AUGUST 2013
(8-5-13)

05 City Council Workshop, 5:30 p.m., Council Chamber ◆
05 City Council, 7:00 p.m., Council Chamber ◆
07 Leaf Burning Committee, 6:00 p.m., Admin Conference Room ❖
08 Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆ CANCELLED
12 Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room ❖
13 Tax Increment Finance Authority, 4:00 p.m. Fieldstone Golf Course LOCATION CHANGE
14 Retiree Health Care Board/Pension Committee, 1:00 p.m., Admin Conference Room ❖
14 Beautification Advisory Commission, 6:00 p.m., Council Conference Room ❖ DATE & LOCATION CHANGE
19 City Council, 7:00 p.m., Council Chamber ◆
21 Beautification Advisory Commission, 6:00 p.m., Admin Conference Room ◆ DATE CHANGE
26 City Council Workshop, 5:30 pm, Council Chamber ◆
27 Library Board, 4:30 p.m., Admin Conference Room ❖
27 Planning Commission, 7:00 p.m., Council Chamber ◆
28 Beautification Advisory Commissions, 6:00 p.m., Admin Conference Room ◆ DATE CHANGE

◆ City Council Chamber – 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
[hash] Downtown City Offices – 3395 Auburn Road, Suite A
SEPTEMBER 2013
(8-9-13)

09  City Council Workshop, 5:30 p.m., Council Chamber ◆
09  Tax Incentive Review Committee, 5:30 p.m., Admin Conference Room ❖
09  City Council, 7:00 p.m., Council Chamber ◆
10  Tax Increment Finance Authority, 4:00 p.m., Admin Conference Room ❖
10  Library Budget Meeting, 5:30 p.m., Library Conference Room
12  Zoning Board of Appeals, 7:00 p.m., Council Chamber ◆
18  Beautification Advisory Commission, 6:00 p.m., Admin Conference Room ❖
23  City Council, 7:00 p.m., Council Chamber ◆
24  Library Board, 4:30 p.m., Admin Conference Room ❖
24  Public Safety Advisory Committee, 6:00 p.m., Public Safety Building - Community Room ◆
25  Beautification Awards Ceremony, 6:30 p.m., Community Center ◆

◆ City Council Chamber – 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
1. MEETING CALLED TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL OF COUNCIL

4. APPROVAL OF MINUTES
   4a. Regular Meeting - August 5, 2013
   4b. Workshop - August 5, 2013
   4c. Executive Session – August 5, 2013
   4d. Executive Session – July 15, 2013
   4e. Executive Session – July 1, 2013
   4f. Executive Session – May 20, 2013
   4g. Executive Session – May 6, 2013
   4h. Executive Session – February 18, 2013

5. APPOINTMENTS & PRESENTATIONS
   5a. Oath of Office for Three Lieutenant Promotions in Fire Department
   5c. Proclamation – Drive for Pledges Day

6. PUBLIC COMMENT

7. CONSENT AGENDA
   All items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

   7a. Board and Commission Minutes
   7a.1. Tax Increment Finance Authority – August 13, 2013

8. OLD BUSINESS
   8a. Motion – Approve IFEC for Ralco Industries

9. NEW BUSINESS
   9a. Motion – Approve Purchase of 10 Rugged Laptops and Vehicle Mounts for AHFD Fire Apparatus
   9b. Motion – Verizon Wireless Request to Replace Antennas
   9c. Motion – Consideration of Oil and Gas RFP

10. COMMENTS AND MOTIONS FROM COUNCIL

11. CITY ATTORNEY’S REPORT

12. CITY MANAGER’S REPORT

13. ADJOURNMENT

*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 McDonald at 7:00 p.m.
LOCATION: City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDonald, Mayor Pro-Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel
Absent: Council Member Verbeke
Also Present: City Manager Auger, Assistant City Manager Tanghe, Director Olko, Deputy Director/Police
   Hardesty, Sgt. Leonard, Treasurer Buschmohle, Deputy Assessor Blinkilde, Finance Director
   Barnes, Director of Public Works Melchert, City Clerk Kowal, Water Resource Coordinator
   Keenan, Deputy Finance Director Schulz, Facilities Manager Brisson, City Manager Intern Guest,
   City Attorney Beckerleg, City Engineer Juidici
   Guests 28

4. APPROVAL OF MINUTES
Moved by Kittle; Seconded by Hammond.
RESOLVED: To approve the July 15, meeting minutes.
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
   No: None Motion Carried (6-0)
Resolution No. 13.08.126

6. PUBLIC COMMENT
Steven Volk, a 25 year Birmingham resident, stated he and his wife are planning on moving to Forrester Square. He
   thanked Council and the City for supporting the Forrester Square neighborhood.

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.
Ms. Doyle requested 7a.3. and 7a.4. be removed from the Consent Agenda.
7a. Board and Commission Minutes
   7a.2. Beautification Advisory Committee – May 22, 2013
Moved by Kittle; Seconded by Hammond.
RESOLVED: To approve the Consent Agenda items 7a.1 and 7a.2.
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
   No: None Motion Carried (6-0)
Resolution No. 13.08.127

7a.3. Beautification Advisory Committee – June 24, 2013
Ms. Doyle noted she was surprised to see in the minutes the comment that Fieldstone was unable to cater the
   Beautification Banquet, unless the banquet is held at Fieldstone. She recalled from serving on the Beautification
   Commission, how controversial it was for the Commission to use someone other than Fieldstone as the caterer for the
   banquet. There was extensive discussion of whether Fieldstone should be used as the only caterer.
Mr. Auger noted there may be a scheduling conflict between the banquet and other outings that are taking place at Fieldstone, which is why they wouldn’t be available for catering.

Moved by Doyle; Seconded by Knight.
RESOLVED: To approve the Consent Agenda item 7a.3 as presented.
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None
Motion Carried (6-0)

Resolution No. 13.08.128

7a.4. Public Safety Advisory Committee Minutes of July 29, 2013
Ms. Doyle stated she currently serves on the Public Safety Advisory Committee and noted the detailed minutes of a very intensive, lengthy meeting in which the City Council will be asked to make a decision. The Committee recommends City Council review the entire analysis during a workshop; which could take as long as an hour and a half.

Mr. Knight suggested from reading the minutes, the Committee reached a consensus and option number four was a reasonable approach to take as a result of the Committee’s discussion.

Ms. Doyle stated no. Director Olko, Deputy Director Hardesty, Deputy Director Manning were all present at the meeting, and this is a first step to determine the needs of the City. It was an unanimous decision of the Committee to forward the analysis to Council for discussion, which the Committee members would also like to attend, before taking the next step.

Mr. Knight noted it is the responsibility of the Committee to study and recommend to City Council what they think is the correct direction for the City; and suggested this item is critical to the City and more discussion and input is needed. He hoped the Committee could make a recommendation based on the information available and not punt the item to Council for a decision.

Ms. Doyle stated the Committee wasn’t punting the item to Council, the information provided by the Department is excellent, explained and organized very well, but it is a huge decision with very important consequences. The Committee felt it was premature to forward a recommendation to City Council at this time.

Moved by Doyle; Seconded by Knight.
RESOLVED: To approve the Consent Agenda item 7a.4 as presented.
VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None
Motion Carried (6-0)

Resolution No. 13.08.129

8. OLD BUSINESS

8a. Public Hearing/Motion – Adopting an Ordinance to Amend Chapter. No. 38, Fire Prevention and Protection, of the Auburn Hills City Code for a Public Hearing, Second Reading and Final Adoption

Director Olko explained in June 2013, the State Legislature amended 2011 Public Act No. 256, known as the Michigan Fireworks Safety Act, allowing local communities to pass ordinances regulating the ignition, discharge, and use of consumer fireworks. It is suggested to allow fireworks for 30 days throughout the year, which is the day before and the day after the 10 National holidays. Fireworks would be prohibited from midnight to 8:00 a.m. on all the holidays except New Year’s Day which would be from 1:00 a.m. to 8:00 a.m. As recommended by Council, minors, those under 18 years of age, are allowed to handle fireworks with parental or legal guardian supervision.

Mr. Kittle asked how the residents will be advised of this ordinance and would like over-communication if possible.
Director Olko stated all social media venues will be used as well as a press release. The Patrol Officers have been advised that warnings can be given prior to issuing citations.

Mr. McDaniel asked if it would be possible to include notification of the ordinance amendment in the water bills.
Director Olko stated yes, as indicated by Mr. Auger.

Mr. Knight stated he and Ms. Verbeke had discussed the possibility of the City lobbying the State to allow local communities to have more control over fireworks; however, this ordinance amendment is all that is allowable under the law.

Ms. Hammond noted tomorrow is National Night Out and suggested conveying the message of limited fireworks during the event, knowing there will be a large group of residents assembled.
Director Olko stated there is quite a following on the City’s social media and the website, but she will investigate what might be possible to have ready for tomorrow evening.
Ms. Hammond suggested posting notices at the Community Center and other areas during the event.
Mr. Kittle noted the City has two years of complaint data and suggested mailings to those who have been cited or warned in the past or the area of where a complaint originated.
Mr. Knight noted there are a number of people at the south end of the City that are concerned with the amount of fireworks being ignited at any given time.
Mayor McDonald opened the public hearing at 7:18 p.m.

Ms. Chapel, a resident, is very much in agreement with the ordinance, and limiting days; she has called and complained in the past. She is fine with the day before and after a holiday; she just doesn’t want to listen to them all summer long. Also, her dog barks when hearing the fireworks and then a neighbor calls and complains about her barking dog.

Mayor McDonald closed the public hearing at 7:19 p.m.

Moved by Knight; Seconded by Kittle.

RESOLVED: Move to adopt Ordinance 13-855 to amend Chapter 38, Fire Prevention and Protection.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None
Motion Carried (6-0)

Resolution No. 13.08.130

9. NEW BUSINESS

9a Motion – Approve I.T. Services Agreement with Oakland County/G2G Cloud Solutions

Ms. Buschmohle explained this is a request to enter into an agreement with Oakland County to accept over-the-counter payments by credit and debit cards. Since December of 2010, the City has partnered with Oakland County’s E-Commerce and Pay Local Tax programs allowing residents to pay bills on line, resulting in over $1,630,000.00 being paid thus far. The County has upgraded the system to G2G Cloud Solutions, government to government, allowing over-the-counter credit and debit card payments. The Treasurer’s Office, Community Development, DPW, Police Department and Fire Department have expressed an interest in accepting over-the-counter credit and debit card payments. The fees currently being charged for on-line payments will extend to over-the-counter payments.

The City Attorney has reviewed the contract and found it acceptable. If approved by City Council, the County will provide the swipe machines at no cost and will also train City employees who will be accepting payments.

Ms. Buschmohle introduced Phil Bertolini, Deputy County Executive.

Mr. Bertolini explained the County shares many technologies with other governmental agencies and has for many years. The G2G Cloud Solutions began a few years ago when Cloud computing began; which is another way to deliver shared services more effectively and efficiently, and passing the savings along to those who share the services. G2G Cloud Solutions was formed because not everyone appreciates having Oakland County stamped across their technology; other entities throughout southeastern Michigan are using this system. In the County, through the G2G Cloud Solutions, $4 million in transactions has been generated since October. Online payments have been possible since 1998, through Access Oakland, resulting in over $13 million a year in transactions; over-the-counter payments seemed to be the next logical step. This system is completely Payment Card Industry (PCI) compliant, making sure of security and properly handling the data.

Responding to Mayor McDonald, Mr. Bertolini stated there are 50 public entities connected with G2G, not only communities but also courts. Livingston County has just connected with G2G Cloud Solutions and will be accepting over 100 different types of payments over the next 30 days. The more entities on the system, the less each entity has to pay and then it will be possible for smaller communities to also connect.

Mr. Knight asked if the money from the transactions would immediately be transferred to the City.

Mr. Bertolini explained the money is transferred to the City through a number of transactions. The first is the transaction amount, then an enhanced access fee which goes directly to Oakland County. The actual payment is put in the City’s merchant account; there is a fulfillment system which allows someone to see in real time the transactions that are happening. The enhanced access fee is then shared back with the City; 43% of the fees are paid to the credit card companies, there is an annual amount due of $900 for each community to keep the account operational, and after that payment the remaining enhanced access fees are split 50/50 between the County and community.

Ms. Buschmohle explained if the program was up and running tomorrow, Wednesday’s report would show each transaction - what it was for and to what account the money was posted. Within 48 hours the money would be transferred into the City’s account.

Mr. Bertolini noted this system does not trap credit card numbers, once you exit the site the credit card number is not kept on file; each time the system is used, the user must enter their credit card number.

Responding to Ms. Hammond, Ms. Buschmohle stated the online payments are used frequently. There is generally a credit card or two of tax payments per day, the weekly report for utility billing shows as many as 50 or so credit card payments, then also parking tickets and a few FOIA requests.

Mr. Beckerleg confirmed for Mayor McDonald he reviewed the contract and it is a fair and equitable contract.

Mr. Bertolini explained the $13 million are transactions are sent to the appropriate account and a small portion of the $13 million is access fees through Access Oakland.

Mr. Kittle asked how the access fees are determined for each transaction.
Ms. Buschmohle explained 2.75% is charged for $1,000 or more, but the charge is based on the amount of the actual bill. In contrast, if an e-check is used online, regardless of the bill amount, there is a $2.50 charge added.

Mr. Bertolini explained on a $1,000 bill, the access fee would be $27.50; of that $27.50, 43% would be removed to send to the credit card company, the remaining amount would be applied to the $900 fee for the City’s account. If there is any remaining funds, they would be split between the City and the County, 50-50. The County’s share of the money continues to circulate, updating and upgrading the system.

Mr. Kittle asked if this program may be extended beyond public use.

Mr. Bertolini explained there is concern with the very high fees the industry charges. The County doesn’t charge nearly as much as some of the private sector companies. The private sectors view the process from a profit margin perspective. It will depend on how the industry progresses and how the private sector moves forward. If the companies want to charge double of what the County is for each transaction the fees are doubled and there will be less transactions. The purpose of having online credit card payments is to allow the convenience for many people. It also cuts down on the amount of counter time for an employee, making time to take care of other services, and thus, saving the County or City money. If the fee is raised too high, people will not use the service.

The County is always looking to partner with the private sector when possible; but there haven’t been any business models produced that make sense. The electronic check cost is $2.50, no one offers those because there is no profit margin.

Mr. Knight stated he is in favor of this plan, the City will be getting 100% of all the money due; however, he is disappointed with people wasting their money by paying such a steep fee. He also noted the fees are better than what is available to the public.

Moved by Hammond; Seconded by Doyle.

RESOLVED: Move to adopt the attached resolution (Attachment A) allowing the City Treasurer to enter into the I.T. Services Agreement with the County of Oakland.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None

Resolution No. 13.08.131

9b. Motion – Approve Site Plan, Special Land Use Permit and Tree Removal Permit/TSM Corporation.

Mr. Keenan noted TSM Corporation moved to Auburn Hills in 1990 and later relocated to their current facility in 1998. The proposed building addition will double the space and provide the company with additional space necessary for future growth. The total investment for the project is estimated at $2.5 million and will create 19 new jobs over the next two years.

Tim Gould, TSM Corporation Controller and Randy DeRuiter, Cunningham Limp, General Contractor, introduced themselves and offered to answer any questions Council may have.

Mr. Kittle asked for a breakdown of the types of industries TSM supplies.

Mr. Gould stated 90% of the business is automotive and approximately 10% is agriculture; as of now there is no aerospace involved.

Moved by Knight; Seconded by McDaniel.

RESOLVED: To accept the Planning Commission’s recommendation and approve the Site Plan, Special Land Use Permit, and Tree Removal Permit for TSM Corporation subject to staff and consultants conditions.

Ms. Doyle asked if this was a record breaker as far as the expedited review process of this site plan.

Mr. Keenan noted it was 34 days from the first meeting with the TSM Corporation team, to having this before Council this evening.

Mr. Auger noted there were two plans approved in 27 days, so no, this is not a record.

Ms. Doyle noted the speed, but also noted approvals are not so fast to misstep.

Mr. Auger noted the Staff works well together and with developers. The developers know Auburn Hills’ process of what to expect from the City and what is expected of them. The average plan approval had been 45 days, the best in the State, but has since been reduced to averaging 35 days.

Mr. DeRuiter noted he has worked in many communities going through the site plan process and the collaboration and work done by the Auburn Hills Staff is exemplary.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None

Resolution No. 13.08.132 Motion Carried (6-0)

9c. Public Hearing/Motion – Approve Industrial Facility Exemption Certificate/Rehabilitation of Real Property for GKN Driveline North America, Inc.
Ms. Blinkilde introduced the team for GKN Driveline and noted they are seeking an IFEC for a new headquarters to be constructed on the now, vacant Showcase Cinema site.

Jim Kane, Managing Director of True Partners Consulting, has been working with GKN for approximately nine months trying to find a location to build their new headquarters. One of the first meetings with Steve Cohen, Laurie Renaud, Micheal Lohmeier, Karen Blinkilde, and a few other staff members were sitting around the table, and City Staff stated they were here to do business and asked GKN what they needed. That response from City Staff spoke volumes to GKN to get a deal done.

GKN has outgrown their current location. The parent company to GKN is located in Europe, where the recession continues, and was directed for the new building to be a nice building, but not extravagant.

The rehabilitation incentive allowed for development of this property; the State was involved, but the City was key. The State came up with a grant as well as an interpretation of the statute to understand how it could work, to demolish the building and build an office on the site. A rendering of the building and landscaping is available this evening for review.

Chet Roslanowick, Vice-President of Business Development for GKN Driveline, covering the America’s, stated he will be spending the next six to nine months in Auburn Hills. He is the project leader for constructing the new building and transitioning the move. The process is moving well, and he thanked the City for all their support. There will be additional engineering staff, the technical center will be expanded, departments will be combined that are currently spread out in different locations; it will be a nice consolidation of people, resources, and test equipment to move forward.

Mayor McDonald opened the public hearing at 7:50 p.m.

Mr. Kittle asked Mr. Roslanowick where he was staying for the time he is here.

Mr. Roslanowick stated he is commuting back and forth between the Hilton Suites.

Mayor McDonald stated this is exciting to see the new business as well as the vacant theatre being torn down.

Mayor McDonald closed the public hearing at 7:51 p.m.

Moved by Knight; Seconded by Kittle.

RESOLVED: To approve the request for an 8-year IFEC pertaining to replacement of the existing facility for GKN Driveline North America, Inc. for a total real property investment of $18,000,000 by adopting the attached resolution (Attachment B).

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None
Resolution No. 13.08.133 Motion Carried (6-0)

9d. Public Hearing/Motion – Approve Industrial Facility Exemption Certificate/New Real and Personal Property/Ralco Industries, Inc.

Ms. Blinkilde introduced Tom Gitter, CEO and owner, Jim Piper, President and owner and Paul DeLong, CFO, all of Ralco Industries, Inc. This request is for a building that Ralco wishes to build on Taylor Road.

Mr. Gitter agreed the experience working with Auburn Hills has been very good and thanked the City for working so swiftly with them as well. Continuing, Mr. Gitter thanked the Tax Incentive Committee for granting an eight year abatement for real and personal property; however, he would like to appeal to Council for possibly granting a 12 year abatement. This is a highly global business relating to two principal areas - automotive supplier of highly precise metal tubular products and as an emerging wheelchair manufacturer. Since last being before Council, wheelchair orders have been received, making it more important to move forward quickly with the new facility.

Mr. Gitter will be traveling to Paris next week to meet with a client entailing an 11 year proposal that must commit to firm pricing; this is a typical situation which looks into the future. This will be a 2016 model year program extending to 2024 and requires a firm committed fixed pricing contract through 2024. The 12 year abatement would help considerably and allow the company to make more aggressive proposals, which could possibly necessitate hiring more employees.

Continuing, Mr. Gitter stated the company has been located in Auburn Hills since 1986, and has been a very good corporate citizen. He and Jim Piper, son-in-laws of the original owner, purchased the company in 2004. The company has been committed to the City and is doing so again with the new construction. With a better cost structure, the company can be more competitive and can create more jobs going forward, and is asking Council to consider the 12 year abatement.

Ms. Doyle noted information is provided of the tax savings to the company and the loss to the City for an eight year abatement, but questioned the figures for a 12 year abatement.

Ms. Blinkilde stated she does not have that information with her this evening.

Mr. Gitter believed the savings to his company would be about $160,000.00 during those last four years, or $40,000.00 a year at current millage rates.

Ms. Doyle stated she would like to see the 12 year abatement numbers.

Mayor McDonald asked Mr. Kittle, if the 12 year abatement had been discussed at the TIRC meeting.
Mr. Kittle stated it was discussed, but he doesn’t have the information with him, nor does he remember the exact figures. 
Mr. McDaniel noted when he served on the TIRC, any abatement over eight years had to be deemed by the Committee as a ‘special project’, which is limited, and then it was only for a 10 year abatement.
Mr. Knight stated that is a policy and can be changed as Council sees fit.
Mr. McDaniel stated yes a policy can be changed, but this was a new policy recently adopted. He was curious if the 5 ‘special project’ abatements had been spoken for or if there was the possibility of considering this a ‘special project’. 
Mr. Auger believed only one has been given, which will expire in 2017.
Mr. McDaniel asked why such a broad range of prospective jobs, from 20 to 70.
Mr. Gitter explained 50 jobs are tied to the wheelchair portion of the business and it is the company’s desire to grow the wheelchair business in the City and State, but there is still quite a ways to go.
Mr. McDaniel asked if there were some special projects in the near future to warrant holding back the extended abatements.
Mr. Auger explained this abatement is based on the policy itself of the number of jobs and money involved. The diversification factor could play into granting the 12 year abatement, because the City is trying to diversify into the medical technologies as far as the City’s employment base. It is the Council’s prerogative to go above and beyond what TIRC is recommending.
Mr. Knight noted the last four years of a 12 year abatement results in less taxes because of depreciation. If Council was to consider this request, Ralco Industries will be committed to the City for 16 years or pay back all the abated taxes; a 12 year abatement requires the business remain in the City for an additional four years after the abatement expires. Because of the uniqueness of the business, he would seriously consider granting the 12 year abatement.
Ms. Doyle asked, what happens if Ralco Industries goes out of business or bankrupt.
Mr. Knight stated that is a risk that is taken with everything.
Mr. McDaniel noted the company has been in the City since 1986. He was curious if this must be approved at this meeting or if it could be postponed for Council to see additional data of a 12 year abatement.
Mayor McDonald asked Mr. Gitter if he wished to postpone for two weeks until the next Council meeting.
Mr. Gitter stated he won’t be able to attend, but his colleagues will be able; he appreciates Council’s consideration. Responding to Ms. Doyle, Mr. Gitter explained with these types of incentives, it helps his business to be competitive and to secure the company’s future. Ralco Industries has been in business since 1970 and in Auburn Hills since 1986, so there is a long history. The current management team has been in place since 1987 and will continue to be for the next 16 years. Ralco Industries is very involved in the City beyond creating jobs and paying taxes; Ralco helps to develop young talent at the high school and is a good citizen at all levels.
Mr. Auger suggested opening the public hearing so it doesn’t have to be reposted, and then the public hearing can either be postponed or closed, with a decision being made at the next meeting.
Mayor McDonald opened the public hearing at 8:00 p.m.
Jim Piper introduced himself stating he has been with Ralco Industries since 1997. He will be speaking and answering questions at the next Council meeting.
Ms. Doyle asked for clarification on why it helps to have the 12 year abatement up front, versus, getting the eight-year abatement now with the possibility of extending for a few years.
Mr. Gitter explained it is long term, looking forward when making fixed price contracts; you must know your extended finances.
Ms. Doyle asked that Council be given information or guidelines, on what is considered a ‘special project’ in terms of tax abatements and the length of abatements.
Mr. Auger stated there are two things, one is significant economic impact and the other is long-term commitment; it isn’t based on a specific type of industry or product.
Responding to Mr. McDaniel, Mr. Auger explained it isn’t necessary based on a number of jobs because the City doesn’t have an income tax; it is based on property value. The job numbers are significant for the residual growth in the local economy.
Ms. Doyle stated she is opened to the idea of reviewing the information regarding a12 year abatement, provided Mr. Gitter and Ralco Industries is willing to wait until the next Council meeting for a decision.
Mr. Gitter stated he would appreciate Council reviewing and considering the extended abatement.
Mr. Kittle stated he believes all the projects are special projects; however, Council can at their discretion approve a longer abatement period for projects. He feels this project as well as the previous project, are special projects but for different reasons. Continuing, Mr. Kittle asked if a project has to be considered a ‘special project’ to allow the eight year abatement with an additional four years.
Mayor McDonald closed the public hearing at 8:12 p.m.

Moved by Knight; Seconded by Kittle.

RESOLVED: To postpone action on the request for an 8-year IFEC pertaining to new real property and personal property for Ralco Industries, Inc. until the regular meeting of August 19, 2013; for a total real property investment of $8,752,265 and personal property investment of $3,584,850 for a total investment of $12,337,115 of real and personal property so information regarding a 12 year abatement may be presented to the Council.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None
Resolution No. 13.08.134       Motion Carried (6-0)

9e. Motion – Accepting a Resolution for a Moratorium on New Smoking Lounges

Deputy Director/Police Hardesty explained Dr. Ron Davis Smoke Free Air Law banned smoking in most public places; however, there is an exemption for Tobacco Specialty Retail Stores which allows for patrons to use tobacco products in such places as cigar lounges and hookah lounges. Currently Auburn Hills has two hookah lounges, one on University Drive and the other on Walton Boulevard; the University Drive location particularly has become problematic. There were meetings with other departments trying to determine what course of action could be taken and during that time, an application was received to open a third hookah lounge. Not only are there problems in Auburn Hills, but also with these lounges in surrounding communities. Some of the problems have been allowing minors into these establishments; State law mandates you must be 18 years of age, alcohol use, parking lot issues, as well as noise and littering complaints.

The State estimates there are approximately 200 of these businesses. If there are no local ordinances for these businesses, a State license can be transferred from community to community, uninhibited except for building regulations. It is suggested to take the time and examine how the City might deal with these establishments, and whether or not there should or should not be an ordinance addressing the issue. Time is needed to examine not only the issues of the City, but the county and the state and then return with some recommendations.

Mr. Kittle asked if there are any challenges for the City in terms of a moratorium, and a new application already being submitted.

Mr. Beckerleg explained if this resolution is adopted, it will not apply to the current applicant or to the existing lounges; however, if the City eventually adopts an ordinance and the hours of operation are changed, as an example, all hookah lounges would have to abide by the new ordinance.

Deputy Director/Police Hardesty stated he will gather some information. In speaking with the operators of these lounges, the interest is targeting more than an ethnic population, it is the college population; 18 to 23 year olds, with more of an emphasis on the 18 to 20 year olds who are not legally able to go to the bars.

Ms. Doyle stopped into Exhale Hookah Lounge, and discovered it is a very relaxed atmosphere, with the majority of patrons being 18 to 21, those not legally allowed into bars. This is another option to a coffee shop for students, with operating hours of the lounge noon to 2:00 a.m. During her visit, she was told Friday night is the busiest night of the week and was curious when most of the problems occur.

Deputy Director/Police Hardesty stated the problems are generally on the weekend, with Friday night being busiest. The Auburn Hills businesses generally get busier after 11:00 p.m., because communities such as Troy have ordinances limiting the hours of operation.

Mr. McDaniel asked where the third location is being proposed.

Deputy Director/Police Hardesty believes there are talks for the downtown area, but isn't aware of any signed lease agreements.

Mr. McDaniel asked if these businesses could apply for a liquor license.

Deputy Director/Police Hardesty stated by State law, liquor is not permitted in the smoking establishments; also, the only food allowed to be served is packaged food.

Ms. Hammond has witnessed hookah smoking at a downtown establishment, and questioned the need of a license.

Deputy Director/Police Hardesty explained if a business already has a tobacco specialty retail license, it is legal to smoke there, even without a hookah license.

Moved by Knight; Seconded by McDaniel.

RESOLVED: To adopt the attached resolution (Attachment C) regarding New Smoking Lounges.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None
Resolution No. 13.08.135       Motion Carried (6-0)

9f. Motion – Accept Traffic Control Order SL-03 – Establish Shimmons Road Speed Limit

Director Olko stated Sgt. Rick Leonard of the Direct Patrol Unit will be addressing the Traffic Control Order.
Sgt. Leonard explained last year roadwork and a reconfiguration of Shimmons Road from Dexter Road to Squirrel Road was completed. At the conclusion of the work, the speed limit came into question. There was no valid traffic control order for Shimmons Road, so a traffic study was conducted. A traffic speed study was conducted where traffic speed counters were placed at three segments of Shimmons Road for a 7 day period. The data showed the 85th percentile speed was 37.36 MPH, the average of the three counters. Crash history statistics were also reviewed, from 2000 to 2012, with no significant crash history for Shimmons Road found. The data was reviewed with OHM Traffic Engineer and determined that pursuant to traffic engineering standards, the speed limit for Shimmons Road should be 35 MPH.

A letter will be forthcoming from the principal of Oakland Christian School, setting school speed limits, as allowed by law, 30 minutes to one hour before the start of school as well as after school hours. Signs will be posted upon adoption of the Traffic Control Order.

Mr. McDaniel noted this is a residential area, and most residential areas are posted at 25 MPH, as is the downtown area and is curious why this area isn’t 25 MPH.

Sgt. Leonard explained to impose a 25 MPH speed limit, criteria that must be met - there must be a platted subdivision, which this area is not; and it doesn’t meet the access point criteria of 60 access points within a half-mile stretch.

Ms. Doyle asked about Lahser Road and the 25 MPH speed limit near the high school and questioned if that area is a platted subdivision.

Sgt. Leonard stated he doesn’t know if it is a platted subdivision; the law is very restrictive with respects to the speed limits allowed in an area. The speed limit in that area probably hasn’t been challenged by anyone.

Ms. Doyle noted it is a very wealthy area and the residents must want to maintain the 25 MPH speed limit. She also noted there are two stop signs in front of the high school, which slows traffic down. She thought the 25 MPH speed limit was because of the school. She is concerned with the 35 MPH speed limit on Shimmons Road because of the school and the dead-mans curve.

Mr. Auger stated in the industry there is something known as the political speed limits that are not enforceable if someone fights them in court. Currently, all of the speed limit signs in the City are being reviewed, because of the difficulty for Officers to argue the case in court. In the future, there may be more speed limit changes. As Sgt. Leonard stated, the school will be submitting a letter, so the speed limit can be decreased during specified hours. Sidewalks were installed along the road when the roadwork was being done, so it should keep pedestrians off the road.

Sgt. Leonard confirmed, within 1,000 feet of the school there will be signs with the times that the speed limit is reduced to 25 MPH. There will also be advisory signs to drop speeds to 15 MPH in the curves.

Mr. Knight commended the work of changing the speed limit; however, he noted the sign to reduce speed to 25 MPH on Shimmons is seldom observed.

Sgt. Leonard thought that may be an advisory sign, not an enforceable sign.

Sgt. Leonard confirmed for Mr. McDaniel, if the speed limit on Shimmons Road is 25 MPH, it will not be enforceable because it does not meet the specified criteria.

Moved by Hammond; Seconded by McDaniel.

RESOLVED: To adopt Traffic Control Order SL-03, setting the speed limit on Shimmons Road at 35 miles per hour.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald
No: None

Motion Carried (6-0)

9g. Motion – Approve Purchase of LED Lighting

Mr. Brisson explained this is a request to purchase up-dated LED light fixtures for the DPW exterior facilities as well as Fire Station 3. There are 29 fixtures that are 20 years old or so, original fixtures to the buildings. The new LED fixtures will average 71% less energy consumption than the fixtures they are replacing. This will be approximately $3,500.00 per year in energy savings at both facilities. ZON from Romeo is the lowest bidder; however, they have no municipal references. The Windsor tunnel was one of the biggest groups they have sold to, but he hasn’t been able to determine how many fixtures that is. The ZON bid substituted the CREE brand LED with their brand. It was decided to stick with a larger, name-brand company; CREE and Phillips are currently the two industry leaders.

Second low bid is Graybar Electric, from Belleville, Michigan, who meets all specifications requested and the preferred brand, at a cost of $15,776.00.

Mayor McDonald stated when possible, the City prefers to do business with local companies. He asked if the reason for not using ZON is because it is a new company and their product is limited and/or a new product.
Mr. Brisson stated what he understood, is the ZON has been in the LED market for approximately six years, their product is assembled in Romeo, but he isn’t sure where the components for the final assembly come from; Cree and Fiber Star is U.S. produced, Wisconsin and North Carolina. Cree and Fiber Star offer a 10-year warranty and ZON doesn’t have a 10-year warranty for their product, but said they would put in writing offering the City a 10-year warranty. Mr. Brisson stated being a smaller company they may not be around for 10 years to support the warranty.

Mr. Knight understands Mr. Brisson’s position, but asked how a smaller company can exist if not given a chance; this is a Michigan based company. Mr. Knight stated he would like to take the chance on the newer, Michigan based company.

Mr. McDaniel echoed Mr. Knight’s opinion; how does a small new business continue if nobody takes a chance to hire them. Auburn Hills is very pro-small business; ZON is willing to put their best foot forward and offer the City the 10-year warranty.

Mr. Kittle noted all the companies listed have Michigan addresses. He noted the process was followed seeking bids, and there is some concern behind the low bidder. He suggested negotiating with ZON, a challenge, to ask for the products for free and the City will return thirty cents for every dollar saved. In the long run, the company would probably make more money than their bid.

Mr. Brisson noted Cree and Fiber Star go through several laboratory tests in their research and development; ZON was able to show only half the testing that Cree and Fiber Star have gone through. ZON, being a smaller company has not had the resources to support the product with research and development as the other companies have.

Responding to Mr. McDaniel, Mr. Brisson confirmed ZON has some lighting fixtures in the Windsor tunnel; however, he isn’t sure if there is only one fixture or many. Ultimate Soccer located at South Boulevard and Opdyke Road, has ZON interior LED lighting. Mr. Brisson has not spoke with the owner of Ultimate Soccer, but can investigate further.

Mr. McDaniel stated he doesn’t want to discount ZON just because the company is smaller.

Mr. Kittle noted ZON is the lowest bidder, but not the lowest qualified bidder by substituting a product on the required list. He suggested the possibility of granting 80% of the bid to Graybar and 20% of the bid to ZON.

Ms. Doyle noted the background information states ZON’s products are Michigan made, not just the company being located in Michigan.

Mr. Brisson stated Cree and Fiber Star are made in the U.S, assembled in Wisconsin with research and development in North Carolina. ZON fixtures are assembled in Romeo; however, he isn’t sure where the components are made.

Ms. Doyle noted many questions have been raised and she would like Mr. Brisson to talk with folks from Ultimate Soccer as well as with someone from the Windsor tunnel, before a decision is made.

Mr. Brisson stated he will get more information.

Ms. Hammond suggested asking a representative from ZON attend the next Council meeting.

This item was postponed to allow for more information to be presented to Council.

9h. Budget Assumptions Presentation

Mr. Barnes stated the key assumptions are summarized. The tax revenues are 50% of the City's revenue and the City is gradually getting back to zero. Keeping in mind 2014 is the 2013 tax year and 2014 the City still has a 3% decline, it's believed the City will be back at zero in 2015. After 2015, there should be modest increases, corresponding with modest increases in payroll. There is no recommendation to change the tax mills; this will be eight years consecutive. Looking at the tax equalization reports, the City's tax mills were second lowest for the 29 largest municipalities in Oakland County; Rochester Hills is lower by approximately 2/10ths of one mill.

Full time personnel has four additional people, one in DPW and three in the Emergency Public Services – one patrol officer, one data analyst and a dispatch operator. In 2008 there were 184 full time personnel and currently there are 169. Compensation increases for 2014 is for only one group, Command, at 1%; AFSCME is unsettled, but anticipated to remain at zero like the other groups. After 2014, there is a 2% place holder for salary increases, for most of the classifications.

Medical benefits will continue with HAP, with a 6.75% increase for 2014 and capping at 4.6% for 2015. Pharmacy costs continue to decline, possibly because of the generic drugs being available. Delta Dental was increased by 12% in 2011, with the following three years seeing no increase; 2015 is a projected increase of 8%. There haven’t been many increases from Delta Dental over the years, and if so, the increases have been fairly modest, making it is difficult to project.

Mr. Knight asked if fire and EMS will be discussed.

Mr. Barnes stated those figures will be discussed at a Council workshop in September; however, he will forward a preliminary report to Council, prior to the workshop.

Regarding Emergency Services, Mr. Knight asked if the budget could proceed, without a decision by Council on what direction Emergency Services goes, and still be fairly accurate.
Mr. Auger believes it is possible to be fairly accurate.

Mr. Barnes noted adjusting the budget is always possible with a budget amendment.

Mr. Barnes continued with the assumptions, noting this section is Social Security and Medicare. Medicare costs go up, but only for those that have compensation at that level. The Social Security rates rose to 6.2%, beginning in 2013; the rate had been 4%.

The decrease in the Pension Plan’s employer contribution from 2011 to 2012, is mainly because of the decrease in COLA, and should continue to decrease. The last Actuary Valuation was done in 2012, as of December 31, 2012, the pension plan was 94.9% funded and with the equity market and stocks continue moving, the pension plan today is 100% fully funded.

Retiree Health has remained relatively stable at 11.12% per the 2012 Actuary Valuation. As of December 31, 2012, the Retiree Health Care was 55.1% funded and as of today, approximately 61% funded.

Mr. Knight asked if the Pension Plan is 100% funded, then why does the City continue putting 20% each year. Does that much need to be continued because the benefits keep increasing?

Mr. Barnes stated that is part, assuming the City is going to continue to fund the 30 year plan. The plan will decrease but won’t go away until the last active employee is gone. When the plan is 100% funded and there are no longer any active employees, then the City will not have to continue funding.

Mr. Knight thought once the plan was 100% funded, there wouldn’t be a need to continue making contributions.

Mr. Barnes stated the market can change.

Mr. Auger stated the assumptions are based on the Actuarial Value and the pension fund has 7.5% growth annually; however, that doesn’t always happen.

Mr. Knight feels the City should be more conservative and contribute more than the 7.5% the actuarial suggests; he doesn’t believe the actuarial is realistic.

Mr. Kittles agreed with Mr. Knight’s comment about the actuarial not being realistic. Continuing, Mr. Kittles stated he liked the format of the assumptions report Mr. Barnes created.

Mr. Kittles asked if dental plan could be self-insured, similar to the prescription drugs. For the most part, unless someone has real dental issues, the average person has two cleanings a year and maybe a filling or two. The cost for those services he doesn’t believe would add up to the plan’s coverage of $1,200; any major work, crowns or root canals are only covered by 50%.

Mr. Tanghe noted some municipalities have a bank for employees, a direct reimbursement. He noted, there are five labor unions in the City, so it could take some time.

Mr. Barnes noted Delta Dental pays the dentist direct for a lesser amount of money; by using the employee bank, there would be no dentist discount.

Regarding the pension percentages going from 29.73% in 2011 down to 18% in 2018, Mr. Kittles asked for clarification of what that represents.

Mr. Barnes explained it is a percentage of defined benefit compensation, direct wages, 2,080 hours per year and overtime primarily. An example - if you make $40,000.00 per year, about 30% is set aside and only for those active employees in the defined benefit plan.

Mr. Kittles asked Mr. Barnes if he sees any red flags.

Mr. Barnes noted the City has done a great job controlling costs, but until tax values increase there are some things that will have to be set aside. Auburn Hills’ tax values aren’t too much different from many other communities.

Mr. Kittles stated when looking at the PPT’s and the changing of those laws and the incentives the City gives, there is some incremental revenue, but it is lowering it a little bit. He has been raising questions in the TIRC meetings if the City will get to a point where the service demands, because of all the growth, starts to exceed the amount of incremental revenue so that the City will have to start pulling from reserves.

Mr. Barnes stated the City has pulled from reserves. Last year when the five-year plan was presented, there was about $12 million from the general fund, over a five-year period; which included capital projects. The TIFA’s have helped the City, being able to work on capital projects that would not have been accomplished without the TIFA’s. DPW has also done a great job on receiving grants for projects in the City; $1 million for Squirrel Road and approximately $2 million over the next few years for road projects.

Mr. Kittles stated he continues to look at the head count, noting in 2003/2004 there were 192 employees, the number dropped to 168 and now an additional five employees are being hired. He noted there are efficiencies the City continues to gain; however, with the growth in the City he questioned how conservative the numbers are.

Mr. Auger explained the Police Department has lost the greatest number of employees and now as employees retire they are being replaced; the staff number is as low as the City wants to get. The Department is looking to hire a data analyst to
help fight crime and traffic. The City would like to grow in residential units, which will increase the number of public safety calls; so technology is being used and people’s expertise to better leverage what the City already has.

Mayor McDonald appreciated Mr. Barnes’ outstanding report.

**No action required.**

### 10. COMMENTS & MOTIONS FROM COUNCIL

**Mr. Knight:**

- Overall he feels the angle parking downtown has gone pretty well, except the breakdown of the PK machine causing a lot of confusion. There is a safety issue when drivers are turning left, on a green left turn arrow, both on southbound and northbound Squirrel with drivers turning right on a red light. He would like signs posted reading similar to ‘On Red, Yield to Left Turners.’ It is difficult to figure out where the lanes are; the white stripes are too narrow and difficult to see, they should be increased to a foot wide. When westbound at South Squirrel, there is a left turn lane, so you must move over to the right and then through the light, the lanes go back over to the left lane. He suggests a road sign indicating with an arrow what lane is the through lane. The same issues apply coming into town from the opposite direction.

  He has trouble seeing when backing out, and the angle is very tight, and would like it checked.

- Ms. Hammond noted in front of Elwell’s, the striping is difficult to determine and isn’t sure if there is angle parking or parallel parking.

- Mr. McDaniel stated the parallel parking that was in front of Elwell’s now resembles boxes, and drivers aren’t sure if they are allowed to park in those boxes.

- Mr. Brisson explained OHM planned to grid out that parallel parking area in front of Elwell’s as a ‘Clear Site Zone’, for a better view of the intersection.

- Mr. McDaniel stated that is too far back from the intersection.

  Director Olko explained the lane shifts at that point and because of PK’s machine breaking down, the parallel parking lines weren’t able to be removed at the corner; but yes there is still parallel parking allowed in front of Elwell’s. She isn’t sure what the pavement markings look like.

- Mr. Brisson stated the arrows and markings have now been completed by PK.

- Mr. Auger stated the parking spaces will be looked at.

  Continuing, Mr. Knight suggested when heading south on North Squirrel, he would like to see arrows on the pavement, alerting drivers of which lane to turn into.

- The Noon Optimist Club will be having a picnic at the small gazebo in the park, Friday afternoon at 6:00 p.m. and all are invited.

- Both he and Ms. Verbeke feel strongly to urge the State to allow the City to have more control of our own destiny; midnight is too late for fireworks in a residential zone. They would like the latitude for the City to limit hours more strictly in residential areas and areas immediately adjacent to residential areas. Both he and Ms. Verbeke would like a note to be sent to legislatures to consider allowing communities more control on the hours.

- Noted the Kroger on South Boulevard is gone as well as other businesses in that strip mall.

- Mentioning the bandage on his arm isn’t from being sick, he gave his 155th pint of blood at the blood drive this afternoon.

**Ms. Doyle:**

- Regarding the report from the Public Safety Committee about how the City will handle emergency medical services in Auburn Hills, and Mr. Knight’s comment about the Committee punting the subject to Council because the Committee couldn’t make a decision, she wants to comment. She wants to clarify the Committee has asked for additional numbers of items omitted from the report particularly extending into the future, the numbers given are very good for current services. There are questions of replacing vehicles when needed. The Committee also feels there are so many questions and discussions needed, that there is a need for more people to be involved in making this decision; there may be some questions the Committee may not have thought to ask.

  Continuing, Ms. Doyle stated the Committee made a motion requesting a workshop take place with City Council and questioned if that will happen.

  Mayor McDonald stated there will be a workshop taking place to study the topic.

- Mr. Auger stated it would be proper for City Council to meet with an advisory board for such an important issue that may have a substantial impact on the community. There could be a workshop on an off Monday night.

  Ms. Doyle believed this is a topic that needs attention, as it will be reflected in the budget.
Mr. Auger stated if the assumptions on the budget are close, then yes, a workshop should be scheduled sooner than later. There are four possible choices for emergency services, and will be reflected in the assumptions.

Ms. Doyle stated it was the Public Safety Committee’s thought, though more numbers were requested, that a meeting with City Council take place, not another Public Safety Committee meeting.

Ms. Sendegas, Public Safety Committee Chairperson, stated the Committee has done a lot of studying on the emergency medical services and it is a big, big decision to make and everyone needs to be involved. She continued stating it isn’t that the Committee isn’t capable of making a decision, but rather, too big and complicated for the Committee to make at this point.

Discussion ensued as to when to hold a workshop for this discussion. Both Mr. McDaniel and Mr. Kittle wanted to make sure that this workshop doesn’t interfere with other planned workshops to set them back behind schedule. Mr. Kittle suggested possibly adding another day for this workshop; he wants those items listed for workshops completed with the current Council.

Moved by Mr. McDaniel to schedule a workshop for September 9, 2013 at 5:00 p.m.

The motion died for lack of support.

Mr. Auger stated the information will be sent to Council prior to the workshop, and any questions can be forwarded to Deputy Director/Fire Manning prior to the workshop, so he may find answers to those questions and have them ready at the workshop.

After discussion, it was decided to hold a Council Workshop, August 26, 2013 at 5:30 p.m. to discuss emergency medical services.

Ms. Doyle noted activity taking place at Dutton and Squirrel Road where new residential homes are being constructed.

Mr. Knight asked who was supplying the connection for sewer and water.

Mr. Auger stated the City has an agreement with Orion Township to supply sewer service and in return, when the expansion of the system is needed, Orion will be picking up the tab.

Ms. Hammond:

- Reminded everyone of National Night Out, tomorrow at 6:00 p.m.
- Asked why sometimes the music is playing downtown and sometimes it is not.
  - Mr. Melchert stated he would look into it.
- Noted she isn’t pleased with names and addresses being listed in the Board of Review minutes; she feels an address or sidwell number is sufficient, and the privacy of the residents should be protected.

Mr. Kittle:

- Is worried the soccer field on Dutton Road is the next Lowes.
- The Leaf Burning Committee is having a meeting Wednesday, at the Administration Building.
- Asked Director Olko to comment on the letter Council received from an individual who was involved in an accident with a pedestrian.
  - Director Olko stated she discussed the letter with both the Mayor and Mr. Auger, and the letter was sent through the citizen complaint process. The Department has contacted Ms. Hee to inform her of the process.
  - Mr. Kittle asked what the right move is; the City is trying to promote a walkable community.
  - Director Olko stated it depends on the circumstances, so it will entail a thorough investigation before she has any solutions.

Mr. McDaniel:

- Voiced his displeasure with Squirrel Road paving, south of M-59 where some grinding will be taking place. He hopes payment is withheld until the pavement has been repaired.
- Regarding the budget, last year there was a decision made about the fund balance for the millage specific funds to be put into the general fund. He asked with the audit complete will that done administratively or will it come back before Council once the budget is adopted.
  - Mr. Barnes explained the GASBE’s have changed how the emergency services funds are treated; they are now collapsed into the general fund. The footnotes on the financial statement may show a breakdown of the departments; there is no separate financial statement for fire, police or any other funds.
  - Mr. McDaniel asked if someone asked for a breakdown of the general fund balance, is it noted someplace.
  - Mr. Barnes stated as far as the fund balance, that information ceases to exist; however, tax revenues for police and fire are kept separate.

11. CITY ATTORNEY’S REPORT – none
12. CITY MANAGER’S REPORT – none

13. EXECUTIVE SESSION

Moved by Hammond; Seconded by Knight.

RESOLVED: To adjourn to Executive Session to discuss Labor Negotiations.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald

No: None

Resolution No. 13.08.137

Motion Carried (6-0)

City Council adjourned to Executive Session at 9:52 pm. and reconvened the regular meeting at 10:30 pm.

14. ADJOURNMENT The meeting adjourned at 10:32.

_______________________________________   ______________________________________
James D. McDonald, Mayor      Terri Kowal, City Clerk
RESOLUTION TO AUTHORIZE THE CITY TREASURER TO ENTER INTO AND EXECUTE THE I.T. SERVICES AGREEMENT WITH THE COUNTY OF OAKLAND ON BEHALF OF THE CITY OF AUBURN HILLS

At a regular meeting of the City Council, City of Auburn Hills, Oakland County, Michigan, held on August 5, 2013 at the City Hall, 1827 N. Squirrel Road, Auburn Hills, Michigan, the following preamble and resolution were offered by Mayor Pro Tem Hammond, and supported by Council Member Doyle:

WHEREAS the City of Auburn Hills pursuant to the General Property Tax Act (MCL 211.1, et seq.) is required to collect and receive all current property taxes payments due on taxable property located within its geographic boundaries, and

WHEREAS the County of Oakland ("County") has developed an internet-based payment procedure that allows County taxpayers the convenience of using credit cards or electronic checks for the payment of delinquent property taxes to the County Treasurer, and

WHEREAS by utilizing essentially this same system and technology, the County has developed a similar model program called "Pay Local Taxes.com" which the County is making available to municipalities in Oakland County, and

WHEREAS participating in the County's "Pay Local Taxes.com" program would allow the City of Auburn Hills taxpayers to utilize a similar internet based credit card payment or electronic check option for current property tax payments owed to the City of Auburn Hills, and

WHEREAS participation in the "Pay Local Taxes.com" program with the County and possibly other municipalities and the resulting "economies of scale" requires only minimal and/or incremental costs and efforts by the City of Auburn Hills, in order to provide a credit card and electronic check payment options to City of Auburn Hills taxpayers, and

WHEREAS The City of Auburn Hills accepts on-line payments through the County's internet based payment option, and

WHEREAS, the County payment system has now developed an Over-The-Counter payment module that would allow the City of Auburn Hills to provide credit card payment options for current year taxes and other bills;

NOW THEREFORE BE IT RESOLVED that in accordance with Public Act 280 of 1995, the City of Auburn Hills Treasurer is hereby authorized to receive payments for property taxes owed to the City of Auburn Hills by "financial transaction device" (including credit cards) as defined in the Act, and that the Treasurer, as provided in the Act, shall decide which such financial transaction devices shall be acceptable for payments to the City of Auburn Hills

BE IT FURTHER RESOLVED that the City of Auburn Hills approves and authorizes its Treasurer to execute on behalf of the City of Auburn Hills, such agreements as may be necessary with payment processing services acceptable to the County, for the purposes of allowing them to receive, process, deposit and maintain security for all credit card or electronic check payments and deposits for the City of Auburn Hills.

BE IT FURTHER RESOLVED that the City of Auburn Hills Treasurer is also authorized to execute such agreements as may be necessary, to open and maintain an account with a depository financial institution acceptable to the County for the purposes of the receipt and deposit of all such "financial transactional device" payments in accordance with the law.

BE IT FINALLY RESOLVED that the City of Auburn Hills approves entering into the attached I.T. SERVICES AGREEMENT with the County of Oakland and hereby authorizes its City Treasurer, Nancy Buschmohle, to execute this Agreement on behalf of the City of Auburn Hills.

AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel
NAYS: None
ABSENT: Council Member Verbeke
ABSTENTIONS: None

Resolution 13.08.131 Adopted (6-0)

STATE OF MICHIGAN

COUNTY OF OAKLAND

I, Terri Kowal, the duly qualified Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Auburn Hills the 5th day of August, 2013; the original is on file in the Office of the Clerk.

Terri Kowal, City Clerk
CITY OF AUBURN HILLS
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR GKN DRIVELINE NORTH AMERICA INC

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the 5th Day of August, 2013.
The following resolution was offered by Councilperson Knight and supported by Councilperson Kittle.

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 17th Day of June, 2013 the City Council of Auburn Hills established a Plant Rehabilitation District, commonly referred to as the NDA Auburn LLC Plant Rehabilitation District; and

WHEREAS, GKN Driveline North America, INC. has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to a proposed replacement facility within the NDA Auburn LLC Plant Rehabilitation District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on 5th Day of August, 2013, at a regularly scheduled meeting, at which time the applicant, the Assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, rehabilitation of the facility had not begun earlier than six (6) months before May 31, 2013, the date of the acceptance of the application for the Industrial Facility; and

WHEREAS, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in Auburn Hills; and

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

NOW, THEREFORE, BE IT RESOLVED BY the City Council of Auburn Hills that:

1. The City Council of Auburn Hills finds and determines that the granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the Industrial Facilities Exemption Certificates previously granted and currently in force, under Act No. 198 of the Public Acts of 1974, shall not have the effect of substantially impeding the operation of the City of Auburn Hills, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Auburn Hills.

2. The application for an Industrial Facilities Exemption Certificate with respect to a replacement facility on the following described parcel of real property situated within the NDA Auburn LLC Plant Rehabilitation District to wit:

   Legally described as:
   T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

   The real property is also identified as 02-14-14-176-007, having an address of 2150 N. Opdyke Road, Auburn Hills, MI 48326

   is hereby approved.

3. The Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 8 years, and the starting date for the certificate is December 31, 2013 and the ending date is December 30, 2021.

4. The project cost approved is $18,000,000 for real property only.

5. GKN Driveline North America, Inc. agrees to continue operation of the facility for the full term of the certificate and for an additional two years after expiration of the certificate.

   AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel

   NAYS: None

   ABSENT: Council Member Verbeke

   ABSTENTIONS: None

RESOLUTION 13.08.133 ADOPTED (6-0)
STATE OF MICHIGAN

COUNTY OF OAKLAND

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the 5th Day of August, 2013.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 6th day of August, 2013.

_____________________________
Terri Kowal, City Clerk
CITY OF AUBURN HILLS
RESOLUTION ADOPTING A MORATORIUM ON
SMOKING LOUNGES AND FACILITIES

At a regular meeting of the City Council, City of Auburn Hills, Oakland County, Michigan, held on August 5, 2013 at the City Hall, 1827 N. Squirrel Road, Auburn Hills, Michigan, the following preamble and resolution were offered by Councilmember Knight, and supported by Councilmember McDaniel:

WHEREAS, the City Council for the City of Auburn Hills finds that a need has emerged to study and develop regulations for public health, safety and welfare applicable to establishments that operate smoking lounges and facilities commonly described as Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name; and

WHEREAS, the City Council for the City of Auburn Hills finds that it is necessary to develop consistent, cohesive, and objective land use, development, and regulatory standards applicable to facilities and establishments commonly described as Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name, that may desire to operate within the City; and

WHEREAS, the City Council finds that it would be counterproductive to approve the operation of these establishments within the City while the City studies and develops and adopts applicable, consistent regulations.

THEREFORE, BE IT RESOLVED, that the City Administration and City Council shall study the need for regulation and develop consistent, cohesive and objective land use, development and regulatory standards for the operation of Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name.

BE IT FURTHER RESOLVED, that during the course of study and deliberations as to the appropriate zoning and regulatory ordinance regulations for Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name, a moratorium is hereby declared effective immediately for a period of 180 days from the date hereof. Effective August 5, 2013, City review and approval of all applications, related to Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name, during the period of moratorium shall be deferred.

BE IT FURTHER RESOLVED, that during the period of this moratorium, there shall be no consideration or action taken by the City, any elected or appointed official, or any employee on any request to operate a Tobacco Retail Specialty Shop, Cigar Bar, 0% Nicotine Establishment, Hookah Lounge or Bar, or any other Smoking Facilities whether a new operation or a license location transfer.

BE IT FURTHER RESOLVED, that during this period of a moratorium, an aggrieved property owner or business petitioner may request and be entitled to a hearing before the City Council for the purpose of attempting to demonstrate that the moratorium will preclude all viable economic use of their property or otherwise violate applicable provisions of State or federal law. A hearing shall be requested in a written submittal to the City Clerk that describes the grounds for the request and will be scheduled for the next regular City Council meeting. Upon concluding the hearing, the City Council shall determine whether the petitioner has made the required demonstration, and if so, shall grant relief from the moratorium to the extent necessary to cure that effect or violation.

BE IT FURTHER RESOLVED, that this moratorium shall expire automatically upon adoption of an ordinance regulating Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges or Bars, or other Smoking Facilities.

AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel
NAYES: None
ABSENT: Council Member Verbeke
ABSTENTIONS: None

RESOLUTION 13.08.135 ADOPTED (6-0)

STATE OF MICHIGAN )
SS
COUNTY OF OAKLAND)
I, Terri Kowal, the duly qualified Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Auburn Hills the 5th day of August, 2013; the original is on file in the Office of the Clerk.

_______________________________
Terri Kowal, City Clerk
The City of Auburn Hills
City Council Workshop
Minutes
August 5, 2013

CALL TO ORDER: by Mayor McDonald at 5:37 p.m.
LOCATION: City Council Conference Room, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Kittle, Knight, McDaniel,
Absent: Council Member Verbeke
Also Present: City Manager Auger, Assistant City Manager Tanghe, Community Relations Director Carroll, City Clerk Kowal, Management Assistant Guest, Communication Promotions Coordinator Espejo, Website and Graphic Design Coordinator Knight, EAFocus Barbara Fornasiero, EAFocus Assistant Sara Przybylski.

Discussion of Branding and Communications

Community Relations Director Carroll introduced Barbara Fornasiero and Sara Przybylski of EAFocus, Communications Promotions Coordinator Espejo, and Website and Graphic Design Coordinator Knight. Ms. Fornasiero informed Council that her company, EAFocus, has handled more than 20 non-event press releases this year, as well as Op-Ed articles and national blogs. She went on to say that she feels Auburn Hills is a wonderful City; one which gives Government a good name. Auburn Hills has a very successful system of gathering information, writing press releases, and generally getting the message across about the City.

Ms. Fornasiero explained to Council, as a refresher, that marketing is what you say about yourself, and public relations are what others say about you. In response to the question from Council Member Doyle, she stated that EAFocus has worked with the City since 2009.

Ms. Fornasiero went over her presentation. (Attached) Points discussed included speaking to the Media, timing of press releases, and overall creation of good public relations.

Mike Espejo spoke to Council about City events and local community events. He reported that the City’s Facebook page gets 1000 – 2000 “likes” of each event.

City Manager Auger informed Council that Will Cagle, IT Director, as well as Mike Espejo and Julie Knight took a CMTV class in video production, and plan to become more involved in cable programming.

Design Coordinator Knight reviewed some of the materials she has prepared for the City, including the new banners, monthly message for the CBS Outdoor sign, light post signs, and banners for various events. Council Members were appreciative of the quality of work prepared by Ms. Knight.

Council Member McDaniel asked if between Mr. Espejo and Ms. Knight they would be able to produce the City newsletter in-house. Ms. Carroll responded that she feels we have the talent and ability to do so. We need to develop a branded look, and Ms. Knight could do the graphics while Mr. Espejo could produce the writing.

Discussion took place regarding the potential to email the newsletter to those who prefer electronic delivery. Perhaps the newsletter could be linked to the website, easy for downloading for computer users. Those who prefer to have a hard copy can sign up for home delivery or pick up one at a City site. Council Member Kittle pointed out that most communities and businesses have online newsletters now. Mayor McDonald reminded Council that the residents like local photos, and it would be important to keep that feature.

City Manager Auger feels we could save substantial money by creating the newsletter in-house and electronically. We could continue to use EAFocus and Ms. Fornasiero for downtown marketing and press releases. He continued, praising her relationships with Media contacts local, state and federal.
Mayor Pro Tem Hammond thanked Ms. Fornasiero for her attendance at many City events. Her dedication to the City is greatly appreciated.

Council Member Doyle stated she would like to have some key points for the Auburn Hill's public relations strategy. She’d like us to establish some ongoing key messages in a reputational strategy.

Council Member Knight would like some press on alternative fuel development. In addition, he pointed out that much of the programming on our cable channel is outdated and needs to be replaced with updated shows.

Discussion continued on positive points about Auburn Hills that could be promoted.

Ms. Fornasiero thanked Council for their time and will make note of all the ideas for public relations topics.

Workshop adjourned at 6:51 p.m.
PR Review

Using Public Relations to share the Auburn Hills story
Recognition and a Promise
Considerations in building positive name recognition and a brand promise through public relations
I. Marketing vs. Public Relations

- The difference between marketing and public relations:
  - Marketing is what you say about yourself
  - Public relations is what others say about you

- Examples of marketing include logos, signs, brochures, websites, and strategic placement of a company name or product
II. Advertising vs. Public Relations

- The difference between advertising and public relations:
  - Advertising is paying to get your message seen and heard in a manner that you dictate and control
  - This includes the look, message, image and placement of the advertisement.
III. The Third Party Endorsement

- Public relations is considered a “third party endorsement” or a credibility, granted by an external, impartial media source.

- With public relations, the City does not have ultimate control over what is printed or spoken about it, and there is a chance that what is written or spoken is factually incorrect or not in the spirit in which the City intended.
IV. Positioned as a Thought Leader

- Consistent, ongoing, positive media coverage positions Auburn Hills - its employees and elected officials - as highly capable and business/resident focused

- This in turn helps attract new businesses and residents while reinforcing to existing businesses/residents they have made the right choice in aligning with Auburn Hills
Tips, Tricks & Reminders

Friendly reminders, tips and tricks for continued success with PR in the city of Auburn Hills
Tips, Tricks & Reminders

- A general rule of PR: If you don’t tell your story, someone else will - and you probably won’t like how they tell it.

- The benefit of a detailed press release is it ensures factual information is sent to the media from the city’s authorized spokesperson(s) - although it doesn’t guarantee the media will print or report it accurately!
Tips, Tricks & Reminders

- Defer/refer questions from the press and public to the appropriate city expert
  - This will help reinforce what a well run city Auburn Hills is

  - Example: questions on fire should be directed and responded to from the chief of the department

  - Example: questions on business developments should be directed to the Economic Development department or City Manager’s office

  - Example: questions on road maintenance should be directed to the department of public service
Tips, Tricks & Reminders

- When there is no way to avoid controversial issues, tell your story early and frequently - after coordinating and vetting the facts and information through the proper City channels

- Keep the city’s story factual and told in a positive light

- The city should have one voice to the public
  - Use consistent messaging
  - Use approved talking points to stay on message and reinforce the City’s position
When dealing with the media...

Friendly reminders, tips and tricks to help you navigate media inquiries (especially when dealing with critical or sensitive matters)
Media by Phone/ Email

- If caught off guard by a reporter or media outlet, thank him/her for the call and express a willingness to talk about the matter within the half hour, acknowledging that you are currently in a meeting, heading to a meeting, in the middle of a project, etc.

- Follow up with City Hall to confirm the appropriate spokesperson for the topic and/or obtain the approved talking points.

- Use or prepare message points, especially when dealing with sensitive matters.

- If ready to take the reporter’s call, do so. Keep the message points available for quick reference and don’t veer away from them.
Media by Phone/ Email

- Do not reply to an email until you are familiar with the situation.
  - Example: do not reply “I don’t know what you’re talking about” on an unknown issue. After you have some of the key information from a factual source, consider a reply such as, “This situation is currently developing and I need to learn more before I can respond with any details.”

- Email reply messages to reporters should be considered as quotes and be written accordingly.
Media by Phone/ Email

- **CRITICAL:** If a reporter ever asks, “Is there anything else you would like to add?” Immediately say “No, but thank you for your time.” You are most likely to veer off message or say more than you intended to by falling into this time-tested reporter method for extracting ‘juicy’ information.
Media in Person

If media arrives unannounced at the Auburn Hills city campus:

- If the appropriate city spokesperson is available, that individual should talk to the reporter and follow the key message points.

- If the reporter continually asks questions that aim to take you off message, politely terminate the interview with a reply such as, “The City has been very open on our approach to this situation. Thanks for coming out today to get our input.”
Media in Person

If media arrives unannounced at the Auburn Hills city campus:

- If no one is available, tell the reporter when s/he should be able to expect a response, then provide a spokesperson when one is available;
- That being said, the City should avoid media situations where the reporter is told outright, or through non-responsiveness, “No comment.” Or, “Repeated calls to the City were not returned.”
Media in Person

If media arrives unannounced at the Auburn Hills city campus:

- When the media wants to discuss an issue unfamiliar to the City (e.g. an ambush interview), reply factually and tactfully that you’re not aware of the situation (or specific details of the situation). Tell the reporter you will investigate the situation and get back with him/her when you have information that can be shared.

- Remember the “CRITICAL” item from previous slide! There is nothing more you’d like to add!
Questions?
Thank you for your time!

www.linkedin.com/company/eafocus-inc
www.twitter.com/EAFocusInc
Executive Session Minutes –

4c. August 5, 2013
4d. July 15, 2013
4e. July 1, 2013
4f. May 20, 2013
4g. May 6, 2013
4h. February 18, 2013

These minutes have been provided under separate - confidential cover.
5. APPOINTMENTS & PRESENTATIONS

5a. Public Safety-Fire Department
Oaths of Office for new Fire Lieutenants Michael Strunk, Owen Milks and John Hering.
INTRODUCTION AND HISTORY
Public Act 213 of 2007 requires local governments to prepare periodic investment reports for presentation to their governing body. The investment of the City’s working capital or surplus monies is governed by the City’s Investment Policy document which incorporates both state (Public Act 20 of 1943 as amended) and local statutes.

In September of 2009, the Investment Policy was amended to allow the City to contract with external investment firms to manage a portion of the City’s surplus operating funds. After establishing the appropriate custodial accounts with JPMorgan/Chase, $20.0 million was transferred to each of the unique custodial accounts to allow the two respective investment firms selected, Ambassador Capital and MBIA (since renamed to Cutwater Asset Management), to begin investing the City’s funds in late December.

In February of 2012 the City Council approved a staff recommendation to invest an additional $5.0 million with each manager. The additional fund transfers were made in March of 2012.

To provide a level of due diligence beyond the internal staff review, the City has engaged the services of Asset Strategies to perform quarterly reviews of the performance of the investment managers and to ensure the investment portfolios of both managers are in compliance with Public Act 20.

The report entitled Investment Performance Analysis prepared by Asset Strategies will be presented by George Vitta.

STAFF RECOMMENDATION
The staff recommends the acceptance of the Investment Performance Analysis for the second quarter of fiscal year 2013.

MOTION
Move to accept the Investment Performance Analysis as prepared by Asset Strategies for the year to date activity as of 6-30-2013.

I CONCUR: PETER E. AUGER, CITY MANAGER
City of Auburn Hills - Cash Management

Investment Performance Analysis

June 30, 2013

2635 Lapeer Rd.
Auburn Hills, MI 48326

Phone: (248) 373-9900
Email: gvitta@assetstrategie.com
City of Auburn Hills - Cash Management
Table of Contents

Global Capital Markets Review ........................................ 2
Aggregate Cash Management Performance Analysis .............. 3
Conclusions and Recommendations .................................. 6
Ambassador Capital Management Performance Analysis ......... 7
Cutwater Asset Management Performance Analysis .............. 13
About This Report ....................................................... 19
Investment Policy Summary .......................................... 20
Glossary ...................................................................... 21
GLOBAL CAPITAL MARKETS REVIEW

Periods Ending - 6/30/2013

Quarterly Market Review

The U.S. economic recovery, now in the fourth year, continued at a slower pace than expected, as GDP growth in the first quarter of 1.8% was below economists’ forecasts. Inflation slowed with the CPI rising only .31%. The Federal Reserve hinted at an end to the zero interest rate policy in late June, resulting in a volatile end to the quarter in both the equity and fixed income markets.

U.S. equities continued their advance in the second quarter with all capitalizations posting positive gains. Value stocks outperformed growth stocks across all capitalization ranges. Micro cap stocks (Wilshire U.S. Micro Cap, +5.69%) were the best performing capitalization size for the quarter. The best performing sectors of the Wilshire 5000 were Consumer Discretionary (+7.51%), Financials (+5.34%) and Health Care (+4.14%). The weakest performing sectors were Materials (-2.91%) and Utilities (+2.15%).

Bond yields drifted lower to begin the quarter, but climbed sharply higher following the Federal Reserve’s comments, with the 10-Year Treasury ending the quarter at 2.52%, 65 basis points higher than the first quarter close. Short-term bonds (Barclays U.S. Treasury 1-3 Years, -.11%) outperformed longer-term bonds by a wide margin (Barclays U.S. Treasury Long, -5.58%). A widening of spreads caused Corporate bonds (Barclays U.S. Corporate Investment Grade, -3.31%) to underperform Treasuries (Barclays U.S. Treasury, -1.93%). High yield bonds (Barclays U.S. High Yield Corporate, -1.44%) managed to outperform investment-grade bonds despite the widening of spreads.

European stocks (MSCI Europe, net, +2.71%) declined slightly as the European Union continues to struggle with political uncertainty in Greece as well as lackluster economic growth and/or recession throughout the region. The Asia-Pacific region (MSCI Pacific, net, -1.74%) declined as the rally in Japanese stocks fell into a bear run after hitting a 5-year high on May 22. Emerging Markets (MSCI Emerging Markets, net, -8.08%) continued to struggle as a result of concerns over the slowing economy in China, significantly underperforming developed markets (MSCI EAFE, net, -.98%).
City of Auburn Hills - Cash Management
Cumulative Performance Comparison
Total Returns of Short Term Portfolios
Periods Ending 6/13

Policy Index (as of 4Q09)
91-Day Treasury Bill 100%

<table>
<thead>
<tr>
<th></th>
<th>Last Qtr</th>
<th>6/13 YTD</th>
<th>Last Year</th>
<th>Last 2 Years</th>
<th>Last 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>5th Percentile</td>
<td>1.23</td>
<td>2.13</td>
<td>3.28</td>
<td>3.29</td>
<td>2.94</td>
</tr>
<tr>
<td>25th Percentile</td>
<td>0.06</td>
<td>0.15</td>
<td>0.39</td>
<td>0.48</td>
<td>0.59</td>
</tr>
<tr>
<td>Median</td>
<td>0.02</td>
<td>0.05</td>
<td>0.12</td>
<td>0.13</td>
<td>0.19</td>
</tr>
<tr>
<td>75th Percentile</td>
<td>0.00</td>
<td>0.01</td>
<td>0.05</td>
<td>0.05</td>
<td>0.07</td>
</tr>
<tr>
<td>95th Percentile</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
</tbody>
</table>

T Aggregate Cash Management
-0.39 (100) -0.27 (100) 0.12 (50) 0.48 (25) 0.59 (26)

1 91-Day Treasury Bill
0.02 (55) 0.04 (58) 0.11 (54) 0.08 (65) 0.11 (66)

2 Avg Money Market Fund
0.00 (100) 0.00 (100) 0.00 (100) 0.00 (100) 0.00 (100)

Quarterly Variance Analysis:
Investment results trailed the 91-Day T-Bill due to the violent but brief 100 basis point move up in interest rates. The negative result is based on unrealized market value loss.
After 3.5 years under the active cash management strategy, total results are ahead of expectations.
This Universe is comprised of approximately 34 investment-grade fixed income portfolios with an effective duration of 1.5 years or less.
(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)
City of Auburn Hills - Cash Management
Quarterly Total Return Market Line Analysis
Periods from 12/09 to 6/13

Sharpe Ratio = Reward / Variability

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Annualized Return</th>
<th>Variability</th>
<th>Reward</th>
<th>Sharpe Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T</strong> Aggregate Cash Management</td>
<td>0.71</td>
<td>0.41</td>
<td>0.60</td>
<td>1.47</td>
</tr>
<tr>
<td><strong>1</strong> 91-Day Treasury Bill</td>
<td>0.11</td>
<td>0.03</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>M</strong> Avg Money Market Fund</td>
<td>0.00</td>
<td>0.00</td>
<td>-0.11</td>
<td>-0.11</td>
</tr>
</tbody>
</table>

Sharpe Ratio = Reward / Variability
City of Auburn Hills - Cash Management

Aggregate Cash Management Portfolio as of June 2013

Total Value: $52,956,009

- $25,568,030  48.3%  Cutwater Portfolio
- $25,419,227  48.0%  Ambassador Portfolio
- $1,968,752  3.7%  CD Principal Value
CONCLUSIONS AND RECOMMENDATIONS
Investment Performance Evaluation, Second Quarter 2013

1. Investment results for the $53.0 million portfolio managed by Ambassador and Cutwater trailed the 91-Day T-Bill benchmark due to a quick and violent 1% uptick in short-term interest rates.

2. After 3.5 years under the active cash management strategy, results are nicely ahead of return and risk objectives.

3. General investment guidelines and policies, as well as specific guidelines on safety and liquidity, are being followed.

4. The Fed Funds rate, a benchmark for liquid funds, is targeted between 0% and 0.25% through 2014. Ambassador, Cutwater, and the Treasurer’s Office are earning highly competitive returns, net-of-fees, in a challenging interest-rate environment.

FUNdamental Facts

1. There have been 20 years dating back to 1945 in which the S&P 500 has rallied by more than 10% during the first six months of the year. – S&P Capital IQ
2. The S&P 500’s average gain in the 2nd half of a year after rallying more than 10% in the 1st half is 7.5%, compared with an average 2nd half gain of 4.2% since 1945. -S&P Capital IQ
3. The market rises steeply before a bull market ends. Since the 1920s, the S&P 500 has gained more than 21% over the 12 months prior to a top – more than double the long-term average. The S&P 500 over the last 12 months, ending June 30th, is up nearly 21%. – Barron’s
4. Founded in Italy as a pawnshop in 1472, the Banca Monte dei Paschi di Siena is the world’s oldest surviving bank. – Discover Magazine
5. The first documented bank notes come from China. The bills were one-foot-square pieces of white deerskin with colorful borders, used as early as 118 BC. – mentalfloss.com
City of Auburn Hills - Cash Management
Cumulative Performance Comparison
Total Returns of Short Term Portfolios
Periods Ending 6/13

Current fee: 11 bps

<table>
<thead>
<tr>
<th></th>
<th>Last Qtr</th>
<th>6/13 YTD</th>
<th>Last Year</th>
<th>Last 2 Years</th>
<th>Last 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>5th Percentile</td>
<td>1.23</td>
<td>2.13</td>
<td>3.28</td>
<td>3.29</td>
<td>2.94</td>
</tr>
<tr>
<td>25th Percentile</td>
<td>0.06</td>
<td>0.15</td>
<td>0.39</td>
<td>0.48</td>
<td>0.59</td>
</tr>
<tr>
<td>Median</td>
<td>0.02</td>
<td>0.05</td>
<td>0.12</td>
<td>0.13</td>
<td>0.19</td>
</tr>
<tr>
<td>75th Percentile</td>
<td>0.00</td>
<td>0.01</td>
<td>0.05</td>
<td>0.05</td>
<td>0.07</td>
</tr>
<tr>
<td>95th Percentile</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Ambassador Capital Management</td>
<td>-0.01 (100)</td>
<td>0.08 (38)</td>
<td>0.29 (29)</td>
<td>0.39 (28)</td>
<td>0.51 (28)</td>
</tr>
<tr>
<td>91-Day Treasury Bill</td>
<td>0.02 (55)</td>
<td>0.04 (58)</td>
<td>0.11 (54)</td>
<td>0.08 (65)</td>
<td>0.11 (66)</td>
</tr>
<tr>
<td>Avg Money Market Fund</td>
<td>0.00 (100)</td>
<td>0.00 (100)</td>
<td>0.00 (100)</td>
<td>0.00 (100)</td>
<td>0.00 (100)</td>
</tr>
</tbody>
</table>

Quarterly Variance Analysis:
Slight underperformance is primarily attributed to the portfolio’s exposure to U.S. Agencies which lost value during the violent upturn in interest rates.
The portfolio duration was 0.90 years. The yield-to-maturity was 0.45%. The average coupon was 1.49%.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)
Manager Annual Return: +0.57
Less: Annual Fee -0.11
------
+0.46

Less: Benchmark Return -0.11
------

Net Value-added Result +0.35

Sharpe Ratio = Reward / Variability

Longer-term Performance vs. Objectives:
Portfolio manager meets all expectations after 3.5 years.
City of Auburn Hills - Cash Management

Diversification of Ambassador Portfolio as of June 2013

Total Market Value: $25,419,227

- Municipal $6,485,533  
  25.5%
- Agency Floaters $1,501,153  
  5.9%
- Agency $9,888,925  
  38.9%
- Cash $1,358,328  
  5.3%
- Commercial Paper $3,998,397  
  15.8%
- Certificates of Deposit $2,104,108  
  8.3%
- Accrued Interest $82,782  
  0.3%
City of Auburn Hills - Cash Management

Safety Composition of Ambassador Portfolio

<table>
<thead>
<tr>
<th>Category</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1.2%</td>
<td>1.0%</td>
<td>0.4%</td>
<td>5.4%</td>
<td>6.7%</td>
<td>2.7%</td>
<td>2.3%</td>
<td>6.3%</td>
<td>7.2%</td>
<td>3.0%</td>
<td>1.5%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>14.6%</td>
<td>14.9%</td>
<td>16.7%</td>
<td>23.7%</td>
<td>23.7%</td>
<td>23.7%</td>
<td>21.3%</td>
<td>28.4%</td>
<td>24.8%</td>
<td>23.6%</td>
<td>18.5%</td>
<td>15.7%</td>
</tr>
<tr>
<td>CDs</td>
<td>7.2%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>2.4%</td>
<td>5.4%</td>
<td>7.1%</td>
<td>5.7%</td>
<td>5.7%</td>
<td>7.1%</td>
<td>8.3%</td>
<td>8.3%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Agency</td>
<td>42.0%</td>
<td>46.6%</td>
<td>31.4%</td>
<td>37.9%</td>
<td>17.3%</td>
<td>30.9%</td>
<td>37.0%</td>
<td>34.6%</td>
<td>34.5%</td>
<td>34.4%</td>
<td>35.1%</td>
<td>38.9%</td>
</tr>
<tr>
<td>Agency Floaters</td>
<td>0.0%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.2%</td>
<td>1.2%</td>
<td>1.2%</td>
<td>2.4%</td>
<td>9.8%</td>
<td>9.8%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Municipal</td>
<td>34.4%</td>
<td>31.9%</td>
<td>45.8%</td>
<td>28.8%</td>
<td>44.7%</td>
<td>33.7%</td>
<td>31.8%</td>
<td>23.5%</td>
<td>23.5%</td>
<td>20.6%</td>
<td>26.3%</td>
<td>25.5%</td>
</tr>
<tr>
<td>US Treasury</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.7%</td>
<td>0.4%</td>
<td>0.7%</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.5%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
City of Auburn Hills - Cash Management

Liquidity Composition of Ambassador Portfolio

<table>
<thead>
<tr>
<th>Maturity</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 1 year</td>
<td>76.0%</td>
<td>81.3%</td>
<td>77.7%</td>
<td>68.1%</td>
<td>77.1%</td>
<td>68.9%</td>
<td>58.5%</td>
<td>62.7%</td>
<td>64.1%</td>
<td>62.4%</td>
<td>68.9%</td>
<td>70.4%</td>
</tr>
<tr>
<td>1 - 5 Years</td>
<td>24.0%</td>
<td>18.7%</td>
<td>20.2%</td>
<td>31.9%</td>
<td>18.4%</td>
<td>27.7%</td>
<td>38.0%</td>
<td>37.3%</td>
<td>34.1%</td>
<td>35.3%</td>
<td>27.2%</td>
<td>28.7%</td>
</tr>
<tr>
<td>&gt; 5 Years</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.1%</td>
<td>0.0%</td>
<td>4.5%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>0.0%</td>
<td>1.8%</td>
<td>2.3%</td>
<td>3.9%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>
City of Auburn Hills - Cash Management

Quality and Safety of Ambassador Portfolio

<table>
<thead>
<tr>
<th>Rating</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>55.4%</td>
<td>57.9%</td>
<td>44.6%</td>
<td>53.3%</td>
<td>23.5%</td>
<td>17.9%</td>
<td>22.0%</td>
<td>19.9%</td>
<td>26.3%</td>
<td>26.3%</td>
<td>22.1%</td>
<td>20.7%</td>
</tr>
<tr>
<td>AA</td>
<td>16.2%</td>
<td>16.0%</td>
<td>26.8%</td>
<td>37.1%</td>
<td>63.1%</td>
<td>72.1%</td>
<td>70.1%</td>
<td>73.0%</td>
<td>72.2%</td>
<td>72.2%</td>
<td>75.2%</td>
<td>77.1%</td>
</tr>
<tr>
<td>Below AA</td>
<td>24.3%</td>
<td>24.1%</td>
<td>26.5%</td>
<td>4.3%</td>
<td>11.2%</td>
<td>7.9%</td>
<td>6.3%</td>
<td>7.1%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>2.8%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Not Rated</td>
<td>4.1%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>1.3%</td>
<td>2.2%</td>
<td>2.1%</td>
<td>1.7%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

NOTE: Commercial Paper rated Prime-1 is considered as having "a superior ability to repay short-term debt obligations" and is the highest short-term taxable paper rating by Moody's.
City of Auburn Hills - Cash Management
Cumulative Performance Comparison
Total Returns of Short Term Portfolios
Periods Ending 6/13

Current fee: 12 bps

Quarterly Variance Analysis:
Underperformance is primarily attributed to the portfolio's concentration in longer-term maturity (2-5 years) securities which suffered from the drastic jump in interest rates. This is an unrealized market value loss. The portfolio duration was 2.60 years. The yield-to-maturity was 0.83%. The average coupon was 1.068%.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)
Manager Annual Return: +0.87
Less: Annual Fee -0.12
------ +0.75

Less: Benchmark Return -0.11
------

Net Value-added Result +0.64

Sharpe Ratio = Reward / Variability

Longer-term Performance vs. Objectives:
Portfolio manager meets all expectations after 3.5 years.

<table>
<thead>
<tr>
<th></th>
<th>Annualized Return</th>
<th>Variability</th>
<th>Reward</th>
<th>Sharpe Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cutwater Asset Management (C)</td>
<td>0.87</td>
<td>0.73</td>
<td>0.76</td>
<td>1.03</td>
</tr>
<tr>
<td>91-Day Treasury Bill (I)</td>
<td>0.11</td>
<td>0.03</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Avg Money Market Fund (M)</td>
<td>0.00</td>
<td>0.00</td>
<td>-0.11</td>
<td>-0.11</td>
</tr>
</tbody>
</table>

Sharpe Ratio = Reward / Variability
City of Auburn Hills - Cash Management

Diversification of Cutwater Portfolio as of June 2013

Total Market Value: $25,568,030

- **U.S. Treasury**
  - $3,539,297
  - 13.9%

- **Agency**
  - $21,912,077
  - 85.7%

- **Cash**
  - $57,813
  - 0.2%

- **Accrued Interest**
  - $58,843
  - 0.2%
City of Auburn Hills - Cash Management

Safety Composition of Cutwater Portfolio

<table>
<thead>
<tr>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0.3%</td>
<td>6.8%</td>
<td>5.8%</td>
<td>8.5%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>2.1%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>22.1%</td>
<td>9.8%</td>
<td>9.8%</td>
<td>7.9%</td>
<td>11.8%</td>
<td>9.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>CDs</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Agency</td>
<td>76.7%</td>
<td>75.5%</td>
<td>86.3%</td>
<td>83.8%</td>
<td>77.6%</td>
<td>89.8%</td>
<td>81.7%</td>
<td>77.8%</td>
<td>77.9%</td>
<td>85.3%</td>
<td>85.7%</td>
</tr>
<tr>
<td>Agency Floaters</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Municipal</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>US Treasury</td>
<td>22.4%</td>
<td>17.4%</td>
<td>7.5%</td>
<td>7.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>10.1%</td>
<td>10.1%</td>
<td>10.1%</td>
<td>10.0%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>0.7%</td>
<td>0.3%</td>
<td>0.4%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>
City of Auburn Hills - Cash Management

Liquidity Composition of Cutwater Portfolio

<table>
<thead>
<tr>
<th>Maturity</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 1 year</td>
<td>78.4%</td>
<td>71.0%</td>
<td>53.5%</td>
<td>70.8%</td>
<td>72.1%</td>
<td>62.9%</td>
<td>50.6%</td>
<td>42.7%</td>
<td>50.1%</td>
<td>42.1%</td>
<td>53.4%</td>
<td>23.3%</td>
</tr>
<tr>
<td>1 - 5 Years</td>
<td>21.7%</td>
<td>29.0%</td>
<td>46.5%</td>
<td>29.2%</td>
<td>27.9%</td>
<td>37.2%</td>
<td>49.4%</td>
<td>57.3%</td>
<td>49.9%</td>
<td>57.9%</td>
<td>46.6%</td>
<td>76.7%</td>
</tr>
<tr>
<td>&gt; 5 Years</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
### Quality and Safety of Cutwater Portfolio

<table>
<thead>
<tr>
<th>Rating</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>77.9%</td>
<td>90.2%</td>
<td>90.2%</td>
<td>92.1%</td>
<td>88.2%</td>
<td>90.2%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>P-1</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>22.1%</td>
<td>9.8%</td>
<td>9.8%</td>
<td>7.9%</td>
<td>11.8%</td>
<td>9.8%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>AA</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Below AA</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Not Rated</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
City of Auburn Hills - Cash Management

About This Report

The City Council for the City of Auburn Hills retained Asset Strategies Portfolio Services, Inc. to evaluate the performance of the City of Auburn Hills Operating Fund's investment management. Ambassador Capital Management and Cutwater Asset Management manage the majority of the investments with the Treasurer's Office also handling a portion.

This report was prepared using data compiled from the monthly custodial statements and the managers' month-end portfolio statements. Asset Strategies does not warrant the accuracy of data provided to us by others, but does attempt to obtain and utilize reliable information.

1. Performance calculations were made using the manager's security pricing rather than the custodian's, because we believe this more accurately reflects the market value of the investments.

2. Performance results in this report are different than the manager's reported numbers because the calculations in this report are: a) made accordingly to generally accepted banking and consulting industries' standards, b) not annualized, unless for periods greater than one year, and c) reflecting the investments' true rate of return, not a simple annualized yield factor.

This report contains analysis of both the total fund and the individual managers' performance over various time periods. The returns calculated by investment managers will occasionally differ (albeit slightly) from the returns calculated by Asset Strategies. This difference is generally explained by any one or a combination of the following: a) managers account for securities purchases, sales, and cash flows on a mid-month basis, while Asset Strategies accounts for transactions on the date of occurrence, b) the pricing sources used by the managers are different from the sources used by the custodian, c) managers report purchases and sales on a trade date basis, while custodial banks generally report on a settlement date basis, d) managers and custodians differ in their method and timing in accounting for accrued income.

Performance for periods greater than one year is annualized and gross-of-fees, unless stated otherwise. Prior investment results are not a guarantee of future performance.
City of Auburn Hills - Cash Management Investment Policy Summary (December 2012)

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

**Authorized and Suitable Investments:**
- Bonds, securities, and other obligations of the U.S. or an agency or instrumentality of the U.S. (does not include collateralized mortgage obligations).
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution with offices in the State of Michigan.
- Commercial paper rated at the time of purchase within the two highest classifications by at least 2 standard rating services (example A1P1) maturing not more than 270 days after the date of purchase.
- Repurchase agreements, only if a Master Repurchase Agreement has been signed with the bank or broker/dealer.
- Collateralization will be required on authorized repurchase (and reverse) agreements at a level of 105% of the market value of principal and accrued interest.
- Banker’s acceptances of U.S. banks.
- Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 2 standard rating services.
- Maximum maturity of any specific investment will not exceed 5 years, and the maximum average total portfolio maturity will not exceed 3 years.

**Portfolio Diversification Guidelines:**

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

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

**Other Portfolio Guidelines:**
- Additional investment policies and guidelines are contained in the City’s Investment Policy Statement.
- The City Treasurer and the City’s authorized Investment Managers should follow State of Michigan Act 20 of 1943 and amendment thereof.
GLOSSARY

91-Day T-Bill: A U.S. government security with a maturity of 91 days. No interest is paid, but it yields the difference between the maturity price and a discounted purchase price.

Agency Floater: A floating-rate coupon bond issued by an agency of the U.S. government.

Bankers Acceptance: A promise of payment at some future date, similar to a check, issued by a corporation and guaranteed by a bank. They are typically used in international trade.

Certificates of Deposit: Depository printed receipts having stated maturities, which either pay interest or are issued at discounts.

Commercial Paper: Short-term unsecured promissory notes of well-known companies with strong credit ratings.

Corporate: Debt obligations of corporations secured by collateral and/or the creditworthiness of the issuing corporation. Sub-sectors include Finance, Industrial, Transportation, Utilities, CBO's, and Asset-backed.

Duration: A measure of the price sensitivity (the value of principal) of a bond to a change in interest rates; duration is expressed in number of years. The bigger the duration number, the greater the interest rate risk or reward for bond prices.

FHLMC: Federal Home Loan Mortgage Corporation (also known as Freddie Mac).

FNMA: Federal National Mortgage Association (also known as Fannie Mae).

GNMA: Government National Mortgage Association (also known as Ginnie Mae) is a U.S. government-owned corporation within the Department of Housing and Urban Development (HUD). GNMA I securities are a pool of mortgages issued by one issuer with the same interest rate and within a 3-month period. This is a basic pass-through security. GNMA II securities are also pass-through securities, except that the collateral can have a range of interest rates and can include mortgages issued by more than one issuer.

Manager Peer Ranking: A relative performance benchmark consisting of a group of managers with similar investment styles, philosophies and processes.

Money Market Mutual Funds: Mutual funds that hold portfolios of high-quality, short-term securities like T-bills. High liquidity and superior returns make them a good alternative to bank savings accounts. These funds have constant market valuation.

Mortgage-backed: Securities backed by public and private mortgage pools. Investors receive the monthly mortgage payments less any administrative fees, including interest, principal, and prepayments on the mortgage pool. These instruments are typically issued by a federal or governmental agency.

Policy Index: The expected performance result each period, calculated using the asset mix targets times the market index returns.

Repurchase Agreements: Short-term loans made to businesses by investors in which treasury securities serve as collateral.

Risk: The variation of a portfolio's returns around its average return over the specified period (standard deviation).

Sharpe Ratio: A risk-adjusted measure of performance. The higher the Sharpe ratio, the better the portfolio's historical risk-adjusted performance.

Treasuries: Debt obligations of the U.S. government secured by its full faith and credit issued at various schedules and maturities.

U.S. Treasury Strips: Treasury bonds and notes that do not have interest payments. The securities are sold at a discount and the yield is generated from the difference between the maturity price and the discounted purchase price.

Yield-to-maturity: The internal rate of return (IRR) earned, based on the current market value of the bond, the assumption that the bond will be held until maturity, and that all coupon and principal payments will be made on schedule.
To: Mayor and City Council
From: James D. McDonald, Mayor
Submitted: August 15, 2013
Subject: Proclamation – Drive for Pledges Day
The City of Auburn Hills

PROCLAMATION IN HONOR OF

Drive for Pledges Day

Whereas, texting has become the way many people communicate today, which means some people are doing it at the worst possible time - while driving; and

Whereas, texting while driving is involved in over 100,000 motor vehicle crashes each year, often causing injuries and deaths, and

Whereas, those who text while driving are 23 times more likely to be involved in some type of safety critical event as compared to those drivers who don't text while they drive, and

Whereas, in 2009 AT&T launched the public awareness campaign “It Can Wait” to educate the public about the dangers of texting while driving by encouraging consumers to take the personal pledge not to text while driving; and

Now, therefore be it proclaimed, that the City of Auburn Hills designates September 19, 2013 as “Drive 4 Pledges Day” to focus attention on the dangers of texting while driving; and

Be it further proclaimed that the members of the Auburn Hills City Council have taken the personal pledge to not text and drive, support efforts to raise public awareness about the dangers of texting while driving and encourage others to take the pledge not to text and drive.

Signed, this ______ day of August, 2013

Mayor James D. McDonald
Auburn Hills Urges Residents to Refrain from Texting While Driving

Designates September 19 as “Drive 4 Pledges Day”

Auburn Hills Mayor Jim McDonald today issued a proclamation designating September 19 as “Drive 4 Pledges Day” and called for Auburn Hills residents to take the pledge never to text and drive.

“Text messaging has become the way many people communicate today, which means some people are doing it at the worst possible time – while driving,” stated Mayor McDonald. “We need to help spread the message and educate our community that when it comes to driving, texting can and should wait.”

According to the Virginia Tech Transportation Institute, those who text while driving are 23 times more likely to be involved in some type of safety critical event as compared to those drivers who don’t text while they drive. Texting while driving is involved in over 100,000 motor vehicles crashes each year, often causing injuries and deaths.

Wireless provider AT&T launched the “It Can Wait” campaign in Michigan and throughout the United States in 2009 to educate the public about the dangers of texting while driving by encouraging consumers to take the personal pledge not to text while driving.

The City of Auburn Hills and AT&T are calling on all drivers to go to www.itcanwait.com to take the no-texting-and-driving pledge, and then share their promise with others via Twitter (#itcanwait) and Facebook. For additional information and resources, visit www.att.com/itcanwait.
CALL TO ORDER: Chairman Hassett called the meeting to order at 4:00 p.m.

ROLL CALL:

Present: Dilland, Goodhall, Gupta, Hassett, Price (left at 4:30, returned at 5:00), Thornton (arrived at 4:04pm)

Absent: Ardelean (emergency situation), Dolly, Molnar (excused)

Also Present: TIFA Executive Director Tom Tanghe, Finance Director Gary Barnes, Accountant Kim Wickenheiser, Management Assistant Brandon Guest, Director of DPW Ron Melchert, Deputy Director of DPW Don Grice, Manager of Roads and Facilities Dan Brisson, Manager of Public Utilities Jeff Herczeg, Executive Assistant Karrie Marsh

Guests: None


PERSONS WISHING TO BE HEARD

Mr. Tanghe welcomed the Board to the meeting. He introduced Jeff Herczeg, Manager of Public Utilities and Kim Wickenheiser, Accountant.

Mr. Tanghe explained the agenda for the evening. He proceeded to explain that changes have occurred since the budget was mailed out to the Board last week. After a closer look at the 5 year projection, some future projects have been eliminated for now and those will be explained during the budget session. The budget is set to be formally adopted in October.

CORRESPONDENCE & PRESENTATIONS

None

APPROVAL OF MINUTES

Moved by Goodhall to approve the July 9, 2013 minutes.

Supported by Thornton.

Yes: Dilland, Goodhall, Gupta, Hassett, Price, Thornton

No: none

Motion carried

FINANCIAL REPORT

Finance Director Gary Barnes presented the financial report for July 31, 2013, reviewing the activities for this period, including the most recent revenues and expenses. That report included the following Total Liabilities and Fund Balances and Available Cash:

TIFA 85-A $ 27,997,869 Available Cash (TIF-A) $2,827,880
TIFA 85-B $ 13,861,843 Available Cash (TIF-B) $9,872,303
TIFA 86-D $ 27,607,169 Available Cash (TIF-D) $3,327,922
       $ 69,466,881
Chairman Hassett inquired about the status of the Riverside Park project as far as how money is being spent at this time. Mr. Melchert stated that money is being spent on the Squirrel Rd. portion and planning for the amphitheater.

Chairman Hassett asked what the return on investment for available cash was at this time. Mr. Barnes stated that it was less than one percent, and in fact, closer to ½ of 1%.

**Moved by Goodhall to approve the Financial Report of July 31, 2013 as submitted.**
**Supported by Thornton.**
**Yes:** Dilland, Goodhall, Gupta, Hassett, Price, Thornton
**No:** none

*Motion carried*

**OLD BUSINESS**
None

**NEW BUSINESS**

Mr. Tanghe introduced a memo dated August 5, 2013 regarding approval for University Center Cabling Services which recommends the quote from Digital Age Technologies in the amount of $14,501.47 for low voltage wiring.

Low voltage and technology infrastructure needs were not included in the construction contract with Frank Rewold and Son.

Mr. Bill Craig of Convergent Technology Partners, the IT consultant used by Avondale Schools, collected the bids for the project and is confident in the quality of work performed by Digital Age Technologies from past experience.

**Moved by Goodhall to approve the quote from Digital Age Communications in the amount of $14,501.47 for low-voltage wiring for the University Center and authorize the Executive Director to convey acceptance by purchase order. Funding is provided from TIF District A, GL No. 251.735.986.000.**
**Supported by Thornton.**
**Yes:** Dilland, Goodhall, Gupta, Hassett, Price, Thornton
**No:** none

*Motion carried*

Mr. Tanghe indicated at this time the Budget Workshop would begin. He introduced the proposed 2014 Budgets for TIF Districts A, B and D for review.

Mr. Tanghe distributed a budget that had been revised and the purpose of the document was to look at the bottom line to remedy the problem of a deficit. Mr. Tanghe and Mr. Barnes reviewed TIF -A proposed revenues and expenses line by line, answering questions and clarifying projects with the Board. There was discussion about the I-75 Bridge and the funds set aside for that project. Mr. Tanghe will be attending a meeting about the bridge next week and will know more then. Mr. Dilland asked about the deduction of revenue for projected years. Mr. Barnes explained that is was due to the tax revenue decrease which was at 3.3% per the 2014 tax year assessment. DPW projects were discussed and some will not begin as planned and have been put off for a year or so. Mr. Melchert stated that he understood that some projects would have to wait and that he appreciates the support of the Board over the years as well as in the current hard times.

**The Board recessed for dinner at 5:00 p.m.**

**The meeting was reconvened at 5:30 p.m.**

In TIF-B, proposed revenues and expenses were reviewed line-by-line. Adjustments were made to some more of the road improvement items, including the University Drive roadway project, the streetscape project and the proposed Doris Rd. purchase.

Lastly, Mr. Tanghe and Mr. Barnes reviewed the TIF-D proposed revenues and expenses line by line. There was discussion about possible Federal Grants for the I-75/Squirrel Rd. project by MDOT.
After review of all three TIF budgets, Mr. Tanghe stated that in September the Board will approve the budgets and then they will go before City Council for their approval in October.

Chairman Hassett thanked Mr. Barnes and Mrs. Wickenheiser for the presentation of the budget.

**BOARD MEMBER COMMENTS**

Mr. Hassett informed Executive Director Tanghe and the Board that he had recently visited with an Oakland University Board Member who scoffed at our attempts for wanting to make Oakland University's address in Auburn Hills. Mr. Tanghe stated that he understands the Elected Officials perspective about OU being in Auburn Hills for many reasons including that we provide fire and EMS services, water and sewer, and back-up police protection. We also work with Oakland University on many projects together, such as the University Drive streetscape and the University Center.

**EXECUTIVE SESSION**

Moved by Chairman Hassett to enter into Executive Session for the purpose of the sale of property.

Supported by Thornton.

Board adjourned to Executive Session at 6:05pm.

Board reconvened the regular meeting at 6:26pm.

Moved by Thornton to approve the purchase agreement with the Auburn Hills TIFA as the Seller of 14-36-103-015 and containing approximately 1.25 acres to Burton-Katzman LLC in the amount of $225,000, under the terms and conditions of the proposed purchase agreement; and authorize the Executive Director to execute the purchase agreement on behalf of the TIFA up to and including all documents necessary to close the transaction.

Supported by Goodhall.

Yes: Dilland, Goodhall, Gupta, Hassett, Price, Thornton

No: none

Motion carried

**ANNOUNCEMENT OF NEXT MEETING** – The next regularly scheduled TIFA Board meeting is Tuesday, September 10, 2013 at 4:00p.m. at City Hall in the Administrative Conference Room.

**ADJOURNMENT**

Moved by Thornton to adjourn the meeting at 6:27 p.m.

Supported by Price.

Yes: Dilland, Goodhall, Gupta, Hassett, Price, Thornton

No: none

Motion carried

Respectfully submitted,

Erik Dilland     Karrie L. Marsh

Secretary of the Board     Recording Secretary
AGENDA ITEM NO. 8A

ASSESING

To: Mayor and City Council
From: Peter E. Auger, City Manager and Micheal R. Lohmeier, City Assessor
Submitted: August 13, 2013
Subject: Request to Approve IFEC NEW Real Property and Personal Property for Ralco Industries, Inc.

INTRODUCTION AND HISTORY

(Ralco Industries, Inc. appeared before council on August 5, 2013 for the same IFEC application. Council tabled their vote so staff could provide more information on the city’s cost if they consider this a “Special Project” as defined by the Tax Incentive Policy and approve a 12 year versus an 8 year abatement. This information has been added to the ‘Tax Savings’ section of this memo.)

An application for an Industrial Facilities Exception Certificate (IFEC) has been received for real property and personal property to be located on parcel 02-14-10-200-022 and along Taylor Road. This parcel encompasses approximately 18 acres of I-2 zoned industrial land.

The property’s legal description is:

APN: 02-14-10-200-022

The request was submitted by Ralco Industries, Inc. (Ralco) on May 1, 2013, and as of the date of the writing of this memorandum no construction has been started yet.

This application involves real property including a new manufacturing building which will consist of approximately 124,000 square feet, having 9% office with the remainder as shop space.¹ The building will house approximately 88 jobs retained as a result of this project, and the potential of creating approximately 20-70 new jobs. The total investment of the real property component of this project is estimate at $8,752,265.

This application further involves personal property including computers, office furniture, plant equipment and other related items.² The personal property is also a part of this project and will, in combination with the aforementioned real property, help Ralco to retain 88 jobs, and the potential of creating approximately 20-70 new jobs. The total investment of the personal property component of this project is estimate at $3,584,850.

¹ See included Description of Project write-up, as provided by applicant.
² See included Personal Property Listing, as provided by applicant.
Total investment in **new real property and personal property combined** is $12,337,115, and is the amount requested by Ralco.

The project proposed in this application would be eligible for consideration of an IFEC under the provision of the city’s Property Tax Incentive Policy (Policy) and as identified as **new facility**, further defined, in pertinent part, as:

A. **New facility (IFEC)** – industrial real property and land improvements, and personal property, other than a replacement facility to be built or installed in a plant rehabilitation district or industrial development district by an existing business or a new business, as provided in PA 198, 1974 as amended may be granted a 50% tax incentive for up to eight (8) years based upon the criteria included in this policy. The minimum investment by a business in a new facility shall meet one of the following requirements …

   ... B. The construction of a new facility on a site within the corporate limits of the City of Auburn Hills with an estimated construction value exceeding $500,000.

   ... C. The installation and/or location on more than a temporary basis of new equipment, furniture or other personal property with an estimated value of the new personal property in excess of $250,000, or 10% of the historical cost of current personal property.

Both of the above cited real and personal property components meet the city’s Policy’s investment amounts of new facility as the construction of a new facility and as personal property. Furthermore real and personal property is defined in the city’s Policy as

I(G) **Personal Property** - Personal property is machinery, equipment, furniture, fixtures and similar items as defined in the General Property Tax Act and that are utilized by the business in producing the end product or service of the business and real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14.

I(H) **Real Property** – Real property is defined as land, buildings, parking lots, utilities and similar items as defined in the General Property Tax Act and as assessed for property tax purposes.

The real and personal property components identified in the application are considered to meet the above definition, respectively, for personal property and real property.

Ralco has requested by application an abatement of **twelve (12) years**. Section VI of the Property Tax Incentive Policy provides:

Applicants requesting Tax Incentives for a facility under a lease must provide a lease that includes an **initial length of lease equal to the length of the incentive plus the additional two or four years** as required in A. or B. above. Options to extend a lease will not be counted as part of the initial term of the lease.

Although a 20-year executed lease has been entered into by Ralco Properties, LLC and Ralco Industries, Inc. (applicant), the parties signing the lease are the same parties identified by the provided Secretary’s Certificate. If the Secretary’s Certificate is true, then this lease is what is often referred to as a business lease, or lease of convenience, and is for tax and/or liability purposes and not a true

---

3 March 19, 2012
4 Both the relevant sections of the lease and Secretary’s Certificate are included herein.
The following Policy criteria is used to determine the maximum term of the abatement

1. Type of development
   Manufacturing  4 years
2. Investment in real and/or personal property
   $12,337,115 ($8,752,265 real and $3,584,850 personal)  5 years
   9 years
   Maximum per Policy  8 years

Informational Note: Section II(E) of the city’s Policy does provide for terms of abatements to exceed the 8-year maximum if the city identifies the project as a Special Project, identified as

The City of Auburn Hills shall make available a total of five (5) Special Project incentives of either real or personal property (or combined real and personal property) for up to twelve (12) years, provided the application meets all other eligibility criteria contained in this policy. These five Special Projects shall be available between January 1, 2012 and January 1, 2017 and may be granted at the sole discretion of the City Council. The intent is that these incentives be made available for projects having significant economic impact on the community through the significant investment in buildings and equipment, the significant creation of new jobs in the community, or the long term-commitment to the community to be made by the requesting company. Plant rehabilitation projects as defined in Section B may also be designated as a Special Project for up to twelve (12) years.

**TAX SAVINGS**

If this abatement is granted for the facility at the 8-year maximum, the potential property tax savings for the applicant over the term of the abatement is approximately $808,615; while the loss in city tax revenue would be approximately $218,644. If this project is designated as a “special project”, per Auburn Hills’ Tax Incentive Policy, and approved for a 12 year abatement, then Ralco’s tax savings would be approximately $1,203,267 and the cost to the city, or loss city taxes, would be $327,041.

**PENDING APPEALS**

To the best of staff’s knowledge:
- There is no outstanding and/or pending appeal(s) involving the property that is the subject of this application.
- There is no outstanding and/or pending appeal(s) involving the applicant filing for this tax incentive within the City of Auburn Hills.

**TAX INCENTIVE REVIEW COMMITTEE RECOMMENDATION (TIRC)**

This application went before the city’s Tax Incentive Review Committee on May 13, 2013.

Ralco was represented by Jim Piper (President and owner), Tom Gitter (CEO and owner) and Paul Delong (CFO). The company has been in business since 1970, since 1986 in Auburn Hills. They provide stampings and welded assemblies to their customers which include the automotive and truck industries, among others.

TIRC took the following action:
Motion by Mr. Iacobelli, to forward to city council, a recommendation to approve the request from Ralco for a tax abatement for both real and personal property to be constructed/installed on Taylor Road (Parcel IDs: 14-10-200-015 and -016)\(^5\). This recommendation is contingent upon:

1. Site plan approval
2. Closing on real property
3. City’s receipt of executed lease
4. Corporate documents that show the parties are commonly owned.

The committee recommends an 8 year abatement starting on 12/31/2013 and ending 12/30/2021. In addition, this also includes the requirement to operate the facility at that location for 2 years after the certificate expires.

Supported by Mr. Landsberg

Motion carried (5-0)

[Legal Description 02-14-10-200-015: T3N, R10E, SEC 10 PART OF NE 1/4 BEG AT PT DIST N 89-39-08 E 330.30 FT FROM N 1/4 COR, TH N 89-39-08 E 983.64 FT, TH S 00-07-12 E 290.12 FT, TH N 89-39-08 E 227.39 FT, TH S 541.25 FT, TH W 647.10 FT, TH ALG CURVE TO RIGHT, RAD 523.50 FT, CHORD BEARS N 36-47-39 W 101.68 FT, DIST OF 101.84 FT, TH N 31-13-16 W 722.67 FT, TH ALG CURVE TO LEFT, RAD 351.50 FT, CHORD BEARS N 46-00-11 W 179.36 FT, DIST OF 181.37 FT TO BEG 15.81 A6-3-99 FR 008]

[Legal Description 02-14-10-200-016: T3N, R10E, SEC 10 PART OF NE 1/4 BEG AT PT DIST N 89-39-08 E 1313.94 FT & S 00-07-12 E 290.12 FT & N 89-39-08 E 227.39 FT & S 541.25 FT FROM N 1/4 COR, TH S 371.51 FT, TH N 62-37-37 W 564.18 FT, TH ALG CURVE TO RIGHT, RAD 523.50 FT, CHORD BEARS N 52-29-49 W 184.15 FT, DIST OF 185.11 FT, TH E 647.10 FT TO BEG 2.99 A6-3-99 FR 008]

**STAFF RECOMMENDATION**

Based on reviewing the city’s tax incentive policy, combined with the recommendation forwarded by TIRC, staff recommends approval of the application for eight (8) years as requested. As a note, Ralco was informed at the onset of our city’s policy and the 8-year maximum as well as the potential later, and if city council approves, an extension for another four (4) years of abatement. All conditions per TIRC have been satisfied.

**MOTION**

Move to approve the request for an 8-year IFEC pertaining to new real property and personal property for Ralco Industries, Inc. for a total real property investment of $8,752,265 and personal property investment of $3,584,850 for a total investment of $12,337,115 of real and personal property combined by adopting the attached resolution.

I CONCUR:

PETER E. AUGER, CITY MANAGER

\(^5\) These two parcels have since been combined. The new APN is 02-14-10-200-022. The current legal description is on page 1 of this memo.
CITY OF AUBURN HILLS
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR RALCO INDUSTRIES, INC.

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan, held in the Council Chambers at 1827 N. Squirrel Road, Auburn Hills MI 48326 on the 19th day of August, 2013.

The following resolution was offered by Councilperson__________ and supported by Councilperson

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 21st day of August, 1995, the City of Auburn Hills, established an Industrial Development District, commonly referred to as the Cardell Corporation Industrial Development District; and

WHEREAS, Ralco Industries, Inc. has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to proposed new real and personal property within the Cardell Corporation Industrial Development District; and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the 19th day of August, 2013 at a regularly scheduled meeting, at which time the applicant, the assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction and installation of the facility has not begun earlier than six (6) months before May 1, 2013, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

WHEREAS, completion of the real and personal property is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in Auburn Hills; and

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

NOW, THEREFORE, BE IT RESOLVED BY the City Council of Auburn Hills that:

1. The City Council of Auburn Hills finds and determines that the granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the certificates previously granted and currently in force, under PA 198 of 1974, and PA 225 of 1978, shall not have the effect of substantially impeding the operation of the City of Auburn Hills, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Auburn Hills.

2. The application for an Industrial Facilities Exemption Certificate with respect to a New Facility on the following described parcel of real property situated within the Cardell Corporation Industrial Development District; to wit;
The real property parcels the facility is located on is identified as tax parcel 02-14-10-200-022, having an address along Taylor Road, Auburn Hills, MI 48326, including:

Legal Description


Also known as tax parcel 02-14-10-200-022. Address: 1925 Taylor Road.

is hereby approved for real property and personal property improvements.

3. The Industrial Facilities Exemption Certificate shall remain in force and effect for a period of eight (8) years, and the starting date for the certificate is December 31, 2013 and the ending date is December 30, 2021.

4. The total project investment approved is $12,337,115.

5. Ralco Industries, Inc. agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional two years after the date of the certificate's expiration.

AYES:
NAYS:
ABSENT:
ABSTENTIONS:

RESOLUTION ADOPTED

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I, the undersigned, the duly appointed City Clerk for the City of Auburn Hills, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Auburn Hills City Council held on the 19th day of August, 2013.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this day of August, 2013.

________________________________
Terri Kowal, City Clerk
Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

<table>
<thead>
<tr>
<th>Item</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Clerk</td>
<td>Date received by Local Unit</td>
</tr>
<tr>
<td>Application Number</td>
<td>Date Received by STC</td>
</tr>
</tbody>
</table>

APPLICANT INFORMATION

All boxes must be completed.

1. Company Name
   - Ralco Industries, Inc.

2. Address of Facility
   - Taylor Road

3. Type of Approval Requested
   - New (Sec. 24)

4. City/Township/Village
   - Auburn Hills

5. School District where facility is located
   - Pontiac

6. Amount of years requested for exemption
   - 12 Years

7. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

See Attachment 1

6a. Cost of land and building improvements (excluding cost of land) .......................................................... $8,752,265.00

6b. Cost of machinery, equipment, furniture and fixtures .......................................................... $3,584,850.00

6c. Total Project Costs .......................................................................................................................... $12,337,115.00

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

<table>
<thead>
<tr>
<th>Begin Date (M/D/Y)</th>
<th>End Date (M/D/Y)</th>
<th>Owned</th>
<th>Leased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Property improvements</td>
<td>6/7/13</td>
<td>12/31/14</td>
<td>Yes</td>
</tr>
<tr>
<td>Personal Property Improvements</td>
<td>12/1/13</td>
<td>9/1/15</td>
<td>Yes</td>
</tr>
</tbody>
</table>

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes □ No □

9. No. of existing jobs at this facility that will be retained as a result of this project. 88

10. No. of new jobs at this facility expected to create within 2 years of completion. 20-70

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor’s statement of valuation for the entire plant rehabilitation district and obsolescence statement for property. The SEV data below must be as of December 31 of the year prior to the rehabilitation.

   a. SEV of Real Property (excluding land) ..........................................................
   b. SEV of Personal Property (excluding inventory) ..........................................................
   c. Total SEV ........................................................................................................

12. Check the type of District the facility is located in:
   - Industrial Development District □
   - Plant Rehabilitation District □

12b. Date district was established by local government unit (contact local unit) 8/21/95

12c. Is this application for a speculative building (Sec. 3(8))? Yes □ No □
APPLICANT CERTIFICATION - complete all boxes.
The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (she has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name: James Piper
13b. Telephone Number: (248) 853-3200
13c. Fax Number: (248) 853-3214
13d. E-mail Address: jipiper@ralcoind.com

14a. Name of Contact Person: James Piper
14b. Telephone Number: (248) 853-3200
14c. Fax Number: (248) 853-3214
14d. E-mail Address: jipiper@ralcoind.com

15a. Name of Company Officer (No Authorized Agents)
15b. Signature of Company Officer (No Authorized Agents)
15c. Fax Number: (248) 853-3214
15d. Date: 5/1/3

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.
This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

16. Action taken by local government unit
   - [ ] Abatement Approved for _____ Years (1-12)
     - After Completion [ ] Yes [ ] No
     - [ ] Denied (Include Resolution Denying)
   - [ ] Other

16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:

   Check or Indicate N/A If Not Applicable
   - [ ] 1. Original Application plus attachments, and one complete copy
   - [ ] 2. Resolution establishing district
   - [ ] 3. Resolution approving/denying application
   - [ ] 4. Letter of Agreement (Signed by local unit and applicant)
   - [ ] 5. Affidavit of Fees (Signed by local unit and applicant)
   - [ ] 6. Building Permit for real improvements if project has already begun
   - [ ] 7. Equipment List with dates of beginning of installation
   - [ ] 8. Form 3222 (if applicable)
   - [ ] 9. Speculative building resolution and affidavits (if applicable)

16c. LUCI Code
16d. School Code
16e. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

16a. Documents Required to be on file with the Local Unit: Check or Indicate N/A If Not Applicable
   - [ ] 1. Notice to the public prior to hearing establishing a district
   - [ ] 2. Notice to taxing authorities of opportunity for a hearing
   - [ ] 3. List of taxing authorities notified for district and application action
   - [ ] 4. Lease Agreement showing applicants tax liability

16f. Date of Resolution Approving/Denying this Application

17. Name of Local Government Body
18. Date of Resolution Approving/Denying this Application

19a. Signature of Clerk
19b. Name of Clerk
19c. E-mail Address

19d. Clerk's Mailing Address (Street, City, State, ZIP Code)

19e. Telephone Number
19f. Fax Number

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY

[ ] LUCI Code
[ ] Begin Date Real
[ ] Begin Date Personal
[ ] End Date Real
[ ] End Date Personal
Attachment 1

Description of Project

Ralco Industries is a manufacturer of complex, tight tolerance metal stampings and welded assemblies utilizing the latest technological advancements. Ralco's consistent quality and unequaled performance has earned it the quality ratings required to meet even the most demanding customer's requirements. Ralco has been nominated and selected for numerous awards for its use of technology and data in the manufacturing environment. As Ralco's reputation has spread throughout the industry, we are experiencing unprecedented growth. We are now in the position where our current credit facility is inadequate, and we need to add several key pieces of equipment.

In addition to Ralco's growth, the owners of Ralco Industries Inc. established Clinton River Medical Products, LLC (CRMP) at the end of 2011 as part of a business diversification strategy. Building on the strength of Ralco's 40+ years of precision manufacturing, CRMP acquired the exclusive worldwide license to the Independence Technology (a division of Johnson & Johnson) iGlide (now known as the Tailwind) intellectual property portfolio. Introduced to the market over a decade ago, the Tailwind remains the best power assist wheelchair technology in the world according to both users and clinicians. We believe the market is ready to fully embrace power assist. In August 2011, Wintergreen Research published a report supporting this thesis which forecasts the power assist wheelchair market will grow from $109.1 million in 2011 to $327.6 million in 2017, a 20.1% compound annual growth rate. We are excited to be reintroducing this product to the market place later this year. Our new facility will allow us to develop and grow this technology in the medical device industry.

Our project entails the purchase of approximately 18 acres of land on Taylor Road, Auburn Hills, MI 48326 for $1,435,000. We plan to construct a manufacturing facility that includes approximately 11,500 square feet of office and 112,500 square feet of plant. The estimated cost to build the facility is approximately $8,752,265. We also plan to invest in new equipment for the plant and operation of the facility amounting to $3,584,850. Please see attached list of equipment that will be purchased.

The land and building will be owned by Ralco Property Holdings, LLC. Ralco Industries, Inc. and Clinton River Medical Products, LLC will lease the property for 10 years from Ralco Property Holdings, LLC. All three companies are owned by Jim Piper (50%) and Tom Gitter (50%).
Legal Description of Property

Vacant 15.81 +/- Acre Parcel
Parcel ID# 14-10-200-015
Legal Description: T3-., RI OF, SEC 10 PART OF \E 1 '4 BEG AT PT DIST 2\' 89-39-08 E 330.30 FT FROM N I '4 COR. TH \': 89-39-08 E 983.64 FT. TH S 00-07-12 F 290.12 FT. TH N 89-39-08 E \': 27.39 FT. TH S 541.25 FT. TH \' 647.10 FT. IH ALC CURVE TO RICJHT. Rnd 523.50 FT. CHORD BEARS N 36-47-39 W 101.68 FT. DIST OF I 01.84 FT. \:RH N 31- J 3-16 W 722.6 7FT. TH ALG CTRVF TO LEFT. RAD 351.50 FT. CHORD BEARS \: 46-00-II W 179.36 FT. DIST OF J 81.3 7 FT TO BEG 15.81 A 6-3-99 FR 008

Vacant 2.99 +/- Acre Parcel
Parcel ID# 14-1 I 0<200-0 16
Legal Description: T3\-, RJOE, SEC 10 P\RT OF \E 1-4 BEC.i AI PT DIST N 89-39-08 E 1313.94 FT & S 00-07-12 E 290.12 FT & N 89-39-08 E 2.27.39 FT & S 541.25 FT FROM \' I\'4 COR. TH S 371.51 FT. TH N 62-37-37 W 564.18 FT. TH ALC.i CCRVE TO RIGHT. RAD 523.50 FL CHORD BI:ARS N 52-29-49 W 184. J 5 FT. DIST OF 185. J 1 FT, TH E 647.10 FT IO BEC\: \:99 A 6-3-99 FR 008
TAX INCENTIVE AGREEMENT

Industrial Facility Exemption Certificate

(Revised March 19, 2012)

Ralco Industries, Inc., hereinafter referred to as the “Company” has submitted an application to City Council for the granting of an Industrial Facility Exemption Certificate (IFEC), pursuant to Michigan Public Act 198, of 1974, as amended.

In recognition of the granting of the IFEC by City Council and the benefit of the tax savings for the Company, and the economic growth of the City, I hereby agree on behalf of the Company to the following;

1. The Company will furnish notification of the completion of the facility to the City Assessor and the State Tax Commission, within 30 days of the date of completion. If there is no construction progress for a facility under construction for more than 180 days, the Company will notify the City Assessor.

2. Within 90 days of the date of completion of the facility, the Company will report;

   a. The final cost of the facility to the City Assessor and the State Tax Commission; and a detailed listing of the new personal property acquired for the facility, including description, type, identification, year of acquisition and cost of purchase and installation.

   b. The number of jobs created by completion of the facility, not including jobs transferred from other locations.

If the actual project costs are more than 10% less than the estimated costs given in the application, or if the number of jobs created are less than the number estimated in the application, the Company will provide an explanation.

3. As a condition of receiving an Industrial Facilities Exemption Certificate, or an extension of an existing certificate, pursuant to this policy, a company agrees to operate the facility for which the IFEC is granted for the term of the IFEC, plus an additional term after the date of expiration of the IFEC according to the following schedule:

   a. Tax abatement of up to eight (8) years (including extensions) = Length of the abatement plus two years.

   b. Tax abatement over eight (8) years = (including extensions) = Length of the abatement plus four years.

4. The Company further understands that if it vacates or fails to operate the facility for which the IFEC is granted for the period of time as outlined above, that the
company is liable for repayment of any property tax savings benefiting the Company due to the existence of the IFEC, beginning with the initial effective year of the IFEC. In addition, the Company will be liable for repayment of future tax savings if there are any remaining years in the term of the IFEC, under the provisions of Section 21(2) of Public Act 198, 1974 as amended. These provisions may be waived by the City Council at the request of the Company for justifiable cause.

5. The Company further agrees to pay its abated real and personal property taxes timely and without penalty. In addition, the Company agrees to inform the City Assessor and the City Treasurer of any plans to relocate the company from any location within the City, 30 days prior to the relocation.

6. The Company agrees to notify the City Assessor and City Treasurer of any change in the ownership of the Company’s real and personal property assets or a majority share of the Company’s stocks. For the purposes of this agreement, a new owner or lessee shall be defined as follows:

   a. For those industrial facilities exemption certificates that pertain to real property improvements, the term "new owner or lessee" shall be defined as follows:

      i. A new entity that acquires, owns and occupies or leases and occupies the facility after the existing certificate holder has physically moved from or vacated the facility.

      OR

      ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns and occupies or leases and occupies that facility.

   b. For those industrial facilities exemption certificates pertaining to personal property, the term "new owner or lessee" shall be defined as follows:

      i. A new entity that acquires from the existing certificate holder entity the ownership of the facility or leasehold interest in the facility and which keep the facility at its current location.

      OR

      ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns or leases the facility

7. Whenever there is a new owner or lessee, as defined above, of any real or personal property for which an industrial facilities exemption certificate has been granted, the new owner or lessee shall make application for a transfer of the certificate to the new owner or lessee immediately, but no longer than six (6) months after a change in ownership occurs. The City Council may grant requests
to transfer existing certificates, after review and recommendation by the Tax Incentive Review Committee, provided requests are consistent with the City's adopted Tax Incentive Policy, or any amendments made to the policy, that is in effect at the time a request for a transfer is made. An updated tax incentive development agreement shall accompany any request for a transfer of a certificate to a new owner or lessee.

8. The Company further agrees to abide by all other city ordinances, building and zoning codes during the operation of the facility.

By the signatures of representatives of both the Company and the City below, it is understood that both the Company's investment in the project and the City's investment through the granting of the IFEC is to encourage the economic growth of all.

WITNESS:

Paul DeLong

COMPANY REPRESENTATIVE:

BY: James R. Piper

SIGNATURE

ITS: President

PRINT NAME

TITLE

DATED: 5/1/18

ACKNOWLEDGED BY THE CITY OF Auburn Hills

WITNESS:

BY:

JAMES MCDONALD

SIGNATURE

ITS: MAYOR

PRINT NAME

TITLE

DATED: _________________

WITNESS:

BY:

TERRI KOWAL

SIGNATURE

ITS: CITY CLERK

PRINT NAME

TITLE

DATED: _________________
<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Date of Installation</th>
<th>2013 Projected Cost</th>
<th>2014 Projected Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers, printers, scanners...</td>
<td>3/1/2014</td>
<td>$65,000</td>
<td></td>
</tr>
<tr>
<td>Server</td>
<td>3/1/2014</td>
<td>$30,000</td>
<td></td>
</tr>
<tr>
<td>Office and Plant Cabling</td>
<td>1/15/2014</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
<td>ERP</td>
<td>2/1/2014</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>Fiber Optic Broadband</td>
<td>1/15/2014</td>
<td>$12,000</td>
<td></td>
</tr>
<tr>
<td>Security System (Alarm, Entry Access, Page...)</td>
<td>1/15/2014</td>
<td>$12,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td>$150,000</td>
<td></td>
</tr>
<tr>
<td>Server Software</td>
<td>2/1/2014</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td>$16,000</td>
<td></td>
</tr>
<tr>
<td>Phone &amp; Voice Mail System</td>
<td>1/1/2014</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Conference Room Projectors (5)</td>
<td>2/1/2014</td>
<td>$7,500</td>
<td></td>
</tr>
<tr>
<td>White Boards</td>
<td>2/1/2014</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td>$9,000</td>
<td></td>
</tr>
<tr>
<td>Conf Room Tables and Chairs (5)</td>
<td>2/1/2014</td>
<td>$20,000</td>
<td></td>
</tr>
<tr>
<td>Offices (10)</td>
<td>2/1/2014</td>
<td>$35,000</td>
<td></td>
</tr>
<tr>
<td>Cubicles (20)</td>
<td>2/1/2014</td>
<td>$24,000</td>
<td></td>
</tr>
<tr>
<td>Reception</td>
<td>2/1/2014</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Kitchen (microwave, fridge, ice,...)</td>
<td>2/1/2014</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>Lunch room Table and Chairs</td>
<td>2/1/2014</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Training Room</td>
<td>2/1/2014</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Copy Machine</td>
<td>2/1/2014</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Filing Cabinets (20)</td>
<td>2/1/2014</td>
<td>$7,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td>$122,000</td>
<td></td>
</tr>
<tr>
<td>Cranes (5-20 Ton Crane Systems)</td>
<td>12/1/2013</td>
<td>$275,000</td>
<td>$118,300</td>
</tr>
<tr>
<td>Dock Equipment</td>
<td>1/1/2014</td>
<td>$130,650</td>
<td></td>
</tr>
<tr>
<td>Electrical Equipment (Buss Duct)</td>
<td>12/1/2013</td>
<td>$200,000</td>
<td>$220,000</td>
</tr>
<tr>
<td>Ventilation System</td>
<td>1/1/2014</td>
<td>$60,000</td>
<td></td>
</tr>
<tr>
<td>CNC</td>
<td>5/1/2014</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Racking System</td>
<td>3/1/2014</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Scrap System</td>
<td>1/1/2014</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Lube System</td>
<td>1/1/2014</td>
<td>$35,000</td>
<td></td>
</tr>
<tr>
<td>AirCompressor System</td>
<td>1/1/2014</td>
<td>$75,000</td>
<td></td>
</tr>
<tr>
<td>Tube Bender</td>
<td>1/1/2014</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Hydraulic Pumps (3)</td>
<td>6/1/2014</td>
<td>$150,000</td>
<td></td>
</tr>
<tr>
<td>Bridgeports, Horizontal Saw, Brake Press</td>
<td>3/1/2014</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Komatsu Press</td>
<td>1/1/2014</td>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td>Feed Equipment Komatsu</td>
<td>1/1/2014</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Aida Press</td>
<td>1/1/2014</td>
<td>$60,000</td>
<td></td>
</tr>
<tr>
<td>Feed Equipment Aida</td>
<td>1/1/2014</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Feed Equipment for 200 Ton Niagara</td>
<td>1/1/2014</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Feed Equipment for 300 Ton Niagara</td>
<td>1/1/2014</td>
<td>$65,000</td>
<td></td>
</tr>
<tr>
<td>Roboticse Weld Cells (2)</td>
<td>3/1/2014</td>
<td>$400,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td>$475,000</td>
<td>$2,763,850</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>$475,000</td>
<td>$3,109,850</td>
</tr>
</tbody>
</table>

3/6/2013 8:46 AM Equipment list for 198 App-4-30-13.xls
Industrial Facility Application  
PA 198, 1974

City of Auburn Hills

Supplemental Information  
To Be Provided by Applicant/Company

Name of Company: Ralco Industries, Inc.

Company Profile: Provide a brief description of the company including its history, type of incorporation, corporate headquarters location, parent corporation, previous corporate names. Describe the type of products produced, principal markets, and the activity to be carried out at the proposed or existing facility in Auburn Hills.

Since 1970, Ralco Industries has been serving its customers' various metal stamping and welded assemblies needs in both the automotive and non-automotive industries, with a complete range of services from product design, prototype build, tooling design, tooling build to production manufacturing. Ralco manufactures and assembles parts to a wide variety of industry standards using numerous raw materials and components, while insuring consistent quality and competitive value.

Ralco Industries manufacturers complex, tight tolerance metal stampings and welded assemblies utilize the latest technological advancements. Ralco's consistent quality and unequaled performance has earned it the quality ratings required to meet even the most demanding customer's requirements. Ralco has been nominated and selected for numerous awards for its use of technology and data in the manufacturing environment.

As Ralco's reputation has spread throughout the industry, we are experiencing unprecedented growth. We are now in the position where our current credit facility is inadequate, and we need to add several key pieces of equipment. It is because of this tremendous growth that Ralco is seeking financing to help grow this business.

Over the 2006-2010 periods, the organization transitioned itself through the development of new products and processes that have significantly diversified both our product offering and customer base. We have launched many new production programs and have additional production launches scheduled over the next couple of years. Our business is diverse, globally focused, with a balanced customer base and a well-trained and experienced work force. We are streamlined, yet very technically capable and ready to exceed the many challenges that lie ahead. Our experienced management team averages over 15 years of seniority and has a deep understanding of the business from every aspect. Additionally, we have remained flexible and
focused on continuous improvement, enhancing our organizational talent, and deeply analyzing the business and markets we serve.

We continue to excel in providing our customers with extremely tight tolerance welded assembly and patent protected processes that deliver unique solutions cost effectively. These intricate products are supported by our in-house design and customer focused engineering team. Our in-house prototype and production tooling capabilities allow us to provide highly capable and world class production processes resulting in year after year of near flawless quality records from all of our customers. Also, independent quality audits show 100% conformance to our world-class systemic approach to business, leading to nationally recognized business systems and manufacturing environment awards. It is not an overstatement to say we have the best manufacturing system in the world for a company of our size and industry. The above separates us from the vast majority of our competitors and in fact eliminates most of them from competing with us.

As part of the implementation of a business diversification strategy, the owners of Ralco Industries Inc. established Clinton River Medical Products, LLC (CRMP) at the end of 2011. Building on the strength of Ralco’s 40+ years of precision manufacturing, CRMP acquired the exclusive worldwide license to the Independence Technology (a division of Johnson & Johnson) iGlide (now known as the Tailwind) intellectual property portfolio. Introduced to the market over a decade ago, the Tailwind remains the best power assist wheelchair technology in the world according to both users and clinicians. We believe the market is ready to fully embrace power assist. In August 2011, Wintergreen Research published a report supporting this thesis which forecasts the power assist wheelchair market will grow from $109.1 million in 2011 to $327.6 million in 2017, a 20.1% compound annual growth rate. We are excited to be reintroducing this product to the market place later this year. Our new facility will allow us to develop and grow this technology in the medical device industry.

Ralco Property Holdings, LLC will hold the land and building. The same and equal ownership exist for Ralco Industries, Clinton River Medical Products, and Ralco Property Holding. We will have a lease of convenience for 10 years between these companies.

Please respond to the following questions or state if not applicable:

1. If presently located in Auburn Hills, how long have you been in business here?
   Ralco Industries was started in 1970 and located in Madison Heights, MI. The company moved to Auburn Hills in 1986.

2. Has a site plan for the facility requested for tax abatement been submitted and approved?
   No – Plan to submit 5/3/13

3. Will development of the site require a change in zoning or a request for special land use or other variances?
   No

4. What will be required to develop the site? Do water, sewer, and other utilities exist presently at the site? Will any new access roads need to be constructed or upgraded?
   All utilities on Taylor Road are accessible. We will have to connect to current lines for all utilities. Only access points to our parking will have to be created to access Taylor Road.
5. Will the company request that the City of Auburn Hills assist in paying any costs related to providing infrastructure for this facility?
   We would welcome any assistance to help defray the cost of developing the infrastructure for the facility; however, no formal request has been made.

6. Are any wetlands or environmentally sensitive areas to be impacted by construction of the facility?
   There is a wetland on the site which will be worked around for the construction of this facility.

7. How will water retention and drainage be provided for the facility?
   Water retention and drainage will be discharged to the southeast corner of the property into a retention pond as indicated in the drawings provided to the city.

8. Will any raw materials be used or stored at the facility, Will your company require outside storage of any products or materials?
   We will store all of our raw materials inside the facility. We will have a partially enclosed area on the back exterior of the building to store plastic returnable containers.

9. What will be the operating hours of the facility? Will any heavy equipment be operated at the facility after completion of construction?
   We are a manufacturing facility that utilizes presses, welders, automation, and machinery inside the facility. Our normal hours of operation are 6:00 a.m. – 11:30 p.m. (2 shifts)

10. Will the facility produce industrial waste? Will any known hazardous chemicals be used or produced? Will the facility produce any significant air emissions?
    We will have scrap metal and water soluble synthetic lube (non-hazardous) that will be picked up weekly and recycled/disposed of properly. All substances used at the facility are registered with the city under the current documentation for hazardous and non-hazardous materials stored and used in our facility. We have not significant air emissions.
11. State the various job classifications, the number to employed, and the hourly wage rates of non-management employees, i.e. administrative, secretarial, engineering, sales, laborers, machinists, etc. State whether any positions are part time or temporary.

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>Number of Employees</th>
<th>Hourly Wage Rate</th>
<th>Full Time (F) Part Time (P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Operator</td>
<td>45</td>
<td>$10.50</td>
<td>F</td>
</tr>
<tr>
<td>Set Up Tech</td>
<td>6</td>
<td>$17.00</td>
<td>F</td>
</tr>
<tr>
<td>Weld Tech</td>
<td>3</td>
<td>$20.00</td>
<td>F</td>
</tr>
<tr>
<td>Quality Team Member</td>
<td>6</td>
<td>$12.00</td>
<td>F</td>
</tr>
<tr>
<td>Quality Auditor</td>
<td>6</td>
<td>$14.00</td>
<td>F</td>
</tr>
<tr>
<td>Tool Room Team Member</td>
<td>8</td>
<td>$22.00</td>
<td>F</td>
</tr>
<tr>
<td>Manufacturing Engineer</td>
<td>1</td>
<td>$22.00</td>
<td>F</td>
</tr>
<tr>
<td>Die Design Engineer</td>
<td>2</td>
<td>$30.00</td>
<td>F</td>
</tr>
<tr>
<td>Maintenance</td>
<td>2</td>
<td>$20.00</td>
<td>F</td>
</tr>
<tr>
<td>Truck Driver</td>
<td>1</td>
<td>$16.00</td>
<td>F</td>
</tr>
<tr>
<td>Receptionist</td>
<td>1</td>
<td>$14.00</td>
<td>F</td>
</tr>
<tr>
<td>Accounting Clerk</td>
<td>1</td>
<td>$16.00</td>
<td>F</td>
</tr>
</tbody>
</table>

12. Does the proposed site allow for future expansion of the facility? If yes, state the amount of floor area that can be added after the initial phase of construction. Yes – We can add approximately 50K square feet on to the building after it is complete. This is included in our site plan approval documentation.

13. Has your company received tax abatements from the community where it is presently located? If so describe the type of abatement. Yes – Under previous owner in the 1990s. Do not have the details of this abatement.
CITY OF AUBURN HILLS
RESOLUTION
ESTABLISHING INDUSTRIAL DEVELOPMENT DISTRICT
CARDELL CORPORATION

At a meeting of the City Council held on the 21st day of August, 1995, at the City Council
Chambers at 1827 N. Squirrel Rd., Auburn Hills MI 48326,

It was moved by Councilperson Cooper and seconded by Councilperson Chilkott.

WHEREAS, Act 198 of the Public Acts of 1974, as amended, authorizes the City of Auburn Hills
to create by resolution of the City Council an "Industrial Development District," and,

WHEREAS, the City of Auburn Hills has been requested by on behalf of Cardell Corporation to
establish an Industrial Development District on property owned by Cardell Corporation, located in the
City of Auburn Hills; and,

WHEREAS, the City Council of the City of Auburn Hills has given written notice by certified mail
to the owners of real property within the proposed Industrial Development District of the fact that a public
hearing was to be held upon the petition of and such public hearing has been held on the day and time
provided in the written notice and all those who appeared were given an opportunity to be heard, and the
City Council of the City of Auburn Hills has duly considered the petition and all evidence brought before
it,

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Auburn
Hills does hereby establish an Industrial Development District pursuant to Act 198 of the Public Acts of
1974 for property described as Appendix A attached:

AYES: Mayor McDonald, Mayor Pro Tem Douglas, Councilpersons
Chilkott, Cooper, Knight, Sendegas
NAYS: Councilperson McMillin
ABSENT: None
ABSTENTIONS: None

RESOLUTION ADOPTED

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and appointed City Clerk of the City of Auburn Hills,
Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a
resolution adopted at a regular meeting of the City Council held on the 21st day of August, 1995, the
original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 22nd day of

Rebecca Haynes, Deputy Clerk
LEGAL DESCRIPTION:

A parcel of land being a part of the northeast 1/4 of Section 10, T3N, R1OE, and part of the west 1/2 of Section 11, T3N, R1OE, City of Auburn Hills, Oakland County, Michigan and being more particularly described as follows: Beginning at the north 1/4 corner of said Section 10, T3N, R1OE, thence along the north line of said Section 10, N89°39'08" E, 1313.94 feet; thence S00°07'12" E, 290.12 feet; thence N89°39'08" E, 857.39 feet to the southerly right-of-way line of Interstate Highway 75 connection ramp to a point of intersection with a non-tangent curve, having a radius of 398.00 feet and a central angle of 24°02'35", thence along said right-of-way line and the arc of said curve to the left, 167.00 feet, said arc subtended by a chord which bears S52°37'36" E, 165.78 feet to a point of compound curvature with a curve, having a radius of 935.29 feet and a central angle of 32°24'32", thence continuing along said right-of-way line and the arc of said curve to the left, 539.08 feet, said arc subtended by a chord which bears S80°50'52" E, 531.93 feet to a non-tangent line; thence continuing along the southerly right-of-way of Interstate Highway 75 connection ramp N82°56'40" E, 100.53 feet to the westerly right-of-way line of Interstate Highway 75; thence along said right-of-way S31°45'01" E, 3821.31 feet to the northerly right-of-way line of Lapeer Road (M-24, 120 feet wide); thence along said right-of-way S46°07'03" W, 250.00 feet; thence N00°03'23" W, 297.20 feet; thence N31°46'57" W, 818.31 feet to the E-W 1/4 line of Section 11 (as occupied); thence continuing along the E-W 1/4 line of Section 11 (as occupied) N86°52'23" W, 1390.70 feet to the East 1/4 corner of said Section 10; thence along the E-W 1/4 line of said Section 10 N89°42'39" W, 1324.35 feet; thence continuing along said E-W 1/4 line N89°24'35" W, 1322.70 feet to the center of Section 10; thence along the N-S 1/4 line of said Section 10, also being the centerline of Giddings Road (66 feet wide) N00°24'50" E, 834.31 feet; thence S89°35'10" E, 340.00 feet; thence N00°24'50" E, 230.00 feet; thence N89°35'10" W, 49.80 feet; thence N00°24'50" E, 150.00 feet; thence N89°35'10" W, 250.40 feet to the N-S 1/4 line of said Section 10; thence along the N-S line of said Section 10, also being the centerline of Giddings Road (66 feet wide) N00°24'50" E, 1394.25 feet to the point of beginning. Containing 197.95 acres of land, more or less, subject to easements and restrictions of record.

Being also known as Tax Parcel No. 14-11-326-004 and 14-20-300-005
INDUSTRIAL FACILITIES EXEMPTION APPLICATION
AFFIDAVIT OF FEES

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the City of Auburn Hills and the Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm, by our signatures below, that no payments of any kind, whether they be referred to as “fees,” “payments in lieu of taxes,” “donations,” or by other like terms, in excess of the fees allowed by PA 198, of 1974, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certificate application.”

City of Auburn Hills
Signed: ______________________________

Name: James McDonald
Title: Mayor
Dated: ______

Applicant/Company
Signed: ______________________________

Name: James R. Piper
Title: President
Dated: 5/1/13
SECRETARY'S CERTIFICATE
of
RALCO INDUSTRIES, INC.
a Michigan corporation

The undersigned, being the duly authorized Secretary of Ralco Industries, Inc., a Michigan corporation (the "Company"), delivers this certificate and hereby certifies that after reviewing the Company's Articles of Incorporation, Bylaws, and minutes, the below-mentioned individuals are the sole shareholders of the Company.

Tom Gitter – Shareholder
James Piper – Shareholder

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the 7th day of June, 2013.

RALCO INDUSTRIES, INC.

By: [Signature]
Tom Gitter, Secretary

STATE OF MICHIGAN )
COUNTY OF OAKLAND ) ss.

SUBSCRIBED and SWORN to before
me this __ day of June, 2013.

[Signature]
Notary Public

Oakland County, Michigan
My commission expires: 1/21/2019
Property Transfer Affidavit

This form must be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). It is used by the assessor to ensure the property is assessed properly and receives the correct taxable value. It must be filed by the new owner with the assessor for the city or township where the property is located within 45 days of the transfer. If the Property Transfer Affidavit is not timely filed, a statutory penalty applies (see page 2). The information on this form is NOT CONFIDENTIAL.

1. Street Address of Property
   Vacant Taylor Road, Auburn Hills, MI

2. County
   Oakland

3. City/Township/Village of Real Estate
   City of Auburn Hills

4. Date of Transfer (or land contract was signed)
   July 03, 2013

5. Purchase Price of Real Estate
   $1,435,500.00

6. Property Identification Number (PIN).
   PIN: 14-10-200-016, 14-10-200-015

7. Seller's (Transferor) Name
   Cardinal Corporation

8. Buyer's (Transferee) Name and Mailing Address
   Retail Property Holdings, LLC
   2720 Auburn Ct., Auburn Hills, MI 48329

8a. Buyer's (Transferee) Telephone Number

9. Type of Transfer
   o Land Contract
     o Lease
     o Other (specify)

10. Was this property purchased from a financial institution?
    o Yes
    o No

11. Is the transfer between related persons?
    o Yes
    o No

12. Amount of Down Payment

13. If you financed the purchase, did you pay market rate of interest?
    o Yes
    o No

14. Amount Financed (Borrowed)

EXEMPTIONS
The Michigan Constitution limits how much a property's taxable value can increase while it is owned by the same person. Once the property is transferred, the taxable value must be adjusted by the assessor in the following year to 50 percent of the property's usual selling price (State Equalized Value). Certain types of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfers; full descriptions are in MCL Section 211.27a(7)(a-n). If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.

- transfer from one spouse to the other spouse
- change in ownership solely to exclude or include a spouse
- transfer of that portion of a property subject to a life lease or life estate (until the life lease or life estate expires)
- transfer to effect the foreclosure or forfeiture of real property
- transfer by redemption from a tax sale
- transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary of the trust
- transfer resulting from a court order unless the order specifies a monetary payment
- transfer creating or ending a joint tenancy if at least one person is an original owner of the property (or his/her spouse)
- transfer to establish or release a security interest (collateral)
- transfer of real estate through normal public trading of stocks
- transfer between entities under common control or among members of an affiliated group
- transfer resulting from transactions that qualify as a tax-free reorganization
- transfer of qualified agricultural property when the property remains qualified agricultural property and an affidavit has been filed.
- transfer of qualified forest property when the property remains qualified forest property and an affidavit has been filed.
- transfer of land with qualified conservation easement (land only – not improvements)
- other, specify:

CERTIFICATION
I certify that the information above is true and complete to the best of my knowledge.

Owner's Signature

Date: 07/03/2013

If signer is other than the owner, print name and title

Daytime Phone Number: 248.853.3200

E-mail Address: gittare@falcon.com

RECEIVED

AUBURN HILLS
CITY ASSESSOR
JUL 1 0 2013
FIFTH AMENDMENT TO AGREEMENT

This FIFTH AMENDMENT TO AGREEMENT (the "Fifth Amendment") is made and entered into as of the 20th day of January, 2013, by and between Cardell Corporation, a Michigan corporation having an address of 2025 Taylor Road, Auburn Hills, Michigan 48326 ("Cardell") and the City of Auburn Hills, a Michigan municipal corporation having an address of 1827 Squirrel Road, Auburn Hills, Michigan 48326 (the "City").

WITNESSETH

WHEREAS, Cardell and the City entered into that certain Agreement, dated January 31, 1996 (the "Agreement") recorded at Liber 16015, Page 380, Oakland County Records, providing for Cardell’s obligation to pay certain monies to the City in connection with the City’s operation of a municipal golf course and related facilities and for such obligations to be secured by a lien upon certain real property located in the City of Auburn Hills, which property is more particularly described in the Appendix A attached hereto (the "Property"); and

WHEREAS, the Agreement was heretofore amended by an Amendment to Agreement dated December 16, 1996 recorded at Liber 17472, Page 539, Oakland County Land Records, a Second Amendment to Agreement dated August 8, 2000 recorded in Liber 21756, Page 260, Oakland County Land Records, a Third Amendment to Agreement dated June 19, 2009 recorded in Liber 42265, Page 743 and Liber 41277, Page 240, Oakland County Land Records, a Fourth Amendment dated August 9, 2010 recorded in Liber 42445, Page 442, Oakland County Land Records; and

WHEREAS, Parcels 1A and 1B described in the Agreement are the subject of a Purchase Agreement between, inter alia, Cardell and Ralco Property Holdings, LLC. ("Ralco"), whereby Ralco will develop these currently undeveloped parcels of property;

WHEREAS, one of the conditions to closing the sale of Parcels 1A and 1B to Ralco is that any lien that could potentially be created by the Agreement be removed prior to closing of the sale of Parcels 1A and 1B to Ralco; and

WHEREAS, the parties desire to further amend this Agreement by releasing Parcels 1A and 1B, the legal description of which is set forth in the Agreement and in Exhibit B attached hereto, from any lien created by the Agreement and by amending the lien relating to Parcels 1A and 1B as set forth below.

NOW, THEREFORE, in consideration of mutual promises and covenants contained herein, the payment referred to in Section 4 below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1. Exhibit A. Exhibit A to the Agreement is hereby deleted, and the Exhibit A-2 attached hereto is hereby substituted in lieu thereof.

2. Appendix D-1. The Third Amended Appendix D-1 is hereby deleted, and the Fourth Amended Appendix D-1 attached hereto is hereby substituted in lieu thereof.
Exhibit A

Legal Description

The land situated in the County of Oakland, City of Auburn Hills, State of Michigan, described as follows:

PARCEL 1:
Part of the Northeast 1/4 of Section 10, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, described as: Commencing at the North 1/4 corner of Section 10; thence along the North section line North 89 degrees 39 minutes 08 seconds East 330.30 feet to the Point of Beginning; thence continuing North 89 degrees 39 minutes 08 seconds East 983.60 feet; thence South 00 degrees 07 minutes 12 seconds East 290.12 feet; thence North 89 degrees 39 minutes 08 seconds East 227.39 feet; thence South 541.25 feet; thence West 647.10 feet to a point on the Northwesterly right of way line of East Taylor Road (83.00 feet wide); thence along said line 101.84 feet along a curve to the right, radius 523.50 feet, central angle 11 degrees 08 minutes 45 seconds, chord bearing North 36 degrees 47 minutes 39 seconds West, 101.68 feet; thence North 31 degrees 13 minutes 16 seconds West 722.67 feet; thence 181.37 feet along a non tangent curve to the left, radius 351.50 feet, central angle 29 degrees 33 minutes 47 seconds, chord bearing North 46 degrees 00 minutes 11 seconds West, 179.36 feet to the Point of Beginning.

Tax Item No. 14-10-200-015

PARCEL 2:
Part of the Northeast 1/4 of Section 10, Town 3 North, Range 10 East, City of Auburn Hills, Oakland County, Michigan, described as: Commencing at the North 1/4 corner of Section 10; thence along the North section line North 89 degrees 39 minutes 08 seconds East 1313.94 feet; thence South 00 degrees 07 minutes 12 seconds East 290.12 feet; thence North 89 degrees 39 minutes 08 seconds East 227.39 feet; thence South 541.25 feet to the Point of Beginning; thence continuing South 371.51 feet; thence along the Northerly right of way line of East Taylor Road (83.00 feet wide), North 62 degrees 37 minutes 37 seconds West 564.18 feet; thence 185.11 feet along a curve to the right, radius 523.50 feet, central angle 20 degrees 15 minutes 36 seconds, chord bearing North 52 degrees 29 minutes 49 seconds West, 184.15 feet; thence East 647.10 feet to the Point of Beginning.

Tax Item No. 14-10-200-016
3. **Release of Lien and Lien Rights.** The lien relating to Parcels 1A and 1B are hereby released and discharged and the lien rights of the City with respect to Parcels 1A and 1B, arising from the Agreement, are hereby waived from and after the date hereof.

4. **Absolute Payment.** In consideration of the changes set forth in Sections 1, 2 and 3 above, Cardell shall make a one-time payment of One Hundred and Ten Thousand Dollars ($110,000.00) to the City. The payment amount shall be due to the City within fourteen (14) calendar days after this Fifth Amendment is executed by the City and delivered to Cardell. Notwithstanding the foregoing, the City shall not execute this Fifth Amendment prior to the City providing approval of Ralco's plans to develop Parcels 1A and 1B. The payment to the City represents a final consummated payment transaction relating to this Fifth Amendment, and is not to be construed as a loan, advance, or any other designation that would suggest that the amount will be repaid by the City to Cardell in the future.

5. **Miscellaneous.**

   (a) This Agreement shall be governed and construed and enforced in accordance with the laws of the State of Michigan.

   (b) This Fifth Amendment is binding upon and shall inure to the benefit of the parties and their respective permitted successors and assigns under the Agreement.

   (c) Except as specifically modified hereby, the Agreement as amended by the Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and this Fifth Amendment shall continue in full force and effect and is hereby ratified and confirmed.

   IN WITNESS WHEREOF, the parties have each executed and delivered this Fifth Amendment as of the date and year first above written.

   In the presence of: 

   **CARDELL:**

   Cardell Corporation, a Michigan Corporation

   By: ____________
   
   [Signature]
   
   Its: ____________
   
   [Title]

   STATE OF Illinois
   
   COUNTY OF DuPage

   The foregoing instrument was acknowledge before me this 27th day of June, 2013, by ____________, [Title] of Cardell Corporation, a Michigan corporation, on behalf of the corporation.

   See page 3 for notary signature.
Nicole Sonesson, Notary Public
DuPage County, Illinois
My Commission Expires: 12/31/13

CITY:

City of Auburn Hills,
a Michigan municipal corporation

By:

By:

By:

Name: Peter B. August
Its: city manager

Name: Gary L. Barnes
Its: financial director

STATE OF MICHIGAN
COUNTY OF OAKLAND

The forgoing instrument was acknowledged before me this 20th day of July, 2013, by
Peter August, city manager and Gary Barnes, the City of Auburn Hills, Michigan, a
Michigan municipal corporation, on behalf of the municipal corporation.

JANE D. PARPART
Notary Public, State of Michigan
County of Oakland
My Commission Expires July 14, 2017
Acting in the County of Oakland

This document drafted by
and when recorded returned to:

Foley & Lardner LLP
One Detroit Center
500 Woodward Avenue, Suite 2700
Detroit, MI 48226-3489
Attn: James A. Manzi, Jr.
In the presence of:

Karin W. Warner
Name

Daniel B. Smith
Name

CITY:

City of Auburn Hills,
a Michigan municipal corporation

By:________________________
Name: Peter B. August
Its: CITY MANAGER

By:________________________
Name: Kary L. Barnes
Its: FINANCE DIRECTOR

STATE OF MICHIGAN
COUNTY OF OAKLAND

The forgoing instrument was acknowledge before me this 20th day of June, 2013, by Peter Auger, City Manager and Kary L. Barnes, the City of Auburn Hills, Michigan, a Michigan municipal corporation, on behalf of the municipal corporation.

JANE D. PARPART
Notary Public, State of Michigan
County of Oakland
My Commission Expires July 14, 2017
Acting in the County of Oakland

This document drafted by and when recorded returned to:

Foley & Lardner LLP
One Detroit Center
500 Woodward Avenue, Suite 2700
Detroit, MI 48226-3489
Attn: James A. Manzi, Jr.
Ms. Doyle asked for clarification of what is a Less than Lethal device.

Deputy Director Hardesty explained it may be a taser, a bean-bag round, a sock round, baton, or anything used to take control without taking a life. The weapons are not referred to as non-lethal because there is always the possibility of someone losing their life with one of these weapons; it is minimal - less lethal. The less than lethal weapons are used by individual agencies and by their personnel, through their own training and sole responsibility. If another agency uses the non-lethal weapons, they must be used in accordance with that local agency’s policies, and the user must be trained by that agency.

Moved by Knight; Seconded by Doyle.

RESOLVED: To approve the Memorandum of Understanding for the Oakland County Violent Gang Safe Streets Task Force between the Federal Bureau of Investigation and the Auburn Hills Police Department, Bloomfield Township Police Department, Homeland Security Investigations, Michigan State Police, Oakland County Sheriff’s Department, and Waterford Township Police Department and authorize the Director of Emergency Services to sign the agreement.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

9. NEW BUSINESS

9a Motion – Approval of Site Plan, Special Land Use Permits, and Tree Removal Permit / Ralco Industries Inc. World Headquarters

Mr. Cohen explained this site is located across from Fieldstone Golf Club. Ralco Industries has been located in Auburn Hills for 28 years and is currently occupying two buildings on Auburn Court. Ralco has outgrown the two current locations and is also in the process of diversifying their clientele and need to move to a larger facility. A 124,297 sq. ft. world headquarters and manufacturing facility is being proposed on 18.80 acres zoned I-2, General Industrial District. A Special Land Use Permit is needed for the stamping operation, as well as a small outside storage area in the rear of the building.

Mr. Cohen reminded Council it was the ordinance amendment permitting a building height to extend to 50 feet that allowed this project to move forward; the rear portion of the bay is 49 feet tall.

Continuing, Mr. Cohen noted the two curb cuts on Taylor Road, a number of access points for the truck traffic, and in general the plan has been reviewed and staff recommends approval. The whole team for Ralco Industries is present and available to answer any questions.

Bennett Donaldson stated Mr. Cohen did a thorough job of describing the project and asked if there were any questions. Ralco Industries is a stamping operation, but is moving forward with a new a wheelchair product which has recently been marketed overseas.

Mayor McDonald suggested the history of Ralco Industries be shared with the Council, noting the length of time the business has been in Auburn Hills, and wishes to build a new facility to remain in Auburn Hills.

Tom Ritter, CEO of Ralco Industries, stated the company has been in Auburn Hills since 1986, and is bursting at the seams. The metal stamping is only approximately 25% or 30% of the business. The company is more of a precision manufacturing, welding, and assembly facility. There is a lot of robotic welding, tubular manufacturing and metal stamping, supporting the automobile portion of the business. The company recently acquired technology from Johnson & Johnson known as push rim assist wheelchair; the only technology like this in the world. The wheelchairs will be exported to Europe, the Middle East, South America, Asia, Canada, as well as remaining in the U.S. The wheelchairs have passed FDA testing and are now moving into the production stage. The first orders have been received this week; both sides of the business are going very well.

Ms. Hammond questioned where the outside storage would be located.

Mr. Cohen explained the outdoor storage will be covered and screened from one side, with evergreen trees around the perimeter; and because it will be covered, the height will be restricted. It will be very difficult to see the outside storage because the facility will be so large.

Mr. Knight would generally be concerned about the press operation, but reading the detailed explanation provided, he is very comfortable with it and commended both staff and the petitioner for offering such a great explanation.

Ms. Doyle asked Mr. Ritter why he chose to stay and build in Auburn Hills.

Mr. Ritter stated the City has served his company well and is a great place to live and work. Auburn Hills is also the center of the universe for the American automobile. There have been various business climates over the years and things are again improving for the State and the State is treating businesses well; it is time to make a further investment. The company looks to Michigan colleges when seeking new employees.

Ms. Doyle asked if the new employees will be for the new wheelchair portion of the business and why the majority of the wheelchairs will be exported.
Mr. Ritter explained there is a 20% to 25% U.S. market for the wheelchairs, a small percentage largely because of Medicare and Medicaid systems don’t relate well to medical devices. The technology is very advanced, it looks like and acts as a typical wheelchair; however data is input that includes the weight and size of the user to enable the chair to climb ramps, travel across grass or uneven surfaces and when going downhill uses a braking system so the chair isn’t moving too quickly. Johnson & Johnson started marketing the wheelchair, but pulled it when trying to sell the I-bot; a much more expensive chair being aggressively marketed than the push rim assist chair. In some ways this chair is the predecessor to the Segway; the medical side of that technology.

Mr. Ritter continued, stating another reason this is such a welcomed wheelchair in Europe is because most countries are not ADA compliant as here in the U.S and have many cobblestone type streets and walks. There are 28 core countries in which this wheelchair will be marketed.

Ms. Doyle noted Auburn Hills is trying to be a very progressive community regarding environmental issues, and asked why it is so difficult for any new construction to be LEED certified, asking if it is meaningless.

Mr. Ritter stated meaningless isn’t correct, it is very expensive. The investment is greater than the return, if the cost can’t be recouped from producing any specific product. Everything that can be done, from a cost perspective, in constructing this building will be done; but many of the certification items are very expensive.

Responding to Mayor McDonald, Mr. Ritter stated the wheelchair is a complex rehab device, so they are custom built; each person has specific measurement taken to make a very specific chair for their body. This is the only robotically welded chair in the world, using the automotive technology has given them the ability of changing the way of making medical devices. The retail value of the chair is about $9,000.00.

Mr. Ritter confirmed for Ms. Verbeke that he will not allowing truck stacking on Taylor Road; there will be an adequate number of loading docks available so the trucks will not have to wait.

Moved by Knight; Seconded by Verbeke.

RESOLVED: To accept the Planning Commission’s recommendation and approve the Site Plan, Special Land Use Permits, and Tree Removal Permit for Falco Industries, Inc. – World Headquarters subject to staff and consultant’s conditions.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

9b. Motion – Accept the DOE Workplace Charging Challenge and Become a Partner in the Initiative

Mr. Cohen noted Auburn Hills has led Michigan and nationally in preparing for plug-in electric vehicles (PEV) with the help of the Clean Energy Coalition. The City has been making significant strides in preparing Michigan for the electric vehicles, but also has been looked at as a resource from several states, including outside the Midwest. The City has been included in handbooks for Hawaii, California, and Oregon, as how to adopt an ordinance to encourage developers to add PEV charging stations or prep for them for the future. The City has worked with 14 businesses over the two years, resulting in 58 spaces being prepped and 18 charging stations installed. The Department of Energy (DOE) has been very interested in what Auburn Hills has been doing. Last year he, Mr. Cohen traveled to Los Angeles and presented the City’s PEV sign which was designed by OHM and City staff. The sign has become the standard regulatory charging sign for the State of Michigan.

The City has been invited to become a partner with DOE; the City currently meets all conditions of becoming a partner. If Council chooses to become a partner, the announcement will be made in June along with several other companies becoming partners.

Mr. Cohen stated he is only aware of Sacramento being a partnering city.

Mr. Kittle commended Mr. Cohen on the information included in the packet being very thorough and very well done.

Moved by Verbeke; Seconded by Hammond.

RESOLVED: To accept the DOE’s Workplace Charging Challenge and become a Partner in the initiative.

VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDonald, Verbeke
No: None

Motion Carried (6-0)

9c. Motion – Accept the Fuel Forward Fleet Study and Adopt the Resolution Authorizing Efforts that Advance Alternative Fuel Adoption within the City’s Fleet and that Help to Support the Development of Alternative Vehicle Fueling Infrastructure within the City

Mr. Cohen introduced Mark Rabinsky and Heather Seyfarth, Clean Energy Coalition members he has been working with the last two years on preparing Michigan for plug-in electric vehicles (PEV). A second task force is currently working on planning for alternative fuel vehicles; compressed natural gas, propane and PEV’s. As part of the City’s participation in two grants, the Clean Energy Coalition offered to do a fleet study, providing data to move forward with a propane program
LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of the Effective Date by and between the
LANDLORD and the TENANT for the DEMISED PREMISES, all as designated in Paragraph 1, below,
upon the terms and conditions contained herein.

RECITALS:

1. **Basic Lease Terms and Definitions.**

   A. **Landlord:** Raco Property Holdings, LLC, whose address is 2720 Auburn Court,
      Auburn Hills, Michigan 48326.

   B. **Tenant:** Raco Industries, Inc., whose address is 2720 Auburn Court, Auburn
      Hills, Michigan 48326.

   C. **Effective Date:** TBD

   D. **Building:** 1925 Taylor Road, Auburn Hills, Michigan 48326.

   E. **Demised Premises:** Approximately 124,000 usable square feet located on the
      first and second floors in the Building.

      Landlord will construct the Building and the Demised Premises according
      to Paragraph 5 substantially in accordance with the plans and
      specifications attached hereto as Exhibit A. Landlord shall use its best
      efforts to ensure that Tenant will be able to occupy the Demised
      Premises within 90 days of issuance of a building permit by the City of
      Auburn Hills.

   F. **Term:** Twenty (20) years, plus any partial first month as set forth in Paragraph 4.

   G. **Rental Commencement Date:** The Rental Commencement Date shall be the
      date that Landlord has delivered possession of the Demised Premises to Tenant
      in the condition required by Paragraph 1(E), above.

   H. **Rent:**

      | Months | Monthly Rent | Annual Rent | Rent per SF |
      |--------|-------------|-------------|-------------|
      | 1-24   | $71,000     | $852,000    | $6.87       |

      For months 25-240, the Monthly Rent amount shall increase each 12-month period by an amount equal to
      Landlord’s increased out-of-pocket expenses relating to the Demised Premises.

   I. **Tenant’s Share of Taxes and Operating Expenses:** 100%

   J. **Base Year Taxes and Operating Expenses:** Taxes and Operating Expenses
      for Calendar Year 2013

   K. **Security Deposit:** $0.00
costs to be amortized over such reasonable period as Landlord shall determine, together with interest on the unamortized balance at the same rate of interest paid by Landlord in connection with any mortgage loan affecting the Development. The term "Operating Expenses" shall not include: (i) costs incurred by Landlord in connection with any financing or refinancing of the Development, (ii) Landlord's legal fees, (iii) costs which are chargeable to Tenant under any other provision of this Lease, such as Taxes and electricity consumption charges actually paid by tenants, (iv) tenant improvement expenses, (v) the cost of expansion or enlargement of the Building, (vi) leasing commissions, (vii) payments of principal and interest on any mortgage, (viii) any other costs paid by tenants or third parties, or (ix) the amount of any rebates, refunds, discounts or warranty claims received by Landlord. Tenant shall have the right upon reasonable notice to Landlord and during normal business hours to inspect Landlord's records pertaining to the Operating Expenses.

(c) As used herein, the term "Tenant's Share" shall mean the fraction set forth in Paragraph 1(i). Tenant's Share shall be subject to adjustment, from time to time, during the Term in the event of changes in the rentable square feet of the Building, either as a result of reconfiguration thereof or otherwise. The amount payable by Tenant in any year shall be determined by subtracting the Base Year Taxes and Operating Expenses from the current year Taxes and Operating Expenses, and multiplying the result by the fraction which is the Tenant's Share of Taxes and Operating Expenses. In the event that an Operating Expense reasonably pertains to only a part of the Building, Landlord shall have the right (but not the obligation) to equitably allocate those Operating Expenses among the various tenants in those areas of the Building in such manner as will ensure that each tenant pays an equitable portion of the Operating Expenses pertaining to that area.

(d) After the Base Year shown in Paragraph 1(J), Tenant shall pay, as additional Rent, Tenant's Share of Taxes and Operating Expenses that are in excess of the Base Year Taxes and Operating Expenses. Tenant's Share of Taxes and Operating Expenses for each calendar year shall be estimated from time to time by Landlord, and written notice thereof shall be given to Tenant prior to the due date of Tenant's first payment of Tenant's Share of Taxes and Operating Expenses, and thereafter whenever Landlord's estimate changes. Taxes shall be deemed to apply to the calendar year in which they first become due and payable, even though such taxes may be paid during a different calendar year. TENANT IS DIRECTLY RESPONSIBLE FOR PAYING THE PROPERTY TAXES TO THE LOCAL UNIT OF GOVERNMENT. Operating Expenses shall be deemed to apply to the calendar year in which they are paid. On or before the first day of each month, Tenant shall pay to Landlord one-twelfth (1/12th) of the estimated amount of each of Tenant's Share of Taxes and Operating Expenses, together with the Rent. As soon as reasonably possible after the end of each calendar year, Landlord shall prepare and deliver to Tenant a statement showing Tenant's Share of Taxes and Operating Expenses for each year. If, on the basis of such statement, Tenant's Share of Taxes and Operating Expenses is more or less than the estimated payments paid by Tenant for such calendar year, Tenant shall pay any deficiency to Landlord within thirty (30) days after receipt of the aforementioned statement, or Landlord shall credit any overpayments against the next installment of Tenant's Share of Taxes and Operating Expenses, as the case may be.

19. Quiet Enjoyment. Landlord warrants that Tenant, upon paying the Rents hereinbefore provided, subject to the terms and conditions of this Lease, and upon performing each and every covenant hereof, shall peacefully and quietly hold, occupy and enjoy the Demised Premises throughout the Term hereof, without interruption, disturbance, molestation or hindrance by any person holding under or through Landlord.

Notwithstanding the foregoing, Landlord shall have the right to enter the Demised Premises, upon reasonable notice to Tenant, during Tenant's regular business hours for the purpose of making inspections, performing repairs and alterations to the Building or the Demised Premises as set forth in this Lease. Landlord shall also have the right to enter the Demised Premises during the last nine (9) months during the term of this Lease for the purpose of showing the same to prospective tenants, provided that Tenant has not exercised any options or rights to renew or extend the term of this Lease. Landlord's entry will be with prior notice, except where such notice is not practical (such as emergencies, minor repairs, and the like). A permitted entry by Landlord shall not be deemed to be a violation of the quiet
THIS LEASE is executed as of the Effective Date.

LANDLORD:
Ralco Property Holdings, LLC, a Michigan limited liability company

By: [Signature], Member

TENANT: Ralco Industries, Inc., a Michigan corporation

By: [Signature], President
INTRODUCTION AND HISTORY

Earlier this year the Fire Department was awarded Federal 2012 Assistance to Firefighters Grant (AFG) for the purchase of ten rugged laptops along with software to be placed in AHFD apparatus. The funded amount for this grant is $48,500. Currently the FD does not have laptops in the vehicles so this is a step forward in technology. From the vehicle firefighters will now be able to access valuable information that has not been available to them while responding to calls for service. The software that will be added to the laptops is Pre-plan View which allows firefighters to see a drawing of what the building should look like and equally as important allows them to view any hazardous chemicals / materials present at the business, where the fire department connections may be (water source) and other information about the location important for fire fighters to know. This software is instrumental in helping us meet the Firefighter Right to Know (FFRTK) laws. The cost for the software is $3,500.

A request for proposal was placed on Bidnet for the rugged laptops and mounting equipment. There were nine vendors that submitted a bid for the rugged laptops. Of the nine vendors six were either outside the budgeted amount for laptops or didn’t meet the necessary specifications to be considered a rugged laptop. MobileTek Consulting, LLC recommended a Getac V100 model for $27,410. New Tech Solutions, Inc. recommended a Panasonic Toughbook CF-19 for $30,450. Zones, Inc. recommended a Dell that had less memory and a smaller hard drive for $30,932. The Getac V100 and Toughbook CF-19 were nearly identical machines with some minor variations. The major differences between the two related to warranty and repairs. New Tech solutions, Inc. is a wholesaler and is only in sales. In addition the Panasonic that they recommended only has a 3 year limited warranty. The Getac from MobileTEK has a five year “bumper to bumper” warranty and MobileTEK offers on site service when and if necessary to service our laptops. MobileTEK was also the least expensive bid by over $3,000 therefore we are recommending MobileTEK for purchase.

Three bids were received for the mounting equipment and installation. One vendor bid but after further investigation they informed us that their docks would not match the laptops. Another vendor submitted an incomplete bid. We reached out to them and gave them an opportunity to modify their bid with the correct requested information and they never responded. This left us with one vendor, Mobile-Tek. They came up with unique mounting solutions for our vehicles and were the only company to meet all the necessary specifications. This is also the same company that we are recommending the laptops be purchased through, thus creating only one point of contact for the project. MobileTEK’s submitted bid was for $13,730.

STAFF RECOMMENDATION

Approve the purchase of 10 rugged laptops and mounting equipment in the amount of $41,140 from MobileTEK Consulting, LLC along with ten computer licenses from Pre-plan View for $3,500 for a total of $44,640.

MOTION

Move to purchase of ten (10) rugged laptops along with software and mounting equipment from Mobile-Tek and authorize the City Manager to convey acceptance by purchase order.

I CONCUR: 

PETER E. AUGER, CITY MANAGER
INTRODUCTION AND HISTORY

Verizon Wireless is currently leasing space on the monopole tower located on the City Hall Campus, at 3303 East Seyburn Drive. Twelve (12) antennas with associated equipment are currently mounted at this location to support cellular telephone service. Attached is a letter from Verizon Wireless with a request for consent to replace 6 of the existing antennas with like equipment.

Derk Beckerleg of Secrest Wardle has reviewed the consent letter and has determined that the request is consistent with the lease agreement entered into with the City, and finds the same to be satisfactory from a legal standpoint. Attached is Derk Beckerleg’s review letter which you will find fairly self explanatory. Tim Juidici of OHM has reviewed the specification sheets, and finds that the proposed replacement antennas and equipment are an upgrade in technology and are similar in size and scale with no noticeable difference in appearance.

STAFF RECOMMENDATION

Therefore, staff has determined that the consent letter submitted by Verizon Wireless is reasonable and consistent with the lease agreement, and is appropriate for City Council to approve with the following motion.

MOTION

Move to direct the City Manager to approve the request of Verizon Wireless to replace six (6) of their existing twelve (12) antennas with like equipment on the monopole tower located at 3303 East Seyburn Drive within the spirit of the lease agreement with the City of Auburn Hills.

I CONCUR:  

PETER E. AUGER, CITY MANAGER
August 13, 2013

Via Email
Peter Auger
City Manager
City of Auburn Hills
1827 N. Squirrel Road
Auburn Hills, MI 48326

Re: Request of Verizon Wireless to Change Antennas on the Monopole Tower at Site #195, 3303 East Seyburn Drive, Auburn Hills, Michigan
Our File No. 3177 HN5

Dear Pete:

Enclosed please find a proposed consent letter from Bob Przybylo of Verizon Wireless, in which Mr. Przybylo is requesting on behalf of Verizon Wireless the City’s consent to Verizon Wireless replacing six old antennas with six new antennas on the monopole tower located at 3303 East Seyburn Drive, Auburn Hills, Michigan.

Specifically, the monopole tower is located on property owned by the City of Auburn Hills at 3303 East Seyburn Drive, Auburn Hills, Michigan, with said property being leased by the City to Verizon Wireless (formerly Detroit Cellular Telephone Company) pursuant to an August 18, 1995 lease between the City and Detroit Cellular Telephone Company.

Section 1(d) of the August 18, 1995 lease provides that Verizon shall have the right to use space on the tower from a height of one hundred twenty feet to a height of one hundred fifty feet with the City having the right to grant or deny any requests of Detroit Cellular for additional space, which consent shall not be unreasonably withheld:

(d) Tenant shall have the right to use space on this Tower, from a height of one hundred twenty (120) feet to a height of one hundred fifty (150) feet for the installation, maintenance and operation of up to 20 antennae and attached cables each, and the Landlord’s Public Safety and other municipal departments shall have a right to use all space on the Tower which is not specifically reserved for Tenant in this Lease Agreement or is not specially reserved by Detroit SMSA Limited Partnership (Ameritech) in the Lease between Detroit SMSA Limited Partnership (Ameritech) and the City. The Landlord has the right to grant or deny any requests of Tenant for additional space, and such consent shall not be unreasonably withheld. The Tenant shall provide, at no cost to the
Landlord, as many antenna ports and additional antennas the
Landlord may require through the life of this Lease as long as the
structural integrity of the monopole tower is not structurally
compromised. However, after the initial construction of the
Tower, Landlord shall purchase the new antennas, said antennas to
be installed by Tenant at no cost to Landlord.

In addition, Section 6(a) of the Lease provides that Verizon may, from
time, to time replace antennas and other equipment, such replacements being
subject to the City’s prior written consent, which consent will not be unreasonably
withheld:

(a) Tenant will, at its own cost, install antennae, transmission
lines and cables and other equipment on the Premises. Tenant
may from time-to-time replace antennae, antennae lines, cables
and other equipment with the same of different specifications, so
long as the installation of the same is otherwise in compliance
with this Lease and applicable laws, ordinances, rules and
regulations. All such replacements of antennae lines, cables and
other equipment are subject to Landlord’s prior written consent,
which consent shall not be unreasonably withheld.

I have reviewed the proposed consent letter submitted by Mr. Przybylo on
behalf of Verizon Wireless and find the same to be satisfactory from a legal
standpoint and therefore appropriate to present to the Auburn Hills City Council
for its consideration. I would recommend that you share a copy of the equipment
specification sheets, which are enclosed, with either Orchard Hiltz & McCliment
and/or Ron Melchert to ensure that the replacement antennae will not somehow
negatively impact the existing tower.

Thank you very much for your cooperation and courtesy.

Very truly yours,

Derk W. Beckerleg

DWB:cu
Enclosures

cc: Ron Melchert, City of Auburn Hills (via email)
Tim Juidici, Orchard Hiltz & McCliment, Inc. (via email)
May 13, 2013

Peter Auger
City Manager
City of Auburn Hills
1827 North Squirrel Road
Auburn Hills, MI 48326
Via email pauger@auburnhills.org

Attention: Mr. Peter Auger

Re: Antenna Change Verizon Wireless Site #195 located at 3303 East Seyburn Drive, Auburn Hills, MI.

Dear Mr. Auger:

Verizon Wireless, formerly Airtouch Cellular, and contractually referred to as Detroit Cellular Telephone Company, is leasing space on the monopole tower where it currently has twelve (12) antennas with associated equipment.

Please be advised that Verizon will be replacing four (4) 7192-16 and two (2) LPA-80063/4CF antennas with three (3) LNX-6513DS and three (3) HBX-6516DS antennas. The other six (6) existing antennas will remain. The existing antenna mounting brackets will be used. This equipment change is considered like for like, similar in type, size, weight, and shape. Attached are spec sheets for the new antennas and associated equipment.

Pursuant to our lease, we are requesting your cooperation and consent to the antenna change. We would like to commence the work within the next few weeks. Please grant your consent with the appropriate signature below and fax it to me at (248) 723-5571.

If you have any questions regarding this work, please contact me at (248) 613-4399. Thank you in advance for your attention to this matter.

Sincerely,

Bob Przybylo
On behalf of Verizon Wireless

Enclosure

Agreed and approved this ___ day of ________, 2013 by LESSOR:

__________________________
Signature:

__________________________
Name:

__________________________
Title:
### Electrical Specifications

<table>
<thead>
<tr>
<th></th>
<th>7129.20</th>
<th>7129.16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Polarization</strong></td>
<td>Linear, vertical</td>
<td>Linear, vertical</td>
</tr>
<tr>
<td><strong>Gain dB (dBi)</strong></td>
<td>11 (13)</td>
<td>13 (15)</td>
</tr>
<tr>
<td><strong>Horizontal 3dB beamwidth</strong></td>
<td>&gt;30°</td>
<td>&gt;30°</td>
</tr>
<tr>
<td><strong>Front-to-back ratio</strong></td>
<td>&gt;30 dB</td>
<td>&gt;30 dB</td>
</tr>
<tr>
<td><strong>Front-to-back ratio</strong></td>
<td>&gt;2.5°</td>
<td>&gt;2.5°</td>
</tr>
<tr>
<td><strong>Electrical Downtilt</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Nominal impedance</strong></td>
<td>50 ohm</td>
<td>50 ohm</td>
</tr>
<tr>
<td><strong>VSWR</strong></td>
<td>&lt;1.5:1</td>
<td>&lt;1.5:1</td>
</tr>
<tr>
<td><strong>Maximum input power</strong></td>
<td>500 W</td>
<td>500 W</td>
</tr>
<tr>
<td><strong>Intermodulation products (2Tx@20 W)</strong></td>
<td>&lt;-103 dBm</td>
<td>&lt;-103 dBm</td>
</tr>
</tbody>
</table>

### Mechanical Specifications

<table>
<thead>
<tr>
<th></th>
<th>7129.20</th>
<th>7129.16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Height</strong></td>
<td>31.5&quot; (.8m)</td>
<td>32&quot; (.82m)</td>
</tr>
<tr>
<td><strong>Width</strong></td>
<td>13&quot; (.33m)</td>
<td>13&quot; (.33m)</td>
</tr>
<tr>
<td><strong>Depth</strong></td>
<td>11.4&quot; (.29m)</td>
<td>11.4&quot; (.29m)</td>
</tr>
<tr>
<td><strong>Weight</strong></td>
<td>12.1 lb (5.5 kg)</td>
<td>17.4&quot; (7.9kg)</td>
</tr>
<tr>
<td><strong>Survival wind speed</strong></td>
<td>120 mph (70 m/s)</td>
<td>156 mph (82 m/s)</td>
</tr>
<tr>
<td><strong>Maximum wind area</strong></td>
<td>2.7 sq ft (.25 sq m)</td>
<td>4.5 sq ft (.42 sq m)</td>
</tr>
<tr>
<td><strong>Maximum wind load</strong></td>
<td>390N</td>
<td>450N</td>
</tr>
<tr>
<td><strong>Wind load, frontal @112mph (50 m/s)</strong></td>
<td>250N</td>
<td>416N</td>
</tr>
</tbody>
</table>

### Part Number Guide:

- **Ex: 7129.14.XX.00**
- **Electrical Downtilt**
- **Type of Connector**
  - .05 - N Connector
  - .22 - E Connector
  - .33 - 7/16 DIN Connector

---

**Allgon Log Periodic 85°**

**Call 1-888-Allgon 1**

*Base Station Antennas*  
*Page 25*
LPA-80063-4CF-EDIN-X

V-Pol | Log Periodic | 63° | 13.0 dBi

**Electrical Characteristics**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency bands</td>
<td>806-960 MHz</td>
</tr>
<tr>
<td>Polarization</td>
<td>Vertical</td>
</tr>
<tr>
<td>Horizontal beamwidth</td>
<td>63°</td>
</tr>
<tr>
<td>Vertical beamwidth</td>
<td>15°</td>
</tr>
<tr>
<td>Gain</td>
<td>13.0 dBi (15.1 dBi)</td>
</tr>
<tr>
<td>Electrical downtil (X)</td>
<td>0, 2, 4, 5, 6, 8, 10, 12, 14</td>
</tr>
<tr>
<td>Impedance</td>
<td>50Ω</td>
</tr>
<tr>
<td>VSWR</td>
<td>≤1.4:1</td>
</tr>
<tr>
<td>Upper sidelobe suppression</td>
<td>-15.7 dB</td>
</tr>
<tr>
<td>Front-to-back ratio (+/30°)</td>
<td>-31.7 dB</td>
</tr>
<tr>
<td>Null fill</td>
<td>5% (-25.02 dB)</td>
</tr>
<tr>
<td>Input power</td>
<td>500 W</td>
</tr>
<tr>
<td>Lightning protection</td>
<td>Direct Ground</td>
</tr>
<tr>
<td>Connector(s)</td>
<td>1 Port / EDIN or NE / Female / Center (Back)</td>
</tr>
</tbody>
</table>

**Measurements**

| Dimension          | Length x Width x Depth | Weight
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency bands</td>
<td>806-960 MHz</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Polarity</td>
<td>Vertical</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Horizontal beamwidth</td>
<td>63°</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Vertical beamwidth</td>
<td>15°</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Gain</td>
<td>13.0 dBi (15.1 dBi)</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Electrical downtil (X)</td>
<td>0, 2, 4, 5, 6, 8, 10, 12, 14</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Impedance</td>
<td>50Ω</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>VSWR</td>
<td>≤1.4:1</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Upper sidelobe suppression</td>
<td>-15.7 dB</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Front-to-back ratio (+/30°)</td>
<td>-31.7 dB</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Null fill</td>
<td>5% (-25.02 dB)</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Input power</td>
<td>500 W</td>
<td>14.6 lb</td>
</tr>
<tr>
<td>Lightning protection</td>
<td>Direct Ground</td>
<td>14.6 lb</td>
</tr>
</tbody>
</table>

**Mounting Options**

<table>
<thead>
<tr>
<th>Mounting Option</th>
<th>Part Number</th>
<th>Fits Pipe Diameter</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Point Mounting &amp; Downtilt</td>
<td>219999999</td>
<td>50-102 mm</td>
<td>5.4 kg</td>
</tr>
<tr>
<td>Bracket Kit (0-20°)</td>
<td></td>
<td>2.0-4.0 in</td>
<td>12 lbs</td>
</tr>
</tbody>
</table>

**Lock-Down Bracket**

If the lock-down brace is used, the maximum diameter of the mounting pipe is 88.9 mm or 3.5 in.

---

Quoted performance parameters are provided to offer typical or range values only and may vary as a result of normal manufacturing and operational conditions. Extreme operational conditions and/or stress on structural supports is beyond our control. Such conditions may result in damage to this product. Improvements to product may be made without notice.
Product Specifications

LNX-6513DS-VTM
DualPol® Antenna, 698–896 MHz, 65° horizontal beamwidth, RET compatible

- Fully compatible with Andrew Teletilt® remote control system
- Extended tilt range offers better coverage
- Great solution to maximize network coverage and capacity
- Excellent gain, VSWR, front-to-back ratio, and PIM specifications for robust network performance
- Fully compatible with Andrew remote electrical tilt system for greater OpEx savings
- The RF connectors are IP67 rated and the radome is IP56 rated

Electrical Specifications

<table>
<thead>
<tr>
<th>Frequency Band, MHz</th>
<th>698–806</th>
<th>806–896</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain, dBi</td>
<td>14.6</td>
<td>15.1</td>
</tr>
<tr>
<td>Beamwidth, Horizontal, degrees</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Beamwidth, Horizontal Tolerance, degrees</td>
<td>±3</td>
<td>±3</td>
</tr>
<tr>
<td>Beamwidth, Vertical, degrees</td>
<td>16.0</td>
<td>14.5</td>
</tr>
<tr>
<td>Beam Tilt, degrees</td>
<td>0–10</td>
<td>0–10</td>
</tr>
<tr>
<td>USLS, typical, dB</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Front-to-Back Ratio at 180°, dB</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>CPR at Boresight, dB</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>CPR at Sector, dB</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Isolation, dB</td>
<td>1.4:1</td>
<td>1.4:1</td>
</tr>
<tr>
<td>VSWR</td>
<td>Return Loss, dB</td>
<td>15.6</td>
</tr>
<tr>
<td>PIM, 3rd Order, 2 x 20 W, dBC</td>
<td>-150</td>
<td>-150</td>
</tr>
<tr>
<td>Input Power per Port, maximum, watts</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>±45°</td>
<td>Polarization</td>
<td>50 ohm</td>
</tr>
<tr>
<td>50 ohm</td>
<td>Impedance</td>
<td>dc Ground</td>
</tr>
<tr>
<td>Lightning Protection</td>
<td>Light gray</td>
<td>Fiberglass, UV resistant</td>
</tr>
</tbody>
</table>

Mechanical Specifications

<table>
<thead>
<tr>
<th>Color</th>
<th>Radome Material</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light gray</td>
<td>Fiberglass, UV resistant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Connector Interface</th>
<th>Location</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-16 DIN Female</td>
<td>Bottom</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wind Loading, maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>437.9 N @ 150 km/h</td>
</tr>
<tr>
<td>98.4 lbf @ 150 km/h</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wind Speed, maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>241.0 km/h</td>
</tr>
</tbody>
</table>

Dimensions

<table>
<thead>
<tr>
<th>Depth</th>
</tr>
</thead>
<tbody>
<tr>
<td>181.0 mm</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>1390.00 mm</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Width</th>
</tr>
</thead>
<tbody>
<tr>
<td>301.00 mm</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.10 kg</td>
</tr>
</tbody>
</table>

Remote Electrical Tilt (RET) Information

Model with Factory Installed AISG 1.1 Actuator LNX-6513DS-R2M
Model with Factory Installed AISG 2.0 Actuator LNX-6513DS-A1M

Regulatory Compliance/Certifications

©2012 CommScope, Inc. All rights reserved. All trademarks identified by ® or ™ are registered trademarks, respectively, of CommScope. All specifications are subject to change without notice. See www.commscope.com for the most current information. Revised: April 23, 2012
Product Specifications

Andrew Solutions
HBX-6516DS-STM

Andrew® DualPol® Teletilt® Antenna, 1710–2170 MHz, 65° horizontal beamwidth, RET compatible

- Superior azimuth tracking and pattern symmetry to minimize any sector overlap
- Rugged, reliable design with excellent passive intermodulation suppression
- Fully compatible with Andrew Teletilt® remote control system

**Electrical Specifications**

<table>
<thead>
<tr>
<th>Frequency Band, MHz</th>
<th>1710-1880</th>
<th>1850-1990</th>
<th>1920-2170</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain, dBi</td>
<td>17.7</td>
<td>18.0</td>
<td>18.0</td>
</tr>
<tr>
<td>Beamwidth, Horizontal, degrees</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Beamwidth, Vertical, degrees</td>
<td>7.0</td>
<td>7.0</td>
<td>6.5</td>
</tr>
<tr>
<td>USLS, typical, dB</td>
<td>0-10</td>
<td>0-10</td>
<td>0-10</td>
</tr>
<tr>
<td>Front-to-Back Ratio at 180°, dB</td>
<td>1.4:1</td>
<td>1.4:1</td>
<td>1.4:1</td>
</tr>
<tr>
<td>Isolation, dB</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>VSWR</td>
<td>Return Loss, dB</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>PIM, 3rd Order, 2 x 20 W, dBC</td>
<td>-153</td>
<td>-153</td>
<td>-153</td>
</tr>
<tr>
<td>Input Power per Port, maximum, watts</td>
<td>350</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td>Polarization</td>
<td>±45°</td>
<td>±45°</td>
<td>±45°</td>
</tr>
<tr>
<td>Impedance</td>
<td>50 ohm</td>
<td>50 ohm</td>
<td>50 ohm</td>
</tr>
<tr>
<td>Lighting Protection</td>
<td>dc Ground</td>
<td>dc Ground</td>
<td>dc Ground</td>
</tr>
</tbody>
</table>

**Mechanical Specifications**

- Color | Radome Material: Light grey | PVC, UV resistant
- Connector Interface | Location | Quantity: 7-16 DIN Female | Bottom | 2
- Wind Loading, maximum: 256.8 N @ 150 km/h | 57.7 lbf @ 150 km/h
- Wind Speed, maximum: 241.0 km/h | 149.8 mph

**Dimensions**

- Depth: 83.0 mm | 3.3 in
- Length: 1306.00 mm | 51.42 in
- Width: 166.00 mm | 6.54 in
- Net Weight: 4.70 kg | 10.36 lb

**Remote Electrical Tilt (RET) Information**

- Model with Factory Installed AISG 1.1 Actuator HBX-6516DS-R2M
- Model with Factory Installed AISG 2.0 Actuator HBX-6516DS-ALM

**Regulatory Compliance/Certifications**

- Classification: Classification
  - Compliant by Exemption
  - Above Maximum Concentration Value (MCV)
  - Designed, manufactured and/or distributed under this quality management system

©2013 CommScope, Inc. All rights reserved. All trademarks identified by ® or ™ are registered trademarks, respectively, of CommScope. All specifications are subject to change without notice. See www.commscope.com for the most current information. Revised: March 13, 2013

April 5, 2013
The FFUS 12 size, height, width, and depth with solar shield, is shown in Figure 2.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>1,710 to 1,785 MHz uplink</td>
</tr>
<tr>
<td></td>
<td>1,805 to 1,880 MHz downlink</td>
</tr>
<tr>
<td></td>
<td>IBW 25 MHz</td>
</tr>
<tr>
<td></td>
<td>B3 for WCDMA and LTE (Type B)</td>
</tr>
<tr>
<td><strong>Dimensions with Solar Shield and Handle and Feet</strong></td>
<td></td>
</tr>
<tr>
<td>Height</td>
<td>518 mm</td>
</tr>
<tr>
<td>Width</td>
<td>470 mm</td>
</tr>
<tr>
<td>Depth Type B</td>
<td>187 mm</td>
</tr>
<tr>
<td><strong>Dimensions without Solar Shield and without Handle or Feet</strong></td>
<td></td>
</tr>
<tr>
<td>Height</td>
<td>418 mm</td>
</tr>
<tr>
<td>Width</td>
<td>458 mm</td>
</tr>
<tr>
<td>Depth Type B</td>
<td>159 mm</td>
</tr>
<tr>
<td><strong>Weight</strong></td>
<td></td>
</tr>
<tr>
<td>RRUS 12 Type B</td>
<td>26.3 kg</td>
</tr>
<tr>
<td><strong>Color</strong></td>
<td></td>
</tr>
<tr>
<td>Gray</td>
<td></td>
</tr>
</tbody>
</table>
DC Surge Protection for RRH/Integrated Antenna Radio Head
RxDC-4750-PF-48 • RxDC-3315-PF-48
Tower / Base / Rooftop / Rooftop Distribution Models

Raycap's flexible Tower, Base Stations and Rooftop protection and Distribution products provide protection for up to 6 Remote Radio Heads/Integrated Antennas. The solutions mitigate the risk of damage due to lightning and provide high levels of availability and reliability to radio equipment.

Features
- Employs the Strikesorb® 30-V1-HV Surge Protective Device (SPD) specifically designed for the Remote Radio Head (RRH) installation environment and certified for use in DC applications and at low DC operating voltages (48V).
- The Strikesorb 30-V1-HV is a Class I SPD, certified by VDE per the IEC 61643-1 standard as suitable for installation in areas where direct lightning exposure is expected. Strikesorb 30-V1-HV is able to withstand direct lightning currents of up to 5kA (10/350) and induced surge currents of up to 60kA (8/20).
- Provides very low let through / clamping voltage - unique for a Class I product - as it does not employ spark gaps or other switching elements. Strikesorb offers unique protection levels to the RRH equipment as well as the Base Band Units.
- Alarms for SPD sacrifice, Moisture detection and Intrusion.
- Patent pending design

Benefits
- Offers unique maintenance-free protection against direct lightning currents.
- Protects up to 6 Remote Radio Heads and connects up to 12 fiber pairs.
- Utilizes an IP 67 rated enclosure, allowing for indoor or outdoor installation on a roof or tower top.
- Configurable cable ports are designed to accommodate varying diameters of hybrid (combined power and fiber optic) or standard cables with diameters up to 2" (will fit most standard 1¼" coax class cables) depending upon port configuration.
- Lightweight aerodynamic design provides maximum flexibility for tower top installation.
- Companion to the RxDC-1064-PF-48 (Sector) model.

Raycap
www.raycapsurgeprotection.com
DC Surge Protection for RRH/Integrated Antenna Radio Head
RxxDC-4750-PF-48 + RxxDC-3315-PF-48
Tower / Base / Rooftop / Rooftop Distribution Models

Electrical

<table>
<thead>
<tr>
<th>Model Numbers</th>
<th>RxxDC-4750-PF-48</th>
<th>RxxDC-3315-PF-48</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal Operating Voltage</td>
<td>48 VDC</td>
<td>48 VDC</td>
</tr>
<tr>
<td>Nominal Discharge Current I(,)</td>
<td>n/a</td>
<td>20 kA 8/20 μs</td>
</tr>
<tr>
<td>Maximum Surge Current I(,)</td>
<td>n/a</td>
<td>60 kA 8/20 μs</td>
</tr>
<tr>
<td>Maximum Impulse (Lightning) Current per IEC 61643-1</td>
<td>n/a</td>
<td>5 kA 10/250 μs</td>
</tr>
<tr>
<td>Maximum Continuous Operating Voltage U(,)</td>
<td>n/a</td>
<td>75 VDC</td>
</tr>
<tr>
<td>Voltage Protection Rating (VPR) per UL 1449 3rd Edition</td>
<td>n/a</td>
<td>400V</td>
</tr>
<tr>
<td>Protection Class as per IEC 61643-1</td>
<td>n/a</td>
<td>Class I</td>
</tr>
<tr>
<td>SPD Alarm</td>
<td>n/a</td>
<td>upon sacrifice</td>
</tr>
<tr>
<td>Intrusion Sensor</td>
<td>microswitch</td>
<td>microswitch</td>
</tr>
<tr>
<td>Moisture Sensor</td>
<td>infrared moisture detector</td>
<td>infrared moisture detector</td>
</tr>
<tr>
<td>Strikesorb Module Type</td>
<td>No Strikesorb modules installed (used as Distribution Unit only)</td>
<td>Strikesorb modules installed to protect 6 Remote Radio Heads</td>
</tr>
</tbody>
</table>

Mechanical

<table>
<thead>
<tr>
<th>Suppression Connection Method</th>
<th>Compression lug, #20 - #6 AWG (0.5 mm² - 16 mm²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiber Connection Method</td>
<td>LC-LC Single mode</td>
</tr>
<tr>
<td>Pressure Equalizing Vent</td>
<td>Gore™ Vent</td>
</tr>
<tr>
<td>Environmental Rating</td>
<td>IP 67</td>
</tr>
<tr>
<td>Operating Temperature</td>
<td>-40° C to +80° C</td>
</tr>
<tr>
<td>UV Resistant</td>
<td>Yes</td>
</tr>
<tr>
<td>Weight</td>
<td>System: 26 lbs (11.80 kg)</td>
</tr>
<tr>
<td>Combined Wind Loading</td>
<td>150 mph (sustained); 200 lbs (899.6 N)</td>
</tr>
</tbody>
</table>

Strikesorb modules are compliant to the following Surge Protective Devices (SPD) Standards

- ANSI/UL 1449 3rd Edition
- IEEE C62.41
- NEMA LS-1, IEC 61643-1:2005 2nd Edition (Class I Protection)
- IEC 61643-12

Product Diagram

Raycap
www.raycapsurgeprotection.com
To: Mayor and City Council  
From: Peter E. Auger, City Manager; Brian Marzolf, Recreation Director; Ron Melchert, Director of Public Works  
Submitted: August 15, 2013  
Subject: Consideration of release of Request for Proposals for oil & gas leasing rights on city properties

**INTRODUCTION AND HISTORY**

We have recently learned that there may be a vein of natural oil and gas underground in the northern area of Auburn Hills, stretching roughly from near Great Lakes Crossing eastward toward the E. Dale Fisk Hawk Woods Nature Center, and potentially beyond in both directions. Privately owned firms involved in developing oil and gas are currently pursuing leasing rights to do so in these areas.

We’ve also learned from the MSU Extension office that there is an increased interest in leasing oil and gas rights in Oakland County that is resulting in a potential new income source for private landowners, as well as municipalities like the City of Livonia, and park systems like Kensington Metropark and the Huron-Clinton Metropolitan Authority for example, who are realizing substantial new revenues from oil and gas leases on their properties while remaining sensitive to their natural environments.

With this opportunity in mind, and recognizing the need for new, non-traditional funding sources as an additional means for continued progress and growth, city staff has drafted a Request for Proposal (attached) for your consideration. The RFP invites interested parties to submit proposals to lease the oil rights on city-owned properties, including roads, right-of-ways, parks, and other properties owned by the city within the areas of interest. The proposals will include: examples and locations of current operating wells located on municipal properties in the State of Michigan; at least three municipal references; insurance requirements; and proposed oil and gas lease options for the city to consider, including a bonus payment per acre, paid up front, and an offer of royalties if/when oil is found.

Typical lease terms for oil & gas rights are 5 years, with an option to extend 2 years. Typical lease language would indicate that if a well is opened and it’s producing oil in paying quantities (royalties) that the lease automatically extends for as long as the well is producing paying quantities of oil – the exit clause for the City would be the 5 to 7 year time frame, or when the well is not producing paying quantities of oil. The lease could go on for years, in some cases wells from the 1980’s are still producing enough oil to pay royalties to landowners.

An example published by the MSU Extension office, depicts the magnitude of royalties in the ideal situation using gross income:

Situation: 40 acres, one oil well @25 barrels/day for 200 days @ $90 barrel:  
25 barrels x 200 days x $90 barrel = $450,000/year

1/8 royalty = $56,250/yr = $1,406/acre/yr (12.5% typical rate for federal government) 
1/6 royalty = $75,150/yr = $1,878/acre/yr (16.7% typical rate for State of Michigan) 
3/16 royalty = $84,375/yr = $2,109/acre/yr (12.5% to 25% typical rate for private leases) 
.20 royalty = $90,000/yr = $2,250/acre/yr (20% not uncommon in TX, CO, PA)
Revenues generated from the leasing of oil and gas rights on certain city properties could be used to help fund a variety of quality of life programs and facilities throughout the city as well as future operational and infrastructure needs of the city.

**STAFF RECOMMENDATION**

If further exploration of this opportunity is appealing, staff will release the RFP, and develop a report which will be brought back to Council for further consideration. As the RFP indicates, the City reserves the right to reject any and all proposals.

**MOTION**

Move “to support the release of the Oil & Gas RFP to explore oil and gas leasing rights on city properties”.

I CONCUR:  PETER E. AUGER, CITY MANAGER
REQUEST FOR PROPOSALS FOR OIL AND GAS LEASE

Proposal Due Date:
When submitting your proposal, please provide responses to the following:

1. Name, address, and contact information for your company.

2. Provide documentation to show your legal right to do business in the State of Michigan (i.e., Articles of Incorporation or Articles of Organization) and also, provide the name and address of your Registered Agent in Michigan.

3. Provide biographies of the principals of your organization, including experiences in the oil and gas business.

4. Provide examples and locations of all current operating wells located on municipal properties in the State of Michigan under the control of your organization. In the event that you are not currently operating any wells on municipal property in Michigan, please provide examples and locations of all current operating wells on other properties in the State of Michigan under the control of your organization.

5. Is your organization willing to provide a Certificate of Liability Insurance with the following minimum requirements?
   i. General Liability, $2,000,000 each occurrence, $4,000,000 general and products-completed operations aggregates naming the City of Auburn Hills as additional insured.
   ii. Personal Injury - $2,000,000 aggregate naming the City of Auburn Hills as additional insured.
   iii. Workers' Compensation - $100,000 E.L. each accident; $100,000 E.L. each disease – each employee; $500,000 E.L. Disease – Policy Limit.
   iv. Hold Harmless Agreement (attached)
   v. Insurance carrier must have A or better AM Best rating
   vi. 30-day notice of cancellation for other than non-payment premium
   vii. Waiver of subrogation

6. List of at least 3 references with names and phone numbers.

7. Provide a copy of the proposed Oil & Gas Lease including bonus payment offered and royalty offered.

8. List at least 3 municipal references with names and phone numbers.

Please feel free to include any and all additional items you would like for the City to consider when reviewing your proposal.

Thank you for participating in this proposal process.
INFORMATION REQUIRED FOR OIL AND GAS LEASE PROPOSAL:

City of Auburn Hills is accepting Proposals for the purpose of possibly entering into an Oil and Gas Lease for city owned property. All proposals must be received no later than 3:00 p.m. on ________________ at the City Clerk’s Office, 1827 N. Squirrel Rd., Auburn Hills, MI 48326. All proposals should be in an envelope clearly marked "OIL AND GAS LEASE". Any questions may be directed to the City office at (248) 370-9353 or (248) 391-3777 during normal business hours.

DESCRIPTION:

The City of Auburn Hills has multiple parcels of property available for gas and oil lease. Please submit the legal descriptions and/or addresses of the parcels of property you desire to lease.

Upon receipt of the proposals, the City shall have the right to contact any firm that submits a proposal. City staff may then make a recommendation to the City Council to proceed with negotiations on a written lease agreement with a recommended lessee.

The City of Auburn Hills reserves the right to reject any and all proposals, to waive any informalities or irregularities in the proposal process and to award the lease in the best interest of the City.
In the Spotlight!

ARBOR DAY EVENT

Auburn Hills Christian School on N. Squirrel Rd. was the location of our 14th Annual Arbor Day Celebration. 80 students from 6 classrooms in grades 3-6 and their teachers helped celebrate Arbor Day and our “Tree City USA” status. Students learned about the value of trees in our community, then helped plant a ceremonial tree right outside their school, shoveling dirt and adding water to their new “Hackberry” tree.
August 1, 2013

Michigan Municipal League Annual Meeting Notice

(Please present at the next Council, Commission or Board Meeting)

Dear Official:

The Annual Convention of the Michigan Municipal League will be held in Detroit, September 17-20, 2013. The “Annual Meeting” is scheduled for 4:00 pm on Wednesday, September 18 in the Richard Room at the Detroit Marriott at the Renaissance Center. The meeting will be held for the following purposes:

1. **Election of Trustees.** To elect six members of the Board of Trustees for terms of three years each (see #1 on page 2).

2. **Policy.** A) To vote on the Core Legislative Principles document.
   In regard to the proposed League Core Legislative Principles, the document is available on the League website at http://www.mml.org/delegate. If you would like to receive a copy of the proposed principles by fax, please call Susan Vasher at the League at 800-653-2483.

   B) If the League Board of Trustees has presented any resolutions to the membership, they also will be voted on. (See #2 on page 2.)
   In regard to resolutions, member municipalities planning on submitting resolutions for consideration by the League Trustees are reminded that under the Bylaws, they must be submitted to the Trustees for their review by **August 16, 2013**.

3. **Other Business.** To transact such other business as may properly come before the meeting.

**Designation of Voting Delegates**

Pursuant to the provisions of the League Bylaws, you are requested to designate by action of your governing body one of your officials who will be in attendance at the Convention as your official representative to cast the vote of the municipality at the annual meeting, and, if possible, to designate one other official to serve as alternate. Please submit this information through the League website by visiting http://www.mml.org/delegate no later than **September 6, 2013**.

Regarding the designation of an official representative of the member to the annual meeting, please note the following section of the League Bylaws:

“Section 4.4 - Votes of Members. Each member shall be equally privileged with all other members in its voice and vote in the election of officers and upon any proposition presented for discussion or decision at any meeting of the members. Honorary members shall be entitled to participate in the discussion of any question, but such members shall not be entitled to vote. The vote of each member shall be cast by its official representative attending the meeting at which an election of officers or a decision on any proposition shall take place. Each member shall, by action of its governing body prior to the annual meeting or any special meeting, appoint one official of such member as its principal official representative to cast the vote of the member at such meeting, and may appoint one official as its alternate official representative to serve in the absence or inability to act of the principal representative.”
1. **Election of Trustees**

Regarding election of Trustees, under Section 5.3 of the League Bylaws, six members of the Board of Trustees will be elected at the annual meeting for a term of three years. The regulations of the Board of Trustees require the Nominations Committee to complete its recommendations and post the names of the nominees for the Board of Trustees on a board at the registration desk at least four hours before the hour of the business meeting.

2. **Statements of Policy and Resolutions**

Regarding consideration of resolutions and statements of policy, under Section 4.5 of the League Bylaws, the Board of Trustees acts as the Resolutions Committee, and “no resolution or motion, except procedural and incidental matters having to do with business properly before the annual meeting or pertaining to the conduct of the meeting, shall be considered at the annual meeting unless it is either (1) submitted to the meeting by the Board of Trustees, or (2) submitted in writing to the Board of Trustees by resolution of the governing body of a member at least thirty (30) days preceding the date of the annual meeting.” Thus the deadline this year for the League to receive resolutions is **August 16, 2013**. Please submit resolutions to the attention of Daniel P. Gilmartin, Executive Director/CEO at 1675 Green Rd., Ann Arbor, MI 48105. **Any resolution submitted by a member municipality will go to the League Board of Trustees, serving as the resolutions committee under the Bylaws, which may present it to the membership at the Annual Meeting or refer it to the appropriate policy committee for additional action.**

Further, “Every proposed resolution submitted by a member shall be stated in clear and concise language and shall be accompanied by a statement setting forth the reasons for recommending the proposed resolution. The Board shall consider the proposal at a Board meeting prior to the next annual meeting and, after consideration, shall make a recommendation as to the advisability of adopting each such resolution or modification thereof.”

3. **Posting of Proposed Resolutions and Core Legislative Principles**

The proposed Michigan Municipal League Core Legislative Principles and any new proposed Resolutions recommended by the Board of Trustees for adoption by the membership will be available on the League website, to permit governing bodies of member communities to have an opportunity to review such proposals and delegate to their voting representative the responsibility for expressing the official point of view of the member at the annual meeting.

The Board of Trustees will meet on Wednesday, September 18 at the Detroit Marriott at the Renaissance Center for the purpose of considering such other matters as may be requested by the membership, in addition to other agenda items.

Sincerely,

David Lossing
President
Mayor of Linden

Daniel P. Gilmartin
Executive Director & CEO

Enc.
Suicide suspected after body of woman found in Auburn Hills

By JOHN TURK
john.turk@oakpress.com @jlturk

AUBURN HILLS — A 48-year-old Oakland County woman was found face down in a grassy area by employees as they arrived for the day's work at Industrial Experimental Technologies, 3911 Lapeer. Auburn Hills police Lt. Ryan Gagnon said police arrived after employees called, shaken by what seemed like a crime scene. The woman's car — a dark green Saturn — was parked about 10 feet from where she was found. She was muddy; one of her shoes was kicked off and a knife was laying next to her. Though the initial sight was strange, police discovered lacerations on the inside of the woman's arms. She appeared to have taken her own life, Gagnon said.

"In my experience, some people don't want to harm themselves at home, whether it be to (avoid affecting) other family," Gagnon said.

"Based on the way she was found by employees ... if she planned to kill herself, it seemed she wanted to be found." Mail with the woman's name on it and prescription medication bottles also were found at the scene. The woman was not an employee of the business, according to officials. Inside the business, receptionist Kelly Carlu said police already were on site when she arrived to work. She had heard that a woman's body was found, but nothing else.

Carlu, whose car sits visibly about 100 feet from the business, said she was a bit shaken and nervous before she knew what police believed happened to the 48-year-old.

Gagnon added that no evidence of foul play was found at the scene. Oakland County Medical Examiner's Office investigators said the cause of her death is pending, as doctors wanted to further check the woman's medical background.

Staff writer John Turk covers the Oakland County Board of Commissioners, police and general assignment. He can be reached at 248-745-4613.
Auburn Hills company to get investment incentives from state, local governments

By ANDREW KIDD
andrew.kidd@oakpress.com
@AndrewJKidd

The state is awarding development incentives to three Michigan businesses, including one in Oakland County.

The Michigan Economic Development Corporation announced Wednesday that the Michigan Strategic Fund has approved Michigan Business Development Program incentives for three companies planning expansions in the state.

The expansion projects are expected to generate nearly $86 million in investment and 600 new jobs in the state.

"Michigan is an increasingly attractive destination for new business investments that are creating new jobs across the state," said Gov. Rick Snyder in a statement released Wednesday. "These three projects add to the momentum of our efforts to revitalize our state and bring new jobs to our communities. Our improved business climate is gaining notice by business leaders and these new investments and new jobs are the benefits of the reforms we put in place."

GKN Driveline and GKN Sinter Metals in Auburn Hills is being awarded a performance-based grant of $1 million from the program.

The company also filed for a real property tax abatement with the City of Auburn Hills, which was approved by the Auburn Hills City Council on Aug. 5. The company will file for a personal property tax abatement as well.

The real property tax abatement — an eight-year, 100 percent Industrial Facilities Exemption Certificate — would essentially freeze the current tax value and does not tax further real property improvements for its duration, according to Auburn Hills Economic Development Coordinator Laurie Renaud.

Industrial Facilities Exemption certificates offer tax incentives to manufacturers to enable renovation and expansion of aging facilities, assist in constructing new facilities and promote the establishment of high-tech facilities.

The property is considered a rehabilitation project, meaning the standing Showcase Cinema structure formerly on the site was in too poor condition for reuse and required redevelopment, Renaud said.

Tax abatements are nothing new for the city, Renaud added.

"The City of Auburn Hills is very proactive with it," she said. "We do tax abatements all the time with our businesses. We're always standing behind and ready to help them."

GKN Driveline and GKN Sinter Metals recently signed a 15-year lease with Novi-based developer Amson Dembs Development Inc. for a 168,056-square-foot technology and research facility on the northern half of the former Showcase Cinema property located at 2150 N. Opdyke Road.

The Redditch, U.K.-based company is expected to hire 50 or more employees following its move to its new facility. The company currently employs 300 in Auburn Hills and is relocating its Americas Regional headquarters from its current location at 3300 University Drive to the new site.

Contact Andrew Kidd at 248-745-4630 or andrew.kidd@oakpress.com. Follow him on Twitter @AndrewJKidd. Subscribe to his Tout video feed at www.tout.com/u/andrewjkidd.
Former Oakland University president Gary Russi getting nearly $300,000 in compensation

By MEGAN SEMERAZ, PAUL KAMPE and DYLAN DULBERG
of The Oakland Press

Former Oakland University President Gary Russi will not be leaving empty-handed.

Russi, who retired after his wife and Women’s Basketball Coach Beckie Francis was fired from her position on June 12, will receive nearly $300,000 in deferred compensation and other benefits. The OU Board of Trustees approved Russi’s retirement package at their meeting Monday, a gathering of the school’s governing body which only lasted 20 minutes and Russi was not present.

Russi will receive his monthly salary of $29,823 for the months of June and July. He officially retired on Aug. 1. Additionally, he will receive $45,000 of deferred compensation from fiscal years 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 — or $225,000.

The money will arrive in two lump sum payments, one on Sept. 1 and the other on Jan. 15, 2014.

Russi earned $150,000 per year when he was appointed president in 1996 and was earning $337,375 annually by 2008, making him the fourth-highest paid president of a state college or university in Michigan.

The former president also will continue to be eligible for medical insurance, dental, optical, long-term disability, life insurance and other benefits. He will also be paid for his unused vacation days.

OU also transferred ownership of a desktop computer, laptop computer, portable printer and iPad to Russi. The university also established a fund as an endowment that would fund two faculty positions in the School of Health Sciences — each valued at $250,000.

According to the retirement agreement, Russi was to have vacated his campus residence no later than Aug. 10.

Francis was fired at 10 a.m. June 12, according to documents obtained by The Oakland Press through a Freedom of Information request. She had been unpaid suspension since May 30 after an internal investigation was launched into her conduct. The investigation is still ongoing.

The university issued a statement June 21 saying Francis was fired with cause, meaning the former coach was not eligible for severance compensation.

Francis and director of athletics Tracy Huth have both declined to comment. The university has a policy that forbids commenting on personnel matters and Francis’ contract included a non-disparagement agreement which exists in perpetuity.

Since Francis’ firing, former player Jenna Bachruche has said Francis infringed upon her religious beliefs in the Farmington Hills native’s two years at Oakland from 2010-12. After Bachruche spoke to The Oakland Press, the university issued a statement saying “corrective action” was taken following the 2011-12 season.

Bachruche’s last will be transferred to Western Michigan University.

Bachruche said she made her comments about Francis known in an exit interview with Huth.

Oakland University has denied multiple FOIA requests from The Oakland Press concerning player end-of-season surveys and exit interviews and other internal communication between administrators in regards to Francis and the women’s basketball program. However, a FOIA response dated July 30 stated the university has no record of complaint or grievance regarding Beckie Francis.

An appeal dated August 1 has been denied by Interim Oakland University president Betty J. Youngblood. An appeal dated August 6 is pending. She has been denied by Interim Oakland University president Betty J. Youngblood. An appeal dated August 6 is pending. She assumed daily operations at the Rochester-area school of nearly 20,000 students July 1 after being sworn in office at a June 26 board meeting.

Former player Stacey Farrell also said she was never granted an exit interview and believed her complaints about the program were never taken to the appropriate administrators because Francis’ assistant coaches were afraid to go against the head coach.

Bachruche and Farrell were two of 12 Oakland players to transfer from 2010-13.

Youngblood issued a statement last month re-asserting Oakland’s commitment to diversity saying intolerance on OU’s campus will not be accepted.

Board chairman Michael Kramer was also nominated and subsequently re-appointed to board’s head position for another year.
OCC hosts golfing event to raise money for scholarships

Oakland Community College is hosting its 22nd annual "Golf for Scholarships" outing on Aug. 23.

The outing, on Pine Knob Golf Course, is an opportunity for professional networking and to pay a game of golf while raising funds for scholarships.

Last year's event raised more than $43,000 for the Golf for Scholarships endowment fund, bringing the total the outing has generated to more than $750,000 in 21 years. OCC was able to award nearly 70 scholarships from last year's event.

More than 420 students have received scholarships through the program since it started.

The day's schedule includes registration and a continental breakfast at 10 a.m., a shotgun start at 11 a.m. with a box lunch and a dinner at 5 p.m. at the golf course, located at 5580 Waldon Road in Independence Township.

The cost for an individual golfer to play 18 holes with use of driving range, cart and lunch and one meal package is $200.

The event includes Hole-In-One Prizes, beverages on the course, golf competitions and giveaways.

Event and team sponsorships are available at all levels. In addition to the predetermined sponsorship packages, a customized sponsorship package can be created to meet individual needs.

To register, visit https://www.oaklandcc.edu/Foundation/Scholarships/GolfOutingRegistration.asp.

For more information contact, 248-341-2138 or send an email to OCCFoundation@oaklandcc.edu.

A community for a ‘Lifetime’

Oakland County Board of Commissioner Vice Chairman Jeff Matis recognized the City of Auburn Hills as the winner of the Michigan Office of Services to the Aging. The Commission on Services to the Aging has designated Auburn Hills as a "Community for a Lifetime," a special designation that only a few communities in the state and nation have achieved due to its efforts to meet the needs of its senior population. Auburn Hills council members Anne Doyle (from left), Kevin McDaniel, Mayor James McDonald, council member Bob Kittle, Firefighter of the Year Gary Chapman and his wife holding the proclamation, council member Cheryl Verbeke, Mayor Pro Tem Maureen Hammond, council member Henry Knight and Oakland County Board Vice Chairman Jeff Matis attended this meeting.
Detroit’s first female sportscaster continues blazing trails for women

Auburn Hills City Council member steps down to promote ‘women achievers’ book

By ANDREW KIDD
andrew.kidd@oakpress.com
@AndrewKidd

An Auburn Hills City Council member and veteran journalist is taking the next step in her mission to bring about change among the nation’s women achievers.

Anne Doyle, known by many for her pioneering role as CBS-TV Detroit’s first female sportscaster, will not be seeking re-election to the Auburn Hills City Council this November, leaving the seat she held for four years up for grabs in a move to promote her book and advocate greater leadership achievement for women.

Her book, “Powering Up! How America’s Women Achievers Become Leaders,” draws from Doyle’s experiences as a sportscaster following in the footsteps of her father, Vince Doyle, her leadership role in the auto industry as a director of North American Communications for Ford, as well as her role in local government in the City of Auburn Hills.

Doyle said the funda-
mental theme of her book is that the United States has become a nation of high-achieving women in the past 40 years — but still faces one crucial setback.

"America's women are still leadership under-achievers," she said. "That's the next frontier for women."

“We've become really mainstream, but the truth is that the middle keeps getting bigger,” she said, noting that women still only hold 18 percent of leadership roles in the corporate setting and in government.

It requires a bit more than that to effect change in the conversation, she continued.

“If you have a board of 12 people, one is a token, two is a presence and three is a voice,” she said. “But you have to get to 33.3 percent.”

Doyle's book has drawn comparisons to "Lean In: Women, Work and Will to Lead," released in March by Facebook COO Sheryl Sandberg. Doyle asserted that "Powering Up!", released two years prior, acts as a guide for seasoned female achievers looking to break down barriers and grab leadership reins.

“People said to me, 'What's the difference between her book and your book?'” she said. “My book is the graduate work. My book is for high-achieving women who are ready to make the leap to leadership.”

Stepping away from her duties as a council member to advocate women's leadership is the next natural step in her extensive career, she said.

Anne Doyle, Auburn Hills City Council member and author, with her son Kevin Farrell, 21.

"When you write a book, you have to speak," she said. "I've spent the past two years speaking all over the country."

Doyle has advocated locally as well as on the international stage. She returned in late May from a trip she took to Saudi Arabia and Bahrain where she led roundtable discussions on women's leadership with university students, business leaders, academics and medical professionals at the request of the U.S. State Department.

Despite her career and advocacy taking her across the globe, Doyle plans to maintain her roots in the community she has served for nearly a decade — and which has served as her home for 23 years.

For more information about Anne Doyle and her book, visit www.annedoylestrategies.com.
Deadline for Auburn Hills City Council candidacy set for August 13

Monday, August 5, 2013 8:17 AM EDT

By ANDREW KIDD
andrew.kidd@oakpress.com; Twitter: @andrewjkidd

Those interested in filing their candidacy for the Auburn Hills City Council in the November election must turn in petitions by 4 p.m. on Tuesday, Aug. 13.

Any registered voter who has lived in Auburn Hills for at least one year may file their candidacy. Candidates must collect no less than 50 signatures and no more than 75 for their petition to be considered.

Up for contention in November's election are the four City Council positions held by Mayor James McDonald, Bob Kittle, Anne Doyle and Henry Knight. Doyle announced at a previous City Council meeting that she will not seek re-election.

Three of the seats are for four-year terms, while the winning candidate with the fewest votes of the four will receive a two-year term.

Following the election, the council will appoint a mayor and mayor pro tem at its first regular meeting.

A rundown of candidates who have petitioned for the open positions cannot be confirmed until a list is released after the filing date, said Auburn Hills City Clerk Terri Kowal.

Kowal stressed that those wishing to file a petition for their candidacy should do so as soon as possible and not wait until the last minute.

For more information, contact the Auburn Hills Clerk's office at 248-370-9402.
Auburn Hills company to get investment incentives from state, local governments

Wednesday, August 7, 2013 5:18 PM EDT

By ANDREW KIDD

andrew.kidd@oakpress.com; @AndrewJKidd

The state is awarding development incentives to three Michigan businesses, including one in Oakland County.

The Michigan Economic Development Corporation announced Wednesday that the Michigan Strategic Fund has approved Michigan Business Development Program incentives for three companies planning expansions in the state.

The expansion projects are expected to generate nearly $86 million in investment and 600 new jobs in the state.

"Michigan is an increasingly attractive destination for new business investments that are creating new jobs across the state," said Gov. Rick Snyder in a statement released Wednesday. "These three projects add to the momentum of our efforts to revitalize our state and bring new jobs to our communities. Our improved business climate is gaining notice by business leaders and these new investments and new jobs are the benefits of the reforms we put in place."

GKN Driveline and GKN Sinter Metals in Auburn Hills is being awarded a performance-based grant of $1 million from the program.

The company also filed for a real property tax abatement with the City of Auburn Hills, which was approved by the Auburn Hills City Council on Aug. 5. The company will file for a personal property tax abatement as well.

The real property tax abatement — an eight-year, 100 percent Industrial Facilities Exemption Certificate — would essentially freeze the current tax value and does not tax further real property improvements for its duration, according to Auburn Hills Economic Development Coordinator Laurie Renaud.

Industrial Facilities Exemption certificates offer tax incentives to manufacturers to enable renovation and expansion of aging facilities, assist in constructing new facilities and promote the establishment of high-tech facilities.

The property is considered a rehabilitation project, meaning the standing Showcase Cinema structure formerly on the site was in too poor of condition for reuse and required redevelopment, Renaud said.

Tax abatements are nothing new for the city, Renaud added.

"The City of Auburn Hills is very proactive with it," she said. "We do tax abatements all the time with our businesses. We're always standing behind and ready to help them."

GKN Driveline and GKN Sinter Metals recently signed a 15-year lease with Novi-based developer Amson Dembs
Development, Inc. for a 168,056-square-foot technology and research facility on the northern half of the former Showcase Cinema property, located at 2150 N. Opdyke Road.

The Redditch, U.K.-based company is expected to hire 50 or more employees following its move to its new facility. The company currently employs 300 in Auburn Hills and is relocating its Americas Regional headquarters from its current location at 3300 University Drive to the new site.

Contact Andrew Kidd at 248-745-4630 or andrew.kidd@oakpress.com. Follow him on Twitter @AndrewJKidd. Subscribe to his Tout video feed at www.tout.com/u/andrewjkidd


© 2013 theoaklandpress.com, a Journal Register Property
Auburn Hills lawmakers say no to smoking lounges, limit fireworks use

Friday, August 9, 2013 9:16 PM EDT

By ANDREW KIDD
andrew.kidd@oakpress.com; @AndrewJKidd

Fireworks, corporate tax abatements, hookah bars and resident bill-paying options topped the agenda at a recent Auburn Hills City Council meeting.

Members approved an ordinance to amend the current city code and limit the times when residents can set off consumer fireworks — including Roman candles, firecrackers and bottle rockets — to the day before, the day of and the day following 10 national holidays.

The ordinance also limits possession of consumer fireworks to people 18 and older unless supervised by adults; outlaws use of fireworks by individuals under the influence of alcohol; and bans free-floating Chinese lanterns.

Violations of the ordinance constitute a civil infraction punishable by a fine of up to $500, plus costs, damages, expenses and any other relief allowed under law.

The council adopted a moratorium on new smoking lounges in order to study their impact — including hookah bars — in the city for 180 days or until an ordinance is adopted in the future. The resolution comes as a response to increased complaints the Auburn Hills Police Department has received about several hookah lounges in the city.

The city council also approved an agreement with Oakland County to upgrade the city’s online bill pay system for residents to G2G Cloud Solutions. The upgrade will allow over-the-counter use of credit and debit cards to give residents another option to pay their bills in person.

The council approved a site plan, special land-use permit and tree removal permit for TSM Corporation.

The company, located at 1175 N. Opdyke Road, will construct a 57,800-square-foot building addition for warehouse purposes with future growth plans that enable the conversion to an area for manufacturing. Total investment in the project is estimated at $2.5 million. The expansion is expected to create nine new jobs in 2014 and 10 more in 2015.

TSM Corporation moved to Auburn Hills in 1990 and manufactures precision machined components and complex assemblies for the automotive, agricultural and transportation industries.

The city council approved an eight-year real property tax abatement for GKN Driveline as well, while a 12-year abatement for Ralco Industries was deferred to the Aug. 19 meeting for additional review.
An Auburn Hills City Council member and veteran journalist is taking the next step in her mission to bring about change among the nation’s women achievers.

Anne Doyle, known by many for her pioneering role as CBS-TV Detroit’s first female sportscaster, will not be seeking re-election to the Auburn Hills City Council this November, leaving the seat she held for four years up for grabs in a move to promote her book and advocate greater leadership achievement for women.

**From Anne Doyle’s website**

The daughter of Detroit sports broadcasting legend Vince Doyle, Anne Doyle repeatedly requested, but was denied, access to professional sports locker rooms. Tiger General Manager, Jim Campbell told her in no uncertain terms, "Over my dead body you'll go in our Tiger clubhouse." Less than six months later, a New York federal judge issued the precedent-setting ruling that ordered sports teams to grant equal locker room access to women journalists. When baseball season opened in April 1979, Doyle was one of a handful of women sports broadcasters in the U.S. who made national headlines when they began entering locker rooms, along with male journalists, to interview athletes. — www.annedoylestrategies.com

Her book, "Powering Up! How America’s Women Achievers Become Leaders," draws from Doyle's experiences as a sportscaster following in the footsteps of her father, Vince Doyle, her leadership role in the auto industry as a director of North American Communications for Ford as well as her role in local government in the City of Auburn Hills.

Doyle said the fundamental theme of her book is that the United States has become a nation of high-achieving women in the past 40 years — but still faces one crucial setback.

"America’s women are still leadership underachievers," she said. "That's the next frontier for women."

"We've become really mainstream, but the truth is that the middle keeps getting bigger," she said, noting that women still only hold 18 percent of leadership roles in the corporate setting and in government.

It requires a bit more than that to effect change in the conversation, she continued.

"If you have a board of 12 people, one is a token, two is a presence, three is a voice," she said. "But you have to get to 33.3 percent."

“People said to me, ‘What’s the difference between her book and your book?’ she said. “My book is the graduate work. My book is for high-achieving women who are ready to make the leap to leadership.”

Stepping away from her duties as a council member to advocate women’s leadership is the next natural step in her extensive career, she said.

“When you write a book, you have to speak,” she said. “I’ve spent the past two years speaking all over the country.”

Doyle has advocated locally as well as on the international stage. She returned in late May from a trip she took to Saudi Arabia and Bahrain where she led roundtable discussions on women’s leadership with university students, business leaders, academics and medical professionals at the request of the U.S. State Department. Despite her career and advocacy taking her across the globe, Doyle plans to maintain her roots in the community she has served for nearly a decade — and which has served as her home for 23 years.

For more information about Anne Doyle and her book, visit www.annedoylesstrategies.com.
OCC spokesman retires after 43 years of service

By DIANA DILLABER MURRAY
diana.dillaber@oakpress.com

Long-time college spokesman George Cartsonis, who has been the public face of Oakland Community College for three decades, has retired after 43 years at the five-campus school.

"George is an institution within an institution," said OCC Chancellor Timothy Meyer. "He absolutely carved himself a remarkable career," in which the organization depended upon him. Cartsonis's career at OCC started only six years after the college was founded 49 years ago.

Meyer said Cartsonis, 75, has been known for his integrity, his knowledge of the college and its history, and his ability to be calm and on point in any situation.

"He became the guy to look to especially when things become intense. And he knows the institution inside and out," said Meyer, who noted as an incoming chancellor he turned to Cartsonis when trying to decipher the complex organization and how things developed.

"George was great at providing the in-depth inside story," Meyer said.

OCC, the largest of Michigan's 28 community colleges and the 25th largest in the nation, has campuses in Auburn Hills, Waterford, Farmington Hills, Royal Oak and Southfield.

Cartsonis, who has a masters in political science from WSU, worked for seven OCC presidents and chancellors with different backgrounds, personalities and goals after he came to OCC as coordinator of special events. He came from Wayne State University in Detroit, where he had been conference coordinator at McGregor Hall.

"Its all been fun and its all been exciting," Cartsonis said in a recent interview. "There has always been a challenge," which he said he welcomed.

The overarching theme during his time with OCC was steady and consistent growth and continually expanding versatility and quality, Cartsonis said.

"I have seen an increasing respect for community colleges," he said. Besides being the path to a four-year college or university, community colleges have become more and more important for career training for people starting out, updating their skills or changing careers.

"Starting with President Clinton and certainly the younger Bush and Obama have endorsed the work of community colleges," Cartsonis noted.

"Virtually every family in Oakland County has had a family member that has attended OCC in the last 49 years and 700,000 students," he said.

During his first decade at OCC, Cartsonis was involved in community services, extension classes, student activities and non-credit classes.

Then Cartsonis was tapped by the college's third president, Robert Roelof, to be OCC's public relations director. As each CEO came in, Cartsonis role changed to meet their goals. For example, Roelof, who had a business background, preferred to be his own spokesperson, having Cartsonis focus on research.

But after Roelof came Chancellor Stephen Nicholson, who called himself a "futurist," and wanted his public relations man to be more out front than his predecessor and to get as much publicity for the college as possible. He also had to present the college's stories to the public.

For example, Nicholson, "walked into my office one fine day before a board meeting and said 'George, write me a press release that says Chancellor Stephen Nicholson is resigning today to take a job at the United Arab Emirates,'" which was a surprise to both Cartsonis and the OCC Board of Trustees.

After Nicholson, Richard Thompson was named interim president until Chancellor Patsy Fulton, the outgoing former president of a Texas community college, was named the first female OCC chief executive officer.

During her time at OCC, Fulton, who became Fulton-Calkins while in the position, led an effort that won a county-wide vote to increase OCC's millage, which required one type of public relations savvy.

Another type of PR was needed in other areas. For example, when Fulton-Calkins was in the position, she "remade" the organization, had a romance with and marriage to another Michigan community college president, and eventually left amidst controversy.

Meyer said he found Cartsonis to be "a kind of a Renaissance guy," being not only a musician and director of an orchestra that plays music of the 1920s at OCC events and at Greenfield Village, but as "a consummate historian," whose knowledge covers U.S. and world history.

"George may not be working for this organization, but I don't think George will be stranger. His heart will always be at OCC," Meyer said.
Auburn Hills lawmakers say no to new smoking lounges, limit fireworks use

By ANDREW KIDD
andrew.kidd@oakpress.com

Fireworks, corporate tax abatements, hookah bars and resident bill-paying options topped the agenda at a recent Auburn Hills City Council meeting.

Members approved an ordinance to amend the current city code and limit the times when residents can set off consumer fireworks — including Roman candles, firecrackers and bottle rockets — to the day before, the day of and the day following 10 national holidays.

The ordinance also limits possession of consumer fireworks to people 18 and older unless supervised by adults; outlaws use of fireworks by individuals under the influence of alcohol; and bans fire-breathing Chinese lanterns.

Violations of the ordinance constitute a civil infraction punishable by a fine of up to $500, plus costs, damages, expenses and any other relief allowed under law.

The council adopted a moratorium on new smoking lounges in order to study their impact — including hookah bars — in the city for 180 days or until an ordinance is adopted in the future. The resolution comes as a response to increased complaints.

The Auburn Hills Police Department has received several hookah lounges in the city.

The council approved an agreement with Oakland County to upgrade the city's online bill pay system for residents to C2G Cloud Solutions. The upgrade will allow over-the-counter use of credit and debit cards to give residents another option to pay their bills in person.

The council approved a site plan, special land-use permit and tree removal permit for TSM Corporation.

The company, located at 1175 N. Opdyke Road, will construct a 57,800-square-foot building addition for warehouse purposes with future growth plans that enable the conversion to an area for manufacturing. Total investment in the project is estimated at $2.5 million. The expansion is expected to create nine new jobs in 2014 and 10 more in 2015.

TSM Corporation moved to Auburn Hills in 1990 and manufactures precision machined components and complex assemblies for the automotive, agricultural and transportation industries.

The city council approved an eight-year real property tax abatement for GKN Driveline as well, while a 12-year abatement for Raaco Industries was deferred to the Aug. 19 meeting for additional review.

AUBURN HILLS

Registration open for annual golf outing

The annual Auburn Hills Open...Fores Business golf outing is at 8:30 a.m. Thursday, Aug. 15 at Fieldstone Golf Club, 1984 Taylor Road, Auburn Hills. Registration is open through Wednesday, Aug. 14.

Tickets are $650 for a team and $175 per individual. The cost includes 18 holes of play, three meals, a day of networking, contests, mulligans, 50/50 and raffle prizes and four drink tickets. There will be a shotgun start at 10 a.m., and lunch will be provided at the turn. The dinner and prize reception will begin at 4 p.m. A dinner only option is available for non-golfers at $35 for Chamber members and $45 for non-members.

Staff writer
Andrew Kidd

8/12/13

Special writer
Ashley Young
Auburn Hills American Legion Post and Squadron 143 has elected new officers for their 2013-14 year.

Those elected for the Squadron are Cmdr. Rodney Galbraith, 1st Vice-Cmdr. Steven Bliven and Sgt.-at-Arms Hugh MacMillan.


Post membership meetings are at 7 p.m. on the first Tuesday of each month. Squadron membership meetings are at 7 p.m. on the fourth Tuesday of each month.

Post 143 is at 96 Churchill, off Auburn Road, west of downtown Auburn Hills.

The post and squadron would like to increase its membership.

For more information, call the post 248-452-4580 or Joe Lafnear at 248-739-9907.
Pontiac schools to keep top programs, put charter on hold

By DIANA DILLABER MURRAY
Of The Oakland Press

Despite its financial problems, the Pontiac school district expects enrollment to be up and three top programs to continue when doors open in the fall.

The popular International Technology Academy, which has attracted many students back to the school district, will move to its own building, the former Whitman Elementary on the city's north side.

Alcott School will move forward as the district's science, math and technology school — one of just 44 schools in the U.S. invited to pilot the newest science, technology, engineering, and mathematics (STEM) program for students in grades K-5. Please see PONTIAC/A-5.

And the district's FIRST Robotics program, will continue.

However, plans to convert Pontiac High School to a charter school have been put on hold after "careful review of both the impact on student population, staff configurations and cost analysis," according to a news release.

But ninth-graders will be at Pontiac Middle School beginning this year, not at the high school, with expectations that they will do better in the new arrangement.

The announcements were made in a press release issued by Interim Superintendent Kelley Williams this past Wednesday, two days before a review team appointed by the governor turned in a report concluding the district has a financial emergency with its $37.7 million deficit.

Gov. Rick Snyder will decide whether a financial emergency exists in the district. If Snyder agrees with the review team's findings, an emergency manager could be appointed to the district. Other options under state law include bankruptcy, a consent agreement and mediation.

Oakland County Treasurer Andy Meisner partnered with Williams in the press release, noting, "The Pontiac school district's success is critical to Oakland County and now is the time for all elected and appointed officials, community organizations, faith leaders, students, and families to rally around the Pontiac School District.

"We are partnering with the Pontiac School District to make sure that its finances are in order so that it can focus on its most important mission: educating our children."

Getting the district's financial house in order is one of the first orders of business, said Williams in the news release that indicated district officials are "working aggressively with local, county and state partners."

Williams said business management issues are being addressed and the business office will be completely revamped.

"The district, its leadership and faculty are committed to ensuring that doors open on time this fall, and that the district starts a new chapter of educational excellence without the distraction of financial challenges," Williams said.

The reason for keeping ninth-graders at the middle school is because research has shown that, academically and socially, students are more successful if they don't move to high school until their junior year.

"The ninth-grade Academy will participate in the AVID program, which has increased the middle school seventh- and eighth-grade MEAP scores by 18 percent in a full academic year. Furthermore, the district is enhancing partnerships with several viable companies that will provide services free to students in Pontiac school district, such as Sylvan Learning, Hewlett Packard at the Pontiac Middle School and General Motors Corp. There will be 278 preschool slots and reading and math interventions, Williams said.

Further, the district is committed to a model that is designed to strengthen literacy and mathematics with a pervasive, seamless and transparent K-12 approach, said Williams, who was assistant superintendent for curriculum before recently being made interim superintendent.

"The difference from previous school years in the Pontiac school district is the focus and intent to improve alignment between all pertinent departments and staff," Williams said.

For information or to enroll for the school year, contact Williams' office at 248-451-6883.
Review team finds Pontiac schools in financial emergency

By DUSTIN BLITCHOK
dustin.blitchok@bakpiper.com;
@SincerelyDustin

The Pontiac school district, with $33 million in unpaid bills, is in a financial emergency, a state
Financial Review Team has concluded.

The team's report went to Gov. Rick Snyder on Friday. He now has 10 days to decide whether a
financial emergency exists in the district. If Snyder agrees with the review team's findings, an emerg-
ency manager could be appointed to the district. Other options under state law include bankruptcy, a con-
sent agreement and mediation.

The district's deficit in fiscal 2012 was $37.7 million, four times what it was in 2009. The deficit increased
from $24.5 to $37.7 million in just one year, from 2011 to 2012.

"We knew there was a financial emergency within the district. The state just needed to do their proce-
dure and, I guess, put it in writing," said Aimee McKeever, president.

PLEASESFF PONTIAC/A-5
of the Pontiac Education Association.

"Hopefully this will send a message to the state that the Pontiac school district, like many urban and rural districts around the state, is suffering from the major cuts in educational funding."

Board of Education President Caroll Turpin said Friday that she wants to review the report before commenting.

The district nearly shut its doors in May as it faced a $1 million payroll with $100,000 in the bank. The school board voted at that time to send new information to the Michigan Department of Education, which then approved the district's deficit elimination plan and released school aid funds that had been withheld for months.

District officials "appear to have adopted a strategy of pooling all cash resources" to make payroll, the review team wrote, but the strategy didn't reflect the fact that some of the resources used violated legal or account requirements.

The district "used debt retirement funds to satisfy school district payroll obligations, which was a manifest violation of state law," the report said. "The circumstances surrounding this matter warrant further inquiry by the proper authorities."

The district defaulted on a $1.4 million bond payment on May 1, according to the Michigan Department of Treasury, leading to a bond insurer making the payment. The district now owes the insurer:

A $7.8 million judgment against the school district for unpaid teacher's health insurance premiums is being paid by taxpayers as a levy on summer taxes. Some communities in the school district are spreading the judgment over a 10-year period.

The Michigan Public School Employees Retirement System withheld $4.9 million of the district's state aid in July due to unpaid retirement contributions by the district.

Oakland County Treasurer Andy Meisner said this week that the district has about $6.8 million in tax-related debt that could lead to the interception of property tax revenue.

"The school district has a longstanding history of turnover in administrative leadership, which hampered, among other things, a consistent, stable and ongoing implementation of deficit elimination plans," the review team wrote in its report to Snyder.

Former Superintendent Brian Dougherty resigned May 17, and assistant superintendent for curriculum and instruction Kelley Williams was appointed to replace him. Dougherty was the district's seventh superintendent in a decade.

The review team named poor communication among district officials as a concern, although the report did state that those interviewed by the team "expressed the nearly unanimous sentiment that the current interim superintendent (Kelley Williams) has significantly improved the communication and transparency since assuming that role ... and that she possesses an admirable determination to alter the school district's recent declining trajectory."

Interviews revealed "significant dysfunction within the school board," the report said, including times when board members appeared to have "overreached their responsibilities."

Board members gave the review team differing accounts as to whether they'd voted to retain an accounting firm to complete the district's audit for the 2013 fiscal year, which ended June 30.

"Furthermore, the review team found it worthy of remark that most school board members only made tangential reference during our discussions with them to serving the needs of the students of the school district," the report said.

"One would have thought the needs of the students would have been of paramount concern to each and every school board member, given the demonstrated importance of a well-grounded elementary-secondary education, the number of at-risk and special-needs students in the school district, the school district's decline in student enrollments and the worsening financial plight of the school district."

Contact staff writer Dustin Blitchok at 248-745-4685 or dustin.blitchok@oakpress.com. Follow him on Twitter @SincerelyDustin.
By PAUL KAMPE
paul.kampe@oakpress.com
@PaulKampe

Recently retired former Oakland University president Gary Russi was involved in a car accident causing thousands of dollars of damage to his university-provided vehicle just a week before announcing his retirement.

The school's insurance policy paid out more than $4,000 to repair the 2013 Cadillac SRX, according to documents obtained by The Oakland Press through a Freedom of Information request.

He told Oakland University Police the car was damaged while he was backing out of the driveway of his university-provided house and struck a tree.

The report, filed at noon June 4, states an unnamed passenger also was in the vehicle, but there were no injuries in the accident.

The report also indicates there were no special circumstances surrounding the incident.

A university spokesman said that while Russi was an authorized driver of the vehicle, the insurance policy which covered the car also insured anyone else who may have driven the vehicle.

A representative from the Michigan Secretary of State Office said Russi has no incidents on his permanent driving record and that no record of the June 4 accident appears in the office's computer system.

The university also paid all fuel costs associated with the vehicle, which was returned to the school Aug. 1.

The vehicle, which retails at more than $37,000 for a standard model, also includes a rearview backup camera for more expensive models, according to the Cadillac website.

The OUPD officer who took the accident report declined to comment.

Russi, who made more than $350,000 in annual compensation, came to a retirement agreement earning him nearly $300,000 and health care benefits in perpetuity.

Russi is due the first of two lump-sum payments of his deferred compensation Sept. 1, just two days before fall classes are to begin at the campus of nearly 20,000 students which straddles Auburn Hills and Rochester Hills.

Russi and wife Beckie Francis lived at Sunset Terrace, which is located on campus. He abruptly announced his retirement the afternoon of June 12, hours after Francis had been fired as head coach of the women's basketball program.

Francis had been suspended without pay May 30 after indications of improper conduct triggered an internal review of her and the women's basketball program, which is still ongoing.

Men's basketball associate head coach Jeff Tungate was appointed the interim women's basketball coach and has since been named the full-time replacement.

Terms of Russi's retirement agreement dictated he vacate his campus home by Aug. 10, but he may have left much sooner.

Russi's retirement became official Aug. 1, although interim President Betty J. Youngblood said in mid-July Russi only appeared on campus for social functions.

Youngblood was appointed interim president June 26 and assumed daily functions July 1.