



The City of Auburn Hills

City Council Meeting

Minutes

October 21, 2013

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, Verbeke

Absent: None

Also Present: City Manager Auger, Assistant City Manager Tanghe, Community Development Director Cohen, Director of Public Works Melchert, Water Resources Coordinator Keenan, Deputy Director/Fire Manning, Finance Director Barnes, Deputy Finance Director Schulz, Manager of Public Utilities Herczeg, Manager of Roads and Facilities Brisson, City Clerk Kowal, City Attorney Beckerleg, City Engineers Juidici and Stevens.

19 Guests

4. APPROVAL OF MINUTES

4. Regular Council Meeting – October 7, 2013

Moved by Kittle; Seconded by Hammond.

RESOLVED: To approve the October 7, 2013 meeting minutes.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.186

4b. Workshop – October 7, 2013

Moved by Knight; Seconded by Verbeke.

RESOLVED: To approve the October 7, 2013, Workshop minutes.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.187

5. APPOINTMENTS AND PRESENTATIONS

5a. Presentation – Best Practices Award for the Auburn Hills EV Ready Project by Andrea Brown, Michigan Chapter of the American Planning Association

Heather Seyfarth, Clean Air Coalition, explained she starting working with Auburn Hills approximately a year and a half ago on the electrical vehicle plan for the State. At that time, the Coalition knew the City was a leader on this issue, but didn't know how fantastic the City staff is. Auburn Hills is one of the few places in the State that recognizes how important electrical vehicles are. As the Coalition began working with Auburn Hills, they were amazed with what has already been implemented, such as the ordinance and the installation of public charging stations.

Andrea Brown, Executive Director of Michigan Association of Planning stated she presented an award for the Riverwalk Plan approximately four years ago, noting what a well-planned community Auburn Hills is. Tonight she is presenting the Outstanding Community Planning Award for the Electric Vehicle Charging Stations. She noted the remarkable efforts that make Auburn Hills the leader in Michigan for this industry. She explained Mr. Cohen approached her three or so years ago about the initiatives he was working on for the electric vehicle charging stations, which at the time was very innovative and cutting edge. Ms. Brown noted the collaborative effort of many departments within the City taking part in the planning process; whereas in many communities, the planning is done solely by the planning department.

Ms. Brown thanked the City for the commitment to quality community planning and for maintaining a membership to the Michigan Association of Planning. Mr. Cohen just celebrated 20 years of membership. In the spring the Michigan Association of Planning is will be holding a board meeting in the area, and will be touring the many fantastic planning projects that have been happening in Auburn Hills.

Ms. Brown congratulated the City on the award and presented the award to Council.

5b. Motion – Confirming Appointment of Ilene Ingram to the Local Officials Compensation Commission for a term ending July 31, 2018.

Mayor McDonald noted he met with Dr. Ingram last week, she had shown an interest in serving the City in some capacity. At this time the only vacancy available is for the Local Officials Compensation Commission, and she was more than willing

to step forward and serve on this Commission. She is very well qualified, and has been in the community for a number of years.

Dr. Ingram noted she has been a resident of Auburn Hills since 1995; Oakland County is really her community. She started her teaching career 45 years ago in Bloomfield Hills, she then moved to Rochester where she was the principal at Ruether Middle School and Rochester High School. In 2002 she retired; however, she was invited to join the Department of Educational Leadership at Oakland University. She was a tenured associate professor at the School of Education and Human Services.

Mayor McDonald called her last week asking if she would be interested in this committee, she was surprised because she had something else totally, in mind. After he explained the purpose of the committee, she saw this is a vital committee; she also was pleased with the number of meetings held.

Mr. Kittle noted on Dr. Ingram's application, her interest was with the Beautification Advisory Commission and asked if there were openings on other boards or commissions that met more frequently, as opposed once every two years, if she would be interested.

Dr. Ingram stated the time isn't an issue for her it is the reality of this committee. If there were other boards or commissions in need of her talents, she would be willing to discuss those options.

Mr. Kittle asked Mayor McDonald if Dr. Ingram would fall outside of the new authority, the citizens committee that is being discussed.

Mayor McDonald confirmed the possibility.

Mr. Kittle noted Dr. Ingram's qualifications are tremendous, and the next meeting won't be for over a year, that maybe there is a better opportunity since this appointment isn't crucial at this time and defer the appointment to the new Council.

Ms. Doyle stated Dr. Ingram can serve on another commission as well as serving on this appointment.

Mayor McDonald confirmed that is correct.

Mr. McDaniel agrees with Mr. Kittle, that the appointment at this time isn't crucial. With Dr. Ingram's resume, her qualifications, she may be better suited for another committee, since this appointment will not be meeting for almost two years. He appreciates Dr. Ingram's willingness to serve on a committee.

Continuing, Mr. McDaniel stated as he asked the last appointee to this commission, and will ask anyone appointed to the commission their views on compensating City Council.

He first asked what Dr. Ingram knew of the function of this commission.

Dr. Ingram stated she understood this committee meets prior to each election, to consider the compensation packages for serving members of Council. She feels confident that she has enough information at this time, and since the committee won't be meeting until 2015, she will be able to learn more.

Mr. McDaniel asked, hypothetically speaking, how she feels about Council members receiving medical benefits from the City with no out-of-pocket expense for the coverage, with lower co-pays and deductibles than City employees. He noted he does not receive medical benefits from the City. As part of the Compensation Commission, if appointed, there is the responsibility to vote on the benefits of the elected officials, City Council.

Dr. Ingram stated this is a topical and timely question and speaking hypothetically when she doesn't have the facts or any information, so she won't offer her opinion without knowing the facts. As a member of a committee, she needs the opportunity to study, and to understand the broad issues as well as the small issues. What you'll get from her is an honest and ethical response and at this time, she can't give a hypothetical answer.

Mr. McDaniel appreciated Dr. Ingram answer, but asked if she felt employees should get better benefits or Council should get better benefits or should they be equal. He is asking which is right.

Dr. Ingram stated this is asking her to weigh in on an opinion, which she cannot give, because she does not know who the employees are or what the compensation packages are. She appreciates the question, but she would also like Mr. McDaniel to appreciate why she cannot answer the question. She doesn't know who gets better benefits, if either.

Mr. McDaniel stated he wasn't asking her opinion of who gets better or worse benefits, he is just asking if she thinks that Council should get better benefits than employees or does she think Council should get the same as employees.

Mayor McDonald stated Dr. Ingram has already answered the question.

Mr. McDaniel thanked Dr. Ingram for her response, but he doesn't believe any Council Member should receive better benefits than employees and for that reason, he won't support this appointment.

Dr. Ingram didn't agree with Mr. McDaniel's comment, she doesn't believe he heard her correctly, but respected his opinion.

Moved by Doyle; Seconded by Hammond.

RESOLVED: To confirm the Appointment of Dr. Ilene Ingram to the Local Officials Compensation Commission for a term ending July 31, 2018.

Mr. Kittle stated he too, will be declining this appointment only because of the timing; he doesn't feel it is an essential appointment and it should be left up to the new Council. He appreciates Dr. Ingram's willingness to serve and believes she will be an asset to the committee and the City.

VOTE: Yes: Doyle, Hammond, Knight, McDonald, Verbeke

No: Kittle, McDaniel

Motion Carried (5-2)

Resolution No. 13.10.188

6. PUBLIC COMMENT

Donald Hughes a Bald Mountain Road resident, who has lived in Auburn Hills for 13 years, and he and his wife also work in the City. Both volunteer their time for water protection, with the Sierra Club and Clinton Watershed Council. Recently, he and his wife have become concerned with the discussion of releasing gas and mineral rights on public land owned by the City, including Hawk Woods. They are concerned oil and gas drilling near their home, and the potential environmental and economic impacts that could occur. This is a residential area and they value where they live and hate to see it damaged from any exploration and extraction of any natural oil or gas. Along with drilling come a number of threats to the area, which includes industrialization such as clearing of the land for the drilling pad, increased truck traffic for the creation of oil pipelines, storage containers and other infrastructure. There is also the fear of property value loss, wear-and-tear on city streets from the truck traffic, noise from drilling operations, and at worst case, contamination of the wetlands, rivers, and ponds if there was a spill. There is also the concern, despite statements that fracking will not be used, that the wells could be sold or contracted to third party developers for that purpose. These concerns would also affect the City and the surrounding neighbors. There is also the worry of a potential financial impact. In the long run, these impacts could outweigh the financial benefits. He met with City Manager Auger last week, along with his neighbors, and they will continue to share an open dialogue with their concerns and questions. He hopes the City will invite the public for input and discussion prior to signing any leases and ultimately hope the City follows the lead of Rochester, who recently tabled the signing of any leases until more information and a full study of risks is available. He has done a lot of research and has been in contact with other people in the state who have experienced oil and gas drilling near their homes and he would be more than happy than to share those experiences with anyone. He thanked Council for their time and asked that his points are taken into consideration.

Kay Sendegas, an Auburn Hills resident, noted her concern is with the ordinance enforcement officer and the Council candidates running for office, who are trashing downtown with all of the signs in front of the businesses. She believes the candidates ought to know the sign ordinance and what the number of signs allowed is.

Mayor McDonald interrupted Ms. Sendegas to let her know the ordinance has changed, and there is no number limit for signs to be posted.

Mr. Beckerleg agreed there isn't much regulation for political signs. The number of signs allowed isn't regulated, only the placement; they can't be located in the road right-of-way.

Ms. Sendegas is disappointed with all the signs taking away from the beauty that is being created in the City. She would hope the candidates would pick up half of their signs that are littering the downtown.

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.

Items 7b. and 7d were removed from the Consent Agenda at the request of Council Member Kittle.

7a. Board and Commission Minutes

7a.1. Beautification Advisory Commission – September 18, 2013

7c. Motion – Purchase of Compressor Purchase of a 2013 Trailer Mounted Air Compressor

RESOLVED: To approve the purchase of a 2013 Trailer Mounted Air Compressor be awarded to Southeastern Equipment Co., Inc., 48574 Grand River Ave. Novi, MI 48374 at a total cost of \$11,945.

Moved by Doyle; Seconded by Verbeke.

RESOLVED: To approve Consent Agenda Items 7a and 7c.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.189

7b. Motion – Winter Maintenance Agreement between Auburn Hills and Road Commission for Oakland County

Mr. Kittle commended the DPW Director, Deputy Director and staff for entering into this agreement with Oakland County; it's a great collaboration with the City taking some of the burden off Oakland County, and the City being compensated.

Mr. Knight asked if the compensation, the same amount as last year, is adequate; if it was a win-win situation last year.

Mr. Brisson stated the salt usage has continued to drop and improvements in equipment allows a continuing decrease in cost to maintain the roads.

Moved by Kittle; Seconded by Knight.

RESOLVED: To approve the City Manager, as Street Administrator, to accept on behalf of the City of Auburn Hills, the 2013-2014 Winter Maintenance Agreement for snow plowing and ice control operations of South Boulevard between Adams and Opdyke, and Adams Road from South Boulevard to the Rochester Hills City Limit for an annual compensation to the City in the amount of \$ 15,291.05.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.190

7d. Motion – Adoption of 80/20 Cost Sharing Resolution for Employee Contributions to Healthcare

Mr. Kittle asked for a better explanation of what is being requested and felt a better explanation would better allow the public to understand the request.

Mr. Tanghe explained this is the cost share of what public employees now make towards their health care, with health care defined as medical/health care insurance and prescription drug plan. The Publicly Funded Health Insurance Contribution Act, Public Act 152 of 2011 was adopted by the State Legislature. The State Legislature felt because in the private sector most industries required their employees to contribute to health care premiums that it was also appropriate for that to occur in the public sector. It was also done in response to the economic conditions that occurred after the recession of 2008.

At the beginning of 2013, the City began collecting premiums, there are different methods for collection, but last year City Council indicated that the City would collect 20% of premiums from employees, which is done through 24, equal payroll deductions throughout the year.

This resolution is similar to last year, and must be adopted by Council each year. The recommendation is for the City to continue through 2014 for those groups that are required to contribute as of 2014. The employer continues to contribute 80% of health care and prescription drug costs and the employee contributes 20%.

Mr. McDaniel asked if this includes all union and non-union personnel, including any Council Members receiving medical benefits.

Mr. Tanghe explained all groups of employees will be paying by January 1, 2015, as contracts are renewed. Some contributions by elected officials exceed the 20%, so there is a varying schedule of what elected officials pay towards health care. If there are Members who currently don't contribute to health care, and get reelected in November, they would begin paying the 20%. The 20% employee contribution does not apply to retirees.

Mr. Tanghe confirmed for Mr. McDaniel the 20% contribution does not apply to any retirees, City Council or City employees.

Mr. Kittle asked if this 80/20 Cost Sharing will become permanent, or if it must be voted on each year.

Mr. Tanghe stated because options are available, it is required that action be taken annually.

Moved by Kittle; Seconded by McDaniel.

RESOLVED: Resolution to adopt an 80/20 Cost Sharing Model - 2014 for Employee Contributions to Healthcare Premiums.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.191

8. OLD BUSINESS

8a. Motion - Approval of Detroit Water and Sewer Contract 2014-2018

Mr. Herczeg explained the 30-year contract is opened every five years for re-negotiations of volumes and rates. Last year Auburn Hills took advantage of re-negotiating a more accurate consumption volume, in an effort to control rates. This year there are no real changes to the contract, the volumes and rates will be similar to last year. There is always the option to reopen the contract annually to adjust for developments and flows.

Mr. Kittle asked if an assumption can be made that this contract will not need any action taken until 2018.

Mr. Herczeg stated no, the City will want to adjust the flow and volumes as the area continues to grow, to save on rate costs.

Mr. Knight asked for clarification, that this contract is for water use only, nothing to do with sanitary sewer.

Mr. Herczeg stated that is correct, DWSD holds the contract.

Ms. Doyle asked why then, is the contract with the Detroit Water and Sewer Department.

Mr. Auger explained that is the name of the legal entity with which the City has the contract.

Moved by Knight; Seconded by Hammond.

RESOLVED: To approve the Detroit Water and Sewer Department Service Contract.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.192

9. NEW BUSINESS

9a. Motion – Accepting First and Second Quarter 2013 Monitoring Network Review Summaries of the Oakland Heights Development Landfill Report.

Andy Foerg, Representative from Environmental Resources Group, explained because the issues from the First Quarter are also relevant to the Second Quarter report, he will only review the Second Quarter report. There is one well in MW-33R, that is questionable location in terms of service water pooling or gathering in the area and it's creating some fluctuating results. The first concern is if the landfill is leaking; however, the cause is more likely because of construction in the area changing the surface water flow. Action should be taken to eliminate the event, possibly drilling a new well or grading differently to prevent the water from pooling.

Continuing, Mr. Foerg explained the volatiles are in MW-47S, which is in the northeast corner. Oakland Heights Development (OHD) performed an investigation to evaluate the issue and concluded that "...evidence was sufficient to show that the source of impacts observed in MW-47S is from an off-site source." MDEQ verbally concurred with OHD's conclusions, and a written approval is forthcoming. Environmental Resources Group (ERG) agrees that the data appear to indicate an off-site source; however continued monitoring of this issue is warranted.

Another volatile was found in another well, a very low concentration and probably an anomaly based on either sampling or laboratory error. The third quarter will reveal if there is a problem, and will be addressed if founded. He has not seen the third quarter report as of yet.

There have been some issues with the secondary collection system; the system that collects the water beneath the primary liner, the first line of defense. There has been a fluctuation with the flow rates, which can potentially indicate a leak in the liner, which is why the flow rates are monitored. There was an equipment malfunction, and several leachate indicator parameters and volatile organic compounds (VOCs) were detected. OHD believes this was the result of backflow from the leachate line. Repairs have been completed and flow rates are decreasing and will continued to be sampled during the third quarter.

Mr. Foerg confirmed for Mayor McDonald there is nothing critical with the landfill, relatively routine events and monitoring will continue. The landfill monitoring system is pretty clean and solid, and the DEQ doesn't worry too much about the landfill, but they do keep an eye on it.

Ms. Verbeke asked what recommendations Mr. Foerg was referring to for MW-33R.

Mr. Foerg stated his recommendations are very general; he isn't privy to the engineering details. What he is recommending is something be done to avoid this ongoing fluctuation issue with the surface water. Whether it is re-drilling a well, which is very expensive or changing the grade in that area to avoid the surface water pooling. He would like something done to avoid the problem.

Mayor McDonald asked Mr. Bill Dolson, Oakland Heights Development Manager, if there was anything he'd like to add to the report.

Mr. Dolson stated he spoke with the engineer, and the volatiles found were determined to be an anomaly. Regarding MW-33R, there needs to be more grading done. In that area there had been a stock-pile of soil and the water wasn't running off fast enough, therefore pooling at that location. If re-grading does not work, other options will be investigated.

Mr. Knight asked who monitors the old landfill, Sanicen.

Mr. Foerg stated the State, MDEQ, monitors that site.

Mr. Kittle asked for confirmation that there are no concerns with the surrounding areas, because of the landfill, including those, north of Brown Road.

Mr. Dolson stated there are no concerns, and the landfill flows south, so the landfill would have no impact on anything to the north. There is only well in the area, which is at the trailer park to the north. A new water supply well was drilled by OHD and moved it further to the north and much deeper. There had been several components in the water, making it undrinkable.

Mr. Kittle asked if the overall health, safety, and welfare of the people in the surrounding areas, are not at risk.

Mr. Dolson stated yes, they are not at risk.

Ms. Doyle asked for clarification, if something has been done or will be done with the pooling water; there were conflicting comments made.

Mr. Dolson explained the grading that was done, was done between the second and third quarters, after Mr. Foerg's report. The levels of liquid in the monitoring well have gone down to what they were before the stock pile of soil was placed at that location. It will continue to be monitored and if more grading is necessary it will be done.

Mr. Foerg further explained, he is speaking from the second quarter perspective, and Mr. Dolson has since done the grading, resulting in an improvement from the third quarter report.

Mr. Foerg confirmed for Ms. Doyle, his reporting trails about a quarter behind, but it depends on the situation. He will hound Mr. Dolson when it is necessary; but he also receives information quickly when a problem arises. Regarding well 33R, he will be comfortable when he sees the official report.

Moved by Hammond; Seconded by Doyle.

RESOLVED: To accept the First and Second Quarter Y2013 Monitoring Network Review Summaries prepared by Environmental Resources Group, LLC (ERG) for the Oakland Heights Development Landfill.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.193

9b. Public Hearing/Motion – Adopt 2014 Budget and Millage Rates

Mayor McDonald stated this is the most recent up-to-date budget.

Mayor McDonald opened the public hearing at 8:02 p.m.

Mr. Kittle, referring to the Council packet memo, asked that the second paragraph be explained in layman's terms.

Mr. Barnes explained the paragraph exhibits tax revenues have been going down over the last few years. Prior to 2008, the tax revenues were close to 45%, pushing 50% and have since crept down to 38.5%. If items such as non-reoccurring grants are excluded from the general fund, which is close to \$4 million in grants, as well as the \$17.5 million in proprietary funds which is water, sewer and golf. The proprietary funds cannot be spent on other projects. This was to demonstrate these tax revenues represent 70% of the City's revenue, after excluding the above noted revenue amounts for grants and the proprietary funds.

Mr. Kittle noted the water rate increases over the last few years have brought the fund current, and noticed there will be an annual increase of 5%. He asked if there is the possibility of two, 2.5% increases as opposed to an annual 5%. He noted being a business owner, the price of water is so much greater than a residential rate. He also was curious if there is a need to continue raising the rate by 5%.

Mr. Barnes noted the rates have been somewhat volatile in terms of what the City must pay. There are look back charges and fixed charges, which are approximately \$133,000, in addition to what the City pays on the usage charges. The fund balance for the water and sewer goes down \$1.3 million, but some of that is due to the projects this year. The only 5% increase he feels strongly about is for 2014, and will reassess every year as the rates get passed on to the City.

Mr. Kittle asked if this is affected by the SAW grants, and once the City obtains a capital asset management program the City will be more capable of predicting long term infrastructure needs; which would result in the City not having to keep piling on the fund balance to be protected from the unknown.

Mr. Barnes believes that is the expectation of the SAW grant; in addition to the sewers, and the 40 or so storm drains. OHM will be able to better track the capital going out.

Mr. Kittle stated the memo includes a \$400,000 fire truck and asked if the truck will be covered by the SAW grant.

Mr. Barnes clarified the SAW grant only covers the \$300,000 sewer inspection vehicle.

Mr. Kittle questioned if the salary increases are in the budget that Council hasn't been privy to, as well as the assumption of the ALS transport.

Mr. Auger stated the budget reflects EMS being transferred, but there has been no approval from Council to do so.

Mr. Kittle reasoned if the budget is approved as presented isn't that action approving the change.

Mr. Auger stated no, it is a policy question that will be decided by City Council.

Mr. Kittle asked if talking about draining down fund balances some \$9 million, which includes the University Bridge replacement for \$1 million and the University Road improvements, are place holders and not earmarked dollars. There is the \$1 million set aside for the University Bridge if the City can get others to move on the project, but the fact that overall the funds are declining by \$9 million, is this something that can be set aside. This may be a policy question. If the State comes back or if there is a means to initiate an amendment to the budget so the budget doesn't look unbalanced.

Mr. Barnes stated the cost amounts for the University Drive project are solid numbers, and the grant funds for this project are firm, committed amounts. The project includes University west of the I-75 Bridge to Opdyke and east of the bridge to Squirrel Road. Mr. Barnes agreed that the \$1 million in the budget for the I-75 Bridge project is contingent on obtaining substantial state/federal support; he also stated that the amount in the 2014 budget for this project had been reduced to \$1 million whereas it had been \$4 million split between two TIFA's and a two year period in the prior year budget.

Mr. Kittle asked if the TIFA funds for the University Drive reconstruct of \$1.7 million, are funds that are locked in with the grant money.

Mr. Barnes stated that is correct.

Mr. Kittle commended staff for seeking grant money, which the City is able to take advantage of, paying 20 cents on the dollar and get a lot of infrastructure improvements for it.

Ms. Verbeke questioned Mr. Barnes if the possible changes to the EMS are included in the budget.

Mr. Barnes said the budget for EMS is status quo because there is no guarantee of a change. If there is a change, a budget amendment will need to be considered depending on the financial impact of the change which would be submitted to the Council for approval.

Mr. Auger stood corrected, explaining the budget had been looked at both ways; with the new EMS plan and the way things are currently being done. As Mr. Barnes stated, this budget represents the current EMS, remaining status quo.

Ms. Doyle asked if the Fire Department's 2014 budget includes any changes to the EMS.

Mr. McDaniel thought there would be an increase in man power.

Deputy Director/Fire Manning stated the last revision he discussed with Mr. Auger and Mr. Barnes included provisions for minor medical supplies that are currently supplied by Star. The budget included some possible maintenance issues, and possibly seeking a grant for stretchers; if the change is approved by Council. There are no additional personnel included in the budget, the number of personnel has remained the same over the last several years.

Ms. Doyle asked if the Council were to approve the ALS transport, then there are no significant increases in cost that would require an amendment to the budget.

Deputy Director/Fire Manning stated at this time, no, there won't be any significant cost. In time, there will be the need to replace an ambulance, but that would come before Council for approval.

Mr. McDaniel noted the City would be replacing the ambulance in any case, even if the ALS transport was not approved.

Deputy Director/Fire Manning concurred.

Mr. McDaniel asked if there are any salary increases in the budget, and if so, how are they administered.

Mr. Auger stated non-union is still at zero for raises and any of the contracted units get what their contract dictates. Over the last couple of years there have been a small number of employees getting more responsibilities due to the reorganization of the department; those salaries have been adjusted accordingly.

Continuing, Mr. Auger stated during the next year, quality of life services will fall in with the DPW, giving much needed help to recreation, golf, and senior services administrative staff; each of these departments only have one full-time administrative help.

Mr. McDaniel asked Mr. Auger to elaborate on the changes, he doesn't know a lot of how the changes will be made, but agrees it sounds very positive.

Mr. Auger stated the main change will enable help for those departments because of only having one full-time staff member.

Mr. McDaniel noted it would be helpful early in the process to have more information on the changes, so he is able to better answer resident's questions, as well as know who he can contact with questions or comments.

Mr. Knight noted on page 71, it says there are 172 full time employees in this budget and there were 169 in the 2013 budget. This is an increase of three full time employees; a medical dispatcher and some specialty positions.

Mr. Barnes stated yes there are three positions, a data analyst in the Police Department, a dispatcher, and the Fire Department is adding one person; which restores the cuts from previous years.

Mr. Auger confirmed for Mr. Kittle, that there are not any new employees being considered for the ALS transport. There are retirements coming up in the Police Department, so there will be those replacements.

Ms. Verbeke thanked Mr. Barnes for taking the time and sitting with her and explaining the budget. She suggested changing the process to include some of the things she learned; this allowed her a much better understanding of the budget.

Mayor McDonald stated there has always been an open door to the Finance office and all departments for any or all Council Members to learn more about the process if they so wish.

Mr. Barnes stated he can modify the format of the budget reports to include more detail in next year's budget presentations.

Ms. Doyle noted the fund balances are continuing to decline a little, the property tax revenue is slowly climbing out of the hole, with next year being almost positive so the City is on a good track. She agrees with Mr. Kittle that there has been really good work in trying to obtain state and federal grant money. She asked what the really big, significant expenditures are in this budget that citizens should be aware of.

Mr. Barnes stated the City's capital budget is at its highest level since 2005. The total capital budget is \$16 million, with over \$4 million in grant revenues to offset the City's costs. Virtually all of the major capital projects are road projects and some significant water and sewer projects. The local road maintenance projects at \$700,000 are also considerably higher than the past year. The Capital Budget is the dominant feature of the 2014 budget. There is about \$4.8 million of capital items in 2014, which will rollover to 2015. The two major rollover items are Squirrel Road from Walton Boulevard to

Dutton road, with the engineering costs in the 2014 budget, and the \$3 million construction cost is for 2015. The SAW grant is expected to extend into a two year period as well. In 2015 there will be another \$4.8 million of costs for those two projects offset by approximately \$2 million in grant money. There is \$4 million in grant money for 2014 and at least \$2.2 million in 2015.

The tax revenues, which have been conservatively budgeted, are \$420,000 for 2014, the lowest decrease in some time. Next year there is no increase or decrease planned, but beginning in 2016 2% increases are expected.

The tax revenues began to collapse in 2008 and Troy did a significant study showing how the city wouldn't be able to recoup the tax values for 15 or 20 years. The worst year for the general fund will be in 2015 because of a large capital project, but after that the deficit will continue to decrease. By 2018 it's nearly a break even, it will take almost five years to get the general fund operating at a level where the fund balance will stabilize and not decrease.

The total operating expenditures in the 2014 budget are higher than 2013 by \$985,000. There are four items in the budget this year that account for the increase, and none of them include increases in salaries or benefits. One is the local road maintenance projects which are \$400,000 higher than 2013; an ambitious tree planting program, for the Riverwalk and Squirrel Court, about \$200,000; the Galloway Wetlands phase two study with a cost of \$325,000; and TIFA B has \$200,000 budgeted for potential site improvement grants. Excluding the amounts budgeted for these projects results in the City's net operating expenses being less than the 2013 year.

Ms. Doyle asked if there is anything being taken away this year, in order to hold the line that may be kind of a surprise that Council should know about; anything that may have a direct impact on the citizens.

Mr. Auger stated operations and events will continue to be looked at to see if there is return on the value. Communication will be kept open, better than in the past. The big thing to watch for on the radar is the 2014 election and the personal property tax. The reimbursement numbers continue to change and could have an effect on the budget. The surprise is every year City staff keep coming in under budget on major projects; the money isn't spent just because it was budgeted. He believes this year is under the anticipated spending by a couple million dollars. Maintenance on major projects shouldn't be deferred until they become catastrophes or are more expensive to fix.

Mr. Knight stated Auburn Hills has always been a conservative budgeted city, which has been to the City's advantage. The general fund balance is expected to decrease to 69% of the fund's operating expenditures; however, it is still considerably higher than 15% which is considered the level of a struggling city. The conservative effort shows in the five-year projection, which although decreasing by \$8 million, it is still prudent.

Mr. Kittle believes the City is spending money in the right areas. There is a rating system for the quality of roads, and Auburn Hills has been able to invest in road maintenance for an A or B rating; other communities have to use those funds for basic operations while the roads are deteriorating. From an economic development standpoint Auburn Hills looks more attractive because the infrastructure is better maintained, but it also increases road safety.

Mayor McDonald closed the public hearing at 8:32 p.m.

Moved by Knight; Seconded by Doyle.

RESOLVED: To accept and adopt the proposed 2014 budgets for the City and the Library and to approve the proposed millages for the City and Library for the 2013 tax year.

Mr. Knight didn't believe the Library budget should be approved by City Council.

After a brief discussion and concurrence from Mr. Barnes and Mr. Beckerleg, the motion was amended to remove adopting the Library Budget.

Moved by Knight; Seconded by Doyle.

RESOLVED: To accept and adopt the proposed 2014 budget for the City and to approve the proposed millages for the City and Library for the 2013 tax year.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.194

9c. Motion – To approve the SAW Grant Agreement resolutions for the Wastewater Asset Management Plan, Stormwater Asset Management Plan and Stormwater Management Plan

Mr. Keenan explained the City has an opportunity to capture Michigan Department of Environmental Quality (MDEQ) funding commonly referred to as Stormwater, Asset Management and Wastewater (SAW) Grants. The State has a program that has \$97 million available, for 2014, and available to communities that operate their own stormwater and waste water treatment system. The City has two projects, one related to sanitary sewer asset management and the second for storm water asset management plan and will be applying for the maximum amount allowed, which is \$2 million. The first million of the grant would require the City to match 10% and if the City should receive the second million, a 20% match by the City would be required. Because the match percentage is so low, it is anticipated that many communities will be applying for the grants. There are no special requirements to receive a grant and it will be first come – first served unless there is an overwhelming response, in which case a lottery will be held. The costs are going to be related to the cost management plan, to help budget better over the years for capital improvement costs. The stormwater

management plan will also help the City to comply with the phase two, stormwater permit as well as some of the asset management plans related to that proposal.

Confirming for Mr. Kittle, Mr. Keenan stated this is only an application and there is no guarantee the City will receive a grant.

Moved by Kittle; Seconded by McDaniel.

RESOLVED: To approve the resolutions for Stormwater, Asset Management and Wastewater Grants and authorize the City Manager to enter the City of Auburn Hills into the SAW Grant Agreement for the Wastewater Asset Management Plan, Stormwater Asset Management Plan and Stormwater Management Plan.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.195

10. COMMENTS AND MOTIONS FROM COUNCIL

Mr. McDaniel:

- Attended the forum of candidates running for Council and he learned what the candidates supported and didn't support. He noted the moderator did a great job and suggested anyone interested, to watch the forum being shown on the City's website as well as the City's face book page.

Mr. Kittle:

- Asked for the Clerk to explain a document, which show the number of AV ballots issued and the percentage of those returned on time. What does that mean?

Ms. Kowal explained the report is run from the Michigan Qualified Voter File daily, and that on time number means currently the number of ballots returned; late will mean if any ballots returned after November 5, 2013.

- At the last meeting he asked about the roll-away dumpsters on Squirrel Road and asked if an update was available.

Mr. Auger stated they were removed Tuesday.

- Read in the Oakland Press that Orion Township will be spending \$1.2 million to build a new fire station near the GM – Orion plant. Auburn Hills has an under-utilized fire station near the plant and maybe there could be a collaborative discussion to see if something could be worked out.

Ms. Hammond:

- Asked for an update regarding the City's cable channel.

Mr. Auger stated the part needed is in California and is the same part that went out before. The IT department is looking for another solution.

Mr. Cagle explained the part was received Friday and the cable is up and running. He also noted the candidate forum Mr. McDaniel spoke of, is also on the cable channel.

- Wished Brandon Guest, Management Intern, the best of luck as he moves on.
- Wished all the candidates running for a Council seat good luck in the election.

Ms. Doyle:

- OCC is hosting a tour tomorrow, which City Council has been invited; she will be attending. She noted the Chancellor and the new President will be in attendance.

- Thanked the City Staff for scrambling to get the Halloween Trail back. She was aware of Mr. Marzolf needing volunteers for many aspects of the trail; she dropped off candy and asked if any other help was needed.

Mr. Auger stated Mr. Marzolf and Ms. Gorak stepped up to make sure the event happened. Several Council Members volunteered, as well as staff and some spouses volunteered as well.

- The Public Safety Advisory Committee met for further discussion for the emergency medical services issue. She has been part of the Committee for the last two years and noted all the hard work the Staff put into how the City will handle advanced life support transport. There were hundreds of Staff hours put into the research and analyzing the information, as well as Ms. Sendegas, the Committee Chair and the Committee Members. Continuing, she asked for this item to be on the next Council agenda, so this sitting Council can vote on what they have been working and analyzing and are very well prepared to make this decision.

Moved by Doyle; Seconded by Knight.

RESOLVED: To put on the next Council Agenda, the Advanced Life Support Transport item.

Mr. McDaniel asked if it was necessary to have a motion from Council to put this item on the agenda since the agenda is set by the Mayor.

Mayor McDonald stated it would likely be on the next agenda without a motion.

Ms. Doyle stated if a motion isn't needed that is fine, but she would like the opportunity to vote on this before she and the Mayor are no longer on Council.

Ms. Doyle noted Mr. Coolman, who is in the audience, also serves on the Public Safety Advisory Committee.

Ms. Verbeke:

- Thanked everyone, particularly Mr. Marzolf and Ms. Gorak for pulling the Halloween Trail together, noting the time is 6:00 p.m. until 7:30 p.m.
- Asked about the repaving that was to take place on Joslyn Road. Also, there is a dip/pot hole on the southbound side of Joslyn, just past the entrance to southbound I-75, where there had been construction cones alerting drivers, but the cones have been removed and no repairs were done to the roadway.

Mr. Juidici stated the Joslyn Road project that RCOC is doing, has gone out for bid and with bids due the second week of November. The project will not begin until next spring, with the possibility of preliminary work beginning this winter. Regarding the pot hole, Mr. Melchert will pass the info along to RCOC.

Mr. Knight:

- He received the Open Issue Log and was surprised to see a notation regarding the recycling at General Towing he mentioned at the last meeting. He asked if the notation was referencing the entire site would be cleaned up or if there will be no more recycling and all the junk will be left.

Mr. Cohen stated the clean-up will take some time based on all the compost on the site, but the owner has agreed to remove it. He was given 30 days to do the clean-up, but 30 days may not be enough time to clean-up all the compost.

He was very appreciative at how quickly the issue was handled.

- He had business on Center Road, and he received complaints of all the road dust and was questioned why road work was necessary when the road was in fine shape. He had received similar comments from Grey Road residents.

His answer to both was the road repair was part of the road maintenance five-year plan.

- Asked if all the beautiful fall flowers downtown are recycled when they are done blooming or just pulled and dumped. He suggested if dumped, then they should be dug and available for sale.

Mayor McDonald:

- Thanked Brandon Guest for his service to the City.
- Asked if S. Squirrel Road, south of M-59 has been taken care of.

Mr. Auger stated not as of yet; however, Mr. Melchert has sent a letter advising the contractor of a cease and desist date and requiring a date the work will be completed otherwise the City will do the work and take the funds out of the retainer.

Mr. McDaniel clarified that the City has retained money due the contractor until the job is done correctly or the City will complete the job with those held back funds; there will not be new cost to the residents.

Mr. Auger concurred.

11. CITY ATTORNEY'S REPORT – none.

12. CITY MANAGER'S REPORT

- Last week, Council Member Verbeke went on behalf of the citizens of Auburn Hills as a Council Member, as well as resident, to Lansing to speak on closing the loop-hole in the law that the Pontiac School system used. To a lot of people's surprise that effort moved the process somewhat forward. It looks like the effort might move it forward. It really does make a difference when people call their legislatures or go out and testify.

13. EXECUTIVE SESSION

13a. Discussion of Attorney Opinion re: National Pollution Discharge Elimination systems Phase II General Permits – Novi et al v. MDEQ

13b. Property Sale

Moved by McDaniel; Seconded by Verbeke.

RESOLVED: To adjourn to Executive Session to discuss an attorney opinion and property sale.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.196

City Council adjourned to Executive Session at 8:40 pm. and reconvened the regular meeting at 9:15 pm.

Moved by Doyle; Seconded by Verbeke.

RESOLVED: To authorize the sale of City-owned land to Hampton South, LLC, with property identification number 14-25-426-010 and containing +/-6.3 acres, in an amount equivalent to \$10,000 per lot times the number of lots approved by the Community Development Department through its planning process for the land. Furthermore, to authorize Assistant City Manager Thomas Tanghe to execute the purchase agreement on behalf of the City, up to and including those documents necessary to close the sale.

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

No: None

Motion Carried (7-0)

Resolution No. 13.10.197

14. ADJOURNMENT The meeting adjourned at 9:16 p.m.

James D. McDonald, Mayor

Terri Kowal, City Clerk