



**CITY OF AUBURN HILLS**  
City Council Workshop  
Minutes

May 7, 2018

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**CALL TO ORDER:** Mayor McDaniel at 5:30 PM

**LOCATION:** City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326

Present: Mayor McDaniel, Council Members Burmeister, Knight, Moniz and Verbeke

Absent: Council Member Hammond and Kittle

Also Present: City Manager Tanghe, City Attorney Hill, Assistant City Manager Grice, City Clerk Pierce, Finance Director/Treasurer Schulz, Deputy Finance Director/Deputy Treasurer Farmer, Management Assistant Intern Benoit, DPW Director Melchert, Deputy DPW Director Stahly, Mgr of Roads & Fleet Brisson, Assistant Fire Chief Macias, Director of Senior Services Adcock, Director of Community Development Cohen, City Assessor Griffin, Police Lt. Gagnon, Media Communications Specialist Mathes, City Engineer Juidici

Mr. Benoit, Ms. Schulz, and Mr. Melchert presented the financial forecast. Mr. Benoit explained the strategies that the City has employed to keep expenditures low and better the City's finances such as eliminating capital improvement projects from the five year budget to slow the downward trajectory in general fund balance, establish special assessment districts to offset road costs on the roads only serving industrial uses and utilizing the SAFER grant for fire department staffing. Mr. Tanghe noted that the Council set a goal to keep a fund balance of 35%.

Mr. Benoit explained the methods used to generate revenue for the City which includes obtaining matching funds from the state and federal government for specific road projects, adopting a policy to reduce the duration of tax abatements, and passing the 2016 fire millage, and property sales. He pointed out the large increase in review and permit fees from the Community Development Department.

Mr. Benoit noted that the City's budget shows a downward trajectory. The general fund is projected to be used to balance the budget in each year of the five year budget. He stated that there is no indication that the current trend of declining general fund balance will reverse itself without intervention.

Ms. Schulz explained the five year projections with and without a millage increase.

Mr. Melchert explained the PASER road ratings in regards to the life of the roads. Discussion ensued regarding using asphalt instead of concrete on the roads. It was noted that the current mills would not generate enough to maintain the roads at PASER goal set by Council of 6-7.

Discussion ensued regarding a Headlee Override versus a road millage, the amount of funds that would be generated, and the estimated amount it would cost the homeowner per year. It was noted that if a Headlee Override was approved in November, the City would not see the funding until the 2020 operations. Council discussed the process to amend the City Charter. Council agreed to request staff to further study the available options.

The meeting adjourned at 6:51 PM.

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**Kevin R. McDaniel, Mayor**

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**Laura M. Pierce, City Clerk**