



*The City of Auburn Hills*  
City Council Meeting  
Minutes

August 5, 2013

**CALL TO ORDER:** by Mayor McDonald at 7:00 p.m.  
**LOCATION:** City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326  
**Present:** Mayor McDonald, Mayor Pro-Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel  
**Absent:** Council Member Verbeke  
**Also Present:** City Manager Auger, Assistant City Manager Tanghe, Director Olko, Deputy Director/Police Hardesty, Sgt. Leonard, Treasurer Buschmohle, Deputy Assessor Blinkilde, Finance Director Barnes, Director of Public Works Melchert, City Clerk Kowal, Water Resource Coordinator Keenan, Deputy Finance Director Schulz, Facilities Manager Brisson, City Manager Intern Guest, City Attorney Beckerleg, City Engineer Juidici  
Guests 28

**4. APPROVAL OF MINUTES**

4. Regular Council Meeting – July 15, 2013

**Moved by Kittle; Seconded by Hammond.**

**RESOLVED: To approve the July 15, meeting minutes.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Motion Carried (6-0)**

**Resolution No. 13.08.126**

**6. PUBLIC COMMENT**

Steven Volk, a 25 year Birmingham resident, stated he and his wife are planning on moving to Forrester Square. He thanked Council and the City for supporting the Forrester Square neighborhood.

**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.

*Ms. Doyle requested 7a.3. and 7a.4. be removed from the Consent Agenda.*

7a. Board and Commission Minutes

7a.1. July Board of Review – July 16, 2013

7a.2. Beautification Advisory Committee – May 22, 2013

**Moved by Kittle; Seconded by Hammond.**

**RESOLVED: To approve the Consent Agenda items 7a.1 and 7a.2.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Motion Carried (6-0)**

**Resolution No. 13.08.127**

7a.3. Beautification Advisory Committee – June 24, 2013

Ms. Doyle noted she was surprised to see in the minutes the comment that Fieldstone was unable to cater the Beautification Banquet, unless the banquet is held at Fieldstone. She recalled from serving on the Beautification Commission, how controversial it was for the Commission to use someone other than Fieldstone as the caterer for the banquet. There was extensive discussion of whether Fieldstone should be used as the only caterer.

Mr. Auger noted there may be a scheduling conflict between the banquet and other outings that are taking place at Fieldstone, which is why they wouldn't be available for catering.

**Moved by Doyle; Seconded by Knight.**

**RESOLVED: To approve the Consent Agenda item 7a.3 as presented.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Motion Carried (6-0)**

**Resolution No. 13.08.128**

7a.4. Public Safety Advisory Committee Minutes of July 29, 2013

Ms. Doyle stated she currently serves on the Public Safety Advisory Committee and noted the detailed minutes of a very intensive, lengthy meeting in which the City Council will be asked to make a decision. The Committee recommends City Council review the entire analysis during a workshop; which could take as long as an hour and a half.

Mr. Knight suggested from reading the minutes, the Committee reached a consensus and option number four was a reasonable approach to take as a result of the Committee's discussion.

Ms. Doyle stated no. Director Olko, Deputy Director Hardesty, Deputy Director Manning were all present at the meeting, and this is a first step to determine the needs of the City. It was an unanimous decision of the Committee to forward the analysis to Council for discussion, which the Committee members would also like to attend, before taking the next step.

Mr. Knight noted it is the responsibility of the Committee to study and recommend to City Council what they think is the correct direction for the City; and suggested this item is critical to the City and more discussion and input is needed. He hoped the Committee could make a recommendation based on the information available and not punt the item to Council for a decision.

Ms. Doyle stated the Committee wasn't punting the item to Council, the information provided by the Department is excellent, explained and organized very well, but it is a huge decision with very important consequences. The Committee felt it was premature to forward a recommendation to City Council at this time.

**Moved by Doyle; Seconded by Knight.**

**RESOLVED: To approve the Consent Agenda item 7a.4 as presented.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Motion Carried (6-0)**

**Resolution No. 13.08.129**

**8. OLD BUSINESS**

8a. Public Hearing/Motion – Adopting an Ordinance to Amend Chapter. No. 38, Fire Prevention and Protection, of the Auburn Hills City Code for a Public Hearing, Second Reading and Final Adoption

Director Olko explained in June 2013, the State Legislature amended 2011 Public Act No. 256, known as the Michigan Fireworks Safety Act, allowing local communities to pass ordinances regulating the ignition, discharge, and use of consumer fireworks. It is suggested to allow fireworks for 30 days throughout the year, which is the day before and the day after the 10 National holidays. Fireworks would be prohibited from midnight to 8:00 a.m. on all the holidays except New Year's Day which would be from 1:00 a.m. to 8:00 a.m. As recommended by Council, minors, those under 18 years of age, are allowed to handle fireworks with parental or legal guardian supervision.

Mr. Kittle asked how the residents will be advised of this ordinance and would like over-communication if possible.

Director Olko stated all social media venues will be used as well as a press release. The Patrol Officers have been advised that warnings can be given prior to issuing citations.

Mr. McDaniel asked if it would be possible to include notification of the ordinance amendment in the water bills.

Director Olko stated yes, as indicated by Mr. Auger.

Mr. Knight stated he and Ms. Verbeke had discussed the possibility of the City lobbying the State to allow local communities to have more control over fireworks; however, this ordinance amendment is all that is allowable under the law.

Ms. Hammond noted tomorrow is National Night Out and suggested conveying the message of limited fireworks during the event, knowing there will be a large group of residents assembled.

Director Olko stated there is quite a following on the City's social media and the website, but she will investigate what might be possible to have ready for tomorrow evening.

Ms. Hammond suggested posting notices at the Community Center and other areas during the event.

Mr. Kittle noted the City has two years of complaint data and suggested mailings to those who have been cited or warned in the past or the area of where a complaint originated.

Mr. Knight noted there are a number of people at the south end of the City that are concerned with the amount of fireworks being ignited at any given time.

*Mayor McDonald opened the public hearing at 7:18 p.m.*

Ms. Chapel, a resident, is very much in agreement with the ordinance, and limiting days; she has called and complained in the past. She is fine with the day before and after a holiday; she just doesn't want to listen to them all summer long. Also, her dog barks when hearing the fireworks and then a neighbor calls and complains about her barking dog.

*Mayor McDonald closed the public hearing at 7:19 p.m.*

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

**RESOLVED: Move to adopt Ordinance 13-855 to amend Chapter 38, Fire Prevention and Protection.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Motion Carried (6-0)**

**Resolution No. 13.08.130**

## **9. NEW BUSINESS**

### 9a Motion – Approve I.T. Services Agreement with Oakland County/G2G Cloud Solutions

Ms. Buschmohle explained this is a request to enter into an agreement with Oakland County to accept over-the-counter payments by credit and debit cards. Since December of 2010, the City has partnered with Oakland County's E-Commerce and Pay Local Tax programs allowing residents to pay bills on line, resulting in over \$1,630,000.00 being paid thus far. The County has upgraded the system to G2G Cloud Solutions, government to government, allowing over-the-counter credit and debit card payments. The Treasurer's Office, Community Development, DPW, Police Department and Fire Department have expressed an interest in accepting over-the-counter credit and debit card payments. The fees currently being charged for on-line payments will extend to over-the-counter payments.

The City Attorney has reviewed the contract and finds it acceptable. If approved by City Council, the County will provide the swipe machines at no cost and will also train City employees who will be accepting payments.

Ms. Buschmohle introduced Phil Bertolini, Deputy County Executive.

Mr. Bertolini explained the County shares many technologies with other governmental agencies and has for many years. The G2G Cloud Solutions began a few years ago when Cloud computing began; which is another way to deliver shared services more effectively and efficiently, and passing the savings along to those who share the services. G2G Cloud Solutions was formed because not everyone appreciates having Oakland County stamped across their technology; other entities throughout southeastern Michigan are using this system. In the County, through the G2G Cloud Solutions, \$4 million in transactions has been generated since October. Online payments have been possible since 1998, through Access Oakland, resulting in over \$13 million a year in transactions; over-the-counter payments seemed to be the next logical step. This system is completely Payment Card Industry (PCI) compliant, making sure of security and properly handling the data.

Responding to Mayor McDonald, Mr. Bertolini stated there are 50 public entities connected with G2G, not only communities but also courts. Livingston County has just connected with G2G Cloud Solutions and will be accepting over 100 different types of payments over the next 30 days. The more entities on the system, the less each entity has to pay and then it will be possible for smaller communities to also connect.

Mr. Knight asked if the money from the transactions would immediately be transferred to the City.

Mr. Bertolini explained the money is transferred to the City through a number of transactions. The first is the transaction amount, then an enhanced access fee which goes directly to Oakland County. The actual payment is put in the City's merchant account; there is a fulfillment system which allows someone to see in real time the transactions that are happening. The enhanced access fee is then shared back with the City; 43% of the fees are paid to the credit card companies, there is an annual amount due of \$900 for each community to keep the account operational, and after that payment the remaining enhanced access fees are split 50/50 between the County and community.

Ms. Buschmohle explained if the program was up and running tomorrow, Wednesday's report would show each transaction - what it was for and to what account the money was posted. Within 48 hours the money would be transferred into the City's account.

Mr. Bertolini noted this system does not trap credit card numbers, once you exit the site the credit card number is not kept on file; each time the system is used, the user must enter their credit card number.

Responding to Ms. Hammond, Ms. Buschmohle stated the online payments are used frequently. There is generally a credit card or two of tax payments per day, the weekly report for utility billing shows as many as 50 or so credit card payments, then also parking tickets and a few FOIA requests.

Mr. Beckerleg confirmed for Mayor McDonald he reviewed the contract and it is a fair and equitable contract.

Mr. Bertolini explained the \$13 million are transactions are sent to the appropriate account and a small portion of the \$13 million is access fees through Access Oakland.

Mr. Kittle asked how the access fees are determined for each transaction.

Ms. Buschmohle explained 2.75% is charged for \$1,000 or more, but the charge is based on the amount of the actual bill. In contrast, if an e-check is used on line, regardless of the bill amount, there is a \$2.50 charge added.

Mr. Bertolini explained on a \$1,000 bill, the access fee would be \$27.50; of that \$27.50, 43% would be removed to send to the credit card company, the remaining amount would be applied to the \$900 fee for the City's account. If there is any remaining funds, they would be split between the City and the County, 50-50. The County's share of the money continues to circulate, updating and upgrading the system.

Mr. Kittle asked if this program may be extended beyond public use.

Mr. Bertolini explained there is concern with the very high fees the industry charges. The County doesn't charge nearly as much as some of the private sector companies. The private sectors view the process from a profit margin perspective. It will depend on how the industry progresses and how the private sector moves forward. If the companies want to charge double of what the County is for each transaction the fees are doubled and there will be less transactions. The purpose of having online credit card payments is to allow the convenience for many people. It also cuts down on the amount of counter time for an employee, making time to take care of other services, and thus, saving the County or City money. If the fee is raised too high, people will not use the service.

The County is always looking to partner with the private sector when possible; but there haven't been any business models produced that make sense. The electronic check cost is \$2.50, no one offers those because there is no profit margin.

Mr. Knight stated he is in favor of this plan, the City will be getting 100% of all the money due; however, he is disappointed with people wasting their money by paying such a steep fee. He also noted the fees are better than what is available to the public.

Mr. Bertolini noted many people who pay by credit card are earning points for travel, gas credits and other promotions.

**Moved by Hammond; Seconded by Doyle.**

**RESOLVED: Move to adopt the attached resolution (Attachment A) allowing the City Treasurer to enter into the I.T. Services Agreement with the County of Oakland.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Motion Carried (6-0)**

**Resolution No. 13.08.131**

9b. Motion – Approve Site Plan, Special Land Use Permit and Tree Removal Permit/TSM Corporation.

Mr. Keenan noted TSM Corporation moved to Auburn Hills in 1990 and later relocated to their current facility in 1998. The proposed building addition will double the space and provide the company with additional space necessary for future growth. The total investment for the project is estimated at \$2.5 million and will create 19 new jobs over the next two years.

Tim Gould, TSM Corporation Controller and Randy DeRuiter, Cunningham Limp, General Contractor, introduced themselves and offered to answer any questions Council may have.

Mr. Kittle asked for a breakdown of the types of industries TSM supplies.

Mr. Gould stated 90% of the business is automotive and approximately 10% is agriculture; as of now there is no aerospace involved.

**Moved by Knight; Seconded by McDaniel.**

**RESOLVED: To accept the Planning Commission's recommendation and approve the Site Plan, Special Land Use Permit, and Tree Removal Permit for TSM Corporation subject to staff and consultants conditions.**

Ms. Doyle asked if this was a record breaker as far as the expedited review process of this site plan.

Mr. Keenan noted it was 34 days from the first meeting with the TSM Corporation team, to having this before Council this evening.

Mr. Auger noted there were two plans approved in 27 days, so no, this is not a record.

Ms. Doyle noted the speed, but also noted approvals are not so fast to misstep.

Mr. Auger stated the Staff works well together and with developers. The developers know Auburn Hills' process of what to expect from the City and what is expected of them. The average plan approval had been 45 days, the best in the State, but has since been reduced to averaging 35 days.

Mr. DeRuiter noted he has worked in many communities going through the site plan process and the collaboration and work done by the Auburn Hills Staff is exemplary.

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Resolution No. 13.08.132**

**Motion Carried (6-0)**

9c. Public Hearing/Motion – Approve Industrial Facility Exemption Certificate/Rehabilitation of Real Property for GKN Driveline North America, Inc.

Ms. Blinkilde introduced the team for GKN Driveline and noted they are seeking an IFEC for a new headquarters to be constructed on the now, vacant Showcase Cinema site.

Jim Kane, Managing Director of True Partners Consulting, has been working with GKN for approximately nine months trying to find a location to build their new headquarters. One of the first meetings with Steve Cohen, Laurie Renaud, Micheal Lohmeier, Karen Blinkilde, and a few other staff members were sitting around the table, and City Staff stated they were here to do business and asked GKN what they needed. That response from City Staff spoke volumes to GKN to get a deal done.

GKN has outgrown their current location. The parent company to GKN is located in Europe, where the recession continues, and was directed for the new building to be a nice building, but not extravagant.

The rehabilitation incentive allowed for development of this property; the State was involved, but the City was key. The State came up with a grant as well as an interpretation of the statute to understand how it could work, to demolish the building and build an office on the site. A rendering of the building and landscaping is available this evening for review.

Chet Roslanowick, Vice-President of Business Development for GKN Driveline, covering the America's, stated he will be spending the next six to nine months in Auburn Hills. He is the project leader for constructing the new building and transitioning the move. The process is moving well, and he thanked the City for all their support. There will be additional engineering staff, the technical center will be expanded, departments will be combined that are currently spread out in different locations; it will be a nice consolidation of people, resources, and test equipment to move forward.

*Mayor McDonald opened the public hearing at 7:50 p.m.*

Mr. Kittle asked Mr. Roslanowick where he was staying for the time he is here.

Mr. Roslanowick stated he is commuting back and forth between the Hilton Suites.

Mayor McDonald stated this is exciting to see the new business as well as the vacant theatre being torn down.

*Mayor McDonald closed the public hearing at 7:51 p.m.*

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

**RESOLVED: To approve the request for an 8-year IFEC pertaining to replacement of the existing facility for GKN Driveline North America, Inc. for a total real property investment of \$18,000,000 by adopting the attached resolution (Attachment B).**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Resolution No. 13.08.133**

**Motion Carried (6-0)**

9d. Public Hearing/Motion – Approve Industrial Facility Exemption Certificate/New Real and Personal Property/Ralco Industries, Inc.

Ms. Blinkilde introduced Tom Gitter, CEO and owner, Jim Piper, President and owner and Paul DeLong, CFO, all of Ralco Industries, Inc. This request is for a building that Ralco wishes to build on Taylor Road.

Mr. Gitter agreed the experience working with Auburn Hills has been very good and thanked the City for working so swiftly with them as well. Continuing, Mr. Gitter thanked the Tax Incentive Committee for granting an eight year abatement for real and personal property; however, he would like to appeal to Council for possibly granting a 12 year abatement. This is a highly global business relating to two principal areas - automotive supplier of highly precise metal tubular products and as an emerging wheelchair manufacturer. Since last being before Council, wheelchair orders have been received, making it more important to move forward quickly with the new facility.

Mr. Gitter will be traveling to Paris next week to meet with a client entailing an 11 year proposal that must commit to firm pricing; this is a typical situation which looks into the future. This will be a 2016 model year program extending to 2024 and requires a firm committed fixed pricing contract through 2024. The 12 year abatement would help considerably and allow the company to make more aggressive proposals, which could possibly necessitate hiring more employees.

Continuing, Mr. Gitter stated the company has been located in Auburn Hills since 1986, and has been a very good corporate citizen. He and Jim Piper, son-in-laws of the original owner, purchased the company in 2004. The company has been committed to the City and is doing so again with the new construction. With a better cost structure, the company can be more competitive and can create more jobs going forward, and is asking Council to consider the 12 year abatement.

Ms. Doyle noted information is provided of the tax savings to the company and the loss to the City for an eight year abatement, but questioned the figures for a 12 year abatement.

Ms. Blinkilde stated she does not have that information with her this evening.

Mr. Gitter believed the savings to his company would be about \$160,000.00 during those last four years, or \$40,000.00 a year at current millage rates.

Ms. Doyle stated she would like to see the 12 year abatement numbers.

Mayor McDonald asked Mr. Kittle, if the 12 year abatement had been discussed at the TIRC meeting.

Mr. Kittle stated it was discussed, but he doesn't have the information with him, nor does he remember the exact figures.

Mr. McDaniel noted when he served on the TIRC, any abatement over eight years had to be deemed by the Committee as a 'special project', which is limited, and then it was only for a 10 year abatement.

Mr. Knight stated that is a policy and can be changed as Council sees fit.

Mr. McDaniel stated yes a policy can be changed, but this was a new policy recently adopted. He was curious if the 5 'special project' abatements had been spoken for or if there was the possibility of considering this a 'special project'.

Mr. Auger believed only one has been given, which will expire in 2017.

Mr. McDaniel asked why such a broad range of prospective jobs, from 20 to 70.

Mr. Gitter explained 50 jobs are tied to the wheelchair portion of the business and it is the company's desire to grow the wheelchair business in the City and State, but there is still quite a ways to go.

Mr. McDaniel asked if there were some special projects in the near future to warrant holding back the extended abatements.

Mr. Auger explained this abatement is based on the policy itself of the number of jobs and money involved. The diversification factor could play into granting the 12 year abatement, because the City is trying to diversify into the medical technologies as far as the City's employment base. It is the Council's prerogative to go above and beyond what TIRC is recommending.

Mr. Knight noted the last four years of a 12 year abatement results in less taxes because of depreciation. If Council was to consider this request, Ralco Industries will be committed to the City for 16 years or pay back all the abated taxes; a 12 year abatement requires the business remain in the City for an additional four years after the abatement expires. Because of the uniqueness of the business, he would seriously consider granting the 12 year abatement.

Ms. Doyle asked, what happens if Ralco Industries goes out of business or bankrupt.

Mr. Knight stated that is a risk that is taken with everything.

Mr. McDaniel noted the company has been in the City since 1986. He was curious if this must be approved at this meeting or if it could be postponed for Council to see additional data of a 12 year abatement.

Mayor McDonald asked Mr. Gitter if he wished to postpone for two weeks until the next Council meeting.

Mr. Gitter stated he won't be able to attend, but his colleagues will be able; he appreciates Council's consideration. Responding to Ms. Doyle, Mr. Gitter explained with these types of incentives, it helps his business to be competitive and to secure the company's future. Ralco Industries has been in business since 1970 and in Auburn Hills since 1986, so there is a long history. The current management team has been in place since 1987 and will continue to be for the next 16 years. Ralco Industries is very involved in the City beyond creating jobs and paying taxes; Ralco helps to develop young talent at the high school and is a good citizen at all levels.

Mr. Auger suggested opening the public hearing so it doesn't have to be reposted, and then the public hearing can either be postponed or closed, with a decision being made at the next meeting.

*Mayor McDonald opened the public hearing at 8:00 p.m.*

Jim Piper introduced himself stating he has been with Ralco Industries since 1997. He will be speaking and answering questions at the next Council meeting.

Ms. Doyle asked for clarification on why it helps to have the 12 year abatement up front, versus, getting the eight-year abatement now with the possibility of extending for a few years.

Mr. Gitter explained it is long term, looking forward when making fixed price contracts; you must know your extended finances.

Ms. Doyle asked that Council be given information or guidelines, on what is considered a 'special project' in terms of tax abatements and the length of abatements.

Mr. Auger stated there are two things, one is significant economic impact and the other is long-term commitment; it isn't based on a specific type of industry or product.

Responding to Mr. McDaniel, Mr. Auger explained it isn't necessary based on a number of jobs because the City doesn't have an income tax; it is based on property value. The job numbers are significant for the residual growth in the local economy.

Ms. Doyle stated she is opened to the idea of reviewing the information regarding a 12 year abatement, provided Mr. Gitter and Ralco Industries is willing to wait until the next Council meeting for a decision.

Mr. Gitter stated he would appreciate Council reviewing and considering the extended abatement.

Mr. Kittle stated he believes all the projects are special projects; however, Council can at their discretion approve a longer abatement period for projects. He feels this project as well as the previous project, are special projects but for different reasons. Continuing, Mr. Kittle asked if a project has to be considered a 'special project' to allow the eight year abatement with an additional four years.

*Mayor McDonald closed the public hearing at 8:12 p.m.*

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

**RESOLVED: To postpone action on the request for an 8-year IFEC pertaining to new real property and personal property for Ralco Industries, Inc. until the regular meeting of August 19, 2013; for a total real property investment of \$8,752,265 and personal property investment of \$3,584,850 for a total investment of \$12,337,115 of real and personal property so information regarding a 12 year abatement may be presented to the Council.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald  
No: None**

**Resolution No. 13.08.134**

**Motion Carried (6-0)**

9e. Motion – Accepting a Resolution for a Moratorium on New Smoking Lounges

Deputy Director/Police Hardesty explained Dr. Ron Davis Smoke Free Air Law banned smoking in most public places; however, there is an exemption for Tobacco Specialty Retail Stores which allows for patrons to use tobacco products in such places as cigar lounges and hookah lounges. Currently Auburn Hills has two hookah lounges, one on University Drive and the other on Walton Boulevard; the University Drive location particularly has become problematic. There were meetings with other departments trying to determine what course of action could be taken and during that time, an application was received to open a third hookah lounge. Not only are there problems in Auburn Hills, but also with these lounges in surrounding communities. Some of the problems have been allowing minors into these establishments; State law mandates you must be 18 years of age, alcohol use, parking lot issues, as well as noise and littering complaints.

The State estimates there are approximately 200 of these businesses. If there are no local ordinances for these businesses, a State license can be transferred from community to community, uninhibited except for building regulations.

It is suggested to take the time and examine how the City might deal with these establishments, and whether or not there should or should not be an ordinance addressing the issue. Time is needed to examine not only the issues of the City, but the county and the state and then return with some recommendations.

Mr. Kittle asked if there are any challenges for the City in terms of a moratorium, and a new application already being submitted.

Mr. Beckerleg explained if this resolution is adopted, it will not apply to the current applicant or to the existing lounges; however, if the City eventually adopts an ordinance and the hours of operation are changed, as an example, all hookah lounges would have to abide by the new ordinance.

Deputy Director/Police Hardesty stated he will gather some information. In speaking with the operators of these lounges, the interest is targeting more than an ethnic population, it is the college population; 18 to 23 year olds, with more of an emphasis on the 18 to 20 year olds who are not legally able to go to the bars.

Ms. Doyle stopped into Exhale Hookah Lounge, and discovered it is a very relaxed atmosphere, with the majority of patrons being 18 to 21, those not legally allowed into bars. This is another option to a coffee shop for students, with operating hours of the lounge noon to 2:00 a.m. During her visit, she was told Friday night is the busiest night of the week and was curious when most of the problems occur.

Deputy Director/Police Hardesty stated the problems are generally on the weekend, with Friday night being busiest. The Auburn Hills businesses generally get busier after 11:00 p.m., because communities such as Troy have ordinances limiting the hours of operation.

Mr. McDaniel asked where the third location is being proposed.

Deputy Director/Police Hardesty believes there are talks for the downtown area, but isn't aware of any signed lease agreements.

Mr. McDaniel asked if these businesses could apply for a liquor license.

Deputy Director/Police Hardesty stated by State law, liquor is not permitted in the smoking establishments; also, the only food allowed to be served is packaged food.

Ms. Hammond has witnessed hookah smoking at a downtown establishment, and questioned the need of a license.

Deputy Director/Police Hardesty explained if a business already has a tobacco specialty retail license, it is legal to smoke there, even without a hookah license.

**Moved by Knight; Seconded by McDaniel.**

**RESOLVED: To adopt the attached resolution (Attachment C) regarding New Smoking Lounges.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald  
No: None**

**Resolution No. 13.08.135**

**Motion Carried (6-0)**

9f. Motion – Accept Traffic Control Order SL-03 – Establish Shimmons Road Speed Limit

Director Olko stated Sgt. Rick Leonard of the Direct Patrol Unit will be addressing the Traffic Control Order.

Sgt. Leonard explained last year roadwork and a reconfiguration of Shimmons Road from Dexter Road to Squirrel Road was completed. At the conclusion of the work, the speed limit came into question. There was no valid traffic control order for Shimmons Road, so a traffic study was conducted. A traffic speed study was conducted where traffic speed counters were placed at three segments of Shimmons Road for a 7 day period. The data showed the 85<sup>th</sup> percentile speed was 37.36 MPH, the average of the three counters. Crash history statistics were also reviewed, from 2000 to 2012, with no significant crash history for Shimmons Road found. The data was reviewed with OHM Traffic Engineer and determined that pursuant to traffic engineering standards, the speed limit for Shimmons Road should be 35 MPH.

A letter will be forthcoming from the principal of Oakland Christian School, setting school speed limits, as allowed by law, 30 minutes to one hour before the start of school as well as after school hours. Signs will be posted upon adoption of the Traffic Control Order.

Mr. McDaniel noted this is a residential area, and most residential areas are posted at 25 MPH, as is the downtown area and is curious why this area isn't 25 MPH.

Sgt. Leonard explained to impose a 25 MPH speed limit, criteria that must be met - there must be a platted subdivision, which this area is not; and it doesn't meet the access point criteria of 60 access points within a half-mile stretch.

Ms. Doyle asked about Lahser Road and the 25 MPH speed limit near the high school and questioned if that area is a platted subdivision.

Sgt. Leonard stated he doesn't know if it is a platted subdivision; the law is very restrictive with respects to the speed limits allowed in an area. The speed limit in that area probably hasn't been challenged by anyone.

Ms. Doyle noted it is a very wealthy area and the residents must want to maintain the 25 MPH speed limit. She also noted there are two stop signs in front of the high school, which slows traffic down. She thought the 25 MPH speed limit was because of the school. She is concerned with the 35 MPH speed limit on Shimmons Road because of the school and the dead-mans curve.

Mr. Auger stated in the industry there is something known as the political speed limits that are not enforceable if someone fights them in court. Currently, all of the speed limit signs in the City are being reviewed, because of the difficulty for Officers to argue the case in court. In the future, there may be more speed limit changes. As Sgt. Leonard stated, the school will be submitting a letter, so the speed limit can be decreased during specified hours. Sidewalks were installed along the road when the roadwork was being done, so it should keep pedestrians off the road.

Sgt. Leonard confirmed, within 1,000 feet of the school there will be signs with the times that the speed limit is reduced to 25 MPH. There will also be advisory signs to drop speeds to 15 MPH in the curves.

Mr. Knight commended the work of changing the speed limit; however, he noted the sign to reduce speed to 25 MPH on Shimmons is seldom observed.

Sgt. Leonard thought that may be an advisory sign, not an enforceable sign.

Sgt. Leonard confirmed for Mr. McDaniel, if the speed limit on Shimmons Road is 25 MPH, it will not be enforceable because it does not meet the specified criteria.

**Moved by Hammond; Seconded by McDaniel.**

**RESOLVED: To adopt Traffic Control Order SL-03, setting the speed limit on Shimmons Road at 35 miles per hour.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald**

**No: None**

**Resolution No. 13.08.136**

**Motion Carried (6-0)**

9g. Motion – Approve Purchase of LED Lighting

Mr. Brisson explained this is a request to purchase up-dated LED light fixtures for the DPW exterior facilities as well as Fire Station 3. There are 29 fixtures that are 20 years old or so, original fixtures to the buildings. The new LED fixtures will average 71% less energy consumption than the fixtures they are replacing. This will be approximately \$3,500.00 per year in energy savings at both facilities. ZON from Romeo is the lowest bidder; however, they have no municipal references. The Windsor tunnel was one of the biggest groups they have sold to, but he hasn't been able to determine how many fixtures that is. The ZON bid substituted the CREE brand LED with their brand. It was decided to stick with a larger, name-brand company; CREE and Phillips are currently the two industry leaders.

Second low bid is Graybar Electric, from Belleville, Michigan, who meets all specifications requested and the preferred brand, at a cost of \$15,776.00.

Mayor McDonald stated when possible, the City prefers to do business with local companies. He asked if the reason for not using ZON is because it is a new company and their product is limited and/or a new product.

Mr. Brisson stated what he understood, is the ZON has been in the LED market for approximately six years, their product is assembled in Romeo, but he isn't sure where the components for the final assembly come from; Cree and Fiber Star is U.S. produced, Wisconsin and North Carolina. Cree and Fiber Star offer a 10-year warranty and ZON doesn't have a 10-year warranty for their product, but said they would put in writing offering the City a 10-year warranty. Mr. Brisson stated being a smaller company they may not be around for 10 years to support the warranty.

Mr. Knight understands Mr. Brisson's position, but asked how a smaller company can exist if not given a chance; this is a Michigan based company. Mr. Knight stated he would like to take the chance on the newer, Michigan based company.



Mr. McDaniel echoed Mr. Knight's opinion; how does a small new business continue if nobody takes a chance to hire them. Auburn Hills is very pro-small business; ZON is willing to put their best foot forward and offer the City the 10-year warranty.

Mr. Kittle noted all the companies listed have Michigan addresses. He noted the process was followed seeking bids, and there is some concern behind the low bidder. He suggested negotiating with ZON, a challenge, to ask for the products for free and the City will return thirty cents for every dollar saved. In the long run, the company would probably make more money than their bid.

Mr. Brisson noted Cree and Fiber Star go through several laboratory tests in their research and development; ZON was able to show only half the testing that Cree and Fiber Star have gone through. ZON, being a smaller company has not had the resources to support the product with research and development as the other companies have.

Responding to Mr. McDaniel, Mr. Brisson confirmed ZON has some lighting fixtures in the Windsor tunnel; however, he isn't sure if there is only one fixture or many. Ultimate Soccer located at South Boulevard and Opdyke Road, has ZON interior LED lighting. Mr. Brisson has not spoke with the owner of Ultimate Soccer, but can investigate further.

Mr. McDaniel stated he doesn't want to discount ZON just because the company is smaller.

Mr. Kittle noted ZON is the lowest bidder, but not the lowest qualified bidder by substituting a product on the required list. He suggested the possibility of granting 80% of the bid to Graybar and 20% of the bid to ZON.

Ms. Doyle noted the background information states ZON's products are Michigan made, not just the company being located in Michigan.

Mr. Brisson stated Cree and Fiber Star are made in the U.S, assembled in Wisconsin with research and development in North Carolina. ZON fixtures are assembled in Romeo; however, he isn't sure where the components are made.

Ms. Doyle noted many questions have been raised and she would like Mr. Brisson to talk with folks from Ultimate Soccer as well as with someone from the Windsor tunnel, before a decision is made.

Mr. Brisson stated he will get more information.

Ms. Hammond suggested asking a representative from ZON attend the next Council meeting.

*This item was postponed to allow for more information to be presented to Council.*

#### 9h. Budget Assumptions Presentation

Mr. Barnes stated the key assumptions are summarized. The tax revenues are 50% of the City's revenue and the City is gradually getting back to zero. Keeping in mind 2014 is the 2013 tax year and 2014 the City still has a 3% decline, it's believed the City will be back at zero in 2015. After 2015, there should be modest increases, corresponding with modest increases in payroll. There is no recommendation to change the tax mills; this will be eight years consecutive. Looking at the tax equalization reports, the City's tax mills were second lowest for the 29 largest municipalities in Oakland County; Rochester Hills is lower by approximately 2/10ths of one mill.

Full time personnel has four additional people, one in DPW and three in the Emergency Public Services – one patrol officer, one data analyst and a dispatch operator. In 2008 there were 184 full time personnel and currently there are 169.

Compensation increases for 2014 is for only one group, Command, at 1%; AFSCME is unsettled, but anticipated to remain at zero like the other groups. After 2014, there is a 2% place holder for salary increases, for most of the classifications.

Medical benefits will continue with HAP, with a 6.75% increase for 2014 and capping at 4.6% for 2015. Pharmacy costs continue to decline, possibly because of the generic drugs being available. Delta Dental was increased by 12% in 2011, with the following three years seeing no increase; 2015 is a projected increase of 8%. There haven't been many increases from Delta Dental over the years, and if so, the increases have been fairly modest, making it is difficult to project.

Mr. Knight asked if fire and EMS will be discussed.

Mr. Barnes stated those figures will be discussed at a Council workshop in September; however, he will forward a preliminary report to Council, prior to the workshop.

Regarding Emergency Services, Mr. Knight asked if the budget could proceed, without a decision by Council on what direction Emergency Services goes, and still be fairly accurate.

Mr. Auger believes it is possible to be fairly accurate.

Mr. Barnes noted adjusting the budget is always possible with a budget amendment.

Mr. Barnes continued with the assumptions, noting this section is Social Security and Medicare. Medicare costs go up, but only for those that have compensation at that level. The Social Security rates rose to 6.2%, beginning in 2013; the rate had been 4%.

The decrease in the Pension Plan's employer contribution from 2011 to 2012, is mainly because of the decrease in COLA, and should continue to decrease. The last Actuary Valuation was done in 2012, as of December 31, 2012, the pension

plan was 94.9% funded and with the equity market and stocks continue moving, the pension plan today is 100% fully funded.

Retiree Health has remained relatively stable at 11.12% per the 2012 Actuary Valuation. As of December 31, 2012, the Retiree Health Care was 55.1% funded and as of today, approximately 61% funded.

Mr. Knight asked if the Pension Plan is 100% funded, then why does the City continue putting 20% each year. Does that much need to be continued because the benefits keep increasing?

Mr. Barnes stated that is part, assuming the City is going to continue to fund the 30 year plan. The plan will decrease but won't go away until the last active employee is gone. When the plan is 100% funded and there are no longer any active employees, then the City will not have to continue funding.

Mr. Knight thought once the plan was 100% funded, there wouldn't be a need to continue making contributions.

Mr. Barnes stated the market can change.

Mr. Auger stated the assumptions are based on the Actuarial Value and the pension fund has 7.5% growth annually; however, that doesn't always happen.

Mr. Knight feels the City should be more conservative and contribute more than the 7.5% the actuarial suggests; he doesn't believe the actuarial is realistic.

Mr. Kittle agreed with Mr. Knight's comment about the actuarial not being realistic. Continuing, Mr. Kittle stated he liked the format of the assumptions report Mr. Barnes created.

Mr. Kittle asked if dental plan could be self-insured, similar to the prescription drugs. For the most part, unless someone has real dental issues, the average person has two cleanings a year and maybe a filling or two. The cost for those services he doesn't believe would add up to the plan's coverage of \$1,200; any major work, crowns or root canals are only covered by 50%.

Mr. Tanghe noted some municipalities have a bank for employees, a direct reimbursement. He noted, there are five labor unions in the City, so it could take some time.

Mr. Barnes noted Delta Dental pays the dentist direct for a lesser amount of money; by using the employee bank, there would be no dentist discount.

Regarding the pension percentages going from 29.73% in 2011 down to 18% in 2018, Mr. Kittle asked for clarification of what that represents.

Mr. Barnes explained it is a percentage of defined benefit compensation, direct wages, 2,080 hours per year and overtime primarily. An example - if you make \$40,000.00 per year, about 30% is set aside and only for those active employees in the defined benefit plan.

Mr. Kittle asked Mr. Barnes if he sees any red flags.

Mr. Barnes noted the City has done a great job controlling costs, but until tax values increase there are some things that will have to be set aside. Auburn Hills' tax values aren't too much different from many other communities.

Mr. Kittle stated when looking at the PPT's and the changing of those laws and the incentives the City gives, there is some incremental revenue, but it is lowering it a little bit. He has been raising questions in the TIRC meetings if the City will get to a point where the service demands, because of all the growth, starts to exceed the amount of incremental revenue so that the City will have to start pulling from reserves.

Mr. Barnes stated the City has pulled from reserves. Last year when the five-year plan was presented, there was about \$12 million from the general fund, over a five-year period; which included capital projects. The TIFA's have helped the City, being able to work on capital projects that would not have been accomplished without the TIFA's. DPW has also done a great job on receiving grants for projects in the City; \$1 million for Squirrel Road and approximately \$2 million over the next few years for road projects.

Mr. Kittle stated he continues to look at the head count, noting in 2003/2004 there were 192 employees, the number dropped to 168 and now an additional five employees are being hired. He noted there are efficiencies the City continues to gain; however, with the growth in the City he questioned how conservative the numbers are.

Mr. Auger explained the Police Department has lost the greatest number of employees and now as employees retire they are being replaced; the staff number is as low as the City wants to get. The Department is looking to hire a data analyst to help fight crime and traffic. The City would like to grow in residential units, which will increase the number of public safety calls; so technology is being used and people's expertise to better leverage what the City already has.

Mayor McDonald appreciated Mr. Barnes' outstanding report.

**No action required.**

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

Mr. Knight:

- Overall he feels the angle parking downtown has gone pretty well, except the breakdown of the PK machine causing a lot of confusion. There is a safety issue when drivers are turning left, on a green left turn arrow, both on southbound and northbound Squirrel with drivers turning right on a red light. He would like signs posted reading similar to 'On Red, Yield to Left Turners'. It is difficult to figure out where the lanes are; the white stripes are too narrow and difficult to see, they should be increased to a foot wide. When westbound at South Squirrel, there is a left turn lane, so you must move over to the right and then through the light, the lanes go back over to the left lane. He suggests a road sign indicating with an arrow what lane is the through lane. The same issues apply coming into town from the opposite direction.

He has trouble seeing when backing out, and the angle is very tight, and would like it checked.

Ms. Hammond noted in front of Elwell's, the striping is difficult to determine and isn't sure if there is angle parking or parallel parking.

Mr. McDaniel stated the parallel parking that was in front of Elwell's now resembles boxes, and drivers aren't sure if they are allowed to park in those boxes.

Mr. Brisson explained OHM planned to grid out that parallel parking area in front of Elwell's as a 'Clear Site Zone', for a better view of the intersection.

Mr. McDaniel stated that is too far back from the intersection.

Director Olko explained the lane shifts at that point and because of PK's machine breaking down, the parallel parking lines weren't able to be removed at the corner; but yes there is still parallel parking allowed in front of Elwell's. She isn't sure what the pavement markings look like.

Mr. Brisson stated the arrows and markings have now been completed by PK.

Mr. Auger stated the parking spaces will be looked at.

Continuing, Mr. Knight suggested when heading south on North Squirrel, he would like to see arrows on the pavement, alerting drivers of which lane to turn into.

- The Noon Optimist Club will be having a picnic at the small gazebo in the park, Friday afternoon at 6:00 p.m. and all are invited.
- Both he and Ms. Verbeke feel strongly to urge the State to allow the City to have more control of our own destiny; midnight is too late for fireworks in a residential zone. They would like the latitude for the City to limit hours more strictly in residential areas and areas immediately adjacent to residential areas. Both he and Ms. Verbeke would like a note to be sent to legislatures to consider allowing communities more control on the hours.
- Noted the Kroger on South Boulevard is gone as well as other businesses in that strip mall.
- Mentioning the bandage on his arm isn't from being sick, he gave his 155<sup>th</sup> pint of blood at the blood drive this afternoon.

Ms. Doyle:

- Regarding the report from the Public Safety Committee about how the City will handle emergency medical services in Auburn Hills, and Mr. Knight's comment about the Committee punting the subject to Council because the Committee couldn't make a decision, she wants to comment. She wants to clarify the Committee has asked for additional numbers of items omitted from the report particularly extending into the future, the numbers given are very good for current services. There are questions of replacing vehicles when needed. The Committee also feels there are so many questions and discussions needed, that there is a need for more people to be involved in making this decision; there may be some questions the Committee may not have thought to ask.

Continuing, Ms. Doyle stated the Committee made a motion requesting a workshop take place with City Council and questioned if that will happen.

Mayor McDonald stated there will be a workshop taking place to study the topic.

Mr. Auger stated it would be proper for City Council to meet with an advisory board for such an important issue that may have a substantial impact on the community. There could be a workshop on an off Monday night.

Ms. Doyle believed this is a topic that needs attention, as it will be reflected in the budget.

Mr. Auger stated if the assumptions on the budget are close, then yes, a workshop should be scheduled sooner than later. There are four possible choices for emergency services, and will be reflected in the assumptions.

Ms. Doyle stated it was the Public Safety Committee's thought, though more numbers were requested, that a meeting with City Council take place, not another Public Safety Committee meeting.

Ms. Sendegas, Public Safety Committee Chairperson, stated the Committee has done a lot of studying on the emergency medical services and it is a big, big decision to make and everyone needs to be involved. She

continued stating it isn't that the Committee isn't capable of making a decision, but rather, too big and complicated for the Committee to make at this point.

Discussion ensued as to when to hold a workshop for this discussion. Both Mr. McDaniel and Mr. Kittle wanted to make sure that this workshop doesn't interfere with other planned workshops to set them back behind schedule. Mr. Kittle suggested possibly adding another day for this workshop; he wants those items listed for workshops completed with the current Council.

**Moved by Mr. McDaniel to schedule a workshop for September 9, 2013 at 5:00 p.m.**

*The motion died for lack of support.*

Mr. Auger stated the information will be sent to Council prior to the workshop, and any questions can be forwarded to Deputy Director/Fire Manning prior to the workshop, so he may find answers to those questions and have them ready at the workshop.

After discussion, it was decided to hold a Council Workshop, August 26, 2013 at 5:30 p.m. to discuss emergency medical services.

- Ms. Doyle noted activity taking place at Dutton and Squirrel Road where new residential homes are being constructed.

Mr. Knight asked who was supplying the connection for sewer and water.

Mr. Auger stated the City has an agreement with Orion Township to supply sewer service and in return, when the expansion of the system is needed, Orion will be picking up the tab.

Ms. Hammond:

- Reminded everyone of National Night Out, tomorrow at 6:00 p.m.
- Asked why sometimes the music is playing downtown and sometimes it is not.  
Mr. Melchert stated he would look into it.
- Noted she isn't pleased with names and addresses being listed in the Board of Review minutes; she feels an address or sidwell number is sufficient, and the privacy of the residents should be protected.

Mr. Kittle:

- Is worried the soccer field on Dutton Road is the next Lowes.
- The Leaf Burning Committee is having a meeting Wednesday, at the Administration Building.
- Asked Director Olko to comment on the letter Council received from an individual who was involved in an accident with a pedestrian.

Director Olko stated she discussed the letter with both the Mayor and Mr. Auger, and the letter was sent through the citizen complaint process. The Department has contacted Ms. Hee to inform her of the process.

Mr. Kittle asked what the right move is; the City is trying to promote a walkable community.

Director Olko stated it depends on the circumstances, so it will entail a thorough investigation before she has any solutions.

Mr. McDaniel:

- Voiced his displeasure with Squirrel Road paving, south of M-59 where some grinding will be taking place. He hopes payment is withheld until the pavement has been repaired.
- Regarding the budget, last year there was a decision made about the fund balance for the millage specific funds to be put into the general fund. He asked with the audit complete will that done administratively or will it come back before Council once the budget is adopted.

Mr. Barnes explained the GASBE's have changed how the emergency services funds are treated; they are now collapsed into the general fund. The footnotes on the financial statement may show a breakdown of the departments; there is no separate financial statement for fire, police or any other funds.

Mr. McDaniel asked if someone asked for a breakdown of the general fund balance, is it noted someplace.

Mr. Barnes stated as far as the fund balance, that information ceases to exist; however, tax revenues for police and fire are kept separate.

**11. CITY ATTORNEY'S REPORT** – none

**12. CITY MANAGER'S REPORT** – none

**13. EXECUTIVE SESSION**

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

**RESOLVED: To adjourn to Executive Session to discuss Labor Negotiations.**

**VOTE: Yes: Doyle, Hammond, Kittle, Knight, McDaniel, McDonald  
No: None**

**Resolution No. 13.08.137**

**Motion Carried (6-0)**

*City Council adjourned to Executive Session at 9:52 pm. and reconvened the regular meeting at 10:30 pm.*

**14. ADJOURNMENT** The meeting adjourned at 10:32.

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James D. McDonald, Mayor

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Terri Kowal, City Clerk

**RESOLUTION TO AUTHORIZE THE CITY TREASURER TO ENTER INTO AND EXECUTE THE I.T. SERVICES AGREEMENT WITH THE COUNTY OF OAKLAND ON BEHALF OF THE CITY OF AUBURN HILLS**

At a regular meeting of the City Council, City of Auburn Hills, Oakland County, Michigan, held on August 5, 2013 at the City Hall, 1827 N. Squirrel Road, Auburn Hills, Michigan, the following preamble and resolution were offered by Mayor Pro Tem Hammond, and supported by Council Member Doyle:

**WHEREAS** the City of Auburn Hills pursuant to the General Property Tax Act (MCL 211.1, et seq.) is required to collect and receive all current property taxes payments due on taxable property located within its geographic boundaries, and

**WHEREAS** the County of Oakland (“County”) has developed an internet-based payment procedure that allows County taxpayers the convenience of using credit cards or electronic checks for the payment of delinquent property taxes to the County Treasurer, and

**WHEREAS** by utilizing essentially this same system and technology, the County has developed a similar model program called “Pay Local Taxes.com” which the County is making available to municipalities in Oakland County, and

**WHEREAS** participating in the County’s “Pay Local Taxes.com” program would allow the City of Auburn Hills taxpayers to utilize a similar internet based credit card payment or electronic check option for current property tax payments owed to the City of Auburn Hills, and

**WHEREAS** participation in the “Pay Local Taxes.com” program with the County and possibly other municipalities and the resulting “economies of scale” requires only minimal and/or incremental costs and efforts by the City of Auburn Hills, in order to provide a credit card and electronic check payment options to City of Auburn Hills taxpayers, and

**WHEREAS** The City of Auburn Hills accepts on-line payments through the County’s internet based payment option, and

**WHEREAS**, the County payment system has now developed an Over-The-Counter payment module that would allow the City of Auburn Hills to provide credit card payment options for current year taxes and other bills;

**NOW THEREFORE BE IT RESOLVED** that in accordance with Public Act 280 of 1995, the City of Auburn Hills Treasurer is hereby authorized to receive payments for property taxes owed to the City of Auburn Hills by “financial transaction device” (including credit cards) as defined in the Act, and that the Treasurer, as provided in the Act, shall decide which such financial transaction devices shall be acceptable for payments to the City of Auburn Hills

**BE IT FURTHER RESOLVED** that the City of Auburn Hills approves and authorizes its Treasurer to execute on behalf of the City of Auburn Hills, such agreements as may be necessary with payment processing services acceptable to the County, for the purposes of allowing them to receive, process, deposit and maintain security for all credit card or electronic check payments and deposits for the City of Auburn Hills.

**BE IT FURTHER RESOLVED** that the City of Auburn Hills Treasurer is also authorized to execute such agreements as may be necessary, to open and maintain an account with a depository financial institution acceptable to the County for the purposes of the receipt and deposit of all such “financial transactional device” payments in accordance with the law.

**BE IT FINALLY RESOLVED** that the City of Auburn Hills approves entering into the attached I.T. SERVICES AGREEMENT with the County of Oakland and hereby authorizes its City Treasurer, Nancy Buschmohle, to execute this Agreement on behalf of the City of Auburn Hills.

**AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel**

**NAYS: None**

**ABSENT: Council Member Verbeke**

**ABSTENTIONS: None**

**Resolution 13.08.131 Adopted (6-0)**

STATE OF MICHIGAN            )  
  )ss  
COUNTY OF OAKLAND        )

I, Terri Kowal, the duly qualified Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Auburn Hills the 5<sup>th</sup> day of August, 2013; the original is on file in the Office of the Clerk.

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

Attachment B

**CITY OF AUBURN HILLS  
RESOLUTION  
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
FOR GKN DRIVELINE NORTH AMERICA INC**

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 5<sup>th</sup> Day of August, 2013.

The following resolution was offered by Councilperson Knight and supported by Councilperson Kittle.

**WHEREAS**, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the 17<sup>th</sup> Day of June, 2013 the City Council of Auburn Hills established a Plant Rehabilitation District, commonly referred to as the NDA Auburn LLC Plant Rehabilitation District; and

**WHEREAS**, GKN Driveline North America, INC. has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Auburn Hills with respect to a proposed replacement facility within the NDA Auburn LLC Plant Rehabilitation District; and

**WHEREAS**, before acting on said application, the City Council of Auburn Hills held a hearing on 5<sup>th</sup> Day of August, 2013, 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**, rehabilitation of the facility had not begun earlier than six (6) months before May 31, 2013, the date of the acceptance of the application for the Industrial Facility; and

**WHEREAS**, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in Auburn Hills; 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 thus exempted.

**NOW, THEREFORE, BE IT RESOLVED BY** the City Council of Auburn Hills that:

1. The City Council of Auburn Hills finds and determines that the granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the Industrial Facilities Exemption Certificates previously granted and currently in force, under Act No. 198 of the Public Acts of 1974, shall not have the effect of substantially impeding the operation 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.

2. The application for an Industrial Facilities Exemption Certificate with respect to a replacement facility on the following described parcel of real property situation within the NDA Auburn LLC Plant Rehabilitation District to wit:

Legally described as:

T3N, R10E, SEC 14 PART OF E 1/2 OF NW 1/4 BEG AT PT DIST S 86-38-00 E 1381.92 FT & N 01-26-00 E 44.50 FT & N 01-11-00 E 600 FT & N 00-56-00 E 597.17 FT & S 89-04-00 E 50 FT FROM W 1/4 COR, TH S 89-04-00 E 541.23 FT, TH N 53-33-00 E 91.97 FT, TH N 74-01-50 E 125.69 FT, TH S 89-04-00 E 326.48 FT TO W LINE OF I-75 HWY, TH S 01-39-20 W 928.01 FT, TH N 88-57-20 W 503.33 FT, TH N 46-25-20 W 51.42 FT, TH N 37-48-20 W 89.03 FT, TH N 41-55-20 W 54.65 FT, TH N 49-52-00 W 184.56 FT, TH N 87-54-20 W 96.88 FT, TH S 02-05-40 W 233.53 FT, TH N 88-57-20 W 90.65 FT, TH S 00-56-00 W 20 FT, TH N 88-57-20 W 79.76 FT, TH N 00-56-00 E 824.52 FT TO BEG 19.60 AQ129K

The real property is also identified as 02-14-14-176-007, having an address of 2150 N. Opdyke Road, Auburn Hills, MI 48326

is hereby approved.

3. The Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 8 years, and the starting date for the certificate is December 31, 2013 and the ending date is December 30, 2021.

4. The project cost approved is \$18,000,000 for real property only.

5. GKN Driveline North America, Inc. agrees to continue operation of the facility for the full term of the certificate and for an additional two years after expiration of the certificate.

**AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel**

**NAYS: None**

**ABSENT: Council Member Verbeke**

**ABSTENTIONS: None**

**RESOLUTION 13.08.133 ADOPTED (6-0)**

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 5<sup>th</sup> Day of August, 2013.

**IN WITNESS WHEREOF**, I have hereunto affixed my official signature on this 6th day of August, 2013.

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Terri Kowal, City Clerk



**CITY OF AUBURN HILLS  
RESOLUTION ADOPTING A MORATORIUM ON  
SMOKING LOUNGES AND FACILITIES**

At a regular meeting of the City Council, City of Auburn Hills, Oakland County, Michigan, held on August 5, 2013 at the City Hall, 1827 N. Squirrel Road, Auburn Hills, Michigan, the following preamble and resolution were offered by Councilmember Knight, and supported by Councilmember McDaniel:

**WHEREAS**, the City Council for the City of Auburn Hills finds that a need has emerged to study and develop regulations for public health, safety and welfare applicable to establishments that operate smoking lounges and facilities commonly described as Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name; and

**WHEREAS**, the City Council for the City of Auburn Hills finds that it is necessary to develop consistent, cohesive, and objective land use, development, and regulatory standards applicable to facilities and establishments commonly described as Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name, that may desire to operate within the City; and

**WHEREAS**, the City Council finds that it would be counterproductive to approve the operation of these establishments within the City while the City studies and develops and adopts applicable, consistent regulations.

**THEREFORE, BE IT RESOLVED**, that the City Administration and City Council shall study the need for regulation and develop consistent, cohesive and objective land use, development and regulatory standards for the operation of Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name.

**BE IT FURTHER RESOLVED**, that during the course of study and deliberations as to the appropriate zoning and regulatory ordinance regulations for Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name, a moratorium is hereby declared effective immediately for a period of 180 days from the date hereof. Effective August 5, 2013, City review and approval of all applications, related to Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges and Bars, and other Smoking Facilities by any other name, during the period of moratorium shall be deferred.

**BE IT FURTHER RESOLVED**, that during the period of this moratorium, there shall be no consideration or action taken by the City, any elected or appointed official, or any employee on any request to operate a Tobacco Retail Specialty Shop, Cigar Bar, 0% Nicotine Establishment, Hookah Lounge or Bar, or any other Smoking Facilities whether a new operation or a license location transfer.

**BE IT FURTHER RESOLVED**, that during this period of a moratorium, an aggrieved property owner or business petitioner may request and be entitled to a hearing before the City Council for the purpose of attempting to demonstrate that the moratorium will preclude all viable economic use of their property or otherwise violate applicable provisions of State or federal law. A hearing shall be requested in a written submittal to the City Clerk that describes the grounds for the request and will be scheduled for the next regular City Council meeting. Upon concluding the hearing, the City Council shall determine whether the petitioner has made the required demonstration, and if so, shall grant relief from the moratorium to the extent necessary to cure that effect or violation.

**BE IT FURTHER RESOLVED**, that this moratorium shall expire automatically upon adoption of an ordinance regulating Tobacco Retail Specialty Shops, Cigar Bars, 0% Nicotine Establishments, Hookah Lounges or Bars, or other Smoking Facilities.

**AYES: Mayor McDonald, Mayor Pro Tem Hammond, Council Members Doyle, Kittle, Knight, McDaniel**

**NAYES: None**

**ABSENT: Council Member Verbeke**

**ABSTENTIONS: None**

**RESOLUTION 13.08.135 ADOPTED (6-0)**

STATE OF MICHIGAN )  
                                  )ss  
COUNTY OF OAKLAND)

I, Terri Kowal, the duly qualified Clerk of the City of Auburn Hills, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Auburn Hills the 5th day of August, 2013; the original is on file in the Office of the Clerk.

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