



The City of Auburn Hills
City Council Meeting
Minutes

June 12, 2017

CALL TO ORDER: Mayor McDaniel at 7:00 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDaniel, Council Members Burmeister, Hammond, Kittle, Knight, Mitchell, and Verbeke.
Absent: None
Also Present: City Manager Tanghe, Assistant City Manager Grice, City Attorney Beckerleg, Police Chief Olko, Deputy Clerk Pierce, Fire Chief Manning, Assistant Fire Chief Macias, Fire Inspector Boyce, Finance Director/Treasurer Schulz, Deputy DPW Director Herczeg, Recreation Director Marzolf, City Engineer Juidici, Director of Authorities Mariuz, Management Intern Thomas, Downtown Event Specialist Intern Kubinski

16 Guests

4. APPROVAL OF MINUTES

4a. Regular City Council Minutes – May 22, 2017

Moved by Hammond, Seconded by Burmeister:

RESOLVED: To approve the May 22, 2017 City Council regular meeting minutes.

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

No: None

Resolution No. 17.06.089

Motion Carried (7 - 0)

5. APPOINTMENTS AND PRESENTATIONS

5a. Presentation of Paddlepalooza Mayor's Cup and Trophy

Mr. Marzolf explained that the Mayors of Auburn Hills and Rochester Hills participated in the canoe race down the Clinton River as part of the 9th Annual Paddlepalooza event in a friendly competition for the Mayor's Cup. Team Auburn Hills, consisting of Mayor McDaniel and Engineer Jim Stevens, won the Mayor's Cup this year for the third straight year. He noted that Team Auburn Hills also finished in the top three of the canoe race and presented the third place trophy. Mayor McDaniel thanked Mr. Stevens and stated the event was a great time.

6. PUBLIC COMMENT

John Lang, 2646 Binghamton and Director on the Bloomfield Orchards Civic Association Board, expressed concern that the City will cease mowing operations on the four islands in their neighborhood. The City has been mowing the cul-de-sacs from March, 2009 to June, 2017. He noted that the financial impact would be a hardship on the association as less than 35% of the homeowners are current on their dues. They have a neighborhood park that the association maintains the mowing which costs them thousands of dollars. He requested that the City do an in-house review to discover who has ownership in the islands. He stated that the Association feels that if they do not own them, they should not have to maintain them.

7. CONSENT AGENDA

7a. City Council Executive Session Minutes

7a1. February 13, 2017

7a2. March 27, 2017

7a3. April 10, 2017

7a4. April 24, 2017

7a5. May 8, 2017

7b. Board and Commission Minutes

7b1. Downtown Development Authority – May 15, 2017

7b2. Brownfield Redevelopment Authority – May 16, 2017

7c. Motion - Purchase of 19 Cradlepoint Wireless Modems for Patrol Vehicles

RESOLVED: To approve the purchase of the Police Department purchase of 19 Cradlepoint COR Wireless Modems from CDW Government LLC at a cost of \$18,713.67 under the Oakland County Cooperative Bid.

Moved by Verbeke, Seconded by Mitchell:

RESOLVED: To approve the Consent Agenda as presented.

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

No: None

Resolution No. 17.06.090

Motion Carried (7 - 0)

8. OLD BUSINESS

9. NEW BUSINESS

9a. Motion - Plante Moran presentation of the audit/accept audit

Justin Kolbow, Plante & Moran, presented the audit. He noted that in the current year, the total revenue in the General Fund increased by \$3.1 million. This was a result of a modest increase in property taxes and an increase in state sources which contains \$2 million received from the Local Communities Stabilization Authority which reimburses the City for lost personal property taxes. He noted that the Authority distributed 265% of what was originally anticipated. It is not an item that we can continue to budget going forward, but it did add to the fund balance in 2016. The licenses and permits increased by \$400,000 as a result of continued development within the City. While there was an uptick in charges for services, there was not one significant driver. He explained that the two significant revenue sources are property taxes and state sources which make up 71% of the general fund revenue.

Ms. Mitchell questioned the decrease in the Administration & Interfund Charges. Michelle Watterworth, Plante & Moran, explained that part of the reduction in the fund is a re-categorization during the year of the Library Interfund Charges which are categorized as Charges for Services this year.

Mr. Kolbow explained that there was a \$2.8 million decrease in General Fund expenditures. In 2015 the City made a significant investment in the infrastructure and transferred \$4.4 million to the Major and Local Streets Fund. In 2016 that was reduced down to around \$1 million. He stated that in looking at the other components, there has not been much shift in the cost structure, which just supports that the City has done a great job in containing costs and spending revenues appropriately.

Mr. Kolbow explained that the Unrestricted Fund Balance is available to the General Fund. City Council has prepared a five-year budget which supports that over the next five years, in order to balance the budget, some of the fund balance will be used. In 2017, the City budgeted to use \$6.1 million. Over the next several years, it is anticipated that this number will decrease.

In response to a question from Mr. Knight, Ms. Watterworth explained that on a cash flow basis in the golf course fund, the City was pretty much break even this year.

Ms. Mitchell commented that the summary format on pages one and five were very helpful. She requested that these formats be maintained going forward.

In response to a question from Ms. Mitchell regarding the recommendation for the Library to obtain its own Employee Identification Number (EIN), Ms. Watterworth explained that the recommendation was from an attorney opinion from the City's labor attorney that the employees of the Library were employees of that separate entity, not employees of the City. When looking at that with regard to IRS and tax regulations, Plante & Moran recommended that the Library establish its own EIN in order to ensure, from an IRS standpoint, that it is completely in compliance based on that legal opinion. Ms. Mitchell requested that the recommendation and rationale be communicated to the Library Board of Trustees to ensure their understanding. Ms. Watterworth stated that she has been in contact with the Chair and they will discuss it on the 22nd.

Ms. Watterworth reviewed the letter package containing their recommendation surrounding internal controls, assumptions used by the actuary to calculate the pension liability and informational items on new standards that will impact the health care liabilities and additional reporting requirements on pension and OPEB.

Moved by Mitchell, Seconded by Hammond:

RESOLVED: To accept and approve the City's Financial Report with Supplemental Information for the year ending December 31, 2016 and the related communications letter as presented by the City's independent auditors, Plante Moran.

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

No: None

Resolution No. 17.06.091

Motion Carried (7 - 0)

9b. Motion - First Reading – Changes to Fire Code Ordinance

Fire Inspector Boyce explained that the changes to the fire code will mimic the changes in the Michigan Building Code.

Mr. Knight commented on the location of a fire hydrant off-site. Mr. Boyce explained that a pre-construction meeting is held for the site plan. They give us an idea of where they want to put them and the Fire Department will discuss where it works.

In response to a question from Mr. Burmeister, Inspector Boyce explained the difference between a recreational fire and a bonfire. In the fire code, a bonfire is considered a religious fire. The term recreational fire and bonfire have been used interchangeably. In order to eliminate any confusion, when you apply for a bonfire permit, it can be for recreational or religious purposes. A permit is not required if you are burning in a chiminea as long as it is being used in the parameters of the safety precautions that come with the product. He noted that with those products, there are limits as to the size that the fire can be and must be self-contained.

Moved by Verbeke, Seconded by Burmeister:

RESOLVED: To introduce with intention to adopt Auburn Hills Ordinance 17-895, amending Chapter 38, Article I, Sections F-104.11.7, F-304.3.5, F-307.2, F-507.5.1 and delete sections F-307.4 and 307.4.1 of the City of Auburn Hills Code of Ordinances, Fire Prevention and Protection and set a public hearing, second reading and final adoption on June 26, 2017.

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

No: None

Resolution No. 17.06.092

Motion Carried (7 - 0)

9c. Motion – Squirrel Rd Emergency Sewer Repair

Mr. Herczeg explained that staff discovered a dip in the sewer line in 2016. The repair was originally paired with a bid for the Birchfield Sewer Improvement in that same year. Unfortunately, that project was suspended to align with future road repairs and achieve a better cost overall for the project. He noted that the repair still needs to be made. The two lowest bidders were contacted by City staff and chose not to perform the work. Superior Excavating was the third low bid on the project.

Moved by Mitchell, Seconded by Verbeke:

RESOLVED: To approve the award of the Squirrel Road Sanitary Sewer Repair to Superior Excavating for the not-to-exceed amount of \$39,000.00 to be paid from Sewer account number 592-535-971.000.

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

No: None

Resolution No. 17.06.093

Motion Carried (7 - 0)

10. COMMENTS AND MOTIONS FROM COUNCIL

Mr. Kittle

- Noticed that the new section of striping of Taylor Rd, in front of TI Automotive to Lapeer Rd, is peeling. He requested staff review that area.
- Questioned if there was any information to be gleaned from the directed patrol unit work at Tienken and Squirrel.

Chief Olko explained that after an examination of the traffic volume signal data and the observation by the officers, discovered that there was indeed a traffic bubble for about one hour in the late afternoon. They also learned that the westbound traffic on Tienken, has the ability to cause the signal on Squirrel to turn red when a vehicle presents. Staff asked the Road Commission to make a change to the signal and the change was made on Thursday evening. She explained that the department will continue to watch for about a week to see if that resolves the issue and see if we can reach an optimal signal timing that is effective for the traffic conditions at all times at that intersection.

Mr. Burmeister

- Questioned who will be checking into the property ownership of the Bloomfield Orchard islands. Mr. Tanghe stated that his recollection is that the islands were under the Association's control in the past. When there was a high number of foreclosures in the neighborhood, the City was asked to help by taking them over. Nine years later, it is time the City give back what we helped them out with. He will check with DPW and see if there is any way to determine exact ownership.

Mr. Knight

- Noted that the Mayor presided over a successful fishing derby on Saturday with a record of 114 youth participating. Bass Pro Shop was a gracious supporter and brought 40-50 fishing rods. All of the young participants went home with some kind of prize.
- Questioned whether National Night Out will it still be held in August. Mr. Tanghe explained that the event is being planned for more neighborhood areas rather than one larger celebration.

Ms. Mitchell

- Reminded everyone of Summerfest on June 23-24 which is a big celebration held downtown.

Mayor McDaniel

- The Goals and Objectives Workshop will be held on Monday, June 19th at the University Center in downtown.

- On behalf of City Council, extended our thoughts, prayers, and sincere condolences to the Grusnick Family. Mr. Grusnick was the City's first mayor and passed away on May 31st.

Mr. Knight noted that the Fire Department did a marvelous job of representing the City at the funeral. Mayor McDaniel thanked Mr. Tanghe for his work to extend the City's best wishes to the family during that unfortunate time.

11. CITY ATTORNEY'S REPORT

12. CITY MANAGER'S REPORT

13. EXECUTIVE SESSION

13a. Labor Negotiations Fire Department MOU re 24 Hour Shifts

13b. Property Acquisition

Moved by Mitchell, Seconded by Hammond:

RESOLVED: To meet in Executive Session to discuss Fire Department Labor Negotiations MOU regarding 24 Hour Shifts and to discuss Property Acquisition.

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

No: None

Resolution No. 17.06.094

Motion Carried (7 - 0)

City Council recessed to executive session at 8:10 PM.

City Council reconvened in open session 8:59 PM.

13a. Labor Negotiations Fire Department MOU re 24 Hour Shifts

Moved by Burmeister, Seconded by Verbeke:

RESOLVED: To authorize the City Manager to execute the Memorandum of Understanding for the Fire Department Suppression personnel to begin operating under a 24-hour shift schedule in accordance with the terms and conditions of the Memorandum of Understanding; and to begin said operational method to align with the start of the payroll period on or before October 1, 2017.

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

No: None

Resolution No. 17.06.095

Motion Carried (7 - 0)

13b. Property Acquisition

13b.1. 2041 Auburn Road

Moved by Mitchell, Seconded by Hammond:

RESOLVED: To authorize the City Manager to purchase the property commonly known as 2041 Auburn Road, property identification number 14-26-351-001, in the amount of \$34,492.76; and to execute all documents on behalf of the City related to the purchase, up to and including those necessary to close the sale and obtain title insurance.

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

No: None

Resolution No. 17.06.096

Motion Carried (7 - 0)

13b.2. 1761 North Opdyke Road

Moved by Verbeke, Seconded by Burmeister:

RESOLVED: To authorize the City Manager to purchase the property commonly known as 1761 North Opdyke Road, property identification number 14-14-304-014, in the amount of \$10,184.59;

and to execute all documents on behalf of the City related to the purchase, up to and including those necessary to close the sale and obtain title insurance.

VOTE: Yes: Burmeister, Knight, McDaniel, Verbeke

No: Hammond, Kittle, Mitchell

Resolution No. 17.06.097

Motion Carried (4-3)

13b.3. 3424 Parklawn Street

Moved by Knight, Seconded by Verbeke:

RESOLVED: To authorize the City Manager to purchase the land at 3424 Parklawn Street; property identification number 14-25-382-003, in the amount of \$17,322.88; and to execute all documents on behalf of the City related to the purchase, up to and including those necessary to close the sale and obtain title insurance.

VOTE: Yes: Burmeister, Knight, Verbeke

No: Hammond, Kittle, McDaniel, Mitchell

Resolution No. 17.06.098

Motion FAILED (3 - 4)

13. ADJOURNMENT

Hearing no objections, the meeting adjourned at 9:02 PM.

Kevin R. McDaniel, Mayor

Terri Kowal, City Clerk