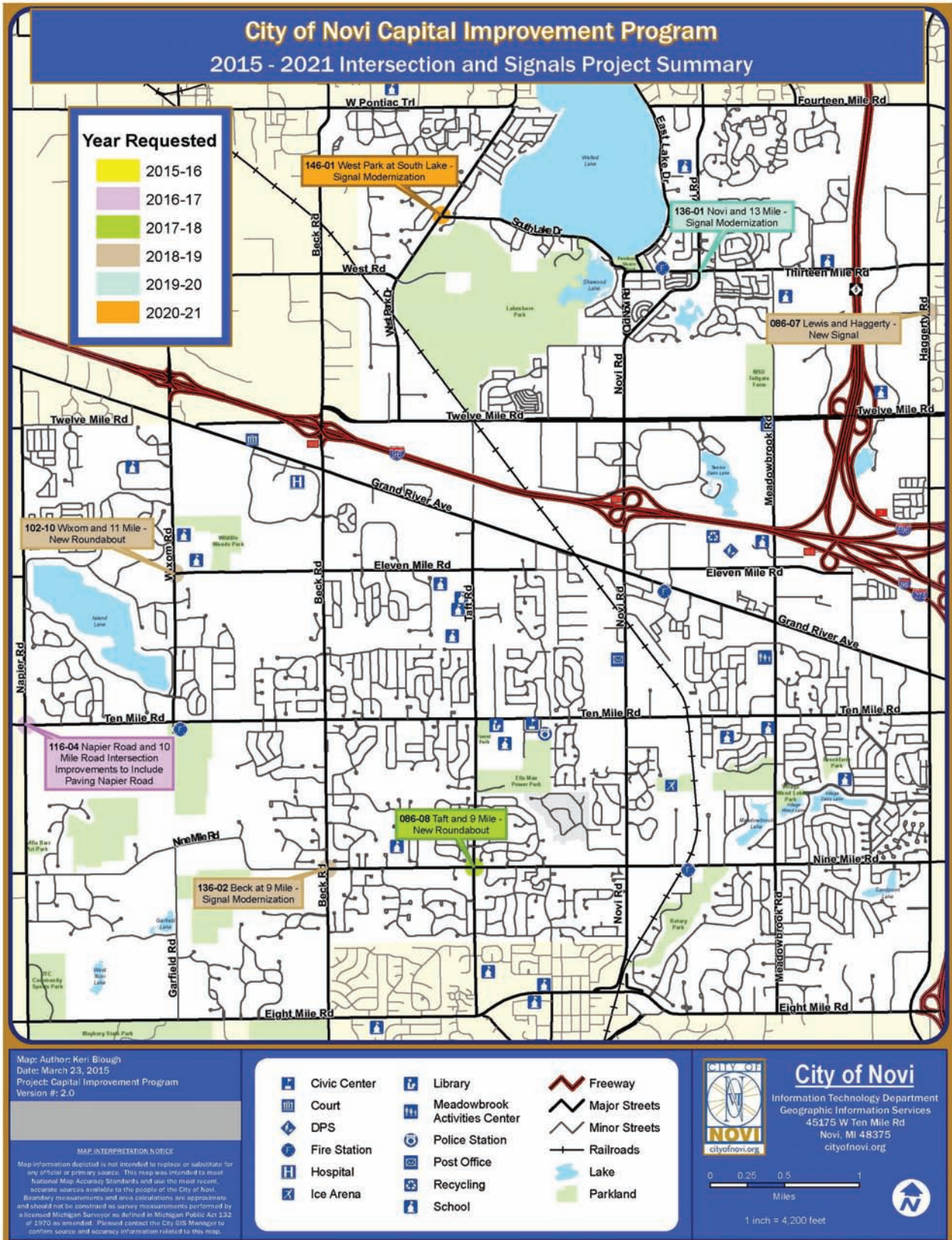
Funding for proposed projects come from a variety of sources Major, Local and Municipal Street funds, and various grant programs that fund traffic related projects.

Intersections and Signals





Capital Improvement Program and Debt





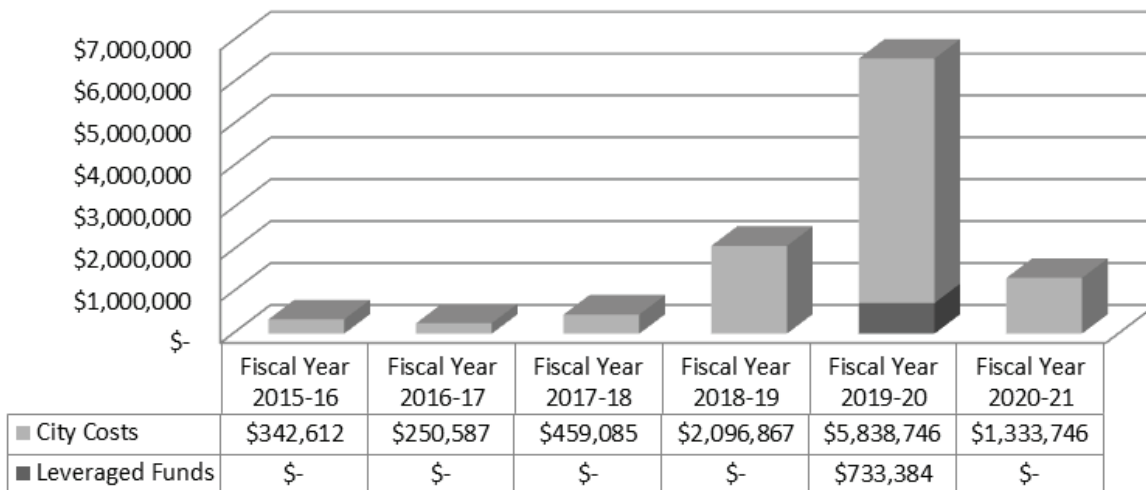
Capital Improvement Program and Debt

Sidewalk and Pathways

The City of Novi is committed to providing non-motorized sidewalks and pathways in an effort to provide alternative modes of transportation for citizens and stakeholders alike. In this effort the City Council adopted a Non-Motorized Master Plan in 2011. It recommends the installation of bike routes and wayfinding signage along residential streets to enhance the existing neighborhood connections. The City of Novi has had a long standing interest in providing pathways and sidewalks to connect neighborhoods with destinations throughout the City and Region. Currently the City has over 200 miles of pathways and sidewalks. The Capital Improvement Plan incorporates plans and efforts and preferences of the Non-Motorized Plan.

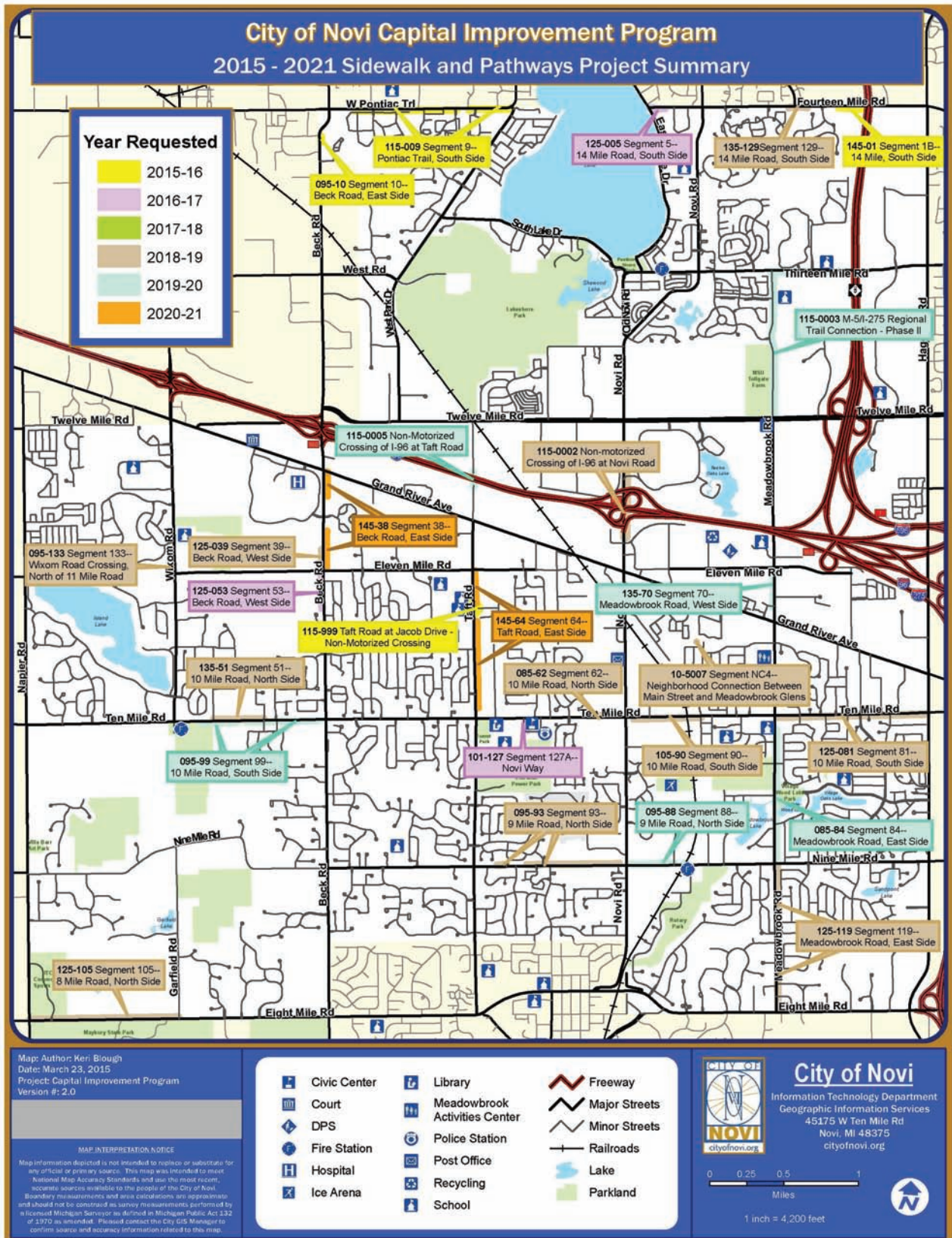
Walkable Novi Committee along with the analysis from the City's Engineering Division makes recommendations to fill the non-motorized gaps throughout the City. A portion of the City's road millage goes toward financing sidewalk and pathway projects in the City of Novi.

Sidewalks and Pathways





Capital Improvement Program and Debt





Capital Improvement Program and Debt

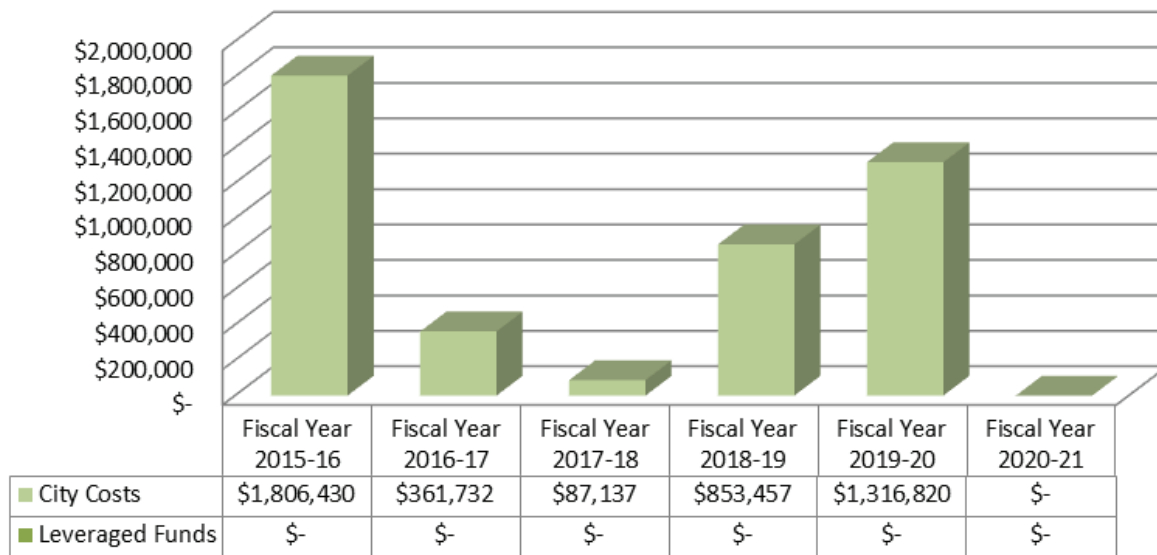
Storm Sewer & Drainage

The City of Novi is located within two major watersheds in southeast Michigan (the Rouge River Watershed and the Huron River Watershed). Novi is committed to protecting the water courses within and downstream of the community.

As development occurs, the additional impervious surface area impacts the effective drainage of these flows, driving the need for drainage infrastructure. The City partners with the development community to ensure that onsite drainage issues are addressed during the development process.

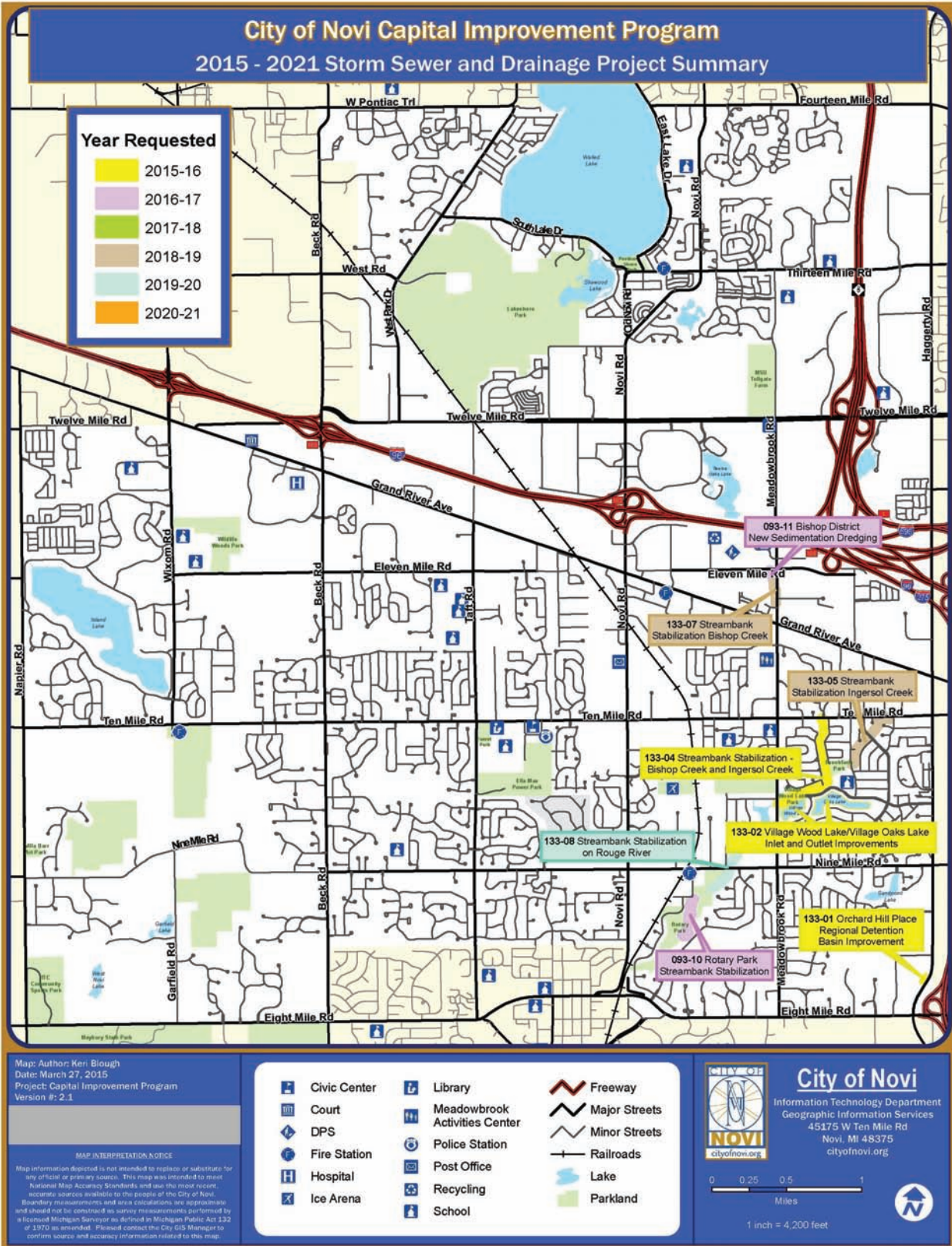
The City's Capital Improvement Program addresses regional drainage issues through the drainage projects contained herein. Drainage projects are funded by a dedicated millage for acquiring, constructing, improving, and maintaining drain, storm water, and flood control systems in the City of Novi; up to 0.7719 mills annually.

Storm Sewer and Drainage





Capital Improvement Program and Debt





Capital Improvement Program and Debt

Sanitary Sewer

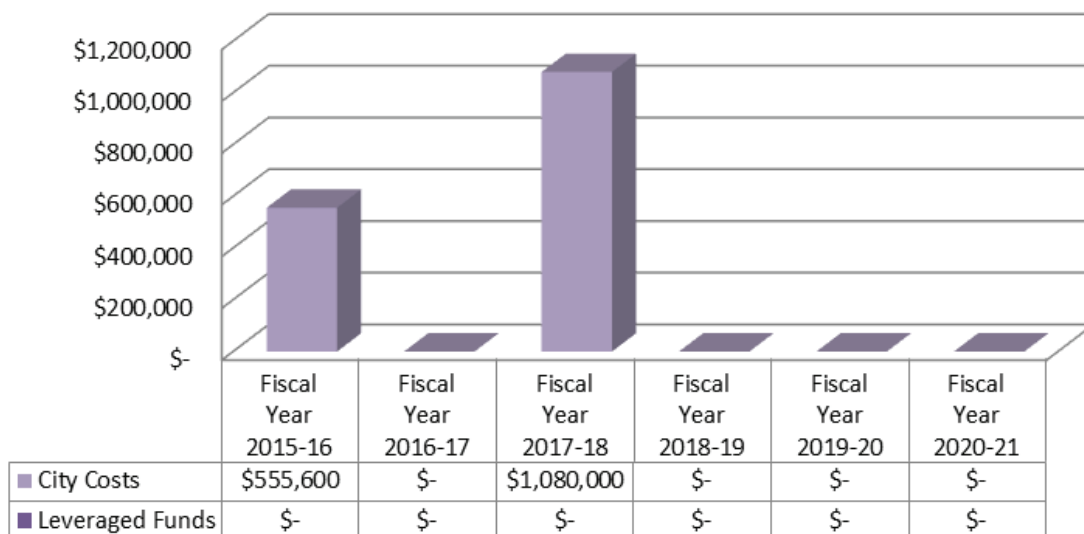
The City of Novi purchases sewage disposal services from Oakland County Water Resources Commissioner (OCWRC). The City currently has approximately 243 miles of sanitary sewer mains. These sewer mains are part of three separate districts: the Wayne County North Huron Valley/Rouge Valley (NHV/RV) System, South Commerce Township Treatment Plant, and the Walled Lake-Novı Treatment Plant. The majority of the City is served by the NHV/RV system. The City of Novi Water & Sewer Fund, the Oakland County Water Resource Commission (OCWRC) and the Detroit Water & Sewerage Department (DWSD) are all not-for profit entities and therefore rates are intended and required to only cover costs.

The development of the proposed sanitary sewer projects were based upon system deficiencies and needs obtained from area residents, business owners, and City staff. These projects are coordinated with storm water management, roadway, and pathway improvements to maximize cost savings through economies of scale, resulting in a more effective and efficient process to implement the construction projects.

The proposed water and sanitary sewer projects are flexible, allowing for the addition of new improvements to address specific needs without deferring other projects along the way. Studies and analysis of the existing system is an on-going program that, coupled with new technologies, provides for improved system capabilities and reliability.

Water and sanitary sewer projects identified as urgent are not subject to the rating/weighting scale required of capital improvement. Projects included in this category are funded by the City's Water and Sewer Fund which is financed through user rates and connection fees.

Sanitary Sewer





Capital Improvement Program and Debt



Capital Improvement Program and Debt

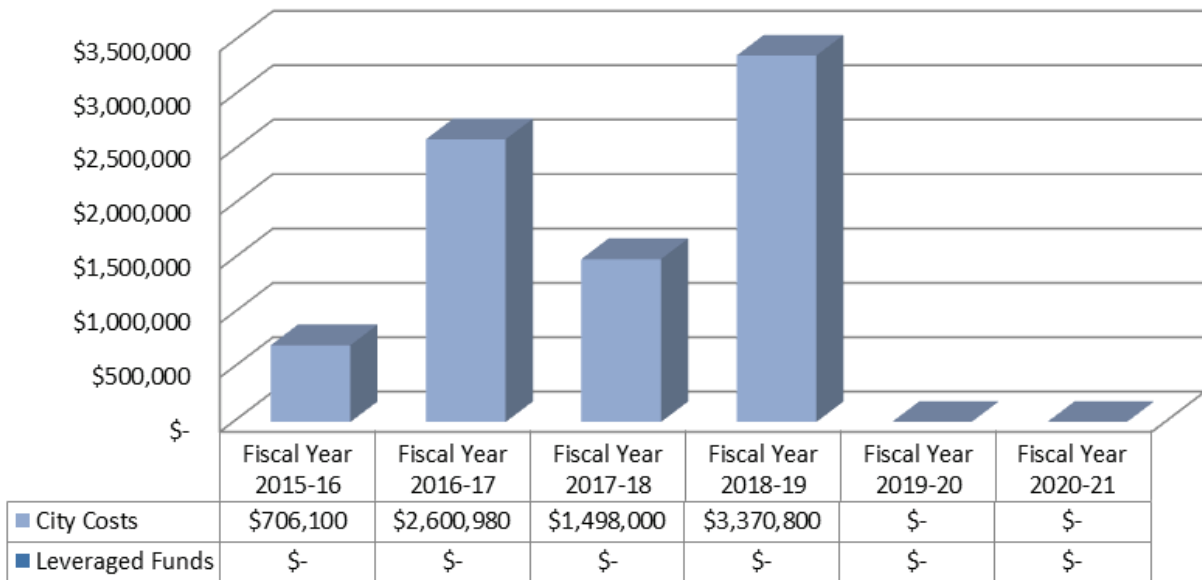


Water Distribution

The City of Novi purchases treated water from Detroit Water and Sewerage Department (DWSD). DWSD operates the largest water system in the State of Michigan and supplies water to roughly four million people. Water production is costly. Aging water and wastewater treatment systems must be maintained and replaced to ensure reliable service. Rate increases are primarily due to new and rehabilitative projects that are completed under the DWSD Capital Improvement Programs. DWSD rates reflect energy costs to maintain water pumps, water mains, and storage tanks necessary to transport water to our community.

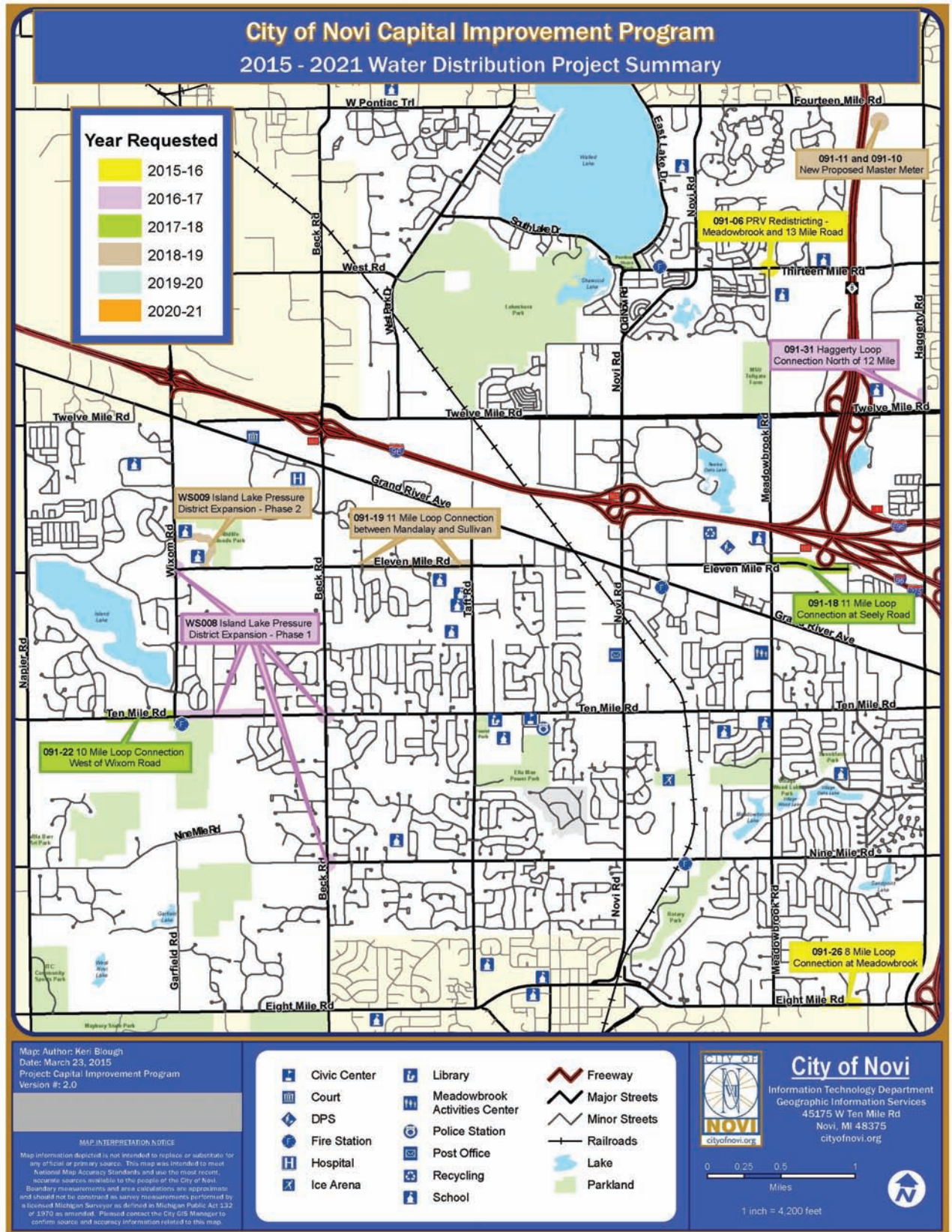
The City is responsible for 329 miles of water main pipe, 4,190 fire hydrants and 13,750 water service connections. Projects included in this category are funded by the City's Water and Sewer Fund which is financed through user rates and connection fees.

Water Distribution





Capital Improvement Program and Debt



Capital Improvement Program and Debt

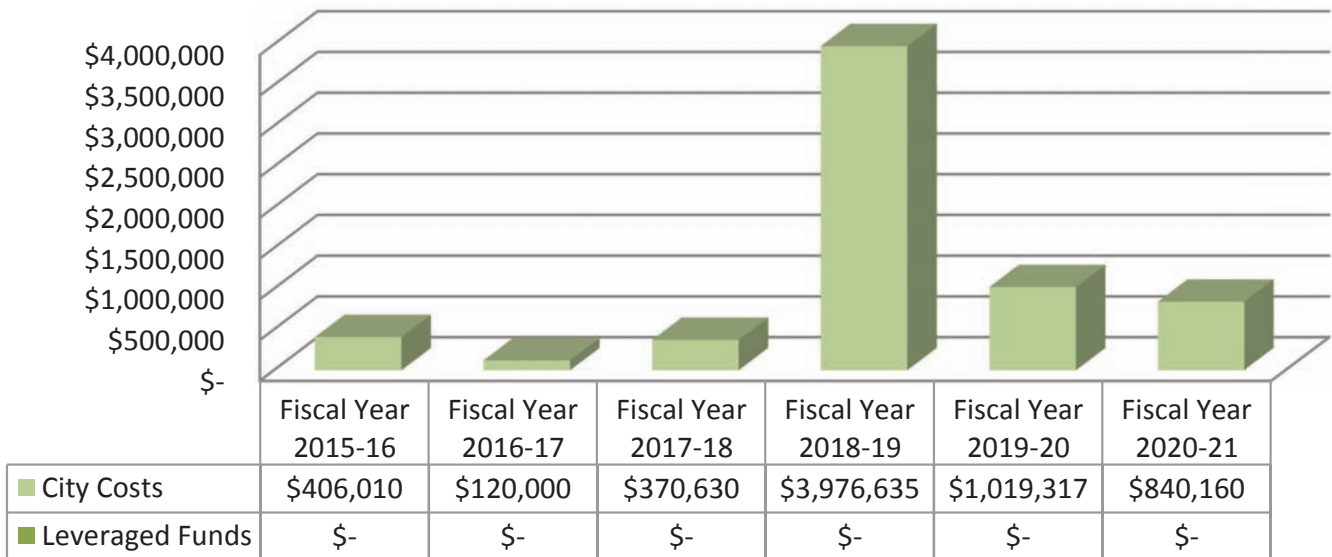


Parks, Recreation and Cultural Services

Quality of life initiatives, such as those represented by parks; open space, and trails projects, are an important component of the Capital Improvement Program. The City of Novi Department of Parks, Recreation and Cultural Services offers lighted ball fields, extensive picnic grounds, shaded playgrounds, beaches, an urban lake, and much, much more. Neighborhood parks provide recreational amenities close to home, while the city's ever-growing network of trails accommodates walkers, joggers, strollers, bicyclists, roller bladders, and equestrians.

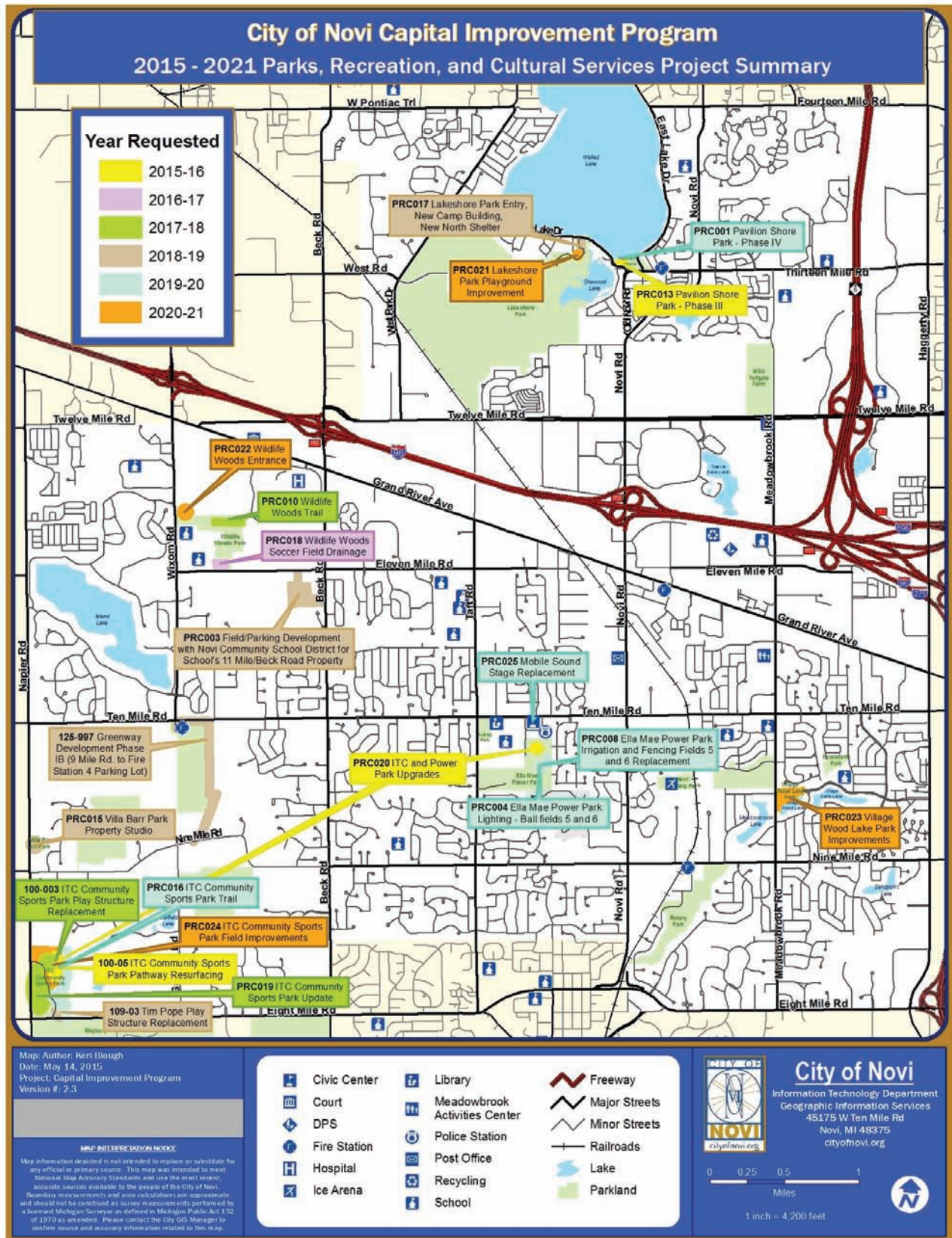
Funding for parks, open space, and cultural events is primarily from the Parks and Recreation dedicated millage that was established for maintaining parks and recreation purposes. A dedicated millage of 0.3857 mills and impact fees make up the main funding source for Parks, Recreation and Cultural Services.

Parks, Recreation, and Cultural Services





Capital Improvement Program and Debt



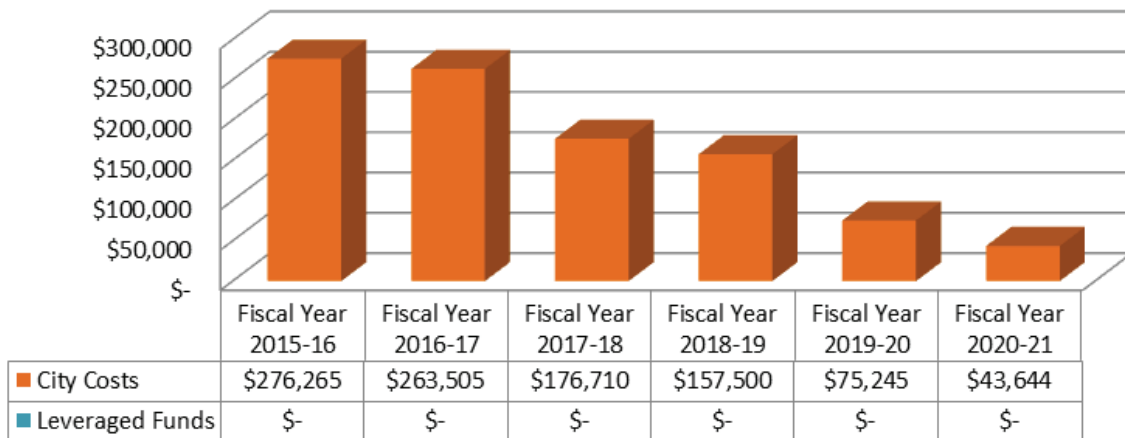


Capital Improvement Program and Debt

Parking Lots

In addition to the “bricks and mortar” at the various operating facilities within the City of Novi, there are a substantial number of parking lots. The City maintains the lots through annual budget appropriations but replacement and/or improvement of the lots fall under the capital program (included in the category of “buildings and property” in previous years). The parking lots include all those at public services facilities, police and fire stations, parks, senior housing, ice arena and the civic center.

Parking Lots





Capital Improvement Program and Debt





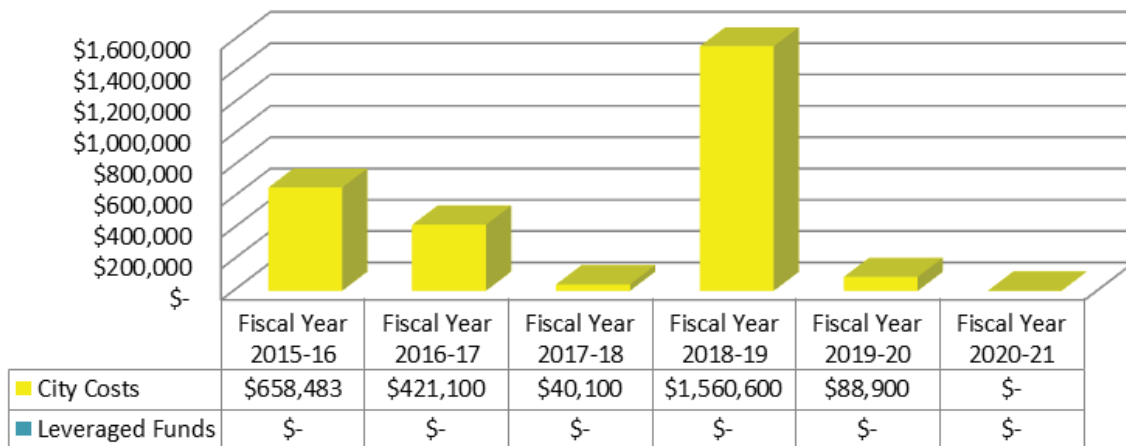
Capital Improvement Program and Debt

Buildings and Property

Operational facilities are the “bricks and mortar” from which the City of Novi provides services to its residents and businesses. Increasingly, operational facilities also include the systems that facilitate service delivery in the information age. Projects include the construction of new facilities, as well as the maintenance, rehabilitation, renovation, and expansion of existing facilities.

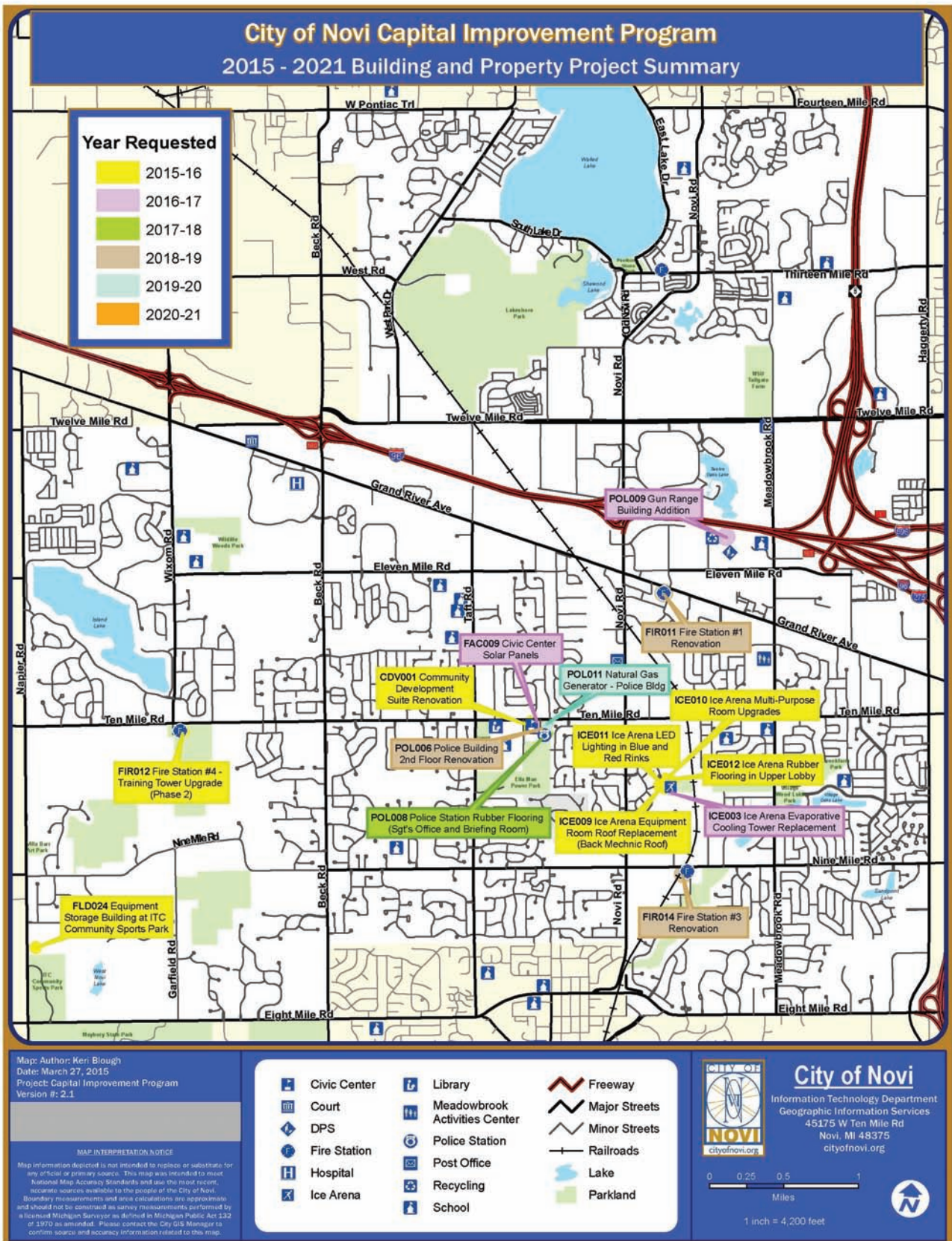
Operational facilities projects are funded from a variety of different sources, depending on the use of the facility. Sources mainly are tied to the General Fund and leveraged funds.

Buildings and Property





Capital Improvement Program and Debt



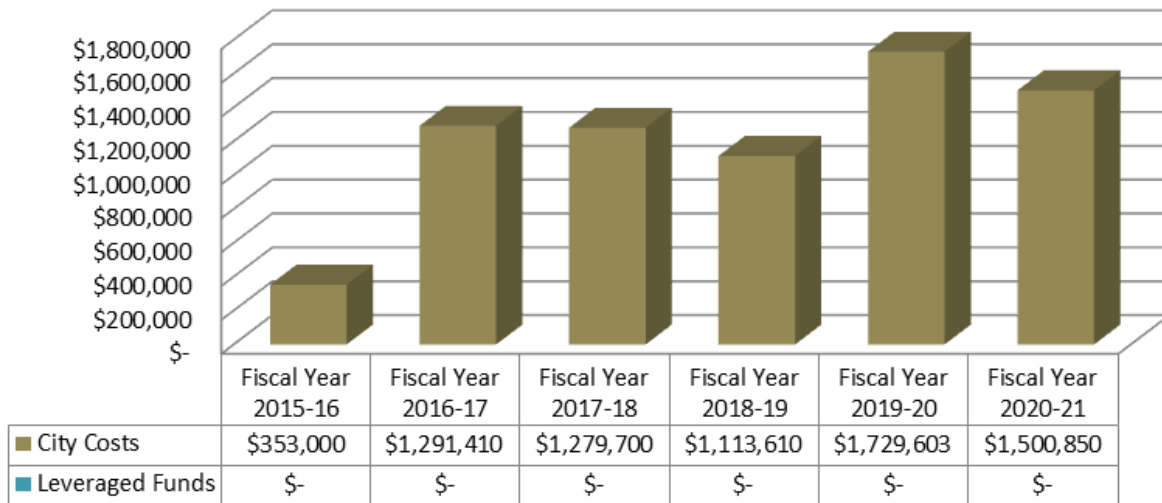
Capital Improvement Program and Debt



Machinery and Equipment

Novi employees depend on dependable equipment to allow and assist them to do their jobs day in and day out. The equipment comes in many forms, plow trucks, police cars, generators, fire apparatus, etc., the equipment that literally keeps the City of Novi moving. All the vehicles found in this category are the cars and trucks that appear at the front doors of Novi residents and business owners such as public safety (police, fire, water, sewer and street maintenance). Generators that keep municipal buildings and a 911 call center operational during power outages along with ice resurfaces for the City's ice arena fall under this category. Novi City Council has established the precedent over the years in providing Novi employees with the tools necessary to do their job and provide the best level of service to the community. A number of varied funding sources can be used to finance the equipment necessary to efficiently deliver service: General, Major Street, Local Street, Public Safety, and Drug Forfeiture Funds.

Machinery and Equipment



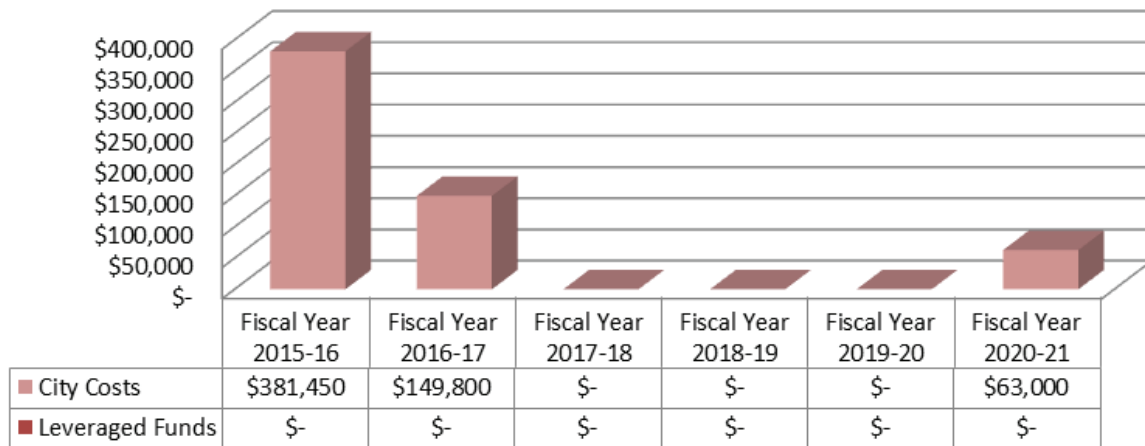


Capital Improvement Program and Debt

Technology

The City of Novi continues to provide its customers and employees with the latest technology to support outstanding customer services. Technology includes items such as servers, storage and scanners for employees as well as items like security cameras, water and sewer flow monitors and alarms to ensure our customers are safe and have uninterrupted services. Technology was previously included in the category “machinery and equipment” and includes all departments of the City.

Technology



Summary

The following is the line item detail of the six year CIP plan which details each project by type, provides a brief description of each project, includes an estimated total cost along with total City cost and details which year each project is scheduled to be funded:



**Capital Improvement Program
2015- 2021 Project Summary**

DPS CIP#	PROJECT DESCRIPTION	FUNDING SOURCE	TOTAL			BUDGET		PROJECTED				FORECAST						
			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	
1	112-02 Meadowbrook Road Reconstruction, I-96 to 12 Mile	MAJOR STREET FUND 202	\$ 1,336,580	\$ 184,951	\$ 1,151,629		\$ 145,000	\$ 184,951	\$ 1,006,629									
2	142-22 Catherine Industrial Cul-de-Sac Reconstruction	MAJOR STREET FUND 202	\$ 170,000	\$ -	\$ 170,000		\$ 170,000											
3	132-01 Beck Road (8 Mile to 9 Mile) Reconstruction	MAJOR STREET FUND 202	\$ 1,494,225	\$ 222,875	\$ 1,271,350		\$ 175,300	\$ 222,875	\$ 1,096,050									
4	122-65 9 Mile Road Meadowbrook to Novi Road Rehabilitation	MAJOR STREET FUND 202	\$ 635,325	\$ 209,808	\$ 425,517	\$ 209,808	\$ 425,517											
5	102-03 Novi Road from 12 Mile Road to 13 Mile Road Rehabilitation	MAJOR STREET FUND 202	\$ 1,026,675	\$ 551,440	\$ 475,235	\$ 551,440	\$ 475,235											
6	082-18 Karim Blvd. Rehabilitation	MAJOR STREET FUND 202	\$ 1,215,000	\$ -	\$ 1,215,000		\$ 1,215,000											
7	082-10 Crescent Blvd., Novi Road to Town Center Drive Rehabilitation	MAJOR STREET FUND 202	\$ 1,798,785	\$ -	\$ 1,798,785		\$ 1,798,785											
8	102-01 Neighborhood Road Rehabilitation, Repaving and Reconstruction Program	LOCAL STREET FUND 203	\$ 16,470,000	\$ -	\$ 16,470,000		\$ 2,090,000		\$ 2,500,000		\$ 2,970,000		\$ 2,970,000		\$ 2,970,000		\$ 2,970,000	
9	102-05 Taft Road, 9 Mile Road to 10 Mile Road Rehabilitation	MAJOR STREET FUND 202	\$ 1,153,125	\$ -	\$ 1,153,125				\$ 1,153,125									
10	132-05 Meadowbrook Road (Southbound at 11 Mile)--Add right Turn Lane	MAJOR STREET FUND 202	\$ 131,100	\$ -	\$ 131,100						\$ 131,100							
11	132-03 Meadowbrook Road (North of 12 Mile Road) Major Repair	MAJOR STREET FUND 202	\$ 584,800	\$ -	\$ 584,800						\$ 584,800							
12	142-01 Beck Road (9 Mile to 10 Mile) Rehabilitation	MAJOR STREET FUND 202	\$ 1,100,000	\$ -	\$ 1,100,000						\$ 1,100,000							
13	112-01 Sixth Gate Reconstruction	LOCAL STREET FUND 203	\$ 98,585	\$ -	\$ 98,585								\$ 98,585					
14	121-001 Taft Road, 10 Mile Road to Grand River Avenue	MAJOR STREET FUND 202	\$ 608,500	\$ 336,889	\$ 271,611							\$ 336,889	\$ 271,611					
15	082-16 Trans-X Drive Rehabilitation	MAJOR STREET FUND 202	\$ 377,800	\$ -	\$ 377,800								\$ 377,800					
16	10-2023 13 Mile Road Rehabilitation, Novi Road to Meadowbrook Road	MAJOR STREET FUND 202	\$ 554,550	\$ -	\$ 554,550								\$ 554,550					
17	082-03 Crescent Blvd (New Roadway) Extension Between Grand River Avenue and Novi Road - Phase II and III	MUNICIPAL STREET FUND 204	\$ 3,417,580	\$ 2,790,000	\$ 627,580							\$ 2,790,000	\$ 627,580					
18	102-04 Old Novi Road Rehabilitation	MAJOR STREET FUND 202	\$ 665,800	\$ -	\$ 665,800								\$ 665,800					
19	092-22 Wixom Road, from 10 Mile Road to 11 Mile Road	MAJOR STREET FUND 202	\$ 717,400	\$ -	\$ 717,400								\$ 717,400					
20	082-30 11 Mile Road Rehabilitation and Repaving, Taft Road to Beck Road	MAJOR STREET FUND 202	\$ 782,700	\$ -	\$ 782,700								\$ 782,700					
21	132-25 Beck Road Widening (8 Mile to 10 Mile) Preliminary Engineering ONLY	MAJOR STREET FUND 202	\$ 1,000,000	\$ 800,000	\$ 200,000									\$ 800,000	\$ 200,000			
22	132-27 11 Mile Rehabilitation (Taft to Clark)	MAJOR STREET FUND 202	\$ 321,840	\$ -	\$ 321,840										\$ 321,840			
23	132-02 Jo Drive Rehabilitation and Extension	MUNICIPAL STREET FUND 204	\$ 474,000	\$ -	\$ 474,000										\$ 474,000			
24	132-28 West Park Rehabilitation (West Road to Pontiac Trail)	MAJOR STREET FUND 202	\$ 616,030	\$ -	\$ 616,030										\$ 616,030			
25	132-26 11 Mile Rehabilitation (Beck to Wixom)	MAJOR STREET FUND 202	\$ 748,680	\$ -	\$ 748,680										\$ 748,680			
26	142-05 12 Mile Road/Declaration Drive Boulevard Extension	MUNICIPAL STREET FUND 204	\$ 600,000	\$ -	\$ 600,000												\$ 600,000	
27	142-02 Dixon Road Paving	LOCAL STREET FUND 203	\$ 896,400	\$ -	\$ 896,400												\$ 896,400	
28	092-50 Southwest Quadrant Ring Road Flint Street, Novi Road and Grand River - New	MUNICIPAL STREET FUND 204	\$ 1,818,612	\$ -	\$ 1,818,612												\$ 1,818,612	
SUBTOTAL			\$ 40,814,092	\$ 5,095,963	\$ 35,718,129	\$ 761,248	\$ 6,494,837	\$ 407,826	\$ 5,755,804	\$ -	\$ 4,785,900	\$ 3,126,889	\$ 7,066,026	\$ 800,000	\$ 5,330,550	\$ -	\$ 6,285,012	



Capital Improvement Program
2015- 2021 Project Summary

DPS CIP#	PROJECT DESCRIPTION	FUNDING SOURCE	TOTAL			BUDGET		PROJECTED				FORECAST						
			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	
29	116-04 Napier Road and 10 Mile Road Intersection Improvements to Include Paving Napier Road (9 Mile to 10 Mile)	MUNICIPAL STREET FUND 204	\$ 3,600,000	\$ 3,300,000	\$ 300,000			\$ 3,300,000	\$ 300,000									
30	086-08 Taft and 9 Mile Road - New Roundabout	MAJOR STREET FUND 202	\$ 419,394	\$ 337,000	\$ 82,394					\$ 337,000	\$ 82,394							
31	136-02 Beck Road at 9 Mile Road Signal Modernization	MAJOR STREET FUND 202	\$ 215,000	\$ -	\$ 215,000								\$ 215,000					
32	086-07 Lewis and Haggerty Road - New Signal	MUNICIPAL STREET FUND 204	\$ 225,000	\$ -	\$ 225,000								\$ 225,000					
33	102-10 New Roundabout at 11 Mile Road and Wixom Road	MAJOR STREET FUND 202	\$ 875,750	\$ -	\$ 875,750								\$ 875,750					
34	136-01 Novi Road and 13 Mile Road Signal Modernization	MAJOR STREET FUND 202	\$ 260,000	\$ -	\$ 260,000									\$ 260,000				
35	146-01 West Park and South Lake Drive Traffic Signal Modernization	MAJOR STREET FUND 202	\$ 175,000	\$ -	\$ 175,000												\$ 175,000	
SUBTOTAL			\$ 5,770,144	\$ 3,637,000	\$ 2,133,144	\$ -	\$ -	\$ 3,300,000	\$ 300,000	\$ 337,000	\$ 82,394	\$ -	\$ 1,315,750	\$ -	\$ 260,000	\$ -	\$ 175,000	

Intersections & Signals

Sidewalks & Pathways

36	115-999 Taft Road at Jacob Drive - Non-Motorized Crossing	MUNICIPAL STREET FUND 204	\$ 34,212	\$ -	\$ 34,212		\$ 34,212											
37	115-009 Segment 9--Pontiac Trail, South Side (6' foot Sidewalk) Beck Road to West Park Drive	MUNICIPAL STREET FUND 204	\$ 455,495	\$ -	\$ 455,495		\$ 46,410			\$ 409,085								
38	10-5002 Americans with Disabilities Act (ADA) Compliance Plan Annual Implementation	MUNICIPAL STREET FUND 204	\$ 300,000	\$ -	\$ 300,000		\$ 50,000	\$ 50,000		\$ 50,000		\$ 50,000	\$ 50,000		\$ 50,000		\$ 50,000	
39	095-10 Segment 10--Beck Road, East Side, South of Pontiac Trail, (5' foot Sidewalks Short Segment) Concrete	MUNICIPAL STREET FUND 204	\$ 55,930	\$ -	\$ 55,930		\$ 55,930											
40	145-01 Segment 1B-14 Mile (south side) Haverhill to M-5	MUNICIPAL STREET FUND 204	\$ 156,060	\$ -	\$ 156,060		\$ 156,060											
41	101-127 Segment 127A--Novi Way, East Side (6' foot Sidewalk) Concrete	MUNICIPAL STREET FUND 204	\$ 27,387	\$ -	\$ 27,387			\$ 27,387										
42	125-053 Segment 53--Beck Road, West Side, (8' foot Pathway) 11 Mile Road to Kirkway Place	MUNICIPAL STREET FUND 204	\$ 81,000	\$ -	\$ 81,000			\$ 81,000										
43	125-005 Segment 5--14 Mile Road, South Side, Beach Walk to East Lake Drive	MUNICIPAL STREET FUND 204	\$ 92,200	\$ -	\$ 92,200			\$ 92,200										
44	095-133 Segment 133--Wixom Road Crossing, North of 11 Mile Road (8' foot Pathway Short Segment)	MUNICIPAL STREET FUND 204	\$ 37,050	\$ -	\$ 37,050							\$ 37,050						
45	095-93 Segment 93--9 Mile Road, Novi Road to Taft, North Side (6' foot Sidewalk) Concrete	MUNICIPAL STREET FUND 204	\$ 288,920	\$ -	\$ 288,920							\$ 63,550	\$ 225,370					
46	125-081 Segment 81--10 Mile Road, South Side, (8' foot pathway) Meadowbrook Road to Haggerty Road	MUNICIPAL STREET FUND 204	\$ 619,767	\$ -	\$ 619,767							\$ 100,800	\$ 279,067		\$ 239,900			
47	125-105 Segment 105 - 8 Mile Road (north side, 8' pathway) Between Garfield and Napier	MUNICIPAL STREET FUND 204	\$ 735,260	\$ -	\$ 735,260							\$ 126,000	\$ 609,260					
48	115-0002 Non-Motorized Crossing of I-96 at Novi Road	MUNICIPAL STREET FUND 204	\$ 763,100	\$ -	\$ 763,100							\$ 142,700	\$ 620,400					
49	135-129 Segment 129-14 Mile Road (6', south side)--Haverhill Farms to Maple Place	MUNICIPAL STREET FUND 204	\$ 159,080	\$ -	\$ 159,080							\$ 159,080						
50	085-62 Segment 62--10 Mile Road, Eaton Center to Churchill (6' sidewalk and Boardwalk) for North side	MUNICIPAL STREET FUND 204	\$ 174,446	\$ -	\$ 174,446							\$ 174,446						
51	135-51 Segment 51-10 Mile Road (6' wide, north side)-Dinser to Woodham	MUNICIPAL STREET FUND 204	\$ 181,600	\$ -	\$ 181,600							\$ 181,600						
52	125-039 Segment 39--Beck Road, West Side, from 11 Mile Road to Providence	MUNICIPAL STREET FUND 204	\$ 184,441	\$ -	\$ 184,441							\$ 184,441						
53	10-5007 Segment NC4--Neighborhood Connection Between Main Street and Meadowbrook Glens	MUNICIPAL STREET FUND 204	\$ 212,400	\$ -	\$ 212,400							\$ 212,400						
54	105-90 Segment 90-10 Mile Road, (8' foot Pathway) South Side, Novi Road to Chipmunk Trail - Concrete	MUNICIPAL STREET FUND 204	\$ 287,800	\$ -	\$ 287,800							\$ 287,800						



**Capital Improvement Program
2015- 2021 Project Summary**

DPS CIP#	PROJECT DESCRIPTION	FUNDING SOURCE	TOTAL			BUDGET		PROJECTED				FORECAST					
			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST
55	125-119 Segment 119--Meadowbrook Road, East Side, (6' foot Sidewalk) 8 Mile Road to 9 Mile Road	MUNICIPAL STREET FUND 204	\$ 377,000	\$ -	\$ 377,000								\$ 377,000				
56	115-0003 M-5/I-275 Regional Trail Connection - Phase II Meadowbrook Road and 13 Mile Road, Between 12 Mile Road and M-5	MUNICIPAL STREET FUND 204	\$ 1,118,730	\$ 733,384	\$ 385,346									\$ 733,384	\$ 97,000		\$ 288,346
57	095-88 Segment 88--9 Mile Road, North Side, Novi Road - Railroad (6' Sidewalk) Concrete	MUNICIPAL STREET FUND 204	\$ 178,302	\$ -	\$ 178,302										\$ 178,302		
58	135-70 Segment 70--Meadowbrook Road (8' west side)-- Gateway Village to 11 Mile	MUNICIPAL STREET FUND 204	\$ 451,850	\$ -	\$ 451,850										\$ 451,850		
59	095-99 Segment 99--10 Mile Road, South Side, from Wixom road to Beck Road (8' foot Pathway)	MUNICIPAL STREET FUND 204	\$ 462,312	\$ -	\$ 462,312										\$ 462,312		
60	085-84 Segment 84--Meadowbrook Road, 9 Mile Road to 10 Mile Road (6' Sidewalk) for East Side	MUNICIPAL STREET FUND 204	\$ 795,013	\$ -	\$ 795,013										\$ 795,013		
61	115-0005 Non-Motorized Crossing of I-96 at Taft Road	MUNICIPAL STREET FUND 204	\$ 2,070,172	\$ -	\$ 2,070,172										\$ 2,070,172		
62	145-38 Segment 38-Beck Road, east side, Eleven Mile to Grand River (6' sidewalk)	MUNICIPAL STREET FUND 204	\$ 289,700	\$ -	\$ 289,700												\$ 289,700
63	145-64 Segment 64--Taft Road, east side, Ten Mile to 11 Mile (6' sidewalk)	MUNICIPAL STREET FUND 204	\$ 465,800	\$ -	\$ 465,800												\$ 465,800
SUBTOTAL			\$ 11,055,027	\$ 733,384	\$ 10,321,643	\$ -	\$ 342,612	\$ -	\$ 250,587	\$ -	\$ 459,085	\$ -	\$ 2,096,867	\$ 733,384	\$ 5,838,746	\$ -	\$ 1,333,746

Storm Sewer & Drainage

64	133-01 Orchard Hill Place Regional Detention Basin Improvement	DRAIN FUND 210	\$ 126,600	\$ -	\$ 126,600		\$ 126,600										
65	133-04 Streambank Stabilization-Bishop Creek and Ingersol (10 Mile to Meadowbrook)	DRAIN FUND 210	\$ 750,660	\$ -	\$ 750,660		\$ 750,660										
66	133-02 Village Wood Lake/Village Oaks Lake Inlet and Outlet Improvements	DRAIN FUND 210	\$ 929,170	\$ -	\$ 929,170		\$ 929,170										
67	093-10 Rotary Park Streambank Stabilization	DRAIN FUND 210	\$ 160,900	\$ -	\$ 160,900			\$ 160,900									
68	093-11 Bishop District New Sedimentation Dredging Near 11 Mile Road	DRAIN FUND 210	\$ 200,832	\$ -	\$ 200,832			\$ 200,832									
69	133-05 Streambank Stabilization Ingersol Creek (10 Mile Road to Willowbrook Drive)	DRAIN FUND 210	\$ 409,397	\$ -	\$ 409,397				\$ 87,137		\$ 322,260						
70	133-07 Streambank Stabilization Bishop Creek (along Meadowbrook, north of Grand River)	DRAIN FUND 210	\$ 531,197	\$ -	\$ 531,197						\$ 531,197						
71	133-08 Streambank Stabilization on Rouge River near 9 Mile Rod	DRAIN FUND 210	\$ 1,316,820	\$ -	\$ 1,316,820							\$ 1,316,820					
SUBTOTAL			\$ 4,425,576	\$ -	\$ 4,425,576	\$ -	\$ 1,806,430	\$ -	\$ 361,732	\$ -	\$ 87,137	\$ -	\$ 853,457	\$ -	\$ 1,316,820	\$ -	\$ -

Sanitary Sewer

72	W&S004 Country Place Pump Station Capacity Upgrades	WATER AND SEWER FUND 592	\$ 555,600	\$ -	\$ 555,600		\$ 555,600										
73	W&S007 8 Mile Equalization Basin Project	WATER AND SEWER FUND 592	\$ 1,080,000	\$ -	\$ 1,080,000				\$ 1,080,000								
SUBTOTAL			\$ 1,635,600	\$ -	\$ 1,635,600	\$ -	\$ 555,600	\$ -	\$ -	\$ -	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**Capital Improvement Program
2015- 2021 Project Summary**

DPS CIP#	PROJECT DESCRIPTION	FUNDING SOURCE	TOTAL			BUDGET		PROJECTED				FORECAST					
			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST

Water Distribution

74	091-26	8 Mile Loop Connection at Meadowbrook	WATER AND SEWER FUND 592	\$ 270,000	\$ -	\$ 270,000		\$ 270,000										
75	091-06	PRV Redistricting - Meadowbrook and 13 Mile Road	WATER AND SEWER FUND 592	\$ 436,100	\$ -	\$ 436,100		\$ 436,100										
76	091-31	Haggerty Loop Connection North of 12 Mile	WATER AND SEWER FUND 592	\$ 370,000	\$ -	\$ 370,000			\$ 370,000									
77	W&S008	Island Lake Pressure District Expansion - Phase 1	WATER AND SEWER FUND 592	\$ 2,230,980	\$ -	\$ 2,230,980			\$ 2,230,980									
78	091-22	10 Mile Loop Connection West of Wixom Road	WATER AND SEWER FUND 592	\$ 505,200	\$ -	\$ 505,200				\$ 505,200								
79	091-18	11 Mile Loop Connection at Seely Road	WATER AND SEWER FUND 592	\$ 992,800	\$ -	\$ 992,800				\$ 992,800								
80	091-19	11 Mile Loop Connection between Mandalay and Sullivan	WATER AND SEWER FUND 592	\$ 780,000	\$ -	\$ 780,000						\$ 780,000						
81	W&S009	Island Lake Pressure District Expansion - Phase 2	WATER AND SEWER FUND 592	\$ 1,024,800	\$ -	\$ 1,024,800						\$ 1,024,800						
82	091-11 & 091-10	New Proposed Master Meter	WATER AND SEWER FUND 592	\$ 1,566,000	\$ -	\$ 1,566,000						\$ 1,566,000						
SUBTOTAL				\$ 8,175,880	\$ -	\$ 8,175,880	\$ -	\$ 706,100	\$ -	\$ 2,600,980	\$ -	\$ 1,498,000	\$ -	\$ 3,370,800	\$ -	\$ -	\$ -	\$ -

Parks, Recreation, & Cultural Services

83	100-05	ITC Community Sports Park Pathway Resurfacing	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 85,670	\$ -	\$ 85,670		\$ 85,670										
84	PRC013	Pavilion Shore Park - Phase III	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 220,340	\$ -	\$ 220,340		\$ 220,340										
85	PRC018	Wildlife Woods Soccer Field Drainage	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 120,000	\$ -	\$ 120,000			\$ 120,000									
86	100-003	ITC Community Sports Park Play Structure Replacement	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 75,000	\$ -	\$ 75,000				\$ 75,000								
87	PRC010	Wildlife Wood Trail	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 95,630	\$ -	\$ 95,630				\$ 95,630								
88	PRC019	ITC Community Sports Park Update	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 671,800	\$ -	\$ 671,800				\$ 200,000		\$ 471,800						
89	PRC015	Villa Park Property Studio	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 135,000	\$ -	\$ 135,000						\$ 135,000						



**Capital Improvement Program
2015- 2021 Project Summary**

DPS CIP#	PROJECT DESCRIPTION	FUNDING SOURCE	TOTAL			BUDGET		PROJECTED				FORECAST					
			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST
90	PRC020	Power Park Upgrade	\$ 165,790	\$ -	\$ 165,790								\$ 165,790				
91	PRC003	Field/Parking Development with Novi Community School District for Schools 11 Mile/Beck Road Property	\$ 182,000	\$ -	\$ 182,000								\$ 182,000				
92	109-03	Tim Pope Play Structure Replacement	\$ 250,000	\$ -	\$ 250,000								\$ 250,000				
93	125-997	Greenway Development Phase 1B (9 Mile Rd. to Fire station 4 parking lot)	\$ 1,345,065	\$ -	\$ 1,345,065								\$ 1,345,065				
94	PRC017	Lakeshore Park Entry, New Camp Building, New North Shelter	\$ 1,526,980	\$ -	\$ 1,526,980								\$ 1,526,980				
95	PRC001	Pavilion Shore Park - Phase IV (Pavilion and Waterfront Picnic Plaza, Site Lighting) - Grant Match	\$ 81,300	\$ -	\$ 81,300									\$ 81,300			
96	PRC008	Ella Mae Power Park Irrigation and Fencing Fields 5 & 6 Replacement	\$ 113,380	\$ -	\$ 113,380									\$ 113,380			
97	PRC025	Mobile Sound Stage Replacement	\$ 130,000	\$ -	\$ 130,000									\$ 130,000			
98	PRC004	Ella Mae Power Park Lighting - Ball Fields 5 & 6 - New	\$ 255,000	\$ -	\$ 255,000									\$ 255,000			
99	PRC016	ITC Community Sports Park Trail	\$ 439,637	\$ -	\$ 439,637									\$ 439,637			
100	PRC021	Lakeshore Park Playground Improvement	\$ 75,000	\$ -	\$ 75,000												\$ 75,000
101	PRC022	Wildlife Woods Entrance	\$ 105,000	\$ -	\$ 105,000												\$ 105,000
102	PRC023	Village Wood Lake Park Improvements	\$ 159,800	\$ -	\$ 159,800												\$ 159,800



**Capital Improvement Program
2015- 2021 Project Summary**

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			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST
103	PRC024 ITC Field Improvements	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 500,360	\$ -	\$ 500,360												\$ 500,360
SUBTOTAL			\$ 6,732,752	\$ -	\$ 6,732,752	\$ 306,010	\$ -	\$ 120,000	\$ -	\$ 370,630	\$ -	\$ 4,076,635	\$ -	\$ 1,019,317	\$ -	\$ 840,160	

Parking Lots

104	LOT002 Fire Parking Lot Improvements (FS #2, #4 & CEMS) - Replacement	GENERAL FUND 101	\$ 164,670	\$ -	\$ 164,670		\$ 21,560			\$ 143,110							
105	LOT006 Police Parking Lot East Improvements	GENERAL FUND 101	\$ 39,600	\$ -	\$ 39,600		\$ 39,600										
106	LOT005 Civic Center Parking Lot & Novi Way Improvements	GENERAL FUND 101	\$ 430,210	\$ -	\$ 430,210		\$ 215,105		\$ 215,105								
107	LOT004 Police Access Driveway and Firearms Training Center Parking Lot - Replacement	GENERAL FUND 101	\$ 48,400	\$ -	\$ 48,400				\$ 48,400								
108	LOT008 Lakeshore Park Parking Lot Improvements	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 33,600	\$ -	\$ 33,600					\$ 33,600							
109	LOT014 ITC Community Sports Park Parking Lot Improvements	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 157,500	\$ -	\$ 157,500						\$ 157,500						
110	SNR004 Partial Parking Lot Repair - Meadowbrook Commons Activity Center	SENIOR HOUSING FUND 594	\$ 75,245	\$ -	\$ 75,245							\$ 75,245					
111	LOT015 Rotary Park Parking Area	PARKS, RECREATION, & CULTURAL SERVICES FUND 208	\$ 43,644	\$ -	\$ 43,644											\$ 43,644	
SUBTOTAL			\$ 992,869	\$ -	\$ 992,869	\$ -	\$ 276,265	\$ -	\$ 263,505	\$ -	\$ 176,710	\$ -	\$ 157,500	\$ -	\$ 75,245	\$ -	\$ 43,644

Buildings & Property

112	ICE012 Rubber Flooring in Upper Lobby (Ice Arena)	ICE ARENA FUND 590	\$ 30,000	\$ -	\$ 30,000		\$ 30,000										
113	ICE011 LED Lighting in Blue & Red Rinks (Ice Arena)	ICE ARENA FUND 590	\$ 35,000	\$ -	\$ 35,000		\$ 35,000										
114	ICE009 Equipment Room Roof Replacement - Back Mechanic Roof (Ice Arena)	ICE ARENA FUND 590	\$ 44,000	\$ -	\$ 44,000		\$ 44,000										
115	FIR012 Fire Station #4 - Training Tower Upgrade - Phase 2	GENERAL FUND 101	\$ 46,000	\$ -	\$ 46,000		\$ 46,000										
116	ICE010 Multi-Purpose Room Upgrades (Ice Arena)	ICE ARENA FUND 590	\$ 55,000	\$ -	\$ 55,000		\$ 55,000										
117	FLD024 Equipment Storage Building at ITC Community Sports Park	GENERAL FUND 101	\$ 245,483	\$ -	\$ 245,483		\$ 245,483										
118	CDV001 Community Development Suite Renovation	GENERAL FUND 101	\$ 203,000	\$ -	\$ 203,000		\$ 203,000										
119	FAC009 Civic Center Solar Panels	GENERAL FUND 101	\$ 45,000	\$ -	\$ 45,000			\$ 45,000									
120	ICE003 Evaporative Cooling Tower (Ice Arena)	ICE ARENA FUND 590	\$ 65,000	\$ -	\$ 65,000			\$ 65,000									
121	POL009 Gun Range Building Addition	GUN RANGE FACILITY FUND 402	\$ 311,100	\$ -	\$ 311,100			\$ 311,100									
122	POL008 Police Station Rubber Flooring (Sgt's Office & Briefing Room)	GENERAL FUND 101	\$ 40,100	\$ -	\$ 40,100				\$ 40,100								



**Capital Improvement Program
2015- 2021 Project Summary**

DPS CIP#	PROJECT DESCRIPTION	FUNDING SOURCE	TOTAL			BUDGET		PROJECTED				FORECAST						
			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	
123	FIR014	Fire Station #3 Renovation	GENERAL FUND 101	\$ 327,650	\$ -	\$ 327,650												
124	POL006	Police Building 2nd Floor Renovation	GENERAL FUND 101	\$ 608,550	\$ -	\$ 608,550												
125	FIR011	Fire Station #1 Renovation	GENERAL FUND 101	\$ 624,400	\$ -	\$ 624,400												
126	POL011	Natural Gas Generator - Police Building	GENERAL FUND 101	\$ 88,900	\$ -	\$ 88,900												
SUBTOTAL				\$ 2,769,183	\$ -	\$ 2,769,183	\$ -	\$ 658,483	\$ -	\$ 421,100	\$ -	\$ 40,100	\$ -	\$ 1,560,600	\$ -	\$ 88,900	\$ -	\$ -

Machinery & Equipment

127	FLD025	Mini Concrete Mixer - Two Yard Capacity	GENERAL FUND 101	\$ 38,000	\$ -	\$ 38,000		\$ 38,000										
128	FLD006	Combination V-Box Salt Spreader Inserts (Four Each)	GENERAL FUND 101	\$ 250,000	\$ -	\$ 250,000		\$ 125,000		\$ 125,000								
129	FLD013	Single-Axle 5-Cubic Yard Dump Truck w/Front Plow; Underbody Scraper, & Wing Plow (Replaces #686 - 1994 Ford)	GENERAL FUND 101	\$ 190,000	\$ -	\$ 190,000		\$ 190,000										
130	POL013	Property Room Shelving Unit	GENERAL FUND 101	\$ 60,775	\$ -	\$ 60,775				\$ 60,775								
131	POL012	Firearms Training Simulator Replacement	GUN RANGE FACILITY FUND 402	\$ 90,300	\$ -	\$ 90,300				\$ 90,300								
132	ICE002	Zamboni Ice Resurfacer (Ice Arena)	ICE ARENA FUND 590	\$ 95,000	\$ -	\$ 95,000				\$ 95,000								
133	FLD013	Single-Axle 5-Cubic Yard Dump Truck w/Front Plow; Underbody Scraper & Wing Plow (Replaces #687 - 1994 Ford)	GENERAL FUND 101	\$ 190,000	\$ -	\$ 190,000				\$ 190,000								
134	FLD003	Tandem-Axle Swap Loader Dump Truck w/Front Plow; Underbody Scraper & Wing Plow (Replaces #699 - 2000 Sterling)	GENERAL FUND 101	\$ 300,000	\$ -	\$ 300,000				\$ 300,000								
135	FIR013	Tanker 1 Replacement (#311, 1997 Chevrolet)	GENERAL FUND 101	\$ 430,335	\$ -	\$ 430,335				\$ 430,335								
136	FLD004	Mini Excavator (Replaces #622 - Model Year 2000 Bobcat)	GENERAL FUND 101	\$ 90,000	\$ -	\$ 90,000					\$ 90,000							
137	FLD002	1-Ton Dump Truck w/Front Plow and Swap Loader - New	GENERAL FUND 101	\$ 120,000	\$ -	\$ 120,000					\$ 120,000							
138	FLD007	Bobcat All-Wheel Loader With Milling Machine Attachment	GENERAL FUND 101	\$ 125,000	\$ -	\$ 125,000					\$ 125,000							
139	ICE004	Munters Dehumidification Unit Replacement (Ice Arena)	ICE ARENA FUND 590	\$ 190,000	\$ -	\$ 190,000					\$ 190,000							
140	FLD010	Single-Axle 5-Cubic Yard Dump Truck w/Front Plow; Underbody Scraper & Wing Plow - New	GENERAL FUND 101	\$ 200,000	\$ -	\$ 200,000					\$ 200,000							
141	POL010	Gun Range Total Containment Bullet Trap System	GUN RANGE FACILITY FUND 402	\$ 254,700	\$ -	\$ 254,700					\$ 254,700							
142	FLD003	Tandem-Axle Swap Loader Dump Truck w/Front Plow; Underbody Scraper & Wing Plow (Replaces #620 - 2001 Sterling)	GENERAL FUND 101	\$ 300,000	\$ -	\$ 300,000					\$ 300,000							
143	ICE007	Public Address and Stereo System Replacement (Ice Arena)	ICE ARENA FUND 590	\$ 27,000	\$ -	\$ 27,000						\$ 27,000						
144	FIR015	Rescue #3 & #4 Replacements (#344, #355 - 2011 Expeditions)	GENERAL FUND 101	\$ 143,430	\$ -	\$ 143,430						\$ 143,430						
145	FLD012	Single-Axle 5-Cubic Yard Dump Truck w/Front Plow; Underbody Scraper & Wing Plow (Replaces #621 - 2001 Sterling)	GENERAL FUND 101	\$ 200,000	\$ -	\$ 200,000						\$ 200,000						
146	FLD019	Single-Axle 5-Cubic Yard Dump Truck w/Front Plow; Underbody Scraper & Wing Plow (Replaces #698 - 1998 Ford)	GENERAL FUND 101	\$ 200,000	\$ -	\$ 200,000						\$ 200,000						
147	FIR018	Command Vehicle Replacement (#320 - 2011 Expedition)	GENERAL FUND 101	\$ 268,180	\$ -	\$ 268,180						\$ 268,180						
148	FLD009	Front-End Loader (Replaces #689 - 1995 Case)	GENERAL FUND 101	\$ 275,000	\$ -	\$ 275,000						\$ 275,000						



**Capital Improvement Program
2015- 2021 Project Summary**

DPS CIP#	PROJECT DESCRIPTION	FUNDING SOURCE	TOTAL			BUDGET		PROJECTED				FORECAST					
			PROJECT COST	OUTSIDE LEVERAGE	CITY COST	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
						OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST	OUTSIDE LEVERAGE	CITY COST
149	SNR003 HVAC Units Replacement - Meadowbrook Commons Activity Center	SENIOR HOUSING FUND 594	\$ 36,403	\$ -	\$ 36,403										\$ 36,403		
150	FLD014 Single-Axle 5-Cubic Yard Dump Truck w/Front Plow; Underbody Scraper & Wing Plow (Replaces #605 - 2001 Osh Kosh)	GENERAL FUND 101	\$ 200,000	\$ -	\$ 200,000										\$ 200,000		
151	FIR016 Squad 2 Replacement (#314 - 209 International MedTec Ambulance)	GENERAL FUND 101	\$ 243,200	\$ -	\$ 243,200										\$ 243,200		
152	FLD008 Ditching Machine (Replaces #675 - 1991 Gradall)	DRAIN FUND 210	\$ 300,000	\$ -	\$ 300,000										\$ 300,000		
153	FLD011 All-Wheel Drive Motor Grader (Replaces #612 - 2005 CAT)	GENERAL FUND 101	\$ 300,000	\$ -	\$ 300,000										\$ 300,000		
154	FLD020 Tandem-Axle Swap Loader Dump Truck w/Front Plow; Underbody Scraper & Wing Plow (Replaces #603 - 2003 Sterling)	GENERAL FUND 101	\$ 325,000	\$ -	\$ 325,000										\$ 325,000		
155	FLD015 1-Ton Dump Truck w/Front Plow and Swap Loader (Replaces #633 - 1998 GMC)	GENERAL FUND 101	\$ 325,000	\$ -	\$ 325,000										\$ 325,000		
156	FLD026 1-Ton Dump Truck w/Front Plow and Swap Loader (Replaces #690 - 1999 Ford)	GENERAL FUND 101	\$ 120,000	\$ -	\$ 120,000											\$ 120,000	
157	FLD027 1-Ton Dump Truck w/Front Plow and Swap Loader (Replaces #649 - 2000 Ford)	GENERAL FUND 101	\$ 120,000	\$ -	\$ 120,000											\$ 120,000	
158	FLD028 1-Ton Dump Truck w/Front Plow and Swap Loader (Replaces #691 - 2001 Ford)	GENERAL FUND 101	\$ 120,000	\$ -	\$ 120,000											\$ 120,000	
159	FLD018 Truck-Mounted Combination (Jet and Vacuum) Sewer Cleaner (Replaces #614 - 2007 Sterling) (Vactor)	DRAIN FUND 210	\$ 400,000	\$ -	\$ 400,000											\$ 400,000	
160	FIR017 Engine 3 Replacement (#342, 2005 Seagrove)	GENERAL FUND 101	\$ 740,850	\$ -	\$ 740,850											\$ 740,850	
SUBTOTAL			\$ 7,268,173	\$ -	\$ 7,268,173	\$ -	\$ 353,000	\$ -	\$ 1,291,410	\$ -	\$ 1,279,700	\$ -	\$ 1,113,610	\$ -	\$ 1,729,603	\$ -	\$ 1,500,850

Technology

161	W&S006 SCADA Upgrades to Sanitary Lift Stations	WATER AND SEWER FUND 592	\$ 56,000	\$ -	\$ 56,000		\$ 56,000										
162	IFT003 Server Storage Replacement	GENERAL FUND 101	\$ 125,950	\$ -	\$ 125,950		\$ 62,950										\$ 63,000
163	POI007 Police Building Camera System - Replacement	GENERAL FUND 101	\$ 63,500	\$ -	\$ 63,500		\$ 63,500										
164	W&S005 SCADA Upgrades to Incorporate In-System Sewer Flow Meters	WATER AND SEWER FUND 592	\$ 199,000	\$ -	\$ 199,000		\$ 199,000										
165	IFT004 Virtual Remote Desktop Infrastructure Project	GENERAL FUND 101	\$ 69,800	\$ -	\$ 69,800			\$ 69,800									
166	CDV003 Community Development Document Imaging Project	GENERAL FUND 101	\$ 80,000	\$ -	\$ 80,000			\$ 80,000									
SUBTOTAL			\$ 594,250	\$ -	\$ 594,250	\$ -	\$ 381,450	\$ -	\$ 149,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,000

TOTAL	\$ 90,233,546	\$ 9,466,347	\$ 80,767,199	\$ 761,248	\$ 11,880,787	\$ 3,707,826	\$ 11,514,918	\$ 337,000	\$ 9,859,656	\$ 3,126,889	\$ 21,611,245	\$ 1,533,384	\$ 15,659,181	\$ -	\$ 10,241,412
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General Fund - 101	\$ 9,125,983	\$ -	\$ 9,125,983	\$ -	\$ 1,250,198	\$ -	\$ 1,564,415	\$ -	\$ 1,018,210	\$ -	\$ 2,647,210	\$ -	\$ 1,482,100	\$ -	\$ 1,163,850
Major Street Fund - 202	\$ 18,984,059	\$ 2,642,963	\$ 16,341,096	\$ 761,248	\$ 4,404,837	\$ 407,826	\$ 3,255,804	\$ 337,000	\$ 1,898,294	\$ 336,889	\$ 4,460,611	\$ 800,000	\$ 2,146,550	\$ -	\$ 175,000
Local Street Fund - 203	\$ 17,464,985	\$ -	\$ 17,464,985	\$ -	\$ 2,090,000	\$ -	\$ 2,500,000	\$ -	\$ 2,970,000	\$ -	\$ 3,068,585	\$ -	\$ 2,970,000	\$ -	\$ 3,866,400
Municipal Street Fund - 204	\$ 21,190,219	\$ 6,823,384	\$ 14,366,835	\$ -	\$ 342,612	\$ 3,300,000	\$ 550,587	\$ -	\$ 459,085	\$ 2,790,000	\$ 2,949,447	\$ 733,384	\$ 6,312,746	\$ -	\$ 3,752,358

Capital Improvement Program and Debt



Debt Service

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

City Charter and Public Act 279 of 1909 (as amended) provide that the net indebtedness of the City shall not be in excess of 10% of the State Equalized Valuation of all real and personal property in the City, plus assessed value equivalent of Act 198 specific tax levies.

The schedules of indebtedness associated with special assessments are not included in the following information because the debt is paid with installment collections from benefited property owners.

Bond Ratings Unlimited Tax General Obligation Bonds

City of Novi - Bond Rating History

	<u>Moody's</u>	<u>S&P</u>
2013	Aa2	AA+
2012	Aa2	AA+
2011	Aa2	AA+
2010	Aa2	AA+
2008	Aa2	AA+
2003	Aa2	AA-
2002	A1	AA-
2001	A1	AA-
2000	A2	A+
1999	A2	A+

<u>Standard & Poor's</u>	<u>Moody's Investor Services</u>	<u>Fitch</u>
AAA	Aaa	AAA
***AA+	Aa1	AA+
AA-	***Aa2	AA-
A+	Aa3	A+
A	A1	A
A-	A2	A-
BBB+	A3	BBB+
BBB-	Baa1	BBB-
BB+	Baa2	BB+
BB	Baa3	BB
BB-	Ba1	BB-
B+	Ba2	B+
B	Ba3	B
B-	B1	B-
CCC+	B2	CCC+
CCC-	B3	CCC-
	Caa1	CC
	Caa2	C
	Caa3	DDD
	Ca	DD
	C	D

***City of Novi's rating



Capital Improvement Program and Debt

Debt Summary

DEBT SUMMARY

Description of Debt	Funding Source	Debt Outstanding 6/30/2015	Debt Service Payments 2015-16		
			Principal	Interest	Total
VOTED TAX GENERAL OBLIGATION DEBT FUNDS:					
2002 Street and Refunding Bonds	Debt Service	\$ 2,080,000	\$ 655,000	\$ 92,006	\$ 747,006
2008 Library Construction Bonds	Debt Service	13,750,000	500,000	588,125	1,088,125
2010 Refunding Bonds	Debt Service	1,075,000	1,075,000	12,094	1,087,094
Total Direct Debt Service		\$ 16,905,000	\$ 2,230,000	\$ 692,225	\$ 2,922,225
SPECIAL ASSESSMENT LIMITED TAX BONDS:					
2012 Special Assessment Ltd Tax	SAD	\$ 1,360,000	\$ 1,360,000	\$ 20,400	\$ 1,380,400
2003 Special Assessment Ltd Tax	SAD	455,000	155,000	14,434	169,434
Total Special Assessment Debt		\$ 1,815,000	\$ 1,515,000	\$ 34,834	\$ 1,549,834
BUILDING AUTHORITY BONDS:					
2014 Refunding Bonds-Ice Arena	Ice Arena	\$ 4,405,000	\$ 450,000	\$ 105,720	\$ 555,720
2005 Refunding Bonds-Senior Housing	Sr Housing	9,265,000	240,000	393,010	633,010
2010 Refunding Bonds-Senior Housing	Sr Housing	1,105,000	625,000	21,013	646,013
Total Building Authority Debt		\$ 14,775,000	\$ 1,315,000	\$ 519,743	\$ 1,834,743
Total Debt Service		\$ 33,495,000	\$ 5,060,000	\$ 1,246,802	\$ 6,306,802

Capital Improvement Program and Debt



DEBT SERVICE REQUIREMENTS TO MATURITY GENERAL OBLIGATION BONDS FISCAL YEAR 2016 - 2028

Fiscal Year Ending	Principal (less interest earnings & fund balance appropriations)	Interest	Total*	Projected Taxable Value** (in thousands)	Estimated Millage Rate for Debt Service
2016	2,230,000	692,225	2,922,225	3,119,000	1.0960
2017	1,445,000	620,319	2,065,319	3,225,000	0.6404
2018	1,480,000	552,913	2,032,913	3,335,000	0.6096
2019	750,000	503,750	1,253,750	3,435,000	0.3650
2020	750,000	473,750	1,223,750	3,538,000	0.3459
2021	1,000,000	433,750	1,433,750	3,644,000	0.3935
2022	1,000,000	383,750	1,383,750	3,753,000	0.3687
2023	1,000,000	337,500	1,337,500	3,866,000	0.3460
2024	1,250,000	289,688	1,539,688	3,982,000	0.3867
2025	1,250,000	236,562	1,486,562	4,101,000	0.3625
2026	1,500,000	177,188	1,677,188	4,224,000	0.3971
2027	1,500,000	111,563	1,611,563	4,351,000	0.3704
2028	1,750,000	39,375	1,789,375	4,482,000	0.3992
	<u>\$ 16,905,000</u>	<u>\$ 4,852,333</u>	<u>\$ 21,757,333</u>		
Average Annual Requirement:			\$ 1,673,641		

*Total debt service payments above exclude fees

**Projected taxable value is net of adjustments for tax tribunal cases, uncollected personal property tax, etc. For years 2016-2018, the estimate includes a 3.4% per year annual growth assumption and does not include any offset for interest earnings. For years 2019-2028, the estimate includes a 3.0% per year annual growth assumption and does not include any offset for interest earnings.



Capital Improvement Program and Debt

Legal Debt Margin

Computation of Legal Debt Margin

As of July 1, 2013 (including refunding debt issued in 2013)

The Debt Policy approved by the City Council in March 2013 puts forth these additional debt limits:

- The City's net bonded indebtedness incurred for all public purposes should not exceed \$2,500 per capita.
- Debt service payments are limited to 20% of the combined operating and debt-service fund expenditures.
- Municipal securities issued for capital improvement purposes shall not exceed 5% of the state equalized valuation of the property assessed in the City of Novi.

Obligations which are not included in the computation of legal debt margin are:

- Special Assessment Bonds;
- Mortgage Bonds;
- Michigan Transportation Bonds;
- Revenue Bonds;
- Bonds issued, or contracts or assessment obligations, incurred, to comply with an order of the Water Resources Commission (now the Department of Environmental Quality) or a court of competent jurisdiction;
- Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.

Capital Improvement Program and Debt



COMPUTATION OF LEGAL DEBT MARGIN

Total Net Bonded Indebtedness Should Not Exceed \$2,500 Per Capita

Debt Limit

Population		<u>58,164</u>
Debt Limit (\$2,500 per capita)	\$	145,410,000

Debt Applicable to Debt Limit, at July 1, 2013

Total Bonded Debt Outstanding	\$	33,495,000
Less:		
Special Assessment Bonds		<u>1,815,000</u>
Total Amount of Debt Applicable to Limit		<u>31,680,000</u>

Debt Margin Available \$ 113,730,000

Net Debt subject to limit as percent of Debt Limit **22%**



Capital Improvement Program and Debt

Debt Service Payment Should Not Exceed 20% of Combined Operating and Debt-Service Fund Expenditures

Debt Limit

Combined Operating and Debt-Service Fund Expenditures, estimated 2014-15	\$ 36,232,082
Debt Service Limit (20% of Operating and Debt-Service Expenditures)	\$ 7,246,416

Debt Service Applicable to Debt Limit, budget 2014-15

Total Bonded Debt Service	\$ 6,306,802
Less:	
Special Assessment Bond Service	<u>1,549,834</u>
Total Amount of Debt Applicable to Limit	<u>4,756,968</u>

Debt Service Margin Available **\$ 2,489,448**

Net Debt Service subject to limit as percent of Debt Limit **66%**

Capital Improvement Program and Debt



Municipal securities shall not exceed 5% of the State Equalized Value

Debt Limit

2014 State Equalized Valuation (SEV)	\$ 3,356,763,690
Assessed value equivalent of Act 198 exemption	13,968,800
	<u>\$ 3,370,732,490</u>
Debt Limit (5% of State Equalized Valuation)	\$ 168,536,625

Debt Applicable to Debt Limit, at July 1, 2014

Total Bonded Debt Outstanding	\$ 33,495,000
Less:	
Special Assessment Bonds	<u>1,815,000</u>
Total Amount of Debt Applicable to Limit	<u>31,680,000</u>

Legal Debt Margin Available \$ 136,856,625

Net Debt subject to limit as percent of Debt Limit **18.80%**



Capital Improvement Program and Debt

2002 Street and Refunding Debt Fund

This issue was used for refunding bonds issued for paving purposes, the remaining Park Debt and 1997 Fire Debt issues, as well as the second series of 2000 Voted Street bonds in the amount of \$8,395,000.

**SCHEDULE OF INDEBTEDNESS
YEAR ISSUED: 2002
AMOUNT OF ISSUE: \$24,720,000**

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2015	5.2500%	655,000
2016	5.2500%	695,000
2017	5.2500%	730,000
		\$ 2,080,000

2008 Library Construction Debt Fund

This general obligation bond issue was approved by the voters in November 2007. Bonds issued in June 2008. The new Library is a two-story state-of-the-art facility with approximately 55,000 square feet.

**YEAR ISSUED: 2008
AMOUNT OF ISSUE: \$16,000,000**

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL	PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
			2021	5.0000%	\$ 1,000,000
2015	3.7500%	500,000	2022	4.2500%	1,000,000
2016	4.0000%	750,000	2023	4.2500%	1,250,000
2017	4.0000%	750,000	2024	4.2500%	1,250,000
2018	4.0000%	750,000	2025	4.3750%	1,500,000
2019	4.0000%	750,000	2026	4.3750%	1,500,000
2020	5.0000%	1,000,000	2027	4.5000%	1,750,000
					\$ 13,750,000

Capital Improvement Program and Debt



2010 Refunding Debt Fund

This issue was used for refunding bonds issued for the balance of the 1998 Street Bond Debt issue.

SCHEDULE OF INDEBTEDNESS
YEAR ISSUED: 2010
AMOUNT OF ISSUE: \$4,895,000

PRINCIPAL DUE OCTOBER 1 <u>2015</u>	INTEREST RATE <u>3.0000%</u>	PRINCIPAL <u>1,075,000</u> <u>\$ 1,075,000</u>

2014 Refunding Debt Fund

This issue was used for refunding bonds issued for the balance of the 2004 Ice Arena Recreation Facility Building Authority Refunding Bonds.

SCHEDULE OF INDEBTEDNESS
YEAR ISSUED: 2014
AMOUNT OF ISSUE: \$4,905,000

PRINCIPAL DUE JUNE 1 <u> </u>	INTEREST RATE <u> </u>	PRINCIPAL <u> </u>	PRINCIPAL DUE JUNE 1 <u> </u>	INTEREST RATE <u> </u>	PRINCIPAL <u> </u>
			2021	2.4000%	\$ 500,000
2016	2.4000%	450,000	2022	2.4000%	490,000
2017	2.4000%	490,000	2023	2.4000%	500,000
2018	2.4000%	480,000	2024	2.4000%	485,000
2019	2.4000%	490,000	2025	2.4000%	520,000
					<u>\$ 4,405,000</u>



Capital Improvement Program and Debt

2010 Refunding Debt Fund

This issue was used for refunding bonds issued for the balance of the 1999 Building Authority (Senior Complex) Bonds.

**SCHEDULE OF INDEBTEDNESS
YEAR ISSUED: 2010
AMOUNT OF ISSUE: \$2,970,000**

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2015	2.0000%	625,000
2016	2.0000%	480,000
		\$ 1,105,000

2005 Refunding Debt Fund

This issue was used for refunding bonds issued for the balance of the 1999 Building Authority (Senior Complex) Bonds.

**SCHEDULE OF INDEBTEDNESS
YEAR ISSUED: 2005
AMOUNT OF ISSUE: \$9,920,000**

PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL	PRINCIPAL DUE OCTOBER 1	INTEREST RATE	PRINCIPAL
2015	4.0000%	240,000	2020	4.2500%	\$ 840,000
2016	5.0000%	775,000	2021	4.2500%	850,000
2017	4.7500%	810,000	2022	4.1250%	885,000
2018	4.2500%	845,000	2023	4.2000%	1,015,000
2019	4.2500%	850,000	2024	4.2500%	1,055,000
			2025	4.3000%	1,100,000
					\$ 9,265,000

The Senior Housing 2005 Refunding Building Authority Bonds are callable October 2015. The City is researching the possibility of refunding this bond to take advantage of lower interest rates currently available.

Departmental Information



Personnel Summary (full-time staff)

The City of Novi employs full-time staff in various capacities. The costs for these employees are budgeted within their respective departments. The FY 2015-16 Budget includes three additional full-time positions: GIS/NEAMS Technician, Recreation Supervisor, and a Forestry Asset Manager.

The GIS/NEAMS Technician is a General Fund position within the Information Technology Department. Two part time positions are proposed to be eliminated in order to help fund this new position. The City has found it to be a significant challenge over the past few years to hire part-time employees with the required skill set needed to perform the required work in this area. A full time position will provide the technical expertise to satisfy the growing volume of geospatial projects.

The Recreation Programmer is a Parks, Recreation, and Cultural Services Fund position. Two part time positions, which have had frequent turn over the last few years, are proposed to be eliminated, so a full time position can bring much needed stability and a sense of direction with sports programming. The elimination of two part time positions, along with an anticipated increase in revenues (due to increases in participation and increases in the number of programs offered) offset this additional position.

The Forestry Asset Manager is a Tree Fund position. Reestablishing this position will realign all forestry communication, event coordination, inspections, bond releases, and oversight of planting and maintenance contract documents. Currently, the duties are disbursed amongst four full time positions and contracted maintenance services. Reinstating this position is required to proactively maintain these assets.

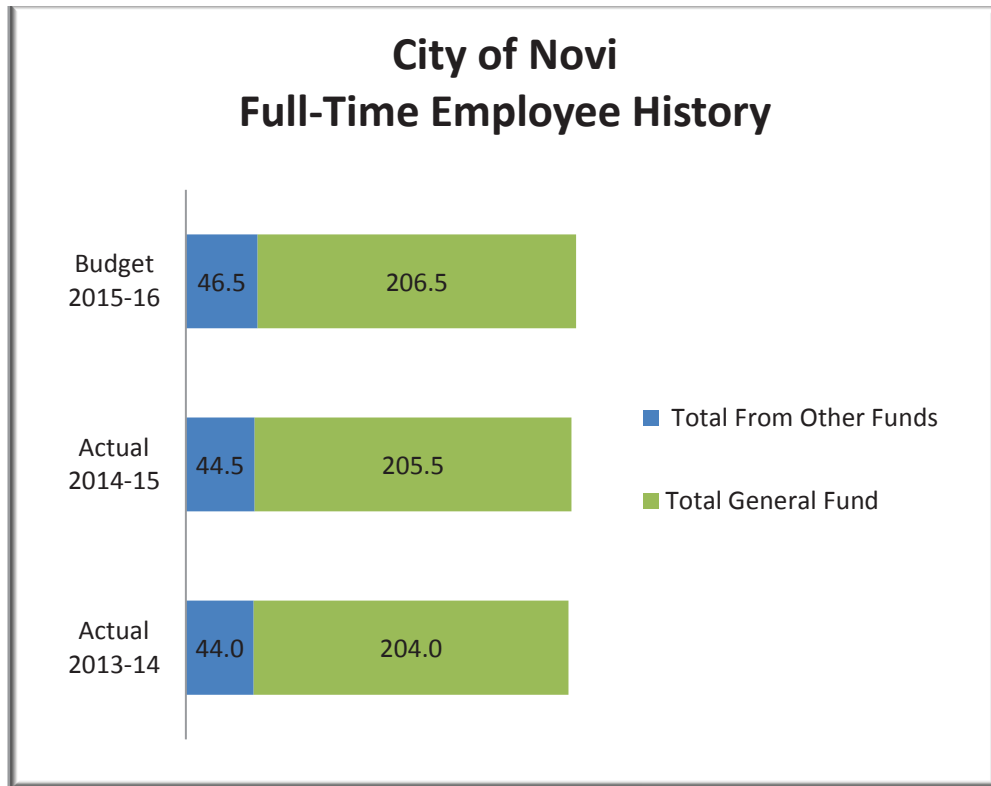
The budget also reflects the elimination of two full-time positions as of June 30, 2015:

- General Fund: Economic Development Director within the Neighborhood and Business Relations Group
- General Fund/Water Sewer Fund: Senior Customer Service Representative within Community Development-Building and Water Sewer departments.

The personnel summary on the following pages reflects all budgeted full-time personnel, including filled and vacant positions.



Departmental Information



	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Budget</u>
Total From Other Funds	44.0	44.5	46.5
Total General Fund	204.0	205.5	206.5
	<hr/> 248.0	<hr/> 250.0	<hr/> 253.0

Departmental Information



Personnel Summary (full-time staff)

	<u>2013-14 ACTUAL</u>	<u>2014-15 ACTUAL</u>	<u>2015-16 BUDGET</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND				
CITY MANAGER'S OFFICE				
City Manager	1.0	1.0	1.0	0.0
Assistant City Manager	1.0	1.0	1.0	0.0
Administrative Assistant	1.0	1.0	1.0	0.0
	3.0	3.0	3.0	0.0
FINANCIAL SERVICES				
FINANCE DEPARTMENT				
Finance Director/Treasurer/CFO	1.0	1.0	1.0	0.0
Deputy Finance Director	1.0	0.0	0.0	0.0
Accountant	1.0	1.0	1.0	0.0
Senior Financial Analyst	0.0	2.0	2.0	0.0
Senior Financial Manager	1.0	0.0	0.0	0.0
Senior Customer Service Representative	1.0	1.0	1.0	0.0
Purchasing Manager	1.0	1.0	1.0	0.0
TREASURY DEPARTMENT				
Assistant City Treasurer	1.0	1.0	1.0	0.0
Senior Customer Service Representative	2.0	2.0	2.0	0.0
	9.0	9.0	9.0	0.0
INFORMATION TECHNOLOGY				
Chief Information Officer	1.0	1.0	1.0	0.0
Computer Support Specialist	2.0	2.0	2.0	0.0
GIS Manager	1.0	1.0	1.0	0.0
GIS/NEAMS Technician	0.0	0.0	1.0	1.0
IT Manager/Network Operations	1.0	1.0	1.0	0.0
	5.0	5.0	6.0	1.0
ASSESSING				
Assessor	1.0	1.0	1.0	0.0
Deputy Assessor	1.0	1.0	1.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Commercial/Industrial Appraiser	1.0	1.0	1.0	0.0
Residential Appraiser	1.0	1.0	1.0	0.0
	5.0	5.0	5.0	0.0
CITY CLERK				
City Clerk	1.0	1.0	1.0	0.0
Deputy City Clerk	1.0	1.0	1.0	0.0
Executive Secretary	1.0	1.0	1.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Customer Service Representative	1.0	1.0	1.0	0.0
	5.0	5.0	5.0	0.0
FACILITY MANAGEMENT				
Facilities Manager	1.0	1.0	1.0	0.0
Facility Support Specialist	1.0	1.0	1.0	0.0
	2.0	2.0	2.0	0.0



Departmental Information

Personnel Summary (full-time staff)

	<u>2013-14 ACTUAL</u>	<u>2014-15 ACTUAL</u>	<u>2015-16 BUDGET</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND (continued)				
HUMAN RESOURCES				
Human Resource Director	1.0	1.0	1.0	0.0
Human Resource Generalist	0.0	1.0	1.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Payroll Coordinator	1.0	0.0	0.0	0.0
Senior Customer Service Representative	1.0	1.0	1.0	0.0
	4.0	4.0	4.0	0.0
NEIGHBORHOOD AND BUSINESS RELATIONS GROUP				
Director of Communications	1.0	1.0	1.0	0.0
Economic Development Director	1.0	0.0	0.0	0.0
Communications Specialist	1.0	1.0	1.0	0.0
Communications Coordinator	1.0	1.0	1.0	0.0
	4.0	3.0	3.0	0.0
PUBLIC SAFETY				
POLICE DEPARTMENT				
Director of Public Safety/Chief of Police	1.0	1.0	1.0	0.0
Assistant Chief of Police	2.0	2.0	2.0	0.0
Lieutenant	2.0	2.0	2.0	0.0
Sergeant	10.0	10.0	10.0	0.0
Analyst Planner/Office Manager	1.0	1.0	1.0	0.0
Communications Shift Leader	4.0	4.0	4.0	0.0
Communications Manager	1.0	1.0	1.0	0.0
Dispatcher	8.0	8.0	8.0	0.0
Administrative Assistant	1.0	1.0	1.0	0.0
Police Officer	37.0	39.0	39.0	0.0
Detective	11.0	11.0	11.0	0.0
Police Clerk	6.0	6.0	6.0	0.0
Public Safety Performance Measurement Analyst	0.0	1.0	1.0	0.0
Lead Mechanic	0.0	1.0	1.0	0.0
FIRE DEPARTMENT				
Director of Emergency Medical Services & Fire Operations	1.0	1.0	1.0	0.0
Fire Marshall	1.0	1.0	1.0	0.0
Fire Protection Officer	16.0	16.0	16.0	0.0
Fire Lieutenant	4.0	4.0	4.0	0.0
Fire Captain	4.0	4.0	4.0	0.0
Training Officer	1.0	1.0	1.0	0.0
	111.0	115.0	115.0	0.0

Departmental Information



Personnel Summary (full-time staff)

continued

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 BUDGET	INCREASE (DECREASE)
GENERAL FUND (continued)				
COMMUNITY DEVELOPMENT				
BUILDING DEPARTMENT				
Community Development Director	1.0	1.0	1.0	0.0
Building Official	1.0	1.0	1.0	0.0
Building Inspector	2.0	2.0	2.0	0.0
Building Permit Analyst	1.0	1.0	1.0	0.0
Code Compliance Officer	3.0	3.0	3.0	0.0
Customer Service Representative	2.0	2.0	2.0	0.0
Electrical Inspector	1.0	1.0	1.0	0.0
Plumbing Inspector	1.0	1.0	1.0	0.0
Mechanical Inspector	1.0	1.0	1.0	0.0
Senior Customer Service Representative	2.5	1.0	1.0	0.0
Plan Examiner	1.0	1.0	1.0	0.0
PLANNING DEPARTMENT				
Community Development Deputy Director	1.0	1.0	1.0	0.0
Landscape Architect	1.0	1.0	1.0	0.0
Planning Assistant	1.0	1.0	1.0	0.0
Planner	2.0	2.0	2.0	0.0
Customer Service Representative	0.0	1.0	1.0	0.0
	21.5	21.0	21.0	0.0
DEPARTMENT OF PUBLIC SERVICES (DPS)				
ADMINISTRATION				
Public Services Director/City Engineer	1.0	1.0	1.0	0.0
Analyst Planner	1.0	1.0	1.0	0.0
Senior Customer Service Representative	0.5	0.5	0.5	0.0
ENGINEERING DIVISION				
Engineering Manager	1.0	1.0	1.0	0.0
Civil Engineer	1.0	1.0	1.0	0.0
Construction Engineer Coordinator	1.0	1.0	1.0	0.0
Construction Technician	1.0	1.0	1.0	0.0
Staff Engineer	1.0	1.0	1.0	0.0
FIELD OPERATIONS DIVISION				
Field Operations Senior Manager	1.0	1.0	1.0	0.0
Parks/Forestry Operations Manager	1.0	1.0	1.0	0.0
Roadway Asset Manager	1.0	1.0	1.0	0.0
Heavy Equipment Operator	4.0	4.0	4.0	0.0
Light Equipment Operator	7.0	7.0	7.0	0.0
Park Maintenance	4.0	4.0	4.0	0.0
Senior Customer Service Representative	1.0	1.0	1.0	0.0
Sign Technician	1.0	1.0	1.0	0.0
Work Leader	3.0	3.0	3.0	0.0
FLEET OPERATIONS DIVISION				
Head Mechanic	1.0	1.0	1.0	0.0
Lead Mechanic	2.0	1.0	1.0	0.0
Mechanic	1.0	1.0	1.0	0.0
	34.5	33.5	33.5	0.0
TOTAL GENERAL FUND	204.0	205.5	206.5	1.0



Departmental Information

Personnel Summary (full-time staff)

continued

WATER AND SEWER FUND

WATER AND SEWER DEPARTMENT

Water & Sewer Financial Services Specialist	1.0	1.0	1.0	0.0
Water & Sewer Asset Manager	1.0	1.0	1.0	0.0
Water and Sewer Senior Engineer	1.0	1.0	1.0	0.0
Light Equipment Operator	4.0	4.0	4.0	0.0
Maintenance	3.0	3.0	3.0	0.0
Senior Customer Service Representative	2.0	1.5	1.5	0.0
Water & Sewer Cross Connection Specialist	0.0	1.0	1.0	0.0
Work Leader	1.0	1.0	1.0	0.0

TOTAL WATER AND SEWER FUND	13.0	13.5	13.5	0.0
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PARKS, RECREATION & CULTURAL SERVICES FUND

PARKS, RECREATION & CULTURAL SERVICES DEPARTMENT

ADMINISTRATION

Director of Parks, Recreation & Cultural Services	1.0	1.0	1.0	0.0
Deputy Director of Parks, Recreation & Cultural Services	0.0	1.0	1.0	0.0
Superintendent of Recreation	1.0	0.0	0.0	0.0
Account Clerk	1.0	1.0	1.0	0.0
Executive Secretary	1.0	1.0	1.0	0.0

RECREATION DEPARTMENT

Recreation Coordinator - Cultural Services	1.0	1.0	1.0	0.0
Recreation Supervisor	3.0	3.0	3.0	0.0
Recreation Programmers	0.0	0.0	1.0	1.0

OLDER ADULT SERVICES DEPARTMENT

Account Clerk	1.0	1.0	1.0	0.0
Senior Center Older Adult Coordinator	1.0	1.0	1.0	0.0
Senior Services Manager	1.0	1.0	1.0	0.0

TOTAL PARKS, RECREATION & CULTURAL SERVICES FUND	11.0	11.0	12.0	1.0
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Departmental Information



Personnel Summary (full-time staff)

continued

TREE FUND

FORESTRY DEPARTMENT

Forestry Asset Manager	0.0	0.0	1.0	1.0
TOTAL TREE FUND	0.0	0.0	1.0	1.0

LIBRARY FUND

LIBRARY

Administrative Assistant	1.0	1.0	1.0	0.0
Assistant Director - Building Operations	1.0	1.0	1.0	0.0
Assistant Director - Public Services	1.0	1.0	1.0	0.0
Collections Specialist	2.0	2.0	2.0	0.0
Communications Coordinator	1.0	1.0	1.0	0.0
Department Head-Information Services	1.0	1.0	1.0	0.0
Department Head-Information Technology	1.0	1.0	1.0	0.0
Department Head-Support Services	1.0	1.0	1.0	0.0
Facilities Assistant II	1.0	1.0	1.0	0.0
Librarian	3.0	3.0	3.0	0.0
Librarian-Electronic Services	1.0	1.0	1.0	0.0
Library Director	1.0	1.0	1.0	0.0
Office assistant	1.0	1.0	1.0	0.0
Supervisor	3.0	3.0	3.0	0.0
System Administrator	1.0	1.0	1.0	0.0
TOTAL LIBRARY FUND	20.0	20.0	20.0	0.0

TOTAL ALL FUNDS	248.0	250.0	253.0	3.0
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Departmental Information

Mayor and City Council (101)

Overview

The citizens of Novi elect the Mayor (two-year term) and the six members of Council (staggered four-year terms) as their representatives. The City Council has the power to adopt laws, ordinances and resolutions, to approve contracts and agreements, to adopt the budget, to levy taxes, and to set policy. The City Council appoints a City Manager who is accountable for all administrative functions that are not directed by the City Charter or ordinance upon another official.

Performance Measures, Goals, and Objectives

- Continue to conduct City Council Early Budget Input Session to provide management with citywide goals and objectives.
- The following are the strategic goals for fiscal year 2015-2016 budget:
 - ◇ Nurture public services that residents want and value
 - ◇ Operate a world-class and sustainable local government
 - ◇ Value and build a desirable and vibrant community for residents and businesses alike now and into the future
 - ◇ Invest properly in being a Safe Community at all times for all people
- Maintain or lower current millage rate of 10.2

City Manager (172)

Overview

The City Manager's Office strives to effectively serve the City Council and public through responsible administration of all City affairs as well as demonstrate and promote the highest standard of ethics, professionalism, and integrity throughout the City organization.

The City Manager's Office fosters open and transparent communications, actively solicits and incorporates citizen involvement and participation, and achieves outstanding results through partnerships with other service providers in both the public and private sectors.

The City Manager's Office demonstrates through words, actions, and policies a commitment to treat all colleagues and citizens with respect, accountability and dignity.

Performance Measures, Goals, and Objectives

- Continue to implement City Council's strategic goals
- Execute the Entryway Grant program to help residents improve their subdivision entrances and make Novi, overall, a more desirable City to live

Departmental Information



Finance & Purchasing (201)

Overview — Finance

The Finance Department provides high quality operational services including accounting, budgeting, debt administration, arbitrage reporting, grant reporting, accounts receivable, payroll and accounts payable. Beyond these operational activities, the Finance Department also supports all financial aspects of initiatives stemming from the City Manager's Office towards the general promotion of fiscally responsible government. The department's diligence in these activities have earned accolades from the Government Finance Officers Association and helped maintain Novi's AA+ bond rating with Standard & Poor's.

The Department provides various support services to the businesses, citizens and other departments with regards to private development performance guarantee administration. Support services include advising policies, implementing procedures and amending ordinances as needed to meet the City's changing economic development environment, as well as utilizing current technological means to aid residents and businesses alike in fulfilling their obligations with the City (tax, utility payments, etc.).

The budget function provides financial planning, evaluation, forecasting and management analysis services in support of City operations.

The Department maintains the City's financial records in accordance with City Charter, State law, and generally accepted accounting principles (GAAP) by providing the highest quality, most efficient and cost effective accounting function. A comprehensive annual financial report is prepared each year in connection with the City's annual audit.

Performance Measures, Goals, and Objectives

- Earned the annual Government Finance Officers Association Distinguished Budget Award for the 18th consecutive year.
- Earned the annual Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 14th consecutive year.
- Complying with the direction from the City Council and City Manager maintaining the City's tax millage rate at 10.2000 mills, down from 10.5416 in fiscal year 2011-2012.
- Completed a Comprehensive Annual Financial Report for the City of Novi and achieved an unqualified (clean) opinion for the fiscal year ended June 30, 2014.
- Continue to make paying down the City's current debt a budget priority
- Reviewing the City's options for refunding the Ice Arena Building Authority debt which is callable October 2015.
- Monitor the City's OPEB contributions to ensure the City maintains its fully funded status.
- Increase in defined benefit contributions of \$500,000 more than in fiscal year 2014/2015, including \$100,000 over the ARC.



Departmental Information

- Continue review of all policies and procedures to streamline operations and improve efficiency throughout the finance department. Revision of policies and procedures has also improved the flow of information from all other departments to finance.

Overview — Purchasing

The mission of the City of Novi Purchasing Department is to provide responsible procurement services to all City departments ensuring that our citizens benefit from the integrity, quality and efficiency of the department while maintaining the highest level of professional ethics by:

- Fostering maximum competition for City purchasing.
- Offering assistance and guidance on products, services, and procurement options.
- Optimizing purchasing leverage in concert with other municipalities, County, and State agencies.
- Providing potential suppliers with equal consideration of their products and services.
- Instilling confidence to our citizens that all bids are awarded in an equitable manner.

Performance Measures, Goals, and Objectives

- Maintain & communicate the list of services, materials, equipment, projects, and contracts for which the City of Novi solicits bids or proposals so that Novi Community Schools, City of Northville, Northville Public Schools and Walled Lake Consolidated Schools may participate in the City's bids and RFPs in order to achieve cost savings.
- Participated in State, County, Michigan Intergovernmental Trade Network (MITN), and Michigan Association of Counties (MAC) CoPro+ cooperative purchasing programs to utilize contracts for gasoline, road salt, vehicles, and office supplies.
- Continued City participation on the surplus auction on the MITN website (www.mitn.info). Since September 2007, items sold on the auction have generated net revenue of over \$576,000.

Information Technology (205)

Overview

The City of Novi Information Technology Department's mission is to form and maintain sustainable relationships with its business partners, leveraging the right balance of technology and governance to engineer technology solutions which are citizen-centric, cost-effective, and drive efficient public service delivery throughout the City.

The Information Technology (IT) Department maintains a City-wide service delivery focus while working in collaboration with all City service areas. The team develops plans and strategies for maximizing business value by making the City's technology resources available to more than 300 full-time/part-time staff, volunteers, and the community at large. IT staff provide project management expertise, application/hardware support, technology procurement guidance, custom training, enforcement of uniform governance standards, auditing services and cost-benefit analyses for technology alternatives and recommended solutions.

Departmental Information



The IT Department also maintains the City's location based information services, resources, and products. Locational intelligence is an integral part of emergency service response, utility asset management, economic/community development, capital improvement planning, and recreation programming. The team's expertise enables the design of interactive web mapping resources, manage automatic vehicle locator (AVL) technology, provide reverse E-911 system support for over 60,000 landline subscribers, administer asset management systems, and professionally design over 30 standardized map products used by the community and staff to communicate how City services are delivered and ordinances are uniformly enforced throughout the community.

Performance Measures, Goals, and Objectives

- The key to success is maintaining effective communication channels with other City departments and intergovernmental partners.
- Constantly identify opportunities to equip the community with technology solutions delivering outstanding public service.
- Develop flexible, cost-effective Information Technology systems for the City including communications, data management, application enhancement/support, and extensible hardware infrastructure.
- Provide reliable and secure data center services and support for citywide information technology systems.
- Provide wide and local area network (WAN/LAN) design and support, including network monitoring and security.
- Provide support for hosted internet services as well as desktop support services.
- Embrace the virtual City Hall concept providing 24x7 citizen access.
- New server for storage and scanning projects to increase efficiency and cost savings

Assessing Department (209)

Overview

The mission of the Assessing Department is to uniformly and equitably value all taxable real and personal property within the City of Novi. The annual creation of this tax base provides funding for education, City services and other government functions. The Assessing Department continually works to improve the quality of service to the public and to deliver reliable information in a timely and professional manner.

Performance Measures, Goals, and Objectives

The residential sector has recovered from the economic downturn that first became evident during 2007. For 2015, the Inflation Rate Multiplier (IRM) is 1.016 or 1.6%. This multiplier limits the amount of increase over a property's previous taxable value. The 2014 multiplier was also 1.6% and the twenty year average is about 2.4%. Obviously, the higher the annual multiplier, the more revenue that can be generated for city, schools, county, etc. While taxable value increases are limited, assessed value increases are not. The average residential increase for 2015 was 11.04%. By comparison, the 2014 residential increase over 2013 was 9.12%. Industrial and commercial assess values saw a slight increase from the prior year. The overall



Departmental Information

2015 state equalized value of the city is still approximately 7% below the peak of 2007. The 2015 taxable is about 12% less than that of 2009.. As the city recovers from the recession, due to legislated limitations, the gap between assessed and taxable values will begin to widen again.

If the statewide IRM were to be 2% annually, it would take another five years to return to the taxable value level that the City of Novi enjoyed in 2007. At the current pace, the taxable value would return to the 2007 level in approximately three years.

STATE EQUALIZED VALUE TOTALS						
Tax Year	Personal Property Tax*	Commercial/ Industrial	% of Total**	Residential	% of Total	Overall
2009	233,170,160	1,313,896,100	41%	2,194,995,650	59%	3,742,061,910
2010	220,466,950	1,197,856,300	43%	1,902,861,350	57%	3,321,184,600
2011	220,678,540	1,022,625,150	41%	1,820,618,900	59%	3,063,922,590
2012	220,345,290	928,809,850	38%	1,855,175,200	62%	3,004,330,340
2013	223,698,750	893,516,550	36%	1,982,518,310	64%	3,099,733,610
2014	225,066,560	918,429,850	34%	2,221,694,700	66%	3,365,191,110
2015	220,000,000	936,821,400	32%	2,502,319,650	68%	3,659,141,050
TAXABLE VALUE TOTALS						
Tax Year	Personal Property Tax*	Commercial/ Industrial	% of Total**	Residential	% of Total	Overall
2009	233,170,160	1,203,024,590	40%	2,118,748,880	60%	3,554,943,630
2010	220,466,950	1,121,427,690	40%	1,862,673,780	60%	3,204,568,420
2011	220,678,540	976,935,070	40%	1,781,997,870	60%	2,979,611,480
2012	220,345,290	890,883,160	38%	1,809,105,200	62%	2,920,333,650
2013	223,698,750	855,546,320	36%	1,892,836,510	64%	2,972,081,580
2014	225,066,560	861,684,810	35%	1,984,120,840	65%	3,070,872,210
2015	220,000,000	870,163,350	34%	2,083,845,750	66%	3,174,009,100

*The City contracts with Oakland County for Personal Property Tax auditing

**This percentage of total includes commercial, industrial, and personal property values.

Much of 2013 was spent in the defense of assessed and taxable values at the Michigan Tax Tribunal. Unfortunately, the economy has been the motivator for many of these appeals. As of March 2015, there were 31 open appeal cases (compared to 226 as of June 2013). It is anticipated that, as the economy continues to recover, the volume of new appeals will decrease over previous years.

The City will continue to monitor the changes in the personal property tax law and how it will affect the City.

The department continues to provide useful information to the public through the internet. The department continues to digitally sketch buildings and makes those available on-line. Reports indicate that assessing information is always is one of the most frequented areas of the City web site.

Departmental Information



City Attorney (210)

Overview

The City Attorney represents the City in civil and criminal proceedings and serves as legal advisor to the City, its agencies, and officials and in some instances its employees.

As legal advisor, the City Attorney prepares documents and instruments, drafts ordinances, renders formal and informal opinions, reviews contracts and performs other services as required by law.

City Attorney services are contracted through the firm of Johnson, Rosati, Schultz & Joppich, P.C. City Attorney legal support extends to City Council, Planning Commission, Zoning Board of Appeals, City Administration, and as needed, City Boards and Commissions. The City Attorney does not provide legal advice to members of the public.

City Clerk (215)

Overview

The City Clerk's Office is responsible for administering all elections in accordance with State and Federal law. The City Clerk and Deputy Clerk are accredited by the Secretary of State under Michigan election law to conduct training for precinct inspectors appointed to serve in the polls at local, School, County, State, and Federal elections. Each election involves a three month cycle of preparation and follow-up. Elections may be held in February, May, August and November. In addition, a special election may be called by the Governor.

As the City's "Official Record keeper", the Clerk's office is responsible for document storage and retrieval of contracts, agreements, leases, bids, deeds, easements, City Code amendments and minutes of City Council and all Boards and Commissions. We respond to requests for public records in accordance with the Freedom of Information Act (FOIA) daily and maintain and produce documents that enable transparency of local government for the public.

The City Clerk attends all City Council Regular, Special, Ad Hoc and Budget meetings. Staff coordinates with all departments in the preparation of electronic Council packets. The Clerk's office posts and publishes notices of meetings, public hearings, zoning map amendments and adopted ordinances in accordance with the Open Meetings Act. All meeting actions are recorded, transcribed and maintained in the Clerk's office.

The City Clerk's Office maintains responsibility for the City's Property and Liability Insurance. The City Clerk's Office is also responsible for processing liquor license applications, ordinance amendments and resolutions adopted by City Council, issuing permits and licenses for refuse haulers, arcades, auctioneers, massage therapist permits, massage business licenses, pawnbroker, peddlers and non-commercial solicitor permits, precious items dealers, taxicab and outdoor gathering permits.

The Clerk's office provides notary services at no charge to residents. We are certified as a National passport acceptance agency and provide passport photo service on a daily basis.



Departmental Information

Performance Measures, Goals, and Objectives

- Conducted elections in accordance with State of Michigan election law, received certification from County Board of Canvassers and successfully completed an audit by the State of Michigan Bureau of Elections. Trained and employed 125 election inspectors throughout the City's 21 precincts and Absentee Counting Boards.
- Received, routed and provided response documents for FOIA (Freedom of Information Act) requests.
- Accept and process Passport applications and Passport Photos. Process and issued licenses and permits for auctioneers, arcade, massage business and massage therapists, peddlers, liquor, non-commercial solicitors, outdoor gathering, pawnbrokers, precious items dealers, refuse hauler and taxicabs.

Treasury (253)

Overview

The mission of the Treasurer's Department is to provide extraordinary service to the community through continued professional development and cross-training of our staff, and through credible, proactive and continued improvements to our procedures and technologies.

The Treasurer's Department is responsible for all monetary collections on behalf of the City of Novi. Treasury oversees the billing, collection and distribution of City, County, School and State Education taxes and prepares the delinquent tax rolls. The Department prepares all special billings and rolls, collects City receivables, conducts daily banking, and issues dog licenses on behalf of Oakland County.

The financial services for the Water and Sewer division are provided by the Department including billing and collection of water and sewer usage; calculation, invoicing and collection of capital charges; administration of monitoring agreements; and the distribution and reconciliation of payback agreements.

The Department prepares and issues all electrical, plumbing, heating/refrigeration, right-of-way and general permits. Bond guarantees, letters of credit and other security monies are collected, recorded, tracked and refunded through the Treasury Department.

The Department is responsible for investing public funds in a manner consistent with the City's Investment Policy with the primary focus and order of priority on security, risk and then yield.

Performance Measures, Goals, and Objectives

- Ensured the safety of City funds by working with bank financial experts to incorporate programs consistent with our investment policy principles of safety, liquidity and yield.
- Maintained approximately \$164 million (as of December 31, 2014) in cash and investments including post-retirement health care funding by balancing interest rate risk, risk and concentration of risk.

Departmental Information



- Implemented monthly water and sewer billing program for the City's top one hundred customers by usage.
- Through mailings and other outreach, increased the number of customers utilizing E-billing and direct payment services enhancing customer service and improving cash flow for the City.
- Credit card and other electronic payment options have been expanded and made available to customers in the satellite collection locations in the City Clerks, Public Safety and Public Services departments. The Treasury Department will review other methods of payment to help improve customer service.
- Continued to update City Policy and Procedures Manual.

Facility Operations (265)

Overview

The Facility Operations Division's mission is to provide core operation, maintenance, and strategic planning for the City-owned building infrastructure. The Facility Operations Division will deliver these services in a safe, cost-effective, and energy efficient manner in support of the citizens and employees who use these facilities.

Facility Operations is responsible for the day to day operation of City-owned buildings. In this role they are accountable for asset management, preventative maintenance, energy reduction/management, HVAC, repair/renovation, electrical, and contracted services management.

Performance Measures, Goals, and Objectives

- Replacement of Civic Center and Police Department HVAC Air Handling Units
- Managed Ice Arena's arcade demo and upper lobby build out
- Managed Ice Arena front entrance way and dyer remodel



Departmental Information

Human Resources (270)

Overview

The mission of the Human Resources Department (HR) is to provide vision, leadership and guidance while developing a work culture that supports continuous improvement. The department strives to attract, develop and retain a highly qualified, diverse and dynamic workforce. The goal of the department is to provide timely guidance and direction to management as well as the employees in all human resource functions.

HR is responsible for providing support to all City Departments by performing the centralized functions of recruitment, selection, testing, orientation, training and staff development. This function also includes the maintenance, negotiation, and labor management efforts, as well as the coordination and management of six bargaining groups. Unlike some local government municipalities, the City of Novi HR Department is also responsible for the coordination and administration of the City's various health plans for active and retired employees. The Payroll function also falls under the responsibility of Human Resources. Other programs offered through and administered by Human Resources is that of the Employee Assistance (EAP) and Employee Wellness programs. The EAP program provides employees with the resources to seek work/life balance in the areas of work place struggles, counseling (work life and personal life), management referrals, money management. The Wellness program offers various opportunities for employment-based wellness programs which may include weight management, healthy cooking, smoking cessation and various other wellness-based educational opportunities. Programs are marketed to improve overall health (physical or psychological) and incentives are offered (healthy snacks, gift cards, etc.).

The traditional HR functions including compliance with all employment law requirements such as Equal Employment Opportunity, Fair Labor Standards Act, Family Medical Leave Act, and American with Disability Act are managed through Human Resources.

Performance Measures, Goals, and Objectives

- As of July 1, 2013 all employees eligible to receive healthcare benefits were contributing 20% of the annual premium (pursuant to PA 152 of 9/2011) through monthly payroll deductions.
- Human Resources is in the process of re-negotiating the Fire Fighters Union (AFL-CIO)
- By implementing a Medicare Advantage program for current retirees who are 65 or older, the City saved \$200,000 annually.
- Successfully completed search for City Manager
- Continue to provide opportunities for employees to participate in wellness workshops and challenges that promote overall good health, in conjunction with the Patient Protection and Affordable Care Act. Such opportunities may include, but are not be limited to exercise challenges (altered according to employee ability), nutrition classes, health-related campaigns and events and incentives.
- Implement new pre-employment testing program

Departmental Information



Neighborhood and Business Relations Group (295)

Overview

The mission of the Neighborhood and Business Relations Group is to provide open and thorough communication between the City of Novi and all community members – business and residential. The Neighborhood and Business Relations Group includes Community Relations, Economic Development, and neighborhood support. A key element of the groups' efforts is to present a positive image of the City of Novi, internally and externally, through personal, printed, and visual communication, with citizen engagement as an overall goal.

In addition to attracting new business to the community, the Economic Development team works to retain and expand existing business in Novi.

The Community Relations team works with citizens, businesses, and City staff to ensure open lines of communication at all times. Community Relations is also responsible for coordinating employee engagement for the Novi staff team.

The Group also supports and coordinates City events and functions that promote community spirit, volunteer activism, encourage citizen engagement, and enhance the sense of community. Community Relations additionally leads the Employee Wellness and Engagement Series (EWES) to promote City spirit among employees and enhance work culture. Offerings include, but are not limited to Quarterly Employee Recognition Breakfasts, Evening of Appreciation Dinner, years of service recognition awards, annual picnic, National Employee Appreciation Day, Lunch and a Movie, and more.

Performance Measures, Goals, and Objectives

- Partnered with Community Publishing & Marketing to produce the quarterly Novi Today publication at NO cost to the City.
- Coordinated Fall for Novi and Spring into Novi at the Novi Civic Center.
- Produced cable television programming.
- Coordinated Youth Council initiatives.
- Expanded the Employee Wellness and Engagement Series (EWE(s)) to enhance the work culture and overall health and wellness of Novi employees.
- Coordinated the annual Evening of Appreciation, Volunteer Appreciation Dinner, and State of the City Address and HOA Leader's Breakfast.
- Hosted the international CLAIR delegation.
- Managed the City of Novi's presence on Twitter, Facebook and Pinterest.
- Launched the City's presence on Instagram.
- Participated in more than a dozen ribbon cuttings.
- Initiated the Novi Ambassador Academy for education/training of future leaders.



Departmental Information

Public Safety (301 and 337)

Overview

The Public Safety Administration is responsible for directing the overall mission and operation of the Fire and Police Departments, including research, strategic planning, goal setting and fiscal and personnel management. The Public Safety Administration is accountable to the entire organization and the expectation is for the same level of accountability in return. More importantly, ALL personnel are accountable to the community of Novi. In addition, Emergency Preparedness is a key element and responsibility of the Administration and is carried out through cooperative partnerships with other City departments and professionals at the state, local and federal levels. Public Safety Administration supports and assists in the coordination of City events and functions that promote community spirit, volunteer activism, encourage citizen engagement, promotes City spirit amongst staff and enhances work culture. Offerings include Annual Police and Fire Awards Ceremony, hosting training for staff as well as citizens and outside agencies, hosting meetings with outside agencies, the 911 Recognition Breakfast, Fall for Novi, retirement ceremonies, new hire oath ceremonies, Addicted to Movies Not Drugs and Addicted to Games Not Drugs events. Crime prevention items, light refreshment as well as plaques are purchased as necessary.

Overview — Police Department

The men and women of the Novi Police Department work tirelessly toward providing a safe and healthy community for all to enjoy. We embrace and utilize the most innovative programs available; always striving to be on the cutting edge of new technology. Our focus is on problem oriented and community oriented policing, which is fully embodied in the Department's mission statement, "Partners with our Community." The Novi Police Department is committed to proactively enhancing the quality of life and reducing the criminal fears of all community members.

The Operations Division responds to all emergencies and other calls for police service with uniform personnel. In addition, this division has primary responsibility for the enforcement of state and local laws and ordinances, traffic enforcement, preliminary case investigations, arresting offenders and prisoner processing.

The Support Services Division consists of the Communications Section, Records Section and the Investigations Section. The Communications Section receives incoming calls for service, dispatching police, fire and ambulance services for the City of Novi and other regional dispatch consortium members. The City of Novi provides emergency dispatch services for the entire City of Novi as well as for the City of South Lyon.

The Records Section is responsible for the storage and retention of all official police and fire documents. The unit is also responsible for all aspects of the police computer system as well as the management and storage of all digital in-car camera media, and the police building and Firearms Training Center closed circuit monitoring system.

The Investigations Section is comprised of detectives who conduct detailed follow-up investigations into all criminal matters and present their findings for criminal prosecution. The Investigations Section is also responsible for all crime prevention programs, our undercover assets in surveillance and narcotics, and the School Resource Officer partnership we have with the Novi Community School District.

Departmental Information



Overview — Fire Department

The Novi Fire Department provides fire protection services as well as Basic Life Support, Fire Prevention & Education Services, and Fire Code and Commercial Inspection Services. The department has oversight and operational responsibility for coordinating and administering a private Advanced Life Support contract with Community Emergency Medical Services (CEMS). The men and women of the Novi Fire Department work in concert with other public and private safety and emergency medical service providers to ensure a safe and efficient service delivery model.

The Novi Fire Department is responsible for providing the community of Novi with life and property protection from fire and other threatening situations. The Department takes pride in providing timely response and effective management of fire control situations, rescue, medical and environmental emergencies. The Department is involved in the enforcement of State laws and City ordinances that relate to fire protection. Inspections of commercial/industrial buildings and multiple dwellings are conducted to determine if buildings comply with Fire Protection Code.

The Novi Fire Department is a combination Department, staffed by full-time, part-time, and paid-on-call members.

The Operations Division responds to all fire, medical emergencies, hazardous material, and service incidents in Novi, as well as mutual aid requests from surrounding communities.

The Training Division provides fire, medical, and related instruction to members of the Department. Fire safety, cardiopulmonary resuscitation training and fire protection education programs are provided to the public.

Performance Measures, Goals, and Objectives — Police and Fire Departments

- In support of the goals established by City Council, the Novi Police Department continues to pursue State, Federal and local law enforcement agencies to rent the Firearms Training Center.
- The Novi Police Department continue to offer Pistol Safety Courses that fulfill state requirements for Concealed Pistol Licenses (CPL) to community members. This course is approved by the Michigan Council on Law Enforcement Standards (MCOLES). Class size is limited to 12 students. The registration fee is \$200. Revenue in the amount of \$6,575 was generated from fees collected through March 31, 2015.
- The Fire Department and Public Safety Administration continue to place considerable emphasis on the recruitment and marketing efforts for paid-on-call firefighter positions.
- The City of Novi entered into a three year agreement with the Oakland County Sheriff's Office for dedicated marine patrol services on Walled Lake. The marine patrol represents an effective and efficient use of City resources and provides an additional layer of safety and accountability to our boating community and residents with lakefront property.
- The Novi Fire Department implemented a three station staffing coverage system. The new coverage provides two Paid-On-Call and/or Auxiliary firefighters in the station from 6pm-6am Wednesday-Friday and during the day shift from 8am-8pm on Saturday and Sunday. The primary focus is to have the



Departmental Information

stations staffed during the peak hours as identified in our statistical data review of CY 2012. The Department continues to monitor the response times for this new initiative.

- The City of Novi sought out a competitive bid for Advance Life Support and Ambulance service and signed a new contract with Community Emergency Medical Service (CEMS). The contract went into effect on January 23, 2013, covering three (3) years with two (2) additional one-year options, for a total of five (5) years. The bid includes a commitment by CEMS to reduce the response time on priority calls from 8 minutes to 7.5 minutes or less, 90% of the time, by providing three (3) dedicated ambulances to the City of Novi.
- CERT volunteers logged 1,849 hours, while assisting at various city sponsored events and participating in several training exercises in 2014. The most current hourly figure assigned to volunteer hours is \$22.55 for a net benefit/savings to the City of Novi of \$41,695.
- The Police Department has 13 Handicap Parking Enforcement volunteers who also assist with conducting home checks as part of the Department's Home Watch program for residents on extended vacation.
- Fire training tower renovations to ensure our firefighters are trained to provide outstanding services to our customers.
- The City Council approved the funding of a long-term needs assessment for the Department of Public Safety to ensure that the critical services provided by the department will continue to meet the needs of the community in the future. Based on the recommendations of the study, capital improvement projects have been requested.
- The Novi Police Department continues to pursue State, Federal, and local law enforcement agencies to rent the Firearms Training Center. During 2014, the range was rented to Providence Hospital Security, the U.S. Postal Service, the Department of State Diplomatic Security Office, and U.S. Customs & Border Protection. Revenue in the amount of \$148,000 was generated in 2014.
- Turn out gear and helmets were replaced, two new stair chairs were placed in service, and several public safety vehicles were put in service, either new or replacements. Other equipment included flashlights and helmet mounting brackets, AC hot sticks, Wi-Fi routers, and transitions to new rifles.

Departmental Information



Community Development — Building, Code Enforcement & Planning (371 & 807)

Overview

The Community Development Department strives daily to apply the vision and goals set by the City Council, Commissions and Boards to the development and transformation of the Novi community. Quality development constructed in accordance with the high standards contributed to Novi's ability to weather the recent economic storm better than many similar communities. As economic conditions continue to improve, so does the opportunity to leverage the desirability and stability of the community to attract new businesses and residents with first class development, investment, and job opportunities.

The continuum of planning through physical construction followed by maintenance and redevelopment of the built environment remains a high priority. Development standards need to reflect uses, materials and processes that did not exist a decade ago. Continued implementation of the Non-Motorized Master Plan focuses on pathways and sidewalks to enhance the quality of life for Novi residents and the character of the community, while prioritizing the allocation of funds and other resources for improvements to the non-motorized network. Continuous improvement and refinement of the Zoning Ordinance through amendments and Master Plan recommendations balance the priorities of the residential, development and business communities.

The Community Development Department continues to work closely with the Economic Development staff to make sure that "no one gets away." This often means expending extraordinary effort to assist, guide and support new businesses and developments in the City.

Ordinance Enforcement continues to be a significant need and this will hold true for the near future. Whether addressing minor yard maintenance, signage and zoning violations, soil erosion and sedimentation control or removing entire buildings, these efforts are effective throughout our neighborhoods and are carried out in cooperation with many other departments.

Performance Measures, Goals, and Objectives

- Clear Zoning project: Reformatting of the existing Zoning Ordinance to ease access and clarity with links to definitions
- Continued development and growth in use of the capabilities of the Building.Net software including project closeout and workflow.
- Laptops in vehicles for Building and Trade Inspectors to allow more efficient access to permit records and quicker results communication to contractors.
- Tablet PCs were implemented for Planning Commission allowing for the use of electronic meeting packets.
- Spring and Fall Tree Planting of 600+ trees.
- Guest Service Policy implementation, training and measurement with partnership with PRCS.
- Space renovations for operational efficiency, increased customer service and cost savings



Departmental Information

Department of Public Services (442)

Overview

The mission of the Department of Public Services (DPS) is to provide quality services in the areas of infrastructure asset management, engineering, parks maintenance, forestry operations, and fleet asset management. The DPS is organized into four functional divisions: Field Operations, Water and Sewer, Engineering, and Fleet Asset. Each has a distinct purpose that provides measurable value to the City of Novi.

Field Operations Division: The Field Operations Division plays a key role in optimizing the useful life of many of Novi's infrastructure assets. Field Operations is responsible for road maintenance and repair, ice and snow removal, bridge maintenance, drain maintenance, street light maintenance, implementation of the City's mosquito control program, recycling center operation and maintenance, roadside debris clean-up, community special event support, park maintenance, traffic control sign fabrication, installation and repair. Field Operations is also responsible for maintaining the City's fleet, which is made up of over 300 vehicles and pieces of heavy equipment. The fleet is maintained at separate maintenance facilities located at the Field Services Complex and Police Department Headquarters.

Water & Sewer Division: The Water & Sewer Division is responsible for the management of the City's water distribution and sanitary sewage collection systems. Water & Sewer workers operate, maintain, monitor, and control pipelines, water system pump stations, sanitary sewage lift stations, and meters. Maintenance activities include reactive, routine and preventive maintenance services that preserve the useful life of the City's water and sanitary sewer infrastructure.

Engineering Division: DPS's Engineering Division is primarily responsible for performing civil engineering activities related to:

- The planning, design and construction of public capital projects (i.e. public road, water and sewer projects).
- Site plan review and oversight of the design and construction of private development projects as they relate to civil engineering infrastructure (i.e. roads, water and sewer components of residential, commercial and industrial development projects).
- Coordinating and controlling engineering inspection of public and private construction projects.
- Issuing permits for and inspecting construction in the City's rights-of-way.
- Technical assistance provided to other DPS divisions and other City departments that need professional civil engineering support.

DPS staff members are committed to responding to and efficiently fulfilling service requests while maintaining the high quality of service that Novi residents expect. DPS's top priority is to provide a safe and healthy environment for the residents and business owners of the community. The department is comprised of dedicated and professional individuals who have a shared goal of ensuring the health, safety, and welfare of the community by maintaining:

- 180 miles of City roadways and over 2,100 traffic control signs to ensure safe travel;

Departmental Information



- 306 miles of water main to provide safe drinking water;
- 243 miles of sanitary sewer to protect public health;2,600 storm drainage catch basins;
- Over 1,100 acres of park land;
- Over 36,000 trees along public streets and in municipal forests; and,
- Over 300 vehicles and major pieces of construction/maintenance equipment.

Performance Measures, Goals, and Objectives

- Continue to improve the City's major, local and county roads, infrastructure and sidewalks with routine maintenance, rehabilitation and construction projects.
- Double the budget for contract snow removal for local streets
- Continued to improve and modernize the City's fleet
- Storage facility at ITC
- Parking lot improvements/replacements at the Civic Center, Police and Fire stations

Novi Youth Assistance (665)

Overview

Novi Youth Assistance is dedicated to the prevention of juvenile delinquency, child abuse and child neglect in the 26 communities within Oakland County and is administered under the auspices of the Oakland County Circuit Court-Family Division. Novi Youth Assistance operates with the sponsorship of the Oakland County Circuit Court-Family Division, the Novi Community School District, the City of Novi, with principal funding supplied through the Oakland County Board of Commissioners.

Historical Commission (803)

Overview

Since 1986, the Novi Historical Commission has worked in partnership with the City of Novi, Novi Public Library, educators, and others to provide programs and services concerning the history of our community. The collection and preservation of the history of Novi is being accomplished through the solicitation of donated documents, photographs, and recorded personal experiences. The Commission's work includes the development of presentations, exhibits, and events that showcase the over 180 year history of Novi. The Novi Historical Commission is located within the Novi Public Library and offers open office hours in the Local History Room on the first and third Mondays of each month.



Departmental Information

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The City of Novi has sixteen Special Revenue Funds that are accounted for separately:

- Major Streets
- Local Streets
- Municipal Streets
- Police and Fire
- Parks, Recreation, and Cultural Services
- Tree Fund
- Drain Revenue
- Contributions and Donations
- Forfeiture Fund
- Library
- Library Contributed (Walker Library)
- West Oak Street Lighting
- West Lake Drive Street Lighting
- Town Center Street Street Lighting
- PEG Cable
- Community Development Block Grant

Major, Local and Municipal Street Funds

The City 's street funds purpose is to account for expenditures associated with the construction and maintenance needs of the City's major, local and (provide matching funds for) County roads. Finance is primarily provided by State Act 51 monies and City Charter authorized property tax millage.

Performance Measures, Goals, and Objectives

The 2015-2016 budget includes \$6.8 million investment in capital projects related to road, pathways, sidewalks and intersections with the three road funds. See additional description provided under the General Fund's Department of Public Services.

Police and Fire Fund

The purpose of the Police and Fire Fund is to supplement the operations of the police and fire departments, including payment for personnel-related expenditures and for the purchase of fire trucks, apparatus and equipment. See Performance Measures, Goals, and Objectives of the Police and Fire Departments included in the General Fund.

Departmental Information



Parks, Recreation and Cultural Services Fund

The mission of Parks, Recreation and Cultural Services (PRCS) is "To Create Community through People, Parks, and Programs". The core values for the Novi Parks, Recreation and Cultural Services Department are: "Creativity, Excellence, Integrity and Service". These core values are qualities that shape our culture and define the character of the organization. Core Values were identified by staff, community, and Park Commissioner input and defined as follows:

- Creativity – Freedom to imagine and the courage to act
- Excellence – Passion to do our best in each moment
- Integrity – Do the right thing the right way
- Service – We care and it makes a difference

The Department administers all parks, recreation and cultural services operations, including strategic direction, policy development, resource identification, and serves as the liaison to the Parks, Recreation and Cultural Services Commission and the Novi Parks Foundation.

Performance Measures, Goals, and Objectives

- Received significant funding to help off-set the cost of Older Adult Transportation, including a \$20,000 grant from Providence Hospital, \$54,450 from SMART and \$7,200 in revenue from vehicle advertisements.
- Partnered with the Novi Rotary and Home Depot to Build a Gazebo at Meadowbrook Commons.
- Completion of the Novi Dog Park.
- The 2015-2016 budget includes \$406,000 investment in capital projects in the various park locations
- Addition of one new full time position to improve service

Tree Fund

This fund was established to cover most of the cost of City tree replacement and future maintenance costs. Proceeds vary from year to year and come from fines, fees paid by developers and street tree maintenance charges pursuant to the City Charter and Code of Ordinances.

Performance Measures, Goals, and Objectives

- Continued Spring and Fall planting of new trees with a budget of \$120,000
- Addition of one new full time position to help ensure preservation of assets



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Forfeiture Fund

This fund records all receipts and expenditures relating to Federal, State, Local and OWI, forfeited and legally restricted, funds relating to narcotic trafficking, money laundering, State laws and ordinances. See General Fund's Public Safety for the Forfeiture Fund's purpose and goals.

Drain Fund

The Drain Fund's purpose is to improve and maintain the City's regional and arterial detention systems as part of the City Council's capital improvement plan.

Peg Fund

The purpose of the PEG Fund is to track the revenues and expenditures related to providing cable services to the City, including cable franchise revenues and cable production fees. The PEG fees help to keep the community engaged in the City's operations.

Community Development Block Grant Fund

This fund purpose is to record federal grant monies passed through to the City from Oakland County. These funds are used to support the youth assistance program and minor home repair program.

West Oak Street Lighting, West Lake Drive Street Lighting, and Town Center Street Lighting Funds

These funds were established by a vote of the City Council to account for a special assessment levies to provide street lighting in the above named districts. The street lighting helps to improve public safety as well as help to make these districts desirable location of residents and businesses.

Library and Library Contributions (Walker) Funds

Novi Public Library provides the resources and programs to support the educational, cultural, informational and recreational needs of its diverse community. The library supports intellectual freedom and access to information resources for all, while maintaining the privacy of its patrons and providing a safe and secure environment.

Performance Measures, Goals, and Objectives

- Continue offering of extended hours: Fridays and Saturday until 6pm, Sundays 12:00-6:00pm and Sundays open 12:00-6:00pm year round.
- Presented a new fundraising campaign to the community in partnership with local Novi businesses – Book It Coupon Book. Books are sold for \$30 and offer over \$500 in coupon savings.
- Continued partnership with The Library Network for central services and gasoline usage

Departmental Information



Enterprise Funds

Enterprise Funds are used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service. The City has three enterprise funds: Ice Arena, Water & Sewer and Senior Housing/Meadowbrook Commons.

Ice Arena Fund

Overview

The Novi Ice Arena opened in 1998 to provide ice skating services to Novi residents and other local communities. The facility is self-supporting and strives to generate positive cash flow under contract with Suburban Arena Management – Novi LLC, a third party vendor.

The primary customer base is comprised of:

- Novi Youth Hockey Association
- The Skating Club of Novi
- Learn to Skate
- Novi Ice Arena Adult Hockey League
- Novi & Northville High Schools and Club Teams
- Recreational Skating Activities (Public Skate, Drop-in Hockey, etc)

Performance Measures, Goals, and Objectives

- Replacement of lower level flooring
- Arcade demo and upper lobby build out
- Renegotiating contract with Suburban Sports Group which manages the ice arena's day to day operations

Water and Sewer Fund

Overview

The City of Novi takes pride in providing safe and efficient water distribution and sanitary sewage collection systems. The City has taken steps to further improve infrastructure, as recommended by the Water Distribution Study and Master Plan Update, and the sanitary sewer Capacity, Management, Operations and Maintenance Program (CMOM). The recent launch of the Novi Enterprise Asset Management System (NEAMS) enhances the management of assets in Novi's utility infrastructure inventory. These programs have allowed the City to fully examine the current operation of the City's utility-based infrastructure and provide recommendations for improvements to the water distribution and sanitary sewage collection systems.

Performance Measures, Goals, and Objectives

The following are major goals indicated in the Water and Sewer Division's Strategic Plan and the Water Distribution Master Plan:



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- Replace or upgrade equipment as needed, and make improvements to existing infrastructure as recommended in the Water Distribution Study and Master Plan and as a result of the findings from implementation of the CMOM Program (lift/pump stations, collection mains, distribution and transmission lines, storage and appurtenant facilities).
- Work in conjunction with the Detroit Water & Sewerage Department (DWSD) to ensure the community receives sufficient water pressure and flow volume during various seasonal demand periods.
- Continue to work with the Michigan Department of Environmental Quality (MDEQ) and the Federal Environmental Protection Agency (EPA) to prepare for and conduct further water system byproducts testing in 2013 and beyond.
- Provide uninterrupted water and sewer service to residents of Novi.
- Provide public education programs to facilitate water management and promote greater awareness and support of the Division and its activities.
- Continue to promote water management efforts to lower the peak demand charges paid to the Detroit Water & Sewerage Department (DWSD), primarily by changing the operating times of irrigation systems to between the hours of 11:00 PM and 5:00 AM.
- Continue to interconnect water mains for enhanced reliability, redundancy, fire protection and water quality.
- Continue to study, coordinate and improve City services based on input from customers and staff.

Water Distribution System

Water Source

The City of Novi is a wholesale water customer community of DWSD, and purchases more than two billion gallons of water annually. The City has five metered service connections to the DWSD system. Metered water is divided into pressure districts to ensure all areas of the City are provided adequate water pressure regardless of elevation. In 2009, the City of Novi and DWSD entered into a service contract that specified volume and pressure requirements for DWSD to maintain. The City continues to monitor the contract to manage the water system supply at the lowest possible rate structure. The majority of the City's water is supplied from Lake Huron through DWSD water treatment plant in Fort Gratiot Township near Port Huron. This facility pumps raw water from an intake in Lake Huron, provides treatment through a variety of chemical and physical processes, and transmits the water to neighboring communities. A series of water mains and booster pump stations transmit the treated water to the City of Novi. The Detroit water system has historically provided water that meets or exceeds all State and Federal quality standards.

History of the City of Novi Water Distribution System

On April 20, 1964, the Village of Novi entered into an agreement with DWSD to purchase treated water for distribution throughout the Village. The original water system served approximately 500 customers in the Ten Mile Road-Meadowbrook Road area. There were approximately three miles of water mains in the original system, ranging in size from 6"-8" in diameter.

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Today's Water Distribution System

We currently have in excess of 306 miles of water mains in the system and 4,003 fire hydrants. Water mains range in size from 6 to 36 inches in size. The water mains that are 16 inches and larger are located along major roadways and are commonly referred to as transmission mains; mains smaller than 16 inches are commonly referred to as distribution mains. The City of Novi now distributes water to approximately 13,750 service connections.

In 2008, the City of Novi conducted a study to identify improvements required for continued efficient operation of the water system. The study recommended a series of redundancy improvements to ensure a reliable water system, and identified areas that would require new water main construction. The study also considered viable options for additional water storage within the City to lower peak demand and maximum day demand - two parameters that currently negatively affect the water rates charged by DWSD.

The Water and Sewer Division performs many customer services on a daily basis. Key components of the water-related tasks performed by staff include:

- Water meter reading
- Water meter installation, replacement and repairs
- Water main breaks
- Water pumping station maintenance
- Service line repairs
- Fire hydrant repairs and replacements

Sanitary Sewage Collection System

Background

The original contract with Wayne County for sanitary sewer services for southwest Oakland County was implemented for sewerage disposal to DWSD in 1961. Further disposal contracts for sewerage in the northern areas of Novi were executed in 1991 with the construction of the Walled Lake-Novi wastewater treatment facility and the Commerce Township wastewater treatment facility.

The current sanitary infrastructure is composed of approximately 243 miles of sanitary sewer mains, ranging from 6 to 42 inches in diameter. These sewer mains are part of three separate districts: the North Huron Valley/Rouge Valley (NHV/RV) District, the South Commerce Township Treatment Plant District, and the Walled Lake-Novi Treatment Plant District. The majority of the City is served by the NHV/RV system through the 42inch sanitary interceptor sewer located along the Middle Branch of the Rouge that discharges to Wayne County near Eight Mile Road. The Water & Sewer Division maintains all sewers in the NHV/RV District, while the Oakland County Water Resources Commission operates and maintains the Walled Lake/Novi and the Commerce Township sanitary sewer systems which services the northern portion of the city.



Departmental Information

Capacity, Management, Operations and Maintenance (CMOM)

The City uses a proactive approach to manage and maintain the sanitary sewer system by the ongoing implementation of the CMOM program. CMOM was developed by the U.S. Environmental Protection Agency to serve as a guideline for communities to perform long-range planning, improve operations and maintenance of the system, and ensure the integrity and reliability of the system. In 2012, the City cleaned and televised the sanitary sewer lines in the following areas: Connemara Subdivision, Dunbarton Pines Subdivision, the 15" collector between Taft Rd and Center St and the Simmons Orchard Subdivision. Reviews of the televised portions of the inspected areas were used to identify sewer mains that are in need of repair .

Novi is one of a few communities that have initiated a CMOM program voluntarily (although all communities may be required in the future). The Water and Sewer Division initiated the CMOM program to accomplish the following objectives:

- Provide confidence in the current state of the system
- Ensure adequate capacity is available for future growth
- Meet customer, MDEQ and EPA expectations
- Improve operational and maintenance efficiencies
- Clean a quarter of the City's NHV/RV sanitary sewer mains annually (43 miles of sewer)
- Televiser sewer mainlines in designated areas to assess the integrity of the system

The City of Novi meets the operation and maintenance objectives of the CMOM program through coordination of engineering services, contract services and staff involvement. This work includes repairing, cleaning and televising; along with in-house operations and maintenance. This ongoing program starts by monitoring the sewer flows in a specific sewer district. Based on monitoring results, staff develops a scope for a Sanitary Sewer Evaluation Study (SSES) of a particular area. This study usually includes smoke testing, sewer cleaning and televising, and manhole inspections to create a prioritized list of required repairs. Once the repairs are made, we re-evaluate the integrity of the system. The diagram on the next page depicts the major steps taken on a recurring basis as part of the operation (O) and maintenance (M) components of the CMOM program.

NEAMS

During FY2014-2015 the Water and Sewer Division continues to use the Novi Enterprise Asset Management System (NEAMS) program. NEAMS uses a geographical information system (GIS) mapping network to access, identify, locate, and track the operations and maintenance of the City's water and sanitary assets.

Sanitary Capacity

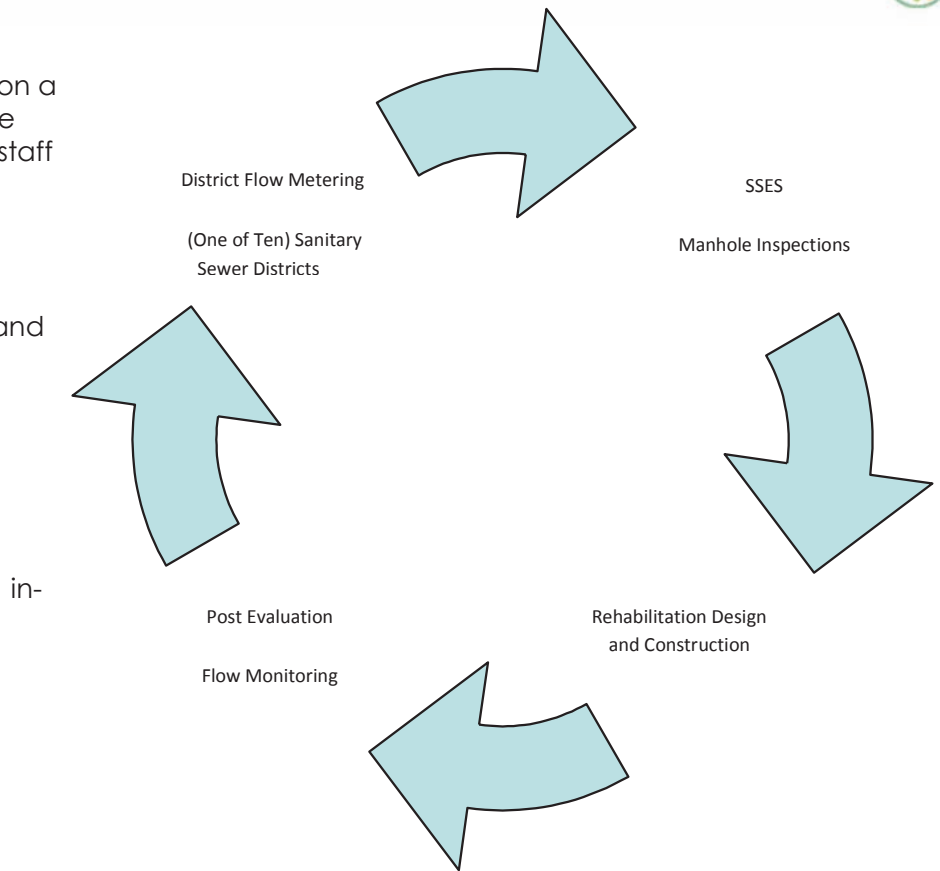
The 2007 CMOM report addressed the emerging issue of long-term capacity at the outlet of all three sanitary sewer collection districts. The report concluded additional capacity will be required at the time of build-out to meet future sanitary sewer needs of the City. The CMOM report has identified areas with excessive amounts of inflow and infiltration, so the City will continue to investigate ways to decrease these flows so that it can maximize existing capacity. The City will continue to work with Oakland County, Wayne County and other neighboring units of government to obtain additional sanitary sewage disposal capacity.

Departmental Information



The Water and Sewer Division performs many customer services on a daily basis. Key components of the sewer-related tasks performed by staff include:

- Sanitary pump station maintenance
- Sanitary sewer main cleaning and televising
- Residential sewer tap inspections
- Sewer flow monitoring
- Sanitary sewer repairs
- Commercial grease trap inspections
- Conduct CMOM program



Senior Housing Fund — Meadowbrook Commons

Overview

Meadowbrook Commons, located on Meadowbrook Road between Grand River Avenue and 10 Mile Road, is an older adult housing community owned by the City of Novi and managed by a contractual management company. The three-story building contains 115 one- and two- bedroom apartments and 60 two-bedroom ranch style condos which surround the outside of the main building. The complex was built to provide market price affordable housing for the older adults in Novi. The complex is also home to the Meadowbrook Activities Center which provides programming and events for residents to participate in, enhancing companionship and quality of life.

Financing for this project was provided through bonds issued by the Building Authority. The total construction cost was \$12.5 million and all operational expenses and the bond debt retirement are covered by rental revenue. This facility does not have any direct impact on the City's General Fund Budget.

Performance Measures, Goals, and Objectives

- Continued use of Older Adult Services Advisory Board
- Ongoing advertisement program for Older Adult Transportation, raising \$7,200 in revenue
- Received \$20,000 grant from Providence Hospital for Transportation and \$54,450 from SMART
- Meadowbrook Commons maintained 100 percent occupancy

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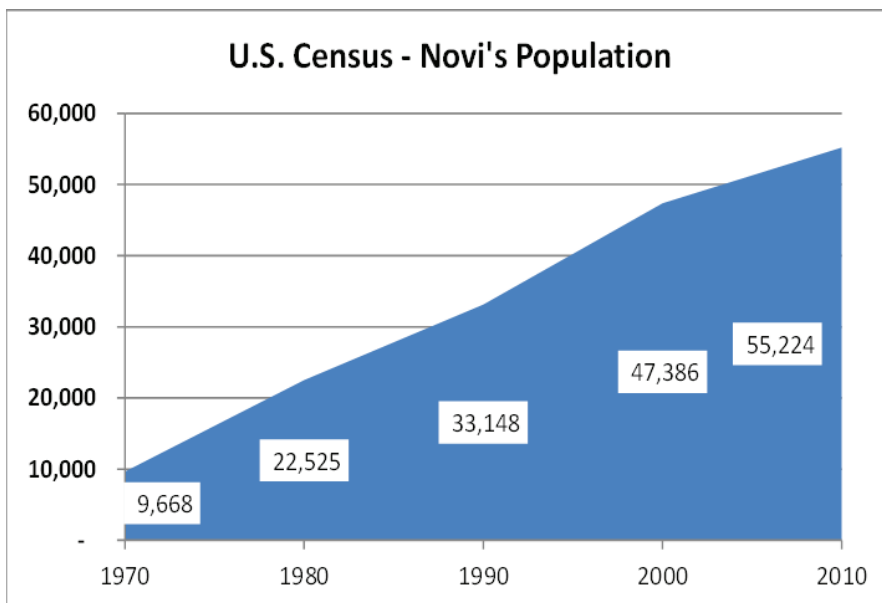
Statistical Information and Supplemental Data

About the City of Novi

The City of Novi encompasses an area of approximately 31.6 square miles or 20,417 acres and is about thirty miles northwest of downtown Detroit, in the southern portion of Oakland County. The City surrounds about two-thirds of Walled Lake, and the gently rolling topography of the area has made the City one of the most attractive places in Michigan to live.

The City of Novi is governed by a seven-member City Council under the Council/Manager form of government. A full range of City services are provided including police, fire, parks, recreation, forestry, library, planning and zoning, building and engineering, and various maintenance services. In addition to the usual City services, Novi offers a senior citizen housing facility, Meadowbrook Commons, and an Ice Arena.

Since its original settlement and incorporation in February, 1969, the City has seen remarkable changes. Once a stand-alone settlement, Novi now finds itself in the heart of the Detroit Metropolitan region. Novi's location at the crossroads of several major transportation routes has thrust the City into a period of unprecedented growth and development. Between the 1990 and 2000 Census, Novi was the fastest growing city in Oakland County. The 2000 Census stated Novi's position as a growing and attractive community with a population of 47,386. This was an increase of 43 percent from 1990. A special mid-decade census in 2006 showed an increase of just over 9% from 2000 with a population of 52,231. Between the 2000 and 2010 Census Novi's population grew by 16.5% to 55,224. Novi is presently home to prestigious schools, quality residential neighborhoods, a thriving retail and high-tech economy, and beautifully preserved natural areas. Novi has indeed changed and the change has been dramatic. The SEMCOG 2035 Forecast includes a population estimate of 69,796.



1970	9,668
1980	22,525
1990	33,148
2000	47,386
2010	55,224

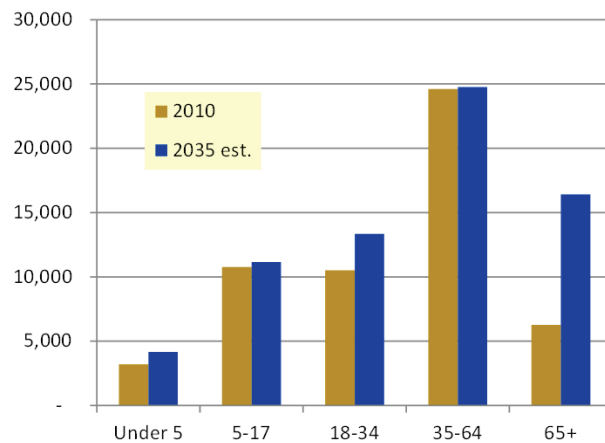


Statistical Information and Supplemental Data

Approximately 44% of Novi's residents are 35 to 64 years old and 11% are senior citizens (2010 Census). The median age for Novi is 39.1 and for the State is 38.9.

Age Groups	1990 Census		2000 Census		2010 Census		2035 est.	
Age 0-4	2,580	8%	3,506	7%	3,204	6%	4,169	6%
Age 5-17	5,857	18%	9,621	20%	11,006	20%	11,146	16%
Age 18-34	9,930	30%	10,428	23%	10,245	19%	13,327	19%
Age 35-64	12,140	36%	20,168	42%	24,521	44%	24,741	35%
Age 65+	2,641	8%	3,856	8%	6,248	11%	16,413	24%
Total Population	33,148	100%	47,579	100%	55,224	100%	69,796	100%

Population by Age



Income Characteristics

According to the 2010 U.S. Census, the median household income was \$80,151.

Income Categories	1990 Census		2000 Census		2010 Census	
Less than \$10,000	468	4%	321	2%	735	3%
\$10,000 to \$14,999	530	4%	399	2%	524	2%
\$15,000 to \$24,999	1,434	11%	1,095	6%	1,468	7%
\$25,000 to \$34,999	1,724	13%	1,695	9%	1,768	8%
\$35,000 to \$49,999	2,500	20%	2,454	13%	2,093	9%
\$50,000 to \$74,999	3,357	26%	3,818	20%	3,871	18%
\$75,000 to \$99,999	1,616	13%	2,948	16%	2,877	13%
\$100,000 to \$149,999	926	7%	3,374	18%	3,825	17%
\$150,000 or more	220	2%	2,670	14%	4,936	22%
Total Households	12,775	100%	18,774	100%	22,097	100%

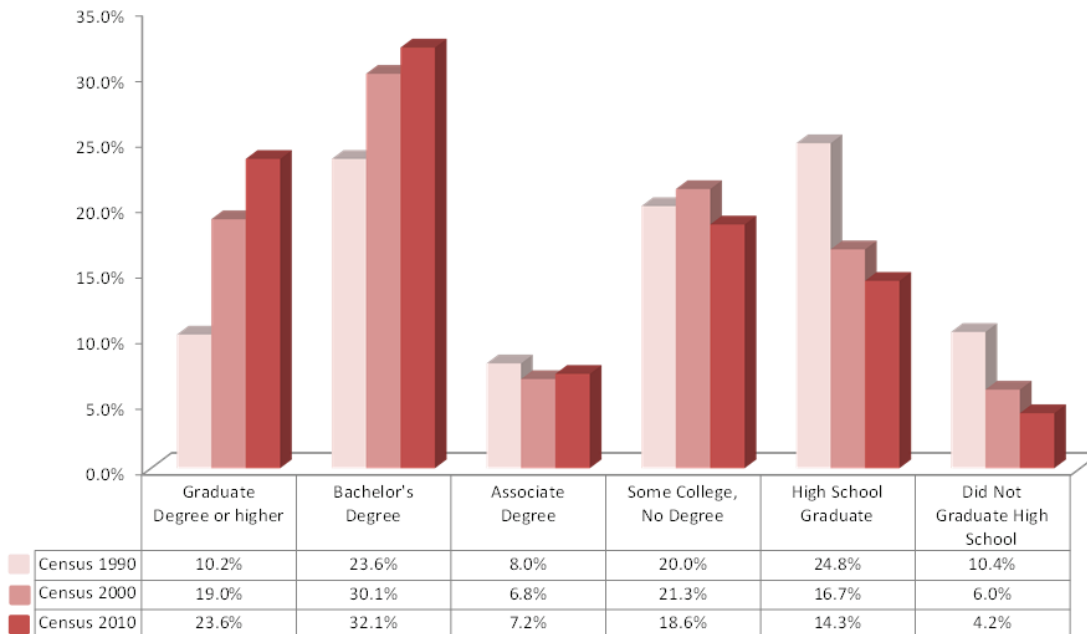


Statistical Information and Supplemental Data

Novi		State		Nation	
INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)	Number	INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)	Number	INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)	Number
Total households	22,047	Total households	3,843,997	Total households	114,567,419
Less than \$10,000	735	Less than \$10,000	304,785	Less than \$10,000	8,757,190
\$10,000 to \$14,999	523	\$10,000 to \$14,999	219,924	\$10,000 to \$14,999	6,668,865
\$15,000 to \$24,999	1,468	\$15,000 to \$24,999	442,676	\$15,000 to \$24,999	13,165,380
\$25,000 to \$34,999	1,761	\$25,000 to \$34,999	430,558	\$25,000 to \$34,999	12,323,322
\$35,000 to \$49,999	2,088	\$35,000 to \$49,999	577,569	\$35,000 to \$49,999	16,312,385
\$50,000 to \$74,999	3,868	\$50,000 to \$74,999	728,579	\$50,000 to \$74,999	20,940,859
\$75,000 to \$99,999	2,868	\$75,000 to \$99,999	466,664	\$75,000 to \$99,999	13,526,500
\$100,000 to \$149,999	3,808	\$100,000 to \$149,999	433,144	\$100,000 to \$149,999	13,544,839
\$150,000 to \$199,999	2,633	\$150,000 to \$199,999	134,211	\$150,000 to \$199,999	4,809,998
\$200,000 or more	2,295	\$200,000 or more	105,887	\$200,000 or more	4,518,081
Median household income (dollars)	80,151	Median household income (dollars)	48,432	Median household income (dollars)	50,046

Education Level

Approximately 81% of Novi's residents have at least some college education. Only 4% are not high school graduates or currently enrolled in high school (2010 Census).





Statistical Information and Supplemental Data

	City of Novi, MI					State of Michigan					United States				
	2010 (estimated)		2000		1990	2010 (estimated)		2000		1990	2010 (estimated)		2000		1990
Educational Attainment, Population Age 25 years or older	% of Population	Percentage Point Change 2000-2010	% of Population	Percentage Point Change 1990-2000	% of Population	% of Population	Percentage Point Change 2000-2010	% of Population	Percentage Point Change 2000-2010	% of Population	% of Population	Percentage Point Change 2000-2010	% of Population	Percentage Point Change 2000-2010	% of Population
· Graduate / professional degree	23.6%	4.6%	19.0%	8.8%	10.2%	9.6%	1.5%	8.1%	1.7%	6.4%	10.4%	1.5%	8.9%	1.7%	7.2%
· Bachelor's degree	31.0%	0.9%	30.1%	6.5%	23.6%	15.6%	1.9%	13.7%	2.8%	10.9%	17.7%	2.2%	15.5%	2.4%	13.1%
· Associate's degree	7.9%	1.1%	6.8%	-1.4%	8.2%	8.4%	1.4%	7.0%	0.3%	6.7%	7.6%	1.3%	6.3%	0.1%	6.2%
· Some College, No Degree	18.2%	-3.1%	21.3%	-1.3%	22.6%	24.2%	0.9%	23.3%	2.9%	20.4%	21.3%	0.3%	21.0%	2.3%	18.7%
· High School Graduate	14.8%	-1.9%	16.7%	-8.1%	24.8%	30.9%	-0.4%	31.3%	-1.0%	32.3%	28.5%	-0.1%	28.6%	-1.4%	30.0%
· Did Not Graduate High School	4.7%	-1.3%	6.0%	-4.4%	10.4%	11.3%	-5.2%	16.5%	-6.7%	23.2%	14.4%	-5.2%	19.6%	-5.2%	24.8%

Source: SEMCOG Community Profiles, US Census ACS 2008-2010, US Census Bureau

Housing Characteristics

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2010</u>	<u>2035</u>
Households	12,747	16,102	18,792	24,286	29,452
Population	33,148	41,595	47,579	55,224	69,796

Housing Tenure	1990 Census		2000 Census		2010 Census	
Owner Occupied Units	9,311	68%	13,734	70%	15,035	62%
Renter Occupied Units	3,436	25%	5,418	27%	7,282	30%
Vacant Units	859	6%	925	5%	1,969	8%
Total Housing Units	13,606	100%	19,717	100%	24,286	100%
Median Housing Value (In 2010 Dollars)	\$ 168,866		\$ 236,800		\$ 259,656	
Median Contract Rent (In 2010 Dollars)	\$ 898		\$ 746		\$ 944	

<u>Structure Type</u>	<u>1990 Census</u>	<u>2000 Census</u>	<u>2010 Census</u>
One-Family Detached	6,238 (46%)	10,059 (51%)	12,015 (50%)
One-Family Attached	1,726 (13%)	1,938 (10%)	2,604 (11%)
Two-Family / Duplex	43 (0%)	95 (0%)	40 (0%)
Multi-Unit Apartments	3,671 (27%)	5,947 (30%)	8,172 (34%)
Mobile Homes	1,821 (13%)	1,684 (9%)	1,238 (5%)
Other Units	107 (1%)	0 (0%)	0 (0%)
Total Housing Units	13,606	19,717	24,164

Source: 2010 U.S. Census/SEMCOG



Statistical Information and Supplemental Data

City of Novi and National Comparison City Demographics for Benchmarking

	<u>Carlsbad, CA</u>	<u>Cary, NC</u>	<u>Greenville, NC</u>	<u>Lewisville, TX</u>	<u>North Richland Hills, TX</u>	<u>Novi, MI</u>	<u>Olathe, KS</u>	<u>Orland Park, IL</u>	<u>Redmond, WA</u>	<u>Rochester Hills, MI</u>	<u>Rock Hill, SC</u>	<u>Roswell, GA</u>
City Size (square miles)	39.1	55.4	26.3	42.5	18.2	31.3	60.4	22.2	16.9	32.9	43.2	42
POPULATION (U.S. Census Bureau)												
2012 Estimate (as of July 1)	109,318	145,693	87,242	99,453	65,290	56,912	130,045	57,392	56,561	72,283	68,094	93,692
% Change (10-12)	3.8%	7.7%	3.2%	4.4%	3.1%	3.1%	3.3%	1.1%	4.5%	1.8%	2.9%	6.1%
2010 Census	105,328	135,234	84,554	95,290	63,343	55,224	125,872	56,767	54,144	70,995	66,154	88,346
% Change (00-10)	34.6%	43.1%	39.8%	22.6%	13.9%	16.1%	35.4%	11.1%	19.6%	3.2%	32.9%	11.4%
2000 Census	78,247	94,536	60,476	77,737	55,635	47,579	92,962	51,077	45,256	68,825	49,765	79,334
1990 Census	63,126	43,858	44,972	46,521	45,895	32,998	63,352	35,720	35,800	61,766	41,643	47,923
% Change (90-00)	24.0%	115.6%	34.5%	67.1%	21.2%	44.2%	46.7%	43.0%	26.4%	11.4%	19.5%	65.5%
DEMOGRAPHICS (2010-2012 American Community Survey)												
Median Age	41.2	36.2	25.8	32.2	37.5	39.6	33.8	45.1	34.7	41.0	31.9	39.3
School Age Children (5 to 19)	19,575	31,451	18,415	19,385	12,096	11,818	29,806	10,661	8,201	14,133	14,136	18,166
	18.2%	22.3%	21.4%	19.9%	18.7%	21.1%	23.2%	18.7%	14.7%	19.8%	21.0%	19.9%
Senior Citizens (65 & over)	16,155	11,615	6,505	7,092	7,748	7,267	9,361	11,050	5,294	9,690	6,790	10,799
	15.0%	8.2%	7.5%	7.3%	12.0%	13.0%	7.3%	19.4%	9.6%	13.5%	10.1%	11.8%
Race -- White	91,034	101,728	49,241	72,350	55,280	40,756	110,159	51,356	35,642	59,495	36,641	73,184
	84.6%	72.2%	57.2%	74.3%	85.9%	72.7%	85.9%	89.9%	64.2%	83.0%	54.4%	80.2%
Race -- Black or African American	1,621	10,539	31,150	7,864	2,921	4,013	6,615	1,595	870	3,576	26,495	9,816
	1.5%	7.5%	36.2%	8.1%	4.5%	7.2%	5.2%	2.8%	1.6%	5.0%	39.3%	10.8%
Race -- Asian	8,283	18,756	2,429	8,264	1,660	9,323	5,997	3,000	14,829	6,772	969	4,276
	7.7%	13.3%	2.8%	8.5%	2.6%	16.6%	4.7%	5.3%	26.7%	9.5%	1.4%	4.7%
Race -- Hispanic or Latino (of any race)	14,365	13,759	3,087	30,103	11,123	1,093	13,282	2,917	4,522	2,201	3,552	12,245
	13.3%	9.8%	3.6%	30.9%	17.3%	2.0%	10.4%	5.1%	8.1%	3.1%	5.3%	13.4%
HOUSING AND EDUCATION (2010-2012 American Community Survey)												
% Owner Occupied Units	61.3%	69.1%	37.7%	44.3%	63.1%	64.6%	73.2%	88.5%	51.8%	76.7%	51.3%	67.2%
Average Family Size	3.1	3.26	3.03	3.18	3.18	3.14	3.30	3.23	2.95	3.11	3.07	3.23
Median Household Income (2012 dollars)	\$ 78,085	\$ 89,139	\$ 33,439	\$ 56,020	\$ 60,849	\$ 76,462	\$ 75,476	\$ 73,384	\$ 95,249	\$ 75,419	\$ 40,551	\$ 76,291
Median Home Value	\$ 606,100	\$ 305,600	\$ 153,100	\$ 154,400	\$ 142,300	\$ 224,800	\$ 193,000	\$ 279,600	\$ 442,300	\$ 203,300	\$ 132,000	\$ 284,700
Median Gross Rent	\$ 1,612	\$ 944	\$ 711	\$ 910	\$ 877	\$ 988	\$ 876	\$ 1,009	\$ 1,356	\$ 1,051	\$ 756	\$ 978
Average Commute Length	28.6	22.5	17.2	24.8	26.3	26.4	21.1	33.5	20.1	26.7	22.3	27
% College Degree	50.9%	60.40%	37.2%	29.9%	29.6%	54.1%	44.6%	40.30%	59.9%	49.0%	27.8%	55.0%
% Homes Built Since 1980	65.0%	83.7%	72.0%	80.9%	58.9%	69.9%	70.9%	66.2%	63.7%	51.4%	60.9%	72.1%
ECONOMIC CHARACTERISTICS (2007 ECONOMIC CENSUS DATA)												
# of Manufacturing Establishments	178	75	39	99	22	80	110	41	147	104	57	57
# of Manufacturing Employees	11,834	1,808	2,412	2,834	832	2,211	5,447	1,477	9,662	3,147	3,000	694
# of Retail Trade Establishments	513	524	457	446	190	359	408	398	260	255	320	386
# of Retail Trade Employees	8,049	9,274	6,652	8,523	4,220	6,845	7,408	8,924	4,178	5,071	4,361	5,589
# of Professional, Scientific & Technical Service Establishments	763	809	221	216	112	274	359	241	353	253	169	792
# of Professional, Scientific & Technical Service Employees	5,143	Not Available	1,223	Not Available	383	4,007	Not Available	1,078	4,161	3,209	932	7,311
# of Health Care & Social Assistance Establishments	240	414	322	244	132	220	253	268	196	284	211	369
# of Health Care & Social Assistance Employees	2,630	6,049	Not Available	3,844	2,256	4,470	5,405	2,934	3,361	3,470	5,270	5,811
# of Accommodation & Food Service Establishments	220	322	252	217	110	151	225	156	257	121	170	239
# of Accommodation & Food Service Employees	6,891	6,654	6,365	4,751	2,639	3,825	5,329	4,138	4,434	Not Available	3,829	3,862



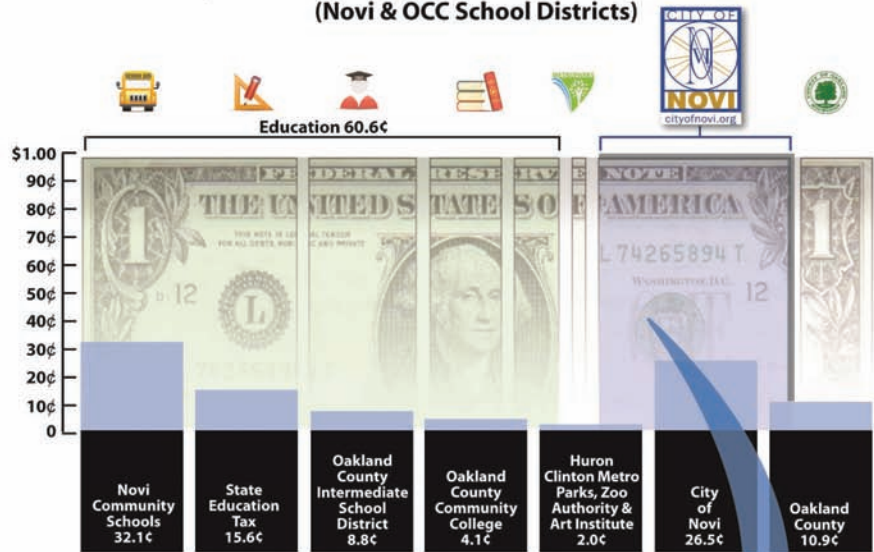
Statistical Information and Supplemental Data

City Millages

The City is the fiduciary for the collection of taxes for Novi, Northville, South Lyon, and Walled Lake School Districts, the related transfer districts, as well as for the State Education Tax, Oakland County, Schoolcraft College, and Oakland Community College. The photo to the right shows the allocation of "Your 2014 Property Tax Dollar" for fiscal year 2014-15 (homestead taxpayer).

The City continues to maintain one of the lowest municipal tax rates in Oakland County at 10.2 mils. Property taxes are expressed in terms of millage with one mil being equal to \$1.00 per thousand dollars of taxable value.

City of Novi Homestead Property Tax Rate Information (Novi & OCC School Districts)



Where does your property tax dollar go?

The image above shows the updated allocation of "Your Property Tax Dollar" (homestead taxpayer).



If your homestead's taxable value is \$150,000 and your estimated City taxes are \$1,530 annually, in the data shown above, you will spend:

\$740 \$358 \$164 \$116 \$58 \$40 \$54

The City of Novi receives 26.5¢ for every property tax dollar paid. The City of Novi overall taxable values continue to fare relatively well (declining less than most), supported by a diverse tax base of residential and other properties, combined with new construction.



Statistical Information and Supplemental Data

Industrial Characteristics

The City of Novi is seeing growth in the industrial sector. Flexible industrial space has become the hallmark of the city's industrial parks, which are filling with a variety of uses. Flex space commonly has an office component to support light manufacturing, research and development, or warehousing in the remainder of the building. The year 2002 saw an increase of 501,371 square feet in light industrial development, largely in planned industrial parks.



Commercial — Business Characteristics

Novi has always been known as a source of shopping destinations. With Twelve Oaks Mall, the Novi Town Center, West Oaks I & II, Twelve Mile Crossing at Fountainwalk, Westmarket Square, and the Novi Promenade, shoppers come from throughout the region to shop in Novi.

Twelve Oaks Mall completed construction in 2008 to add an additional 165,000 square foot Nordstrom Store and a 90,000 square foot expansion to the Mall for approximately 30 retailers these additions, and also includes a 60,000 square foot expansion to what is now Macy's.

Commercial — Office Characteristics

The City initiated a rezoning of over 1,200 acres of privately owned property in several strategic locations throughout the community to a high-technology zoning district called the Office Service Technology District. The rezoning is serving as a catalyst to attract quality, high-tech businesses looking to locate within Michigan.



Statistical Information and Supplemental Data

2013 Top Ten Property Owners (by Taxable Value)

2013 Rank	Taxpayer	2013 Taxable Value	Percentage of Total
1	Taubman	\$ 50,060,570	1.63
2	Northern Equities Et al	49,828,970	1.62
3	Singh Development	43,786,500	1.43
4	Novi Campus LLC – Fox Run	32,827,540	1.07
5	International Transmission Co	28,007,760	0.91
6	Occidental Development Ltd.	27,467,160	0.89
7	Detroit Edison	27,083,160	0.88
8	Bowman	25,450,990	0.83
9	Providence Hospital	23,211,650	0.76
10	Fountain Walk	15,195,400	0.49



Statistical Information and Supplemental Data

Points of Interest

The Erie Canal was opened in 1825 at the same time the City of Novi was settled, drawing settlers from the east coast to Michigan.

Farming was the principal land use activity in Novi in the early days, but by 1830, there were enough families to support small businesses at the intersection of Novi Road and Grand River Avenue, known as Novi Corners.

In the 1850's, Grand River Avenue provided a connection from Lansing to Detroit, passing through the heart of Novi.

In the 1950's, the Interstate Highway System divided Novi with the construction of I-96. This free-way allowed fast access to Detroit and took "through commuters" off the Grand River Avenue corridor.

As early as 1959, the Village of Novi was considering becoming a city, although Novi did not incorporate as a city until 1969.

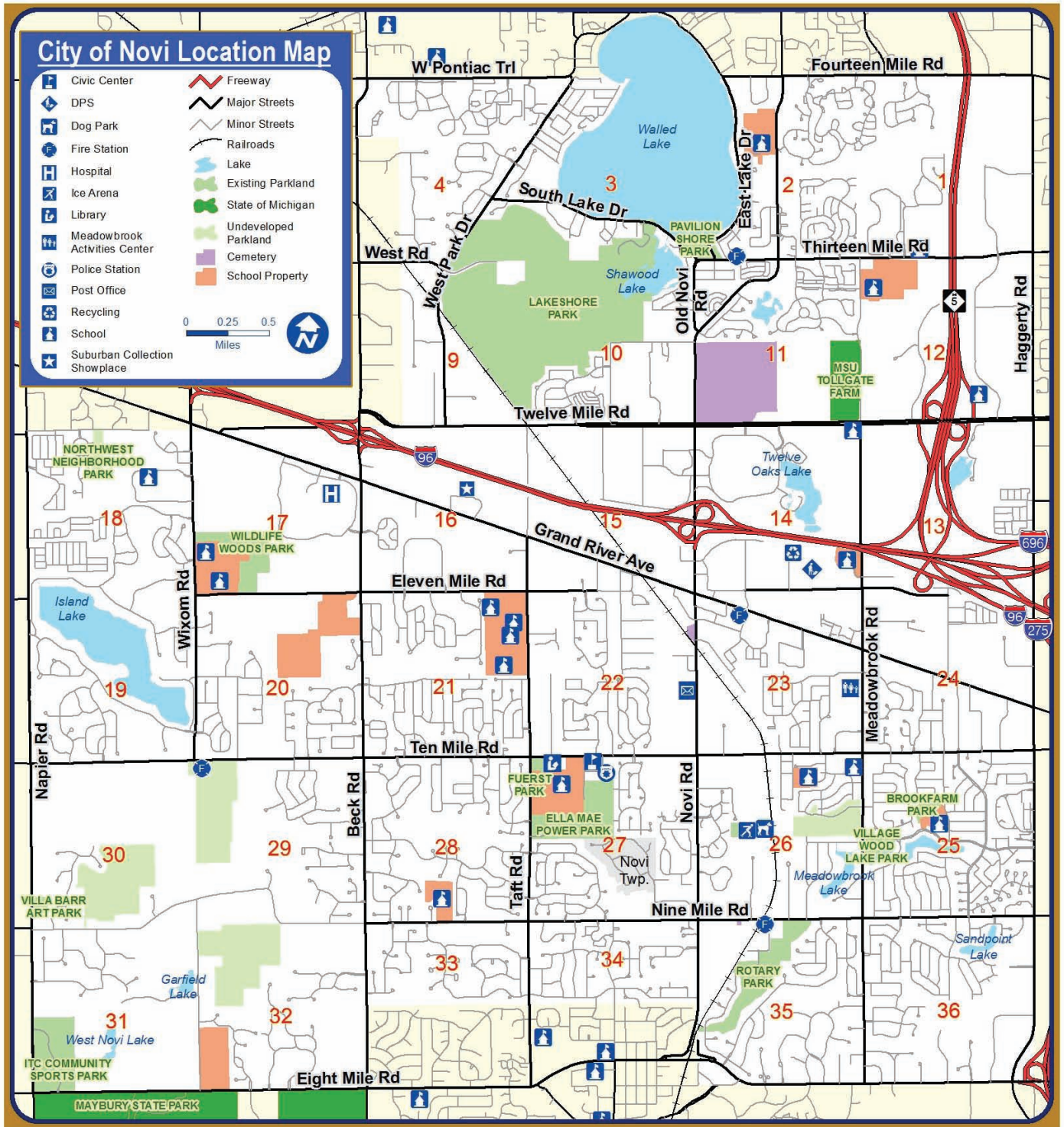
Twelve Oaks Mall, located at Interstate Highway 96 and Novi Road, houses nearly 180 retailers, specialty shops, restaurants and stores on over 1,687,781 square feet.

The Novi School District is comprised of 1 high school, 1 middle school (7-8), 1 upper elementary school (5-6), and 5 elementary schools (K-4). An Instructional Technology Center links the 5th grade house and the 6th grade house of Novi Meadows. (The majority of students residing within the City of Novi attend Novi Community Schools.)

The City of Novi is served by four school districts: Northville Public School District, Novi Community School District, South Lyon Community School District and Walled Lake Consolidated School District.



Statistical Information and Supplemental Data





Statistical Information and Supplemental Data

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/ program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Election data										
Registered voters	32,131	32,301	33,253	35,117	36,320	35,764	36,921	37,366	38,757	39,248
Voters at polls	25,432	4,495	20,612	9,020	19,684	2,887	14,535	3,633	20,484	4,719
Absentee ballots	5,783	2,256	4,500	2,768	8,455	2,212	4,575	2,386	8,765	2,599
Percent voting	79%	21%	62%	26%	77%	14%	52%	16%	75%	19%
Police										
Part A crimes	2,426	2,312	2,077	2,102	2,018	1,868	1,679	1,841	2,048	1,736
Part B crimes	1,216	1,246	1,388	987	721	793	814	627	626	673
Injury accidents	277	248	203	242	264	216	272	288	310	276
Property damage	2,004	1,986	1,853	1,825	1,737	1,602	1,761	1,631	1,695	1,153
Moving traffic violations	10,451	12,219	11,486	6,813	11,184	11,635	10,167	9,381	10,058	8,487
Parking violations	448	437	427	N/A	N/A	512	285	288	199	185
Adult arrests	1,630	1,780	2,001	1,703	1,987	2,353	2,368	2,082	2,241	2,355
Juvenile arrests	208	211	237	189	229	201	213	166	137	142
OUIL arrests	460	380	398	266	369	363	415	335	342	268
False alarms	2,470	2,677	2,664	2,403	2,275	2,262	2,357	2,090	2,270	2,538
Fire										
Fire incidents	305	309	287	266	1,015	134	92	120	112	120
Service incidents	1,124	1,013	1,207	1,218	567	2,006	1,311	1,249	1,360	1,345
Fire inspections conducted	2,280	2,291	2,301	2,619	3,049	2,341	2,920	3,557	3,063	2,919
Medical emergencies	2,430	2,424	2,458	2,724	2,766	2,957	3,299	3,169	3,383	3,425
Paid-on-call staff	48	54	59	56	68	68	66	68	55	54
Parks and recreation										
Youth classes/clinics	240	248	780	572	715	1,154	1,238	1,544	1,620	1,149
Adult classes/clinics	100	106	493	428	213	439	458	414	340	462
Youth leagues	2,891	3,002	3,091	2,983	2,198	2,585	2,371	2,431	2,512	2,471
Adult leagues	2,138	2,146	1,980	2,240	2,394	2,750	4,024	4,120	5,220	5,279
Summer day camp	425	431	367	341	339	742	703	668	N/A	334
Lakeshore Park vehicle entry	3,456	3,502	7,910	10,335	7,065	11,533	9,846	10,822	13,000	15,462
Lakeshore Park attendance	10,368	12,224	17,120	17,777	17,663	28,833	24,615	27,055	32,500	38,655
Lakeshore Park picnic shelter rental	82	85	104	163	130	128	98	105	116	125
Senior citizens served (1)	63,676	64,189	106,522	87,188	78,978	78,432	68,517	76,462	77,759	75,832
Special event attendance	9,250	10,009	9,981	11,413	11,049	12,071	14,311	14,018	17,021	20,028
Civic Center Rentals	1,799	2,700	2,746	2,731	2,116	1,060	1,516	1,492	1,520	1,560
Civic Center Attendance	57,352	86,860	96,503	97,249	81,810	57,519	37,457	35,506	17,021	44,200
Novi Theaters - Cast	367	372	284	226	214	206	181	198	253	293
Novi Theaters - Audience	6,341	6,640	4,929	6,392	4,548	5,041	4,757	4,715	5,454	4,997
Library (2)										
Items circulated	464,991	508,405	544,874	580,438	628,724	556,582	759,021	803,552	800,031	799,475
Book collections	119,273	123,897	126,259	128,711	123,884	137,220	146,187	152,024	151,724	152,236
Audio/Video/CD collections	11,552	12,581	13,805	13,774	13,232	14,295	18,015	20,618	23,507	25,677
Periodical subscriptions	189	153	170	179	162	185	215	208	210	242
Requests of Information	115,623	136,448	158,265	159,485	154,735	171,324	220,427	210,960	N/A	115,392
Youth Summer Reading	1,687	1,698	1,171	1,491	1,491	1,061	1,261	1,338	2,042	2,340
Program participants	26,940	26,160	26,720	35,062	18,772	24,145	34,198	45,572	34,899	40,010
Visitors		285,777	265,795	269,815	280,560	262,826	371,274	378,571	389,220	401,984
Interlibrary loans		46,057	55,102	60,182	78,214	67,615	100,342	109,274	109,330	106,250
Water and Sewer										
Customers:										
Residential	11,107	12,306	12,708	12,716	12,641	12,874	12,940	13,191	13,604	13,760
Commercial	1,024	1,108	1,399	1,280	1,287	1,225	1,239	1,254	1,223	1,204
Water (in thousand gallons):										
Purchased from Detroit	\$ 2,267,616	\$ 2,431,591	\$ 2,424,237	\$ 2,402,589	\$ 2,182,409	\$ 2,041,594	\$ 2,166,712	\$ 2,459,402	\$ 2,321,313	\$ 2,216,075
Sold to residents	\$ 2,117,038	\$ 2,256,309	\$ 2,355,938	\$ 2,192,050	\$ 2,079,696	\$ 1,919,763	\$ 2,024,406	\$ 2,109,414	\$ 2,222,787	\$ 2,138,305
Rates:										
Fixed rate quarterly water charge	-	-	-	-	-	-	35.00	37.00	40.00	57.00
Additional usage per 1,000 gallons	2.78	2.94	2.94	3.17	3.95	4.06	3.31	3.44	3.86	4
Fixed rate quarterly sewer charge										
Sewer (per thousand gallons of water usage)	2.05	2.21	2.21	2.32	2.51	2.67	2.90	4.00	4.25	4.00

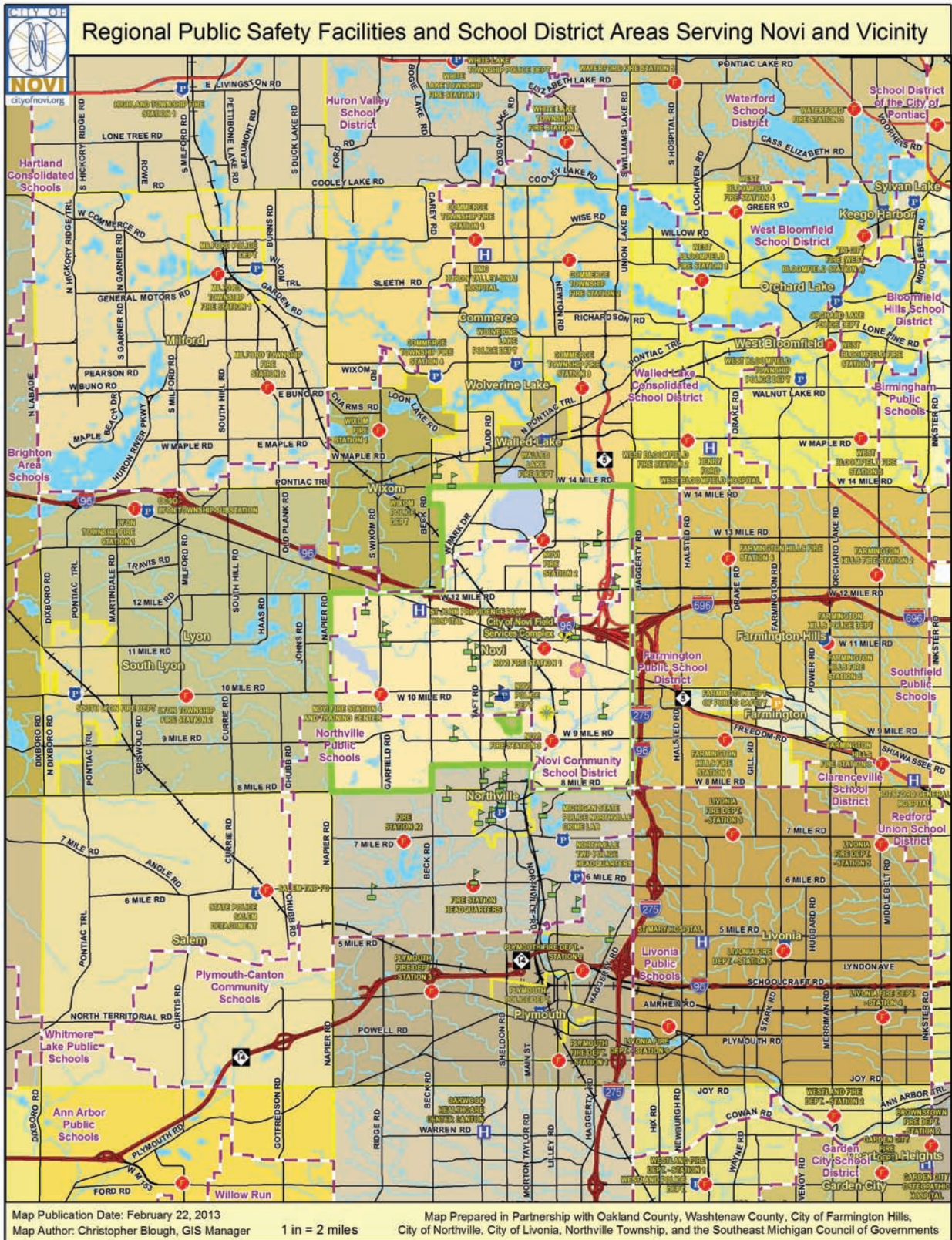
(1) The total utilization no longer includes the phone calls and questions fielded by the Novi Senior Center. The June 30, 2008 total is a true reflection of those actually served at the center via programs and services. This tracking methodology will be used for all future years.

(2) This information represents 10 months worth of information. The Library was closed for the months of April and May. The New Library opened on June 1, 2010.

(3) Effective August 1, 2010 the City of Novi adopted a fixed rate structure for water and sewer usage which does not include a minimum consumption charge.



Statistical Information and Supplemental Data





Statistical Information and Supplemental Data

Glossary of Budget and Finance Terms

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, this budget glossary has been included in the document.

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity: Cost center within a fund or department to which specific expenses are to be allocated.

Ad Valorem: Tax imposed at a percentage rate of the value as stated.

ADA: Abbreviation for Americans with Disabilities Act.

Appropriation: An authorization made by the City Council, which permits officials to incur obligations against, and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Assessed Valuation: The estimated value placed upon real and personal property by the City Assessor. Assessed value is required to be at 50% of true cash value.

Assets: Property owned by the City, which has monetary value.

Audit: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal controls and is intended to ascertain whether financial statements fairly present financial positions and results of operations;

- Test whether transactions have been legally performed;
- Identify areas for possible improvements in accounting practices and procedures;
- Ascertain whether transactions have been recorded accurately and consistently;
- Ascertain the stewardship of officials responsible for governmental resources.

BAR: Abbreviation for budget amendment request.

Base Budget: The budget predicted on maintaining the existing level of service.

Bond (Debt Instrument): A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital improvements.



Statistical Information and Supplemental Data

Budget (Operating): A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

Budget Calendar: The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

Budgetary Control: The level at which expenditures cannot legally exceed the appropriated amounts.

Budgeted Funds: Funds that are planned for certain uses. The budget document that is submitted for Council approval is composed of budgeted funds.

Budget Message (City Manager's): Initially, a general discussion of the proposed budget document presented in writing as a supplement to the budget document. The budget message explains principle budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager. Subsequent to adoption this document is updated to reflect changes made during City Council deliberations.

CAFR: Abbreviation for Comprehensive Annual Financial Report.

Capital Outlay: A disbursement of money, which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$5,000 and have a useful life of more than 1 year.

Cash Management: The management of cash necessary to pay government services while investing idle cash in order to earn interest. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds safely in order to achieve the highest interest on temporary cash balances.

CIP: Abbreviation for Capital Improvement Program.

Contingency: An estimated amount of funds needed for deficiency or emergency purposes. An annual appropriation to cover short falls in revenue and/or underestimation of expenditures. Under Michigan law, to be used, contingencies must be moved to a more distinctive appropriation by a budget amendment.

Contractual Services: Items of expenditure from services that the City receives from an outside company. Heating and cooling mechanical services, maintenance, custodial services and support for the City owned telephone systems are examples of contractual services.



Statistical Information and Supplemental Data

CPI: Abbreviation for Consumer Price Index. Renamed the Inflation Rate Multiplier (IRM).

CPM: Acronym for the Center for Performance Measurement. The International City/County Manager's Association (ICMA) CPM has been in existence since 1994 to assist local governments in improving the quality, effectiveness, and efficiency of public services through the collection, reporting, analysis, and application of performance information. CPM measures performance across 18 categories and currently has 191 members.

Current Taxes: Taxes that are levied and due within one year.

DARE: Abbreviation for Drug Abuse Resistance Education.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Department: A major administrative division of the City, which indicates overall management responsibility for an operation of a group of related operations within a functional area.

Depreciation: That portion of the cost of a capital asset, used during the year to provide service.

DWSD: Abbreviation for Detroit Water and Sewerage Department.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

EVIP: State of Michigan Public Act 63 of 2011 introduced the Economic Vitality Program (EVIP). Each city, village, or township that received a FY 2010 statutory payment greater than \$4,500 and fulfills the specific requirements for all of the three categories will be eligible to receive a maximum of 67.837363% of its FY 2010 total statutory payment (rounded to the nearest dollar). An eligible city, village, or township will receive 1/3 of the maximum amount for each of the three categories they fulfill the specific requirements for. The three categories are Accountability and Transparency, Consolidation of Services, and Employee Compensation. Each eligible city, village, or township must submit the certification form and required attachments for each category to qualify for payment.

Expenditure: The cost of goods delivered and services rendered, whether paid or unpaid.



Statistical Information and Supplemental Data

Expense: The cost of goods delivered and services rendered, whether paid or unpaid in the Enterprise Funds.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The excess of an entity's assets over liabilities. A negative fund balance is sometimes called a deficit.

GAAP: Abbreviation for Generally Accepted Accounting Principles.

GASB: The Governmental Accounting Standards Board, which provides direction in accounting and reporting requirements for units of government.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, public works and general administration.

General Obligation Bonds: When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (G.O.) bonds. Issuance of these bonds requires a citywide election and is usually repaid by an ad valorem property tax levy.

GFOA: Abbreviation for Government Finance Officers Association. The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

GIS: Abbreviation for Geographic Information System.

Headlee Amendment: The Headlee Amendment places an upper limit on the total amount of property taxes a city can collect in the fiscal year. This constitutional amendment limits the growth in taxable value attributed to market adjustment (excluding new construction) to the growth in the consumer price index (CPI). If this situation occurs, the operating millages, which are applied to the taxable value, must be reduced to compensate for any increase in excess of the CPI.

Headlee Override: A Headlee override is a vote by the electors to return the millage to the amount originally authorized via charter, state statute, or a vote of the people, and is necessary to counteract the effects of the Headlee Rollback.



Statistical Information and Supplemental Data

Headlee Rollback: The term Headlee Rollback became part of municipal finance lexicon in 1978 with the passage of the Headlee Amendment to the Constitution of the State of Michigan of 1963. The Headlee Amendment requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation (IRM-CPI). As a consequence, the local unit's millage rate is "rolled back" so that the resulting growth in property tax revenue, community-wide, is no more than the rate of inflation.

Inflation Rate Multiplier(IRM): State of Michigan term for CPI computation in the Headlee computation.

Investment: Securities purchased and held for the production of income in the form of interest.

ISO: Abbreviation for Insurance Service Office. The ISO rating is a national standard with a 1 to 10 rating scale: 1 is the best and 10 is the lowest possible rating. ISO ratings are a factor in insurance rates charged to homeowners and businesses.

Liabilities: Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

Litigation: The process of taking an argument between people or groups to a court of law.

Long Term Debt: Debt with a maturity of more than one year.

Maturities: The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

MERS: The Michigan Municipal Employees Retirement System is a multiple-employer statewide public employee retirement plan created to provide retirement and survivor and disability benefits to local government employees.

Millage: A rate (as of taxation) expressed in mills per dollar.

MIOSHA: Abbreviation for Michigan Occupational Safety and Health Administration.

MLGBC: Acronym for the Michigan Local Government Benchmarking Consortium. MLGBC is a program designed to bring together cities, townships, villages and counties from across Michigan and produce meaningful and relevant performance measures for the purpose of benchmarking and multijurisdictional performance comparisons. Performance measures cover 14 service areas and currently has 43 members.

Modified Accrual Basis of Accounting: Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar obligations, which should be recognized when due.



Statistical Information and Supplemental Data

OST: Abbreviation for Office, Service, and Technology.

Other Charges: An expenditure object within an activity, which includes professional services, utilities, rents, and training for example.

PASER: Abbreviation for Pavement Surface Evaluation and Rating System.

Per Capita Basis: Per unit population.

Personal Services: An expenditure object within an activity, which includes payroll and all fringe benefits.

PRV: Pressure Reducing Valve for maintaining water pressure levels.

Revenue: An addition to the assets of a fund, which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in an enterprise.

RCOC: Abbreviation for the Road Commission for Oakland County.

RRASOC: Abbreviation for Regional Recycling Authority of South Oakland County.

SEMCOG: South East Michigan Council of Governments.

SEV: Abbreviation for State Equalized Value.

Special Assessment Fund: Special Assessment Funds are used to account for the construction and financing of public improvements benefiting a limited number of properties. Assessments are repaid over a number of years with interest.

Supplies: An expenditure object within an activity that includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$1,000 dollars.

STPU: Surface Transportation Program – Urban.

SWOCC: Southwester Oakland Cable Commission in which the City is a member of this joint venture with the Cities of Farmington and Farmington Hills.

Taxable Value: This is a value used as a base for levying property taxes. It was established by a state constitutional amendment. Taxable value limits increases in value attributed to market adjustment. The increase is limited to the lesser of the actual increase, the rate of inflation as established by the consumer price index, or 5%. When property changes ownership, the value returns to 50% of true cash value.



Statistical Information and Supplemental Data

Transfers In/Out: A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

Trust and Agency Fund: Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds.

Venture Team: Team to start up business, secure financing, and execute a business plan.

VFD: Variable Frequency Drive used in HVAC equipment to gain efficiencies in use.

Water and Sewer Fund: This enterprise fund is used to account for the provision of water and sewer services to the customer financed primarily by user charges.

Watershed: A high area of land where rain collects, some of it flowing down to supply rivers and lakes at lower levels.

Wetland: A large area of land covered with swamp or marsh.

Woodland: An area of land on which many trees grow.

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Resolutions



Resolution of Adoption 2015 Millage Rates

WHEREAS, the City Council has agreed to keep the City's total millage rate unchanged from last year (2014) to 10.2000 mils, and

WHEREAS, that these levies are being placed on a diversified tax base that has increased slightly as anticipated in the financial plan, and

WHEREAS, a public hearing was held on May 11, 2015 on 2015 millage rates and the 2015-2016 budget,

NOW, THEREFORE, BE IT RESOLVED, that to finance the level of services established for the 2015-2016 fiscal-year, and to meet specific debt obligations of the City that the following millages are authorized to be spread:

General Operating	5.0057
Municipal Street	1.4963
Police and Fire	1.4246
Parks and Recreation	0.3847
Drain	0.0000
Library	0.7700
2002 Streets & Refunding Debt	0.3250
2010 Refunding Debt	0.3374
2008 Library Construction Debt	<u>0.4563</u>
	<u>10.2000</u>

I certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a regular Meeting held on this 18th day of May 2015.

A handwritten signature in cursive script that reads "Courtney Hanson".

Courtney Hanson, Deputy City Clerk



Resolutions

Resolution of Adoption Fiscal-Year 2015-2016 Budget and Acknowledging the Multi-Year Budget Including Projections of Future Fiscal-Years 2016-2017 and 2017-2018

WHEREAS, the City Manager's recommended budget is based upon the January 10, 2015 City Council early budget input session where City Council's strategic themes were discussed, and the December 22, 2014 property tax projection presentation to City Council, and

WHEREAS, this budget has incorporated the CIP plan as approved by the City's Planning Commission at the public hearing held on March 25, 2015, and

WHEREAS, during the Special City Council Meeting held on April 15, 2015 City Council has made adjustments to align the City's resources consistent with the City's strategic plan, and

WHEREAS, pursuant to Section 8.3 of the Novi City Charter, a detailed revenue and expenditure plan has been presented in accordance with all applicable City, State and Federal Statutes, and

WHEREAS, a public hearing was held on May 11, 2015 on the proposed budget, and

WHEREAS, this budget takes into consideration the City's Multi-Year Budget and financial planning through fiscal-year 2017-2018, and

NOW, THEREFORE, BE IT RESOLVED, that the fiscal year 2015-16 attached budget is adopted and that the City Council acknowledges the Multi-Year Budget, Including Projections of Future Fiscal-Years 2016-2017 and 2017-2018 as part of this resolution.

I certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a regular Meeting held on this 18th day of May 2015.

Courtney Hanson

Courtney Hanson, Deputy City Clerk



**ANNUAL BUDGET
AND FINANCIAL PLAN**

**45175 TEN MILE ROAD
NOVI, MICHIGAN 48375
CITYOFNOVI.ORG**