CALL TO ORDER: Chairman Hassett called the meeting to order at 4:10 PM.

ROLL CALL: Present: Goodhall, Hassett, Kneffel, Molnar, Roberts
Absent: Dolly, Price, Thornton, Waltenspiel
Also Present: Samantha Seimer, Director of Authorities; Don Grice, Assistant City Manager; Aaron Stahly, Deputy Director of Public Works

LOCATION: Fieldstone Golf Club Arrowhead Board Room, 1983 Taylor Road, Auburn Hills, Michigan 48326

PERSONS WISHING TO BE HEARD
None.

APPROVAL OF MINUTES
A. Regular Meeting Minutes – July 10, 2018
There was no additional discussion about the meeting minutes as presented.

Moved by to Mr. Molnar approve the Regular TIFA Minutes from July 10, 2018 as presented.
Supported by Mr. Goodhall.

Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts
No: none

FINANCIAL REPORT
A. Period ending June 30, 2018
Ms. Seimer presented the financial report for period ending July 31, 2018. She reviewed the investment accounts stating that district A has $1.44 million cash and $1.2 million invested between three separate accounts including Investment Pooling, Cutwater and MiClass, District B has $(162,507) cash, and $7.86 million invested with Cutwater. The depletion of cash in District B is due to the onset of payments for the watermain replacement and pathway project for Opdyke Road. TIF District D has $846,497 cash on hand and $1.29 million invested with Cutwater.

TIF A has received 66% of its budgeted property tax revenue and utilized 39% of its expenditures. TIF B has received 68% of its budgeted property tax revenue and has only utilized 58% of its anticipated expenditures. TIF D has received 22% of the budgeted interest revenue for investments and utilized 35% of its budgeted expenditures, which is a 6% increase over the last month.

Ms. Seimer added that as of the time the financial report was produced, it did not include water payments, making the utility expenditures look low. Large increases are expected as billing for peak summer hours will take place in the next several months.

Mr. Molnar asked if the TIFA Board could evaluate its return on investments with Cutwater. Ms. Seimer stated that the investments that TIFA holds with Cutwater are part of a bigger portfolio within the city. She believed an investment report
was recently submitted to City Council and that she would send the Board a copy. Ms. Seimer stated that is something she will look into with Ms. Schulz.

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<td>$70,119,871</td>
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<td>$12,496,981</td>
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Moved by Ms. Roberts to receive and file the financial report for period ending July 31, 2018. Supported by Mr. Kneffel.

Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts
No: none

Motion carried

OLD BUSINESS

A. Colored LED Elevated Planter Lights

Mr. Grice presented a memo dated August 6, 2018 for Colored LED Elevated Planter Lights. He reviewed that last year DPW prepared a video presentation for the TIFA Board to showcase the LED color changing lights proposed for the elevated planter boxes throughout downtown. Ms. Seimer added that this may have been done during Mr. Herczeg’s tenure with Auburn Hills and presented during the 2017 budget at the same time the artificial turf was being considered.

Mr. Grice added that the trees planted during the original redesign of the road had since become root bound and beginning to cause damage to the infrastructure within the planter boxes including the existing irrigation and lighting systems. After considering several options staff determined it would be best to remove the trees and replant after the current construction project is finished. Rather than replacing fixtures with traditional white lights, staff recommended the installation of color controllable LED up lights which would enhance the presentation of the raised planters. The TIFA Board approved $60,000 for this project. On July 30th, the city received four bids for the project, with the lowest bidder being Graybar Electric in the amount of $66,452.40. The board needs to feel comfortable increasing the budget by just over $6,000.

Mr. Grice added that the scope project has been as this is the second round of bids for the lights. He added this could explain why all of the numbers in the bid were so close together. The original scope called for the replacement of 81 lights, this bid is for 54 lights. The City recommends approval of the purchase and DPW will complete the installation as part of the Auburn Road Construction Project.

Mr. Molnar asked how expensive it would be to go back to the original 81 lights. Mr. Hassett and Ms. Seimer confirmed it is approximately $30,000 more to increase from 54 lights. The board said that this is something they could look at for Squirrel Court in future budget.

Moved by Mr. Kneffel to approve the purchase of 54 color changing LED up-lights from the low bidder, Graybar Electric, in the amount of $66,452.40. Funding to be provided from TIF-A Account #251-735-970.000. Supported by Ms. Roberts.

Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts
No: none

Motion carried

B. University Center Maintenance Update

Mr. Stahly gave a brief update as to the conditions at the University Center (UC). He reviewed that Midpoint Construction began working on the upstairs floor of the UC only to find the floor and its joists in greater disrepair than originally anticipated. Staff has asked Midpoint bring in an engineer to provide an evaluation for fixing the floor. Midpoint will then provide an updated estimate and anticipated timeline for permitting and repairs to come back before the Board by September at the latest.

In the meantime, staff will look at other options for Avondale and the currently scheduled OU classes for the fall semester. Chairman Hassett asked about a contract with Avondale that may have been put in place at the time the UC was renovated. Mr. Seimer and Mr. Grice stated that they would look for the contract. The Board discussed the possibility of
making the repair and eventually selling the building, pending what the contract states, to have an additional commercial space and potential restaurant in our Downtown.

NEW BUSINESS
None.

CORRESPONDENCE AND PRESENTATIONS
A. 2019 – 2022 Budget Presentation

Ms. Seimer presented the 2019-2023 budget for each TIF District to the Board. She reviewed revenues and expenditures for each district. It is anticipated that property tax revenues will hover around 2% inflationary increases over the next five years. There is a large decrease in capital projects for 2018. Staff remains to conservatively estimate zero revenue for TIF District D due to negative capture. There is a negative $5,000 line item in the district’s revenues for any potential Michigan Tax Tribunal decision that may decrease TIF-D’s position.

Increases in TIF-A primarily fall contractual services and repair and maintenance. The repair and maintenance includes HVAC work at the Downtown Office (Chamber of Commerce), The DEN and The University Center as well as parking lot resurfacing and maintenance at Riverside and the Primary Street Parking Lot. Contractual services increase is due to the inclusion of two grants, the Site Improvement Grant which is 3 matching grants for up to $30,000 each and the other $300,000 budgeted as a Business Recruitment Grant. There is $5,000 for contractual services specific for attorney or engineering fees that may be associated with new projects.

In TIF District B, the overall expenditures from 2018 to 2019 decrease significantly. In 2018 large expenditures were due to the Opdyke Road water main and sewer replacement. In 2019, there are no planned large capital projects with the exception of maintenance, $500,000 budgeted for strategic property purchases and $100,000 for an Emerging Technologies Grant opportunity for building improvements and site readiness. Ms. Seimer reviewed that this is the grant that was used for Nexteer Automotive, a business ineligible for a tax abatement. Chairman Hassett and Mr. Molnar added that more should be budgeted to spend down the fund balance of this district. They asked when the TIFA’s expire, Ms. Seimer stated that the TIF Districts sunset from county tax capture in 2031. The Board would like DPW to take a look at projects in the out years throughout the district to see if any of those can be pushed forward and TIFA can provide funding to complete projects sooner. Additionally the Board discussed budgeting for a sponsored survey to see what businesses need and completing the pathways through industrial parks and making good community investments. Ms. Seimer stated that this district typically captures $1.2 million in tax increment revenue annually.

There is only a $16,381 increase in district D from 2018 to 2019. Staff has been working to shift reasonable expenditures from TIF-D to TIF-B to help maintain a fund balance in this struggling district. The largest increase is $10,000 for maintenance on the Civic Center play structure. Due to conservative budgeting and the shifting of expenditures, TIF-D still experiences a decreased fund balance, but the decrease has slowed its rate of decline as compared to previous year’s budgets.

Overall, TIF Districts A & B maintain healthy fund balances despite large reductions in 2018 for capital projects. The magnitude of the projects had led to some cash depletion in the TIFA investment accounts. TIF District D continues to trend downward in its cash position, but much less drastically than in previous years. Ms. Seimer noted that the Board will see a few changes to the Budget at its September Board meeting where it will adopt the 2018 Amended and 2019 Proposed budgets. These changes include the addition of a $160,000 transfer out of TIF B to the DDA for the Robertson Brothers incentive, the addition of an $800,000 transfer from TIF B to TIF D for an incentive for the renovations to Seyburn Mansion and a change of $170,000 in capital projects in TIF A. This change of $170,000 pushes the boat launch project from 2018 to 2019.

BOARD MEMBER COMMENTS
Chairman Hassett stated that Gail Cartwright, a staff member at The DEN, who has been integral in assisting enter ballots for the Dream Vacation Sweepstakes, should receive a bonus for going above and beyond her duties. Mr. Molnar stated that he would be comfortable with giving $200 as a contribution award, rather than a bonus.

The Board requested that Ms. Seimer reach out to Terry Bailey for an update on The Residences at Thirty Two 50.
ANNOUNCEMENT OF NEXT MEETING
The next regularly scheduled TIFA Board of Directors meeting is Tuesday, September 11, 2018 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326.

ADJOURNMENT
There being no objections, the TIFA Board of Directors meeting adjourned at 6:28.

Respectfully submitted,

Steve Goodhall
Secretary of the Board

Samantha Seimer
Executive Director