



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JUNE 3, 2019

AGENDA ITEM NO. .

CITY OF AUBURN HILLS TAX INCREMENT FINANCE AUTHORITY MEETING

May 14, 2019

CALL TO ORDER: Chairman Hassett called the meeting to order at 4:06 PM.

ROLL CALL:

Present:	Hassett, Kneffel, Goodhall, Klemanski, Dolly
Absent:	Price, Thornton, Roberts, Waltenspiel
Also Present:	Brandon Skopek, Director of Authorities; Thomas Tanghe, City Manager; Jeffrey Baker, Police Chief; Ellen Taylor, Fire Chief; Alan Lee, Firefighter
Guests:	None

LOCATION: Administrative Conference Room, Auburn Hills City Hall, 1827 N. Squirrel Road, Auburn Hills, MI 48326

PERSONS WISHING TO BE HEARD

None.

CORRESPONDENCE & PRESENTATIONS

None.

APPROVAL OF MINUTES

A. Regular Meeting Minutes – April 9, 2019

Moved by Mr. Goodhall to approve the Regular TIFA Minutes from April 9, 2019 as presented.
Supported by Mr. Klemanski.

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly
No: none

Motion carried

B. Joint DDA and TIFA Meeting Minutes – April 15, 2019

Moved by Mr. Goodhall to approve the Joint DDA and TIFA Minutes from April 15, 2019 as presented.
Supported by Mr. Klemanski.

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly
No: none

Motion carried

FINANCIAL REPORT

A. FY 2019 Adopted Budget and YTD Summary – April 30, 2019

Mr. Skopek stated that there are not significant changes from the last reporting period with the exception of additional property tax revenues received and a slight increase in budgeted expenditures for each TIF district. Many of the expenditures are general maintenance expenses and larger expenditures will be realized toward the end of construction season.

Chairman Hassett stated he would like to see more detail in future financial reports on revenues collected.

There was no further discussion on the financial report.

Moved by Ms. Dolly to receive and file the financial report for period ending April 30, 2019.

Supported by Mr. Kneffel.

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly

No: none

Motion carried

OLD BUSINESS

None.

NEW BUSINESS

A. Public Safety Building Fitness Center Equipment

Mr. Skopek discussed the presentation given at the last TIFA Board meeting by Police Chief Baker, Fire Chief Taylor, and Firefighter Lee regarding the public safety building's fitness center upgrades. He reviewed that the TIFA Board passed a motion authorizing Chief Baker and Chief Taylor to issue an invitation to bid for the public safety building's fitness center equipment in an amount not-to-exceed \$75,000.

Chief Taylor stated that five bids were received and two prospective companies submitted two separate bids. There were two low bids; however, the low bids did not meet all the specifications listed in the Invitation to Bid.

Mr. Skopek stated that quotes were solicited for the audio visual equipment in addition to the Invitation to Bid for fitness equipment. He stated that Fire Chief Taylor and Police Chief Baker are recommending awarding the quote to the Pecar Custom Electronics. Although their quote was the highest, the company stands high above the competitors in terms of quality of the equipment. Staff recommends awarding the Invitation to Bid for fitness equipment to American Home Fitness and awarding the quote for audio visual equipment to Pecar Custom Electronics.

Mr. Klemanski asked if there was a chance that the purchase would exceed the not-to-exceed limit of \$75,000 and if so, does the request need to come back to the Board.

Mr. Skopek stated that he does not anticipate there being any cost exceedances.

Chief Taylor stated that since this is the purchase of equipment, there should not be an issue with cost exceedances.

Mr. Tanghe stated that typically if there are cost overages of up to ten-percent over budget for an approved project, overages are approved administratively and would not need to come back to the Board for approval.

Moved by Ms. Dolly to award the bid for the purchase of physical fitness equipment to American Home Fitness, 1703 East 14 Mile, Birmingham, MI 48009 for \$65,027.17 and the purchase of audio and video equipment from Pecar Custom Electronics, 3516 Rochester Road, Troy, MI 48083 for \$9,472.35.

Supported by Mr. Klemanski.

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly

No: none

Motion carried

B. Direct Marketing Campaign

Chairman Hassett stated that it appears that the direct marketing campaign for downtown restaurants has exceeded its initial intent to attract nearby hotel visitors to downtown restaurants.

Mr. Skopek provided a history on the project to date. He stated that the TIFA Board has been collaborating on a direct marketing campaign to attract the Sunday – Thursday hotel visitors to downtown restaurants through the use of print materials in select hotel lobbies and through a web presence, specifically through the use of a QR code which would direct visitors to a landing page for the campaign. At the last TIFA Board meeting, the Board directed staff to solicit quotes from prospective marketing agencies for the creation of the print materials and the creation of a web presence and also asked staff to approach the Downtown Development Authority (DDA) about their participation in the campaign since the Boards share district boundaries. Chairman Hassett attended the DDA meeting on April 15 to discuss the direct marketing campaign and the DDA passed a motion to participate in the campaign with a not-to-exceed amount of \$200. Staff created and distributed a Request for Quotes (RFQ), which contained information supplied by Vice Chairman Kneffel to ensure the Board's needs were met. The RFQ was sent to the TIFA Board for a final approval prior to the distribution to prospective marketing firms. The RFQ was sent to prospective firms the week of April 22 with a response deadline of May 3. Although a handful of firms showed interest in participating in the campaign, staff received one response to the RFQ from New Moon Visions. It is the opinion of staff that although the cost for the campaign is higher than anticipated, New Moon Visions meets the scope of work identified in the RFQ.

Mr. Skopek stated there was some discussion from Board members as to why the proposal submitted by Logical Solutions/My Concierge for the campaign was not included in the packet. He noted that this was an unsolicited quote that was submitted prior to staff issuing the RFQ and the proposal submitted by Logical Solutions/My Concierge was not a response to the RFQ created and distributed by staff.

Chairman Hassett stated that New Moon Visions appears to be a very competent company that has worked with many communities similar in size to Auburn Hills; however, he was looking for a much more simple campaign with cards placed in a hotel lobby and a QR code that directs users to a map of downtown Auburn Hills. Chairman Hassett stated that he did not anticipate such a large cost to create this campaign.

Mr. Klemanski stated that he likes the proposal that was submitted, but he believes the proposal identifies a service that downtown Auburn Hills is not quite ready for. He discussed some of the difficulties with branding and marketing downtown Auburn Hills in its current state. He believes that downtown Auburn Hills will be dramatically different in five to ten years.

Vice Chairman Kneffel agreed that the proposal submitted by New Moon Visions was exceptional, but his opinion is that it exceeds the scope of what was originally discussed for the direct marketing campaign. He asked why the proposal from Logical Solutions/My Concierge was not before the Board for approval and stated that the proposal was received before the deadline. He asked if it was disqualified because it was not a direct response to the RFQ.

Mr. Skopek stated that it does not meet the City's purchasing policy because it was not submitted as a response to the RFQ. It is not eligible for consideration.

Vice Chairman Kneffel stated he does not want to proceed with the project due to the high cost.

Ms. Dolly asked if the Board could issue another RFQ.

Mr. Skopek stated that the Board can issue another RFQ. He stated that New Moon Visions meets the scope of work identified and their proposal is more geared toward direct marketing rather than branding; however, if the Board would like to go another direction they may do so. He recommended amending the scope of work to reduce costs.

Secretary Goodhall asked if the proposal submitted by New Moon Visions met or exceeded the scope of work identified by the Board.

Mr. Skopek stated his opinion is that it meets the scope of work. He stated that there was no budget limit set by the Board, but the Board may set one for a new RFQ to assist with reducing costs.

Secretary Goodhall stated price is not the issue he is concerned with, his concern is whether the proposal submitted meets or exceeds the scope of work. He is concerned that the proposal submitted does not limit itself to the scope of work, but rather exceeds it with additional details.

Mr. Skopek stated his opinion is that the proposal is limited to the scope of work.

Chairman Hassett stated his opinion is that the proposal submitted exceeds the vision of the campaign. The Board did not specify which hotels the materials were to be delivered to, but the map of hotels in the RFQ was broader than the scope of work, which may have affected the cost of the campaign.

Mr. Skopek stated there was discussion and direction at the last Board meeting to include materials in hotels along Featherstone Road, Opdyke Road, University Drive, and Adams Road and that is why staff included those hotels in the RFQ map.

Ms. Dolly asked if the campaign could be broken into phases.

Chairman Hassett stated the proposal submitted was a complete marketing campaign and he was picturing a simple two-sided brochure with downtown restaurant information and a QR code to direct hotel visitors to a map of downtown Auburn Hills.

Mr. Tanghe stated that irregularities in the bid process may be waived; however, it is highly irregular to receive a proposal before a bid or RFQ was issued. He stated he would not allow a proposal submitted prior to the issuance of a bid or RFQ to proceed in the purchasing process. The Board may reject the proposal submitted and attempt to receive quotes for equivalent work proposed by Logical Solutions/My Concierge.

Chairman Hassett stated he would like to reissue a RFQ with a reduced scope of work that is equivalent to the work proposed by Logical Solutions/My Concierge.

Secretary Goodhall asked if the scope of work identified by Logical Solutions/My Concierge met the scope of work the Board was seeking and if they knew the Board was seeking quotes for the campaign.

Mr. Skopek stated that the RFQ was sent by staff to Logical Solutions/My Concierge, but he never received a response. He further stated that while trying to research the company, there was no web presence or readily available contact information for the business and he had to reach out to Board members for contact information.

Chairman Hassett recommended canceling the direct marketing campaign project.

Vice Chairman Kneffel suggested revisiting the campaign in a few months.

Mr. Tanghe asked the Board if they would like staff to explore completing the work utilizing in-house staff, in addition to reaching out to hotels.

Mr. Skopek stated that staff has the capacity to complete the work in-house. The one unknown at this time is the ability of placing information in hotel lobbies.

Vice Chairman Kneffel asked about adding different City webpages that could be utilized for the campaign.

Mr. Skopek stated that he will reach out to the City's website hosting company about additional costs associated with new website pages.

Mr. Tanghe recommended a few hotels staff could reach out to.

The Board gave the direction for staff to create a two-sided, gloss print card that lists downtown restaurants and retail establishments, and includes a QR code that directs users to a location map of downtown Auburn Hills and to explore prices for a facilities directory page on the City's website. Further, to explore placing the print materials in hotels within a 3-mile radius of downtown.

Moved by Ms. Dolly to eliminate all prospective companies from contention for the Request for Quotes for the direct marketing campaign and to explore options in-house.

Supported by Mr. Goodhall

Vice Chairman Kneffel stated for the record that the Board has come back to the plan originally recommended by Mr. Skopek to complete the work for the direct marketing campaign in-house.

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly

No: none

Motion carried

BOARD MEMBER COMMENTS

Chairman Hassett requested a status update on the downtown pedestrian alleyway archway.

Mr. Skopek stated that he has spoken with the City Engineer and they have indicated that they are communicating with the contractor on an appropriate material to utilize for the new design proposed for the archway. The fabricator is working on creating the design proposed by the Board.

DIRECTOR UPDATES

None.

EXECUTIVE SESSION

Moved by Mr. Goodhall to adjourn regular session and enter into executive session to discuss the acquisition of real estate at 4:57 PM.

Supported by Ms. Dolly

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly

No: none

Motion carried

Filed under separate cover

Moved by Mr. Goodhall to adjourn executive session regarding the discussion of the acquisition of real estate and return to regular session at 5:59 PM.

Supported by Ms. Dolly

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly

No: none

Motion carried

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is Tuesday, June 11, 2019 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326.

ADJOURNMENT

Moved by Mr. Goodhall to adjourn the TIFA Board meeting.

Supported by Mr. Klemanski

Yes: Hassett, Kneffel, Goodhall, Klemanski, Dolly

No: none

Motion carried

The TIFA Board of Directors meeting adjourned at 6:00 p.m.

Respectfully submitted,

Steve Goodhall
Secretary of the Board

Brandon Skopek
Executive Director