



CITY OF AUBURN HILLS
 City Council Workshop Meeting
 Minutes

March 15, 2021

CALL TO ORDER: Mayor McDaniel at 6:13 PM.

LOCATION: Virtual Meeting through Microsoft Teams, <https://bit.ly/AH-Mar15-CC>

Present: Mayor McDaniel (Auburn Hills, MI), Council Members Burmeister (Rochester, MI), Kittle (Auburn Hills, MI), Knight (Apopka, FL), Marzolf (Auburn Hills, MI), and Moniz (Auburn Hills, MI).

Absent: Council Member Verbeke

Also Present: City Manager Tanghe, Assistant City Manager Grice, City Attorney Beckerleg, City Clerk Pierce, Assistant to the City Manager Skopek, Fire Chief Taylor, Recreation Director Hegdal, Assessor Griffin, Senior Services Director Adcock, DPW Director Melchert, Community Development Director Cohen, Finance Director/Treasurer Schulz, Deputy Finance Director/Deputy Treasurer Farmer, A/R Manager Culver, Accountant Potvin, Engineer Juidici, Management Assistant Hagge

3 Guests

The topic of the workshop was "Proposed Bond Projects". Mr. Tanghe presented the projects recommended for inclusion in the 2021 bond issuance. He explained that the estimated professional fees for the bond issuance is estimated at \$181,219.00. He stated that the total of all the projects, including the professional fees, is \$14,499,696.00.

<p><u>Road Improvement Projects, estimated total \$11,922,000.00</u></p> <ul style="list-style-type: none"> • Auburn Road: Churchill to Opdyke and Cherryland to Adams • Shimmons Road: Phillips to Dexter • Five Points Drive • Taylor Road: Joslyn to Giddings • Bald Mountain Road • Harmon Road • Paramount Estates • Canadian Subdivision 	<p><u>HVAC Projects, estimated total \$595,150.00</u></p> <ul style="list-style-type: none"> • DPW Building • Fieldstone Golf Club • Public Library • Public Safety Building • Riverside Park • Administration Building/City Hall • Chamber of Commerce Office • Community Center
<p><u>Pathway Project, estimated total \$500,000.00</u></p> <ul style="list-style-type: none"> • Pathway Connection: N. Squirrel Road to Bald Mountain Road 	<p><u>Roof Projects, estimated total \$1,301,327.00</u></p> <ul style="list-style-type: none"> • Administration Building/City Hall • Community Center • Public Safety Building

Mr. Tanghe explained the bond issuance philosophy is to

- Take advantage of the current low interest rates with our AA+ bond rating ($\leq 1.50\%$ today)
- Have a significant high impact on road improvements from 2021 – 2023 and immediately begin to deliver on the City's promise to further invest in the roads as a result of the 2020 Road Millage approved by voters
- Enable the retainage of a strong cash fund balance through very uncertain times
- Utilize the City's strong fund balance to address numerous other project needs that will draw down on

cash reserves which are not included in the bond, including but not limited to:

- Veranda enclosure at Fieldstone Golf Club
- New Shimmons Road connection to Lapeer Road
- Facility improvements to Fire Stations 1, 2 & 3
- Costs associated with Energy Reduction Coalition
- Additional road projects currently scheduled in 2024 & 2025
- Additional advance funding of Defined Benefit Pension Plan and Retiree Health Care Trust
- Addition to existing or addition of new downtown parking structure

Mr. Tanghe also reviewed the proposed bond option repayment schedules for 20, 15, 12 and 10 years.

Council discussed the repayment schedules. It was noted that there could be years where there are projects paid using proceeds from both the millage and bond. It was pointed out that these are estimated costs and each project could cost more than estimated. In response to a question from Council, it was confirmed that the road projects are included in the five-year budget plan. This would free up general fund dollars for the projects not covered by the bond.

The Finance Department will be working with PFM. A resolution authorizing the publication of a notice of intent to issue the bonds is being presented at the regular Council meeting tonight. Time is of the essence because of the low interest rates.

The meeting adjourned at 7:08 PM.

Kevin R. McDaniel, Mayor

Laura M. Pierce, City Clerk