



The City of Auburn Hills
City Council Meeting
Minutes

March 7, 2016

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, Council Members Burmeister, Hammond, Kittle, Knight, Verbeke
Absent: Mayor Pro Tem Mitchell
Also Present: City Manager Tanghe, Assistant City Manager Grice, Police Chief Olko, Fire Chief Manning, City Clerk Kowal, City Engineer Juidici, City Attorney Selhaney.
12 Guests

4. APPROVAL OF MINUTES

4a. Regular City Council – February 22, 2016

Moved by Verbeke; Seconded by Kittle.

RESOLVED: To approve the February 22, 2016 City Council meeting minutes.

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

No: None

Resolution No. 16.03.032

Motion Carried (6–0)

4b. City Council Workshop – February 22, 2016

Moved by Kittle; Seconded by Verbeke.

RESOLVED: To approve the February 22, 2016 City Council Workshop minutes.

Mr. Knight noted he had mentioned, regarding the fund balance, he would like to see 50%, but could settle with 35%.

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

No: None

Resolution No. 16.03.033

Motion Carried (6–0)

5. APPOINTMENTS AND PRESENTATIONS

5a. Presentation – Dr. Rawashdeh and the Oakland University Loon Copter Team

Mayor McDaniel presented the Loon Copter Team with a proclamation, recognizing the Oakland University Engineering Team for the world's first multi-rotor drone proto-type, Loon Copter, for an international competition of Drones for Good, in Dubai. Of the 1,017 entries from 165 countries, the Loon Copter Team was awarded the \$1 million prize.

5b. Motion – Appointment of Carla Withers to the Beautification Advisory Commission

Carla Withers introduced herself, stating she has lived in the community for 20 years and is looking forward to serving her community.

Mayor McDaniel explained Ms. Withers sat in on a BAC meeting prior to accepting the appointment and believes she will be a good fit.

Moved by Knight; Seconded by Kittle.

RESOLVED: To confirm the appointment of Carla Withers to the Beautification Advisory Commission for a term ending December 31, 2018.

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

No: None

Resolution No. 16.03.034

Motion Carried (6–0)

6. PUBLIC COMMENT

Terry Bailey, Foremost Development Company, reported the Residence @Thirty Two Fifty development has progressed to the design/development stage of the project; progress was made in determining the best type footing for this brownfield site. It is hoped the design will be completed within the next 90 days and groundbreaking will begin this summer.

Stephan Baranyai, 3716 Eaton Gate Lane, asked why there won't be a millage for the Police Department, as is being sought for the Fire Department.

Mayor McDaniel explained there has been no action taken for a Fire Department millage as of yet, but there will be a discussion this evening. As information becomes available, it will be made public.

7. CONSENT AGENDA – None

8. OLD BUSINESS – None

9. NEW BUSINESS

9a. Motion – Approve Liquor License Renewals 2016/2017

Mayor McDaniel noted an updated list has been supplied to Council, regarding the four establishments who are not compliant with the City's requirements for license renewal: Ciccarelli's Sports Bar, Duffy's Irish Pub, Parkside Tavern and TGI Friday's.

Moved by Hammond; Seconded by Burmeister.

RESOLVED: To recommend approval of the annual liquor licenses of those establishments that have met the licensing requirements of the City; and that a public hearing be scheduled for Monday, March 28, 2016 to consider evidence regarding the recommendation of non-renewal of a liquor license to those establishments who have not met the City's requirements.

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

No: None

Resolution No. 16.03.035

Motion Carried (6–0)

9b. Motion – Request to Authorize Drafting of Fire Millage Ballot Language

Mr. Tanghe explained discussions have taken place regarding City finances and the five year projection of the general fund, fund balance through 2020. This request is for City Council to authorize drafting ballot language for the August 2, 2016 election. This would be a Headlee override to the existing fire millage from the current rate of 1.76 mills to a rate of 2.5 mills. The City's Charter provides a maximum millage to be levied to 2.5 mills for fire department operations. During his 15 years with the City, the millage has never paid completely for fire operations and has been reliant upon the general operating millage. Post-2008, the City lost more than \$1 billion in taxable value, which is directly related to the revenue generated. This year, after implementing a new transport model that is generating income, there is still a projected shortfall of \$120,000 of revenues vs. expenses.

The City is seeing an increase of daytime population. The many colleges and universities have increasing enrollment; and with the increasing tourism, make it necessary to consider increasing the number of full time firefighters/paramedics on staff.

The staff recommendation states 'After having completed a significant analysis of our finances both now and including a five-year projection, Staff recommends that the City place on the ballot for August 2, 2016, a ballot question asking the citizens to support an increase to the Fire millage by way of a Headlee override, from the current rate of 1.76 mills to a rate of 2.5 mills, thus increasing the Fire millage rate by .74 mills. It is important to note that the City is not requesting a millage rate that exceeds what has always been provided for by the City Charter, but to allow us to override the current millage to levy the 2.5 mills that is permitted by the Charter. A ballot question will need to be drafted by the City Attorney for review and approval by the City Clerk's office on or before May 10, 2016. In turn, the City Clerk will submit the ballot language to the County Clerk's office for their required approval on or before May 12, 2016. County Clerk's approval will be necessary for the ballot question to come before the qualified citizen voters of Auburn Hills at the election held on Tuesday, August 2, 2016.'

Mr. Kittle asked Mr. Tanghe to explain the Headlee override and 1.76 mills as opposed to 2.5 mills. He asked if the City had ever collected the 2.5 mills for Fire and why the 1.76 mills now.

Mr. Tanghe explained the maximum millage was levied several years ago. The Headlee explanation is difficult but as the tax base grows, essentially the local government cannot get a windfall, matching their growth with the tax base. Each year, using the Consumer Price Index (CPI) as a reference, local government isn't allowed to capture any more dollars than what is equal to the Consumer Price Index. So even if there were double digit growth in the taxable value in past years, the City was always limited to the growth and revenue of whatever the CPI was for that year. This has caused the City to roll back the millage rate, so the City was never exceeding the CPI. What started out at 2.5 mills has now rolled back to 1.76. The problem is Headlee never took into consideration the crash of the economy like occurred in 2008. As we come out of the recession, and as in previous years, the City can only grow its tax base by the rate of inflation. The rate of inflation for this year, 3/10's of 1% is being used. The City has rolled back and can't grow even though our taxable value is growing; an example, for industrial property this year expectations are a double digit increase in taxable value but the revenues will only grow on those properties by 3/10's of 1%. Everything is increasing in cost - wages, benefits, and everything else supporting the operations of Fire Department. The City has been reduced to collecting less; 1.76 mills or \$1.76 billion in taxable value rather than the \$2.6 billion in taxable value that was being collected seven or eight years ago. In terms of taxable value, the City exceeded \$2.6 billion in taxable value, in 2008. The rate has gone backwards, and the City is collecting the revenue on a billion less taxable value.

Mr. Tanghe explained if a home's marketable value is \$200,000, the taxable value is 50% or \$100,000, and if this millage is successful, the homeowner would pay an additional \$74 per year in property taxes to fund the Fire Department.

Mr. Kittle, addressing Stephan Baranyai, who spoke earlier, explained City Council and staff have been analyzing the costs of funding the City operations and running the City efficiently with the best possible services. The thought at this point is this millage may be sufficient to fill the gap after other cost saving measures are explored. This discussion is to allow the

City to proceed with having the City Attorney draft language. This will also allow Council ample time to review the language and make changes, if necessary, if it is decided to move forward.

Mr. Kittle noted the motion includes language stating the question be ready for the August 2, 2016 election. He would prefer City Council review the ballot language and deciding then, which election date would be best.

Mayor McDaniel suggested changing the motion to say 'in preparation for'.

Mr. Tanghe explained it was the intention of staff to have the language ready for the August election, but the election date can be determined after the language is drafted and reviewed.

Mr. Kittle noted, he spoke with Chief Manning who helped him to understand the proposed cost savings with 24 hour shifts. He believes more staffing is needed, especially with three fire stations. He would like to continue discussion and look for other cost saving measures and see the big picture and how it all fits together.

Mr. Knight stated he was on the Charter Commission back at the beginning of the City when the 2.5 mills was decided on, based on the suggestion of a professional. The only time the millage was increased, was for the library. For as long as he can remember the City has been in a deficit situation with the Fire Department. The explanation for the ballot language should include how it hasn't been possible to make ends meet, it is necessary to increase the millage to cover the fire operations. It may be necessary in the future to seek a police millage, but not at this time. The motion language is okay with him, it does include the ballot language will be presented at the March 28, 2016 Council meeting. He hopes the information will be available demonstrating the need of the millage at the March 28th meeting.

Mayor McDaniel believes staff has been responding to the agreed urgency Council has had in preparing this proposal for the August 2, 2016 election. This evening's meeting was moved up to accommodate the time necessary to get ballot language drafted, reviewed and filed to meet the deadline of getting on the August 2, 2016 ballot. Council has not voted or decided on the millage increase, but has decided to look at the possibility. He too, agreed with Mr. Kittle and Mr. Knight there should have been a millage increase five years ago. He believes the motion could state 'in preparation of the August 2, 2016 election'.

Mr. Kittle is in agreement with the motion as is, there is a tight timeline.

Moved by Knight; Seconded by Verbeke.

RESOLVED: To direct the City Manager and City Attorney, in conjunction with the City Clerk's office, to formulate a ballot question for the August 2, 2016 election seeking a Headlee override of the Fire millage from 1.76 mills to 2.5 mills (an increase of .74 mills), with the 2.5 mill levy being the maximum allowable by Charter. The ballot language shall return to City Council for review and proposed acceptance on Monday, March 28, 2016.

Mr. Knight wants all the backup and supporting information for this proposal be available at the March meeting to share with the residents.

Mr. Kittle noted the information Mr. Knight is requesting may not be formally ready for the March 28th meeting, but will be available leading up to the August election and will be available for all the residents to review and decide at the election.

Mr. Knight suggests a general overview of why the millage is necessary to be available for review at the March meeting.

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

Resolution No. 16.03.036

Motion Carried (6-0)

10. COMMENTS AND MOTION FROM COUNCIL

Ms. Hammond:

- Reminded everyone to go out and vote tomorrow.

Mr. Knight:

- The City has been proactive in making changes and suggested laying some groundwork to change the Headlee Amendment. There should be a provision stating if property values increase a community can capture some of that.

Mr. Burmeister:

- Asked if there have been any arrangements made for Captain Aguayo's retirement.
Fire Chief Manning explained there are plans for a formal recognition to be made at the Fire Department's Awards and Appreciation dinner, May 5, 2016.

Mr. Knight:

- An important game tonight – Go Grizzlies!

Mayor McDaniel:

Congratulated Ms. Mitchell, a General Motors engineer who recently was recognized for her impact in creating opportunities for women and minorities in the automotive industry. She was awarded the Modern Day Technology Leader award that was presented at the Black Engineer of the Year Award/STEM conference in Philadelphia.

11. CITY ATTORNEY’S REPORT - none

12. CITY MANAGER’S REPORT

- February 25, 2016, he and Mayor McDaniel attended a reception for the Counsel General of Japan. There are future meetings scheduled to discuss investments in the City.
- Congratulated the current longest working employee, Tammy Klobnock who just recently retired after 31 years of service.
- The City is in the process of upgrading the e-mail system and though no interruptions are expected, there is always that possibility. He asked for patience in the event an email isn’t sent or received or has been delayed.

13. EXECUTIVE SESSION – Labor Negotiations

Moved by Burmeister: Seconded by Verbeke.

RESOLVED: To adjourn to Executive Session.

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

No: None

Resolution No. 16.03.037

Motion Carried (6–0)

Adjourned to Executive Session at 7:45 p.m. Resumed regular session at 9:41 p.m.

Ms. Verbeke left Executive Session.

Moved by Burmeister: Seconded by Hammond.

RESOLVED: To approve the collective bargaining agreement between the City of Auburn Hills and AFSCME, Auburn Hills Employees Chapter D of Local 2720, for a contract period of January 1, 2016 through December 31, 2019 as presented. Further, authorize the Mayor, City Clerk and City Manager to execute the Agreement on behalf of the City.

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

No: None

Resolution No. 16.03.037

Motion Carried (5–0)

14. ADJOURNMENT

Hearing no objections, the meeting adjourned at 9:42 p.m.

Kevin R. McDaniel, Mayor

Terri Kowal, City Clerk