



CITY OF AUBURN HILLS
CITY COUNCIL AGENDA

MEETING DATE: SEPTEMBER 11, 2018

AGENDA ITEM NO. .

**CITY OF AUBURN HILLS
TAX INCREMENT FINANCE AUTHORITY MEETING**

September 11, 2018

CALL TO ORDER: Chairman Hassett called the meeting to order at 4:07 PM.

ROLL CALL: Present: Goodhall, Hassett, Kneffel, Molnar, Roberts, Dolly, Thornton
Absent: Price, Waltenspiel
Also Present: Don Grice, Assistant City Manager; Aaron Stahly, Deputy Director of Public Works
Guests: Aaron Stahly

LOCATION: Admin Conference Room, Auburn Hills City Hall, 1827 N. Squirrel Road, Auburn Hills, MI 48326

PERSONS WISHING TO BE HEARD

None.

APPROVAL OF MINUTES

A. Regular Meeting Minutes – August 14, 2018

There was no additional discussion about the meeting minutes as presented.

**Moved by to Mr. Goodhall approve the Regular TIFA Minutes from August 14, 2018 as presented.
Supported by Mr. Molnar.**

**Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Dolly, Thornton
No: none**

Motion carried

FINANCIAL REPORT

A. Period ending June 30, 2018

Mr. Grice presented a summary of changes in the financial report for the period ending August 31, 2018. He reviewed the investment accounts stating that district A has \$1.49 million cash and \$1.2 million invested between three separate accounts including Investment Pooling, Insight and MiClass, District B has \$2.2 million cash, and \$5.56 million invested with Insight. The depletion of cash in District B is due to the onset of payments for the watermain replacement and pathway project for Opdyke Road. TIF District D has \$782,217 cash on hand and \$1.29 million invested with Insight.

TIF A has received 83% of its budgeted property tax revenue and utilized 44% of its expenditures. TIF B has received 79% of its budgeted property tax revenue and has only utilized 61% of its anticipated expenditures. TIF D has received 99% of the budgeted interest revenue for investments and utilized 55% of its budgeted expenditures.

Ms.Thornton asked if this new presentation format was going to be used moving forward. Mr. Grice stated that it would not stay in this format and that he would be working with the new Director to determine the best option for the future.

**Moved by Mr. Goodhall to receive and file the financial report for period ending August 31, 2018.
Supported by Mr. Molnar.**

**Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Dolly, Thornton
No: none**

Motion carried

OLD BUSINESS

A. Approval of 2018 Amended and 2019 Proposed Budget

Mr. Grice presented the Board with a copy of the 2018 Amended Budget and 2019-2023 Proposed Budgets. He informed the Board that this latest version had several changes from the budget presentation that was reviewed at the July TIFA meeting. The noteworthy changes are as follows:

- TIFA A – Is projected to see an increase in property tax revenues beyond what was reviewed at the August meeting. A combination of increasing values and further development are expected to increase these revenues an additional 3.9% for 2020, with an anticipated growth of between 1.5 to 4.5% in the years 2021-2023.
 - The \$150,000 scheduled for the Riverside Canoe Launch project in 2018 was increased to \$170,000 and moved to the 2019 budget year.
- TIFA B- Is also projected to see an increase in property tax revenues in the out years. An increase of 3.3% is expected for 2020 with an anticipated growth of between 1.2 to 3.7% in the years 2021-2023.
 - An additional \$160,000 is reflected in this budget update. This funding reflects the approved transfer from TIF-B to the DDA as part of the construction incentives for the Riverside Townes project.
- TIFA D- Unfortunately, TIF-D will not see a property tax revenue increase. Revenues in this district are expected to remain in a negative capture for the foreseeable future.
 - Updated budget includes an additional \$33,500 in wages and benefits that was not included in the August presentation.

Moved by Ms. Roberts to approve the 2018 Amended Budget and 2019 Proposed Budget as presented, furthermore, recommend to the City Council the inclusion of these budgets for adoption in the City's overall budget documents. Supported by Ms. Dolly

**Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Dolly, Thornton
No: none**

B. University Center Maintenance Update

Mr. Stahly gave a brief update as to the conditions at the University Center (UC). As was discussed at the July meeting, additional issues were uncovered during the initial repair. As a result, staff requested that a structural engineer inspect the floor joists and I-beams supports for the second floor. The results of the inspection showed improper structural components in need of replacing. The engineers estimate for repairs totaled \$71,154.93. Significant conversation between Board members debating whether the investment in the repairs should be made or if the building should be sold for a different use. After much discussion, the Board decided that the repairs made both short and long-term sense.

Moved by Ms. Thornton to authorize the City Manager to authorize and emergency purchase in the amount not to exceed &71,154.93 for the completion of University Center maintenance, consistent with the TIFA Bylaws. Supported by Mr. Molnar.

Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Dolly, Thornton

No: none

NEW BUSINESS

None.

CORRESPONDENCE AND PRESENTATIONS

BOARD MEMBER COMMENTS

Chairman Hassett inquired on the status of the Dream Vacation Sweepstakes. Mr. Grice informed the Board that all of the entries had been entered and that Exposure Marketing was waiting to hear back from staff before starting the process to select a winner. He explained that once selected, their information had to be verified before final approval. The Board had extensive conversation regarding the details on how to award the prize. Following the conversation, the general consensus was that there should be some fanfare surrounding the presentation of the award, assuming the winner did not object. It was then suggested that the awarding of the prize take place at The DEN. The Board then voted to move the October TIFA Meeting to the DEN.

Motion to move the October 9, 2018, TIFA Meeting to the DEN 3388 Auburn Road, Auburn Hills, MI 48326

Yes: Goodhall, Hassett, Kneffel, Molnar, Roberts, Dolly, Thornton

No: none

ANNOUNCEMENT OF NEXT MEETING

The next regularly scheduled TIFA Board of Directors meeting is Tuesday, October 9, 2018 at 4:00 PM at the DEN 3388 Auburn Road, Auburn Hills, MI 48326

ADJOURNMENT

There being no objections, the TIFA Board of Directors meeting adjourned at 5:33 pm.

Respectfully submitted,
Steve Goodhall
Secretary of the Board

Donald K. Grice
Assistant City Manager