



CITY OF AUBURN HILLS
City Council Workshop Meeting
Minutes

August 3, 2020

CALL TO ORDER: Mayor McDaniel at 5:30 PM
LOCATION: Admin Conference Room, 1827 N. Squirrel Road, Auburn Hills, MI 48326
Present: Mayor McDaniel, Council Members Burmeister, Kittle, Marzolf, Moniz, Verbeke
Absent: Knight

Also Present: City Manager Tanghe, Assistant City Manager Grice, Deputy Clerk Klassen, Finance Director/Treasurer Schulz, Deputy Finance Director/Deputy Treasurer Farmer, Accountant Bommarito, Accountant Potvin, Director of Public Works Melchert, Police Chief Baker, Fire Chief Taylor, Manager of Business Development Carroll, Management Intern Hagge

Presentation of 2020 Amended Budget Updates and the 2021-2025 Projected Budget

Ms. Schulz presented the changes that have taken place from June 1st to August 1st due to pandemic related expenses, program cancellations, and lost revenue.

Ms. Schulz reported that as of July 30, 2020, \$1,626,390.94 has been requested through the CARES Act Funding and \$502,011.85 has been approved and budgeted for.

The 2021 Budget was presented and the current projections through 2025 were provided. It was stated that since the City is almost built out, there is potential to see a change in the tax revenues. This change can take up to two years to see the full effect. Currently, the General Operating fund and the Fire Revenues should stay the same but the Police Department will see a slight increase.

The major assumptions were shared which included:

- \$17.1M General Fund Road Transfers 2021-2025
- \$2M General Fund supplemental transfers to Retiree Health Care Trust
- \$250K 2021-2024 (REDUCED previous plan of \$500K EACH year)
- \$1M General Fund supplemental transfers to Pension Trust
- \$250K 2021-2022 (REDUCED previous plan of \$500K EACH year)
- \$8.1M Personal Property Tax Reimbursement 2021-2025 (\$1.6M Non Public Safety)
- No AFSCME increases 2024-2025. Reserved funds for up to 2% wage increases held in lump sum.
- Previous years 2% COLA for Non-Union positions removed 2021-2025
- Reserved funds of 5% of total 2020 Non-Union wage held for 2021 contingent upon advancement
- \$12.9M Act 51 funding 2021-2025
- 2.5% reserved on current 2020 wages held for 2022-2025
- \$7M in road work pushed back over a year or more beginning in 2021. \$4.4M into 2026 or later
- \$250K in park rehabilitation work removed from 2021-2025 budget projections
- No additional revenue for road millage or NEW special assessments is reflected in 2021-2025
- Development Revenues held constant 2021-2025 at \$1.2M (2018-\$2M, 2019 \$2.2M)
- Significant drop in CPI projections for 2020 affecting Tax Revenues

It was shared that there are currently 16 projects under construction that will provide revenue to the City and 16 projects that have been approved but have not started.

The wages and benefits for the City were discussed. It was shared that 88% of the full time employees are represented in the General Fund. There are 29 full time employees, 57 employees in the Police

Department and 26 employees in the Fire Department.

Mr. Kittle asked that the report be sent out earlier next time. He asked what the effects of Covid would have on the daytime footprint of the City. Ms. Schulz stated that at this time there are no reports but it is on their radar.

Mr. Marzolf asked if there would be any reduction in Staff. Ms. Schulz stated that at this time, there is no plan to reduce the full time staff.

The meeting adjourned at 6:23 PM.

Kevin R. McDaniel, Mayor

Kristine Klassen, Deputy Clerk