NOVEMBER 2014
(11-07-14)

05 Beautification Advisory Commission, 6:00 p.m., Council Conference Room ◆ ADDED
10 Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room ◆ CANCELED
10 City Council Workshop, 5:30 p.m., Council Conference Room ◆
10 City Council, 7:00 p.m., Council Chamber ◆
11 Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room ◆ CANCELED
12 Retiree Health Care, 2:00 p.m., Admin Conference Room ◆
12 Pension Board, immediately following Retiree Health Care, Admin Conference Room ◆
13 Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆ CANCELED
17 City Council, 7:00 p.m., Council Chamber ◆
18 Library Board, 5:00 p.m., Library, Conference Room ◆
20 Planning Commission, 6:30 p.m., Public Safety Building ◆ LOCATION & TIME CHANGE

◆ 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
◆ Library, 3400 Seyburn Drive
◆ University Center, 3350 Auburn Road, Main Floor, Classroom AHUC-02
DECEMBER 2014
(11-04-14)

01  City Council Workshop, 5:30 p.m., Council Conference Room ◆
01  City Council, 7:00 p.m., Council Chamber ◆
08  Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room ❇
09  Board of Review, 11:00 a.m., Admin Conference Room ❇
09  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room ❇
09  Library Board, 5:00 p.m., Library ❝
11  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆
15  City Council, 7:00 p.m., Council Chamber ◆
18  Planning Commission, 7:00 p.m., Council Chamber ◆
AGENDA

1. MEETING CALLED TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF COUNCIL
4. APPROVAL OF MINUTES - November 10, 2014
5. APPOINTMENTS AND PRESENTATIONS
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
8. OLD BUSINESS
   8a. Motion - Acceptance of MDOT Contract # 14-5530, I-75 / University Drive Diverging Diamond Interchange Project
9. NEW BUSINESS
   9a. Motion – Approve SAN Bid
10. COMMENTS AND MOTIONS FROM COUNCIL
11. CITY ATTORNEY’S REPORT
12. CITY MANAGER’S REPORT
13. 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: by 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 Kittle, Council Members Burmeister, Hammond, Knight, Mitchell, Verbeke

Absent: None
Also Present: City Manager Tanghe, Assistant City Manager Grice, Director Olko, City Clerk Kowal, DPW Director Melchert, Community Development Director Cohen, City Attorney Beckerleg, and City Engineer Stevens
19 Guests

Mayor McDaniel noted there are modifications made to this evening’s agenda, including an addition of Item 5b. Presentation of Keep Michigan Beautiful Awards; Old Business, 8b., Adopting an Ordinance for the Local Officials Compensation Commission is an addition; and removing 9a., Waiving Jurisdiction for the Economic Development Corporation; New Business Items will move up accordingly.

4. APPROVAL OF MINUTES
4a. Regular Council Meeting – October 20, 2014
Moved by Verbeke; Seconded by Kittle.
RESOLVED: To approve the October 20, 2014 regular meeting minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Motion Carried (7-0)
Resolution No. 14.11.213

4b. Executive Session – October 6, 2014
Moved by Knight; Seconded by Mitchell.
RESOLVED: To approve the October 6, 2014 Executive Session minutes.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Motion Carried (7-0)
Resolution No. 14.11.214

5. APPOINTMENTS AND PRESENTATIONS
5a. Presentation – Swearing in of Police Officer Bryan Eftink’s Promotion to Sergeant
Director Olko noted Officer Eftink began his career with Auburn Hills on September 10, 2002, has served in the Directed Patrol Unit, Evidence Technician, Forensic Video Analyst, and instructor in the Small Squad Tactics and trains not only Auburn Hills, but other departments throughout southeast Michigan as part of OAKTEC. He is the Department’s only Advanced Traffic Crash Reconstructionist, which takes years to achieve; and works with the SOCIT Team (South Oakland Crash Investigation Team). Officer Eftink is a member of the Department’s Honor Guard, and represents the Department as an instructor at the Oakland County Community College Police Academy. He received Officer of the Year Award from
the American Legion in 2004 and the Optimists Club in 2014. He holds 12 Unit Accommodation Awards, four Individual Merit Awards, one Certificate Merit Award, two Safe Driving Awards (each for five years of safe driving), two Participation Awards for the National Night Out and one Letter of Accommodation. Officer Eftink went through the extensive and challenging assessment center testing process for this promotion.

Ms. Kowal administered the Oath of Office to Sergeant Bryan Eftink.

Mayor McDaniel congratulated and thanked Sgt. Eftink for his service, on behalf of himself, City Council and residents.

5b. Presentation – Keep Michigan Beautiful Awards

Mr. Tanghe explained the mission of Keep Michigan Beautiful is to promote, provide education, and to recognize beautification and restoration projects throughout the State. Keep Michigan Beautiful annually recognizes activities that substantially contribute to environmental improvement, cleanup, beautification, site restoration and historical preservation. The City has won for previous projects, and this year, an award was received for the restoration of the DEN, which is the old log cabin building located downtown. The cabin has been converted into a student and community learning center and is owned and operated by the Auburn Hills Tax Increment Financing Authority.

Mr. Tanghe presented the award to Mayor McDaniel and City Council.

Mr. Grice presented a second Keep Michigan Beautiful award to Mayor McDaniel and City Council for Hawk Woods Park. Students and volunteers have played an important part in the construction of six log cabins. The Oakland County Technical Campus has conducted their Building Trades class at the Park by building two of the cabins and City staff, on their own time, have constructed the other cabins. Hawk Woods provides both a peaceful retreat and an instructional preserve for the community.

Mayor McDaniel on behalf of himself and Council thanked the Staff for their contributions for making these types of awards possible for the City.

6. PUBLIC COMMENT

Michael Jones, 4490 N. Squirrel Road, sent an email to City Council, and reiterated he does not support the Squirrel Road project, which will increase the amount of traffic on Squirrel Road. He currently has a difficult time getting in and out of his driveway, and there is quite a bit of traffic noise. He understands the need to maintain the road, but not to increase the size, contributing to additional traffic. He would like Council to consider stopping the project south of the big tree, and leave the current footprint as is; a center turn lane in front of the houses will not be of any help.

Phillip Clampitt, 3744 Tienken Road, wants to save the 300 year old, Black Walnut tree on Squirrel Road. He understands the City is considering three different options for the big tree; he and his wife hope Council will choose the option in which three lanes of the northward expansion of Squirrel Road will end near Thornwood, and the big tree will remain undisturbed. This option has several other advantages besides not cutting the big tree; being the most economical, requiring no easement acquisition and no shifting of the road; residents on both sides of Squirrel Road in the immediate vicinity of the tree prefer this approach, being the least disturbing to the value of their property; this option would satisfy the wishes of many Auburn Hills residents and others who have signed a petition to preserve the Squirrel Road big tree; and a center lane is not required in this stretch where the big tree is located, because it will not make much of a difference in the traffic flow into Orion Township or Rochester Hills.

Kim Marshall, 4470 N. Squirrel Road, does not support the center turn lane on N. Squirrel Road, nor the removal of the big Black Walnut tree on N. Squirrel Road. She also doesn't support the removal of trees on the west side of Squirrel Road to accommodate a shift in the road. She too, prefers ending the left turn near Thornwood.

Don Hughes, 3744 Bald Mountain Road, would like Council to reconsider the removal of the N. Squirrel Road, Black Walnut tree for the purpose of expanding Squirrel Road. He presented the Council with a petition containing over 350 signatures of those opposing the removal of the Squirrel Road, big Black Walnut tree. The petitions includes language requesting Council to hold a public hearing prior to finalizing any construction project for N. Squirrel Road. He too, favors the option of ending the left turn lane at Thornwood.

Anne Doyle, 4405 N. Squirrel Road, has lived there for 24 years. She wanted to explain that a meeting in July indicated easements would be sought on the west side of Squirrel Road, so there would be no impact to the big Black Walnut tree. She is asking the City not to rush into an irreversible decision and to give the community the opportunity to voice their concerns.

Setting the record straight regarding her property, she stated she asked the City to stake out the temporary and permanent easements that would be necessary for the road construction, resulting in 30,000 square feet and approximately 40 trees, including many mature trees. The documents she received from the City, essentially reflected her donating the land, which she is not willing to do. She is not looking to make money from any easement, but she is willing to sit down with the City for discussion. She is not in favor of the road project.

Randy Wyatt, explained he recently brought to Council’s attention a breaking and entering that occurred at his neighbor’s residence, with an unacceptable police response time of 30 minutes. He has received, through the FOIA process, documentation, including the audio tape of the call his son placed and emails exchanged between City Council and the
Department. He also noted he read the Police Blog that mentioned dispatch procedures. He suggested a simple thank you for bringing the incident to the Police’s attention would have been appreciated.

7. CONSENT AGENDA

7a. Board and Commission Minutes

7a.2. Planning Commission – October 30, 2014

Mr. Knight noted a small correction was made to the BAC minutes earlier in the day.

Moved by Knight; Seconded by Burmeister.

RESOLVED: To approve the Consent Agenda.

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

Resolution No. 14.11.215

8. OLD BUSINESS

8a. Motion – Approve Resolution of Support for Taylor Road Reconstruction & Economic Development Project

Mr. Melchert explained staff is recommending reconstruction of Taylor Road and maintaining the current alignment of the junction of Taylor Road at Lapeer Road. There was consideration to bring the alignment to Zelma Drive, however, the funding and timing would substantially be higher.

The resolution is part of the application for grant funding and additional wording has been included on the resolution: WHEREAS, the City has committed to provide $230,000 toward the Taylor Road Reconstruction project as match money with the Michigan Transportation Economic Development Fund (MTEDF) Grant consideration of $903,715.

There has been concern and questions regarding the curve on Lapeer Road, but as of yet, there has not been any determination if and/or when the curve may be softened.

Mr. Melchert assured Ms. Hammond the road will be widened from the existing concrete portion of Taylor Road.

Ms. Verbeke asked for clarification of not making any changes to Lapeer Road, including the addition of a turn-around.

Mr. Melchert confirmed there will be no changes to Lapeer Road; there is a turn-around just south of Opdyke Road that will allow Taylor Road traffic to access northbound Lapeer Road. The stacking will not be any different than what currently exists.

Mr. Stevens noted though there will be more traffic on Taylor Road, the cross-over may need a modification at some point. There will be costs associated with a change as well as MDOT approval.

Mr. Tanghe noted the traffic flow onto Lapeer Road isn’t a great concern; originally the Taylor Road developments were projected to have a much higher density. He also explained not all the traffic will be exiting Taylor Road at Lapeer Road and heading north, some will head south and others may head west.

Ms. Verbeke stated she would be interested in knowing numbers of the different directions the traffic travels.

Mr. Knight asked if the City can enhance the project for better traffic flow with City money added to the grant money. He suggested extending both lanes; Lapeer Road when turning onto Taylor Road and Lapeer Road when exiting from Taylor Road. He would like to proceed with this request, but consider enhancing access as well.

Mr. Melchert stated the project can be enhanced with City money.

Mr. Kittle echoed some of Mr. Knight’s concerns of shooting across Lapeer Road to make the turn onto Opdyke Road or the northbound turn-around. A turn-around closer to Hoops may make sense as well as an acceleration lane when leaving Taylor Road onto Lapeer Road.

Moved by Kittle; Seconded by Mitchell.

RESOLVED: To Approve the Resolution of Support for Taylor Road Reconstruction and Economic Development Project.

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

Motion Carried (7-0)

Resolution No. 14.11.216

8b. Motion – Adopt Ordinance 14-863 to amend Chapter 2-261, Administration, Changing the Number of Members and Terms of Office for the Local Officials Compensation Commission.

Mr. Beckerleg noted this is a housekeeping issue, in keeping with State law requirements. The increase to seven Compensation Commission members up from five members, reflects a municipality of more than 20,000 residents.

Mayor McDaniel opened the public hearing at 7:49 p.m. and hearing no comment, closed the public hearing at 7:49 p.m.

Moved by Verbeke; Seconded by Knight.
RESOLVED: To adopt Ordinance 14-863 to amend Chapter 2-261, Administration, of the Auburn Hills City Code, changing the number of members and terms of office for the Local Officials Compensation Commission, as stipulated in the Home Rule City Act, MCL 117.5c(a).

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None  
Motion Carried (7-0)

Resolution No. 14.11.217

9. NEW BUSINESS

9a. Motion – Approval of Combined PUD Step One - Qualification / Step Two – Site Plan, along with Tree Removal Permit / First and Main of Auburn Hills – Senior Assisted and Independent Living Community

Mr. Cohen explained the Five Points Church is willing to sell approximately eight acres for this development, which will be constructed on property west of the Church. Five Points Church will retain 12 acres and will be doing improvements and renovations to the Church. The site is directly north of the YMCA and east of the Oakland Square Cooperative. The project consists of two phases, the first phase will consist of the assisted living/memory care wing. This will be a three story building, with the first two floors as assisted care living and the top floor for memory care assistance. The first phase is expected to begin in January 2015 and completed by late summer. Once the first phase is fully occupied and 50% occupancy reservations for the second phase is complete, building for phase two will begin. Phase two will have 61 units of independent living.

The average age of individuals that will be living in this facility will be between 85 and 87 years old. Most residents will move into the facility in their mid 80’s and will stay in the facility as they age, with the entire facility becoming an assisted living facility.

The facility will have many amenities including a healing garden, putting green, community garden, gathering spaces, hair salons, chapel, dining hall, library and movie theater; a cruise ship on land.

Much of the open space will be preserved to the west and the north, as well as retaining most of the trees. There will also be a cross access drive between this facility and the Church, having no need to access Walton Boulevard. Once both phases are completed, the building will appear as one building; the exterior will consist of brick, stone and glass. The total investment for this project is $28 million.

Ms. Verbeke asked for clarification on traffic movement in and through the site.

Mr. Stevens explained there will be no left turn conflicts because the driveway and Joswick Road, which is just east, are slightly offset from each other.

Mr. Knight asked if any senior can be a resident who is currently not in need of assisted living.

Greg Markvluwer, SVP of Corporate Finance, Granger Group, explained seniors are welcomed at any stage of their life. The east portion of the building is geared towards assisted living and memory care units. Once that section is fully occupied, the second building will begin and that is where an independent senior would be living.

Moved by Hammond; Seconded by Knight.

RESOLVED: To accept the Planning Commission’s recommendation and approve the combined PUD Step One – Qualification and Step Two – Site Plan along with the Tree Removal Permit for First and Main of Auburn Hills Senior Assisted and Independent Living Community, subject to staff and consultants’ conditions.

VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None  
Motion Carried (7-0)

Resolution No. 14.11.218

9b. Motion – Approval of Text Amendment to the Zoning Ordinance Addressing Automatic Changeable Copy Signs / Section 1811. Signs

Mr. Cohen explained the sign requested by Baker College is not allowed by City ordinance, which initiated the proposed amendment. The proposed sign is taller and has a larger LED portion than what is currently allowed. The current ordinance allows a sign to be six feet tall in a residential district and eight feet tall otherwise. The new ordinance is proposing all signs be 10 feet tall and allowing a larger LED board, increased from 32 sq. ft. to 60 sq. ft. and allow the LED board to be up to 75% as opposed to the current 50% of the total sign area. Also, reduce the hold time for messages from 90 seconds to 15 seconds. A study was done of neighboring communities and a hold time of 15 seconds seemed to be a reasonable amount; four messages every minute.

The Planning Commission held a public hearing for the request, and recommends approval of the amendment.

Ms. Verbeke noted she is not a fan of the signs, and believes 15 seconds is too short of a time for messages. She asked if approved, existing signs such as McDonald’s, will be able to have a much larger sign.

Mr. Cohen noted the McDonald’s signs were approved with a ZBA variance a number of years ago and are taller than 10 feet. If McDonald’s chooses to change their signs they must go before the Zoning Board of Appeals for the change. The only other tall sign he recalls, is the YMCA sign.
The hope with this ordinance change, will encourage churches to put their signs on taller bases, making the signs more visible. The biggest impact for the current signs will be the lower hold time.

Ms. Mitchell noted she initially had the same concerns as Ms. Verbeke, but the 15 seconds is the average of the hold times from the surrounding communities. Another item, is many of the signs in Auburn Hills seem aged, which doesn't reflect well on the City, and the ordinance changes will likely spur businesses to replace older signs.

Mr. Knight noted the ordinance changes are for maximum sizes allowed.

Mr. Kittle was in agreement with Ms. Verbeke, possibly allowing 30 seconds as a time hold, but he timed out 15 seconds, noting it was substantial time to read a message from a moving in a vehicle.

Mr. Cohen confirmed for Mayor McDaniel the amendments reflect current standards in other communities.

**Moved by Knight; Seconded by Burmeister.**

RESOLVED: To accept the Planning Commission’s recommendation and approve the text amendment to Section 1811. Signs of the Zoning Ordinance regulating automatic changeable copy signs. The amended ordinance shall be referenced as Ordinance 14-864.

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

No: None

Motion Carried (7-0)

**Resolution No. 14.11.219**

9c. Motion – Approval of Special Land Use Permit / Baker College – Automatic Changeable Copy Sign

Mayor McDaniel noted a representative is not available from Baker College and suggested Mr. Cohen proceed with the project introduction and after hearing the introduction, Council can determine if they wish to proceed or postpone a determination.

Mr. Cohen stated the property is located at 1500 University Drive, directly across from Havenwyck Hospital. The existing monument sign will be removed and replaced with an automatic changeable copy sign. This SLU request is intended to comply with the newly approved amendments to the Zoning Ordinance.

The Planning Commission, as well as City staff, recommend approval of the sign.

Ms. Hammond asked if special messaging, such as Amber Alerts, will be displayed on the sign if necessary.

Mr. Cohen stated yes, the school agreed to post messages as requested by the City.

Ms. Hammond noted she had no problem moving forward with the request, even though no representative is available this evening.

Mr. Cohen confirmed for Mr. Knight, the ordinance amendment is for static signs, there are no rolling signs allowed.

Mr. Knight agreed, he is comfortable moving forward with the request because there isn’t any major construction or changes; however, this is setting a precedent.

**Moved by Burmeister; Seconded by Hammond.**

RESOLVED: To accept the Planning Commission’s recommendation and approve the Special Land Use Permit for Baker College’s Automatic Changeable Copy Sign subject to staff and consultants’ conditions.

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

No: None

Motion Carried (7-0)

**Resolution No. 14.11.220**

10. COMMENTS AND MOTIONS FROM COUNCIL

Ms. Verbeke:

- The Beautification Advisory Commission will be looking for and recognizing residents who decorate or illuminate their homes during December, with the new Light Up the Night program.
- A resident mentioned it sometimes takes days to get snow removal on Shimmons Circle, and asked that it be noted and up for discussion at the appropriate time.
- Asked when the N. Squirrel Road project will next be on the Council agenda.
  - Mayor McDaniel stated the next discussion will be December 1, 2014.
- She and Mr. Tanghe went to lunch at Oakland University this week and met with recipients of Auburn Hills scholarships; a great time was had by all.

Ms. Mitchell:

- Suggested with the election over, that it may be a good time might be to follow up with the State about baseline water testing for drilling sites.
- Congratulated staff on the success of all the autumn activities the City has had.
- Congratulated Clerk Kowal on a wonderfully run election.
A resident raised concerns about emergency services and asked Director Olko to take a look at the transcript and listen to the audio tape and provide an appropriate response.

There will be a new Head Start program beginning in Auburn Hills at the Baker College campus starting next fall, and applications are now being accepted.

Ms. Hammond:
- Explained leaf burning remains as it has in the past, it is allowed, but only on specific dates and days as stipulated in the ordinance.
- Noted she has had time to watch the Council meetings on cable TV, and the sound is much better than in the past, but the picture is very grainy. She suggested something be done to improve the quality.
- There is a SHARP meeting, Thursday, November 13, 2014, at 6:00 p.m., in the Community Center. New members are always welcomed, as well are residents seeking help.

Mr. Knight:
- Thanked the Mayor for being his deputy for the Halloween pass out.
- Appreciated the residents who spoke this evening regarding the big Black Walnut tree, by providing factual information and not just opinions.
- Reminded everyone of Veteran’s Day tomorrow.
- Noted concrete was being poured like crazy on Featherstone and a great job was being done.
- Asked about an abatement report and listing the outstanding abatements.
- Asked for consideration of keeping the white Christmas lights on downtown, until March 1st.
- Will be writing a simplified version of the current burning ordinance for residents to understand and will bring to Council for suggestions at a future meeting.

Mr. Kittle:
- Asked if SHARP is looking for volunteers
  Ms. Hammond stated volunteers are always being sought.
- In response to Mr. Knight, he believes the attempt is to get communities to recognize the abated tax amounts as lost revenue.
- It may be time to check out streaming video instead of using the current City technology.
- Asked if the temperature threshold is nearing when cement can no longer be poured, noting the work on Featherstone.

Mr. Stevens stated there will be a meeting with the contractor this week, with how to proceed with the project. Regarding temperatures, asphalts point is 40 degrees or higher and concrete can become compromised at or below freezing. The plan is to have traffic flowing on both sides of Featherstone throughout the winter.

Mr. Knight had been told differently that the method of pouring the concrete dictated the temperature the concrete could be poured and the typical cutoff date for pouring is December 15th. He believed there was a cost involved for having the opportunity for pouring later into the season.

Mr. Stevens stated 35 degrees is not an issue, but the very cold weather that is forecasted for next week is problematic.
- Asked what is happening with the Ajax Paving plant on Dutton Road, there has been some talk.
  Mr. Tanghe stated he has been in touch with the Orion Township Supervisor. The Supervisor has been in contact with MDEQ and it has not yet been determined if there are any violations. He understands MDEQ has not determined anything to be hazardous, but there may be some chemical mix to help neutralize the odor. He, Mr. Tanghe assured Supervisor Barnett the City would be willing to participate in a meeting with Ajax Paving.

Mr. Kittle heard from Supervisor Barnett, that all the people buying homes in the new subdivisions are signing an acknowledgement that they are buying property next to an asphalt manufacturing facility.

Mr. Kittle suggested putting the link to the MDEQ’s complaint site on the City’s website.
- From previous counts there are approximately 10,000 cars heading north on Squirrel Road, past Tienken Road, and he would like to know of that 10,000 how many are turning left, turning right, and continuing straight through. Those numbers may help in deciding if the left turn lane can end near Thornwood as suggested by residents.

Mayor McDaniel:
- Welcomed Ms. Hammond back after her leave.
- Noted another well run election by the City Clerk and her staff; doing a great job.
As of 2015, City Council meetings will be held on the second and fourth Monday’s of the month. This allows for a more regular schedule and not having back to back meetings or gaps between meetings because of holidays or elections. This also allows Council and staff to attend other’s meetings and others to attend this Council’s meetings.

11. CITY ATTORNEY’S REPORT – none.

12. CITY MANAGER’S REPORT

- Had a great meeting with Oakland University’s new President, Dr. George Hynd last week. The discussion included collaborative efforts and focusing on making Auburn Hills their college town.
- Has welcomed and met with Dr. James Schwarz, the new Avondale Superintendent.
- He attended the etiquette dinner at Oakland University with Ms. Carroll.
- The transaction has been completed with Cunningham-Limp for the 1.1 acre of the Fieldstone property.
- Mr. Cohen and Mr. Beckerleg are working on the baseline water testing that Ms. Mitchell asked about earlier.
- A web-based performance management system is being worked on for AFSME and non-union employees, with full implementation by the first part of January.
- A Chamber event, Women Tell All, will be taking place November 19th and he and a number of staff will be participating. Three women, including Director Doreen Olko, will be presenting their successes.
- Staff will be interviewing media consultants November 21st; five companies are being interviewed with a recommendation forthcoming.
- The next Auburn Hills road show will be December 3rd at Delphi. This allows City employees to showcase services and facilities to major employers within the City, so the employees can learn what is available to them.
- The Arts and Crafts Fanfare is this Saturday, November 15th, from 9:00 a.m. until 5:00 p.m. at the Community Center.
- The Christmas tree lighting will be held December 5th, at 6:00 p.m., in downtown Auburn Hills, including a number of fun events.

13. EXECUTIVE SESSION – Discussion of Attorney Opinion

Moved by Hammond; Seconded by Verbeke.

RESOLVED: To Adjourn to Executive Session to discuss Attorney opinion.

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

Motion Carried (7-0)

Resolution No. 14.11.222

Adjourned to Executive Session at 8:37 p.m. Resume regular meeting at 9:31 p.m.

Moved by Burmeister; Seconded by Kittle.

RESOLVED: To accept the findings and conclusion contained in Ms. Young’s report.

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

Motion Carried (7-0)

Resolution No. 14.11.223

14. ADJOURNMENT

The meeting adjourned at 9:34 pm.

_________________________________   _________________________________
Kevin R. McDaniel, Mayor     Terri Kowal, City Clerk
CALL TO ORDER
Chairperson Ormsbee called the meeting to order at 5:40pm

ROLL CALL
Present: Patricia Ormsbee, Rich Foster, Celeste Yoskovich, Cheryl Verbeke, Linda Hogan, Karen, Ilene Ingram

Also Present: Elizabeth Brennan, Exec. Assistant Community Development

Absent: Karen Lewis

Guests: Steve Cohen, Director, Community Development

LOCATION
Council Conference Room
1827 N. Squirrel Rd., Auburn Hills, MI 48326

PERSONS WISHING TO BE HEARD – None

CORRESPONDENCE
None

APPROVAL OF MINUTES
Mr. Foster moved to approve the minutes of October 15, 2014
Supported by Ms. Verbeke

VOTE:
Yes: Ormsbee, Foster, Yoskovich, Verbeke, Hogan, Ingram
No: None

Motion Carried (6-0)
OLD BUSINESS –

Budget Update
Ms. Brennan provided an updated budget report with a remaining year-to-date balance of $5,672.55.

Light Up the Night – Winter Program
The Commission discussed expanding the Light up the Night campaign to include an event or reception at a Downtown location to be determined. It was decided to keep the campaign as simple as it was last year, but promote it this holiday season and plan to expand it in 2015. Ms. Ormsbee moved to proceed with the original “Light up the Night” campaign to run between Thanksgiving and December 20th this year and begin planning early next year for the 2015 holiday season.

Supported by Mr. Foster

VOTE: Yes: Ormsbee, Foster, Yoskovich, Verbeke, Hogan, Ingram
No: None

Motion Carried (6-0)

The City map was divided into sections and assigned to each Commission member. Cards will be selected by Ms. Verbeke and mailed out as addresses are collected and submitted to Ms. Brennan between Thanksgiving and December 20th.

Winter Walk
Dr. Ingram announced that she plans to present a proposal for a Winter Walk event at the January 2015 BAC meeting. Preliminary thoughts include:

- Collect donations of warm winter items, involve OU and OCC students
- Hot Cider / Hot Chocolate at The DEN
- Ice sculptures for Downtown – donated by the BAC
- Involve merchants

Mr. Cohen suggested involving city staff members Shawn Keenan and Stephanie Carroll, who work closely with the downtown merchants, the TIFA board, Oakland Community College and Oakland University.

Lamppost Banners
Ms. Brennan secured quotes from three different printing/graphics companies for seasonal lamppost banners purchases. Designs have not yet been finalized, but the expenditure approved. Order to be placed in early December.

Ms. Ormsbee moved to approve the quoted expenditures plus any required design and shipping costs for a lamppost banner purchase. Cost not to exceed our remaining budget balance.

Supported by Mr. Foster

VOTE: Yes: Ormsbee, Foster, Yoskovich, Verbeke, Hogan, Ingram
No: None

Motion Carried (6-0)
NEW BUSINESS –

Time Change for BAC Meetings in 2015

The Commission discussed changing the monthly beautification meeting start time from 5:30pm to 6:00pm beginning in January 2015.

Mr. Foster moved to approve the Meeting time change.

Supported by Ms. Hogan

VOTE:   Yes: Ormsbee, Foster, Verbeke, Hogan, Ingram
        No:    Yoskovich

Motion Carried (5-6)

Open Discussion –
None

Confirm Next Meeting –
Next meeting confirmed for January 21, 2015 at 6:00pm

Adjournment –
The meeting was adjourned at 6:50 pm

Respectfully Submitted,
Elizabeth Brennan
BAC - City Staff Liaison
City of Auburn Hills
Community Development
INTRODUCTION AND HISTORY

Provided in your packet is a copy of the MDOT Contract #14-5530, between MDOT and the City of Auburn Hills relating to the construction of the University Drive/I-75 Diverging Diamond Interchange (DDI). The project also includes the reconstruction of City owned University Drive with the addition of a pathway through the bridge from Opdyke Road to Pontiac Road. All roadway surface pavement will be concrete. MDOT will administer all segments of the project.

The “Project Cost” as identified in the contract includes preliminary engineering, property acquisition of rights of way, construction, construction engineering and other related expenses. The project is broken down into 5 segments based on the funding sources for those segments. A description of each segment or part of the project begins on Page 1 of the contract. Parts A, B, and E involve the bridge construction and it’s amenities and will be funded up to $4 million from the Priority Roads Investment Program (PRIP), up to $4 million from the Michigan Transportation Economic Development Fund (EDF) Category A grant, and $8,160,900 from Federal, State, and City funds. The Transportation Alternatives Program (TAP) grant will fund up to $533,317 with a City contribution of $975,683 for the shared use pathway from Opdyke Road and across the bridge to Pontiac Road. This makes up Part C of the project. Part D will be funded by the City and work includes construction of University Drive from Opdyke Road to Pontiac Road, including signal work, signing, decorative bridge lighting, landscaping, irrigation and watermain. The City’s contribution to Parts C, D, and E will not exceed the $4 million that the TIFA Board approved to pay from the TIFA B & D Funds. The cost allocation descriptions are explained under Item 7 on page 3 of the contract with a supporting cost allocation table located on page 4, which estimates the total cost of the project to be $20,519,000.

The City will review and approve all plans and specification related to the work within its right of way along University Drive. The City will retain ownership of its existing right of way and also the responsibility to operate and maintain the completed University Drive roadway and pathway as we do today. MDOT will continue to own and maintain the structural integrity of the bridge and interchange ramps.

Bids for this design build project will be received, reviewed and awarded over the winter months. Demolition of the existing bridge will begin in late March or April 2015, with construction to follow though to completion. It is the expectation of MDOT that the DDI bridge, interchange ramps, and University Drive will be fully open to traffic by the end of 2015. Some restoration may occur in 2016 due to inclimate weather or other unforeseen delays that may extend the project into the winter season. A resolution of acceptance of the MDOT Contract # 14-5530, is included in your packet and identifies Mayor McDaniel, TIFA Board Chairman Hassett, and City Clerk Kowal as the City Officials who are authorized to sign the contract.
STAFF RECOMMENDATION

The University Drive/I-75 DDI project has been on the City’s radar for over 6 years as a necessary and preferred solution to growing traffic volumes and to replace the existing deteriorating bridge. Staff has been working closely with MDOT to support, fund, and provide the preliminary design for the project. The City’s attorney, Derk Beckerleg, has reviewed the contract and finds it satisfactory from a legal standpoint. Staff recommends acceptance of the MDOT Contract #14-5530 for the construction of the University Drive Diverging Diamond Interchange Project. Therefore, it would be appropriate for City Council to approve the following motion.

MOTION

Move to accept the MDOT Contract # 14-5530, I-75 / University Drive Diverging Diamond Interchange Project with the understanding that the City’s TIFA shall contribute a maximum of $4 million to the project and that $815,446.00 of that $4 million has already been spent to date, leaving the maximum future contribution to the project at the not-to-exceed amount of $3,184,554.00.

I CONCUR:

THOMAS A. TANGHE, CITY MANAGER
Resolution

Be it resolved that

CONTRACT No. 14-5530, Control Section IM 63172, Job Number 123143

By and between the

MICHIGAN DEPARTMENT OF TRANSPORTATION

and the

CITY OF AUBURN HILLS

is hereby accepted.

The following Officials are authorized to sign the said contract:

Kevin R. McDaniel, Mayor, City of Auburn Hills

Terri Kowal, Clerk, City of Auburn Hills

Patrick Hassett, Chairman, TIFA Board

Moved by:

Supported by:

ADOPTED: AYES:

NAYES:

Absent:

I hereby certify that the foregoing is a true and correct copy of a resolution made and adopted at a regular meeting of the Auburn Hills City Council, on the SEVENTEENTH DAY of NOVEMBER 2014.

Signed____________________________

Terri Kowal, City Clerk, City of Auburn Hills
Ms. Terri Kowal, City Clerk
City of Auburn Hills
1827 North Squirrel Road
Auburn Hills, Michigan 48326

Dear Ms. Kowal:

RE: MDOT Contract Number: 14-5530
    Control Section: IM 63172
    Job Number: 123143

Enclosed are the original and one copy of the above described contract between your organization and the Michigan Department of Transportation (MDOT). Please take time to read and understand this contract. If this contract meets with your approval, please complete the following checklist:

    ___ Do not date the contracts. MDOT will date the contracts when they are executed. A contract is not executed unless it has been signed by both parties.

    ___ Secure the necessary signatures on the enclosed contracts.

    ___ Include two (2) certified resolutions. The resolution should specifically name the officials who are authorized to sign the contract and include the contract number.

    ___ Return the original and copy of the contract to:

        Attention: Kathy J. Fulton
        MDOT – Development Services Division, 2nd Floor
        425 West Ottawa Street, P.O. Box 30050
        Lansing, MI 48909

In order to ensure that the work and payment for this project is not delayed, the contracts need to be returned within 35 days from the date of this letter. A copy of the executed contract will be forwarded to you.

If you have any questions, please feel free to contact me at fultonk@michigan.gov or (517) 373-4161.

Sincerely,

Kathy J. Fulton
Contract Monitoring/Reporting Technician
Development Services Division

Enclosure
SPECIAL TRUNKLINE
FEDERAL AID PROGRESS PAYMENT
ADDED WORK

DA
Control Section IM 63172
Job Number 123143
Federal Item JJ 5304
Federal Project IM 1463(079)
Contract 14-5530

THIS CONTRACT is made and entered into this date of _______________, by
and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to
as the "DEPARTMENT"; and the CITY OF AUBURN HILLS, a Michigan municipal
corporation, hereinafter referred to as the "CITY"; for the purpose of fixing the rights and
obligations of the parties in agreeing to construction improvements located within the corporate
limits of the CITY.

WITNESSETH:

WHEREAS, the DEPARTMENT is planning interchange reconstruction work at
Highway I-75 at University Drive within the corporate limits of the CITY; and

WHEREAS, the CITY has requested additional work in connection with a portion of the
DEPARTMENT'S construction, which additional work in conjunction with the
DEPARTMENT'S construction is hereinafter referred to as the "PROJECT" and is further
described as follows:

PART A – Priority Roads Investment Program Funds (PRIP – Category 0001)
Construction of diverging diamond interchange at Highway I-75 at University
Drive, including bridge reconstruction of structure S-03 of 63172 which carries
University Drive over Highway I-75 and ramp construction, traffic signal,
signing, pavement marking and storm sewer work; together with necessary related
work, located within the corporate limits of the CITY; and

PART B – Economic Development Funds – Category A (EDF - Category 0003)
Construction of diverging diamond interchange at Highway I-75 at University
Drive, including bridge reconstruction of structure S-03 of 63172 which carries
University Drive over Highway I-75 and ramp construction, traffic signal,
signing, pavement marking and storm sewer work; together with necessary related
work, located within the corporate limits of the CITY; and

PART C – Transportation Alternatives Program (Category 0005)
Construction of a shared use path along University Drive from Opdyke Road to
Pontiac Road including barrier wall construction work across Structure S-03 of
63172 which carries University Drive over Highway I-75; together with necessary
related work, located within the corporate limits of the CITY; and

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PART D – 100% CITY Participation (Category 0007)
Signal replacement and construction work along University Drive from Opdyke Road to Pontiac Road including work required for the placement of mast arm signals in excess of the work required to install standard strain wire signals, decorative bridge lighting, signing, landscaping, watermain and sprinkler installation work; together with necessary related work, located within the corporate limits of the CITY; and

PART E – Federal, State and City Participation (Category 0009)
Construction of diverging diamond interchange at Highway I-75 at University Drive, including bridge reconstruction of structure S-03 of 63172 which carries University Drive over Highway I-75 and ramp construction, traffic signal, signing, pavement marking and storm sewer work; together with necessary related work, located within the corporate limits of the CITY; and

WHEREAS, the DEPARTMENT presently estimates the PROJECT COST as hereinafter defined in Section 1 to be:

| PART A: | $ 3,960,000 |
| PART B: | $ 3,960,000 |
| PART C: | $ 1,509,000 |
| PART D: | $ 2,930,000 |
| PART E: | $ 8,160,900 |
| TOTAL: | $20,519,900 |

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The CITY hereby consents to the designation of the PROJECT as a state trunkline highway. The parties shall undertake and complete the construction of the PROJECT as a state trunkline highway in accordance with this contract. The term "PROJECT COST", as herein used, is hereby defined as the cost of construction or reconstruction of the PROJECT including the costs of preliminary engineering (PE), plans and specifications; acquisition costs of the property for rights of way, including interest on awards, attorney fees and court costs; physical construction necessary for the completion of the PROJECT as determined by the DEPARTMENT; and construction engineering (CE), legal, appraisal, financing, and any and all other expenses in connection with any of the above.

2. The cost of alteration, reconstruction and relocation, including plans thereof, of certain publicly owned facilities and utilities which may be required for the construction of the PROJECT, shall be included in the PROJECT COST; provided, however, that any part of such
cost determined by the DEPARTMENT, prior to the commencement of the work, to constitute a betterment to such facility or utility, shall be borne wholly by the owner thereof.

3. The CITY shall make available to the PROJECT, at no cost, all lands required thereof, now owned by it or under its control for purpose of completing said PROJECT. The CITY shall approve all plans and specifications to be used on that portion of this PROJECT that are within the right of way which is owned or controlled by the CITY. That portion of the PROJECT which lies within the right of way under the control or ownership by the CITY shall become part of the CITY facility upon completion and acceptance of the PROJECT and shall be maintained by the CITY in accordance with standard practice at no cost to the DEPARTMENT. The DEPARTMENT assumes no jurisdiction of CITY right of way before, during or after completion and acceptance of the PROJECT.

4. The parties will continue to make available, without cost, their sewer and drainage structures and facilities for the drainage of the PROJECT.

5. The DEPARTMENT will administer all phases of the PROJECT and will cause to be performed all the PROJECT work.

Any items of PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

6. The CITY will approve the design of the PART D portion of the PROJECT and shall accept full responsibility for the design with respect to the facilities functioning as a part of the CITY'S facilities. Any approvals by the DEPARTMENT are for its own purposes and are not to nor do they relieve the CITY of liability for any claims, causes of action or judgments arising out of the design of the facilities.

7. The PART A portion of the PROJECT COST shall be met in part with State Priority Roads Investment Program Funds, herein after referred to as "PRIP", up to an amount not to exceed $4,000,000. The balance of the PART A portion of the PROJECT cost after the deduction of PRIP funds shall be paid by the DEPARTMENT. The PART B portion of the project cost shall be met in part by EDF Category A funds up to an amount not to exceed $4,000,000. The balance of the project cost after the deduction of EDF Category A funds shall be paid by the DEPARTMENT. The PART C portion of the PROJECT COST shall be met in part by contributions from agencies of the Federal Government at a rate of 80 percent up to an amount not to exceed $533,317. The PART D portion of the PROJECT COST shall be charged to the CITY 100 percent. The PART E portion of the PROJECT COST shall be met in part by contributions from agencies of the Federal Government. The total CITY participation in PART C, PART D and PART E shall be an amount not to exceed $4,000,000. The balance of the PART C and E portions of the PROJECT COST, after deduction of Federal Funds, shall be charged to and paid by the DEPARTMENT and the CITY in the following proportions and in the manner and at the times hereinafter set forth:
The PROJECT COST and the respective shares of the parties, after Federal-aid, is estimated to be as follows:

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>ESTIMATED</th>
<th>FED</th>
<th>BALANCE</th>
<th>DEPT'S SHARE</th>
<th>CITY'S SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COST</td>
<td>AID</td>
<td>AFTER</td>
<td>SHARE</td>
<td>SHARE</td>
</tr>
<tr>
<td>PART A</td>
<td>$3,960,000</td>
<td>$0</td>
<td>$3,960,000</td>
<td>$3,960,000</td>
<td>$0</td>
</tr>
<tr>
<td>PART B</td>
<td>$3,960,000</td>
<td>$0</td>
<td>$3,960,000</td>
<td>$3,960,000</td>
<td>$0</td>
</tr>
<tr>
<td>PART C</td>
<td>$1,509,000</td>
<td>$533,317</td>
<td>$975,683</td>
<td>$0</td>
<td>$975,683</td>
</tr>
<tr>
<td>PART D</td>
<td>$2,930,000</td>
<td>$0</td>
<td>$2,930,000</td>
<td>$0</td>
<td>$2,930,000</td>
</tr>
<tr>
<td>PART E</td>
<td>$8,160,900</td>
<td>$7,752,900</td>
<td>$408,000</td>
<td>$375,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$20,519,900</td>
<td>$8,286,217</td>
<td>$12,233,683</td>
<td>$8,295,000</td>
<td>$3,938,683</td>
</tr>
</tbody>
</table>

Participation, if any, by the CITY in the acquisition of trunkline right-of-way for PART A of the PROJECT shall be in accordance with 1951 P.A. 51 Subsection 1d, MCL 247.651d. An amount equivalent to the federal highway funds for acquisition of right-of-way, as would have been available if application had been made thereof and approved by the Federal government, shall be deducted from the total PROJECT COST prior to determining the CITY'S share. Such deduction will be established from the applicable Federal-Aid matching ratio current at the time of acquisition.

The PE costs will be apportioned in the same ratio as the actual construction award and the CE costs will be apportioned in the same ratio as the actual direct construction costs.

8. The DEPARTMENT shall maintain and keep accurate records and accounts relative to the cost of the PROJECT. The DEPARTMENT may submit progress billings to the CITY on a monthly basis for the CITY'S share of the cost of work performed to date, less all payments previously made by the CITY. No monthly billings of a lesser amount than $1,000 shall be made unless it is a final or end of fiscal year billing. All billings will be labeled either "Progress Bill Number __________", or "Final Billing". Upon completion of the PROJECT, payment of all items of PROJECT COST and receipt of all Federal Aid, the DEPARTMENT shall make a final billing and accounting to the CITY.

9. In order to fulfill the obligations assumed by the CITY under the provisions of this contract, the CITY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the CITY will be based upon the CITY'S share of the actual costs incurred less Federal Aid earned as the work on the PROJECT progresses.

10. Pursuant to the authority granted by law, the CITY hereby irrevocably pledges a sufficient amount of funds received by it from the Michigan Transportation Fund to meet its
obligations as specified herein. If the CITY shall fail to make any of its required payments when due, as specified herein, the DEPARTMENT shall immediately notify the CITY and the State Treasurer of the State of Michigan or such other state officer or agency having charge and control over disbursement of the Michigan Transportation Fund, pursuant to law, of the fact of such default and the amount thereof, and, if such default is not cured by payment within ten (10) days, said State Treasurer or other state officer or agency is then authorized and directed to withhold from the first of such monies thereafter allocated by law to the CITY from the Michigan Transportation Fund sufficient monies to remove the default, and to credit the CITY with payment thereof, and to notify the CITY in writing of such fact.

The CITY will deposit with the DEPARTMENT the following amount which will be used by the DEPARTMENT for working capital for the contracted work and costs incurred by the DEPARTMENT in connection with the PROJECT:

DEPOSIT PART D - $205,100

The total deposit will be billed to the CITY by the DEPARTMENT and shall be paid by the CITY within thirty (30) days after receipt of bids for the PROJECT.

11. Upon completion of construction, the PART D portion of the PROJECT shall be operated and maintained by the CITY at no cost to the DEPARTMENT.

12. With respect to that portion of the PROJECT under the jurisdiction of the CITY:

A. Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT pursuant to the terms of this contract are done to assist the CITY. Such approvals, reviews, inspections and recommendations by the DEPARTMENT shall not relieve the CITY of its ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability control or jurisdiction.

B. The providing of recommendations or advice by the DEPARTMENT does not relieve the CITY of its exclusive jurisdiction of any CITY highway and responsibility under MCL 691.1402 et seq., as amended.

C. When providing approvals, reviews and recommendations under this contract, the DEPARTMENT is performing a governmental function, as that term is defined in MCL 691.1401 et seq., as amended, which is incidental to the completion of the PROJECT.

D. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of any
CITY highway for purposes of MCL 691.1402 et seq., as amended. Exclusive jurisdiction of such highway for the purposes of MCL 691.1402 et seq., as amended rests with the CITY.

13. The CITY certifies, by execution of this contract, that, upon completion of construction of the PROJECT and at no cost to the PROJECT or the DEPARTMENT, it will:

A. Properly maintain or provide for the maintenance and operation of the PART D portion of the PROJECT, making ample provisions each year for the performance of such maintenance work as may be required.

B. Sign and mark the PART D portion of the PROJECT, in accordance with the current Michigan Manual of Uniform Traffic control Devices, and will not install, or permit to be installed, any signs, signals or markings not in conformance with the standards approved by the FHWA, pursuant to 23 USC 109 (d).

C. Enact and enforce promptly upon completion of the PROJECT an ordinance prohibiting parking in the roadway right-of-way throughout the limits of the PART D portion of the PROJECT.

D. Make no changes to ordinances or regulations enacted, or traffic controls installed in conjunction with the PROJECT work without prior approval of the DEPARTMENT and the FHWA.

14. The CITY, in conformance with Federal Aid Policy Guide (FAPG) Chapter I, Subchapter G, Part 630, Subpart C: Project Agreements, stipulates the following with respect to its specific jurisdiction of the PROJECT:

A. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Action, as amended.

B. That it agrees to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.

C. That as a condition of Federal aid pursuant to this contract the CITY shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under, or to benefit from this contract, is under consideration to be listed on the EPA List of Violating Facilities.
15. Failure of the CITY to fulfill its responsibilities as outlined herein may disqualify the CITY from future Federal-Aid participation in projects on roads or streets for which it has maintenance responsibility. Federal-aid may be withheld until such time as deficiencies in regulations have been corrected and the improvements constructed as the PROJECT are brought to a condition of maintenance satisfactory to the DEPARTMENT and the FHWA.

16. The DEPARTMENT shall secure from the Federal Government approval of plans, specifications, and such cost estimates as may be required for the completion of the PROJECT; and shall take all necessary steps to qualify for Federal Aid such costs of acquisition of rights of way, construction, and reconstruction, including cost of surveys, design, construction engineering, and inspection for the PROJECT as deemed appropriate. The DEPARTMENT may elect not to apply for Federal Aid for portions of the PROJECT COST.

17. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract. The parties will carry out the applicable requirements of the DEPARTMENT’S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.
18. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the CITY and for the DEPARTMENT; upon the adoption of a resolution approving said contract and authorizing the signatures thereto of the respective officials of the CITY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

CITY OF AUBURN HILLS

By ___________________________
Title: __________________________

By ___________________________
Title: __________________________

MICHIGAN DEPARTMENT
OF TRANSPORTATION

By ___________________________
Department Director MDOT

Form Approved
10/27/2014

[Signature]
Approved by:

[Signature]
Date: 10-27-14

4/25/88 adwkfa51.for 10/23/14
APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual’s ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.

2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.

3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual’s ability to perform the duties of a particular job or position.

5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers’ representative of the contractor’s commitments under this Appendix.

6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.
7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.

8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.

9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011
APPENDIX B
TITLE VI ASSURANCE

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.

2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.

3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:

   a. Withholding payments to the contractor until the contractor complies; and/or

   b. Canceling, terminating, or suspending the contract, in whole or in part.
6. **Incorporation of Provisions**: The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011
APPENDIX C

TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE AGREEMENTS WITH LOCAL AGENCIES

Assurance that Recipients and Contractors Must Make
(Excerpts from US DOT Regulation 49 CFR 26.13)

A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.
INTRODUCTION AND HISTORY
The approved budget for 2014 MIS Department includes $20,000 for Server Virtualization. Our migration over to total virtualization of our servers is almost complete; however our current Storage Area Network (SAN) has almost reached its growth capacity. The $20,000 was allocated for adding an additional shelf to increase the storage capacity and performance; but even with the upgrades our more robust servers such as BS&A and Exchange would suffer from considerable lag times due to the limited IOPs (Input/Output Operations Per Second) if virtualized using our current storage solution. This limitation would keep us from our goal of totally virtualizing our Data Center.

The budget also includes $30,000 to improve our current Disaster Recovery plan. This project will diminish our recovery time from a catastrophic failure of our Data Center. Currently we use physical Backup tapes using a single Drive Head Tape solution for recovery, and although this secures our data, restoring data from a single tape at any given moment is and will be very time consuming, resulting in a longer down time and causing the city to halt all operations of the failed system during the process. Currently the best practice for most Disaster recovery solutions rely on a network backup environment copying data over to a SAN; this procedure will drastically reduce our recovery time, taking us from over a week recovery process to a few days depending on the severity of the Data Center disaster.

With the purchase of the new SAN both of these project objectives will be obtained. The new SAN will not only be able to handle virtualization of our entire Data Center including our more data intensive servers, but will increase their performance in the process. The current SAN will then be repurposed for the Disaster Recovery data backup.

Additional benefits:
- DPW and Fieldstone have servers that need to be replaced next year. The SAN will provide us with the ability to virtualize our two current Domain Controllers which will allow us to repurpose them; keeping us from needing to purchase two new servers at a cost of around $8,000 next year.
- With virtualization we would have the ability to create a new virtual server for any application need in the future without the need to purchase expensive hardware. Data intensive servers can cost anywhere from $7,000 to $9,000 each.
- When virtualized the BS&A Financial Software data inquiries will perform faster.
- We will experience increased file transfer speeds causing less wait time for larger transfers to our current file network shares.
- The power consumption of the Data Center will decrease as the new equipment is more energy efficient and we will require less physical equipment.
- This solution will also provide redundancy; if a physical host server fails, we will only experience a lag in performance but zero down time. Performance lag may be a temporary annoyance but will not prevent employees from completing their tasks.
- Our current data usage is growing at an exponential rate, with the new SAN we will have more space and the ability to grow as needed.
On October 31, 2014, an Invitation to Bid was placed on the MITN (Michigan Inter-governmental Trade Network) website. Prospective bidders were given our requirements with a due date of November 12, 2014, at 11:00 AM to submit sealed paper bids to the City Clerk’s Office. Seven bids were received and below is a tabulation of the 5 bids that met our minimum requirements:

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logicalis</td>
<td>$44,598.18</td>
</tr>
<tr>
<td>Trivalent Group</td>
<td>$86,499.00</td>
</tr>
<tr>
<td>Sentinel Technologies Inc.</td>
<td>$94,638.00</td>
</tr>
<tr>
<td>Collier IT</td>
<td>$160,178.88</td>
</tr>
<tr>
<td>CDW-G</td>
<td>$160,264.13</td>
</tr>
</tbody>
</table>

One might ask why such a drastic difference in price, in this particular case Logicalis was able to take advantage of its Gold Partnership status with the manufacturer of this Storage Area Network.

Note: The specifications for the SAN listed in the Invitation to Bid were generic so companies were not limited to one particular brand.

*Logicalis* of Auburn Hills, MI. was the lowest bidder at $44,598.18. Logicalis presented an HP (Hewlett Packard) 3PAR STORESERV 7200 SAN solution. This particular SAN not only meets our requirements but exceeds them. The HP SAN includes a patented ASIC’s chip providing Thin technology/zero-detection and deduplication in the hardware which is not available in any other vendor solution without additional software costs. The SSD drives are all covered by a 5 year unconditional HP warranty that even protects against “write wear”.

**STAFF RECOMMENDATION**
Recommend that Council approve the purchase of storage area network from *Logicalis* for a total cost of $44,598.18 from GL# 101-883-985.00

**MOTION**
Move to approve the purchase of the storage area network from *Logicalis* for a total cost of $44,598.18 from GL# 101-883-985.00

I CONCUR: 
THOMAS A. TANGHE, CITY MANAGER
Personnel
The fire departments staffing did change this month. We said goodbye to Station 3’s Gary Knott and Jesse Beaton as well as Part time Medics Nate Goss, Michael McIntyre and Todd Wieckowski. We currently employ 17 full-time staff and a total of 26 paid on Call personnel: 5 assigned to Station 1, 12 to Station 2, and 9 to Station 3 with an additional 11 part time medics.

October Anniversaries
Lieutenant Owen Milks 10/31/2002 14 Years of Service*
FF/Medic Joe Ehlen 10/17/2006 8 Years of Service
FF Willie Page 10/17/2006 8 Years of Service
*combined years of service

Firefighter Fitness
Fire personnel are encouraged to maintain a healthy lifestyle through proper diet and exercise. During the month of October fire personnel logged 25.08 hours of workout time.

“Employee Spotlight”
Firefighter/EMT Melissa Macek
3 Years

What did you do before you stared at AHFD?
I used to work for a durable medical company in accounts receivable.

Married? Kids? Pets?
I have a dog named Murphy.

What do you like to do outside of work?
Travel, take pictures, and spend time with family and friends.

Career Highlights/Awards/Commendations:
2014 Firefighter of the year from the Optimist Club

What do you enjoy most about working in the fire service?
Being able to help people
On Monday, October 6, Engine 2, Truck 2, and Chief 2 responded to a mutual aid call in Rochester Hills for an apartment fire. Upon arrival Engine 2 was tasked with search and rescue on the first and second floor of the apartment. Truck 2 was tasked with turning off electrical service to the fire and smoke damaged apartments. Chief 2 assisted command with accountability. The kitchen fire was quickly extinguished. There were no reported injuries to residents or firefighters.

The assistance to Rochester Hills is part of the county wide mutual aid agreement called (MABAS) Mutual Aid Box Alarm System. This system allows all Oakland County fire departments to call for predetermined resources based on incident and location.

Firefighters Swear In
On Monday, October 6, Firefighters David Burnett, Christian Penn, Cameron Selden and Anthony Summers were sworn in in front of City Council. These individuals worked very hard to earn their badges with great guidance from their field training officer Jason Blitchok.

Community Outreach
Prevention staff joined the Crown Plaza staff for fire extinguisher training. Using the PASS (Pull, Aim, Squeeze, and Sweep) system, the Crown Plaza team demonstrated their skills in effectively controlling small fires. This training followed a hotel wide fire drill that also included guests. These proactive training measures are paramount for effective fire mitigation and prevention. AHFD looks forward to continuing to support community relationships that further the fire prevention message of emergency preparedness.

Optimist Club Fire Fighter of the Year
At the Thursday morning meeting on October 16th, 2014 the Auburn Hills Morning Optimist Club honored Fire Fighter Melissa Macek as Fire Fighter of the Year. FF Macek was selected based on her contributions to the community while working with the Helping Hands organization, fire cadets and volunteering to assist seniors in the community. Deputy Director Manning also attended the meeting and gave a presentation on fire department operations.
During the month of October the department responded to 302 calls for service. This represents increase of 22 incidents from September. 53% of all calls for service were in Station 2’s district. Responses for station 1 and 3 were 28% and 19% respectively. There were 6 actual fires and 296 non-fire related incidents.

Incident Type by Station

Station 2’s area continues to be the most requested for calls for service. This is due to the fact that this area has several high occupancy buildings within its response area, including Oakland University, medical facilities, large office buildings, and several senior housing complexes making up the bulk of the call volume. The department had a total of 201 EMS calls in October. Within that total, 129 of these were actual transports to a local hospital. 102 of the transports were ALS (advance life support) which requires one of the following procedures: drug therapy, advanced airway management or advance cardiac care. 27 were BLS (basic life support), which represents a stable patient who does not require any ALS procedures.

Response Times

Response times are an essential part of the success of our EMS service. One of the conditions of our agency compliance agreement with Oakland County Medical Control Authority is to keep our response time below 7 minutes on emergency calls. During the month of October we had an average response time of 6.92 minutes on emergency EMS calls.

Response by Location Type

In October, 38% of all emergency responses were to residential occupancies, 17% were at businesses and public places such as restaurants, retail stores and other buildings open to the public.
Incidents by day of the week
The data below reflects that Thursday is the busiest day of the month, reporting 64 calls for service.

Training Hours
Suppression training continues to account for the most hours in September’s training report. This includes the monthly scheduled training dates, FTO and technical rescue. Suppression training of our personnel, particularly the Paid on Call staff is critically important due to the high risk/low frequency nature of firefighting.

Public Education
We conducted 26 programs during the month of October. Public education continues to be a very important part of the Fire Department. There were a total of 145 programs delivered last year.

Prevention Division
The graphs below reflect the activity of the Fire Prevention Division. The main focus of their efforts has been directed at getting new businesses into their buildings in an efficient and timely manner and ensuring fire safety of existing businesses as well.
OAKLAND COUNTY

OCC recruiting trainees for Automation Alley

By Diana Dillaber Murray
diana.dillaber@oakpress.com, Twitter @ddilthybar

Oakland Community College is recruiting students for retraining that focuses on computer skills needed by employers in Oakland County and Automation Alley.

The goal is to retrain local residents with some background in the field to qualify them for high-demand programming and web development jobs, said Sandra Bachert, business service manager for OCC’s economic and workforce development.

Waterford resident Jay Braman was one of the students in the first group to take the training, who was placed on a job. Braman, a software developer for 30 years, lost his job when the company where he worked closed its doors in 2013. After he completed the program, Braman was offered a job at Stahls’ ID Direct with the help of Kelly Services IT.

"It was a great introduction to the latest technologies and tools," he said of Code ReConnect. "I got an excellent start on all things web."

The retraining program is a collaboration of Automation Alley, Kelly IT Resources and Michigan Works! Agencies of Oakland County, with OCC being the training partner, said Bachert.

The first step toward qualifying for the training is to do a preassessment next week, between Nov. 17 and Nov. 21.

Kelley is providing mentorships for qualified graduates so they will get the experience of using their new training on the job while being mentored, she said.

Would-be students would be required to commit to 13 weeks of training that runs daily from 8 a.m. to 5 p.m. from Jan. 5 through April 2. All the people in the first class were unemployed, but that is not a requirement.

The training is funded through a $5 million U.S. Department of Labor Employment and Training Administration grant.

"Many Southeast Michigan employers are experiencing a skills gap in technical areas, including Information Technology," said Jennifer Llewellyn, director, Oakland County Michigan Works! Troy, noting the program addresses this gap.

MORE INFO

Oakland Community College IT retraining can translate to jobs

• For more details about training, requirements, and how to apply, visit www.automationalley.com
• Preassessments are required by next week, Nov. 17-21.

Besides the training, Michigan Works! and Kelly Services provides interview and resume preparation, coaching and employment opportunities. OCC provides a solid, industry-driven program and Automation Alley and Kelly Services offers a network of career opportunities.

The program’s second session runs Jan. 5 to April 2, 2015 with students testing for certification the week of March 9. A $75 enrollment fee is required prior to the first class. The entire enrollment fee is refundable upon successful completion of the curriculum and receipt of Microsoft certification.

To learn more about the training, requirements, preassessment and how to apply, visit www.automationalley.com.
PRODUCT RECALLS

Airbag Maker Takata Saw and Hid Risk in 2004, Former Workers Say

Hiroko Tabuchi
7 Hours Ago

Alarmed by a report a decade ago that one of its airbags had ruptured and spewed metal debris at a driver in Alabama, the Japanese manufacturer Takata secretly conducted tests on 50 airbags it retrieved from scrapyards, according to two former employees involved in the tests, one of whom was a senior member of its testing lab.

The steel inflaters in two of the airbags cracked during the tests, a condition that can lead to rupture, the former employees said. The result was so startling that engineers began designing possible fixes in preparation for a recall, the former employees said.

But instead of alerting federal safety regulators to the possible danger, Takata executives discounted the results and ordered the lab technicians to delete the testing data from their computers and dispose of the airbag inflaters in the trash, they said.

Read More › GM offers gift cards to recall holdouts

The secret tests, which have not been previously disclosed, were performed after normal work hours and on weekends and holidays during summer 2004 at Takata’s American headquarters in Auburn Hills, Mich., the former employees said.
That was four years before Takata, in regulatory filings, says that it first tested the problematic airbags. The results from the later tests led to the first recall over airbag rupture risks in November 2008.

Today, 11 automakers have recalled more than 14 million vehicles worldwide because of the rupture risks. Four deaths have been tied to the defect, which can cause the airbag’s steel canister to crack and explode into pieces when the device deploys in a crash. The airbags are inflated by means of a propellant, based on a common compound used in fertilizer, that is encased in the canister, which together are known as the inflator.

Complaints received by regulators about various automakers blame Takata airbags for at least 139 injuries, including 37 people who reported airbags that ruptured or spewed metal or chemicals. Takata is one of the world’s largest suppliers of airbags, accounting for about one-fifth of the global market.

The former Takata employees, who between them had four decades of experience at the company, spoke on the condition of anonymity because of continuing ties to Takata. They said they were speaking up because of concerns that their former employer was not being forthright about the defective airbags.

“All the testing was hush-hush,” one former employee said. “Then one day, it was, ‘Pack it all up, shut the whole thing down.’ It was not standard procedure.”

A spokesman for Takata, Alby Berman, declined to comment on the disclosure of the testing.

Read More › Not liable for pre-bankruptcy claims: GM

In the past, a spokesman for Honda said it was assured by Takata in 2004 that the episode in Alabama, which involved a 2002 Honda Accord, was an anomaly.

On Thursday, a Honda spokesman, Chris Martin, said in a statement, “This is a serious allegation about actions taken by Takata. It is our
intention to determine whether anyone at Honda has any evidence that these claims are credible."

Separately, materials reviewed by The New York Times cast doubt on Takata’s claims to federal regulators that it had resolved manufacturing and quality control problems with its airbag propellant in the early 2000s. Takata has said, in regulatory filings, that by November 2002, it had ensured that there was “proper handling” of the propellants at a factory in Moses Lake, Wash., where it had traced problems with the rupturing airbags.

But as recently as April 2009, Takata engineers scrambled to repair a flaw in a machine at another factory in Monclova, Mexico, that made the airbag propellant more volatile, according to materials from a company presentation given that year.

Two former quality-control managers at the company’s main distribution center in Texas, moreover, described in interviews a series of quality problems that arose as the company raced to meet a surge in demand for its airbags.

The Times reviewed internal Takata documents, emails, photos, videos and regulatory filings. Emails show workers raising concerns that airbag units were being delivered to automakers wet or damaged because of transportation mishaps. Closed-circuit television footage shows forklifts dropping stacks of the airbag units.

The dropped airbags were not always properly inspected for damage, especially in the early 2000s, according to the former quality-control managers who said they later pushed for stricter controls at the facility. The two spoke on the condition of anonymity because of fear of retribution.

Takata is facing renewed scrutiny for its handling of the defective airbags, which The Times reported in September had been the subject of a short-lived investigation by the National Highway Traffic Safety Administration that was closed in 2010 without any enforcement action. The federal agency has now reopened its investigation into Takata, a House committee has asked the Government Accountability Office to conduct its own investigation, and federal prosecutors in Manhattan have also taken an interest.
“Claims such as these have raised additional concerns about Takata’s handling of airbag issues and are one of the reasons we’re compelling them to produce documents and answer questions, under oath,” the highway safety agency said.

“Takata will continue to fully cooperate with the government investigation as we also support the needs of our customers,” Mr. Berman, the spokesman, said.

Read More › Uncertainty to push Takata to wider loss

In Tokyo on Thursday, the company’s chief financial officer apologized broadly for the problems caused by the defective airbags, while the company announced that legal uncertainty and rising recall costs would result in a larger-than-expected quarterly loss.

"We don’t know at this point how things will play out," said Yoichiro Nomura, the chief financial officer.

The most recent death linked to the airbags involved an accident in a suburban Los Angeles parking lot last year. Hai Ming Xu, 47, was killed by an airbag that deployed explosively in his 2002 Acura TL.

The police in Alhambra, Calif., initially treated the case as a homicide because of the nature of his injuries, before an autopsy suggested the wounds were caused by the airbag, according to a Los Angeles County Coroner’s report. The report concluded that extensive lacerations on Mr. Xu’s face came from “a metallic portion” of the airbag inflator that “hit the deceased on the face as it deployed.” The report also said tears had been discovered in the airbag.

The first known rupture of a Takata airbag occurred in Alabama in 2004, according to Honda. The inflator that ruptured in the Accord and injured the car’s driver that year “looked like it had exploded, and had a hole punched out of the side of the canister,” said one of the former Takata lab employees who examined the airbag.

Takata and Honda have declined to disclose further details of that accident, which ended in a settlement between the automaker and the driver, according to Honda.

Behind the scenes, however, the former Takata lab employees said, the manufacturer wanted to know more. The tests on the 50 airbags were
supervised by Al Bernat, then Takata's vice president for engineering, they said, and were unknown to all but a small group of people, that included lab technicians, fabricators and engineers. The employees said that they did not know under whose authority Mr. Bernat was operating.

The tests' results worried the technicians: Two of the airbag inflaters Takata had retrieved from the junkyards showed cracks and the start of "rapid disassembly" during the tests, Takata's preferred term for explosion, according to the two people. They said Takata engineers at the time theorized that a problem with the welding of the inflater's canister, intended to hold the airbag's explosives, made its structure vulnerable to splitting and rupturing. The two people said engineers designed prototypes for possible fixes, including a second canister to strengthen the unit.

But after three months, they said, the testing was ordered halted. The lab employees were also instructed that all data, including video and computer backups, be destroyed. Inflaters and prototypes of fixes were also to be disassembled and disposed of in a scrap-metal Dumpster, the senior lab employee said. No explanation was offered, the employee said, though the order was not considered surprising given the secret nature of the testing.

Read More » Audi recalls nearly 102,000 vehicles to fix air bag

As for the two problematic airbag inflaters, Mr. Bernat, the supervisor, told people at the time that they were not significant because they had been retrieved from cars with cracked windshields and were likely "corrupted by weather," according to the two former employees.

Reached at his home in Rochester Hills, Mich., Mr. Bernat declined to comment and referred questions to his former employer. Takata also declined to comment.

As automakers have recalled the airbags in recent years, Takata has suggested that weather plays a significant role in making its airbags prone to rupture. Takata said humidity could hurt the stability of the airbag's explosives.

In explaining the effect, the company has also pointed to manufacturing flaws involving the airbags' explosive, or propellant, including improper exposure to moisture, and problems with a machine that presses propellant powder into tablets. Takata has said both troubles were corrected in the early 2000s.

But the internal documents suggest Takata engineers scrambled as late as 2009 to repair a machine at its Monclova plant that pressed explosive propellant powder into pellets after "inflaters tested from multiple propellant lots showed aggressive ballistics," according to the internal presentation in June 2009.

The internal materials and interviews with the former quality-control managers also suggest that quality control problems at Takata stretched beyond its production lines.
Airbag modules would get wet during transit, arriving wet at automakers' assembly plants on leaky trucks, the managers said. The problems were addressed in an overhaul of operations at the plant starting in 2004, but local managers struggled to maintain the stricter controls.

"The whole situation makes me sick," one manager wrote in a February 2007 email addressed to multiple colleagues in which he complained that checks the center had introduced to try to keep the airbags dry — including hosing down trucks to check for leaks — were being ignored.

A 2009 presentation of guidelines on handling inflaters and airbag units stressed the dangers of mishandling them. The presentation included a link to a video that appeared to show side-curtain airbags deploying violently, sending the inflater hurtling into the car's cabin. (The inflater does not rupture in that video.)

And in an email, dated October 2005, a second manager urged employees to examine the propellant visible in a cross section of an airbag inflater. "The propellant arrangement inside is what can be damaged when the airbags are dropped," that manager wrote. "Here you can see why it is important to handle our product properly."

Still, even after stricter controls were introduced at the distribution center, Takata's production facilities would resist taking back possibly damaged or wet airbag modules, according to the two managers. One reason, they said, was that Takata struggled to keep up with a surge in demand for its airbags through the early and mid-2000s as it won big new clients like General Motors.

And as automakers drove down costs using "just-in-time" production — which require parts to arrive at assembly plants only as they are required — Takata was under pressure to meet intense delivery schedules, they said. Workers were often told that if a client like Honda or Toyota was required to stop production at their plants because of a late Takata shipment, the parts supplier would be fined tens of thousands of dollars for every minute of lost production.

"That put a lot of pressure and incentive on us to never miss a shipment," said one of the former managers. "I'd argue, 'what if my daughter bought the car with the bad airbag?' But the plant would tell us, 'Just ship it.' "

http://www.cnbc.com/id/102163699