



# The City of Auburn Hills

## City Council Meeting

### Minutes

February 17, 2014

**CALL TO ORDER:** by Mayor McDaniel at 7:00 p.m.

**LOCATION:** City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326

**Present:** Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Hammond, Knight, Mitchell, Verbeke

**Absent:** None

**Also Present:** City Manager Auger, Assistant City Manager Tanghe, Director Olko, City Assessor Lohmeier, City Clerk Kowal, DPW Director Melchert, Recreation Director Marzolf, Deputy DPW Director – Infrastructure Herczeg, Deputy DPW Director – Quality of Life Services Grice, Public Utilities Manager Michling, Manager/PGA Pro Marmion, Roads & Fleet Manager Brisson, City Manager Assistant Mariuz, City Attorney Beckerleg, and City Engineers Hiltz and Juidici  
19 Guests

#### 4. APPROVAL OF MINUTES

4a. Regular Council Meeting – February 3, 2014

**Moved by Verbeke; Seconded by Kittle.**

**RESOLVED: To approve the February 3, 2014 regular meeting minutes.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.030**

4b. Council Workshop Meeting – February 3, 2014

**Moved by Kittle; Seconded by Mitchell.**

**RESOLVED: To approve the February 3, 2014 Council workshop minutes.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.031**

#### 5. APPOINTMENTS AND PRESENTATIONS

5a. Motion – Confirm Appointment of Annette McAvoy to the Community Media Network (CMN) Board – Liaison to Auburn Hills

Ms. McAvoy introduced herself, noting she is a life-long resident of Auburn Hills. She is looking forward to working with CMN Board, noting public communication is important to the community.

Ms. Verbeke asked if Ms. McAvoy can look into the having the channel identified so the viewer knows what channel they are watching; currently there is no identification that it is the Auburn Hills cable channel.

Ms. McAvoy stated she will look into it.

**Moved by Verbeke; Seconded by Burmeister.**

**RESOLVED: To Confirm the Appointment of Annette McAvoy to the Community Media Network (CMN) Board – Liaison to Auburn Hills.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.032**

5b. Motion – Confirm Appointment of Robert Waltenspiel to the Zoning Board of Appeals for a term to expire 12/31/2015

Mr. Waltenspiel introduced himself, noting he has been a resident of Forester Square since it was built and has three children.

**Moved by Mitchell; Seconded by Verbeke.**

**RESOLVED: To Confirm Appointment of Robert Waltenspiel to the Zoning Board of Appeals for a term ending December 31, 2015.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.033**

5c. Motion – Confirm Re-Appointment of Robert Luttermoser to the Zoning Board of Appeals for a term to expire 5/31/2016.

Mr. Luttermoser introduced himself, a resident of Heritage in the Hills. He was appointed to the ZBA in 2002 and has been serving since. He believes his 35 years as an architect lends knowledge to the ZBA.

Mayor McDaniel explained this isn't a two year term, but Mr. Luttermoser's previous term expired a few years ago and was never reappointed.

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

**RESOLVED: To Confirm Reappointment of Robert Luttermoser to the Zoning Board of Appeals for a term ending May 31, 2016.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.034**

## 6. PUBLIC COMMENT

**Mel Pohl**, 3072 Adams Road, at the suggestion of Mr. Grice, he contacted the DPW because the snow plow trucks have blocked in the bike paths. He has talked with several people in the City, and still there has been no progress in clearing the bike paths. His issue is at Adams Road, forcing people to walk in the road; however, it isn't just the Adams Road area being affected.

Mayor McDaniel stated the message would be forwarded and determine what, if anything can be done.

**Don Hughes**, 3744 Bald Mountain Road, was disappointed to hear the City is not planning on issuing a moratorium at this time for oil and gas drilling. The development of a drilling site can happen very quickly, without notice to the City. The drilling company is moving forward with obtaining a permit. He would like Council to provide a timeline, available to all residents, of how the City will proceed.

Mr. Hughes asked who is liable for damage to homeowners if there is an accident or spill as a result of drilling. He also urged the City to not sign any leases for oil drilling on public land.

**Philip Clampitt**, 3744 Tienken Road, opposes any oil or gas drilling leases in Auburn Hills, but particularly for public property such as Hawk Woods Nature Center.

Mr. Melchert introduced Mark Michling, the new Public Utilities Manager. Mr. Michling comes from Eastpointe, with 25 years experience in DPW operations, with extensive experience in water and sewer operations.

Mr. Michling stated he is happy to be in Auburn Hills and is very impressed with the community, the workforce and the administration.

**Larry Douglas**, 3871 Brimfield, upon reading about an amendment to the Woodlands Ordinance, believes the Ordinance should be left as written. It protects good tree species, as well as champion trees and has served the community well.

**Hanna Clampitt**, 3744 Tienken Road, suggested the City be very cautious in continuing to look at oil and gas drilling in the community and all the negative effects the drilling can have. She supports a moratorium and agrees no leases should be signed until the effects of drilling have been determined.

## 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.

**Consent Agenda Items 7c. and 7d. were removed from the Consent Agenda by Mr. Knight.**

### 7a. Board and Commission Minutes

7a.1. Beautification Advisory Commission – January 15, 2014

### 7b. Motion – Approve Inter-Local Agreement with Oakland County for Election Programming

**RESOLVED: To authorize the City Clerk to sign the Interlocal Agreement for Ballot Layout and Programming Services between Oakland County and the City of Auburn Hills.**

**Moved by Hammond; Seconded by Mitchell.**

**RESOLVED: To approve the Consent Agenda Items 7a. and 7b.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.035**

7c. Motion – Approve 2014 Asphalt Maintenance Program – Scope of Engineering Services

Mr. Knight noticed a number of streets will be slurry coated and last year his street, Gray Road, was coated. He noted the cracks that were in the road prior to being coated broke through the slurry and the snow plows have also chipped away at the slurry coating and asked if this is a common occurrence with the slurry.

Mr. Brisson stated the cape seal will have reflective cracking coming through; however, in the summer months the seal becomes self healing from the heat. Regarding snow plowing, even concrete will get scraped from the plows.

Mr. Brisson confirmed for Mr. Kittle this is a budgeted item.

Mr. Kittle questioned with more potholes this winter, if the budgeted amount will be sufficient for the harsh winter's effects on the roads.

Mr. Brisson noted the residential streets are in pretty good shape; it is the older more commercial streets where the pothole problems are.

**Moved by Knight; Seconded by Kittle.**

**RESOLVED: To approve the OHM Scope of Engineering Services for the 2014 Asphalt Maintenance Program for the not-to-exceed amount of \$32,500.00. In addition, materials testing services is estimated at \$2,021.50. Funding is provided from Local Streets (203-453-935.000), Street Improvement (101-446-973.203), TIFA A (251-735-935.000) and TIFA D (253-737-935.000).**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.036**

7d. Motion – Approve Carpet Bids for Fieldstone Golf Course Clubhouse

Mr. Knight asked if the proposed carpet is the best durable, wear and tear carpet available, with a longer life expectancy.

Mr. Marmion explained the carpeting is not the top of the line. In the past, spike proof carpeting was purchased, but the cost is very expensive. The new spikes are softer, and other carpets are available at a much lesser price. The more expensive carpeting was not budgeted for; this is a 26 ounce carpet recommended by the carpet specialist and should last five or six years.

**Moved by Verbeke; Seconded by Knight.**

**RESOLVED: To award the bid to Reimer Floors, of Bloomfield Hills, Michigan in the amount of \$12,995.00 and authorize the City Manager to convey acceptance by purchase order.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.037**

**8. OLD BUSINESS**

8a. Motion – Approve Squirrel Court Enhancement Project

Mr. Grice stated in January, the City received a Transportation Alternatives Program (TAP) grant in the amount of \$194,589.00. These federal funds will be administered through the MDOT program. Additionally, the City has committed \$499,465.00 from TIFA-A, and \$47,969.86 from the Tree Fund to complete the \$742,023.86 project. The goal of the project is to improve pedestrian access, reduce storm water impacts and make additional improvements along Squirrel Road, matching Auburn Road. On the north side of Squirrel Court, there will be a 17.5 foot wide pedestrian pathway adjacent to Riverside Park; the road will be reduced to three lanes, where currently there are five lanes. In addition to improving walkability, the design will include the installation of a mass transit pick up and drop off for SMART buses, Oakland University's student bus, and the City's senior bus; improving access to Downtown.

On the south side of Squirrel Court, behind the businesses, a six-foot wide, concrete sidewalk will be installed, with pedestrian access crossing Squirrel Court. Elevated planters will be installed, like those on Auburn Road as well as street trees throughout that area.

MDOT posted the project for competitive bids and received eight formal proposals. Fiore Enterprises, LLC, is the low bidder at \$512,673.86. The remainder of the \$742,023.86 project is made up of non-participating project costs. The streetscape features include Intellistreets LED lighting to match those along Auburn Road, as well as the music and public announcement system. Irrigation will be included in the project, not only for the new landscaping but for future improvement projects in the park and the amphitheater.

The City has been very successful in leveraging local investment dollars with State and Federal funds to bring down the costs of capital improvements and therefore recommends the project be awarded to Fiore Enterprises LLC.

Mr. Grice confirmed for Ms. Hammond, the street parking will no longer exist on Squirrel Court, and the Subway and Pampered Pooch have been aware of the project for a very long time. Both stores were made aware of the plans, prior to their moving into the building.

Mr. Knight stated with plans for the amphitheatre, removing the parking will make it more difficult for people. He understands the parking garage and making the Downtown a walkable area, but believes public parking needs to be increased, not decreased.

Mr. Grice explained the plan is to close Squirrel Court during construction, with the exception of the north end, allowing traffic into the businesses parking lot. During the course of construction one of the business driveways will be open to traffic. The road will be closed to allow an aggressive work schedule to be completed by Summerfest weekend, with construction beginning in April.

Mr. Grice noted there is no exit from the center driveway of the parking lot currently, and will remain no exit.

Mr. Kittle asked how the fund balance stands in TIF A district and how this project will affect it.

Mr. Tanghe explained this is a budgeted project, but doesn't recall the current fund balance. The project cost is higher than anticipated; however, funds are available because another planned capital project was canceled. The checkbook is always being monitored, and funds are available.

Mr. Kittle asked if the other project is being moved to next year, or will it not take place at all.

Mr. Tanghe explained the money was for the amphitheater, which won't be constructed this year, freeing up the additional funds. If budgeted for next year, there will be adequate funding. The TIF A district's budgeting is very conservative; it is more maintenance mode and not capital mode. There are anticipated land sales this year that will help with the fund balance.

Mr. Grice explained the irrigation funding will come from the Tree Fund to support the landscaping and the newly installed trees.

**Moved by Verbeke; Seconded by Burmeister.**

**RESOLVED: To award the Squirrel Court enhancement project to Fiore Enterprises LLC. in the amount of \$512,673.86. In addition, approve the remaining non-participating project costs in the amount of \$229,350.00 and authorize the TIFA Executive Director to approve any necessary change orders to successfully fulfill the requirements of the contracts. Funding in the amount of \$499,465.00, to be provided by TIF District-A, Account No. 251-735-973.000, \$47,969.86 from Tree Fund, Account No. 242-447-955.002, with the remaining to be paid by the TAP Grant.**

Mr. Knight questioned giving an open ended checkbook for change orders; shouldn't it be a set amount.

Mr. Tanghe explained the motion should read to accept the recommendation of the TIFA Board, because they authorize the expense; the rule of thumb for capital improvements is 10% for change orders. There is a clear understanding between himself, as the TIFA Executive Director and the TIFA Board that anything exceeding 10% would go back to the TIFA Board for approval.

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

**No: Kittle**

**Motion Carried (6-1)**

**Resolution No. 14.02.038**

**8b. Motion –Approve the North Squirrel Road Scope of Engineering**

Mr. Melchert explained a study conducted by OHM, of North Squirrel Road from Walton Boulevard to Dutton Road was initiated in 2009. The project is scheduled for 2015. The project will cost \$3.7 million; the City received \$1.7 million in federal funding. The project includes road pulverization and asphalt overlay, creating two through lanes with a center turn lane, a roundabout at Squirrel and Tienken Roads, curb and drainage enhancements, narrow vegetated medians, sidewalk and pathway connections, and an extension of the Galloway Drain.

At this time, staff is leaning towards removing the roundabout from the plan, because the \$550,000 funding that was hoped for, is only available for 2016 projects. With the removal of the \$550,000 roundabout, the project cost will be \$3.2 million, thus reducing the scope of engineering by \$50,000. It is important to complete the design this year, to be submitted to MDOT by October for approval, allowing for a spring bid letting in 2015. The Geotechnical Services would also be reduced, by approximately \$4,000.

Mr. Knight understands only a three lane road is currently needed; however, a five lane road or a boulevard should also be considered, because of future growth beyond five years. This is one of only two roads that the City owns that goes north and south. As Orion continues to grow, Squirrel Road will continue to be a cut through for people to access I-75. He only asks that consideration for future growth be considered when designing the road.

Mr. Kittle hopes the road work when completed, is durable and lives up to the life expectancy always touted. He asked what pulverizing and asphalt overlay is.

Mr. Melchert explained the pulverization process, is pulverizing the current asphalt and leaving it in place to create an additional base; it is rolled over and compacted with an asphalt overlay. This method is not considered reconstruction, it is maintenance. A reconstruction would be a complete removal of the existing pavement and possibly the base, and then being replaced with new concrete.

Mr. Kittle noted the boulevard will be wider, asking how, with the pulverization will the new width be met.

Mr. Juidici explained this project will have a combination of pulverization and overlay as well as reconstructing. The two existing lanes will be pulverized creating an aggregate base, with additional aggregate on the outside edges to support the additional road footprint. Some of the aggregate can be moved to the outside edges, where the grassy boulevard area will be, but additional aggregate will be brought in. The thickness of the overlay won't be determined until the geotechnical services have been completed, but believed to be about six inches thick.

Mr. Kittle understands the economics of the roundabout, but believes it would be beneficial to consider the roundabout and try to find the money to make it work. He would like to have an informational session with the area residents, alerting them to the project and what's to be expected.

Mr. Juidici stated there will be an informational meeting with the residents, after some initial engineering work is completed.

Mr. Kittle asked if the roundabout could be kept as an alternative, and be included in the scope of engineering. There may be other ways to fund the project.

Mr. Auger explained the scope of engineering for the roundabout is \$50,000.

Mr. Knight believed the scope of engineering for the roundabout should be done as an alternative to the project; if it isn't done now, it probably will never be done.

Mr. Kittle asked Mr. Juidici when a final decision must be made for a decision on the roundabout.

Mr. Juidici explained the unknown is the existing conditions and how much of the base and embankment materials are going to be needed for the wetland fill. Work is ongoing with the DEQ regarding the conservation easements; some of the fill at the intersection will require a DEQ permit. The analysis of how traffic will function has been completed.

Mayor McDaniel asked if it is possible to continue with the engineering work and at a later date, Council can decide whether to proceed with the roundabout or not.

Mr. Juidici explained the critical component of the project is DEQ permitting for the impact on the wetlands. As of now, the project is proceeding with a footprint for the roundabout. He suggests continuing moving forward with the roundabout included; the plan can be amended to exclude the roundabout at a later date prior to spending the \$50,000.

Mr. Knight noted the \$50,000 is approximately 17% of the cost of the project.

Ms. Hammond asked what will become of the big tree near Dutton Road.

Mr. Juidici stated the tree will remain as it is.

Ms. Mitchell asked if the incorporation of the roundabout impacts the timing of the project, the 2016 grant.

Mr. Melchert explained that particular grant won't be considered until 2016 and the road and intersection will be constructed by that time.

It was confirmed the \$50,000 is included in the \$367,000.

**Moved by Knight; Seconded by Kittle.**

**RESOLVED: To approve the North Squirrel Road Rehabilitation Scope of Engineering Services to OHM for the not-to-exceed amount of \$367,000.00 and the Geotechnical Services to Schleede Hampton Associates for \$16,745.00.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.039**

## **9. NEW BUSINESS**

### 9a. Public Hearing/Motion – Request to Approve Amendment to IFEC 2012-570 for Continental Structural Plastics for Increased Real Property Investment.

Mr. Lohmeier explained this request is for an increase in real property investment of \$1,784,371 for a total investment of \$3,361,871 for real property improvements. If approved, the company would save an additional \$336,000 in taxes, and cost the City an additional \$75,000 in taxes for the life of the certificate.

The property is located at 255 Rex Boulevard. The increase in expenses were for electrical, plumbing, HVAC/Duct Rework, millwork and doors, low voltage wiring, carpentry, construction services, and steel and masonry demolition necessary for the rehabilitation work.

*Mayor McDaniel opened the public hearing at 8:01 p.m.*

Garet Danvers noted more jobs have been created than originally anticipated, from 115 up to 120 and are expecting to hit 130 soon. These jobs are all high paying jobs. The company is becoming a more global company with a new location in France and work is proceeding for a joint venture in China.

Philip Kusky stated the last year has been very good, and he and all the employees are very happy and appreciate the support of Auburn Hills. Continental Plastics is an automotive supplier for structural composite parts, with about 25% of the business being non-automotive. Some of the parts they make are the body panels for the Corvette, the hood and

deck lids for the Lincoln MKS, Jeep tops, pick-up boxes for Toyota, and the front end components and hoods for the big semi truck cabs. The company has about 10% per year annual growth, picking up some of the business from the companies that weren't able to make it through the recession. The company continues to expand, as earlier noted with France and a joint venture in China, with more expansion in North America. The headquarters are established here, in Auburn Hills, and is a key location allowing them a showplace; a place of presence in a high-technology where they are a leader in composite technology.

Responding to Mr. Burmeister, Mr. Lohmeier explained amendments, extensions and transfers of IFEC's come directly from City Council.

Mr. Kusky explained when construction of the building began, it was realized most of the interior needed updating as well as creating a new entrance. In the process they were able to make the building more efficient including replacing all the interior lighting and plumbing; the exterior lighting was replaced with LED lighting both in the parking lot and on the building. The roof insulation was increased by two inches beyond the requirements; eight of the 23 heating/air conditioning units were replaced, with the remainder being replaced with more efficient units over time. They weren't able to use as many recycled products as hoped for, but recycled flooring was used in the lab and workout areas. The construction was completed with many local contractors and local purchases.

Ms. Verbeke asked if there was a comparison to LEED certification, seeing if they met any of the certification levels.

Mr. Danvers stated no, they aren't familiar with the LEED program.

Mr. Knight asked if all these type improvements enhance the value of the property from a tax point of view.

Mr. Lohmeier stated yes, that is why the company is seeking an amendment to cover the increase in value.

Mr. Kittle appreciated the listing of local businesses that were used for the construction, noting it is the first time he has seen such a list.

*Mayor McDaniel closed the public hearing at 8:11 p.m.*

**Moved by Knight; Seconded by Hammond.**

**RESOLVED: To approve the request for the amendment of IFEC 2012-570 for Continental Structural Plastics, Inc. for a total real property investment of \$3,361,871 by adopting the attached resolution (Attachment A).**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.040**

9b. Public Hearing/Motion – Request to Approve Amendment to IFEC 2012-571 for Continental Structural Plastics, Inc., for Increased Personal Property Investment.

Mr. Lohmeier explained the request is for an additional amount of \$278,208, for a total investment of \$940,208 for personal property improvements. Approval of this amendment would save the company an additional \$7,712 in taxes, for the life of the certificate. The additional expenses include desks, seating, gym equipment, IT/phone systems and servers as well as some other smaller expenditure.

*Mayor McDaniel opened and closed the public hearing at 8:14 p.m., hearing no comments.*

**Moved by Mitchell; Seconded by Burmeister.**

**RESOLVED: To approve the request for the amendment of IFEC 2012-571 for Continental Structural Plastics, Inc., for a total personal property investment of \$940,208 by adopting the attached resolution (Attachment B).**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.041**

9c. Motion – Approve Purchase of Tandem Axle Dump Truck with Wing Plow for Winter Operations

Mr. Brisson explained the oldest dump truck in the winter operation truck fleet is a 1999 and the newest is a 2009, with an average age of 10.4 years for the entire fleet. If approved this truck will be the second wing plow truck in the fleet; the wing plow allows for 20 feet of blade service. Two trucks with wing plows' are able to do the work of three trucks; one-and-one half lanes per pass as opposed to three-quarters of a lane per pass. There are many anti-corrosion elements on the build of the truck, allowing for a 10 year, plus, life expectancy. This truck will also have higher liquid capacity than some of the current trucks.

Mr. Knight asked the price comparison with a typical type plow truck.

Mr. Brisson explained this is not a typical dump truck; it is a double tandem able to support the wing plow. The current trucks are single tandem, which would reduce the cost by approximately \$25,000. The stainless steel bodies prolong the life of the trucks significantly.

Mr. Knight asked if there has been improvement in extending the life of the hydraulic systems on the trucks.

Mr. Brisson explained hydraulics have come a long way over the last several years; the weatherproofing and sealing of the electronics that support the hydraulics is considerably more reliable. The biggest challenge of protecting the trucks is

from the salt that it spreads. The new designs of the augers keep the backend of the truck much cleaner with a lot less salt under the truck and more behind the truck.

Ms. Mitchell asked the life expectancy of this vehicle.

Mr. Brisson anticipates this truck will last 15 years, rather than 10 years as with most trucks. He confirmed this truck will be replacing a 1991 truck.

Responding to Mr. Kittle, Mr. Brisson noted the fleet contains four tandem and five single axle trucks, and only one tandem currently has the wing plow. There is a certain amount of horse-power that is needed to operate a wing plow; there was only one truck that was able to be retro-fitted.

Mr. Kittle asked if the attenuator is part of this purchase.

Mr. Brisson stated it is not, but rather than retire one of the single axles that is a little older, it can stay in the winter operations for a few more years. Preliminary pricing on the trailer attenuator is considerably cheaper than the truck mounted attenuator.

**Moved by Knight; Seconded by Verbeke.**

**RESOLVED: To approve the purchase of a Freightliner tandem axle chassis from Wolverine Freightliner-Eastside, 107 South Groesbeck Hwy., Mt. Clemens, MI 48043 in the amount of \$101,120.00. and to approve the body equipment and install from Truck and Trailer Specialties, 6726 Hanna Lake, Dutton, MI 49316 in the amount of \$103,817.00; total truck and build cost \$204,937.00. Funding is provided from Fleet Machinery and Equipment, account 661-442-977.000.**

In answer to Mr. Kittle, Mr. Brisson stated if this vehicle is ordered this month, it will be ready in November, for next winter.

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.042**

9d. Motion – Approve the Purchase of 12 Replacement Vehicles

Mr. Grice explained this is the balance of the 2014 fleet replacement budget, which includes 12 vehicles; two, 2014 Dodge Ram 2500 Crew Cab 4 x 4 Work Trucks w/plows; one 2014 Dodge Grand Caravan; eight Dodge Ram 1500 Quad Cab 4 x 4 Pickup Trucks; and one 2014 Chevy AWD Express Work Van.

The proposed outgoing vehicles have been evaluated through the Vehicle Performance Model created by the Finance Department. The evaluation determined the service life (both age and mileage), repair costs, and the decline in salvage value is greater than replacing each with a new vehicle.

Mr. Knight hopes these new vehicles will be replacing some of the well-worn looking vehicles, as it is a reflection on the City.

Mr. Grice stated the 2001 and older trucks will be replaced with this purchase.

Ms. Verbeke asked if the funds received from selling the used vehicles is put into the general fund.

Mr. Grice explained those funds are put into the fleet fund. Some of the retired vehicles will be sold on MITN, and some of the others will be placed into seasonal services for the City. The current seasonal vehicles will also be sold on MITN. He confirmed 12 vehicles will be purchased and 12 vehicles will be sold.

Mr. Knight wants to continue supporting Chrysler; however, he hopes all purchased vehicles are competitively priced.

Mr. Kittle asked for an elaboration regarding the comparison pricing that was done with dealerships in the area.

Mr. Grice explained the vehicle prices were checked with local dealerships to make sure pricing with MiDeal are the fairest and accurate purchase prices, which it was.

Mr. Grice explained dealerships cannot provide a better price than the price offered at MiDeal; some dealerships prefer not to deal with MiDeal program.

Mr. Melchert stated the dealership comparative pricing came from those who have the opportunity to see the MiDeal bid but unable to beat it.

Mayor McDaniel suggested the comparisons for MiDeal also be included in the information supplied to Council.

Mr. Kittle noted the State is awarded a contract, in this case with Bill Snethkamp Dodge. The bid is being competitively bid using the State's preexisting bid, which in this case is three years old. He would be in favor of delaying the purchase and take a look at some comparisons.

Mr. Auger explained the State's bidding process allows everyone the opportunity to meet the State's requirements to be awarded the contract. The prices offered through MiDeal, are known by all dealers throughout the State, so everyone knows what the cost of the vehicles are. At a previous Council meeting, Mr. Kittle suggested staff contact other dealer's to make sure the State bid is the best bid, so staff did just that, and it was determined the MiDeal was the best price. The best deal found locally was a \$300 difference in price.

Continuing, Mr. Auger explained the City's purchasing ordinance requires writing separate bid specifications for each vehicle to be purchased, bids are then let, the Clerk's Office receives the bids and conducts the bid opening, and comparisons of each submitted bid are completed. Part of the savings through the State bids is amount of staff time required.

Mr. Kittle stated he would like to have copies of the packages and test his sources to see if he can come up with lower prices. Also he questioned if the vehicle warranties will be impacted by retrofitting for propane.

Mr. Melchert explained the general consensus has been propane vehicles run cleaner and better; however, Chrysler has stated if they can prove the propane injection equipment has caused a problem with the vehicle then it wouldn't be warranted; the burden of proof would be on the dealer. There is also the Magnuson-Moss Warranty Act that provides for a warranty to stay intact. The retrofit is a fairly simple change and is not invasive to the engineer at all.

Mr. Kittle asked if the vehicles are specifically assigned vehicles, or if they are more pool type vehicles.

Mr. Auger stated the vehicles are more pool type vehicles, not take home vehicles. The vehicles are assigned to the departments.

Mr. Kittle asked that the comparison analysis is included in future informational memos.

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

**RESOLVED: To approve the purchase of two (2) 2014 Dodge Ram 2500 Crew Cab 4 x 4 Work Trucks w/plows, one (1) 2014 Dodge Grand Caravan SXT, eight (8) Dodge Ram 1500 Quad Cab 4 x 4 Pickup Trucks be awarded to Bill Snethkamp Dodge, 6131 S. Pennsylvania Ave., Lansing, MI 48911 at total cost of \$305,212.80. Also, one (1) 2014 Chevy AWD Express Work Van be awarded to Berger Chevrolet, 2525 28<sup>th</sup> Street S.E., Grand Rapids, MI 49512 at a cost of \$27,388.70.**

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

**No: Kittle**

**Motion Carried (6-1)**

**Resolution No. 14.02.043**

## **10. COMMENTS AND MOTIONS FROM COUNCIL**

Ms. Verbeke:

- Noted the recorded audio from the last meeting wasn't working properly and the audio regarding her comments did not transmit over the cable channel. She stated at the last meeting regarding the Woodland's Ordinance, she is against changing the ordinance and has many concerns regarding the changes and would like further discussion.
- Stated Joslyn Road and Baldwin Road are both in terrible shape. Joslyn Road is scheduled to have repaving done from Collier Road, north to the I-75 on-ramp. She asked if the repaving could begin further north at Taylor or Vinewood to encompass more of Joslyn Road where there is a greater need of repair.

Mr. Melchert explained the concrete overlay project for Joslyn Road from Collier Road to just north of Pacific Boulevard, was scheduled for 2013. Now that the RCOC has secured an easement needed, the project will take place 2014. The City's patching program will repair Joslyn Road from the interchange north to Brown Road, through the concrete patching program. The City will take advantage of the County's traffic control, and saving those funds to allow for more patching. This is a Tri-Party funded project.

- Mr. Hughes mentioned earlier in the meeting, a timeline from Council and asked if there are any scheduled Council Workshops related to oil and gas drilling.

Mr. Burmeister:

- Attended his first Tax Incentive Review Committee (TIRC) meeting, in which the Committee asked what Council's criteria is for Special projects.

Mr. Lohmeier explained the Policy explains a Special Project is at the discretion of City Council and provides for three intentions: significant economic impact on the community through the significant investment in buildings and equipment; the significant creation of new jobs in the community; or long-term commitment to the community to be made by the requesting company. There is no definition, but the three intentions.

Mr. Burmeister asked if there were any benchmarks; how many jobs or is it subjective.

Mayor McDaniel stated it is subjective, and Council decides how many Special Projects will be available.

Mr. Lohmeier noted the approved Policy indicates there can be five Special Projects and currently there is only one, Ralco Industries.

Mr. Burmeister asked if a company should note on their application the number of abatement years being sought, and if Special Projects go before TIRC or directly to Council.

Mr. Lohmeier explained all new Tax Incentive Review applications go before TIRC and state the number of abatement years being sought. If a company is seeking a 12 year abatement, that is considered a Special Project; the Policy maximum is eight years.

- Mr. Lohmeier believed Mr. Burmeister was referring to a company requesting an eight year abatement from TIRC, but requested a 12 year abatement from City Council.

Mr. Auger noted the Project being referred to, wanted to expand their automotive business into wheelchairs. To move forward, the company needed to solidify their pricing to market their costs for the diversification.

Mayor McDaniel explained any tax abatement requests must go to TIRC before being referred to City Council. The TIRC can only approve up to an eight year abatement, anything more must go to City Council for approval. So even though noted as a Special Project to City Council, TIRC has already reviewed the application and recommended approval to Council.

Mr. Lohmeier stated the company requesting an abatement should, on their application, note if they will be seeking a 12 year abatement. On future applications, he will ensure TIRC is aware if the company is seeking more than the eight year abatement and if eligible for a Special Project.

Mr. Burmeister asked if there is any verification of the number of jobs being created or have been created.

Mr. Auger explained the local incentive is based on tax value. The State bases their findings on jobs, and the State is who will verify the number of jobs.

- He received a call that some exercise equipment at the Community Center is broke, and asked if the equipment will be repaired or replaced.

Mr. Grice explained three machines are out of service, parts have been ordered for two of the machines, with those parts due to arrive next week; and the third machine is being replaced.

Ms. Mitchell:

- Appreciates Mr. Kittle requesting comparison amounts and suggested the information be forwarded to Mr. Kittle.

Ms. Hammond:

- Thanked DPW for filling the potholes downtown near the clock.
- Will not be attending the March 3<sup>rd</sup> meeting; she will be out of town.

Mr. Knight:

- Understands the gentleman who is frustrated by the snow being piled up and suggests he contact the snowplow people and politely ask that they pile the snow elsewhere.
- Training will take place tomorrow evening for the Zoning Board of Appeals members and he invited the new appointee to attend. Mr. Beckerleg will be conducting the training session.
- Asked the status of the conversion to propane for the police cars.

Mr. Melchert explained there has been some difficulty with the vendor; the tanks that were received are two inches too big. Those police vehicles were needed in the fleet, so the retro fit was not completed on those vehicles. The tanks will be used on the vehicles approved for purchase this evening and new tanks will be provided for future police cars.

- There is an airplane that is being fueled by natural gas in Wyoming. Natural gas is less than a \$1.00 per gallon equivalent to 100 octane low lead at \$6.00 per gallon.
- Asked about the University Drive bridge and if more funds have been raised.

Mr. Auger noted \$4 million is needed, but progress is being made. A staff member spoke with the Governor, who is aware of the divergent diamond design, so it has reached the Governor's desk.

Mr. Kittle:

- Asked if the Clerk could publish the workshop schedule, in order of ranking and if there is a policy or an ordinance that corresponds with the subject to be forwarded to Council Members prior to the workshop.
- Regarding the news article that announced Mr. Auger's leadership role in Michigan Local Government Management Association, Mr. Auger mentioned broken funding mechanisms for local units of government and how some of the state shared revenue is not working properly. With that in mind, he sat in a SEMCOG meeting that was discussing revenue sharing issues and looking at alternative ways to draw more revenue into the local units. At that meeting he met Bill Anderson, a SEMCOG consultant who is very knowledgeable regarding DDA's and suggested that it might be beneficial for Council to invite Mr. Anderson to be a guest speaker.

Mayor McDaniel:

- Wants to clear up misinformation regarding a moratorium for gas and oil drilling; as of right now, there is no specific activity or confirmation of a site where drilling is to take place, nor has there been a permit pulled. For those reasons, Council feels it is premature for a moratorium. From his understanding, it is best practice to do a moratorium of reasonable delay when there is a specific threat or a specific item to delay. There is nothing specific to delay at this point. Council has already directed the City Attorney to draft a moratorium that can be adopted immediately when and if necessary. Information on the drilling continues to be gathered and reviewed.

**11. CITY ATTORNEY’S REPORT** – none

**12. CITY MANAGER’S REPORT**

- Staff has been working with the legal team to determine what form an ordinance would be necessary for the City to regulate gas and oil drilling within the City, not only defensible but fair to all concerned. All the public comments, professional comments, and MDEQ comments have been reviewed by the legal team and will be taken into consideration when drafting an ordinance, which will be presented to Council soon.

**13. EXECUTIVE SESSION** – Attorney Opinion

**Moved by Verbeke; Seconded by Hammond.**

**RESOLVED: To Adjourn to Executive Session to discuss Attorney letter of opinion.**

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

**No: None**

**Motion Carried (7-0)**

**Resolution No. 14.02.044**

*Adjourned to Executive Session at 9:07 p.m. Resumed regular meeting at 9:32 p.m.*

**Moved by Verbeke; Seconded by Burmeister.**

**RESOLVED: To terminate the agreement with EAFocus, and authorize the City Administration to, within the next seven days, give EAFocus a thirty day written notice to dissolve/terminate the agreement.**

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

**No: Knight**

**Motion Carried (6-1)**

**Resolution No. 14.02.045**

**14. ADJOURNMENT**

The meeting adjourned at 9:33 pm.

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Kevin R. McDaniel, Mayor

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Terri Kowal, City Clerk

Attachment A

**CITY OF AUBURN HILLS  
RESOLUTION 14.02.040  
APPROVING AN AMENDMENT FOR  
CONTINENTAL STRUCTURAL PLASTICS, INC.  
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE 2012-570**

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 **17th day of February, 2014**.

The following resolution was offered by Councilperson Knight and supported by Councilperson Hammond:

WHEREAS, the City of Auburn Hills and the State Tax Commission approved an Industrial Facility Exemption Certificate in the year 2013 for Continental Structural Plastics, Inc. for a facility located at 255 Rex Blvd., Auburn Hills, and

WHEREAS, the certificate, known as Industrial Facility Exemption Certificate 2012-570, was approved with an estimated project cost of \$1,577,500 for real property, and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the **17th day of February, 2014** 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, Continental Structural Plastics, Inc. has filed an application for an amendment to reflect the revised estimated costs for real property, and

WHEREAS, Rule 54 of the State Tax Commission allows a local unit to approve the revised cost of an Industrial Facility, and

WHEREAS, it is hereby found and determined by the City of Auburn Hills Council that the granting of the revised cost for Industrial Facility Exemption Certificate 2012-570 is reasonable and proper, 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 exempted.

NOW, THEREFORE, BE IT RESOLVED that the request for revised costs in the amount of **\$3,361,871** for real property for Industrial Facilities Exemption Certificate **2012-570**, and

The City Council of Auburn Hills finds and determines that 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 255 of 1978, **shall not** have the affect of substantially impeding the operating 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.

The City Clerk shall send an original copy of this resolution to the Continental Structural Plastics, Inc. and the State Tax Commission.

- AYES: Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Hammond, Knight, Mitchell, Verbeke
- NAYS: None
- ABSENT: None
- ABSTENTIONS: None

RESOLUTION 14.02.040 APPROVED (7-0)

STATE OF MICHIGAN)

)SS

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 **17th day of February, 2014**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this **20<sup>th</sup> day of February, 2014**.

\_\_\_\_\_  
Terri Kowal, City Clerk

**CITY OF AUBURN HILLS  
RESOLUTION 14-02-041  
APPROVING AN AMENDMENT FOR  
CONTINENTAL STRUCTURAL PLASTICS, INC.  
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE 2012-571**

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 **17th day of February 2014**.

The following resolution was offered by Councilperson Mitchell and supported by Councilperson Burmeister:

WHEREAS, the City of Auburn Hills and the State Tax Commission approved an Industrial Facility Exemption Certificate in the year 2013 for Continental Structural Plastics, Inc. for a facility located at 255 Rex Blvd., and

WHEREAS, the certificate, known as Industrial Facility Exemption Certificate 2012-571, was approved with an estimated project cost of \$662,000 for personal property, and

WHEREAS, before acting on said application, the City Council of Auburn Hills held a hearing on the **17th day of February, 2014** 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, Continental Structural Plastics, Inc. has filed an application for an amendment to reflect the revised estimated costs for personal property, and

WHEREAS, Rule 54 of the State Tax Commission allows a local unit to approve the revised cost of an Industrial Facility, and

WHEREAS, it is hereby found and determined by the City of Auburn Hills Council that the granting of the revised cost for Industrial Facility Exemption Certificate 2012-571 is reasonable and proper, 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 exempted.

NOW, THEREFORE, BE IT RESOLVED that the request for revised costs in the amount of **\$940,208** for personal property for Industrial Facilities Exemption Certificate **2012-571**, and

The City Council of Auburn Hills finds and determines that 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 255 of 1978, **shall not** have the affect of substantially impeding the operating 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.

The City Clerk shall send an original copy of this resolution to the Continental Structural Plastics, Inc. and the State Tax Commission.

- AYES: Mayor McDaniel, Mayor Pro Tem Kittle, Council Members Burmeister, Hammond, Knight, Mitchell, Verbeke
- NAYS: None
- ABSENT: None
- ABSTENTIONS: None

RESOLUTION 14-02-041 APPROVED (7-0)

STATE OF MICHIGAN)

)SS

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 **17th day of February, 2014**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this **20<sup>th</sup> day of February, 2014**.

\_\_\_\_\_  
Terri Kowal, City Clerk