



CITY OF NOVI
Administrative ePacket
August 15, 2024

Council Action/Attention

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Departmental Updates

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For Your Information

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MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: LINDSAY BELL, AICP, SENIOR PLANNER
THROUGH: BARBARA MCBETH, AICP, CITY PLANNER
SUBJECT: NORTH KAREVICH DRIVE STREET VACATION/CULVER'S REQUEST
DATE: AUGUST 14, 2024

This memo is sent to share information about a request to vacate North Karevich Drive and convey the land to the property owner of the parcels that the road bisects (see attached location map). The street vacation is being requested by Union Pacific Holdings, LLC, who is interested in developing the site as a Culver's fast-food restaurant with a drive-thru. Vacating the road would permit them to combine their parcels to better accommodate the proposed development. South Karevich Drive will remain a public street south of West Oaks Drive.

The applicant's current Preliminary Site Plan has been submitted and reviewed by the Plan Review Center. The applicant has been working to address the comments brought forth in previous plan submittals. This includes providing additional landscaping, the off-site location of the sanitary sewer and associated easement, a full traffic impact study, and a justification for why the City should consider vacating the public street.

Subject Parcels

The two parcels that North Karevich Drive bisects at the south end are located south of Value City Furniture (former Art Van) and north of West Oaks Drive.

- The parcel on the southeast side of Karevich Drive is irregular in shape and contains approximately 0.96 acres (22-15-200-099)
- The parcel on the northwest side of Karevich Drive is irregular in shape and contains approximately 0.44 acres (22-15-200-097)
- If the street vacation and parcel combination are approved, the site would total 2.35 acres.



The full length of North Karevich Drive between West Oaks Drive and West Oaks Access Road is requested to be vacated and deeded to the applicant (see map attached). A

legal description of the road has been provided by the applicant, which lists the total area to be vacated as 0.945 acres. The applicant intends to reroute North Karevich Drive around the proposed Culver's so that traffic could still move between West Oaks Drive and West Oaks Access Drive. The new road through this area would be privately owned and maintained by the applicant if it is conveyed to them. The applicant states they would allow public access over the roadway by placing it in a Public Access Easement. Utility easements would also be given for all existing utilities within the area.



Figure 1: proposed site layout

Zoning and Master Plan

The property is located in the RC, Regional Center District, and the Master Plan for Land Use indicates the Planned-Development Option 2 (PD-2) is available for the site.

Site Plan Process - Planned Development Option 2

The Zoning Ordinance outlines the process for uses under the PD-2 Option. The Planning Commission recommends approval or denial of a Preliminary Site Plan to City Council, who ultimately has the decision of whether to approve or deny the Preliminary Site Plan. Both the Planning Commission and the City Council must consider specific factors when evaluating a site plan under the PD-2 Option, including the effect on public services and facilities, the effect on natural features and resources, the compatibility with the surrounding uses, and whether or not the proposed plan promotes the use of land in a socially and economically desirable manner.

When the PD-2 Option is utilized, projects are to be evaluated as a Special Land Use. This means that the project required a public hearing and 15-day notice to surrounding property owners, which was also published in the local newspaper and on the City website. The Planning Commission held the public hearing on June 26, 2024, and recommended approval of the Preliminary Site Plan and Special Land Use requirements, including:

- i. Whether, relative to other feasible uses of the site, the proposed use will cause any detrimental impact on existing thoroughfares in terms of overall volumes, capacity, safety, vehicular turning patterns, intersections, view obstructions, line of sight, ingress and egress, acceleration/deceleration lanes, off-street parking, off-street loading/unloading, travel times and thoroughfare level of service.
- ii. Whether, relative to other feasible uses of the site, the proposed use will cause any detrimental impact on the capabilities of public services and facilities, including water service, sanitary sewer service, storm water disposal and police and fire protection to service existing and planned uses in the area.
- iii. Whether, relative to other feasible uses of the site, the proposed use is compatible with the natural features and characteristics of the land, including existing woodlands, wetlands, watercourses and wildlife habitats.
- iv. Whether, relative to other feasible uses of the site, the proposed use is compatible with adjacent uses of land in terms of location, size, character, and impact on adjacent property or the surrounding neighborhood.
- v. Whether, relative to other feasible uses of the site, the proposed use is consistent with the goals, objectives and recommendations of the City's Master Plan for Land Use.
- vi. Whether, relative to other feasible uses of the site, the proposed use will promote the use of land in a socially and economically desirable manner.
- vii. Whether, relative to other feasible uses of the site, the proposed use is
 - a. Listed among the provision of uses requiring special land use review as set forth in the various zoning districts of this Ordinance, and
 - b. Is in harmony with the purposes and conforms to the applicable site design regulations of the zoning district in which it is located.

Site Plan Process - Ordinance Requirements

Review by staff has highlighted the requested deviations that the City Council will have discretion to approve or deny. The applicant has worked to limit those deviations, but a few are going to be required for the site plan to be approved. Currently there are six deviations requested from Ordinance standards:

1. Deviation from Section 3.31.7.B.v.a, that states a fast food drive-thru under PD-2 Option **requires a minimum distance of 1,000 feet between a proposed freestanding restaurant from any other such use on the same side of the street. The proposed restaurant is less than 1,000 feet from the Carabba's to the south;**
2. Deviation from Section 4.19.2.F for allowing a **dumpster in the exterior side yard instead of required rear yard;**
3. Landscape deviation from Section 5.5.3.B.ii and iii **for lack of berm or wall along both Novi Road and West Oaks Drive;**
4. Landscape deviation from Section 5.5.3.B.ii and iii for **deficient perimeter depth between the west drive and the west property line;**

5. Deviation from Section 11-216 of the Code of Ordinances, Design Considerations, for the **deficient driveway turning radius where the mountable concrete median is proposed;**
6. Section 9 Façade waiver for an **underage of brick and an overage of composite siding.**

Section 3.31.5 explains the standards that the City Council should consider when authorizing a deviation from the Zoning Ordinance when utilizing the PD-2 Option:

- a) That each zoning ordinance provision from which a deviation is sought would, if the deviation were not granted, prohibit an enhancement of the development that would be in the public interest;
- b) That approving the proposed deviation would be compatible with the existing and planned uses in the surrounding area;
- c) That the proposed deviation would not be detrimental to the natural features and resources of the affected property and surrounding area, or would enhance or preserve such natural features and resources;
- d) That the proposed deviation would not be injurious to the safety or convenience of vehicular or pedestrian traffic; and
- e) That the proposed deviation would not cause an adverse fiscal or financial impact on the City's ability to provide services and facilities to the property or to the public as a whole.

The Street Vacation

Since the public street was not designed as a part of a plat, but was conveyed to the City by a deed, the vacated land does not automatically go to the adjacent property owner. Staff has asked the applicant what benefit to the public results from the vacation of the roadway and the applicant's acquisition of the underlying property. The applicant has provided a narrative that states why the street vacation would benefit the City. These include:

- The applicant will construct the missing 8-foot-wide pathway segment along the adjacent Novi Road right-of-way (an approximately 695-foot portion of Segment 32A).
- Additional landscaping and park benches along the pathway.

In addition, the applicant will take over all future costs associated with maintaining and repairing the roadway, while still allowing public access over it.

Section 7.6 of the Novi City Charter states the required process for vacation of a street or alley:

- (a) **Action to Vacate Public Places.** Action to vacate, discontinue or abolish any highway, street, lane, alley, or other public place, or part thereof, shall be by resolution. After the introduction of such resolution and before its final adoption, the **Council shall hold a public hearing thereon and shall publish notice of such hearing at least one week prior thereto.**

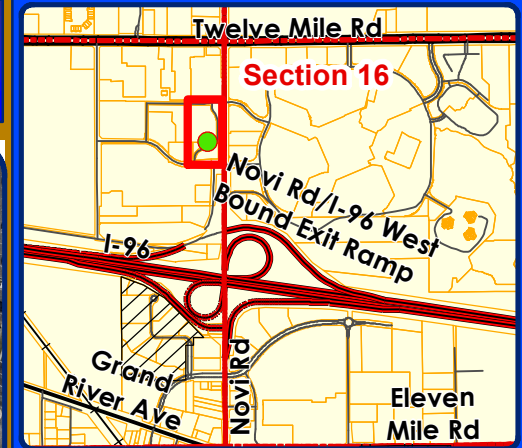
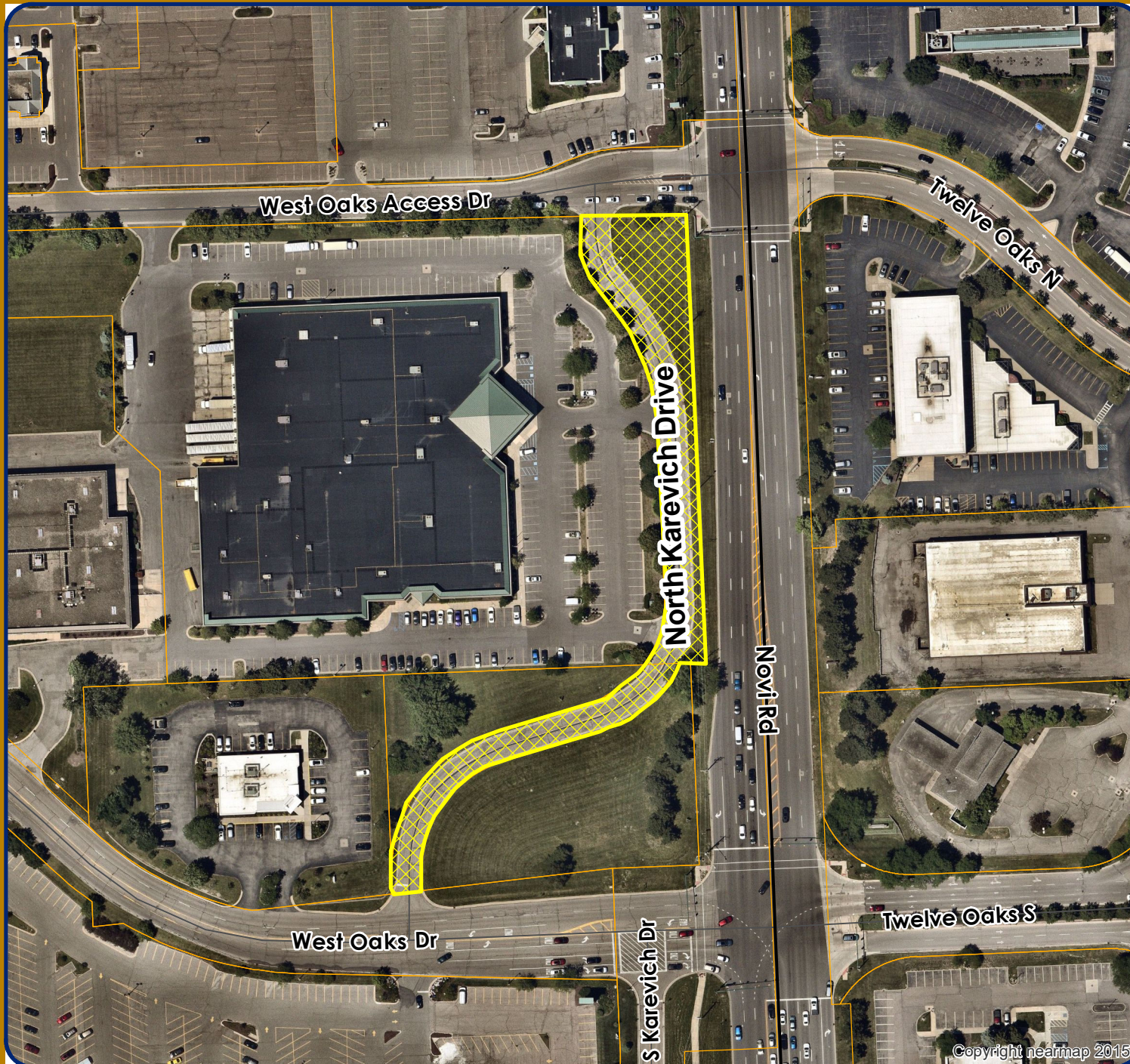
- (b) **Action Requiring Affirmative Vote of Five (5) Members of Council.** The following action shall require the affirmative vote of **five members** of the Council for the effectiveness thereof:
- (1) Vacating, discontinuing or abolishing any highway, street, lane, alley or other public place or part thereof:

Next Steps

The street vacation request and a draft Resolution to Vacate North Karevich Drive (attached) will be placed on an upcoming agenda for consideration by the City Council in order to set a public hearing for formal consideration of the request at a subsequent meeting. If the resolution is approved, the public hearing will be advertised, and the City Council would consider a resolution to vacate as well as a separate action on the Preliminary Site Plan at a future meeting.

NORTH KAREVICH DRIVE

REQUESTED STREET VACATION



 Subject Area



City of Novi

Dept. of Community Development
City Hall / Civic Center
45175 W Ten Mile Rd
Novi, MI 48375
cityofnovi.org

Map Author: Lindsay Bell
Date: 8/9/24
Project: KAREVICH DRIVE
Version #: 1

0 30 60 120 180 Feet
1 inch = 156 feet



MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

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Description of Community Benefits for Culver's Novi Project

In consideration of the City of Novi's (the "City") approval of the Culver's Novi Project, including approval of the (1) site plan and (2) vacation of Karevich road between West Oaks Drive and West Oaks II Drive, the applicant, UPH Novi Property, LLC, ("UPH") will provide the following community benefits to the City of Novi and its citizens:

1. Construction, at UPH's expense, of an eight-foot (8 foot) wide concrete multi-use path between West Oaks Drive and West Oaks II Drive, along the west side of Novi Road. This path will be approximately 695 feet in length. The plans and specifications for the path will be subject to City approval. Upon completion of construction of the path, the City will be responsible for all future maintenance of the path.
2. Additional landscaping and park benches along the west of Novi Road between West Oaks Drive and West Oaks II Drive. The location, number, and specific types of plants will be subject to City approval. UPH will be responsible for future maintenance of the landscaping.
3. The provision of these community benefits is subject to the City's approval of the site plan, vacation of Karevich road, and all other approvals necessary for UPH's development of a Culver's Restaurant on its property in Novi, Michigan.
4. The terms of this agreement will be incorporated into a detailed community benefits agreement between UPH and the City.

CITY OF NOVI

OAKLAND COUNTY, MICHIGAN

**RESOLUTION TO SET PUBLIC HEARING TO CONSIDER VACATING
NORTH KAREVICH DRIVE IN THE CITY OF NOVI**

At a meeting of the City Council of the City of Novi, Oakland County, Michigan, held on the 26 day of August 2024, at the City Hall, 45175 West Ten Mile Road, Novi, Michigan 48375.

The following resolution was offered by _____ and supported by _____.

WHEREAS, a request has been received by the City Council seeking the vacation, discontinuance, or abolition of the following portion of a public road within the City of Novi, legally described on the attached and incorporated Exhibit A and depicted on the attached and incorporated Exhibit B.

WHEREAS, the road at issue is known as North Karevich Drive, located north of West Oaks Drive and south of West Oaks Access Drive, a service drive west of Novi Road;

WHEREAS, the request for vacation asserts that North Karevich Drive sought to be vacated would continue to allow public access via an easement to access adjacent businesses;

WHEREAS, the request for vacation states that UPH Novi Property, LLC (UPH), if deeded the vacated road, would construct a multi-use path along the Novi Road right-of-way (approximately 695 feet), as well as provide additional landscaping and park benches;

WHEREAS, the City Council has considered such request and has determined to proceed to further consideration of such action in accordance with the requirements of the applicable statutory, charter, and ordinance provisions, and pursuant to the terms of the attached proposed resolution;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Novi City Council that:

1. That the City Council deems it advisable to consider the vacation, discontinuance, or abolition of the portion of a public road located north of West Oaks Road, within the City of Novi, County of Oakland, State of Michigan, and which is legally described on the attached and incorporated Exhibit A and depicted on the attached and incorporated Exhibit B.

2. That the City Council will meet and hear objections, if there are any, to such vacation, discontinuance, or abolition on the ____ day of _____ 2024, at 7:00 p.m. at the City of Novi City Hall.

3. The City Clerk is hereby directed to publish notice of such meeting in the newspaper of general circulation in the City, not less than seven days before the time appointed for such meeting. The City Clerk shall also give notice by first class mail to the owners of all property abutting the portion of such platted public road that is legally described in paragraph 1, as shown upon the assessment rolls of the City.

AYES:

NAYES:

ABSTENTIONS:

Resolution declared adopted.

STATE OF MICHIGAN)

) ss.

COUNTY OF OAKLAND)

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Novi at the regular meeting held on _____, 2024.

CORTNEY HANSON, CITY CLERK

Drafted by:

Elizabeth Saarela

ROSATI SCHULTZ JOPPICH & AMTSBEUCHLER, P.C.

27555 Executive Drive, Suite 250

Farmington Hills, Michigan 48331

AND WHEN RECORDED RETURN TO:

Cortney Hanson, Clerk

45175 Ten Mile

Novi, Michigan 48375

MEMORANDUM



TO: ERICK W. ZINSER,
DIRECTOR OF PUBLIC SAFETY/CHIEF OF POLICE

FROM: ADAM ELSER, LIEUTENANT

SUBJECT: NATIONAL NIGHT OUT

DATE: AUGUST 13, 2024

On Wednesday, August 7th, 2024, the Novi Police and Fire Department participated in the National Night Out. National Night Out is a community building program that is meant to promote positive relationships between community members and the public safety teams that serve them. Our event had been planned for August 6th, but rainstorms necessitated postponing the event one day. The postponed event took place at Bosco Fields from 6:00 pm to 8:00 pm. It was well attended despite the postponement, and residents were able to interact with Novi Police and Fire Department personnel through yard games, and hands-on exhibits. Around 300 hotdogs and over 150 snow cones were prepared for attendees.



From: Ringle, Tracie <tringle@cityofnovi.org>
Sent: Tuesday, August 13, 2024 12:00:25 PM
To: Cardenas, Victor <vcardenas@cityofnovi.org>
Subject: Late August Staffing

Hello,

We were very fortunate to have a great team of site supervisors this summer, overseeing rentals and park use at Lakeshore Park/Beach and the splash pad. As happens in late August, many of the young adults head back to college or high school commitments. **Because of staff shortages**, we plan to close Lakeshore Beach early at 5pm Monday-Friday, August 26-30. The beach will be open normal hours 10am-8pm, Saturday-Monday for Labor Day weekend. The splash pad will remain open with normal hours through labor day.

Let me know if you have questions.

Thanks,
Tracie



Tracie Ringle | Deputy Director
Parks, Recreation & Cultural Services
City of Novi | 45175 Ten Mile Rd | Novi, MI 48375

Mayor and Council –

Please see the note below from our PRCS department. Due to our seasonal staff returning to their respective college/university, we'll have to modify hours. For a few years now we've offered seasonal employees incentives (hourly increase) if they stay longer. Only a few take advantage of it.

- Victor

Property Maintenance Program Data Points

Total Violations Document in Corrections letters by year

<u>Year</u>	<u>Corrections Documented</u>	<u>Enforcement Action Needed</u>
2022	5	0
2023	257	0
2024	110	1

Mayor and Council –

As a follow-up to the memo summarizing the City's Property Maintenance Program, please see the following data set regarding correction letters sent and enforcement needed (i.e. tickets written). Bottom line is that residents are quick to take corrective action after receiving a notice.

- Victor

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: CARL A. JOHNSON, JR., CFO
TINA GLENN, ASSISTANT CITY TREASURER
CC: CORTNEY HANSON, CITY CLERK
SUBJECT: QUARTERLY INVESTMENT REPORT – JUNE 30, 2024
DATE: AUGUST 7, 2024

Attached to this memo is the investment report for the City of Novi as of June 30, 2024. This memo outlines the investment factors and trends that were playing a role in our investment decisions for the second quarter of the fiscal year.

Nationally

According to the minutes of the Federal Open Market Committee (FOMC) meetings held on June 11-12, 2024, "The economic forecast prepared by the staff for the June meeting was similar to the projection at the time of the previous meeting. The economy was expected to maintain a high rate of resource utilization over the next few years, with real GDP growth projected to be roughly similar to the staff's estimate of potential output growth. The unemployment rate was expected to edge down slightly over the remainder of this year and the next and then to remain roughly flat in 2026 ."¹

According to the Bureau of Labor Statistics News Release, "Total nonfarm payroll increased by 206,000 in June, and the unemployment rate changed little at 4.1 percent. Job gains occurred in government, health care, social assistance, and construction."²

The City is continuing to invest pursuant to the Investment Policy and the Retirement Health Care Investment Policy. The City's funds are invested in a variety of instruments including commercial paper, money market accounts, certificates of deposit, agencies, and pooled accounts. The primary focus and order of priority is on safety of capital, liquidity, and lastly return on investment.

Risk

As required by the Governmental Accounting Standard Board, GASB 40 identifies several reporting and disclosure requirements for public funds that are designed to manage and limit risk in deposits and investments. These disclosures are only required as part of the year-end financial statements, the applicable risks are as follows:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment or the government's cash flows. Disclosure of interest rate risk addresses the exposure of investments to changes in market value as interest rates increase or decrease from current levels. In accordance with the City investment policy,

¹ <https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20240612.pdf>

² <https://www.bls.gov/news.release/pdf/empst.pdf>

the City limits its exposure to possible decline in fair market value by controlling duration or maturities. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, considering large routine expenditures (payroll, debt service), as well as considering sizable blocks of anticipated revenue (taxes, state revenue sharing payments).

Credit Risk: Credit risk is the risk that the investment counterparty will not fulfill its promise to pay the government when required. There is credit risk associated with the financial institutions, brokers, and investment instruments the City does business with. The City's investment officer must also be held to the highest standards. The City's investment policy utilizes the prudent person rule: "Investments are made with judgment and care - under circumstances then prevailing - which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." Any commercial paper purchased must be rated within the highest classification established by at least two standard rating services. Obligations of the State or its subdivisions must be rated of investment grade by at least one rating service. Because the State of Michigan does not require collateralization of public funds, the City's policy restricts Certificates of Deposit investments to those with financial institutions that are members of the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration.

Concentration of Risk: Governments must disclose any single issuer that comprises more than 5% of the investment value in the portfolio. This disclosure is to ensure that there is proper diversification and not a concentration of public funds with any one issuer. While CD's and commercial paper are being used only occasionally for diversification, the City's funds are primarily invested in guaranteed accounts and treasuries. To reduce concentration risk, the City's investments are diversified amongst several highly rated financial institutions.

Investment Report

Attached is a summary listing of investments by issuer that the City held on June 30, 2024 (excluding Retiree Healthcare and Pension Investments that are not subject to Public Act 20 Investment Limitations). The listing includes the market value, type of investment, days to maturity, interest rate (yield) and amount of investment (book value). The book and market value for the Fifth Third checking account represents the bank balance on June 30, 2024, and does not include any month end reconciling items.

A comprehensive detailed listing of each investment's details and maturity date is maintained in the Treasurer's office. The report includes all investment accounts by issuer including all pooled fund accounts. Please note that all investments included in this report are in accordance with the City's Investment Policy and State statutes and meet the City's investment objectives including Safety of Capital, Liquidity, and lastly Return on Investment. The issue of non-compliance with the MERS Retiree Health Care Account is currently being addressed and remedies are being considered.



City of Novi

Quarterly Investment Report

June 30, 2024

Investment Officer's Certification: This report is prepared for the City of Novi in accordance with Chapter 2256 of the Public Funds Investment Act (PFIA). Section 2256.023 (a) of the PFIA states that "Not less than quarterly, the investment officer shall prepare and submit to the governing body, a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Finance Director and includes the disclosures required in the PFIA. Market prices were obtained from Various Brokerage Accounts: Huntington Bank, UBS, Comerica, Fifth Third Securities and J. P. Morgan .

PERFORMANCE VALUES

TRR-MV	Total Rate of Return - Market Value	1.180%
Annualized TRR-MV	Annualized Total Rate of Return - Market Value	4.820%
YTM@Cost	Yield to Maturity @ Cost	3.104%

BENCHMARKS

Treasury 6 Month 5.370%
Treasury 1 Year 5.110%

FISCAL YEAR TO DATE

Investment Income 976,623
TRR-MV 1.180%

Security Sector	Face Amount/Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
Cash	1,143,170.57	1,143,170.57	1,143,170.57	1.44	0.00	1
Certificate Of Deposit	14,580,682.33	14,356,949.55	14,553,671.60	18.39	3.45	466
Corporate	2,500,000.00	2,467,081.25	2,468,576.89	3.12	5.47	85
Local Government Investment Pool	5,896,418.14	5,896,418.14	5,896,418.14	7.45	5.39	1
Money Market	10,692,697.95	10,692,697.95	10,692,697.95	13.51	5.42	1
Municipal	22,435,000.00	21,581,320.45	22,764,833.17	28.76	2.56	1,511
US Agency	21,695,000.00	20,837,213.45	21,631,405.75	27.33	1.56	444
Total / Average	78,942,968.99	76,974,851.36	79,150,774.07	100.00	3.10	645


Carl A. Johnson, Jr. -Finance Director / Treasurer, CFO

8/7/24
Date



City of Novi

Distribution by Security Sector - Market Value

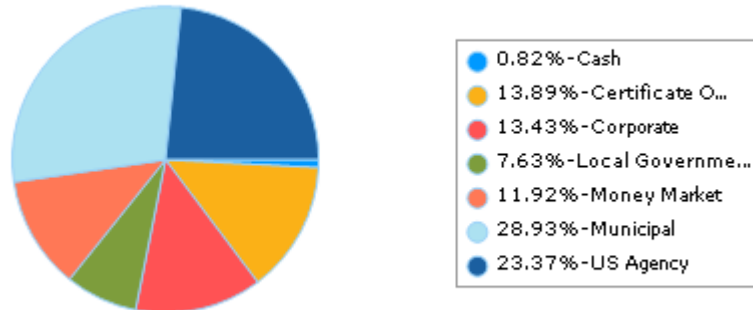
All Portfolios

Begin Date: 3/31/2024, End Date: 6/30/2024

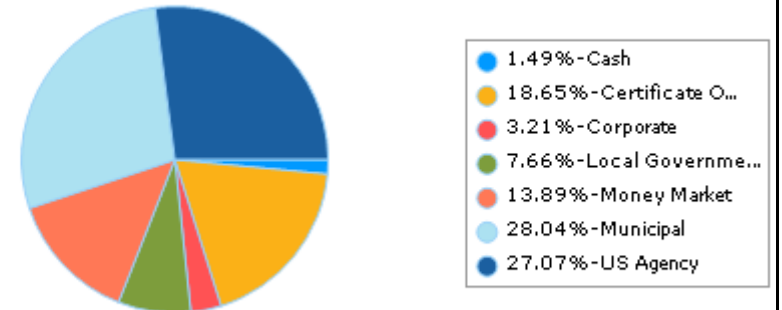
Security Sector Allocation

Security Sector	Market Value 3/31/2024	% of Portfolio 3/31/2024	Market Value 6/30/2024	% of Portfolio 6/30/2024
Cash	727,960.61	0.82	1,143,170.57	1.49
Certificate Of Deposit	12,304,113.15	13.89	14,356,949.55	18.65
Corporate	11,894,530.68	13.43	2,467,081.25	3.21
Local Government Investment Pool	6,756,536.56	7.63	5,896,418.14	7.66
Money Market	10,553,022.82	11.92	10,692,697.95	13.89
Municipal	25,619,760.65	28.93	21,581,320.45	28.04
US Agency	20,696,897.40	23.37	20,837,213.45	27.07
Total / Average	88,552,821.87	100.00	76,974,851.36	100.00

Portfolio Holdings as of 3/31/2024



Portfolio Holdings as of 6/30/2024





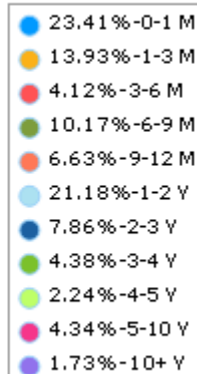
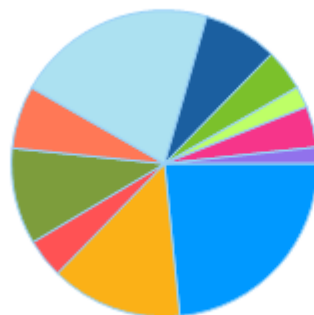
City of Novi Distribution by Maturity Range - Market Value All Portfolios

Begin Date: 3/31/2024, End Date: 6/30/2024

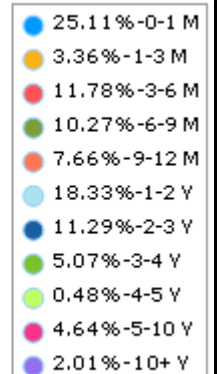
Maturity Range Allocation

Maturity Range	Market Value 3/31/2024	% of Portfolio 3/31/2024	Market Value 6/30/2024	% of Portfolio 6/30/2024
0-1 Month	20,730,829.99	23.41	19,325,291.66	25.11
1-3 Months	12,335,237.13	13.93	2,587,930.40	3.36
3-6 Months	3,647,313.85	4.12	9,064,722.33	11.78
6-9 Months	9,010,084.03	10.17	7,904,910.00	10.27
9-12 Months	5,873,040.00	6.63	5,897,586.15	7.66
1-2 Years	18,757,684.60	21.18	14,112,296.50	18.33
2-3 Years	6,958,702.32	7.86	8,690,930.72	11.29
3-4 Years	3,876,690.60	4.38	3,902,651.30	5.07
4-5 Years	1,981,547.60	2.24	370,449.70	0.48
5-10 Years	3,845,948.75	4.34	3,574,299.10	4.64
10+ Years	1,535,743.00	1.73	1,543,783.50	2.01
Total / Average	88,552,821.87	100.00	76,974,851.36	100.00

Portfolio Holdings as of 3/31/2024



Portfolio Holdings as of 6/30/2024



City of Novi

Investment Income - Market Value

Begin Date: 3/31/2024, End Date: 6/30/2024

Description	Interest Earned During Period-MV	Unrealized Gain/Loss-MV	Realized Gain/Loss-MV	Investment Income-MV	TRR-MV	Annualized TRR- MV
Cash	0.00	0.00	0.00	0.00	0.00	0.00
Certificate Of Deposit	181,031.36	1,933.90	902.50	183,867.76	1.26	5.13
Corporate	0.00	28,069.04	66,196.77	94,265.81	1.50	6.12
Local Government Investment Pool	89,881.73	0.00	0.00	89,881.73	1.51	6.17
Money Market	139,675.13	0.00	0.00	139,675.13	1.32	5.40
Municipal	156,316.11	89,206.20	12,353.60	257,875.91	1.11	4.53
US Agency	70,740.45	140,316.05	0.00	211,056.50	1.02	4.13
Total / Average	637,644.78	259,525.19	79,452.87	976,622.84	1.18	4.82

City of Novi
Portfolio Holdings
As of 6/30/2024

Description	YTM @ Cost	Book Value	Market Value	Days To Maturity	Accrued Interest	% of Portfolio
Allendale MI Pub Sch Dist Unltd tax go ref bonds	1.757	1,026,187.35	837,210.00	2,680	3,523.61	1.27
Bank of America CD	5.000	1,000,000.00	1,001,060.00	691	5,342.47	1.27
Bank of China Commercial Paper	5.500	991,932.42	991,662.25	54	0.00	1.27
Capital One NA	3.354	2,800,000.00	2,710,840.00	804	34,472.88	3.55
Charter Township of Commerce	2.630	290,000.00	288,141.10	93	1,885.56	0.37
Chippewa Valley Mich Schs	2.237	1,000,000.00	933,520.00	1,035	3,666.19	1.27
City of Ishpeming MI	1.800	308,021.20	267,710.70	1,766	1,009.72	0.39
Federal Farm Credit Bank	1.220	2,219,786.75	2,124,173.05	408	1,953.56	2.83
Federal Home Loan Bank	1.646	16,927,736.96	16,312,230.40	465	74,787.86	21.48
FHLMC	1.419	1,486,665.14	1,428,450.00	408	3,450.00	1.90
Fifth Third	0.000	1,143,161.06	1,143,161.06	1	0.00	1.45
Flagstar Bank	5.550	2,000,000.00	2,000,000.00	205	20,071.23	2.53
FNMA	1.057	997,216.90	972,360.00	213	2,390.83	1.27
Great Lakes MI Wtr Auth Muni Bond	5.521	1,094,944.46	1,095,000.00	1	19,671.28	1.39
Holly Mich Area School Dist	2.750	700,000.00	685,853.00	306	3,154.86	0.89
Homer Cmnty SD	2.400	817,427.13	767,996.90	1,035	5,146.11	0.99
Huntington National Bank	5.415	10,692,697.95	10,692,697.95	1	0.00	13.54
Intesa Commercial Paper	5.500	498,104.47	498,005.00	25	0.00	0.63
Jackson CNTY MI Transprtn Fund Bond	2.455	257,550.93	224,169.60	2,345	720.94	0.30
Ken Mi Hosp Fin Auth	2.000	1,160,948.91	1,063,551.60	1,110	13,799.22	1.44
Kent MI Hosp Fin Auth Revenue	1.936	104,129.00	90,666.00	1,841	1,292.96	0.13
Macomb Cnty MI	2.739	1,400,962.05	1,281,566.00	2,315	8,790.67	1.65
Macomb Cnty-Ref	0.679	100,000.00	98,523.00	124	111.28	0.13
Michigan Class	5.391	5,893,952.18	5,893,952.18	1	0.00	7.47
Michigan Fin Auth	1.705	4,346,469.85	4,248,207.05	2,858	25,794.91	5.49
Michigan Finance Authority	5.183	1,727,990.55	1,713,939.15	336	2,122.37	2.26
Michigan St Fin Auth	1.412	1,294,623.05	1,208,472.50	738	11,722.29	1.58
Michigan St Hsg Dev Auth	2.340	90,601.83	80,897.90	2,710	229.38	0.11
Michigan St Strategic	1.538	604,245.89	600,178.15	63	1,593.89	0.77
Michigan State University Federal Credit Union	2.665	6,067,691.84	6,067,691.84	271	553,981.85	7.69
Morgan Stanley Bank	1.846	1,685,989.27	1,575,857.22	872	1,971.12	2.17
New Haven Community School	2.560	750,000.00	732,952.50	305	3,146.67	0.95
Oakland County	2.647	2,465.96	2,465.96	1	0.00	0.00
Oakland Univ Muni Bond	4.192	199,650.90	181,202.40	8,279	2,975.00	0.23
Oxford Cmnty Schs	2.000	200,038.93	197,890.00	124	675.22	0.25
Parchment SD	2.900	675,000.00	661,635.00	305	3,208.13	0.86
Salvation Army CP	5.429	978,540.00	977,414.00	148	0.00	1.27
State of Michigan	2.846	3,039,501.55	2,787,416.50	2,121	12,881.25	3.74
Wayne MI ST UNiV	2.601	109,571.42	102,739.00	1,599	625.00	0.13
Wayne St Univ-A-TXBL	0.700	851,968.17	837,292.50	138	1,404.62	1.08
Wells Fargo Bank CD	5.400	1,000,000.00	1,001,510.00	318	2,367.12	1.27
Ypsilanti MI	3.185	615,000.00	594,589.90	863	3,210.10	0.78
Total / Average	3.104	79,150,774.07	76,974,851.36	636	833,150.15	100

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NEWS

ITC holdings in Novi is critical to part of nation's electric grid



Jamie L. LaReau

Detroit Free Press

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On the edge of Novi sits a facility so critical to part of the nation's electric grid that just to get inside requires a methodical clearance process, passing through several security points and swiping your employee or guest pass at each doorway.

Security wants to keep track of everyone's movements at ITC Holdings.

It's because from this Novi location, ITC operates the high-voltage electrical transmission infrastructure across seven states. At any given time, 34,500 to 345,000 volts of electricity are traveling across thousands of miles of ITC-owned and -operated power lines. Put simply: The lights stay on in much of lower Michigan, parts of Iowa, Minnesota, Illinois, Missouri, Kansas and Oklahoma because of a crack team of engineers controlling the grid from this highly secured building.

It's so secure that if you make it past the general offices, you end up in a nondescript area facing a single-file revolving door. Here, you will go no further if you do not have authorized fingerprint access to enter. For behind that rotating door, down a short hallway, is a conference room. In it, a large shade covers a room-length window that, when the shade is drawn, allows a full view of the top-secret control room below.

The 54 operators who are certified to be in that control room help to keep the electric grid running as part of the Eastern Interconnection, which are all the states east of the Rocky Mountains. The room itself is dark, located on ground level and built to withstand tornadoes. The entire area from the conference room above to the control room below is so restricted that even ITC Michigan President Simon Whitelocke does not have fingerprint access.

"There are bad people out there who want to take down the grid," Whitelocke said of the extreme security measures. "That's where we monitor the heartbeat of our systems, and that's the heart and soul of our operations so that has to be under tight security to make sure that only those who need to get in there can access that facility."

But the few who do go inside will see all of the electric superhighways across the seven states and how they connect to the adjacent transmission systems in the United States. It is lit up in multiple color-coded data points all sprawled across an 11.5-foot tall screen that spans nearly half the length of half a football field.

This map board dwarfs everything else in the room, including a dozen or so desks with multiple computer monitors that face the gigantic board. About seven to nine engineers work 12-hour shifts here. They sit at those desks, moving electricity to where it's needed most and keeping the central part of the nation from a blackout.

How electricity works

ITC gave the Detroit Free Press access to its control room on the condition that no photographs be taken due to the high-level of security. ITC does have a backup control center in the event this one is compromised or ITC needs to make repairs or upgrades to it. The backup is also in Michigan, but ITC asked that its exact location not be disclosed for security reasons.

To understand the importance of ITC, one must understand the three-step electric power-flow process.

The first step is generation. Electricity is made when energy is generated from sources including nuclear, wind, solar, water, natural gas or coal power, and then sent to a substation for the second step, which is transmission.

The electricity is transmitted or moved through the high-voltage power lines that sit atop the tall metal towers usually seen along highways, stretching for hundreds or thousands of miles. It is sent to substations where up to 345,000 volts of electricity are lowered to 13,800 to 40,000 volts and handed off to the low-voltage power lines, such as those on the wooden poles seen in neighborhoods. These lines are owned and operated by utilities such as DTE, Consumers Energy or others.

The last step is distribution. The electric companies then lower the voltage even more to say, 10,000 volts, to distribute it to your home where you flip on your lights, turn up the AC, turn on the television and nuke your dinner.

ITC controls the transmission services for its area. It has no role in the generation or distribution of electricity. ITC gets paid by the utilities for bringing that electricity to them. According to ITC's 2023 earnings report, its revenue from transmission and "other services" for the full year was \$1.6 billion, up from \$1.5 billion in 2022. Its full-year net income was \$463 million compared with \$442 million in 2022.

If ITC is not running, nothing is running

Engineers monitor ITC's transmission 24/7, constantly shifting and changing to put electricity where it's needed most or turn it off if necessary. So if Michigan has excess electricity that it's not using, that power is moved to Illinois if more is needed there, Whitelocke said. Or, if there's a storm that knocks out the low-voltage power lines, ITC may have to shut down a part of its system for DTE or Consumers Energy to repair the lines.

"I use roads as an analogy a lot. If all of a sudden I-275 is shut down, are there other ways that people can get home from work?" Whitelocke said. "That is kind of what we do on the transmission system. We make sure the other highways are up and running and energy can get to where it needs to go."

ITC's high-voltage transmission lines once belonged to DTE. But in 2000, DTE formed a new subsidiary called International Transmission Co., according to www.encyclopedia.com.

On Feb. 28, 2003, following the approval of the transaction by the Federal Energy Regulatory Commission, ITC Holdings Corp. acquired the outstanding ownership interests of International Transmission Co. from DTE Energy, ITC spokesman Andrew Johnson said. In 2016, ITC became a subsidiary of Fortis Inc.

ITC has grown from some 38 employees in 2003 to more than 750 today, most of whom are located in Novi. It serves 90,000 square miles of territory, with 16,000 circuit miles of transmission lines. It owns or co-owns 676 stations and substations for electric transmission and its lines can carry a peak load of 26,000 megawatts of electricity, the company's website www.itc-holdings.com states.

ITC is big, but there are bigger electric transmission companies. One is American Electric Power based in Columbus, Ohio. It serves small portions of lower southwest Michigan. According energy industry consultant Certrec, American Electric owns 39,000 miles of line that include 765-kilovolt ultrahigh voltage transmission lines, which Certrec said is more than all other U.S. transmission systems combined.

American Transmission Co. out of Waukesha, Wisconsin, serves Wisconsin and the Upper Peninsula of Michigan, according to the Michigan Public Service Commission.

In Michigan, ITC has invested \$7 billion to date since 2003 in the Lower Peninsula transmission system. So how important is ITC?

"We think it's really important," Whitelocke said. "Without transmission, there would be no electricity. It's the middle section of that three-part process. If we're not up and running, then nothing is up and running."

The great blackout, a wake-up call

ITC was a months-old company when the major power outage of Aug. 14, 2003, struck, taking out a large portion of the power in the northeastern United States and Canada. About 50 million people were without power and, according to Encyclopedia.com, it was the third-largest blackout in North American history.

The outage began in Ohio around 2 p.m. when a FirstEnergy generating plant shut down, resulting in transmission line failures that lead to a domino-like series of events. As voltage dipped in Ohio and utility companies in Pennsylvania disconnected to save their systems, about 2,500 megawatts of power was drawn out of Michigan through the International Transmission system with no warning.

Whitelocke said that blackout is the best illustration of the interconnected nature of the grid, the complexity and the need to collaborate with the other electric utility companies.

"We have hundreds of utilities from the East Coast to the Rockies that are connected to each other, rely on each other, that work together in real time to deal with issues, but also have to plan for the long term together because it's a team sport," Whitelocke said.

The blackout was a wake-up call for the industry, he said.

"Until that point in time, a lot of what we did was based on good utility practice. There were no mandatory standards on how you should do things," Whitelocke said. "Whether it's how you maintain your lines to how you secure your facilities to cybersecurity. All that really changed after the blackout."

Simulating ransomware attacks

Since then, a lot of work has gone into physical security and cybersecurity. For example, a section within the Novi facility is dedicated to cybersecurity, said Vinit Gupta, ITC's vice president of operations.

Gupta said ITC studies other security breaches for lessons. For example, a cyberattack on Chicago-based auto dealership software provider CDK Global that began June 19 forced CDK to shut down most of its systems across the country until July 5. It left about half of the nation's car dealerships struggling to operate. According to Bloomberg, the group that orchestrated the attack demanded tens of millions of dollars in ransom to end it. East Lansing-based Anderson Economic Group estimated that total direct losses to car dealers in the three calendar weeks of the cyberattack reached \$1.02 billion.

"We looked at CDK and said, 'Is this something that could happen to us?' " Gupta said. "We simulate ransomware drills three to five times a year."

ITC also does random drug screening and background checks every few years on the engineers staffing the control room, Gupta said.

"There are a lot things we do to make sure ... but if someone doesn't seem right, we want people to say something," Gupta said.

A secured bunker with important people

To work several 12-hour shifts in ITC's control room requires the right stuff mentally, said Brenda Houtz, ITC's director of Real Time Operations. For one thing, the control room is built to withstand an EF-4 tornado, which is described as a devastating tornado with winds from 207 and 260 mph, according to the National Weather Service.

"It's not conducive to someone who likes sunlight given it's ... dark," Houtz added.

On the morning of June 25, a thunderstorm brought heavy rains, high winds and lightning to the state. By 10:30 a.m., more than 160,000 homes and businesses were without power

across the state, according to USA Today.

Yet inside the Novi headquarters, leadership was calm and all was operating smoothly. The color-coded lights on the gigantic map board in the control room signaled which utility companies were out and where. Indicators flashed showing how much electrical current was traveling through the lines at any time, making for a kaleidoscope of red, yellow, white and blue colors sporadically glinting across various parts of the board. The data told the operators which breakers were open and which were closed.

"I think the most interesting thing about this room is the people," Houtz said of the team of engineers. "They're always on their toes. You, as a customer, never see those blackouts because of these people."

In fact, the people are so important that during COVID, ITC had them quarantine in a hotel away from their families and the outside world for several weeks. The company and the seven states it serves could not afford for this team of people to get sick.

Low-flying chopper over wires is routine maintenance

On the early morning hours of May 28, a helicopter carrying the pilot, an ITC forrester and ITC planner lifted off from the Oakland County International Airport. On that day, a Detroit Free Press photographer joined the team.

The mission was a biannual aerial inspection of all of ITC's 8,700 miles of high-voltage transmission lines in Michigan, its structures supporting the lines and other equipment throughout the state. It is an inspection that takes place throughout June. They do it again in October. The patrols are a North American Electrical Reliability Corp. requirement for ITC's vegetation management program, and it helps the company take proactive maintenance steps to keep operations running smoothly.

The inspection flight is done at low enough altitudes that the crew can visually check for damaged or worn equipment and vegetation hazards, said Rachel Woodbridge, ITC's Vegetation and Transmission Line Maintenance Manager.

"As they fly over the lines, our crews will call out any points so they can be ground-inspected afterward," Woodbridge said. "If we need to address anything or trim any branches, that can be done. It's to make sure the lines in our corridor remain safe. The crews that go up, they

like to be conservative, so if something looks like they're not sure, they'll call it a point. Then, we'll go put a foot patrol on it and check it out."

Despite the company's efforts, sometimes, during a big storm, a tree does fall onto a line or makes contact with the wires and pulls them down causing an outage, she said. The good news is that homeowners may not notice.

"Depending on where that occurs, it will vary on who it will affect because our system is very robust and redundant, so having a tree fall on a line in one area, it might be redundant, where it wouldn't effect that many people," Woodbridge said. "But we're doing these visual inspections and trimming to make sure we're mitigating any of these issues from happening, keeping it safe for the public and keeping it reliable."

A future of renewable energy

Back at ITC's Novi headquarters on June 25, there's an area tucked away amid a sea of cubicles. That's where five engineers known as ITC's Michigan Interconnection Group work. These people are the future. They spend their days studying new ways to more efficiently connect the generation of power to the rest of the electric grid.

"We study any overloads on the transmission system and propose any improvements to it," said Erron Raifsnider, supervisor of Michigan Interconnection.

For Raifsnider, who has a bachelor's degree in electrical engineering from the University of Michigan and a master's in that subject from Michigan Technological University, it's a dream job.

"I was about 10 years old and we'd drive by a substation and I'd think that looks really intriguing," Raifsnider said. "I was always intrigued with the grid. I like that it's ever-changing. New technologies are coming with wind and solar and a resurgence of nuclear."

ITC will play a key part in Michigan's Healthy Climate plan, which includes clean energy legislation to put the state on track to achieve 100% clean energy by 2040. Whitelocke said clean energy includes nuclear, solar and wind generation, and natural gas with carbon sequestration, a process that removes most of the carbon for cleaner emissions.

"To get there, a lot of generation has to be retired and a lot of generation has to come online," Whitelocke said, adding, "DTE and Consumers and other utilities have plans to retire

existing facilities and bring on new facilities. To do that, they have to connect those new facilities to the grid. We're part of that process."

More: DTE, Consumers Energy customers targeted by scams that trick them into calling crooks

More: Lawmakers hope to continue fight against political spending by DTE, Consumers in Michigan

Raifsnider's team specifically is a part of the task. The team was studying new solar fields planned for the state that day, looking at how those will impact the grid and what will need to change to allow for a new connection to happen seamlessly so that it's unnoticed and the lights never go out. While the control room is crucial for keeping the lights on in the present, his team's work is key to the future.

"It's critical," Raifsnider said. "All the objectives we have as a country and a state to go renewable, it goes through this team at ITC."

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City of Novi builds TV and podcast studio with PEG funds

By: [Charity Meier](#) | [Novi Note](#) | Published August 15, 2024

NOVI — The city of Novi recently transformed an old storage area of the Novi Civic Center that was affectionately known as the “dungeon” into a state-of-the-art TV and podcast studio.

The studio, called “Studio No.VI,” took a little over a year to design and build. It was budgeted into the 2023-2024 city budget. Construction began in late August, and the studio officially opened in February.

The \$800,000 studio was funded by public, educational and governmental funds. PEG funds are accumulated annually by the city from federal fees charged to cable consumers. One of the charges included in a cable bill is a 1% PEG fee required by federal law.

“Whether you like to pay it or not, if you have Comcast, Charter, Spectrum or AT&T, they have what they call PEG and franchise fees, and that is for use of the rights of way — for the fiber — and when we sat down maybe a couple of years ago, we had over a million dollars in PEG fees from our relationships/partnerships with those cable entities,” said Sheryl Walsh-Molloy, director of communications for the city of Novi. “The kicker is that they’re restricted funds. They can only be used for video operations.”

According to Walsh-Molloy, the city receives on average \$350,000-\$380,000 a year in PEG funds. The city receives the PEG funds in quarterly installments from cable companies. However, the Federal Communications Commission dictates that the funds are only able to be used for capital improvement costs associated with construction, equipment, software, warranty, labor and training for PEG access facilities. She said that prior to 2019, the city was able to fund operational budget items such as the salaries of communications employees with PEG funds, but that is no longer permitted by the FCC.

“Imagine having to spend 300 and some thousand dollars on video equipment, capital purchases, every year. So the pot continued to grow and we had a very small studio that was in a closet — literally a walk-in closet — and we said, ‘You know, social media, electronic communications changed so much over the last 20 years. ... It’s progressed. We need to do something. Let’s build a studio, let’s be able to utilize it to tell the Novi stories through reels and through longer content through multiple platforms,’ and the idea of the studio came to fruition,” Walsh-Molloy said.

The 1,000-square-foot studio consists of three different sets. A green screen, a main setup with a video wall, and a standing monitor. The equipment is all mobile and can easily be switched around to provide a different backdrop, with about 180 different zones of lights. The studio is currently used for “Update Novi,” a monthly update with the mayor;



The Novi Community Relations Department, using public, educational and governmental funds, turned a storage space into a modern television and podcast production studio. Photo by Patricia O’Blenes



Trevor Walega, Novi video production specialist, and Sheryl Walsh-Molloy, Novi director of communications, sit in front of a video wall that is set up for one of the city’s podcasts. Photo by Patricia O’Blenes

“After the Gavel,” a recap of each City Council meeting; the “Now You Novi” podcast, as well as any other type of shoot that the city might need.

“One of the biggest advantages of this studio is taking advantage of having a smaller team,” said Trevor Walega, video production specialist for the city of Novi. “Normally, when we were going out on shoots prior to the studio, there was a half-day dedicated to just setup and tear down (between three employees). So, what’s great about this studio is that it can essentially be a one-man operation.”

Prior to the studio, employees would have to pack up a vast amount of gear, including cameras and lighting. Then they would have to travel to the set and set up the equipment on location and then tear it down to come back to the Civic Center and edit it. Now everything is “self-contained,” Walsh-Molloy said.

“It’s efficient,” Walsh-Molloy said.

Walega said that “After the Gavel” used to take two to three hours to complete, but now that they have the studio, it takes 15 minutes from start to finish.

“Because we have this really nice-looking set, with lighting and everything already set up, we are able to turn around content really fast,” Walega said. “All we got to do is bring a camera over here, repurpose one of these cameras, flip it around, have our talent stand up, hit record and that’s essentially it. Turn it right around. Super, super efficient, super easy and again that makes it really nice when we have lots of different formats in here turning around shorts, and just saving the time of setting up and tearing down has been huge for us.”

Walsh-Molloy said they have had the studio for less than six months and they are already finding different ways to utilize it. She said the Novi Parks Foundation has used it, they are planning a live question and answer segment with a doctor from Ascension Hospital, and they also do headshots and photos in the studio. The studio is not rented out publicly but is strictly to produce content for the city’s social media channels, website and cable channels — channel 213-1 on Spectrum and Channel 9 on AT&T.

Recently the studio was used to produce a segment on the city’s transition to People’s Express for community curb to curb transit, with a focus on services for seniors and the disabled.

“Now the attention span of somebody is two to three minutes if you’re lucky and they see a familiar happy face. So, our adeptness at telling Novi’s story has had to turn on a dime,” Walsh-Molloy said. “The big thing for me is that this was completed without using taxpayer funds, which I think is super exciting, and they were dedicated restricted funds, which had to be used for video operations. So, it’s a win-win for not only the staff, that’s Trevor, that this is a new toy box for him to play in. I mean, you look at it and I’m wowed. Every day I come in here and I’m like, ‘Gosh, this is like Channel 2, 4 and 7.’ This is quality what we have here, and what other municipality is fortunate to have that. So, for them to be video production specialists and be able to use that is a dream come true.”

“It certainly is. This just completely elevates what people are seeing from us on all channels,” Walega said. “This is just a consistent set, a consistent look. But just being able to have this kind of hub for content, to speed it up, make it faster, make it all look really nice, yeah, our pipeline is better than ever.”

Walsh-Molloy said she strives to help make the city as transparent as possible and this studio provides another avenue to do so.

The next project the city plans to tackle utilizing PEG funds is updating the City Council chamber, as the council’s meetings are televised and the chamber is technologically outdated. The PEG funds have once again increased to around \$1 million dollars, so Walsh-Molloy hopes within a year or so to have that project completed.