NOVEMBER 2016
(11-7-16)

07  Tax Incentive Review Committee, 5:30 p.m., Admin. Conference Room  ❖ CANCELED
08  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room  ❖ CANCELED
10  Zoning Board of Appeals, 7:00 p.m., Council Chamber  ◆ CANCELED
14  City Council Workshop, 5:30 p.m., Admin. Conference Room  ❖
14  City Council, 7:00 p.m., Council Chamber  ◆
15  Brownfield Redevelopment Authority, 6:00 p.m., Admin Conference Room  ❖
15  Special Public Safety Advisory Committee, 6:00 p.m., Public Safety Building  📜 ADDED
16  Planning Commission, 7:00 p.m., Council Chamber  ◆
17  Library Board, 7:00 p.m., Auburn Hills Public Library  📖
21  Downtown Development Authority, 5:30 p.m., Admin Conference Room  ❖
28  City Council, 7:00 p.m., Council Chamber  ◆

◆ City Council Chamber (Conf. Rm.) – 1827 N. Squirrel Road
❖ Administrative Conference Room – 1827 N. Squirrel Road
💰 Public Safety Building – 1899 N. Squirrel Road
✎ Community Center – 1827 N. Squirrel Road
● Department of Public Services (DPS) – 1500 Brown Road
🏌️ Fieldstone Golf Course - 1984 Taylor Road
📚 Library - 3400 Seyburn Drive
📍 Downtown City Offices – 3395 Auburn Road, Suite A
✉️ University Center, 3350 Auburn Road, Main Floor, Classroom AHUC-02
# AUBURN HILLS MEETING SCHEDULE

248-370-9402

## DECEMBER 2016

(11-10-16)

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<tr>
<th>Date</th>
<th>Event Description</th>
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<tr>
<td>05</td>
<td>Tax Incentive Review Committee, 5:30 p.m.</td>
<td>Admin. Conference Room</td>
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<td>08</td>
<td>Library Board, 7:00 p.m.</td>
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<td>12</td>
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<td>13</td>
<td>Board of Review, 11:00 a.m.</td>
<td>Admin. Conference Room</td>
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<td>13</td>
<td>Tax Increment Finance Authority, 4:00 p.m.</td>
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<td>14</td>
<td>Pension Board, 3:00 p.m.</td>
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<td>Retiree Health Care, 3:00 p.m.</td>
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📍 Downtown City Offices – 3395 Auburn Road, Suite A
✉ University Center, 3350 Auburn Road, Main Floor, Classroom AHUC-02
The City of Auburn Hills
Regular City Council Meeting
Monday, November 14, 2016 ♦ 7:00 p.m.
*Council Workshop 5:30 p.m.*
Council Chamber ♦ 1827 N. Squirrel Road ♦ Auburn Hills MI
248-370-9402 ♦ www.auburnhills.org

*Council Workshop – Non Union Wage Schedule*

1. MEETING CALLED TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF COUNCIL
4. APPROVAL OF MINUTES
   4a. Regular City Council – October 24, 2016
   4b. Executive Session City Council – April 11, 2016; May 23, 2016; June 27, 2016; July 25, 2016; August 8, 2016; August 22, 2016; September 12, 2016
5. APPOINTMENTS AND PRESENTATIONS
   5a. Motion – Receive and File Insight Investment Report – Mary Donovan
6. PUBLIC COMMENT
7. CONSENT AGENDA
   All items listed are considered to be routine by the City council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.
   7a. Board and Commission Minutes
      7a.1. Public Safety Advisory Committee – September 26, 2016
   7b. Motion – Receive and File / Third Quarter Investment Report
   7c. Motion – Approval of Depositories
   7d. Motion – Amend Fees for Finance Lien Placing and Removing
   7e. Motion – Approve Emergency Storm Sewer Repair in Bloomfield Orchards
   7f. Motion – Approve CDBG Publication Notice on City’s Website
8. OLD BUSINESS
   8a. Motion – Approve Investment Policy Amendments
   8b. Motion – Approve of Brokers / Dealers
   8c. Motion – Approve Library Lease
9. NEW BUSINESS
   9a. Public Hearing/Motion – Approve CDBG Funding
   9b. Motion – Approve Resolution to Prepay the Quarton Road Relief Sewer Project
10. COMMENTS AND MOTIONS FROM COUNCIL
11. CITY ATTORNEY’S REPORT
12. CITY MANAGER’S REPORT
13. EXECUTIVE SESSION – Property Acquisition
14. ADJOURNMENT

City Council meeting minutes are on file in the City Clerk’s office. NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk’s Office at 370-9402 or the City Manager’s Office at 370-9440 48 hours prior to the meeting. Staff will be pleased to make the necessary arrangements.
CALL TO ORDER: Mayor McDaniel at 7:00 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDaniel, Mayor Pro Tem Mitchell, Council Members Burmeister, Hammond, Kittle, Knight, Verbeke
Absent: None
Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Lt. Gagnon, City Clerk Kowal, Assessor Griffin, DPW Director Melchert, Community Development Director Cohen, Director of Authorities Mariuz, City Engineer Juidici, City Attorney Beckerleg
6 Guests

4. APPROVAL OF MINUTES
4a. Regular City Council – October 10, 2016
Moved by Verbeke; Seconded by Burmeister.
RESOLVED: To approve the October 10, 2016 City Council meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 16.10.185 Motion Carried (7–0)

4b. City Council Workshop – October 10, 2016
Moved by Knight; Seconded by Verbeke.
RESOLVED: To approve the October 10, 2016 City Council Workshop meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 16.10.186 Motion Carried (7–0)

4c. Executive Session City Council – April 11, 2016; May 23, 2016; June 27, 2016; July 25, 2016; August 8, 2016; August 22, 2016; September 12, 2016
This item will be placed on the November 14, 2016 agenda.

5. APPOINTMENTS AND PRESENTATIONS

6. PUBLIC COMMENT

7. CONSENT AGENDA
7a. Board and Commission Minutes
   7a.2. Tax Increment Finance Authority – October 11, 2016
7c. Motion – Approve TIFA Parking Structure Space Lease Agreement
   RESOLVED: To approve the Parking Structure Space Lease Agreement between the Auburn Hills Tax Increment Finance Authority and Auburn Hills Housing, LLC.
Moved by Kittle; Seconded by Mitchell.
RESOLVED: To approve Consent Agenda 7a., and 7c.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 16.10.187

Council Member Knight requested this item be removed from the Consent Agenda.

Motion Carried (7 – 0)

7b. Motion – Approve Traffic Control Order/ Stops Signs - Lake in the Hills Mobile Home Park

Mr. Knight was curious, since the mobile home park is private property, why the City would approve stop signs and asked about the homeowners association, questioning if the lots were owned by individuals. Because this is private property, will the City’s patrol officers be the one’s patrolling the mobile home park.

Lt. Gagnon explained the neighborhood maintains and owns the stop signs. By law, private neighborhoods, such as a mobile home park, can request authorization for the City to enforce stop sign laws. The law allows the City police to create a temporary traffic control order, which was signed by Police Chief Olko this past July. There were complaints of speeding and running of stop signs, survey of the neighborhood was done by the Police. All of the stop signs were in compliance, with the exception of the height; so the signs were raised to the proper height. The park has asked the City to enforce the speed limits and stop signs. The temporary traffic control that was signed by the Chief in July expires after 90 days, unless approved by City Council to make the traffic control order permanent. With Council’s approval, it will allow officers to patrol the park and write citations for speeding and ignoring stop signs.

Mr. Knight asked if tickets are written at Avondale High School, where stop signs are present.

Lt. Gagnon stated he will check to see if there is a traffic control order for the high school. He believes this is the fourth, and final, mobile home park that has requested assistance with enforcing speeding and stop sign laws.

Mr. Knight was curious that officers are already spread rather thin, and expecting officers to be in mobile home parks watching for speed or stop sign violations is not the best use of resources.

Mr. Tanghe stated the mobile home parks are no different than any other residential area of the City. Officers will not likely have any more presence than there is currently in this neighborhood, but it will allow the police to issue citations if they see an offender. This allows special enforcement to be done if requested or required, just like any other neighborhood.

Moved by Kittle; Seconded by Verbeke

RESOLVED: To adopt Traffic Control Order SS-16, creating a Traffic Control Order for the stop signs in Lake in the Hills.

VOTE: Yes: Burmeister, Hammond, Kittle, McDaniel, Mitchell, Verbeke

No: Knight

Resolution No. 16.10.188

Council Member Mitchell requested this item be removed from the Consent Agenda.

Motion Carried (6 - 1)

7d. Motion – Approve Membership in Taxpayers for Michigan Constitutional Government

Ms. Mitchell asked if there are other types of memberships, besides this Association Membership that the City is proposing.

Mr. Tanghe stated this is the only membership available; this membership is supporting the 14 communities who are the plaintiffs in a lawsuit filed against the State.

Ms. Mitchell asked if this lawsuit is successful, then all Michigan communities will be eligible for revised payment whether or not they have a membership to this group.

Mr. Tanghe stated that is correct and confirmed the $1,500 membership fee is a one-time fee.

Ms. Mitchell asked Mr. Beckerleg if there is any case law to support this lawsuit.

Mr. Beckerleg stated he has not read the pleadings, so he doesn’t know what the legal theory is behind the suit.

Ms. Mitchell stated she supports this request in spirit, but she isn’t sure this is the appropriate step to take as a community and will not support the request.

Mr. Kittle noted the State Constitution is written that a calculated portion of the sales tax revenue is to be distributed to local governments and those calculations have not been calculated correctly. With so many governments struggling, this may the only way to get some action on this issue.

Moved by Kittle; Seconded by Knight.

RESOLVED: To approve the membership agreement between the City of Auburn Hills and Taxpayers for Michigan Constitutional Government and authorize the City Manager to execute the Agreement on behalf of the City and to effectuate the membership payment.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Verbeke

No: Mitchell

Resolution No. 16.10.189

Motion Carried (6 - 1)

8. OLD BUSINESS

8a. Public Hearing/Motion – Approve IFEC Extension / PyeongHwa Automotive USA (PHA)

Mr. Griffin explained this is a request for a five year extension for real property only and PHA has agreed to continue residency for an additional four years beyond the five year abatement. The real property cost is estimated at $2,400,000.
Eugene Paik, President of the North American Headquarters for PHA – USA, explained the company is a tier one supplier for the automotive industry.

Responding to Mr. Knight, Mr. Griffin stated the original abatement was a five year abatement. Under the current statute, the request could have been up to seven years.

Mayor McDaniel opened the public hearing at 7:18 p.m. and hearing no comment, closed the public hearing at 7:19 p.m.

Mr. Knight is not in favor of an additional five years, he would support an additional three years. There have been a few 12 year abatements, but generally eight years has been a reasonable number of years.

Mr. Tanghe explained the original request could have been for an eight year abatement and an additional four years could have been granted for a total of 12 years, which Council has approved for other companies. PHA asked only for five years originally and is now seeking an addition five, which is still less than the 12 they were eligible to receive.

Mr. Knight understands, but he is not in favor of this approach. The overall policy has been an eight year abatement.

Mr. Tanghe explained the 12 year abatements are rare and were granted up front, classified as special projects. The extension in the new policy is being eliminated. He reminded Council there are a couple of companies that will be seeking extensions, who fall under the existing policy; this is one of the two.

Mr. Kittle asked with all taxing entities, the benefit to PHA is $155,460; so in the additional five years the City’s portion will be $31,780.

Moved by Mitchell; Seconded by Burmeister.

RESOLVED: To approve the request for an additional five (5) years of Real Property abatement for PyeongHwa Automotive USA and IFEC 2011-466 by adopting the attached resolution (Attachment A).

Ms. Mitchell noted this request falls under the parameters of the current policy.

Mayor McDaniel also noted the City accepted this request under the current policy.

Mr. Knight explained the policy states a company can ask for an extension, but it shouldn’t be automatically assumed the extension will be granted. He is not in support and three years is more prudent.

Mayor McDaniel stated the original request could have been an eight year abatement with an extension of four, for a total of 12 years, but this company will only receive a total of 10 years.

Mr. Tanghe explained in the current policy and the proposed new policy, there is/was no promise or guarantee of an abatement extension.

VOTE: Yes: Burmeister, Hammond, McDaniel, Mitchell, Verbeke
No: Kittle, Knight

Resolution No. 16.10.190 Motion Carried (5 - 2)

9. NEW BUSINESS

9a. Motion – Approve Special Land Use Permit / Unique Fabricating

Mr. Cohen explained this is a request to increase the size of the outside storage area to approximately 12,960 square feet, up from 3,000 square feet. In July, staff met with General Development and Unique Fabricating to determine how to properly screen the site. The proposal is to install an eight foot tall fence between the trees and to replace all the dead trees.

There were a few residents attending the Planning Commission meeting who were concerned with noise. Unique Fabricating has agreed the operation of forklifts or any other noise making equipment, will be prohibited between the hours of 10:00 p.m. and 6:00 a.m.; the residents seemed satisfied.

It is suggested to limit the Special Land Use permit again, to correspond with the terms of the building lease, which will expire in 2020, a four year lease. The Special Land Use permit is only for use by Unique Fabricating and no other tenant should Unique Fabricating vacate the site.

Ms. Verbeke questioned how the no noise hours were determined, since the City generally requires quiet time from 9:00 p.m. until 7:00 a.m.

Mr. Cohen explained Unique Fabricating as well as a neighboring business have third shift operations; the 10:00 p.m. and 6:00 a.m. time frame mirrors the third shift operation. The residents agreed that the 10:00 p.m. to 6:00 a.m. time period is acceptable. General Development and Unique Fabricating have talked with the residents to determine what time periods work best.

Ms. Verbeke questioned why the dead trees haven’t been replaced as needed, instead of waiting for the City to mandate the replacements to satisfy the terms of the Special Land Use permit.

Stacy Fields, General Development Asset Manager, stated she has never received any complaints about dead trees. The company’s policy is to replace all dead trees, and two were replaced about two and a half years ago. While looking to plant more filler trees, three dead trees were noticed, but they had never been reported.
Ms. Verbeke stated the tree line gets thinner the closer to Joslyn Road and she would like to see more trees. Also, the outside storage is quite visible and continues to get worse. She will not support this request because the quiet hours aren’t consistent with other quiet hours within the City.

B.J. Tallent, Unique Fabricating Plant Manager, introduced himself.

Ms. Hammond asked if the business is operating seven days a week.

Mr. Tallent stated the business is based on a five day operation, very seldom will they work on a Sunday.

Ms. Hammond too, is concerned with the hours not being in alignment with City policy and wants absolutely no noise on Sunday’s.

Mr. Tallent stated there is a Sunday night shift that begins at 10:00 p.m., but no outside noise is allowed, and that all doors remain shut. GM picks up product beginning at 6:45 a.m., and that is why the company can’t amend the hours until 7:00 a.m.

Mr. Burmeister stated as the Council liaison to the Planning Commission, he too struggled with the quiet hours, but at the Planning Commission meeting it was the residents of the area that proposed the 10:00 p.m. until 6:00 a.m. hour restriction. He doesn’t believe those neighbors were told the typical quiet hours for City businesses is between 9:00 p.m. and 7:00 a.m.

Mr. Cohen stated there aren’t hours of operation for businesses within the City.

Mr. Beckerleg confirmed for Mr. Knight, that this Special Land Use permit can revisited after approval, if there are complaints. Special Land Uses do not run with the land, so there is always the opportunity to amend as necessary.

Ms. Verbeke asked Mr. Tallent to speak with the employees and truck drivers to make sure they are being courteous to other drivers when exiting the site; there have been some near misses.

Mr. Tallent stated he will have the logistics supervisor take care of the problem.

Mr. Beckerleg asked Mr. Cohen what hours are stated in the noise ordinance.

Mr. Cohen explained there is a consent judgement that governs this property, three parcels, including no alarms from 7:00 p.m. until 7:00 a.m., as well as no trash pickup between those hours.

Mayor McDaniel noted it is important to point out, that the business and the residents were able find an amicable resolution.

Moved by Knight; Seconded by Burmeister.

RESOLVED: To accept the Planning Commission’s recommendation and approve of the expansion of the outside storage area and the four-year extension of the previously approved Special Land Use Permit for Unique Fabricating, Inc., subject to the conditions of the Planning Commission and Administrative Review Team.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel
No: Mitchell, Verbeke

Motion Carried (5 - 2)

9b. Motion – Approve Special Assessment District Step One – Deepwood Drive

Mr. Melchert noted this and the next two agenda items are all related to the assignment of a special assessment district for road projects to be constructed in 2017.

The three owners that front Deepwood Drive have agreed to the terms of the special assessment district. Once the agreement is executed, it will come back to City Council for review and approval. When the agreement is executed by all parties, it will become a contract and fulfill the special assessment district procedure as outlined in the ordinance.

Mr. Melchert noted Bernie Sinz, Vice President of Operations for Hirotec America and Stacy Fields, Asset Manager for General Development are available for questions, however, Tim Griswold, Renshaw Operations Manager was unable to make this evening’s meeting.

When asked by Mayor McDaniel if either Ms. Fields or Mr. Sinz had further information to share; both stated they had no other information.
Moved by Mitchell; Seconded by Hammond.

RESOLVED: To Approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for Proposed Special Assessment District regarding the repair of and improvements to Deepwood Drive.

Mayor McDaniel confirmed for Mr. Kittle, this is step one in the process, with plans, specifications, and cost estimates.

Mr. Tanghe confirmed for Mr. Knight, OHM are the engineers that will perform this work. The property owners will be entering into an agreement, which will initiate the estimates and then enter into a contract. The Deepwood property owners decided to sign a contract and not go through the SAD process.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None

Motion Carried (7–0)

Moved by Kittle; Seconded by Mitchell.

RESOLVED: To approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for proposed Special Assessment District regarding the repair of and improvements to Pacific Drive.

VOTE: Yes: Burmeister, Kittle, Hammond, Knight, McDaniel, Mitchell, Verbeke
No: None

Motion Carried (7–0)

Mayor McDaniel noted many communities require property owners to support 100% of the cost of a SAD. Auburn Hills decided to adopt a policy of a 50/50 share in cost between property owners and the City. As Mr. Kittle noted, the policy
change was created because of the taxable value, the elimination personal property revenue, and the economic incentives within the business community that have led the City to the SAD policy.

Ms. Verbeke asked if this SAD is for the entire length of North Atlantic.

Mr. Melchert stated it is the entire North Atlantic Boulevard and Continental Drive, as one project. Any property that front either of the roads will be required to pay their portion.

Moved by Kittle; Seconded by Mitchell.
RESOLVED: To Approve Resolution No. 1 to Proceed with Preparation of Plans, Specifications and Cost Estimates for proposed Special Assessment District regarding the repair of and improvements to North Atlantic Boulevard and Continental Drive.

VOTE: Yes: Burmeister, Kittle, Hammond, Knight, McDaniel, Mitchell, Verbeke
No: None

Resolution No. 16.10.194

Motion Carried (7–0)

9e. Motion – Approve Amendment to the City’s Property Tax Incentive Policy

Mr. Tanghe explained the revised policy was reviewed in detail at the City Council’s October workshop. The changes that were made are:
1. Set a minimum investment threshold for tax incentives for real property at two million dollars
2. Eliminated tax incentives for personal property
3. Reduced the length of tax incentives to four, six, and eight years based on set investment levels
4. Eliminated the “special projects” provision since tax incentive length will be based on set investment levels
5. Increased the business residency “clawback” requirements
6. Eliminated extensions for existing and future tax incentives
7. Discontinued the tax incentive review subcommittee (TIRC)

Mr. Kittle explained this coincides with the special assessment districts, by revamping the tax incentive policy. There are benefits to offering corporation economic incentives. He understand the frustration of companies who have received tax abatements from the City, and years later are being asked to contribute 50% for road improvements. The policy changes are needed and a step in the right direction. The road funding is a long term issue that needs to be addressed, maybe in another way, not the 50% SAD funding.

Moved by Knight; Seconded by Mitchell.
RESOLVED: To adopt the City’s Property Tax Incentive Policy, as amended, effective October 24, 2016. Current applications for FEV, Martinrea, and ABB, processed in coordination with the Michigan Economic Development Corporation, may proceed under the former policy (i.e., allowable eight year tax incentive with required two year business residency) provided said applications are completed and become effective by December 31, 2017.

Ms. Mitchell asked if the businesses mentioned in the motion, have not completed their applications by December 31, 2017 what will happen.

Mr. Tanghe stated they will be reviewed under the new policy.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None

Resolution No. 16.10.195

Motion Carried (7–0)

10. COMMENTS & MOTIONS FROM COUNCIL

Ms. Hammond:
- Noted watering the flowers downtown is still taking place, even though it’s been raining; she thought the irrigation was being winterized.
- Mr. Melchert believed the watering was continuing because of the fall mum plants, but he’ll take a look.

Mr. Kittle:
- He thinks renting the parking spaces for $30.00 is pretty cheap and would like a market rate comparison done.
- He’d like to review the special assessment; he would like a workshop with some bond counsel to look at available options relative to leveraging the City’s financial position.

Mr. Knight:
- He would like to recruit as many people as possible to contact Lansing and make some noise about abatements and revenue sharing.
Mr. Kittle stated there were two things for Lansing to get rid of, one is the Headlee and the other is term limits. There will be 42 new representatives elected next year and will be clueless with local units and how they’re funded.

- The Bluegrass Festival is a great asset for the City, but staff should be soliciting hotels and other businesses that are reaping the rewards of the out-of-town guests and help fund the event. The Friday night concert series has a good following, but there isn’t any opportunity for people to make contributions at the event. He isn’t suggesting charging for the concerts, but to make known donations are appreciated.
- He would like to see $40,000 to $60,000 set aside for City Council to give to various organizations so Block Grant money isn’t being used.

Mr. Burmeister:
- Noted how beautiful the mums are downtown.
- He has heard nothing but rave reviews of the Fall Festival and how much it was enjoyed.

Ms. Verbeke:
- This Thursday is the Halloween Trail at the Community Center, 6:00 p.m. until 7:30 p.m.
- Downtown on Saturday, is the Spooktacular from noon until 1:30 p.m.

Ms. Mitchell:
- The Boys and Girls Club will be having their Halloween party on October 31, at from 7 pm until 8:30 pm. and Lego Land is having Brick or Treat, a scavenger hunt, now through the end of the month.
- She was happy to see the daily average attendance at the DEN has doubled.
- Thanked staff for the update for Main Street Oakland.
- She asked on October 15th about the video from the Council meeting of September 12th. Residents had complained they weren’t able to view it and asked that it be played again.
- She had read in one of the Authority meeting, there was talk about using 4k cameras to live-stream Council meetings and there isn’t a lot of cost involved. She would like the option investigated.
- Thanked everyone that attended her coffee hour.

Mayor McDaniel:
- Recognized the Chamber Board Chairman, Bernie Sinz, attending this evening’s meeting, and congratulated him and the new Executive Director Jean Jernigan on a great Taste of Auburn on the awesome and well attended event.

11. CITY ATTORNEY’S REPORT

12. CITY MANAGER’S REPORT
- Jean Jernigan is the new Executive Director of the Chamber of Commerce, coming from the Michigan Association of Certified Public Accountants, where she was a vice president.
- Congratulated the Rochester Neighborhood House who moved into their new Rochester Hills home. The Rochester Neighborhood House is a non-profit that serves area residents who need a hand up. For more information their website is www.ranh.org.
- The citizens of Auburn Hills approved a millage increase in August allowing the hiring of additional personnel to staff the three fire stations, and that hiring process is moving forward. All the new hires are expected to be on board within the next two to three months.
- Congratulated Encore Automation on their expansion and ribbon cutting, as well as Martinrea on ground breaking of their new U.S. Headquarters.
- Two family events this week will be the Halloween Trail at the Community Center and Spooktacular sponsored by the downtown merchants on Saturday. More information can be found at www.auburnhills.org.
- Mr. Knight noted, the Boys and Girls Club will have their annual Halloween activity from 7:00 p.m. until 8:30 p.m. and Saturday, Avondale Youth Assistance and the high school Senior Leadership group are hosting a pumpkin painting and cookie decorating station at the Spooktacular.
- Mayor McDaniel stated Trick or Treat begging hours for the City is 6:00 p.m. until 7:00 p.m.

13. ADJOURNMENT

Hearing no objections, the meeting adjourned at 8:23 p.m.
RESOLUTION 16.10.190
APPROVING ADDITIONAL YEARS
FOR THE FACILITY
UNDER INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
2011-466 for PYEONGHWA AUTOMOTIVE USA, LLC.

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 at 7:00 p.m. on the 24th day of October, 2016.

The following resolution was offered by Mayor Pro Tem Mitchell and supported by Councilperson Burmeister:

WHEREAS, the City of Auburn Hills and the State Tax Commission approved an Industrial Facility Exemption Certificate in the year 2011 for Pyeonghwa Automotive USA, LLC, for a facility located at 765 Standard Parkway and,

WHEREAS, the certificate, known as Industrial Facility Exemption Certificate 2011-466, was approved for 5 years for real property and personal property, and

WHEREAS, Pyeonghwa Automotive USA LLC, completed construction of the real estate on July 6, 2011 and completed installation of personal property on October 1, 2011, and

WHEREAS, Pyeonghwa Automotive USA LLC has requested that another certificate for real property only be granted for additional 5 years for the facility under Industrial Facility Exemption Certificate 2011-466 as provided by Public Act 198, of 1974, Sec 16a, and

WHEREAS, the Clerk has notified in writing the Assessor of the City of Auburn Hills and the legislative body of each taxing unit which levies ad valorem property tax within the City of Auburn Hills and given notice to the general public so that they shall be afforded an opportunity to be heard at this public hearing to determine whether the extension of the Industrial Facilities Exemption Certificate shall be approved or disapproved; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the city of Auburn Hills after granting this certificate will exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property exempted.

WHEREAS, it is hereby found and determined by the City of Auburn Hills Council that the granting of another certificate for real property for the facility previously approved under Industrial Facility Exemption Certificate 2011-466 is reasonable and proper, and

NOW, THEREFORE, BE IT RESOLVED that the request for another certificate to extend the years approved under Industrial Facilities Exemption Certificate 2011-466 for real property for the facility located at 765 Standard Pkwy. is hereby approved, and

The City Council of Auburn Hills finds and determines that granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the certificates previously granted and currently in force, under PA 198 of 1974 and PA 255 of 1978, shall not have the effect of substantially impeding the operating of the City of Auburn Hills, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Auburn Hills.

That another certificate be granted to extend the years approved under Industrial Facility Exemption Certificate 2011-466 for an additional Five (5) years for real property, and

That Pyeonghwa Automotive USA LLC hereby agrees to occupy and operate the facility approved for the Industrial Facility Exemption Certificate and located at 765 Standard Pkwy. for an additional four (4) years beginning on 12/31/2016.

The City Clerk shall send an original copy of this resolution to the State Tax Commission.

AYES: Mayor McDaniel, Mayor Pro Tem Mitchell, Council Members Burmeister, Hammond, Verbeke
NAYS: Council Members Kittle, Knight
ABSENT: None
ABSTENTIONS: None

RESOLUTION 16.10.190 APPROVED (5-2)

STATE OF MICHIGAN)
COUNTY OF OAKLAND)
I, the undersigned, the duly qualified and appointed Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 24th day of October, 2016 the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 25th day of October, 2016.

______________________________
Terri Kowal, City Clerk
Executive Session Minutes –

4b. Executive Session City Council – April 11, 2016; May 23, 2016; June 27, 2016; July 25, 2016; August 8, 2016; August 22, 2016; September 12, 2016

These minutes have been provided under separate - confidential cover.
5a. Presentation – Insight Investment Report

NO ELECTRONIC INFORMATION AVAILABLE
1. CALL TO ORDER: Chairman Boelter called the meeting to order at 6:00 p.m.

ROLL CALL: Present: Boelter, Hawkins, Johnson, Verbeke
Abs: Taylor
Also Present: Police Chief Olko, Fire Chief Manning, Police Lt. Miarka, Police Lt. Gagnon, Police Lt. McDonnell

LOCATION: Grusnick Public Safety Building, 1899 N. Squirrel Road, Auburn Hills MI 48326

3. APPROVAL OF MINUTES
Moved by Verbeke; Seconded by Boelter.
RESOLVED: To approve May 24, 2016 minutes as submitted.
VOTE: Yes: Boelter, Hawkins, Johnson, Verbeke
No: None
Motion Carried (4-0)

4. PUBLIC COMMENT - none

5. NEW BUSINESS
a. Police - Purchase of Interview Recording Management System
Lt. McDonnell explained equipment was currently purchased, in 2015, to replace the outdated equipment for the Police Department, but the equipment at the Great Lakes Crossing Mall substation is equally outdate. This request is to purchase the same type equipment for the substation that this used at the main station. The equipment is ‘Case Cracker’, with installation done by Absolute Sales International, the same company that did the installation for the main station. Police Chief Olko noted Michigan law requires interrogations be audio/video recorded; this proposed system meets State standards.
Responding to Ms. Verbeke, Lt. McDonnell explained there is more crime in the mall area and the substation covers the entire northern area of the City; patrol officers use the substation as well. It will be quicker and easier to process incidents with both stations having the same type equipment. This equipment is only used by police, not security. All the training has taken place with the main station equipment, so no additional training is necessary.
Lt. McDonnell stated a warranty comes with the equipment, however, there haven’t been any problems with the system.
Police Chief Olko stated this new system is included in the 2016 budget.
Moved by Hawkins, Seconded by Johnson
RESOLVED: To approve the purchase of Interview Recording Management System, from Absolute Sales International, in the amount of $15,290.
VOTE: Yes: Boelter, Hawkins, Johnson, Verbeke
No: None
Motion Carried (4-0)
b. 2017 Budget Review

Police
Police Chief Olko explained the City's taxable valuations impact the Police budget as noted. Continuing, she explained how the taxable income of the City, impacts the budget and how the taxable income changes from year to year. The taxable income has fallen significantly in 2010 through 2014; a slight increase in 2015 and falling again in 2016. This is what impacts the budget cuts. The Police budget is relatively flat with the exception of fringe
benefits. There have been significant increases as a result of pensions and health care. All hires as of 1999 have 401k retirement plans and starting in 2013, new employees pay into the Retiree Health Care Savings program.

The expense change percentage increase for 2016 was expected at 9%, however the last budget amendment reflected an almost 2% decrease.

The tax revenues dedicated to the Police Department is $8.7 million, with the projections showing by 2019 and 2020 the expenditures will just be meeting the revenue, but by 2021 there will be a shortfall.

The City receives various grants and donations, but the Police grants are generally quite small with many supporting the National Night Out program.

In 2017 the Department will continue to purchase mobile data computer units, which have a life span generally of three years. There will also be some video systems purchased to upgrade the existing systems, and that will continue over several years.

There is no change to the Police personnel, with the exception of eliminating the 10 dispatchers.

A comparison of Oakland County communities and corresponding millage rates was shown, noting Auburn Hills falls second from the bottom.

Regarding body cameras for officers, there isn’t any money budgeted for them. Auburn Hills along with other communities are waiting to see what the legislators say about the cameras and the Freedom of Information Act (FOIA). A determination needs to be made as to who owns the footage and how to make the information available. The management of the data is the biggest challenge, as well as maintaining the confidentiality of individuals.

The difference between body cams and dashboard cams is the body cams can record in private locations whereas the dash cam is in public locations. Audio can currently be recorded within a certain range of the car; an officer can be in a house and the audio, because the microphone is attached to the uniform, can be recorded by the dash cam. Regarding training, Police Chief Olko believes expenses for training are rolled into the Other Expenses category.

Fire

Fire Chief Manning explained the Fire Department has the same issues as the Police Department, the millage rates and the decline of taxable property value. With the elimination of the personal property tax, all departments have taken a hit; the City is 80% commercial property. The City has lost one-third of the taxable value since the recession. The request for 2017 budget is $4,705,000, which is a 20% increase over 2016. The Department has received a Safer Grant and the Headlee Override amendment.

The Department received 100% on the compliance report for the Firefighter Right to Know Act and have collected all the associated fees; 75 red businesses and 134 yellow businesses. There are no changes with personnel. With the award of the Safer Grant, the Department will be able to hire an additional seven personnel, beginning October 1st. The largest budget increase for 2017 is for the purchase of two heart monitors.

Currently, the Department has 41 employees, with 53 employees budgeted for in 2017. The Department has budgeted $500,000 to replace Engine One. Much of the expenses for the year will be to replace old and worn out equipment, including turn-out gear, helmets, hoses and computers. The new items, with significant cost are electric positive ventilation fan, active shooter gear for EMT’s and firefighters; tablets for reporting; and outfitting the new engine.

Ms. Verbeke asked Fire Chief Manning what he thinks about the need for a new ambulance as Council Member Knight has mentioned several times.

Fire Chief Manning explained currently the Department runs two ambulance, one from Station 2, running 24/7 and the other from Station 3, which is manned nine hours a day. There is a backup ambulance at Station 1, that is not staffed, but if need be it could be staffed with on-call personnel. The 2017 proposed staffing model, allows for staffing at Station 1, 24/7 as well as Station 3, 24/7. Mr. Knight would like to see a backup ambulance available for when and/if needed.

Auburn Hills and Rochester Hills have been in contact about sharing spare vehicles. The Rochester Hills fire chief has requested Auburn Hills keep one of the ladder trucks as a spare when a new one is purchased and Rochester Hills is keeping one of their engines, as well as an ambulance as a backup. It seems more logical to share when possible. Auburn hills has borrowed an ambulance from Rochester Hills in the past and has been able to reduce some of that debt, by storing Rochester Hills’ equipment at Auburn Hills while they are undergoing some renovations.

Fire Chief Manning stated Fire Station 1, will hopefully be open within the next couple of months. There are two in-house candidates that are being considered for the new positions, as well as additional hiring. It is the goal to have all three of the Stations staffed 24/7, by the end of this year or within the first quarter next year.
Mr. Hawkins asked what will become of those employees funded with the Safer Grant, which will expire in two years. Fire Chief Manning stated three of the seven could likely be laid off, however, he is confident there will be adjustments made to the budget, allowing all seven to remain. Also, the projected year’s revenue are generally estimated very conservatively.

Currently STAR ambulance or Rochester Hills, picks up about 20 calls per month from the City, resulting in a loss of revenue of about $60,000 - $70,000.

Moved by Hawkins: Seconded by Verbeke.

RESOLUTION: To recommend to City Council approval of the 2017 Police and Fire budgets.

VOTE: Yes: Boelter, Hawkins, Johnson, Verbeke

No: None

Motion Carried (4-0)

6. OLD BUSINESS - none

7. REPORTS FROM DEPARTMENTS

Fire Department

Fire Chief Manning is requesting a special meeting, to be held on November 15, 2016 regarding the purchase of a new apparatus; costing between $450,000 and $460,000. He would like this item to be placed on the December 12, 2016 City Council agenda. The build can take up to 300 days, so if approved in December, the build can begin in January, with delivery in November 2017.

Fire Chief Manning explained the Department has been very busy, including the time-consuming task of writing and presenting the Headlee Override ballot initiative. Fire Clerk, Holly Harp, resigned to be a stay-at-home mom, allowing former dispatch operator, Stan Torres, to step into the position.

The change in dispatch has had an impact on the Fire Department operations, though not as great as in the Police Department. There are a few glitches that are continuously being worked on with the Oakland County dispatch administration. The biggest issue is the inconsistency between the three shifts. The response times don’t seem to be accurate, they are off from where they used to be. A button used to accurately note the response time, isn’t being used all the time; this is an issue that needs to be addressed and followed up on.

Three town-hall meetings were held to inform the public of Headlee Override amendment. The Headlee Override was approved by the voters at the August election. A few weeks later, a Safer Grant for $1,204,280, was approved.

Interviews are moving forward, to fill seven positions. Both current employees as well as outside applicants are being considered. The budget amendment will allow hiring to begin in October.

The Firefighter Right to Know Act, has achieved 100% compliance, resulting in $63,900 of fees collected. There are 75 red businesses, companies with the most dangerous chemicals and/or a large quantity of chemicals and 134 yellow businesses. The Department is required for the red businesses to have a prepared response action plan, prior to responding to a call. The business must supply the Fire Department with building floor plans and the business’ hazardous mitigation plan. The Department then merges that information with the Department’s action plan, making it readily available in the computer systems. This will indicate where the hazardous materials are stored and the appropriate action needed.

Mr. Hawkins what the protocol is when a yellow business becomes a red business.

Fire Chief Manning explained every business in the City receives a survey that must be completed, including the type of chemicals being stored and the quantity of chemicals. Those are reviewed by the Fire Inspectors to determine what category a business will fall in.

Regarding personnel attending the Fire Academy, all full time personnel and paramedics are required to complete the Fire Academy. There is an in-house field training for the other personnel who have come from other communities, to learn how the Auburn Hills Department is run.

Police Department

Police Chief Olko stated the State gives police departments a small amount of money for training per officer; about $10,000 per year. The Department uses those funds to pay tuition for training conducted away from the City.

The Department is currently hiring, for the four officer vacancies. It is very difficult to find qualified applicants that meet the City’s standard, because so many other communities are also hiring. The City has recently switched to 12 hour shifts which the new young hires find very attractive. The 12 hour shifts are new and will be evaluated at the end of the trial year.

The transition of dispatch is a work in progress; Lt. McDonnell meets weekly with her counter-part at Oakland County Sherriff Department. There are still issues with response times; all incidents are logged, reflecting response times that can be reviewed. Currently a report is being compiled of how the dispatch transition is going and will forward that report once it is completed.
Regarding the Citizen Survey, she is happy to report the residents have given very high marks to the Police Department.

The Oak Tech Rescue Task Force, which has been an excellent effort by the City’s Police and Fire to lead the way regionally and possibly nationally; staff will be training on a grant received for active shooter situations. The active shooter training includes training for paramedics and fire medics, as well as police.

Rifle training has just finished; the new sights were well received and shooting scores are up.

The Department is in the process of updating all the mobile video.

In June, nine personnel, including herself, received violence against women training funded by the Bureau of Justice Assistance. There were approximately 40 others attending the training that took place here at the City. The Department continues looking for funding from the state or federal government for 21st Century training.

Mr. Boelter asked if the I-75 construction is having an impact on the Department. Police Chief Olko stated it is, especially with rush hour traffic and trying to reach an accident scene.

Regarding public school resource officers, Police Chief Olko explained when the program began, prior to her being at the City, the school paid half of the officer’s salary for nine months of the year. That continued until 2007 when schools fell on hard times. At the direction of City Council, the City continued with the program and underwrote the entire cost of the program. Now that the City has a slimmer budget, the schools have been asked to resume paying half the cost, which they have agreed to.

**Education – Forfeiture**

Lt. Jill McDonnell explained, annually, the City has $10,000 in forfeiture money. The type of forfeitures are narcotics, impaired driving, identity fraud, and omnibus. The omnibus is generally a large crime operation.

Narcotic forfeitures fall under the Public Health Code Act, The Department doesn’t take peoples cars and money for a small quantity of drugs. Assets are seized from those with an intent to deliver, manufacture or sale of narcotics, as stipulated in the Public Health Code Act.

Impaired Driving forfeitures; the car is not seized at the time of the arrest, the driver is given notice at the time of arrest that the Department is intending to seize their vehicle. If the vehicle is owned by another person, that person will be notified of the intent to seize the vehicle. If the vehicle is leased or has an outstanding loan, the intent is to turn the vehicle over to the appropriate party.

Identity Theft is relatively new, retail district or mall officers encounter those with fraudulent credit cards, their cars can be seized because it is a conveyance used for the illegal activity, as well as seizing phones and/or cash on the person or items that have been purchased fraudulently.

The Omnibus is the higher level crime; some are simple larceny, but a much wider case than just something being stolen from a car. If there is an arrest and it appears there are items that were purchased from the proceeds of a crime, those items can be seized.

When the Department can seize for forfeitures: Incident to a lawful arrest for a variety of crimes; pursuant to a search warrant; pursuant to an inspection under administrative inspection warrant, sometime the fire department and/or the police department has reason to go into a business for an inspection and they might see something, giving them reason to return with a search warrant and seize the item. Property that has been ordered in a judgement, that is where the drunk driving and drug driving comes into play; such as seizing the vehicle.

The process order: the crime; seize the cash or item, generally for the Department it is cash; notice of seizure to property owner, this explains exactly what is being seized and the process; waiting/claim period, allows 20 days for a claim to be made. Once a claim is made, either proof of ownership is required or there will be a hearing to determine if the claim is valid. A consent agreement is another option; giving up the cash that may have been seized so long as they can receive their property back, such as a laptop. Drunk driving is handled by the prosecutor’s office and many times for a fee paid to the prosecutor’s office the individual will get their vehicle back. The funds paid to the prosecutor’s office is split between the prosecutor’s office, a victim’s right fund and the City.

Ms. Verbeke asked about the balance between a crime being committed and innocent until proven guilty.

Lt. McDonnell explained if the individual is not charged with a crime, then the forfeited items are returned.

Police Chief Olko explained this is a civil process, separate from the criminal process. Theoretically, the police could seize property from someone who is not charged with a crime but there is probable cause to arrest.

After the 20 days and no claim has been made, a letter is mailed to all claimants reminding them of what the department is holding and will become property of the City, if not claimed. If they have any questions they are to contact the department. The process is lengthy and the claimants are notified more than once.

To date, the City has collected $3,500 in forfeitures for drunk driving. Drunk driving forfeitures occur after at least one prior drunk driving arrest; not after a first offense. There has been $933 in drug forfeitures, this does not include.
anything from the narcotics enforcement team. With identity theft, there have been 13 cases. All forfeitures must be reported to the state and federal governments annually. The 2014 report compiled by the State Police, shows of the 491 local police agencies, 251 had forfeitures, 200 had none and 40 didn’t submit any information.

The forfeiture money is used to pay for equipment, training, overtime, vehicles, personnel, crime prevention, community education, supplies & materials, and Department use. All forfeiture money can only be used for law enforcement purposes and cannot be included in the general fund.

8. COMMENTS FROM BOARD
Mr. Boelter passed along to Fire Chief Manning how pleased and impressed his mother and her friends were with the EMS techs that responded to a call of her friend who had fallen on a porch and broke her leg.
Mr. Hawkins thanked Police Chief Olko for inviting the Board Members to the ALICE (active shooter) training and being able to participate.

9. ADJOURNMENT
Hearing no objection, the meeting adjourned at 7:51 p.m.

Respectfully Submitted,

Kathleen Novak
Deputy City Clerk
INTRODUCTION AND HISTORY

Public Act 213 of 2007 requires local governments to prepare periodic investment reports for presentation to their governing body. The investment of the City’s working capital or surplus monies is governed by the City’s Investment Policy document which incorporates both state (Public Act 20 of 1943 as amended) and local statutes.

In September of 2009, the Investment Policy was amended to allow the City to contract with external investment firms to manage a portion of the City’s surplus operating funds. After establishing two custodial accounts with JPMorgan/Chase, $20.0 million was initially transferred into each account to allow the investment firms of Ambassador Capital and MBIA (since renamed to Cutwater Asset Management), to begin investing the City’s funds December 2009. Later in 2010, the custodial accounts were moved from JPMorgan/Chase to Comerica.

In January of 2011, the City engaged the services of Asset Strategies to provide a level of due diligence beyond internal staff review, perform quarterly reviews of the performance of the City’s investment portfolio, and to ensure the City’s investment portfolio remains in compliance with Public Act 20.

In September 2014, Ambassador Capital was dissolved. Cutwater Asset Management managed the funds temporarily until City Council subsequently approved the recommendation of internal staff and Asset Strategies to name Cutwater Asset Management as the City’s sole investment manager in January 2015.

In April 2015, Council approved the City to transfer excess cash into the Oakland County Local Government Investment Pool. Staff will transfer into and draw from this account based on cash flow and operational needs.

Beginning with the 2015 4th quarter cash and investment report to City Council, it was determined that select pages from the City’s investment consultant report provided an acceptable review of the City’s managed cash. Further, it was determined that future quarterly reporting would be included on the consent agenda and Mr. George Vitta, the City’s investment consultant, would be invited to address City Council a minimum of two times during the year regarding the City’s managed cash and investments.

As of July 1, 2016, the City’s investment consultant firm, Asset Strategies was acquired by the Bogdahn Group. Mr. George Vitta, now employed by the Bogdahn Group, continues as the City’s investment consultant.

Attached is the 3rd quarter 2016 investment summary as prepared by the Bogdahn Group. The select pages include both a Summary and Executive report. These pages provide a summary of the City’s asset allocation of investments, past and current performance, market values and an evaluation.

As has been the practice, the investment consultant report includes only managed cash and investments, CDs, and cash invested in the Local Government Investment Pool. Cash held by the city for operational needs in a non-interest bearing checking account is not reported.

As of September 30, 2016, there was approximately $25.9M available for City operations in the City’s operational checking account and allocated as follows:

- $11.9M Governmental funds
- $8.9M Proprietary funds
$1.5M Internal Service
$3.6M Component unit funds.

**STAFF RECOMMENDATION**
The staff recommends the acceptance of the 2016 3rd quarter ending September 30, 2016 Cash Management Summary and Executive reports submitted by the Bogdahn Group.

**MOTION**
Move to receive and file the Bogdahn Group 2017 3rd Quarter Cash Management Summary and Executive reports.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager and Michelle Schulz, Finance Director/Treasurer
Submitted: November 2, 2016
Subject: Motion - Resolution to Approve List of Authorized Depositories

INTRODUCTION AND HISTORY
According to our City Charter (Section 4.23), the City Council shall select annually one or more depositories in which funds of the City shall be deposited. Additions may be made at the discretion of the City Council during the year.

Attached is a listing of several banks and credit unions in and around our area for investing City funds that staff may consider utilizing during calendar year 2017. These nineteen institutions were measured utilizing the SNL Financial rating service that the City’s investment manager, Insight Investment, subscribes to. After review, staff adjusted the current depository list to those with a rating over 40. Staff will periodically review performance utilizing these ratings, however, and will bring additions to City Council if opportunity arises that should require Council's consideration.

The ratings provided are based on peer groups. While a peer group rating of 30 is acceptable for safekeeping and banking services, 40 would be preferred for deposits. Supported by the investment manager and investment consultant, staff has chosen to remain consistent with the prior year and first consider institutions with a rating of 40 or higher to meet its depository needs. This rating evaluates four components and tracks each institutions assets. The four components are Capital Adequacy (Core Capital as a % of Assets), Asset Quality (Non-Performing as % of Loans), Earnings (YTD Operating Profit as % of Assets) and Liquidity (Liquid Assets as % of Liabilities).

Currently, staff is managing certificate of deposits with three of the institutions listed in the resolution.

STAFF RECOMMENDATION
The resolution listing depositories is in compliance with our City Charter and our Investment Policy. It is recommended by staff that the City Council approve the attached resolution listing the authorized depositories for the City of Auburn Hills.

MOTION
Move to adopt the attached resolution approving the list of authorized depositories for City funds.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
RESOLUTION TO APPROVE LIST OF AUTHORIZED DEPOSITORIES FOR THE CITY OF AUBURN HILLS

WHEREAS, Section 4.23 of the Auburn Hills Charter states that “The City Council shall select annually one or more depositories in which funds of the City shall be deposited” and

WHEREAS, Section 7.0 of the City of Auburn Hills Investment Policy states that “The City Treasurer shall maintain a listing of financial institutions and brokers/dealers authorized to provide investment services,” approved annually by City Council for investment and depository purposes, and

WHEREAS, the currently approved list of legal depositories has expired,

NOW THEREFORE BE IT RESOLVED, that the Auburn Hills City Council approve the following financial institutions as legal depositories for all public monies effective to December 31st, 2017.

Bank of America
Fifth Third (5/3) Bank
Flagstar Bank
Huntington National Bank
JPMorgan Chase
Level One Bank
Mercantile Bank of Michigan
Oxford Bank
Talmer Bank and Trust
TCF Financial
Private Bank and Trust Company
Wells Fargo Bank
Wolverine Bank, Federal Savings Bank
Alliance Catholic Credit Union
Cornerstone Community Financial Credit Union
Genisys Credit Union
Michigan Schools & Government Credit Union
Michigan State University Federal Credit Union
Parda Federal Credit Union
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BANK KEY FINANCIAL DATA

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RATING COMPONENTS

PEER GROUP RANKINGS

SNL Financial LC and Second Pillar Consulting provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution’s health using criteria to evaluate the industry’s condition as a whole (ratios and respective coefficients are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Culwater Investor Services Corp. disclaims any liability for any use of the content of this report.
### BANK KEY FINANCIAL DATA

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### RATING COMPONENTS

**Capital Adequacy**
- Core Capital as % of Assets: 8.61, 8.02, 8.21, 8.33, 8.54, 8.21, 9.56, 9.90
- Peer Group Ranking: 27, 20, 22, 21, 25, 22, 48, 60

**Asset Quality**
- Non-Performing as % of Loans: 0.97, 1.08, 0.88, 0.87, 0.89, 0.88, 0.84, 0.96
- Peer Group Ranking: 46, 44, 48, 47, 48, 48, 57, 60

**Earnings**
- YTD Operating Profit as % of Assets: 1.42, 1.39, 1.46, 1.46, 1.56, 1.46, 1.48, 1.60
- Peer Group Ranking: 55, 57, 56, 58, 64, 56, 55, 61

**Liquidity**
- Liquid Assets as % of Liabilities: 4.11, 4.02, 3.78, 4.11, 4.30, 3.78, 4.04, 3.51
- Peer Group Ranking: 22, 19, 18, 27, 22, 18, 19, 12

### PEER GROUP RANKINGS

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BANK KEY FINANCIAL DATA

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BANKINSIGHT PEER GROUP RATING

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## RATING COMPONENTS

### Capital Adequacy
- **Core Capital as % of Assets**
  - 2016Q2: 10.90
  - 2016Q1: 10.82
  - 2015Q4: 10.62
  - 2015Q3: 10.65
  - 2015Q2: 10.53
  - 2015Y: 10.62
  - 2014Y: 10.24
  - 2013Y: 10.70

- **Peer Group Ranking**
  - 2016Q2: 73
  - 2016Q1: 71
  - 2015Q4: 69
  - 2015Q3: 69
  - 2015Q2: 63
  - 2015Y: 69
  - 2014Y: 63
  - 2013Y: 71

### Asset Quality
- **Non-Performing as % of Loans**
  - 2016Q2: 0.58
  - 2016Q1: 0.56
  - 2015Q4: 0.47
  - 2015Q3: 0.44
  - 2015Q2: 0.58
  - 2015Y: 0.47
  - 2014Y: 0.72
  - 2013Y: 1.24

- **Peer Group Ranking**
  - 2016Q2: 77
  - 2016Q1: 77
  - 2015Q4: 77
  - 2015Q3: 80
  - 2015Q2: 72
  - 2015Y: 77
  - 2014Y: 64
  - 2013Y: 71

### Earnings
- **YTD Operating Profit as % of Assets**
  - 2016Q2: 2.00
  - 2016Q1: 1.92
  - 2015Q4: 1.98
  - 2015Q3: 1.94
  - 2015Q2: 1.94
  - 2015Y: 1.98
  - 2014Y: 1.95
  - 2013Y: 1.73

- **Peer Group Ranking**
  - 2016Q2: 86
  - 2016Q1: 85
  - 2015Q4: 81
  - 2015Q3: 80
  - 2015Q2: 81
  - 2015Y: 81
  - 2014Y: 85
  - 2013Y: 68

### Liquidity
- **Liquid Assets as % of Liabilities**
  - 2016Q2: 2.99
  - 2016Q1: 3.44
  - 2015Q4: 2.83
  - 2015Q3: 2.90
  - 2015Q2: 2.99
  - 2015Y: 2.83
  - 2014Y: 3.39
  - 2013Y: 4.03

- **Peer Group Ranking**
  - 2016Q2: 12
  - 2016Q1: 15
  - 2015Q4: 11
  - 2015Q3: 17
  - 2015Q2: 12
  - 2015Y: 11
  - 2014Y: 14
  - 2013Y: 17

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**PrivateBank and Trust Company**  
Chicago, IL  
Regulatory ID #33306

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### RATING COMPONENTS

#### Capital Adequacy
- **Core Capital as % of Assets**
  - 2016Q2: 7.91
  - 2016Q1: 7.90
  - 2015Q4: 8.01
  - 2015Q3: 8.08
  - 2015Q2: 8.00
  - 2015Y: 8.01
  - 2014Y: 8.06
  - 2013Y: 8.32
- **Peer Group Ranking**
  - 2016Q2: 13
  - 2016Q1: 14
  - 2015Q4: 16
  - 2015Q3: 15
  - 2015Q2: 14
  - 2015Y: 16
  - 2014Y: 19
  - 2013Y: 26

#### Asset Quality
- **Non-Performing as % of Loans**
  - 2016Q2: 1.50
  - 2016Q1: 1.55
  - 2015Q4: 1.53
  - 2015Q3: 1.59
  - 2015Q2: 1.71
  - 2015Y: 1.53
  - 2014Y: 2.15
  - 2013Y: 2.53
- **Peer Group Ranking**
  - 2016Q2: 16
  - 2016Q1: 18
  - 2015Q4: 12
  - 2015Q3: 11
  - 2015Q2: 10
  - 2015Y: 12
  - 2014Y: 8
  - 2013Y: 12

#### Earnings
- **YTD Operating Profit as % of Assets**
  - 2016Q2: 1.68
  - 2016Q1: 1.65
  - 2015Q4: 1.91
  - 2015Q3: 1.95
  - 2015Q2: 1.93
  - 2015Y: 1.91
  - 2014Y: 2.03
  - 2013Y: 2.19
- **Peer Group Ranking**
  - 2016Q2: 73
  - 2016Q1: 72
  - 2015Q4: 78
  - 2015Q3: 82
  - 2015Q2: 81
  - 2015Y: 78
  - 2014Y: 86
  - 2013Y: 84

#### Liquidity
- **Liquid Assets as % of Liabilities**
  - 2016Q2: 24.38
  - 2016Q1: 25.06
  - 2015Q4: 23.96
  - 2015Q3: 23.28
  - 2015Q2: 22.62
  - 2015Y: 23.96
  - 2014Y: 26.05
  - 2013Y: 24.94
- **Peer Group Ranking**
  - 2016Q2: 85
  - 2016Q1: 85
  - 2015Q4: 83
  - 2015Q3: 81
  - 2015Q2: 79
  - 2015Y: 83
  - 2014Y: 83
  - 2013Y: 78

### PEER GROUP RANKINGS

**Capital Adequacy**

**Asset Quality**

**Earnings**

**Liquidity**

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<td>1,423,946</td>
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## RATING COMPONENTS

### Capital Adequacy
- **Core Capital as % of Assets**
  - 2016Q2: 11.51%
  - 2016Q1: 11.45%
  - 2015Q4: 11.62%
  - 2015Q3: 11.60%
  - 2015Q2: 11.71%
  - 2015Y: 11.62%
  - 2014Y: 11.09%
  - 2013Y: 11.89%
- **Peer Group Ranking**
  - 2016Q2: 80
  - 2016Q1: 80
  - 2015Q4: 82
  - 2015Q3: 82
  - 2015Q2: 83
  - 2015Y: 82
  - 2014Y: 76
  - 2013Y: 83

### Asset Quality
- **Non-Performing as % of Loans**
  - 2016Q2: 0.34%
  - 2016Q1: 0.38%
  - 2015Q4: 0.36%
  - 2015Q3: 0.56%
  - 2015Q2: 0.53%
  - 2015Y: 0.36%
  - 2014Y: 1.57%
  - 2013Y: 0.83%
- **Peer Group Ranking**
  - 2016Q2: 80
  - 2016Q1: 78
  - 2015Q4: 81
  - 2015Q3: 70
  - 2015Q2: 74
  - 2015Y: 81
  - 2014Y: 65
  - 2013Y: 72

### Earnings
- **YTD Operating Profit as % of Assets**
  - 2016Q2: 1.57%
  - 2016Q1: 1.49%
  - 2015Q4: 1.52%
  - 2015Q3: 1.56%
  - 2015Q2: 1.51%
  - 2015Y: 1.52%
  - 2014Y: 1.37%
  - 2013Y: 2.09%
- **Peer Group Ranking**
  - 2016Q2: 71
  - 2016Q1: 69
  - 2015Q4: 68
  - 2015Q3: 68
  - 2015Q2: 65
  - 2015Y: 68
  - 2014Y: 59
  - 2013Y: 90

### Liquidity
- **Liquid Assets as % of Liabilities**
  - 2016Q2: 6.10%
  - 2016Q1: 5.77%
  - 2015Q4: 5.39%
  - 2015Q3: 6.02%
  - 2015Q2: 6.78%
  - 2015Y: 5.39%
  - 2014Y: 8.21%
  - 2013Y: 12.01%
- **Peer Group Ranking**
  - 2016Q2: 44
  - 2016Q1: 39
  - 2015Q4: 37
  - 2015Q3: 40
  - 2015Q2: 50
  - 2015Y: 37
  - 2014Y: 54
  - 2013Y: 67

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**BANK KEY FINANCIAL DATA**

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<td>1,680,740</td>
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**RATING COMPONENTS**

**Capital Adequacy**
- Core Capital as % of Assets: 5.81, 5.78, 6.00, 5.94, 5.77, 6.00, 5.70, 5.08
- Peer Group Ranking: 1, 1, 1, 1, 1, 1, 1, 1

**Asset Quality**
- Non-Performing as % of Loans: 0.88, 0.83, 1.07, 1.14, 1.14, 1.07, 1.33, 1.71
- Peer Group Ranking: 23, 21, 20, 17, 16, 20, 16, 14

**Earnings**
- YTD Operating Profit as % of Assets: 0.14, 0.00, 0.34, 0.30, 0.28, 0.34, 0.57, 0.59
- Peer Group Ranking: 4, 2, 9, 7, 6, 9, 28, 30

**Liquidity**
- Liquid Assets as % of Liabilities: 6.60, 7.40, 7.16, 4.74, 5.91, 7.16, 6.48, 9.26
- Peer Group Ranking: 17, 16, 19, 12, 14, 19, 21, 35

**PEER GROUP RANKINGS**

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### RATING COMPONENTS

#### Capital Adequacy
- Core Capital as % of Assets: 12.03, 11.43, 11.78, 11.91, 11.70, 11.78, 12.43, 13.91
- Peer Group Ranking: 87, 82, 85, 85, 80, 85, 81, 86

#### Asset Quality
- Non-Performing as % of Loans: 0.72, 0.81, 0.93, 1.01, 1.10, 0.93, 2.20, 2.57
- Peer Group Ranking: 66, 57, 44, 35, 36, 44, 18, 25

#### Earnings
- YTD Operating Profit as % of Assets: 2.03, 1.86, 2.17, 2.42, 2.38, 2.17, -0.97, -1.04
- Peer Group Ranking: 87, 80, 87, 91, 90, 87, 3, 0

#### Liquidity
- Liquid Assets as % of Liabilities: 2.17, 6.45, 1.89, 2.84, 3.35, 1.89, 3.00, 3.86
- Peer Group Ranking: 5, 37, 4, 15, 18, 4, 10, 20

### PEER GROUP RANKINGS

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InTouch Credit Union
Plano, TX
Regulatory ID #68505

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BANKINSIGHT PEER GROUP RATING

|                  | 16 | 15 | 8 | 6 | 3 | 8 | 19 | 33 |

RATING COMPONENTS

Capital Adequacy
- Core Capital as % of Assets: 8.91, 8.86, 8.79, 9.09, 8.66, 8.79, 7.67, 7.43
- Peer Group Ranking: 25, 24, 22, 25, 20, 22, 5, 5

Asset Quality
- Non-Performing as % of Loans: 0.73, 0.79, 1.03, 0.83, 0.88, 1.03, 0.78, 0.44
- Peer Group Ranking: 33, 24, 21, 33, 31, 21, 46, 82

Earnings
- YTD Operating Profit as % of Assets: 0.04, 0.07, -0.31, -0.53, -0.76, -0.31, -0.06, -0.02
- Peer Group Ranking: 2, 4, 1, 0, 0, 1, 1, 0

Liquidity
- Liquid Assets as % of Liabilities: 9.19, 8.75, 6.12, 4.38, 5.39, 6.12, 6.73, 6.72
- Peer Group Ranking: 34, 23, 13, 10, 12, 13, 22, 24

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| Peer Group Rating | 17 | 15 | 25 | 26 | 20 | 25 | 54 | 67 |

## RATING COMPONENTS

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### Earnings

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<td>YTD Operating Profit as % of Assets</td>
<td>0.32</td>
<td>0.19</td>
<td>0.50</td>
<td>0.60</td>
<td>0.37</td>
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### Liquidity

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### PEER GROUP RANKINGS

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### BANKINSIGHT PEER GROUP RATING

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<tbody>
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<td>Core Capital as % of Assets</td>
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<td>10.59</td>
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<td>Non-Performing as % of Loans</td>
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<td>0.56</td>
<td>0.70</td>
<td>0.68</td>
<td>0.64</td>
<td>0.70</td>
<td>0.73</td>
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<td>YTD Operating Profit as % of Assets</td>
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<td>0.91</td>
<td>0.93</td>
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### RATING COMPONENTS

#### Capital Adequacy

- Core Capital as % of Assets: 10.61, 10.48, 10.49, 10.67, 10.38, 10.49, 10.59, 9.97
- Peer Group Ranking: 61, 59, 56, 59, 54, 56, 58, 53

#### Asset Quality

- Non-Performing as % of Loans: 0.47, 0.56, 0.70, 0.68, 0.64, 0.70, 0.73, 0.99
- Peer Group Ranking: 60, 47, 46, 47, 48, 46, 50, 44

#### Earnings

- YTD Operating Profit as % of Assets: 0.88, 0.81, 0.93, 0.90, 0.91, 0.93, 1.11, 1.04
- Peer Group Ranking: 68, 65, 69, 62, 63, 69, 78, 74

#### Liquidity

- Liquid Assets as % of Liabilities: 7.72, 9.57, 10.05, 8.26, 7.93, 10.05, 6.69, 11.08
- Peer Group Ranking: 24, 29, 37, 33, 25, 37, 22, 43

### PEER GROUP RANKINGS

- **Capital Adequacy**
- **Asset Quality**
- **Earnings**
- **Liquidity**

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### RATING COMPONENTS

#### Capital Adequacy
- Core Capital as % of Assets: 13.57, 13.43, 14.00, 13.95, 13.42, 14.00, 13.51, 12.40
- Peer Group Ranking: 86, 86, 88, 88, 86, 86, 86, 80

#### Asset Quality
- Non-Performing as % of Loans: 0.66, 0.85, 1.26, 1.39, 1.38, 1.26, 1.29, 2.31
- Peer Group Ranking: 55, 38, 27, 23, 21, 27, 31, 12

#### Earnings
- YTD Operating Profit as % of Assets: 0.29, 0.26, 0.35, 0.33, 0.26, 0.35, 0.46, 0.43
- Peer Group Ranking: 31, 30, 35, 32, 27, 35, 42, 44

#### Liquidity
- Liquid Assets as % of Liabilities: 9.91, 15.04, 8.83, 5.31, 7.19, 8.83, 8.69, 9.89
- Peer Group Ranking: 40, 65, 33, 18, 28, 33, 42, 45

### PEER GROUP RANKINGS

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### PEER GROUP RANKINGS

**Capital Adequacy**

**Asset Quality**

**Earnings**

**Liquidity**

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#### BANKINSIGHT PEER GROUP RATING

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#### RATING COMPONENTS

**Capital Adequacy**
- Core Capital as % of Assets: 8.19, 8.42, 8.32, 7.46, 7.94, 8.32, 7.40, 5.99
- Peer Group Ranking: 14, 19, 17, 4, 10, 17, 3, 1

**Asset Quality**
- Non-Performing as % of Loans: 0.63, 0.81, 1.10, 1.11, 0.46, 1.10, 1.16, 1.56
- Peer Group Ranking: 55, 38, 31, 29, 75, 31, 32, 24

**Earnings**
- YTD Operating Profit as % of Assets: 1.09, 0.95, 1.12, 1.06, 1.01, 1.12, 1.00, 1.74
- Peer Group Ranking: 91, 87, 89, 86, 84, 89, 85, 97

**Liquidity**
- Liquid Assets as % of Liabilities: 9.76, 13.60, 14.00, 12.75, 9.42, 14.00, 11.05, 10.19
- Peer Group Ranking: 43, 59, 73, 69, 45, 73, 58, 49

### PEER GROUP RANKINGS


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#### RATING COMPONENTS

**Capital Adequacy**
- Core Capital as % of Assets: 8.76, 8.72, 8.67, 8.69, 8.77, 8.67, 9.19, 9.78
- Peer Group Ranking: 34, 31, 28, 29, 28, 28, 39, 52

**Asset Quality**
- Non-Performing as % of Loans: 1.41, 1.45, 1.42, 1.48, 1.50, 1.42, 1.72, 2.37
- Peer Group Ranking: 19, 21, 17, 17, 17, 17, 14, 15

**Earnings**
- YTD Operating Profit as % of Assets: 1.31, 1.23, 1.33, 1.33, 1.36, 1.33, 1.51, 1.67
- Peer Group Ranking: 43, 39, 45, 44, 46, 45, 58, 65

**Liquidity**
- Liquid Assets as % of Liabilities: 13.88, 14.78, 14.92, 16.21, 16.89, 14.92, 16.75, 11.48
- Peer Group Ranking: 69, 68, 69, 70, 72, 69, 69, 55

#### PEER GROUP RANKINGS

**Capital Adequacy**

**Asset Quality**

**Earnings**

**Liquidity**

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RATING COMPONENTS

Capital Adequacy
- Core Capital as % of Assets: 15.93, 15.38, 16.14, 17.10, 16.61, 16.14, 17.55, 19.67
- Peer Group Ranking: 95, 94, 95, 97, 96, 95, 97, 96

Asset Quality
- Non-Performing as % of Loans: 2.38, 2.29, 2.05, 2.25, 2.46, 2.05, 3.01, 2.81
- Peer Group Ranking: 15, 19, 23, 22, 20, 23, 18, 35

Earnings
- YTD Operating Profit as % of Assets: 1.68, 1.62, 1.45, 1.44, 1.31, 1.45, 1.41, 0.98
- Peer Group Ranking: 80, 78, 68, 66, 59, 68, 67, 54

Liquidity
- Liquid Assets as % of Liabilities: 11.39, 15.76, 25.83, 8.95, 15.68, 25.83, 10.75, 10.87
- Peer Group Ranking: 66, 80, 93, 50, 81, 93, 61, 43

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### BANK KEY FINANCIAL DATA

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### RATING COMPONENTS

#### Capital Adequacy
- **Core Capital as % of Assets**
  - 2016Q2: 10.37
  - 2016Q1: 10.39
  - 2015Q4: 10.43
  - 2015Q3: 10.21
  - 2015Q2: 10.14
  - 2015Y: 10.43
  - 2014Y: 10.58
  - 2013Y: 10.73

#### Asset Quality
- **Non-Performing as % of Loans**
  - 2016Q2: 0.92
  - 2016Q1: 0.94
  - 2015Q4: 0.76
  - 2015Q3: 0.69
  - 2015Q2: 0.72
  - 2015Y: 0.76
  - 2014Y: 0.94
  - 2013Y: 1.19

#### Earnings
- **YTD Operating Profit as % of Assets**
  - 2016Q2: 1.47
  - 2016Q1: 1.49
  - 2015Q4: 1.94
  - 2015Q3: 1.60
  - 2015Q2: 1.55
  - 2015Y: 1.94
  - 2014Y: 1.77
  - 2013Y: 2.34

#### Liquidity
- **Liquid Assets as % of Liabilities**
  - 2016Q2: 8.51
  - 2016Q1: 7.84
  - 2015Q4: 8.66
  - 2015Q3: 8.06
  - 2015Q2: 8.85
  - 2015Y: 8.66
  - 2014Y: 13.19
  - 2013Y: 9.68

### PEER GROUP RANKINGS

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RATING COMPONENTS

Capital Adequacy
- Core Capital as % of Assets: 10.49, 10.61, 10.70, 10.84, 10.65, 10.70, 10.88, 11.69
- Peer Group Ranking: 67, 67, 71, 71, 66, 71, 72, 81

Asset Quality
- Non-Performing as % of Loans: 1.12, 1.25, 1.01, 0.99, 1.03, 1.01, 1.15, 1.57
- Peer Group Ranking: 37, 33, 38, 38, 40, 38, 35, 31

Earnings
- YTD Operating Profit as % of Assets: 1.09, 1.10, 1.06, 1.04, 1.00, 1.06, 1.22, -2.91
- Peer Group Ranking: 31, 34, 30, 28, 27, 30, 36, 0

Liquidity
- Liquid Assets as % of Liabilities: 5.30, 3.54, 4.27, 3.22, 3.65, 4.27, 4.48, 4.18
- Peer Group Ranking: 30, 16, 25, 20, 19, 25, 21, 20

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BANKINSIGHT PEER GROUP RATING

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RATING COMPONENTS

Capital Adequacy
- Core Capital as % of Assets: 9.07, 9.04, 9.12, 7.62, 8.08, 9.12, 7.11, 5.95
- Peer Group Ranking: 21, 20, 25, 3, 6, 25, 3, 3

Asset Quality
- Non-Performing as % of Loans: 0.80, 1.58, 1.73, 2.22, 2.40, 1.73, 2.76, 4.88
- Peer Group Ranking: 54, 32, 29, 23, 21, 29, 25, 17

Earnings
- YTD Operating Profit as % of Assets: 0.65, 0.90, 0.73, 0.84, 0.96, 0.73, 0.55, 0.26
- Peer Group Ranking: 17, 32, 22, 28, 37, 22, 20, 18

Liquidity
- Liquid Assets as % of Liabilities: 18.16, 29.68, 30.81, 34.63, 30.00, 30.81, 15.10, 22.92
- Peer Group Ranking: 84, 96, 96, 97, 96, 96, 67, 83

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<td>63</td>
<td>19</td>
<td>91</td>
<td>91</td>
<td>94</td>
<td>91</td>
<td>8</td>
<td>46</td>
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<tr>
<td>Earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Peer Group Ranking</td>
<td>42</td>
<td>22</td>
<td>4</td>
<td>28</td>
<td>31</td>
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<td>6</td>
<td>4</td>
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<tr>
<td>Liquidity</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid Assets as % of Liabilities</td>
<td>5.85</td>
<td>4.03</td>
<td>2.17</td>
<td>5.26</td>
<td>5.44</td>
<td>2.17</td>
<td>2.75</td>
<td>2.65</td>
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<td>42</td>
<td>22</td>
<td>4</td>
<td>28</td>
<td>31</td>
<td>4</td>
<td>6</td>
<td>4</td>
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</tbody>
</table>

**SNL Financial LC and Second Pillar Consulting provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution’s health using criteria to evaluate the industry’s condition as a whole (ratios and respective coefficients are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater Investor Services Corp. disclaims any liability for any use of the content of this report.**
Michigan Schools and Government Credit Union
Clinton Township, MI
Regulatory ID #62049

BANK KEY FINANCIAL DATA

<table>
<thead>
<tr>
<th></th>
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<td>1,577,973</td>
<td>1,550,639</td>
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<td>1,538,290</td>
<td>1,550,639</td>
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<td>72</td>
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<td>64</td>
<td>72</td>
<td>67</td>
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RATING COMPONENTS

Capital Adequacy
- Core Capital as % of Assets
  - 2016Q2: 11.09
  - 2016Q1: 11.28
  - 2015Q4: 11.47
  - 2015Q3: 10.62
  - 2015Q2: 10.54
  - 2015Y: 11.47
  - 2014Y: 10.54
  - 2013Y: 10.39
- Peer Group Ranking
  - 2016Q2: 70
  - 2016Q1: 74
  - 2015Q4: 75
  - 2015Q3: 58
  - 2015Q2: 57
  - 2015Y: 75
  - 2014Y: 56
  - 2013Y: 60

Asset Quality
- Non-Performing as % of Loans
  - 2016Q2: 0.46
  - 2016Q1: 0.44
  - 2015Q4: 0.70
  - 2015Q3: 0.73
  - 2015Q2: 0.64
  - 2015Y: 0.70
  - 2014Y: 0.68
  - 2013Y: 0.92
- Peer Group Ranking
  - 2016Q2: 63
  - 2016Q1: 60
  - 2015Q4: 46
  - 2015Q3: 49
  - 2015Q2: 49
  - 2015Y: 75
  - 2014Y: 56
  - 2013Y: 60

Earnings
- YTD Operating Profit as % of Assets
  - 2016Q2: 1.24
  - 2016Q1: 1.23
  - 2015Q4: 1.04
  - 2015Q3: 0.86
  - 2015Q2: 0.84
  - 2015Y: 1.04
  - 2014Y: 0.88
  - 2013Y: 1.02
- Peer Group Ranking
  - 2016Q2: 88
  - 2016Q1: 90
  - 2015Q4: 76
  - 2015Q3: 59
  - 2015Q2: 56
  - 2015Y: 76
  - 2014Y: 57
  - 2013Y: 72

Liquidity
- Liquid Assets as % of Liabilities
  - 2016Q2: 9.46
  - 2016Q1: 10.24
  - 2015Q4: 11.62
  - 2015Q3: 14.10
  - 2015Q2: 16.32
  - 2015Y: 11.62
  - 2014Y: 13.45
  - 2013Y: 8.58
- Peer Group Ranking
  - 2016Q2: 35
  - 2016Q1: 32
  - 2015Q4: 46
  - 2015Q3: 67
  - 2015Q2: 75
  - 2015Y: 46
  - 2014Y: 61
  - 2013Y: 32

SNL Financial LC and Second Pillar Consulting provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution’s health using criteria to evaluate the industry’s condition as a whole (ratios and respective coefficients are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater Investor Services Corp. disclaims any liability for any use of the content of this report.
BANK KEY FINANCIAL DATA

<table>
<thead>
<tr>
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<tr>
<td>Assets (Thousands)</td>
<td>26,155,280</td>
<td>26,060,648</td>
<td>25,520,808</td>
<td>25,239,270</td>
<td>25,278,166</td>
<td>25,520,808</td>
<td>24,884,993</td>
<td>23,864,142</td>
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RATING COMPONENTS

Capital Adequacy
- Core Capital as % of Assets: 9.34, 9.16, 9.14, 9.10, 8.94, 9.14, 8.94, 8.47
- Peer Group Ranking: 45, 42, 42, 39, 32, 42, 33, 28

Asset Quality
- Non-Performing as % of Loans: 1.33, 1.35, 1.36, 1.49, 1.61, 1.36, 1.45, 1.82
- Peer Group Ranking: 22, 28, 20, 14, 12, 20, 24, 23

Earnings
- YTD Operating Profit as % of Assets: 1.34, 1.30, 1.40, 1.41, 1.41, 1.40, 1.51, 1.42
- Peer Group Ranking: 47, 47, 49, 51, 50, 49, 57, 54

Liquidity
- Liquid Assets as % of Liabilities: 5.02, 5.96, 4.72, 4.73, 5.06, 4.72, 5.63, 6.87
- Peer Group Ranking: 27, 32, 31, 32, 27, 31, 27, 34

PEER GROUP RANKINGS

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SNL Financial LC and Second Pillar Consulting provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution’s health using criteria to evaluate the industry’s condition as a whole (ratios and respective coefficients are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater Investor Services Corp. disclaims any liability for any use of the content of this report.
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager; Kimberly Wickenheiser, Deputy Finance Director/Deputy Treasurer  
Submitted: November 9, 2016  
Subject: Motion – Approve Amended Lien Placement/Removal Fee  

INTRODUCTION AND HISTORY  
In October 2016, the Oakland County Register of Deeds Office increased their fees for lien placement and removal from $28.00 to $60.00. This increase is effective immediately. The City has historically passed on this fee to the lienholder with an administrative fee of $7 for a total fee of $35.  

Staff does not anticipate the remainder of fiscal year 2016 will be affected by the County’s increase. Staff, however, recommends the City’s 2017 fee be increased from $35 to $70 in response to this rate increase. This increase would be a pass through of $60 with an administrative fee of $10. The current 2017 fee schedule was approved October 10. This change would amend the 2017 fee schedule.  

STAFF RECOMMENDATION  
Staff recommends that City Council approve the Amendment to the City of Auburn Hills 2017 fee schedule for Lien Placement/Removal from $35 to $70.  

MOTION  
Move to adopt a $70 fee for lien placement and removal and amend the City of Auburn Hills fee schedule accordingly.  

I CONCUR:  
THOMAS A. TANGHE, CITY MANAGER
INTRODUCTION AND HISTORY

During the last phase of the Bloomfield Orchards Water Main Pipe Bursting Project performed this summer, a storm sewer pipe deficiency was discovered on Hempstead Road. A 280 feet section of 21 inch concrete pipe between two manhole structures was videotaped by the DPW Sewer Division and the footage was reviewed by OHM engineers. Multiple fractures and evidence of ground water infiltration were found, and this section of pipe was deemed to be structurally unsound.

OHM solicited price quotes from three contractors specializing in pipe replacement and pipe lining. The open trenching option to replace this section of pipe is $73,000.00 plus restoration costs. Pipe lining will require no excavation and therefore is a considerably less expensive repair. Low quote for pipe lining is $26,220.00 from LiquiForce.

STAFF RECOMMENDATION

OHM Engineers have determined that pipe lining will provide proper structural restoration as well as eliminate infiltration concerns. The liner repair is based on providing a Cured-In-Place Pipe (CIPP) liner designed for fully deteriorated pipe conditions with a 50 year minimum design life per ASTM F1216 Appendix X1 specifications and standards.

Currently the 2016 Storm Structure Rehabilitation Project is underway with a total project cost of $114,450.00. The budgeted amount for this project is $164,500.00. With the project expected to wrap up in the next two weeks, there have been no change order costs other than an extension of time request. This leaves adequate funding in the Storm Structure Rehabilitation Account to cover the cost of this urgent repair.

OHM has worked with LiquiForce on similar pipe lining projects in several communities where they provide engineering services and finds LiquiForce’s work to be excellent. The DPW and OHM recommends LiquiForce be contracted for the urgent storm pipe repair on Hempstead. Price quotes are attached for Councils review.

MOTION

Move to approve the cost associated with an urgent storm pipe repair on Hempstead Road and award the project to LiquiForce Services USA, Inc., 28529 Goddard Road, Suite 106, Romulus, Michigan 48174 in the amount of $26,220.00. Funding is provided from Storm Rehabilitation account 203-453-935.000.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
October 25, 2016

City of Auburn Hills
1500 Brown Rd.
Auburn Hills, MI 48326

Attn: Mr. Jerry Ashburn
Re: Hempstead Storm Sewer Rehabilitation

As requested, we submit the following proposal to repair the 21" diameter pipe located between Mh 35-0657 to Mh 35-0854 on Hempstead Rd. Our proposal is to clean and prepare the pipeline, remove the debris (including the brick and intruding lateral pipes) then install a CIPP manhole to manhole liner to structurally rehabilitate the currently failing pipeline. A CCTV inspection (pre & post repair) will be completed and a copy provided to you for the City’s records.

Our proposal is based on providing a CIPP liner designed for fully deteriorated pipe conditions with a 50 year minimum design life per ASTM F1216 Appendix X1.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Unit</th>
<th>Est Qty</th>
<th>Unit Price</th>
<th>Item Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Clean, Prepare &amp; Pre CCTV</td>
<td>Foot</td>
<td>280</td>
<td>$4.50</td>
<td>$1,260.00</td>
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<tr>
<td>2</td>
<td>Reaming / Pipe Measurement</td>
<td>Foot</td>
<td>280</td>
<td>$2.00</td>
<td>$560.00</td>
</tr>
<tr>
<td>3A</td>
<td>Install 21&quot; CIPP MH to MH Liner</td>
<td>Foot</td>
<td>280</td>
<td>$80.00</td>
<td>$22,400.00</td>
</tr>
<tr>
<td>3B</td>
<td>Install 24&quot; CIPP MH to MH Liner</td>
<td>Foot</td>
<td>280</td>
<td>$95.00</td>
<td>$26,600.00</td>
</tr>
<tr>
<td>4</td>
<td>Robotic Removal of Intruding Lateral</td>
<td>Each</td>
<td>4</td>
<td>$500.00</td>
<td>$2,000.00</td>
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<td></td>
<td><strong>Total Scenario A</strong></td>
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<td><strong>$26,220.00</strong></td>
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<tr>
<td></td>
<td><strong>Total Scenario B</strong></td>
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<td></td>
<td><strong>$30,200.00</strong></td>
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Prices include all labor, materials and equipment needed to complete the work as described above. We have not made allowances for fees associated with the use of a water source (hydrant) on site and/or obtaining any permits deemed necessary.

If you have any questions or wish to proceed please feel free to contact me directly. We look forward to working with you on this project.

Sincerely,

John Thompson
Technical Representative

NOTE: PIPE IS 21" ON HEMPESTAD
City of Auburn Hills Michigan
OHM Advisors
Mr. Jerry Ashburn

October 18, 2016

RE: City of Auburn Hills 21” storm sewer
Corby Energy Services is pleased to provide the following pricing for the installation of a 21” Cured in place pipe in a storm sewer on Hempstead Drive.

<table>
<thead>
<tr>
<th>Pay Item</th>
<th>Description</th>
<th>Unit</th>
<th>QTY</th>
<th>Bid Price</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>1</td>
<td>Mobilization</td>
<td>LS</td>
<td>1</td>
<td>$3,500.00</td>
<td>$3,500.00</td>
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<tr>
<td>2</td>
<td>Installation of a 21” Cured in Place Pipe</td>
<td>LF</td>
<td>280</td>
<td>$97.00</td>
<td>$27,160.00</td>
</tr>
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Bid Price $30,660.00

Inclusions:
- Materials, Equipment & Manpower to perform the operations required
- Pre and Post Television Report
- All payment shall be due within 30 days of project completion.

Exclusions:
- Inspection, inspections fees, permit fees, royalties, special insurance costs, testing, debris disposal, any damage or restoration to any public or private property or anything else not specifically mentioned as included or agreed in writing.

Thank you for allowing CES the opportunity to quote this work. We look forward to working with you in the future.
Please feel free to contact me with any questions.

Regards,

Joshua Freeman
Project Manager – Trenchless Division

Accepted: ____________________________
Signed: ____________________________
Printed Name/Title ____________________________ Date ____________________________

This accepted proposal constitutes a formal agreement. If you initiate a purchase order or other contract document it shall not be acknowledged without this accepted proposal as an attachment.
OHM Advisors
Jerry Ashburn
34000 Plymouth Road
Livonia, MI 48150

October 18, 2016

RE: Hempstead 2519 to 2457

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Mobilization</td>
<td>1 LS</td>
<td>$5,000.00</td>
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<tr>
<td>24&quot; CI IV RCP - Compacted Sand Backfill</td>
<td>280 LF</td>
<td>$140.00</td>
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<tr>
<td>6&quot; Edge Drain</td>
<td>280 LF</td>
<td>$15.00</td>
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<tr>
<td>2&quot; Sump Lead - Disconnect and Reconnect</td>
<td>2 EA</td>
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<tr>
<td>Pavement Remove/Replace</td>
<td>1 LS</td>
<td>$10,000.00</td>
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<tr>
<td>Restoration Sod</td>
<td>1 LS</td>
<td>$8,600.00</td>
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<td>Water Service Repair</td>
<td>4 EA</td>
<td>$1,500.00</td>
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**GRAND TOTAL**

$73,000.00

Sincerely,

Frank Baiardi

*OPEN TRENCH*
*Replace existing pipe with new*
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager and Karen Adcock, Director Senior Services
Submitted: November 10, 2016
Subject: Motion – Approve Resolution to Publish CDBG Public Hearing Notice on City Website

INTRODUCTION AND HISTORY
Participating communities are required to advertise a their CDBG (Community Development Block Grant) Public Hearing Notice either in a newspaper of general local circulation at least 10 days before the hearing or publish the Public Hearing Notice at their city hall and on their city website.

Historically we have published in local newspapers which is very expensive. A typical ad runs about $400.00 per publication. As a cost saving measure it would be appropriate for the city to begin in 2017 publishing the CDBG Public Hearing Notice on the city website and posting notice at City Hall.

STAFF RECOMMENDATION
Staff recommends approval of the Resolution to Publish Community Development Block (CDBG) Public Hearing Notice at City Hall and on the city website.

MOTION
Move to approve the Resolution to Publish Community Development Block (CDBG) Public Hearing Notice at City Hall and on the city website for all future CDBG Public Hearings beginning in 2017.

I CONCUR:
THOMAS A. TANGHE, CITY MANAGER
CITY OF AUBURN HILLS
RESOLUTION
ADOPTION TO PUBLISH ANNUAL CDBG (COMMUNITY DEVELOPMENT BLOCK GRANT)
PUBLIC HEARING NOTICE ON THE CITY WEBSITE

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 at 7:00 p.m., on the 14TH day of November, 2016.

The following resolution was offered by Council Member __________and supported by Council Member ____________________:

WHEREAS, the City of Auburn Hills participates in the Community Development Block Grant Program, hereafter referred as CDBG; and

WHEREAS, the City of Auburn Hills holds an annual Public Hearing for the purpose of hearing public comments on the annual CDBG applications, and

WHEREAS, notice of the CDBG Public Hearing notice will be posted on the city website for no less than 10 days prior to the CDBG Public Hearing; and

WHEREAS, the CDBG Public Hearing Notice will include the required information provided by the CDBG application packet; and

NOW, THEREFORE, it is hereby resolved by the City Council of the City of Auburn Hills that the annual Community Development Block Grant (CDBG) Public Hearing Notice will be posted on the city website.

AYES:
NAYS:
ABSENT:
ABSTENTIONS:

RESOLUTION

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on the 14th day of November 2016, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this _____ day of November, 2016.

____________________________
Terri A Kowal, City Clerk

O:\CITY COUNCIL PACKET\NOVEMBER 14\7f. CDBG Public Hearing Motion\7f. Resolution publish CDBG Public Hearing notice city website.doc
To: Mayor and City Council
From: Thomas A. Tanghe, City Manager and Michelle Schulz, Finance Director/Treasurer
Submitted: November 14, 2016
Subject: Motion to approve amendments to the Section 7.2 Brokers & Dealers and Section 8.0 Authorized and Suitable Investments and Section 12.1 Diversification by Instrument

INTRODUCTION AND HISTORY

The City Council approved the current City’s Investment Policy at its September 21, 2009 meeting. Since then the investment policy has been reviewed and, if necessary, amended each year to reflect changes in required policy and internal operations. The last amendments were made December 15, 2015.

This year three amendments are recommended. Section 7.2 has been amended to authorize the City’s Investment Manager, currently Insight Investment, to utilize their approved list of broker/dealers. This change shifts the burden of assuring compliance with our policy to the Investment Manager. Doing so opens a broader universe of broker/dealers who previously were not willing to certify compliance of the City’s investment policy. Please recognize that Insight Investment will annually certify that the investment management activities are conducted in a manner consistent with our policy as amended.

Sections 8.0 and 12.1 have been amended to provide for additional investment opportunities allowed by Public Act 20. Specifically, the addition of 8.8 under section 8.0 now allows for investment vehicles known as inter-local agreements under the Urban Cooperation Act. Taken directly from PA 20, this addition will allow the City the opportunity for additional cash management options that may have been previously exempt from policy.

STAFF RECOMMENDATION

The Staff, with the support of the City’s investment consultant the Bogdahn Group, recommends that the City’s Investment Policy be amended as indicated in the draft policy provided for review and as detailed in the motion.

MOTION

Move to amend the City’s Investment Policy as reviewed including Sections 7.2, 8.0, and 12.1.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
INVESTMENT POLICY
FOR THE
CITY OF AUBURN HILLS

As Required by Public Act 20 of 1943, as amended

1.0 POLICY

It is the policy of the City of Auburn Hills to invest public funds in a manner which will ensure the preservation of principal while providing the best investment return with maximum security while meeting the daily cash flow demands of the City and conforming to all state statutes and local ordinances governing the investment of public funds.

2.0 SCOPE

This investment policy applies to the investment activities of the City of Auburn Hills except for its employee pension funds and its employee retiree health care funds that are organized and administered separately.

The funds are accounted for in the City’s Annual Financial Report and include the following:

- General Fund
- Major Road Fund
- Local Road Fund
- Metro Act Fund
- Retiree Health Fund
- Wayne Disposal Fund
- Woodlands Wetlands / Tree Ordinance Fund
- TIFA Funds
- DDA Funds
- Brownfield Funds
- Fieldstone Golf Course Fund
- Water/Sewer Fund
- Fleet Management
- Trust and Agency / Tax Fund

All other funds, including the Library Fund, under the control of the City Treasurer/Finance Director for cash management purposes and any new fund created by the governing body, unless specifically exempted by the governing body.

This investment policy applies to all transactions involving the financial assets and related activity of all the foregoing funds.

3.0 PRUDENCE

Investments shall be made with the judgment and care; under circumstances then prevailing; which persons of prudence, discretion and intelligence exercise in the management of their own
affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by the City Treasurer/Finance Director and the City’s authorized Investment Manager(s) will be the “prudent person” and/or “prudent investor” standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The City recognizes that no investment is totally free of risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses are inevitable in a diversified portfolio and shall be considered within the context of the overall portfolio’s return, provided that this Policy has been followed and that the sale of a security prior to maturity is in the best long-term interest of the City.

4.0 OBJECTIVES

The funds of the City of Auburn Hills shall be invested in accordance with State of Michigan Public Act 20 of 1943, as amended by Act 196 of 1997; being Sections 129.91 through 129.93 of the Michigan Compiled Laws, Act No. 367 of the Public Acts of 1982 and in accordance with the objectives and procedures set forth in the policies and written administrative procedures. The primary objectives, in priority order, of the City’s investment activities shall be:

4.1 Safety:

Safety of principal is the foremost objective of the City of Auburn Hills investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. (To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The objective will be to mitigate risk.

4.1.1 Credit Risk

The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

* Limiting investments to the safest types of securities
* Pre-qualifying the financial institutions, broker/dealers, and intermediaries with which the City will do business
* Diversifying the portfolio so that potential losses on individual securities will be minimized.

4.1.2 Interest Rate Risk

The City will minimize the risk that the market value of the securities in the portfolio will fall due to changes in the general interest rates by structuring the maturities of the portfolio to meet cash requirements of ongoing operations, thereby avoiding the need to liquidate securities prior to maturity.

* Investing operating funds primarily in short-term securities or investment pools.

4.1.3 Concentration Credit Risk

The City will minimize the risk inherent in placing a large portion of the portfolio with a single security issuer.
4.1.4 Custodial Credit Risk
The City will minimize custodial risk by:
* Using only financial institutions and brokers meeting pre-established criteria.
* Holding all securities in the name of the City of Auburn Hills.

4.2 Liquidity:
The investment portfolio of the City of Auburn Hills will remain sufficiently liquid to enable the City to meet all operating requirements that may be reasonably anticipated.

4.3 Return on Investments:
The investment portfolio of the City of Auburn Hills shall be designed with the objective of attaining a benchmark rate of return throughout the budgetary and economic cycles, commensurate with the City’s investment risk constraints and cash flow characteristics of the portfolio.

4.4 Maintain Public Trust:
All participants in the investment process shall seek to act responsibly as custodians of the public trust. The Investment Officer (City Treasurer/Finance Director and/or the City’s authorized Investment Manager(s)) shall recognize the investment portfolio is subject to public review and evaluation. In addition, the overall investment program shall be designed and managed with a degree of professionalism worthy of public trust. The Investment Officer (City Treasurer/Finance Director and/or the City’s authorized Investment Manager(s)) shall avoid any transaction that might knowingly impair public confidence in the City of Auburn Hills’ ability to govern effectively.

4.5 Cross Trading
The City prohibits cross trading in all of its portfolios.

5.0 DELEGATION OF AUTHORITY

5.1 City Council
Authority and management responsibility for the City of Auburn Hills’ investment program is derived from and in conformance with Michigan Public Act No. 20 of the Public Acts of Michigan 1943, as amended by Act No. 196 of 1997, being sections 129.91 through 129.93 of Michigan Compiled Laws, Act No 367 of the Public Acts of 1982, and also in accordance with Section 6.4 (a) of the City Charter. The City Treasurer/Finance Director and his/her designees, shall manage the investment program according to the provisions of the City’s banking agreements and contracts, investment authorization statements, and other documents required which have been authorized by the City Council and approved by the City Attorney consistent with this investment policy.

5.2 City Treasurer/Finance Director
The City Treasurer/Finance Director is responsible for the entire program including individual funds managed by contractual Investment Manager(s) and the assets not managed by the Investment Manager(s), daily management responsibility for the investment program is vested in the City Treasurer/Finance Director, subject to the guidelines approved by the City Council. The City Treasurer/Finance Director shall establish procedures for the operation of the Investment program consistent with this Investment Policy. Such procedures must include explicit delegation of authority to
persons responsible for investment transactions. No person may engage in an investment transaction except as provided under terms of this Policy and procedures established by the City Treasurer/Finance Director. Such procedures should also include reference to segregation of duties, custody and accounting controls. The City Treasurer/Finance Director shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate officials and/or authorized Investment Managers.

5.3 **Investment Consultant:**
The City of Auburn Hills retains an independent investment consultant (Registered Investment Advisor) to assist the City Treasurer/Finance Director in the implementation of the Investment Policy. Specific tasks for this investment advisor include:

5.3.1 Assisting in the development and periodic revisions to the Investment Policy
5.3.2 Preparing quarterly reports that evaluate investment performance
5.3.3 Evaluating compliance with Michigan PA 20 and this investment policy
5.3.4 Conducting investment manager searches as needed

5.4 **Investment Manager/s:**
The City utilizes the services of external authorized Investment Manager/s. The Investment Managers are authorized to manage a portion of the city’s assets on a discretionary basis within the Investment Policy guidelines and Michigan State statutes.

6.0 **ETHICS AND CONFLICT OF INTEREST**
All participants in the City’s investment process shall seek to act responsibly as custodian of the public trust. Investment officials shall avoid any transactions that might impair public confidence in the City of Auburn Hills ability to govern effectively. Officers, employees, and the City’s authorized Investment Manager(s) involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees, and the City’s authorized Investment Manager(s) shall disclose to the Council or its designated representative, any material financial interests in financial institutions that conduct business with this City and they shall further disclose any large personal financial/investment positions that could be related to the performance of this jurisdiction’s portfolio. Employees, investment officials, and the City’s authorized Investment Manager(s) shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to timing of purchases and sales.

7.0 **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**
The City Treasurer/Finance Director shall maintain a listing of financial institutions and broker/dealers authorized to provide investment services. In addition, a list will be maintained of approved financial institutions/security broker dealers selected by credit worthiness who are authorized to provide investment services in the State of Michigan. No public deposit shall be made except in a qualified public depository as established by state law. The authorized listing of institutions approved depositories and/or broker/dealers shall be approved annually, by a resolution of the City of Auburn Hills City Council.
7.1 **Financial Institutions**
All financial institutions (Commercial Banks, Savings & Loans and Credit unions), utilized by the City of Auburn Hills shall maintain an office within the State of Michigan and meet the following requirements and financial criteria:

- **7.1.1** Must be federally regulated and insured
- **7.1.2** Must have capital (excluding borrowing, loan losses and goodwill) and/or insurance that exceeds by at least two times the amount the City has invested with the financial institution
- **7.1.3** Have a SNL Financial Bank Credit rating of 40 or better.
- **7.1.4** Must show a net profit on three of their last four annual financial statements and an aggregate profit over the four year period.
- **7.1.5** Have received and read the City’s Investment Policy.
- **7.1.6** Have filed with the City an “Acknowledgement of Receipt of the Investment Policy of the City of Auburn Hills and Agreement to Comply” (Appendix C).
- **7.1.7** Have submitted and continue to submit audited annual financial statements (or have financial statements accessible electronically).

7.2 **Brokers & Dealers**
- **7.2.1** Have a minimum capital of $100 million.
- **7.2.2** Have been in operation at least five years.
- **7.2.3** Qualify under Securities and Exchange Commission Rule 15C3-1.
- **7.2.4** Are certified by the National Association of Securities Dealers.
- **7.2.5** Have received and read the City’s Investment Policy.
- **7.2.6** Have filed with the City an “Acknowledgement of Receipt of the Investment Policy of the City of Auburn Hills and Agreement to Comply” (Appendix B).
- **7.2.7** Have submitted and continue to submit audited annual financial statements (or have financial statements accessible electronically).

The authorized Investment Manager shall utilize the Investment Manager’s list of broker/dealers when executing transactions on behalf of the City. The Investment Manager’s approved list of broker/dealers shall be provided to the City on an annual basis. If any changes are made to the Investment Manager’s approved list of broker/dealers, the Investment Manager shall notify the City of such changes. Changes shall be reflected in the subsequent report submitted to the City Council.

Pursuant to MCL 129.96, PA 20 of 1943, the Finance Director/Treasurer shall provide the authorized Investment Manager with a copy of the City’s Investment Policy and the Investment Manager shall provide written certification of the following:

1. Acknowledgment that the Investment Manager has received the Investment Policy.
2. Agreement that the Investment Manager shall conduct investment transactions in accordance with the Investment Policy guidelines.

Broker/Dealers must be licensed in the State of Michigan and meet at least one (1) of the following criteria:
1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within the holding company structure; OR
2. Report voluntarily to the Federal Reserve Bank of New York; OR

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

8.1 The City Treasurer/Finance Director and/or the City’s authorized Investment Manager(s) is authorized to invest surplus funds of the City of Auburn Hills in the following types of securities authorized by Public Act 20 of 1943, as amended: bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States (does not include collateralized mortgage obligations).

8.2 Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution with offices in the State of Michigan which is eligible to be a depository of surplus funds belonging to the State under Sections 5 or 6 of Act No. 105 of the Public Acts of 1955, as amended, being sections 21.145 and 21.146 of the Michigan Compiled Laws.

8.3 Commercial paper rated at the time of purchase within the two highest classifications by not less than two standard rating services (example A1P1) and which matures not more than 270 days after the date of purchase.

8.4 Repurchase agreements, consisting of instruments in Section 8/ subdivision 6.1, only if a Master Repurchase Agreement has been signed with the bank or broker/dealer.

8.5 Banker’s acceptances of United States banks.

8.6 Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 2 standard rating services.

8.7 Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.

8.8 Obligations described in subdivisions (8.1) through (8.6) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA7, MCL 124.501 to 124.512.

8.9 Investment pools organized under the Local Government Investment Pool Act, 1984 PA 121, MCL 129.141 to 129.150.

8.10 Mutual Funds registered under the Investment Company Act of 1940, Title 1 of Chapter 686, 54 Stat. 789, 15 U.S. 80a-1 to 80a-3 and 80a-4 to 80a-64 with the authority to purchase only investment vehicles that are legal for direct investment by a Michigan public corporation. This is investment limited to mutual funds whose intention is to maintain a net asset value of $1.00 per share.

9.0 INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation and due diligence of each pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire completed by each pool/fund utilized in the investment program. The questionnaire shall encompass:

9.01 The investment policy and objectives of the pool/fund.
9.02 A description of eligible investment securities.
9.03 A description of interest calculation and distribution.
9.04 A description of how funds are safeguarded and securities priced.
9.05 How often the pool/fund is audited and by who.
9.06 A description of any limitations on who may invest in the program, the size or frequency of deposits or withdrawals.
9.07 A fee schedule, including when and how assessed.
9.08 A schedule for receiving statements and portfolio listings.
9.09 A description of the use of reserves or retained earnings if applicable.
9.10 Disclosure as to whether the pool/fund is eligible to receive and/or accept bond proceeds.

10.0 COLLATERALIZATION

The State of Michigan does not require Collateralization. Non-negotiable, non-collateralized Certificates of Deposit, as is the law in the State of Michigan, shall be evidenced by a Safekeeping Receipt from the issuing bank. All securities purchased by the City of Auburn Hills under this section shall be properly designed as an asset of the City. Non-negotiable, non-collateralized Certificates of Deposits are allowable for City investment provided that the Investment Officer and/or the City’s authorized Investment Manager(s) has done due diligence as to the creditworthiness of the banking institution.

Collateralization will be required on authorized repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level shall be 105% of the market value of principal and accrued interest. The collateral shall be subject to the custody and safekeeping provisions of this investment policy.

11.0 MAXIMUM MATURITIES

It is the objective of the City’s investment policy to schedule maturities to coincide with projected cash flow needs, taking into consideration large routine expenditures (payroll, payables, bond payments) and sizable amounts of anticipated revenues (property taxes, state shared revenues).

The maximum maturity of any specific investment will not exceed five (5) years, and the maximum weighted average final maturity of the assigned total portfolio invested by either the Treasurer/Finance Director or the authorized Investment Manager(s) will not exceed three (3) years.

12.0 DIVERSIFICATION

It is the policy of the City of Auburn Hills to maintain a diversified investment portfolio. Assets held in the common cash fund and other investment funds will be diversified to eliminate the risk of loss resulting from an over concentration of assets in a specific maturity, individual financial institution(s) or a specific class of securities. Diversification strategies will be determined and revised by the City Treasurer/Finance Director and/or the City’s authorized Investment Manager(s) from time to time to meet diversification objectives (to reduce overall portfolio risks while attaining market average rates of return).

12.1 Diversification by Instrument

<p>| Instrument | Maximum % of Accounts/Funds |</p>
<table>
<thead>
<tr>
<th>Security Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Obligations</td>
<td>100%</td>
</tr>
<tr>
<td>U.S. Government Agency Securities</td>
<td>20%</td>
</tr>
<tr>
<td>U.S. Government Instrumentalities Securities</td>
<td>100%</td>
</tr>
<tr>
<td>Local Government Investment Pools</td>
<td></td>
</tr>
<tr>
<td>Internal (Treasurer)</td>
<td>75%</td>
</tr>
<tr>
<td>External Investment Manager(s)</td>
<td>0%</td>
</tr>
<tr>
<td>Interlocal Agreements</td>
<td></td>
</tr>
<tr>
<td>Internal (Treasurer)</td>
<td>75%</td>
</tr>
<tr>
<td>External Investment Manager(s)</td>
<td>0%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td></td>
</tr>
<tr>
<td>Internal (Treasurer)</td>
<td>75%</td>
</tr>
<tr>
<td>External Investment Manager(s)</td>
<td>10%</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td></td>
</tr>
<tr>
<td>Internal (Treasurer)</td>
<td>75%</td>
</tr>
<tr>
<td>External Investment Manager(s)</td>
<td>25%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
</tr>
<tr>
<td>Internal (Treasurer)</td>
<td>50%</td>
</tr>
<tr>
<td>External Investment Manager(s)</td>
<td>0%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>25%</td>
</tr>
<tr>
<td>Banker’s Acceptance</td>
<td>25%</td>
</tr>
</tbody>
</table>

**12.2 Diversification by Security Issuer**

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Maximum % of Accounts/Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Paper Issuer</td>
<td>5%</td>
</tr>
<tr>
<td>Banks and Savings &amp; Loan CD’s</td>
<td>10%</td>
</tr>
<tr>
<td>U.S. Government Agency</td>
<td>100%</td>
</tr>
<tr>
<td>Local Government Investment Pools</td>
<td>75%</td>
</tr>
<tr>
<td>U.S. Treasury Obligations</td>
<td>100%</td>
</tr>
</tbody>
</table>

**13.0 SAFEKEEPING AND CUSTODY**

All securities purchased by the City of Auburn Hills under this section will be properly designated as an asset of the City and be secured through third party custody and safekeeping procedures. For purposes of this policy, third party shall be defined as a separate financial institution or a separate and distinct division or department of the same institution whose function is safekeeping and/or trust activities. No withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the City Treasurer/Finance Director as authorized herein, or by its designee. Investment officials shall be bonded to protect the public against possible embezzlement and malfeasance.

The City of Auburn Hills will execute third party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements will include letters of authority from the City, details as to responsibilities of each party, notification of security purchases, sales, delivery, repurchase agreements, wire transfers, safekeeping and transaction costs, procedures in case of wire failure or other unforeseen mishaps including the liability of each party.

All security transactions, including collateral for repurchase agreements, entered into by the City will be conducted on a delivery-versus-payment (DVP) basis. A third party custodian designated
by the City Treasurer/Finance Director and evidenced by safekeeping receipts will hold securities.

14.0 **INTERNAL CONTROLS**

The City Treasurer/Finance Director shall maintain a system of internal controls which shall be designed, in addition to conforming to generally accepted accounting principles, to minimize losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Auburn Hills. The Treasurer shall cooperate with the City’s external auditor in the annual audit.

15.0 **PERFORMANCE STANDARDS**

The investment portfolio will be designed and managed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City’s investment risk constraints and cash flow needs. The basis used by the City Treasurer/Finance Director and the City’s authorized Investment Manager(s) to determine whether market yields are being achieved shall be the appropriate index best matching the asset allocation and maturities of the invested funds.

16.0 **COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

Before the City invests surplus funds, a minimum of three competitive bids shall be conducted. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested for instruments that meet the maturity requirements. If no specific maturity is required, a market trend (yield curve) analysis shall be conducted to determine which maturities would be most advantageous.

In keeping with the city’s concentration risk and diversification objectives, bids shall be requested from financial institutions for various options with regard to terms and instruments. The City will accept the bid that provides the highest rate of return within the maturity required and within the parameters of the City’s investment policy.

Records indicating the bids offered, the bids accepted and a brief explanation of the decision that was made regarding the investment will be kept for future review.

17.0 **COMBINING FUNDS**

The City Treasurer/Finance Director and/or the City’s authorized Investment Manager(s), or his/her designee, may combine money from two or more of the City’s funds for the purpose of making an investment. In the event of a combination of City funds, the earnings of said investment shall be prorated between the funds involved based on principal contributed.

18.0 **REPORTING**

Reporting

a. The City Treasurer/Finance Director shall submit a quarterly and annual investment report that provides the fair market (including accrued interest) of the City’s investment managed funds, pooled funds, certificate of deposits with maturity dates,
and operating account cash balances,

b. The Investment Manager/s shall submit a quarterly performance report that provides the description, listing of original cost, carrying value and market value of each security held in the portfolio, performance results, including earnings, yield, and maturity of each security and the average maturity of the total portfolio. The Investment Manager/s shall meet with the City Council at a minimum of once a year.

c. The Investment Consultant shall submit a quarterly analysis of investments, including written conclusions and recommendations. The Investment Consultant shall meet with the City Council as requested.

19.0 INVESTMENT POLICY ADOPTION

The City of Auburn Hills investment policy shall be adopted by resolution of the City Council of the City of Auburn Hills. The policy shall be reviewed annually by the City Treasurer/Finance Director or authorized designee(s). Any modifications made to the investment policy must be approved by City Council.

20.0 SAVINGS CLAUSE

In the event any state or federal legislation or regulation should further restrict instruments or institutions authorized by this policy, such restrictions shall be deemed to be immediately incorporated in this policy. If new legislation or regulation should liberalize the permitted instruments or institutions, such changes shall be available and included in this policy only after written notification to the City Council.

21.0 GLOSSARY

In order to facilitate a thorough understanding of related investment terminology Appendix A is attached hereto.

22.0 EFFECTIVE DATE

This policy will become effective on September 21, 2009.
Section 12.0 amended and approved by City Council November 9, 2009
Section 11.0 amended and approved by City Council November 14, 2011
Section 2.0 amended and approved by City Council December 17, 2012
Appendix B amended and approved by City Council December 17, 2012
Section 2.0 amended and approved by City Council December 15, 2014
Section 4.5 added and approved by City Council December 15, 2014
Amended and approved by City Council December 14, 2015
Section 7.2, 8.0, and 12.1 amended and approved by City Council on XXXX, 2016
Appendix A

GLOSSARY

In order to facilitate a thorough understanding of this investment policy, a glossary of related investment terminology has been incorporated as part of this policy.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKER’S ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio’s investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD’s are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the governmental entity. It is prepared in conformance with the principles and standards for financial reporting as set forth by the Governmental Accounting Standards Board (GSAB). It contains three sections: Introductory, Financial and Statistical. It discusses the financial results for the year, provides information on budgetary performance, and includes information on the financial condition of the City.

COUPON: (a) The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value. (b) A certificate attached to a bond evidencing interest due on a payment date.
**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions; buying and selling for his/her own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DELIVERY VERSUS PAYMENT (DVP):** There are two methods of delivery of securities: Delivery Versus Payment and delivery Versus Receipt. Delivery Versus Payment is delivery of securities with the exchange of money for the securities. Delivery Versus Receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) Financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L’s, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently temporarily set at up to $250,000 (scheduled to expire and return to $100,000 per deposit after December 31, 2013).

**FEDERAL FUNDS RATE:** The rate of interest at which Fed Funds are traded. The Federal Reserve through open-market operations currently pegs this rate.

**FEDERAL HOME LOAN BANKS (FHLB):** Government sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB’s is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporations purchased include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA’s securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.
FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 7,500 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FmHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

INVESTMENT: Investments shall be defined as debt obligations and shall not include Certificate of Deposits which should be considered deposits. This is the same definition as used by GASB in their Pronouncement Number 40 for disclosure purposes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

MUTUAL FUNDS: A fund operated by an Investment Company that raises money from shareholders and invests it in stocks, bonds, options, futures, currencies, or money market securities. These funds offer investors the advantages of diversification and professional management.
NATIONAL ASSOCIATION OF SECURITY DEALERS: Nonprofit organization formed under the joint sponsorship of the Investment Bankers Conference and the Securities and Exchange Commission with the basic purpose to (1) standardize practices in the field, (2) establish high moral and ethical standards in securities trading, (3) provide a representative body to consult with the government and investors on matters of common interest, and (4) establish a disciplinary body capable of enforcing the above provisions.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See ASKED and BID.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) – registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state – the so-called legal list. In other states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond, the current income return.

REPURCHASE AGREEMENT (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. (Usually U.S. Government securities) The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him/her for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.
SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than ten years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Glossary Source: APT US&C
ACKNOWLEDGEMENT OF RECEIPT OF THE INVESTMENT POLICY
OF THE CITY OF AUBURN HILLS
AND AGREEMENT TO COMPLY

Per Section 129.96 of Michigan’s Act 20 of 1943, before executing an investment transaction on behalf of the City of Auburn Hills, a financial intermediary, broker, or dealer shall be provided with a copy of the City’s investment policy and shall do both of the following:

A. Acknowledge receipt of the investment policy.

B. Agree to comply with the terms of the investment policy regarding the buying or selling of securities.

Per Section 129.96 of Michigan’s Act 20 of 1943, I certify that I have received the investment policy of the City dated December 15th, 2015 as amended. Furthermore, I agree to comply with the terms of the investment policy regarding the buying and selling of securities.

By: ________________________________

Title: ______________________________

Date: ______________________________
To: Mayor and City Council  
From: Thomas A. Tanghe, City Manager and Michelle Schulz, Finance Director/Treasurer  
Submitted: November 2, 2016  
Subject: Resolution to approve List of Authorized Broker/Dealers

INTRODUCTION AND HISTORY
The City’s Investment Policy requires that a list of broker/dealers used by the City for investments be approved annually by resolution of the City Council. The broker/dealers used for the City are those used by our present investment manager, Insight Investment. Insight Investment, as directed by policy, certifies that all investment activity will be conducted in accordance with the City’s investment policy which includes adherence to Public Act 20.

Attached is the resolution of broker/dealers used by Insight Investment only. Broker/Dealers do not issue debt, and are pass-through agents used by Insight Investments to place trades. This listing is subject to change by Insight Investment and any revisions will be communicated to staff and presented before City Council as an amendment to the 2017 annual resolution.

STAFF RECOMMENDATION
The resolution of broker/dealers used by Insight Investment as directed by the City’s Investment Policy.

MOTION
Move to adopt the attached resolution approving the list of authorized broker/dealers used by the Investment Manager on behalf of the City of Auburn Hills.

I CONCUR:

[Signature]

THOMAS A. TANGHE, CITY MANAGER
RESOLUTION TO APPROVE LIST OF AUTHORIZED BROKERS / DEALERS FOR THE CITY OF AUBURN HILLS

WHEREAS, Section 7.0 of the City of Auburn Hills Investment Policy states that “The City Treasurer shall maintain a listing of financial institutions and broker/dealers authorized to provide investment services,” approved annually by City Council for investment and depository purposes,

NOW THEREFORE BE IT RESOLVED, that the Auburn Hills City Council approve the following brokers/dealers as legal pass-thru agents for all public monies effective to December 31st, 2017

Bank of Montreal  
Barclays Capital  
BNP Paribas Securities  
Cantor Fitzgerald  
Citigroup Global Markets  
Credit Agricole  
Credit Suisse  
Daiwa Capital Markets  
Deutsche Bank  
FTN Financial  
Goldman Sachs  
HSBC  
INTL FCStone Financial  
J.P. Morgan Securities  
Jefferies  
Keybanc Capital Markets  
Merrill Lynch, Pierce, Fenner & Smith  
Mizuho Securities  
Morgan Stanley  
Nomura Securities International  
Oppenheimer & Co.  
Piper Jaffray  
Raymond James & Associates  
RBC Capital Markets  
RBS Securities  
Robert W. Baird  
Stifel Nicolaus  
SunTrust Robinson Humphrey  
TD Securities  
U.S. Bancorp Investments  
UBS Securities  
Wells Fargo Securities
INTRODUCTION AND HISTORY
The City and Library have been negotiating a lease of the City-owned building utilized by the Auburn Hills Public Library. After a number of revisions, the Chairman of the Library Board has notified us that the Agreement has gone before the Library Board and has been approved in its current form. Known as the Library Lease / Services Agreement, the document contains all of the services that are currently provided by City staff to support the Library. The monthly lease also includes all utilities and provides for an increase tied to inflation, beginning January 1, 2018. The term of the lease is five years and runs from January 1, 2017 through December 31, 2021.

STAFF RECOMMENDATION
Staff recommends approval of the lease as presented. The agreement has been reviewed by City Attorney Beckerleg.

MOTION
Move to approve the Library Lease/Services Agreement by and between the City of Auburn Hills and the Auburn Hills Public Library for the period of January 1, 2017 through December 31, 2021; and authorize the Mayor and City Clerk to execute the lease on behalf of the City.

I CONCUR: 
THOMAS A. TANGHE, CITY MANAGER
CITY OF AUBURN HILLS
LIBRARY LEASE/SERVICES AGREEMENT

THIS LIBRARY LEASE/SERVICES AGREEMENT ("Agreement") is made this ____ day of ____________________, 2016, by and between the CITY OF AUBURN HILLS ("City"), whose address is 1827 North Squirrel Road, Auburn Hills, Michigan 48326, and the AUBURN HILLS PUBLIC LIBRARY ("Library"), whose address is 3400 E. Seyburn Drive, Auburn Hills, Michigan 48326.

(1) **Premises:** The City, in consideration of the fee to be paid and the covenants and agreements to be performed by the Library, does hereby lease unto the Library those certain premises and building situated on the City’s property located at 3400 E. Seyburn Drive, Auburn Hills, Michigan 48326, and more particularly described as the Auburn Hills Public Library ("Premises").

(2) **Length of Term:** The City hereby leases the Premises to the Library for a term beginning January 1, 2017, and ending at midnight on December 31, 2021 ("Term"). During the term, the Library shall have and hold, together with appurtenances, the above described Premises subject to the terms and conditions as herein set forth.

(3) **Rent/Service Charge:** The Library shall pay to the City as rent to lease the premises and service charges for the services provided by the City to the Library as set forth in Section 4 of this Agreement, a total rent/service charge ("fee") in the amount of Two Hundred Seventy Four Thousand Three Hundred Seventy Two Dollars ($274,372.00) annually, with said fee amount to be increased annually by the inflation rate increases provided for in this Section 3, for the term of the lease, (which rent/service charge equates to $13.72 psf) payable in monthly installments of Twenty Two Thousand Eight Hundred Sixty Four Dollars ($22,864.00), to be increased by the inflation rate increases, with the monthly fee installments to commence on January 1, 2017 and said monthly fee installments shall be due on the 1st day of each subsequent month through December 31, 2021. Such monthly rent/service charge shall be automatically deducted from Library funds by the City’s Finance Department on or about the first day of each month.

(4) **Services:** The City, in consideration of the fee to be paid to the City by the Library, shall provide to the Library during the term of the Agreement the following services:

   (a) Collection of taxes;
   (b) Accounting for the revenues and expenditures to the Library;
   (c) Preparing the payroll of the Library and processing the expense reimbursement requests of Library employees;
(d) Maintaining the employee benefits of the Library employees;
(e) Maintaining City insurance policies on Library real property and public liability;
(f) Custodial services and maintaining the building, premises and appurtenances of the Auburn Hills Public Library as provided in Sections 6 and 8 of this Agreement;
(g) Conducting Library elections if the Library elections are held on the same day as City elections (for Library elections that are not held on the same day as City elections, the cost of said elections shall be the sole responsibility of the Library and said cost for such elections shall be paid by the Library separately and in addition to the fee); and
(h) Cable television service and telephone service at the levels and cost in existence at the time this Agreement is executed by both the City and Library.

The City shall provide the above mentioned services and benefits in the same manner and quality as those provided to employees and for property of the City itself. The City’s provision of the above-mentioned services and benefits shall be in accordance with established City policies, procedures and requirements and the Library and Library employees shall comply with the established City policies, procedures and requirements with respect to the above-mentioned service and benefits. At any time when a Library policy may be in conflict with those of the City as the policy relates to services provided by the City, the City’s policy(ies) shall prevail. Nothing in this Agreement shall be construed and interpreted that Library employees are employees of the City and at all times during the term of this Agreement, Library employees shall be employees of the Library and not employees of the City.

(5) Use of Premises: It is understood and agreed between the parties hereto that the said premises during the continuance of this term may be used and occupied only for Library purposes and for no other purpose or purposes, without the written consent of the City. It is further understood that all common areas, including, but not limited to, storage areas, parking areas and grounds, shall be owned by the City, and the parties shall share the use of the same during the term of this Agreement. The City shall retain the right to limited access to the use of meeting rooms for whatever purposes it deems appropriate, at no charge to the City, which is not in conflict with those meetings/events scheduled by the Library.

The Library shall promptly comply with all laws, ordinances, lawful orders, policies, procedures and regulations of the City and other applicable governmental entities affecting the premises hereby rented, in the cleanliness, safety, occupation and use of same. In effecting such compliance, the Library may require the cooperation and consent of the City, which cooperation and consent shall not be unreasonably withheld.

(6) Care of Premises: The City shall keep the premises, including the sidewalks and landscaped areas adjacent to the premises, clean and free from trash, garbage, rubbish and dirt and shall store all trash, rubbish and garbage within the premises and arrange for the regular pick-up of such trash, rubbish and garbage at the City’s expense. As part of its regular maintenance of its grounds, the City shall remove ice and snow from sidewalks adjacent to the premises. The Library agrees not to perform any acts or carry on any practices which may injure the building or be a nuisance or menace to other occupants of the City’s Municipal Campus.

(7) Utility Services: The City agrees to provide and maintain the necessary mains and conduits in order that water and sewer facilities, gas and electricity may be available to the premises, and the City shall promptly pay any charges for the use of such utilities by the Library at their general current levels of use. Any cost increases associated with cable and telephone services, either by upgrade directed by the Library or through service provider increases, shall be borne by the Library. Any dispute
arising out of any utility not provided by the City, cable or telephone charge is between the Library and the provider.

(8) **Maintenance of Premises:** The City agrees to provide regular custodial and other repair and maintenance services in order that the building, premises and appurtenances shall be kept in good order, maintenance, condition and repair, and shall also be kept in a clean, sanitary and safe condition in accordance with all directions, rules and regulations of the City and the health officer, fire marshal, building inspector or other proper officers of governmental agencies having jurisdiction. Special cleaning of fixtures and furnishings outside of normal cleaning and maintenance shall be at the sole expense of the Library. Carpet and exterior window cleaning shall be conducted one time each year. Additional building maintenance services outside of those regularly performed shall be at the expense of the tenant.

The cost of the maintenance, repair and/or replacement of any tenant/leasehold improvements and fixtures made and/or installed by the Library to and/or upon the premises and/or any floor coverings, interior wall coverings and painting, furniture and personal property of the Library on the premises shall be the responsibility of the Library and the Library agrees to pay for the same.

In the event that an interior modification/renovation is required to be made to the premises, the City shall arrange to have the modification/renovation completed and then shall bill the Library for the cost of the modification/renovation, said amount to be in addition to the fee(s) required to be paid in this Agreement. The Library shall not cause, permit and/or allow any waste, damage or injury to occur to said premises, and shall promptly advise the City of the occurrence and need for replacement of any glass windows, doors, door hardware and frames in the premises which may be broken.

(9) **Abuse of Premises:** The plumbing facilities and adjoining or connecting sewer lines or mains shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown and/or deposited therein, and the cost and/or expenses of any breakage, stoppage or damage resulting from the violation of this section shall be borne by the Library. The Library, its employees, agents and/or representatives shall not paint, alter or deface any walls, ceilings, partitions, floors, carpeting, wood, stone or metalwork at the premises without the City’s written consent being first obtained.

(10) **Signs:** The Library shall not erect or install any signs without the previous written consent of the City. The Library shall not install at and/or on the premises any exterior lighting or plumbing, fixtures, shades or awnings, or any exterior decorations or painting, or build any fences or structures or make any changes to the building’s exterior without the previous consent of the City.

(11) **Alterations:** All alterations, additions, improvements and fixtures (other than trade fixtures) which may be made or installed by either of the parties hereto upon and/or at the premises in which in any manner are attached to the floors, walls or ceilings or any extension thereof shall be the property of the City, and at the termination of this Agreement shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and the City shall not have to reimburse and/or pay the Library for the cost of any of said alterations, additions, improvements and/or fixtures which were installed by the Library. Any floor covering, irrespective as to the manner affixed, shall be and become the property of the City absolutely, and the City shall not be responsible for reimbursing and/or paying the Library for the cost of the same; provided, however, that the City may designate by written notice to the Library those alterations, additions, improvements and fixtures which shall be removed by Library at the expiration or termination of this Agreement, and the Library shall, at its own cost, promptly remove the same and repair any damage to the premises caused by such
removal of any of the foregoing to the condition as when originally received by the Library, reasonable wear and tear excepted.

(12) **Insurance and Indemnity:** The Library shall defend, hold harmless and indemnify the City and its elected and appointed officials, officers, employees, representatives, agents and assigns from any and all liability for injuries and/or damages, costs, expenses and attorney fees that the City may incur as a result of claims, demands, lawsuits, causes of action or judgments against the City and/or its elected and appointed officials, officers, employees, representatives, agents and assigns arising from the negligent and/or wrongful acts of the Library and/or the Library’s officers, employees, representatives, agents, tenants and invitees in the Library’s occupancy and use of the premises.

The City shall keep in effect at its own cost during the term of this Agreement its public liability and property damage insurance covering the premises in an amount sufficient to provide replacement value, and, if requested, the City shall deliver a copy of said policy to the Library. In addition, the Library will, at its own cost, keep in effect during the term of this Agreement those policies presently provided to the Library by the Michigan Township Participating Plan, the specific policies covering contents and the Library’s personal property and furniture and policy amounts to be kept in effect by the Library during the term of this Agreement to be those which are specifically set forth in the Michigan Participating Plan Master Certificate, which is attached hereto, incorporated herein by reference and designated Attachment A. In addition, the Library will name the City as an additional insured on the insurance policy described in Attachment A, hereto. If requested by the City, the Library shall deliver a copy of said policies to the City. The Library shall not carry and/or locate any stock or goods at the premises or do anything in or about said premises which will in any way tend to increase the insurance rates on said premises and the building of which it is a part. The Library agrees to pay, in addition to all insurance costs as described in this Agreement, the total of any increase in premiums for insurance against loss by fire that may be charged during the term of this Agreement on the amount of insurance to be carried by the City on said premises and the building of which they are a part, resulting from the operation of the Library on and in the premises by the Library, whether or not the City has consented to the same. If the Library installs any electrical equipment that overloads the lines in and/or at the premises, the Library shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriters and governmental authorities having jurisdiction.

(13) **Assignment and Subletting:** The Library agrees not to assign or in any manner transfer this Agreement or any estate or interest therein and/or sublet any portion of the building or premises without the previous written consent of the City, and the Library shall not allow concessionaires and/or vendors upon said premises or any part or parts thereof without the previous written consent of the City. The consent by the City to one (1) or more subletting of said premises shall not operate to exhaust the City’s rights of approval under this paragraph.

(14) **Destruction or Damage to Premises:** In case the premises shall be partially or totally destroyed by fire or other casualty which is insurable under the full standard extended coverage insurance, as to become partially or totally untenantable, the same shall be repaired as speedily as possible using the proceeds of such insurance, unless the City shall elect not to rebuild and an adjustment in a proportionate part of the fee shall be abated until so repaired.

(15) **Notice by Library:** The Library shall give immediate notice to the City in case of fire or accidents in the premises or defects therein or in any fixtures or equipment.
(16) **Condemnation:** Upon the whole or any part of the premises and property hereby leased being taken by any public authority under the power of eminent domain, the term of the Agreement shall cease for that part of the premises and property so taken from the date of possession of that part shall be required for a public purpose, and this Agreement shall continue pursuant to the terms and provisions contained herein unless that portion of the property and premises taken results in a substantial interference of the Library’s use of the premises to the extent that the premises cannot be effectively used for the Library purposes for which it is being leased. In said event, the Library shall have the right, by written notice to the City, to cancel this Agreement and declare the same null and void, and if the Library does not so cancel this Agreement, the Library shall continue in possession of the remainder of the premises under the terms of this Agreement. Any and all damages and/or compensation awarded for such taking shall belong to and be the property of the City.

(17) **Default:** In the event a default is made to any of the covenants herein contained by one of the parties, the non-defaulting party shall give written notice to the defaulting party of the nature of the default and the defaulting party shall have 30 days to correct and/or cure the default unless a longer period of time is mutually agreed to in writing by the parties to cure the default, and, in the event that the default is not corrected and/or cured by the defaulting party within the aforementioned period of time, a non-defaulting party may terminate this Agreement by written notice to the defaulting party, with the written notice to the defaulting party containing the date that the Agreement is to be terminated on, which termination date shall be at least sixty (60) days from the date of the written termination notice to the defaulting party. In the event that the City terminates this Agreement pursuant to the provisions contained herein, the Library must, subject to the terms and conditions contained in this Agreement, physically leave, move from and vacate the subject property, building and premises, but will still be responsible for the fee payments provided for in Section 3 and shall continue to pay the fee payments contained and described in Section 3 to the City pursuant to the scheduled contained therein. In the event that the Library terminates this Library Lease Agreement pursuant to the provisions contained herein, the Library shall, within sixty (60) days from the date of termination of the Agreement, physically leave, move from and vacate the subject property, building and premises, and from the date it moves and physically vacates the premises shall have no further responsibility to the City for the fee provided for in Section 3 of this Agreement.

(18) **Successors:** All rights and liabilities herein given to or imposed upon the respective parties hereto shall extend to and bind the parties’ heirs, executors, administrators, successors and assigns.

(19) **Notices:** Whenever under this Agreement provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof if such notice to the Library is in writing, addressed to the President of the Auburn Hills Public Library at the Auburn Hills Library, 3400 E. Seyburn Drive, Auburn Hills, Michigan 48326, and sent by registered or certified mail with postage prepaid, and if such notice to the City is in writing, addressed to the City Manager at the address of the Auburn Hills City Hall, 1827 North Squirrel Road, Auburn Hills, Michigan 48326, and sent by registered or certified mail with postage prepaid.

(20) **Captions and Section Numbers:** The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit or construe or describe the scope or intent of such sections or articles of this Agreement nor in any way affect the Agreement.

(21) **Partial Invalidity:** If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby;
and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(22) **Recording:** The Library shall not record this Agreement without the written consent of the City.

(23) **Laws of the State of Michigan:** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

(24) **Consent Not Unreasonably Withheld:** The City agrees that whenever, under this Agreement, provision is made for the Library securing the written consent of the City, such consent shall not be unreasonably withheld.

(25) **Option to Renew Agreement:** Provided the Library shall not be in default of the terms of this Agreement, the Library may, by giving the City written notice not later than one (1) year prior to the expiration of this Agreement and/or one (1) year prior to the expiration of any renewal, exercise its option to renew this Agreement for a period of five (5) years, with only two (2) five (5) year renewals by the Library being permitted, said renewals being under the same terms and conditions as contained in this Agreement, except that for any renewal periods, the fee to be paid by the Library to the City shall be modified to an amount mutually agreeable to the parties, and in the event the parties are not able to agree to a new fee amount, the renewal will not become effective and this Agreement will terminate as provided herein.

(26) **Remedies:** It is agreed that each and every one of the rights, remedies and benefits provided for by and in this Agreement shall be cumulative and shall not be exclusive of any other of said rights, remedies or benefits or any other rights, remedies and benefits allowed by law.

(27) **Waiver:** One or more waivers of any covenants or conditions of this Agreement by the parties shall not be construed as a waiver of a further breach of the same covenant or condition.

(28) **Expansion:** It is not contemplated by and between the parties hereto that there will be any physical expansion of the building and/or premises being rented, and, as a result, no such expansion may take place by the Library without the Library first obtaining the written consent of the City.

(29) **This Agreement supersedes and replaces the Amended Library Lease Agreement between the City and the Library, if any, the Library Lease Agreement between the City and the Library dated June 6, 1989, and the Amendment thereto dated August 7, 1989, and the Library Service Agreement between the City and Library dated June 6, 1989 and any amendments thereto, including but not limited to any Amended Library Service Agreements.
IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS Library Lease/Services Agreement as of the day and year first above written. By affixing signatures below, the City and Library represent that these individuals are duly authorized to bind the parties to the terms and conditions contained herein and to act on behalf of the representative entities.

CITY OF AUBURN HILLS

By: ____________________________
    Kevin R. McDaniel, Mayor

By: ____________________________
    Terri Kowal, City Clerk

STATE OF MICHIGAN  )
COUNTY OF OAKLAND  )

The foregoing instrument was acknowledged before me this _____ day of _____________, 2016, by Kevin R. McDaniel, as Mayor, and Terri Kowal, as Clerk, on behalf of the City of Auburn Hills, a Michigan municipal corporation, on behalf of the corporation.

____________________, Notary Public
____________________ County, Michigan
My Commission Expires: ____________

AUBURN HILLS PUBLIC LIBRARY

By: ____________________________

Its: ____________________________

By: ____________________________

Its: ____________________________

STATE OF MICHIGAN  )
COUNTY OF OAKLAND  )

The foregoing instrument was acknowledged before me this _____ day of _____________, 2016, by __________________________, as ____________________ of the Auburn Hills Public Library, on behalf of the Auburn Hills Public Library.

____________________, Notary Public
____________________ County, Michigan
My Commission Expires: ____________
CITY OF AUBURN HILLS

LIBRARY LEASE/SERVICES AGREEMENT

THIS LIBRARY LEASE/SERVICES AGREEMENT ("Agreement") is made this _____ day of ________________, 2016, by and between the CITY OF AUBURN HILLS ("City"), whose address is 1827 North Squirrel Road, Auburn Hills, Michigan 48326, and the AUBURN HILLS PUBLIC LIBRARY ("Library"), whose address is 3400 E. Seyburn Drive, Auburn Hills, Michigan 48326.

1. Premises: The City, in consideration of the fee to be paid and the covenants and agreements to be performed by the Library, does hereby lease unto the Library those certain premises and building situated on the City’s property located at 3400 E. Seyburn Drive, Auburn Hills, Michigan 48326, and more particularly described as the Auburn Hills Public Library ("Premises").

2. Length of Term: The City hereby leases the Premises to the Library for a term beginning January 1, 2017, and ending at midnight on December 31, 2021 ("Term"). During the term, the Library shall have and hold, together with appurtenances, the above described Premises subject to the terms and conditions as herein set forth.

3. Rent/Service Charge: The Library shall pay to the City as rent to lease the premises and service charges for the services provided by the City to the Library as set forth in Section 4 of this Agreement, a total rent/service charge ("fee") in the amount of Two Hundred Seventy Four Thousand Three Hundred Seventy Two Dollars ($274,372.00) annually, with said fee amount to be increased annually by the inflation rate increases provided for in this Section 3, for the term of the lease, (which rent/service charge equates to $13.72 psf) payable in monthly installments of Twenty Two Thousand Eight Hundred Sixty Four Dollars ($22,864.00), to be increased by the inflation rate increases, with the monthly fee installments to commence on January 1, 2017 and said monthly fee installments shall be due on the 1st day of each subsequent month through December 31, 2021. Such monthly rent/service charge shall be automatically deducted from Library funds by the City’s Finance Department on or about the first day of each month.

4. Services: The City, in consideration of the fee to be paid to the City by the Library, shall provide to the Library during the term of the Agreement the following services:

   (a) Collection of taxes;
   (b) Accounting for the revenues and expenditures to the Library;
   (c) Preparing the payroll of the Library and processing the expense reimbursement requests of Library employees;
(d) Maintaining the employee benefits of the Library employees;
(e) Maintaining City insurance policies on Library real property and public liability;
(f) Custodial services and maintaining the building, premises and appurtenances of the Auburn Hills Public Library as provided in Sections 6 and 8 of this Agreement;
(g) Conducting Library elections if the Library elections are held on the same day as City elections (for Library elections that are not held on the same day as City elections, the cost of said elections shall be the sole responsibility of the Library and said cost for such elections shall be paid by the Library separately and in addition to the fee); and
(h) Cable television service and telephone service at the levels and cost in existence at the time this Agreement is executed by both the City and Library.

The City shall provide the above mentioned services and benefits in the same manner and quality as those provided to employees and for property of the City itself. The City’s provision of the above-mentioned services and benefits shall be in accordance with established City policies, procedures and requirements and the Library and Library employees shall comply with the established City policies, procedures and requirements with respect to the above-mentioned service and benefits. At any time when a Library policy may be in conflict with those of the City as the policy relates to services provided by the City, the City’s policy(ies) shall prevail. Nothing in this Agreement shall be construed and interpreted that Library employees are employees of the City and at all times during the term of this Agreement, Library employees shall be employees of the Library and not employees of the City.

(5) Use of Premises: It is understood and agreed between the parties hereto that the said premises during the continuance of this term may be used and occupied only for Library purposes and for no other purpose or purposes, without the written consent of the City. It is further understood that all common areas, including, but not limited to, storage areas, parking areas and grounds, shall be owned by the City, and the parties shall share the use of the same during the term of this Agreement. The City shall retain the right to limited access to the use of meeting rooms for whatever purposes it deems appropriate, at no charge to the City, which is not in conflict with those meetings/events scheduled by the Library.

The Library shall promptly comply with all laws, ordinances, lawful orders, policies, procedures and regulations of the City and other applicable governmental entities affecting the premises hereby rented, in the cleanliness, safety, occupation and use of same. In effecting such compliance, the Library may require the cooperation and consent of the City, which cooperation and consent shall not be unreasonably withheld.

(6) Care of Premises: The City shall keep the premises, including the sidewalks and landscaped areas adjacent to the premises, clean and free from trash, garbage, rubbish and dirt and shall store all trash, rubbish and garbage within the premises and arrange for the regular pick-up of such trash, rubbish and garbage at the City’s expense. As part of its regular maintenance of its grounds, the City shall remove ice and snow from sidewalks adjacent to the premises. The Library agrees not to perform any acts or carry on any practices which may injure the building or be a nuisance or menace to other occupants of the City’s Municipal Campus.

(7) Utility Services: The City agrees to provide and maintain the necessary mains and conduits in order that water and sewer facilities, gas and electricity may be available to the premises, and the City shall promptly pay any charges for the use of such utilities by the Library at their general current levels of use. Any cost increases associated with cable and telephone services, either by upgrade directed by the Library or through service provider increases, shall be borne by the Library. Any dispute
arising out of any utility not provided by the City, cable or telephone charge is between the Library and the provider.

(8) **Maintenance of Premises:** The City agrees to provide regular custodial and other repair and maintenance services in order that the building, premises and appurtenances shall be kept in good order, maintenance, condition and repair, and shall also be kept in a clean, sanitary and safe condition in accordance with all directions, rules and regulations of the City and the health officer, fire marshal, building inspector or other proper officers of governmental agencies having jurisdiction. Special cleaning of fixtures and furnishings outside of normal cleaning and maintenance shall be at the sole expense of the Library. Carpet and exterior window cleaning shall be conducted one time each year. Additional building maintenance services outside of those regularly performed shall be at the expense of the tenant.

The cost of the maintenance, repair and/or replacement of any tenant/leasehold improvements and fixtures made and/or installed by the Library to and/or upon the premises and/or any floor coverings, interior wall coverings and painting, furniture and personal property of the Library on the premises shall be the responsibility of the Library and the Library agrees to pay for the same.

In the event that an interior modification/renovation is required to be made to the premises, the City shall arrange to have the modification/renovation completed and then shall bill the Library for the cost of the modification/renovation, said amount to be in addition to the fee(s) required to be paid in this Agreement. The Library shall not cause, permit and/or allow any waste, damage or injury to occur to said premises, and shall promptly advise the City of the occurrence and need for replacement of any glass windows, doors, door hardware and frames in the premises which may be broken.

(9) **Abuse of Premises:** The plumbing facilities and adjoining or connecting sewer lines or mains shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown and/or deposited therein, and the cost and/or expenses of any breakage, stoppage or damage resulting from the violation of this section shall be borne by the Library. The Library, its employees, agents and/or representatives shall not paint, alter or deface any walls, ceilings, partitions, floors, carpeting, wood, stone or metalwork at the premises without the City’s written consent being first obtained.

(10) **Signs:** The Library shall not erect or install any signs without the previous written consent of the City. The Library shall not install at and/or on the premises any exterior lighting or plumbing, fixtures, shades or awnings, or any exterior decorations or painting, or build any fences or structures or make any changes to the building’s exterior without the previous consent of the City.

(11) **Alterations:** All alterations, additions, improvements and fixtures (other than trade fixtures) which may be made or installed by either of the parties hereto upon and/or at the premises in which in any manner are attached to the floors, walls or ceilings or any extension thereof shall be the property of the City, and at the termination of this Agreement shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and the City shall not have to reimburse and/or pay the Library for the cost of any of said alterations, additions, improvements and/or fixtures which were installed by the Library. Any floor covering, irrespective as to the manner affixed, shall be and become the property of the City absolutely, and the City shall not be responsible for reimbursing and/or paying the Library for the cost of the same; provided, however, that the City may designate by written notice to the Library those alterations, additions, improvements and fixtures which shall be removed by Library at the expiration or termination of this Agreement, and the Library shall, at its own cost, promptly remove the same and repair any damage to the premises caused by such
removal of any of the foregoing to the condition as when originally received by the Library, reasonable wear and tear excepted.

(12) Insurance and Indemnity: The Library shall defend, hold harmless and indemnify the City and its elected and appointed officials, officers, employees, representatives, agents and assigns from any and all liability for injuries and/or damages, costs, expenses and attorney fees that the City may incur as a result of claims, demands, lawsuits, causes of action or judgments against the City and/or its elected and appointed officials, officers, employees, representatives, agents and assigns arising from the negligent and/or wrongful acts of the Library and/or the Library’s officers, employees, representatives, agents, tenants and invitees in the Library’s occupancy and use of the premises.

The City shall keep in effect at its own cost during the term of this Agreement its public liability and property damage insurance covering the premises in an amount sufficient to provide replacement value, and, if requested, the City shall deliver a copy of said policy to the Library. In addition, the Library will, at its own cost, keep in effect during the term of this Agreement those policies presently provided to the Library by the Michigan Township Participating Plan, the specific policies covering contents and the Library’s personal property and furniture and policy amounts to be kept in effect by the Library during the term of this Agreement to be those which are specifically set forth in the Michigan Participating Plan Master Certificate, which is attached hereto, incorporated herein by reference and designated Attachment A. In addition, the Library will name the City as an additional insured on the insurance policy described in Attachment A, hereto. If requested by the City, the Library shall deliver a copy of said policies to the City. The Library shall not carry and/or locate any stock or goods at the premises or do anything in or about said premises which will in any way tend to increase the insurance rates on said premises and the building of which it is a part. The Library agrees to pay, in addition to all insurance costs as described in this Agreement, the total of any increase in premiums for insurance against loss by fire that may be charged during the term of this Agreement on the amount of insurance to be carried by the City on said premises and the building of which they are a part, resulting from the operation of the Library on and in the premises by the Library, whether or not the City has consented to the same. If the Library installs any electrical equipment that overloads the lines in and/or at the premises, the Library shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriters and governmental authorities having jurisdiction.

(13) Assignment and Subletting: The Library agrees not to assign or in any manner transfer this Agreement or any estate or interest therein and/or sublet any portion of the building or premises without the previous written consent of the City, and the Library shall not allow concessionaires and/or vendors upon said premises or any part or parts thereof without the previous written consent of the City. The consent by the City to one (1) or more subletting of said premises shall not operate to exhaust the City’s rights of approval under this paragraph.

(14) Destruction or Damage to Premises: In case the premises shall be partially or totally destroyed by fire or other casualty which is insurable under the full standard extended coverage insurance, as to become partially or totally untenanted, the same shall be repaired as speedily as possible using the proceeds of such insurance, unless the City shall elect not to rebuild and an adjustment in a proportionate part of the fee shall be abated until so repaired.

(15) Notice by Library: The Library shall give immediate notice to the City in case of fire or accidents in the premises or defects therein or in any fixtures or equipment.
(16) **Condemnation:** Upon the whole or any part of the premises and property hereby leased being taken by any public authority under the power of eminent domain, the term of the Agreement shall cease for that part of the premises and property so taken from the date of possession of that part shall be required for a public purpose, and this Agreement shall continue pursuant to the terms and provisions contained herein unless that portion of the property and premises taken results in a substantial interference of the Library’s use of the premises to the extent that the premises cannot be effectively used for the Library purposes for which it is being leased. In said event, the Library shall have the right, by written notice to the City, to cancel this Agreement and declare the same null and void, and if the Library does not so cancel this Agreement, the Library shall continue in possession of the remainder of the premises under the terms of this Agreement. Any and all damages and/or compensation awarded for such taking shall belong to and be the property of the City.

(17) **Default:** In the event a default is made to any of the covenants herein contained by one of the parties, the non-defaulting party shall give written notice to the defaulting party of the nature of the default and the defaulting party shall have 30 days to correct and/or cure the default unless a longer period of time is mutually agreed to in writing by the parties to cure the default, and, in the event that the default is not corrected and/or cured by the defaulting party within the aforementioned period of time, a non-defaulting party may terminate this Agreement by written notice to the defaulting party, with the written notice to the defaulting party containing the date that the Agreement is to be terminated on, which termination date shall be at least sixty (60) days from the date of the written termination notice to the defaulting party. In the event that the City terminates this Agreement pursuant to the provisions contained herein, the Library must, subject to the terms and conditions contained in this Agreement, physically leave, move from and vacate the subject property, building and premises, but will still be responsible for the fee payments provided for in Section 3 and shall continue to pay the fee payments contained and described in Section 3 to the City pursuant to the scheduled contained therein. In the event that the Library terminates this Library Lease Agreement pursuant to the provisions contained herein, the Library shall, within sixty (60) days from the date of termination of the Agreement, physically leave, move from and vacate the subject property, building and premises, and from the date it moves and physically vacates the premises shall have no further responsibility to the City for the fee provided for in Section 3 of this Agreement.

(18) **Successors:** All rights and liabilities herein given to or imposed upon the respective parties hereto shall extend to and bind the parties’ heirs, executors, administrators, successors and assigns.

(19) **Notices:** Whenever under this Agreement provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof if such notice to the Library is in writing, addressed to the President of the Auburn Hills Public Library at the Auburn Hills Library, 3400 E. Seyburn Drive, Auburn Hills, Michigan 48326, and sent by registered or certified mail with postage prepaid, and if such notice to the City is in writing, addressed to the City Manager at the address of the Auburn Hills City Hall, 1827 North Squirrel Road, Auburn Hills, Michigan 48326, and sent by registered or certified mail with postage prepaid.

(20) **Captions and Section Numbers:** The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit or construe or describe the scope or intent of such sections or articles of this Agreement nor in any way affect the Agreement.

(21) **Partial Invalidity:** If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby;
and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(22) **Recording:** The Library shall not record this Agreement without the written consent of the City.

(23) **Laws of the State of Michigan:** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

(24) **Consent Not Unreasonably Withheld:** The City agrees that whenever, under this Agreement, provision is made for the Library securing the written consent of the City, such consent shall not be unreasonably withheld.

(25) **Option to Renew Agreement:** Provided the Library shall not be in default of the terms of this Agreement, the Library may, by giving the City written notice not later than one (1) year prior to the expiration of this Agreement and/or one (1) year prior to the expiration of any renewal, exercise its option to renew this Agreement for a period of five (5) years, with only two (2) five (5) year renewals by the Library being permitted, said renewals being under the same terms and conditions as contained in this Agreement, except that for any renewal periods, the fee to be paid by the Library to the City shall be modified to an amount mutually agreeable to the parties, and in the event the parties are not able to agree to a new fee amount, the renewal will not become effective and this Agreement will terminate as provided herein.

(26) **Remedies:** It is agreed that each and every one of the rights, remedies and benefits provided for by and in this Agreement shall be cumulative and shall not be exclusive of any other of said rights, remedies or benefits or any other rights, remedies and benefits allowed by law.

(27) **Waiver:** One or more waivers of any covenants or conditions of this Agreement by the parties shall not be construed as a waiver of a further breach of the same covenant or condition.

(28) **Expansion:** It is not contemplated by and between the parties hereto that there will be any physical expansion of the building and/or premises being rented, and, as a result, no such expansion may take place by the Library without the Library first obtaining the written consent of the City.

(29) **This Agreement supersedes and replaces the Amended Library Lease Agreement between the City and the Library, if any, the Library Lease Agreement between the City and the Library dated June 6, 1989, and the Amendment thereto dated August 7, 1989, and the Library Service Agreement between the City and Library dated June 6, 1989 and any amendments thereto, including but not limited to any Amended Library Service Agreements.**
IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS Library Lease/Services Agreement as of the day and year first above written. By affixing signatures below, the City and Library represent that these individuals are duly authorized to bind the parties to the terms and conditions contained herein and to act on behalf of the representative entities.

CITY OF AUBURN HILLS

By: ______________________________
Kevin R. McDaniel, Mayor

By: ______________________________
Terri Kowal, City Clerk

STATE OF MICHIGAN )
COUNTY OF OAKLAND )

The foregoing instrument was acknowledged before me this _____ day of ____________, 2016, by Kevin R. McDaniel, as Mayor, and Terri Kowal, as Clerk, on behalf of the City of Auburn Hills, a Michigan municipal corporation, on behalf of the corporation.

____________________, Notary Public
____________________ County, Michigan
My Commission Expires:_____________

AUBURN HILLS PUBLIC LIBRARY

By: ______________________________

Its: ______________________________

By: ______________________________

Its: ______________________________

STATE OF MICHIGAN )
COUNTY OF OAKLAND )

The foregoing instrument was acknowledged before me this _____ day of ____________, 2016, by __________________________, as __________________ of the Auburn Hills Public Library, on behalf of the Auburn Hills Public Library.

____________________, Notary Public
____________________ County, Michigan
My Commission Expires:_____________
INTRODUCTION AND HISTORY
The Community Development Block Grant Program (CDBG) is a U.S. Department of Housing and Urban Development (HUD) program that provides funds annually to counties and communities. CDBG funds housing, public facility, public service, and community development activities that benefit low-income households and persons with special needs. Oakland County receives CDBG funds as the agent and distributes the funds based on the total population and the number of low/moderate-income residents in the community. There are 52 participating communities.

All eligible projects must meet at least one of the following CDBG national objectives: Primarily benefit low- or moderate-income persons or households, OR Aid in the elimination of slum or blight conditions (rigid guidelines), OR Meet an urgent community need (for example: natural disasters).

Historically the city has followed the first national objective: benefit low-or moderate-income persons or households by funding Minor Home Repair, Yard Services for Seniors and Disabled Residents, Haven and both Youth Assistance programs.

There are several steps in the CDBG application process including attending annual workshop, holding Public Hearing and submitting the grant by December 16, 2016.

The community must determine local need(s), by hosting a Public Hearing on the use of Community Development Block Grant (CDBG) funds. This is when residents and other interested parties can present their ideas for CDBG funding use. **It is important to remember we are not proposing to fund individual agencies or companies tonight.** We are determining what our community needs. It will not be until **July 2017** (or later) when we actually receive our grant dollars that we can seek bids for services/projects. For example, we fund Yard Services (lawn and snow plowing) for seniors and we bid the service out seasonally.

The City has historically funded Minor Home Repair and Public Service Projects: Yard Services: Senior Snow Plowing and Lawn Mowing; Youth Services (Avondale & Pontiac Youth Assistance), and Battered and Abused Spouses.

There is a maximum 30% cap on Public Service projects. City Council has indicated an interest in what other public service eligible projects are available for consideration. Below is a brief synopsis of each project.

1. **Yard Services:** Lawn Mowing and Snow Plowing
2. **Disabled Services:** Services for persons with disabilities, regardless of age. Public Services (including labor, supplies, and materials) directed toward improving services and facilities may include: Accessible Technologies (large print books, TDD machines), recreation/education and employment
3. **Emergency Services-Subsistence Payments:** activities designed to provide one-time or short term (no more than 3 months per household per year) emergency payments on behalf of an individual or family, generally for the purpose of preventing homelessness, prevent the loss of utilities, or payment of rent/mortgage to prevent eviction
4. Housekeeping Services: Clean the interior of a home
5. General Safety & Repairs Services: Projects that are under $600 and do not require a permit and can be completed by a handyman or local maintenance
6. Housing Counseling Services: Provide fair housing services, housing discrimination, mortgage defaults, etc.
7. Battered & Abused Spouses – Haven Shelter
8. Legal Services: Provide legal aid to low and moderate income persons
9. Senior Services: Meals on Wheels, Prescription Drug Programs, Senior Day Care, Counseling, etc.
10. Transportation Services: Transportation services for a specific group, i.e. elderly
11. Youth Services: Youth recreational and educational opportunities

The Yard Services (lawn mowing and snow plowing) project is one of the most requested services and is vital for so many of our eligible residents to remain in their homes and we strongly support continuing that project.

Youth Assistance has also been funded for many years. In addition to the CDBG funds, the city provides an annual $13,000 sponsorship to both Avondale Youth Assistance and Pontiac Youth Assistance. We have a 2-year Public Service contract with each of the Youth Assistance programs alternating each year with each Youth Assistance program. Avondale Youth Assistance contract (7/1/14 - 5/30/16) was for $5,000 and those funds have been expended. Pontiac Youth Assistance contract (7/1/15 – 6/30/17) also for $5,000 and $1,585.00 has been expended to date.

HAVEN is the 3rd Public Service that has been funded for many years. HAVEN provides an array of support, services, counseling, resources and advocacy for victims of domestic violence and sexual assault. HAVEN has been providing assistance to residents here in Auburn Hills and the surrounding county since 1982. The county handles the administrative portion of CDBG on behalf of the city.

If we were to entertain other Public Service Projects there are two projects City Council may want to consider. The first one is Emergency Services. This is a program the city is not in position to assist with, however, we do receive requests for emergency rent or mortgage payment assistance or temporary emergency housing. We refer those residents seeking assistance to other agencies who are better equipped to assist the residents.

The second one is Transportation Services. While we have a very good Senior Bus Service program there are days that we are booked solid and have to turn people away or riders need to go to medical appointments outside of our service area. When this occurs we do refer riders to a couple of agencies that do provide transportation. Private transportation is very expensive often upwards of $50 round trip and more. This becomes a hardship for a low income person. Riders do have to be income qualified and there is no age restrictiveness. This program could also be used by low income residents needing to get to medical appointments, job interviews and other business appointments.

If we do decide to fund one of these Public Services Projects, we must keep in mind that we are funding just the category. Therefore once we receive our letter to spend in 2017 we will need to write the specifications and bid the project out.

There are numerous other eligible projects to allocate the remaining 70%, however the Minor Home Repair program is one program that has had a positive proven impact on the community by improving and/or maintaining homes. Other eligible projects include: Clearance and Demolition; Rehab Publicly Owned Residential Buildings; Housing Rehabilitation Administration; Code Enforcement; and Non Residential Historic Preservation.

To keep consistent and in compliance with the guidelines for a CDBG Public Hearing it would be best to follow this format:
At the close of the Public Hearing further discussions may ensue. City Council may vote on the proposed budget as presented or revise the proposed budget as the City Council sees appropriate.

HUD along with the county directs that each line item is to be voted upon as a separate motion, and if any member of the voting body has a direct relationship to an agency that will be funded, that member is to abstain from the individual line item vote.

Once the Public Hearing has closed it is the responsibility of the governing body to do three things: Sign the HUD Conflict of Interest Certification, Sign the Sub-recipient Agreement and adopt a proposed CDBG budget. From there city staff will complete the application and submit it to the county by the deadline.

Below are several motions for consideration.
- Motion #1 and #2 must be adopted in order to be part of the CDBG program.
- Motion #3 and Motion #4 are reflective of the amounts funded for 2016 and are direct services offered through the city.
- Motion #5 and Motion #6 are categories the city has historically funded.
- Motion #7 is a new category – Emergency rent or mortgage payment assistance, utility shut-off payment assistance or temporary emergency housing.
- Motion #8 is a new category - Transportation Services.

Maximum number of projects allowed to fund is four (4) and each project can be no less than $3,000 and only 30% can be Public Service projects.

STAFF RECOMMENDATIONS

The Staff recommends Council consider the following motions to accept the CDBG budget.

**MOTION #1:** Move to accept the Conflict of Interest Resolution as part of the CDBG application and to authorize the City Mayor to sign the application and submit documents to Oakland County.

**MOTION #2:** Move to accept the Program Year 2016 Community Development Block Grant (CDBG) Subrecipient Agreement between the County of Oakland and the City of Auburn Hills as part of the CDBG application and to authorize the City Mayor to sign the application and submit documents to Oakland County.

**MOTION #3:** Move to accept the Community Development Block Grant (CDBG) application budget line item Minor Home Repair in the amount of $49,635 as part of the approximate amount of $70,907 and authorize the City Mayor to sign the application and submit the documents to Oakland County.
MOTION #4: Move to accept the Community Development Block Grant (CDBG) application budget line item Yard Services in the amount of $17,772 as part of the approximate amount of $70,907 and authorize the City Mayor to sign the application and submit the documents to Oakland County.

MOTION #5: Move to accept the Community Development Block Grant (CDBG) application budget line item Youth Assistance in the amount of $5,000 as part of the approximate amount of $70,907 and authorize the City Mayor to sign the application and submit the documents to Oakland County.

MOTION #6: Move to accept the Community Development Block Grant (CDBG) application budget line item Battered and Abused Spouses in the amount of $3,000 as part of the approximate amount of $70,907 and authorize the City Mayor to sign the application and submit the documents to Oakland County.

MOTION #7: Move to accept the Community Development Block Grant (CDBG) application budget line item Emergency Services in the amount of $8,000 as part of the approximate amount of $70,907 and authorize the City Mayor to sign the application and submit the documents to Oakland County.

MOTION #8: Move to accept the Community Development Block Grant (CDBG) application budget line item Transportation Services in the amount of $8,000 as part of the approximate amount of $70,907 and authorize the City Mayor to sign the application and submit the documents to Oakland County.

I CONCUR: THOMAS TANGHE, CITY MANAGER
CONFLICT OF INTEREST CERTIFICATION

Code of Federal Regulations Title 24, Volume 3 Revised as of April 1, 2004 CITE: 24CFR570.611

TITLE 24--HOUSING AND URBAN DEVELOPMENT CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HUD
Part 570 Community Development Block Grants Subpart K Other Program Requirements Sec. 570.611 Conflict of interest

(a) Applicability. (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply. (2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to Sec. 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to Sec. 570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation: (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and (ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable: (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available; (ii) Whether an opportunity was provided for open competitive bidding or negotiation; (iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class; (iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question; (v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section; (vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and (vii) Any other relevant considerations. By applying for CDBG funds, the Participating Community certifies that they have read the above:

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<th>Community Name:</th>
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<tr>
<td>Name of Highest Elected Official (HEO) and Title:</td>
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<tr>
<td>Signature of HEO or Designee:</td>
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<td>Signature/Title</td>
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September 14, 2016

Karen Adcock
City of Auburn Hills
1827 N. Squirrel Rd.
Auburn Hills, MI 48326-2753

Dear Ms. Adcock:

Violence in families is everywhere, crossing racial, ethnic, cultural, social, and economic boundaries. The impact of this violence invades our schools, places of worship, offices, businesses, factories, and throughout our neighborhoods. Human beings, both young and old, are being harmed physically, sexually, and emotionally and this violence may be creating lifelong patterns of ongoing abuse in youngsters as they move into adulthood. We all pay the cost for the horrible crimes of domestic violence and sexual assault either in real dollars or in diminished potential of human and community life.

Since 1982, HAVEN has been dedicated to building violence-free communities where everyone can live without fear. HAVEN maintains a 24-hour emergency shelter exclusively for domestic violence victims and their children and sexual assault survivors who are afraid to stay in their own homes. HAVEN offers counseling and education that help families stop the violence, begin the process of healing, and create the hope that their future will be free from abuse. The agency steps out into the community – over the phone, in courtrooms, police stations, hospitals, schools, the workplace, and at community meetings – to provide crisis intervention and education to help victims and families prevent violence in future generations. HAVEN staff manage a Personal Protection Order Office exclusively for victims of domestic violence and sexual assault located in the Circuit Court system, helping victims with the creation and filing of Personal Protection Orders, at no charge, as the first step in their safety plan.

HAVEN, through its comprehensive work, serves to break the silence that has kept the crimes of domestic violence and sexual assault behind closed doors. This silence has only served to allow these crimes to flourish. From July 1, 2015 through June 30 2016, 77 individuals were seen within our programs and 18 crisis calls were received from families in the City of Auburn Hills who took the first step to break their own silence by contacting HAVEN. Our agency is again reaching out to you for support of our work with an even greater need as we assume the burden of increased clientele and additional staff to maintain these vital services. We ask that you continue to support these families through a Community Development Block Grant of $3,000.00 for fiscal year 2017-2018. Please remember that the federal government presumes that domestic violence victims are considered to be low-income and therefore qualify for inclusion in block grant public service requests.

HAVEN looks forward to the opportunity to meet with you this year to provide further information on this request and answer any questions you may have. In the meantime, if you wish to speak with me, I can be reached at (248) 334-1284, Ext. 319. Thank you.

Sincerely,

Marianne Dwyer
Interim President & CEO
November 9, 2016

City of Auburn Hills
c/o Karen Adcock
1827 North Squirrel Road
Auburn Hills, MI 48326

Dear Ms. Adcock:

Rochester Area Neighborhood House, Inc. is requesting consideration for the distribution of Community Development Block Grant funds for transportation services. Below is information regarding the agency and current transportation services.

Organization Name: Rochester Area Neighborhood House, Inc.
Address: 1720 S. Livernois
Rochester Hills, Michigan 48307
Phone: 248.651.5836
Fax: 248.651.5310
Email: director@ranh.org

Years of Experience: Neighborhood House has been providing transportation to low and moderate income individuals and families since 1996 and has been receiving transportation CDBG funds from Oakland Township since that time. Neighborhood House has been assisting low to moderate income residents since 1968. We have designed a screening process to ensure that all clients receiving any Neighborhood House services qualify as low to moderate income.

Areas Serviced: Our transportation is provided to low to moderate income residents of Auburn Hills, Addison Township, Rochester, Rochester Hills, and Oakland Township.

Type of Services Provided: Neighborhood House provides transportation services for low to moderate income citizens in Auburn Hills and surrounding communities with no age restrictions. Our current van was purchased by Walmart Foundation and replaced the van that was purchased by Oakland Township with CDBG funds several years ago. The van runs four days a week and recently began delivering food orders from our Food Pantry on Wednesdays to families who have no transportation to pick up the food. Many of our riders are living on a fixed income and don’t have family in...
the area who can assist with their transportation needs. We also transport some seniors and disabled individuals who need to travel outside of the boundaries of other senior-oriented transportation programs. Last year, our riders were transported to medical or dental appointments, outpatient hospital appointments, physical therapy-rehabilitation, social service appointments, job interviews, the Neighborhood House offices (including our Clothes Closet and Food Pantry), as well as many other locations.

Number of Residents Served: During the first ¾ of 2016, 36% of all rides provided by the Neighborhood House van, 148 out of 418, were given to residents of Auburn Hills. This amounts to 4,200 out of 11,800 miles driven, enabling low income individuals with no other transportation options to go to job interviews, social service appointments, doctor appointments and receive food delivery.

Pricing: The demand for transportation services from Neighborhood House has increased 10% per year during the past five years. Given this trend, we expect to provide about 200 rides to residents of Auburn Hills during the July 2017 to June 30, 2018 CDBG contract period. The cost to compensate a driver earning $11.00 per hour for rides given to Auburn Hills residents is estimated at $4,400. The Neighborhood House is requesting $2,200 from CDBG funds to assist with this service.

Other relevant information: Neighborhood House has a long-time familiarity with CDBG requirements and reporting as we have also been recipients of CDBG funding for emergency clothing assistance through the City of Rochester Hills. This support allows us to operate our Clothes Closet which provides free clothing and household supplies to low to moderate income individuals and families living within our service area.

The Board of Directors and staff of the Rochester Area Neighborhood House appreciate your consideration when allocating your Community Development Block Grant funding. Should additional information be required, please feel free to contact me at 248.651.5836 or director@ranh.org.

Sincerely,

Kathy Losinski
Executive Director
Rochester Area Neighborhood House, Inc.
INTRODUCTION AND HISTORY

The Office of the Oakland County Water Resources Commissioner (WRC) is mandated to address the Evergreen-Farmington Sewage Disposal System (EFSDS) Administrative Consent Order (ACO) through a series of projects identified in the EFSDS Long-Term Corrective Action Plan (LTCAP). As a member of the EFSDS and contributor of wastewater to the North Evergreen Interceptor (NEI), the city is also obligated to share in the expense of the capital improvement project. A committee of interested community representatives, including city staff, was formed for a series collaborative meetings to discuss allocation options. WRC acted as an impartial facilitator and technical data source for the meeting series, but maintained the responsibility for the ultimate cost allocation method selection. The City’s contribution is based on flow and equals 9.4%, or $525,357.00 of the $5.7M estimated cost for the improvement.

The project, named The Quarton Road Relief Sewer, consists of approximately 400 feet of 84 inch sewer pipe and 700 feet of 96 inch sewer pipe that will provide 400,000 gallons of temporary storage for sewage that would have otherwise been a sanitary sewer overflow (SSO) due to wet weather flow. The project is further outlined in “Exhibit A” of the contract which is included in the packet, along with the resolution and other necessary documentation to be executed by the City. The deadline for project completion by the consent order is November of 2017 and the City’s portion would be expected in early 2017.

STAFF RECOMMENDATION

City staff participated in the LTCAP meetings and concurs with the recommendations by the WRC. Finance reviewed all the payment alternatives, including bonding, and determined prepayment to be the best option. City Attorney Beckerleg reviewed the contract and additional required documentation and finds them satisfactory from a legal standpoint.

MOTION

Move to approve a resolution to Prepay the Evergreen Farmington Sewer Disposal System Quarton Road Relief Sewer in the amount of $525,357.00 and to authorize the City Manager to satisfy the prepay filing requirements set forth by the Water Resource Commission.

I CONCUR: THOMAS A. TANGHE, CITY MANAGER
EVERGREEN FARMINGTON SEWAGE DISPOSAL SYSTEMS
NORTH EVERGREEN INTERCEPTOR
QUARTON ROAD STORAGE IMPROVEMENTS CONTRACT

THIS CONTRACT, made and entered into as of the 1st day November, 2016, by and among the COUNTY OF OAKLAND, a county corporation in the State of Michigan (hereinafter sometimes referred to as the "County"), by and through its Water Resources Commissioner, County Agency, and the CITY OF AUBURN HILLS, a Michigan home rule city ("Auburn Hills"), the CITY OF BIRMINGHAM, a Michigan home rule city ("Birmingham"), the CHARTER TOWNSHIP OF BLOOMFIELD, a Michigan charter township ("Bloomfield Township"), the CITY OF BLOOMFIELD HILLS, a Michigan home rule city ("Bloomfield Hills"), and the CHARTER TOWNSHIP OF WEST BLOOMFIELD, a Michigan charter township ("West Bloomfield"), all located in the County of Oakland, State of Michigan, (Auburn Hills, Birmingham, Bloomfield Township, Bloomfield Hills and West Bloomfield are hereinafter sometimes referred to as the "Municipalities" or individually, a "Municipality").

W I T N E S S E T H:

WHEREAS, pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended (hereinafter sometimes referred to as "Act 342"), the Board of Commissioners of the County, by Resolution No. 7674, adopted September 2, 1976, authorized and directed that there be established by consolidation and merger a county system of sewage disposal improvements and services to serve the Municipalities and other municipalities in the County, said system to be known as the "Evergreen and Farmington Sewage Disposal Systems" (hereinafter sometimes referred to as the "System"), and designated the Oakland County Drain Commissioner (now the Oakland County Water Resources Commissioner) as the county agency for the System with all
powers and duties with respect thereto as are provided by Act 342 (said Water Resources Commissioner being hereinafter sometimes referred to as the "County Agency"); and

WHEREAS, under and subject to the terms of Act 342, the County is authorized, through the County Agency, to acquire and construct the sewage disposal facilities hereinafter described as constituting the project as part of the System (the "Project"), the County and the Municipalities are authorized to enter into a contract, as hereinafter provided, for the acquisition and construction of the Project by the County and for financing part of the cost thereof by Auburn Hills, Birmingham, Bloomfield Hills and West Bloomfield in cash from available funds and for the payment of the remaining cost thereof by the issuance of bonds by the County secured by the pledge of the full faith and credit of Bloomfield Township to pay such cost with interest to the County in installments extending over a period not exceeding forty (40) years, and the County is authorized to issue such bonds and, if authorized by majority vote of the members-elect of its Board of Commissioners, to pledge its full faith and credit for the payment of such bonds and the interest thereon; and

WHEREAS, there is an urgent need of such sewage disposal facilities to the Municipalities in order to promote the health and welfare of the residents thereof, which improvements would likewise benefit the County and its residents, and the parties hereto have concluded that such improvements can be provided and financed most economically and efficiently by the County through the exercise of the powers conferred by Act 342, and especially sections 5a, 5b and 5c thereof; and

WHEREAS, preliminary plans for the Project and estimates of the cost and period of usefulness thereof have been prepared, all of which have been submitted to and approved by the Board of Commissioners of the County and the governing bodies of the Municipalities and
placed on file with said Board of Commissioners in the office of the County Agency, said estimates being set forth in Exhibit B hereunto attached; and

WHEREAS, it is proposed that the cost of the Project be financed in whole or in part by cash payments to be made by Auburn Hills, Birmingham, Bloomfield Hills and West Bloomfield and the issuance of one or more series of County bonds; and

WHEREAS, in order to provide for the acquisition and construction of the Project by the County and the financing of all or part of the cost thereof by cash payments and the issuance of County bonds, and for other related matters, it is necessary for the parties hereto to enter into this contract.

THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE COVENANTS OF EACH OTHER, THE PARTIES HERETO AGREE as follows:

1. The parties hereto approve and agree to the acquisition, construction and financing of the Project as herein provided, under and pursuant to Act 342. The Municipalities by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, consent and agree to the establishment and location of the Project within their corporate boundaries and to the use by the County of their streets, highways, alleys, lands, rights-of-way or other public places for the purpose and facilities of the Project and any improvements, enlargements or extensions thereof, and the Municipalities further agree that, in order to evidence and effectuate the foregoing agreement and consent, they will execute and deliver to the County such grants of easement, right-of-way, license, permit or consent as may be requested by the County.

2. The Project shall consist of the sewage disposal system facilities as described and specified in the preliminary plans set forth in Exhibit A, which is hereunto attached and is made
a part hereof, and which preliminary plans are on file with the County Agency and are approved and adopted. The Project shall be acquired and constructed substantially in accordance with said preliminary plans and in accordance with final plans and specifications to be prepared and submitted by the consulting engineers, but variations therefrom that do not materially change the location, capacities or overall design of the Project, and that do not require an increase in the total estimated cost of the Project, may be permitted on the authority of the County Agency. Other variations or changes may be made if approved by the County Agency and by resolution of the governing body of each Municipality and if provisions required by paragraph 5 hereof are made for payment or financing of any resulting increase in the total estimated cost. The estimate of the cost of the Project and the estimate of the period of usefulness thereof as set forth in Exhibit B are approved and adopted.

3. The County Agency shall take or cause to be taken all actions required or necessary, in accordance with Act 342, to procure the issuance and sale of bonds by the County, in one or more series, in whatever aggregate principal amount is necessary to finance that portion of the cost of the Project which is in excess of the cash payments to be made by Auburn Hills, Birmingham, Bloomfield Hills and West Bloomfield as provided in paragraph 6 hereof. Such bonds shall be issued in anticipation of, and be payable primarily from, the payments to be made by Bloomfield Township to the County as provided in this contract, and shall be secured secondarily, if so voted by the Board of Commissioners of the County, by a pledge of the full faith and credit of the County, and the said bonds shall be payable in annual maturities the last of which shall be not more than forty years from the date thereof.

4. The County Agency shall proceed to take construction bids for the Project and, subject to the sale and delivery of County bonds and receipt of the cash payments to be made under this contract by Auburn Hills, Birmingham, Bloomfield Hills and West Bloomfield, enter into construction contracts with the lowest responsible bidder or bidders, procure from the
contractors all necessary and proper bonds, cause the Project to be constructed within a reasonable time, and do all other things required by this contract and the laws of the State of Michigan. The County Agency may, in its sole discretion, retain the services of a third-party engineering firm to perform contract administration of the Project, and payment for such services shall be the responsibility of the Municipalities as part of the cost of the Project as described in paragraph 6 hereof. All certificates for required payments to contractors shall be approved by the consulting engineers before presentation to the County Agency and the latter shall be entitled to rely on such approval in making payments.

5. In the event that it shall become necessary to increase the estimated cost of the Project for any reason, or if the actual cost of the Project shall exceed the estimated cost, whether as the result of variations or changes made in the approved plans or otherwise, then the County Agency shall not be obligated to pay such increased or excess cost unless the governing body of each Municipality shall have adopted a resolution approving such increase or excess and agreeing that the same (or such part thereof as is not available from other sources) shall be defrayed by the issuance of increased or additional bonds in anticipation of increased or additional payments agreed to be made by the Municipalities to the County in the manner hereinafter provided; provided, however, that the adoption of such resolutions by the governing bodies of the Municipalities shall not be required prior to or as a condition precedent to the issuance of additional bonds by the County if the County previously has issued or contracted to sell bonds to pay part of the cost of the Project and the issuance of the additional bonds is necessary (as determined by the County) to pay such increased, additional or excess costs as are essential to completion of the Project according to the plans as last approved prior to the time when the previous bonds were issued or contracted to be sold.

6. The Municipalities shall pay to the County their respective shares of the cost of the Project. The Municipalities hereby acknowledge that, except as may be pledged by the
County for payment of bonds as described in paragraph 3 hereof or as may be advanced by the County pursuant to paragraph 13 hereof, no County general funds shall be appropriated or pledged pursuant to this contract or for the Project. The County's role in the Project is strictly limited to that set forth in Act 342, and the Municipalities shall be solely responsible for all administration, finance and construction costs (including attorney fees and all dispute resolution costs), and all costs of operation and maintenance of the Project. The cost of the Project is hereby allocated to the Municipalities in accordance with the percentages and amounts set forth in Exhibit B. That portion of the cost of the Project representing the costs of issuing the bonds, including County administrative costs relating to the bonds (collectively "Issuance Costs"), shall be paid by Bloomfield Township as hereinafter provided. Auburn Hills, Birmingham, Bloomfield Hills and West Bloomfield shall pay their respective shares of the cost of the Project (less Issuance Costs) to the County in cash on the date that the proceeds of the bonds are received by the County from the purchaser thereof. The balance of the cost of the Project (including Issuance Costs) will be defrayed by the issuance of the County bonds as provided in paragraphs 3 and 5 hereof. Bloomfield Township covenants and agrees to pay the principal of and interest on the bonds and all paying agency and transfer fees and other expenses and charges (including the County Agency's administrative expenses) that are payable on account of the bonds (such fees, expenses and charges being herein called "bond service charges"). The Municipalities covenant and agree to pay all costs and expenses relating to lawsuits as described in paragraph 18 hereof and all items of cost described in paragraph 7 hereof. Such payments of Bloomfield Township shall be made to the County in annual installments, which shall be due and payable at least thirty days prior to each interest payment date specified in the County bonds. Such annual installments shall commence on the date that interest (other than capitalized interest) or principal first becomes payable on the bonds, and the aggregate amount of the installments shall be at least sufficient to pay all principal and interest on the bonds, all bond service charges payable on account of the bonds and all other costs described in this paragraph. The County Agency, within thirty days after delivery of the County bonds to the purchaser, shall
furnish the treasurer of Bloomfield Township with a complete schedule of the principal of and interest on the bonds, and the County Agency also, at least thirty days before each payment is due, shall advise the treasurer of Bloomfield Township of the amount payable to the County on such date. If Bloomfield Township fails to make any payment to the County when due, the same shall be subject to a penalty of 1% thereof for each month or fraction thereof that such amount remains unpaid after due. Failure of the County Agency to furnish the schedule or give the notice as above required shall not excuse Bloomfield Township from the obligation to make payments when due. The foregoing obligations shall apply to all bonds issued by the County to defray the cost of the Project. Payments shall be made by Bloomfield Township when due whether or not the Project has then been completed or placed in operation.

7. The County Agency is hereby authorized, but not required, to utilize County personnel for the administration of the Project. The Municipalities agree that the costs of contract administration, auditing and financial services shall be part of the cost of the Project for purposes of paragraph 6 hereof, whether such services are provided by County personnel or third parties. In the case of County personnel, the costs attributed to the Project shall include the allocable share of such personnel's salary and fringe benefits to the Project as determined by the County Agency.

8. Bloomfield Township may pay in advance of maturity all or any part of its installment due the County on the bonds by surrendering to the County bonds issued hereunder of a like principal amount maturing in the same calendar year or by paying to the County in cash the principal amount of any County bonds that are subject to redemption prior to maturity, plus all interest thereon to the first date upon which such bonds may be called for redemption, and plus all applicable call premiums and bond service charges, and in such event the County Agency shall call said bonds for redemption at the earliest possible date. The installments or
parts thereof so prepaid shall be deemed to be the installments or parts thereof falling due in the same calendar year as the maturity dates of the bonds surrendered or called for redemption.

9. The proceeds of sale of the bonds shall be used solely and only to pay that portion of the cost of the Project allocable to Bloomfield Township, and after completion thereof and payment of all costs in connection therewith, any surplus remaining from the sale of the bonds shall be (i) used to purchase the bonds on the open market or (ii) retained by the County Agency as a reserve for payment of the bond principal and interest maturities next falling due, and in such event the contract obligations of Bloomfield Township in respect to such bonds or such maturities shall be reduced by the principal amount of bonds so purchased or of said reserve, said reduction in case of the purchase of bonds to be applied as to year in accordance with the year of the maturity of the bonds so purchased. Any bonds so purchased shall be cancelled. In the alternative, such surplus may be used, on request of Bloomfield Township and approval by the Board of Commissioners of the County, to extend, enlarge or improve the System or to acquire and construct additional sewage disposal system improvements and facilities to serve Bloomfield Township.

10. Each Municipality, pursuant to the authorization of Section 5a of Act 342, hereby pledges its full faith and credit for the prompt and timely payment of its obligations expressed in this contract (which obligations, in the case of Auburn Hills, Birmingham, Bloomfield Hills and West Bloomfield, are limited to making a single cash payment to the County as provided in paragraph 6 hereof) and, subject to applicable constitutional, statutory and charter tax limitations, each year shall levy a tax in an amount that, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay its obligations under this contract becoming due before the time of the following year's tax collections; provided, however, that if at the time of making its annual tax levy, the Municipality shall have on hand in cash other funds (or to its credit in the hands of the County), including special assessment funds and sewage disposal system revenues,
that have been set aside and pledged or are otherwise available for the payment of such contractual obligations falling due prior to the time of the next tax collection, then the annual tax levy may be reduced by such amount. The governing body of Bloomfield Township each year, at least 90 days prior to the final date provided by law or charter for the making of the annual tax levy, shall submit to the County Agency a written statement setting forth the amount of its obligations to the County that become due and payable under this contract prior to the time of the next following year's tax collections, the amount of the funds that Bloomfield Township has or will have on hand or to its credit in the hands of the County that have been set aside and pledged for payment of said obligations to the County and the amount of the taxes next proposed to be levied for the purpose of raising money to meet such obligations. The County Agency promptly shall review such statement and, if it finds that the proposed tax levy is insufficient, it shall so notify the governing body of Bloomfield Township. The County Agency agrees to use any Bloomfield Township's funds on hand with the County Agency, to the extent available, to make Bloomfield Township's payments due on this contract as directed by Bloomfield Township. Bloomfield Township hereby covenants and agrees that it will thereupon increase its levy to such extent as may be required by the County Agency.

11. In the event that a Municipality shall fail for any reason to pay to the County Agency at the times herein specified the amounts herein required to be paid, the state treasurer or other official charged with the disbursement of unrestricted state funds returnable to the Municipality pursuant to the Michigan constitution is authorized hereby to withhold sufficient funds to make up any default or deficiency in funds. In the event the County is required to advance any money by reason of its pledge of full faith and credit on the bonds to be issued to finance the acquisition and construction of the Project on account of the delinquency of Bloomfield Township, the County Treasurer shall notify the state treasurer to deduct the amount of money so advanced by the County from any unrestricted moneys in the state treasurer's possession belonging to Bloomfield Township and to pay such amount to the County. In
addition to the foregoing, the County shall have all other rights and remedies provided by law to enforce the obligations of the Municipalities to make payments in the manner and at the times required by this contract. It is specifically recognized by Bloomfield Township that the payments required to be made by it pursuant to the terms of this contract are to be pledged for the payment of the principal of and interest on bonds to be issued by the County, and Bloomfield Township covenants and agrees that it will make its required payments to the County promptly and at the times herein specified, without regard as to whether the Project herein contemplated is actually completed or placed in operation; provided, however, that nothing herein contained shall limit the obligation of the County to perform in accordance with the covenants contained herein.

12. No change in the jurisdiction over any territory in any of the Municipalities shall impair in any manner the obligations of this contract or affect the obligations of the Municipalities hereunder. In the event that all or any part of the territory of any Municipality is incorporated as a new city or village or is annexed to or becomes a part of the territory of another municipality, the municipality into which such territory is incorporated or to which such territory is annexed shall assume the proper proportionate share of the contractual obligations (including the pledge of full faith and credit) of such Municipality, which proper proportionate share shall be fixed and determined by the County Agency and shall be binding upon all parties concerned unless, within sixty (60) days after such incorporation or annexation becomes effective, the governing body of the municipality into which such territory is incorporated or to which such territory is annexed and the governing body of such Municipality shall by mutual agreement and with the written approval of the County Agency fix and determine such proper proportionate share. The County Agency, prior to making such determination, shall receive a written recommendation as to the proper proportionate share from a committee composed of one representative designated by the governing body of such Municipality, one designated by the governing body of the new municipality or the municipality incorporating or annexing such territory and one independent registered engineer appointed by the County Agency. Each
governmental unit shall appoint its representative within fifteen (15) days after being notified to do so by the County Agency and within a like time the County Agency shall appoint the engineer third member. If any such representative (other than the appointee of the County Agency) is not appointed within the time above provided, then the County Agency may proceed without said recommendation. If the committee shall not make the recommendation within forty-five (45) days after its appointment or within any extension thereof by the County Agency, then the County Agency may proceed without such recommendation.

13. The County may advance funds, if approved by resolution adopted by a 2/3 vote of the members-elect of its Board of Commissioners (as required by Section 8 of Act 342) for administrative expenses, including engineering, legal and consulting expenses, incurred by the County Agency in the performance of its duties and powers authorized by Act 342 and for purposes of obtaining maps, plans, designs, specifications, cost estimates, rights-of-way and permits for the Project. In such event, and to avoid paying interest on the advance, the Municipalities shall, not later than two years after the date of adoption of the resolution of the County Board of Commissioners approving such advance, reimburse the County for their respective shares of the amount of any such advance; provided, however, that (i) the County Board of Commissioners may extend the due date of such reimbursement by resolution adopted by a 2/3 vote of its members-elect and (ii) the respective obligation of each Municipality shall be reduced to the extent that County bonds are issued and the proceeds thereof are used to reimburse the County for such advances. The obligations of the Municipalities to pay the amounts set forth in this paragraph are full faith and credit obligations as described in paragraph 10 hereof. The County shall have all rights and remedies provided by this contract and Act 342 and otherwise pursuant to law to enforce the obligations of the Municipalities described in this paragraph. In the event that any Municipality fails to reimburse the County for an advance made pursuant to this paragraph when due, such Municipality shall pay to the County interest on such unreimbursed amount from the date of such advance to the date of repayment at the interest rate
prevailing on six-month United States Treasury Bills on the date of adoption of the resolution of the County Board of Commissioners approving the advance, to be compounded quarterly.

14. If County bonds are not sold to finance the acquisition and construction of any portion of the Project within three years from the date of this contract through no fault of the County or if the Project is abandoned for any reason, the Municipalities shall pay, or reimburse the County for the payment of, all engineering, legal and other costs and expenses incurred by the County Agency in connection with the Project in the percentages set forth in Exhibit B and the Municipalities shall be entitled to all plans, specifications and other engineering data and materials. The provisions of this paragraph may be waived or extended, either before or after the expiration of the three year period, by resolution of each of the governing bodies of the Municipalities and the Board of Commissioners of the County.

15. After completion of the Project the operation and maintenance of the Project shall be in accordance with applicable agreements between the County and the Municipalities.

16. It is understood and agreed by the parties hereto that the System is to serve the Municipalities and not the individual property owners and users thereof, unless by special arrangement between the County Agency and the Municipalities. The responsibility of requiring connection to and use of the System and/or providing such additional facilities as may be needed shall be that of the Municipality wherein such property is located and such Municipality shall cause to be constructed and maintained, directly or through the County, any such necessary additional facilities. The County shall not be obligated to acquire or construct any facilities other than those designated in paragraph 2 hereof.

17. The County shall have no obligation or responsibility for providing facilities except as herein expressly provided with respect to the acquisition and construction of the
Project or as otherwise provided by contract. The Municipalities shall have the authority and the responsibility to provide such other facilities and shall have the right to expand the facilities of the System by constructing or extending sewers or related facilities, connecting the same to the System, and otherwise improving the System. It is expressly agreed, nevertheless, that no such connection shall be made to the System and no improvements, enlargements or extensions thereof shall be made without first securing a permit therefor from the County. Any such permit may be made conditional upon inspection and approval of new construction by the County.

18. The parties hereto agree that the costs and expenses of any lawsuits or Claims (as hereinafter defined) arising directly or indirectly out of this contract or the construction or financing of the Project, to the extent that such costs and expenses are chargeable against the County or the County Agency, shall be deemed to constitute a part of the cost of the Project and shall be paid by the Municipalities in the same manner as herein provided with respect to other costs of the Project. In the event of such litigation or claims, the County Agency shall consult with the Municipalities and shall retain legal counsel agreeable to the County and the Municipalities to represent the County; provided that if the County and the Municipalities cannot agree as to such representation within a reasonable time, the County Agency shall exercise its discretion as to the retention of such counsel. In this contract, "Claims" means any alleged losses, claims, complaints, demands for relief or damages, liability, penalties, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are imposed on, incurred by, or assessed against the County, County Agency or Municipalities, or for which the County, County Agency or Municipalities may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the State constitution, any federal or State statute, rule, regulation, or any alleged violation of federal or State common law, whether any such claims are brought in law or equity, tort,
contract, or otherwise, and/or whether commenced or threatened. This paragraph shall not apply
to a lawsuit instituted by any of the Municipalities to enforce their respective rights under this
contract.

19. All powers, duties and functions vested by this contract in the County shall be
exercised and performed by the County Agency, for and on behalf of the County, unless
otherwise provided by law or in this contract.

20. The parties hereto recognize that the holders from time to time of the bonds to be
issued by the County under the provisions of Act 342, and secured by the full faith and credit
pledge of Bloomfield Township to the payment of the principal of and interest on the bonds as
set forth in this contract, will have contractual rights in this contract, and it is therefore
covenanted and agreed that so long as any of said bonds shall remain outstanding and unpaid, the
provisions of this contract shall not be subject to any alteration or revision that would affect
adversely either the security of the bonds or the prompt payment of principal or interest thereon.
The right to make changes in this contract, by amendment, supplemental contract or otherwise is
nevertheless reserved insofar as the same do not have such adverse effect. The parties hereto
further covenant and agree that they each will comply with their respective duties and obligations
under the terms of this contract promptly, at the times and in the manner herein set forth, and will
not suffer to be done any act that would impair in any way the contract of said bonds, the
security therefor or the prompt payment of principal and interest thereon. It is declared hereby
that the terms of this contract and of any amendatory or supplemental contract and any contract
entered into pursuant hereto, insofar as they pertain to said bonds or to the payment of the
security thereof, shall be deemed to be for the benefit of the holders of said bonds.

21. In the event that any one or more of the provisions of this contract for any reason
shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or
unenforceability shall not affect any other provisions hereof, but this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

22. This contract shall become effective after its execution by each party hereto and the expiration of 45 days after the date of publication of the notice required by Section 5b of Act 342; provided, however, that if, within the 45-day period, a proper petition is filed with the Clerk of any Municipality in accordance with the provisions of Section 5b of Act 342, this contract shall not become effective until approved by the vote of a majority of the electors residing in such Municipality qualified to vote and voting thereon at a general or special election. This contract shall terminate forty (40) years from its date or on such earlier date when the Municipalities are not in default hereunder and the principal, interest and bond service charges on the bonds issued as hereinabove described and all other amounts owed by the Municipalities to the County hereunder are fully paid and discharged. This contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Nothing herein contained, however, shall require the County to finance the Project if it is unable to sell the bonds to finance the same. This contract may be executed in any number of counterparts.
IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed and delivered by the undersigned, being duly authorized by their respective governing bodies.

COUNTY OF OAKLAND

Executed on __________, 201_  By: ________________________________
                               County Water Resources Commissioner
                               (County Agency)

CITY OF AUBURN HILLS

By: ________________________________
    Mayor

Executed on __________, 201_  And: ________________________________
                              Clerk

CITY OF BIRMINGHAM

By: ________________________________
    Mayor

Executed on __________, 201_  And: ________________________________
                              Clerk
Exhibit “A”
Evergreen Farmington Sewage Disposal System
North Evergreen Interceptor
Quarton Road Relief Sewer (C4)

The Evergreen Farmington Sewage Disposal System (EFSDS) North Evergreen Interceptor (NEI) consists of design and construction of two (2) projects as described in the NEI SRF Project Plan. The NEI Projects are required per an administrative consent order (ACO) issued by the Michigan Department of Environmental Quality. The two projects will provide pump station improvements and storage relief for the EFSDS communities to address wet weather events and help mitigate sanitary sewer overflows (SSO).

The Quarton Road Relief Sewer project consists of approximately 400 feet of 84 inch sewer and 700 feet of 96 inch sewer pipe that will provide 400,000 gallons of temporary storage for sewage that would have otherwise been an SSO. This relief sewer will be located along the west road right of way in Woodward Avenue (refer to Figure No. 1).

This NEI project will serve the following communities:
1. Auburn Hills
2. Birmingham
3. Bloomfield Hills
4. Bloomfield Township
5. West Bloomfield

The project costs and community cost allocations are provided in Exhibit B.
Evergreen Farmington Sewage Disposal System  
North Evergreen Interceptor  
Quarton Road Relief Sewer (C4)  
1-Nov-16

1) **Contracted Services:**  
Quarton Road Relief Sewer  
Unit | Qty | Unit Price | Cost  
--- | --- | --- | ---  
LS | 1 | $3,478,000 | $3,478,000  
Sub-Total |  |  | $3,478,000

2) **Project Development:**  
Consulting Engineering:  
Design | $375,000  
Construction | $185,000  
Soil Borings and Material Testing | $72,000  
Sub-Total |  |  | $632,000

3) **Contracted Services: Project Financing:**  
Project Insurance | $154,000  
Bond Issuance (1) | $118,001  
Legal Fees (communities contract agreements) | $10,150  
Legal Fees (easement & permits) | $20,000  
Sub-Total |  |  | $302,000

4) **County Services:**  
Administration | $40,000  
Engineering | $180,000  
Right-Of-Way | $65,000  
Construction Inspection | $115,000  
Surveying | $75,000  
Permits & Easements (including Manresa Easement) | $250,000  
Sub-Total |  |  | $725,000

5) **Contingency**  
$569,902  
**Estimate of Probable Project Cost**  
$5,707,000

6) **CVT Shares/Allocation:**  
<table>
<thead>
<tr>
<th>City</th>
<th>Share</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auburn Hills</strong></td>
<td>9.4%</td>
<td>$525,357</td>
</tr>
<tr>
<td><strong>Bloomfield Hills</strong></td>
<td>20.5%</td>
<td>$1,145,725</td>
</tr>
<tr>
<td><strong>Birmingham</strong></td>
<td>0.2%</td>
<td>$11,178</td>
</tr>
<tr>
<td><strong>Bloomfield Township</strong></td>
<td>69.8%</td>
<td>$4,019,054</td>
</tr>
<tr>
<td><strong>West Bloomfield</strong></td>
<td>0.1%</td>
<td>$5,687</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>$5,707,000</td>
</tr>
</tbody>
</table>

**Note (1)** - Bond Issuance Costs are added into Bloomfield Townships Costs only. The City of Auburn Hills, Bloomfield Hills, Birmingham and West Bloomfield TWP are paying cash for their share of the project.

I hereby certify the period of usefulness of these facilities to be forty (40) years and upwards.

*Razik Alsaigh*  
By:  
Razik Alsaigh, P.E.  
Project Engineer
At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan (the "City Council"), held on the ___ day of __________, 2016.

PRESENT: ________________________________________________________________
______________________________________________________________
______________________________________________________________
______________________________________________________________

ABSENT: ______________________________________________________________

The Clerk presented to the City Council a form of contract between the County of Oakland (the "County") and the City of Auburn Hills (the "City"), the Charter Township of Bloomfield, the City of Birmingham, the City of Bloomfield Hills and the Charter Township of West Bloomfield (collectively, the "Municipalities") relative to the acquisition, construction and financing of the Evergreen Farmington Sewage Disposal System North Evergreen Interceptor Quarton Road Storage Improvements Project (the "Project"), and the plans and estimates of the cost and period of usefulness thereof. The Clerk also presented, for publication if the contract is approved, a form of notice.

The following resolution was offered by ______________________ and seconded by ______________________:

BE IT RESOLVED by the City Council of the City of Auburn Hills, Oakland County, Michigan, that:

1. The City Council hereby approves the contract between the County and the Municipalities relating to the acquisition and construction of the Evergreen Farmington Sewage Disposal System North Evergreen Interceptor Quarton Road Storage Improvements (the "Contract"), which Contract provides that the City will pay its share of the cost of the Project in
cash; that for the making of such payment thereunder the City will pledge its full faith and credit and limited taxing power; and for other matters relating to the Project and the acquisition, construction, financing and operation thereof, all under and pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended.

2. The City Council hereby approves the preliminary plans for the Project, and the estimates of the cost and period of usefulness thereof, as contained in Exhibits A and B to the Contract.

3. The Mayor and the City Clerk are authorized and directed to execute and deliver the Contract for and on behalf of the City in such number of counterparts as may be desirable.

4. The City Clerk is authorized and directed to publish the notice hereunto attached in the Oakland Press and so as to be prominently displayed therein. It is found and declared that said newspaper is a newspaper of general publication in the City and that said notice contains information which is sufficient to adequately inform all interested persons as to the nature and extent of the full faith and credit obligations of the City under the Contract.

5. A copy of the Contract as presented to the City Council and herein approved and authorized to be executed and delivered shall be attached to the minutes of this meeting and made a part thereof and shall be placed on file with the City Clerk and made available for examination by any interested person during normal business hours.
RESOLUTION DECLARED ADOPTED.

YEAS: ________________________________

NAYS: ________________________________

ABSTENTIONS: ________________________________
STATE OF MICHIGAN  )
COUNTY OF OAKLAND  )

I, the undersigned City Clerk of the City of Auburn Hills, Oakland County, Michigan, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a regular meeting duly called and held on the ___ day of ________, 2016, the original of which resolution is on file in my office.

______________________________
City Clerk
NOTICE OF ADOPTION OF RESOLUTION BY CITY COUNCIL
AUTHORIZING EXECUTION OF A CONTRACT PLEDGING
THE FULL FAITH AND CREDIT OF THE
CITY AND NOTICE OF RIGHT OF REFERENDUM
QUARTON ROAD STORAGE IMPROVEMENTS PROJECT

TO ALL ELECTORS AND TAXPAYERS OF
THE CITY OF AUBURN HILLS AND OTHER
INTERESTED PERSONS:

NOTICE IS HEREBY GIVEN, that the City Council of the City of Auburn Hills has adopted a resolution approving and authorizing the execution and delivery of a contract between the County of Oakland (hereinafter sometimes referred to as the "County") and the City of Auburn Hills (the “City”) and the Charter Township of Bloomfield, the City of Bloomfield Hills, the City of Birmingham and the Charter Township of West Bloomfield pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended, relative to the acquisition, construction and financing of improvements and facilities comprising the Evergreen Farmington Sewage Disposal System North Evergreen Interceptor Quarton Road Storage Improvements Project as more specifically set forth in the contract (the "Project").

PURPOSE OF CONTRACT

The contract has for its purpose and provides for (a) the acquisition and construction of the Project at a total estimated cost of $5,707,000, including the City’s share of such cost in the estimated amount of $525,357; (b) the increase of the estimated cost and the City’s share under certain circumstances; and (c) the payment in cash from available funds by the City to defray the City’s share of the cost of acquiring and constructing the Project.
CITY OF AUBURN HILLS' CONTRACTUAL
OBLIGATION AND SOURCE OF PAYMENT

The City is obligated to pay its share of the cost of the Project in cash at the time that bonds are issued by the County of Oakland to defray part of the cost of the Project. Although the City intends to make the aforementioned cash payment from available City funds, the full faith and credit of the City have been pledged in the contract for the making of such payment as the same shall become due. Any taxes levied by the City for the payment of its obligation to the County will be subject to applicable charter, statutory and constitutional tax limitations.

RIGHT TO PETITION FOR REFERENDUM ON CONTRACT

This notice is given by order of the City Council to and for the benefit of the electors and taxpayers residing in the City and any other interested persons in order to inform them of their right to petition for a referendum upon the contract. The contract will not become effective until the expiration of 45 days after the publication of this notice. If, within said 45-day period, a petition signed by 10% or 15,000, whichever is the lesser, of the registered electors residing within the City is filed with the City Clerk requesting a referendum upon the contract, the contract will not become effective until approved by a majority of the electors of the City qualified to vote and voting thereon at a general or special election.

FURTHER INFORMATION

Further information relative to the subject matter of the contract and this notice, including the description and location of the Project, may be secured at the office of the City Clerk where a copy of the contract is available for examination during normal business hours.
This notice is given pursuant to the provisions of Section 5b of Act 342, Public Acts of Michigan, 1939, as amended.

Terri Kowal, Clerk
City of Auburn Hills
NON REFERENDUM CERTIFICATE

I, the City Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the NOTICE OF ADOPTION OF RESOLUTION BY CITY COUNCIL AUTHORIZING EXECUTION OF A CONTRACT PLEDGING THE FULL FAITH AND CREDIT OF THE CITY AND NOTICE OF RIGHT OF REFERENDUM QUARTON ROAD STORAGE IMPROVEMENTS PROJECT was duly published in ______________________ on the ___ day of __________, 2016; and that since the publication of said notice, no petition requesting a referendum upon the contract has been filed with me or in my office.

____________________________________
Terri Kowal, City Clerk
City of Auburn Hills

Dated: _________________, 201_
To Detective Peters, Officer Wagenmaker, and The Auburn Hills Police Dept.

I am so thankful for what you have done, I loved my dirtbike so much, and when it got stolen my heart sank. I am just so happy and appreciative that I got it back as a surprise! When I saw it after it got returned I didn't recognize it because of all of the upgrades on it. I'm so proud of Detective Peters, Officer Wagenmaker and The Auburn Hills Police Dept.

Sincerely,
Dilano Ortiz
The Gary Clark Family

Thank You
So Much
AUBURN HILLS

Walter P. Chrysler Museum in Auburn Hills to close

By Natalie Broda
nbroda@digitalfirstmedia.com
@NatalieBroda on Twitter

The Walter P. Chrysler Museum in Auburn Hills will be closing its doors for good after Dec. 18.

After being open to the public on a limited basis since June, FCA US has announced that the Chrysler Museum, located at 1 Chrysler Drive in Auburn Hills, will close in December to be converted to office space on the FCA campus.

FCA has stated it will continue to preserve its historical vehicles, showcasing them at internal and external events, such as at the Chrysler Technology Center among other facilities.

“We learned this week that this would happen and we are working with FCA to repurpose that space as an office building for FCA staff. We expect 100 employees to move into the facility,” Thomas Tanghe, Auburn Hills city manager said.

The museum will be open on the following dates with the final weekend taking place Dec. 17 to 18.

• 10 a.m. to 4 p.m. Nov. 5 and 6
• 10 a.m. to 4 p.m. Nov. 19 and 20
• 10 a.m. to 4 p.m. Dec. 17 and 18

• Admission is $10 for adults, $8 for FCA retirees and seniors 62 and up, $6 for kids between six and 17-years-old and kids five and under are free.
Dan DelFoss, owner of Ultra Professional Outdoor Services, is offering a reward for info on burglaries at his company.

Landscape company offering reward for info on burglaries

By Natalie Broda
nbroda@digitalfirstmedia.com
@NatalieBroda on Twitter

It has not been easy these past eight months for Auburn Hills landscaping company Ultra Professional Outdoor Services, as they’ve experienced two burglaries in that time resulting in roughly $14,000 worth of equipment being stolen.

That’s why the company is now offering a $1,000 cash reward for information leading to an arrest.

Ultra Professional Outdoor Services has been in business for almost 18 years, first in Pontiac and now at their current location at 2431 Pontiac Road in Auburn Hills.

The property, which includes a storage yard where landscaping trucks hold equipment, is bordered by businesses and I-75. During both instances the fence to the storage yard was cut open and equipment that can be carried, such as backpack blowers and weed whips, were stolen.

• The first instance took place the night of March 31 with a total of $7,077 worth of equipment stolen.
• The second instance took place the night of Oct. 18, with a total of $7,536 worth of equipment stolen.

• Ultra Professional Outdoor Services employs 40-60 people, depending on the season.
• The company is planning to expand its camera security system and has currently erected a six-foot wall made of concrete bin blocks along the fence to the yard.

"First and foremost I am disgusted," Dan DelFoss, owner of Ultra Professional Outdoor Services said. "Like anyone, you work hard for your family and coworkers and clients, and where it affects me personally is it’s an attack on my business. I no longer have peace of mind that my business is safe without my presence here."

When (someone) takes those items that generate our livelihood, they take those and destroy them, they swallow it up, it’s gone ... and then you look to lean on the people you trust the most, like insurance, and they advise you not to make a claim because it will affect you for many years to come ... who do you turn to? This has had such a huge impact on us."

 Anyone with information regarding the burglaries should contact the Auburn Hills Police Department, 1899 N. Squirrel Road, Auburn Hills or calling their non-emergency line at 248-370-9444.
Details on annual Holiday Extravaganza Parade released to public, will be Dec. 3

By Natalie Broda

The 35th Annual Holiday Extravaganza Parade is just under a month away and both the grand marshal and the schedule of events have been released.

Oakland County Executive L. Brooks Patterson will serve as the honorary grand marshal of the Dec. 3 parade, which brings together the communities of Auburn Hills, Pontiac, Waterford and White Lake each year. The intercommunity collaboration draws thousands to downtown Pontiac each year, according to a press release.

"This is a wonderful opportunity for people of all ages to celebrate the spirit of the holiday season and to have a truly unique experience while visiting Pontiac," Auburn Hills Mayor Kevin McDaniel said in a release.

* A WinterFUN Festival will kick the day off the day from 8 a.m. to 10:30 a.m., Dec. 3, at the Crofoot Ballroom located at 1 Saginaw St., Pontiac.
* There will also be a WinterART Festival for children during this time.
* Other entertainment will include activities such as live Santa's reindeer, face painters, a petting zoo, balloon artists, ice sculpture carving competitions and hot chocolate sites.
* Santa and Mrs. Claus will be in attendance for the parade and families can visit them after at the Pontiac Public Library.

The parade route will begin at 11 a.m. at the Oakland Livingston Human Services Agency at 196 Cesar Chavez Ave., Pontiac and will continue down Saginaw Street to the Phoenix Center. The holiday parade will feature about eight professional floats, about three more than previous years, seven local marching bands, drill teams, costumed characters and horse-drawn wagons and carriages.

"It is wonderful to see the excitement of the children and their families as they huddle together to watch the magic of the Holiday Extravaganza. There is an abundance of good cheer and family oriented fun activities to justify keeping this as a beautiful tradition that Pontiac shares with Auburn Hills, Waterford and White Lake," Pontiac Mayor Deirdre Waterman said in a release.

Genisys Credit Union and Michigan Works of Oakland County are the presenting sponsors. Corporate sponsors include Advanced Disposal, Art Van Furniture, Lee Industrial Contracting, Oakland Livingston Human Services Agency, Oakland County Sherriff Department, Oakland University, The Crofoot, The Oakland Press and United Healthcare.

Pictured is a scene from last year's annual Holiday Extravaganza Parade in Pontiac. Details for the 2016 festivities have been released; among the announcement is that Oakland County Executive L. Brooks Patterson will serve as the honorary grand marshal in the Dec. 3 event.
Mayor on Potential Pistons Move: ‘The Sky is Not Falling’

By Matthew B. Mowery
matt.mowery@usatoday.com
@matthewbmowery on Twitter

AUBURN HILLS — After a 26-year marriage, the handwriting for an impending separation is on the wall. Disappointment aside, though, the city of Auburn Hills, the home of the Detroit Pistons for nearly three decades, is taking news of the impending divorce in stride.

After hearing Pistons owner Tom Gores use phrases like “we’re very close” and “we’re serious about making this move” Friday night in response to questions about the team’s intention to move out of The Palace of Auburn Hills and into the new Little Caesars Arena downtown, Auburn Hills mayor Kevin McDaniel released a statement Monday morning, saying essentially ‘So be it.’

“Too us, this is disappointing but it also provides us with new opportunities. My colleagues on city council and I have the utmost confidence in our leadership team to work with Palace ownership should they discontinue use of the arena or elect to redevelop the site,” McDaniel said in the release, noting the value of the property along I-75, should Gores and his team decide to raze The Palace, and sell the land.

“It is important to recognize that the city’s $55M total annual budget hinges total annual tax revenue from the arena of approximately $174,000; in

The Detroit Pistons may soon be moving out of their Auburn Hills home at The Palace.

“While I am disappointed to hear Mr. Gores talk in terms of a likely departure, I am proud of the fact that we have been the Pistons’ home town since 1988, and have provided attentive service to The Palace through our methods of delivering police and emergency medical services, along with traffic management and maintaining the infrastructure in and around The Palace,” McDaniel said. “It has always been our position that the arena’s private ownership is a model that should be duplicated throughout the country. The private sector built it, and the private sector profited from its operation.”

Detroit Pistons owner Tom Gores tosses out T-shirts during the second half of an NBA game against the Orlando Magic on Friday in Auburn Hills.

“Am I concerned about it? I want to pay attention to it. I want to respect it, for all the years of attending, and so on. This has been a real community. And I want them to feel the same way about us, wherever we’re playing.”
The timing is right for Pistons to make move

If you asked me a year ago if the Pistons should move from Auburn Hills into the new arena in Detroit, I would have responded, "Why?"

The Palace is a beautiful building, still state-of-the-art in most ways. There is no mortgage. It was paid-off long ago. The majority of the those buying tickets to professional sports games live in Oakland and Macomb counties, not far from the M-59 corridor where The Palace is located.

It's a basketball capital. The Pistons have won three NBA titles there. Michigan State's NCAA championship in 2000 included a regional title at The Palace. As recently as 2013, the NCAA opening-round featuring Michigan and MSU was well-received.

Knicks invade the Palace

Up next: The Detroit Pistons host the New York Knicks at 7:30 p.m. today on FSD.

Why would people want to move the team to the new Little Caesars Arena next season.

Detroit Pistons championship banners could be hanging from the rafters of the new Little Caesars Arena at the start of next season.
dome. It was go the game — and leave. It is not like the Silverdome did much for downtown Pontiac. During the early years of Comerica Park and Ford Field, it was more of the same.

Downtown Detroit has made considerable progress. Comerica Park and Ford Field have eventually had the desired impact. Quicken Loans, Blue Cross-Blue Shield, and other businesses have brought influx of jobs into Detroit. Millennials, many raised in the suburbs, have moved into pockets of Detroit.

Their ideal isn’t a nice place in the suburbs with lots of land as much as a thriving city. The Baby Boomers and Gen Xers have adjusted, too.

The Pistons moving to Detroit certainly would not solve all Detroit’s problems, especially in neighborhoods, but there needs to be a central base, a gathering spot for the entire Metropolitan Area. Detroit is so sports-centric, it is ideal to build the core around the professional teams.

Over two decades, there has been a gradual filling in of downtown Detroit. It runs from the Fox Theater and stadiums south to the riverfront, and that area west out to where the Motor City and MGM casinos are located.

It’s not just wishful thinking about a “renaissance,” but an actual occurrence, although still in the beginning stages.

In the meantime, Oakland County is transforming itself. It’s become a thriving technology base. Auburn Hills is in the middle of it. Peter Karmanos, of Compuware fame, is redoing the Riker Building in downtown Pontiac as part of the tech boom. It could have a similar bearing on Pontiac as his building did for Detroit.

The Pistons move to Detroit is part of the natural process of growing this area, something that would benefit both the city and suburbs, even if The Palace itself is too good to abandon.

Give the Ilitch family and Gores credit for seeing the bigger picture and working together. It undoubtedly took compromise for the common good on both fronts.

It is a sign of progress for Metropolitan Detroit after decades of gridlock and stagnation.
Distributor buys former Big Buck Brewery beer bottle

By Natalie Broda
nbroda@digitalfirstmedia.com
@NatalieBroda on Twitter

The larger-than-life steel beer bottle which formerly stood at the inactive Big Buck Brewery, soon to be restaurant and bowling alley The H.U.B., has found a new home with Orion Township beer distributor Powers Distributing.

The bottle, which is 45-feet tall and a little over 10,000 pounds, was removed from its stand at 2550 Takata Drive in Auburn Hills on Oct. 26. Gary Thompson, chief operating officer at Powers Distributing, said the company has had its eye on the bottle for the past two to three years. Representatives from Powers Distributing attended the removal and made an offer on the spot as the bottle was coming down.

• Powers Distributing will work to restore the steel bottle as years of wear have rusted parts of the structure.
• The original label, made of canvas, will be removed.
• The company intends to find a way to make the label on the bottle interchangeable to represent different brands of beer they distribute, such as the Miller Lite brand.
• Powers Distributing will now look to the Orion Township city council for approval to place the bottle outside in a concrete stand as signage for the company.
• The sale price of the bottle is undisclosed, but according to Brian Hussey, project manager for The H.U.B., the company received a previous offer of $20,000. The Powers Distributing sale price was close, or, "thereabouts" to the first offer.

The giant steel beer bottle at the former Big Buck Brewery in Auburn Hills was hoisted from its platform on Wednesday and sold on the spot to Orion Township beer distributor Powers Distributing.
Avondale High School announces National Merit Scholarship semifinalist

Avondale High School senior Aparna Sumanth is among an elite group of only 16,000 students in the country to be named National Merit Scholarship semifinalists competing for a share of $33 million in National Merit Scholarship awards that will be offered next spring. The semifinalists scored in the top 1% of the 1.6 million juniors who took the Preliminary SAT across the nation.

Only 578 students from the state of Michigan made the cut. To achieve finalist designation, students must, in addition to being academically talented, be involved in school and community activities, demonstrate leadership abilities, and have earned recognitions throughout their high school careers.

Sumanth, who resides in Auburn Hills with her parents, Chitra and Gururumthy Sumanth, is a member of National Honor Society, Spanish Honor Society and is captain of the varsity swim and dive team, of which she has been a member for four year. In addition, she is an accomplished musician, playing for the Avondale Yellow Jackets Marching Band as well as the Avondale High School Symphonic Band.

During the Michigan School Band and Orchestra Association State Festival last year, she earned a Flute Soloist Division One rating.

Active in the Bharatiya Temple community outreach that supports Gleaners Community Food Bank, Sumanth is also heading up a fundraising swimming event for Avondale Blessings in a Backpack this winter. "I think that people should apply their skills to help others and make a difference in the world," she said. "It's one of the reasons that I am interested in a biomedical field. It's an opportunity for me to use my skills to help others."

With aspirations of becoming a biomedical engineer, Sumanth is interested in attending the University of Michigan, Michigan State University, Harvard University or Johns Hopkins University. Her inspiration for setting her sights high is her father who, she explains, "grew up with fewer opportunities, came to the United States for educational opportunities and was determined and committed to succeed."

Avondale High School Principal Sharon Hyde sees Sumanth as determined and committed but also balanced. "She is committed to her studies, but is also a well-rounded individual who has made time to grow socially and emotionally," said Hyde. "That she achieves academically while managing commitments outside of the classroom is her strength. Aparna is a very capable person who will succeed at whatever she puts her mind to."

"I'm happy and proud that she has received this recognition."
Missing man, 72, found; may have been headed Up North

Auburn Hills police reported shortly after 11 a.m. Friday that a missing man had been found.

Police had asked for the public's help finding a 72-year-old local man last seen Thursday afternoon.

Gilbert David Mattson, of Auburn Hills, was last seen Thursday, Oct. 27, at 2 p.m. Family members said Mattson may be heading to northern Michigan or the Upper Peninsula.

It was not immediately reported where he was found or his condition.

Family members also say that Mattson — who was driving a gold 2014 Subaru Outback with license plate number DV208N — was in need of prescribed medication and suffers from dementia.

Mattson is described as a white man who is 5-foot-9, and 220 pounds with grey and black hair. He was last seen wearing a black Vietnam Veterans hat, blue jeans with suspenders, white tennis shoes and a green Carhartt jacket with the words "Wood Whacker Yooper" on the front left side.

Anyone with information on Mattson's whereabouts or the location of his vehicle was asked to call Auburn Hills police at 248-370-9460.
Fan reaction mixed as Pistons likely to exit Palace

By Matthew B. Mowery
matt.mowery@oakpress.com
@matthewmowery on Twitter

AUBURNHILLS » So close, yet so far away, all of a sudden.

Once the T's get crossed, and the I's get dotted, making the move of the Detroit Pistons back to Detroit a formality, next year could be the first time in 40 years there will be no big-league franchises in the northern suburbs.

The Lions left the Silverdome in 2002 to move back downtown to Ford Field.

And now the Pistons could be right behind them, moving into the still-unfinished Little Caesars Arena.

Owner Tom Gores said he wanted the franchise to be cognizant of its fan base in the suburbs in this process, never forgetting the loyalty those fans showed through the good years, and the lean ones.

Move

FROM PAGE 1

But how do some of those fans feel about the move?

"Some are OK with it," said fan Ryan Spann on Facebook.

"Sports are a major part of that comeback what better team to have then the blue collared Detroit Pistons."

"Will I be upset as a fan? I have mixed feelings about a potential move downtown. A brand-spanking new arena is always exciting. Being downtown will have some benefits with more outside food choices and such," West Bloomfield's Eric Mullarky wrote on Facebook. "But as a current season ticket holder, I personally have concerns and am not sure if I'd be able to attend as many games. The Palace is not far from where I live. Getting in and out of games is a breeze and I see that changing with a move, especially with parking options. And I do like the Palace. It is a nice arena and certainly doesn't feel as old as it is in comparison against other newer NBA arenas."

"I would be extremely mad if they left The Palace. We will probably never go to another game if they move to Detroit. I have so many great memories at The Palace. From field trips as a child, to being able to accompany my own children to their first games. I'd hate to see this beautiful venue turn into the dilapidated mess Pontiac was left with. If it was torn down I'd be extremely angry after all of the expensive updates Mr. Gores has recently done. It would be so wasteful," Nina Wilson Kinney of Port Huron wrote on Facebook. "No, actually it'd be a slap in the face to all their hard-working fans that pinch pennies to be able to take their families to a game or two a year. Just to watch another billionaire throw away a perfectly fine arena to make an unnecessary move to Detroit. Leaving another small city to pick up the pieces. It makes me angry, thinking Auburn Hills could be the next Pontiac. Mr. Davidson has to be rolling in his grave, thinking that what he spent his life building could be reduced to a pile of rubble not even 10 years after his passing."

The move won't deter others from making the drive downtown.

"I'm 22, so I missed the Bad Boys/Grant Hill era. To me, winning the title at home against the Lakers was sports nirvana. The building was loud and vibrant," said Edward Zilnick of Troy. "I love the NBA and the Pistons in particular. I would go to see the same amount of games I currently see a season wherever they played."

For some, the drive to Auburn Hills was as bad, or worse.

"From where I live (Clinton Township) it won't make a difference in terms of time, but it will be cool to be downtown — exciting time," Twitter fan Derek Wilczynski said. "Don't quite get the move, though. (The Palace is still very well run/nice to see a game/concert there. ... Greatest memory was taking my son to his first Piston game. Lousy game against the 76ers, but he was awed by it.)"

"I cannot remember a game I have gone to in quite sometime. It's been about 8-10 years probably, and that is because I just do not want to make the trek to Auburn Hills for just a game. I want a lot out of the experience, and with downtown Detroit being the main core for the entire metro area, it would make more sense for them to be in their central core. I would go to games the first season they are downtown, so yes, it would impact me positively," said Matt Markham of Chesterfield Township.

"I will not be upset as a fan. I would actually be much more happier, because it would generate more revenue, foot traffic, and positive vibes towards the city of Detroit as it recovers. The Palace is a beautiful venue, no doubt, but when it comes to sporting events and concerts, I personally, as many probably like me, enjoy the atmosphere around the Joe (Louise Arena), Comerica Park, Ford Field. The bars, restaurants, people walking everywhere, it is apart of the city vibe, and I think the Detroit Pistons entirely should be in downtown, with the other three sports teams. ... I think along the line it was a mistake to take em so far away from Detroit, and now that Detroit is having a resurgence, Tom Gores and his staff want them and their team to be apart of it, and I am 100 percent on board with it."

"I will be extremely happy to see them downtown. Driving from Toledo to Auburn Hills is a pain. Will definitely attend more," said Cameron J. Kaiser, a fan from Toledo. "Easier to get to the city than to Auburn Hills," said Twitter fan Christopher Milz.
AUBURN HILLS

Fiat Chrysler employees celebrate World Habitat Day

Fiat Chrysler Automobiles hosted several Habitat for Humanity affiliates for World Habitat Day activities at the Walter P. Chrysler Museum in Auburn Hills.

More than 100 Fiat Chrysler employees volunteered their morning to build sheds for Habitat for Humanity of Oakland County, wheelchair ramps for Macomb County Habitat for Humanity and picnic tables for Habitat for Humanity Detroit to support future Habitat homebuyers throughout the tri-county area.

The employees also donated household items to Habitat ReStores, which are nonprofit home improvement stores and donation centers that sell new and gently used donated items to the general public at a fraction of the retail price to support the Habitat mission. This event provided an opportunity for all three affiliates to work together and allowed them to collectively thank Fiat Chrysler Automobiles for their long history of support. In addition to significant funding, the company has engaged more than 1,500 volunteers on Habitat projects in Oakland and Macomb Counties and the City of Detroit.

Helen Hicks, Macomb County Habitat for Humanity executive director; Sandra Pearson, Habitat for Humanity of Michigan president and CEO; Lesley Slavitt, Head of Civic Engagement and CEO of the FCA Foundation; Tim Ruggles, Habitat for Humanity of Oakland County executive director/CEO; Ken Cockrel, Jr., Habitat for Humanity Detroit executive director; FCA employee volunteer; and Macomb County Habitat for Humanity future homebuyer Stacy Harris and her son took part in World Habitat Day.

To donate, volunteer or learn more, visit www.HabitatOakland.org.

—Submitted by Bridget Marlett
Auburn Hills Historical Society presentation

Take a break from Halloween preparations and make "The Architecture of Death" on Oct. 29 from 10:30 a.m. to 12 p.m. at the Auburn Hills Public Library, 3400 E. Seyburn Dr., Auburn Hills. Whether it is fear or faith, death has fascinated and inspired mankind since recorded history. In all cultures, the aspect of death has motivated some of the most iconic architecture throughout history. It has shaped our cities and influenced our art and is an integral part of life today. Presented by Ron Campbell, preservation Architect for Oakland County and sponsored by the Auburn Hills Historical Society. The presentation is free and open to the public. Register at: http://auburn-hills.lib.mi.us/-EVENTS tab or call 248-370-9466.

AUBURN HILLS

Man charged with soliciting a child for immoral purposes

A 29-year-old man was arrested by Auburn Hills police on Friday, Oct. 28 following an investigation of a man soliciting a child for immoral purposes according to the Auburn Hills Police Department.

Adam Hopper, Auburn Hills, was arraigned on a felony charge for accosting, enticing or soliciting a child for immoral purpose. Officials are stating it is alleged that Hopper solicited a person under the age of 16 for a sexual act.

A plea of not guilty was entered on Hopper’s behalf.

Hopper was arraigned at the 52-3rd District Court before Magistrate Marie Soma. Bond was set at $25,000 cash, 10 percent with a GPS tether required.

Officials are stating it is alleged that Hopper solicited a person under the age of 16 for a sexual act.

A probable cause conference will take place at 8:20 a.m. on Nov. 10 before Judge Lisa Asadoorian at 52-3rd District Court in Rochester Hills.

Michigan law states that accosting, enticing or soliciting child for immoral purpose is a felony punishable by imprisonment for no more than 4 years or a fine of no more than $4,000 or both.

— Staff writer Natalie Broda
Auburn Hills
Children ages 12 and under are invited to the City of Auburn Hills’ 25th annual Auburn Hills Halloween Trail on Thursday, Oct. 27, from 6 p.m. to 7:30 p.m. Children can trick-or-treat down the Halloween trail in Civic Center Park, visit the talking pumpkin and enjoy a special Halloween magic show inside the community center. This event is free to all children in costume. For more information, call 248-370-9353.

On Oct. 29 the City of Auburn Hills will host its 11th annual Spooktacular event from noon to 1:30 p.m. Merchants of downtown Auburn Hills will hand out candy and other goodies to kids in costume for a frightfully good time. This year’s Spooktacular also features a Halloween magic show at 12:45 p.m. in the University Center. All children must be accompanied by an adult. For more information, call 248-370-9550.

Teens ages 13 to 18 are invited to the third annual Zombie Laser Tag on Oct. 29 from noon to 2 p.m. at Riverside Park in downtown Auburn Hills. All equipment is provided. Teens should be in costume. The event is free. For more information, call 248-370-9353.

OU announces MLK Day speaker

Actress Holly Robinson Peete to speak Jan. 16

By Natalie Broda
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Actress, talk show host and author Holly Robinson Peete will be at Oakland University on Jan. 16 to speak as a part of the university’s Keeper of the Dream Awards Celebration.

Peete is known for her work as Judy Hoffs on the Fox TV police drama “21 Jump Street” as well as several other television programs including hosting the CBS daytime talk show “The Talk” and starring in her own series “For Peete’s Sake” on the OWN Network.

The award ceremony is designed to pay tribute to Martin Luther King Jr. and his vision by awarding scholarships to Oakland University undergraduates who have committed to his legacy by breaking down racial and cultural barriers, according to the university.

Since it began in 1993, the scholarship ceremony has grown from awarding two $1,000 scholarships to multiple $5,000 scholarships.

Last year’s guest speaker was LeVar Burton, a literacy advocate, actor, director and producer.

Betira Shahollari (left), finance, Christina Root, social work, Myshia Liles-Moutrie, social work, Tasha Tinglan, social work and Carlie Austin, nursing, were the winners of last year’s Keeper of the Dream Awards.
County won’t buy The Palace

Patterson says he turned down offer in June

By Mark Cavitt and Natalie Broda / The Oakland Press

He’s not buying it. Check Oakland County off the list of prospective buyers of The Palace of Auburn Hills.

In an interview Monday with WXYZ-Channel 7 (where he is a consultant), Oakland County Executive L. Brooks Patterson said he turned down an offer in June to purchase The Palace of Auburn Hills from Pistons Owner Tom Gores.

Bad move

Patterson said during the interview he thought it would be a “bad move” on the county’s part to purchase The Palace.

“We aren’t going to buy it at the expense they were asking for,” said Patterson. Bill Mullan, media & communications director for the county.

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Pistons moving downtown?

Patterson told Crain's he recently met with Arn Tellem, vice chairman of Palace Sports & Entertainment, and was told that the Pistons "are in the final stages of negotiation" to move downtown.

"I think, if I was to guess, not based on any conversations but just reading the tea leaves, that the Pistons will probably be gone," said Patterson.

Crain's reported on Sept. 30 that the Pistons were planning on building a 60,000-square-foot practice facility just north of Little Caesars Arena in Downtown Detroit, the new home of the Detroit Red Wings come Fall 2017.

Talks about relocating the Pistons to Detroit are nearly finished, according to Crain's, and a deal could be announced within the coming weeks or months.

Auburn Hills reaction

The Palace of Auburn Hills generates $175,000 annually in local city taxes, according to Stephanie Carroll, manager of business development and community relations for Auburn Hills.

"We're reading a lot of things right now and I think saying that we have another Silverdome on our hands is not wise and is pure speculation," Carroll said. "While we'd like to be involved in the process, we're treating it as every other private business in our community."

Carroll stated that the city has yet to be contacted by Palace Sports & Entertainment about the potential move or sale.

"So if potentially there were redevelopment to happen at that site and just looking at the size of the land and the desire for companies to be next to their suppliers and in Auburn Hills, that site could generate about four times as much tax revenue than what we're currently receiving," Carroll said.

Auburn Hills Mayor Kevin McDaniel said in late January, following his State of the Community Address, that "we don't fault anyone for looking long term" when it comes to Pistons possibly leaving the city for Detroit.

"We're thankful they're (Pistons) are here," said McDaniel.
Pistons closer to Detroit return

Talks to play in Wings arena at advanced stage

BY LOUIS AGUILAR AND ROD BEARD
The Detroit News

Downtown Detroit could be welcoming an old friend home after almost 40 years. The ownership groups of the Red Wings and Pistons are in advanced talks to move the Pistons back downtown to play in the new Little Caesars Arena, according to sources familiar with the talks.

No deal is pending and a number of details still need to be worked out, but some of initial issues have been agreed upon. The sources caution, however, that the deal could fall through if both sides cannot agree on those remaining issues, including revenue splits.

It’s unclear when — or if — the deal will happen, sources said. If the next stages of negotiations go smoothly, a public announcement could be made in the coming weeks or months.

Pistons owner Tom Gores will be in Detroit for events Thursday and Friday.

The Pistons are scheduled to be completed next September, when Mike Ilitch’s Red Wings are to begin playing there. It’s unclear whether the Pistons would move there next season or in 2018-19 if a deal is reached.

The seating capacity for basketball games at The Palace of Auburn Hills is nearly 20,000, ac-

Little Caesars Arena is scheduled to be completed in September 2017.

Pistons

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cording to the venue’s website. The seating capacity for hockey games at Little Caesars Arena is 20,000 for hockey games and up to 21,000 for basketball games, according to representatives of the Wings’ owner.

Part of the remaining discussions include building a separate practice facility for the Pistons downtown, but a location hasn’t been identified. Potential sites include land the Ilitch family already owns in the downtown area, including a three-block swath of property just across from the MotorCity Casino, owned by Marian Ilitch.

Oakland County rejected a $370 million offer made in June by Gores to buy The Palace, county officials confirmed Monday. Other options included a long-term lease to keep the Pistons at The Palace, but that deal fell through.

Sources indicate The Palace is not for sale. If the Pistons move downtown, the building’s future is unclear, but it could be redeveloped for other uses. The Palace already hosts concerts, circuses and other events.

During the past year there’s been a courtship between Gores’ Platinum Equity LLC, owner of the Pistons, and the Ilitch family. The Ilitches tried to buy the Pistons before Gores purchased the team and Palace Sports & Entertainment from Karen Davidson for $325 million in 2011.

Representatives of Gores and the Ilitches declined comment for this story. Palace Sports includes the Pistons and The Palace, as well as other entertainment venues: DTE Energy Music Theatre, Meadow Brook Amphitheatre and Freedom Hill Amphitheatre.

At Pistons media day last month, Gores repeated his interest in moving the team downtown under the right terms and

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AUBURN HILLS

Take one down, pass it around

Big Buck bottle sold, removed from platform

By Natalie Broda
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An Oakland County landmark bid farewell this morning as the giant beer bottle outside of the former Big Buck Brewery, 2850 Takata Drive in Auburn Hills, was hoisted from its platform and sold on the spot to Auburn Hills beer distributor Powers Distributing.

• The bottle is 45-feet high.
• It weighs about 20,000 pounds.
• The bottle itself was only a covering for a stainless steel grain silo which was active while the brewery was still open.

• Representatives from Powers Distributing, which is located less than a mile from the former Big Buck Brewery, soon to be "The H.U.B", were in attendance as the bottle was taken down and an offer was placed during the removal.

• "The H.U.B" will be a restaurant with 16 bowling courts, multiple large screen televisions, two bars and private outdoor seating.

The bottle was listed on Craigslist.

Owner and developer of the property Gary Tenaglia, CEO of Rochester-based Envision Electric Contracting LLC, said the group received an offer of $20,000 for the bottle.

The sale price to Powers Distributing is undisclosed, according to Brian Hussey, project manager for "The H.U.B," but he did state that the price was close, or, "thereabouts" to the first offer.


PHOTO BY NATALIE BRODA — FOR THE OAKLAND PRESS

The giant beer bottle outside of the former Big Buck Brewery in Auburn Hills was hoisted from its platform on Oct. 6, and sold on the spot to Auburn Hills beer distributor Powers Distributing.
Pistons finalizing move to Detroit

Gores: ‘We’re getting close’

Detroit Pistons team owner Tom Gores addresses a news conference before an NBA game against the Orlando Magic on Friday in Auburn Hills.

CARLOS OSORIO — THE ASSOCIATED PRESS
announcement could come any day. "No deadline. We're working towards it. We don't have a deal, just so you guys are clear. We don't have a deal. But we're talking seriously."

It's been talk that's surrounded the franchise, ever since the death of former owner Bill Davidson in 2009, and the transfer of ownership to Gores two years later. That talk has merely gotten louder with the Ilitch family putting up a new arena for the Red Wings, set to open next season. The Pistons could move into the facility at the same time.

"Look, I think if we're going to do it, it's gonna be soon. I think I've always been relatively transparent with you guys — We're getting close. We're getting close. At the same time, always want to appreciate The Palace, this great arena," Gores said.

"Look, we're serious. We're serious about making this move, and I think we should take it in, I think we should enjoy The Palace. It's really an historic arena, a credit to Mr. (Bill) Davidson. The Davidsons will be here tonight, including Karen and her family. It's a real credit to them that this arena is as vibrant and as functional as it is, so many years later.

"Whatever Mr. Davidson did in building it, he did good."

The Palace opened in time to host the Pistons' first championship season in 1988-89, and has hosted six championship teams, between the Pistons and the since-relocated (re-named) WNBA Shock.

Before that, the Pistons played at the Pontiac Silverdome, rather than share space with the Wings in Joe Louis Arena. Gores certainly doesn't want to dismiss the years of support from the fan base in Oakland County and the other northern suburbs.

"I think we have to be really mindful of the community in Auburn Hills, and their loyalty in showing up over the years," the owner said, when asked if he was concerned he'd lose some of April 9, 1978, at Cobo Center. After years of urban decay, it would be meaningful for the Pistons to be part of the revitalization of downtown. Gores admitted, saying "there's a lot going on down there" with the region's other three major league franchises.

"First, just being here, talking to you guys, coming from Flint, growing up in Flint, and being part of the Pistons is a huge deal, all by itself. Even without the downtown move, that's a big deal, all by itself. It's pretty incredible. I think what I thought when we bought the team was that we could move the community, and we've done a pretty good job with that. To this day, I think that's the most important thing, as much as I want to win. The impact on the community is huge, and that's what sports teams do. So I think we're going to make an impact, wherever we are. If we can help Detroit revitalize — and it is coming back — that would be great. I think we are already inspiring a lot of people. I hope we are. That's what I always wanted to do," Gores said, dismissing the thought that the move was always his vision for the franchise.

"I wouldn't say that was my vision. Truthfully, when we bought the team, it was just about getting the team better. Ultimately, you have to have a team that wins, you have to have a team that competes, a team that we're proud of. My vision was to have a guy like Stan Van Gundy in charge of the team and the operations. He's really done an incredible, incredible job, just re-shaping us. Think about the progress he's made in just a short amount of time. So where we play — look, I think it's great if we get back downtown; I think that's something that everybody would like.

"But I wouldn't say that was my vision. My vision was to come in, compete and make you guys proud," Gores was also asked about the potential of building a practice facility downtown — "We haven't thought about that," he said and whether the necessity of making Little Caesars Arena a dual-purpose facility was a factor
LOCAL BRIEF

AUBURN HILLS

Free probate court seminar set for Oct. 24

The Citizens Alliance for the Oakland County Probate and Circuit Courts on Oct. 24 will be hosting a free seminar to discuss the intricacies of the county’s probate court, organizers say. The seminar, titled “Removing the Mysteries of Probate Court,” will be conducted with help from the Auburn Hills Senior Services Department from 1 to 3 p.m. at the Auburn Hills Community Center, 1827 N. Squirrel Road.

The lecture will aim to educate senior citizens and their families about estate planning, wills, trusts, powers of attorney and many other topics in the probate process. Jill Koney Daly, probate register for the Oakland County Probate Court, and attorney Robert Isgrigg Jr., of Waterford-based law firm Schmidt, Isgrigg, Anderson & Miller, will both be panelists at the event.

To register, call Auburn Hills city employees at 248-370-9353. For more information on dates and locations for probate courts seminars, contact Court Resource and Program Specialist Karen Koshen at 248-858-0296 or koshenk@oakgov.com.

— Staff writer John Turk

AUBURN HILLS

FCA recalling Jeep Wranglers, Ram pickups

By Jenna Jakowitz
Of The Oakland Press

Fiat Chrysler Automotive is recalling more than 86,000 Ram pickups and more than 224,000 Jeep Wranglers worldwide.

The first recall, announced Tuesday, affects model years 2007—2013 Ram 2500 and 3500 pickup trucks, along with Ram 4500 and 5500 chassis cabs. Some 2011—2014 Charger police cars are also affected.

The recall, FCA says, is due to possible short-circuiting in alternators which can result in the engine stalling and/or vehicle fire.

According to FCA, this short-circuiting is a result of the diodes in the alternators wearing out due to frequent use in hot temperatures. There have been no accidents as a result of this issue, and only one potentially related injury has been reported, FCA noted.

FCA will notify customers when they can bring their vehicle in to be serviced.

FCA announced the second recall on Wednesday, for model years 2016-2017 Jeep Wranglers. The recall was due to a sensor wiring disconnect issue that can affect airbag deployment in the event of a crash.

“Impact sensors help determine when airbags and pretensioners should be activated. A wiring disconnect may prevent their deployment,” FCA said in a press release.

Although the recall affects 2016-2017 Wranglers, FCA says that no 2017 models have left the company’s hands.

FCA is also unaware of any accidents or injuries that have occurred as a result of the wiring issue.

FCA will rewire affected vehicles at no charge, and customers will be notified when they can bring in their vehicle to be serviced.