FINANCE & ADMINISTRATION COMMITTEE MEETING AGENDA

CITY OF NOVI
March 09, 2026
Immediately following Ordinance Review Meeting
Mayor's Conference Room
Novi Civic Center | 45175 Ten Mile Road
(248) 347-0445

CALL TO ORDER

ROLL CALL - Mayor Fischer, Mayor Pro Tem Casey, Councilmember Staudt

APPROVAL OF AGENDA

APPROVAL OF MINUTES

February 19, 2026 Minutes

PURPOSE OF THE MEETING

FY 2027 Budget Overview

Council Chambers Refresh

Consultant List Review

Website Provider Contract

Environmental (Woodland/Wetland) Consultant

Meadowbrook Commons Management

PUBLIC COMMENT

ADJOURNMENT

NOTICE: People with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk (248) 347-0456 at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

CITY OF NOVI
Finance and Administration Committee Meeting
February 19, 2026, 4:30 p.m.
Police Training Center | 45125 Ten Mile Road
(248) 347-0445

CALL TO ORDER: 4:34 p.m.

ROLL CALL: Mayor Fischer, Mayor Pro Tem Casey, Councilmember Staudt

STAFF LIAISON: Victor Cardenas, City Manager

ALSO PRESENT: Danielle Mahoney, Assistant City Manager
Charles Boulard, Community Development Director
Barb McBeth, City Planner
Jeff Muck, PRCS Director
Jeff Herczeg, Director of Public Works
Megan Mikus, Deputy Director of Public Works
Erick Zinser, Chief of Police/Director of Public Safety
John Martin, Fire Chief
Katherine Oppermann, Recording Secretary
Tom Schultz, City Attorney
Greg VanKirk, Plante Moran Realpoint
Todd Fenton, Plante Moran Realpoint
Brian Weber, Plante Moran Realpoint
Megan O'Neill, Plante Moran Realpoint

APPROVAL OF AGENDA
Motion: Casey; Seconded: Staudt; Approved: 3:0

APPROVAL OF MINUTES – January 20, 2026
Motion: Casey; Seconded: Staudt; Approved: 3:0

PURPOSE OF THE MEETING

1. **Discussion with Novi Community School District**
With Ben Mainka, Superintendent of Schools
Dr. Danielle Ruskin, Board of Education
Willy Mena, Secretary, Board of Education
Betsy Beaudoin, Trustee, Board of Education

Mayor Fischer started by briefly recapping the bond initiatives from both the City and School and noted that he considers this a continuation of previous discussion between the two entities. He wants to have success clearly defined by both the City and School. Superintendent Mainka echoed Mayor Fischer's comments on the importance of partnership between the School District and City, he wants to continue that support and share in the success with the new facilities the school is building. He expressed the importance of the City's support and collaboration for the School's ideas for the space. Success looks like alignment and support on the proposed concepts. He then shared the current conceptual plan for the High School campus/Fieldhouse/parking/shared road/etc.

Mr. Mainka stated that the first ask is to figure out the maintenance, cleanup, and expansion of the existing retention pond. They are proposing an option for an exchange of property/change of property lines where the Novi Community School District takes on the full ownership and maintenance of the pond. They would then have the space and ability to absorb the cost of further expansion should they or the City do further property work that would require expansion. Mr. VanKirk noted that the City and Highschool are already sharing the pond, which is a precedent preceding anyone here today. Councilmember Staudt stated that if the school takes on the payment for future pond expansion, such as if the City tore down the existing Police Department building to build a Community Center then he is good with the plan. Mayor Pro Tem Casey also stated that she has no concerns at this time and is interested to hear more.

Board of Education Trustee Beaudoin asked that if the City expands the property if the Highschool would also still have room to expand. Mr. Mainka said yes, they would reshape the pond to accommodate either They are already considering making the pond larger that is currently needed so as to accommodate potential future growth/expansion. Mayor Fischer stated that he can't imagine a new building here (the current Police Department) would have a building envelope much bigger than what is currently present but that he expects expanded parking would necessarily increase run-off (necessitating pond capacity). He further stated that he thinks the property exchange would be a "slam dunk", he is in support of the school's project as well as them taking over maintenance of the pond and further beautifying it for the community. This land swap would be a win-win. Mr. Mainka agreed that it is a great opportunity for both parties and makes the most fiscal sense for the School District. Mr. VanKirk stressed that the best thing they can have is speed as costs always escalate, he hopes they can start something this fall.

Councilmember Staudt asked if the City Attorney saw any issues with deeding the property to the schools and Mr. Schutz replied no, though noted the necessity of properly drafting an agreement which takes time. Ms. Beaudoin suggested that they could start with a simpler Memorandum of Understanding (MOU) ahead of the more formal paperwork. Mayor Fischer asked is a clause can be included that, in the event the project doesn't move forward, the property would revert to the City. Mr. Schultz and Ms. Beaudoin both said yes. Mr. Mainka also agreed that an MOU would be a good start. Following some brief discussion on the merits of various document types (MOU, Letter of Intent, Deed, etc.), Mayor Fischer stated that he doesn't care how it gets done, that the biggest consideration to him is the benefit of the City still being able to have the benefit of run-off contained in the pond. He suggests putting an MOU through for expediency with details being completed by legal, Department of Public Works, and city engineers to follow. He said that in concept this all makes sense and will be reported to the entirety of City Council.

Community Development Director Boulard questioned the drawings presented, asking if the Civic Center will lose parking. Mr. VanKirk stated no, that is was still a loose conceptual drawing and Civic Center won't be effected – they recognize parking is sacred. Ms. Beaudoin asked if the City had a concept of their new building or parking that could be provided. Mayor Fischer stated that no, it was still very early in the discussion stage and the full Council would need to be involved, that said he suggested that Plante Moran could probably draw up something very basic to give an idea.

Mr. Mainka said that the second item for discussion is Novi Way. He stated that they know one of the "crown jewels" of the City are the Power Park Fields and that they don't want to impact them. However, they do need access to Novi Way so that they can reach the south point of the facility and so they want an easement to access Novi Way. He also said that they may want to spec so that school buses can temporarily park there for drop-off and pick-up. The Schools would take on any costs associated with improvements and maintenance due to the bus traffic. It won't be a main thoroughfare, but they would assume any cost associated with rebuilding to necessary specs and maintenance. Mr. VanKirk noted that this is not fully designed at this stage as it was only recently decided by the school board, they know they cannot encroach on the fields.

Councilmember Staudt asked if the schools also plan on rebuilding the ball field fences to be higher so that balls don't hit buses or other property. Ms. Mainka agreed that, if needed, it would be on the schools to raise the fences. PRCS Director Muck pointed out that there is already an ongoing issue with students and school event attendees using the city lots. Mr. Mainka understands the concern and empathizes with event parking difficulty but noted that the main entrance to the field house and natatorium would be on the north and west sides of the building so trying to access from Novi Road would be burdensome and not easy, stressing that the road would only be used as an auxiliary. He also pointed out that there is an expansion of High school parking planned and that there would be no student lots on the City side. Mr. VanKirk noted that use of Novi Way would be primarily intended for visiting teams to allow safer flow and a separation for greater cohesion, he also again emphasized that the design is preliminary and not yet fully rendered, they will still need to do a traffic study.

Mr. Mainka agreed that there will need to be ongoing conversations between the City, Schools, and Library regarding traffic but that the Schools do need road access to Novi Way. He also again noted that the schools would take on any costs of rebuilding and maintenance. Mr. Mainka and Ms. Beaudoin both briefly spoke on student and public parking access and that the new building was designed to be separated from the current Highschool in part so that the community could have greater access to it while the schools maintain necessary higher security for the main building. Mayor Fischer agreed that ongoing maintenance would need to be a discussion given the increased usage and how that would effect the road over time. Mr. Mainka agreed, noting that as primary users the school would most likely be maintaining it but that there is more dialogue needed. Mayor Pro Tem Casey expressed concern that the plan did not include a bus turn-around area. Mr. VanKirk stated that the turn-around area was still being determined. Mayor Pro Tem Casey then stated that giving the Schools an easement was one thing but asked if expansion of the road would be taking place on the City property, Mr. Mainka and Mr. VanKirk both said that, as currently planned, yes about five feet on the City side. Councilmember Staudt expressed concern about students and parents parking there and that he also doesn't love the idea of buses being there, he also shared Mayor Pro Tem Casey's concerns about the bus turn around and overall competition for space. Mr. Mainka acknowledged their concerns and said that bus parking is less of a concern for them currently than having the easement as space for the fieldhouse is at a premium. He said that, with the buses being such a concern they could take that off consideration and just get the easement.

Mayor Fischer stated that he thinks an easement makes sense, and that he personally has less concern regarding the buses provided the school takes ownership over any damage to the road. He also wondered if there might be something the City can do (on the School District's dollar) to help such as reconfiguring the Civic Center and Power Park lots. He also said that as far as road construction goes it needs to go west (towards the school) and not east (towards the City property) as there is already very little space between the road and sport fields. Mayor Fischer further stressed that more than the retention pond, City staff and engineers would need to be included and fully comfortable with any new proposed traffic flow before they make a decision – it would also be key to his own vote.

Mr. VanKirk asked if the City had a preferred traffic consultant and Mr. Cardenas noted that AECOM is the current City Traffic Consultant and would most likely be who was used. Dr. Ruskin asked if there was a timeframe on this, the School board wouldn't want to pay more than once for plans if they can avoid it, Mr. VanKirk said that it is not needed until later on but that they're trying to understand what is available from the City to make the job easier, he also isn't worried about redesign fees at this stage. Ms. Beaudoin said that the question then is if City Council would be comfortable with the NCSD using the road. Mr. Boulard said it would be important to know if the school construction would prevent use of the road to which Mr. Mainka and Mr. VanKirk both said no. Mr. Muck noted that the construction timeline would impact multiple City events so that they would need to carefully plan around it, but as long as the parking lots remain for large community events he is fine.

Dr. Ruskin said that she is hearing then that more discussion is needed, Mayor Pro Tem Casey agreed. Mayor Fischer agreed too, noting that this meeting was for a high level understanding and that ultimately everything being discussed will need to go before the full City Council for a decision. Mr. Mainka briefly summarized that there seems to be support the drainage pond, with details to be worked on quickly, and that there is willingness to work on the easement and that will take some more time but he appreciates the spirit of willingness to work together and thanked everyone present for their support. Mayor Fischer suggested that it would be a good idea to submit the material to City Council and for the School to be present at the meeting for any questions or discussion in anticipation of a letter of intent or MOU. Mr. VanKirk asked if the two issues should be separated for presentation, Mayor said that his initial thought would be to bring the pond issue forward as soon as it is prepared but that they should still introduce the topic of the easement at the same meeting, even if it needs to be worked on more for a later decision. Both groups thanked each other for participating in the meeting and the NCSD team departed.

2. **Approval of February 12, 2025 Capital Improvement Program Minutes**
   Motion: Casey; Seconded: Staudt; Approved: 3:0

3. **Discussion of proposed Capital Improvement Program projects for FY26/27 With Planning Commissioners Pehrson and Verma**

Mayor Fischer thanked the Planning Commissioners for attending and invited City Manager Cardenas to begin. Mr. Cardenas started the presentation and stated that, as in years past, all of the area experts are in the room to answer any questions. The three big item categories are Roads, Water/Sewer, and PARCS this year, and they've also included Public Safety. He briefly noted that the totals are by fiscal year and the red box items are what is presented to City Council in the annual budget. Significant projects include: the 12 Mile Road Widening (tentatively slated for summer 2027), which will be a boulevard all the way through and does include the railroad crossing; the Napier/Nine Mile Road Roundabout; a new elevated water tank (Engineering planned for FY 26/27 and construction in 27/28). He noted that the new projects worksheet was provided based on comments from the prior year and asked if there were any questions.

Commissioner Pehrson asked how the CIP aligns with City Council and the citizens. Mr. Cardenas said he'd defer to "his bosses" (Councilmembers) but that he believes they are on the right track, they've removed "zombie projects" from the list since they were old, lofty goals that had been continually pushed out with no plans for implementation at this stage and weren't being funded. Mayor Fischer said that they didn't have a lot of CIP goals for the current CIP and that most of these projects are necessary items to keep the City moving and so it underlines goals in that way.

Councilmember asked what the purpose of an elevated water tank is over a ground one. Mr. Herczeg said that the planned pressurized cistern provides better water pressure (threre are already water pressure issues in the SW part of the City) and more fire protection, he also noted that a ground level tank would require the construction of a new pump station in addition to the tank. This new water tank will cover any further development in that section of the City including any potential development at the Links of Novi. It is an operational need.

Councilmember Staudt then asked why there was no further development of the ITC parkland on the plan. Mr. Muck said that any such plans would hinge on the passing of a new CIP. Mayor Fischer also noted that it was removed based on prior comments, he doesn't like to see the document filled up with things that can't be funded under the current program. Councilmember Staudt stated that he was concerned that larger plans (like for ITC, Bosco Fields, or a potential Community Center) aren't in the CIP plan when they are going to be approaching voters for a renewal. Mr. Cardenas said that the plans are still present but just not included in this current CIP. Mayor Fischer also noted that he thinks the inclusion of such plans would actually create more of a liability for the City on the vote, this allows them more flexibility for a new, renewed CIP but also fulfills the requirement for the current CIP plan to be put together as part of the budget.

Follow a brief discussion of fire trucks the group made the following motion:

> *Motion to recommend the CIP plan as presented to the Planning Commission and set a Public Hearing date.*
> *Motion: Staudt; Seconded: Casey, Approved 5:0*

4. Plante Moran Realpoint

Mr. Weber stated that they were here with a two-fold purpose, to put an end to the old March numbers and excel spreadsheet that had been in circulation now that everything has been updated and uploaded into the eBuilder. Mr. VanKirk stated that eBuilder is their project management information system that allows for workflows to be automated and for everything to all be in one place, it is the "central nervous system" where everyone can access the information but that still maintains necessary safety gates where needed. Mr. Weber went over the baseline numbers, showing how it will track any committed dollars, any projected budget changes, etc. He also showed how the information can be sorted in various ways visually, such as by building or by cost code. It is very adaptable and customizable, and also has the benefit of being able to download/import to the City's GL. Mr. VanKirk also noted the customization options and that they can do monthly or quarterly reconciliation process/reports to ensure the PMR and City books match. Mr. Weber then briefly went over the delineation between the building and roads portion, asking if everyone was satisfied with the current setup and "buckets".

Mayor Fischer said that he likes the current "by building" view as he thinks it makes the most sense, is the most approachable and easy to explain to residents. He then asked at what level does PMR bring any changes to this budget to the Committee or Council. There was some back and forth discussion on this point between the representatives from PMR and the Mayor, Mr. VanKirk expressed that he wants to come to the Committee on a regular basis but not a daily basis if it can be helped. Mayor Fischer expressed that he thinks any funds being moved between buildings or other big budget lines would be a hard line that need to come before the Committee, in addition to the already discussed movement of contingency that would automatically trigger the Committee and Council needing to know. Mr. Weber said that he thinks there is a clear delineation between what Mr. VanKirk and Mayor Fischer are talking about – that when they are in the design process or allocating money to it they will establish that budget, go out to big and approve a contingency then they are now active with that money, not coming back from ever change order within that approved contingency but that it is the overall budget to get to that point, approved for bid. The early phase is establishing that they are okay with going to bid with that. Councilmember Staudt suggested that early on to error on the side of too much information, they can then decide if they like what they're seeing PMR doing early on. Mr. VanKirk agreed, noting that he just wants to ensure that it isn't to the detriment of the process. Councilmember Staudt noted that all of these decisions are made months ahead of actual purchase, also stating that he doesn't especially care about individual line items so much as the overall success of the project and any use of contingency. He also asked if they will get to see everything in advance, Mr. VanKirk said yes, you'll see the floor plan, site plan, renderings, etc. but that they won't present the Committee with the exact construction plans going into exacting detail about, for instance, where individual structural steel beams are. Ms. O'Neill stated that they also have a monthly report for any budget changes they can send out monthly if that would help. Mr. VanKirk confirmed that the Committee wants to be contacted if any monies are moved between buildings and for any contingency use and Mayor Fischer and Councilmember Staudt both affirmed yes. Mayor Fischer noted that he still thinks there should be a threshold within line items that should trigger the Committee/Council being informed.

Mr. VanKirk said that he's generally concerned with the varying the schematic plans while they are taking bids. He noted that they've uncoupled Fire Stations #2 & 3 from the Public Safety Building so that they are on a faster track. Stating that, once shovels hit dirt it is all change orders for which they already have a policy in place and asking when Council wants to know. Mr. Cardenas asked for clarification – if Mr. VanKirk is saying that once we go to bid it locks a design in place? But once we go to bid if there is excess money then PMR will come to us? Mr. VanKirk said yes. Councilmember Staudt asked if changes are made to designs by staff is it run by Council, and if so when? Mr. Cardenas said that until we come back in April with a more fine tuned plan, after that any larger plan changes would have to come to Committee/Council once a plan has been presented. Councilmember Staudt said that he is largely concerned about larger items like different types of parking (structure vs. lot), and it was confirmed that those would go before the Committee. Mr. Weber stated that that is all part of the design schematic presentation, the Committee and then Council will have the opportunity to weigh in during April. More refined renderings will than be made based on their input, following that construction documents will be made, they'll go to bid, and then that plan will be used for shovels in the ground per the RASIC chart previously approved and they follow the change order policy. Councilmember Staudt asked when we suggest suitable vendors to be considered and Mr. VanKirk said probably the summer.

Mayor Pro Tem Casey stated that she was feeling a little more comfortable now than before they had this conversation. Mayor Fischer asked that, ultimately, what is the method for informing Council and the threshold for direction? Mr. Fenton said that they can do a dollar amount or percentage amount. Mayor Pro Tem Casey noted that she likes knowing about changes, even if it isn't something they need to approve and that they noted monthly report helps. She said that they should err on the side of overcommunicating and refine if they think they are receiving too much. They may need to test it out and see how they feel in order to make the final choice.

Councilmember Staudt noted that change orders are something that happens during construction, with architecture and design he wants to be sure they know what they have come up with, what was considered, and what was or wasn't chosen and why. Mr. VanKirk said he understands that but just needs to know the severity level or interest. Mr. Weber said that he thinks the first big test will be the upcoming schematic package which will allow them to better understand how far the budget will go and how that effects the scope. He thinks they are in a good spot, they'll refine it, and overcommunicate for now with the understanding with the understanding that adjustment may be needed in the future to avoid overburden or delay. Councilmember Staudt noted that he thinks that, with the Christman firm, they will have a very accurate estimate for pricing out of the gate. Mr. VanKirk also noted that they won't move forward with a schematic unless it is within 10% of the projected budget, realistically the range of tolerance is more like 3%.

Mayor Fischer clarified for overall alignment that the PMR and the consultant firms cannot move monies between project "buckets" without this Committee's approval, that touching any contingency requires Committee approval, and that any other changes they should receive the monthly report. As far as the buckets and dollar amount he thinks they are currently good.

Mr. Fenton briefly went over a project update, that a tech firm recommendation was going to go before Council at their next meeting and that they woulc expect concept and schematic design in April. A high level City Council presentation is planned for 3/23/26 and the 4/20/26 meeting is targeted for HED/BRW to present the Fire Station #2 & 3 schematic design and the conceptual design for the public safety building. This Committee will meeting before the April Council meeting, up to a week prior, in order to preview everything and have early input.

5. Novi Ice Arena

Mr. VanKirk said that Mr. Cardenas and Mr. Muck had sent an email asking if Plant Moran Realpoint would be engaged if something else was done with the Ice arena and so PMR prepared a proposed scope of work including two potential phases:

1. a due diligence facility assessment, review of the current agreement, and appraisal
2. An operational and ownership analysis as well as a benchmark study

Councilmember Staudt asked if the process would include an interview with the current operator and Mr. VanKirk said it could. Councilmember Staudt stated that he would be most interested in options for if someone wants to buy the facility. Mayor Fischer said that he does not think that they are interested in the proposed phase one, but rather just the scope of work shown in phase 2. He wants to see a playbook of options they have to think about the future of the arena. If they did phase 2 then that would allow them to have the discussion and make decisions that could then potentially lead to what was described in phase1. Mr. VanKirk affirmed that they could just do phase 2 at this time.

Mayor Fischer asked if staff had heard back from any of the other firms they reached out to and Mr. Muck replied no, only PMR had responded to date. Mayor Fischer said that they should have a discussion at an upcoming City Council meeting to see if the other Councilmembers have an appetite to move forward with this. If there is not enough support, they'll drop it without spending any City funds but if there is interest, they can then take the next steps forward. He then asked Mr. VanKirk if $45,000 is the final amount and Mr. VanKirk said it was *not to exceed* $45,000.

Mr. Cardenas confirmed that the Committee wanted to see the Ice Arena discussion as a Matter for Consideration on a future City Council agenda. Mayor said yes, to pull out the prior memo on the Ice Arena as well to remind the other Councilmembers of the existing issues, it should be framed as a discussion about "the art of the possible". It is an educational opportunity for Council to understand all the options and discuss. Mr. VanKirk asked if the Committee wanted a more formal proposal and Mayor Fischer said no, the current document is sufficient currently.

Mr. Muck noted some bullet points for the Committee: Suburban did a cash analysis, some potential unknowns, that there may be a new 3-sheet arena opening in Farmington that would impact the region and our area, that 31% of ice users of Novi residents, there is $400,000 in cash (do we want to use it towards the study?), and if we move forward with a sale how might we want to spend those funds.

Mayor Fischer thanked everyone for pulling the materials together. He wanted to see from a financial perspective that it can't be a for-profit and he would love to monetize it to fund the PRCS budget. The Arena has been kept up but it will keep getting more costly. He wants Council to have the discussion and time to opine while they still have the window open to do so.

AUDIENCE COMMENTS: None

ADJOURNMENT: 7:30 p.m.

Motion: Casey; Seconded: Fischer Approved: 3:0

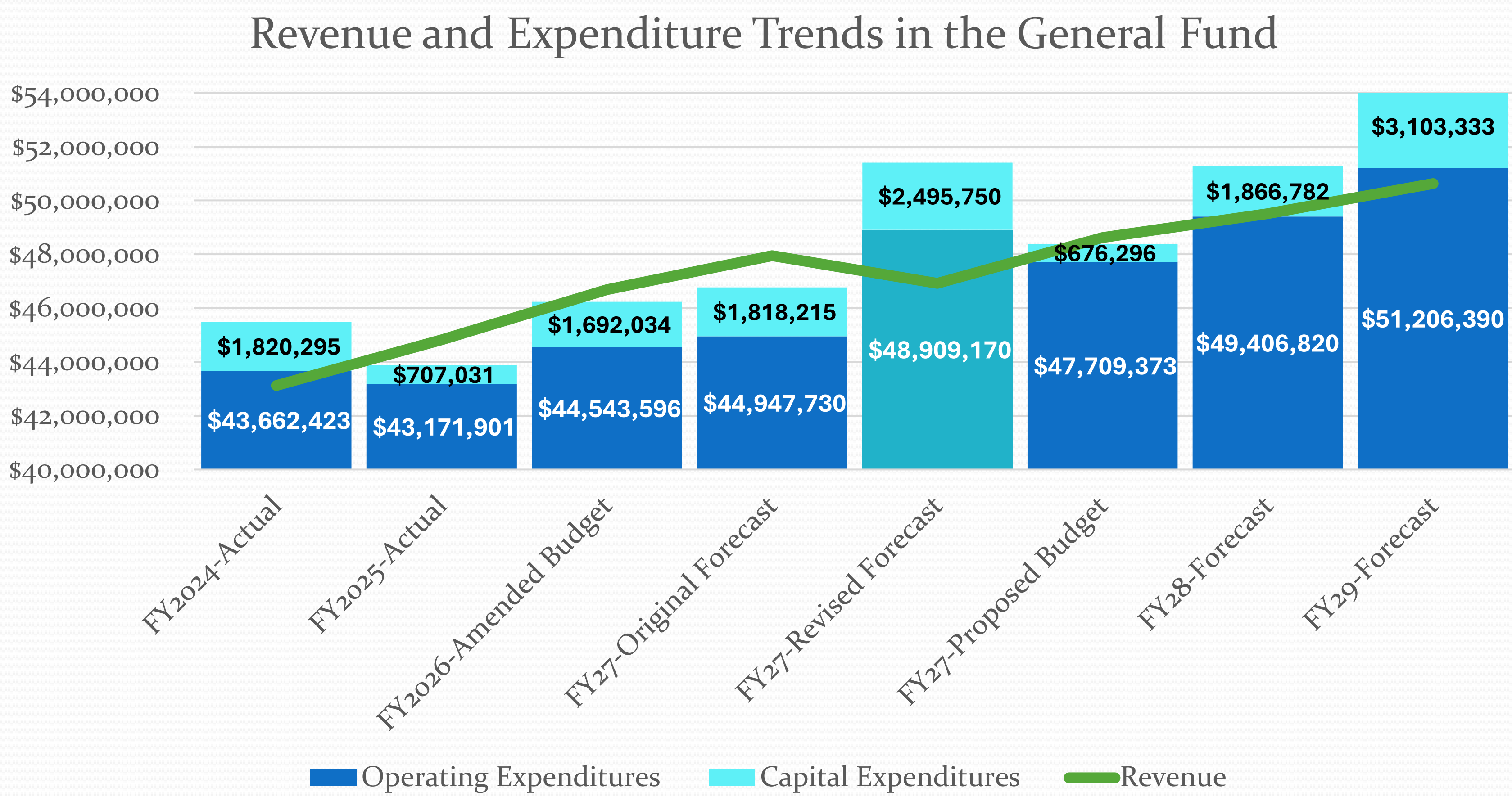
2027 Budget Overview

March 9, 2026

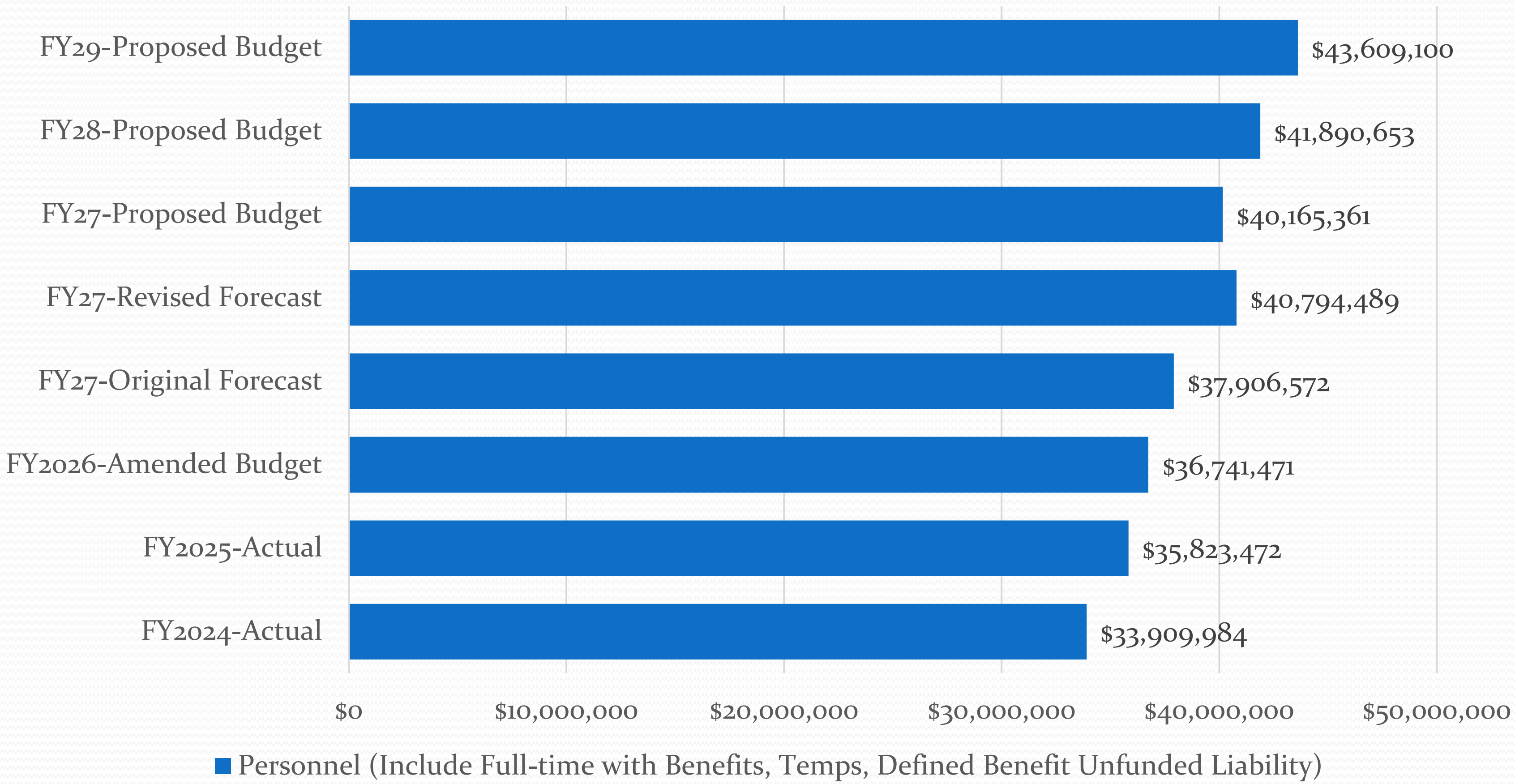
Today's Agenda

- Budget Assumptions and Economic Impact
  - How did we get here?
  - General Fund Revenues and Expenditures
- Budget process
  - Budget Impacts
- Fund Balance of General Fund
- Questions?

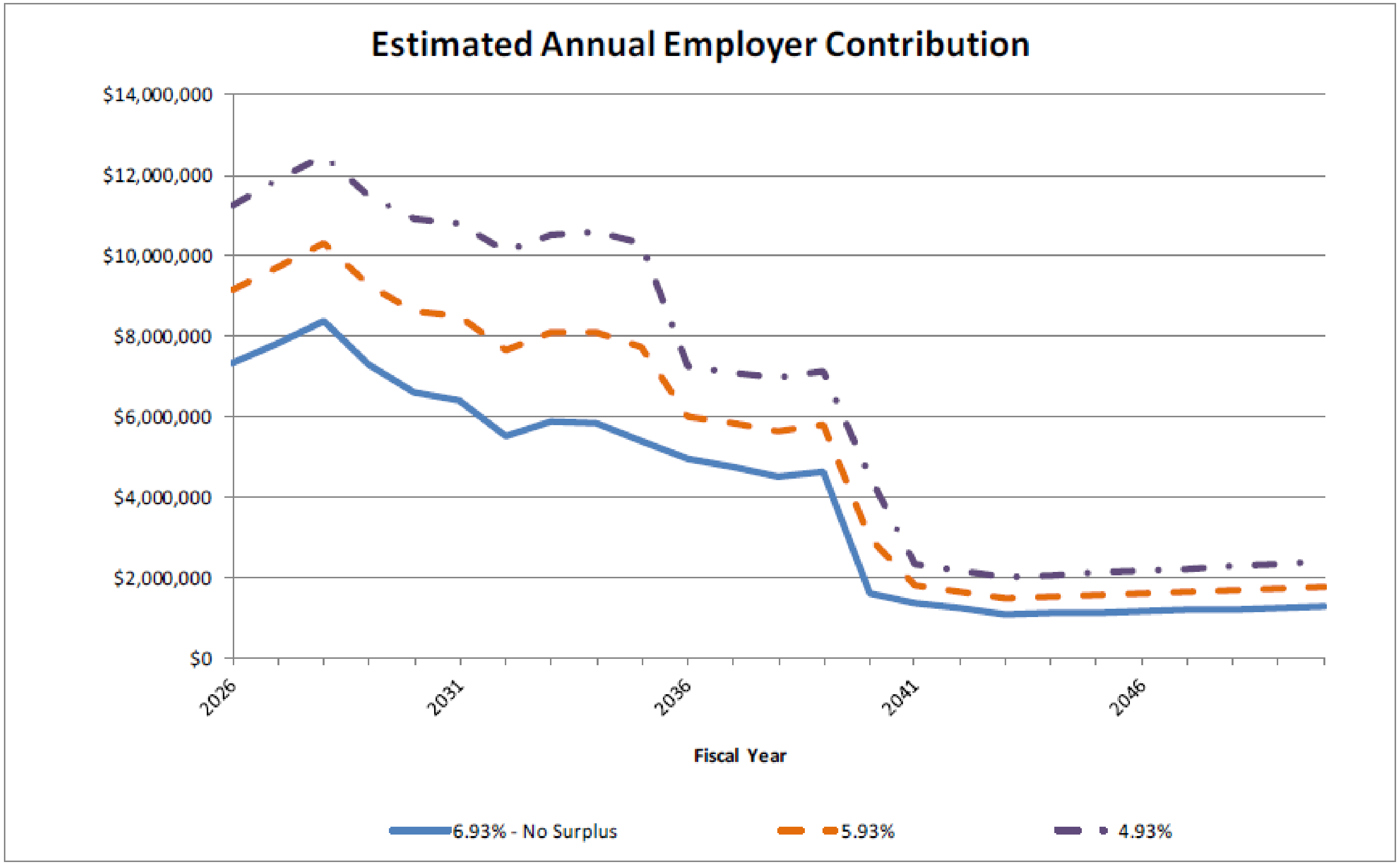
General Fund Trends



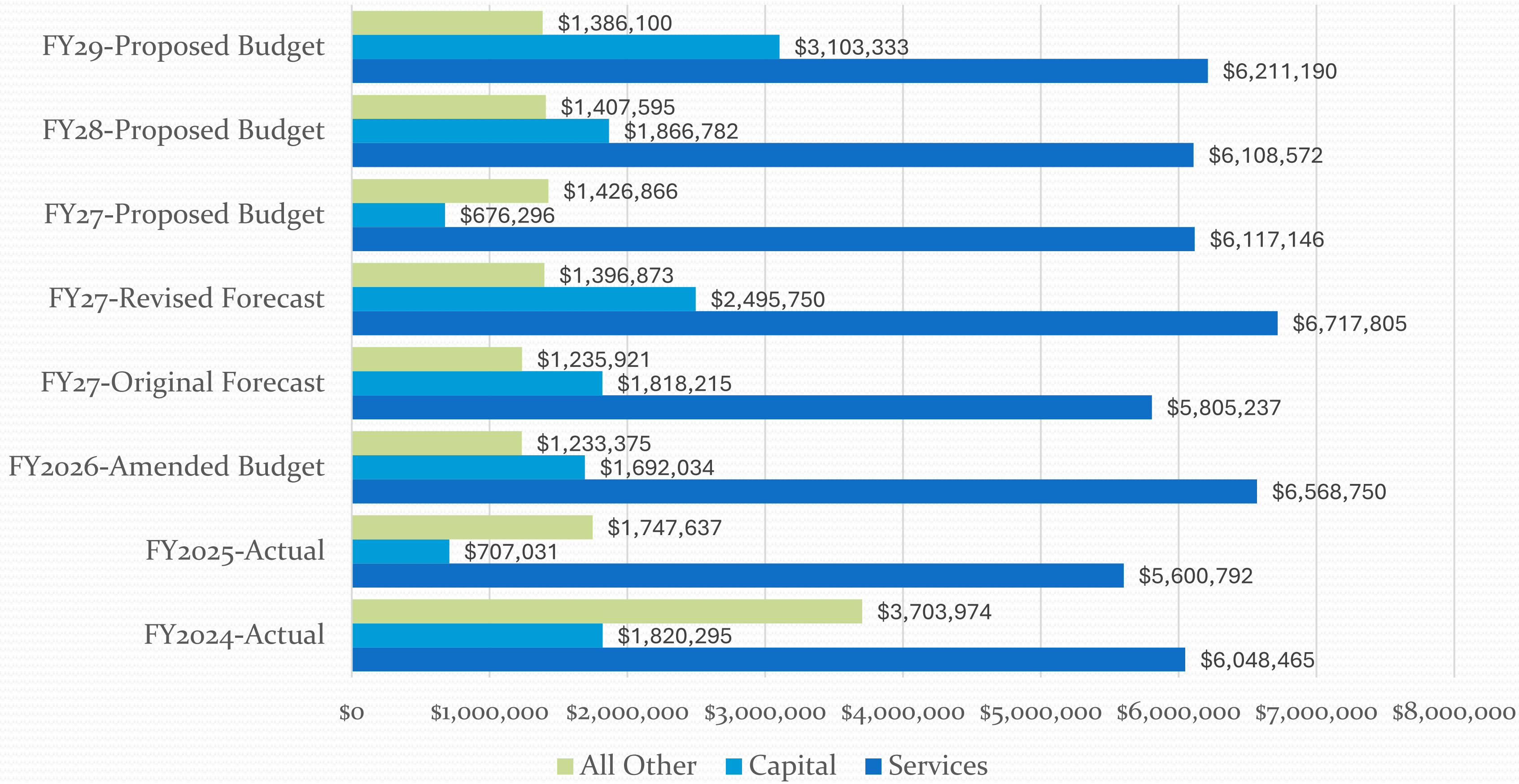
General Fund Expenditures by Type-Personnel



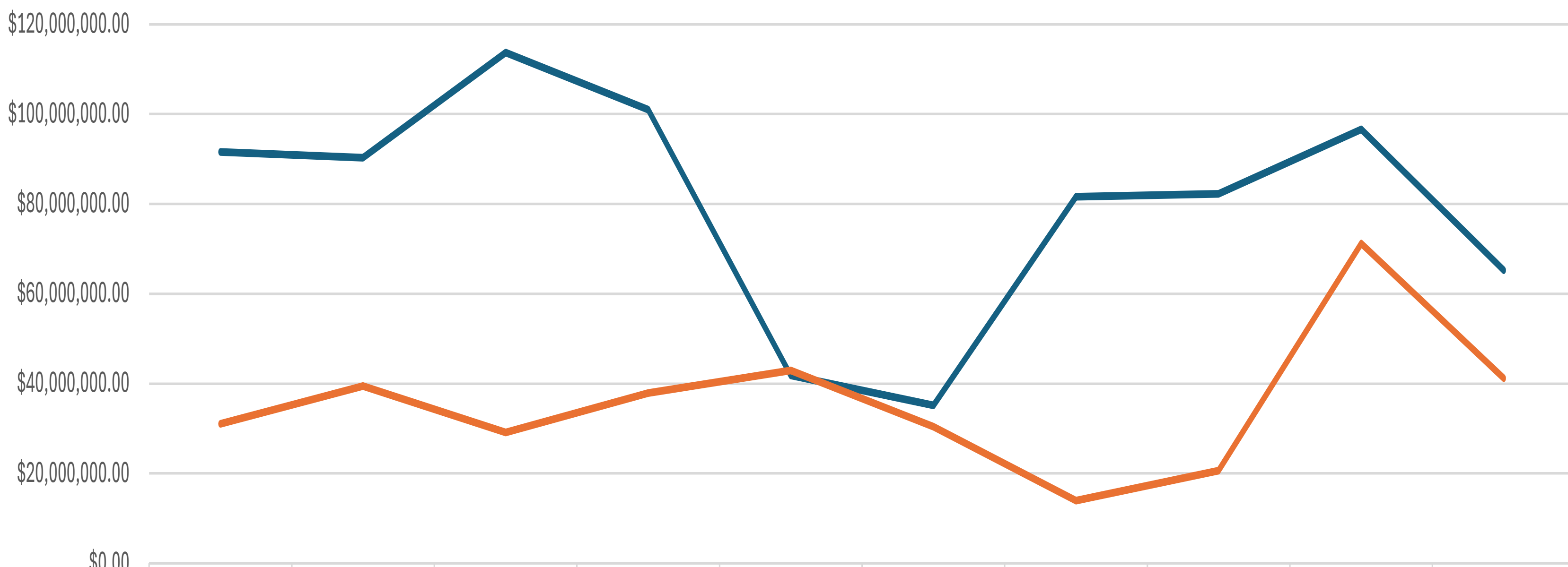
Unfunded Pension Liability



General Fund Expenditures by Type-Services, Capital, All Other



New Construction Values



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Commercial Building Permits	$91,552,573.00	$90,296,432.00	$113,734,193.00	$101,034,599.00	$41,843,436.00	$35,181,665.00	$81,617,892.00	$82,277,787.00	$96,570,242.00	$65,287,417.00
Residential/Multifamily Building Permits	$31,092,827.00	$39,452,293.00	$29,135,510.00	$37,944,839.00	$42,905,513.00	$30,430,270.00	$13,994,863.00	$20,588,132.00	$71,225,124.00	$41,230,959.00

Budget Assumptions and Economic Impacts

- Revenue growth is slowing
- Expenditure growth is outpacing revenue growth
  - Types of inflation-
    - State Tax Commission sets CPI rate for taxes-16% since FY23 (includes an unprecedented 5% cap for 2023 and 2024)
    - Property and liability insurance-16% increase since FY23
    - Personnel (Wages, Health Insurance, Pension)-25% increase since FY23
    - Vehicle costs-25%+ increase since FY23

Budget Process for FY27

Initial Forecast

- Original Deficit of $5.6 Million Identified
- Shortfall was ~10% of the budget

Budget Kickoff

- Departments were asked to come up with ideas valued at 10% of their expenditure budget, either in cuts or new revenue.
- Budget Impact Sheets were introduced and prepared by departments.

Final Review

- City Manager reviewed all budget impacts and decided how best to balance the budget.
- Deferred many non-recurring costs, added new revenue sources, cut expenditures

Review of the budget process-General Fund Revenue changes

- Finance prepared a revenue forecast that projected a $1 million reduction from last year's FY27 estimate
  - Largest impact is state-shared revenue-$832K
- New Revenues of $1.7M were added to the proposed FY27 budget including:
  - $378K in Tax Revenue-Increases are still above CPI but growth is slowing due to less new construction
  - $490K for Recycling Cost Recovery
  - $266K in new Fire Inspection Fees
  - $144K in increased Building Fees
  - $360K one-time use of Self-Insurance Fund Balance to help absorb health care increases

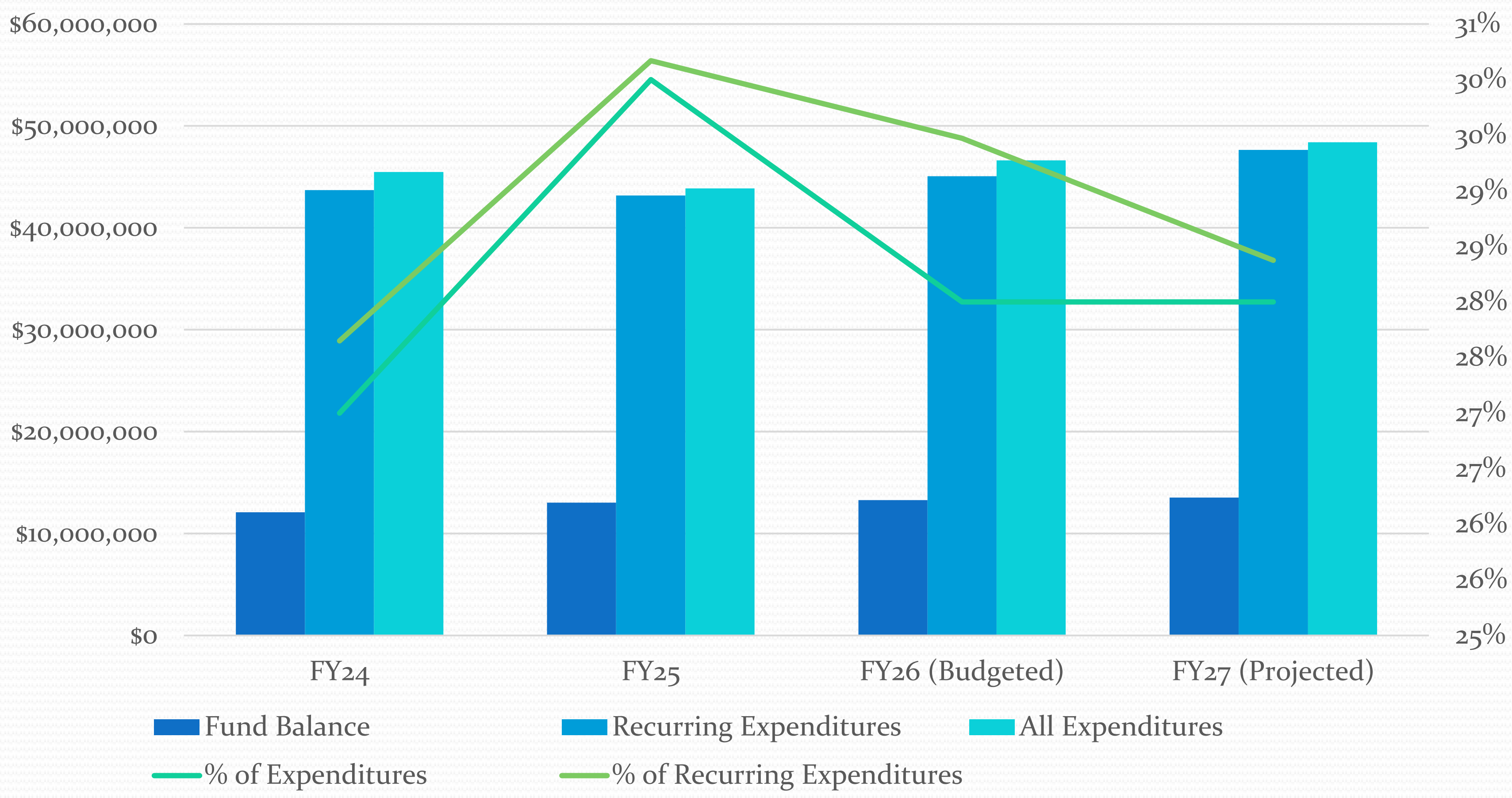
Review of the budget process-General Fund Expenditure Changes

- Departments prepared **changes** to the FY27 original budget forecast shared with Council-$4.6 million increase
  - Largest impact was Personnel Costs-$2.9 million
    - $889K-Fully Budgeted for all FTEs
    - $383K for Pension Increases (DB and DC)
    - $463K for Fire Part-time and Auxiliary
    - $255K for Overtime, Holiday Pay and DPW Temp Staff
    - $423K for Health Insurance Increases
    - $64K for Police Contract Settling for 1% more than planned
    - $423K for All Other
  - Services was the second largest impact-$964K
    - $340K-Vehicle Maintenance and gas ($200K is Fire, $56K is Police, $75K is DPW)
    - $263K-Recycling costs
    - $361K-All Other
  - Capital was the third largest impact-$678K
    - $476K-Police vehicles moved to the General Fund due to depletion of forfeiture revenue
    - $200K-Election Equipment

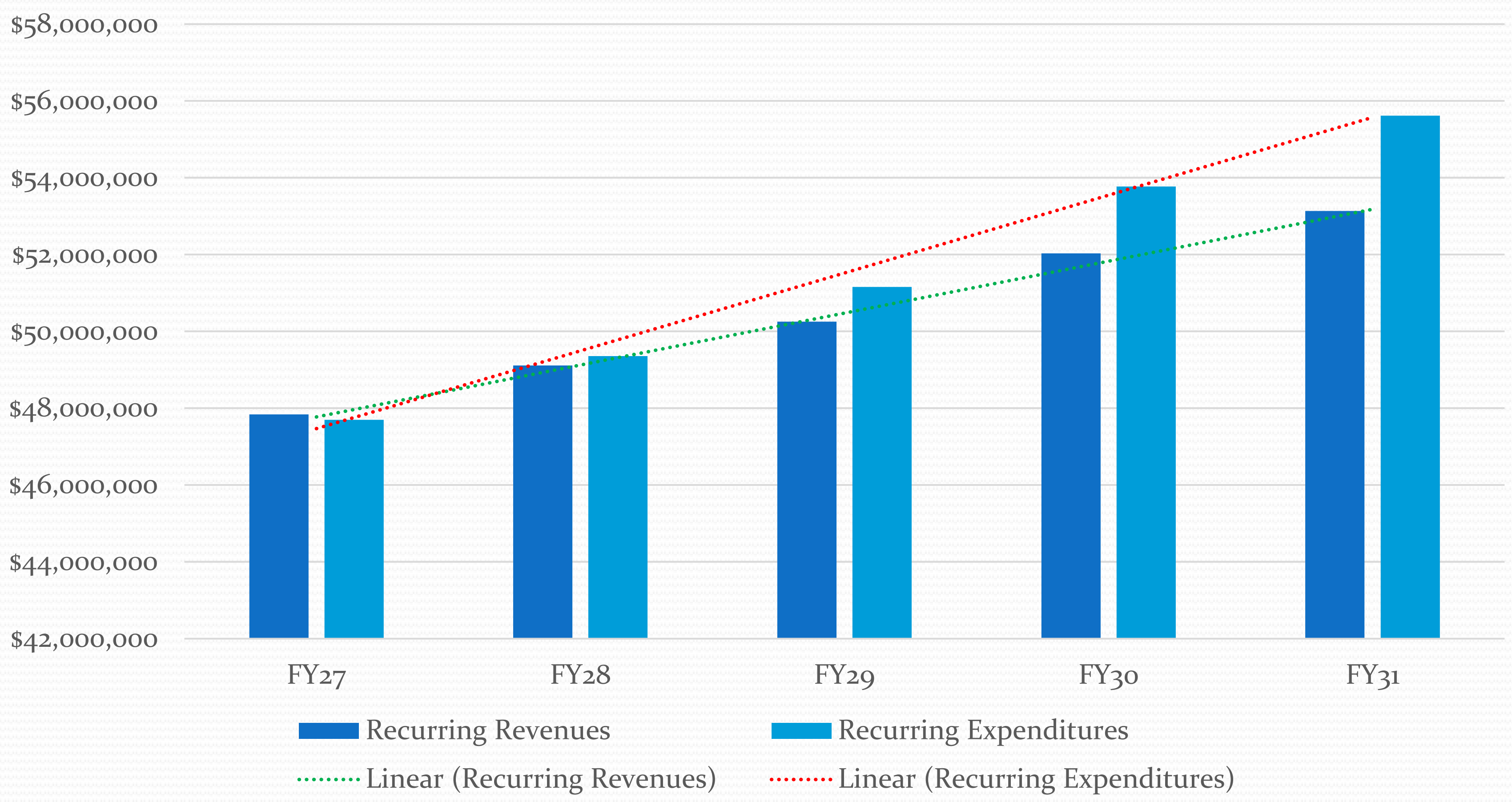
Budget Impact Summary

2026-2027 Budget Impacts						
	Forecasted Revenues		Forecasted Expenditures		Surplus (Shortfall)	
Recurring	$	46,492,214	$	48,909,170	$	(2,416,956)
One-time	$	425,000	$	2,495,750	$	(2,070,750)
Total	**$**	**46,917,214**	**$**	**51,404,920**	**$**	**(4,487,706)**
Budget Impacts-Recurring	$	1,348,484	$	(1,210,737)	$	2,559,221
Budget Impacts-One-time	$	360,332	$	(1,808,514)	$	2,168,846
Remaining Surplus (Shortfall) for FY2026-27	**$**	**48,626,030**	**$**	**48,385,669**	**$**	**240,361**

Fund Balance of the General Fund



General Fund Five-Year Projection



Questions or Feedback?

- Please contact Karen Lancaster at klancaster@cityofnovi.org.

MEMORANDUM

TO: VICTOR CARDENAS, CITY MANAGER

FROM: SHERYL WALSH-MOLLOY, DIRECTOR OF COMMUNICATONS

SUBJECT: COUNCIL CHAMBERS REFRESH OPTIONS

DATE: FEBRUARY 27, 2026

Following discussion with the Finance and Administration Committee, staff have evaluated the need and potential scope for upgrades to the City Council Chambers and the adjacent Council Conference Room. The accompanying memorandum provides a high-level overview of the rationale, available options, financial considerations, and next steps for Council's direction.

The Council Chambers serves as the primary venue for Novi's legislative process, public engagement, and live broadcast of public meetings. While routine maintenance has occurred over the years, the core technology systems, lighting, layout, and overall design remain largely unchanged since the Civic Center was constructed in the early 1980s. Consequently, several elements no longer align with modern expectations for broadcast quality, accessibility, operational efficiency, or contemporary civic design.

Key areas identified for improvement include aging audio-visual infrastructure, insufficient lighting for professional-grade broadcasting, limited technology integration at the dais, suboptimal acoustics, and a conference room configuration that does not adequately support meeting preparation or closed sessions. Addressing these issues would enhance transparency, improve the experience for residents and meeting participants, and better support Council and staff operations.

To provide flexibility, staff developed three scalable upgrade options:

- **Option 1 – Technology Refresh ($380,000 – $520,000)**: Modernizes core audio-visual, lighting, and control systems while maintaining the existing layout and architectural features.
- **Option 2 – Technology + Aesthetic Refresh ($750,000 – $1,500,000+)**: Includes full technology upgrades along with coordinated visual and acoustic enhancements to modernize the appearance and functionality of the space.
- **Option 3 – Complete Redesign ($2,200,000 – $3,000,000+):** Comprehensive reconfiguration of the Chambers and Conference Room, including updated layout, finishes, custom dais, and seating to create a fully modernized civic environment.

Funding for eligible components would be available through Public, Educational, and Governmental (PEG) revenues. It is estimated, the City will have $1.6 million in restricted PEG fees at the end of FY 26-27.

The cost ranges provided are preliminary February 2026 estimates based on recent municipal bid results for comparable facilities and include equipment, installation, programming, design and engineering services, and permits. Final costs will be determined through a competitive bidding process and may vary based on final specifications and material selections.

Next Steps

Staff seek Council direction regarding the preferred scope, budget parameters, and long-term vision for the City Council Chambers and Conference Room. Upon receiving guidance, staff will proceed with design concepts, developing formal bid specifications, and establishing an implementation timeline.

MEMORANDUM

TO: SHERYL WALSH-MOLLOY, DIRECTOR OF COMMUNICATONS

FROM: JOSH BUSCHER, SENIOR VIDEO PRODUCTION SPECIALIST

SUBJECT: COUNCIL CHAMBERS REFRESH OPTIONS

DATE: FEBRUARY 27, 2026

Purpose

Following initial discussions with the Finance and Administration Committee, staff have explored options for refreshing the City Council Chambers and, potentially, the adjacent Council Conference Room. This memorandum outlines the identified needs and scalable approaches for consideration.

Any improvements would be intended to enhance transparency, accessibility, functionality, and the overall experience for Council, staff, residents, and meeting participants. Funding for eligible components would be available through Public, Educational, and Governmental (PEG) revenues.

Background & Need

The City Council Chambers serves as the primary venue for the City's legislative process and public engagement. While routine updates have occurred over time for wear and tear (seating replaced 18 years ago and carpet when needed), the core layout and infrastructure have remained largely unchanged since the Civic Center was constructed in the early 1980s.

A review of the space identified several areas where modernization is warranted, including aging audio-visual systems, limited technology integration at the dais, insufficient lighting for broadcast quality, functional constraints within the Conference Room, and overall acoustic and aesthetic elements that no longer reflect contemporary municipal standards.

To assist in determining the appropriate level of investment, staff have developed three scalable options, each building upon the previous and aligned with varying budget and design objectives.

Upgrade Options

Option 1 – Technology Refresh

This option focuses on modernizing the Chambers' core audio-visual and control systems while maintaining the existing dais, tiered seating, and primary architectural elements. It provides the most significant functional improvement at the lowest cost and with the shortest anticipated construction timeline.

Key elements include:

- Replacement of the failing projector with a large-format, high-brightness display to improve presentation clarity and operational reliability.
- Upgrade of the TriCaster system from TC1 to TriCaster 2 Elite to enhance reliability and expand live streaming and recording capabilities.
- Installation of four new 4K PTZ cameras and camera control system to provide a clearer, future-ready broadcast experience.
- Reconfiguration and upgrade of the Crestron room-control system to enable intuitive, one-touch operation of integrated technology.
- Re-integration and optimization of the audio system to improve clarity and intelligibility for both in-room participants and remote viewers.
- Complete replacement of the lighting system with high-output, color-matched LED fixtures and advanced controls to significantly increase brightness and provide even, professional illumination throughout the chamber.

Estimated Cost Range: $380,000 – $520,000

Option 2 – Technology + Aesthetic Refresh
This option includes all elements of Option 1, along with a coordinated visual and functional modernization of the Council Chambers space.

In discussing this modernization, City Facilities staff recommend engaging a professional design firm (such as DeMaria or HED) to ensure cohesive planning, design continuity, and coordination among contractors if Council chooses Option 2 or Option 3.

In addition to the full technology package outlined in Option 1, this option includes:

- Replacement of existing wood slat wall treatments with a more contemporary design.
- Installation of new acoustic wall panels to enhance sound quality while providing a clean, modern backdrop for meetings and broadcasts.
- Refresh of the existing dais structure.
- Replacement or redesign of the podium to align with updated chamber aesthetics.
- Renovation of the structural pillars flanking the dais. While these load-bearing elements cannot be removed, their visual footprint may potentially be reduced through thoughtful redesign.
- Redesign of the back wall behind the dais, including replacing the single display with two coordinated screens positioned to the left and right.
- Refresh of the Council Conference Room (Painting, furniture, lighting – no structural changes)

Estimated Cost Range: $750,000 – $1,500,000+

Option 3 – Complete Redesign
This option incorporates all elements of Options 1 and 2, along with a comprehensive reimagining of the entire space. The objective is to create a modern civic facility designed to enhance public engagement, accessibility, operational efficiency, and long-term adaptability.

The scope would include:

- All technology and aesthetic upgrades described above.
- Reconfiguration of the room layout to improve sightlines, ADA accessibility compliance, and overall flow.
- New flooring, ceiling treatments, and a complete interior design package for both the Council Chambers and Council Conference Room.
- Design and installation of a new custom dais, including revised placement and full technology integration.
- Replacement and/or reconfiguration of the existing tiered seating.

Estimated Cost Range: $2,200,000 – $3,000,000+
This option represents the most comprehensive and transformative solution, but it also involves the highest cost and the longest construction duration.

Please let me know if you have any questions regarding any of the above-mentioned options. I look forward to assisting with this potential project and enhancing the quality of Studio No.Vi productions in the Council Chambers.

Consultant Services

Discipline	Current Consultant/ Outsourcing Services Firm	Lead City Contact/Manager Responsible	Activation	Duration	Original Expiration	Expiration of Renwal	Expenditure
Environmental - Wetland	Merjent, Inc.	Barb McBeth	April 9, 2024	Two Years with Three one-year renewals	April 9, 2026	not yet enacted	
Environmental -Woodland	Merjent, Inc.	Barb McBeth	April 9, 2024	Two Years with Three one-year renewals	April 9, 2026	not yet enacted	
Architectural/Façade	DRN & Associates	Barb McBeth	July 22, 2024	Three Years with Two one-year renewals	July 22, 2027	not yet enacted	Rate varies per service, see Fee proposal form for full breakdown. *Most of these costs are passed onto developers during permit process
Traffic	AECOM Great Lakes, Inc.	Barb McBeth	June 1, 2022	Two year contract with two one-year renewals	June 1, 2024	~~6/1/2025~~ **6/1/2026**	
Masterplan for Land Use	Beckett & Raeder Inc (BRI)	Barb McBeth	January 10, 2022	Sixteen Month Contract	May 10, 2023	n/a	$206,445.00
~~Non-Motorized Master~~ Active Mobility Plan	Greenway Collaborative, Inc	Barb McBeth	November 14, 2022	Six Month Contract	May 1, 2023	n/a	$50,534.00
Civil Engineering Field Services Public	AECOM and Spalding DeDecker	Ben Croy	12/18/2022	Five year contract	December 18, 2027	not yet enacted	
Civil Engineering Field Services Public (2)	Orchard, Hiltz and McCliment (OHM)	Ben Croy	12/18/2022 6/10/24 (Ext. Added by CRC)	Two year contract **Three Year Extension added****	December 18, 2027	n/a	
Civil Engineering Field Services Private	Spalding DeDecker & Associates	Ben Croy	12/18/2022	Five year contract	December 18, 2027	n/a	
Prosecuting Attorney- Police	Rosati, Schultz, Joppich, & Amtsbuechler	Scott Baetens	January 1, 2023	Four Years with Two one-year renewals	January 1, 2027	not yet enacted	~~$115.00/hour (Baker)~~ ~~$117.50/hour (Baker)~~ $125.00/hour
City Attorney	Rosati, Schultz, Joppich, & Amtsbuechler	Victor Cardenas	January 1, 2023	Four Years with one one-year renewals	January 1, 2027	not yet enacted	~~$160.00/hour - Partners~~ $165.00/hour - Partners $155.00/hour - Associates
Attorney - Labor & Employment	Shifman Law	Tia Gronlund-Fox	~~1/1/2022~~ January 1, 2025	~~3 year contract~~ Three Years with two one-year renewals	~~12/31/2024~~ January 1, 2028	not yet enacted	~~$165.00/hour in 2022,~~ ~~$175.00/hour in 2023,~~ ~~$175.00/hour in 2024~~ $175.00/hour in 2025, $185.00/hour in 2026, $185.00/hour in 2027
Financial Advisor	PFM Group	Victor Cardenas	Per bond issuance	**Feburary 10, 2025**	n/a	n/a	General Obligation Bond Fee Schedule: Base fee of $8,000 Plus $3.00 per $1,000 of bonds up to $5,000,000 Plus $1.10 per $1,000 of bonds over $5,000,000 up to $25,000,000 Plus $0.90 per $1,000 of bonds $25,000,000 and above Less 10% discount for multi-series bond authorization For example, if the City's bonds are issued in multiple series, and the first series was $30,000,000 the fee would be $34,650 ($8,000 + $15,000 + $22,000 + $4,500 = $49,500 - $4,950 = $44,550).
Bond Counsel	Miller Canfield	Victor Cardenas	Per bond issuance	**Feburary 10, 2025**	n/a	n/a	Fee Scale: $39,500 for first $10,000,000; plus $0.90/$1,000 in principal amount in excess of $10,000,000. For a single bond issue in the amount of $100,000,000, Fee: $120,500, and with the 20% discount: **Approx. Total: $96,400**
Professional Auditing Services	Rehmann Robson	~~Carl Johnson~~	April 8, 2024	3 years with two one-year renewals	6/30/2026 (FY 2026)	not yet enacted	$364,200.00 (Y1: $65,900, Y2: $69,200, Y3: $72,700, Y4: $76,300, Y5: $80,100)
Meadowbrook Commons Management	Keystone Management Group KMG Prestige	Jeff Muck	July 1, 2021	Three Years with Two one-year renewal options	June 30, 2024	~~6/30/2025~~ **6/30/2026**	$5,980.00
Ice Arena Management	Suburban Sports Group	Jeff Muck	~~7/1/2020~~ **July 1, 2025**	Three Years with two one-year renewal options	July 1, 2028	not yet enacted	Year 1 (2025-26) – $138,000 Year 2 (2026-27) – $138,000 Year 3 (2027-28) – $145,520 Year 4 (2028-29) – $145,520 Year 5 (2029-30) – $149,260 Plus potential shared Incentive if min. operating income is =/>$425,000 (see contract for details)
ITC Community Sports Park Master Plan	Spicer Group	Jeff Muck	November 28, 2022	Project Duration Only	n/a	n/a	$24,500.00
Property & Liability Insurance Broker	Kapnick Insurance Group	Cortney Hanson	July 1, 2024	Four Years with one one-year renewal option	June 30, 2028	not yet enacted	paid from annual commissions from the insurance companies and not paid directly by the City
Health Insurance and Employee Benefits Consultant	Gallagher Benefit Services	Tia Gronlund-Fox	April 23, 2024	Three Years with Two one-year renewal options	April 23, 2027	not yet enacted	Commission is between 3% - 8% depending upon the line of coverage. (Exhibit B)
Emergency Medical Transport Services	Medstar, Inc.	John Martin	January 23, 2024	Five Years with Three one-year renewals	January 23, 2029	not yet enacted	$0 subsidy for five years
Internet Connectivity and Broadband Study	Foresite Group	Victor Cardenas	December 10, 2021	Project Duration Only			$105,000.00
Website Provider	Municipal Web Services	Sheryl Walsh-Molloy	January 1, 2021	Two Years with two one-year renewals	12/31/2023	~~12/31/2024~~ ~~12/31/2025~~ **12/31/2026**	$70,000 budgeted per fiscal year
Solid Waste and Recycling	~~Green For Life (GFL)~~ **Priority Waste**	Victor Cardenas	7/1/2021 (taken over by PW 7/1/24)	8 Years	June 30, 2029	n/a	$138/single family home ($148.61 in year 8)

Color Key		
FAC Review	Extension Available	New Contract Needed

MEMORANDUM

TO: VICTOR CARDENAS, CITY MANAGER
FROM: SHERYL WALSH-MOLLOY, DIRECTOR OF COMMUNICATONS
SUBJECT: WEBSITE CONTRACT
DATE: MARCH 3, 2026

Background
The City of Novi's contract with Municipal Website Services (Muniweb), a Michigan-based company, is scheduled to expire later this year. Since 1999, the City has partnered with Muniweb under a full-service model that includes hosting, maintaining, updating, and supporting the following sites:

- cityofnovi.org
- investnovi.org
- novi.org
- E-Web (online services portal)

In addition, Muniweb provides hosting and maintenance services in kind for the Novi Police and Fire Benevolent Association and Novi Parks Foundation sites.

The current annual investment for these services is budgeted at $70,000.

Current Business Model
Under the existing agreement, Muniweb operates as a full-service partner, providing:

- Website hosting and infrastructure
- Ongoing maintenance and system updates
- Security monitoring and backups
- Accessibility (ADA) compliance support
- Technical troubleshooting
- Direct content updates and page modifications
- Staff support and day-to-day assistance

This model minimizes internal staff workload and consolidates operational responsibility with a single vendor.

Industry Service Models
When the City proceeds with a Request for Proposals (RFP), it is important to recognize that many website providers typically operate under a different model. Most alternative providers:

- Build and host the website platform
- Provide a content management system (CMS)
- Offer limited technical support
- Require City staff to manage routine updates and content changes
- Charge additional fees for content modifications or ongoing support services

Under a structure such as this, the City would likely need to dedicate additional internal staff time, or secure supplemental support contracts to achieve a comparable service level.

Operational and Staffing Considerations
The City's current full-service model provides effectively 24 hours per day, 365 days per year monitoring, maintenance, troubleshooting, and content update capability through Muniweb.

If the City were to transition to a platform-based vendor model that does not include ongoing content management and real-time support, the City would need to determine how those responsibilities are absorbed internally. This could require:

- Assigning website update responsibilities to individuals in each department
- Establishing formal content ownership and compliance monitoring processes
- Adding dedicated communications or technical staff
- Securing supplemental third-party support contracts
- Implementing after-hours monitoring protocols

Absent a full-service partner, the City would assume responsibility for:

- Time-sensitive emergency updates
- ADA compliance monitoring
- Broken link corrections
- Security-related updates
- Routine page revisions and posting
- Departmental training and quality control

Depending on the structure selected, this could represent a significant ongoing staffing cost or redistribution of workload across departments, potentially affecting service levels and response times.

Conclusion
As the City evaluates website service providers through an upcoming RFP, the primary policy decision is whether to maintain a full-service operational model or transition to a platform-based model requiring increased internal management. While alternative vendors may offer competitive platform pricing, achieving comparable service levels would likely require additional staffing resources or supplemental support contracts, resulting in increased total cost and operational complexity.

The current arrangement provides:

- Centralized accountability
- Continuous monitoring and support
- Reduced departmental burden
- Predictable annual costs

As staff prepares the RFP framework, direction regarding the preferred service delivery model — particularly as it relates to staffing capacity and 24/7 operational coverage — will be critical.

MEMORANDUM

TO: VICTOR CARDENAS, CITY MANAGER

FROM: BARBARA MCBETH, *AICP*, CITY PLANNER

SUBJECT: ENVIRONMENTAL CONSULTANT – REVISION OF FEE SCHEDULE

DATE: MARCH 3, 2026

The City's current environmental consultants for woodlands and wetlands, Merjent, have provided service to the City of Novi since January of 2024. Merjent took over when Mannik and Smith Group declined to extend their contract at the end of 2023. **Merjent has performed well over the last two years and has submitted a request for a one-year extension as the original contract allowed. The contract also indicated that the fees could be reevaluated at the time of extension, and Merjent has requested a few updates that staff supports.** The following updates and clarifications are requested at this time:

<u>Pre-Construction Meeting Fee</u>

Clarification of the $600 fee for environmental consultant to attend Pre-Construction meeting when Woodland and/or Wetland inspections are needed: one $600 fee will be collected for the consultant's attendance at the Pre-Con meeting.

- Woodland and/or wetland pre-construction meeting fee $600.
- If site contains both wetlands and woodlands total meeting fee will be $600.

<u>Woodland Inspection Fees</u>

The Woodland inspection fees are currently based on 6% or 25% of the cost of materials. Staff and Merjent would recommend keeping the 6% and 25% under the fence and replacement inspections, respectively but adding in a *minimum* amount listed under the sub-headers.

For the vast majority of the past and future projects, the applicants have been/will be charged the minimum. Leaving the 6% and 25% costs helps calculate the real costs for major projects that have a lot of fencing to inspect or lots of replacements that they will plant (for example, Society Hill or The Grove.

Staff want to ensure that smaller parcels would not be penalized with the minimum flat fee, and so parcels that are less than or equal to one acre would be charged $300 for inspections (column at the right), compared to the minimum of $500 for sites larger than an acre.

Please see the charts below with minimum fee/new fee shown in blue type.

Fencing and Staking Inspections

Initial Inspection >1 acre	Initial Inspection	Additional Inspection (if needed)	<= to 1 acre (reduced fee) 2nd inspection, same fee
Woodland Fence Staking	6% of fence material, minimum $500	$300	$300
Woodland Fence Installation	6% of fence material, minimum $500	$300	$300
Woodland Fence Removal	6% of fence material, minimum $500	$300	$300
Construction Observation	$450	$300	$300
Reduced fee if both Woodland and Wetland onsite	6% of woodland fence material, minimum $750	$450	$500

Woodland Replacement Inspections

Initial Inspection >1 acre	Initial Inspection	Additional Inspection (if needed)	<= to 1 acre 2nd inspection, same fee
Replacements Planted	25% of plant material, minimum $500	$300	$300
2-year Warranty Inspection	25% of plant material, minimum $500	$300	$300

The following fees would help to streamline the permits for single family homes on lots that have woodland and or wetland impacts. These fees would be charged **only** if needed for a specific home permit project that involves regulated woodlands and wetlands.

Single Family Residential Home Permits

The current fee schedule has no fees established for the following required inspections:

- Establish a fee of $250 for properties that require a Wetland Setback Delineation Letter (no permit)
- Establish a fee of $500 for Woodland Staking Inspection (includes one revision)
- Establish construction observation fee of $200 (if needed) for either woodland or wetland

If recommended for approval by the Consultant Review Committee, the fees would be presented in a formal resolution for consideration and potential adoption by the City Council. It was noted with the acceptance of the contract extension, that if approved, the fees will take a few weeks to be updated in our invoicing system. For projects that have started prior to the approval of the updated consultant fees, work shall be invoiced at the rate at the time the project was initially invoiced.

………

On another matter, please note that the Traffic Engineering Services contract with AECOM is nearing the end of its term with all extensions previously granted. Staff has sent out a new Request for Proposals for Traffic Engineering Services. Responses are due to the City of Novi shortly and will be evaluated by staff prior to being considered by the City Council.

KMG PRESTIGE

Strategic Property Management Solutions

KMG Prestige Commitment & Values

Since July 1, 2005, KMG Prestige has proudly served as the management company for Meadowbrook Commons, providing consistent leadership, high quality service, and a resident focused approach for more than 20 years.

At KMG Prestige, it is our commitment to grow a high-functioning and talented team by integrating inclusion and engagement strategies into all aspects of recruiting, hiring, advancement, and retention. Guided by this commitment, our mission is to become the best and most respected property management company in the industry. Our vision is simple yet powerful: to create happy residents by fostering communities where people feel valued, supported, and at home. At the core of everything we do is our mission statement: *Do the right thing.* This principle guides our decisions, our culture, and the way we serve both our team and the communities under our care.

KMG Operational Philosophy in Alignment with the City of Novi

KMG's operational philosophy is designed to align seamlessly with the values and vision of our ownership group, the City of Novi. We are committed to transparency with our residents and have implemented quarterly meetings with management to keep residents informed about the latest happenings and updates within the community they call home.

Additionally, we have re-implemented an annual resident meeting, which was brought back in response to resident feedback post-COVID, as they expressed appreciation for this type of open communication. These meetings bring together city representatives, the Fire Chief, Police Chief, residents, and KMG management to encourage collaboration, transparency, and problem-solving.

Recognizing that the building is aging, we place a strong focus on detailed oversight and diligent management of maintenance to ensure the property remains safe, functional, and visually appealing. Our approach prioritizes minimizing annual rent increases historically ranging from as low as $5 to no more than $25, maintaining the asset to the highest quality, and fostering lasting, meaningful relationships with residents.

KMG Historical Capital Projects and Community Enhancements

From an infrastructure standpoint, KMG has overseen numerous major capital improvements, including the installation of new sidewalks and concrete, as well as a complete rebuild of the main entrance to provide enhanced protection for residents from weather exposure and to improve safety and efficiency during drop-offs and pick-ups. Additional improvements include the replacement of windows and door walls in both residential apartment homes within the main building and the ranch-style units, replacement of common area hallway furnaces and air conditioning units, installation of three rooftop HVAC units; and replacement of four main building boilers.

Total roof replacements have been completed on the main building, all nine (9) ranch buildings, and the maintenance shop to ensure long-term structural integrity. Further projects include pond enhancements; the installation of an outdoor exercise area featuring rubber flooring; construction of a gazebo; and implementation of a resident security intercom system with key fob capability. Additionally, 60 hot water tank replacements and refrigerator replacements for all ranch homes have been completed. All common-area hallways in the main building have been updated with new carpet, removal of original wallpaper, and refreshed paint throughout all three floors of the building.

Throughout 2025, KMG continued this commitment by overseeing capital improvements to ensure Meadowbrook Commons remains safe, modern, and well maintained. Projects that have been recently completed in the past year include courtyard concrete replacement, shutter and siding replacement on the main building, resident deck/balcony rebuilds, steel door replacement in Receiving and basement. Stairwells, restrooms, laundry rooms, and trash rooms were painted. Irrigation and sprinkler repairs for the pickleball area were also completed to support both safety and recreational use.

Projects that were approved in 2025 and are scheduled to be completed upcoming include exterior building painting planned for spring 2026 at a cost of $45,000, the installation of additional security cameras totaling $32,900, and pillar rebuilds, which has been completed, exceeding $65,000.

Beyond core infrastructure, KMG has focused on enhancements that directly support resident quality of life. These improvements include relocating and renovating the Fitness Center, adding a hydration station near the Fitness Center, creating a dedicated Meadowbrook Café space with 24-hour, seven-day-a-week coffee and tea access, adding a new gazebo by the pond, installation of a fountain in the pond, installing benches throughout the community to encourage outdoor engagement, and renovating the community sundry store which has been a favorite resident activity that KMG Management introduced to Meadowbrook Residents for a bi-weekly on-site grocery shopping market opportunity for social engagement and picking up daily essentials. Digital display boards have also been installed throughout the property to highlight daily and weekly events, improving resident awareness and participation.

Recently, Management has negotiated a contract with the laundry vendor to upgrade equipment, providing new 35lb front-load washer/dryer units on each of the three floors in the main building. These larger capacity machines allow senior residents to complete fewer trips and manage larger laundry loads more comfortably. The upgrade also introduces multiple payment options including credit card, mobile app, and traditional pre-loaded laundry cards ensuring ease of use and accessibility for residents with varying preferences. KMG staff hosts an annual Resident Appreciation Picnic, providing food and entertainment to show our appreciation to residents for being an important part of the community.

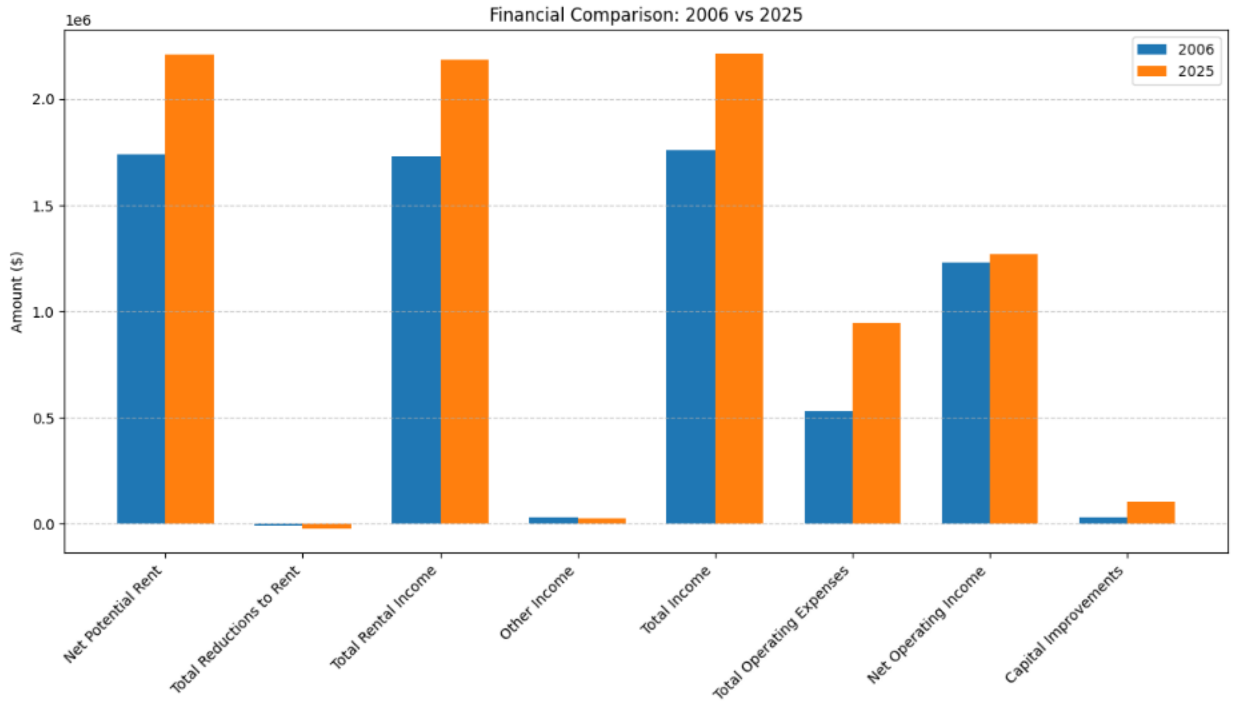
Throughout all phases of capital improvement and enhancement, KMG has worked closely with the City of Novi to plan, manage, and execute projects efficiently and thoughtfully. This ongoing collaboration ensures investments align with city priorities, address the evolving needs of an aging community, and continue to support a high quality of life for residents while preserving the long-term value of Meadowbrook Commons.

Financial Stewardship & Long-Term Stability

From a financial perspective, Meadowbrook Commons reflects the same long-term, resident-focused philosophy that guides KMG Prestige’s day-to-day operations. Since assuming management in 2005, our approach, which aligns with the City of Novi, has been centered on maintaining affordability for residents while responsibly reinvesting in the asset to preserve its value and functionality over time.

From 2006 through 2025, Meadowbrook Commons experienced steady and intentional growth. Net Potential Rent increased by approximately 27% over this 19-year period, reflecting a measured and thoughtful approach to rent increases rather than aggressive adjustments. Historically, annual rent increases have remained modest; often as low as $5 and generally no more than $25 supporting resident retention and long-term stability within the community.

Despite keeping rent increases low, the property has continued to perform well financially. Net Operating Income increased from approximately $1.23 million in 2006 to $1.27 million in 2025, demonstrating that strong operational management, expense oversight, and strategic reinvestment can support long-term financial health without placing undue burden on residents.



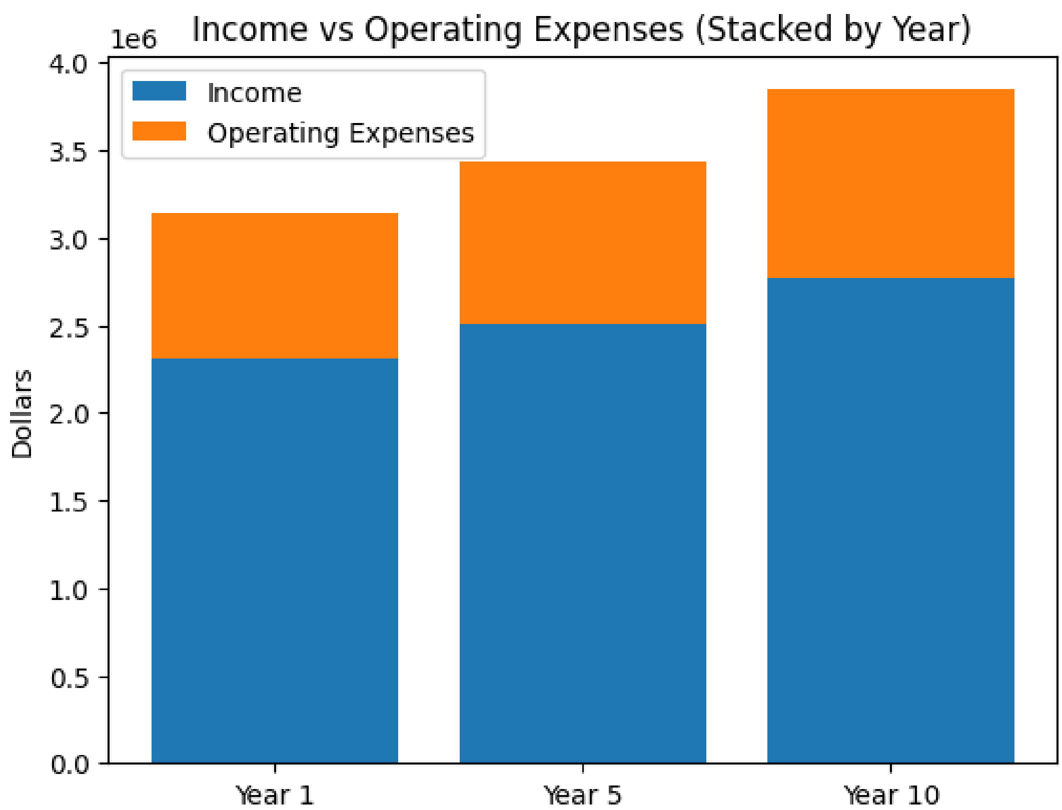
As the building has aged, operating expenses have naturally increased, driven by rising utility costs, insurance, labor, and expanded service offerings. It is important to note that some capital-related improvements over the years were expensed through operations rather than capitalized. While this may cause some variability or skewing in year-over-year expense comparisons, it reflects a proactive philosophy of addressing needs as they arise, rather than deferring work and allowing conditions to deteriorate. This approach has helped preserve the physical integrity of the community and reduce the risk of larger, more disruptive capital events.

Even with these reinvestments, Meadowbrook Commons continues to operate efficiently, with operating expenses remaining below 50% of gross income. This operating margin has allowed the property to maintain positive NOI growth while continuing to invest in safety, maintenance, and resident quality-of-life improvements.

Forward-Looking Financial Outlook

Looking ahead, the 10-year financial projections included in this presentation are based on conservative and sustainable assumptions. Income is projected to increase at 2% annually, while operating expenses are projected to increase at 3% annually. Although expenses are expected to grow slightly faster than income, the property's strong operating position allows for continued NOI growth over time.

This projection approach supports KMG's recommendation and the City of Novi's ownership priorities of maintaining the asset responsibly, spreading costs in a predictable manner, and continuing to minimize rent increases for residents whenever possible.



Financial Summary

In summary, the financial performance of Meadowbrook Commons over the past two decades demonstrates a consistent and balanced model: keeping rent increases modest, maintaining the property at a high standard, and achieving long-term financial stability. This approach has resulted in steady NOI growth from 2006 through 2025, while preserving affordability and supporting the needs of a senior population aging in place.

This financial track record, combined with ongoing capital planning and operational stability, reinforces that the current management structure is working effectively protecting residents, preserving the City's investment, and positioning Meadowbrook Commons for continued success.

10-Year Capital Vision

Over the next 10 years, KMG, in coordination with the City of Novi, has evaluated and encapsulated the long-term needs of the community. This Capital Improvement Plan (CIP) is designed to preserve the asset, support aging-in-place, and minimize disruption to senior residents, while spreading capital costs in a measured and predictable manner.

Years 1–5 Capital Improvement Plan (Immediate & Mid-Term Needs)

Focus: Asset preservation, safety, and interior improvements that can be coordinated with unit turnover.

- Apartment & Ranch interior up grades Renovations: $620,420
- Apartment & Ranch appliance upgrades: $330,034
- Elevator Cab Upgrades: $64,900
- Elevator Modernization (State of Michigan Compliance): $796,000 for both elevators
- Building Common Room Interior & Exterior Renovations: Estimated $900,000
- Bathroom Renovations: $16,000
- Card/Game room renovations $10,000 est
- Activity/Craft room renovations $10,000 est
- Courtyard Renovations: $400,000 est
- MAC Renovations: Pricing in progress
- Salon Renovation $12,000 est
- Flat Roof Replacement: $100,000
- Access to flat roof from inside main building: Pricing in progress

These projects prioritize life-safety systems, accessibility, resident gathering spaces, and aging building components nearing end-of-life.

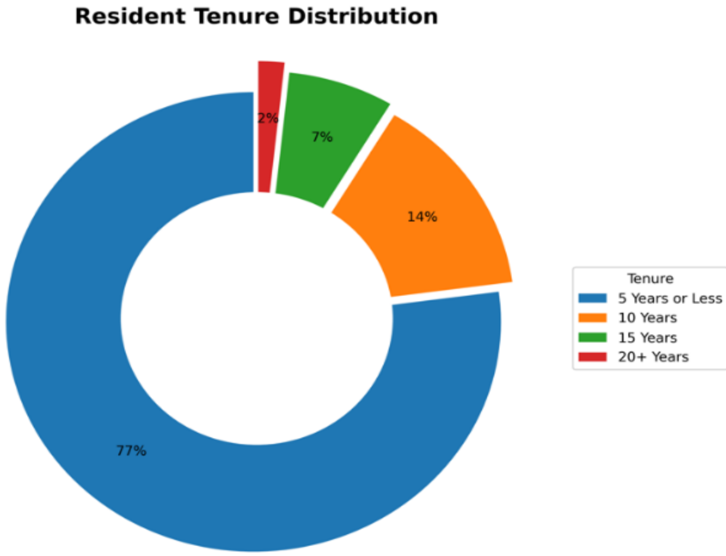
Years 6–10 Capital Improvement Plan (Long-Term Enhancements)

Focus: Accessibility improvements, site infrastructure, and resident convenience.

- Carport Renovation
- MAC Kitchen upgrade
- Hallway and lighting upgrade
- Parking Lot Resurfacing
- Automatic Door Openers
- Covered Walkway South Resident Entrance
- Installation of EV Charging Stations

Resident Engagement & Commitment

KMG's commitment to residents is reflected in the long-term stability of the community, the breadth of resident-focused services, and the ongoing programs designed to support health, connection, and independence.



Resident Longevity

The length of residency within the community demonstrates a strong sense of satisfaction, trust, and continuity:

- 3 residents who have lived at Meadowbrook Commons for 20 years or more
- 12 residents with 11-15 years of residency.
- 25 residents who have lived in the community for 6-10 years.
- 135 residents who have called Meadowbrook Commons home for 1-5 years or less.

As you can see, over the last five years, more than 77% of Meadowbrook Commons has experienced turnover, much of which is due to residents aging and transitioning to new living arrangements. This turnover reflects not only the time required to turn units but also the considerable effort of our maintenance staff and leasing team to prepare and lease each unit efficiently. The dedication and expertise of our team ensure that vacancies are minimized and units are leased quickly, maintaining the community's high standards and resident satisfaction.

Resident Services & Special Events

KMG supports residents through a wide range of on-site services and special events designed to promote health, convenience, and social engagement, including:

- Weekly communion services
- On-site vaccination clinics
- Mobile pop-up shop events
- Quarterly resident craft shows and fairs
- Assistance with all city-led resident events, including room setup and breakdown, meal preparation support, and providing additional on-site assistance as needed during events.

- Mobile secretary of state quarterly, provides senior residents with convenient, on-site access to essential government services, including ID renewal, license updates, and other documentation, reducing the need for travel and ensuring accessibility for residents with mobility or transportation challenges.

Monthly Programs & Communication

To ensure residents remain informed and engaged:

A monthly newsletter, prepared by the on-site office team, is distributed to residents and includes calendars, flyers, and information on all upcoming activities and services.

Regularly scheduled social, wellness, and educational programs are offered throughout the year.

Visiting Medical Professionals

To support resident health and aging-in-place, KMG coordinates visits from medical professionals, including:

Podiatrist and Dermatologist services on a rotating schedule every 9–10 weeks.

Weekly blood pressure checks by registered nurses or novi fire department.

Annual flu vaccination clinic which provides senior residents with on-site access to essential preventive healthcare, helping to protect their health and well-being while reducing the need for travel to offsite medical facilities.

KMG staff supports the 3rd-Floor Massage Clinic by managing client transactions, including collecting payments, providing receipts, and ensuring all funds are accurately submitted to the City of Novi.

KMG staff supports the Older Active Lifestyle for community residents by gathering registration details and payments for City of Novi exercise programs.

Resident Volunteer Involvement

KMG encourages and supports resident-led engagement, fostering ownership and community pride through volunteer opportunities, including:

Monthly resident-led line dancing

Weekly music performances during lunch by resident groups

Monthly resident-led sing-along events

On-site sundry store managed by resident volunteers, encouraging community involvement and convenience of essential market items.

Employees

KMG places a strong emphasis on employee retention, continuity, and institutional knowledge, which directly benefits the residents of Meadowbrook Commons.

Longevity & Experience

Our staff includes team members with longstanding tenure, reflecting both their dedication and satisfaction in serving our senior residents:

- **Donna Phillips**, Housekeeper-18 years of service
- **Russell Rockentine**, Groundskeeper-18 years of service
- **Greg Nara**, Maintenance Technician-14 years of service

These individuals bring extensive knowledge of the property, its systems, and the needs of our residents, ensuring consistent, high-quality service.

Low Turnover & Returning Employees

Meadowbrook Commons has experienced very little employee turnover, and many staff members have returned after periods away, underscoring the positive work environment and strong team culture cultivated by KMG. Arielle Blagg, who was previously employed for 2.5 years, left the property for one year and has since returned as Assistant Manager. While Ginny Hallam will continue in her leadership role, Arielle is being cross-trained in preparation for eventual succession, ensuring continuity and a smooth transition when the time comes.

Through a combination of returning, experienced staff, and proactive succession preparation, KMG maintains operational stability, preserves institutional knowledge, and continues to provide high-quality support and care for our senior residents.

By prioritizing staff retention, recognition of experience, and proactive succession planning, KMG demonstrates its commitment to operational stability and the ongoing well-being of our senior residents.

Over the past 20+ years, Meadowbrook commons have received many internal awards, the most recent and consistent are:

- **Best Performance in the Occupancy-Senior Market Rate Community** award, acknowledging strong leasing results, sustained demand, and effective market positioning within the senior housing sector, maintaining 100% occupancy. This has been an award Meadowbrook Commons has received consistently over the decade +.
- **Market Rate Community of the Year 2024**, an award that reflects comprehensive excellence in property operations, resident satisfaction, financial performance, and overall community management.
- **Prestige Community of the Year 2024** distinction, highlighting Meadowbrook Commons as a top performing property within the KMG Prestige portfolio. This award represents consistent achievement in service delivery, operational standards, and leadership in senior housing management.

Collectively, these awards demonstrate KMG Management’s commitment to maintaining high-quality operations, strong occupancy, and superior resident experiences at Meadowbrook Commons.

Meadowbrook Commons has been awarded the 2025 DMAA Award for Best Community by the Detroit Metropolitan Apartment Association. This prestigious award recognizes communities that exemplify excellence in property management, resident engagement, operational integrity, and overall community presentation.

DMAA's selection process is competitive and evaluates communities based on established industry standards, including quality of operations, physical condition, resident experience, and professionalism. Receiving this award affirms Meadowbrook Commons' commitment to maintaining high standards and delivering a quality living environment.

This recognition also reflects the value of strong collaboration between community management, residents, and municipal partners. We appreciate the City's continued support and partnership and look forward to sustaining the level of excellence represented by this achievement.

Meadowbrook Commons (KMG Prestige): Awarded STAR Senior Community of the Year by the DMAA in 2024.

- Exemplary living experience.
- Strong community engagement and events.
- High standards of property management and maintenance.
- Focus on senior wellness and purposeful living.

These awards celebrate communities that provide a superior lifestyle for older adults, reflecting excellence in the senior housing sector.

This success is also a reflection of the City of Novi's dedication to responsible ownership and oversight. By maintaining a strong partnership and supporting long-term planning, the City has ensured its asset remains in capable hands. Together, the City and KMG have fostered a community that is financially stable, well-maintained, and highly regarded within the senior housing sector.

As we look ahead, it is important to recognize that change is not always beneficial, particularly when current management is delivering consistent, measurable results. Resident longevity, employee tenure, industry recognition, and a clear long-term capital strategy all point to a model that is working. Preserving this stability protects residents, safeguards the City's investment, and ensures continuity of care and service.

In closing, KMG Prestige remains committed to continuing its partnership with the City of Novi to responsibly steward Meadowbrook Commons, ensuring it remains a safe, vibrant, and well-managed community for many years to come.

Year	Beginning Cash	Revenue	Expenses	Operating Profit	Capex Inflated	Cash Profit	Ending Cash	Revenue YOY %	Expense YoY %	
1	20,188	2,362,867	1,167,836	1,195,031	474,988	720,043	740,231			apt/ranch appliance upgrade/elevator cab upgrade/first floor common room furniture upgrade, MAC restrooms
2	740,231	2,410,076	1,202,871	1,207,205	620,420	586,785	1,327,016	2.0%	3.0%	apt/ranch interior upgrades
3	1,327,016	2,458,230	1,238,957	1,219,273	900,000	319,273	1,646,289	2.0%	3.0%	Building Common Room Interior & Exterior Renovations
4	1,646,289	2,507,346	1,276,126	1,231,221	430,546	800,675	2,446,964	2.0%	3.0%	fire panel upgrade/flat top roof replacement/Salon, Game room, Activity room upgrades/pickle ball bathroom
5	2,446,964	2,557,445	1,314,409	1,243,036	799,000	444,036	2,891,000	2.0%	3.0%	elevator modernization per state of michigan
6	2,891,000	2,608,546	1,353,842	1,254,704	705,000	549,704	3,440,704	2.0%	3.0%	MAC and courtyard upgrade/automatic entry doors
7	3,440,704	2,660,669	1,394,457	1,266,212	671,201	595,011	4,035,715	2.0%	3.0%	carpet/tile/paint common hallways
8	4,035,715	2,713,834	1,436,291	1,277,544	142,980	1,134,564	5,170,279	2.0%	3.0%	common hallway interior lighting upgrade/decor upgrade hallways/EV charging stations
9	5,170,279	2,768,063	1,479,379	1,288,684	151,500	1,137,184	6,307,463	2.0%	3.0%	carport/south side canopy/parking lot resurfacing
10	6,307,463	2,823,376	1,523,761	1,299,616	35,000	1,264,616	7,572,078	2.0%	3.0%	MAC Kitchen upgrade

Any funds held in the operating account over $100K, are released to the City of Novi monthly

Years for 6-10 are estimated pricing and are subjected to change

City of Novi

Capital Improvement Program

FY 2026-27 Budget

https://www.arcgis.com/apps/dashboards/c3ad159d6ad547298e2da3407996a79e

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	New Request?	Council Goal	Who Did Request?	Department	ID #	Project Name	Outside Funding	Amt of outside funding	Operating Costs	Amt of operating costs	CIP	CIP Category	GL Fund #		Fiscal Year	Current Year FY 2025-26 YR 0	BUDGET FY 2026-27 YR 1	PROJECTED FY 2027-28 YR 2	PROJECTED FY 2028-29 YR 3	FORECAST FY 2029-30 YR 4	FORECAST FY 2030-31 YR 5	FORECAST FY 2031-32 YR 6	Total Budget
70	NO	B - build	Senior Housing	574.00 - Meadowbrook Commons	SNR027	Apartment Upgrades (kitchens, bathrooms, lighting, etc).	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	574-000.00-976.237	2026-2027	$ -		$ 377,350	$ -	$ -	$ -	$ -	$ 377,350
71	NO	O- operate	Senior Housing	574.00 - Meadowbrook Commons	SNR018	Ranch (60) and Apartment (115) Appliance Upgrades/Replacements - Meadowbrook Commons	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	574-000.00-976.197	2026-2027	$ -	$ 328,188		$ -	$ -	$ -	$ -	$ 328,188
72	NO	B - build	Senior Housing	574.00 - Meadowbrook Commons	SNR019	Ranch Updates (kitchen, bathrooms, lighting, etc)	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	574-000.00-976.146	2026-2027	$ -		$ 225,000	$ -	$ -	$ -	$ -	$ 225,000
75	NO	O- operate	Senior Housing	574.00 - Meadowbrook Commons	SNR022	Common Area, Parlor, & Meeting Room Upgrades (furniture, lighting, flooring/carpet, televisions, etc.) - Meadowbrook Commons	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	574.000.00-976.212	2026-2027	$ -	$ 69,400	$ -	$ -	$ -	$ -	$ -	$ 69,400
77	YES	I - invest	Senior Housing	574.00 - Meadowbrook Commons	SRN029	Modernization elevator system	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	574-000-976.238	2027-2028	$ -	$ -		$ 398,000	$ -	$ -	$ -	$ 398,000
78	NO	I - invest	Senior Housing	574.00 - Meadowbrook Commons	SNR012	Fire Panel Replacement - Meadowbrook Commons	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	574-000.00-976.170	2027-2028	$ -	$ -		$ 133,730	$ -	$ -	$ -	$ 133,730
79	YES	B - build	Senior Housing	574.00 - Meadowbrook Commons	SNR028	Permanent Restroom at Pickleball Courts	no	$ -	yes	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	574-000.00-976.239	2027-2028	$ -	$ -		$ -	$ 100,000	$ -	$ -	$ 100,000
82	NO	B - build	Senior Housing	574.00 - Meadowbrook Commons	SNR023	Court Yard (fireplace, grill, furniture)/Senior Center (outdoor patio, windows, projector, lighting) upgrade	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	n/a	2028-2029	$ -	$ -	$ -	$ 585,000	$ -	$ -	$ -	$ 585,000
83	YES	I - invest	Senior Housing	574.00 - Meadowbrook Commons	SRN031	Flat top roof replacement	no	$ -	no	$ -	CIP	Buildings & Property	SENIOR HOUSING 574	n/a	2028-2029	$ -	$ -	$ -	$ 99,346	$ -	$ -	$ -	$ 99,346
						NEW REQUESTS BELOW	NEW REQUETS BELOW	NEW REQUETS BELOW	NEW REQUETS BELOW	NEW REQUETS BELOW	NEW REQUETS BELOW	NEW REQUETS BELOW	NEW REQUETS BELOW										
						Elevator Cab Replacement											$ 64,000						

	Current Year FY 2025-26 YR 0	BUDGET FY 2026-27 YR 1	PROJECTED FY 2027-28 YR 2	PROJECTED FY 2028-29 YR 3	FORECAST FY 2029-30 YR 4	FORECAST FY 2030-31 YR 5	FORECAST FY 2031-32 YR 6	Total Budget
FY 2025-26 Budget	$ 6,126,967	$ 20,423,564	$ 18,481,153	$ 23,046,950	$ 20,178,767	$ 37,809,056	$ -	$ 119,875,490
GENERAL FUND 101	$ -	$ 819,086	$ 1,230,426	$ 1,812,883	$ 1,735,424	$ 1,847,597	$ -	$ 7,445,416
MAJOR STREET 202	$ -	$ 2,972,359	$ 2,251,025	$ 2,657,789	$ 489,057	$ -	$ -	$ 8,370,230
LOCAL STREET 203	$ 2,815,718	$ 4,787,009	$ 6,000,000	$ 6,000,000	$ 6,484,421	$ 6,000,000	$ -	$ 29,271,430
MUNICIPAL STREET 204	$ 650,000	$ 4,424,224	$ 3,867,717	$ 1,561,161	$ 900,000	$ 13,514,134	$ -	$ 24,267,236
PARKS, RECREATION, AND CULTURAL SERVICES 208	$ -	$ 264,000	$ 367,930	$ 1,252,821	$ 1,728,474	$ 316,711	$ -	$ 3,929,936
DRAIN FUND 211	$ 161,249	$ 3,222,086	$ 1,484,875	$ 3,920,931	$ 1,242,362	$ 13,630,614	$ -	$ 23,500,868
CAPITAL IMPROVEMENT PROGRAM (CIP) FUND 401	$ -	$ -	$ -	$ 1,800,289	$ -	$ -	$ -	$ 1,800,289
GUN RANGE FACILITY 409	$ -	$ 111,190	$ -	$ -	$ -	$ -	$ -	$ 111,190
ICE ARENA 570	$ -	$ 85,330	$ 75,000	$ 325,000	$ 550,000	$ -	$ -	$ 1,035,330
WATER AND SEWER 592	$ 2,500,000	$ 3,276,692	$ 2,601,830	$ 2,500,000	$ 6,949,029	$ 2,500,000	$ -	$ 17,827,551
SENIOR HOUSING 574	$ -	$ 397,588	$ 602,350	$ 1,216,076	$ 100,000	$ -	$ -	$ 2,316,014
	$ 6,126,967	$ 20,359,564	$ 18,481,153	$ 23,046,950	$ 20,178,767	$ 37,809,056	$ -	$ 119,875,490

		Current Year FY 2025-26 YR 0	BUDGET FY 2026-27 YR 1	PROJECTED FY 2027-28 YR 2	PROJECTED FY 2028-29 YR 3	FORECAST FY 2029-30 YR 4	FORECAST FY 2030-31 YR 5	FORECAST FY 2031-32 YR 6	Total Budget
Roads	Roads	$ 2,815,718	$ 11,681,711	$ 9,035,215	$ 9,422,289	$ 6,973,478	$ 15,321,934	$ -	$ 52,434,627
Intersections & Signals	Intersections & Signals	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sidewalks & Pathways	Sidewalks & Pathways	$ 650,000	$ 924,224	$ 3,867,717	$ 796,661	$ 900,000	$ 4,192,200	$ -	$ 10,680,802
Storm Sewer & Drainage	Storm Sewer & Drainage	$ 161,249	$ 2,799,743	$ 344,195	$ 3,920,931	$ 1,242,362	$ 13,630,614	$ -	$ 21,937,845

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New Request?	Council Goal	Who Did Request?	Department	ID #	Project Name	Outside Funding	Amt of outside funding	Operating Costs	Amt of operating costs	CIP	CIP Category	GL Fund #

Total CIP by Categ

		Current Year	BUDGET	PROJECTED		FORECAST			
	Fiscal Year	FY 2025-26 YR 0	FY 2026-27 YR 1	FY 2027-28 YR 2	FY 2028-29 YR 3	FY 2029-30 YR 4	FY 2030-31 YR 5	FY 2031-32 YR 6	Total Budget
Sanitary Sewer	Sanitary Sewer	$ -	$ 776,692	$ -	$ -	$ -	$ -	$ -	$ 776,692
Water Distribution	Water Distribution	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 6,949,029	$ 2,500,000	$ -	$ 16,949,029
Parks, Recreation, & Cultural Services	Parks, Recreation, & Cultural Services	$ -	$ 264,000	$ 200,000	$ 1,252,821	$ 1,728,474	$ 227,161	$ -	$ 3,672,456
Parking Lots	Parking Lots	$ -	$ -	$ 167,930	$ -	$ -	$ 107,111	$ -	$ 275,041
Buildings & Property	Buildings & Property	$ -	$ 691,348	$ 1,289,845	$ 1,730,631	$ 701,707	$ 500,863	$ -	$ 4,914,394
Machinery & Equipment	Machinery & Equipment	$ -	$ 721,846	$ 767,050	$ 3,216,834	$ 1,635,392	$ 615,070	$ -	$ 6,956,192
Technology	Technology	$ -	$ -	$ 309,201	$ 206,783	$ 48,325	$ 714,103	$ -	$ 1,278,412
		$ 6,126,967	$ 20,359,564	$ 18,481,153	$ 23,046,950	$ 20,178,767	$ 37,809,056	$ -	$ 119,875,490

MANAGEMENT AGREEMENT

This Agreement shall be considered as made and entered into as of the date of the last signature ("Effective Date"), and is between the City of Novi, a Michigan municipal corporation, with address of 45175 Ten Mile Road, Novi, Michigan 48375 (the "Owner") and KMG Prestige, Inc (the "Agent"), with address 102 South Main Street, Mt. Pleasant, MI 48858.

1. Appointment and Acceptance. The Owner appoints the Agent as exclusive agent for the management of the property described in Section 2 of this Agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.

2. Description of Project. The property (the "Project") to be managed by the Agent under this Agreement is an older adult housing development consisting of the land, buildings, and other improvements described as follows:

   Name: Meadowbrook Commons

   Location: City: Novi County: Oakland

   State: Michigan No. of Dwelling Units: 175

3. Basic Information. The Owner has previously furnished the Agent with a complete set of plans for specifications and copies of all guaranties and warranties pertinent to construction, fixtures, and equipment. The Agent has used this information and through inspection by competent personnel, thoroughly familiarized itself with the character, location, construction, layout, plan and operation of the Project, and especially the electrical, heating, plumbing, air conditioning and ventilating systems, the elevators, and all other mechanical equipment. The Agent has furnished a proposal in response to the Owner's request for proposals, and the terms of that proposal are hereby incorporated unless they conflict with the express terms herein.

4. Marketing. The Agent exercise its best effort to carry out marketing activities subject to the Owner's approval. Advertising and other marketing expenses will be considered Project expenses.

5. Rentals. The Agent will offer for rent and will rent the dwelling units, parking spaces, commercial space and other rental facilities and concessions in the Project in a form approved by Owner. Incident thereto, the following provisions will apply:

   a. The Agent will show the premises to the prospective tenants.

   b. The Agent will take and process applications for rentals. If an application is rejected, the applicant will be told the reason for rejection, and the rejected application, with reason for rejection noted thereon, will be kept on file for one year. A current list of prospective tenants will be maintained.

c. The Agent will prepare all dwelling leases and parking permits, and will execute the same in its name, identified thereon as Agent for the Owner. The dwelling leases will be in a form approved by the Owner, but individual dwelling leases and parking permits need not be submitted for the approval of the Owner.

d. The Agent, with Owner approval, will prepare rent schedules showing approved rents for dwelling units, and other charges for facilities and services. In no event will such rents and other charges be reduced without Owner approval.

e. The Agent will negotiate commercial leases and concession agreements, and will execute the same in its name, identified thereon as Agent for the Owner, subject to the Owner's prior approval of all items and conditions.

f. The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each tenant's lease, and in accordance with all Michigan law pertaining to the collection, retention and disbursement of security deposits. The amount of each security deposit will be set by the Agent, with Owner approval. Security deposits will be deposited by the Agent in an interest bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government. This account will be carried in the Agent's name and designated as "Meadowbrook Commons Security Deposit Account." The City of Novi shall be added as an additional signatory to the security deposit account and the Bank shall be notified that the City of Novi shall not, under any circumstance be removed as a signatory. Additionally, all interest accrued in the account shall inure to the benefit of the project and/or shall be distributed as required by, and in accordance with, State of Michigan law pertaining to the collection, retention and disbursement of the security deposits. The Agent will notify the Owner if the Security Deposit Account cannot be maintained at a level required by law, and the Owner will be responsible for obtaining a Security Deposit Bond or remitting to the account sufficient funds to cover the deficiency.

6. <u>Collection of Rents and Other Receipts</u>. The Agent will collect, when due, all rents, charges and other accounts receivable on the Owner's account in connection with the management and operation of the Project. Such receipts (except for tenants' security deposits, which will be handled as specified in Subsection 5f above) will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Agent's name and designated as "Meadowbrook Commons Operating Account." The City of Novi shall be added as an additional signatory to the accounts and the Bank shall be notified that the City of Novi shall not, under any circumstance, be removed as a signatory.

7. Enforcement of Leases. The Agent will utilize its best efforts to secure full compliance by each tenant with the terms of their lease. Voluntary compliance will be emphasized, and the Agent, utilizing the services of the Social Services Director when available, will counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to a reasonable extent consistent with sound management of the Project. Nevertheless, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the tenant's lease. For those purposes, the Agent is authorized to consult with legal counsel to be designated by Owner, to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to such actions and follow such instructions as the Owner may prescribe for the conduct of any such action. Subject to the Owner's approval, attorney fees and other necessary costs incurred in connection with such actions will be paid out of the Operating Account as Project expenses. If it is found that the Agent, its representatives, agents or employees, or any person for whose acts Agent may be liable, has committed any negligent or tortuous act, error or omission, or has engaged in a retaliatory eviction or discriminatory practice, violation of the State of Michigan Consumer Protection Act, and/or any other State or Federal law, the Agent shall be responsible for paying its own legal costs and fees, any damages awarded to the Complainant, and shall reimburse to the Owner any attorney fees and costs paid on behalf of the Owner or the Agent in defense of the matter.

8. Maintenance and Repair. The Agent will maintain the Project in good repair in accordance with state and local codes, and in conformity with "Section V Maintenance and Facilities" of the Agent's proposal, and in a condition at all times acceptable to the Owner including but not limited to cleaning, painting, decorating, plumbing, carpentry, ground care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein.

Incident thereto, the following provisions will apply:

a. Special attention will be given to preventive maintenance and, to the greatest extent feasible; the services of regular maintenance employees will be used.

b. Subject to the Owner's prior approval, the Agent will contract with qualified independent contractors for the maintenance and repair of air conditioning systems, electrical systems, elevators, and for the extraordinary repairs beyond the capability of regular maintenance employees. The Owner will be notified if the Agent wishes to use a contractor owned or affiliated with the Agent.

c. The Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same.

d. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary to properly maintain and repair the Project.

e. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds Two Thousand Dollars ($2,000.00) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.

9. Utilities and Services. The Agent will make arrangements for water, electricity, gas fuel, oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities and telephone services. Subject to the Owner's prior approval, the Agent will make such contracts as may be necessary to secure such utilities and services.

10. Employees. Subject to the Owner's approval, the Agent will designate the number, qualifications and duties of the personnel to be regularly employed in the management of the Project, including a Resident Manager, maintenance, bookkeeping, clerical and other managerial employees. All such on-site personnel will be employees of the Agent and not the Owner. Employees will be hired, paid, supervised, and discharged through the Agent, subject to the following conditions:

a. The Agent will prepare and maintain job descriptions which set forth the services to be provided by each employee of the Agent who will be working at the Project, or who will be providing off-site services in connection with the management of the Project.

b. Compensation, including fringe benefits, of on-site employees will be set by the Agent., The Project will reimburse the Agent for compensation, including fringe benefits, payable to personnel considered on-site employees, and for all local, state and federal taxes and assessments (including but not limited to FICA, MESC, FUTA, Workman's Compensation, and payroll/benefit processing). The rental value of any dwelling unit furnished rent-free to on-site employees will be treated as a cost to the Project.

c. Compensation of personnel classified as off-site employees will be set by the Agent, and will be treated as a cost to the Agent.

d. Liability Insurance in an amount of not less than $2,000,000.00 per incident shall be carried at all times by the Agent to cover any negligent or tortuous act, error or omission of the Agent, its representatives, agents, or employees or any person whose acts Agent may be liable, regardless of whether or not the damages or losses are caused by Owner.

11. Disbursements From Rental Agency Account.

a. From the funds collected and deposited by the Agent in the Operating Account pursuant to Section 6 above, the Agent will make the following disbursements promptly when payable.

(1) Reimbursement to the Agent for compensation payable to the employees specified in Subsection 10b above, and for the taxes and assessments payable to local, state, and federal governments in connection with the employment of such personnel.

(2) The amount required to be paid on a semi-annual basis to retire the City of Novi Building Authority Bonds (including the 1999, 2005 and 2010 issues), including all interest thereon.

(3) All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Agent under the terms of the Agreement, including compensation payable to the Agent, pursuant to Section 21 below, for its service hereunder.

b. Except for the disbursements mentioned in Subsection 11a above, funds will be disbursed or transferred from the Operating Account only as the Owner may from time to time direct in writing.

c. In the event the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under Subsection 11a above, the Agent will inform the Owner of the fact and Owner will then remit to the Agent sufficient funds to cover the deficiency. In no event will the Agent be required to use its own funds to pay such disbursements.

12. Budgets. Annual operating budgets for the Property will be approved by the Owner, except as permitted under Subsection 8e above, annual disbursements for each type of operating expenses itemized in the budget will not exceed the amount authorized by the approved budget. In addition to preparation and submission of a recommended operating budget for the initial fiscal year, the Agent will prepare a recommended operating budget for each subsequent fiscal year beginning during the term of this Agreement, and will submit the same to the Owner at least 30 days before the beginning of the fiscal year. The Owner will promptly inform the Agent of any changes incorporated in the approved budget, and the Agent will keep the Owner informed of any anticipated deviation from the receipt or disbursements stated in the approved budget.

13. Records and Reports.

a. The Agent will establish and maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Owner. All records, books, and accounts will be subject to explanation at reasonable hours by the authorized representative of the Owner. Agent shall, during regular business hours, make the books, accounts and records required to be maintained hereunder available to the Owner or the representatives of the Owner for examination and audit by appointment of no less than one (1) days' prior notice. All such audits shall be at the expense of the Owner.

b. With respect to each fiscal year end during the term of this Agreement, the Agent will arrange for the preparation of those annual financial reports and/or tax returns as required by the Owner, Mortgagee, and/or Regulatory Agencies by a Certified Public Accountant or other person(s) acceptable to the Owner, based upon the preparer's examination of the books and records of the Owner and the Project. Procedures and directives for the preparation of the report and/or tax return will be provided to the preparer, including the format and due dates required by the Owner, Mortgagee, and/or Regulatory Agencies. Compensation for the preparer's services will be paid out of the Operating Account as an expense of the Project.

c. The Agent will prepare a monthly report comparing actual and budgeted figures for receipts and disbursements, and will submit each such report to the Owner within 15 days after the end of the month covered. In addition, Agent shall furnish the original copy of all invoices, statements, purchase orders and billings received and paid as well as such other information upon request by the Owner.

d. The Agent will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical, or operational condition of the Project.

e. By the 15th day of each month, the Agent will furnish the Owner a statement of receipts and disbursements during the previous month, and with a schedule of accounts receivable, payable and general ledger activity. The Agent will reconcile bank statements for the Operating Account and Deposit Account as of the end of the previous month.

f. The responsibilities of the Agent will include meeting with the Novi City Council, the Novi Building Authority and the City of Novi officers, administrators and staff members as is appropriate to effectively manage the Project, to prepare necessary budgets, and to otherwise keep the Owner informed as to the continued status of the Project.

14. Fidelity Bond. The Agent will furnish, at the Agent's expenses, a fidelity bond which is at least equal to the gross potential income for two months and is conditioned to protect the Owner against misappropriation of Project funds by the Agent and its off-site employees. The Agent shall provide a bond of a like kind to cover the on-site personnel expressed in Section 10 and it shall be paid for from Project income.

15. Bids, Discounts, Rebates, Etc. The Agent will obtain contracts, materials, supplies, utilities, and services on the most advantageous terms of the Project, and is authorized to solicit bids, either formal or informal, for items that can be obtained from more than one source. The Agent will secure and credit to the Owner all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Owner's behalf.

16. Tenant-Management Relations. The Agent will encourage and assist residents of the Project in forming and maintaining such interests, and will maintain good faith communication with such organizations to the end that problems affecting the Project and its residents may be avoided or solved on the basis of mutual self-interest.

17. On-Site Management Facilities. Subject to the further agreement of the Owner and Agent as to more specific terms, the Agent will maintain a management office within the Project.

18. Insurance. The Owner will inform the Agent of insurance to be carried with respect to the Project and its operations, and the Agent, will cause such insurance to be placed and kept in effect at all times. The Agent will pay premiums out of the Operating Account, and premiums will be treated as operating expenses. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interest appearing thereon as shall be acceptable to the Owner and shall be otherwise in conformity with the mortgage; provided that the same will include public liability coverage. The Agent will provide reports to the Owner as to all accidents, claims, or potential claims for damage relating to the Project, and will cooperate with the Owner’s insurers in connection therewith.

19. Compliance with Governmental Orders. The Agent will take such actions as may be necessary to comply promptly with any and all statutes, laws, ordinances, codes, regulations, and any and all governmental orders or other requirements affecting the Project, whether imposed by federal, state, county or municipal authority, subject, however, to the limitation stated in Subsection 8e with respect to repairs. Nevertheless, the Agent shall take no such action as long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements within 72 hours from the time of their receipt.

20. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, creed, disability, national origin, religion, marital status, height, weight, and age (including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title, regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.

21. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees to be paid out of the Operating Account and treated as Project expenses. Such fees will be accrued and credited to Agent in the following month. Each such monthly fee will be an amount as follows:

July 1, 2021 – June 30, 2022:	$ 5,628 per month ($67,536 per year)
July 1, 2022 – June 30, 2023:	$ 5,797 per month ($69,564 per year)
July 1, 2023– June 30, 2024	$ 5,971 per month ($71,652 per year)

City Option for 4th, and 5th Year Renewals

July 1, 2024– June 30, 2025:	$ 6,150 per month ($73,800 per year)
July 1, 2025– June 30, 2026:	$ 6,336 per month ($76,032 per year)

22. Term of Agreement. **This Agreement shall be in effect for a period of three (3) years beginning on July 1, 2021, and ending on June 30, 2024. Optional fourth and fifth year renewal options at the above noted rates are also available.** In the event of no other written modification to this contract at the expiration, the term will continue month to month, thereafter, subject, however, to the following conditions:

a. This Agreement may be terminated by either Party with cause and/or due to the breach of any of the provisions contained in this Agreement. Terminations of the Agreement under this Subsection will be immediate. Agent shall turn over all records, keys or other property belonging to Owner or the Project and vacate the Project upon termination under this Subsection.

b. In the event a petition in bankruptcy is filed by or against either of the Parties, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other Party may terminate this Agreement without notice to the other, provided prompt written notice of such termination is given.

c. Upon termination, the Agent will submit to the Owner any financial statements, records, and funds required within thirty (30) days, and after the Parties have accounted to each other with respect to all matters outstanding as of the date of termination.

This agreement may be terminated at any time by either Party without cause, provided at least sixty (60) days advance written notice there is given.

Upon termination or receipt of notice of the termination of this Agreement, whichever occurs first, the Agent shall immediately provide to the Owner the check register and all checks for all accounts. If the records are being stored electronically, a paper copy and a disk copy shall be given to the Owner. The Owner shall also be given a copy of the program necessary to open and run the electronic disk copy, and if copyright laws prohibit the copying of the program, the Owner will be given the name and manufacture/creator of the program. It is agreed between the parties that upon termination of this Agreement or notice of termination, whichever occurs first, that Agent shall immediately cease, desist and otherwise refrain from making payment to any party and /or causing any withdrawals to be made from any of the bank accounts which are opened pursuant to this Agreement. At the time of termination, and any time before, it is agreed that all records being kept by the Agent, for or in relation to the project, are the property of the Owner and shall be provided to the Owner upon the Owner's request at any time.

23. Indemnification. To the fullest extent permitted by law, the Agent shall indemnify and hold harmless the Owner and all of its officials, employees, agents, or officers, from and against all claims, damages. Losses, and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance or nonperformance of the Agent's duties, obligations, and responsibilities under this agreement.

The Agent's indemnity obligation shall include:

(1) Indemnify if the damages sought were caused in part by the negligence or fault of the Agent or any of its employees, agents, or officers;
(2) Indemnity for all damages and judgment interest, all costs and fees, including all defense costs, expenses and actual attorney's fees, relating to or arising out of, resulting from or in any way connected with any claim, cause of action or lawsuit requiring indemnity by the Owner;
(3) Indemnity for all expenses, including costs, expenses and actual attorney fees, incurred in securing indemnity from the Agent if the Agent fails to wrongfully refuses to fulfill any of the indemnity obligations specified and assumed under this Agreement;
(4) The right of the Owner, at its option, to select counsel to defend any claim, cause of action or lawsuit brought against it without impairing any obligation to indemnify imposed upon the Agent hereunder.

24. The parties recognize that at all times the Agent is an independent contractor regarding the day-to-day operation of the project and as such has the responsibility and liabilities of an independent contractor.

25. Choice of Law This Agreement shall be subject to and interpreted under the laws of the state of Michigan.

26. Jurisdiction and Venue Any legal action arising out of this Agreement shall be filed in either the Oakland County 52nd District Court-Division 1- Novi, Oakland County Circuit Court, or the Federal District Court for the Eastern District of Michigan. The Parties consent to jurisdiction and venue in these forums.

25. Interpretative Provisions.

a. This Agreement constitutes the entire agreement between the Owner and Agent with respect to the management and operation of the Project, and no change will be valid unless made by supplemental written agreement, executed and approved by the Principal Parties.

b. This Agreement has been executed in several counterparts, each of which shall constitute and complete original Agreement, which may be introduced in evidence or use for any other purpose without production of any of the other counterparts.

IN WITNESS WHEREOF, the Parties set their hand as of the day and year first above written.

WITNESS AND DATES OF SIGNATURES:	CITY OF NOVI
______________________________	____________________________
Date: __________________________	By: Robert J. Gatt Its: Mayor
______________________________	____________________________
Date: __________________________	By: Maryanne Cornelius Its: Clerk
WITNESS AND DATES OF SIGNATURES:	CONTRACTOR KMG Prestige, Inc.
______________________________	____________________________
Date: ______________________	By: Karen Mead Its: Vice President

SUMMARY

	*2006	*2025	% change	
Net Potential Rent	**$1,739,093.00**	**$2,212,740.00**	**27.23%**	
Reductions to Rent				
Vacancy Loss	-$9,880.00	-$5,458.00		This line was itemized for the years 2006-2025
Loss to Lease	-$6,109.00	-$20,165.00		*This line was intemized during the years 2020-2025
Model/Employee Unit	-$4,440.00	-$8,820.00		*This line was intemized during the years 2015-2017
Concessions	-$50.00	-$31.45		*This line was intemized during the years 2006-2020
Total Reductions to Rent	**-$9,930.00**	**-$25,623.00**	**158.03%**	*This line was intemized during the years 2006-2025
Total Rental Income	**$1,729,163.00**	**$2,187,117.00**	**26.48%**	
Other Income	**$30,493.76**	**$27,376.78**	**-10.22%**	
Total Income	**$1,759,656.76**	**2214493.78**	**25.84%**	
Operating Expenses				
Administrative	$205,816.39	$525,498.49		2025 Financials this line is combination of Administrative, Marketing, Payroll & Benefits
Utilities & Operating	$115,942.34	$132,485.41		2025 Financials this line is labeled "utilities"
Maintenance	$200,484.74	$223,998.51		2025 Financials this line is combination of Grounds and Maintenance
Property Insurance	$7,739.19	$64,031.17		*This line was intemized during the years 2006-2025
Total Operating Expenses	**$529,982.66**	**$946,013.58**	**78.49%**	
Net Operating Income	**$1,229,674.10**	**$1,268,480.20**	**3.15%**	
Non Operating Expenses				
Capital Improvements	$31,771.14	$105,336.37	**231.54%**	

FYE 2006	
Net Potential Rent	**$1,739,093.00**
Reductions to Rent	
Vacancy Loss	-$9,880.00
Concessions	-$50.00
Total Reductions to Rent	**-$9,930.00**
Total Rental Income	**$1,729,163.00**
Other Income	**$30,493.76**
Total Income	**$1,759,656.76**
Operating Expenses	
Administrative	$205,816.39
Utilities & Operating	$115,942.34
Maintenance	$200,484.74
Property Insurance	$7,739.19
Total Operating Expenses	**$529,982.66**
Net Operating Income	**$1,229,674.10**
Non Operating Expenses	
Capital Improvements	$31,771.14

FYE 2007	
Net Potential Rent	**$1,767,945.00**
Reductions to Rent	
Vacancy Loss	-$13,774.57
Concessions	-$25.50
Total Reductions to Rent	**-$13,800.07**
Total Rental Income	**$1,754,144.93**
Other Income	**$50,275.40**
Total Income	**$1,804,420.33**
Operating Expenses	
Administrative	$219,916.70
Utilities & Operating	$117,680.06
Maintenance	$232,842.39
Property Insurance Fees	$35,523.82
Total Operating Expenses	**$605,962.97**
Net Operating Income	**$1,198,457.36**
Non Operating Expenses	
Capital Improvements	$122,891.51

	FYE 2008
Net Potential Rent	**$1,796,100.00**
Reductions to Rent	
Vacancy Loss	-$12,089.00
Concessions	-$41.00
Total Reductions to Rent	**-$12,130.00**
Total Rental Income	**$1,783,970.00**
Other Income	$37,859.67
Total Income	**$1,821,829.67**
Operating Expenses	
Administrative	$223,519.28
Utilities & Operating	$142,693.67
Maintenance	$241,310.60
Property Insurance	$39,932.13
Total Operating Expenses	**$647,455.68**
Net Operating Income	**$1,174,373.99**
Non Operating Expenses	
Capital Improvements	$116,208.60

FYE 2009	
Net Potential Rent	**$1,834,086.00**
Reductions to Rent	
Vacancy Loss	-$59,217.00
Concessions	-$3,324.00
Total Reductions to Rent	**-$62,541.00**
Total Rental Income	**$1,771,545.00**
Other Income	**-$50,535.28**
Total Income	**$1,721,009.72**
Operating Expenses	
Administrative	$238,158.86
Utilities & Operating	$122,384.29
Maintenance	$251,459.91
Property Insurance	$33,272.07
Total Operating Expenses	**$645,275.13**
Net Operating Income	**$1,075,734.59**
Non Operating Expenses	
Capital Improvements	$58,419.82

FYE 2010		
Net Potential Rent		**$1,859,893.00**
Reductions to Rent		
	Vacancy Loss	-$56,609.00
	Concessions	-$23,241.00
Total Reductions to Rent		**-$79,850.00**
Total Rental Income		**$1,780,043.00**
Other Income		$35,283.20
Total Income		**$1,815,326.20**
Operating Expenses		
	Administrative	$227,458.46
	Utilites & Operating	$109,776.68
	Maintenance	$228,930.50
	Property Insurance	$31,713.85
Total Operating Expenses		**$597,879.49**
Net Operating Income		**$1,217,446.71**
Non Operating Expenses		
	Capital Improvements	$114,855.23

FYE 2011	
Net Potential Rent	**$1,895,323.00**
Reductions to Rent	
Vacancy Loss	-$8,211.00
Concessions	-$5,269.89
Total Reductions to Rent	**-$13,480.89**
Total Rental Income	**$1,881,842.11**
Other Income	**$27,997.78**
Total Income	**$1,909,839.89**
Operating Expenses	
Administrative	$228,681.59
Utilities & Operating	$128,258.42
Maintenance	$226,350.45
Property Insurance	$22,569.87
Total Operating Expenses	**$605,860.33**
Net Operating Income	**$1,303,979.56**
Non Operating Expenses	
Capital Improvements	$53,392.96

FYE 2012	
Net Potential Rent	**$1,925,826.00**
Reductions to Rent	
Vacancy Loss	-$2,988.00
Concessions	-$229.00
Total Reductions to Rent	**-$3,217.00**
Total Rental Income	**$1,922,609.00**
Other Income	**$27,068.76**
Total Income	**$1,949,677.76**
Operating Expenses	
Administrative	$239,484.46
Utilities & Operating	$120,730.78
Maintenance	$213,678.18
Property Insurance	$19,964.60
Total Operating Expenses	**$593,858.02**
Net Operating Income	**$1,355,819.74**
Non Operating Expenses	
Capital Improvements	$43,290.30

FYE 2013		
Net Potential Rent		**$19,951,334.00**
Reductions to Rent		
	Vacancy Loss	-$5,712.00
	Concessions	-$989.00
Total Reductions to Rent		**-$6,701.00**
Total Rental Income		**$19,944,633.00**
Other Income		**$30,401.17**
Total Income		**$19,975,034.17**
Operating Expenses		
	Administrative	$227,460.06
	Utilties & Operating	$133,769.59
	Maintenance	$215,426.05
	Property Insurance	$21,664.99
Total Operating Expenses		**$598,320.69**
Net Operating Income		**$19,376,713.48**
Non Operating Expenses		
	Capital Improvements	$49,551.68

FYE 2014	
Net Potential Rent	**$1,971,881.00**
Reductions to Rent	
Vacancy Loss	-$3,158.00
Concessions	-$580.00
Total Reductions to Rent	**-$3,738.00**
Total Rental Income	**$1,968,143.00**
Other Income	$35,879.35
Total Income	**$2,004,022.35**
Operating Expenses	
Administrative	$236,668.36
Utilities & Operating	$129,065.95
maintenance	$242,937.75
Property Insurance	$21,839.33
Total Operating Expenses	**$630,511.39**
Net Operating Income	**$1,373,510.96**
Non Operating Expenses	
Capital Improvements	$41,960.33

FYE 2015	
Net Potential Rent	**$1,992,603.00**
Reductions to Rent	
Vacancy Loss	-$1,715.00
Model/Employee Unit	-$4,440.00
Concessions	-$587.62
Total Reductions to Rent	**-$6,742.62**
Total Rental Income	**$1,985,860.38**
Other Income	**$45,081.67**
Total Income	**$2,030,942.05**
Operating Expenses	
Administrative	$250,415.65
Utilities & Operating	$124,439.41
Maintenance	$247,941.39
Property Insurance	$22,729.73
Total Operating Expenses	**$645,526.18**
Net Operating Income	**$1,385,415.87**
Non Operating Expenses	
Capital Improvements	$54,755.79

	FYE 2016
Net Potential Rent	**$2,013,095.00**
Reductions to Rent	
Vacancy Loss	-$1,970.00
Model/Employee Unit	-$8,820.00
Concessions	-$195.00
Total Reductions to Rent	**-$10,985.00**
Total Rental Income	**$2,002,110.00**
Other Income	**$44,861.08**
Total Income	**$2,046,971.08**
Operating Expenses	
Administrative	$271,775.61
Utilities & Operating	$127,902.53
Maintenance	$232,051.29
Property Insurance	$22,411.10
Total Operating Expenses	**$654,140.53**
Net Operating Income	
Non Operating Expenses	
Capital Improvements	$68,623.09

	FYE 2017
Net Potential Rent	**2,028,508.00**
Reductions to Rent	
Vacancy Loss	-1,971.00
Model/Employee Unit	-8,820.00
Concessions	-265.00
Total Reductions to Rent	**-11,056.00**
Total Rental Income	**2,017,452.00**
Other Income	23,054.80
Total Income	**2,040,506.80**
Operating Expenses	
Administrative	273,786.22
Utilities & Operating	117,689.44
Maintenance	246,737.92
Property Insurance	22,704.37
Total Operating Expenses	**660,917.95**
Net Operating Income	**1,379,588.85**
Non Operating Expenses	
Capital Improvements	150,405.54

	FYE 2018
Net Potential Rent	$2,044,212.91
Reductions to Rent	
Vacancy Loss	-$2,819.00
Model/Employee Unit	
Concessions	-$9,976.00
Total Reductions to Rent	**-$12,795.00**
Total Rental Income	**$2,031,417.91**
Other Income	**$23,093.41**
Total Income	**$2,054,511.32**
Operating Expenses	
Administrative	$281,764.21
Utilities & Operating	$120,090.48
Maintenance	$264,530.59
Property Insurance	$22,901.62
Total Operating Expenses	**$689,286.90**
Net Operating Income	**$1,365,224.42**
Non Operating Expenses	
Capital Improvements	$41,998.02

	FYE 2019
Net Potential Rent	**$2,064,795.00**
Reductions to Rent	
Vacancy Loss	-$2,406.00
Concessions	-$424.00
Total Reductions to Rent	**-$2,830.00**
Total Rental Income	**$2,061,965.00**
Other Income	**$24,129.03**
Total Income	**$2,086,094.03**
Operating Expenses	
Administrative	$263,045.19
Utilities & Operating	$125,342.03
Maintenance	$306,664.98
Property Insurance	$24,179.93
Total Operating Expenses	**$719,232.13**
Net Operating Income	**$1,366,861.90**
Non Operating Expenses	
Capital Improvements	$49,243.72

FYE 2020	
Net Potential Rent	$2,087,220.00
Reductions to Rent	
Vacancy Loss	-$3,081.00
Loss To Lease	-$6,109.00
Concessions	-$31.45
Total Reductions to Rent	**-$9,221.45**
Total Rental Income	**$2,077,998.55**
Other Income	**$25,667.73**
Total Income	**$2,103,666.28**
Operating Expenses	
Administrative	$91,087.57
Marketing	$6,254.59
Paryoll & Benefits	$346,979.97
Utilities	$112,442.15
Grounds	$58,382.03
Maintenance	$128,095.37
Property Insurance & Fees	$25,129.35
Total Operating Expenses	**$768,371.03**
Net Operating Income	**$1,335,295.25**
Non Operating Expenses	
Capital Improvements	$56,262.43

FYE 2021

Net Potential Rent	$2,103,630.00
Reductions to Rent	
Vacancy Loss	-$6,515.00
Loss To Lease	-$7,536.85
Total Reductions to Rent	**-$14,051.85**
Total Rental Income	**$2,089,578.15**
Other Income	**$27,042.58**
Total Income	**$2,116,620.73**
Operating Expenses	
Administrative	$91,983.04
Marketing	$5,985.93
Paryoll & Benefits	$276,693.85
Utilities	$111,489.37
Grounds	$61,024.30
Maintenance	$93,131.84
Property Insurance & Fees	$29,700.00
Total Operating Expenses	**$670,008.33**
Net Operating Income	**$1,446,612.40**
Non Operating Expenses	
Capital Improvements	$38,035.77

	FYE 2022
Net Potential Rent	$2,129,220.00
Reductions to Rent	
Vacancy Loss	-$5,411.00
Loss To Lease	-$9,992.00
Total Reductions to Rent	**-$15,403.00**
Total Rental Income	**$2,113,817.00**
Other Income	**$30,081.64**
Total Income	**$2,143,898.64**
Operating Expenses	
Administrative	$94,414.36
Marketing	$6,197.44
Paryoll & Benefits	$326,062.70
Utilities	$119,705.30
Grounds	$47,091.99
Maintenance	$109,418.90
Property Insurance & Fees	$42,697.89
Total Operating Expenses	**$745,588.58**
Net Operating Income	**$1,398,310.06**
Non Operating Expenses	
Capital Improvements	$70,349.52

FYE 2023		
Net Potential Rent		$2,150,620.00
Reductions to Rent		
	Vacancy Loss	-$3,051.00
	Loss To Lease	-$9,695.00
Total Reductions to Rent		**-$12,746.00**
Total Rental Income		**$2,137,874.00**
Other Income		**$31,815.93**
Total Income		**$2,169,689.93**
Operating Expenses		
	Administrative	$102,276.06
	Marketing	$5,887.23
	Paryoll & Benefits	$370,774.14
	Utilities	$121,243.12
	Grounds	$64,855.30
	Maintenance	$128,231.97
	Property Insurance & Fees	$46,173.59
Total Operating Expenses		**$839,441.41**
Net Operating Income		**$1,330,248.52**
Non Operating Expenses		
	Capital Improvements	$52,825.31

FYE 2024		
Net Potential Rent		$2,170,740.00
Reductions to Rent		
	Vacancy Loss	-$2,612.00
	Loss To Lease	-$9,713.00
Total Reductions to Rent		**-$12,325.00**
Total Rental Income		**$2,158,415.00**
Other Income		**$28,420.90**
Total Income		**$2,186,835.90**
Operating Expenses		
	Administrative	$110,488.58
	Marketing	$8,964.04
	Paryoll & Benefits	$384,408.35
	Utilities	$124,690.70
	Grounds	$66,252.43
	Maintenance	$112,208.70
	Property Insurance & Fees	$47,724.87
Total Operating Expenses		**$854,737.67**
Net Operating Income		**$1,332,098.23**
Non Operating Expenses		
	Capital Improvements	$88,108.48

FYE 2025		
Net Potential Rent		$2,212,740.00
Reductions to Rent		
	Vacancy Loss	-$5,458.00
	Loss To Lease	-$20,165.00
Total Reductions to Rent		**-$25,623.00**
Total Rental Income		**$2,187,117.00**
Other Income		**$27,376.78**
Total Income		**$2,214,493.78**
Operating Expenses		
	Administrative	$120,073.00
	Marketing	$10,702.40
	Paryoll & Benefits	$394,723.09
	Utilities	$132,485.41
	Grounds	$76,635.55
	Maintenance	$147,362.96
	Property Insurance & Fees	$64,031.17
Total Operating Expenses		**$946,013.58**
Net Operating Income		**$1,268,480.20**
Non Operating Expenses		
	Capital Improvements	$105,336.37