



# *The City of Auburn Hills*

## City Council Meeting

### Minutes

November 27, 2017

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**CALL TO ORDER:** Mayor McDaniel at 7:00 p.m.

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

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

Absent: None

Also Present: City Manager Tanghe, Assistant City Manager Grice, City Attorney Beckerleg, City Clerk Kowal, Police Lt. McDonnell, Deputy Treasurer Wickenheiser, Accounting Manager Farmer, Deputy Clerk Pierce, Dept. of Public Works Director Melchert, Director of Community Development Cohen, Senior Director Adcock, Director of Authorities Seimer, Management Assistant Thomas, Engineers Juidici and Stevens.

25 Guests

#### **4. ELECTION OF MAYOR AND MAYOR PRO-TEM**

##### **ELECTION OF MAYOR**

Mayor McDaniel turned the chair of the meeting over to the City Clerk. Ms. Kowal called for nominations for the Mayor.

**Moved by Kittle.**

**RESOLVED: To nominate Kevin McDaniel for Mayor.**

**Moved by Verbeke, Seconded by Knight.**

**RESOLVED: To close nominations.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.206**

**Motion Carried (7 - 0)**

##### **ROLL CALL VOTE FOR MCDANIEL FOR MAYOR:**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.207**

**Motion Carried (7 - 0)**

##### **ELECTION OF MAYOR PRO TEM**

Mayor McDaniel called for nominations for the Mayor Pro Tem.

**Moved by Verbeke.**

**RESOLVED: To nominate John Burmeister for Mayor Pro Tem.**

**Moved by Knight, Seconded by Verbeke.**

**RESOLVED: To close nominations.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.208**

**Motion Carried (7 - 0)**

**ROLL CALL VOTE FOR BURMEISTER FOR MAYOR PRO TEM:**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.209**

**Motion Carried (7 - 0)**

Mayor McDaniel stated that he is honored to serve in this third term as Mayor and is humbled by the opportunity to lead the Council in this City that has a bright future. He thanked his wife and kids for their love and support.

Mayor McDaniel extended his appreciation to outgoing Mayor Pro Tem VeRonica Mitchell and her dedication to serving the community. He presented a plaque in recognition of her outstanding years of service to the City.

Mayor McDaniel welcomed new Council Member Ron Moniz and congratulated the re-elected Council Members Burmeister, Kittle, and Knight and extended his gratitude to Ms. Hammond and Ms. Verbeke for their continued service. He thanked them for their dedication, support, and continued cooperation as the City moves into the future.

**5. APPROVAL OF MINUTES**

5a. Regular City Council Minutes – November 13, 2017

**Moved by Verbeke, Seconded by Hammond.**

**RESOLVED: To approve the November 13, 2017 City Council minutes**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.210**

**Motion Carried (7 - 0)**

**6. APPOINTMENTS AND PRESENTATIONS**

6a. Morning Optimist Club Civilian Employee of the Year

Mr. Knight explained that the Optimist Club added a new award for Civilian Employee of the City. Mr. Tanghe congratulated Community Development Director Steve Cohen on being recognized by the Auburn Hills Morning Optimist Club as their Civilian Employee of the Year. He was honored to nominate Mr. Cohen for his work in the City and the positive impact he has had on the responsible planning and growth of Auburn Hills.

Mr. Knight expressed that Mr. Cohen has done a superb job of leadership and being innovative. Mayor McDaniel expressed that Council is very fortunate to have him on the team. Ms. Verbeke commented that his excitement for planning makes him perfect for the role.

Mr. Knight presented Mr. Grice with the Civilian Employee of the Year plaque to be displayed in City Hall recognizing the award winners.

Mayor McDaniel recessed the meeting at 7:33 PM.

The Mayor reconvened the meeting at 7:44 PM.

**7. PUBLIC COMMENT**

## 8. CONSENT AGENDA

Mr. Knight removed Item 8c (2018 Council Meeting Schedule) from the Consent Agenda.

### 8a. Board and Commission Minutes

8a1. Downtown Development Authority – October 16, 2017

8a2. Brownfield Redevelopment Authority – October 17, 2017

8a3. Tax Increment Finance Authority – October 10, 2017

8a4. Planning Commission – November 15, 2017

### 8b. Motion – Approval of Bid Award for Industrial Floor Coverings

**RESOLVED: To approve the industrial floor coatings project contract to Great Lakes Restoration, 378 Leetonia Dr. Troy, MI 48085 with funding available in the Facilities Fund, Account Number 101-265-931-000 for the amount of \$37,200.00.**

**Moved by Kittle, Seconded by Verbeke.**

**RESOLVED: To approve the Consent Agenda items 8a and 8b.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.211**

**Motion Carried (7 - 0)**

### 8c. Motion - Approval of City Council Meeting Schedule for 2018

Mr. Knight suggested that the first meeting in May be moved from the second Monday to the first Monday, which would give a week between each meeting, rather than back to back meetings.

**Moved by Knight, Seconded by Moniz.**

**RESOLVED: To approve the proposed 2018 City Council Meeting Calendar, with the amendment of the meetings in the month of May to be held on the 1<sup>st</sup> and 3<sup>rd</sup> Mondays, which are May 7<sup>th</sup> and 21<sup>st</sup>.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.212**

**Motion Carried (7 - 0)**

## 9. OLD BUSINESS

## 10. NEW BUSINESS

### 10a. Motion – Approval of Site Plan and Tree Removal Permit / 3985 Giddings Road - A.J. Damman Company

Mr. Cohen explained the request to construct a speculative 76,923 square foot industrial building. The property is zoned I-1 Light Industrial District. He noted that the project requires 193 replacement trees and the landscape plan calls for only 79 trees to be planted; 114 fewer trees than required by ordinance. There is not enough room to plant all the required trees on the site. The developer will pay \$43,320 into the City's tree fund to make up for the lack of trees. The total project investment is estimated at \$4.5 million. Construction is expected to begin in the spring and be complete in one year. Planning Commission and staff recommend approval of the project.

Mike Damman, A.J. Damman Company, commented that the project underwent a thorough project review.

**Moved by Knight, Seconded by Burmeister.**

**RESOLVED: To accept the Planning Commission's recommendation and approve the Site Plan and Tree Removal Permit for 3985 Giddings Road - A.J. Damman Company subject to the conditions of the administrative review team.**

**VOTE: Yes: Burmeister, Hammond, Knight, McDaniel, Moniz, Verbeke**

**No: Kittle**

**Resolution No. 17.11.213**

**Motion Carried (6 - 1)**

10b. Motion – Approval of Special Land Use Permit / 3300 University Drive – Wescast Industries, Inc.

Mr. Cohen explained the special land use request for light industrial activity which will be an accessory component to the building and will constitute only 30% of the floor space of the entire building. He noted that there are nine conditions agreed upon by Wescast in an effort to plan for and mitigate any potential land use conflicts that could occur with their business and the City campus. Those conditions will be incorporated into a development agreement once the project is approved. Wescast intends to occupy the building by spring, 2018. The initial investment in interior renovations is approximately \$2 million and they plan to invest more in the building in the future. Planning Commission and staff recommend approval of the project.

Mr. Burmeister asked if Wescast is going to replace any portion of the road that is torn up by the increased truck traffic and how it will be monitored. Mr. Cohen explained that the development agreement will protect the City and Wescast is aware that the road would be replaced at their cost. The DPW Department and OHM will monitor the road and make the determination as to when the road will need to be replaced.

Mr. Cohen confirmed for Mr. Moniz that Wescast has agreed to limit the number of trucks to only six during the day as recommended by OHM.

Mark Heusel, attorney for Wescast Industries, explained that this is the North American Headquarters for Bohong Group. He noted that this facility is not intended to be a primary production facility. He noted that a very small portion of the facility will be reserved for overflow machining. By nature, they will not be able to do intensive manufacturing out of this facility.

Mr. Cohen confirmed for Mayor McDaniel that the City has the ability to enforce the stipulations and conditions outlined. He stated that, in conjunction with the Police Department, the City is able to enforce the hours of operation, however Wescast will run limited manufacturing 24 hours a day with limited staff. Their normal office conditions will be 8AM-5PM. He confirmed that truck traffic will not be allowed during rush hour time period, which will be stated in the development agreement.

Mr. Burmeister questioned the noise level with the 24 hour operation. Mr. Heusel explained that the bay doors will be closed. Mr. Cohen stated that it is loud inside the Sterling Heights facility, however, standing outside the building and with the doors shut, he could not hear anything outside of the building.

In response to a question by Mayor McDaniel, Mr. Juidici explained that they have no concerns with the limited truck traffic as far as road deterioration. Mr. Beckerleg confirmed that enforcement options include litigation under breach of contract or to revocation of the special land use permit.

Mr. Moniz questioned if the trucks would be parked in the lot overnight. Mr. Heusel explained that as part of the development agreement, they have agreed that they would not have any outside storage.

**Moved by Verbeke, Seconded by Moniz.**

**RESOLVED: To accept the Planning Commission’s recommendation and approve the Special Land Use Permit for 3300 University Drive - Wescast Industries, Inc. subject to the conditions of the administrative review team.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.214**

**Motion Carried (7 - 0)**

10c. Motion – Approval of One-Year Extension of the Site Plan / Legend Valve and Fitting, Inc.

Mr. Cohen explained the request for a one-year extension of the site plan to construct a 59,826 square foot building addition. The company has not started work on this addition because the additional space has not materialized as originally planned. They hope to move forward next year.

Larry Emmert, Vice President of Operations for Legend Valve and Fitting, explained that they used last year to become more efficient with their existing space, although they have essentially run out of space and delayed the addition to the next budget year.

**Moved by Verbeke, Seconded by Burmeister.**

**RESOLVED: To approve a one-year extension of the Site Plan for Legend Valve and Fitting, Inc. The approval shall expire on November 28, 2018.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.215**

**Motion Carried (7 - 0)**

10d. Motion – Approval of One-Year Extension of Special Land Use Permits and Site Plans / Hilton Garden Inn Hotel and associated condominiums

Mr. Cohen explained the request for a one-year extension of the special land use permits and site plans to allow the construction of a three-story, ninety-six room Hilton Garden Inn Hotel and to allow the creation of an associated two-unit condominium with the TownPlace Suites Hotel. The work has not begun due to a financing delay with the lender. The project still complies with the ordinances and staff has no objections to the extension.

Basil Bacall, Ring Hospitality Group, explained that the current lender has the note on the entire project and they are having trouble convincing them to release half of it. They are currently working with a law firm to help accomplish that.

Mr. Bacall confirmed for Mr. Kittle that each hotel is its own entity and has to be financed differently. For liability and other reasons, it needs to have its own LLC.

**Moved by Knight, Seconded by Hammond.**

**RESOLVED: To approve a one-year extension of the Special Land Use Permits and Site Plans for the Hilton Garden Inn Hotel and its associated condominium with the TownPlace Suites Hotel. The approvals shall expire on November 28, 2018.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.216**

**Motion Carried (7 - 0)**

10e. Motion – Introduction and Schedule for Public Hearing to Amend Auburn Hills Code of Ordinances, Chapter 74 - Utilities

Ms. Farmer explained that over the past three years, on average, \$450,000 has been transferred to the winter tax bills for delinquencies, which include water and sewer, waste management, road paving, and blight. The water and sewer bills make up approximately 77% of that amount. On average, 419 water and sewer accounts each year are considered delinquent and transferred to the winter tax bills, which has a 7% delinquency rate. Of those delinquent accounts, the majority are residential accounts. The penalty is a one-time penalty on the past due usage amount, and it is not compounding month after month. Staff recommends the ordinance be amended to allow for a compounding penalty to help incentivize the residential customers to make timely payments therefore reducing the amount that is transferred to the taxes.

In response to a question from Mr. Knight, Ms. Farmer explained that the past due each month would compound, not after it is transferred to the taxes, which is a different penalty.

Mr. Kittle expressed concern with a 10% penalty. Ms. Farmer stated that the percentage can be re-evaluated. She stated that there may be other options the City could look to as well as far as the transfer fee each year. In response to a question from Mr. Kittle, Ms. Farmer noted that there is help for individuals with exemptions or hardships to set up payment plans.

Mr. Knight stated that he has no problem putting this on first reading, but will not vote on the second one until he understands the compounding. He suggested 1% a month or 12% per year.

Mr. Beckerleg noted that Council could move it forward tonight and set it for public hearing and have more information brought forward at the public hearing. At that time, you could change the 10% to some other number. He pointed out that the current penalty is a simple penalty at 10%, as opposed to a compounding penalty.

Mr. Kittle commented that a 10% per month compounding would be an annual 300% rate. Ms. Farmer explained that the idea was to be able to allow for compounding, then the second step would be to figure out what that amount should be.

**Moved by Verbeke, Seconded by Moniz.**

**RESOLVED: To accept the First Reading of Ordinance 17-898 to Amend Article II, Sewage and Wastewater Disposal Systems, Sec. 74-108, Sewer Operations and Procedures, and Article IV, Water Distribution System, Sec. 74-143, Collection of Rates and Charges of the Auburn Hills City Code and Set for Public Hearing and Second Reading/Adoption at the Meeting of December 11, 2017.**

In response to a question by Mr. Kittle and Mayor McDaniel, Mr. Beckerleg confirmed that Council would not have to adopt the ordinance at the second reading. It could be adopted, not adopted, or tabled. Mayor McDaniel noted that he would like to see a recommendation in terms of the amount, compounding, review of comparables from closely neighbored communities, and bring forward a couple different options. It could be drafted during the discussion and if all were comfortable, entertain a motion for adoption or leave it for the next meeting.

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Moniz, Verbeke**

**No: None**

**Resolution No. 17.11.217**

**Motion Carried (7 - 0)**

## 11. COMMENTS AND MOTIONS FROM COUNCIL

Mr. Moniz

- Congratulated Council Members Burmeister, Kittle, and Knight on their re-election and thanked the residents for their support in the election. He recognized Mr. Hawkins, who also ran as a write-in candidate. He also thanked his family for their support.
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Ms. Verbeke

- Invited everyone to attend the Tree Lighting Ceremony downtown on Friday, which begins at 6:00 PM and features Santa and Mrs. Claus.

### Motion - Approval of Agreement with Munetrix for 2018 Financial Reporting Software

Mr. Kittle

- Explained that an opportunity has come up with the state in that the State has realized the importance of a financial analytics and planning tool for local units of government. The State is offering a 50% subsidy for communities that actually purchase a system. He would like to propose City Council actually license through the City a subscription to the Munetrix platform and get the 50% reimbursement from the state, then he would, as a company, donate the rest of the money, the amount that the state does not reimburse, for use in the community foundation or other philanthropic-type activity that the City might be interested in.

Mayor McDaniel requested clarification that the 50% would not be covered by the state. The City would cover that portion, but you would then donate that portion back. Mr. Kittle explained that they would invoice the City, the City would pay the company, then there is a request form that is submitted to the State and has to be submitted by December 1<sup>st</sup>, then the state would reimburse half of the subscription price to the City. He noted that there are two platform options – a basic option which is approximately \$3,600 and a premium options which is approximately \$5,500.

Ms. Verbeke commented that Munetrix is a great tool and he has been very generous that the company has donated this to Auburn Hills in the past. She questioned if there is competition. Mr. Kittle explained the RFP process through the state. He noted that Munetrix is the only company from Michigan and scored the highest in the evaluating committee's analysis. Ms. Verbeke noted that basically something has to be done tonight or they are not eligible for the 50% funding.

Mayor McDaniel expressed concern that this seems rushed. He noted that the portion that is from the state is covered for the 50% and the City is then paying 50% and then the company is going to turn the funds over to a non-profit. The City would be donating to the non-profit, but then the company would get the donation from it.

In response to a question from Mayor McDaniel, Mr. Beckerleg explained that there are three state acts to look at when considering this kind of proposal as well as the City Council Rules of Order. There is an exception to those acts that allow this kind of transaction to occur, however, Council cannot enter into a written agreement between the City and Munetrix and Mr. Kittle cannot vote on it.

Mr. Knight stated that Mr. Kittle has been providing the City with a lot of expertise. He suggested the City pay the entire fee and collect the 50%. Any kind of agreement clouds the issue as if we are doing a deal with him. We need to say that it is a good business and we will pay for the service.

Mayor McDaniel expressed his concern with the appearance of this. He stated that while we may decide that Munetrix is the better company and we have used it successfully in the past, going out to bid and to make certain we are doing so in the best interest of the community to see what is out there and let the best corporation win the bid would be more appropriate from an appearance standpoint. He stated that it may be better to have this discussion in the next calendar year as he is not 100% comfortable with this from an appearance and question aspect.

Ms. Verbeke suggested moving forward with this as it's their fiduciary responsibility. If we did not take advantage of the funds from the state, we would not be doing a good job. Next year, we could look to see what other options are out there.

Mr. Moniz stated that he does not have enough information to support this.

Mr. Knight explained that the purchasing ordinance allows us to pay up to 5% more for a local bid over an out-of-state company. He asked if a motion could be made to subscribe a non-competitive bid of \$5,000 for one-year subscription to Munetrix with the understanding that it would go out to bid at the end of the time. He stated that we know the service and what it can do. We do not have to go out to bid for \$5,000. Mr. Beckerleg confirmed that that type of motion would be ethical and appropriate. He pointed out that had this been a normal circumstance not involving a sitting city council member, the City Manager could make the decision on his own. Because this is involving a sitting city council member, state law requires that City Council make the decision.

Mr. Kittle explained for Mayor McDaniel that there would be much more value to the City under this proposal. Munetrix does most of the work as far as data entry and analytics. Over the last five to six years, the value of their work is approximately \$15-\$20,000 worth of free consulting services. Mayor McDaniel noted that there was some value to him serving on council being able to promote that the community which he serves is utilizing his services.

Mr. Burmeister expressed his concern with the timeframe on this item.

**Moved by Knight, Seconded by Verbeke.**

**RESOLVED: To approve retaining Munetrix to provide data analytics and data management services to the City and specifically the Premium Edition, for the 2018 calendar year, subject to the State reimbursing the City for 50% of the cost of the services for 2018, with the City Council looking to possibly competitively bid the services for the 2019 calendar year.**

**VOTE: Yes: Hammond, Knight, Verbeke**

**No: Burmeister, McDaniel, Moniz**

**Abstain: Kittle**

**Resolution No. 17.11.218**

**Motion Tied - Failed (3 - 3)**

Ms. Hammond

- Thanked the Auburn Hills Police Department for their Facebook updates in distributing the information to our residents during the fire in Orion Twp.

Mr. Knight

- Stated that he is having trouble figuring out how to park at the electric meters. It appears that an app is required. He stated that he does not remember discussing a fee for the meters. He does not have issue with charging, but it has made it most difficult for him to figure out how to plug in for \$1.00 an hour and then go into five. It was not handled well from a public relations standpoint.
- Questioned why there is only a small number of Planning Commission members at every meeting.
- Stated that he still feels strongly about parking downtown. He stated that he would like to discuss the safety issue of backing up and parking in a study session. There are not a lot of accidents downtown, however he will not use the street parking because he cannot see to back up. This is not a decision for the downtown merchants to make. It is health, welfare, and safety.

Mr. Burmeister

- Thanked Council for their support in his new position as Mayor Pro Tem.
- Stated that he was at Great Lakes Crossing on Friday morning, drove right in, and did not see a problem.

Lt. McDonnell explained that Friday afternoon was gridlock at the shopper shift change. The police hand-direct traffic with the assistance of the light system and traffic cleared out rather quickly.

- Thanked the Police Department. Several of the candidates and sitting Council members had an issue with someone making some phone calls. He appreciates the help and the information obtained from it. Lt. McDonnell noted that those running for office in some other communities also received calls of the same nature.

Mayor McDaniel

- Is looking forward to providing Santa a Key to the City.



- Part of his role is to appoint the Council members to their respective sub-committees. He stated that he would like to leave it up to Council based on their interest level. He requested Council provide him with their requests by December 7<sup>th</sup> and he will do his best to give them the committee that they desire.

**12. CITY ATTORNEY'S REPORT**

**13. CITY MANAGER'S REPORT**

Management Assistant Thomas

- Announced that the 24<sup>th</sup> annual tree lighting ceremony will be held on Friday, December 1<sup>st</sup> from 6:00 PM to 9:00 PM. Mayor McDaniel will welcome Santa and Mrs. Claus. The winners of the essay contest will be recognized on stage and will assist in lighting the tree. Activities downtown include live reindeer, voting for your favorite decorated storefront, photos with Santa, carriage rides, caroling, and a charity activity for children in need. Businesses will be open throughout the event and special offers will be provided in the program for all the guests.

Mr. Kittle

- As a follow up to the previous discussion, stated that the companies went through a very strict rating and prequalification at the state level. The pricing for the competitive alternative is \$9,000 with no donation afterwards and his company would be \$5,550.

**14. ADJOURNMENT**

Hearing no objections, the meeting adjourned at 9:22 PM.

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Kevin R. McDaniel, Mayor

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Terri Kowal, City Clerk