STRATEGIC GOALS, PRIORITIES & ISSUES

FY 2024-25 BUDGET MESSAGE

July 1, 2024

Honorable Mayor and City Council Members:

It is with great honor and enthusiasm that I present to you the Annual Budget for Fiscal Year 2024-25. This task, mandated by our City Charter, underscores the pivotal role of strategic financial planning in steering our beloved City towards a prosperous and vibrant future.

Reflecting on the founding of Lego by Ole Kirk Christiansen in 1932, I am reminded of the boundless possibilities that stem from imagination and innovation. Much like the intricate construction of a Lego city, our vision for Novi is rooted in building a community that is safe, welcoming, and dynamic. Every aspect of our budget serves as a building block towards this collective aspiration.

Ever since I was a child, I've been enamored by Legos, using imagination to be in space, on a race track, or (not surprisingly) building a city. Even as kids, our Lego city needed all the necessary mechanisms to make it a safe, welcoming, vibrant, and healthy community with public safety, parks, hospitals, transit, infrastructure support/public works, commerce, etc.

Similar to a playful Lego city, our City of Novi needs the building blocks to make it functional, safe, and vibrant. Our fiscal year budget 2024/25 theme is Building Community, Together. However, beyond mere bricks and mortar, true leadership and vision are essential in ensuring that this community thrives. Regardless of what you do for a living, where your office is, and how far you travel every day, at the end of the day, Novi residents come home. Each one of more than 66,000 residents helps make Novi what it is every day.

By providing innovative leadership and a clear vision for the future, we can transform Novi into more than just a place to live – it becomes a beacon of community, progress, and prosperity. Just as a child meticulously crafts each piece of a Lego masterpiece with imagination and foresight, so, too, must we approach the development and nurturing of our city. With visionary leadership guiding us, we can ensure that Novi continues to grow and thrive, becoming a model community for generations to come.

Budget Process

Every year, City staff initiate the budget-building process shortly after the prior budget is approved. Starting in August/September, Departments commence compiling estimates for their budgets for the following July. Budget meetings with the City Manager's office, along with early input sessions with the City Council, culminate in the presentation of a recommended budget for the Council's consideration. The Council then convenes a Special Budget Session dedicated solely to reviewing the recommended budget. Finally, the Annual Budget & Financial Plan undergoes a vote during a subsequent meeting, where five votes are required to approve the policy document. By City Charter, the budget must be approved prior to the third Monday in May.

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In addition to the City Council's review of the Annual Recommended Budget & Financial Plan, various other committees (e.g., Planning Commission, Capital Improvement Plan Committee, etc.) and commissions provide input on different components of the document. For over 10 years, City Council has entrusted City staff with drafting a balanced budget for the upcoming fiscal year and the subsequent three years. The document outlined below constitutes a three-year balanced financial plan.

As a leader, ensuring this process remains transparent, efficient, and aligned with the City's long-term vision is paramount. We aim not just to balance the books but also to invest wisely in the future of our community, fostering growth, sustainability, and prosperity for all residents.

Council Goals

As previously mentioned, the guiding principles of this document were discussed and solidified in early 2024 as the City Council met and collectively provided goals for staff to work toward within three categories:

- **OPERATE** a world-class, sustainable local government
- **BUILD** a desirable and vibrant community for residents and businesses
- **INVEST** properly in being a safe community at all times for all people

Goals were developed under these three themes for the next 24 months and for the long-term to be accomplished within the next five years.

One particular goal established was to create a community strategic plan to guide Novi to 2050. This initiative represents a forward-looking approach aimed at ensuring our City's long-term success and sustainability. The strategic plan will serve as a roadmap, outlining key priorities, goals, and objectives that align with our vision for the future.

Such an initiative will not only provide clarity and direction for decision-making but will also play a crucial role in shaping future budget documents. The pillars established in the strategic plan will serve as the foundation for our budgetary efforts, guiding resource allocation and investment strategies that support the realization of our long-term vision.

OPERATE

In FY 2024/25, the City will proudly hold four separate accreditation certificates, affirming our commitment to adhering to the best practices and highest standards in various disciplines. These certifications underscore our dedication to excellence and serve as a testament to our unwavering pursuit of quality and professionalism.



While the Department of Public Works progresses toward accreditation, Public Safety and Parks and Recreation continue to uphold their standards by maintaining meticulous records, policies, and procedures. By achieving accreditation, we reaffirm our commitment to upholding the highest standards and best practices, ensuring that our community receives exceptional service and support.

Speaking of best practices and the quality of service our City staff team provides, following employee surveys, a High-Performance Organization (HPO) workshop, and recent Administrative Goal Setting Session, a groundbreaking strategic internal initiative has emerged: Novi Next, our "Lego" for the future.

Just as assembling Lego bricks allows for infinite creations, Novi Next is poised to revolutionize our organizational culture, focusing on excellence while catapulting Novi into a realm of progressive and innovative local governance. Novi Next embodies the essence of Lego's forward momentum, encapsulated in its name. Like the promise of "Next," this initiative signifies our unwavering commitment to looking ahead, adopting a dy-

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namic, forward-focused approach in all our endeavors.

Much like constructing with Lego, Novi Next is not a one-time build but an ongoing process of continuous enhancement and evolution. We are dedicated to embracing new ideas, cutting-edge technologies, and innovative strategies, ensuring Novi stands as a model of innovation and progress. With Novi Next, our staff team is embarking on an exciting journey, one where every piece – every idea, every initiative – contributes to the vibrant tapestry of Novi's future.

In addition to our culture, employee benefits, too, play a key role in attraction and retention efforts. Our commitment remains steadfast in providing comparable offerings to those found in the private sector. Our retirement health care benefits are exceptionally funded at 120%, although the pension system remains at approximately 60%. Since 2006, the City Council's goal has been to support the defined contribution program, prioritizing sustainability and stability over the unpredictability of a defined benefit program.



Furthermore, we're excited to announce the opening of the new Studio No.VI in the Civic Center. This centralized facility will serve as a hub for recording various programming to promote City initiatives, projects, and updates. Not only will it enhance our video content across multiple platforms, but it will also serve as the launching pad for the City's Podcast, allowing us to creatively construct narratives that engage and inform our community. With this state-of-the-art resource, we'll explore opportunities to potentially collaborate with neighboring communities, further amplifying our outreach efforts and building connections like interlocking Lego pieces.

We're also proud to share Novi has once again been recognized as a Michigan Green Community, earning a gold designation in 2022. Our City Administration, in alignment with the City Council's support, has long championed environmentally sustainable practices, much like carefully selecting eco-friendly Lego pieces to build a green city. From remodels to new constructions, we incorporate eco-friendly measures that have consistently earned us accolades such as the Green Communities Challenge. Anticipating another award in 2023, this marks the sixth time Novi has received such recognition, and we're committed to continuing this trend into 2024 and beyond, building a sustainable future brick by brick.

MICHIGAN GREEN COMMUNITIES CHALLENGE GOLD

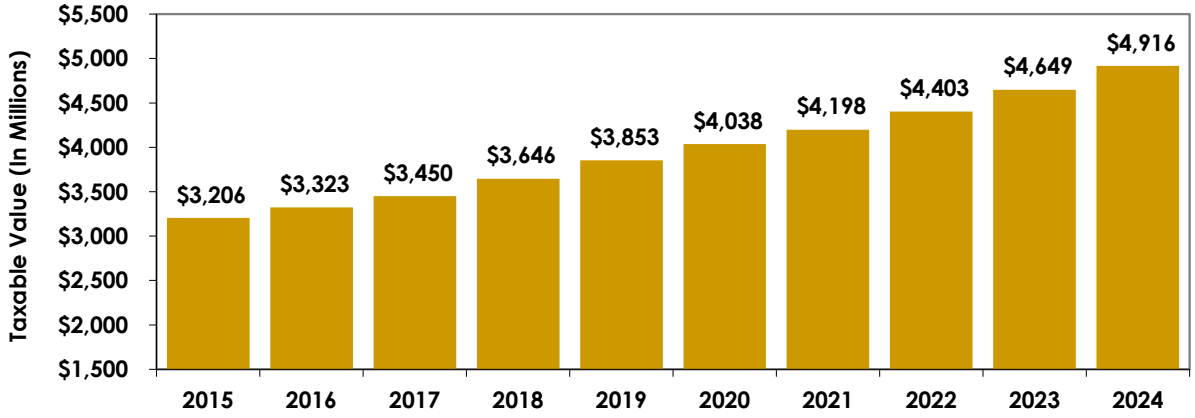
Statistics

In our vision for Novi's future, we see our city as a vibrant and thriving community, much like a meticulously crafted Lego masterpiece. As we look ahead, we recognize that the foundation of our success lies in a robust tax base. Just as each Lego brick contributes to the strength and stability of a structure, the value of each property in Novi fuels our municipal operations and drives our progress.

Despite not receiving a direct portion of certain taxes like neighboring states, we remain resilient, relying on the value of commercial and residential properties to sustain us. This dynamic is akin to carefully assembling Lego pieces to construct a sturdy foundation for our community's growth.

With each passing year, Novi's taxable value (TV) continues to rise, laying the groundwork for our future endeavors. It's a testament to our commitment to excellence and our vision for continued prosperity.

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In this vision, Novi stands out among its peers, boasting one of the highest taxable values in the county, yet maintaining one of the lowest millage rates. It's a delicate balance, much like finding the perfect arrangement of Lego bricks to achieve both stability and efficiency. By embracing this vision and leveraging our strong tax base, we can continue to build upon our success, enriching the lives of our residents and creating a community that stands tall.

Community	Local Unit Type	TOTAL MILLAGE RATE	Population	Taxable Value
Troy, MI	City	9.8966	87,294	6,194,962,650
Canton, MI	Township	12.2909	98,833	4,813,151,818
Novi	City	10.5376	66,243	4,649,264,350
West Bloomfield, MI	Township	11.6475	65,888	4,519,681,912
Rochester Hills, MI	City	10.551	76,300	4,421,012,510
Farmington Hills, MI	City	16.5693	83,986	4,238,124,340

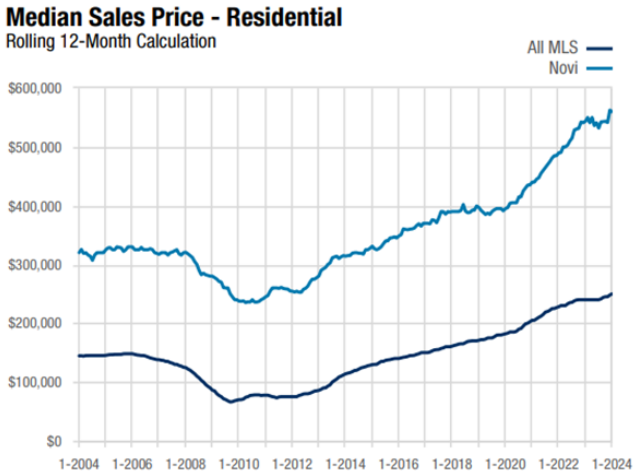
BUILD

Economic Impact/climate

Home sales in the city continue to underscore the value of our municipal services, affirming our commitment to providing a high quality of life. The median sale price consistently surpasses state and county averages, reflecting the desirability of living in our Novi. Much like the precise alignment of Lego pieces in a structure, these home sales demonstrate how our carefully crafted services and amenities contribute to overall community appeal.

Single-family homes in Novi are in high demand, with properties typically spending just around a month on the market. This swift turnover is a testament to the attractiveness of our community and the strong demand for housing.

Exciting developments are on the horizon, particularly in the Town Center/Main Street area, where the Townes at Main Street is currently under construction. This project will introduce 32 multi-family residential buildings comprising 193 three- to four-story townhome-style units. Like adding new pieces to a Lego set, this expansion will breathe new life into the area, create a vibrant sense of place along Main Street, and enhance the overall value of our community.



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With each new home sold and every new development completed, Novi continues to evolve and grow, shaping itself into a dynamic and desirable place to live, work, and play. Just as each Lego piece contributes to the overall design of a creation, each new resident and development project enriches the fabric of our community, making Novi an even more attractive destination for families and individuals alike.

INVEST

Infrastructure improvements are a cornerstone of our ongoing efforts to enhance the quality of life for all residents in our community. Much like assembling a complex Lego structure, these projects require careful planning and execution to ensure their success.

In this budget, we have proposed significant rehabilitation work for key roadways such as Meadowbrook, Nine Mile, and Novi Roads, as well as allocating $4.5 million for neighborhood infrastructure upgrades. Just as each Lego piece contributes to the stability and functionality of a larger creation, these road projects are vital components of our City's infrastructure network, supporting the smooth flow of traffic and ensuring the safety of all who travel through our community.

Additionally, we are committed to enhancing our park facilities, with plans to reconstruct pathways and improve drainage at Ella Mae Power Park. This investment will not only enhance the overall experience for park visitors but also contribute to the long-term sustainability of these valuable community assets.

Furthermore, updates are planned for the theatre at the Civic Center, along with the replacement of 98 air conditioning units at Meadowbrook Commons. These improvements are essential for maintaining the functionality and comfort of these facilities, much like replacing worn-out Lego pieces to keep a creation in optimal condition.

As we move forward, City staff are prepared to assist City Council in developing plans for transformative projects discussed during early input sessions. These include initiatives such as public safety facility improvements, ITC reconfiguration, Beck Road enhancements, funding for road improvements, and the establishment of a community center. Like assembling a complex Lego set, these transformative projects require careful coordination and strategic planning to ensure their successful implementation.

In line with our commitment to Public Safety, Novi Police Officers began wearing body cameras in 2024, providing peace of mind for both officers and the public. These cameras, in conjunction with new cameras installed in each squad car, represent a significant investment in enhancing transparency and accountability within our law enforcement operations. To support this initiative, a position in Public Safety was allocated and filled to manage the recording and storage of bodycam footage, ensuring compliance with freedom of information requests and safeguarding the integrity of this valuable data.

Through these infrastructure improvements and strategic investments, we are laying the foundation for a stronger, more resilient community—one where residents can thrive and prosper for generations to come.

Conclusion

As I reflect on the past 13 years of service, I am deeply grateful for the opportunity to work alongside the dedicated and passionate City staff of Novi. Their unwavering commitment to excellence and tireless dedication to serving our community is nothing short of inspiring.

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To each and every member of the Novi team, I extend my heartfelt thanks for your hard work and unwavering commitment to our shared mission. Your dedication to this community is truly inspirational, and I am continually motivated by your professionalism and passion for making Novi the best it can be.

A special acknowledgment goes to our Finance and budget development team, whose meticulous efforts have culminated in the creation of this budget. Carl Johnson, Sabrina Lilla, Pat Cauchi, Megan Mikus, Pat Oleszkowicz, Keri Blough, Shery Walsh-Molloy, and Jeanette Handy—your expertise and dedication have been instrumental in shaping our financial roadmap for the upcoming fiscal year.

As we move forward, I eagerly anticipate City Council's feedback and constructive conversation about the Annual Budget & Financial Plan. Together, we will continue to work collaboratively towards the betterment of our beloved community, guided by our shared vision for a prosperous and thriving Novi, much like assembling and refining a Lego creation until it reaches its full potential.

Respectfully submitted,



Victor Cardenas
City Manager