



CITY OF AUBURN HILLS CITY COUNCIL AGENDA

MEETING DATE: JANUARY 14, 2019

AGENDA ITEM NO. .

CITY OF AUBURN HILLS TAX INCREMENT FINANCE AUTHORITY MEETING

December 11, 2018

CALL TO ORDER: Chairman Hassett called the meeting to order at 4:04 PM.

ROLL CALL:

Present:	Kneffel, Thornton, Waltenspiel, Price, Molnar, Hassett, Roberts
Absent:	Dolly, Goodhall
Also Present:	Brandon Skopek, Director of Authorities
Guests:	None

LOCATION: Admin 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 – November 13, 2018

Vice-Chairman Molnar stated that on page four of the minutes, the minutes should read that the City will start to see a larger return on investment, not a large return on investment.

Moved by Mr. Molnar to approve the Regular TIFA Minutes from November 13, 2018 as amended.

Supported by Ms. Price.

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts

No: none

Motion carried

FINANCIAL REPORT

A. FY 2018 Adopted Budget and YTD Summary – November 30, 2018

Mr. Skopek presented the financial report for period ending November 30, 2018. He reviewed the investment accounts stating that district A has approximately \$1.3 million cash and \$1.23 million invested between three separate accounts including Investment Pooling, Insight and MiClass, District B has approximately \$2.38 million cash, and \$5.59 million invested with Insight. TIF District D has approximately \$1.3 million cash on hand and \$1.29 million invested with Insight.

TIF A has received approximately 99% of its budgeted property tax revenue and utilized 73% of its expenditures. TIF B has received 98% of its budgeted property tax revenue and has utilized 94% of its anticipated expenditures.

TIF D has received 100% of the budgeted interest revenue for investments and utilized 96% of its budgeted expenditures.

Mr. Molnar gave a recap on the presentation given by the City's investment consultant at the City Council meeting on November 12, 2018.

Mr. Hassett asked about the repair and maintenance budget line item for TIF-A and why the expenditures were so high and over the amended budget amount.

Mr. Skopek stated that he does not have the exact numbers in front of him at this time, but he believes that this was due to the Auburn Road utility and reconstruction project. He will follow-up with the Board with a definitive answer.

Mr. Waltenspiel arrived at 4:12 p.m.

Ms. Price asked how much the Christmas Tree Lighting ceremony cost.

Mr. Skopek stated that the detail of the invoices are not included in the financial report, but that he will report back to the Board with the detailed costs.

Ms. Thornton stated that the expense report has typically been included in the financial report as a backup with details.

Mr. Skopek stated that he will include the expense report in next month's financial report.

There was no further discussion on the financial report.

Moved by Mr. Molnar to receive and file the financial report for period ending November 30, 2018.

Supported by Ms. Price

Mr. Hassett asked Mr. Skopek to look into the Local Community Stabilization Share and why the revenues were so high.

Mr. Skopek stated that these are revenue funds collected from Personal Property Tax reimbursements and that they are very difficult to budget for. The Board budgeted conservatively for 2018 and had higher than anticipated revenues.

Mr. Kneffel asked about the Downtown Development Authority loan.

Mr. Skopek stated he believes the loan has been distributed, but he would look into it.

Ms. Thornton asked why the Interfund Fees were over budget.

Mr. Skopek stated that this was likely a miscalculation when the budget was prepared for 2018 as the expenses recur monthly and do not fluctuate in price.

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

No: none

Motion carried

OLD BUSINESS

None.

NEW BUSINESS

A. University Center Construction Update

Mr. Skopek stated that the State issued the building permit on December 3, 2018 which allows the contractor to schedule for the various inspections needed to complete the work. Once that is complete, the ceiling tiles, lights, and other miscellaneous items will be installed on the first floor and carpet installed on the second floor. The Department of Public Works will then prepare both rooms for occupancy.

Mr. Hassett asked if TIFA was receiving rental income from the schools that utilize the rooms at the University Center.

Mr. Skopek stated that the University Center's partner schools do not pay a rental fee to use the facility.

Mr. Hassett asked if TIFA charged anyone to use the University Center.

Mr. Skopek stated that there are not currently any outside users of the University Center, but that there has been interest in reserving the rooms. He further stated that the Downtown Education Nook (DEN) has been rented out more frequently since the construction at the University Center.

Mr. Hassett suggested that staff look into advertising the University Center for outside rental.

Ms. Price asked if the University Center was frequently occupied.

Mr. Skopek stated that the University Center is frequently occupied by Avondale Schools and Oakland University for off-campus classes.

Ms. Price asked why we were not charging them for utilizing the space.

Mr. Skopek stated that because they are partner schools that assisted in establishing the University Center, they are not charged a rental fee.

Mr. Hassett stated that the school district allocated TIFA \$700,000 of tax increment financing funds for the University Center to convert the building into a virtual academy for Avondale Schools and classrooms to be utilized by all the colleges and universities within the City.

Mr. Kneffel stated that when he looked into reserving the University Center there was no information on how to rent it or what the cost to rent it is.

Mr. Skopek stated that there is a process to rent the University Center and the DEN and that there are costs associated with such. The information may be found on the City's website.

Mr. Molnar suggested that staff advertise the University Center and the DEN in the City's newsletter.

Mr. Hassett asked staff to place the University Center on the January meeting agenda for discussion.

B. Oakland University Verge Campus Participation

Mr. Skopek stated that staff was contacted by Verge Campus, which is an advertising agency that assists Oakland University with the production of their annual planner, about promoting Downtown Auburn Hills in their upcoming edition. TIFA has participated in the advertising with Verge Campus for the last four years by utilizing a half page advertisement at the price of \$900. Oakland University planners are distributed at campus hot spots, welcome week, and other Oakland University events throughout the year. Included in the packet is the advertisement that was used in years past; however, staff has prepared an updated advertisement for the Board's consideration.

Mr. Molnar asked about getting a full page advertisement and showcasing all the merchants downtown.

Mr. Kneffel asked who the end user was for this advertisement.

Mr. Skopek stated that students were the end user.

Ms. Thornton asked why downtown does not have its own app that allows for merchants to be showcased and promote specials.

Mr. Skopek stated that one of his goals is to increase downtown's web presence. Long-term, he would eventually like to get a separate website for downtown that would spotlight downtown merchants.

The Board discussed the value of advertising with Verge Campus.

Moved by Mr. Molnar to approve a half page advertisement with Verge Campus for the Oakland University planner spring edition in an amount not to exceed \$900.

Supported by Mr. Kneffel

Yes: None

No: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

Motion failed

C. 2018 Year End Budget Amendments

Mr. Skopek presented a memo dated December 11, 2018 for the review and approval of the final 2018 budget amendments. Mr. Skopek indicated that overall, the budgets for all districts were fairly accurate with a few amendments necessary to balance the 2018 budget. The amendments required in TIF-A were for advertising for the Dream Vacation Sweepstakes and unforeseen building maintenance costs, most notably the emergency repairs necessary for the University Center. The amendments for TIF-B are necessary due to higher than anticipated costs for lawn and ornamental bed maintenance, irrigation costs, and engineering construction services for the Opdyke water and sewer replacement project. The amendments required for TIF-D are due to higher than anticipated water consumption for the Civic Center Park. Overall, there entire budget needed to be increased by \$171,877 to stay balanced.

Mr. Molnar asked if these are recurring expenses.

Mr. Skopek stated that these amendments are recurring expenses, except for the utility project on Opdyke Road.

Ms. Thornton asked why TIFA is paying for irrigation and water consumption costs and inquired why some other departments cannot absorb some of the costs.

Mr. Skopek stated that these are all related to infrastructure under the purview of TIFA.

Ms. Thornton stated that these costs are higher than what has been seen historically.

Mr. Skopek stated that he does not have a lot of familiarity with the 2018 budget or the reasoning behind the original budget numbers. He stated he could look into historical costs to gain a better understanding of what to anticipate for next year.

Mr. Hassett stated that TIFA took on a lot of costs on behalf of the City during the economic downturn that began in 2008.

Ms. Thornton stated she would like additional information on the irrigation and maintenance costs for TIF-B.

Mr. Skopek stated that he could follow-up with the Board to provide additional information on these costs, however, the budget amendments need to be approved in order to be in compliance with the State concerning budgeted expenditures.

Moved by Ms. Roberts to approve the final 2018 budget amendments for the Tax Increment Finance Authority as of November 30, 2018.

Supported by Mr. Waltenspiel

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

No: none

Motion carried

D. Adoption of 2019 Meeting Dates

Moved by Ms. Price to approve the 2019 Auburn Hills Tax Increment Finance Authority Board of Directors meeting schedule as the Second Tuesday of each month at 4:00 p.m. in the City Hall Administrative Conference Room.

Supported by Ms. Thornton

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

No: none

Motion carried

E. Election of Officers

Mr. Skopek called for nominations for 2019 Chairperson for the TIFA Board of Directors. Mr. Hassett was nominated by Mr. Molnar. Nomination supported. Mr. Skopek called roll, there were no objections or further nominations.

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

No: none

Motion carried

Mr. Skopek called for nominations for the 2019 Vice Chairperson for the TIFA Board of Directors. Mr. Kneffel was nominated by Ms. Thornton. Nomination supported. Mr. Skopek called roll, there were no objections or further nominations.

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

No: none

Motion carried

Mr. Skopek called for nominations for the 2019 Secretary of the TIFA Board of Directors. Mr. Goodhall was nominated by Ms. Thornton. Nomination supported. Mr. Skopek called roll, there were no objections or further nominations.

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

No: none

Motion carried

BOARD MEMBER COMMENTS

Mr. Hassett and the Board thanked Mr. Molnar for his years of service on the TIFA Board of Directors and wished him a happy retirement.

DIRECTOR UPDATES

Mr. Skopek updated the Board on the pedestrian alleyway and the public art piece to be installed downtown. Construction on the alleyway will commence in spring 2019 and the contractor is working with their fabricator on their detailed design. The City's consulting engineer, OHM, will bring the final shop drawings back to the TIFA Board this winter for their review. The main frame for the public art piece has been rolled and the ribbons have been cut. The next step is to assemble the frame and shape the ribbons.

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is Tuesday, January 8, 2019 at 4:00 PM at Auburn Hills City Hall Administrative Conference Room, 1827 N. Squirrel Road, Auburn Hills, Michigan 48326.

ADJOURNMENT

Moved by Ms. Thornton to adjourn the TIFA Board meeting.

Supported by Ms. Roberts

Yes: Kneffel, Thornton, Price, Molnar, Hassett, Roberts, Waltenspiel

No: none

Motion carried

The TIFA Board of Directors meeting adjourned at 5:01 p.m.

Respectfully submitted,

Steve Goodhall
Secretary of the Board

Brandon Skopek
Executive Director