



CITY OF AUBURN HILLS

City Council Workshop

Minutes

May 1, 2023

CALL TO ORDER: Mayor McDaniel at 5:22 PM

LOCATION: Admin Conference Room, City Hall, 1827 N. Squirrel Rd, Auburn Hills, MI 48326

Present: Mayor McDaniel, Council Members Carrier, Hawkins, Knight, Marzolf, and Verbeke

Absent: Council Member Cionka

Also Present: City Manager Tanghe, Assistant City Manager Skopek, Clerk Pierce, Police Chief Gagnon, Fire Chief Massingill, Community Development Director Cohen, City Planner Keenan, Construction Coord Lang, DPW Director Baldante, Finance Director Schulz, Deputy Treasurer Vittone, Accountant Winter, Management Assistant Hagge

2 Guests

The workshop was held to discuss Project Bonding.

Ms. Schulz introduced Kari Blanchett with PFM Financial Advisors LLC and Eric McGlothlin with Dickinson Wright.

Mr. McGlothlin explained that municipalities can borrow money by installment purchase agreements and the issuance of municipal bonds. He further explained the financing options, including the various types of bonds. Ms. Blanchett explained the possible capital funding sources which include millages and special assessments.

Mr. McGlothlin explained the exemptions from the debt limit. He noted that the City has no issue with its legal debt capacity. He explained various types of municipal bonds including general obligation bonds, revenue bonds, capital improvement bonds and tax increment revenue bonds.

Ms. Blanchett discussed the borrowing process and the three methods for the sale of bonds. She pointed out that the City has a AA+ bond rating. When determining the rating, rating agencies look for a history of strong financial management, a diverse economy, a sound financial position with reserves and a manageable debt burden.

Discussion ensued regarding bonding for the parking structure expansion. Maintenance on the structure would have to be paid out of the operating fund. It was noted that there is still a lot of work yet to do.

The meeting adjourned at 6:45 PM.

Kevin R. McDaniel, Mayor

Laura M. Pierce, City Clerk