CALL TO ORDER: Mayor McDaniel at 5:30 PM
LOCATION: Admin Conference Room, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDaniel, Council Members Burmeister, Knight, Marzolf, Moniz, Verbeke (arrived at 6:05 PM)
Absent: Council Member Kittle
Also Present: City Manager Tanghe, Assistant City Manager Grice, City Attorney Beckerleg, City Clerk Pierce, DPW Director Melchert, Fire Chief Taylor, Finance Director Schulz, A/R Manager Culver, Director of Authorities Skopek, Engineers Juidici & Cousino, Management Intern Hagge

Mr. Tanghe explained the previous workshop discussions on road funding opportunities. He explained that a Headlee Override and a Road Millage Charter Amendment were previously discussed. He stated that tonight the question is whether Council wants to move forward with a Headlee Override at the August election. He noted that the Headlee would be for .8875 mills, which would generate approximately $1.5 million in revenue for the general fund.

In response to questions from Council, Mr. Tanghe explained that there are pros and cons for placing the question on the August versus November ballot. He stated that the City would need to educate residents on how the funds will be used.

Ms. Schulz presented a chart showing the decrease in fund balance without a millage. She noted that even with a millage, the fund balance will decrease. A millage and bond will continue to show a decrease to the fund balance more slowly over time.

Mr. Knight noted that he is not in favor of asking for a 2.5 mill increase, however supported a Headlee Override. He noted that Ms. Verbeke and Mr. Kittle are in favor of a Headlee Override as well. Several Council Members spoke in favor of a road millage. Mr. Moniz questioned if the Headlee would generate enough revenue to keep the roads at a PASER of 6. Ms. Schulz noted that a 2.5 mill will keep the roads at a PASER of 6.

Discussion ensued regarding abatements, forecasting and the budget. Ms. Schulz explained that the budget is conservative and there have been a lot of postponement of road projects. It was noted that Council has a policy to maintain the roads at a PASER rating of 6, however the current budget cannot maintain that level. Council also has a minimum fund balance policy that must be adhered to as well. It was noted that there has been no movement at the state level for local road funding.

Discussion ensued about having a road millage of 1.5 mills instead of the Headlee Override, which will give some relief to the general fund. This would require a charter amendment. In addition, it could be done in tandem with bonding. It was noted that 1.5 mill is conservative. Mr. Tanghe noted that it will generate funding, however there will always be a shortfall made up by the general fund.
There was a consensus of Council to place a 1.5 mill road millage on the August, 2020 ballot. It is a two part question which includes amending the charter and a perpetual millage. Mr. Beckerleg suggested moving the housekeeping of the Charter language to the November, 2020 ballot.

City Council had a brief follow up discussion on the future of the Seyburn Mansion and the cost to demolish versus restore it. Five Council members agreed that it should be demolished.

City Council had a brief discussion on the Beautification Advisory Commission and the work done by the Commission. It was the consensus of the Council to move forward with dissolving the Commission, but keep the events such as the Perennial Exchange and Beautification Awards.

The meeting adjourned at 6:55 PM.

Kevin R. McDaniel, Mayor

Laura M. Pierce, City Clerk