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, Deputy Clerk Pierce, Police Chief Olko, Assistant Fire Chief Macias, Finance Director/Treasurer Schulz, Deputy Finance Director/Deputy Treasurer Wickenheiser, Accounts Receivable Manager Farmer, Manager of Business Development & Community Relations Carroll, Director of Authorities Seimer, DPW Director Melchert, Manager of Municipal Properties King, Senior Services Director Adcock, Recreation Director Marzolf, City Engineer Juidici, Management Assistant Thomas

21 Guests

4. APPROVAL OF MINUTES

4a. Regular City Council Minutes – September 25, 2017

Moved by Mitchell, Seconded by Verbeke.

RESOLVED: To approve the September 25, 2017 City Council minutes.

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

No: None

Resolution No. 17.10.179 Motion Carried (7 - 0)

5. APPOINTMENTS AND PRESENTATIONS

5a. Motion – Confirming Appointment of Dan Gliniecki and John Young to the DDA

Mayor McDaniel explained that the Council has received the applications for the reappointment of members to the Downtown Development Authority. He stated that he has worked closely with both applicants as he is a member of the DDA as well.

Moved by Verbeke, Seconded by Burmeister.

RESOLVED: To confirm the appointment of Dan Gliniecki to the Downtown Development Authority for a term ending October 31, 2021

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

No: None

Resolution No. 17.10.180 Motion Carried (7 - 0)

Moved by Verbeke, Seconded by Mitchell.

RESOLVED: To confirm the appointment of John Young to the Downtown Development Authority for a term ending October 31, 2021

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

No: None

Resolution No. 17.10.181 Motion Carried (7 - 0)
5b. Optimist Club Police Employee of the Year

Mr. Knight presented the Optimist Club Police Employee of the Year Award to Tamera Eddington. Officer Brian Miller explained that Ms. Eddington is dedicated in her duties as the school crossing guard. She is there mornings and afternoons in rain, shine, snow, and sleet. Mayor McDaniel thanked Ms. Eddington for her commitment to service and all that she has done for the children of Auburn Hills throughout the years.

6. PUBLIC COMMENT

Robert Cesario, Jo’Angela’s Pizza & Deli Co., 3329 Auburn Rd, expressed concern with the eight month timeline and the congestion that the upcoming construction projects will create downtown. Rather than doing the construction in a short period of time, he asked the Council to consider spreading out the projects so it is not so congested and difficult for people to get downtown.

Julie Degaire, The Edge Mens Grooming, 3395 Auburn Rd, expressed concern that shutting down the area and taking all of the parking will do serious damage to her business as there is no easy access. She also expressed concern with the proposed roundabout and how it will affect the walkability of the downtown. She noted that she also has concern with the noise of the trucks driving through the downtown.

Mayor McDaniel commented that from a City standpoint, we have to weigh whether it is better to prolong construction, even though it would be smaller pockets, or just complete it at once and not continually have construction. He noted construction project costs would be more significant if the work was prolonged. He mentioned that Council shares her concern with the truck traffic on Auburn Rd. Unfortunately there is not much the City can do because they have the right to utilize those roads.

Mr. Cesario requested that, once a final decision has been made, the City look for a way to bring people into the downtown area, such as re-establishing the shuttle.

Kathy Genautis, 3395 Auburn Rd, expressed concern with the length of the proposed project and noted that she is landlocked. She requested a compromise such as reserving parking spaces for their patrons as there is no rear entrance and no parking on the side or front. She requested the projects be spread out and expressed concern with the safety of pedestrians crossing at the roundabouts.

Mr. Grice explained that the plan is to keep traffic open to both sides of the businesses on the north side of Auburn Rd at all times, by means of one-way traffic, in order to accommodate both sides of those businesses. With regard to the parking challenges, the City will be improving the wayfinding signs to the parking structure. The City will work with the businesses to ensure there is signage stating that all businesses remain open, including directional signs for parking. In addition, the contractor will be asked to stage the project so that parking can be maintained on Auburn Rd.

Mr. Grice explained that, with regard to the trucks on Auburn Rd, the issue with the limited weight restriction on Opdyke Rd is driving a lot of the trucks through the downtown. It is an Act 51 road and the City cannot restrict those trucks from using that road. The County will be reconstructing that portion of Opdyke next year and it should reopen to full use at that time. He noted that the narrowing of Auburn Rd through the downtown section will make it unattractive to truck drivers and will slow traffic in that area making it more pedestrian friendly. He noted that the roundabouts will not be restrictive to pedestrians. There are significant savings to the resident of Auburn Hills to have it as a one season project and allows for a smooth transition from project to the next.

Mayor McDaniel commented that the Council members really want our downtown merchants to succeed and take every decision made with deep consideration because it will directly impact the downtown traffic flow and businesses.

Mr. Kittle noted that there was a workshop group that reviewed the plans and alternatives. With regard to a question by Mr. Kittle regarding the traffic management plan, Mr. Grice explained that OHM has provided
concepts for staging where traffic could be maintained to both the front and backs of the businesses at all times. The City will also keep the merchants updated with up-to-date information on the project, project staging and how traffic would be flowing through the area during the project. Additional signage could also be added if needed. He noted that the Den parking lot could also be a parking option as well.

Mr. Burmeister stated that the City needs to do whatever it can to make sure that these businesses are taken care of.

Ms. Hammond stated that in addition to email, the City should get the businesses involved and meet with them to review the entire concept plan so they know what to expect. Mr. Grice explained that multiple meetings will be held.

Eugene Hawkins, 880 Polo Place, introduced himself to Council and stated that he is running as a write-in candidate for City Council.

7. CONSENT AGENDA

7a. Board and Commission Minutes

7a1. Planning Commission – September 13, 2017

7b. Motion – Approve Delinquent Tax Transfers to 2017 Winter Tax Bills

RESOLVED: To accept the transfer of the delinquent special assessments in the amount of $446,354.07 for collection on the 2017 City of Auburn Hills Winter Taxes, in accordance with Ordinance # 634, Resolution No. 74-108, 74-143, and MCL 211.44(3)(4) and (7).

7c. Motion – Approve Campus Shingle Roof Replacements

RESOLVED: To approve award of the Campus Shingle Roof Replacements to Weatherseal Home Improvements, Inc., 51662 Oro Drive, Shelby Twp., MI 48315. Funding to be paid from General Fund account number 101-265-931-000 for the amount of $21,238.00.

7d. Motion - Approve Urgent Fleet Division Replacement Hoist

RESOLVED: To approve the purchase of an 18,000 pound above-ground lift hoist from Rotary Lift, 2700 Lanier Drive, Madison, IN, 47250, for $15,317.47 and installation of the lift by Superior Automotive Lifts & Equipment, 118 Willards Way, White Lake, MI 48386 for $1,200.00 for a total cost of $16,517.47. Funding is provided for in the Fleet Operating Budget, account 661-442-799.00.

Moved by Kittle, Seconded by Knight.

RESOLVED: To approve the Consent Agenda.

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

Resolution No. 17.10.182 Motion Carried (7 - 0)

8. OLD BUSINESS

9. NEW BUSINESS

9a. Public Hearing/Motion - Adopt 2018 Budget and Millage Rates

Ms. Schulz presented the 2018 budget. She explained that each fund has a purpose and a particular funding sources. All funds combined present a $60.2 million expenditure plan. The budget includes about $6 million in street maintenance and improvements, with the largest project being a $3 million improvement in the downtown. Over $6.5 million in water and sewer improvements are planned, including Pontiac Road watermain, South Squirrel watermain and Opdyke watermain. Legacy costs continue to be adequately funded. The budget includes utility rate increases, however the increases will be lower for both water and sewer than that of the last few years. The budget includes new debt which we plan to issue later this month. The City is financing both 2017 and 2018 select projects, including the $3 million road improvement in the downtown.
She explained that the general fund and water and sewer fund comprise of almost 70% of total City expenditures. Property taxes are the primary source of revenue for the general fund, while utility charges are such for the water and sewer fund. She explained that in 2018, the City is planning to utilize, from the general fund, approximately $500,000 of reserves. She explained that the general fund remains health in 2018. Unassigned fund balances are expected to be 67% of expenditures during 2018, meeting the 25% minimum City Council goal. She noted that the City projects the need to utilize reserves every year through 2022 and will require ongoing analysis. While the 2018 budget is solid, staff will be diligent in mitigating the future use of reserves by researching and recommending appropriate opportunities for new revenue, maintaining or increasing current revenue, and delaying or suspending planned projects or activities to conserve reserves for only the highest priorities.

Ms. Schulz explained that $4 million in roadwork was removed from the current five year plan to achieve the current proposed general fund budget projection. She explained that with the issuance of debt, the City was able to close the gap in expenditures over revenues in 2017 and 2018. In 2019, it is clear that the revenues available for general fund operations (excluding police and fire) do not support all planned expenditures. The gap between 2018 and 2022 reflects the utilization of general fund reserve. It is in operations that the transfer to roads and the debt incurred for several road projects is expensed.

Ms. Schulz explained that the City’s second largest fund is the water/sewer fund. She discussed the cost of water and sewer treatment to the City, capital projects, debt, other operational costs and revenues. The fund is appropriately healthy to meet annual maintenance needs of both water and sewer, as well as respond to any unforeseen costly emergency.

Mayor McDaniel noted that the City has spent an incredible amount of time workshopping the budget. Many concerns were brought forward and a lot has been discussed.

Mr. Knight questioned if the Library has requested the City to collect their taxes. Mr. Beckerleg explained that statutorily, the Library Act requires the municipality in which the Library is located to levy the taxes to support the approved budget from the Library.

Ms. Mitchell gave her compliments to staff on the budget workshops, which is resulting in the minimized amount of questions tonight.

Mr. Kittle noted that the City is continuing to look for opportunities to increase revenues and maintain the status quo, he wanted to emphasize that the City also looks to continue to find cost containment methods as well as efficiency opportunities on the expense side.

Mr. Knight noted that in 2018, there are approximately $4 million that are expended out of TIFA funds over and above the revenue. He pointed out that they determine, from their revenue, how they can help the City.

Mayor McDaniel opened the Public Hearing at 8:00 PM. Hearing no public comment, the Mayor closed the Public Hearing at 8:00 PM.

Moved by Knight, Seconded by Mitchell.

RESOLVED: To accept and adopt the proposed 2018 budget for the City and to approve the proposed millage rates for the City and Library for the 2017 tax year.

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

No: None

Resolution No. 17.10.183 Motion Carried (7 - 0)
9b. Motion – Approve Purchase of two (2) Cardiac Monitor/Defibrillators
Assistant Fire Chief Macias explained that the Fire Department cardiac monitors are located on the three ambulances and are used on every medical emergency. The cardiac monitors allow the paramedics to monitor the patient’s vital signs, cardiac rhythm, or shock a patient who is having a heart attack. The monitors are required equipment to meet the advanced life support ambulance regulations set by the State of Michigan. The current monitors are 11, 9, and 6 years old. He noted that they expect a ten-year life expectancy. He noted that the bid provides a four-year preventative maintenance program. He explained that Physio-Control has a proven track record of functionality and durability. Staff and the Public Safety Advisory Committee recommends the purchase.

Mr. Burmeister questioned if there was a current issue with the battery life. Mr. Macias stated that part of the preventative maintenance program is to switch out the batteries regularly.

Moved by Mitchell, Seconded by Verbeke.
RESOLVED: To approve the Fire Department purchase of two (2) cardiac monitor/defibrillators in the amount of $72,628.90 from Physio-Control, Incorporated.
Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 17.10.184               Motion Carried (7 - 0)

9c. Motion – Approve Contract for Collection Services for Delinquent Ambulance Billing Accounts
Assistant Fire Chief Macias explained that the Fire Department invoices patients transported by ambulance to the hospital. The revenue from EMS billing covers the cost of the EMS operations. Mobile Health Resources handles the EMS billing. The billing cycle consists of five invoices over ninety-days. The goal of the collection service is to seek payment once MHR has exhausted all efforts. The collection company retains a percentage of any revenue that they collect. He explained the background of each bidder and the expanded services of Penn Credit Corp. Staff and the Public Safety Advisory Committee recommend the approval of the contract with Penn Credit Corp.

Moved by Verbeke, Seconded by Hammond.
RESOLVED: To approve the contracted service of Penn Credit Corporation for the purpose of collecting delinquent ambulance billing accounts at the rate of 18% In-house and 29% legal action for a contract length of three (3) years with an option for the City to renew for an additional one (1) year period and authorize the City Manager to sign the agreement on behalf of the City.
VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke
No: None
Resolution No. 17.10.185               Motion Carried (7 - 0)

9d. Motion – Approve Resolution Authorizing the City to Participate in the Redevelopment Ready Communities Program
Ms. Carroll explained that the proposed resolution authorizes the City to participate in the Michigan Economic Developer Redevelopment Ready Communities Program.

Mr. Kittle commented that it is great that the City will be participating in this. Ms. Carroll explained that she is on an advisory committee that oversees this particular program.

Moved by Verbeke, Seconded by Burmeister.
RESOLVED: To approve the resolution authorizing the City of Auburn Hills to participate in the Michigan Economic Development Corporation (MEDC) Redevelopment Ready Communities Program (RRC). (Attachment A)
10. COMMENTS AND MOTIONS FROM COUNCIL

Ms. Hammond
- Reported that the downtown sign, traveling south on Squirrel, is knocked over.
- Noticed that there is a "pop-up" town square and requested additional information.
  Mr. Grice explained that what is being referred to as the "downtown pop-up public square" was put out for the first time this past Friday. There was supposed to be a yoga under the lights event, however the weather did not cooperate. He explained that TIFA has pursued this as a way to utilize that parking lot for functions without converting it over to a natural grass area. You are likely to see it during multiple events in the coming years.

Mr. Knight
- Stated that he was quite amazed at the amount that is not collected in water/sewer. He expressed interest in seeing the number of delinquencies that happen to be on that list at the end of the collection year.
- The Noon Optimist Club is holding its regular meeting at the Community Center to celebrate Len Hendrix Day. Len Hendrix was the City's first City Manager.
- At the next two Council meetings, the Optimist Club will be recognizing two additional employees.
- Noted that trucks are still coming down Grey Rd with loads of lumber. He asked that the City ask again that the company make sure that the shipping address is on Squirrel. We have not solved the problem completely, but it is better.

Ms. Mitchell
- Wanted to follow up on a topic she brought up in July regarding adherence to the City’s tree ordinance for residential neighborhoods that have been formed prior to the establishment of the City of Auburn Hills. She stated that she will follow up with the Director of Community Development.
- Pointed out that guests are invited to attend any workshops held by the City Council.
- Thanked the City Manager for the update regarding the City maintaining its AA+ bond rating.
- Expressed appreciation for the monthly activities reports and requested the meetings with other local officials be included.
- Expressed gratitude to Oakland University. They were one of the supporters for the 2017 Women of Color Science, Technology, Engineer, and Mathematics conference held this weekend.
- Questioned if there was any other information provided to resident George Niedbalski who expressed concern about the highway traffic noise. Mr. Tanghe stated that he will make sure that information is provided to him.

Mayor McDaniel
- Announced that the Taste of Auburn Hills will be held on October 12th. He noted that the event is hosted Chamber of Commerce and the Palace of Auburn Hills as well as the Elite Sponsor – FCA US and the Presenting Sponsor – Faurecia North America. He noted that there are several other sponsors at other levels. We have great corporate citizens that give back and host various events. He thanked them for their continued engagement within the community.

Mr. Knight
- Reminded everyone that some of the Council is going to FCA on Friday and invited the other Council members to attend.

11. CITY ATTORNEY’S REPORT
12. CITY MANAGER’S REPORT
Mr. Tanghe
  • Commented that the motion for Item 7b regarding the tax transfer, stated it was being added to the winter tax bill of 2016. It should be corrected to 2017. Mr. Beckerleg stated that as long as Council is in agreement, no further action is needed. No objections were heard.

13. ADJOURNMENT

The meeting adjourned at 8:28 PM.
ATTACHMENT A

A Resolution Authorizing the City of Auburn Hills
To participate in the Michigan Economic Development Corporation (MEDC)
Redevelopment Ready Communities Program

WHEREAS, the Michigan Economic Development Corporation (MEDC) has established the state-wide Redevelopment Ready Communities Program (RRC) to empower communities to shape their future and maximize economic potential; and

WHEREAS, RRC is a program that provides technical assistance to certified Michigan communities who actively engage stakeholders and plan deliberate, fair and consistent processes; and

WHEREAS, the City of Auburn Hills recognizes the value of the RRC Program and seeks to improve its redevelopment readiness via a detailed review of existing development processes; and

WHEREAS, the RRC Program includes evaluating and strengthening the development-related partnerships between the City Council and stakeholder organizations such as the MEDC, Auburn Hills Downtown Development Authority, Auburn Hills Tax Increment Finance Authority, Auburn Hills Planning Commission and Oakland County; and

WHEREAS, the City of Auburn Hills has begun to draft a policy statement that would serve as an update to its Master Land Use Plan to incorporate certain elements required for RRC certification.

NOW, THEREFORE, BE IT RESOLVED that the Auburn Hills City Council authorizes the City of Auburn Hills staff to participate in the Michigan Economic Development Corporation’s Redevelopment Ready Community Program. The City of Auburn Hills is willing to engage in the process to support the RRC Program. The City of Auburn Hills hereby commits to the RRC Best Practices and evaluation process with the intent to enhance our processes and communications with our stakeholders. The City Council will continue to work with Staff, the MEDC, and local stakeholders as our community moves forward in the RRC Program.
2018 Proposed Budget

$67,776,680 TOTAL GROSS EXPENDITURES
$2,083,073 IN TRANSFERS AND $4,674,447 ADMIN/INTERFUND CHARGES NET $60,219,140

2018 Budget Highlights

- $6.0 Million street improvements/maintenance
- $6.5 Million water/sewer improvements
- $1.6 Million vehicle and heavy equipment
- 2018 water and sewer annual utility rates increase less than that of prior years
- 2017 Bonds finance specific capital street improvements, two roof replacements, and a parking lot replacement extending available short term reserves of the General Fund
- Real property values expected to increase but new development slows
- Conservative personal property reimbursement revenues – there is no expectation of reimbursement by 2022
- No millage increases – City Operational Millage and Police Millage have not changed for over 13 years
- Legacy costs remain adequately funded

Since May, staff has spent considerable time evaluating both present and future City needs.

The 2018 budget has been developed with an eye on possible fiscal challenges to come while still providing service excellence.

City Council and Staff participated in two detailed budget workshops discussing the current year, 2016, and the future. Concerns brought forward were addressed and adjustments were made to the proposed plan accordingly.

Key take away from this year's budget process:

Total General Fund projected expenditures on average increase annually LESS THAN 1% between 2018-2022

When transfers to Roads and the new related road/infrastructure debt are removed.
### General Fund Expenditures by Function

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<th>Function</th>
<th>2017</th>
<th>2018</th>
<th>Operating Budget</th>
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<td>Police</td>
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### First Cut Proposed General Fund

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<th>Description</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<td>$5,000,000</td>
<td>$5,000,000</td>
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### City of Auburn Hills

**2018 Police Budget Review 2018-2022 Outlook**

- **2018 Actual**
  - **Total Police Revenues**
  - **Total Police Expenditures**

- **2019**
  - **Total Police Revenues**
  - **Total Police Expenditures**

- **2020**
  - **Total Police Revenues**
  - **Total Police Expenditures**

- **2021**
  - **Total Police Revenues**
  - **Total Police Expenditures**

- **2022**
  - **Total Police Revenues**
  - **Total Police Expenditures**

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*Note: Figures are approximate and subject to final calculations and appropriations.*